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PROCEEDINGS AND DEBATES OF THE 100th CONGRESS, FIRST SESSION

SENATE—*Friday, March 27, 1987*

(Legislative day of Tuesday, March 24, 1987)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Honorable RICHARD SHELBY, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Loving heavenly Father, God of all comfort, in a large family like this, undoubtedly, there are some who are hurting in one way or another. We do not know who they are, but You know. We ask for Your special visitation upon any who are in need at this time. If there be alienation between spouses or between parents and children, may there be reconciliation. If it be a vocational change, let there be confidence that You will direct according to Your perfect will. If it be a financial problem, help them to look to You as the God who provides according to our needs. If it be physical pain or illness, may the healing power of the Great Physician touch and restore. Thank You, Gracious God, for Your love, Your care, Your provision for all our needs. In His name who is incarnate love. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. STENNIS).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 27, 1987.

To the Senate:

Under the provisions of Rule I, Section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable RICHARD C. SHELBY, a Senator from the State of Alabama, to perform the duties of the Chair.

JOHN C. STENNIS,
President pro tempore.

Mr. SHELBY thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MAJORITY LEADER'S TIME

Mr. BYRD. Mr. President, I have no need at this time for the time that is allotted to me under the order. I yield the floor and, following the remarks of the distinguished Republican leader under the standing order, I shall then yield 5 minutes of my time to Mr. HOLLINGS, after which I ask unanimous consent that I may reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the Republican leader is recognized.

ORDER OF BUSINESS

Mr. DOLE. Mr. President, I shall take just a few minutes of my time if the distinguished Senator from South Carolina needs additional time.

BICENTENNIAL MINUTE

MARCH 27, 1895: SENATE CHAMBER IN NEED OF RENOVATION

Mr. DOLE. Mr. President, on March 29, 1895, 92 years ago this weekend, the New York Times noted that Senators were again complaining that their Chamber was badly in need of renovation. One problem was the stained glass ceiling. Sunlight poured through the colored panes, causing amusing multicolored effects on the Senator's faces below. The shadows of clouds sailing overhead made the Chamber look like a "goldfish bowl." Not only did the glass ceiling absorb sound from the floor, but during thunderstorms, the noise often forced the Senate to recess.

A more vexing problem was that of ventilation. When the Senate wing had been completed in 1859, the New York Herald had boasted that—

> The heating and ventilation arrangements are said to be the largest in the world—those of the English House of Parliament not excepted. Every portion of the Capitol—that mountainous mass of marble—is at once ventilated and warmed by one apparatus.

Unfortunately, that gargantuan apparatus did not work as well in practice as it did in theory. Senators had been complaining of stagnant air, suffocating heat, and intolerable dryness almost from the moment they moved in.

Mr. President, Senators labored on in the unimproved Chamber for another half century. It was not until 1949 and 1950 that this Chamber underwent a thorough renovation. While the work was underway, scaffolding occasionally crowded the Senators out of this Chamber and down the hall into the old Senate Chamber where their predecessors met a century before. The transformation of the Chamber did away with the old stained glass ceiling, the poor acoustics, and the stale air. The result is the pleasant Chamber we meet in today.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

SEMICONDUCTOR RETALIATION

Mr. DOLE. Mr. President, last July, the United States Trade Representative negotiated an agreement with the Japanese Government regarding semiconductors.

That agreement was supposed to do two things: Stop the dumping by Japan of semiconductors in the United States at less than fair value; and pry open the Japanese market to United States exports of semiconductors.

At the time, I joined many of my colleagues in applauding the efforts of the administration to fashion such an agreement and the willingness of Japan to cooperate.

The semiconductor industry symbolizes the technological advancement for which our country has become known, but in recent times "Silicon Valley" and other such areas have suffered as demand for their products has fallen and competition among worldwide producers has increased.

That would seem an inevitable, and justifiable, fact of the marketplace, except for one thing:

It turns out much of that competition has been unfair.

Japanese companies have been found to be unloading their products at less than cost in the United States. In addition, despite the acknowledged competitiveness of United States semiconductors, the Japanese have been deliberately blocking our exports into their own market. That is why the administration hammered out an agreement nearly 9 months ago. We can talk all we want about "competitiveness," but there is no such thing if we do not enforce the rules of a free marketplace for our goods and services.

The Japanese, regrettably, have not lived up to that agreement, and last week, due in part to the efforts of Senator Wilson of California, the Senate emphatically placed itself on record calling on the administration to consider serious action.

Yesterday, the Economic Policy Council met and reportedly recommended action to the President. Today he is expected to act. Reports are that he will propose retaliation, to begin April 15, which will raise tariffs significantly on a number of Japanese products such as laser printers, television sets, and personal computers, all of which contain semiconductor components.

The Japanese know that we are their friends. We stand in awe of their extraordinary economic productivity, and we strongly support their democratic institutions. Our relations are of critical importance to our foreign policy. But they also ought to know that there are limits to the harassment our manufacturers can take at the hands of either friend or foe.

We expressed our admiration when the Japanese agreed last July to take steps to redress the problems. We can hardly stand idly by now that that agreement appears to have been breached.

The House Ways and Means Committee, earlier this week, reported major trade legislation to the floor of the House. Although it strengthened current law greatly, it did leave in a number of narrowly drafted provisions designed to assure Presidential discretion in determining the need for, and the nature of, foreign trade retaliation.

The President's action ought to satisfy those who wonder whether an administration will ever act unless forced to. The President is to be applauded for taking action. He should know that if his actions are carefully designed and prudently administered, he will have the support of the Congress behind him.

Moreover, the Japanese should know this too.

Mr. President, I yield the remainder of my time to the distinguished Senator from South Carolina.

ORDER OF PROCEDURE

The ACTING PRESIDENT pro tempore. The Senator from South Carolina is recognized for a period not to exceed 10 minutes.

Mr. HOLLINGS. I thank my good friend, the distinguished Republican leader, and I thank the distinguished majority leader.

TRUTH IN BUDGETING

Mr. HOLLINGS. Mr. President, there is an old saying, "If you're so smart, why ain't you rich?" In that same spirit, the question is asked of me, "You are one of the authors of Gramm-Rudman-Hollings, how would you deal with the budget dilemma? How would you, on the one hand, legislate budget levels that abide by law and, at the same time, provide for the needs of our National Government?"

And I emphasize that phrase "required by law." Gramm-Rudman-Hollings is not magic; no one intended it as magic. It was intended as discipline. Yet, now, many want to scoff the law. They make the excuse, oh, what really happened is the deficit increased over what we originally projected.

Last June, at 11:30 at night, the distinguished Senator from Ohio and myself appeared right after the budget conference broke up. At that time, I enumerated why, instead of a deficit of $144 billion, it was going to be nearer to $170 billion for fiscal year 1987—because we knew the GNP and all the other relevant assumptions. So what really has increased since last year is not the deficit, but truth about the deficit.

Similarly with respect to reining in this budget, I am fully cognizant of the very difficult work and task performed by my chairman of the Budget Committee. Senator Chiles has done an outstanding job. Regrettably, however, he submitted a budget yesterday that does not conform to the law. He uses OMB figures to reach the $108 billion target, not the Congressional Budget Office figures, and therefore, his budget is not in conformance with the law. It is subject to a point of order, and I think that it is time this town gave a little more attention to the letter of the law.

We are constantly hearing about a SALT II Treaty that is not a treaty. We are now going to hear all year long about budgets that are not budgets. And here, for the first time in either body, a budget has been submitted that is not in conformance with the law—and the law has been, in both bodies, the use of Congressional Budget Office economic projections.

Finally, Mr. President, when the distinguished Senator from Texas and myself haggled over formulating Gramm-Rudman-Hollings—I wish you could go back to the original documents—No. 1, he included Social Security as subject to the sequester. I secured agreement that it would be off limits. No. 2, he had said the sequester would come totally from social programs and not defense. But we finally agreed that defense and social programs would be on an equal basis. More particularly, No. 3, he resisted and rejected the raising of revenues, and so did the White House. It was only after long negotiations that we all finally agreed that new revenues would not be off limits. You could give it all to defense and eliminate domestic programs, just so long as you met the Gramm-Rudman-Hollings target. Or you could give it all to social programs and eliminate the Pentagon. The only thing that is sacrosanct is the target itself.

In short, we said let's ensure truth in budgeting and let's provide the money to pay for the government we say we need.

Mr. President, Congress faces a fundamental choice as it drafts the 1988 Federal budget: Will we repeat the continuing charade of smoke and mirrors, or will we opt for realism and revenues? It is time—at long last—to stop the posturing and start talking turkey on taxes.

It is unfortunate that, even at this late date, the President continues to insist we can grow our way out of triple-digit deficits—without pain, without draconian budget cuts, without new taxes. According to the administration's budget, growth will generate a $74 billion revenue windfall which, along with "modest" budget trims, will reduce the deficit to the Gramm-Rudman-Hollings target of $108 billion for 1988.

Regrettably, the President drinks deeply of 100 proof, vintage 1981 supply side wishful thinking. You remember 1981? That was the year the President told us that economic growth would permit us to slash taxes, boost defense spending, and balance the Federal budget by 1984. That was the year the national debt stood at the nostalgic level of $1 trillion—half today's level.

Mr. President, we all know that revenues are the indispensable key to real deficit reduction as well as reduction in the debt itself. For 6 years now, we have nickled and dimed, cut and pasted, dillied and dallied on the budget. The time has come to get the job done. We have been sucking on the bullet; it is time now to bite the bullet.

For too long, we have allowed the President to browbeat us on the issue of taxes. White House minions say that Congress would not dare propose new revenues as part of a deficit reduction package; they boast that the President has "potty-trained" the Democrats on this issue. Meanwhile, the Washington Post ridicules our cowardice—our fear of using the dreaded "T-word" in polite company. This is a sorry spectacle.

We know that revenues must be a key component of the deficit reduction task that lies before us, yet we are afraid to make the first move. This is the opposite of leadership.

Senator GRAMM and others skip merrily down the yellow brick road shouting hosannas to "growth" and supply side economics. In the White House, the Wizard of the Free Lunch—the "Father of Our National Debt," as he will be known to future generations, his legatees—indulges in homilies and shop-warn nostrums about the virtues of a balanced budget amendment. To paraphrase GEORGE BUSH, these people give "voodoo" a bad name.

Meanwhile, Congress sits paralyzed in this tiresome Alfonse-and-Gaston routine. The fact is, Congress is more akin to the Cowardly Lion who lacked courage than the Scarecrow who lacked a brain. We know in our heads what needs to be done. The only question is, do we have the heart and the honesty to do it.?

I know the conventional wisdom: That taxes are a set up and a trap—that the President will demagog the issue, and the Republicans will use it to bludgeon and besiege the Democrats in 1988.

I disagree with this conventional wisdom. I say: Pass a responsible budget—with a credible balance of spending cuts and revenue increases—that offers real budget reduction and gets the deficit down to $108 billion in 1988. Send that $108 billion deficit budget to the White House. Then, if the President wants to play politics by vetoing it, so be it. He will be exposed as the budget buster, the big spender, that one who sabotaged the 1988 budget.

Mr. President, I don't relish playing the role of maverick on budget issues. The plan submitted by Senator CHILES to the Budget Committee is serious and honorable. But it has the fatal flaw—in my view—of abandoning the Gramm-Rudman-Hollings deficit target of $108 billion in 1988. Once we start down that path, even the limited distance proposed by Senator CHILES, there will be no stopping the backsliding. We will be right back to a $170 billion deficit in 1988.

Mr. President, I cannot stand by and allow that to happen. As one-third of Gramm-Rudman-Hollings, I have a duty and obligation to remind the Senate and the entire Congress of our obligations under the law. Accordingly, I offer a balanced budget plan that says no to smoke and mirrors. It is a smoke-free, nonreflecting budget that—at long last—gets the job done.

Mr. President, I ask unaminous consent that my budget plan be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Hollings budget proposal—Fiscal year 1988

[Billions of dollars]

CBO baseline deficit	170.7
Spending:	
Defense (050), assume baseline inflation only in budget authority, outlay reductions to President's request applied on a defensewide basis which increases baseline	+3.0
Science/technology (250) and education (500), funds initiatives above baseline	+0.4
Other nondefense functions	−14.4
Medicare (570), rebasing revisions	−3.3
Asset sales/REA refinancing	−11.4
Administrative/personnel savings	−1.2
Interest savings	−2.1
Total reductions −29.0	
Revenues:	
President's proposals	5.0
Other revenues:	
Extend telephone tax	1.3
Oil import fee ($10 barrel)	16.2
Restrict expense deductions	1.3
Retain top corporate rate at 40 percent—1988	8.2
Increase percent contract completion cost method	1.7
Total other revenues	28.7
Total revenue changes	33.7
Total deficit change	−62.7
Remaining deficit	108.0

HOLLINGS BUDGET PROPOSAL—4-YEAR PLAN

[In billions of dollars]

	1988	1989	1990	1991	CUM 1988–92
CBO baseline deficit	170.7	164.3	136.7	109.5	
Spending changes:					
Defense	+3.0	+20.5	+1.1	+0.5	+7.1
Nondefense initiatives	+0.4	+2.2	+3.4	+3.9	+9.9
Nondefense	−14.4	−14.3	−16.0	−16.4	−61.1
Medicare rebasing	−3.3	−3.8	−4.9	−6.0	−18.0
Administrative savings	−1.2	−3.0	−4.0	−4.3	−12.5
Asset sales/REA refinancing	−11.4	−3.3	−2.2	−1.8	−18.7
Interest	−2.1	−6.6	−12.6	−18.7	−40.0
Total reductions	−29.0	−26.3	−35.2	−42.8	−133.3
Revenues:					
President's proposals	5.0	7.1	7.7	8.0	27.9
Other revenues	28.7	26.6	21.1	21.9	98.3
Extend telephone tax	1.3	2.3	2.5	2.7	8.7
Oil import fee ($10 barrel)	16.2	14.4	14.4	15.4	60.2
Restrict expense deductions	1.3	2.4	2.8	3.2	9.8
Retain top corporate rate at 40 percent—1988	8.2	5.5			13.7
Increase percent contract completion cost method	1.7	2.0	1.4	0.6	5.7
Total revenue change	33.7	33.7	28.8	29.9	126.1
VAT tax proposal:					
10 percent VAT tax, lower base		85.0	124.9	128.0	337.0
Eliminate Medicare tax—1 percent in fiscal year 1989; zero in fiscal year 1990		+44.0	+69.0	+74.3	+187.3
Catastrophic health—$1,000 deductible		+3.4	+5.8	+7.0	+16.2
Total VAT tax proposal		37.6	49.2	46.7	133.5
Total deficit change	−62.7	−97.6	−113.2	−119.4	−392.9
Remaining deficit	−108.0	−66.7	−23.5	+9.9	

Hollings budget proposal—fiscal year 1988—by function

[In billions of dollars]

	Outlay changes to baseline
Baseline	170.7
050: National defense—Use baseline for Budget Authority, inflation only. Outlay reductions to President's request applied on a defensewide basis which adds $3.0 billion in outlays to baseline. 3 percent pay raise in January	+3.0
President (re-est.):	
Budget authority	311.8
Outlays	298.3
Baseline:	
Budget authority	302.7
Outlays	290.5
Recommendation:	
Budget authority	302.7
Outlays	293.5
Cut from President:	
Budget authority	−9.1
Outlays	−4.8
150: International affairs—Budget authority freeze and reduce Ex-Im and across-the-board cuts below a freeze	−1.0
250: Science, space and technology—Assume $350 million in budget authority and $200 million in outlays above baseline for NASA and science/technology and competitiveness initiatives	+.2
270: Energy—Budget authority freeze and reduce SPRO, uranium enrichment and energy R&D and conservation below a freeze	−1.0
300: Natural resources/environment—Reduce recreational and Forest Service funding in accordance with administration slowdown	−.4

350: Agriculture—Assume budget authority freeze and farm price support intitative	−2.0
370: Commerce—Assume budget authority freeze and SBA business loan assets sale per budget request. Asset sales of 0.6	−.7
400: Transportation—Reduce below baseline in transit operating assistance programs; 10 percent cut of Amtrak	−.7
450: Community/regional development—Reduce below baseline in SBA diaster programs and across-the-board in grants and CDBG, UDAG and other community programs	−.2
500: Education/training—Assume initiatives above baseline for chapter I, Pell grants, and handicapped education	+.2
550: Health—Assume administrative savings	−.3
570: Medicare: Assume rebasing and administrative savings	−3.3
600: Income security—Assume savings from Pension Benefit Guaranty Corporation included in budget request (−0.3), LIHEAP (−1.0), and other programs (−0.2)	−1.5
650: Social Security—Management savings	−.3
700: Veterans—Discretionary budget authority freeze	−.3
750: Justice—Use baseline	
800: General government—Use baseline but assume savings from Federal Supply Service in budget request	−.3
850: Fiscal assistance—Use baseline but assume savings in timber receipts per budget request	−.3
900: Interest	−2.1
920: Allowances—Use baseline	
950: Offsetting receipts—Assume sale of Naval petroleum reserves	−2.2
Other reductions to baseline:	
3 percent pay raises and COLA's effective January 1988	−2.2
REA refinancing	−7.3
Assume portion of loan asset sales in budget request	−3.5
Reduction in administrative and travel costs (−0.3), in legislative branch appropriations (−0.2), and in Davis-Bacon reform (−0.1). Appropriate cuts in DOD administrative/travel expenses (−0.5) in Function 050 above	−.5
Reduction in civilian employment by attrition only (5 percent—DOD and non-DOD agencies except for IRS and law enforcement activities. DOD savings (−0.7) in Function 050 above	−.7
Assume savings from credit reform	−1.3
Assume portion of user fees in budget request	−.3
Total reductions	−29.0

Mr. HOLLINGS. Mr. President, for the benefit of my colleagues, please permit me to explain some of the details of my plan. For each year of the fiscal year 1988-91 period, the plan meets all deficit targets of the Gramm-Rudman-Hollings law—including providing for a budget surplus in 1991. I repeat, Mr. President, a budget surplus in 1991—a surplus of $9.9 billion. If the plan is not successful in the Budget Committee, I plan to introduce it directly on the floor.

My plan calls for a $29 billion reduction in spending and a $33.7 billion increase in revenues for fiscal year 1988. But please take note: I do not propose an increase in individual income taxes. Over the 1988 to 1991 period, the plan provides for total deficit reduction of $393 billion.

CBO projects a deficit in 1988 of $170.7 billion. My balanced-budget plan provides for a deficit of $108 billion—the target set by Gramm-Rudman-Hollings. In 1989, the deficit under my plan is $67 billion; in 1990, $23.5 billion; and, as I said earlier, a surplus in 1991 of $9.9 billion.

Mr. President, let me now give some specifics:

First. For national defense, I recommend budget increases equal to the rate of inflation only in 1988 over the 1987 levels. We simply cannot afford the President's goal of real growth in defense—particularly not 3 percent real growth. Accordingly, the plan requires a $9.1 billion cut in DOD budget authority and a $4.8 billion cut in outlays from the President's request. However, my plan provides for an increase over fiscal year 1987 of $13.1 billion in budget authority and $14 billion in outlays.

Second. The plan emphasizes the critical needs of education, science, and technology, as well as the needs of the less fortunate in our society. In fiscal year 1988, it includes increases in budget authority of more than $2 billion above the CBO baseline—more than $4 billion above the President's request—for these activities. For example, in addition to funding all education programs at the current services level, my plan provides an extra $900 million in budget authority for elementary and secondary programs—primarily for chapter 1—and an extra $800 million in budget authority for higher education—primarily in Pell grants and college work study funds. In addition, it provides full inflation protection for all means-tested programs. Over the 1988 to 1991 period, these initiatives total $13 billion in budget authority and $9.9 billion in outlays above the CBO baseline.

Third. The plan assumes savings of $14.4 billion in other non-Defense programs in fiscal year 1988. These reductions are based principally on a budget freeze in many of the functions, with deeper cuts in several functions based upon program priorities.

Fourth. The plan assumes rebasing of the Medicare Program—recalculating Medicare's prospective payment rates using more recent data. This will save $3.3 billion in fiscal year 1988 and $18 billion over the fiscal year 1988-91 period.

Fifth. The plan assumes most of the loan asset sales recommended by the President—$4.1 billion—along with refinancing of $7.3 billion in REA loans.

Sixth. The plan also assumes savings in Government travel expenses, a 10-percent cut in legislative branch appropriations for fiscal year 1988, and a 5-percent reduction by attrition in Federal civilian employment for fiscal year 1988 and fiscal year 1989 only. These actions save $1.2 billion in fiscal year 1988 and $12.5 from fiscal year 1988 through fiscal year 1991.

The revenues assumed in the plan are as follows:

First. $5 billion as proposed by President Reagan in fiscal year 1988 and $27.9 billion from fiscal year 1988 through fiscal year 1991.

Second. An oil import fee of $10 per barrel—producing $16.2 billion in revenues in fiscal year 1988 and $60.2 billion from fiscal year 1988 through fiscal year 1991.

Third. Extension of the telephone tax—providing $1.3 billion in revenues in fiscal year 1988 and $8.7 billion from fiscal year 1988 through fiscal year 1991.

Fourth. A reduction of business expense deductions from the current 80 to 50 percent—producing $1.3 billion in fiscal year 1988 and $9.8 billion in fiscal year 1988 through fiscal year 1991.

Fifth. Retention of the top corporate rate at 40 percent in 1988—saving $8.2 billion in 1988 and $5.5 billion in fiscal year 1989 for a savings of $13.7 billion over the 2 years.

Sixth. An increase in the percentage of the contract completion cost method—saving $1.7 billion in fiscal year 1988 and $5.7 billion from fiscal year 1988 through fiscal year 1991.

The total revenue package amounts to $33.7 billion in fiscal year 1988 and $126.1 billion from fiscal year 1988 through fiscal year 1991.

The final part of the plan provides for a 10-percent value added tax—VAT—beginning Janaury 1, 1989. I am thoroughly familiar with the inevitable hue and cry to the effect that this is a regressive tax—that it will do irreparable harm to our economy. Nonsense. Essentially all of our European allies and many Asian nations have a VAT. So crippled are their economies that they are currently competing us into the ground.

Moreover, let me emphasize that food, health care, and housing would not be subject to the VAT. This will largely mitigate the impact of the tax on low-income individuals as well as those on a fixed income.

Mr. President, we must stop playing games. Our budget deficit and our trade deficit have drained us dry. I propose, as part of my VAT plan, that we move to eliminate the Medicare portion of our Social Security tax—the 1.45 percent that we all pay for the hospital portion of Medicare. We would eliminate this tax in two phases: First, reduce the 1.45 percent to 1 percent in 1989 and second, completely eliminate it in 1990. This phaseout would also cover the employer's payment of the tax.

Additionally, I am proposing that the revenues from the VAT be used to pay for a national catastrophic health plan. As you know, the President has proposed such a plan, and many in Congress have also embraced the concept. My proposal would set an average deductible of $1,000—scaled according to income as worked out by the Finance Committee.

In 1989, the first year of the tax, revenues will be $85 billion. The offsets for the Medicare tax and for the national catastrophic health plan would be about $47 billion. Through 1991, the overall gain in revenues resulting from the VAT proposal would be $133.5 billion.

I can hear the protests now: The VAT will raise too much money. Let me make it clear: This is not a tax to finance new programs. All VAT revenues will be earmarked strictly for reduction of the deficit and, eventually, retirement of the debt.

Mr. President, the budget realities are these: Among reasonable people, there is a solid consensus that defense spending must keep pace with inflation. Ditto for Social Security and basic programs to aid needy citizens. Accordingly, if we largely agree that we need a trillion-dollar government, then we are going to have to pay for it. And that means not just greater discipline on the spending side, but adjustments on the revenue side as well.

We have had 6 years of bogus budgets and hallelujahs to growth. The President has practiced a kind of Keynesianism in drag, goosing the economy with unprecedented deficit spending. The time has come to sober up, which is what Gramm-Rudman-Hollings is all about.

Mr. President, our last, best hope is to stick to the Gramm-Rudman-Hollings deficit-reduction targets. This requires truth in budgeting plus an honest, intelligent mix of spending discipline and tax increases. President Reagan notwithstanding, the objective of Gramm-Rudman-Hollings is not to dismantle government. Gramm-Rudman-Hollings simply says: Decide what government you need, then pay the bills.

Mr. President, let me emphasize that in this 4-year plan, what we contemplate is a mix of revenues that is realistic and reasonable: extension of the telephone tax, an oil import fee, restricting expenses on deductions, retaining the corporate tax rate at 40 percent, and increasing the percent of contract completion—all totaling $33.7 billion in revenues for the first year. We will balance that $33.7 billion in revenues with $29 billion in spending cuts. Later in the 4-year plan, Mr. President, we kick in a value-added tax of a limited nature, exempting food, exempting housing, and exempting health care. Furthermore, all revenues will be expressly earmarked for reducing the deficit and eventually, the debt.

Mr. President, I thank the distinguished majority leader for yielding me this time and I yield the floor.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond 9:30 a.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

THE BIG FEDERAL DEFICIT DECEPTION

Mr. PROXMIRE. Mr. President, how big is the Federal deficit this year—fiscal 1987? On the basis of the last OMB estimate, it will be about $173 billion. That deficit will be about $30 billion higher than the Gramm-Rudman law calls for in 1987. But it will be an impressive $48 billion below the 1986 deficit of $221 billion. So aren't we making reasonably good progress in bringing the deficit under control? The answer, Mr. President, is an emphatic and loud no. In the first place, even if we do reach the $173 billion level estimated by the administration, we will suffer an extraordinarily high deficit by historical standards and still another huge accretion to the national debt.

Second, the Office of Management and Budget is—as usual—very optimistic, indeed. In 9 out of the past 10 years, OMB has underestimated the deficit—usually it has grossly underestimated it.

Third, the preliminary figures on the deficit suggest it will be higher, and probably much higher, than OMB's guess. The hard numbers for the first quarter of this year came in with a deficit for that first 3 months of more than $63 billion. Through this February the deficit was $93.9 billion. That compares to $106.2 billion in 1986. So the deficit is running only about 10 percent below last year. At that rate the 1987 deficit will come in at about $200 billion for this year, 1987.

Fourth, the Social Security trust fund is out of the budget—except for one purpose. What is that purpose? For the sole purpose of the computation of the deficit in compliance with Gramm-Rudman. In this year, 1987, the excess of Social Security tax income over outgo will be $19.5 billion. Without that $19.5 billion from Social Security, even the OMB deficit estimate would be in excess of $190 billion. And on the basis of the performance of the economy so far in fiscal 1987, the realistic deficit for 1987 would be about $220 billion.

Mr. President, this year marks another phenomenon that will provoke a sharp illusion on future deficits. Between now and 1992, the excess in income over outgo in the Social Security trust fund will give us an increasingly distorted and deceptively favorable number on the deficit. In 1986, the Social Security fund received $6.1 billion more in income than in outgo. That reduced the deficit by $6.1 billion. In 1987—this year—that figure rose to $19.5 billion. Next year—1988—it shoots up to $39.7 billion. Then in 1989, it zooms on up to $51.7 billion. It will rise to $64.3 billion in 1990, to $74.4 billion in 1991 and to $81.4 billion in 1992. In each of these years this Social Security surplus will be applied for purposes of Gramm-Rudman and for that purpose only as a deduction from the deficit. By the year 2000, the Social Security trust fund could provide a surplus of $200 billion in that year alone. In that year, the Government could be running a deficit of $200 billion, but the present deceptive bookkeeping would tell the Congress that the budget was actually in balance.

Why is this deceptive? It is deceptive because the Social Security surplus must by law be placed into a reserve that is strictly set aside for beneficiaries who will be retiring in record numbers about 25 or 30 years from now and for that purpose alone. By then the Social Security trust fund will, according to the Commissioner of Social Security, Dorcas Hardy, have a reserve of a stunning $10 to $12 trillion. And at that point a massive wave of retirees—the baby-boomers of the post-World War II era—will be retiring. The trust fund will then begin to fall and fall rapidly. It will need every penny of the multitrillion-dollar reserve if the Congress is to keep faith with the generation which paid the regressive payroll taxes to build it up. If we do not build up this reserve, if we tap it to meet other Government expenses or to keep other taxes down, we will have done something much worse than breaking faith with a generation that has paid into it. Congress will face the grim choice of denying benefits to those who have contributed to Social Security for a lifetime of work, or we will have to impose an additional punishing payroll tax on the work force 30 years from now.

Mr. President, because this Congress does not have the guts to face the facts, we have deceived ourselves and the American people by keeping the Social Security surplus of annual income over annual outgo in the budget strictly for Gramm-Rudman purposes. This is going to make the Congress look much better than the facts actually warrant for the next 20 or 30 years. The day of reckoning is coming long after most of this Congress are gone and many of us are in our graves. Future generations will have reason to curse us for our financial profligacy and political selfishness in leaving them a massive national debt on which they must make huge interest payments through their Federal taxes throughout their lives. They may have an even worse legacy: The wreckage of a Social Security system that brought independence and dignity to our generation but may offer nothing to our children and grandchildren.

Mr. President, I hope that Members of Congress will recognize that we have to do far better, even in the goal that has been set, in holding down spending and in doing what the Senator from South Carolina has asked us to do—to take a hard look at increasing revenues.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE HIGHWAY BILL

Mr. PROXMIRE. Mr. President, I think it is very important that the Members of the Senate think long and hard about working on the veto that the President his indicated he will provide for the highway bill.

The highway bill is peculiar. It is different from almost any other kind of legislation we have. It is somewhat similar to Social Security, in that it has a dedicated tax.

Mr. President makes a good point—that whether or not it has a dedicated tax, we should root out all unnecessary spending. Undoubtedly, there are some projects involved in this enormous $89 billion highway bill that are highly commendable, but they do amount to a relatively very small part of the bill.

Meanwhile, there are literally hundreds of thousands of jobs in Alabama, Wisconsin, and other States that desperately depend on the highway bill. Alabama has a long construction season compared to that of Wisconsin; nevertheless, it is important in Alabama, too. In our State, if we cannot start construction about this time of year, every day we lose is a day that means less employment for our people throughout the year. In early winter or late fall, the construction season is over in Wisconsin.

So it is very important that our people be allowed to go ahead and spend the money which we contributed. This money comes from the people who use the highways. In their gasoline purchases, they also pay a tax which is separated and dedicated for highway purposes. This is the money we are talking about. We are not talking about money that comes from the income tax or some other tax. It is highway money, and it is highway money that is dedicated for that purpose. Our State and Alabama and other States, I am sure, have many plans that depend entirely on getting that money in a timely way.

So I earnestly hope that Members of the Senate will override that veto. Although I have great respect for the President and I understand how strongly he feels about holding down spending, it is an illusion if we think we are saving money in the long run, because it means that we will not be able to construct highways at this time, and it does not provide a significant kind of surplus or relief for the deficit. That money, as I say, is strictly committed to one purpose, and it should be used for that purpose.

So I do hope that Members of the Senate wil keep that in mind and will vote to override the veto.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the role.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection it is so ordered.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

COMPETITIVE EQUALITY BANKING ACT

The ACTING PRESIDENT pro tempore. The Senate will resume consideration of the pending business, which the clerk will state.

The legislative clerk read as follows:

> A bill (S. 790) to regulate nonbank banks, impose a moratorium on certain securities and insurance activities by bank, recapitalize the Federal Savings and Loan Insurance Corporation, allow emergency interestate bank acquisitions, streamline credit union operations, regulate consumer checkholds, and for other purposes.

The Senate resumed consideration of the bill.

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, as title of the bill indicates, there is a moratorium on action by the Federal Reserve Board to approve securities underwriting under the so-called "principally engaged" theory. I think that aspect of the bill has not been explained to the Senate. I want to take the few minutes we have at the present time to make an explanation, because it is the position of this Senator that the Glass-Steagall Act and the Holding Company Act should be respected, and that providing new powers to banks outside of those authorized by the Congress is simply a violation of the law.

I wrote Chairman Volcker to that effect. Chairman Volcker has, I think, responded well in the case of the Chase Manhattan application by saying while the board has granted only a tentative conditional approval for Chase Manhattan, a money center bank in New York, to sell commercial paper, and that approval will be suspended or invalidated if the Congress enacts the moratorium in this bill.

I wrote to Chairman Volcker on January 30 of this year to express my conviction that the board lacks authority to approve the "principally engaged" applications to underwrite securities pursuant to section 4(c)(8) of the Bank Holding Company Act. This is what I wrote.

> The applicants each control a bank that is a member of the Federal Reserve System. Accordingly, section 20 of the Glass-Steagall Act prohibits the applicants from controlling any company "engaged principally in the issue, flotation, underwriting, public sale, or distribution . . . of stocks, bonds, debentures, notes or other securities." The applicants content that that prohibition would not encompass a company that would underwrite the securities in question as long as the company were principally engaged in other activities, which—according to the applicants—could include underwriting eligible securities. (By "eligible securities," I mean securities of the types that member banks are allowed to underwrite pursuant to sections 16 and 21 of the Glass-Steagall Act; by "ineligible securities," I mean all other securities.)
>
> The clear and overriding intent of the Congress in enacting the Glass-Steagall Act was to prohibit banks from underwriting ineligible securities, whether directly or through affiliates. That intent was well understood in 1933, and no one doubted that the Act carried it into effect. Banks promptly divested or dissolved their securities affiliates; no bank attempted to continue underwriting securities through an affiliate on the theory that the affiliate was not principally engaged in underwriting.
>
> The applications at issue here fly in the face of that Congressional intent. They would allow the applicants to make a regular and (in both relative and absolute terms) a substantial business of underwriting ineligible securities. Even if the Board imposed percentage limitations such as those in *Bankers Trust New York Corporation* (Dec. 24, 1960), I believe that approval of the applications would contravene the intent of section 20 and render that section a toothless tiger. "To say that a securities firm ranking [as the applicants would] among the leading investment bankers of the coun-

try with respect to . . . [the securities in question] . . . should be held beyond the scope of the statute is," in the Board's own word's, "to say that Congress enacted a statute with the intention that it would apply to no one"—or at least not to large banking organizations. *Board of Governors v. Agnew,* 329 U.S. 441, 451 (1947) (Rutledge, J., dissenting) (quoting from the Board's discussion of "primarily engaged" in section 32 of the Glass-Steagall Act).

By its own terms, section 20 prohibits the applicants from controlling any company that is principally engaged in underwriting "securities." The section provides no exception for underwriting eligible securities; it applies to all securities, whether eligible or ineligible. Thus, in determining whether a company is principally engaged in underwriting or other activities proscribed by section 20, the company's eligible securities activities count toward the numerator of proscribed activities, and not merely toward the denominator of total activities. The affiliate's eligible securities activities cannot be used as a springboard for underwriting ineligible securities.

Finally, I believe that the Board lacks authority under section 4(c)(8) of the BHC Act to approve the activities in question. The Congress adopted that Act on the assumption—then universally accepted—that the Glass-Steagall Act prohibits affiliates of member banks from underwriting securities. The Congress never intended to give the Board authority to permit such underwriting. Neither the original BHC Act nor any amendment to that Act modified the prohibitions of section 20. On the contrary, the BHC Act was intended "to maintain and even to strengthen Glass-Steagall's restrictions on the relationship between commercial and investment banking." *Board of Governors v. Investment Company Institute,* 450 U.S. 46, 69 (1981). The Board itself has recognized that the Bank Holding Company Act Amendments of 1970, which framed the current "public benefits" test of section 4(c)(8), were not intended to weaken Glass-Steagall prohibitions. 12 C.F.R. sec. 225.125(b). Thus, in my view, section 4(c)(8) does not authorize the Board to re-weigh the public benefits and the possible adverse effects of underwriting securities; the Congress rendered its own definitive judgment on those issues in 1933. *See Investment Company Institute v. Camp,* 401 U.S. 617, 630 (1971); *Securities Industry Association v. Board of Governors,* 468 U.S. 137, 147-48, 153 (1984).

There is ample evidence that my view of Congressional intent is supported by the entire Congress. As recently as 1984, the Senate passed a bill (S. 2851) specifically authorizing bank holding companies to underwrite and deal in three of the four kinds of securities now being considered by the Board. There were many arguments as to whether bank holding companies should or should not be granted such authority. But at no time did anyone advance the theory that the Board already had authority to allow such underwriting. Because the Board lacked such authority, the Senate moved to change the law.

Over the years, I have supported allowing bank holding companies to engage in the securities activities now being considered by the Board. Nonetheless, allowing bank holding companies to engage in those activities has raised substantial policy issues of great concern to members of Congress. Even though I personally favor changing the law to allow those powers, approval of the applications would involve a major reversal of policy that can only be effected by the Congress. Until the Congress changes the law, the Board lacks authority to permit the activities in question.

Accordingly, I requested Chairman Volcker to deny the applications.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GARN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT NO. 58

(Purpose: To delete a provision in the bill that would deter acquisitions of thrift institutions)

Mr. GARN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. GARN] proposes an amendment numbered 58.

Mr. GARN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 8, between lines 19 and 20, insert the following: "For the purpose of clause (A) of the preceding sentence, any acquisition under section 408(m) of the National Housing Act shall be disregarded.".

Mr. GARN. Mr. President, over the last couple of days, as we have discussed this bill, there has been no dissent on the fact that we need a FSLIC recap. During the opening days of debate I spoke of the fact that we were being self-defeating. On the one hand we were talking about providing bonding authority of $7.5 billion to recapitalize FSLIC, but at the same time, in other parts of the bill we were making thrifts less marketable by prohibiting nonbank banks from purchasing failed thrifts. Therefore, we are causing FSLIC to spend more money. Obviously, it costs more if you have to go in and simply bankrupt a thrift, pay off all of the depositors up to the $10,000 insured limit, rather than finding and assisting a merger where FSLIC can help the purchasing entity at a lot less money.

So this amendment inserts language in title I that would permit a grandfathered nonbank bank to purchase a failing thrift without losing its grandfather rights. There is current law under Garn-St Germain. It was enacted back in 1982 for the very purpose that I talk about now. Look, if you have some failing thrifts out there, and if there is a healthy business that can purchase them, let us encourage them to do it. Yet, the provisions of title I exactly turn that around and repeal that part of Garn-St Germain.

This amendment would make failing thrifts much more marketable than they would otherwise be under the bill's restrictions, which prevent such purchases. This is true not just because nonbank banks themselves can buy failing thrifts but because the companies that own nonbank banks could buy one. In other words, the companies most interested in expanding into the financial services industry in most cases are the ones that own nonbank banks. Why not channel that desire to expand into financial services into the purchase of a failing thrift and therefore save FSLIC money? The bill now specifically prevents it. This amendment would specifically permit it.

Let me add that this is not merely a theoretical incentive divorced from the real world. I recently received a letter from an insurance company that acquired a nonbank bank last year. The company would like to buy a failing thrift right now but has withheld because under this bill, if it was enacted into law, they would not be able to. That makes absolutely no sense to this Senator.

If my amendment were adopted, this company and others like it would be able to make such a purchase and therefore reduce the cost of FSLIC of acquiring or bailing out failing thrifts.

I hope that the distinguished chairman of the committee would be willing to accept this amendment.

Mr. PROXMIRE addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, the amendment of the Senator from Utah, in my judgment, provides assistance for failed or failing banks. And I think that is a constructive action. I checked with the staff and talked with the distinguished Senator from Utah about it. It would not permit a nonbank bank to grow at a more rapid rate, after March 1988, than 7 percent.

So it would not mean that this would be a back door way of increasing growth in nonbank banks. They would still have exactly the same limitation they do now, but it would accomplish the constructive purpose of enabling a failed or failing bank in a community to be rescued being protected in that way.

However, I understand that we are preparing an amendment to the amendment. Therefore, I would appreciate it if we did not take further action on that amendment during the next few minutes so we can prepare the amendment.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. FOWLER). Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I want to send an amendment to the desk. I ask unanimous consent that the pending amendment be temporarily set aside so that I may offer my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 59

(Purpose: To limit the amount of "junk" securities which may be held by federally insured institutions)

Mr. DOMENICI. Mr. President, I am having my amendment copied and I will then send it to the desk. I will speak in regard to the amendment for a few moments.

Mr. President, it was not too long ago that junk bonds were in the news. Somehow or another with the passage of a little bit of time, this issue of junk bonds has sort of taken a back seat. But as far as the Senator from New Mexico is concerned, it is a temporary back seat. There is no doubt in my mind that we are going to hear a lot more about the abuses of the past few years, in terms of the use of junk bonds for various and sundry takeover proposals, or some of the schemes where shell corporations are set up with absolutely no assets other than a pledge for junk bond financing. If a takeover occurs, then the stock of the company that will take over becomes the collateral of the shell corporation. It sounds like you have something solvent.

Fortunately, about a year and a half ago, some of us got involved and there has been a little amelioration of the situation, in that the Federal Reserve Board puts a marginal rule requirement into this kind of shell financing. They began to treat that arrangement that I just described as a security transaction so those shell corporations' formers had to have at least the marginal rule requirement in terms of some equity position.

So far shell corporations and junk bonds as the means of financing takeovers have sort of mellowed a bit. But what has not changed is the proliferation of junk bonds. Junk bonds is merely a name for a bond that carries a very high interest rate. It does not carry that high interest rate because it is necessarily the best investment around. Quite to the contrary, the reason it carries such a high interest rate is because it is extremely risky.

As a matter of fact, the reason it is defined as such, and the reason it gets its name, is that it is rated by the rating organizations that rate bonds with a very low rating because it is high risk. Because it is high risk, it carries a very high interest rate.

I do not intend today to spend a great deal of time talking about takeovers that use junk bonds, the whole American scene of merger mania, and all of those things that have begun to concern America, Americans, and policymakers greatly. I am just talking about one very simple proposition.

I do not think the U.S. Senate knows that we have two rules in terms of buying junk bonds and using them as part of the equity portfolio of lending institutions.

We have two rules, very interesting. If you are under the direction of the Federal Reserve Board, two things exist. You have to have a certain level of solvency about your bank, and then you can only acquire a very small percentage of junk bonds. That is a rule, so all of those that are insured there, that pool is not burdened with an inordinate risk by one of their institutions having a very large percentage of junk bonds in their portfolio.

The same thing exists for all federally insured savings and loans that are federally chartered. We have a rule saying the whole pool, since they are paying for it—that is, if somebody goes down, they have been charged, their depositors have been charged; so there is a rule that all federally-chartered S&L's have to have a certain stability and then can only acquire a very small percentage of junk bonds.

But out in the country, one exception has grown up. There are other banks nonfederally chartered, other S&L's nonfederally chartered, predominantly S&L's nonfederally chartered, which we in our wisdom have given the privilege of being insured by FSLIC. So that they come in and get insurance just like the federally chartered ones. But now we have a glaring exception. They are insured by the same pool that has limits on junk bonds because there is risk involved, but they have no restriction on how much their portfolio can contain of these instruments called junk bonds—none.

That means that we could literally and do have examples of a failing State-chartered S&L that, in panic, says, "Well, let us go out there in that market and buy that real high, high-yielding bond; we just might be able to save ourselves."

The only thing we have found is that they are failing and that temptation is so severe to save themselves, and there is no limitation, that they go out in the market and buy the most risky of all assets, junk bonds, in an effort to get high-interest yield quickly.

We had one recently that did that and went bankrupt and we have to pick up the pool, including those who cannot take those inordinate risks pick up that tab.

I have a very simple amendment, Mr. President, I really wish that the floor manager would accept it because he has been a cosponsor of a Domenici proposal, a year and a half ago, that contained this feature. A number of Senators cosponsored it, merely creating equity of treatment in terms of junk bonds in the portfolios of S&L's, equity in the sense that you get the same treatment if you are federally insured in terms of the limitation on junk bonds that you can acquire.

Some have said to me, "Let us not do this now because, as a matter of fact, there are a number of State-chartered S&L's that have a very high percentage of their portfolios in junk bonds." There is one in California that has a huge percentage. I choose not to mention its name, but if somebody wants to know, I shall tell them. But they are successful.

I am not here saying that their high, high portfolio of junk bonds has created any risk. But they are sophisticated. They are large. Their equity ratio is high. They are a very profitable institution. And they know how to go into the junk bond market and get bits and pieces of different kinds so that they have provided their own kind of protection by their extreme caution. Some say since they have such a high percentage, even though we do not let any other of our insured S&L's that are federally chartered do that, let us not mingle in their business with this kind of amendment.

What I have done, because some people have been concerned about the amendment, is say we are not going to do anything about that. As a matter of fact, what we are saying is that they would be exempt because they fit the sophistication test that I put in this amendment—meaning that they are in such good shape that they are exempt. Any chartered S&L that would be bound by the Domenici junk bond limitation, which is nothing more than the limitation that everybody else has—they can all apply to FSLIC for an exemption if they want more in their portfolio, so long as they meet the tests that everybody has accepted as tests of solvency in the entire system.

In other words, there is a solvency test for the federally chartered S&L's to acquire junk bonds and we have built in an exception. They apply to FSLIC; if they meet that sophistication test and that equity test, then they are not going to be bound by the 10-percent limitation on acquisition of junk bonds.

Mr. President, there is no doubt in my mind, none whatsoever, that if not today, tomorrow—figuratively speaking—we are going to do this because we are going to find ourselves in a situation where State-chartered S&L's are going to fail because the failure rate in junk bonds is growing enormously. A year and a half ago, the junk bonds proponents in America, as soon as you would talk about there being high risk, would immediately bring you evidence that it was working tremendously well, even though the interest rate was inordinately high; that there were no failures; that the failures were very, very ordinary. But in the last year and a half, we have begun to see the failure rate on junk bonds increase enormously. And it is going to get worse, not better.

I am in no way interfering with the marketplace on junk bonds. I understand that for many small American corporations, they do not have the kind of credit to get AAA bonds and they are doing marvelously, building their capital availability with junk bonds. It works. All I am saying is that all federally insured institutions ought to have the same results as to how much of the portfolio can be junk bonds—nothing more, nothing less. It will happen sooner or later. It may take a couple more major bankruptcies. Then they will look and see that the portfolio had an inordinate number of junk bonds or that the managers did not have the degree of sophistication to diversify their portfolios.

Then we will come running to the floor saying "Why did we let those State-chartered institutions have 25 percent of their portfolio in junk bonds instead of the limit that applies to everybody else?"

The interesting thing is, Mr. President, that all of these insured institutions pay a percentage into the pot to make sure that when there is an insolvency, the depositor up to $100,000 is insured. And is it not interesting that we know that we are insuring in that way one group of State-chartered S&L's and giving them a special privilege of incurring a special risk by adding an inordinate amount of junk bonds to their portfolio, and we do not charge them any more for that risk that they incur on this system than we do the others, the hundreds and hundreds around the country that are not burdened with that risk?

Now, if somebody wants to spend the whole day here—and I do not—we can have a very good debate about how risky are junk bonds. Are they really risky? And we will have a discussion about one or two State-chartered S&L's in California that are loaded with junk bonds and doing well. I repeat, that is true. I repeat, indeed, if you are sophisticated and if you are careful, you probably can do pretty well with junk bonds. But it seems to me that rules ought to be the same for all of them.

So I am not trying to interfere with States' rights. I am merely saying in this amendment, treat them all the same if they want Federal insurance. If they do not want to be federally insured, clearly they can do whatever they want. Maybe the State can put on its own rules. But if they want Federal insurance at the same rates that everybody else gets, they ought to play the game under the same rules with reference to their portfolios and junk bond percentages within them.

I have, in deference to some of my colleagues who have a few in their States that exceed these percentages and that are doing reasonably well, acceded in this amendment to say they can get an exemption from FSLIC because they will meet the solvency test that I have provided. I have said that anyone that wants exemptions, if they meet the solvency test and the sophistication test, that is, that they have enough capacity to look around and make the choices and do not just jump at the first highest-interest-yielding junk bond that will make their statement look good, they can get exemptions from the limitation.

We will have some exceptions; as I have indicated, some that are already there can easily get their exceptions under this, and others might get them in the future on the basis of proving that they have the capacity to select and the capital capacity to sustain.

I have not decided yet whether I want to force the Senate to vote on this issue. My premonition tells me that I ought to, but because the chairman at this point—at least he told me yesterday—does not favor this amendment and perhaps would want some additional hearings, and because a couple Senators who have institutions in their States with very high percentages of junk bonds in their portfolios are going to be saying let us wait a while, let us study it a while, I really do not want this kind of amendment to lose because sooner or later we have to do this. I am not so sure that I want to prejudice it today at this late moment in the complexity of this three-legged bill when in putting it together they did not conduct hearings on the junk bond issue itself and the portfolio.

So let me just yield the floor for a moment. But let me remind Senators, let me remind you, Mr. President, that 18 months ago junk bonds as part of the machinery of corporate takeover mania were really in the air. A lot of those junk bonds are in the portfolios of S&L's. Not very many are in the portfolios of federally chartered S&Ls, but a lot of them are in State-chartered where there was no limit on how many, and they are still there. We are very, very fortunate that Paul Volcker and the Federal Reserve put a little damper on this, at least as to one kind of junk bond. The Federal Reserve required the marginal rule for stocks to be applied to the security transaction that was being used by way of the shell corporation, which really was counting on the stock of the company to be acquired as its collateral with nothing in the corporation except a commitment of somebody to issue some junk bonds at interest rates far, far beyond the average that was being paid. So the shell corporation with junk bonds for takeovers has been dampened a bit. But it seems to me that if we trust the rating of bonds in this country, if it means nothing that there are AAA's and there are A's and there are junk bonds, if we trust it at all as having some relationship to the value and security of those bonds, then clearly we ought to have the same rules apply across the board. That is all I have done other than create the exemption I have described.

I yield the floor.

Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I agree almost wholeheartedly with the distinguished Senator from New Mexico. He has made a very strong case, and I think he is fundamentally right. But as chairman of the committee I feel very strongly we ought to know what we are doing. "Junk" is a pejorative term. As the Senator pointed out, the overwhelming majority of corporations of this county issue noninvestment grade bonds. They are relatively high-risk, with a relatively high interest rate. That is the way they are financed and they depend on those issues very heavily.

The committee has not really had an opportunity to study this. It is early in the year. We should hesitate with such a bill until we have deliberated. We have not held the kind of hearings needed. This is a major change in banking law. It is something that the Chairman of the Federal Reserve, Paul Volcker, and the former Vice Chairman, Preston Martin, have urged us to consider, and we should consider it, and I intend to consider it and promptly and thoroughly.

I hope that we do not act impulsively. I think the Senator from New Mexico is right in saying if we act now we probably could not do justice to it. I know a number of Senators would vote against it not because they do not approve of the fine case the Senator from New Mexico has made but because they would like to know what the facts are, and we do not have those. We have not heard testimony in this area.

So rather than move to provide for an additional limitation, I hope we can permit the committee to have a couple of months or a few weeks to move ahead. I can promise my good friend from New Mexico we will do that. We will have other legislation before the Senate which can be amended and probably has a better chance of becoming law than the bill we are working on right now.

Mr. SHELBY. Will the distinguished Senator from Wisconsin yield?

Mr. PROXMIRE. The Senator from Michigan has been waiting a long, long time, but I will be happy to yield to my good friend very briefly for a question.

Mr. SHELBY. I wish the Senator to yield to me for just a brief statement.

Mr. RIEGLE. I wonder if the Senator will withhold just for one moment.

Mr. SHELBY. Yes.

Mr. RIEGLE. Just to augment what the chairman of the full committee has said, I say to the Senator from New Mexico I am serving in this Congress as chairman of the Securities Subcommittee of the Banking Committee and I assure the Senator that we are working very actively at the present time on the issue of takeovers in the subcommittee and in fact in the full committee. I am talking essentially about unfriendly or hostile takeovers. One area that we are looking into very directly is how these efforts are financed. That includes, of course, the use of junk bonds. But I say to the Senator from New Mexico, as I am sure he knows, we can call them junk bonds, we can call them less-than-investment-grade securities, which is another label that they carry, there are various estimates, but it appears that probably 90 percent of American business has to offer debt instruments in that form because they are not deemed to be of sufficient investment quality to have a higher rating.

So we have different categories of so-called junk bonds or less-than-investment-grade securities. And I will just mention three. Growth companies in this country inevitably are in that category because there is a higher risk, they are starting out on something new; we are not quite sure of the prospects. If we were to cut off the financing mechanism in that area, I think we would probably damage the country pretty substantially.

There is also a category apart from hostile takeovers that has taken on the label of fallen angels, and that is a description of companies that in the past have been very strong. We have seen a number of airlines, for example, and steel companies that have fallen on very hard times.

In order to recapitalize themselves and to get themselves going again, they have also had to resort to debt financing. So there are different kinds of categories here, and I think it will require some skill and some very particular analysis and effort to try to make these differentiations.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. RIEGLE. I yield.

Mr. DOMENICI. I say to the Senator from Michigan, who perhaps was not on the floor earlier, that I am fully aware that for a lot of American business, junk bonds—that is high-risk, high-yield bonds—are the only means of financing. But the Senator from New Mexico in no way is trying to limit the use of junk bonds. My amendment is nothing more than saying with respect to all insured institutions—S&L's, Federal or State—that if we insure them, they all should have the same rules about how much junk bonds can be in their portfolio. That is the extent of my amendment.

We now have the compelling majority with a rule limiting the amount. Either that rule is reasonable and rational, and thus they do not buy them and it is a limitation on the junk bond market, or the other rule which applies to some of the others which have no limit, yet they are insured in the same way, or it is irrational. We either ought to take the lid off on the S&L's that are federally chartered and let them play in that game, or, if there is some real reason for that limit, we should take a look and say, "Why are we insuring this other group without the limitations, paying no additional risk to the pool?"

I know that the committee is looking at takeovers. I think Congress and the President ought to be looking at takeovers. Something is very strange out there in America.

Junk bonds are part of the mechanism, only a part. But I am not addressing any of that. I am merely saying to this committee, which is concerned about S&L solvency, why two rules—one for certain State-chartered institutions, one for federally chartered institutions—as to how many of these they can have? That is the extent of my amendment.

Mr. RIEGLE. I say to the Senator that I think the point he raises is valid.

There was a discussion yesterday on a related area as to bank powers, as to where the Government's rights end and States' rights start. I am sure the Senator knows of that issue.

When you go into the question of an override on State authority, you immediately get into that issue. We are not raising that issue here. That is only an additional complication in this discussion.

As the Senator knows, we do have a limitation at the Federal level. Perhaps it is the right one; perhaps it is not. There is an existing limit.

These are issues that we should and will investigate in the committee, and we will have the opportunity to consider the views of the Senator from New Mexico.

It is my hope that we would not deal with this issue in an amendment form on this bill at this time, but will take it up properly and in an orderly fashion in the Senate Banking Committee. I hope that is the step we can take.

I know that the Senator from Alabama wishes to seek the floor at this time.

Mr. SHELBY addressed the Chair.

The **PRESIDING OFFICER.** Is the Senator from New Mexico going to offer his amendment?

Mr. DOMENICI. I send the amendment to the desk and ask for its immediate consideration.

The **PRESIDING OFFICER.** The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] proposes an amendment numbered 59.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

TITLE —JUNK BONDS

SEC. 01. This title may be cited as the "Junk Bond Limitation Act of 1987".

INVESTMENT LIMITATION

SEC. 02. (a) The Federal Deposit Insurance Act is amended by adding at the end thereof the following:

"INVESTMENT LIMITATION

SEC. 28. (a)(1) After the date of enactment of this section, no insured bank shall, directly or indirectly, make an investment for its own account in noninvestment grade securities the proceeds of which will be used, directly or indirectly, to purchase or carry margin securities if a national bank is prohibited from making such an investment, except that this provision shall not apply to a State nonmember insured bank which obtains a waiver of this provision from the Federal Deposit Insurance Corporation based upon a showing that such an investment would be consistent with the exercise of prudent banking judgment.

(2) No insured bank shall make an investment for its own account in such noninvestment grade securities if at the time of the investment its ratio of primary capital to total assets is less than 6 (six) percent.

"(b) For the purpose of subsection (a)—

"(1) the term 'noninvestment grade securities' means—

"(A) unrated bonds or preferred stock;

"(B) bonds or preferred stock with a rating at or lower than Ba by Moody's, BB by Standard and Poor's, or an equivalent rating by a nationally recognized bond rating house;

"(C) other debt instruments that are, or will become, subordinated in right of payment to the payment of any substantial amount of unsecured indebtedness; or

"(D) any equity or quasi-equity instruments other than common stock or preferred stock (except as provided above), including warrants or other rights to acquire such equity or quasi-equity instruments; and

"(2) the term 'margin securities' means any security defined as a margin security under the rules and regulations of the Board of Governors of the Federal Reserve System.".

(b) Title IV of the National Housing Act is amended by adding at the end thereof the following:

"INVESTMENT LIMITATION

"SEC. 415. (a)(1) After the date of enactment of this section, no building and loan, savings and loan, or homestead association, or cooperative bank, the accounts of which are insured by the Federal Savings and Loan Insurance Corporation shall, directly or indirectly, make an investment for its own account in noninvestment grade securities the proceeds of which will be used, directly or indirectly, to purchase or carry margin securities if a Federal savings and loan association is prohibited from making such an investment, except that this provision shall not apply to a State-chartered building and loan, savings and loan, or homestead association, or cooperative bank which obtains a waiver of this provision from the Federal Home Loan Bank Board based upon a showing that such an investment would be consistent with the exercise of prudent business judgment.

(2) No insured institution, as defined in section 408 of this title, shall make an investment for its account in such noninvestment grade securities if at the time of investment its net worth is less than 6 (six) percent.

"(b) for the purpose of subsection (a)—

"(1) the term 'noninvestment grade securities' means—

"(A) unrated bonds or preferred stock;

"(B) bonds or preferred stock with a rating at or lower than Ba by Moody's, BB by Standard and Poor's, or an equivalent rating by nationally recognized bond rating house;

"(C) other debt instruments that are, or will become, subordinated in right of payment to the payment of any substantial amount of unsecured indebtedness; or

"(D) any equity or quasi-equity instruments other than common stock or preferred stock (except as provided above), including warrants or other rights to acquire such equity and quasi-equity instruments; and

"(2) the term 'margin securities' means any security defined as a margin security under the rules and regulations of the Board of Governors of the Federal Reserve System.".

SEC. .03. (a) The Federal Deposit Insurance Corporation shall prescribe such rules and regulations as it deems necessary in order to carry out this Act.

(b) The Federal Home Loan Bank Board shall prescribed such rules and regulations as it deems necessary in order to carry out this Act.

Mr. DOMENICI. I yield the floor.

Mr. SHELBY addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Alabama.

Mr. SHELBY. Mr. President, I inquire of the Chair: What was the result of the amendment? I was seeking recognition earlier to oppose the original Domenici amendment. Did the Senator withdraw his amendment?

The PRESIDING OFFICER. The amendment offered by the distinguished Senator from New Mexico is now pending.

Mr. SHELBY. Is now pending?

The PRESIDING OFFICER. Yes.

Mr. SHELBY. Mr. President, I appreciate the concern of the Senator from New Mexico about high-yield bonds. But I believe, as has been said, that this is a matter which should be addressed in the hearings that the chairman of the Banking Committee has indicated he would have in the Banking Committee.

I believe that this amendment would hinder the ability of small and emerging companies to raise capital for growth and expansion—in other words, for job creation. This amendment would limit their market for these securities. In other words, it is a back-door approach to what they can market.

Many companies in my home State of Alabama and the hundreds of jobs that have been created there would not be in existence today if they had not had access to high-yield bond financing mechanisms.

Of the 23,000 companies in this country with assets of over $25 million, only 650 are rated as investment grade. Without the use of high-yield bonds, the other 22,000 companies are restricted from a major source of capital. This amendment would restrict growth in our economy.

I urge my colleagues to oppose this amendment, and let us have the proper hearings in the Banking Committee and in the Securities Subcommittee which would have jurisdiction of it.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. HECHT. Mr. President, I, too, oppose this amendment. Let us bring into perspective this issue of high-yield bonds, or, as they are affectionately called by some, junk bonds.

We are hearing the evils and the sins of these bonds. We have heard testimony from highly respected individuals on Wall Street that these bonds are bad, wicked, and must be stopped. Some of the testimony implied that all the problems of Wall Street could be corrected with the elimination of high-yield bonds.

We have been debating the recapitalization of FSLIC to inject money and confidence into the savings and loan industry, and now we have an amendment to cap the use of junk bonds within the industry.

Let us reflect on the substance of this issue. I know of no savings and loans that failed in the beginning because they bought high-yield bonds. I do know of numerous institutions which have failed, or are dying because of bad real estate and energy loans.

High-yield bonds are proving to be the safest and highest yielding component of the portfolio of savings and loan institutions' asset-earning powers.

According to a study, diversified portfolios on high-yield bonds, on an annual basis, have earned approximately 3.5 to 5 percent above U.S. Treasury securities and investment-grade bonds, and approximately 2.5 to 3.5 percent above mortgage-backed securities.

Let us look at what the use of high-yield bonds have done for America.

There are approximately 13 million more Americans working today than in 1980. It is not the Fortune 500 companies that are expanding and hiring. Rather, it is the smaller American companies that have found a way to finance their expansion. And they have done this with high-yield bonds.

When we look at the facts, and track record of these bonds and what they have done for the expansion of America—which is dramatically portrayed by the highest stock market in history—this shows worldwide confidence in American business. Perhaps it is time to enlarge the scope of high-yield bonds and not pass legislation to limit them.

Mr. President, if I might, I have a list of different companies in the Senator's home State of New Mexico that have financed their activities and created jobs by the issuance of these high-yield bonds.

Ameriwest Financial Corp. in Albuquerque has hired 272 employees, Ameriwest 28 more and in another location, 325; Arrow Gas Co. in Roswell 25 employees; Navajo Refining Co. 328 employees; Ameriwest in Albuquerque 55; Ara Services in Albuquerque 49; Arkansas Best Corp., 296; Associated Inns Restaurants Co., America, 350; Avis, one of the top companies in America, 39; Bekins Moving and Storage, 25. I am skipping here because I will ask at a later time that this entire list be a part of the RECORD.

Circle K Convenience Stores; Champion International Corp.; Continental Airlines; Control Data Corp.; Dennys Restaurant; Federated Department Stores; Frontier Airlines; Green Tree Acceptance; Levi Strauss & Co., one of the great retailing giants of America; Mesa Petroleum; Mobile Producing; Safeway Stores—there must be 25 to 50 Safeway Stores that have expanded by the use of these bonds in the State of New Mexico. Texaco; Ticor Title Insurance; Triple T Motel; Wang Laboratories; Montgomery Ward; Western Co. of North America.

Mr. President, I ask unanimous consent that this list be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

NEW MEXICO

The following companies are high yield bond issuers with corporate headquarters in New Mexico:

Company	Location	Employees
Ameriwest Financial Corp	Albuquerque	272

The following companies headquartered in New Mexico are subsidiaries of high yield bond issuers:

Company (parent)	Location	Employees
Albuquerque Fedrl Sav Ln Assn (Ameriwest Financial Corp).	Albuquerque	325
Ameriwest Corp (Albuquerque Fedrl Sav Ln Assn).	do	28
Ameriwest Mortgage Corporation (Albuquerque Fedrl Sav Ln Assn).	do	25
Arrow Gas Company (Dwg Corporation).	Roswell	25
Arrow Gas Company Flagstaff (Arrow Gas Company).	do	25
Eberline Instrument Corp (Thermo Electron Corporation).	Santa Fe	190
Lyle Talbot Agency Inc (Ameriwest Financial Corp).	Albuquerque	35
Navajo Refining Company (Holly Corporation).	Artesia	328
Southwest Distributing Co (Alco Standard Corporation).	Albuquerque	180

The following facilities in New Mexico are owned by high yield bond issuers:

Company (parent)	Location	Employees
Amerace Corp (Amerace Corporation).	Albuquerque	300
Do	do	290
Ameriwest Mortgage Corp (Ameriwest Mortgage Corporation).	do	55
Ara Manufacturing Company Del (Ara Manufacturing Company Del).	do	350
Ara Services Inc (Ara Services Inc).	Portales	120
Do	Albuquerque	49
Arkansas Best Corporation (Arkansas Best Corporation).	do	296
Associated Inns Rsts Co Amer (Assocated Inns Rsts Co Amer).	do	350
Avis Inc (Avis Inc)	do	39
Beker Industries Corp (Beker Industries Corp).	Carlsbad	4
Bekins Moving & Storage Inc (Bekins Moving & Storage).	Albuquerque	25
Best Products Co Inc (Best Products Co Inc Va).	Farmington	56
Blount Brothers Corporation (Blount Brothers Corporation).	Albuquerque	40
Central Soya Company Inc (Central Soya Company Inc).	do	96
Champion Internationial Corp (Champion International Corp).	do	30
Circle K Convenience Strs Inc (Circle K Convenience Stores).	do	200
Do	Clovis	95
Comprehensive Care Corporation (Comprehensive Care Corporation).	Albuquerque	80
Continental Airlines Inc (Continental Air Lines Inc).	do	42
Control Data Corporation (Control Data Corporation).	do	50
Dennys Restaurant (Dennys Inc).	Santa Fe	45
Enron Corp (Enron Corp)	Roswell	70
Do	Hobbs	119
Federated Department Strs Inc (Federated Department Stores).	Albuquerque	200
Frontier Airlines Inc (Frontier Airlines Inc).	do	30
Green Tree Acceptance Inc (Green Tree Acceptance Inc).	do	11
Levi Strause & Co (Levi Strauss & Co).	Roswell	500
Do	Albuquerque	260
Mesa Petroleum Co* (Mesa Petroleum Company).	Roswell	21
Do	Farmington	14
Michaels Arts & Crafts Inc (Michaels Stores Inc).	Albuquerque	45
Mobile Prducing Tx/New Mexico (Mobile Producing Texas and Nm).	Hobbs	150
Permian Corporation (The Permian Corporation).	Farmington	30
Safeway Stores Incorporated (Safeway Stores Incorporated).	Las Cruces	60
Do	Albuquerque	40
Do	Farmington	45
Do	do	50
Do	Portales	45
Do	Hobbs	56
Do	Santa Fe	40
Do	Albuquerque	125
Do	do	40
Do	do	80
Do	do	91
Do	do	58
Do	Belen	47
Do	Albuquerque	40
Do	Ruidoso	50
Do	do	70
Do	Los Alamos	40
Do	Lovington	40
Do	Carlsbad	40
Do	Deming	65
Do	Roswell	75
Do	Artesia	50
Do	Roswell	40
Do	Alamogordo	55
Do	Albuquerque	50
Do	Tucumcari	40
Do	Clovis	40
Do	Albuquerque	40
Do	Las Vegas	40
Do	Santa Fe	100
Do	Albuquerque	40
Do	do	40
Do	Sante Fe	30
Do	do	40
Do	Albuquerque	70
Do	Taos	60
Do	Socorro	37
Do	Clovis	49
Do	Gallup	70
Do	Silver City	70
Service America Corporation (Service America Corporation).	Albuquerque	48
Service Merchandise Co Inc (Service Merchandise Company).	Las Cruces	80
Do	Albuquerque	40
Southwest Airlines Co Inc (Southwest Airlines Co).	do	35
Southwest Distributing Co (Southwest Distributing Co).	Las Cruces	36
Southwest Distributing Co Inc (Southwest Distributing Co).	Roswell	34
Do	Santa Fe	36
Southwest Forest Industries (Southwest Forest Industries).	Reserve	26
Texaco Inc (Texaco Inc)	Eunice	65
Do	Lovington	31
The Permian Corporation (The Permain Corporation).	Hobbs	40
Ticor Title Insurance Company (Ticor Corporation).	Albuquerque	50
Tipperary Corporation (Tipperary Corporation).	Lovington	10
Triple T Motel Of New Mexico* (Days Inn of America).	Clovis	65
UNC Resources Inc (Unc Resources Inc).	Gallup	29
Union Texas Petroleum Corp (Union Texas Petroleum Corp).	Farmington	60
Vicor Restaurants Inc (Vicorp Restaurants Inc).	do	30
Do	Albuquerque	45
Do	do	52
Do	do	35
Do	do	63
Wang Laboratories Inc (Wang Laboratories Inc).	do	30
Ward Montgomery & Co Inc (Ward Montgomery & Co Inc).	Los Cruces	100
Do	Albuquerque	280
Western Co Of No Amer Inc (Western Company Of North Amer).	Hobbs	88
Do	Farmington	90

Mr. HECHT. I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from California.

Mr. CRANSTON. Mr. President, I will be brief.

I urge my friend from New Mexico not to proceed with this amendment. I believe it will be defeated if it comes to a vote.

I agree with the chairman of the committee, the distinguished Senator from Wisconsin, Senator PROXMIRE, that this is a matter that deserves study in the committee. It is a matter that is controversial. It is very complex.

We do not know all the consequences of the action proposed by the Senator from New Mexico any more than we know what will be the ultimate consequences of the present situation with regard to so-called junk bonds.

There are reasons to believe that there is presently a sort of a monopoly on giving a rating to bonds that are offered that squeeze out some people from that particular rating process who should not get a low rating or no rating at all. This, if that is the case, serves to the disadvantage of small business in many ways.

I believe the present widely accepted rating approaches do not take into account the quality of management and creativity and new constructive approaches to finance in our country.

Those are factors that I think should be more carefully considered. We should delve into all of this in the Banking Committee in an appropriate study.

At the present time small businesses, those who want to start new businesses, particularly are gaining access from so-called junk bonds. I see no reason to place further limitation on this situation until we have had a chance to explore it. I would be eager to get into that exploration in the Banking Committee. I trust we will have that opportunity.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I hope that I have made it clear in the RECORD, but let me one more time suggest that the Senator from New

Mexico is fully aware of the value of junk bonds, high-risk, high-yield bonds, to the American marketplace.

The Senator from New Mexico understands how broadly they have been used. The Senator understands how broadly they have been used in my State, a poor State.

I am not doing anything in this legislation to suggest that we ought not have high-risk, high-yield bonds as an instrument of the American marketplace in terms of capitalizing businesses, large and small.

Plain and simple, I merely said in my amendment if we are going to insure S&L's, State or Federal, we ought to have the same rules on how much of those junk bonds can be in their portfolio. We either are penalizing those that we have extreme limitations on and thus limiting greatly the junk bond market, or we are giving a bonanza to another group and creating a higher risk for the pool of insureds I say make them all the same. That is all.

I am not saying stop their use. I am not saying that they are not needed. I am suggesting that there is some reason for them receiving a lower rating and it probably has to do with a risk of default, and why we are insuring one group of institutions with the very high availability of those and another with a forced, very low limitation, seems to this Senator to make no sense and to place the risk in the wrong place for those who are more secure.

I am going to withdraw my amendment shortly. Senator D'AMATO has one for a 3-month mandated study. I would offer it right now but in deference to the Senator from New York I want to find out if he would prefer to offer it in his own behalf. If he cannot find time and authorizes me to offer it, I will. Once I have withdrawn and can get the floor again, I will offer a mandated study. Since it appears more time is needed by the committee, I would offer that and I assume it would receive some broad support.

Mr. President, I withdraw the Domenici amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator has that right. The amendment is withdrawn.

Pending is the Garn amendment.

The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GARN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GARN. Mr. President, while we are waiting for negotiations on the last amendment that I offered, I will take this opportunity to read a letter from Under Secretary of the Treasury George Gould.

In view of the upcoming votes to recapitalize the Federal Savings and Loan Insurance Corporation (FSLIC), to protect depositors, I thought you may wish to review the most recent statement from Comptroller General Charles A. Bowsher of the General Accounting Office on the need for a responsibly funded FSLIC. As you know, the Congress' own auditors have testified that FSLIC is technically insolvent and that troubled thrifts' operating losses may exceed $2 billion in 1986.

Comptroller General Bowsher's letter speaks for itself. After placing FSLIC's resolution costs in the range of $25 billion to $30 billion, he concludes: "We believe that ongoing Congressional oversight of a 5-year plan would be preferable to a series of go/no-go reauthorizations."

Mr. President, I ask unanimous consent that Mr. Gould's letter and also the report of the Comptroller General on this subject be printed in the RECORD.

There being no objection, the materials were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE TREASURY,
Washington, DC, March 25, 1987.

DEAR SENATOR: In view of the upcoming votes to recapitalize the Federal Savings and Loan Insurance Corporation (FSLIC), to protect depositors, I thought you may wish to review the most recent statement from Comptroller General Charles A. Bowsher of the General Accounting Office on the need for a responsibly funded FSLIC. As you know, the Congress' own auditors have testified that FSLIC is technically insolvent and that troubled thrifts' operating losses may exceed $2 billion in 1986.

Comptroller General Bowsher's letter speaks for itself. After placing FSLIC's resolution costs in the range of $25 billion to $30 billion, he concludes: "We believe that ongoing Congressional oversight of a 5-year plan would be preferable to a series of go/no-go reauthorizations."

If I can ever be of any assistance to you on this important safety and soundness issue, please feel free to call me.

Sincerely,

GEORGE D. GOULD.

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, DC, March 18, 1987.

Mr. WILLIAM B. O'CONNELL, PRESIDENT,
U.S. League of Savings Institutions, 111 East Wacker Drive, Chicago, IL.

DEAR MR. O'CONNELL: In your recent letter to me, you critized our report (GAO/GGD-87-46BR) and our testimony before the House Banking Committee (March 3, 1987) on the recapitalization of the Federal Savings and Loan Insurance Corporation (FSLIC). We not only believe that this criticism is unwarranted, but we also believe that the nature and tone of the letter may, itself, contribute to the climate of confusion that surrounds FSLIC's recapitalization.

First, our report discusses both the advantages and the disadvantages of the recapitalization plan proposed jointly by the Treasury and the Federal Home Loan Bank Board (FHLBB). We showed that, under certain conditions, the plan would provide the full $25 billion that it proposes. We also discussed the weakening condition of FSLIC and the risks that would be assumed if the $25 billion should prove to be insufficient to resolve both the current and future problems in the industry. We did not, unwittingly or otherwise, espouse the plan nor did we attempt ". . . to frighten the Congress of the United States . . . into inappropriate action." We take our independence very seriously. We work for the entire Congress and it is always in our best interest and theirs to report the facts and our evaluation of them as objectively as possible.

In our reporting on the thrift industry we have also presented an objective picture. We believe that disclosure of correct information is desirable for the industry in the long run. Our work has shown that a large percentage of thrifts have been in financial trouble for several years, even before the precipitous fall in oil prices. While we do not advocate closing any institution that has a reasonable chance of recovery, the troubles affecting many insolvent thrifts have only been exacerbated, not caused, by the economic recession that exists in some parts of the country. Failure to deal with those thrifts where poor decisions or fraudulent actions have caused an irreparable erosion of net worth and earning power would be detrimental to the rest of the industry and irresponsible for the regulator.

You have suggested that the numbers released in our report are ". . . based on our acceptance of distorted fact." It is not entirely clear to which numbers you are objecting, but our information on the condition of the industry is derived from the only data available for all institutions in the industry; i.e., the financial statements every insured thrift is required to submit quarterly to the FHLBB. We stand by our numbers as the best available for delineating the extent of the problems facing the thrift industy and FSLIC.

Another data-related issue in your letter is deserving of additional comment. There has been considerable recent discussion on the impact of Bank Board regulations regarding appraisals and asset classifications on thrift institutions' income and net worth measured according to regulatory accounting principles (RAP). Your view is that these regulations are more stringent than comparable requirements under generally accepted accounting principles (GAAP). To the extent that this is true, failure to properly account for these differences when adjusting thrift industry data to GAAP values would understate net worth and overstate losses. We agree that additional attention should be given to this issue. Indeed, we have asked your research staff to provide us with any information you have showing the nature and magnitude of this effect. Our impression at this time is that, while appropriate adjustments to thrift earnings and net worth may result in some modification of reported figures, the general picture of the industry's condition would not change substantially.

The United States League has objected to Chairman Gray's repeated statement that losses in troubled thrifts are accumulating at the rate of $6 milion a day, or about $2 billion a year. You have stated that the bulk of this figure is ". . . one-time writedown hits" rather than ongoing operating losses. Our figures for the industry, however, show that the $2 billion yearly loss rate does represent operating losses, not writedowns. For the first 3 quarters of 1986, operating losses for insolvent institutions were $366 million, $542 million, and $742 million, totalling

$1.65 billion. Thus, in the first 3 quarters of the year, operating losses for this group of troubled thrifts totaled over a billion and a half dollars, and the situation was deteriorating each quarter. It appears that a $2 billion operating loss for 1986 may be a relatively conservative estimate.

You have also characterized GAO's audit of FSLIC as deficient, and ". . . not . . . a true audit of the FSLIC." We do not understand your basis for this conclusion. Our annual financial audit of FSLIC is conducted in accordance with generally accepted government auditing standards which include American Institute of Certified Public Accountants (AICPA) auditing standards. Moreover, to satisfy the unique needs of government, the AICPA standards are augmented by additional standards and reporting requirements.

Furthermore, it is fallacious to suggest that our quotation of the Bank Board's estimate of $23.5 billion to resolve FSLIC's problems constitutes proof that we unquestioningly accept all figures provided to us by the FHLBB. Indeed, it would be more correct to say that the Bank Board has come to accept our estimates. For example, in a GAO report issued over a year ago in February 1986 (Thrift Industry Problems: Potential Demands on the FSLIC Insurance Fund, GAO/GGD-86-48BR, p. 26), we estimated that the FSLIC resolution costs could reach $23 billion, a figure which the Bank Board then challenged, but now has come to accept.

We believe that the future of the industry and the insurance fund are best served by honest and correct reporting of their condition. Decision making at all levels, for the institutions, the regulator, and the Congress, is improved by correct information. That does not mean that we propose or recommend the indiscriminate closing of thrift institutions. Each thrift must be evaluated on its own merits. However, without a correct understanding of the true condition of the institution, such an evaluation would be specious.

Finally, with respect to FSLIC recapitalization, our position is as follows. There is a significant problem in the industry. Reasonable estimates place FSLIC's resolution cost in the range of $20 to $30 billion. The FSLIC recapitalization plan proposed by the Treasury and the FHLBB would, under certain conditions, provide this amount of money over the next five years. We believe, as you do, that recapitalization of FSLIC should be accompanied by ongoing and close oversight of the Bank Board and the FSLIC. The League has suggested that a truncated recapitalization plan requiring periodic reauthorization would enhance oversight. We believe that ongoing Congressional oversight of a 5-year plan would be preferable to a series of go/no-go reauthorizations.

I hope that you now have a better understanding of our views on these issues. If you have any further questions, please contact me.

Sincerely,

Charles A. Bowsher,
Comptroller General.

United States League of
Savings Institutions,
Chicago, IL, March 6, 1987.

Hon. Charles A. Bowsher,
Comptroller General of the United States,
441 G St., N.W., Washington, DC.

Dear Sir: I am writing to protest in the strongest possible terms the figures recently released by your office on the state of the Federal Savings and Loan Insurance Corporation (FSLIC). The GAO has unwittingly aided and abetted the Treasury and the Federal Home Loan Bank Board in their efforts to frighten the Congress of the United States into passing the bloated FSLIC recapitalization plan they have proposed.

As your witness, Mr. Wolf, testified earlier this week, the GAO's report is based on losses estimated by the Federal Home Loan Board, the Board that oversees the FSLIC and is now doing its best to panic the Congress into inappropriate action.

Your report fails to note that the overwhelming bulk of estimated losses stem from the writedowns to market of problem assets through the Board's harsh appraisal and asset classification programs in those dozen or more states running through the middle of the country from the Mexican border to the Canadian border—states faced with serious recession and, in turn, declining real estate markets. The result has been staggering writedowns of assets, some forced insolvencies and increased strains on the FSLIC.

The Board's failure to moderate its appraisal and asset classification rules for depressed areas is responsible in substantial part for the problems of FSLIC. Writing down some institutions into solvency has made it impossible for these institutions to use the net realizable value approach for problem loans, which allows them to continue carrying these assets through temporary economic adversity.

Only in very recent days has the Board begun to recognize that various forbearance elements are needed to cushion the adverse impact of the recession in certain states. The U.S. League is now studying the Board's forbearance statement and will shortly transmit its comments to the Board. It is clear, however, that since the Board's statement does not include a plan to offset the asset writedowns in economically troubled areas, some action by Congress on this specific matter is essential.

Chairman Gray has been saying for months that delay in handling troubled thrifts is causing losses to FSLIC of $6 million a day. Not only is this figure the result of unrealistic writedown policies, it is being further distorted by the implication that it is entirely comprised of ongoing operating losses rather than one-time writedown hits.

I have instructed my staff to prepare a detailed critique of the numbers released by your office. In the meantime, let me say that I think we will show rather conclusively that those numbers are based on your acceptance of distorted facts. If a true audit of the FSLIC were conducted, we are confident that a different picture would emerge.

In spite of nomenclature that suggests otherwise, the GAO does not conduct a true audit of the FSLIC. In the general business community, public auditing firms carry out their duties by taking the numbers provided by management and independently verifying them. In contrast, in the case of the FSLIC, the GAO takes the numbers provided by "management" (in this instance, the management of FSLIC by the Federal Home Loan Bank Board) and basically accepts them at face. It does not conduct independent field audits to determine their veracity. Thus, in its analysis of the Treasury/Bank Board proposal, the GAO accepts the $23.5 billion measurement of the problem facing the FSLIC that the Chairman of the Federal Home Loan Bank Board has been publicly broadcasting for months.

In its many reports on the FSLIC over the last two years, the GAO has attempted to measure the industry's problems according to Generally Accepted Accounting Principles. A common misperception is that regulatory accounting procedures (RAP) for savings institutions are uniformly less stringent than GAAP. This is certainly not so across the board. The asset write-downs required by RAP substantially exceed GAAP write-downs and should be adjusted accordingly in any attempt to assess either institutions or the FSLIC on a GAAP basis.

One of the main points in the U.S. League's program—and underlined very persuasively by many of those who have testified before a House Banking subcommittee over the last two days—is that the Bank Board does not use GAAP standards in evaluating the asset quality of savings institutions. In areas of the country currently mired in a depression, these standards produce huge losses and result in a grossly distorted picture of the FSLIC.

The U.S. League does not dispute the need to provide the FSLIC with additional resources. However, and because, among other things, of the regulatory appraisal and asset classification rules used by the Board, we are seriously troubled about the FSLIC's ability to use wisely monies provided to it. Thus, we have structured a proposal for funding the FSLIC that has strong and effective Congressional oversight built into it. This provides the FSLIC with the same $10 billion in funds over the next two years as the Treasury/Bank Board proposal does—which, incidentally, is the most the FSLIC can efficiently use according to public testimony from Undersecretary George Gould of the Treasury.

In fact, our current position merely takes the Treasury/Bank Board proposal and builds in the strongest and the only effective oversight we know of—requiring the Bank Board to go back to the Congress in two years and justify its need for and ability to use a second infusion of funds.

We are gratified, in fact, that the GAO has expressed strong support for the need for such oversight. Given that support for effective oversight, we see no reason why an independent arm of Congress such as the GAO would have an objection to the League's approach to FSLIC funding.

Sincerely,

William B. O'Connell.

Mr. GARN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Will the Senator from Utah withhold his request?

Mr. GARN. I am happy to.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BOREN. Mr. President, I have an amendment which I send to the desk and ask for its immediate consideration.

Mr. GARN. Mr. President, I suggest the Garn amendment is pending and the Senator from Oklahoma asks unanimous consent that it be temporarily laid aside.

Mr. BOREN. Mr. President, I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 60

Mr. BOREN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oklahoma [Mr. BOREN] proposes an amendment numbered 60.

Mr. BOREN. Mr. President, I ask unanimious consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in Title IV, insert the following:

It is the sense of the Senate that:

The Federal Deposit Insurance Corporation has the statutory authority to engage in "open bank assistance" for failing banks under section 13(c) of the Federal Deposit Insurance Act to minimize losses to the insurance fund and to provide for the stability of the community; and,

Communities in depressed regions of the Nation have had increasing difficulty in raising capital to infuse into locally operated, failing banks; and,

States have the authority to establish capital pools to supplement FDIC funds and outside capital in arranging open banks assistance plans; and,

It is not in the public interest to have a "fire sale" of assets acquired by the FDIC as a part of their acquisitions of nonperforming loans of failed banks;

Let it therefore be declared that:

The U.S. Senate hereby encourages the FDIC to exercise its discretionary authority to work with States which authorize such capital pools to save community banks during this time of great economic distress in certain regions of the country and the U.S. Senate further encourages the FDIC to use its discretionary authority to negotiate sale of loans to area banks to prevent further asset devaluation.

Mr. BOREN. Mr. President, I thank my colleague from Utah.

As I came to the floor, I did not realize there was a pending amendment. I appreciate his willingness to set his amendment aside to consider this amendment.

Mr. President, this amendment contains, I think, some noncontroversial language. It is the sense of the Senate language to encourage the FDIC to use their discretionary authority in dealing with States most particulary affected by the economic downturn of the agricultural and energy sectors.

In my State of Oklahoma, for instance, the Governor has proposed setting up a capital pool to supplement with FDIC's section 13(c), open bank assistance funds, to preserve community-based financial institutions. Further, in this sense of the Senate language we urge, and the FDIC has indicated that it supports this proposition, the notion of packaging large numbers of troubled loans undertaken which they inherit in bank closings so that these packages of loans can be sold to a regional consortium of banks. In many instances, if the FDIC were to sell back these troubled loans to area bankers, at a discount that would reflect the FDIC's expected recovery, the area banks would then be better equipped to get the maximum recovery from these assets.

I applaud the FDIC's current use of such discretionary authority and hope for continuance of the cooperative spirit which has come from the chairman and his agency.

Mr. President, just to spell out what has been happening, we have faced, of course, a disastrous situation in the Southwestern part of the country, in particular, and also up through the plains in the agricultural producing States. I happen to be from a State that is being afflicted by both the downturn in the energy sector and the agricultural sector. In just the past 12 months, just the past 12 months alone, we have lost, in Oklahoma, a State of approximately 3 million people, 24 banks which have failed, with total deposits of over $2.8 billion.

Mr. President, that is a catastrophic occurrence. Our economy is being crippled by these developments. We have found that when loans are taken over from closed institutions, loans which are not performing, and when the FDIC then moves to liquidate these loans and to sell the assets involved, what can often happen is a fire sale at below what has been the market value previously. The market is impacted as all of these assets are thrown out for sale. The value of assets of all of the remaining financial institutions is, therefore, further undermined, more financial institutions get into trouble, more bad loans are then taken up by the FDIC, more assets are then out on the market where there are already very few purchasers, and the cycle goes on and on and on.

I have discussed this with Chairman Seidman and others. And let me say his attitude, I think, is a breath of fresh air. He is really trying to turn the FDIC in the right direction, and he is trying to work cooperatively with those regions of the country that have been experiencing this difficulty. I applaud his attitude, and I applaud the new spirit that is developing at the FDIC.

What could happen, if the FDIC continues to use its discretionary authority and, in fact, uses it even more often, is that the FDIC, under current law, could sell these loans that they acquire from troubled institutions or closed institutions which are nonperforming, could sell these packages of loans at discounts to local or regional banking institutions or interests. These are people that really understand local market conditions. They know the basic value of these assets. In many cases, they know the borrowers involved. They are better equipped to ultimately increase the amount of recovery under these loans than would be the FDIC itself. And they are much more able to hold these assets for a longer period of time so that they are not all put back out on the market at fire prices, further debilitating and undermining the value-to-assets base of the existing financial institutions.

So this sense-of-the-Senate resolution or addition to this bill, first of all, encourages the FDIC to continue to use, and, in fact, I would hope to expand, its use of its own discretionary authority to work with regional groups that would then be in a position to purchase at a discount these loans and to work them out.

The second part of the sense-of-the-Senate resolution deals with situations where we have borderline cases as to whether or not banks, community banks, will be able to stay open. As you know, Mr. President, and as my colleagues understand, under the open bank assistance plan which keeps institutions in operation, the FDIC traditionally puts up part of the money involved and local, private sources have to come up with the rest of the capital to make the package work. In the situation where there is no hope of turning the corner, of course, open bank assistance is simply not appropriate.

But there are some situations, particularly with small institutions in States like ours—and this is true in Texas, it is true in Louisiana, Alaska, Wyoming, New Mexico, and many other States at the present time—we have situations where small banks are in trouble, but with appropriate help they could work their way out of trouble over a period of time. Take the example, Mr. President, say, of a bank which the FDIC is willing to put together, let us say, $8 million of open bank assistance if $3 million of private capital might be raised. There are situations in which perhaps they are able to come up with $2.5 million of private capital, not quite enough to meet what the FDIC says it would do. It is a situation where the bank almost makes it and ends up being closed because of a failure to come up with a very, very small amount of money.

Some States are discussing, including the legislature and Governor in the State of Oklahoma, the establishment of State capital pools that would allow the States to put together funds that could be used in cooperation with the FDIC, to put together packages which are close to success but do not quite make it under current conditions.

In my example, for example, if there were a State pool created, a State capital pool, if the FDIC were to come in and say, "This is a bank we think would make it. We will put up $8 million, now you have to come up with $3 million locally," and the private sector could only come up with $2.5 million, the State, if it had such a pool, could come up with that other half-million dollars and make the package go. So with a very, very small amount of money on the part of the State, a large number of community banks might be kept open with a cooperative effort between the private sector involvement, the FDIC open bank assistance, and a very small amount of money from State pools that could be cooperatively invested in a package.

I think this is something that the FDIC would look favorably upon. I have had many discussions with those at the agency. They, of course, want to encourage localities to do their part. If it is going to be open bank assistance, they do not want all the help to come from the Federal Government, and that is legitimate. If a bank really has a chance of making it, there should be a commitment in that community and State to do their part at the local level to keep it going.

So, Mr. President, this amendment simply states that it is the sense of the Senate that we encourage the FDIC to use its discretionary authority toward both of these objectives, to work cooperatively with States that set up such capital pools in an effort to keep more community banks open and also to encourage the FDIC to put together packages of loans which they have acquired from failed banks, to sell them to local consortiums so that we avoid the fire sale kind of assets which is causing the economy simply to go downhill further in States that are already critically impacted.

I have discussed this with the managers of the bill. I believe there is no objection to this particular amendment. But I would certainly yield the floor at this point for any comments or any questions that might arise.

Mr. PROXMIRE. I thank the distinguished Senator from Oklahoma. As we all know, he is a brilliant Member of this body. I think he made a very good contribution to the bill.

Let me just read the very short resolving clause in the proposal:

> The U.S. Senate hereby encourages the EDIC to exercise its discretionary authority to work with States which authorize such capital pools to save community banks during this time of great economic distress in certain regions of the country and the U.S. Senate further encourages the EDIC to use its discretionary authority to negotiate sale of loans to area banks to prevent further asset devaluation.

This is an essential and necessary action. I notice he said he has consulted with Chairman Seidman of the FDIC on this. It is my understanding Chairman Seidman is favorably disposed toward it.

I wish to congratulate my good friend from Oklahoma on what I think is a very good sense-of-the-Senate resolution.

Mr. GARN. Mr. President, the minority has no objection to this amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment offered by the Senator from Oklahoma, Mr. BOREN.

The amendment (No. 60) was agreed to.

Mr. BOREN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BOREN. Mr. President, I wonder if I might engage the chairman of the Banking Committee in a brief colloquy and some questions that I have about the bill at this point so I can understand it.

As I indicated to the chairman earlier I know he has had a very, very difficult task that has been faced by the present chairman, the task that was faced by the previous chairman; that is, to come up with legislation that will try to be fair and balanced that deals not only with the emergency problems that we face but also with some of the overriding concerns about the structure of the financial institutions in this country.

That is a very difficult situation indeed. Just not as a member of the Banking Committee but as an outside observer, I can certainly understand the nature of that difficulty. One side in essence wants to deregulate everything and they want to allow the banks to become insurance companies and security brokers, and they want to allow security companies to become banks, and want to allow a total mixture of all kinds of financial institutions. On the other side you have those in which I would include myself that have grave concerns about the road down which we have been moving in terms of mixing and matching and opening up to all different kinds of institutions the provisions of financial services because I think that when that happens, and we should have learned during the period of the Depression that we began to have difficulties when we had financial service institutions on every corner much like having a filling station on every corner. Banks and financial institutions do not serve the same function as do other retail outlets. Security is an essential part of the financial system and goal of the financial system. The maintenance of confidence in the financial system is extremely important.

So while there are those who would absolutely deregulate everything to the point of view that I think they would ignore our first responsibility—that is to maintain the credibility, soundness, and confidence of the American people in a stable financial situation—there are those, and I would include myself in that number that are very concerned about the direction in which we have been moving over the past several years and are fearful we could be setting ourselves up again to undermine the soundness of our financial situation if we continue to proceed pell mell.

Having said that, there are, of course, those who are in between, various grades of opinion in between those two positions.

It it a very, very difficult task. I can only imagine in part the difficulty of the task force faced by the chairman of the Banking Committee in trying to hammer out a compromise agreement that has a chance of passage, that strikes at some kind of fair balance between those competing points of view. In fact, there are probably 100 different points of view in the U.S. Senate as to exactly how the financial system should now be structured.

I have said all along that one of my concerns is that we not get ourselves bogged down. We have a situation I have just recounted in my State of over 45 banks that have failed in the last 3 years. We have had 24 in the past 12 months. We have savings and loan institutions that are facing very, very difficult economic circumstances. The public looks to us to recapatilize FSLIC as soon as possible. We can restore confidence in that area.

I have been concerned that while I have supported the general overview of the legislation reported out by the Senate Banking Committee, understanding that it is a compromise that pleases no one 100 percent, that we might get bogged down along the way, and that we might end up not getting the emergency relief in the form of the FSLIC recapitalization and the bridge banking proposal in particular quickly enough.

I would like to ask the chairman of the committee again, as I have been struggling, and I indicated if we were not able to move along, I was personally considering offering some sort of amendment or supporting an amendment that would restrict us simply to the emergency measures. As I understand from the chairman, however, it appears there is a chance now he will be able to move this bill if the Senate is sensitive to this need for emergency assistance. I want to ask the chairman if he can assure me that if this matter becomes bogged down in conference, if we are not able to address these issues in conference in a way that the chairman of the Senate Banking Committee might want, can he give assurance that he would not allow the conference to drag on interminably without us at least getting the emergency measures out of the conference so we can get emergency relief in these areas that are so critical for us?

(Mr. REID assumed the Chair.)

Mr. PROXMIRE. I am very grateful to the Senator from Oklahoma for asking that question because it is a critical question. We have to move on the FSLIC recapitalization. There is no question about it, I understand in Oklahoma, and many other States like Louisiana, Texas, and so forth, that this is absoluutely imperative and urgent. As the chairman of the committee, I will do everything I possibly can to see that this moves along. Quickly. Of course, the Senator cannot speak for the whole conference. I only speak as one member of the conference but I spoke to my colleagues, Senate colleagues, who will be conferees, and they agree that we have an absolute duty to move this along promptly. We will not allow delay.

Mr. BOREN. I appreciate the comments of the chairman. I am assured by them. I understand certainly he intends to go into conference, and fight for all the provisions of this bill that end up being the product of the Senate as hard as he possibly can. That is his duty. I certainly would not want to ask him to bargain away at this point his right to go in and fight for the proposals that he has been able to include in the bill.

Mr. PROXMIRE. May I interrupt to say I am also conscious of the fact the people from the House who will be on the conference committee have the same interest. I am sure they are anxious to push this through in a hurry.

Of course, we do not know now, and we will not know for a few weeks what the content of the House bill will be. But I am confident that with that commitment on the part of both the House and Senate conferees to move along it will not be delayed in conference. We are going to push it just as hard and fast as we possibly can.

Mr. BOREN. I appreciate that assurance very much. I know certainly Speaker WRIGHT from the House perspective comes from an area that is being impacted just as our area is being impacted. I see the senior Senator from Texas on the floor. He also understands full well the kinds of problems we are facing. I appreciate the Senator's understanding of that and his assurance that he will do his best to see to it we do not get bogged down in the conference that delays the emergency measures which are a part of this package.

Let me ask one last question. I am concerned about the expansion of powers of those groups that are called nonbank banks. It has always troubled me as we try to get a level playing field that we have other institutions in essence coming in offering banking services. I suppose the same would be true if banks were offering other services that were not banking services.

It seems to me when anyone starts to offer a service, they should fall into the same regulatory provisions that any other person offering that service must meet. If you are going to be in the insurance business, you must be regulated by the insurance commissioner, for example, just like anybody else that is going to be in the insurance business. If you are going to be in the banking business, you ought to be regulated by the FDIC and the Comptroller just like anyone else that is going to be in the banking business and offer banking services. You ought to have to meet the same reserve requirements and the rest. I think I overheard the Senator from Arkansas, Senator PRYOR, perhaps making some of these same points recently.

I know we are coming in after the fact. I am sorry we ever allowed nonbank banks to ever get into existence at all. I think it is wrong that it ever happened. I know the legislation does try to contain it. It does put a moratorium on any new ones starting out. As I understand it, it puts a 7-percent growth cap on those that are grandfathered in.

The question I have is I understand that 7-percent cap on growth applies after this coming year. In other words, in the years after this year, we have a 7-percent cap on what other groups can do that come in and get in the banking business without having to meet again all the requirements, the security requirements, the reserves, regulations, audits, Comptroller, and the rest.

I wonder. What is the rationalization? It seems to me frankly to be a loophole big enough through which to drive several trucks, that you could come in and have a 10,000-percent growth of nonbank services, nonbank bank services, banking services offered by those nonbank banks in the first year, even though they might be constrained to 7 percent thereafter. I wonder why that was done, and is this Senator wrong in perceiving that might be a loophole that would allow an unfair advantage to those people who are simply not having to meet the kinds of reserve requirements and regulatory requirements for securities that banks have to meet.

I understand that the securities industry is one of immense power in this country. We have also seen recently that they have not done a very good job of regulating themselves under certain conditions. It seems alarming to me that we would allow that kind of open-ended growth without some kind of constraint. I wonder why that was done. Am I wrong in saying there is no cap on them in the first year?

Mr. PROXMIRE. The Senator is correct. The reason is that we wanted to give them an incentive for coming back within the next year knowing, of course, they would face a strict 7-percent limit on annual asset growth. We also did this because we recognize that at the present time, although nonbank banks are a potentially enormous threat, they hold only six-tenths of 1 percent of the total deposits in the country.

They can grow 100 percent overall, in the aggregate, and still not constitute more than a little over 1 percent. After that, the 7 percent limit would hold their growth below that of the average growth of our banks, which is about 8 percent a year. So the bill does restrain the unfair proliferation of nonbank banks.

I think it would have been better if we could have simply restricted them immediately, as of the date of enactment or the date we marked up the bill. But we simply were not able to negotiate that. It think this is the next best action we can take.

Mr. BOREN. I think I understand what the Senator is saying. Again, it get back to this very difficult compromise that I mentioned earlier, the fact that, in this bill, any kind of an understanding of it will not please all of us on every single provision in it. I can well understand how the legislation was crafted.

All of us have many times voted for bills that were not perfect in our eyes, but they were the best possible solution we could get, though not perfect.

Is there any way we can monitor during this period of time the growth of the nonbank bank services?

Mr. PROXMIRE. Yes. The Federal Reserve Board is directed in the legislation to closely monitor the activities of the nonbanks and report to us.

I will read the section on page 11, line 6, which states:

> (6) The Board may from time to time examine or require reports under oath from a company or bank described in paragraph (1) solely in order to determine whether the provisions of this subsection are being complied with and to enforce such compliance.

During that period, we will have the Federal Reserve making that study and, obviously, if they grow rapidly, this will be a strong signal for the Banking Committee and the Congress to move in and act. We both have a highly competent investigatory group, and also the regulatory group in the Federal Reserve Board would be working on it, as they are directed to do by the bill. We will also have the committee awaiting their report, with the committee having the power to recommend to the Congress.

Mr. BOREN. I would hope that the chairman would keep all of us who are not on the Banking Committee informed as he tracks the growth of these nonbank banking activities so that we can all be a part of moving in very quickly if we find that they are growing beyond control during the period of time.

It has been my experience as a member of the Finance Committee when we work on tax changes, if you are getting ready to prohibit a certain activity or slow down a certain activity, and you make that change prospectively, leaving a period of time before it takes effect, that you cause an immense amount of activity of the very kind you are trying to slow down in the intervening time period because they know the window is going to be closing and, therefore, they jump through the window while it is open.

I would say that is what concerns me about this, seeing that there might be constraints to a 7-percent growth in the future.

I would hope the chairman would look at the question of if they want to be banks they should meet all the requirements of banks, just as anybody who wants to be in the insurance business or securities business ought to meet those requirements.

Mr. **PROXMIRE**. If we enact this bill, that will be true henceforth. If it true that there are already a lot of cows out of the barn, so to speak. But, nevertheless, it will mean that from now on a bank is an institution which has Federal deposit insurance. This is the great advantage that these institutions enjoy, an advantage we should not perpetuate, as the Senator has said, without exactly the same regulation and exactly the same restraints as their banking competitors face.

Mr. **BOREN**. I thank the chairman. I did not want to belabor these points. I appreciate his patience. I have been very reassured by his answers and reassured by the attitude which he has experessed knowing that, again, this is not a perfect solution but it will at least have the reporting provision in it, which is an important start.

I hope we can move down the road in getting a level playing field and stopping these kinds of moves which I think threaten to undermine the security of our financial institutions.

The **PRESIDING OFFICER**. The Senator from New York is recognized.

Mr. **D'AMATO**. Mr. President, I ask unanimous consent that the pending amendment be temporarily set aside.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

AMENDMENT NO. 61

(Purpose: A GAO study of "junk" securities which may be held by federally insured institutions)

Mr. **D'AMATO**. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The **PRESIDING OFFICER**. The clerk will report.

The legislative clerk read as follows:

The Senator from New York (Mr. D'AMATO), for himself, Mr. DOMENICI, and Mr. CRANSTON, proposes an amendment numbered 61.

Mr. **D'AMATO**. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

TITLE —JUNK BOND STUDY

The Comptroller General, in coordination and consultation with the Securities and Exchange Commission, the Federal Home Loan Bank Board, the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Savings and Loan Insurance Corporation, the Federal Deposit Insurance Corporation, the Secretary of the Treasury, and the Secretary of Labor shall study on a comparative basis to other types of investments made by federally insured institutions the issuance of and investment in high yield, noninvestment grade bonds during the 5 years prior to the date of enactment of this Act, including—

(1) the identity and rating (as determined by Moody's, Standard and Poor's, or other nationally recognized bond rating house) of the issuers of these bonds;

(2) the identity of the major purchasers of these bonds, including but not limited to federally insured depository institutions;

(3) the percentage of the total amount of high yield, noninvestment grade bonds that are issued as a method of financing corporate takeovers;

(4) the identity of the purchasers including, but not limited to, federally insured depository institutions that invest in high yield, noninvestment grade bonds that are issued as a method of financing corporate takeovers;

(5) the purposes for which high yield, noninvestment grade bonds are issued other than for financing corporate takeovers;

(6) a summary and analysis of the adequacy of current State and Federal laws that regulate investment in high yield, noninvestment grade bonds, by investors including, but not limited to, federally insured depository institutions and pension funds; and

(7) a review of the impact of the issuance of and investment in high yield, noninvestment grade bonds upon corporate debt as it relates to Federal monetary policy.

(b) In addition to the collection of information through surveys, public document review, interviews, and other information-gathering methods, at least one joint public hearing shall be held during the course of conducting the study.

(c) The Comptroller General shall transmit a report containing the results of the study under this section to the Congress not later than July 1, 1987.

Mr. **D'AMATO**. Mr. President, I offer this amendment on behalf of myself and my colleagues, Senator DOMENICI and Senator CRANSTON.

I am particularly gratified that Senator DOMENICI has brought this matter to the point where we can make a definitive determination and study of the utilization and use of the so-called junk bonds.

I say so-called junk bonds because I think it is interesting to note that if we were to look at the corporations of America which are dependent upon below grade, investment quality bonds, we find just about all of corporate America dependent upon these grades of bonds. To categorize it in the pejorative, we say junk bonds. There are only about 650 corporations of America who have investment grade bonds.

What is fact and what is fiction? Are they necessary? What regulations should be placed on the utilization of these bonds, whether it be for corporate takeover purposes; whether it be as it relates to the investment of federally insured depository institutions and pension funds with respect to these bonds?

These are questions that are important and they should be studied, not under an attempt to get to either corporate raiders or to those who defend an opportunity to perpetuate the myths.

I do not know what percentage of America's corporate debt structure is dependent upon below investment grade quality bonds. I do not believe there is anyone who can tell you. I think it is time that we developed these facts.

Mr. President, that is exactly what this legislation provides for. It provides for a study conducted by the Comptroller General, in coordination with the Secretary of the Treasury, the Secretary of Labor, the Federal Home Loan Bank Board, the Securities and Exchange Commission, the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Savings and Loan Insurance Corporation, the Federal Deposit Insurance Corporation and that this study should be completed by July 1 of this year so that a summary and analysis of the adequacy of the current State and Federal laws that regulate investment in high yield, noninvestment grade bonds by investors included but not limited to federally insured depository institutions and pensions can be made available.

What we are saying is let us find out what we are talking about. There are very few, either in the Congress and certainly in the general public, who understand the importance of these instruments and what regulations, if any, there should be in regard to their utilization.

I am deeply appreciative of the fact that Senator DOMENICI—and I understand his concern brought this issue to the floor—has agreed to withdraw his amendment so that this very important study could be undertaken.

AMENDMENT NO. 62

Mr. **GRAMM**. Mr. President, I send an amendment to the pending amendment to the desk.

Mr. **D'AMATO**. Mr. President, if I may, I move the adoption of the pending amendment.

Mr. **GRAMM**. Mr. President, I have sent an amendment to the pending amendment to the desk.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The legislative clerk read as follows:

The Senator from Texas [Mr. GRAMM] proposes an amendment numbered 62 to the amendment by Mr. D'AMATO numbered 61.

On page 1, line 2, strike "junk" and insert in lieu thereof "high yield".

Mr. GRAMM. Mr. President, one of the things I strongly object to is defining the meaning of words differently than is normally used in common discourse in order to affect the outcome of a debate. That is what has been done here. Our distinguished colleague from New York is just using a commonly used word, that word being "junk" bonds.

I would like to remind our colleagues that there are only 700 corporations in America that issue what are called investment-grade bonds. Virtually every corporate name that we all recognize today as the mainstay of our economy has at one time—and many in fact today are—identified with high-yield bonds. In fact, high-yield bonds exist because, when people have new ideas, new products, new production techniques that are unproven, they have to go out in the capital market and compete for available funds. If people are going to invest in a new idea, be it Xerox, or if people are going to invest in a new product or a better beer or a more effective means of advertising, you have to attract them into that investment.

In fact, there are 30,000 corporations in America today that create the majority of American jobs, at least in terms of new jobs, that are noninvestment grade companies.

I object to calling high-yield bonds—bonds that built America, bonds that continue to build America, bonds that are critical for the development of high technology and new competitiveness, all the things that we identify with God and motherhood and the flag—I object to calling their debt issues "junk" bonds. I urge my colleague to accept this amendment.

Mr. D'AMATO. Mr. President, I certainly have no quarrel with the sentiments expressed by my colleague from Texas. As a matter of fact, it is exactly why we have asked for this study. My remarks indicated that those people who tend to categorize these as some kind of evil abuse of the financial system refer to these instruments as "junk bonds." We are not prone to say let us look at this clearly, in the light of reality, let us get the facts and the myth separated so we can all understand. And by the way, if there should be proper, necessary regulations as relates to this use by some of the federally insured depositories, let us come up with a program that makes some sense, not simply bar their use without at least understanding the whole problem.

I think my colleague is quite correct in saying "investment rate" bonds. I have no objection to his amendment. I move the adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment to the amendment?

If not, the question is on agreeing to the amendment of the Senator from Texas.

The amendment (No. 62) was agreed to.

The PRESIDING OFFICER. Is there further debate on the amendment of the Senator from New York?

Mr. SARBANES. Mr. President, we are quite prepared to accept the amendment. We think it is a constructive idea. I commend the Senator from New York for being an effective member of the committee and for his leadership in this area.

Mr. GARN. Mr. President, we have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 61) was agreed to.

Mr. SARBANES. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GRAMM. Mr. President, I ask unanimous consent that the pending amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 63

(Purpose: To strike the provisions that create new exemptions from the spending reductions required under the Balanced Budget and Deficit Reduction Act)

Mr. GRAMM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Texas, Mr. GRAMM (for himself, Mr. RUDMAN, Mr. HOLLINGS, and Mr. CHAFEE), proposes an amendment numbered 63.

Beginning with page 105, line 7, strike out through page 107, line 2.

Mr. GRAMM. Mr. President, I have sent this amendment to the desk on behalf of myself and Senator RUDMAN, Senator, HOLLINGS, and Senator CHAFEE. This amendment would strike a provision of the pending bill that would exempt the bank regulators from the Gramm-Rudman-Hollings law.

I personally believe there is a logic in the position taken in the committee bill. There are obviously factors affecting the financing of bank regulators that make them unique among various services provided in the Government. Many of their services are provided by fees imposed on member banks and those who are served, but I do not think this is the place that this debate should occur.

I think we should hold hearings on this issue. I think we should look at it in broad perspective. Many Members are concerned that if we exempt the bank regulators and, God forbid, we should ever have another sequester, then it means bank agencies will be cut more.

Yesterday, I raised the specter of a point of order under section 306 of the Budget Act which would require that 60 Members of the Senate vote to waive that point of order. As a compromise to that position, we have worked out this amendment which, as I understand it, is acceptable to both sides. I urge my colleagues to adopt the amendment.

Mr. RIEGLE. Mr. President, we have been discussing this matter for some time, both in the committee and on the floor, yesterday, and it comes before us now. I am very troubled by the amendment of the Senator from Texas, I am frank to say. I do not like finding ourselves in a situtION where the whole bill may well be jeopardized by a point of order on this issue. I think this amendment ought not to be offered at this point, in this place, but that clearly is the decision of the Senator from Texas and he is within his rights to do so.

Having said that, I want to make sure the Senate really understands what is happening here, because to use the Gramm-Rudman law to reach into the FDIC and the FSLIC and subject them to the kind of arbitrary cuts as if they were a part of the normal spending processes of the Federal Government, I think, is a mistake. They are self-financing agencies. Their revenues are raised from the industries that they regulate. They regulate industries that are now in real trouble—none more so than in the State of Texas with respect both to banks and savings and loan institutions.

We have had Mr. Seidman, head of the FDIC, and Mr. Gray, of the FHLBB, come to us and say that it is very important, both in terms of the antideficiency aspect and with respect to Gramm-Rudman, that we not mistakenly apply this regimen to the effort to impose arbitrary cuts in those areas when those areas are struggling desperately to catch up with the problems that they are having to deal with.

Just last year, in a letter that was dated March 17, 1986, 12 Senators on the Senate Banking Committee, including then Chairman GARN and Ranking Member PROXMIRE, wrote OMB Director Miller opposing the application of Gramm-Rudman-Hollings to the bank regulatory agencies. I am going to read that letter because I think it is important that it be part of the Record, but I want Senators to know that the Senator from Texas himself signed that letter at that time. Let me share it with my colleagues.

> Dear Mr. Miller: We are writing to express our strong opposition to the application of the Gramm-Rudman-Hollings Act to the administrative expenditures of the financial institution regulatory agencies—specifically the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, the Federal Savings and Loan Insurance Corporation, the National Credit Union Administration and the Comptroller of the Currency. We believe Congress never intended the automatic percentage outlay reductions mandated by Gramm-Rudman-Hollings to be applied to the administrative expenditures of these agencies.

Parenthetically, I say I fully agree with that.

> First of all, the administrative expenses for all of these agencies are raised by premiums or fees on the institutions subject to their regulation. None of their activities are funded from general tax revenues.
>
> Second, all of these agencies are operated through a revolving fund or corporation whose assets would revert to the industry in the event of liquidation. Thus as a matter of law, these funds cannot be used to reduce the national debt.
>
> Third, the Gramm-Rudman-Hollings Act specifically exempts insurance payments and other contractual obligations of these agencies from the sequester provisions. Since the workload of these agencies is determined directly by the size of these insurance payments and other liquidation expenditures, it follows logically that the administrative expenditures necessary to carry out these functions should be similarly exempt. To assert otherwise is to render meaningless the exemptions specifically provided in law.
>
> For example, if these agencies are hamstrung by arbitrary limitations on their administrative expenses, they cannot take timely action to close or merge failing institutions or take other preventative supervisory actions with the result that the ultimate cost to the insurance funds administered by these agencies will be much higher. Surely the Congress did not intend this anamolous result when it enacted the Gramm-Rudman-Hollings Act.
>
> As a matter of fact, the proposed reduction in the administrative expenditures of these agencies could not have come at a worse time in the history of our financial system. Bank and thrift institution failures have reached an all time high, and the projections indicate these failures will continue for the next several years. Unless the supervisory agencies are permitted to take timely action to deal with the emerging problems in our financial system, we can be faced with a crisis of public confidence that can have profound repercussions on our financial stability.
>
> Accordingly, we expect that you will carry out the clear intent of the Congress by exempting the administrative expenses of these agencies from the sequester provisions of Gramm-Rudman-Hollings. We are also looking into the application of the Anti-deficiency Act particularly as it relates to apportionment, and other statutes to the financial institution regulatory agencies and may communicate with you further on these related issues in the near future.

That is a letter that is pretty straightforward; it does not mince words. It is signed by myself, Senators Garn, Heinz, Gramm, the sponsor of this amendment, Dodd, Sasser, Proxmire, Hecht, Mattingly, D'Amato, Sarbanes, and Dixon.

Now, there is a profound contradiction here between this letter, which is clearcut and right and directly on the mark, and the amendment we are seeing today. To try to stretch the reach of Gramm-Rudman-Hollings over into an area that, clearly, it does not belong is improper. I do not quite understand it. I do not know whether it is an exercise in ideology or an exercise in muscle flexing or whatever it happens to be, but it does not make sense and it is unsound.

The thing that I worry about is this. We have more problem banks today than we have had virtually at any time in modern history, certainly since the thirties. The same is true in the savings and loan system. And those agencies are under tremendous pressure to try to perform.

I was talking with Mr. Gray yesterday at the FHLBB. He gave me these statistics. At the present time, because of limitations that they are under, they have 192 employees. The average wage paid those 192 employees is $35,380. Of the 78 of those people who are above the average, the average of their salaries is $48,000. They are having enormous difficulty attracting the people into the FSLIC with the budget constraints they are under. They are now experiencing a 26-percent attrition rate, and that means that they cannot even keep the people they have. At the present time, they have 191 problem savings and loans that they are attempting to deal with, with a total of $58 billion in assets. Those savings and loans at the present time show a negative net worth of $6.6 billion and a potential exposure to the Government of $12 to $14 billion.

Rather than give these agencies the latitude to be able to get the kind of qualified help and pay the wages they need and to be able to function properly in an administrative fashion with money that is paid by the institutions that they supervise, we are in here haggling over the question of whether Gramm-Rudman-Hollings applies when in fact it does not and should not apply. In fact, even the Senator who offers the amendment has taken that position in the letter I cited of just 1 year ago. But let me read you another letter. This is one that comes from Mr. Miller, who is the Director of OMB, sent on October 9, 1986, not very long ago, to the then chairman of the Banking Committee, Senator Garn. He addresses this issue. I will not read the whole letter, although I will put it in the Record.

> As you know, we do not object to a prospective exemption of the financial institutions regulatory agencies (Comptroller of the Currency, Federal Deposit Insurance Corporation, Federal Home Loan Bank Board, Federal Savings and Loan-Insurance Corporation, and the National Credit Union Administration) from Gramm-Rudman-Hollings.

Mr. President, I ask unanimous consent that this letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Executive Office of the President,
Office of Management and Budget,
Washington, DC, October 9, 1986.

Hon. Jake Garn,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, DC.

Dear Mr. Chairman: This letter conveys our concerns with respect to pending Congressional action which may jeopardize enactment of important banking legislation this session. We are concerned primarily with the House-passed housing bill and the Carper-Lundine bill, the Depository Institution Examination Improvement Act of 1986.

We are concerned that the inclusion of H.R. 1, a housing bill that is unacceptable in its current form, may jeopardize passage of legislation addressing Federal Savings and Loan Insurance Corporation recapitalization. If H.R. 1 were attached to this bill, very reluctantly we would be forced to recommend that the President veto the measure.

We also oppose strongly a provision in the Carper-Lundine bill that would remove the financial institutions regulatory agencies from Executive branch oversight. The President could not perform effectively his chief executive functions if his current oversight authorities—incorporated in the apportionment process—were restricted or removed. In fact, Administration oversight was critical in identifying the need for a recapitalization of the FSLIC fund. Thus, we would have to recommend that the President veto this measure if the Administration's apportionment authority were removed.

As you know, we do not object to a prospective exemption of the financial institutions regulatory agencies (Comptroller of the Currency, Federal Deposit Insurance Corporation, Federal Home Loan Bank Board, Federal Savings and Loan-Insurance Corporation, and the National Credit Union Administration) from Gramm-Rudman-Hollings. However, the Administration opposes strongly making such exemptions retroactive. (We understand that making the exemptions retroactive is not now the intent of the bill's farmers, and we are willing to work with you to clarify the language.)

With so little time left in this session of Congress, it is our earnest desire that we put aside our differences on housing and oversight of the banking agencies and concentrate on recapitalizing the FSLIC fund and extending and expanding the emergency acquisitions authorities of the Federal financial institutions regulators as soon as possible.

Sincerely yours,
James C. Miller,
Director.

Mr. RIEGLE. That is the Director of OMB himself going on record as saying as long as this was prospective, which it is in our bill, if this amendment is taken away, it is appropriate. So there really is no sense to this amendment. I must say that when we have the kinds of problems we have, and as I say nowhere more extreme than in the State of Texas—we not only have the problem of the safety and soundness of the system but being able to have the people we need to adequately supervise what is going on—what about protecting the people with deposits in those institutions and who want to be able to understand that that money is being properly supervised.

It cannot possibly be under the circumstances that we have today, and I think the disaster that has built up over a period of time shows that.

Insured depository institutions are operating in an increasingly competitive deregulated environment today. The products they must offer to keep abreast of the market are more complex. Profitability is declining. Various sectors of the economy are deeply troubled and the number of problem institutions and failed institutions continues to grow. In order to supervise the financial system effectively in this environment, the Federal financial regulators need appropriate levels of resources and the flexibility to use resources in an efficient manner based on their judgment about conditions in the industry.

We cannot have it both ways. We cannot come in here crying crocodile tears about what is going on in the savings and loan industry and banks out there through the FSLIC and the FDIC and turn around, on the other hand, and not provide the professional help that is needed to work these problems through, especially when we have the Federal deposit guarantee there and we have citizens who are depositors who have the right to know that their money is being safeguarded. If we do not have the people, it is not getting done.

So when we get calls from people like Bill Seidman and Ed Gray and other people involved in it and we see letters of this kind, there is no justification for this amendment at this time. I am frank to say I do not like the prospect, in fact I have a very strong distaste for it, of facing a challenge on a point of order that has been aimed at us here that says if this item stays in there will be a challenge made under the Budget Act which would require 60 votes in the Senate, and because this is very hard issue to understand and people might mistakenly think that it really is a true test on Gramm-Rudman and we might not be able to get the 60 votes to prevail. And so as a result, we are put in a situation where the whole bill itself is put in jeopardy. But what is putting it in jeopardy? This amendment puts it in jeopardy. There is really no excuse for it. I do not want to see this bill go down, partly because we need some help in Texas, as well as we do in other States of the country, and so to have a gun put at the head of this bill on a matter of this kind, where the facts of the case argue so strongly the other way, I think is really a very, very unfortunate situation.

So I hope the Senator will withdraw his amendment because he may well be able to prevail on the strength of backing it up with the threat to lodge a point of order and send the whole package down in flames. But in light of the history I think there is absolutely no justification for doing so, and I hope that he would reconsider.

Mr. GRAMM. Mr. President, I do not want to get into a long debate here.

I am a little amazed that we work out an agreement and then we get up and attack it. Of course, every Member has a right to do that.

I believe that there is a problem with the application of Gramm-Rudman to funds used in regulatory agencies that are assessed from those who are given the services where taxpayer money is not involved. This vote today, in terms of taking this language out, has nothing to do with resources of these agencies or the salaries of people who work there. In fact, part of our agreement was that we want to go back and look at those pay scales. It does not make sense for us to spend years training auditors and let them audit their first bank and have the bank hire them away.

My objection here is, No. 1, to have in the head of the regulatory agencies involved, have in Chairman Miller, and have them outline to us their concerns, how we can address them.

Let us individually assess each institution and see the degree to which they are using taxpayer money, the degree to which they are using their own nonappropriated money, and then let us work out a bill we can bring back that addresses the pay issue, the resource issue, and the degree to which Gramm-Rudman does not apply.

I have already said that there are areas in these regulatory institutions where I think, clearly, there is no logic to the application. My point—a point I thought we had agreed to yesterday—is that it should be dealt with in that way, rather than a blanket amendment on an emergency bill.

I want to deal not just with the applicability of a form aimed at appropriated funds, but also, I want to look at the resource question that the distinguished Senator from Michigan has talked about at great length.

So it is a question of how you are going to do it. I think we owe it to other programs that would be affected—programs for medical research to housing programs that would be affected if appropriated funds are used to any degree in these agencies, to exempt that.

I am just saying that there is a right place, a right time, and a right way to deal with an issue. This is not that place, that time, that way. But I have committed to the distinguished chairman of the committee and the ranking member that I will support an effort to do it the right way and that if we can work out a reasonable way to do it, I will be a supporter of that effort.

So, on that basis, I ask for consideration of the amendment, which I understood was agreed to on both sides.

Mr. RIEGLE. Mr. President, my understanding is that I am not going to force a vote on this amendment. I objected yesterday to the position that was being used to advance it, both in substance and as to tactics. I cannot stop that, and I am not prepared to force the whole bill down and vote on a point of order on this issue.

People should understand what is involved here. There was absolutely no understanding that we were not going to talk about it. It needs to be talked about and it needs to have the light of day put on it.

There is absolutely no reason to bring Gramm-Rudman in and apply it in this situation. It is stretching it over any reasonable definition of a line, and I think with harmful consequences.

With respect to one other point that was made, some, including CBO, have said that exempting the banking agencies from Gramm-Rudman would mean that their "contribution" would have to be made up by sequestering a higher percentage of other agencies' funds to keep from increasing the deficit.

We should not allow ourselves to be mislead by this argument, but instead focus on the simple fact that the exemption of the FDIC, OCC, NCUA, FSLIC, and FHLBB from sequestration would have no real effect on the Federal budget deficit. The exemption would not, in reality, deprive the Federal Government of any funds that would have been available to it. It is important to remember that the inclusion of these agencies in the act—unlike the Federal Reserve, which was not included—reflected a misunderstanding of the nature of their funds.

I suggest we take a step back and look at the larger problem here. The banking agencies should not have been included under Gramm-Rudman in the first place. They do not receive appropriated funds or tax moneys. Therefore, sequestration of their funds has no real impact on the Federal Government's need to borrow additional moneys to meet its spending needs. The agencies have only a paper effect on the deficit, and if we have to reshuffle figures to correct the fact that they were mistakenly included in Gramm-Rudman, so be it. Continuing to include them simply means that should sequestration be necessary, the banking agencies would not be able to spend a portion of their funds on bank examinations. These funds would sit idle in an account somewhere and would not reduce the deficit in any way.

That is what is going on here. I realize how the cards sit. I realized it yesterday, and I realize it today. I cannot force this to the conclusion that I think it should have, but the facts have to be put on the table, and the Members of the Senate need to understand exactly what is going on here.

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, the question is on agreeing to the amendment.

The amendment (No. 63) was agreed to.

Mr. GRAMM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GARN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 58

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Utah. Is there further debate on the amendment?

The Senator from Florida.

AMENDMENT NO. 64 TO AMENDMENT NO. 58

Mr. GRAHAM. Mr. President, I would like to offer a substitute amendment, which I will send to the desk. This language will add to the language which has been offered by the Senator from Utah the language of the Douglas Act, which related to the ability of States to control banking institutions within their territory.

It would restrict the application of the grandfathered nonbank banks' ability to acquire an institution in another State, with the following language:

> This sentence shall not apply to the acquisition of an institution located outside of a State in which the acquiring company controlled a bank on March 5, 1987, unless such acquisition is specifically authorized by the statute laws of the State in which the institution to be acquired is located, by language to that effect and not merely by implication.

Mr. President, this would maintain a consistency of State control over financial institutions within their territory, as we permit this additional power to grandfathered nonbank banks.

I severely question the wisdom of allowing this additional expansion of authority to nonbank banks. But if we are to do so, we certainly should maintain our tradition of respect for State laws where they expressly, by statute, prohibit such out-of-State acquisition.

I urge the adoption of the substitute.

Mr. GARN. Mr. President, about 2 hours ago, I offered this amendment; and while I had been told it would be accepted, obviously there have been objections while I was talking, and that is why it has been continually laid aside.

The purpose of my amendment is to attempt to help some of the 450 troubled thrifts in this country by allowing current law to proceed—since 1982, under the terms of Garn-St Germain—and it was exactly why we allowed that at the time, because the thrift problem was bad, not as bad as it is now; but both Houses of Congress put it into law, that failed institutions could be purchased across State lines. That has saved a lot of institutions and, more important, it has saved a lot of money for both the FDIC and the FSLIC.

So I am not proposing anything new. I understand what the former Governor of Florida has said. I am for States rights. I wish the Governor would make a similar statement on the floor concerning his concern for States rights in other parts of the bill.

I do not know whether he happened to be on the floor or not when I read the unanimous position of 50 Governors in opposition to this bill because of the gross override for States rights; in addition the State treasurers, the State legislative counsel, and all the State legislators are overwhelmingly against this bill for the same reasons.

Now we cannot have it both ways. We cannot stand up on the floor on one hand and talk about States rights and the protection of the rights of States to make decisions in one part of the bill and in another part just run over them with a big train.

With all due respect to the Senator from Florida, his amendment just guts what I was attempting to do, placing a new requirement that goes further than current law to make a specific exemption. Under current law we have these regional compacts. States can make a decision to allow banks to come across State lines as they have in my State with a 2-year trigger. Next January 1 anyone can come in. It does not even have to be a troubled institution, but now this amendment requires a new determination by States.

I do not mean to prolong this debate. The amendment has been up for 2 hours. I expected it to be accepted.

I ask for the yeas and nays on the second-degree amendment and let us get on with the bill.

The PRESIDING OFFICER. The clerk will first report the amendment.

The legislative clerk read as follows:

> The Senator from Florida [Mr. GRAHAM] proposes an amendment numbered 64 to the Garn amendment numbered 58.
>
> In lieu of the language proposed to be inserted, insert the following:
>
> "For the purpose of clause (A) of the preceding sentence, an acquisition under section 408(m) of the National Housing Act shall be disregarded; but this sentence shall not apply to the acquisition of an institution located outside of a State in which the acquiring company controlled a bank on March 5, 1987, unless such acquisition is specifically authorized by the statute laws of the State in which the institution to be acquired is located, by language to that effect and not merely by implication.".

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. GARN. Mr. President, I do not wish to prolong the debate, but I was just informed there are some Senators off the Hill. I am prepared to go to an immediate vote. I will suggest the absence of a quorum just long enough to determine who is here.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SARBANES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SARBANES. Mr. President, if the Senator from Florida will yield, I have just a couple questions I would like to put to him about his amendment.

As I understand the Senator's amendment, he does not seek to negate what the Senator from Utah seeks to accomplish, but only modify it to the extent that in order for that acquisition to take place the State law in the State in which the so-called failing institution is to be acquired would allow that to take place. Is that correct?

Mr. GRAHAM. That is correct, even then only in an instance where the acquiring institution is from another State. That is in a situation where an institution from State A wishes to acquire a failing institution in State B. In that circumstance there would have to be specific statutory authority within State B for such an acquisition to occur.

Mr. SARBANES. To allow that to take place?

Mr. GRAHAM. That is correct.

Mr. SARBANES. As I understand it that is consistent with the general statutory approach that has been heretofore taken with respect to matters of this sort. Is that not correct?

Mr. GRAHAM. That is correct. The language which is proposed in this amendment is the Douglas Act language, the language which reads "* * * such acquisition is specifically authorized by the statute laws of the State in which the institution to be acquired is located, by language to that effect and not merely by implication." That is the language of the Douglas Act.

Mr. SARBANES. Mr. President, I point out that the underlying amendment which addresses the nonbank banks and allows them in a sense to move beyond the freeze, that is the concept in this bill so that they can acquire an ailing institution, represents in effect an opening up of what was in the bill.

I think the Senator from Utah has made some strong arguments as to why that is useful or needed or helpful. On the other hand, it seems reasonable to modify that to comply with the laws of the State in which an institution is to be acquired, particularly when the acquisition is to be made by an out-of-State institution. If I understand that correctly, it seems to me that that modification is a reasonable one.

We would still have the situation in which the activity which the Senator from Utah wishes to see take place could take place. However, the only requirement then would be that the State law would permit it to take place in an instance in which an institution in a State was to be acquired by one of these nonbank banks coming from outside of the State.

It seems to me that is a reasonable blend of some very important concepts. It would seem to me that the Garn amendment, as in effect strengthened by the Graham amendment, would then give us overall an amendment that does address the problem and at the same time accords, I think, some needed respect toward the needs or the policy of a State as perceived by that State.

Mr. GARN. Mr. President, although that certainly sounds reasonable from my distinguished colleague from Maryland, the point is that this Congress approved, and specifically the Senate Banking Committee approved with the Senator from Maryland voting in favor, in Garn-St Germain, of allowing exactly what I am trying to accomplish.

I am not attempting to change that basic premise. This bill does.

The second problem with the amendment of the Senator from Florida is where his language says specifically, that means even States existing in a general sense that have a law that would allow this, would have to have a legislative session to approve it.

I do not think that is very helpful. My legislature in Utah has just adjourned, as I suppose a lot of them have, and they will meet next January, and if you had a troubled thrift, and the only acquirer was an out-of-State-nonbank bank, the Governor would have to call the legislature into special session to specifically approve that transaction.

So the amendment does a great deal more harm from a practical standpoint, not a legal standpoint but a practical standpoint, than is being talked about here.

I see no reason to take any more time of the Senate. The votes have been ordered and the Senate can make a decision.

(Mr. BREAUX assumed the chair.)

Mr. SARBANES. Will the Senator yield for one quick question?

Mr. GRAHAM. Yes.

Mr. SARBANES. As I understand the Senator's amendment, it does not require specific approval of each transaction. It only requires that the State law has specifically addressed the general question and allowed such acquisitions to take place. If that were the State law, any number of specific transactions could take place under that general authority, is that correct?

Mr. GRAHAM. Correct; that is my interpretation. The language that I have submitted would not require case-by-case authorization, but, rather, a State law which would specifically authorize the acquisition of institutions within the State by institutions external to that State.

Mr. GARN. Mr. President, that is correct. I did not mean to imply each case would have to go back and make a new finding. For each case that came up, they would have to make a decision; after that, that would be the law. We know of no States that specifically allowed exactly what you are talking about. So, right now, not one of the 50 States could do it. This very specific amendment would require a State law to allow grandfathered nonbank banks to acquire failing of felled thrifts across State lines. There is no State law to that effect now. So every one of them would specifically have to act to allow this procedure to take place.

Mr. GRAHAM. Mr. President, we are talking about a new creature, a creature that did not exist 5 years ago, the nonbank bank. I believe that if this Chamber had its will, it would not only do as this act does, which is to prohibit any additional nonbank banks, but would be prepared to roll back from the point that we find ourselves today. We are now talking about what constitutes the authority of nonbank banks from this point forward. The proposal that the Senator from Utah would make would be to allow the nonbank banks an authority which was not contemplated by the committee at the time of reporting this bill when a very considered list of restrictions and continued authorities for those grandfathered institutions was a law, one of those being to allow these 160 institutions to acquire failed institutions in another State.

I believe that if we are going to allow that as an additional authority for these handful of grandfathered nonbank banks, that it is appropriate to allow the States which are going to be most affected by that acquisition, whose financial structure is going to be involved, to have the opportunity to make a conscious decision as to whether they wish that to occur. That is consistent with a half-century of American banking tradition. I believe it is appropriately applied in this instance.

I yield the floor.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Florida [Mr. GRAHAM]. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Texas [Mr. BENTSEN], the Senator from Iowa [Mr. HARKIN], and the Senator from Massachusetts [Mr. KENNEDY] are necessarily absent.

I also announce that the Senator from Delaware [Mr. BIDEN] is absent because of illness.

Mr. SIMPSON. I announce that the Senator from Oregon [Mr. HATFIELD] and the Senator from Alaska [Mr. STEVENS] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 52, nays 42, as follows:

[Rollcall vote No. 41 Leg.]

YEAS—52

Adams
Baucus
Bingaman
Boren
Bradley
Breaux
Bumpers
Burdick
Byrd
Chiles
Cohen
Conrad
Cranston
Daschle
DeConcini
Dixon
Dodd
Exon
Ford
Fowler
Glenn
Gore
Graham
Heflin
Hollings
Inouye
Johnston
Kerry
Lautenberg
Leahy
Levin
Matsunaga
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Nickles
Nunn
Pell
Proxmire
Pryor
Reid
Riegle
Rockefeller
Sanford
Sarbanes
Sasser
Shelby
Simon
Stennis
Wirth

NAYS—42

Armstrong
Bond
Boschwitz
Chafee
Cochran
D'Amato
Danforth
Dole
Domenici
Durenberger
Evans
Garn
Gramm
Grassley
Hatch
Hecht
Heinz
Helms
Humphrey
Karnes
Kassebaum
Kasten
Lugar
McCain
McClure
McConnell
Murkowski
Packwood
Pressler
Quayle
Roth
Rudman
Simpson
Specter
Stafford
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Wilson

NOT VOTING—6

Bentsen
Biden
Harkin
Hatfield
Kennedy
Stevens

So the amendment (No. 64) was agreed to.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GRAMM. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. Mr. President, before we move to the underlying amendment, I do not think there is a necessity for a rollcall vote after the result of the vote on the secondary amendment. However, I would like to check that out. While I do, I would suggest the absence of a quorum.

Mr. BYRD. Mr. President, will the Senator withhold his suggestion?

Mr. GARN. Certainly.

Mr. BYRD. Mr. President, while the distinguished Senator is checking, rather than have a quorum call I have a few words to say.

Mr. LEAHY. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The Senate will be in order.

The majority leader.

Mr. BYRD. Mr. President, I wonder if it would be possible to get some indication at this time as to what the prognosis is for the rest of the day as to rollcall votes and possibly some idea as to when the Senate will be able to complete action on the bill. I wonder if either manager, or both, might be able to shed some light on that.

Mr. PROXMIRE. Mr. President, as far as I know, there are no amendments I have heard about on the majority side. There may be, but they have not presented them to me. I have been listening as carefully as I could.

I understand the minority manager may have several amendments.

Is that correct?

Mr. GARN. Mr. President, in response to the distinguished chairman of the committee—

Mr. BYRD. Mr. President, may we have order? We are trying to hear what the distinguished ranking manager is saying in response to the question.

The PRESIDING OFFICER. The Senate will please be in order.

Mr. GARN. Mr. President, this morning when we came in, I had four amendments that I intended to offer, four individual amendments. Because this first one that has just been voted on has taken so long, it changes things. I was prepared to go on my amendment at 9:45 this morning and have it voted upon or accepted very rapidly.

I do not intend at this point to propose any of the other three amendments that require rollcall votes. However, I still do intend to submit an amendment which we have intended from the very beginning, to strike titles I and II.

I am also informed that the minority leader may have a sense-of-the-Senate resolution which they are working on in the cloakroom right now. So my anticipation would be only to offer one more amendment, as far as I am personally concerned. We should be ready to offer that fairly shortly.

Mr. President, Senator HEINZ also has an amendment and is prepared to go with it. I do not know whether that will require a rollcall vote or not. As far as I am concerned, I only expect to have one more.

Mr. BYRD. Mr. President, then there is an anticipation of additional rollcall votes before us, possibly on the amendment that the Senator from Pennsylvania has in mind calling up. Would the distinguished Republican leader expect to have a vote on his sense-of-the-Senate amendment?

Mr. HEINZ. Mr. President, I respond to the Senator from West Virginia by saying that there could well be a rollcall vote on my amendment and possibly on a second amendment dealing with insurance that I am considering proposing.

Mr. BYRD. Does the distinguished Republican leader have any other vote in mind with respect to an amendment?

Mr. DOLE. I do have a sense-of-the-Senate amendment which I do not think will take long to discuss. There may be a request for a vote on it.

Mr. BYRD. Very well, Mr. President. And there will, of course, be a rollcall vote on passage.

THE HIGHWAY BILL

Mr. BYRD. Mr. President, I shall be very glad to yield the floor at any time a Senator wishes to call up an amendment. Meanwhile, if I may proceed for not more than 5 minutes on another matter.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. BYRD. Mr. President, it is unfortunate for the country that in vetoing the highway bill, which he did just a short time ago, the President has turned a program that is good for the Nation into a political football. Instead of debating the merits of the bill, the White House will instead turn on its PR machinery and start twisting arms in an effort to show who is boss. In the effort, the American people will end up as the losers.

Let us face the facts. This bill is about jobs for a half-million or more men and women. It is about economic growth in 50 States and thousands of cities and towns across the country. Mr. President, it is about keeping our transportation system, the lifelines of our economy, from falling into decay. What a waste it will be for hundreds of thousands of workers to stand idle by the side of the road, and for construction equipment, steel, cement, and asphalt to sit unused because there is no money to fund the work. It is work that the American people have already paid for. We know that 86 percent of the funds in this bill comes from a 9-cent-per-gallon gasoline tax that comes out of our pockets every time we pull up to the gasoline pump. The people need what they have paid for and they should not have to wait to get it. But because of the President's veto, if that veto is sustained, wait they will.

A bill that took 2 years to develop in the last Congress in all probability cannot be changed and then passed in 2 days, 2 weeks, or 2 months, no matter what the White House says. There will be many difficult issues that must be resolved all over again, including the 65-mile-per-hour speed limit, which will be very difficult to settle again.

Furthermore, the bill is not a budget buster. Funding for highway safety programs this year is nearly $2 billion less than the comparable level last year.

I hope, Mr. President, that all of us will listen to our constituents. They want this bill enacted. The country needs this bill enacted. If the President's veto is sustained, we cannot get another bill in a matter of days or weeks. This was a delicately crafted compromise, a compromise that the veto threatens to wipe out. The President and the people he is trying to sway with political arguments should recognize legislative reality. There will be no quick fix to this ill-advised veto. Sustaining the President's veto will cause serious delays that the States simply cannot afford.

In my State of West Virginia, for example, there are $103 million in projects waiting to go. People are waiting to go to work. Without this bill, both the people and projects will continue to wait.

This veto says no to jobs, no to growth, and no to progress. This bill deserves to be enacted on its merits. The vote is not, as some have said, a political vote. It is a vote to keep faith with the American people, who want better highways, better bridges, and better transit systems, and have already paid for them. I hope my colleagues will vote for what is best for their constituents and their States and vote next week to override the veto of the President.

Mr. President, I have a letter that I received today from BARNEY FRANK, a Member of the House of Representatives. It pertains to this veto. Let me read just a few paragraphs from that letter, after which I shall ask unanimous consent that it be printed in the RECORD in its entirety. Mr. FRANK is the chairman of an economic oversight subcommittee of the House Banking Committee. His subcommittee deals with economic analysis and job creation, among other matters. I quote an excerpt from his letter:

> Some of our colleagues have suggested that Congress should sustain the President's veto of the overall bill and then repass the measure allowing for speed limit increases, either separately or as part of the much smaller transportation bill, which

would cut back on public transportation and leave out many important highway projects. We want you to know that we will not support such an approach and that we will specifically vote no on any proposal to allow speed limit increases as a separate bill or as part of a skeleton transportation bill.

Since the margin in the House by which the speed limit passed was only 11 votes, we understand that our support——

Meaning Mr. FRANK and his colleagues who have cosigned this letter.

was critical to its success. We therefore feel obligated to inform Members who are particularly interested in raising the speed limit in some instances that we do not intend again to provide that critical margin of support outside of the context of the overall transportation bill.

I ask unanimous consent that the letter in its entirety be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, March 26, 1987.

Hon. ROBERT BYRD,
Majority Leader,
U.S. Senate,
Washington, DC.

DEAR MR. LEADER: Because of the importance of the issues involved in the highway bill to the country, we thought it important that we let the leadership of the House and Senate know of our position on the relationship of the overall highway bill to the amendment allowing increases in the speed limit.

All of us either voted or were paired in favor of the amendment to allow states to raise the speed limit to 65 in certain cases. We supported that amendment as part of what we thought was a balanced approach to our transportation needs, both regarding highways and public transportation.

Some of our colleagues have suggested that Congress should sustain the President's veto of the overall bill, and then repass the measure allowing for speed limit increases, either separately or as part of a much smaller transportation bill, which would cut back on public transportation and leave out many important highway projects.

We want you to know that we will not support such an approach, and that we will specifically vote no on any proposal to allow speed limit increases as a separate bill, or as part of a skeleton transportation bill.

Since the margin in the House by which the speed limit amendment passed was only eleven votes, we understand that our support was critical to its success. We therefore feel obligated to inform members who are particularly interested in raising the speed limit in some instances that we do not intend again to provide that critical margin of support outside the context of the overall transportation bill.

We hope that the veto is overridden, that highway and public transportation projects can go forward, and that states may raise the speed limit in appropriate instances. But if the veto is sustained, we will no longer support the speed limit increase amendment, since we cannot allow our support on this issue to be used as leverage against important transportation matters.

Consequently, members who wish to see the speed limit law amended should understand that overriding the veto is critical to the success of that goal.

Barney Frank, Richard H. Lehman, Fortney (Pete) Stark, Edward R. Roybal, George W. Crockett, Leon E. Panetta, Joseph P. Kennedy II, Henry B. Gonzalez, Chester G. Atkins, Thomas M. Foglietta, Marty Russo.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The minority leader is recognized.

Mr. DOLE. I thank the distinguished Presiding Officer.

Let me indicate that I was there this morning when the President vetoed the bill. I was there along with the Secretary of Transportation, the Vice President, and a few others. The President made it quite clear that he is ready to sign a bill. I hope before we vote on the veto override, which will probably come sometime next week, we will have an opportunity to look at the bill being sent up today by the administration.

The revised bill incorporates the policy decisions reflected in the conference report for H.R. 2, the Surface Transportation Uniform Relocation Assistance Act of 1987. However, it does reduce the levels in the conference report bill to more closely match the funding levels in the original Senate-passed bill and adopts the Senate approach for special interest construction projects. Most of the savings are accomplished by deleting the extra funding for demonstration programs and by reducing the funding levels of DOT's discretionary programs.

In addition, most of the remaining funds, which would have been distributed through the discretionary programs, would be distributed by formula. Distributing the funding through the formula provides States with somewhat more predictable funding. The bill also provides changes in several programs funded by the House and the Senate. Mr. President, I have a full explanation of what the substitute does.

I am not certain what will happen when the veto is before the U.S. Senate. But I would say at the outset that on the merits, it should be sustained.

The President has made this judgment. I am not certain if any Senator recommended that he do this. But he made the judgment based on what he felt were the facts. We do not have a budget resolution yet this year. The deficit has not gotten any smaller. And the President, apparently, decided that if he signed this bill, he would be forced to sign almost any other bill Congress sent to him for the remainder of the year.

I do not view this as a confrontation. It seems to me the executive branch has the right to take a look at what we send it, and to veto it. The President vetoed the water bill, and his veto was overridden, overridden by a large margin in both the House and the Senate. He accepted that, obviously. He had no other choice. He did not complain about it. But now the President has vetoed another very critical piece of legislation, an $88 billion highway program. It is a bill that could have been passed last October had it not been for the intransigence of some on the House side who refused to deal with the bipartisan Senate amendment on the 65-mile-per-hour speed limit.

So I hope, before everybody chooses up sides and decides precisely what they intend to do, that we understand the President is on record for the speed limit change, he is on record for a very, very substantial highway program. And the one thing the President does not want to be blamed for, is any delay in highway construction.

He promised when he vetoed the bill he would send up a compromise measure immediately, and he has done that. That bill will be introduced this afternoon by a number of Senators, hopefully on both sides.

But I do believe that the distinguished majority leader has raised a point: How quickly can Congress act and how much are we willing to do, rather quickly, so that those States awaiting the funds can go to work. Many States can be taken care of; by borrowing the money temporarily or other stopgap measures. I am not certain how many people will actually be affected. But if the veto is sustained, it seems to me we ought to go on record, suggesting the appropriate committees report out a bill within 7 calendar days. If it is not sustained, it does not make any difference. We may not vote to sustain the President's veto. But I hope we would all go on record, Republicans and Democrats, if the veto is sustained—that we want some action; that we are not going to be satisfied with waiting 7 weeks or 4 weeks or 3 weeks; that we want to do something within 7 calendar days.

That is the essence of the sense of the Senate amendment that I will offer as a second-degree amendment to the pending amendment. It simply states:

It is the sense of the Senate that if the President's veto of the highway bill is sustained, the appropriate committees of the Senate report out a new bill by the end of 7 calendar days following the disposition of the veto message.

I hope this is not construed to be partisan. I hope it is an indication we can send to the contractors and workers and Governors and others. If the veto is overridden there is no problem as far as they are concerned. There is a problem as far as the President is concerned. But if the veto is sustained, then we are on record for moving as quickly as we can in the Senate to make certain we have expeditious action. I do not know of anybody who would disagree with that. I hope there would be no disagreement.

I send an amendment to the desk and ask for its consideration.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Parliamentary inquiry. Is there an amendment pending?

The PRESIDING OFFICER. The pending business of the Senate is the Garn amendment which has been amended by the Graham amendment. The Garn amendment is not amendable.

Mr. DOLE. So this would be an amendment in the first degree.

The PRESIDING OFFICER. The Garn amendment has to be disposed of before another amendment is properly considered. The pending business of the Senate is the Garn amendment, as amended.

Mr. DOLE. I ask unanimous consent that the amendment be temporarily laid aside.

Mr. BYRD. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The unanimous-consent request is that the Garn amendment be set aside. The majority leader is recognized.

Mr. BYRD. Reserving the right to object——

AMENDMENT NO. 58, AS AMENDED

The PRESIDING OFFICER. The pending business is the Garn amendment. The question would now occur on the adoption of the Garn amendment, as amended by the Graham amendment.

The amendment (No. 58), as amended, was agreed to.

Mr. SARBANES. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The minority leader is recognized.

AMENDMENT NO. 65

Mr. DOLE. Now, as I understand it, it is in order to offer the amendment.

The PRESIDING OFFICER. The Senator is correct. The clerk will report the amendment of the Senator from Kansas.

The assistant legislative clerk read as follows:

> The Senator from Kansas [Mr. DOLE] proposes an amendment numbered 65: It is the sense of the Senate that if the President's veto of the highway bill is sustained, the appropriate committees of the Senate report out a new bill by the end of 7 calendar days following the disposition of the veto message.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested.

Mr. LEAHY. Will the Senator withhold for me to make a statement on an unrelated subject of the Committee on Agriculture for 4 minutes and then yielding back to the Senator from West Virginia?

Mr. BYRD. I am sorry, Mr. President, but for the moment——

The PRESIDING OFFICER. The majority leader suggests the absence of a quorum.

Mr. BYRD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. BYRD. Mr. President, it will be my intention to move to table this sense-of-the-Senate resolution. But before I do, I would like to give Senators an opportunity to speak on it, if they so wish. It is an amendment in the first degree.

My reasons for tabling it will be that, in the first place, it is unachievable, to expect that the appropriate committees of the Senate shall report out a new highway bill within 7 days following the disposition of the veto message.

With all due respect to my good friend the Republican leader—and I admire him—from the standpoint of tactics, he is doing a very smooth and clever one here, and I do not question his sincerity for 1 minute. But this is pure gamesmanship—to imagine that the committees can report out in 7 days that which has taken 2 years and that which has all the thorny problems involved, and do this in 7 days—why, we are holding out false hopes to the American people.

To support this resolution would be to put the Senate in an untenable position. Every Member of this body, when he or she votes on this tabling motion, will know that this resolution cannot be implemented and that it will not be implemented because of the severe problems, the complicated problems that are involved.

I admit that it is a good political tactic on the part of the distinguished Republican leader. I have never underestimated his ability and his expertise and his sincerity, and he is doing what I will certainly forgive him for doing. I can appreciate his reasons for doing this. He hopes to get the Senate on record in support of this frivolous amendment—and I use the word "frivolous" not with any disrespect to the distinguished leader, but it is frivolous—to get the Senate on record, telling the American people out there, who are watching through those cameras right there, that the appropriate committees will report out another highway bill within 7 days.

God created the Earth and the heavens and all the beasts of the field and the fowl of the air and created man in His own image in 7 days, but it is utterly impossible—and every Senator here knows that it will be impossible—for the committees to report out new highway language within 7 calendar days, including Saturdays and Sundays, following the disposition of the veto message. The veto message will be up before the Senate next Tuesday, Wednesday, or Thursday, if the House overrides it.

The Bible tells us that we should not do a vain thing, and that is precisely what we are doing here, a vain thing, to expect the appropriate committees to report out this complex bill, revised to meet the President's objections, within 7 days, or even 7 weeks; and to put it on the President's desk is even something else, because it has to pass the other body.

Let us not fool the American people, and let us not fool ourselves. The people whose jobs are at stake out there in the country, the cities, the towns, the rural communities—the people who work with the shovels and earn their living by the sweat of their brow, know that this is an impossibility. Let us not try to fool them.

For these reasons, I am going to move to table the resolution shortly.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. BYRD. Mr. President, I will yield, with the understanding that the Chair will protect my rights to the floor. I yield without losing my right to the floor.

Mr. ADAMS. Mr. President, just for a comment, I say to the majority leader, because I know the members of the committee wish to speak, but as a former Secretary of Transportation who dealt with highway bills, as a former Member of the House who dealt with them through the years, what has been requested and suggested here is simply to take away the powers of the Senate by having a sense-of-the-Senate resolution before we get into a process which has taken months in this case, and traditionally though the years takes months and months to pass. This would be fooling ourselves that we could possibly do this in 7 days, let alone pass a bill immediately, and we should proceed ahead with the bill that has been worked on so long by Senator MOYNIHAN, Senator MITCHELL, Senator BURDICK, and many others on the minority side, to create a vehicle.

I would hope that this sense-of-the-Senate resolution will be tabled when the majority leader makes the motion, and I hope the members of the committee—and I know they will—will comment on the agonizing efforts that have been made to bring this up.

I feel with that perspective, I can say that in the 50 States the people are waiting, the directors of transportation, the people who are in the highway business, the people who are going to work for those contractors, the people themselves are waiting for this bill and have been waiting since last year.

So I hope the majority leader will make that motion, and I appreciate the time he has yielded.

The PRESIDING OFFICER. The distinguished majority leader.

Mr. BYRD. Mr. President, the distinguished Senator speaks from the vantage point of having been a former Secretary of Transportation and his words are wise. I hope that Senators will listen to them.

Mr. President, I am not going to shut off Members on both sides, and I certainly want to yield to the distinguished Republican leader before I move to table.

Just now if I may yield to the distinguished Senator from New York [Mr. MOYNIHAN] who was chairman of the Senate-House conference on the highway bill, I ask unanimous consent that I may yield without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I thank the distinguished majority leader, and I say to him that I will be brief. We will have this matter on the floor, weekly, at a minimum, for the next year as a great recession creeps across the country and crashes through one community after another. This will come to pass unless we do the only thing we can do, which is override the veto of this morning at the White House ceremony.

Mr. President, if I could just describe some of the difficulties we have here. The distinguished minority leader has submitted an amendment proposing that it be the sense of the Senate that if the President's veto of the highway bill is sustained the appropriate committees report out a new bill within 7 calendar days.

Mr. President, this is more than a highway bill.

This is a bill that came out of the Committee on Environment and Public Works concerning highways, that came out of the Committee on Governmental Affairs concerning relocation assistance, that came out of the Committee on Finance concerning the taxes that fund the highway and transit programs, that came out of the Banking Committee on mass transit, and that came out of the Commerce Committee on highway safety. Five Senate committees have jurisdiction over the contents of this bill.

Mr. President, what we have here is not a highway bill. It is the Surface Transportation and Uniform Relocation Act of 1987. Either we have it this year or there is no way we can put it together again next year.

Just yesterday, Mr. President, the 65-mile-an-hour speed limit passed the House by 11 votes; 11 Members of the House said they did not personally support the measure, but knew the health of the economy could not be maintained without a highway program, so they voted to allow States to increase the speed limit. Now, they signed a statement that if the bill is vetoed, there is no chance that the 65-mile-an-hour speed limit will pass the House again this year.

I believe the letter, addressed to the majority leader, is on the floor and I ask unanimous consent, Mr. President, that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HOUSE OF REPRESENTATIVES,
Washington, DC, March 26, 1987.

Hon. ROBERT BYRD,
Majority Leader, U.S. Senate,
Washington, DC.

DEAR MR. LEADER: Because of the importance of the issues involved in the highway bill to the country, we thought it important that we felt the leadership of the House and Senate know of our position on the relationship of the overall highway bill to the amendment allowing increases in the speed limit.

All of us either voted or were paired in favor of the amendment to allow states to raise the speed limit to 65 in certain cases. We supported that amendment as part of what we thought was a balanced approach to our transportation needs, both regarding highways and public transportation.

Some of our colleagues have suggested that Congress should sustain the President's veto of the overall bill, and then repass the measure allowing for speed limit increases, either separately or as part of a much smaller transportation bill, which would cut back on public transportation and leave out many important highway projects.

We want you to know that we will not support such an approach, and that we will specifically vote no on any proposal to allow speed limit increases as a separate bill, or as part of a skeleton transportation bill.

Since the margin in the House by which the speed limit amendment passed was only eleven votes, we understand that our support was critical to its success. We therefore feel obligated to inform members who are particularly interested in raising the speed limit in some instances that we do not intend again to provide that critical margin of support outside the context of the overall transportation bill.

We hope that the veto is overriden, that highway and public transportation projects can go forward, and that states may raise the speed limit in appropriate instances. But if the veto is sustained, we will no longer support the speed limit increase amendment, since we cannot allow our support on this issue to be used as leverage against important transportation matters.

Consequently, members who wish to see the speed limit law amended should understand that overriding the veto is critical to the success of that goal.

Barney Frank, Richard H. Lehman, Fortney (Pete) Stark, Edward R. Roybal, George W. Crockett, Leon E. Panetta, Joseph P. Kennedy II, Henry B. Gonzalez, Chester G. Atkins, Thomas M. Foglietta, Marty Russo.

Mr. MOYNIHAN. Mr. President, two points: The President has said that this is a budget-busting bill, pointing specifically to the highway provisions.

The bill is $1 billion less this year for highways than we spent last year. And the projections of how this bill will shape up over the next 5 years are uncertain, at best. The President's estimators find that there will be $800 million more spent than the President has asked for. Maybe there will and maybe there will not. We do not know. It is surely an insignificant amount compared to $88 billion.

The bill is $10 billion over the President's request. Not over budget, but over his request. We are $9.3 billion over his request in mass transit spending. There is not really a penny of increase. It is just that the President proposes to abolish all funding from general revenues for mass transit, buses, subways, and the like. The President proposes to fund transit solely from the 1 penny dedicated to transit in the 9 cent per gallon gasoline tax.

We have not proposed increases, but rather have proposed to maintain a program that Congress has year after year said is needed.

If there were anyone on the other side of the aisle so brave as to say if we sent back to the President a bill that took out some minor highway projects, but included mass transit moneys, the President would sign it, then I would be interested to hear that. But no one can say that in all truth. They cannot say that because they know it is not so.

Now, this is just getting to be a question of integrity. If they want to eliminate the Mass Transit Program, they should say so. That is a legitimate position. I may have a different view, but it should be understood that this dispute is not about highways. It is another matter, and they dare not say that.

Why do they dare not say what is the fact? And why are they not already trembling at the consequences of what they did this morning? I hope they are. They deserve to be.

Thank you.

Mr. BYRD. Mr. President, I thank the distinguished Senator, and I yield to the distinguished Senator from Rhode Island with the understanding that I do not lose my right to the floor.

Mr. CHAFEE. Mr. President, I share the majority leader's concern with this resolution proposed by the Republican leader. I do not see why he had 7 days in there. Frankly, we could do all this in 2 days.

I have been on the Public Works Committee for many years. We know this issue backward and forward. That particular committee could meet in one day and report out a bill to meet the President's veto requirements, and it would be a good bill. The other committees could do likewise.

There is a lot of talk here about the world is going to crumble. It is pretty soon turning from a national depression to a worldwide recession if this highway bill is not enacted and the President's veto overridden.

Who is saying that? As I understood the election results from last fall, it put the majority in the hands of the Democratic Party. If they do not want to do anything about a highway bill, that is their business.

But on this side of the aisle you will find us prepared to go forward with a bill to provide that the highways can be constructed and the season can be met right away.

This whole thing, as far as the Senate, if you read the minority leader's resolution, it says it is the sense of the Senate that if the President's veto is sustained, that the appropriate committees of the Senate—we are not saying in the House, that is their business, and they can do it just as fast as we can—report out a new bill by the end of 7 calendar days. I think that ought to be 2 calendar days. We certainly can do it in the committee that I have had the pleasure of serving on for many years, and so can the other committees.

So let us put away this business about nothing can be done, we are hopeless, our hands are shackled.

Somehow there is a suggestion that the President should not even have a veto or if he exercises it it should never be sustained. That is the way the Federal Constitution operates. We are celebrating the 200th anniversary of the Constitution where the veto power is given to the President. That is provided.

In those instances where the veto is sustained on an important measure like this that must go forward, it seems to me it is the responsibility of those who are in charge who have the majority to come out and do something about it and to see that the Nation moves forward and the highways are built and to avoid this cataclysmic prediction of the future where everything will go wrong if his highway bill is not enacted quickly.

So, there it is, Mr. President. As far as I am concerned, serving on one of the committees, I will do everything I can—I will be there and I hope other Members will—to bring out a a bill immediately. We could do it in a day. I think that is a challenge that the other committees could meet, likewise.

I thank the majority leader.

Mr. BYRD. I thank the distinguished Senator.

Mr. President, I yield to the distinguished Senator from Maine [Mr. MITCHELL] and then I will be prepared to yield to the distinguished Republican leader, after which I will be prepared to move to table.

I ask unanimous consent that I may yield without prejudicing my right to the floor.

The PRESIDING OFFICER (Mr. GRAHAM). Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I will be brief, because I think the issue has been covered in the debate previously.

I do not often disagree with my good friend from Rhode Island, but, I think, on this issue, I very strongly disagree. It is true, of course, that a committee could write a bill in 2 days or 1 day or 1 hour. Any committee could write any bill in 10 minutes.

The question is not whether it could physically be done in that space, but whether it would be done, given the very controversial issue and given the deep division throughout the country reflected here in the Senate and the House.

Now, my distinguished friend from Rhode Island well knows that we have the highway funding in this bill, very difficult questions of apportionment under the formula, whether each State will get a minimum level, whether the donor States will get 85 percent or more of their return. The Senator from Rhode Island well knows that week after week, hour after hour, over a period of several months, we debated those issues within the conference, the Senate and the House. This has the mass transit funding, which is really the heart of the administration's objection. Hour after hour, day after day, week after week, we negotiated on that. This has the speed limit. I need say no more about that, we have heard so much about the speed limit here and in the House. We debated at great length the question of highway beautification and billboards, as the Senator knows. He and I and the Senator from Vermont were all vitally interested in that. We debated the demonstration projects perhaps longer than anything.

As a practical matter, the Senator from Rhode Island well knows that there will not be a bill in 2 days, there will not be a bill in 7 days, there will not be a bill in 2 months. It took us nearly 1 year to reach this point. And suddenly to suggest that, by the stroke of a magic pen, all of those differences will disappear, all of the disagreements will vanish, and that suddenly we will write a bill in 1 or 2 days is truly an exercise in unreality. And that does not even take into account dealing with the House. It does not even take that into account. The last I heard, the Constitution required action by both the House and the Senate before a bill could be presented to the President for signature.

So, I submit to my colleagues that the reality is we struggled with this for the better part of 1 year. We spend hundreds and hundreds, it might even be in the thousands, of hours of meetings among the conferees in the Senate and the House on these very, very contentious issues. We brought about not a perfect bill, but a reasonable compromise.

Now, for reasons wholly unrelated to this bill, the President vetos it for reasons that relate only to the political standing of the President, acknowledged by all conerned, that what we are doing here is seeing whether or not the President's political stature will be revived. It has nothing to do with the highway bill. You are being asked to place loyalty to the President above everything else.

I submit that we ought to look at the legislation. I believe, based out of my own experience of spending a lot of time on this in the last 2 years, as has the Senator from Rhode Island, I believe sincerely and genuinely that there is no possibility, no practical way, no feasible prospect for getting this bill in 2 days or 7 days or any period of time remotely approaching that. We will all have to go to work on it. We will do the best we can. But it will be months, as it was months last year, as it was months this year, as we struggled to try to deal with this.

So I say, this is not a practical, feasible, realistic proposal.

Mr. CHAFEE. Mr. President, I wonder if the leader might let me respond for 1 minute?

Mr. BYRD. Mr. President, I yield 1 minute under the previous understanding as to my rights.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, I thank the distinguished leader.

I would just make one point to the Senator from Maine. This resolution does not say "Pass both bodies in 7 days." It says to report out a bill from the Senate; that the Senate committees meet. And I think the Senator from Maine would agree with me that, as far as the highway portion goes, we have discussed the highway beautification, speed limit, allocations, all those factors, in that particular committee that both he and I and the distinguished Senator from New York serve on, and that we could come out with our portion of the bill within 1 day and without controversy, because we know the issues.

The conference with the House is a separate matter. That is where the problems were. But we can come up with our portion quickly.

I thank the distinguished majority leader.

Mr. BYRD. I thank the Senator.

Mr. President, I want to yield to the distinguished Republican leader, but I will first yield to the distinguished Senator from Iowa [Mr. GRASSLEY] with the same understanding as heretofore noted.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, there may be a lot of reasons why this resolution should not be brought up, but the fact that it states 7 days is not one of those reasons. The very basic issue here is whether or not there is a will to expedite things that need to be expedited. And I say this whether this body is controlled by my party or whether it is controlled by the Democratic Party: This body can move if it has a desire to move. And we have shown on things less crucial than this a willingness to move when the need be.

As recently as this year, we reported supplemental appropriations for the homeless in less than 7 days. A year ago, within 7 days after the President of the Philippines spoke to a joint session of this body, we had an issue before this body of giving $200 million to the Philippines and, eventually, later in the fall, that was adopted, because of a move within just a few days.

If there is a disaster in this Nation, we find the ability to move within 7 days. I think you could go on and on with a lot of examples that if there is a willingness and a will, that we do move.

I think this is one of those examples, where the President has exercised his constitutional power, that maybe we do not like it up here on the Hill, but, by golly, if we want to do something about it, and do it quickly in responding, we can do it.

Mr. MELCHER. Mr. President, will the majority leader yield to me for a few minutes?

Mr. BYRD. Mr. President, there are Senators who wish to vote and leave soon. I will yield to the distinguished Senator from Montana, then I will yield to the distinguished Republican leader, and then I will move to table.

How long does the distinguished Senator desire?

Mr. MELCHER. Three minutes.

Mr. BYRD. Mr. President, I yield 3 minutes to the distinguished Senator from Montana, with the understanding that I not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Montana.

Mr. MELCHER. Mr. President, the proposal of the Republican leader to get a bill out of committee within 7 days and back here on this Senate floor if the President's veto is sustained is not a proposal that I oppose. But I do oppose the motivation of leading us to believe that, if we just pass this, somehow we are going to be able to allow the President's veto to be sustained and then press to where we are going to have a bill. That will not be the case.

The most optimistic prediction that I have heard about this is that sometime between 30 and 45 days there might be another bill reaching the President's desk. The most pessimistic is that there will not be a bill reaching the President's desk until late in the summer. That means that all of the States, like Montana and Idaho and North Dakota and Minnesota and Utah and Wyoming and South Dakota—I will let others speak for themselves; I should not categorize them—but it does mean that there will not be any construction season for highways in Northern States. We lose.

I hope that the President's veto is not sustained and that this ploy of sort of making it all right to vote with the President, I wish that we would view this realistically for what it is—just a grandstand play and not realistic on when a bill will be on the President's desk should we fail to override the veto.

I thank the majority leader for yielding.

Mr. BYRD. Mr. President, I yield to the distinguished Republican leader without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I yield to the Republican leader for a statement.

The PRESIDING OFFICER. The minority leader.

Mr. DOLE. Mr. President, I thank the distinguished majority leader. Let me again state what maybe I did not make clear. Apparently I did not make clear, as far as motivation of the amendment, that I want a highway bill. This Senator wants a highway bill. The President wants a highway bill. I understand every Senator wants a highway bill. As I understand the compromise that the President is sending up which will be introduced later today, 43 States are better off than they are under the bill that came out of the conference report, including States like Montana and others, Alabama. But having said that, the President did exercise his right and did veto the bill.

But this Senator would like to lay to rest the argument that, with all of these States if we do not override the veto next week, we are going to lose the construction period, and a lot of people are going to be out of work. There is no certainty how many people will be out of work. Some States will float bonds, others can borrow money, and others can get an advance on their first installment.

So there is no certainty that is going to happen at all. But to allay those fears, it is my suggestion we just simply say that if the veto is sustained, in the event the veto is sustained—if overriden, there is no problem—but if sustained, we are going to move within 7 days to take appropriate action to report out the bills from different committees. There are a number of committees that have jurisdiction.

Mr. DIXON. Would the majority leader yield for a question?

Mr. BYRD. Mr. President, I have the floor.

Mr. DOLE. The majority leader has the floor.

Mr. DIXON. I mean the minority leader. Excuse me.

Mr. BYRD. Does the Senator wish the minority leader to yield to the Senator?

Mr. DOLE. Could I finish my thought?

Mr. BYRD. Yes.

Mr. DIXON. Excuse me.

Mr. DOLE. As indicated, the Senator from Kansas was privileged to be there this morning when the President vetoed the bill. He made it very clear he wants to sign a highway bill. He has made that clear from the outset. He made it clear last year. We could have had a bill last October. Last October—here we are: October, November, December, January, February, March—6 months later—and we did not get a bill last year because of the intransigence of some on the House side with reference to the speed limit provision. That was their right.

But the argument that somehow we are trying to delay will not wash with this Senator.

I am convinced that the Secretary of Transportation and the President are on the right track. And I would hope that we would indicate to contractors, workers, Governors, and others across the Nation that we are trying to produce something within 7 days. It probably will not take 1 day. The President has indicated what he will sign. If his veto is sustained, it ought to be fairly easy to pass different bills out of various committees to meet the President's request.

I ask unanimous consent to include in the RECORD at this point the response to the President's veto message, along with a letter from the Department of Transportation indicating the budget impact on the structure of the highway program, the highway funding projections, and the economic effects of demonstration projects. And I included earlier a section-by-section analysis of the so-called compromise bill that was sent up today by the President.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REVISIONS TO H.R. 2 TO RESPOND TO THE PRESIDENT'S VETO MESSAGE

The revised bill generally incorporates the policy decisions reflected in the conference report for H.R. 2, the "Surface Transportation and Uniform Relocation Assistance Act of 1987". However, it reduces the levels in the conference report bill to more closely match the funding levels in the original Senate-passed bill and adopts the Senate approach for special interest construction projects. Most of the savings are accomplished by deleting the extra funding for demonstration programs and reducing the funding levels of DOT's discretionary programs.

In addition, most of the remaining funds that would have been distributed through discretionary programs are distributed by formula. Distributing the funding through the formula programs provides states with more predictable funding.

The bill also includes the change to the 55 mile per hour speed limit separately adopted by the House and Senate. A discussion of changes to the conference bill follows.

TABLE OF CONTENTS

The table of contents has been revised to reflect the deletion of the sections which revised the current Buy America protections governing transit and which changed the truck retail excise tax. A new section is added allowing tolls on the Boston Third Harbor Crossing, instead of the section which would have provided additional Federal funds.

ICE APPROVAL/SUBSTITUTE PROJECTS

The Senate cost estimates have been used since the bill no longer provides special funding for Boston Interstate projects.

The discretionary portion of the program for Interstate Substitute highway projects has been ended.

AUTHORIZATIONS FOR INTERSTATE CONSTRUCTION

The levels for the fiscal years 1988 through 1992 have been reduced by $300 million per year to reflect the ending of the Interstate construction discretionary program.

OBLIGATION CEILING

The language putting demonstration projects outside the obligation ceiling has been deleted. In addition, the provision in the bill that would have created a "hole" (that is, additional obligational authority) in the obligation ceiling for fast-spending states has been deleted. Neither provision was in the Senate bill.

AUTHORIZATION FOR APPROPRIATIONS

The authorizations generally conform to the conference bill, except that $165 million has been added to the Interstate 4R program per year and $135 million per year has been added to the primary program. The authorization for Interstate Substitute highway projects has been reduced by $185 million per year, corresponding to the size of the discretionary portion of that program which has been ended. The authorization for parkways from the Trust Fund has been reduced by $20 million per year. The authorization for public lands roads has been reduced by $15 million per year to the level originally proposed by the Administration.

INTERSTATE DISCRETIONARY FUNDS

The bill takes the Senate approach for Interstate discretionary funds. It would not provide any additional funds for the Interstate construction discretionary program and would not create a new Interstate 4R discretionary program.

TOLL FACILITIES

Because of the interest expressed by a number of states, the number of states eligible to participate in the toll facility pilot program would be increased to 15.

PROJECT ELIGIBILITY

The revised bill does not contain additions to the Interstate system that would be costly to the Federal taxpayer. The revised bill does not include special additional Federal funding for the Central Artery and Third Harbor Crossing in Boston, Massachusetts, or for a park and ride facility in Florida. A new section is added to permit Boston to charge tolls on the new Third Harbor Crossing and to use these tolls for work on the Third Harbor Crossing and the Central Artery that are not eligible for Federal Interstate construction funding.

DEMONSTRATION PROJECTS

The revised bill would not contain special funding for demonstration projects. The projects would all become priority projects and be eligible for funds from most of the Federal-aid highway programs, at state option. Congressional interests would be served because a project identified in this section is more likely to be constructed by a state since the project can be funded from any one of a number of otherwise separate highway programs.

ALLOCATION OF SECTION 3 FUNDS

The revised bill would help transit discretionary funds go further. The bill would change the Federal matching share for transit discretionary projects costing in excess of $50 million from 76% to 50%. This means the Federal funds will be spread among more projects. The bill also provides more flexibility in the total amount of the rail modernization and bus purchase allocations.

TRANSIT AUTHORIZATIONS

The revised bill would increase the amount of fuels tax revenues going to all states for transit purposes. The bill would decrease the amount of transit funding coming from the general fund and increase the amount of transit funding for the formula program coming from the Mass Transit Account.

The bill would also delete funding from the Trust Fund for the University Centers program, since funding was not contained in the Senate bill.

BUY AMERICA

The bill does not contain costly new Buy America protections. Transit rolling stock is already adequately protected under current law. The new requirements in the conference report just increase the cost for state and local governments.

LOS ANGELES METRORAIL

Language is included which would carry through on the existing agreement to provide $203 million for the completion of MOS-1. The bill would not contain the requirement that Los Angeles receive an unfair share of the national transit resources for work beyond the currently agreed upon MOS-1.

SPECIAL TAX TREATMENT

The revised bill would not change the tax treatment that currently exists for owners of trucks and those who lease their trucks. The current 12-percent retail excise tax applies to trucks with gross vehicle weight over 33,000 pounds and to truck trailers over 26,000 pounds. In the case of leased vehicles, the tax would continue to be imposed on the sale by the manufacturer to the lessor.

U.S. DEPARTMENT OF TRANSPORTATION,
Washington, DC, March 27, 1987.

In a Dear Colleague letter and memorandum dated March 25, 1987, Senators Moynihan, Burdick, Symms, Mitchell and Breaux outlined their concerns about a U.S. Department of Transportation analysis of highway apportionments which was distributed on the Senate Floor on Thursday, March 19.

The document in question, entitled, "State-by-State Comparison: Conference Report vs. Senate-Passed Bill (S. 387)," outlined losses in apportionments to 41 states over five years. In response to the Dear Colleague letter and attached memorandum, the following clarifications are in order:

1. BUDGET IMPACT

When compared to the Administration's budget request, H.R. 2 is legitimately a "budget buster." The bill contains authorizations exceeding the President's budget by $10.1 billion over five years, $9.1 billion of which is contained in the mass transit portion of the bill. Furthermore, since the bill fails to repeal major exemptions from the Federal motor fuels tax as proposed by the Administration, the Federal government would collect $3.5 billion less in tax receipts over five years than was assumed in the President's budget.

While the conference bill authorizes $68.8 billion for highways over the five years of the bill, tax receipts into the Highway Account of the Trust Fund over that period will total about $66 billion. The $2.8 billion difference will have to come from interest transferred into the Trust Fund from the General Fund which directly increases to the Federal deficit.

2. STRUCTURE OF THE HIGHWAY PROGRAM

The Administration document referred to by the Senate memo did not purport to show all money going to the states. The table indicated that figures reflected apportioned funds only and represented a valid comparison of apportionments under the Senate-passed bill to apportionments under the Conference Report.

The decrease in apportionments from the Senate Bill to the Conference Bill reflects a decrease in the funds available to states to meet critical highway needs *as identified through an orderly planning and programming process at the state level.* The increase in allocations represents an increase in funding for projects that may not have substantive merit.

As the Senate memo states, it is true that more money is available under the Conference Report than under the Senate-passed bill, but individual states have no assurance that they will receive any of the allocated funds. Except for the special interest project monies, apportionments are the only funds that all states would consistently receive year after year. In addition, the increase in funds made available under the conference Agreement would increase the Federal Deficit.

3. HIGHWAY FUNDING PROJECTIONS

It is true that a *precise* five year projection is not possible to determine because of fluctuating apportionment factors. The apportionments in the out years could be either somewhat lower or even higher. It is important to note that because over the five year life of the bill, the majority of states will be half-percent states (states which have completed their Interstate system and receive one-half of one percent of the total Interstate construction apportionment), the increase of $150 million per year in Interstate construction funds will impact each of these states by less than $750.000 per year.

The Administration's state-by-state comparison table did include some over-simplifying assumptions, however, the basic point of the table was correct: states will receive fewer guaranteed Federal highway dollars to support those projects which state Departments of Transportation have identified as high priorities through normal highway planning processes.

4. ECONOMIC EFFECTS OF DEMONSTRATION PROJECTS

Given a determination of the acceptable level of overall spending, any uncontrolled spending for demonstration projects must be offset by a reduction in the obligation limitation that applies to formula programs. All states must pay the price for demonstration projects outside the ceiling by a reduction in the amount of formula funds they'll actually be able to use in the next five years.

TRANSIT FUNDING

[In billions of dollars]

	1987	1988	1989	1990	1991	5-year total	
Administration compromise:							
Trust funds	1.1	1.2	1.25	1.5	1.5	6.55	
(Discretionary)	(1.1)	(.9)	(.75)	(.6)	(.4)		(3.75)
(Formula)	(0)	(.3)	(.5)	(.9)	(1.1)		
General funds formula	2.0	1.9	1.8	1.4	1.2	8.3	
(Total formula)	(2.0)	(2.2)	(2.3)	(2.3)	(2.3)		(11.1)
General funds other	.25	.25	.25	.25	.25	1.25	
Total	3.35	3.35	3.3	3.15	2.95	16.1	
Conference:							
Trust funds	1.1	1.2	1.25	1.3	1.4	6.25	
(Discretionary)	(1.1)	(1.1)	(1.125)	(1.15)	(1.2)		(5.675)
(Formula)	(0)	(.1)	(.125)	(.15)	(0.2)		
General funds formula	2.0	2.1	2.1	2.1	2.1	10.4	
(Total formula)	(2.0)	(2.2)	(2.225)	(2.25)	(2.3)		(10.975)
General funds other	.25	.25	.25	.25	.25	1.25	
Total	3.35	3.35	3.6	3.65	3.75	17.9	

Mr. DOLE. Let me make one final point.

Mr. BYRD. Mr. President, may we have order while the distinguished leader is speaking on his proposal? He is entitled to be heard.

The PRESIDING OFFICER. Order in the Chamber.

Mr. DOLE. At 11 o'clock this morning the President vetoed the highway bill. That is done. That is history. Within an hour he had a bill up for introduction in this body. The House is not, as I understand it, in session today. That bill will be introduced this afternoon. The President only had the bill, I think, about a day and a half before he vetoed it.

The President is moving with deliberate speed to make certain that we get a highway bill as quickly as we can. And the purpose of my simple little amendment, just a sense-of-the-Senate amendment, is that we move very quickly in the event the veto is sustained. This would make certain that, like the President, we want the bill to move quickly through the Congress so the people can go to work in all of our States; in all 50 States.

I thank the majority leader for yielding.

Mr. DIXON addressed the Chair.

Mr. BYRD. Mr. President, I yield to the distinguished Republican leader for the purpose of his responding to the distinguished Senator from Illinois without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIXON. Will the minority leader yield for a question?

Mr. DOLE. If I have the answer. I am happy to yield.

Mr. BYRD. Only briefly.

Mr. DIXON. The Senator from Illinois was the manager of the transit legislation when it was on this side as the distinguished minority leader knows. I have noted what the minority leader says about the interest of the administration in moving expeditiously, and my question is: Where was the administration throughout the time that we considered this legislation? At every stage of proceedings, may I say to the minority leader, when I was managing that bill from that chair and the distinguished minority manager was Senator D'AMATO, of New York State, we asked the administration, we asked the Secretary of Transportation, we asked everybody else what kind of a number they would sign off on.

I want to say to the minority leader on the last try at 10 o'clock in the morning when I was on the House side in conference, we sent back word to the administration, and we sent back word to the Department of Transportation that we were prepared to sign off on an agreement between the two Houses but we wanted to know if they had any problem with the numbers. Not at one single time in the entire proceedings from the very beginning to the very end did the administration, the White House, the Department of Transportation, or anybody else respond to a single inquiry.

Do not take the word of this Democrat who was the manager. Ask Senator D'AMATO of New York State on the other side who managed on the minority side whether I make a correct representation. And may I say to the minority leader that in 1982 the administration did work with us, and the administration did come back here and discuss with us what the numbers ought to be.

So I want to ask the minority leader why is the administration in such great urgency now when the administration at not one step in the proceeding since day one has done anything to cooperate with either the Senate or the House on any of the numbers on the highway part of the bill, of the transit bill. What is the minority leader's response to that question?

Mr. DOLE. I do not know the answer to that question. But I do know the Senate passed a bill last October. Somebody must have been cooperating. I cannot explain why the administration was not more forthcoming. Except, I do know that the transit numbers being talked about, were numbers the administration could not agree on.

Mr. DIXON. Will the leader yield? I have in my hand the difference between the number. The administration vetoed the entire bill on the mass transit number, may I say to the majority leader. The number we sent out of the Senate was $16.2 billion. And the number that the administration now wants is $16.1 billion. Is the minority leader going to tell me that over that kind of an infinitesimal amount even in the conception of Senator Everett Dirksen—who said, a million here and a few million there, and the first thing you know you're talking real money—is worth vetoing this thing and putting the whole country in jeopardy?

Mr. DOLE. It is about $2 billion less than the conference report—$17.9 billion.

Mr. DIXON. I want to say I sent word to the administration that the number we had in the bill in the conference could be reduced if the administration would be willing to deal, and they would not respond. And now they want to send us a bill with $16.1 and say that makes it justifiable to deal.

Mr. DOLE. That is what they have said.

Mr. DIXON. But ask Senator D'AMATO of the Republican leader's own side whether I misrepresent the facts of this.

Mr. DOLE. I do not know precisely. But I think there was some disagreement with the administration view and Senator D'AMATO's view. I do not know precisely what the difference of opinion was. But there is about a $2 billion difference between the conference report and the Senate bill. And there is about a $2 billion difference now between the conference report and the compromise administration bill that will be introduced later today.

I would be happy to get more particulars for the distinguished Senator from Illinois.

I frankly do not know why the Department of Transportation or the administration was not more forthcoming, if that was the request. Maybe I can find that out tonight.

Mr. BYRD. Mr. President, Senators have to leave. May I ask the distinguished Republican leader if he has anything further to say?

Mr. DOLE. I would be pleased if the distinguished majority leader would help me on this vote, if he can.

[Laughter.]

Mr. BYRD. Mr. President, I move to table the amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. The majority leader has moved to table the amendment. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Kansas. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Texas [Mr. BENTSEN], the Senator from Iowa [Mr. HARKIN], and the Senator from Massachusetts [Mr. KENNEDY] are necessarily absent.

I also announce that the Senator from Delaware [Mr. BIDEN] is absent because of illness.

Mr. SIMPSON. I announce that the Senator from Oregon [Mr. HATFIELD] and the Senator from Alaska [Mr. STEVENS] are necessarily absent.

The PRESIDING OFFICER (Mr. BINGAMAN). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 49, nays 45, as follows:

[Rollcall Vote No. 42 Leg.]

YEAS—49

Adams
Baucus
Bingaman
Boren
Bradley
Breaux
Bumpers
Burdick
Byrd
Chiles
Conrad
Cranston
Daschle
Dixon
Dodd
Exon
Ford
Fowler
Glenn
Gore
Graham
Hollings
Inouye
Johnston
Kerry
Lautenberg
Leahy
Levin
Matsunaga
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Nunn
Pell
Proxmire
Pryor
Reid
Riegle
Rockefeller
Sanford
Sarbanes
Sasser
Shelby
Simon
Stennis
Weicker
Wirth

NAYS—45

Armstrong
Bond
Boschwitz
Chafee
Cochran
Cohen
D'Amato
Danforth
DeConcini
Dole
Domenici
Durenberger
Evans
Garn
Gramm
Grassley
Hatch
Hecht
Heflin
Heinz
Helms
Humphrey
Karnes
Kassebaum
Kasten
Lugar
McCain
McClure
McConnell
Murkowski
Nickles
Packwood
Pressler
Quayle
Roth
Rudman
Simpson
Specter
Stafford
Symms
Thurmond
Trible
Wallop
Warner
Wilson

NOT VOTING—6

Bentsen
Biden
Harkin
Hatfield
Kennedy
Stevens

So the motion to lay on the table Amendment No. 65 was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 66

(Purpose: To require the Federal Reserve System to pay for services provided to it by privately operated payments providers)

Mr. HEINZ. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. SANFORD). The amendment will be stated.

The bill clerk read as follows:

The Senator from Pennsylvania [Mr. HEINZ] proposes an amendment numbered 66.

Mr. HEINZ. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in Title VI, insert the following:

"SEC. . Nothing in the first paragraph of section 13 of the Federal Reserve Act shall be construed to prohibit or exempt the Federal Reserve Board or any Federal Reserve Bank from paying fees on a non-discriminatory basis to privately operated payments providers."

Mr. HEINZ. Mr. President, let me take only a minute or so to explain this amendment.

It provides that section 13 of the Federal Reserve Act shall not be read so as to prohibit private check-clearing institutions from charging the Federal Reserve a reasonable fee for check-clearing services rendered.

This amendment, which sounds somewhat technical in nature, and in a sense is, is required in order to clarify that it is the position and intention of Congress that the private sector remain viable in providing check-clearing services along with the Federal Reserve. This can only be accomplished if private institutions are placed on an equal footing with the Federal Reserve in costs they face providing such check-clearing services.

I have to give a small amount of background—namely, back to 1980, when Congress passed the Monetary Control Act. That act, among other things, required the Federal Reserve to make most of its services available to all depository institutions at prices which covered all its direct and indirect costs. The intention was to make the Federal Reserve a competitor with the private sector in providing services to financial institutions and to recover its costs from all users of those services.

Under the current system, the Federal Reserve charges a fee for checks presented to it and then chooses to sort the check and deliver it directly to the paying institution or to deliver it to the institution's correspondent for sorting delivery to the paying institution.

However, while the Federal Reserve is permitted to charge its fee for checks presented to it, private institutions and clearinghouses which are used by the Fed for services I just described are—perversely, in my judgment—not permitted by the Federal Reserve to charge the Federal Reserve a fee when the Federal Reserve delivers the checks to them to be sorted and cleared. As a result, private institutions are providing check-clearing functions for the Federal Reserve, without being compensated for such services, at the same time as the Federal Reserve is allowed to charge for such services to other institutions.

The result, obviously, is inequitable. But the Federal Reserve claims—and in this I believe they are guilty of an error of misinterpretation—that present law does not permit them to pay any such charges or fees for services rendered.

This amendment is very clear. It provides that the Federal Reserve may pay such charges. If we do not do that, we are going to see a very logical result, and that result is that private institutions and clearinghouses, which are experiencing costs that the Federal Reserve is not, are seeing their ability not just to compete with the Federal Reserve severely hampered, but their ability to stay in business at all being undermined. Indeed, numerous clearinghouse institutions, be they banks or nonbanks, are going out of the business—General Electric being the most notable case.

This amendment will promote competition and will promote equity by allowing the private clearinghouses to receive payment—to charge the Federal Reserve, in other words, for services rendered. I hope my colleagues will accept it.

Mr. PROXMIRE. Mr. President, I agree with the thrust of this amendment. The purpose of this amendment, as I understand it, is to provide competitive parity in check clearing between private clearinghouses and the Federal Reserve System. I think that is certainly a laudable objective.

The Fed has some problems with it, particularly with respect to the cost of presentment fees, and I am concerned about that. But I think it is important that we have as much fairness as we can in the banking system. I am willing, for my part, to take the amendment to conference and see if we can work out the problems to the extent we can. I congratulate the Senator from Pennsylvania on offering this amendment.

Mr. HEINZ. I hope the Senator from Wisconsin will support this amendment.

Mr. PROXMIRE. I am supporting the amendment.

Mr. HEINZ. We all know what "take it to conference" means.

Mr. PROXMIRE. What does the Senator want me to do? I say it has problems, and it does. I support the amendment and will vote for it. I will support it in conference. I presume that it will be a Senate position, and I will fight for every position the Senate takes in conference.

Mr. HEINZ. I thank the Senator from Wisconsin.

Mr. DODD. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. DODD. Mr. President, normally, I find myself in agreement with the Senator from Pennsylvania, but I am very concerned about this amendment, the financial implications.

I understand the thrust of what the Senator from Pennsylvania is trying to do in terms of equity, and I do not disagree with that. But in terms of trying to satisfy those equitable needs, the Fed, which is not unbiased, commented on this matter in a letter to the Senator from Pennsylvania:

> Staff at the Board of Governors of the Federal Reserve System estimate that presentment fees could well exceed a billion dollars annually for checks collected through the Federal Reserve banks alone.

Whether or not that billion dollars is a little high or not, that is a substantial cost to consumers.

I understand the equity position, but I am not sure we necessarily want to be adopting an amendment that is going to have that much of a consumer impact.

Mr. HEINZ. Mr. President, will the Senator yield?

Mr. DODD. I do not have the floor. I will yield if I may have the floor in my own right.

The **PRESIDING OFFICER.** The Senator from Connecticut.

Mr. HEINZ. I am glad the Senator raised that point, because no doubt it will be raised by someone at some point.

Since the Senator raises it, what the Fed is saying is that they believe that if they are forced to pay for services, somehow it could cost them up to a billion dollars. I have read Mr. Wayne D. Angell's letter.

Mr. President, I ask unanimous consent that the letter be printed in the RECORD, so that people who read this colloquy will know what the distinguished Senator from Connecticut and I are referring to.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BOARD OF GOVERNORS
OF THE FEDERAL RESERVE SYSTEM,
Washington, DC, March 26, 1987.

Hon. JOHN HEINZ,
U.S. Senate, Washington, DC.

DEAR SENATOR HEINZ: I am deeply concerned about the amendment that I understand you plan to introduce to S. 790.

The amendment would require the Federal Reserve Banks to pay fees to banks for presenting checks for payment. Prior to 1917 fees for payments of checks, or presentment fees, were common. Since 1917 the Federal Reserve Act has prevented banks from imposing presentment fees on Federal Reserve Banks in order to speed the collection of checks through a national check collection system that would collect checks at par—at their full face value.

Because checks have been collectable at par through the Federal Reserve System, banks have generally refrained from imposing these charges, even on other banks, except in special circumstances. This provision has enabled the Federal Reserve and the private sector to develop an efficient check collection system.

This amendment eliminates the Federal Reserve Banks' exemption from paying presentment fees and is likely to result in banks reinstating presentment fees generally. Staff at the Board of Governors of the Federal Reserve System estimate that presentment fees could well exceed a billion dollars annually for checks collected through the Federal Reserve Banks alone.

Any presentment fees imposed on the Federal Reserve Banks must, under the Monetary Control Act, be factored into Federal Reserve check collection prices. Banks required to pay increased fees for collecting checks through the Federal Reserve Banks or the private sector are likely to pass the charges back to their depositing customers—the very customers that the Fair Deposit Availability Act of 1987 is designed to protect.

Further, banks impose presentment fees to discourage the prompt presentment of checks by charging fees unless checks are collected through correspondence banks or by other inefficient methods. Delays in presenting checks will result in delays in banks obtaining credit for checks deposited for collection. This delay will in turn delay the time when banks will pay interest on the funds deposited and therefore the amendment will frustrate one of the goals of the Fair Deposit Availability Act of 1987.

This amendment would overturn over seventy years of progress in developing an efficient check collection system. Such an important change in the complex mechanism of our nationwide check collection system should not be adopted without hearings and careful consideration of its impact on the payments system and bank customers. It should also be rejected because it would increase costs to bank customers depositing checks for collection. Moreover, it could delay the presentment of checks, thus frustrating the basic purpose of Title VI, the Fair Deposit Availability Act of 1987.

Because this matter is so important, I believe we should discuss this amendment before it is introduced. I will be available to discuss this in your office or by telephone (452-3213).

Sincerely,

WAYNE ANZELL.

Mr. HEINZ. Mr. President, I note that the Fed currently handles total checks in the amount of some $14.478 billion, for this last year. The Fed, to the extent that it would handle a billion——

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. HEINZ. I yield.

Mr. PROXMIRE. As I understand it, that is 14.478 billion checks. The amount is probably more than $14 billion.

Mr. HEINZ. I stand corrected. It is 14.478 billion checks. I thank the Senator.

The presentment fees, on average, are about 2 cents per item. Fourteen billion times 2 cents is $280 million. That is on every check that the Fed handles. So I do not know what they are talking about. I think the Fed must be talking about dollar volume of checks processed, but they are not talking about the revenue they get; because they get a total, as I understand it, of $280 million, total revenue from presentment fees, if I use that term correctly, for a year.

The result is that they incur costs but they are prohibited, says the Fed, from receiving from the Fed any payment for those legitimate services rendered.

Mr. DODD. Mr. President, if I could respond, I think what my colleague is pointing out is this is a complicated matter.

Mr. HEINZ. It is called paying for what you get.

Mr. DODD. Also, I think my colleague will certainly not disagree with me that any bank or private-sector entity that is going to be charged an additional fee for this, I think it is fair to assume, is going to pass that fee on. This is not one they are going to swallow.

This is the concern the Senator from Connecticut has. I am oversimplifying this. The Senator points out it is a complicated process. But nonetheless, the bottom line is, whether it is 2 cents a check or 10 cents a check, whether it is $250 million annually or as high as I have suggested, about $1 billion, somewhere in that range, that is going to be added to consumer costs.

I would prefer and hope the Senator from Pennsylvania might be willing in the context of this particular issue that we try and resolve this some way so we are not faced with a situation which I am sure he does not want to be a party to.

You add a significant consumer cost where there may be a better way of resolving this. I would strongly urge that if possible, and I am glad to join with him in an effort to see us resolving this in the coming process we are dealing with rather than put this on at this point. No one knows what happens in conference, and the chairman is absolutely correct. We defend our Senate positions in there.

I presume the House probably will not address this at all. My fear would be this might end up as part of this bill on a permanent basis and we will contribute significantly to consumer costs.

If there is some way we might resolve this short of incorporating it in legislation and going to a vote, I do want to do that.

Mr. HEINZ. I hear and I listen carefully to what the Senator has to say. Obviously there will be the opportunity to carefully examine the issue in conference, but the processing of these checks is a zero sum proposition. The cost of processing the checks does not change based on who pays. If work is done, costs are incurred. It is only a question of where the profits or losses are going to be recognized.

If, in fact, a regional clearinghouse receives checks from the Fed, processes those checks and then, as they are not able to do now, bill the Fed for that service. What they have to do now is bill somebody else and the consumer pays, or they go out of business. In many cases some of these clearinghouses are going out of business, and in other cases I assume they are finding some back way to pass those charges along to somebody.

So, although I am sensitive to this issue of consumer costs or taxpayer interests, there is a given amount of work being done and it is really only a question of who is doing the work and whether each party is being fairly compensated.

I think it stands to reason as to the institutions doing clearing activities who are required to do them by the Fed but who cannot charge the Fed for doing any of them, that is clearly an inequity. That is the thrust of what we are trying to do here. We may be able to refine it further and, as the Senator is always a very thoughtful and acute observer of these issues, I would welcome his help if any refinement is needed and I will have an open mind in that regard.

Mr. DODD. If the Senator will assure me, because I understand what he is driving at and I appreciate his last comments in addressing the costs, that we might at least have an agreement here that should this amendment be accepted between now and the time in conference the Senator would be amenable either to modifying this amendment in conference, to accommodate concerns we have addressed here, or even if possible, if it reached a conclusion, and it may be difficult, the Senator would not insist necessarily that we retain this position in conference. If we cannot resolve that point we will come back to the issue. That is fair.

Mr. HEINZ. I think my good friend from Connecticut knows I will do anything I can to accommodate him or any of our colleagues if they have a valid point of view.

I might say my friend from Connecticut has a record of having very good suggestions and I have benefited from them on many occasions and I expect to in the future.

Mr. DODD. I thank my colleague for that comment. He is generous.

With that in mind I will not object to the amendment, and I yield the floor.

The PRESIDING OFFICER. If there be no further debate on the amendment, the question is on agreeing to the amendment of the Senator from Pennsylvania.

The amendment (No. 66) was agreed to.

Mr. HEINZ. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 67

(Purpose: To strike out titles I and II)

Mr. GARN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Utah [Mr. GARN] proposes an amendment numbered 67.

Mr. GARN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning with page 3, line 1, strike out all through page 41, line 4.

Mr. GARN. Mr. President, this is a very simple amendment. It strikes titles I and II of the bill.

We have debated this at great length, not much today but certainly on Wednesday and Thursday, so I will not take more than about 5 minutes in summary of my position and why I feel this amendment should be adopted.

First of all just a very brief history to remind my colleagues that last July I had a very large comprehensive bill before this body and it was a very difficult decision for me, after years of working for additional comprehensive legislation, to settle many of these difficult and contentious issues, that I decided to pull all titles off that bill and only go with a simplified, stripped-down regulators' bill and a FSLIC recap in the amount of $15 billion.

I came to that conclusion because of the great difficulty experienced by more than 20 percent of the savings and loans in this country.

That stripped-down bill was passed by the Senate Banking Committee by unanimous vote with great accolades: "Senator, we are glad you pulled off all those controversial issues and got down to an emergency measure."

In its modified form that bill passed this body and, because the House was unwilling to take it without adding a very, very expensive housing authorization bill, it did not become law.

Now we are in March. We are faced with a proposal that goes beyond the absolutely needed FSLIC recap, and we face some contentious issues that have been difficult and controversial for many years.

The only thing that has changed since I made the decision last July to go with the clean bill is that the problem is far, far worse, and I regret very much that we have decided essentially along party lines apparently both in committee and here—this never happened before on banking issues that I am aware of—to push through a bill that is much more complicated than just dealing with the immediate emergency problems of FSLIC and the savings and loans of this country.

Point No. 1, I regret that we have not been willing to deal with the emergency issue separately. Certainly no one can say that I am not in favor of taking up these other issues and making policy decisions on them.

But beyond the issue of separation, I have tried to point out that the additions, particularly titles I and II, are bad legislation. They are copouts.

Once again we are saying we are not willing to make decisions. That is what a moratorium is all about. We are not prepared to decide one way or another.

There are a number of problems with titles I and II. Although I agree with Chairman PROXMIRE fully, that comprehensive legislation is necessary, we should deal with the emergency issues now and return to these structural issues later.

Certainly, I will not even attempt to repeat all the points I tried to make over the last couple of days, but I do feel constrained to offer an amendment to strike titles I and II for the following reasons:

First, there is an urgent need for FSLIC recapitalization. We all know it and no one disagrees on that. No one disputes it.

There are now $900 billion of insured deposits. FSLIC, the Federal agency which these consumers count on to insure their deposits, is broke. The General Accounting Office says FSLIC may be as much as $3.8 billion in the hole.

Some of the other provisions in this bill will cost FSLIC money. Remember, the administration recapitalization plan sought to raise $15 billion for FSLIC. This bill has already cut that amount in half.

Other provisions of title I and title II impose substantial restrictions on financial companies acquiring savings and loans. In doing so, they cost FSLIC money. How much? It is impossible to estimate, but it could be significant. It makes no sense to cost FSLIC money in a FSLIC recapitalization bill.

Titles I and II of the bill prevent competition in the delivery of financial services at the expense of consumers, business, and local governments. It does not lend itself to the comprehensive review, only the rolling over of moratoriums. It only fuels the desire of those who want protection from competition instead of modernization.

The bill makes a mockery of States' rights and would destroy the dual banking system. It is opposed by virtually every State organization, from Governors to State legislatures to State regulators. In the event Congress is unable to modernize the Federal framework, States should not be prevented from making progress.

I put statements from those organizations in the RECORD yesterday. The Conference of State Bank Supervisors, the National Association of State Savings and Loan Supervisors, the National Association of State Treasurers, the National Conference of State Legislatures, and the National Governors Association all oppose these provisions of the bill.

I received another letter yesterday from Marlin Jackson, the commissioner of banking of the State of Arkansas, and from many others. But another letter has also come in from the American Association of Retired Persons. It says:

> The AARP urges you to oppose closure of the nonbank bank loophole.

So, the opposition is rather interesting. And here we are—and I have no doubts about where the votes are—but we are about to oppose all of the State Governors, legislatures, and the American Association of Retired Persons. It is amazing how we talk about States' rights on this floor until it comes time to vote. Then we are going to run a train over them this afternoon. We certainly should not, in my opinion, prevent States from making progress in the area of State-chartered institutions.

Titles I and II are inconsistent with global trends that would impair U.S.-based financial institutions from evolving with those trends, and denies smaller United States companies and consumers the benefits of innovations which are taking place in world markets, only because they are too small to go to London or Tokyo for their financial needs.

Since the provisions in titles I and II are either permanent or could easily become permanent, problems posed by those provisions should be evaluated as if they would remain for a significant period of time.

Again, we have used the example over and over again of regulation Q, which denied consumers a fair return on their savings for 14 years, when it was supposed to be a temporary moratorium.

The nonbank bank issue is one which must be addressed in a comprehensive bill. There is no imminent danger arising out of the presence of the nonbank banks. Chairman Seidman of the FDIC, in his testimony before the Senate Banking Committee, told us that no nonbank bank has ever failed. Only 2 percent of nonbanks are on the problem list, while more than 10 percent of all banks are on the problem list.

With regard to structural issues, Chairman Seidman suggested the real problem for banks is not nonbanks, but the fact their traditional businesses are eroding; they are losing their best customers to other financial competitors. And how will closing nonbank banks permanently help those banks become more competitive? Inroads are being made through developments and innovations in the financial services industries, not by nonbank banks, but by the competition banks face from other providers of financial services.

As an example, the Xerox Corp. is a very well-managed company. When you think about Xerox, what do you think of? You think of copy machines. The company made 47 percent of their net income from financial services, not from copy machines; 47 percent from financial services, and Xerox doesn't own a nonbank bank or a thrift. We are really deluding ourselves.

There is no pressing problem with nonbank bank loophole or the South Dakota loophole. No Federal nonbanks have been approved for some time because of a Florida court decision on nonbank banks, an injunction that prohibits them. No one is currently seeking to take advantage of the South Dakota loophole.

We are certainly not doing anything about Xerox and GE and Sears and a lot of other competitors who do not fit these definitions.

No; the real competition our banks face is from a different area and from overseas. Twenty-seven States, as a matter of fact, have enacted laws prohibiting State charters of nonbank banks.

The compromise offered yesterday on title II of the bill which places a freeze on the activities of foreign banks which were grandfathered into the International Banking Act is another reason to reject the concept of titles I and II.

I know some would like to freeze those foreign banks, to stop them in their tracks. But that is the wrong way to go. We are attempting to do all of this without any input from the Commerce Department or the State Department. We have done nothing to equalize or better balance this bill with regard to foreign bank competition. We are simply deluding ourselves. This is another reason to reject the concept of freezes in titles I and II.

What I have done is simply state that FSLIC recapitalization and a safety and soundness package are extremely urgent.

The issue of nonbank banks and overall structure reform are complicated and controversial. We should neither delay nor complicate their consideration by imposing moratoriums. Rather, we should proceed to address them in a more careful and deliberate manner. We should not rush into freezing out new capital in the savings and loan industry, nor should we rush to freeze the financial services industry in place during a period of intensifying international competition.

I urge the adoption of my amendment, although I do not have any great illusions about the vote.

I yield the floor.

Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I am happy to yield to my good friend from New York.

BREAUX AMENDMENT

Mr. D'AMATO. Mr. President, I thank the chairman. If I might detract from the intent of my colleague from Utah, Senator GARN's legislation, and reflect a moment on what I believe is an unintended consequence of a provision to the bill which was included via the adoption of the Breaux amendment No. 50 to S. 790.

I believe that that amendment had some unintended negative consequences to several foreign banks maintaining bank operations in the United

States. I am worried that certain provisions of this amendment contravene the expressed congressional intent of the International Banking Act of 1978.

While I do not plan to offer an amendment to strike these objectionable provisions, I just want to bring them to the attention of the managers of the bill. The specific concerns that I have regarding these provisions are articulated in a letter that I received this morning from the Institute of Foreign Bankers, Inc.

Mr. President, I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

INSTITUTE OF FOREIGN BANKERS, INC.,
New York, NY, March 27, 1987.

Re amendment No. 50 to S. 790.

Hon. ALFONSE M. D'AMATO,
U.S. Senate,
Washington, DC.

DEAR SENATOR D'AMATO: I am writing to you on behalf of the Institute of Foreign Bankers, Inc. (the "Institute") to correct some serious misunderstandings that have surfaced during the Senate's floor debate on the provisions of S. 790 about the circumstances of foreign banks operating in the United States pursuant to the Federal regulatory framework established by the International Banking Act of 1978 (the "IBA"). These misunderstandings have been reflected, unfortunately, in yesterday's approval of an amendment to the provisions of S. 790 that would, if enacted into law, have far-reaching and unintended consequences for foreign banks maintaining banking operations in the United States.

Since the enactment of IBA in 1978, foreign banks operating in the United States through branch or agency offices or banking subsidiaries have been permitted to engage in financial activities in the United States only to the same extent as domestic banking organizations. A very limited, well-considered exception to this general prohibition was provided, in the form of limited "grandfather" privileges, for the pre-IBA activities and investments of those foreign banks that were newly subjected by IBA to the nonbank prohibitions of the Bank Holding Company Act ("BHCA") (even though they did not have a U.S. bank subsidiary and were not "bank holding companies").

The provision of IBA which amended section 2(h) of BHCA limited the extraterritorial application of the U.S. policy of separating banking and commerce, to avoid unnecessary and undesirable U.S. regulation of foreign banks' ownership interests in foreign companies that are permissible under applicable home country law. This provision, does not, however, permit foreign banks to engage in any way in financial activities in the United States that are impermissible to U.S. banking organizations.

Important U.S. national interests were given careful recognition by Congress in 1978 in enacting both these provisions, interest that would, if considered again, be viewed as equally important today. Indeed, it took four years, and six Congressional hearings during that period of time, for the many different national as well as international interests to be considered fully, and balanced appropriately, by Congress. Those provisions of IBA would now be overridden, without benefit of hearings or any other opportunity to consider the ramifications of such action, by the amendment approved by yesterday's floor vote.

For the U.S. Congress to override summarily these provisions not only would shatter this delicate balancing of many different national and international interests, but also would cause undue operational difficulties for many foreign banks and their affiliates, not only in the U.S., but abroad. Activities "grandfathered" by IBA were commenced in the U.S. in good faith by foreign banking organizations not having a U.S. bank subsidiary, pursuant to assurances by the U.S. Government set forth in its various treaties of Friendship, Commerce and Navigation, that such investments would be treated fairly and not be discriminated against on account of their foreign ownership. These activities and investments would be subjected under the amendment to an arbitrary and discriminatory further prohibition against their expansion. Foreign banking organizations would further be prohibited from acquiring additional shares of foreign nonbank companies that are, in turn, engaged, directly or indirectly, in nonfinancial activities in the U.S. This prohibition on the acquisition of any additional shares in such foreign companies would require many foreign affiliates of foreign banks to choose between continuing to maintain their U.S. operations or investments, on the one hand, or their affiliation with the foreign bank that operates in the U.S., on the other. Even a termporary moratorium will result in changes in affiliations that will endure beyond its expiration. Moreover, in those countries, such as Germany, in whose financial systems banks have been given broader responsibilities as well as powers of investment, the withdrawal of this IBA provision will have a profound effect, limiting sharply the roles there are expected to serve in their home country system solely on account of their operation of U.S. branch offices. Given the increased internationalization of the world economy, it is even more unrealistic now than in 1978 to expect international organizations to conform their worldwide operations to U.S. policy solely on account of their operation of a U.S. office.

The Senate acknowledged, as the time IBA was enacted, that foreign banks not having a U.S. bank subsidiary were lawfully engaged in nonbanking activities in the U.S. Thus, foreign banks' continued participation in activities under the IBA's already limited grandfather privileges does not involve any question of circumventing congressional intent. The moratorium on foreign bank activities now contained in the provisions of S. 790 is wholly unnecessary to the purposes underlying that bill. Rather, the issue of how the U.S. financial regulatory structure should treat foreign banks' U.S. activities has been specifically and definitively addressed by Congress. There has been no suggestion that these carefully compromised provisions of IBA have inadequately carried out the full intent of Congress.

For these reasons, the Institute respectfully urges the Senate to remove paragraphs (1) and (2) of section 201(a) of Amendment No. 50 in the final version of S. 790.

If we can provide any further information, please feel free to contact either the undersigned, or our outside counsel, Shaw, Pittman, Potts & Trowbridge (Steven M. Lucas, Esq./663-8139).

Respectfully submitted.

LAWRENCE R. UHLICK,
Executive Director and Counsel.

Mr. D'AMATO. Mr. President, rather than delay the consideration of the bill, I hope that the concerns expressed in the letter will be addressed either in technical amendments or in the conference. Certainly, I would appreciate the manager's consideration and that of Senator GARN, the ranking member.

Mr. PROXMIRE. Mr. President, I thank my good friend from New York. I think the Senator's approach is very constructive and positive. We are aware of some concerns about the Breaux amendment. I certainly intend to look at those concerns in conference.

The Senator from New York has given us a great deal of help in providing this letter.

Mr. President, I yield to my friend from Utah.

Mr. GARN. Mr. President, I do not disagree with the Senator from New York. That was an unintended result of the Breaux amendment, to freeze 15 or 16 institutions that are foreign-owned. I do not disagree. We should not be freezing them.

But I think it is rather interesting that we are rushing back to say we need to correct that, but we are freezing U.S. banks from those activities and evolution. I do not think we should be freezing either one. It is kind of ironic. I think it is rather fair.

Frankly, why I am not willing to take it out now, if we are going to put freezes on U.S. banks, I would really like to know why we ought not also freeze those institutions that are owned by foreigners. Why should we give foreigners a better deal than we give our own banks? I disagree with freezing either domestic or foreign institutions.

I just do not think we should be freezing either one. So I agree with you, we should not, but, fine, let us leave it in as long as we are treating foreigners better than the domestic.

Mr. PROXMIRE. Mr. President, I rise with great reluctance to oppose the Garn amendment. I say "great reluctance" because I have great respect for my good friend from Utah, who was an exellent chairman of the Banking Committee for 6 years and has served on the Banking Committee with great distinction for more than 12 years.

Mr. President, I rise to oppose the amendment. I think we should reject it for the very reason that Senator GARN stated in support of the amendment. He indicated that this was a delay bill. On the contrary, this bill is designed to get action out of the banking community, out of the Senate, out of the House, and do that as expeditiously as we can.

We can get a FSLIC bill. We will get a FSLIC bill. But 12 members of the Banking Committee think we can and should do more than that. We intend to examine the Nation's entire financial framework. To do that we have to stop the proliferation of nonbanks and other turf invasions.

Mr. President, there is an immediate danger if we pass the Garn amendment: nonbanks will be allowed to proliferate. We will face the prospect of the Federal Reserve Board granting new securities underwriting powers to banks. I am sure the securities industry will then challenge those powers in court. The whole thing will be tied up in the courts for years. What we are doing here is trying to facilitate a careful reexamination of the financial structure of this country, and in the interim, reinforcing the policy of separating banking and commerce, a policy that has served and continues to serve us well.

The separation of banking and commerce has produced an astonishing population of banks, thrifts, credit unions, and other sources of credit. It also has provided a financial system of considerable safety and soundness. People have talked about how we have suffered some bank failures in recent years. We have. But even last year, the worst year in 50 years, less than one percent of the empire bank population failed. By and large the amount of money involved was a small fraction of 1 percent of our bank assets. Furthermore, Mr. President, we have a system which has prevented the kind of conflicts of interest that we have suffered from before the great banking and securities legislation of the early 1930's.

The six titles of S. 790 are aimed at preserving this vast network of credit from both large sources, and small, far-flung sources. How does it achieve this? It achieves this by attacking the so-called nonbank bank loophole.

Leaving this loophole open poses grave dangers and inequities: It will subvert the right of the States to determine their own banking structure. A lot of people do not recognize that. They talk about States' rights. The fact is that nonbanks are able to invade States regardless of State law. That is one major reason why we need this bill. In addition, the nonbank bank loophole needlessly increases the costs of recapitalizing FSLIC; erodes the policy of separating banking from commerce; creates new competitive inequities in our financial system; undermines the ability of the bank regulators to maintain a safe banking system; and jeopardizes the payments system.

How could a bank regulator regulate a bank owned by a large conglomerate whose operations are beyond the regulators' purview? Regulators cannot regulate Sears, Roebuck. Regulators cannot effectively regulate a brokerage firm like Merrill Lynch, or an automobile company like Chrysler, all of which own nonbank banks.

As Chairman Volcker testified before the Banking Committee, closing the nonbank bank loophole is just as important and urgent as recapitalizing the FSLIC, and for exactly the same reason.

Let me expand briefly on the principal menace: nonbank banks threaten the separation of banking and commerce. Most corporations are free to engage in any lawful business; banks, by contrast, are limited to the business of banking.

Our free-enterprise economy relies on banks to allocate credit to its most productive use. When bankers make good credit decisions, the entire economy benefits; when bankers make poor credit decisions, economic growth is impaired. The separation of banking from commerce helps ensure that banks allocate credit impartially, and without conflicts of interest. The nonbank bank loophole erodes that separation by allowing commercial companies to control banks. It raises the risk that banks' credit decisions will be based not on economic merit but on the business strategies of their corporate parents.

Judging by the debate on this bill so far, everybody seems to be opposed to nonbank banks. I cannot for the life of me understand, therefore, why everybody does not vote to include title I, which is the title that restrains nonbank banks.

Let me now turn to title II. In this section of the bill, we place several moratoria on proposed new activities of banks. Some bankers have complaints that this provision sets back progress by several years.

Mr. President, I favor many of the powers the bankers seek. Indeed when I introduced this bill several weeks ago, I included powers for banks, four of the most important powers. It would be good for the economy to introduce new competition into the commerical paper, municipal bond, mortgage-backed securities, and even real estate and insurance markets. Competition is what makes all American industry strong.

On March 18, the Federal Reserve approved an application by Chase Manhattan Bank to underwrite commercial paper. While this activity is in the economic interests of America, it is the Congress, and not the Fed, that should grant such a power.

Again and again, the Congress has been justifiably disturbed by actions on the part of the administration or actions on the part of a regulatory body that clearly exceeded the law. The Congress is supposed to determine the law. That is our responsibility. That is our power. That is the policy power only the Congress is obliged to exercise.

If we do not approve title II we will be abdicating our responsibility for writing banking law, and the Fed will have no alternative but to assume our responsibility as well as they can. The courts will have to make banking law. There will be no central area of policy determination which makes banking law based on a record, based on hearings, based on debate and on discussion.

The Competitive Equality Banking Act of 1987 gives all of the major industry participants an interest in participating constructively in the development of comprehensive legislation.

It brings in the groups that have in the past prevented any action. It does that by providing carrots and sticks designed to encourage the various financial services interest groups, including consumers, to take part constructively in shaping new legislation.

By encouraging all the major participants to come back to the bargaining table, we greatly enhance the prospects for constructive hearings and legislation. The committee will promptly review and, if needed, propose major revisions of the laws governing the activities of companies that own federally insured depository institutions. I have stated on several occasions that if the Competitive Equality Banking Act is enacted, will immediately schedule hearings on a broad range of fundamental issues confronting the financial services industry, wth the goal being to bring the committee together to make permanent decisions by October 1987. I hope we can do it sooner. I think we have an excellent committee. I have been very impressed by the members, particularly including the new members, of the committee.

In conclusion, let me address the threat of a veto by President Reagan. The Treasury Department has indicated that unless we restrict ourselves to recapitalizing FSLIC, they may recommend a veto. All of us concerned that FSLIC be recapitalized quickly worry that such a veto may slow the process.

But this veto threat surprises me. It surprises me because we are attempting to do what the White House itself has been urging. The White House for the last half-dozen years has urged that the financial services industry be deregulated. Unable to win such wholesale deregulation, they now appear bent on using the nonbank bank loophole to disintegrate financial law.

My fellow Senators, in many ways, we are complying with the wishes of the White House in this bill. We are recapitalizing FSLIC with essentially the very plan that the Treasury Department devised. It is not as much money. They wanted $15 billion. We provide $7.5 billion. But we provide as much as could be spent, according to the White House timetable, in 2 or 2½ years.

Then we can go back and look at it again. We certainly should, in view of the turmoil and difficulty that these regulatory agencies have been involved in.

It is a good plan and I am proud to sponsor it. The Treasury recommended it, we are following it. In addition, we are establishing a framework to consider whether or not financial law should be revolutionized. Perhaps we will conclude that deregulation is the best course. Perhaps we will not.

Mr. President, let us move to vote out this FSLIC recapitalization plan and launch the framework for addressing needed changes in financial law.

Mr. President, I hope we can come to a vote on this amendment and then vote on final passage. The Senate has been very patient. The hour is late. Senators are waiting for their planes.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, the Senator from Wisconsin has very quickly covered the reasons for urging the adoption of this matter. I want to say that the former chairman of the committee, Senator GARN, has worked in the vineyards on this issue for the last 6 years. On countless occasions I know he has tried over and over again to expand powers in a number of areas. We have disagreed on some of those. On other points, he and I worked together closely. I want to reassure him that we are concerned about it and should move along the grounds that Senator PROXMIRE has discussed.

Although many of us have signed the letter and we have language in the bill that talks about the intent, I want to emphasize to him that we should meet the target set out in the legislation and make that honest effort to deal with financial institutions across the board, see to it that we catch up with the modern world in terms of our financial institutions and protect the consumers.

With all due respect, my hope is that the memorandum of the former chairman would be rejected but that we do what he has urged in the last several years. That is to see that Congress takes the leadership role in determining what our financial institutions should be.

Mr. GARN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I would like to briefly address the measure before us. This is a measure that we debated in the Banking Committee, and I think the points that the Senator from Utah has made are very valid. I think the measure is unfairly tilted against the banking industry and in favor of the securities industry.

I do regret that should the amendment of the Senator from Utah be adopted, that it would not cover the problem that the Senator from Connecticut and the Senator from Pennsylvania have addressed; namely, the possible sale of insurance by banks. I am opposed to that. I strongly believe that there should not be permitted the sale of such insurance by banks.

Originally, as we went along here, it was my understanding that there was to be a permanent prohibition against such sale. That was the point that the Senator from Connecticut was going to make. Instead, the bill currently provides, I believe in title II, that there be a moratorium that ends on March 1, 1988, against the sale of insurance.

Therefore, that obviously does not do as much for the independent insurance agents as a permanent prohibition against such sale.

Mr. President, I intend to vote for the amendment of the Senator from Utah, but if that prevails, I immediately will come forward, if the Senator from Connecticut does not precede me—obviously it is his amendment—with an amendment to provide that, despite the elimination of title II, there would be a prohibition against the sale of insurance by banks—I would make it indefinite. If the Senator from Connecticut is the leader in this and would choose to make it a year, I would support that.

In other words, I think all of us are put in sort of a quandry here, or at least I am. That is, that we do not think it is fair to put this total moratorium on the banks having these expanded powers. I do not think that is fair. However, I do believe, as do many of my colleagues, that a limitation on the sale of insurance by the banks should take place. So, because the banks, I think, are being so unfairly treated—and indeed this moratorium affects our competitive position in the world with our banks and at the same time the securities industry is pretty much on a free leash—I believe that the amendment of the Senator from Utah is a justifiable one. But it should include a prohibition to be permanent, which I would go for, or if the Senator from Connecticut chose to make it a 1-year moratorium, to March 1, 1988, I would support that.

Mr. DODD. If the Senator will yield, I appreciate his comments about the insurance powers. The independent insurance agents have taken a position to support this bill with title I and title II included in the bill. I want to make sure the record is clear that while many of them would like a permanent closing of the so-called South Dakota loophole, that they support the bill and, in fact, what the Senator from Rhode Island has identified is the problem.

We are trying to deal with the positions of certain groups that want certain things and do not want others. Rather than have the decision decided by one vote, depending on who is here on a Friday afternoon, deciding whether you get some powers and not others, what the committee is trying to do is to deal with all those issues over the period of the next 11 or 12 months so that we might come to the conclusion as to how we properly deal with all of those questions.

I realize in doing so, delaying a bit, we are running a risk of falling further behind. I think, however, it is wise for us to do it in that manner rather than do it in a kind of last-ditch, rushing effort when we might do the right thing or might not. That is the purpose of title II.

I do appreciate the Senator's comments about the insurance activities.

Mr. CHAFEE. Mr. President, the same thing would apply to real estate also. I understand what is being said here but I understand from the Senator from Utah that once this moratorium is in effect, even though presumably for 10 or 11 months, nothing will happen.

I have great faith in the assurance of the chairman of the Banking Committee that he will get right to this, but we know the way human nature is. We have had here the highway bill that was vetoed, with the threat that there will be no highway bill for the remainder of the year. If we cannot get something done with that urgency, what will we do with this?

There are many who say we should not do anything about the banks. There are powerful forces out there, which the Senator from Wisconsin knows.

Mr. PROXMIRE. If we do nothing, the moratorium expires. We have made an absolute commitment that we will not extend the moratorium. I will do everything I can to prevent that. The Senator is a member of the committee and there are others on the floor who have indicated that they do not want this moratorium to continue more than 1 year.

Mr. SASSER. I rise in opposition to the so-called clean FSLIC amendment.

Mr. President, the Banking Committee carefully considered the merits of doing just a clean FSLIC bill in its markup of this legislation. I note that this amendment was defeated by a bipartisan vote of 12 to 6.

Mr. President, in my statement yesterday I discussed the carefull balance of this legislation. Indeed, many of the provisions of the bill strongly complement the FSLIC recapitalization contained in the bill. In particular, the provisions which close the nonbank bank loophole will reduce the costs of recapitalizing the FSLIC by encouraging acquisitions of failed thrifts rather than liquidations.

Acquisitions of failed thrifts cost the FSLIC much less money than do liquidations. Even more importantly, acquisitions prevent the loss of public confidence in the FSLIC which occur when the agency must close a failed thrift.

However, if the nonbank bank loophole remains open—as would be the case if this amendment passes—there would be little incentive for companies to acquire failed thrifts. Why should anyone acquire a failed thrift and assume a heavy financial and managerial burden, when the company can acquire a nonbank bank?

Nonbank banks have many of the same attributes as do acquisitions of failed thrifts, primarily they provide a means to enter a market from which the acquiring company would otherwise be legally foreclosed.

Mr. President, there are hundreds of nonbank bank applications pending approval by banking regulators. If the nonbank bank loophole is not closed now, these applications could well be approved. And the effort to rebuild the FSLIC would e imperiled.

Mr. President, given the condition of the FSLIC it would be foolish for Congress not to close the nonbank bank loophole now. I submit that the provisions on nonbank banks as well as the provisions of the entire bill—should be enacted now. Thank you.

Mr. GRASSLEY. Mr. President, it is with reluctance that I speak about a bill which has come to the Senate floor so quickly that Senators who are not on the Senate Banking Committee had little time to thoroughly review it. I would have hoped that legislation as significant and controversial as the Competitive Equality Banking Act of 1987 would have been allowed more time for study. Therefore, I rise in support of this proposal which removes the most controversial elements from the bill, and simply enacts emergency measures that assist our Nation's financial institutions.

Most of us are in agreement that we need an emergency bill to protect the safety and soundness of deposits in savings and loans institutions around the country. It is irresponsible politics and bad policy to attach controversial amendments which will only hinder the adoption of emergency provisions which will salvage the Federal Savings and Loan Insurance Corporation. The provisions of the bill unrelated to FSLIC should be legislated in a separate bill and under less of a crisis environment. I support many of those provisions, but believe they should be solved once and for all instead of through moratoria.

Mr. QUAYLE. Mr. President, I congratulate the distinguished ranking minority member of the Banking Committee on this amendment and his efforts throughout the consideration of this measure to address the critical and timely issue of recapitalization of the Federal Savings and Loan Insurance Corporation. I share his view that the many nonemergency provisions of the Competitive Equality Banking Act of 1987 will serve to encumber the passage of a recapitalization of the FSLIC.

Mr. President, I say this as I reflect back to last fall and remember when then Chairman GARN was successful in crafting a FSLIC recapitalization bill, which did not gain final congressional approval due to nonemergency provisions that were added by the House of Representatives. The need to provide for the safety and soundness of our Nation's thrifts is paramount. Many of the nonemergency provisions of this bill are controversial, and some are even inconsistent with the goal of the recapitalization of FSLIC. The overriding issue facing Congress is the timely passage of a measure to shore up our ailing savings and loans. There are also many issues confronting our financial services industry that must be addressed as well. I am pleased to note the distinguished chairman's dedication—and that of other members of the committee—to the resolve of the many questions and issues surrounding our financial services system, and I look forward to working with the committee in crafting comprehensive legislation to address these topics.

Mr. President, I urge the adoption of this amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. RIEGLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. If this amendment were to be agreed to, this whole bill gets turned upside down and I do not see any meaningful prospect of action on these larger issues over the remainder of this year and possibly next year for the reasons I described earlier in statements on the Senate floor.

I understand the feeling of the Senator from Utah, a dear friend of mine. But I think it is essential that we pass this bill in the form that we now have it. We will have the chance to come back and deal with these issues later in the year. When we do, everybody will be prepared.

The PRESIDING OFFICER. If there is no further debate on the amendment, the question is on agreeing to the amendment of the Senator from Utah.

The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Texas [Mr. BENTSEN], the Senator from Tennessee [Mr. GORE], the Senator from Iowa [Mr. HARKIN], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Nevada [Mr. REID] are necessarily absent.

I also announce that the Senator from Delaware [Mr. BIDEN] is absent because of illness.

Mr. DOLE. I announce that the Senator from Maine [Mr. COHEN], the Senator from Oregon [Mr. HATFIELD], the Senator from Wyoming [Mr. SIMPSON], and the Senator from Alaska [Mr. STEVENS] are necessarily absent.

The PRESIDING OFFICER (Mr. DASCHLE). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 35, nays 54, as follows:

[Rollcall Vote No. 43 Leg.]

YEAS—35

Armstrong
Bond
Boschwitz
Bumpers
Chafee
Cochran
Dole
Domenici
Evans
Garn
Gramm
Grassley
Hatch
Hecht
Heflin
Helms
Hollings
Humphrey
Karnes
Kassebaum
Lugar
McCain
McClure
Murkowski
Nickles
Packwood
Quayle
Roth
Rudman
Symms
Thurmond
Trible
Wallop
Warner
Wilson

NAYS—54

Adams
Baucus
Bingaman
Boren
Bradley
Breaux
Burdick
Byrd
Chiles
Conrad
Cranston
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Durenberger
Exon
Ford
Fowler
Glenn
Graham
Heinz
Inouye
Kasten
Kerry
Lautenberg
Leahy
Levin
Matsunaga
McConnell
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Nunn
Pell
Pressler
Proxmire
Pryor
Riegle
Rockefeller
Sanford
Sarbanes
Sasser
Shelby
Simon
Specter
Stafford
Stennis
Weicker
Wirth

NOT VOTING—11

Bentsen
Biden
Cohen
Gore
Harkin
Hatfield
Johnston
Kennedy
Reid
Simpson
Stevens

So amendment No. 67 was rejected.

AMENDMENT NO. 68

Mr. PROXMIRE. Mr. President, I send to the desk a technical amendment and ask for its immediate consideration. This amendment has been cleared on both sides. Senator GARN has given his approval.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. PROXMIRE] proposes an amendment numbered 68.

Mr. PROXMIRE. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 21, line 11, strike out "becomes" and insert in lieu thereof "received approval under subsection (e) of this section to become".

On page 21, line 15, strike out "acquired" and insert in lieu thereof "received approval under subsection (e) of this section to acquire control of".

On page 21, line 19, strike out "controlled" and insert in lieu thereof "received approval under subsection (e) of this section to acquire control of".

Strike section 201(a)(3) and in lieu thereof insert the following:

"(3) a Federal banking agency may not approve an application by any bank holding company or by any insured bank to enggage to any extent whatever in the flotation, underwriting, public sale, or distribution of securities, if that approval would require the agency to determine that the entity which would conduct such activities would not be engaged principally in such activities;".

Section 201(a)(4) is amended by inserting after "increasing the insurance powers of banks or bank holding companies or banking or nonbanking subsidiaries thereof" the words "with respect to any activities in the United States,".

Mr. PROXMIRE. Mr. President, before we close debate on this legislation, I want to express my appreciation to the distinguished ranking Republican on our committee and my good friend from Utah, Senator GARN. We have had honest differences of opinion on this bill, not so much on substance but on tactics and on relative priorities. But over the long haul, I believe we both want to head in the same direction—toward a more competitive financial system that will better serve the needs of the public.

I look forward to working closely with Senator GARN over the next several months to produce the banking bill mandated by this legislation. Most issues in banking and financial legislation cut across party lines. It is my hope and expectation that we can and will produce a bipartisan banking bill for the Senate's consideration later this year.

Mr. GARN. Mr. President, I thank the chairman for his kind remarks.

I do wish to assure him of one thing: he will have every bit of help he can possibly get from me, to make sure that these moratoriums do not expire without our taking some action.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 68) was agreed to.

Mr. PROXMIRE. Mr. President, this bill grandfathers limited purpose banks in existence on March 5, 1987, but provides that such a bank may not thereafter "engage in any activity in which it was not lawfully engaged as of March 5, 1987."

The committee report gives the example that this would prevent a grandfathered nonbank from later offering both demand deposits and commercial loans, when it had earlier been permitted to offer only one or the other, but not both.

The word "activity" is not defined in the bill, however. I want to confirm that the meaning stated in the report is what is intended and that no effort to measure activity unduly narrowly on a product-by-product, customer-by-customer basis is intended, so that if a nonbank were engaged in offering any type of loans on March 5, it may offer that same type of loans thereafter.

Mr. RIEGLE. There is an outstanding question as to whether Congress should permit an overdraft to be incurred at a grandfathered nonbank—or its Federal Reserve Bank—on behalf of an affiliate which is monitored by, reports to, and is recognized as a primary dealer by the Federal Reserve Bank of New York. It is my understanding that the chairman will review this matter over the next several months as a priority matter. Is that correct?

Mr. PROXMIRE. Yes, that is correct. I am aware of this issue regarding overdrafts on behalf of a primary dealer affiliate and I assure you that we will look at this matter carefully.

Mr. BREAUX. There has been some question as to the effect the amendment regarding foreign banks grandfathered under the International Banking Act is intended to have on a domestically controlled affiliate of a foreign bank. Under the International Banking Act, a foreign bank is permitted to retain ownership or control of any voting shares or, where necessary to prevent dilution of its voting interest, acquire additional voting shares, or any "domestically controlled affiliate covered in 1978" which is engaged in the securities business. This amendment was not intended in any way to prevent any such domestically controlled affiliate from continuing or expanding its normal business activities grandfathered under the act.

Mr. PROXMIRE. I share the views of the Senator from Louisiana. The amendment is directed toward foreign banks and is not intended in any manner to restrict the activities or the ability to do business of a U.S. registered broker-dealer, for example, which is a "domestically controlled affiliate covered in 1978" under the act. Such a company is located in the United States and control of such a company and majority ownership of its shares is in this country. The amendment to which you refer is not designed to affect the extent or nature of the activities of such an entity, nor the provisions governing stock ownership of such an entity by a foreign bank, as currently permitted under the International Banking Act.

Mr. SASSER. It is my understanding that there is nothing contained in title II of this bill that would give national banks or bank holding companies the power to own or operate travel agencies. The Comptroller of the Currency in Banking Circular 108, dated June 1, 1978, required national banks to divest their travel agency operations within 3 years. Also the Federal Reserve Board is on record stating that the operation of a travel agency is not closely related to banking or managing or controlling banks and is, therefore, prohibited for bank holding companies under section 4 of the Bank Holding Company Act (12 U.S.C. 1843, Bank Holding Company Act). While the committee in markup of S. 790 did not discuss this matter, am I correct in assuming that since title II is silent on this matter, there is no intent in title II to suggest that travel agent powers are appropriate for banks or bank holding companies?

Mr. PROXMIRE. Yes, that is correct.

Mr. HECHT. I would like to join with Senator SASSER in expressing my concern about this matter. It is my understanding that the Federal Reserve Board has long held that the operation of a travel agency is not closely related to banking or managing and controlling banks. Therefore, it would be prohibited by the Bank Holding Company Act. So again, it would be my understanding that there is nothing in title II that legislatively reverses this current regulatory policy. I would ask the chairman of the Banking Committee, Senator PROXMIRE if that is also his interpretation?

Mr. PROXMIRE. Yes; the Senator's interpretation of this matter is correct.

Mr. GARN. I would like to ask the floor manager of the bill a short, and I believe noncontroversial, question about the qualified thrift lender test. Under that test, described on page 25 of the bill, a thrift institution must with minor exceptions, have 60 percent of its assets in investments related to "residential real estate or manufactured housing" in order to receive some benefits normally accorded thrifts. I would simply like to clarify that the term "manufactured housing" includes mobile homes as it does in other related statutes such as the Housing and Community Development Act of 1974. Would the Senator provide me with that clarification.

Mr. PROXMIRE. That is in fact my intent and, I am convinced, the intent of the committee.

Senator GARN. I would like at this time to enggage in a colloquy with Senator RIEGLE to establish legislative history on a point of considerable concern to me. Specifically, I would like to ask the Senator whether in his view adequate progress has been made in resolving the problem created by the unwillingness of stock transfer agents to accept savings institutions' signature guarantees.

Mr. RIEGLE. The answer is no. Despite the efforts of the SEC to achieve a voluntary end to this discrimination, very little improvement has occurred. As a result, customer flexibility is being artificially and improperly constrained, and saving institutions are unable to make full use of the limited securities authority they have been granted. There is simply no economic basis for the refusal of stock transfer agents to accept thrifts' signature guarantees, and I believe the time has come for the SEC to solve the problem by regulation.

Mr. GARN. I completely agree with the Senator. It is time for the SEC to use its authority to issue regulations that will assure that transfer agents apply the same reasonable standards to all institutions, including securities exchanges, banks, savings institutions, credit unions and similar institutions, in evaluating the acceptability of their signature guarantees.

Mr. REIGLE. You are correct. This completely reflects the sense of the Senate on this issue, in my opinion. Fair competition is the bedrock foundation of our free enterprise economic system, and the existence of regulatory agencies such as the SEC is designed in no small part to assure that discriminatory patterns of the sort now regrettably present in the signature guarantee area do not interfere with the proper functioning of that system.

Mr. GARN. For several years, savings institutions have been attempting to resolve a serious problem that is interfering with their ability to take full advantage of certain new powers they have been granted. Specifically, their ability to exercise effectively their limited securities authority has been undermined by the unwillingness of stock transfer agents to accept signature guarantees from thrifts. There is no economic basis for this refusal, which continues notwithstanding advice from the SEC's Division of Market Regulation that discrimination among signature guarantors solely by reference to the type of financial institutions issuing the guarantee appears to be inconsistent with State and Federal law. Although the SEC has attempted to resolve this situation on a voluntary basis, insufficient progress has been made.

Accordingly, this committee expects the SEC to move promptly to issue curative regulations. These regulations should require that transfer agents apply the same reasonable standards to all institutions, including securities exchanges, banks, savings institutions, credit unions and similar institutions, in evaluating the acceptability of their signature guarantees. Fair competition is the bedrock foundation of our free enterprise economic system, and the existence of regulatory agencies such as the SEC is designed in significant part to assure that discriminatory patterns of the sort present in the signature guarantee area do not interfere with the proper functioning of that system.

I would like to engage now in a brief colloguy with Senator Proxmire to establish legislative history on a point that has been of concern to me for some time. Specifically, I would like to establish that it is the sense of the Senate that it is extremely important, given the problems besetting the thrift industry and that industry's increasing involvement with the SEC, that the SEC take prompt steps to create a Savings Institutions Advisory Committee.

Mr. PROXMIRE. I am in wholehearted agreement. Such a committee would do much to reduce mutual unfamiliarity between the SEC and the thrift industy, to the benefit of both as well as of the general public. The Federal Reserve Board established a body of this sort several years ago, the Thrift Industry Advisory Committee, which has been very successful as a device for improving the quality of industry—agency communications. Senator Garn, could you give us some idea of how the committee you envision would operate?

Mr. GARN. Certainly. Basically, the committee would consist of knowledgeable thrift industry representatives who would meet with the SEC Chairman and Commissioners, as well as key staff, on a regular basis, not less than quarterly, to discuss matters of joint interest and importance. It should be large enough to assure diversity of membership, with at least two members from each of the 12 Federal Home Loan Banks districts, and members' expenses would be reimbursed by the SEC consistent with the Federal Advisory Committee Act.

Mr. PROXMIRE. I thank the Senator. The idea of a committee is an excellent one. Let the record show that it is the expectation of the Senate that the SEC should move very promptly to establish the Savings Institutions Advisory Committee, and should do so as per your description.

Mr. GARN. Because savings institutions historically have been overwhelmingly mutual in form, there involvement with the SEC over the years has been minimal. This situation has been changing, however, as more and more thrifts have changed to stock charters in order to improve their capital positions, and as the industry has become more active in the capital markets generally. Although the Federal Home Loan Bank Board has primary responsibility for the securities regulation of thrifts, that agency basically follows SEC rules and procedures, and the SEC has direct securities jurisdiction over S&L holding companies. Nevertheless, there still exists a considerable degree of mutual unfamiliarity between the SEC and thrift institutions.

Given the well-known financial problems of the savings institution industry, and their significance for the Government and the public, it is extremely important that the SEC not act in ignorance of the impact of its action on thrifts. While such institutions can participate, of course, in the public comment process associated with SEC rulemaking proceedings, we believe the need for increasing the degree of industry/agency understanding is sufficiently great to warrant creation by the SEC of a Savings Institutions Advisory Committee, and it is our expectation that the agency will act very promptly to establish one.

The committee would consist of knowledgeable industry representatives who would meet with the SEC Chairman and Commissioners, as well as key staff, on a regular basis—not less than quarterly—to discuss matters of joint interest and importance, and should be large enough to assure diversity of membership—there should be at least two members from each of the 12 Federal Home Loan Bank districts. The expenses of committee members would be reimbursed by the SEC consistent with the Federal Advisory Committee Act.

It should be noted that the Federal Reserve Board for several years has had a body of this kind in place—the Thrift Industry Advisory Committee—and it has been very successful as a device for improving the quality of industry/agency communication.

FEDERAL HOME LOAN BANK BOARD AMENDMENT

Mr. SASSER. Mr. President, I would like to draw the attention of my colleagues to the fact that S. 790 contains an amendment that I offered in committee which, I believe, assists the thrift industry and FSLIC in getting through some of the troubles that currently affect the thrift industry.

My amendment, which was adopted unanimously by the committee precludes the FSLIC and the Federal Home Loan Bank Board [FHLBB] from requiring institutions to establish special reserves or writing down assets in amounts in excess of what would be required under generally accepted accounting principles.

The committee adopted the Sasser amendment because of its belief that the Home Loan Bank Board and the FSLIC should adopt appropriate accounting practices and related procedures that will guard against unrealistic write downs of assets and establishment of reserves against problem assets in thrifts located in areas suffering from temporary econmic dislocations.

This amendment has been strongly endorsed by the U.S. League of Savings Institutions and the National Association of Homebuilders for a very simple reason. They do not want to see closures of well-managed thrift institutions that are suffering from temporary economic reverse. They want to see us take efforts to maintain these well-managed thrifts, keep them in place, and not adopt a policy where these thrifts might be prematurely closed and a substantial drain would be placed on the FSLIC.

Currently, FSLIC and the FHLB can exercise authority under regulatory accounting practices to require a thrift to obtain a "current market" appraisal on a property, adjust the loan value to this new appraisal and establish a special loan loss reserve against that new appraisal. Where this occurs, the value of assets held by a thrift declines, markedly in many cases, and excessive special loan loss reserves are required.

The Sasser amendment simply says that the Board and the FSLIC shall not write down the asset or esablish a special loan loss reserve in an amount that would exceed generally accepted accounting principles. This is a procedure, I might add, that is followed by the regulators of commerical banks.

By following this amendment, the Bank Board and FSLIC will provide time for well-managed thrifts to rebound from the difficult economic situations they now find themselves in.

By following generally accepted accounting principles in accord with the Sasser amendment, problem assets are valued in a more realistic manner than under current regulatory accounting practices. Comparing the two accounting procedures, for example, the U.S. League of Savings Institutions notes, ". . . What is eliminated in methods allowed under generally accepted accounting principles (as opposed to regulatory accounting procedures) is the upfront hit to income and net worth which occurs under regulatory accounting requirements. Under generally accepted accounting principles, the loss is spread more evenly and the institutions books reflect asset carrying values in a manner consistent with the practice at commerical banks and other business organizations."

Finally, I would note that my amendment in no way curbs any of the existing powers of the Bank Board or the Federal Savings and Loan Corporation in curbing fraud and mismanagement in thrift institutions that are not well managed and whose operations should be subject to close scrutiny by FSLIC and the Bank Board.

I am happy to report to my colleagues that after some study of my amendment, the Home Loan Bank Board has informed the Senate Banking Committee that they have no objections to this particular provision of S. 790.

It is my hope certainly that this amendment will provide FSLIC, the Bank Board, and well-managed but troubled thrifts the additional assistance they need in weathering some of the fiscal problems that they are now experiencing.

Mr. WILSON. Mr. President, I rise today in support of legislation to bring to a swift resolution the current problems facing the insurance fund maintained by the Federal Savings and Loan Insurance Corporation [FSLIC]. Unfortunately, this legislation has been caught up in a maelstrom of controversy surrounding two other provisions in the bill. I am both frustrated and concerned by the Senate's insistence on weighing down the FSLIC recapitalization with other provisions which will only delay the FSLIC from regaining its fiscal strength.

Mr. President, the need for strong and responsible legislation to recapitalize FSLIC and give the Federal Deposit Insurance Corporation [FDIC] and the Federal Reserve "bridge bank" authority to approve the merger with, or acquisition by, out-of-State institutions of failed or failing banks that have $500 million or more in assets, could not be more clear. FSLIC recapitalization and bridge bank authority is needed now, not in a matter of weeks and months.

In California, some of the largest savings and loans institutions in the United States compete side-by-side with some of the Nation's largest commercial banks. The insurance fund protecting the deposits of their customers, however, is in dire need of recapitalization. FSLIC's primary reserves fell to only $1.9 billion in late January. The legislation before us today would raise $7.5 billion in borrowings to bolster the fund over a period of 30 months. Passage of the FSLIC recapitalization provisions in S. 790 is a crucial step toward reassuring the public of the solvency of our thrift institutions. Passage of this provision represents a commitment to our Nation's thrift depositors; no depositor should expect to lose a penny so long as they deposit funds with an insured institution.

This is why I voted for the amendment offered by Senator GARN earlier today which would have stripped the bill of titles I and II, provisions which will only serve to delay final approval of FSLIC recapitalization and bridge bank authority. Stripping titles I and II could have allowed the Senate and the House to complete a Banking Conference Committee process in record time, a goal which the Congress must obtain to bolster consumer confidence in our Nation's savings and loan industry.

In addition, Mr. President, I fully support legislaton to make permanent the National Credit Union Administration [NCUA], and to force banks and other financial institutions to make more clear their check holding practices and to limit the amount of time an institution can place a hold on a deposit. These provisions are noncontroversial and are of obvious benefit to consumers.

However, the legislation reported by his committee and now before the Senate is laden with two very controversial provisions dealing with nonbank banks and expanding bank powers—provisions which demand extensive hearings and a thorough examination by the committee and the Senate as a whole. Clearly, the Senate should resolve, after years of discussion, the nonbank bank issue and the limits to which banks should be allowed to expand their powers. But this legislation doesn't do that, Mr. President. Instead, it proposes a year-long moratorium during which the Senate Banking Committee will once again revisit the issues. It also grandfathers over 160 existing nonbank banks.

Mr. President, despite my reservations, I shall vote for this FSLIC recapitalization legislation even if it ultimately includes the controversial provisions embodied in titles I and II—contentious issues which should be resolved in the committee now, not later. I urge my colleagues on the Senate-House conference committee to resolve their differences quickly. Recapitalizing FSLIC is too important to let this legislation languish in the conference.

IN SUPPORT OF COMPROMISE BANK LEGISLATION

Mr. DURENBERGER. Mr. President, I rise today to express my support for the Competitive Banking Equality Act of 1987. I must say that I do this with serious reservations about this bill and I hope that the Banking Committee will immediately start work on comprehensive banking legislation. My reason for supporting this bill is that it finally closes the nonbank bank loophole.

Mr. President, closing the non-bank bank loophole is an issue which cannot be delayed until next year. Every day more and more money is transferred from our small community based banks, which have served rural America very well, to large nonbank banks. Nonbank banks enjoy many of the advantages of banks while escaping many of the regulatory requirements imposed upon banks. For that reason, they enjoy an unfair competitive advantage over banks.

Mr. President, a major concern of mine in the 100th Congress is the effect any legislation will have on our hard pressed rural areas. From that standpoint, I have come to the conclusion that the Competitive Banking Equality Act does more to protect the financial stability of rural America than any other proposal before the U.S. Senate.

Most of the debate on the floor of the Senate has focused on the moratorium on expanded banking powers contained in title II of the bill. I am not thoroughly convinced that banks should be granted all of the expanded powers the industry seeks. Nor am I certain that solvency of our financial institutions will be promoted by allowing banks to enter totally new lines of business. Nevertheless, I do not believe that Congress should fall into the habit of avoiding problems through temporary moratoriums.

For several years, the regulatory agencies have been waiting for guidance from Congress to chart a new course to guide the relationship between banks and the rest of the financial services industry. The contours of the financial services industry have changed dramatically in the past 10 years and our banking laws have not kept pace with that change. Congress has failed to provide that guidance and instead has opted for a temporary solution to a long-term problem.

I would urge the members of the Banking Committee to immediately begin work on a comprehensive bill that addresses the fundamental structural problems associated with our financial services industry. Until such a bill is passed, however, I believe that it is imperative that we vote today to close the nonbank bank loophole. The Competitive Banking Equality Act provides the only vehicle to achieve that goal.

WE MUST END PREFERENTIAL TREATMENT OF FOREIGN BANKS

Mr. HEFLIN. Mr. President, I was very pleased yesterday when the Senate acted to correct a grave inequity in the banking bill by adopting the junior Senator from Louisiana's amendment which would subject foreign banks conducting business in the United States to the same restrictions this bill would impose on American banks. Specifically, Senator BREAUX's amendment would extend the proposed moratorium on financial institutions contained in title II of this bill to foreign banks. I strongly support this amendment and am glad that my colleague acted to correct this problem.

For some time, I have been concerned that, in allowing Congress 1 year in which to address legislation restructuring the financial services industry, foreign institutions would be given a free hand—unfettered by a freeze or temporary moratorium—to compete against our domestic institutions.

Contrary to what many may believe or think, in the last few years the international influence of American financial institutions has clearly suffered a significant decline. Fifteen years ago, 8 of 11 biggest banks in the world were American banks. However, today only 3 of the top 20 banks in the world are American, while 9 of the top 20 are Japanese. The United States percentage of the world's financial markets is steadily declining, while American public and private institutions are becoming more and more dependent upon Japanese banks. Indeed, foreigners are buying up our banks. I am deeply alarmed by this trend. We must act to stem this tide. This trend is all too familiar in other areas of our economy; and we must not accelerate that trend by restricting our own institutions while foreign banks are unaffected.

The loyalties of foreign banks are, understandingly, to the businesses in their own countries. If our own businesses are to be successful in the international marketplace, they must have adequate support from American financial institutions. We must resist the foreign takeover of U.S. monetary establishments. Otherwise, our businesses and industries may find that they have no fiscal support with which to compete. I believe that we must work to revitalize our financial institutions, and help them to, again, assume the leading role in international finance.

We all recognize that the issues contained in this bill and the broader issues of restructuring the industry are extremely complex. I believe that we must all work together to examine the deficiencies in the American financial system, agree upon necessary changes, and then implement those improvements if we are to regain and maintain our control over the world's financial markets. Without that control, I am fearful that we could permanently fall behind in other economic areas to the grave detriment of the people of this country. Our ability to compete in the world economy could be adversely affected by foreign holding of American assets.

However, in the meantime, while we are examining our financial institutions, we should not allow foreign institutions to operate in America with a competitive advantage over our own institutions. Without this amendment adding foreign institutions to the freeze imposed on American institutions, we would be inviting the fox to an unchaperoned party in the most tempting henhouse in the world. After the party, there may not be much left.

I hope that my colleagues are fully aware of the overall threat that the takeover of our financial assets by foreign institutions will pose to the economic health and future vitality of our country. I believe that for the sake of our children and future generations of Americans, we must strive to maintain the strength and independence of our own financial institutions. Again, I am glad that we have guarded against any possible further expansion of foreign institutions into our markets by adopting the Breaux amendment. But, in the very near future, we must work to implement other changes which will enhance the ability of our financial institutions to compete in all international financial markets. Our future happiness and livelihood depend on it.

Mr. GLENN. Mr. President, the Senate this week is taking up issues of immense importance to the smooth and efficient and fair operation of the world's best capital market. I can think of no better custodian of our financial institutions than my distinguished colleague from Wisconsin, Senator WILLIAM PROXMIRE. He has served this role well. With his leadership, the Banking Committee has reported a bill which deals with the crisis facing our thrift institutions but also takes a step toward determining the proper pace of financial deregulation. With but one exception, I support each and every title of the Competitive Equality Banking Act of 1987.

The Congress must act today to shore up our troubled savings and loan industry by passing the Federal Savings and Loan Insurance Corporation Recapitalization Act of 1987 found in title III. We find ourselves facing the worst emergency involving our financial system since the height of the Depression nearly a half century ago. Passage today of FSLIC recapitalization will send a message to the tens of millions of nervous thrift depositors that the system to which they have entrusted their hard-earned money will survive.

The measures taken by title III are necessary and prudent. It calls for the borrowing of $7.5 billion in our capital markets over the next 2 years to recapitalize FSLIC. While some of my colleagues will disagree with the level of borrowing, I am reassured that the level called for under title III approximates the amount that our markets could sustain under the best circumstances. Moreover, the bill will require the Federal Home Loan Bank Board to prepare a forbearance plan to deal with troubled, but well-managed institutions, most of which are being rocked by economic forces well out of their control. Similarly, I fully support title IV, which is often called the "regulators' bill," because it comes to the rescue of our regulators struggling to find buyers for our many failed and failing banking institutions.

I also support title VI—the Fair Deposit Availability Act of 1987—without any hesitation and applaud the efforts of my esteemed colleague from Connecticut in crafting this piece of consumer protection legislation. This bill will eventually shorten the time period between when bank customers deposit a check and the date they may draw upon it. It will eliminate one of the most sharply criticized banking practices that exists—who in this body has not experienced the humiliation of bouncing a check because a bank has put a week or two hold on it. Many families live from paycheck to paycheck and cannot afford the wait—for them, it may mean going without groceries or putting off a trip to the doctor.

There are two controversial titles in this bill. We can all question the wisdom of attaching controversial titles to the emergency legislation found in titles III and IV. Yet few of us have ever questioned the wisdom of closing the nonbank bank loophole. The time has come to tie down this loose cannon on our financial deck.

What is a nonbank bank? I have been told it is simply a definitional problem. Well it might very well be, but tell that to the hundreds of banks in my home State who simply cannot compete against the nonbank banks owned by large diversified financial institutions that offer a panoply of financial and banking services, save demand deposits or commercial lending. Tell that to the Chairman of the Federal Reserve Board who stands vigil over the Nation's delicate payments system and its longstanding policy of separation of banking and commerce. Tell that to the Federal Deposit Insurance Corporation which worries about the extension of the Federal safety net to the commercial, industrial, and agricultural firms that have acquired bank subsidiaries. Tell that to the States which find their statutory restrictions on interstate banking circumvented by the proliferation of nonbank banks.

Title I is not perfect. It has a grandfather clause the Merrill Lynch bull could pull the Sears tower through. Yet, title I goes a long way toward freezing the activities of the existing nonbank banks; more important, this title bars the entry of any new nonbank banks, shutting down permanently this injurious loophole in our banking laws.

Senator PROXMIRE has put together an extraordinary bill with the assistance of his fine colleagues on the Banking Committee. I have the greatest admiration for his leadership and the legislative skills for which he is well known. Yet I must respectfully register my objection to title II, the one title that does not belong in this bill. This title places a moratorium on the approval by Federal agencies of any new securities, insurance or real estate powers for banks, bank holding companies or their subsidiaries.

To be sure, Senator BREAUX's amendment to title II did make some very worthwhile changes. For example, it extended the force of title II to foreign banks, taking away any competitive advantage they would have gained over their American counterparts. It also provides that the moratorium, which had been originally drafted to expire 1 year from date of enactment, will expire at a date certain, March 1, 1988. This, of course, does not eliminate my concerns that the moratoriums will be extended ad infinitum.

Title II now sets up a National Commission on Competitiveness in the financial services industry, a forward-looking initiative to be modeled, I trust, on the National Commission on Social Security Reform. Made up of representatives of the regulators, the industries, consumers, and the States, the panel will report within 4 months its recommendations on the pace of financial deregulation and restructuring.

Perhaps the Breaux amendment's greatest contribution is its effort to resurrect the dual banking system. His amendment affirms that title II does not affect the authority of the States to permit its State-chartered banks to engage in any insurance activity. In practical terms, this means that my home State may pass a law authorizing State-chartered banks to engage in reinsurance or insurance policies even if they are owned by bank holding companies. However, under the bill, a bank holding company may not acquire a State-chartered bank unless the holding company agrees not to engage in any insurance activity.

This title still troubles me very deeply. It erects an anticompetitive barrier to bank entry into limited nonbanking activities and is contrary to the best interests of American consumers as well as the international and domestic competitiveness of American banks. It still undermines our country's dual banking system by usurping the traditional authority of the States over its banks. In fact, because of the limitations placed on the acquisitions by bank holding companies, the bill would dilute the effectiveness of a proposal in the Ohio Legislature to permit State-chartered banks limited entry into reinsurance.

Finally, I must turn to the able and respected Chairman of the Federal Reserve Board, who in a very recent letter to Senator PROXMIRE, called on the Senate to strike or amend title II and explained his reservations in this way:

> This Title is clearly retrogressive; it takes away powers that existing law permit the regulatory authorities to grant banking organizations. We are opposed to this provision and very much regret the bill no longer provides authority for bank holding companies to engage in underwriting mutual funds, mortgage-backed securities, revenue bonds and commercial paper. My preference remains for a positive vote on these powers at this time.

Title II is a step backward at exactly the time the Congress should be moving forward and modernizing our financial institutions so that they can meet the demands of consumers as well as compete successfully for customers in international capital markets. I need not remind my colleagues of the startling figures presented the other day by my colleague from New York that 20 years ago 8 of the top 11 banks in the world were American. Today, only 3 of the top 20 institutions are American banks, and 9 of the top 20 are Japanese.

My opposition to title II does not come casually. I am very sensitive to the concerns of Senators PROXMIRE that the Congress, and not the Federal regulators, should determine the pace of financial deregulation. By my opposition to title II, I do not mean to trivialize the concerns of the committee over the safety and soundness of our banking institutions; to me, this is of paramount importance. And I do not question the commitment of my colleagues on the committee to examine the issues more fully in hearings and to emerge with comprehensive legislation later this fall. But I do not underestimate the ability of industry groups to stiffen their opposition to financial integration and buttress the barriers erected by this bill, particularly since the same thorny issues that produced title II will resurface again and again.

In closing, Mr. President, I will support the passage of the Competitive Equality Banking Act of 1987. While I do so with serious reservations, I am reassured by the commitment of my colleagues on the Banking Committee to examine promptly the pace of financial deregulation, draft fair and comprehensive legislation granting banks and maybe others additional powers, and allow the moratorium created by this bill to expire. Most important, this bill should pass for the simple reason that our thrifts, regulators and consumers need it now.

Mr. KERRY. Mr. President, I am pleased to support the amendment offered by Senator BREAUX. I believe that this amendment makes significant improvements to S. 790.

I am also going to support the Banking Committee bill, as amended by the Breaux amendment, because I believe that the bill accomplishes many important policy objectives, such as the recapitalization of the FSLIC, and sets in motion a long-overdue legislative review and reformulation of the laws governing the financial services industry.

The Breaux amendment makes several changes in title II that I believe are significant. It requires that foreign-owned banks operating within the United States are covered by the moratorium. This change acknowledges that preserving the international competitiveness of our banking system must be a major goal of the Congress as we undertake the process of financial services reform.

Even more importantly, I believe, the Breaux amendment also makes it clear that title II is not intended to become permanent, or to prevent banks from obtaining broader powers in securities, insurance or real estate. The amendment sets a date certain of March 1, 1988, for the expiration of the moratorium; states the intent of the Senate not to renew or extend the moratorium under any circumstances. Most significantly, I believe, the amendment states that during the period that the moratorium is in effect the Federal Banking agencies may issue rules, regulations and orders designed to expand bank powers provided that such actions take effect after the moratorium expires on March 1, 1987.

I believe that these changes improve title II, and set us surely on the course of fundamental review and reform of financial services reform that the Banking Committee has sought with its bill.

Mr. LEAHY. Mr. President, I rise today to support the compromise reached by the distinguished chairman of the Banking Committee, Senator PROXMIRE, Senators BREAUX, BOREN, and others. Their amendment will clear the way for passage of the truly crucial provisions of the bill reported by the Senate Banking Committee—the recapitalization of the Federal Savings and Loan Insurance Corporation [FSLIC].

Those provisions address a true economic emergency. There are 270 savings and loan institutions in this country which are on the brink of failure. These thrifts are losing $4.8 billion a year.

The problem, Mr. President, is that the Federal budget insurance fund which guarantees deposits in our Nation's thrifts is being drained by this rash of failures. American consumers—especially those in the Southwest and Midwestern agricultural regions—are at risk, unless Congress acts swiftly. I should point out, however, that the savings and loan institutions in my State of Vermont are generally very well managed, and consumers in our State are not in any immediate danger.

The FSLIC Recapitalization Act of 1987, while not perfect, will infuse $7.5 billion into the thrift industry deposit insurance fund. This recapitalization scheme, which was overwhelmingly approved by the Senate Banking Committee, is a giant step toward restoring the soundness of the troubled thrift industry nationwide.

Mr. President, this measure also gives Federal regulators much needed powers to supervise failing banks and thrifts. Specifically, the bill expands the authority for Federal regulators to arrange the sale of failed and failing banks to interstate buyers. It also enables the Federal Deposit Insurance Corporation, the Bank Board and other agencies to operate failed banks for up to 3 years in an effort to find permanent operators. These new powers will help keep banks open in troubled areas of the Nation, especially in the Farm Belt.

As chairman of the Senate Agriculture Committee, Mr. President, I urge the Senate to support this much needed plan to bring some stability to the devastated farm communities of this country.

Mr. President, there should be no doubt in this Chamber that an emergency exists and will continue to worsen, unless the Senate quickly approves this FSLIC recapitalization bill and the emergency acquisitions powers for Federal regulators. We cannot afford to hesitate.

That is why I support the Competitive Equality Banking Act, as amended. Senator PROXMIRE, the distinguished chairman of the Senate Banking Committee, originally brought the Senate an ambitious bill which addressed this emergency situation, but also delved into the controversial issues of rewriting our Nation's banking laws.

Mr. President, I support efforts to modernize the laws governing our Nation's financial institutions. Unfortunately, the changes proposed in the bill originally reported out of the Banking Committee threatened to kill the recapitalization of FSLIC. This was unacceptable to a majority of the Senate. We should not hold consumers in the most financially distressed parts of this country hostage to our desire to engage in a debate of banking reform.

The Proxmire-Breaux-Boren compromise does, however, make one immediate and important improvement in our Nation's banking laws. It closes the so-called nonbank bank loophole, which threatens the traditional division of commerce and banking in this country. The nonbank bank loophole also allows mammoth financial institutions to skirt or completely avoid regulation. This loophole is bad for our economy and is unfair to our Nations banks, which must live by the rules. I urge the Senate to approve this much-needed reform.

The bill, as amended, instead of ignoring Congress' responsibility to update the laws governing financial institutions, also creates a process for achieving real reform. Within 4 months of the date of enactment of this legislation, a Governing-Industry Commission will present a proposal to Congress for making necessary changes in our financial services laws. Only this kind of cooperation can produce the real improvements which are needed.

Mr. President, in addition the Proxmire-Breaux-Boren compromise skillfully deals with the most controversial provisions of the bill originally reported by the Banking Committee. The original bill would impose a 1-year moratorium to prevent the Federal Reserve from granting banks new powers to offer securities, insurance, and real estate services. This provision, more than any other, threatened to kill the FSLIC recapitalization bill.

The bill, as amended, would allow the Federal Reserve to rule on giving banks securities and insurance powers, but would stay the effective date of that ruling until March 1, 1988. The purpose of this provision is to give Congress adequate time to study the recommendations of the new Commission created in this bill. This provision should give Congress time to enact legislation concerning insurance and securities powers, before the decisions of the Federal regulators become effective.

Mr. President, the bill, in its final form, also preserves the moratorium preventing the Federal Reserve from granting banks real estate powers. Giving banks real estate powers creates the potential for conflicts of interest and abuse. I applaud the architects of this compromise for their decision to retain the original real estate moratorium.

The bill as amended also clearly states that it is the intent of Congress that none of these moratoria be extended. The compromise states further that no part of this bill should be construed as preempting any State laws concernings securities and insurance powers for banks. This is a simple matter of States rights.

Finally, Mr. President, I strongly support the provisions in the bill which protect consumers, including new limits on the time banks may hold consumers checks for clearance. The compromise reached by Senators PROXMIRE, BREAUX, and BOREN, not only cleared the way for the recapitalization of FSLIC, but also made possible the enactment of these important consumer provisions. Under the bill, consumer checks will eventually be cleared in 3 days nationwide.

Mr. President, S. 790, as amended will set FSLIC on a sound footing, closes the nonbank bank loophole and sets in motion a process for true reform of the laws governing financial institutions. I urge the adoption of this vital measure.

Mrs. KASSEBAUM. Mr. President, yesterday Senator DANFORTH offered an amendment to require nonbank banks to divest all their assets within 4 years. In essence, Senator DANFORTH's amendment would have eliminated all nonbank banks. I supported Senator DANFORTH's amendment and I regret that he decided to withdraw it. I think Mr. DANFORTH would have been surprised by the support his amendment would have enjoyed in a rollcall vote.

Mr. President, commercial banks are heavily regulated and throughly supervised institutions. Commercial banks have served families and communities well for generations. To the extent nonbank banks operate outside our bank regulatory framework, they unfairly compete for consumer deposits. Congress should take action to insure all banking institutions are brought under the same regulatory structure. Four years is ample time for nonbank banks to be brought into the regulatory system. There should be no exemptions or exceptions.

Mr. CRANSTON. Mr. President, yesterday the Senate adopted an amendment deleting section 313 of the bill. That section would have given the Federal Savings and Loan Insurance Corporation the authority "to issue such rules, regulations, and orders as necessary to define any terms used in this act and administer and carry out its purposes, including regulation of unsafe or unsound practices by insured institutions." I was grateful to see the Senate delete the provision because it would have significantly expanded the authority of the Federal Home Loan Bank Board as the operating head of the Federal Savings and Loan Insurance Corporation.

In striking the provision, Senator PROXMIRE noted that the provision was redundant, given the authority that the Bank Board already has under existing law. There is no doubt that the provision would have been redundant to some degree in regard to the Bank Board's authority over federally chartered savings and loan. The Bank Board has the authority, under section 402(a) of the National Housing Act, to issue bylaws, rules, and regulations that govern how it will operate the Federal Savings and Loan Insurance Corporation as a procedural matter. It does not have the authority, however, to issue substantive rules and regulations that will govern the conduct of all regulated institutions.

In particular, it notably lacks the authority to issue regulations defining what are unsafe and unsound practices for State-chartered institutions. To grant the Board that authority would run directly counter to our dual system of financial institution regulation, under which the States are the primary regulators of State-chartered institutions. Section 313 would, in fact, have granted it that authority, and it is for that reason that I strongly opposed that section being included as a technical amendment and was delighted to see it removed.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays on final passage.

Mr. PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

UNANIMOUS CONSENT AGREEMENTS—S. 825, S. 410

Mr. BYRD. Mr. President, while Senators are here—I will not detain them long—they should understand that on Monday we hope to transact business.

I ask unanimous consent that at the hour of 1 o'clock on Monday, the Senate proceed to the consideration of Calendar Order No. 68, S. 825, a bill to amend and extend certain laws relating to housing, and for other purposes.

I have discussed this with the distinguished Republican leader, who is on the floor, and I believe that it is all right to proceed to this measure.

Mr. PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the housing bill—and this would not occur on Monday—the majority leader be authorized to proceed to the consideration of Calendar Order No. 24, S. 410, after consultation with the distinguished Republican leader.

Mr. PRESIDING OFFICER. Without objection is it so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that when the Senate turns to the consideration—

Mr. President, I do not want to detain Senators. We will be working on this agreement after this vote.

This will be the last rollcall vote today. I thank Senators. There will be rollcall votes on Monday.

COMPETITIVE EQUALITY BANKING ACT

The Senate continued with the consideration of S. 790.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Texas [Mr. BENTSEN], the Senator from Iowa [Mr. HARKIN], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Nevada [Mr. REID] are necessarily absent.

I also announce that the Senator from Delaware [Mr. BIDEN] is absent because of illness.

I further announce that, if present and voting, the Senator from Nevada [Mr. REID] would vote "yea."

Mr. DOLE. I announce that the Senator from Minnesota [Mr. COHEN], the Senator from Oregon [Mr. HATFIELD], the Senator from Wyoming [Mr. SIMPSON], and the Senator from Alaska [Mr. STEVENS] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 79, nays 11, as follows:

[Rollcall Vote No. 44 Leg.]

YEAS—79

Adams
Baucus
Bingaman
Bond
Boren
Boschwitz
Bradley
Breaux
Bumpers
Burdick
Byrd
Chafee
Chiles
Cochran
Conrad
Cranston
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Evans
Exon
Ford
Fowler
Glenn
Gore
Graham
Gramm
Grassley
Heflin
Heinz
Hollings
Inouye
Karnes
Kassebaum
Kasten
Kerry
Lautenberg
Leahy
Levin
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Matsunaga
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McConnell
Melcher
Metzenbaum
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Mitchell
Moynihan
Murkowski
Nickles
Nunn
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Pell
Pressler
Proxmire
Pryor
Quayle
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Cohen
Harkin
Hatfield
Johnston
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Reid
Simpson
Stevens

So the bill (S. 790) was passed, as follows:

S. 790

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Competitive Equality Banking Act of 1987".

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TITLE I—FINANCIAL INSTITUTIONS COMPETITIVE EQUALITY

AMENDMENTS TO THE BANK HOLDING COMPANY ACT

SEC. 101. (a) Section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841) is amended—

(1) by amending subsection (c) to read as follows:

"(c)(1) Except as provided in paragraph (2), 'bank' means—

"(A) an insured bank as defined in section 3(h) of the Federal Deposit Insurance Act; and

"(B) any other institution organized under the laws of the United States, any State of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, or the Virgin Islands, that accepts demand deposits or deposits that the depositor may withdraw by check or similar means for payment to third parties and is engaged in the business of making commercial loans.

"(2) 'Bank' does not include—

"(A) a foreign bank solely by virtue of its having an insured or uninsured branch in the United States;

"(B) an insured institution;

"(C) an organization that does not do business in the United States except as an incident to its activities outside the United States;

"(D) any institution that functions solely in a trust or fiduciary capacity, if—

"(i) all or substantially all of the deposits of such institution are in trust funds and are received in a bona fide fiduciary capacity;

"(ii) no deposits of such institution which are insured by the Federal Deposit Insurance Corporation are offered or marketed by or through an affiliate of such institution;

"(iii) such institution does not accept demand deposits or deposits that the depositor may withdraw by check or similar means for payment to third parties or others or make commercial loans; and

"(iv) such institution does not—

"(I) obtain payment or payment related services from any Federal Reserve Bank, including any service referred to in section 11A of the Federal Reserve Act; or

"(II) exercise discount or borrowing privileges pursuant to section 19(b)(7) of the Federal Reserve Act;

"(E) any credit union described in section 19(b)(1)(A)(iv) of the Federal Reserve Act;

"(F) any institution which—

"(i) engages only in credit card operations;

"(ii) does not accept demand deposits or deposits that the depositor may withdraw by check or similar means for payment to third parties or others;

"(iii) does not accept any savings or time deposit of less than $100,000;

"(iv) maintains only one office; and

"(v) does not engage in the business of making commercial loans;

"(G) an organization operating under section 25 or section 25(a) of the Federal Reserve Act; or

"(H) an industrial loan company, industrial bank, or other similar institution which—

"(i) is chartered under the laws of a State which on March 5, 1987, had in effect or under consideration in its legislature a statute which required or would require such institution to obtain insurance under the Federal Deposit Insurance Act; and

"(I) does not accept demand deposits that the depositor may withdraw by check or similar means for payment to third parties;

"(II) has total assets of less than $100,000,000; or

"(III) is not acquired by a company; or

"(ii) does not, directly or indirectly or through an affiliate, engage in any activity in which it was not lawfully engaged as of March 5, 1987.

No institution shall retain the exemption provided by this subparagraph if it permits any overdraft, including any intra-day overdraft, or incurs any such overdraft in its account at a Federal reserve bank, on behalf of an affiliate, unless such overdraft results from an inadvertent computer or accounting error that is beyond the control of the institution and affiliate.

"(3) 'District bank' means any bank operating under the Code of Law for the District of Columbia.

"(4) An institution described in subparagraph (D), (F), (G), or (H) of paragraph (2) shall be treated as a bank, and a company that controls such an institution shall be treated as a bank holding company, for the purpose of section 106 of the Bank Holding Company Act Amendments of 1970 and section 22(h) of the Federal Reserve Act and regulations related thereto. A company that controls an institution described in subparagraph (D), (F), (G), or (H) of paragraph (2) and any of such company's other affiliates, shall be subject to the tying restrictions of section 106 of the Bank Holding Company Act Amendments of 1970 in connection with any transaction involving the products or services of such company or affiliate and those of such institution, as if such company or affiliate were a bank and such institution were a subsidiary of a bank holding company."; and

(2) by inserting after subsection (i) the following new subsection:

"(j)(1) The term 'insured institution' has the meaning ascribed to it in section 408(a)(1) of the National Housing Act.

"(2) The term 'affiliate' means any company that controls, is controlled by, or is under common control with another company.".

(b) Section 4(a)(2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(a)(2)) is amended by adding at the end thereof the following sentence: "The 2-year period referred to in this paragraph shall not apply to a company that becomes a bank holding company as a result of enactment of the Competitive Equality Banking Act of 1987 and that acquired, between March 5, 1987, and the effective date of such Act, an institution that became a bank as a result of the enactment of such Act.".

(c) Section 4 of the Bank Holding Company Act of 1956 (12 U.S.C. 1843) is amended by adding at the end thereof the following new subsection:

"(f)(1) Except as provided in paragraph (8), a company that, on March 5, 1987, controlled an institution that became a bank as a result of enactment of the Competitive Equality Banking Act of 1987, or that becomes a bank as a result of obtaining insurance under the Federal Deposit Insurance Act if required to do so by any State statute or regulation that is currently in effect or that may hereafter be enacted, and that was not a bank holding company on the date of enactment of the Competitive Equality Banking Act of 1987, shall not be regarded as a bank holding company solely by virtue of its control of such bank, unless—

"(A) such company directly or indirectly (i) acquires control of an additional bank or of an insured institution; or (ii) acquires control of more than 5 percent of the shares or assets of an additional bank or an insured institution, excluding shares acquired in a bona fide fiduciary capacity, shares held temporarily pursuant to an underwriting commitment in the normal course of an underwriting business, shares held in an account solely for trading purposes, and loans or other accounts receivable acquired in the normal course of business; or

"(B) such company's subsidiary bank does not comply with restrictions contained in paragraph (2)(B).

For the purpose of clause (A) of the preceding sentence, an acquisition under section 408(m) of the National Housing Act shall be disregarded, but this sentence shall not apply to the acquisition of an institution located outside of a State in which the acquiring company controlled a bank on March 5, 1987, unless such acquisition is specifically authorized by the statute laws of the State in which the institution to be acquired is located, by language to that effect and not merely by implication.

"(2)(A) The Congress finds that banks referred to in paragraph (1) may, because of relationships with affiliates, be involved in conflicts of interest, concentration of resources, or other effects adverse to bank safety and soundness, and may also be able to compete unfairly against banks controlled by bank holding companies by combining banking services with financial services not permissible for bank holding companies. The purpose of this paragraph is to minimize any such potential adverse effects or inequities by temporarily restricting the activities of banks referred to in paragraph (1) until such time as the Congress has enacted proposals to allow, with appropriate safeguards, all banks or bank holding companies to compete on a more equal basis with banks referred to in paragraph (1) or, alternatively, proposals to permanently restrict the activities of banks referred to in paragraph (1).

"(B) Until such time as the Congress has taken action pursuant to subparagraph (A), a bank referred to in paragraph (1) shall not—

"(i) engage in any activity in which it was not lawfully engaged as of March 5, 1987;

"(ii) offer or market products or services of an affiliate that are not permissible for bank holding companies to provide under subsection (c)(8), or permit its products or services to be offered or marketed by or through an affiliate (other than an affiliate that engages only in activities permissible for bank holding companies under subsection (c)), unless such products or services were being so offered or marketed as of March 5, 1987, and then only in the same manner in which they were being offered or marketed as of that date;

"(iii) permit any overdraft, including an intra-day overdraft, or incur any such overdraft in its account at a Federal Reserve bank, on behalf of an affiliate, unless such overdraft results from an inadvertent computer or accounting error that is beyond the control of the bank and affiliate; or

"(iv) increase its assets at an annual rate of more than 7 percent during any 12-month period beginning on or after one year after the date of enactment of the Competitive Equality Banking Act of 1987.

"(3) A company described in paragraph (1) shall divest control of each bank it controls within 180 days after such company becomes a bank holding company through failure by it or a subsidiary bank to comply with the provisions of paragraph (1).

"(4) Paragraph (1) shall not apply to a company that registers as a bank holding company under section 5(a) of this Act, immediately complies with all of the requirements of this Act, and regulations adopted pursuant thereto, including the nonbanking restrictions of this section, and does not at the time of registration control banks in more than one State, the acquisition of which would be prohibited by section 3(d) of this Act if an application for such acquisition by such company were filed under section 3(a) of this Act.

"(5) A company described in paragraph (1) shall, within 60 days after the date of enactment of this subsection, provide the Board with its name and address, the name and address of each bank that it controls, and a description of the bank's activities.

"(6) The Board may from time to time examine or require reports under oath from a company or bank described in paragraph (1) solely in order to determine whether the provisions of this subsection are being complied with and to enforce such compliance.

"(7) The Board shall have authority to initiate actions under the Financial Institutions Supervisory Act of 1966 against a company or bank described in paragraph (1), solely to assure compliance with the provisions of this Act that are applicable to such company or bank, in the same manner and to the same extent as if such company or bank were a State member insured bank. Nothing in this paragraph affects the authority of the Comptroller of the Currency or the Federal Deposit Insurance Corporation.

"(8) A company described in paragraph (1) shall—

"(A) be treated as a bank holding company for the purpose of section 106 of the Bank Holding Company Act Amendments of 1970 and section 22(h) of the Federal Reserve Act and regulations related thereto; and

"(B) be subject to the restrictions of section 106 of the Bank Holding Company Act Amendments of 1970, in connection with any transaction involving the products or services of such company or affiliate and those of a bank affiliate, as if such company or affiliate were a bank and such bank were a subsidiary of a bank holding company.

"(9)(A) An institution that became a bank as a result of enactment of the Competitive Equality Banking Act of 1987 and that is controlled by a bank holding company shall not—

"(i) engage in activities that would have made it a bank under the definition of bank in this Act in effect immediately prior to the date of enactment of the Competitive Equality Banking Act of 1987, or

"(ii) increase the number of locations from which it conducts business after March 5, 1987.

"(B) Subparagraph (A) shall not apply at such time as the acquisition of such bank by such bank holding company would not be prohibited under section 3(d) of this Act if an application for such acquisition were filed under section 3(a) of this Act and such bank were treated as an additional bank.".

(d) Section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842) is amended by adding at the end thereof the following:

"(f) Notwithstanding any other provision of this Act, a savings bank, as defined in section 3(g) of the Federal Deposit Insurance Act, which is chartered under State law, and which is or becomes a subsidiary of a bank holding company, may engage, directly or through a subsidiary, in any activity which it is permitted to conduct as a State-chartered savings bank, pursuant to express, incidental, or implied powers under State statute or regulation or under judicial interpretation of State law, except that insurance activities shall be limited to those permissible under section 4(c)(8). A savings bank that was engaged in the sale of savings bank life insurance as of March 5, 1987, may also continue to sell such insurance if such activity (A) is expressly authorized by the State of Connecticut, Massachusetts, or New York and the bank is located in one of those States that authorizes such activity; (B) is carried out by the savings bank and not by any subsidiary or holding company affiliate of the savings bank; (C) is carried out by the savings bank in accordance with the residency or employment limitations set forth in the savings bank life insurance statute in effect on March 5, 1987, in the aforementioned State where the bank is located; and (D) is otherwise carried out in the same manner as the savings bank life insurance activity of savings banks in the same State that are not subsidiaries of a bank holding company registered under this Act. The activities conducted pursuant to the preceding sentence shall be terminated within 2 years if any covered savings bank is acquired by a company which is not a savings bank or savings bank holding company unless the activity or activities are otherwise authorized pursuant to this Act. For the purpose of this subsection, the term 'savings bank' includes a cooperative bank that is an insured bank as defined in section 3(h) of the Federal Deposit Insurance Act.".

(e) Section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841) is amended by adding at the end thereof the following:

"(k) The term 'savings bank holding company' means any company which owns or controls one or more State-chartered savings banks if the assets of the subsidiary (which was chartered by a State as a savings bank on or before March 5, 1987) constitute on March 5, 1987, and thereafter at least 70 percent of the total assets of the holding company. For the purpose of this subsection, the term 'savings bank' includes a cooperative bank that is an insured bank as defined in section 3(h) of the Federal Deposit Insurance Act.".

(f) Section 2(i) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(i)) is amended to read as follows:

"(i) The term 'thrift institution' means (1) a domestic building and loan or savings and loan association, (2) a cooperative bank without capital stock organized and operated for mutual purposes and without profit, (3) a Federal savings bank, and (4) any State-chartered savings bank the holding company of which is registered pursuant to section 408 of the National Housing Act.".

(g) Section 2(a)(5)(E) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(a)(5)(E)) is amended to read as follows:

"(E) No company is a bank holding company by virtue of its ownership or control of any State-chartered bank or trust company which is wholly owned by thrift institutions or savings banks and which restricts itself to the acceptance of deposits from thrift institutions or savings banks, deposits arising out of the corporate business of the thrift institutions or savings banks that own the bank or trust company, or deposits of public moneys.".

AMENDMENT TO THE FEDERAL RESERVE ACT

SEC. 102. (a) The Federal Reserve Act is amended by inserting after section 23A the following:

"RESTRICTIONS ON TRANSACTIONS WITH AFFILIATES

"SEC. 23B. (a) A member bank and its subsidiaries may engage in any of the following transactions only on terms and under circumstances, including credit standards, that are substantially the same as, or at least as favorable to, such bank or its subsidiary as those prevailing at the time for comparable transactions with or involving other nonaffiliated companies or, in the absence of comparable transactions, those terms and circumstances that in good faith would be offered to, or would apply to, nonaffiliated companies—

"(1) any covered transaction, as defined in section 23A, with an affiliate;

"(2) the sale of securities or other assets to an affiliate, including assets subject to an agreement to repurchase;

"(3) the payment of money or the furnishing of services to an affiliate under contract, lease, or otherwise;

"(4) any transaction in which an affiliate acts as an agent or broker or receives a fee for its services to the bank or to any other person; or

"(5) any transaction or series of transactions with a third party (A) if an affiliate has a financial interest in the third party, or (B) if an affiliate is a participant in such transaction or series of transactions.

For the purpose of this subsection, any transaction by a member bank with any person shall be deemed to be a transaction with an affiliate of such bank to the extent that the proceeds of the transaction are used for the benefit of, or transferred to, such affiliate.

"(b) A member bank and the affiliates of such bank shall not publish any advertisement or enter into any agreement stating or suggesting that the bank shall in any way be responsible for the obligations of its affiliates.

"(c) A member bank and any subsidiary of such bank—

"(1) shall not purchase as fiduciary any securities or other assets from any affiliate unless such purchases are permitted under the instrument creating the fiduciary relationship, by court order, or by law of the jurisdiction under which the trust is administered; and

"(2) whether acting as principal or fiduciary, shall not knowingly purchase or otherwise acquire, during the existence of any underwriting or selling syndicate, any security a principal underwriter of which is an affiliate of such bank; except that this prohibition shall not apply if the purchase of such securities has been approved, before such securities are initially offered for sale to the public, by a majority of the directors of the bank who are not officers or employees of the bank or any affiliate thereof.

For the purpose of this paragraph, the term 'security' means a 'security' as defined in section 3(a)(10) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(10)); and the term 'principal underwriter' means any underwriter who, in connection with a primary distribution of securities, (A) is in privity of contract with the issuer or an affiliated person of the issuer; (B) acting alone or in concert with one or more persons, initiates or directs the formation of an underwriting syndicate; or (C) is allowed a rate of gross commission, spread, or other profit greater than the rate allowed another underwriter participating in the distribution.

"(d) For the purpose of this section—

"(1) the term 'affiliate' means an 'affiliate' as defined in section 23A of this Act (12 U.S.C. 371c) excluding a bank; and

"(2) the terms 'bank', 'subsidiary', 'person', and 'security' (other than security as used in subsection (c)) have the same meaning given to them in section 23A of this Act (12 U.S.C. 371c).

"(e) The Board may prescribe rules and regulations to administer and carry out the purposes of this section, including rules or regulations to (1) further define terms used in this section; (2) exempt transactions or relationships from the requirements of this section; or (3) exclude from the definition of 'affiliate' in this section any subsidiary of a bank holding company, if the Board finds such exemptions or exclusions to be in the public interest and consistent with the purposes of this section.".

(b) Section 18(j) of the Federal Deposit Insurance Act (12 U.S.C. 1828(j)) is hereby amended—

(1) by inserting "and section 23B" after "section 23A" at each place it appears in paragraph (1); and

(2) by inserting ", 23B," after "23A" in paragraph (3)(A).

(c) The thirteenth paragraph of section 25(a) of the Federal Reserve Act (12 U.S.C. 619) is amended by adding at the end thereof the following: "Any company, other than a 'bank' as defined in section 2 of the Bank Holding Company Act of 1956, that after March 5, 1987, directly or indirectly acquires control of a corporation organized or operating under the provisions of this section or section 25 shall be subject to the provisions of the Bank Holding Company Act of 1956 in the same manner and to the same extent that bank holding companies are subject thereto, except that such company shall not by reason of this paragraph be deemed a bank holding company for the purpose of section 3 of the Bank Holding Company Act of 1956.".

SECURITIES AFFILIATIONS OF NONMEMBER INSURED BANKS

SEC. 103. Section 18(j) of the Federal Deposit Insurance Act (12 U.S.C. 1828(j)) is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively, and by inserting after paragraph (2) the following new paragraph:

"(3)(A) Beginning on March 6, 1987, and until March 1, 1988, the provisions of section 20 of the Banking Act of 1933 (12 U.S.C. 377), relating to affiliations between member banks and organizations engaged principally in certain securities activities, and the provisions of section 32 of the Banking Act of 1933 (12 U.S.C. 78), relating to certain officer, director, or employee relationships involving a member bank and a person or organization primarily engaged in certain securities activities, shall apply to every insured nonmember bank in the same manner and to the same extent as if such insured nonmember bank were a member bank.

"(B) This paragraph shall not prohibit the continuation of such an affiliation or relationship which commenced before March 5, 1987, or the establishment of such an officer, director, or employee relationship in connection with any affiliation established before March 5, 1987.

"(C) An affiliation or officer, director, or employee relationship that becomes unlawful as a result of the enactment of this paragraph may continue for a period of 2 years after the date of enactment of this paragraph.

"(D) The provisions of this paragraph shall not apply to any foreign bank, as defined in section 1(b)(7) of the International Banking Act of 1978, solely because it has an insured branch in the United States, except that the provisions of section 32 of the Banking Act of 1933 shall apply to an insured branch as if it were an insured bank.

"(E) The provisions of this paragraph shall not apply to any trust company or credit card bank, as defined in subparagraphs (D) or (F), respectively, of section 2(c)(1) of the Bank Holding Company Act of 1956."; and

(2) by inserting after the words in the first sentence of paragraph (4)(A), as so redesignated under paragraph (1) of this section, "or any lawful regulation issued pursuant thereto," the following words: "or any provision of section 20 of the Banking Act of 1933, as amended,".

AMENDMENTS TO THE NATIONAL HOUSING ACT

SEC. 104. (a) Section 408(a)(1) of the National Housing Act (12 U.S.C. 1730a(a)(1)) is amended—

(1) by striking out "and" at the end of subparagraph (I);

(2) by striking out the period at the end of subparagraph (J) and inserting in lieu thereof a semicolon and the word "and"; and

(3) by adding at the end thereof the following:

"(K) 'bank holding company' and 'bank' shall have the meanings ascribed to them in section 2 of the Bank Holding Company Act of 1956.".

(b) Section 408(c) of the National Housing Act (12 U.S.C. 1730a(c)) is amended to read as follows:

"(c) HOLDING COMPANY ACTIVITIES.—(1) Except as otherwise provided in this subsection, no savings and loan holding company or subsidiary thereof which is not an insured institution shall—

"(A) for or on behalf of a subsidiary insured institution, engage in any activity or render any service for the purpose or with the effect of evading law or regulation applicable to such insured institution; or

"(B) commence or continue, after 2 years from the date of enactment of the Competitive Equality Banking Act of 1987 or on which it received approval under subsection (e) of this section to become a savings and loan holding company, whichever is later, any business activity other than those specified in paragraph (2) of this subsection, except that such 2-year period shall not apply to any company that received approval under subsection (e) of this section to acquire control of an insured institution between March 5, 1987, and the effective date of the Competitive Equality Banking Act of 1987. Notwithstanding the preceding sentence, any company that received approval under subsection (e) of this section to acquire control of an insured institution prior to March 5, 1987, may engage in any activity in which it was lawfully engaged, directly or through a subsidiary (other than an insured institution subsidiary), on that date. The authority conferred by the preceding sentence shall terminate at such time, after the date of enactment of the Competitive Equality Banking Act of 1987, as (i) a savings and loan holding company referred to in the preceding sentence acquires control of a bank or an additional insured institution, except where the acquisition is pursuant to section 406(f) or section 408(m), (ii) the subsidiary insured institution of such a savings and loan holding company fails to qualify as a domestic building and loan association under section 7701(a)(19) of the Internal Revenue Code of 1986, (iii) such a savings and loan holding company engages in any activity of a financial nature not authorized pursuant to paragraph (2) for savings and loan holding companies in which it was not engaged on March 5, 1987, (iv) the subsidiary insured institution of such savings and loan holding company increases the number of locations from which it conducts business after March 5, 1987, or (v) the subsidiary insured institution of such savings and loan holding company permits any overdraft, including an intra-day overdraft, or incurs any such overdraft in its account at a Federal Reserve bank, on behalf of an affiliate, unless such overdraft is the result of an inadvertent computer or accounting error that is beyond the control of the subsidiary insured institution and affiliate. Any such activity may also be terminated by the Corporation, after opportunity for hearing, if it determines, having due regard for the purposes of this title, that such action is necessary to prevent conflicts of interests, unsound practices, or is in the public interest.

"(2) The prohibitions of subparagraph (1)(B) of this subsection shall not apply to the following business activities—

"(A) furnishing or performing management services for a subsidiary insured institution;

"(B) conducting an insurance agency or escrow business;

"(C) holding or managing or liquidating assets owned or acquired from a subsidiary insured institution;

"(D) holding or managing properties used or occupied by a subsidiary insured institution;

"(E) acting as trustee under deed of trust; and

"(F)(i) activities determined by the Board of Governors of the Federal Reserve System (by regulation) to be so closely related to banking or managing or controlling banks as to be a proper incident thereto under section 4(c)(8) of the Bank Holding Company Act of 1956, except that the Corporation may (by regulation) prohibit or limit any such activity for savings and loan holding companies; and

"(ii) activities in which multiple savings and loan holding companies were authorized (by regulation) to engage directly on March 5, 1987.

"(3)(A) No savings and loan holding company shall commence, either de novo or by an acquisition in whole or in part of a going concern, any activity authorized under paragraph (2)(F) of this subsection without the prior approval of the Corporation.

"(B) In determining whether to disapprove an application under this paragraph, the Corporation shall consider whether the performance of the activity described in such application by a savings and loan holding company or subsidiary thereof can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound financial practices. The Corporation shall consider the managerial resources of the companies involved and the adequacy of their financial resources, including their capital. In orders and regulations under this paragraph, the Corporation may differentiate between activities commenced de novo and activities commenced by the acquisition, in whole or in part, of the going concern.

"(C) The Corporation shall by order set forth the reasons for any disapproval or determination not to disapprove an application under this paragraph.

"(4)(A) Notwithstanding any other provision of this subsection, no savings and loan holding company (including any subsidiary thereof which is not an insured institution and including a savings and loan holding company which would have benefit of this exemption but for its ownership of one or more subsidiary insured institutions acquired pursuant to section 408(m) of the National Housing Act if all such subsidiary insured institutions are qualified thrift lenders), the sole insured institution subsidiary of which is a qualified thrift lender, shall be subject to the limitations and prohibitions of this subsection (other than paragraph (1)(A)). Nothing in this paragraph shall exempt a bank holding company or its subsidiaries or affiliates from the provisions of the Bank Holding Company Act of 1956.

"(B) A qualified thrift lender is any insured institution that, as determined by the Corporation, has an aggregate of not less than 60 percent of its tangible assets (including investments made by any subsidiary of such an institution) invested in loans, equity positions, or securities related to domestic residential real estate or manufactured housing, and property used by an institution in the conduct of its business, and does not thereafter fall below such percentage on an average basis in 3 out of every 4 quarters and 2 out of every 3 years. For the purpose of the preceding sentence, there shall be included liquid assets of the type required to be maintained under section 5A of the Federal Home Loan Bank Act, and 50 percent of the dollar amount of the residential mortgage loans originated and sold within 90 days of origination, except that the total amount of assets which may be included pursuant to this sentence may not exceed 10 percent of the institution's tangible assets. For the 10-year period following the date of enactment of the Competitive Equality Banking Act of 1987, a qualified thrift lender shall also include any insured institution which was chartered prior to October 15, 1982, as a savings bank or cooperative bank under State law or which acquired its principal assets from an institution which was chartered prior to October 15, 1982, as a savings bank or cooperative bank under State law, if the Corporation determines that the institution does not decrease the percentage of its tangible assets invested in investments described in this subparagraph below the percentage it held on such date of enactment, and increases such percentage of its tangible assets by an amount at least equal to the following percentages of the difference between 60 percent and the percentage of its tangible assets so invested on the date of enactment of this paragraph within the following time periods from the date of enactment of this paragraph:

"(i) within 2½ years, 25 percent;

"(ii) within 5 years, 50 percent; and

"(iii) within 7½ years, 75 percent.

"(C) The Corporation may grant such temporary and limited exceptions from the 60 percent of tangible assets requirement set forth in subparagraph (B) as the Corporation deems necessary when the Corporation determines that extraordinary circumstances exist, such as when the effects of high interest rates reduce mortgage demand to such a degree that an insufficient opportunity exists for an insured institution to meet such investment requirements, or when the corporation determines that such grant will facilitate a transaction authorized under section 406(f) or 408(m) of this Act and that the acquired institution will meet the same percentage of assets requirements applicable to institutions under the last sentence of subparagraph (B).

"(D) Any insured institution that fails to maintain its status as a qualified thrift lender, as determined by the Corporation, may not thereafter be a qualified thrift lender for a period of 5 years. For good cause shown, the Corporation may allow any company that controls such an institution up to 3 years to comply with the investment and activities restrictions contained in this subsection.

"(E) Notwithstanding any other provision of this section, any savings and loan holding company organized under the laws of a foreign country as of June 1, 1984 (including any subsidiary thereof which is not an insured institution), which controls a single insured institution on the date of enactment of the Competitive Equality Banking Act of 1987 shall not be subject to the limitations and prohibitions of this subsection with respect to the activities of such holding company conducted exclusively in a foreign country.

"(F) The Corporation may issue such rules or regulations, and conduct such examinations, as it determines to be necessary to carry out the provisions of this paragraph, and may enforce them with respect to any qualified thrift lender. With respect to a bank insured by the Federal Deposit Insurance Corporation, the Corporation shall rely to the maximum extent possible on examinations conducted by that agency.".

(c) Section 408(d) of the National Housing Act (12 U.S.C. 1730a(d)) is hereby amended as follows:

(1) by striking out all that precedes "(1)" and inserting in lieu thereof the following:

"(d) PROHIBITED TRANSACTIONS.—(1) Except as otherwise provided in this section, no subsidiary insured institution of a savings and loan holding company shall—";

(2) by redesignating paragraphs (1), (2), (3), (4), (5), and (6) as subparagraphs (A), (B), (C), (D), (E), and (F), respectively, and subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively; and

(3) by adding at the end thereof the following:

"(2)(A) The prohibitions of subsection (d)(1) shall not apply to the transactions of any subsidiary insured institution of a savings and loan holding company with an affiliate engaged in the business activities specified in subparagraph (F) of subsection (c)(2) of this section except for clause (ii) of subparagraph (F); unless the context otherwise requires, such transactions by an insured institution shall be subject to the limitations and prohibitions specified in sections 23A or 23B of the Federal Reserve Act in the same manner and to the same extent as if such insured institution were a member bank. The Corporation may prescribe rules or regulations for the purpose of defining and clarifying the applicability of the limitations and prohibitions described in the preceding sentence.

"(B) Notwithstanding any other provision of this section, an insured institution controlled by a diversified savings and loan holding company may not offer or market products or services of an affiliate that are not permissible for bank holding companies to provide under section 4(c)(8) of the Bank Holding Company Act of 1956 or permit its products or services to be offered or marketed by or through an affiliate (other than an affiliate that engages only in activities permissible for bank holding companies under section 4(c) of that Act), unless such products or services were being so offered or marketed as of March 5, 1987, and then only in the same manner in which they were being offered or marketed as of that date. This subparagraph does not prohibit an insured institution controlled by a diversified savings and loan holding company from offering or marketing the products or services of an affiliate or from permitting its products or services to be offered or marketed by or through an affiliate if the savings and loan holding company is a reciprocal interinsurance exchange that acquired control of the insured institution before January 1, 1984, and if a total of at least 90 percent of the customers of the savings and loan holding company and its subsidiaries and affiliates are active or former officers in the United States military services or the widows, widowers, divorced spouses, or current or former dependents of such officers.".

(d) Section 408 of the National Housing Act (12 U.S.C. 1730a) is amended by adding the following new subsection:

"(o) TYING RESTRICTIONS.—A State chartered insured institution that is a subsidiary of a savings and loan holding company shall be subject to the tying restrictions of section 5(q) of the Home Owners' Loan Act of 1933 and regulations related thereto to the same extent and in the same manner as a Federal association. A savings and loan holding company and any of its affiliates (other than an insured institution) shall be subject to the tie-in restrictions of section 5(q) of the Home Owners' Loan Act of 1933 and regulations related thereto in connection with transactions involving the products or services of such company or affiliate and those of an affiliated insured institution as if such company or affiliate were a Federal association.".

(e) Section 408(a)(1)(A) of the National Housing Act (12 U.S.C. 1730a(a)(1)(A)) is amended by adding at the end thereof the following: "Notwithstanding any other provision of law, a savings bank, as defined in section 3(g) of the Federal Deposit Insurance Act, and a cooperative bank that is an insured bank, as defined in section 3(h) of the Federal Deposit Insurance Act, upon application shall be deemed to be an 'insured institution' for the purpose of this section, if the Corporation determines that it is in compliance with section 408(c)(4)(B). Any institution so notifying the Corporation that fails to maintain its status as a qualified thrift lender, as determined by the Corporation, may not thereafter be a qualified thrift lender for a period of 5 years.".

(f) Section 408(m)(1)(A)(i) of the National Housing Act (12 U.S.C. 1730a(m)(1)(A)(i)) is amended by inserting "(c)," before "(e)(2)".

(g) Section 408 of the National Housing Act (12 U.S.C. 1730a) is amended by striking out subsection (n).

AMENDMENTS TO THE FEDERAL HOME LOAN BANK ACT

SEC. 105. Section 10 of the Federal Home Loan Bank Act (12 U.S.C. 1430) is amended by adding at the end thereof the following:

"(e) Except as the Board may prescribe, no member shall be eligible for advances unless such member meets the qualified thrift lender asset test contained in section 408(c)(4)(B) of the National Housing Act, or unless such member is an insured institution which was chartered prior to October 15, 1982, as a savings bank under State law or which acquired its principal assets from an institution which was chartered prior to October 15, 1982, as a savings bank under State law or is currently a savings bank as defined in section 3(g) of the Federal Deposit Insurance Act.".

SECURITIES AFFILIATIONS OF FSLIC INSURED INSTITUTIONS

SEC. 106. (a) Section 408 of the National Housing Act is amended by adding at the end thereof the following:

"(p) SECURITIES AFFILIATIONS.—(1) The provisions of section 20 of the Banking Act of 1933 (12 U.S.C. 377), relating to affiliations between member banks and organizations engaged principally in certain securities activities, and the provisions of section 32 of the Banking Act of 1933 (12 U.S.C. 78), relating to certain officer, director, or employee relationships involving a member bank and a person or organization primarily engaged in certain securities activities, shall be applicable to every insured institution in the same manner and to the same extent as if such insured institution were a member bank.

"(2) This subsection does not prohibit the continuation of such an affiliation or relationship which commenced prior to March 5, 1987, or the establishment of such an officer, director, or employee relationship in connection with any affiliation established before such date.

"(3) An affiliation or officer, director, or employee relationship that becomes unlawful as a result of the enactment of this subsection may continue for a period of 2 years after the date of enactment of this subsection.

"(4) Nothing in this subsection or section 18(j)(3) of the Federal Deposit Insurance Act prohibits an affiliation or officer, director, or employee relationship between an insured institution or an institution which is eligible to become a member of a Federal Home Loan Bank, and an organization engaged principally in the issuance, sale, underwriting, or distribution, at wholesale or retail, or through syndicate participation, of—

"(A) securities representing or secured by interests in real estate or real estate loans or pools of real estate loans;

"(B) interests in partnerships formed primarily to own, operate, manage, or invest in real estate;

"(C) insurance products deemed to be securities, including without limitation variable annuities and variable life insurance;

"(D) securities of an investment company, as such term is defined in the Investment Company Act of 1940; and

"(E) any securities to the extent such issuance, sale, underwriting, or distribution is permitted for national banks.

"(5) The Corporation is authorized to issue rules and regulations and to publish interpretations governing the implementation of this subsection, and shall enforce the provisions of this subsection, except that for the purpose of paragraph (4), the Federal Deposit Insurance Corporation is authorized to issue rules and regulations and publish interpretations with respect to savings banks and other institutions subject to section 18(j)(3) of the Federal Deposit Insurance Act.".

(b) The amendment made by subsection (a) shall cease to be effective on March 1, 1988.

MUTUAL HOLDING COMPANY AMENDMENT

SEC. 107. (a) Section 408 of the National Housing Act (12 U.S.C. 1730a) is amended by adding at the end thereof the following:

"(q) MUTUAL HOLDING COMPANIES.—(1) Notwithstanding any other provision of law, an insured institution operating in mutual form may reorganize so as to become a holding company by—

"(A) chartering an interim savings institution, the stock of which is to be wholly owned by the mutual institution; and

"(B) transferring the substantial part of its assets and liabilities, including all of its insured liabilities, to the interim savings institution. Persons having ownership rights in the mutual institution pursuant to section 5(b)(1)(B) of the Home Owners' Loan Act of 1933 or State law shall have the same ownership rights with respect to the holding company.

"(2) A reorganization plan authorized under this paragraph must be approved by a majority of the board of directors of the mutual savings institution. In the case of an institution in which holders of accounts and obligors exercise voting rights, the plan of reorganization shall also be submitted for approval by a majority of such individuals at a meeting to be held at the call of the directors in accordance with the procedures prescribed by the institution's charter and bylaws.

"(3)(A) An insured institution seeking to establish a holding company pursuant to this subsection shall provide the Federal Home Loan Bank Board with 60 days prior written notice. The notice shall contain such relevant information as the Board shall require by regulation or by specific request in connection with any particular notice.

"(B) Unless the Board within such 60-day notice period disapproves the proposed holding company formation, or extends for another 30 days the period during which such disapproval may issue, the insured institution providing such notice may proceed with the transaction.

"(C) The Board may disapprove any proposed holding company formation only if—

"(i) such disapproval is necessary to prevent unsafe or unsound practices;

"(ii) the financial or management resources of the insured institution involved warrant disapproval; or

"(iii) the insured institution fails to furnish the information required under subparagraph (A).

"(D) In connection with the transaction described in paragraph (1), an insured institution may, subject to the approval of the Board, retain capital assets at the holding company level to the extent that such capital exceeds adequate reserves as prescribed pursuant to section 403(b) or the comparable provisions of State or Federal law.

"(4) A corporation organized as a holding company under this subsection may only—

"(A) invest in the stock of an insured institution;

"(B) acquire a mutual institution through merger into an insured institution subsidiary or an interim savings institution subsidiary;

"(C) merge with or acquire another holding company, one of whose subsidiaries is an insured institution, except that the resulting holding company may only invest in assets and engage in activities authorized under this paragraph;

"(D) invest in a corporation the capital stock of which is available for purchase by an insured institution by Federal law or by the law of such State where the subsidiary insured institution or institutions have their home office; and

"(E) engage in the activities described in subsection (c)(2), except subparagraph (B). Not later than 2 years following a merger or acquisition subject to subparagraph (C) of the preceding sentence, a holding company established pursuant to this subsection shall dispose of any assets or cease any activities the exercise of which is prohibited by such subparagraph.

"(5) Unless the context otherwise requires, a holding company established pursuant to this subsection shall be subject to the other requirements of this section regarding regulation of holding companies.".

(b) Section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842) is amended by adding at the end thereof the following:

"(g) Notwithstanding any other provision of law, a savings bank or cooperative bank operating in mutual form may reorganize so as to form a holding company pursuant to the procedures specified in paragraphs (1) through (3) of section 408(q) of the National Housing Act. A corporation organized as a holding company under this subsection shall be regulated on the same terms and be subject to the same limitations as a stock savings bank holding company.".

LEASING AUTHORITY OF NATIONAL BANKS

SEC. 108. Section 5136 of the Revised Statutes (12 U.S.C. 24) is amended by adding at the end thereof the following:

"Tenth. To invest in tangible personal property, including, without limitation, vehicles, manufactured homes, machinery, equipment, or furniture, for lease financing transactions on a net lease basis, but such investment may not exceed 10 per centum of the assets of the association.".

NOW ACCOUNTS

SEC. 109. Section 2(a)(2) of Public Law 93-100 (12 U.S.C. 1832(a)(c)) is amended by inserting the term "political," immediately after "educational,".

EXEMPTION FROM AFFILIATE TRANSACTION RESTRICTIONS

SEC. 110. Section 408 of the National Housing Act (12 U.S.C. 1730a) is amended by adding at the end thereof the following:

"(r) EXEMPTIONS.—Notwithstanding any other provision of law—

"(1) an institution, the accounts of which are insured by the Corporation, that is not controlled by any company and that is or becomes a savings and loan holding company through the acquisition of 100 per centum of the voting stock (except for directors' qualifying shares) of one or more institutions the accounts of which are so insured shall not be subject to the provisions of subsection (d) of this section, as to transactions with such subsidiaries, or to subsections (f) and (g) of this section;

"(2) an institution, the deposits of which are insured by the Federal Deposit Insurance Corporation, that is not controlled by any company and that is or becomes a savings and loan holding company through the acquisition of 100 per centum of the voting stock (except for directors' qualifying shares) of one or more institutions the deposits of which are so insured shall not be subject to the provisions of subsection (d) of this section, as to transactions with such subsidiaries, or to subsections (f) and (g) of this section; and

"(3) the insured subsidiaries referred to in paragraphs (1) and (2) shall not be subject to the provisions of subsection (d) of this section, as to transactions with their parent institution, or to subsections (f) and (g) of this section.".

CONSIDERATION OF CERTAIN ACQUISITIONS

SEC. 111. (a) Section 408(e) of the National Housing Act (12 U.S.C. 1730a(e)) is amended—

(1) by redesignating paragraph (4) as (5);

(2) by inserting a new paragraph (4) to read as follows:

"(4) In every case in which a filing of any type is required by this section or regulations hereunder prior to the acquisition of stock of an insured institution, the Corporation, in evaluating such filing, shall consider the likelihood that the proposed acquisition will result in the loss or reduction of the tax benefits of the insured institution's net operating loss carryforwards under section 382 of the Internal Revenue Code of 1986. The Corporation may not permit any acquisition which will increase the likelihood of future loss or reduction of the tax benefits of an insured institution's net operating loss carryforwards under section 382 of the Internal Revenue Code of 1986 if such net operating loss carryforwards result from the insured institution's acquisition of insured institutions under section 406 of the National Housing Act, under subsection (m) of this section, or pursuant to acquisitions that are otherwise supervisory cases. Notwithstanding the above, the Corporation may permit—

"(A) acquisitions where the proposed acquirer commits in writing to inject sufficient capital into the insured institution to compensate for any future loss or reduction of the tax benefits of net operating loss carryforwards,

"(B) acquisitions which are approved by the majority of the holders of voting stock of the institution, or

"(C) acquisitions pursuant to section 406 of the National Housing Act, subsection (m) of this section or that are otherwise deemed supervisory cases by the Corporation.

In situations described in subparagraphs (A), (B), and (C), the Corporation may deny a proposed acquisition if it determines that the loss or reduction of the net operating loss carryforwards will be harmful to the insured institution involved.".

(b) Section 407(q) of the National Housing Act (12 U.S.C. 1730(q)) is amended—

(1) by redesignating paragraphs (8) through (18), respectively;

(2) by inserting a new paragraph (8) to read as follows:

"(8) In every case in which a filing of any type is made under this subsection or the Corporation's regulations hereunder prior to the acquisition of stock of an insured institution, the Corporation, in evaluating such filing, shall consider the likelihood that the proposed acquisition will result in the loss or reduction of the tax benefits of the insured institution's net operating loss carryforwards under section 382 of the Internal Revenue Code of 1986. The Corporation may not permit any acquisition which will increase the likelihood of future loss or reduction of the tax benefits of an insured institution's net operating loss carryforwards under section 382 of the Internal Revenue Code of 1986 if such net operating loss carryforwards result from the insured institution's acquisition of insured institutions under section 406 or section 408(m) of the National Housing Act or pursuant to acquisitions that are otherwise supervisory cases. Notwithstanding the above, the Corporation may permit—

"(A) acquisitions where the proposed acquirer commits in writing to inject sufficient capital into the insured institution to compensate for any future loss or reduction of the tax benefits of net operating loss carryforwards,

"(B) acquisitions which are approved by the majority of the holders of voting stock of the institution, or

"(C) acquisitions pursuant to section 406 or 408(m) of the National Housing Act or that are otherwise deemed supervisory cases by the Corporation.

In situations described in subparagraphs (A), (B), and (C), the Corporation may deny a proposed acquisition if it determines that the loss or reduction of the net operating loss carryforwards will be harmful to the insured institution involved.".

NATIONAL COMMISSION ON COMPETITIVENESS IN THE FINANCIAL SERVICES INDUSTRY

SEC. 112. (a) Not later than 15 days after the date of enactment of the Competitive Equality Banking Act of 1987, the President shall appoint a National Commission on Competitiveness in the Financial Services Industry. It shall include representatives of—

(1) the Congress;

(2) the Department of the Treasury and the Department of Justice;

(3) the Federal agencies that regulate the banking, thrift, and securities industries;

(4) organizations whose membership is comprised of State regulatory bodies charged with overseeing State-chartered depository institutions as well as insurance underwriters, brokers, and agents;

(5) organizations representing the interests of consumers and the general public; and

(6) representatives of the firms in the financial services industry.

(b) Not later than 4 months after the date of enactment of the Competitive Equality Banking Act of 1987, the Commission shall submit a report to the President and to the Congress, regarding recommendations as to whether and what type of alterations are necessary in regard to the product and service authorities and regulation of financial companies. In preparing this report, the Commission shall address at least—

(1) the impact on the relative competitive positions of commercial banks, thrifts, securities firms, insurance companies, and other financial service providers of such developments as advances in technology, ongoing changes in financial markets, and the emer-

gence of diversified providers of financial services;

(2) the impact on the safety and soundness of depository institutions and other providers of financial services of broadening the range of products and services which they can offer to their customers;

(3) the consequences for the competitiveness of United States financial institutions vis-a-vis foreign institutions and the competitiveness of United States financial markets vis-a-vis foreign financial markets of current United States laws and regulations relating to financial structure;

(4) the benefits which could accrue to consumers, nonfinancial companies, State and local governments, and the economy as a whole as a result of any recommendations regarding changes in the authorities or regulation of companies in the financial services industry, particularly as a result of increased competition and efficiencies; and

(5) changes in the regulation, supervision, and organization of firms in the financial services industry which should accompany a broadening of the range of products and services which they can offer to their customers.

(c) The President shall provide whatever staff or other resources are necessary to facilitate the deliberations and carry out the charge of such Commission.

TITLE II—MORATORIUM ON CERTAIN NONBANKING ACTIVITIES

MORATORIUM ON CERTAIN NONBANKING ACTIVITIES

SEC. 201. (a) Beginning on March 6, 1987, and until March 1, 1988—

(1) a foreign bank or other company covered by section 8(c) of the International Banking Act of 1978 shall not expand any activity in which it is engaged pursuant to that subsection, and no such bank or company shall commence any new activity pursuant to that subsection;

(2) no company organized under the laws of a foreign country shall acquire any additional shares pursuant to section 2(h)(2) of the Bank Holding Company Act of 1956;

(3) a Federal banking agency may not approve an application by any bank holding company or by any insured bank to engage to any extent whatever in the flotation, underwriting, public sale, or distribution of securities, if that approval would require the agency to determine that the entity which would conduct such activities would not be engaged principally in such activities.

(4) a Federal banking agency may not issue any rule, regulation, or order that would have the effect of increasing the insurance powers of banks or bank holding companies or banking or nonbanking subsidiaries thereof with respect to any activities in the United States, either with respect to specific banks or bank holding companies or subsidiaries thereof or generally beyond those expressly authorized for bank holding companies under subparagraphs (A) through (G) of section 4(c)(8) of the Bank Holding Company Act of 1956;

(5) except as provided in section 3(f) of the Bank Holding Company Act of 1956, the Board of Governors of the Federal Reserve System may not approve the acquisition by a bank holding company of any company, including a State-chartered bank other than a savings bank as defined in section 3(g) of the Federal Deposit Insurance Act, unless the bank holding company has agreed to limit the insurance activities of that company to those permissible under section 4(c)(8). This paragraph shall not apply to the acquisition of a State-chartered bank that upon acquisition would be subject to the Bank Holding Company Act of 1956, pursuant to a reorganization plan under which the stockholders of the bank exchange their shares for shares in a newly created bank holding company which is not a subsidiary of any other company or to the acquisition of a State-chartered bank by a bank holding company that on March 6, 1987, controlled one or more State-chartered banks that have engaged in insurance activities identical to those of the newly acquired institution so long as the bank holding company agrees that it will (A) within 2 years of the consummation of its acquisition of the State-chartered bank, divest or terminate that bank's impermissible insurance activities, and (B) limit the bank's insurance activities during that 2-year period to the renewal of existing policies;

(6) a national bank may not expand its insurance agency activities pursuant to the Act of September 7, 1916 (12 U.S.C. 92), into places where it was not conducting such activities as of March 5, 1987; and

(7) a Federal banking agency may not issue any rule, regulation, or order that would have the effect of increasing real estate powers of banks or bank holding companies or banking or nonbanking subsidiaries thereof.

(b) As used in this section—

(1) the term "affiliate" has the same meaning as in section 2(j)(2) of the Bank Holding Company Act;

(2) the term "bank holding company" has the same meaning as in section 2(a) of the Bank Holding Company Act of 1956;

(3) the term "Federal banking agency" has the same meaning as the term "appropriate Federal banking agency" has in section 3(q) of the Federal Deposit Insurance Act; and

(4) the term "insured bank" has the same meaning as in section 3(h) of the Federal Deposit Insurance Act.

(c) Nothing in this section may be construed to increase or reduce the insurance authority of bank holding companies or banking or nonbanking subsidiaries thereof or of national banks under current law.

(d)(1) Nothing in this Act shall be construed to deny any State the authority to permit its State-chartered banks to engage in any insurance activity.

(2) In addition, neither the existence of the moratorium nor its expiration shall be construed to increase, decrease, or affect in any way the existing authority of State-chartered bank subsidiaries of bank holding companies with respect to insurance activities.

(e)(1) Nothing in this section may be construed to prevent a Federal banking agency from issuing any rule, regulation, or order pursuant to its legal authority in existence on the day preceding the date of enactment of this section to expand the securities, insurance, or real estate powers of banks or bank holding companies that are subject to the moratorium established under this section if the effective date of such rule, regulation, or order is delayed until the expiration of such moratorium.

(2) It is the intent of the Senate, through the Committee on Banking, Housing, and Urban Affairs, to conduct a comprehensive review of our banking and financial laws and to make decisions on the need for financial restructuring legislation in the light of today's changing financial environment both domestic and international.

(3) It is the intent of the Senate not to renew or extend the moratorium established under this section whether or not subsequent banking legislation is passed by the Congress.

TITLE III—RECAPITALIZATION OF FSLIC

SHORT TITLE

SEC. 301. This title may be cited as the "Federal Savings and Loan Insurance Corporation Recapitalization Act of 1987".

FINANCING CORPORATION ESTABLISHED

SEC. 302. The Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.) is amended by inserting after section 20 the following new section:

"FINANCING CORPORATION

"SEC. 21. (a) ESTABLISHMENT.—Notwithstanding any other provision of law, the Board shall charter a corporation to be known as the Financing Corporation.

"(b) MANAGEMENT OF FINANCING CORPORATION.—

"(1) DIRECTORATE.—The Financing Corporation shall be under the management of a Directorate composed of 3 members as follows:

"(A) The Director of the Office of Finance of the Federal Home Loan Banks (or the head of any successor to such office).

"(B) 2 members selected by the Chairman of the Federal Home Loan Bank Board from among the presidents of the Federal Home Loan Banks.

"(2) TERMS.—Each member appointed under paragraph (1)(B) shall be appointed for a term of 1 year.

"(3) VACANCY.—If any member leaves the office in which such member was serving when appointed to the Directorate—

"(A) such member's service on the Directorate shall terminate on the date such member leaves such office; and

"(B) the successor to the office of such member shall serve the remainder of such member's term.

"(4) EQUAL REPRESENTATION OF BANKS.—No president of a Federal Home Loan Bank may be appointed to serve an additional term on the Directorate until such time as the presidents of each of the other Federal Home Loan Banks have served as many terms on the Directorate as the president of such bank (before the appointment of such president to such additional term).

"(5) CHAIRPERSON.—The Chairman of the Federal Home Loan Bank Board shall select the chairperson of the Directorate from among the 3 members of the Directorate.

"(6) STAFF.—

"(A) NO PAID EMPLOYEES.—The Financing Corporation shall have no paid employees.

"(B) POWERS.—The Directorate may, with the approval of the Board, authorize the officers, employees, or agents of the Federal Home Loan Banks to act for and on behalf of the Financing Corporation in such manner as may be necessary to carry out the functions of the Financing Corporation.

"(7) ADMINISTRATIVE EXPENSES.—

"(A) IN GENERAL.—All administrative expenses of the Financing Corporation shall be paid by the Federal Home Loan Banks.

"(B) PRO RATA DISTRIBUTION.—The amount each Federal Home Loan Bank shall pay shall be determined by the Board by multiplying the total administrative expenses for any period by the percentage arrived at by dividing—

"(i) the aggregate amount the Board required such bank to invest in the Financing Corporation (as of the time of such determination) under paragraphs (4) and (5) of subsection (d) (as computed without regard to paragraph (3) or (6) of such subsection); by

"(ii) the aggregate amount the Board required all Federal Home Loan Banks to invest (as of the time of such determination) under such paragraphs.

"(C) ADMINISTRATIVE EXPENSES DEFINED.—For the purpose of this paragraph, the term 'administrative expenses' does not include—

"(i) issuance costs (as such term is defined in subsection (g)(5)(A));

"(ii) any interest on (and any redemption premium with respect to) any obligation of the Financing Corporation; or

"(iii) custodian fees (as such term is defined in subsection (g)(5)(B)).

"(8) REGULATION BY BOARD.—The Directorate shall be subject to such regulations, orders, and directions as the Board may prescribe.

"(9) NO COMPENSATION FROM FINANCING CORPORATION.—Members of the Directorate shall receive no pay, allowances, or benefits from the Financing Corporation by reason of their service on the Directorate.

"(c) POWERS OF FINANCING CORPORATION.—The Financing Corporation shall have only the following powers, subject to the other provisions of this section and such regulations, orders, and directions as the Board may prescribe:

"(1) To issue nonvoting capital stock to the Federal Home Loan Banks.

"(2) To invest in any security issued by the Federal Savings and Loan Insurance Corporation under section 402(b) of the National Housing Act.

"(3) To issue debentures, bonds, or other obligations and to borrow, to give security for any amount borrowed, and to pay interest on (and any redemption premium with respect to) any such obligation or amount.

"(4) To impose assessments in accordance with subsection (f).

"(5) To adopt, alter, and use a corporate seal.

"(6) To have succession until dissolved.

"(7) To enter into contracts.

"(8) To sue and be sued in its corporate capacity, and to complain and defend in any action brought by or against the Financing Corporation in any State or Federal court of competent jurisdiction.

"(9) To exercise such incidental powers not inconsistent with the provisions of this section or section 402(b) of the National Housing Act as are necessary or appropriate to carry out the provisions of this section.

"(d) CAPITALIZATION OF FINANCING CORPORATION.—

"(1) PURCHASE OF CAPITAL STOCK BY HOME LOAN BANKS.—

"(A) IN GENERAL.—Each Federal Home Loan Bank shall invest in nonvoting capital stock of the Financing Corporation at such times and in such amounts as the Board may prescribe under this subsection.

"(B) PAR VALUE; TRANSFERABILITY.—Each share of stock issued by the Financing Corporation to a Federal Home Loan Bank shall have par value in an amount determined by the Board and shall be transferable only among the Federal Home Loan Banks in the manner and to the extent prescribed by the Board at not less than par value.

"(2) AGGREGATE DOLLAR AMOUNT LIMITATION ON ALL INVESTMENTS.—The aggregate amount of funds invested by all Federal Home Loan Banks in nonvoting capital stock of the Financing Corporation shall not exceed $3,000,000,000.

"(3) MAXIMUM INVESTMENT AMOUNT LIMITATION FOR EACH HOME LOAN BANK.—The cumulative amount of funds invested in nonvoting capital stock of the Financing Corporation by each Federal Home Loan Bank shall not exceed the aggregate amount of—

"(A) the sum of—

"(i) the reserves maintained by such bank on December 31, 1985, pursuant to the requirement contained in the first 2 sentences of section 16; and

"(ii) the undivided profits (as defined in paragraph (7)) of such bank on such date; and

"(B) the sum of—

"(i) the amounts added to reserves after December 31, 1985, pursuant to the requirement contained in the first 2 sentences of section 16; and

"(ii) the undivided profits of such bank accruing after such date.

"(4) PRO RATA DISTRIBUTION OF 1ST $1,000,000,000 INVESTED IN FINANCING CORPORATION BY HOME LOAN BANKS.—With respect to the first $1,000,000,000 which the Board may require the Federal Home Loan Banks to invest in capital stock of the Financing Corporation under this subsection, the amount which each Home Loan Bank (or any successor to such bank) shall invest shall be determined by the Board by applying to the total amount of such investment by all such banks the percentage appearing in the following table for each such bank:

"Bank	Percentage
Federal Home Loan Bank of Boston	1.8629
Federal Home Loan Bank of New York	9.1006
Federal Home Loan Bank of Pittsburgh	4.2702
Federal Home Loan Bank of Atlanta	14.4007
Federal Home Loan Bank of Cincinnati	8.2653
Federal Home Loan Bank of Indianapolis	5.2863
Federal Home Loan Bank of Chicago	9.6886
Federal Home Loan Bank of Des Moines	6.9301
Federal Home Loan Bank of Dallas	8.8181
Federal Home Loan Bank of Topeka	5.2706
Federal Home Loan Bank of San Francisco	19.9644
Federal Home Loan Bank of Seattle	6.1422

"(5) PRO RATA DISTRIBUTION OF AMOUNTS REQUIRED TO BE INVESTED IN EXCESS OF $1,000,000,000.—With respect to any amount in excess of $1,000,000,000 which the Board may require the Federal Home Loan Banks to invest in capital stock of the Financing Corporation under this subsection, the amount which each Federal Home Loan Bank (or any successor to such bank) shall invest shall be determined by the Board by multiplying such excess amount by the percentage arrived at by dividing—

"(A) the sum of the total assets (as of the most recent December 31) held by all insured institutions which are members of such bank; by

"(B) the sum of the total assets (as of such date) held by all insured institutions which are members of any Federal Home Loan Bank.

"(6) SPECIAL PROVISIONS RELATING TO MAXIMUM AMOUNT LIMITATIONS.—

"(A) IN GENERAL.—If the amount any Federal Home Loan Bank is required to invest in capital stock of the Financing Corporation pursuant to a determination by the Board under paragraph (5) (or under subparagraph (B) of this paragraph) exceeds the maximum investment amount applicable with respect to such bank under paragraph (3) at the time of such determination (hereinafter in this paragraph referred to as the 'excess amount')—

"(i) the Board shall require each remaining Federal Home Loan Bank to invest (in addition to the amount determined under paragraph (5) for such remaining bank and subject to the maximum investment amount applicable with respect to such remaining bank under paragraph (3) at the time of such determination) in such capital stock on behalf of the bank in the amount determined under subparagraph (B);

"(ii) the Board shall require the bank to subsequently purchase the excess amount of capital stock from the remaining banks in the manner described in subparagraph (C); and

"(iii) the requirements contained in subparagraphs (D) and (E) relating to the use of net earnings available for dividends shall apply to such bank until the bank has purchased all of the excess amount of capital stock.

"(B) ALLOCATION OF EXCESS AMOUNT AMONG REMAINING BANKS.—The amount each remaining Federal Home Loan Bank shall be required to invest under subparagraph (A)(i) is the amount determined by the Board by multiplying the excess amount by the percentage arrived at by dividing—

"(i) the amount of capital stock of the Financing Corporation held by such remaining bank at the time of such determination; by

"(ii) the aggregate amount of such stock held by all remaining banks at such time.

"(C) PURCHASE PROCEDURE.—The bank on whose behalf an investment in capital stock is made under subparagraph (A)(i) shall purchase, annually and at the issuance price, from each remaining bank an amount of such stock determined by the Board by multiplying the amount available for such purchases (at the time of such determination) by the percentage determined under subparagraph (B) with respect to such remaining bank until the aggregate amount of such capital stock has been purchased by the bank.

"(D) LIMITATION ON DIVIDENDS.—The amount of dividends which may be paid for any year by a bank on whose behalf an investment is made under subparagraph (A)(i) shall not exceed an amount equal to 1/2 of the net earnings available for dividends of the bank for the year.

"(E) TRANSFER TO ACCOUNT FOR PURCHASE OF STOCK REQUIRED.—Of the net earnings available for dividends for any year of a bank on whose behalf an investment is made under subparagraph (A)(i), such amount as is necessary to make the purchases of stock required under subparagraph (A)(ii) shall be placed in a reserve account (established in such manner as the Board shall prescribe by regulations) the balance in which shall be available only for such purchases.

"(F) NET EARNINGS AVAILABLE FOR DIVIDENDS DEFINED.—For the purpose of this paragraph, the term 'net earnings available for dividends' means the net earnings of a bank for any period as computed after reducing the amount of earnings for such period by the amount required to be carried (for such period) to reserves maintained by such bank pursuant to the first two sentences of section 16 of this Act.

"(7) Undivided profits defined.—For the purpose of paragraph (3), the term 'undivided profits' means retained earnings minus the sum of—

"(A) that portion added to reserves maintained pursuant to the first two sentences of section 16 of this Act; and

"(B) the dollar amounts held by the respective Federal Home Loan Banks in special dividend stabilization reserves on December 31, 1985, as determined under the following table:

"Bank	Dollar amount
Federal Home Loan Bank of Boston	$3.2 million
Federal Home Loan Bank of New York	7.7 million
Federal Home Loan Bank of Pittsburgh	5.2 million
Federal Home Loan Bank of Atlanta	12.3 million
Federal Home Loan Bank of Cincinnati	5.9 million
Federal Home Loan Bank of Indianapolis	37.4 million
Federal Home Loan Bank of Chicago	6.0 million
Federal Home Loan Bank of Des Moines	32.7 million
Federal Home Loan Bank of Dallas	45.0 million
Federal Home Loan Bank of Topeka	13.7 million
Federal Home Loan Bank of San Francisco	21.9 million
Federal Home Loan Bank of Seattle	33.6 million

"(e) Obligations of the Financing Corporation.—

"(1) Limitation on amount of outstanding obligations.—The aggregate amount of obligations of the Financing Corporation which may be outstanding at any time (as determined by the Board) shall not exceed—

"(A) the greater of—

"(i) 5 times the amount of the nonvoting capital stock of the Financing Corporation which is outstanding at such time; or

"(ii) the sum of the face amounts (the amount of principal payable at maturity) of securities described in subsection (g)(2) which are held at such time in the segregated account established pursuant to such subsection; or

"(B) $7,500,000,000,

whichever is less, not more than $3,750,000,000 of which may be issued during the one-year period beginning on the date of enactment of this section, or during the one-year period thereafter.

"(2) Net proceeds to be invested in capital of FSLIC.—Subject to such terms and conditions as may be approved by the Board, the net proceeds of any obligation issued by the Financing Corporation shall be used to—

"(A) purchase capital certificates or capital stock issued by the Federal Savings and Loan Insurance Corporation under section 402(b)(1)(A) of the National Housing Act; or

"(B) refund any previously issued obligation the net proceeds of which were invested in the manner described in subparagraph (A).

"(3) Limitation on term of obligations.—No obligation of the Financing Corporation may be issued which matures—

"(A) more than 30 years after the date of issue; or

"(B) after December 31, 2026.

"(4) Investment of United States funds in obligations.—Obligations issued under this section by the Financing Corporation with the approval of the Board shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer of the United States.

"(5) Market for obligations.—All persons having the power to invest in, sell, underwrite, purchase for their own accounts, accept as security, or otherwise deal in obligations of the Federal Home Loan Banks shall also have the power to do so with respect to obligations of the Financing Corporation.

"(6) No full faith and credit of the United States.—Obligations of the Financing Corporation and the interest payable on such obligations shall not be obligations of, or guaranteed as to principal or interest by, the Federal Home Loan Banks, the United States, or the Federal Savings and Loan Insurance Corporation and the obligations shall so plainly state.

"(7) Tax exempt status.—

"(A) In general.—Except as provided in subparagraph (B), obligations of the Financing Corporation shall be exempt from tax both as to principal and interest to the same extent as any obligation of a Federal Home Loan Bank is exempt from tax under section 13.

"(B) Exception.—The Financing Corporation, like the Federal Home Loan Banks, shall be treated as an agency of the United States for the purpose of the first sentence of section 3124(b) of title 31, United States Code (relating to determination of tax status of interest on obligations).

"(8) Obligations are exempt securities.—Notwithstanding paragraph (6), obligations of the Financing Corporation shall be deemed to be exempt securities (within the meaning of laws administered by the Securities and Exchange Commission) to the same extent as securities which are direct obligations of the United States or are guaranteed as to principal or interest by the United States.

"(f) Assessment Authority of the Financing Corporation.—

"(1) In general.—The Financing Corporation may, with the approval of the Board, assess semiannually on each insured institution an assessment, except that the aggregate amount assesses under this paragraph on any insured institution for any year may not exceed an amount equal to 1/12th of 1 percent of the aggregate amount of all accounts of insured members of such insured institution for such year.

"(2) Supplemental assessment authorized.—Upon the unanimous vote of the Directorate that additional funds are needed to pay the interest on the obligations of the Financing Corporation because no other funds are available, the Financing Corporation may, with the approval of the Board and in addition to any assessment assessed under paragraph (1), assess on each insured institution an assessment, except that the aggregate amount assessed under this paragraph on any insured institution for any year may not exceed an amount equal to 1/8th of 1 percent of the aggregate amount of all accounts of insured members of such insured institution for such year.

"(3) Total amount of assessments may not exceed interest and financing costs.—The aggregate amount of all assessments assessed under paragraphs (1) and (2) for any year may not exceed—

"(A) the aggregate amount of—

"(i) issuance costs (as such term is defined in subsection (g)(5)(A)) incurred with respect to obligations issued during such semiannual period;

"(ii) interest paid on (and any redemption premium paid with respect to) obligations of the Financing Corporation during such year; and

"(iii) custodian fees (as such term is defined in subsection (g)(5)(B)) incurred during such year; minus

"(B) the aggregate amount of any payments under subsection (g)(4) during such year.

"(4) Payment to financing corporation.—All assessments assessed by the Financing Corporation under paragraph (1) or (2) shall be paid to the Financing Corporation.

"(g) Use and Disposition of Assets of the Financing Corporation Not Invested in FSLIC.—

"(1) In general.—Subject to such regulations, restrictions, and limitations as may be prescribed by the Board, assets of the Financing Corporation which are not invested in capital certificates or capital stock issued by the Federal Savings and Loan Insurance Corporation under section 402(b)(1)(A) of the National Housing Act shall be invested in—

"(A) direct obligations of the United States,

"(B) obligations, participations, or other instruments of, or issued by, the Federal National Mortgage Association or the Government National Mortgage Association;

"(C) mortgages, obligations, or other securities for sale by, or which have been disposed of by, the Federal Home Loan Mortgage Corporation under section 305 or 306 of the Federal Home Loan Mortgage Corporation Act; or

"(D) any other security in which it is lawful for fiduciary and trust funds to be invested under the laws of any State.

"(2) Segregated account for zero coupon instruments held to assure payment of principal.—The Financing Corporation shall invest in, and hold in a segregated account, noninterest bearing instruments—

"(A) which are securities described in paragraph (1); and

"(B) the total of the face amounts (the amount of principal payable at maturity) of which is approximately equal to the aggregate amount of principal on the obligations of the Financing Corporation,

to assure the repayment of principal on obligations of the Financing Corporation.

"(3) Dollar amount limitation on investment in zero coupon instruments for segregated account—The aggregate amount invested by the Financing Corporation under paragraph (2) shall not exceed $2,200,000,000 (as determined on the basis of the purchase price).

"(4) Exception for payment of issuance costs, interest, and custodian fees.—Notwithstanding the requirements of paragraph (1), the assets of the Financing Corporation referred to in paragraph (1) which are not invested under paragraph (2) may be used to pay—

"(A) issuance costs;

"(B) any interest on (and any redemption premium with respect to) any obligation of the Financing Corporation; and

"(C) custodian fees.

"(5) Definitions.—For the purpose of this subsection—

"(A) Issuance costs.—The term 'issuance costs'—

"(i) means issuance fees and commissions incurred by the Financing Corporation in connection with the issuance or servicing of any obligation of the Financing Corporation; and "(ii) includes legal and accounting expenses, trustee and fiscal and paying agent charges, costs incurred in connection with preparing and printing offering materials, and advertising expenses, to the extent that any such cost or expense is incurred by the Financing Corporation in connection with issuing any obligation.

"(B) CUSTODIAN FEES.—The term 'custodian fee' means—

"(i) any fee incurred by the Financing Corporation in connection with the transfer of any security to, or the maintenance of any security in, the segregated account established under paragraph (2); and

"(ii) any other expense incurred by the Financing Corporation in connection with the establishment or maintenance of such account.

"(h) MISCELLANEOUS PROVISIONS RELATING TO FINANCING CORPORATION.—

"(1) TREATMENT FOR CERTAIN PURPOSES.—Except as provided in subsection (c)(7)(B), the Financing Corporation shall be treated as a Federal Home Loan Bank for the purpose of sections 13 and 23.

"(2) SUNSET PROVISION FOR BORROWING AUTHORITY.—No net new borrowing may be made by the Financing Corporation after the expiration of 2 years following the date of enactment of this section.

"(3) FEDERAL RESERVE BANKS AS DEPOSITARIES AND FISCAL AGENTS.—The Federal Reserve banks are authorized to act as depositaries for or fiscal agents or custodians of the Financing Corporation.

"(4) APPLICABILITY OF CERTAIN PROVISIONS RELATING TO GOVERNMENT CORPORATION.—Notwithstanding the fact that no government funds may be invested in the Financing Corporation, the Financing Corporation shall be treated, for the purpose of sections 9105, 9107, and 9108 of title 31, United States Code, as a mixed-ownership Government corporation which has capital of the Government.

"(i) FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION INDUSTRY ADVISORY COMMITTEE.—

"(1) ESTABLISHMENT.—There is hereby established the Federal Savings and Loan Insurance Corporation Industry Advisory Committee (hereinafter in this subsection referred to as the 'Committee').

"(2) MEMBERSHIP.—

"(A) APPOINTMENT.—The Committee shall consist of 13 members selected as follows:

"(i) 1 member appointed by the Chairman of the Board from among individuals who are officers of insured institutions and who are not members of the Board or employees of the Board, the Federal Savings and Loan Insurance Corporation, or the Board of Directors of any Federal Home Loan Bank.

"(ii) 1 member elected from each Federal Home Loan Bank district (by the members of the Board of Directors of each such bank who were elected by the members of such bank) from among individuals who are officers of insured institutions.

"(B) TERMS.—Members shall be appointed or elected for terms of 1 year.

"(C) CHAIRPERSON.—The member appointed under subparagraph (A)(i) shall be the chairperson of the Committee.

"(D) VACANCIES.—Any vacancy on the Committee shall be filled in the manner in which the original appointment was made.

"(E) PAY AND EXPENSES.—Members of the Committee shall serve without pay but each member of the Committee shall be reimbursed, in such manner as the Board may prescribe by regulation, by the Federal Home Loan Bank which elected such member (and, in the case of the member appointed by the Chairman of the Board, by the Board) for expenses incurred in connection with attendance of such members at meetings of the Committee.

"(F) MEETINGS.—The Committee shall meet from time to time at the call of the chairperson or a majority of the members.

"(3) DUTIES OF THE COMMITTEE.—The duties of the Committee are as follows:

"(A) To review the reports and budgets prepared pursuant to section 402(k) of the National Housing Act and any other matter which the Board may present for the Committee's consideration.

"(B) To confer with the Board on the reports, budgets, and other matters reviewed under subparagraph (A).

"(C) To prepare written comments and recommendations for the Board and the Federal Savings and Loan Insurance Corporation with respect the reports, budgets, and other matters reviewed under subparagraph (A) (which shall be submitted to the Board in a timely manner after each meeting).

"(4) ANNUAL REPORT.—

"(A) REQUIRED.—Not later than January 15 of each year, the Committee shall submit a report to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

"(B) CONTENTS.—The report required under subparagraph (A) shall describe the activities of the Committee during the preceding year and the reports and recommendations made by the Committee to the Board and the Federal Savings and Loan Insurance Corporation during such year.

"(5) REGULATIONS.—The Board shall prescribe such regulations as the Board determines to be appropriate to avoid conflicts of interest with respect to the disclosure to and use by members of the Committee of information relating to the Board, the Federal Savings and Loan Insurance Corporation, the Federal Home Loan Banks, and the Federal Asset Disposition Association.

"(6) FEDERAL ADVISORY COMMITTEE ACT DOES NOT APPLY.—The Federal Advisory Committee Act shall not apply to the Committee.

"(7) TERMINATION.—The Committee shall terminate when the Financing Corporation terminates under subsection (j).

"(j) TERMINATION OF THE FINANCING CORPORATION.—

"(1) IN GENERAL.—The Financing Corporation shall be dissolved, as soon as practicable, after the earlier of—

"(A) the date by which all stock purchased by the Financing Corporation in the Federal Savings and Loan Insurance Corporation has been retired; or

"(B) December 31, 2026.

"(2) BOARD AUTHORITY TO CONCLUDE THE AFFAIRS OF FINANCING CORPORATION.—Effective on the date of the dissolution of the Financing Corporation under paragraph (1), the Board may exercise, on behalf of the Financing Corporation, any power of the Financing Corporation which the Board determines to be necessary to settle and conclude the affairs of the Financing Corporation.

"(k) REGULATIONS.—The Board may prescribe such regulations as may be necessary to carry out the provisions of this section, including regulations defining terms used in this section.

"(l) DEFINITIONS.—For the purpose of this section—

"(1) INSURED INSTITUTION.—The term 'insured institution' has the meaning given to such term by section 401(a) of the National Housing Act.

"(2) INSURED MEMBER.—The term 'insured member' has the meaning given to such term by section 401(b) of the National Housing Act.

"(3) DIRECTORATE.—The term 'Directorate' means the directorate established in the manner provided in subsection (b)(1) to manage the Financing Corporation.".

MIXED OWNERSHIP GOVERNMENT CORPORATION

SEC. 303. Section 9101(2) of title 31, United States Code, is amended by adding at the end thereof the following new subparagraph:

"(K) The Financing Corporation.".

RECAPITALIZATION OF FSLIC

SEC. 304. Section 402(b) of the National Housing Act (12 U.S.C. 1725(b)) is amended to read as follows:

"(b) ISSUANCE AND SALE OF CAPITAL CERTIFICATES AND STOCK TO FINANCING CORPORATION.—

"(1) AUTHORIZATION TO ISSUE.—

"(A) IN GENERAL.—Notwithstanding any other provision of law, the Corporation may issue—

"(i) nonredeemable capital certificates; and

"(ii) redeemable nonvoting capital stock.

"(B) REQUIREMENT RELATING TO AMOUNT OF STOCK.—The aggregate amount of stock issued by the Corporation under subparagraph (A)(ii) shall be equal to the aggregate amount of the investments made by the Federal Home Loan Banks in the capital stock of the Financing Corporation under section 21 of the Federal Home Loan Bank Act.

"(C) CERTIFICATES AND STOCK MAY BE SOLD ONLY TO FINANCING CORPORATION.—Capital certificates and stock issued under subparagraph (A) may be sold only to the Financing Corporation in the manner and to the extent provided in section 21 of the Federal Home Loan Bank Act and this subsection.

"(D) PROCEEDS OF SALE ARE PART OF PRIMARY RESERVE.—The proceeds of any sale of capital certificates or stock under this subparagraph shall be considered part of the primary reserve established by the Corporation pursuant to section 404(a).

"(E) NO DIVIDENDS.—The Corporation shall pay no dividends on any capital certificates or stock issued under this subparagraph.

"(2) EQUITY RETURN ACCOUNT.—

"(A) IN GENERAL.—The Corporation shall establish and maintain (until all capital certificates and stock issued under subparagraph (A) have been paid off and retired) an equity return account—

"(i) which shall consist only of amounts contributed in accordance with the requirements of subparagraph (B);

"(ii) which shall not be treated as reserves of the Corporation; and

"(iii) the earnings accruing in which shall be transferred in the manner provided in subparagraph (D).

"(B) CONTRIBUTIONS TO ACCOUNT.—

"(i) NO CONTRIBUTION IF RESERVES-TO-ACCOUNTS RATIO IS LESS THAN 0.5 PERCENT.—No contribution shall be made to the equity reserve account established pursuant to subparagraph (A) in any year in which the reserves-to-accounts ratio is less than 0.5 percent.

"(ii) ANNUAL CONTRIBUTIONS REQUIRED.—Except as provided in clause (i), the Corporation shall make contributions to the equity reserve account established pursuant to subparagraph (A)—

"(I) at the end of each year beginning after 1996 through the final payoff year (as defined in clause (vii); and

"(II) in amounts determined under clauses (iii), (iv), (v), and (vi) of this subparagraph.

"(iii) AMOUNT OF PRIMARY CONTRIBUTION.—The primary contribution to the equity return account for any year for which a contribution is required to be made shall be the amount determined by dividing—

"(I) the aggregate amount of capital stock issued by the Corporation and purchased by the Financing Corporation under paragraph (1)(A); by

"(II) the number of years between the first year beginning after 1996 in which the reserves-to-accounts ratio is equal to or greater than 0.5 percent and the final payoff year (taking into account the first and last year described).

"(iv) AMOUNT OF ADDITIONAL CONTRIBUTION ALLOWED IF RESERVES-TO-ACCOUNTS RATIO DOES NOT EXCEED 1.25 PERCENT.—In any year in which the reserves-to-accounts ratio is equal to or greater than 1 percent but less than 1.25 percent, the Federal Home Loan Bank Board may require the Corporation to make an additional contribution of an amount not to exceed the amount determined by dividing—

"(I) the investment return amount (as defined in clause (viii)) computed at an annual compound rate not to exceed 6 percent; by

"(II) the number of years between the first year beginning after 1996 in which the reserves-to-accounts ratio was equal to or greater than 1 percent and the final payoff year (taking into account the first and last year described).

"(v) AMOUNT OF ADDITIONAL CONTRIBUTION ALLOWED IF RESERVES-TO-ACCOUNTS RATIO DOES NOT EXCEED 1.75 PERCENT.—In any year in which the reserves-to-accounts ratio is equal to or greater than 1.25 percent but less than 1.75 percent, the Federal Home Loan Bank Board may require the Corporation to make an additional contribution of an amount not to exceed the amount determined by dividing—

"(I) the investment return amount computed at an annual compound rate not to exceed 8 percent, minus the sum of any amounts contributed under clause (10); by

"(II) the number of years between the first year beginning after 1996 in which the reserves-to-accounts ratio was equal to or greater than 1.25 percent and the final payoff year (taking into account the first and last year described).

"(vi) AMOUNT OF ADDITIONAL CONTRIBUTION ALLOWED IF RESERVES-TO-ACCOUNTS RATIO EXCEEDS 1.75 PERCENT.—In any year in which the reserves-to-accounts ratio is equal to or greater than 1.75 percent, the Federal Home Loan Bank Board may require the Corporation to make an additional contribution of an amount not to exceed the amount determined by dividing—

"(I) the investment return amount computed at an annual compound rate not to exceed 10 percent, minus the sum of any amounts contributed under clause (iv) or (v);

"(II) the number of years between the first year beginning after 1996 in which the reserves-to-accounts ratio was equal to or greater than 1.75 percent and the final payoff year (taking into account the first and last year described).

"(vii) FINAL PAYOFF YEAR DEFINED.—For the purpose of this subparagraph, the term 'final payoff year' means the year of maturity of the last maturing obligation of the Financing Corporation which was issued under section 21 of the Federal Home Loan Bank Act and will mature before January 1, 2027.

"(viii) INVESTMENT RETURN AMOUNT.—For the purpose of clauses (iv), (v), and (vi), the term 'investment return amount' means the amount which would be realized on the aggregate amount invested by the Financing Corporation in capital stock issued by the Corporation under paragraph (1) over the period of the investment if the return on the investment is computed at the rate described in subclause (I) of the respective clauses.

"(C) INVESTMENT OF AMOUNTS IN ACCOUNT.—Amounts accumulating in the equity return account may be invested in such manner as the Corporation determines.

"(D) TRANSFER OF EARNINGS TO PRIMARY RESERVE.—Earnings accruing on any investment (under subparagraph (C)) of amounts in the equity return account shall be transferred to the primary reserve account of the Corporation established pursuant to section 404(a) as such earnings are realized by the Corporation and shall not be treated as amounts in the account.

"(E) RETIREMENT OF CAPITAL STOCK USING BALANCE IN ACCOUNT.—Upon maturity of all obligations of the Financing Corporation under section 21 of the Federal Home Loan Bank Act, the Corporation shall payoff and retire any capital stock issued under paragraph (1)(A)(ii) using only amounts accumulated in the equity return account.

"(F) RESERVES-TO-ACCOUNTS RATIO DEFINED.—For the purpose of this paragraph, the term 'reserves-to-accounts ratio' means, with respect to any year, the amount determined by dividing—

"(i) the amount of reserves of the Corporation (determined as of December 31 of the preceding year); by

"(ii) the aggregate amount of all accounts of all of its insured members (determined as of such date).

"(3) FINANCING CORPORATION DEFINED.—For the purpose of this subsection, the term 'Financing Corporation' means the Financing Corporation established under section 21 of the Federal Home Loan Bank Act.

"(4) NO REDUCTION OR SUSPENSION OF INSURANCE PREMIUMS WHILE STOCK IS OUTSTANDING.—Notwithstanding any other provision of law, the provisions of subsections (b)(2), (d)(1)(B), and (g) of section 404 shall not apply as long as any share of capital stock issued under paragraph (1)(A)(ii) is outstanding.".

FSLIC AUTHORITY TO CHARGE PREMIUMS REDUCED BY AMOUNT OF FINANCING CORPORATION ASSESSMENTS

SEC. 305. Section 404 of the National Housing Act is amended by redesignating subsections (d) through (i) as subsections (e) through (j), respectively, and by inserting after subsection (c) the following new subsection:

"(d) AUTHORITY TO CHARGE PREMIUMS REDUCED BY AMOUNT OF FINANCING CORPORATION ASSESSMENTS.—Notwithstanding any other provision of this section, the sum of—

"(1) the amount of any premium required to be paid by any insured institution under subsection (b)(1); and

"(2) the amount of any premium authorized to be assessed by the Corporation under subsection (c) with respect to such institution,

for any period shall be reduced by the amount of any assessment paid for such period by such insured institution to the Financing Corporation pursuant to section 21(f) of the Federal Home Loan Bank Act.".

MISCELLANEOUS PROVISIONS

SEC. 306. (a) FEDERAL HOME LOAN BANK DIVIDENDS.—Section 16 of the Federal Home Loan Bank Act (12 U.S.C. 1436) is amended by adding at the end thereof the following new subsection:

"(c) EXCEPTION IN CASE OF LOSSES IN CONNECTION WITH FINANCING CORPORATION STOCK.—

"(1) IN GENERAL.—Notwithstanding subsection (a) of this section, if—

"(A) a Federal Home Loan Bank incurs a chargeoff or an expense in connection with such bank's investment in the stock of the Financing Corporation under section 21;

"(B) the Board determines there is an extraordinary need for the member institutions of the bank to receive dividends; and

"(C) the bank has reduced all reserves (other than the reserve account required by the first 2 sentences of subsection (a)) to zero,

the Board may authorize such bank to declare and pay dividends out of undivided profits (as such term is defined in section 21(d)(7)) or the reserve account required by the first 2 sentences of subsection (a).

"(2) REQUIREMENTS OF SECTION 21 NOT AFFECTED.—Notwithstanding any payment of dividends by any Federal Home Loan Bank pursuant to an authorization by the Board under paragraph (1), the applicable provisions of section 21 shall continue to apply with respect to such bank, and to such bank's investment in the Financing Corporation, in the same manner and to the same extent as if such payment had not been made.".

(b) CONFORMING AMENDMENT.—Section 402(h) of the National Housing Act (12 U.S.C. 1725(h)) is amended—

(1) by striking out "After the effective date" and inserting in lieu thereof "(1) After the effective date"; and

(2) by adding at the end thereof the following new paragraph:

"(2) The first three sentences of paragraph (1) shall not apply to stock issued by the Corporation to the Financing Corporation under subsection (b)(1)(A).".

(c) LIMITATION ON SPECIAL ASSESSMENT.—Section 404(c) of the National Housing Act (12 U.S.C. 1727(c)) is amended—

(1) by striking out "(c) The Corporation" and inserting in lieu thereof "(c)(1) SPECIAL ASSESSMENT.—Subject to paragraph (2), the Corporation"; and

(2) by adding at the end thereof the following new paragraph:

"(2) LIMITATIONS ON AMOUNT OF ASSESSMENT.—The amount of any additional premium assessed by the Corporation against any insured institution under paragraph (1) in any of the following years shall not exceed the amount listed in connection with each such year in the following table (unless the Federal Home Loan Board determines that severe pressures on the Corporation exist which necessitate an infusion of additional funds):

"For year:	The amount of the additional premium may not exceed:
1987	$\frac{5}{48}$ of 1 percent of the total amount of the accounts of the insured members of such institution.

“For year:	The amount of the additional premium may not exceed:
1988	1/12 of 1 percent of the total amount of the accounts of the insured members of such institution.
1989	1/16 of 1 percent of the total amount of the accounts of the insured members of such institution.
1990	1/24 of 1 percent of the total amount of the accounts of the insured members of such institution.
1991	1/48 of 1 percent of the total amount of the accounts of the insured members of such institution.

(d) Priority of Secured Interests.—Section 10 of the Federal Home Loan Bank Act (12 U.S.C. 1430) is amended by adding at the end thereof the following new subsection:

“(e) Priority of Certain Secured Interests.—Notwithstanding any other provision of law, any security interest granted to a Federal Home Loan Bank by any member of any Federal Home Loan Bank or any affiliate of any such member shall be entitled to priority over the claims and rights of any party (including any receiver, conservator, trustee, or similar party having rights of a lien creditor) other than the claims of secured parties that are secured by actual perfected security interests that would be entitled to priority under otherwise applicable law.”.

(e) FSLIC Report Requirements.—Section 402 of the National Housing Act is amended by adding at the end thereof the following new subsection:

“(k) Reports and Budgets Required.—

“(1) Quarterly reports and budgets.—Before the end of the 2-week period beginning on the first day of each calendar quarter, the Corporation shall complete a detailed written report and budget describing and explaining—

“(A) planned or anticipated activities and estimates of receipts and expenditures for such calendar quarter; and

“(B) the activities, receipts, and expenditures for the preceding calendar quarter.

“(2) Semiannual report.—Before the end of the 30-day period beginning on the first day of each semiannual period, the Corporation shall complete a detailed written report and budget describing and explaining the activities, receipts, and expenditures for the preceding semiannual period.

“(3) Submission of semiannual report to congress.—The Corporation shall submit a copy of each semiannual report required under paragraph (2) to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

“(4) Activities, etc., of federal asset disposition association.—Activities, receipts, and expenditures of the Federal Asset Disposition Association (or any successor thereto) shall be included in any report or budget required under this subsection.

“(5) Definitions.—For the purpose of this subsection—

“(A) Activities.—The term ‘activities’ includes any activity engaged in with respect to any insured institution in financial difficulty.

“(B) Semiannual period.—The term ‘semiannual period’ means—

“(i) the period beginning on January 1 of any calendar year and ending June 30 of such year; and

“(ii) the period beginning on July 1 of any calendar year and ending December 31 of such year.”.

(f) Secondary Reserve.—Section 404 of the National Housing Act (12 U.S.C. 1727) is amended by striking out subsection (i) (as redesignated by section 305).

THRIFT ACCOUNTING STANDARDS

Sec. 307. Title IV of the National Housing Act is amended by adding at the end thereof the following new section:

“ACCOUNTING STANDARDS

“Sec. 415. (a) The Corporation shall, not later than December 31, 1987, prescribe uniform accounting standards consistent with generally accepted accounting principles to be used by all insured institutions for the purpose of determining compliance with any rule or regulation issued by the Corporation or the Federal Home Loan Bank Board to the same degree such standards are used to determine compliance with the rules and regulations of the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation. The Corporation may suspend the application of such standards with respect to any transaction or insured institution if—

“(1) the effect of such application would result in an insured institution and its parent company being treated differently than a bank and its bank holding company considered on a consolidated basis; or

“(2) the transaction was consistent with generally accepted accounting standards when it was completed.

“(b) The standards prescribed above under subsection (a) shall become effective on December 31, 1987, with respect to each insured institution, except an insured institution that files a plan acceptable to the Corporation for achieving compliance at the earliest feasible date but in no event later than December 31, 1993.”.

AUDIT OF FADA

Sec. 308. In addition to audit and examination pursuant to rules and regulations of the Federal Savings and Loan Insurance Corporation and the Federal Home Loan Bank Board, the Federal Asset Disposition Association shall submit to audit by the Comptroller General of the United States from time to time as specified by the Comptroller General.

THRIFT INDUSTRY RECOVERY GUIDELINES

Sec. 309. (a) Not later than 45 days after the date of enactment of the Act, the Federal Home Loan Bank Board shall prepare and transmit to the Congress guidelines for dealing with troubled—although well managed and viable—thrift institutions in a manner which will maximize the long-term viability of the thrift industry at the lowest cost to the Federal Savings and Loan Insurance Corporation.

(b) Guidelines transmitted under subsection (a) should also address specific programs, such as the following:

(1) Provision for classification of assets and appraisal methodology, which provides for—

(A) a new system of classification of assets that provides the Principal Supervisory Agent with the option to direct the creation of additional general loss reserves based on a review of an insured institution's overall portfolio;

(B) a new appraisal standard;

(C) GAAP criteria for determining the value of a property at foreclosure;

(D) the use of the Financial Accounting Standard (“FAS”) 15 for loan restructuring, similar to that employed by the Comptroller of the Currency but applicable to all loans qualifying for restructuring under FAS 15;

(E) elimination of the present scheduled item system except as it relates to 1- to 4-family dwelling;

(F) discretion in determining whether a loan that is restructured, while already delinquent, should be classified and liberal extension of forbearance with respect to net worth requirements for institutions that have made supervisory acquisitions.

(2) Enhanced flexibility in the supervisory process, including consideration of other sources of credit of a borrower for recourse loans, and flexible approval requirements for renegotiated loans where a supervisory agreement exists.

(3) The establishment of an appeals process for supervisory agent decisions.

(4) The establishment of an appraisal review system to avoid overly conservative or optimistic appraisals.

(5) The establishment of a Capital Certificate program under which an insured institution under supervisory control of, and with the approval of the Federal Home Loan Bank Board, may issue a capital certificate only for the purpose of meeting thrifts regulatory capital requirement. When the participatory thrift achieves a workable capital level, to be determined by the Federal Home Loan Bank Board, the thrift shall redeem the certificate and pay interest or warrants in accordance with the amount of time held.

(c) Not later than January 31, 1989, the Federal Home Loan Bank Board shall transmit to Congress a detailed evaluation of the effectiveness of the guidelines in achieving the goal set forth in subsection (a). Following receipt of the evaluation, the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives shall hold hearings to review and revise, as appropriate, the guidelines.

APPLICATION OF GAAP

Sec. 310. (a) Section 407 of the National Housing Act (12 U.S.C. 1730) is amended by adding at the end thereof the following:

“(s) Asset Evaluations.—The Corporation may not direct or require an insured institution to establish reserves against, or write down the value of, any asset in an amount in excess of the amount that would result from an evaluation of the asset consistent with generally accepted accounting principles.”.

(b) Section 5 of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464) is amended by adding at the end thereof the following:

“(s) Asset Evaluations.—The Board may not direct or require an association to establish reserves against, or write down the value of, any asset in an amount in excess of the amount that would result from an evaluation of the asset consistent with generally accepted accounting principles.”.

REPORT ON PREVENTION OF INSOLVENCIES

Sec. 311. Not later than 6 months after the date of enactment of this Act, the Federal Home Loan Bank Board shall transmit a report to the Congress containing a detailed description of steps that the Board has taken and will take administratively, and of any legislation necessary, to prevent additional insolvencies of thrift institutions.

PARTICIPATION IN PUBLIC OFFERINGS

SEC. 312. The Chairman of the Federal Home Loan Bank Board shall, in conjunction with the Federal Savings and Loan Insurance Corporation, ensure that minority owned or controlled commercial banks, investment banking firms, underwriters, and bond counsels, shall have an opportunity to participate to a significant degree in any public offering under section 21 of the Federal Home Loan Bank Act.

TITLE IV—EMERGENCY ACQUISITIONS

SHORT TITLE

SEC. 401. This title may be cited as the "Financial Institutions Emergency Acquisitions Amendments of 1987".

EXTENSION OF GARN-ST GERMAIN ACT

SEC. 402. (a) Section 141(a) of the Garn-St Germain Depository Institutions Act of 1982 (Public Law 97-320) is amended by striking out "October 13, 1986" and inserting in lieu thereof "March 1, 1990".

(b) Effective March 1, 1990, the amendments made by section 403 of this title are repealed.

(c) The repeal or termination by this section of any provision of law shall have no effect on any action taken or authorized while such provision was in effect or on the authority of a bank holding company, which obtained such authority prior to any such repeal, to expand within a State under paragraph (4)(D) or (4)(E) of section 13(f) of the Federal Deposit Insurance Act.

(d) Notwithstanding the repeal or termination of any provision of law referred to in section 141(a) of the Garn-St Germain Depository Institutions Act of 1982 as a result of the date contained in such section, such provision shall be deemed to be reenacted upon the enactment of a law extending such date.

ASSISTED EXTRAORDINARY ACQUISITIONS

SEC. 403. (a) Section 13(f) of the Federal Deposit Insurance Act (12 U.S.C. 1823(f)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1) Except as provided in paragraph (9), the provisions of this subsection shall be used exclusively in connection with any acquisition by or merger with an out-of-State bank or holding company with respect to which the Corporation provides assistance under its powers in subsection (c) and shall not be applicable if the Corporation does not provide such assistance. Nothing contained in this subsection shall be construed to limit the Corporation's powers under subsection (c) to assist a transaction.";

(2) by amending paragraph (3) to read as follows:

"(3)(A)(i) Whenever the appropriate Federal or State chartering authority has certified in writing that an insured bank with total assets of $500,000,000 or more (as determined from its most recent report of condition) is in danger of closing, the insured bank may merge with or its assets may be purchased by and its liabilities assumed by another depository institution, including an insured depository institution located in the State where the insured bank is chartered but established by an out-of-State bank or holding company, or its shares may be acquired by an out-of-State bank or holding company.

"(ii) Whenever the appropriate Federal or State chartering authority has certified in writing that one or more insured bank subsidiaries of a holding company are in danger of closing and such bank or banks hold aggregate assets equal to $500,000,000 or more (as determined from their most recent reports of condition) and such bank or banks represent 33 per centum or more of the total assets of all insured bank subsidiaries (as determined from their most recent reports of condition) of such holding company, an out-of-State bank or holding company may (I) purchase all or part of the shares of or otherwise acquire the holding company that controls such bank or banks and all or part of such holding company's subsidiary banks, or (II) purchase all or part of the shares or otherwise acquire any such bank or banks in danger of closing or establish one or more newly chartered banks located in the State where such banks in danger of closing are chartered for the purpose of merging with or purchasing the assets and assuming the liabilities of such banks, if the aggregate total assets of such banks that are acquired, regardless of the number of purchasers, equal $500,000,000 or more. Any out-of-State bank or holding company which, pursuant to clause (II), purchases shares of, or establishes a newly chartered bank for the purpose of merging with or acquiring the assets and assuming the liabilities of, such bank or banks in danger of closing may purchase the shares of or otherwise acquire any bank which is affiliated with such bank or banks.

"(iii) The Corporation may assist a merger or acquisition permitted under this subparagraph (A) only where the board of directors or trustees of the insured bank has requested in writing that the Corporation assist a merger or a purchase.

"(B) If at any time after the date of enactment of the Financial Institutions Emergency Acquisitions Amendments of 1987, the Corporation provides assistance, directly or indirectly, under the authority of subsection (c), to an insured bank and such bank was eligible at the time such assistance was given to be acquired by an out-of-State bank or holding company pursuant to subparagraph (A), the bank shall remain eligible to be acquired, to the same extent that it was eligible when assistance was granted, by an out-of-State bank or holding company so long as the Corporation's assistance remains outstanding. If, at the time such assistance was granted to an insured bank or to affiliated insured banks, such bank's or banks' parent holding company or other affiliated banks were eligible also to be acquired by an out-of-State bank or holding company, pursuant to subparagraph (A)(ii), they shall remain eligible for such acquisition, to the same extent as they were when the assistance was granted, so long as such assistance remains outstanding. Any acquisition authorized under this subparagraph requires the consent of the Corporation, which may be conditioned on such terms and conditions as the Board of Directors may impose in its discretion, including but not limited to receipt of such consideration for the Corporation's assistance as the Board of Directors deems appropriate.

"(C) Where otherwise lawfully required, a transaction under this paragraph (3) must be approved by the primary Federal or State supervisor of all parties thereto.

"(D) The Corporation may not assist a merger or acquisition under subparagraph (A) or take final action under subparagraph (B) without the concurrence of the State bank supervisor of the State in which the bank in danger of closing is chartered.";

(3) by redesignating subparagraphs (i) through (iii) of paragraph (4) as subparagraphs (A) through (C), respectively;

(4) by amending redesignated paragraph (4)(A) to read as follows:

"(4)(A) Nothing in section 3(d) of the Bank Holding Company Act of 1956, section 408(e)(3) of the National Housing Act, any provision of State law, or the constitution of any State, shall bar approval, consummation, or retention of an acquisition authorized under paragraph (2) or (3), except that an out-of-State bank may make such an acquisition only if such ownership is otherwise specifically authorized.";

(5) by adding at the end of paragraph (4) the following:

"(D) An out-of-State bank holding company that acquires, directly or indirectly, a bank under paragraph (2) or (3) in any State shall, upon the expiration of two years after the acquisition or upon the expiration of such shorter period as may be prescribed by State law for an out-of-State holding company that acquires an in-State bank, have the same rights to make additional acquisitions and to establish branches in such State as an in-State bank holding company.

"(E) A holding company which, directly or indirectly, acquires control of one or more banks or a holding company under paragraph (2) or (3) or subparagraph (D) shall not, by reason of such acquisition or expansion, be required as the result of the law of any State to divest any other bank or banks or be prevented from acquiring, directly or indirectly, any other banks or holding company.";

(6) by striking out "to permit" in paragraph (5);

(7) by striking out "closed" the second time it appears and "bank" the sixth time it appears in paragraph (6)(A);

(8) by striking out clauses (i) through (iv) of paragraph (6)(B) and inserting in lieu thereof the following:

"(i) First, between depository institutions of the same type within the same State;

"(ii) Second, between depository institutions of the same type in different States which, by reciprocal laws or other arrangements specifically authorize such acquisitions, or in the absence of such laws or other arrangements, in different States which are contiguous;

"(iii) Third, between depository institutions of the same type in different States other than those referred to in clause (ii);

"(iv) Fourth, between depository institutions of different types within the same State;

"(v) Fifth, between depository institutions of different types in different States which, by reciprocal laws or other arrangements specifically authorize such acquisitions, or in the absence of such laws or other arrangements, in different States which are contiguous; and

"(vi) Sixth, between depository institutions of different types in different States other than those referred to in clause (v).";

(9) by striking out subparagraph (C) and inserting in lieu thereof the following:

"(C) In the case of a minority-controlled bank, the Corporation shall seek an offer from other minority-controlled banks before proceeding with the sequence set forth in the preceding subparagraph.";

(10) by redesignating subparagraphs (B) and (C) of paragraph (8) as subparagraphs (D) and (E), respectively, and by inserting after subparagraph (A) the following:

"(B) a bank is 'in danger of closing' if—

"(i) the bank is not likely to be able to meet the demands of its depositors or pay its obligations in the normal course of business and there is no reasonable prospect for it to do so without Federal assistance; or

"(ii) the bank has incurred or is likely to incur losses that will deplete all or substantially all of its capital and there is no reasonable prospect for replenishment of the bank's capital without Federal assistance;

"(C) banks are 'affiliated' if each is a subsidiary (as defined in section 2(d) of the Bank Holding Company Act of 1956) of the same holding company;"; and

(11) by adding at the end thereof the following:

"(9) Nothing in this subsection shall prevent the Corporation, in its sole discretion, from assisting, directly or indirectly, the acquisition of an open or closed insured bank by an out-of-State bank or holding company where such an acquisition is otherwise authorized under applicable State law.

"(10) In any transaction authorized under this subsection, no assistance by the Corporation shall be provided to a subsidiary of a holding company that is not an insured bank. Notwithstanding the foregoing, this paragraph is not intended to prevent an intermediate holding company from being a conduit for assistance ultimately intended for an insured bank.

"(11)(A) In its annual report to the Congress, the Corporation shall include a report on the acquisitions under this subsection during the preceding year.

"(B) The report required under subparagraph (A) shall contain the following information:

"(i) The number of transactions under this subsection with respect to which the Corporation provided assistance.

"(ii) A brief description of the transactions and the circumstances under which such transactions occurred.".

(b) Section 4(c)(8) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)(8)) is amended by adding at the end thereof the following:

"(F) In the event an application is filed under this paragraph in connection with an application by a bank holding company to acquire control of a bank in danger of closing or its affiliated banks pursuant to section 13(f) of the Federal Deposit Insurance Act, the Board may dispense with the notice and hearing requirement of this paragraph and the Board may approve or deny the application under this paragraph without notice or hearing. Not more than 7 days after approval of an application described in the preceding sentence, the Board shall publish in the Federal Register the order approving the application and shall identify any nonbanking activities involved in the acquisition.".

(c) Section 3(b) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(b)) is amended—

(1) by inserting "(1)" after "(b)"; and

(2) by adding at the end thereof the following new paragraph:

"(2) If the appropriate Federal or State chartering authority has certified in writing that a bank is in danger of closing pursuant to section 13(f) of the Federal Deposit Insurance Act, the Board may dispense with the notice and hearing requirements of this subsection with respect to any application received to acquire such bank or its affiliated banks and may reduce the post-approval waiting period of section 11 of this Act to 5 days with respect to such bank or its affiliated banks or, if the Board finds that immediate action is necessary to prevent the probable failure of such bank in danger of closing, further reduce or eliminate such period with respect to such bank or its affiliated banks, with the concurrence of the Attorney General of the United States.".

BRIDGE BANKS

SEC. 404. (a) Section 3(i) of the Federal Deposit Insurance Act (12 U.S.C. 1813(i)) is amended to read as follows:

"(i)(1) The term 'new bank' means a new national banking association, other than a bridge bank, organized by the Corporation to assume the insured deposits of an insured bank closed on account of inability to meet the demands of its depositors and otherwise to perform temporarily the functions prescribed in subsection (h) of section 11.

"(2) The term 'bridge bank' means a new national banking association organized by the Corporation pursuant to subsection (i) of section 11.".

(b) Section 11 of the Federal Deposit Insurance Act (12 U.S.C. 1821) is amended—

(1) by inserting "(1)" after "(h)"; and

(2) by redesignating subsections (i), (j), (k), and (l) as paragraphs (2), (3), (4), and (5), respectively, of subsection (h).

(c) Section 11 of the Federal Deposit Insurance Act (12 U.S.C. 1821) is amended by adding at the end thereof the following:

"(i)(1) If the Board of Directors determines with regard to one or more closed insured banks—

"(A) that the amount which is reasonably necessary to organize and operate a bridge bank will not exceed the amount which is reasonably necessary to save the cost of liquidating, including paying the insured accounts of, the closed bank or banks;

"(B) that the continued operation of such insured bank or banks is essential to provide adequate banking services in its community; or

"(C) that the continued operation of such insured bank or banks is in the best interest of the depositors of the closed bank or banks and the public,

the Corporation in its discretion may organize a bridge bank to assume the deposits of the closed bank or banks, and to assume such other liabilities of the closed bank or banks as the Corporation in its discretion may deem advisable, and to purchase such assets of the closed bank or banks as the Corporation in its discretion may deem advisable, and to perform temporarily the functions hereinafter provided for. Upon the organization of a bridge bank, the receiver of the closed insured bank or banks may, subject to approval of a court of competent jurisdiction, transfer assets and liabilities of the closed insured bank or banks to the bridge bank. In order to prevent unnecessary hardship or losses to the previous customers of the closed bank in connection with the organization of a bridge bank, including particularly, creditworthy farmers, small businesses, and households, it is the intent of the Congress that the Corporation should continue to honor commitments to creditworthy customers, and that it should not interrupt or terminate adequately secured loans that are being repaid in accordance with their terms.

"(2) The articles of association and the organization certificate of the bridge bank shall be executed by representatives designated by the Corporation. The bridge bank shall be a national bank and shall be insured from the time of its organization. No capital stock need be paid in by the Corporation. The bridge bank shall have a 5-member board of directors who shall be selected by the Board of Directors.

"(3) The bridge bank shall have all corporate powers of a national bank, except that—

"(A) the Corporation shall have sole authority to appoint and remove the directors of the bridge bank, to fix their compensation, and to waive any requirements pertaining to their qualifications as provided in sections 5145 through 5149 of the Revised Statutes (12 U.S.C. 71 through 75) and section 31 of the Act of June 16, 1933 (12 U.S.C. 71a);

"(B) the Corporation shall have authority to indemnify the directors of the bridge bank on such terms as the Corporation deems proper;

"(C) any requirements for capital in the bridge bank as provided in section 5138 of the Revised Statutes (12 U.S.C. 51) or any other provision of law are waived;

"(D) the Comptroller of the Currency shall have authority to determine the maximum limit of indebtedness of any person to the bridge bank without regard for the amount of the bank's capital or surplus;

"(E) the board of directors of the bridge bank shall elect a chairman who shall also serve in the position of chief executive officer;

"(F) the bridge bank shall be a national member bank, but shall not be required to purchase stock of any Federal Reserve bank;

"(G) the Comptroller of the Currency shall have authority to waive any requirement for a fidelity bond; and

"(H) upon the merger of a bridge bank with another bank that is not a bridge bank, or upon the sale of all or substantially all of the stock of a bridge bank (other than a sale to the Corporation or to another bridge bank), or upon the assumption of all or substantially all of the deposits of a bridge bank by another bank that is not a bridge bank, the surviving bank shall cease to have the status of a bridge bank.

"(4) Upon the organization of a bridge bank, and thereafter as the Board of Directors may in its discretion deem necessary or advisable, the Corporation shall promptly make available to the bridge bank, upon such terms and conditions and in such form and amounts as the Board of Directors may prescribe, sufficient funds for the bridge bank to operate. The bridge bank shall not be deemed to be an agency or establishment or instrumentality of the United States Government, nor shall the directors or officers or employees or agents of the bridge bank be deemed to be employees or agents of the United States Government, for any purpose whatever.

"(5)(A) Whenever in the judgment of the Board of Directors it is desirable to do so, the Corporation shall cause capital stock of the bridge bank to be issued and offered for sale on such terms and conditions as the Corporation deems advisable in an amount sufficient, in the discretion of the Corporation, to make possible the conduct of the business of the bridge bank on a sound basis. If the bridge bank has assumed the insured deposits of a closed bank with total assets of $500,000,000 or more (as determined from the closed bank's most recent report of condition), the bridge bank shall be eligible to be acquired by or to merge with an insured depository institution located in the State where the closed bank was chartered but established by an out-of-State bank or holding company, or to be acquired by an out-of-State bank or holding company, in accordance with the procedures established by subsection (f) of section 13.

"(B) Unless the capital stock of the bridge bank is sold or its assets are taken over and its deposits assumed by another insured bank within two years from the date of its organization, the Corporation shall wind up the affairs of such bank by voluntary dissolution or by the appointment of a receiver, except that if the Board of Directors finds, after consultation with the Comptroller of the Currency, that an extension of time for winding up the affairs of the bank is in the best interest of the depositors of the closed bank or banks and the public, the Corporation may extend such time for a period not exceeding one year.

"(6) In order to facilitate the sale or merger of the bridge bank with another insured depository institution the Corporation is authorized, in its sole discretion, and upon such terms and conditions as the Board of Directors may prescribe—

"(A) to make loans or contributions to, or deposits in, or to purchase assets or securities other than voting or common stock of, or to assume the liabilities of, such bridge bank or the company which will acquire control of such bank;

"(B) to guarantee the bridge bank or the company which will acquire control of the bridge bank against loss by reason of such sale or merger; or

"(C) to take any combination of the actions referred to in subparagraphs (A) and (B).

"(7) Nothing in this subsection shall be construed to limit the powers of the Corporation under section 13 to assist a transaction under this subsection.".

CONVERSIONS

SEC. 405. (a) Section 403 of the National Housing Act (12 U.S.C. 1726) is amended by adding at the end thereof the following:

"(e) If, upon application, and pursuant to a plan of conversion to an institution of a type eligible to be an insured institution, the Corporation, in its discretion, determines to grant insurance of accounts to a savings bank that is an insured bank (as the term 'insured bank' is defined in section 3(h) of the Federal Deposit Insurance Act), such insurance shall become effective at such time as the Corporation stipulates, at which time such institution automatically shall lose its status as such an insured bank. No change of deposit insurance agencies from the Federal Deposit Insurance Corporation to the Corporation shall be treated, for the purposes of section 18(i) of the Federal Deposit Insurance Act, as involving a conversion to a noninsured bank or institution, except that the Corporation shall provide the Federal Deposit Insurance Corporation with notification of any application that, if granted, would involve such a change of deposit insurance agencies, shall consult with the Corporation before disposing of the application, and shall provide the Federal Deposit Insurance Corporation with notification of the determination with respect to such application.".

(b)(1) Section 18(c)(12) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)(12)) is amended to read as follows:

"(12) The provisions of this subsection shall not apply to any transaction where the acquiring, assuming, or resulting institution is an insured Federal savings bank or an institution insured by the Federal Savings and Loan Insurance Corporation, except that any insured bank involved in the transaction shall notify the Corporation in writing at least 30 days prior to consummation of the transaction and, if any approval by the Federal Home Loan Bank Board or the Federal Savings and Loan Insurance Corporation is required in connection therewith, such approving authority shall provide the Corporation with notification of the application for approval, shall consult with the Corporation before disposing of the application, and shall provide notification to the Corporation of the determination with respect to said application.".

(2) Section 18(i) of such Act is amended by adding at the end thereof the following:

"(5) Nothing in this subsection shall apply to a conversion of an insured bank to an insured institution pursuant to section 403(e) of the National Housing Act (12 U.S.C. 1726(e)).".

APPORTIONMENT

SEC. 406. Section 7(b) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)) is amended by adding at the end thereof the following:

"(10) Notwithstanding any other provision of law, amounts received pursuant to any assessment under this section and any other amounts received by the Corporation shall not be subject to apportionment for the purpose of chapter 15 of title 31, United States Code, or under any other authority.".

(b) The second paragraph of section 5240 of the Revised Statutes (12 U.S.C. 481) is amended by inserting after the fifth sentence the following: "Such funds shall not be subject to apportionment for the purpose of chapter 15 of title 31, United States Code, or under any other authority.".

(c) Section 404 of the National Housing Act (12 U.S.C. 1727) is amended by adding at the end thereof the following:

"(k) Notwithstanding any other provision of law, amounts received by the Corporation pursuant to any assessment under this Act, deposits required under this section and any other monies received by the Corporation shall not be subject to apportionment for the purpose of chapter 15 of title 31, United States Code, or under any other authority.".

(d) The Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.) is amended by inserting after section 19 (12 U.S.C. 1439) the following:

"APPORTIONMENT

"SEC. 19B. Notwithstanding any other provision of law, amounts received pursuant to any assessment under this Act and any other monies received by the Board shall not be subject to apportionment for the purpose of chapter 15 of title 31, United States Code, or under any other authority.".

(e) Title I of the Federal Credit Union Act (12 U.S.C. 1751 et seq.) is amended by adding at the end thereof the following:

"APPORTIONMENT

"SEC. 129. Notwithstanding any other provision of law, funds received by the Board pursuant to any method provided by this Act, and interest, dividend, or other income thereon, shall not be subject to apportionment for the purpose of chapter 15 of title 31, United States Code, or under any other authority.".

LIQUIDATION PROCEEDINGS

SEC. 407. Section 11 of the Federal Deposit Insurance Act (12 U.S.C. 1821) is amended by adding at the end thereof the following:

"(m) The Corporation shall fully consider the adverse economic impact on local communities, including businesses, and farms of actions to be taken by it during the administration and the liquidation of loans of a closed bank. The actions include the release of proceeds from the sale of products and services for family living and business expenses and shortening the undue length of the decision-making process for the acceptance of offers of settlement contingent upon third party financing. The Corporation shall adopt and publish procedures, and guidelines to minimize adverse economic effects caused by its actions on individual debtors in the community.".

CAPITAL POOLS

SEC. 408. (a) It is the sense of the Senate that—

(1) The Federal Deposit Insurance Corporation has the statutory authority to engage in "open bank assistance" for failing banks under section 13(c) of the Federal Deposit Insurance Act to minimize losses to the insurance fund and to provide for the stability of the community; and

(2) Communities in depressed regions of the Nation have had increasing difficulty in raising capital to infuse into locally operated, failing banks; and

(3) States have the authority to establish capital pools to supplement Federal Deposit Insurance Corporation funds and outside capital in arranging open banks assistance plans; and

(4) It is not in the public interest to have a "fire sale" of assets acquired by the Federal Deposit Insurance Corporation as a part of their acquisitions of nonperforming loans to failed banks.

(b) *Let it therefore be declared* That: the United States Senate hereby encourages the Federal Deposit Insurance Corporation to exercise its discretionary authority to work with States which authorize such capital pools to save community banks during this time or great economic distress in certain regions of the country and the United States Senate further encourages the Federal Deposit Insurance Corporation to use its discretionary authority to negotiate sale of loans to area banks to prevent further asset devaluation.

TITLE V—CREDIT UNION AMENDMENTS

PERMANENT MERGER AND CONSERVATORSHIP AUTHORITY

SEC. 501. Section 141(a) of the Garn-St Germain Depository Institutions Act of 1982 (12 U.S.C. 1464 note) is amended—

(1) by inserting "and" at the end of paragraph (6);

(2) by striking out "; and" at the end of paragraph (7) and inserting in lieu thereof a period; and

(3) by striking out paragraph (8).

SECOND MORTGAGE AND HOME IMPROVEMENT LOANS

SEC. 502. Section 107(5)(A)(ii) of the Federal Credit Union Act (12 U.S.C. 1757(5)(A)(ii)) is amended by striking out "fifteen years" and all that follows and inserting in lieu thereof "15 years or any longer term which the Board may allow;".

OWNERSHIP INTEREST

SEC. 503. Section 107(6) of the Federal Credit Union Act (12 U.S.C. 1757(6)) is amended by inserting ", representing equity," after "payments".

FAITHFUL PERFORMANCE

SEC. 504. (a) Section 112 of the Federal Credit Union Act (12 U.S.C. 1761a) is amended by striking out the third sentence and inserting in lieu thereof the following: "The board shall elect from their number a financial officer who shall give adequate fidelity coverage in accordance with section 113(2) of this Act.".

(b) Section 113 of the Federal Credit Union Act (12 U.S.C. 1761b) is amended by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) provide adequate fidelity coverage for officers and employees having custody of or handling funds according to regulations issued by the Board;".

MEMBERSHIP OFFICERS

SEC. 505. Section 113(1) of the Federal Credit Union Act (12 U.S.C. 1761b(1)) is amended by striking out "of the board of directors" and inserting in lieu thereof "of the credit union".

NONPARTICIPATION

SEC. 506. Section 118 of the Federal Credit Union Act (12 U.S.C. 1764) is amended—

(1) by striking out "Subject to" in subsection (a) and inserting in lieu thereof "Except as provided in"; and

(2) by inserting "and enforce" after "adopt" in subsection (b).

PROPERTY ACQUISITION FLEXIBILITY

SEC. 507. Section 120(i)(2) of the Federal Credit Union Act (12 U.S.C. 1766(i)(2)) is amended—

(1) by inserting after "reimbursement," the following: "acquire and dispose of, by lease or purchase, real or personal property, without regard to the provisions of any other law applicable to executive or independent agencies of the United States,"; and

(2) by inserting after "this Act" the following: ", in accordance with the rules and regulations or policies established by the Board not inconsistent with this Act".

TREATMENT OF NCUAB FUNDS

SEC. 508. Title I of the Federal Credit Union Act is amended by adding at the end thereof the following:

"TRUST FUND

"SEC. 130. Notwithstanding any other provision of law, all moneys of the Board shall be treated as trust funds for the purpose of section 256(a)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985. This section is effective for fiscal year 1986 and every fiscal year thereafter.".

TECHNICAL AND CLARIFYING AMENDMENTS; REMOVAL AND PROHIBITION AUTHORITY

SEC. 509. Section 206(g) of the Federal Credit Union Act (12 U.S.C. 1786(g)) is amended—

(1) in paragraph (1), by striking out "director, officer, or committee member" each time it appears and inserting in lieu thereof "director, officer, committee member, or employee";

(2) in paragraph (2), by striking out "director, officer, or committee member" the first two times it appears and inserting in lieu thereof "director, officer, committee member, or employee";

(3) in paragraph (2), by striking out "any other person" the first time it appears and inserting in lieu thereof "any agent or other person"; and

(4) in paragraph (2), by inserting "employee, agent," before "or other person" the last time it appears.

EFFECT OF REMOVAL OR SUSPENSION

SEC. 510. Section 206(g) of the Federal Credit Union Act (12 U.S.C. 1786(g)) is amended by adding at the end thereof the following:

"(7)(A) Any person who, pursuant to this subsection, is removed, suspended, or prohibited from participation in the conduct of the affairs of an insured credit union shall also be removed, suspended, or prohibited from participation in the conduct of the affairs of any insured institution, any bank holding company or subsidiary of a bank holding company, any organization organized and operated under section 25(a) of the Federal Reserve Act or operating under section 25 of the Federal Reserve Act, and any savings and loan holding company or subsidiary of a savings and loan holding company (as those terms are defined in the National Housing Act), and any institution chartered by and subject to regulation by the Farm Credit Administration without the prior written approval of the appropriate Federal regulatory agency.

"(B) As used in subsection (g), the term 'insured institution' means an insured credit union or a depository institution whose accounts are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation.".

IMPOSITION OF CONSERVATORSHIP

SEC. 511. Section 206(h)(1) of the Federal Credit Union Act (12 U.S.C. 1786(h)(1)) is amended—

(1) by striking out "or" at the end of subparagraph (A);

(2) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following:

"(C) there is a willful violation of a cease-and-desist order which has become final; or

"(D) there is concealment of books, papers, records, or assets of the credit union or refusal to submit books, papers, records, or affairs of the credit union for inspection to any examiner or to any lawful agent of the Board.".

REDUCTION IN STATE COMMENT WAITING PERIOD

SEC. 512. Section 206(h)(2)(B) of the Federal Credit Union Act (12 U.S.C. 1786(h)(2)(B)) is amended by striking out "ninety" and inserting in lieu thereof "30".

AUTHORITY AS CONSERVATOR

SEC. 513. Section 206(h) of the Federal Credit Union Act (12 U.S.C. 1786(h)) is amended—

(1) by redesignating paragraph (8) as paragraph (9); and

(2) by inserting after paragraph (7) the following:

"(8) The conservator shall have all the powers of the members, the directors, the officers, and the committees of the credit union and shall be authorized to operate the credit union in its own name or to conserve its assets in the manner and to the extent authorized by the Board.".

LIQUIDATION PROCEEDINGS

SEC. 514. (a) Section 207(a)(1) of the Federal Credit Union Act (12 U.S.C. 1787(a)(1)) is amended—

(1) by inserting "(A)" after "(1)"; and

(2) by adding at the end thereof the following:

"(B) Not later than 10 days after the date on which the Board closes a credit union for liquidation pursuant to paragraph (1), or accepts appointment as liquidating agent pursuant to subsection (b), such insured credit union may apply to the United States district court for the judicial district in which the principal office of such insured credit union is located or the United States District Court for the District of Columbia, for an order requiring the Board to show cause why it should not be prohibited from continuing such liquidation. Except as otherwise provided in this subparagraph, no court may take any action for or toward the removal of any liquidating agent or, except at the instance of the Board, restrain or affect the exercise of powers or functions of a liquidating agent.".

(b) Section 208(c) of the Federal Credit Union Act (12 U.S.C. 1788(c)) is redesignated as subsection (j) of section 207 (12 U.S.C. 1787) and is amended by striking out "subject to the regulation of the court or other public body having jurisdiction over the matter" and inserting in lieu thereof "subject only to the regulation of the Board, or, in cases where the Board has been appointed liquidating agent solely by a public authority having jurisdiction over the matter other than said Board, subject only to the regulation of such public authority".

(c) Section 208(d) of the Federal Credit Union Act (12 U.S.C. 1788(d)) is redesignated as section 208(c).

TRANSFER OF FTC JURISDICTION TO NCUA

SEC. 515. (a) Sections 5(a)(2), 6(a) and 6(b) of the Federal Trade Commission Act (15 U.S.C. 45(a)(2), 46(a) and 46(b)) are amended by inserting immediately after "section 18(f)(3)," the following: "Federal credit unions described in section 18(f)(4),".

(b) The second proviso in section 6 of the Federal Trade Commission Act (15 U.S.C. 46) is amended—

(1) by inserting immediately after "section 18(f)(3)," the following: "Federal credit unions described in section 18(f)(4),"; and

(2) by inserting immediately after "in business as a savings and loan institution" the following: ", in business as a Federal credit union,".

(c)(1) The second sentence of section 18(f)(1) of the Federal Trade Commission Act (15 U.S.C. 57a(f)(1)) is amended by inserting immediately after "paragraph (3))" the following: "and the National Credit Union Administration Board (with respect to Federal credit unions described in paragraph (4))".

(2) The last sentence of section 18(f)(1) of the Federal Trade Commission Act (15 U.S.C. 57a(f)(1)) is amended—

(A) by striking "either such" and inserting in lieu thereof "any such";

(B) by inserting "or Federal credit unions described in paragraph (4)," immediately after "paragraph (3)," each place it appears therein; and

(C) by inserting immediately after "with respect to banks" the following: ", savings and loan institutions or Federal credit unions".

(3) Section 18(f) of the Federal Trade Commission Act (15 U.S.C. 57a(f)) is amended by redesignating paragraphs (4), (5), and (6) as paragraphs (5), (6), and (7), respectively, and by inserting immediately after paragraph (3) the following:

"(4) Compliance with regulations prescribed under this subsection shall be enforced with respect to Federal credit unions under sections 120 and 206 of the Federal Credit Union Act (12 U.S.C. 1766 and 1786).".

TITLE VI—DEPOSIT AVAILABILITY

SHORT TITLE

SEC. 601. This title may be cited as the "Fair Deposit Availability Act of 1987".

DEFINITIONS

SEC. 602. For the purpose of this title—

(1) the term "Board" means the Board of Governors of the Federal Reserve System;

(2) the term "depository institution" means—

(A) any insured bank or domestic branch as defined in section 3 of the Federal Deposit Insurance Act or any bank which is eligible to make application to become an insured bank under section 5 of such Act;

(B) any mutual savings bank as defined in section 3 of the Federal Deposit Insurance Act or any bank which is eligible to make application to become an insured bank under section 5 of such Act;

(C) any savings bank as defined in section 3 of the Federal Deposit Insurance Act or any bank which is eligible to make application to become an insured bank under section 5 of such Act;

(D) any insured credit union as defined in section 101 of the Federal Credit Union Act or any credit union which is eligible to make application to become an insured credit union pursuant to section 201 of such Act;

(E) any member as defined in section 2 of the Federal Home Loan Bank Act; and

(F) any insured institution as defined in section 401 of the National Housing Act or any institution which is eligible to make application to become an insured institution under section 403 of such Act;

(3) the term "deposit account" means an account in a depository institution on which the account holder is permitted to make withdrawals by negotiable or transferable instruments, payment orders of withdrawal, telephone transfers, or other similar items for the purpose of making payments or transfers to third persons or others. Such term includes demand deposit accounts, negotiable order of withdrawal accounts, share draft accounts, savings deposits, and share accounts. Such term does not include time deposits;

(4) the term "consumer account" means a deposit account primarily used for personal, family, or household purposes;

(5) the term "check or similar instrument" means a check, negotiable order of withdrawal, share draft, money order, or similar instrument drawn on a depository institution located in the United States, but does not include noncash items; and

(6) the term "United States" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands.

DISCLOSURE OF FUNDS AVAILABILITY POLICIES

SEC. 603. (a)(1) Before opening a consumer account, a depository institution shall provide a written disclosure to the potential customer of its specific policy with respect to when a customer may withdraw funds deposited by check or similar instrument into the customer's consumer account.

(2) In the case of a consumer account which was opened prior to the effective date of this section, the depository institution shall include the disclosure required by paragraph (1) with the first regularly scheduled mailing pertaining to the account which occurs after such effective date (but not later than 90 days after such effective date) unless the depository institution has provided a disclosure which meets the requirements of this section prior to such effective date.

(b) Each depository institution shall—

(1) post at each location where its employees receive deposits a clear and conspicuous notice setting forth its general policy with respect to when a customer may withdraw funds deposited by check or similar instrument; and

(2) mail at least annually a brief reminder with respect to a consumer account that deposits by check or similar instrument may not be available for immediate withdrawal.

(c) Each owner of an automatic or electronic terminal shall provide at each terminal location where deposits may be made a brief reminder that deposits by check or similar instrument may not be available for immediate withdrawal.

(d) A depository institution shall give notice prior to implementing any change to the depository institution's policy with respect to when customers may withdraw funds deposited by check or similar instrument into consumer accounts, except that any change which expedites the availability of such funds may be disclosed after implementation.

(e) Each depository institution shall provide disclosure, consistent with the disclosures required under subsection (a), of its policy with respect to when a customer may withdraw funds deposited by check or similar instrument into a customer's account upon the request of any person.

(f) If a depository institution does not, as authorized by section 604(b), generally begin to compute interest or dividends on funds deposited by check or similar instrument to an interest-bearing deposit account or a time deposit on or before the date on which that depository institution receives provisional credit for the deposit, the depository institution shall provide a written disclosure, within the time periods required under subsection (a), with respect to when the institution begins to compute interest on such funds.

(g)(1) The Board shall publish model disclosure forms and clauses for common transactions to facilitate compliance with the disclosure requirements of this section and to aid customers by utilizing readily understandable language. Nothing in this title requires the use of any such model form or clause prescribed by the Board under this section. A depository institution shall be deemed to be in compliance with the provisions of this section if it—

(A) uses any appropriate model form or clause as published by the Board, or

(B) uses any such model form or clause and changes it by deleting any information which is not required by this title, or rearranging the format.

(2) Model disclosure forms and clauses shall be adopted by the Board after notice duly given in the Federal Register and an opportunity for public comment in accordance with section 553 of title 5, United States Code.

INTEREST ON DEPOSITS

SEC. 604. (a) For the purpose of computing the amount of interest or dividends payable with respect to an interest-bearing deposit account or a time deposit, a depository institution may not delay beginning to compute interest on funds deposited by check or similar instrument to such an account beyond the date on which that depository institution receives provisional credit for the check or similar instrument.

(b) Subsection (a) does not apply to a depository institution which begins the computation of interest at a later date than required by subsection (a) for all deposits, including cash deposits, made to the deposit account, subject to the notice requirement of section 603(f).

(c) Nothing in this section requires the payment of interest with respect to funds deposited by check or similar instrument which is returned unpaid.

INTERIM EXPEDITED FUNDS AVAILABILITY REGULATION

SEC. 605. (a) Not later than 12 months after the date of enactment of this Act, the Board shall promulgate regulations to expedite customer access to funds deposited by check or similar instrument into deposit accounts by expediting the process for returning all categories of unpaid items or other means in order to provide that receiving depository institutions can reasonably expect to learn of the nonpayment of items within the time periods established by the Board under subsection (b). Such regulations shall only be adopted after notice and opportunity for public comment.

(b) The regulation promulgated under subsection (a) shall provide that no more than 6 intervening business days shall pass between the day of deposit and the day of availability for funds deposited by check or similar instrument into deposit accounts at depository institutions, except that the Board may extend by one business day the time period where such extension is necessary to carry out subsection (a). In any case, the Board shall differentiate time periods based on the time necessary for a depository institution reasonably to expect to learn of the nonpayment of a check or similar instrument.

(c) The Board may, by regulation, establish reasonable exceptions to the time limits established under subsection (b)—

(1) for deposits by check or similar instrument in excess of $5,000 in any one day;

(2) for checks or similar instruments that have been returned unpaid and redeposited; and

(3) for deposit accounts which have been overdrawn repeatedly.

In no case may the length of time applicable to items described in the preceding sentence exceed 2 intervening business days beyond the time limits established by the Board under subsection (b), except that the Board shall prescribe reasonable time limits for checks and other instruments deposited into accounts other than consumer accounts for the purpose of clause (1).

EXPEDITED FUNDS AVAILABILITY RULEMAKING

SEC. 606. (a) Not later than 36 months after the date of enactment of this Act, the Board shall promulgate regulations to expedite customer access to funds deposited by check or similar instrument into deposit accounts at depository institutions either by improving the check clearing system in accordance with subsection (b) or by limiting the time period between the day of deposit and the day of funds availability in accordance with subsection (c).

(b)(1) The Board may promulgate regulations for the purpose of improving the check clearing system used by depository institutions for all categories of unpaid items by expediting the process for returning such unpaid items or other means in order to provide that receiving depository institutions can reasonably expect to learn of the nonpayment of items within the time periods established by the Board under paragraph (3).

(2) In prescribing the regulations under paragraph (1), the Board shall consider—

(A) adopting a uniform endorsement standard;

(B) providing for direct notification of returning checks and similar instruments to the depository institution of first deposit;

(C) providing for direct return of checks and similar instruments to the depository institution of first deposit;

(D) providing for settlement of all returned checks and similar instruments through the Federal Reserve Banks, regardless of whether such checks or similar instruments are handled by the Federal Reserve Banks;

(E) extending limits for returns;

(F) the use of electronic means of collecting and returning checks;

(G) providing for check truncation;

(H) the establishment of an automated return system;

(I) charging a depository institution based upon notification that a check or similar instrument will be presented for payment;

(J) creating incentives for depository institutions to return unpaid items promptly to the depository institutions of first deposit;

(K) dispensing with unnecessary endorsements;

(L) automating the reading of endorsements; and

(M) competitive factors and the provision of an adequate level of such services nationwide.

In prescribing regulations under this section, the Board shall balance the costs with the benefits of any improvements to be implemented.

(3) The regulation shall provide that no more than 4 intervening business days shall pass between the day of deposit and the day of availability for funds deposited by check or similar instrument into deposit accounts at depository institutions, except that the Board may extend by one business day the time period where such extension is necessary to carry out subsection (a). The Board shall differentiate time periods based on the time necessary for a depository institution reasonably to expect to learn of the nonpayment of a check or similar instrument.

(4) The Board may, by regulation, establish reasonable exceptions to the time limits established under paragraph (3)—

(A) for deposits by check or similar instrument in excess of $5,000 in any one day;

(B) for checks or similar instruments that have been returned unpaid and redeposited; and

(C) for deposit accounts which have been overdrawn repeatedly.

In no case may the length of time applicable to items described in the preceding sentence exceed 2 business days beyond the time limits established by the Board under paragraph (3), except that the Board shall prescribe reasonable time limits for checks and other instruments deposited into accounts other than consumer accounts for the purpose of clause (A).

(c)(1) The Board may promulgate regulations limiting the length of time during which funds deposited by check or similar instrument into deposit accounts at depository institutions are not available for withdrawal, to the number of days necessary to provide provisional credit, considering such factors as the type of instrument, type of institution, and geographic location.

(2) The Board may, by regulation, establish reasonable exceptions to the time limitations established under paragraph (1)—

(A) for deposits by check or similar instrument into new accounts;

(B) for large dollar deposits by check or similar instrument in any one day;

(C) for checks or similar instruments that have been returned unpaid and redeposited;

(D) for deposit accounts which have been overdrawn repeatedly; and

(E) for any other class of checks or similar instruments if the Board finds, based on substantial evidence after notice and an opportunity for public comment, that such class poses a serious risk of loss to depository institutions and that an exception would substantially reduce such risk.

(d)(1) In accordance with regulations established by the Board, subsection (b) of this section and subsections (b) and (c) of section 605 shall not apply to—

(A) any check or similar instrument where the depository institution has reasonable suspicion to believe that funds for the check or other item are uncollectable or receives a notice of a diversion or other delay in transit; or

(B) amounts deposited by check or similar instrument in a depository institution in the case of—

(i) any interruption of communication facilities;

(ii) suspension of payments by another depository institution;

(iii) any war; or

(iv) any emergency condition beyond the control of the receiving depository institution,

if the depository institution exercises such diligence as the circumstances require. In no case may the length of time applicable to items described in subparagraph (A) exceed 2 business days beyond the time limits established by the Board under this title.

(2) The Board may, by regulation or order, suspend the applicability of this section, section 605, or any portion of either section, to any class of checks if the Board determines that—

(A) depository institutions are experiencing an unacceptable level of losses due to check-related fraud; and

(B) suspension of this section, or such portion of this section, with regard to the class of checks involved in such fraud is necessary to diminish the volume of such fraud.

A regulation prescribed or order issued under this paragraph shall remain in effect for not more than 45 days (excluding Saturdays, Sundays, legal holidays, or any day either House of Congress is not in session), and shall require that funds be made available within a reasonable time.

(3)(A) Within 10 days of prescribing any regulation or issuing any order under paragraph (2), the Board shall transmit a report of such action to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(B) Each report under subparagraph (A) shall contain—

(i) the specific reason for prescribing the regulation or issuing the order;

(ii) evidence considered by the Board in making the determination under paragraph (2) with respect to such regulation or order; and

(iii) specific examples of the check-related fraud giving rise to such regulation or order.

(e) In any case where subsection (b)(4), (c)(2), or (d)(1) or section 605(c) applies—

(1) the depository institution shall provide immediate notice for deposits in person or, in the case of any other deposit, shall mail notice to the depositor not later than the close of the next business day following receipt of the deposit, as to the day the funds shall be made available for withdrawal and the reason the exception was invoked, except that—

(A) when the facts giving rise to the applicability of subsection (c)(2) or subsection (d)(1) occur after receipt of the deposit, the depository institution shall mail notice as soon as practicable; and

(B) when subsection (d)(1)(B)(iii) or subsection (d)(2) applies, notice shall be provided in accordance with regulations of the Board; and

(2) except where other time periods are specifically provided in this title, the availability of the funds deposited shall be governed by the policy of the receiving depository institution, but shall not exceed a reasonable period of time as determined by the Board.

(f)(1) The regulations prescribed under this section shall become effective not later than 36 months after the date of enactment of this section. Except for any regulation under subsection (d)(2), such regulations shall only be adopted after notice and opportunity for public comment.

(2) After such regulations become effective, the Board may, from time to time, revise the regulations to expedite further the availability of funds deposited by check or similar instrument.

AVAILABILITY OF GOVERNMENT CHECKS

SEC. 607. In accordance with regulations prescribed by the Board, which shall be issued after notice and opportunity for public comment and which shall become effective not later than 12 months after the date of enactment of this Act, funds deposited at a depository institution by check shall be available for withdrawal not later than the date when the depository institution is given provisional credit for that check; or if provisional credit is given on a nonbusiness day, on the next business day, where the check—

(1) is endorsed only by the person to whom it was issued; and

(2)(A) is drawn on the Treasury of the United States; or

(B) is drawn on the treasury of a State or unit of general local government located in the same State as the receiving depository institution, is deposited in a depository institution that is staffed by employees of that depository institution, and is deposited along with a special deposit slip that indicates that the check is drawn on the treasury of a State or unit of local government.

ADMINISTRATIVE ENFORCEMENT

SEC. 608. (a) Compliance with the requirements imposed under this title shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act in the case of—

(A) national banks, by the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), by the Board; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System and Federal savings banks), by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 5(d) of the Home Owner's Loan Act of 1933, section 407 of the National Housing Act, and section 17 of the Federal Home Loan Bank Act, by the Federal Home Loan Bank Board (acting directly or through the Federal Savings and Loan Insurance Corporation), in the case of any institution subject to any of those provisions; and

(3) the Federal Credit Union Act, by the Administrator of the National Credit Union Administration with respect to any Federal credit union or insured credit union.

(b) For the purpose of the exercise by any agency referred to in subsection (a) of this section of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (a) of this section, each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title, any other authority conferred on it by law.

(c) Except to the extent that enforcement of the requirements imposed under this title is specifically committed to some other Government agency under subsection (a) of this section, the appropriate State regulatory authority shall enforce such requirements.

(d) The authority of the Board to issue regulations under this title does not impair the authority of any other authority designated in this section to make rules respecting its own procedures in enforcing compliance with requirements imposed under this title.

CIVIL LIABILITY

SEC. 609. (a) Except as otherwise provided in this section, any depository institution which fails to comply with any requirement imposed under section 603, 604, 605, 606, or 607 with respect to any person is liable to such person in an amount equal to the sum of—

(1) any actual damage sustained by such person as a result of the failure;

(2)(A) in the case of an individual action, such additional amount as the court may allow, except that the liability under this subparagraph shall not be less than $50 nor greater than $500; or

(B) in the case of a class action, such amount as the court may allow, except that as to each member of the class no minimum recovery shall be applicable, and the total recovery under this subparagraph in any class action or series of class actions arising out of the same failure to comply by the same depository institution shall not be more than the lesser of $500,000 or 1 per centum of the net worth of the depository institution; and

(3) in the case of any successful action to enforce the foregoing liability, the costs of the action, together with a reasonable attorney's fee as determined by the court.

In determining the amount of award in any class action, the court shall consider, among other relevant factors, the amount of any actual damages awarded, the frequency and persistence of failures of compliance, the resources of the depository institution, the number of persons adversely affected, and the extent to which the failure of compliance was intentional.

(b) A depository institution may not be held liable in any action brought under this section for a violation of section 603, 604, 605, 606, or 607 if the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid any such error. Examples of a bona fide error include, but are not limited to, clerical, calculation, computer malfunction and programming, and printing errors, except that an error of legal judgment with respect to a person's obligations under this title is not a bona fide error.

(c) Any action under this section may be brought in any United States district court, or in any other court of competent jurisdiction, within one year from the date of the occurrence of the violation.

(d) No provision of this section imposing any liability shall apply to any act done or omitted in good faith in conformity with any rule, regulation, or interpretation thereof by the Board or in conformity with any interpretation or approval by an official or employee of the Federal Reserve System duly authorized by the Board to issue such interpretations or approvals under such procedures as the Board may prescribe therefor, notwithstanding that after such act or omission has occurred, such rule, regulation, interpretation, or approval is amended, rescinded, or determined by judicial or other authority to be invalid for any reason.

MISCELLANEOUS

SEC. 610. (a) For the purpose of this title, any deposit which is made on a Saturday, Sunday, legal holiday, or after the close of business on any business day shall be deemed to have been made on the next business day.

(b) Whenever any provision of this title requires that funds be available for withdrawal on a business day, such funds shall be available for withdrawal 2 hours after the start of such business day.

EFFECT ON CHECK ACCEPTANCE POLICIES AND OTHER LAWS

SEC. 611. (a) Nothing in this title—

(1) prevents a depository institution, in accordance with the policy of such depository institution, from making funds available for withdrawal in a shorter period of time than is provided in this title or in regulations adopted by the Board; and

(2) affects a depository institution's right—

(A) to accept or reject a check for deposit; or

(B) if a check is accepted for deposit and the depository institution has made provisional settlement with the depositor, pursuant to law to—

(i) revoke the provisional settlement given by the depository institution;

(ii) charge back the depositor's account; or

(iii) claim a refund of such provisional credit.

(b) Any law or regulation of any State which requires that funds deposited or received for deposit in an account at a depository institution chartered by such State be made available for withdrawal in a shorter period of time than the period of time provided in this title or in regulations prescribed by the Board under this title shall—

(1) supersede the provisions of this title and any regulations by the Board to the extent such provisions relate to the time by which funds deposited or received for deposit in an account shall be available for withdrawal; and

(2) apply to all federally insured depository institutions located within such State.

This subsection shall apply only if the Board has promulgated a regulation under section 606(c), and the State law or regulation has taken effect prior to the date of enactment of this Act.

(c) Except as provided in subsections (a) and (b), the provisions of this title or any regulation of the Board prescribed under this title shall supersede the provisions of any State law, including the Uniform Commercial Code as in effect in any State, which the Board determines to be inconsistent with the provisions of this title or such regulation, but only to the extent of the inconsistency.

REGULATIONS

SEC. 612. The Board shall prescribe regulations after notice and opportunity for public comment to carry out this title. These regulations may contain such definitions, classifications, differentiations, or other provisions, and may provide for such adjustments and exceptions for any class of transactions, consistent with section 605(c) and subsections (b)(4), (c), and (d) of section 606 of this title, as the Board determines are necessary to effectuate this title, to prevent circumvention or evasion of this title, or to facilitate compliance with this title. The regulations of the Board shall require all disclosures, statements, and notices provided to be clear and conspicuous and in language that can be readily understood.

IMPROVING PAYMENT MECHANISMS

SEC. 613. Not later than one year after the implementation of regulations under section 606, the Board shall prepare a study and submit its findings to the Congress on—

(1) the effect of the changes made by section 606, and the advisability and feasibility of further changes;

(2) an assessment of improvements that can be made in the check collection system, including improved procedures for the return of unpaid items, reduction of costs, reduction in the number of returned checks, greater speed and efficiency in the check collection and return system, utilization of more efficient technology, and parity of treatment of depository institutions; and

(3) an assessment of the use of electronics in payments and of the need for improvements in the way the payments system provides services so as to ensure efficient and affordable services, including the possible development of additional electronic services.

PARITY IN CLEARING

SEC. 614. (a) Section 11A of the Federal Reserve Act (12 U.S.C. 248a) is amended by adding at the end thereof the following:

"(e) All depository institutions, as defined in section 19(b)(1) (12 U.S.C. 461(b)(1)), may receive for deposit and as deposits any evidences of transaction accounts, as defined by section 19(b)(1) (12 U.S.C. 461(b)(1)) from other depository institutions, as defined in section 19(b)(1) (12 U.S.C. 461(b)(1)) or from any office of any Federal Reserve bank without regard to any Federal or State law restricting the number or the physical location or locations of such depository institutions.".

(b) The amendment made by subsection (a) takes effect on the date of enactment of this Act.

EFFECTIVE DATE

SEC. 615. Except as provided in sections 605, 606, 607, and 612, this title takes effect upon the expiration of 12 months following its enactment.

ADJUSTABLE MORTGAGE CAPS

SEC. 616. (a) An adjustable rate mortgage loan that is originated by a creditor shall include a limitation on the maximum interest rate that may apply during the term of the mortgage loan.

(b) The Board of Governors of the Federal Reserve System shall prescribe regulations to carry out the purposes of this section.

(c) Any violation of this section shall be treated as a violation of the Truth in Lending Act and shall be subject to administrative enforcement under section 108 or civil liability under section 130 of such Act, or both.

(d) For the purpose of this section—

(1) the term "creditor" means a person who regularly extends credit for personal, family, or household purposes; and

(2) the term "adjustable rate mortgage loan" means any loan secured by a lien on a one to four family dwelling unit, including a condominium unit, cooperative housing unit, or mobile home, where the loan is made pursuant to an agreement under

which the creditor may, from time to time, adjust the rate of interest.

PRIVATELY OPERATED PAYMENTS PROVIDERS

SEC. 617. Nothing in the first paragraph of section 13 of the Federal Reserve Act shall be construed to prohibit or exempt the Federal Reserve Board or any Federal Reserve Bank from paying fees on a non-discriminatory basis to privately operated payments providers.

TITLE VII—CHECK CASHING

SHORT TITLE

SEC. 701. This title may be cited as the "Fair Access to Check Cashing Act".

CHECK CASHING

SEC. 702. (a) A depository institution which, in the ordinary course of business, cashes checks for customers, shall cash any check issued by the United States Government, any State, any unit of local government, or any agency thereof, if the consumer presenting the check—

(1) is the individual to whom the check has been issued; and

(2) is registered with the depository institution pursuant to subsection (b).

(b) The Board shall promulgate regulations governing registration under this section. The regulations shall require, but need not be limited to, the following:

(1) Every such depository institution shall provide for registration in all of its offices.

(2) Registration shall be by means of an application containing the application date, and the name, address, date of birth, social security number, and handwritten signature of the applicant as well as any other information the Board may deem necessary, or by any other method the Board may approve.

(3) Every depository institution shall have the authority to verify the information required to be submitted by the applicant.

(4) Verification shall be completed within thirty days of receipt of the application.

(5) Upon verification, the applicant shall be considered registered, and shall be provided by the depository institution with an identification card in such form as the Board may approve.

(6) The depository institution may restrict the cashing of any check presented in accordance with subsection (a) only to the office that the application was submitted to, except that all offices of the depository institution must cash any check presented in accordance with subsection (a) if the person presenting the check also presents a reliable piece of identification which includes a photograph.

(7)(A) A depository institution may assess a charge for issuing an identification card, in an amount not in excess of the actual cost incurred in processing the application and issuing the card, as determined to be fair and reasonable by the Board.

(B) No charge may be assessed for cashing checks pursuant to subsection (a).

POSTING OF NOTICES

SEC. 703. Every depository institution shall post a conspicuous notice in the appropriate area of each location where deposits are accepted that informs consumers that check cashing services pursuant to section 702 of this title are available. The notice shall clearly explain the material features and limitations of check cashing services so that consumers can reasonably be expected to understand the terms offered.

REGULATIONS

SEC. 704. The Board shall prescribe regulations necessary to carry out the provisions of this title. In promulgating such rules and regulations, the Board may obtain upon request the views of any other Federal agency that exercises regulatory or supervisory functions with respect to depository institutions subject to this title.

ADMINISTRATIVE ENFORCEMENT

SEC. 705. (a) Compliance with the requirements imposed under this title shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act, in the case of—

(A) national banks, by the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks) by the Board; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System), by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 5(d) of the Home Owners' Loan Act of 1933, section 407 of the National Housing Act, and sections 6(i) and 17 of the Federal Home Loan Bank Act, by the Federal Home Loan Bank Board (acting directly or through the Federal Savings and Loan Insurance Corporation), in the case of any institution subject to any of those provisions; and

(3) the Federal Credit Union Act, by the Administrator of the National Credit Union Administration with respect to any Federal credit union or insured credit union.

(b)(1) For purposes of the exercise by any agency referred to in subsection (a) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be in violation of a requirement imposed under that Act.

(2) In addition to its powers under any provision of law specifically referred to in subsection (a), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title, any other authority conferred on it by law.

(c) The authority of the Board to issue regulations under this title does not impair the authority of any other agency designated in this section to make rules respecting its own procedures in enforcing compliance with requirements imposed under this title.

CIVIL LIABILITY

SEC. 706. (a) Any depository institution that fails to comply with any requirement imposed under this title or any regulation adopted pursuant to this title with respect to any person shall be liable to such person in an amount equal to the sum of—

(1) any actual damage sustained by such person as a result of the failure; and

(2)(A) in the case of an individual action, such additional amount as the court may allow, except that liability under this subparagraph shall not be less than $100 nor greater than $1,000; or

(B) in the case of a class action, such additional amount as the court may allow, except that—

(i) as to each member of the class, no minimum recovery shall be applicable; and

(ii) the total recovery under this subparagraph in any class action or series of class actions arising out of the same failure to comply by the same depository institution shall not be more than the lessor of $500,000 or 1 percent of the net worth of the depository institution.

(b) In determining the amount of award in any class action, the court shall consider, among other relevant factors—

(1) the amount of any actual damages awarded;

(2) the frequency and persistence of failures of compliance;

(3) the resources of the depository institution;

(4) the number of persons adversely affected; and

(5) the extent to which the failure to comply was intentional.

(c) Upon application by an aggrieved party, the appropriate United States district court or any other court of competent jurisdiction may grant such equitable and declaratory relief as is necessary to enforce the requirements imposed under this title.

(d) In the case of any successful action under subsection (a) or (c), the costs of the action, together with a reasonable attorney's fee as determined by the court, shall be added to any damages awarded by the court under such section.

(e) No provision of this title imposing liability shall apply to any act done or omitted in good faith in conformity with any official rule, regulation, or interpretation thereof by the Board or in conformity with any interpretation or approval by an official or employee of the Federal Reserve System duly authorized by the Board to issue such interpretations or approvals under such procedures as the Board may prescribe therefor, notwithstanding that after such act or omission has occurred, such rule, regulation, interpretation, or approval is amended, rescinded, or determined by judicial or other authority to be invalid for any reason.

(f) Any action under this section may be brought in the appropriate United States district court without regard to the amount in controversy, or in any other court of competent jurisdiction. No such action shall be brought later than one year after the date of the occurrence of the violation.

DEFINITIONS

SEC. 707. For the purpose of this title—

(1) the term "consumer" means a natural person;

(2) the term "check" means any check, share draft, negotiable order of withdrawal, or other similar means of making payment or transfers to third parties or other;

(3) the term "depository institution" has the meaning given such term in clauses (i), (ii), (iii), (iv), (v), and (vi) of section 19(b)(1)(A) of the Federal Reserve Act;

(4) the term "Board" means the Board of Governors of the Federal Reserve System; and

(5) the term "office" includes the home office of a depository institution and any office approved as a branch of the depository institution by its Federal or State supervisory agency, but excludes free-standing automated teller machines and other electronic terminals.

TITLE VIII—LOAN LOSS AMORTIZATION FOR AGRICULTURAL BANKS

LOAN LOSS AMORTIZATION FOR AGRICULTURAL BANKS

SEC. 801. Section 13 of the Federal Deposit Insurance Act (12 U.S.C. 1823) is amended by adding at the end thereof the following:

"(j)(1) The appropriate Federal banking agency shall permit an agricultural bank to take the actions referred to in paragraph (2) if it finds that there is no evidence that fraud or criminal abuse on the part of the bank led to the losses referred to in paragraph (2).

"(2)(A) Any loss on any qualified agricultural loan that an agricultural bank would otherwise be required to show on its annual financial statement for any year between December 31, 1983, and January 1, 1992, may be amortized on its financial statements over a period of not to exceed 10 years, as specified in regulations issued by the appropriate Federal banking agency.

"(B) An agricultural bank may reappraise the value of any real estate or other property, real or personal, that it acquired coincident to the making of a qualified agricultural loan and that it owned on January 1, 1983, and any such additional property that it acquires prior to January 1, 1992. Any loss that such bank would otherwise be required to show on its annual financial statements as the result of such reappraisal may be amortized on its financial statements over a period of not to exceed 10 years, as specified in regulations issued by the appropriate Federal banking agency.

"(3) The appropriate Federal banking agency may issue regulations implementing this subsection with respect to banks that it supervises.

"(4) As used in this subsection—

"(A) the term 'agricultural bank' means a bank—

"(i) the deposits of which are insured by the Federal Deposit Insurance Corporation:

"(ii) which is located in an agricultural area the economy of which is dependent on agriculture;

"(iii) which has assets of $100,000,000 or less; and

"(iv)(I) which has at least 25 percent of its total loans in qualified agricultural loans; or

"(II) which has fewer than 25 percent of its total loans in qualified agricultural loans but which the appropriate Federal banking agency or State bank commissioner recommends to the Corporation for eligibility under this section, or which the Corporation, on its motion, deems eligible; and

"(B) the term 'qualified agricultural loan' means a loan made to finance the production of agricultural products or livestock in the United States, a loan secured by farmland or farm machinery, or such other category of loans as the appropriate Federal banking agency may deem eligible.

"(5) As a condition of eligibility under this subsection, the agricultural bank must agree to maintain in its loan portfolio a percentage of agricultural loans which is not lower than the percentage of such loans in its loan portfolio on January 1, 1986.".

TITLE IX—FULL FAITH AND CREDIT OF FEDERALLY-INSURED FINANCIAL DEPOSITORY INSTITUTIONS

FULL FAITH AND CREDIT OF FEDERALLY-INSURED FINANCIAL DEPOSITORY INSTITUTIONS

SEC. 901. The Congress finds and declares that—

(a) Since the 1930s, the American people have relied upon Federal deposit insurance to ensure the safety and security of their funds in federally insured depository institutions; and

(b) The security of such funds is an essential element of the American financial system.

SEC. 702. In view of the findings and declarations of subsections (a) and (b) of section 901, therefore, it is the sense of the Congress that it reaffirm that deposits up to the statutorily prescribed amount, in federally insured depository institutions are backed by the full faith and credit of the United States.

TITLE X—HIGH YIELD BOND STUDY

HIGH YIELD BOND STUDY

SEC. 1001. (a) The Comptroller General, in coordination and consultation with the Securities and Exchange Commission, the Federal Home Loan Bank Board, the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Savings and Loan Insurance Corporation, the Federal Deposit Insurance Corporation, the Secretary of the Treasury, and the Secretary of Labor shall study on a comparative basis to other types of investments made by federally insured institutions the issuance of and investment in high yield, noninvestment grade bonds during the 5 years prior to the date of enactment of this Act, including—

(1) the identity and rating (as determined by Moody's, Standard and Poor's, or other nationally recognized bond rating house) of the issuers of these bonds;

(2) the identity of the major purchasers of these bonds, including but not limited to federally insured depository institutions;

(3) the percentage of the total amount of high yield, noninvestment grade bonds that are issued as a method of financing corporate takeovers;

(4) the identity of the purchasers including, but not limited to, federally insured depository institutions that invest in high yield, noninvestment grade bonds that are issued as a method of financing corporate takeovers;

(5) the purposes for which high yield, noninvestment grade bonds are issued other than for financing corporate takeovers;

(6) a summary and analysis of the adequacy of current State and Federal laws that regulate investment in high yield, noninvestment grade bonds, by investors including, but not limited to, federally insured depository institutions and pension funds; and

(7) a review of the impact of the issuance of and investment in high yield, noninvestment grade bonds upon corporate debt as it relates to Federal monetary policy.

(b) In addition to the collection of information through surveys, public document review, interviews, and other information-gathering methods, at least one joint public hearing shall be held during the course of conducting the study.

(c) The Comptroller General shall transmit a report containing the results of the study under this section to the Congress not later than July 1, 1987.

Mr. PROXMIRE. Mr. President, this has been cleared with the minority manager, Senator GARN.

I ask unanimous consent that amendment No. 68 to S. 790 be deemed to have been adopted. It is an amendment to a section that has already been amended. So technically it was out of order, but there was no objection at the time. I understand that this procedure, asking unanimous consent, will qualify it.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, I just want to take a moment to comment on the action that has just been announced by the Chair. I think the size of this vote is a very strong indication of the Senate for the process that this legislation sets in motion.

I want to say, if I could have the attention of the Senator from Wisconsin, I wish to acknowledge the leadership of Senator PROXMIRE on this issue. This is very difficult subject matter, and to find a way to bring together a consensus around which the Senate itself can stand is very difficult to do.

The fact that the Senator from Wisconsin has been able to do that within a relatively short time, at the beginning of the 100th Congress, I think is a great credit to him. He has been a Senator who has had a really spectacular career over many years here in the Senate, but I think this achievement ranks among the very best and my hat is off to him.

I want to say, as well, I think the members of the committee, working together, both in discussions and meetings prior to the committee markup and then during the committee markup, have demonstrated the ability to think and work in a teamwork fashion. I think the results of that kind of process have shown their benefits here today when we were able to bring a complex matter to the floor, able to take and deal with issues that come up in the Senate as a whole and produce a bill that is sound and that an overwhelming majority of the Senate finds that it wishes to support, as this previous vote demonstrates.

So I think this is a day in which the Senate can take some pride in its work, and very particularly in the leadership of the Senator from Wisconsin.

Mr. PROXMIRE. Will the Senator yield?

Mr. RIEGLE. Yes.

Mr. PROXMIRE. Mr. President, I want to thank my good friend from Michigan. There is no question that the cooperation between the chairman and other members of the committee was really largely the initiative, as the Senator from Michigan knows very well, of the other members of the committee. They deserve a great deal of credit for it. I am very proud of the committee. I think it is an excellent committee.

I want to take this occasion to thank as I think a fine a staff as I have ever worked with. I have been on the committee 30 years, I have been in the Senate 30 years, I have been on some other committees, and we have been gifted by excellent staff throughout the years. They do the work. They know the answers which we often do not. I think this is a particularly classy, well-qualified, and most helpful staff. It is a great pleasure to work with them, and a great pleasure to work with my good friend from Michigan.

Mr. RIEGLE. Mr. President, if I may just continue for a moment, I will be very brief.

I want to say again to all the parties of interest in the financial services industry and which care about the financial services industry that what this legislation does is sets in motion a process that will unfold over the next 12 months. Everybody is expected to be a constructive player in that process. I think the only way it can work is not only with the good faith efforts of all the Members of the Congress but with the outside interest groups coming forward and participating fully and openly in trying to assess the question of foreign competition coming into this market and how we structure ours—not just for the next 6 months or the next 2 or 3 years but looking out the next decade and beyond so we are in a position to have our capital markets and our financial services industry in this country absolutely as strong as they can be.

It is the lifeblood of our economic private sector system to be able to amass our capital, move it around, and get it into the right places at the right times with the sufficient degree of safety, soundness and investor confidence.

So it is essential that we address these questions with great care and that we produce a result within this 12-month period of time that will stand the test of time. We will need the help of those in the private sector. I expect them to give a full measure of cooperation to this effort. I thank the Chair.

I yield the floor.

COMMENDATION OF SENATOR PROXMIRE

Mr. STENNIS. Mr. President, will the Senator from Wisconsin yield to me for a moment? I want to commend him and thank him for another fine service that he has rendered to this body, and to the Nation. I commend him for his high attention and high respect for his duty, and the amazing way in which he carried it out. I understand through all the years in which he has been here he has never missed a single rollcall vote.

Mr. PROXMIRE. I thank my good friend from Mississippi.

Some people say we would have had a better country if I missed them all. But I want to thank my good friend. He is a man all of us revere and admire so much. He was a great figure in the Senate when I came here. He has continued to be that. I think in all the years of the Senate history there is nobody who has given it more dignity, more intelligence, or more integrity than my good friend from Mississippi.

Mr. STENNIS. I thank the Senator and commend him again for his quality leadership.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The majority leader.

VISIT TO THE SENATE BY THE LEADER OF THE BRITISH LABOR PARTY, THE RIGHT HONORABLE NEIL KINNOCK, AND KEVIN BARRON, A MEMBER OF PARLIAMENT

Mr. BYRD. Mr. President, the distinguished Senator from Rhode Island has distinguished guests here in the Chamber. I would like to have the Senator from Rhode Island present those distinguished visitors to the Members of the Senate.

I apologize for the attendance on the Senate floor. It is rather small. But we have had a very active day. There were a great number of Senators present earlier, and several rollcall votes occurred today. Those Senators have had to scatter to the four winds, and catch planes.

If the Senator, with that explanation to our visitors, will present our distinguished guests, we will now have an opportunity to greet them.

Mr. CHAFEE. Mr. President, I want to thank the distinguished majority leader.

It is my distinct pleasure to introduce to the Senate Mr. Neil Kinnock, leader of the British Labor Party, and accompanying him is Mr. Kevin Barron, a Member of Parliament.

I hope everyone will join me in welcoming these distinguished visitors.

[Applause, and Senators rising.]

I would like to also say that all Senators—I know Senators have duties and are scattering—are invited to the Republican leader's office for a cup of tea and an opportunity to say hello. That is in the Republican leader's office in room S-230 down the hall where Senators may have a cup of tea and meet our distinguished guests.

RECESS UNTIL 3:47

Mr. BYRD. Mr. President, we are hoping to get a couple of time agreements before very long.

I ask unanimous consent that—so that Senators may have an opportunity to say hello to our distinguished visitors before they leave the floor—the Senate stand in recess for 2 minutes.

Mr. PRESIDING OFFICER. Without objection is it so ordered.

Thereupon, at 3:45 p.m., the Senate recessed until 3:47 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. ROCKEFELLER].

Mr. BYRD addressed the Chair.

Mr. PRESIDING OFFICER. The majority leader is recognized.

Mr. BYRD. I thank the Chair.

COMMENDING THE LEADERSHIP ON THE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. BYRD. Mr. President, while we are waiting for the final details in connection with time agreements, I simply want to add my compliments to those that have been expressed with respect to the leadership that has been shown by both managers of the banking bill, Senator PROXMIRE, the chairman of the committee, and Senator GARN, the ranking member.

This was a difficult bill. There were many tough issues involved. Senators on all sides worked together to resolve their differences, and I think in the final analysis produced a very good product.

I commend both Senators, and personally thank them.

Mr. DOLE. Mr. President, I would like to congratulate the distinguished chairman of the committee, Senator PROXMIRE, and his counterpart on the other side, Senator GARN, for their efforts even though they were on opposing sides.

I have had an opportunity to visit briefly with Senator PROXMIRE. He indicates that he does wish to work with the administration. They have a number of problems with this legislation that passed the Senate. But it is my hope that the administration and the Congress can work together because there are a number of very important provisions in the bill passed by the Senate, and I know the Senator from Wisconsin [Mr. PROXMIRE] will approach those negotiations in good faith.

Mr. LEVIN. Mr. President, I commend the chairman of the Senate Banking Committee, the ranking member and former chairman, and all the Members of the Senate who have been working so diligently and long on this most complex and important issue.

All agree and understand that we must restructure the statutes and regulations governing financial institutions in America. The questions that have been before us this week are not so much what the final form and structure of those regulations and statutes will be in the years ahead, but rather how this restructuring will occur. This legislation is an important step, and sets in motion the process that we will use to resolve the questions and settle the disputes between the myriad of conflicting legitimate interests.

As we have heard these last 3 days, all agree that the market and technology have outstripped the statutes and regulations. Dramatic changes have evolved, and continued rapid change is inevitable. One of the questions before us is: Should these changes happen piecemeal, decided by unelected regulators and the courts, or should Congress decide policy in a rational, structured way?

I had serious concerns that legislation not tip the competitive balance unfairly. That is why I am pleased that the Senate has accepted wise amendments to address this concern. I am pleased that the amendment by Senator BREAUX has been incorporated into this legislation, for it is an important contribution to help rectify what many saw as competitive inequities. I am please that my colleague from Louisiana's amendment to title II addresses the concern that foreign banks not be allowed to obtain business at the expense of American banks during the period of the moratorium. It is a sensible addition to this legislation to limit the activities of foreign banks during the moratorium so they do not gain an unfair advantage.

A very important concern of mine has been that once we impose this 1-year moratorium, we not allow it to extend beyond 1 year. I am heartened, and have been persuaded, by the assurances we have heard repeatedly that this will not happen. I am pleased that the amendment the Senate accepted yesterday states the intent of the Senate not to renew or extend the moratorium.

Mr. President, this legislation is not all that I would wish. But, it is important to understand what this legislation is—it is a reasonable approach to creating a process which will enable the Senate Banking Committee, the Presidential Commission, and the entire Congress to forge the major restructuring of financial institutions in America that is needed.

I support this legislation as an important beginning step. I look forward to the results of the work in the coming months by the committee and the Presidential Commission. The Congress has an important responsibility, and has made important commitments. We must now carry out those commitments.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of morning business not to extend beyond the hour of 4:15 p.m. today, and that Senators may speak during that period for not to exceed 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 698, A BILL TO PROVIDE FOR THE USE OF MUSICAL WORKS IN SYNDICATED TELEVISION PROGRAMS

Mr. THURMOND. Mr. President, on Tuesday, March 24, I asked unanimous consent for a star printing of S. 698, a bill which would change the way that music is licensed for syndicated television programming. This is similar to a bill that I introduced in the 99th Congress. When this bill was being readied for introduction in the 100th Congress, several drafts were prepared. Unfortunately, an incorrect draft was submitted with my statement when I introduced the bill on March 10, 1987.

The version of this legislation that I am offering for consideration during this Congress is essentially the same bill that I introduced last Congress, with one addition. That new provision would mandate that when the broadcast rights to syndicated programming are sold, the composer would have a right to receive compensation. This provision is intended to address concerns raised by composers during the last Congress.

This bill has been referred to the Judiciary Committee, and I look forward to further consideration of this complex, but important issue.

USDA INSPECTION PROGRAM

Mr. LEAHY. Mr. President, after I became chairman of the Committee on Agriculture, Nutrition, and Forestry my staff began investigating complaints about increasing outbreaks of food poisoning. What we have learned about the USDA's Food Safety Inspection Service and their poultry inspection procedures is very disturbing. I have obtained affidavits from USDA poultry inspectors that show USDA officials are gutting the inspection program. Tainted poultry is showing up in restaurants, supermarket shelves, and kitchens across America.

For example, one affidavit from a USDA commodity grader, a USDA employee since 1972, states that "until 1980 the poultry industry produced in my opinion a fairly wholesome and usually accurately graded product * * *. From 1980 until the present time the descent from wholesome and properly graded product has been on a rapid and daily accelerated descending decline."

This breakdown in the USDA inspection and grading system is a growing public health hazard. American ranchers and farmers produce the best meats in the world. Our steaks and other red and white meat products are the envy of meat producers in other countries. It is imperative that this high quality meat and poultry get to the consumers uncontaminated.

I am scheduling a full committee hearing for next month so that the other committee members can hear testimony from USDA inspectors about the charges made in their affidavits. To reduce any efforts by USDA to intimidate these witnesses I am withholding their names. However, at the hearing copies of their affidavits will be distributed.

The amount of foodborne infectious disease in the United States is on the increase. The Centers for Disease Control, in Atlanta, GA, estimates that over 7,000 people per year die from foodborne bacterial illnesses and over 6 million become ill. This is a national disgrace and contaminated poultry is a major cause.

The reported number of cases of salmonella food poisoning has increased at a frightening pace. The USDA stamp of approval on poultry is becoming meaningless. In the 3 years between 1980 and 1983 the reported cases of salmonella poisoning increased by 30 percent. From 1980 to 1985 the reported cases of salmonella increased by 50 percent. This is outrageous.

It is estimated that 2 to 3 million people annually may be infected by this type of food poisoning. While healthy adults almost always survive, infants and the elderly can die from it. The Merck medical manual reports that, "salmonella infections * * * are an increasing public health problem."

Salmonella infections can have long lasting effects. Some infections can lead to chronic arthritis. Two thousand infections lead to death each year. An earlier study showed that over 30 percent of chickens sold in the United States contained salmonella bacteria.

Another serious disease caused by eating infected poultry is campylobacter food poisoning. It is estimated that over 2.1 million Americans are yearly infected with this disease. It can cause arthritis or meningitis. Around 2,000 people die from this foodborne disease each year. One report showed that over 30 percent of all chickens tested harbored this organism.

Unfortunately, this is the tip of the iceberg. I have only discussed 2 of the 15 or so bacterial organisms that cause foodborne illnesses and deaths in the United States.

USDA poultry inspection procedures and policies do not protect the public. This is outrageous. We have witnesses that will testify about USDA approved poultry which is contaminated with disease and foreign particles such as machinery grease. USDA inspectors will testify about pressures put on them to approve diseased and contaminated poultry.

This must stop. Americans have the right to expect that the quality meats produced in America by hard working farmers will get to the consumer's table uncontaminated.

My staff has been working with the Government accountability project which has been assisting in the legal defense of USDA inspectors threatened or coerced by USDA officials to approve diseased or contaminated poultry. Tom Devine, the legal director of the Government accountability project, has agreed to testify about these USDA abuses. He is also representing USDA inspectors who are being hindered in their efforts to reject poultry that should not be USDA approved for human consumption.

When the Congress was considering the USDA budget the Food Safety Inspection Service assured us that it had sufficient funds to properly inspect and grade poultry through newer, more efficient, procedures. I am concerned that some of these new procedures under the guise of efficiency may be part of the problem, for what we have gained in efficiency we may well have sacrificed in safety. The committee will carefully look into this "Streamlined Inspection System" to see if it is doing the job it is supposed to do.

Another witness will testify about the possible need for mandatory Federal inspection of fish for wholesomeness. A recent report by the public voice for food and health policy, dated November 1986, discusses their urgent recommendation for mandatory inspection of fish. Fish and shellfish can carry bacteria, viruses and toxic chemicals. These toxic substances can include mercury, lead, arsenic, DDT, and dioxins. The Agriculture Committee needs to examine whether legislation to mandate seafood inspection is needed.

Mr. President, these hearings I suspect will be contentious, may possibly be controversial, but I think they are imperative. When we see the possibility of food contamination of this scale in the United States, which has justifiably had the reputation of having the best inspected food, certainly the best produced food in the world, then we have a matter of concern to all of us.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting a nomination, which was referred to the Committee on Armed Services.

(The nomination received today is printed at the end of the Senate proceedings.)

ANNUAL REPORT OF THE NATIONAL ENDOWMENT FOR THE ARTS AND THE NATIONAL COUNCIL ON THE ARTS—MESSAGE FROM THE PRESIDENT—PM 29

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with the provisions of the National Foundation on the Arts and Humanities Act of 1965, as amended, I transmit herewith the Annual Report of the National Endowment for the Arts and the National Council on the Arts for the Fiscal Year 1986.

RONALD REAGAN.

THE WHITE HOUSE, March 27, 1987.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PELL, from the Committee on Foreign Relations, with an amendment in the nature of a substitute:

S.J. Res. 90. A joint resolution disapproving the certification by the President under section 481(h) of the Foreign Assistance Act of 1961 (Rept. No. 100-24).

S.J. Res. 91. A joint resolution disapproving the certification by the President under section 481(h) of the Foreign Assistance Act of 1961 (Rept. No. 100-25).

S.J. Res. 92. A joint resolution disapproving the certification by the President under section 481(h) of the Foreign Assistance Act of 1961 (Rept. No. 100-26).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. NUNN (for himself and Mr. WARNER) (by request):

S. 864. A bill to authorize appropriations for fiscal years 1988 and 1989 for military functions of the Department of Defense and to prescribe military personnel levels for such Department for fiscal years 1988 and 1989, and for other purposes; to the Committee on Armed Services.

By Mr. NUNN (for himself and Mr. WARNER) (by request):

S. 865. A bill to authorize appropriations for civil defense programs for fiscal years 1988 and 1989, and for other purposes; to the Committee on Armed Services.

By Mr. NUNN (for himself and Mr. WARNER) (by request):

S. 866. A bill to authorize certain construction at military installations for fiscal years 1988 and 1989, and for other purposes; to the Committee on Armed Services.

By Mr. HATCH:

S. 867. A bill to amend title VIII of the act commonly called the Civil Rights Act of 1968 to revise the procedures for the enforcement of fair housing, and for other purposes; to the Committee on the Judiciary.

By Mr. FORD:

S. 868. A bill to require the Secretary of Agriculture and the Secretary of Commerce to conduct a joint study of commodities and products that may be produced and marketed in conjunction with the production of tobacco; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DOLE:

S. 869. A bill to amend part D of title IV of the Social Security Act to require that mandatory income withholding of court-ordered child support begin automatically when the court order is issued, to strengthen the presently-required State guidelines for child support award amounts, to require that employment security information be made available for child support enforcement purposes through Federal and State telecommunications networks, and to increase the penalties on States for failure to comply with statutorily prescribed procedures; to the Committee on Finance.

By Mr. CHAFEE:

S. 870. A bill to temporarily suspend the duty on chlor amino base; to the Committee on Finance.

S. 871. A bill to temporarily suspend the duty on 3-nitrophenyl-4-beta-hydroxyethyl sulfone; to the Committee on Finance.

S. 872. A bill to temporarily suspend the duty on 4-chloro-2-nitro aniline; to the Committee on Finance.

S. 873. A bill to temporarily suspend the duty on amino sulfon br; to the Committee on Finance.

S. 874. A bill to temporarily suspend the duty on acet quinone base; to the Committee on Finance.

S. 875. A bill to temporarily suspend the duty on diamino phenetole sulfate; to the Committee on Finance.

By Mr. BAUCUS:

S. 876. A bill to amend the Federal Aviation Act of 1958, relating to small community air service; to the Committee on Commerce, Science, and Transportation.

By Mr. COCHRAN:

S. 877. A bill to establish a National Commission on International Competitiveness; to the Committee on Governmental Affairs.

By Mr. DOLE (for himself, Mr. STAFFORD, Mr. GARN and Mr. SIMPSON):

S. 878. A bill entitled the "Surface Transportation and Uniform Relocation Assistance Act of 1987"; to the Committee on Finance.

By Mr. LAUTENBERG (for himself, Mr. CRANSTON and Mr. MURKOWSKI):

S.J. Res. 105. Joint resolution to designate December 7, 1987, as "National Pearl Harbor Remembrance Day" on the occasion of the anniversary of the attack on Pearl Harbor; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. NUNN (for himself and Mr. WARNER) (by request):

S. 864. A bill to authorize appropriations for fiscal years 1988 and 1989 for military functions of the Department of Defense and to prescribe military personnel levels for such Department for fiscal years 1988 and 1989, and for other purposes; to the Committee on Armed Services.

DEPARTMENT OF DEFENSE AUTHORIZATION ACT 1988/1989

● Mr. NUNN. Mr. President, for myself and the senior Senator from Virginia (Mr. WARNER), I introduce, for appropriate reference, a bill to authorize appropriations for fiscal years 1988 and 1989 for military functions of the Department of Defense and to prescribe military personnel levels for such Department for fiscal years 1988 and 1989, and for other purposes.

I ask unanimous consent that a letter of transmittal requesting consideration of the legislation and explaining its purpose be printed in the RECORD immediately following the text of the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 864

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Defense Authorization Act, 1988/1989".

TITLE I—PROCUREMENT

FISCAL YEAR 1988 AUTHORIZATION OF APPROPRIATIONS, ARMY

SEC. 101. Funds are hereby authorized to be appropriated for fiscal year 1988 for procurement by the Army, as follows:

For aircraft, $2,473,959,000.

For missiles, $2,458,466,000.

For weapons and tracked combat vehicles, $3,152,537,000.

For ammunition, $2,194,275,000.

For other procurement, $5,870,860,000.

FISCAL YEAR 1989 AUTHORIZATION OF APPROPRIATIONS, ARMY

SEC. 102. Funds are hereby authorized to be appropriated for fiscal year 1989 for procurement by the Army, as follows:

For aircraft, $2,229,539,000.

For missiles, $2,923,200,000.

For weapons and tracked combat vehicles, $3,227,762,000.

For ammunition, $2,194,755,000.

For other procurement, $6,030,274,000.

FISCAL YEAR 1988 AUTHORIZATION OF APPROPRIATIONS, NAVY AND MARINE CORPS

SEC. 103. (a) Funds are hereby authorized to be appropriated for fiscal year 1988 for procurement by the Navy, as follows:

For aircraft, $9,924,883,000.

For weapons (including missiles and torpedoes), $6,502,332,000.

For shipbuilding and conversion, $11,065,355,000.

For other procurement, $4,983,827,000.

(b) Funds are hereby authorized to be appropriated for fiscal year 1989 for procurement for the Marine Corps in the amount of $1,402,440,000.

FISCAL YEAR 1989 AUTHORIZATION OF APPROPRIATIONS, NAVY AND MARINE CORPS

SEC. 104. (a) Funds are hereby authorized to be appropriated for fiscal year 1989 for procurement by the Navy, as follows:

For aircraft, $10,250,270,000.

For weapons (including missiles and torpedoes), $7,852,931,000.

For shipbuilding and conversion, $11,858,438,000.

For other procurement, $6,577,530,000.

(b) Funds are hereby authorized to be appropriated for fiscal year 1989 for procurement for the Marine Corps in the amount of $1,646,475,000.

FISCAL YEAR 1989 AUTHORIZATION OF APPROPRIATIONS, AIR FORCE

SEC. 105. Funds are hereby authorized to be appropriated for fiscal year 1988 for procurement by the Air Force, as follows:

For aircraft, $14,191,371,000.

For missiles, $9,772,693,000.

For other procurement, $8,570,482,000.

FISCAL YEAR 1989 AUTHORIZATION OF APPROPRIATIONS, AIR FORCE

SEC. 106. Funds are hereby authorized to be appropriated for fiscal year 1989 for procurement by the Air Force, as follows:

For aircraft, $17,221,426,000.

For missiles, $11,036,102,000.

For other procurement, $9,820,236,000.

FISCAL YEAR 1989 AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES

SEC. 107. Funds are hereby authorized to be appropriated for fiscal year 1988 for the Defense Agencies in the amount of $1,292,391,000.

FISCAL YEAR 1988 AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES

SEC. 108. Funds are hereby authorized to be appropriated for fiscal year 1989 for the Defense Agencies in the amount of $1,511,051,000.

FISCAL YEAR 1988 AUTHORIZATION OF APPROPRIATIONS, CHEMICAL DEMILITARIZATION

SEC. 109. Funds are hereby authorized to be appropriated for fiscal year 1988 for the purposes of the destruction of lethal chemical weapons in accordance with section 1412 of the Department of Defense Authorization Act, 1986, in the amount of $87,400,000.

FISCAL YEAR 1989 AUTHORIZATION OF APPROPRIATIONS, CHEMICAL DEMILITARIZATION

SEC. 110. Funds are hereby authorized to be appropriated for fiscal year 1989 for the purposes of the destruction of lethal chemical weapons in accordance with section 1412 of the Department of Defense Authorization Act, 1986, in the amount of $211,900,000.

CERTAIN AUTHORITY PROVIDED THE SECRETARY OF DEFENSE IN CONNECTION WITH THE NATO AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) PROGRAM

SEC. 111. Effective on October 1, 1987, section 103(a) of the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1100) is amended—

(1) by striking out "fiscal year 1987" both places it appears and inserting in lieu thereof "fiscal years 1988 and 1989"; and

(2) by inserting "and the Memorandum of Understanding for Operations and Support of the NATO Airborne Early Warning and Control Force, signed by the United States Ambassador to NATO and other follow-on support agreements for the NATO E3A between the United States Government and the commander of the NATO E3A Force" after "December 6, 1978" in subsection (a).

TITLE II—RESEARCH, DEVELOPMENT, TEST AND EVALUATION

FISCAL YEAR 1988 AUTHORIZATION OF APPROPRIATIONS, RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 201. (a) Funds are hereby authorized to be appropriated for fiscal year 1988 for the use of the Armed Forces for research, development, test, and evaluation, in amounts as follows:

For the Army, $5,511,172,000.

For the Navy (including the Marine Corps), $10,490,412,000.

For the Air Force, $18,623,383,000.

For the Defense Agencies, $9,093,970,000, of which—

(1) $178,217,000 is authorized for the activities of the Deputy Under Secretary of Defense, Test, and Evaluation; and

(2) $104,221,000 is authorized for the Director of Operational Test and Evaluation.

(b) There are authorized to be appropriated for fiscal year 1988, in addition to the amounts authorized to be appropriated in subsection (a) such amounts as may be necessary for unbudgeted amounts for salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided by funds authorized to be appropriated in subsection (a).

FISCAL YEAR 1989 AUTHORIZATION OF APPROPRIATIONS, RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 202. (a) Funds are hereby authorized to be appropriated for fiscal year 1989 for the use of the Armed Forces for research, development, test, and evaluation, in amounts as follows:

For the Army, $5,972,845,000.

For the Navy (including the Marine Corps), $10,044,819,000.

For the Air Force, $17,728,571,000.

For the Defense Agencies, $10,456,449,000, of which—

(1) $186,128,000 is authorized for the activities of the Deputy Under Secretary of Defense, Test and Evaluation; and

(2) $149,657,000 is authorized for the Director of Operational Test and Evaluation.

(b) There are authorized to be appropriated for fiscal year 1989, in addition to the amounts authorized to be appropriated in subsection (a) such amounts as may be necessary for unbudgeted amounts for salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided by funds authorized to be appropriated in subsection (a).

TITLE III—OPERATION AND MAINTENANCE

FISCAL YEAR 1988 AUTHORIZATION OF APPROPRIATIONS, OPERATION AND MAINTENANCE

SEC. 301. (a) Funds are hereby authorized to be appropriated for fiscal year 1988 for the use of the Armed Forces of the United States and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

For the Army, $22,120,394,000.

For the Navy, $25,652,830,000.

For the Marine Corps, $1,918,367,000.

For the Air Force, $21,325,282,000.

For the Defense Agencies, $7,601,907,000.

For the Army Reserve, $879,103,000.

For the Naval Reserve, $957,115,000.

For the Marine Corps Reserve, $71,361,000.

For the Air Force Reserve, $1,018,257,000.

For the Army National Guard, $1,862,152,000.

For the Air National Guard, $1,972,992,000.

For the National Board for the Promotion of Rifle Practice, $4,099,000.

For Defense Claims, $273,574,000.

For the Court of Military Appeals, $3,461,000.

For Environmental Restoration, Defense, $402,800,000.

(b) There are authorized to be appropriated for fiscal year 1988, in addition to the amounts authorized to be appropriated in subsection (a), such sums as many be necessary—

(1) for unbudgeted increases in fuel costs;

(2) for unbudgeted increases as the result of inflation in the cost of activities authorized by subsection (a); and

(3) for unbudgeted amounts for salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided for by funds authorized to be appropriated in subsection (a).

FISCAL YEAR 1989 AUTHORIZATION OF APPROPRIATIONS, OPERATION AND MAINTENANCE

SEC. 302. (a) Funds are hereby authorized to be appropriated for fiscal year 1989 for the use of the Armed Forces of the United States and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

For the Army, $23,679,570,000.

For the Navy, $26,526,092,000.

For the Marine Corps, $1,939,216,000.

For the Air Force, $22,208,044,000.

For the Defense Agencies, $7,800,619,000.

For the Army Reserve, $958,229,000.

For the Naval Reserve, $1,036,814,000.

For the Marine Corps Reserve, $85,160,000.

For the Air Force Reserve, $1,070,395,000.

For the Army National Guard, $2,055,011,000.

For the Air National Guard, $2,030,888,000.

For the National Board for the Promotion of Rifle Practice, $4,285,000.

For Defense Claims, $211,152,000.

For the Court of Military Appeals, $3,522,000.

For Environmental Restoration, Defense, $436,100,000.

(b) There are authorized to be appropriated for fiscal year 1989, in addition to the amounts authorized to be appropriated in subsection (a), such sums as may be necessary—

(1) for unbudgeted increases in fuel costs;

(2) for unbudgeted increases as the result of inflation in the cost of activities authorized by subsection (a); and

(3) for unbudgeted amounts for salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided for by funds authorized to be appropriated in subsection (a).

FISCAL YEAR 1989 AUTHORIZATION OF APPROPRIATIONS, WORKING CAPITAL FUNDS

SEC. 303. Funds are hereby authorized to be appropriated for fiscal year 1988 for the use of the Armed Forces of the United States and other activities and agencies of the Department of Defense for providing capital for working-capital funds, in amounts as follows:

For the Army Stock Fund, $263,207,000.

For the Navy Stock Fund, $404,400,000.

For the Air Force Stock Fund, $326,007,000.

For the Defense Stock Fund, $207,600,000.

FISCAL YEAR 1989 AUTHORIZATION OF APPROPRIATIONS, WORKING CAPITAL FUNDS

SEC. 304. Funds are hereby authorized to be appropriated for fiscal year 1989 for the use of the Armed Forces of the United States and other activities and agencies of the Department of Defense for providing capital for working-capital funds, in amounts as follows:

For the Army Stock Fund, $349,929,000.

For the Navy Stock Fund, $434,581,000.

For the Air Force Stock Fund, $224,738,000.

For the Defense Stock Fund, $122,700,000.

TITLE IV—PERSONNEL AUTHORIZATIONS

FISCAL YEAR 1988 END STRENGTHS FOR ACTIVE FORCES

SEC. 401. The Armed Forces are authorized strengths for active duty personnel as of September 30, 1988, as follows:

(1) The Army, 780,900.

(2) The Navy, 593,200.

(3) The Marine Corps, 199,600.

(4) The Air Force, 598,700.

FISCAL YEAR 1989 END STRENGTHS FOR ACTIVE FORCES

SEC. 402. The Armed Forces are authorized strengths for active duty personnel as of September 30, 1989, as follows:

(1) The Army, 780,900.

(2) The Navy, 602,800.

(3) The Marine Corps, 200,100.

(4) The Air Force, 600,600.

FISCAL YEAR 1988 END STRENGTHS FOR SELECTED RESERVE

SEC. 403. (a) For fiscal year 1988 the Armed Forces are authorized strengths for selected reserve personnel of the reserve components as of September 30, 1988, as follows:

(1) The Army National Guard of the United States, 458,800.

(2) The Army Reserve, 330,400.

(3) The Naval Reserve, 157,400.

(4) The Marine Corps Reserve, 43,700.

(5) The Air National Guard of the United States, 116,700.

(6) The Air Force Reserve, 83,300.

(7) The Coast Guard Reserve, 13,500.

(b) The end strengths prescribed by subsection (a) for the Selected Reserve of any reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at the end of the fiscal year, and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at the end of the fiscal year.

FISCAL YEAR 1988 END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES

SEC. 404. (a) Within the end strengths prescribed in section 403, the reserve components of the Armed Forces are authorized, as of September 30, 1988, the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 26,389.

(2) The Army Reserve, 14,250.

(3) The Naval Reserve, 22,505.

(4) The Marine Corps Reserve, 2,015.

(5) The Air National Guard of the United States, 7,906.

(6) The Air Force Reserve, 669.

FISCAL YEAR 1988 INCREASE IN NUMBER OF CERTAIN PERSONNEL AUTHORIZED TO BE ON ACTIVE DUTY IN SUPPORT OF THE RESERVES

SEC. 405. (a) The table in section 517(b) of title 10, United States Code, is amended to appear as follows:

"Grade	Army	Navy	Air Force	Marine Corps
E-9	589	201	163	18
E-8	2,406	404	488	74".

(b) The table in section 524(a) of such title is amended to appear as follows:

"Grade	Army	Navy	Air Force	Marine Corps
Major or Lieutenant Commander	3,191	1,000	615	115
Lieutenant Colonel or Commander	1,376	520	422	75
Colonel or Navy Captain	348	188	184	25".

(b) The amendments made by subsections (a) and (b) shall take effect on October 1, 1987.

FISCAL YEAR 1989 END STRENGTHS FOR SELECTED RESERVE

SEC. 406. (a) For fiscal year 1989 the Armed Forces are authorized strengths for selected reserve personnel of the reserve components as of September 30, 1989, as follows:

(1) The Army National Guard of the United States, 464,900.

(2) The Army Reserve, 339,100.

(3) The Naval Reserve, 161,700.

(4) The Marine Corps Reserve, 44,500.

(5) The Air National Guard of the United States, 117,700.

(6) The Air Force Reserve, 85,500.

(7) The Coast Guard Reserve, 15,300.

(b) The end strengths prescribed by subsection (a) for the Selected Reserve of any reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at the end of the fiscal year, and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at the end of the fiscal year.

FISCAL YEAR 1989 END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES

SEC. 407. (a) Within the end strengths prescribed in section 406, the reserve components of the Armed Forces are authorized, as of September 30, 1989, the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the propose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 27,718.

(2) The Army Reserve, 16,000.

(3) The Naval Reserve, 23,665.

(4) The Marine Corps Reserve, 2,285.

(5) The Air National Guard of the United States, 7,972.

(6) The Air Force Reserve, 669.

FISCAL YEAR 1989 INCREASE IN NUMBER OF CERTAIN PERSONNEL AUTHORIZED TO BE ON ACTIVE DUTY IN SUPPORT OF THE RESERVE COMPONENTS

SEC. 408(a) The table in section 517(b) of title 10, United States Code, is amended to appear as follows:

"Grade	Army	Navy	Air Force	Marine Corps
E-9	672	213	186	18
E-8	2,681	426	546	74".

(b) The table is section 524(a) of such title is amended to appear as follows:

"Grade	Army	Navy	Air Force	Marine Corps
Major or Lieutenant Commander	3,457	900	654	115
Lieutenant Colonel or Commander	1,478	520	463	79
Colonel or Navy Captain	348	194	198	31".

(b) The amendments made by subsections (a) and (b) shall take effect on October 1, 1988.

TITLE V—CIVILIAN PERSONNEL

FISCAL YEAR 1988 AUTHORIZATION OF END STRENGTH

SEC. 501. The provisions of section 115(b)(2) of title 10, United States Code, shall not apply with respect to fiscal year 1988 or with respect to the appropriation of funds for that year.

FISCAL YEAR 1989 AUTHORIZATION OF END STRENGTH

SEC. 502. The provisions of section 115(b)(2) of title 10, United States Code, shall not apply with respect to fiscal year 1989 or with respect to the appropriation of funds for that year.

TITLE VI—MILITARY TRAINING STUDENT LOADS

FISCAL YEAR 1988 AUTHORIZATION OF TRAINING STUDENT LOADS

SEC. 601. (a) For fiscal year 1988, the components of the Armed Forces are authorized average military training student loads as follows:

(1) The Army, 82,503.

(2) The Navy, 68,993.

(3) The Marine Corps, 20,341.

(4) The Air Force, 38,574.

(5) The Army National Guard of the United States 18,501.

(6) The Army Reserve, 15,075.

(7) The Naval Reserve, 2,841.

(8) The Marine Corps Reserve, 3,970.

(9) The Air National Guard of the United States, 2,508.

(10) The Air Force Reserve, 1,968.

(b) The average military student loads for the Army the Navy, the Marine Corps, and the Air Force and the reserve components authorized in subsection (a) for fiscal year 1988 shall be adjusted consistent with the manpower strengths authorized in title IV of this Act. Such adjustment shall be apportioned among the Army, the Navy, the Marine Corps, and the Air Force and the reserve components in such manner as the Secretary of Defense shall prescribe.

FISCAL YEAR 1989 AUTHORIZATION OF TRAINING STUDENT LOADS

SEC. 701. (a) For fiscal year 1989, the components of the Armed Forces are authorized average military training student loads as follows:

(1) The Army, 81,320.

(2) The Navy, 70,044.

(3) The Marine Corps, 19,873.

(4) The Air Force, 39,972.

(5) The Army National Guard of the United States, 19,707.

(6) The Army Reserve, 15,950.

(7) The Naval Reserve, 2,841.

(8) The Marine Corps Reserve, 3,977.

(9) The Air National Guard of the United States, 2,366.

(10) The Air Force Reserve, 1,965.

(b) The average military student loads for the Army, the Navy, the Marine Corps, and the Air Force and the reserve components authorized in subsection (a) for fiscal year 1989 shall be adjusted consistent with the manpower strengths authorized in title IV of this Act. Such adjustment shall be apportioned among the Army, the Navy, the Marine Corps, and the Air Force and the reserve components in such manner as the Secretary of Defense shall prescribe.

TITLE VII—GENERAL PROVISIONS

REPEAL OF REQUIREMENT FOR SEPARATE BUDGET REQUEST FOR PROCUREMENT OF RESERVE EQUIPMENT

SEC. 701. Section 114(f) of title 10, United States Code, is repealed.

REPEAL OF EUROPEAN TROOP STRENGTH CEILING

SEC. 702. Section 1002(c) of the Department of Defense Authorization Act, 1985 (Public Law 98-525, 98 Stat. 2575) is repealed.

REPEAL OF LIMITATION ON THE EXPENDITURE OF FUNDS FOR THE BIGEYE BINARY CHEMICAL BOMB

SEC. 703. Section 152 of the Department of Defense Authorization Act, 1987, (Public Law 99-661), is repealed.

REPEAL OF LIMITATION ON FUNDS FOR THE SPACE DEFENSE SYSTEM

SEC. 704. Section 204(c) of the Department of Defense Authorization Act, 1987, (Public Law 99-661), is repealed.

REPEAL OF LIMITATION ON TESTING OF ANTI-SATELLITE WEAPONS

SEC. 705. Section 231 of the Department of Defense Authorization Act, 1987, (Public Law 99-661), is repealed.

REPEAL OF REDUCTIONS IN STRENGTH OF ACTIVE DUTY OFFICER CORPS

SEC. 706. Section 403 of the Department of Defense Authorization Act, 1987, (Public Law 99-661), is repealed.

REIMBURSEMENT FOR ACTUAL LODGING EXPENSES PLUS PER DIEM FOR MEMBERS ENTITLED TO TRAVEL ALLOWANCES

SEC. 707. (a) Section 9073 of the Department of Defense Appropriations Act, 1987, (as contained in Public Laws 99-500 and 99-591) is amended by striking out "Section 615 of S. 2638, as passed by the Senate on August 9, 1986" and by inserting in lieu thereof "Section 614(a) of the Department of Defense Authorization Act, 1987".

(b) Section 614(b) of the Department of Defense Authorization Act, 1987 (Public Law 99-661), is repealed.

(c) The amendments made by section 614(a) of the Department of Defense Authorization Act, 1987, shall be implemented not later than 90 days after enactment of this Act and shall apply with respect to travel performed on or after the date of implementation.

REPEAL OF LIMITATION ON ESTABLISHMENT OF A FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTER FOR THE STRATEGIC DEFENSE INITIATIVE PROGRAM

SEC. 708. (a) Section 213 of the Department of Defense Authorization Act, 1987 (Public Law 99-661), is repealed.

(b) Section 9135 of the Department of Defense Appropriations Act, 1987 (as contained in Public Laws 99-500 and 99-591) is repealed.

(c) Funds available to the Department of Defense may be obligated and expended for the operation of a federally funded research and development center that is established for the technical support of the Strategic Defense Initiative Program.

CLARIFICATION OF TAXATION OF MILITARY BENEFITS

SEC. 709. Section 134(b)(1) of the Internal Revenue Code of 1986 (26 U.S.C. 134) as enacted by section 1168 of the Tax Reform Act of 1986 (Public Law 99-514) is amended by inserting "(other than personal use of a vehicle)" after "in-kind benefit" and by striking out "or regulation thereunder" and by inserting in lieu thereof ", regulation, or administrative practice".

GENERAL COUNSEL OF THE
DEPARTMENT OF DEFENSE,
Washington, DC, February 27, 1987.

Hon. GEORGE BUSH,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: There is forwarded herewith legislation, "To authorize appropriations for fiscal years 1988 and 1989 for military functions of the Department of Defense and to prescribe military personnel strengths for such Department for fiscal years 1988 and 1989, and for other purposes."

This proposal is part of the Department of Defense legislative program for the 100th Congress and the Office of Management and Budget advises that its enactment would be in accord with the program of the President.

Title I provides procurement authorization for the Military Departments and for the Defense Agencies in amounts equal to the budget authority included in the President's budget for fiscal years 1988 and 1989. It contains a provision that extends for those fiscal years the authority to waive certain costs in connection with the NATO AWACS program and which amends the basic waiver authority statute, section 103 of the 1982 Authorization Act, by inserting a reference to the Memorandum of Understanding for Operations and Support of the NATO Airborne Early Warning and Control Force and other follow-on agreements for the NATO E-3A.

Title II provides for the authorization of each of the research, development, test, and evaluation appropriations for the Military Departments and the Defense Agencies in amounts equal to the budget authority included in the President's budget for fiscal years 1988 and 1989. The authorization includes a provision that authorizes the appropriation of funds to cover unbudgeted increases as a result of pay increases for civilian personnel paid from the research, development, test, and evaluation appropriations.

Title III provides for authorization of the operation and maintenance appropriations of the Military Departments and the Defense Agencies in amounts equal to the budget authority included in the President's budget for fiscal years 1988 and 1989. The authorization includes a provision that authorizes the appropriation of funds that are necessary to cover unbudgeted increases in fuel costs, unbudgeted civilian pay increases, and unbudgeted inflation in the cost of activities covered by Title III. Title III also includes the authorization of appropriations for the purpose of providing capital for working-capital funds of the Military Departments and the Defense Agencies in amounts equal to the budget authority included in the President's budget for fiscal years 1988 and 1989.

Title IV prescribes the personnel strengths for the active forces and the selected Reserve of each reserve component of the Armed Forces in the numbers provided for by the budget authority and appropriations requested for the Department of Defense in the President's budget for fiscal years 1988 and 1989. This title also prescribes the end strengths for reserve component members on full-time active duty or full-time National Guard duty for the purpose of administering the reserve forces and provides for an increase in the number of certain enlisted and commissioned personnel who may be serving on active duty in support of the reserve components.

Title V provides that the provisions of section 115(b)(2) of title 10, United States Code, pertaining to the authorization of a civilian personnel end strength for the Department of Defense shall not be applicable with respect to fiscal years 1988 and 1989.

Title VI provides for the average military training student loads in the numbers provided for this purpose in the President's budget for fiscal years 1988 and 1989.

Title VII consists of nine general provisions. Section 701 repeals the provisions of section 114(f) of title 10, United States Code, requiring a separate budget request for the procurement of Reserve equipment. Section 702 repeals the European troop strength limitation contained in section 1002(c) of the fiscal year 1985 Authorization Act. Section 703 repeals the limitation on the expenditure of funds for the BIGEYE Chemical Bomb contained in Section 152 of the Department of Defense Authorization Act, 1987. Section 704 repeals the limitation contained in Section 204(c) of the fiscal year 1987 Authorization Act on the expenditure of funds for the Space Defense System. Section 705 repeals the limitation on the testing of anti-satellite weapons contained in section 231 of the fiscal year 1987 Authorization Act. Section 706 repeals the requirement for reductions in the strength of the number of officers on active duty that was imposed by section 403 of the 1987 Authorization Act. Section 707 makes a technical correction to the provisions of section 9073 of the Department of Defense Appropriations Act, 1987 to reflect the enactment of section 614 of the fiscal year 1987 Authorization Act pertaining to the payment of expenses of lodging plus per diem for military members and repeals the requirement contained in section 614 of the fiscal year 1987 Authorization Act for a Presidential certification prior to implementation of the system. Section 708 repeals the limitations contained in the Authorization and Appropriations Acts for fiscal year 1987 pertaining to the establishment of a research and development center for the Strategic Defense Initiative Program. Section 709 corrects a drafting error in the provisions of section 1168 of the Tax Reform Act of 1986 pertaining to the exclusion from taxation of certain military benefits. The provision specifies that benefits previously excluded from taxation by administrative practice will be excluded from taxation. Section 1168 omitted a reference to benefits previously excluded by administrative practice.

Enactment of this legislation is of great importance to the Department of Defense and the Department urges its speedy and favorable consideration.

Sincerely,

H. LAWRENCE GARRETT III.●

By Mr. NUNN (for himself and Mr. WARNER) (by request):

S. 865. A bill to authorize appropriations for civil defense programs for fiscal years 1988 and 1989, and for other purposes; to the Committee on Armed Services.

AUTHORIZATION OF CIVIL DEFENSE PROGRAMS

● Mr. NUNN. Mr. President, by request, for myself and the senior Senator from Virginia [Mr. WARNER], I introduce, for appropriate reference, a bill to authorize appropriations for civil defense programs for fiscal years 1988 and 1989, and for other purposes.

I ask unanimous consent that a letter of transmittal requesting consideration of the legislation and explaining its purpose be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEDERAL EMERGENCY
MANAGEMENT AGENCY,
Washington, DC, March 6, 1987.

Hon. GEORGE BUSH,
President of the Senate, Washington, DC.

DEAR MR. PRESIDENT: Enclosed is draft legislation "To authorize appropriations for civil defense programs for fiscal years 1988 and 1989, and for other purposes."

In accordance with section 408 of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2260), the bill authorizes appropriations of $134,806,000 for fiscal year 1988 and such sums as may be necessary for fiscal year 1989.

The Office of Management and Budget advises that there is no objection to the submission of this proposal for consideration of the Congress and that its enactment would be in accord with the President's program.

Sincerely,

SPENCE W. PERRY,
General Counsel.●

By Mr. NUNN (for himself and Mr. WARNER) (by request):

S. 866. A bill to authorize certain construction at military installations for fiscal years 1988 and 1989, and for other purposes; to the Committee on Armed Services.

MILITARY CONSTRUCTION

● Mr. NUNN. Mr. President, by request, for myself and the senior Senator from Virginia [Mr. WARNER], I introduce, for appropriate reference, a bill to authorize certain construction at military installations for fiscal years 1988 and 1989, and for other purposes.

I ask unanimous consent that a letter of transmittal requesting consideration of the legislation and explaining its purpose be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GENERAL COUNSEL OF THE
DEPARTMENT OF DEFENSE,
Washington, DC, January 15, 1986.

Hon. GEORGE BUSH,
President of the Senate, Washington, DC.

DEAR MR. PRESIDENT: Enclosed is a draft of legislation "To authorize certain construction at military installations for fiscal years 1988 and 1989, and for other purposes." The Office of Management and Budget advises that enactment of this legislation would be in accord with the President's program. Appropriations in support of Titles I through VI of this legislation are discussed in that Budget.

This Proposal would authorize appropriations for new construction and family housing support for the Active Forces as follows: $2,923,559,000 for the Department of the Army in fiscal year 1988 and $3,149,940,000 in fiscal year 1989, $2,609,158,000 for the Department of the Navy in fiscal year 1988 and $2,648,721,000 in fiscal year 1989, $2,412,383,000 for the Department of the Air Force in fiscal year 1988 and $2,696,566,000 in fiscal year 1989, and $871,420,000 for the Defense Agencies in fiscal 1988 and $917,900,000 in Fiscal Year 1989. Title V would authorize $396,000,000 for the United States share of the NATO Infrastructure Program in fiscal year 1988 and $412,100,000 in Fiscal Year 1989. Title VI, totaling $579,337,000 in fiscal year 1988 and $522,323,000 in fiscal year 1989, would authorize appropriations for the Guard and Reserve Forces. Title VII establishes the effective dates for the program. Title VIII contains the general provisions.

Sincerely,

H. LAWRENCE GARRETT III.[1]

By Mr. HATCH:

S. 867. A bill to amend title VIII of the act commonly called the Civil Right Act of 1968 to revise the procedures for the enforcement of fair housing, and for other purposes; to the Committee on the Judiciary.

EQUAL ACCESS TO HOUSING ACT

● Mr. HATCH. Mr. President, I am introducing legislation today—the Equal Access to Housing Act—that would enhance the ability of the Federal Government to enforce title VIII of the Civil Rights Act of 1968. Title VIII is designed to protect individuals from discrimination in the sale or rental of housing because of race, color, religion, sex, or national origin. The Equal Access to Housing Act would reaffirm more strongly than ever before this Nation's commitment to the elimination of discriminatory housing policies. At the same time, it would avoid many of the problems contained in legislation to amend title VII rejected by this body during the 96th Congress.

The proposed act would effect a number of important changes in the 1968 law. Included among these are the following:

ADMINISTRATION

Primary administrative authority for the act would be transferred from the Department of Housing and Urban Development to the Department of Justice. While the Justice Department already has major responsibilities in enforcing title VIII, the proposed act would concentrate all administrrative responsibilities in the Department. The experience of HUD in enforcing the act over a period of years has demonstrated a fundamental conflict between its obligation to fairly administer the law and its primary mission to set national housing policy. Enforcement of title VIII is, first and foremost, a matter of insuring compliance with the law; too often, it has been used by HUD as an instrument of social engineering policy.

The Justice Department is not only in a better position to avoid this conflict—in part, because it is independent of the various constituencies that have attached to HUD—but also possesses far more expertise in the enforcement of civil rights laws than does HUD. I am confident that the proposed transfer of administration will bring a new clarity of purpose to the act while better enabling both the Justice Department and HUD to carry out their primary policy responsibilities.

ENFORCEMENT

Under present law, an allegedly aggrieved individual—one whose rights under title VIII have been violated—can either institute a civil action in the appropriate Federal or State court, or can file a complaint with the Secretary of HUD. If, after a HUD investigation of such complaint, the Secretary finds reasonable cause to believe that a violation of title VIII has occurred, the Secretary is limited to resolving the complaint through informal methods of conference, conciliation, and persuasion. There is no power in the Secretary to take further action. The Attorney General, after appropriate investigation, may institute a court action only in pattern and practice cases and in certain other limited cases involving issues of general public importance.

The Equal Access to Housing Act would add teeth to this enforcement mechanism. In the process, it would address one of the major criticisms of the original law.

Not only would an allegedly aggrieved individual be able to pursue an independent civil action—with new authority in the Attorney General to intervene in such actions on his behalf—but the Attorney General would be authorized to initiate actions on behalf of such individual. For the first time, an aggrieved person would have access to the resources of Government in pursuing complaints of title VIII violations.

The proposed act would encourage the use of Federal magistrates in actions brought under its provisions in an effort to expedite such cases, while retaining the basic elements of due process that are guaranteed by our laws and Constitution.

The Equal Access to Housing Act, however, attempts to insure that such adversarial litigation will be a last, not a first, step in the process of resolving complaints. It does this by establishing a new conciliation process in the Justice Department designed to resolve controversies informally. At any time after the filing of a charge, the Attorney General may attempt conciliation. Such conciliation may culminate in an agreement, including one providing for binding arbitration among the parties, or it may lead to a decision by the Attorney General either to dismiss the charge or to initiate an action on behalf of the individual filing the charge.

As the Secretary is required to do under present law, the Attorney General would be required to refer all charges of title VIII violations to certified State housing discrimination agencies where they are in existence. Certified agencies are those which administer laws providing rights and remedies which are reasonably equivalent to the rights and remedies provided by Federal law.

HANDICAPPED PERSONS

The proposed measure would extend the protections of title VIII, for the first time, to handicapped individuals. Because of the differing nature of such discrimination, however, from other forms of discrimination, it is necessary to define in far greater detail what constitutes a discriminatory housing practice in this context. The act is clear in defining handicap in such a way as to exclude alcoholics and drug addicts, and others whose impairment would represent a direct threat to the safety or property of others.

APPRAISERS

Although HUD has chosen to interpret the act in the past to include coverage of real estate appraisers, the proposed measure would make this explicit. Discriminatory practices by property appraisers would constitute violations of title VIII.

DISCRIMINATION

The Equal Access to Housing Act would clarify that the standard of proof in identifying discrimination under title VIII is an intent standard. While I believe that the present language of the act, as well as its legislative history, indicate clearly that this is already the appropriate standard, there is a conflict on this issue among the Federal circuits, some of which have substituted an "effects" or "disparate impact" standard. The Supreme Court, although never interpreting the specific provisions of title VIII in this regard, has made clear that violations of the 14th amendment require proof of a discriminatory intent or purpose, *Arlington Heights* v. *Metropolitan Housing Corporation,* 429 U.S. 252 (1977); *Washington* v. *Davis,* 426 U.S. 229 (1976).

With respect to this extremely important issue, I would call the attention of my colleagues to my statement of December 1, 1980—S15191—in which I discuss this issue in some detail. At this point, however, I would only like to observe that use of the effects test for identifying discrimination carries with it tremendous potential for involving the Federal Government in zoning and land-use affairs that have always been the prerogative of State and local governments. Already, use of the effects test by HUD and the Civil Rights Division of the Justice Department has been the basis by which they have sought to impose their own notions of proper racial balance upon communities which have had no intent or purpose of discriminating against protected groups.

The intent test for identifying discrimination, allows courts to consider the totality of circumstances, including evidence of racially disparate effects. Unlike the pure effects test, however, the use of statistical evidence is not dispositive in and of itself in determining violations of title VIII and the burden of proof remains fully with the plaintiff.

Many land use practices of local governments and communities designed to promote health, quietude, beauty, residential character, and the like could have the inadvertent effect of increasing the cost of housing—an effect which may be disparate given the uneven distribution of income amongst various groups. To use any standard other than discriminatory intent in weighing fair housing challenges would jeopardize many kinds of land-use planning and vest unbridled discretion in the Federal courts to restructure communities under the guise of title VIII enforcement. To deal with this issue, I have included in this bill some clarifying provisions to offer protection for these activities unless they are undertaken with discriminatory intent.

Mr. President, the proposed bill makes a number of other changes that I believe to be positive changes in the present law: It would enable the Attorney General to pursue an injunction or temporary restraining order where prompt judicial action is necessary, it would limit the use of testers to those instances in which such a practice was necessary to confirm an alleged violation of the act; it would establish a legislative veto over rules and regulations promulgated under the authority to title VIII; and it would clarify the definition of aggrieved person in such a way to limit standing to individuals who are bona fide renters or purchasers.

I believe that the Equal Access to Housing Act draws the proper balance between the need to create a more effective enforcement mechanism under title VIII and the equally important need to protect the due process rights of local communities and individual realtors, home sellers, and landlords.

On the one hand, the person who suffers discrimination in housing will, for the first time, be able to draw upon the resources of the Federal and State governments. On the other hand, the respondent will, in fact, have his day in court—not simply is day before a HUD administration law tribunal. In addition, he will be assured that, before he is labeled a civil rights violator, there will have been some evidence of a discriminatory intent on his part, not simply evidence that his apartment building or his subdivision lacked the right proportion of white, black, yellow, red, and brown faces.

The individual who is denied an apartment because of his skin color or a home because of his ethnic background will, in short, have more and stronger protections than he has ever had before. He will have access to the full resources of the Federal and State governments when he is treated, not as an individual, but as a member of some collective group, in his pursuit of a dwelling. At the same time, some of the so-called public interest groups, which have little to do beyond harassing small businessmen and communities, and some of the more creative and innovative minds in the bureaucracy who wish to remake America in their image, may have a more difficult time of it all. That is the way it ought to be, in my opinion.

I ask unanimous consent that the text of the proposed Equal Access to Housing Act be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 867

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Equal Access to Housing Act of 1987".

SHORT TITLE FOR 1968 ACT

SEC. 2. The Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" (Public Law 90-284, approved April 11, 1968) is amended by inserting immediately after the comma at the end of the enacting clause, the following: "That this Act may be cited as the 'Civil Rights Act of 1968'.".

SHORT TITLE FOR TITLE VIII

SEC. 3. Title VIII of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" (Public Law 90-284, approved April 11, 1968) is amended by inserting immediately after the title's catchline the following:

"SHORT TITLE

"SEC. 800. This title may be cited as the 'Equal Access to Housing Act'.".

AMENDMENTS TO POLICY SECTION

SEC. 4. (a) Section 801 of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" (Public Law 90-284, approved April 11, 1968) is amended by striking out "for fair housing" and inserting in lieu thereof "for equal access to housing".

(b) Section 801 of such Act is amended by adding at the end thereof the following: "Such a policy means that individuals shall not be denied access to housing which they desire and can afford, because of race, color, religion, sex, handicap, or national origin. Such policy does not mean that any particular proportion of individuals of a particular race, color, religion, sex, handicap, or national origin will be assured housing within housing units, neighborhoods, or communities except as such proportions are the natural result of free housing choice.".

AMENDMENTS TO DEFINITIONS SECTION

SEC. 5. Section 802 of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" (Public Law 90-284, approved April 11, 1968) is amended by—

(a) striking out subsection (a) and inserting in lieu thereof the following:

"(a) 'Attorney General' means the United States Attorney General."; and

(b) adding at the end the following:

"(h) 'Handicap' means, with respect to a person, a physical impairment which substantially limits the capacity to see, hear, or walk unaided or the capacity to live completely unattended. Such term does not include any alcohol, drug abuse, or any other impairment which would be a threat to the safety or the property of others.

"(i) 'Aggrieved person' includes any person whose bona fide attempt or bona fide offer to purchase, sell, lease, or rent, or whose bona fide attempt to obtain financing for a dwelling has been denied on the basis of race, color, religion, sex, handicap, or national origin, or made subject to terms of purchase, sale, lease, rental, or acquisition which discriminate on any such basis.".

DISCRIMINATORY HOUSING PRACTICE AMENDMENTS

SEC. 6. (a) Section 804(e) of such Act is amended by striking out the words "For profit, to" and inserting in lieu thereof "To".

(b) Section 804 of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" (Public Law 90-284) is amended by adding at the end the following:

"(f)(1) To refuse to sell or rent after the making of a bona fide offer, or to refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny a dwelling to any person because of such handicap of a prospective buyer or renter or of a person or persons to be occupying a dwelling with such buyer or renter unless such handicap would prevent a prospective dwelling occupant from conforming to such rules, policies, and practices as are permitted by paragraph (2) of this subsection.

"(2) To discriminate against any person in the terms or conditions of sale or rental of a dwelling, or in the provision of services or facilities in connection therewith, because of a handicap. For purposes of this subsection, (A) discrimination shall include: (i) refusal to permit reasonable modifications of premises occupied, or to be occupied by persons with a handicap where such modifications are necessary to afford such handicapped persons access to premises substantially equal to that of nonhandicapped persons: *Provided, however,* That with respect to such premises, such handicapped persons have agreed to return them to their original condition if requested to do so by the landlord; or (ii) refusal to make reasonable accommodations in existing policies, practices, services, or facilities when such accommodations are necessary to afford handicapped persons enjoyment of dwellings substantially equal to that of nonhandicapped persons; but (B) discrimination shall not include (i) refusal to make alterations in premises at the expense of sellers, landlords, owners, brokers, building managers, or persons acting on their behalf; (ii) refusal to make modifications of existing policies, practices, services or facilities where such modifications would result in unreasonable inconvenience to other persons; or (iii) refusal to allow modifications of dwellings which would alter the marketability or appearance of a dwelling or the manner in which a dwelling or its environs has been, or is intended to be, used.".

(c) Subsections (c), (d), and (e) of section 804 and section 806 of such Act are each amended by inserting "handicap", immediately after "sex", each place it appears.

(d) Section 805 of such Act is amended by adding at the end thereof the following: "It shall also be unlawful for any person or other entity whose business includes the appraising of real property to discriminate in the estimation of the property value on the basis of race, color, religion, sex, handicap, or national origin. It shall not be unlawful for such a person or other entity to take into consideration or to report to the person for whom the appraisal is being done all factors relevant to the appraiser's estimate of the fair market value of the property: *Provided,* That such factors are not used by the appraiser for the purpose of discriminating or denying rights guaranteed by this title.".

ROLE OF THE ATTORNEY GENERAL

SEC. 7. Section 808 of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" (Public Law 90-284, approved April 11, 1968) is amended—

(1) in subsection (a) by striking out "Secretary of Housing and Urban Development" and inserting in lieu thereof "Attorney General";

(2) by striking out subsection (b);

(3) by redesignating subsections (c), (d), and (e) as subsections (b), (c), and (d), respectively;

(4) in subsection (b) as redesignated by this section by striking out—

(A) "Secretary" each place it appears and inserting in lieu thereof "Attorney General";

(B) "Department of Housing and Urban Development" each place it appears and inserting in lieu thereof "Department of Justice";

(C) "sections 3105, 3344, 5362, and 7521 of title 5 of the United States Code" and inserting in lieu thereof "law"; and

(D) "5362" and inserting in lieu thereof "5372";

(5) in subsection (c) as redesignated by this section, by striking out "Secretary" and inserting in lieu thereof "Attorney General";

(6) in subsection (d) as redesignated by this section, by striking out "Secretary of Housing and Urban Development" and inserting in lieu thereof "Attorney General"; and

(7) by adding at the end the following:

"(e)(1) Simultaneously with the promulgation of any regulation or rule issued for the purpose of compliance with this title, the Attorney General shall transmit a copy thereof to the Committees on the Judiciary of the House of Representatives and the Senate. Such rule or regulation, other than an emergency rule, shall become effective at the end of the first period of sixty calendar days of continuous session of Congress, unless between the date of transmittal and the end of the sixty-day period, either House of Congress passes a resolution stating in substance that that House does not approve of the proposed rule or regulation.

"(2) Either House of Congress may adopt a resolution directing agency reconsideration of a rule other than an emergency rule. If such resolution is adopted within sixty calendar days of continuous session of Congress after the date the rule was transmitted to Congress, the rule shall not go into effect. The agency shall reconsider the rule and take such action as they deem appropriate.

EDUCATION AND CONCILIATION

SEC. 8. Section 809 of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" (Public Law 90-284, approved April 11, 1968) is amended by—

(1) striking out "Secretary" each place it appears and inserting in lieu thereof "Attorney General";

(2) striking out "Secretary's" and inserting in lieu thereof "Attorney General's"; and

(3) adding at the end thereof the following sentence: "Nothing in this section shall authorize any payment of funds to any organization or entity formed by or pursuant to any agreements entered into under this section.".

ENFORCEMENT CHANGES

SEC. 9. The Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" (Public Law 90-284, approved April 11, 1968) is amended by—

(1) redesignating sections 815 through 819 as sections 816 through 820, respectively; and

(2) striking out sections 810 through 815 and inserting in lieu thereof the following:

"PRELIMINARY MATTERS OF ENFORCEMENT

"SEC. 810. (a) Whenever an aggrieved person, or the United States Attorney General on the Attorney General's own initiative, files a charge alleging a discriminatory housing practice, the Attorney General shall serve a notice of the alleged discriminatory housing practice on the party charged (hereinafter in this title referred to as the 'respondent') within ten days after such filing, and shall make an investigation thereof. Upon receipt of such charge, the Attorney General shall serve notice upon the aggrieved person acknowledging receipt of the charge and advising the aggrieved person of the time limits and alternative means of enforcement provided under this title. Such charge shall be in writing, under oath or affirmation, and shall contain such information and be in such form as the Attorney General may require, including detailed information regarding: (1) specific discriminatory practices alleged; (2) the dates of such alleged practices; (3) the names of parties involved; and (4) other relevant facts. An aggrieved person shall file a charge under this section with the Attorney General not later than six months after the alleged discriminatory housing practice occurred or terminated.

"(b)(1) In connection with any investigation of such charge, the Attorney General shall, at reasonable times, have access to, and the right to copy, any information that is reasonably necessary for the furtherance of the investigation. The Attorney General may issue subpoenas to compel such access to or the production of such information, or the appearance of persons, and may issue interrogatories, to the same extent and subject to the same limitations as would apply if the subpoenas or interrogatories were issued or served in aid of a civil action in the United States district court for the district in which the investigation is taking place. The Attorney General may administer oaths.

"(2) Upon written application to the Attorney General, a respondent shall be entitled to the issuance of a reasonable number of subpoenas and interrogatories by and in the name of the Attorney General to the same extent and subject to the same limitations as subpoenas issued by the Attorney General under paragraph (1) of this subsection.

"(3) Witnesses summoned by subpoena of the Attorney General under this title shall be entitled to the same witness and mileage fees as are witnesses in proceedings in United States district courts.

"(4) The Attorney General or other party at whose request a subpoena is issued under this title may enforce such subpoena in appropriate proceedings in the United States district court for the district in which the person to whom the subpoena was addressed resides, was served, or transacts business.

"(5) Any person who willfully fails or neglects to attend and testify or to answer any lawful inquiry or to produce records, documents, or other evidence in such person's power to do so, in obedience to the subpoena or lawful order of the Attorney General under this title, shall be fined not more than $1,000. Any person who, with intent thereby to mislead the Attorney General, shall make or cause to be made any false entry or statement of fact in any report, account, record, or other document produced pursuant to the Attorney General's subpoena or other order, or shall willfully neglect or fail to make or cause to be made full, true, and correct entries in such reports, accounts, records, or other documents, or shall willfully mutilate, alter, or by any other means falsify any documentary evidence, shall be fined not more than $1,000.

"STATE ENFORCEMENT

"SEC. 811. (a) Whenever a charge alleges a discriminatory housing practice within the jurisdiction of a State or local public agency certified by the Attorney General under this subsection, the Attorney General shall, within twenty days after receiving such charge and before taking any action with respect to such charge, refer such charge to such agency. The Attorney General shall notify all parties involved of the referral to such agency. The Attorney General shall, after that referral is made, take no further action with respect to such charge unless the Attorney General determines that such agency no longer qualifies for certification. Wherever a State or local law provides rights and remedies which are reasonably equivalent to the rights and remedies provided by this title, the Attorney General shall certify the appropriate State or local agency administering such law. Any State or local agency may submit a written request for certification to the Attorney General. Unless the Attorney General offers a written objection within ninety days after such submission, such State or local agency shall be deemed certified within the meaning of this title. If the Attorney General objects within the prescribed ninety-day period, he shall provide the State or local agency with an explanation for his decision and such decision shall be subject to review by the appropriate United States district court.

"(b) The Attorney General shall not require, as a condition of such certification, that the State or local law enforcement agency agree, to waive, its exclusive authority over charges alleging discriminatory housing practices.

"CONCILIATION PROCESS

"SEC. 812. (a) If the Attorney General concludes, on the basis of a preliminary investigation of a charge, that prompt judicial action is necessary to carry out the purposes of this title, he may seek appropriate temporary or preliminary relief pending final disposition of such charge. Any temporary restraining order or other order granting preliminary or temporary relief shall be issued in accordance with rule 65 of the Federal Rules of Civil Procedure.

"(b) At any time after the filing of a charge, the Attorney General shall endeavor to resolve such charge by conciliation. If the respondent refuses to participate in the conciliation process, the Attorney General may grant to the aggrieved person not more than $1,000 for legal fees and other expenses of initiating a civil action under this title against such respondent. Nothing said or done in the course of the conciliation process may be made public or used as evidence in a subsequent proceeding under this title without the written consent of the persons concerned. Any employee of the Attorney General who makes public any information in violation of the immediately preceding sentence shall be fined not more than $1,000. The conciliation process may result in a conciliation agreement. Such agreement may provide for binding arbitration of the dispute arising from the complaint or may award appropriate specific relief to the aggrieved person including damages of not more than $1,000. The Attorney General may issue such orders as are necessary to enforce any conciliation agreement, including, if the Attorney General has determined that there has been a breach of such agreement, an order that the breaching party pay to the other party not more than $1,000.

"(c)(1) If the Attorney General determines, after an investigation and after initiation of the conciliation process under this section, that reasonable cause exists to believe a charge is true, the Attorney General shall file an appropriate civil action under section 814(b) of this title. Such determination in the case of a charge filed by an aggrieved person may not be made later than six months after the date of the filing of such charge.

"(2) After each investigation under this section, the Attorney General shall provide to each party a copy of the report of such investigation.

"(d) The Attorney General shall not employ the services of any person or organization, or provide direct or indirect assistance to any person or organization, to make an offer to purchase, rent, or obtain financing for a dwelling that is not a bona fide offer, except where such action is undertaken for the purpose of verifying a violation of this title which the Attorney General has reason to believe has occurred.

"PRIVATE ENFORCEMENT

"SEC. 813. (a)(1) An aggrieved person may commence a civil action in an appropriate United States district court or State court at any time not later than six months after the alleged discriminatory housing practice occurred or terminated.

"(2) The Attorney General may, upon timely application, intervene in such civil action, if he personally certifies that the case is of general public importance.

"(b) Any court, upon application by an aggrieved person or a respondent, may, in such circumstances as it deems just, appoint an attorney for such party and may authorize the commencement or continuation of the action without the payment of fees, costs, or security.

"(c) The court may award such relief in any civil action under this section as is authorized in section 813(c) of this title in cases brought under that section.

"(d) The filing of a civil action pursuant to a charge filed by an aggrieved person under this title by the Attorney General or by any State or local agency shall preclude the filing of a civil action under this title growing out of the same discriminatory housing practice by such aggrieved person. The filing of a civil action under this title by an aggrieved person shall preclude the filing of a civil action under this title growing out of the same discriminatory housing practice by the Attorney General or by any State or local agency pursuant to a charge filed by such aggrieved person.

"(e) It is the sense of the Congress that, except in cases in which a municipality or State is involved, the use of United States magistrates should be encouraged to the maximum extent feasible in order to expedite litigation under this section.

"ANCILLARY AND PROCEDURAL MATTERS

"SEC. 815. (a) In any action or proceeding under this title, the court may allow a prevailing party (other than the United States with respect to attorney fees) reasonable attorney and expert witness fees as part of the costs. The United States shall be liable for such costs the same as a private person. Such costs may also be awarded upon the entry of any interlocutory order which determines substantial rights of the parties.

"(b) Any court in which a proceeding is instituted under this title shall assign the case for hearing at the earliest practicable date and cause the case in every way to be expedited.

"(c) Any sale, encumbrance, or lease executed before the issuance of any order under this title, and involving a bona fide purchaser, encumbrancer, or tenant without actual notice of the existence of the filing of a charge or civil action under this title shall not be affected by such court order.

"(d) Any court having jurisdiction of an action brought under this title which enters a temporary restraining order or other order providing permanent or temporary relief sought by the Attorney General may, in such circumstances as it deems just, if a violation of this title is not ultimately found, enter an order providing reimbursement from the United States to the defendant for unavoidable economic losses incurred during the time that the temporary restraining order or preliminary or temporary relief was in effect which were a direct result of such temporary restraining order or preliminary or temporary relief.".

COOPERATION WITH STATE AND LOCAL AGENCIES

SEC. 10. Section 817 of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes", the "Equal Access to Housing Act", as redesignated by section 9 of this Act is amended by striking out "Secretary" each place it appears and inserting in lieu thereof "Attorney General".

CLARIFYING PROVISION

SEC. 11. The Equal Access to Housing Act is amended by adding at the end thereof the following new section:

"CLARIFYING PROVISIONS

"SEC. 821. Nothing in this Act shall be construed to prohibit—

"(a) in the case of landlords, the establishment of any requirements for tenancy relating to age, income level or source, parental status, familial relationship, or maximum occupancy;

"(b) in the case of State, local, or other governmental jurisdictions, the establishment of zoning or land-use statutes, ordinances, administrative policies or regulations, including dwelling lot size requirements and multiple-family dwelling exclusions or limitations, which may result in increased housing costs or diminished housing availability; or

"(c) in the case of private agreements, contracts or covenants, the establishment of any rules or requirements, including those relating to dwelling lot size or multiple-family dwelling exclusions or limitations, which may result in increased housing costs or diminished housing availability;

Provided, however, that nothing in this section shall exempt from coverage of this Act, any action described herein taken for the purpose of discriminating on account of race, color, religion, sex, handicap, or national origin.".

CONFORMING AMENDMENT

SEC. 12. Section 901 of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" (Public Law 90-284, approved April 11, 1968) is amended by inserting ", handicap (as defined in section 802 of this Act)," immediately after "sex" each place it appears.●

By Mr. FORD:

S. 868. A bill to require the Secretary of Agriculture and the Secretary of Commerce to conduct a joint study of commodities and products that may be produced and marketed in conjunction with the production of tobacco; to the Committee on Agriculture, Nutrition, and Forestry.

COMPLEMENTARY CROP LEGISLATION

● Mr. FORD. Mr. President, today I introduce a bill with implications for all of agriculture and, especially, for tobacco, the mainstay of thousands of small farmers in Kentucky and other States.

As we work on broad approaches to our farm problems, we must be aware that a few sweeping changes will not solve all our problems. We also must focus on agricultural specialties, finding a whole range of alternatives to allow farmers to choose what is right for their own farms.

My bill would apply this principle to our struggling tobacco farmers. I am calling upon the Secretaries of Agriculture and Commerce to carry out a joint study of the existing infrastructure of tobacco in order to identify other crops that might fit into and complement tobacco operations.

I am seeking the guidance of the USDA in our efforts to use tobacco labor and equipment in diversified farming operations. The Commerce Department is included to make sure that markets can be found for any new crop or livestock enterprises begun by our tobacco growers. I am convinced we can take advantage of the existing knowhow of our tobacco farmers to grow and prosper, not only in tobacco but in other areas as well. In this way, perhaps we can begin to overcome at least a few of the expensive problems involved in our larger farm policy debates.

Tobacco remains the mainstay of Kentucky agriculture. It is the very nature of tobacco, yielding a gross return of $3,500 per acre, that has enabled Kentucky agriculture to be so diverse. Kentucky is the 13th largest producer of soybeans in the country, 14th for sorghum, and in the top 15 in cattle, dairy, and hog numbers.

The number of farms in Kentucky is 99,000, a decline of almost 2,000 farms since 1984. Despite the seeming diversity of Kentucky agriculture, it is tobacco that makes up 29 percent of the total farm receipts and over 41 percent of the crop receipts, all on less than 2 percent of the land. The average farm in Kentucky is just under 146 acres compared to the national average of over 455 acres. Kentucky farms are small, family operations. The average farm in Kentucky will raise a few head of cattle, some grain for feed, selling the rest. It is tobacco, however, on these small farms which pays the bills, allowing a Kentucky farmer to operate on a unit one-third the size of the national average.

I am bullish on tobacco. I know of no other commodity in which a 1-percent loss of output could mean 545 lost jobs, or $19.4 million in labor and capital intensive, yet requiring such a small amount of tillable soil, which can produce such great returns to Kentucky farmers.

Recently, two major cigarette manufacturers comprising better than a 70-percent market share announced they would virtually end importation of foreign grown burley and Flue-cured tobaccos. The announcements came as a result of major changes in the operation of the Tobacco Program enacted in Congress. I compliment these two fine companies—Philip Morris Co. and R.J. Reynolds Tobacco Co.

The announcement by these two companies only strengthens my belief that tobacco will be a major income producer for tobacco farmers for some time to come. I am convinced we must use the stability and future of tobacco to branch out into production of other crops to complement the strengths of tobacco production.

However, I am concerned for the crop. The overall condition of agriculture is such that extreme pressure is being placed on this commodity to shoulder the whole load of farm profitability. We have all, both here in this Chamber and at home, heard of the bad times in American agriculture. Cash prices for our grains are so low, payments cannot be met; cattle and pork prices, though better, are still strained. The average debt-to-asset ratio rose from 18.8 percent in 1981 to 25 percent in 1986. Unfortunately, because of declining profitability, farm assets have declined 25 percent since 1981, while farm debt has fallen only 1 percent. Individual farmers, farm communities, our States and, yes, even our Nation, are feeling the effects of declining farm profitability.

The cries for help ring out and, all too often, the reply is: "diversify and reduce your debt load." Traditional farm enterprises are indeed in trouble, as surplus stocks continue to mount. However, if one farmer tries to diversify, it usually increases investment, which only compounds the debt load problems.

Mr. President, today, I am introducing a bill for all of agriculture. A broad-based change in a single farm philosophy will not solve all our problems. What we must do is key on specialities, or niche farming, and find a whole range of alternatives to allow a farmer to choose what is right for his or her own operation. The bill I am introducing today will focus on tobacco.

The bill calls for a joint study, to be carried out by the USDA and the U.S. Department of Commerce, of the existing infrastructure of tobacco, from seedbed to sales counter, and to identify potential crops that are complementary to the production of tobacco—its cultivation practices, use of equipment and knowhow, as well as the marketing structure unique to tobacco. The USDA should be a part of this study because it has the necessary expertise in agricultural production.

The Commerce Department is included in this study in order to avoid one of the most serious pitfalls in American agriculture—lack of marketing expertise. I do not want a Kentucky farmer, one of the best producers in the world, to spend money and put forth the effort of producing a complementary crop and not find a market for that commodity.

The Commerce portion of the study would recommend how best the States, cooperative marketers, and individuals can promote, sell, and distribute the identified commodities. Special emphasis should be placed on the benefits of a cooperative organization versus corporations or subchapter S corporations, especially as it relates to acquiring financing, insurance, and staff. Strong emphasis should also be placed on the hiring of recognized consultants in the field.

The Commerce Department should identify potential markets, by segmentation—income, age, buying patterns, et cetera. Questions should be answered as to the method of purchase preferred by segment, such as whether or not health-conscious Americans spend extra time to purchase fresher, locally grown foods at a central cooperative location, or must entry into a supermarket be required.

Further, the Commerce Department should make recommendations as to how best to distribute a product; the laws of interstate and instrastate transportation and any licenses required; how best to sell to regional supermarket chains; packaging required; and how best to distribute to other identified market outlets.

In essence, the study will identify the existing infrastructure of tobacco, both in marketing and production and those practices and commodities which would avail themselves of that infrastructure. Such a study should result in the determination of a capable marketing plan with specific suggestions to the State agencies, farm cooperatives, and extension services. Included in the plan should be points of reference to Government and private programs available to provide both monetary and information assistance.

I would hope the study would not limit itself to just food production. We must also look upon nonfood options, looking at fiber and resource production for such uses as energy, pharmaceuticals, additives, and any other expertises outside the realm of traditional food production. I would also hope the study would focus on those special foods finding favor in our changing diets, and on changes in livestock production practices to cater to the restaurant industry.

The purpose of this study is twofold. First and foremost, is identifying sources of additional income to tobacco-producing States. Second, by utilizing the existing infrastructure of tobacco, production costs in the crop should decline, thus increasing profits, while making the U.S. producer more competive in the world marketplace.

I recognize the large scope of such a study. I am also aware of similar studies currently underway or under consideration. The purpose of this bill is to provide purpose and direction, to serve as a focal point for all studies. I urge my colleagues to allow this bill to be given proper committee hearings to draw together all the leaders in their respective fields, to coordinate the activities currently underway, and to initiate further thought to achieve the results I have outlined.

Congressional hearings would be the proper setting in which to bring together the appropriate groups and the recognized authorities in order to provide proper direction of the study. I intend to urge several groups in my State to actively participate; the Restaurant Association, because I want to know what types of food they serve and expect to serve in the future, and how we can provide a source for their needs; the representatives of the major grocers, for the same reasons; the banks would be of assistance in providing financial suggestions; the Kentucky Chamber of Commerce could be of assistance; not to mention colleges and universities.

Mr. President, I would also hope we could, in utilizing the infrastructure of tobacco, work with the major cigarette manufacturers in identifying potential markets. Two of the leading cigarette manufacturers are now leaders in the production and marketing of food products. These companies have marketing professionals who understand the changing lifestyles of consumers. Not only would these companies help identify unique markets, but they could also be of help in suggesting changes in production practices to cater to the changing market.

I am convinced that much of the future growth of American farm products will come from the export of finished products. Here again, the multinational tobacco-food conglomerates can help identify ways to better promote these exports. On raw products, I look to the Tobacco Leaf Exporters Association as a resource on guidelines for keying on export practices of these complementary products.

Please allow me the opportunity to highlight some of the practices unique to the tobacco industry and how these practices can be helpful in promoting complementary products.

LABOR

The average farmer will spend some 35 cents per pound in outside labor costs to produce his or her tobacco. One of the objectives of this bill should be to identify complementary production practices requiring labor either right before or right after peak labor periods in tobacco production. Normally, a tobacco farmer must hire additional temporary labor as these peak periods arise. Ideally, complementary production practices would allow more full-time labor to improve efficiency and improve quality. Quality would improve with a stable labor supply so that, when tobacco work was called for, the supply of labor would be there. In addition, a steady labor force would generally take more pride in its endeavors. A 5-cent-per-pound savings would save burley farmers over $23 million annually. Labor requirements for U.S. burley production and time of year called are as follows:

Operation	Time of year	Labor hours per acre
Plant bed preparation	March and April	16
Field preparation		6
Transplanting	Late May/early June	26
Growth (sidedressing)	July	39
Harvesting	August/September	26
Transport and Housing	August/September	39
Curing		3
Stripping and marketing	Late October thru January.	72
Total		227

Those of my colleagues unfamiliar with tobacco production will find it interesting to note that each acre has about 8,000 plants, each handled individually twice before transplanting, several more time each before harvest at which time, bending, straightening, and spearing the plants on 1,300 sticks is required before placing them in the barn. On average, an individual farmer will bend over 10,000 times in harvesting a single acre of tobacco. I believe my colleagues can appreciate the skill and back-breaking labor required to produce this commodity.

EQUIPMENT

Surprisingly enough, a farmer can easily have $58,851 invested in equipment required to produce just 1 acre of tobacco. Obviously, finding another use for this equipment will lower overhead costs and allow the farmer the advantage of using equipment with which he is already familiar. The study should examine those practices for which use of some of the more unique types of tobacco equipment is suitable.

For example: The tobacco transplanter is used but a few days a year, yet costs $625. These unique machines transplant tender seedlings produced in a seedbed into the ground in a row. This machine is capable of transplanting tomato plants, tree seedlings, and any other transplantable items.

Sidedresser/Cultivation—a special unit for cultivating close to the tobacco plants, removing weeds, and permeating the soil. Sidedressers are used to apply directly onto the plant fertilizer and/or nitrogen at crucial times in the growing season without the wasted expense of broadbase application. Total cost—$1,600.

BUILDINGS

At a minimum, a two-bent, four-tier barn with 14-foot eaves is required for an acre of tobacco. A barn of this type will easily cost $7,000, but is used only about 60 days a year. Specialty herbs and spices requiring a well-ventilated curing area would be ideal for the use of these structures. In addition, I have heard of studies to adapt these structures to greenhouses. I also know of many farmers who shelter livestock in other months, cure our famous Kentucky hams, or board horses for additional income. The study should focus on other uses for such facilities during low-demand periods.

CASH FLOW

I pointed out that seedbed preparation for tobacco begins in March. Many farmers may not market their tobacco until January or February. Thus, special emphasis should be placed in the study on identifying those crops which can provide a source of income during the year, especially at periods of peak cash requirements for tobacco, such as cutting and housing time, which requires over $300 per acre. Providing an influx of cash at crucial times of the year could easily save the farmer some 2 cents per pound in interest on operating costs—or $9 million annually in the burley belt.

MARKETING STRUCTURE

The marketing of burley tobacco begins in November of each year and runs through early February. Tobacco is brought to warehouse floors where it is displayed under countless skylights. These warehouses are generally located in populous areas, have loading and unloading facilities, but are generally not used for the better part of the year. Currently, over 200 warehouses in 74 separate markets in an 8-burley-State area, represent literally millions of square feet of display, receiving, packaging, and shipping opportunities. These markets include such large cities as Louisville, Lexington, Knoxville, and Covington. I have long felt that these facilities could well be used by cooperatives, or for direct marketing outlets of farmer goods in major areas.

PROCESSING FACILITIES

Tobacco, after it has been purchased by a manufacturer or dealer, must be processed for shipping and storage prior to use. This process, commonly referred to as "redrying," is a complex operation requiring large numbers of employees, assembly-line-type sorting, and use of high-pressure steam. Here again, I am convinced that these facilities, used but 6 months a year or less, are adaptable to other uses, especially given that the peak periods are during the winter months. I am aware of a farmer cooperative already using one such facility for sorting and packaging green peppers.

In closing, let me say that the tobacco industry has been a blessing to my State of Kentucky, and will continue to be. However, strong as the crop might be, it cannot save the farmer alone during these troubled times. By taking advantage of the existing knowledge and knowhow of tobacco, I am convinced we can use tobacco to grow and profit in other areas.

I urge my colleagues and members of the tobacco community to join me in concentrating our efforts on this particular measure, and I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 868

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. STUDY OF COMPLEMENTARY COMMODITIES AND PRODUCTS OF TOBACCO PRODUCERS.

(a) In General.—The Secretary of Agriculture and the Secretary of Commerce shall conduct a joint study of complementary commodities and products that may be produced and marketed in conjunction with the production of tobacco.

(b) Secretary of Agriculture.—In conducting this study, the Secretary of Agriculture shall—

(1) examine the current infrastructure (including practices, uses, equipment and skills) used to produce tobacco;

(2) identify complementary agricultural commodities and products (including both food and nonfood products) that may be produced with the use of the infrastructure used to produce tobacco;

(3) make recommendations on the best means of utilizing the infrastructure to produce the complementary commodities and products; and

(4) identify public and private sources of financial assistance and information available to tobacco producers to assist in the production of the complementary commodities and products.

(c) Secretary of Commerce.—In conducting the study, the Secretary of Commerce shall—

(1) identify and evaluate means that may be used by government agencies, cooperative tobacco marketing associations, land-grant universities, individual tobacco producers, and others, to promote the sale, distribution, and marketing of the complementary commodities and products identified by the Secretary of Agriculture (including recommendations on the use of cooperative organizations and on contracting out for such promotion);

(2) identify and analyze potential markets for the sale and distribution of the complementary commodities and products (including an analysis of the markets by income, age and buying patterns);

(3) examine and evaluate means of distributing the complementary commodities and products (including an analysis of legal and licensing requirements for distribution of the commodities and products and various means of packing, sale, and distribution of the commodities and products to supermarkets); and

(4) identify public and private sources of financial assistance and information that are available to tobacco producers to assist in the marketing of the complementary commodities and products.

(d) Report.—Not later than 6 months after the date of the enactment of this Act, the Secretary of Agriculture and the Secretary of Commerce shall jointly—

(1) submit to Congress a report that describes the results of the study required by this section; and

(2) make a copy of the report available at no charge to State agencies, cooperative tobacco marketing associations land-grant universities, individual tobacco producers and the general public.●

By Mr. DOLE:

S. 869. A bill to amend part D of title IV of the Social Security Act to require that mandatory income withholding of court-ordered child support begin automatically when the court order is issued, to strengthen the presently required State guidelines for child support award amounts, to require that employment security information be made available for child support enforcement purposes through Federal and State telecommunications networks, and to increase the penalties on States for failure to comply with statutorily prescribed procedures; to the Committee on Finance.

CHILD SUPPORT ENFORCEMENT IMPROVEMENT ACT

Mr. DOLE. Mr. President, today I am introducting the Child Support Enforcement Improvement Act of 1987. A companion bill was introduced by my colleague Marge Roukema in the House. This legislation will significantly strengthen current child support enforcement laws at no additional cost to the Federal Government. At a time when Congress is seriously considering various welfare reform proposals, strengthening child support enforcement laws is an important part of this movement to reform the current welfare system. To some extent, this legislation could be described as a welfare prevention measure.

MAJOR PROVISIONS

This bill would essentially provide for four major changes: First, it would require mandatory withholding of child support payments from the noncustodial parent's wages from the time a child support order is signed. This provision will prevent any parent from falling behind in payments and remove any stigma associated with wage withholding. It will also lift a heavy burden from our crowded court dockets, while standardizing enforcement efforts from State to State. Although I continue to have reservations about this particular provision, it may be a necessary step at this time. We don't really have enough evidence that the current 30-day delinquency requirement isn't working, because the law hasn't been in effect long enough to adequately judge its effectiveness.

Second, the child support enforcement amendments would require courts to use State-established guidelines when determining the actual size of child support payments and require that the States review each individual child support case at least every 2 years in order to determine if the support orders are in compliance with State guidelines and are keeping pace with inflation and the absent parent's income. The 1984 law requires States to develop these guidelines, but allowed them to be advisory in nature only. As a result, it is conceivable that two judges in the same county courthouse could hand down widely different support orders for families in identical financial situations. Under this legislation, the States' support guidelines would be binding on all courts and noncustodial parents would be required to prove why there should be any deviation from them in accordance with the legal doctrine of rebuttable presumption. While these guidelines have been developed, it is time to require that they be followed. To date, only 14 States have set up rebuttable presumption guidelines.

Third, further, this legislation will allow the Federal parent locator service and the State enforcement agency to have direct access to employment security data networks currently in place. This provision will provide valuable assistance to the interstate child support enforcement effort, because child support enforcement officials from across the country have said they need access to these data networks.

Fourth, a final change would result in an increase in penalties for those States that do not bring their laws into compliance with Federal law in a timely manner. Tougher sanctions will prod reluctant States into recognizing the importance the Federal Government has placed on this program.

TIMELINESS OF CHILD SUPPORT ISSUE

Mr. President, no debate on national welfare reform can take place without addressing the condition of our child support enforcement system. Three years ago, Congress overwhelmingly approved landmark legislation that represented a significant change in our approach to this issue as a nation. At the time, as the chairman of the Finance Committee, I was deeply involved in this effort and committed to it. The Child Support Enforcement Amendments of 1984 demonstrated the Federal Government's recognition of child support as a priority nationwide. It is not only a legal obligation, but a moral one as well. At that time, Congress decided that it would no longer turn its back on the children who are being deprived of their legal financial support.

The time has come for Congress to be serious about reforming our national welfare system, and there is a bipartisan commitment to do just that. Part of this effort will involve some finetuning of the former child support enforcement initiative. A strengthened Child Support Enforcement Program will protect single-parent families from having to join the welfare rolls, because they have no other means of support. No parent should have to bear the burden of seemingly endless, expensive, often demoralizing and destructive legal battles before they can receive the child support to which they are legally entitled. Child support is a legal obligation which all levels of government must work together to enforce. It is my hope that this bill will be a further step in the right direction.

Congresswoman Roukema is to be commended for her leadership in this area. She has brought to our attention areas where we can clearly make changes and in doing so improve the States' ability to secure income support for families who in some cases can avoid becoming dependent on the welfare system. I appreciate the opportunity to work with her.

Mr. President, I ask unanimous consent that the text of the bill and an exerpt from a report entitled "A Decade of Child Support Enforcement 1975-85" be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 869

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. MANDATORY INCOME WITHHOLDING.

(a) Commencement of Automatic Withholding Upon Issuance of Court Order.—Section 466(b)(3) of the Social Security Act (42 U.S.C. 666(b)(3)) is amended to read as follows:

"(3) Such withholding shall apply in every case where an individual residing in the State owes child support under a court order which has been issued or modified in the State (or under an order of an administrative process established by a law of the State), without the necessity of any determination as to whether the absent parent is or is not in arrears and without regard to whether or not the obligation involved is one which has been assigned to the State under section 402(a)(26) or which has been (or could upon application have been) undertaken to be collected by the State under section 454(6).".

(b) Conforming Amendments.—

(1) Section 466(b)(2) of such Act (42 U.S.C. 666(b)(2)) is amended by striking "in the case of a child" and all that follows through "In either case such withholding must occur", and inserting in lieu thereof ", and must occur".

(2) Section 466(b)(4)(A) of such Act (42 U.S.C. 666(b)(4)(A)) is amended by striking all that follows "the proposed withholding" and inserting in lieu thereof a period.

SEC. 2. STATE GUIDELINES FOR CHILD SUPPORT AWARD AMOUNTS.

(a) Rebuttable Presumption Established; Periodic Updating.—Section 467(b) of the Social Security Act (42 U.S.C. 667(b)) is amended—

(1) by inserting "(1)" after "(b)";

(2) by striking ", but need not be binding upon such judges or other officials"; and

(3) by adding at the end thereof the following new paragraphs:

"(2) There shall be a rebuttable presumption, in any judicial or administrative proceeding for the award of child support, that the amount of the award which would result from the application of such guidelines is the correct (and legally required) amount of child support to be awarded.

"(3) All child support orders issued or modified in a State shall be reviewed and updated to the extent necessary at least once every two years, to ensure that (taking into account any changes which may have occurred in the absent parent's financial situation or in other circumstances) they are in full compliance with such guidelines.".

(b) State Law Requirements.—Section 466(a) of such Act (42 U.S.C. 666(a)) is amended by inserting immediately after paragraph (9) the following new paragraph:

"(10) Procedures under which all child support orders issued or modified in the State will be periodically reviewed and updated as required by section 467(b)(3) (and under which all child support orders so issued or modified after the date of the enactment of this paragraph will include specific provision for such periodic review and updating).".

SEC. 3. USE OF EMPLOYMENT SECURITY INFORMATION OBTAINED THROUGH FEDERAL AND STATE TELECOMMUNICATIONS NETWORKS.

(a) IN GENERAL.—Section 454 of the Social Security Act (42 U.S.C. 654) is amended—

(1) by striking "and" after the semicolon at the end of paragraph (22);

(2) by striking the period at the end of paragraph (23) and inserting in lieu thereof "; and"; and

(3) by inserting immediately after paragraph (23) the following new paragraph:

"(24) provide that the State agency administering the plan, and the Parent Locator Service, will be given access to all employment security information which is in the possession or control of any Federal or interstate telecommunications network or which is available through any other data exchange method (including information made available under section 1137(a)(4)(B)), subject to reimbursement for the reasonable cost of furnishing such information as agreed to by the parties, and will use such information for child support enforcement purposes in carrying out their duties under this part, so long as such information is adequately protected against unauthorized disclosure for other purposes under safeguards established in regulations prescribed by the Secretary.".

(b) STATE LAW REQUIREMENTS.—Section 466(a) of such Act (as amended by section 2(b)) is further amended by inserting immediately after paragraph (10) the following new paragraph:

"(11) Procedures under which the agency or official responsible for the State's participation in any interstate telecommunications network or other data exchange arrangement that gathers, provides, or coordinates employment security information will make such information available upon request to the State agency administering the plan of the State under this part or the agency administering the plan of any other State under this part, or to the Parent Locator Service, subject to reimbursement for the reasonable cost of furnishing such information (as agreed to by the parties) and to the safeguards against unauthorized disclosure referred to in section 454(24), for use in child support enforcement as provided for in that section.".

(c) FEDERAL AUTHORITY.—Section 452 of such Act (42 U.S.C. 652) is amended by adding at the end thereof the following new subsection:

"(g) In accordance with regulations prescribed by the Secretary, the head of each Federal agency which operates or participates in a telecommunications network or other data exchange arrangement that gathers, provides, or coordinates employment security information shall make such information available upon request to any State agency administering a plan under this part, and to the Parent Locator Service, subject to reimbursement for the reasonable cost of furnishing such information (as agreed to by the parties) and to the safeguards against unauthorized disclosure referred to in section 454(24), for use in child support enforcement as provided for in that section.".

SEC. 4. INCREASE IN PENALTIES ON STATES FOR FAILURE TO COMPLY WITH STATUTORILY PRESCRIBED PROCEDURES.

Section 466(a) of the Social Security Act (42 U.S.C. 666(a)) is amended by striking "In order to satisfy section 454(20)(A)" in the matter preceding paragraph (1) and inserting in lieu thereof "In order to be eligible for payments pursuant to this title or title XIX".

SEC. 5. EFFECTIVE DATE.

The amendments made by this Act shall become effective on October 1, 1987.

[Excerpt from "A Decade of Child Support Enforcement 1975-1985" Tenth Annual Report to Congress for the Period Ending September 30, 1985, U.S. Department of Health and Human Services]

I. DIMENSIONS OF NONSUPPORT

The Federal Government has been stimulating and encouraging improvements in child support enforcement for 10 years through the Child Support Enforcement (CSE) program.

During the program's 10 years of operation, the American family has been dramatically altered under the impact of divorce and out-of-wedlock births. The duty to support children, a basic obligation of parenthood, has been seriously weakened.

According to the 1983 Current Population Survey on Child Support and Alimony, conducted by the Census Bureau 8.7 million women were caring for children whose fathers were absent from the home. Only 58 percent of them had court orders or agreements to receive child support and even of this relatively fortunate group who were actually supposed to receive payments in 1983, half received just partial payment or no payment at all during the course of the year. The unpaid child support bill for 1983 alone: $3 billion. Moreover, the average amount of child support received by a family in 1983 was only $2,341. "These figures," said former HHS Secretary Margaret M. Heckler, "document a widespread and shameful situation in our country—the nonsupport of children by their own parents."

8.7 million women in 1983 with children under 21 where the father was not present: Of 42 percent, no support awarded. Of 50 percent support awarded, 50.5 percent full amount received; of 25.5 percent, less than full amount received; of 24 percent, nothing received.

Note.—From 1983 Census Bureau Survey.

One-half of marriages that took place in the 1970's will end in divorce. Out-of-wedlock births as a proportion of live births climbed from less than 11 percent in 1970 to about 20 percent in 1982. As a result, the plight of the single-parent family—90 percent of them headed by women—has become a familiar feature on the landscape of American society. The median annual income of female-headed families in 1983 was $12,800 and fully one-third of these families were poor. The brunt of this poverty falls on the children. The Census Bureau found that in 1983, 55 percent of children living in female-headed households were poor—four times the rate for children in other households. Clearly, the financial abandonment of children by one parent contributes significantly to their poverty.

By Mr. CHAFEE:

S. 870. A bill to temporarily suspend the duty on chlor amino base; to the Committee on Finance.

S. 871. A bill to temporarily suspend the duty on 3-nitrophenyl-4-beta-hydroxyethyl sulfone; to the Committee on Finance.

S. 872. A bill to temporarily suspend the duty on 4-chloro-2-nitro aniline; to the Committee on Finance.

S. 873. A bill to temporarily suspend the duty on amino sulfon br; to the Committee on Finance.

S. 874. A bill to temporarily suspend the duty on acet quinone base; to the Committee on Finance.

S. 875. A bill to temporarily suspend the duty on diamino phenetole sulfate; to the Committee on Finance.

SUSPENSION OF DUTY ON CERTAIN CHEMICALS

● Mr. CHAFEE. Mr. President, today I am introducing six bills to suspend the duty on the importation of six chemicals that are precursors used in the production of printing ink and dyes for textiles. These particular chemicals are not produced in the United States. The suspension of the duty will act to lower the overall cost of producing textiles in this country.

As we are all aware, the textile industry has been hit especially hard by imports. I want to do all I can to keep this American industry on a fair competitive footing with its foreign competition. Because our foreign competitors can print and dye their textiles without the added costs that this duty imposes, that obviously means that this duty places our domestic industry at a competitive disadvantage.

Since there is no domestic production of these chemicals to be adversely affected by a suspension of this duty, it is senseless to continue it. In the last Congress, I introduced two bills to suspend the duty on two chemicals: 3-nitrophenyl-4-beta-hydroxyethel sulfone (also known as nitro sulfon B), and 4-chloro-2,5-dimethoxyaniline (also known as chlor amino base), but these bills were never acted upon, even though there was no controversy as to their merit. It has now come to my attention that four additional chemical should fall into the same category, and thus I am introducing bills to suspend the duties on those chemicals as well.

The duty suspension for the two chemicals covered by my proposed legislation in the last Congress would be retroactively effective to cover duties imposed after December 31, 1985, but prior to January 1, 1991. The four bills covering the remaining chemicals will suspend the duties imposed after December 31, 1986, but before January 1, 1991. Doing so will give us time to study the effect of the duty suspension on the chemical industry to determine if we should then repeal the duty outright or continue the suspension for another period.

Mr. President, I ask unanimous consent that the six bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 870

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. CHLOR AMINO BASE.

Subpart B of part 1 of the Appendix to the Tariff Schedules of the United States is amended by inserting in numerical sequence the following new item:

"907.07	4-chloro-2,5-dimethoxy aniline (CAS No. 6358–64–1) (provided for in item 405.01, part 1B, schedule 4).	Free	No change ...	On or before 12/31/90".

SEC. 2. EFFECTIVE DATE.

(a) In General.—The amendment made by this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after the date that is 15 days after the date of enactment of this Act.

(b) Reliquidation.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, upon a request filed with the appropriate customs officer before the date that is 90 days after the date of enactment of this Act, any entry of an article described in item 907.07 of the Appendix to the Tariff Schedules of the United States (as amended by this Act) that was made—

(1) after December 31, 1985, and

(2) on or before the date that is 15 days after the date of enactment of this Act.

shall be liquidated or reliquidated as though such entry occurred on the day after the date that is 15 days after the date of enactment of this Act.

S. 871

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. NITRO SULFON B.

Subpart B of part 1 of the Appendix to the Tariff Schedules of the United States is amended by inserting in numerical sequence the following new item:

"907.11	3-nitrophenyl-4-beta-hydroxyethyl sulfone (CAS No. 41687–30–3) (provided for in item 406.00, part 1B, schedule 4).	Free	No. change ..	On or before 12/31/90"

SEC. 2. EFFECTIVE DATE.

(a) In General.—The amendment made by this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after the date that is 15 days after the date of enactment of this Act.

(b) Reliquidation.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, upon a request filed with the appropriate customs officer before the date that is 90 days after the date of enactment of this Act, any entry of an article described in item 907.07 of the Appendix to the Tariff Schedules of the United States (as amended by this Act) that was made—

(1) after December 31, 1985, and

(2) on or before the date that is 15 days after the date of enactment of this Act,

shall be liquidated or reliquidated as though such entry occurred on the day after the date that is 15 days after the date of enactment of this Act.

S. 872

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. 4-CHLORO-2-NITRO ANILINE.

Subpart B of part 1 of the Appendix of the Tariff Schedules of the United States is amended by inserting in numerical sequence the following new item:

"907.92	4-chloro-2-nitro aniline (CAS No. 89–63–4) (provided for in item 404.88, part 1B, schedule 4).	Free	No change ...	On or before 12/31/90".

SEC. 2. EFFECTIVE DATE.

(a) In General.—The amendment made by this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after the date that is 15 days after the date of enactment of this Act.

(b) Reliquidation.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, upon a request filed with the appropriate customs officer before the date that is 90 days after the date of enactment of this Act, any entry of an article described in item 907.92 of the Appendix to the Tariff Schedules of the United States (as amended by this Act) that was made—

(1) after December 31, 1986, and

(2) on or before the date that is 15 days after the date of enactment of this Act,

shall be liquidated or reliquidated as though such entry occurred on the day after the date that is 15 days after the date of enactment of this Act.

S. 873

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMINO SULFON BR.

Subpart B of part 1 of the Appendix of the Tariff Schedules of the United States is amended by inserting in numerical sequence the following new item:

"907.93	3-(4' aminobenzamido) phenyl-beta-hydroxyethyl sulfone (CAS No. 20241-68-3) (provided for in item 406.00, part 1B, schedule 4).	Free	No change ...	On or before 12/31/90".

SEC. 2. EFFECTIVE DATE.

(a) In General.—The amendment made by this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after the date that is 15 days after the date of enactment of this Act.

(b) Reliquidation.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, upon a request filed with the appropriate customs officer before the date that is 90 days after the date of enactment of this Act, any entry of an article described in item 907.93 of the Appendix to the Tariff Schedules of the United States (as amended by this Act) that was made—

(1) after December 31, 1986, and

(2) on or before the date that is 15 days after the date of enactment of this Act.

shall be liquidated or reliquidated as though such entry occurred on the day after the date that is 15 days after the date of enactment of this Act.

S. 874

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ACET QUINONE BASE.

Subpart B of part 1 of the Appendix of the Tariff Schedules of the United States is amended by inserting in numerical sequence the following new item:

"907.91	2,5-dimethoxy acetanilide (CAS No. 3467–59–2) (provided for in item 405.34, part 1B, schedule 4).	Free	No change ...	On or before 12/31/90".

SEC. 2. EFFECTIVE DATE.

(a) In General.—The amendment made by this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after the date that is 15 days after the date of enactment of this Act.

(b) Reliquidation.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, upon a request filed with the appropriate customs officer before the date that is 90 days after the date of enactment of this Act, any entry of an article described in item 907.91 of the Appendix to the Tariff Schedules of the United States (as amended by this Act) that was made—

(1) after December 31, 1986, and

(2) on or before the date that is 15 days after the date of enactment of this Act,

shall be liquidated or reliquidated as though such entry occurred on the day after the date that is 15 days after the date of enactment of this Act.

S. 875

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DIAMINO PHENETOLE SULFATE.

Subpart B of part 1 of the Appendix of the Tariff Schedules of the United States is amended by inserting in numerical sequence the following new item:

"907.90	3,4 diamino phenetole dihydrogen sulfate (CAS No. 85137–09–3) (provided for in item 405.09, part 1B, schedule 4).	Free	No change ...	On or before 12/31/90".

SEC. 2. EFFECTIVE DATE.

(a) In General.—The amendment made by this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after the date that is 15 days after the date of enactment of this Act.

(b) Reliquidation.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, upon a request filed with the appropriate customs officer before the date that is 90 days after the date of enactment of this Act, any entry of an article described in item 907.90 of the Appendix to the Tariff Schedules of the United States (as amended by this Act) that was made—

(1) after December 31, 1986, and

(2) on or before the date that is 15 days after the date of enactment of this Act,

shall be liquidated or reliquidated as though such entry occurred on the day after the date that is 15 days after the date of enactment of this Act.●

By Mr. BAUCUS:

S. 876. A bill to amend the Federal Aviation Act of 1958, relating to small community air service; to the Committee on Commerce, Science, and Transportation.

FEDERAL AVIATION ACT

● Mr. BAUCUS. Mr. President, today I am introducing a bill to preserve vital commercial air service for dozens of isolated communities that depend on this link for their economic livelihood.

AIR SERVICE AND RURAL COMMUNITIES

This bill recognizes that many rural communities simply will not be served by airlines because they are too far off the beaten track and cannot compete with more profitable urban markets.

Yet these communities are important to the economy of their State as well as the Nation.

As chairman of the Rural Economy Subcommittee in the Small Business Committee, I have been looking closely at the state of rural economies.

I am finding that amidst the depressed farm and resource based economies, some communities are hanging on by a thread while a few are actually growing.

But one critical element exists to the survival of both, and that is continued commerical air service. Without it, even the prospering community can be cut off from the mainstream of the economy and die.

Nominal assistance from the Federal Government assures that both communities will have an opportunity to grow and prosper.

EAS PROGRAM

When airline deregulation began, Congress required that small isolated communities be protected from sudden and dramatic loss of service.

The Essential Air Service [EAS] Program tried to ease the transition to a deregulated airline environment for these remote locations.

When the EAS Program started in 1978, more than 500 communities were identifed as being eligible for essential air service points. Today, only about 150 communities, about a third of them in Alaska, still need this assistance. In the future, we hope even fewer will have to rely on assistance.

Congress should stick to its goal of having every community served by a private carrier. But that's taking longer than expected. Those markets that still depend on EAS will be substantially harmed if the program is prematurely pulled away from them. EAS is badly needed to make sure many of our rural areas continue to carry on their commerce and trade.

Mr. President, $30 million assures more than 100 communities will retain their vital lifeline to the Nation. This bill recognizes that Federal dollars, regardless of the amount, are scarce and valuable. But it also recognizes the important role of the Federal Government in supporting the Nation's remote rural communities.

MONTANA NEEDS EAS

Last October, I conducted a Small Business Committee field hearing in Montana where seven towns receive EAS subsidy.

These communities range in population size from 3,000 to 11,000. The closest alternative service for any of these points is 105 miles. Most, however, must drive more than 200 miles, one way, to find the next airport.

The businesses in these communities have been hard pressed by downturns in agriculture and energy. But they continue to have the same needs as businesses everywhere. They are striving to be growing and vibrant operations. Without essential air service, it is difficult to imagine many of these businesses surviving.

For example:

In Glendive, MT—a community of about 6,000—Crisafulli Pump Co. depends on essential air service to send emergency spare parts, to bring in customers for engineering consultations, and to conduct a sales program in 48 States. The next nearest air service is about 200 miles away.

Wolf Point, MT, is almost 300 miles away from alternative air service. Driving a roundtrip takes 2 days. Woods Power-Grip in Wolf Point manufactures suction cup devices sold around the world. Without essential air service, Woods Power-Grip would be forced to relocate its 50 employees.

Loss of essential air service would also greatly curtail the operations of the Fort Peck Indian Reservation's A&S Industries, an employer of about 500 people. About 17 times a month, A&S Industries depends on EAS flights to ferry potential suppliers and customers. Imagine how many of these customers will visit A&S if they have to drive 588 miles round trip in place of a 2-hour flight.

But more than business is affected by the loss of EAS. Our elderly people often have to make the 2-day drive from Wolf Point to receive medical care.

Farmers depend on essential service during the harvest season. A crop won't wait if machinery breaks down and a farmer can't get spare parts in time. Essential air service is often the only transportation available.

The benefits of deregulation in the airline industry have not filtered down to many rural communities. More expensive service or even the loss of service seems to be the rule and not the exception.

Continuing the Essential Air Service Program seems only fair. The cost is token compared to the disruption that would be caused by dropping the program.

Mr. President, I am committed to working out a satisfactory compromise with this administration on the EAS Program. I realize it is not a perfect program and additional subsidized points may need trimming.

Therefore, I introduce this bill and ask each of my colleagues to carefully weigh the benefits of this program against the costs. I believe the needs of these communities deserve our continued support.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 876

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal Aviation Act of 1958 is amended by inserting immediately after section 419 the following new section:

"SEC. 419A. (a) In the administration of section 419 of this Act, the Secretary of Transportation, in addition to the authority contained in section 419 of this Act, is authorized to enter into a contract or contracts with any air carriers for the purpose of providing service to an eligible point as determined and designated in accordance with section 419.

"(b) Such contract shall be negotiated for the purpose, among others, of assuring that any air carrier covered by such contract will provide at least essential air transportation (as determined in accordance with section 419) to any such eligible point.

"(c) Each such contract shall require, as a minimum—

"(1) two trips six days per week to an existing hub, or such number of trips designated as essential air transportation pursuant to section 419, whichever is the greater number, timed so as to assure convenient connections to destinations beyond the hub;

"(2) the use of aircraft of sufficient size to accommodate estimated traffic at an average 50 percent load, but in no event could service be provided on aircraft with fewer than 15 passenger seats without the consent of the appropriate State agency or agencies and the community affected;

"(3) maximum practicable number of convenient connections to beyond-hub destinations, and for agreements with beyond-hub, as well as local, air carriers as necessary to ensure good beyond-hub service;

"(4) reasonable fares based on the prevailing fares of other air carriers; and

"(5) such other conditions or requirements as the Secretary may impose to assure effective service and continuity in service to any such eligible point.

"(d) Any contract entered into pursuant to this section shall be exempt from the requirement of the Federal Procurement Act.

"(e) The Secretary shall, from time to time, review each such contract entered into pursuant to this section and negotiate such changes or modifications therein as may be necessary to reflect changes in air traffic and other matters which impede effective service to any such eligible point.

"(f) In any case in which an interested community or a State agency in the State in which such community is located desires, with respect to any eligible point therein, service features in addition to those contained in a basic contract under subsection (c) of this section, the Secretary shall include in any such contract provisions sufficient to meet such service features so desired, if such community or State, as the case may be, agrees to pay 50 percent of the costs involved in providing such additional features.

"(g)(1) The Secretary, at the request of any community or State, is authorized to negotiate contracts, in accordance with this section, providing for experimental start-up air service, for a 48 calendar month period, to a point or points within such community or State. Any such contract shall be negotiated in the same manner and to the same extent as if any such point was an eligible point as defined in section 419 of this Act.

"(2) If any such point, at any time prior to the date of the enactment of this section, did not receive scheduled air service, such local community or State shall be required to pay, under such contract, 20 percent of the basic contract cost for air service in accordance with subsection (c) of this section. If any such point, at any time prior to the date of the enactment of this section, was eligible for a subsidy under section 419, no part of any such basic contract costs shall be charged to any such community or State.

"(h) In any case in which a community or a State desires additional service features in a contract, as provided under subsection (f) of this section, the Secretary, in negotiating such contract, shall consult with such community or State for its views and recommendations, including any modifications or other revisions or renewals of such contract.

"(i) There is authorized to be appropriated for fiscal year 1988, and each of the next following nine fiscal years, $30,000,000 for carrying out the provisions of this section.

"(j) The provisions of this section shall terminate upon the expiration of the 10-year period following the date of the enactment of this section.".

SEC. 2. Subsection (g) of section 419 of the Federal Aviation Act (49 U.S.C. 1389(g)) is amended by deleting "ten" and inserting in lieu thereof "twenty".●

By Mr. COCHRAN:

S. 877. A bill to establish a National Commission on International Competitiveness; to the Committee on Governmental Affairs.

NATIONAL COMMISSION ON INTERNATIONAL COMPETITIVENESS

Mr. COCHRAN. Mr. President, today I am introducing legislation to create a National Commission on International Competitiveness. The purpose of this Commission is to promote solutions to our Nation's international competitiveness problems. Studies, reports and public comment about the problems facing us are abundant, but I feel that a vehicle for assessing the impact of actions we are about to take is necessary.

We are faced with a monumental task as we work to regain and sustain our country's position in the world marketplace. Legislative and regulatory solutions to our record trade deficit must target which policies and practices need reform, which need complete overhaul, and which may need to be abandoned.

In a recent speech to business leaders, Donald W. Davis, chairman and chief executive officer of Stanley Works, and vice chairman of the National Association of Manufacturers, accurately cataloged some of the steps we should take to regain markets.

If we are to reverse the trend of declining U.S. competitiveness, we must examine the international negotiations and agreements process, export promotion and controls, trade barriers, labor and business development programs, domestic and foreign economic policies, and Federal regulatory and licensing policies and practices. The Commission I am proposing will study these and other factors and provide Congress with an impact assessment of proposed actions on U.S. competitiveness before decisions are made.

All of the members of this Commission will have a mutual interest in improving U.S. competitiveness. The membership will include the current and former U.S. Trade Representatives, and appointed members from manufacturing, business, agriculture, labor, and the public.

Mr. President, I feel that the Commission's work will enhance the ability of Congress to find solutions to our trade competitiveness problems, and I urge my colleagues to support this legislation.

Mr. President, I ask unanimous consent that the bill and an excerpt from that address, printed in the February 16, 1987, edition of the Hartford Courant, be made a part of the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 877

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ESTABLISHMENT OF A NATIONAL COMMISSION ON INTERNATIONAL COMPETITIVENESS.

(a) IN GENERAL.—There is hereby established the National Commission on International Competitiveness (hereafter in this section referred to as the "Commission") for the purpose of assisting United States industries in competing in international markets.

(b) MEMBERSHIP.—

(1) The National Commission on International Competitiveness shall consist of—

(A) the United States Trade Representative,

(B) 3 individuals appointed by the President who most recently served as United States Trade Representatives,

(C) 8 individuals appointed by the President pro tempore of the Senate after consultation with the Majority Leader and Minority Leader of the Senate, and

(D) 8 individuals appointed by the Speaker of the House of Representatives after consultation with the Minority Leader of the House of Representatives.

(2) The membership of the Commission appointed under subparagraphs (C) and (D) of paragraph (1) shall—

(A) represent the manufacturing, business, labor, and public sectors of the United States economy, and

(B) be chosen from among the leaders of—

(i) major business associations,

(ii) small business associations,

(iii) international unions most affected by competition from foreign goods, and

(iv) business firms in the United States.

(3) A vacancy on the Commission shall be filled in the same manner in which the original appointment was made.

(4) The United States Trade Representative shall be the Chairman of the Commission.

(c) DUTIES.—

(1) The Commission shall, under criteria and procedures prescribed by the Commission, review and evaluate all existing and proposed Federal programs, policies, and Executive actions that may affect the international competitiveness of United States goods and services, including—

(A) international trade negotiations and agreements,

(B) United States export promotion programs,

(C) United States controls on exports,

(D) United States barriers to trade,

(E) development of business opportunities,

(F) training of the United States labor force,

(G) United States regulatory and licensing policies and practices, and

(H) domestic and international economic policies of the Federal Government,

to determine whether such programs, policies, and actions enhance or hinder the international competitiveness of United States goods and services.

(2)(A) By no later than the date that is 2 years after the date on which all appointments required under subsection (b)(1) are made, the Commission shall submit to the Congress a final report on the determinations made by the Commission as a result of the reviews and evaluations described in paragraph (1) that are conducted by the Commission. Such report shall include—

(i) a description of the criteria used by the Commission in making such determinations, and

(ii) recommendations for legislation and Executive actions that could enhance the international competitiveness of United States goods and services.

(B) The Commission may submit to the Congress such interim reports on the determinations and recommendations of the Commission as the Commission considers appropriate.

(d) COMPENSATION AND EXPENSES.—

(1) Except as provided in paragraph (2), only those members of the Commission who are not otherwise employed by the Federal Government shall be compensated for service on the Commission. Compensation shall be paid to such members of the Commission at a rate equal to the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code, for each day (including traveltime) during which such members are engaged in the actual performance of the duties of such Commission.

(2) All members of the Commission shall be paid per diem and reimbursed for travel and transportation expenses in connection with the performance of the functions and duties of the Commission as provided in sections 5702 and 5703 of title 5, United States Code.

(e) PERSONNEL.—

(1) The Chairman of the Commission shall appoint an Executive Director who shall be paid at a rate to be determined by the Chairman. The rate of pay may not exceed the annual rate of basic pay payable for GS-18 of the General Schedule under section 5332 of title 5, United States Code.

(2) Subject to such rules as may be prescribed by the Commission, the Chairman of the Commission may appoint and fix the pay of such additional personnel as the Chairman considers appropriate. A rate of pay fixed pursuant to the preceding sentence may not exceed the annual rate of basic pay payable for GS-18 of the General

Schedule under section 5332 of title 5, United States Code.

(3) The Executive Director and staff of the Commission shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(4) The Chairman of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay payable for GS-18 of the General Schedule under section 5332 of title 5, United States Code.

(5) Upon request of the Commission, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties under this Act.

(f) PROCEEDINGS.—The Commission may, for the purpose of carrying out the duties of the Commission, hold such hearings and conferences, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission considers appropriate.

(g) COOPERATION.—The head of each department and agency of the Federal Government shall cooperate with the Commission and shall provide such information and such assistance to the Commission as the Commission may determine to be necessary in carrying out the duties of the Commission.

(h) TERMINATION.—The Commission shall terminate 30 days after the date on which the final report of the Commission is submitted to the Congress under subsection (c)(2)(A).

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for each fiscal year such sums as are necessary to carry out the provisions of this Act for such fiscal year.

[From the Hartford Courant, Feb. 16, 1987]

MOST NATIONAL PRIORITIES DEPENDENT UPON U.S. ABILITY TO BE COMPETITIVE

(By Donald W. Davis)

Regaining our country's ability to compete in world markets is a precondition for achieving most other national priorities—whether it be lowering the number of our citizens without jobs or in poverty, improving our environmental cleanup, or whatever.

The problems caused by the weakening of our international competitiveness are pervasive, adversely affecting consumers, wage earners, investors, manufacturers—in fact, all segments of our society.

There are many actions that can and must be taken to regain our competitive stance so that we can meet the new, tougher competition existing today throughout the world.

My judgment is that about half of the actions needed are in the private sector—company programs to dramatically improve our productivity, efficiency, market intelligence, etc. The other half of the job will have to be done by our government representatives in terms of policies, programs, legislation and government regulations designed to improve—not drag down—our competitiveness.

So important is this competitiveness effort that I would propose—both on an individual company micro basis and on a government macro basis—that we subject all major new policies, programs and legislation to a competitiveness test: Does this program, policy or statute enhance or detract from U.S. competitiveness in world markets?

This competitiveness litmus test concept would be similar to the kind of cost benefit analysis or environmental impact studies that have been so much in vogue during recent years and have effectively raised the nation's consciousness of such problems. Whatever other national priorities we may have, their accomplishment will be jeopardized if we don't strengthen our worldwide competitiveness.

The fact is that we have gone from the competitive leader in a class by ourselves—to one of the pack—and [are] continuing to lose ground with the biggest trade deficit in history. We are also the biggest debtor nation in the world. What are we going to do about it?

I suggest a lot.

We need to enforce the trade legislation now on the books—aggressively.

We need new trade legislation that is strong, but stops short of protectionism; and which the Congress and administration work together on rather than wait in the wings and criticize each other.

We need to support the GATT negotiations—particularly in the new areas of intellectual property rights protection, services, agricultural products and dispute settlement.

We need to put major attention on the John Young competitiveness recommendations. [Young is chief executive officer of Hewlett-Packard Co. and chairman of the Council on Competitiveness and former chairman of the President's Commission on Industrial Competitiveness.]

We need to get tough (this means reciprocate—not build walls) in our bilateral negotiations with our trading partners who engage in unfair practices.

Each business—especially each manufacturing company—should have a competitiveness task force to evaluate major investments and programs—and to label them pro or con as to the company's posture as an effective competitor in international markets.

And, finally—to carry this competitiveness litmus test to our federal government where so much happens that impacts our ability to compete—we need to establish a council on international competitiveness.

Let me illustrate the need with a current example—changes in the federal tax system. We had a lot of arguments over the fair share of taxes for individuals as compared to companies. Or, [we had] arguments over fair shares between consumer goods and industrial goods companies.

We have heard a lot about these issues over the last couple of years as tax reform has been the No. 1 issue for federal government.

We've heard much less about the implications of adding $120 billion over the next five years to the cost structure of American companies—a cost structure that is already under pressure from foreign competition.

And, if you open up your frame of reference to consider the international economic challenge, you realize that we're handicapping our industry by those amounts because our foreign competition will not have to add that same handicap to their cost structure. That's the overlooked issue in tax reform.

The important economic question is not whether individuals or companies pay more or less taxes. The issue is: what does so-called tax reform do to the future ability of our goods-producing industries to meet world competition, industry-by-industry?

I mentioned the need for an international competitiveness council.

The mission of this council would be to evaluate existing and prospective legislation and regulatory actions in terms of whether it would be pro or anti-competitive for the United States in international competition.

It would not be concerned about other merits or flaws in such legislation or regulation.

It would have no power except the power of a prestigious body to publicly highlight the competitiveness aspect of such actions.

There seems to be enough acceptance of the existence of a competitiveness crisis in our country to make such public pronouncements a powerful factor.

The council should probably be appointed by the president, confirmed by Congress, and include a makeup such as follows:

The last three U.S. trade representatives, plus the current trade representative as chairman.

Top leadership of four major business associations, such as: the National Association of Manufacturers, U.S. Chamber of Commerce, Business Roundtable, and a small business association.

Top leadership of [the] four largest international unions most affected by foreign competition.

Top leadership from agriculture and mining.

One of the advantages of this particular council is that all members have a mutual interest in improving U.S. competitiveness.

For manufacturing and business, generally it means more sales and profits and even survival.

For labor, it means more jobs and a better standard of living.

For agriculture, it means more exports, better margins.

For the public, it means lower trade deficits, less inflationary pressures, higher standard of living, sounder financial position for the country, lower taxes, more jobs and the opportunity to fund and finance other important national projects and priorities.

It would also reduce the need and likelihood of protectionist actions which would be a brake on growth, expansion, standard of living and progress throughout the world.

This nation of ours has a way of hanging back until pretty late in the game, then doing what needs to be done by way of corrective action.

International competitiveness promises to be a top issue of the 100th Congress. Fortunately, both political parties are giving it high priority.

This isn't just a job for Congress or just for those of us in manufacturing or the private sector. This is a job for every sector of American society. Having looked squarely at the predicament we are in, we must learn the difference between self-interest and the national interest.

How we deal with this crisis of competitiveness should be the top item on our national agenda because it truly is the precondition for whatever other national goals we may have.

By Mr. LAUTENBERG (for himself, Mr. CRANSTON, and Mr. MURKOWSKI):

S.J. Res. 105. Joint resolution to designate December 7, 1987, as "National Pearl Harbor Remembrance Day" on the occasion of the anniversary of the

attack on Pearl Harbor; to the Committee on the Judiciary.

NATIONAL PEARL HABOR REMEMBRANCE DAY

● Mr. LAUTENBERG. Mr. President, today, Senators Cranston, Murkowski, and I are introducing a joint resolution to designate December 7, 1987, the 46th anniversary of the attack on Pearl Harbor, as "National Pearl Harbor Remembrance Day". A similar joint resolution we introduced last year was approved unanimously by Congress. But that law, Public Law 99-534, was only effective for 1 year. I greatly appreciate the support of the chairman and the ranking minority member of the Senate Veterans Affairs Committee in joining me again in introducing this joint resolution.

This joint resolution also authorizes and requests the President to issue a proclamation calling upon the people of the United States to observe this solemn occasion with appropriate ceremonies and activities, and pledge our strong resolve to defend this Nation and its allies from all future aggression.

I would like to commend the New Jersey members of the Pearl Harbor Survivors Association, particularly Lee Goldfarb, the State chairman, and the approximately 10,000 members throughout the country, for their active interest and support in commemorating this 46th anniversary through a Presidential proclamation of National Pearl Harbor Remembrance Day.

On December 7, 1941, "a date which will live in infamy", while talks between Japanese and American diplomats were going on in Washington, the United States was attacked by the Imperial Japanese Navy and Air Force. Pearl Harbor was caught totally unprepared. The blow was deliberately planned for Sunday morning, when the ships of the Pacific Fleet were moored in perfect alignment, and their crews were ashore, having breakfast or relaxing on board. There was no advance warning.

About 360 Japanese planes attacked the Pacific Fleet units at the naval base, and Army aircraft at Hickam Field and other nearby military installations. The surprise attack, launched entirely without provocation, took the lives of 2,403 Americans, and wounded 1,178. Some of those lost were civilians.

Fortunately, no aircraft carriers were tied up at the base during the attack. When the assault ended nearly 2 hours later, the Pacific Fleet had lost eight battleships, three light cruisers, three destroyers, and four other vessels. The attack also destroyed about 170 U.S. planes. The Japanese had concentrated on ships and planes, leaving repair facilities, the submarine base, and fuel oil shortage facilities relatively undamaged.

In short, the attack had dealt the Pacific Fleet, and Hawaii's air defense a devastating blow. In less than 2 hours, the Japanese had crippled the Pacific Fleet and undermined America's strategic position in the Pacific.

The unification of the country under the impact was swift. It was the first time in U.S. history that we had been attacked first, and it wiped away the last vestige of isolationist sentiment. The entire country stood behind the President and gave him wholehearted support. The attack united U.S. public opinion, and propelled the United States into World War II. On 4:10 p.m., Monday, December 8, 1941, the United States declared war on the Japanese.

As "Remember Pearl Harbor" became the American war cry throughout World War II, so today we must "Remember Pearl Harbor." We must recall and pay tribute to those who died in that tragedy, and we must remember so that we will never be caught short or unprepared again.

Mr. President, I ask unanimous consent that a copy of the joint resolution appear in the Record following my remarks, and I urge my colleagues to support this resolution.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

S.J. Res. 105

Whereas on the morning of December 7, 1941, the Imperial Japanese Navy and Air Force launched an unprovoked surprise attack upon units of the Armed Forces of the United States stationed at Pearl Harbor, Hawaii;

Whereas over two thousand four hundred citizens of the United States were killed in action and one thousand one hundred and seventy-eight were wounded in this attack;

Whereas President Franklin Delano Roosevelt referred to the date of the attack as "A day that will live in infamy";

Whereas the attack on Pearl Harbor marked the entry of this Nation into World War II.

Whereas the people of the United States owe a tremendous debt of gratitude to all members of our Armed Forces who served at Pearl Harbor, in the Pacific Theater of World War II, and in all other theaters of action of that war; and

Whereas the veterans of World War II and all other people of the United States will commemorate December 7, 1987, in remembrance of this tragic attack on Pearl Harbor: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That December 7, 1987, the anniversary of the attack on Pearl Harbor, is designated as "National Pearl Harbor Remembrance Day" and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States—

(1) to observe this solemn occasion with appropriate ceremonies and activities; and

(2) to pledge eternal vigilance and strong resolve to defend this Nation and its allies from all future aggression.●

ADDITIONAL COSPONSORS

S. 2

At the request of Mr. Boren, the name of the Senator from Colorado [Mr. Wirth] was added as a cosponsor of S. 2, a bill to amend the Federal Election Campaign Act of 1971 to provide for a voluntary system of spending limits and partial public financing of Senate general election campaigns, to limit contributions by multicandidate political committees, and for other purposes.

S. 51

At the request of Mr. Hatch, the name of the Senator from Iowa [Mr. Harkin] was added as a cosponsor of S. 51, a bill to prohibit smoking in public conveyances.

S. 123

At the request of Mr. Inouye, the names of the Senator from Tennessee [Mr. Gore], the Senator from Utah [Mr. Hatch], and the Senator from Alaska [Mr. Murkowski] were added as cosponsors of S. 123, a bill to amend title XVIII of the Social Security Act to provide that psychologist services are covered under part B of Medicare.

S. 124

At the request of Mr. Inouye, the name of the Senator from Tennessee [Mr. Gore] was added as a cosponsor of S. 124, a bill to amend title XVIII of the Social Security Act to provide that certified nurse-midwife services are covered under part B of Medicare.

S. 267

At the request of Mr. Humphrey, the name of the Senator from Virginia [Mr. Trible] was added as a cosponsor of S. 267, a bill to limit the uses of funds under the Legal Services Corporation Act to provide legal assistance with respect to any proceeding or litigation which relates to abortion.

S. 268

At the request of Mr. Humphrey, the name of the Senator from Virginia [Mr. Trible] was added as a cosponsor of S. 268, a bill to amend title 5, United States Code, to provide child adoption benefits for Federal Government employees.

S. 269

At the request of Mr. Humphrey, the name of the Senator from Virginia [Mr. Trible] was added as a cosponsor of S. 269, a bill to amend title 10, United States Code, to provide child adoption benefits for members of the Armed Forces.

S. 270

At the request of Mr. Humphrey, the name of the Senator from Virginia [Mr. Trible] was added as a cosponsor of S. 270, a bill to provide a transition period for the full implementation of the nonrecurring adoption expenses reimbursement program.

S. 271

At the request of Mr. HUMPHREY, the name of the Senator from Virginia [Mr. TRIBLE] was added as a cosponsor of S. 271, a bill to amend section 1001 of the Public Health Service Act to permit family planning projects to offer adoption services.

S. 472

At the request of Mr. CRANSTON, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 472, a bill to provide for a mutual, simultaneous, and verifiable moratorium on the testing of nuclear warheads.

S. 514

At the request of Mr. KENNEDY, the names of the Senator from Alaska [Mr. STEVENS], the Senator fom Pennsylvania [Mr. HEINZ], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Nevada [Mr. REID], and the Senator from North Dakota [Mr. CONRAD] were added as cosponsors of S. 514, a bill to amend the Job Training Act to establish an incentive bonus for the successful placement of certain employable dependent individuals, to provide targeting of assistance from certain carryover funds for such individuals, and for other purposes.

S. 629

At the request of Mr. BINGAMAN, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of S. 629, a bill to establish literacy programs for individuals of limited English proficiency.

S. 630

At the request of Mr. MOYNIHAN, his name was added as a cosponsor of S. 630, a bill to prohibit the use on Cyprus of military equipment provided to Turkey by the United States and to require that certain information regarding activities on Cyprus of the Turkish armed forces be included in the periodic reports submitted to Congress.

S. 660

At the request of Mr. DURENBERGER, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 660, a bill to create a fiscal safety net program for needy communities.

S. 698

At the request of Mr. THURMOND, the names of the Senator from Texas [Mr. GRAMM], and the Senator from Arkansas [Mr. BUMPERS] were added as cosponsors of S. 698, a bill to amend title 17, United States Code, to prohibit the conveyance of the right to perform publicly syndicated television programs without conveying the right to perform accompanying music.

S. 763

At the request of Mr. DOMENICI, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as a cosponsor of S. 763, a bill to amend title XIX of the Public Health Service Act to establish a block grant to States for services for homeless individuals who have serious mental illnesses.

S. 809

At the request of Mr. BYRD, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 809, a bill to provide urgently needed assistance to protect and improve the lives and safety of the homeless.

S. 810

At the request of Mr. BYRD, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 810, a bill to authorize housing assistance for homeless individuals and families.

S. 811

At the request of Mr. BYRD, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 811, a bill to provide health services, mental health services, and job training for homeless individuals and education for homeless children.

S. 812

At the request of Mr. BYRD, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 812, a bill to amend the Food Stamp Act of 1977 to provide urgent relief to improve the nutrition of the homeless, and for other purposes.

S. 813

At the request of Mr. BYRD, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 813, a bill to provide urgently needed assistance to protect and improve the lives and safety of the homeless.

SENATE JOINT RESOLUTION 43

At the request of Mr. CRANSTON, the names of the Senator from Ohio [Mr. GLENN], the Senator from New York [Mr. MOYNIHAN], the Senator from Colorado [Mr. WIRTH], the Senator from Nevada [Mr. HECHT], and the Senator from Delaware [Mr. ROTH] were added as cosponsors of Senate Joint Resolution 43, a joint resolution designating April 24, 1987 as "National Day of Remembrance for the Victims of the Armenian Genocide."

SENATE JOINT RESOLUTION 51

At the request of Mr. PRESSLER, his name was withdrawn as a cosponsor of Senate Joint Resolution 51, a joint resolution to designate the period commencing on July 27, 1987, and ending on August 2, 1987, as "National Czech American Heritage Week."

SENATE JOINT RESOLUTION 59

At the request of Mr. THURMOND, the names of the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Kansas [Mr. DOLE], the Senator from Minnesota [Mr. DURENBERGER], the Senator from New Jersey [Mr. LAUTENBERG], and the Senator from Michigan [Mr. LEVIN] were added as a cosponsors of Senate Joint Resolution 59, a joint resolution to designate the month of May 1987 as "National Foster Care Month."

SENATE JOINT RESOLUTION 75

At the request of Mr. THURMOND, the names of the Senator from Georgia [Mr. NUNN], the Senator from Maryland [Mr. SARBANES], and the Senator from South Dakota [Mr. DASCHLE] were added as cosponsors of Senate Joint Resolution 75, a joint resolution to designate the week of August 2, 1987, through August 8, 1987, as "National Podiatric Medicine Week."

SENATE JOINT RESOLUTION 77

At the request of Mr. HEINZ, the names of the Senator from Hawaii [Mr. INOUYE], the Senator from Oklahoma [Mr. BOREN], the Senator from Virginia [Mr. WARNER], the Senator from Tennessee [Mr. GORE], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Mississippi [Mr. STENNIS], the Senator from California [Mr. CRANSTON], the Senator from Arkansas [Mr. BUMPERS], the Senator from North Dakota [Mr. BURDICK], and the Senator from Ohio [Mr. GLENN] were added as cosponsors of Senate Joint Resolution 77, a joint resolution to designate October 14, 1987, as "William Penn Appreciation Day."

SENATE JOINT RESOLUTION 104

At the request of Mr. BOREN, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of Senate Joint Resolution 104, a joint resolution to designate the week of May 31, 1987, through June 6, 1987, as "National Intelligence Community Week."

SENATE CONCURRENT RESOLUTION 15

At the request of Mr. HEFLIN, the name of the Senator from Mississippi [Mr. STENNIS] was added as a cosponsor of Senate Concurrent Resolution 15, a concurrent resolution expressing the sense of the Congress that no major change in the payment methodology for physicians' services, including services furnished to hospital inpatients, under the Medicare Program should be made until reports required by the 99th Congress have been received and evaluated.

SENATE CONCURRENT RESOLUTION 28

At the request of Mr. LEAHY, his name was added as a cosponsor of Senate Concurrent Resolution 28, a concurrent resolution to reaffirm that deposits, up to the statutorily prescribed amount, in federally insured depository institutions are backed by the full faith and credit of the United States.

AMENDMENTS SUBMITTED

COMPETITIVE EQUALITY BANKING ACT

GARN AMENDMENT NO. 58

Mr. GARN proposed an amendment to the bill (S. 790) to regulate nonbank banks, impose a moratorium on certain securities and insurance activities by banks, recapitalize the Federal Savings and Loan Insurance Corporation, allow emergency interstate bank acquisitions, streamline credit union operations, regulate consumer checkholds, and for other purposes; as follows:

On page 8, between line 19 and 20, insert the following: "For the purpose of clause (A) of the preceding sentence, any acquisition under section 408(m) of the National Housing Act shall be desregarded.".

DOMENICI AMENDMENT NO. 59

Mr. DOMENICI proposed an amendment to the bill S. 790, supra; as follows:

At the appropriate place, insert the following:

TITLE —JUNK BONDS

SECTION. 1. This title may be cited as the "Junk Bond Limitation Act of 1987".

INVESTMENT LIMITATION

SEC. 2. (a) The Federal Deposit Insurance Act is amended by adding at the end thereof the following:

"INVESTMENT LIMITATION

"SEC. 28. (a)(1) After the date of enactment of this section, no insured bank shall, directly or indirectly, make an investment for its own account in noninvestment grade securities the proceeds of which will be used, directly or indirectly, to purchase or carry margin securities if a national bank is prohibited from making such an investment, except that this provision shall not apply to a State non-member insured bank which obtains a waiver of this provision from the Federal Deposit Insurance Corporation based upon a showing that such an investment would be consistent with the exercise of prudent banking judgment.

(2) No insured bank shall make an investment for its own account in such noninvestment grade securities if at the time of the investment its ratio of primary capital to total assets is less than 6 (six) percent.

"(b) For the purpose of subsection (a)—

"(1) the term 'noninvestment grade securities' means—

"(A) unrated bonds or preferred stock;

"(B) bonds or preferred stock with a rating at or lower than Ba by Moody's, BB by Standard and Poor's, or an equivalent rating by nationally recognized bond rating house;

"(C) other debt instruments that are, or will become, subordinated in right of payment to the payment of any substantial amount of unsecured indebtedness; or

"(D) any equity or quasi-equity instruments other than common stock or preferred stock (except as provided above), including warrants or other rights to acquire such equity or quasi-equity instruments; and

"(2) the term 'margin securities' means any security defined as a margin security under the rules and regulations of the Board of Governors of the Federal Reserve System.".

(b) Title IV of the National Housing Act is amended by adding at the end thereof the following:

"INVESTMENT LIMITATION

"SEC. 415 (a)(1) After the date of enactment of this section, no building and loan, savings and loan, or homestead association, or cooperative bank, the accounts of which are insured by the Federal Savings and Loan Insurance Corporation shall, directly or indirectly, make an investment for its own account in noninvestment grade securities the proceeds of which will be used, directly or indirectly, to purchase or carry margin securities if a Federal savings and loan association is prohibited from making such an investment, except that this provision shall not apply to a State-chartered building and loan, savings and loan, or homestead association, or cooperative bank which obtains a waiver of this provision from the Federal Home Loan Bank Board based upon a showing that such an investment would be consistent with the exercise of prudent business judgment.

(2) No insured institution, as defined in section 408 of this title, shall make an investment for its own account in such noninvestment grade securities if at the time of investment its net worth is less than 6 (six) percent.

"(b) For the purpose of subsection (a)—

"(1) the term 'noninvestment grade securities' means—

"(A) unrated bonds or preferred stock;

"(B) bonds or preferred stock with a rating at or lower than Ba by Moody's, BB by Standard and Poor's, or an equivalent rating by nationally recognized bond rating house;

"(C) other debt instruments that are, or will become, subordinated in right of payment to the payment of any substantial amount of unsecured indebtedness; or

"(D) any equity or quasi-equity instruments other than common stock or preferred stock (except as provided above), including warrants or other rights to acquire such equity or quasi-equity instruments; and

"(2) the term 'margin securities' means any security defined as a margin security under the rules and regulations of the Board of Governors of the Federal Reserve System.".

SEC. 3. (a) The Federal Deposit Insurance Corporation shall prescribe such rules and regulations as it deems necessary in order to carry out this Act.

(b) The Federal Home Loan Bank Board shall prescribe such rules and regulations as it deems necessary in order to carry out this Act.

BOREN (AND NICKLES) AMENDMENT NO. 60

Mr. BOREN (for himself and Mr. NICKLES) proposed an amendment to the bill S. 790, supra; as follows:

At the appropriate place in Title IV, insert the following:

It is the sense of the Senate that:

The Federal Deposit Insurance Corporation has the statutory authority to engage in "open assistance" for failing banks under section 13(C) of the Federal Deposit Insurance Act to minimize losses to the insurance fund and to provide for the stability of the community; and,

Communities in depressed regions of the Nation have had increasing difficulty in raising capital to infuse into locally operated, failing banks; and,

States have the authority to establish capital pools to supplement FDIC funds and outside capital in arranging open banks assistance plans; and,

It is not in the public interest to have a "fire sale" of assets acquired by the FDIC. as a part of their acquisitions of nonperforming loans of failed banks;

Let it therefore be declared that:

The U.S. Senate hereby encourages the FDIC to exercise its discretionary authority to work with States which authorize such capital pools to save community banks during this time of great economic distress in certain regions of the country and the U.S. Senate further encourages the FDIC to use its discretionary authority to negotiate sale of loans to area banks to prevent further asset devaluation.

D'AMATO (AND OTHERS) AMENDMENT NO. 61

Mr. D'AMATO (for himself, Mr. DOMENICI, and Mr. CRANSTON) proposed an amendment to the bill S. 790, supra; as follows:

At the appropriate place, insert the following:

TITLE—.—JUNK BOND STUDY

The Comptroller General, in coordination and consultation with the Securities and Exchange Commission, the Federal Home Loan Bank Board, the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Savings and Loan Insurance Corporation, the Federal Deposit Insurance Corporation, the Secretary of the Treasury, and the Secretary of Labor shall study on a comparative basis to other types of investments made by federally insured institutions the issuance of and investment in high yield, noninvestment grade bonds during the 5 years prior to the date of enactment of this Act, including—

(1) the identity and rating (as determined by Moody's, Standard and Poor's, or other nationally recognized bond rating houses) of the issuers of these bonds;

(2) the identity of the major purchasers of these bonds, including but not limited to federally insured depository institutions;

(3) the percentage of the total amount of high yield, noninvestment grade bonds that are issued as a method of financing corporate takeovers;

(4) the identity of the purchasers including, but not limited to, federally insured depository institutions that invest in high yield, noninvestment grade bonds that are issued as a method of financing corporate takeovers;

(5) the purposes for which high yield, noninvestment grade bonds are issued other than for financing corporate takeovers;

(6) a summary and analysis of the adequacy of current State and Federal laws that regulate investment in high yield, noninvestment grade bonds, by investors including, but not limited to, federally insured depository institutions and pension funds; and

(7) a review of the impact of the issuance of and investment in high yield, noninvestment grade bonds upon corporate debt as it relates to Federal monetary policy.

(b) In addition to the collection of information through surveys, public document review, interviews, and other information-gathering methods, at least one joint public hearing shall be held during the course of conducting the study.

(c) The Comptroller General shall transmit a report containing the results of the study under this section to the Congress not later than July 1, 1987.

GRAMM AMENDMENT NO. 62

Mr. GRAMM proposed an amendment to amendment No. 61 proposed by Mr. D'Amato to the bill S. 790, supra; as follows:

On page 1, line 2, strike "Junk" and insert in lieu thereof "High-yield".

GRAMM (AND OTHERS) AMENDMENT NO. 63

Mr. GRAMM (for himself, Mr. Rudman, Mr. Hollings, and Mr. Chafee) proposed an amendment to the bill S. 790, supra; as follows:

Beginning with page 105, line 7, strike out through page 107, line 2.

GRAHAM AMENDMENT NO. 64

Mr. GRAHAM proposed an amendment to amendment No. 58 proposed by Mr. Garn to the bill S. 790, supra; as follows:

In lieu of the language proposed to be inserted, insert the following:

"For the purpose of clause (A) of the preceding sentence, an acquisition under section 408(m) of the National Housing Act shall be disregarded; but this sentence shall not apply to the acquisition of an institution located outside of a State in which the acquiring company controlled a bank on March 5, 1987, unless such acquisition is specifically authorized by the statute laws of the State in which the institution to be acquired is located, by language to that effect and not merely by implication.".

DOLE AMENDMENT NO. 65

Mr. DOLE proposed an amendment to the bill S. 790, supra; as follows:

It is the sense of the Senate that if the President's veto of the Highway bill is sustained that the appropriate committees of the Senate report out a new bill by the end of 7 calendar days following the disposition of the veto message.

HEINZ (AND GRAMM) AMENDMENT NO. 66

Mr. HEINZ (for himself and Mr. Gramm) proposed an amendment to the bill S. 790, supra; as follows:

At the appropriate place in Title VI, insert the following:

Sec. . Nothing in the first paragraph of section 13 of the Federal Reserve Act shall be construed to prohibit or exempt the Federal Reserve Board or any Federal Reserve Bank from paying fees on a non-discriminating basis to privately operating payments providers."

GARN AMENDMENT NO. 67

Mr. GARN proposed an amendment to the bill S. 790, supra; as follows:

Beginning with page 3, line 1, strike out all through page 41, line 4.

PROXMIRE AMENDMENT NO. 68

Mr. PROXMIRE proposed an amendment to the bill S. 790, supra; as follows:

On page 21, line 11, strike out "becomes" and insert in lieu thereof "received approval under subsection (e) of this section to become".

On page 21, line 15, strike out "acquired" and insert in lieu thereof "received approval under subsection (e) of this section to acquire control of".

On page 21, line 19, strike out "controlled" and insert in lieu thereof "received approval under subsection (e) of this section to acquire control of".

Strike section 201(a)(3) and in lieu thereof insert the following: "(3) a Federal banking agency may not approve an application by any bank holding company or by any insured bank to engage to any extent whatever in the flotation, underwriting, public sale, or distribution of securities, if that approval would require the agency to determine that the entity which would conduct such activities would not be engaged principally in such activities;".

Section 201(a)(4) is amended by inserting after "increasing the insurance powers of banks or bank holding companies or banking or nonbanking subsidiaries thereof" the words "with respect to any activities in the United States,".

NOTICES OF HEARINGS

SUBCOMMITTEE ON NUTRITION AND INVESTIGATIONS

Mr. LEAHY. Mr. President, I wish to announce that the Subcommittee on Nutrition and Investigation of the Committee on Agriculture, Nutrition, and Forestry will hold a hearing on Thursday, April 2, 1987 at 2 p.m. in SR-332, to receive testimony on S. 728 and S. 812, the "Nutrition for Homeless Individuals Act of 1978." For further information please contact Ed Barron of the committee staff at 224-2035.

SUBCOMMITTEE ON MINERAL RESOURCES DEVELOPMENT AND PRODUCTION

Mr. MELCHER. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Subcommmittee on Mineral Resources Development and Production of the Committee on Energy and Natural Resources on Tuesday, March 31, 1987, at 10 a.m. in room 366 of the Dirksen Senate Office Building. The purpose of the hearing is to consider S. 643, a bill to amend section 402 of the Surface Mining Control and Reclamation Act of 1977 to permit States to set-aside in a special trust fund up to 10 per centum of the annual State allocation from the abandoned mine land reclamation fund for expenditure in the future for purposes of abandoned mine reclamation.

Those wishing to submit written testimony should address it to the Committee on Energy and Natural Resources, Room 364, Dirksen Senate Office Building, U.S. Senate, Washington, D.C. 20510.

For further information, please contact Patricia Beneke at (202) 224-2383.

AUTHORITY FOR COMMITTEES TO MEET

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. BYRD. Mr. President, I ask unanimous consent that the Select Committee on Indian Affairs, be authorized to meet during the session of the Senate on Friday, March 27, 1987, to hold a hearing on S. 727, a bill to clarify Indian treaties and executive orders with respect to fishing rights.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS, AND FORESTS

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands, National Parks, and Forests of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Friday, March 27, 1987 to consider S. 349/H.R. 240, bills to designate the Santa Fe Trail as an Historic Trail under the National Trails System Act; and S. 251/H.R. 14, bills to designate certain segments of the Maurice, the Manantico, and the Manumuskin Rivers in New Jersey as study rivers for inclusion in the National Wild and Scenic Rivers System.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON HEALTH

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Health of the Committee on Finance be authorized to meet during the session of the Senate on March 27, 1987 to hold a hearing on Medicare peer review organizations.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

SOCIAL SECURITY: ADMINISTERING TO THE PUBLIC

● Mr. PRYOR. Mr. President, the Social Security Administration has a particularly important mission among Federal agencies—in addition to administering the largest domestic benefit program in the United States it is one of the few Government agencies with which virtually all Americans will have some contact at some point in time. This unique situation has resulted in a particular challenge to the Social Security Administration. More often than not, it is an individual's experience with this important Agency at the local level which defines for him the term "public servant."

I recently had the pleasure to read a prize-winning paper submitted by Dorrith Leipziger, branch manager of the Social Security office in Hialeah, FL, to a competition held by the Social Security Managers' Association on her vision of Social Security's service to the public. Her thoughtful piece tells a great deal about the willingness of civil service workers throughout the Nation to work on behalf of Social Security beneficiaries to help them obtain their benefits. It also tells of the barriers to providing thorough and efficient service, and presents a challenge to those of us in the Congress, the administration, and Social Security field representatives with respect to public service.

Ms. Leipziger has spent the last three decades in service to the Social Security Administration. It is clear to me that she embodies what she refers to in her paper as the "tradition of Social Security: a genuine spirit of public service." Mr. President, we owe a great deal to Ms. Leipziger and the many public servants like her throughout our Nation. At this point I would like to request that the text of Ms. Leipziger's article "Social Security: My Vision of How Social Security Should Serve and Educate the Public and Measure Its Service" be printed in the Record.

The article follows:

Social Security: My Vision of How Social Security Should Serve and Educate the Public and Measure Its Service

(By Dorrith Leipziger)

When Professor Wilbur J. Cohen, former Secretary of HEW and Member of the Social Security Board, spoke at our Association Conference about the history of Social Security, he sparked some reminiscences of my own. I found myself thinking about what it felt like to work for the Social Security Administration in 1957, when I started out as a Claims Representative Trainee in the Washington Heights, (NY) District Office. What was different? What was better?

I thought about the enormous respect which most of our citizenry then had for SSA and the pride we employees had in the organization. I thought about the way I was trained—not really very well, in terms of technical know-how and Claims Manual references—but superbly well in what I was given to understand was the tradition of Social Security: a genuine spirit of public service.

I remembered concepts like "most people are basically honest," and "the foundation of our program is a regard for individual human dignity," and "you represent the agency to the public, but you also represent the claimant in his dealings with a complex and unfamiliar law." These were the Articles of Faith, preached from every lectern at headquarters and in the field, practiced by my mentors, and earnestly accepted by novices like me. They convinced us that we had made good career choices.

I thought about my first supervisor, Mary Christian, who taught me to consider every aging folder a "dire need" case, and how to juggle my attention among the claimant at my desk, the anxious caller on the phone, and my piles of unadjudicated cases, without batting an eye or losing control. Mary was a walking Claims Manual, with the wisdom never to tell me what she knew but to make me find it myself. She was a big-hearted lady who really liked helping people. Any Mary cajoled me into volunteering for every unpopular chore by telling me she knew I could handle it.

Sometime in my third year, I remember getting mad at her once and saying that I had done my share and she was never satisfied. Mary just gave me a long look and told me she was sorry I was having a bad day. "But, honey," she went on—to my complete confusion and amazement—"one day, you're going to be a manager. You'd better know that, and just get your mind set on it. I'm trying to help you get there, step by step." And she did. She really, truly did.

I look at the people working in my office today and I wonder: where are the Marys? I believe they're there all right, but so frazzled, their energies so fragmented, so caught up in just getting through each day's work, that there's not much joy left in the process.

If they're supervisors, they're overloaded with concerns about processing time, accuracy percentages, waiting time studies, security audits, labor-management strictures, and work units—all of which deserve their attention, but only as means to an end, the end being public service. I'm afraid that, by sometimes seeming to emphasize these as ends in themselves, we have cheated these young people of the time they need to develop a real feeling of commitment, a sense of perspective, and, ultimately, a degree of wisdom.

If they're Claims Representatives, they are likely to be afraid of going for promotion because they don't want any part of what they perceive as little more than a frustrating paper chase and a hassle. At least as interviewers, they still retain the daily contact with the public that brings them some of the satisfaction they sought in taking the job in the first place.

My own branch office today is in many ways better than the old Washington Heights District Office of 20 years ago: it's nicer looking, it has some sophisticated equipment, such as a photocopier, a word processor, and some new electric typewriters. The desks are ancient (but not so it shows, from the claimants' side), and some of the chairs and file cabinets are new. It has rust-colored carpeting instead of gray vinyl tile on the floor. And we *do* process claims faster and more accurately than we did in the old days. No doubt, the office of tomorrow will look even brighter and less cluttered. And, with our Computer Modernization Plan, we'll be reaching new heights of accuracy and speed.

But there's this nagging suspicion in my head that John Q. and Mrs. Public, who certainly don't like us or trust us as much now as they did in 1957, aren't going to be won over by ergonomic furniture or the sight of a computer terminal at every desk. If we manage to cut waiting time down to ten minutes, that'll be just dandy, but it will soon be taken for granted, as longer times are now, and even that won't really restore our luster in the public eye.

We all know that the service expected of us can't be measured entirely in numbers. Isn't it time to address this issue with the zeal and ingenuity we have lavished for so long on the mechanics of our business?

Numbers measure efficiency, and, of course, all taxpayers have a right to expect us to be efficient. But, since the services we render are as unique to every person as he or she is different from everyone else, it's just not enough to tell them, or Congress, for that matter, that the average claim takes x number of days, or that everything will be done right unless they are those two out of a hundred where we mess up. Mr. and Mrs. John Q. will measure our service by how they are treated by our staff.

My vision, then, of public service shows me a couple arriving at a Social Security office less than an hour from their home. They park the car without denting it in the search for a space. Or they walk a few steps from the bus stop. As they enter a clean and cheerful office, they are welcomed, not just acknowledged, by the receptionist. She asks them whether they have an appointment. If not, they are told how many people are ahead of them, and about how long they will have to wait. Then, a brief screening interview establishes why they have come. Those who have an appointment are escorted immediately to the interviewer who is expecting them. No screening interview is needed.

At the interviewer's desk, our couple is impressed by the interest, professionalism, and patience of the employee before them. They relax, and decide they are in safe hands. The interviewer's attention is so entirely focussed on them that no walls or partitions are needed to establish a sense of privacy. All their questions are answered, their rights and responsibilities explained, in terms they can understand and remember, and they are not left in doubt about what is going to happen next: an award certificate will come (when?), a check will start or stop (when?), or nothing will happen until they mail in the evidence requested. They don't leave before the interviewer has given them an appropriate call-back number in case they should need it.

In the majority of cases, our couple's first visit will be their only one, and it will probably be needed only for initial claims, and redeterminations.

In my vision, the public will choose to do most of their business with us by phone or mail, not only because we will have successfully publicized that this is the easiest way, but—more importantly—because of the trust established at that first interview: they will have no misgivings about being understood and well taken care of, without the visual reassurance of a face-to-face contact.

Here is where Computer Modernization considerations come in. When I visited the Model Office in Baltimore last March, there was still some uncertainty about which position types should have access to pending claims. In my vision, clerical employees would, of course, so that they could answer questions and do follow-ups. And teleservice representatives would, so that when claimants call a Teleservice Center instead of their local office, they could get knowledgeable and substantive replies. Further, the teleservice representative should be able to make entries on the computerized development worksheet, to work hand-in-glove with the staffs of the district and branch offices.

To encourage the public to make maximum use of the phone and the mail, we need to commit ourselves to very strict standards in responding. There is no better way to persuade John Q. that we know what we're doing than to make absolutely sure that we return his call when promised, and acknowledge his correspondence within 48 hours. Not to, is to convey the message that we're not interested, or not able to run our business, and to impel him to the office with a scowl on his face, and ants in his pants if he has to wait.

If you are honest, you will agree that my vision is, for most of us, that of a rosy tomorrow, just barely discernible through the murky atmosphere of today. So how do we get there from here? How do we begin to scrub the rust off our tarnished reputation? And how will we know that we're doing it?

I suggest, first—since our strength is in our people, on whose personal performance, computer wizardry notwithstanding, our success must depend—that we look very carefully at our recruitment, selection, and promotion practices. We need better methods to help us make better decisions.

If we are wise in choosing who will work in SSA, we won't be wasting time training the temperamentally unsuited or sniffing out and prosecuting so many bad apples.

No amount of training will make a dedicated public servant. No degree of aptitude with figures, words, or computer systems can guarantee the patience to listen or the skill to communicate. No proliferation of audits and other security measures will truly prevent employee fraud. When management stands up again to prove the old assumption that people are basically honest, putting so high a value on integrity and courtesy that their opposites become unthinkable, eschewing every form of sleight-of-hand with District Office Workload Report statistics or personal bending of rules, the staff will follow. Respect for others, respect for oneself, and loyalty to the organization are enthusiastic partners.

Second, I agree with Professor Cohen that we must pay more attention to the teaching of our history and tradition. I agree that far too little time is spent on program purposes and human needs, on how some of our complicated laws and procedures came to be, and on why Social Security is still the best way our society knows to lessen the economic uncertainties of age, disability, or death of the breadwinner.

Along with reviewing our past, we should also be sharing our confidence in the future. When someone asks any of us "Will Social Security be there when I get to be old?" we need the conviction to answer yes, and the facts to back it up.

Instead of well-meant training outlines on technical material—most of them too general, too late, and too boring—how about one good videotape each year that is as relevant and inspiring as the one SSA created entitled "Before the Day?" which reminded us of the importance and purpose of the programs we help administer. And how about a pool of volunteers from among some of our articulate retired employees who will visit at least once a year with the nearest field office, share a staff meeting, and chat about "the way we were." Stimulating a sense of continuity in this way costs nothing and provides for identification with SSA's role, mission, and importance, commitment to its aims, and pride in its accomplishments.

My third point again echoes Professor Cohen. We have really done too little these past ten years to provide an effective, ongoing public information program for young people and those in midcareer. The lack of travel funds, and the overloaded schedules of Field Representatives and managers have given us plenty of excuses. We have not spent enough time with junior high and high school kids, the service organizations, and the men and women now working. We have left them to draw their assessment of who we are, and what we do—and how well or badly we do it—from the news media. Let's get back to soliciting teachers and local program chairpersons and large employers' benefit departments to help us reach those who know least (and probably care least) about Social Security. Let's tell them, as we used to tell them, why they pay FICA tax and income tax for our programs, and what their dollar buys for them.

As to how best to measure public service: I'm not fool enough to think that we'll ever get away entirely from using statistical performance indicators such as processing times or error rates. Or that we should not compare ourselves with others, using whatever objective standards the system can produce for us.

If I had my druthers, however, all standards (as distinguished from goals) would be floating figures rather than fixed-reflecting monthly, quarterly, or yearly averages for a region or an area, and measuring our deviation from that average, either above or below. Nationally, there ought to be goals toward which all components would strive.

But statistics don't go far enough, or deep enough, and that's where we've failed for so long. My idea for measuring the *quality* of our service to the public is simple and goes direct to the source, to the public itself, for feedback. We should be asking *them* how well we're doing.

Step one would be to program our systems to select a sizeable ongoing random sample of the monthly input of each District or Branch office—much in the same way samples are now selected for accuracy reviews. We could crank out a short questionnaire to the claimant, recipient, beneficiary, or applicant. (In my area, most would have to be in Spanish, so coding for Spanish notices would have to be incorporated in *all* systems—an idea with dividends for public service, on its own merits). The questionnaire would be in self-mailer format, addressed to the manager of the office whose code was used on the systems input.

What we do with the information elicited this way should be left to the discretion of the local manager who gets it. A periodic summary of findings and actions could be reported up the line. I feel quite sure that such a system would give us enough feedback, even allowing for non-responders, to help us gauge the severity of our problems (their existence and nature are no secret to anyone), track our progress, and keep tabs on public concerns.

As I found recently when I began Atlanta's public service satisfaction assessment—a step in the right direction, but cumbersome—the very fact that we're asking for comments is, to many people, impressive. They're delighted that we care, and happy to help us see ourselves more clearly. Note that my suggested measurement of this aspect of public service, the heart of it, really, includes such "unmeasurables" as interest, tact, professional know-how, and attitude, besides quantifiable items like waiting time and accessibility on the phone. The assessment should serve as a management tool, with its only goal being continued awareness of where we fall short of meeting the public's needs or expectations. It should not be used with a numerical standard (such as 80% "positive" replies), unless self-imposed by local management, and never as an item for comparison with others' degree of success or failure.

I believe that most of our people would listen very thoughtfully to the public's evaluation of us, and respond with a renewed sense of the meaning and dignity of working for the Social Security Administration. I certainly would. Mary taught me.●

ADDRESS BY VICE PRESIDENT BUSH ON PROBLEMS AND PROSPECTS FOR DEMOCRACY IN OUR HEMISPHERE

● Mr. McCONNELL. Mr. President, several days ago Vice President George Bush visited his home State of Texas. Perhaps inspired by the shadow of the Alamo where our forefathers died to protect our system of government, the Vice President eloquently spoke of the struggle for democracy among our friends and neighbors to our south.

As the Senate debated the question of aid to the freedom fighters in Nicaragua, the Vice President outlined his deep concern for the dangers threatening the fragile, fledgling democracies of Central and South America.

Mr. President, I would like to insert the Vice President's remarks, which I consider a timely elucidation of the problems and prospects for democracy in our hemisphere. As he points out, these are problems and prospects that are of vital significance to our collective future.

The remarks follow:

Excerpts of Remarks by Vice President George Bush, Texas Daily Newspaper Association Luncheon, March 23, 1987, San Antonio, TX

I'm very happy to be back in San Antonio among my fellow Texans and especially for the chance to address this influential group.

I usually like to begin a speech with a relevant anecdote or story, but I don't feel in a very lighthearted mood today. Late last night I arrived here in San Antonio from Ecuador.

The damage from the earthquake is severe. Earthquakes caused avalanches, which dammed up the rivers; then further earthquakes destroyed the dams, causing mudslides and destruction. Several thousand dead or missing. Thousands more injured or homeless. Highways and bridges destroyed.

Yet there is another disaster beyond the human one. The earthquakes destroyed much of the oil pipeline that carries all of Ecuador's oil for export as well as for domestic use and provides 40% of all government revenues. Production will be interrupted for at least five months. The financial effects are as devastating as the earthquake itself.

A major question is whether Ecuador's delicate democracy can withstand this tremendous setback.

Ecuador is representative of what's happening all over Central and South America. It's a country struggling to hold onto a fragile democracy in the face of enormous pressures and threats. When it comes to democracy in Latin America, my heart is in my throat. I don't believe there's anyplace in the world where I am more hopeful and at the same time more concerned. We're on the verge of a tremendous long-term advancement of freedom or else the stunning loss of a once-in-a-century opportunity. And democracy in Latin America is what I want to talk to you about here at the home of the

Alamo, here in our state that is so inextricably intertwined with the countries south of the Rio Grande.

As recently as ten years ago, only one third of Latin America enjoyed democratic government. In Central America, Costa Rica had a strong tradition of competitive politics, but its neighbors were ruled by generals. In South America, although Venezuela and Colombia were democratic, the rest of the continent was almost definitely antidemocratic with official violence and torture as a way of life. Most were dictatorships on the right.

Today, ninety percent of the people of Latin America and the Caribbean enjoy democratic government. In ten years, ten countries have moved toward elected representation. I can't recall a period in history when we've seen such advances in freedom by so many nations in so short a time. And because it's so important, let me read you democracy's Latin American graduating class. Ecuador 1979. Peru 1980. Bolivia 1982. Honduras 1982. Argentina 1983. Grenada 1983. El Salvador 1984. Brazil 1985. Uruguay 1985. Guatemala 1986.

In terms of non-democratic regimes, there's Cuba and Nicaragua on the totalitarian communist left, and Chile and Paraguay on the authoritarian right. The non-democratic countries are now in the minority. They are the ones that are isolated.

You know at the conclusion of our Constitutional Convention, a lady asked Benjamin Franklin, "Sir, do we have a republic or a monarchy?" Franklin's famous reply was, "A republic—if we can keep it."

Well, most of the countries of Latin America now have democracies if they can keep them. But there are looming dangers. The biggest danger in South America is economic. The danger in Central America is economic but it is also military.

The debt crises and failure by Latin American governments to pursue economic reform present the greatest threats to the consolidation of democracy. With large debt payments, these countries don't have the money to spend on needed investments and social programs. The result could be civil tensions that bring down the democracies and result in authoritarian regimes of either the left or the right.

Debt is a tremendous problem that weakens these new democracies and also prevents them from buying our products, which in turn would help our trade deficit. What is called for is a new wave of flexibility from banks, international financial institutions, and governments.

The big banks must follow through on their pledge to help countries that adopt market force economies. President Fabres Cordero came to office sounding more like Ronald Reagan than Ronald Reagan, committing Ecuador to free enterprise. Until he received the 1-2 punch of oil price declines and the devastating earthquake, things were on the move for Ecuador's economy. He is still determined, but he needs help. I urge the banks to be as flexible as possible, both the private banks and the international financial institutions, particularly the World Bank.

On top of the economic pressures, there are security threats, as well, to South American democracies. The threats come from subversion, coups, terrorism, and narcotics. And let me tell you just one example I heard from President Febres Cordero when I had lunch with him yesterday in Quito.

In January the President visiting an Air Force base was kidnapped and marked for assassination by troops within Ecuador's Air Force. He told me of how machine gun fire was sprayed in his direction. His Army bodyguards stepped in to take the bullets. The security man on the left was hit and killed. The one on the right was hit and killed. Another put his body on top of the President to shield him. As he lay there on the ground, bayonet at his throat and gun at his head, he reaffirmed his commitment to a democratic Ecuador. And something miraculous happened—the troops simply couldn't bring themselves to kill him at close range.

There are good, courageous leaders all over Latin America who are risking their lives for their democracies. That is true of Cordero of Ecuador. It's true of Cerezo of Guatemala. It's true of Arias of Costa Rica. It's true of Azcona of Honduras. It's true of Duarte in El Salvador. It's true of so many others who put their lives on the line so that democracy might have a chance.

And this brings me to the major threat to democracy in Central America—Nicaragua. Our Administration in spite of our efforts has failed to educate the American people to the threat that Nicaragua poses. Yet to the people of Central America, the danger is real and imminent.

In January, the Gallup organization conducted major public opinion surveys in Costa Rica, Honduras, El Salvador and Guatemala—the democratic nations that neighbor Nicaragua. Let me tell you what the people of Central America think.

Three quarters of the people hold an unfavorable view of the Sandinistas, believing that the Sandinistas treat people unjustly and represent only a minority of the population. Large majorities believe it would be better for Nicaragua, as well as for their own countries, if Contra forces could win.

Seven out of ten describe Nicaragua as an instrument of Cuba and the Soviet Union. In Honduras, eight out of ten people say that the presence of U.S. troops there for maneuvers helps deter a Nicaraguan invasion of their country.

Now I hope the Congress hears the important message of this next finding and takes it to heart. Two-thirds of the people in all four countries surrounding Nicaragua approve U.S. aid to the Contras.

What this survey in effect says is that the people who are most affected by our Central American policies—the Central Americans themselves—support it. They understand the dangers and they understand our response to those dangers.

And let me tell you of one last finding because it regards the trust and expectations that our friends in Central America place in us. 88 percent of the people in Guatemala, 84 percent of the people in El Salvador, 88 percent of the people in Honduras, and 91 percent of the people in Costa Rica, believe the U.S. can be relied upon to help them defend their countries if they are attacked.

The people of Central America have a right to know what they can expect from us. They have a right to a consistent U.S. policy. They have a right to know we will not toy with them the way the Congress has toyed with the Contras.

For more than three decades, it was a given of American foreign policy that politics stopped at the water's edge. That proved especially true during World War II when the democratic and republican parties united to defeat fascism. Following the war, both parties supported containment of the new threat; Soviet expansionism. Unfortunately, that bipartisan consensus began to break down over the war in Southeast Asia.

I believe support for democracy, the very heart of American society, should today be the organizing principle for the American foreign policy.

Yet can the Latin American democracies count on us? For FY 1987 Congressional appropriations required that the U.S. economic assistance to Latin America and the Caribbean be cut by nearly 20% to approximately $1.2 billion. And the Chairman of the Foreign Affairs Committee said last week that the fiscal 1988 foreign affairs budget would be cut from the 1987 levels.

Yes we have need at home on which this money could be well spent. But we also have responsibilities to democracy abroad. Will America be America if she doesn't sacrifice for her ideals?

The Democratic House of Representatives seems ready to abandon the military struggle for democracy in Central America. The House seems ready to turn its back and walk away from the Contras, the democratic resistance that has grown from a handful in 1982 to more than 13,000 today who are in Nicaragua fighting for freedom in their own country. Despite their inexperience in dealing with the Sandinista Army, which is trained and equipped by the Soviets and the Cubans, and despite our own inconstancy in supporting their fight, the Contras have held on.

And let us say we've always been willing to talk and encourage negotiations. We ourselves have talked directly with the Nicaraguans. We've supported the Contadora process. We support many of the proposals made by President Arias of Costa Rica in his plan to bring peace to Central America. We propose that the Nicaraguans do what President Duarte has done in El Salvador—talk directly to opposition forces. But let's face it, the Sandinistas so far have shown no interest in any discussion that will result in a democratic Nicaragua.

We have a choice.

Either we're going to support the democracies that exist and those who are seeking democracy, or we're going to turn our backs economically and strategically. We cannot continue to say we support democracy in Latin America, but then do nothing.

Some of you may have noticed speculation I might be interested in higher office. Well, if I ever do hold the highest office in this land, I'll tell you one thing I will emphasize constantly—and that is the importance of the peoples and countries in our own hemisphere.

What we're going to need in the 1990's is hemispheric solidarity and trust such as we've never seen and never had. I believe we must look homeward because of the threats, because of the opportunities, and because these are our neighbors. We haven't always treated them with the respect and attention they deserve.

Let me give you one small example of why I feel close, and why the American people should feel close, to our neighbors in Latin America.

This past year I attended the inauguration of President Arias of Costa Rica. The ceremony was held in a stadium that was filled to capacity with celebrating Costa Ricans. The delegation from each country walked into the arena behind its own flag. The representative from Nicaragua preceded me into the stadium, and was met with whistles and catcalls. I have to confess that at the time I felt a certain apprehension at what I might encounter when I walked in.

Yet when the U.S. delegation came in behind our flag, people rose to their feet and the stadium erupted into cheers. They were cheering for the Stars and Stripes; they were cheering for democracy; and they were cheering for the friendship between our two countries.

I was deeply moved. I was proud.

Ladies and gentlemen, these are our people. We cannot turn our backs on the people in Costa Rica or Honduras or Ecuador or Guatemala or El Salvador. They expect more than that from us, and we should expect more than that from ourselves.

You know someone once said that democracy is based upon the conviction that there are extraordinary possibilities in ordinary people. I believe there are extraordinary possibilities in the people of Latin America. And I believe there are extraordindary possibilities in Latin America democracy.●

NUCLEAR NON-PROLIFERATION TREATY

● Mr. GLENN. Mr. President, last month Prime Minister Felipe Gonzalez of Spain announced that his country will become the 136th nation to adhere to the Nuclear Non-Proliferation Treaty [NPT] of 1968. I commend the Prime Minister for taking this sensible and valuable step.

The international spread of nuclear weapons is a grave and growing threat to international stability and U.S. national security. Each addition to the "nuclear club" means, of course, another finger on the nuclear trigger, but it means much more than that. Regional rivalries, domestic instability, and technical inexperience increase the likelihood that today's emerging nuclear nations will someday use the bomb. And if this occurs, there is no way to guarantee that the ensuing nuclear crisis will not quickly escalate to global proportions.

How will the Prime Minister's decision help reduce this threat? By adhering to the NPT, Spain will:

Reinforce the international norm of forgoing nuclear weapons development.

Bolster the prestige of the nuclear nonproliferation regime—a global network of treaties, agreements, and multilateral organizations aimed at curbing the spread of nuclear weapons.

Affirm that adherence to the treaty is consistent with national security and sovereignty.

Encourage the few remaining treaty holdouts, particularly the emerging nuclear supplier nations, to become parties to the NPT.

I ask that the relevant excerpt from the Prime Minister's statement be printed in the RECORD.

The excerpt follows:

We have also begun negotiations for the reduction of the U.S. military presence, in materiel and in installations. Although the principle of this reduction is accepted—which is, furthermore, the outcome of a sovereign decision taken by our people—the positions are still distant. The negotiations will continue until we achieve objectives satisfactory for us, bearing in mind our defense needs and possibilities, as well as our positions in relation to the Western world.

Another matter that has been stressed repeatedly is the question of Spain being a nonnuclear country. Our country is, and will continue to be, free of nuclear arms. Argument on this point, when it occurs, is unwarranted. If anyone has any doubts, which of course would be unjustified, about what the government's wishes are on the question of nuclear arms, I hope it will reassure them—something that is not easy to do—for me to announce that we have decided to adhere to the Nuclear Nonproliferation Treaty. [Applause.] Therefore, ladies and gentlemen, I would like it to be clear to our fellow citizens that the policy adopted by this government, the policy approved in referendum by our people, is being carried out, and will continue to be carried out strictly and decisively.

I also said I would inform you of the government's present judgment on the fight against terrorism, both with reference to the present state of the phenomenon itself, and concerning the changes of legislation that we intend to propose to the Chamber. As far as fundamentals are concerned, the government's stance of keeping up a constant effort to eradicate the plot of terrorism is, naturally, unchanged, as is our decision not to negotiate politically with any terrorist band, with any organization that uses violence, force, in short terror, as an instrument to try and change the system of living together in freedom and peace which our Constitution and the laws uphold.

We believe, speaking prudently, as this matter requires, that progress is being made in the eradication of this blot. Despite certain problems, the policy of rehabilitation and the constant pressure of the police and improvements in policing are producing results. But I would like to give a special emphasis to international collaboration, and especially the collaboration of the political authorities and the police forces of France, as well as the extremely positive stance taken by their legal institutions. This is allowing us not only to arrest and bring to trial those responsible for criminal actions who afterward go into hiding beyond our borders, but at the same time to gather knowledge about their organizational and operational methods.

At the same time it is becoming harder and harder for the terrorists to act with freedom of movement in our neighboring country, preparing for violent acts in Spain from this base. This series of actors lead us to an analysis of the terrorist phenomenon which, at the risk of [passage indistinct]. I think, until now, none of us had enough elements to affirm, as I intend to affirm to you, ladies and gentlemen. And I would like to point out that I am not speaking from a jurisdictional point of view, a viewpoint I respect.

So, ladies and gentlemen, from the accumulation of the information being obtained, via important arrests and especially via the papers obtained in the so-called Sokoa police operation [French furniture factory in Hendaye raided in November 1986], we can state without fear of error that there is a clear link between the terrorist organization ETA and what we can consider to be its political arm: that the proceeds of the extortions, kidnappings and other activities of this type by the terrorists go not only to paying for arms for further acts of violence and for paying those who carry them out, but there is a flow of finance into political activities, and also into publications which we can consider linked to this operational grouping. And, ladies and gentlemen, together with the extortions, there may be cases, it must be said, of contributions which are not obligatory; not, as in the former case, the product of fear, but voluntary.

From all this a picture can naturally be deduced which, in our judgment, may have consequences from the point of view of criminal law, although, obviously, this is not the executive's sphere. But from the political point of view, democratic forces, when they are making judgments, should bear in mind the existence of this complex of relations, which I define as openly criminal, and should lead us to reject any kind of political relationship with those involved in it. Because this is so, ladies and gentlemen, you will understand more readily our opposition to the presence of someone being held in prison awaiting trial for membership of the terrorist gang in the institutions which they themselves aim to destroy by force.

We have stated the government's opinion, and we repeat it here, with every respect for the opinion of the courts, but exercising the legitimate right to tell citizens what we think. No system can allow itself to let those who want to destroy the institutions by means of violence enter those institutions. The Spanish Constitution allows not only for the existence of opinions which are obviously in disagreement within the framework of the Constitution, but for the existence of opinions which disagree with this framework itself which defines our relations. But, like all others it rejects—and the laws logically do not permit—the changing of the established rules of the game by violence or force. And these reflections are valid not only for a terrorist organization like ETA, but also for any other organization which is violent or uses force, even though analysis may reveal differences in sensibility in one case or another.

In addition, ladies and gentlemen, when some aspects of the special legislation on terrorism have come to the end of the period in which they were to be in force, and in light of all the experience we have gained, the government aims to propose to the Chamber the repeal of this special legislation, naturally without losing one iota of all that we consider to be necessary for the fight against violence to be effective within the framework of a state of law. In doing this, we hope above all for clearer and firmer support in this fight from some groups who are still questioning some aspects of this legislation. The substantive penal norms included in this legislation will return to the penal code, where they were before, and the necessary norms pertaining to legal processes will become part of the law of criminal procedure. It will be the judge who will decide on whether or not detainees are to be held incommunicado, as that law lays down; and, in addition, the period of detention will be prolonged to 48 hours, in our proposal with the consent of the judiciary. We have always acted prudently, and will continue to do so in the evaluation of this task, that of eradicating terrorism and its consequences.●

SOVIET JEWRY

● Mr. LEAHY. Mr. President, I would like to call to the attention of the Senate an article in the New York Times edition of March 25, 1987, concerning recent humanitarian stirrings in the Soviet Union. This article says that more than 400 Soviet Jews have received permission to emigrate in March—this is the highest monthly figure since 1981.

Mikhail Gorbachev seems to be serious in his attempt to pry open, somewhat, the doors of Soviet society. Year after year Members of Congress stand up to plead the case of refuseniks who are denied their right to leave the Soviet Union. Year after year we have written letters on their behalf. For too long the plight of Soviet Jews has been a sticking point between the superpowers. But as long as the basic human right of emigration is denied, you can be sure that year after year we will continue to fight and plead on behalf of those who want to leave the Soviet Union.

Perhaps Mikhail Gorbachev has finally realized that the stakes are too high to let this point of contention persist. I hope that these new releases are only the beginning. Americans must not and will not forget the 400,000 of the 1.7 million Jews in the Soviet Union who have expressed a desire to leave.

Americans cherish freedom. The idea that any people would be singled out and prohibited from emigrating is alien to our culture. The plight of Soviet Jews, Armenians, and Pentecostals will always be important to Americans and will always be placed on the agenda for any discussions with the Soviet Union. On this point, Democrats and Republicans agree.

I am heartened by these steps, hesitant and long overdue as they are. I hope this is part of a series of releases that will help in improving relations between our two nations.

Mr. President, I ask that a copy of the article appear in the RECORD.

The article follows:

[From the New York Times, Mar. 25, 1987]

SOVIET EMIGRATION OF JEWS IS HIGHEST IN LAST FIVE YEARS

(By Philip Taubman)

MOSCOW, March 24.—More than 400 Soviet Jews have so far received permission to emigrate in March, the highest monthly figure since the end of 1981, Western diplomats and Soviet officials said today.

While still far below the rate of the peak year of 1979, when more than 4,000 Jews left each month, the March figure—expected to go as high as 500—represents a sharp rise over the monthly rate in the last five years and a fourfold rise over January.

If the increase continues, it could ease one of the major problems in Soviet-American relations. The Reagan Administration has stressed that improvement in ties could not occur without liberalized Soviet emigration.

[Jerry Goodman, executive director of the National Conference on Soviet Jewry, said that if the figure of 500 was reached this month, it would be "the first significant step in unfreezing the backlog" of Jews seeking to leave.]

MINORITIES GET PREFERENCE

Emigration from the Soviet Union is generally restricted for all citizens, but Jews and some other minorities, notably ethnic Germans and Armenians, have been getting preferential treatment by being permitted to leave in substantial numbers over the years on grounds of family reunification. The Jewish exodus reached a peak of more than 51,000 in 1979 before dropping off. Last year 914 Jews left.

The increase in emigration this year follows the release of close to 100 dissidents imprisoned or sent into exile for criticizing Government policies.

Under Mikhail S. Gorbachev, the authorities have moved in several areas to open up Soviet society, both to energize the nation and to reduce outside criticism.

NO BASIC CHANGE EXPECTED

Some Western diplomats said the steps in Jewish emigration seemed intended mainly for foreign consumption and were motivated less by a change in attitude about emigration in general than a desire to lessen friction with the West by allowing Jews to leave.

President Reagan and other Western leaders have tied progress on human rights issues, including the easing of restrictions of emigration, to advances on other issues, including arms control and trade.

The Moscow diplomats said that Mr. Gorbachev might also hope to limit the possibility of anti-Soviet demonstrations if he visits Washington later this year. American Jewish groups have threatened protests.

The diplomats said the Jewish emigration rate started to increase in February, reaching a level of about 250 who had received visas.

"These are people who have either left or are about to go," one diplomat said.

In New York, the National Conference said the number who actually left were 98 in January, 146 in February, and 370 through March 21. But diplomats said the number of those who had received permission so far this month to leave was already more than 400.

The Moscow diplomats said the rise of Jewish emigration suggested that the authorities were following through on promises to review the backlog of applications, estimated at more than 10,000. So far this month more than 400 Jews have received visas, and about a hundred others are expected to get them by April 1. An exact count is unavailable.

Last week a Soviet official said in Washington that 10,000 to 12,000 Jews were likely to get exit visas this year.

MOST DO NOT GO TO ISRAEL

Under current procedures, most Jews emigrating from the Soviet Union leave on the basis of visas listing Israel as the country of destination.

The Soviet Union severed diplomatic relations with Israel during the 1967 Arab-Israeli war. The Dutch Embassy represents Israeli interests here and issues Israeli visas to Jews who receive Soviet exit permits.

In recent years, however, an increasing number of Soviet Jews have chosen instead to go to the United States once they arrive in Vienna, usually the first stop for emigrants.

The Israeli Government has been pressing the United States not to admit Jews directly from the Soviet Union and to have them proceed first to Israel on the basis of their Israeli visas. But the United States has insisted that the country of destination for Soviet Jewish emigrants be a matter of free choice.

Soviet officials have cautioned that a return to the large-scale emigration of the 1970's was unlikely. A total of more than 260,000 Jews have been allowed to emigrant since the exodus began in the late 1960's.

There are now about 1.7 million Jews in the Soviet Union, out of a population of 280 million, and the Israeli authorities and some Jewish groups abroad contend that as many as 400,000 still want to leave. Soviet officials say the number of would-be Jewish emigrants is far smaller.

There is no estimate of the number of other Soviet citizens who would want to emigrate if the barriers ever were lowered.

A new emigration law that took effect Jan. 1 allows emigration mainly on grounds of family reunification and was presented by Soviet officials as a codification of existing rules.

American officials and a number of Soviet émigrés contended that the new law was more restrictive than previous practice because it justified emigration only on the ground of reunification with close family members, excluding more distant relatives such as grandparents, cousins, uncles and aunts.

Richard Schifter, an Assistant Secretary of State for Human Rights and Humanitarian Affairs, said in January that 30,000 to 40,000 people would be eligible to leave under the new law.

Today, Western diplomats said that Soviet officials appeared to be interpreting the law more broadly than expected, allowing Jews with distant relatives in the West to leave.

"What we may be seeing is a housecleaning of those who have been waiting for years to go, but once that group has been thinned out, the rate will tighten up again," a diplomat said.

Word of the increase has started to spread among Moscow Jews who have had emigration applications pending for years. Many have been asked by the authorities to reapply.

Almost all those who have applied have lost their jobs. Emigration is considered virtual treason in the Soviet Union, and would-be emigrants are generally ostracized by Soviet society.

INCREASE CALLED SIGNIFICANT

Jerry Goodman, executive director of the National Conference on Soviet Jewry, said yesterday in an interview from Jerusalem:

"Certainly, if this number reaches the anticipated 450 to 500 this month, it would represent the first significant step in unfreezing the backlog.

"It is not yet a solution to the overriding problem of hundreds of thousands we are confident wish to leave. But it is nevertheless a move in that direction which bears promise for the future and it is something we will watch with eagerness."

The National Conference is an umbrella group of nearly 50 American organizations.●

REMARKS OF SENATOR GORDON J. HUMPHREY—AFGHANISTAN: LETTERS FROM THE STATE OF MAINE

● Mr. HUMPHREY. Mr. President, last December, the brutal Soviet occupation of Afghanistan entered its 8th year. The horrible condition of human rights in Afghanistan was recently described in a United Nations report as: "a situation approaching genocide."

As chairman of the Congressional Task Force on Afghanistan, I have received thousands of letters from Americans across the Nation who are outraged at the senseless atrocities being committed today in Afghanistan. Many of these letters are from Americans who are shocked at this Nation's relative silence about the genocide taking place in Afghanistan.

In the weeks and months ahead, I plan to share some of these letters with my colleagues. I shall insert into the RECORD two letters each day from various States in the Nation. Today, I submit two letters from the State of Maine and ask that they be printed in the RECORD:

The letters follow:

HALLOWELL, ME.

HON. SENATOR HUMPHREY: The United States must be consistent in its worldwide policy and the feeble mumblings that we are issuing concerning the calculated Soviet campaign of butchery and genocide of the Afghan nation is intolerable.

The atrocities committed rival those of Nazi Germany, The Spanish Inquisition and multiple other autocratic regimes throughout history. The touch sensitive bombs in the guise of children's toys and the sadistic torture of the elderly, women and children has resulted in raw terror.

I urge the United States to increase covert military aid and a more effective delivery to the rebels fighting for their country and to effectively deploy humanitarian aid to the Afghan rebel camps giving shelter, food and medical care.

Yours truly,

DR. ANNE LOUISE HORTHCOTT.

YARMOUTH, ME.

DEAR SENATOR HUMPHREY: I am writing to express to you both mine and my husband's extreme concern and horror for the Soviet mutilation and complete lack of human dignity for the Afghan people. Of course, we disagree with their "political occupation", also.

We have been among a growing number of people in our country who are finding that voicing our concern is not only our right, but our responsibility to our humanity. When people suffer persecution anywhere, it is of our concern.

We do not feel that military force is the answer—nor supporting the Afghans with military aid. It is time for alternative ways to solve our differences. We must voice this, also, to the Soviets, that they must face their inhumanity to the Afghan people.

We are happy that a man in your position has taken this huge task to face this issue. If we can do anything more to help, please let us know. We are also interested to know just what your committee is doing.

Sincerely,

RAYMOND and NANCY OULLETTE.●

NAUM MEIMAN

● Mr. SIMON. Mr. President, I am pleased to inform my colleagues that Yuri Speizman, a Soviet cancer patient, was recently given permission to emigrate. I welcome such a positive step by the Soviets and hope that they will continue to release individuals who suffer from cancer and require treatment in the West.

The situation involving cancer patients in the Soviet Union is a matter of life and death. Inaction on the part of the Soviet Government earlier this year resulted in the tragic death of Inna Meiman. Inna desperately needed cancer treatment available in the United States, but she was not given permission to emigrate until her disease had become too severe to treat. Naum Meiman, Inna's husband, was not allowed to join his wife in the West to offer comfort and support, nor was he permitted to attend her funeral. As he adjusts to live without his beloved wife, Naum would like to spend his last few years with his daughter in Israel.

The past 10 years have been filled with suffering and despair for Naum Meiman. I am outraged at the Soviets' refusal to allow Naum some happiness. The Soviet Government must end these grave human rights violations if it sincerely desires to improve relations.

I appeal to the Soviets' greater sense of humanity and ask that Naum Meiman be granted an exit visa immediately.●

COMBATING FEDERAL AID CUTS

● Mr. DURENBERGER. Mr. President, on March 2, I had the privilege of addressing the annual National League of Cities Congressional Cities Conference regarding the realities facing local government during a time of deep cuts in Federal aid.

To help local governments deal with those realities, I announced plans to introduce legislation in the 100th Congress to:

Establish a new program of targeted fiscal assistance to cities, counties, and townships.

Require the Federal Government to pick up the cost of new laws or regulations it imposes on local governments.

Restore needed authority to local governments to issue tax-exempt bonds to finance infrastructure replacement, low- and moderate-income housing, economic development projects and other important local needs.

During the NLC confernece, I had the opportunities to meet with almost 100 Minnesota city officials, to discuss my legislative proposals and to listen to their concerns about Federal aid cuts and the difficulty they are facing in responding to local service demands.

Overall, Federal aid to Minnesota cities will have declined by 98 percent in real dollars between 1978 and 1987. Much of this drastic reduction resulted from the loss of general revenue sharing, a loss which hits smaller and rural local governments hardest.

Excellent documentation of the effect of cuts in Federal aid, and other Federal actions, is contained in a report—"The State of the Cities 1987"—recently prepared by the Minnesota League of Cities. Because of the importance of this information to the formulation of Federal policy toward local governments, I ask that the following excerpts from this report be printed in the RECORD.

The material follows:

THE STATE OF THE CITIES 1987

EXECUTIVE SUMMARY

Minnesota's cities are facing major financial challenges this year as they struggle to maintain essential services while coping with large cuts in federal aid and the threat of similar reductions in state aid. Many cities are being forced to raise propety taxes and trim their budgets by reducing services and employment. Such adversity comes at a time when cities are attempting to diversify their economic bases and attract new businesses.

At the state level, declines in Minnesota's farming and mining sectors have restricted growth in the revenues needed to fund both state and local government service obligations. At the federal level, extremely large and growing deficts have caused outright abandonment of important federal assistance programs, such as the general revenue sharing program which would have provided $80 million to Minnesota's cities over the biennium.

At the same time, mandates and similar restrictions imposed by both federal and state governments have raised the costs of providing services and operating government at the local level. Mandates such as comparable work, fair labor standards, and wastewater treatment have adversely affected cities just as federal tax reform has imposed restrictions and increased costs on cities' revenue-raising abilities.

As the federal government continues to withdraw its assistnce to cities, it is critical that adequate state funding for property tax relief be maintained. Governor Perpich's recommendations for property tax reform would essentially eliminate direct state-funded property tax relief for cities. With the precipitous decline in federal aid, this plan will force cities to reduce services and increase property taxes even more than they have in the past.

The League of Minnesota Cities will annually issue this report, the "State of the Cities" report, to provide the public and state policy makers with an on-going assessment of trends in federal and state financial assistance to Minnesota cities, their expenditures, and the cost of federal and state mandates.

The main findings of this report include:

Federal aid to Minnesota cities has declined by 38 percent in real dollars over the 1978-85 period. With elimination of general revenue sharing in 1987, the League projects that federal aid will have declined by 98 percent over the 1978-87 period.

State-funded property tax relief for Minnesota cities has also decreased, although not as substantially as federal aid. In real dollars, state aid to cities declined 7 percent over the 1980-85 period.

Although expenditures by Minnesota cities in real dollars have declined by 2.4 percent since 1980, net city property taxes have climbed by over 18 percent in real terms and other city own-source revenues (special assessments, user fees, etc.) have increased by over 16 percent. Such local tax increases have been necessitated by declines in federal and state aid.

Less federal and state assistance have required Minnesota cities to rely more on the property tax. This trend tends to make the state-local revenue system less progressive, that is, less related to ability to pay. Cities increased reliance on property taxes has unfortunately come at a time when the taxable property wealth of many cities has been declining.

City employment in Minnesota has dropped a dramatic 24 percent since 1980, more than three times the rate of decrease of any other local governmental unit in the state. Per capita employment for city services in Minnesota is generally 30-50 percent below the national employment average for such services.

CITY REVENUE AND EXPENDITURE TRENDS

Summary

The decade of the 1980s have been marked by serious economic problems surfacing at both the federal and state levels. A severe recession in 1981-82, an escalating federal deficit, and a number of budget crises at the state level have all converged on Minnesota's state and local governments and decreased the financial resources available for the delivery of government services.

The result for Minnesota's cities has been economic stress. During the 1980s, the level of federal and state aid provided to our cities diminished relative to what was available in the decades of the 1960s and 1970s, when the national and state economies were relatively healthy.

As federal and state assistance has waned, cities have been forced to rely more on their own local sources of revenue. The dominant source for such revenue has been the property tax. Unfortunately as cities have been forced to rely more on property taxes, the taxable property wealth of many of Minnesota cities has been declining. The effect of these economic forces has been to severely constrain the revenue options of most cities, mounting pressure on them to reduce services.

For the future, if adequate funding for state property tax relief programs is not maintained, pressures on cities to further reduce services will intensify and for the many cities which have already cut services, property tax levels will escalate even more rapidly than they have in the past. Governor Perpich's 1987 property tax proposal holds just such gloomy prospects for Minnesota's cities and their taxpaying residents.

Federal and State aid to Minnesota cities declines

Revenues received by Minnesota's cities from the federal and state governments have dropped significantly since 1978. The most precipitous decline occurred between 1978 and 1982. Since 1982, federal and state aid has increased somewhat but, with the elimination of federal general revenue sharing in 1987, such aid will resume its steep decline. In real dollar terms, combined federal and state aid to cities dropped from a level of $465 million in 1978 to $395 million in 1985, representing over a 15 percent decline.

Intergovernmental revenues have played an important role in local government finance. Minnesota cities are quite uneven in their capacities to raise local revenues. Federal and state aid have acted to equalize these disparate tax capacities, making basic and essential services affordable for many communities. In addition, federal and state aid have attempted to compensate for spillover effects which occur when the benefits of services provided by the local community "spillover" to individuals outside that community.

Declines in such intergovernmental aid are resulting in widening the gap between the haves and have-nots of our communities, making a basic level of city services less and less affordable for many communities.

Federal Aid Plummets. At the federal level, cuts in federal general revenue sharing coupled with reductions in other federal assistance programs have caused total federal aid to Minnesota cities to decline by over 38 percent in real dollars during the period 1978 to 1985. Federal aid totalled $171 milion in 1978, but by 1985 it had dropped to $105 million in constant dollar terms. With the elimination of federal general revenue sharing, we project that federal aid in 1987 will be roughly half what it was in 1978. (See section on Federal Grants and Aid for more detailed discussion of federal cutbacks.)

In 1978, federal aid represented over 15 percent of total revenues for Minnesota cities, but by 1985 that share had dropped to less than 10 percent. Whereas federal aid in 1978 used to contribute $3 for every $4 raised in property taxes by Minnesota cities, by 1985 federal aid provided only $1.50 for every $4 raised in city property taxes.

REDUCTION IN FEDERAL GRANTS AND AID TO CITIES

Loss of Federal general revenue sharing (GRS)

Elimination this year of the only direct federal aid program to Minnesota Cities, the federal General Revenue Sharing (GRS) program, has reduced city revenues by $40 million per year, representing approximately 7-8 percent of the property taxes levied by cities. Losing those funds is a severe blow to services and programs in many cities.

The permanent elimination of GRS will mean that local tax sources will be under pressure to absorb much of the revenue loss at a time when the fiscal capacity of many cities has been declining. Inevitably, the quality and level of city services are likely to decline if other revenues (particularly state aid) are not available to help make up for the loss.

Great disparities exist among cities in their capacities to replace lost GRS funds. While the loss of GRS constitutes about a 12.5 percent cut in revenues in St. Cloud, the loss of those federal dollars represents only a 2.5 percent reduction in Eden Prairie. Many Twin Cities metropolitan cities used GRS for one-time capital improvements. Nevertheless, the loss of those funds was no less serious for them since the long-term debt for replacement of basic facilities (i.e., fire equipment, police vehicles, public buildings, etc.) will ultimately result in higher local costs and in delays in capital spending for other needed projects.

For cities in areas with steeply declining land values, the loss of GRS comes at a bad time. Local services and governmental operations could be severely curtailed. For some agricultural areas as well as for many rural cities with populations of 2,500 or less, GRS has represented the difference between delivering adequate public safety services and doing with less.

In 1985, cities answered a League survey requesting information on what would be lost if GRS had been eliminated in that year. Cities indicated an inability to fund public safety services with local tax dollars as well as difficulty in meeting the increased costs of complying with federal mandates for which GRS payments had been used. Many cities applied GRS funds to the actual operations of police and fire departments, including personnel costs.

Other Federal cutbacks affecting housing and development

Early in 1986, cities faced the prospect of losing at least 5.9 percent of federal funding for housing and development programs. It was estimated that such program reductions would be necessitated by the new Gramm-Rudman-Hollings legislation. The federal programs subject to funding roll-backs included: wastewater treatment construction grant funds, transit operating and capital assistance, highway and community development block grants, and uran development action grants (UDAGs).

In addition, the Administration acted early in 1986 to rescind and defer funding of Community Development Block Grant (CDBG) projects, thereby delaying the receipt and the certainty of funding for many local community development activities. Although Congress and the courts later acted to secure the release of some of these federal funds and to restore funding recissions, cities had to make unanticipated budget adjustments to compensate for the expected losses.

In the meantime, Congress, in an attempt to reduce the balloning federal budget deficit, proposed reductions in appropriations for housing and development programs. At the time it was feared that Minnesota and its localities would lose as much as $1 billion in federal funds by this action. Compared to other states, Minnesota's potential losses ranked 14th highest in the nation.

On top of the proposed reductions of 10 percent for CDBGs in 1986, cities with such projects experienced a Gramm-Rudman cutback of 16 percent in anticipated grant funds. In wastewater treatment construction grants, highway funding, transit assistance and UDAGs, Minnesota cities were cut by 4.5 percent in 1986.

When the federal budget was proposed for fiscal year 1987, CDBG funding was again to be reduced by 2.5 percent. Rental housing rehabilitation, housing development grants, UDAGs, and Economic Development Adminsitration funds were all to be cut by 12.5 percent. Federal highway aid and transit funds were to be cut by 10 percent, while funding for low-income housing was to be frozen at the previous year's level.

By the time cities had set their levies for this year (1987), Congress had not yet finalized its budget figures. It appears, however, that the rate of program cutbacks is at least slowing. For the CDBG program, funding is holding at about the same level as the previous year. For the Economic Development Administration, Congress restored the funding level that existed before the Gramm-Rudman cuts. UDAGs, however, were cut significantly while rental rehabilitation and housing development grant (HODAGs) funding was increased.

Reagan Administration's Fiscal Year 1988 Budget Proposals. President Reagan's proposed 1988 budget continues the Administration's efforts to defer and otherwise halt grant and aid programs of benefit to cities. Such threats as well as the delay in receipt of project funds makes local planning and cash flow projections very problematic for many cities.

According to estimates prepared by Minnesota Finance Commissioner Jay Kiedrowski, cities and counties would lose about $57 million for sewage treatment and economic and rural development programs under President Reagan's budget plan. Minnesota would also lose $11 million in mass transit funding under the Administration's proposal to require local governments to pay a larger share of transportation costs. Most community and economic development grants to local governments would be phased out, costing Minnesota cities and counties $4 million. Sewage treatment grants would be reduced by $5 million.

Some of the proposed budget cuts adversely affecting cities include: an 8 percent reduction in Section 312 rehabilitation loans and Section 108 loan guarantee programs, termination of HODAGs, and severe cuts in rental rehabilitation funds. Housing assistance in the Administration's proposed budget would be limited to the voucher program, with no new loan authority for the construction of housing for the elderly or handicapped. Rental rehabilitation grants would also be deferred, and $50 million in current appropriations would be rescinded.

Medicare and other personnel cost increases

In earlier Congressional action, all employees hired by cities after March 31, 1986 were required to participate in Medicare. Both cities, as employers and their newly-hired employees were required to pay a 1.45 percent contribution rate on their wages. The proposed 1988 budget includes a provision which would require all current city employees who do not participate in Social Security to contribute to Medicare.

The increased costs of covering all current municipal workers under Medicare could cost cities as much as $5 million per year. The major impact of these proposed changes in Medicare and Social Security will be on cities with paid police and firefighters. In collective bargaining negotiations, cities are likely to face higher wage demands to compensate for the higher withholding required on employees' wages and salaries.

As a result of the 1987 budget reconciliation legislation, cities will have to speed up payment of Medicare and Social Security payments to the federal government. Loss of investment income and possible cash flow problems have already been cited.

Cost of application of the federal Fair Labor Standards Act (FLSA) regulations regarding overtime compensation and related scheduling changes is more difficult to estimate. Based on available full-time municipal employee counts per state, estimates suggest that local governments in Minnesota would likely have approximately $22 million in increased costs per year resulting from compliance with FLSA requirements. In addition, accounting and record-keeping changes of complying with federal FLSA standards continue to cause problems for cities. Redoing computerized or manual payrolls, changing pay periods, rescheduling police and firefighter schedules have all been difficult for cities to accomplish.

Rising costs of Federal mandates

A new tax increase has been recommended by President Reagan in the proposed 1988 budget—that is, the elimination of the tax-exemption for state and local government vehicles from the federal gas tax.

Such proposals typify proposed Congressional and executive actions that plague cities with increased costs and no federal funding to cover them. Mandates, in recent years, have frequently resulted from agency regulations. Complying with such regulations raise cities' administrative costs. The cost, for instance, of reprogramming computerized payroll systems, of redoing accounting methods to conform with new requirements, or of completing an ever-increasing number of federal forms.

Smaller cities are ill-equipped and poorly staffed to deal with these administrative requirements. Part-time city officials are already struggling just to keep ahead of current payroll and financing reporting requirements.

Impact of 1986 Federal Tax Reform Act

The 1986 Federal Tax Reform Act significantly interferes with the ability and authority of Minnesota's cities to raise revenue by issuing tax-exempt municipal bonds. Tax-exempt bonds have been the primary tool available to cities to finance vital economic development projects which have allowed many cities to grow and expand their tax bases. The new tax law is making it more expensive for cities to borrow money and, in the process, can make city services more costly. Cities will find it far more difficult and costly to foster the construction of low-income housing and the rebuilding of blighted areas.

Cities in Minnesota, like other levels of government, periodically issue bonds (i.e., borrow money from the public) to help finance major public projects such as roads, fire and police stations or sewage treatment plants. In 1984, Minnesota's cities issued over $1 billion worth of bonds. In exchange for borrowing money from the public, cities make a commitment to pay interest over the life of the bonds. Issuing municipal bonds is much like a family obtaining a mortgage in order to finance the purchase of a home. In many bond issues, the city pledges its full faith and credit, meaning that the city promises it will increase local taxes to guarantee payment of the interest due on the bonds.

Being able to issue tax-exempt bonds has saved money for cities since the interest rate they must pay on tax-exempt bonds is likely to be lower than for taxable bonds. The 1986 tax bill severly restricts what cities can finance with tax-exempt bonds, and will force many projects to be financed by taxable bonds. Such restrictions increase the costs of issuing those bonds and thus increase local taxpayers property tax burdens. For example, the cost of building a sewage treatment plan could increase as much as 50 percent if it had to be financed with taxable rather than tax-exempt bonds. The new tax bill also subjects some of the interest on bonds to federal income tax, a move which could force cities to increase the rate of interest payable to their bonds in order to attract investors.

Moreover, the tax bill imposes a new state-by-state volume cap curtailing cities' ability to issue private purpose bonds as well as some general obligation and revenue bonds. The 1986 volume cap of the greater of $75 per capita or $250 million will drop in 1988 to the lower of $50 per capita or $150 million. For Minnesota, the cap is extremely stringent; in the first year, the cap mandates a reduction in bonding authority, from over $1 billion to $315 million. The new cap applies to: private use of the proceeds of general obligation or revenue bonds in excess of $15 million; tax increment bonds; small issue industrial development bonds; multi-family, low-income rental housing bonds; single-family mortgage revenue bonds; and publicly-owned and operated municipal and water facilities which may fail the new public purpose definition requiring that the purpose of a project be at least 90 percent Govenment (rather than 75 percent as under current provisions).

Changes in the definition of public purpose bonds will discourage and in many cases prevent the creation of public-private partnerships to provide local services. The new law severely limits the availability of bond authority for privately-operated wastewater, hazardous and solid waste facilities.

The federal tax code revisions further the erosion of the federal role in providing housing opportunities for low and moderate income persons. In addition to the direct housing funding cutbacks mentioned earlier, the new tax law will affect cities' abilities to leverage private investment into housing and economic development. The law subjects multifamily rental housing bonds to the new volume cap. In addition, it imposes new compliance and tenant eligibility requirement. The new law also removes incentives for funds to be invested in low-income housing construction.●

HIGHWAY BILL VETO OVERRIDE

● Mr. KERRY. Mr. President, today the President has vetoed one of the most important domestic, economic measures Congress has passed in several years—the Federal highway bill. This legislation is essential to completing the Interstate Highway System, providing funds for highway maintenance and improvements, funding transit programs and in so doing, creating a great many jobs which would certainly improve our economic and competitive standing. To stop the Federal highway bill at this time would have a devastating effect on our economy.

Several days ago the President came to Capitol Hill to lobby the Congress to sustain his veto. In his 6 years in the White House, Capitol Hill lobbying has not been a frequent activity. He didn't come here to lobby for homelessness legislation. There haven't been many trips to the Hill on behalf of the elderly or to lobby for improving education programs. We haven't seen him up here to talk about protecting the environment. In fact, the number of issues that seriously concern this President enough to bring him to Congress can be counted on the fingers of one hand.

So why does he come now? He says that it is to stop this "budget-buster" from enactment. Nothing could be farther from the truth. This bill has been accepted by the House and Senate Budget Committees as falling within the limits of the fiscal year 1987 bipartisan budget resolution. This bill is consistent with Gramm-Rudman, consistent with the priorities of Democrats and Republicans alike in the House and Senate. As anyone with a rudimentary understanding of the Federal budget process knows, the Interstate Highway System has been built almost exclusively out of funds from the highway trust fund, a dedicated trust fund that has been raised through a gasoline tax and which can only be used for highway purposes. To argue that this spending has real budget impact on the budget deficit, as the President does, is either another sign that he does not understand how this Government works or a deliberate attempt to mislead the American people for some short-term political objective.

The true story here is not about budget busting, but one of a floundering President who is desperate to seize any kind of victory simply to have a win after a long series of mistakes, misinterpretations, and misstatements.

The President has created a monumental no-win situation for the American people. Here is a case where if the President wins, we all lose. He knew that out of 535 Members of Congress, 34, or 7 percent, agreed with him on this issue when this bill came before the Congress for a vote. And 501 Members of Congress realize that spending trust fund moneys on desperately needed projects, for the purpose they were raised, makes sense. Good, reasonable, bipartisan sense. They realize that without this legislation roads won't be built, transit programs will not be adequately funded, and many jobs will not be created. They realize that safety on our roadways will be improved and lives saved and kept whole; and, they realize that an effective highway system saves consumers billions of dollars in transportation costs and helps get our products to market at more competitive prices. Democrats and Republicans overwhelmingly agree on all of this—but not President Reagan.

The President may tell us that the Congress could easily pass new legislation that meets his desires, but the reality is that the chairman of the authorizing committees have made it abundantly clear that they have completed their work on this issue for this Congress. I believe that the many months that the committee has devoted to creating this delicate compromise is enough and it is time that the only person standing in its way stand aside and not become a roadblock. It is clear that if this veto is sustained, at least for the foreseeable future, we will not have a highway program and the consequence will be bad for the economic health and safety of every American, with the possible exception of the one who begins and ends his trips from the backdoor of his mansion on Pennsylvania Avenue in his own helicopter.●

THE LINE-ITEM VETO

● Mr. HUMPHREY. Mr. President, at the present time, the chief executives of 43 States possess some type of line-item veto authority. The time has now come to provide the Chief Executive of the United States with such authority. The line-item veto has helped Governors in every region of the country to eliminate excessive spending and to balance their budgets.

On January 28, I joined with Senator EVANS and others in introducing S. 402, a bill to provide the President with limited line-item veto authority. I have contacted the 43 Governors with some sort of line-item veto authority in order to obtain their views on this proposal. Recently, I received a response from one of these Governors, Gov. Steve Cowper from the State of Alaska. Governor Cowper has greater line-item veto authority than we would provide for the President—his vetoes of items can be overridden only by a three-fourths vote of the State legislature. Under our proposal, two-thirds of the Congress would be able to override Presidential line-item vetoes, just like with any other veto.

Many opponents of the line-item veto act as though a Presidential line-item veto is the last word. However, as Governor Cowper is quick to point out, "The Congress would still maintain the power to override." If the Congress truly believes that an item is not pork and should be enacted into law, there should be little difficulty in mustering the necessary votes. The time has come, Mr. President, to restore accountability to the budget process. The line-item veto represents a significant step toward this important goal.

Mr. President, I ask that Governor Cowper's letter be printed in the RECORD.

The letter follows:

STATE OF ALASKA,
Juneau, March 20, 1987.

HON. GORDON J. HUMPHREY,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR HUMPHREY: Thank you for your letter of March 6, 1987, regarding S. 402, which will provide the President with a limited line-item veto authority. By the way, I appreciate your efforts to address the deficit problem, which is regarded by most Governors as a source of serious trouble over the long term.

I have come to believe that the President ought to have line-item veto authority. The Congress would still maintain the power to override, but the Chief Executive needs more control over the budget which is after all the operating document for the United States government.

In Alaska, the Legislature can override a veto of an appropriations bill (or line-item veto) only by a three-fourths majority. This gives the Governor a pretty strong hand. We opted for that kind of government over one in which power is more diffused. Alaska came into the Union in fairly recent times and did not experience the abuses of power which characterized the colonial era. Thus, we had no historical basis for opposing a powerful executive. Our system works well for us.

The United States is an increasingly diverse society. I believe that a strong and sometimes willful executive is necessary to impose some measure of discipline and direction on this nation's government. I support your bill.

Sincerely yours,

STEVE COWPER,
Governor.●

TRIBUTE TO HARDYAL SINGH

● Mr. LAUTENBERG. Mr. President, I would like to bring to my colleagues' attention the outstanding leadership of one of my constituents, Hardyal Singh.

Mr. Singh is the founder and president of the International Mahatma Ghandi Association of Jersey City, an organization dedicated to the goal of promoting better understanding of the Ghandian values of life, peace, and friendship among Indians and their American friends. He is also the director and chairman of civic and community affairs for the Federation of Indian Associations of New York.

With the support and cooperation of the International Mahatma Ghandi Association and the Federation of Indian Associations, Mr. Singh has ensured that Republic of India Day and other Indian national days and festivals have been celebrated in Jersey City. He has organized seminars on Indo-American friendship, and created opportunities for American leaders to meet with Indian Parliamentary leaders. His efforts have contributed to the rich Indian culture and diverse ethnicity of New Jersey. And they have helped to foster a better understanding between Indians and Americans.

My good friend, Anthony R. Cucci, the mayor of Jersey City, honored Mr. Singh for his fine leadership role in the Indian community in Jersey City. The Senate and General Assembly of New Jersey also recognized Mr. Singh's efforts and honored him. Mr. Singh was also recently appointed by the Governor as a member of the New Jersey Consumer Advisory Committee, and was presented with a key to Jersey City.

I am pleased to join these organizations and individuals in recognizing Hardyal Singh for his outstanding dedication and accomplishments.●

TRUCK SAFETY

● Mr. DANFORTH. Mr. President, I ask that the fifth article in a series by USA Today on motor carrier safety be printed in the RECORD.

I commend this well researched series of articles on a crucial area of highway safety to the attention of my colleagues.

Congress has on several occasions in recent years taken significant steps to reduce the loss of life and limb on the highways. I believe that the work of USA Today has brought to the attention of the public and Members of Congress the need for further steps to improve the safety of trucks and commercial drivers.

The article follows:

[From USA Today, Mar. 27, 1987]

BIG PUSH ON FOR SAFER TRUCKS

(By Rae Tyson and Marilyn Adams)

A new drive toward truck safety was made Thursday when U.S. Sens. John Danforth, R-Mo., and Brock Adams, D-Wash., introduced a comprehensive, bipartisan bill they say would close some serious safety loopholes.

Meanwhile, safety advocates called for stricter enforcement of laws already on the books.

"There's an awful lot of states that have dragged their heels" in enforcing basic laws, said Gerald Donaldson of the Center for Auto Safety.

The senators cited this week's USA TODAY/Gannett New Service series on trucking in introducing the bill.

Danforth said the bill "is aimed more at equipment than the drivers." It would:

Call on the Department of Transportation to study antilock brakes (shown in tests to have superior performance) and tachographs—units that monitor truck speed and other vital functions.

End safety exemptions for trucks operating in many metropolitan areas.

"It is often in these very areas that conditions demand top performance from vehicle and driver," said Rep. Glenn Anderson, D-Calif.

Among exempt areas: Pittsburgh, Indianapolis, Boston, New York, Chicago, Washington, Kansas City and St. Louis.

DOT has been criticized for stressing truck safety less than air and auto safety.

"Only when frightening figures and the prospect of more frightening figures finally scared the (transportation) secretary did we have movement," Donaldson said.

Rep. J. Roy Rowland, D-Ga., was prompted to check in his home state; "Much to my dismay" 50 percent of trucks inspected had serious defects.

"You've gotten people around the country thinking; I hope you get members of Congress thinking too," said Rep. James Traficant, D-Ohio."

"Immediate efforts should be taken to strengthen the safety standards," said Sen. Jay Rockefeller, D-W.Va. "I'm very concerned that economic pressures brought on by truck deregulation are a contributing cause to the decline in safety."

TRUCKS: WHAT NEEDS TO BE DONE

(By J.L. Albert)

WHAT DRIVERS SAY

A USA TODAY/Gannett News Service poll[1] found drivers across the USA had these opinion on solutions to truck safety problems:

Prohibit trucks from left lanes of highways: Approve, 45 percent; disapprove, 50 percent.

Require special training and licensing for truck drivers: Approve, 97 percent; disapprove, 3 percent.

Ban double and triple trailers attached to same truck: Approve, 55 percent; disapprove, 39 percent.

Require annual truck safety inspections: Approve, 98 percent; disapprove, 2 percent.

Install mechanical device to limit truck speed: Approve, 55 percent; disapprove, 39 percent.

WHAT THE EXPERTS SAY

Here are key problems related to big trucks, which are involved in about 4,500 deaths and 100,000 injuries yearly, and suggested solutions:

Problem: Lax training. There's no federal or state requirement for formal truck driver training, and little or no motorist training in how to share the road with trucks.

Solution: Both car and big-truck drivers should get more training. A new federal law requiring truckers to pass written and skills tests and get a special drivers's license should help. Driver education for motorists would also help.

Problem: Lax inspections. Roadside and annual inspections are too few and too superficial: 29 states don't require annual inspections and many that do allow companies to inspect their own.

Solution: Federal funding for roadside inspections has been tripled this year to $50 million; states also should budget more money. More and tougher annual inspections would help, too. Officials in Tennessee, which conducts an aggressive, 24-hour roadside inspection program, attribute a 20-percent drop in big-truck accident deaths last year partly to the inspections.

Problem: Company controls. Early findings of a major truck-safety investigation by the National Transportation Safety Board suggest some truck companies know about but ignore driver problems.

Solution: Stronger oversight by companies and screening of driver applicants are needed.

Problem: Drugs on the job. A minority of truck drivers use drugs and alcohol on the road, impairing their performance and causing accidents.

Solution: Proposed legislation would require roadside drug tests, advocates say it would discourage truckers who use alcohol and drugs.

Problem: Bad equipment. Most big trucks aren't equipped with the latest technology—and the federal government doesn't require it.

Solution: Anti-skid brake systems under development here—and used on trucks in Europe—would help trucks stop more quickly and with greater control. On-board devices that track truck speed and amount of time on the road would discourage truck drivers from speeding and driving too long. Rear underride guards—widely used in Europe—would prevent cars from skidding under trailers, accidents that often seriously injure. Better mud flap systems would shield motorists from blinding splashes.

Problem: Multiple driver's licenses. Some truck drivers have multiple driver's licenses so they can spread driving violations and keep driving despite unsafe behavior.

Solution: A new federal law will forbid truckers from holding more than one state driver's license starting in July, but no computer system to check compliance will exist until at least 1989. State and federal governments should work to meet the ambitious 1989 deadline for developing a nationwide information clearinghouse.

SHARING THE ROAD WITH A TRUCK

(By Bob Laird)

Understanding how a truck works and its limitations can make it much easier to share the road safely with a truck.

Studies show that cars cause more than half of all truck fatalities.

"We only have one road system; cars and trucks have to share it," says trucker Joel Thomas of East Bridgewater, Mass.

Education programs for both car and truck drivers are under way.

The American Trucking Associations has launched a $2 million effort. Its "America's Road Team" of truckers talks to driver education classes and civic groups. The ATA also has a hot line so motorists can report unsafe truckers. The number is 703-838-1855.

The American Automobile Association has a popular adult driving course that includes tips on sharing the road with trucks.

Its AAA Foundation for Traffic Safety has a safety film that is available through its local chapter. The organization's study found that "more than 50 percent" of all truck related fatalities were caused by car drivers.

Thomas, a member of the ATA team, says careless car drivers "are creating a danger as much as the (truck) driver."

Tips from a top trucker: Three-time national truck-driving champion Jesse Stauffer says cars and trucks can share the road safely if motorists would "just use good judgment."

"You also want to stay calm; never let anger interfere," he said

Stauffer, an APA Transport driver from Lancaster, Pa., offers other safety tips:

Don't use high beams when approaching a truck from the rear.

Use caution when pulling alongside a truck at an intersection. The driver may be turning the corner.

When passing a truck, don't pull back in the lane "until you can see the vehicle in your rear-view mirror," he said.

At night, quickly flash high beams so the trucker knows you're passing.

If a truck is passing you, don't speed up: "If you do there's no place for me to go," said Stauffer, 39.

Watch out for blind spots: Though trucks are equipped with up to eight mirrors, it's still easy for a car to be in a blind spot. Pedestrians should avoid them. Cars following a truck should keep safely behind and stay to left of driving lane. If you can see the truck mirror, the driver can see you.

Area needed to corner: Big trucks need more room to turn corners so rear wheels won't ride over the curb. Caution: Watch truck signals; stay back, especially if trucker is turning right.

Big trucks stop slowly: Most cars can stop easily from 60 mph in less than 150 feet—half the length of a football field. Most trucks—especially if unloaded—couldn't stop before they hit the end zone.

National Highway Safety Administration tests found:

Loaded trucks stop better, two- and three-trailer combinations stopped in a shorter distance from 60 mph than a single tractor-trailer.

Single-unit trucks are worse: a 60-mph stop could take more than 400 feet.

"Bobtails"—tractors without trailers—are slowest of all—500 feet to stop from 60 mph.

Strong engine: Has more horsepower than most cars; truck engine must be powerful enough to easily pull 40 tons.

Help for the hills: Most trucks are equipped with a 13-speed transmission—needed to move heavy loads up hills and for safely slowing on steep down-grades. Driving a 13-speed truck smoothly requires pushing clutch pedal in twice for each gear.

Aerodynamics: When fuel prices jumped, truckers sought ways to improve economy. Streamlining helps deflect fuel-robbing airflow. Current 6 mpg average is twice 1974.

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[1] 1 Don't know/no opinion; responses not shown.

Source: Gordon S. Black Corp. telephone survey of 808 drivers, with margin of error of 3.7 percent.

Connecting the tractor to the trailer: The device that connects the tractor of a truck to the trailer is known as the "fifth wheel." It allows the trailer to swivel and bounce. A locking pin, removable only by special tool, prevents trailer from dislodging accidentally on the road.

Home away from home: Truckers often sleep in their trucks to save money and time. Federal rules require that they rest 8 hours after driving 10 hours.

FEDERAL GOVERNMENT IS SLOW ON SAFETY

(By Marilyn Adams)

Federal and state governments today are under more pressure than ever—from safety groups, Congress, some in industry—to get bad trucks and truckers off the road.

As the problem of big-truck crashes accelerates, government's overall truck-safety record is poor—a litany of delay, inconsistency, flimsy laws, spotty enforcement.

"Virtually every time anybody picks up the newspaper or turns on the TV, there is a story about some truck crash, where brakes have failed and people have been killed," said Sen. John Danforth, R-Mo., a sponsor of new truck-safety laws. "The public perception . . . is that we are just not doing the job in assuring . . . . safety."

Congress late last year passed a sweeping new truck-safety law. It takes aim at unsafe truck drivers and trucks, but won't solve every safety problem. And there are big questions about how—and when—it will begin to work.

Portions of truck-safety laws approved by Congress up to five years ago aren't in effect because the Department of Transportation has been slow to implement them.

Complex, politically sensitive rules must wind through the bureaucracy, Secretary Elizabeth Dole's office, the Office of Management and Budget. "It hasn't gotten as much emphasis (as car or air safety) because trucking safety has been a stepchild in the agency," said Gerald Donaldson, director of highway safety for the Center for Auto Safety, a not-for-profit, consumer advocacy group founded by Ralph Nader, but now independent.

A year ago, the truck-safety operation in DOT's Federal Highway Administration was reorganized to give truck safety more emphasis—after the numbers became alarming.

Right now:

There's no state or federal requirement for truck-driver training. The new law won't change that.

Thousands of trucks and drivers escape safety controls because they operate within 41 urban "commercial zones," set up 50 years ago to regulate rates and safety. In the zones—most of the major metropolitan areas—no federal safety rules apply.

Federal law today: Interstate truckers must, among other things, get a medical exam every other year and take a written test to get hired. But unlike aircraft pilots, who must use a federally certified doctor, truckers can use any doctor they choose.

National Transportation Safety Board Chairman Jim Burnett is skeptical of "any kind of medical system that relies on someone to select his own physician."

The safety board scoffs at the current 66-question national exam. A driver may bring the answers to the test; if he still can't answer correctly, it's OK. There's no need to pass to get hired—"a pass-pass system," Burnett said.

New federal law: This year, the Commercial Motor Vehicle Safety Act of 1986 is scheduled to begin taking effect. It will:

Forbid truckers to carry more than one state driver's license starting July 1. Fine for multiple ones: up to $2,500. However, no nationwide computer system to enforce this will be available until at least 1989.

Beef up federal grants to states for roadside inspections to $50 million this year, from $17 million last year.

Require the government by July 1988 to set standards for states to start setting up written and road tests for trucks and a separate license. It's expected it will be at least 1992 before the new system is in effect.

Toughen penalties for drivers' drug and alcohol use. First under-influence offense: one-year license suspension. Second offense: permanent revocation.

How and when the law actually will work depends on how the Transportation Department interprets it and whether deadlines are met. The agency's reputation for delays—not implementing sections of laws passed by Congress years earlier—prompted Danforth to publicly lambast the Federal Highway Administration for "not doing anything. It really appears to be a foot-dragging operation."

This year, "we're trying to do everything we can not to be part of the problem," said Robert Farris, new deputy administrator of the Federal Highway Administration, part of the Transportation Department. In the past, the agency has been "slow," he conceded. "But by greasing something through too quickly, you can get bad rules."

"Let me predict that we're going to meet those deadlines (in the 1986 law)," said Transportation Secretary Elizabeth Dole, cautioning: "You're dealing in this area with a very complex subject matter. . . and also very controversial."

One family's story: "I don't think that agency (DOT) will ever be accused of speeding," said Bethesda, Md., safety activist Ken Nathanson. Nathanson, 61, and wife Fran—whose daughter was killed in a truck crash—have toiled 11 years for a nationwide computer record of bad drivers as a reference for states.

The day after Christmas 1975, a tractor-trailer sideswiped the Nathanson's car while they were parked alongside I-95 near Providence, R.I., killing Kamy, 14. The trucker—using an Arizona license he'd gotten even though his New Jersey one had been suspended seven times—never paid a fine or went to jail; his conviction was overturned.

Now, due in large part to the Nathanson's dogged lobbying, a computerized National Driver Register of drivers with suspended licenses is under way. The law was passed in 1982. Thirty states still haven't hooked up.

Nevada got tired of waiting. Using federal funds, it set up a pilot computer system—tied to state motor-vehicle records nationwide—to check before issuing a Nevada license. "We feel the word is getting out to truckers: 'Don't even try it,'" says Nevada State Patrol Maj. William Yukish.

A 50-STATE LOOK AT INSPECTIONS

(By Robert Burke)

WHERE STATES STAND ON IMPROVING SAFETY

In the past four years, states have increased inspections of trucks, because of federal grants—$50 million this year. The results have been dramatic. Thousands of unsafe trucks—many with defective brakes—have been pulled off the road until repairs are made. The actual percentage of trucks on the road with problems is lower than the percentages states are pulling off the road. That's because state inspectors look for and stop problem trucks. The programs are not considered a panacea. Tennessee—with an aggressive inspection campaign—checked 80,093 trucks in 1986 and took 60 percent off the road. However, that's only about 7 percent of the trucks that pass through the state.

ALABAMA

After three-year hiatus, state began roadside inspection of trucks this month as part of the federal program. "It's a real blessing that the federal program was in place so we could do this," said Lt. Robert Applin of the state highway department. Statewide traffic deaths involving commercial trucks rose from 131 in 1982 to 175 in 1985, said Applin.

ALASKA

Voters abolished the Alaska Transportation Commission—the agency that handled truck safety inspections—in a 1985 referendum. The Legislature gave almost $200,000 last year to the Public Safety Department to write new truck regulations. Dropping oil revenues forced a cut of this program.

ARIZONA

The state can now fine trucking companies—not just drivers—for repeated safety violations. Civil court fines can reach $50,000. By trying to punish the owner of a defective truck "we're going to the persons who are responsible" instead of fining the driver, said Carol More of the Department of Public Safety. After beginning roadside inspections, truck accidents dropped 21 percent to 2,047 in 1986.

ARKANSAS

The Arkansas Transportation Commission bought a 35-foot motor home in December for inspections. Last year, 34 percent of 1,789 trucks inspected were pulled off the road. Annual inspections required.

CALIFORNIA

In response to a 50 percent increase in truck-at-fault accidents from 1982 to 1985, the California Highway Patrol put 15 patrol cars without the trademark rooflights on targeted highways in January to search for speeding trucks. Truckers are so wary "they start seeing these specially marked cars when they're not there," said Susan Cowan-Scott of the Highway Patrol.

COLORADO

So far this year, 54 percent of 13,753 inspected trucks were pulled off highway for safety violations. From May to October Colorado will run a Trucker Trivia Project. Truckers answer three truck safety questions (answers are on the back) and turn in the cards at truck stops. "We want them to know the right answers," said Diane Emrick of Department of Highway Safety. Each month a $100 winner is chosen, with a $1,000 winner then picked.

FLORIDA

The state Legislature will vote in April on a bill to join the federal roadside truck inspection program. If approved, the state would get $2 million to finance 80 new inspectors. Also in the proposed law; limits on the time drivers can stay behind the wheel. "These drivers just drive, drive, drive until they collapse," said Bob Sanders of the state Department of Transportation.

GEORGIA

In 1986, the state inspected 16,243 trucks and pulled 7,410 off the road for safety violations. Plans to add 15 inspectors to the 14 on duty now before Legislature. Under consideration: end exemption of forestry industry trucks from safety regulations. "There is a problem out there and they (the logging industry) want to do something about it," said Lucia Ramey of the Department of Transportation.

HAWAII

Alexander Kaonohi of the state Motor Vehicle Safety office says truck safety is not a big problem—Hawaii has just 20,000 commercial vehicles. His office currently has 12 truck inspectors doing safety checks. This month, they add more under the federally funded inspection program. Hawaii requires all vehicles be inspected twice a year.

IDAHO

Although there were 330,000 trucks registered in Idaho in 1985, state inspectors checked just 8,296 last year—and found 7,184 brake violations, 1,728 serious enough to require immediate repair. And with thousands of interstate trucks crossing the state on I-80 "there's a definite need" for more inspections, said state police spokesman L.J. Nickerson.

ILLINOIS

State is helping the federal government develop a new truck driver licensing program—drawing up minimum testing requirements and suggesting ways to prevent drivers from having more than one driver's license. In April 12 more inspectors will join the current 30, who last year inspected 31,274 trucks and pulled 34 percent off the road for safety violations.

INDIANA

1986 inspection totals: 12,308 trucks checked, 5,218 taken off the road. The state has just six full-time inspectors. The state police are teaching truck company safety directors how to inspect a truck. "One of their people would work with one of our people," said John Annarino of the state police. "What we were doing is training them to go back and set up a safety program for their fleet."

IOWA

1986 roadside safety inspections: 17,723 trucks checked—423 percent taken off the road. The state can check the driving record of truck license applicants from other states—but only if the applicant reveals possession of another license. "We kid ourselves if we think that every applicant is being totally honest with us," said Al Chrystal of the state Motor Vehicles Division.

KANSAS

A major east-west highway, I-70, cuts across the middle of the state. 1986 inspections: 5,245 trucks were checked and 3,628 of them—69 percent—were taken off the road, usually for brake adjustments. "I think you'll find that Kansas has one of the highest out-of-service rates in the nation," said David Hornbaker of the Highway Patrol, which has 16 inspectors.

KENTUCKY

The state hopes to inspect 70,000 trucks this year, more than double last year's total. Last summer, state inspectors joined with bordering Tennessee inspectors to check trucks on both the north and southbound sides of the connecting interstates. Indiana and Illinois considering similar program with state.

LOUISIANA

Inspection program just getting started—30 state police officers are learning the procedures—and the full enforcement program should begin by September. Right now the state is doing "courtesy inspections," said Richard Hart of the state police. "We're putting everybody on notice" before handing out tickets. Annual inspections now required.

MAINE

In 1986 Maine inspected 2,690 trucks and pulled 73 percent off the road. "We don't just pick on a truck that doesn't look good. We take them as they come along," said Maurice Dionne of the state motor carriers division. Annual inspections required.

MARYLAND

The recent deaths of two teen-agers in a truck accident have focused attention on truck safety. The governor has proposed increasing the inspection staff from 12 to 40. 1986 inspections 4,978, 54 percent taken off the road.

MASSACHUSETTS

The number of deaths in accidents involving commercial trucks rose from 34 in 1985 to 64 in 1986—an 88 percent increase. The state just finished training 22 new truck inspectors in February as part of the new roadside inspection program. Annual inspections required.

MICHIGAN

A reported 54 percent increase in truck accidents from 1982 to 1985—while total traffic accidents increased just 31 percent—got the attention of state legislators, who are searching for a solution. "The biggest factors have been safety defects on trucks themselves," said House Transportation Committee Chairman Curtis Hertel. The study should be completed by late April.

MINNESOTA

After any truck accident investigated by the State Patrol, Dept. of Public Safety inspectors act as specialists, checking the truck's equipment for defects such as worn tires or bad brakes. The State Patrol investigators can then use its results to determine if equipment failure caused the accident.

MISSISSIPPI

For the third year in a row, the state Legislature rejected a bill to enforce safety rules on private carriers—trucks hauling the merchandise of the truck's owner. These trucks make up 60 percent of Mississippi's truck traffic and are currently exempt. 1986 inspections: 10,401, 12 percent taken off the road. Annual inspections required.

MISSOURI

The Highway Patrol has 176 inspectors and 15 uniformed officers handling all parts of commerical truck enforcement: size and weight, registration and the safety inspections. Last year they did 42,210 roadside checks and took 56 percent off the road. Annual inspections required.

MONTANA

The Highway Patrol does "short form" inspections—concentrating on the driver's licensing and qualifications instead of the truck. "There's been some concern that drivers possibly cause a large amount of problems," says Ray Jenkins of the Highway Patrol. Last year, 3,757 full truck inspections were done—compared with 14,378 driver inspections.

NEBRASKA

Until January, when Nebraska joined the federal truck safety inspection program, there were just two inspectors on duty statewide. Now 25 officers from the State Patrol will be trained to perform roadside inspections; the department hopes to add 11 more.

NEVADA

Nevada's Highway Patrol uses a nationwide computer hookup to check the driver's license files of all 50 states. Applicants must give up any valid licenses from other states before receiving a Nevada license. Since beginning the program one year ago, the number of truck license applicants with revoked, suspended or multiple licenses has dropped from 21 percent to 10 percent.

NEW HAMPSHIRE

Since 1985, six full-time safety inspectors have divided their time between roadside truck safety checks and audits of trucking company records. Annual inspections required. The state has applied for increased funding for training, equipment and hazardous materials inspections.

NEW JERSEY

Heavy trucks accounted for 6.5 percent of all highway traffic statewide in 1984, but were involved in 11.3 percent of all traffic accidents, according to the State Police, which has 42 full-time inspectors doing roadside inspections. Annual inspections required.

NEW MEXICO

From July 1985 to June 1986, 15 inspectors with the state Transportation Dept. checked 33,762 trucks and found 4,237 safety violations. Gov. Garrey Carruthers said truck safety "is not a big problem."

NEW YORK

In response to a 10 percent increase in the rate of commerical-vehicle-related accidents from 1983 to 1985, the state has hired 18 truck safety inspectors, with plans to add 15 more by May. The state Dept. of Transportation plans to buy and outfit a mobile inspection van by late September. Annual inspections required.

NORTH CAROLINA

Truck license applicants used to be able to skip required road tests in North Carolina by showing a valid truck license from out of state—until the state closed that loophole last July. Now all applicants must pass road, written and skill tests. Next year the state is adding 41 truck inspectors to the 11 on duty now. In 1986, inspectors checked 25,690 trucks and took 41 percent off the road. Annual inspections required.

NORTH DAKOTA

The Highway Patrol does roadside safety inspections from April through September; bad weather keeps inspectors off the road the other six months. The state Senate considering allowing the patrol to check truck company records to see if drivers are obeying laws limiting driving time.

OHIO

Inspectors checked 56,907 trucks last year and plan to check 100,000 in 1987. The percentage of trucks taken off the road increased from 10 percent in 1983 to 24 percent in 1986. The state wants to add a 24-member force to check hazardous-materials trucks.

OKLAHOMA

The state adopted tougher laws on truck safety last year but has not yet added the section that would allow the Highway Patrol to fine violators. Legislature is expected to add that section this year, said sponsor A.C. Holdern. The state will get $600,000 a year for the next two years from the federal program—for training, equipment. Annual inspections required.

OREGON

The state closed the loophole that allowed trucks operating in certain areas to be exempt from federal safety regulations. "It became a dumping ground for what are poorly maintained vehicles," said Paul Henry, director of Motor Vehicle Enforcement.

PENNSYLVANIA

When the state adopted the federal truck safety regulations, it closed the loophole that would have exempted intrastate trucks from the rules. A state task force is developing plans to expand enforcement by the 445 certified state inspectors to intrastate trucks. Last year, state inspectors checked 18,272 trucks and took 8,541 off the road. Annual inspections required.

RHODE ISLAND

When neighboring Connecticut removed toll booths, truck traffic increased. "Trucks that used to have to go around to skip the turnpike tolls now are going right up I-95 into Rhode Island," said John DiTomasso of the Tranportation Department. The state policy have just trained a 10-member truck squad for truck inspections. Annual inspections required.

SOUTH CAROLINA

In the first five months of the state's roadside truck safety inspection program 2,468 trucks and drivers were checked and 1,111 were pulled off the road. Program director Michael Lucas has 10 full-time inspectors and would like more, "but if you had 100 inspectors you're still not going to check every vehicle." Annual inspections required.

SOUTH DAKOTA

The state has no roadside inspection progam and there are no annual vehicle inspections. State law gives the Highway Patrol the authority "but we don't have the manpower to do these inspections yet," said Highway Patrol spokesman John Berheim. The state does enforce laws limiting driving hours and driver qualifications at weight stations.

TENNESSEE

The state has added 70 officers to its inspection team since 1984. Last year inspectors checked 80,093 trucks and took 60 percent off the road for safety violations. The state has also strengthened its drug and alcohol enforcement program and notifies truck companies when a driver has been disqualified by a drug possession or drunken driving conviction. Inspectors also check the records of intrastate truck companies every two years.

TEXAS

The state has toughened up its licensing rules. Applicants must now pass specific written and road tests. The State Legislature is working on new safety legislature to bring the state's estimated 1 million trucks under tougher safety standards. Annual inspections required. "We hear time after time of horror stories . . . regarding drivers that were too poorly trained to handle the loads that they were carrying," said House Transportation Committee Chairman David Cain.

UTAH

June 1985–July 1986 inspections: 4,929 trucks checked, 2,176 pulled off the road. There are an estimated 5 million trucks on state highways annually. Transportation Department David Alder would like more federal money for roadside inspections "but the big states get all the money" from the program, Alder said. Annual inspections required.

VERMONT

Last year Vermont inspected 9,844 trucks and found 1,636 safety violations. Trucks registered in the state must be inspected annually, but there is no special testing or training for commerical truck drivers.

VIRGINIA

State inspected 3,587 trucks in 1986 and took 49 percent off the road. The state has 29 inspectors to cover two major north-south interstates—I-95 and I-81—along with state highway. Annual inspections required. Truck-driver-license applicants who sign affidavits swearing they have more than 500 miles driving experience don't have to take road test.

WASHINGTON

1986 inspections: 15,682 trucks checked, 30 percent pulled off the road. The state has 32 full-time inspectors. This month State Patrol officers are learning "mini-inspection" program—to check logbooks, drivers' licenses and any obvious safety violations. Included: a regional computer check on the driver's background for multiple licenses or suspensions.

WEST VIRGINIA

1986 inspections: 12,000 trucks checked, 42 percent pulled off the road for repairs. There is no required written or road test for a truck license, just an operator's license. State inspectors perform annual checkups of all vehicles, but companies with 10 or more trucks can become certified to perform their own inspections.

WISCONSIN

Last year state inspectors checked 6,410 trucks and took 54 percent off the road. "With 300,000 to 350,000 vehicles registered to operate in the state, it's kind of difficult to make a big dent," said inspector supervisor Lyle Walheim.

WYOMING

Total traffic deaths in Wyoming have dropped steadily—from 245 in 1980 to 152 in 1985, a 38 percent drop. But fatalities involving commercial vehicles have dropped more quickly—from 53 deaths in 1981 to 30 in 1985, a 44 percent drop. Highway Safety Department spokesman Donald Pruter points to a stricter state truck inspection program.

TRUCK-ACCIDENT TOLL

(More than 12 percent of people killed in 1985 motor vehicle accidents died in crashes involving a tractor-trailer. Here are each state's truck-accident death toll and the percentage of total traffic deaths it represents. Rates vary with truck traffic and safety programs)

State	Dead	Percent
Alabama	134	17.4
Alaska	6	5.8
Arizona	89	12.3
Arkansas	114	24.1
California	395	10.0
Colorado	67	13.1
Connecticut	31	8.4
Delaware	12	14.8
District of Columbia	2	5.9
Florida	201	9.7
Georgia	170	15.1
Hawaii	3	3.1
Idaho	29	12.5
Illinois	150	12.5
Indiana	130	15.1
Iowa	54	12.4
Kansas	75	16.9
Kentucky	88	14.0
Louisiana	118	15.1
Maine	12	7.1
Maryland	68	11.7
Massachusetts	34	5.8
Michigan	118	9.4
Minnesota	68	12.8
Mississippi	95	16.4
Missouri	111	13.5
Montana	30	14.6
Nebraska	35	16.0
Nevada	19	9.0
New Hampshire	9	5.6
New Jersey	99	14.5
New Mexico	75	17.4
New York	137	9.9
North Carolina	174	14.1
North Dakota	6	7.3
Ohio	162	11.6
Oklahoma	105	16.1
Oregon	69	14.6
Pennsylvania	200	13.6
Rhode Island	3	3.9
South Carolina	93	11.5
South Dakota	11	9.2
Tennessee	119	12.5
Texas	469	15.5
Utah	34	14.2
Vermont	8	8.1
Virginia	100	12.3
Washington	61	9.5
West Virginia	37	9.6
Wisconsin	79	12.0
Wyoming	20	13.6
Total	4,528	12.6

Source: Federal Accident Reporting System, Insurance Institute for Highway Safety.●

BENNETT'S ATTACK UNFAIR TO COLLEGES

● **Mr. SARBANES.** Mr. President, several months ago Secretary of Education Bennett delivered an address at Harvard in which he asserted that today's presidents and administrators of our Nation's colleges and universities are more interested in money than education and have not done enough to ensure that students learn anything before graduating. The Secretary's remarks come as no surprise given this administration's callousness toward higher education as demonstrated repeatedly by its draconian budget proposals submitted to Congress for higher education over the years.

Secretary Bennett's comments in my view are not supported by evidence and are unfair to the many college and university officials who labor long and hard to produce and maintain our Nation's system of higher education. An excellent example of one of these officials is Douglass Cater, president of Washington College, one of the country's 10 oldest colleges, located in Chestertown, MD.

On March 26, 1987, the Baltimore Evening Sun published an article written by Mr. Cater entitled, "Greedy College? That Hurts, Bennett." The article also appeared in the New York Times on March 16. Mr. Cater's article very thoughtfully sets forth the current situation in higher education as experienced by small, liberal arts colleges, and calls into question many of the comments made by Secretary Bennett. I know that my colleagues share my concern about the future of higher education in this country, and I wanted to bring this article to the attention of the entire Senate.

The article follows:

[From the Baltimore Evening Sun, Mar. 26, 1987]

GREEDY COLLEGE? THAT HURTS, BENNETT

(By Douglass Cater)

CHESTERTOWN, MD.—Life for the college president becomes more exhilarating, to say the least, when the Secretary of Education chooses to serve as the chief scold of higher education.

Just when we are on the road again recruiting high school students for next autumn's freshman class, William J. Bennett renews his onslaught by declaring that higher education is not underfunded but is "underaccountable and underproductive." He accuses us of the sin of greed. Talk about hitting an institution where it hurts!

Bennett does not differentiate between the large universities, which carry a lion's share of the nation's research, and the undergraduate colleges, which confine themselves mostly to teaching. Nor does he distinguish between the Ivy League and the rest of us in a nation with about 3,300 institutions of higher education.

Harvard and Hopkins and Haverford can speak for themselves. For them, undergirded by heavy endowments, hurricanes hardly ever happen. They can thumb their noses at Bennett and not have to lie awake nights.

Let me instead testify for the other colleges—about half the total, with enrollments of less than 2,500 and many flying that proud banner of organized knowledge, "the liberal arts."

Not long ago, we were considered an endangered species, caught in a cost squeeze that threatened either to change our mission or close our doors. Bennett, then head of the National Endowment for the Humanities, exhorted us to make greater efforts to teach ageless ideas and values.

He certainly did not suggest at that time, as he does now, that federal government policy should "help make colleges and universities accountable to the prime beneficiaries of their services—the students." Instead, he seduced us with project grants that enabled us to eschew contemporary fads even though they might have been more popular and profitable.

Let us treat Washington College, which I heard, as a case study. Founded in 1782, it is one of the nations' 10 oldest colleges. The Commander of the Continental Armies provided a founding gift of 50 guineas and gave written permission to use his name.

Washington College's original mission was not to train preachers in the earlier tradition of Harvard and Yale but to educate the new country's citizens—in the words of the founder, William Smith—for the "vital tasks of democracy." This mission has placed us between the rock and hard place during stretches of our history. Our commitment to the liberal arts and the humanities has brought severe fluctuations of enrollments in periods when students—and their parents—have sought more bang for the buck from higher education.

We have maintained a fragile financial equilibrium and kept our doors open precisely because of the financial generosity that began with General Washington and that has been regularly renewed by alumni and friends as well as by corporate and foundation patrons.

Next year's students, according to the budget adopted at last month's trustees' meeting, will pay in tuition only 56 percent of the funds required to operate the college. With room and board added, they pay $2 out of every $3 for current expenditures. Not one cent goes for large capital expenses as we renovate old buildings and construct a new science laboratory center.

To meet long-overdue needs, I must saddle up, like my predecessor William Smith two centuries ago, and don the habit of the professional mendicant.

At the same time, I will draft a letter to students and parents reporting that once again Washington College has been obliged to raise its fees. Some will undoubtedly respond by quoting the Secretary of Education to indict me for at least one of the seven deadly sins.

Why don't we produce a more cost-effective budget? To ask this question is slightly equivalent to asking why Chopin did not pare his "Minute Waltz" to 50 seconds or so. Washington College, like peer institutions, holds the ancient ideal that genuine education cannot be reduced to assembly-line techniques.

It takes time and it takes teaching—labor-intensive teaching. We enlist 60 full-time professors for just over 800 students. Despite our best efforts, our average faculty salary is below the national average for independent colleges—less than $32,000 a year.

Is Washington College accountable? In 1982, the trustees commissioned a hard-nosed firm of financial analysts from Boston to prepare a five-year projection of revenues and costs. It showed that we were headed toward unmanageable deficits unless rigorous corrective measures were taken.

Last month, five years later, the board adopted a budget that will be stringently in balance for the year ahead. Countless college boards across this country, to my knowledge, have gone through similar experiences without benefit of Secretary Bennett's catcalls.

America's colleges are constantly being tested in the highly competitive marketplace of student recruitment. Yet we cannot do business as if we were for-profit corporations.

When our venerable buildings get old and obsolete, we cannot tear them down simply for efficiency's sake. We do not hire and fire faculty at will according to the latest lineup of course enrollments. Nor do we manufacture disposable products that lose a substantial portion of their value the minute they leave the showroom.

When Secretary Bennett tells you that we are greedy, simply ask him one question: Where are we stashing the accumulations of our greed? When we manage to turn up a surplus dollar, our highest priority is to deposit it in the college endowment.

Thus, we prepare for that rainy day when students and parents and patrons may possibly begin to take the Secretary seriously.●

URGENT RELIEF FOR THE HOMELESS ACT

● Mr. DURENBERGER. Mr. President, I rise today to express my support and cosponsorship of the Urgent Relief for the Homeless Act introduced jointly last week by Senators on both sides of the aisle. The bipartisanship support for this bill makes it clear that the problem of homelessness in America is one which needs to be addressed immediately, for that problem is quickly turning into a crisis of proportions not seen since the Great Depression.

Although there is no reliable information on the number of homeless people in America, it is estimated that well over 1.5 million people may be living in our streets. According to concerned interest groups, that number is increasing by between 10 and 38 percent each year.

Mr. President, while there is disagreement on the number of homeless, there is little disagreement over who they are and why they are in their current circumstances. The General Accounting Office notes that factors affecting homelessness include increased unemployment in the late 1970's and early 1980's, deinstitutionalization of mentally ill persons and the lack of available community-based services to help them, cuts in public assistance programs, declining availability of low-income housing, and alcohol and drug abuse.

We are also finding that the street people of today are no longer just the substance abusers and others normally associated with homelessness. Everincreasing numbers of American homeless come from more diverse backgrounds: They are the unemployed, the mentally ill, the aged, evicted families, abused spouses and their young children, abandoned children, and displaced farmers who have been forced off the family farm. These are not the independent, freewheeling, lovable drifters who were the heroes of the oldtime movie screen.

Many of the homeless of today are willing and able to work in order to attain a better life for themselves. But they need help to achieve that goal. Local governments and private charitable and nonprofit organizations have tried to address the homeless crisis, and have succeeded to some extent. But the limited resources they possess will not put an end to the homeless problem. While Federal resources are also limited, our homeless cannot wait for Congress to get its budgetary house in order. Their survival depends upon our willingness to end this crisis as soon as possible.

Mr. President, there are many noteworthy aspects to the set of bills which make up the Urgent Relief for the Homeless Act. For instance, the major components of the bill are based upon or expand programs already in place. The creation of the Interagency Council on the Homeless, for example, is merely a formal recognition of the need to bring together Federal officials in charge of the various Federal programs to discuss any possible programmatic solutions to arising circumstances. Thus, only a bare minimum of the funds which are appropriated to carry out the act will be lost in the bureacracy, meaning that nearly all of the appropriated money will actually be used for its designated purpose—to help the homeless.

It is evident that this legislation was crafted to specifically address each and every part of the homeless problem. The act contains provisions for sheltering and feeding the homeless, transitional and other housing, health and mental health services, education and nutrition programs, and, to ensure that the homeless can once again become an important part of the work force, job training projects. It is a comprehensive, multifaceted approach that will enable public and private agencies to design a specific plan for each homeless individual they serve.

I believe the funding levels proposed in the act were properly set to take into account the conflict between the budget limitations of Gramm-Rudman and the necessity to act with authority to confront a situation which can no longer be tolerated. The authorization limits set in the Urgent Relief for the Homeless Act are in my opinion the best compromise between the two polarizing forces.

Mr. President, I am pleased to add my name as a cosponsor of this desperrately needed piece of legislation. It is time we recognize a problem affecting millions of Americans, and do something to reverse the direction of the growing homeless crisis. Mr. President, S. 809 will provide badly needed funds to take prompt and appropriate action to address the most immediate and critical needs of the homeless.

Mr. President, I would also like to express my support for the proposal of my colleague from New Mexico, Mr. DOMENICI. This bill, S. 763, focuses on those among the homeless population who are chronically mentally ill. While the Urgent Relief for the Homeless Act is largely designed to address the most urgent overall needs of the homeless, S. 763 proposes a 5-year effort to bring the homeless mentally ill out of their darkness and despair.

Mr. President, I ask to submit into the RECORD an editorial written in the Washington Post by my distinguished colleague from New Mexico. In his oped piece, Senator DOMENICI eloquently describes the unique needs of the mentally ill homeless in America and how his legislation will alleviate the difficulties they face.

I would also like to include in the RECORD an article by Peter H. Rossi in the March 13, 1987, edition of Science magazine which examines in detail the homeless problem in Chicago.

The material follows:

[From the Washington Post, Mar. 26, 1987]

STREET PEOPLE WHO ARE MENTALLY ILL

(By Pete V. Domenici)

No vision haunts America's conscience more than the sight of the street people, those lonely souls, huddled atop a warm grate or slumped in a doorway, their shopping carts piled with despair.

It is a national problem that we Americans, in our compassion, must overcome. Yet because of its random nature, it is a problem that government has found difficult to handle.

What can we do?

Emergency legislation has passed the House of Representatives. It and other bills offer a quick fix for physical and mental health problems, job training, education, housing. Each is important.

Yet I am convinced that no long-term solution for the homeless is possible until we recognize one vital fact: among our street people, a very large percentage—somewhere between 35 percent and 50 percent—suffer from serious, debilitating mental illnesses. The irrationality and anguish that grip so many of these individuals leap out during any encounter, whether in Washington or Albuquerque or elsewhere.

In our compassion a generation ago, we opened the doors to the state hospitals, those warehouses where we for so long had stored the mentally ill. With giant strides in the development of medicines, a new philosophy of community treatment and later court decisions that clarified the civil rights of mentally ill persons, hundreds of thousands of patients were released from state hospitals. The number of patients in state hospitals has dropped from 559,000 to 126,000 in three decades. Today, the only individuals hospitalized for long periods are those who are considered a danger to themselves or to others.

Freedom worked wonders. When community and family have acted together, many patients who once lived behind walls of torment entered a new life of activity and usefulness. Psychoactive medication, when taken, worked splendidly for many.

But we also failed.

"There were those too sick, too impaired or too socially unskilled to survive in alternative settings, and many of these persons spilled over into our streets," argues one leading psychiatrist.

Yet while we failed the mentally ill in the past, we have the opportunity now to help them find some sunshine.

Working with a spectrum of mental health groups, I have developed legislation that is specific to the long-term problems of the mentally ill among the homeless. It envisions a five-year effort based on five principles.

First, there must be "outreach." We must search the parks and bus stations, identifying the mentally ill so they can be helped. Literally, we must walk into those shadows of despair and offer help. If it is refused—as it will be so often—we must return again and again to those shadows. Volunteers in crowded shelters may be far too busy and ill-trained to undertake this "outeach." So we must hire special people.

Next, we must provide a roof, some real shelter. We must offer a hand to these sick individuals and help them up off the grate and into a warm bed. The bill would provide funds for what is called transitional housing group homes with supervision to provide a transition from the sidewalk to a new respectability.

Third, we must offer treatment. There have been many advances in diagnosis and drugs helping those who suffer schizophrenia and the other terrible diseases of the mind. We must make certain that the best treatment is available to quiet the anguish. This need ties into demands in current law that the states must plan services for those suffering mental illnesses.

Further, there is "case management." With proper medicines and attention, most of the estimated 1.6 million Americans who are schizophrenic can function in society, and function well. But when they skip their medicine, or if they are ignored, their hope may dissolve quickly into terror. Any strong program to help the mentally ill must keep staff available day and night, providing those little reminders of life: here's your medicine; please dress warmly; it's time for dinner. That would take more staff.

Finally, there is training. The bill would provide money to local governments, as well as the National Institute of Mental Health, to increase clinical training, to help medical, social and government workers identify persons suffering mental problems. These good people are so burdened with work that they often fail to know the best approach to help the mentally ill. That expertise can and must be improved.

The bill would distribute among the states and cities $200 million the first year, a sum that would increase to $220 million by the fifth year. These funds would be allocated on a formula that stresses population, plus the rate of poverty.

This is an authorization. I am satisfied to let it compete for funds among the myriad of domestic appropriated programs. The needs of the homeless mentally ill offer the perfect example of an initiative that should displace programs far less needed and effective.

I carry no illusions that this will prove an easy task. The pressure on those who work with persons suffering severe mental illness is always high. Lots of persistence will be needed, together with love and hope. Burnout will be common.

But we have no choice. As a society of compassion, as a society that supports the meek as it honors success, we must make a special effort for the mentally ill among those who are homeless, to help them come in from the darkness. The time for sunshine is now.

[From Science Magazine, Mar. 13, 1987]

THE URBAN HOMELESS: ESTIMATING COMPOSITION AND SIZE

(By Peter H. Rossi, James D. Wright, Gene A. Fisher, Georgianna Willis)

(Although homelessness has been recognized as a serious and growing urban social problem, scientifically acceptable methods for estimating the composition and size of the homeless population have been lacking. A new research approach to estimating the size and composition of undomiciled urban populations is presented, and its utility is illustrated through a description of the literal homeless of Chicago. The homeless in the Chicago sample are unaffiliated persons living in extreme poverty, with high levels of physical and mental disability. Homelessness is interpreted as a manifestation of extreme poverty among persons without families in housing markets with declining stocks of inexpensive dwelling units suitable for single persons.)

The plight of the homeless in America has received a great deal of attention in the past few years (1). Despite this level of concern, empirically adequate knowledge about the extent of homelessness and the conditions that produce it have been minimal. Estimates of the size of the national homeless population vary from about a quarter million to upwards of 3 million (2); equally wide variations exist in the estimates for specific cities and states. The sources of homelessness are also not understood in any detail. Is homelessness primarily a housing problem, an employment problem, a condition created by deinstitutionalization of the chronically mentally ill, a manifestation of the breakdown of family life, a symptom of the inadequacies of our public welfare system, or a combination of these and other factors? Extant research provides few reliable answers to these questions; for example, estimates of the prevalence of psychiatric disorder among the homeless vary from about 20 to nearly 90% (3).

We have recently completed an empirical study of the numbers and conditions of the homeless population in one major American city, Chicago (4). The Chicago Homeless Study is essentially the first rigorous attempt to apply proven methods of social science research to the study of homelessness. In this article, we summarize the principal findings of our research.

OBSTACLES TO THE STUDY OF HOMELESSNESS

Rigorous research on homelessness is unquestionably difficult. National statistical series contain little or no information on the homeless population. The U.S. Census essentially counts the population in homes (5); conventional surveys are ordinarily derived from samples of households and therefore miss individuals without conventional dwellings.

One significant problem is the lack of an agreed-upon definition of homelessness (6). On the most general level, the homeless can be defined as those who do not have customary and regular access to a conventional dwelling or residence. But what is a "conventional dwelling or residence," and what is "customary and regular access?" For example, does the concept of conventional dwelling unit include hotel rooms, especially in so-called SROs ("single room occupancy" hotels), shared quarters in private dwellings, beds in dormitory-like accommodations, vans, tents, or shacks made of scrap materials? Similarly, questions arise over the interpretation of "customary and regular access." What of the person who has been given temporary permission to share a conventional dwelling by its owner? If a divorcing adult child is offered temporary shelter by his or her parents "for as long as you like," does that qualify as "customary and regular access?" These examples demonstrate that there is a continuum running from the obviously domiciled to the obviously homeless, with many ambiguous cases to be encountered along that continuum. Any effort to draw a line across that continuum, demarcating the homed from the homeless, is of necessity somewhat arbitary and therefore potentially contentious.

These definitional ambiguities are not simply scholastic issues. In a fundamental sense, a definition of homelessness is, ipso facto, a statement as to what should constitute the floor of housing adequacy below which no member of society should be permitted to fall. It is equally obvious that the number and existential conditions of the homeless depend in no small part on how the phenomenon is defined.

In dealing with these definitional problems, we have found it useful to distinguish between (i) the literal homeless, persons who clearly do not have access to a conventional dwelling and who would be homeless by any conceivable definition of the term, and (ii) the precariously (or marginally) housed, persons with tenuous or very temporary claims to a conventional dwelling of more or less marginal adequacy. This distinction, of course, does not solve the definitional problem although it does more clearly specify subpopulations of likely policy interest. We further stress that the data reported below refer to the literal homeless of the city of Chicago, that subset of the ill-housed poor who are the most seriously in need and whose conditions more closely approximate the common, public understanding of "who is homeless."

METHODOLOGY

Most conventional social research methods used in the quantitative study of modern societies depend on the assumption that persons can be enumerated and sampled within their customary dwelling units, an assumption that fails be definition in any study of the literal homeless. The strategy devised for the Chicago study therefore departs from the traditional sample survey in that persons were sampled from nondwelling units, and interviews were conducted at times when the separation between the homed and homeless is at a maximum. Two complementary samples were taken: (i) a probability sample of persons spending the night in shelters provided for homeless persons (the shelter survey); and (ii) a complete enumeration of persons encountered between the hours of midnight and 6 a.m. in a thorough search of nondwelling unit places in a probability sample of Chicago census blocks (the street survey). Taken together, the shelter and street surveys constitute an unbiased sample of the literal homeless of Chicago, as we define the term.

Our operational definition classified a person as one of the literal homeless at the time of our survey if that person was a resident of a shelter for homeless persons or was encountered in our block searches and found not to rent or own a conventional housing unit or was not a member of a household renting or owning a conventional dwelling unit. Conventional housing units included apartments, houses, rooms in hotels or other structures, and mobile homes.

In the street surveys, teams of interviewers, accomplished by offduty Chicago policemen, searched all places on each sampled block to which they could obtain access, including all-night businesses, alleys, hallways, roofs and basements, abandoned buildings, and parked cars and trucks (7). All persons encountered in the street searches were awakened if necessary and interviewed to determine whether or not they were literally homeless. In the shelter samples, we simply assumed that all persons spending the night in such places were literally homeless. All persons determined to be literally homeless were interviewed to obtain data on their employment and residence histories as well as their sociodemographic characteristics. All cooperating respondents were paid $5. Respondent cooperation rates exceeded those ordinarily found in sample surveys (8). A total of 722 homeless persons were interviewed in our surveys.

Two separate survey waves were conducted, the first during the 2 weeks spanning the end of September and the beginning of October 1985, and the second during a comparable period spanning February and March 1986. The surveys may be regarded as replications, being based on separately drawn but identically designed shelter and street subsamples (9). The two waves make it possible to examine seasonal effects on the size and composition of the homeless population.

The shelter surveys were based on samples of clients in all shelters in Chicago that provide sleeping accommodations primarily to homeless persons, consisting of 22 shelters in the fall and 27 shelters in the winter. Interviewing teams counted all persons present in the shelters on the nights visited and interviewed systematically chosen subsamples of them. The street surveys were based on stratified random samples of 168 blocks in the fall and 245 in the winter, drawn from among the 19,409 census blocks within the Chicago city limits. All Chicago census blocks were stratified initially by the expected number of homeless to be found on each. This stratification was accomplished with the cooperation of precinct community relations officers of the Chicago Police Department who, with the help of beat officers, rated each block in Chicago as to how many homeless persons could be expected to be on that block in the late hours of the night. The classification of expected high density blocks was reviewed by knowledgeable experts and modified accordingly (10).

The Chicago Homeless Study, so far as we know, is the first attempt to apply modern sampling methods to the study of the homelsss and, as such, provides the first scientifically defensible estimates of the size and composition of the homeless population in any city. These methods can be employed in any other community and can also be extended to a national study.

THE CHARACTERISTICS AND CONDITIONS OF THE LITERAL HOMELESS OF CHICAGO

As would be expected, the demographic characteristics of the literal homeless, as defined and sampled above, contrasted strongly with those of the general adult population of Chicago. Being homeless is predominantly a male condition; three out of four (76%) of the homeless were men, in sharp contrast to 46% male in the Chicago adult population (11). Blacks and native Americans constituted considerably more than their proportionate share of the homeless, with whites and Hispanics proportionately underrepresented. Although the average age of the homeless, 40 years, was not far from that of the general adult population, there were proportionately fewer of the very young (under 25) and the old (over 65). Nor were the homeless very different from the general population in educational attainment, the typical homeless person being a high school graduate.

The modal homeless person was a black male high school graduate in his middle thirties. Average characteristics, however, obscure an important fact—namely, that the homeless population is very heterogeneous. Especially significant was a minority of young black women (about 14% of the homeless) who were typically homeless with their young children and apparently in transition from unsatisfactory housing arrangements to establishing new households with those children. In addition, older males (over 40) tended to be white and homeless for relatively long periods of time.

In the wealth of social and economic detail contained in our interview data, three salient characteristics of the homeless stand out: (i) extreme poverty, (ii) high levels of disability resulting from poor physical and mental health, and (iii) high levels of social isolation, with weak or nonexistent ties to others (Tables 1 to 4).

EXTREME POVERTY

The literal homeless are clustered at the extreme lower boundary of the American poverty population. Within the income ranges found, there was considerable heterogencity, as the differences among the various central tendencies show. Approximately one in five (18%) reported no income at all in the month (mode), median income for the month was $99.85, and average (mean) income for the same period was $168.39. The 1985 poverty level for single persons under 65 was $5,250, 2.6 times the average annual income and 4.4 times the median annual income of Chicago's literal homeless (12). On average, the literal homeless survive on substantially less than half the poverty-level income.

Affordable housing at these levels of income is for all practical purposes nonexistent. In 1985, average monthly rental for Chicago SRO rooms, among the cheaptest accommodations available for single persons, was $195 (13), $27 above the average monthly income of the homeless. Even if the entire available income was spent on the cheapest available housing, it would still not be quite enough, much less also covering the costs of food and other necessities. That the literal homeless manage to survive at all is a tribute to the shelters, soup kitchens, and charitable organizations that provide most necessities.

This is not to say that the homeless make no contribution to their own support. Although a very small percentage (4%) held full-time jobs, almost two in five had worked for some period during the previous month, mostly at casual, poorly paid part-time jobs. Perhaps remarkably, work and other economic activity was, on average, the source of 29% of total monthly income.

Even more of a surprise, income transfer payments accounted for very little of the income of these homeless, with only about a quarter (28%) receiving Aid to Families with Dependent Children (AFDC) or General Assistance (mostly the latter). Income transfer payments represented 30% of the total income; another 21% was accounted for by pension and disability payments, received by about one in five (18%).

Job histories of the literal homeless suggest that they have been among the extremely poor for years. On the average it was more than 4.5 years (55 months) since their last steady job (defined as full-time employment lasting three or more months) (median, 3.3 years or 40 months). Interestingly, elapsed time since last steady job was very much greater than time currently homeless, the latter averaging about 22 months (median, 8 months) (14). This suggests that many among the literal homeless were helped by their families and friends through relatively long periods of unemployment (15), but that the patience, forbearance, or resources of these benefactors eventually ran out, with literal homelessness then added to chronic unemployment as a problem experienced daily.

DISABILITY

The literal homeless suffer disabling conditions that would ordinarily make it difficult or impossible for a person to lead a full life—to obtain employment, participate in social life, or maintain relationships with others. Of course, disability is a matter of degree, so that it is difficult to calculate precise proportions, nevertheless, it is abuntantly clear that the proporations among the literal homeless are much higher than in the general adult population.

More than one in four said that they had some health problem that prevented their employment. Prominent among the conditions reported were mental illness, cardiovascular ailments, and gastrointestinal disorders. Likewise, more than one in three (37%) reported themselves as being in only "fair" health, a level of self-reported ill health about twice that found in the general adult population (18%). Behavioral indicators support these self-reports, with more than one in four reporting a hospital stay of more than 24 hours during the previous year (16). High levels of alcoholism and drug abuse are also indicated by the one in three who reported stays in detoxification centers.

Our data also suggest relatively high levels of mental illness. Almost one in four (23%) reported having been in a mental hospital for stays of over 48 hours, more than eight times the level found in the general population. Among these who had been in mental hospitals, three out of five (58%) had had multiple hospitalizations. Nearly one in five (16%) reported at least one suicide attempt.

In addition to the self-report data, two short scales were administered to measure psychritric symptomatology (17). On a scale measuring symptoms of depression, nearly half (47%) of the Chicago homeless registered levels that would suggest a need for clinical attention [compared with about 20% in the national Health and Nutrition Examination (HANES)]. On a second scale measuring psychotic thinking, one in four showed two or more signs of disturbed cognitive processes; almost every item showed significantly higher levels of psychotic thinking than a comparison group tested in a New York City working class neighborhood.

Contacts with the criminal justice system represent yet another, albeit qualitatively different, disability, that is rather widespread. (Such contacts at least indicate prior adjustment difficulties, some of a rather serious nature.) Two of five (41%) had never experienced jail terms of two or more days, 28% had been convicted by the courts and placed on probation, and 17% had served sentences of more than 1 year in state or federal prisons (presumably for felony offenses).

The cumulative incidence of these various disabilities is staggering. More than four out of five (82%) of the homeless either reported fair or poor health, or had been in a mental health hospital or a detoxification unit, or received clincally high scores on the demoralization scale or on the psychotic thinking scale, or had been sentenced by a court. A majority had had two or more such experiences or conditions. Although these data clearly do not sustain precise estimates of the degree of disability among the literal homeless, it is clear that the prevalence is several magnitudes above that encountered in the general adult population.

SOCIAL ISOLATION

Yet another disability suffered by the homeless is a high degree of social isolation and the consequent absence of buffering social ties. More than half (57%) never married; of those ever married, most are separated or divorced, on either count in sharp contrast to the patterns of the general adult population (18). The few (9%) who are still with families are almost exclusively homeless women with dependent children.

The literal homeless are also relatively isolated from extended family and from friends. Nearly nine in ten (88%) have surviving relatives and family members, but only three in five (60%) maintain even minimal contact with them—visiting, writing, talking with, or telephoning at least once every 2 or 3 months. Similar low levels of contact with families of procreation—spouses, ex-spouses or children—were also reported; 55% had such persons, but only one in three maintained contact with them. Overall, one in three reported no contact with any relatives and almost one in four reported no contacts with either relatives or friends.

Further evidence on strained relations with family and relatives was shown in replies to a sequence of questions on preferred living arrangements. We asked whether respondents would like to return to their families and whether their families would take them. Among the young homeless women, very few wanted to return; many of the young men would have liked to but believed they would not be welcome.

The implication of widespread social isolation is that the literal homeless lack access to extended social networks and are therefore especially vulnerable to the vagaries of fortune occasioned by changes in employment, income, or physical or mental health.

THE MATTER OF NUMBERS

The samples for the Chicago Homeless Study were designed to enable statistically unbiased estimates of the size of the city's literal homeless population. The estimated average nightly number of literal homeless persons in Chicago was 2344 ± 735 in fall 1985 and 2020 ± 275 in winter 1986 (Table 5). These estimates amount to about 0.07% of Chicago's close to 3 million population. The difference between these estimates is not statistically significant (19); however, the data do show a significant increase in the winter shelter population and a corresponding decrease in the street population between the two survey periods, presumably a function of the city's harsh winter. (Social welfare agencies opened 17 additional shelters during the winter survey period.)

The modal time homeless in these samples was 1 month (median, 7.6 months) (Table 1), indicating considerable turnover within the literal homeless population. It therefore follows that many more people are homeless over a year than are homeless on any given night. Using information on the average duration of homelessness, we can estimate annual prevalence figures (Table 5). The two resulting estimates, 6962 ± 1881 and 5051 ± 505, appear to be far apart, but because of the very large standard error for the fall 1985 estimate, the difference is not statistically significant. Taking the average of the two estimates as a reasonable compromise, about 6000 persons suffer some episode of literal homelessness in Chicago in the course of a year.

Several groups of homeless persons are excluded by design from the estimates so far summarized. A final set of estimates (Table 6) takes these excluded groups into account. First are homeless dependent children, who were counted in the study but excluded from the other estimates appearing in Table 5. Second are homeless persons in "special purpose" shelters that were excluded from the universe sampled—detoxification centers, shelters for battered women, and facilities for the chronically mentally ill. Although these estimates are derived from the known capacities of the excluded shelters, not from actual counts, most shelters reported being used at close to full capacities. A third group are literally homeless persons who were nonetheless fortunate enough to have found temporary housing on nights when the survey was conducted, whose numbers are estimated from interview data on the sample's use of rented rooms and the homes of friends and relatives during the previous week. Finally, from interview data on recent hospitalizations and incarcerations, we can estimate the number of homeless persons likely to have been institutionalized on nights when the surveys were in the field. Averaging the fall and winter estimates and adding our best guesses about the sizes of the four groups just noted, we derive a final estimate of 2722 persons literally homeless in Chicago on the average night (20).

Estimating the size of the homeless population has proven to be a contentious business, and our study is no exception (21). Prior to this research, "expert guesstimate" put the size of the Chicago homeless population between 12,000 and 25,000. Three points can be made in this connection. First, despite considerable effort, we have never been able to locate any data from which these numbers were derived. There is no evidence that they are anything but guesses. Second, it has never been clear whether these numbers are meant to represent the nightly or the annual (or some other period) homeless population of the city. Finally, it has proven impossible to ascertain the exact definition of homelessness used to produce these prior figures; definitions more liberal than ours would obviously produce higher numbers.

This last point deserves some amplification. We have previously distinguished between the literal homeless, who have been studied in our research, and the precariously homed, who have not been. This latter is perhaps best conceptualized as the population at high risk for homelessness, and it is no doubt very much larger than the population literally homeless on any given night. There are many extremely poor persons in Chicago who are in homes only through the goodwill of friends or relatives; the General Assistance rolls in Chicago contain more than 100,000 persons whose incomes are less than $1800 per year and who get by primarily with the help of families and friends (15). There are no doubt others as poor or poorer, who are not on the rolls; the total poverty population of the city numbers some 600,000. There are thus at least 100,000 people in Chicago in extreme poverty, and some millions of people in the nation in that condition, who might well become literally homeless in the face of the merest misfortune. There is nothing to be gained, however, in confusing these numbers with the numbers literally homeless at any given time.

AN INTERPRETATION OF HOMELESSNESS

Research reported here provides a static portrait of the literally homeless in a single city, the data, however, do suggest some things about the dynamics of becoming homeless that may prove to be quite general. First, literal homelessness typically results from extreme poverty in housing markets with an adequate supply of low-cost housing, especially for single persons. The burden of literal homelessness falls heavily on the disaffiliated—persons without access to the resources of a larger household—and upon those who have been extremely poor for long periods. The homeless are therefore best seen as the long-term very poor who cannot be taken care of by friends and family (or are rejected by them) and who have been unable, for a variety of reasons, to establish households of their own. Most of the friends and families are also likely to be among the poor, with few resources to share in any case. All of these factors—chronic extreme poverty, lack of support or rejection by family and friends, difficulty establishing their own households—are in turn likely to be connected to their disabilities. Obviously, disabilities of the type and magnitude we found will interfere with employment prospects and strain the web of reciprocity that constitutes the support structure of friends and kin.

Still, the literal homeless constitute only a small fraction of the very poor, most of whom manage somehow to maintain stable housing. With the Chicago General Assistance population, 100,000, used as a conservative estimate of the size of the extremely poor population of Chicago, as the denominator, the literal homeless constitute only about 3 percent of the extremely poor (22). Properly to understand how the 3 percent became literal homeless, we need to know how the 97 percent manage to avoid that condition. The appropriate research has yet to be undertaken; we speculate on this broader question (on the basis of some knowledge) that they mainly do so by overspending on housing or through subsidies from families and friends.

Overspending on housing. Some of the extremely poor avoid literal homelessness by spending all or nearly all of their income on housing, in turn relying on food stamps, handouts from soup kitchens, clothing from charitable sources, and medical care from free clinics and Medicaid to provide for other necessities. To pursue this pattern of life, one must of course have a consistent source of income, such as small pensions, general assistance, disability payments, and perhaps small remittances from relatives or ex-spouses. And there must be housing of some sort (SROs, rooming houses, cheap apartments) that can be obtained with that income. Within these constraints, one can be extremely poor and still keep a roof above one's head.

The literature on homelessness regularly notes persons in extreme poverty who spend all they have on housing but find that it is still not quite enough. Their small pensions or welfare checks can be stretched to cover, say, all but the last few days of the month. These are the "part-time" homeless, living in rented quarters when they can afford to, spending their other nights in the shelters or on the streets—no doubt, the most precarious among those we have called the precariously housed.

Private housing and subsistence subsidies. Most of the extremely poor, we suspect, avoid literal homelessness through housing and subsistence provided at littel or no cost by relatives (mainly parents and siblings). Households that provide these subsidies incur the marginal costs of adding another person to the family unit, but these costs may be only modest, especially if the person provides some payment to the subsidizing household or shares in household chores. Indeed, considering the typical level of income maintenance payments (in Illinois, the General Assistance payment is $154 per month), private subsidies may be virtually the only way for the extremely poor to avoid literal homelessness; $154 per month is simply not enough to enter the private housing market at any level. That so many of the extremely poor do manage to avoid homelessness is therefore almost certainly the result of the generosity of family and friends.

On the above reasoning, the principal determinants of the size of the literal homeless population would be factors that (i) impinge on the ability or willingness of poverty-level families to accommodate their disabled or unemployed members or (ii) directly influence the number of disabled or unemployed. Among the most relevant of these factors would therefore be real-dollar decreases in the level of income maintenance support for poor families (income transfer payments during the past two decades have not kept pace with inflation); changes in the coverage of income maintenance and other support programs for disabled persons (including admission into total care institutions, such as mental hospitals); quantitative and qualitative changes in the supply of very low-cost housing [much of which has been lost in the revitaliztion of the central cities (23)]; changes in the demand for low-skill workers and consequent unemployment; and direct changes in the numbers of the disabled (for example, increasing drug and alcohol use, deinstitutionalization of the mentally ill, and related factors). These (and possibly other) factors determine the size of the population at risk of homelessness; each has doubtlessly contributed its share to the recent increase in the numbers of homeless persons in this country.

TABLE 1.—INCOME, EMPLOYMENT, AND TIME HOMELESS FOR THE CHICAGO HOMELESS. TOTAL SAMPLE SIZE, 722. BASE NUMBERS FOR EACH MEASURE VARY, DEPENDING ON SUBSAMPLE ASKED QUESTIONS AND THE PROPORTIONS PROVIDING USABLE ANSWERS

Factor measured	Measure	Sample size
Cash income received last month:		
No income	18.1 percent	600
Amount received:		
Mode	$0.00	600
Median	$99.85	600
Mean	$168.39	600
Sources of income (percent of total income):		
Economic activity (work, trade)	29.0 percent	600
Pensions and disability benefits	21.0 percent	600
Welfare (AFDC and General Assistance.	30.2 percent	600
Family and friends	2.9 percent	600
Charity	5.1 percent	600
Other	11.8 percent	600
Employment:		
Currently holds steady job [1]	4.2 percent	684
Worked last week	24.7 percent	716
Did not work last week but during last month.	14.2 percent	716
Period since last steady job: [1]		
Mode	120.0 months	684
Median	40.0 months	684
Mean	54.9 months	684
Length of time currently homeless:		
Homeless <2 months	12.7 percent	722
Mode	1.0 month	722
Median	7.6 months	722
Mean	21.9 months	722

[1] This group is included in "worked last week." "Steady job" is defined as full-time employment with duration of three or more months.

TABLE 2.—PHYSICAL AND MENTAL DISABILITIES AND CRIMINAL JUSTICE CONTACTS AMONG THE CHICAGO HOMELESS. OVERALL SAMPLE SIZE WAS 722. BASE NUMBERS FOR SPECIFIC MEASURES VARY ACCORDING TO SIZE OF SUBSAMPLE AND PROPORTIONS OF USABLE ANSWER

Measure	Percent reporting	Base number
Physical health status measures:		
Unable to work for health reasons	28	[1] 371
"Fair" or "poor" health	36	[2] 324
Hospital stay >24 hours last year	28	[2] 324
Mental health status measures:		
Previous mental hospital day	23	717
Previous suicide attempt	16	[2] 323
Clinical levels of depression	47	[2] 319
High levels of psychotic thinking	23	[2] 318
Previous detoxification center stay	33	716
Contacts with criminal justice system:		
Jail stay >48 hours	41	717
Court conviction and probation	28	717
Federal or state prison stay	17	716

TABLE 2.—PHYSICAL AND MENTAL DISABILITIES AND CRIMINAL JUSTICE CONTACTS AMONG THE CHICAGO HOMELESS. OVERALL SAMPLE SIZE WAS 722. BASE NUMBERS FOR SPECIFIC MEASURES VARY ACCORDING TO SIZE OF SUBSAMPLE AND PROPORTIONS OF USABLE ANSWER—Continued

Measure	Percent reporting	Base number
Cumulative disabilities: Reporting >1 disability [3]	82	[2] 312

[1] Asked only of respondents in September 1985 survey.

[2] Asked only of respondents in winter 1986 survey.

[3] The disabilities consist of reported "fair" or "poor" health, having been institutionalized for mental illness, sentenced by a court, having been in a detoxification center for alcohol or drug abuse, above average score on CES-D, and above average scores on psychotic thinking scale.

TABLE 3.—CURRENT MARITAL STATUS: COMPARISON OF CHICAGO HOMELESS AND ALL CHICAGO ADULTS (100%=716)

Marital status	Homeless (percent)	Chicago adults [1] (percent)
Married	6.9	43.3
Divorced or separated	32.0	12.5
Widowed	4.3	9.4
Single, never married	56.7	34.8
Do not know	0.1	

[1] Chicago 1980 Census data based on persons aged 15 and older.

TABLE 4.—SOCIAL CONTACTS OF THE CHICAGO HOMELESS

Relationship	Percent reporting	Base number
Family of orientation (parents, siblings, other relatives):		
Has live members of family of orientation	88.3	722
Is in contact [1] with some member	[2] 59.6	722
Family of procreation (spouse and children):		
Has live members of family of procreation	54.8	722
Is in contact [1] with some member	[2] 32.8	722
Isolation measures:		
Not in contact [1] with any relatives	[2] 33.3	722
Not in contact [1] with family or friends	[2] 23.7	722

[1] Contact measured by visiting, talking with, telephoning, or writing "at least once every 2 or 3 months."

[2] Percentages based on total sample, including persons who have no relatives, spouses, or friends.

TABLE 5.—ESTIMATES (± STANDARD ERRORS) OF THE PREVALENCE OF LITERAL HOMELESSNESS IN CHICAGO. ESTIMATES ARE BASED ON PROBABILITY SAMPLES OF SHELTER RESIDENTS AND HOMELESS PERSONS ON THE STREETS AND PUBLIC ACCESS PLACES IN FALL 1985 AND WINTER 1986

Survey component	Fall 1985	Winter 1986
Point prevalence estimates		
Average daily homeless:		
Shelter residents	961±13	1,492±55
On streets or in public places	1,383±735	528±269
Total	2,344±735	2,020±275
Annual prevalence estimates [1]		
Number ever homeless annually: Street and shelter combined	6,962±1,881	5,051±505

[1] Annual prevalence estimates are based on conservative assumptions concerning the average length of time spent on the homeless state. Alternative assumptions roduce estimates that vary by almost one magnitude from those shown here.

TABLE 6.—COMBINED AND SUPPLEMENTED TOTAL POINT PREVALENCE ESTIMATE OF CHICAGO LITERAL HOMELESS. AVERAGE NUMBER OF PERSONS HOMELESS NIGHTLY IN CHICAGO: FALL 1985 AND WINTER 1986 COMBINED

Homeless estimate component	Average number
Phases 1 and 2 sample estimates	2,182
Homeless dependent children [1]	273
Temporarily homed [2]	42
Institutionalized homeless [3]	80
Homeless in excluded shelters [4]	145
Total	2,722

[1] Dependent children accompanying parents in shelters.

[2] Projected from interview reports of nights spent in previous week in rented rooms, or in homes of relatives or friends.

[3] Projected from interview reports of previous hospitalizations and incarcerations in jails and prisons.

[4] Estimated from field reports on shelters for battered women, chronic mentally ill, and detoxification centers excluded from the sampling frame for shelters.

REFERENCES AND NOTES

1. The rather sudden welling up of concern can be indexed by the number of listings under "homelessness" in the *Reader's Guide to Periodical Literature* (Wilson, New York, 1986, and 1983 to 1985). In 1975, there were no listings; in 1981, 3; in 1982, 15; in 1983, 21; and in 1984, 32.

2. U.S. Department of Housing and Urban Development, *A Report to the Secretary on the Homeless and Emergency Shelters* (Office of Policy Development and Research, Washington, DC, 1984); U.S. Department of Health and Human Services, *Helping the Homeless: A Resource Guide* (U.S. Government Printing Office, Washington, DC, 1984); U.S. General Accounting Office, *Homelessness: A Complex Problem and the Federal Response* (Washington, DC, 1985). See also references cited in (*21*).

3. A. A. Arce *et al., Hospital Community Psychiatr.* 34, 812 (1983); L. Bachrach, *The Homeless mentally Ill and Mental Health Services: An Analytical Review of the Literature* (Alcohol, Drug Abuse, and Mental Health Administration, Washington, DC, 1984); E. Bassuk, *Sci. Am.* 251, 40 (July 1984); E. Bassuk, L. Rubin, A. Lauriat, *Am. J. Psychiatr.* 141, 1546 (1984).

4. P. H. Rossi, G. A. Fisher, G. Willis, *The Condition of the Homeless of Chicago* (Social and Demographic Research Institute and NORC, Amherst, MA, and Chicago, IL, 1986).

5. The 1980 Census included some partial attempts to enumerate persons living in shelters and in public places, such as train and bus stations, but this effort did not cover all places where homeless persons might be found nor did the census cover all cities [Bureau of the Census, *Persons in Institutions and Other Group Quarters. 1980 Census of Population.* (Publ. PC80-2-4D, U.S. Government Printing Office, Washington, DC, 1984]. Virtually all survey or census-based estimates omit homeless persons and most pass over institutionalized persons as components of such estimates, leading to corresponding underestimations of populations affected by poverty.

6. On the definitional problem, see E. Baxter and K. Hopper, *Private Lives Public Spaces Homeless Adults on the Streets of New York City* (Community Service Society. Institute for Social Welfare Research, New York, 1984). S. Crystal, *Chronic and Situational Dependence, Longterm Residents in a Shelter for Men* (Human Resources Administration of the City of New York, New York, 1982).

7. Instructions to interviewers were to enter all places until they encountered locked doors or were forbidden to go further (for example, by managers or proprietors). Police escorts were hired to protect interviewers.

8. Cooperation rates were 81% in the shelter surveys and 94% in the street surveys. The majority of the shelter respondents not interviewed were not present at the time of interview, being temporarily out of the shelter for one reason or another.

9. The design of the second survey was slightly different from that of the first, being based on a larger sample of blocks and a more extended age coverage. The early survey was restricted to persons 18 and over; the second had no age restriction. The sample size for blocks in the first survey was determined on the basis of preliminary guesses about the probable size of the literally homeless population, guesses that proved much too large and resulted in unacceptably large standard errors, a defect remedied in the second survey by enlarging the number of sampled blocks. In each survey, a few individuals were interviewed more than once, usually in shelters covered on different nights. The overlap was taken into account in computing the estimates shown in Tables 5 and 6.

10. The use of such experts was only to classify blocks for the purpose of stratification, with the intention of improving the efficiency of the resulting block samples. The blocks searched were chosen randomly within each stratum in the resulting classification. Any classification errors on the part of the experts may have resulted in a lowering of the efficiency of the resulting sample but could not have introduced any biases, since all Chicago blocks had known, nonzero probabilities of being selected in the samples.

11. The percentage of women (24%) among the homeless is also in stark contrast to the homeless (Skid Row) population of Chicago as studied in the late 1950s, virtually all of whom were men [D. Bogue, *Skid Row in American Cities* (University of Chicago, Chicago, IL 1984)].

12. Poverty levels for households of various sizes and for various years are given in *The Statistical Abstract of the United States* (U.S. Government Printing Office, Washington, DC, 1986).

13. Jewish Council on Urban Affairs, *SRO's: An Endangered Species. Single Room Occupancy Hotels in Chicago* (Jewish Council on Urban Affairs and Community Emergency Shelter Organization, Chicago, 1985).

14. "Time currently homeless" is counted as months elapsed since last domiciled. Many homeless people have been homeless more than once; among those who had become homeless sometime in the year before the interview, 11% had had one or more homeless episodes in previous years.

15. Research on recipients of General Assistance in Chicago documents that many of the extremely poor survive mainly through the good will of family and friends [M. Stagner and H. Richman, *General Assistance Profiles: Findings from a Longitudinal Study of Newly Approved Recipients*] (NORC, University of Chicago, Chicago, IL 1985).

16. For self-reported health status of the U.S. adult population for 1982, see R. W. Johnson Foundation [*Special Report I* (1983)]. Additional data on the health status of the homeless are reported by P. W. Brickner, L. K. Scharer, B. Conanon, A. Elvy, M. Savarese, Eds., *Health Care of Homeless People* (Springer, New York, 1985); J. Wright *et al.*, in *Research in Social*

Problems and Public Policy, M. Lewis and J. Miller, Eds. (JAI Press, Greenwich, CT, in press), vol. 4.

17. The first scale was a shortened version of the CES-D scale measuring symptoms of depression, developed by the Center for Epidemiological Studies of the National Institute of Mental Health for HANES; the second was shortened version of the Psychiatric Epidemiological Research Interview (PERI) [B. Dohrenwend, B. P. Dohrenwend, B. Link, I. Levav, *Arch. Gen. Psychiatr.* 40, 1174 (1983); B. Dohrenwend, P. E. Shrout, G. Egri, F. S. Mendelsohn, *ibid.* 37, 1229 (1980)].

18. Despite the marital histories, more than half (54%) have had children, but current contact with these children tended to be minimal.

19. Note the much larger standard error in the fall 1985 estimate. As noted (*9*), we designed the initial sample of blocks assuming that there were between 5,000 and 10,000 homeless persons in Chicago and consequently fixed the block sample size too small. Enlarging the block sample in winter 1986 brought the standard error down to more acceptable levels.

20. Most estimates of "excluded groups" are based on more or less plausible assumptions, chief among them that persons in our sample with characteristics similar to those of the excluded groups are representative of the excluded groups themselves. These estimates must therefore be treated with special caution (*4*, pp. 49-56).

21. The HUD report (2), which estimated the national homeless population to be about a quarter million persons, has been under more or less continuous attack; a recent census of the homeless in Boston has suffered the same fate (*Boston Globe*, 12 October 1986, p. 1), as have other efforts to estimate the extent of homelessness in the nation [(B. Hall, *Perspective* 3, 1 (1986)]. Our Chicago study has also caused some uproar ("Agencies rally around homeless, hit study." *Chicago Tribune*, 30 August 1986, p. 1). In general, empirically credible attempts to estimate the size of the homeless population have produced numbers well below the expectations of the advocacy community [C. Marwick, *J. Am. Med. Assoc.* 253. 3217 (1985)].

22. More inclusive estimates would cover persons covered in other income maintenance programs, such as AFDC and persons with very low incomes who are not covered by any such programs. Hence, that 3% of the extremely poor are literally homeless is undoubtedly an overestimate.

23. See J. Wright and J. Lam, *Soc. Policy*, in press.

24. Supported by grants from the Robert Wood Johnson Foundation, the Pew Memorial Trust, and the Illinois Department of Public Aid. We acknowledge the critical roles played by M.U. O'Brien, M. Frankel, and S. Loevy, all of the staff of NORC: A Social Science Research Center, an affiliate of the University of Chicago. NORC staff participated in the sampling design, drew the samples, and collected the data reported in this article under subcontract to the Social and Demographic Research Institute of the University of Massachusetts at Amherst.●

TRIBUTE TO SENATOR HOWELL T. HEFLIN

● Mr. MOYNIHAN. Mr. President, it is my distinct pleasure to bring to the attention of the Senate remarks made recently by the senior Senator from Alabama, Senator Heflin, at the ninth annual congressional breakfast sponsored by the Jewish Community Relations Council of New York. I was fortunate enough to be on hand when Senator Heflin was awarded the second Henry M. Jackson Senatorial Leadership Award at this breakfast.

This annual event affords the New York congressional delegation the opportunity to communicate with leaders of the many Jewish organizations in New York. The JCRC is the coordinating and resource body for 59 major Jewish organizations in the New York metropolitan area, and I had the additional pleasure of meeting with the JCRC's new president, Lester Pollack, and its executive director, Michael Miller, to discuss issues of mutual concern.

Mr. President, I ask that the text of Senator Heflin's remarks be printed in the Record.

The remarks follows:

Speech of Senator Howell Heflin to the Jewish Community Relations Council of New York

I am honored that you have chosen me to receive the Henry Jackson Leadership Award. I am particularly pleased that Mrs. Jackson is attending this meeting.

Helen, I salute you in and for his memory! Let me also commend the Jewish Community Relations Council of New York for naming their award in his honor. You could not have found a more deserving individual for this honor than Senator Jackson.

I had the privilege of serving in the United States Senate with Henry Jackson. He always stood for the highest principles and ideals. In addition, Scoop Jackson was one of the most courageous fighters for what he believed were the best interest of this nation.

I also regarded him as a valued friend. His photograph hangs in my office. I wish I had asked him to autograph it during his life. During my early years in the Senate, Scoop always took time to help me and share the wisdom he gained from his many years of service to the United States.

Let me share just one example of this with you.

In 1981, the Reagan Administration decided to sell AWACS and other offensive military equipment to Saudi Arabia. My heart, head, and soul told me this sale was wrong, but I was surprised to see how controversial this action was within Alabama.

I discussed this dilemma with Senator Jackson and he reminded me that while some Alabama businesses may have dealings with Saudi Arabia, the actual AWACS planes were built by Boeing in his state. He emphasized the importance of remaining true to convictions and principles. I believe this is an important example of courage and a lesson that has proven useful to me in the Senate and in life.

I am now engaged in another controversy that has implications for our relations with Israel. I was recently appointed as a member of the Senate Select Committee investigating the Iran-Contra affair.

Since reports of U.S. sales of arms to Iran, and subsequent accounts of the diversion of funds to the Nicaraguan opposition were first made public, there has been a storm of conflicting statements, troublesome allegations, and missing facts. At times, it seems that no one knows exactly what events occurred, by whom they were authorized, or what scope they encompassed. This uncertainty has already bred a deep distrust, a doubt, and a mystery which could erode the confidence which each citizen holds in our government, and in our system.

I believe that the goal of all Congressional investigations of this matter should be bipartisan, fair and not vindictive. They should not be pursued in a manner to try to get someone or to protect someone. Rather, they should strive to uncover the facts and report these findings to the American people. Seek the truth. Find the truth. Report the truth. Only in this way can we put this matter behind us and concentrate on the pressing issues that face our nation.

There has been some talk of the Israeli involvement in these activities. There even appears to be an effort, by some, to blame Israel or to throw a major share of the responsibility upon Israel. As I approach this question, I am impressed by the comments of Secretary of State George Shultz. In testimony before Congress, he stated that "the United States has to take the full responsibility for our actions . . . any decision was our decision; we should not try and blame it on any other country."

A few years ago Flip Wilson had an interesting comedy TV show. One of the characters in the show used the saying "The Devil made me do it" to explain every fiasco. This same irrational mental causation process has surfaced again as some try to hide or pass the buck in the arms sale issue.

Quite apart from whatever domestic ramifications the Iran-Contra affair may have for Americans, it also has strategic implications for the Middle East and the role of the United States as a world power. At least one factor remains clear and unchanged—the special relationship between the United States and Israel is strong and durable enough to overcome this issue! Nothing has happened to alter the basic fact that our two countries share similar goals, challenges, and threats!

The most obvious threat now faced by both nations is, unfortunately, the scourge of international terrorism. Let us not forget that it was terrorism by fanatics in the Middle East that led to the Iran-Contra affair. Let us also not forget that the same forces which attack innocent Israelis around the world also attacked the American Marine barracks in Beirut and have resorted to taking American hostages.

Terrorism has consumed the American psyche. Israelis are also obviously concerned and active in countering its evils. But, what I find fascinating about the Israeli repsonse is that Israel can still maintain its open, pluralistic and free society despite the daily threats.

When I was in Israel, I marveled at the emphasis that continues to be placed upon civil liberties and the rights of the individual. As I walked through the streets of Jerusalem, I could not help but wonder how Americans would react if their sworn enemies were but a few short miles away, with hostile missiles and jets only minutes from downtown Washington or New York. I wondered how Americans would react if there were agitators within the United States who actively denounced the existence of the state while receiving aid and sustenance from neighboring states. I believe that Israel's great commitment to the qualities of liberty and personal freedom are an example to the entire world.

In fact, I believe that the bedrock of our profound friendship with Israel lies in our shared commitment to Democracy—the unfailing belief in individual liberties, freedom, justice, human rights and the rule of law. mentality which respects the dignity of human beings and the right to live is not new to the inhabitants of Israel. For Israel is a state born of the ashes of the holocaust. That is just another reason for the shared Israeli and American concern for the plight of the Soviet Jews.

Our congressional attempts to spotlight the plight of Soviet Jews have been somewhat successful. At the urging of Congress, the Reagan Administration pursued the subject of Soviet Jewry at both recent summits and has added the issue to the agenda for the Geneva Talks. Despite some indications of easing up in the Soviet Union, I am not optimistic at the current trends.

During the last years of the Decade of 1970, 50,000 Soviet Jews were allowed to emigrate to the west. However, in each of the last two years the number has been under 1,000. Furthermore, I am concerned that the recent Soviet release of a list of defined guidelines governing the emigration procedure is merely a public relations ploy designed by Secretary Gorbachev to enhance the reputation of his government. In sum, I believe that now is the time to redouble our efforts and commitment to this worthy cause—to do less is to imply that our own freedom has a lesser meaning.

Israel is a very, very young democracy—only thirty-nine years old. In its short history, it has been faced with many challenges, and many problems. However, Israel is remarkably similar to the way America was in its early years. When our forefathers sailed to America, they sought refuge from the evils of tyranny. They sought the freedom to affirm their own religious beliefs. Many in young America had experienced oppression and religious persecution. In this new world, they found a promised land in which they could worship as their consciences and beliefs required.

Likewise, Israel, today, is a sanctuary of hope, liberty, and freedom for a people who have been oppressed because of their faith. We, in America, see a kindred spirit and a shared bond in the struggle for freedom. We, as Americans, stand shoulder to shoulder with a young Israeli nation. To those of the Jewish faith who have suffered oppression, we say there is a land which will provide relief from years of misery and hardship.

The common bond shared by Israelis and Americans is evident in the words of the Israeli National Anthem. It expresses a hope for freedom, and the dream of the promised land. It affirms Israel as a land of happiness for a people of faith.

So long as still within our breasts
  The Jewish heart beats true
So long as still towards the East,
  To Zion, looks the Jew,
So long our hopes are not yet lost—
  Two-thousand years we cherished them—
To live in freedom in the Land
  Of Zion and Jerusalem.

It is true that the people of Israel are daily confronted by a slew of cowardly, heinous crimes committed by terrorists and crazed religious zealots. Yet, when the United States had seen but thirty-six years, our forefathers were similarly confronted by acts which would surely approach terrorism today. American citizens had been seized on the high seas and imprisoned. Neighboring Indian tribes, stirred up by fanatical agitators, butchered American frontier settlers. In 1812, our young nation was embroiled in a bitter war with its then constant enemy, the perpetrator of these—the king of England. In the midst of battle, Francis Scott Key penned the words of our National Anthem, The Star Spangled Banner, which gave encouragement to Americans as they struggled to maintain Liberty and Independence.

The last stanza of Key's words expresses a remarkable similarity and likeness to the sentiments felt in Israel today, and to lines of *Hatikvah*, the Israeli National Anthem. It also identifies the qualities which bond our nations together. Those words are:

Oh! thus be it ever when freemen shall stand
Between their loved home and the war's desolation,
Blest with vict'ry and peace, may the Heav'n-rescued land
Praise the Pow'r that hath made and preserved us as a nation.
Then conquer we must, when our cause is just,
And this be our motto, "In God is our trust."
And the star-spangled banner in triumph shall wave
O'er the land of the free and the home of the brave.

As we look to Israel and consider its short history and its future, I know that you join with me in praising the power that hath made and preserved Israel as a nation. Our prayers go out to these courageous people that this heav'n-rescued land be blessed with victory and peace. And may its flag, with the Star of David as its insignia, forever wave in triumph over a land of freedom and a home of the brave.●

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

GOLDEN EAGLES WIN NIT

Mr. COCHRAN. Mr. President, I rise to advise the Senate as they may already know, that last night, in Madison Square Garden, in New York City, the Golden Eagles of the University of Southern Mississippi won the National Invitation Tournament in basketball with a score of 84 to 80 over La Salle University.

The University of Southern Mississippi had a Cinderella season. Toward the end of the season, they got better and better and nobody could beat them. They have had a great year.

Mr. President, I ask unanimous consent that a copy of an article from the Clarion-Ledger, in Jackson, MS, be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EAGLES WIN NIT 84-80

NEW YORK.—The University of Southern Mississippi survived a late surge by La Salle University Thursday night to earn an 84-80 victory and the championship of the National Invitation Tournament at Madison Square Garden.

USM's victory in the 50th NIT was the first by a Mississippi school in a Division I post-season basketball tournament, but it wasn't scaled until John White hit two free throws with six seconds to play.

"They fouled the wrong man at the end when they fouled John White. It was history when they fouled John White," USM Coach M.K. Turk said.

White's free throws set off a celebration by fans in New York and those who watched the game on television.

"There was a lot of enthusiasm," said Dale Howes, the assistant manager of Chesterfield's, a restaurant/lounge near the University of Southern Mississippi campus in Hattiesburg. "Literally every basket that was scored they were off their bar stools."

"Everybody's ecstatic," said Tommy Duncan, a Jackson insurance man among the dozens who gathered at Jackson's New Orleans Cafe to view the game on TV. "We're just happy to win some kind of championship. It may not be the best championship in the world, but the way we won it was great."

After the game; Gov. Bill Allain congratulated the team and the coach in a telephone call from the Governor's Mansion.

"Y'all did a great job," Allain said. "But you gave us all a heart attack. I don't know of anyone who left their TV.

"Y'all are great ambassadors for Mississippi. Tell everyone there that we're real proud of you."

Allain also briefly spoke to USM President Aubrey Lucas, saying, "I was down on the floor before it got over with."

Mr. COCHRAN. Mr. President, I yield the floor.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THANKS TO THE MINORITY LEADER

Mr. BYRD. Mr. President, earlier, I complimented the two managers of the banking bill on the progress made and on the accomplishment that the passage of that bill involved. I want to thank the Republican leader, too, for his cooperation in helping to schedule the matter and also for his cooperation in scheduling the housing bill for Monday, and, additionally, for the efforts he is making toward our attempt to get a time agreement on each of three other measures that are on the calendar. I thank him very much.

Mr. DOLE. I thank the majority leader.

As I have indicated, I think we are are just waiting on one call from one Senator. Senator COCHRAN will be available if the agreement can be reached.

Mr. BYRD. I thank the Republican leader.

ROLLCALL VOTES ON MONDAY

Mr. BYRD. Mr. President, I ask unanimous consent that no rollcall votes occur before 3:30 p.m. on Monday.

On further thought, I do not ask unanimous consent. I think it better if I had an understanding with the distinguished Republican leader and other Senators that if rollcall votes are ordered before 3:30 p.m. on Monday—excusing those rollcall votes that may have to do with instructing the Sergeant at Arms—such rollcall votes occur beginning at 3:30. In other words, we will do whatever we can. That is a gentleman's understanding that we will have no rollcall votes before 3:30 on Monday, other than the type of vote that I have expected.

I thank the minority leader.

RECESS SUBJECT TO THE CALL OF THE CHAIR

(Mr. HEFLIN assumed the chair.)

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess awaiting the call of the Chair.

There being no objection, the Senate, at 4:05 p.m., recessed subject to the call of the Chair.

The Senate reassembled at 4:26 p.m. when called to order by the Presiding Officer [Mr. HEFLIN].

EXECUTIVE SESSION

Mr. BYRD. Mr. President, I have discussed the following items with the distinguished Republican leader, Mr. DOLE, and he has indicated that it would be all right, so far as he is concerned, to proceed. However, I want to present to the distinguished acting leader, Mr. COCHRAN, the following nominations, to see if there is any objection on his part to their being considered and confirmed at this time.

I have reference to those nominations which appear on page 2 of the Executive Calendar under Department of the Interior, Department of Energy, and the National Science Foundation, and on page 3 under the Equal Employment Opportunity Commission.

Is there any objection to proceeding to those nominations?

Mr. COCHRAN. Mr. President, if the distinguished majority leader will yield, there is no objection to those nominations on this side of the aisle.

Mr. BYRD. I thank the distinguished Senator.

Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations on page 2 of the Executive Calendar under Department of the Interior, Department of Energy, and the National Science Foundation, and on page 3, Equal Employment Opportunity Commission.

I further ask unanimous consent that the nominations be considered en bloc, that they be confirmed en bloc, and that the motion to reconsider en bloc be laid on the table.

The PRESIDING OFFICER. Without objection, the nominations are considered en bloc and confirmed en bloc, and the motion to lay on the table is agreed to.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF THE INTERIOR

James W. Ziglar, of Maryland, to be an Assistant Secretary of the Interior, vice Robert N. Broadbent, resigned.

DEPARTMENT OF ENERGY

Lawrence F. Davenport, of Virginia, to be an Assistant Secretary of Energy (Management and Administration), vice Martha O. Hesse.

Raymond G. Massie, of New Jersey, to be Director of the Office of Minority Economic Impact, vice Rosslee Green Douglas.

NATIONAL SCIENCE FOUNDATION

Frank H. T. Rhodes, of New York, to be a Member of the National Science Board, National Science Foundation, for a term expiring May 10, 1992, vice Donald B. Rice, term expired.

Howard A. Schneiderman, of Missouri, to be a Member of the National Science Board, National Science Foundation, for a term expiring May 10, 1992, vice Mary Jane Osborn, term expired.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Charles A. Shanor, of Georgia, to be General Counsel of the Equal Employment Opportunity Commission for a term of four years, vice David L. Slate, resigned.

NOMINATION OF JAMES W. ZIGLAR

Mr. McCLURE. Mr. President, on Tuesday, March 17, 1987, the Committee on Energy and Natural Resources held a hearing on the nomination of James W. Ziglar to be Assistant Secretary of Water and Science at the Department of the Interior. On March 25, the committee ordered favorably reported this nomination by a vote of 18 to 0. Mr. Ziglar has promptly responded to all additional questions from the committee.

Mr. Ziglar is imminently qualified for this position. He has earned both undergraduate and law degrees from George Washington University. Most recently he was managing director of the municipal investment banking department of Paine Webber Inc. Prior to this, Mr. Ziglar practiced law in New York and Phoenix which covered a wide range of public finance matters. He has experience in all three branches of government, having served as a staff aide to Senator James Eastland, as a law clerk to Justice Harry A. Blackmun, and as a special assistant for legislative and public affairs at the Department of Justice.

As Assistant Secretary for Water and Science, Mr. Ziglar will manage three bureaus under the direction of the Secretary of the Interior; the U.S. Geological Survey, the Bureau of Reclamation, and the Bureau of Mines. During his testimony before the committee, Mr. Ziglar noted his views of the importance of each of these bureaus:

> In addition to being the Nation's domestic mapping agency, the United States Geological Survey provides an indispensable service to the American people with its objective, dispassionate scientific approach to assessing critical minerals resources potential, to evaluating the quantity and quality of our surface and ground water, and to identifying geological structures and phenomena that will have an impact on our future. Almost every American is touched, directly or indirectly, by the activities of the Bureau of Reclamation which makes available adequate and safe supplies of water for agricultural, municipal and industrial uses. And, of course, the Bureau of Mines continues to lead the field in mining and minerals research and development, in the identification and cataloguing of existing supplies of minerals critical to our national security and economic well-being, and in the collection, analysis and dissemination of minerals data.

I can assure my colleagues that the smooth and efficient functioning of each of these bureaus is critical to my State of Idaho and to the other arid States in the West.

I have received letters from numerous organizations indicating support for Mr. Ziglar's nomination, including the Association of California Water Agencies, the Coachella Valley Water District, and Imperial Irrigation District, and the Colorado River Board of California.

Mr. President, I believe that Mr. Ziglar will do an outstanding job at the Department of the Interior, and I urge my colleagues to support his confirmation.

NOMINATION OF LAWRENCE F. DAVENPORT

Mr. McCLURE. Mr. President, on March 25, 1987, the Committee on Energy and Natural Resources favorably reported the nomination of Lawrence F. Davenport to be Assistant Secretary for Management and Administration at the Department of Energy by a vote of 18 to 0.

Dr. Davenport is a graduate of Michigan State University where he received his bachelors and masters degrees. He earned his doctorate of education from Fairleigh Dickinson University in 1975.

After holding various positions with a number of colleges and universities, Dr. Davenport began his Federal Government service as Associate Director for Domestic and Anti-Poverty Operations at ACTION. Since, 1982, he has served as Assistant Secretary for Elementary and Secondary Education at the Department of Education. During his tenure at the Department, Dr. Davenport has consistently demonstrated his ability to carry out his duties in a most efficient and competent manner.

As Assistant Secretary for Management and Administration at the Department of Energy, Dr. Davenport will be responsible for managing a complex organization which provides the Department with essential services including budget and accounting, personnel administration, organization and management systems, contractor industrial relations, and equal employment opportunity. He will serve as advisor to the Secretary and the Under Secretary on these matters and more.

In his testimony before the committee during his nomination hearing, Dr. Davenport emphasized that he would faithfully and conscientiously execute the laws and regulations, and adhere strictly to sound business policies and procedures while diligently avoiding waste, fraud and abuse in the use of the Department's funds.

Mr. President, I believe that Dr. Davenport is a capable public servant with a proven record of excellence in his service to the Federal Government. I urge his prompt confirmation.

NOMINATION OF RAYMOND G. MASSIE

Mr. McCLURE. Mr. President, on March 25, 1987, the Committee on Energy and Natural Resources favorably reported the nomination of Raymond G. Massie to be the Director of the Office of Minority Economic Impact at the Department of Energy by a vote of 18 to 0.

Mr. Massie is a graduate of Seton Hall University where he earned his bachelors and law degrees. He was a professor of business law at Stockton State College for 5 years, and has been a legal consultant in New Jersey until recently. He is presently a consultant to the Department of Energy.

A number of the responsibilities of the Office of Minority Impact are to play a multipurpose role in utilizing the program objectives to identify specific options to mitigate any possible adverse impact of energy policies on minorities, to educate minority institutions and minority businesses to enable their participation in the decisionmaking process, and coordinate these efforts with other Federal agencies and the energy industry to involve minority individuals, communities, and businesses in the energy production segments of the industry.

During his nomination hearing testimony, Mr. Massie expressed his commitment to these responsibilities to "ensure a responsive energy program for all segments of the population—which will be sensitive not only to the differential impacts of energy policies within various industry segments, but also to the pattern of change in the structure of the social environment."

Mr. President, I believe that Mr. Massie is a fine selection for this position, and I recommend Senate approval of his nomination.

Mr. BYRD. Mr. President, I ask that the President of the United States be immediately notified of the confirmation of the nominees.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

There being no objection, the Senate resumed the consideration of legislative business.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, it has been my hope that we might arrive at some time agreements with respect to three measures on the calendar of business; namely, calendar orders numbered 24, 25 and 40. I now find it is impossible at this time to reach agreements on those three measures. Considerable amount of work has been done on both sides of the aisle by Senators and by staffs. I think, however, that to entertain any hope that agreements can be reached today would be a futile hope.

I, therefore, suggest that we continue over on Monday to try to work out such agreements.

ORDERS FOR MONDAY, MARCH 30, 1987

ADJOURNMENT UNTIL 12:30 P.M. MONDAY

Mr. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 12:30 p.m. on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

WAIVER FOR CALL OF CALENDAR

Mr. BYRD. Mr. President, I ask unanimous consent that on Monday next the call of the calendar under rule VIII be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESOLUTIONS AND MOTIONS, OVER UNDER THE RULE

Mr. BYRD. Mr. President, I ask unanimous consent that on Monday next no resolutions or motions over, under the rule, come over.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that on Monday, after the two leaders have been recognized under the standing order, there be a period for the transaction of routine morning business not to extend beyond the hour of 1:15 p.m., and that Senators be permitted to speak therein for not to exceed 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, if the distinguished majority leader will yield for the purpose of an inquiry, is it the intention of the leader to proceed to the consideration of the housing bill which is Calendar No. 24 on Monday next?

Mr. BYRD. Yes; it is, and the order has been entered that the Senate proceed to that measure at 1 o'clock p.m. on Monday next.

CONSIDERATION OF HOUSING BILL

Mr. BYRD. Mr. President, I ask unanimous consent that that hour be changed to 1:15 p.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BYRD. So, Mr. President, in response to the distinguished Senator, on Monday, then, the period for morning business will extend until 1:15 p.m. and at that hour the period for morning business will be closed, if not before, but under the order we will probably let it run that long.

Then at 1:15 p.m. the Senate will proceed to the consideration of the housing bill which is a major bill. I expect rollcall votes thereon. I hope that the Senate will complete action on the bill on Monday, but this is unlikely.

If it does not complete action on Monday, then the bill will go over until Tuesday and action will be resumed on Tuesday.

I reiterate that rollcall votes are expected on Mondays, and it has been the understanding reached between the two leaders that, in all likelihood, rollcall votes, if ordered prior to the hour of 3:30 p.m., will not occur prior to the hour of 3:30 p.m. That means they could occur later than 3:30, and it also, of course, is understood that any votes on motions to instruct the Sergeant at Arms would have to go forward regardless of the hour.

Mr. COCHRAN. Mr. President, if the majority leader will yield further for an inquiry, it is the hope on this side that if it is possible that we could, after the completion of the housing bill, maybe go to the dairy bill, which is Calendar Order No. 24, S. 410, which was the subject of some discussion today and a unanimous-consent agreement. Even though we do not have that agreement yet, there would be no objection on this side of the aisle, I am in a position to advise the leader, to proceeding to that bill once the housing bill (S. 825) is completed.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Mississippi, the acting Republican leader.

I hope that the Senate will be able to proceed at a very early date to the consideration of S. 410. A great amount of work has been put into efforts to arrive at time agreements on that measure, and, also, the bill, H.R. 1157, Calendar Order No. 40, is one which needs to be taken up and disposed of very early.

I assure the distinguished Senator that we will continue in our efforts to reach time agreements on S. 410, H.R. 1123, and H.R. 1157 in anticipation of calling those up at a very early date.

Mr. COCHRAN. Mr. President, I thank the distinguished leader for the information.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Mississippi, Mr. COCHRAN.

ADJOURNMENT UNTIL MONDAY, MARCH 30, 1987, AT 12:30 P.M.

Mr. BYRD. If there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in adjournment until 12:30 p.m. on Monday next.

The motion was agreed to; and at 4:34 p.m., the Senate adjourned until Monday, March 30, 1987, at 12:30 p.m.

NOMINATIONS

Executive nominations received by the Senate March 27, 1987:

DEPARTMENT OF DEFENSE

James H. Webb, Jr., of Virginia, to be Secretary of the Navy, vice John F. Lehman, Jr., resigned.

IN THE MARINE CORPS

The following-named officer of the regular Marine Corps designated for limited duty for appointment and designation as an unrestricted officer in the regular Marine Corps under title 10, United States Code, section 531:

To be lieutenant colonel

Krantz, Everett W., 0949

The following-named officers of the Marine Corps Reserve for transfer into the regular Marine Corps under title 10, United States Code, sections 531 and 555:

To be major

Brown, John R., xxx-...
York, William D., xxx-...

To be captain

Ball, James F., Jr., xxx-...
Bancroft, Randall P., xxx-...
Barnes, Stephen E., xxx-...
Bielenberg, Brent D., xxx-...
Bogdanos, Matthew F., xxx-...
Bower, John H., Jr., xxx-...
Braden, James R., xxx-...
Brown, Robert L., Jr., xxx-...
Buckley, Michael R., xxx-...
Buikema, Ronald J., xxx-...
Byrd, Barett R., xxx-...
Carney, Robert E., xxx-...
Chaney, Thomas M., xxx-...
Crowder, Elizabeth, xxx-...
Davis, Mark A., xxx-...
Faires, Archie D., xxx-...
Guenther, Eric W., xxx-...
Hayden, John L., xxx-...
Hudson, Daniel J., III, xxx-...
Hunt, David W., xxx-...
Hunter, Kenneth S., xxx-...
Kelly, Robert G., xxx-...
Kent, Richard T., xxx-...
Koons, Raymond A., xxx-...
Leevy, John C., xxx-...
Long, Dale J., xxx-...
Manuche, Michael J., xxx-...
Martin, Kenny C., xxx-...
Meyers, William E., xxx-...
Miller, Ralph F., xxx-...
Miller, Timothy L., xxx-...
Munroe, Gary W., Jr., xxx-...
Neely, David L., xxx-...
Nielsen, Bruce E., xxx-...
Parker, Neil H., xxx-...
Pavlischek, Wayne A., xxx-...
Pomarico, Richard S., xxx-...
Reed, William A., Jr., xxx-...
Rodgers, Lanette xxx-...
Running, John R., xxx-...
Saunders, Bernard M., xxx-...
Schroeder, Alan D., xxx-...
Short, David M., xxx-...
Siesel, Gregory P., xxx-...
Snow, William P., xxx-...
Snyder, Kurtis D., xxx-...
Stone, Dale J., xxx-...
Sumner, Gregory J., xxx-...
Turner, Robert E., Jr., xxx-...

To be Lieutenant

Akin, Robert E., xxx-...
Amato, Paul xxx-...
Anderson, Roarke L., xxx-...
Armstrong, Dale T., xxx-...
Armstrong, Michael W., xxx-...
Banks, Michael I., xxx-...
Bare, Jeffrey J., xxx-...
Beaton, James S., xxx-...
Bell, Elroy xxx-...
Bevan, Craig W., xxx-...
Black, Gary M., xxx-...
Blau, Kirk J., xxx-...
Bohman, Brian D., xxx-...
Bottorff, Francis P., xxx-...
Brackett, Donald C., xxx-...
Branch, Gary W., xxx-...
Brickell, Carey L., xxx-...
Bridgeo, John B., xxx-...
Bright, James B., xxx-...
Brincat, Jeffrey R., xxx-...
Broadmeadow, John J., xxx-...
Brown, Thomas M., xxx-...
Bryan, Fredrick C., xxx-...
Buch, Naishadh D., xxx-...
Bucholz, Matthew A., xxx-...
Cabrera, William P., xxx-...
Callan, Paul F., xxx-...
Campbell, Dexter, xxx-...
Camstra, Michael S., xxx-...
Carey, Bernard F. Jr., xxx-...
Catherine, Charles A., xxx-...
Chapman, Robin D., xxx-...
Chesnutt, Joseph B., xxx-...
Cieri, Keith L., xxx-...
Coglianese, Vincent A., xxx-...
Couch, Gary J., xxx-...
Craig, Mark J., xxx-...
Crane, John J., xxx-...
Cravens, James, T., xxx-...
Cyr, Paul J., xxx-...
Devereux, Owen M., xxx-...
Dickey, Stuart L., xxx-...
Ellis, Joseph R., xxx-...
Else, David M., xxx-...
Emery, Kevin G., xxx-...
Etcho, Leonard L., xxx-...
Fidler, John T., xxx-...
Fischer, Henry G., xxx-...
Fritz, James B., xxx-...
Fuhrer, Thomas J., xxx-...
Fulham, Robert G., xxx-...
Garrett, Michael G., xxx-...
Gibson, James L., Jr., xxx-...
Gillespie, William, xxx-...
Goddard, Richard V., xxx-...
Gonzalez, Ricky, xxx-...
Goodrum, Henry J., xxx-...
Goudreau, David M., xxx-...
Grace, James D., xxx-...
Graden, Brian J., xxx-...
Grader, Mark C., xxx-...
Gran, David G., xxx-...
Harbert, Michael S., xxx-...
Harrelson, Lonnie R., xxx-...
Harris, Stuart C., xxx-...
Harrison, Joseph M., xxx-...
Hartnett, John C., xxx-...
Hattey, Anthony Q., xxx-...
Hedequist, Robert K., xxx-...
Henry, Samuel L., Jr., xxx-...
Hernandez, Hamlet M., xxx-...
Higbee, Robert W., xxx-...
Hoffman, Jon S., xxx-...
Holland, James A., Jr., xxx-...
Howie, Leonard J., III, xxx-...
Hull, Troy M., xxx-...
Irrera, Joseph A., xxx-...
Jack, Scott B., xxx-...
Jackson, Michael E., xxx-...
Kane, Mark B., xxx-...
Kangas, Scott J., xxx-...
Kearney, Albert B., xxx-...
Kelly, Daniel P., xxx-...
Kempfer, Harold B., xxx-...
Kerns, Robin W., xxx-...
Kimbrell, Raymond G., xxx-...
Klein, Douglas K., xxx-...
Knell, James M., xxx-...
Koebel, Thomas J., xxx-...
Kosloske, Greg A., xxx-...
Kramer, Brian J., xxx-...
Labriola, Robert J., Jr., xxx-...
Land, Daniel W., Jr., xxx-...
Livingston, Richard A., xxx-...
Lomeli, Charles A., xxx-...
Longua, Joan, xxx-...
Lowry, John, III, xxx-...
Loy, Kenneth D., xxx-...
Lynch, Michael J., xxx-...
Martin, Christopher B., xxx-...
Martinez, Martin S., xxx-...
McCoy, Bryan P., xxx-...
McGovern, Brian J., xxx-...
McIlvene, Leon A., xxx-...
Merritt, Dallas, III, xxx-...
Miller, Michael G., xxx-...
Milligan, Michael L., xxx-...
Miltner, Douglas G., xxx-...
Milton, Bruce A., xxx-...
Mitchell, Roger D., xxx-...
Mitchell, Sidney F., xxx-...
Moore, Donald A., xxx-...
Motley, John S., xxx-...
Nardo, Jeffrey, xxx-...
Niemerski, Stephen G., xxx-...
Olsen, Douglas G., xxx-...
Oltman, Robert G., xxx-...
Omara, Matthew J., xxx-...
Pavlik, James A., xxx-...
Peduzzi, Gregory R., xxx-...
Pennington, Henry L., xxx-...
Peterson, Torrey L., xxx-...
Peznola, Michael N., xxx-...
Popovsky, Ricardo J., xxx-...
Rice, Robert D., xxx-...
Richards, Michael R., xxx-...
Rosdahl, Keith A., xxx-...
Rosenthal, James P., xxx-...
Rowe, Geoffrey A., xxx-...
Russell, Alfred T., IV, xxx-...
Scauzzo, Vincent, xxx-...
Schmidt, Richard W., Jr., xxx-...
Schrensky, William J., xxx-...
Shaver, Douglas H., xxx-...
Simcock, Richard L., II, xxx-...
Simpson, Charles P., xxx-...
Slagter, Arlyn J., xxx-...
Smith, Gregory B., xxx-...
Snock, Stanley R., Jr., xxx-...
Spierdowis, Robert J., xxx-...
Stafford, Sean R., xxx-...
Stallings, Jon A., xxx-...
Starr, Andrew O., xxx-...
Stevens, John E., xxx-...

Stith, Shawn B., [redacted]
Strugis, Mark S., [redacted]
Tatum, Shawn P., [redacted]
Taylor, William L., Jr., [redacted]
Usovicz, Michael R., [redacted]
Vanicelli, Nick, [redacted]
Varmette, Thomas M., [redacted]
Velasco, Marcela J., [redacted]
Vos, Michael J., [redacted]
Wagner, Robert H., Jr., [redacted]
Walker, Jay D., [redacted]
Wallen, David P., [redacted]
Walsh, Terance S., [redacted]
Walsh, John S., [redacted]
Walsh, William F., [redacted]
Wander, Paul J., [redacted]
Waresk, Patrick, [redacted]
Wasilewski, Steven J., [redacted]
Wasley, William J., [redacted]
Welzel, Robert J., [redacted]
Wesely, Christina H., [redacted]
Wetzelberger, William E., [redacted]
White, Gerald L., [redacted]
Wilburn, Harold G., [redacted]
Williams, Susan W., [redacted]
Wilson, Gregory D., [redacted]
Wintrop, Rebecca A., [redacted]

CONFIRMATIONS

Executive nominations confirmed by the Senate March 27, 1987:

DEPARTMENT OF THE INTERIOR

James W. Ziglar, of Maryland, to be an Assistant Secretary of the Interior.

DEPARTMENT OF ENERGY

Lawrence F. Davenport, of Virginia, to be an Assistant Secretary of Energy (Management and Administration).

Raymond G. Massie, of New Jersey, to be Director of the Office of Minority Economic Impact.

NATIONAL SCIENCE FOUNDATION

Frank H. T. Rhodes, of New York, to be a Member of the National Science Board, National Science Foundation, for a term expiring May 10, 1992.

Howard A. Schneiderman, of Missouri, to be a Member of the National Science Board, National Science Foundation, for a term expiring May 10, 1992.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Charles A. Shanor, of Georgia, to be General Counsel of the Equal Employment Opportunity Commission for a term of four years.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Monday, March 30, 1987*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Let the words of my mouth and the meditation of my heart be acceptable in Thy sight, O Lord, my Rock and my Redeemer.—Psalm 19:14.

Gracious God, in whom is life and life abundantly, we pray that our words and deeds may merit Your acceptance and our petitions Your support. For as Your law is perfect, Your testimony is sure, Your precepts are right, Your Commandments are pure, Your ordinances are true, so may we live by being good stewards of Your creation and seeking the way of justice and of mercy. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed a bill and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 623. An act to amend the Independent Safety Board Act of 1974 to authorize appropriations for fiscal years 1988, 1989, and 1990, and for other purposes;

S. Con. Res. 21. Concurrent resolution expressing the sense of Congress in opposition to the proposal by the European Community for the establishment of a tax on vegetable and marine fats and oils and urging the President to take strong and immediate countermeasures should such a tax be implemented to the detriment of U.S. exports of oilseeds and products and inconsistently with the European Community's obligations under the General Agreement on Tariffs and Trade; and

S. Con. Res. 27. Concurrent resolution expressing the sense of the Congress that the United States Trade Representative should investigate the ruling of the Canadian Import Tribunal involving United States exports of corn to Canada.

ELECTION OF MEMBERS TO CERTAIN STANDING COMMITTEES

Ms. OAKAR. Mr. Speaker, I offer a privileged resolution (H. Res. 133) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 133

Resolved, That the following-named Members, be, and they are hereby, elected to the following standing committees of the House of Representatives:

Committee on Science, Space, and Technology; David E. Skaggs, Colorado.

Committee on Small Business; David E. Price, North Carolina; Matthew G. Martinez, California.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
March 26, 1987.

Hon. JIM WRIGHT,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, the Clerk received at 12:05 p.m. on Thursday, March 26, 1987, the following message from the Secretary of the Senate: That the Senate passed H.R. 1505.

With great respect, I am,

Sincerely yours,
DONNALD K. ANDERSON,
Clerk, House of Representatives.
By DALLAS L. DENDY, Jr.,
Assistant to the Clerk.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker signed the following enrolled bill on Thursday, March 26, 1987:

H.R. 1505. An act making technical corrections relating to the Federal employees' retirement system.

UNITED KINGDOM AND UNITED STATES CONGRESS ARE CALLING FOR SUBSTANTIAL CHANGES IN HUMAN RIGHTS PRACTICES WITHIN THE SOVIET UNION

(Mr. LANTOS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LANTOS. Mr. Speaker, a delegation from this body led by our distinguished Speaker will leave for the Soviet Union in a few days.

I think it is important for us to note that today the distinguished Prime Minister of the United Kingdom is in the Soviet Union and has placed at the top of her agenda the observance of human rights by the Soviet Union.

We have seen some minor cosmetic changes. We have seen some small symbolic gestures. But what the Prime Minister of the United Kingdom and what this Congress are calling for are substantial changes in human rights practices within the Soviet Union. Freedom of religion, freedom of speech, freedom of assembly, freedom to leave the country if one so desires will have to be incorporated into the body politic of the Soviet Union if we are to take the gestures toward liberalization seriously.

I am sure, Mr. Speaker, that just as the Prime Minister of the United Kingdom today is telling this to Mr. Gorbachev, so you will be telling the same story when you visit in a couple of weeks.

OFFICIAL RESIDENCE FOR SECRETARY OF STATE IS A VERY BAD IDEA

(Mr. PETRI asked and was given permission to address the House for 1 minute.)

Mr. PETRI. Mr. Speaker, evidently, the push is still on for an official residence for the Secretary of State. This is a very bad idea.

If the Secretary of State has a grand mansion, can we deny this same perk to the Secretary of Defense?

And how about the Secretary of the Treasury? He'll want and deserve a lovely mansion, too.

But then, you can't have two distinct levels of the Cabinet—the haves and the have-nots. By and by, all major officials, and maybe the Speaker of the House, too, will hold forth like great lords in princely palaces scattered about the city.

Mr. Speaker, this is a prospect totally inappropriate to a democracy. It is certainly not what our forefathers had in mind. They even debated building a residence for the President, and finally decided upon a dignified, but fairly modest White House. They specifically didn't want a Presidential palace—just a house.

As for other officials, they were to be servants of the people, not a nobility above and apart from the people. They were to be treated just like everyone else.

So before we create a new class of great princes and dukes in our midst, let's stop this residence proliferation before it starts.

□ 1210

PRESIDENT'S VETO OF THE HIGHWAY BILL SEEN AS A "SERIOUS ERROR"

(Mr. **MOAKLEY** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **MOAKLEY**. Mr. Speaker, I rise to voice my disappointment and frustration over the President's recent veto of H.R. 2, the highway mass transit bill.

The overwhelming support for this well crafted piece of legislation, both in the House and the Senate, demonstrates a strong consensus that this Nation must move forward to address and begin to solve some of the transportation problems. All of us in this Chamber this morning can recite our own personal litany of horror stories from the road, be it on the road to Boston or Omaha, Houston or Seattle. There is not a State in the land not troubled by crumbling interstates, hazardous bridges, and overloaded public transportation.

Indeed, we all know only too well the statistics, H.R. 2 was enacted to remedy. The Presidential veto of this critically needed legislation, and the Congress' failure to override would mean the loss of over 800,000 jobs in every State and the withdrawal of some $17 billion from the economy. Those figures alone give pause, but translated in terms of economic dislocation and hardship on workers, travelers, and communities, they are particularly devastating.

I am convinced the President made a serious error in vetoing H.R. 2. I urge my colleagues not to compound the error by failing to vote for an override.

THE FALLING DOLLAR WON'T INJURE THE BRAIN

(Mr. **DANNEMEYER** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **DANNEMEYER**. Mr. Speaker, our friends abroad watch in bewildered amazement as we are beating down the foreign exchange value of the dollar in an effort to promote American exports. From their vantage point all the cheaper dollar can do is to whet the appetite of scavengers, and to invite hostile takeovers of American farms, industry, and real estate by foreigners. It certainly cannot make American exporters competitive, as the lower dollar hurts their profitability to the extent their input has an imported component.

The following adaptation of Lewis Carroll's limerick is taken from a Swiss investment advisory newsletter urging subscribers to sell the dollar short:

"You are old, Uncle Sam", the young man said,
"And your hair has become white;
And yet you incessantly stand on your head—
Do you think, at your age, it is right?"
Uncle Sam replied: "When I was young, my son,
I feared it might injure the brain;
But now I'm perfectly sure I have none—
Why, I do it again and again."

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 573

Mr. **ANTHONY**. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 573.

The **SPEAKER**. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The **SPEAKER** laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
March 30, 1987.

Hon. JIM WRIGHT,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit sealed envelopes received from the White House as follows:

(1) At 12:23 p.m. on Friday, March 27, 1987 and said to contain a message from the President whereby he transmits the annual report of the National Endowment for the Arts and the National Council on the Arts for the Fiscal Year 1986; and

(2) At 12:23 p.m. on Friday, March 27, 1987 and said to contain H.R. 2, An Act to authorize funds for construction of highways, for highway safety programs, and for mass transportation programs, to expand and improve the relocation assistance program, and for other purposes, and a veto message thereon.

With great respect, I am,
Sincerely yours,
DONNALD K. ANDERSON,
Clerk, House of Representatives.

SURFACE TRANSPORTATION AND UNIFORM RELOCATION ASSISTANCE ACT OF 1987—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 100-53)

The **SPEAKER** laid before the House the following veto message from the President of the United States, on which further proceedings were, by an order of the House of Wednesday, March 25, 1987, postponed until Tuesday, March 31, 1987:

To the House of Representatives:

I am returning herewith without my approval H.R. 2, the "Surface Transportation and Uniform Relocation Assistance Act of 1987." I want to make clear that I strongly favor an adequate and fiscally responsible Federal-Aid Highway and Transit Program, and I support the provisions in H.R. 2 that would provide essential funds for legitimate transportation construction and safety projects. I also support allowing the States to raise their speed limits on rural interstate highways to 65 miles per hour. However, the bill authorizes excessive funding levels of $87.5 billion over 5 years, $10.1 billion more than my original request and more than is brought in by highway user taxes. It includes unjustifiable funding for narrow, individual special interest highway and transit construction projects, and it unfairly distributes transit funds. All of these reasons force me to veto H.R. 2.

H.R. 2 is an unsound bill. It represents a failure to exercise the discipline that is required to constrain Federal spending, especially pork barrel spending. I remain firm in my commitment to the American people to hold down Federal spending, and I ask the Congress to join me in that commitment by promptly enacting a bill that is consistent with the need for fiscal discipline.

In vetoing H.R. 2, I recognize that the States are rapidly running out of highway funds and that legislation is necessary to make funds available for the 1987 construction season. I am committed to that goal. Therefore, I was deeply disappointed when the Congress failed to pass an acceptable bill before it adjourned last year. The Administration transmitted its own bills to the Congress in January so that funds could be made available promptly to the States for legitimate projects. I am ready with an improved and acceptable proposal that I urge the Congress to enact without further delay. This proposal does not include special "pork barrel" projects, and provides a fair and equitable distribution to States of both highway and transit funds.

Some of the unaffordable provisions in H.R. 2 include add-on funding for 152 highway special interest projects. The 5-year Federal cost of the 152 highway projects is estimated to be $1.4 billion, and nearly $900 million of this amount is not subject to any spending controls. The total cost to complete these highway projects is estimated to be $5.5 billion, and they have not even been selected through the established Federal-aid highway program mechanism that relies on the expertise of State and local officials. In fact, there is virtually no hearing record and related analyses regarding the merits of these projects. The States, not the Congress, should determine their highway program needs.

The expansion of the scope of the Boston Interstate projects eligible for interstate highway funds would increase the Federal cost to complete the Interstate System by $1.1 billion. This provision is unfair because, for all other States, the Interstate System was closed to add-ons in 1981.

The direction in Title III to fund the Los Angeles Metrorail project also grossly distorts funding priorities. The provision would require that up to $870 million, or 14 percent, of the fuel taxes paid by motorists for the national transit program be spent in one city. Moreover, Los Angeles has not decided where to build the project, and the environmental review process is incomplete. The Department of Transportation should not be statutorily required to execute a new contract or make available additional money to Los Angeles or any other specific city, beyond amounts already agreed to by the parties.

Since 1983, over $4 billion collected from motorists in fuel taxes has been authorized for transit programs. Because these funds are not distributed by formula, this revenue has not been distributed equitably to each of the States. For example, in 1986, eleven cities received over 80 percent of the funds made available that year.

We must provide for a more equitable distribution of the fuel taxes that are collected from motorists and reduce the level of General Funds going to mass transit. An increase in the required local share for major mass transit projects is also needed to encourage the planning of more economically viable projects. In addition, I am opposed to the sharp increase in certain excise taxes contained in this bill.

Finally, H.R. 2 contains "Buy America" provisions that would be harmful to our trading interests. The increase in the domestic content requirements related to transit projects and the requirement that foreign rolling stock must be 25 percent cheaper than U.S. products are unwarrented. The changes invite retaliation against U.S. exports that are produced and marketed by U.S. businesses.

I am committed to the expeditious enactment of authorization legislation so that funds will be available for use during the impending construction season. To make that point I have made an alternative proposal. Let me briefly describe what my proposal would do. With regard to highway programs, we would authorize $66 billion over 5 years; the same levels provided in the Senate-passed bill. Compared to H.R. 2, our bill would provide a more fair distribution, with more money going to States through regular program formula distributions. States would be able to fund the projects identified in H.R. 2 from their allocation of highway funds, if they so choose, but not with add-on funding. There would be no special treatment for large projects.

We would apply the equity principle to transit programs as well. We would authorize $16.1 billion over 5 years, increase the local match for major projects, and would promote a fairer distribution of the gas tax receipts that are collected in all States but that now only benefit a few cities. We would not spend the taxpayers' dollars on high cost projects of dubious merit like the expansion of Los Angeles Metrorail.

In short, this is the way a reasonable and fair highway and transit bill should be constructed. Now, there is no reason why the Congress cannot send me a bill that I can sign quickly before the spring construction season is any further along.

RONALD REAGAN.

THE WHITE HOUSE, *March 27, 1987.*

□ 1220

The **SPEAKER** pro tempore (Mr. GRAY of Illinois). The objections of the President will be spread at large upon the Journal and without objection, the message and bill will be printed as a House document.

There was no objection.

ANNUAL REPORT OF THE NATIONAL ENDOWMENT FOR THE ARTS AND THE NATIONAL COUNCIL OF THE ARTS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The **SPEAKER** pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor.

(For message see proceedings of the Senate of Friday, March 27, 1987, at page S4083.)

ANNOUNCEMENT OF THE PASSING OF JOSEPH P. VENTURA

(Ms. **OAKAR** asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. **OAKAR**. Mr. Speaker, I have a sad duty to announce to the U.S. House of Representatives the passing of Mr. Joseph T. Ventura, who served this body with distinction and dedication for many years.

Joe Ventura came to the House in 1968, having already established an impressive record of public service, serving as the deputy mayor of the city of Cleveland, OH, from 1950 to 1961. He came to Washington in 1962 as the special assistant to Secretary Anthony J. Celebrezze of the Department of Health, Education, and Welfare. Mr. Ventura served in that Department until 1968, when he joined the U.S. House of Representatives. He was awarded the Department's Distinguished Service Award for maintaining superb relations between the Department and the Congress. He served with distinction as staff director of the Subcommittee on Personnel and Police of the Committee on House Administration until 1979, when he retired from Federal service.

After leaving the Hill, Joe continued to maintain a close relationship with many Members of Congress and staff and served as executive director with the National Italian American Foundation. After leaving public service, he established Ventura Enterprises.

Joe Ventura left many friends here in the Capitol, and our sincere condolences go to his wife, Rose, his daughter, Judy, his two sons, James and Joel, and his three grandchildren.

This outstanding public servant will be sorely missed.

ORDER OF BUSINESS

The **SPEAKER** pro tempore. Without objection, and with the good graces of the distinguished gentleman from Texas [Mr. GONZALEZ], the distinguished chairman of the Committee on Public Works and Transportation, the gentleman from New Jersey [Mr. HOWARD], will be recognized for 60 minutes to precede the gentleman from Texas [Mr. GONZALEZ].

There was no objection.

SUPPORT SOUGHT FOR VETO OVERRIDE OF THE HIGHWAY BILL

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. HOWARD] is recognized for 60 minutes.

GENERAL LEAVE

Mr. **HOWARD**. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. **HOWARD**. Mr. Speaker, in the trying times in which we live some people might tend to dream and ask, "wouldn't it be wonderful if the Federal Government could come up with some idea or some plan that might improve overall the economy of this Nation, that might make us a bit more efficient and, through that efficiency, might be able to reduce the cost of food and products that we receive in our homes? And wouldn't it be wonderful if at the same time we could somehow put 800,000 more people to work in this Nation, taking them off the welfare rolls or the unemployment rolls and having them become productive members taking care of their families and paying taxes in this Nation? And wouldn't it be marvelous if we could do all that in the Federal Government and not add 1 cent to the deficit that we have at this time?" That may seem like a good idea, but is it "pie in the sky"?

I would like to tell the Members, Mr. Speaker, that that kind of a program is not only possible but it is here now. It is known as H.R. 2, the Surface Transportation Act of 1987.

All of our colleagues in the House affirmed this and agreed to it just 2 weeks ago when they, by a vote of 407 to 17, passed the highway transportation bill for this year. Over on the other side of the Capitol, the other body agreed also by a vote of 79 to 17.

This bill has been labeled, unfortunately, in the veto message by the President that we just heard is a "budget buster," that it expands the spending here in the Federal Government.

No. 1, the fact is that the President is wrong in this case. The figures in this 5-year bill are below the budget figures laid out for this program by both the House and the Senate Budget Committees. In fact, in the highway portion we were spending in previous years about $19 billion in the overall bills for highways and transit. In this legislation, each year we will be spending about $16.9 billion.

The President's veto message also said that we will be spending more money over the life of this bill than we will be taking in. That also is not true, because sitting in the highway trust fund is tax money that the people of America pay every time they buy a gallon of gasoline, money that cannot be used for anything else beyond what this bill will utilize, and right now that figure is $9.7 billion.

□ 1230

If this veto is overridden and this becomes a law, at the end of the 5 years there will not be $9.7 billion left there, it will be $10.7 billion; so not only are we not spending more than we take in, we are taking in a lot of taxpayers' money for valued projects and not utilizing it, despite the great need we have across this Nation.

In this veto and by this veto, this administration has broken its word with the Congress and with the American people. When we passed our last major legislation in 1982, we, the Public Works and Transportation Committee, came before this body and asked it to cast a very difficult vote. We asked the Members to vote for an additional 5 cents a gallon in gas tax for the highway trust fund and a new transit trust fund. Down through the years of construction of this great Interstate System we have, despite the high cost and the inflation that went through in the years from the 1950's until 1982, we in the Federal Government provided the major portion of the funds to build this national system with 4 cents a gallon. For all those years it was only 4 cents a gallon. We increased it by 5 cents a gallon and we told our Members and colleagues, many of whom are still in this Congress, that we had an agreement, an agreement agreed to by then Secretary of Transportation Drew Lewis and the White House that if we collected this money, No. 1, it would not be collected until it was ready to be used; so we put off the collection until the following April 15.

We also said that the money will be used for construction purposes only, that there will not be any administrative salaries, there will not be any overhead. The benefiters or users of our highways would pay the money and that money would be used to improve the transportation systems in the country.

Each penny brings in about $1.1 billion. Four cents of the additional 5 cents would be used for the highway trust fund and 1 cent, $1.1 billion a year, would be used for transit.

The major third agreement that we made, the one that has been broken, is that we said this additional gas tax that we collect from people all over the country would be used in addition to our present programs, not in place of any part of the program.

Well, the facts are now that we have got $9.7 billion beyond what this bill would need sitting in the trust fund now and because of budgetary restraints, putting it on the budget to make the deficit look lower than it really is, because that money cannot be used for anything else, we cannot use that money; and in transit, for the past several years and in this legislation in order to try to get some cooperation from the White House, we are actually spending less in total on transit than we were spending before we put the additional $1.1 billion a year in there; so this administration has broken its word with the Members of Congress who voted for it and with American People who pay the bill.

Demonstration projects—they talk about special projects in States, the demonstration project issue is not a true issue. The demonstation projects amount to less than 1 percent of this bill.

All the other decisions on all the rest of the money are made either by the Secretary of Transportation in some discretionary funds or else the decisions are made by some unknown, unelected bureaucrats on the federal level or the State level.

You can bet with that other 99 percent of the bill, for which we collect the money and we have a responsibility because we put in the taxes, you can bet that other 99 percent gets a lot of particular attention when this money goes to the State.

Do you think that those State legislatures who put in their matching share, small though it may be, only 25 percent for noninterstate highways, 20 percent is all for bridge repairs and replacement, and the States only put in 10 percent for the interstate construction and reconstruction, do you think that they do not talk to the State leaders and say that if we are going to put up this little share to help use the Federal money, we are not going to get a project here or there?

What is wrong with having Members of Congress, the ones who have the responsibility, having raised that tax money and provided this trust fund, you do not know enough about your districts, you do not know what they need?

This is not an issue at all, and yet we do have some misconceptions. One of them came just a few days ago, or yesterday in one of our distinguished newspapers, the Washington Post. I am probably breaking an old political axiom that says a politician should not argue with someone who buys their ink by the barrel; but I would like to point out something that was stated in the Post, talking about these demonstration programs. It talks about the demonstration programs and it says it is not what the State governments have sought and—this is important—with no requirements for State matching money; meaning that these demonstration projects are totally Federal and the States do not have to put in any share.

We called them yesterday on that. We said, "In your editorial, you have a lot of things we disagree with, but you have one major factual error. You said the States don't have to put up any matching money. In the bill for demonstration projects, there is an absolute requirement that 20 percent of the cost must be borne by the State."

So we called this newspaper and asked them, "Since you made a factual error, will you print a correction?"

They said to us, "No, we won't."

Overwhelmed that a newspaper when confronted with a factual error in an editorial refused to make a correction, they said, "The best we will do for you is to let you write a letter to the editor claiming we made an error," and if we got it in by 4 o'clock yesterday afternoon, which was a Sunday, they will put it in Monday's paper.

Chagrined that this was all that was left to us, we did write a letter to the editor. We did make the correction. We did deliver it before 4 p.m. and we looked at the Washington Post this morning and we do not find the correction and we do not find the letter to the editor.

The President has sent us a bill to replace this. We are going to have a veto override tomorrow in the House and a day or two later in the other body. The President said that he will send us a bill and he would like us to pass it in 7 days.

Now, we know that somebody with a lot more expertise than all of us created the stars and the planets of the world in 7 days. We do not think that we are that expert. In fact, as the gentleman points out, it was 6, with a day's rest.

This legislation that we just received from the White House last Friday at 5 p.m., I do not know whether it was by design or that was the quickest they could put it together, has over 30 major policy changes in it, doubling the amounts the States must put in for transit, a whole long list of things we have to do.

There is no way on Earth that we could go over that bill and examine the major policy changes that the White House wants to make in time to be able to meet this year's construction season, which as we said involves 800,000 jobs.

Ms. OAKAR. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. I am happy to yield to my colleague, the gentlewoman from Ohio.

Ms. OAKAR. Mr. Speaker, I thank the chairman for yielding. I certainly want to commend the gentleman for all the work he has done on this bill in the area of needy infrastructures over the years.

Mr. Speaker, I do not know of any more critical issue than national security issues that also deal with our ability to compete. Of course, in my State of Ohio, Ohio is the third neediest State in the Union in terms of infrastructures that need to be repaired.

It seems to me, at least the people that I speak to in my State, they want their money back. They want the money that they spent on the gallon of gasoline, that 9 cents or 8 cents that they spent, they want it to come back to the State.

Now, we are already a donor State. The most we can hope for is about 85 cents on every dollar, plus possibly a discretionary project or demonstration project that really means an awful lot to our area.

□ 1240

Now the gentleman mentioned that if we delay this bill, we will not be able to repair many of these bridges and roads and so on for another whole season. Now in a State like Ohio that has a variety of seasons, our people, the construction workers, cannot work in the wintertime, so we are really delaying this way more than a year.

I want to talk briefly, Mr. Speaker, about one of the so-called pork-barrel projects that is a demonstration project. Now this project apparently got some national coverage over the weekend. All you have to do—it is easy to categorize these projects as pork barrel—but I would defy anyone to come to Cleveland, OH, and look at what is called the Eagle Ramp that leads into the heart of our industrial base.

We already have many bridges down because of the needs in that area, because we have so many older bridges and so forth.

This ramp, which is a bridge, leads to 60 or more industries. It affects hundreds if not thousands of jobs. If you stand under this ramp long enough, you will be hit on the head with chunks of concrete. It is deteriorating tremendously.

I defy anyone to say that a national priority ought not to be to repair this ramp or other bridges like this in this country that are not only unsafe, but will preserve many, many jobs. I am not only talking about potentially the portion of 800,000 workers who work on these bridges, I am talking about the people who have to get to work and the industries that are trying to survive.

Mr. Speaker, I say to my colleagues in the House that I do not know how any Member, whether in the Senate or in the House, could go back to his or her area and say that our people who have paid their 9 cents a gallon should not get their money back to repair what are survival issues to our people.

Mr. Speaker, I want to commend the chairman and say to him that I know that I and other Members hopefully from my area of the country are going to work very, very hard to override the veto. The fact is that the President, with all of the knowledge that is given to him and so on—the administration is wrong about this issue. This is an issue that is as important to our national security as any defense project. I put them on the same level, and I support defense bills, but if we do not have our own country in top-notch order in terms of the infrastructures and the roads and highways, and of course our mass transit, shame on us. Then we are really going to be behind in terms of competing in the global markets.

I thank the chairman, and I invite everyone to come to Cleveland and take a look at this so-called pork-barrel project, this lean project, this Eagle Ramp and other bridges like that that are in such terrible disrepair.

Mr. HOWARD. Mr. Speaker, I thank the gentlewoman for her comments, and I might say that as Ohio goes, so goes the Nation.

It might be interesting for my colleagues to take a look at the newspaper USA Today for today, Monday, March 30, on page 8A, to check on each State to find out the impact of this.

Just in Ohio, as the gentlewoman has mentioned, there are already 39 projects worth $49 million on hold now, ready to go as the season approaches us. There is $29.2 million for 6 miles of new U.S. 422, a road linking Cleveland and Youngstown. There is a 1½-mile, $26 million segment of I-670 between downtown Columbus and the airport.

And jobs. You know, we are talking about jobs here, and we have an unemployment rate in this country that has been fiddling around lately at about 7 percent. In the construction industry the unemployment rate today is over 16 percent. For the State of Ohio we have some figures. In this legislation, to help that, is $415-plus million for this year, which would be a great help, because what it would involve, and what is at stake here in Ohio alone, is over 25,000 jobs. And I am sure that there are some related jobs added to that that are not directly affected by this. So I thank the gentlewoman for her comments.

Mr. ANTHONY. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. I yield to the gentleman from Arkansas.

Mr. ANTHONY. I thank the gentleman for yielding.

Mr. Speaker, does the gentleman have a copy of the USA Today article which he was referring to?

Mr. HOWARD. Yes, I do.

Mr. ANTHONY. I would like to call the gentleman's attention to a photograph that is inserted on that page. It has a constituent and in the background is a 50-year-old bridge. That is Garland City, AR. That is the Fourth Congressional District, the district that I represent.

Highway 82 is a U.S. highway, and it runs east and west. It brings traffic out of Texas all the way across the State of Arkansas and into Mississippi. Although there is a new interstate south of there, it still carries a great deal of traffic.

There is a major paper complex both on the Texas side and on the Arkansas side that would be west of that particular bridge. There are numerous paper mills that are also on the east side of that particular bridge. It is, Mr. Speaker, one of the narrowest, most dangerous bridges that one could imagine.

First of all, if you can just say that it is 50 years old, and if you can go back to the horse-and-buggy days, then you know how desperate it is that we have that particular bridge replaced.

In this bill there would be some $6 million that would be available to the Arkansas Highway Department to replace that bridge.

As I understood the chairman is his statement, he indicated that this is tax money that has been collected but tax money that will not be spent if this veto is not overridden.

Mr. HOWARD. The gentleman is correct. I thank the gentleman for his statement, because this certainly flies in the face of what the administration, the White House, is saying, that Members of Congress such as the gentleman, who voted for the tax money to be able to do this construction work, do not know enough about their own districts or the problems in their districts or the priorities in their area to be able to state what the needs are, and some faceless, nameless bureaucrat, who probably has control of 99 percent of the money decisions, should have 100 percent.

I think that the gentleman in stating the area, the age, the type of bridge, the businesses that are involved, certainly has shown that he certainly knows his district as well as anyone else.

Mr. ANTHONY. Mr. Speaker, will the gentleman yield further?

Mr. HOWARD. I yield to the gentleman from Arkansas.

Mr. ANTHONY. There are four operating ferries in the State of Arkansas. We are talking ferries that have to shuttle traffic back and forth between one bank and the other bank. It is obviously an antiquated system in terms of communications that we have now in terms of the ability of transportation to be able to get around the world as quickly as we have.

Two of those four are in the Fourth Congressional District which I represent. I have introduced a piece of legislation to give the highway department the authority, the discretion, that would allow them to take bridge replacement money and replace the boats that carry and ferry back and forth traffic.

The chairman of the committee saw wisdom to fold that piece of legislation into this bill. As a result, if it is vetoed, that language will be stripped out, we will have four places that will continue to be back in the horse-and-buggy days, the days of our forefathers, when they had to ford the streams and actually had to make the boats to put the vehicles on to cross from one shore to another.

In terms of priorities I cannot think of anybody who would stand up and say that that is pork barrel; to say that that is not providing a safer, better transportation system, and I would encourage my colleagues to take a close look at the legislation, take a close look at not only what it does to the State of Arkansas, but each of the districts across America, and say to the President, "Enough is enough. The tax has been collected; the tax should be spent for worthwhile and needed projects for the safety and the concern of the traveling public."

I want to congratulate the chairman for taking this time out today to set the record straight.

□ 1250

Mr. HOWARD. I wish to thank the gentleman, also, for his statement. You know, crossing a river—what goes around comes around. Sometimes you still do use the ferry boat, and in many areas in the East, they are coming back, where we are having commuters going into New York and all from the Jersey shore and places is starting to use that.

There you have a bridge problem; you're bridging the water, and also you have a transit solution. So we would hope that this veto is overriden in both Houses of Congress so that we can continue to have a good and flexible system of transportation for our people.

I thank the gentleman for his contribution.

Mr. Speaker, I am very happy to yield to a very valued member of the Committee on Public Works and Transportation, the gentleman from Georgia, Mr. ROWLAND.

Mr. ROWLAND of Georgia. Mr. Speaker, I thank my chairman for yielding to me.

Mr. Chairman, I want to look at this a moment from the standpoint of the way the trust fund and the budget are related. Now, we have heard it said that this is a pork barrel piece of legislation, it is a budget buster. I want to look at it from the standpoint of, is it really a budget buster?

Mr. Speaker, I believe it was back in 1972 that all of the trust funds were brought under the so-called unified budget. It was my understanding at that time that it made the budget deficit look less bad than it really was.

This revenue that is in the highway trust fund, we find it very similar to revenue that is in the aviation trust fund, for example; there is revenue that is dedicated; it comes from a certain source, and it comes into this trust fund and, as I understand it, the revenue in the highway trust fund cannot be used for anything except certain specific items of construction. I believe that, as you have already pointed out, in mass transit.

Let me ask my chairman this: Can some of that money be used, for example, for education or can some of that money be used for people who need help in domestic programs, or can it be used in the Department of Defense or for new weapons systems?

Mr. HOWARD. No. If it were that flexible, there might be some argument in trying to set some priorities here and there: Should we do this with it or should we do that?

No, under the law this user fee or benefiter fee, which is 9 cents a gallon Federal on gasoline, may only be used, the 8 cents of it may only be used for construction under title 23 of the highway code of the Federal Government. That is the only purpose for which it may be used. It cannot be taken out and borrowed or utilized in some other way.

The same thing as paying a gas tax, when people fly on an airplane today, when they buy a ticket, 8 percent of that ticket goes into the aviation trust fund, and the aviation trust fund is there for construction of facilities at airports, and better equipment that we need, and radar and such things to operate our airports better.

There is $4.3 billion sitting in that, that because it is in the budget, we cannot use it. There is about $4 billion in the transit fund already, above and beyond what we are using at this time.

All it does, by putting it under the budget—and it is not a general asset of the U.S. Treasury, so therefore it should not be in the budget, but they put it in as an asset, and it makes the deficit look less than it is.

So the people should know, whenever they tell you around here, with all the smoke and mirrors that goes on, that the budget deficit is a certain amount, you can just in your mind add $9.7 billion for what is sitting in the highway trust fund now. Four billion dollars that is in the transit fund; $4.3 billion in an aviation fund, and you will know that the real deficit is that much bigger.

So the gentleman brings up a fine point. No, this money is collected for one special purpose, and we cannot pass a bill that would utilize more than that. We cannot run out of money in the highway trust fund.

Every year, a lot of people do not know that there is a thing called the Byrd amendment. I do not believe it is the present majority leader in the Senate; I believe it is a former Senator from the State of Virginia who put that in.

It says that every year the Secretary of the Treasury must certify to the Secretary of Transportation that for all the bills that will come due from the Federal Government in the highway program for that year, and the other program, that the money will be there.

If there is any time that the Secretary of the Treasury is not able to certify that fact, then without Congress doing anything at all, automatically the Secretary of Transportation must reduce proportionately to all the States—whatever they are short, he or she has to reduce that.

That was triggered once, the second year of the fund, when it was building up in the 1950's. Thanks to the previous members of our committee and the Congress of the United States, that has never been triggered since, and it will not be triggered under H.R. 2, the bill that was passed so overwhelmingly 2 years ago.

So it is a safe, good—not a user fee, but a benefiter fee. The more you drive, the more you pay. The less you drive, the less you pay. If you do not drive, you do not pay anything into the highway trust fund. Would it not be nice if all our programs could be handled like that? Unfortunately, they cannot.

Mr. Speaker, I yield to the gentleman from Georgia.

Mr. ROWLAND of Georgia. Mr. Speaker, Mr. Chairman, I have heard the argument made that as far as these trust funds and the budget is concerned, the money coming into these trust funds is a part of overall revenue, and then it is a part of overall spending; and I have even heard it compared to bank accounts; like you have a bank account here and a bank account here, and a bank account there, and all of these are our assets.

The fact is, that is a specious argument. That is a false argument, because as you just pointed out, the money in the highway trust fund cannot be used for anything else, so it is really not like having separate bank accounts, then.

I know the chairman has worked very hard to try to get this highway trust fund off of this budget, and we have been unsuccessful in doing that.

I hope that the Members of the Congress will come to have a better understanding about exactly the way that the relationship exists between these trust funds and the budget defecit, so that we would really not be playing this legerdemain game, this slight-of-hand game with the public. In my opinion, that is exactly what is taking place, and I just want to thank the chairman for qualifying that this legislation in no way is a budget-buster at all.

There is one other point that I want to make in reference to projects in particular, and this is one that is not even in my district; but it is in the State of Georgia.

As the gentleman knows, we have across the Savannah River that is some 40 to 50 years old, and when this bridge was originally constructed, it would allow the passage of ships into the Port of Savannah. Now the ships have become so tall that in many instances, the ships are not able to get under this bridge. In fact, Georgia and the whole Southeast is losing a lot of trade, because shipping companies now are carrying their cargoes elsewhere to unload because they cannot get under this bridge.

There is money—about $53 million, which is incidentally matched by $36 million from the State of Georgia——

Mr. HOWARD. Mr. Speaker, I would like to interrupt the gentleman at this point for a second, because I have told about the demonstration projects that the State has to put in 20 percent. In many cases, as in this case, the State is putting in much more than 20 percent. Nobody is putting in less.

Mr. ROWLAND of Georgia. That is right. The State is putting in much more because it is so important to the State of Georgia to raise that bridge to allow these ships to come in so that cargoes can be unloaded in the Port of Savannah.

Unless this legislation passes, Mr. Speaker, we are going to find that we are not only going to lose about 19,000 jobs in the State of Georgia directly; we are going to lose many, many more jobs.

You know that in my part of the State where there is a rural economy, we are hurting. We are really hurting badly. We need some assistance to bring jobs into those rural areas so the people can stay in those rural areas.

That is exactly what will take place, if we can get that Port of Savannah fully operational.

Mr. HOWARD. Mr. Speaker, I thank the gentleman for his remarks and he points out another thing. We have talked about the amount of money in this bill and the fact that 800,000 or 813,000 jobs affected by this bill, that does not include the number of jobs that are at stake inland from that Talmadge Bridge in Georgia that will be lost and lost forever unless we pass this bill. Of course, with the President's proposal, we will not be able to do that.

The only chance for it is to have this veto overriden. I thank the gentleman for his comments.

Mr. ROWLAND of Georgia. I thank the gentleman for all of the great work that he has done on this legislation.

Mr. HOWARD. Mr. Speaker, I now yield to the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Speaker, I thank the chairman for yielding to me.

I am the only Democrat that voted against this bill as it went down on its way to the President. I did not vote against it because it broke the budget; I did not vote against it because I thought there was too much pork in it; and I did not vote against it because I want to delay it.

I voted against it because my State of Montana didn't receive an appropriate amount of money.

□ 1300

The reason for that is simple: Our State highway department out there simply did not request demonstration projects from the committee, so they did not get any. Because those projects come out of the rehabilitation and repair money for the highways, that simply reduced, understandably, the amount of money that was available in Montana. But I must tell the chairman that I am going to be with him on overriding this veto because, and let me go back over my reasons again, because I know this bill does not break the budget. I am on the Budget Committee. This bill is absolutely not a budget breaker.

The President is simply wrong. And his Cabinet officials who are trying to put a certain spin on what the President is saying about this bill being a budget buster are wrong, they are incorrect.

Does this bill have a lot of pork in it? That is a matter of definition. But I ask the American people, Mr. Speaker, would they rather have their elected officials deciding where the great construction and repair projects in this country are going to go, or do they want some unelected people, out of sight, out of sight of the public view, making those decisions?

It is an interesting thing when the American people make their decisions through their elected representatives, that is given the definition of pork; when those decisions are made by a few people under the cover of nonelection, somehow those decisions are, I guess, manna from above.

With regard to delay, I tell the chairman what he already knows, and that is out West we either start our bidding season on these projects this week, that is this week, or it is too late. We either move right now or we miss an entire year's season in the construction, repair and renovation of these badly needed highways and bridges.

So I am going to join the chairman and I think a significant majority of my colleagues here in the House by overriding the President's veto.

Being the lone Democrat who voted against this bill, I did not do so because it is not a good bill; it is. I just did so because I wanted to demonstrate that my State of Montana was receiving, I think, about an 8- or 12-percent reduction in funds, and I wanted to demonstrate my disagreement with that. But that happened simply because my State did not request demonstration projects.

Mr. HOWARD. The major portion of that is the kind of a cut, almost, that all the States are taking because of the Gramm-Rudman cuts, as such, not because the money has not been collected, not because it is not there, but strictures of the budget and Gramm-Rudman, I say to the gentleman.

Mr. WILLIAMS. I thank the chairman for yielding and encourage all my colleagues in the House to take this one last chance on this vote to be sure that our construction season out West can go ahead.

If I may just conclude, Mr. Chairman, by noting this: Many people say, "Well, look, this bill can be vetoed and the Congress can still move in time because the Congress can always do wonderous things very quickly with regard to legislation if it just puts its mind to it."

What those folks do not understand is that the Congress is only able to move quickly, within 24 hours, on legislation that has unanimous support. This legislation is complex, it is contentious, there are a lot of tensions in this bill. And if the President's veto is not overridden, then we lose an entire year of getting on with the highway construction in this country.

I thank the chairman for yielding.

Mr. HOWARD. I thank the gentleman for his statement. I would like to say about the time involved, we received the President's bill last Friday. He said if this veto is sustained we can come out with another bill in 7 days.

It is going to take us 7 days, with the short notice we got from the White House, just to look over some of the—we found so far over the weekend with our staffs working Saturday and Sunday—some 30 major policy changes which would have to be looked into. We would have to get advice from experts. We would have to get from the counties and the States and the people their views on these major changes.

We could not even begin to be able to deal with the legislation in enough time for the gentleman's State, which probably has one of the shortest construction times, being a very Northern State, as compared with other States of the Union, to not suffer the tremendous loss which it would. The numbers may not be big on a national scale, but we certainly know when you are talking about 6,500 jobs, direct jobs involved, I would imagine in Montana that is an awful lot of people.

Mr. WILLIAMS. It is a lot of work, Mr. Speaker. We appreciate your good work in trying to move this bill through quickly.

Mr. HOWARD. I thank the gentleman. I would be happy to yield to the gentleman.

Mr. VISCLOSKY. I would appreciate it.

Mr. Chairman, I would first of all like to thank the gentleman very much on behalf of all of the citizens of the First Congressional District in Indiana for his efforts in the 99th Congress and in the 100th Congress to see that H.R. 2 was taken to the President's desk. The gentleman has done a great job.

The second point I would like to raise is there has been a lot of talk down on 1600 Pennsylvania Avenue that this is a budget buster. As I explained in a press conference that was held in northwest Indiana over the weekend, that simply is not true. Several of the speakers previous to me have, I think, done a very good job at pointing that out.

Mr. HOWARD. And a very factual thing: you look at the numbers, you look at the budget numbers and you look at the bill and it is not a budget buster.

Mr. VISCLOSKY. That is right. And I tried to impose upon the chairman and on the committee, as a matter of fact, to ensure that we received as much funding as possible for several projects of great importance to us in northwest Indiana, and not simply, in a sense, to throw money at a problem but to really solve some critical situations that exist.

My two perspectives, as far as voting to override the President's veto, really go to the world question of safety and the question of the steel industry in the United States of America.

One of the two projects in our area regard the reconstruction of an interchange at Cline Avenue and the Borman.

We have a tremendous number of accidents at that interchange. We have now extended Cline Avenue, and we will have increased traffic at an interchange that can now only handle about one-half of the anticipated traffic flow.

We are having an extreme problem there, and the committee has, I think, exercised a great deal of foresight in trying to help us correct that problem. But it is a situation that impairs the safety of motorists in our district and I think it is a story that can be replayed in all of the congressional districts throughout the country.

The other great concern I have is, if we lose an entire construction season this year, it is going to have a devastating impact on the steel industry. It is estimated by the Library of Congress that there are only three sectors in the economy that contribute more materials and services to highway constructions projects than the steel industry. And there are only four that contribute more as far as some reconstruction projects.

With an industry that has one of the major bankruptcies in the country currently, we suffered a 5-month lockout at USX. We cannot afford to lose the construction season.

I think, as the chairman has also rightfully pointed out, this is not a partisan issue. When we held our press conference in Gary, IN, this past Friday, one of the spokespersons at the local level who joined me was Mayor Tom McDermott, a Republican mayor from the city of Hammond, as well as other Democratic officials, Pat Schaadt from Griffith as well as Mayor Cal Green from the city of Hobart.

So it is a bipartisan issue. It is within the budget. It deals with public safety in this country, which I know is of concern to the chair as well as the steel industry which is very close to my heart.

Again I take this opportunity to thank the chairman for all of his work and to encourage all of my colleagues to join with him in voting to override the veto of the President tomorrow.

Mr. HOWARD. I thank the gentleman very much for his statement and for two things that he mentioned; one having to do with the fact that there are other industries. When we think of jobs lost in the highway industry, we think of the people only who were there at the site of the highway, building the highway. We somehow forget the very, very importance of it to the steel industry or the gravel industry or the people who make the safety fences and such other things. I also thank the gentleman very much for pointing out the bipartisan nature of this legislation. It passed out of our committee, which is 53 Members of Congress, bipartisan, unanimously. And certainly a vote on the floor of the House of 407 to 17 and in the other body of 79 to 17 certainly cannot be called anything partisan. It just had to be bipartisan.

One point about the State of Indiana also: with the projects that the gentleman mentioned and the amount of money that they would lose for this year, I have the figure here of over $250 million and over 15,000 jobs in the State, projects that need to be done by Indiana. And one important thing that happens in a lot of States, it is said in Indiana that the State does not have any contingency funds to make up for this if we do not override this veto this week and have this money go out to them, they are just lost completely. That is true in Indiana and a lot of other States.

Mr. VISCLOSKY. In addition to that $250 million we are also talking about an additional loss of $7 million as far as mass transit. We have the South Shore Railroad in our area and a number of other public agencies throughout the State that are also going to suffer the consequences of this.

Mr. HOWARD. I thank the gentleman.

I yield to the gentleman from Missouri.

Mr. VOLKMER. I, too, wish to join with my colleagues in commending the gentleman from New Jersey for his leadership in providing adequate transportation systems throughout the United States.

As I listened earlier to the gentleman, I think he has done a noteworthy service to this House and to the people in general in correcting the misunderstandings, as I may put it, which have emanated from the White House and the OMB as to this bill being a budget buster, which it is not. And it was adequately pointed out that these highway trust funds cannot be used for anything else other than the highway or mass transit for which they were originally intended.

□ 1310

Also, pointing out and correcting the misstatement in the Washington Post as to the demonstration projects, and that they have to be funded partially by the States, I also want to point out, as the gentleman from Indiana [Mr. VISCLOSKY], who spoke before me, pointed out, the impact of the lack of this legislation on the steel industry. The gentleman in the well has pointed out the gravel and limestone industries, and others.

In my district, I have two cement plants. You do not build concrete highways without cement. You may do so with your blacktops and those types, but you are not going to do it, and it would be devastation on the cement industry in the United States.

You use the figure 800,000, that, I think, is a bare minimum of the amount of loss of jobs that we would see occur this summer, when we desperately need work in this country.

I wish to really ask every Member of this House to vote to override the President, not as against the President, no, but for the United States, for this country to continue on with the completion of the work that is needed out there on this highway system of ours.

In that regard, I just want to point out that in my district, right now, there is laying in wait a stretch of road that is about 5 miles in length, that last year was completely graded and ready to go making four lanes out of a two-lane highway. That roadbed that is now ready for pavement is going to sit there until this highway bill gets passed. If this highway bill is not going to be passed, next year it is still going to be sitting there.

Mr. HOWARD. And more expensive to do.

Mr. VOLKMER. Yes, more expense to the taxpayers.

Also, it will be more of a safety hazard to the taxpayers. That is a part of the road that does need four lanes. It is being done with partially State and partially Federal funds.

I wish to commend the gentleman from New Jersey [Mr. HOWARD] and this House for the passage of the bill originally. Surely we can hold almost all of those Members who voted for it, knowing that it was a good bill then, and it has not changed. It is still a good bill. It is not a budget-buster, and it is one that is needed out there, as the gentleman has said earlier, for safety on our highways to correct and repair many areas that need to be done.

I, too, wish to join with everyone who has mentioned that demonstration projects are not boondoggle; they are not pork barrel; they are things that are needed in the areas in which they are proposing this bill.

I wish to thank the gentleman again for his leadership.

Mr. HOWARD. Mr. Speaker, I thank the gentleman.

I would like to state that the gentleman makes a very good point for his State, as well as for the Nation, in fact. In Missouri this year, $249 million is involved and over 15,000 jobs.

In the article we have on each State, I guess this is pretty true—out in Missouri, the people do not waste a lot of time on flowery rhetoric; they sort of tell it like it is. I would like to say that in the paper today, on Missouri, there is a quote from the highway department administrator, Mr. Wayne Muri: "Without Federal funds, we will not have a construction program, period."

Mr. VOLKMER. That is correct. Missouri is trying to improve their conditions. We have a vote coming up on April 7 to increase our gasoline tax so that we can do our bit in continuing the improvement on our highways.

Mr. HOWARD. It has been a great State, Federal partnership down through the years. It would be a shame to throw it away at this time because I believe that that may be the kind of result to look for in vetoing this legislation.

Mr. VOLKMER. Mr. Speaker, as the gentleman knows, many of our States have already lost bid-lettings. We lost bid-lettings in December, February, March. Now, hopefully, if we can get this through and get this overridden this week by the House and the other body, we can have bid-lettings in April and we can have work going on this summer.

Mr. GRAY Of Illinois. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. I yield to the gentleman from Illinois.

Mr. GRAY of Illinois. Mr. Speaker, first, I want to commend the gentleman from New Jersey [Mr. HOWARD] for taking this time, and also commend him for the long, arduous work over the past several years in bringing this 5-year authorization to the floor, and now the attempt to override the ill-conceived veto of the President.

Mr. Speaker, as I sat in the Speaker's chair a moment ago and listened to the message from the President, his veto message, it became clear that the primary reason for vetoing this legislation is not the excuses, and they were not reasons, the excuses he gave that it was a budget-buster, a lemon and all that. It is primarily the demonstration projects placed in the bill by elected Members of Congress.

I would like to engage my distinguished chairman, whom I have great respect and admiration for, in a colloquy.

Is it not a fact, Mr. Speaker, that out of this entire 5-year authorization, that the demonstration projects represent just a little over 1 percent of the total of this bill?

Mr. HOWARD. That is right. One percent where the Members of Congress, who raised the tax for all of it, only 1 percent that they would have a say in.

Mr. GRAY of Illinois. Is it not also a fact that the politically appointed Secretary of the Department of Transportation, Mrs. Dole, has a discretionary fund in this bill the President vetoed that has billions and billions of dollars more than the total cost of all demonstration projects?

Mr. HOWARD. That is true.

Mr. GRAY of Illinois. In fact, If I could digress just for a moment to that subject, we have a Republican Governor in Illinois, James Thompson, he is a friend of mine. Last year, he got on a plane, flew down to Washington, talked to Mrs. Dole and one project in Illinois got a discretionary appropriation of $14 million. That is more than a lot of the congressional districts have in this entire 5-year authorization. They do not call that pork barrel. That is a meritorious expenditure of public funds, as long as it is done by some bureaucrat down in his administration.

Mr. HOWARD. Without a vote.

Mr. GRAY of Illinois. Without a vote. But as the chairman so ably points out, those that are elected every 2 years that know their district better than anybody else, he calls it lard and pork. It is probably $6 billion Mrs. Dole will have to give out to her Republican friends out in the States, and I want to say that this is political in the White House. It is certainly not political here in Congress, but the President made a political veto and not one based on sound judgment, or the facts.

Let me say to my distinguished——

Mr. HOWARD. Before the gentleman leaves that subject, I would just like to comment in connection with that. I did read in one of the major national newspapers last week that on this veto where the President said there is pork barrel in here, which are projects that are in the bill, they are in the public and they are voted on by both Houses of Congress, the White House, in trying to get a suspension of this veto, is putting on a full-court press with Members of the other body, and in order to try and get their vote against the bill, that they will be doling out or dishing out—maybe I should not be saying "doling" at this time, with two involved—but they are going to be dishing out bridges and judgeships, Federal judgeships.

Now that, I think, might very well be called pork and pork barrel. I think that is far more noble to have it in legislation, voted by the Members of both Houses, than without a vote being passed out of the back door of the White House without people knowing about it, without it being public, without it being voted on.

Mr. GRAY of Illinois. Mr. Speaker, if the gentleman will yield further, I agree and I would like to develop a couple of other points.

I stood where the chairman is standing 31 years ago when we had another Republican President, Dwight Eisenhower, and we proposed at that time to raise gasoline taxes 1 cent a gallon. We got a message from the White House that this would bust the budget. We cannot afford it, they said.

So Mr. Eisenhower appointed what was known as the Clay Commission. They went out and studied this matter and said it would be better to sell bonds. Looking back, had this Congress, if we had not had a Democratic Congress, if we had sold bonds instead of having 42,500 miles of interstate highways paid for on a pay-as-you-go basis we would have only two-thirds of those roads today, the rest would have gone to fat cats for interest.

We raised gasoline taxes 1 cent a gallon; we saved lives; we started the Interstate System, and Mr. Speaker, for 26 long years, the Federal tax was only 3 cents a gallon until this President, Mr. Reagan, came along, and he said, in 1982, give me another 5 cents, more than double the gasoline tax, for the explicit purpose of building roads.

□ 1320

That kicked the gasoline tax up to 8 cents a gallon. But for 26 years we built the system on a 3-cent tax until this President said, "Let's raise the tax 5 cents per gallon so we can build twice as many roads."

This Congress responded affirmatively. We collected the money and put it in the trust fund; it is there. Now that we are getting ready to spend it on safety and roads the President says it is "busting the budget." There is no consistency whatsoever in his argument between 1982 and now.

Mr. HOWARD. Right. And he said also, "If you do collect that money, it will be used in addition to the present programs." And even in the bill we have now that we are trying to enact into law, that promise is being broken because it is less than what is being collected.

I wish to thank the gentleman as one of only three Members of this body who was a Member when we embarked on this great road program we have now. I refer not to Members of the body but to members of the Committee on Public Works and Transportation at that time which brought that legislation to us on the floor. The other two members who were in at the beginning of the interstate program, in addition to the gentleman from Illinois [Mr. GRAY], one is the chairman of the Committee on Energy and Commerce, the gentleman from Michigan [Mr. DINGELL], who was a member of the Public Works Committee, and our great beloved Speaker, the gentleman from Texas [Mr. WRIGHT].

Mr. GRAY of Illinois. Mr. Speaker, will the gentleman yield further?

Mr. HOWARD. I just have a few more minutes, and I want to yield to the gentleman from Massachusetts [Mr. FRANK]. So I will yield just briefly.

Mr. GRAY of Illinois. I thank my friend. Mr. Speaker, I want to make one quick point. The President calls this bill a "lemon." I say to the Members that there are 800,000 jobs hanging on this override, and there are thousands of lives to be saved by getting rid of antiquated roads and bridges so if the Members will vote tomorrow to override this veto, we will change that "lemon" into lemonade.

Mr. HOWARD. I thank the gentleman from Illinois [Mr. GRAY].

Mr. Speaker, may I ask how much time is remaining?

The SPEAKER pro tempore (Mr. GONZALEZ). The gentleman from New Jersey [Mr. HOWARD] has 6 minutes remaining.

Mr. HOWARD. Mr. Speaker, I yield to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. I thank the chairman of the committee.

Mr. Speaker, I would like to commend the chairman for his leadership on this bill. I think what is very instructive is this article in USA Today. First, I just want to mention to the chairman of the committee what this bill means to my State. Every State has a tremendous stake in it, but what we are talking about for New Mexico is $103 million, half of the entire State highway program. That is no demonstration project; that is just the livelihood of the State.

What I would like to just ask out loud is simply this: Whatever happened to this new spirit of conciliation from the former Senator, Howard Baker? He was supposed to be the godsend of compromise. Yet here we are, and the same rhetoric that was being used on the clean water bill is being used on this bill, that it is a "budget buster," that all it is is pork barrel, and I think the people of this country want a better infrastructure and they also want clean water.

So it is very regrettable that the White House for political reasons is using tremendous pressure on this body and the other body. The two Members of the New Mexico delegation in the other body were with us on the bill the last time, and hopefully they will do that again.

But the pressure being exerted is very strong, and I hope, with the efforts of the chairman and many others in this body, we can win this very important victory, because it is important for the Nation's development, for 800,000 jobs, and for the increased vitality of rural areas such as New Mexico.

Mr. Speaker, the article from the March 30 edition of USA Today to which I referred is as follows:

[From the USA Today, Mar. 30, 1987]

VETO A THREAT TO INTERSTATES, JOBS, BRIDGES

Most states' highway construction plans are in turmoil after President Reagan's veto of an $87.5 billion highway bill. State officials report hundreds of projects junked or delayed—including frail bridges and long-delayed interstate improvements. Mountain and Northern states with short summers could lose the entire construction season—leaving thousands of road workers jobless. Congress this week tries to override the veto, but "any further delay will have grave consequences for the driving public," said Francis Francois of American Association of State Highway and Transportation Officials. Effects by state:

ALABAMA

150 highway workers laid off; without bill's $255 million, projects already delayed will be shelved. Half the state's road dollars come from bill; no contingency funds.

ALASKA

If no bill by June 1, $70 million in projects will be scuttled this year. 90 percent of state's highway money from federal government. In jeopardy: Alaska Highway reconstruction south of Fairbanks; repairs in Anchorage, Ketchikan.

ARIZONA

Only missing link in Los Angeles-to-Jacksonville, Fla., I-10 is stretch of Phoenix's Papago Freeway. A four-block, $28 million segment at risk.

ARKANSAS

Money for contracts put out to bid Thursday will have to come from state's $34-million gas tax fund. Tied up in bill: $130 million, 80 percent of Arkansas' road money. At risk: surfacing of U.S. 63 from Marked Tree to Jonesboro.

CALIFORNIA

100 projects with $300 million price tag in bill; state gets 85 percent of highway money from federal government, but $100 million from state gas tax available. Postponed projects: $30 million Century Freeway construction in Los Angeles; $870 million for Los Angeles Metrorail expansion.

COLORADO

6,600 jobs lost if veto isn't overridden, said Highway Department director Lowell Jackson. At stake: $11 million for 65 projects, including closing I-70 gap at Glenwood; $30 million I-470 work in Denver.

CONNECTICUT

Veto "blows the whole construction season," said transportation commissioner J. William Burns. $271 million—half of state's highway program—in bill. A tenth could be rescued with state dollars. Jeopardized: $100 million replacement of Hartford's 50 year-old Charter Oak Bridge.

DELAWARE

Vetoed bill "completely unacceptable," said transportation secretary Kermit Justice, who backs Reagan's action.

D.C.

20 street and bridges projects with $23 million price tag on hold. "300 jobs will go begging," said deputy transportation administrator Wallace Cohen.

FLORIDA

$430 million for highways, $60 million for mass transit in bill for 1987. Jeopardized: 2,000 jobs, $288 million in projects, including $40 million Howard Frankland Bridge across Tampa Bay, $40 million completion of I-595 in Fort Lauderdale.

GEORGIA

April contracts cut $31 million. $319 million in projects jeoparized: $73 million replacement of Eugene Talmage Memorial Bridge over Savannah Harbor, $53 million conversion of Atlanta's Peachtree Industrial Boulevard to interstate. Half of state highway funding from federal government; state gas tax fund "all used up," said transportation official Hal Rives.

HAWAII

$130 million in bill. At risk: Waile Bridge on Hawaii.

IDAHO

Totally dependent on federal funding: $84 million for 100 projects in bill. Brief construction season makes every week without bill "more critical," said transportation director E. Dean Tisdale. At risk: repair of heavily traveled, 6-mile stretch of I-95 south of Coeur d' Alene.

ILLINOIS

$450 million in bill for 1987—total '87 road program is $875 million. December contracts scaled back by $61 million. Delayed projects: $140 million reconstruction of Dan Ryan Expressway south of Chicago's Loop; construction of southwest Chicago transit line.

INDIANA

Federal government picks up tab for three-fourths of state's highway projects. At risk: $170 million in work—$16.9 million Fort Wayne bypass, $20 million widening of Evansville's Vann Avenue. No state contingency funds.

IOWA

Legislature debating bill to let state borrow against expected federal funds. Without bill, no new contracts will be signed after Tuesday. Included in $150 million '87 funding: U.S. 20 paving west of Dubuque.

KANSAS

May be too late for 14 state projects with $40 million price tag. Biggest: $20 million, 8.3 mile I-35 reconstruction in Kansas City area. 60 percent of improvement program comes from federal dollars; no state contingency fund.

KENTUCKY

Construction season in jeopardy; $200 million loss represents 60 percent of highway construction program.

LOUISIANA

At risk $268 million, work on I-49 in Alexandria, Shreveport; New Orleans' I-310.

MAINE

Ran out of money March 1, but on "roll of dice," state is advertising contracts in hopes of veto override or new bill. Alternative; use state funds for two months, then halt all work. In bill: $56 million, 70 percent of state road program.

MARYLAND

$114 million for 32 projects needed by May 1 to salvage construction season; 60 projects worth $125 million delayed since Oct. 1.

MASSACHUSETTS

Jeopardized: 71 projects, including rerouting of Boston central artery underground and construction of new harbor tunnel to airport; $167 million; 4,000 jobs. 80 percent of highway money from bill.

MICHIGAN

State selling up to $300 million in revenue bonds to continue highway program.

MINNESOTA

Half state's $350 million program at stake. Without bill by April 30, $70 million in projects will be scrapped; if no bill by Oct. 1, $90 million more will be postponed. Toll if construction season lost: 7,000 jobs, $160 million in highway work.

MISSISSIPPI

$48 million in March contracts canceled. Contractors say workers will be laid off. Three-fourths of road funding comes from federal government; no state contingency funds. At risk: repairs of 20-year-old I-20 through Jackson, Vicksburg and Meridian.

MISSOURI

"Without federal funds, we will not have a construction program," said highway department administrator Wayne Muri. In bill: $260 million.

MONTANA

At risk: Route 200 between Plains and Paradise, site of many traffic wrecks because of curves. Construction season lasts only 4-5 months.

NEBRASKA

Construction program to be halved to $60 million without bill. Pending state legislation would allow bond sales to pay for road work. Already delayed: I-80 pavement replacement near Lexington; $5 million U.S. 81 repairs in Norfolk.

NEVADA

Without bill, $13 million in bond payments due this week will come from state funds. $70 million in bill is half state road program. On hold: $64 million extension of I-5 in Reno.

NEW HAMPSHIRE

$45 million toll highway expansion program not threatened. "We're very lucky," said highway commissioner Wallace Stickney. Bill contains $52 million for state. In trouble: $14 million completion of Route 101 connecting Manchester and Portsmouth.

NEW JERSEY

$200 million in road work jeopardized. State's 2.5-cent gas tax trust fund runs out June 30, said Hazel Gluck, New Jersey transportation commissioner; legislature may not renew. In bill: $280 million, including $65 million for I-287. "If we don't get a bill by early May, it will take us about a year to recover," Gluck said.

NEW MEXICO

$103 million in bill, half of state highway program. At risk: $5 million in I-10 improvements near Las Cruces; $6 million I-25 fixup. Other worries: Delay will create glut of projects when money freed up, hurting competition and raising costs. $40 million state contingency fund available July 1.

NEW YORK

Counting on more than $500 million from the bill, state advertised for $50 million in bids to be opened every two weeks starting April 16. Already $150 million in projects and 4,000 jobs have been lost—while state taxpayers pay $12 million a week in highway taxes.

NORTH CAROLINA

Expected $100 million from the bill. Included: $24 million bridge over Roanoke Sound—one of the bill's "pork-barrel" projects that led to veto.

NORTH DAKOTA

"We're out of funds here. We need them immediately," said highway commissioner Walter Hjelle. Key projects: $3.5 million reconstruction of Bismarck's 20-block, 30-year-old Main Street. Construction season maximum 130 days.

OHIO

39 projects worth $49 million on hold. Examples $29.2 million for 6 miles of new U.S. 422 in Geauga County, linking Cleveland and Youngstown. Also: 1.5-mile, $26 million segment of I-670 between downtown Columbus, airport.

OKLAHOMA

"We have to almost completely shut down our construction," said Bill Hartronft, chief transportation engineer. They'd hoped to upgrade I-35 in Oklahoma City; I-44 in Tulsa; I-240 in Oklahoma City.

OREGON

Expecting $140 million. If bill not passed by July 1, "we can scratch the whole season," said transportation department's Don Trout. Big concern: replacing mile-long Alsea River Bridge at Waldport.

PENNSYLVANIA

About $200 million at risk. "We're down to rug-cutting time. It takes about two months to advertise and award contracts," said transportation spokesman James McCarron.

RHODE ISLAND

Biggest project at risk: $65 million for approach roads to 7,000-foot Jamestown Bridge over the ocean between North Kingston and Jamestown.

SOUTH CAROLINA

Expecting $147 million. Anticipating federal funds, state has authorized and advertised a number of contracts, one step short of final OK.

SOUTH DAKOTA

100 projects, $40 million at risk. Construction season: April 1-? Thanksgiving. "We favor the override. We don't feel the delay is worth the risk," said Wallace Larsen, deputy transportation secretary.

TENNESSEE

In jeopardy: $244 million, 54 projects. Larger projects: Briley Parkway, new 4-lane in Nashville area, Route 66 expansion in Severe County.

TEXAS

At risk: $850 million. "We are continually having to use state funds . . . without full assurance we'll be reimbursed," said highway department's Vic Holubec. Funding loss could cost 14,000 jobs.

UTAH

$112 million at risk. Coupled with loss of mining and heavy industry, loss "presents a very serious problem," said state transportation director Eugene Findlay. Eight new miles of I-70 construction from Salina to Sigurd jeopardized.

VERMONT

"The season really kicks off when the mud leaves, in mid-April to early May. We'll be out of money by summer. We'll just have to stop issuing contracts," said transportation agency spokesman Glenn Gershaneck. At risk: 1,000 jobs.

VIRGINIA

State funds may supplement highway program. Work on two "suicide strips" in Tidewater area, Chuckatuck Bridge on Route 17 jeopardized.

WASHINGTON

$95 million in bill. This week, state Senate debates using state money on major projects, including interstate work, until federal money comes. Local projects are "completely shut down," said transportation official A.D. Andreas.

WEST VIRGINIA

Causing concern; Chelyan Bridge over the Kanawha River in Charleston, Sixth Street bridge in Huntington.

WISCONSIN

Interim financing for most state projects found by borrowing on balances, converting some projects to bonding, refinancing others. But "we've dug ourselves a deeper hole in '88 to salvage the '87 season," said Transportation Department's Rod Clark. Expecting $190 million from bill.

WYOMING

"Projects won't be built and contractors will go under," said Highway Department spokesman Keith Rounds. Jeopardized: work on I-80, I-90, I-25.

Mr. HOWARD. Mr. Speaker, I thank the gentleman from New Mexico.

Although we may be disappointed at the lack of cooperation that had been promised by the administration, I would again like to say that this is not, at least on Capitol Hill, a partisan issue, because we have bipartisan support for the bill, we expect bipartisan support for the override, and I believe, as has been stated, that we might even expect the President's Republican leader in the House of Representatives to vote for the override tomorrow.

Mr. Speaker, I am happy to yield to my good friend, the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK. Mr. Speaker, I thank the chairman of the committee, who has done a first-rate job on this bill. It is an accomplishment to get a bill through this House with only, I think, 17 negative votes, so that the overwhelming majority of the Republican Party in the House votes for it and well over half of the Republicans in the Senate votes for it.

It is a compromise; it does not please everybody. It is not a perfect piece of legislation; we have never passed one. But it is a first-rate bill, one that did not have any hint of partisanship about it until the President of the United States got into trouble and was advised by Pat Buchanan, the right-wing, ideological high priest, to create a diversion: "Don't let them focus on Iran or Nicaragua or on the budget deficit in the budget you sent up."

That is why this fight has been created. As the gentleman pointed out, with regard to specific projects, they will give out many more specific projects than the Congress will. What has got to happen—and people should understand this—is that the President has got to go to at least 17 Republican Senators who voted for the bill and who said it is a good bill. And the gentleman remembers this because he was involved in it. It did not pass easily; it did not whip through. There were a lot of compromises. We backed down in some areas, and they in others. It has less money than a lot of people would have liked, but we understand our fiscal restraints.

So he has to go to 17 Republican Senators and say, "Please, this bill you voted for because you thought it was a good piece of legislation, now that I have decided to veto it, switch your vote. Let's do a little magic. Let's make a good bill into a bad bill. Let's make fiscal responsibility into budget busting. Let's cut back on public transportation projects and needed highway projects just so I will look good."

If Senators want to do that, they can. Maybe they can explain to the people in their own districts why, having voted for a bill, because the President snapped his fingers they switched. But let them also understand one thing. I know this is an issue the gentleman cares about deeply. I voted to raise the speed limit, to allow the States to do that. Our current Speaker pro tempore was very persuasive in that regard. But our chairman was very conscientiously against it, and it pained me to vote against it because I rarely do that.

But one thing should be clear to Members in the other body, particularly Republican Senators from States where they say 65 is important. Several of us in the House voted to allow States to raise the speed limit as part of an overall package because we have public transportation proposals and they have other proposals. That was a package. If this bill is vetoed successfully and for political reasons to make the President look less weak, the bill is killed and the 65-mile-an-hour speed limit as a matter of fact dies with it.

Then the question is: Well, what happens if it comes up as a separate bill or as a part of a much smaller transportation bill that does not meet highway needs? Well, eleven of us who voted to raise the speed limit, the difference between victory and defeat on that issue, will not support it as a separate bill or as part of a skeleton compromise that is sent over here to cover the President's mistake. So Members who voted in both bodies should understand that whether or not we get an increase in the speed limit to 65 depends on overrriding the veto. If the veto is not overriden, then neither is the 55-mile-an-hour speed limit changed.

Mr. HOWARD. So since the 65-mile-an-hour increase in the speed limit, which I opposed strongly, being the author a decade or more ago of the 55, passed in this bill by eleven votes, that means a switch of 6 votes, which had been for 65, would bring it against 65 and would be able to defeat it. And the gentleman says he has commitments from at least how many?

Mr. FRANK. At least 11, and I would guess that three more are going to do it.

Mr. HOWARD. So that is a net of 22?

Mr. FRANK. On the other side. At least 25.

Mr. HOWARD. So that would be 25 switches.

I am against the speed limit increase. However, I believe the national interest, with the 800,000 people involved in this legislation, makes it important for me, despite the increase in the speed limit to pass this. But the gentleman is saying that if those Western Senators wish to have the speed limit increased, the veto override this week is the only way they will get it? Is that what the gentleman is saying?

Mr. FRANK. Exactly. What I am saying is that if Members want to show their loyalty to the President, they have a right to do that, but they have to understand what is involved. There will not be an increase allowed in the speed limit to 65 miles an hour except as a part of a package like the one we have now, and the decision to sustain the veto and preventing this balanced package which meets everbody's needs from being enacted will have the effect of keeping the 55-mile-an-hour speed limit.

Mr. HOWARD. Mr. Speaker, I wish to thank the gentleman for his statement and thank him for the work he has done in trying to help us have this bill become law during the week. I am very, very grateful to him for his suggestion to me to have this special order today.

Mr. Speaker, I also wish to thank my colleagues, those who are here and those who are in their offices listening to this, and I look forward to having a huge override vote in this Chamber tomorrow afternoon.

IMPEACHMENT OF RONALD REAGAN—NO. 3

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, I would like to entitle today's presentation as "Impeachment of Ronald Reagan—No. 3."

I introduced House Resolution 111, which contains several articles of impeachment and in which specific violations of our laws as well as constitutional provisions clearly indicate that the Congress has an overriding responsibility and had best confront this problem sooner rather than later. There is no question about the fact that the President is headed in an undeviating way into direct military intervention with our troops in Central America.

What we have had thus far has been fragmentary participation. In the month of May, in less than a month and a week, he will introduce over, 50,000 soldiers just from our Department of the Army into Honduras for supposedly training exercises, which training exercises were inaugurated at the same time and coincidentally with his naming of a so-called bipartisan commission on Central America.

☐ 1330

While he announced the formation of the commission, he simultaneously announced the greatest concentration of military strength in the history of this region of the world, with a constant presence of the sea on both sides of the Isthmus there, on the Pacific, on the Caribbean, and over the air and on the land, involving at no time less than 30,000 of our military. A total of better than 17 have died in this endeavor.

There was very little notice. It was really never reported; but nevertheless, they did.

What is inexorable is the President's undeviating intention—time is running out on him—to intervene. If I would hazard any kind of guess, I would say by the month of June we will see the headlines and then, of course, the rest is history.

But at this point the very fact that the Congress has abdicated its traditional role as set forth in the Constitution in article I, and it is a good reason why those who wrote the Constitution and who exactly 200 years ago were engaged in that process at this time in the month of March, that they devised that article I would be the policymaking body of the country, the Congress of the United States, and hesitated long before they could reach an agreement as to the creation and establishment of such an office as we call the Presidency. In fact, the words usually used were Chief Magistrate.

It was about this time of the year that John Adams, then Minister to London from our fledgling Nation, concerned very much by the fact that this great historical and auspicious occasion on the attempt on the part of delegates from the various States and Colonies to forge an instrument as a result of the first 10 years of rather failed nationhood government, with the first and second Continental Congresses who fought the Revolutionary War and then the Articles of Confederation.

I think we should note that during the first 10 years of our nationhood there was not any such thing as the Office of a President or an Executive Chief, because there was good reason for that. They feared what the lessons of history clearly and demonstrably have shown all along.

John Adams, so fearful, as he was a very, very careful scholar, deep researcher into the history of the experiences of mankind with government, and particularly that very precious thing that we call self-government, which was a radical revolutionary concept, the world was governed by kings or potentates who said that their sovereignty, that is, their source of power, was from God. Well, you could not go any higher than that; or you had czars or you had oligarchies, the select chosen few.

The idea that the people would be the source of power, all source of power, all sovereignty emanating from the people, was just something that was not considered at all short of being highly revolutionary and radical; thus, the birth of our American revolutionary effort.

John Adams then wrote to the various delegates, particularly those who were here like James Madison and Wilson and Mason, pointing out that the only thing history showed was that where you had a separation of powers, you had success in the foundations and in the formulations of people's governments or democracies, that where you had any kind of concentration of sovereignty in any one of these three basic organs in mankind's struggle to erect governments, that you would not have freedom, that you would eventually have tyranny and oppression; so he gave us examples, the experience of Rome at the time that the republic was fading and men such as Cicero were arguing hard and explaining why they had to have this separation of powers and fighting against what eventually became concentrated in the Caesars of Rome.

So today we live at a time when that dilemma confronts us as never before in our history.

During the period known as the Nixon administration period and the very, very cataclysmic things that followed, for the first time in the history of our Republic an unelected President, two unelected Vice Presidents, I am sure that those who wrote the Constitution must have turned over over at least 50 times in their graves because this is exactly what it was they feared the most.

That was the result of the 25th amendment, which I voted against and spoke against on this House floor. I was one of just about 28 who voted no, but the only one who gave his reasons in the Record. Never in my worst fears or nightmares in saying what I said at the time, that it was reminiscent, the legislation was reminiscent of the old Senate intrigue and conspiracy in ancient Rome and in more modern times that third republic in France that Winston Churchill so well described as a maze and a puzzle encased in an enigma and all with intrigue and counterintrigue and power struggles within the ruling classes and, of course, the downfall of that republic to the German invasion and the overwhelming of the French countryside and French citizens and the occupation and the loss of its freedom to that invasion.

The facts are that we live in a similar period of time, in that eternal vigilance as the price of liberty has no greater, immediate and clear significance to us than today.

It is imperceptible, as history shows, when free people lose their freedom. It is also true that the worst of slaves are corrupted free men.

We may without even a whimper, much less of any threat of external invasion, have indeed not only sown the seeds of the destruction of our tremendous government which some of us still retain the faith that demonstrates the ability of the people to govern themselves, that in the long run the people know what is best for them, that no matter what short-run apparent victories of the oligarchan few, that in the long haul it is the people who know best, what is best for them.

Of course, democracy is disorderly. Democracy is not neat. Democracy is not very careful about the reverential spirit to the mighty, and that bothers some, particularly those who hunger for power will yield all to satisfy that power; but again the history of mankind is, as in the case of those great amassers of wealth, it is never satiated. For some good reason, even in our Scriptures they say, "He who loveth silver shall never be satisfied," and that is true.

This is the reason why governments have been created as a means of defending the greatest interest of the greatest number, the weak and the vulnerable, from the mighty and the ambitious and the bold, in the words of James Madison.

☐ 1340

How so are we losing that? For the very same reason that the current administration and President seem to be mired in an unending tale and one yet to be told of scandalous conduct and illegal conduct. We have been condemned before the world tribunal of justice several years ago for gross violations of international law, for state terrorism—which is what it amounts to—in the very case of Nicaragua, which is at the bottom of all of the troubles that a very mixed-up President is in today, though probably assured, very confidently, that with the proper circumstances and with the proper conjunction of events by June—because time is on him; he does not have much after this year—he must have an acceptable and at least for the moment an acceptance on the part of the American people for what will be a very costly venture to the treasure and to the blood of our men in this ill-begotten course toward direct military intervention in a meaningful way.

With 50,000 of our military within shooting distance of what the President considers an enemy and who stands accused and convicted before world law of using illegal and unjust means to do what? To overthrow a government that he sends an Ambassador with credentials to recognize as the legal and duly elected government of that people and that nation.

So we cannot have it both ways. We, the American people, through our representatives, must either speak out or forever abdicate at a critical junction when it is absolutely necessary that these coordinate, coequal, independent, separate branches of the government rise to the occasion for the greatest interest of the greatest number and that of our children, grandchildren, and great-grandchildren, as we compel them, if this President has his way, to forever live in a hostile world, one that will invoke all the misery, the divisions, the hatreds of ancient origin or Europe and the other, older world.

Certainly the overwhelmingly preponderant number of the American people are not desirous of that. But look how much has happened. The President has ended, throughout the world, in world opinion, in disgrace. In our own backyard we have allowed, and the President has counternanced, and in fact has even helped fund and finance, with these ill-gotten gains from such things as the sale of arms to Iran—he is the one who has sunk back to 14th—not even medieval but 11th- and 10th-century ways of doing things. We had not had such things as hostages taken as we saw in 1979, in the case of Iran, since the Crusades and the Middle Ages.

A very remarkable publication lamentably only just a relative handful of years ago appeared, known as the "World Press Review." In the April 1987 issue we have a wrapup of world opinion.

Mr. Speaker, I submit these excerpts for publication at this point in the RECORD.

THE WORLD LOOKS AT THE WHITE HOUSE CRISIS

Britain: Sunday Telegraph, London (conservative): Convicted at worst of sloth . . ., President Reagan can now start governing again if he still has the will to do so . . . Come back, or should one say, Wake up, Mr. President: The world has need of thee.

France: Le Monde, Paris (liberal): Ronald Reagan certainly has more charm and self-confidence than Jimmy Carter, but when all is said and done, he cannot show a Camp David peace accord, a settling of the Panama Canal affair, . . . or an identification of America with human rights. These achievements did a thousand times more for democracy—and harm to totalitarianism—than the Grenada landing. . . . Has not America learned that form is not everything, that substance takes precedence, and that it would be better to choose a president who knows how to run his own office . . . rather than one who plays on the public's emotions? If Americans reacted strongly to Irangate, it is because the Reagan mystique burst like a bubble.—Bernard Guetta

France: Le Figaro, Paris (conservative): The Tower commission was merciless on the White House team . . . Reagan was spared, but he is beginning his decline a year early. . . . Behind the high walls of the Kremlin, Mikhail Gorbachev must be rubbing his hands [in glee].—Jacques Jacquet-Francillon

West Germany: Süddeutsche Zeitung, Munich (independent): No one is using the word impeachment, although the main charge against Ronald Reagan—disregard for the laws of Congress—is implied in the Tower commission report. That would suffice for initiating impeachment proceedings. But in contrast to Nixon in the Watergate era, Reagan did nothing ostensibly evil, and he remains popular. The Democrats, despite their majority in both houses of Congress, are least interested in an impeachment. Not only would it be a highly unpopular move, but what could be more beneficial to the Democrats than a steadily weaker Republican in the White House?—Carlos Widmann

West Germany: Frankfurter Rundschau, Frankfurt (liberal): The appointment of Howard Baker [as chief of staff] is an admission by Reagan of his weakness, and signals a readiness for more cooperation with a Congress that has a Democratic majority. . . . Reagan knows that after the Iran debacle, he will have to do something unusual if he still hopes to enter the history books as a great president. This can only be done in the sphere of nuclear disarmament.—Jochen Siemens

Switzerland: Neue Züricher Zeitung, Zurich (independent): The Tower report makes clear that the only one who did not know what was happening, thus depriving himself of his own political powers, was the president. It is he who has to bear responsibility for the shambles at his feet.—Christoph Mühlemann

Italy: Il Giornale, Milan (conservative): Reagan has awakened from his torpor, asked for advice from some trusted political men, and embarked on his great project: to clean house.—Silvia Kramar

Italy: La Repubblica, Rome (liberal): An unspeakable hint of hilarity, almost a sense of opéra bouffe, slightly pathetic, drapes Ronald Reagan's political and constitutional mess. The sunset of Nixonian paranoia is running into the comedy of errors in which Reaganism is gradually losing, even more than its political influence, its very dignity.

Soviet Union: Tass, Moscow (official news service): Reagan's television address abounded in contradictory statements. For instance, he said that he was silent over Irangate, for which he has "paid a price". . . . Everybody remembers well that Reagan made a special statement on Irangate, in which developments were spelled out inaccurately—to put it mildly.

Soviet Union: Izvestia, Moscow (government daily): The conclusions of the Tower commission report cannot be called exhaustive and comprehensive. The commission was appointed by the head of the White House. . . . It acknowledged that it has touched only the tip of the iceberg.—Leonid Koryavin

Jordan: Ad-Dustour, Amman (pro-government): That the U.S. media concern themselves with only one side of the Tower commission report, namely the Reagan administration's method of managing and governing, without addressing Israel's domineering role in everything related to the arms deal, including U.S.-Iranian contacts made behind Congress' back, is surprising and amazing. The U.S. media have chosen to mislead public opinion on this issue by depicting Israel's role as marginal.

Nigeria: The Guardian, Lagos (independent): The outcome [of the investigations] will show if Americans will only have to live with the truth that their president is not a very bright man, or whether he has also been dishonest in his account of his dealings with the mullahs.

South Africa: Business Day, Johannesburg (financial): The most powerful man in Washington for the next two years will be Howard Baker. Reagan's presidency is over. Its place is being taken by a generic caretaker leadership that will mind the store until a new man—very likely a Democrat—moves into the White House.—Simon Barber

India: The Statesman, New Delhi/Calcutta (independent): Reagan has emerged from the scandal as a man who lacks consistency, principles, and, above all, control over subordinates. . . . In parts of the Third World, it has become a habit . . . to see the CIA under every bed, [and] the Irangate scandal would indicate that these fears are not always fanciful. Before it resumes its moral crusade in the world, the U.S. must undertake urgent internal repairs.

Hong Kong: South China Morning Post (independent): At a time when the Soviet Union appears to have seized the initiative, Reagan is portrayed as a man unable even to remember when he authorized what. . . . The danger is that the faith of the public and of the Western allies in his capacity to lead will be further eroded in the remaining two years.

Japan: Asahi Shimbun, Tokyo (liberal): It is hard to take a rosy view of the future of the Reagan administration. The political momentum built on Reagan's personal popularity is no longer there.

Australia: The Age, Melbourne (independent): [Nancy Reagan] manages [the president's] career like a mother hen. . . . Even her enemies, and she has many, concede that her political instincts are excellent. And she really has only one priority: that her husband shines.

Canada: Globe and Mail, Toronto (independent): The conventions of political theater required a purging scene, one in which the sullied president "came clean," made a public confession to the American people, demonstrated a firm purpose to make amends, and received its absolution. It was ticklish to play because Americans want their president contrite but dignified. . . . Reagan's performance . . . was just right: delivering well-crafted lines is what he has always done best.— William Johnson

Brazil: Folha de S. Paulo, São Paulo (liberal): From Richard Nixon's Watergate to the irregularities tolerated by Ronald Reagan, there is a deplorable accumulation of disastrous decisions, clandestine deals, and lack of respect for the legislative process. The conclusions of the Tower commission represent another overwhelming indictment. Perhaps the other investigations . . . will reveal other more devastating charges.

Brazil: Jornal do Brasil, Rio de Janeiro (independent): There is one highly positive aspect to all this: the normal operation of the system, the way it initiates corrective actions and obtains something of a catharsis for collective frustrations. . . . Average Americans, ever pragmatic, know that if they do not defend the constitution it could

> become like some other countries' constitutions that are never respected.

Mr. Speaker, I am going to read a few selections for the benefit of my colleagues who may be tuning in on the inner circuitry here, closed circuit.

This is from Britain, the Sunday Telegraph, London (conservative)—meaning that whoever wrote this considers this publication as conservative, whatever that may mean. I am a great enemy of labels. I just do not see how anybody can set themselves up as labeling this or that as "conservative," "liberal," or what have you, because it all depends on the definition and the point of view of the individual.

Anyway, from the Sunday Telegraph in Great Britain, in London, I quote:

> Convicted at worst of sloth * * *, President Reagan can now start governing again if he still has the will to do so * * *. Come back, or should one say, Wake up, Mr. President: The world has need of thee.

From France, Le Monde, Paris—labeled "liberal":

> Ronald Reagan certainly has more charm and self-confidence than Jimmy Carter, but when all is said and done, he cannot show a Camp David peace accord, a settling of the Panama Canal affair, * * * or an identification of America with human rights. These achievements did a thousand times more for democracy—and harm to totalitarianism—than the Grenada landing * * *. Has not America learned that form is not everything, that substance takes precedence, and that it would be better to choose a president who knows how to run his own office rather than one who plays on the public's emotions? If Americans reacted strongly to Irangate, it is because the Reagan mystique burst like a bubble.

From West Germany, Munich, an independent:

> No one is using the word impeachment—

Well, they had not read about my introduction of House Resolution 111—

> although the main charge against Ronald Reagan—disregard for laws of Congress—is implied in the Tower Commission report. That would suffice for initiating impeachment proceedings. But in contrast to Nixon in the Watergate era, Reagan did nothing ostensibly evil, and he remains popular. The Democrats, despite their majority in both Houses of Congress, are least interested in an impeachment. Not only would it be a highly unpopular move, but what could be more beneficial to the Democrats than a steadily weaker Republican in the White House?

The gentleman who wrote this, obviously, forgot the capability and underestimated the capability of Ronald Reagan, who in order to take away the attention of the American people and the world at the murder of 241 marines, that he solely singlehandedly is responsible for, invaded Grenada less than 30 hours after that sad event. That is what is going to happen in Central America by May and June. We will be seeing headlines where one of our 50,000 or several have been shot at, and it is the Sandinistas, so we have to do something about it, despite whatever it is that the Central American people feel about it.

□ 1350

In Switzerland, Zurich, an independent paper:

> The Tower report makes clear that the only one who did not know what was happening, thus depriving himself of his own political powers, was the president. It is he who has to bear responsibility for the shambles at his feet.

In Italy, in Milan, a conservative paper, Il Giornale:

> Reagan has awakened from his torpor, asked for advice from some trusted political men, and embarked on his great project: to clean house.

However, another Italian publication in Rome, La Repubblica:

> An unspeakable hint of hilarity, almost a sense of opéra bouffe, slightly pathetic, drapes Ronald Reagan's political and constitutional mess. The sunset of Nixonian paranoia is running into the comedy of errors in which Reaganism is gradually losing, even more than its political influence, its very dignity.

And on and on, clear down to Brazil in Rio de Janeiro, Jornal do Brazil:

> There is one highly positive aspect to all this: the normal operation of the system, the way it initiates corrective actions and obtains something of a catharsis for collective frustrations. . . . Average Americans, ever pragmatic, know that if they do not defend the constitution it could become like some other countries' constitutions that are never respected.

I think they ought to know what they are talking about in these countries.

But let us see about something that has not been generally reported anywhere that I know of, and that is the use of some of the moneys that obviously were derived from such things as the sale of armaments, unbelievable, to Iran, which meant that Lord only knows how many hundreds of thousands of Iraqian soldiers will be killed as a result.

I insert at this point in the Record an article appearing on Thursday, March 26, 1987, in the Washington Post on page A–30 entitled, "Local Executive Controlled Firm That Routed Cash Meant for Contras."

The article referred to follows:

Local Executive Controlled Firm That Routed Cash Meant for Contras

(By Thomas B. Edsall and Ted Gup)

Richard R. Miller, president of a Washington public relations firm, controlled a Cayman Islands-based corporation that routed $1.3 million in tax-exempt donations to a Swiss bank account linked to the purchase of military equipment for the Nicaraguan contras.

A reliable source said yesterday that Miller, president of International Business Communications (IBC) and a former worker in the Reagan-Bush 1980 and 1984 campaigns, and his partner, Francis Gomez, set up and controlled I.C. Inc., the Cayman Islands firm that transferred money to the Swiss account.

In addition, the source said, Miller and Gomez controlled another Cayman Islands firm called World Affairs Counselors that received commissions of $452,000 for handling the transactions.

The Swiss account, held in the name of Lake Resources Inc., was controlled in part by fired National Security Council aide Lt. Col. Oliver L. North.

The money had been collected by conservative fund-raising organization headed by Carl R. (Spitz) Channell, who was actively supported in his efforts by top White House officials, including President Reagan.

The disclosure that Miller controlled I.C. Inc. and World Affairs Counselors adds further detail to a complex flow chart found in North's office safe by the Tower board, which investigated NSC activities in the Iran arms-contra affair.

The chart describes a flow of money from a conservative, tax-exempt foundation run by Channell—the National Endowment for the Preservation of Liberty (NEPL)—through a series of domestic and offshore firms until it finally reaches Lake Resources.

Documents obtained by The Washington Post show that in 1985 and 1986, when the White House was desperate to funnel money to the contras fighting the Nicaraguan government, NEPL transferred a total of $4.93 million to IBC, Miller's public relations firm.

Of this money, IBC collected $1.11 million in "professional fee payments" and $493,000 for "program expenses." Of the remaining money, $2.74 million was transferred from IBC to I.C. Inc. in the Cayman Islands, and $430,000 went directly to Lake Resources.

I.C. Inc., the name of which was later changed to Intel Co-Operation, transferred $1.3 million to Lake Resources in five different payments from Oct. 8, 1985, to April 11, 1986, according to the documents.

In addition to the professional fees collected by IBC, World Affairs Counselors collected $452,000 for handling the transactions of I.C. Inc., according to sources.

I.C. Inc. also transferred nearly $1 million to a Miami bank account controlled by the contras.

In a Feb. 16, 1986, report to Channell, the president of NEPL, Miller provided the following explanation of the transfer of funds to Lake Resources, the company that was used by North and retired Air Force major general Richard V. Secord to funnel money for both the purchase of arms for Iran and to buy equipment for the contras:

"Some of the funds . . . were deposited to the account of Lake Resources Inc. at Credit Swiss Banks in Geneva at the request of Lt. Col. Oliver L. North. At the present time we are unable to obtain from him any information concerning the application of those funds. . . . However, we were assured by him at the time that the funds were to be applied solely for humanitarian assistance," Miller wrote.

In addition to their work for NEPL, Miller and Gomez were the beneficiaries of numerous contracts from the State Department and were subcontractors on contracts issued by the U.S. Information Agency.

During the same period that IBC was doing much of its work for NEPL, it was also working under a $276,000 contract with the State Department to promote contra activities and help contra leaders touring the United States.

The chart from North's safe shows arrows going from Lake Resources to several arms and arms delivery companies, including

Udall, Defex, Amalgamated Commercial Enterprises and Trans World Arms.

It mentions how this local individual in Washington routed so much of this money, even though the corporation that he controls was a Cayman Island based corporation. This is where we have so much of our flight corporate money going, as well as into the secret accounts, banking accounts in Panama, and the consequent rise in what nobody describes as the Latin dollar market, which now is substantial and probably one of the biggest operators trying to imitate the Swiss is Panama where corporations, either for escaping taxes or other questionable practices, laundering money, have poured billions and billions of dollars.

Anyway, in the course of this article they talk about this Swiss account, obviously the same and related as the one that Colonel North was able to set up in Switzerland. This article brings out how there is a flow of money from a conservative, tax-exempt foundation run by Chanel, the National Endowment for the Preservation of Liberty, NEPL. Now that funded two aliens of the triumvirate of so-called Contra leaders based in Miami until recently when they split off 3 ways where in last year's elections, going in over 30 States to directly involve themselves in our internal political affairs, in every case appearing on behalf of the Republican Party candidates. In Texas, from El Paso to San Antonio to Houston to Dallas to the valley. In my city of San Antonio, this organization spent $65,000 at one TV station alone targeting those who had voted against aid to the Contras. Fortunately for me, I did not have an opponent, so they did not target me. But they did my next door neighbor who has a district that extends from the edges of Bexar County, Wilson County, that is Atascosa County, clear down to the valley, the distinguished chairman of the Agriculture Committee of the House of Representatives, Mr. E DE LA GARZA, and they spent all of $65,000 at one station. That happened to be channel 5 and that is a CBS outlet in San Antonio. And they had these horrible blownup mug shots of DE LA GARZA, and fortunately for Mr. DE LA GARZA the coverage of that station did not hit but maybe about 5 percent of his district.

But nevertheless, it is an idea of how we have allowed ourselves to become inundated, in this case politically. Of course, financially we are not only inundated, we have literally been taken over. But here politically you have two aliens, boastfully, pridefully, openly coming into these cities, whether it was El Paso or San Antonio, or Houston, or Dallas, or down to Brownsville and saying you had better vote against this Congressman here, and all of it paid for by these moneys, because the President had made it clear that no matter how, no matter how, and when he winked his eye at Colonel North, and all of this has been documented, and said, any way you can do it, naturally Colonel North, like the CIA, is going to do it any way they can, and they did, to the shame and the detriment of the best interests of this country.

World opinion certainly is not with us. In the case of the President's misbegotten actions, I will not even dignify them by calling them policies, there is not one country, not one in the Western Hemisphere that agrees with him. There is not one of the Western European countries, and even the Southeast Asian countries, Japan, there is no public opinion in support of what obviously is a terrible, terrible course of action.

But of course, this is just one of the latest events. In Texas we have had incursions of foreign money into our intrastate politics for a long time, some of it washed and laundered through Mexican banks and back into Texas banks.

But, for instance, in 1966, the then U.S. Senator from Texas running for reelection, John Tower, later heard of most because of his chairmanship of the so-called Tower Commission, appointed by President Reagan to study not whether he did anything wrong or not, but whether or not the system of the National Security Council is working or not, the same John Tower reported receiving $45,000 on one occasion, and a few thousand more on another from a group in Bonn in West Germany known as the National Bonn Anti-Communist Group. It so happens that this was a neo-Nazi group fluttering and still gaining some strength in Western Germany.

Now why, why would that be proper? It was reported, so obviously if anything illegal was done, nobody did anything about it.

But when you have aliens, funded by people working directly under the President's orders, allowing them to immerse themselves in our domestic internal politics, I think the Congress has a responsibility to look into that, and look into preserving the integrity of the processes.

□ 1400

Now with respect to what our neighbors think, what they report, I am going to insert in the RECORD an article from the same issue of the World Press Review by Marci McDonald for Maclean's of Toronto, which is a Canadian newsmagazine.

It is entitled: "Nicaragua, the Undeclared War Hits Home."

The article follows:

NICARAGUA: THE UNDECLARED WAR HITS HOME

TWO NEIGHBORS OF THE U.S. VIEW THE STRUGGLE—UNDERMINING THE SANDINISTAS

(By Marci McDonald)

In a hospital in Nicaragua's province of Jinotega, seven-year-old Elda Sánchez stares numbly at the bandaged stub where her left leg had once been. With her father, an evangelical minister, she and 15 others were riding to a parish meeting when their flatbed truck hit a land mine planted in the road by rebels. From the burning wreckage, rescuers pulled six bodies, including her father's, and 11 wounded survivors. They were victims of an undeclared six-year war for hearts and minds in the tiny, impoverished Central American nation that has become one of the most explosive cornerstones of President Reagan's foreign policy.

Eight years after an uprising among Nicaragua's 3.5 million people led to the overthrow of the 44-year dictatorship of the Somoza family, the revolution is under siege. The White House recently launched a campaign in Congress for another $105 million to arm counter-revolutionaries—known as Contras—against Nicaragua's leaders, the Sandinistas. President Reagan has branded Nicaragua's leftist regime a communist "cancer" on the southern flank of the U.S.

The Sandinistas seem less concerned about dealing with the Contras—which one military official compared to swatting flies—than with the large U.S. military force over their northern border in Honduras. The presence of anywhere from 2,500 to 6,000 U.S. troops there is a daily reminder of the fragility of the Nicaraguans' policy: trying to keep the revolution afloat over the next two years as they wait out Reagan's presidency.

Reagan's position has been weakened by the scandal involving the administration's secret redirection to the Contras of funds raised from illegal arms sales to Iran. At the same time, there is increasing weakness among the Contras. Their hastily patched-together triumvirate of former Nicaraguan middle-class leaders is disintegrating in the face of internal differences over control of the headstrong Contra army, which has been charged with repeated human-rights abuses.

* * * * *

There is some urban discontent, however, and there are indications that the Sandinistas have decided to counter it with tentative gestures of liberalization within the prolonged state of emergency that has left the country with no opposition newspapers and smothered independent unions. The government recently announced that the Roman Catholic Church's official radio station, closed in October, 1985, could reopen and that two of its most outspoken expelled clerics could return to the country. It was a step toward healing the bitter rift between the Sandinista hierarchy and the church.

Many of the Sandinistas' critics remain skeptical about such gestures. They point out that the authorities spent months drafting a constitution to protect civil liberties and minority rights, and then—only hours after adopting it—suspended its provisions by renewing the state-of-emergency laws first implemented in 1982. But Ortega has vowed that he will end the state of emergency if the U.S. ends its war against Nicaragua.

Some of the Sandinistas' fiercest opponents are people who once belonged to the regime's inner councils of power and who left because their hopes were betrayed. One, a 23-year-old university student, rose in the ranks of the party and won a post overseeing the formation of a youth organization. He charges that it gradually evolved from a recreation program into a political propaganda course, at which the Young Pioneers, aged 6 to 14, had to study the Marx-Engels *Communist Manifesto* in comic-book form.

His ultimate disillusionment was the result of a mission to Cuba. "The Cuban youth seemed tamed and robotized," the former youth leader reports. "I realized that if I was supposed to create a new man who would be like the Cuban man, I did not want to do it."

Many North American volunteers working in Nicaragua express skepticism that another repressive, Soviet-backed regime like Cuba's is taking root on the Central American isthmus. Others were fans of Ronald Reagan's policies until they came to Nicaragua. Chester Peterson, a Canadian, says, "From what I have seen, Reagan is totally wrong. I cannot see that it is communist down here."

Mr. GONZALEZ. Mr. Speaker, that is to include a boxed-in article, "President Ortega's Views" also bylined by Marci McDonald after an interview with the President of Nicaragua.

PRESIDENT ORTEGA'S VIEWS

On a possible U.S. invasion: Washington's policy—to destroy the revolution by using mercenary forces—is falling apart. The Contras are being defeated, so we are closer to the danger of a direct U.S. invasion. Nicaragua is militarily encircled by the U.S. The only thing the U.S. needs is to provoke an incident so it can justify a direct military intervention. The danger will remain as long as President Reagan is in office.

On White House charges that Nicaragua "exports revolution": That has been the pretext of the Reagan administration. The only one who had exported revolution in Central America has been the U.S. itself. Its policies have created conditions for revolutionary movements to develop in the area.

On Ortega as a communist: The type of regime that we are establishing is a socialist regime with its own particular characteristics. It is based on a mixed economy, political pluralism, and a non-aligned foreign policy. We have private property in the cities and in the countryside. There are many political parties. The solution to our economic problem does not lie in the liquidation of private property.

On Ortega's ties with the Soviets: The first thing President Reagan did when he came into office was to cut off our credits with the U.S. to buy wheat and cooking oil, so immediately the Soviet Union sent wheat to Nicaragua. Then the U.S. began to blow up our oil tanks, so the Soviet Union sent us fuel and helped to rebuild our storage tanks. The U.S. government has forced Nicaragua to search for alternatives among different countries.

On the Roman Catholic Church: The church is everywhere. It is in our people, who made this revolution and are now defending it. The church's institutions—its bureaucratic apparatus—is the part with which we have some contradictions, but we are trying to solve them. The problems relate to the unwillingness of some church leaders to accept revolutionary changes and to understand that they do not threaten religion.

On personal beliefs: I was a practicing Catholic, but it did not seem to be enough. Man is close to God when he is close to the people. If we think of God as something in favor of the betterment of man both materially and spiritually, and if we act in a way that brings about the betterment—if we do not cling to riches, selfishness, or greed—then I believe we are getting closer to God.

On liberalizing his regime: The day this war ends is the day the state of emergency ends. If it were not for the aggression, we would not have these tensions with the church and the newpaper owners.—*Marci McDonald, "Maclean's."*

Mr. GONZALEZ. Following over to page 24, something that I am going to read fragments from, because I think it behooves us to have this in the RECORD.

This is an article entitled, "Who is the Real Threat?" It is by the Mexican literary widely internationally known writer and presently is an Ambassador to France from the United States of Mexico, Carlos Fuentes.

A few years ago, some universities wanted to hear Carlos Fuentes and our State Department would not give him a visa, considering him a dangerous element or threat to our security. Finally, I believe, they relaxed and he made a trip to one or two of our universities.

Carlos Fuentes is not an ideolog in the sense of a Marxist-Leninist; he is one of the most honored and respected intelligentsia that the Republic of Mexico has produced in the 20th century.

He has long afforded us what I consider to be an indispensable insight, but I must say that the tragedy of all of this, as Jimmy Carter so aptly pointed out a few days ago, except in Egypt, I would have much preferred that he had stayed his ground in the United States, and taken on Mr. Reagan, but he went to Egypt and said that he criticized severely the fact that President Reagan never once had made an effort to resort to diplomacy, which is true; and that I think is a fatal error.

I never dreamed that we would have a President in the eighties that would so retrogress, so reactionary that he would skip over the most successful Presidents with respect to our relations in Latin America and go back to the era of Calvin Coolidge, who was our last President, in 1929, to advocate direct, unilateral military intervention.

His victories in 1929, sending the marines into Nicaragua, keeping them there for 13 years—we imposed the National Guard on the Nicaraguans; we imposed the Somoza regime, and kept them up for 40 years, until finally, like a rotten tomato, it just caved in from its own corruption.

I am going to read from Carlos Fuentes' observations, because I think we should heed them, even if we pay no heed to the need to restrain and reign in a President who shows most casual disregard for the Constitution and to the laws that the Congress has passed.

I now quote:

President Ronald Reagan knows very little. But there are two things he knows very well, better than anyone else, and they are the secret of his success—which would otherwise be incomprehensible.

The first thing Reagan knows is that the American people like to feel good. No other nation feels that it has the right to happiness. The rest of us struggle with the fleeting successes and inevitable failures. The U.S. believes that God promised it success. President Carter offered Americans an alien notion wrapped in a foreign word: malaise. Reagan told them to stand tall and be happy.

The second factor in the "teflon presidency" is that the U.S. needs recognizable enemies. Then epic Manicheism of Anglo-American culture requires the instantaneous identification of good and evil, the white hats and the black hats. Reagan has been outstanding in his identification of villains, from the evil empire to the Ayatollah to Col. Qaddafi to the Sandinistas.

The current crisis in the Reagan presidency is grave because it turns out that the villains were not so very bad after all, and, in fact, one can even play kiss-kiss in the dark with them. Bye-bye, black hats. And no one can feel happy or stand tall when deception is added to deception, when hypocrisy covers up illegalities, and when illegalities are crowned with defeats.

Secretary of State George Shultz is annoyed by all of this, but it is hard to feel any sympathy for him.

* * * * *

Secretary of State Alexander Haig spelled out when the new administration took office, and in March, 1981, President Reagan gave the order to escalate covert actions in Central America. In April the U.S. cut the aid it was giving Managua, and that same spring Argentine army officers got busy recruiting and training the first bands of Contras.

This, I will say by way of explanation, Mr. Speaker, is an overlooked fact, plus the other, the reason why we started with the Argentines, to try to get them to send us—which they did send us—soldiers. To do what? To destabilize the Sandinista at that time junta, four- to five-man junta.

Naturally, the Argentine generals at that time felt that they would have the support of the United States if they invaded the Malvinas, as they called them, or the Falklands, as we call them; and, of course, we did not, we could not.

So then came the big reason. First, it was obvious. The Argentines were going to train some people, mostly ex-national guards who had fled into Honduras, and trained them and tried to organize them into a band that would try to reestablish itself in Nicaragua.

However, when that failed, and the Sandinista regime gathered force rather than erode it. We then said, because El Salvador was in flames at the time, that we would have to do something in order to intervene and prevent the wholesale shipment of arms from Nicaragua to the rebels in El Salvador. Everybody forgets about that.

Nobody is saying now that Nicaragua is sending arms to El Salvador, because they never did. Never once, with the most elaborate radar, aircraft that we had operated by our own men, did we ever catch one shipment of any consequence of arms from Nicaragua to El Salvador.

As a matter of fact, if anybody had really been wanting to intelligently assess it, and if the CIA had just managed to escape from its bureaucratic and still reminiscing of its successes in Guatemala in 1954, at a time was another world, they might have realized that if there were any kind of shipments going down maybe the Pacific side and the Mexican side would have been bigger sources, and many of those arms did not come from Communist-oriented countries.

□ 1410

And many of those arms did not come from Communist-oriented countries; they were American-made arms. Those that did filter down were shipments that were received indirectly from other sources of armament that we had left behind in Vietnam. They are American-made arms.

Nobody is saying that we have Cuban or Russian or Communist presence, either in personnel or arms, in Guatemala right now because all the arms there are American. You have a real, real genocidal activity in Guatemala where we have been responsible, we Americans, for the extermination of the poorest of the poor in the world. The Indian tribes up in the mountains, 20,000, 30,000 of them at times fleeing into the neighboring country, Mexico, and the state of Chiapas, where the bishop of Chiapas 3 years ago told me eyewitness horror stories of the Guatemalan soldiers with American bayonets, not Russian, not Cuban, ripping open the bellies of 6-month-old, 7-month-old infants. They were Marxist-Leninists. The poor in all Latin America, south of the border, would not know a Marxist-Leninist from a typewriter, but they do know the difference between somebody who is out to kill them or kill their aspirations and somebody who even if it were the devil himself is saying, "Well, OK, we will help you," and, of course, they are going to take it. So Mr. Fuentes proceeds:

> A Latin American government may well deplore the Sandinistas but it is absolutely sure to deplore far more strongly U.S. intervention against any Latin country. This is the difference.

He is telling us the truth. He is telling us, Mr. President, that whether you use 50,000 or 100,000, and no professional military worth his salt will tell, Mr. President, that you are going to directly intervene militarily in Nicaragua and take the country over—because that is what you will have to do—with less than 100,000. And then what? Has anybody stopped to think who is going to govern Nicaragua? The Contras? Why, the Contras cannot even establish a base.

The people in Nicaragua have evinced no interest in supporting the so-called Contras or rebels hiding out in Honduras. Usually when you have a revolutionary force emerging, indigenous, native, a civil war, that is where the help comes from, from the people out in the villages, from the urban dwellers hiding that revolutionary. That is how they knocked out Somoza. Somoza had all the armament our country could give him, all of the trained and equipped National Guard and still they could not govern.

Here you have what? The Contras? They cannot even get together among themselves. It is the same thing. Have we learned nothing from the Bay of Pigs where the CIA engineered an intervention on the basis that all these divergent groups hiding out in the United States—and incidentally, one of the training bases where the CIA spent over $2 million was in Nicaragua—sailing in United Fruit boats, that all they had to do was appear on the Cuban horizon and the people would rise. That is as silly a thing as thinking that the people of Cuba do not overwhelmingly support Castro now. Of course they do. He would not be in office if they did not. We can talk all we want about a Communist takeover and all of that, but the fact remains that Fidel Castro enjoys that overwhelming popular support of a masses of people in Cuba. Notwithstanding all of the millions being thrown into Radio Marti or Radio Free Cuba, that point has not been reached. When it is, we do not have to worry about anything. But it will not be reached because these are civil wars, these are indigenous affairs. The Nicaraguan revolution was not imposed by Fidel Castro, it was not imposed by Russian arms or help or alien help, it was a self-contained indigenous revolution like the one going on in El Salvador.

This administration has poured around $4 billion into El Salvador in the last 6 years. We are no closer to a solution than we were 6 years ago.

Napoleon Duarte, two times before he was in, and two times he fled. At this point he is teetering. There is less freedom in El Salvador which we dominate completely, in which we are using our powerful attack helicopters to exterminate dozens of peasants, men, women, and children. How can we complain about the totalitarian and nefarious activities of other countries when we are imitating and doing a good job of it, except we are not bound to succeed.

Nobody can yet say that in El Salvador the five divergent rebellious groups, in any manner, shape or form, have direct aid from Cuba or anyplace else. As a matter of fact, some of the young leaders that came up to the United States about 3 or 4 years ago, some of whom I met with, their greatest point of indignation, as one of them said.

> Why is it that you in America think that only the Cubans know how to conduct a revolution? This is our revolution. We have been fighting it for more than three decades. We are not going to stay down even if the United States comes in and occupies us. But certainly the idea we are not fighting our own revolution is noxious to us, it repels us, and you immediately raise the specter of Fidel Castro and Castro-Cuba. We do not know him, we have not met him, we do not want him around. This is our revolution.

So that we are back on square one, except this, that the President, unless we have some restraint here in the Congress—and this is the main reason for my impeachment resolution—I set forth specifics, I set forth things that warrant the proper committee or subcommittee to at least look into it, look it over, and say to my colleagues that it will not do any good when the crisis comes, like when we had the Gulf of Tonkin resolution and everybody was saying, "Well, you can't fail but support the President at this critical needed hour." I will say that if the President's ill-star continues bright in that sky as a result of this ongoing smelly business, the headline that will take our attention from that will be the need, as he said last week to some school children, "we have got to help the Contras so that we won't have to go and send our boys to spill their blood." What does he mean by that? What does he mean by that? He means that his mind is made up. Let us not, in the words of Shakespeare, think that Caesar's blood is of such soft content that fawning and base spaniel fawning will deter Caesar from his enterprise. The course is set. Unless the Congress, and that is the only body that can and unfortunately, my colleagues, I see no evidence of that happening, and I say that the American people through us must also make a decision, not unlike what we read about the Prophet Elijah when he talked about the great "ministry of decision" when he asked the Israelites "to whom do you really want to bend your knee? your real God or the false one?"

□ 1420

It was not until there was a trial by fire that they all cried, "No. We believe in the God, the only God." We have allowed our temple of democracy to be desecrated. At times, we have even cheered on the desecrators. We cannot say now that we do not like what is going on as far as Reagan's actions in Iran, when we said it was all right and cheered him up and all the congressional leaders were patting him on the back when he illegally terrorized and killed innocent women and children in trying to assassinate Qadhafi by bombing Tripoli.

We cheered him on when he invaded Grenada because that was a popular thing. But it was illegal. He violated two treaties, three statutes. Who gave a hoot, including suspending the first amendment, which was something that even President Lincoln did not do during the height of the Civil War.

We must, my fellow Americans, through you, make a decision, is that what you want, and perform this great sacrament of decision before it is too late irrevocably because any such notion, as Gen. Paul Gorman, the recent commander of our Southern Command, said, and was quoted as saying just a few weeks ago, "That our invasion of Nicaragua would be a 2-day training exercise for our Army."

I say, General Gorman, you are a political general. Mr. President, you showed heedless disregard of the unanimous advice of the chief military experts, the Joint Chiefs of Staff, in October of 1983. You were solely, individually and exclusively responsible for the murder of 241 marines.

Some of us took this floor for 14 months, day after day, evening after evening, saying, "Mr. President, what is the military mission of the marines?" We knew, and had reason to know, that the Joint Chiefs of Staff had advised you, as Commander in Chief, against that deployment.

For what reason? Now we are beginning to see some of the consequences of these negligences, patterns of behavior of indifference and irresponsibility, in smelly scandalous revealings that make our Nation the laughing stock of the world.

Yes, Shakespeare says that, too:

> When the wise gods see our eyes, when we become arrogant and complacent, we then become laugh-ats, strutting to our own confusion.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. UPTON) to revise and extend their remarks and include extraneous material:)

Mr. COLEMAN of Missouri, for 60 minutes, on April 8 and 9.

Mr. CRAIG, for 60 minutes, on April 1, 7, and 8.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. HOWARD, for 60 minutes, today.

Mr. ALEXANDER, for 30 minutes, today.

Mr. FRANK, for 60 minutes, on April 2 and 7.

Mr. GONZALEZ, for 60 minutes, on April 6.

Mr. GAYDOS, for 60 minutes, on March 31 and April 1.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. UPTON) and to include extraneous matter:)

Mr. FRENZEL.

Mr. BATEMAN.

Mr. SHUMWAY.

Mr. QUILLEN.

Mr. RINALDO.

Mrs. SMITH of Nebraska.

Mr. LEWIS of California.

Mr. HEFLEY.

Mr. RITTER.

Mr. ROGERS.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. DELLUMS.

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in 10 instances.

Mr. MINETA.

Mr. LIPINSKI.

Mr. SOLARZ.

Mr. KANJORSKI.

Mr. WAXMAN in three instances.

Mr. HALL of Ohio.

SENATE BILL AND CONCURRENT RESOLUTIONS REFERRED

A bill and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 623. An act to amend the Independent Safety Board Act of 1974 to authorize appropriations for fiscal years 1988, 1989, and 1990, and for other purposes; to the Committees on Energy and Commerce and Public Works and Transportation.

S. Con. Res. 21. Concurrent resolution expressing the sense of Congress in opposition to the proposal by the European Community for the establishment of a tax on vegetable and marine fats and oils and urging the President to take strong and immediate countermeasures should such a tax be implemented to the detriment of United States exports of oilseeds and products and inconsistently with the European Community's obligations under the General Agreement on Tariffs and Trade; to the Committees on Foreign Affairs and Ways and Means.

S. Con. Res. 27. Concurrent resolution expressing the sense of the Congress that the United States Trade Representative should investigate the ruling of the Canadian Import Tribunal involving United States exports of corn to Canada; to the Committee on Ways and Means.

ENROLLED BILL SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 1505. An act making technical corrections relating to the Federal Employees' Retirement System.

BILL PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on the following date present to the President, for his approval, a bill of the House of the following title:

On March 27, 1987:

H.R. 1505. An act making technical corrections relating to the Federal Employees' Retirement System.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 25 minutes p.m.), the House adjourned until tomorrow, Tuesday, March 31, 1987, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

998 A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Army's proposed letter(s) of offer to Saudi Arbia for defense articles estimated to cost $50 million or more (Transmittal No. 87-17), pursuant to 10 U.S.C. 118 (96 Stat. 1288); to the Committee on Armed Services,

999. A letter from the Secretary of Defense, transmitting the report on allied contributions to the common defense, pursuant to 22 U.S.C. 1928 nt.; to the Committee on Armed Services.

1000. A letter from the General Counsel, Federal Emergency Management Agency, transmitting a revised draft of proposed legislation to authorize appropriations for civil defense programs for fiscal years 1988 and 1989, pursuant to 31 U.S.C. 1110; to the Committee on Armed Services.

1001. A letter from the Chairman, Federal Trade Commission, transmitting the ninth annual report on the administration and enforcement of the Fair Debt Collection Practices Act, pursuant to 15 U.S.C. 1692m; to the Committee on Banking, Finance and Urban Affairs.

1002. A letter from the Auditor, District of Columbia, transmitting a copy of a report entitled, "Review of Agency Fund 801, the District of Columbia Court System's Trust

Fund," pursuant to D.C. Code section 47-117(d); to the Committee on the District of Columbia.

1003. A letter from the Presiding Officer, Advisory Council on Education Statistics, Department of Education, transmitting the 12th annual report of the Council, January 1, 1986–September 30, 1986, pursuant to 20 U.S.C. 1233b(a)(2); to the Committee on Education and Labor.

1004. A letter from the Secretary of Education, transmitting a copy of the final regulations—Congressional Teacher Scholarship Program, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

1005. A letter from the Chairman of the Board, Student Loan Marketing Association, transmitting the annual report of operations and activities for the year ended December 31, 1986, pursuant to 20 U.S.C. 1087-2(n) 347, 348; to the Committee on Education and Labor.

1006. A letter from the Acting Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Older Americans Act of 1965 and the National School Lunch Act; to the Committee on Education and Labor.

1007. A letter from the Secretary of Education, transmitting a drafting of proposed legislation to amend the Adult Education Act in order improve the effectiveness of programs under that act, and for other purposes; to the Committee on Education and Labor.

1008. A letter from the Secretary of Health and Human Services, transmitting a copy of the 1986 edition of "Health, United States," which represents data in four areas: costs and financing of health care, distribution of health care resources, and the health of the Nation's people, in addition it contains the third triennial "Prevention Profile," pursuant to 42 U.S.C. 242m(a)(2)(A); 42 U.S.C. 242p(a); to the Committee on Energy and Commerce.

1009. A letter from the General Counsel, Department of Energy, transmitting a notice of meetings of the Industry Advisory Board to be held on April 2 and 3, 1987 at the offices of Texaco, Inc., in White Plains, NY, pursuant to 42 U.S.C. 627(c)(1)(A)(i); to the Committee on Energy and Commerce.

1010. A letter from the Chairman, Federal Trade Commission, transmitting the 17th report of the Commission concerning the impact on competition and on small business of the development and implementation of voluntary agreements and plans of action to carry out provisions of the International Energy Program, pursuant to 42 U.S.C. 6272(i); to the Committee on Energy and Commerce.

1011. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting notification of a proposed amendment of a manufacturing license agreement to transfer T-55 series gas turbine aircraft engines manufactured in Italy within the specified sales territory (Transmittal No. MC-40-86), pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

1012. A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Air Force's proposed letter(s) of offer to Saudi Arabia for defense articles and services estimated to cost $325 million (Transmittal No. 87-16), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

1013. A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Air Force's proposed letter(s) of offer to Saudi Arabia for defense articles and services estimated to cost $400 million (Transmittal No. 87-17), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

1014. A letter from the Assistant Secretary for Legislative and Intergovernmental Affairs, Department of State, transmitting a copy of the Secretary of State's certification to authorize continuation of certain assistance to Haiti and a statement of justification for this determination, pursuant to Public Law 99-83, section 705(c) (99 Stat. 242); to the Committee on Foreign Affairs.

1015. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

1016. A letter from the President, Overseas Private Investment Corporation, transmitting a copy of the 1986 fiscal year annual report, auditor's report on compliance, and auditor's report on internal control, pursuant to 22 U.S.C. 2199(c)(2); to the Committee on Foreign Affairs.

1017. A letter from the Director, U.S. Control and Disarmament Agency, transmitting a draft bill to amend the Arms Control and Disarmament Act to increase the authorization for appropriations for fiscal year-1988 and 1989, pursuant to 31 U.S.C. 1110; to the Committee on Foreign Affairs.

1018. A letter from the Administrator, Agency for International Development, transmitting the Agency's annual report, fiscal year 1986, on actions taken to increase competition for contracts, pursuant to 41 U.S.C. 419; to the Committee on Government Operations.

1019. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notification of nine new Federal records systems submitted by the Uniformed Services of the Health Sciences [USUHS], pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1020. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notification of one new and one altered Federal records system submitted by the Department of the Army, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1021. A letter from the Deputy Assistant Secretary of Defense, transmitting notice of the Department's proposal for a Federal records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1022. A letter from the Director, Office of Personnel Management, transmitting the annual report on the financial status of the U.S. Civil Service Retirement System as of September 30, 1985, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Operations.

1023. A letter from the President, Inter-American Foundation, transmitting a report of the Foundation's activities under the Freedom of Information Act for calendar year 1985, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1024. A letter from the Deputy Associate Director for Royalty Management, Department of the Interior, transmitting notice of proposed refunds of offshore lease revenues in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

1025. A letter from the Deputy Associate Director for Royalty Management, Department of the Interior, transmitting notice of proposed refunds of offshore lease revenues in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

1026. A letter from the Deputy Associate Director for Royalty Management, Department of the Interior, transmitting notice of proposed refunds of offshore lease revenues in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

1027. A letter from the Chief Justice of the United States, transmitting amendments to the Federal Rules of Bankruptcy Procedure prescribed by the Court, pursuant to 28 U.S.C. 2075, (H. Doc. No. 100-54); to the Committee on the Judiciary and ordered to be printed.

1028. A letter from the Pearl Harbor Survivors Association, transmitting a copy of the financial statements as of September 30, 1986 and the related statement of revenue, expenses, and changes in fund balance for the year then ended, pursuant to 36 U.S.C. 1103; to the Committee on the Judiciary.

1029. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a report dated February 9, 1987, from the Chief of Engineers, Department of the Army, on Escambia River, Escambia County, FL, together with other pertinent reports; to the Committee on Public Works and Transportation.

1030. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a report dated February 10, 1987, from the Chief of Engineers, Department of the Army, on Biloxi Bay to East Harrison County Industrial Park, MS, together with other pertinent reports; to the Committee on Public Works and Transportation.

1031. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize the Administrator to assist Members of Congress in providing title 38 benefit information to their constituents, and to conduct authorized field examinations and investigations; to the Committee on Veterans' Affairs.

1032. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize the Chief Medical Director to waive State licensure requirements for registered, practical or vocational nurses and physical therapists not to be employed in patient care, and for licensed or vocational nurses and physical therapists to be employed in a foreign country; to the Committee on Veterans' Affairs.

1033. A letter from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize the Administrator to make contributions for construction projects on land adjacent to national cemeteries in order to facilitate safe ingress or egress; to the Committee on Veterans' Affairs.

1034. A letter from the Administrator of Veterans' Affairs, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to repeal provisions relating to setting the interest rate on guaranteed or insured housing loans to veterans and inspecting manufactured homes purchased by veterans, to increase the VA loan fee, to authorize direct appropriations to the loan guaranty revolving fund, and for other purposes; to the Committee on Veterans' Affairs.

1035. A letter from the Interagency Task Force, National Acid Precipitation Assessment Program, transmitting the 1985 annual report of the National Acid Precipitation Assessment Program, pursuant to 42 U.S.C. 8903(e); jointly, to the Committees on Energy and Commerce and Science, Space, and Technology.

1036. A letter from the Assistant Secretary for Legislative and Intergovernmental Affairs, Department of State, transmitting notification of the termination of the designation of Khartoum as a danger pay location, pursuant to 5 U.S.C. 5928 (97 Stat. 1028); jointly, to the Committees on Foreign Affairs and Post Office and Civil Service.

1037. A letter from the Assistant Secretary, Department of the Interior, transmitting a draft of proposed legislation to modify section 301 of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and the Judiciary.

1038. A letter from the Attorney General, Department of Justice, transmitting the 1986 annual report on the number of applications that were made for orders and extension of orders approving electronic surveillance under the Foreign Intelligence Surveillance Act, pursuant to 50 U.S.C. 1807; jointly, to the Committee on the Judiciary and the Permanent Select Committee on Intelligence.

1039. A letter from the General Counsel, Department of the Treasury, transmitting a draft of proposed legislation to raise the authorized pay level of the Treasurer of the United States to Executive IV; jointly, to the Committees on Banking, Finance and Urban Affairs, Ways and Means, and Post Office and Civil Service.

1040. A letter from the Chairman, U.S. Railroad Retirement Board, transmitting a draft of proposed legislation to provide for rail sector financing of the full cost of civil service retirement of Railroad Retirement Board employees; jointly, to the Committees on Energy and Commerce, Ways and Means, and Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Pursuant to the order of the House on March 26, 1987, the following reports were filed on March 27, 1987]

Mr. UDALL. Committee on Interior and Insular Affairs. H.R. 148. A bill to designate certain public lands in the State of Michigan as wilderness, and for other purposes; with amendments (Rept. 100-29, Pt. 1). Ordered to be printed.

Mr. UDALL. Committee on Interior and Insular Affairs. H.R. 184. A bill to establish the Big Cypress National Preserve Addition in the State of Florida, and for other purposes (Rept. 100-30). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 278. A bill to amend the Alaska Native Claims Settlement Act to provide Alaska Natives with certain options for the continued ownership of lands and corporate shares received pursuant to the act, and for other purposes; with amendments (Rept. 100-31). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 317. A bill to amend the Wild and Scenic Rivers Act by designating a segment of the Merced River in California as a component of the National Wild and Scenic Rivers System; with an amendment (Rept. 100-32). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 1320. A bill to amend the Land and Water Conservation Fund Act of 1965, and for other purposes; with an amendment (Rept. 100-33). Referred to the Committee of the Whole House on the State of the Union.

Mr. MICA: Committee on Foreign Affairs. H.R. 1777. A bill to authorize appropriations for fiscal years 1988 and 1989 for the Department of State, and United States Information Agency, and for other purposes; (Rept. 100-34). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

[Submitted March 30, 1987]

By Mr. WILLIAMS (for himself, Mr. Ford of Michigan, Mr. Jeffords, Mr. Coleman of Missouri, Mr. Goodling, Mr. Gaydos, Mr. Perkins, Mr. Tauke, Mr. Owens of New York, Mr. Gunderson, Mr. Martinez, Mr. Hayes of Illinois, Mr. Penny, Mr. Kildee, Mr. Visclosky, Mr. Robinson, Mr. Atkins, Mr. Murphy, Mr. Sawyer, Mr. Grandy, Mr. Clay, Mr. Solarz, and Mr. Wise):

H.R. 1846. A bill to make certain technical and conforming amendments in the Higher Education Act of 1965, and for other purposes; to the Committee on Education and Labor.

By Mr. CONYERS:

H.R. 1847. A bill to make minor substantive and technical amendments to title 18, United States Code, and for other purposes; to the Committee on the Judiciary.

By Mr. BENNETT:

H.R. 1848. A bill to improve Federal Government accountability over profits made by contractors under negotiated Federal contracts by requiring periodic profitability studies, to amend the Defense Production Act of 1950 to require the Administrator of the Office of Federal Procurement Policy to assume the duties and responsibilities previously assigned to the Cost Accounting Standards Board, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs, and Government Operations.

By Mr. COURTER:

H.R. 1849. A bill to require the Secretary of Defense to initiate during fiscal year 1988 full-scale development and testing of systems and components of the strategic defense initiative in order to provide an initial deployed operational capability for such systems and components during 1993; to the Committee on Armed Services.

H.R. 1850. A bill to establish deployment objectives for components of the Strategic Defense Initiative Program; to the Committee on Armed Services.

H.R. 1851. A bill to direct the President to provide to Congress the entire negotiating record of the Anti-Ballistic Missile Treaty of 1972; to the Committee on Foreign Affairs.

By Mr. GONZALEZ:

H.R. 1852. A bill to provide a bonus payment of $10,000 for each veteran of World War I; to the Committee on Veterans' Affairs.

By Mr. GUNDERSON (for himself, Mr. Bereuter, Mr. Coleman of Missouri, Mr. Tauke, Mr. Grandy, Mr. Schuette, Mr. Roberts, Mr. Lightfoot, Mr. Whittaker, Mr. Boulter, and Mrs. Smith of Nebraska):

H.R. 1853. A bill to amend title III of the Job Training Partnership Act to improve the delivery of services under that title to rural areas, particularly to dislocated farmers and ranchers, and for other purposes; to the Committee on Education and Labor.

By Mr. LaFALCE (for himself, Mr. McDade, Mr. Skelton, and Mr. Ireland):

H.R. 1854. A bill to amend the Small Business Act, and for other purposes; to the Committee on Small Business.

By Mr. LELAND (for himself and Mr. Waxman):

H.R. 1855. A bill to amend the Public Service Act to extend programs for health information and health promotion; to the Committee on Energy and Commerce.

By Mr. MICA:

H.R. 1856. A bill to amend title XIX of the Social Security Act to require medicaid plans to disregard regular annual increases in veterans' benefits if the increase would have the effect of disqualifying individuals already eligible for medicaid benefits; to the Committee on Energy and Commerce.

By Mr. QUILLEN:

H.R. 1857. A bill to amend titles XVIII and XIX of the Social Security Act to provide that clinical social worker services are covered under part B of Medicare and are a mandatory benefit under Medicaid, and for other purposes; jointly, to the Committees on Ways and Means, and Energy and Commerce.

By Mrs. SMITH of Nebraska:

H.R. 1858. A bill to authorize the Secretary of the Interior to modify the construction, operation, and maintenance of the O'Neill Unit, Pick-Sloan Missouri Basin Program, NE; to the Committee on Interior and Insular Affairs.

By Mr. SWIFT:

H.R. 1859. A bill to authorize appropriations for the Federal Election Commission for fiscal year 1988; to the Committee on House Administration.

By Mr. VENTO (for himself, Mr. Udall, Mr. Lagomarsino, Mr. Pashayan, Mr. Volkmer, Mr. Morrison of Washington, Mr. Rahall, Mr. Craig, Mr. Kildee, Mr. Hansen, Mrs. Byron, Mrs. Vucanovich, Mr. Kostmayer, Mr. Lehman of California, Mr. Richardson, Mr. Rhodes, Mr. Clarke, Mr. Campbell, Mr. DeFazio, Mr. Jeffords, Mr. Stallings, Mr. Robert F. Smith, and Mr. Bilbray):

H.R. 1860. A bill entitled the "Federal Land Exchange Facilitation Act of 1987"; jointly, to the Committees on Interior and Insular Affairs, and Agriculture.

By Mr. WAXMAN:

H.R. 1861. A bill to amend the Public Health Service Act to extend the program of block grants for preventive health and health services, and for other purposes; to the Committee on Energy and Commerce.

By Mr. WILLIAMS:

H.R. 1862. A bill to extend and improve the Adult Education Act; to the Committee on Education and Labor.

By Mr. GONZALEZ:

H.J. Res. 214. Joint resolution proposing an amendment to the Constitution of the United States to prohibit the death penalty; to the Committee on the Judiciary.

By Mr. PEPPER:

H.J. Res. 215. Joint resolution to designate the period commencing on May 3, 1987, and ending on May 10, 1987, as "National Older Americans Abuse Prevention Week"; to the Committee on Post Office and Civil Service.

By Mr. SOLARZ (for himself, Mr. Torricelli, and Mr. Gilman):

H.J. Res. 216. Joint resolution to support a ceasefire in the Iran-Iraq war and a negotiated solution to the conflict; to the Committee on Foreign Affairs.

By Mr. HAWKINS:

H. Con. Res. 90. Concurrent resolution entitled: The "Importance of Parenting Skills Training"; to the Committee on Education and Labor.

By Mr. MICA (for himself, Mr. Moorhead, Mr. Frenzel, Mr. Coble, Mr. Bateman, Mr. Owens of Utah, Mr. Dornan of California, Mr. Solarz, Mr. Howard, Mr. Levin of Michigan, and Mr. Atkins):

H. Con. Res. 91. Concurrent resolution authorizing the 1987 Special Olympics Torch Relay to be run through the Capitol Grounds; to the Committee on Public Works and Transportation.

By Ms. OAKAR:

H. Res. 133. Resolution designating membership on certain standing committees of the House; considered and agreed to.

By Mr. RODINO:

H. Res. 134. Resolution providing amounts from the contingent fund of the House for further expenses of investigations and studies by the Committee on the Judiciary in the first session of the 100th Congress; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AuCOIN:

H.R. 1863. A bill for the relief of Helen Ying-Yu Lin; to the Committee on the Judiciary.

By Mr. BARNARD:

H.R. 1864. A bill for the relief of Helen Lannier; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 8: Mr. Skaggs, Mr. Hyde, Mr. Packard, and Mr. Kolter.

H.R. 10: Mr. Morrison of Washington, Mr. Kanjorski, and Mr. Boehlert.

H.R. 28: Mr. Bonior of Michigan, Mr. Volkmer, Mr. Upton, Mr. Solomon, and Mr. Gekas.

H.R. 50: Mr. DeLay and Mr. Stangeland.

H.R. 67: Mr. Miller of California, Mr. Feighan, Mr. Levine of California, Mr. Espy, Mr. Evans, Mr. Lipinski, Mr. Dixon, Mr. Owens of New York, Mr. Leland, Mr. de Lugo, Mr. Fauntroy, Mr. de la Garza, and Mr. Clay.

H.R. 97: Mr. Slaughter of Virginia.

H.R. 103: Mr. Ballenger.

H.R. 107: Mr. Denny Smith.

H.R. 236: Mr. Duncan.

H.R. 243: Mr. Martin of New York.

H.R. 309: Mrs. Boggs and Mr. Barton of Texas.

H.R. 338: Mr. Gingrich.

H.R. 339: Mr. Gingrich.

H.R. 344: Mr. Gingrich.

H.R. 345: Mr. Gingrich.

H.R. 358: Mr. Petri.

H.R. 372: Mr. Packard and Mr. Barton of Texas.

H.R. 378: Mr. Hughes.

H.R. 499: Mr. Feighan.

H.R. 618: Mr. Foley, Mr. Donnelly, Mr. Richardson, Mr. Early, Mr. Espy, and Mr. Brennan.

H.R. 630: Mr. Price of Illinois and Mr. Richardson.

H.R. 738: Mrs. Boggs, Mr. Donnelly, and Mr. Mavroules.

H.R. 758: Mr. Ballenger.

H.R. 778: Mr. Hughes.

H.R. 779: Mr. Porter, Mr. Hertel, and Mr. Kostmayer.

H.R. 786: Mr. Rinaldo and Mr. Sensenbrenner.

H.R. 809: Mr. Clinger.

H.R. 896: Mr. Lagomarsino.

H.R. 921: Mr. Valentine, and Mr. LaFalce.

H.R. 933: Miss Schneider.

H.R. 1002: Mr. Dellums and Mr. Hochbrueckner.

H.R. 1009: Mr. Bevill.

H.R. 1087: Mr. Stenholm.

H.R. 1101: Mr. Howard.

H.R. 1103: Mr. Campbell and Mr. Spratt.

H.R. 1197: Mr. Weber, Mr. Sunia, Mr. Stallings, Mrs. Bentley, and Mr. Emerson.

H.R. 1207: Mr. Chandler, Mr. Jontz, Mr. Swift, Mr. Huckaby, Mr. Perkins, Mr. Gingrich, Mr. Robinson, Mr. Thomas of Georgia, Mr. McEwen, Mr. Sikorski, Mr. Wilson, Mr. Hubbard, Mr. Coelho, Mr. Carr, Mr. Gilman, Mr. Porter, Mr. Coyne, Mr. Horton, and Mr. St Germain.

H.R. 1212: Mr. Mfume, Mrs. Martin of Illinois, Mr. Carper, Mr. Obey, Mr. Udall, Mr. Miller of California, Mr. Early, Mr. Roe, Mr. Hochbrueckner, Mr. Miller of Washington, Mr. Weiss, Mr. Jontz, Mr. Coyne, Mr. Roybal, Mr. Flake, Mr. Coelho, Mr. Kennedy, Mr. McCloskey, Mr. Cardin, Ms. Slaughter of New York, and Mr. Brennan.

H.R. 1271: Mr. McGrath, Mr. Regula, and Mr. McMillan of North Carolina.

H.R. 1278: Mr. Ridge, Mr. Darden, Mr. Stenholm, and Mr. Bevill.

H.R. 1355: Mr. Dannemeyer and Mr. Crane.

H.R. 1398: Mr. Bates.

H.R. 1444: Ms. Snowe and Mr. Rinaldo.

H.R. 1451: Mr. Horton, Mr. Ackerman, Mr. Visclosky, Mr. Lehman of Florida, Mr. Traficant, Mr. Gray of Illinois, Mr. Sawyer, Mr. McCloskey, Mr. Towns, Mr. Mrazek, Mr. Boland, Mr. Anderson, Mr. Richardson, Mr. Frank, Mr. Perkins, Mr. Hayes of Illinois, Mr. Smith of Florida, Ms. Kaptur, Mr. Bevill, Mr. Solarz, Mr. Matsui, Mr. Espy, Mr. Young of Alaska, Mr. Sunia, Mr. Studds, Mr. Robinson, Mr. Kanjorski, Mr. Fauntroy, Mr. Williams, Mr. Smith of New Jersey, Mr. Dymally, Mr. Akaka, Mr. Levin of Michigan, Mr. Brown of California, Mr. Fazio, Mrs. Byron, Mr. Bonker, Mr. Edwards of California, Mr. Scheuer, Mr. Owens of New York, Mr. Dorgan of North Dakota, Mr. Berman, Mr. Frost, Mr. Torres, Mr. Wyden, Mr. English, Mrs. Boxer, Mr. Jontz, Mr. Howard, Mr. Garcia, Mr. Evans, Mrs. Kennelly, Mr. Bosco, Mr. Neal, Mr. Lehman of California, Mr. Hyde, Mr. Wortley, Mr. Fascell, Mrs. Collins, Mr. Borski, Mr. Hochbrueckner, Mr. Owens of Utah, Mr. Cardin, Mr. Boner of Tennessee, Mr. Hughes, Mr. McDade, Mr. DeFazio, Mr. Bilirakis, and Mr. Baker.

H.R. 1465: Mr. Daub.

H.R. 1481: Mr. Moody.

H.R. 1534: Mr. Perkins, Mr. Solarz, Mr. Frank, Mr. Pepper, Mr. Sunia, Mr. Biaggi, Mr. Weiss, Mr. Smith of Florida, and Mr. Torres.

H.R. 1568: Mr. Boehlert.

H.R. 1573: Mr. Horton, Mr. Fawell, and Mr. McEwen.

H.R. 1596: Mr. McMillen of Maryland.

H.R. 1619: Mrs. Vucanovich and Mr. Espy.

H.R. 1653: Mr. Dwyer of New Jersey, Mr. Mineta, and Mr. Lagomarsino.

H.R. 1659: Mr. Davis of Michigan and Mr. Hochbrueckner.

H.R. 1666: Mr. Horton.

H.R. 1751: Mr. Young of Alaska and , Mr. Hunter.

H.R. 1754: Mr. Chandler, Mr. Green, and Mrs. Johnson of Connecticut.

H.R. 1786: Mr. Torres, Mr. Lowery of California, Mr. Shumway, and Mr. Lent.

H.J. Res. 16: Mr. Gingrich.

H.J. Res. 24: Mr. Fuster, Mr. Richardson, Mr. Henry, Mr. Perkins, Mr. Frenzel, Mr. Levin of Michigan, Mr. Foley, Mr. Daub, Mr. Wolf, Mr. Volkmer, Mr. Stokes, Mr. Martinez, Mr. Smith of Florida, Mr. Atkins, Mr. Morrison of Connecticut, Mr. Neal, Mr. Rahall, Mr. Sawyer, Mr. Savage, Mr. Scheuer, Mr. Towns, Mr. Owens of New York, Mr. Roe, Mr. Livingston, Mr. Fauntroy, Mr. Buechner, Mr. Biaggi, Ms. Oakar, Mr. Howard, Mr. DeWine, Mr. Espy, Mr. Hughes, Mr. Coelho, Mr. Boner of Tennessee, Mr. Lagomarsino, Mr. Lehman of Florida, Mr. Bryant, Mr. Huckaby, Mr. Bevill, Mr. Anderson, Mr. Hayes of Illinois, Mr. Sunia, Mr. Dymally, Mr. Fazio, Mr. Gray of Illinois, Mr. Ravenel, Mr. Solarz, Mr. Erdreich, Mr. Dwyer of New Jersey, Mrs. Boxer, Mr. Kolter, Mr. Dicks, Mr. Traxler, Mr. English, Mr. Traficant, Ms. Kaptur, Mr. Mineta, Mr. Horton, Mr. Wortley, Mr. Ortiz, Mr. Mrazek, Mr. Montgomery, Mr. McMillan of North Carolina, Mr. Lipinski, Mr. Valentine, Mr. Tallon, Mr. DeFazio, Mr. Weiss, Mr. Lancaster, Mr. Garcia, Mr. Brennan, Mr. de Lugo, Mr. Mfume, Mr. Rangel, Mr. Skaggs, Mr. Nielson of Utah, Mr. Tauzin, Mr. Frost, Mr. Ford of Tennessee, Mr. Bustamante, Mr. Akaka, Mr. de la Garza, Mr. Kostmayer, Mr. Ritter, Mr. Leland, Mr. McGrath, Mr. Flake, Mr. LaFalce, Mr. Sabo, Mr. Owens of Utah, Mr. Goodling, and Mr. Fish.

H.J. 32: Mr. Mineta, Mr. Badham, Mr. Rahall, Mr. Hughes, Mr. Campbell, and Mr. Hefner.

H.J. Res. 54: Mr. Waxman, Mr. Visclosky, Mr. Coughlin, Mr. Wyden, Mr. Badham, Mr. Parris, Mr. Ritter, Mr. Packard, Mr. Dornan of California, Mr. Kemp, Mr. Gephardt, Mr. Hammerschmidt, Mr. Rinaldo, Mr. Lewis of Florida, Mr. Mack, Mr. Skelton, Mr. MacKay, Mr. Madigan, Mr. Dowdy of Mississippi, Mr. Chappell, Mr. Ireland, and Mr. Torricelli.

H.J. Res. 55: Mr. Richardson.

H.J. Res. 61: Mr. Dickinson and Mr. Montgomery.

H.J. Res. 119: Mr. Wortley, Mr. Dyson, Mr. Hoyer, Ms. Oakar, Mr. Harris, Mr. Dornan of California, and Mr. Traficant.

H.J Res. 143: Mr. Denny Smith, Mr. Inhofe, Mr. Lagomarsino, Mr. Daniel, Mr. Lott, Mr. Davis of Illinois, Mr. Shumway, Mr. Ballenger, Mr. Hansen, and Mr. Bunning.

H.J. Res. 152: Mr. Lantos, Mr. Jones of North Carolina, and Mr. Hughes.

H.J. Res. 155: Mr. Jenkins, Mr. Shumway, Mr. Traficant, Mr. Wilson, Ms. Oakar, Mr. Schuette, Mr. Rogers, Mr. Lehman of Florida, and Mr. Hammerschmidt.

H.J. Res. 172: Mr. Hyde, and Mr. Smith of New Jersey.

H.J. Res. 173: Mr. Brennan, Mr. Ritter, Mr. Akaka, Ms. Snowe, Mr. Dornan of California, Mr. Hefner, Mr. Blaz, Mr. Lewis of Georgia, Mr. Miller of Washington, Mr. Solarz, Mr. Robinson, Mr. Mfume, Mr. Rinaldo, Mr. Brown of California, Ms. Slaughter of New York, Mr. Smith of New Jersey, Mr. Huckaby, Mr. McMillen of Maryland, Mr. Coleman of Missouri, Mr. Smith of New Hampshire, Mr. Anderson, Mrs. Boxer, Mr. Brooks, Mr. Espy, Mr. Conyers, Mr. Hansen, Mr. Jontz, Ms. Oakar Mr. Spratt, Mr. Dowdy of Mississippi, Mr. Mazzoli, Mr. Coleman of Texas, Mr. Erdreich, Mrs. Kennelly, Mr. Stump, Mr. Schuette, Mr. Lancaster, Mr. Solomon, Mr. Spence, Mr. Bateman, Mr. Brown of Colorado, Mr. Mollohan, Mr. de la Garza, Mr. Savage, Mr. Hutto, Mr. Owens of Utah, Mr. Taylor, Mr. Tallon, Mr. Dixon, Mr. Hammerschmidt, Mr. Hoyer, Mr. Lowery of California, Mr. Derrick, Mr. Rowland of Georgia, Mr. Udall, Mrs. Vucanovich, Mr. Jones of North Carolina, Mr. Chandler, Mr. Gephardt, Mr. Coelho, Mr. Ford of Tennessee, Mr. Bates, Mr. Lungren, Mr. McDade, and Mr. Hochbrueckner.

H.J. Res. 180: Mr. Traficant.

H. Con. Res. 8: Mr. Gingrich.

H. Con. Res. 31: Mr. Hastert and Mr. Eckart.

H. Con. Res. 34: Mr. Torricelli and Mr. Weiss.

H. Con. Res. 64: Mr. Hyde.

H. Res. 53: Mr. Eckart and Mr. Boehlert.

H. Res. 112: Mr. Hyde and Mr. Smith of New Jersey.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 573: Mr. Anthony.

H.R. 1481: Mr. Bilbray.

SENATE—*Monday, March 30, 1987*

The Senate met at 12:30 p.m. and was called to order by the Honorable JOHN MELCHER, a Senator from the State of Montana.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

My soul thirsteth for God, for the living God.—(Psalm 42:2)

O God, thou art my God; early will I seek thee: my soul thirsteth for thee, my flesh longeth for thee.—(Psalm 63:1-2)

God of grace and glory, how barren our lives when we who profess Thee fail to worship Thee. We satiate our bodies and starve our souls. We walk t;rough xhe desert of spiritual poverty wondering where all the joy and gladness went. We pride ourselves on religious duty and find little or no pleasure in You. We deprive ourselves of Thee O Lord, the ultimate reality, and wonder why the best we can do seems empty and unsatisfying. Jesus said, "God is a spirit and they that worship Him must worship Him in spirit and in truth." (John 4:24) We confine worship to a stained glass place and call it religion. You invite us to worship wherever we are in whatever situation and call it reality. Teach us, dear God, to trade in our shop-worn religion for the joy of the Lord—for the refreshing reality of true worship anytime anywhere. In Jesus' name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. STENNIS].

The bill clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 30, 1987.

To the Senate:

Under the provisions of Rule I, Section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JOHN MELCHER, a Senator from the State of Montana, to perform the duties of the Chair.

JOHN C. STENNIS,
President pro tempore.

Mr. MELCHER thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the majority leader is recognized.

Mr. BYRD. Mr. President, I thank the Chair for his indulgence.

THE JOURNAL

Mr. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. BYRD. Mr. President, just a brief note about the work for the week. On today, the Senate will take up the housing bill. Final action on that bill will probably not occur until tomorrow.

At some point this week, there will be a vote on the veto override. That would be Tuesday or Wednesday or Thursday. There is no time limitation for debate on that matter.

Also this week, I hope that the Senate can get to the bill to assist homeless veterans. That is Calendar Order No. 38. As to the House bill, H.R. 1085, to make permanent the new GI bill educational assistance programs, I hope that the Senate can get to that measure this week. There is a companion Senate bill.

There is also a farm bill, H.R. 1157, to provide for an acreage diversion program applicable to producers of the crop of winter wheat. Then there are the two dairy policy bills, the House bill and the Senate bill, extending the date for submitting the report required by the National Commission. There is the Job Training Partnership Act that came out of the Committee on Labor. That has been reported now 10 days.

In addition to those measures, there is the bill to authorize appropriations for the U.S. International Trade Commission, U.S. Customs Service, and the Office of U.S. Trade Representative.

Those are pieces of legislation that I hope can be dealt with this week. And there will be others.

Following this week, there is only 1 week remaining before the Easter recess. The homeless legislation that came over from the House is on the calendar. The distinguished Republican leader and I and other Senators on both sides of the aisle have joined in cosponsoring homeless legislation that was sent to several committees. I hope such action can be taken on the homeless legislation before the Easter recess.

The budget resolution will be reported out one day this week, I understand. Conceivably, it could be ready for Senate action next week.

I have laid out a pretty big order here, especially in talking about the homeless legislation next week and the budget resolution. But, in the meantime, if we could clear the decks, may I say to the distinguished Republican leader—and he has been very helpful to me in opening the way to bring up legislation—if we could clear the decks of the other matters that I have mentioned, it would help us in the next week to concentrate, if we could, on the homeless legislation and on the budget resolution.

Mr. President, would the Chair let me know when I have just 2 minutes left?

The ACTING PRESIDENT pro tempore. The Chair will do so.

Mr. BYRD. I thank the Chair.

THE CLEAN COAL TECHNOLOGY DEPLOYMENT ACT

Mr. BYRD. Mr. President, I am pleased to introduce today the Clean Coal Technology Deployment Act. I believe that the development of clean coal technologies is essential to our energy and economic security. Clean coal deployment will preserve jobs as well as create new ones; it will promote competitiveness of our energy-intensive industries; and it will improve the quality of our environment, now and for future generations.

Mr. President, my bill will encourage the commercial deployment of clean coal technologies by providing 3.5 billion dollars' worth of matching grants over a 10-year period. This legislation will also remove some Federal regulatory impediments to the use of selected innovative technologies.

This approach is the natural next step in the clean coal technology demonstration program that I supported 3 years ago. That program has successfully demonstrated a number of innovative control technologies that were not yet ready for commercial scale applications. Now there are a number of technologies that are ready for such applications.

The problem we now face is that that although the utility industry is eager to push the frontiers of clean coal technology, there are high risks associated with demonstrating those new technologies. An individual utility

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● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

might not be able to afford to risk plant reliability and environmental performance. However, once a utility takes this risk, and successfully applies the technology, all utilities and all their ratepayers benefit from having a new improved option available for generating electric power. The experience of those first few units reduces the technological risks for everyone else.

What this bill will do is provide the extra insurance that utilities need in order to deploy those first few projects. The insurance comes in two forms. One is direct financial assistance, with the Federal share limited to 50 percent of a project's cost. The other is in providing assurance to utilities that whatever costs they incur in deploying these technologies for everyone's benefit will be treated fairly by Federal and State regulators.

Once the initial steps have been taken, widespread deployment can follow. I submit that this is just the kind of situation in which Government funding is effective, even essential, in allowing society to reap significant benefits.

What are the benefits of the next generation of clean coal technology? They are numerous. First of all, clean coal is the key to a secure energy future for all of us. Coal is our most abundant indigenous energy resource, at least fossil energy resource. The more cleanly and efficiently we burn it, the more assured we are of our energy independence for the foreseeable future.

Our Nation's electricity supply capability may be seriously tested before the end of this century. The Department of Energy recently issued the energy security study and confirmed that very serious energy shortfalls are likely to occur unless immediate action is undertaken on several fronts. I am told that many experts are now predicting that the United States will require 100,000 to 200,000 megwatts of additional new electric generating capacity this century. Much of this new capacity will be coal fired. The newer technologies integrate environmental concerns into plant design. Whereas current technology sacrifices efficiency in order to accommodate add-on control technology, new clean coal technologies are both cleaner and more efficient.

New clean coal technologies can meet this demand and increasingly stringent environmental and siting requirements without sacrificing productivity. Such plants can be constructed in modular fashion to better match capacity additions with actual demand, thus assuring future electricity supply in the most cost-effective manner. According to recent congressional testimony provided by the Electric Power Research Institute [EPRI]:

> New clean coal technology now under development could reduce the cost of this neessary capacity expansion by more than 50 percent relative to current experience.

Lower electricity costs translate into savings in all of our monthly bills. Lower electricity rates for industrial firms will improve industrial competitiveness and our balance of payments.

The Clean Coal Program will impose our competitiveness in other ways as well. If we do not develop and deploy these technologies ourselves, other countries will.

We now have the opportunity to gain a comparative advantage in producing clean coal technologies for our domestic needs as well as for export to foreign customers. If we miss this opportunity, we will wind up importing these technologies, adding still more red ink to our trade deficit.

Clean coal technology will also help solve the acid rain problem.

All of the acid rain control bills introduced to date force us to make the Hobbesian choice between the severe economic dislocation of fuel switching on the one hand, and the enormous expense of conventional scrubber technology on the other hand. Large scale coal switching would cause unemployment in northern West Virginia to increase by 17 percent. A full scrubbing approach would cost West Virginia ratepayers over $1 billion per year. That would translate into industrial electricity price increases of 15 percent to 40 percent. Increases of that magnitude to electricity intensive industries could undermine our ability to compete in the international marketplace.

Clean coal is a way out of this dilemma. If we are willing to put in the time and money to make this program work, we will achieve long-term reductions in the emissions of acid rain precursors.

Mr. President, I hope that my colleagues will join me in supporting this legislation. I note that the administration, which at one time staunchly opposed the Clean Coal Program, is now one of the program's strongest advocates. In this year's budget request, for the first time the administration asked for funding for the Clean Coal Program over the next several years. On March 19, the President announced that he would seek $2.5 billion in new appropriations over the next 5 years for the demonstration and deployment of clean coal technologies. I will not speculate on what might have caused this rather dramatic turnaround, but I warmly embrace any support from the President for a program I have long believed is of great national importance.

With the President's shared commitment to the development and deployment of clean coal technologies, I feel certain that, together we can craft a productive, national Clean Coal Program—one that is helpful and supportive of the needs of our good neighbors to the north, and importantly, at the same time, one that is productive and targeted toward benefiting the people of the United States.

Mr. President, I ask unanimous consent that a copy of the bill and a section-by-section analyses be made a part of the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 879

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Clean Coal Technology Deployment Act".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress hereby finds and declares that—

(1) utilization of the vast coal resources of the United States in an environmentally acceptable and cost effective manner is essential to our national security and will reduce growing dependence upon foreign sources of energy;

(2) there will be a need for additional electric generating capacity and other energy options in the United States before the turn of the century;

(3) widespread use of efficient and cost effective clean coal technologies will insure steady progress toward meeting our energy and environmental needs while preserving the livelihoods of Americans and the competitiveness of United States industry;

(4) the magnitude of the risks associated with the commercialization of these technologies are not compatible with normal electric utility rate-making procedures;

(5) establishment of the clean coal technology deployment program will better enable the private sector to assume those technological and financial risks that are attendant to the commercialization of emerging clean coal technologies;

(6) there is a need for coordinated development and application of regulatory, financial and other incentives, at the Federal and non-Federal level of government, to facilitate the widespread commercial application of clean coal technologies;

(7) coal utilization and environmental protection are mutually compatible and improved clean coal technology is the key to compatibility; and

(8) electrical energy needs of the future can best be met through the development of technologies capable of matching increments of demand to cost-effective and efficient amounts of capacity additions.

(b) The purpose of this Act is to encourage the commercial deployment of clean coal technologies by—

(1) establishing a program of Federal financial assistance for a limited number of commercial-sized clean coal technology projects;

(2) removing certain Federal regulatory impediments to the use by electric utilities of designated clean coal technologies; and

(3) providing coordination between State and Federal regulatory policies respecting utility use of designated clean coal technologies.

DEFINITIONS

SEC. 3. For purposes of this Act:

(1) The term "innovative clean coal technology" means any technology (including pre-combustion treatment of coal) at a new or existing facility which—

(A) will effect or facilitate a reduction in air emissions associated with the combustion or use of coal, and

(B) is not in widespread commercial use at the same scale in new or existing facilities in the United States.

(2) The term "federally assisted clean coal project" means any project for which the Secretary has approved financial assistance under section 4.

(3) The term "designated clean coal technology" means an innovative clean coal technology designated under section 5(a) as eligible for the regulatory treatment provided by sections 5 and 6(b).

(4) The term "clean coal project expenditure" means any cost or operating expense which is reasonably related to design, construction, or operation of—

(A) a new facility which utilizes a designated clean coal technology, or

(B) equipment installed to retrofit, repower or modernize an existing facility which will utilize a designated clean coal technology.

as determined under the regulations of the Secretary.

(5) The term "clean coal capital cost" means a clean coal project expenditure required (but for section 5(b)) to be booked to an asset account under 18 CFR, 101.

(6) The term "existing facility" means a facility in service prior to January 1, 1987.

(7) The term "new facility" means a facility other than an existing facility.

(8) The term "coal" means anthracite, bituminous or subituminous coal, lignite, or any fuel derivative thereof.

(9) The term "air emission" means any emission of an air pollutant.

(10) The term "Secretary" means the Secretary of Energy.

(11) The term "Commission" means the Federal Energy Regulatory Commission.

(12) The term "Administrator" means the Administrator of the Environmental Protection Agency.

FINANCIAL ASSISTANCE FOR DEPOYMENT OF CLEAN COAL TECHNOLOGIES

SEC. 4. (a)(1) The Secretary, pursuant to authority provided under provision of the Federal Nonnuclear Energy Research and Development Act of 1974 (Public Law 93-577), shall establish a Clean Coal Technology Deployment Assistance Program pursuant to which the Secretary shall provide financial assistance to such number of commercial-sized projects utilizing innovative clean coal technologies as the Secretary determines require Federal financial assistance to encourage their commercial deployment.

(2) The Secretary may provide assistance under this section to a project which utilizes an innovative clean coal technology if the Secretary determines that the project will provide experience necessary at a commercial scale to reduce the technological, financial, and regulatory risks associated with such innovative clean coal technology.

(3) In determining whether to provide assistance to a project utilizing an innovative clean coal technology under this section, the Secretary shall consider the following criteria:

(A) The projected efficiency and cost effectiveness (including operation and capital costs) of the technology, in its widespread commercial application for the purpose of:

(i) energy production; and

(ii) reduction of air, water, and solid waste effluents.

(B) The extent to which the technology can be used at a large number of existing facilities, particularly those facilities which, because of size and location, contribute to interstate or international pollution.

(C) The extent to which the technology can be applied to existing facilities currently dependent on high sulfur coal.

(4) In determining whether to provide assistance under this section to a project located in a State, the Secretary shall consider the extent to which the State has adopted policies comparable to those applicable to the Commission under section 5.

(5) Assistance under this section shall be in the form of grants-in-aid of construction or operation or both. The Secretary may not provide assistance to a project under this section in an amount that exceeds 50 percent of clean coal project expenditures for such project, as estimated at the time of project selection. The provisos under the heading "Department of Energy, Clean Coal Technology," in title II of Public Law 99-190 (99 Stat. 1251) shall apply to assistance provided under this section.

(b) There are authorized to be appropriated not more than $350,000,000, for each fiscal year in the 10-fiscal-year period which begins after the date of enactment of this Act, to be available for obligation under subsection (a). If appropriations in a fiscal year are less than $350,000,000, the balance between $350,000,000 and the amount so appropriated is authorized to be appropriated in any subsequent fiscal year. Sums authorized to be appropriated under this subsection shall be in addition to the amounts available from the Clean Coal Technology Reserve established by Public Law 98-473.

REDUCING FEDERAL REGULATORY IMPEDIMENTS TO DEPLOYMENT OF CLEAN COAL TECHNOLOGY

SEC. 5. (a) The Secretary, by rule after consultation with the Administrator, shall designate one or more innovative clean coal technologies as eligible, in whole or part, for the regulatory treatment provided in subsections (b) and (c) of this section and in section 6(b). In designating any such technology, the Secretary shall take into account, to the extent such information is practically available, estimates of—

(1) the projected efficiency and cost effectiveness (including operating and capital costs) of the technology in its widespread commercial application for the purpose of:

(A) energy production; and

(B) reduction of air, water, and solid waste effluents;

(2) reliability; and

(3) efficiency of power production.

A designation of an innovative clean coal technology under this section shall state which of the provisions of subsections (b) and (c) apply to such technology, and whether section 6(b) applies.

(b) For purposes of determining whether the rates and charges of any public utility (as defined in section 201(e) of the Federal Power Act) are just and reasonable under sections 205 and 206(a) of such Act, the Commission shall apply the following criteria:

(1) Any clean coal project expenditure for design and engineering by such utility shall be allowed as an operating expense.

(2) Any clean coal capital cost incurred to retrofit, repower, or modernize an existing facility shall be included in rate base when incurred, except to the extent such cost is allowed as an operating expense under subparagraph (A).

(3) On application of the public utility, the Commission shall allow any clean coal capital cost (to the extent not allowed as an operating expense under subparagraph (A)) to be amortized over a 5-year period beginning with the calendar year in which—

(A) the facility, in the case of a new facility, or

(B) the retrofitted, repowered, or modernized equipment, in the case of an existing facility, is placed in service. A return shall be allowed on any unamortized amount in rate base.

(4) On application of such public utility, the Commission shall exercise its authority under the Federal Power Act to provide an incentive rate of return on any clean coal capital cost included in rate base.

(5) There is a rebuttable presumption that any clean coal project expenditure is prudent.

(c) The Commission may exempt any person from any provision of the Public Utility Holding Company Act and parts II and III of the Federal Power Act to the extent—

(1) either Act applies by reason of ownership or operation of any federally assisted clean coal project or any project using a designated clean coal technology; and

(2) the Commission determines such an exemption is necessary to permit such person to participate in such project.

COORDINATION WITH THE STATES

SEC. 6. (a) The Secretary and the Administrator each shall—

(1) meet directly with governors, State energy policymaking offices, State environmental regulatory agencies, the State regulatory authorities to explain the clean coal technology deployment program under this Act;

(2) encourage coordinated and expedited Federal and State permitting and siting procedures for projects using designated clean coal technologies;

(3) subject to the recommendations, if any, of the Administrator, encourage maximum flexibility of State implementation plans under section 110 of the Clean Air Act to accommodate projects using designated clean coal technologies; and

(4) encourage State energy policy agencies, the Governors and State regulatory authorities to adopt, at the State level, the regulatory incentives provided at the Federal level under section 5 in order to encourage the deployment of designated clean coal technologies.

(b) For purposes of determining whether in any proceeding before a State regulatory authority (as defined in section 3(18) of the Public Utility Regulatory Policies Act of 1978) the rates and charges of any State-regulated electric utility (as defined in section 3(17) of such Act) are just and reasonable, there is a rebuttable presumption that any clean coal project expenditure is prudent.

IMPLEMENTATION

SEC. 7. Not later than 6 months after the date of enactment of this Act, the Secretary shall prescribe regulations implementing this Act. As soon as practicable after funds appropriated in a fiscal year become available for obligation under section 4(b), the Secretary shall request proposals under section 4(a) for clean coal technology projects.

Major Provisions of the Clean Coal Technology Deployment Act

I. NEED FOR THE LEGISLATION

Utilization of vast domestic coal resources in an environmentally acceptable and cost effective manner will reduce dependence upon foreign sources of energy.

Widespread use of efficient clean coal technologies will insure steady progress toward meeting our energy and environmental needs while preserving the livelihoods of Americans and the competitiveness of United States industry.

The clean coal technology deployment program will better enable the private sector to assume technological and financial risks attendant to the commercialization of emerging clean coal technologies.

There is a need for coordinated development and application of regulatory, financial and other incentives to facilitate the widespread commercial application of clean coal technologies.

II. PURPOSE OF THE LEGISLATION

To provide a program of Federal financial assistance for a limited number of commercial-sized clean coal technology projects.

To remove federal regulatory impediments to the use of electric utilities of clean coal technologies.

To encourage State policies in support of clean coal technologies.

III. MAJOR PROVISIONS OF THE LEGISLATION

Directs the Secretary of Energy to establish a Clean Coal Technology Deployment Assistance Program. The Secretary will provide grants in aid of construction or operation up to 50 percent of clean coal project expenditures to a limited number of commercial-sized projects utilizing innovative clean coal technologies. Criteria for selection of projects are enumerated including cost-effectiveness and efficiency of emission control and energy projection as well as impact upon abatement of interstate or international pollution.

Removes certain enumerated Federal regulatory impediments to the use of designated clean coal technologies by electric utilities.

Provides for coordination between State and Federal regulatory policies respecting utility use of designated clean coal technologies.

IV. FUNDING

Authorization for the Clean Coal technology deployment Assistance Program in an amount up to $350 million per year for a 10-fiscal-year period.

V. IMPLEMENTATION

Secretary of Energy is required to prescribe regulations implementing the legislation within six months after the date of enactment. As soon as practicable after funds become available for the Deployment Assistance Program, the Secretary shall request proposals for clean coal technology projects.

Mr. BYRD. Mr. President, I yield the floor.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the Republican leader is recognized.

Mr. DOLE. Mr. President, I thank the distinguished Presiding Officer.

SCHEDULE

Mr. DOLE. Let me indicate first that, with the distinguished majority leader, we will attempt to clear as many of these bills for action as we can. I understand some may be nearing—maybe I am an optimist—unanimous consent. If that is the case, then we can dispose of them quite quickly. And we will attempt to prepare other bills for floor action because I share the view of the majority leader. Let us get these measures off the calendar as quickly as we can, because they will start piling up in 3 or 4 weeks once all committees are reporting out bills.

Mr. BYRD. Yes. Mr. President, I thank the able Republican leader.

KANSAS AIR GUARD SALUTED FOR ASSISTANCE

Mr. DOLE. Mr. President, we have all heard the old saying that "when it rains, it pours." Well, in western Kansas, when it snows—it really snows.

Early last week, much of western Kansas was buried under several feet of snow—stranding travelers and livestock alike. We got the double-whammy.

In fact, I happened to be watching TV last night, and Russell, KS, my hometown, which is not on national television very often was on, maybe for the wrong reason. But they were having quite a blizzard in Russell, KS. And another blizzard swept across the plains and again stranded hundreds of travelers and thousands of cattle.

I found myself in Iowa on Saturday night. I could not get to the event I wanted to attend. I could not get to my clothes in Des Moines, IA. We ended up spending the night in Cedar Rapids. So the snow was all over the place. It was a terrible thing for those people who were caught out in it.

But we are used to bad weather from time to time in western Kansas. We are also used to the tremendous assistance we have had from the Air National Guard, which they have provided at times of distress.

Last week, after Governor Hayden declared an emergency state of disaster because of the first snow, the Air Guard went into action to help motorists and farmers. In Salina, Russell, and other communities in western Kansas, the Guard set-up shelters in their armories. And by helicopter they ferried hay to cattle. Last week's effort, though, was merely a dress rehearsal for the second storm that hit this weekend.

Last night, the Guard assisted several hundred motorists stranded at Hays, Concordia, and Russell. And Reserve members were dispatched to 18 counties in northwestern Kansas to begin a larger haylift today.

Today, and for the next 3 days, these Guard members will use eight Huey helicopters—like those used in Vietnam to transport the wounded—to move 2,000 pound bales of hay, one at a time, to stranded cattle. The Guard expects to move hundreds of these bales so that thousands of cattle will have a chance to survive this storm.

Mr. President, my purpose in stating this is to thank the Kansas Air National Guard for their work in these difficult conditions. This is not the first time the Guard has shown what it can do. And probably it will not be the last time. I want to commend the men and women of the Air National Guard for their efforts. I am certain they have been just as effective in many other States.

BICENTENNIAL MINUTE

MARCH 30, (1868): THE JOHNSON IMPEACHMENT TRIAL

Mr. DOLE. Mr. President, on March 30, 1868, 119 years ago today, this Chamber was a court room; the Senators were the jury; and on trial was the President of the United States. In February, radical Republicans in the House had pushed through 11 articles of impeachment against President Andrew Johnson. The resulting trial in the Senate had officially begun on March 5, but the next 3 weeks were largely filled with sober statements, and the presentation of exhibits. Everyone knew that the real verbal pyrotechnics would begin on March 30, when Representative Ben Butler of Massachusetts, the most notorious of the House managers, opened arguments for the prosecution.

The galleries were filled to overflowing that day. Senators were beseiged by constituents clamoring for the little yellow admission tickets. Long before the appointed hour of 12:30 p.m., the Senators were in their seats. The Chief Justice entered, followed by the House managers and most of the House of Representatives. The crowds were not disappointed. Butler was a physically unattractive man, with a reputation, personality, and vicious speaking style to match. For 3 long hours, broken only by one 10-minute recess, he hurled bitter denunciations and vile accusations at the absent Johnson. The Sun began to set before Butler finally brought his harangue to a close and sat down.

The radicals were jubilant over Butler's performance. Their joy, however, was short lived. In the days that followed, the hollowness of their charges became more and more apparent. In mid-May, test votes on articles II, III, and XI produced identical 35 "guilty" to 19 "not guilty" results. Thirty-six guiltys were necessary for conviction. To head off further defeats, the radicals moved on May 26 to adjourn sine die, abruptly ending the impeachment trial of President Andrew Johnson.

THE PRESIDENT'S VETO OF THE HIGHWAY BILL

Mr. DOLE. Mr. President, on one other matter, and then I will yield the balance of my time, after the distinguished majority leader has used his time, to my colleague from South Dakota, Senator PRESSLER.

There will be a vote, as the majority leader indicated, on whether to override or sustain the President's veto on the highway bill. I would hope that could come as early as possible this week for the very reasons I indicated on Friday. If a veto is sustained, there will be a lot of pressure for us to move very quickly on another measure. And I think we should do that. I do not know at this point whether the President has the votes to sustain the veto or not. I think it is very close.

I know that a number of Senators have not yet made a judgment. But I would hope that we would have some bipartisanship, and that it is not going to be strictly a partisan matter. Because I believe that on the merits, the President made the correct judgment. And I would say to my Republican colleagues, in addition to the merits, I think this is a very important test for the President of the United States.

If I have any remaining time, I yield it to the Senator from South Dakota.

The ACTING PRESIDENT pro tempore. The Senator from South Dakota is recognized for 5 minutes.

INTERNATIONAL FARM CRISIS

Mr. PRESSLER. Mr. President, very briefly, I wish to draw the attention of the Senate to a March 23, 1987, New York Times article which pointed out that the chief issue at upcoming negotiations will be farm aid issues. The article is entitled "The U.S. Will Stress Farm Aid Issues in Global Talks." It states in part that senior officials of the Reagan administration say the cost of aiding farmers has become such a burden to so many countries that the United States wants to push the problem to the top of the list of international economic issues to be discussed at the seven nation meeting in June.

The article goes on to point out that many Western democracies are overproducing and spending a great deal in support of farmers or agricultural programs. There does not seem to be markets for these surplus products. Perhaps the Western democracies can take a unified approach to dealing with some of these problems.

Mr. President, I have sponsored legislation urging that the Reagan administration make it a top priority to negotiate an international treaty regarding land set-asides. At least two European political parties have urged that the European Common Market countries adopt set-aside programs, and land conservation programs similar to what the United States has to reduce agricultural production. That is a very important goal to seek and to achieve.

I have been very impressed that both the New York Times and the Washington Post have begun to stress the issue of the need for an international agreement among countries to reduce agricultural production. That might well include the United States, Canada, the Common Market, Argentina, Australia, and others. This is an idea whose time will come. We are certainly not expecting immediate action. But I am pleased to see that the Reagan administration has placed this problem at the top of the list for international negotiation.

I am also pleased to point out that I think we have to realize that a solution to the farm problem, a solution to the surplus problem, lies in the area of international trade and international agreements. If the United States, for example, were to adopt a program of mandatory production controls it would be fine that if we do it alone other countries will merely increase production and overtake our markets. We will not be solving the problem unless other countries cooperate.

This is something that the Reagan administration has recognized and I think both political parties recognize.

I shall be pursuing a resolution which I have offered in the Senate and was offered in the House by Congressman BEREUTER, which urges that the United States make it a negotiating point with other surplus producing countries that they engage in a coordinated soil conservation program that might set aside as much as 10 percent of the crop acreage. This is the type of farm programs that those countries should be adopting.

Mr. President, I ask unanimous consent that the article from the New York Times of Monday, March 23, 1987, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. WILL STRESS FARM-AID ISSUES IN GLOBAL TALKS

(By Peter T. Kilborn)

WASHINGTON, March 20.—Senior officials of the Reagan Administration say the cost of aiding farmers has become such a burden to so many countries that the United States wants to push the problem to the top of the list of international economic issues to be negotiated this year.

"They've got to talk about agriculture," said W. Allen Wallis, Undersecretary of State for Economic Affairs and the head of the Administration team that is preparing for the seven-nation economic summit conference in June in Venice.

"I'd say clearly that's the most important economic problem today—more important than trade, debt and so on," he said. "Agriculture has more potential for all sorts of devastating consequences."

A SECTOR IN 'ABSOLUTE CHAOS'

M. Alan Woods, a Deputy United States Trade Representative, said: "It's a sector of the world economy that is in absolute chaos. It has to be brought under control, and it's not something that one country can do alone."

Such views are common in Europe as well. In a speech here earlier this month, Britain's Agriculture Minister, Michael Jopling, said "there is a growing consensus about the need for urgent action" on farm issues.

Farming worldwide is plagued by overproduction and depressed prices, problems that, most countries agree, are largely the consequence of domestic economic policies. While the battles among the big industrial powers have been dominated again this year by conflicts over growth, currency values, trade, finances and loans to developing countries, agriculture has drawn increasing attention as it has become evident that farm policies to some extent underlie all these issues.

Traditionally, farm policy has been a matter that countries kept off the table at multilateral negotiations. Successful negotiation presumably would require concessions in the payments, subsidies and restrictions on imports that nations grant their farmers. Elected governments have been unwilling to trade away programs so dear to their politically powerful farm constituencies.

But in farming, as in many other economic areas, attitudes have been changing. For one thing, spending on agriculture has grown so huge that it is crowding aside the demands of other powerful interests. In the United States, aid to farmers is expected to total $27 billion in a year in which the Federal budget deficit is projected at $180 billion. With Congress and the Administration now committed to cutting the deficit, mostly through reductions in spending, agricultural costs emerge as a highly visible target.

The problem is similar elsewhere: The 12-nation European Economic Community spent $23 billion on farm-support programs last year; Japan spent $15 billion.

Pressure for change also arises as the traditionally parochial business of farming becomes caught in the spreading web of economic interdependence among nations. One country's farm-support policies affect world prices and the economies of other countries as surely as do changes in the values of currencies.

President Reagan put the subject on the international negotiating table last year at the economic summit conference in Tokyo. The other participants agreed with the President that agricultural policies in one country often affect other countries and that talks on the issue are needed.

That consensus helped put agriculture among the topics that the world's trade ministers listed for negotiation in the round of trade talks that will begin next year. President Reagan now wants to use the summit conference that he will attend in June to broaden the debate and push the trade talks along. The June meeting will also be attended by the leaders of Japan, West Germany, France, Italy, Britain and Canada.

"The odds for success increase when we get heads of government sending these kinds of instructions," said Daniel G. Amstutz, an Undersecretary of Agriculture.

The President's commitment to the issue of agriculture makes it central even to those governments that might prefer a different emphasis. West Germany, for example, would give higher priority to dealing with the budget deficit in the United States, which the Germans see as the principal cause of the imbalances in the world economy.

"But whatever is important to the United States is important to us," said Dietrich Von Kyau, economics minister at the West German Embassy here. He said of farm policy, "If we don't take it into account, we could find ourselves in a trade war."

SUPPLY AND DEMAND

The source of the problem is supply and demand. Worldwide farm production has been rising about 5 percent a year, according to Robert L. Thompson, dean of agriculture at Purdue University. In the 1980's, Europe, India and China have become exporters of farm products.

The surplus of the 1980's now mocks the accepted wisdom of the 1970's—that the world was headed toward critical shortages in food. "We've got the problem of overproduction in a saturated world market," said Derwent Renshaw, an economist at the Washington offices of the European Community.

With supplies of food outpacing demand, prices have dropped dramatically. The richer countries help their farmers maintain incomes through direct governmental payments, subsidies and restraints on imports. That support has encouraged farmers to produce even more.

By subsidizing their own production the richer countries undermine the ability of poorer countries, where production costs are often lower, to sell their goods in the world market. This deprives them of revenues they need to develop their economies and make payments on their loans from developed countries.

"The basic problem in world agriculture is that the rich nations provide too many incentives for production, thereby creating oversupply and depressed prices," Mr. Amstutz, the Agriculture undersecretary, said.

COOPERATIVE EFFORT FAVORED

It is generally conceded that the least painful way for nations to reduce their spending for farmers would be to coordinate reductions in aid so that no one country gains at another's expense. But disagreements arise over the precise approach.

Mr. Woods said some European countries favor a policy that would, in effect, create cartels to insure all countries a piece of world agricultural markets. Others, notably Canada and Australia, want agreement on rapid and concerted reductions by all countries of the subsidies they pay to promote exports.

The Reagan Administration sees the first approach as a violation of its free-market economic philosophy, but it views the second method as a partial step toward its own goal—comprehensive, step-by-step removal of barriers to trade.

To encourage others to adopt the American approach, the Administration promises to be flexible about the pace at which farm supports are phased out. "But we want dates certain for each step of the phase-outs," Mr. Amstutz said. Other countries, he said could thwart the process by resisting such deadlines.

ACTIVE STOCKS FOR THE WEEK ENDED MAR. 20, 1987

Company and market	Price					Volume of shares traded last week (thousands)	Earnings		
	Last week's close	Percent change		5-yr			Per share last 12 mo		5-yr annual growth (percent)
		Last week	Year to date	High	Low		Amount	Change (percent)	
Phillips Petrol	$15.25 N	7.9	29.8	$18.72	$7.81	13,314	$0.88 F	−38.9	−10
Oalnds	1.88 N	66.4	114.3	32.25	.31	11,275	.58 F	NE	NC
USXCorp	27.38 N	9.5	27.3	33.25	14.50	10,490	−6.18 F	−100.0	NC
AmTel&Tel	24.00 N	2.7	−4.0	NC	NC	9,412	.21 F	−84.7	NC
AmerMotors	4.50 N	5.9	56.5	11.25	2.25	8,443	−.91 F	NE	NC
GCACorp	.22 N	−84.1	−89.1	41.25	.06	8,288	−9.13 N	NE	NC
OccidentPetrol	33.50 N	8.1	21.8	42.00	17.00	8,188	.66 F	−70.1	−20
IntlBusMachine	148.63 N	2.6	23.9	161.88	55.63	8,109	7.81 F	−26.8	7
AmExpressCo	77.25 N	−.3	36.4	81.25	17.63	7,852	5.55 F	56.3	12
SalomonInc	40.75 N	.9	6.2	59.38	10.06	7,300	3.45 F	−8.7	11
PanAmCorp	4.38 N	−7.8	2.9	9.50	2.50	7,220	.21 N	NE	NC
Schlumberger	40.00 N	6.3	26.0	62.63	27.25	7,130	−7.02 F	−100.0	NC
TexasUtilities	33.50 N	−3.3	6.3	37.50	19.13	6,827	4.45 F	2.3	5
NavistarIntl	7.25 N	1.7	52.6	14.75	2.75	6,784	−.24 Q	−100.0	NC
ChevronCorp	57.75 N	9.7	27.3	57.88	23.50	6,494	2.09 F	−53.8	−15
NationalSemicn	16.13 N	10.3	51.8	19.97	4.38	6,339	−.79 S	NE	NC
Exxon	85.75 N	3.8	22.3	86.00	24.88	6,245	7.42 F	14.9	7
LTVCorp	3.00 N	40.8	84.6	19.88	1.13	6,143	−34.35 F	NE	NC
MerrillLynch	45.75 N	10.6	25.3	56.50	10.50	5,950	4.44 F	96.5	1
MobilCorp	48.88 N	8.0	21.8	49.13	19.50	5,918	3.44 F	34.9	−9
Hewlett-Packard	61.25 N	6.7	46.3	62.00	18.00	5,511	2.04 Q	7.9	9
MotorolaInc	55.75 N	12.1	56.5	57.75	16.41	5,471	1.53 F	150.8	−8
CocaColaCo	47.38 N	.5	25.5	49.00	9.91	5,185	2.08 F	23.1	11
GenMotors	78.13 N	.3	18.4	88.63	34.00	5,167	8.21 F	−33.1	51
Bristol-Myers	110.00 N	10.8	33.1	111.63	25.38	4,980	4.13 F	7.0	13

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order there will now be a period for the transaction of morning business not to extend beyond the hour of 1:15 p.m., with Senators permitted to speak therein for not to exceed 5 minutes.

The Senator from Wisconsin.

WHY AMERICAN BANKING IS SOUND

Mr. PROXMIRE. Mr. President, is our commercial banking system in trouble? We are all aware that in 1985 there were more commercial bank failures than in any year in the last 50, that is since the Great Depression. One hundred and eighteen banks failed in 1985. How did we do last year? Last year was worse. Last year 144 banks failed. As of March 19, 1987, 50 banks had already failed. At that pace, some 200 banks will go bankrupt before the year is out. Is this reason for concern? Of course it is. But let us put these failures into perspective. There are still more than 14,000 independent commercial banks in this country. Last year—the worst year since the 1930's—almost precisely 1 percent of this Nation's banks failed. That compares with a failure rate in 1986 of 1.25 percent for all of American business. So banking had a smaller rate of failure than most businesses. Nevertheless, the number is shocking for American banks; because banking has by reputation operated more conservatively than other businesses. Safety and soundness is a cardinal tenet of banking. Our banks are more closely and constantly regulated than any other business by far. Furthermore the 200 failures anticipated this year based on the current figures and the estimate of Chairman Seidman of the Federal Deposit Insurance Corporation would exceed the national average of failures for all businesses and would exceed the 1986 average of any other major business category.

Let us keep other facts in mind to appreciate the full significance of bank failures. First even in 1986 there were far more new banks chartered than the number of old bank failures. In 1986, 258 new banks were chartered, while 144 banks failed. So there were banks waiting in the wings that moved in to more than replace the banks that failed.

Somehow most of us view a bank failure as specially catastrophic. We envision long lines of depositors who have put their life savings in the bank. The bank goes down, and there goes all the cash and credit many families have. Is that a true picture? The answer is an emphatic "no." In the first place, every deposit in virtually every commercial bank is now insured up to $100,000. But don't those who have put more than $100,000 in a bank stand to lose whatever they have deposited over $100,000? Again the answer is a firm "no." In spite of the relatively large number of bank failures in 1985 and 1986, the overwhelming proportion of depositors lost nothing. In virtually every case, the FDIC was able to provide a continuation of the deposits with other institutions and with the right of prompt withdrawal for every depositor. Oh yes, in any business failure there are heartbreaking losers. A failed banks' stockholders lose their investment, usually their full investment. Bank employees lose their jobs. Management not only loses their jobs but because of the failure of the banks under their management in many cases these managers of failed banks often have difficulty finding anything like comparable work. But, Mr. President, this is part of the painful price we pay for an efficient free enterprise economy. It is a price worth paying. The fact of failure and the specter of failure provide prime incentives that keep stockholders and management prudent. They pressure management into long, hard hours and unrelenting effort to find ways to avoid failure.

Sure the bank failures of the 1980's to date provide real cause for concern. They are indeed worse than they have been for 50 years. But before the advent of the Federal Deposit Insurance Corporation with its examination powers and its psychological benefits in assuring depositors that—come what may—their savings were safe, failures were far more common. In the early thirties—just before the advent of deposit insurance and the bank holiday of 1933, failures exceeded 1,000 in each of several years. And millions of depositors lost their savings.

American banking today remains, overall, remarkably safe and prudent. Compared with banking in any other country it is also far more competitive, far less concentrated, and far more closely attuned to the communities it serves.

Mr. President, ask yourself why has America become the preminent country for small and independent business? One big reason is our unique locally owned banking system. Where other countries have five or six banks that do 95 percent of the banking business, we have literally 14,000 independent banks, most of them locally owned, typically by the managers who operate them. That means a commitment to the community and to the business in that community.

Now ask yourself, why do businesses fail? And why do they succeed? They fail because they do not control their costs. They succeed when they do. They need a cost accounting system. They need it to hold down costs. They also need it to price their products wisely. They need to control their inventories. They need it to manage their receiveables. They need to hold down personnel costs. They need it to provide the data they must have in making wise equipment purchases. So where do they get the kind of advice to develop the controls they need to permit them to operate successfully? Answer: this kind of advice comes overwhelmingly from their bankers. Unfortunately, too few independent business men understand this, and the rest of the public knows far too little about it.

WE MUST SEND A MESSAGE

Mr. CHILES. Mr. President, just 6 months ago the Congress passed a major drug bill, and the effort was supported by the administration. It was supported by the administration with great fanfare. There was the tremendous bill-signing ceremony in which many Senators who were running for reelection were put in very prominent places. The administration took great credit for the bill.

But that support has faded with the winter. The new Congress received the administration's proposed budget cuts in the domestic drug programs and we find that in many instances over 50 percent was cut in law enforcement, education, and treatment.

Then this month the President has reported to the Congress on which major drug-producing countries have cooperated fully with the United States in controlling narcotics. This, again, was a provision that was required by the new Drug Act.

That list of countries is required by the new drug law, which authorizes the withholding of 50 percent of U.S. aid to countries that do not cooperate fully.

That was the language, Mr. President, which was intended by Congress to strengthen the U.S. hand in supporting the worldwide eradication of drugs. Instead, it looks to me as if this list is an embarrassment and a direct threat to the U.S. position. The administration has excused major drug-producing countries altogether and has only penalized three countries; in other words, three are put on that list as not fully cooperating: Afghanistan, Iran, and Syria. It does happen to be a little strange, Mr. President, that those are the three that do not receive any foreign aid from us at all—so they go on the list.

State Department officials have reportedly been confused about what Congress meant by countries which fully cooperate. But if you look at their own information in their own report, the International Narcotics Control Strategy Report of March 1987—that is State Department language. It is reported that Peru eradicated only 2,500 hectares of coca plants out of an overall crop of 120,000 hectares and continues to have vile corruption througout its Government, security forces, and police. That is State Department language, but Peru is considered to be one of the countries that are cooperating fully.

Pakistan is said to have had an opium production in 1986 which exceeds the previous year. Yet Pakistan is not put on the list as a country that is not cooperating fully.

The Royal Bahamian Defense Forces have worked with U.S. defense forces to combat drugs on the high seas and we are glad to see that effort. But the Bahamian Government has refused to act on 13 extradition notices, many against their Government officials who are accused of drug offenses.

Is that cooperating fully?

Colombia did extradite drug kingpin Lehder to the United States for prosecution, but its coca eradication program is only an experiment and other drug kingpins are entwined with Government officials, police, and businessmen. Yet I guess that is listed as cooperating fully.

Only last week, the President of the Central Bank of Bolivia announced in Miami that his country was going to be using its U.S. assistance for crop eradication and substitution to pay off their foreign debt. I wonder if that is cooperating fully.

The State Department acknowledges that bad weather and unrest in these countries have hampered efforts. I understand that, but I wonder why that bad weather has not hampered the harvesting of drug crops.

We have for long been aware that the most efficient and cost-effective way to control drugs is at their source. To eradicate illegal drugs worldwide. The Antidrug Abuse Act of 1986 recognizes that fact and therefore strengthened U.S. drug policy internationally as well as domestically. We want nations of the world to respect our Nation's efforts against drugs. We will never receive that respect if we continue to cave in to other pressures.

We recognize that a lot of these countries have very difficult situations and we recognize that we have mixed relationships with them. Perhaps, they are cooperating fully with us on those other endeavors. The new law allowed the President to make exceptions for the noncooperating countries if he felt the "vital interest of the United States," were placed at risk. We wanted the President to weigh what countries were doing in drug eradication against what they were doing in the other areas and to put that in writing for the Congress. Yet we find that the State Department simply ignored that in many of these instances.

We know that drugs are monopolizing our police and that they are jeopardizing our communities. We know that they are depleting our resources. We know more than that, Mr. President, that they are ruining our children and they are killing our citizens; they are causing a crime wave across this country—robbery, burglary, assault—all of these crimes by people are trying to get the money to feed their habits. If those interests are not important, if they are outweighed by some of these others, then I want to see the State Department say so.

I think the interests of our citizens have to be of prime importance. Even terrorists do not threaten our well-being as recklessly as illegal drugs. It is time we sent that message to the world that we are serious about drugs. We have that opportunity before the Chamber this week. The Senate should pass a disapproval resolution and send the list back to the State Department for reevaluation. Our action will tell the world that Americans are ready to support strict drug policies at home, but also abroad.

EXTENSION OF MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that the period for the transaction of morning business be extended until 1:20 p.m.

The PRESIDING OFFICER (Mr. SANFORD). Without objection, it is so ordered.

The Senator from Montana.

HIGHWAY FUNDS NEEDED NOW

Mr. MELCHER. Mr. President, Montana and her neighboring States are not getting any pork out of the highway bill the President vetoed last week. Rather than red meat, we need basic fruits to relieve the scurvy brought on by the economic doldrums that have traumatized our part of the country where agriculture, energy, minerals, and forest products suffer. And, like the scurvy-ridden crew of a windjammer on a windless sea, we crave not pork—just a few lemons and oranges. And we need it now.

Where we live, construction seasons begin in late April and end in October. Even with enactment of a highway bill now, State advertising for bids and letting the contracts takes another 60 days—June 1. So, if the President's veto stands, that requires at least another 30 days to get a new bill on the President's desk and the first construction jobs will come on July 4—3 months into the season. Given all of the procedures of passing a new bill—both Houses acting, the conference committee, enrollment, engrossment, and transmission to the President for signing—it more likely would take 60 days to enact a new bill. That puts us into August and, as sure as death and taxes, the weather will shut us down in October. That is not much of a construction season.

Montana does not get any special projects or big mass transit funds—just our ordinary share of the gas tax trust to keep our highways repaired and safe. There is not any pork in this bill for Montana, but we are as desperate for it as if we were the crew on a stalled windjammer suffering from scurvy.

So desperate are we for anything to revive construction that contractors and workers have started a countdown to 1991 when, maybe, deployment of the Midgetman missiles will require upgrading roads in central Montana.

So what is the President talking about in budget-busting pork? Isn't the real barrel of pork in the Pentagon contracts? While neither highway mass transit spending nor Pentagon spending are without flaws, I think the President is wrong in terming the highway bill "pork barrel" while blessing the big spending of defense procurement.

Pentagon contracts of $116 billion per year dwarf $17 billion in highway contracts, yet it is the latter that, if witheld longer, may be the proverbial straw that broke the camel's back in an economy which has already been ground into a recession in States like Montana.

It is not just the highways waiting to be built or repaired that we are desperately awaiting; it is the shot in the arm the basic economy needs to overcome the long siege of scurvy we have already endured.

Notwithstanding the President's veto, we need the highway bill now.

(The following proceedings occurred later in the day and are printed at this point by unanimous consent.)

NCAA CHAMPIONSHIP GAME

Mr. D'AMATO. Mr. President, as I indicated, many of my colleagues know the final game of the NCAA championship is tonight at the Superdome in New Orleans.

This game will feature my alma mater, Syracuse University, against some other team whose name I have difficulty remembering. My staff, however, tells me it is some team called the "Hoosiers."

I have wondered and the question has come up repeatedly what on Earth is a Hoosier? This has been debated by philosophers and scientists throughout the ages.

Mr. President, I have done extensive research into this issue and, in fact, as you can see, I have been pulling my hair out over it. It turns out that I really need to do something rather simply put, to refer to that time-honored tradition of looking and consulting Webster's dictionary, and it just so happens that that is what I have done. I have brought that dictionary right here so that no one can question the authenticity of what a Hoosier is, Mr. President.

I would like to quote the actual definition of the "Hoosiers" here and now for the RECORD.

> A Hoosier: One:

As we all know, as they taught us back in grade school days, this is the definition which stands out when one is given the greatest use—

> An awkward, unhandy, or unskilled person.
>
> Two: To loaf on or botch a job.
>
> Three: Of or relating to Indiana.

Mr. President, I would submit to you that if that is the case, and no one certainly would question Webster's Third New International Dictionary, unabridged, Mr. President, the outcome of the game tonight is a foregone conclusion and Syracuse will be victorious.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. D'AMATO. I certainly do.

Mr. BYRD. Mr. President, the Senator knows that under rule XIX, another Senator may ask the Chair to ask a Senator to take his seat if he speaks disparagingly of another State in the Union.

The distinguished Senator, I hope, does not intend to speak disparagingly of the State of Indiana?

Mr. D'AMATO. Of course not. That would never be my intent.

However, I was somewhat surprised to come upon this definition of a Hoosier, and I am wondering if my distinguished colleague had ever heard of that definition heretofore?

Mr. BYRD. I have not, and I thank the distinguished Senator for giving us a very illuminating speech on the definition.

I just wanted to be sure that we were not about to have a transgression of rule XIX.

Mr. D'AMATO. It is certainly not intended to do that and, of course, we look forward to this game with great anticipation.

But what I have done, Mr. President, has brought the famous orange terrible towel that fans of Syracuse have used so many times in waving it in their symbolic victory cry, and I thought I would bring two of them for my distinguished colleagues from Indiana, and they can use this as a crying towel.

Mr. President, in conclusion, I think that the Hoosiers stand a better chance of winning tonight at the Academy Awards in Hollywood, rather than in New Orleans.

I would like to thank my distinguished colleagues for giving me this opportunity for reflections on the game to take place this evening, an event that all Americans or many Americans will be particularly tuned in to and, as I say myself, as an alumnus of Syracuse I take great pride in their having come so far for the first time in their history in the NCAA championships.

Let me thank my distinguished colleagues on the floor for permitting me this opportunity at a lighter side in an important bill that we are talking about.

ELECTING C. ABBOTT SAFFOLD AS SECRETARY FOR THE MAJORITY OF THE SENATE

Mr. BYRD. Mr. President, I send to the desk a resolution, which has been cleared by the distinguished Republican leader, and I ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the resolution.

The legislative clerk read as follows:

A resolution (S. Res. 178):

Resolved, That C. Abbott Saffold be, and she is hereby, elected Secretary for the Majority of the Senate effective April 1, 1987.

The Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 178) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

COMMENDING DAVID J. PRATT FOR FAITHFUL AND EXEMPLARY SERVICE TO THE SENATE

Mr. BYRD. Mr. President, I send to the desk a resolution, which I introduce on behalf of myself and Mr. Dole, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 177), commending David J. Pratt for his faithful and exemplary service to the United States Senate.

S. Res. 177

Whereas David J. Pratt has faithfully served the Senate as an officer of the Senate, and

Whereas, the Senate wishes to express its appreciation for his dedicated service as an officer of the Senate, and

Whereas the said David J. Pratt at all times has discharged the important duties and responsibilities of his office with great efficiency and diligence; and

Whereas prior to his service as Secretary for the Majority and Secretary for the Minority he served the Senate in other important capacities, and

Whereas his loyalty, dedication, unfailing good humor, and incisive manner will be missed by all: Now, therefore, be it

Resolved, that David J. Pratt is hereby commended for his faithful and outstanding service to the Senate.

Sec. 2. The Secretary of the Senate is directed to transmit a copy of this Resolution to David J. Pratt.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

There being no objection, the Senate proceeded to consider the resolution.

Mr. DOLE. Mr. President, I certainly want to thank the distinguished majority leader for permitting me to cosponsor this resolution. I know my Republican colleague will join me in wishing David the very best of luck as he goes off into the private sector.

Although he works for Members on the other side of the aisle, I can say without any hesitation that during my 2 years as majority leader, and since January, David has been unfailingly kind, courteous, and helpful to me, my staff, and to all Republican Senators. He is a real gentleman and a true credit to the Senate.

He has sort of grown up in the Senate. He started in 1977 as an intern for the Democratic Policy Committee. Then he moved up through the ranks in the Policy Committee, joining Senator Byrd's personal staff in 1981. In 1985, he became the Secretary for the Minority.

During David's 10 years here, he has certainly earned the respect of everyone in this Chamber, Members of the Senate, our staff people are, the people he deals with. I certainly want to join the distinguished majority leader in wishing David the best of everything as he moves out into the real world.

Mr. BYRD. Mr. President, I share the sentiments that have been expressed by the distinguished Republican leader. David Pratt has worked on my personal staff for a number of years. As the distinguished leader has pointed out, David served as Secretary for the Minority and now Secretary for Majority. He has impressed everyone with his unfailing courtesy, good-naturedness, good humor, remarkable equanimity, and a very warm disposition. He has been most helpful to me and to other Senators on both sides.

I am sure that we all regret to see David Pratt leave the office, but he goes with the good wishes of all Senators, I am sure. I know that he appreciates the words of the distinguished Republican leader, as do I also.

Mr. RIEGLE. Will the Senator yield further?

Mr. BYRD. Yes.

Mr. RIEGLE. Mr. President, I just want to say, on behalf of all Democratic Senators and on my own behalf, how much we appreciate the fine work of David Pratt and how much we will miss him as he goes on to other endeavors.

He has always been "Johnny-on-the-spot," if you will, "David-on-the-spot," I suppose; always willing to help. I cannot recall an occasion, day or night, when we have been involved here in the Senate where David was not immediately available to assist all Senators in carrying out the work of the Senate. He was always kind and helpful and constructive in every way. And so, we thank him for that work. We will miss him.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 177) was agreed to.

The preamble was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER TO INDEFINITELY POSTPONE HOUSE JOINT RESOLUTION 175

Mr. BYRD. Mr. President, I ask unanimous consent that Calendar Order No. 32, House Joint Resolution 175, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I ask unanimous consent that the majority leader may be authorized to call up Calendar Order No. 38, S. 477, at any time after the disposition of the housing bill, after consultation with the distinguished Republican leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I make the same request anent Calendar Order No. 69, S. 829.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I thank the distinguished Republican leader for his cooperation.

Mr. DOLE. Mr. President, I thank the majority leader and I also thank the distinguished Senator from New York, Senator D'Amato, for letting us to interrupt his brilliant statement.

Mr. BYRD. Again, I thank the distinguished Senator from New York.

The PRESIDING OFFICER. The Senator from New York.

(Conclusion of later proceedings.)

CONCLUSION OF MORNING BUSINESS

Mr. MELCHER. Mr. President, I suggest the absence of a quorum.

Mr. BYRD. Will the distinguished Senator withhold?

Mr. MELCHER. I will withhold.

Mr. BYRD. Mr. President, may we have a closure of morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

HOUSING AND COMMUNITY DEVELOPMENT ACT

The PRESIDING OFFICER. Under the previous order, the hour of 1:15 having arrived, the Senate will now proceed to the consideration of S. 825, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 825) to amend and extend certain laws relating to housing, and for other purposes.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, at this time we are going to begin debate on the housing bill in this Congress which is formally labeled the Housing and Community Development Act of 1987, S. 825.

Senator CRANSTON, who serves as the chairman of the Housing Subcommittee on the Banking Committee, is en route back from California and will be here a little bit later this afternoon.

So I would like to begin the proceeding today by presenting Senator CRANSTON's statement in his behalf, and it reads as follows:

Mr. President, I am very pleased that the Senate is considering this housing bill early in the legislative session.

I want to thank the Banking Committee chairman, Senator PROXMIRE; ranking minority member, Senator GARN; my fellow manager of the bill, Senator D'AMATO; and my other colleagues on the Banking Committee for their help in moving this bill along without delay.

The bill is the product of the broad, bipartisan cooperation that I intend to maintain in the Housing subcommittee's work in the months ahead.

This housing bill is long overdue. Many provisions have been under discussion for well over two years. Over three and a half years have passed since the Senate last took action on a housing bill. That is far too long. National housing and development policy has been severely weakened by that inattention.

The bill is fiscally responsible. In essence, it holds the line through fiscal 1989 with an across-the-board funding freeze on housing, rural housing and community development programs. Authorization levels in the bill fall about $1.8 billion below the CBO baseline over the next two years.

This is important "housekeeping" legislation that includes items on which there is broad agreement.

The committee bill will provide permanent authority for FHA insurance so that we will never repeat the experience of last year when FHA was forced to shut down six times for a total of 51 days. That inexcusable disruption harmed the housing industry and hundreds of thousands of homebuyers.

The bill will extend most housing and community development programs through the end of fiscal 1989 to give these programs the stability that is needed for sound management.

It will provide essentially a freeze at current funding levels. I believe that a compelling case can be made for higher funding levels, but this is a position where Congress can hold firm. Housing and community development programs have already been reduced more than 70% below the fiscal 1980 levels in real terms, and further cuts are simply not justified.

The bill will prohibit any so-called "user fees" on FHA, Fannie Mae, Freddie Mac, or Ginnie Mae, which would drive up mortgage costs for homebuyers.

It will establish a reverse annuity mortgage program in FHA to offer elderly homeowners a safe way to convert their home equity into a stream of income.

It will permanently extend the Home Mortgage Disclosure Act to help ensure the availability of mortgage finance in all neighborhoods.

It will bring about, at long last, a reform in the UDAG project selection system to give hard-pressed cities in every region of the country a fair chance to receive a UDAG grant.

The bill will lay the groundwork for reforming how we manage and preserve public housing.

It will open the way for more residents of public housing to manage their projects.

It will permit a transfer of public housing ownership to resident management corporations under carefully defined conditions that protect the interests of low-income tenants and the public.

It will extend important rural housing programs.

It will start the Fair Housing Initiative Program as a two year demonstration project within HUD and ensure that other fair housing enforcement efforts are protected.

The bill will establish a new "Nehemiah Grant" program to expand homeownership for low income families and rebuild depressed neighborhoods in our cities.

In summary, this is a sound bill that deserves to be passed promptly. I urge my colleagues to do so.

That concludes the opening statement of the manager of the bill, Senator CRANSTON, the chairman of the Housing Subcommittee. I will have comments of my own to make shortly, but I think at this time, Mr. President, I am prepared to yield to the ranking minority member if he would like to make his own statement at this time, and then I will follow his with my own.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, at this time I would like to thank my distinguished colleague from Michigan, Senator RIEGLE. I am very proud to be a manager of the bill on our side.

I would like to commend Senator RIEGLE and Senator CRANSTON in particular for their work on this most important piece of legislation.

However, Mr. President, I would also like permission and seek unanimous consent to discuss another matter of grave importance, if I might, that is outside of the context of this bill and so, with unanimous consent, if I might be accorded no more than 5 minutes to discuss this most topical event that will capture the attention of millions and millions of Americans tonight, and I dare say in certain areas of the country, in terms of those who will be watching this game, this event, the NCAA championship may even outdraw those who will be looking at the festivities held in Hollywood. I ask unanimous consent that I be permitted 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. D'AMATO at this point are printed earlier in today's RECORD.)

PRIVILEGES OF THE FLOOR

Mr. D'AMATO. Mr. President, before proceeding with my statement on the housing bill, I ask unanimous consent that during the Senate consideration of S. 825, the Housing Community Development Act of 1987, that the following individuals be granted the privileges of the floor: Carmelo Bramante and James Huley, of my staff; Tom Lykos, of the Banking Committee staff; Mary Dwyer Pembroke, and Jan Maxfield of the Housing Subcommittee minority staff; and Ed Rogers, of Senator HEINZ' staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. D'AMATO. Mr. President, as I said before, I wanted to take this opportunity to commend and to thank the chairman of the Housing Subcommittee, Senator CRANSTON, and, indeed, all of my colleagues on the Banking Committee for their help in reporting out this bill.

I would also want to thank my staff, the minority staff, and the majority staff for the work that they have done in bringing this bill to this particular point.

For nearly 50 years, Mr. President, the Federal Government has played a major role in advancing national housing and economic development policies and programs in its partnership with the housing industry and with State and local governments. We have provided Federal tax incentives to promote homeownership and affordable rental housing. Direct Federal assistance has been provided to low- and moderate-income individuals and families so that they may be sheltered in decent and safe housing.

Government assistance also has been provided through the establishment of specialized financial institutions. These federally chartered institutions have channeled funds into the housing market and have given prospective homebuyers access to affordable mortgage credit. Other Federal programs have been developed to revitalize our Nation's Commercial and industrial areas, to rebuild our neighborhoods, and to provide a safe environment in which every American can live and work.

It is unrealistic, therefore, to assume that our cities, towns, counties, and other localities are no longer in need of these programs that are administered by HUD and the Farmers Home Administration. Our communities must continue to grow and develop and their residents must continue to have opportunities to prosper. The Federal Government must continue to maintain housing, and urban and rural revitalization as one of its highest priorities.

However, recent history, Mr. President, tells a different story. The Congress has not enacted a freestanding authorization bill of Federal housing and community development programs since 1980. The Senate has not considered a significant authorizing bill in approximately 3 years. Housing programs have had to stagger along through stopgap funding measures. This has caused uncertainty and confusion in our communities.

Since 1981, many of these programs have had to face Draconian funding cuts. Others have had to face complete elimination. These actions have imposed an undeserved financial hardship on our States, cities, rural areas, and smaller localities.

Just last year, the inaction of Congress to pass reauthorizing legislation caused the shutdown of FHA's insuring authority six times for a total of 51 days. This unprecedented disruption imposed needless costs of the housing industry and on Americans who tried to sell a home, to buy a home, or to refinance a mortgage.

America's confidence in the Federal role in housing and community development is at an all-time low. However, 1987 gives Congress the timely opportunity to reaffirm the goal set forth in the Housing Act of 1949: to provide a decent home and suitable living environment for every American family and to contribute to the development and redevelopment of our Nation's communities.

Mr. President, we have before us today legislation which would authorize for 2 years the major housing and community development programs administered by HUD and the Farmers Home Administration. The Housing and Community Development Act of 1987 represents several years of a bipartisan effort to restore faith in these Federal programs.

Many provisions of the bill were included in last year's legislation, S. 2507, and have the demonstrated support of an overwhelming majority of the members of the Banking Committee. The primary purpose of this bill is to provide the existing housing and community development structure with the support necessary for stable, sound management, and the efficient and effective delivery of services.

EXPLANATION OF BILL

In general, the committee bill would extend the authorization for most programs through fiscal 1989 at current levels of budget authority, permanently authorize FHA mortgage insurance programs, prohibit fee increases on Federal mortgage insurance and secondary mortgage credit programs, provide for a fairer project selection system and allocation formula for the Urban Development Action Grant Program, permit the testing of new approaches to manage low-income public housing, establish a new program to rebuild inner-city neighborhoods and expand homeownership opportunities to families with modest incomes, and implement the Fair Housing Initiatives program on a demonstration basis.

Specifically, under title I, the bill would provide permanent authorization for the Federal Housing Administration's mortgage insurance programs so that FHA will not experience any further shutdown of its insuring operation. It would extend permanently the authority of the Home Mortgage Disclosure Act. This act has proven to be a useful tool in discouraging redlining and other discriminatory practices. It would improve the Federal underwriting procedures of mortgage insurance on large hospitals, nursing homes, and intermediate care facilities and provide Federal mortgage insurance coverage to public health care facilities.

Title I would authorize the FHA to develop a home equity conversion mortgage program so that older homeowners would have a safe way to convert the asset of their home into a stream of income during their retirement years.

Title I would direct the Secretary of HUD to implement the "DeWilde" agreements signed in 1974 with several State and local housing agencies to subsidize mortgage increases and to supplement rental assistance payments in low- and moderate-income housing projects.

Under title I, premium charges on FHA insurance for fixed-rate mortgates would be limited to 3.8 percent and for other mortgages to no more than 1 percent of the principal obligation. Fees would be limited on Ginnie Mae, Fannie Mae, and Freddie Mac secondary mortgage credit programs. In addition, it would permanently extend the authority of Fannie Mae and Freddie Mac to purchase second mortgages, which expires on October 1, 1987.

Since their entry into the second mortgage market, Fannie Mae and Freddie Mac have been able to reduce dramatically the very high interest rates charged on second mortgages. Interest rates used to be 5 to 6 points above first mortgages. Now, second mortgages are 1½ to 2 points above firsts. This competition has been extremely beneficial to consumers who want to purchase or improve a home. Home buyers would continue to benefit from lower interest rates on seconds and the mortgage market would realize economic efficiencies from the certainty created under permanent authority.

Title I would reauthorize the Urban Development Action Grant Program for 2 years at its current level of $225 million and reform the UDAG project selection criteria and allocation formula so that a larger number of eligible cities would have a fair opportunity to receive financial assistance.

The Community Development Block Grant Program would be extended for 2 years under title 1. The CDBG Program would be funded at the current level of $3 billion through fiscal year 1989. Also, certain metropolitan cities and urban counties of the CDBG Program would retain their entitlement classification for 2 more years, and in the third year, their status would begin to be phased out.

Finally under title I, various community development programs would be extended through fiscal year 1989, such as the Urban Homesteading Program, the Neighborhood Development Program, and programs under the Neighborhood Reinvestment Corporation.

Title II would extend and make improvements in assisted housing programs. It would improve the administration of the Rental Rehabilitation and Rental Housing Development Programs and would fund them at $220 million and $100 million, respectively. It would authorize a less costly procedure for developing housing that meets the special needs of nonelderly, handicapped families, in addition to reauthorizing the current section 202 Housing for the Elderly and Handicapped Program.

Under title II, lower income housing assistance programs would be reauthorized through fiscal year 1989. These programs include public and Indian housing, comprehensive improvement assistance, and section 8 existing housing assistance. Public housing authorities would also continue to receive operating subsidies.

And finally under title II, public housing tenant management and ownership opportunities would be expanded and the prevention of fraud and abuse in HUD-administered programs would be improved.

Rural housing programs administered by the Farmers Home Administration would be authorized under title III through fiscal year 1989 at current funding levels. Title III would also authorize a conventional financing demonstration program for rural single-family and multifamily homes.

Under title IV, the Fair Housing Initiatives Program would be authorized through the end of fiscal year 1989. This program would be implemented on a demonstration basis. The Secretary of HUD would enter into contracts or cooperative agreements with public and private entities for activities that would prevent or eliminate discriminatory housing practices.

Title V would establish the Nehemiah Housing Opportunity Grant Program. The program would provide grants to nonprofit corporations to issue interest-free, nonamortizing second mortgage loans to low- and moderate-income families in distressed neighborhoods for the purchase of newly constructed or substantially rehabilitated homes. The maximum amount of a Nehemiah second mortgage would be $15,000.

CONCLUSION

Mr. President, I firmly believe that Federal housing policy must promote home ownership, stimulate housing in the private sector, and provide housing assistance to individuals and families most in need. This bill would accomplish these objectives. Furthermore, the provisions embodied in S. 825 would provide the urban and rural areas of our country with the necessary tools for revitalization.

Mr. President, I ask my Senate colleagues to support this bill. We must not renege on our commitment to house every American citizen and to assist in the development of America's communities

Thank you, Mr. President.

Mr. RIEGLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. RIEGLE. Mr. President, I thank the Chair.

Mr. President, I rise today to support S. 825, the Housing Act of 1987 and to commend Senator CRANSTON for his leadership in bringing this bill to the Senate floor so early in the 100th Congress.

I also want to commend the ranking minority member, Senator D'AMATO, and we certainly wish his team well, as we do Indiana also, for those people who are rooting for that side later this evening.

In the past 6 years, we have seen an erosion of the Federal commitment to housing. The statistics show that very starkly. Funding for assisted housing has been cut by over 70 percent since 1980, and vital community development programs like UDAG have been slashed by nearly 66 percent since 1980.

I believe it is very important for the Senate and the Congress to act promptly on a housing bill this year. None has been enacted in nearly 4 years. Broad, bipartisan agreement on a number of key matters was developed during the 99th Congress to lay a foundation for this bill that we have here today. So action on these matters is long overdue.

The committee reported bill embodies many of those agreements. The bill would extend most housing and community development programs for 2 years to give them more stability. It would also freeze funding for most programs at their fiscal year 1987 appropriated levels.

This is truly a bipartisan bill. It meets the needs of different regions of the country. It reflects the concerns of a broad majority of Senators—Senators from different States and with differing philosophies. It is the product of discussions which have gone on well over 2 years and have involved not only members of the Banking Committee but a number of other Senators as well.

The committee reported bill will avoid the needless disruption in home mortgage finance that plagued FHA in 1986. Throughout last year, Congress had to pass a series of stop-gap, short-term bills to extend authority for FHA insurance and other programs.

Incredibly, FHA insurance was shut down six times during 1986 for a total of 51 days—and that was at a time when demand for FHA insurance has been the highest in history, at a time when 5,000 to 10,000 applications were being submitted every day.

The finances of tens of thousands of families were thrown into turmoil as their mortgage closings were delayed or their commitments expired. The disruptions of FHA hurt families who have wanted to buy a home, and families who wanted to refinance their mortgages to bring down their housing costs. In general, it has hurt the housing industry, one of the main engines of the economy.

Frustration and anger with the FHA closings has grown across the country—and justifiably so. Those interruptions were simply irresponsible and they must not be allowed to occur again.

The committee reported bill is a powerful remedy. It makes sure that FHA insurance will remain uninterrupted by providing permanent lending authority for FHA.

The FHA provision is only one of the reasons why the Senate should complete action on this bill without further delay.

The bill also reauthorizes community development block grants, UDAG, and a small number of other important programs that enable local governments to carry out vital services, maintain public facilities, and rehabilitate homes.

In the last 6 years these programs have been among the hardest hit by the administration's funding cuts. According to the Congressional Research Service, Federal aid to State and local governments as a percent of budget outlays has decreased from 17.4 percent in 1978, to 11 percent in 1986.

The bill would make necessary reforms to the UDAG project selection system. This has been a matter of great effort and concern for over a period of years. UDAG has proven to be a vital program for distressed communities struggling to strengthen their local economies. UDAG works by building solid private-public partnerships for economic development.

Four years ago, the administration implemented a UDAG project selection system that prevented certain eligible communities from receiving a UDAG grant no matter how strong their application. A broad coalition of Senators worked intensely to reform that selection system, and this bill incorporates our solution.

It is a practical and fair approach. It would strengthen the UDAG Program, improve local negotiations and give all eligible cities a fair chance to have meritorious projects funded.

This solution has won broad bipartisan support from communities in all parts of the country and from Members of Congress of both parties. It deserves to be enacted soon so that it will benefit applications now pending or being developed.

The bill continues authority for HUD and the Farmer's Home Administration housing assistance. It avoids disruption of local efforts to bring decent housing within the reach of low- and moderate-income people—a very large share of that assistance goes to those elderly Americans who are in greatest need for housing.

The bill would end confusion caused by proposals to impose new fees on the activities of national housing agencies. It would prohibit punitive fees on Fannie Mae and Freddie Mac. By prohibiting new taxes on home ownership that have been proposed in the past, the bill implements decision made earlier by both Houses of Congress and brings more certainty to the Nation's housing finance system.

The bill authorizes a Fair Housing Initiative Program [FHIP] that takes a limited but important step to help open housing opportunities for all Americans. These provisions in the bill were developed in long negotiations between the administration and the National Association of Realtors.

The bill authorizes a new program to build neighborhoods and provide home ownership opportunities within cities. This "Nehemiah Program" was developed and tested in practice by an impressive consortium of church groups, private firms, and local government in New York City. The program would target aid tightly and enables other cities to adapt this home ownership approach to neighborhood development.

The bill also includes several other important provisions that I will not describe now because of the limits on time. It was the committee's intention to produce a relatively short bill that included only provisions that merit very broad support in the Senate.

I believe it has done an excellent job, and I urge all of my colleagues in the Senate to support this important measure.

Mr. President, I look around the Chamber to see if there are any other opening statements to be made at this time. If not, in due course, I will send a package of committee amendments to the desk and ask for their consideration.

I would say concerning this package of managers' amendments that I will be offering I will do so on behalf of myself, Senator D'AMATO, and Senator CRANSTON in his absence.

With that, Mr. President, let me for the moment suggest the absence of a quorum so that we might accord anyone else a chance who wants to present an opening statement for the RECORD. In due course, we will remove the quorum call and submit the package of committee amendments.

The PRESIDING OFFICER (Mr. BREAUX). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SANFORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from North Carolina.

Mr. SANFORD. Mr. President, I rise in support of the housing bill, S. 825, that is before us today and I commend my distinguished colleague from California, Mr. CRANSTON, for his able leadership of the Housing Subcommittee and for his efforts in bringing this bill to the floor.

This is an important bill and concerns a subject that is vital to all low and moderate-income families throughout the country. As a member of the Banking Committee, I am proud to support this legislation and will be pleased to support the efforts of Senator CRANSTON to follow this legislation with a more comprehensive bill that takes a broad look at our national housing policy.

I am proud to be from a State where so many dedicated public servants are providing hundreds of low-income families with decent accommodations through successful and well-run public housing programs. In an era when scandals and corruption in public housing are what catch all the headlines, I rise in appreciation of the efforts of those in States like North Carolina, where public housing programs are not front-page news because our programs are well run. It is important to keep in mind that in many States, excellence and constructive innovation in our housing programs are the norm, not the exception.

We need to remember that, in many places across the country, our public housing authorities are struggling to meet waiting lists that are three and four times as long as the number of units they have available and budgets for maintenance and improvements are constantly cut; yet these public housing authorities continue to provide decent and economic housing for our Nations low- and moderate-income families. Our public housing authorities need our support and this bill is an important step in providing that support.

I must note that this is not a budget-busting bill. The funding levels provided for in this bill freezes funding for our housing programs at fiscal year 1987 levels, if those of us on the Budget Committee can manage to stave off attempts to cut such vital domestic programs as housing.

While this is an important piece of legislation which deserves all our support, it is not a permanent panacea. The bill comes at a time when there is a serious and growing need to rethink our national housing policy and to reaffirm the Federal role in housing. The past decade has shown a significant decline in the importance of housing on the national agenda, as housing slipped from occupying 7.4 percent of the total Federal budget in 1978 to a projection that housing will constitute less than 1 percent of our total budget 10 years later, in 1988. In a time of budget cuts, housing has unfortunately borne more than its fair share of these cuts.

Over the next few months, the Senate Banking, Housing and Urban Affairs Committee will take measures to craft a more comprehensive bill and I understand that similar measures will soon follow in the House. As a member of that committee, I look forward to assisting in structuring a rational, well-thought-out policy that will effectively meet our goal of affordable housing for all. Insuring that we achieve that goal is a worthy investment.

I urge my colleagues to support to this bill.

Mr. DOLE. Mr. President, today the Senate will debabe the Housing and Community Development Act of 1987. This legislation covers a broad range of programs, including the Section 202 Loan Program, section 8, housing for the elderly, and rural housing, handicapped housing, UDAG's, HODAG's, and a new Nehemiah Program. Many of these programs are vital to community development efforts, and deserve our support.

As we debate this bill and various amendments proposed, it is important to keep in mind exactly where we stand with regard to funding for these programs. Outlays for subsidized housing have risen dramatically during the Reagan administration. In 1980, outlays were $5.6 billion. For fiscal year 1986, housing outlays has risen to $12.4 billion—an increase of nearly $7 billion, or 120 percent. The reason housing outlays continues to increase is that annual commitments of budget authority are spent slowly and over a long period of time.

RESIDENT MANAGEMENT PROGRAM

Mr. President, S. 825 contains an amendment that incorporates the Armstrong-Dixon resident management concept. I was pleased to be a cosponsor of the Armstrong bill, which would allow residents of public housing to manage their own housing projects. Resident management of public housing has proven to be a great success in the few projects in the country that have pursued it. This housing bill would write into Federal law incentives and protections for those public housing residents who seek to manage their own property.

Specifically, this program would establish guidelines under which residents may establish a management corporation by a vote of the residents of the project. S. 825 would authorize resident management corporations to enter into contracts with local public housing agencies to undertake all responsibilities for the project. In doing so, residents would not lose eligibility for comprehensive operating assistance provided under the law.

This program would allow resident management corporations to retain any income earned as a result of efficient management practices and plow that money back into project improvements. HUD is authorized to provide technical assistance and training to residents wishing to establish their own management corporation.

The resident management concept is based on a Washington, DC, project called Kenilworth Gardens, where Kimi Gray of the Kenilworth-Parkside Resident Management Corp. has led the project through revolutionary changes over the past 4 years. Since 1983, when the residents of Kenilworth signed a contract to manage the project, vast improvements have resulted.

These dramatic changes are worthy of special mention. Rent receipts have increased 77 percent. Welfare dependency was reduced 50 percent, while income from work increased 27 percent. Many families went off welfare completely. Crime has been reduced by 75 percent, thereby transforming a once dangerous neighborhood to one where residents work cooperatively with police and live in greater safety. Administrative costs at the project were reduced by over 60 percent for 2 consecutive years. Percent is now generating enough revenues to pay its own operating expenses and the bulk of its energy costs.

The resident management concept appears to be the wave of the future with regard to public housing, and constitutes an important component of welfare reform. I thought I would highlight this part of the housing bill today, because it is one that the Senator from Kansas has a great interest in.

Both the Senator from Colorado, and the Senator from Illinois are to be commended for having introduced this type of concept in the bills they introduced separately.

HANDICAPPED HOUSING

Mr. President, this bill also reauthorizes the section 202 program, which is of interest to me because of the assistance it provides to disabled Americans. There is a need in our society for community-based housing for disabled individuals. While this bill doesn't increase the amount of assistance for the development of such housing, it does reduce the administrative burden placed on developers under present section 202 requirements. It also allows for improvements in the housing subsidy for low-income disabled persons who are in need of such assistance.

The congregate housing services program is expanded in this legislation. In this program, grants are given to eligible public housing agencies and nonprofit section 202 sponsors for meals and other support services to elderly residents and nonelderly disabled residents who are in need of such service.

RURAL HOUSING

Mr. President, S. 825 would reauthorize a program which is of great importance to my home State of Kansas—rural housing. The committee bill would authorize a freeze in spending for rural housing programs during fiscal years 1988 and 1989. The Secretary's authority to make loans and grants under existing programs would be limited to the amounts approved in fiscal years 1987 appropriations.

In authorizing spending levels for rural housing programs for the next 2 years, the committee has balanced the goals of keeping spending down while providing continuity in implementing national housing policy in rural areas of the country. The committee has tried to be sensitive to the special needs of rural areas, which continue to have a disproportionate share of this country's families in need of adequate housing. Further, these rural areas are faced with a continuing shortage of mortgage credit for low- and moderate-income families.

CONCLUDING REMARKS

Mr. President, I have only mentioned a few of the provisons of this legislation that are of special interest to the Senator from Kansas. There are many other programs authorized in the Housing and Community Development Act of 1987, which are of great importance as well. The 99th Congress came close to passing a housing bill last year, and we are now close to finally seeing a housing bill passed in the Senate. S. 825 will be the second major bill under the Banking Committee's jurisdiction to be passed early this session. I commend the Senators from Michigan and New York for their expert handling of this legislation through committee and on the Senate floor.

Mr. HEINZ. Mr. President, I rise today in strong support of S. 825, the Housing and Community Development Act of 1987. This is an important measure that would reauthorize all major Federal housing and community development programs for the first time since 1983. For too many years, housing and community development programs have survived through annual infusions of funding in the appropriations bills. Last year, we came very close to passing a housing bill—in fact the Banking Committee did unanimously report a bill—but, as we all remember, time ran out.

S. 825 is largely based on the bill we reported last year. It would reauthorize all of the major HUD programs—assisted housing, community development block grants, urban development action grants, to name a few. It would extend financing authority for vital mortgage financing institutions—FHA, VA, Ginnie Mae, Fannie Mae, and Freddie Mac.

At this point, let me congratulate the managers of the bill, Senators CRANSTON and D'AMATO, as well as our chairman, Senator PROXMIRE, and our ranking member and former chairman, Senator GARN, for all their hard work over several years in producing this reauthorization bill. I think it's important to note that the bill the committee has produced represents a bipartisan compromise that our members could agree on.

It also represents a compromise on certain provisions of interest to many Senators that are not on the committee. A perfect example of this compromise is the section reauthorizing the Urban Development Action Grant [UDAG] Program. This program has served as an effective tool to attract private investment and retain and create jobs in our Nation's most distressed cities. Since its creation in 1978, UDAG grants have been credited with retaining or creating nearly 700,000 jobs. Moreover, the $4 billion in Federal funds that have been spent on UDAG grants have leveraged more than $25 billion in private investment.

The bill, we are considering today would reauthorize UDAG for 2 years. It also contains two significant program reforms that have been sought by Members from Southern and Western States who felt the program's criteria precluded them from receiving a fair share of the grants. First, we have changed the formula to give more weight to project quality and less weight to the program's original criteria—the applicant city's level of economic distress and the impact the grant would have on relieving this distress. Second, the leadership amendment offered yesterday imposes a $6 million cap on each grant, that could only be waived in limited circumstances. As a Senator whose State has received a significant number of UDAG grants, I believe that these changes were truly made in the spirit of compromise, and I would urge my colleagues to support the program with these modifications.

I want to state my support for a provision contained in this bill, which would permanently extend Fannie Mae's and Freddie Mac's existing authority to purchase and deal in second mortgages. Fannie Mae has been in this business for 6 years. Freddie Mac was first authorized to engage in the second mortgage business in 1984. In my view they have been doing exactly what we intended, ensuring adequate funds for second mortgages, helping promote competition and thereby reducing interest rates for consumers.

Fannie Mae's and Freddie Mac's second mortgage activities are good for housing finance, and they are good for homeowners.

I am pleased that the bill permanently extends the statutory authority they now have.

Finally, Mr. President, I would like to make a brief general comment on our Nation's housing policy. The last few years have been good ones for the Nation's housing industry. Housing starts have increased to the rate of more than 1.8 million per year, and are now nearly as high as the boom years of the late 1970's. Despite this fact, housing for low- and moderate-income Americans has become increasingly scarce and increasingly unaffordable. We now have almost a million people on waiting lists for public housing. We have a homeless population that numbers in the hundreds of thousands. And the rate of homeownership for young moderate-income Americans continues to decline.

This suggests to me that it is vital that we reassert the Federal Role in housing policy. It means continuing to assist homebuyers through FHA, VA and the secondary institutions. And it means at least arresting the sharp decline that Federal housing and community development programs have sustained in recent years. We have cut assisted housing and UDAG by more than two-thirds over the past 5 years, and have made lesser, albeit significant cuts in other HUD programs. I cannot think of any other Federal programs that have been hit as hard.

By reauthorizing these Federal programs at a freeze level, and by making important reforms in certain programs, I believe that S. 825 is one important step toward this goal, and I urge my colleagues to support this legislation.

Mr. KERRY. Mr. President, I would like to commend the chairman and members of the Banking Committee for the diligence and bipartisan spirit they have displayed in bringing this measure to the floor for our consideration so early in the 100th Congress. I support the bill before us today and am pleased to join as a cosponsor.

As most of my colleagues know, the Federal Government has undertaken a massive disinvestment in housing, forcing on the Nation at large, a crisis of enormous proportions. Since 1980, Federal funding levels for housing have been reduced by more than 70 percent. This crisis in decent, affordable housing affects not only low-income families, but the handicapped, the elderly and middle-income families as well and has proven to be one of the fundamental causes of our current homelessness problems. The legislation before us today attempts to stem the tide of disinvestment by providing for the smooth and continued operation of existing housing and community development programs. The 2-year authorization of programs provided by this bill will go a long way toward providing a sense of stability and continuity not only to these vital programs but also to the States and localities that administer them, that have limped along on stopgap authorizations since 1980.

In addition to reauthorizing housing and community development programs at current funding levels, the bill contains a number of other important provisions. First, it provides the FHA with permanent insurance authority. I do not have to remind my colleagues of the disaster that ensued last year when the FHA was forced to shutdown six times for a total of 51 days when Congress failed to pass the FHA extension legislation. Permanent authority for the FHA will eliminate this as a possibility in the future.

The bill also prohibits fee increases that have been proposed to reduce Federal support for the Nation's home mortgage system; provides for a fairer project selection system for the Urban Development Action Grant [UDAG] Program; allows for the testing of new approaches to the management of public housing; establishes a new program to foster homeownership opportunities to families with modest incomes and implements the Fair Housing Initiatives Program.

Equally as important, Mr. President, this bill provides us with the breathing room necessary to begin to take a fresh look at our national housing policy and to formulate comprehensive housing legislation. I know that my distinguished colleague from California, Senator CRANSTON, has indicated that this will be one of his top legislative priorities as chairman of the Housing Subcommittee during the coming months and I would like to express my support for his efforts in this regard and my willingness to assist that effort in whatever ways are appropriate.

Mr. President, no area of development is more crucial to our national well-being than housing. We need enough quality housing to meet the needs of our citizenry; it must be affordable to all income groups; it must suit a great variety of needs and preferences and it must be located reasonably close to where jobs are. The economic health of our communities and the well-being of our citizens depend in large part on stimulating a better performance in the housing market. This effort will require a renewed commitment on the part of the Federal Government to the goal of providing a decent and suitable living environment for every American. The bill before us today goes a long way toward accomplishing this goal. I wholeheartedly support the measure and urge my colleagues to pass it expeditiously.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. RIEGLE. Mr. President, I thank the Chair.

AMENDMENT NO. 69

(Purpose: To make technical and other amendments)

Mr. RIEGLE. Mr. President, I am going to send to the desk the amendment on the part of the manager of the bill which I shall be proposing in my own behalf and in behalf of Senator D'AMATO and Senator CRANSTON.

I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Michigan [Mr. RIEGLE], for himself, Mr. CRANSTON, and Mr. D'AMATO, proposes an amendment numbered 69.

Mr. RIEGLE. I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 5, between lines 19 and 20, add the following new subsection:

(e) POSTPONEMENT OF IMPLEMENTATION OF REGULATIONS DEALING WITH FLOOD PLAIN MANAGEMENT STANDARDS.—The Federal Emergency Management Agency's revised regulations relating to flood plain management standards (51 Federal Register 30290, August 25, 1986) shall not be effective during the 60-day period beginning on the date of enactment of this Act. During such 60-day period, the Director of the Federal Emergency Management Agency shall prepare and submit to the Congress a study of the impact on small business of such regulations.

On page 7, between lines 14 and 15, insert the following new subsection:

(c) MAXIMUM MORTGAGE AMOUNT.—Section 203(b)(2)(A) of the National Housing Act is amended by striking out "133⅓" and inserting in lieu thereof "150".

On page 43, line 16, strike out "amount calculated" and insert in lieu thereof "formula value".

On page 43, between lines 22 and 23, insert the following:

(d) RETENTION OF URBAN COUNTY CLASSIFICATION.—Section 102(a)(6) of the Housing and Community Development Act of 1974 is amended in the second sentence by inserting "or 1984" after "fiscal year 1983".

On page 55, line 19, strike out "subsection (h)" and insert in lieu thereof "subsection (g)".

At the bottom of page 55, add the following:

(i) LIMITATION ON GRANT AMOUNTS.—Section 119 of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following:

"(s)(1) The maximum grant amount for a project under subsection (b)(2) of this section is $6,000,000.

"(2) The maximum grant amount for a project under subsection (b)(1) of this section is $6,000,000 during fiscal years 1988 and 1989, except that this paragraph shall not apply to a project in which the Secretary determines that the average cost for each new permanent job does not exceed $8,000 and that the average cost for each permanent job retained that would otherwise be lost to the community does not exceed $8,000.".

On page 60, between lines 10 and 11, insert the following:

(d) TRANSFERS TO QUALIFIED COMMUNITY ORGANIZATIONS.—(1) Section 810(b)(1) of the Housing and Community Development Act of 1974 is amended by inserting before the semicolon the following: "or in accordance with subsection (1) to qualified community organizations".

(2) Section 810 of such Act is amended by adding at the end thereof the following:

"(1) A unit of general local government, or a State, or a public agency designated by a unit of general local government or a State may transfer any real property that it receives under subsection (a) or purchases under subsection (h) to a qualified community organization. Qualified community organizations will be limited to those organizations—

"(1) that are incorporated and controlled by a Board of Directors whose members receive no compensation of any kind for the performance of their duties;

"(2) that are organized exclusively for charitable, educational, or scientific purposes, or the promotion of social welfare;

"(3) that qualify as exempt organizations under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986; and

"(4) that agree to assist the applicable State or unit of general local government with the selection of homesteaders, selection, inspection, and rehabilitation of the properties, and to perform such other functions as may be agreed between the States or unit of general local government and the qualified nonprofit organization, including the acceptance of title to property and the conveyance of the property to the homesteaders subject to the terms and conditions specified elsewhere in this section.".

On page 62, line 19, insert "(a) HARTFORD, CONNECTICUT.—before "Notwithstanding".

On page 63, between lines 5 and 6, insert the following:

(b) LEBANON, PENNSYLVANIA.—Notwithstanding any other provision of law or other requirement, the City of Lebanon in the State of Pennsylvania is authorized to retain any land disposition proceeds from the financially closed-out Southside Urban Renewal Project (R-635(C)) not paid to the Department of Housing and Urban Development, and to use such proceeds in accordance with the requirements of the community development block grant program specified in title I of the Housing and Community Development Act of 1974. The City of Lebanon shall retain such proceeds in a lump sum and shall be entitled to retain and use, in accordance with this section, all past and future earnings from such proceeds, including any interest.

SEC. 151. AVAILABILITY OF COMMUNITY DEVELOPMENT BLOCK GRANTS FOR UNIFORM EMERGENCY TELEPHONE NUMBER SYSTEMS.

(a) IN GENERAL.—Section 105(c)(2) of the Housing and Community Development Act of 1974 is amended—

(1) by inserting "(A)" after the paragraph designation;

(2) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively; and

(3) by adding at the end thereof the following new subparagraph:

"(B) The requirements of subparagraph (A) do not prevent the use of assistance under this title for the development, establishment, and operation for not to exceed 2 years after its establishment of a uniform emergency telephone number system if the Secretary determines that—

"(i) such system will contribute substantially to the safety of the residents of the area served by such system;

"(ii) not less than 51 percent of the use of the system will be by persons of low and moderate income; and

"(iii) other Federal funds received by the grantee are not available for the development, establishment, and operation of such system due to the insufficiency of the amount of such funds, the restrictions on the use of such funds, or the prior commitment of such funds for other purposes by the grantee.

The percentage of the cost of the development, establishment, and operation of such a system that may be paid from assistance under this title may not exceed the percentage of the population to be served that is made up of persons of low and moderate income.".

(b) APPLICABILITY.—

(1) IN GENERAL.—The amendments made by this section shall be applicable to amounts made available for fiscal year 1987 and each succeeding fiscal year.

(2) NOTIFICATION OF GRANTEES.—Not later than the expiration of the 30-day period following the date of enactment of this Act, the Secretray of Housing and Urban development shall notify each grantee of assistance under section 106 of the Housing and Community Development Act of 1974 for fiscal year 1987 of the availability of such assistance for the development, establishment, and operation of a uniform emergency telephone number system in accordance with section 105(c)(2)(B) of such Act.

(c) NOTICE.—Not later than the expiration of the 30-Day period following the date of enactment of this Act, the Secretary of Housing and Urban Development shall by notice establish such requirements as may be necessary to carry out the amendments made by this section. Such notice shall not be subject to section 553 of title 5, United States Code, or section 7(c) of the Department of Housing and Urban Development Act.

(d) REGULATIONS.—The Secretary of Housing and Urban Development shall issue such regulations, based on the notice required by subsection (c), as may be necessary to carry out the amendments made by this section. Such regulations shall be published for comment in the Federal Register not later than 90 days after the date of enactment of this Act.

On page 79, line 25, insert "unless otherwise provided by contract" before the period.

Beginning with page 91, line 3, strike out through page 92, line 2, and insert in lieu thereof the following:

"(3) RENTAL ASSISTANCE.—If any family resides in a dwelling unit in a building purchased by a resident management corporation, and the family decides not to purchase the dwelling unit, the Secretary shall provide to the family such assistance as is necessary to enable the family to continue to reside in the dwelling unit.

"(4) RELOCATION ASSISTANCE.—If any family resides in a dwelling unit in a public housing project in which other dwelling units are purchased under this section, and the family decides not to purchase the dwelling unit, and to relocate, the Secretary shall at the family's option—

"(A) assist the family in relocating to a dwelling unit in another public housing project; and

"(B) provide to the family such financial and other assistance as will permit the family to obtain comparable and affordable alternative housing.

At the appropriate place insert the following section:

Notwithstanding any other provision of law or other requirement, the Secretary of Housing and Urban Development may not require the Bay City Housing Commission in the State of Michigan to pay any amount relating to ineligible costs incurred with respect to the public housing development grant numbered Michigan 24-7, awarded in 1974, under the United States Housing Act of 1937 (42 U.S.C. 1401, et seq.).

Section 214 of the Housing and Community Development Act of 1980, 42 U.S.C. 4136(a), is amended by adding a new subsection at the end as follows:

(1) Notwithstanding any other provision of law, no agency or official of a State or local government shall have any liability for the design or implementation of the Federal verification system described in Subsection (d) if the implementation by the State or local agency or official is in accordance with Federal rules and regulations.

(2) The verification system of the Department of Housing and Urban Development shall not supersede or affect any consent agreement entered into or court decree or court order entered prior to the date of enactment of this Act.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the provisions in this amendment be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. The amendment I have sent to the desk includes several provisions that have been suggested to me, to Senator CRANSTON, and to Senator D'AMATO by several of our colleagues. It is in response to those initiatives that we make this committee amendment.

As managers of the bill, we have considered each of them and agree that each should improve the bill now before us, so we are offering each of these separate provisions in a single-package amendment. An explanation of this amendment has been available on each Senator's desk in terms of detailed information.

I ask unanimous consent that a detailed explanation of the amendments be printed in the RECORD at this point.

There being no objection, the detailed explanation was ordered to be printed in the RECORD, as follows:

EXPLANATION OF PACKAGE AMENDMENT TO THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1987 (S. 825)

FEMA REGULATIONS

This amendment would reopen the comment period on FEMA regulations that affect the placement of manufactured housing and recreational vehicles in flood plain areas. The amendment would also require FEMA to undertake a small business impact study.

ILLEGAL ALIEN VERIFICATION

This amendment would protect state and local housing agencies from liability if defects are found in the design or implementation of the federal verification system established by the Immigration and Naturalization Act of 1986.

FHA INSURANCE IN VERY HIGH-COST AREAS

This amendment would permit the Secretary of HUD to increase the FHA mortgage ceiling in very high-cost areas to as much as 150 percent of the dollar amount specified in the statute. Existing law provides a high-cost area adjustment to as much as 133⅓ percent of the dollar amount specified. Housing costs in some areas have risen so high that FHA mortgage limits preclude FHA from insuring mortgages even on modest homes. This amendment is intended not to provide a general increase in FHA's high-cost area adjustment but rather to provide reasonable availability of FHA mortgage insurance for modest homes in very high-cost areas.

TECHNICAL CORRECTIONS

These amendments would conform Section 141(c)(3) of the Committee bill with a parallel language in Section 141(a)(2) and would change an incorrect reference in Section 142(h) of the bill.

PUBLIC HOUSING RESIDENT MANAGEMENT

This amendment would clarify section 207 of this bill to allow a public housing agency to retain a portion of comprehensive improvement assistance if the contract between the agency and the resident management corporation provides for such retention.

PUBLIC HOUSING OWNERSHIP OPPORTUNITIES

This amendment would require the Secretary of HUD to provide rental assistance or relocation assistance to public housing residents who decide not to purchase their units. The Committee bill would permit but not require the Secretary to provide such assistance.

UDAG CAP

This amendment would place a cap of $6 million on the amount of funding an individual UDAG project could receive unless the application is from a UDAG eligible city and the Secretary determines that the project would create or retain permanent jobs for less than the historical average of $8,000 in UDAG funds per job. The cap expires for UDAG eligible cities in 2 years. The Committee believes that these changes are necessary because of the limited availability of UDAG funds.

LEBANON, PENNSYLVANIA

This amendment would authorize the City of Lebanon, Pennsylvania to retain any land disposition proceeds from the financially closed-out Southside Urban Renewal Project (R-635(c)) which have not been paid to HUD and to use such proceeds in accordance with the requirements of the Community Development Block Grant program. Similar provision was previously made for Denver, Colorado; Baltimore, Maryland; and Boston, Massachusetts and would be made in section 150 of the Committee bill for Hartford, Connecticut.

MULTNOMAH COUNTY, OREGON

This amendment would "grandfather" Multnomah County, Oregon as an "urban county" under the CDBG program. Multnomah County qualified as an urban county (population of at least 200,000) in 1984 but has lost population since that time. Other jurisdictions that have also lost population were grandfathered last year. The language in last year's amendment, however, refers to counties that qualified for the program in 1983. This amendment would correct an oversight in last year's amendment.

URBAN HOMESTEADING

This amendment would permit States and local governments to operate the urban homesteading program through qualified, non-profit community organizations. These organizations would be responsible for the field administration of the program: selecting the properties to be homesteaded and the people to occupy those properties, supervising rehabilitation of the properties and holding title to the properties before final conveyance to the homesteaders. The amendment would benefit the program by (1) lessening the administrative burden on participating states and cities; (2) providing an additional route to participation in the program for low income families; and (3) expanding participation in the program by drawing upon the expertise and resources of these organizations.

CDBG FUNDS FOR 9-1-1 SYSTEMS

This amendment would permit the use of assistance under the Community Development Block Grant (CDBG) program for 9-1-1 emergency telephone number systems. The amendment would allow the use of CDBG funds for such purposes only if (1) at least 51 percent of the potential users of the 9-1-1 system have low or moderate incomes and (2) the percentage of the federal contribution to such a system would not exceed the percentage of low- and moderate-income persons who reside in the area to be served by the system.

BAY CITY, MICHIGAN

This amendment would prohibit HUD from recovering certain funds for providing childcare in public housing in Bay City, Michigan.

Mr. RIEGLE. Mr. President, I believe this is a package of sound amendments—some are technical in nature, others would make substantive improvements in the committee bill. I want to describe briefly those that are not strictly technical in nature.

One amendment in the package would reopen the comment period for FEMA regulations relating to the placement of manufactured housing and recreational vehicles in flood-plain areas. Many businesses and individuals who would be affected by those regulations do not believe they have been given a fair chance to be heard. This amendment would offer them that chance without unduly interrupting FEMA's policy implementation. This amendment was included at the initiative of Senator GRAHAM of Florida.

A second amendment would permit FHA to insure mortgages on modest homes in very high-cost areas. It would authorize an increase in the FHA mortgage ceiling to as much as 150 percent of the dollar amount specified in statute.

A third amendment would define public housing resident management to make it clear that a resident management corporation could agree by contract to have a public housing agency retain comprehensive improvement assistance funds. That was included at the initiative of Senator DIXON.

A fourth amendment would ensure that residents of a public housing project that is sold to a resident management corporation will receive rental assistance if they decide not to purchase their units. This was included at the initiative of Senator METZENBAUM.

A fifth amendment would place a $6 million cap on UDAG grants, except for those applications that the Secretary of HUD determines will create or retain permanent jobs for less than the historical average of $8,000 in UDAG funds per job. The cap would be in place for 2 years for UDAG eligible cities. This was included at the initiative of Senator GRASSLEY.

A sixth amendment would permit Lebanon, PA, to retain urban renewal land disposition proceeds, as was earlier done for Denver, Baltimore, Boston, and Hartford. This was included at the initiative for Senators HEINZ and SPECTER.

A seventh amendment would "grandfather" Multnomah County, OR, as an "urban county" under CD block grants. This corrects an inadvertent error in earlier legislation. The amendment is included at the initiative of Senators HATFIELD and PACKWOOD.

An eighth amendment would permit States and local governments to operate their urban homesteading programs through qualified, nonprofit organizations. In many cases, this would make the operation of the program more efficient. The amendment was included at the initiative of Senator HEINZ.

A ninth amendment would permit CD block grant funds to be used to pay part of the cost of establishing "9-1-1" emergency systems. Provision would be made for retaining the low-income and moderate-income targeting of the program. This amendment is included at the initiative of Senator GLENN.

A 10th amendment would prevent State and local housing agencies from being held liable for defects in the Federal verification system created by the Immigration and Naturalization Act of 1986.

Finally, an 11th amendment, which would provide relief for Bay City, MI, regarding the cost for day care services in public housing, is an amendment offered by myself.

Mr. President, I believe these amendments, taken as a whole, should be acceptable to my colleagues. I hope that they will be accepted promptly.

Mr. D'AMATO. Mr. President, I rise to support these amendments, both those technical in nature and those substantive amendments. Let me take this opportunity to make particular note of two of those amendments, one amendment dealing with community development bloc grant funds for the 911 system. That is known as the emergency telephone number system. There are many communities throughout America that are without that 911 system because of the various hamlets having their own local police departments, not having a central system, and there is a large cost attendant with hooking up that 911 system so that it can be made available to all of the communities. We take this for granted in some of our urban centers, but this is not always the case, particularly with our smaller communities, those that have contiguous borders with their neighbors that have different police departments, and I dare say it presents some very real problems.

Senator GLENN is to be commended for bringing this amendment up and making these funds available. In my own State, in the county of Westchester, a very real problem exists; the county fathers are grappling with it, and certainly the utilization and making available of the CDBG funds for such a purpose is a good one and should be included within the purposes of community bloc grant funding. So, in New York we will have that opportunity to make appropriate use of this funding.

In the Urban Development Action Grant Program, the cap which has been suggested by my colleague with the appropriate protection, that of no funds more than $6 million for any one particular project, I think is a good compromise, providing that where there are areas with substantial jobs over and above that which would ordinarily be created as a result of the program, the Secretary would have the opportunity of granting a waiver in those particular cases I think takes care of many of the concerns of officials in New York and other large urban centers. I think it is in the spirit of compromise and cooperation that we have been able to arrive at this point with this bill. So, I add my support to these amendments which have been submitted en bloc.

I thank the Chair.

The PRESIDING OFFICER. Is there further debate on the amendments?

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is noted. The clerk will please call the roll.

The bill clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the amendment which is at the desk be temporarily set aside, to be brought back in short order, so that we might be in a position to say to colleagues, if there are any other amendments people wish to offer, they should be prepared to come to the floor at this time and do so.

The PRESIDING OFFICER. Is there objection to the Senator's request? The Chair hears none, and it is so ordered.

Mr. RIEGLE. Mr. President, let me again indicate to my colleagues that we are moving along on the housing bill. We have a committee amendment, which is the sum of several Members' amendments that I have previously described, which is pending and has been set aside. We are in a position now to deal with any other amendments that any Senator may wish to offer. So, if there is such a desire, we ask Senators to come to the floor at this time and to do so before we resume consideration and disposition of the committee package amendment.

I thank the Chair and I ask that the call of the quorum be initiated at this time.

The PRESIDING OFFICER. The absence of a quorum is noted. The clerk will please call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 3:30 P.M.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 3:30 p.m. today.

There being no objection, the Senate, at 2:57 p.m., recessed until 3:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. ADAMS).

Mr. D'AMATO. Mr. President, we are very hopeful of having, after the vote on the technical amendments that have been submitted on behalf of the committee and which have been laid aside, an opportunity to enact the housing bill, which will provide authorization for a 2-year period of time.

To bring you up to date, we are attempting to work out a compromise on the new Nehemiah housing program; that would be quite an accomplishment, and I pay tribute to all of my colleagues on the Banking Committee for having made possible this program because I think it is the kind of program which is so necessary, particularly in our large urban centers, in the areas that are distressed, in those areas that before they become blighted and where we can fight to make home ownership a reality, bring in a program which will make affordable housing to so many of America's working families who find themselves without the ability to meet the high cost of housing and to encourage something that we speak about but is fast becoming a very difficult proposition, if not impossible, for working families in America, and that is a piece of America by way of ownership.

Let me, if I might, in a few moments that I might have, inasmuch as the manager of the bill, Senator RIEGLE, is attempting to work out some compromises, indicate what the program is about. This is a project that was sponsored initially by about 50 parishes and churches in an ecumenical group called the East Brooklyn Churches, and it was named after the biblical prophet Nehemiah, who was sent in the 50th century B.C. to rebuild Jerusalem after the Bablonian captivity.

The results of the Nehemiah program will culminate in hopefully 5,000 single-family, two- and three-bedroom homes in East Brooklyn NY, which is a section of Brooklyn that has been basically devastated by the abandonment and demolition of housing. The goal is a lofty one, 5,000 single-family homes. As of March 1987, over 700 homes have been built and sold and another 300 homes are presently under construction.

Other States and communities have also expressed an interest in developing a Nehemiah program in their areas, and I suggest that in probably many of our urban centers there is a crying need for this kind of housing. The program permits families who otherwise would not be able to purchase a home to obtain home ownership. The average income of current families participating in the Nehemiah program in New York is just over $24,000 a year. That is an average family income. I submit without the kind of help that this program provides, home ownership for them would be impossible.

Now, what about that help? That help is in the form of a $15,000 grant to those families who are in the median income or below and it is a one-time grant. It is a grant in the nature of a second mortgage which they must pay if they sell the home, and so really we are talking about a long-term credit, which eventually is repaid to the Government.

In some of the interesting statistics that have developed, approximately 40 percent of the families in terms of the 700 in New York and Brooklyn come from public assisted housing. So what takes place when we are moving people out of the public assisted housing is that we free up desperately needed units for lower-income individuals and people who in some cases have been waiting to get into public assisted housing for 7, 8, 9, and 10 years.

Of the first 600 Nehemiah homes completed in New York City, approximately 240 public housing units have been freed up. So out of 600 people who now own their own home as a result of leaving their prior residences, 240 housing units publicly assisted are freed up for low-income families. 150 of these units were public housing units and 90 were section 8 certificates. Other cities throughout the Nation, Mr. President, I believe, certainly could make great use of this program.

The Nehemiah homes normally cost about $75,000 to build, but development costs will be reduced by as much as $15,000 as a result of the program. I think this is probably one of the very, very, very strong points, because it comes down to a private sector plus government-initiated program that will really make a great difference as it relates to making a concept of giving Americans an opportunity to home ownership a reality.

And so, Mr. President, I would hope that we are given an opportunity to vote on the technical amendment; that the Nehemiah housing program will be included as one of those. We are literally waiting for the final drafting of the compromise that has been worked out, and this will be part of the leadership package, committee package.

I am deeply appreciative of all of the efforts that have been made by staff and my colleagues on the Banking Committee. Senator RIEGLE would like to, I think, undertake some comments before we vote at 3:45. I am deeply appreciative of Senator RIEGLE's strong support of this program and also that of Senator CRANSTON, who have worked in an exemplary way, in a bipartisan manner, to accommodate the needs and concerns of all of the members of the committee, and who have at times attempted to place themselves in the position of their colleagues, respecting and understanding the special considerations that they might have in their regions. I note that the chairman of the subcommittee, Senator Cranston, is here and I am deeply appreciative of having the opportunity to work with him in bringing this bill to this point. We might even have final passage later on today.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Mr. President, we are continuing to work on revising and refining the committee amendments as a package. I am told that we now have settled all the matters but one, and we are in the process of settling that and maybe having it settled with this piece of paper.

We will need, I think, only a short additional time period with respect to refinements to the committee package. It is my hope that if we can work that out within a matter of a very few minutes, we will be in a position to vote on the committee amendments. It is my understanding that in all likelihood we will have a vote on the committee amendments as a package, and then pending our ability to check with other colleagues, as they come to the floor for that vote, to see if there are any remaining matters, to either, if there are not, move on to final passage or, if there are, attempt to resolve and deal with those.

Assuming that that can be done by one means or another, then we can move on to final disposition of this bill today. So I am prepared to yield the floor. I do not know if anybody else wants to seek recognition now. If not, then I would ask that we intitiate a quorum call until such time as we have made these refinements.

The PRESIDING OFFICER. The Senator from Michigan suggests the absence of a quorum.

Mr. CRANSTON. I ask that there not be a quorum call for a moment.

The PRESIDING OFFICER. Does the Senator from California seek recognition?

Mr. CRANSTON. Mr. President, I just want to thank the Senator from Michigan for handling the opening statement for this legislation. He has been a very cooperative and respected member of the Housing Subcommittee as well as the full Committee on Banking, Housing, and Urban Affairs. He was the chairman of the subcommittee last year, and I am grateful to him for filling in while I had to be elsewhere.

I am delighted that the bill appears to be moving along and that we do not face any major challenges, apparently, to at least most of its very important provisions.

I also thank my friend, the Senator from New York [Mr. D'Amato], the ranking minority member of the committee, for his help in a bipartisan sense on this legislation and for his kind words a few moments ago when I arrived on the floor.

AMENDMENT NO. 69, AS MODIFIED

(Purpose: To make technical and other amendments)

Mr. RIEGLE. Mr. President, I think we now have our package worked out. I send to the desk a revised package of the committee amendments en bloc and ask that they be reported.

The PRESIDING OFFICER. Without objection, the amendment as modified will be reported by the clerk.

The bill clerk read as follows:

The Senator from Michigan [Mr. Riegle], for himself, Mr. Cranston, and Mr. D'Amato, proposes modified amendment No. 69.

Mr. RIEGLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The modified amendment is as follows:

On page 5, between lines 19 and 20, add the following new subsection:

(e) Postponement of Implementation of Regulations Dealing With Flood Plain Management Standards.—The Federal Emergency Management Agency's revised regulations relating to flood plain management standards (51 Federal Register 30290, August 25, 1986) shall not be effective during the 60-day period beginning on the date of enactment of this Act. During such 60-day period, the Director of the Federal Emergency Management Agency shall solicit and receive public comment and prepare and submit to the Congress a study of the impact on small business of such regulations.

On page 7, between lines 14 and 15, insert the following new subsection:

(c) Maximum Mortgage Amount.—Section 203(b)(2)(A) of the National Housing Act is amended by striking out "133⅓" and inserting in lieu thereof "150".

On page 43, line 16, strike out "amount calculated" and insert in lieu thereof "formula value".

On page 43, between lines 22 and 23, insert the following:

(d) Retention of Urban County Classification.—Section 102(a)(6) of the Housing and Community Development Act of 1974 is amended in the second sentence by inserting "or 1984" after "fiscal year 1983".

On page 55, line 19, strike out "subsection (h)" and insert in lieu thereof "subsection (g)".

At the bottom of page 55, add the following:

(i) Limitation on Grant Amounts.—Section 119 of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following:

"(s)(1) The maximum grant amount for a project under subsection (b)(2) of this section is $6,000,000.

"(2) The maximum grant amount for a project under subsection (b)(1) of this section is $6,000,000 during fiscal years 1988 and 1989, except that this paragraph shall not apply to a project in which the Secretary determines that the average cost for each new permanent jobs does not exceed $8,000 and that the average cost for each permanent job retained that would otherwise be lost to the community does not exceed $8,000.".

On page 60, between lines 10 and 11, insert the following:

(d) Transfers to Qualified Community Organizations.—(1) Section 810(b)(1) of the Housing and Community Development Act of 1974 is amended by inserting before the semicolon the following: "or in accordance with subsection (1) to qualified community organizations".

(2) Section 810 of such Act is amended by adding at the end thereof the following:

"(1) A unit of general local government, or a State, or a public agency designated by a unit of general local government of a State may transfer any real property that it receives under subsection (a) or purchases under subsection (h) to a qualified community organization. Qualified community organizations will be limited to those organizations—

"(1) that are incorporated and controlled by a Board of Directors whose members receives no compensation of any kind for the performance of their duties;

"(2) that are organized exclusively for charitable, educational, or scientific purposes, on the promotion of social welfare;

"(3) that qualify as exempt organizations under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986; and

"(4) that agree to assist the applicable State or unit of general local government with the selection of homesteaders, selection, inspection, and rehabilitation of the properties, and to perform such other functions as may be agreed between the States or unit of general local government and the qualified nonprofit organization, including the acceptance of title of property and the conveyance of the property to the homesteaders subject to the terms and conditions specified elsewhere in this section.".

On page 62, line 19, "(a) Hartford, Connecticut.—" before "Notwithstanding".

On page 63, between lines 5 and 6, insert the following:

(b) Lebanon, Pennsylvania.—Nowithstanding any other provision of law or other requirement, the City of Lebanon in the State of Pennsylvania is authorized to retain any land disposition proceeds from the financially closed-out Southside Urban Renewal Project (R-635(C)) not paid to the Department of Housing and Urban Development, and to use such proceeds in accordance with the requirements of the community development block grant program specified in title I of the Housing and Community Development Act of 1974. The City of Lebanon shall retain such proceeds in a lump sum and shall be entitled to retain and use, in accordance with this section, all past and future earnings from such proceeds, including any interest.

SEC. 151. AVAILABILITY OF COMMUNITY DEVELOPMENT BLOCK GRANTS FOR UNIFORM EMERGENCY TELEPHONE NUMBER SYSTEMS.

(a) In General.—Section 105(c)(2) of the Housing and Community Development Act of 1974 is amended—

(1) by inserting "(A)" after the paragraph designation;

(2) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively; and

(3) by adding at the end thereof the following new subparagraph:

"(B) The requirements of subparagraph (A) do not prevent the use of assistance under this title for the development, establishment, and operation for not to exceed 2 years after its establishment of a uniform emergency telephone number system if the Secretary determines that—

"(i) such system will contribute substantially to the safety of the residents of the area served by such system;

"(ii) not less than 51 percent of the use of the system will be by persons of low and moderate income; and

"(iii) other Federal funds received by the grantee are not available for the development, establishment, and operation of such system due to the insufficiency of the amount of such funds, the restrictions on the use of such funds, or the prior commitment of such funds for other purposes by the grantee.

The percentage of the cost of the development, establishment, and operation of such a system that may be paid from assistance under this title may not exceed the percentage of the population to be served that is made up of persons of low and moderate income.".

(b) APPLICABILITY.—

(1) IN GENERAL.—The amendments made by this section shall be applicable to amounts made available for fiscal year 1987 and each succeeding fiscal year.

(2) NOTIFICATION OF GRANTEES.—Not later than the expiration of the 30-day period following the date of enactment of this Act, the Secretary of Housing and Urban Development shall notify each grantee of assistance under section 106 of the Housing and Community Development Act of 1974 for fiscal year 1987 of the availability of such assistance for the development, establishment, and operation of a uniform emergency telephone number system in accordance with section 105(c)(2)(B) of such Act.

(c) NOTICE.—Not later than the expiration of the 30-day period following the date of enactment of this Act, the Secretary of Housing and Urban Development shall by notice establish such requirements as may be necessary to carry out the amendments made by this section. Such notice shall not be subject to section 553 of title 5, United States Code, or section 7(c) of the Department of Housing and Urban Development Act.

(d) REGULATIONS.—The Secretary of Housing and Urban Development shall issue such regulations, based on the notice required by subsection (c), as may be necessary to carry out the amendments made by this section. Such regulations shall be published for comment in the Federal Register not later than 90 days after the date of enactment of this Act.

On page 65, between lines 17 and 18, insert the following:

(c) ALLOCATION OF ASSISTANCE BETWEEN PROGRAMS.—(1) Section 8 of the United States Housing Act of 1937 is amended by adding at the end thereof the following:

"(q) The Secretary shall not, during a fiscal year, enter into contracts to provide assistance for a number of units under subsection (o) that is greater than twice the number of units assisted under contracts entered into under subsection (b) during that year.".

(2) The amendment made by paragraph (1) shall take effect on October 1, 1987.

Beginning with page 65, line 19, strike out all through page 66, line 16.

On page 79, line 25, insert "unless otherwise provided by contract" before the period.

Beginning with page 91, line 3, strike out through page 92, line 2, and insert in lieu thereof the following:

"(3) RENTAL ASSISTANCE.—If any family resides in a dwelling unit in a building purchased by a resident management corporation, and the family decides not to purchase the dwelling unit, the Secretary shall provide to the family such assistance as is necessary to enable the family to continue to reside in the dwelling unit.

"(4) RELOCATION ASSISTANCE.—If any family resides in a dwelling unit in a public housing project in which other dwelling units are purchased under this section, and the family decides not to purchase the dwelling unit, and to relocate, the Secretary shall at the family's option—

"(A) assist the family in relocating to a dwelling unit in another public housing project; and

"(B) provide to the family such financial and other assistance as will permit the family to obtain comparable and affordable alternative housing.

On page 101, between lines 2 and 3, insert the following:

SEC. 213. VOUCHER PROGRAM.

Section 8(o) of the United States Housing Act of 1937 is amended—

(1) in the first sentence of paragraph (1), by striking out "In" and all that follows through "demonstration program" and inserting in lieu thereof "The Secretary may provide assistance";

(2) by striking out paragraph (4) and inserting in lieu thereof the following:

"(4) Assistance payments under this subsection shall be made for (A) lower income families who were living in rental projects rehabilitated under section 17 of this Act or section 533 of the Housing Act of 1949 before rehabilitation and who are physically displaced from their units, and (B) lower income families who were living in such projects before rehabilitation and who would have to pay more than 30 percent of their adjusted income for rent after rehabilitation whether they choose to remain in, or to move from, the project. For the purpose of this paragraph, 'physically displaced' means that the family must move out of the unit it is occupying because of the physical rehabilitation activities or because of overcrowding.".

SEC. 214. PUBLIC HOUSING AGENCY FEES.

(a) Section 8 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new subsection:

"(r)(1) The Secretary shall establish a fee that may be charged by public housing agencies for the costs incurred in administering the programs under subsections (b) and (o). The amount of the fee for each month for which a dwelling unit is covered by an assistance contract shall be 8.2 percent of the fair market rental established under subsection (c)(1) for a 2-bedroom existing rental dwelling unit in the market area of the public housing agency.

"(2)(A) The Secretary shall also establish reasonable fees (as determined by the Secretary) that may be charged by public housing agencies for—

"(i) the costs of preliminary expenses incurred in connection with new allocations of assistance under the programs under subsections (b) and (o); and

"(ii) the costs incurred in assisting families who experience difficulty (as determined by the Secretary) in obtaining appropriate housing under the programs.

"(B) The method used to calculate fees under subparagraph (A) shall be the same for the programs under subsections (b) and (o) and shall take into account local cost differences.".

SEC. 215. FLEXIBILITY TO ADJUST ASSISTANCE PAYMENTS.

Section 8(o)(7) of the United States Housing Act of 1937 is amended—

(1) in subparagraph (A), by striking out "as frequently as twice during any five-year period" and inserting in lieu thereof "annually"; and

(2) by striking out subparagraph (D).

SEC. 216. ADJUSTMENT POOLS.

Section 8(o) of the United States Housing Act of 1937 is amended by adding at the end thereof the following:

"(9) The Secretary shall set aside a portion of amounts appropriated under this subsection as an adjustment pool to pay for the adjustments required by paragraph (7)(A). Funds shall be distributed from the adjustment pool on a needs basis. To receive an adjustment, a public housing agency shall certify that adjustment funds are necessary to compensate for higher than normal increases in rent levels in its jurisdiction. Distribution of adjustment funds shall be made at the discretion of the Secretary.".

SEC. 217. GAO STUDY.

The Comptroller General of the United States shall prepare and submit to the Congress not later than October 30, 1987—

(1) a report relating to the administrative fees provided for under section 8(r) of the United States Housing Act of 1937 specifically addressing—

(A) whether the percentage set by section 8(r)(1) of the United States Housing Act of 1937 is adequate to cover the costs of administering the programs under sections 8(b) and 8(o), and

(B) whether the fee system set under section 8(r)(1) should be restructured to reflect the different characteristics and experiences of localities such as size, geographic location, and vacancy rates; and

(2) a report comparing the voucher and certificate programs in representative rental markets, and containing an assessment of what changes should be made in either the certificate or voucher programs. In preparing such assessment, the Comptroller General shall consult with the Secretary of Housing and Urban Development and other appropriate Federal officials as well as individuals and national and other organizations representing public housing agencies, local governments, and tenants.

SEC. 218. ABT ASSOCIATES REPORT.

Not later than 90 days after the date of enactment of this Act, the Secretary of Housing and Urban Development shall submit to Congress the preliminary findings of the ABT Associates in connection with the preparation of the report entitled "Evaluation of the Housing Voucher Demonstration Program".

BAY CITY, MICHIGAN.—This amendment would prohibit HUD from recovering certain funds used for providing child care in public housing in Bay City, Michigan. Notwithstanding any other provision of law or other requirement, the Secetary of Housing and Urban Development may not require the Bay City Housing Commission in the State of Michigan to pay any amount relating to ineligible costs incurred with respect to the public housing development grant numbered Michigan 24-7 awarded in 1974, under the United States Housing Act of 1937 (42 U.S.C. 1401, *et seq.*).

On page 127, line 13, strike out "115 percent of".

On page 63, between lines 5 and 6, insert the following:

SEC. . LOAN CANCELLATION.

The Secretary of Housing and Urban Development shall cancel the indebtedness represented by loan number 070024914 under section 312 of the Housing Act of 1964. The obligor on such loan is relieved of all liability to the Government for the outstanding principle balance on such loan, for the amount of accrued interest on such loan, and for any other fees and charges payable in connection therewith.

Mr. RIEGLE. Mr. President, this package recognizes an agreement that we have worked out on both sides of the aisle. I thank the Senator from California for his kind remarks earlier.

Mr. President, I ask unanimous consent to have printed in the RECORD a detailed explanation of the package amendment as modified.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXPLANATION OF PACKAGE AMENDMENT TO THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1987 (S. 825)

FEMA REGULATIONS

This amendment would reopen the comment period on FEMA regulations that affect the placement of manufactured housing and recreational vehicles in flood plain areas. The amendment would also require FEMA to undertake a small business impact study.

ILLEGAL ALIEN VERIFICATION

This amendment would protect state and local housing agencies from liability if defects are found in the design or implementation of the federal verification system establish by the Immigration and Naturalization Act of 1986.

FHA INSURANCE IN VERY HIGH-COST AREAS

This amendment would permit the Secretary of HUD to increase the FHA mortgage ceiling in very high-cost areas to as much as 150 percent of the dollar amount specified in the statute. Existing law provides a high-cost area adjustment to as much as 133⅓ percent of the dollar amount specified. Housing costs in some areas have risen so high that FHA mortgage limits preclude FHA from insuring mortgages even on modest homes. This amendment is intended not to provide a general increase in FHA's high-cost area adjustment but rather to provide reasonable availability of FHA mortgage insurance for modest homes in very high-cost areas.

TECHNICAL CORRECTIONS

These amendments would conform Section 141(c)(3) of the Committee bill with a parallel language in Section 141(a)(2) and would change an incorrect reference in Section 142(h) of the bill.

PERMANENT AUTHORITY FOR HOUSING VOUCHERS

This group of amendments would provide permanent authorization for housing vouchers and provide a thorough evaluation of the Section 8 voucher and certificate programs.

(1) It would require the Secretary to issue no more than twice the number of vouchers as the number of certificates throughout a fiscal year.

(2) It would amend section 8(o)(1) of the United States Housing Act of 1937 to delete the reference to vouchers as a "demonstation program" and the requirement that "substantially all" vouchers be used in conjunction with the rental rehabilitation program.

(3) It would put in statute the current policy regarding use of vouchers to avoid displacement of tenants by federally assisted rental rehabilitation: (a) the Secretary would ensure that vouchers are available to minimize displacement from housing rehabilitated with rental rehabilitation or development grants under section 17 of the Housing Act of 1937 or rural housing preservation grants under section 533 of the Housing Act of 1949; and (b) lower income tenants who are so displaced would have rental assistance made available to them on a priority basis.

(4) It would standardize the administrative fees for both certificates and vouchers at 8.2 percent. The Committee bill would set the administrative fee for certificates at 8.5 percent and leave the fee for vouchers at 6.5 percent. This amendment is intended to provide better incentives for public housing authorities to implement the voucher program by providing them with adequate resources for administration equal to those provided under the Section 8 Certificate program.

(5) It would permit public housing agencies to make annual adjustments to assistance payments under the voucher program. This would prevent the voucher program from forcing undue rent burdens on low-income voucher holders in areas with rising rents.

(6) It would establish an "adjustment pool" to compensate for annual adjustments in areas experiencing higher than normal rent increases. The Committee believes that a pool is necessary to ensure that rent "shocks" are not passed on to program participants.

(7) It would direct GAO to report to Congress by October 30, 1987 on (a) its recommendations regarding the level and structure of the administrative fees for certificates and vouchers, and (b) its comparative evaluation of the voucher and certificate programs in representative rental markets. GAO would be expected to consult with relevant individuals and national organizations in preparing its report.

(8) It would release within 90 days of enactment preliminary findings of the "Evaluation of the Housing Voucher Demonstration Program" undertaken by Abt Associates.

PUBLIC HOUSING RESIDENT MANAGEMENT

This amendment would clarify section 207 of this bill to allow a public housing agency to retain a portion of comprehensive improvement assistance if the contract between the agency and the resident management corporation provides for such retention.

PUBLIC HOUSING OWNERSHIP OPPORTUNITIES

This amendment would require the Secretary of HUD to provide rental assistance or relocation assistance to public housing residents who decide not to purchase their units. The Committee bill would permit but not require the Secretary to provide such assistance.

UDAG CAP

This amendment would place a cap of $6 million on the amount of funding an individual UDAG project could receive unless the application is from a UDAG eligible city and the Secretary determines that the project would create or retain permanent jobs for less than the historical average of $8,000 in UDAG funds per job. The cap expires for UDAG eligible cities in 2 years. The Committee believes that these changes are necessary because of the limited availability of UDAG funds.

LEBANON, PENNSYLVANIA

This amendment would authorize the City of Lebanon, Pennsylvania to retain any land disposition proceeds from the financially closed-out Southside Urban Renewal Project (R-635(c)) which have not been paid to HUD and to use such proceeds in accordance with the requirements of the Community Development Block Grant program. Similar provisions was previously made for Denver, Colorado; Baltimore, Maryland; and Boston, Massachusetts and would be made in section 150 of the Committee bill for Hartford, Connecticut.

MULTNOMAH COUNTY, OREGON

This amendment would "grandfather" Multnomah County, Oregon as an "urban county" under the CDBG program. Multnomah County qualified as an urban county (population of at least 200,000) in 1984 but has lost population since that time. Other jurisdictions that have also lost population were grandfathered last year. The language in last year's amendment, however, refers to counties that qualified for the program in 1983. This amendment would correct an oversight in last year's amendment.

URBAN HOMESTEADING

This amendment would permit States and local governments to operate the urban homesteading program through qualified, non-profit community organizations. These organizations would be responsible for the field administration of the program: selecting the properties to be homesteaded and the people to occupy those properties, supervising rehabilitation of the properties and holding title to the properties before final conveyance to the homesteaders. The amendment would benefit the program by (1) lessening the administrative burden on participating states and cities; (2) providing an additional route to participation in the program for low income families; and (3) expanding participation in the program by drawing upon the expertise and resources of these organizations.

CDBG FUNDS FOR 9-1-1 SYSTEMS

This amendment would permit the use of assistance under the Community Development Block Grant (CDBG) program for 9-1-1 emergency telephone number systems. The amendment would allow the use of CDBG funds for such purposes only if (1) at least 51 percent of the potential users of the 9-1-1 system have low or moderate incomes and (2) the percentage of the federal contribution to such a system would not exceed the percentage of low- and moderate-income persons who reside in the area to be served by the system.

Mr. RIEGLE. Mr. President, I think we are ready to move to a vote. I ask for the yeas and nays on the package.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate? Does any Senator seek recognition?

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRAMM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMM. Mr. President, I wish to discuss very briefly a problem that came up in committee in consideration of this bill and announce that we have reached a resolution of the problem with a letter from the General Counsel of the Department of Housing and Urban Development.

Mr. President, I ask unamimous consent that this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT,
Washington, DC, March 30, 1987.

Hon. PHILIP GRAMM,
U.S. Senate, Washington, DC.

DEAR SENATOR GRAMM: Your staff has requested that the Department clarify how we intend to implement the requirements for verification of alien status under the 1986 Immigration Act [IRCA]. Under IRCA, HUD has statutory authority to waive the use of procedures to verify immigration status of participants in HUD housing subsidy programs by use of automated and other records of the Immigration and Naturalization Service (generally referred to as the "SAVE" system). HUD may waive use of the INS SAVE procedures for alien status verification if HUD has in effect an alternative and equally effective verification system, with adequate hearing and appeals rights for beneficiaries. HUD may also waive use of the INS verification procedures if "the costs of administration . . . exceeds the estimated savings" (Immigration Reform and Control Act of 1986, clause (i) of section 121(c)(4)(B)).

It is the position of this Department that all Federal housing assistance should be reserved for citizens and others who are in this country legally. To achieve this result, HUD will verify immigration status of participants in its housing subsidy programs through use of the INS "SAVE" system, or in the alternative, and equally effective verification system with adequate hearing and appeal rights for beneficiaries.

Very sincerely yours,
J. MICHAEL DORSEY.

Mr. GRAMM. Mr. President, as Members are aware, in 1980 Congress enacted the Housing and Community Development Act which prohibited illegal aliens from receiving public housing benefits.

For 6 years, there has not been any effective control mechanism to enforce the 1980 law. We have not been very successful in getting any kind of effective enforcement.

In fact, earlier this year I had all the people who run the public housing projects in Texas come to see me, and their message was that they could do more to serve people who were legitimately eligible for public housing benefits if we would preclude illegal aliens from getting those benefits than they could do if we had a substantial increase in the budget.

Since I am always looking for ways to provide more benefits without having to add to the budget, I wanted to find a way to force HUD to implement the law.

I thought my colleagues might be interested in the fact that based on census data analyzed by the Department of Justice it is currently estimated that between $200 and $250 million a year of HUD benefits go to people who are not eligible as a result of their illegal alien status.

In fact, Mr. President, we could avoid $200 to $250 million of expenses in serving illegal aliens. Those benefits could go to citizens and permanent resident aliens if we enforced the law. This letter commits HUD to strict enforcement.

On that basis I will not offer an amendment, and I appreciate HUD's help on this matter.

I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Mr. President, I ask that we now vote on the pending amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the committee amendment, as modified. On this question, the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from New Mexico [Mr. BINGAMAN], the Senator from Oklahoma [Mr. BOREN], the Senator from New Jersey [Mr. BRADLEY], the Senator from Arizona [Mr. DECONCINI], the Senator from Florida [Mr. GRAHAM], the Senator from Iowa [Mr. HARKIN], the Senator from Alabama [Mr. HEFLIN], the Senator from Hawaii [Mr. INOUYE], the Senator from Ohio [Mr. METZENBAUM], the Senator from Maryland [Ms. MIKULSKI], the Senator from Rhode Island [Mr. PELL], the Senator from Maryland [Mr. SARBANES], the Senator from Tennessee [Mr. SASSER], and the Senator from Colorado [Mr. WIRTH] are necessarily absent.

I also announce that the Senator from Delaware [Mr. BIDEN] is absent because of illness.

I further announce that, if present and voting, the Senator from Oklahoma [Mr. BOREN], the Senator from Rhode Island [Mr. PELL], the Senator from Florida [Mr. GRAHAM], and the Senator from Arizona [Mr. DECONCINI] would each vote "yea."

Mr. DOLE. I announce that the Senator from Colorado [Mr. ARMSTRONG], the Senator from Maine [Mr. COHEN], the Senator from Utah [Mr. GARN], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Nebraska [Mr. KARNES], the Senator from Wisconsin [Mr. KASTEN], the Senator from Wyoming [Mr. SIMPON], the Senator from Alaska [Mr. STEVENS], the Senator from Idaho [Mr. SYMMS], and the Senator from South Carolina [Mr. THURMOND] are necessarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania [Mr. HEINZ], the Senator from Wisconsin [Mr. KASTEN], and the Senator from South Carolina [Mr. THURMOND] would each vote "yea."

The PRESIDING OFFICER (Mr. REID). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 75, nays 0, as follows:

[Rollcall Vote No. 45 Leg.]

YEAS—75

Adams
Baucus
Bentsen
Bond
Boschwitz
Breaux
Bumpers
Burdick
Byrd
Chafee
Chiles
Cochran
Conrad
Cranston
D'Amato
Danforth
Daschle
Dixon
Dodd
Dole
Domenici
Durenberger
Evans
Exon
Ford
Fowler
Glenn
Gore
Gramm
Grassley
Hatch
Hatfield
Hecht
Helms
Hollings
Humphrey
Johnston
Kassebaum
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lugar
Matsunaga
McCain
McClure
McConnell
Melcher
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pressler
Proxmire
Pryor
Quayle
Reid
Riegle
Rockefeller
Roth
Rudman
Sanford
Shelby
Simon
Specter
Stafford
Stennis
Trible
Wallop
Warner
Weicker
Wilson

NOT VOTING—25

Armstrong
Biden
Bingaman
Boren
Bradley
Cohen
DeConcini
Garn
Graham
Harkin
Heflin
Heinz
Inouye
Karnes
Kasten
Metzenbaum
Mikulski
Pell
Sarbanes
Sasser
Simpson
Stevens
Symms
Thurmond
Wirth

So, the committee amendment (No. 69) as modified, was agreed to.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the modification I send to the desk be deemed to be the package agreed to. This has been cleared with the Republican side; it is my understanding there is no objection to it.

The PRESIDING OFFICER. The amendment is so modified.

The amendment (No. 69), as further modified, is as follows:

On page 5, between lines 19 and 20, add the following new subsection:

(e) POSTPONEMENT OF IMPLEMENTATION OF REGULATIONS DEALING WITH FLOOD PLAIN MANAGEMENT STANDARDS.—The Federal Emergency Management Agency's revised regulations relating to flood plain management standards (51 Federal Register 30290, August 25, 1986) shall not be effective during the 60-day period beginning on the date of enactment of this Act. During such 60-day period, the Director of the Federal Emergency Management Agency shall solicit and receive public comment and submit to the Congress a study of the impact on small business of such regulations.

On page 7, between lines 14 and 15, insert the following new subsection:

(c) MAXIMUM MORTGAGE AMOUNT.—Section 203(b)(2)(A) of the National Housing Act is amended by striking out "133⅓" and inserting in lieu thereof "150".

On page 43, line 16, strike out "amount calculated" and insert in lieu thereof "formula value".

On page 43, between lines 22 and 23, insert the following:

(d) RETENTION OF URBAN COUNTY CLASSIFICATION.—Section 102(a)(6) of the Housing and Community Development Act of 1974 is amended in the second sentence by inserting "or 1984" after "fiscal year 1983".

On page 55, line 19, strike out "subsection (h) and insert in lieu thereof "subsection (g)".

At the bottom of page 55, add the following:

(i) LIMITATION ON GRANT AMOUNTS.—Section 119 of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following:

"(s)(1) The maximum grant amount for a project under subsection (b)(2) of this section is $6,000,000.

"(2) The maximum grant amount for a project under subsection (b)(1) of this section is $6,000,000 during fiscal years 1988 and 1989, except that this paragraph shall not apply to a project in which the Secretary determines that the average cost for each new permanent job does not exceed $8,000 and that the average cost for each permanent job retained that would otherwise be lost to the community does not exceed $8,000.".

On page 60, between lines 10 and 11, insert the following:

(d) TRANSFERS TO QUALIFIED COMMUNITY ORGANIZATIONS.—(1) Section 810(b)(1) of the Housing and Community Development Act of 1974 is amended by inserting before the semicolon the following: "or in accordance with subsection (1) to qualified community organizations".

(2) Section 810 of such Act is amended by adding at the end thereof the following:

"(1) A unit of general local government, or a State, or a public agency designated by a unit of general local government or a State may transfer any real property that it receives under subsection (a) or purchases under subsection (h) to a qualified community organization. Qualified community organizations will be limited to those organizations—

"(1) that are incorporated and controlled by a Board of Directors whose members receive no compensation of any kind for the performance of their duties;

"(2) that are organized exclusively for charitable, educational, or scientific purposes, or the promotion of social welfare;

"(3) that qualify as exempt organizations under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986; and

"(4) that agree to assist the applicable State or unit of general local government with the selection of homesteaders, selection, inspection, and rehabilitation of the properties, and to perform such other functions as may be agreed between the States or unit of general local government and the qualified nonprofit organization, including the acceptance of title to property and the conveyance of the property to the homesteaders subject to the terms and conditions specified elsewhere in this section.".

On page 62, line 19, insert "(a) HARTFORD CONNECTICUT.—" before "Notwithstanding".

On page 63, between lines 5 and 6, insert the following:

(b) LEBANON, PENNSYLVANIA.—Notwithstanding any other provision of law or other requirement, the City of Lebanon in the State of Pennsylvania is authorized to retain any land disposition proceeds from the financially closed-out Southside Urban Renewal Project (R-635(C)) not paid to the Department of Housing and Urban Development, and to use such proceeds in accordance with the requirements of the community development block grant program specified in title I of the Housing and Community Development Act of 1974. The City of Lebanon shall retain such proceeds in a lump sum and shall be entitled to retain and use, in accordance with this section, all past and future earnings from such proceeds, including any interest.

SEC. 151. AVAILABILITY OF COMMUNITY DEVELOPMENT BLOCK GRANTS FOR UNIFORM EMERGENCY TELEPHONE NUMBER SYSTEMS.

"(a) IN GENERAL.—Section 135(c)(2) of the Housing and Community Development Act of 1974 is amended—

(1) by inserting "(A)" after the paragraph designation:

(2) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively; and

"(3) by adding at the end thereof the following new subparagraph:

"(B) The requirements of subparagraph (A) do not prevent the use of assistance under this title for the development, establishment, and operation for not to exceed 2 years after its establishment of a uniform emergency telephone number system if the Secretary determines that—

"(i) such system will contribute substantially to the safety of the residents of the area served by such system;

"(ii) not less than 51 percent of the use of the system will be by persons of low and moderate income; and

"(iii) other Federal funds received by the grantee are not available for the development, establishment, and operation of such system due to the insufficiency of the amount of such funds, the restrictions on the use of such funds, or the prior commitment of such funds for other purposes by the grantee.

The percentage of the cost of the development, establishment, and operation of such a system that may be paid from assistance under this title may not exceed the percentage of the population to be served that is made up of persons of low and moderate income.".

"(b) APPLICABILITY.—

"(1) IN GENERAL.—The amendments made by this section shall be applicable to amounts made available for fiscal year 1987 and each succeeding fiscal year.

(2) NOTIFICATION OF GRANTEES.—Not later than expiration of the 30-day period following the date of enactment of this Act, the Secretary of Housing and Urban Development shall notify each grantee of assistance under section 106 of the Housing and Community Development Act of 1974 for fiscal year 1987 of the availability of such assistance for the development, establishment, and operation of a uniform emergency telephone number system in accordance with section 105(c)(2)(B) of such Act.

(c) NOTICE.—Not later than the expiration of the 30-day period following the date of enactment of this Act, the Secretary of Housing and Urban Development shall by notice establish such requirements as may be necessary to carry out the amendments made by this section. Such notice shall not be subject to section 553 of title 5, United States Code, or 7(c) of the Department of Housing and Urban Development Act.

(d) REGULATIONS.—The Secretary of Housing and Urban Development shall issue such regulations, based on the notice required by subsection (c), as may be necessary to carry out the amendments made by this section. Such regulations shall be published for comment in the Federal Register not later than 90 days after the date of enactment of this Act.

On page 65, between lines 17 and 18, insert the following:

(c) ALLOCATION OF ASSISTANCE BETWEEN PROGRAMS.—(1) Section 8 of the United States Housing Act of 1937 is amended by adding at the end thereof the following:

"(q) The Secretary shall not, during a fiscal year, enter into contracts to provide assistance for a number of units under subsection (o) that is greater than twice the number of units assisted under contracts entered into under subsection (b) during that year.".

(2) The amendment made by paragraph (1) shall take effect on October 1, 1987.

Beginning with page 65, line 19, strike out all through page 66, line 16.

On page 79, line 25, insert "unless otherwise provided by contract" before the period.

Beginning with page 91, line 3, strike out through page 92, line 2, and insert in lieu thereof the following:

"(3) RENTAL ASSISTANCE.—If any family resides in a dwelling unit in a building purchased by a resident management corporation, and the family decides not to purchase the dwelling unit, the Secretary shall provide to the family such assistance as is necessary to enable the family to continue to reside in the dwelling unit.

"(4) RELOCATION ASSISTANCE.—If any family resides in a dwelling unit in a public housing project in which other dwelling units are purchased under this section, and the family decides not to purchase the dwelling unit, and to relocate, the Secretary shall at the family's option—

"(A) assist the family in relocating to a dwelling unit in another public housing project; and

"(B) provide to the family such financial and other assistance as will permit the family to obtain comaprable and affordable alternative housing.

On page 101, between lines 2 and 3, insert the following:

SEC. 213. VOUCHER PROGRAM.

Section 8(o) of the United States Housing Act of 1937 is amended—

(1) in the first sentence of paragraph (1), by striking out "In" and all that follows through "demonstration program" and inserting in lieu thereof "The Secretary may provide assistance";

(2) by striking out paragraph (4) and inserting in lieu thereof the following:

"(4) Assistance payments under this subsection shall be made for (A) lower income families who were living in rental project rehabilitated under section 17 of this Act or section 533 of the Housing Act of 1949 before rehabilitation and who are physically displaced from their units, and (B) lower income families who were living in such projects before rehabilitation and who would have to pay more than 30 percent of their adjusted income for rent after rehabilitation whether they choose to remain in, or to move from, the project. For the purpose of this paragraph, 'physically displaced' means that the family must move out of the unit it is occuping because of the physical rehabilitation activities or because of overcrowding.".

SEC. 214. PUBLIC HOUSING AGENCY FEES.

(a) Section 8 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new subsection:

"(r)(1) The Secretary shall establish a fee that may be charged by public housing agencies for the costs incurred in administering the programs under subsections (b) and (o). The amount of the fee for each month for which a dwelling unit is covered by an assistance contract shall be 8.2 percent of the fair market rental established under subsection (c)(1) for a 2-bedroom existing rental dwelling unit in the market area of the public housing agency.

"(2)(A) The Secretary shall also establish reasonable fees (as determined by the Secretary) that may be charged by public housing agencies for—

"(i) the costs of preliminary expenses incurred in connection with new allocations of assistance under the programs under subsections (b) and (o); and

"(ii) the costs incurred in assisting families who experience difficulty (as determined by the Secretary) in obtaining appropriate housing under the programs.

"(B) The method used to calculate fees under subparagraph (A) shall be the same for the programs under subsections (b) and (o) and shall take into account local cost differences.".

SEC. 215. FLEXIBILITY TO ADJUST ASSISTANCE PAYMENTS.

Section 8(o)(7) of the United States Housing Act of 1937 is amended—

(1) in subparagraph (A), by striking out "as frequently as twice during any five-year period" and inserting in lieu thereof "annually"; and

(2) by striking out subparagraph (D).

SEC. 216. ADJUSTMENT POOLS.

Section 8(o) of the United States Housing Act of 1937 is amended by adding at the end thereof the following:

"(9) The Secretary shall set aside a portion of amounts appropriated under this subsection as an adjustment pool to pay for the adjustments required by paragraph (7)(A). Funds shall be distributed from the adjustment pool on a needs basis. To receive an adjustment, a public housing agency shall certify that adjustment funds are necessary to compensate for higher than normal increases in rent levels in its jurisdiction. Distribution of adjustment funds shall be made at the discretion of the Secretary.".

SEC. 217. GAO STUDY.

The Comptroller General of the United States shall prepare and submit to the Congress not later than October 30, 1987—

(1) a report relating to the administrative fees provided for under section 8(r) of the United States Housing Act of 1937 specifically addressing—

(A) whether the percentage set by section 8(r)(1) of the United States Housing Act of 1937 is adequate to cover the costs of administering the programs under sections 8(b) and 8(o), and

(B) whether the fee system set under section 8(r)(1) should be restructured to reflect the different characteristics and experiences of localities such as size, geographic location, and vacancy rates; and

(2) a report comparing the voucher and certificate programs in representative rental markets, and containing an assessment of what changes should be made in either the certificate or voucher programs. In preparing such assessment, the Comptroller General shall consult with the Secretary of Housing and Urban Development and other appropriate Federal officials as well as individuals and national and other organizations representing public housing agencies, local governments, and tenants.

SEC. 218. ABT ASSOCIATES REPORT.

Not later than 90 days after the date of enactment of this Act, this Secretary of Housing and Urban Development shall submit to Congress the preliminary findings of the ABT Associates in connection with the preparation of the report entitled "Evaluation of the Housing Voucher Demonstration Program".

Notwithstanding any other provision of law or other requirement, the Secretary of Housing and Urban Development may not require the Bay City Housing Commission in the State of Michigan to pay any amount relating to ineligible costs incurred with respect to the public housing development grant numbered Michigan 24-7, awarded in 1974, under the United States Housing Act of 1937 (42 U.S.C. 1401, *et seq.*).

On page 127, line 13, strike out "115 percent of".

On page 63, between lines 5 and 6, insert the following:

"SEC. . LOAN CANCELLATION.

"The Secretary of Housing and Urban Development shall cancel the indebtedness represented by loan number 070024914 under section 312 of the Housing Act of 1964. The obligor on such loan is relieved of all liability to the Government for the outstanding principle balance on such loan, for the amount of accrued interest on such loan, and for any other fees and charges payable in connection therewith.

Section 214 of the Housing and Community Development Act of 1980, 42 U.S.C. 4136(a), is amended by adding a new subsection at the end as follows:

"b(1) Notwithstanding any other provision of law, no agency or official of a State or local government shall have any liability for the design or implementation of the Federal verification system described in subsection (d) if the implementation by the State or local agency or official is in accordance with Federal rules and regulations.

"(2) The verification system of the Department of Housing and Urban Development shall not supersede or affect any consent agreement entered into or court decree or court order entered prior to the date of enactment of this Act."

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I rise in strong support of S. 825, the Housing and Community Development Act of 1987, and urge its swift passage. I commend my colleague, Mr. CRANSTON, who as chairman of the Senate Subcommittee on Banking and Urban Affairs, has skillfully and expeditiously brought this critical legislation to the Senate floor.

This legislation marks the end of a 7-year assault on Federal housing policy by the Reagan administration. The passage of S. 825 will signal the beginning of an era—one in which we in Congress make sure that housing regains its rightful place on the national agenda.

The Reagan administration came to office in 1981 with a preordained set of budget priorities and was determined, in the guise of fiscal austerity, to see to it that those priorities were maintained—without any serious debate, without any discussion of the shelter needs of the American people. The Reagan administration was the first in 50 years to find that on their list of budget priorities, there was no room for housing.

No one on either side of the aisle, Democrat or Republican alike, denies the difficult reality of our time—that arduous and painful budgetary decisions constrain every area of policy debate. But where housing is concerned, the administration and the Congress have gone beyond the bounds of reason. In 7 years, the budget for housing and community development programs has been slashed by more than two-thirds. And these are not just Democratic programs; many, in fact, were developed during Republican administrations.

This has not been fiscal austerity. This has been the Reagan administration and Congress telling us that the Federal Government has no business providing housing assistance for low- and middle-income Americans. This has been the administration and the Congress telling us to forget any time-worn notions of a Federal housing policy—that as far as they are concerned, there is neither the money, inclination, nor time to care whether the wealthiest nation on Earth provides clean, safe, and afforable housing for its people.

S. 825 holds the line on the Reagan administration's 7-year assault. It freezes authorizations for housing and community development programs for fiscal year 1988 and fiscal year 1989 at fiscal year 1987 levels—levels 70 percent less than those at the time the Reagan administration took office in 1981. I, like my colleague from California, would have preferred not to see a freeze. Housing programs have already carried a disproportionate burden of the Reagan budget cuts over the last 7 years and a sure-fire case can be made for increased funding levels. We have chosen, instead, to make sure that we pass a housing bill this session. Freezing authorization levels seems the best way to assure that that will happen. It is my hope that from here on in, we begin again to articulate a Federal housing policy that addresses the evolving housing needs of all Americans. It is high time we recommit ourselves to that worthy goal and see to it that housing never again falls prey to a set of priorities driven solely by an ideology patently indifferent to the real shelter needs of the American people.

Section 101 of the bill makes permanent the insuring authority of the Federal Housing Administration [FHA]. This measure, which I introduced as S. 531 earlier this year, eliminates the periodic lapses in authority that have plagued the program. FHA insuring authority lapsed six times in fiscal 1986 alone, generating widespread uncertainty among middle and lower income home buyers. Over the years, with Congress forced to continually reauthorize the program, the temptation to play politics and interrupt the program was too great. This legislation now takes the FHA out of the political arena and removes that temptation.

The bill prohibits the imposition of administration user fees on FHA, Fannie Mae, Freddie Mac, and Ginnie Mae. A Reagan tax by any other name, user fees serve only to drive up mortgage costs to home buyers. S. 825 also makes permanent the authority for Fannie Mae and Freddie Mac to purchase second mortgages, an authority that would otherwise expire on October 1, 1987. This permanent extension will permit the orderly development of the secondary market and benefit home buyers who want to purchase or improve a home.

Passage of S. 825 will pave the way for major housing legislation in the next 2 years, and as part of that pathmaking role, the committee asserts in the report accompanying this legislation its support for Federal activities that foster an efficient national system of home mortgage finance. As such, the committee notes that the Federal Home Loan Bank Board has issued a letter of instruction suggesting target levels on the Federal Home Loan Mortgage Corporation's [Freddie Mac's] authority to purchase mortgages in the secondary market. The committee wisely urges the Federal Home Loan Bank Board not to impose limits on Freddie Mac's purchase authority and to consult with Congress in advance of any imposition of such limits in the secondary mortgage market.

Despite the administration's proposed rescissions of urban development action grants [UDAG] and community development block grants [CDBG], S. 825 authorizes UDAG at $225 million for each of the fiscal years 1988 and 1989 and extends authorization for CDBG at $3 billion for each of the fiscal years 1987, 1988, and 1989. These authorizations articulate our commitment to the Federal-local partnership in housing that has evolved on a bipartisan basis over the last 50 years. It is a partnership that must continue to grow—particularly because States and localities have grown increasingly innovative at developing and managing housing programs.

In addition to its authorization of UDAG, the legislation goes to significant lengths to reform UDAG selection criteria and make certain that the program holds true to its original mandate of strengthening the local economies of our most distressed communities.

The bill reaffirms its commitment to the rental rehabilitation grants and housing development grants (HoDAG) programs and authorizes them at $320 million in budget authority for each of the fiscal years 1988 and 1999. Of that total, $220 million will be allocated to rental rehab., $100 million to HoDag. HoDag still remains the only existing housing production program on the books.

S. 825 passed the Banking Committee by a wide, bipartisan margin. It is solid legislation that deserves swift passage here on the Senate floor.

After 7 long years of retrenchment, it is time to turn our ideas and energy toward the establishment of a Federal housing policy—one, of course, tempered by budgetary reality, but driven by our commitment to meet the shelter needs of all Americans.

Mr. President, again, let me extend my congratulations to Senator CRANSTON of California, chairman of the Housing Subcommittee, and once again to our colleague from Wisconsin, Senator PROXMIRE, who seems to be spending an inordinate amount of time on the floor these days—this week with the housing legislation and last week with the banking legislation.

As I said, I endorse this legislation. I am cosponsor of it. It is legislation that is, in my mind, long overdue.

It is somewhat historic, I suppose, that it was 50 years ago this year, in 1937, that the first Federal commitment to housing was enacted into law. Over the past 50 years, while there have been periods of time when respective administrations have supported housing to a lesser or greater extent, throughout that 50-year history, the issue of housing has not really been a partisan one. That 50-year commitment to housing has been almost uninterrupted, except for the last 6 or 7 years, a period in which we have seen a concerted effort by the present administration to remove the Federal Government from its support of decent shelter for moderate and low-income people.

I think it is important to note that, when you ask people in this country, what they think is the cause of the huge Federal deficit, they give different answers. One of the reasons they never give, however, is that the deficit has been caused by our commitment to housing and urban development.

In the past 6 years, our commitment to housing and urban development has been reduced by some 65 to 70 percent, while in that same period of time, the Federal deficit has increased by some 600 percent. So while historically, those who have given speeches about the Federal deficit have pointed to our urban programs as the source of high deficits, the fact of the matter is that over the past 6 or 7 years, housing and urban development and community development programs have hardly been a cause of the deficit.

Mr. President, I take particular pride in one section of this housing bill, which I know many—including many people on the other side of the aisle—have supported and is now part of this legislation. I speak of section 101 of the bill, which makes permanent the insuring authority of the Federal Housing Administration, the FHA. This measure, which I introduced as a separate bill, S. 531, earlier this year, eliminates the periodic lapses in authority that have plagued the program over the years. FHA insuring authority lapsed six times in fiscal 1986 alone, generating widespread uncertainty among middle and lower income home buyers. Over the years, with Congress forced to continually reauthorize the program, the temptation to play politics and interrupt the program was too great. The legislation now before us takes the FHA out of the political arena and removes that temptation.

Again, I commend my colleagues from California, Wisconsin, and New York for allowing this legislation to move along. My hope is that the administration will sign it into law. It will restore our commitment to decent shelter in this country. Housing is a nonpartisan issue and always has been. This is the 50th anniversary of our Federal commitment to housing. It would be a fitting 50th birthday present indeed, for the President to sign this legislation into law and restore a strong bipartisan commitment to decent shelter for people in this country.

Mr. President, I yield the floor.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SHELBY). Without objection, it is so ordered.

AMENDMENT NO. 70

(Purpose: To terminate the urban development action program)

Mr. HUMPHREY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from New Hampshire [Mr. HUMPHREY] proposes an amendment numbered 70.

Beginning with page 46, line 3, strike out all through page 57, line 25, and insert in lieu thereof the following:

SEC. 142. URBAN DEVELOPMENT ACTION GRANT PROGRAM.

Section 119 of the Housing and Community Development Act of 1974 is repealed.

Redesignate accordingly.

Mr. HUMPHREY. Mr. President, did the floor managers want to enter an agreement on this before we proceed?

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the time on this amendment be limited to one-half hour, 15 minutes on a side.

The PRESIDING OFFICER. Is there objection?

Mr. PROXMIRE. I request further, that there be no second-degree amendments in order to this amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I ask unanimous consent, consistent with the agreement we worked out a moment ago privately, that there be no tabling motion in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. HUMPHREY. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, the housing bill before us contains an authorization for fiscal years 1987 and 1988 for the Urban Development Action Grant Program, the so-called UDAG Program. If ever there was a program in need of termination, it is this one. If ever there was a program that deserved to be deleted, it is this one.

Indeed, the Washington Post, a newspaper with which this Senator rarely agrees editorially, has, within the last year, on June 18, 1986, as a matter of fact, pointed out the need to terminate the UDAG Program. Let me just read a few passages from the Washington Post editorial entitled "A Program to Kill."

> In the budget he sent Congress earlier this year, President Reagan proposed killing off a number of Federal programs and agencies. Most of these targets are small, and their demise would do less than the accompanying rhetoric suggested to reduce the deficit. Several of them nevertheless deserve to go. . . .
>
> The best example may be UDAG, the Housing Department's Urban Development Action Grants, which amount to several hundred million dollars a year. The President proposed to cut off the program, but both Houses left room in the budget resolution to continue it; . . . It's a gift to mayors and local government that the Federal Government cannot afford.

Mr. President, I ask unanimous consent that the full text of the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 18, 1986]

A PROGRAM TO KILL

In the budget he sent to Congress earlier this year, President Reagan proposed killing off a number of federal programs and agencies. Most of these targets are small, and their demise would do less than the accompanying rhetoric suggested to reduce the deficit. Several of them nevertheless deserve to go. That would be true even in a loose budget year: if the programs are not ineffectual, their purposes are marginal. But Congress, while cutting some of these programs, has killed none of them.

The best example may be UDAG, the housing Department's Urban Development Action Grants, which amount to several hundred million dollars a year. The president proposed to cut off the program, but both houses left room in their budget resolutions to continue it; provision has also been made in the pending housing bill. It's a gift to mayors and local government that the federal government cannot afford.

Begun in the Carter administration, UDAG is a sprinkling of seed money to induce private businessmen and other investors to join in revitalization projects usually assembled by city governments. It is supposed to help cities in trouble and, through them, by broadening the tax base and providing jobs, for the poor. But the clearest beneficiaries are often developers who are decidedly not poor. Congress has also expanded the eligibility requirements so that most large cities and urban counties and nearly two-thirds of small cities already have access to these funds. A "pocket of poverty" can make even a boom town such as Los Angeles eligible.

The Office of Management and Budget, in sniping at the program, reports that "grantsmanship has been so critical to the determination of UDAG winners that cities have resorted to using" other "scare * * * funds—and HUD has actually provided specific aid—to finance technical assistance and training on how to package and obtain a UDAG grant."

Mayors say UDAG grants are the catalysts that make projects go. Critics say a lot of the projects would be undertaken anyway, while many of those that wouldn't be, shouldn't be. They argue that UDAG distorts investment patterns—in that political clout and grantsmanship become the determinant instead of the best economic use of available funds.

Any mayor or congressman running for reelection likes to be able to send his media consultant down to photograph some concrete, positive acccomplishment—even if it is only a UDAG-financed Hilton Inn (OMB says UDAG has helped build 262 hotels). Politics aside, there are better ways to spend scarce federal funds. The administration has had the courage to recommend killing UDAG. Congress should have the sense and courage to concur.

Mr. HUMPHREY. Mr. President, it is really worse than a gift to mayors. It is outright corporate welfare, Mr. President, because it does not remain in the hands of the mayors and city councils. They parcel it out as part of a deal, prearranged, into the hands of developers, into the hands of investors. This is investor welfare. This is corporate welfare. And if there were any kind of welfare that we are going to cut out, then surely it ought to be this.

There is so much talk these days about the need to reform welfare. Well, here is a chance to reform welfare that does not touch people individually, not at the immediate level, in any case. Here is a chance to cut out corporate welfare. Here is a chance to cut out middle-class and upper-income welfare, for the most part. It is a chance to cut out welfare and corporate welfare and welfare for developers.

Let me give you a couple examples of the kind of projects that this corporate welfare helps to subsidize.

In Boston, there was a program reported by a newspaper in 1986 in which the largest—at least, at that time; I assume it is still the case—the largest UDAG grant ever made in the State of Massachusetts went to Copley Place, a $600 million luxury development project that includes a $150- to $200-per-day hotel and an upper-income shopping mall.

Another example, Mr. President, in Detroit, MI, developers received $19 million to build a riverside housing development, subsidized housing, which was hardly designed for the disadvantaged, as rent ranged from $450 to $1,500 a month—$1,500 a month, subsidized by UDAG. The developers who build these things are subsidized by the UDAG grants, a complex which included a health spa, indoor swimming pool, and rooftop tennis courts.

Mr. President, the administration, as noted by the Washington Post, has sought repeatedly to terminate this program. Congress, for its perverse reasons, continues to pour millions, hundreds of millions of dollars into this program. I suppose it makes Senators and Congressmen feel good to issue press releases announcing that these developments are pouring into their cities. But, as the taxpayers become aware of the absolute waste, the outrageous waste of this kind of welfare, I think the tide will turn.

That is why I am seeking a vote on this, Mr. President. I do not expect to win. I think there have been votes of this kind on this subject before. But, by gosh, if we are going to pass this kind of corporate welfare, if we are going to approve it, provide the money, hundreds of millions of dollars, at the expense of taxpayers, at the expense of other things that more badly need to be funded, then Senators ought to be willing to go on record, so that, in November 1988, those who are facing reelection in that year can be held accountable by the voters. That is, very frankly, why I am seeking this vote.

There is absolutely no justification, no sound justification to continue pouring this money down the rathole. Let the developers develop what they think makes good economic sense. They do not need subsidies to build these luxury developments. If they think they can make money, let them do it. It is just outrageous that we should have to subsidize them. It distorts the marketplace. Subsidies always distort the marketplace.

It is a pernicious habit that Congress has in pursuing subsidies for everything from farming to luxury hotels. It is just nonsensical. The more we divert money through these subsidies, the more we channel resources into less than ideal enterprises and into less than the most productive enterprises, the more we hurt people who really deserve a helping hand in this country, those who do not benefit by these luxury apartments, those who cannot even afford even a decent apartment. It just does not make any sense.

I think the sponsors of the bill, at least one of the managers, will agree with that, even though he might not be in a position, for other reasons, to accept the amendment.

I reserve the balance of my time.

Mr. PROXMIRE. Mr. President, I am in an ambivalent position here. As the chairman of the committee, I must say I am positive my committee strongly favors the UDAG Program and would strongly oppose the Humphrey amendment. However, as one Senator, I might say I am in favor of the Humphrey amendment because I am against UDAG. I think it is a waste of money. I say that as the author of the original UDAG when it passed in 1974. So, in a way, I am in favor of killing my own child. I am trying to figure out whether that is "sonicide" or "daughtercide" or "braticide." In this case, I would say "braticide," because I think this program is way out of bounds.

The Senator from New Hampshire has properly described it. We are in a situation where we have to do everything we can to save money in every possible way and cut some good programs and cut back on some programs that are very worthy.

Here is a program, as the Senator from New Hampshire has pointed out, that does help cities. It does help clean up the cities and spruce up the cities. It makes them look better. It does provide hotel space and luxury offices and so forth. That is what it does by and large. But I think all of us know this is something the Federal Government cannot afford in view of our enormous deficits. So if we are serious about cutting back on spending, I think the Humphrey amendment makes all the sense in the world. As an individual I support the amendment although I am quite sure most of the members of my committee would oppose it.

Mr. CRANSTON. Mr. President, I oppose this amendment.

This is certainly not the time to eliminate UDAG. It is the only remaining form of Federal assistance designed to strengthen partnership of private industry and local government in the Nation's economically most distressed cities.

The continuation of this program is particularly important now that the Banking Committee has developed a new system of project selection. The committee bill places more emphasis on a city's "distress" and less on "impaction." The new criteria recognize that many hard-pressed cities do not have large proportions of pre-1940 housing. This will give all eligible cities a fair chance to receive a UDAG—especially those that have been put at an unfair disadvantage in recent years.

The new system will also add points for the degree to which a project helps relieve economic distress in a distressed community. Projects that are most likely to win are those that will bring new capital into the local economy, improve housing, or employment in a city's more distressed neighborhoods, and create good jobs for those who are unskilled or have recently lost a job.

Senators from many States have fought for this project selection system reform for many years. We should now give our cities a chance to complete for assistance under the new rules.

UDAG is very well designed. It uses the smallest amount of Federal money that is needed to trigger a much larger private investment in the public interest. In 1986, UDAG leveraged over $8 of private investment for every dollar of Federal investment.

Second, UDAG concentrates on cities that have insufficient resources. In the past, two-thirds of all UDAG funds have gone to the one-third most distressed cities—cities that have been unable to build their own economies and produce good, long-term jobs.

Third, UDAG works because it builds on a local community's own vision of its future. Each grant is designed to take into consideration the unique requirements of each locality and each project.

And fourth, in establishing a national competition, UDAG puts pressure on cities and private developers to put together projects that will bring the largest benefit to the public.

The $225 million contained in this bill for UDAG is expected to buy the following benefits for distressed cities that receive grants. Based on actual experience in 1986, it could produce: 27,000 new permanent jobs; 15,400 jobs for lower income persons; 19,500 jobs for minorities; 25,000 construction jobs; $1.8 billion in private investment; $37 million in local tax revenue; 140 new projects; and 4,400 housing units.

These figures show that targeting projects which benefit distressed communities is in the national interest.

Mr. President, I believe UDAG has received more than its fair share of cuts in the past. In 1981, UDAG received $677 million. Since then, the progam has been cut to the current $225 million, a cut of nearly three-quarters when adjusted for inflation. The committee bill freezes UDAG at the current level, which itself is equivalent to a cut of about $20 million from current levels in real terms.

The criticisms lodged against UDAG by some Senators have consistently been refuted by those who understand the urgency of the situation facing this Nation's distressed cities. Each year continuation of UDAG has received support of the authorizing committee, support of the Budget Committee, support of the Appropriations Committee and support by the full Senate.

I urge my colleague to reaffirm their support for the important objectives of the UDAG Program and vote against this amendment today.

The PRESIDING OFFICER. Who yields time?

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. Who yields to the Senator from New York?

Mr. D'AMATO. I yield myself 5 minutes, Mr. President.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, let me suggest that the Urban Development Action Grant Programs have had a long history, and some of that history has not been a pretty one, particularly in the initial days of the program; the days of wine and roses, big spending, court administration, grants, outright grants with little relevancy to doing that which the authors of the program intended. And that was to bring vitally necessary capital into areas that the private entrepreneurs would not go into—our urban blighted areas, our rural blighted areas, those communities that desperately looked for that private sector that by no stretch of the imagination would ever come.

Most of those deficiencies have been corrected. But there is not a program in America, no matter how laudable, even programs for the homeless, for the elderly, Social Security, those most revered that one cannot point to examples where there have been excesses, where there has been mismanagement. And so it has been, and still will continue to be not only for Urban Development Action Programs to date, but others.

They have come a long way. A very few grants are given today. Actually that is a misnomer. They should not call it Urban Development Action Grant Programs. Most of this program today is tied down to long-term interest loans, and are repayable. Some go back into that local community when these grants are made as grants where the moneys are paid back so they can continue to invest and reinvest in that community. Oh, yes. Anyone can come forth with a litany of horror stories, and we can throw up our hands and say, "My God, this is terrible." I have heard that litany, the dirty book stores in Chicago, the liquor store, this one, and that one. What about this year? What about the administration in the past, and the year before?

I am tired of hearing the old stories about up in Boston they developed this magnificent center. Let me tell you something. Let us not denigrate the fact that some incredible developments took place in maybe areas that they would not have, and they were able to get the luxury development that turned an area that was blighted or deteriorated into one where people could be proud, and that is part and parcel of what we attempt to do.

You get a leverage ratio where you are getting $8 of private money for $1 of Federal money invested, particularly in an area where you would not get them, and I represent a State that has some of these very substantial urban centers that have real problems. It is rather difficult to get people to develop and cut private resources into some of these. I am not going to mention the areas because then it looks like we are denigrating the people in those very same communities who are striving for that pride, who are striving to rebuild, who are looking to turn it around.

Those people get kind of tired of just hearing their name being used, whether it be on the Senate floor or some other place, as the example of where no one will come in were it not for this kind of help and inducement. The fact of the matter is when we look at the 1986 fact sheet, in the past year we have seen $437 million of UDAG moneys spent, triggering off a private investment of $3.5 billion. It is an 8-to-1 ratio. New and permanent jobs, 54,000 created; jobs for lower income people, some 30,000; construction jobs, 50,000.

This Senator is not going to contend that under no circumstances would not some of these jobs have come about. But I will contend that there are many, many instances, and particularly in those areas where we want to bring strength, bring that private sector in, bring those areas up, those jobs, those programs, and those projects would not have come about. Why should there not be a luxury hotel that is going to be employing hundreds and hundreds of working people, thousands in some cases at the lower end of the economic stream? Is there something wrong with that, particularly if that hotel would have never come about in the urban centers?

In this legislative package we have come a long way to address some of the problems that people were talking about in terms of misuse of these funds. We have seen to it that there is more competition. We have targeted 65 percent to the older areas, and 35 percent strictly on the competitive basis. We have seen to it that there are caps placed on so you do not have multimillion-dollar projects.

The PRESIDING OFFICER. The Senator has used 5 minutes.

Mr. D'AMATO. I yield myself an additional 2 minutes, Mr. President.

The PRESIDING OFFICER. The Senator from Wisconsin controls the time.

Mr. D'AMATO. Mr. President, I ask the Senator from Wisconsin.

Mr. PROXMIRE. I am delighted to yield to my good friend. I might say there is another Senator waiting for time to also speak against the Humphrey amendment. I yield 2 more minutes to the Senator.

The PRESIDING OFFICER. The Senator from New York may proceed.

Mr. D'AMATO. Let me simply conclude by saying it is rather easy to go in against something, say it is wasteful, it is exorbitant, it is welfare for the rich, luxury—there have been those abuses. But I would suggest that is a vast oversimplification. Subsidies? Why not? Why not a subsidy if it is going to induce, if you want to call it that, dollars that are desperately needed in regions where we say to people we have not forgotten you, we have not abandoned you in the core city, we have not said we are going to turn our back on those cities that have given so great vibrance and vitality in the past and made possible the fact that people had education, had housing, had places, and now maybe some hope, and if we can put those dollars in, and attract private capital that otherwise would not come, if you want to call that a subsidy, so be it. I think that is what we are about. Let us see to it that the dollars are managed well. There, I would work with my colleague from New Hampshire to see to it that the proper protections could be utilized to see to it that we maximize these dollars.

Thank you, Mr. President.

Mr. PROXMIRE. Mr. President, I yield 2 minutes to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. I thank the Senator from Wisconsin.

Mr. President, I rise in opposition to the amendment of the Senator from New Hampshire to eliminate funding for the UDAG Program.

From the day I came to the Senate over 4 years ago, I have championed the UDAG Program—first as a member of the Banking Committee, and now as a member of the Budget Committee and the HUD Appropriations Subcommittee. I strongly oppose this attempt to terminate the UDAG Program.

The UDAG Progam has been an invaluable tool to New Jersey's cities. Since the beginning of the program, over $247 million in UDAG funds has been leveraged by private investments of over $1.3 billion. More than 35,000 jobs have been created with the help of UDAG's.

UDAG projects have acted as a catalyst for spurring economic revitalization of New Jersey urban centers. They have anchored redevelopment which might otherwise have gone into outlaying areas.

The seeds which UDAG's helped plant have turned abandoned buildings into bustling office complexes, vacant lots into industrial centers, and empty downtowns into thriving retail areas. The boards are coming off the windows in New Jersey's cities and the UDAG Programs have played a vital role in this renaissance.

For reasons I cannot understand, the UDAG Program has been a favorite target of this administration. Each year, we have fought budget cuts, rescissions, and termination attempts. Each time the program has survived attempts to kill it. If we ask ourselves why, the answer is obvious—because the UDAG Program works. It does exactly what it was created to do—it provides a measure of Federal assistance to distressed cities which spurs significant private investment. The UDAG Program is cost effective. Every Federal dollar invested returns $5.50 in private investment. Investment which provides jobs, and which increases and broadens the local tax base—investment which reclaims our cities.

Mr. President, I urge my colleagues to vote against this ill-advised amendment. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. HUMPHREY. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Sentor from New Hampshire has 8 minutes 43 seconds.

Mr. HUMPHREY. Mr. President, if Senators want to subsidize this, they have a right to do that. If they vote to keep UDAG, they are voting for welfare for developments. That is the bottom line. If we do not subsidize these developers, what will they do?

Sit on their hands and do nothing? Of course not. They have capital to employ. They have resources. They want to keep it working. They want to do other things with their money that will produce the kinds of jobs claimed by the proponents of this.

We subsidize something by shifting resources from one project to another. Would it not be better to let the economy, the free market, decide which projects are deserving of investment rather than distorting these decisions through continuing to subsidize inefficent projects?

I think the answer is yes; we ought to rely on the marketplace as we do generally in this country, wisely and productively for the allocation of resources.

Subsidizing developers to create their luxury hotel complexes, marinas, waterfront development is not the way to create jobs. It is indeed a less successful way of creating jobs than relying upon the marketplace.

The Office of Management and Budget produced a document recently that challenges, indeed in my opinion that destroys, the argument that these UDAG grants are leveraged to the extent proponents would have us accept.

Reading from the document, CBO says that the private-public leveraging ratio is not the 5.9 claimed by UDAG proponents but is closer to 3.8 to 1.

I just want to challenge the assertion that this is somehow the best way to produce jobs, that this is a highly leveraged, highly efficient way.

It is not. It is quite the opposite.

Mr. President, I am prepared to yield back my time because I will not change the opinion of Senators on this subject, but I do want a recorded vote. I think the American people should have the opportunity to hold their Senators in this case accountable.

I want to close by emphasizing that it is not only the administration because the administration has sought to terminate this program. It is not only the administration or conservative Senators or the conservative point of view. As I pointed out in my remarks in the Washington Post last year it was said that this serves as a determinant. I second that opinion.

Mr. PROXMIRE. Mr. President, will the Senator permit the Senator from Pennsylvania who will speak against the amendment to proceed on his time? I yielded time to the opposition. I will yield to the Senator from Pennsylvania my 2 minutes if the Senator from New Hampshire will yield his 3 minutes.

Mr. HUMPHREY. Does the floor manager seek an agreement for a time certain for a vote?

Mr. PROXMIRE. We wish to do that, but we are waiting for the majority leader to return.

Mr. HUMPHREY. Mr. President, how much time have I remaining?

Mr. PRESIDING OFFICER. Five minutes five seconds.

Mr. SPECTER. Mr. President, since there are 5 minutes and 2 minutes remaining, I would like to have the remainder of 7 minutes.

Mr. PROXMIRE. Mr. President, if the Senator will yield 5 minutes to the Senator from Pennsylvania, I will yield my remaining time to the Senator from Michigan.

Mr. HUMPHREY. Mr. President, I am not willing to let the Senator from Pennsylvania have the last word on this, but I will yield 3 minutes, reserving 2 minutes.

Mr. PROXMIRE. Will the Senator permit me to ask for unanimous consent to yield 5 minutes to the Senator from Michigan?

Mr. HUMPHREY. I yield.

Mr. SPECTER. Reserving the right to object, and I do not intend to object, I would ask that the agreement provide for 5 minutes for myself as well.

Mr. HUMPHREY. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. HUMPHREY. I yield the floor.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the Senator from Pennsylvania have 5 minutes and the Senator from Michigan have 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, does the Senator from Pennsylvania wish to proceed now?

Mr. SPECTER. Mr. President, I would be delighted to yield to my colleague to proceed.

Mr. RIEGLE. Mr. President, I rise to object to the amendment of the Senator from New Hampshire to terminate the UDAG Program. I think the UDAG Program is one of the few Federal programs which has been a genuine success. It has been widely acknowledged to be a success across the country not only by State and local officials, but by others who pay attention to the critical questions of how we provide jobs in economically distressed communities.

To give an example, since UDAG was enacted, nearly 2,800 projects have taken place and are projected to create or maintain 550,000 permanent new jobs, a half million jobs, and 55 percent of those jobs are slated for low- and moderate-income persons. So we are not only getting the jobs created, but we are helping to move people in many cases out of situations where they might otherwise be on welfare or public assistance.

UDAG has stimulated over $6 in private investment for every Federal dollar. That is a total of $26 billion in private-investment dollars that have been generated in just a few years' period of time.

We hear a lot of talk about the need for a better partnership between the public and the private sector. I believe in that. I believe that the Federal Government wherever it can ought to act as facilitator to cause private-sector activity to take place. If we can get a $6-to-$1 multiplier from the private-sector investment of each Federal-dollar investment, it seems to me that is an effective way to make positive things happen.

UDAG projects that have been approved over the period of years are expected to contribute over $700 million in tax revenues to hard-pressed local governments.

Mr. President, we have just done away with revenue sharing. It is much better if we have the revenues coming in from legitimate private-sector activities which, of course, UDAG's have helped foster.

At the end of last year, UDAG projects produced over 106,000 housing units, approximately one-third of which are for low- and moderate-income persons.

Mr. President, let me tell you what the experience has been in my home State of Michigan.

The UDAG Program has allowed communities in Michigan to help themselves in a partnership with the private sector and a minimum of Federal red tape, bureaucracy, and expense. Since 1978 over 50 communities have received over $382 million from the Federal Government in UDAG's and that has driven a private-sector investment of $3.4 billion. So we are well above the 6-to-1 leverage factor we have seen nationally and have had over 81,000 jobs in the State of Michigan created or saved.

The Michigan story of self-renewal and getting a new economic foundation in place is generally well-known across the country, but I must say that the UDAG investments in these 50 communities have been a vital part of that renewal effort. UDAG has given us a chance to go into distressed cities with very tightly targeted practices and find ways to make new economic activities happen which provide jobs, a new tax base, and new economic vitality.

So UDAG's have been very important to our Nation's cities.

Some have mentioned the use of UDAG funds for building hotels. But the fact of the matter is when we are talking about economic recovery and new strength in our urban centers, the convention business, a service type of economy which we have in this country, is a very important economic generator. It is also a very legitimate area for investment to be made and also helps provide jobs.

A lot of those jobs go to people in the community that otherwise might not be employed.

So I think we can see over a period of time the benefits that have occurred from the UDAG Program.

In addition, several of us have worked over a long period of time to revise the UDAG selection criteria because it was a question of whether or not it was completely fair across the country.

We have made important adjustments. We have worked literally now for 2 or 3 years with the Senator from Iowa [Mr. GRASSLEY], with STROM THURMOND of South Carolina, and many others to work out a formula by which we would have a revised UDAG selection process in place.

UDAG has been one of the few areas in our Federal Government initiative area that has really paid dividends. For President Reagan, who ran on the basis of saying that the private sector ought to be the primary engine for this kind of activity and that the Federal Government ought to have a role that is a lessor role instead of trying to foster activity itself, UDAG fits that model. This is a program very much in synch with the philosophy of the administration. That is to get the private sector to do more of the job in highly targeted areas so we can get new economic strength and jobs established out in the country.

So it is vital that we save the UDAG Program and reject the Humphrey amendment.

The PRESIDING OFFICER. The Senator from Pennsylvania [Mr. SPECTER].

Mr. SPECTER. I thank the Chair. I thank my colleague from New Hampshire for his implicit compliment by yielding to me for the final word on the subject.

I think the final word on the subject is the development of the Action Grant Program across the country. This program has withstood every effort to eliminate it because it is a good and vital program. This program has widespread support from both Republicans and Democrats because it is a program which has worked. There has been ample evidence presented on the floor today and in the past when this matter has been debated about the leveraging effect, about the tremendous value that comes back to the Federal Government for each dollar invested in action grants.

Because of the development of the formula in existence, this brings to the private sector a decisive leveraging factor as just outlined by the Senator from Michigan in the range of some 6 to 1. So for every Federal dollar put up, there are six private dollars which are put up.

Without this Federal assistance, so many of these projects could not be accomplished. At a time when economic recovery has varied differently depending on the section of the Nation, urban development action grants are especially important. A brief reference to my own State of Pennsylvania illustrates this point. Pennsylvania has been ravaged by tremendous problems in the steel industry and the coal industry, where jobs have been lost, and various sections of our State have been ravaged by foreign imports. Sufficient unto the day of the trade bill will be discussion of that subject.

In Pittsburgh and Erie, decimation of the steel industry has caused widespread unemployment. Targeted assistance in the form of urban development action grants has caused developers to go into Erie, for example, on the Bay Front development and provide assistance to that city which is so in need of it, not because of any fault of its own but because of the problems in the steel industry. Similarly in Pittsburgh, an urban development action grant for the hotel and convention center provided tremendous stimulus at a time of great need.

In Scranton, where the economy was under great pressure because of the problems in the coal industry—here again, like steel, coal is imported into the United States, subsidized by foreign governments to the detriment of tens of thousands of U.S. employees, American workers. On the Montage project in the Scranton area, an urban development action grant came into play to pick up the pieces.

With revenue sharing eliminated, Mr. President, this is an especially bad year for States like Pennsylvania, illustratively like Pennsylvania, where there is a need to have this kind of infusion and this kind of support. The facts are eloquent that Urban Development Action Grants have been a good investment for the American taxpayers, a good investment for Uncle Sam. For every dollar which has been invested by the Federal Government, there has been a multifold yield in tax revenues, economic development, and stimulation.

For these reasons, I urge my colleagues to defeat the pending amendment.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, how much time remains?

The PRESIDING OFFICER. There are 4 minutes, 9 seconds.

Mr. HUMPHREY. I have only a few more things to say. I shall be glad to yield back the remainder of my time if the other side——

Mr. PROXMIRE. Mr. President, how much time remains in our side?

The PRESIDING OFFICER. Two minutes, 5 seconds.

Mr. PROXMIRE. Mr. President, as far as I know, there are no other speakers in opposition, so I am ready to yield back my time if the Senator from New Hampshire will yield back his time.

Mr. HUMPHREY. Mr. President, the proponents of continuing this joke called UDAG, this bad joke on the American taxpayers, would have us believe they have discovered some new secret to economic prosperity. This new secret is called subsidies: all you have to do is subsidize wealthy developers and you create all kinds of jobs in a community. All you have to do is take money from the hard-pressed taxpayers, put it into the pockets of these rich developers, and they are going to create miracles.

If that is so, why be pikers? Why limit ourselves to $120 million a year? Let us make this program several billions. If this is a way to create jobs, let us get busy and create jobs on a wholesale basis.

The answer to the question I posed is that this is not, it is not an efficient way to create jobs.

Furthermore, if this is such a good deal for Erie, PA, for example—not to pick on my friend from Pennsylvania, because there is hardly a city in this country that has not wallowed in this slop year after year. But if it is such a good deal for Erie, if it makes so much sense for us to give UDAG grants to Erie, why does the Commonwealth of Pennsylvania not provide the funds to its cities? Why do they not provide funds to Erie and other cities to build these waterside projects which are such miraculous creators of jobs? They do not do it because they know it does not make sense.

I close by pointing out again that the Washington Post, the most liberal newspaper in the country, surely, has editorialized in favor of getting rid of this UDAG Program. A more eloquent condemnation can hardly be thought of.

If I have time remaining, Mr. President, I yield it back.

The PRESIDING OFFICER. The Senator from Wisconisn.

Mr. PROXMIRE. Mr. President, as I said, I am willing to yield back the remainder of my time on this amendment if the Senator from New Hampshire is prepared.

Mr. HUMPHREY. I have done so.

Mr. PROXMIRE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back.

Mr. BYRD. Mr. President, have the yeas and nays been ordered?

Mr. HUMPHREY. No, Mr. President. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, I make the following proposal. Are there going to be any other amendments, may I ask the managers?

Mr. PROXMIRE. I was just told by Senator NICKLES that he has an amendment to strike the Nehemiah proposal.

Mr. REID. I have an amendment.

Mr. D'AMATO. I have not seen the Reid amendment or the Nickles amendment.

Mr. President, may we have a copy of the amendment?

Mr. PROXMIRE. Mr. President, the Reid amendment reads as follows:

At the appropriate place add the following new section:

(a) REDUCTION OF RENTAL PAYMENTS FOR ELDERLY FAMILIES.—Section 3(a)(1) of the United States Housing Act of 1937 is amended by inserting the following before the semicolon the following "25 percent in the case of an elderly family."

Mr. BYRD. Mr. President, is it the desire of the managers to put the vote by Mr. HUMPHREY over until tomorrow and is it also the desire of the managers to agree that there be only certain other amendments on tomorrow followed by third reading and passage?

Mr. PROXMIRE. That is certainly the desire of this manager, yes, indeed.

Mr. D'AMATO. I would like to accomplish that, Mr. President. I am sure Senator HUMPHREY has agreed to disposition of his amendment.

Mr. RIEGLE. If I may say, Mr. President, if the Senator will yield, I have no problem with putting the vote over, but I would like to try to decide how many issues are left because again, I would like to be able to nail that down.

Mr. BYRD. Does the Senator from New Jersey want a rollcall vote on his amendment and does the Senator from Nevada want a rollcall vote?

The Senator from Nevada does.

Mr. LAUTENBERG. I think that my amendment would not require a rollcall vote, Mr. Leader, but I would not like to finalize that until we have a chance to discuss this a little further.

Mr. BYRD. All right. Are there any other amendments?

Mr. D'AMATO. I believe that Senator NICKLES has an amendment dealing with Nehemiah that I would hope, Mr. Leader, we could dispose of in the same manner, have a short debate and put it over without it being subject to further amendments.

Mr. BYRD. Very well. May I make the following——

Mr. RIEGLE. May I ask one more question? Is the Senator from Nevada of the mind that if his amendment is acceptable he does not need a rollcall vote, I assume?

Mr. REID. That is right.

Mr. D'AMATO. I would just like an opportunity to look at the amendment—I have not seen it—and see if we agree to it.

Mr. RIEGLE. So if we can resolve that one, that may save us a rollcall vote.

Mr. D'AMATO. If the Senator will permit us an opportunity to review it, we will see if we are in a position to accept it. I think there is a good chance we may be in a position to accept the amendment of the Senator from Nevada and we are just going to run it through with our side. We are going to check with HUD and the administration to see if we can do it, if you can give us a few minutes.

Mr. RIEGLE. If the Senator will yield further, the Senator from Oklahoma——

Mr. D'AMATO. He is prepared to move ahead and he has agreed to a 30-minute time limitation divided 15 minutes on a side. So the Senator does want a vote on his amendment as well.

Mr. NICKLES. That is right.

Mr. BYRD. Could we have the following agreement, then, that the vote on the amendment by Mr. HUMPHREY—and I take it we are talking about an up or down vote on his amendment—that the vote on the amendment by Mr. HUMPHREY occur at 10 o'clock tomorrow morning; that there be no amendment in order to the Humphrey amendment; that there be a time limitation on the amendment by Mr. NICKLES not to exceed 30 minutes to be equally divided in accordance with the usual form, and hopefully that that time could be utilized tonight, if possible, so that tomorrow we only have the vote.

Mr. NICKLES. Could the Senator amend that request to make this amendment nonamendable as well?

Mr. BYRD. Oh, yes. Yes. And would the Senator be willing to take the time this evening for the debate so that on tomorrow we could just vote?

Mr. NICKLES. I prefer to do it tomorrow.

Mr. BYRD. The whole 30 minutes?

Mr. NICKLES. Yes.

Mr. BYRD. Would the Senator make it 20 minutes equally divided tomorrow?

Mr. D'AMATO. Let me suggest this. I am wondering if we could take 5 minutes, Mr. Leader, and speak with respect to our scheduling of the votes for tomorrow, because it does present some problems. I hope we would be able to undertake those votes a little later. I would be much more inclined to take the amendment as it relates to the Senator from Nevada [Mr. REID]. He is prepared to go. I would hope that the arguments on Nehemiah—we are going to divide time—are no big moment. I really think we should dispose of them now, really do the business and get this going and then hold the votes over. I would make the suggestion I might sit with the majority leader privately attempting to fix a time that will be most convenient for a number of our Members, since some still are out of town.

We are here but there are some who are out. I would like to dispose of the business this evening. There is really no reason to put this over and I would hope we could accommodate. If the Senator wants additional time, I would rather take that time this evening and dispose of this and put the vote over until tomorrow. I would be deeply appreciative if the Senator could see his way to do that.

Mr. NICKLES. I have several questions, not so much in the form of debate. I was thinking 30 minutes of debate, but I do have some questions on the program. I will be happy to discuss it with the Senator from Michigan and others, to maybe better explain this program that is a new program. Whether we could totally conclude that or not remains to be seen. I want to accommodate the majority leader. I understand the need. I also understand the Senator from New York wants to move this housing bill along very rapidly. I personally would like a few people to read more about what is in the program. Again I want to accommodate. Maybe we can reserve 15 minutes tomorrow prior to the vote.

Mr. D'AMATO. I think that is flying in the face, if I might be presumptuous of saying, of exactly the kind of thing we would like to do and that is to dispose of all of the outstanding issues. If the Senator needs additional time, I would be willing to take it from 15 minutes. If the Senator wants an hour equally divided, I would do it tonight.

If the Senator has some purpose, I would really like to know what it is. I do not understand how 15 minutes of debate tomorrow adds to the substance of things. I want to be accommodating.

Mr. BYRD. Mr. President, I withdraw the previous request for the moment. I ask unanimous consent that there be a time limitation on the amendment by Mr. REID of not to exceed 20 minutes, to be equally divided in accordance with the usual form.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. And, Mr. President, that no amendment to the amendment be in order.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BYRD. Now, we have the agreement that there be no amendment to Senator HUMPHREY's amendment.

UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD. Mr. President, I take it that all these amendments are identified so that we know what we are buying here. Do we?

Mr. NICKLES. To strike title V.

Mr. RIEGLE. The Humphrey amendment is a UDAG amendment, and the Reid amendment is one that has been described. Those are the only three. Senator LAUTENBERG and Senator D'AMATO are in the process of working out another matter.

Mr. BYRD. So, we have an understanding as to the content of the various amendments.

Mr. President, I ask unanimous consent that, on an amendment by Mr. NICKLES, there be a time limitation of 20 minutes on tomorrow—20 minutes to be reserved until tomorrow—to be equally divided in accordance with the usual form.

The PRESIDING OFFICER (Mr. CONRAD). Without objection, it is so ordered.

Mr. BYRD. And no amendment to the amendment to be in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Is there an agreement on the Reid amendment?

The PRESIDING OFFICER. Yes.

Mr. BYRD. And an agreement on Mr. HUMPHREY's amendment?

The PRESIDING OFFICER. There is.

Mr. BYRD. And an agreement on Mr. NICKLES' amendment?

The PRESIDING OFFICER. That is correct.

Mr. LAUTENBERG. We are trying to work out an agreement on mine.

Mr. BYRD. Mr. President, I ask unanimous consent that no amendments other than the following amendments be in order tomorrow: The amendment by Mr. REID, the amendment by Mr. HUMPHREY, the amendment by Mr. NICKLES, and the amendment by Mr. LAUTENBERG, if no agreement is reached on it today; that beyond those, no further amendments be in order; that upon the disposition of those amendments, the bill be advanced to third reading; that there be no further debate, motion, or point of order; and that the Senate proceed immediately to vote on final passage of the bill.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. And that there be no time for debate on any motion to reconsider.

Mr. D'AMATO. Mr. President, if I might make an inquiry of the majority leader with respect to the Lautenberg amendment: If we are not able to come to a disposition—and I hope we are—of the amendment this evening, then that matter would still be open and pending, without any time agreement and not subject to the other provisions with respect to second-degree amendments or any time limitation.

Mr. BYRD. Mr. President, as I phrased the agreement, there would be no amendment in order to the amendment, because we specified the only amendments that could be called up tomorrow. We have not locked up a time agreement on the Senator's amendment. Whatever disposition is made of his amendment either today or tomorrow, there will be no amendment in order to it. I have not locked in a time agreement on it. I have simply said that only those four amendments would be in order.

Mr. D'AMATO. With respect to that proposal, I would reluctantly have to take exception. I reserve the right to raise amendments as it relates to that particular amendment. We are hopeful that we can work it out this evening so that there would be no time necessary for debate or for other amendments to it. But I would have to respectfully place a reservation or an objection.

Mr. BYRD. Mr. President, I ask unanimous consent that there be only the following amendments in order prior to third reading: Mr. Reid's amendment, Mr. Humphrey's amendment, Mr. Nickles' amendment, Mr. Lautenberg's amendment or amendments thereto; that upon the disposition of the amendment I have named, the Senate proceed to third reading. I have not put any time limitation on Mr. Lautenberg's amendment.

Mr. LAUTENBERG. Mr. President, will the majority leader yield?

Mr. BYRD. I yield.

Mr. LAUTENBERG. Is it necessary, in the view of the minority manager of the bill, that we have amendments, or can we limit that to a single amendment to my amendment?

Mr. D'AMATO. I am not in a position to limit that in terms of whatever parliamentary procedure might be necessary. So it could be multiple amendments, and I would reserve that right.

Mr. LAUTENBERG. I wonder if we could limit those amendments. I wonder if we could use a point of reference on amendments to my amendment, to keep them germane to the subject of the amendment, so that the bill is not opened to a whole series of things.

Mr. D'AMATO. We will agree to keep them germane, certainly.

Mr. LAUTENBERG. Only to the subject of UDAG's.

Mr. D'AMATO. Yes. We have no intention of undertaking amendments to go outside the scope of UDAG's or this particular amendment.

However, so that we are clear, I feel that it is necessary to indicate that we will reserve the right to offer these amendments, of whatever nature, as it relates to UDAG's and housing programs per se. We will have to reserve that right. I hope we will be in a position to resolve this matter this evening.

Mr. LAUTENBERG. I hope so. We will need some time. Otherwise, I do not intend to agree to a time limitation on my amendment tomorrow.

Mr. BYRD. Mr. President, I ask unanimous consent that there be no nongermane amendments in order to the amendment by Mr. LAUTENBERG.

This PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. So, what we have here is no time agreement on Mr. Lautenberg's amendment, and any amendments to Mr. Lautenberg's amendment will have to be germane.

We have no particular time agreement that says there will be a vote on final passage at such and such a time, but we do have an agreement that provides that upon the disposition of the amendment by Mr. REID, the amendment by Mr. HUMPHREY, the amendment by Mr. NICKLES, and the amendment by Mr. LAUTENBERG, as amended, if amended, the bill will then go to third reading immediately, with no further debate, motions, or points of order, and will then be advanced immediately to final passage, without any debate or any additional motions or points of order; and that upon the motion to reconsider the final vote, there be no time for debate.

Am I correct?

The PRESIDING OFFICER. Is there objection? There has not yet been a ruling on that. Is there objection to that request? The Chair hears none, and it is so ordered.

Mr. RIEGLE. Mr. President, will the majority leader yield for a minute?

Mr. BYRD. Yes.

Mr. RIEGLE. I am wondering if what we should do is take the Nickles amendment first tomorrow because we know we are going to have time on that one. The LAUTENBERG matter may get settled. We do not know. We will see over the course of the evening.

I am wondering if we should take and try to set in order so we are all set to go in the morning and maybe start with the Nickles amendment, use the time, have the vote, and then go to the Humphrey amendment.

Mr. D'AMATO. Sure.

Mr. RIEGLE. Or the Reid amendment, either one. Say the Humphrey amendment and then Reid amendment and then the last in the line will be the disposition of the matter that is still outstanding, Senator LAUTENBERG and Senator D'AMATO.

Mr. BYRD. I think I hear what the Senator is saying.

I will not seek a rollcall vote prior to 2 o'clock. I think that puts everyone at ease for tomorrow.

But I would like to come in in time to get the time on the various times consumed or yielded back. Then there may be other business we could transact by unanimous consent or there may be some morning business. But in any event there will be no rollcall vote before 2 o'clock tomorrow and there will not be any further rollcall votes today.

Mr. RIEGLE. If the Senator will yield, could we set the order so we know who is first so we have a way to get started?

I did not hear any objection from the principals as to that order.

Unless there is an objection, I would suggest we lock in that order.

Mr. D'AMATO. How would the Senator like that?

Mr. RIEGLE. Go with Senator NICKLES first, to be followed by Senator HUMPHREY.

Mr. D'AMATO. Set at a time certain. If we are going to start it, why do we not take a time so we are not scratching around trying to get someone up?

Mr. BYRD. We will do that.

At the moment I am not prepared to say what time that will be. But I ask unanimous consent that the amendments be called up in the following order on tomorrow: the amendment by Mr. NICKLES, the amendment by Mr. HUMPHREY——

Mr. HUMPHREY. Which is just a vote. We disposed of that.

Mr. BYRD. It is still his amendment.

Mr. RIEGLE. HUMPHREY and then REID.

Mr. BYRD. All right.

Mr. RIEGLE. He is going to do his debate tonight. I think there will not be any time and the remaining item would be the Lautenberg item.

Mr. BYRD. All right.

Mr. LAUTENBERG. Work it out tonight.

Mr. RIEGLE. Work it out tonight.

Mr. BYRD. Let me start over again ab initio. The amendment by Mr. NICKLES, the amendment by Mr. HUMPHREY, the amendment by Mr. REID, and the amendment by Mr. LAUTENBERG in that order.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement follows:

Ordered, That on Tuesday, March 31, 1987, at the hour of 10:30 a.m., the Senate resume consideration of S. 825, a bill to amend and extend certain laws relating to housing, and for other purposes, the following amendments be the only amendments in order and that they be considered in the following order:

Nickles amendment on Nehemiah, on which debate shall not exceed 20 minutes, to be equally divided and controlled in the usual form, with no amendments thereto in order, and upon the expiration or yielding back of time, the amendment be set aside for the Reid amendment.

Reid amendment on rent payments for elderly, on which debate shall not exceed 20 minutes, to be equally divided and controlled in the usual form, with no amendments thereto in order, and upon the expiration or yielding back of time, the amendment be set aside for consideration of the Lautenberg amendment.

Lautenberg amendment on UDAG, with amendments offered thereto to be germane, and upon the expiration of debate of this amendment, as amended, if amended, the amendment be set aside for consideration of the Humphrey amendment.

Humphrey amendment No. 70, on which the Senate shall proceed to vote, with no amendment thereto in order, and no motions to table in order.

Ordered further, That no points of order against amendments be waived and that there be 10 minutes on any debatable motion or appeal.

Ordered further, That upon disposition of the aforementioned amendments, the bill be advanced to third reading.

Ordered further, That without further intervening debate, motion, or point of order, the Senate proceed immediately to vote on final passage of the bill.

Ordered further, That there be no debate on a motion to reconsider. (March 30, 1987)

Mr. SIMPSON. Mr. President, I thank the majority leader for accommodating several Members on our side of the aisle who requested specifically that we try not to have rollcall votes before our policy activities. It is most helpful. We will be ready to accommodate the leader as we shall in the future with regard to possibilities of Tuesday morning votes. At this time we are not prepared to do that under the situation.

I thank the majority leader for his courtesy and accommodation.

Mr. NICKLES. Mr. President, I wonder if the floor leaders of this piece of legislation might answer a couple questions concerning the Nehemiah housing opportunity grants.

This is the new program and I think it is one that the American people need to find out a little bit more about.

Mr. D'AMATO. I am wondering if the Senator from Oklahoma will undertake the debate tonight or tomorrow. I have no strong feelings on it. But it just seems to me that we agreed or are in the process of agreeing to take up this amendment tomorrow as opposed to debating it this evening because I thought that was the Senator's intent. I am somewhat mystified now by the request.

Mr. NICKLES. If the Senator will yield, I am not trying to debate. I have just a few questions I would like answered.

The reason I requested time for tomorrow was that I wish to make some additional comments prior to the vote and I think the Senator from Colorado, Senator ARMSTRONG, may have some comments to make.

I am trying to determine the qualifications under this program. As I understand it the qualifications would be 100 percent of the median-family income. Is that corrrect?

Mr. D'AMATO. That is correct.

Mr. NICKLES. So if you had income above that level you could not qualify for this program?

Mr. D'AMATO. That is correct.

Mr. NICKLES. The grants would be limited to $15,000 per family?

Mr. D'AMATO. No more than $15,000. It must be a first-time home buyer. The second mortgage would have to be repaid on the sale of the home.

Mr. NICKLES. So this would be a $15,000 grant?

Mr. D'AMATO. Up to a $15,000 loan would be a more accurate description. The loan would be secured by a second mortgage held by HUD.

Mr. NICKLES. I look at the median-family income for the 33 largest cities, and I do not see an Oklahoma City there and I do not see one from South Dakota. I do not see one from a lot of different States. I wonder if those cities would qualify for this type of a program.

Mr. D'AMATO. Certainly. Anywhere in the Nation that meets the criteria. What we attempt to do is to provide to eligible families with a median-income level of 100 percent or less a real opportunity at home ownership.

Home ownership for most of these people, and we are talking about families today, is a myth if your income is at the median level or below. It is a myth. So, consequently, what we say is let us attempt to make the American dream a reality.

I know that my colleague from Oklahoma believes in that. Let us give people, working families, an opportunity to own their home.

If you think you can do it on the $23,000 or $24,000 or $26,000 gross income, then I suggest we attempt to do it today.

Mr. NICKLES. I am asking a few questions.

Mr. D'AMATO. I want to give the Senator a full answer. I know he wants the entire answer.

Mr. NICKLES. The Senator is giving a good answer.

Mr. D'AMATO. I hope the Senator appreciates it being a good answer and not just a lengthy one.

Mr. NICKLES. Do nonprofit organizations qualify for some of these grants as well?

Mr. D'AMATO. Nonprofit organizations can and will be undertaking the construction of these homes, but not in terms of ownership. These not-for-profit organizations have been comprised of churches. The church groups that have come together are nondenominational: Catholic, Protestant, and so forth. These church groups have come together and sponsored the actual construction program.

The loan will be going to an individual who must qualify, but the construction will be undertaken by these not-for-profit groups.

Mr. NICKLES. Let us take, for example, Iowa. You have a lot of small communities in Iowa. Is it possible that any of those communities would qualify? Is it possible that any community in Oklahoma would qualify? Would Oklahoma City and Tulsa qualify?

I wonder. We are starting a new program, and I am wondering who is in and who is out.

Mr. D'AMATO. The selection criteria indicate that the locality with the winning project would be those that have the most land donated. Also, a local effort must show the greatest cost reduction through other inducements, such as abatements.

This is not simply a Federal effort but a local community effort as well. The greatest cost reduction would be achieved through tax abatements, fee waivers, direct financial assistance. The large urban centers and the smaller urban centers that may have land that has been abandoned, that is off the tax rolls, can contribute this land under this program. These areas, therefore, may have properties that have come into their domain as a result of failure to pay. They could make available that property under this program.

Mr. NICKLES. What size of community—that is what I am looking for—would qualify?

Mr. D'AMATO. Under minimum-size projects of title V:

> Nehemiah programs would have to be of sufficient size to create a major impact in the distressed neighborhoods and achieve desired economies of scale. To achieve these goals, each local Nehemiah program would be required to have at least 50 homes in a locality with 20,000 or fewer existing dwelling units, 0.25 percent of the homes in a locality between 20,000 and 100,000 existing dwelling units, or 250 homes in a locality with more than 100,000 existing dwelling units.

A locality with 20,000 units or less would have to provide at least 50 homes. So small-sized communities, if you have 20,000 dwelling units or less, would be eligible.

Mr. NICKLES. So communities with less than, say, 50,000 need not apply. Is that it? I think we need to have that clarified, because if we are going to have a new program and are giving $15,000 grants, people are going to say, "Do we qualify?"

Mr. D'AMATO. The Nehemiah programs would be required to have at least 50 homes with 20,000 or fewer of existing dwelling units. It does not say you have to have at least 20,000 units. This requirement would provide the necessary economies of scale. The program has worked well where economies of scale are realized. The construction costs are brought down.

I would suggest that this would be in those areas that they are having difficulty making homeownership for young people a reality. It need not be in the traditional distressed area in terms of looking at the large urban centers. Some of our comunities in our farm States where young people would like to own a home, it becomes rather dificult to do it on limited salaries.

Mr. NICKLES. If the Senator would answer another question—and I appreciate your concise answers to my questions, since we are not engaging in an extended debate—does the limitation or the requirement that you would have to have at least 50 of these units exclude most small communities?

Mr. D'AMATO. We are talking about 50 single-family homes. These could be in the form of attached housing. But, we are talking about 50 individual families. I am not talking about wealthy areas. Most areas, our suburban and rural areas, could easily accommodate 50 individual homes with no problem.

I could not think of one area that could not very easily use 50 homes.

You could probably think of dozens of areas and communities in your own State where the local municipalities would welcome the opportunity to encourage young people to become first-time home ownership. These young people would be limited by the median income of 100 percent or less.

Our experience to date—and, given, it is a limited experience—is that most of those people are well under the 100-percent median income. The first and primary role will be to give to those who have an income at the lower end of the spectrum the first opportunity, because we are attempting to encourage just that—working families that otherwise would not have ownership of a home.

Mr. NICKLES. One additional question. I appreciate the Senator's answers. I am not trying to badger the Senator. I am trying to get a little information on how this program would work, because it is a new program.

The median income in Washington, DC is $41,700. As a matter of fact, I guess it is the highest median family income of any area that is listed in the country.

Could an individual with an income of, say, $40,000 who wants to buy a unit that sold for $80,000 qualify, for the loan of $15,000, with no interest?

Mr. D'AMATO. The average income of a prospective Nehemiah homebuyer in Washington, DC, would be $26,000. So, as it relates to a city such as Washington, the program would attempt to target those people at that $26,000 and $27,000 area. These are the people we are attempting to assist.

Mr. NICKLES. If the Senator will yield for just a minute. I want to make sure we are on the same wavelength. The information that was provided by your staff says the family income for Washington, DC, is $41,000. I want to know if a staff person that is making $40,000 a year who wants to move into a new house, built under this program would qualify for the $15,000. My guess is the developers and others are not going to be so eager to make them a loan on the first mortgage to lower income people. And so if they cannot get the first mortgage, they might not get the benefits of this program. It seems to me—correct me if I am wrong—but it seems to me we are going to be helping a lot of people who are in the middle-income strata. That seems to be a dubious Federal priority, but I want to know whether or not they would qualify for this no-interest, not a low-interest, but a no-interest loan.

Mr. D'AMATO. They could qualify in an economically distressed area. A person who might go up to the 100 percent of median income level could qualify. That is correct.

Mr. NICKLES. I appreciate the answer.

Mr. D'AMATO. However, the experience, if the Senator would like to know what the experience has been to date, in New York is that the median income for participants was $24,000, and I might suggest that 40 percent of the homeowners came from some form of public housing. So we are talking about people who live in public housing projects, 40 percent of whom moved into Nehemiah homes. We are not talking about wealthy people. I think any attempt to create an inference that it might be a program for the young yuppies, because I have heard it characterized in our committee hearings, who would take advantage of this program, that this is not what it is about. It has not taken place. We have targeted the money first to distressed areas.

Mr. NICKLES. If the Senator will yield, we have been flirting between questions and debate. I will make one last editorial comment, and I appreciate the Senator's response to my question. We have a lot of people in the State of Oklahoma who would love to have an income of $25,000 a year, who would be most appreciative of the fact that the Federal Government would give them a $15,000 loan, interest free. However, the way the guidelines are established indicates that the people in Oklahoma would not get this program, and I do not think the people in South Dakota, North Dakota, or most of the Western States will get it. I may be wrong. But looking at the eligibility criteria, the way it is structured, the Senator says it is not for the young yuppies and others, but I have a feeling that the person who is making that initial mortgage or the person that is putting this deal together wants to see these programs be successful. They want to see them be paid for. I certainly would if I were loaning the money.

My concern is that the Federal Government, having a second mortgage on the $15,000, will not be paid, that the unit will be sold for less, probably

$15,000 less, and the Federal Government would end up losing a significant amount of money, not including the interest loss over the expense of that money.

Mr. D'AMATO. There is a 10-percent down payment requirement. So there is equity being put in there, which is rather substantial.

I am wondering, are there not distressed areas or neighborhoods throughout much of America, including regions in the Southwest, and the West, that might not look for the opportunity to provide their own young people that first-time home? Would not people in Oklahoma, as the Senator indicated, with incomes of $25,000 and below, look for that opportunity to own a home; working families in some of our distressed communities?

Mr. NICKLES. If the Senator would yield, and I will make my final comment. There is no question there are economically depressed areas throughout the country, and certainly in the Midwest. But they may not qualify. Probably those cities or communities would not be large enough to qualify for this type of program or have an area big enough where they could have 50 units put in. But I would guarantee that, yes, a demand will be there for this program. Any time you are talking about a $15,000 loan interest free, you do not have to pay a dime on it; it is the same as a grant until you sell the unit. If the unit sells for less, and you do not sell it for enough to pay your first mortgage and your second mortgage, Uncle Sam loses out.

Again, I think you will have people desiring to line up in every State of the Nation whether or not there will be programs, whether or not there will be money. The demand for this type of program I think could go beyond belief. I imagine in the Senator's State of New York there would be almost unlimited demand. I would think in Washington, DC, you probably do not have to go eight blocks from this Capital building to find an area that would qualify. People would love to put in some new condominiums, and have the Federal Government provide an $15,000 interest free loan.

Mr. D'AMATO. I would suggest to the Senator that we do not have the economic wherewithal in this program to build the new condominiums or the luxury condominiums. But this would be rather modest housing that would be provided, and there would be a demand both in Washington, DC, and in areas throughout this country because there is a real need for it.

I say if we meet that legitimate need and we see to it that the program is properly administered, we should then be moving in the direction to provide everybody the opportunity of homeownership because in the real world that does not exist. It does not exist in my State, and it does not exist in the States in the Far West and States in the South. And we are kidding ourselves if we think it does.

Mr. NICKLES. Let me ask the Senator one final question. He mentioned projects in New York and Baltimore. What was the average cost of those units? How many units?

Mr. D'AMATO. $55,000 was for the cost of the home. The city made a grant of $10,000. The sale price was $45,000, and there was a $5,000 down payment; a mortgage of $40,000. So the original cost was $55,000. We want to give the working people an opportunity.

There are people who really do not know what it is like to have a $12,000 a year income for the husband, and the wife who is maybe getting $6,000 or $8,000 a year working in the cafeteria of the school district, and has three or four kids, to know what it is like for them to try to make it. They do not have an opportunity.

I would be delighted if the Senator is really interested, and I know he is, to take him to see this housing, to talk to those people, and to see a difference. Try to make improvements where necessary, and if there is that need, see if we cannot fill it recognizing the economic constraints we have.

I do not want a giveaway program. But I would like to try to create a program that really gives meaning, hope, and dignity for people. I know what it is like to live in a four-story walkup. I know what it is like to have families who have had 9 and 10 people on welfare. I know what it is like. I have seen the difference between people who have hope and people who have none. I will tell you. There is a difference in the quality of life. I will tell you there is a difference in terms of what these youngsters and their families turn out to be when you give them that hope. They see they are part of that American dream. They are not just left to wander the streets. There is a difference. That is what America is all about.

I would hope the Senator would keep an open mind. I understand there have been incredible giveaway programs. However, we must see how we can really meet those true needs of so many who are wanting.

I would love for the Senator to come up and take a look at this one program in New York. I do not say it has met all of the needs. But it goes a long way. I think we can do a better job than we have been doing.

Mr. NICKLES. How many units were built in New York and how many units were built in Baltimore?

Mr. D'AMATO. There are 700 units built in New York that are actually occupied at the present time, and another 300 underway. Baltimore has none. They have been looking at this program.

Mr. NICKLES. Was it subsidy money, or was it no-interest loans in New York?

Mr. D'AMATO. A city granted the $10,000 as the second mortgage.

Mr. NICKLES. Was it a grant or a loan?

Mr. D'AMATO. A loan.

Mr. NICKLES. I appreciate my friend's comment. The only comment I have concerns fiscal responsibility. This Senator started out with a home that cost $3,000.

Mr. D'AMATO. That is what the FHA and VA programs did. That is why you had people who had homes after World War II. Without those home ownership programs, home ownership would still be a myth. It became a reality because of a great Government program which was properly administered. I share the Senator's concern that we should see to it that it is not a giveaway, but a program that meets the legitimate test of fiscal prudence and responsibility.

Mr. NICKLES. Mr. President, I appreciate very much my friend and colleague's comments. I appreciate his sincerity and his effort to try to help his constituents in his State.

Mr. President, I will make my comments tomorrow. I appreciate his answering my questions at length.

Mr. President, I question this program at a time right now with the fiscal problems that we have. I have the pleasure of serving with the Presiding Officer on the Budget Committee. We will begin the budget markup this week trying to see if we can figure out a mechanism to cut spending to bring the deficit down. I happen to think the biggest responsibility and the biggest challenge we have is to get this fiscally irresponsible group together to be more fiscally responsible.

We have a proposal before us for a brand-new program, a new housing program that basically says that "such funds as necessary shall be authorized" to give to the Secretary of Housing so he can set up a program to give $15,000 no-interest loans to people who would qualify. My guess is that it would primarily be just in the larger cities, not in the States with a more rural population.

A few people will be able to receive $15,000 no-interest loans.

If and when they sell that home, it is a second mortgage the Federal Government or HUD is holding, and if they sell that home, and maybe the home just sells for enough to cover the first mortgage, the Federal Government will have lost that $15,000. Not to mention the fact that the Federal Government loaned that $15,000 and the Federal Government has appropriated or given that $15,000, which is an outlay. That adds to the deficit. So we are going to be increasing everyone's tax burden or the deficit, and the interest they have to pay on the deficit, to give a few people $15,000, no-interest loans.

This is not to mention the fact that the interest expense on that $15,000 really is probably forever. That is a scary scenario and one I think we can ill afford.

Again, I will make my comments tomorrow. I appreciate my friend from New York answering my questions.

FANNIE MAE/FREDDIE MAC SECOND MORTGAGE AUTHORITY

Mr. DODD. Mr. President, I wish to express my support for the permanent extension of Fannie Mae's and Freddie Mac's authority to deal in second mortages, which is contained in this bill.

In the 6 years since Fannie Mae, and more recently Freddie Mac, entered the second mortage market, homeowners and home buyers have benefited significantly.

First and foremost, Fannie Mae's and Freddie Mac's participation has significantly reduced interest rates on second mortgages. We can all remember when interest rates on second mortgages were 5 to 6 percentage points higher on second mortgages than on first mortgages. Since Fannie Mae's and Freddie Mac's entry into this area, the difference between first and second mortgages has been reduced to only 1½ to 2 percentage points. I don't think I need to explain how much of a difference that can make in the pocketbook of the homeowner.

Second, Fannie Mae's and Freddie Mac's presence in the market has ensured that second mortgages are always available. At various times in the housing cycle, lenders might not otherwise find it desirable to offer second mortgages. But Fannie Mae's and Freddie Mac's presence means that lenders always have the option to sell their mortgages in the secondary market.

Third, Fannie Mae and Freddie Mac have promoted standardization of second mortgages, reducing possible consumer confusion.

Let me point out too that Fannie Mae and Freddie Mac have provided all these benefits while doing less than 2½ percent of the total second mortgage business.

I believe that these 6 years, through relatively good times and bad in the housing cycle, is sufficient time for Congress to judge the performance of Fannie Mae and Freddie Mac in the second mortgage area. Fannie Mae and Freddie Mac have performed precisely as Congress intended. Their presence in the market has reduced interest rates, ensured continued availability, and promoted competition. They have set a standard for the market while occupying a very small part of it. There is nothing else that remains for Congress to review and no reason for continual reassessment of this particular authority. Fannie Mae and Freddie Mac are private corporations, and no other business activity is specifically subject to the congressional reauthorization process.

I hope my colleagues in the Senate will join in supporting lower interest rates for homeowners by retaining the provision in the bill which would permanently extend Fannie Mae's and Freddie Mac's existing second lien authority.

9-1-1 NATIONAL EMERGENCY NUMBER AMENDMENT

Mr. GLENN. Mr. President, I am pleased to see my 9-1-1/CDBG legislation included as part of the noncontroversial technical amendments to the housing bill. The amendment will enhance the quality of life in our communities by providing them with the opportunity to utilize existing funds to establish 9-1-1 emergency number system. These systems have revolutionized the response of local agencies to the emergency needs of our citizens. This amendment will help save lives and property throughout the United States. And it will do so at no additional cost to the American taxpayers. This legislation has been cleared by the leaders on both sides of the aisle.

For those of my colleagues who are unfamiliar with emergency number systems, some background information is in order. In 1967, the President's Commission on Law Enforcement and Administration of Justice recommended that "a single number should be established for reporting police emergencies," thereby giving official impetus for the development of a national emergency telephone number system in the United States. According to the Commission, it was essential that immediate access to emergency care providers be available because of America's "increased incidence of crimes, accidents, and medical emergencies; inadequacy of existing emergency reporting methods and the continual growth and mobility of the population."

In 1973, the Office of Telecommunications Policy, Executive Office of the President, issued a national policy statement which recognized the benefits of 9-1-1, encouraged the national adoption of the system, and provided for the establishment of 9-1-1 planning and implementation through a Federal information center within the Office of Telecommunications. In 1974, Congress passed the Emergency Medical Services [EMS] Act and furthered the development of 9-1-1. This act established the Interagency Task Force of EMS, which included an EMS communication work group to direct attention to EMS communication as a whole and the advancement of emergency number systems. More recently, Congress and the President have indicated the nationwide importance of 9-1-1 systems by designating September 11 as "9-1-1 Emergency Number Day."

According to a recent GAO study, the availability of 9-1-1 systems vary significantly. Since 1968, only 40 percent of our population has been brought under the coverage of 9-1-1. While State-mandated coverage and financing arrangements could promote broader coverage, only six States have authorized a special funding mechanism.

9-1-1 systems utilize a variety of technological features and are constantly being improved. Consequently, there are four major types of systems, each with a varying degree of complexity. The most basic system, type I, consists of a telephone service which changes seven digit dialing to three digit dialing. Type II consists of type I, plus called party hold which enables the public safety answering points [PSAP's] to trace a call, even if the caller hangs up. Forced disconnect which prevents the intentional jamming of 9-1-1 lines. Idle circuit tone application which enables the PSAP to determine if a caller has hung up, or is still on the line but is unable to speak, and switchhook status indication which ensures that a caller's line is not held up unnecessarily. Type III consists of type II, plus ringback, which allows the PSAP to call back after a caller has hung up in the event that not enough information was given. Type IIIA is type III, plus automatic number identification, which enables the automatic display at the PSAP of the telephone number of the telephone used. Finally, Type IV—the Enhanced System—consists of type IIIA, plus automatic location identification which enables the automatic display at the PSAP of the address of the telephone used to place the call and selective routing which routes a call to a preselected PSAP determined by the location of the calling telephone.

Obviously, the enhanced system provides maximum service for a community, and any local government would want to have the most protection possible for its citizens. But each additional feature increases the price of the system. Besides the fact that the enhanced system is the most expensive 9-1-1 service, new features are being developed every year. This adds to the potential costs of future systems and the improvement of existing services.

The actual cost of a 9-1-1 system depends on the local price situation and the type of system involved. For example, Ohio's proposed type IV emergency network would cost approximately $25 million for initial expenses and $300,000 per month in operating costs. This does not even include the expenses for PSAP's, which account for 10 percent of the total system. In 1980, the Chicago Police Department Type I

PSAP cost $3.7 million for its initial development and approximately $2 million in annual recurring expenses. In 1982, Palm Beach County, FL, paid Southern Bell $567,660 in implementation costs and $404,664 for recurring expenses for its type IV system. The enhanced 9-1-1 systems in Rock Island and Kankakee Counties, IL, cost $500,000 in initial charges and run $8,000 per month in recurring expenses. While these numbers may not seem impressive in Washington terms, to local governments they represent a considerable financial burden which must be dealt with on a continuing basis.

The systems operating in the United States are funded with money from State and local governments, plus telephone user fees. Due to the tremendous expense of initial start up costs and maintenance requirements, many communities are without sufficient financial resources to provide 9-1-1 emergency services. The result is that, despite nearly 20 years of work, we now have a national emergency communications system which does not adequately fulfill the needs of the American people.

Why would any community wish to assume the large financial costs entailed in establishing a 9-1-1 system? The answer is that the benefits far outweigh the negative considerations. The bottom line with 9-1-1 is that it saves lives. It allows the response time for emergency services to be cut in half compared with standard practices. Instead of searching for the correct EMS agency and its phone number, relating the incident details, and waiting for a response, 9-1-1 allows the caller to go directly to the relevant agency and receive help much quicker. This speedy response time is due to the coordination of EMS agencies by 9-1-1. Fire departments, police agencies at all government levels, ambulance services, hospitals, poison control centers, suicide prevention centers, drug abuse centers, emergency management agencies, weather warning stations, and public works departments may all be part of the 9-1-1 team. With emergency number systems, these emergency care providers can all be reached by dialing one easy-to-remember and easy-to-dial phone number. Not only are EMS agencies available, but also trained EMS operators who can provide location identification, coordinate responses, or give emergency instructions over the phone. Communities may experience long-term costs savings through coordinated EMS responses, consolidated emergency services, and property preservation.

According to the Secretary of Housing and Urban Development [HUD], 9-1-1 could be eligible as a public service under the Community Development Block Grant [CDBG] Program if it were to principally benefit low- to moderate-income people. The CDBG Program was set up to promote sound community development through a wide range of activities directed toward neighborhood revitalization, economic development, and improved community facilities and servces. Metropolitan cities and urban counties are eligible to receive annual grants. An additional eligibility requirement for CDBG funds is that the people in a grant area must be low- to moderate-income persons.

The technological and jurisdictional requirements of 9-1-1 services do not mesh with the geographic eligibility requirement of the CDBG Program. Section 105(c)(2) of the current law (42 U.S.C. 5301 et seq.) states that an activity designed to serve an area generally shall be considered to principally benefit persons of low- and moderate-income only if not less than 51 percent of the residents of the area are persons of low- and moderate-income. While many specific geographic areas in a county may economically qualify for CDBG's, counties taken as a whole may not be eligible because their total number of low- and moderate-income people falls below the 51 percent needed to qualify for CDBG funds. However, in order to be effective, 9-1-1 systems often must be set up at least on a countywide basis because many emergency services function at the countywide level and existing telephone systems often cover entire counties. It is technically impractical and politically unfeasible to provide 9-1-1 services for isolated segments of a county.

While many 9-1-1 systems would not exclusively serve geographic areas which have at least 51 percent low- and moderate-income persons, in some areas the majority of potential 9-1-1 users would fall into the low- and moderate-income range. This is due to the higher frequency of emergency related incidents which occur in their neighborhoods. In effect, the current eligibility requirement is denying a life saving service to the same people it is designed to assist and who would be its major beneficiaries.

The amendment which I am offering today would rectify this situation. This legislation states that the requirements of the Housing and Community Development Act of 1974, subparagraph (a), would not prevent the Secretary of HUD from granting funds in cases where CDBG's are proposed to be used to develop and establish a uniform emergency telephone number system, and for the operation of such a system for a 2-year period. A community could qualify for this program if: First, the system would contribute substantially to the safety of the residents of the area served by the system; second, not less than 51 percent of the use of such system would be by low- and moderate-income persons; and third, other Federal funds received by the grantee would not be available for a 9-1-1 system due to the insufficiency of the amount of such funds, the restrictions on the use of such funds, or the prior commitment of such funds for other purposes by the grantee. The percentage of the Federal contribution to such system shall not exceed the percentage of low- and moderate-income persons who reside in the area to be served by such system.

Mr. President, many communities across the country have requested Federal assistance for their 9-1-1 systems. This legislation is a moderate response to these requests since it would provide some aid while maintaining the intent of the CDBG Program. Qualifying communities should have the opportunity to spend CDBG funds on a service which will substantially enhance their quality of life. This amendment would preserve the integrity of the CDBG Program, but would slightly modify the eligibility for CDBG funds to account for the unique qualities of a technological community service which were not anticipated by the authors of the Housing and Community Development Act of 1974. This legislation would allow for the additional inclusion of one specific program, and is not intended to set a precedent for CDBG eligibility waivers. Further, this amendment does not require the Secretary of HUD to grant 9-1-1 exemptions, but merely provides the authority with which an exemption may be granted.

Most importantly, this legislation does ot require additional money from the Federal Government. It only provides another option to communities for the use of existing funds.

Mr. President, this amendment gives us an opportunity to do some good for the American people without adding to the national debt. With one simple act, we can improve the quality of life in communities throughout the United States. Quite literally, we can help save lives. I would like to thank the floor leaders for their support of this amendment and strongly urge my colleagues to adopt this legislation.

COMMUNITY DEVELOPMENT BLOCK GRANTS

Mr. RIEGLE. Mr. President as the Senate begins debate on S. 825, the Housing Act of 1987, I would like to share with my colleagues three recent articles on the Community Development Block Grant [CDBG] Program.

As many of us know, CDBG helps communities improve living standards for low- and moderate-income families. It helps reduce slums and urban blight. It helps meet urgent needs that threaten the health and welfare of low- and moderate-income people. Rural development programs enable rural areas to develop water and water disposal facilities, community fire protection forces, and other essential community facilities.

Mr. President, CDBG is an absolutely vital program that aids local communities in every part of our country to meet the basic needs of our citizens. I hope that my colleagues will take a moment from their busy schedules to read this article and to learn more about the CDBG Program.

Mr. President, I ask unanimous consent that the text of the articles be printed in the RECORD.

THE CASE FOR COMMUNITY DEVELOPMENT GRANTS

THE HISTORY AND THE NEED

(By Reggie Todd)

The Community Development Block Grant Program was created under the administration of Richard M. Nixon as a program to permit the level of local government closest to communities to devise flexible and constructive neighborhood approaches to meet and prevent physical, economic, and social deterioration. It was designed to assist cities and towns to develop viable communities by providing economic opportunities especially for persons of low- and moderate-income.

By consolidating seven categorical programs into CDBG in 1974, Congress created a more workable set of federal-local relationships. The simplified grant-in-aid process provided more flexibility in setting priorities and implementing programs and encouraged greater local accountability. It was a recognition that what works in Waukegan might not be appropriate in San Antonio.

But most importantly, it was a program designed to ensure that cities and towns would be the vital economic foundations for the nation's economy—places without massive slums and deterioration—signs of wasted investment.

The Housing and Community Development Act of 1974 required that each CDBG-funded activity meet one of three statutory objectives: 1) primarily benefit low and moderate income persons; 2) eliminate or prevent slums or blight; and 3) meet other urgent local community development needs. In the 1983 Housing and Urban Rural Recovery Act, Congress mandated that low and moderate income benefit be the primary objective of the program. Low income is defined as a cash income of up to 80 percent of the median income for an area, while moderate income means a cash income of 120 percent of the median.

Each community's program must spend at least 51 percent of its funds, during a one-to-three year period on activities that principally benefit low- and moderate-income persons.

According to the U.S. Department of Housing and Urban Development (HUD), collectively, our communities spend 90 percent of program funds to benefit low and moderate income persons, far above the required 51 percent mandated by Congress.

Seventy percent of CDBG entitlement funds are distributed directly to 711 metropolitan cities and 116 urban counties. The amount of entitlements funds a community receives is based on a dual formula that considers problems of growth and decline.

The original 1974 formula utilized three factors: population (25 percent), poverty population (50 percent) and overcrowded housing (25 percent).

A second formula was added in 1977 in recognition of the fact that the original formula did not adequately assess the relative needs of older communities. This formula also uses three factors: pre-1940 housing (50 percent), population growth lag (20 percent) and poverty (30 percent). Communities receive the higher of the allocations under the two formulas.

Thirty percent of CDBG funds are allocated to 47 states for distribution to small cities (under 50,000 population that are not central cities) based on state-adopted priorities and selection systems. Only three states remain in the HUD administered small cities program: Maryland, New York and Hawaii.

A companion to CDBG is the Section 108 loan guarantee program, used by entitlement jurisdictions for large development projects. Communities may finance site acquisition and rehabilitation of publicly owned real property. These costs may be financed over an extended period of time with the community pledging its current and future Block Grants as security for the guarantee.

In 1986, Congress mandated the privatization of Section 108 financing in lieu of using the federal financing bank to purchase notes guaranteed in the program.

That the CDBG program has been largely successful is a credit to four (4) national administrations. However, in recent years federal support has itself deteriorated. This year the federal government is proposing to send more of our tax dollars overseas to foreign cities and towns, rather than back to our own communities.

This raises the question: What are our national priorities—for our own communities, or those in another country—for our own families, or others?

From its inception, the CDBG program has operated on the basis of three-year authorization cycles, which enabled local governments to plan and execute comprehensive, multi-stage projects to encourage economic development and attack long-standing problems that contribute to decline and economic hardship.

Since last September, the program has existed only on the basis of a continuing resolution that leaves communities uncertain about the availability of CDBG funds beyond this year.

Currently, two bills are pending in Congress to reauthorize the CDBG program. H.R. 4, the Housing and Community Development Act of 1987 would essentially extend the program as it presently operates for one year through FY 1988 at $3.4 billion. In the Senate a similar bill has been reported (S. 825), the Housing and Community Development Act of 1987, which would reauthorize the program for two fiscal years 1988 and 1989 at $3 billion for year.

President Reagan's budget for FY 1988 proposes to slash funds for CDBG by more than 12 percent and sought unsuccessfully to rescind $375 million of the $3 billion appropriated for the program this year (FY 1987). Thus, both years would have had a funding level of $2.6 billion, a 30 percent reduction from the $3.8 billion funding level in FY 1980.

In addition to actual funding cuts, the value of the CDBG dollar has declined by at least half in the past decade because of inflation, additional grantees, expanded eligible activities and increased demands caused by cuts in other urban programs.

Since 1979, federal assisted housing programs have been slashed almost 70 percent. It is therefore significant that in FY 1986 housing-related activities, principally housing rehabilitation, constituted the largest category of expenditure under the CDBG program and accounted for 35 percent of all funds spent.

Cities and towns also spent 21 percent of CDBG funds on public works to stem the alarming rate of deterioration in the infrastructure such as roads and sewers.

Other CDBG funds representing 13 percent of the total were used for economic development to help create jobs and 10 percent of the funds were used to provide services such as food and utility assistance for the poor, homeless shelters, job training, day care for children of working mothers, and mental and general health services, to name only a few.

With urban poverty on the rise and with key federal programs for cities cut by more than 60 percent since 1979, CDBG is more important to cities and towns than ever before. Struggling to cope with the impact of massive cuts in all key federal programs serving urban populations, cities and towns simply do not have the fiscal capacity to make up for lost CDBG funds from local resources.

Many have already been forced to reduce services, reduce the number of city employees, increase user fees and increase local taxes to the limit allowed by state law.

The investment of CDBG funds in economic development that leverages additional private-sector investment and creates new jobs can reduce unemployment benefit expenditures. CDBG funds used to support a day care center that enables a mother to work can keep a family off the welfare rolls. And CDBG funds spent on critical infrastructure needs can help make the difference in whether a town can compete for business and industrial investment in an increasingly competitive world economy.

Cities and towns face complex problems that frequently require multi-stage planning and implementation over a period of years. That is why the National League of Cities strongly supports a multi-year reauthorization of the CDBG program in its present form—at least at the $3 billion level appropriated for this year.

Failure to do so would present a crippling blow to the ability of local governments to meet the needs of the growing number of poor residents.

THE SUCCESS STORIES

(By Linda R. Woodhouse)

Cities across the nation use Community Development Block Grant funds for a wide array of programs serving the needs of low and moderate income residents. Here's what some communities are doing:

ATTLEBORO, MASS.

Since June 1985, 85 families (almost 250 individuals) have lived for a time at the Family Resource Center in Attleboro, Mass.

The center, a renovated seven-bedroom Victorian house, is a different kind of shelter for homeless families, "an educational transition house," said Robert Wilson, the center's director of operations.

The center offers clients not only a safe haven and a hot meal, but the counseling direction and support to become self-sufficient members of the community. Special classes at the center give clients an opportunity to learn about nutrition, parenting, alcohol education and budgeting.

"I tell people your main goal when you come here is to leave here with skills to live in the community," said shelter director Mary Ann Jordan, as quoted in a newsletter published by the Massachusetts Office of Human Services.

The center is operated by the Attleboro Area Youth and Family Services, Inc., a non-profit human services agency. It was established by the agency in partnership with Community Development for Attleboro, Inc., after the groundwork was laid by the Attleboro Coalition for the Homeless, a group of concerned citizens.

Funding came from a variety of sources: a $22,000 Community Development Block Grant through the Massachusetts Department of Public Welfare; a $15,000 grant and $10,000 loan from the Fund for the Homeless; $79,300 in matching money from a variety of community sources; a $75,000 grant from the Balfour Foundation; and a $100,000 mortgage from a local bank.

Clients usually move from the center to a permanent home in four weeks. Followup programs with the clients and with the new landlord help keep families from losing their homes again.

"Both staff and guests view the facility as a placement center rather than a homeless shelter," Wilson said. ". . . We have overcome huge obstacles in remotivating a desperate population and helping them to help themselves."

TAMPA, FLA.

"We don't just fix houses, we fix spirits, too," Angela Martinez told *The Christian Science Monitor* recently.

Martinez and three other female carpenters, all crew members for Tampa, Fla.'s Senior Home Improvement Program (SHIP), fix or replace leaky roofs, repair plumbing and electrical systems, and make general repairs to homes owned by low-income elderly citizens, most of them women.

If not for this free service, provided through The Centre for Women, these women, with incomes averaging $3,700 per year, would have to watch their homes deteriorate around them.

Since Martinez began the program four years ago, Community Development Block Grant money from the city of Tampa has been the sole funding for the program. The program received $164,500 in CDBG funds in Fiscal Year 1986.

"Providing these free services to senior citizens can sometimes mean the difference between remaining in their homes or being forced to move," said Mayor Sandra Freedman.

During the last four years workers have replaced 154 roofs, and have completed more than 500 emergency plumbing and electrical repairs.

"A good many of the houses aren't worth repairing," Martinez said, "but they're worth repairing to that person. We try to hold the house together for the length of time that person will need it."

While repairs go on, crew members often become friends of their clients, and those relationships last long after the work is completed. When a job is done, the crew gives each client a "goody bag" containing makeup or jewelry donated by Avon and soap samples the Post Office can't deliver.

"We can put $500 in repairs in the house and the clients may not be impressed," Martinez told the *Monitor*, "but we give them a little bag of goodies and they cry, saying, 'Nobody ever gave me anything before.' "

Martinez believes the loss of the program would be devastating for the lives of the poor women served. SHIP is the only emergency home repair program for the elderly in Tampa. "Can you imagine in a city of this size and with this much wealth, that four women stand between the elderly and the possible loss of the homes?" Martinez said:

DES MOINES, IOWA

"Give me a fish and I eat for a day; teach me to fish and I eat for a lifetime," so says the New Horizons Job Supervisor's Handbook.

Based on that principle, for 17 years Des Moines' New Horizons program has provided high school students counseling and encouragement to stay in school, job training and work experience to build self-esteem and prepare them for life beyond high school, and an outreach program to entice dropouts back to school.

In the process, 2,000 elderly and handicapped households get help each year with home repairs and maintenance, snow removal, and lawn mowing.

Student laborers have also helped remodel and return to the local tax rolls eight abandonded homes. All were purchased by low and moderate income residents.

During the 1985-1986 school year, more than 1,300 students participated in the program, which is supervised by Ronald Sallade.

As part of a summer youth employment program, students work for the cities of Des Moines, Clive, Urbandale and Indianola on conservation-related projects, including tree planting, erosion control, pouring concrete, laying brick, brush cutting, trail and footbridge construction, and repair and maintenance of parks and recreation areas.

The program has received at least $250,000 in CDBG funds annually for the last several years—funding that is "of vital importance to the continuing success of the New Horizons Program," said Richard Wright, director of Des Moines' Office of Neighborhood Development.

Additional funding, totaling $758,000, comes each year from almost a dozen other sources, among them the Des Moines Public Schools, the Iowa Department of Public Instruction, the Polk County Board of Supervisors, the local office of the Iowa Area Agency on Aging, Iowa Youth Corp, the Job Training Partnership Act, a private foundation, and private sector employers and organizations.

PIMA COUNTY (HELMUT PEAK), ARIZ.

Until last October, hauling water over 15 miles of rugged desert was a daily event for most residents of Helmut Peak, an isolated, rural community of more than 350 families located 20 miles south of Tucson, Ariz.

That's when a $100,000 ten-wheel truck with a specially built brass and stainless steel tank began delivering water to area residents. CDBG money from Pima County was used to pay for the truck.

It was a dream come true for the predominantly low- and moderate-income residents. The dream became reality because of Ceceilia Laster, who formed the Helmet Peak Resources Association, Inc. three years ago, and began working with the Pima County Community Services Department to purchase the truck.

More than 120 families paid a $250 initiation fee to begin service; latecomers will pay $350. Those fees, along with delivery fees will pay wages for the driver, who will make daily deliveries to Helmut Peak. The subscription fees brought in $14,700 and the group also raised $400 from a bake sale and other fundraisers.

Laster called it "a shoe string operation." However, lack of money hasn't deterred her and the association from forging ahead with plans to find more grant money to buy storage tanks for needy residents.

BOISE, IDAHO

The pipes leading to Verdelle Hopkins' Boise, Idaho home didn't freeze this winter—for the first time in 21 years.

That's because a volunteer crew came to her home one Saturday last June as part of the Paint the Town project. They built a new insulated wall around her formerly exposed pipes. Then they painted her house yellow, the first fresh coat of paint in six years.

That same day, 94 other homes, belonging to low-income senior citizens throughout Boise, were painted by 3,500 volunteers as part of the Paint the Town project.

That project and a variety of others are sponsored by Boise Neighborhood Housing Services, Inc. Funding includes more than $50,000 in CDBG money each year from the city, along with money from more than 30 other public and private sources.

Other programs offered to low and moderate income residents include long-term loans for major and minor home improvements; low interest energy loans for furnaces, insulation, etc.; short-term, low-interest loans for exterior home improvements; construction and sale of six new homes on vacant lots; repairing and improving 15 blocks of streets, curbs, gutters and sidewalks; and a variety of neighborhood advocacy activities to "restore pride and confidence" among residents, including crime watch programs, animal control, areawide clean-ups, a senior citizens network, lighting improvements, how-to workshops, and a senior citizen center.

MONTGOMERY COUNTY, MD.

The Manna Food Center in Montgomery County (Rockville), Md. provides food to poor families.

Funding for the center includes $56,000 in CDBG funds.

The center depends on churches, service groups, schoolchildren, supermarkets, county agencies and volunteers to provide food for distribution, and to provide help in getting the food to needy families.

Innovative programs have helped the food bank to maintain its food supply—programs such as "Give and Go," which allowed riders on the county's bus system to donate canned foods in lieu of fare.

KANSAS CITY, MO.

For 30 years, the halls of Immanuel Elementary Lutheran School, in the heart of Kansas City, echoed with the sounds of children's voices. Today the hallways are alive again, but the voices are more mature.

The former school is now Immanual Manor, with 47 apartments for low-income elderly and handicapped residents from throughout Kansas City.

About $200,000 in CDBG money was used to pay for the $2.7 million project, with funding from a variety of sources.

The conversion represents more to the Manhiem Neighborhood where it's located than the re-use of a closed school. "It is the rebirth of a lost era, and a visual commitment to community revitalization," said Housing Director Deborah Williams, with the Kansas City Department of Housing and Community Development.

Since Immanual Manor opened in 1985, investments in the neighborhood has risen and community pride has swelled, Williams said.

GRAND RAPIDS, MICH.

Grand Rapids' aggressive code enforcement program generates $4 million in repairs to area homes and apartments each year.

The program was supported by almost $487,900 in CDBG funds in Fiscal Year 1986, along with funds from the city.

Under the program, in community development target areas all buildings with at least two rental units are inspected regularly to insure the neighborhood will not become run down again.

The city also inspects all units where the state pays welfare rent directly to the owner, and provides loans and incentive grants for repairs.

The city also annually inspects exteriors of homes and apartment buildings at the request of neighborhood organizations, in cases where rundown conditions are decreasing the value of adjacent property. Low income owners of such property are eligible for loans to make repairs.

Old buildings are torn down, and buildings that can be revived are boarded up.

Code violators are prosecuted and fined, and a probation officer is assigned to bring properties into compliance.

TACOMA, WASH.

Owners of small businesses who want to locate in Tacoma's Eastside will get a little help from a big friend soon—the Eastside Improvement Group and its new small business incubator.

The neighborhood association has a $50,000 CDBG to operate the incubator, which will support and nourish small businesses until they can stand on their feet. Funds from other sources are being used to rennovate a building, which will be ready for occupancy next month.

The Eastside Improvement Group, working closely with the Tacoma Community Development Department, is also planning to build the Portland Avenue Community Center, using $365,000 in CDBG funds, along with funding from other sources. Construction is scheduled to begin next summer.

Planners hope the community center will serve as "a focal point" to bring the low-income, multi-racial neighborhood together.

SACRAMENTO, CALIF.

Severe flooding in the Sacramento, Calif. area in February 1986 caused extensive damage to many homes, including those in Strawberry Manor, a predominantly low income area of the city.

The Sacramento Housing and Redevelopment Agency chose the Rural California Housing Corporation to run two flood recovery programs, both partly funded with CDBG money.

The Self Help Repair Program, with $115,000 in CDBG money, provided grants of up to $2,000 for homeowners whose repair needs exceeded available money from state and federal sources.

Workers helped homeowners fill out applications for all programs, obtained materials donated from private businesses and organizations, and lined up volunteers to assist elderly or disabled homeowners.

Another program, still in progress, allows low-income residents to purchase and rehabilitate homes that were abandoned after the flood.

NORMAN, OKLA.

"The Little Axe Community Center/Fire Station exemplifies the use of Community Development Block Grant funds as a seed—one that when loved and nourished grows into a flower," said Linda Price, community development coordinator for the city of Norman, Okla.

What was once "an eroded clay hill and sandy floodplain, is now the center of activity," said Price, due to the infusion of CDBG funds over the last 11 years.

The Little Axe "neighborhood" of Norman contains 17 square miles of the city's 197 square miles. Beside the community center/fire station, the development includes three lighted ball diamonds, a playground, concession stand and picnic shelter.

The center received $68,500 in CDBG funds last year, and 52,760 people "attended meetings, played ball, saw the health nurse or just had fun at the Little Axe Community Center," Price said.

The community center houses many resources to provide services to the neighborhood's low-income residents, many of them Native Americans or elderly. Among them: health services; drop-off of hot meals for delivery to homes by volunteers; on-site meal program for 25 low-income residents; cheese, butter and clothing distribution; job and housing location; aerobics and weight loss classes; and Head Start for 20 children from September through May.

The center is also the headquarters for the Little Axe Fire Department with 16 volunteer and three full time firefighters.

PROVIDENCE, R.I.

The Providence Preservation Society Revolving Loan Fund has assisted in the historic preservation and revitalization of the West Broadway neighborhood of Providence, R.I., "without significant displacement of long term residents," said Arthur Markos, director of the city's Department of Planning and Development.

So far more than $200,000 in CDBG money has been combined with more than $300,000 in private and foundation money to sustain the fund, since its creation in 1980.

Primary users of the fund are low income homeowners of previously abandoned or deteriorated historic buildings.

"The fund assists residents new and old in making critically needed and historically appropriate repairs to their homes," said B. Clarkson Schoettle, executive director for the revolving fund.

So far, six abandoned homes have been recycled and 39 other restoration projects have been undertaken.

"The major impact of the fund have been a competent, professional staff helping a deteriorated neighborhood feel pride again in the fine architecture and values of its homes," Markos said.

LINCOLN, NEB.

The Barrier Removal and Information Center, operated by the League of Human Dignity in Lincoln, Neb., provides grants of up to $2,500 to low- and moderate-income households that have a member with a mobility limitation.

The money can be used in a variety of ways, for example: outside ramps and lifts, grab bars, handrails, wider doorways, accessible tubs and showers, and reachable sinks and counters.

For the last two years, the center has received more than $45,000 annually in CDBG money.

Loans are also available to landlords with qualifying tenants.

The center will also help relocate a mobility limited client if their current residence can not be modified.

The center also provides free design consultation, equipment rental or loans, and a variety of resources and referral services.

Lincoln Community Development Coordinator James Caruso said the center "has been providing a much needed service in our community that is not addressed through any of our conventional housing rehabilitation programs."

MACON, GA.

Almost one-fourth of Macon, Ga.'s housing is substandard, and one of the worst examples was Fort Hawkins Terrace, once a "a block of 25 extremely deteriorated 'shotgun' houses within the economically disadvantaged East Macon Area," said Community Development Director Ronald Tigner.

The Greater Macon Housing Corporation, a non-profit corporation established by the city, worked with the city's Economic and Community Development Department to rehabilitate the homes at Fort Hawkins Terrace, using $293,000 in CDBG funds and money from a variety of other sources.

The project has spurred interested in upgrading other homes in the neighborhood.

HOW TWO CITIES HAVE USED GRANTS FOR JOBS, BUSINESS

(By Virginia Mayer)

Business development is an essential part of local economic development. The Community Development Block Grant Program (CDBG) is one of the most creative and flexible tools that cities have been using to leverage both public and private support for business development, particularly in distressed areas with little or no economic growth.

Without CDBG as the catalyst, many projects would not be possible and the ability of cities to attract and retain businesses and investment would be strictly impaired.

Orlando, Fla. and Shreveport, La. were recently cited in a study completed by the National Council for Urban Economic Development as two cities that have used CDBG to strategically enhance business and job opportunities in those cities. Spurred on by the flexibility of entitlement regulations, the shrinking flow of federal funds and the increasing level of disinvestment in cities and towns, local officials have designed creative programs which mesh lower dollar imput with higher returns.

In each case, CDBG was used not as a dominant factor, but an essential one in enhancing public and private investment and the forthcoming economic impact of the overall programs.

ORLANDO, FLORIDA

The Orlando Neighborhood Improvement Corporation (ONIC) was established in 1985 to promote affordable housing, job creation and retention, and business development by the collective efforts of the public and private sectors. A pool of $50,000 in CDBG funds has been allocated by the city for economic development activities under ONIC.

Initially, ONIC planned to structure a working capital loan pool for small businesses. However, after consultation with technical experts, ONIC decided to specifically target its CDBG allocation to the Parramore Avenue area of the city, a distressed section of the city where $1 million has already been invested by the city in a streetscape project.

"The streetscape project represents a substantial commitment by the city to provide improvements to this two-block area, the results of which have already heightened expectations by area residents, merchants and investors," noted Ken Poole, director of technical assistance for CUED.

The demonstration program focuses attention on the businesses on Parramore Avenue as well as the low-income community there.

ONIC has launched a strategy incorporating short- and long-term activities which will successfully target ONIC's limited CDBG resources while further leveraging bank participation in the target areas.

In the short-term, ONIC is concentrating its efforts on activities that will revitalize the neighborhood commercial strip, including implementing a demonstration project with a structurally sound commercial building that has several stable tenants, identifying an advocate for the business people on Parramore Avenue, coordinating management and technical assistance programs and recruiting businesses to the area.

In the longer term, ONIC plans to use its CDBG allocation to develop a comprehensive economic development program for the Parramore business district.

In coordination with the surrounding neighborhoods, the city will develop a land-use plan and incorporate it into a master plan for all public services. Some of the issues to be addressed in this plan include long-term business development programs, community reinvestment by the banking community, housing development and parking in the area.

Revitalization of the Parramore Avenue area of Orlando is a major goal of ONIC's economic development efforts. By significantly targeting and leverage its $50,000 CDBG allocation, ONIC has been able to spur a variety of activities by both the public and private sectors which have already increased interest and business development in the distressed area.

SHREVEPORT, LOUISIANA

Shreveport, the major urban center in northwestern Louisiana has suffered in the last few years from a sagging economy—brought on by its dependence on manufacturing and the oil industry. The city's economic problems have taken a particularly heavy toll on the economically disadvantaged.

In an effort to spur new and diversified business opportunities in the city, the Shreveport Entrepreneurial Development Corporation (SEDC) was established to help local entrepreneurs by providing access to the technical assistance and capital necessary to start or expand a small business.

Funded solely by $175,000 in CDBG funds, the corporation is providing critical assistance to Shreveport by expanding entrepreneurial opportunities, encourage targeted urban development and strengthening economic leadership among young adults.

SEDC has developed a variety of projects that it is implementing which target assistance to minorities, women and young persons. Some of the many facets of its small business development program include: the creation of training and technical assistance component to develop potential entrepreneurs and the necessary support group for those individuals; targeted loans to businesses interested in locating in downtown or the commercial revitalization strip, development of a networking service, including Black Business Assistance Council, and establishment of a Black Mentor Group to provide technical advice to new business people.

Currently, all of SEDC's funding comes from the CDBG allocation. In addition to the aforementioned activities, SEDC plans to develop a brochure to identify public and private resources for black entrepreneurs.

Demand for SEDC's services has escalated greatly and the importance of its activities to the overall economic vitality of the city can not be overstated. The CDBG allocation remains at $175,000 and may soon be dwindling.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

Mr. SANFORD. Mr. President, I wish to lend my support to the permanent extension to second mortgage authority for two secondary market agencies: the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac). Section 135 of the pending bill would permanently extend the statutory authority Fannie Mae and Freddie Mac now have to market second mortgages.

Since this authority was first approved, these two agencies have fulfilled their purposes as Congress anticipated.

For consumers, Fannie Mae and Freddie Mac have provided competition in the mortgage market that has reduced interest rates on second mortgages by 3 to 4 percentage points. Second mortgages can be used to avoid otherwise costly refinancing for mortgages to meet financing needs. Fannie Mae's and Freddie Mac's participation ensures that second mortgages are available through all phases of the mortgage cycle.

These two agencies have also promoted standardization of second mortgates, which helps minimize consumer confusion and the potential for loan abuse.

For the lender, Fannie Mae and Freddie Mac have provided a useful tool for providing second mortgages.

The consumer benefits of second mortgage authority have clearly been borne out. I hope my colleagues will join me in endorsing the committee-passed provision which would simply make permanent the authority these two agencies now have to deal in second mortgages.

Mr. METZENBAUM. Mr. President, I rise for the purpose of introducing an amendment to the housing authorization bill. This amendment would make two important changes to the Home Mortgage Disclosure Act [HMDA]. First, it would bring the mortgage affiliates of bank holding companies under the provisions of the act, recognizing the growing importance of these financial institutions, currently not covered by HMDA, in mortgage finance. Second, it requires disclosure of commercial loans in a manner similar to the disclosure of mortgage loans, including identification of the number and quantity of small business loans and SBA-guaranteed loans.

In offering this amendment I am very aware that the chairman of the committee and the floor manager, as I am, are strong supporters of HMDA and endorse the provision of the housing bill that would extend the act on a permanent basis. However, the rapidly changing nature of the banking system and the growing importance of mortgage company affiliates of banking giants means that HMDA must be modified if it is going to remain the necessary and vital law that it has been up until now.

Mortgage banking affiliates of bank and S&L holding companies are becoming increasingly important players in providing mortgage finance, often conducting the bulk of mortgage lending for a holding company. Yet, since this type of institution is not covered under HMDA, it is difficult to document how well they serve older urban neighborhoods. Thirteen of the twenty-five largest mortgage companies are controlled by banks and their holding companies.

Similarly, the advent of interstate banking means that more and more banks will be owned by large absentee regional and national banks raising new concerns about how responsive these institutions will be to local credit needs. There is increasing concern about whether interstate giants will siphon off capital and hamper credit availability for small, minority, and women-owned businesses in certain communities, especially areas perceived as slow growth areas. Expanding HMDA to include commercial loans would help State and local government and consumer and community groups to discourage the strip mining of their areas and promote increased credit availability for a segment of the economy not always well served by big banks.

Mr. PROXMIRE. As the Senator from Ohio is aware, I too, am a strong supporter of HMDA and the provision in this bill which would extend the act on a permanent basis. I also share the Senator from Ohio's concern about the need to adopt HMDA to keep pace with the tremendous changes that are occurring within the banking industry. At the same time, I am committed to moving the housing bill in the most expeditious fashion. If the Senator would agree not to offer his amendment at this time I will agree to take the necessary steps to bring these issues before the committee later this year.

Mr. METZENBAUM. With that understanding and because of my desire to move this housing bill as rapidly as possible, I will not offer my amendment at this time.

Mr. SANFORD. Mr. President, I would like to engage the chairman in a colloquy regarding the Multifamily Coinsurance Program, section 244 of the National Housing Act. I would like to ask the chairman whether the development of the multifamily coinsurance program is intended to occur at the expense of the full insurance programs?

Mr. CRANSTON. No. It is not. In expanding the section 244 coinsurance concept to the Multifamily Purchase or Refinancing Program under section 223(f), Congress specifically stated its intent to facilitate multifamily finance and to reduce processing time. The report relating to the 1983 amendment dropping the volume limitation on section 244, Senate Report 98-142, page 59, states that these changes were intended to make "the coinsurance approach more attractive to lenders." Nothing in the history of that change implies that Congress intended for HUD to deemphasize the full insurance program. Congress wishes to reassert that intent and to express its concern about HUD's administrative actions which restrict the coinsurance approach rather than encourage its appropriate use.

Mr. RIEGLE. Mr. President, I am told that Senator REID is going to take his time tomorrow. There is no one else waiting to speak at this time. I think we will end the consideration of this bill for tonight and carry it out over in the morning.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, in accordance with provisions in Public Law 99-603, appoints Mr. Russell Pitzer, of West Virginia, to the Commission on Agricultural Workers.

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CHARLES J. FERN: AVIATION PIONEER

Mr. MATSUNAGA. Mr. President, late last month dedication ceremonies were held by the State of Hawaii for new terminal facilities at Lihue Airport, gateway to my native island of Kauai. It is not customary for State facilities to be named after living persons, but such an honor would be most proper and deserving in the case of one of those who was in attendance at the dedication ceremonies: Charles J. Fern, an aviation pioneer of the early barnstorming era and still vigorous at age 94. Therefore, concurrent to paying tribute to "Charlie" Fern in this Senate Chamber today, I am urging appropriate Aloha State officials to take necessary steps to rename Lihue Airport in his honor.

Charlie Fern first ventured to Hawaii after World War I service as a U.S. Army Air Service fighter pilot. He was the first pilot to make a round-trip flight to the island of Maui from Oahu, flying a World War I Jenny. The flight took off from the old polo grounds and race track at Kapiolani Park in Waikiki and made a forced landing on the island of Molokai at a fairgrounds en route. Soon after he moved to Kauai, where after stints as a security guard and automobile salesman, he became a newspaperman and eventually editor and publisher of the Garden Island News. Charlie was also a pioneer in recognizing Kauai's promise as a tourist mecca and an energetic organizer of community sports activities. He became such a highly regarded public benefactor that he has been referred to as "Mr. Kauai."

The fact that I am today a U.S. Senator is really a consequence of Charlie's encouragement. If it were not for the fact that I won a newspaper subscription contest Charlie sponsored in 1937 I would not have been able to affort higher education. The prize money enabled me to enter college. He has been a valued friend and adviser ever since.

In 1966 he sold his interest in the newspaper but he has never really retired. He was still active in radio broadcasting as a legislative reporter and a legislative aide at the State capitol well into his late 80's when his health regime included a 4-mile, daily walk. Charlie embodies the wisdom of the ancient oriental maxim: "A soul completely immersed in one's work reflects a youthful face."

Charlie's barnstorming days may be behind him now but he still covers a lot of ground throughout the Aloha State and his outlook on life remains forever youthful.

SOVIET THREAT NECESSITATES SOLID UNITED STATES COMMITMENT IN CENTRAL AMERICA

Mr. HELMS. Mr. President, most of the major news media of the United States have spent an inordinate amount of time and space confusing the American people about the real stakes in Central America. As a result, far too many of our citizens are completely unaware that the very security of the United States—indeed, the Western Hemisphere itself—is in grave peril of a takeover by the Soviet Union.

President Reagan's critics scoff, of course, at such a suggestion. But they are the ones who scoffed three decades ago when warnings were sounded about Fidel Castro and Cuba. They are the ones who blindly refuse to see what is afoot in Africa and Asia and the Middle East, where the Soviets are pushing for control.

Mr. President, a distinguished North Carolinian, James E. Wood of Raleigh, somehow persuaded the Raleigh News and Observer to publish his comments about the peril in Nicaragua. That newspaper almost never publishes anything that makes sense in terms of U.S. foreign policy. It takes the liberal line almost always.

But on March 24, as I say, the newspaper consented to publish the eloquent warning written by Mr. Wood, a prominent businessman and retired peanut broker, who has traveled many times to Nicaragua and Central America during his career.

I ask unanimous consent, Mr. President, that the aforementioned article by Mr. Wood be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the News and Observer (Raleigh, NC), Mar. 24, 1987]

SOVIET THREAT NECESSITATES SOLID U.S. COMMITMENT

(By James E. Wood)

The crux of the Nicaraguan contra situation, to put it quickly, is the position of the Soviet Union. If the Soviets were not involved, the problem of what our policy should be could be easily solved.

The worrisome thing is the ominous presence of Soviet military advisers and their surrogate Cuban soldiers in Nicaragua. Why have the Soviets supplied the communist Sandinistas with hundreds of millions of dollars worth of helicopter gunships, shoulder-firing missiles, machine guns, rifles and tanks? Why have they financed the building of military airstrips, one two miles long with concrete runways a yard thick? And why have they helped train a huge army, larger than all other Central American armies combined?

Don't tell me the Soviets and Cuba's Castro have done all this just to be neighborly and help a poor little nearby country on the mainland, which was forsaken by President Carter because its leaders reneged on their revolutionary promises and went communist. Nicaragua's Marxist president, Daniel Ortega, and his brother, Humberto, studied communism and subversive tactics years before the Nicaraguan revolution.

Why, then, are the Soviets in Nicaragua in a military way? As I see it, they are there for the same reason they, or their surrogates, are in Cuba, Angola, Ethiopia, South Yemen, Afghanistan and Cam Rahn Bay, Vietnam. They are in these strategic places for the same reason they have turned their strategic arctic city, Murmansk, into one of the mightiest air and naval bases in the world.

From Murmansk, the Soviets could harass, if not completely control, production and shipment of oil from Britain's North Sea wells and from our wells of Alaska. Likewise, their air and naval base at Cam

Rahn Bay (formerly ours) on the southeast coast of Vietnam could control shipments from the great Indonesian oil fields. From Afghanistan, the Soviets could control Mideast oil shipments through the Persian Gulf, and their forces in South Yemen and Ethiopia could prevent shipments through the Red Sea. From Angola, Soviet aircraft and submarines could control oil and mineral shipments out of nearby Nigeria. And of course, Soviet bases in Cuba and eventually Nicaragua could control production and shipment of oil from Venezuela and Mexico.

Thus the Soviet encirclement and control of our strategic oil sources would be complete, and when the Soviets were ready to lower the boom on us and demand our surrender, we would have a hard decision to make.

In addition to their growing capacity to impose an oil squeeze on us, the Soviets already may be in position in Cuba to send low-flying cruise missiles to drench our cities with poison gas before we know they are launched. To allow the Soviets to turn Nicaragua into a military powerhouse, and subsequently gain control of all Central America, Panama and Mexico, would not only increase their ability to gas us but also bring all their armaments right up to the Rio Grande.

Some may wonder what prompted the Soviet Union to tie up billions of dollars in such a long-range gamble as this. But wouldn't the surest way to prevent an eventual nuclear shoot-out be for one of the superpowers to become overwhelmingly stronger and get the drop on the other, then blackmail it into surrendering?

Therefore, being as close as it is to reaching its goals, is there any likelihood that the Soviet Union will ever let Daniel Ortega and his Marxist cohorts live up to an agreement that would eliminate the Soviet-Cuban military presence in Nicaragua and set up a representative democratic government under which the communist Sandinistas might be voted out of power? None whatsoever.

The contras may not be simonpure, but it would be absurd to believe them responsible for the senseless atrocities blamed on them. Such atrocities would have accomplished nothing for the contras. Obviously, the events were brutally rigged by the Sandinistas to discredit the contras.

As for the argument that the Nicaraguan people have shown little or no support for the contras, they would be fools to stick their necks out in the communist police state until they were sure that the United States was backing the contras to the hilt, with whatever it takes to win.

And making that commitment loud and clear—to help the contras oust the communist Sandinistas from power, bring real freedom and democracy to the Nicaraguan people and end the Soviet threat to our security in Central America—is long overdue.

THE FARM CRISIS

Mr. BREAUX. Mr. President, recently I met with a group of honest, hardworking farmers in New Roads, a small farming community in Point Coupee Parish in south Louisiana and here in Washington with a group of farmers from the Louisiana Farm Bureau Federation. I talked with them at length about their very real problems and their desperate efforts to survive 1 more year, hoping that the next harvest will bring better times.

Next year may hold better times for them, Mr. President, but if it does, it will not have anything to do with the Reagan administration's farm policies. Increasingly, I am coming to the disturbing realization that this administration is totally oblivious to what is happening on the American farm.

These are the facts: Despite what his administration says it has done, our agriculture economy continues to suffer from declining export sales, commodity prices below cost of production, mounting crop surpluses and a serious farm debt level. All this has forced a record number of farmers out of business and has caused severe financial problems for a significant portion of those still in business.

In 6 years, the Reagan administration has simply not been able to develop any effective program capable of pulling agriculture out from under its current recession. In fact, it almost seems that the Reagan administration is content to let a mythical free market drive America out of the farming business.

Essentially, what has happened is that U.S. agriculture has changed dramatically over the past 50 years. In the past 6 years, however, those changes have resulted in the most intense and devastating depression in American agriculture since the Great Depression.

Clearly, what we need are innovative solutions to these problems. The farmers I met with last week and in other meetings around my State of Louisiana in past months do not want handouts from their Government. They do want and deserve assistance in their struggle to stay alive and in business.

Just like our domestic oil and gas industry, we must do whatever we can to keep America strong agriculturally. If not, we may find ourselves one day held hostage to foreign nations, who will be free to manipulate market prices much like OPEC has manipulated oil prices to the detriment of our domestic oil and gas industry and the Nation's security.

While we worry about $1.50 gasoline, shouldn't we be thinking about the prospect someday of $5 loaves of bread. That is what could happen if we do not take the steps necessary to help our domestic farmers survive.

Agriculture is as essential to America's security as is energy, as are our military forces. In 1984, our food and fiber system accounted for 18 percent of total GNP, according to the USDA. About 18.3 million people are needed to store, transport, process and merchandise farm output. This adds up to approximately one out of every five jobs in private enterprise.

American farmers produce over 80 percent more crop output on an acre of land than their fathers. One hour of farm labor produces 16 times as much food and other crops as it did in the 1919-1921 period. One farmer now supplies enough food and fiber for 79 people.

When we talk about trying to restore the economic vitality of American agriculture, one positive step would be to move much faster in doing something to resolve farm credit problems. Unfortunately, the administration appears more willing to help with foreign debt problems than helping resolve domestic agricultural debt problems.

In addition, we must protect American agriculture from unfair trade practices here and abroad, such as waging a vigorous fight against the European Community's oil tax, which will severely impact U.S. soybean growers.

We must also do much more to open up foreign markets to our domestic agricultural products. Is a disappearing agriculture trade surplus, from $23 billion to a projected $6 billion since fiscal year 1981-82, not enough to cause alarm within this administration? Apparently not.

In the course of the coming months, dozens of ideas and programs aimed at solving the farm crisis will be proposed and I plan to give all of them a fair hearing. Regardless of how we do it, we simply must pay more attention to what is happening to American agriculture and do what it takes to keep our farmers in business. But before we can do it, we must have some cooperation from the White House and an admission from the administration that there is a crisis in farming. Until that happens, the prospects for positive, effective Federal farm policy and programs are not good.

American agriculture was built by the family farmer, not by large corporate farms. We must get help to the family farmers before it is too late.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports and documents, which were referred as indicated:

EC-865. A communication from the Acting Secretary of Agriculture transmitting a draft of proposed legislation to improve the operation of the sugar price support system; to the Committee on Agriculture, Nutrition, and Forestry.

EC-866. A communication from the General Counsel of the Federal Emergency Management Agency transmitting a draft of proposed legislation to authorize appropriations for civil defense programs for Fiscal Year 1988-89; to the Committee on Armed Services.

EC-867. A communication from the General Counsel of the Federal Emergency Management Agency transmitting a draft of proposed legislation to extend the National Flood Insurance Program; to the Committee on Banking, Housing, and Urban Affairs.

EC-868. A communication from the General Counsel of the Department of the Treasury transmitting a draft of proposed legislation to repeal the requirement that U.S. currency notes be reissued after redemption; to the Committee on Banking, Housing, and Urban Affairs.

EC-869. A communication from the General Counsel of the Department of the Treasury transmitting a draft of proposed legislation to combat counterfeiting; to the Committee on Banking, Housing, and Urban Affairs.

EC-870. A communication from the General Counsel of the Department of the Treasury transmitting a draft of proposed legislation to authorize engraving and printing by the Secretary of the Treasury of currency and bonds of a foreign country on a reimbursable basis; to the Committee on Banking, Housing, and Urban Affairs.

EC-871. A communication from the Assistant Secretary of Commerce transmitting, pursuant to law, a marketing plan to encourage travel to the United States; to the Committee on Commerce, Science, and Transportation.

EC-872. A communication from the Deputy Associate Director of the Minerals Management Service transmitting, pursuant to law, a report on the refund of excess oil and gas royalty payments to 25 corporations; to the Committee on Energy and Natural Resources.

EC-873. A communication from the Deputy Associate Director of the Minerals Management Service transmitting, pursuant to law, a report on the refund of excess oil and gas royalty payments to 10 corporations; to the Committee on Energy and Natural Resources.

EC-874. A communication from the Deputy Associate Director of the Minerals Management Service transmitting, pursuant to law, a report on the refund of excess oil and gas royalty payments to 25 corporations; to the Committee on Energy and Natural Resources.

EC-875. A communication from the Secretary of the Interior transmitting, pursuant to law, a report on Outer Continental Shelf Lease Sales, 1978-1983, to the Committee on Energy and Natural Resources.

EC-876. A communication from the Secretary of Energy transmitting, pursuant to law, a report on Federal energy education, extension, and information activities; to the Committee on Energy and Natural Resources.

EC-877. A communication from the Secretary of the Interior transmitting, pursuant to law, a report on damage or expected damage to national historic and natural landmarks; to the Committee on Energy and Natural Resources.

EC-878. A communication from the Chairman of the Federal Trade Commission transmitting, pursuant to law, a report on the impact of the International Energy Program on competition and small business development; to the Committee on Energy and Natural Resources.

EC-879. A communication from the General Counsel of the Department of Energy transmitting, pursuant to law, notice of a meeting related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC-880. A communication from the Secretary of Commerce transmitting a draft of proposed legislation to reauthorize appropriations for the Endangered Species Act; to the Committee on Environment and Public Works.

EC-881. A communication from the Secretary of Transportation transmitting a draft of proposed legislation to eliminate the transfer of the Saint Lawrence Seaway Development Corporation's toll revenues to the Harbor Maintenance Trust Fund; to the Committee on Environment and Public Works.

EC-882. A communication from the Fiscal Assistant Secretary of the Treasury transmitting, pursuant to law, the annual reports of seven trust funds; to the Committee on Finance.

EC-883. A communication from the Director of the U.S. Arms Control and Disarmament Agency transmitting a draft of proposed legislation to increase the authorization for ACDA for Fiscal Year 1988 and 1989; to the Committee on Foreign Relations.

EC-884. A communication from the Secretary of State transmitting, pursuant to law, a determination and report that Israel is not being denied its right to participate in the activities of the International Atomic Energy Agency; to the Committee on Foreign Relations.

EC-885. A communication from the Secretary of State, transmitting, pursuant to law, a determination that the Government of Jamaica is sufficiently responsive to the United States Government concerns on drug control and that the added expenditure of funds is in the national interest; to the Committee on Foreign Relations.

EC-886. A communication from the Assistant Secretary of State (Legislative and Intergovernmental Affairs), transmitting, pursuant to law, certification to authorize continuation of certain assistance to Haiti; to the Committee on Foreign Relations.

EC-887. A communication from the Director of the Peace Corps, transmitting a draft of proposed legislation to amend the Peace Corps Act, and for other purposes; to the Committee on Foreign Relations.

EC-888. A communication from the Director of the Administrative Office of the United States Courts, transmitting a draft of proposed legislation to provide enhanced retirement credit for United States magistrates; to the Committee on Governmental Affairs.

EC-889. A communication from the Administrator of Veterans' Affairs, transmitting, pursuant to law, a report regarding a computer matching program to be conducted by the Inspector General, Veterans' Administration; to the Committee on Governmental Affairs.

EC-890. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled "Contract Appeal Issues Related to IFB 6332-AA-23-0-6-RB"; to the Committee on Governmental Affairs.

EC-891. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 7-5 adopted by the Council on March 3, 1987; to the Committee on Governmental Affairs.

EC-892. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on nine new Privacy Act systems of records; to the Committee on Governmental Affairs.

EC-893. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled "Review of Agency Fund 801 The District of Columbia Court System's Trust Fund"; to the Committee on Governmental Affairs.

EC-894. A communication from the Secretary of Defense, transmitting, pursuant to law, the second annual report on actions taken by the Department of Defense to increase competition and reduce the number and dollar value of noncompetitive contracts for fiscal year 1986; to the Committee on Governmental Affairs.

EC-895. A communication from the Director of the Office of Personnel Management, transmitting, pursuant to law, the biennial report on the Senior Executive Service; to the Committee on Governmental Affairs.

EC-896. A communication from the Assistant Secretary of the Interior (Indian Affairs), transmitting, pursuant to law, notification that since the Congress has not approved the closure of the Phoenix Indian School the Bureau of Indian Affairs will operate the school for the 1987-88 school year; to the Select Committee on Indian Affairs.

EC-897. A communication from the Administrator of General Services, transmitting, pursuant to law, the annual report of the General Services Administration under the Freedom of Information Act for calendar year 1986; to the Committee on the Judiciary.

EC-898. A communication from the Chairman of the Tennessee Valley Authority, transmitting, pursuant to law, the annual report of the Authority under the Freedom of Information Act for calendar year 1986; to the Committee on the Judiciary.

EC-899. A communication from the Chairman of the Council on Environmental Quality, Executive Office of the President, transmitting, pursuant to law, the annual report of the Council under the Freedom of Information Act for calendar year 1986; to the Committee on the Judiciary.

EC-900. A communication from the Executive Director of the Committee for Purchase from the Blind and Other Severely Handicapped, transmitting, pursuant to law, the annual report of the Committee under Freedom of Information Act for calendar year 1986; to the Committee on the Judiciary.

EC-901. A communication from the Chairman of the Merit Systems Protection Board, transmitting, pursuant to law, the annual report of the Board under the Freedom of Information Act for calendar year 1986; to the Committee on the Judiciary.

EC-902. A communication from the Secretary of Education, transmitting, pursuant to law, the annual report of the Department of Education under the Freedom of Information Act for calendar year 1986; to the Committee on the Judiciary.

EC-903. A communication from the President of the Inter-American Foundation, transmitting, pursuant to law, the annual report of the Foundation under the Freedom of Information Act for calendar year 1986; to the Committee on the Judiciary.

EC-904. A communication from the Attorney General of the United States, transmitting, pursuant to law, a report on allocations made for orders and extensions of orders approving electronic surveillance during calendar year 1986; to the Committee on the Judiciary.

EC-905. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting, pursuant to law, the annual report on requests for extraordinary contractual relief for calendar year 1986; to the Committee on the Judiciary.

EC-906. A communication from the Attorney General of the United States, transmitting, pursuant to law, the annual report on the Department of Justice Assets Forfeiture Fund for fiscal year 1986; to the Committee on the Judiciary.

EC-907. A communication from the Assistant Secretary of State (Legislative and Intergovernmental Affairs), transmitting a draft of proposed legislation to facilitate implementation of the 1980 Hague Convention on the Civil Aspects of International Child Abduction, and for other purposes; to the Committee on the Judiciary.

EC-908. A communication from the Chairman of the Railroad Retirement Board, transmitting, pursuant to law, the annual report of the Board for fiscal year 1985; to the Committee on Labor and Human Resources.

EC-909. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations—Leadership in Educational Administration Development Program; to the Committee on Labor and Human Resources.

EC-910. A communication from the Chairman of the Task Force on Environmental Cancer and Heart and Lung Disease, transmitting, pursuant to law, the eighth annual report of the Task Force; to the Committee on Labor and Human Resources.

EC-911. A communication from the Chairman of the Board and the Executive Director of the Pension Benefit Guaranty Corporation, transmitting, pursuant to law, the annual report of the Corporation for fiscal year 1986; to the Committee on Labor and Human Resources.

EC-912. A communication from the Executive Secretary, Office of the Secretary of Defense, transmitting, pursuant to law, a report on Department of Defense procurement from small and other business firms for October 1986 through November 1986; to the Committee on Small Business.

EC-913. A communication from the Executive Secretary, Office of the Secretary of Defense, transmitting, pursuant to law, a report on Department of Defense procurement from small and other business firms for the period October 1986 through December 1986; to the Committee on Small Business.

EC-914. A communication from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize the Administrator to make contributions for construction projects on land adjacent to national cemeteries in order to facilitate safe ingress or egress; to the Committee on Veterans' Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-61. A resolution adopted by the Board of Directors of the Florida Association of Counties urging support for the acquisition of 136,000 acres of the Big Cyprus Reserve in Florida; to the Committee on Energy and Natural Resources.

POM-62. A resolution adopted by the House of Representatives of the State of New Hampshire; to the Committee on Environment and Public Works.

"H.R. 17

"Whereas, the Nuclear Regulatory Commission has adopted rules to provide for the protection of the public health and safety which require that the plume exposure pathway emergency planning zone for nuclear power plants shall consist of an area about 10 miles in radius (10 CFR 50.47); and

"Whereas, Public Service Company of New Hampshire has petitioned the Nuclear Regulatory Commission and the Atomic Safety Licensing Board for an exemption or waiver of those provisions of the Code of Federal Regulations requiring a plume exposure pathway emergency planning zone in excess of one mile in radius of Seabrook Station, alleging that such requirements are unnecessary; and

"Whereas, the members of the New Hampshire House of Representatives, in fulfilling their obligation to protect the health and safety of the citizens of New Hampshire, support the current emergency planning regulations as a minimum acceptable zone of protection; now, therefore be it

"*Resolved by the House of Representatives:* That the House of Representatives urges the Commissioners of the Nuclear Regulatory Commission to deny the December 18, 1986, petition filed by Public Service Company of New Hampshire, et al (Docket Nos. 50-443-OL and 50-444-OL); and

"That copies of this resolution, signed by the Speaker of the House of Representatives, be forwarded by him to the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, each member of the New Hampshire delegation to the United States Congress, and to each Commissioner of the Nuclear Regulatory Commission."

—

POM-63. A resolution adopted by the Board of Supervisors of Lassen County, CA favoring immediate action on highway and transit authorizations; to the Committee on Environment and Public Works.

POM-64. A concurrent resolution adopted by the Legislature of the State of Kansas; to the Committee on Environment and Public Works.

"HOUSE CONCURRENT RESOLUTION NO. 5011

"Whereas, Highways are the veins and arteries of the transportation system in the United States; and

"Whereas, Each of the 50 states depends on this system of highways to keep the economy at all levels healthy and growing; and

"Whereas, The highway system is being used at an increasing rate which in all likelihood will continue to grow; and

"Whereas, The federal highway funds are sustained by user fees which have not contributed to the national debt: Now, therefore,

"*Be it resolved by the House of Representatives of the State of Kansas, the Senate concurring therein,* That we urge the Congress of the United States not to use federal highway funds to reduce the federal debt; and

"*Be if further resolved:* That we urge Congress to act in such a manner as to insure that states know what moneys will be available for spring construction and maintenance; and

"*Be it further resolved:* That the Secretary of State be directed to send enrolled copies of this resolution to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives and to each member of the Kansas Congressional Delegation."

POM-65. A petition from the Governor of the State of Idaho urging congressional approval to an interstate mutual aid compact between the State of Idaho and the State of Washington; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources:

Special Report on a Summary of the Activities of the Committee on Energy and Natural Resources During the 99th Congress (Rept. No. 100-27).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BYRD:

S. 879. A bill to encourage the deployment of clean coal technologies so as to assure the development of additional electric generation and industrial energy capacity; to the Committee on Energy and Natural Resources.

By Mr. DURENBERGER (for himself, Mr. DANFORTH, and Mr. Gore):

S. 880. A bill entitled the "Superconductivity Competition Act of 1987"; to the Committee on Governmental Affairs.

By Mr. RIEGLE:

S. 881. A bill to the relief of Marsha D. Christopher; to the Committee on the Judiciary.

By Mr. BOSCHWITZ:

S. 882. A bill to provide Federal tax treatment for payments under, and facilities idled by, the Milk Production Termination Program; to the Committee on Finance.

By Mr. ROTH:

S. 883. A bill to extend the temporary duty suspension on O-Benzyl-p-chlorophenol; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BYRD (for himself and Mr. DOLE):

S. Res. 177. Resolution commending David J. Pratt for his faithful and exemplary service to the United States Senate; considered and agreed to.

By Mr. BYRD:

S. Res. 178. Resolution electing C. Abbott Saffold as Secretary for the Majority of the Senate; considered and agreed to.

By Mr. BYRD (for Mr. SASSER) (for himself and Mr. GORE):

S. Res. 179. Resolution to congratulate the University of Tennessee Lady Vols and their coach, Pat Head Summitt on winning the 1987 NCAA National Women's Basketball Championship; considered and agreed to.

By Mr. BYRD (for himself and Mr. DOLE):

S. Res. 180. Resolution to authorize production of documents by the Senate Select Committee on Intelligence; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BYRD:

S. 879. A bill to encourage the deployment of clean coal technologies so as to assure the development of additional electric generation and industrial energy capacity; to the Committee on Energy and Natural Resources.

(The remarks of Mr. BYRD and the text of the legislation appear earlier in today's RECORD.)

By Mr. DURENBERGER (for himself, Mr. DANFORTH, and Mr. GORE):

S. 880. A bill entitled the "Superconductivity Competition Act of 1987"; to the Committee on Governmental Affairs.

SUPERCONDUCTIVITY COMPETITION ACT

Mr. DURENBERGER. Mr. President, I rise to introduce legislation on behalf of Senator DANFORTH, Senator GORE, and myself, calling on the President to appoint a National Commission on Commercial and National Defense Applications of Superconductors. I believe that a better coordinated effort to develop and produce enhanced superconductors is vital to preserving this Nation's technological and military superiority.

Mr. President the word "superconducter" will soon be as common as the words "transistor" and "laser." But most nonphysicists are today unfamiliar with the concept of superconductivity.

In 1911, the Dutch scientist Heike Onnes first observed that some metals lost all resistance to electricity when cooled to temperatures approaching absolute zero (459.7 degrees below zero Fahrenheit or zero on the Kelvin scale).

Seventy-five years later, by the end of December 1986, scientists had developed materials that became superconductive at 390 degrees below zero Fahrenheit (39 Kelvins).

However, in February of this year, Dr. Ching-Wu Chu, working with other scientists at the University of Houston, made a stunning breakthrough and developed a compound that was superconductive at 284 degrees below zero Fahrenheit (98K).

Dr. Chu's discovery was crucial because this relatively warm temperature could be achieved using inexpensive liquid nitrogen instead of the costly liquid helium that is needed to cool materials below 77 Kelvin.

In the space of 7 weeks, superconductivity temperatures have risen to 27 degrees below zero Fahrenheit—a temperature that many residents of Minnesota think is warm.

As the temperature for superconductivity comes closer to room temperature, the practical commercial and military applications of superconductors are staggering.

By one estimate, we currently lose enough electricity through copper wire transmission to "light up the West Coast." DC transmission alternately has proven costly in many ways as my constituents in western and central Minnesota can testify. Superconducting wires could, in theory, generate electric power over vast distances with absolutely no loss of electricity.

By using superconductors for transmission, and superconducting electromagnets in power generators, we would significantly cut our need for oil and natural gas.

Moreover, some scientists estimate that new superconducting magnets will be able to produce magnetic fields 10 to 50 times more powerful than the biggest magnets used in today's particle accelerators.

If that turns out to be true, superconductive magnets may hold the key to the development of electric power plants that produce electricity by nuclear fusion. And superconducting electromagnets will make 300-mile-per-hour magnetic levetating trains a reality and could make the gasoline-powered automobile a thing of the past.

Nearly every aspect of life will be affected by superconductors.

Superconductors will enable scientists to develop far faster and more powerful supercomputers. Semiconductor chips 100 times more dense than today's state-of-the-art 4 Megabit chips are easily conceivable.

Physicians' diagnostic abilities will be significantly enhanced by the development of new superconductors.

Nuclear magnetic resonance [NMR] scanners currently in use rely on powerful superconducting magnets to produce unprecedented views of the body. Since the new superconductors promise magnets so much more powerful, and since they do not rely on costly liquid helium, far better and cheaper NMR's will be available to all hospitals, not just the few hospitals in large cities that can now afford these devices.

Mr. President, the potential future uses for the new superconducting materials are limitless. But we as a nation do not have a monopoly on this technology and we will face severe competition in developing and producing commercially viable products that incorporate this new technology.

Two weeks ago Japan's Ministry of Trade and Industry [MITI], which in the 1970's organized Japan's successful development of a world class microelectronics industry, announced that it would begin a government-coordinated effort to find commercial applications for superconductors. Make no mistake, focusing the combined power of Japan's Government, financial and industrial resources on superconductors represents an extraordinary challenge to America's economic leadership well into the 21st century.

Mr. President, I believe we cannot stand idly by while Japan targets another industry for industrial supremacy.

That is why I have introduced legislation calling on the President to establish a National Commission on Commercial and Defense Applications of Superconductors.

This Commission will bring together leading scientists, engineers and business leaders. It will assess the state of America's research efforts in superconductors and report back to the President and Congress how we can better coordinate research, development and production of improved superconductors.

As part of this study, the Commission should give serious consideration to the potential benefit of exempting private companies from the antitrust laws to allow them to coordinate research, development, and production of improved superconductors.

In addition, the Commission should consider options for providing income tax incentives that would specifically encourage research, development and production in the United States of products containing improved superconductors.

Mr. President, when the Soviet Union launched Sputnik in 1957, this Nation galvanized its scientific, engineering and productive resources to match, and ultimately beat, the Soviets in space.

Thirty years later, I believe the challenge from Japan on superconductors is equally as serious as the challenge posed by the Soviets in 1957. We as a nation should not hesitate to meet this challenge.

I ask unanimous consent that the text of the Superconductivity Competition Act of 1987 be printed in the RECORD, along with a series of articles from the New York Times detailing recent advances in superconductor research.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 880

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Superconductivity Competition Act of 1987."

SEC. 2. (a) Not later than 15 days after the date of enactment of the Superconductivity Competition Act of 1987, the President shall appoint a National Commission on Commercial and National Defense Applications of Superconductors. It shall include representatives of—

(1) the Congress;

(2) the National Academy of Sciences, the National Science Foundation, the National Aeronautics and Space Administration, the Department of Energy, the Department of Justice, the Department of the Treasury, the Department of Commerce, the Department of Education, the Department of Transportation, and the Dept. of Defense;

(3) organizations whose membership is comprised of physicists and engineers;

(4) organizations representing the interests of the general public;

(5) representatives of companies and universities engaged in superconductivity research.

(b) Not later than 4 months after the date of enactment of the Superconductivity Competition Act of 1987, the Commission shall submit a report to the President and to the Congress, regarding recommendations as to how to enhance the development of improved superconductors and commercial and national defense applications of superconductors. In preparing this report, the Commission shall address at least—

(1) the state of United States competitiveness in the development of improved superconductors;

(2) methods to improve and coordinate the collection and dissemination of research data relating to superconductivity;

(3) methods to improve and coordinate funding of research and development of improved superconductors;

(4) methods to improve and coordinate the development of viable commercial and military applications of improved superconductors;

(5) foreign government activities designed to promote research, development and commercial application of improved superconductors;

(6) the need to provide increased federal funding of research and development of improved superconductors;

(7) the impact on the United States national security if the United States must rely on foreign producers of superconductors;

(8) the benefits, if any, of granting private companies partial exemptions from United States antitrust laws to allow them to coordinate research, development and products containing improved superconductors;

(9) options for providing income tax incentives for encouraging research, development and production in the United States of products containing improved superconductors, and

(10) methods to strengthen domestic patent and trademark laws to ensure that qualified superconductivity discoveries receive the fullest protection from infringement.

(c) The President shall provide whatever staff or other resources that are necessary to facilitate the deliberations and carry out the charge of such Commission.

[From the New York Times, Tuesday, Mar. 10, 1987]

ELECTRICITY RUSHES INTO A NEW ERA OF DISCOVERY

(By James Gleick)

Plunging toward the impossible, scientists on three continents are racing to achieve one of the great dreams of science—an everyday material that carries electricity without the slightest loss of energy.

Until now, such materials, superconductors, have existed only in the esoteric reaches of low temperature physics, a few degrees above absolute zero. But a series of new announcements over the last week around the United States have suddenly raised the prospect of a superconductor that could work at room temperature.

In magnets, wires or electronic devices, a room-temperature superconductor would hold the power to transform technology on a scale unseen since the advent of the transistor. As a result, the pace of discovery has accelerated to a feverish level at the major research laboratories of the United States, Europe and Asia.

"There's never been anything like this," said Alex Zettl of the University of California at Berkeley, one of many physicists announcing milestones. "People are working full steam, every day everyone is calling all the other groups, and because of that things are advancing even faster. It's an absolute avalanche."

Some applications are already in sight—from smaller, faster computers to storage of electricity in huge magnetic coils. Even when they speak of high-speed trains levitiated by magnets or electric motors shrunk to one-tenth normal size, many scientists believe they have barely begun to imagine the most far-reaching uses of a room-temperature superconductor.

Because existing superconductors require extreme cold, their usefulness has been limited to applications that justify the expense. But the newly discovered class of materials make the critical transition to superconductivity at higher and higher temperatures.

For more than a decade, the barrier seemed to be 23 kelvins, or degrees centigrade above absolute zero. Recently scientists broke through to levels of 30, 39 and then 52 under artificially high pressure.

Then—amid a flurry of patent applications and public announcements aimed at establishing scientific priority—scientists found a material that starts the transition to superconductivity at an astounding 98 kelvins. The last few days have brought a rapid sequence of new developments:

"Yet another compound displayed fluctuations indicating possible superconductivity at about 240 kelvins, less than 40 degrees below zero, according to separate groups the University of Houston and the University of California at Berkeley. Room temperature is about 295 kelvins.

"A radical new theory of the physics of superconductivity was put forward by a Nobel laureate who had earlier estimated the theoretical upper limit at about 100 kelvins; his new theory finds no obstacle to superconductivity at room temperature.

"On the basis of only sketchy public information about the latest discoveries, laboratories around the nation succeeded independently in duplicating the compounds with transitions above 90 kelvins, confirming that the materials were true superconductors and producing the first pure samples.

"These materials are so easy to make that as soon as a result comes out it's reproduced in many places simultaneously," said Robert Dynes of A.T.&T. Bell Laboratories. "What's a record today is not going to be a record tomorrow. It's like finding a gold mine where the nuggets are out there staring at you—you don't need sophisticated equipment to find them."

A BREAKTHROUGH IN ZURICH

It took nine months for news to begin spreading to the many theories and experimentalists specializing in superconductivity in government, industrial and university laboratories around the world, but the barrier to high-temperature superconductivity fell forever on Jan. 27, 1986.

The breakthrough came in an unexpected kind of material—a small, dark chunk of ceramic, an oxide instead of a metal alloy. Ordinarily, oxides are insulators, especially poor conductors of electricity, and most researchers in superconductivity were looking elsewhere.

But two scientists at the I.B.M. Zurich Research Laboratory in Switzerland, K. Alex Muller and J. Georg Bednorz, thought oxides were promising. For three years they had been mixing powders, baking them in hot ovens to make new compounds and changing their structure that would lose their resistance to electricity.

Dr. Bednorz read in a French journal about a particular new oxide, combining barium with lanthanum, copper and oxygen. The French scientists who discovered the compound were primarily chemists, and they never tested it for superconductivity.

No one else saw the promise and acted on it. "That's the amazing thing" said Richard Greene of I.B.M's Watson Research Center in Yorktown Heights, N.Y. "Anybody in the field of superconductivity should have been aware of this French work and should have measured these materials. So we're all kicking ourselves in the butt. In a way, it's the problem of modern science: There's so much work going on in so many places that it's impossible to keep up with it all."

But the Zurich scientists suspected that the material might be just what they had been seeking. And on Jan. 27, they discovered that electrical resistance plummeted at about 30 kelvins. After three years, they felt as much relief as triumph. "Each time I had set up the apparatus, I was expecting that something very exciting would happen," Dr. Bednorz said in an interview from Zurich. "But nothing happened—until this time."

Every time they could not be sure they were seeing true superconductivity, a strange state of matter in which electrons flow freely through the crystalline lattice of molecules. The annals of materials research are filled with false reports of odd phenomena that looked like high-temperature superconductivity but could not be reproduced.

Because of their uncertainty, and because they were concerned about competition, Dr. Muller and Dr. Bednorz kept their discovery quiet. In April they submitted a tentative report to a German journal, Zeitschrift für Physik, but publication took five months, and in the meantime they did not share prepublication copies with their colleagues, even at I.B.M.

"We wanted to measure as much as possible without being pressed by competitors," Dr. Bednorz said.

THE GLOBAL RACE BEGINS IN EARNEST

Researchers who read the Zurich results after they appeared in September took two paths. They tried to reproduce the results, making the same material and looking for explanations of its unexpected properties. And they tried to change the recipe, hoping to find variations that would work at even higher temperatures.

By December, the competition was intensifying. Groups in China and Japan saw the challenge. At the University of Houston, C. W. Chu had already worked on oxides and studied the ability of high pressures to encourage superconductivity.

So he squeezed the new material with thousands of times the pressure of the atmosphere. When he measured the temperature at which the transition to superconductivity began, he found that he was able to achieve first 40 kelvins, then 50 and then almost 60.

In the last week of December, his groups and a group at Bell Laboratories in New Jersey simultaneously made the first public announcements of the breakthrough that had begun in Zurich.

For Dr. Chu, the pressure technique had reached its limit. "When we went further, it wouldn't go," he said. "So we tried to mimic the pressure of chemical methods." That meant understanding something about the crystalline structure of the oxides. Dr. Chu tried replacing barium with strontium, a smaller atom. Immediately the transition temperature rose. But when he tried an even smaller atom, calcium, the temperature fell again.

Another piece of the puzzle fell into place when he realized that the purity of his samples had an odd effect. Usually a given pebble of a substance would not be homogeneous but would contain different phases, or chemical structures; and as Dr. Chu made his samples purer in January, they stopped showing signs of superconductivity at the very high temperatures. That hint led him to a new material altogether, in which the lanthanum was replaced by yttrium.

This material, still containing several different phases in any one sample, produced signs of an inconceivably high transition temperature. The signs came and went, but on Jan. 8, Dr. Chu submitted a patent application. Three weeks ago, his group and a group at the University of Alabama led by Maw-Kuen Wu, a former student of his, announced that they had achieved the transition to superconductivity at more than 90 kelvins.

They did not mention yttrium, though. For the moment, other researchers had to guess.

FROM EXPERIMENT TO THEORY

As researchers search frantically for better and better compounds, some of the crucial properties of those already discovered are just now beginning to come into focus. Even Dr. Chu had not been able to make a 100 percent pure version, but on Friday, for the first time, A.T.& T. Bell Laboratories reported that it had isolated and purified the high-temperature superconductor.

For power transmission, a superconductor must be capable of carrying large currents. That has been a serious question about the new materials, but the Bell group—Robert J. Cava and his colleagues—said the problem seems manageable.

For magnet applications, the key question is how big a field the material can sustain without losing superconductivity. Researchers report that the new substances seem able to handle enormous fields compared with the materials now in use.

But much remains to be learned, as many physicians believe that the best guide to new breakthroughs would be a sound theory.

Since its discovery in 1911, the phenomenon of superconductivity has been tinged with mystery. The first successful theoretical explanation waited until 1957. Unfortunately, it does not seem to explain the new materials. It's one of the greatest achievements of theoretical physics," said Dr. Zettl, "but right now the experimentalists are way ahead of the theory."

The first attempt to turn the latest breakthroughs into radically new ideas about physics was published last week in Science by Phillip W. Anderson of Princeton University. He sees a key in the fact that the new materials are flirting with being insulators; with the slightest change in composition, they would carry no electricity at all.

Dr. Anderson suggests a basic mechanism of repulsion between electrons, rather than attraction as in traditional superconductivity. He envisions "a state in which there is no long-range order, no regular structure, very much like a fluid."

At this stage, the theory is sketchy, he said, but it has enabled him to make some guesses about where the experimentalists should turn. "I have a list hidden away, and I've talked to various people about it," he said.

Even without a complete theory, physicists have been able to make good guesses about new materials. Last week, before the secret of Dr. Chu's material was revealed, the University of California at Berkeley duplicated it, as did several other laboratories. And Brookhaven National Laboratory on Long Island achieved a transition at 90 kelvins with a different substitution, using lutetium rather than yttrium.

The patent implications alone may take years to sort out. Not only have various researchers applied for patents on each new material, but I.B.M. and Bell Laboratories are both trying to patent the entire class.

"If you could go down to the corner hardware store and say you want wire," said Mervin Cohen, a Berkeley physicist, "and if they would say, 'What kind do you want, normal or superconducting?' that would certainly change the world."

AN IRRESISTIBLE FUTURE

"Let's just dream a little," said Praveen Chaudhari, director of physical sciences at I.B.M.'s Watson Research Laboratory in Yorktown Heights, N.Y.

If a superconductor can be found that requires no cooling, and if it can be readily made into wires or films, Dr. Chaudhari and other physicists see few limits on its potential for improving the technologies of scientific research and everyday life.

"Levitating trains are simple, transmission lines are simple, replacing wherever you need magnetic fields with superconducting fields," he said. "If you wanted to dream further, you could see the day when instead of cars with wheels you have levitating cars."

Already, superconductors are used in the most advanced medical imaging machines and in research on generating electricity by nuclear fusion, where magnets are essential to confine the reaction. For fusion some physicists now suggest that the far more powerful magnets promised by the new materials may make the difference between failure and success.

No one can predict the economic implications. A recent Federal study estimated that superconductivity would be at least a $3 billion a year business within the next three years, and at least an $11 billion business by the year 2000. Those estimates have now become obsolete.

A vast share of the world's electricity is lost to resistance in transmission lines. If an everyday superconductor could be manufactured on a large enough scale, those losses could be eliminated, and new nuclear power plants or arrays of solar cells could be placed far from where people use the energy.

For some physicists, the touchiest application concerns particle accelerators. The proposed Superconducting Supercollider, approved in January by President Reagan, would use gigantic superconducting magnets along its 60-mile circumference.

Proponents of the accelerator are concerned that the project could be delayed by the prospect of magnets that might be far less expensive but might also be years in development.

Even short of room temperature, the superconductors, already discovered will transform electrical technology from motors to generators, and they raise the possibility of storing vast amounts of energy in magnetic coils.

The new superconductors do not require the elaborate technology of cooling by liquid helium. Liquid nitrogen is enough, and liquid nitrogen, scientists suddenly like to point out, is cheaper than milk.

"It's already an amazing discovery," said Alex Zetti of the University of California at Berkeley. "A year ago it was totally out of the question. Every theorist would have laughed. It was just science fiction."

[From the New York Times, Mar. 14, 1987]

STANFORD REPORTS ADVANCE IN RACE FOR SUPERCOMPUTER

(By Andrew Pollack)

STANFORD, CA, March 13.—Scientists at Stanford University, in what could lead to rapid advances in superfast computers, reported today that they had succeeded in making a prototype electronic device out of a new class of superconducting materials.

The development indicates that dramatic breakthroughs in superconductivity reported in the last few months can be applied perhaps sooner than expected to making superfast computers and other electronic instruments.

Superconductors are materials that conduct electricity without the loss of energy. Until now superconductivity has been achieved only at temperatures a few degrees above absolute zero, or 460 degrees below zero Fahrenheit, making such devices expensive and difficult to use. But in the last few months a series of announcements have been made about materials that can become superconductors at more readily attainable temperatures.

But to make use of these new materials requires shaping them into useful forms, such as wires for electric transmission lines or magnets for powerful electric generators. This manufacturing task could take years to achieve.

PROTOTYPE ELECTRONIC DEVICE

The Stanford scientists have made a microscopically thin film of the new material that could be deposited on computer chips, which could ultimately lead to computers that are far faster than before. Using that new thin film, they have also built a prototype for a new form of an electronic tunnel junction device. This could be used as a basic component of computers or other electronic equipment.

"That's very significant," said Ira Weissman, an official of Varian Associates, a company that makes equipment used to produce computer chips. "It paves the way to the actual application of this material to specific device technology." He cautioned, however that "this essentially is a feasibility demonstration and there is a way to go yet in applying it to real devices."

The Stanford results appear to indicate that the first use of the new superconductors might be in electronic devices rather than in electric transmission and generation.

"This is the first step one wants to take in developing a whole class of electronic devices," said Malcolm Beasley, a professor of applied physics at Stanford, at a news conference announcing the development. Others who worked on the project were Prof. Theodore H. Geballe and Assistant

Prof. Aharon Kapitulnik, both in applied physics. The results have been submitted to the journal Physical Review Letters and will be announced at an American Physical Society Conference next week in New York.

The materials used were lanthanum strontium copper oxide and yttrium barium copper oxide. The researchers said they began their work in December, after hearing of advances elsewhere.

TECHNIQUE FOR MAKING DEVICE

The microscopically thin film, which was only 5,000 angstroms thick, was made by vaporizing the material and then condensing the molecules on the mineral saffire. Such physical vapor deposition is a common technique in the semiconductor industry.

The researchers said the material achieved superconductivity at 40 kelvins, or minus 388 degrees Fahrenheit, lower than some results reported recently. However they said they were confident they could get superconductivity at 90 kelvins, or minus 298 degrees Fahrenheit. This could be achieved by cooling in liquid nitrogen, which is easier to use than liquid helium now required.

Superconductors are already used in advanced medical imaging systems and scientific instruments because they are extremely sensitive detectors of electromagnetic radiation. Researchers have long dreamed of superconducting computers, which could be faster and more powerful than today's supercomputers. But work on such computers has been disappointing.

A few years ago the International Business Machines Corporation gave up development of a computer using superconducting devices known as Josephson junctions.

The Stanford scientists said the first use of thin film superconductors could be to connect the transistors and other devices on a chip in a supercooled computer, such as supercomputers now sold by Cray Research. Such connection on a chip is now done using conventional metals, which resist the flow of electricity causing a buildup of heat. Such an application could be feasible in one to two years, Professor Beasley said.

It could take several more years to fabricate electronic devices such as the Josephson junctions using the new materials, to take the place of the devices now used in instruments or to develop superconducting computers.

But Dr. Geballe said that the Stanford work "is a big step toward the Josephson junction," and could prompt companies to take up the technology once again. "I don't know how they could help but reconsider," he said.

[From the New York Times, Mar. 14, 1987]

JAPAN MAPS COMMERCIAL DRIVE

(By David E. Sanger)

Japan's Ministry of Trade and Industry, which organized that country's remarkably successful push into microelectronics, said yesterday that it would begin a government-coordinated effort to find commercial applications for superconducting materials, which offer no resistance to electricity.

Officials of the agency characterized the effort as a "study" that would involve university and industry representatives, including some from Japan's electronic giants. Experts in the United States noted that such studies were almost always a prelude to a concerted government effort to exploit new technologies commercially. They speculated that Japan saw an opportunity to organize its commercial undertakings before the United States moved the technology out of the research laboratory.

The action appeared to accelerate an already frenetic race among scientists to develop superconducting materials that would permit far faster computers and semiconductors and could have broad applications in power transmission and rail transportation. Most experts regard the United States as clearly in the lead in superconductivity research, but extensive work is reportedly under way among Japan's largest electronics companies and in many of its universities.

"Japan is picking things up fast in this area," said Mario Rabinowitz, a superconductivity expert who heads advanced research at the Electric Power Research Institute in Palo Alto, Calif. In the United States, he said, "A better coordinated effort all around is really called for."

Most experts agree that researchers in the United States hold a significant lead over other nations in superconductivity research. But the same was true a decade ago in the area of very-large-scale integrated circuit technology, which Japanese companies were able to exploit quickly with government aid. Today Japanese manufacturers dominate the market for many of the most complex computer memory chips, largely as a result of superior manufacturing techniques.

"I just hope that this time we don't lose out," C.W. Chu, a leading researcher in superconductivity at the University of Houston, said in a telephone interview yesterday. "They always catch up quickly."

[From the New York Times, Mar. 18, 1987]

SCIENTISTS PREDICT THE STRONGEST MAGNETS

(By James Gleick)

Scientists analyzing a new superconducting material have discovered that it can be made into magnets far more powerful than any now in existence, according to unpublished data from a half-dozen laboratories in the United States and China.

The material, a hard, dark ceramic discovered less than three months ago, has already astounded scientists with its ability to carry electric current with no loss of energy at record high temperatures. Researchers who are investigating the electrical properties of the material now find that it is also capable of sustaining unexpectedly large magnetic fields.

"They're spectacular—they're out of the range where people can measure them," said M. Brian Maple of the University of California at San Diego. Dr. Maple is organizing a special session tonight at the yearly meeting of the American Physical Society, where the latest results will be presented.

MANY OBSTACLES REMAIN

Such magnets could substantially change the nature of research into nuclear fusion and the construction of particle accelerators. Magnet technology dominates applications ranging from electric generators and medical imaging machines to futuristic highspeed levitating trains and anti-missile beam weapons.

Researchers caution that many obstacles must be crossed in turning the laboratory results into practical magnets. Questions remain about the capacity of the superconducting material to carry large amounts of current. And a serious problem is the engineering challenge of protecting devices with such magnets from the enormous fields they would generate.

"Impressive is an understatement," said Donald K. Capone of the Argonne National Laboratory in Illinois. "I don't know if there are materials strong enough to make a magnet withstand these forces without collapsing in on themselves."

The Argonne laboratory has produced samples of the material by the pound and plans to begin making wires from it, by combining strands of the ceramic with more malleable metal. Wires could be wrapped in coils for electromagnets; other laboratories have already turned the superconductor into thin film, suitable for applications involving electronic circuits.

RUMORS PERMEATE MEETING

The special meeting tonight at the New York Hilton, where more than 5,000 physicists have gathered, will be the first opportunity for researchers to discuss findings that have created backlogs at the ordinarily slow-paced scientific journals. Over the last two days, the rumors and gossip about superconductivity have permeated the Hilton's halls and meeting rooms.

"This kind of thing you see once in your lifetime," said Terry P. Orlando of the Massachusetts Institute of Technology, who has been investigating the superconductors at the National Magnet Laboratory in Cambridge, Mass.

Among other developments amid the frantic international race to understand the newly discovered superconductors and improve them, several laboratories have succeeded in isolating a pure form of the material that has stirred the most excitement, a compound of yttrium, barium, copper and oxygen. The ability of the material to handle magnetic fields is one of the first crucial properties to be tested.

Because such fields are beyond the range of present magnets, they are hard to measure precisely, but research at the National Magnet Laboratory has produced estimates from 800,000 gauss (a measure of magnetism) to more than 3 million gauss. By comparison, the largest superconducting magnets now used in particle accelerators produce fields of about 65,000 gauss; the earth's magnetic field, which pulls the needle on a compass, is one-half of a gauss.

Few pieces of technology are as pervasive in modern life as electromagnets, which rely on the magnetic field generated when an electric current is passed through a metal. Such magnets are essential features of doorbells, television picture tubes and the cranes that lift automobiles at junkyards.

But beyond a certain point, the special qualities of superconductors become essential. One of the most powerful magnets using ordinary conductors, sustaining a 230,000-gauss field at the National Magnet Laboratory, uses as much electricity as is generated by a small power station. And because the resistance of the copper coils turns electricity into heat hundreds of gallons of water must be pumped through the magnet each minute to keep it from melting.

Since a superconductor carries current with no resistance, heat is not a problem, and a superconducting magnet needs only a tiny fraction of the energy. Until the latest discoveries, however, superconductivity could be achieved only at temperatures within a few degrees of absolute zero, −459.7 degrees Fahrenheit, and that meant expensive cooling with liquid helium.

'HIGHER THAN ANYTHING KNOWN'

Another limitation is that a material's superconductivity can be destroyed by too strong a magnetic field. For the most widely used superconductor, an alloy of niobium and titanium, this limit is about 120,000 gauss. For the new superconductor, the upper limit seems surprisingly high.

"The field required to destroy the superconducting state is more than a million gauss, higher than anything ever known," said Jack H. Wernick, division manager for material sciences research at Bell Communications Research in New Jersey, one of the laboratories that has isolated the superconductor's pure crystalline form.

For pure research in physics, and for some existing applications, the magnetic field available is crucial. Particle accelerators rely on magnets to speed atomic particles and to bend their paths around a circular track. Doubling the strength of the magnets could halve the size of an accelerator needed to produce collisions of a given energy.

Scientists trying to generate electricity by nuclear fusion—an endeavor that has long frustrated researchers at Princeton University and elsewhere—need magnetic fields to confine the reaction. Some researchers have suggested that the new materials could finally make fusion workable.

FEW PROTOTYPES BUILT

The idea of levitating trains—trains that dispense with wheels and friction by floating in the grip of magnets—has long been associated with superconductivity, but only a few prototypes have been built. Such technologies, not quite practical when liquid helium is necessary, may now be within reach.

As they pass currents through chunks of the new superconductors and bombard them with X-rays to explore their molecular structure, scientists acknowledge that their preliminary results are only estimates. "It's a pure numbers game," said Theodore H. Geballe of Stanford University. "The extrapolations are uncertain and the instabilities are not yet charted."

But they are encouraged by the ease with which the material has been made at the scores of laboratories joining the research effort. The elements of the superconductor are inexpensive. The task of mixing them is strictly a low-technology affair.

So the new superconductors may soon be commonplace. Researchers at Los Alamos National Laboratory said yesterday that anyone with $50 worth of chemicals and a microwave oven could make their own.

[From the New York Times, Mar. 20, 1987]

Discoveries Bring a "Woodstock" for Physics

(By James Gleick)

No sooner was a breakthrough announced than it was obsolete, and only the coming of dawn yesterday ended what participants called the most extraordinary scientific meeting in memory.

Physicists from three continents converged on the New York Hilton for a hastily scheduled special conference on a string of discoveries that seem certain to produce a rapid cascade of commercial applications in electricity, magnetism and electronics.

The doors opened early Wednesday evening to a roar, a blur of color and a stampeding abandonment of professorial dignity. Within three minutes, the crowd had filled all 1,200 seats, and nearly 1,000 more physicists jammed the aisles and pressed against the walls. Outside, hundreds more strained to get in.

Several scientists called it the "Woodstock" of physics. "It's a phenomenon—there's never been anything like it in the history of physics," said Theodore H. Geballe of Stanford University.

The fast-breaking research on superconductors, materials that carry electricity without any loss of energy, has overwhelmed the ability of scientific journals to communicate it, and the meeting, called by the American Physical Society, brought new revelations, "some incredibly exciting results," as Neil W. Ashcroft, chairman of the society's division of condensed-matter physics, said in opening the meeting.

"What we're seeing here is one of the most exciting developments in decades," he said. "It's utterly remarkable, and I think there's more to come."

TEMPERATURES ARE KEY

The reason for excitement is the discovery of materials that carry current with no loss of energy whatsoever at record high temperatures, as high as 92 kelvins, or −294 degrees Fahrenheit, temperatures that mean the difference between impractical and practical.

Before the breakthroughs, superconductors were a multibillion-dollar business, but they were limited to applications that justified the enormous expense of cooling the materials almost to the physical limit. Now, with a host of everyday applications in sight, scores of laboratories around the world have joined the effort to understand the materials, to discover new ones and to turn them into shapes that can be used in technology.

K. Alex Müller, of the International Business Machines Corporation's laboratory in Zurich, announced the development of a superconducting thin film for electronics "which has been done over the weekend." Bertram Batlogg of A.T.& T. Bell Laboratories stunned the crowd by plunking down on the overhead projection a washer-size semiconducting ring and then pulling out of his pocket, wrapped in notebook paper, a sheet of wide tape made of the material, like vinyl to the touch.

"OUR LIVES HAVE CHANGED"

Amid the intensity, the jostling, "the madness," as one theorist said, the audience strained to see chart after chart of technical data. Then, giving in to the revival-meeting fervor, Dr. Batlogg set aside his graphs and said simply, "I think our lives have changed," and the hall erupted with shouts and applause.

The physicists cheered colleagues from overseas whom most had never met: Dr. Müller from Zurich, Zhao Zhongxian from Beijing, Shoji Tanaka from Tokyo, along with C.W. Chu of the University of Houston and Dr. Batlogg. These are some of the scientists, Dr. Ashcroft declared, "who set this magnificent engine running."

DEVELOPMENTS ARE DESCRIBED

Among the developments announced at the meeting, in some cases by scientists telephoning their laboratories to get the latest data, were these:

At least eight new materials, all relatively easy to make, share the ability to become superconducting at around 90 kelvins, or −298 degrees Fahrenheit, several laboratories have found.

Real-world applications have progressed more quickly than expected. Speakers described magnetic fields greater than any that have been seen on earth and prototypes of electronic circuits that would operate at high speed and without generating heat.

The discovery of yet another compound—especially surprising because it contains a magnetic metal, gadolinium, that is ordinarily known to prevent superconductivity—was reported by researchers from the Los Alamos National Laboratory in New Mexico.

The dozens of telegraphic reports were limited to a bare five minutes each. Even so, they went on until 3:15 yesterday morning, televised over monitors in the Hilton's corridors, where more physicists clustered in knots, drinking coffee and scribbling notes. Even after the formal adjournment, many lingered until 6 A.M.

Some scientists continue to urge caution about predicting quick success for the new materials, but most were highly encouraged by the flood of new findings. Measurements of crucial properties have improved weekly, particularly the ability of the superconductors to handle large magnetic fields. Questions remain, however, about their ability to carry large amounts of current.

SAVINGS IN ENERGY COSTS

Some suggested that billions of dollars in energy costs could eventually be saved by superconducting transmission lines and energy storage devices. Such devices would be gigantic coils that would store electricity in the form of magnetic fields, losing no energy at all to resistance.

Other applications of the superconductors include such things as advanced magnetic imaging machines for medical diagnosis and levitated high-speed trains supported by magnets. The powerful magnets and increased efficiency of superconductors could make possible electric motors one-tenth their present size as well as supercomputers that would be considerably smaller and faster than current ones.

"All those applications will involve a major change in the infrastructure of our society," said Dr. Chu, who discovered the first material that becomes superconducting at 90 kelvins. Many more applications will become possible if the critical temperature can be raised to room temperature, and Dr. Chu declared, "I believe room temperature is possible."

Afterward, he also suggested a potential for satellite applications, since the temperature of a satellite in space—at least, the side facing away from the sun—is quite low. "The material we have now is room temperature up there," he said.

The materials are brittle, baked in ovens from mixtures of powders. But the ability to make sheets of them, ready to form any shape imaginable, seemed like strong cause for optimism. "It shows there are going to be ingenious solutions," said Dr. Geballe of Stanford.

Because they are ceramics, the materials already have a highly developed manufacturing technology waiting, the same technology that mass-produces ceramics in everything from toilet bowls to delicate electronic devices.

The basic composition is highly ordinary, a copper oxide, but to take on the unusual electronic properties the materials must be laced with such elements as lanthanum and yttrium, so-called rare earths. One questioner asked whether the need for such elements would limit the kind of large scale applications that scientists are beginning to envision.

Dr. Batlogg said he doubted it. "In spite of the fact that they're called rare earths, they're not so rare at all," he said. Lanthanum, in particular, is quite inexpensive, other scientists said, and all the elements could be mined in greater abundance.

Applications aside, the breakthrough in superconducting poses a challenge to the fundamental theory of physics. The present highly successful understanding of superconductivity seems to break down completely when it comes to explaining the new materials.

As night turned to morning, a speaker finished his technical report and paused to display a slogan in bright letters on the screen overhead, "I am extremely happy to be a part of these adventures." Cheers filled the room, and the echoes rang from the television monitors outside.

[From the New York Times, Mar. 28, 1987]

NEW GAIN ON CONDUCTING ELECTRICITY

(By John Holusha)

DETROIT, March 27.—Scientists at Wayne State University, using an unconventional testing technique, say they have identified a material that carries electricity without any loss of energy at a temperature much warmer than previously reported.

The development is the latest in a rapid-fire sequence of advances in the superconducting of electricity. Until recently, most superconductors had to be cooled to nearly absolute zero, or 460 degrees below zero Fahrenheit, which made them impracticable for most applications.

But scientists have in recent months discovered materials that became superconducting at much warmer temperatures, with room-temperature superconduction now seen as within the range of possibility. Such materials are expected to have a wide range of commercial applications in electricity transmission, electronics and computers.

TWO-PHASE MATERIAL DEVELOPED

Dr. J.T. Chen and Dr. Lowell Wenger, both physicists at Wayne State, said they had developed a ceramic material with two phases, different crystalline formations of molecules, one of which becomes a superconductor at about 27 degrees below zero Fahrenheit, or 240 kelvins. Until now, the highest reported temperature for superconductivity with this family of materials was about 279 degrees below zero Fahrenheit, or 100 kelvins.

The material, the scientists said, is a copper oxide laced with the elements barium and yttrium, which is similar to substances used by other researchers. But earlier measurements had not clearly detected the properties of the second phase, in which superconduction occurs at the warmer temperature.

Dr. Chen said he had disagreed with colleagues at a meeting last week of physicists in New York who said there were hints that superconductivity was taking place at the higher temperature. "I was arguing with people that superconductivity at 240 degrees Kelvin was wrong," he said today. "That's why we did the test."

To check the properties of the phases, Dr. Chen and Dr. Wenger applied high-frequency alternating current to the material and measured a direct current voltage coming from it. This proved that at least part of the material was a superconductor at the higher temperature, Dr. Chen said.

"Using the high-frequency alternating current, we were able to pick up the traces of superconductivity," he said. "It is a much more sensitive test," he added, than simply measuring the electrical resistance of a material as the temperature is varied.

The next step, Dr. Chen said, is to identify which phase of the material is the higher-temperature superconductor and then try to isolate it. "We're not completely sure which one it is, but we have a pretty good idea," Dr. Chen said. "Our goal is to make a single phase material."

Advances are coming quickly in superconditive materials because scientists are rapidly gaining an understanding of the physics and chemistry of the compounds involved. Although the identification of a material that becomes superconductive at 240 kelvins appears to put the Wayne State group in the front of the pack of researchers, Dr. Chen said he expects to be passed by quickly.

"Somebody could announce a room temperature material at any moment," he said.

By Mr. ROTH:

S. 883. A bill to extend the temporary duty suspension on O-Benzyl-p-chlorophenol; to the Committee on Finance.

DUTY TREATMENT OF O-BENZYL-P-CHLOROPHENOL

● Mr. ROTH. Mr. President, I rise to introduce a duty suspension bill for a chemical, O-Benzl-p-chlorophenol [OBPCP].

U.S. duties on imports of OBPCP are now suspended, but that suspension is due to expire on November 1, 1987. The bill I am introducing today would extend the suspension of duties on this product until December 31, 1991.

This duty suspension will help keep and expand jobs in Delaware. Imports of OBPCP are vital to a small Delaware chemical company named NIPA Laboratories. NIPA Laboratories sells OBPCP to other companies and also processes it into a formulation that it then sells to germicide and insecticide manufacturers. The germicide products made from OBPCP are used in health care, and institutional and industrial applications. These manufactures also benefit from duty-free imports of OBPCP.

NIPA Laboratories plans to expand in the State of Delaware, but this expansion depends on the continued success of sales of OBPCP. For this reason, I very much hope the Congress will act expeditiously to approve this duty suspension bill.●

ADDITIONAL COSPONSORS

S. 12

At the request of Mr. CRANSTON, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 12, a bill to amend title 38, United States Code, to remove the expiration date for eligibility for the educational assistance programs for veterans of the All Volunteer Force; and for other purposes.

S. 39

At the request of Mr. MOYNIHAN, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 39, a bill to amend the Internal Revenue Code of 1986 to make the exclusion from gross income of amounts paid for employee educational assistance permanent.

S. 69

At the request of Mr. TRIBLE, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 69, a bill to amend the Internal Revenue Code of 1986 to repeal the basis recovery rule for pension plans.

S. 74

At the request of Mr. GRAMM, the names of the Senator from Pennsylvania [Mr. SPECTER] and the Senator from West Virginia [Mr. ROCKEFELLER] were added as cosponsors of S. 74, a bill to amend the Internal Revenue Code of 1986 to allow a charitable contribution deduction for certain amounts paid to or for the benefit of an institution of higher education.

S. 270

At the request of Mr. HUMPHREY, the name of the Senator from Kansas [Mr. DOLE] was added as a cosponsor of S. 270, a bill to provide a transition period for the full implementation of the nonrecurring adoption expenses reimbursement program.

S. 271

At the request of Mr. HUMPHREY, the name of the Senator from Kansas [Mr. DOLE] was added as a cosponsor of S. 271, a bill to amend section 1001 of the Public Health Service Act to permit family planning projects to offer adoption services.

S. 336

At the request of Mrs. KASSEBAUM, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 336, a bill to amend the Securities Exchange Act of 1934 to impose disclosure requirements on persons acquiring more than 5 per centum of certain classes of securities.

S. 397

At the request of Mrs. KASSEBAUM, the name of the Senator from Kentucky [Mr. FORD] was added as a cosponsor of S. 397, a bill to amend the Federal Deposit Insurance Act.

S. 455

At the request of Mr. HEFLIN, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 455, a bill to amend the Internal Revenue Code of 1986 to restore income averaging for farmers, to restore the investment tax credit and accelerated cost recovery for property used in the trade or business of farming, and for other purposes.

S. 514

At the request of Mr. KENNEDY, the names of the Senator from Vermont [Mr. LEAHY], the Senator from South Dakota [Mr. DASCHLE], the Senator from Alabama [Mr. SHELBY], and the Senator from Idaho [Mr. MCCLURE] were added as cosponsors of S. 514, a bill to amend the Job Training Act to establish an incentive bonus for the successful placement of certain employable dependent individuals, to provide targeting of assistance from certain carryover funds for such individuals, and for other purposes.

S. 696

At the request of Mr. COCHRAN, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 696, a bill to provide that full-time magistrates and bankruptcy judges receive a salary equal to 92 percent of the salary paid to judges of the district courts of the United States.

S. 708

At the request of Mr. PROXMIRE, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 708, a bill to require annual appropriations of funds to support timber management and resource conservation on the Tongass National Forest.

S. 764

At the request of Mr. MURKOWSKI, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 764, a bill to deny funds for projects using products or services of foreign countries that deny fair market opportunities.

S. 778

At the request of Mr. KENNEDY, the names of the Senator from Vermont [Mr. STAFFORD], the Senator from Illinois [Mr. SIMON], the Senator from Tennessee [Mr. GORE], the Senator from Iowa [Mr. HARKIN], the Senator from Mississippi [Mr. COCHRAN], and the Senator from Washington [Mr. ADAMS] were added as cosponsors of S. 778, a bill to authorize a star schools program under which grants are made to educational telecommunications partnerships to develop, construct, and acquire telecommunications facilities and equipment in order to improve the instruction of mathematics, science, and foreign languages, and for other purposes.

S. 795

At the request of Mr. CRANSTON, the name of the Senator from California [Mr. WILSON] was added as a cosponsor of S. 795, a bill to provide for the settlement of water rights claims of the La Jolla, Rincon, San Pasqual, Pauma, and Pala Bands of Mission Indians in San Diego County, CA, and for other purposes.

S. 800

At the request of Mr. BREAUX, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 800, a bill to authorize appropriations for fiscal year 1988 for certain maritime programs of the Department of Transportation and the Federal Maritime Commission.

S. 861

At the request of Mr. DANFORTH, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 861. a bill to require certain actions by the Secretary of Transportation regarding certain drivers of motor vehicles and motor carriers.

SENATE JOINT RESOLUTION 13

At the request of Mr. SYMMS, the names of the Senator from South Carolina [Mr. THURMOND] and the Senator from Utah [Mr. GARN] were added as cosponsors of Senate Joint Resolution 13, a joint resolution proposing an amendment to the Constitution of the United States with respect to the English language.

SENATE JOINT RESOLUTION 47

At the request of Mr. CRANSTON, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of Senate Joint Resolution 47, a joint resolution to designate "National P.O.W. Recognition Day."

SENATE JOINT RESOLUTION 87

At the request of Mr. RIEGLE, the names of the Senator from North Dakota [Mr. CONRAD] and the Senator from Pennsylvania [Mr. HEINZ] were added as cosponsors of Senate Joint Resolution 87, a joint resolution to designate November 17, 1987, as "National Community Education Day."

SENATE CONCURRENT RESOLUTION 15

At the request of Mr. HEFLIN, the names of the Senator from Indiana [Mr. QUAYLE], the Senator from New York [Mr. D'AMATO], the Senator from Mississippi [Mr. COCHRAN], and the Senator from Illinois [Mr. SIMON] were added as cosponsors of Senate Concurrent Resolution 15, a concurrent resolution expressing the sense of the Congress that no major change in the payment methodology for physicians' services, including services furnished to hospital inpatients, under the Medicare Program should be made until reports required by the 99th Congress have been received and evaluated.

SENATE CONCURRENT RESOLUTION 35

At the request of Mr. DECONCINI, the names of the Senator from Kentucky [Mr. FORD], the Senator from New Mexico [Mr. BINGAMAN], and the Senator from Oklahoma [Mr. NICKLES] were added as cosponsors of Senate Concurrent Resolution 55, a concurrent resolution expressing the sense of the Congress regarding the imposition of charges for outpatient care provided in medical facilities of the uniformed services to retired members of the Armed Forces, dependents of retired members, and dependents of members serving on active duty.

SENATE RESOLUTION 174

At the request of Mr. DECONCINI, the names of the Senator from New Mexico [Mr. BINGAMAN] and the Senator from Alabama [Mr. SHELBY] were added as cosponsors of Senate Resolution 174, a resolution expressing the sense of the Senate condemning the Soviet-Cuban build-up in Angola and the severe human rights violations of the Marxist regime in Angola.

SENATE RESOLUTION 175

At the request of Mr. HOLLINGS, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of Senate Resolution 175, a resolution regarding the policy for reviewing the negotiation record of the ABM Treaty.

SENATE RESOLUTION 177—COMMENDING DAVID J. PRATT FOR HIS SERVICE TO THE SENATE

Mr. BYRD (for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 177

Whereas David J. Pratt has faithfully served the Senate as an officer of the Senate, and

Whereas, the Senate wishes to express its appreciation for his dedicated service as an officer of the Senate, and

Whereas the said David J. Pratt at all times has discharged the important duties and responsibilities of his office with great efficiency and diligence; and

Whereas prior to his service as Secretary for the Majority and Secretary for the Minority he served the Senate in other important capacities, and

Whereas his loyalty, dedication, unfailing good humor, and incisive manner will be missed by all: Now, therefore, be it

Resolved, That David J. Pratt is hereby commended for his faithful and outstanding service to the Senate.

SEC. 2. The Secretary of the Senate is directed to transmit a copy of this Resolution to David J. Pratt.

SENATE RESOLUTION 178—ELECTING C. ABBOTT SAFFOLD AS SECRETARY FOR THE MAJORITY

Mr. BYRD submitted the following resolution; which was considered and agreed to:

S. RES. 178

Resolved, That C. Abbott Saffold be, and she is hereby, elected Secretary for the Majority of the Senate effective April 1, 1987.

SENATE RESOLUTION 179—TO CONGRATULATE THE UNIVERSITY OF TENNESSEE LADY VOLS AND THEIR COACH, PAT HEAD SUMMITT ON WINNING THE 1987 NCAA NATIONAL WOMEN'S BASKETBALL CHAMPIONSHIP

Mr. BYRD (for Mr. SASSER, for himself and Mr. GORE) submitted the following resolution; which was considered and agreed to:

S. RES. 179

Whereas, the women's basketball team at the University of Tennessee, the Lady Vols, are proven winners, having appeared in the Final Four of the NCAA Women's Basketball Tournament 8 times in the past 11 years,

Whereas, the Lady Vols have further displayed their mastery of the game of basketball by capturing the Southeastern Conference Championship in 1980 and 1985 and winning the Mideast Regional Championship in 1982, 1984, 1986 and 1987,

Whereas, the Lady Vols have compiled an impressive streak of eleven straight seasons in which they have won twenty or more games,

Whereas, Pat Head Summitt, the coach of the Lady Vols, has compiled a record of 318 wins and only 102 losses in her thirteen years leading the Lady Vols,

Whereas, Pat Head Summitt's dedication to the education of her players equals her zeal for the game of basketball,

Whereas, during her thirteen years at the helm of the Lady Vols, Coach Pat Head Summitt has obtained a virtually perfect one hundred percent graduation rate for her players,

Whereas, the University of Tennessee Lady Vols appeared in the 1987 National Championship Game and conducted a clinic on defensive play, holding Louisiana Tech to just 44 points,

Whereas, the defensive performance of the Lady Vols held Louisiana Tech to the lowest point total in the history of the NCAA Women's Basketball Championship Tournament,

Whereas, the University of Tennessee Lady Vols won the 1987 NCAA Women's Basketball Championship in a convincing manner with a 67-44 victory over Louisiana Tech: Therefore, it is

Resolved, That the University of Tennessee Lady Vols and Coach Pat Head Summitt are to be congratulated on an outstanding season: It is further

Resolved, That the United States Senate congratulates Coach Pat Head Summitt and the Lady Vols on capping this impressive season off with being crowned the NCAA Women's Basketball Champions for 1987.

SENATE RESOLUTION 180—AUTHORIZING PRODUCTION OF DOCUMENTS BY THE SENATE SELECT COMMITTEE ON INTELLIGENCE

Mr. BYRD (for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 180

Whereas, in November and December, 1986, and January, 1987, the Select Committee on Intelligence investigated and held closed hearings on the arms sales to Iran which occurred in 1985 and 1986, and on the alleged diversion to the Nicaraguan opposition of funds from those sales;

Whereas, the Independent Counsel appointed by the court in *In re Oliver L. North, et al.* (D.C. Cir. Div. No. 86-6, Dec. 19, 1986) to investigate possible violations of federal laws arising from those activities has requested transcripts of those closed hearings in furtherance of his investigation;

Whereas, after consultation with the Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition appointed pursuant to Senate Resolution 23 (100th Congress), the Select Committee on Intelligence has agreed to provide to the Independent Counsel transcripts of its closed hearings, and related documents, subject to appropriate security and other safeguards, and the consent of the Senate;

Whereas, by the privileges of the Senate of the United States and rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from its control or possession but by permission of the Senate;

Whereas, when it appears that documents, papers, and records under the control of or in the possession of the Senate may promote the administration of justice and enforcement of the law, the Senate will take such action as will promote the ends of justice consistently with the privileges and rights of the Senate: Now, therefore, be it

Resolved, That the chairman and vice chairman of the Select Committee on Intelligence, acting jointly, are authorized to provide the Independent Counsel with transcripts, and related documents, of closed hearings of the Committee on arms sales to Iran and the alleged diversion of funds to the Nicaraguan opposition, subject to the Independent Counsel's agreement to abide by appropriate security and other requirements established by the Select Committee on Intelligence.

AMENDMENTS SUBMITTED

HOUSING AND COMMUNITY DEVELOPMENT ACT

RIEGLE (AND OTHERS) AMENDMENT NO. 69

Mr. RIEGLE (for himself, Mr. CRANSTON, and Mr. D'AMATO) proposed an amendment, which was subsequently modified and further modified, to the bill (S. 825) to amend and extend certain laws relating to housing, and for other purposes; as follows:

On page 5, between lines 19 and 20, add the following new subsection:

(e) POSTPONEMENT OF IMPLEMENTATION OF REGULATIONS DEALING WITH FLOOD PLAIN MANAGEMENT STANDARDS.—The Federal Emergency Management Agency's revised regulations relating to flood plain management standards (51 Federal Register 30290, August 25, 1986) shall not be effective during the 60-day period beginning on the date of enactment of this Act. During such 60-day period, the Director the Federal Emergency Management Agency shall solicit and receive public comment and prepare and submit to the Congress a study of the impact on small business of such regulations.

On page 7, between lines 14 and 15, insert the following new subsection:

(c) Maximum Mortgage Amount.—Section 203(b)(2)(A) of the National Housing Act is amended by striking out "133 ⅓" and inserting in lieu thereof "150".

On page 43, line 16, strike out "amount calculated" and insert in lieu thereof "formula value".

On page 43, between lines 22 and 23, insert the following:

(d) Retention of Urban County Classification.—Section 102(a)(6) of the Housing and Community Development Act of 1974 is amended in the second sentence by inserting "or 1984" after "fiscal year 1983".

On page 55, line 19, strike out "subsection (h)" and insert in lieu thereof "subsection (g)".

At the bottom of page 55, add the following:

(i) LIMITATION ON GRANT AMOUNTS.—Section 119 of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following:

"(s)(1) The maximum grant amount for a project under subsection (b)(2) of this section is $6,000,000.

"(2) The maximum grant amount for a project under subsection (b)(1) of this section is $6,000,000 during fiscal years 1988 and 1989, except that this paragraph shall not apply to a project in which the Secretary determines that the average cost for each new permanent job does not exceed $8,000 and that the average cost for each permanent job retained that would otherwise be lost to the community does not exceed $8,000.".

On page 60, between lines 10 and 11, insert the following:

(d) TRANSFERS TO QUALIFIED COMMUNITY ORGANIZATIONS.—(1) Section 810(b)(1) of the Housing and Community Development Act of 1974 is amended by inserting before the semicolon the following: "or in accordance with subsection (1) to qualified community organizations.".

(2) Section 810 of such Act is amended by adding at the end thereof the following:

"(1) A unit of general local government, or a State, or a public agency designated by a unit of general local government or a State may transfer any real property that it receives under subsection (a) or purchases under subsection (h) to a qualified community organization. Qualified community organizations will be limited to those organizations—

"(1) that are incorporated and controlled by a Board of Directors whose members receive no compensation of any kind for the performance of their duties;

"(2) that are organized exclusively for charitable, educational, or scientific purposes, or the promotion of social welfare;

"(3) that qualify as exempt organizations under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986; and

"(4) that agree to assist the applicable State or unit of general local government with the selection of homesteaders, selection, inspection, and rehabilitation of the properties, and to perform such other functions as may be agreed between the States or unit of general local government and the qualified nonprofit organization, including the acceptance of title to property and the conveyance of the property to the homesteaders subject to the terms and conditions specified elsewhere in this section.".

On page 62, line 19, insert "(a) HARTFORD, CONNECTICUT.—" before "Notwithstanding".

On page 63, between lines 5 and 6, insert the following:

(b) LEBANON, PENNSYLVANIA.—Notwithstanding any other provision of law or other requirement, the City of Lebanon in the State of Pennsylvania is authorized to retain any land disposition proceeds from the financially closed-out Southside Urban Renewal Project (R-635(c)) not paid to the Department of Housing and Urban Development, and to use such proceeds in accordance with the requirements of the community development block grant program specified in title I of the Housing and Community Development Act of 1974. The City of Lebanon shall retain such proceeds in a lump sum and shall be entitled to retain and use, in accordance with this section, all past and future earnings from such proceeds, including any interest.

SEC. 151. AVAILABILITY OF COMMUNITY DEVELOPMENT BLOCK GRANTS FOR UNIFORM EMERGENCY TELEPHONE NUMBER SYSTEMS.

"(a) In General.—Section 105(c)(2) of the Housing and Community Development Act of 1974 is amended—

(1) by inserting "(A)" after the paragraph designation;

(2) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively; and

(3) by adding at the end thereof the following new subparagraph:

"(B) The requirements of subparagraph (A) do not prevent the use of assistance under this title for the development, establishment, and operation for not to exceed 2 years after its establishment of a uniform emergency telephone number system if the Secretary determines that—

"(i) such system will contribute substantially to the safety of the residents of the area served by such system;

"(ii) not less than 51 percent of the use of the system will be by person of low and moderate income; and

"(iii) other Federal funds received by the grantee are not available for the development, establishment, and operation of such system due to the insufficiency of the amount of such funds, the restrictions on the use of such funds, or the prior commitment of such funds for other purposes by the grantee.

The percentage of the cost of the development, establishment, and operation of such a system that may be paid from assistance under this title may not exceed the percentage of the population to be served that is made up of persons of low and moderate income.".

"(b) Applicability.—

(1) In General.—The amendments made by this section shall be applicable to amounts made available for fiscal year 1987 and each succeeding fiscal year.

(2) Notification of Grantees.—Not later than the expiration of the 30-day period following the date of enactment of this Act, the Secretary of Housing and Urban Development shall notify each grantee of assistance under section 106 of the Housing and Community Development Act of 1974 for fiscal year 1987 of the availability of such assistance for the development, establishment, and operation of a uniform emergency telephone number system in accordance with section 105(c)(2)(B) of such Act.

(c) Notice.—Not later than the expiration of the 30-day period following the date of enactment of this Act, the Secretary of Housing and Urban Development shall by notice establish such requirements as may be necessary to carry out the amendments made by this section. Such notice shall not be subject to section 553 of title 5, United States Code, or section 7(c) of the Department of Housing and Urban Development Act.

(d) Regulations.—The Secretary of Housing and Urban Development shall issue such regulations, based on the notice required by subsection (c), as may be necessary to carry out the amendments made by this section. Such regulations shall be published for comment in the Federal Register not later than 90 days after the date of enactment of this Act.

On page 65, between lines 17 and 18, insert the following:

(c) Allocation of Assistance Between Programs.—(1) Section 8 of the United States Housing Act of 1937 is amended by adding at the end thereof the following:

"(q) The Secretary shall not, during a fiscal year, enter into contracts to provide assistance for a number of units under subsection (o) that is greater than twice the number of units assisted under contracts entered into under subsection (b) during that year.".

(2) The amendment made by paragraph (1) shall take effect on October 1, 1987.

Beginning with page 65, line 19, strike out all through page 66, line 16.

On page 79, line 25, insert "unless otherwise provided by contract" before the period.

Beginning with page 91, line 3, strike out through page 92, line 2, and insert in lieu thereof the following:

"(3) Rental assistance.—If any family resides in a dwelling unit in a building purchased by a resident management corporation, and the family decides not to purchase the dwelling unit, the Secretary shall provide to the family such assistance as is necessary to enable the family to continue to reside in the dwelling unit.

"(4) Relocation assistance.—If any family resides in a dwelling unit in a public housing project in which other dwelling units are purchased under this section, and the family decides not to purchase the dwelling unit, and to relocate, the Secretary shall at the family's option—

"(A) assist the family in relocating to a dwelling unit in another public housing project; and

"(B) provide to the family such financial and other assistance as will permit the family to obtain comparable and affordable alternative housing.

On page 101, between lines 2 and 3, insert the following:

SEC. 213. VOUCHER PROGRAM.

Section 8(o) of the United States Housing Act of 1937 is amended—

(1) in the first sentence of paragraph (1), by striking out "In" and all that follows through "demonstration program" and inserting in lieu thereof "The Secretary may provide assistance";

(2) by striking out paragraph (4) and inserting in lieu thereof the following:

"(4) Assistance payments under this subsection shall be made for (A) lower income families who were living in rental projects rehabilitated under section 17 of this Act or section 533 of the Housing Act of 1949 before rehabilitation and who are physically displaced from their units, and (B) lower income families who were living in such projects before rehabilitation and who would have to pay more than 30 percent of their adjusted income for rent after rehabilitation whether they choose to remain in, or to move from, the project. For the purpose of this paragraph, 'physically displaced' means that the family must move out of the unit it is occupying because of the physical rehabilitation activities or because of overcrowding.".

SEC. 214. PUBLIC HOUSING AGENCY FEES.

(a) Section 8 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new subsection:

"(r)(1) The Secretary shall establish a fee that may be charged by public housing agencies for the costs incurred in administering the programs under subsections (b) and (o). The amount of the fee for each month for which a dwelling unit is covered by an assistance contract shall be 8.2 percent of the fair market rental established under subsection (c)(1) for a 2-bedroom existing rental dwelling unit in the market area of the public housing agency.

"(2)(A) The Secretary shall also establish reasonable fees (as determined by the Secretary) that may be charged by public housing agencies for—

"(i) the costs of preliminary expenses incurred in connection with new allocations of assistance under the programs under subsections (b) and (o); and

"(ii) the costs incurred in assisting families who experience difficulty (as determined by the Secretary) in obtaining appropriate housing under the programs.

"(B) The method used to calculate fees under subparagraph (A) shall be the same for the programs under subsections (b) and (o) and shall take into account local cost differences.".

SEC. 215. FLEXIBILITY TO ADJUST ASSISTANCE PAYMENTS.

Section 8(o)(7) of the United States Housing Act of 1937 is amended—

"(1) in subparagraph (A), by striking out "as frequently as twice during any five-year period" and inserting in lieu thereof "annually"; and

"(2) by striking out subparagraph (D).

SEC. 216. ADJUSTMENT POOLS.

Section 8(o) of the United States Housing Act of 1937 is amended by adding at the end thereof the following:

"(9) The Secretary shall set aside a portion of amounts appropriated under this subsection as an adjustment pool to pay for the adjustments required by paragraph (7)(A). Funds shall be distributed from the adjustment pool on a needs basis. To receive an adjustment, a public housing agency shall certify that adjustment funds are necessary to compensate for higher than normal increases in rent levels in its jurisdiction. Distribution of adjustment funds shall be made at the discretion of the Secretary.".

SEC. 217. GAO STUDY.

The Comptroller General of the United States shall prepare and submit to the Congress not later than October 30, 1987—

(1) a report relating to the administrative fees provided for under section 8(r) of the United States Housing Act of 1937 specifically addressing—

(A) whether the percentage set by section 8(r)(1) of the United States Housing Act of 1937 is adequate to cover the costs of administering the programs under sections 8(b) and 8(o), and

(B) whether the fee system set under section 8(r)(1) should be restructured to reflect the different characteristics and experiences of localities such as size, geographic location, and vacancy rates; and

(2) a report comparing the voucher and certificate programs in representative rental markets, and containing an assessment of what changes should be made in either the certificate or voucher programs. In preparing such assessment, the Comptroller General shall consult with the Secretary of Housing and Urban Development and other appropriate Federal officials as well as individuals and national and other organizations representing public housing agencies, local governments, and tenants.

SEC. 218. ABT ASSOCIATES REPORT

Not later than 90 days after the date of enactment of this Act, the Secretary of Housing and Urban Development shall submit to Congress the preliminary findings of the ABT Associates in connection with the preparation of the report entitled "Evaluation of the Housing Voucher Demonstration Program".

Notwithstanding any other provision of law or other requirement, the Secretary of Housing and Urban Development may not require the Bay City Housing Commission in the State of Michigan to pay any amount relating to ineligible costs incurred with respect to the public housing development grant numbered Michigan 24-7, awarded in 1974, under the United States Housing Act of 1937 (42 U.S.C. 1401, *et seq.*).

On page 127, line 13, strike out "115 percent of".

On page 63, between lines 5 and 6, insert the following:

SEC. . LOAN CANCELLATION.

The Secretary of Housing and Urban Development shall cancel the indebtedness represented by loan number 070024914 under section 312 of the Housing Act of 1964. The obligor on such loan is relieved of all liability to the Government for the outstanding principle balance on such loan, for the amount of accrued interest on such loan, and for any other fees and charges payable in connection therewith.

Section 214 of the Housing and Community Development Act of 1980, 42 U.S.C. 4136(a), is amended by adding a new subsection at the end as follows:

(1) Notwithstanding any other provision of law, no agency or official of a State or local government shall have any liability for the design or implementation of the Federal verification system described in subsection (d) if the implementation by the State or local agency or official is in accordance with Federal rules and regulations.

(2) The verification system of the Department of Housing and Urban Development shall not supersede or affect any consent agreement entered into or court decree or court order entered prior to the date of enactment of this Act.

HUMPHREY AMENDMENT NO. 70

Mr. HUMPHREY proposed an amendment to the bill S. 825, supra; as follows:

Beginning with page 46, line 3, strike out all through page 57, line 25, and insert in lieu thereof the following:

SEC. 142. URBAN DEVELOPMENT ACTION GRANT PROGRAM.

Section 119 of the Housing and Community Development Act of 1974 is repealed.

Redesignate accordingly.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Monday, March 30, 1987, in open session to continue to receive testimony on the military strategy of the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that the full committee, of the Committee on Armed Services be authorized to meet during the session of the Senate on March 30, 1987, to receive testimony on the military strategy of the United States in review of the Department of Defense authorization request for fiscal years 1988 and 1989.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Monday, March 30, 1987, to hold hearings on S. 813, the Urgent Relief for the Homeless Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PRODUCTIVITY AND LABOR

Mr. BYRD Mr. President, I ask unanimous consent that the Subcommittee on Employment and Productivity, of the Committee on Labor and Human Resources, be authorized to meet during the session of the Senate on March 30, 1987, to hold hearings on "The MOSS Talks and Their Effects on U.S. Employment in the Auto Parts Industry.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TRUCK SAFETY

● Mr. DANFORTH. Mr. President, I ask that the last piece of an exceptional series of articles by USA Today/Gannett News Service be printed in the RECORD.

Clearly, we must keep up the fight for safer highways.

The article follows:

[USA Today, Monday, Mar. 30, 1987]

TRUCK SAFETY IN CONGRESS

Congressional committees are tackling several aspects of truck safety this year. At least four bills are pending. They would:

Require drug and alcohol testing of airline and rail employees and truck and bus drivers.

Establish a Motor Carrier Administration within the U.S. Department of Transportation to promote and regulate trucking, the largest transportation industry.

Drop safety exemptions in many urban areas.

Require the government to study use of antilock brakes—which can stop trucks faster and with more control—and tachographs or on-board computers. Those units monitor truck speed and drivers' hours.

WRITE A SENATOR

Here are the key members of the Senate subcommittee that deals with truck safety issues. To write to them, include the room number and office building. All should be addressed to Washington D.C. 20510.

Ernest Hollings, (D-S.C.), Russell Building, Room 125 (chairman committee).

John Danforth, (R-Mo.), Russell Building, Room 497 (ranking minority member).

James Exon, (D-Neb.), Hart Building, Room 330 (subcommittee chairman).

WRITE A REPRESENTATIVE

Here are the leading members of the 33-member House subcommittee that deals with truck safety issues. To write to them, include the room number and office building. All should be addressed to Washington, D.C. 20515.

James Howard, (D-N.J.), Cannon Building, Room 2188 (committee chairman).

John Paul Hammerschmidt, (R-Ark.), Cannon Building, Room 2207 (ranking minority member).

Glenn Anderson, (D-Calif.), Cannon Building, Room 2329 (subcommittee chairman).

WRITE A BUREAUCRAT

Letters also can be directed to the federal government by addressing them to following people at the Department of Transportation, 400 Seventh St. SW, Washington, D.C. 20590:

Elizabeth Dole, secretary of Transportation.

Robert E. Farris, deputy administrator, Federal Highway Administration.

Diane Steed, administrator, National Highway Traffic Safety Administration.

GETTING MORE HELP

You can report problems you encounter or see with truck drivers to the national hot line of the American Trucking Associations. Call: (703) 838-1855.

SERIES PROMPTS A VARIETY OF CALLS

(By Denise Kalette)

The five-day series on truck safety published in USA TODAY last week struck nerves from Connecticut to California.

Phone calls poured in by week's end. Truckers called from pay phones in Grand Rapids, Mich., Jacksonville, Fla, Sioux Falls, S.D. Many said USA TODAY was "right on" in raising questions about equipment and driver safety.

Others felt truckers were singled out.

"I don't think it's fair to point a finger at the whole group of truck drivers," said trucker Perry Jason Williams of Liberty, N.C.

Many felt the economic demands result in hazards on the road. "Everybody's driving tired," said trucker Rick Cross of Oregon, Wis. Several hoped for legislation to curb the ultimately dangerous pressure they feel to drive farther and faster to keep costs down.

Some feared losing their jobs if they reported safety violations.

To caller Linda Tracy of Curtice, Ohio, the safety issue is tragically close. Her father-in-law and two friends were killed last August when his car was in an accident with a tanker truck.

The series was read into the CONGRESSIONAL RECORD. Legislators said the articles would spur safety laws in many states.

Callers let USA TODAY know about proposed drug testing of drivers in Wisconsin and an upcoming safety conference on trucks in Syracuse, N.Y. a La Crosse, Wis, resident reported that a dump truck was being fished from the Black River—it had blown a tire on I-90 near his home. The driver was killed.

Twenty-eight students in the sixth-grade class at the Durkee School, Kenosha, Wis., wrote to the White House asking for information on what's being done about truck safety. Student Heather Bailey said, "We thought it was important for the safety of U.S. citizens."

But the greatest number of calls came from truckers.

They said they made more money and worked shorter hours before deregulation. They didn't have to break laws by forging logbooks. They didn't have the same adversary relationship with state police. They feel trapped in a system that seems to legislate against them.

WHAT PEOPLE IN THE TRUCK INDUSTRY ARE SAYING

TRUCKING INDUSTRY MOVING

"What USA TODAY did in bringing a national focus to (truck) safety problems through its five-part series is something for which it should be commended.

"What it did not do, through, is to bring into realistic focus the millions of trucks that safely deliver every day everything Americans use, eat and wear. . . . Nor did it mention the legislative agenda that the American Trucking Associations (ATA) and the trucking industry of America have initiated.

"It involves aggressive, self-policing safety measures—unrivaled by any other industry—regarding quality and experience of drivers, maintaining equipment, holding down speeds, and support for beefed-up roadside inspections." Thomas J. Donohue, President and CEO, Amer. Trucking Associations.

TRUCKERS NOT RECKLESS

"I pulled into a little omelet shop, and I thought everybody was going to leave. Everybody was looking at me like 'Are you gonna drive through the front window?' And then I saw your story." Alan Weiss, 34, truck driver.

LIFE HAS CHANGED

"I grew up when people looked up to a truck driver as a knight of the road, and that's changed out here. These companies are pushing these kids out of three-day schools and trying to make a quick buck." Bobbi Tyre, trucker, Cheyenne, Wyoming.

JUST STAY AWAY FROM TRUCKS

"For people in cars, the best thing in the world is to stay away from (trucks). Shippers are putting pressure on to put more weight (on the truck) to reduce costs." Mike Boyle, Sioux Falls, S.D., long haul produce driver.

YOU'VE JUST GOT TO RUN

"I'm a safe driver—I've been driving for 10 years. (But) if you're going to take home any money, you've got to go out there and run like a bat out of hell. I drive 70 to 80 hours a week." Carl Smith, trucker, Houston, Texas.

LONELY

Something needs to be done, says Jodie MacKenzie, 24 of Endicott, N.Y., whose husband, Neil, died 10 days ago when his tractor hit a truck (one of the crashes profiled in last week's USA TODAY series). 'He had been driving for 14 or 15 years, but he was tired of all the runarounds,' said Jodie, who has a daughter, Jessica, 7.

CHANGING WAY OF LIFE

Will Potts of Sheffield, Ala. says independent drivers are caught between shippers' demands and a maze of state fees and regulations. 'In another five years there won't be such a thing as an independent driver. All of us will be driving for somebody else.' His wife, Barbara, says, 'He's gone Sunday through Friday and it's a lonely world when you're living it all by yourself.'

TRUCKS' RECORD BAD; WE NEED NEW LAWS

In the next 24 hours, a dozen people will die in wrecks involving big trucks. They'll be among the 4,500 expected to die in truck crashes on U.S. highways this year. Another 100,000 will be hurt.

What a waste. Worse, it doesn't have to happen.

USA TODAY has been chronicling a bloody tale of 18-wheel roulette in a series of articles based on a three-month investigation of the trucking industry.

The reports are frightening.

They add up to a sorry saga of too many unsafe trucks operated by tired or impaired drivers. Of federal agencies reluctant to enforce their rules and slow to implement new safety laws. And of disparities between states in licensing drivers, inspecting trucks, and enforcing laws.

The series also showed why car drivers, who cause half the truck-related fatalities, must learn more about the limits of the 40-ton monsters sharing the highways with them.

One thing is clear: It's more important than ever to make trucks and drivers safe. Trucks are getting heavier, wider, and longer. They carry more dangerous freight. And if the speed limit is raised, they will be going faster.

Even so, there are the truckers' defenders who answer legitimate criticism with misleading statistics. They should recognize that this is a national problem. Only a national commitment can solve it.

Nobody wants to bring back the days before 1980 when the federal government protected truck routes and freight rates. But we do need tough, uniform safety standards for the thousands of new companies and independents that wide-open competition created.

Today, some states—Texas, Utah, North Dakota, and New York—require drivers to pass rigorous written and road tests. Others—Alabama, Alaska, Arkansas, Kentucky, South Dakota, Vermont, West Virginia, and the District of Columbia—let anybody who can drive a car drive a truck.

Congress and the Transportation Department must work together to establish safety standards that apply to all big trucks. They should require, as a minimum, written and road tests for drivers and regular and random inspections.

Inspections have proved their worth: They are credited with a 44 percent drop in fatalities in Wisconsin, a 20 percent truck accident decline in Tennessee, and a 21 percent decline in Arizona.

New safety technology—anti-lock brakes and devices recording operating hours—should be tested.

And the DOT must quit dragging its feet in implementing steps already mandated by Congress: annual inspections, driver testing standards, and keeping drivers from carrying licenses from different states.

Make no mistake. Most truck drivers, and trucking firms, are safe and conscientious. We need them. They provide a vital service. And we want them to keep on trucking.

But we all have a life-and-death interest in getting the others—the dangerous drivers and the dangerous trucks—off our roads. They're killers.

TRUCKIN' DOWN TO THE BIG PRAY-OFFS

(By Polly Dwyer Hitt)

NOONDAY, TEXAS.—Loudene Kohlslaw got back home late last night after a long and unusual car trip. She says it gave her a whole new perspective on the big highway mess.

Like most people, she says she's always considered trucks the big bullies of the road. She hated their bumper stickers about bodily functions and their pornographic mud flaps.

She wearied of their game, driving the same speed side by side on the interstate and blocking traffic. But naughty drivers of regular vehicles do the same thing, and we don't notice it so much because the trucks are so big. She says it's like having your cocker spaniel run loose in the garden, as opposed to your Hereford bull.

In New Orleans, she saw a wheel-locked dump truck skid 90 feet trying to avoid a van from Indiana that had illegally turned across three lanes of traffic. People all said, "Oooh, that lucky van!" If it had been reversed, they'd have said, "Just look at that damn truck!"

Loudene admits she was thinking such things so as not to dwell on her irritation toward her brothers, Bubba I and Bubba II, who tricked her into her 1,000-mile trip. She was looking for an excuse to break in her new car. Her brothers told her she ought to go to New Orleans for the Final Four.

"What's that?" she asked. They told her it was a big faceoff debate and prayer contest the TV evangelists were having in the Louisiana Superdome.

Events in New Orleans just enforced the joke. She noticed hundreds of vans with Indiana posters on their windows and spare tires. She knew Indiana was big evangelist country. And then there were a ton of bumper stickers which said "Providence." It all seemed to fit—especially the 60,000 people in flashy clothes and either red or orange jackets. When a man outside the Superdome asked $125 for a balcony ticket, it seemed OK because she'd paid more than that for mailorder rosebushes from the gospel radio and TV broadcasters.

By halftime of Syracuse-Providence, she realized there wasn't going to be a pray-off, so she bought souvenir T-shirts for her nephews, had some oysters on the half-shell, and drove back home. She honked and waved at all the truckers along the way, and most of them honked and waved back.

HAPPINESS IS NOT A CAR IN SIGHT

(By Rae Tyson)

EAST LIBERTY, OHIO.—I slid behind the wheel of a shiny new Freightliner 18-wheeler. It felt odd, yet familiar.

It was the first time I'd driven a truck in nearly 15 years. It was the first time I'd ever driven a rig with a computer strapped in the sleeper compartment.

We were here to test truck brakes; it was one component of a three-month truck safety investigation. As I eased out the clutch, the powerful diesel pulled 80,000 pounds effortlessly. By the time I'd finished a half-dozen shifts, old habits awakened.

Distant memories did, too. I glanced at my passenger, veteran test driver Buddy Testerman, and said. "This was a tough way to make a living."

Hoosier fleet owner Elmer Buchta Jr. makes the same observation when he talks of high driver turnover: "They say, 'My nerves can't handle it.'"

Indeed, truck driving can be a nerve-wracking experience. Everything is seemingly in slow motion; acceleration time to 55 mph is measured in minutes, not seconds. Uncaring drivers block passing lanes, robbing you time-saving momentum on long upgrades. Stopping from legal speeds can easily use up a football-field stretch of highway.

Nearly 80 percent of the vehicle is behind you, visible only through side mirrors. Turning can use up most of a narrow city street. Backing is a combination of skill and luck.

Negotiating a busy suburban area during rush hour can raise your blood pressure by 20 points.

Drivers cut in front of your rig, erasing a reasonable safety margin. Others sneak into blind spots, then angrily honk when you obliviously change lanes. Some "four-wheelers" will approach from behind, oblivious; blinding high-beams—magnified by your mirrors—make it nearly impossible to see. Others must think your rig has Porsche-like stopping ability. Says Buchta: "People see you coming and they just pull out in front of you."

I remember vividly how a driver—carrying a station wagon-load of bright-eyed youngsters—pulled from a side road into the path of my loaded truck. Rolling down a long, steep hill near Rochester, N.Y., my choices were limited.

Since the prospect of flattening a carload of children didn't seem appealing, I chose the ditch. Soon after, I chose another profession.

Fifteen years later, I enjoyed a brief return to the driver's seat. Mostly, though, I enjoyed it because there wasn't a car in sight.

QUOTELINES

"I'm determined that safety will not be diminished."—Transportation Secretary Elizabeth Dole.

"I'm very concerned that economic pressures brought on by truck deregulation are a contributing cause to the decline in safety."—Sen. Jay Rockefeller, D-W.Va.

"If I can't get it fixed, I'm not going to shut it down—that's money."—Leroy Faith, San Antonio, Texas, trucker.

"There's lot of junk running up and down the roads."—Kay Vaughn, Malvarn, Ark., trucker.

"They are rolling toward disaster."—Keith Bissell, Tennessee public service commissioner.

TRUCKS' RECORD GOOD; WE DON'T NEED NEW LAWS

(By Mike Parkhurst)

CANOGA PARK, CALIF.—A microscope in the hands of a trained technician, focused on particular bacteria, can help identify the proper villain. Politicians prefer to use a microscope as a sledge hammer. They don't know how to look or focus, so they pick it up and try to beat to death what they are allegedly examining.

The lane-duck Congress of 1982 heaped huge taxes on truckers, costing the industry far more money than all the alleged losses due to deregulation competitiveness. A trucker would rather spend his money on his truck, but Uncle Sam cost the industry the equivalent of 10 new tires and two brake reline jobs per year per truck. And that's just the increase.

The Teamsters Union spoonfeeds the media with the lie that deregulation is the accident culprit. The Naitonal Highway Traffic Safety administration's official figures prove beyond a shadow of a doubt that the industry is safer now than it was in 1979, the year before deregulation. In 1979, 25 percent of the biggest regulated carriers were operating in the red or had already filed bankruptcy. This has not happened since. So much for the evils of deregulation.

The Department of Transportation cites 4,597 fatalities "involving" heavy trucks in 1979. For 1984, figures show a drop to 4,178 fatalities. But let's not forget that "involvement" is not the same as blame. More motorists were killed running into bridge abutments and trees than were erased by all of the nation's truckers. Shall we drug-test spruce and pine?

There was a dramatic drop in heavy truck-involved fatalities the first year of deregulation, from 4,597 in 1979 to 4,036 in 1980. But in 1986, there were just 164 more fatalities than 1980's low, even though there were 10 percent more trucks on the road, so the actual involvement rate is down.

Congress doesn't need to implant more teeth in its ever-roaming, never-sleeping safety shark. In 1982, it authorized the Transportation Department to fine a trucker $10,000 for one safety infraction, a penalty that would put a small trucker out of business and wound even a large firm. Should electrocution now follow?

The Transportation Department says heavy-truck drivers are responsible for only 3 percent of the deaths their vehicles are involved in. That works out to 133 deaths caused by big-rig drivers in one year, less than three per state per year. The USA's highway patrol and state police agencies have a record twice as bad.

In spite of the occasional nitwit who manages to get a job driving a big truck, the industry is far safer than seven years ago. More people are killed by drunk car drivers within a 100-mile radius of Washington, D.C., in a month than are killed on all our nation's highways by big-rig drivers in a year. The highway fatality death toll, based on blame, reads: Public 43,662; Truckers 133.

TOUGHEN SAFETY RULES TO CURB DEATHS, INJURIES

(BY BRIAN O'NEILL)

WASHINGTON.—Horror stories abound about highway crashes involving big trucks. And with good reason. More than 4,500 people died last year in tractor-trailer crashes. And the toll has been climbing. Overwhelmingly, these deaths involve the people who must share the road with big rigs.

This is not say that *all* trucks are dangerous. There are lots of well-maintained rigs and responsible drivers. But there are plenty of problems, too. Widespread problems involve poor equipment that's poorly maintained—especially brakes—and operated too fast by drivers who've been at the wheel for too long.

What's being done? Tractor-trailers now have to have operating brakes on *all* axles, including the front ones. A new law requires a single national licensing system for truckers. Pending legislation promises a crackdown on drivers who abuse alcohol and other drugs.

Still more must be done, and a lot of it could be accomplished if truckers would equip their rigs with modern safety features. The industry claims driver error causes 95 percent of all crashes, and new safety equipment isn't needed. But accident causation is much more complex than the truckers concede. A number of factors, usually a combination, cause crashes, and many of them *do* involve the equipment. Jackknifing, for example, is usually blamed on drivers when a large number of these crashes could be prevented by modern anti-lock brakes.

The Department of Transportation should require all new trucks to be equipped with anti-lock brake systems as soon as possible. The Europeans are on the verge of doing this, and we need a similar regulation.

There's an equal need to require automatic devices that record when trucks are driven and how fast. They eliminate the need for driver log books, which are falsified so routinely they're referred to as comic books. On-board recorders have been required and used successfully for years in Europe and are being used by some progressive U.S. carriers. They should be *required* in order to help control speeding and reduce the number of drivers who exceed maximum permitted hours behind the wheel.

In addition, all trucks should be thoroughly inspected at least once a year. Congress has directed DOT to implement such a program, but DOT has proposed a wholly inadequate system of self-inspections.

Truckers who violate *any* safety violations should have to pay stiff fines instead of little more than a slap on the wrist.

These measures will mean sounder rigs and better truck drivers. They'll mean continued life and productivity for many people who otherwise can be expected to die or be seriously injured as a result of crashes involving big trucks.

WHAT SHOULD BE DONE TO GET UNSAFE TRUCKS OFF THE ROADS?

VOICES FROM ACROSS THE USA

Most of the ills of the road are being blamed on a few bad truck drivers. Sure, there are a few unsafe trucks, but the overwhelming majority of trucks are safe. Whenever there is an accident between a car and a truck, the truck driver is always blamed. The problem lies with car drivers who cannot drive on high-speed highways.—Sidney Rowan, 49, Truck driver, Oak Park, Ill.

The answer to safer trucks begins with the road inspections, as well as the inspectors. If a truck gets a ticket or a warning for faulty equipment, most inspectors do not follow up on their inspections to make sure the problem has been taken care of. But the lack of manpower for the inspections is part of the problem, too.—Cora Fiebig, 52, Pro shop operator, Madison Heights, Mich.

I have almost been run off the road by truck drivers several times. They are dangerous and rude people who have no respect for other drivers. All 50 states should require rigorous training before a truck driver's license is issued, and roadside inspections should be increased. Most of the trucks are falling apart.—John Bookin, 25, Health care worker, Ridgwood, N.Y.

Not all truck drivers are bad. I frequently drive on the interstates, and the truck drivers have been kind. But truckers should be tested for drug use because some of them spend long hours on the roads and take pills to stay awake. The profit-oriented truck companies should be faulted for those long hours.—Pat Mercer, 32, Livestock inspector, Lincoln, Neb.

Small cars are usually the cause of most truck-auto accidents. Brake failure is not the problem. The problem is with car drivers who do not give truck drivers the right of way. The truck drivers who should not be on the roads are those who scratch from one load to another for a living and cannot afford to fix their rigs.—Jim Walsh, 63, Truck driver, Pomona, Calif.

There should definitely be more than a pencil-paper test for drivers to be licensed to drive a truck. Driving a truck is not the same as driving an automobile, and the requirements should be different. Since most trucks travel on the interstate highways, perhaps they should all be nationally certified.—Laura Finch, 22, Graduate student, Columbus, Ohio.

The majority of truck drivers do a good job—not all of them are dangerous. But I am personally opposed to the double trailers on the roads. They are hard to pass and create a traffic hazard. There should be a limit on the number of trucks that are allowed on the highways, especially on two-lane roads.—Randy Frykholm, 49, Systems analyst, Gemantown, Tenn.●

THE ROLE OF EDUCATION BECOMES INCREASINGLY IMPORTANT

● Mr. RIEGLE. Mr. President, I was pleased to join as an original cosponsor this week of two bills which I believe will make great strides toward strengthening American education. The first bill is the Future Teacher Training Corps Act, introduced by Senator BINGAMAN, and the second is the Computer Education Assistance Act, introduced by Senator LAUTENBERG.

As we discuss ways to increase the competitiveness of the United States in the world economy, the role of education becomes increasingly important. In order to increase the productivity of our workers and revitalize our industries, we must invest in innovative educational programs that will result in a more skilled and productive work force.

The first measure, the Future Teacher Training Corps Act, would award graduate fellowships through State grants to outstanding undergraduate students and to midcareer people who are interested in the teaching profession. In return for the scholarship, the recipient would agree to teach in geographical areas of the State and/or in subject areas where a teacher shortage exists. The bill defines fields of study in shortage areas as math, the sciences, and any other three subjects determined by the State. Geographic shortage areas, also determined by the State, may include remote rural areas or inner-city schools.

This legislation addresses the teacher shortage and the decline in the quality of math and science education in this country by creating incentives for highly qualified individuals to take teaching positions in these critical areas.

The second measure, the Computer Education Assistance Act, would establish a program of competitive grants to States and local school districts for the purchase of computer hardware and software and in-service teacher training. It requires careful planning for the inclusion of computer education in the school curriculum. The bill also authorizes assistance for teacher-training institutes for elementary and secondary schoolteachers and provides for evaluation of computer hardware and software and the development of model instructional programs which can be adopted by interested schools.

The Computer Education Assistance Act will provide needed exposure to computers for all students. Currently, there is a large gap between rich and poor schools in the amount of computer equipment that each has. This exposure in turn will give students the tools necessary to expand their horizons and improve their analytical and critical thinking skills.

These two measures taken together are important long-term investments in education that will prepare our children to better address the technological challenges of the future. With quality teachers and quality educational programs in the math and science areas, they will develop the understanding and skills necessary to become active participants in meeting these challenges.●

IN RECOGNITION OF THE GEORGIA SOUTHERN COLLEGE EAGLES

● Mr. NUNN. Mr. President, a year ago I told the story of the amazing accomplishments of a young football team of walk-on players from Georgia Southern College in Statesboro. Their program was operating on a budget so tight they couldn't afford stripes for their uniform britches. The players were comparatively small in a game of Goliaths, led by a 5-foot-8 quarterback. It was only their fourth season on a football field and their second year in the NCAA.

But the Georgia Southern Eagles had just won the 1985 NCAA division I-AA national championship. No college football team had ever come so far so fast to win a national championship.

And no NCAA I-AA championship team had ever come back the next year to win it all again—until the Georgia Southern Eagles did it again in 1986. Led by NCAA coach of the year Erk Russell and quarterbacked by college football's leading rusher and passer Tracy Ham, the Eagles became the only team in I-AA history to win consecutive national championships. And they captured those two titles in their first 3 years of NCAA play. Two out of three ain't bad.

The Eagles pulled off that history-making feat with recordbreaking performances unmatched in college football at any level. Here is the rest of that story.

As defending 1985 national champions, the Georgia Southern Eagles brought a regular season record of 9-2 into 1986 playoff tournaments. Tracy Ham had completed the 1986 season—his last in the blue and white No. 8 jersey—as the only college football player in any division to amass career totals of 3,000 yards rushing and 5,000 yards passing. That didn't even include his postseason totals from the previous championship playoffs.

To recapture the national championship trophy at the Diamond Bowl in Tacoma, December 19, the Eagles would have to beat four top-ranked I-AA teams in the playoffs, including the No. 1-ranked University of Nevada at Reno on its home field. Nevada-Reno hadn't lost at home in 18 games—until they played Georgia Southern on December 13. Of the 16 teams starting the playoffs, only 2 survive to play for the title. In 1986, those two were Georgia Southern College and Arkansas State University. On the night of the Diamond Bowl, a supremely confident Arkansas State was favored to win. But, from the opening kickoff to the final seconds, it was Georgia Southern that dominated every quarter of play. When the score was out of reach in the fourth period, Coach Russell took his first string out of the game and substituted players to allow all the team members to take the field, even though it meant sacrificing the widening point spread. When the clock ran out, Georgia Southern had reclaimed its crown, 48 to 21. The Eagles also stood as the only undefeated team in the history of NCAA I-AA playoffs with eight straight postseason victories in 2 years.

In the aftermath of the championship, national athletic honors were showered on the team and its coaches, including numerous all-America and player of the year citations for Ham and coach of the year accolades for Russell.

But perhaps the proudest achievement of all, to Coach Russell and to Georgia Southern, is that all 18 seniors on the team are projected to graduate this year with degrees in their respective academic disciplines. This is what college athletics is really about, or should be.

What is it about this team that enabled them to overcome inexperience, underfunding, undersize stature, and underdog odds and climb to the top anyway? You won't see this team spike the ball in the end zone; instead, you'll see players drop to bended knee to offer a prayer of thanks. You'll see a coach who tries to give every player a chance to shine, even if it means sacrificing points instead of running up the score. I think the Georgia Southern Eagles are national champions because they never waiver from Coach Erk Russell's simple motto: "Do right."

It is that spirit of superlative sportsmanship which has earned victory with honor. I congratulate the Georgia Southern Eagles for doing what no other team has done—and for bringing national recognition to my State of Georgia and pride to the hearts of all Georgians.●

TRIBUTE TO C.C. WEI

● Mr. BREAUX. Mr. President, I would like to call attention to our recent loss of one of the most prominent figures in the great history of America's maritime industry. C.C. Wei, founder of the Falcon Shipping Group, revolutionized American shipping in the late 1960's by developing a new generation of automated, diesel-propelled tankers.

He was a brilliant innovator and a staunch supporter of the American maritime industry. While others found it necessary to take advantage of lower construction and operating costs associated with flying a foreign flag, Mr. Wei chose to stick with the U.S. flag. Even under the severe disadvantage of competing with low foreign labor costs and foreign government subsidies, and having to fight against unfair trading practices favoring foreign carriers often to the exclusion of U.S. shippers, Mr. Wei was able to build a shipping empire that made him a rival of such magnates as Daniel Ludwig, Aristotle Onassis, and Y.K. Pao. Even today, in a time when some predict that 8 of every 10 shipping companies will soon go bankrupt, Falcon Shipping is still one of America's largest.

Although Chinese by birth, C.C. Wei displayed the kind of American entrepreneurial spirit and patriotism that made this Nation great, but that has now become all too rare. I feel lucky to have known him as I know all of his many admirers do as well.●

AFGHANISTAN: LETTERS FROM THE STATE OF KENTUCKY

● Mr. HUMPHREY. Mr. President, last December the brutal Soviet occupation of Afghanistan entered its eighth year. The horrible condition of human rights in Afghanistan was recently described in a United Nations report as: "A situation approaching genocide."

As chairman of the Congressional Task Force on Afghanistan, I have received thousands of letters from Americans across the Nation who are outraged at the senseless atrocities being committed today in Afghanistan. Many of these letters are from Americans who are shocked at this Nation's relative silence about the genocide taking place in Afghanistan.

In the weeks and months ahead, I plan to share some of these letters with my colleagues. I will insert into the Record two letters each day from various States in the Nation. Today, I submit two letters from the State of Kentucky and ask that they be printed in the Record.

The letters follow:

Dear Sir: I just read a story in a recent Reader's Digest magazine about Soviet butchery in Afghanistan. It's hard to believe that nightmares like that really happen in this world. I think that the U.S. should do something to try to stop it, it is the only right thing to do.

Sherley Applegate,
Louisville, KY.

Dear Senator Humphrey: Although I am dubious as to whether this letter will prod our government out of it's relative inaction, I do wish to voice my concern over the horrible situation in Afghanistan. Part of this is to alert you to the fact that not all of the American public are unaware of the desperate situation there, or unwilling to do anything about it. I not only care, I am willing to support action against this outright disregard of human rights. This is not a matter of choice, this is our responsibility as members of society and civilization, otherwise we are chipping away at the very foundations we, as human beings have built, in order to do more than exist, and to be more than animals. We cannot negotiate human lives, or barter a country, let us cry foul against the Soviets and stand firm. Let America truly be what she represents herself to be.

I will support you in your endeavors, otherwise, I cannot hold my head up as an American or a human being.

Sincerely,

Mona L. Mikkelsen,
Radcliff, KY.●

A CALL FOR FEDERAL TAXATION REFORM

● Mr. HATCH. Mr. President. I thought my colleagues would be interested in a resolution passed during the recent general session of the Utah State Legislature.

I submit the resolution for the Record.

The resolution follows:

Resolution

Be it resolved by the Legislature of the state of Utah:

Whereas, the Sixteenth Amendment to the Constitution of the United States, as evidenced by the history of its adoption, was not intended by its framers, proponents, or the ratifying States to permit taxation by the Federal government of interest income on the obligations of the States or their political subdivisions; and

Whereas, the Congress of the United States has of late enacted and proposed legislation which operates to tax or restrict such obligations and the income thereon and proceeds thereof; has enacted and proposed retroactive tax legislation: and has enacted or proposed legislation which limits the deductibility for Federal income tax purposes of taxes paid under State laws and interest on amounts borrowed by financial institutions to purchase or carry such obligations, all to the manifest detriment of the States and their economies.

Now, therefore be it resolved that application is hereby made to the Congress of the United States, pursuant to Article V of the Constitution of the United States, to call a convention for proposing an amendment to the Sixteenth Amendment to the Constitution of the United States, however, said call for a convention by the state of Utah is limited to the express purpose herein enunciated and for no other purpose, and the state of Utah is not to be counted in a convention call for any other purpose except as limited herein. Such proposal to amend the Sixteenth Amendment shall provide as follows:

The Congress shall have power to lay and collect taxes on income, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration, but not legislation enacted in the exercise of this power shall have retroactive effect. So that the right of the States to finance the public purposes established by them or their electors shall not be infringed, the Congress shall lay no direct or indirect tax upon the income derived from general or special obligations issued by or on behalf of the States, their political subdivisions, or authorized authorities, nor upon the proceeds thereof or income on such proceeds, nor from their governmental activities, nor shall it otherwise tax or restrict such obligations or exclude, as deductions from income, taxes paid pursuant to the laws of any State or interest on amounts borrowed by any financial institution to purchase or carry such obligations.

Be it further resolved, that if the Congress of the United States shall propose such amendment for ratification by the legislatures of three-fourths of the several States, this application shall no longer be of any force or effect.

Be it further resolved, that this application constitutes a continuing application in accordance with Article V of the Constitution of the United States until at least two-thirds of the several States shall have made similar applications to the Congress of the United States.

Be it further resolved, that the Lieutenant Governor is hereby directed to transmit copies of this application, upon its due adoption, to the President and Secretary of the Senate and the Speaker and Clerk of the House of Representatives of the Congress of the United States.●

● Mr. STEVENS. Mr. President, James Lyons, commander in chief of the U.S. Pacific Fleet, recently stated that Adak, a small island in Alaska's Aleutian Chain, has become extremely important to Pacific strategy. Lyons cites several reasons for this shift in emphasis. Adak lies only 600 miles from Petropavlovsk, the primary submarine base for the Soviet Union. The United States takes more oil out of the Alaskan port of Valdex that we import from the Persian Gulf, and Adak already has established naval and air bases.

In response to this increased strategic importance, the U.S. Navy will begin to send aircraft carrier battle groups to the Aleutians, and for the first time in modern warfare, ships and submarines from the Pacific Fleet will conduct maneuvers near the coastline. Recently there has been a large-scale buildup of men and equipment in Adak, which is now home to 2,000 sailors and 100 marines continually stationed there in 1-year tours of duty.

Mr. President, I ask that Mr. Burgess's article be printed in the Record.

The article follows:

[From the San Diego Union, Feb. 8, 1987]

Icy Island of Adak Seen as Navy's Key North Pacific Outpost

(By Tom Burgess]

In the elusive shadow game played between the U.S. and Soviet navies, the center of attention across Pacific battlefields has shifted from the western Pacific to a tiny island that is home to otters, bald eagles, frozen tundra, 2,000 sailors—and a new Navy strategy for dealing with the USSR.

The island is called Adak, a tiny Aleutian Island located 600 miles from the Soviet

Union's primary Pacific submarine base at Petropavlovsk on the Kamchatka Peninsula in the northern Pacific.

Adak will become increasingly important to the Pacific strategy because of its location and its already established naval station and air strip.

"All our trade routes from San Francisco and Seattle come within 50 to 200 miles of Adak," said Adm. James "Ace" Lyons, commander in chief of the U.S. Pacific Fleet.

"We take more oil out of the port of Valdez in Alaska than we import from the Persian Gulf. That alone makes the northern Pacific a key strategic area," said Lyons.

As a general rule, the U.S. fleet sails near countries with economic or political ties to the United States.

Until recently, that meant the Indian Ocean, near the oil-rich Persian Gulf, or along the east Asian continent.

Lyons has changed that.

The Navy will continue to send its aircraft carrier battle groups from Australia into the Indian Ocean to the Persian Gulf and into the western Pacific, said Lyons.

But in the future, he said, more U.S. battle groups will steam up to the Aleutian Islands that form the southern boundary of the freezing Bering Sea.

For the first time in modern warfare, Pacific fleet ships and submarines are being sent to perform war maneuvers nearer to the coastlines.

Many of the sailors and Marines involved in these North Pacific war games are assigned to San Diego-ported ships and to Camp Pendleton.

Thousands of San Diego-based sailors have been issued new cold-weather uniforms, and Marines, clothed in white overalls, already have been sent north for "dead-of-winter" training in the Aleutians.

Lyons, a feisty and combative commander, said that Adak and the northern Pacific interests him primarily because the Russians also are interested in the same stretch of ocean.

He believes Adak will become as important an outpost as is Keflavik—the key U.S. Atlantic Fleet listening post and fighter jet station in Iceland.

"The Soviets have recognized that the pendulum of history has swung to the Pacific. Their land forces have grown from 20 to 54 land divisions in 25 years. In the last five years they have increased their (Pacific) fleet from 200 surface combatants to 395 ships," he said.

The U.S. Navy operates 220 of its total of 570 ships and submarines in the Pacific Fleet. By 1990, the U.S. Navy will operate 600 ships worldwide, under the current military buildup.

"In the future, we will need to dedicate more military resources in the Pacific," Lyons said.

It is during the latest round of deployments that the effect of the new American strategy has become clear.

Last year, Lyons sent a carrier battle group for the first time into the Bering Sea, approaching the frozen narrows of the Bering Straits.

"The Soviets never found us up there," said Lyons, who had assigned the San Diego-based carrier Ranger and the battleship New Jersey to the deployment.

Last July, while a Soviet surveillance plane droned overhead, a U.S. ship fired a Tomahawk cruise missile, the first such launch from any deployed ship that was not fired on a Navy target range.

"We wanted the Soviets to see that," said Lyons.

As further evidence of increased attention to the northern Pacific, a Navy amphibious operation onto the shores of Adak was held last year.

When two Soviet Bear bombers came out, Lyons ordered Air Force F-15s from the Alaskan Air Defense command to intercept the Soviet intruders.

Then Navy F/A-18 fighters were sent aloft to finish escorting the Soviet planes from the region.

"We wanted the (Soviet pilot) to get a look at the operation," he said, to convey to his superiors a sense of how strong the American forces are.

"If he takes that message back, which is one we want him to take back, we've raised deterrence without firing a shot," he said.

The U.S. Naval Station in Adak is made up of several commands—and one small tree.

The Navy operates an air station that maintains Navy fighter jets and a permanent squadron of Orion submarine-hunting aircraft, temporary detachments of the Navy's front-line fighter aircraft, a submarine monitoring facility, a communications station and a submarine repair facility.

Adak is home to 2,000 sailors and 100 Marines, permanently assigned to the island. The sailors normally serve one-year tours. A few spouses live in the island.

Just six years ago, Adak had only a small Orion aircraft detachment, the listening station, two bars, thousands of oyster-munching otters and bald eagles, caribou, ravens—and one 18-inch-high tree.

The tree was a special project of the sailors and Marines, who adorned it with a sign nearby that reads "Adak National Forest" as a tribute to the rugged weather that permits virtually no flora on the mountainous, snow-covered island.●

BOSTON MUSEUM OF SCIENCE OPENS NEW WING

● Mr. KENNEDY. Mr. President, one of the most exciting recent developments in theatre comes as the Museum of Science in Boston opened its new wing this month.

Already one of the most respected science museums in the Nation, the Boston Museum of Science opened the doors to its new wing on March 21 and increased its present impressive structure by 40 percent.

In developing plans for this expansion, the museum's primary goal is to reach the adult public. The wing will be open in the evenings and host many projects and programs geared to adult audiences with a variety of exhibits as well as evening hours and programs at the Hayden Planetarium.

At the focus of this outreach is the OMNI Theatre, which includes a domed screen that surrounds the audience to give an unobstructed view and a state-of-the-art feeling of being there. Movies shown on this screen will be true adventures in science.

The opening film is on space and features NASA footage of outer space taken from the space shuttle and narrated by Walter Cronkite. A special short feature film, "New England Time Capsule," introduces viewers to the splendors of New England with aerial shots of its landscapes and cities as well as a behind-the-mound view of Roger Clemens fast ball.

I know that each visitor to the museum will learn a great deal about science, nature and technology and thoroughly enjoy themselves in the process.

I welcome all to this exciting museum and ask unanimous consent that information describing the new wing be included in the RECORD.

The information follows:

BOSTON MUSEUM OF SCIENCE NEW WING AND OMNIMAX^{R} THEATER TO OPEN MARCH 1987

BOSTON, MARCH 1987—The Boston Museum of Science's 115,000 square-foot new wing which will house an OMNIMAX^{R} theater, a sidewalk cafe, a gift shop, high-tech showcases, and an atrium will open March 1987.

The $24 million new wing reflects "the Museum's continued commitment to providing sophisticated programming geared to improving science literacy for adults," said Roger Nichols, the museum's director.

The centerpiece of the new wing is the state-of-the-art OMNIMAX theater. The only theater of its kind in New England, and one of only 12 in the country, the Stephen P. and Marian G. Mugar Omni Theater will house the world's largest movie projection system, a dome screen 76 feet in diameter and a 27,000 watt, 84-speaker sound system. The 334-seat facility is designed to highlight advancements in science and high technology through a variety of state-of-the-art resources, formats and media.

The Charles Hayden Planetarium, a part of the new wing, holds daily shows recreating the beauty and wonder of the universe. The Planetarium will feature a new show this year. "Images: The New Astronomy," demonstrates recent dramatic developments in astronomy. The foundation of this modern show will be the spectacularly beautiful images created by digitized image processing. Driven by electric rhythms and contemporary music, the show will feel like a combination of a music video and a NOVA documentary.

The Museum's 115,000 square-foot new wing will house, in addition to the theater, a cafe, an innovative gift shop, high-tech exhibits showcasing new, state-of-the-art technology, The Polage™, a polarized collage sculpture, a three-story atrium where actors will depict science through theater, and an interactive computer arcade. John Jacobsen, associate director of the Museum in charge of theaters and marketing, said, "We have programmed the new wing so individuals can enjoy a drink or dinner, browse through the gift shop, look at new exhibits, be entertained by actors, all before seeing the film. Individuals can make a total evening of the Omni experience.

To create an extra-sharp image, OMNIMAX uses super 70mm film, with frames the size of playing cards in contrast to ordinary 35mm films with postage stamp-size frames. Each frame is placed on the film lengthwise rather than widthwise, making the picture even taller. The film is projected through a fisheye lens onto a special doomed screen. The result is an image that is 10 times the size of any ordinary motion picture image—so large that a projection of a humpback whale appears life-size.

Jacobsen sees the Omni experience as a combination of "education and a 'you are there' feeling, wrapped together in an exciting new format which makes the audience part of the process."

The Mugar Omni Theater will open in 1987 with "The Dream Is Alive," a film shot by NASA astronauts on three shuttle missions. Future films include "Genesis," a film about platetectonics as seen through the development of the continental drift, "The Great Barrier Reef," an undersea expedition, and an international premiere, "To The Limit," a film about human performance. "To The Limit" will be the first OMNIMAX film produced by the Museum Film Network, a consortium of six museums with OMNI or IMAX theaters who have bonded together to produce and distribute their own OMNIMAX films.

"New England Time Capsule," filmed using special OMNIMAX technology and equipment, will be the prologue for the theater. The film, produced by Larry Miller Productions, will have a soundtrack by John Williams, conductor of the Boston Pops. It is being sponsored by Lotus Development Corporation and was filmed on location around New England.

Admission to the Boston Museum of Science or the Mugar Omni Theater is $5 for adults, $3 for children 4 to 14 years, and senior citizens 65 years and older. Combination tickets can be bought for $7.50 for adults and $5 for children and senior citizens. Omni tickets go on sale in January 1987, and can be purchased at the Museum or by phone at the Museum. Group rates are available.

The Boston Museum of Science is a nonprofit educational institution dedicated to promoting better understanding and interest in the sciences. Established in 1830, this world renowned museum attracts more than one million visitors each year. It is an interactive participatory museum with more than 400 permanent and changing exhibits with the defined mission of educating children and adults in the world of science. For more information, call the Museum at 617/589-1010.●

CONGRATULATIONS TO UNIVERSITY OF NORTH DAKOTA HOCKEY TEAM

● Mr. BURDICK. Mr. President, if you mentioned NCAA to any sports fan in North Dakota today, you would not start a discussion of tonight's game. You would hear a glowing account of Saturday's game. You would not hear the word "basketball" mentioned at all. My home State's game is hockey and, quite frankly, we are the best.

The Fighting Sioux of the University of North Dakota in Grand Forks are this year's national college hockey champs. The Sioux won the title Saturday night by defeating defending champion Michigan State 5 to 3 in Detroit.

Headed by coach Gino Gasparini, the Sioux had a record-setting 40-8 season. The NCAA Crown is the fifth for the Sioux—the third this decade. And sophomore player Tony Krkac was recognized as the best college hockey player in the Nation. That is a lot to cheer about.

I would like to take this opportunity to congratulate Coach Gasparini, Hrkac, goaltender Ed Belfour, Ian Kidd, Murray Baron, Bob Joyce, Mal Parks, Brent Bobyck, Steven Johnson, Scott Koberinski and the other members and coaches of UND's champion Fighting Sioux hockey team. They did a fine job all season, working hard to earn this success.

It all culminated in Saturday's fantastic finale. The Sioux could not be stopped.

Since the Grand Forks Herald's coverage of Saturday's game was much more extensive than the paltry mention in the Washington Post, I would like to share an article by Herald sports editor Virg Foss. I ask that this article be printed in the Record.

The article follows:

[From the Grand Forks Herald, Mar. 29, 1987]

Sioux Cap Dream Season With Title

(By Virg Foss)

Detroit.—Do you like new math? How about 20 in 40 for 60 equalling five?

That figured out to an NCAA Division I hockey championship for the University of North Dakota hockey team Saturday night as the Sioux whipped defending champion Michigan State 5-3 to earn it.

The Sioux, 20 strong in this 40th annual tournament, put in a solid 60 minutes of effort to win UND's fifth national title.

The Western Collegiate Hockey Association champion was never headed after scoring three goals in a span of 1:55 late in the first period to take command and quiet an NCAA championship record crowd of 17,644, most of them rooting for Michigan State.

Defensemen Ian Kidd and Murray Baron scored to open the flurry, Kidd backhanding in a feed from Bob Joyce at 16:07 and Baron skating in alone to slip a shot under Michigan State goalie Bod Essena at 16:45.

Then, just 17 seconds later, Joyce slapped in Tony Hrkac's centering pass to complete the outburst.

State managed just two shots on goal the first period against UND's stifling defensive play.

"We dug ourselves a real hole early and as good of a team as North Dakota is, it's very tough to come back," Michigan State Coach Ron Mason said.

The Spartans tried gamely, Tom Tilley beating Sioux goalie Ed Belfour 8:30 into the second period after some strong forechecking by the Spartans set up the goal.

But this was the night the Sioux had all the answers and all the drive any team needs for a title.

Mal Parks answered Tilley's goal with one of his own at 15:05 of the second period after hustling work by linemate Scott Koberinski set Parks up in the slot.

Kevin Miller scored late in the second period and brother Kip Miller late in the third to complete the Spartan scoring.

North Dakota's fifth goal came from freshman Brent Bobyck 7:54 into the third period on a breakaway after a long lead pass by another frosh, defenseman Russ Parent.

"This is every coaches' dream to be in this situation," were the first words of Sioux Coach Gino Gasparini at the post-game press conference. "This was as sweet as the last one, maybe better than most, because of all the records this team has set."

Gasparini said the Sioux, who set an NCAA record with the 40 wins, may be as good as any college team to play the game.

"I think the records speak for themselves," he said. "I think this team has made a special place for itself in history. It may be many years before a team comes along to challenge this record."

North Dakota's domination of the tourney—the Sioux beat highly-ranked Harvard 5-2 Thursday in the semifinals—was reflected in the awards, especially for Hrkac.

He had the hat trick in awards, winning All-America honors Thursday, the Hobey Baker Award Friday, and the tourney MVP award Saturday.

Hrkac, who had just one assist Saturday to run his final season point total to 116, nevertheless dominated play.

Hobey Baker winners have not often played well in the title game. Hrkac did, exceedingly so.

"I think that's high tribute to him, reflecting the type of person he is," Gasparini said. "He kept it all in perspective and gave his best in the title game."

Said Hrkac: "Winning the championship is my biggest thrill. And having five different players score goals shows the depth of this team."

Named to the all-tourney team with him were Joyce, Kidd and Belfour, along with Minnesota's Corey Millen and Don McSween and Michigan State defenseman Chris Luongo.

It's Gasparini's third NCAA title, his previous two coming in 1980 and 1982.

And his game plan for this championship game worked to perfection.

"We noticed that Michigan State came out of the chute very fast Friday against Minnesota, so we didn't want to take any silly penalties the first 10 minutes or give up any bad goals," Gasparini said.

"You're asking for trouble when you do that before 18,000 fans, most of them cheering against you. So we wanted to put the mountain in front of them (the Spartans) and make them climb it."

The burst of goals did exactly that. "You could hear them quiet right down," said Kidd about State's fans after the three goals.●

HONORING ARLENE MITCHELL

● Mr. McCONNELL. Mr. President, I would like to bring to your attention and the attention of my fellow colleagues a truly outstanding individual, Mrs. Arlene Mitchell.

A successful community leader, wife and mother, Arlene Mitchell recently received the highest honor bestowed to any citizen of Mobile, AL, the prestigious "Mobilian of the Year" award.

Two factors make this presentation even more impressive. First, is the fact that in 39 years, Mrs. Mitchell is the only female ever to receive the "Mobilian of the Year" award. Second, more than 100 organizations in Mobile selected the recipient and she was chosen on the first ballot.

Arlene Mitchell is truly an extraordinary individual. Mr. President, I ask that the attached Mobile Press Register news article highlighting her successful career be printed in the Con-

GRESSIONAL RECORD for the information and review of my colleagues.

The article follows:

[From the Mobile Press Register, Mar. 22, 1987]

SHE'S THE 'FIRST LADY' OF MOBILE

(By Debbie Breland)

Like a fresh, spring breeze rippling the waters of Mobile Bay, the stately and charming Arlene Mitchell rippled the tradition of "Mobilian of the Year" Saturday night when she took her place among her tuxedoed predecessors, bringing an aura of beauty and grace to a title that has in the past been reserved for men.

At age 51, Mrs. Mitchell's lovely face reflects the dignity and compassion of one who has seen many springs in Mobile, and yet the hint of a Southern belle still twinkles in her eyes and her smile.

Having devoted her life to raising her children and working with charity, Mrs. Mitchell was especially proud and happy to have been chosen as the recipient of an award that has always gone to prominent businessmen.

Conspicuously the only one not wearing a tuxedo in the rows of former Mobilians of the Year attending the banquet at the Mobile Hilton, Mrs. Mitchell was honored as the first woman Mobilian of the Year with the words of former U.S. Rep. Jack Edwards: "A community that is making progress has got to have good leadership, but all too often we think of this leadership in terms of businessmen.

"Arlene Mitchell is one of those leaders who operate in a quiet way, and you frequently don't know what she has been doing in the community. It is extremely fitting that we recognize her tonight as one of the most outstanding women of this community."

The wife of Mayer Mitchell, who made his fortune in real estate in Mobile, Mrs. Mitchell said she wanted to share the honor with her husband, whom she felt for many years deserved the title of Mobilian of the Year himself.

"I don't know particularly why it took them this long to elect a woman," Mrs. Mitchell said, noting that she is the 39th recipient of the honor.

"I think that it had just been something, like a lot of things in Mobile, that had traditionally been a man, and nobody had made the effort to change that tradition."

Mrs. Mitchell said, laughing, that "a member of the Civitan Club told me that it sure was going to be fun not to have a baldheaded man on the front of the program this year."

Born and raised in Atlanta, Ga., Mr. Mitchell met her husband at the University of Pennsylvania, where they both attended college.

Married in 1953, they now have four children and five granddaughters, with two more grandchildren due this summer.

Mrs. Mitchell said that she and her husband are avid Alabama football fans, collect art and walk 2.5 miles per day. She also participates regularly in an aerobics class.

"I really enjoy exercise. It not only makes you look better, it makes me feel better. My life has not always been peaches and cream," Mrs. Mitchell said.

"I've always been real active and involved," said the honoree. "I always laugh when I hear people talking about how they want to find themselves. I say, just give me five minutes to get lost."

Mrs. Mitchell said she is especially proud of her children, three of whom are married and have become active in their communities.

"If I've done nothing else, I feel like I've done something right with my children, she said.

Concerning the Mobilian of the Year award, Mrs. Mitchell said, "The Mobile Community Foundation, of which I am president, nominated me for the award, but I don't think I was selected on the basis of one project. My interests are varied in my charity and philanthropic endeavors.

"When my husband told me that I had been nominated, I really thought he was just teasing me because he does that a lot. I said, oh, that's ridiculous. A woman has never gotten that, and I never thought about it anymore. The idea of being Mobilian of the Year had never occurred to me. Through the years, I had thought my husband should have been it, but he never was."

"Like a lot of things in life, it was the timing. Maybe it was just time for a woman to get it," Mrs. Mitchell said.

More than 100 organizations voted on the award. Mrs. Mitchell said she felt especially honored that she was selected on the first ballot without the necessity of a runoff.

"It is special to be the first of anything," she said. "The award says a lot about the fact that they recognize that women do a lot of important things in this city that we do not always get credit for."

The Community Foundation, although fairly new to Mobile, doubled its size in the past year, Mrs. Mitchell said.

"The thing that particularly attracted Mayer and myself to it was the fact that long after we're gone, the foundation will continue to service the charities, educational facilities and the myriad of things we're concerned about in Mobile. There are not many things that are forever, and this is," she said.

"My primary charitable interests have centered around health-related things," Mrs. Mitchell said, explaining that her husband had cancer 17 years ago and it sparked her interests in that area.

"Mayer and I are lucky, and we both feel strongly that with wealth or affluence comes an obligation to others in the community. Mayer has always felt that he has made his living in Mobile, and because of that he wanted to give something back to Mobile.

"We've been very blessed, and we would like to repay some of the blessings. I know it sounds corny—everybody says that they're religious in a different way—but I have a lot of faith, and it seems that during difficult times in the past, with a sick child and a sick husband, I've been able to hold on," Mrs. Mitchell said.

"You do cast your bread upon the water, and it does come back. As much as we've been able to give, I know I have gotten a lot more back," the civic leader said.

Mrs. Mitchell, who is involved with the Senior Citizens Service Organization, said one of her primary goals is to build a recreational and cultural facility for senior citizens in Mobile.

Among the many organizations she has supported, Mrs. Mitchell has a strong affinity for Camp Rap-a-Hope, a camp for children fighting cancer, of which she is a primary leader.

She served as president of the Mobile Preschool for the Sensory Impaired and supports at least 20 health and welfare organizations, such as the American Cancer Society, the Alabama Eye and Tissue Bank, the Bay Area Food Bank and Penelope House.●

TRIBUTE TO UNLV "RUNNIN' REBELS"

● Mr. HECHT. Mr. President, as the fans of college basketball await the men's NCAA National Championship game to be played in New Orleans tonight, I would like to take a few moments to recognize my hometown team, the University of Nevada, Las Vegas "Runnin' Rebels." Indeed, I am proud to say that for the first time in 10 years, the UNLV Rebels, led by head coach Jerry Tarkanian, made it to the Final Four. Unfortunately, their season ended Saturday in an outstanding game against Indiana University.

Although the loss to Indiana is unfortunate for UNLV and Rebel fans, their overall season is hardly a disappointment. The Rebel's with 37 wins and 2 losses, tied the mark for the most victories in one season. Additionally, the Rebels have scored in triple figures in 12 of their 39 games; a statistic not common to college basketball.

But Mr. President, what makes these players extra special is their offcourt performance. For instance, the "plain old hard work" that Coach Tarkanian credits his teams' success with is also found in the classroom, where six seniors are expected to graduate this year. And for those of us who saw the game, we witnessed an excellent demonstration of personal courage by Mark Wade, UNLV's star point guard. We saw Mark at halftime in a prerecorded statement that began the campaign to raise $125,000 for Valerie Pida, a UNLV cheerleader who is suffering from Hodgkin's disease and needs the money to pay for a bone marrow transplant.

Mr. President, as athletics provides an excellent tool for furthering the education of our young people, I take great pride in recognizing this year's performance of our wonderful student/athletes at UNLV. When Coach Tarkanian, the winningest coach percentagewise of alltime, fields another team next year, I know we can look forward to an equally exciting basketball season.●

END INHUMANE TREATMENT OF JEWS IN SOVIET UNION

● Mr. SIMON. Mr. President, the Soviet Union has expressed a desire to implement reforms and improve relations. The Soviet Government has recently taken various steps that support this, such as the release of numerous prisoners of conscience and increased emigration levels this past month. In addition, an article in today's Washington Post stated that the Soviets will experiment in June with elections for local governing councils and for judges on district courts that feature several candidates. This would be the first time in Soviet history that voters would have a choice from more than one candidate.

I welcome such changes in Soviet policy and strongly encourage their government to continue with reforms. If the Soviets sincerely desire to improve relations, however, they must end the flagrant violations of human rights that occur there. Jewish citizens continue to be subjected to harassment and discrimination, and are not allowed to leave the Soviet Union to practice their religion freely, either in Israel or in the United States.

Among the Jewish activists who have been persecuted and denied permission to emigrate for many years is Naum Meiman. Naum's situation is particularly tragic since he has recently suffered the loss of his dear wife Inna. Inna was a victim of cancer. She might still be alive today had the Soviet Government allowed her to receive treatment in the United States when her condition was less severe. The Soviets' refusal to cooperate, cost Inna her life.

Naum and Inna Meiman had tried to emigrate for 10 years. As Naum adjusts to life without Inna, he wishes to join his family in the West. If the Soviets are serious about their desire to improve relations, they will stop tormenting Naum Meiman and allow him to enjoy the final years of his life.

I urge the Soviet Government to end the inhumane treatment of Jews in their country and grant Naum Meiman, and other refuseniks, permission to emigrate immediately.●

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I believe the following requests have been cleared on the other side. In any event I ask the distinguished assistant Republican leader if he is prepared on his side to approve the indefinite postponement of Calendar Order No. 51, Senate Joint Resolution 69, and the passage of Calendar Order No. 69, S. 829, a bill authorizing appropriations for the U.S. International Trade Commission, U.S. Customs Service, and the Office of the U.S. Trade Representative.

Mr. SIMPSON. Mr. President, I assure the majority leader that I am prepared to accept that and have a statement of Senator PACKWOOD upon consideration of the item S. 829.

Mr. BYRD. Very well. I thank my good friend.

INTERNATIONAL TRADE COMMISSION, CUSTOMS SERVICE, AND OFFICE OF UNITED STATES TRADE REPRESENTATIVE AUTHORIZATION ACT

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. 829.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 829) to authorize appropriations for the United States International Trade Commission, the United States Customs Service, and the Office of the United States Trade Representative for fiscal year 1988, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. PACKWOOD. Mr. President, today we are considering legislation to authorize appropriations for fiscal 1988 for the International Trade Commission [ITC], the U.S. Trade Representative [USTR], and the Customs Service. These organizations perform vital functions associated with our Nation's international trade and commercial activities. It is critical that we provide funding authorizations for these three important organizations.

As reported by the Senate Finance Committee, S. 829 provides the following authorizations for fiscal 1988:

First, for the ITC, the legislation authorizes an appropriation of $35,386,000, as requested by the ITC. This is nearly $1.5 million higher than the ITC's fiscal 1987 appropriation in order to cover nondiscretionary cost increases.

Second, for the Office of the USTR, S. 829 authorizes an appropriation of $15,248,000, as requested by the Reagan administration. This roughly $1.9 million increase over the fiscal 1987 appropriation reflects both nondiscretionary cost increases and increases for the Uruguay round of GATT multilateral trade negotiations.

At present, the Office of the USTR has fewer than 150 people. The authorization provided in S. 829 would enable USTR to add five new positions for the Uruguay round. While this is few people for such a major mission, I have no doubt that the Office of the USTR, assisted by Department of Commerce staff, will be more than up to the task. The USTR is an effective and articulate proponent of U.S. trade policy, sensitive to the needs and concerns of U.S. industry.

Third, for the Customs Service, S. 829 authorizes an appropriation of $1,035,211,000. This is considerably higher than the President's budget request, which proposed significant reductions in Customs personnel. Given the broad mandate of the Customs Service, it is essential that the Service have adequate personnel to carry out its various functions. This is a major concern in my home State of Oregon, where we have a substantial volume of and passenger commercial activity.

S. 829 contains three other Customs-related provisions. First, it requires Customs to notify Congress prior to taking certain actions, such as closing of any Customs office or port of entry or a significant reduction in force. Second, the committee bill clarifies that the Customs user fees are to be treated as receipts offsetting expenditures for salaries and expenses for commercial operations and that the user fees on passengers and conveyances are to be deposited in the same dedicated account as the ad valorem fees. Last, S. 829 creates an Advisory Committee on Commercial Operations of the U.S. Customs Service as a means of enhancing the effectiveness of Customs operations.

Mr. President, these three organizations are critical components of the U.S. international activities. I urge my colleagues to join me in supporting this important legislation.

Mr. BENTSEN. Mr. President, the bill we are taking up today, S. 829, is the annual authorization of appropriations for three agencies having responsibility for international trade matters—the U.S. Customs Service, the U.S. International Trade Commission, and the Office of the U.S. Trade Representative. In addition to authorizing fiscal year 1988 funding for these agencies, the bill contains several other provisions.

The Finance Committee reported this bill without objection. I believe, and it is the sense of the Finance Committee, that these agencies are performing vital functions necessary to the economic well-being of our country. For this reason, the committee voted to authorize levels of funding that provide each agency with the full resources it needs to do its work effectively. Providing adequate appropriations for these agencies is more important now than ever before in light of the growing importance of trade, and the enforcement of fair trade, to our Nation's economy. Morever, this year, as we are undertaking the arduous process of shaping an omnibus trade bill that portends a greater role for all three agencies, it is important to ensure that they will be able to handle the responsibilities we give them.

The concern over adequate funding is most acute with regard to the U.S. Customs Service. This year, the administration has once again sought to drastically slash Customs' budget. The effect of this cut would be to eliminate 2,000 Customs personnel positions by fiscal year 1988 from the 15,000 provided for in the appropriation for fiscal year 1987.

The administration has requested just these kinds of cuts for the Customs Service every year since it took office, despite tremendous growth in the agency's caseload. For example, merchandise entries handled by Customs increased to 7.3 million in fiscal year 1986 from 4.4 million as recently as fiscal year 1980. Last year's Omnibus Drug Enforcement Act gave the Customs Service new responsibilities in the interdiction of illicit drug smuggling. On top of these duties, Customs is charged with enforcing some 400 regulatory statutes on behalf of 40 other Federal agencies. The Customs Service has a tough job to do, and it cannot do it with diminishing capabilities.

The Finance Committee's bill wisely rejects the administration's budget cuts for the Customs Service. Instead, it provided an authorization of $1.035 billion for fiscal year 1988, an increase of $145 million over the administration's budget request. This budget level is no extravagance. It merely restores and annualizes the level of funding provided to Customs by the Congress last year, including the increased appropriations for the fight against drugs.

Everyone knows that the Federal budget deficit must be brought under control. What is not so well understood, particularly by the administration, is that draconian cuts in the Customs Service's budget do not help accomplish this purpose. In fact, they cut the other way. The Customs Service is a revenue maker, earning $17 in tariffs and fees for every dollar appropriated.

Moreover, past unilateral cuts by the administration have left the Service unable to perform its job adequately. Testimony before the Finance Committee this year indicated that goods entering this country are being subjected to ever-increasing delays in processing. These delays occur in spite of the Customs Service's growing failure to seriously review or inspect merchandise entries. At least 65 percent of Customs entries now come into this country with no review by Customs employees of the importer's documentation. Only 2 percent receive even in partial physical inspection.

The laxness in Customs' enforcement efforts is no indictment of the agency's work force. Witnesses before the Finance Committee this year testified to the professionalism, courtesy and hard work or Customs employees. But the administration's drive to economize at all costs has stripped these capable men and women of the ability to do the job the way it should be done. Morale is low. The midcareer employees whose knowledge and expertise are the driving force of the agency and the means for teaching newer employees the ropes have left in alarming numbers.

Plainly put, the Customs Service cannot continue suffering the arbitrary cutbacks in funding and personnel imposed annually by the administration. It is simply penny wise and pound foolish to believe that we cannot afford a strong and reliable Customs Service. What we really cannot afford is any further degrading of this agency's ability to collect needed revenue, enforce the trade laws, and protect our families from the scourge of illegal drugs.

The committee's bill contains three other provisions relating to the Customs Service. The first responds to past initiatives by Customs that cut personnel, reorganized or closed facilities, and diminished services. It requires the Commissioner of Customs to notify the Finance Committee and the House Ways and Means Committee 180 days in advance of taking any action which would result in a significant reduction in force of employees, or hours of operation or services; eliminate or relocate any Customs office or eliminate any port of entry; or significantly reduce the number of employees assigned to any Customs office or port of entry. The notification requirement will afford the Congress the opportunity to act to rescind any such action if necessary.

Another provision would establish a private sector advisory committee to advise the Secretary of the Treasury on matters involving the commercial operations of the Customs Service. Testimony before the Finance Committee demonstrated that the business community served by Customs has no effective voice in its operations and management. This committee will help redress that problem. The members of the committee would be representative of those groups and businesses interested in commercial operations, and no more than half may be of any one political party. To provide the Congress with information as to how well the committee is functioning, it would be required to make an annual report to the oversight committees of Congress.

A third Customs Service provision adds clarifying language regarding the Customs users fee. In 1986, Congress required that the fees were to be placed in a dedicated account for expenditures for commercial operations of the Customs Service. The bill specifies that the fees are to be treated as receipts to offset expenditures for salaries and expenses for commercial operations. The purpose of this provision is to make clear that it is inappropriate to treat these fees as revenues, as the administration has done. In addition, the section clarifies that the user fees on passengers and conveyances are to be deposited in the same dedicated account as ad valorem fees on merchandise and, to the extent they are not needed to reimburse the Customs Service for overtime inspectional services, they are to be used as receipts offsetting commercial operations expenditures.

With regard to the International Trade Commission [ITC], the bill would authorize appropriations of $35 million for fiscal year 1988, as requested by the ITC. This represents an increase of almost $1.5 millon over the fiscal year 1987 appropriation. The increase is entirely attributable to nondiscretionary cost increases. The authorization bill contains no authority for any additional personnel or other resources.

Similarly, the Finance Committee's bill authorizes appropriations to the Office of the U.S. Trade Representative [USTR] in the amount requested by the President's budget, $15.2 million. This is an increase of somewhat less than $2 million over that authorized in fiscal year 1987. The increase reflects both nondiscretionary cost increases and increases to enable USTR to conduct the Uruguay round of multilateral trade negotiations. USTR is undertaking a complex and highly sensitive task in the new round of negotiations, and it is important to provide it with the resources necessary to carry on these negotiations. Both USTR and the ITC face increasing responsibilities in the realm of international trade, and the committee's bill provides them the means with which to carry out those responsibilities.

The final section of the Finance Committee's bill makes a finding that seven kinds of articles imported from the Soviet Union are being made, wholly or in part, by convict, forced, or indentured labor. It directs the Secretary of the Treasury to prohibit their importation. This congressional finding is based on present law which provides that goods produced abroad by forced labor are not entitled to importation into the United States. The Soviet goods specified in the committee's bill have previously been found by the Commissioner of the Customs Service to have been produced by forced labor. The bill provides an exception permitting the President to allow importation of these products if he finds they are either not being made with forced labor or that prohibited importation of a product directly affects the national security interest of the United States.

I strongly urge the Senate to act affirmatively on this bill. In the past few weeks we have witnessed growing evidence, if any additional evidence were needed, that the ability of American business to compete effectively both here at home and abroad is frequently prey to unfair and protectionist actions by other countries. Japan fails to live up to an agreement designed to cure its predatory practices in the semiconductor market. The European Common Market proposes to establish a fats and oils tax that discriminates against U.S. producers of soybeans. These are but two recent examples in which the Senate has acted to urge the administration to take action.

The three agencies whose funding is covered by the Finance Committee's authorization bill are on the front line of the effort to detect and remedy these kinds of unfair practices, to say nothing of the negotiations and monitoring that are necessary to keep a handle on legitimate international trade. The functions of these three agencies are more vital than ever. The Senate should vote to support this bill.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 829

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. UNITED STATES INTERNATIONAL TRADE COMMISSION.

Paragraph (2) of section 330(e) of the Tariff Act of 1930 (19 U.S.C. 1330(e)(2)) is amended—

(1) by striking out "1986" and inserting in lieu thereof "1988", and

(2) by striking out "$28,901,000;" and inserting in lieu thereof "$35,386,000,".

SEC. 2. UNITED STATES CUSTOMS SERVICE.

(a) Authorization for Fiscal Year 1988.—Subsection (b) of section 301 of the Customs Procedural Reform and Simplification Act of 1978 (92 Stat. 905; 19 U.S.C. 2075(b)) is amended to read as follows:

"(b)(1) There are authorized to be appropriated for fiscal year 1986, $476,211,000 for the salaries and expenses of the United States Customs Service that are incurred in noncommercial operations, of which—

"(A) $118,020,000 is for the operation and maintenance of the air interdiction program of the United States Customs Service,

"(B) $150,000 is for rents incurred in connection with the provision of customs services at places located outside the customs territory of the United States,

"(C) $1,000,000 is for research and is authorized to be appropriated without fiscal year limitation so that the sum remains available until expended, and

"(D) $10,000 is for official reception and representation expenses.

"(2) There is authorized to be provided in any law making appropriations for fiscal year 1988, a limitation on the total amount of payments which may be made during such fiscal year under section 13031(f)(2)(A) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (other than payments described in section 13031(f)(2)(C) of such Act) that shall not exceed $559,000,000.

"(3) During fiscal year 1988, the Commissioner of Customs is authorized to—

"(A) purchase not more than 500 motor vehicles for replacement of motor vehicles used by the United States Customs Service (including not more than 490 motor vehicles adapted for police activities) without regard to any general purchase price limitation imposed by any law other than this section,

"(B) rent passenger motor vehicles, and

"(C) purchase uniforms for the United States Customs Service without regard to any general purchase price limitation imposed by any law other than this section.".

(b) Congressional Notice of Certain Actions.—Section 301 of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075) is amended—

(1) by striking out "Use of Savings Resulting from Administrative Consolidations.—" in subsection (f),

(2) by striking out "Allocation of Resources.—" in subsection (g) and inserting in lieu thereof "(1)", and

(3) by adding at the end of subsection (g) the following new paragraph:

"(2) The Commissioner of Customs shall notify the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives at least 180 days prior to taking any action which would—

"(A) result in any significant reduction in force of employees other than by means of attrition,

"(B) result in any significant reduction in hours of operation or services rendered at any office of the United States Customs Service or any port of entry,

"(C) eliminate or relocate any office of the United States Customs Service,

"(D) eliminate any port of entry, or

"(E) significantly reduce the number of employees assigned to any office of the United States Customs Service or any port of entry.".

(c) Advisory Committee on Commercial Operations of the United States Customs Service.—

(1) The Secretary of the Treasury shall establish an advisory committee which shall be known as the "Advisory Committee on Commercial Operations of the United States Customs Service", hereafter in this subsection referred to as the "Advisory Committee".

(2)(A) The Advisory Committee shall consist of 20 members appointed by the Secretary of the Treasury.

(B) In making appointments under subparagraph (A), the Secretary of the Treasury shall ensure that—

(i) the membership of the Advisory Committee is representative of the individuals and firms affected by the commercial operations of the United States Customs Service, and

(ii) a majority of the members of the Advisory Committee do not belong to the same political party.

(3) The Advisory Committee shall—

(A) provide advice to the Secretary of the Treasury on all matters involving the commercial operations of the United States Customs Service, and

(B) submit an annual report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives that shall—

(i) describe the operations of the Advisory Committee during the preceding year, and

(ii) set forth any recommendations of the Advisory Committee regarding the commercial operations of the United States Customs Service.

(4) The Assistant Secretary of the Treasury for Enforcement shall preside over meetings of the Advisory Committee.

(d) Conforming Amendment.—Subsection (d) of section 301 of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(d)) is amended by inserting "and no funds in the Customs User Fee Account," after "1984,".

SEC. 3. OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE.

Paragraph (1) of section 141(f) of the Trade Act of 1974 (19 U.S.C. 2171(f)) is amended—

(1) by striking out "$13,582,000 for fiscal year 1986; of which not to exceed $80,000" and inserting in lieu thereof "$15,248,000 for fiscal year 1988, of which not to exceed $69,000", and

(2) by adding at the end thereof the following new sentence: "Of the amounts appropriated under the authority of this paragraph for fiscal year 1988, $1,000,000 shall remain available until expended.".

SEC. 4. CUSTOMS USER FEES.

(a) Fees Treated as Offsetting Receipts.—

(1) Subsection (f) of section 13031 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(f)) is amended—

(A) by inserting "as offsetting receipts" after "deposited" in paragraph (1),

(B) by striking out paragraphs (2) and (3) and inserting in lieu thereof the following:

"(2)(A) The Secretary of the Treasury is authorized and directed to pay out of the Customs User Fee Account all salaries and expenses of the United States Customs Service that are incurred in conducting commercial operations.

"(B) The authority to make payments under subparagraph (A) during any fiscal year (other than payments described in subparagraph (C)) shall be subject to such dollar limitations as are provided in any law making appropriations for such fiscal year. Payments may be made under subparagraph (A) during a fiscal year only if a dollar limitation on the total amount of payments that may be made under subparagraph (A) during such fiscal year (other than payments described in subparagraph (C)) is provided by a law making appropriations for such fiscal year.

"(C) Any dollar limitation described in subparagraph (B) shall not apply to any payments made out of the Customs User Fee Account for expenses incurred by the Secretary of the Treasury in providing overtime customs inspectional services for which the recipient of such services is not required to reimburse the Secretary of the Treasury, and such payments shall not be taken into account in applying such a limitation.

"(D) All funds in the Customs User Fee Account shall only be available for the salaries and expenses of the United States Customs Service incurred in conducting commercial operations.", and

(C) by redesignating paragraph (4) as paragraph (3).

(b) Adjustment of Merchandise Processing Fee.—

(1) Paragraph (10) of section 13031(a) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(a)(10)) is amended to read as follows:

"(10) For the processing of any merchandise (other than an article described in subparagraph (A), (B), or (C) of paragraph (9)) that is formally entered, or withdrawn from warehouse, for consumption during any fiscal year beginning after September 30, 1987, a fee at a rate equal to the lesser of—

"(A) 0.17 percent ad valorem, or

"(B) an ad valorem rate which the Secretary of the Treasury estimates will provide a total amount of receipts during the fiscal year equal to the amount of the dollar limitation authorized under section 301(b) of the Customs Procedural Reform and Simplification Act of 1978 on the total amount of payments that may be made under subsection (f)(2)(A) of this section during the fiscal year (other than payments described in subsection (f)(2)(C) of this section), reduced by the sum of—

"(i) the excess, if any, of—

"(I) the amount of such limitation for the fiscal year, over

"(II) the amount of the dollar limitation imposed by any law making appropriations for the fiscal year on the total amount of payments which may be made under subsection (f)(2)(A) during the fiscal year (other than payments described in subsection (f)(2)(C) of this section), plus

"(ii) the amount of an estimate made by the Secretary of the Treasury of the amount of funds that—

"(I) will be in the Customs User Fee Account at the beginning of the fiscal year, and

"(II) will not be used to make payments described in subsection (f)(2)(C) of this section, plus

"(iii) the amount of an estimate made by the Secretary of the Treasury of the amount of receipts from fees imposed by any paragraph of this subsection other than this paragraph that—

"(I) will be deposited in to the Customs User Fee Account during the fiscal year, and

"(II) will not be used to make payments described in subsection (f)(2)(C) of this section.

If no authorization is provided under section 301(b) of the Customs Procedural Reform and Simplification Act of 1978 for the amount of the dollar limitation that may be imposed on the total amount of payments under subsection (f)(2)(A) of this section during the fiscal year (other than payments described in subsection (f)(2)(C) of this section), the rate of the fee imposed under this paragraph for the fiscal year shall be 0.17 percent ad valorem.".

(2) Subparagraph (B) of section 13031(b)(8) of such Act (19 U.S.C. 58c(b)(8)(B)) is amended—

(A) by striking out "on which any funds are appropriated to the United States Customs Service for salaries or expenses incurred in conducting commercial operations" in clause (i) and inserting in lieu thereof "of enactment of any law making appropriations for a fiscal year that provides a dollar limitation on the total amount of payments that may be made under subsection (f)(2)(A) during the fiscal year (other than payments described in subsection (f)(2)(C))", and

(B) by striking out "an appropriation to the United States Customs Service if the funds appropriated" in clause (ii) and inserting in lieu thereof "a law described in clause (i) if the funds appropriated by such law".

SEC. 5. PROHIBITION OF THE IMPORTATION OF CERTAIN ARTICLES PRODUCED BY CONVICT OR FORCED LABOR IN THE SOVIET UNION.

(a) Findings.—The Congress finds that the Commissioner of Customs has reported to the Secretary of the Treasury that the Commissioner has information that reasonably, even if not conclusively, indicates that the articles listed in subsection (b) which are products of the Union of Soviet Socialist Republics are being produced wholly, or in part, by convict labor, forced labor, or indentured labor under penal sanctions.

(b) Prohibition.—Except as provided in subsection (c), none of the following articles that are products of the Union of Soviet Socialist Republics may be imported into the United States after the date that is 15 days after the date of enactment of this Act:

(1) gold ore (provided for in item 601.39 of the Tariff Schedules of the United States);

(2) agriculture machinery (provided for in item 666.00 of such Schedules);

(3) tractor generators (provided for in item 682.60 of such Schedules);

(4) tea (provided for in item 160.50 of such Schedules);

(5) crude petroleum (provided for in item 475.05 or 475.10 of such Schedules);

(6) motor fuel (provided for in item 475.25 of such Schedules); and

(7) kerosene (provided for in item 475.30 of such Schedules).

(c) Certification.—Any article listed under subsection (b) that is a product of the Union of Soviet Socialist Republics may be imported into the United States after the date on which the President submits to the Congress a written statement certifying that—

(1) information available to the President clearly shows that such article is not being produced wholly, or in part, with convict labor, forced labor, or indentured labor under penal sanctions in the Union of Soviet Socialist Republics, or

(2) the prohibition of the importation of such article into the United States directly affects the national security interests of the United States.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill, S. 829, was passed.

Mr. SIMPSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

INDEFINITE POSTPONEMENT OF SENATE JOINT RESOLUTION 69

Mr. BYRD. Mr. President, I ask unanimous consent that Senate Joint Resolution 69, appearing on the calendar as No. 51, designating "World Population Week," be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

1987 NCAA NATIONAL WOMEN'S BASKETBALL CHAMPIONS

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Resolution 179, submitted earlier today by me for Senators Sasser and Gore.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 179) to Congratulate the University of Tennessee Lady Vols and Their Coach, Pat Head Summitt on Winning The 1987 NCAA National Women's Basketball Championship.

There being no objection, the Senate proceeded to consider the resolution.

Mr. SASSER. Mr. President, yesterday, the University of Tennessee women's basketball team, the Lady Vols, made believers out of the basketball world by capturing their first ever national title in Austin, TX. Tennessee won with a tenacious defense that held Louisiana Tech to just 44 points, the lowest point total in the history of the tournament.

But success is nothing new either to the Lady Vols or to their coach, Pat Head Summitt.

This was Tennessee's eighth appearance in the final four of the NCAA tournament in 11 years. In their 13 years under Coach Summitt, the Lady Vols have won 318 games and lost only 102. It is their 11th straight season with 20 or more wins.

In the last 13 years, Tennessee has captured two Southeast Conference Championships, in 1980 and 1985. They have won four Mideast Regional Championships—1982, 1984, 1986, and 1987. A dozen Tennessee players have been named All-Americans.

That enviable record has been built by hard work and tremendous dedication on the part of both players and Coach Summitt.

Pat is a legend in women's basketball. She starred as a player at University of Tennessee at Martin. After graduation, she went on to captain the U.S. Olympic team to a silver medal at Montreal in 1976. Later, she was named an assistant coach for the 1980 team which ultimately did not participate in the Moscow Olympics.

In 1984, Pat realized the ultimate dream of every Olympic coach, taking the U.S. team to the gold medal at Los Angeles.

At Tennessee, Pat Summitt has built the women's basketball program into one of the most powerful and most respected in the Nation. In addition, she has had a tremendous impact on those who have played for her.

One important facet of Pat's coaching that should not go unmentioned. That is her tremendous dedication to her players and their education. In Coach Summitt's 13 years at the University of Tennessee, all but two of her players have graduated. Of those two, one took time out to pay in Italy and the other changed majors, necessitating additional course work. Both of them will complete their degree requirements this spring.

In these days of rampant commercialism in college athletics, Pat provides the proof that you can combine high-caliber athletics with high-quality education. A 100-percent graduation record is one that I would stack up against any major college athletic program.

This win by the University of Tennessee demonstrates the great strides that have been made in women's athletics in the past 15 years. A 1984 study by the National Coalition for Woman and Girls in Education found that 35 percent of high school varsity athletes were women, compared to 7 percent in 1972. In 1972, virtually no college or university offered athletic scholarships to women.

By 1979, the number of scholarships had risen to 5,000 and today is at 10,000. The number of women participating in intercollegiate athletics has grown from 16,000 in 1972 to more than 160,000.

It has taken thousands of hours of hard work by dedicated athletes and coaches like the Lady Vols and Pat Summitt bring women's sports to their current respected place in U.S. amateur athletics.

Mr. President, I commend the University of Tennessee's team and Coach Pat Summitt on their national title. They exemplify the best in amateur athletics.

Mr. GORE. Mr. President, I want to join my distinguished colleague from Tennessee in submitting a resolution to congratulate the University of Tennessee basketball team for winning the Women's National Basketball Championship on Sunday. The Lady Volunteers defeated Louisiana Tech by a score of 67 to 44—the largest margin of victory ever in a championship game.

All the experts thought Tennessee was out of the running for this year. As always, the team had tremendous talent—the Lady Vols had been to the final four seven times in the past 13 years—but late in the season they were still struggling.

But with the encouragement of Coach Pat Summitt, who led the U.S. Olympic team to a gold medal in 1984, Tennessee made a stunning resurgence. "This team was on a mission," she said yesterday. "In the past three weeks we pulled together as a family."

At the final four, the Lady Vols upset Long Beach to advance to the championship against Louisiana Tech. The Lady Techsters had beaten Tennessee during the regular season. But yesterday, the Tennessee defense was just too tough, as the Lady Vols turned in one of the most impressive performances in championship history.

I want to commend every member of the Tennessee team—all of us across the State are extremely proud. I hope the President will invite them to Washington for a visit to the White House. I'm sure my colleague from Tennessee would be delighted to join me in hosting a reception in their honor.

In the meantime, I join the students and residents of Knoxville in savoring this hard-earned triumph.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 179) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. Res. 179

Whereas, the women's basketball team at the University of Tennessee, the Lady Vols, are proven winners having appeared in the Final Four of the NCAA Women's Basketball Tournament 8 times in the past 11 years,

Whereas, the Lady Vols have further displayed their mastery of the game of basketball by capturing the Southeastern Conference Championship in 1980 and 1985 and winning the Mideast Regional Championship in 1982, 1984, 1986 and 1987,

Whereas, the Lady Vols have compiled an impressive streak of eleven straight seasons in which they have won twenty or more games,

Whereas, Pat Head Summitt, the coach of the Lady Vols, has compiled a record of 318 wins and only 102 losses in her thirteen years leading the Lady Vols,

Whereas, Pat Head Summitt's dedication to the education of her players equals her zeal for the game of basketball,

Whereas, during her thirteen years at the helm of the Lady Vols, Coach Pat Head Summitt has obtained a virtually perfect one hundred percent graduation rate for her players,

Whereas, the University of Tennessee Lady Vols appeared in the 1987 National Championship Game and conducted a clinic on defensive play, holding Louisiana Tech to just 44 points,

Whereas, the defensive performance of the Lady Vols held Louisiana Tech to the lowest point total in the history of the NCAA Women's Basketball Championship Tournament,

Whereas, the University of Tennessee Lady Vols won the 1987 NCAA Women's Basketball Championship in a convincing manner with a 67-44 victory over Louisiana Tech. Therefore, it is

Resolved, That the University of Tennessee Lady Vols and Coach Pat Head Summitt are to be congratulated on an outstanding season. It is further

Resolved, That the United States Senate congratulates Coach Pat Head Summitt and the Lady Vols on capping this impressive season off with being crowned the NCAA Women's Basketball Champions for 1987.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. SIMPSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PRODUCTION OF DOCUMENTS BY SELECT COMMITTEE ON INTELLIGENCE TO INDEPENDENT COUNSEL

Mr. BYRD. Mr. President, on behalf of myself and the distinguished minority leader, Mr. Dole, I send to the desk a resolution to authorize the Select Committee on Intelligence to provide certain documents to Independent Counsel Lawrence E. Walsh, and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 180) to authorize production of documents by the Senate Select Committee on Intelligence.

There being no objection, the Senate proceeded to the consideration of the resolution.

Mr. BYRD. Mr. President, the Independent Counsel appointed to investigate the arms sales to Iran and the provision of assistance to the Nicaraguan opposition has requested the Select Committee on Intelligence to provide him with copies of transcripts of testimony taken by that committee in the months of November and December 1986, and January 1987. These transcripts are classified, and with the exception of a declassified version of the testimony of Robert M. Gates, have not been released to the public.

The Select Committee on Intelligence has consulted with the Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition. Pursuant to Senate Resolution 23, section 7(2), the latter committee has full access to all records of the preliminary investigation of these matters by the Select Committee on Intelligence. The chairman and vice chairman of the Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition have informed the chairman of the Select Committee on Intelligence that they have no objection to the request of the Independent Counsel, subject to whatever conditions the Select Committee on Intelligence believes are appropriate.

The Select Committee on Intelligence has agreed to the Independent Counsel's request, subject to the consent of the Senate and his agreement to abide by appropriate security and other requirements established by the Select Committee on Intelligence. This resolution will authorize the Select Committee on Intelligence to provide to the Independent Counsel transcripts and related documents for use in his investigation. The Select Committee on Intelligence will retain control of any decision to release to the public all or portions of its closed hearings.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 180) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. Res. 180

Whereas, in November and December, 1986, and January, 1987, the Select Committee on Intelligence investigated and held closed hearings on the arms sales to Iran which occurred in 1985 and 1986, and on the alleged diversion to the Nicaraguan opposition of funds from those sales;

Whereas, the Independent Counsel appointed by the court in In re Oliver L. North, et al. (D.C. Cir. Div. No. 86-6, Dec. 19, 1986) to investigate possible violations of federal laws arising from those activities has requested transcripts of those closed hearings in furtherance of his investigation;

Whereas, after consultation with the Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition appointed pursuant to Senate Resolution 23 (100th Congress), the Select Committee on Intelligence has agreed to provide to the Independent Counsel transcripts of its closed hearings, and related documents, subject to appropriate security and other safeguards, and the consent of the Senate;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from its control or possession but by permission of the Senate;

Whereas, when it appears that documents, papers, and records under the control of or in the possession of the Senate may promote the administration of justice and enforcement of the law, the Senate will take such action as will promote the ends of justice consistently with the privileges and rights of the Senate: Now, therefore, be it

Resolved, That the Chairman and Vice Chairman of the Select Committee on Intelligence, acting jointly, are authorized to provide the Independent Counsel with transcripts, and related documents, of closed hearings of the Committee on arms sales to Iran and the alleged diversion of funds to the Nicaraguan opposition, subject to the Independent Counsel's agreement to abide by appropriate security and other requirements established by the Select Committee on Intelligence.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. SIMPSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDERS FOR TOMORROW

RECESS UNTIL 10 A.M.

Mr. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

PERIOD FOR MORNING BUSINESS

Mr. BYRD. I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, there be a period for the transaction of morning business not to extend beyond the hour of 10:30 a.m. and that Senators be permitted, during that period for morning business, to speak for not beyond 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESUMPTION OF CONSIDERATION OF S. 825

Mr. BYRD. I ask unanimous consent that, at the hour of 10:30 a.m., the Senate resume consideration of the housing bill and that the pending question at that time be on the amendment by Mr. NICKLES.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE ON AMENDMENTS

Mr. BYRD. Mr. President, I ask unanimous consent that, upon the expiration or the yielding back of the time on the amendment by Mr. NICKLES, that amendment be set aside and the Senate proceed to the consideration of the amendment by Mr. REID; that upon the expiration of the time on that amendment, or the yielding back thereof, that amendment be set aside; that the Senate proceed with the consideration of the amendment by Mr. LAUTENBERG; and that upon the disposition of the Lautenberg amendment, as amended, if amended, the Senate then go to the amendment by Mr. HUMPHREY, on which there is no time remaining.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS AT 12 NOON

Mr. BYRD. I ask unanimous consent that at 12 noon tomorrow, the Senate stand in recess until the hour of 2 o'clock p.m. to accommodate the two party conferences.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BYRD. Mr. President, this leaves the question of when the Senate will proceed to the vote on the final passage of the Housing bill in an indefinite status because there is no time limit on the amendment by Mr. LAUTENBERG. It is assumed and hoped that that matter may be disposed of without taking too much time.

But what we do have is the following: After the two leaders have been recognized under the standing order, the Senate will proceed to morning business, with an outside limit on morning business of 10:30 a.m. Senators may be permitted to speak up to 5 minutes each during that brief period for the transaction of morning business.

At 10:30 a.m., the Senate will proceed to an amendment by Mr. NICKLES on which there is a 20-minute time limitation, the time equally divided. Upon the expiration or the yielding back of the time, the Nickles amendment will be set aside temporarily, and the Senate will proceed to the consideration of the amendment by Mr. REID on which there is a 20-minute time limitation. Upon the expiration or the yielding back of the time on the Reid amendment, the Senate will proceed to the amendment by Mr. LAUTENBERG, and only germane amendments are in order to the Lautenberg amendment, no amendments being in order either to the Nickles amendment or the Reid amendment.

Upon the termination of all debate and action on the amendment by Mr. LAUTENBERG, the Senate will proceed to the consideration of the amendment by Mr. HUMPHREY but all time for debate has expired thereon, so those will be the only amendments in order.

Upon the closure of debate on those amendments, the bill will be advanced to third reading, without futher motion, and immediately thereafter, to final passage.

As a consequence of there being no time limitation on the amendment by Mr. LAUTENBERG, I am unable to say at what hour the Senate will vote on final passage, or will begin voting on the first of the aforementioned amendments. Therefore, the final action on the bill is not locked in as to a time for a vote thereon; nor at this time is the time for the first vote locked in. The only thing to be said about that is that there will be no rollcall vote before 12 o'clock tomorrow, unless there is a vote on a procedural motion to instruct the Sergeant at Arms.

I hope that the Senate will be able to complete action on this bill tomorrow.

The House will vote on the override message early tormorrow afternoon, I am informed. Because it is a House bill, the President's message regarding the veto went back to the House, as the House in which the bill originated. So, once the House has voted on the override of the President's veto of the highway bill, that bill will come over to the Senate.

As to whether the Senate will proceed tomorrow afternoon to debate and vote on the override, I am not in a position to say at the moment. It may be Wednesday or it may be Thursday. But I would certainly hope that it would be no later than Wednesday.

On tomorrow when the distinguished Republican leader is present, I will discuss the matter with him, and it may be that we can determine an exact hour for the time to vote on the override of the President's veto, so that all Senators will then know what time the vote will occur.

Having said that, all I would say as a postscript is that I would think it would be safe to say that there will be rollcall votes tomorrow; that, in all likelihood, the Senate will complete action on the Housing bill tomorrow; that, in all likelihood, there will also be debate on the President's veto message tomorrow, with a vote on the override either tomorrow afternoon or Wednesday most likely.

Mr. President, anent the housing bill, I ask unanimous consent that there be a time limitation on any debatable motions or appeals—or points of order, should such be submitted to the Senate—of not to exceed 10 minutes, to be equally divided in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that points of order on amendments not be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. So now, Mr. President, points of order may be raised against amendments, am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. SIMPSON. I have no further business, Mr. Leader.

Mr. BYRD. I thank the distinguished Senator from Wyoming, the assistant Republican leader, who has indicated he has no further business.

Does any other Senator have any business he wishes to transact?

RECESS UNTIL 10 A.M. TOMORROW

Mr. BYRD. There being no indication of such, Mr. President, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 10 o'clock tomorrow morning.

The motion was agreed to; and at 7:17 p.m., the Senate recessed until Tuesday, March 31, 1987, at 10 a.m.

EXTENSIONS OF REMARKS

CITICORP/CITIBANK OF PUERTO RICO'S 14TH ANNUAL CONFERENCE

HON. DOUG BARNARD, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1987

Mr. BARNARD. Mr. Speaker, at the recent Citicorp/Citibank of Puerto Rico's 14th annual conference on the implementation of section 936 of the U.S. Internal Revenue Code, qualifying U.S. corporations that invest in Puerto Rico and other U.S. possessions for exceptions from U.S. taxes, the Honorable Rafael Hernandez Colon, Governor of Puerto Rico, made an outstanding address as to the benefits of this program, and also on the importance of foreign ties among countries and people in the Western Hemisphere.

I am pleased to include his remarks in the CONGRESSIONAL RECORD for the edification of Members of Congress and other interested readers.

REMARKS BY THE GOVERNOR OF PUERTO RICO, THE HONORABLE RAFAEL HERNANDEZ COLON, ON THE OCCASION OF CITIBANK'S 14TH ANNUAL 936 CONFERENCE, MARCH 27, 1987.

I am very pleased to join you today. This conference brings together top corporate talent from some of the most respected corporations in America. The importance of this annual event testifies to the indispensable role your companies play in the economy of Puerto Rico.

We come together in the wake of a superb victory—the retention of Section 936 in the Federal Tax Code. And we come together at a time of strong economic expansion in Puerto Rico, substantial growth fueled not only by the actions of the Congress but by the financial and tax policies of our Commonwealth as well.

We succeeded in Washington because we were promoting a highly successful program.

The people in this audience found a receptive audience in the Congress. You made a compelling case for a tax policy that generates about a quarter of all employment on our Island and enables us to finance low-income housing and provide mortgage and commercial and industrial loans at below-market rates.

Once the Ways and Means Committee decided to retain 936, investment started to surge in Puerto Rico.

We understand the importance of mainland firms to the well-being of Puerto Rico, but we also recognize the impact of indigenous industry. Last year, for the first time, we promoted more jobs in local industry than through U.S. or foreign based industry.

We know that actions taken or avoided in Washington can have a profound impact on Puerto Rico. But we know, too, that Puerto Rico is not powerless over its economic destiny and we are enacting policies that unleash the creative energies of our own people.

And so, over the past two years, we were not only appealing to Congress and the White House, but putting our own house in order.

Just two months ago, I signed into law the Tax Incentives Act. This measure is designed to make Puerto Rico even more attractive for investment and manufacturing at a time of fierce competition from low-wage locations in the Far East, Ireland, Mexico, and other places.

With the enactment of the Tax Incentives Act, Fomento is at this time negotiating the creation of more than 8,000 new jobs, of which over 3,000 have already been promoted. To cite just one example, American Home Products is expanding its facilities by about $100 million, providing employment for 800 more people.

Research and development receives special attention under the Industrial Incentives Act, with a $12 million fund established for the development and commercialization of new technologies. Puerto Rico, which on a per capita basis has more students in college than the U.S. Mainland, should be well positioned for breakthroughs in research and development.

As the Governor who first adopted—in 1976—a 10 percent tollgate tax on the earnings of formerly tax exempt corporations, I want to make clear that tax incentives do not mean escape from taxation. Companies qualifying for new tax incentives will still pay a reasonable amount of taxes—both to the Commonwealth through income and tollgate taxes and to municipalities through property and license taxes. Consequently, these corporations will contribute needed revenues to our Treasury even as they contribute new jobs for our people.

My Administration's commitment to tax reform has extended far beyond the contours of the Tax Incentives Act. We have taken a number of effective steps with a view toward creating jobs, increasing investment, promoting savings and local capital, formation, and providing a fairer tax system.

We have reduced the maximum rate on individuals from 67 percent to 50 percent; fixed the tax on interest on deposits at 17 percent; set the tax on dividends at 20 percent; eliminated the estate tax for residents on the property they own in Puerto Rico; and enacted a new Tourism Incentives Act that is bringing many more visitors—and more revenue to our Island.

This year, we are picking up the pace of tax reform with proposals to make our tax system fairer and simpler. For Puerto Rico, tax reform is a matter of elemental fairness and economic necessity. To enhance our competitive position vis-a-vis the U.S. and other competing locations, we are proceeding along similar lines of the U.S. Tax Reform Act, lowering rates for individuals, eliminating the income tax entirely for 80,000 families of modest means, and establishing a minimum tax for corporations.

The tax reform measures I will propose over the next few months will be designed to help keep families together, to keep our economy competitive, to keep Puerto Ricans and Puerto Rican capital here at home.

These proposals are still being shaped, but I can tell you that one overriding goal for my administration is tax relief for the overburdened middle class. Men and women of middle-income are the unheralded soldiers in Puerto Rico's march to economic success. Our tax system must reflect the contributions these citizens have made and the financial responsibilities they bear.

A tax reform study prepared by Booz, Allen, Hamilton has been submitted to our Secretary of the Treasury. This proposal is presently the subject of intense scrutiny and a constructive dialogue among the Legislature and civic, professional, and economic associations. While we must work within the constraints of a balanced budget mandated by our Constitution, I believe that whatever tax reform measures we adopt must impart justice to the middle-class people of Puerto Rico.

The People of Puerto Rico reject those divisive voices posing a false choice between effective incentives for the private sector and equitable taxes for our people. Surely our field of vision is not so narrow nor our imagination so impaired that we cannot devise a system that is fair to our people and facilitates investment as well.

In a very short time, we have come a long way with our complementary projects or twin plants. Among those companies that have made substantial investments in Puerto Rico and neighboring countries under this program are: Johnson and Johnson, Westinghouse, TII Industries, Smith Kline Beckman, Jumping Jacks, and Storage Technology. These farsighted investments place these firms on the frontiers of progress for this region. Other corporations that are coming through with their projects are: Upjohn, Bristol Myers, Warner Lambert, Merck, American Cyanamiid, Hanes, and Abbott.

Let me tell you, my friends, we are single-minded about twin plants. My administration framed the twin plants proposal not as a one-time expedient for extending 936, but as a long-term commitment to the development of our region. We look upon the retention of 936 not as a excuse for inaction, but as an incentive for expansion.

The case for complementary production is convincing on its own merits, not simply as means of avoiding political fallout.

The twin plants program will strenghthen the position of our region against low-wage competitors in other parts of the world. It will help us to create and retain jobs in Puerto Rico and create jobs for our neighbors.

Involvement in complementary production facilities constitutes good corporate citizenship. For those nations newly emerged from oppression, these investments represents a downpayment on democracy. In the Caribbean, the shadow of Marxism sometimes stalks the forces of freedom. The lack of jobs and the loss of hope create fertile conditions for political unrest.

As the President of Argentina, Paul Alfonsin, has warned, "Man does not live by democracy alone." If democracy and free enterprise remain abstract ideals, some nations may not remain democratic. Indeed, democracy may fail where development does not succeed. We must work to prevent the descent into dictatorship that victimized

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Haiti and Grenada, that today still oppresses the people of Cuba and Nicaragua.

Recognizing the strategic importance of the Caribbean, the United States ordered troops into Grenada. Ultimately, however, the future of democracy in the Caribbean will rest not on military actions that last four days but on economic initiatives that can provide a permanent framework for development.

My friends, the test of our leadership is not whether we could carry the day in Congress, but whether we can help to carry the Caribbean forward into a new and hopeful stage of economic development and democratic government.

Today we see skeptics whose pessimistic portrayals of the Caribbean threaten to become self-fulfilling prophecies. But we also see, in the 936 program and the CBI, the seeds of substantial progress for the people of the Caribbean.

My administration remains deeply committed to the Caribbean Basin Initiative. This week I wrote to Congressional leaders who are playing a major role in developing trade legislation to urge them not to undercut the CBI. Those of us who worked for the adoption and advancement of the CBI must work together again to resist the protectionist pressures that threaten to erode the benefits of this program.

The Caribbean must not be a casualty of comprehensive trade legislation aimed at Asian nations or the EEC. A trade bill enacted without regard to CBI could inadvertently injure the region. Such legislation would represent a loss of faith in the program by the Congress and the Administration and a lost opportunity to expand the benefits envisioned for the region when CBI was adopted.

Surely we have worked too long and come too far to permit passage of a trade bill that would set back the Caribbean cause. Members of the House Ways and Means Committee who came to the Caribbean in January returned to the states concerned about the impact and progress of CBI, but I was encouraged by their willingness to find new methods to make the program work better.

We in the Commonwealth of Puerto Rico want to work with the Congress in strengthening CBI. In my letter to Congressional leaders, I cited Puerto Rico's initiative making 936 funds, deposited in our financial institutions, available for economic development projects in the region and our active promotion of twin plant and production sharing investments as evidence of our unwavering support of CBI.

At the same time, I noted that trade policies concerning textiles and footwear now favor countries in Asia and elsewhere over this region. Efforts should be made to attract these industries to manufacture in the U.S., including Puerto Rico, using the benefits of the Caribbean region.

Policies affecting sugar and textile quotas have hurt the overall effectiveness of the program. Furthermore, Congress should reexamine some of the more rigid trade statutes, which are designed to deal with technologically sophisticated regions and cause the most problems for the less dynamic exporting countries. These statutes have actually discouraged investment in the Caribbean. To address these concerns, we need a cooperative effort among the Congress, the administration, and the leaders of the Caribbean.

Finally, let me return from the trade bill of 1987 to the U.S. Tax Reform Act of 1986.

The question we face today is not how little each of us can do within the letter of U.S. tax law, but how much we can accomplish together to instill a new spirit of free enterprise in this region.

We do not ask U.S. industry to make unreasonable investments. But we do ask your help in fulfilling the pledge we all made for regional development. We do ask you to participate in a plan that can secure the benefits of free enterprise and the blessings of freedom in this part of the world.

It is my profound hope that, years from now, we can all look back at the launching of complementary projects and say:

Here is where U.S. corporations took a stand for American values and American interests.

Here is where these firms carved out a new opportunity to cut costs and provide jobs.

Here is where American industry answered the Asian challenge and answered the hopes of Caribbean leaders for a decent life for their people.

Here is where the often-criticized Section 936 produced an alliance for prosperity.

Here is where we worked together—public servants and private industry—to redeem the bright promise of democracy and development.

My friends, let us begin.

THE CHALLENGE OF AMERICAN CITIZENSHIP

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1987

Mr. WILLIAMS. Mr. Speaker, I am pleased today to recognize a young constituent, Ms. Jaymee Rickey, a student at Butte High School in Montana. Ms. Rickey recently received sixth place honors in the Voice of Democracy contest, here in Washington. She was the recipient of one of seven national scholarships awarded by the Veterans of Foreign Wars and I commend her demonstrated excellence!

The contest theme this year was "The Challenge of American Citizenship." The text of Ms. Rickey's entry follows:

THE CHALLENGE OF AMERICAN CITIZENSHIP

As the bell signaling the beginning of fifth period rang on January 28, 1986, I settled into my desk and began to prepare for one more of many classes. It was a normal Tuesday, not unlike any other I had ever experienced, until the moment when the teacher walked in, an unusually solemn expression on his face, and announced, "I know it isn't usually school policy, but I'd like to request a moment of silence; the space shuttle "Challenger" has gone down—the astronauts have been killed."

Several of the people around me looked almost smug, as if they didn't care. None of their family or friends were up there. It was no one that they knew. It seemed as if they saw it as simply one more of countless tragedies that were sad, but did not apply to them. Yet I, as an American, felt devastated. I felt as if part of myself had gone down with them. Seven of my fellow Americans had lost their lives in an attempt to better our nation. They had selflessly accepted the challenge, and though they had lost their lives in the end, they had won.

Although these people who had lost their lives in the disaster, as well as countless other Americans who have fought to support our great nation, had heroic challenges, the challenge does not end with them. The challenge lies in day to day life; it lies with me.

What are the challenges that face us as American citizens? To me, one of the challenges is to acknowledge the prices that have been paid to make America the land of freedom that it is. I feel it is my duty to my country and to my fellow Americans to remember the ones who have fought for my rights, the ones who paid the price, the ones who have lost brothers, fathers, and sons, and, of course, the ones who paid the ultimate price of giving their lives for the further advancement of our country.

In addition to simply remembering these brave men and women who paid for my rights, I feel another challenge! As an American, I must uphold the concepts they strove for: Peace, justice, freedom—these are not simply empty idealistic words to me; they are my way of life. In order to uphold these concepts, I feel it is necessary as an American to take part in my system of government by voting and doing what I can to understand the things I will vote either for or against—to understand how it will affect my life, the lives of others, and the welfare of my country as a whole.

Another of the challenges we, as a nation, face is advancing in technology. One of the things that makes the United States what it is is its ability to change with the times. Those people who lost their lives in the Challenger disaster sacrificed everything they had in the challenge to move our nation ahead along the path toward the final frontier. This is only one example of the technological challenges facing America. Our country is developing in almost every area of science—agricultural productivity, new energy sources, medical breakthroughs in organ transplants, and strides toward a cure for cancer. The list goes on and on. It is my challenge to do what I can, where I can, to make contributions toward these goals, possibly adding my name to the list of thousands who have made it their careers to work toward these challenges. If, however, my life leads me in some other direction, at least I may still support their cause.

My name may never reach the headlines; I may never be ranked as an American hero as were the astronauts of the Challenger, but I will spend my life as an American, supporting my country in every way I can and making it my duty to my country to never forget what sacrifices have been made for my America.

LOW-INCOME ELDERLY MEDICAID DRUG COVERAGE AMENDMENTS OF 1987 (H.R. 1762)

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1987

Mr. WAXMAN. Mr. Speaker, 1 week ago, Mr. STARK and I introduced three bills designed to provide catastrophic health protection for the low-income elderly and disabled under Medicaid. I would like to discuss the third of these measures, the Low-Income Elderly Medicaid Drug Coverage Amendments of 1987, H.R. 1762.

Prescription drugs are a major source of financial burden for the elderly. Many of the elderly have one or more chronic conditions, such as high blood pressure and heart disease, which physicians often manage with prescription drugs. According to a study conducted by ICF, Inc., for the American Association of Retired Persons, the Nation spent about $9 billion on prescribed drugs in 1986. The elderly, who represent about 12 percent of the overall U.S. population, accounted for about 30 percent of all prescription drug spending. The Congressional Budget Office estimates that, in 1987, elderly Medicare beneficiaries will spend, on average, about $160 on prescription drugs. However, CBO estimates that between 7 and 8 percent of all elderly Medicare beneficiaries will spend $500 or more on prescription drugs.

Prescription drugs are costly, and they are getting even more expensive. Nearly 2 years ago, the Subcommittee on Health and the Environment held an oversight hearing on the prices of prescription drugs, which at that point were increasing at a rate more than double that of the Consumer Price Index [CPI]. In 1986, the increase in prescription drug prices, 8.6 percent, was more than four times that of the CPI, 1.9 percent.

Medicare, the Federal program for the elderly and disabled, does not cover outpatient prescription drugs. To obtain protection against the expense of prescription drugs outside the hospital, the elderly must either purchase a private MediGap policy which offers such coverage, or qualify for Medicaid, the Federal-State program for the poor. However, MediGap insurance premiums for such coverage can be very burdensome for the near-poor elderly, most of whom are now ineligible for Medicaid due to that program's restrictive income and resource standards for eligibility. Thus, most prescription drug spending for the elderly is out of pocket. According to ICF, Inc., of the roughly $9 billion the Nation spent on prescription drugs in 1986, about four-fifths was paid for out of pocket.

According to the intergovernmental health policy project, nine States—Connecticut, Delaware, Illinois, Maine, Maryland, New Jersey, New York, Pennsylvania, and Rhode Island—have established State-funded prescription drug programs to address this need. Most of these are limited to the elderly, and all of them are means tested. Each of these States imposes copayments, and two of the States also impose fees or premiums.

I believe that the Federal Government should join the States in responding to the needs of the low-income elderly, who are most vulnerable to the high costs of prescription drugs. The most logical vehicle for this is the Medicaid Program, which currently covers prescription drugs and targets the poor.

Current law: States may, at their option, include prescription drugs among the services they cover under their Medicaid programs. This means that Federal Medicaid matching funds are available, at the State's regular matching rate for services, for any payments it makes for covered prescription drugs on behalf of eligible beneficiaries. Prescription drugs are defined by regulation as drugs that are prescribed by a physician or other licensed practitioner and dispensed by licensed pharmacists or other licensed practitioner on a written prescription. Thus, over-the-counter drugs that are not dispensed on a written prescription, such as aspirin, are not covered. If States do elect to cover prescription drugs, they have discretion to determine the amount, duration, and scope of the coverage they offer. Federal Medicaid funds are not available for prescription drugs that have been found safe, but not effective, by the Food and Drug Administration.

According to the National Pharmaceutical Council, all but two States—Alaska and Wyoming—opted to cover prescription drugs under their Medicaid plans in 1986. Among those that do cover prescription drugs, the particular drugs covered, and the reimbursement levels and methodologies uses, vary considerably. In 1984, according to the Health Care Financing Administration, 25 States restricted their coverage to drugs identified in a State formulary, or limited drug limit. In addition to limiting the types of prescription drugs covered, a majority of States placed limits on the amounts of prescriptions, by limiting the number that can be filled within a certain time period, the number that can be refilled within a certain time period, or the number of days for which a prescription can be written.

Under current law, States may impose nominal copayments on the prescription drugs they cover, but not with respect to pregnant women, children under 18, or certain patients in hospitals or nursing homes. If the State's payment for the drug is $10 or less, any required copayment may not exceed 50 cents; if the prescription costs between $10 and $25, the copayment may not exceed $1. Physicians and other practitioners who prescribe drugs, and pharmacists or other practitioners who dispense them, must accept the Medicaid payment as payment in full; they may not charge the beneficiary any additional amount other than the authorized copayment, if any.

Proposal: H.R. 1762 would allow States to offer their existing Medicaid prescription drug benefits, or some subset of those benefits, to the elderly 65 and over who are not otherwise eligible for Medicaid and whose incomes are at ar below a State-established income threshold up to 150 percent of the Federal poverty level—$8,250 per year for an individual, $11,100 for a couple. State prescription drug outlays for eligible beneficiaries would qualify for Federal Medicaid matching funds at the regular Federal matching rate.

States could set the income threshold for eligibility at 150 percent of poverty or at any point below that. In counting income, the States could use the income methodology used by the Supplemental Security Income [SSI] Program, but they could use a less restrictive methodology as well. Elderly individuals with incomes above the State-established threshold could not qualify for coverage by incurring large drug or medical expenses and applying those to their income to "spend down" below the State's income threshold. States could, but would not be required, to use a resource test; if they chose to test resources, they could not impose rules more restrictive than those in effect under SSI. Once determined eligible for coverage, an individual would be covered for at least 6 months.

States could offer eligible elderly individuals the same prescription drug coverage as they offer to their regular Medicaid beneficiaries, or they could offer a smaller package targeted just at the elderly. They could not, however, offer broader drug coverage to this optional group than they offer to their other Medicaid beneficiaries. As under current law, the cost of nonprescription over-the-counter drugs, and the cost of drugs determined by the FDA to be safe but not effective, would not qualify for Federal Medicaid matching funds.

States could, as under current law, require nominal copayments of the noninstitutionalized elderly under this option. And, as under current law, pharmacists or other practitioners dispensing the covered drugs would be required to accept the Medicaid payment as payment in full. The State under this bill could not reimburse the physician or other practitioner for prescribing the drug; that cost would have to be picked up by the patient through Medicare or other sources of payment.

Finally, States could, at their option, charge a monthly premium for this limited prescription drug benefit. This premium may be a fixed amount for all beneficiaries, or it may be a percentage of each beneficiary's income. If the State opts for the fixed-amount approach, the premium may not exceed one-third of the average actuarial value of the drug coverage offered. If the State chooses to set the premium as a percentage of the beneficiary's income, the premium may not exceed the lesser of the average actuarial value of the coverage or 5 percent of the amount by which the beneficiary's income exceeds 100 percent of the Federal poverty level. A percentage premium could increase with income or stay constant, but it could not decrease as income increased. Any amounts collected by a State in the form of premiums would reduce, dollar for dollar, any amounts spent for this coverage that the State could claim for Federal matching.

This limited prescription drug coverage option would be effective January 1, 1988.

THE SPIRIT OF DEMOCRACY

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1987

Mr. FRENZEL. Mr. Speaker, last month Minister André Rossinot headed an official French Delegation to Washington to discuss the workings of the legislative bodies of our two countries. On February 26, the U.S. Capitol Historical Society honored Minister Rossinot at a dinner and reception at the Botannical Garden.

Participants included President Fred Schwengel of the Society, Chairman DANTE FASCELL of the Foreign Affairs Committee, Congresswoman LINDY BOGGS, a member of the Commission on the Bicentennial of the Constitution, and Madame DeMargerie, wife of the French Ambassador. President Schwengel presented Mr. Rossinot with a life membership in the historical society.

The Minister responded with a speech in which he paid tribute to the common purpose which links France and America—the preservation of liberty and democracy. His "Spirit of Democracy" address stressed the importance of the bicentennials of our Constitution in 1987 and the French Revolution and the Declaration of the Rights of Man in 1989.

The U.S. Capitol Historical Society was honored to provide the forum to celebrate the bond between France and the United States and to celebrate the Spirit of Democracy. The gentleman from Texas [Mr. JAKE PICKLE], and I, as members of the Executive Board of the Society are equally honored to present the full text of Minister Rossinot's address, which follows:

THE SPIRIT OF DEMOCRACY

Democracy! Liberty!

The decade of the 1980's is a formidable reminder of these two key words.

1984: The 40th anniversary of D-Day and the Liberation of Paris.

1986: The centennial of the Statue of Liberty.

1987: The bicentennial of the American Constitution.

1989: The bicentennial of the French Revolution and that of the Declaration of the Rights of Man of August 26, 1789.

All formidable reminders of those two words, democracy and liberty. And all formidable reminders of the special links that have existed between France and the United States for more than two centuries. George Washington, the first President of the United States and the General of the army that achieved its liberty, said on February 6, 1789: "America and France united forever." His words remain true today.

It would be unfair to say that in the course of two centuries there has never been any disputes between our two countries. But at the same time—and this is fundamentally important—it can also be said with conviction, and a study of our historic past shows, that we have never separated from each other in the struggle to preserve liberty and democracy.

And that common purpose goes back to the common ideas born in Europe and France and in the United States that lead to the preparation of the American Declaration of Independence on July 4, 1776, plus your Constitution, and how that Constitution and the ideas it incarnated influenced our 1789 revolution and our first Constitution of 1791. And the worldwide impact of these events goes much further than just the United States and France. Even though the 1791 French Constitution did not last a long time, it became the model for constitutions in Spain, Portugal, and Brazil, and then in other countries in Latin America and Africa. And the United States Constitution also became a model for constitutions in Venezuela, Mexico, the Central American Federation and Argentina in the early years of the 19th century.

What is particularly fascinating about this period of the 18th century was the rapid flow of ideas without the presence of the mass media we know today.

Let me tell you an anecdote which illustrates this point. In the early 1770's there was a customs agent in England whose name was Thomas Paine. He was fired because he had written a pamphlet calling for wage increases for his colleagues. He did not know what to do with his life when he met Benjamin Franklin, who at the time was an unofficial envoy of the American colonies in Great Britain. Franklin told him that his future lay in America. In 1774, Paine set sail for the United States. A disease struck the ship and all the passengers but Paine died. Weakened, but still alive, he arrived in Philadelphia, and with recommendations from Franklin he started to write for newspapers. One of his papers on the Rights of Women is still considered a cornerstone of that issue in the United States. In 1775, he wrote a book called "Common Man" which became the detonator of the American Revolution. After the revolution, Paine came to France at the invitation of Thomas Jefferson. His idea was to design a bridge to cross the Seine River. But he immediately fell into revolutionary circles and then wrote a second book, "The Rights of Man," which became one of the detonators of the French Revolution. He became a member of the first French national assembly, elected in four different French departments. The ironic end of the story is that he was sent to prison after speaking out in the Assembly to save the life of Louis XVI, his argument being that a man who had helped bring independence to the United States should not be executed.

THE DUAL INFLUENCE

A. THE INFLUENCE ON THE UNITED STATES

1. The influence leading up to independence

The ideas went in the other sense as well. Curiously, the fact that France was chased from the North American continent is at the origin of the progressive rise of its intellectual influence on the spirit of the American people. The opposition between France and Great Britain for control of Canada and the United States came to end with the French defeat at the Battle of Quebec in 1763. There were immediate consequences of this defeat. First, the French were motivated in the direction of revenge, which explains the rapidity with which they came to support the independence movement in the United States. But whereas until the middle of the 18th century, the American people owed most of their intellectual formation to the British, the fact that France had been pushed from the American continent removed them as potentially dangerous power and made their ideas more acceptable.

Even if the image of France was often despotic, in particular because of the intolerance of Louis XIV towards the Protestants, the publications of Voltaire and Rousseau were followed with great interest. In 1763, the Boston Gazette took the risk of presenting excerpts from "The Spirit of Laws" of Montesquieu and added the commentary: "We are doing this with the hope that it is not a political heresy that a Frenchman can have more just ideas than many among us on civic laws."

As the Treaty of Paris had put an end to the more or less realistic fears of a French invasion, the American elite found itself more permeable to the influence of French thought. The language of Voltaire made its way to America through Protestant refugees.

The name of Montesquieu appeared more and more frequently. His book, "The Spirit of Laws," published in France in 1748 and translated in London as early as 1750, immediately found a reading audience in America. It presented an immediate and practical interest, and quickly became the bedside book of the Boston and Philadelphia jurisconsults. It is considered to be a sort of bible of American political thought.

2. After the Declaration of Independence

Reading the Declaration of Independence of the 4th of July, 1776, is always a stimulating exercise. Its universal value has hardly changed. It is the first modern text in the spirit of democracy.

While stating the general principles on which the government should be based, it did not establish any form of government in itself.

The choice, for the new independent and sovereign states was to adopt specific constitutions by replacing the outdated ways of the colonial administration with modern systems.

We know that they had to go first through the Articles of Confederation, then through the Congress of Philadelphia, to finally adopt the Constitution of 1787. Although the Founding Fathers were pragmatic, the agreed-on document was, in regard to the separation of powers, very close to the ideas of Montesquieu. In fact, the approach is quite simple to trace: the Constitution's primary source of inspiration was the ideas of Montesquieu.

By reading the minutes of the meetings of the Philadelphia Convention, we see that the notion of separation of powers was present, but more or less vaguely, in the mind of most of the representatives. Each one of them seemed to be more interested in political practices than in speculative ideas. They did not consider themselves as political metaphysicians. They were acting as practical men, trying to take the best out of what was happening, to organize the best possible form of government.

Nevertheless, the report of Montesquieu on the separation between the executive, the legisative, and the judiciary left a profound impression. The authority of this theory was claimed by men like Hamilton and Jay when they sought the establishment of a government that would resemble as closely as possible the British royalty, seen through the philosophy of Montesquieu.

Even Franklin, who was rather in favor of a unique body of government, that is to say, of a system inspired more by Jean-Jacques Rousseau than by Montesquieu, eventually came round to the principles of a moderate government.

When it came to convincing the wavering, the jurist James Wilson called on the spirit of Montesquieu: "Montesquieu recommends a federated republic, I am in favor of this system, be it based on political liberty, with strong executive branch." In the conflict between anti-federalists and federalistis, the latter, grouped around Hamilton and Madison, explained that, according to Montesquieu, a federal republic is "* * * a manner of constitution that has all the interior advantages of a republican government and the exterior strength of a monarchy."

When we now link together the articles grouped under the title "The Federalist," we keep finding implicit and explicit references to Montesquieu and to the "Spirit of Laws." It is obvious that we should not draw the conclusion that Montesquieu was holding the quill of the writers of the Constitution of 1787; it is nevertheless certain that the trilogy—legislative power given to a Congress of the United States, executive power given to a President of the United States, and judiciary power vested in a Supreme Court—constitutes not only the first text that translates into facts the ideas of Montesquieu, but also the one which, up to now, has lasted the longest.

It should be noted, however, that on one critical issue the British influence on the American Constitution was important. The United States Senate, at its origin, had the imprint of the House of Lords. Senators were not elected at large as were members of the House of Representatives. They were named by the state legislatures. It was not until 1913 that an amendment of the United States Constitution would install the election of senators by universal suffrage, greatly enhancing their power.

B. THE INFLUENCE OF THE UNITED STATES

Even prior to the Declaration of Independence, those who were militating in favor of it had many friends in Paris. From 1776 to 1778, not only the text of the Declaration of Independence, but the constitutions of the different states, particularly that of Virginia, were published and widely commented on in Paris. In 1783, Benjamin Franklin obtained from the government of Louis XVI the authorization to print a special edition of the constitutions of the 13 American states. The work was given to the usual printer of the King. Thus the charters of American liberties were made available to the French public at large. These revolutionary texts had nevertheless been carefully considered; they had been discussed and placed at the disposal of all those who were trying to influence the change of ideas.

Let us not forget also that it was Jefferson himself who translated the Declaration of Independence into French. And one can obviously admire the substance, but also the elegance in the style of writing in my own language.

Even before the French Revolution of 1789, Condorcet, one of the major philosophers of the Enlightenment, wrote: "The American Revolution should soon be spreading to Europe."

Its influence on texts

The French Declaration of the Rights of Man of 1789 as well as the Declaration of Independence of 1776, included some rather final views on the future of humanity.

In 1776, the following words were written: "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable Rights, that among these are Life, Liberty, and the Pursuit of Happiness. That to secure these rights, Governments are instituted among Men deriving their just powers from the consent of the governed."

In 1789, the authors of the Declaration of the 26th of August declared that they had "resolved to set forth, in a solemn declaration, the natural, inalienable and sacred rights of man toward the maintenance of the Constitution and the happiness of all." The same inspiration is found in Article 2 with the list stating that the "natural and imprescriptible rights of man include Liberty, Property, Safety, and Resistance to Oppression," and also, in regard to the principle of sovereignty, "The source of all sovereignty lies essentially in the Nation. No corporate body, no individual may exercise any authority that does not expressly emanate from it."

The principles proclaimed in the two declarations served, from then on, as the basis to new constitutions, to systems of government based on agreement and consent to institutions that were to be lasting. And so they were in America, but no so much in France.

It is very important to note that when Lafayette wrote the first draft of the French Declaration of Rights he sent it to Thomas Jefferson in January of 1789. Jefferson immediately sent a copy to James Madison. Governor Morris, who arrived in Paris on February 3, 1789, as a representative of certain American commercial interests (he would later become Ambassador to France), also studied the draft. In addition, Lafayette consulted Alexander Hamilton, Benjamin Franklin and Thomas Paine. Thus, while the declaration of the Rights of Man of August 1789 was officially the work of Lafayette, Mirabeau and Jean-Joseph Mounier, it also had American input.

So, at the level of the Declaration of 1789, the link was direct. It was also direct two years later when the first written French Constitution, that of the 3rd of September 1791, was elaborated. This constitution, unfortunately never put into use, was characterized by a strict separation of powers. Even if by its terms the veto given by the constitution to the King of France was different than the one introduced by the constitution of 1787, the principle was the same: both provided the possibility of forcing parliament to re-examine a text.

The American influence has been felt at almost every level of our very long constitutional history. Throughout the 19th century, for instance, Guizot lead a movement called "The American School." The 1848 revolution spontaneously put itself in direct line with this American School. The constitution that was later adopted provided for a presidential regime; it drew a lot from the American constitution, but did not fare as well as its American model.

It is interesting to note that even in the United States, it is acknowledged that the most incisive study of the evolving democracy in the United States was accomplished by a young Frenchman, Alexis de Tocqueville in his unmatched study, "Democracy in America." But despite de Tocqueville's massive understanding of American democracy, and his commitment to apply some of those ideas in his own country, the revolutionaries of 1848 did not follow the American example.

The direct influence of the American system on the subsequent constitutions, particularly on those of the 3rd, 4th, and present 5th Republic, are more difficult to determine. Nevertheless, at every level of our constitutional progress, memories and reminders can be found. For instance when the French Constitutiion of 1884 states that "the Republican form of Government cannot be the subject of a proposal of review," we are reminded of section 4, article IV of the American Constitution that says "The United States shall guarantee to every State in this Union a Republican Form of Government."

Despite this exchange of ideas, the Constitution of the Fifth Republic has produced a Presidential/Legislative system that is different than that of the United States, and which is producing a new experience for France. The right of veto given to the president of the United States set up the possibility of coexistence between a president of one party and a Congress dominated by the other. Since 1954, the United States has lived through 14 years of this experience, a Republican president dealing with a Democratic Congress. Neither the executive nor the legislative branch has lost real power and coexistence had translated itself into negotiation between the two branches of government and the two dominant political parties. In France, the president has no veto over laws adopted by the parliament which has produced for the first time our current system of cohabitation. The president is the incarnation of the nation. The government determines and leads the politics of the nation. We are in the process of living the experience of determining whether this balance prescribed by our constitution can permit effective development of our national policy. I think it is too early to make an assessment on the success or failure of cohabitation, but we are living an important democratic event on a daily basis.

OUR COMMON HERITAGE

A. LIBERTIES

A comparison of the Declaration of Independence of 1776, the Declaration of the Rights of Man of 1789 and the Bill of Rights of 1791 show a great similarity in their definitions of the fundamental liberties of man and of the citizen.

As the decades passed, the range of liberties increased. From individual liberty, we moved to collective liberty, whether it be the right of assembly, the right to demonstrate, or even free trade. We also drew from the same philosophy the rights of the workers and the recognition of the value of the human work community.

At the present time, the same questions on liberties are asked on both sides of the Atlantic, such as the problem of individual liberty against the grasp of bureaucracy and gigantism. For instance, French legislation on the transparency of the administration has been largely inspired by American legislation on the same topic.

As far as liberty and communication are concerned, we have all been confronted by the technological explosion and its consequences on the fundamental liberty of pluralism of communications. There is truly a similarity of problems, and often a similarity of approaches.

Two centuries later, we can assert that the State of Rights has increased, and from now on protects the liberties of each one of us.

B-The Promotion of Democracy

We are both profoundly convinced, as we said in 1776 and 1789, that the happiness of man, the rights of man, the liberty of man, are linked to democracy throughout the world.

But we must recognize that we live in a world where democracy is under continuing attack, from both the Marxist left and the hard-line right. We must maintain a common opposition in the face of all dictatorial regimes. At the heart of this struggle must be a universal effort to permit free expression of ideas and opinions, which depends in large part on a free and unharnessed press. People in democracies have to make their choices. They cannot make those choices if they are not informed, if they are cut off from truth, if they are constantly subjected to falsehood.

"The Spirit of Democracy" was our title for this evening. On behalf of the Government of France, and of the Parti Radical, the right-of-center party of which I am president, I would like to convey to you the following message: we are all the children of 1776, 1787, and 1789. It is our duty to make sure that two centuries from now others may also be able to celebrate here the quardi-centennial of democracy.

THE RURAL WORKER READJUSTMENT ACT

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1987

Mr. GUNDERSON. Mr. Speaker, last month I joined with my colleague from Nebraska, Mr. BEREUTER, in introducing the Agriculture in Transition Act of 1987, which was the first of a two-part initiative amending the Job Training Partnership Act [JTPA] to more adequately assist farmers and other individuals residing in rural America. Today, I am introducing the second part of this initiative, the Rural Worker Readjustment Act, along with Mr. BEREUTER and nine of my fellow colleagues, which makes a number of changes to the current JTPA delivery structure, enabling the existing Dislocated Worker Program to better serve economically hard-hit rural communities.

This year, as Congress and the administration work together to develop a comprehensive trade policy with the goal of making the United States more competitive in the international marketplace, we will make major structural changes to our Federal job training effort. With the legitimate concerns we are facing today over the large number of workers being displaced from their jobs due to plant closings and mass layoffs in declining manufacturing industries, it is no wonder that a great deal of our attention is focused on individuals displaced from manufacturing jobs concentrated primarily in urban areas. However, in restructuring our employment training programs, we must take care not to overlook the needs of rural America with its own very significant displacement problems.

Although rural unemployment problems are less concentrated that those experienced in urban areas, they are just as, if not more significant, impacting adversely on all aspects of the rural community. While existing employment and training programs serve rural areas, problems exist within the structure of these programs making it difficult in many situations to adequately serve the special needs of rural America. Further, concern rises from the fact that unemployment data driving formula funding to States under the current dislocated worker program underestimates rural unemployment, subsequently resulting in rural States and rural areas receiving less than their fair share of program moneys.

Of particular concern to rural areas are problems encountered in attempting to serve financially distressed farmers, and other dislocated self-employed individuals under existing employment and training programs. Job training administrators have extreme difficulty in identifying eligible farmers, particularly in determining the point in time at which these individuals may be eligible for program participation prior to the actual cessation of the farm. This results in an inherent inability to intervene quickly enough for this population. Program deliverers also meet with difficulty in providing outreach to individuals in rural areas. This is complicated by the fact that most farmers, self-employed, and individuals working for small business operations who have been historically ineligible for unemployment insurance compensation upon dislocation from their jobs, have been unable to participate in meaningful, long-term training because of the existing Dislocated Worker Program's extreme limitations on provision of income assistance and supportive services.

To address these and other concerns met by rural job training programs, we have developed a bill that will alleviate some of these problems, making it easier to serve this population that traditionally has been so difficult to serve.

While we feel strongly that the Governor of each State should have substantial flexibility in the establishment of programs within his or her State that serve dislocated workers, local areas should also participate in decisionmaking regarding such employment and training programs that serve their particular regions and populations. By requiring that 70 percent of the money going to States under title III be suballocated throughout the State to substate areas, and allowing that the remaining 30 percent be used by the Governor for administrative costs, technical assistance, discretionary programs, and rapid response capabilities, we provide a healthy balance between State and local control of the program. In our bill, existing service delivery areas as established under JTPA would be automatically designated by the Governor as substate areas for the purposes of this newly restructured program. And, grantees for each substate area would be determined jointly by the Governor, the local private industry council, and the locally elected officials in that particular area. Further, each substate grantee would be authorized to directly provide or to contract out services as currently allowed under JTPA.

In our bill, those services currently authorized under the existing Dislocated Worker Program would continue to be provided. In addition, each State and substate grantee would be required to provide rapid response to worker dislocation, including provision of ongoing services to meet continuing displacement needs through the development of regional centers, where other rapid response capabilities are inappropriate.

It has been established that programs most successfully meeting the needs of dislocated farmers do so through providing extensive outreach to these financially distressed individuals, even before an absolute decision has been made to cease all farm operations. Through offering services such as financial and personal counseling as an integral part of their intake process, model programs have helped individuals determine whether or not they must make the transition from the farm to another occupation. To address this, the measure being introduced today amends the definition of eligibility under title III to include not only those individuals that have already ceased all farming activities, but also to include those in the process of leaving farming, and those leaving farming as their primary occupation due to financial hardship. Our bill further allows that a limited portion of the Federal job training funding going to each substate area may be used for income assistance and support services for those individuals in need, who are ineligible for unemployment insurance.

The Rural Worker Readjustment Act would provide the Governor of each State with the authority, in consultation with the State advisory council, to develop a substate allocation formula for distribution of moneys to substate areas, which would take into account factors such as farmer and rancher hardship and displacement data, and the potential for rural underestimation of unemployment statistics. This formula would be provided to all substate areas for comment prior to final approval. The bill would also provide the Governor with reallocation authority for substate allocation ensuring that money under the program is well spent. Under this plan, semiannual goals would be established jointly by the substate grantee, the PIC, the locally elected official and the Governor. Any funds not expended or obligated at the end of each 6 month period in excess of an amount within 15 percent of that goal, would be subject to reallocation by the Governor to other substate areas.

Finally, our bill requires that the Secretary of Labor develop a means by which statistical data relating to rural unemployment, particularly that data relating to permanent dislocation of farmers and ranchers due to farm and ranch failures, can be collected. The measure further directs that the Secretary collect that data and publish a report based upon the information gained as soon as practicable after the end of each calendar year. In order that we may determine the extent to which rural unemployment is underestimated, we also requested that data contained within this report be compared with that currently used by the Bureau of Labor Statistics in determining the Nation's annual employment and unemployment rates, and that an analysis of whether farmers and ranchers are being adequately counted in such employment stastics be made.

It is our hope that the provisions of this bill being introduced today will be seriously considered as a part of the larger worker readjustment proposal being developed by the Congress so that we may meet the employment and training needs of all of America, both urban and rural. As I pointed out at the introduction of the Agriculture in Transition Act last month, while no one in Congress wants to see farmers leave farming, or workers displaced from their jobs in rural communities, we must do everything in our power to see that all dislocated individuals are provided with assistance to make these difficult transitions to other occupations as painless and as successful as possible. I really do feel that these two initiatives go a long way toward alleviating many of the problems in providing employment and training assistance to individuals in rural communities. I hope to see many of these provisions incorporated into our current job training programs in the near future.

THE CHALLENGE OF AMERICAN CITIZENSHIP

HON. HERBERT H. BATEMAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1987

Mr. BATEMAN. Mr. Speaker, I am especially proud to say that in a recent nationwide broadcast scriptwriting contest conducted by the Veterans of Foreign Wars and the Ladies Auxiliary, a 17-year-old student in my district was selected as the winner and representative of the Commonwealth of Virginia. This student, Miss Jean Marie Whichard, entitled her partriotic essay, "The Challenge of American Citizenship." I would like to submit this essay for inclusion in the CONGRESSIONAL RECORD.

THE CHALLENGE OF AMERICAN CITIZENSHIP

It can be said that the thousands of people that enter America each year share a common bond, the hunger for opportunity. From the politically oppressed and economically inferior countries come individuals who are accustomed to a life of struggle. They come in search of an opportunity for a better life, but what must they give up?

Leaving one's home can be hard for anyone, but to leave for a place thousands of miles away is quite final. Many immigrants leave with no hope of ever returning. Some leave relatives and friends behind. They all leave a familiar environment, but the burning desire to be an American drives them onward. Foreigners seek freedom of choice, freedom to have an opinion, a freedom to be one of the 224 million lucky citizens. What these people give up proves the value of American citizenship.

Changing one's nationality in itself can be difficult. "I'm a Frenchman!" or "I'm German!" they once said. This is given up for "American!" The original national pride of the immigrant is exchanged for a new identity.

So they come to the United States with a dream, and often nothing more. They come to what they have heard is the "land of opportunity". Without material belongings, immigrants expect to find a place in American society, and they often do. Whether they choose to work in a factory or company, or they try to make it in their own business, there is a place for them somewhere in the United States, and the work force usually provides a space for the newcomers. However, it is hard at first.

Immigrants must compete with native citizens for jobs. For a foreigner with little education and little experience in the United States, the battles seem futile, but with time, immigrants learn that they can succeed. They must be the best at whatever they do, and they find that the "land of opportunity" is also the land of competition.

The naturalization process is definitely a challenge. Applicants struggle to gain knowledge of the English language and the United States government. They must learn a totally new history in addition to their own. The applicant even recites an oath that renounces citizenship of his former nation.

So is it worth it? To thousands it is. Along with the pain and grief, there are rewards as well. For example, to those who arrive from undemocratic nations, citizenship is priceless. The United States not only gives its people the right to participate in the government, but also the right to form government for implementing the needs of the country. All citizens enjoy the privileges of society, and in addition immigrants receive special minority benefits. Free enterprise and an unregulated way of life have always drawn people to this land, but most of all the privilege of being American is treasured. The trial and tribulations of newcomers are not in vain. As a part of the melting pot or the great mixing bowl, the new citizens are proud to have taken the challenge of American citizenship.

ALLIANCE'S MAYOR SPEAKS AGAINST DRUGS

HON. VIRGINIA SMITH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1987

Mrs. SMITH of Nebraska. Mr. Speaker, the war on drugs seems far away to many families and communities until one of their own becomes a victim.

I want to share the very moving story about the mayor of Alliance in the Third District of Nebraska. This peaceful, prairie town of 10,000 is far away from ports through which illicit drugs enter the country, big-city drug peddlers, and vice-squad operations we see on weekly television.

But Mayor Dick Zellaha tells how drugs were available in his community and nearly destroyed his son's life. Bravely, he went public and started his own "say no to drugs" campaign. He has told his story to the local press, and he has personally visited schools in his town.

Mayor Zellaha has not been afraid or too proud to tell others about the devastation drugs can bring to a loved one. I think his own story and his campaign are far more effective than many expensive, slick public relations programs.

Mayor Zellaha's actions will touch your hearts and those of your constitutents. I am today inserting in the CONGRESSIONAL RECORD a recent story from the Alliance Times-Herald, entitled "Alliance Mayor Speaks Against Drugs."

EMERSON STUDENTS LISTEN TO ZELLAHA

ALLIANCE'S MAYOR SPEAKS AGAINST DRUGS

[From the Alliance Times-Herald, Thursday, Feb. 19, 1987]

(By Belinda Amerman)

Mayor Dick Zellaha told Emerson Elementary School first graders Wednesday about his job as Alliance's mayor. He also discussed the dangers of drugs. Mrs. Norma Green is the teacher. At the beginning of his talks, Zellaha explained how Alliance's city government operates, about the city's debt, and how it became so large.

The children were interested in how Zellaha became mayor so he told them the process—the person is elected to the city council then the city council elects the mayor.

Zellaha then said that he, as mayor, is starting a personal campaign against drugs. The mayor said he always has done his best to fight against drugs in Alliance but when his son Shane was involved in an automobile accident he decided to do more. The driver was under the influence of a drug when the accident occurred, Zellaha said.

However, Zellaha told the young students his son also has used drugs—cocaine is one. "My son had a good job and he worked at Dayco. He knows about drugs," Zellaha said in dead seriousness.

October, Zellaha said, was when Shane became involved with cocaine. "It's the biggest selling drug in Alliance," he said.

In six weeks, Shane spent the $7,000 he had in savings, all on cocaine. He lost his car. He lost his job. And almost lost his wife, all over cocaine.

"On cocaine, you don't want to talk to your parents," Zellaha said.

He told the students the user first sniffs the drug; then he free bases (cooks it) and uses needles to "squirt" it right into his veins. "That's when they've reached the 'pits,'" Zellaha said and added the "pits" means depression.

"No one beats cocaine. They think they can use it just on weekends," he said. Then, Zellaha said, the user can't leave it for the weekends and begins taking doses once or twice during the week.

"You'll end up losing your mind, or killing yourself," Zellaha said.

Shane weighed 175 pounds in October and 5 feet, 11 inches tall. "During the time he was messing around with the dope, he lost 80 pounds in six weeks. On Jan. 25 he was in the accident. The driver was going, they figure, about 72 miles an hour (down a residential street). The truck hit a parked vehicle and the driver made no attempt to stop. The back bumper came up over the truck and caught Shane on the head. The accident caused leakage in the brain and broke his eye sockets, nose, cheeks; his jaw was shattered on the right side; and he lost a lot of teeth on the lower jaw. He was paralyzed on the right side," he said.

The mayor's son is recovering slowly but Zellaha said he will have to make many more trips to the Denver Hospital for surgeries and therapy.

To make his point, Zellaha handed the students photographs of Shane, out of the hospital, standing by the demolished vehicle. His young audience's did little talking during Zellaha's talk.

He told them, "If someone offers you drugs, tell your parents, the mayor, or the police."

Mrs. Green said that prior to Zellaha's visit, the students listed what they thought to be some of the main problems in Alliance—drugs and alcohol (drunk driving) headed the list.

Other problems were car/train wrecks, fires, shooting people with guns, vandalism, robbery, kidnapping, and unsafe buildings. Zellaha said many of those problems could be caused by drugs.

Zellaha asked the students if they had any questions or comments. Jake Green, first grader, told him, "I saw a teenager walking past my house smoking dope and my babysitter called the police."

"You did him a favor and that's what I'm going to do to try to do in the next year, is help those people who do drugs," Zellaha said and added a person who might offer you drugs won't look like a crook with a mask. "It may be a best friend who gives you drugs."

The important reason to help a person who is on drugs, Zellaha said, is "people don't try the drugs because they want to, there has to be a reason."

He said he is making himself, and his son is too, available to speak against drugs to anyone. Zellaha said he wants to make sure every young person knows how to tell someone if ever he or she is offered drugs.

THE ADULT EDUCATION AMENDMENTS OF 1987

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1987

Mr. WILLIAMS. Mr. Speaker, illiteracy is America's shame and our national tragedy. It is a waste for those individuals who are illiterate; a terrible drag on our economy; a danger to our defense; and a blot on our democracy.

It is a waste for the individual because he or she loses hope, self-respect, and financial security. Individuals who are functionally illiterate cannot: respond to a help wanted ad; read directions on a medicine bottle; correctly fill out a check; or read a newspaper.

It is a drag on our economy because its costs are staggering. The Nation spends $6.6 billion a year to keep 750,000 illiterates in jail. The annual cost of welfare programs and unemployment compensation due to illiteracy is estimated to be $6 billion. An "informed guess" at the price tag for efforts by the business community to address the lack of basic skills by the work force is $10 billion.

America's standing in international competition is significantly eroded by illiteracy here at home. Our world neighbors are now, for the first time in four decades, seriously challenging us in the marketplace of both goods and ideas. If we are to compete in the grand American tradition, we must have a fully literate work force: People with less than 6 years of schooling are four times more likely than others to be on welfare; 50 percent of those in prison are functionally illiterate and 75 percent have not completed high school; 85 percent of juveniles who go into court are illiterate; 75 percent of the unemployed have inadequate reading, writing, and computation skills necessary for retraining for high-technology jobs.

It is a danger to our defense because many soldiers cannot even begin the training they need to handle sophisticated military equipment. The Department of Defense is paying $1,000 a page to convert some weapons manuals to a comic book format so that the GI's can understand the instructions. A well-prepared defensive force requires well-educated adults at all levels throughout the military.

It is a blot on our democracy because illiterate persons are unable to participate in the political process and make informed choices. Our democracy continues to be the great experiment. In large measure, its success will depend upon the ability of our citizens—our literate citizens—to rule themselves and do it better than the wisest king or prince.

Illiteracy in America is not only a national tragedy, it is also a Federal disgrace because our Government has failed to maintain a focus on the problem and make a meaningful commitment to provide the necessary support to efforts designed to meet the special needs of our illiterate neighbors.

Today, I am introducing the Adult Education Amendments of 1987. The bill increases the authorization level from $140 million to $200 million for fiscal year 1988 and such sums thereafter. Other major provisions in the bill are as follows.

First, the purpose of the act is to improve educational opportunities for adults who lack the level of literacy skills requisite to effective citizenship and productive employment and to assist States to establish adult education programs that will provide these adults with sufficient basic education to enable them to benefit from job training and retraining programs and to obtain and retain productive employment.

Second, State and local recipients are required to coordinate programs funded under this act with programs funded from other Federal sources as well as through State and local funds. The bill also requires recipients to make efforts to form linkages with the VISTA Literacy Corps established last year by Public Law 99-551.

Third, 95 percent of the funds must be used for adult education services and programs leaving the remainder for administration.

Fourth, States are permitted to use a portion of their funds to support a private sector adult education initiative designed to improve the productivity of current employees through literacy training programs provided by partnerships among business, labor, job training programs, and educational agencies and institutions.

Fifth, States must designate or establish a new body that will serve as a State advisory council on adult education.

Sixth, States and local recipients are required to recognize the specialized needs of persons with disabilities and those who have limited English proficiency, as well as those who are homeless.

Seventh, States are required to develop a systematic approach for meeting the needs of the population eligible for adult education programs.

Eighth, States may use funds under the act for personnel training, research, and curriculum development in addition to the direct provision of adult education programs.

Finally, the Secretary must complete a study of the literacy needs of our country, participate in a joint study of the availability of Federal funding and services for literacy training, and complete a study of the special needs of adults with learning disabilities and their participation in adult education programs.

MEDICAID CATASTROPHIC PROTECTION AMENDMENTS OF 1987 (H.R. 1760)

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1987

Mr. WAXMAN. Mr. Speaker, a week ago Mr. STARK and I introduced three bills designed to provide catastrophic health protection for the low-income elderly and disabled under Medicaid. I would like to take this opportunity to explain the first of these measures, the Medicaid Catastrophic Protection Amendments of 1987, H.R. 1760.

CURRENT LAW

Under Medicare, the Federal program for the elderly and disabled, beneficiaries are obligated to meet certain deductible, coinsurance, and premium requirements before payment will be made for covered hospital, physician, and related services. In 1987, these out-of-pocket liabilities will average $456 per beneficiary. This figure does not include the amounts that beneficiaries must pay if their physicians do not take assignment and instead bill them for the difference between what Medicare allows—less 20 percent coinsurance—and the actual charge for the service.

Only about 20 percent of aged Medicare beneficiaries actually pay these cost-sharing requirements directly, however. An estimated 8 percent of aged Medicare beneficiaries are also eligible for Medicaid, which generally pays these cost-sharing obligations on behalf of the dually eligible. Another 72 percent have private MediGap insurance policies which, in exchange for additional premiums that will average $500 to $600 this year, pay most of the cost-sharing requirements. For those low-income elderly who are not eligible for Medicaid, Medicare cost-sharing—or the premiums for MediGap insurance—can create a major financial burden.

Congress spoke to this situation in the Omnibus Budget Reconciliation Act [OBRA] of 1986, Public Law 99-509, by giving the States two new options for protecting their elderly and disabled poor. States can elect to extend their full Medicaid benefit package, including coverage for Medicare cost-sharing and nursing home care, to the elderly and disabled with incomes at or below a State-established threshold of up to 100 percent of the Federal poverty level. In the alternative, States can elect to offer more limited coverage by using State and Federal Medicaid funds to pay Medicare cost-sharing amounts—deductibles, coinsurance, and premiums under part A and part B—on behalf of elderly and disabled Medicare beneficiaries whose incomes do not exceed 100 percent of poverty. If a State elects either option, it must also extend Medicaid coverage to "some or all" of the uncovered pregnant women and young children with incomes of up to 100 percent of the Federal poverty level.

Both of these options become effective this coming July 1. According to a survey conducted at the end of 1986 by the Center for Policy Research of the National Governors' Association, about one-tenth of the State Medicaid directors polled felt it was "probable" that their State would elect to cover more aged and disabled; one-third were "considering" the option; and nearly one-half believed their States were "not likely" to elect either option. A few States, including Alaska, California, and Massachusetts, already supplement the SSI benefit levels to such an extent that the total benefit exceeds more than 100 percent of the Federal poverty level. Since many State legislatures are still in session, it is not yet possible to assess the accuracy of the predictions of the Medicaid directors. However, it is reasonable to expect that a majority of the States will not elect either of the new coverage options this year.

Whatever Medicare catastrophic benefit the Congress finally enacts, it is clear that, from the standpoint of the low-income elderly and disabled, the out-of-pocket costs for covered services will remain too high. I believe that, even under an improved catastrophic benefit, we cannot continue to expect low-income Medicare beneficiaries to meet the same cost-sharing requirements as the well-to-do elderly. The most straightforward solution is to require the States to exercise their option under OBRA 1986 to pay the Medicare cost-sharing of the elderly and disabled with incomes below poverty, including an cost-sharing under a catastrophic benefit. While requiring coverage for all Medicaid benefits would be of even more help to the poor elderly and disabled, it is simply not fiscally feasible at this time.

PROPOSAL

H.R. 1760 would require, effective January 1, 1988, that all States pay the Medicare cost-sharing requirements of their poor elderly and disabled. Medicare cost-sharing is defined as any deductible, coinsurance, or premium required under part A or part B, including any new requirement imposed in connection with a catastrophic coverage plan.

As under the current law, State outlays would be matched by the Federal Government at each State's regular Medicaid matching rate for services.

Unlike current law, however, States could not set their own income or resource eligibility thresholds. Payment of Medicare cost-sharing would be mandatory on behalf of any elderly or disabled individual who is entitled to Medicare, is not otherwise eligible for Medicaid, whose income is equal to or less than 100 percent of the Federal poverty level, and whose countable resources are equal to or less than the levels permitted under the SSI program—or, if less restrictive, the State's "medically needy" program. There would be no "spend down" feature; that is, individuals with countable incomes above 100 percent of poverty could not qualify for this coverage, regardless of the size of their medical expenses—although they might be able to establish Medicaid eligibility under a State's "medically needy" program, if any.

Finally, the bill retains the requirement in current law that any State which covers the Medicare cost-sharing of the poor elderly and disabled must provide Medicaid coverage for "some or all" of the otherwise-ineligible pregnant women and infants whose incomes fall below 100 percent of the Federal poverty level.

This requirement would take effect on January 1, 1988.

LEGISLATION TO TEMPORARILY SUSPEND MOST-FAVORED-NATION TRADE STATUS FOR ROMANIA

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1987

Mr. HALL of Ohio. Mr. Speaker, on February 25, 1987, I joined with the gentleman from New Jersey [Mr. SMITH] and the gentleman from Virginia [Mr. WOLF] to introduce H.R. 1250. This legislation would suspend most-favored-nation treatment to the products of Romania for 6 months because of that nation's failure to protect fundamental human rights.

In addition to suspending MFN for 6 months, the bill provides for ongoing review of human rights in Romania. It also establishes procedures for a congressional joint resolution of disapproval of a resumption of MFN. The procedures created by H.R. 1250 are designed to resolve the constitutional problems with the current legislative veto mechanism of the Trade Act of 1974 in the wake of the Chadha decision.

In view of the interest of my colleagues in the issue of human rights in Romania, the full text of H.R. 1250 follows:

H.R. 1250

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CONGRESSIONAL FINDINGS.

The Congress—

(1) notes that the Department of State, in the publication Country Reports on Human Rights Practices for 1985, determined that "In the area of human rights, major discrepancies exist between generally accepted standards, for example as embodied in the Helsinki Final Act of the Conference on Security and Cooperation in Europe, and Romanian practice . . .. The party, through the Government, continues to restrict and control the right to free speach, free assembly and association, and the practice of one's religion.";

(2) is aware of numerous accounts from the Department of State, Congessional delegations, and various human rights organizations, that Romanian citizens are being arbitrarily harassed, interrogated, and arrested by Romanian government authrities for the exercise of civil and religious liberties;

(3) finds that official Romanian harassment of religious believers has not only been extended to the arrest of persons for carrying Bibles and other religious materials, but even carried to the point of destroying places of worship, including most recently the country's largest Seven Day Adventist Church and the Sephardic synagogue in Bucharest;

(4) further finds that the United States trade deficit with Romania (which continues to be high) is a result of our extension of nondiscriminatory treatment (most-favored-nation treatment) to that country and can be construed as an endorsement of that nation's abusive internal practices;

(5) is aware of the severe limits placed on the rights of Hungarians and other ethnic minorities within Romania to express and maintain their cultural heritage, as is illustrated by the attempts made by the Romanian government to eliminate systematically Hungarian churches, schools, traditions, and even the Hungarian language from Romanian society;

(6) recognizes and emphasizes the continued dedication of the United States to fundamental human rights (as noted in section 402 of the Trade Act of 1974) and is concerned with Romania's commitment to those rights; and

(7) commends the President for withdrawing Romania's eligibility for duty-free treatment under the Generalized System of Preferences because of Romania's violation of "internationally recognized worker rights".

SEC. 2. OBJECTIVES.

The objectives of this Act are to effect—

(1) the termination of the current policies and practices of the Government of Romania under which—

(A) its citizens are denied the right or opportunity to emigrate,

(B) more than a nominal tax is imposed on emigration or on the visas or other documents required for emigration, and

(C) more than nominal taxes, levies, fines, fees, or other charges are imposed on citizens as a consequence of their desire to emigrate to the countries of their choice; and

(2) substantial progress in halting the persecution by the Government of Romania of its citizens on religious and political grounds, and the repression by such Government of Hungarians and other ethnic minorities within Romania.

SEC. 3. DEFINITIONS OF RIGHTS REVIEW PERIOD.

As used in this Act, the term "rights review period" means—

(1) the 6-month period referred to in section 4(a); and

(2) each successive period of 180 consecutive calendar days occurring after the last day of the 6-month period referred to in paragraph (1).

SEC. 4. SUSPENSION OF NONDISCRIMINATORY TREATMENT FOR ROMANIAN PRODUCTS.

(a) INITIAL SUSPENSION.— The products of Romania may not receive nondiscriminatory treatment (most-favored-nation treatment) during the 6-month period beginning on the date of the enactment of this Act.

(b) AFTER INITIAL SUSPENSION.— The products of Romania may receive nondiscriminatory treatment (most-favored-nation treatment) during any rights review period referred to in section 3(2) only if—

(1) no later than the 30th day before the close of the immediately preceding rights review period, the President submits to the House of Representatives and the Senate a document containing—

(A) a Presidential determination, and the reasons therefore, that the application of nondiscriminatory treatment to the products of Romania during the next rights review period will substantially promote the objectives listed in section 2,

(B) a statement that the President has received assurances that the policies and practices of the Romanian government will henceforth lead substantially to the achievement of such objectives, and

(C) based on such determination and finding, a recommendation by the President that nondiscriminatory treatment be applied to the products of Romania during the rights review period; and

(2) a joint resolution disapproving such application is not enacted, in accordance with the procedures referred to in section 5, before the close of the rights review period in which the document referred to in paragraph (1) is submitted.

SEC. 5. RESOLUTION DISAPPROVING NONDISCRIMINATORY TREATMENT FOR THE PRODUCTS OF ROMANIA.

(a) CONTENTS OF RESOLUTION.— For purposes of this section, the term "joint resolution" means only a joint resolution of the two Houses of Congress the matter after the resolving clause of which is as follows: "That the Congress disapproves the application of nondiscriminatory treatment (most-favored-nation treatment) to the products of Romania that was recommended by the President to the Congress on ——", with the blank space being filled with the appropriate date.

(b) APPLICATION OF PROCEDURES UNDER THE TRADE ACT OF 1974.—The provisions of section 152 of the Trade Act of 1974 (relating to concurrent resolutions) apply to joint resolutions except that in applying section 152(c)(1), all calendar days shall be counted and 5 calendar days shall be submitted for 30 calendar days. Section 154(a) of the Trade Act of 1974 applies to documents transmitted by the President under section 4(b)(1).

SEC. 6. INAPPLICABILITY OF CERTAIN TITLE IV PROVISIONS.

On and after the date of the enactment of this Act, sections 401 and 402 of the Trade Act of 1974 do not apply with respect to the tariff treatment of the products of Romania.

MENTAL HEALTH SERVICES BILL

HON. JAMES H. (JIMMY) QUILLEN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1987

Mr. QUILLEN. Mr. Speaker, I am pleased to introduce legislation which would recognize clinical social workers on independent providers of covered mental health services in the Medicare and Medicaid programs.

The private sector long ago learned that by attending to people's mental health needs, significant cost savings can be realized in health insurance claims for physician care and hospitalization to treat the physical symptoms of underlying emotional distress.

Regrettably, Congress has been slow to learn from the experience of the private sector. Mental health coverage in the Medicare program lags far behind the coverage for physical illness and injury, for reasons which have more to do with the stigma of mental illness than with sound health care policy.

A good example of the human and fiscal costs imposed by Medicare's inadequate mental health coverage was given by the former President of the National Federation of Societies for Clinical Social Work in the course of her testimony before the Health Subcommittee of the House Ways and Means Committee. Marsha Wineburgh, a licensed, practicing clinical social worker in New York, described a 67-year-old patient who was referred to her following extensive medical testing and treatment for severe abdominal pains, which had begun 5 years earlier when the patient had been laid off from her job. After numerous medical tests had failed to indicate any physiological cause of the pains, the patient had undergone exploratory surgery for possible cancer. That too was negative. She became depressed. Her physician prescribed Percodan to alleviate the abdominal pain, but after a while, as a result of an article she read, the patient became convinced that she was addicted to the Percodan, and therefore took herself off the medication. The withdrawal pushed her even further into depression. By the time Ms. Wineburgh saw her, the patient had become bedridden, and had stopped taking care of her family and her home. Ms. Wineburgh treated her depression and over the course of approximately 6 months of therapy, the patient's depression lifted and the abdominal pains disappeared. At the time of Ms. Wineburgh's testimony, the patient was a healthy, functioning 67-year-old woman who was once again leading an active life. The bottom line of the story is that Medicare paid for all the medical testing, the exploratory surgery, the Percodan, and the physician visits, but Medicare did not pay for the services of the clinical social worker which restored the patient's health and functioning. (12/14/82 Hearings, Serial 97-87, pp. 46–47).

In the example just given, the licensed clinical social worker's services were not covered by Medicare because she is not a physician. And yet, clinical social workers provide the majority of outpatient mental health care in the United States. They are licensed or certified by State law in 39 jurisdictions. Fifteen States mandate that patients be given the right to choose a clinical social work provider when they need mental health services which are otherwise covered under group insurance. Federal health insurance programs such as CHAMPUS and the Federal Employees Health Benefits Program (FEHBP) currently pay for mental health treatment rendered by qualified clinical social workers.

I urge my fellow Members of Congress to join with me in supporting this important legislation which would recognize as independent providers clinical social workers who are currently providing a significant portion of the mental health services for our Nation's Medicare population.

Mr. Speaker, I insert the text of this bill in the RECORD:

H.R. 1857

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. COVERAGE OF CLINICAL SOCIAL WORKER SERVICES UNDER PART B OF MEDICARE.

(a) COVERAGE OF SERVICES.—Section 1861(s)(2) of the Social Security Act (42 U.S.C. 1395x(s)(2)) is amended—

(1) by striking "and" at the end of subparagraph (J);

(2) by adding "and" at the end of subparagraph (K); and

(3) by adding at the end thereof the following new subparagraph:

"(L) clinical social worker services;".

(b) DEFINITION.—Section 1861 of such Act (42 U.S.C. 1395x) is amended by adding at the end thereof the following new subsection:

"Clinical Social Worker Services

"(ff)(1) The term 'clinical social worker services' means services performed by a clinical social worker (as defined in paragraph (2)) which the clinical social worker is legally authorized to perform under State law (or the State regulatory mechanism provided by State law) of the State in which such services are performed, whether or not the clinical social worker is under the supervision of, or associated with, a physician or other health care provider.

"(2) The term 'clinical social worker' means an individual who—

"(A) possesses a master's or doctor's degree in social work,

"(B) after obtaining such degree has performed at least two years of supervised clinical social work, and

"(C) is licensed or certified as a clinical social worker in the State in which the clinical social worker services are performed, or in those States which do not provide for licensure or certification, is listed in a national register of social workers who, by education and experience, qualify as health care providers in clinical social work.".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to services performed on or after the first day of the first month which begins more than 60 days after the date of the enactment of this Act.

SEC. 2. COVERAGE OF CLINICAL SOCIAL WORKER SERVICES AS A MANDATORY MEDICAID BENEFIT.

(a) COVERAGE OF SERVICES.—Section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)) is amended—

(1) by striking "and" at the end of paragraph (20);

(2) by redesignating paragraph (21) as paragraph (22); and

(3) by inserting after paragraph (20) the following new paragraph:

"(21) clinical social worker services (as defined in section 1861(ff)(1)); and".

(b) CONFORMING CHANGES.—

(1) Section 1902(a) of such Act (42 U.S.C. 1396a(a)) is amended—

(A) in paragraph (10)(A), by striking "paragraphs (1) through (5) and (17)" and inserting "paragraphs (1) through (5), (17), and (21)"; and

(B) in paragraph (10)(C)(iv), by striking "paragraphs (1) through (5) and (17) of section 1905(a) or the care and services listed in any 7 of the paragraphs numbered (1) through (20)" and inserting "paragraphs (1) through (5), (17), and (21) of section 1905(a) or the care and services listed in any 7 of the paragraphs numbered (1) through (21)".

(2) Section 1902(j) of such Act (42 U.S.C. 1396a(j)) is amended by striking "(21)" and inserting "(22)".

(c) EFFECTIVE DATE.—

(1) Except as provided in paragraph (2), the amendments made by this section shall be effective with respect to payments under title XIX of the Social Security Act for calendar quarters beginning more than 60 days after the date of the enactment of this Act.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act.

TRIBUTE TO EDDIE GRAY

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1987

Mr. RINALDO. Mr. Speaker, one of the finest citizens of my native city of Elizabeth, NJ, Mr. Eddie Gray, recently died after a lifetime of public service and charitable endeavors that are unmatched in the more than 300 years of Elizabeth's history.

An outstanding athlete as a young man, he later became an Elizabeth police detective and founded the Police Athletic League and Big Brothers in Elizabeth. He counseled the forgotten in prison; brought food to the hungry; gave hope to people in despire; assisted the handicapped; encouraged the citizens of Elizabeth to aid the needy, and promote a spirit of goodwill unequalled in a city the size of Elizabeth, NJ.

The support he received form his wife, Billie, and their children, Edward, Patrick, Robert, Mark and Mary Beth, inspired Eddie Gray to love his fellow man to an extraordinary degree.

My sympathies go to his family.

The editorial comments that appeared in the Daily Journal of Elizabeth, NJ, best expressed the sentiments and the loss that many of us who knew and admired Eddie Gray feel. The editorial follows:

SO LONG EDDIE

THE VOID IN OUR CITY

We, like many other individuals and institutions in Union County and the city of Elizabeth specifically, mourn the passing of Eddie Gray. He was something very special. To his wife, Billie, and his family, we offer our sympathy and appreciation for the many sacrifices they have made over the years.

A member of the Elizabeth City Council has proposed naming a day in Eddie Gray's honor on his birthday in June. We encourage the council to accept the recommendation, not because it pays honor to one individual, but because by doing so it sends a message to our community that the ideals and ideas which Eddie Gray practiced are essential.

For those who did not know him, it would be all too easy to describe Mr. Gray as a former Elizabeth detective, a rough-and-ready athlete who helped coach and train the city's youth, and a crack pistol shot at 75 years old.

But he was much more.

In a line of work where it would be all too easy to become disenchanted with your fellow man, where you too often see the worst of human instincts and emotions, when most of us would become tired and beaten down physically, emotionally and spiritually, by the experiences, Eddie became spiritually invigorated. As all of his friends and family will testify, he literally fed the hungry, housed the homeless, and gave alms to the poor, all of his adult life.

However, he provided much more than material aid to those in need. He offered a gentle genuine caring with an unbounding smile and a tireless spirit. No man or woman was ever turned away by Eddie Gray. No cause that helped his fellow man was left unembraced by Eddie Gray. He practiced his humanity on the streets of this city or whenever and wherever he found the need.

He practiced it in the most direct manner possible: one-on-one, face to face. His home, his pockets, and his spirit were open for all to draw on.

No more than this can be said of Eddie Gray and this is he practiced charity, loved mercy, and thirsted for justice.

He leaves an enormous void and a towering example of what one life can mean.

A NEWSPAPER OF VALOR

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1987

Mr. SHUMWAY. Mr. Speaker, the final uprising against the Somoza dictatorship was sparked by the assassination of Pedro Joaquin Chamorro, the editor of La Prensa who dedicated his life to the cause of freedom for the people of Nicaragua. For 45 years La Prensa led the fight against the Somoza dynasty on behalf of freedom and democracy.

The Sandinista's betrayal of the Nicaraguan people who brought them to power is clearly demonstrated by their treatment of the Catholic Church and La Prensa, two powerful forces in the struggle for freedom which caused the downfall of Somoza.

La Prensa has been heavily censored from the very beginning of the Sandinista regime. It was finally shutdown in June 1986. Earlier this year the Sandinistas proclaimed a new constitution including free press. Yet La Prensa has not been allowed to publish a single edition.

Last Friday Violeta Chamorro was honored here in Washington for her heroic efforts to offer the people of Nicaragua an independent source of information and a forum for the free exchange of ideas. Unfortunately, the Sandinistas have repeatedly demonstrated their inability to tolerate any opposition.

I commend to my colleagues a tribute to Mrs. Chamorro and her newspaper which appeared in Sunday's Washington Post.

[From the Washington Post, Mar. 29, 1987]

A NEWSPAPER OF VALOR

Violeta Chamorro, publisher of La Prensa in Managua, was in town Friday to receive an award. She and her newspaper, which the Sandinista regime in Nicaragua has kept from publishing since last June, deserve 10 awards. They are the underdogs in an uphill struggle, and despite great pressures and hardships they refuse to leave the field. In the—literally—minutes between the regime's pronouncement of a new free-press constitution and its declaration of a state of siege in January, for instance, La Prensa sought to publish a daily edition and was denied.

The Sandinistas silenced La Prensa and the few remaining independent radio stations in order to consolidate their media monopoly and to deny to their democratic opposition the vital means of communication and solidarity. For the same reasons, prisoners are isolated in separate cells. La Prensa had been accused of violating no laws. It was denied due process. Since that time, the government has allowed the owners of La Prensa to hold their property and to keep on a small staff but, of course, not to publish. In that way the paper is kept in a token state of formal suspension, and the Chamaorro resources are drained.

Mrs. Chamorro takes no part in "the debate over armed struggle"—in the issue of support for the Nicaraguan armed resistance that is at the center of American attention. What is at the center of her attention is "the ideological struggle," by which she means the long-range effort to keep alive the ways of independent thinking that the Sandinistas find threatening—and that they threaten. La Prensa performed that function with valor in the times of the Somoza dictatorship, which assassinated her husband in 1978. In a fling of hope, Mrs. Chamorro joined the first junta put in place by the Sandinistas after the Nicaraguan revolution. Soon disillusioned, she left to take up the fight that consumes her now.

Someone like Mrs. Chamorro could be pardoned for thinking that for Nicaragua freedom of the press is almost everything. In conditions where La Prensa was publishing freely, Nicaragua would be a place entirely different from the replica of communist Cuba that the Sandinistas seemingly want to turn it into. That is why all serious diplomatic initiatives, including the current one launched by Costa Rica, come quickly to urge the regime to demonstrate good faith by allowing the paper back in business. There is no better way to signify a readiness to stop shrinking the political space in Nicaragua and to start expanding it—to draw Nicaraguans back into a common dialogue rather than to push desperate political rivals into a continuing civil war.

THE HIGHER EDUCATION TECHNICAL AMENDMENTS ACT OF 1987

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1987

Mr. WILLIAMS. Mr. Speaker, today I am introducing the Higher Education Technical Amendments Act of 1987. I am joined in this legislation by a strong, bipartisan majority of my colleagues on the Committee on Education and Labor.

Last fall, the 99th Congress completed 2 years of hearings and committee action by reauthorizing the Higher Education Act of 1965 for an additional 5 years. Both the House and the Senate worked diligently to combine their respective reauthorization proposals into one effective legislative package. The result was a 344-page bill that become Public Law 99–498 which was signed into law on October 17, 1986.

The bill I am introducing today will correct several unanticipated conditions that resulted from combining the House and the Senate versions in conference. In addition, this legislation corrects numerous typographical errors and erroneous cross references. This legislation also revises the numerical values that were used in the provisions which established a uniform needs analysis methodology. Finally, in several places, this bill brings the changes created by the Higher Education Amendments of 1986 into conformity with the Tax Reform Act of 1986 and the Consolidated Omnibus Budget Reconciliation Act.

Mr. Speaker, this bill reflects a consensus view. It has been carefully developed, with constant consultation with members of the committee and with individuals and organizations representing a variety of postsecondary education and student loan financing points of view. This bill also incorporates the technical corrections proposed by the Department of Education in their proposed legislation, the Higher Education Act Technical and Program Improvements Act of 1987 which was transmitted to you on March 11, 1987.

I urge my colleagues to join with the sponsors of this legislation in supporting this important package of technical corrections when we bring it to the floor.

LOW-INCOME ELDERLY AND DISABLED MEDICAID AMENDMENTS OF 1987 (H.R. 1761)

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1987

Mr. WAXMAN. Mr. Speaker, last week Mr. STARK and I introduced three bills designed to provide catastrophic health protection for the low-income elderly and disabled under Medicaid. I would like to offer the following explanation of the second of these measures, the Low-income Elderly and Disabled Medicaid Amendments of 1987, H.R. 1761.

Current law: Under the Omnibus Budget Reconciliation Act [OBRA] of 1986, Public Law 99-509, States have to option of using State and Federal Medicaid dollars to pay the Medicare cost-sharing—part A and part B deductibles, coinsurance, and premiums—of elderly and disabled Medicare beneficiaries with incomes up to 100 percent of the Federal poverty level and resources below the SSI levels—or, at State option, if more generous, the "medically needy" resource levels. This option, if more generous, the "medically needy" resource levels. This option takes effect on July 1, 1987. States which elect this option must also extend Medicaid coverage to "some or all" pregnant women and young children with incomes below 100 percent of the poverty level.

Proposal: H.R. 1761 would allow the States, at their option, to extend the current law protection to elderly and disabled with incomes of up to 150 percent of the Federal poverty level—$8,250 per year for an individual, $11,100 for a couple. This bill would complement H.R. 1760, which would require States, effective January 1, 1988, to pay Medicare cost-sharing requirements for all Medicare beneficiaries with incomes at or below 100 percent of the poverty level.

The bill defines Medicare cost-sharing as all deductibles, coinsurance, and premium requirements under part A or part B, including any new requirements imposed in connection with a catastrophic coverage plan. As under the current law option, State payments for these cost-sharing obligations on behalf of this new population would be matched by the Federal Government at the current Medicaid matching rate for services.

States could set their income thresholds wherever they chose between 100 and 150 percent of poverty. States could not choose as between elderly and disabled; if they opt to cover one group below a certain income threshold, they must cover the other. Individuals with income above 150 percent—or wherever the State chose to set its threshold—could not qualify for coverage under this provision by incurring large medical bills and applying those expenses against their incomes to "spend down" to the State income threshold. Regardless of the income level they elect, States would have to apply either the SSI resource tests or, at their option, their own more generous "medically needy" resource tests.

As under current law, any State electing to pay Medicare cost-sharing for beneficiaries with incomes above 100 percent of the poverty level would also have to extend Medicaid coverage to "some or all" of their otherwise ineligible pregnant women and young children with incomes below 100 percent of poverty.

There is one major difference between the current law option and this bill. States that opt to cover the elderly and disabled up with incomes up to 100 percent of the poverty level for Medicare cost-sharing may not impose any charge in the form of a premium or fee. This protects the poorest of the elderly and disabled Medicare beneficiaries from any Medicare-related cost-sharing requirements. However, with respect to the near-poor elderly just above the poverty line, it seems appropriate to give the States the option of imposing a reasonable premium in exchange for this coverage against a much greater cost-sharing burden. The central purpose of this legislation—to protect the near-poor elderly and disabled from potentially "catastrophic" Medicare cost-sharing burdens—can still be achieved.

Under this bill, with respect to the elderly and disabled with incomes between 100 and 150 percent of poverty, a State may, at its option, impose a monthly premium. This premium may be a fixed amount for all beneficiaries, or it may be a percent of each beneficiary's income. If the State opts for the fixed-amount approach, the premium may not exceed one-third of the Medicare part B premium—currently $17.90 per month. If the State chooses to set the premium as a percentage of the beneficiary's income, the premium may not exceed the lesser of the average actuarial value of the coverage or 5 percent of the amount by which the beneficiary's income exceeds 100 percent of the Federal poverty level. The percentage premium may increase as income increases, or it may stay the same, but it may not decrease as income increases. Any amount collected by a State in the form of premiums would reduce, dollar for dollar, any amounts that the State could claim for Federal matching.

This option would become effective January 1, 1988.

CONTINENTAL AIRLINES BANKRUPTCY AND EMPLOYEE STRIKE

HON. DOUGLAS H. BOSCO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1987

Mr. BOSCO. Mr. Speaker, throughout the duration of the Continental Airlines bankruptcy and employee strike, some of us in Congress attempted, with little success, to convince others as to the true nature and intentions of the management of Continental and its holding company, the Texas Air Corp.

Perhaps you heard some of these allegations. Many dismissed them because they felt that Continental was demonstrating good business sense in a deregulated environment and the protests from employee groups and others were simply "sour grapes."

Mr. Speaker, you and my colleagues might be interested to find that at least one other individual—one of the bankruptcy judges who handled the Continental proceedings, no less—now is complaining that "Continental believed that it had grown to be larger than the law in its own eyes," and that it "has run roughshod" over the judge's own orders. In other words, Judge R.F. Wheless, Jr., is just now finding out what a Continental vice president meant when he bragged to the Wall Street Journal in March 1984 that "The perpetuation of this company is more important than the contract, the people, and the commitments."

It now appears, from reports in the press and from our constituents, that the Texas Air Corp. is embarked on a similar mission at its latest acquisition, Eastern Airlines. Transferring airplanes and international routes, imposing unilateral changes in existing employee agreements, failing to meet required payments to the pension fund, employee harassment—these actions are all part of a pattern that those of us who have watched closely have seen before.

Mr. Speaker, I believe it is high time to strip away the perverted romanticism, or whatever it is, that makes some people look upon Frank Lorenzo, the president of Texas Air Corp. as some kind of American business hero. It is time we all recognize the management of Texas Air Corp. for what they really are—a reincarnation of the Robber Baron philosophy of the last century, which placed money, power, and greed ahead of any social responsibilities.

I am including in the RECORD a copy of a letter from Judge Wheless to Judge Ross N. Sterling of the Federal district court in Houston. In it, Judge Wheless makes some frank and revealing comments about Continental. I think you will find it most informative and enlightening and I urge all the Members of this House to read it carefully.

U.S. BANKRUPTCY COURT,
SOUTHERN DISTRICT OF TEXAS,
Houston, TX, February 11, 1987.

Re Continental Airlines Corp., Civil Action No. H-87-0096.

Hon. ROSS N. STERLING,
U.S. District Court, Southern District of Texas, Houston, TX.

DEAR JUDGE STERLING: Yesterday evening I received a copy of Continental Airlines Petition for Writ of Prohibition or Motion to Enforce Stay. I reviewed it last evening.

I am startled by the misrepresentations and distortions of the facts and of the record in this proceeding as contained in Continental's motion. I will not attempt to correct all of these in this short letter, but I feel that since there have been no Findings of Fact or Conclusions of Law filed with respect to the orders referred to in Continental's motion, that some expansion of the record is important to your consideration; especially in light of Continental's distortions. The three orders were all entered in interpretation and enforcement of this Court's order of December 27, 1985 and the Order and Award of Judge Roberts of November 19, 1985. These orders may be referred to as Order Prohibiting Integration of Foreign Pilots (filed January 27, 1987);

Order on Pilots Coerced from the Property (filed January 27, 1987); and Order on Group of 14 Pilots (filed January 22, 1987).

ORDERS NOT SUA SPONTE

Continental alleges that these orders were entered sua sponte, this is not true. This Court has held numerous evidentiary hearings concerning Judge Roberts' Order and Award of November 19, 1985, both before and after this Court's Order of December 27, 1985. The relief granted has all been requested by various pilots.

THE 14 PILOTS

Continental contends this Court has granted special recall rights to 14 pilots. This is an outright fabrication and misrepresentation. These 14 pilots are out of a group of 19 pilots. The other 5 pilots were represented by counsel and Continental agreed to the return of those 5 pilots. However, the agreement with respect to the other 5 (represented) pilots is not the point. All 19 of these pilots were required to be recalled by Continental under the Order in Award of Judge Roberts entered November 19, 1985. Continental agreed to the terms of that order; subject to the hearing on objections thereto, which was held by this Court in December, 1985, and which resulted in this Court's order of December 27, 1985.

Continental accepted the unconditional offer to return to work of the involved 19 pilots, including these 14, and awarded them positions as captains on Vacancy Bid 85-5. Paragraph I.B.2(c)(1) on page 4 of the Amended Order and Award of Judge Roberts, dated November 19, 1985 states, in part, as follows:

"All pilots awarded positions on Vacancy Bid 1985-5 shall receive the position awarded, subject only to delay to a date necessary to accommodate the return of striking pilots in accordance with the provisions of this paragraph (c)."

Notwithstanding this express provision of the Order and Award of Judge Roberts, Continental unilaterally refused to honor its acceptance of those pilots so recalled and awarded positions in Vacancy Bid 1985-5. Continental has thereby refused to honor its commitment and also the terms of Judge Roberts' Order and Award with respect to these 14 pilots.

Each day that goes by represents a loss to these pilots. Not only money is involved. Their very careers are affected each time Continental adds pilots and/or has a system bid. Each day diminishes their seniority rights. Continental is not harmed by the recall of these experienced and able pilots whom Continental agreed to recall and then reneged not only on that agreement but also the Amended Order and Award of Judge Roberts and the Order of this Court of December 27, 1985.

Continental has contended that it did not intend the effect that language expressly requires. Under contract law, as this Court understands it, an unexpressed intention is not enforced if it is contrary to the express and clear meaning of the written word. Further, what is being dealt with is an Order of this Court. Judge Roberts' meaning is clearly expressed in the language of the Amended Order and Award. Thus, it is not just contract law that is to be dealt with here, but the enforcement of the Orders of this Court.

I do not believe that Continental can adequately demonstrate that there is a substantial likelihood of success on any appeal of this Court's Order on its merits, and Continental has made no appeal of Judge Roberts' Order of November 19, 1985, nor of this Court's Order of December 27, 1985.

THE "FOREIGN" PILOTS

Further, Continental advises you that it has integrated the New York Air pilots in October, 1986. This is a half truth that is substantially misleading. The seniority lists were integrated by an arbitrator in October, 1986. Continental has not integrated these pilots into its flying system. New York Air pilots are to take some of the Continental Airline pilots position in a bid award to take place on or before July, 1987. If Continental has already integrated any of these pilots into its flying system it is without advising this Court and was done with full knowledge of (1) this being an issue raised before this Court during the fall hearings and (2) the advice of this Court that it considered that integration to be in violation of Judge Roberts' Order and Award of November 19, 1985 as approved by this Court's order of December 27, 1985. Further, additional pilots from other absorbed airlines will also be granted superiority over the seniority rights of returning pilots (in violation of Judge Roberts' Order and Award) unless Continental is restrained.

Continental agreed to recall returning pilots in a certain way and under a certain system. This was manifested in Judge Roberts Order of November 19, 1985. There was no exculpatory provision that allowed Continental to modify this method of return of these pilots or of their valuable seniority rights, other than as specifically set out in Judge Roberts' Order and Award, or as modified by this Court's Order of December 27, 1985.

In the lingo of the airline industry, pilots from other airlines acquired by or merged with Continental are called "foreign" pilots (per this Court's understanding). In other words they are foreign to Continental's seniority list of July 31, 1983, which was the list dealt with in Judge Roberts' Order (see paragraph I.B.1).

Under the Order and Award, returning pilots, in some instances, were to lose (temporarily) some of their seniority rights. On the other hand these pilots were to be recalled only as set forth in the Order and Award. Thus, there was a measure of a check and balance, one against the other.

For Continental to now integrate foreign pilots into its flying system will have a substantial negative impact on the seniority rights of returning pilots, not provided for, nor contemplated by the Order and Award, nor of this Court's Order of December 27, 1985. To allow Continental to unilaterally modify the method of return of these pilots is a breach of the Order and Award and does substantial damage to the rights of these returning pilots. While the integration of pilots from an acquired airline is not an objectionable thing, in and of itself, the point is that under the Order and Award, which Continental says it agreed to, Continental has granted no such right, but, to the contrary, is required to recall the pilots under the procedure outlined in the Order and Award.

As long as Continental is holding the returning pilots to the temporary "surrender" of their seniority rights, it cannot be allowed to negatively effect what rights these pilots do have by unilateral actions.

To put it another way, if the agreement is to be enforced, it should be enforced both ways. If Continental wants to change the situation and to integrate the foreign pilots, it would seem that they should be provided nothing better than an election, i.e. to either enforce the Order and Award at to the surrender of the returning pilots seniority rights or be bound by the terms of the Order and Award themselves with respect to the mode of recall of the returning pilots. That is why this Court indicated that Continental must make an election. This right to make an election is not a requirement that Continental waive its rights under the Order and Award; as alleged by Continental.

The point is that the Order and Award of Judge Roberts directs Continental to recall pilots in a certain way. Which way Continental says it agreed to. It now wants to unilaterally change that; all to the harm of pilots not already returned and flying in the system. There are a substantial number (hundreds) in that category.

I do not feel that I have articulated the problem in this area as well as it could be expressed. There has been substantial evidence on the effect of the system bids and the rights of pilots thereunder. Any right of foreign pilots to bid in the Continental system ahead of other (and more senior) pilots is a substantial detrimental change to those senior pilots who are so affected.

Continental agreed, and the Order and Award so provides, that no pilot shall be subject to discrimination; all in addition to the express provisions of the manner of recall.

PILOTS COERCED FROM THE PROPERTY

The third order related to pilots coerced from the property. The Order and Award provides that resigned and retired pilots are excluded. After the Order of this Court of December 27, 1985 it has been suggested that (and there is some evidence of) Continental's coercion of pilots into resigning or retiring due to and because of the strike. In the opinion of this Court that type of conduct would be illegal under labor law. It is my understanding as a general proposition of contract law that the laws of the nation are read into the terms of contracts. In addition, I believe Judge Roberts' Amended Order and Award should be interpreted consistently with law. For that reason I entered the Order that if Continental has coerced pilots from the property, that these pilots should be recalled. It was my intention to hold hearings in the future with respect to any pilot who contended that he was coerced from the property in order to determine whether as a matter of fact, there is any basis for such contention and to address those matters on a case by case basis. I do believe that this Court is not the only Court that would have jurisdiction to conduct such hearings; although it may be the most logical Court. If you feel that the United States District Court for the Southern District of Texas should conduct such hearings, if any are requested, I would be glad to defer. So far as I know no one has requested such a hearing as of this date.

I would further like to point out to the Court that I advised all parties that I intended to enter such an Order separately and distinct from the January 9, 1987 Order. I am enclosing a copy of my forwarding letter advising all parties of this. The reason for this is that the intent of the January 9, 1987 order on this subject was simply to qualify a negative about what this Court was and was not going to rule on and I felt that a separate order on this point was appropriate. For Continental to act surprised about the entry of this order is simply posturing.

Continental seems to deliberately misconstrue the state of the record in its application by stating that the Order and Award and this Court's order of January 27, 1987 is on appeal by Continental. What Continental's appealed was this Court's Order of January 9, 1987 on the grounds, among other things, that the Court had no jurisdiction to change these previous Orders by setting them aside and entering a new order. Continental never appealed nor even objected to Judge Roberts' Order and Award nor this Court's Order of December 27, 1985.

Further, your stay order of January 16, 1987 specifically states ". . . the parties to proceed under the Order of the Bankruptcy Court of December 27, 1985, which has been in place and, apparently, agreed to for over one year." The Order of December 27, 1985 was not an agreed order and timely motions for new trials were filed by the pilots. In addition, it was my understanding that you advised me that the Order of December 27, 1985 was in effect (notwithstanding my January 9, 1987 order) and was to be enforced.

The purpose of these Orders is not to undermine your stay order, nor to make any effort to overrule or change it. These Orders are for the purpose of enforcement of the December 27, 1985 Order of this Court (which was not an agreed order as apparently Continental has led you to believe) and to bring forward the issued relating thereto. It is not unexpected to me that Continental desire to appeal these orders. In this Court's opinion they raise separate and distinct issues from those of the appeal of the January 9, 1987 Order. There are other substantive provisions in that Order that are not contained in these Orders and, in addition, there is not the procedural questions of whether the Court can appropriately set aside the December 27, 1985 Order considering all of the facts involved herein. If Continental appeals these Orders, and I presume they intend to, it will allow a clean cut determination on all of the issues relating to the recall. These questions will not be muddied by the procedural inquiry of whether entering a January 9, 1987 Order in place of the December 27, 1985 Order was erroneous. In addition, these orders place squarely in issue the validity of this Court's interpretation of its own Order and that of Judge Roberts' Order and Award of November 19, 1985. All of this I see as beneficial to all parties concerned, notwithstanding that continental does not like the outcome.

The rulings of this Court in the Amended Order and Award and the December 27, 1985 have not been all one way. Many of the requests of the pilots have been denied. Continental has never previously complained to this Court in the various hearings on the various applications and motions by the pilots that the Court lacked jurisdiction to deny the relief requested by the pilots.

Judge Sterling, whether you as a United States District Judge determine to stay the effectiveness of these three Orders is up to your discretion. I disagree with Continental that the implementation of any of these three Orders is going to be disruptive of air service to the public or to those who have been operating under the 1985 Order. Had Continental been able to convince me of this, I either would not have entered any of the involved Orders or I would have modified their effectiveness in such a way as to prevent this.

I would reiterate that neither Judge Roberts' Amended Order and Award nor this Court's Order of December 27, 1985 were agreed orders. It is true that Continental consented to the terms of Judge Roberts' Amended Order and Award but Continental did not agree to the terms of the modifications thereof as embodied in the Order of December 27, 1985. That Order was entered after hearing various objections to Judge Roberts' Amended Order and Award. It is also true that Continental did not appeal the Order of December 27, 1985.

I would respectfully submit that Continental long ago submitted to the jurisdiction of this Court voluntarily in invoking the procedure wherein Judge Roberts, as a member of this Court, acted to enter the Amended Order and Award to resolve the strike issues.

There have been considered to be ambiguities in the terms of the Amended Order and Award and there are differences of opinion as to its interpretation. This was made clear in the various hearings held by me in the fall of 1986. In those hearings it further appeared that Continental believed that it had grown to be larger than the law in its own eyes. It has run roughshod over the terms of the Amended Order and Award in several areas, and has now effectively asking you for a carte blanche to continue this course by its request for a writ of prohibition. Please consider that in making your determination. If you determine to stay the effectiveness of these Orders, may I suggest that you require Continental to demonstrate why they are likely to be successful on appeal on each of these Orders. I would certainly take no action to implement them while you are considering that.

It is my belief that this Court has continuing jurisdiction to enforce its own Orders, absent the terms of your stay order of January 16, 1987. It has further been my interpretation, rightly or wrongly, that it was your intention that the December 27, 1985 Order remain in effect for the time being and that it be enforced, including enforcement by this Court. Therefore, it has been my conclusion that the entry of these Orders was not contrary to the terms of your stay.

It is unfortunate that the subject matter of the three Orders was also addressed in my Order of January 9, 1987. That Order is on appeal to your Court and has been stayed by you. My perception of all this is that my Order has been stayed but not the right or jurisdiction of this Court to enforce the December 27, 1985 Order. That Order was not appealed by Continental; although it is my understanding that certain pilot groups have intended to do so and that that is why they timely filed their motions for new trial.

Whatever you decide will have my full support and cooperation. I do hope that notwithstanding your overcrowded docket that you are able to address the merits of these issues as soon as it is convenient to you. These Orders literally affect the lives and careers of hundreds of pilots on both sides of the issues. Even Continental has indicated that it desires that the matter be expedited in order that it can be resolved for all concerned.

One last point; Continental has advised you that I intend to hold hearing on February 19, 1987 on the "hardship claims", and they have attached as Exhibit "D" the notice of the hearing, what they have not told you is that these hearings were set many months ago and prior to the entry of my Order on January 9, 1987. Their Exhibit "D" is only a partial copy of the notice. The rest of the notice would show that it was mailed before the entry of the January 9, 1987 Order. They furthr fail to advise you that I told Jack Gallagher last week that I would consider his motion to cancel those hearings at the time and date scheduled for the hearings and that I would not ex parte grant his request for cancellation of those hearings last week at a hearing on another matter, as he requested me to do. Lastly, they fail to advise you that counsel for the movants has now requested that the hearings be postponed.

I don't know that all that is important, but it does seem to illustrate Continental's attitude toward "the whole truth".

Yours truly,

R.F. WHELESS, Jr.,
U.S. Bankruptcy Judge.

U.S. BANKRUPTCY COURT,
SOUTHERN DISTRICT OF TEXAS,
Houston, TX, January 9, 1987.

Remodification of December 27, 1985, order.

Mr. JOHN J. GALLAGHER,
Washington, DC.

DEAR MR. GALLAGHER: I am enclosing a copy of the Order Setting Aside the December 27, 1985 Order and the Nunc Pro Tunc Order substituted in its place.

As you will note, I have included "resigned or retired" pilots within the recall rights of the Amended Order and Award. You have argued that this Court cannot impose a settlement on parties with respect to the labor dispute. The Court recognizes that ordinarily that is true.

I think this was a very special circumstances which was submitted to Judge Roberts for determination somewhat as if he were an arbitrator and this Court was thereafter requested to hear any objections to the Amended Order and award determined by Judge Roberts. Therefore, it seems to me that the parties have requested this Court to enter an order and settlement of the dispute. Judge Roberts is no longer available to make changes in his order. Therefore, it is up to me to make changes where appropriate and necessary.

ALPA is no longer on the property. If the settlement is set aside in its entirety, since circumstances have substantially changed since the fall of 1985, the bargaining power between the parties is now severely unequal, and any settlement now would likely be on an even more unfavorable basis to the striking.

If Continental has coerced these retired or resigned pilots off the property, such action would constitute an unfair labor practice, in the opinion of this Court, and this should be rectified. This Court can and should rectify such abuses whether they were intended or not. The Court has simply added these provisions, as it did somewhat in December of 1985, in order to allow the settlement to go forward, but to remove the abusive effect.

The procedures set forth in the new order are the only ones which would preserve the status quo of these pilots and I can think of no other procedure (none has been suggested) which would prevent this improper effect.

With respect to the integration of pilots from merged or acquired airlines, I have determined that this is improper as long as Continental insists on exercising its rights under the Amended Order and Award to modify seniority rights of returning strikers. The Amended Order and Award refers to the July 31, 1983 seniority list and how those pilots are to be recalled. If pilots from other airlines are inserted into the Continental system, this obviously has a prejudicial effect on pilots who have not regained their full seniority status.

This latter is simply this Court's interpretation of the Amended Order and Award as it previously existed.

Therefore it seems that Continental is faced with an election. That election is either to give full seniority status to returning strikers or not to give "foreign" pilots the right to bid ahead of (prior to) returning strikers except wherein they themselves are senior.

If Continental is allowed to continue this proposed course, it will simply unilaterally change the terms of its agreement to return the strikers as provided in the Amended Order and Award.

It is my intention to enter a separate order with respect to that notwithstanding that there are provisions in the enclosed order concerning this. I am requesting ALPA to prepare and present to me such an order.

I will commence holding hearings respecting the "retired or resigned" pilots as soon as possible. I will try and impose it on top of my already overcrowded docket. Therefore, I am going to have to begin such hearings at 8:30 a.m. and terminate them at 9:00 a.m. and begin again during the noon hour and in the evenings.

In the meantime Continental is to recall those pilots as set forth in the order; unless Continental truly wants to preserve the status quo until those hearings have been completed. I suspect that this would mean that no changes could be made in the system, and its not my intent to take that course of action unless there is no other that is available.

Yours truly,

R.F. Wheless, Jr.,
United States Bankruptcy Judge.

KOSSUTH DAY

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1987

Mr. LIPINSKI. Mr. Speaker, American Hungarians have numerous commemorative programs in this country, including my own district, on and around March 15, the traditional national holiday of Hungarians all over the world. As a Member of the House, I wish to express my own thoughts as well as represent the justified sentiments of my constituents of Hungarian extraction.

It happened on March 15, 1848, in Budapest, that a highly talented and politically active group of young Hungarian writers, supported by a gathering of patriotic citizens of that city, proclaimed the basic freedoms on behalf of the Hungarian nation which was, at the time, forcibly integrated into the Hapsburg Empire. The reaction by the imperial court in Vienna, Austria, to this daring act of the Hungarians was to mobilize the powerful divisions of the Hapsburg army and invade Hungary. The enraged Hungarian nation responded by volunteering tens of thousands of its best sons for the defense of the fatherland and threatened to defeat the Austrian Army.

In the gigantic struggle, Louis Kossuth, the nation's elected leader inspired the freedom-loving Hungarians to adopt and embrace democratic principles and forms of government and seek independence from autocratic rules.

At this point, young Francis Joseph, the Hapsburg Emperor, requested military aid from the Tsar of Russia, and, by the fall of 1849 the overwhelming forces of the two mighty empires forced the remaining units of the Hungarian insurgents to lay down their arms.

In the aftermath, tens of thousands of Hungarians, including the Prime Minister and 13 generals, were executed and many more were forced to leave Hungary, including the great leader Kossuth. He was later liberated by the United States, England, and France from his exile in Turkey and invited to travel in America as our Nation's guest in 1851-52. On this occasion, he was presented to both Houses of Congress, an honor which had been awarded only to Lafayette before him.

Many Hungarians came in his footsteps, among them more than a hundred officers of the Hungarian Army who, during the American Civil War, fought for the unity and preservation of our country.

The spirit of March 15 is alive not only in the souls and minds of the Hungarians in America, but particularly in Hungary and its neighboring countries where Hungarians number some 14 million.

Mr. Speaker, the spirit is still definitely alive in Hungary, where just last week 2,000 demonstrators marched arm-in-arm through the capital city calling for democracy, freedom of assembly, and freedom of the press. Demonstrations of this sort have been occuring around March 15 in Hungary for some time and represent the rememberance of the abortive 1848 uprising, the courageous revolt of 1956 against Soviet forces and the yearning for true freedom and independence in the country.

ROGER HOUSE HONORED APRIL 2, 1987

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1987

Mr. LEWIS of California. Mr. Speaker, I am most pleased to have this opportunity to recognize a truly remarkable individual, Mr. Roger House. Mr. House will be honored by the Chino Valley Chamber of Commerce board of directors at the Annual Awards and Installation Dinner on April 2, 1987, for his successful year as president of the chamber.

Roger House, a native of New York graduated from Columbia College with a major in musicology and a minor in economics. Athletics were an important part of his education—he rowed crew and played intramural sports—and he was a leader among his Delta Upsilon Fraternity brothers, which included acting as a representative to the Intra Fraternity Athletic Council.

The honoree served his country as an instructor at the U.S. Army Intelligence School at Fort Holabird, MD. He completed his MBA studies in 1967 after having majored in management at New York University Graduate School of Business Administration. That same year he began his career in business by working for a Wall Street firm dealing with stock transfers. As a senior officer of the company, he was responsible for coordinating public offerings of new stock issues. He was an insurance broker in New York until 1977, at which time he associated with State Farm Insurance Co. and moved to Chino Hills, CA.

After his move to the area, Roger became an active member of the chamber of commerce. He chaired the legislative committee for over 2 years. Later, his leadership talents were recognized, for he was elected a director of the board of directors. Also, he was designated by his peers as their representative to the Chino Hills Municipal Advisory Council. Mr. House contributed to formation of the Highway 71 Coalition and chaired the Post Office Committee and the Nominating Committee for directors and officers the last 2 years.

Mr. Speaker, I join Roger's wife, Pamela, and their three children, in paying tribute to this dedicated citizen. His many talents deserve the highest recognition, and I am pleased to bring to the attention of my colleagues the many contributions and achievements of Mr. Roger House.

MEMORIAL TRIBUTE TO MR. E.D. NIXON

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1987

Mr. DELLUMS. Mr. Speaker, I rise today to honor the memory of one of the unsung heroes of recent American history who passed away earlier this month—Mr. E.D. Nixon of Montgomery, AL.

Edgar Daniel Nixon—E.D. to all who knew him—was a giant of a man, in both physique and accomplishment. Together with A. Philip Randolph and my uncle, C.L. Dellums, he helped found the Sleeping Car Porters Union. For almost 40 years he served as its principal southern regional representative while he worked on the Louisville & Nashville Railroad route between Montgomery and Chicago.

E.D. Nixon also stood in the forefront of the civil rights movement in his home State of Alabama for more than 60 years. He spoke out against the Wilson administration's failure during World War I to protect blacks at home while their husbands, sons, and brothers were being called upon to fight and die in France. In World War II he led voter registration marches to the State capitol at Montgomery, in an effort to secure full citizenship for black Americans who were considered qualified to die for democracy but were not deemed qualified to vote for democracy.

As State director of the Alabama NAACP he was a central figure in the historic Montgomery bus boycott. It was Mr. Nixon's personal secretary, Rosa Parks, who refused to move to the back of the bus on December 1, 1955, thus providing the impetus for the 381-day bus boycott that began to dissolve the immoral pillar of sand upon which segregationist regimes had been founded and perpetuated. It was Mr. Nixon who was the driving force behind the organization of the Montgomery

Improvement Association, and who played the key role in making Dr. Martin Luther King, Jr., the young pastor of the Dexter Avenue Baptist Church, the formal spokesman for the association.

What E.D. Nixon lacked in formal education he more than compensated for by keen insight, penetrating analysis, and raw courage. He was a leader in the struggle for equal rights for all, regardless of race or class. As he once said to a reporter during the Montgomery bus boycott:

> The South will never be free until the Negro frees himself and frees the white man. Big business has kept the poor white man fooled for years by telling him they could get Negroes to work for less.

More than a decade ago, E.D. Nixon told a book interviewer:

> I'm an old man now, but I'm so proud that I had a part in what happened here in Montgomery.

He had just cause to be proud, even though history books may neither little note nor long remember him. However, I want my colleagues and the American people to know that because of the true grit and heroism of people like E.D. Nixon, Rosa Parks, and thousands of others, I am a member of the Congress of the United States.

E.D. Nixon was truly a man for all seasons, because he challenged all of us to live up to the ideals professed in our Declaration of Independence. In life he was a champion of true equality for all. In death we can best honor his memory through a collective commitment to continue the struggle for social justice and human rights at home and around the world.

JUNIOR ACHIEVEMENT OF SANTA CLARA COUNTY BUSINESS HALL OF FAME

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1987

Mr. MINETA. Mr. Speaker, it is a pleasure to take this opportunity to salute five Americans who have distinguished themselves by their outstanding service in the business community, and to our Nation. Their business acumen, their entrepreneurial spirit, and their civic mindedness, makes them natural role models for the youth of our country, and I would like to acknowledge each of them for their efforts.

William Hewlett, whose name is synonymous with the beginning of electronic technology in the Santa Clara Valley, is a true pioneer in the field and of the era. As a graduate student in 1939, Hewlett designed a resistance-capacitance audio-oscillator for providing a wide range of pure tones. His creative genius soon blossomed into a growing business concern, and today Hewlett-Packard is a world leader in personal and business computers as well as automatic test equipment and electronic instrumentation. He has been generous with both his time and his financial resources, having set up the Hewlett Foundation to support various philanthropic interests. In 1985 Hewlett received a most prestigious award, the National Medal of Science, which was bestowed by President Reagan.

L. Eugene Root was instrumental in bringing the missile and space industry to Silicon Valley. While completing his graduate studies at Cal Tech he was lured away to begin his aeronautics career at Douglas Aircraft. While at Douglas, Root traveled to Germany to document German wartime programs. The information he secured proved to be of extreme value to military aircraft design. In reflection of his memorable career, Root says,

> All in all, I have had a privileged career. I have seen the first small steps into new fields of endeavor that lie on the ocean floor at one extreme and the limitless reach of space on the other.

Frederick Terman, who we honor posthumously, earned the sobriquet "Father of Silicon Valley" by envisioning and encouaraging its potential long before anyone else. A brilliant man, Terman received two degrees from Stanford University and a Ph.D. from MIT. Afterward, he shared his knowledge as a professor at Stanford, tutoring such students as William Hewlett and David Packard. His lectures were the magnet for the brightest of student engineers, and Terman is given credit for guiding and inspiring his pupils into becoming the future leaders and founders of some of Silicon Valley's most prominent companies. He was indeed the cornerstone of the technology boon which resulted in the development of the region now known as Silicon Valley.

Throughout the delicate years when San Jose, CA, was furiously trying to rebuild its downtown, one man produced remarkable results. That man was Lewis N. Wolff. Lew Wolff grew up in St. Louis, MO, and then traveled West, spending the first 12 years in his career as a specialist in urban development. As he continued to develop a solid reputation as a consultant who could get buildings built and projects completed, Wolff's list of clients spanned more than 100 cities. Lew Wolff truly symbolizes the courage, tenacity, and skill it takes to be a success in the real estate development industry.

Stephen Wozniak is the wizard who designed the original products for the company he cofounded, Apple Computer. Wozniak built his first computer when he was 13, and took top prizes in a science fair. His involvement at Hewlett-Packard in the Homebrew Computer Club resulted in the Apple I design, and soon the home computer industry was born. By 1977 Wozniak had accomplished his most important work, the design and development of the Apple II, and Apple began its incredible growth. A noted benefactor to worthy causes, Wozniak has given regularly to schools and other institutions. He is respected for his creative genius and for his support of numerous cultural and educational activities.

Mr. Speaker, on April 9, 1987, these five great business leaders will be honored at a dinner sponsored by Junior Achievement of Santa Clara County, and induced into the first Business Hall of Fame on the west coast. In light of this, I would like to ask you and my esteemed colleagues in the House of Representatives to join me in saluting these great pioneers of technology and extend to them the accolades they so richly deserve.

CONGRESSIONAL DISREGARD FOR LAW ENDANGERS DEMOCRACY

HON. LARRY J. HOPKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1987

Mr. HOPKINS. Mr. Speaker, our system of government is one in which procedure is greatly important. It is important because procedure takes into account the ways of a people, their customs, their traditions * * * indeed, their way of life.

It is also important in the respect that in adhering to the accepted procedure, government sets an example for the citizenry to follow—an example that America is a nation of laws.

But when that procedure is subverted, suspended or violated, the Government not only suffers but the American people themselves become disappointed, apathetic and faithless toward the democratic system.

Evidence of that can be found in the turmoil which has erupted out of the perversion of policy within the National Security Council and led to the "Iran-Contra" mess.

Many speakers on the majority side have marched to the well of this House to condemn that breech of established procedure and insist that those responsible be held accountable. Certainly, they echo the consensus of this body.

One would hope and reasonably expect that same sense of outrage, condemnation and retribution to be expressed when the legislative branch of our Government willfully violates its own procedures and becomes lawbreakers instead of lawmakers.

That is precisely what has occurred repeatedly here in the House of Representatives, most particularly in the budget process.

The most recent incident in the way Congress disregards its own legal procedures came on Wednesday, March 25. That is the last day the House Budget Committee and the majority party in Congress could legally have brought forth a budget proposal for spending the taxpayers' money in fiscal year 1988.

This legislative body is still waiting for the committee budget.

It is important to remember that there are two legal requirements which govern this process: First, the budget plan must be submitted by March 25; and second, its spending recommendations must not result in a deficit of more than $108 billion.

There is one more thing to remember: While it is not a procedural requirement, it should be considered a political reality that raising taxes is not a priority over cutting spending. Indeed, the last time the American people were consulted on the matter, 49 States to 1 said no to more taxes.

Contrary to required procedure, however, the House Budget Committee did not meet the legal deadline and, thus, Congress has no budget to present to the American people.

To compound this violation, when the House Budget Committee finally came up with a "tentative" plan, it not only failed by $30 billion to comply with the legally-mandated deficit ceiling but it also proposed an $18 billion tax increase.

Thus, Congress abrogated the law and totally disregarded the winds of public opinion carrying the voices of the American people.

Violating the budget deadline and ignoring the deficit ceiling are specific examples of how Congress holds its own procedures and the letter of the law in contempt. The acerbic journalist Henry Mencken could well have had this body in mind when he described the Federal Government as "the natural enemy of decent, well-disposed and industrious men."

It doesn't have to be that way and I don't believe it will, if the people are informed of how those entrusted to make their laws are sometimes the first to ignore them.

The 99th Congress may be remembered for having the courage to reform what had, up to that time, been two of the most intransigent institutions in the Federal Government—the Internal Revenue Code and the military.

This 100th Congress would do well to consider using its historic moment to confront an even greater challenge—the reform of Congress itself.

VALLEY WITH A HEART

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1987

Mr. KANJORSKI. Mr. Speaker, last week my hometown of Nanticoke, and the neighboring township of Newport, faced a major crisis, and potential disaster. A late night fire at the Spencer Metal Processing Co. set off explosions which released sulfuric acid and other toxic chemicals into the air.

At 2:30 in the morning local police and fire departments, under the direction of city officials and the county emergency management office, began rousing people from their beds and directing them to safer locations. In a relatively short period of time 15,000 people were evacuated to neighboring towns.

Fortunately, the fire died out and the crisis subsided before the end of the day. State and Federal officials, working with the assistance of environmental experts from Wilkes College, declared the air safe and everyone returned to their homes.

All of us who live in Nanticoke owe a tremendous debt of gratitude to the policemen and firemen who conducted the evacuation; Mayor Haydock and his staff and Emergency Management Director Siracuse and his staff who coordinated the local response; the Red Cross and neighboring schools, civic groups and individuals who provided food and shelter to the evacuees; Governor Casey who declared a State emergency and personally brought in cabinet members to help respond to the emergency; the State Department of Environmental Resources, the Federal Environmental Protection Agency, the Centers for Disease Control, the Federal Emergency Management Agency, and Wilkes College who provided scientific and technical support; the National Guard which helped patrol the area; and the thousands of unsung volunteers who contributed their time and energy to make things work so smoothly.

No one appreciates being woken up at 2:30 in the morning by horns and sirens, losing most of a night's sleep, and worrying about exposure to dangerous chemicals. There is a silver lining in this cloud, however, no one was seriously injured and it proved that the system did work. The emergency plan was in place and operated smoothly. For this we can all be thankful.

Never have I been more proud of my friends and neighbors than I was by their response to the fire at Spencer Metal Processing on March 24. Rarely has an area responded to quickly and so smoothly to an emergency situation. Throughout the emergency all partisan, personal, and ideological differences were set aside and the community acted as one.

Columnist Mike McGlynn, writing in the Citizens' Voice, aptly described the area's response to the emergency as the "Valley With a Heart—Pulling Together." The response showed the tremendous reservoir of talent and skills available in the Wyoming Valley. Northeastern Pennsylvania does have tremendous potential, and it is our responsibility to ensure that we live up to it.

I would like to take this opportunity to share with my colleague's Mr. McGlynn's excellent article on the valley's response to this emergency.

The article follows:

[From the Wilkes-Barre (PA) Citizens' Voice, Mar. 25, 1987]

VALLEY WITH A HEART—PULLING TOGETHER

(By Mike McGlynn)

It happens every time.

In the Wyoming Valley, there is a greater diversity of local rivalries and petty feuds than can be found just about anywhere else in America.

Nanticoke against Newport. Wilkes-Barre against the West Side. Pittston against Wyoming. Democrats against Democrats. Republicans against Republicans. Democrats against Republicans. You against me. Shawnee against The World.

But throw disaster, or the threat of disaster, in our faces—and we're one.

Psychologists and phenomenologists with strings of degrees behind their names can provide batteries of reasons to explain why the people of the Wyoming Valley pull together in a crisis, but they can save themselves the trouble.

Because to understand genuinely the ties that bind us, you would have to have been here during and after the Agnes Disaster or any of the string of lesser challenges which have confronted our pride and character over the years.

It's actually quite simple.

For all the continuing, day-to-day rivalries, be they ethnic, political, religious, community and neighborhood in nature, they fade in a flash against the backdrop of imminent danger to the entire valley or to its smallest corner.

When it hits the fan, there is much more that unites us than divides us. Then, defiantly if need be, we are a single community.

And so we saw again Tuesday, as the people of the city of Nanticoke awoke to a nightmare, a disaster come suddenly to life in the darkness of an early spring night.

Again, thanks in this case to the orderly work of emergency planners in Nanticoke and in the Luzerne County Emergency Management Agency and owing equally to the calm and cooperative comportment of an entire city forced to flee in the night, the people of the Wyoming Valley showed that order can be maintained and sanity preserved in the face of possible disaster.

As the old and the young filed out of Nanticoke in the early morning hours, their neighbors from Wilkes-Barre to Glen Lyon made ready schools, legion posts and other places of shelter. And the call for assistance was heard well beyond the Wyoming Valley, as emergency units from throughout Luzerne County and beyond collaborated at the burning Spencer plant in Nanticoke and assisted in the evacuation of those unable to leave the city without assistance.

Fifteen thousand persons were evacuated and, 14 hours later, began the return to their homes, virtually without incident or injury.

Community leaders in Nanticoke and Newport Township, including Nanticoke Fire Chief Don Casey, EMA Coordinator John (J.J. Fedders) Fedorchak, Mayor John Haydock, and Newport EMA Coordinator Norman Bodek acted decisively and, because an orderly evacuation was in place when it was needed, what might have been chaos became instead an exemplary response to a city-wide emergency.

"They took the proper measures and did the right thing," Luzerne County Emergency Management Director Jim Siracuse said, summarizing the effort.

Adversity, it seems, brings out the best in us.

What if we ever got together in the face of prosperity?

INTRODUCTION OF THE FEDERAL LAND EXCHANGE FACILITATION ACT OF 1987

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1987

Mr. VENTO. Mr. Speaker, as chairman of the House Subcommittee which has legislative jurisdiction over the vast majority of the Federal Government's land holdings, I am today introducing legislation to streamline and accelerate the procedures associated with one of the Government's major land acquisition and adjustment tools—land exchanges.

A just-released report to the Congress by the U.S. General Accounting Office has confirmed that land exchanges are becoming an increasingly important method for the Government's two largest land management agencies, the Bureau of Land Management and the U.S. Forest Service, to acquire new land and to improve existing administration programs and land ownership patterns. Accordingly, I believe it is especially timely for Congress to scrutinize the land exchange process and to make appropriate changes in the existing enabling laws in order to streamline and modernize exchange procedures.

The bill which I am introducing today with more than 20 cosponsors is nearly identical to legislation which passed the House on the suspension calendar last August 11 and which enjoyed the support of such diverse interests and groups as the Sierra Club, the Trust for Public Lands, the Nature Conservancy, the

National Forest Products Association, and the American Ski Federation.

In this year's version we have made some minor changes and added several new features which were suggested by the Forest Service and others, and I am delighted to report that the version I am introducing today has been endorsed by the following 27 diverse interest groups, companies and organizations:

American Forestry Association.
American Land Resource Association.
American Public Land Exchange Co.
American Ski Federation.
American Wilderness Alliance.
Club 20 (representing Western Colorado counties).
CSX Corp.
Defenders of Wildlife.
FLEX Land Exchange Co.
Greater Yellowstone Coalition.
International Association of Fish and Wildlife Agencies.
Jackson Hole Land Trust.
Land Trust Exchange.
League to Save Lake Tahoe.
National Forest Products Association.
National Parks and Conservation Association.
The Nature Conservancy.
Page Land and Cattle Co.
River Meadows Co.
Rocky Mountain Elk Foundation.
Rocky Mountain Energy.
Sierra Club.
Trust for Public Lands.
Western Land Exchange Co.
Western States Land Commissioners Association (representing land commissioners of 22 States).
Weyerhauser Co.
Wyoming Outdoor Council.

Mr. Speaker, by and large this bill is a response to the concerns, comments, and suggestions for improvements in the Government's land exchange procedures which have been advanced by the Federal land-managing agencies and the above listed 27 groups, companies and nonprofit organizations, almost all of whom engage in (or have members who engage in) land exchange transactions with the Federal Government on a regular basis. The bill's provisions reflect the collective experience and expertise of those who are extremely familiar with the land exchange process. The legislation will address the most frequently cited problems and remove some of the current "sticking points" and frustrations which many exchange participants encounter.

In particular, the bill is designed to streamline exchange procedures and accelerate exchange timetables by:

Requiring prompt appraisal of lands involved in exchanges.

Providing the resolution of land appraisal disputes through arbitration or negotiation, if agreement on value cannot be reached within 6 months of appraisal submission.

Granting authority for the Forest Service (and other agencies) to perform land surveys on their own lands that are involved in exchanges.

Requiring simultaneous transfer of patents and titles to lands involved in exchanges, unless agreed otherwise.

Providing for new and comprehensive rules governing land exchanges, which are to be as uniform as possible from agency to agency.

Giving agencies discretion to adjust land values involved in exchanges to compensate a party or parties to an exchange in cases where one party agrees to assume costs of responsibilities of preparatory work (surveys, appraisals, removal of encumbrances on title, etc.) that would normally be borne by the other party.

Permitting the exchange of small tracts of land (value of less than $150,000) using short form appraisal, rather than having to prepare a full-blown formal appraisal.

Authorizing appropriation of up to $4 million annually over the next 10 years to enable agencies to hire more staff and have larger budgets to perform exchange work.

Allowing Federal lands under consideration for exchange (selected lands) to be protected from filing of mining claims for up to 5 years (instead of current 2-year segregation period).

Raising from $25,000 to $250,000 the value of National Forest Land adjustment transactions which must be reported to House and Senate committees for mandatory 30-day oversight.

Of these enumerated provisions, the bill's proponents view the appraisal arbitration and land value adjustment authority as particularly helpful, because many land exchange efforts have tended to stall or fail completely due to appraisal disputes or the inability of the Federal agencies (under current law) to compensate a non-Federal exchange participant for agreeing to assume land exchange costs that would ordinarily be borne by the Federal agencies.

One important point that should be noted about this bill is that it is designed to be policy-neutral. It deals only with procedures. Even after its enactment, Federal land managers would still have the responsibility for meeting all the requirements of existing law that are intended to assure that land exchanges will be in the public interest or will not harm important Federal interests. The bill would not alter the priority that a land-managing agency might choose to give to any particular land-exchange proposal, nor would it enable a land-managing agency to short-circuit such important steps as compliance with the National Environmental Policy Act or other applicable law in evaluating the desirability of any land exchange.

Thus, Mr. Speaker, I believe this proposed Federal Land Exchange Facilitation Act, while a somewhat modest measure, could go a long way toward solving many of the problems which plague the Federal Government's current land exchange efforts and procedures. I invite all Members who have not already done so to join me in sponsoring this meritorious legislation.

GOODHUE LIVINGSTON: 90 YEARS OF PUBLIC SERVICE

HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1987

Mr. HOCHBRUECKNER. Mr. Speaker, I rise today to pay tribute to an outstanding American in my district who is celebrating his 90th birthday. I wanted to call this special day to the attention of my colleagues in the U.S. House of Representatives to honor Goodhue Livingston of Wainscott, N.Y., a man who served with distinction in two world wars, a man who served as Mayor LaGuardia's right-hand man for a number of years in the city of New York, a man who broke new ground as a member of the New York City Planning Commission, and finally, a man who has helped the cause of Planned Parenthood as former director of this organization in New York.

Mr. Livingston is a direct descendant of a long line of public servants dating back to the Revolution. Robert R. Livingston acquired the Louisiana Territory from Napoleon, Philip Livingston signed the Declaration of Independence, and Edward Livingston was former mayor of New York and later Secretary of State for Andrew Jackson.

Mr. Livingston attended Harvard University but left after his freshman year to drive an ambulance for the French Army in the First World War, and after the United States entered the war, was commissioned a 2d Lieutenant and served with Battery F 15th Field Artillery, 2d Division. He saw action at Chateaux Thierry and was wounded near Soissions July 1918.

After the War, Mr. Livingston spent a number of years in the film and journalism business before running for the State Senate and working for the campaign to elect Mayor LaGuardia, who, in 1937, appointed him Secretary of the City Health Department.

In 1942, Mr. Livingston joined the O.S.S. and set up intelligence operations in South Africa. During this time, his organization helped prevent the Queen Mary from being sunk by a pack of nazi submarines during its tenure as a troop ship.

In late 1943, Mr. Livingston returned to New York and Mayor LaGuardia appointed him as his Executive Secretary. In that capacity, among other things, he helped organize some of the city's most memorable events, including "I Am An American Day" ceremonies held on the Central Park Mall in the springs of 1944 and 1945. Over 500,000 people attended. He also helped arrange "Eisenhower Day" to welcome back the General, which claimed the largest turnout of New Yorkers ever—over 1.5 million people.

Appointed by the retiring LaGuardia to the City Planning Commission in 1945, Mr. Livingston helped usher through the construction and financing of the Port Authority Union Bus Terminal and the Idlewild Airport—which would later be renamed John F. Kennedy Airport. Reappointed to another 8-year term by Mayor Impelliterri in 1952, Mr. Livingston first suggested that there be a Metropolitan Transit Authority with jurisdiction over the New York City subway and bus services, and the city gateway bridges and tunnels. As a partial result of his efforts, such an authority is now in existence.

After his retirement from City Government in 1961, Livingston was made Director Of Planned Parenthood, Inc., where he became a national leader in the area of birth control. While no longer the Director, Mr. Livingston remains a leading advocate of Planned Parenthood on Long Island.

Finally, Mr. Livingston has become something of a legend with local and national newspapers for the hundreds of published articles and letters he has written on a broad range of political topics. I am sure that Mr. Livingston will continue to be a published sage well into his nineties and I look forward to finding his name somewhere on the editorial page of the Easthampton Star or the Southhampton Press or the New York Times for years to come.

I know many of my colleagues in the House join with me in extending our congratulations and birthday wishes to Goodhue on this joyous occasion.

TRIBUTE TO THE LADY CARDINALS

HON. HAROLD ROGERS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1987

Mr. ROGERS. Mr. Speaker, today I want to bring to the attention of the House the outstanding achievement which was accomplished last weekend by the Laurel County High School girls basketball team.

This group of lady basketballers edged out Doss High School to win the Kentucky Girls State Championship in Bowling Green, 50 to 48.

Thanks to two free throws by senior Kelly Smith with just two seconds left in the game, the Lady Cardinals will now advance to play Indiana State champ Noblesville on April 4 in the Mid America Classic in Indianapolis.

Not only did this team win the championship game, they also shot a championship-game record 60.5 percent from the field, and shot over 61 percent throughout the entire tournament.

Led by Coach Roy Bowling, the team has continued the tradition of outstanding girls basketball teams which began in 1977, when Laurel County won the first of three straight State championships.

In addition to the team's championship, Kelly Smith and Joretta Carney were named to the all-tournament team, with Carney being named Most Valuable Player of the entire tournament.

Mr. Speaker, I am proud to represent Laurel County in my congressional district, and I ask all of you to join me in congratulating the Lady Cardinals on a job well done. We also wish them well as they prepare for the match with Noblesville.

THE MATZOH OF HOPE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1987

Mr. SOLARZ. Mr. Speaker, at sundown on April 13, Jews all over the world will sit down at the seder table to celebrate the first night of Passover. More than any other holiday, it is Passover which teaches us the lesson of the cycles of Jewish history. In ancient Egypt, the Israelites toiled in slavery under Pharaoh's cruel regime. Led by Moses, the children of Israel escaped this oppression and embarked on a 40-year journey which led them to the Promised Land. Passover commemorates this dramatic passage from persecution to freedom.

Sadly, the cycle of history has turned, and 3,000 years after Moses, another Jewish population struggles under the burden of discrimination and oppression. The Jews of the Soviet Union—like the Israelites before them—yearn to be free. They want the freedom to live in dignity with fundamental human rights. They want the freedom to practice their religion and to share in the culture of the Jewish people. And many desperately cling to their desire for the ultimate freedom—to emigrate from the Soviet Union.

Soviet Jews who celebrate Passover will do so secretly. For the celebrants at these clandestine seder, another year has gone by without much progress. In 1986, only 914 Jews were given permission to emigrate, a 20-percent drop from the already abysmally low level the year before. Refuseniks are still routinely subjected to inhumane treatment by the Soviet authorities, including imprisonment and forced institutionalization in mental hospitals. Less extreme but equally disturbing practices—such as barring a Jewish professional from his or her field of work—are also common.

In recent years, many Jewish communities and families have added a small new ceremony to the seder. Traditionally, three pieces of matzoh—unleavened bread—sit before the leader of the seder. These matzoh are raised in the air, and a blessing is recited beginning "this is the bread of affliction." The new practice is to add a fourth matzoh, called "The Matzoh of Hope." This piece represents the plight of Jews oppressed throughout the world and a special prayer is read on their behalf.

This year, the Matzoh of Hope ceremony is particularly meaningful. As dark as the situation is for Soviet Jews, a glimmer of hope is slowly becoming visible. This March was the brightest month for Jewish emigration in a long time—approximately 450 Jews left the country compared to 98 in January and 146 in February. Several weeks ago, the courageous Jewish activist, Iosif Begun, was finally released from prison. High ranking American Jewish leaders are meeting with Soviet authorities for the first time. There is some reason for hope.

But there is a long way to go. We must never give up the fight until the last Soviet Jew who wishes to leave that country is free to do so. During Passover, we are reminded that there are Jews—and others—who are denied basic human rights all over the world. This year, as we raise the Matzoh of Hope, each one of us should take a moment to rededicate ourselves to securing their freedom and also to reflect on the freedom we are fortunate enough to enjoy.

TRIBUTE TO WALTER AND MARION COHEN

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1987

Mr. TORRICELLI. Mr. Speaker, I rise in tribute to Walter and Marion Cohen of Haworth, NJ.

Mr. and Mrs. Cohen have been residents of Haworth for more than 22 years. They have contributed their energy and many talents to their community and in so doing have contributed greatly to the vitality and strength of Bergen County.

Walter and Marion Cohen have been members of Temple Beth El for 22 years. Laying a foundation for their concern and commitment to their community, Walter has served on the temple board and as a member of the Men's Club, of which he is immediate past president. Marion is currently a member of the temple board and has served as ritual committee chairman. She will become treasurer of the board in June.

Walter is a member of the Bergen County Democratic Committee and has been Haworth Democratic chairman for the past 10 years. Walter's involvement in the body politic of New Jersey has included serving as a legislative aide to State Senator Raymond Garramone, and he now serves State Senator Paul Contillo in the same capacity.

Marion has also served as an aide to State Senator Contillo. She has been a Democratic committeewoman in Bergen County for more than 16 years, and treasurer for districts 38 and 39. Marion is presently the liaison between the mayor of Haworth and the board of education. Marion is also a member of the Sisterhood and Hadassah and an assistant principal at P.S. 132 in New York City.

As devoted parents, the Cohens have shared their sense of responsibility and communal vision with their three children, Arthur, Donald, and Marjorie.

I take great pride in recognizing the many accomplishments and diligent work of Walter and Marion Cohen.

DIAMOND JUBILEE CELEBRATION OF ROSETO, PA

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1987

Mr. RITTER. Mr. Speaker, today it gives me great pleasure to invite the House of Representatives to join in the diamond jubilee celebration of the town of Roseto, PA. Roseto is a small town nestled at the foot of the Blue Mountains in Northhampton County within Pennsylvania's 15th Congressional District. The town is part of what is known as the Slate Belt. The majority of Roseto's citizens are of Italian descent, their ancestors having emigrated from Roseto Valforte, Italy.

The cofounders of New Italy, as the town was then known, were Nicola Rosato, who built the first house in 1887, Giovanni Policelli, and Lorenzo Falcone. In 1887 Mr. Falcone, his wife Maria Grazia Bozzelli, and their two children had the distinction of being the first family to move to the new community.

When the first post office opened on June 17, 1898, New Italy became Roseto, named after its sister city in Italy. The first postmaster, Giuseppe Policelli, opened the first post office in his home on Garibaldi Avenue.

On January 2, 1912, the Borough of Roseto was granted incorporation—25 years after its founding. The men responsible for this important event were Nicola DeFrancesco, Domenic B. Martino, Giuseppe Policelli, and Peter Rosato. Peter Sabatino was elected Roseto's first chief burgess. It was the first incorporated Italian community in the United States.

Roseto has its own police force and a volunteer fire company—Columbia Fire Co., organized in 1909. And on June 29, 1935, a new town hall was dedicated during the term of Chief Burgess Anthony D. Ronco. The same year marked the birthday of the municipal park.

The early Rosetans worked in the slate quarries and raised beautiful gardens. They were grateful to be in America, the land of opportunity. They were determined to educate their children because they believed education was the key to success. And indeed, the town has produced numerous professional people throughout the years.

Blouse mills opened and for many years Roseto was the heart of the garment industry in this area.

Today, the borough is primarily a residential community and many of its citizens are direct descendants of original settlers. Charles Angelini currently serves as mayor, as he has for the past 17 years.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, March 31, 1987, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 1

9:00 a.m.
Armed Services
Strategic Forces and Nuclear Deterrence Subcommittee
To hold hearings on S. 864, authorizing funds for fiscal years 1988 and 1989 for the Department of Defense, focusing on the strategic defense initiative research program and its compliance with existing treaty obligations.
SD-106

Rules and Administration
Business meeting, to consider pending administrative business.
SR-301

Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative priorities of AMVETS, Vietnam Veterans of America, and the Jewish War Veterans.
334 Cannon Building

9:30 a.m.
Banking, Housing, and Urban Affairs
International Finance and Monetary Policy Subcommittee
To resume oversight hearings on Third World debt issues.
SD-538

Labor and Human Resources
To resume hearings on S. 557, to ensure that discrimination is prohibited by the recipients of Federal financial assistance.
SD-430

10:00 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Commodity Futures Trading Commission, and the Food and Drug Administration of the Department of Health and Human Services.
SD-138

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Housing and Urban Development.
SD-124

Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1988 for military construction programs, focusing on Air Force and Air Force Reserve Components.
SD-192

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for energy and water development programs.
SD-116

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for international organizations of the Department of State.
S-146, Capitol

Governmental Affairs
Business meeting, to mark up S. 813, to provide urgently needed assistance to protect and improve the lives and safety of the homeless.
SD-342

Judiciary
Courts and Administrative Practice Subcommittee
To hold hearings on S. 548, Retiree Benefits Security Act of 1987.
SD-226

1:30 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Office of Personnel Management, the Federal Election Commission, and the Advisory Commission on Intergovernmental Relations.
SD-124

Judiciary
To hold hearings on the nominations of Richard J. Daronco, to be United States District Judge for the Southern District of New York, Reena Raggi, to be United States District Judge for the Eastern District of New York, David S. Doty, to be United States District Judge for the District of Minnesota, and David B. Sentelle, of North Carolina, to be United States Circuit Judge for the District of Columbia Circuit.
SD-226

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Strategic Petroleum Reserve, Naval Petroleum Reserve, and the Office of Emergency Preparedness.
SD-116

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for energy and water development programs.
SD-192

Armed Services
Projection Forces and Regional Defense Subcommittee
To hold hearings on the reorganization of Special Operations Forces (SOF) and program proposals for SOF airlift.
SR-232A

Labor and Human Resources
Children, Family, Drugs, and Alcoholism Subcommittee
To hold hearings on proposed legislation to reauthorize the Child Abuse Prevention and Treatment Act.
SD-562

2:30 p.m.
Select on Intelligence
To resume closed hearings on proposed legislation authorizing funds for fiscal year 1988 for the intelligence community.
SH-219

APRIL 2

9:30 a.m.
Banking, Housing, and Urban Affairs
International Finance and Monetary Policy Subcommittee
To continue oversight hearings on Third World debt issues.
SD-538

Energy and Natural Resources
Research and Development Subcommittee
To hold oversight hearings on the clean coal technology program.
SD-366

Environment and Public Works
Environmental Protection Subcommittee
Superfund and Environmental Oversight Subcommittee
To hold joint hearings on health threats posed by radon gas.
SD-406

Governmental Affairs
To resume hearings on the government's role in economic competitiveness.
SD-342

Judiciary
Antitrust, Monopolies and Business Rights Subcommittee
To hold hearings on corporate takeovers.
SD-226

9:45 a.m.
Judiciary
Technology and the Law Subcommittee
Business meeting, to mark up S. 442, to enable the Secretary of Commerce to grant certain nations additional time to finalize the mechanisms through which they protect semiconductor chip designs.
SD-628

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Housing and Urban Development.
SD-124

Finance
To hold hearings on certain trade issues, including provisions of H.R. 3, Trade and International Economic Policy Reform Act, S. 490, Omnibus Trade Act, and Title II of S. 636, Greater Opportunities Through Work Act.
SD-215

Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold joint hearings with the House Committee on the Judiciary's Subcommittee on Courts, Civil Liberties, and the Administration of Justice to review copyright issues presented by digital audio tapes.
SD-628

Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

10:30 a.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To hold a closed meeting.
S-407, Capitol

2:00 p.m.
Agriculture, Nutrition, and Forestry
Nutrition and Investigation Subcommittee
To hold hearings on S. 728 and S. 812, bills to improve the nutrition of the homeless.
SR-332

Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1988 for the Department of Defense, focusing on the strategic defense initiative (SDI).
SD-192

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Indian Health Service of the Department of Health and Human Services, and the Navajo and Hopi Indian Relocation Commission.
SD-138

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the St. Lawrence Seaway Development Corporation, and the Architectural Transportation Barriers Compliance Board.
SD-124

Judiciary
Constitution Subcommittee
To resume hearings on S. 558, to revise the procedures for the enforcement of fair housing.
SD-226

2:30 p.m.
Select on Intelligence
To continue closed hearings on proposed legislation authorizing funds for fiscal year 1988 for the intelligence community.
SH-219

3:00 p.m.
Banking, Housing, and Urban Affairs
Business meeting, to consider S. 810, to authorize housing assistance for homeless individuals and families, and pending nominations.
SD-538

APRIL 3

9:30 a.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the United States Postal Service.
SD-116

Armed Services
To hold hearings on U.S. national security strategy, focusing on the President's recent report, National Security Strategy of the United States.
SR-222

Finance
Taxation and Debt Management Subcommittee
To hold hearings on S. 58, to make permanent and increase the income tax credit for increasing research activities, and proposals regarding the allocation of domestic research expenses.
SD-215

Joint Economic
To hold hearings to review the employment/unemployment statistics for March.
SD-628

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on S.J. Res. 26, to authorize the President to call a White House Conference on Library and Information Services to develop recommendations for improvement of such services and their public use.
SD-430

APRIL 6

10:00 a.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1988 for military construction programs, focusing on Caribbean Basin Construction Program.
SD-192

Governmental Affairs
Permanent Subcommittee on Investigations
To hold hearings on the exploitation of young adults in door-to-door sales.
SD-342

3:00 p.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Agriculture, rural development, and related agencies.
SD-138

APRIL 7

9:00 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Agriculture, rural development, and related agencies.
SD-138

9:30 a.m.
Armed Services
Conventional Forces and Alliance Defense Subcommittee
To hold hearings on armaments cooperation within the NATO alliance.
SR-232A

Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings to review the implementation of the airport improvement program.
SR-253

Environment and Public Works
Environmental Protection Subcommittee
To hold hearings on S. 675, authorizing funds for fiscal years 1988–1992 for programs of the Endangered Species Act.
SD-406

Governmental Affairs
To resume hearings on the government's role in economic competitiveness.
SD-342

Small Business
Urban and Minority-Owned Business Development Subcommittee
To hold hearings to review the procedures used in an agency award of a project to a federally funded research and development center, and the adverse impact felt by a small business technical service firm which had been competing for a contract for the same project.
SR-428A

10:00 a.m.
Finance
To resume hearings on certain trade issues, including provisions of H.R. 3, Trade and International Economic Policy Reform Act, S. 490, Omnibus Trade Act, and Title II of S. 636, Greater Opportunities Through Work Act.
SD-215

2:00 p.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Agriculture, rural development, and related agencies.
SD-138

Armed Services
Conventional Forces and Alliance Defense Subcommittee
Projection Forces and Regional Defense Subcommittee
To hold joint hearings on S. 864, authorizing funds for fiscal years 1988 and 1989 for the Department of Defense, focusing on the cost of the aircraft carrier replacement program.
SR-222

Energy and Natural Resources
Research and Development Subcommittee
To hold hearings on the President's budget request for fiscal year 1988 for the Department of Energy's Office of Energy Research for the Superconducting Super Collider (SSC).
SD-366

APRIL 8

9:00 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Agriculture, rural development, and related agencies.
SD-138

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings to review the national airspace system plan.
SR-253

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

10:00 a.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for energy and water development programs, focusing on nuclear fission, uranium enrichment, and the nuclear waste management.
SD-192

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Securities and Exchange Commission and the Civil Rights Commission.
S-146, Capitol

Finance
To continue hearings on certain trade issues, including provisions of H.R. 3, Trade and International Economic Policy Reform Act, S. 490, Omnibus Trade Act, and Title II of S. 636, Greater Opportunities Through Work Act.
SD-215

Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold hearings on S. 568 and S. 573, bills to protect patent owners from importation into the United States of goods made overseas by use of a United States patented process.
SD-226

1:00 p.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Agriculture, rural development, and related agencies.
SD-138

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the U.S. Fish and Wildlife Service, Department of the Interior.
SD-192

Select on Indian Affairs
To hold oversight hearings on the implementation of the Indian Self-Determination and Education Assistance Act (P.L. 93-638).
SR-485

2:30 p.m.
Labor and Human Resources
Handicapped Subcommittee
To hold hearings on proposed legislation authorizing funds for developmental disability programs.
SD-430

APRIL 9

9:00 a.m.
Government Affairs
To hold hearings to review the need for an Inspector General at the Nuclear Regulatory Commission.
SD-342

9:30 a.m.
Energy and Natural Resources
Research and Development Subcommittee
To resume oversight hearings on clean coal technology program.
SD-366

Environment and Public Works
Environment Protection Subcommittee
To hold hearings on potential additional controls on mobile sources under the Clean Air Act.
SD-406

Select on Indian Affairs
To hold oversight hearings on Indian economic development issues.
SD-628

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the National Aeronautics and Space Administration.
SD-124

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Interstate Commerce Commission, and the Research and Special Programs Administration of the Department of Transportation.
SD-138

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To hold a closed meeting.
S-407, Capitol

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the National Capital Planning Commission, Energy Conservation, Energy Information Administration, and the Economic Regulatory Administration.
SD-192

Joint Printing
To hold an organizational business meeting.
H-328, Capitol

APRIL 10

9:30 a.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Deparment of the Treasury, U.S. Postal Service, and general Government.
SD-192

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the National Aeronautics and Space Administration.
SD-124

Finance
Private Retirement Plans and Oversight of the Internal Revenue Service Subcommittee
To hold hearings on proposed legislation providing a taxpayer's bill of rights.
SD-215

APRIL 21

10:00 a.m.
Environment and Public Works
Environmental Protection Subcommittee
Hazardous Wastes and Toxic Substances Subcommittee
To hold joint hearings on substitutes for stratospheric ozone depleting chemicals.
SD-406

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Bureau of Indian Affairs, Department of the Interior.
SD-192

2:30 p.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal years 1988 and 1989 for the Federal Communications Commission.
S-253

APRIL 22

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Education, focusing on the Office of the Secretary, and Salaries and expenses.
SD-192

Environment and Public Works
Environmental and Protection Subcommittee
To hold hearings on the Environmental Protection Agency views on acid rain controls and post-1987 attainment strategies.
SD-406

Judiciary
Patents, Copyrights and Trademarks Subcommittee
To resume hearings on certain provisions relating to patent and trade issues of S. 635, Omnibus Intellectual Property Rights Improvement Act.
SD-226

10:00 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimate for fiscal year 1988 for the Small Business Administration, and the Federal Trade Commission.
S-146, Capitol

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Geological Survey, Department of the Interior.
SD-192

Appropriations
Energy and Water Development Subcommittee
To hold closed hearings on proposed budget estimates for fiscal year 1988 for energy and water development programs, focusing on the Department of Energy national laboratories.
SD-116

Select on Indian Affairs
To hold hearings on S. 721, to provide for and promote the economic development of Indian tribes.
SR-485

APRIL 23

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Education, focusing on compensatory education for the disadvantaged, special programs, impact aid, bilingual education, immigrant and refugee education, education for the handicapped, rehabilitation services and handicapped research, special institutions (includes American Printing House for the Blind, National Technical Institute for the Deaf, and Gallaudet College), and vocational and adult education.
SD-192

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for programs of the Earthquake Hazards Reduction Act (P.L. 95-124).
SR-253

10:00 a.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1988 for military construction programs, focusing on Army and Army Reserve Components.
SD-124

Appropriations
Energy and Water Development Subcommittee
To hold closed hearings on proposed budget estimates for fiscal year 1988 for energy and water development programs, focusing on Atomic Energy Defense activities.
SD-116

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the U.S. Coast Guard, Department of Transportation.
SD-138

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of the Interior, focusing on the Office of the Secretary and the Office of the Solicitor.
SD-192

Select on Indian Affairs
To hold hearings on proposed legislation to revise certain provisions of the Indian Self-Determination and Education Assistance Act (P.L. 93-638).
SR-485

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To hold a closed meeting.
S-407, Capitol

2:30 p.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Education, focusing on student financial assistance, guaranteed student loans, higher education, higher education facilities loans and insurance, college housing loans, Howard University, education research and statistics, and libraries.
SD-138

APRIL 24

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Federal Home Loan Bank Board, Neighborhood Reinvestment Corporation, and the National Institute of Building Sciences.
SD-124

APRIL 27

10:00 a.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for energy and water development, focusing on certain activities of the Department of Energy.
SD-192

APRIL 28

9:30 a.m.
Energy and Natural Resources
To hold hearings on S. 839, to authorize the Secretary of Energy to enter into incentive agreements with certain States and affected Indian tribes concerning the storage and disposal of high-level radioactive waste and spent nuclear fuel.
SD-366

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for security assistance programs.
S-126, Capitol

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of the Interior, focusing on the Bureau of Mines, and the Office of Surface Mining, Reclamation and Enforcement.
SD-192

APRIL 29

9:30 a.m.
Energy and Natural Resources
To continue hearings on S. 839, to authorize the Secretary of Energy to enter into incentive agreements with certain States and affected Indian tribes concerning the storage and disposal of high-level radioactive waste and spent nuclear fuel.
SD-366

2:00 p.m.
Select on Indian Affairs
To hold oversight hearings on the Indian Financing Act and the Buy Indian Act.
SR-485

APRIL 30

9:30 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of the Interior, focusing on territorial governments.
SD-124

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Justice, focusing on the Office of Justice Programs, Immigration and Naturalization Service, and the Federal Prison System.
S-146, Capitol

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for defense security assistance programs.
S-126, Capitol

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Urban Mass Transit Administration of the Department of Transportation,

and the Washington Metropolitan Transit Authority.

SD-138

2:00 p.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of the Interior, focusing on territorial affairs.

SD-192

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To hold a closed meeting.

S-407, Capitol

MAY 4

9:30 a.m.

Appropriations

Labor, Health and Human Services, Education, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Departments of Labor, Health and Human Services, Education, and related agencies.

SD-192

2:00 p.m.

Energy and Natural Resources

Research and Development Subcommittee

To hold hearings on proposals to restructure the Department of Energy's uranium enrichment program.

SD-366

MAY 5

9:30 a.m.

Appropriations

Labor, Health and Human Services, Education, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Departments of Labor, Health and Human Services, Education, and related agencies.

SD-138

2:00 p.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Smithsonian Institution, Woodrow Wilson International Center for Scholars, and the Holocaust Memorial Council.

SD-138

MAY 6

9:30 a.m.

Appropriations

Labor, Health and Human Services, Education, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Departments of Labor, Health and Human Services, Education, and related agencies.

SD-116

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-336

10:00 a.m.

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1988 for military construction programs, focusing on defense agencies.

SD-192

Appropriations

Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the U.S. Supreme Court, and for the Department of Justice, focusing on the Federal Bureau of Investigation, Drug Enforcement Administration, and the U.S. Marshals Service.

S-146, Capitol

2:30 p.m.

Appropriations

Labor, Health and Human Services, Education, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Departments of Labor, Health and Human Services, Education, and related agencies.

SD-116

MAY 7

9:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for fossil energy, and clean coal technology programs.

SD-192

9:30 a.m.

Appropriations

Labor, Health and Human Services, Education, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Departments of Labor, Health and Human Services, Education, and related agencies.

SD-116

10:00 a.m.

Appropriations

Transportation and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Federal Aviation Administration, and the General Accounting Office (FAA operations).

SD-138

2:00 p.m.

Energy and Natural Resources

Research and Development Subcommittee

To hold closed hearings to review the status of the Department of Energy's defense materials production facilities.

S-407, Capitol

2:30 p.m.

Appropriations

Labor, Health and Human Services, Education, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Departments of Labor, Health and Human Services, Education, and related agencies.

SD-116

MAY 8

9:30 a.m.

Appropriations

Labor, Health and Human Services, Education, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Departments of Labor, Health and Human Services, Education, and related agencies.

SD-192

Energy and Natural Resources

Research and Development Subcommittee

To resume hearings on proposals to restructure the Department of Energy's uranium enrichment program.

SD-366

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Housing and Urban Development, and independent agencies.

SD-124

Appropriations

Transportation and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Federal Aviation Administration of the Department of Transportation, and the General Accounting Office (R, E & D, F & E, Airport Grants).

SD-138

2:30 p.m.

Appropriations

Labor, Health and Human Services, Education, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Departments of Labor, Health and Human Services, Education, and related agencies.

SD-192

MAY 12

10:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for certain export financing programs.

S-126, Capitol

Appropriations

Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Legal Services Corporation, and the Equal Employment Opportunity Commission.

S-146, Capitol

MAY 13

9:30 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

10:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for foreign assistance programs.

S-126, Capitol

Appropriations

Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988, to receive public testimony on certain programs of the Departments of Commerce, Justice, State, the Judiciary, and related agencies.

S-146, Capitol

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Transportation and related agencies.
SD-138

MAY 14

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Transportation and related agencies.
SD-138

MAY 15

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Housing and Urban Development, and independent agencies.
SD-124

MAY 18

2:00 p.m.
Energy and Natural Resources
To hold hearings on proposed legislation to expand the clean coal technology program.
SD-366

MAY 20

10:00 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Judicial Conference, Commission on the Bicentennial of the Constitution, U.S. Sentencing Commission, and the State Justice Institute.
S-146, Capitol

JUNE 23

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings to review proposed budget estimates for fiscal year 1988 for the Department of State.
SD-192

CANCELLATIONS

MARCH 31

10:00 a.m.
Foreign Relations
To resume hearings on proposed legislation authorizing funds for fiscal year 1988 for foreign assistance programs.
SD-419

APRIL 1

9:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

APRIL 2

9:30 a.m.
Commerce, Science, and Transportation
Foreign Commerce and Tourism Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1988 for the U.S. Travel and Tourism Administration, Department of Commerce.
SR-253

10:00 a.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for energy and water development programs.
SD-138

Foreign Relations
Business meeting, to mark up proposed legislation authorizing funds for fiscal year 1988 for the Department of State, U.S. Information Agency, Board for International Broadcasting, and the U.S. Arms Control and Disarmament Agency.
SD-419

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for energy and water development programs.
SD-192

APRIL 9

1:00 p.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Agriculture, rural development, and related agencies.
SD-138

HOUSE OF REPRESENTATIVES—*Tuesday, March 31, 1987*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

As we gather during this historic time, O God, we ask Your blessing upon us. Aware of the noble traditions of our land and the history of our Congress, we come together in grateful appreciation celebrating the values of liberty and freedom which are the marks of our heritage. Make us aware, O God, of the gifts we have received and the opportunities before us. Bless our good land, bless our people, bless our institutions that we may be worthy of the high calling that is ours. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. MINETA. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. MINETA. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 317, nays 76, answered "present" 3, not voting 37, as follows:

[Roll No. 38]

YEAS—317

Ackerman
Akaka
Alexander
Anderson
Andrews
Anthony
Applegate
Archer
Aspin
Atkins
AuCoin
Ballenger
Barnard
Bartlett
Bateman
Bates
Beilenson
Bennett
Bereuter
Berman
Bevill
Biaggi
Bilbray
Bilirakis
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Bruce
Bryant
Buechner
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Carr
Chapman
Chappell
Clarke
Clinger
Coats
Coelho
Coleman (TX)
Collins
Combest
Conte
Conyers
Cooper
Coyne
Crockett
Darden
Daub
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
DeWine
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Edwards (CA)
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Gradison
Grandy
Grant
Gray (IL)
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Herger
Hertel
Hiler
Hochbrueckner
Holloway
Horton
Houghton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jeffords
Johnson (CT)
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lagomarsino
Lancaster
Lantos
Latta
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Lightfoot
Lipinski
Lowry (WA)
Lujan
Luken, Thomas
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCurdy
McDade
McEwen
McHugh
McKinney
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Mica
Miller (WA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Morella
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
Oakar
Oberstar
Olin
Ortiz
Owens (UT)
Oxley
Packard
Panetta
Parris
Pashayan
Patterson
Pease
Pepper
Perkins
Petri
Pickett
Pickle
Price (IL)
Price (NC)
Pursell
Quillen
Rangel
Ravenel
Ray
Regula
Rhodes
Richardson
Rinaldo
Ritter
Robinson
Rodino
Roe
Rogers
Rose
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Saxton
Scheuer
Schneider
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shumway
Shuster
Sisisky
Skaggs
Skelton
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Snowe
Solarz
Spratt
St Germain
Staggers
Stallings
Stark
Stenholm
Stokes
Stratton
Studds
Sweeney
Synar
Tallon
Taylor
Thomas (GA)
Torres
Torricelli
Traficant
Udall
Upton
Valentine
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron
Young (FL)

NAYS—76

Armey
Badham
Barton
Bentley
Bliley
Boehlert
Boulter
Brown (CO)
Bunning
Burton
Chandler
Cheney
Clay
Coble
Coleman (MO)
Courter
Craig
Crane
Davis (IL)
DeLay
Dickinson
DioGuardi
Dornan (CA)
Dreier
Emerson
Frenzel
Gekas
Goodling
Gregg
Hansen
Henry
Hopkins
Inhofe
Jacobs
Kolbe
Konnyu
Kyl
Leach (IA)
Lewis (CA)
Lewis (FL)
Lloyd
Lott
Lukens, Donald
Lungren
Mack
Madigan
Martin (IL)
Martin (NY)
McCandless
Miller (OH)
Molinari
Moorhead
Penny
Roberts
Roemer
Roth
Roukema
Schaefer
Schroeder
Sikorski
Skeen
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Stangeland
Stump
Sundquist
Swindall
Tauke
Thomas (CA)
Vucanovich
Walker
Weber
Wolf
Young (AK)

ANSWERED "PRESENT"—3

Livingston
Obey
Whittaker

NOT VOTING—37

Annunzio
Baker
Coughlin
Daniel
Dannemeyer
Dowdy
Eckart
Edwards (OK)
Feighan
Fields
Garcia
Gephardt
Gingrich
Gray (PA)
Jenkins
Kemp
Kennelly
Lowery (CA)
MacKay
Marlenee
McGrath
Michel
Miller (CA)
Morrison (CT)
Owens (NY)
Porter
Rahall
Ridge
Rostenkowski
Sawyer
Slattery
Spence
Swift
Tauzin
Towns
Traxler
Vander Jagt

☐ 1220

So the Journal was approved.

The result of the vote was announced as above recorded.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will announce, for the interest of the Members, what our expectation is for our schedule today.

It is the intention of the Chair that we shall take 1-minute speeches and unanimous-consent requests and, when that has been done, that we shall proceed immediately to the vote to override the President's veto of the highway bill.

MEMBERS URGED TO VOTE TO OVERRIDE VETO OF THE HIGHWAY BILL

(Mr. PACKARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PACKARD. Mr. Speaker, as a member of the Public Works and Transportation Committee, I have been working on this highway bill legislation for over 2 years. While I agree that this is not a perfect bill, I believe it effectively addresses the critical transportation infrastructure problems our Nation faces.

This legislation has passed through a long and arduous process and I do not believe that a better bill can realistically be put together if we fail to override the President's veto. Without H.R. 2, the 1987 construction season will be lost and numerous projects will be brought to a halt. I believe this bill serves the best interest of the Nation.

I have the highest regard for President Reagan and my voting record clearly shows that I have been one of his strongest supporters in the House. But, on this issue I have to disagree with him. I will vote to override his veto of H.R. 2 and I urge my colleagues to do likewise.

A NEW NAME FOR THE HIGHWAY BILL: THE SURFACE TRANSPORTATION INITIATIVE [STI]

(Mr. WISE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WISE. Mr. Speaker, the Congress went wrong when we called this a highway bill that continued our commitment to highways. Perhaps we should have modeled it after something the President likes—like SDI, the strategic defense initiative. So let us not call it a highway bill today. Today we support our own STI, the surface transportation initiative. Now, it is not like its SDI namesake. The STI is not a budget buster. It spends $1 billion less in 1987 than in 1986. Nor can it bust any budgets since all highway funds come from a dedicated trust fund.

The STI protects our domestic security. If this bill does not pass, my State loses $100 million this year in highway funding, help in redesigning the Chelyan Bridge and rebuilding the West Virginia Turnpike. We cannot afford to lose this construction season.

So I ask the Members today to override the veto and vote for STI. Tell the President to stop the debate and begin to deploy, deploy those bulldozers and graders, deploy the bridge repairs, deploy the new concrete and highways, and deploy the 800,000 jobs that will be created.

Deploy, Mr. Speaker. Today we stand tall for STI.

THE TREATY OF ROME

(Mr. CLINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLINGER. Mr. Speaker, last Wednesday, March 25, marked the 30th anniversary of the signing of the Treaty of Rome, which unified the nations of Europe in the aftermath of World War II, and led to the establishment of the European Community.

It is the Treaty of Rome, and the subsequent formation of the 12-nation European Community which is generally credited with reducing historical tensions and rivalries in Europe, promoting economic recovery and security among member nations, and fostering a healthy relationship with the United States.

Evidence of that healthy relationship exists in the twice annual meetings which are held between members of the European Community and the Congress of the United States. Next month, I will join a number of my colleagues in attending one of these meetings, in Europe, to discuss matters of mutual interest, such as existing trade agreements, steel quotas, and the health of the alliance.

House Resolution 121, recently introduced, recognizes the great significance of the Treaty of Rome and commends the European Community's positive role in promoting growth, development and prosperity in Europe, and a close and mutually beneficial relationship with the United States, and I urge its adoption.

THE HIGHWAY BILL—A BUILDER, NOT A BUDGET BUSTER

(Mr. DORGAN of North Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN of North Dakota. Mr. Speaker, the President says he vetoed the highway bill because it is a budget buster. Well, he is wrong. This bill does not bust; it builds. It helps build our highways, it helps repair our bridges, and it invests in America.

And how do we pay for it? We pay for it with an excise tax, an excise tax that we enacted and that goes into a trust fund that can be used only for this purpose. That is a fact.

□ 1230

The President, with this veto, would have us believe he is against spending; that he is a tiger against spending. That is not so. The fact is, if it explodes, this fellow says, "Let's build it." If it is sent overseas, he says, "Let's spend it." The sky is the limit as far as that spending is concerned. It is just investing here in America that he has a problem with.

We have got contractors ready; we have got workers ready; we have got roads and bridges that need repair. We have got a short construction season in the northern reaches of this country. Now it is time for us in Congress to decide that we are going to override this veto and get about the business of investing in America.

HATS OFF TO THE IU HOOSIERS

(Mr. COATS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COATS. Mr. Speaker, does life imitate art or does art imitate life? Sometimes, it is hard to tell.

Now playing at your local theaters to rave reviews and overflow crowds, the movie "Hoosiers" depicts the miraculous last second victory of Hickory High in the Indiana high school basketball finals. That story is based on the real life story of little Milan High School's legendary victory 35 years ago.

Last night, in New Orleans, Coach Bobby Knight's IU Hoosiers attained the most coveted crown in college sports, the National NCAA Basketball Championship. Hats off to Coach Knight; hats off to Keith Smart, the game MVP; hats off to Steve Alford, MVP for the whole year; hats off to the entire IU team for a victory well-deserved, well-won, and well-coached.

Mr. Speaker, although I am still trying to figure out what the word "Hoosier" means, I am mighty proud to be one.

MEMBERS URGED TO OVERRIDE PRESIDENT'S VETO OF HIGHWAY LEGISLATION

(Mr. ANDERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON. Mr. Speaker, I rise today to urge all our colleagues, from both parties, to vote to override the President's veto of H.R. 2, our vitally needed highway/transit legislation.

H.R. 2 passed the House in January on a vote of 401 to 20. In the ensuing conference, we pared that bill back. It became a more modest piece of legislation. Spending was cut back for both highways and mass transit. Funding for demonstration projects was substantially reduced. I suppose it was in recognition of this fact that we gained a few votes on the floor when we brought the conference report before the House, prevailing on a vote of 407 to 17.

Mr. Speaker, let me ask this question: If this bill was so good 13 days ago that it passed on its merits by a margin of 390 votes, why would it not pass today by a similar margin? How could it be explained that this was a good bill 13 days ago, one deserving to become law, but that today it is not.

This was a good bill 13 days ago when it passed in this Chamber by an overwhelming vote, and it is a good bill today.

We are a part of the legislative branch of Government. It is our job to pass good laws. That is our job and our sworn responsibility. I am confident that our colleagues will accept this as their paramount responsibility and duty and will vote, as most did 13 days ago, to pass this good bill.

LEGISLATION INTRODUCED TO REDUCE WELFARE DEPENDENCY

(Mr. ROWLAND of Connecticut asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROWLAND of Connecticut. Mr. Speaker, I have introduced legislation today that strikes at the heart of a problem that we are all concerned with: welfare dependency.

This legislation carries the name "greater opportunities through work," or better known as GROW. That is exactly what it is designed to do: to permit recipients of aid to families with dependent children to grow and become self-sufficient.

GROW is clearly superior to all the other welfare work proposals circulating. It is based on both research and experience; not rhetoric and empty promises. It targets its resources at that group most likely to be long-term welfare dependents: Teenage parents and young adults with children.

Let me make it clear that GROW is compassionate. It requires that able-bodied AFDC recipients participate in work-related activities aimed at increasing their employability, but it exempts those people who realistically cannot work. It provides training and education for those who need it. GROW also provides the necessary support services such as child care and transportation.

Rather than increasing incentives to stay on welfare, let us increase incentives to work. We need more opportunity, not more welfare checks, and this legislation will accomplish those goals.

LET US OVERRIDE THE PRESIDENT'S VETO

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute.)

Mr. Speaker, the President said that all that highway pork is giving him heartburn. Let us analyze his heartburn. He wants more money for star wars, but he cuts back the war on drugs. He wants more money for the Contras, but he cuts back education money. He wants more missiles but not clean water. He wants more foreign aid, but he cuts retirement programs. Finally, he even talks about wanting an "Orient Express," but not safe highways.

Are these really symptoms of heartburn or of confused priorities. So, Mr. President, today Congress is saying in giving you the following prescription: Take two aspirin, a chug of Maalox and some milk of magnesia, and four Rolaids because all that congressional relief is going to be spelled o-v-e-r-r-i-d-e.

To be quite honest, Mr. President, we are not really concerned today about your heartburn, we are concerned about the pain you are causing the American people.

Let us put Americans back to work and let us bring forward a good highway bill today. Let us override that veto.

BENTLEY APPLAUDS REAGAN SANCTIONS AGAINST JAPAN

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, in the past 2 years, I have spoken from this lectern many times on the unfair trade practices of our allies—especially Japan's.

The Japanese, while flooding United States markets, have erected many direct, and indirect, barriers to American products. Agreement after agreement has been broken—including the microchip agreement of last summer.

With Japanese intransigence, the President had no choice but to apply sanctions. And, he is to be commended for his action.

But more needs to be done. The unemployed in the textile, tobacco, and automobile industries need help also. That $50 billion trade deficit with Japan isn't in oil—it's in American manufacturing jobs. And, we cannot continue to pump that kind of money overseas without having it come back to buy American farmland, buildings, companies, and banks. They could own us.

There is no question that there are ample safeguards now on the books for the President to protect American workers. The problem is that the actions are discretionary with the President, and our military allies can pressure concessions on the economic front.

We need mandatory sanctions against trading partners who take advantage of our open markets while closing theirs.

Just like any person who must consider the consequences of breaking the law, these trading partners need to know they must balance putting Americans unfairly out of work against certain, swift penalties.

Mr. President, please continue to stand tall on this issue.

ROTTEN PORK

(Mr. AuCOIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AuCOIN. Mr. Speaker, it's been said that the vote to override the veto on the surface transportation bill will show whether or not the President is back.

Well, that's not right. We're here to show whether or not the economy is back, freed from legislative deadlock, and with a green light for the creation of another 800,000 jobs.

Right now, 40 million dollars' worth of projects in my State are already jeopardized. If we fail to override this veto, another $67 million will immediately be in peril. Every delay means a slow down in business development. Every delay means that ultimately these projects will cost even more, because the cost of construction is soaring.

Mr. Speaker, the President says this bill is "pork." Well, once again, he's wrong. Last Sunday I saw the Vice President of Honduras tell Mike Wallace on "60 Minutes" that the $105 million Ronald Reagan wants to spend on the Contras is a "waste of time and money." You want pork, Mr. President? There's your pork, rotten pork. Stop that boondoggle, Mr. President, and leave America's highways alone.

WE MUST ACT ON ENERGY SECURITY BEFORE DISASTER STRIKES

(Mr. ARCHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARCHER. Mr. Speaker ever since 1973, our country's energy security has been subject to the whims of the OPEC nations.

When the cartel's greed forced the price of oil upward in 1979, producers with high finding costs—like the United States—could finally compete again in the world market. That was a mistake on OPEC's part.

Now they've corrected that mistake—by driving prices down to a level below our production costs and pushing up U.S. energy consumption. Their plan to recapture the world market has worked.

The artificial price drop has increased American consumption by 450,000 barrels of oil a day. But domestically we're producing 790,000 barrels less a day.

We're again fat, happy, complacent, and grossly dependent on the mercy of OPEC—ideal patsies for the next price surge.

But this time, we may not be able to respond. Our domestic industry is in a state of near collapse. Those skilled in finding and producing oil have been forced to leave the industry in droves. Some of the surviving producers are moving their capital and expertise overseas—to those countries which have had the foresight to encourage energy development at home.

And Washington remains silent—its failure to address this national issue a pitiful commentary on our ability to forestall a crisis by acting before disaster strikes.

□ 1240

THE VETO OF THE HIGHWAY BILL

(Mr. MOLLOHAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOLLOHAN. Mr. Speaker, there is a lot of concern in the First District of West Virginia over the President's veto of the much needed highway bill. I share that concern. Economic development are the watchwords there where the much-touted economic recovery of the mid-1980's failed to show up.

There are two key factors in the battle to revitalize the economy in many parts of America—jobs and roads. Both are absolutely indespensible to every economic development plan put forward, and both are benefits that would be realized through implementation of the highway bill.

In my district, West Virginians make steel, much of which could be used in the rehabilitation of our aging infrastructures nationwide, and we make a thousand other products that must be transported to market over highways that are deteriorating.

When the President put his stamp of disapproval on the highway bill, he placed a handicap upon the efforts of those same West Virginians, and a host of other Americans, who are working hard to improve their economy.

Some have said that the President is trying to show he is tough by vetoing this important legislation. I hope that the Congress will demonstrate—by overriding the President's veto—that a better way of being tough is to put people back to work.

SUPER DISCOVERY IN SUPERCONDUCTORS

(Mr. RITTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RITTER. Mr. Speaker, my colleagues, if some of you are tired of Irangate, insider trading and a lot of other inside the beltway stories, here is something very different.

On the cover of this week's Business Week magazine is an article called Superconductors, and let me just read from this cover story:

> Every so often a new technology spurs immense change. Now comes superconductivity. Scientists have long known that certain metals conduct electricity with no resistance when they are cooled to absolute zero (−459° F), but that was far too cold for practical use. Now in a series of breathtaking events, scientists have raised the superconductivity threshold to practical levels. The possibilities are stunning; electric cars, super fast trains that ride on magnetic fields, more powerful computers, and a revolution in the way we generate, transmit and store electricity.

Quoting from a yesterday's lead editorial from the Wall Street Journal:

> At a scientific colloquim in New York on March 18, Bell Lab's physicist Bertram Batlogg stood before a hall crammed with excited colleagues and spoke six words that may become history's signature for the superconductivity revolution, I think our life has changed.

The process goes on. Researchers from all over the world, particularly our competition in Japan, are taking an extraordinarily active role in bringing this new technology, this new scientific discovery, to the fore.

Quoting from a recent article in the Wall Street Journal, "the objective, says Japan's leading business newspaper, is to organize industry to get the jump on the West in applications and commercialization for a huge new market."

We are talking about invention the likes of which we have not seen perhaps since the transistor, since the light bulb.

This country can and should mobilize its resources like it has not done in the past—perhaps to do something like we are talking about in "Sematech," the industrywide, government-involved partnership to promote our high-tech competitive edge in semiconductors, but do it before we fall behind our leading competitors.

We can envision technological changes across the length and breadth of the worlds economy derived from this breakthrough. The United States can be at the forefront of applying and commercializing this technology but we will need to accelerate the time we've taken in the past between scientific discovery and application.

We need to be far more aggressive if we're not to be outrun by competitor nations, primarily Japan.

INDIANA UNIVERSITY HOOSIERS COME AWAY WITH BIGGEST PRIZE IN COLLEGE BASKETBALL

(Mr. McCLOSKEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLOSKEY. Mr. Speaker, I guess for some reason nearly all the Indiana congressional delegation is down here for 1-minute speeches today. I know we are concerned about the highway bill, but we are also very happy and indeed overwhelmed about the very, very happy events of last night in New Orleans, when the Indiana University Hoosiers came away with the biggest prize in college basketball—the NCAA championship.

In a world often dominated by bad news, these Hurryin' Hoosiers have shown us the best in athletic competition. They have shown us hard work, discipline, and the desire to do one's best are more important than being called the best.

Indiana Coach Bob Knight is said to have his detractors—but no one doubts his integrity or his commitment to teaching young people to be the best they can possibly be—on the basketball court, in the classroom, or throughout their lives.

So to Indiana University, seniors Steve Alford, Daryl Thomas, and Todd Meier, to sharp-shooting Keith Smart and to all team members, to the coach and Indiana University, we thank you for an experience inspiring us all.

CONGRATULATIONS TO INDIANA HOOSIERS

(Mr. MYERS of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MYERS of Indiana. Mr. Speaker, I am pleased today to join with my colleague, the gentleman from Indiana [Mr. McCLOSKEY], who stole Indiana University from me 5 years ago, but proud today to join him in congratulating the victory.

Five and a half months ago 290 division I teams started practicing for the 1986-87 collegiate basketball season. Three weeks ago that field was narrowed down to 64 toward the national championship for the NCAA basketball championship. Last Saturday, four teams, the Syracuse Orangemen, the Providence Friars, the UNLV Running Rebels, and the Hurryin' Hoosiers from Indiana, met on the basketball court at the Superdome in New Orleans. Last night more than 67,000 cheering fans in New Orleans and millions on television watched the Syracuse Orangemen and the Indiana Hurryin' Hoosiers, play maybe one of the closest and hardest fought basketball games in the more than 50 years of championship basketball for the NCAA national championship. With 5 seconds left, Syracuse leading Indiana by a score of 73 to 72, Indiana possessing the ball, down in the corner went a junior guard by the name of Keith Smart—Smart fired away, swish, with 1 second left.

Indiana had come from behind to win the national championship of the NCAA, 74-73.

Today we are proud of that Hoosier team and our coach, Bob Knight.

Someone asked earlier, "What is a Hoosier?"

Well, today it is someone who is proud of basketball, proud to live in Indiana, proud of Bob Knight, and proud of our Indiana basketball team. A Hoosier is someone today who believes that the Oscar for best acting was not won by one person, but by a team, we call the "Hoosiers."

CONGRATULATIONS TO STEVE ALFORD, BOBBY KNIGHT, AND THE ENTIRE HOOSIERS' TEAM

(Mr. SHARP asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHARP. Mr. Speaker, it should be no surprise to my colleagues what we Hoosiers are crowing about today: the Indiana University victory last night.

The Hoosier love affair with basketball is no secret and this year has been documented from New Orleans to Hollywood.

But there is added crowing in the part of the State I have the honor to represent, because Steve Alford as all the world should know hails from New Castle.

In his illustrious college career not only has Steve distinguished himself as one of the greatest players in NCAA history, but he has done it in a manner that has made all of us Hoosiers even prouder.

His composure, class and grace under pressure combined with his enormous talent is a fine example for his peers and our Nation's young people. He is a credit to his parents, Sam and Sharon Alford and the whole New Castle community.

I trust there is no doubt in anyone's mind why we are proud of Steve Alford, Bobby Knight, and the entire Hoosiers' team.

□ 1250

COMMENDING BOBBY KNIGHT AND INDIANA UNIVERSITY ON CAPTURE OF NCAA TITLE

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, I would like my colleagues to take a good look at this headline: "Indiana Captures NCAA Title."

But that does not tell it all. Last night Bob Knight joined the ranks of Adolph Rupp and Johnny Wooden, another man from Indiana, as one of the greatest basketball coaches of all time. He's won three National Championships—IU has a total of five. Bobby Knight is a premier basketball coach, and I think that we all ought to applaud him. He has been maligned many times over the past few years because of his tactics, but Bobby Knight proved last night that he is extraordinary and entitled to be called "General". He coached the game much like Gen. George Patton directed a battle.

The way he coached the last minute of play was masterful. IU was three points behind, and when IU scored with 30 seconds left to cut the lead to one, the general immediately called for a timeout. He told his team to foul someone on the inbound pass. That took 2 seconds, leaving 28 seconds. He then called another timeout to put pressure on the Syracuse free throw shooter.

The strategy worked. IU came down the floor and when they couldn't get the ball to Steve Alford, their ace, they got it to Keith Smart who made the basket with 4 seconds on the clock. The rest is history—but it was the general who really won the game. Bob Knight's team had great players—Steve Alford—Keith Smart, Darryl Thomas, Dean Garrett, Ricky Calloway, and subs like Steve Eyl, Joe Hillman, Kreigh Smith and Todd Meier. But the real hero in my opinion was the great Indiana coach.

Bob Knight makes me proud to be a Hoosier, and proud to be an American.

THE PRESIDENT IS WRONG ABOUT THE HIGHWAY BILL

(Mr. MINETA asked and was given permission to address the House for 1 minute and to revise and extend his remark.)

Mr. MINETA. Mr. Speaker, in opposing the Surface Transportation Act, the President is either lying or once again being misled by his staff.

This legislation does not bust anyone's budget, including the President's own submission to us in January. He proposed a 5-year spending plan of $68.5 billion, and this bill contains $68.8 billion.

If we do not enact this bill, it will be months before the complex and controversial provisions of the administration's bill can be considered. The President is also not telling the truth when he says a new bill can be back in a week. His legislation contains several dozen major changes in transportation policy.

If we vote this fiscally prudent bill down today, then the Nation's highway and transit program will close not for a week, but for many months.

I understand the President's desire to show he is still tall in the saddle, but that should not come at the sacrifice of transportation. I do not think that we want the roads to deteriorate to a point where we are all having to ride horses.

SUPPORT PRESIDENT'S VETO OF HIGHWAY BILL

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, how often have I heard Members come to the floor and blame the deficits of the last few years on the President of the United States? And how often they have said that if the President would just do what is necessary to keep down spending, he would have support in this House.

Well, today we will find that out. The President earlier this year vetoed a Clean Water Act. Many of us in this House, myself included, voted to override the President that time, even though the President was right—that was a budget buster.

Now the President has vetoed another budget buster, the highway bill. And now we are going to find out how many Members of this House are willing to stand up and vote to keep down the deficit. My guess is that it will be a vast majority of Members here who will vote to spend more, to increase the deficit.

What will they vote to spend more on? Well, we are going to vote for some demonstration projects. They are pork, but they are called demonstration projects. For instance, we are going to have a demonstration project to show that you can move more cars down a four-lane highway than you can down a two-lane highway. Is that not something? Do not Americans really need that demonstrated to them?

We are also going to vote to build a parking lot—to build a parking lot, mind you—for a railroad station that does not exist, for a railroad that does not exist. And it is going to cost $3 million.

I think that the President is right when he vetoes a bill like that. We ought to support him.

LET US VOTE TO OVERRIDE VETO OF HIGHWAY BILL

(Mr. HOYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOYER. Mr. Speaker, one of the most famous lines from the movie "Back to the Future," is "Where we're going we don't need roads." The President likes the line so much, he quoted it last year in his State of the Union Address. Unfortunately, he also seems to have taken it to heart.

Well, the day may be coming when in fact we may not need roads. But, Mr. President, it isn't here yet.

We still need roads, and bridges. The safety of our citizens and the health of our Nation's commerce demand that roads and bridges be in good repair. In

1982 we recognized this fact, and adopted an increased gasoline tax just to pay for the billions of dollars of necessary repairs. That tax has yielded a surplus for the highway trust fund. The national rebuilding project is now well underway, and it is yielding good results.

Now, due to the political posturing of this administration, an entire construction season is jeopardized. We risk the loss of as many as 800,000 jobs. In the end, if this veto is sustained, the costs of hundreds of projects will be increased.

In vetoing this bill, the President rounded up the usual suspects, Mr. Budget Buster and Mr. Pork Barrel.

We ask you Mr. President, how is a bill which includes a decline of nearly 9 percent in funding for all Federal highway programs this year, a budget buster? And, how is legislation which includes only 1.3 percent for new demonstration projects, pork barrel? Is the problem that Congress has made the decisions and not the White House?

The President's veto is confrontation for confrontation's sake. There is no merit to it. I call on my colleagues to vote for America's commerce and for a strong infrastructure for her economy. I call on you to vote for safe roads and bridges for our citizens.

Let's keep our people working. Let's continue the process of rebuilding America's roads. Let's vote to override the veto.

COMMENDING SUSAN BUTCHER, WINNER OF THE IDITEROD RACE

(Mr. YOUNG of Alaska asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YOUNG of Alaska. Mr. Speaker, it is with great honor that I stand in this well today and recognize another great sport. Not only does Indiana have sports, but Alaska has just finished the greatest sport of all, the longest race left to mankind—a race that covers 1,100 miles that was finished in a little less than 11 days, a little over 100 miles a day.

We are now selling T-shirts in Alaska that say: "Alaska—Where men are men, and women win the Iditerod race."

Today I speak in honor of Susan Butcher. Not only has she won it once, she has won it twice, 2 years in a row. She has won it more times than any other person other than Rick Swenson.

This is an honor only for the lady but for the dogs that she has driven. She has been noticed for her kindness, for her leadership, and her caring for her animals.

This is a great remaining sport that challenges the individual, that challenges Alaska, and that challenges the whole concept of the rights of the individual.

Susan, may I say this to you—a job well done. Susan Butcher.

AIRLINE PASSENGER EQUITY ACT

(Mr. DeFAZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DeFAZIO. Mr. Speaker, 9 years ago Congress deregulated the airline industry in order to increase consumer choice and open the market to new business. This has not been the long-term result.

Since 1978, 235 carriers have been certified. However, only 75 are certified today. Of those 75, 9 airlines control 94 percent of the revenue-passenger-miles. This industry is not the same as it was in 1978 and continues to change with each merger.

As fare wars escalate, customer service tends to pay the price. Let's make one very important point clear, deregulation was intended to deregulate routes and rates, not consumer service. It is time that consumers stopped being the victims and instead were the beneficiaries of deregulation.

Today, Senator HOWARD METZENBAUM and I are introducing legislation that addresses the problems most often experienced by airline consumers.

The Airline Passenger Equity Act would give consumers a place to go to get information on an airline's performance in the areas of: luggage delivery, on time take off and arrivals, bumping. The Department of Transportation would be required to create a toll-free hotline to give information and assist with complaints. Other provisions of this bill would protect consumers from misleading advertising, make airline policies and performance accessible and easy to read.

I am sure that each of my colleagues or your constituents have experienced frustration with air travel. If so, I urge them to cosponsor the Airline Passenger Equity Act.

HIGHWAY BILL OVERRIDE WINS ON THE MERITS

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RICHARDSON. Mr. Speaker, the vote today on the highway bill is not on the merits of the issue, because the Nation clearly needs this legislation, but on the President's political fortunes and his efforts to trash the Congress for partisan political advantage.

The President wants to show that he is back, that he has recovered from the negative consequences of the Iran-Contra affair. The victims of this macho exercise will be the American people. An important bill that repairs many of our highways and bridges, that is under budget, that provides nearly 1 million jobs and has overwhelming bipartisan support may never see the light of day.

☐ 1300

Whatever happened to the President's new spirit of compromise that he has promised us in his recent speech? Whatever happened to Howard Baker and the new White House team and their efforts to work with the Congress rather than to fight? Is this a portent of things to come? Will the President work with us on the budget, on trade, on arms control, or will it be confrontation and paralysis for the remainder of his term?

Let us override the President on the highway bill.

Mr. Speaker, late last week the U.S. House and Senate passed the Surface Transportation Act of 1987. This act, carefully worked out over many months, authorizes highway and public transportation programs through fiscal year 1991. President Reagan has threatened to veto the bill which passed by a 407-to-17 vote in the House and by 79 to 17 in the Senate.

If Congress fails to override the President's promised veto, it is highly unlikely that any resolution of the highway/public transportation funding crisis would take place until fall. No funds can be spent from annual revenues or the highway trust fund, which includes "transit penny" of the Federal gasoline tax, until the issue is resolved. If the veto is sustained, the following impacts will occur to New Mexico:

No funds will be available this year for the section 16(b)(2) program which provides vehicles and other equipment for specialized elderly and handicapped transportation. Over 200 vehicles have been purchased in the past under this program to provide assistance to the elderly and handicapped. Preliminary indications are that grant applications totaling $900,000 will be received this year. In past years, New Mexico has received about $200,000 in section 16(b)(2) funds annually.

Section 18 funds for rural areas and cities under 50,000 population in future years will be impacted either through delays or reductions in amounts available or both. Although money is available for the present fiscal year, the present operators throughout New Mexico will be competing among themselves and with proposed new operations for a small statewide allocation. Currently available funds for section 18 distribution are $514,936 down from $529,520 last year. Preliminary letters of intent indicate that grant applications will total $1,700,000.

Section 9 funds for cities like Albuquerque, Santa Fe, and Las Cruces will be reduced. This is a result of shifting funding for section 9 entirely from general revenues to partially from general revenues and partially from the highway trust fund mass transit account. Again, trust fund moneys cannot be spent if the present bill is vetoed. A new bill would have to be written, passed and signed by the President.

Section 3 discretionary money for capital projects—buses, terminals, maintenance facilities—which section 9 and section 18 operators may be able to apply for will also not be available. Section 3 is funded entirely out of the mass transit account of the highway trust fund. A delay in resolving this issue until fall would mean no money available in Albuquerque and Las Cruces would be seriously hampered and proposed development of a transit system in Santa Fe would be threatened.

Section 8 planning money in Albuquerque, Santa Fe, Las Cruces, and the State would not be available this year forcing serious delays in the required ongoing planning process in these cities.

Failure to pass the Surface Transportation Act of 1987 would force Congress to write another multiyear autrhorization bill, or come up with some short-term interim solution. Either of these alternatives would probably provide less money for public transportation.

New Mexico lags behind other States in the provision of public transportation. Strong demand for improving and expanding public transportation is evidenced in many ways. For example, the number and dollar amount of requests for Federal assistance has risen every year for the past 4 years. At the same time, Federal assistance has decreased by over 20 percent. The Surface Transportation Act of 1987 would stabilize the authority for public transportation funding for the next 5 years.

Transportation is a key of economic development. Citizens need to have access to employment opportunities, medical and social services, shopping and recreation. For the young, for senior citizens, for households without automobiles, and for those who desire an alternative mode, public transportation is an essential service. Public transportation ridership has grown 25 percent nationally in the past decade.

THE VOTE TO OVERRIDE THE VETO OF THE HIGHWAY BILL

(Ms. SLAUGHTER of New York asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SLAUGHTER of New York. I rise today in support of a thriving American economy, in support of full employment, in support of the safety of American citizens, and in support of a strong national infrastructure. Mr. Speaker, I rise in support of the veto override and enactment into law of H.R. 2, the Surface Transportation Act.

The reality is that without this legislation, there will not be a 1987 highway construction season. Some $17 billion in construction will be lost to the economy. Hundreds of thousands of workers will lose their jobs.

Critical safety needs across the Nation will go unmet. Three projects in my district alone are at risk: completion of the "Can of Worms" which will make thousands of commuters safer every day; a pedestrian walkway in Pavilion, NY, which will protect elementary school children from a dangerous highway; and reconstruction of the Brooks Avenue bridge, which will deter heavy truck traffic from traveling through surrounding residential neighborhoods.

Unless we pass this bill, the greatest public works project ever undertaken—the 42,000-mile National System of Interstate and Defense Highways, begun 30 years ago—will remain incomplete. Mr. Speaker, I urge my colleagues in both Chambers to join me in voting for growth, jobs, safety, and infrastructure. Let us enact the Surface Transportation Act into law.

THE LOGIC OF LABELING H.R. 2 A "BUDGET-BUSTER"

(Mr. JACOBS asked and was given permission to address the House for 1 minute.)

Mr. JACOBS. Mr. Speaker, President Eisenhower, on three separate occasions, kept this country out of unnecessary war. It was true at Dien Bien Phu in 1954 in the Indochina War; it was true in Hungary; and it was true in the 1956 Mideast War.

Instead, he built an Interstate Highway System. Mr. President Eisenhower, somehow I have faith you are listening and are as puzzled as I am at the proposition that the Interstate Highway System is a budget-buster and star wars is not.

COMPETITIVENESS AND COST CALL FOR HIGHWAY BILL OVERRIDE

(Mr. MOODY asked and was given permission to address the House for 1 minute.)

Mr. MOODY. Mr. Speaker, the President has vetoed the highway bill. As we consider whether to override or sustain the veto, let us consider the bill with regard to: First, national competitiveness; and second, budget costs.

Competitiveness is one of the administration's top priorities. The President's veto to scuttle the highway bill, however, is anticompetitive. Efficient transportation and an adequate infrastructure are key to reducing unit costs of goods sold here and abroad. More than 35,000 bridges in the federal system are now structurally deficient, 628 having already been closed, and many thousands of miles of road are substandard and need upgrading.

All this puts us at a national competitive disadvantage in transporting American goods. The 5-year highway bill before us would put us on an important, responsible path toward improving our competitive position.

Second, let's look at budget cost. The President claims that Social Security spending can never be a budget-buster because it is funded by the trust fund, but he doesn't apply that reasoning to the highway trust fund. More significantly, this bill reduces highway spending below the levels of 1985 and 1986 by 12 and 10 percent, respectively. It is entirely under the Gramm-Rudman 1987 budget limits. Meanwhile, there is a surplus of almost $10 billion in the highway trust fund.

In January, the President himself proposed a $68.5 billion, 5-year highway program—a level only $300 million, or $60 million a year, or 25 cents per person—less than a bill he now calls too expensive. That miniscule difference indicates the veto is really a political veto. Political vetoes are a luxury our highway system cannot afford.

Let us not jeopardize 800,000 jobs; let us not postpone upgrading our transportation system; let us not undermine our national goal of competitiveness. Let us override the President's veto on the highway bill.

REBUTTING THE PRESIDENT ON THE HIGHWAY BILL

(Mr. LEWIS of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS of Georgia. Mr. Speaker, I rise in strong support of the effort to override President Reagan's veto of the highway bill of 1987. As a member of the House Committee on Public Works and Transportation, I believe that this is one of the most important pieces of legislation we will consider during the 100th Congress.

It is with a sense of righteous indignation that I stand here to rebut the President. Some 800,000 people around the Nation who work in the highway construction industry may lose their jobs if we permit this veto to stand.

Mr. President, obviously you have chosen the wrong issue to show you're back in the saddle. The only thing you're doing is jeopardizing the employment of thousands of Americans and at the same time staggering the economies of many States throughout the Nation. Moreover, if we do not authorize this money, we stand to kill the highway building cycle for the current year.

In the State of Georgia more than $300 million for construction will be lost this year. Needless to say, it will devastate our economy. The bulk of this money will not be used for new roads or bridges. But just to save the roads and bridges which have already been built which are in dire need of repair. I challenge members in the House and the Senate to send a strong signal to the President that we will not just roll over and play dead on this issue; instead we will stand up for the people back home who are counting on us to provide safe roads and jobs.

YOU CAN BET YOUR SPRING PETUNIAS ON THIS VOTE, MR. PRESIDENT

(Mr. RAVENEL asked and was given permission to address the House for 1 minute.)

Mr. RAVENEL. Mr. Speaker, down where I come from in South Carolina, there is a little island town called the Isle of Palms. Most of you have probably never heard of it. Many thousands of people live there. It has no bridge of its own. The folks who live on the Isle of Palms have to use a bridge across another island, where there is only a functionally obsolete bridge to the mainland.

Politically speaking, there is no way to replace the functionally obsolete bridge. For 10 years, my predecessor and the Congressman before him have been trying to get a demonstration project made to serve this little island.

You can bet your spring petunias that this Congressman is going to vote to override and save that $15,230,000. President Reagan? "He ain't gonna be runnin' in 1988; but I am."

TODAY WE VOTE TO FREE A HOSTAGE—THE HIGHWAY BILL

(Mr. OBERSTAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OBERSTAR. Mr. Speaker, today we vote to free a hostage. The highway bill has been vetoed to hold it hostage and use it as ransom for the President's tarnished popularity.

I am confident that, on the merits, the House will vote to override; but if we do not, the White House surely should not claim victory when hardly a third of this body support the President.

A bipartisan majority oppose the veto as bad public policy. In fact, we have had only one person speak in favor of the President's veto during this entire 1-minute speech period.

The vote on the veto should not be treated as it has been by the White House, as an athletic contest: "Win one for the President." It is a major public policy issue that will decide the future of our Nation's transportation infrastructure.

Members should have the long-term economic well-being of the Nation at heart when they vote today, not the short-term political fortunes of the President.

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The highway bill we will vote on does not bust the budget; it is well within the budget. It spends less each year than the highway trust fund takes in, almost $2 billion less. In fact there is $10 billion in user taxes, unspent, languishing in the highway trust fund, covering up $10 billion of the Reagan deficit and not building highways or repairing bridges for the people who paid those taxes.

Mr. Speaker, I urge a vote to override that ill-considered veto.

INTRODUCTION OF THE SATELLITE TELEVISION FAIR MARKETING ACT

(Mr. TAUZIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TAUZIN. Mr. Speaker, I am very pleased to introduce major new satellite television viewing rights legislation for all consumers including home satellite television dishowners today with my respected colleagues JUDD GREGG, CHARLIE ROSE, and JOHN PAUL HAMMERSCHMIDT, and some 30 other original cosponsors.

This legislation encourages the marketplace delivery of scrambled satellite services while placing limitations on the ability of publicly funded programmers to deny their programming to dishowners.

Our bill is the result of investigation and two sets of hearings last year during which we were assured by distributors that the marketplace was rapidly working out the problems facing consumers who use satellite dishes. That has not occurred.

Our bill does not prohibit scrambling. Those who choose to scramble their signals may do so—they must simply establish reasonable business standards which do not discriminate in prices, terms or conditions—to ensure that services will be available to dishowners.

Our legislation charges the FCC with establishing uniform encryption standard—so consumers will not have to purchase many different decoding devices.

With some 2 million home Earth satellite dishes throughout the Nation, we need legislation to ensure access to programming. Our legislation will benefit consumers by giving them a choice.

I urge our colleagues to join us in this important effort.

A VOTE TO OVERRIDE THE VETO WILL INCREASE SAFETY, JOBS, AND DEMAND FOR STEEL PRODUCTS

(Mr. VISCLOSKY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VISCLOSKY. Mr. Speaker, as President of the Indiana Society of Washington, I would also like to congratulate Indiana University but especially point out to this House not so much their skills in athletic endeavors, but also the fine academic institution that it represents, not only in the city of Bloomington, but throughout the State of Indiana.

My real purpose for my 1 minute, however, is to ask all Members of this body to vote to override the President's veto. The bill was fashioned by the Committee on Public Works and Transportation and is a responsible one. It is under the 1986 budget. There will be more money in the trust fund after the extension of the authorization period than we have in the fund at this present time.

Additionally, I would address the safety question. The President has complained about the demonstration aspects of this program. However, there are two demonstration programs in northwest Indiana and both are vital to the safety of all people traveling in interstate commerce in our society. There is one interchange that can accommodate 35,000 vehicles; there are now 70,000 vehicles that use that interchange. It desperately needs to be reconstructed.

So this is a bill that deals with safety, this is a bill that deals with employment and not just for those who work on highway construction projects.

Steel represents an extremely important component in highway construction and reconstruction. Steel in this country has been decimated. We need those highway construction projects started this year to increase demand for those steel products. I ask all of my colleagues to join with me in voting to override the veto of the President.

A VOTE TO OVERRIDE WILL RELIEVE THE GRIDLOCK NOW EXPERIENCED IN OUR CITIES

(Mrs. BOXER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BOXER. Mr. Speaker, I do hope the House will strongly override the President's veto of the highway and transit bill. We need this bill. It is not frivolous. It is funded by the gas tax that we all pay just for the purpose of rebuilding our roads and transit systems.

The President calls this bill pork. Well, I invite him to my district to sit next to me in my car during rush hour to personally witness the gridlock that we have, gridlock that will be relieved by this bill.

Mr. President, this bill is not pork; it is beef. Our job is to rebuild the Nation's highways, not to rebuild the President's image.

And if you really think about it, the President's image would fair far better if he were with this Congress rather than against it.

CONSTITUTIONAL AMENDMENT TO GIVE AMERICAN CITIZENS IN U.S. TERRITORIES THE RIGHT TO VOTE FOR PRESIDENT AND VICE PRESIDENT

(Mr. DE LUGO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DE LUGO. Mr. Speaker, 70 years ago today this country acquired its newest territory in the Caribbean, the United States Virgin Islands which had been Danish possession until March 31, 1917.

These islands have come a long way in 70 years. We have become a vital center for U.S. activity in the eastern Caribbean—attracting 1.3 million visitors a year, and offering modern business facilities and a university that educates thousands of students from the region.

Politically, we also have progressed from colonial status to substantial self-government. We gained U.S. citizenship in 1927, elected our first unified legislature in 1954, then elected a Governor in 1970 and a delegate to this Congress in 1972.

Now—with the delegates from Guam and American Samoa and more than 110 cosponsors—we seek another basic right. Today, on this 70th anniversary, we introduce a resolution calling for a constitutional amendment giving American citizens in the U.S. territories the right to vote for President and Vice President.

There is no reason why U.S. citizens should have to give up this fundamental right just because they live in a U.S. territory. I ask for your support to ensure that Americans in the territories get to exercise the full right of their U.S. citizenship.

ADMINISTRATION VETOES HIGHWAY BILL TODAY BUT REQUESTS ADDITIONAL BILLION DOLLARS TOMORROW

(Mr. MICA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICA. Mr. Speaker, my colleagues, and I might say my colleagues on each side of the aisle and in the other body, I hope you will listen up. We have just had an astounding action taking place here in this House a few moments ago. We were to go before the Rules Committee and seek a rule for the State Department authorization bill, $3.9 billion. We have just received word that the administration is opposing the rule because there is not enough money in the bill and will be asking you, if we get this rule tomorrow, and keeping in mind that they want you to veto the highway bill today, to vote for a billion dollars more tomorrow in the State Department authorization bill. I cannot believe it. The administration's policies have to be in disarray to bring this up at this time to ask us to, in effect, to ask the party to oppose the rule and ask for a billion dollars more tomorrow for a State Department authorization.

Our committee did an excellent job on this bill. We provided continuing authorization levels from last year, we worked with the minority and the majority and I might say that until 20 minutes before the committee met even my ranking minority member had not been notified of this astounding request. Here we are asked not to vote for a highway bill, but we are asking, or we are going to be asked if we get this rule that the administration is now opposing because of insufficient funding, for an additional billion dollars tomorrow for the State Department authorization.

Something has gone awry. I ask my colleagues to consider this as they vote today, knowing that if we get this rule what they are going to be asked by the administration to do tomorrow.

UNITE IN SUPPORT OF COMMUNITY DEVELOPMENT BLOCK GRANTS AND URBAN CENTERED PROGRAMS

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MAZZOLI. Mr. Speaker, as we move ahead with the painful and difficult task of meeting our fiscal year 1988 budget targets, it is imperative that our Nation's local governments—such as Louisville and Jefferson County, KY, which I am privileged to represent in the Congress—retain programs which are vital to their economics today and for the years ahead.

I was greatly disappointed last year when efforts to revive the Revenue Sharing Program failed, in spite of the efforts by me and others in the House who recognized the importance of revenue sharing funding to the maintenance of essential and necessary local services.

The cities and localities are doing their best to respond to the shrinking pot of Federal dollars available to them. But, to squeeze any more—just when the rug has been pulled out from under them by the loss of revenue sharing and other Federal funds—could strain local governments and local budgets past the point of being able to fill in any of the rips of tears in the safety net.

I salute the noble efforts being made by Representative BILL GRAY, chairman of the House Budget Committee, to preserve strong, vital urban components in the fiscal year 1988 budget—such as the Community Development Block Grant Program and the Urban Development Action Grant Program.

Mayor Abramson, who is a cochair of the U.S. Conference of Mayor's Task Force in the Reauthorization of Community Development Block Grants, has been a forceful and articulate advocate of urban programs both at home and here in Washington.

I hope we heed Mayor Abramson's words and unite in support of community development block grants and the other urban-centered programs when the fiscal year 1988 budget reaches the floor later this spring.

I wish to insert into the RECORD at this point a letter I received from the Honorable Jerry Abramson, mayor of the city of Louisville, which further discusses this situation.

CITY OF LOUISVILLE,
OFFICE OF THE MAYOR,
Louisville, KY, March 24, 1987.

Hon. ROMANO L. MAZZOLI,
Rayburn House Office Building,
Washington, DC.

DEAR CONGRESSMAN MAZZOLI: As you well know, the House Budget Committee is in the process of finalizing its Budget Resolution. I appreciate very much the efforts of that committee to construct a budget blueprint that is fair and equitable and yet attempts to meet the Gramm-Rudman-Hollings targets. The committee will also determine if some form of revenue enhancement is possible, as well as make the necessary but unfortunate program cuts in order to meet those targets.

Among the many worthy and successful programs on the chopping block are CDBG, UDAG and EDA. Each one of these vital urban development programs provides Louisville with essential funds that allow us to provide our citizens with services that address a wide variety of basic human needs.

Cities have already suffered the brunt of recent federal budget cuts—a 68 percent cut in urban programs over the last several years. As a result, cities like Louisville are faced with greater demands for services with fewer funds to provide them.

The CDBG program in particular has been one of the most successful programs in the revitalization of Louisville. There are hundreds of examples of how CDBG funds are used in Louisville and other Kentucky cities to provide human needs services to low and moderate income people.

I implore you to fully consider this critical program of the federal-city partnership as you undertake your budget deliberations and discuss issues with Budget Committee members. Simply put, Kentucky cities cannot afford a reduction in funding in this indispensable program.

Sincerely,

JERRY E. ABRAMSON,
Mayor.

□ 1320

OVERRIDE THE PRESIDENT'S VETO OF THE HIGHWAY BILL

(Mr. DERRICK asked and was given permission to address the House for 1 minute.)

Mr. DERRICK. Mr. Speaker, it seems that every worthy cause today has some benefit. First, there is the Band Aid; then there is the Farm Aid; and I guess what we are dealing with today is highway aid.

We are fighting on behalf of the American driver. In my State of South Carolina, in my district, we are desperate for access highways. We have people who are out of jobs in my district because we do not have the access to attract new jobs and new industry.

This bill today, the highway bill, will mean $148 million to my State of South Carolina. This will go but a small way in meeting our needs, but this is a start.

I ask that my colleagues join with me today in voting to override the President's veto of the highway bill.

CONGRATULATIONS TO SYRACUSE AND INDIANA

(Mr. WEISS asked and was given permission to address the House for 1 minute.)

Mr. WEISS. Mr. Speaker, as a proud alumnus of Syracuse University, I rise to congratulate the University of Indiana basketball team, its coaches, its supporters in this House and around the country for the national championship which they gained last night. It was truly an outstanding achievement.

At the same time, I want to celebrate the magnificent accomplishment of the Syracuse University basketball team, which came within 1 point of achieving that national championship itself. Skillfully coached by Jim Boeheim, underdogs down to the end, they played with heart and skill. They will be back again next year.

Congratulations to both Syracuse and Indiana.

THE GREAT AND POWERFUL WIZARD

(Mr. WHEAT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WHEAT. Mr. Speaker, some Republicans seem to think the road back to a restored Presidency is paved with vetoes.

The Pat Buchanan veto strategy sounds a lot like wishful thinking. It's kind of like the yellow brick road back to the magical land of Oz ruled by the great and powerful wizard in the White House.

Some Republicans seem to think they need this great and powerful wizard in order to find their courage, to show they have a heart and a brain. I sincerely hope that the 407 House Members and 79 Senators who voted for the highway bill in the first place will not quake and tremble before the great Oz. I hope they will realize that they can be courageous and smart and compassionate without the public relations hocus-pocus of the wizard.

While it might be exhilarating and exciting for some to think they can recapture the magic of a wondrous dreamland in which roads appears out of nowhere without having to be paid for, more realistic and sober minds will recognize that back in Kansas—and elsewhere across America—the people need and deserve better, safer roads and bridges and mass transit.

TIME TO SAY NO TO PAKISTANI NUCLEAR BOMB

(Mr. MARKEY asked and was given permission to address the House for 1 minute.)

Mr. MARKEY. Mr. Speaker, American nuclear arms policy rests on three principles: nuclear stability, American credibility, and arms control verification. We're ignoring all three in Pakistan.

The looming nuclear arms race between Pakistan and India means unprecedented peril. Pakistan and India can build nuclear bombs. But they can't build secure second-strike delivery systems, and geography gives them no warning time. If they build bombs, a small border crisis could quickly become a nuclear war.

So much for nuclear stability.

We've made our nonproliferation policy clear as day to General Zia. And General Zia has thumbed his nose at us, while getting F-16's, Harpoon missiles, and Abrams tanks.

So much for American credibility.

Now, General Zia did promise President Reagan he wouldn't produce weapons grade uranium. But he has been lying, and we have taken no steps to ensure compliance with the agreement.

So much for verification.

Mr. Speaker, we can stop the Pakistani nuclear bomb if we stand firmly by our principles, rather than letting General Zia bully us. Aid to the Afghan rebels is a red herring: Pakistan will support them regardless of what we do. It's in their own interest.

It's time to say no to the Pakistani nuclear bomb.

OVERRIDING THE PRESIDENT'S VETO

(Mr. BUSTAMANTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BUSTAMANTE. Mr. Speaker, I urge all Members to support the motion to override the President's veto on H.R. 2, the Surface Transportation and Relocation Assistance Act of 1987.

The substitute administration bill would cost 35,000 jobs annually over the next 5 years. In fact, the failure to pass a highway-transit bill will result in the loss of 800,000 jobs for this fiscal year alone. The State of Texas would lose about 16,000 jobs as well as an apportionment of nearly $900 million. In particular, my congressional district will lose $13 million in essential highway funding.

The President contends that H.R. 2 is a budget-buster. However, the demonstration projects that he so vehemently objects to constitute only 1 percent of the bill's total $88 billion authorization.

I urge all Members to join me in overriding this veto.

H.R. 1777—FOREIGN RELATIONS AUTHORIZATION ACT

(Mr. LATTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LATTA. Mr. Speaker, I had not intended to take this 1 minute, but in view of what has been said here concerning the Foreign Relations Authorization Act and the position of the administration thereon, I think that I had better take this time.

We had this matter before us this morning in the Committee on Rules, It was pointed out that the administration opposed this act, not for one reason, insufficient funding, as was emphasized here just a few moments ago on the floor, but for six reasons. Six reasons.

Let me read those six reasons. The administration would support H.R. 1777 if amended to increase funding to conform to the levels requested by the administration, which are essential to an effective foreign affairs program; two, delete earmarking provisions which would unduly limit Presidential discretion and flexibility; three, delete section 134, which creates an unnecessary Bureau of South Asian Affairs that would reduce funding for other important programs; four, delete section 144, which expands the Foreign Service Grievance Board authority, because these amendments are inappropriate and would infringe upon the Secretary of State's management authority; five, delete the part of section 142 that would provide unwarranted benefits for certain former spouses of still-living participants unlike civil service retirement where such benefits have never been provided on a retroactive basis or without deduction from the benefit of the participant; and six, delete section 303, contractor requirements, which would give American firms preference in Voice of American modernization projects because it is counter to the administration's policy of promoting free trade, would restrict competition, and would raise costs.

I think the House is entitled to know these other five reasons in addition to the one set forth previously.

AUTHORIZING 1987 SPECIAL OLYMPICS TORCH RELAY TO BE RUN THROUGH CAPITOL GROUNDS

Mr. SUNIA. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be discharged from further consideration of the concurrent resolution (H. Con. Res. 91) authorizing the 1987 Special Olympics Torch Relay to be run through the Capitol Grounds, and ask for its immediate consideration in the House.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. (Mr. Gray of Illinois). Is there objection to the request of the gentleman from America Samoa?

Mr. MOLINARI. Mr. Speaker, reserving the right to object, I do not intend to object, but I take this time for the purpose of yielding to the gentleman from American Samoa [Mr. Sunia], for an explanation of the resolution.

□ 1330

Mr. SUNIA. Mr. Speaker, I thank the gentleman for yielding, and I also thank the gentleman for his cooperation on this legislation.

Mr. Speaker, House Concurrent Resolution 91 authorizes the 1987 Special Olympics Torch Relay to be run through the Capitol Grounds as part of the journey of the Special Olympics spring games at Gallaudet University in the District of Columbia, on or about May 29, 1987.

Mr. Speaker, currently there is a provision in the law prohibiting torches from being carried on the Capitol Grounds. The Congress did pass special legislation in 1984 so that the Olympic torch could be carried through the Capitol Grounds on its way to the Olympics in Los Angeles, and again, in 1986 for the Special Olympics held at Gallaudet University. This resolution does the same thing for the Special Olympics to be held at Gallaudet University in 1987. Mr. Speaker, the Special Olympics, founded in 1968 by Eunice Kennedy Shriver, provides year-round training and competition to any individual age 8 or older who is mentally retarded. Mr. Speaker, enactment of this legislation is a very positive step toward promoting interest in the Special Olympics and I urge passage of the bill.

Mr. MOLINARI. Mr. Speaker, further reserving the right to object, I would add that this resolution has been cleared by the leadership on our side. The Special Olympics Torch Relay to be held in Washington in May certainly deserves our support and is just one part of a nationwide effort. The Diplomatic Security Service is to be commended for their efforts in organizing this year's relay and I am pleased to support this legislation which will lead to a successful D.C. run.

Mr. MICA. Mr. Speaker, I am pleased to have introduced this concurrent resolution which will authorize the 1987 Special Olympics Law Enforcement Torch Run to use the U.S. Capitol Grounds for its torch-lighting ceremony, thereby initiating the Special Olympics Torch Relay leading from the Capitol to Gallaudet University for the 1987 Special Olympics spring games.

Founded in 1968 by Eunice Kennedy Shriver, the Special Olympics Program offers year-round training and competition in 14 official sports to any individual with mental retardation, age 8 and up. More than 1 million athletes in over 20,000 communities in the United States and 50 foreign countries participate in Special Olympics. Aproximately 900 athletes will compete in the D.C. spring games in five areas: Aquatics, track and field, gymnastics, volleyball, and softball.

I am pleased that the Diplomatic Security Service has been given the opportunity to coordinate this year's run and to continue the fine tradition of District law enforcement efforts on behalf of Special Olympics.

As a strong supporter of this program, I am honored to offer this legislation which will assist in drawing greater attention to the importance of the Special Olympics Games and to the participation of over 900 mentally retarded youngsters in the D.C. games alone.

Mr. Speaker, I include for the Congressional Record a copy of a press release distributed by the Bureau of Diplomatic Security detailing the law enforcement torch run for the 1987 D.C. Special Olympics:

STATE DEPARTMENT OFFICIAL NAMED DIRECTOR OF D.C. SPECIAL OLYMPICS LAW ENFORCEMENT TORCH RUN

Washington.—Lou Schwartz, Director of the State Department's Diplomatic Security Service, has been named Director of the Law Enforcement Torch Run for the District of Columbia Special Olympics, to be held May 29, 1987.

The D.C. Law Enforcement Torch Run is part of a nationwide series of runs to benefit the world's largest sports program, Special Olympics, for persons with mental retardation.

This spring, an estimated 15,000 law enforcement officers will run intra-state relays carrying the lighted Special Olympics Torch, with local residents pledging monies per runner to benefit Special Olympics. The D.C. run will culminate at the opening ceremonies for D.C.'s Special Olympic Spring Games which will be held on May 29-30 on the campus of Gallaudet University.

As D.C. Torch Run Director, Schwartz is responsible for planning the route, recruiting runners and coordinating local fund raising efforts.

The Diplomatic Security Service is supporting this year's Law Enforcement Torch Run, coordinating an estimated 40 federal and district law enforcement agencies.

"I am pleased that the Diplomatic Security Service has the opportunity to coordinate this year's run and carry on the fine example the Bureau of Alcohol, Tobacco and Firearms did in 1986." Schwartz said, "We hope to involve 900 runners and raise $10,000 for the D.C. Special Olympics."

Founded in 1968 by Eunice Kennedy Shriver, Special Olympics offers year round training and competition in 14 official sports to any individual with mental retardation, age 8 and up. More than one million athletes in over 20,000 communities in the U.S. and 50 foreign countries participate in Special Olympics. Approximately 900 athletes will compete in the D.C. Spring Games in five areas: aquatics, track and field, gymnastics, volleyball and softball.

Mr. HOWARD. Mr. Speaker, I rise in support of House Concurrent Resolution 91, sponsored by the distinguished gentleman from Florida, the Honorable Dan Mica, which authorizes the 1987 Special Olympics Torch Relay to be run through the Capitol Grounds as part of the journey of the Special Olympics torch to the District of Columbia Special Olympics Games to be held at Gallaudet University in the District of Columbia on May 29, 1987.

Mr. Speaker, the D.C. Law Enforcement Torch Run is part of a nationwide series of runs to benefit the world's largest sports program, Special Olympics, for persons with mental retardation. The Special Olympics, founded in 1968 by Eunice Kennedy Shriver, has proven to be a very worthy program designed to help those who are most deserving. The Special Olympics Torch Relay is a very positive step toward promoting interest in the Special Olympics, while also raising much needed funds to ensure that the Special Olympics experience can continue to grow.

Mr. MOLINARI. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. Gray of Illinois). Is there objection to the request of the gentleman from American Samoa?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. Con. Res. 91

Resolved by the House of Representatives (the Senate concurring),

SECTION 1. AUTHORIZATION OF RUNNING OF SPECIAL OLYMPICS TORCH RELAY THROUGH CAPITOL GROUNDS.

On May 29, 1987, or on such other date as the Speaker of the House of Representatives and the President pro tempore of the Senate may designate jointly, the 1987 Special Olympics Torch Relay may be run through the Capitol Grounds, as part of the journey of the Special Olympics torch to the District of Columbia Special Olympics Spring Games at Gallaudet University in the District of Columbia.

SEC. 2. RESPONSIBILITY OF CAPITOL POLICE BOARD.

The Capitol Police Board shall take such action as may be necessary to carry out section 1.

SEC. 3. CONDITIONS RELATING TO PHYSICAL PREPARATIONS.

The Architect of the Capitol may prescribe conditions for physical preparations for the event authorized by section 1.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SUNIA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution just agreed to.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from American Samoa?

There was no objection.

SURFACE TRANSPORTATION AND UNIFORM RELOCATION ASSISTANCE ACT OF 1987—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The **SPEAKER** pro tempore (Mr. HOYER). Pursuant to the order of the House of Wednesday, March 25, 1987, the unfinished business is the further consideration of the veto message of the President of the United States on the bill (H.R. 2) to authorize funds for construction of highways, for highway safety programs, and for mass transportation programs, to expand and improve the relocation assistance program, and for other purposes.

The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

The gentleman from New Jersey [Mr. HOWARD] is recognized for 1 hour.

GENERAL LEAVE

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this measure.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HOWARD. Mr. Speaker, I wish to state that all time yielded today will be for debate purposes only, and, therefore, I yield, for debate purposes only, 30 minutes to the ranking Republican member of the Committee on Public Works and Transportation, the gentleman from Arkansas [Mr. HAMMERSCHMIDT] and, Mr. Speaker, pending that, I yield 5 minutes to the chairman of our Subcommittee on Surface Transportation, the gentleman from California [Mr. ANDERSON].

Mr. ANDERSON. Mr. Speaker, I rise today to urge all my colleagues to vote to override the President's veto of H.R. 2, the highway/transit reauthorization bill.

H.R. 2 passed the House in January on a vote of 401 to 20. On February 20, while we were in conference, Secretary Dole wrote me a letter, a letter I am confident went to other conferees as well. This was, I must point out, the only attempt at communication that the Secretary had with me during conference.

In her three-page letter, which came appended with a three-page attachment, she raised various points that needed addressing.

I want to make it crystal clear that on almost every single point, the House either adopted the administration's position or moved significantly in that direction.

With respect to what she referred to as "special interest" demonstration projects, we reduced additional funding for these projects substantially in conference, by over 33 percent. She mentioned the LA Metrorail. Well, to the extent there is a commitment in this bill, it's not spread over 5 years as with the firm commitment that was in the initial bill. But over 8 years, significantly reducing the amount per year.

She wanted transit authorizations cut. Well, I regret to say that the conference report did cut funding from the mass transit account of the highway trust fund back by about 25 percent.

On page 2 of her letter, the Secretary said she wanted to make sure that the transit program was revised so that every State would get a share from the transit trust fund. And you know what? We did that too. I didn't like it. I am not persuaded that it is sound policy. But in the spirit of compromise, this bill contains a blending provision so that all areas over 50,000 population will not get transit trust fund money.

The Secretary wanted to cut authorizations and obligations from the highway program. We swallowed hard and did that.

The Secretary said we should address the Buy America provisions of the House bill. Well, we retained one in a modified and weakened form, and dropped another.

The Secretary said we should drop provisions we had dealing with South Africa sanctions, and we have.

Under the heading of "Additional Interstate Projects," we have not done a great deal to address the concern articulated although the conference report would codify an agreement which was entered into between her Department of Transportation and the State of Massachusetts.

Mr. Speaker, with respect to issues raised in her enclosure, we did adopt the Senate provision on the national speed limit, we did address toll financing in a manner that should be recognized by one and all as a reasonable compromise. We do provide for the administrative release of interstate construction funds. We have increased funding for the discretionary bridge program. We will, generally, have a match requirement in the emergency relief program, we did drop our so-called transit-ice procedure, and on and on and on.

It should be apparent, Mr. Speaker, that we gave a great deal in conference, that we came much closer to accepting the administration's position on a wide range of important issues than I ever thought we would, or frankly, than I would have preferred.

And then our colleagues, Mr. Speaker, agreed to the conference report by a vote of 407 to 17.

It is hardly surprising then, that in urging Senators to sustain the President's veto, Senator DOLE asked that they do this, and I quote, "notwithstanding the merits." when this House has compromised as much as we have already, when we have a conference agreement as good as this one, what else could the minority leader ask, but that his colleagues vote "notwithstanding the merits."

Mr. Speaker, it is our job in passing laws, in carrying out the function that we have sworn to carry out, to pass laws based on the merits, not, "notwithstanding the merits."

Mr. Speaker, in concluding let me say that this bill is not a budget buster. If there were just one aspect of this very complex legislation that could be clearly understood by every person in this country, I would hope that it would be this: That this bill is not a budget buster, that in 5 years' time there will actually be a larger unused balance in the highway trust fund than there is today.

Mr. Speaker, we have before us a good conference report, and one in which we have gone miles to accommodate the administration on every issue raised by the Secretary. It's a conference report that is not a budget buster. It's a conference report that is so reasonable, its leading opponent in the Senate prefers not to argue against it on its merits, and it's a conference report which, if the veto is sustained will take months to reconstruct.

Mr. Speaker, reason, a sense of compromise and fair play, and most of all our responsibility to pass meritorious legislation, all demand that we override the President's veto.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 6 minutes to the gentleman from Pennsylvania [Mr. SHUSTER] the very able ranking member of the Subcommittee on Surface Transportation.

Mr. SHUSTER. Mr. Speaker, I have stuck with the President through thick and thin. In fact, the Congressional Quarterly says that my Reagan support score is 20 points above the average Republican support score from my region of the country. Yet I cannot in good conscience support the President on his call for sustaining this veto today.

Why? Because it is not good for America. Indeed it should be emphasized here today that this is not a partisan issue. Republicans in this House and Republicans in the U.S. Senate overwhelmingly voted in support of this legislation. The distinguished Republican leader, the gentleman from Illinois [Mr. MICHEL] sent a letter to the President urging him not to veto this bill. Howard Baker, the distinguished Republican Chief of Staff, attempted to dissuade the President. We have before us nevertheless a vetoed bill which is crucial to America.

There are four reasons, Mr. Speaker, why we should vote to override this ill-conceived veto.

□ 1340

The first is because the bill is urgently needed. Just yesterday, U.S.A. Today had a superlative review of the impact on the 50 States, and they said this:

> That most state highway construction plans are in turmoil after President Reagan's veto of the highway bill. State officials report hundreds of projects junked or delayed, including frail bridges, and long-delayed interstate improvements.
>
> Mountain and Northern States with short summers could lose the entire construction season, leaving thousands of road workers jobless.

Beyond that, indeed the emphasis here in part is on jobs. We are told that if this construction season is lost, we will lose more than 700,000 jobs across America. I have a list here for every State and I would be happy to share just a few of them with the Members.

California would lose 57,000 jobs; North Carolina would lose 17,000 jobs; Pennsylvania would lose 30,000 jobs; Virginia would lose 14,000; Wisconsin would lose 11,000 jobs, and on and on the list goes. That is one reason why we should override this veto.

The second reason goes beyond the rhetoric to the fact that this bill is within budget. It is within the Senate budget resolution; it is within the Gramm-Rudman budget limitations. In fact, it is less than that which was spent a year ago.

Beyond that, this trust fund has in it a surplus of $10 billion today which, under this bill, will grow to an additional, bloated surplus of $11 billion 5 years from now at the end of this bill if this bill is enacted. As far as the transit funding which comes out of the general fund, that is subject to appropriations so the President gets another crack at that funding.

The third reason why this veto should be overriden is because of the demonstration projects which are so important to the communities across America. It should be emphasized that these projects all together represent only 1.6 percent of the total bill. In fact, there is a certain subtle hubris around this town which says that it is OK for us to have spent $8 billion for a Washington Metro subway system. That is statesmanship, but when Members of Congress try to provide badly needed highway and transit programs for their communities across America, that is pork barreling.

It is a double standard, Mr. Speaker; it is not right, it is unfair. We badly need these projects across America. In fact, there seems also to be the implicit argument that it is OK for over 90 percent of this bill to be spent based on decisions of faceless, nameless bureaucrats downtown and around the country, but it is wrong for Members of Congress who had to step up to cast the hard vote to raise the taxes to pay for this highway program; it is wrong for them to designate less than 2 percent. Less than 2 percent of the funding of this bill.

The final reason why this veto should be overridden is because of the irresponsible, blithe assertion coming from the administration that they can send a scaled-down bill up here and we can pass it in a couple of weeks. If that is the case, where was this scaled-down, simple bill a week ago, a month ago, a year ago? This bill is a year late today. There are 30 contentious issues which will have to be renegotiated from funding to formulas to tolls to the 65-mile-an-hour speed limit. If we go to work next Monday on trying to craft a new bill, it is going to be months before we bring one back.

Mr. Speaker, if this veto is sustained, we are going to lose a construction season. Indeed, I urge my colleagues to rise above politics and do what is right for America. Vote to override this ill-advised veto.

Mr. HOWARD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to state at this time that, as we know, all the time was allocated to the chairman of the committee involved. Although there are no rules or traditions on veto overrides, on conference reports we seem to have a tradition where the minority will be given one-half of the time.

It is expected in that allocation that one-third of the time for each side would be allocated to people who oppose the measure before the House. That is what has been done at this time.

It is obvious that we will not have success in finding many people on this side of the aisle asking for part of that 10-minute time. So, in order to be fair, as our committee has, we would like to state that we do not want to block out one-third of the total time to those in opposition and so we will consider, should the other side use all of its 10 minutes for that, in allocating some of our time to Members from either side of the aisle for that purpose.

Mr. Speaker, I yield 3 minutes to the gentleman from Montana [Mr. Williams].

Mr. WILLIAMS. I thank the gentleman for yielding me this time.

Mr. Speaker, I rise today to urge my colleagues to override the President's veto. I say to my colleagues that I am the only Democrat in the House who voted against this bill as it was on its way to the President. I did not do so because there was too much money in the bill; I voted against it because there was to little money in it for my State of Montana, which under this legislation, receives an almost $13 million cut in highway money below what we received last year.

I did not originally vote against this bill because it was a budget buster. I am on the Budget Committee and I tell my colleagues that we pay close attention to bills that are budget busters. This is not one of them, and I submit now for the Record an analysis which I have asked the Budget Committee to prepare which shows that this legislation is $5 million under the 302(a) allocation allowed by the Budget Committee.

[The analysis follows:]

Comparison of Bill to 302(a) Allocation for Fiscal Year 1987

Following is a table reflecting the discretionary amounts remaining under the 302 allocation of the fiscal year 1987 budget resolution compared to the CBO cost estimate of the conference report on H.R. 2.

Fiscal Year 1987 Budget Authority

	Millions
302(a) allocation	$10,491
Enacted to date:	
Motor carrier safety grants	34
Water Quality Act	−4
Remaining under 302(a) allocation	10,461
Cost of conference report on H.R. 2	10,456
Bill over (+)/under (−) allocation	−5

As shown above the conference report on H.R. 2 is within the 302(a) budget authority allocation of the 1987 budget resoluton. Thus, the conference report does not violate section 302(f) of the Budget Act which requires the bill to stay within the Section 302(a) allocation for discretionary budget authority.

Thus, those who claim that the highway bill exceeds the budget are incorrect.

Nor did I vote against this bill because it is pork. The definition of pork seems to be: elected officials in the bright sunlight of committee or full House debate deciding where projects are to be located. That, apparently, is pork. However, when those decisions are made by the executive behind the curtain of secrecy, that somehow, apparently, is manna from Heaven.

Do I want this veto overridden? You bet. The construction season out our way is limited to 6 months. Late spring to early fall. We are now out of money in Montana.

We have a 120-day lead time from appropriation to contract letting. So the first of April is our deadline and if we miss it out West, particularly in Montana, we miss half our construction season. That means that 3,000 of our employees miss their jobs. It means that half of our $90 million construction funds cannot be used. That includes, of course, the high-priority construction for safety on bridges and primary and interstate highways.

I tell my colleagues that as the only Democrat to vote against this legislation as it went to the President, it is absolutely essential that this veto be overriden if my State of Montana and other States similar to mine with short construction seasons do not lose the precious time we need to begin our construction for this year.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 1½ minutes to the gentleman from New York [Mr. MOLINARI].

Mr. MOLINARI. I thank the gentleman for yielding me this time.

Mr Speaker, if I could have the attention of the distinguished chairman of the Committee on Public Works and Transportation, Mr. HOWARD, and the distinguished ranking minority member of the committee, Mr. HAMMERSCHMIDT. I would like to engage them in a colloquy to create legislative history on section 135 of the conference report relating to the regulation of tolls.

Subsequent to the House passing the conference report on H.R. 2, a number of questions have been raised as to whether section 135, or the statement of managers accompanying section 135, changes in any way the "just and reasonable" standard as it has been applied under existing laws and existing authorities. Would the distinguished chairman and ranking minority member care to comment?

Mr. HOWARD. Mr. Speaker, if the distinguished gentleman from New York will yield, neither section 135 nor the statement of managers changes the standard to be applied in determining whether a toll increase is just and reasonable. The only thing that we have changed is the forum for making the determination. Toll increases will no longer be subject to review by the Department of Transportation; instead the decision will be left to the courts in the event of a challenge.

Mr. HAMMERSCHMIDT. Mr. Speaker, if the gentleman will yield, I concur with the chairman's response. We have not changed the just and reasonable standard in any way.

☐ 1350

Mr. HOWARD. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia [Mr. ROWLAND], a valued member of our committee.

Mr. ROWLAND of Georgia. Mr. Speaker, we have heard that this highway bill is a budget buster. Nothing could be further from the facts.

I know there are those who say that the money that comes in from this is a part of overall Government revenue, that the money that comes in is a part of overall Government spending, but these are the facts. That money comes from the motoring public. It goes into a trust fund and it can only be spent on highways and mass transit. It cannot be spent on anything else, so it is a false issue when it is said that this money is going to hurt our deficit problem.

The fact is that it is not going to do that at all. It is a false issue. By leaving that money in there it appears to reduce the deficit, when actually it does not. It just makes our deficit look less severe than it actually is.

So I think this is something the public needs to understand. This is designated revenue. It can only be spent on certain things. It does not affect our budget deficit in the least.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. MICHEL], the distinguished minority leader.

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, what a classic case this is of that perennial perplexity we face over the national interest versus the local interest. There is relevancy in both and legitimacy in both in our deliberation over issues. Particularly today.

The legislative branch of Government was created in part to ensure that the legitimate local needs of the people are recognized and that there is a guard at the door against complete subjugation of local needs and concerns. No one else in the other two branches of Government is really charged with that responsibility to represent, defend, and promote local public interests.

That is why I have made the very difficult decision for the first time in the Reagan Presidency to vote against the President's recommendations on a major piece of legislation.

Several years ago I voted to increase the gasoline tax by 5 cents a gallon to build up the highway trust fund for the express purpose of building more roads and highways.

A good part of my congressional district in west central Illinois has been unflatteringly characterized as "Forgottonia" because it is so deficient in good roads and highways so necessary for economic development.

This bill contains funding for $27 million in improvement and widening of U.S. Route 121, which will connect Interstate 74 on the north with Interstate 55 on the south in my home State of Illinois.

The current two-lane highway is a traffic hazard, a deterrent to the economic development of a depressed area, and a pain in the you-know-what to drive.

My constituents have strong feelings about that road, and my area's economic development badly needs it. I am here to represent those feelings and try to help meet those needs.

But there is another side of the coin as well.

The President doesn't see Route 121 as I do.

In some respects, the President sees this bill as a budget buster. It is. He sees it as yet another dangerous precedent for big, huge, omnibus bills. He's right there, to. He's looking at programs and projects in this bill that are not essential, that could be delayed or terminated.

I am looking at central Illinois, and a road that kills and injures. I am looking at economic development in a hard hit region of the rust belt, one of the hardest hit areas of the country.

The President is right, but so am I.

The Washington Post is right, when it called this bill "Pork on Wheels," but so was the Escondido, CA, Times-Advocate in RON PACKARD's district when it said, "Build the roads, Jack."

I will vote to override this veto, because the U.S. 121 project in this bill and a good many others in Illinois are badly needed and could surely stand on their own before this House. As is the case in many other States.

The President needs to be reminded of that fact, and if this veto is sustained, he needs to understand the absolute necessity of getting a better highway authorization bill passed without further delay.

That goes for the Democratic leadership in this House as well. The baloney I heard last week about stonewalling on a trimmed down version if the veto is sustained, should not be heard within these walls. The rights and the responsibilities of both branches of Government are clear and right and proper here, for once.

It is the national interest versus the local interest, and it is a debate as old as public works and public budgets. It is for the executive and the legislative branches to strike the proper balance, not to subvert the public good by political brinksmanship.

This veto should have been avoided.

The fault lies in both branches of Government, the executive for again failing to consult with us in advance, and the legislative for failure to address the extraordinary dimension of the budget deficit and mandate to reduce it.

We have wasted enough time over two Congresses on the highway bill. We have in our delays, procrastination and political shenanigans, wasted enough money as well to pay for my highway project.

Let's not waste any more.

Mr. GRAY of Illinois. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am pleased to yield to the gentleman from Illinois.

Mr. GRAY of Illinois. Mr. Speaker, I just want to take the floor to commend my distinguished friend, the gentleman from Illinois, the minority leader. I know the road to which he made reference. I appreciate and commend the gentleman for his courage in standing up to help override this veto.

Mr. MICHEL. Mr. Speaker, I thank the gentleman.

Mr. HOWARD. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, I thank the chairman for yielding time to the opposition in considering this particular veto override vote.

Mr. Speaker, it is not often that the Washington Post and the Wall Street Journal agree, but in this particular bill it is so bad that those two papers, major newspapers in this country, agree that the President's veto should be sustained. This bill should be killed and that we ought to pass the right bill, a bill that is aimed at trying to get the highway season going, but without major pork barrel legislation, such as the type that this has.

Under this particular bill, I would tell my colleagues as you come out here and vote, 47 of the 50 States are losing money relative to their position last year.

We heard during the debate that this is the fault of Gramm-Rudman. Well, the problem is that if you take that particularly philosophy, let me suggest to you that what has been done under the bill is that all these pork barrel projects have been built in to the Gramm-Rudman limitations, thereby cutting the formula moneys available to the States; so the pork not only is something which helps individual Members to the exclusion of other individual Members, but it also hurts States to the point of their formula not having sufficient money then to even meet the obligations of last year.

So I would suggest if you are voting for this bill because it is a good bill to help get highway construction going and help save jobs, you are really voting to cut most States over what they got last year, so that we can provide pork.

And how much pork do we provide? Well, I have the committee report here. We got one out on the floor this time dealing with the override.

There are 21 pages of pork in this bill. There is just page after page of pork barrel projects, and what do they do? We have heard these described as something we really want done.

Well, let me describe a couple of the projects for you that the American taxpayer is now going to pay for. He is going to pay to build a couple parking lots for a train station that does not exist, for a rail line that does not exist, and we are going to spend $3 million to do that.

Now, does that sound like we sat around and prioritized these projects in such a way that we made certain that we got very, very good use of the money?

I would suggest that there are a lot of roads in my area that need to be built that could use that $3 million a lot more usefully than that particular project.

Here is another little project that is in the bill. It says this project will demonstrate the effectiveness of construction of parking facilities in relieving on-street parking congestion and unsafe parking practices. In other words, they are going to build a parking lot to show that it is better to park in a park in a parking lot than to have the car parked on the street. We really do need to spend millions of dollars to understand that.

I think America knows full well that is the case, and if you look through the rest of this you will find out that here is another project for the purpose of demonstrating a relationship between infrastructure improvement and economic vitality. In other words, we are going to provide a few jobs and so on to build a road. OK, sure. Americans understand that is a pretty good demonstration, but is it the kind of priority that we ought to be putting on building roads that are badly needed?

In fact, if you look through this particular report, what you will find is that most of the projects are to relieve traffic congestion. Well, I would suggest that most Americans at some point or other if they live in any kind of an urban area at all are faced with traffic congestion and would like to have a little bit of help. Are most of them going to get help under this bill? No, because if you look at this bill you will find that 14 percent of the moneys under the mass transit account are going to one city, Los Angeles. One city gets 14 percent of all the money that we all contribute, 14 percent going to one city where we all contribute the moneys.

If you look also you will find out that $3.3 billion is ultimately going to be spent for one project in Boston, MA, to build a tunnel.

Now, you know, a lot of Americans would figure that maybe some of that money might better be used in their communities to relieve their congestion; but no, one city is going to get $3.3 billion.

I would suggest that it is time to rewrite this bill, that it is time to say to the Members of Congress who sat around in back rooms and wrote this bill so that we could take care of a few at the expense of the many, that maybe the best thing would be to take the money, put it into the formulaes of the various States so that the States can decide on a localized basis what their priorities are. That is the way we have always done it. That is the way we have done it for 75 years in this country. We have allocated the money to the States and then we have allowed local people to take a look at how that money was going to be spent and decide which are the highest priority projects.

All of a sudden we are going to deviate from that and we do it in the wrong bill at the wrong time; so I would suggest that what we should do is save $10.1 billion as the President wants to do, stop this budget buster.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. DELAY].

□ 1400

Mr. DELAY. Mr. Speaker, I reluctantly rise to support the President's veto of this bill. I say "reluctantly" because I know how hard the Public Works Committee has worked on getting this bill passed, but I must vote to sustain the veto for two reasons.

One has been alluded to before—the $2 billion for mass transit that comes from general revenue funds. More important are the issues that have not been addressed by this House, and that is waste.

If this were a defense authorization bill, we would have Members all over this floor jumping up crying, "waste, fraud, and abuse" and pointing at $600 toilet seats. But we have not addressed up to $500 million a year that is wasted by the Davis-Bacon Act. We have not addressed the billions of dollars abused by environmental impact statements. And we have not addressed the millions of dollars of fraud because of a labor-protection mass transit issue called section 13(c). Where are those Members that are so concerned about waste?

I had an amendment in this bill that was summarily dropped by the conference committee that would have probably saved up to 40 percent on mass transit, because my amendment very simply said that section 13(c) could not be used to inhibit privatization. Privatization is a money-saver, and it's being held hostage by unions abusing 13(c) agreements. All of the Members who are talking about saving 800,000 jobs, how many jobs would be created by $500 million from Davis-Bacon or the billions of dollars wasted in other areas? Billions of dollars would be saved from reform in a reasonable environmental impact study. Millions of dollars would be saved if we repealed section 13(c), because right now in mass transit we have union bus drivers who are making an incredible amount of money over private union bus drivers, union mass transit mechanics who are making an incredible amount of money over union private mechanics—only because mass transit systems are being held hostage by section 13(c) until they agree to union demands before they receive a Federal grant.

We have not addressed these wasteful things that are involved in highway and mass transit. Give us a chance to address this waste. Vote to sustain the veto.

Mr. HOWARD. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore. The gentleman from New Jersey [Mr. HOWARD] has 16 minutes remaining and the gentleman from Arkansas [Mr. HAMMERSCHMIDT] has 17½ minutes remaining.

Mr. HOWARD. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. Bosco], a member of the committee.

Mr. BOSCO. Mr. Speaker, everyone knows the issue today is not highways—it's the President's political recuperation. After a slow comeback, the patient is not calling for the traditional hot tea, unbuttered toast, or chicken soup—he wants the highway bill. Somehow sweltering traffic jams, unfinished highways, and some 800,000 people out of work is just the dose needed to bring the President back to full strength.

Lest we give the patient this strong medicine too quickly, let's be sure the symptoms warrant the cure. After all it was major foreign policy blunders, not highways, that brought on the ailment. Blunders attended by a mysterious forgetfulness and repeated telling of half-truths. Surely sacrifice of the highway bill can't help as a remedy here. As for forgetfulness, has the President forgotten that it was he who signed into law the measure that created a 9-cent-per-gallon tax on gasoline solely for the purpose of building highways and mass transit? Has he forgotten our promise cemented in law, that this fund will be used solely for improving our Nation's transportation system? It is not another half-truth to say that this trust fund can be used to draw down the deficit? Isn't it really more truthful to say that keeping the money in the bank simply makes the Government look better, and it will just sit there, being pilfered away by inflation?

Mr. Speaker, when we vote to spend highway trust fund money we act not just as Members of Congress, but as trustees. We have collected money under the express promise that we would spend it for this specific purpose. As nice as it would be to use the highway trust fund to bolster the President's ego, I think the people would prefer to have us use it to bolster our country's transportation.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 1 minute to the gentleman from Califonria [Mr. DREIER].

Mr. DREIER of California. Mr. Speaker, this is not an easy vote. It has been made very clear by many of us here that it is not an easy vote.

I have projects in this bill which I have worked in behalf of for the past several years. The Los Angeles Metrorail is very important to me, and I think that it is important that we underscore the fact that in Los Angeles we only get 50 cents for every $1 that we contribute.

I am also very concerned about ground access to the Ontario International Airport, but I think that it is also important for us to realize, as the Washington Post pointed out, that this is a States rights issue. What we have to do is look at their editorial that was in Sunday's paper called "Pork on Wheels."

They say:

> President Reagan pegged it perfectly when he vetoed the highway bill Friday, calling the $87.5-billion package "a textbook example of special-interest, pork-barrel politics at work." The shame of it in this expensive case is that Congress has ground up and jammed all its pork into one indigestible sausage containing many serious, worthy and urgent road projects that should have been financed last year. Without a bill, the economy could stand to lose hundreds of thousands of jobs, most of which are linked to the legitimate projects that state governments have approved. But the junk in this package, which also includes the 65-mph speed limit provision that deserves rejection, too, is as overwhelming as it is ill-planned: there are 121 "demonstration projects"—meaning ways for members of Congress to demonstrate their individual creativity and generosity with trust fund money, above and beyond what state governments have sought, and with no requirements for state matching money. It's hang the cost and take the credit. It also deserves the veto it generated.
>
> Those in Congress who are urging an override of the veto point to damage that delay would do to the economy—but who wasted all the time banging this monstrosity together in the first place? Return with us now to those thrilling days of yesteryear '86, when the old 99th left a heap of highway ideas on the floor of a conference committee and adjourned. When business opened this year, who urged prompt action to avoid the damage to the states' approved projects and the jobs they generate? Transportation Secretary Elizabeth Hanford Dole called time and again for action, nothing in January that the shortage of construction money was "a growing national emergency—one that affects every community in this country."
>
> The whole process should be scrapped in favor of increased state control of this money. More and more governors are coming to this conclusion. For now, Congress should uphold the veto, take a good, quick look at the president's alternative proposal and come up with a sensible compromise that could keep things going for now and provide time for fundamental improvements in the federal highway program before a next round can begin.

Mr. Speaker, there are 152 demonstration projects in here. We need to reanalyze it, and as these papers have said, proceed and come up with a final resolution which can be acceptable.

Mr. Speaker, 2 months, ago, in your reply to the President's State of the Union Address, you offered the challenge to "sit down and talk about real deficit reduction." No gimmicks, you said, no asset sales, and so forth.

Well, the President is giving us a real opportunity to save $1 billion a year right here. No gimmicks, no asset sales, just real savings. We won't have to cut important social programs which benefit the needy, nor will we have to cut into our national security goals.

Proponents of this bill tell us to ignore the 152 projects, they only cost $1½ billion anyway. They tell us this is a fiscally tough spending level, even though it is still $10 billion over budget. They tell us that highway spending isn't real spending anyway since it comes from the highway trust fund. So, in fact, we don't even have to worry about the budget deficit, this is only highway money. We still have a responsibility to distribute it as equitably as possible.

Mr. Speaker, this bill really is a first-class budget-buster and I will vote to uphold the President's veto. I personally disagreed with a number of the President's objections to the bill. For one, I have fought long and hard to see the Los Angeles Metrorail system receive the Federal support it deserves. Los Angeles Metrorail is possibly the most thoroughly planned and badly needed mass transit project ever, and I do not relish the thought of having to battle for its funding again.

But despite the presence of such important items in H.R. 2, I cannot vote for this bill in its present, overweight form. I am not voting against highways, or even against the particular demonstration projects, all 152 of them. On the contrary, there is much in this bill that is good—but, in fact, it is too much of a good thing. It is time we picked something to begin imposing some self-restraint.

Everyone has a favorite project in this bill and, in fact, I have one myself. Ontario International Airport, which serves eastern Los Angeles County and surrounding communities, is the fastest growing airport in the United States. Its rapid growth has been similar to that of Washington's Dulles International but in coming years will far outpace Dulles.

Unfortunately, the most modern airport is of little use unless it has adequate ground access. When improvements to the terminal itself are completed, it has been estimated that Ontario's ground traffic will increase by 50,000 cars per day. H.R. 2 provides Federal funds to demonstrate how a rapidly growing area can relieve such a strain on transportation.

Along with a bipartisan group of other California Members, I have been working to get funding for ground access improvements at Ontario Airport since my first term in Congress. Regardless of H.R. 2's fate, I will continue the fight to get this project funded.

The Ontario project is unique because State and local interests are contributing fully 47 percent of the total cost. But, as we know all too well, many demonstration projects are not so generously supported by other levels of government. In fact, their presence in the bill signals that State highway departments have already rejected them.

This is H.R. 2's greatest inconsistency: We voted to give States the rights to raise the speed limit to 65 because we correctly believed that this was the States' business. Yet, now we will provide carte blanche funding for projects that the States did not think worthy of funding. The administration's proposal would not eliminate these projects, it would just put them back where they belong—under the States' jurisdiction and review.

One way or another, I'm sure we will find some way to deliver the most important portion of this bill, the Federal-aid highway money. We should have done that a year ago, anyway. After we do, maybe we should consider giving the States more control over the highway authorization process. They couldn't make it any less complicated and unresponsive than Congress has.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Mr. Speaker, I would like to yield to my distinguished colleague from Arkansas to clarify some of the points in this bill, and I have a number of questions that I am prepared to ask.

Mr. Speaker, I would like to know, How do highway program spending levels compare to the President's budget request? Are they within the budget? Are they affected by Gramm-Rudman? How do they correlate?

Mr. HAMMERSCHMIDT. Mr. Speaker, will the gentleman yield?

Mr. UPTON. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. They compare $68.5 billion versus $68.8 billion within the budget resolution for fiscal 1987, so they are practically the same. The President's request is just about the same as we are enacting in this bill. Of course that comes from all the gas tax that is collected from all the people, 9 cents a gallon, and 1 penny for the Mass Transit Program.

It is within the confines of Gramm-Rudman-Hollings, may I say.

Mr. UPTON. How much money will actually remain in the highway trust fund when this bill expires in 5 years? How much is there now in the trust fund, and how much will this build or shrink within 5 years?

Mr. HAMMERSCHMIDT. There is $9.7 billion in the trust fund now. It will grow to $11 billion by the time this 5-year bill is totally used.

Mr. UPTON. One of the concerns that I have is with the mass transit section of the bill. Will there be a later opportunity where Congress can in fact go after or reexamine the mass-transit subsidies?

Mr. HAMMERSCHMIDT. There certainly will be. It is where the President really should have looked at this legislation. He could do that through the appropriations process, and it would have been a much more logical way for him to approach this issue.

Mr. UPTON. One of the other concerns that has been raised here is the level of the demonstration projects within the bill. Would the gentleman from Arkansas be able to clarify what that is as a percent?

Mr. HAMMERSCHMIDT. A very small percent, and Members probably understand their districts far better than faceless bureaucrats do in Washington. It is 1.6 percent of all the funds.

Mr. UPTON. One last question. The Secretary of Transportation I understand does have some discretionary funds here. How does that compare to the 1.3 percent of the funds that are used for demonstration projects?

□ 1410

Mr. HAMMERSCHMIDT. The Secretary has 6 percent of all of the funds, three times as much as the Members, the elected Members of Congress have.

Mr. UPTON. I thank the gentleman, and I yield back the balance of my time.

Mr. HOWARD. Mr. Speaker, I yield 1 minute to the gentleman from Arkansas [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Speaker, the highway bill is a worthy investment in our Nation's future that will improve our transportation system, stimulate the economy, and most importantly, will improve safety for millions of motorists across America and thus lead to the saving of human lives.

In recent weeks, we have seen this vital legislation being savaged by administration officials, who have distorted the debate over the bill by injecting a motley array of extraneous issues into the discussion. In essence, they have attempted to alter the focus of the debate away from the merits of the bill, by erroneously describing it as a budget buster and by portraying the vote on the veto as a test of the President's prestige and power.

On both counts, those arguments are wrong. First, this bill should be judged on its merits, and not on any theoretical basis of what an override might do to the President's political fortunes. No thoughful citizen should take any joy from the President's current troubles, but the pressing needs of the Nation's transportation system must take precedence over the White House's political dilemma.

Second, the bill is fiscally sound. The President is confused when he says this bill is a budget buster. The highway trust fund should be taken out of the budget, because it confuses many people and in this case it confused the President.

We should remember that highway construction is financed by a special trust fund that cannot be used for anything else. That fund is constantly fueled by gasoline taxes, and it is now almost $10 billion in the black. The fund's surplus will probably expand in the years ahead under the moderate spending levels set by the bill.

Moreover, the demonstration projects that have been unjustly maligned as budget busters only make up about 1 percent of the total cost of the bill's projects. Clearly, the budget deficits are irrelevant to the consideration of this essential legislation.

In effect, the President is using the budgetary disaster created by his own administration to rationalize his veto of one of the most vital bills that will come before the Congress this year.

In addressing the question of whether the demonstration projects are necessary, let me cite the example of the bill's authorization for overpasses along a dangerous section of the U.S. 63 bypass in Jonesboro, AR. That project is designed to demonstrate how access control can improve safety for the thousands of motorists who travel the road daily.

I would like to invite the President to travel the major intersections of the U.S. 63 bypass in Jonesboro, if he would truly like to learn whether the project is needed. Anyone who has traveled those crowded, chaotic intersections knows that they are unsafe.

The intersections of the U.S. 63 bypass in Jonesboro have been the sites of many serious traffic accidents causing injury and death. To illustrate the imperative need for this project, consider the grisly record of accident statistics since the bypass opened in 1971: More than 1,500 accidents, 22 deaths, and more than 650 injuries along the dangerous 10-mile stretch of highway.

The bill would authorize $12.3 million between the current fiscal year and fiscal 1991 for the project, with 80 percent of the total being supplied by Federal funds and 20 percent from the State. That is a tiny investment, when considered in the light of the need to reduce the number of accidents and save lives.

Another important example of the beneficial provisions of the bill is an authorization for States to use Federal bridge replacement funds to replace the four ferries in Arkansas with bridges. The ferries at Guion, Peel, Spring Bank, and Moro Bay, AR, are often unreliable, slow, and dangerous in bad weather.

The ferries often cause motorists to take long detours. For example, the Guion, AR, ferry is often out of service because of fluctuating water levels on the White River, sometimes causing motorists to drive about 40 miles out of their way when the ferry is not operating.

The Jonesboro overpasses and the Guion bridge are only two examples of the many beneficial projects that are included in this bill. Nationally, the bill authorizes roughly $88 billion over 5 years for such essential projects as improvements in the secondary highway system in rural areas, interstate highway construction, mass transit, bridge repairs, and a variety of programs for eliminating hazards in many areas of the Nation's transportation network.

Mr. Speaker, in addition to the many worthwhile projects included in the bill, we should also consider the dire economic consequences that would flow from a failure to pass this bill in a timely fashion. If it is not passed soon, the construction season will likely be lost, and 800,000 jobs will vanish along with it. The construction industry would be disrupted and would fall into a recession, and that would inevitably have a ripple effect throughout the entire U.S. economy.

The administration has offered another version of the bill, but it would take time to get that version passed, and in the meantime the construction season would be lost.

Moreover, the administration's version cuts out many of the most meritorious projects in the bill, including the Jonesboro overpasses.

The administration's substitute unfairly singles out some States for substantial reductions in proposed funding. Arkansas would have its funding reduced by $5 million under the substitute, a bigger reduction than any State in America with the exception of Massachusetts.

Mr. Speaker, this bill has received widespread bipartisan support among Members of Congress, as it has passed the House and Senate by overwhelming margins. Many Republicans have supported it, because they know it is not a budget buster, but a fiscally sound, indispensible measure for improving America's highways.

Many of the bill's opponents have attempted to aruge that a vote to override the veto would somehow tarnish the President's reputation for the remainder of his Presidency. That is simply not true. Members who vote for the override will be discharging their duty to judge each case on its own individual merits. Those of us who vote for the override could, with perfect logic, choose to support the President on future important issues if we feel that his position on those issues is correct. We are voting today on the specific issue of the Surface Transportation and Uniform Relocation Assistance Act of 1987, and not upon some vague mandate for the President's political leadership.

The President has waged an intensive lobbying effort to sustain his veto, and his lieutenants have basically argued that unless he wins this one vote, he will be crippled for the remainder of his term. The impact of a defeat upon the President's power is irrelevant to the merits of this bill. The President should respect the right of Members of Congress to follow their independent judgment, especially in light of our own intimate knowledge of the transportation needs of our districts.

During this debate, far too much attention has been focused on the bogus question of whether the President wins or loses, as if this vote were some type of cosmic football game. Yet it is not a sporting contest, but a deadly serious matter, and if the bill does not become law the true loser will be the national interest in a prosperous economy and a safe, effective system of transportation.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Louisiana [Mr. BAKER].

Mr. BAKER. Mr. Speaker, before us is an issue which may readily be resolved by the old, traditional political formula of what's in it for me. If we look very carefully at the legislation before us we find that the distribution of projects under the $6 billion in question goes to a very few, limited number of projects. And if we take the example of the project being described as pork, the real question is did I wind up with the pork chop or the pig lips.

I think if we come to a conclusion that we wound up with the lips, they will outnumber the chops, and we would find the votes needed to sustain the veto of this measure. But these are not the real concerns before us.

What I am concerned about is the direction this legislation will ultimately lead, for I have heard discussions of many that we are going to ultimately raise gasoline taxes to fund the growing deficit, and that we cannot ignore that an increase of $6 billion will weigh heavily on the American taxpayer.

No, Mr. Speaker, we are headed the wrong direction down a one-way street at 55 miles an hour. But we are going the wrong direction, and we are on a collision course with a large bus, Mr. Speaker, a bus which contains a number of taxpayers. And I have not seen a bus that cannot overrun a hog yet.

I think we have to watch. I think we have to be careful. The time to get off the road is now, and the stop is called veto.

Mr. HOWARD. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. GRAY], a member of the committee.

Mr. GRAY of Illinois. Mr. Speaker, first I want to thank our distinguished chairman for yielding me this time.

Mr. Speaker, this bill is not a lemon as described by the President of the United States on nationwide television. By voting yes to override this bill today, you will be making lemonade. Let me explain how.

We have heard a lot of talk today about the economics of this National Infrastructure Program, 800,000 jobs lost if the veto is not overridden. Those facts are all accurate.

Let me, as one who helped write the first Interstate Highway Act, who stood in the well 31 years ago with our beloved Speaker Mr. WRIGHT and Chairman DINGELL the only three sitting members on Public Works at the time, talk a little bit about safety in my 2 minutes.

In 1955, with our small, antiquated roads, Mr. Speaker, we were killing about 38,000 people yearly. That climbed up 10 years later to where we were killing 50,000 people on the highways of this country in 1965. And as the Interstate System and our primary system got off of the little, antiquated, small, two-lane roads and went to our nice four-lane divided highways with access ramps and a center median, we cut down from 50,000 fatalities in 1966 to 47,000 in 1986, 20 years later.

We had at that time in 1956 when we passed this first bill, 50 million vehicles on the highways. Today, 1987, I want to say to the President that we have a 300-percent increase in motor vehicle users. Many of them large trucks. We are up to 150 million vehicles on the highways today.

But thank God for the Interstate Highway Act and our four-lane primary highways, and the safety features passed by this committee and this Congress of widening the bridges, and putting deflecting guardrails, painting reflectors so that we now, according to the National Highway Traffic Safety Administration, last year, in 1986, there were less than 46,000 people killed on the highways of America with a 300-percent increase in the use of motor vehicles from the first day I stood in this well, 31 years ago.

This is more than an economic bill. It is a safety bill. So I ask you, do you want to save lives? Do you want to improve America with millions of new jobs? Do you want easier and safer driving? If you do, turn that lemon into lemonade by voting aye to override this veto and finish our 42,500 miles Interstate System and other badly needed roads and mass transit projects. Thank you.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. PACKARD], a valuable member of the Surface Transportation Subcommittee.

Mr. PACKARD. Mr. Speaker, I thank the gentleman for yielding and I certainly congratulate the members of the committee, and particularly the leadership of the committee, for their hard work in bringing this bill back to us.

I simply would like to address a couple of points.

One, this bill has been carefully crafted over the last 2 or more years in an effort to meet all of the concerns of the transportation issues across the country.

In conference committee there has been a very tenuous and certainly a delicate series of concessions made in order to make it so that it is compatible to both bodies and to both sides of the aisle and to all States involved.

And the moment that we sustain this veto, all of those concessions and all of those efforts will be undone, and people will be released, and we will be back to where we were before we began this bill.

We will find ourselves literally taking the rest of this year, and we will be very fortunate if we are able to craft another bill that will be acceptable to the administration and still meet the criteria and the concerns of the committees. So we will lose valuable time, and we will certainly lose the momentum that many of the projects across the country already have.

Second, this is not a budget buster. We are talking about a piece of legislation that actually expends less money for highways than what the President had in his submitted budget a couple of months ago.

Third, it does not withdraw money from the general funds; it is not a budget issue. It is extracting money from the trust fund, and that is what we have been wanting to do for some time, is to draw those trust funds. Ironically, however, this bill will not draw down from the trust funds. Literally during the 5 years of this authorization there will be an increase in the surplus of the trust funds of $1 billion, and so we are not actually depleting the money in the trust funds, at least the highway trust funds.

So this is not a budget buster. It is a piece of legislation that needs to pass. That means we need to override the President's veto.

Mr. HOWARD. Mr. Speaker, how much time is remaining on each side?

The SPEAKER pro tempore (Mr. Hoyer). The gentleman from New Jersey [Mr. Howard] has 11 minutes remaining and the gentleman from Arkansas [Mr. Hammerschmidt] has 10½ minutes remaining.

Mr. HOWARD. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio [Ms. Oakar].

Ms. OAKAR. Mr. Speaker, this is not to me a confrontation with the President, but for my State it is the connerstone of our economic recovery and growth. Our people want to know one thing: Why is it that when they pay 9 cents for every gallon of gas they do not get their money back? They know that we are the third neediest State in terms of repairs. We know in Ohio that we are going to see 20,000 jobs permanently lost if we do not pass this bill.

Today in Cleveland there are 10 inches of snow. We are going to lose another construction season, and we will be even more lost in terms of our needs being fulfilled.

I want to say something about the so-called pork-barrel projects. I have a demonstration project in this bill. I am very happy that the chairman and the committees, in a bipartisan way, agreed to it. It is called the Eagle Ramp. This ramp leads to 60 different industries. If you stand under the ramp, chunks of concrete will fall on you literally because it is in such ill repair.

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Thousands of jobs will be lost if this ramp is permanently closed. So we feel very, very strongly that this is not a pork-barrel project; this is something very lean and mean. Please, override this veto for the sake of our Nation's economy and our national security.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the motion to override the President's veto. I do so with great reluctance, and I am certain that many of my colleagues feel the same.

Certainly President Reagan has a strong record in support of a sound and efficient highway and transit program, and a vote to override should, in no way, detract from that record.

Yet, so much is at stake in the matter before us. To realize the gravity of the situation, we need only remember that March 20 signaled not only the beginning of spring, but the start of the highway construction season as well.

This means that efforts to enact highway legislation have taken on new and critical importance. Our failure to enact a bill now will mean the loss of about 800,000 construction-related jobs.

We must act now, because we cannot pick up and start over on a new bill and expect to get one out early. It is time that all of us—including the administration—take the key players in this matter at their word when they say we cannot do this again quickly.

The administration abviously feels that its alternative legislation could be swiftly accepted. Yet, far from simply changing the dollar figures for the programs, it is proposing 30 policy changes that could not possibly be dealt with in a short period of time. Many difficult months have been spent in reaching the most delicate of compromises, and were we to open up 30 issues. That compromise would quickly unravel.

The administration also keeps referring to the bill passed by Congress as a budget buster. This simply is not the case at all. We know that the 9-cent Federal gas tax provides the dedicated funding for this deficit-proof program. Our bill provides from the highway trust fund $68.8 billion for the highway program, and that dollar amount is virtually identical to the $68.5 billion proposed by the President for the same 5-year period.

Yet, the President now proposes that we cut the program to $66 billion, which is $2.5 billion under the proposal he made in January. We can only conclude, therefore, that the administration is simply manufacturing this budget-busting issue.

As we approach this vote, we must realize that should we vote, to sustain and thus open up this bill, all of the controversial issues that so divided the House and Senate are back on the table, including the one-half-percent minimum funding for interstate construction; the 85-percent minimum allocation program; and changes in the 55-mile-per-hour speed limit.

On the speed limit issue, I know that Chairman Jim Howard has already received enough commitments to turn the previous vote around. Those who support increasing the limit to 65 miles per hour should be aware that if the issue comes before us again, the outcome could well be different.

All of the controversial issues aside, this bill is essentially about getting on with the job of improving our Nation's transportation system. Therefore, in the furtherance of that worthy goal, I urge my colleagues to support the motion to override.

Mr. Speaker, I reserve the balance of my time.

Mr. HOWARD. Mr. Speaker, I yield 1 minute to the gentleman from Indiana [Mr. McCloskey].

Mr. McCLOSKEY. Mr. Speaker, I rise in support of H.R. 2, and the need to override the President's veto of this vital legislation.

This weekend a distressed and unemployed construction worker said of course the President was vetoing the bill—it is creating American jobs. He was incensed the administration would sponsor recruiting sessions in Mexico for United States businesses, and then veto a program that supports American jobs, industries and the economy. I have received calls, letters and telegrams from a number of anxious construction company owners who are facing severe financial difficulties with expensive machinery sitting idle while the payments, insurance, and overhead continue uninterrupted.

No one doubts the President has the power and constitutional authority to veto legislation. The Founding Fathers stressed the importance of the separation of powers doctrine 200 years ago and every school child is taught this lesson in their first history and civics class. President Reagan does not have to jeopardize 800,000 American jobs to prove this point.

I urge my colleague in the House and our colleagues in the other body to vote to override this veto so we can proceed with the business of building America's highways and bridges.

Mr. HOWARD. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin [Mr. Moody].

Mr. MOODY. Mr. Speaker, I want to thank the chairman and the gentleman from California [Mr. Anderson] for their leadership on this bill. I'd like to make several brief points.

First, the gentleman from Pennsylvania [Mr. WALKER] earlier criticized demonstration projects on grounds that they hurt other States. I myself had problems with the earlier version of this bill because it did not adequately, in my judgment, handle the problem of the so-called minimum allocations States, the donor States. When such States, like Wisconsin, did not receive many demonstration projects. But this bill has been altered, happily so, to take care of that problem in the distribution formulas. Wisconsin, for example, will now receive $73 million more as a result of this change. The demonstration problem has been substantially fixed in regard to what it does to the other States.

Second, the so-called problem of budget busting. If you agree that this bill is under the Gramm-Rudman deficit limit for fiscal year 1987, and if you agree that it is financed out of a segregated trust account, then to vote to not override—to sustain the President's veto—is in effect to vote to use the highway trust fund surpluses to balance the rest of the budget. I do not think anybody in this body would consciously want to use the highway surpluses to balance budgets spent in military or other areas.

Third, the lateness of the season. In Wisconsin, we have a specific problem: We are a cold winter State, and a short building season State, and we need this money to get those roads built now. Our State is borrowing money temporarily on a State basis to do so, but this cannot go on. One thousand jobs are at stake in Wisconsin, and I urge my colleagues from all the cold weather States, those initially worried about demonstration projects, and those worried about budget balances to vote to override the President's veto.

Mr. HAMMERSCHMIDT. Mr. Speaker, I do not see any of the Members who had requested time from the small allocation we have left on the floor; therefore, I yield back the balance of my time.

Mr. HOWARD. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Speaker, I rise in support of the motion to override the veto in spite of the provision permitting many States to exceed the 55-mile-per-hour speed limit.

Mr. Speaker, on March 18 the House considered the conference report to H.R. 2, the Surface Transportation Act of 1987. I voted against the motion to recommit and for passage of the conference report. I was present in the House Chamber at the time of the vote on House Concurrent Resolution 77, to permit the States to increase the speed limit from 55 miles per hour to 65 miles per hour on certain segments of the Interstate Highway System. I inserted my voting card in the electronic machine and believed that my vote against House Concurrent Resolution 77 had been recorded. Unfortunately, however, my vote on this question was not recorded on rollcall No. 35.

Respondents to a recent issue survey in my district supported maintaining the existing 55-mile-per-hour speed limit by a majority. In my view, the evidence is overwhelming that the current 55-mile-per-hour speed limit has saved hundreds of lives and reduced the number of severe injuries in automobile accidents. It has also resulted in less energy consumption and less American dependence upon foreign oil imports. These points are well understood by my constituents.

The argument that so many people are ignoring the 55-mile-per-hour speed limit and that therefore we should raise the limit for that reason is unpersuasive and illogical. I do not believe that it is in the best interests of either the Federal Government or the States for Congress to periodically adjust the permissible speed limits on interstate highways to suit the political passions of the moment. I would hope that we can maintain some consistency in this issue with due regard for the prerogatives of the States as well.

Mr. Speaker, the administration has portrayed this legislation as being characterized by excessive spending when in fact it authorizes for appropriation and entitlement formula nearly $1 billion less each of the 5 years 1987-92 for highway and transit purposes than expended in the most recent 5-year authorization, 1981-86.

While the measure earmarks specific projects in some Member's districts, not all of which I favor, the administration is requesting the discretion to be exercised solely within its prerogative on these same dollars. In fact the administration now controls at least three times the cumulative value of these projects in dollar amounts under the provisions of this measure. Therefore, Mr. Speaker, recognizing the inherent compromise and need to facilitate the construction activities in an urgent manner, I urge a positive vote by the House.

Mr. McGRATH. Mr. Speaker, as you are aware, the House of Representatives and the Senate recently approved the conference report on H.R. 2, the Surface Transportation Act of 1987. Support in both Chambers was overwhelming, evidence that this legislation is of paramount concern to the Congress and to the entire Nation as well. Unfortunately, the administration does not share this perspective.

Contrary to many accounts by the administration, this is not pork-barrel legislation. H.R. 2 is a very legitimate measure, designed to serve America's ever-growing transportation needs. It is important to note that this bill will not increase the Federal deficit. The programs covered by the Surface Transportation Act are financed by trust funds. With the spring construction period about to begin, it is imperative that this bill be enacted immediately. Without the reauthorization of highway programs, New York State alone will face the delay of over 150 projects, worth more than $600 million, resulting in the loss of more than 16,000 jobs set for this year's building season.

Nassau County, NY, contains perhaps the Nation's largest commuting population. Several projects important to Long Islanders are funded under this Federal Highway Program. These include construction of the 1.3-mile Nassau Expressway in Hempstead, improvements to Sunrise Highway, and the addition of the fourth lane to the Long Island Expressway [LIE]. This improvement to the LIE will help relieve traffic congestion on one of the Nation's most heavily traveled roadways.

I voted in favor of this legislation on two previous occasions, and I supported passage of the conference report. It is indeed unfortunate that the administration has chosen this late date to request a negative vote, in the form of sustaining the veto, on the measure. I cannot support this request.

It is the urgency of the situation that causes me to alert my colleagues of the disastrous impact that this veto creates. America needs this measure to insure it transportation and safety needs. I request the House consider this matter with the utmost concern and render a decision favorable to this Nation's commuters.

Mr. HEFLEY. Mr. Speaker, I rise today in support of the President's veto of H.R. 2, the Surface Transportation and Uniform Relocation Act. We are all about to be faced with voting to sustain or override the President's veto of this highly controversial highway bill. It's a difficult decision for many of us to make, but no one said this job would be fun.

When you are caught in a bind between getting much needed funds for highway projects to your State and trying to balance the Federal budget, what do you do? Colorado's highways and bridges are in sad shape and Congress failed to appropriate the expected funds in the fall of 1986. The situation grows more desperate with each passing day and pressure builds from contractors, State highway departments, cities, and counties to get a highway bill out of Congress.

Therefore, 2 weeks ago we passed an $87.5 billion highway bill which was heavily supported by Congress. The fact that the bill was generously laced with unjustified pork didn't deter us since most felt this was all we were going to get and we needed to have the money flowing in time to take advantage of the warm weather construction season.

Now the President vetoes the bill. This demonstrates an amazing amount of courage in light of the pressure on him to sign it. Courage is a rare commodity in our Nation's Capital. I always thought that Congress was hired to make the tough decisions but it appears that Congress doesn't make decisions between competing priorities. It simply votes for everything because to vote against a spending measure might get someone in your district mad at you.

Therefore, if we are ever to balance the budget, the President needs to utilize the veto as a weapon and we need to back him up. In this way, maybe Congress can learn to have backbone and discipline.

The President favors a fiscally responsible Federal-aid highway and transit program as well as provisions that would allow States to raise their speed limits on rural interstate highways to 65 miles per hour. However, this bill's excessive mass transit authorization levels, coupled with numerous individual special interest highway and transit construction projects, and its unfair distributions of transit funds to relatively few cities have forced the President to veto the bill.

In Colorado, we would get $185 million in highway funds which is $24 million less than we received in 1986. How can we spend almost $19 billion on urban mass transit around the Nation, at a time when our highways and bridges are suffering? I don't want to build a subway for Los Angeles while Colorado's funds are being cut back.

In a meeting last week with Republican Members of Congress, the President indicated he will veto every budget-busting bill we send him and he asked for our support in controlling the spending. He said Congress has traditionally had three creative ideas—"tax, tax, tax," which leads to "spend, spend, spend," which makes the deficit go "up, up, up." He asked us to say "no, no, no."

This bill also sets a very dangerous precedent for future transportation and budget policy. It would expend the role of the Federal Government as overseer of national highways and mass transit by mandating which local programs States must undertake rather than leaving this decision up to the individual States. In addition, the spending provisions of H.R. 2 suggest that many in Congress have absolutely no intention of meeting the targets mandated by Gramm-Rudman.

The President is right to criticize this highway bill. It should not be passed in its present form. But a highway bill should be passed, and soon. Congress must not drag its feet any longer on this important piece of legislation.

Mr. LEWIS of Florida. Mr. Speaker, I wish to take this opportunity to explain my vote on the override of the President's veto of H.R. 2, the Surface Transportation Act. With great reluctance and profound regret, I was forced to oppose the President and vote to override his veto.

Clearly, a highway reauthorization bill is vitally important. It is estimated that to restore and build America's infrastructure network—the roads and bridges, water and sewer systems, and other public works necessary for economic development and the public's health and safety—it will cost approximately $3 trillion over the next 20 years. Measured in constant dollars, spending in this area has declined 21 percent since 1965.

Without a highway bill, $25 million worth of safety-related highway projects in my congressional district will not be let by the Florida Department of Transportation. These proposed improvements are not pork-barrel projects, but safety programs to add lanes and resurface existing highways in Palm Beach County, FL.

With one of the fastest growing congressional districts in the Nation whose transportation needs are seriously lagging, I am firmly dedicated to the improvement of roads. Although a tough decision, when I thought about the needless fatalities which have and would undoubtedly occur on U.S. Highway 27, the Bee Line Highway, and U.S. Highway 441 without a highway bill, I could not vote in good conscience to sustain President Reagan's veto.

For the safety to the automobile traveling public in Palm Beach County, it is imperative that these highway projects which have already been delayed 6 months, move swiftly forward now.

Mr. FOGLIETTA. Mr. Speaker, I rise today in favor of the override of the President's veto of H.R. 2, the Surface Transportation Act.

The action taken by the President is typical of his narrow view of the role of the Federal Government. The development and upkeeps of this Nation's infrastructure is one of the most important responsibilities we have. A recent study found that over 15 percent of this Nation's highway system was in need of immediate repair. The preservation of these roads is vital to the commerce of the United States. The costs that would be incurred for repair to vehicles and delays because of these neglected roads would certainly be far greater than the investment which we are making at this time.

The President's opposition to H.R. 2 with regard to mass transportation is just as shortsighted. It is clearly in the national interest to support our cities' efforts to provide an efficient alternative to the vehicle which will reduce the strain on their roads. Our cities are the hub of this Nation's commerce system. It is vital to the whole Nation that our cities' transportation systems are efficient and dependable. To argue that mass transit is a parochial matter misses the point. This country's economy is based in its metropolises. To neglect their needs would be to cut off our toe to spite our foot.

The President's opposition would warrant some merit if this bill did anything to increase the strain on our resources during this time of budgetary crisis. But H.R. 2 does not add to this Nation's deficit. Eighty-seven percent of the total funding authorized by this bill comes from highway trust fund revenues. This fund, supported through the gasoline tax, was established for the expressed purpose of what we are doing now, building and repairing this Nation's infrastructure. The administration, as it is wont to do, would like to bend the rules and use the money which was collected for a very specific purpose to support its own objectives. That would be against both the letter and the intent of the law. This money was intended for roads. It should be used that way.

Moreover, this bill is a jobs bill. It will support over 800,000 workers at a time when unemployment in the construction industry stands at 12.5 percent. The administration argues that it is not the Federal Government's role to create jobs. Would President Reagan rather we abrogate our responsibility to protect something as vital to our national security as our Interstate Highway System and put it completely in the hands of the private sector? I hope not.

In conclusion I would like to note that Congress has shown a great deal of responsibility in crafting this legislation. It would be a shame to let all of this good work go to waste, not only for us, but for every American who depends on this Nation's roads and mass transit.

Mr. LAGOMARSINO. Mr. Speaker, I rise today in support of sustaining the President's veto of H.R. 2, the Surface Transportation and Uniform Relocation Assistance Act of 1987. While I believe that a fiscally responsible highway/transit reauthorization bill is an essential item for the Nation, I support the President's resolve to resist budget-busting legislation that contains excessive spending, deepens the Federal budget deficit and provide the opportunity for some in Congress to increase taxes.

Mr. Speaker, H.R. 2 exceeds the President's budget request by $10.1 billion. H.R. 2 mandates an unprecedented 152 "demonstration" projects with nearly $900 million of $1.4 billion in authorized funding outside of budget controls. Furthermore, because this level of funding is inadequate to see these projects through to completion, the bill serves to create a need for significant additional spending in future years. Similarly, H.R. 2 contains a mass transit authorization of approximately $18 billion which is twice what the administration requested. Very questionable rail projects in such cities as Miami and Los Angeles are in line for additional funding commitments from the Federal taxpayers. I also object to the "buy America" provisions in the bill which are harmful to U.S. trading interests.

It is argued that, inasmuch as the bill primarily deals with trust funds from the Federal gasoline tax, we should not be as concerned as with money from the general fund. I strongly disagree. The gasoline tax is a tax; those who pay should have the same right to have their taxes spent prudently.

Mr. Speaker, at a time when Congress is struggling to reduce annual Federal budget deficits and finding it extremely difficult to achieve the savings necessary to meet the deficit targets established in Gramm-Rudman-Hollings, it is essential that a more effective job be done of restraining spending than that evidenced in H.R. 2. I encourage my colleagues to read the March 24, 1987, editorial in the Wall Street Journal on H.R. 2 and vote to sustain the President's veto.

The article follows:

[From the Wall Street Journal, Mar. 24, 1987]

HIGHWAY ROBBERY

"We have a bill out here . . . [that has] page after page after page after page after page of pork." Rep. Robert Walker, the Pennsylvania Republican, was describing the five-year, $88 billion highway authorization bill now awaiting President Reagan's signature. Mr. Reagan is expected to veto the bill when it crosses his desk this week.

Just before the Senate voted on the bill last Friday, the President warned: "Congress can't have it both ways. They can't talk about cutting unnecessary deficit spending and then vote in favor of bills that bust the budget. The highway bill is a textbook example of how Congress talks deficit-tough, then votes like a soft touch.

The administration had no problems with the $70 billion authorized for the federal highway program. These funds are apportioned to the states by a formula and used for building or repairing highways and bridges. Congress adjourned without passing a highway bill last term, so many states are running low of funds in some categories.

The Highway Users Federation projects that half the states will soon deplete their funds for interstate highway construction; half will run short of money for interstate repair and resurfacing (a separate category); more than three-quarters will lack sufficient funds for upkeep of the primary highway system, which feeds into the interstate, and one-third will have to stall replacement and rehabilitation of bridges.

In a sense this is a "must pass" bill. And today that automatically makes it a convenient vehicle for pork-seeking congressmen. So the bill authorizes an additional $900 million over five years for 152 highway "demonstration projects." The administration had proposed that these kinds of projects be included in the larger highway program; it would have brought them under the annual spending ceiling and required state or local matching funds. These conferees wrote the idea out of the bill.

The bill's $18 billion mass-transit authorizaion is twice what the administration requested. Questionable rail projects in such cities as Miami—which, at last check was attracting less than 5% of potential riders in Dade County—are in line for full funding commitments from federal taxpayers. The administration argues that it's unfair for cities—accounting for only 20% of the population—to receive 80% of mass-transit dollars.

Another item in the highway bill would permit Massachusetts to build a third Boston harbor tunnel and to reconstruct the central artery of I-90 as an underground highway instead of an elevated highway. This expensive undertaking will require a revision of the formula used to distribute interstate highway funds, apportioning a significantly larger share for Massachusetts.

Last year the members of Congress tacked so many costly superfluous amendments to the bill that it collapsed. The same thing is happeining this term. Back through the years when no one complained much about profligate federal spending, members of Congress just packed in the pork and burped their way to reelection year after year. We wonder whether the states aren't getting a little sick of the Washington politics of highway bills, which lately only guarantee that the states won't receive much-needed highway dollars any time soon. If the President vetoes this spending fatso, perhaps the members should hold the pork and just pass the bill.

Mr. KYL. Mr. Speaker, when the highway bill last came before the House, I voted to recommit it to the conference committee so that some of the fat could be trimmed. That battle was lost as the free spenders voted to keep all the pet pork projects that so heavily weigh down this important bill. Because of the necessity of funding the really needed highway and transit programs, after there was no other way to reduce its cost, I voted for the bill to keep it moving and to indicate my support for its provisions to raise the speed limit to 65. We now have an opportunity to reconsider the bill, and I must vote to support President Reagan's veto in a second effort to improve the bill and get at some of the fat.

Not all of the funds in this bill come from the highway trust fund; there are also significant general funds which are authorized, including $11.5 billion for mass transit grants. The administration's alternative would decrease the amount of transit funding coming from the general fund, and increase the amount coming from the Mass Transit Account of the highway trust fund.

The administration's plan would also address the inequities in the way the mass transit funds are distributed. One such inequity under the conference agreement, for example, is that the Los Angeles Metrorail project would consume a full 14 percent of the highway fund's mass transit account, even though the city has not even decided where to put it. The environmental review process is not even complete.

The administration has also rightly objected to the 152 demonstration projects in the bill which have not been selected through the established Federal-aid Highway Program procedures.

The administration's alternative bill cuts the pork, and provides for a more even distribution of funding among the States. It would eliminate funding for the demonstration projects, and it puts more money into formula programs. Despite its lower overall cost to the American taxpayer, many States, including Arizona, would come out ahead under the administration's proposal. Arizona gains $1 million under the President's plan for the transit program and $5 million for the highway program.

Mr. Speaker, I am distrubed at some of the rhetoric we have been hearing about this legislation—that if we do not override the President's veto, we will throw the economy into recession. There is no good reason why we can't pass a bill acceptable to the President and have it on his desk in a matter of days. The Democratic leadership controls the agenda in both Chambers. All the Democratic leadership has to do is allow the President's alternative—or something close to it—to reach the floor. If they don't, there is no one else to blame. I cannot believe they would be so irresponsible, so petulent, as to refuse to quickly submit a less costly alternative.

The conference agreement clearly can be improved. At the same time, many of the provisions, like the 65-mile-per-hour speed limit, should be retained. I don't particularly appreciate some of my eastern collegues holding the 65-mile-per-hour provision hostage in order to gain support for the override of the pork bill. Because of their threat, there is a risk that the 65-mile-per-hour provision will not be included in a subsequent highway funding bill. But paying a ranson of billions of dollars in Government waste just to secure the 65-mile-per-hour provision while we are faced with reducing the tremendous Federal budget deficit is not the answer. Moreover, 65 should not be the final word on speed limits. The real answer is to get the Federal Government out of the business of setting speed limits altogether, and return that authority to the States where it rightfully belongs. Even if adopted, we should not be satisfied with the speed-limit provisions of the bill, which should be viewed as only an interim measure at best.

For all these reasons, I hope the House will sustain the President's veto. The American taxpayers deserve it.

Mr. FAZIO. Mr. Speaker, 2 weeks ago the House of Representatives passed the surface Transportation and Uniform Relocation Assistance Act by a vote of 407 to 17. The Senate followed suit and agreed to H.R. 2 by an overwhelming vote of 79 to 17. President Reagan vetoed this bill because he claimed it was a budget buster. This is not true. The numbers in this 5-year bill are below the budget figures set by the House and Senate Budget Committees, as well below previous funding levels in 1985 and 1986. In January, the Reagan administration proposed a highway program that would cost $68.5 billion for 5 years. At $68.8 billion, H.R. 2 is almost identical to the administration's target. Furthermore, the President claimed that H.R. 2 is "filled with pork," yet, the demonstration projects he is referring to amount to less than 1 percent of the whole bill.

As we all well knew, this bill is critical to our Nation's transportation needs. If H.R. 2 is not approved by tomorrow, each State must cease awarding highway construction contracts. To the United States, this means a loss of almost $17 billion in construction funds and 800,000 jobs. To the State of California, this means that $500 million in State and local road projects will be unnecessarily delayed thereby incurring $50 million in additional costs. Also, over 22,000 full-time jobs statewide are at stake. Moreover, business and sales revenue generated by the State and local construction programs could drop by as much as $1.1 billion in 1987 and 1988.

The 5-year reauthorization bill, funds a number of Federal highway projects. In my home State, H.R. 2 provides for $1.6 billion in Federal funds to complete California's remaining interstate highway. And, in my district, H.R. 2 funds five projects including a $10.8 million project to construct a four-lane-expressway on Route 99/77 in Sacramento County. In the city of Vacaville, H.R. 2 provides for a $2.3 million project which would widen the Alamo Drive overcrossing on Interstate 80 from two lanes to four lanes. In addition, the bill includes two projects in Fairfield totaling $.75 million. Reconstruction of Holiday Lane from Oliver Lane to Travis Boulevard is planned as well as reconstructing East Tabur Avenue from North Texas to Dover.

H.R. 2 authorizes $68 billion nationwide for highways and $21 billion for mass transit over 5 years. California is slated to receive $5.5 billion over the same period of time. On behalf of the businesses and constituents in the Fourth Congressional District of California, I urge this body to override President Reagan's veto of H.R. 2.

Mr. BUNNING. Mr. Speaker, I rise to urge my colleagues to vote to override the President's veto of H.R. 2, the Surface Transportation and Uniform Relocation Assistance Act of 1987. I do so reluctantly because I have a great respect for President Reagan. However, he got some bad advice on this bill and his veto is just plain wrong.

This highway bill is not a budget buster. The average funding level of $13.6 billion a year for highways in the conference report is $1.3 billion less than we spent in fiscal year 1985. It is $1.7 billion less than the original 1986 funding level and it is even $1.1 billion less than the 1986 funding level after the Gramm-Rudman cuts.

That is an 11-percent cut from the 1986 level and a 7.5-percent cut from the 1986 funding levels after they were Gramm-Rudmanned. No one can call that busting the budget.

In fact, if we applied a similar 7.5-percent cut across the board on the entire Federal budget, we would easily meet the Gramm-Rudman deficit reduction target of $108 billion this year.

There is also the fact that the money that comes into the highway trust fund from the gasoline taxes is raised for the express purpose of constructing and maintaining our Nation's highways and transportation systems. That is all it can be spent for. It can't be spent for anything else and it certainly shouldn't be held on ice just to make the deficit look better on paper.

This bill keeps faith with the American motorist. We promised to use the taxes raised from gasoline sales to keep the roads in good shape and this bill does just that. It does it prudently. It does it well and it does it in a fiscally responsible manner. There is no deficit in the highway trust fund.

Of course, much to-do has been made about the demonstration projects in this bill. They are referred to as pork barrel projects. Well, Mr. Speaker, I have one of those demonstration projects in my district. I'm here to tell you that it is a good project. It's true that it was not high on the State's priority list but it's a good project and will mean a great deal to the economic development of the northern part of my district.

It's not pork and it's not boondoggle.

But regardless of the merits of this one demonstration project or any of them, it is important to keep in mind that these demonstration projects account for only 2 percent of the highway funds made available under this bill. The whole issue has been blown out of proportion. Calling this a pork barrel bill is like calling a strip of bacon a luau.

This bill means a lot to my district, my State, and the Nation. We cannot afford any more delay. There are six highway projects with a price tag of $6,712,000 in northern Kentucky awaiting passage of this bill. There are another 16 projects in Jefferson County, costing over $41 million, awaiting passage of this bill.

This bill is not a budget buster and it is not a pork barrel and it should be enacted.

Mr. OWENS of Utah. When President Reagan vetoed the surface Transportation Act of 1987, he killed a major piece of legislation which has been anxiously awaited by virtually every State in the Union, which have had to put their highway construction and repair on hold while they waited for funds. The delay in funding would likely result in a loss in the 1987 construction season and in nearly 5,000 jobs in my State of Utah.

The highway bill is great news for Utah. By encouraging the conference committee to retain the 4R formula, which provides the money for maintenance and repair of the highways, we were able to give the States the right to raise the speed limit on rural highways. But most importantly, it meant that Utah would receive $74.2 million in funds to put people back to work on our highways in Utah. On balance, Utah definitely comes off a big winner in the 1987 highway bill.

Unfortunately, the administration has chosen to hold up this much needed money in an attempt to flex its political muscle and save its image. The administration has called the bill a lemon and a budget buster, but has been hard pressed to come up with any specific complaints against the bill. They claim that the bill is too costly, and yet the figure, $87.5 billion over the next 5 years, falls within the budget targets, and is about $1 billion per year below last year's Gramm-Rudman-Hollings figure. Even more importanly, 87 percent of the money comes from the highway trust fund. This money cannot be spent on any thing but highway and mass transit programs.

The bill will create 800,000 jobs over the next 5 years, almost 5,000 in Utah. These are construction jobs, which do not include the jobs that will be created because of a more efficient highway system. And that is 800,000 jobs that the President is willing to jeopardize in order, in the words of Senator BOB DOLE, to "show that he is tough." These jobs will provide $195 million in consumer spending in the State of Utah alone, helping our local businesses and industries.

President Reagan complains that the highway is full of pork, referring to the demonstration projects to help correct specific, localized problems. There are, perhaps, more of these projects than I would have written in, but it is important to keep them in perspective. The moneys for the demonstration projects represents barely 1 percent of the total. For 1 percent of the bill, and in an attempt to show that they are still in control, the administration is willing to risk millions of Utah dollars, and thousands of Utah jobs. I trust that the House of Representatives is not willing to take the same risk.

Mr. FRENZEL. Mr. Speaker, every vote to override a Presidential veto is a source of some discomfort to many of us. The veto is often a threat, but seldom put to actual use. No President casts a veto lightly.

On this particular veto of the highway bill, the President's objections are serious, and I take them seriously. The bill is too expensive in a time of persistent deficits. On his overspending point, he is dead right.

For me the squeeze comes because my State has a rather short highway building and repair season. If the interstate construction estimates are not ratified, promptly, my State could lose an entire construction season. Neither our transportation system, nor our construction firms, nor their employees can stand the loss of a season.

My choice, then, is to vote for an unnecessary expensive bill, or to allow my State to absorb unnecessary economic loss. Often it is no fun to be a Member of Congress. Today is one of those times. I shall vote for my State's economic interest when I regretfully vote to override the President's veto.

Mr. TOWNS. Mr. Speaker, its is unfortunate that the President has decided to flex his political muscle on the backs of American workers and transit users who have waited patiently for Congress to enact Federal highway legislation.

As a member of the House Public Works Subcommittee on Surface Transportation, I know just how hard the House and Senate conferees have worked to bring this measure to a final vote. Unfortunately, the Surface Transportation Act has fallen victim to the usual charges of high expenditures and special projects. If I could comment, for a moment, Mr. Speaker, on the charge that this bill is merely pork barrel legislation. First, the demonstration projects are designed to meet real transportation concerns around the country. Second, the total amount spent on these projects amounts to only 1 percent of the amount authorized in the bill.

It would seem to me, Mr. Speaker, that the Congress should be more concerned about the state of the Nation's Interstate and Transit Systems than whether or not the President can demonstrate leadership. I would urge my colleagues to remember the impact that further delays will have on our constituencies: construction jobs will continue to be delayed, leaving many workers without employment; transit infrastructure will remain in disrepair; and the Nation's highway and bridge systems will continue to deteriorate.

Hopefully, the Congress will not let politics stand in the way of what is right: enacting the Surface Transportation Act now. I urge my colleagues to override the President's veto.

Mr. COLEMAN of Texas. Mr. Speaker, we must override the President's veto of the highway-transit reauthorization bill, which contains $72 million and affects 1,875 jobs for west Texas and the greater El Paso area.

The State of Texas will receive about $847 million in highway funds over 3 years under this legislation, and the El Paso area is scheduled for $42 million. The President's veto of the bill threatens this funding, which will support 1,800 highway jobs in my community. I represent a region whose economic future is tied to an interdependent and fragile border economy, and we can ill afford an economic blow of this magnitude.

The legislation also contains $30 million in operating subsidies and supports 75 transit-related jobs for the Sun City Area Transit [SCAT], which serves 9,750,000 passengers each year. Without this essential Federal assistance, local officials would be forced to either take that $30 million from other programs or raise it through taxes, and I don't think they should have to make that kind of decision. The city of El Paso has already risked its credit rating by raising $15 million from a bond issue, and the defeat of this highway bill would leave them high and dry. Unfortunately, the administration just does not believe in mass transit assistance to local governments, regardless of how important it is to communities like El Paso, and the President's veto was based partially on this consideration.

In terms of specific local projects, the President vetoed the $7 million rehabilitation project for the Cotton Street Bridge and the $33 million Loop 375 extension around Fort Bliss, which are critical to El Paso's economic development. Traffic congestion is acute in these areas, and in the case of the Cotton Street Bridge, the infrastructure is in such dire need of repair that trucks are no longer able to use it, thus creating additional bottlenecks for the flow of goods and commerce.

Another essential feature of this legislation is the requirement that at least 85 cents out of every dollar paid to the Federal highway trust fund be returned to the State that provided that dollar.

Prior to the enactment of this provision, Northeastern States such as New York and New Jersey were getting far more than their fair share, while larger States such as Texas were receiving far less from the Federal Government than the amount they had contributed.

Mr. Speaker, I urge my colleagues to override this veto. My position is not based upon anything other than the sincere belief that this legislation is good for west Texas and good for our interdependent border economy. I agree with the need to strengthen the Presidency and restore the stature of that great Office, but vetoing essential legislation and costing El Paso $75 million and 1,875 jobs is not the way to do it.

Mr. RAHALL. Mr. Speaker, the choice we have to make today is rather simple: Do we want a highway program for 1987 or don't we? If we in Congress fail to override President Reagan's ill-advised veto, our States stand to lose an entire construction season. Think of the thousands of jobs that will be lost in the construction industry. Think of the misery that will be inflicted upon 800,000 families who will be the victims of our action today.

What are our alternatives? The administration would like us to abandon a piece of carefully crafted legislation that represents months of bipartisan negotiation and compromise and to accept its version of a highway bill. Has anyone here had the time to even look at this proposal, which was delivered to Capitol Hill Friday afternoon at 5 p.m.? Did the President's messenger have trouble getting the document to the Hill because of all the potholes on the roads? Was he stuck in traffic on some road dying for repair? I can't help but think that if this bill was intended to construct roads leading to the Contra training camps it would stand a better chance of Presidential approval.

President Reagan indicated in his veto message that he has four major objections to the highway bill. If that is the case, why in fact does his bill call for approximately 30 policy changes in this country's transportation program? It defies any kind of reason that the Congress could responsibly act on such a proposal within a matter of days, or for that matter, even before this year's construction season is lost. So in the meantime, how about those potholes?

Mr. BIAGGI. Mr. Speaker, I rise in support of the notion to override the Presidential veto of H.R. 2, the Surface Transportation Act.

Simply put, the Presidential veto of this vital highway and mass transit improvement measure was ill-advised. The President justified his action by statements about the excessive and wasteful spending authorized by this bill for projects he and his advisers do not think are necessary. But, let's examine the true facts about this bill.

Granted, this bill does provide a total of approximately $87.9 billion in Federal spending over the next 5 fiscal years, but it's money well spent. We're talking about money for highway safety improvement. We're talking about money for repairing dangerously old and deteriorating bridges. We're talking about money for building new roads and making the old ones safer. We're talking about money for thousands of jobs that desperately need doing.

There is another major flaw in the decision to veto this measure due to cost considerations. Eighty-seven percent of the total funding authorized by this bill comes from the highway trust fund, which is made up of Federal gasoline tax revenue and other user taxes and accumulate at a rate of about $1 billion per month. The highway trust fund revenues cannot be used for anything but highway and mass transit programs. So, we really only have two choices. Either we spend highway trust fund dollars for the purposes they are intended, as proposed in H.R. 2; or we let those dollars sit unused while our Nation's highway and mass transit systems deteriorate to dangerous levels.

Mr. Speaker, the decision we must make today is an obvious one. We must override the President's veto. However, I would concede that the President was correct in raising the cost issue surrounding this bill. There is, indeed, a very high price tag associated with this bill—if it is not enacted. Nationwide, some 5,000 highway projects valued at an estimated $8.2 billion would be lost for this construction season, resulting in the loss of more than 800,000 construction jobs.

In my home State of New York, over 150 highway projects valued at more than $600 million would have to be delayed, meaning the loss of an estimated 16,000 jobs. In addition, there would be similar losses in the State's transit construction program.

Perhaps the cost issue surrounding this bill was best stated by the mayor of New York City, Ed Koch, in a letter he sent to President Reagan urging him to approve this legislation. In that letter, he said:

> For New York City your veto will mean a disruption of critical programs to rebuild local bridges and streets and to revitalize our mass transit system. Specifically, this will result in the loss of an entire construction season, as well as an estimated 1,500 jobs in the local construction industry, decay of our infrastructure, increased maintenance costs, and a severe decline in the service reliability of New York City's mass transit system—a system which is the sole means of transportation for millions of citizens.

These are the costs associated with this bill that I am concerned about, Mr. Speaker. And, it heartens me to know that all of these costs can be avoided if we vote to override the President's veto of H.R. 2. I urge my colleagues to join me today in voting to override, and in so doing, to save thousands of jobs in an industry with an unemployment rate of 12.5 percent; and to save billions of dollars in much needed highway and mass transit improvement projects.

Mr. KOLBE. Mr. Speaker, I regret in many ways the vote I'm going to cast today. I support some of the highway and transit programs. I understand the function of the highway trust fund derived from the gasoline tax. I also strongly support a change in the national maximum speed limit law so that States may raise their speed limits on rural interstate highways up to a maximum of 65 miles per hour. But the bill is fundamentally flawed in its structure, and I agree with President Reagan that the American people shouldn't be forced to swallow bad medicine just because there's a good deal of sugar mixed in.

Much has been made of threats by committee members that 800,000 jobs would be lost without passage of this bill. Where was that threat 6 months ago when we adjourned without taking up final consideration of the highway bill? The delay we've suffered is not President Reagan's fault. Congress can attempt to lay that blame on the President's doorstep, just as they attempt to lay the blame for the budget deficit on the President's doorstep. But when we had the bill in front of us—why wasn't action taken before to avoid this circumstance?

This bill contains 152 separate demonstration projects which have been requested by various Members from various districts. The cost of these construction projects is sure to expand well beyond current estimates. And the inclusion of these projects falls well outside the successful effort of State-Federal highway program cooperation. Often, when projects are of little merit, or low priority, State entities will not request that they be funded by the Federal Government. This is a reality born of finite fiscal resources. You don't build what you can't afford.

But Congress doesn't understand the meaning of the world finite. They look at the trust fund, and they see unspent money, and without looking toward tomorrow, without regard to priority and merit, we authorize these demonstration projects. To the States and contractors who benefit from these projects, it's manna from heaven. Without it, they continue their most urgently needed projects to provide the basic services their constituents expect from the Federal, State, and local governments. So isn't it time we reject "business as usual" and get back to basics on Federal highway programs?

Basics don't include huge allocations for the Los Angeles Metrorail above the beyond what current planning can utilize. And the basics certainly don't include expansion of the Boston interstate projects by nearly $1.1 billion.

President Reagan, in his veto message, has offered an alternative highway bill—without the add-ons, without the demonstration projects, and without unneeded bells and whistles. The distinguished members of the Public Works and Transportation Committee know their highway and transit bills inside out and backwards. They are highly skilled, highly intelligent individuals. I have the utmost faith that, given the real need for passage of a responsible highway bill, the members of the committee can come forward with a reasonable bill in rapid fashion that incorporates some of the good ideas proposed by the President.

As the Washington Post urged in its editorial on Sunday:

> Congress should uphold the veto, take a good, quick look at the President's alternative proposal and come up with a sensible compromise that could keep things going for now and provide time for fundamental

improvements in the Federal highway program before a next round can begin.

Mr. Speaker, the American people should not be held hostage and forced to accept an unsound bill. Let's do the responsible, the reasonable thing, and sustain the President's veto and get back to basics in our highway programs.

Mr. DYSON. Mr. Speaker, today I join my colleagues in overriding the President's veto of H.R. 2, the Surface Transportation Act. This action by the President was detrimental to the many highway programs in Maryland's First Congressional District, directly involving the safety of our citizens that travel these poorly maintained roads and freeways.

Congress last passed a program authorizing funds for our highways in 1982, setting funding levels through 1986. The 99th Congress adjourned without approving a new multiyear reauthorization, with the exception of the Interstate Construction Program, thereby allowing all highway and transit program authorizations to expire on September 30, 1986. By overriding the President's veto, we will ensure proper authorizations for our Nation's transportation needs by providing $13.9 billion annually through 1991 for construction and reconstruction of the interstate and secondary road projects in our country.

Just drive through southern Maryland and sit in the traffic, or drive around in Maryland's Eastern Shore and see the run-down bridges and roads—only then will you see why we need this bill so badly. As Congressman for Maryland's First District, I travel over 100,000 miles a year, witnessing firsthand the deteriorating conditions of our roads and highways. H.R. 2 is first and foremost a piece of legislation that will authorize spending from the highway trust fund for highway construction and repair, thereby correcting many of the poor driving conditions and safety hazards I have personally encountered on Maryland's highways.

President Reagan has accused this bill of being too excessive in its spending—I do not agree. Both in real dollar terms and in constant dollar value, the funding has declined—and will decline further with the enactment of this legislation. In fact, by its very nature, the Federal Highway Program cannot be labeled as a "budget buster." The program is financed by the self supporting Federal highway trust fund, which cannot exceed available funds. An overall decrease of 9 percent is expected in fiscal year 1987 from fiscal year 1986 under the provisions of the bill.

We will be taking a very responsible position that will save hundreds of thousands of jobs in the construction industry as well as preventing a highway crisis by taking action on this urgent matter today. Let's take a look at what this bill means to Maryland's First Congressional District.

Under H.R. 2, Calvert County will be allotted a total of $10.9 million in highway projects. Maryland Route 2 will have two projects: the Johnson Bridge to Route 497 will receive $5.5 million and route 497 to Parren Road will receive $5.4 million. Caroline County will be allocated $3.7 million for construction of the Maryland 404 Denton Bypass.

Cecil County will be receiving $20.6 million in six major projects. Maryland Route 213 will be allocated Federal aid for the renovation of two bridges: the Sassafras River Bridge will get $1.1 million and $6.6 million will go to the Bohemia River Bridge. The Amtrack line bridges will be refurbished at three locations: $4 million will go to the Maryland Route 213 Bridge, $3.2 million will go to the Maryland Route 268 Bridge, and $4 million will go to the bridge at Maryland Route 268. The U.S. Route 222 Bridge will receive $1.8 million.

With $84.1 million, the total highway funds allotted to Queen Anne's County is the largest share in the First Congressional District. U.S. Route 50, west of Cox Creek to the intersection of Route 301, is expected to receive $33.6 million while the Kent Narrows Bridge project has been selected to receive $43.8 million. Two other projects are also slated to receive substantial amounts of money in the proposed legislation. The Chester River Bridge restoration project will receive $4 million and Maryland Route 838 at Wye Island Road Bridge will be allotted the remaining $2.7 million.

Harford County will receive a hefty $30.2 million allotment divided amongst several locations: $15 million to Maryland Route 24 between I-95 and U.S. 1; $.5 million to Maryland Route 22 from Shamrock to I-95; $1.1 million to Maryland Route 23 at the Deer Creek Bridge; $11.6 million to Maryland Route 543 at the I-95 interchange; and $1 million to Maryland Route 755 at the Winner's Run Bridge.

Residents of Wicomico County will be assured of a major highway renovation as money awarded it under this bill totals $71.4 million. U.S. Route 50 will have $67 million in construction and reconstruction grants at the Vienna Bypass. Another $1.5 million will be spent on Maryland Route 313 at the Sharptown Bypass. A final $2.7 million will be directed to upgrade the Sharptown Bridge on Maryland Route 313.

Kent County will garner $4.5 million of the highway funds made available by H.R. 2. The Chester River Bridge on Maryland Route 213 will receive $4.3 million and another $.2 million will go to Cross Street on Maryland Route 289.

Somerset County has been awarded $6.9 million to refurbish its roads. Of that sum, $6.8 million will be spent upscaling Maryland Route 363 at Upper Thomas Road. The remainder will be directed to Maryland Route 363 from Hollis Corner to Crisfield Lane.

I am proud to join my colleagues in the 100th Congress by voting overwhelmingly to override the President's veto.

Mr. HOWARD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, just a few points in the closing of debate on this vital issue.

No. 1, immediate passage of this highway bill, and having it go into law is vital for the economy of this Nation. We have spoken about over 800,000 jobs being involved in this, and also the importance to the construction industry. We talk about the fact that we have roughly a 7 percent or so unemployment in this Nation. The construction industry unemployment at this time is 16.7 percent, and so it is vital that we do pass this bill because, should we not, it would be impossible for the House and the Senate and a conference committee to pass other legislation in order to save any part of this construction season.

The great bulk of this bill, almost all of it, is dedicated user fees, or as I like to call them, benefitter fees. When you buy gasoline, a certain amount of that goes to the highway trust fund. The more you drive the more you pay; the less you drive the less you pay; if you do not drive, you do not pay at all. What could be fairer than that?

Almost all this money is trust fund money; it cannot be used for any other purpose.

The administration and the President did say that in this bill we will be spending more than we take in. That is just not true. There is $9.7 billion today unused beyond what this bill would do; $9.7 billion in the trust fund today.

At the end of this bill, 5 years down the road, there will be almost $11 billion in that trust fund. So what we are doing—we are not spending more than what we take in; we are almost breaking our word with the American people in collecting the tax money and not spending it for these needed purposes.

Demonstration projects in this bill, the Members of Congress who vote for all the tax in this bill are dedicating and indicating 1.6 percent of it. That is all, 1.6; where the Secretary of Transportation, without it being public as our demonstration projects, without it being written down in the bill, without it being publicly voted on, she does not have 1.6 percent, she has 6 percent of the money in discretionary funds to be able to pass around throughout the country.

All the rest of the money goes to the State legislators.

□ 1430

And all the rest of the money goes to the State legislatures. Those State legislatures who do not raise the taxes or vote for the Federal money here will have the final say on all the other over 90 percent of the bill. So certainly the demonstration projects is a false issue.

One other issue, the 65-mile-per-hour speed limit. I do not know of anyone in either House of Congress who was more opposed to raising this speed limit up to the 65 or 75, as we know it will be in reality, should the States pass this.

Much as I oppose that increase, this total bill is much too important for the entire Nation to have us not pass this at this time. And the fact is for anyone who wishes to have the option of the States to go to 65, it can be done in only one way, and that is overriding this veto. If this veto is not overridden here and in the other body, the 65 is gone, at least for the remainder of this Congress.

As you know, the 65 passed in the House by 11 votes. A six-vote turnaround would have been able to defeat it. Commitments were made by people from the East, mainly, who voted for the 65 for the West, if they want it. Over 12 Members have already signed papers saying that if the West, and if the West wants to defeat this bill, then 65 will come back and those 12 will then not vote for 65 as they did, but vote against it. That 12 votes is a 24-vote turnaround. So that will be dead.

Mr. GRAY of Illinois. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. I will yield briefly to the gentleman from Illinois.

Mr. GRAY of Illinois. I thank the gentleman for yielding.

Mr. Speaker, as the author of the 65-mile-per-hour speed limit I want to agree with the chairman implicitly; it is either now or never.

Mr. HOWARD. As the author of the 55-mile-per-hour speed limit, I will have mixed emotions about what happens, but that is the fact.

The President said, pass another bill in 6 days, send it back and we will sign it into law.

We received the President's bill, maybe coincidentally, at 5 p.m. last Friday evening, 5 p.m.

Our staff worked, looking it over, Saturday, Sunday and yesterday. Unfortunately, there was no member of the administration available during all of that time to discuss the administration's bill. We have it here. It is a huge, large bill; not the four small items that the President talked about. There are over 30 major policy changes in this bill.

Should our committee do nothing else under our jurisdiction, whether it be water issues, aviation or anything else, it would take us at least until the early summer to be able to bring a bill here to the floor of the House.

The Senate would do the same. It would be early fall before we could possibly get a conference report on a measure this large back to the House of Representatives, and these 800,000 jobs will be lost and will be lost for the entire good. We cannot get this year's construction season back again.

So I urge the Members to please sustain the Congress. Four hundred and seven of you voted for this bill when we brought it before the House as a conference report, 407.

This bill is just as good now as it was a couple of weeks ago. So if we want to progress in the construction, in the building and rebuilding of this Nation, then we should certainly vote for this override.

I thank the members of my committee, the staff, and the Members of the House for attention on this vital matter.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The question is, will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding.

Under the Constitution this vote must be determined by the yeas and nays.

The vote was taken by electronic device, and there were—yeas 350, nays 73, not voting 10, as follows:

[Roll No. 39]

YEAS—350

Ackerman
Akaka
Alexander
Anderson
Andrews
Anthony
Applegate
Aspin
Atkins
AuCoin
Barnard
Bateman
Bates
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Biaggi
Bilbray
Bilirakis
Boehlert
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Brown (CA)
Bruce
Bryant
Bunning
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Cheney
Clarke
Clay
Clinger
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Conyers
Cooper
Courter
Coyne
Craig
Crockett
Darden
Daub
Davis (IL)
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fazio
Fields
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frenzel
Frost
Gallo
Garcia
Gaydos
Gejdenson
Gibbons
Gilman
Glickman
Gonzalez
Goodling
Gordon
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hiler
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jacobs
Johnson (CT)
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Konnyu
Kostmayer
LaFalce
Lancaster
Lantos
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Lott
Lowery (CA)
Lowry (WA)
Luken, Thomas
MacKay
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCurdy
McDade
McEwen
McGrath
McHugh
McKinney
McMillen (MD)
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (WA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Morella
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Packard
Panetta
Parris
Pashayan
Patterson
Pease
Penny
Pepper
Perkins
Petri
Pickett
Pickle
Price (IL)
Price (NC)
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Richardson
Rinaldo
Ritter
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schroeder
Schuette
Schulze
Schumer
Sharp
Shaw
Shuster
Sikorski
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith, Robert (OR)
Snowe
Solarz
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stark
Stenholm
Stokes
Stratton
Studds
Sundquist
Swift
Swindall
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolpe
Wortley
Wyden
Yates
Yatron
Young (AK)

NAYS—73

Archer
Armey
Badham
Baker
Ballenger
Bartlett
Barton
Bliley
Boulter
Broomfield
Brown (CO)
Buechner
Burton
Coats
Coble
Coughlin
Crane
DeLay
DeWine
Dornan (CA)
Dreier
Fawell
Gallegly
Gekas
Gingrich
Gradison
Gregg
Gunderson
Hansen
Hefley
Henry
Herger
Hunter
Hyde
Inhofe
Ireland
Jeffords
Kasich
Kemp
Kolbe
Kyl
Lagomarsino
Latta
Lujan
Lukens, Donald
Lungren
Mack
McCollum
McMillan (NC)
Miller (OH)
Molinari
Moorhead
Oxley
Porter
Pursell
Rhodes
Roberts
Roth
Schneider
Sensenbrenner
Shumway
Sisisky
Slaughter (VA)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Solomon
Stump
Sweeney
Walker
Wolf
Wylie
Young (FL)

NOT VOTING—10

Annunzio
Daniel
Dannemeyer
Edwards (OK)
Feighan
Gephardt
Jenkins
Morrison (CT)
Ridge
Rostenkowski

☐ 1450

The Clerk announced the following pair:

On this vote:

Mr. Gephardt and Mr. Jenkins for, with Mr. Edwards of Oklahoma against.

Mr. GUNDERSON changed his vote from "yea" to "nay."

So, two-thirds having voted in favor thereof, the bill was passed, the objections of the President to the contrary notwithstanding.

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will notify the Senate of the action of the House.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken after dabate has been concluded on all motions to suspend the rules.

CONCERNING VIOLATIONS BY THE SOVIET UNION OF ITS INTERNATIONAL HUMAN RIGHTS OBLIGATIONS

Mr. YATRON. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 34) concerning the continued violations by the Soviet Union of its international human rights obligations, especially its violations of the right to emigrate.

The Clerk read as follows:

H. Con. Res. 34

Whereas the Soviet Union is obligated, under the Universal Declaration of Human Rights, the International Covenants on Human Rights, and the Final Act of the Conference on Security and Cooperation in Europe, to respect human rights and fundamental freedoms, including the internationally recognized right to emigrate;

Whereas, despite its international obligations, the Soviet Union continues to deny to many of its citizens their basic human rights and to incarcerate individuals, known as "Prisoners of Conscience", for attempting to exercise these rights;

Whereas, the Soviet authorities have been waging a concerted campaign against teachers of Hebrew and other Jewish activists, including imprisoning Soviet Jews for their efforts to emigrate or exercise their cultural and religious rights;

Whereas the Soviet Union recently adopted emigration regulations which do not guarantee the internationally recognized right to emigrate and, in fact, deny the right to emigrate for any but narrowly defined "personal reasons", which codify the previous pretexts for denying emigration even in cases involving the reunification of immediate families, and which substantially reduce the number of individuals eligible to apply to emigrate; and

Whereas 400,000 Soviet Jews have indicated, at considerable personal risk, their desire to leave the Soviet Union, but during 1986 less than 1,000 were allowed to emigrate: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress—

(1) strongly protests the continued violations by the Soviet Union of its international human rights obligations, especially its issuance of restrictive new emigration regulations;

(2) declares that continued human rights abuses by the Soviet Union, especially its refusal to permit all those who wish to emigrate to do so, seriously affect the atmosphere for productive negotiations between the United States and the Soviet Union on other aspects of our bilateral relations and make it more difficult for the United States to reach viable agreements with the Soviet Union;

(3) calls upon the Soviet authorities immediately to release all "Prisoners of Conscience" and immediately to permit all "refuseniks", divided spouses, and others who wish to emigrate to do so; and

(4) dedicates itself to support, as a priority during the 100th Congress, the restoration of internationally recognized human rights to all Soviet citizens, especially restoration of the right to emigrate to those Sovit Jews and others who have requested exit visas.

The SPEAKER pro tempore (Mr. Gray of Illinois). Pursuant to this rule, a second is not required on this motion.

The gentleman from Pennsylvania [Mr. Yatron] will be recognized for 20 minutes and the gentleman from New York [Mr. Solomon] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. Yatron].

□ 1500

Mr. YATRON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I strongly support House Concurrent Resolution 34, legislation concerning continued violations by the Soviet Union of its international human rights obligation, especially its violations of the right to emigrate.

Virulent anti-Semitism continues to be a hallmark of Soviet policy, as the Government attempts to destroy every vestige of Jewish culture and identity. Mr. Gorbachev's new policy of democratization is promising, but is it substantive. We have not yet seen a significant change in Soviet human rights policy. The harassment of Jewish activists has not decreased, anti-Semitism pervades the government-sponsored media, and Jewish homes are still not safe from illegal search and seizures.

Mr. Speaker, hearing the latest reports about the political prisoners who have either been released or are to be released in the near future, as well as the scheduled increase in the number of emigres permitted to leave the Soviet Union is encouraging. But it is just a beginning. This Congress must keep the issue of Soviet Jewry on the international agenda. As long as even one Jew remains in the Soviet Union against his or her will, our battle must continue. The Soviet Union is sensitive to external criticism of its domestic practices. It is, therefore, incumbent upon us to make sure that our Government puts human rights on the same level with arms control.

I would like to commend the distinguished gentlemen from Florida and Michigan, Chairman Fascell and Mr. Broomfield, for their excellent leadership on this vital issue, as well as other major issues which come before this committee.

Mr. Speaker, I would like to bring to your attention, and to the attention of my fellow colleagues, a recent article from the March 25 edition of the New York Times on the emigration of Jews from the Soviet Union. I also want to mention the plight of a particular Jewish family from the Soviet Union who is trying desperately to come to the West.

Soviet Emigration of Jews Is Highest in Last 5 Years

(By Philip Taubman)

Moscow, March 24.—More than 400 Soviet Jews have so far received permission to emigrate in March, the highest monthly figure since the end of 1981, Western diplomats and Soviet officials said today.

While still far below the rate of the peak year of 1979, when more than 4,000 Jews left each month, the March figure—expected to go as high as 500—represents a sharp rise over the monthly rate in the last five years and a fourfold rise over January.

If the increase continues, it could ease one of the major problems in Soviet-American relations. The Reagan Administration has stressed that improvement in ties could not occur without liberalized Soviet emigration.

[Jerry Goodman, executive director of the National Conference on Soviet Jewry, said that if the figure of 500 was reached this month, it would be "the first significant step in unfreezing the backlog" of Jews seeking to leave.]

MINORITIES GET PREFERENCE

Emigration from the Soviet Union is generally restricted for all citizens, but Jews and some other minorities, notably ethnic Germans and Armenians, have been getting preferential treatment by being permitted to leave in substantial numbers over the years on grounds of family reunification. The Jewish exodus reached a peak of more than 51,000 in 1979 before dropping off. Last year 914 Jews left.

The increase in emigration this year follows the release of close to 100 dissidents imprisoned or sent into exile for criticizing Government policies.

Under Mikhail S. Gorbachev, the authorities have moved in several areas to open up Soviet society, both to energize the nation and to reduce outside criticism.

NO BASIC CHANGE EXPECTED

Some Western diplomats said the steps in Jewish emigration seemed intended mainly for foreign consumption and were motivated less by a change in attitude about emigration in general than a desire to lessen friction with the West by allowing Jews to leave.

President Reagan and other Western leaders have tied progress on human rights issues, including the easing of restrictions of emigration, to advances on other issues, including arms control and trade.

The Moscow diplomats said that Mr. Gorbachev might also hope to limit the possibility of anti-Soviet demonstrations if he visits Washington later this year. American Jewish groups have threatened protests.

The diplomats said the Jewish emigration rate started to increase in February, reaching a level of about 250 who had received visas.

"These are people who have either left or are about to go," one diplomat said.

In New York, the National Conference said the number who actually left were 98 in January, 146 in February, and 370 through March 21. But diplomats said the number of those who had received permission so far this month to leave was already more than 400.

The Moscow diplomats said the rise in Jewish emigration suggested that the authorities were following through on promises to review the backlog of applications, estimated at more than 10,000. So far this month more than 400 Jews have received visas, and about a hundred others are expected to get them by April 1. An exact count is unavailable.

Last week a Soviet official said in Washington that 10,000 to 12,000 Jews were likely to get exit visas this year.

MOST DO NOT GO TO ISRAEL

Under current procedures, most Jews emigrating from the Soviet Union leave on the basis of visas listing Israel as the country of destination.

The Soviet Union severed diplomatic relations with Israel during the 1967 Arab-Israeli war. The Dutch Embassy represents Israeli interests here and issues Israeli visas to Jews who receive Soviet exit permits.

In recent years, however, an increasing number of Soviet Jews have chosen instead to go to the United States once they arrive in Vienna, usually the first stop for emigrants.

The Israeli Government has been pressing the United States not to admit Jews directly from the Soviet Union and to have them proceed first to Israel on the basis of their Israeli visas. But the United States has insisted that the country of destination for Soviet Jewish emigrants be a matter of free choice.

Soviet officials have cautioned that a return to the large-scale emigration of the 1970's was unlikely. A total of more than 260,000 Jews have been allowed to emigrate since the exodus began in the late 1960's.

There are now about 1.7 million Jews in the Soviet Union, out of a population of 280 million, and the Israeli authorities and some Jewish groups abroad contend that as many as 400,000 still want to leave. Soviet officials say the number of would-be Jewish emigrants is far smaller.

There is no estimate of the number of other Soviet citizens who would want to emigrate if the barriers ever were lowered.

A new emigration law that took effect Jan. 1 allows emigration mainly on grounds of family reunification and was presented by Soviet officials as a codification of existing rules.

American officials and a number of Soviet émigrés contended that the new law was more restrictive than previous practice because it justified emigration only on the ground of reunification with close family members, excluding more distant relatives such as grandparents, cousins, uncles, and aunts.

Richard Schifter, an Assistant Secretary of State for Human Rights and Humanitarian Affairs, said in January that 30,000 to 40,000 people would be eligible to leave under the new law.

Today, Western diplomats said that Soviet officials appeared to be interpreting the law more broadly than expected, allowing Jews with distant relatives in the West to leave.

"What we may be seeing is a housecleaning of those who have been waiting for years to go, but once that group has been thinned out, the rate will tighten up again," a diplomat said.

Word of the increase has started to spread among Moscow Jews who have had emigration applications pending for years. Many have been asked by the authorities to reapply.

Almost all those who have applied have lost their jobs. Emigration is considered virtual treason in the Soviet Union, and would-be emigrants are generally ostracized by Soviet society.

INCREASE CALLED SIGNIFICANT

Jerry Goodman, executive director of the National Conference on Soviet Jewry, said yesterday in an interview from Jerusalem:

"Certainly, if this number reaches the anticipated 450 to 500 this month, it would represent the first significant step in unfreezing the backlog.

"It is not yet a solution to the overriding problem of hundreds of thousands we are confident wish to leave. But it is nevertheless a move in that direction which bears promise for the future and it is something we will watch with eagerness."

The National Conference is an umbrella group of nearly 50 American organizations.

Mr. Speaker, as chairman of the Subcommittee on Human Rights and International Organizations, I am heartened by this report on Soviet emigration of Jews. But the Soviet Union has a long way to go. Although we have been led to believe that those Jews in the Soviet Union who wanted to emigrate have left, we cannot be deceived. We know about the separated families, the imprisoned activists, and the oppressed Jewish community. In my district, Larry and Linda Goldberg learned firsthand about this repression when their son Jason was to be in a twinning program for his bar-mitzvah with Vitaley Levitsky from the Soviet Union. Well, Jason never did see Vitaley. He and his mother and father were denied, and continue to be denied, exit visas from the Soviet Union. There are hundreds of cases such as the Levitsky's. All of us have an obligation to help these people, to make sure that the truth is not distorted so that they may someday be free.

I would like to commend organizations such as the National Conference of Soviet Jewry for the excellent work they do, not only on Jewish emigration, but on all aspects of human rights for the Jewish community. In particular, I would note the efforts of Mr. Mark Levin who keeps Members of Congress well-informed on these important issues.

Mr. Speaker, I reserve the balance of my time.

Mr. SOLOMON. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan [Mr. BROOMFIELD].

Mr. BROOMFIELD. I thank the gentleman for yielding me this time.

Mr. Speaker, I am happy to join with the gentleman from Pennsylvania [Mr. YATRON] and the gentleman from New York [Mr. SOLOMON] and the leadership and many others in the House in strong support for House Concurrent Resolution 34, to protest the Soviet Union's continued violations of its human rights obligations.

The current leadership in the Soviet Union has made much of its so-called policy of glasnost or openness in recent propaganda pronouncements. The changes accompanying the new Soviet propaganda initiative do not reflect any Soviet shift toward democracy and human rights. Americans should not be misled into thinking that the Soviets are moving away from a centralized state run by a single Communist party which controls all aspects of political, economic, and social life.

Americans must understand that, when Gorbachev speaks of democratization, he means that power over some matters—primarily minor economic matters—may shift from one set of Communist Party bureaucrats to another set of Communist Party bureaucrats. He does not mean that the Communist Party will yield any measure of freedom to citizens of the Soviet Union.

Much has been made in recent weeks of the release from the gulag of a small number of Soviet dissidents. We should hardly view as some great liberalization the Soviet decision to shift in a handful of cases from outrageous and intolerable abuse of Soviet citizens, to merely disgusting abuse of them.

In spite of claims about new emigration regulations, only 914 Jews left the Soviet Union in 1986. Although this year's emigration statistics are encouraging, this is a slow beginning. Let us not forget that over 50,000 Jews left that country in 1969. It is regrettable that the much publicized new emigration regulation denies the right to emigrate to all but those having "personal reasons." 400,000 Jewish men, women, and children still want to leave that country.

Antisemitism continues to be a part of Soviet policy and Jewish activists are still harassed. There are still many separated families as well as refuseniks who are denied the right to leave the U.S.S.R.

If the Soviet leaders want better relationships with the West on such matters as trade and arms control, they should observe the internationally recognized human rights of all Soviet citizens, and especially of Soviet Jews, whose emigration the Soviets have consistantly blocked.

I urge my colleagues to vote to suspend the rules and pass the resolution to sent the Soviets a clear message on human rights.

Mr. YATRON. Mr. Speaker, I yield such time as he may consume to the chairman of the Foreign Affairs Committee, the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in support of House Concurrent Resolution 34, which I introduced along with the distinguished ranking minority member of the Committee on Foreign Affairs, Mr. BROOMFIELD, on behalf of the entire bipartisan leadership of the House. This resolution expresses the sense of the Congress regarding continuing violations by the Soviet Union of its international human rights commitments, especially the right to emigrate.

This resolution is, in part, a response to emigration regulations promulgated in the Soviet Union late last year which became effective on January 1, of this year. These regulations actually limit the number of people eligible for emigration by codifying the restrictive Soviet practices which have been in effect since 1979.

Mr. Speaker, the resolution highlights the plight of Soviet Jews and others whose basic human rights have been denied. It calls upon the Soviet Union to release all prisoners of conscience and permit all refuseniks, divided spouses, and others who wish to emigrate to do so. The resolution has nearly 200 cosponsors and is similar to one passed by the Senate earlier this session.

Emigration of Soviet Jews, on which this resolution focuses was, in 1986, at its lowest in 15 years. While approximately 400,000 Soviet Jews have indicated a desire to emigrate, only 914 Jews were permitted to leave last year. Despite expectations of a significant change in Soviet human rights policy and increased emigration, this dismal trend of low emigration rates continued in the first 2 months of 1987.

I am pleased to note, however, that the emigration figures for March will reflect a significant increase in the rate of Soviet Jewish emigration, up to somewhere between 400 and 500. We are very hopeful that this increased level represents the start of a trend. I understand that American Jewish leaders were in Moscow last week to discuss with Soviet authorities this issue and that those authorities have indicated a readiness to increase significantly the rate of Jewish emigration and to improve the situation for those Jews who remain in the U.S.S.R. I hope that Soviet actions in the coming months in the area of human rights, including the resolution of all refusenik cases, the release of all prisoners of conscience, and the reunification of all divided United States-Soviet spouses and families, will make future resolutions on this issue unnecessary. However, I believe that passage of House Concurrent Resolution 34 at this time will demonstrate to the Soviet Union the concern that we in the Congress share with the American Jewish community and others over this issue.

The Committee on Foreign Affairs considered the measure last week and ordered it reported favorably. We are bringing it to the floor now, Mr. Speaker, in order to allow Members an opportunity to express their concern and the House to act on this important issue before the Easter recess. As you know, our distinguished Speaker, Mr. WRIGHT, is leading a delegation of members to the Soviet Union during the recess. An expression of overwhelming congressional concern on the issue at this time would bolster the delegation's efforts to convince their Soviet hosts of the need for significant human rights progress as an essential component of improved bilateral relations.

Mr. Speaker, I urge the unanimous adoption of this resolution.

Mr. YATRON. Mr. Speaker, I yield such time as he may consume to the gentleman from Maryland [Mr. HOYER], the Chairman of the Helsinki Commission, who has been a leader in human rights.

Mr. HOYER. I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in strong support of House Concurrent Resolution 34, and would like to commend the chairman of the House Foreign Affairs Committee, DANTE FASCELL, for bringing this measure to the floor.

This resolution is about human lives and human freedoms. It strongly protests continued human rights repression in the Soviet Union—and especially the new emigration regulations that ultimately may restrict the basic human right to choose one's place to live.

Many may question why such a resolution is so important—and necessary—today. After all, we are told, this is the age of Glasnost—or breathtaking change, liberalization, and openness, of an apparent thaw in the long Siberian winter of Stalinism. Dissidents have been released, censorship has been lifted a bit, and there's talk of secret ballot elections.

And just recently, American Jewish leaders who have returned from the Soviet Union say they are encouraged by signs that emigration will increase this year and that restrictions on Jewish life will be loosened.

So why a resolution condemning Soviet human rights and emigration practices? Because for years we have been hearing Soviet Human rights promises without seeing any real human rights results.

Earlier this morning the Helsinki Commission heard testimony from Irina Ratushinskaya, the dissident Soviet poet who served time in prison simply for expressing her thoughts in poetry. And she warned us not to get carried away by Glasnost, not to erase the boundary between Soviet promises and Soviet realities.

Mr. Speaker, Soviet history teaches us that enticing moments of reform are often followed by long, gray years of repression. Today, even with Glasnost, there's still the Soviet reality of forced labor, psychiatric abuse, 400,000 refuseniks, and rigid bureaucratic controls.

In 1975 the Soviet Union joined 34 other nations in signing the Helsinki Final Act. This is a solemn document, because it commits signatory states to basic human rights—to freedom of speech, religion, and movement, to family reunifications, to the free flow of ideas. The Soviet Union is far from living up to these commitments.

And so today, as we hear new Soviet promises, we remain wary. We welcome the gestures of Glasnost but look for certainties that basic human rights and freedoms will not be violated again.

With this resolution, we are saying to the Soviets that progress will not be measured by the number of dissidents released, but by the elimination of arbitrary arrest and confinement altogether.

With this resolution, we judge Soviet human rights practices not by the monthly figures of freed refuseniks, but by the end to all restrictions on emigration—and the guarantee that the new emigration law, with its narrow emigration requirements, will not restrict emigration after an initial round of releases.

Ultimately, Mr. Speaker, we will view the Soviet Union and its human rights practices by the way that country lives up to its commitments under the Helsinki accords. That, really, is what this resolution is all about. I urge all my colleagues to support this resolution—and remind the Soviets that we are watching.

Mr. Speaker, I would again like to congratulate the sponsors of this legislation and the committee on bringing this resolution to the floor in such a timely fashion.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of the resolution. I wish to commend both Chairman FASCELL of the committee and, of course, BILL BROOMFIELD, the senior ranking Republican member for introducing it and expediting its passage to the floor, as well as my good friend and the chairman of the Subcommittee on Human Rights, GUS YATRON.

Mr. Speaker, in these recent months, we have all heard a lot of discussion about glasnost, what the Soviets call openness. And with all of the blandishments of a professional con man, Mr. Gorbachev has orchestrated a sophisticated window-dressing campaign that is aimed at masking the damaging realities of life in the Soviet Union today. But all of Gorbachev's smiles and expressions of good will cannot erase the truth. Make no mistake: The Soviet leadership remains committed to the perpetuation of a dogma that substitutes the worship of God with the worship of man—the idolatry of the Soviet state.

The truth behind glasnost is revealed by the fact that in 1986, the year when so-called openness was introduced in the Soviet Union, only 914 Jewish people were allowed to emigrate from Gorbachev's workers paradise. That is the second smallest 1-year total since 1968. Moreover, the State-sponsored anti-Semitism that has been accelerating since the waning years of the Brezhnev regime shows no signs of abating. And by passing this resolution today we are declaring our solidarity with those brave people in the Soviet Union whose faith and courage have brought them into conflict with the Godless ideology that has sponsored the greatest assault on the human spirit that the world has ever witnessed.

I realize, Mr. Speaker, that this morning's newspapers are carrying stories that the Soviets may allow as many as 11,000 Jewish people to emigrate this year. We all hope that this may be true. But let us remember President Kennedy's warning that "civility is not a sign of weakness, and sincerity is always subject to proof." I am particularly glad that this resolution makes reference to the fact "continued human rights abuses by the Soviet Union, especially its refusal to permit all those who wish to emigrate to do so, seriously affect the atmosphere for productive negotiations between the United States and the Soviet Union * * *" may we never lose sight of this linkage. And I urge the unanimous adoption of this resolution.

□ 1510

Mr. YATRON. Mr. Speaker, I yield 3 minutes to the chairman of the Human Rights Caucus, the distinguished gentleman from California [Mr. LANTOS].

Mr. LANTOS. Mr. Speaker, first, I would like to commend the chairman of our committee, the gentleman from Florida [Mr. FASCELL] and the chairman of the subcommittee, the gentleman from Pennsylvania [Mr. YATRON] for the outstanding job they have done in bringing this resolution before us.

I think at a time when the whole western world is wondering whether Mr. Gorbachev really means it when he talks about opening up, it is important for us to send a message to him, and the message could not be more timely than it is today, the day when the Prime Minister of the United Kingdom, Mrs. Thatcher, is in Moscow and just a few days before our own Speaker, as well as our own Secretary of State, will be in Moscow dealing with Mr. Gorbachev.

It has been my impression that the Soviets have acquiesced in treating human rights as sort of an obligatory side issued that the American people and the American Congress and the American administration are interested in.

As long as that is the case, Mr. Speaker, we will not be talking on the same wave length, because human rights is central to the concerns of the American people and the American Congress.

I applaud Mrs. Thatcher, who made it clear to Mr. Gorbachev that it is unrealistic to expect progress in the field of arms control and arms reduction unless arms control and arms reduction is inextricably intertwined with the issue of human rights. If the Soviet Union violates its commitments on human rights, we have every reason to suspect that they will violate their commitments in the fields of arms control and arms reduction.

We are, therefore, unanimous, Republicans, and Democrats in this body and across the land in telling the Soviet Union and its new leadership that human rights must be addressed by them as a central issue between the United States and the Soviet Union and once that is done, once their people are given elementary freedoms, freedoms that we take so much for granted, then the atmosphere will be present hopefully for progress on other issues.

Human rights are indivisible. Christians and Jews and Moslems throughout the Soviet Union have a wide range of human rights complaints. They must all be addressed.

It is high time this powerful industrial society recognizes that it has grown up, that it can no longer trample upon the elemental rights of the people who live within its borders.

The Congress will not go away on this issue, Mr. Speaker. We will insist every day and every year that the Soviet Union live up to its international obligations under the Helsinki accords and other agreements, and once it does, the climate of this tiny globe will improve for the better.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. PORTER], who is the cochairman of the Human Rights Subcommittee.

Mr. PORTER. Mr. Speaker, I thank the gentleman for yielding this time. I commend the gentleman from Pennsylvania [Mr. YATRON] and the gentleman from New York [Mr. SOLOMON] for their leadership on this issue and for bringing this resolution to the floor of the House.

Mr. Speaker, there are good signs. Let us be honest. The numbers were up last month. These are the overall numbers, not just the refusenik celebrities and prisoners of conscience, but people. That is a good sign.

Recently I went to the Soviet Embassy. I had been there before. I went there to attempt to obtain a Propiska, or an internal passport, for a man who had just been let out of the Soviet prison and could not get a job or a place to live in his hometown of Leningrad without that Propiska.

Frankly, Mr. Speaker, I was received courteously. I was listened to respectfully. The discussion was for the first time in my memory relevant to the subject I was bringing before the people of the Embassy and the Propiska has been issued.

Perhaps there has been a change of heart, but frankly, Mr. Speaker, we have to remain skeptical. Even yesterday as Prime Minister Thatcher was urging upon the Soviets a question of human freedom and rights under law, Mikhail Gorbachev replied with the usual Soviet hard line about unemployment in the United States.

Mr. Speaker, today I am wearing a green ribbon to bring to the attention of the Members and the American people the case of Dr. Benjamin Charney, a Moscow refusenik suffering from the deadliest type of skin cancer, malignant melanoma.

Dr. Charney is the last of five cancer patients who applied together last year still in the Soviet Union. Two of these individuals were saved, but because of delays in permission to emigrate, two others have died. Dr. Charney remains.

Dr. Charney has been waiting since 1979 to join his brother in the United States and receive the medical care he so desperately needs. He has repeatedly been refused permission to emigrate on the grounds of a security clearance.

Mr. Speaker, Dr. Charney left a job that had nothing to do with security more than 15 years ago.

This is a matter of life and death. I invite my colleagues to join and show their concern over Dr. Charney's plight by wearing a green ribbon, a symbol of the life now endangered by malignant melanoma and the Soviet bureaucracy, and I urge my colleagues to support this resolution urging, yet again upon the Soviet Union, adherence to standards of basic human rights and human conduct that all civilized nations observe.

Mr. YATRON. Mr. Speaker, I have no further requests for time.

Mr. SOLOMON. Mr. Speaker, I yield 4 minutes to the gentleman from New York [Mr. GILMAN], an outstanding member of the Foreign Affairs Committee.

Mr. GILMAN. Mr. Speaker, I rise in strong support of the measure now before us, House Concurrent Resolution 34, and I want to commend the distinguished chairman of our Foreign Affairs Committee, the gentleman from Florida [Mr. FASCELL], and our ranking member, the gentleman from Michigan [Mr. BROOMFIELD], along with the distinguished chairman of our subcommittee, the gentleman from Pennsylvania [Mr. YATRON], and the rankng member, the gentleman from New York [Mr. SOLOMON], for bringing this measure to the floor today for full House consideration; and I commend the gentleman from Maryland [Mr. HOYER], the gentleman from Illinois [Mr. PORTER], and the gentleman from California [Mr. Lantos] for their supporting remarks.

House Concurrent Resolution 34 expresses the sense of Congress regarding the recently implemented restrictive Soviet emigration regulations, which severely limit those individuals who will be allowed to emigrate from the Soviet Union for family reunification purposes.

Webster's new collegiate dictionary defines a family as "a group of persons of common ancestry." Yet the Soviet Union, through its implementation of these restrictive regulations, has defined a family as consisting only of first degree relatives, that is, parents and children, brothers, sisters, and spouses. Grandparents are not included, nor are first cousins, aunts, uncles, or other relations. Such a narrow definition distorts what we know to be reality. Whether one is a Soviet or an American, British, or Italian, families usually involve a larger number of people than the nuclear group. By all definitions, whether anthropological, sociological, or literal, any family is the sum of its many parts. By adopting these new regulations, Soviet officials seek to create an imbalance of the natural norm. And it is to this cruelty, aimed primarily at Soviet Jews, that House Concurrent Resolution 34 addresses itself.

In the last few months the world has witnessed some changes in the Soviet Union and the leadership's attitude toward its people and their lives.

Some human rights activists, among them Soviet Jews, have been released from labor camps and prisons, although many more still remain unjustly incarcerated. Yet of those Soviet Jewish prisoners of conscience who have been released, only Zachar Zunshine has been allowed to emigrate. Long-term refuseniks such as Ida Nudel and the Slepaks continue to languish even though under the new regulations, they clearly qualify for family reunification and hundreds of thousands more are awaiting the right to emigrate from the Soviet Union.

A number of interviews with Soviet officials in the Western media have yielded responses like "if people aren't happy here in the Soviet Union, they should be able to leave." Of course, we know that isn't possible. Theory and practice in the Soviet Union are often mutually exclusive. Our support for the principles of the Helsinki Final Act and the International Declaration on Human Rights have not diminished in the least; on the contrary, our commitment to human rights for Soviet Jews and others is greater than ever.

Mr. Speaker, House Concurrent Resolution 34 is the result of Natan Shcharansky's personal visit to numerous Members of Congress and the leadership of both parties. It is a measure that requests compliance with one of the most basic of human rights, the right to be with one's family. Accordingly, I urge my colleagues to support this measure overwhelmingly, and in so doing, to send a clear signal to the Soviet Government that the new restrictive emigration regulations impinges upon human rights.

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Mr. SOLOMON. Mr. Speaker, I yield 1 minute to a new Member of the House, the gentleman from Arizona [Mr. Kyl].

Mr. KYL. Mr. Speaker, as a cosponsor of this legislation, I rise in strong support of House Concurrent Resolution 34.

I think it is important that this measure comes before us today, so soon after it has been announced that more than 400 Soviet Jews were given visas to emigrate in March. We must not allow ourselves to think that the granting of emigration visas to 400 Soviet Jews in 1 month even begins to address the restoration of this internationally recognized right. Remember, in 1979, when Jewish emigration was at its highest, more than 4,000 Jews left each month. Remember too, that there are 400,000 Soviet Jews who have indicated their desire to leave the Soviet Union but have not been allowed and are suffering because of this desire.

This resolution dedicates the 100th Congress to support, as a priority, restoration of emigration rights in the Soviet Union. I emphasize the word "restoration." On this issue, despite cosmetic actions orchestrated to match their glasnost rhetoric, the Soviets still violate their obligations under international agreements to respect basic human rights and freedoms, including the right to emigrate. This resolution is important because it sends the signal that we will not be fooled by empty actions and that the historic 100th Congress, in the historic 200th anniversary of the U.S. Constitution—the document that guarantees Americans the rights and freedoms that so many in the Soviet Union fight and suffer for—is dedicating itself to the restoration of emigration rights—and all human rights—in the Soviet Union.

I take this opportunity to invite my colleagues to join the gentlewoman from Maryland [Mrs. Morella] and myself in two special orders following regular business today that will address the issue of Soviet emigration policy and, in general, how glasnost has impacted on the human rights struggle in the Soviet Union.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey [Mr. Smith], an outstanding member of the Committee on Foreign Affairs and the Subcommittee on Human Rights.

Mr. SMITH of New Jersey. Mr. Speaker, I rise in support of the resolution which is before us today. As a cosponsor of House Concurrent Resolution 34, I am encouraged that a resolution focusing on the internationally recognized right for all individuals to emigrate is being given consideration by the House so early in the 100th Congress. It is a clear indication of our priorities.

Much has been made of the new Soviet policy of glasnost or openness. While Mr. Gorbachev has been talking about a change in Soviet policy and attitudes, the West has not witnessed much of a substantive difference in the emigration policy, especially for certain individuals and groups including Soviet Jews. Only time will reveal the sincerity and genuineness of this new campaign.

The right to emigrate from one's native country is fundamental and has been enshrined in international agreements such as the Universal Declaration of Human Rights, the International Covenants on Human Rights and the Helsinki Final Act. Nonetheless, it was most disconcerting when on January 1 of this year, the Soviet Union issued new emigration regulations which severely restrict the right to emigrate, and even travel, to immediate relatives and family members. The number of individuals now eligible for visa applications has been drastically reduced due to these new restrictions.

Furthermore, Mr. Speaker, Soviet officials may now deny travel visas without explanation. While these regulations merely codify ongoing Soviet policies, this blatant disregard for free movement is unacceptable. In addition, as noted in this resolution before us, these persistant and premeditated human rights abuses seriously affect the atmosphere needed for productive negotiations between the United States and the U.S.S.R.

Foremost on the agenda for emigration rights, are the cases of individuals seeking to be reunified with their families.

In fact, Mr. Speaker, I have a constituent, Andrea Wine, who has been separated from here husband since their marriage on November 21, 1985. For 16 months, Ms. Wine has had to travel periodically to Moscow to be with her husband, Victor Faermark. Mr. Speaker, this is cruel. With a doctoral degree in chemistry, Mr. Faermark was working as a research scientist when he first applied to emigrate from the U.S.S.R. in 1971. Immediately he was fired from his job and later was denied the right to emigrate on the grounds of "possession of state secrets." Not since 1968 has Mr. Faermark worked with any project which could remotely be classified as secret. For the second time since their marriage, Mr. Faermark's emigration application was denied on March 12.

Mr. Speaker, the plight of the Jews living in the Soviet Union who wish to reunite with their families and emigrate has been well-documented and publicized. Despite the fact that almost 400,000 Soviet Jews have indicated their desire to leave the Soviet Union, the numbers allowed to depart have been extremely low since 1981, the Soviet Union has forced the numbers allowed to emigrate to decline. In the last 15 years, the worst year for Jewish emigration from the Soviet Union was in 1984 with only 896 departures. Unfortunately, 1986 followed closely behind with only 914 cases resolved.

Not only have thousands been denied exit visas. Many Soviet Jews have been imprisoned because of their efforts to emigrate or exercise their cultural and religious rights. Of particular concern have been the imprisonment and persecution of Hebrew teachers and other Jewish activists. Mr. Speaker, in the 99th Congress I sponsored a resolution which called upon the U.S.S.R. to cease its concentrated and systematic persecution of Hebrew teachers and cultural activists. This resolution had broad, bipartisan support with 145 cosponsors.

Mr. Speaker, last month the Soviets made a disturbing announcement regarding the requests for emigration made by several refuseniks who have been applying for up to 17 years. In a publicly released statement, the Moscow visa office published the names of Soviet Jews who will never be allowed to leave the Soviet Union because, according to the Soviet Government, they were once employed in secret government projects. Certainly the work done by these individuals is now outdated or has become public knowledge throughout the world. Complete denial and the use of "never" flies in the face of the new glasnost policy.

In supporting the resolution which is before us, Congress will call upon the Soviet authorities to release immediately all "Prisoners of Conscience," and to grant the immediate approval of emigration applications of all refuseniks, divided spouses and any others who have requested exit visas. I strongly urge my colleagues to support this resolution.

Mr. CRANE. Mr Speaker, as a cosponsor of House Concurrent Resolution 34, a resolution concerning violations by the Soviet Union of its international human rights obligations, I rise in support of passage of this resolution. Although the Soviet Union is calling for a greater emphasis on human rights, it remains to be seen whether they are really serious. Of particular importance is the question of Soviet Jewish emigration. According to the Helsinki Act of 1975 and other similar agreements, the Soviet Union pledged to honor human rights, including the right to emigrate. Unfortunately, Soviet Jews have been the victims of discrimination by the Communist Party, and at the same time they have not been free to leave the country.

Soviet Jews are generally denied access to the best schools, and therefore, are unable to enter into the best careers. Even those who have overcome the obstacles of discrimination, are unable to reach the peak of their profession. Not only are Jews almost entirely absent from the state and party apparatuses, but they are harrassed by official Soviet anti-semitic propaganda. Jewish cultural and religious expression is also extremely limited and restricted. Hebrew and Yiddish schools are completely nonexistent and there are fewer than 60 synagogues left in the Soviet Union.

In addition to being subjected to discrimination, there has also been a crackdown on Jewish emigration and activism within the Soviet Union. Jewish emigration steadily rose throughout the 1970's, reaching a peak in 1979 of 51,333. Since then, however, the numbers have decreased dramatically. In 1985, only 1,140 Jews were allowed to emigrate, and for 1986 the number was again slightly over 1,000. On January 3 of this year, Leningrad Soviet Jewish activist Vladimir Liftshits was arrested and sentenced to 3 years in a labor camp on charges of anti-Soviet slander. Other Jewish activists remain in labor camps after years of imprisonment and after suffering severe health problems.

In conclusion, I urge you to support House Concurrent Resolution 34 and officially condemn the terrible treatment of the Jewish people by the Soviet Union. The Soviet Union has been allowed to ignore their human rights obligations for too long, and a better recognition of basic freedoms is needed. Until the Soviet Union changes its rhetoric and finally grants the Jewish people their freedom, better relations with the Soviets cannot be expected.

Mr. SCHEUER. Mr. Speaker, for over 2 million Jews in the Soviet Union, 1986 was a year of dramatic, but largely disappointing developments.

While a policy of gasnost [openness] dominated the Western perception of the Soviet Union, the character and direction of Mikhail Gorbachev's Jewish policy belie this perception. As a cosponsor of House Concurrent Resolution 34, I strongly support its condemnation of the continued violations by the Soviet Union of its international human rights obligations, especially its violations of the right to emigrate.

Although Gorbachev has promoted certain important reforms of the Soviet system, the Jews in the Soviet Union continue to suffer. The new emigration decree amounted to little more than rhetoric. In fact, there is a continuing shutdown of Jewish emigration, as well as persistent harassment and intimidation of Jewish self-study efforts to sustain culture and religion.

The facts are that only 914 Jews were permitted to leave the Soviet Union in 1986, compared with 1,140 in 1985, down from 896 the previous year, and 51,000 in 1979. If the Soviet Union is truly serious about human rights, it need only free the prisoners of conscience, including those whom it has incarcerated for teaching Hebrew and insisting on the right to be repatriated to Israel; grant visas to the thousands of refuseniks; and start issuing visas to the 400,000 Soviet Jews who have initiated the emigration procedure.

I will be visiting the Soviet Union later this month with some of my colleagues, and human rights remains my major concern. The timing of our visit could not be better. As the Soviet Union seeks greater détente and normalization of relations with the United States, we will have a unique opportunity to express our profound concern for those Soviet citizens who are still denied fundamental human rights.

Passage of this legislation will be a tremendous assist in our effort to impress upon the Soviets the importance we attach to concrete improvements in their observation of human rights. I urge passage of this important and timely legislation.

Mr. FEIGHAN. Mr. Speaker, I want to commend Chairman, DANTE FASCELL for introducing House Concurrent Resolution 34—protesting human rights abuses occurring in the Soviet Union.

There is no doubt that something new and important is taking place in the Soviet Union under Secretary-General Mikhail Gorbachev. Gorbachev's new domestic program of openness, known as glasnost, has already improved human rights in the Soviet Union. Last month, the Soviets announced the release of 140 political prisoners and promised to examine the cases of an additional 140. To date the State Department has documented the release of 90 of these prisoners. By the end of March, over 700 Soviet Jews will have been allowed to leave the Soviet Union in 1987. Some hope that as many as 10,000 Soviet Jews will leave by the year's end—as compared with 914 last year and 1,140 the year before.

But in many ways, glasnost has just been a public relations device—to make a good impression on intellectuals living in the Soviet Union and to make a good impression abroad. In actual fact, the Soviet Union continues to violate the human rights of its people. Religious arrests continue at a high level. Prison conditions remain extremely bad. With the exception of one BBC station, the jamming of foreign radio broadcasts continues. The new laws on emigration are now tighter than ever. In the past weeks, many emigration cases have been denied—without explanation. Soviet officials have named eight refuseniks in particular who will never get out of the Soviet Union. There are cancer patients in the Soviet Union, waiting to leave for medical treatment. Last week, Leon Charny began a hunger strike for his brother Benjamin, who is dying from cancer and yet has been denied the right to seek treatment outside of the Soviet Union.

To date, glasnost has offered hope, but little more than hope. House Concurrent Resolution 34 calls upon the Soviet leadership to go beyond mere gestures. It calls upon the Soviet leadership to honor its obligations—under the Final Act of the Conference on Security and Cooperation in Europe—to respect human rights and fundamental freedoms. I urge my colleagues in the House to show a clear sign of our commitment to human rights in the Soviet Union by lending their full support to this important piece of legislation.

Mr. TRAFICANT. Mr. Speaker, the human rights situation in the Soviet Union is in a continuing state of peril. We must not be fooled by Secretary Gorbachev's implementation of a new open glasnost policy intended to heighten the Soviet administration's tolerance of religious, political, and educational practices. Instead, we must see that despite the attention afforded the few released refuseniks and prisoners of conscience, nearly 400,000 additional Soviet Jews await the chance to enjoy a life free of oppression.

Soviet promises are clearly not being fulfilled. Upon adjournment of both the October 1986 Reykjavik and November 1986 Geneva summit meetings, Soviet intentions of stricter adherence to the humanitarian language of the Helsinki accords were announced. Such adherence to the accords would include increased permission of emigration applicants. However, figures show that 20 percent fewer applicants were permitted to leave the country in 1986 as compared to 1985.

Clearly the situation at present represents merely an attempt to establish a facade of Western humanitarian policy. The new codification of emigration decree issued in November 1986, while seemingly liberal, in actuality provides for emigration permission in only specialized and restricted situations. A careful reading of the decree shows that the chances of emigration are hardly more propitious than in earlier cases. Under the new decree, emigration is permitted only on the basis of family reunification with family including only parents, children, and siblings. Others not meeting these reunification standards are denied the basic right to emigrate, despite the implementation of the progressive decree.

Mr. Speaker, it is time we take a firm stand on this issue and collectively denounce Soviet treatment of fundamental rights.

Mrs. KENNELLY. Mr. Speaker, I rise in support of House Concurrent Resolution 34, which expresses concern for the plight of Soviet Jews. I believe this resolution is appropriate because each of us knows several cases where Soviet authorities have denied internationally recognized human rights to people whose only crimes are to want to learn their own language and culture, to teach their religion, and to emigrate.

Mr. Speaker, the Soviet Union's human rights record continues to be dismal despite Mr. Gorbachev's openness policy, which I gather is supposed to make the Soviet Union a more livable place. But there are over 400,000 Soviet Jews who no longer want to live in the U.S.S.R. and who want to emigrate. Most of those who apply for exit visas will be arrested, charged with having committed a "crime against the state," put in prison for "leading a parasitic way of life," and generally harassed and mistreated.

The new emigration law, moreover, requires these people to produce an invitation from an immediate relative, such as a parent or a spouse, in order to be considered for an exit visa. Under the old law, an invitation from any relative, including distant relatives, sufficed. What this means is that Mr. Gorbachev's rhetoric remains just that. So much for openness, Mr. Speaker.

I believe we in Congress can do much to help Soviet Jews. Supporting the resolution now under consideration is one way. I urge all my colleagues to support House Concurrent Resolution 34 and thereby send a strong message to Moscow that the American people, through their representatives, will not tolerate the oppression of Soviet Jews.

Mr. BONKER. Mr. Speaker, I rise in support of House Concurrent Resolution 34, which was introduced by my colleagues on the Foreign Affairs Committee, Mr. FASCELL and Mr. BROOMFIELD. As former chairman of the Subcommittee on Human Rights and current chairman of the Subcommittee on International Economic Policy and Trade, I am particularly interested in the link between improved respect for human rights by the Soviet Union and increased commercial ties between our two nations. It is a well-known fact that the Soviets want greater access to both the United States markets and United States goods. Also highly publicized is Gorbachev's Glasnost, or openness policy, driven by a desire for improved international opinion on the subject of Soviet violations of human rights, particularly of Jewish emigration.

I believe that passage of House Concurrent Resolution 34 at this time would achieve two goals. First, a strong expression of congressional concern prior to an official delegation visit to the Soviet Union during Easter recess would bolster the delegation's efforts to relate the need for significant human rights progress to improved bilateral relations.

The great hardships suffered by Soviet Jews is well-known and has been a major irritant to United States-Soviet relations over the years. A significant easing of the problem would go far toward improving the dialog between Moscow and Washington.

Second, passage of this resolution would send an important signal of support to American Jewish leaders currently in Moscow to discuss the issue of Jewish emigration with Soviet authorities. Morris J. Abrams, president of the National Conference on Soviet Jewry, who is presently involved in the discussions, was quoted today in the Washington Post as saying that American Jews are prepared to help the Soviets improve their relations with Washington.

Mr. Abrams told Soviet officials that if emigration rates grew sufficiently, he and his colleagues would recommend suspension of the Jackson-Vannick trade restriction, which links most-favored-nation [MFN] status for the Soviet Union to improved emigration levels, as well as the Stevenson amendment, which prohibits the reduction of tariffs on Soviet goods imported into the United States. These two laws were enacted in 1974 in an effort to press Moscow into relaxing restrictions on Jews desiring to emigrate.

Already some progress has been made, but much more could be done. I believe that this resolution sends the right signal at the right time, and I hope that the Soviet Union's desire for increased trade and improved international public opinion will contribute to a far more liberal treatment of Soviet Jews and other dissidents.

Mr. YATES. Mr. Speaker, earlier today the House considered and approved House Concurrent Resolution 34 that expresses our formal and very serious concerns about the continuing record of human rights abuses by the Soviet Government. I was very pleased by the support that the resolution received and I am also pleased that we are taking a few minutes this afternoon to underline the importance of the international campaign to help Soviet Jews and the cause of human rights.

Over the years, I have participated in many special orders and other efforts in behalf of Soviet Jewry and I am delighted to know that many of the new Members are participating with us today. I think all of us are heartened by some of the reports that we are now getting out of the Soviet Union. I hope very much that the reports are true and that significant numbers of Jews will be permitted to leave and that the systematic repression of those who remain in the U.S.S.R. will be eased. But my optimism is tempered by my experience with the terrible record of repression and restricted emigration that has prevailed for many years and which has been particularly bad for more than 6 years. There is, in short, the potential for good news. But it has not happened yet and we must continue to make it very clear to the Russians and the entire world that the people of this country are a part of the struggle for basic human rights in the Soviet Union. That is what we are doing today in the House and I am proud of our consistent record of support for Soviet Jewry and the cause of international human rights.

Mr. WOLF. Mr. Speaker, I rise in strong support of House Concurrent Resolution 34, condemning Soviet violation of international human rights obligations.

The Soviet disregard for the individual is evidenced in several forms, including religious suppression. Citizens are regularly placed in horrendous psychiatric institutions for engaging in "religious activities"; government officials describe religious belief as symptomatic of mental illness.

The Soviet Union's record on emigration is deplorable. Recent publicized releases, while encouraging, must not divert our attention from the overall dismal outlook for the political and religious prisoners seeking to emigrate.

Nowhere is the blatant Soviet disregard for human rights so forcefully illustrated as by their massive use of forced labor, the largest such system in the world. The Soviets continue to use slave labor as the backbone of their trade and economy. Not only should Members support this resolution, but I urge my colleagues to join in signing a letter to the President urging him to end the importation of goods made by slave labor.

Mr. CLARKE. Mr. Speaker, I rise today in support of House Concurrent Resolution 34, which reminds us of the continued violations by the Soviet Union of its international human rights obligations, especially its violations of the right to emigrate.

In recent days, and weeks, and months, the Soviet Government has sought to inform the United States of its new policy of glasnost, or openness. Mr. Speaker, we would all welcome the opening of Soviet society, and none would welcome it more than the 400,000 Soviet Jews who wish to emigrate and on whose behalf I speak today.

If this openness is the beginning of a change in the emigration policies of the Soviet Union, I welcome it. But the Soviet Government must be continually reminded that only real change can overcome this stumbling block in United States-Soviet relations. The end of exile for a few well-known dissidents, the reunification of a few families, the release of a few political prisoners is commendable, but not enough.

Mr. Speaker, I call upon the Soviet Union and its leader, Mr. Gorbachev, to live up to its obligations under the universal declaration of human rights, the International Covenants of Human Rights, and the final act of the Conference on Security and Cooperation in Europe, to release all prisoners of conscience, to unite all divided families, and to permit all "refusniks" and others who wish to emigrate to do so.

Sometimes a number like 400,000 seems vey distant, very impersonal, so I would like to focus on just one person who is affected by the Soviet disregard for its human rights treaty obligations: Vladimir Tulovsky. Vladimir Tulovsky lives in Moscow with his wife, Galina, and their three children. They have been applying for repatriation to Israel every year since 1976. Although he is a qualified instructor in physical mathematics, Mr. Tulovsky has been forced to give up his job and to work beneath his professional capacity. Each time he reapplies for a visa, he loses his job and must search for another one.

What does the Soviet Union have to gain from forcing the Tulovskys to remain in the Soviet Union when their hearts are in Israel? Mr. Speaker, let us hope that today we can make it clear to the Soviet Government that there may be much to gain in improved United States-Soviet relations if the Tulovskys and others like them are given the basic human rights of freedom to emigrate.

Mr. BIAGGI. Mr. Speaker, I rise today in full support of House Concurrent Resolution 34, which strongly protests continuing Soviet human rights violations.

During recent months, we have heard much from the Soviet Union about their new policy of glasnost, or openness. We have even seen some of this talk backed up by the release of a number of prominent Soviet Jewish prisoners of conscience and other human rights activists. However, we should not allow ourselves to be misled. The Soviet Union's words are promising. Some of their recent actions are encouraging. We can remain hopeful. Yet, the Soviet's history of human rights violations, particularly against their Jewish citizens, has been too dismal for too long to think that the situation could possibly be reversed in the dramatic fashion the Soviets have suggested.

Consider, for example, that there are some 3.5 million Soviet Jews. Approximately 400,000 have applied to emigrate, and 20,000 Soviet Jews have been refused the right to emigrate at least once. Less than 1,000 were allowed to emigrate in 1986.

These are vivid reminders of the Soviet's atrocious human rights record, as are the annual observances of independence anniversaries in captive Soviet-bloc nations, where repression and human rights abuses are commonplace. All of this in total disregard of the numerous international agreements, which the Soviet Union has signed, guaranteeing the respect of human rights and fundamental freedoms.

Mr. Speaker, this resolution seeks to remind the Soviet Union that we are interested in more than mere words. They have much to prove and, frankly, I was heartened to see in today's Washington Post an article painting a very optimistic picture of future human rights policies in the Soviet Union, particularly with regard to the treatment of Soviet Jews. The source of this favorable information is Morris B. Abram, chairman of the National Conference on Soviet Jewry, and a respected figure on these matters. I am hopeful Mr. Abram is correct in his assessment of the human rights situation in the Soviet Union and I know my colleagues join me in expressing that sentiment.

At this time, Mr. Speaker, I would like to insert the full text of the Washington Post article detailing Mr. Abram's views:

JEWISH LEADER PREDICTS SOVIETS WILL LET THOUSANDS EMIGRATE

(By John M. Goshko)

An American Jewish leader predicted yesterday that the Soviet Union will permit thousands of Jews to emigrate to Israel this year on direct air flights via the Soviets East-bloc ally Romania, and will increase substantially Jewish religious and cultural freedom for those who remain.

This prediction was made by Morris B. Abram, chairman of the National Conference on Soviet Jewry, who had extensive talks with Soviet officials in Moscow last week. Abram and Edgar Bronfman, chairman of the World Jewish Congress, went to the Soviet capital on behalf of major Jewish organizations in the United States and other Western countries.

In a telephone interview yesterday, Abram said he and Bronfman "believe we were reassured" that the Soviets, as part of their new policy of glasnost or openness, will once again permit large-scale Jewish emigration, which ended in 1980. He added that he expects nearly all the estimated 11,000 long-term "refuseniks," whose previous applications to leave have been rejected, to be free to go within the year.

A new system of direct emigration from the Soviet Union to Tel Aviv via Romania will have the effect of satisfying a long-standing Israeli request that Jewish emigres from the Soviet Union be brought directly to Israel. They would lose the option they have enjoyed in the past to request refugee status in the United States or other Western countries once they arrived in Vienna, until now their first landing place in the West.

The Reagan administration and many U.S. Jewish leaders have opposed steps that would coerce Soviet Jews to go to Israel, though American Jewish groups have endorsed the concept of direct flights to Tel Aviv.

A senior State Department official said yesterday that the administration's policy is "to open up choices for people, not close them down." He said the U.S. government would have to take "a close look" before committing its support to any plan that might foreclose the rights of Soviet Jews.

But several Jewish leaders familiar with the negotiations said an agreement to allow several thousand new emigres to leave was worth some limits on where the emigres could go. They noted that the emigres could apply from Israel to come to the United States, though they would then be counted against a quota for Israeli citizens, thousands of whom are already waiting for permission to come to the United States.

If the system described by Abram does go into effect, emigres arriving in Israel directly from the Soviet Union would lose the refugee status that entitles them to enter the United States, because they would be regarded as Israeli citizens the moment they arrived. As a result, only those with relatives in the United States could claim refugee status under U.S. law.

In a reference to this problem, Abram said yesterday that the Soviets will permit so-called "first-degree relatives"—people with a father, mother, child or sibling in another country—to emigrate for "family reunification purposes."

"We have the impression that there may be considerable flexibility in the interpretation of 'first-degree relationship,'" Abram added. "We were told that the term 'family,' as defined in Soviet regulations, derives from their law governing domestic matters and was not designed to be restrictive in emigration matters."

Abram said that procedures will be established for reviewing the cases of refuseniks who were denied permission to emigrate. He said it was his impression that the Soviets will hold back only those refuseniks who are involved in Soviet national security questions, and he added that a system will be established to appeal adverse decisions "as far up as the Supreme Soviet."

In describing anticipated domestic policy shifts by Soviet authorities, Abram said he understood that "all Jewish religious books from any source may be imported into the Soviet Union," that a kosher restaurant may be opened in Moscow and ritual slaughtering to produce kosher meat will be allowed more freely, that "synagogues will be opened in all sites where there is a demonstrated need," that applicants for rabbinical training will be allowed to leave the country for the requisite studies and that "the teaching of Hebrew to children in school or synagogue," which now is banned, will be "restudied along with similar restrictions on other religious groups."

Speaking for both Bronfman and himself, Abram concluded:

"We now await Soviet performance of all these fronts, for only then are we prepared to say that glasnost is a real process and that it includes Jews."

He said that if the Soviets make good on these understandings, American Jews are preprared to respond "on a parallel basis to the degree that we can produce it" to help the Soviets improve their relations with Washington and to win waivers on a year-to-year basis for restrictions on trade with the Soviet Union.

Abram declined to identify the Soviet officials with whom he and Bronfman spoke, except to say that they represented "the highest levels of the government and the Soviet Communist Party." He would not comment on reports that Anatoliy Dobrynin, a former ambassador here and a key adviser to Soviet leader Mikhail Gorbachev, played a major role in the Moscow talks.

About 500 Jews have received exit visas this month—five times the monthly rate of last year but far below the number of visas granted in the late 1970s.

Mr. YOUNG of Florida. Mr. Speaker, I rise in support of House Concurrent Resolution 34, legislation I have cosponsored that establishes as a priority of the 100th Congress efforts to support the restoration of emigration rights for Jews living in the Soviet Union.

This resolution strongly protests the Soviet Union's continuing violations of a number of international human rights accords, including the Helsinki final act, the Universal Declaration of Human Rights, and the International Covenants on Human Rights. These agreements obligate signatory nations, including the Soviet Union, to respect basic human rights and fundamental freedoms, including the freedom of religion and the freedom of speech.

Among the most notable Soviet violations of these rights are new, restrictive regulations that prohibit Soviet Jews from emigrating to Israel, the United States, or other Western nations where they will be permitted to worship freely. Thousands of Soviet Jews have petitioned the government to approve their emigration requests, yet last year Soviet authorities allowed only 914 Jews to emigrate, the second lowest annual number in the past 20 years.

The denial of these requests to leave the country has been accompanied by increased Soviet efforts to harass and punish Jewish officials in the Soviet Union who lead efforts to study and celebrate their cultural heritage.

For a number of years, I have spoken out in support of our Nation's efforts to exert pressure on Soviet leaders to eliminate this persecution of Soviet Jews. While these efforts have met with mixed results, the more than 400,000 Soviet Jews who have indicated a desire to emigrate are aware of our support for their efforts and continue to remain hopeful that someday they will be able to worship freely in the land of their choice.

Early signals by General Secretary Gorbachev indicated that the Soviet attitude toward emigration rights for Soviet Jews might be changing. With the exception of a few well publicized cases, however, the Soviets continue to deny emigration rights to Jews seeking to relocate, especially to prisoners of conscience, divided families, and refuseniks.

Mr. Speaker, House Concurrent Resolution 34 sends a signal that Soviet leaders could achieve an important measure of credibility by living up to public statements that they are serious about opening their society up to observe many of the basic human rights and values that they have denied the Soviet people for many years. Soviet actions in the next few months, especially efforts to free thousands of Jews to emigrate, will be an important test of Soviet resolve and sincerity as we contemplate potential lasting and far-reaching negotiations on nuclear weapons and military forces.

Mr. KEMP. Mr. Speaker, I thank and commend the gentleman from Florida for his hard work and leadership as the first chairman of the Helsinki Commission, of which I am now a member under the able chairmanship of the gentleman from Maryland. My further compliments to Mr. FASCELL as present chairman of the Foreign Affairs Committee, and for his efforts in bringing this bill to the floor in record time.

The name Natan Sharansky is synonymous with the concept of freedom and dignity of the human spirit. Natan is symbolic of the struggle of the repressed religious, ethnic, and political minorities in the Soviet Union. Today, at a Helsinki Commission hearing, I had the pleasure and great honor of meeting Irina Ratushinskaya, who has been called the female Natan Sharansky, and rightly so. Irina is a poet, who was sentenced to 7 years of hard labor for her poetry and her commitment to human rights. One of her most notorious criminal acts was the open letter she wrote on behalf of Andrei Sakharov, whom she and her contemporaries consider to be the last of the first generation of human rights activists. Like Natan, Irina was brutally tortured for her beliefs, and for her continued refusal to renounce these beliefs.

Irina and Natan are two individuals who have been permitted to emigrate, after many years, much suffering, and a tremendous pressure from the West. There are nearly 4,000 political prisoners and prisoners of conscience still in jail in the Soviet Union. Nearly half a million more individuals have formally applied to emigrate.

These numbers attest to the fact that the Soviet Union has consistently failed to comply with the Helsinki Final Act of 1975. The conditions of the vast majority of political and religious dissidents have not improved, and the emigration numbers remain very low.

One cannot look at this situation without being reminded that this is the bicentennial year of the U.S. Constitution. This document was written by and for Americans. Our bill of rights, however, is a Declaration of Independence which sets forth certain inalienable rights which apply to all people. God who gives life gives freedom; freedom is one of the inalienable rights which belong to all human beings, American or Soviet, African or Asian, Christian or Jew.

It is our privilege to live in a free society, just as it is our obligation to ensure that others are free. To ensure that others are permitted to enjoy their inalienable rights, and their rights under international agreements, is our moral and our legal duty.

That is why this bill, House Concurrent Resolution 34 is so important. We are expressing the outrage of Congress and the people we represent that blatant violations of the Helsinki Final Act and of individual rights are permitted to continue. Instead of opening up their borders, the Soviets are tightening them further. In January, the emigration laws were codified and made more restrictive, in defiance of international agreements and basic human rights.

I join my colleagues in calling for compliance by the Soviet Union of the Helsinki Final Act and of the tenets of the bill of rights. Failure to comply constititutes a serious obstacle to meaningful dialog between the Soviet Union and the United States, and between the Soviet Union and all other nations who recognize the inalienable rights of all people.

Mr. SOLOMON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. YATRON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. GRAY of Illinois). The question is on the motion offered by the gentleman from Pennsylvania [Mr. YATRON] that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 34.

The question was taken.

Mr. LANTOS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

GENERAL LEAVE

Mr. YATRON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on House Concurrent Resolution 34, the concurrent resolution just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

COMMENDING THE EUROPEAN COMMUNITY ON THE 30TH ANNIVERSARY OF THE SIGNING OF THE TREATY OF ROME

Mr. LANTOS. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 121) to commend the European Community and the government of the member States of the European Community for the role which the Community has played in the development of the close relationship existing between the United States and Europe on the occasion of the 30th anniversary of the signing of the Treaty of Rome, which established the European Community.

The Clerk read as follows:

H. RES. 121

Whereas the extensive destruction caused by World War II and the immediate postwar need for economic and political recovery persuaded major European statesmen, such as Sir Winston Churchill, Robert Schuman, and Jean Monnet, to advocate a united Europe;

Whereas on March 25, 1957, the six member states of the European Coal and Steel Community—the Federal Republic of Germany, France, Italy, Belgium, the Netherlands, and Luxembourg—signed a treaty in Rome to establish a customs union and to create a framework to promote the free movement of people, services, and capital among the member states, to support agricultural growth, and to create a common transport policy;

Whereas the European Community was expanded with the addition of the United Kingdom, Denmark and Ireland in 1973, Greece in 1981, and Spain and Portugal in 1986, making the European Community a body of twelve countries with a population of over three hundred and twenty million people and a total Gross Domestic Product of nearly $2,700,000,000;

Whereas as a unit, the European Community is the largest trading partner of the

United States, with a total two-way trade of $125,000,000,000 and United States direct investment in the Community totaling $81,500,000,000, which generates goods and services worth over $400,000,000,000 annually;

Whereas the European Community is working to complete the objectives established in the Treaty of Rome to eliminate economic and physical barriers and to increase political cooperation among its member states in order to further the goal of a United Europe;

Whereas the European Community has contributed to the prosperity and democratic values of its member countries and to the development of a peaceful Europe through reduction of historical tensions and rivalries, which has enabled the European Community to become an important voice in world affairs; and

Whereas the United States had consistently supported the objective of European unity and the enlargement of the European Community as desirable developments which promote prosperity, world peace, and democracy, and which contribute to the strengthening of the vital relationship between the United States and the nations of Europe: Now, therefore, be it

Resolved, That the House of Representatives—

(1) recognizes the great significance of the Treaty of Rome on the occasion of the thirtieth anniversary of its signing.

(2) commends the European Community and the nations which are members of the European Community for the positive role which the Community has played in the growth, development, and prosperity of postwar Europe; and

(3) acknowledge the vital role of the European Community in the development of the close and mutually beneficial relationship that exists between the United States and Europe.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from California [Mr. LANTOS] will be recognized for 20 minutes and the gentleman from New York [Mr. GILMAN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. LANTOS].

Mr. LANTOS. Mr. Speaker, I yield such time as he may consume to the distinguished chairman of the Committee on Foreign Affairs, the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Speaker, I rise in strong support of House Resolution 121 commending the European Community and the governments of the member states of the European Community for the role which the Community has played in the development of the close relationship existing between the United States and Europe on the occasion of the signing of the Treaty of Rome.

Mr. Speaker, after World War II some of the finest minds in Europe recognized the great need to unite Europe, and begin the rebuilding process in a cooperative, unified manner. The Treaty of Rome, which was signed on March 25, 1957, by the Federal Republic of Germany, France, Italy, Belgium, the Netherlands, and Luxembourg, established a framework to promote the free movement of people, services, and capital among the six member states, and to support agricultural growth and create a common transport policy.

The European Community was further expanded in 1973, 1981, and 1986 to include the United Kingdom, Denmark, Ireland, Greece, Spain, and Portugal. The European Community as a unit, is the largest trading partner of the United States, and has worked diligently to eliminate economic and physical barriers to trade, and further the various goals of a united Europe.

The objective of a unified Europe has been one that we in Congress, and the United States as a whole, have supported throughout the years. A continued strong relationship between the United States and our European allies should be high on the list of U.S. foreign policy priorities. We commend our allies on their dedication to a unified Europe and congratulate them on the 30th anniversary of the creation of the European Community.

Mr. Speaker, I urge the unanimous adoption of this resolution.

□ 1530

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it was 30 years ago in the city of Rome that the nations of Europe first came together to try to build a United States of Europe. Having just survived the devastation of the Second War, a group of giants, European statesmen, Winston Churchill, Robert Schuman, Jean Monnet, Alcide de Gasperi, of Italy, Paul Henri Spaak of Belgium, decided that the centuries of bloodshed and hatred and bitterness that characterized Europe must come to an end, and to do so they must form first an economic and eventually a political union to pool their enormous resources and talents for the benefit of their people.

There were many skeptics, Mr. Speaker, when the European Community was born. On the 25th of March, 1957, six States, the Federal Republic of Germany, France, Italy, Belgium, the Netherlands, and Luxemburg signed a treaty which was politically a customs union encompassing these six. In 1973, the United Kingdom, Denmark and Ireland joined the Community. Greece did so in 1981 and Spain and Portugal last year.

Today, Mr. Speaker, the European Community is a body of 12 countries with a population of over 320 million people, a gross domestic product of almost $3 trillion. It is the largest aggregation of free and democratic societies on the face of this planet.

The European Communitiy is the largest trading partner of the United States. Two-way trade amounts to about $125 billion a year. We have invested over $80 billion in the European Community.

Now we have some problems with the Community from time to time, on agricultural policy, on trade policy. On many issues occasionally we do not agree, but I think it is critical for all of us to understand that on the fundamental commitment to freedom, independence, a growing economic relationship, and most importantly the preservation of human rights, both within our respective nations and in the world at large, we are at one with the European Community.

It was 30 years ago that this historic treaty was signed, and I believe, Mr. Speaker, it is appropriate for Members of Congress to congratulate our friends in the European Community, to tell them that they have done the job well, to tell them that we wish them further success, and to indicate to them that we are looking forward to the further expansion of the European Community itself.

A number of nations on the periphery of our own are knocking on the door asking for admission. It is our policy to encourage this growth, because we know that in Europe, in unity there is strength, and while there are some favorable signs emanating from the Soviet Union, we must always be on guard and expand and strengthen the free nations of Western Europe.

The Congress of the United States, Mr. Speaker, has established a permanent delegation to the European Economic Community, and my distinguished friend and colleague, the gentleman from New York, [Mr. GILMAN], and I serve as cochairmen of the U.S. Congressional Delegation to the European Parliament. We meet with our European counterparts twice a year in serious, lengthy, businesslike sessions in an open and free give and take as befits friends. We shall be having our next meeting just within a couple of weeks, and we have a long agenda of items on which we disagree, but we shall approach this meeting as we approach every one of our encounters, with a spirit of friendship and openness and compromise, because we know that the issues that bind us together are infinitely more important than the issues that separate us.

So, on this 30th anniversary of the European Community, we salute the giants who were intellectual genesis of the European Community two generations ago. We salute the leaders of the European Community who today provide it with the leadership and the courage and the vision to move ahead, and we wish the 320 million free citizens of these 12 democratic nations prosperity, peace, and working together with all democratic nations on the face of this planet.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Resolution 121, to commend, on the 30th anniversay of the signing of the Treaty of Rome, the European Community, and the member states of the European Community, for the role Community has played in the development of a close relationship between the United States and Europe.

This resolution is sponsored by the gentleman from California [Mr. LANTOS], the chairman of the U.S. congressional delegation which meets twice yearly with a delegation from the European Parliament and I commend Mr. LANTOS for his outstanding leadership. It is cosponsored by the gentleman from Florida [Mr. Gibbons], as cochairmen of our delegation.

Mr. Speaker, March 25, 1987 is the 30th anniversary of the signing of the Treaty of Rome, marking the beginning of a bold political experiment—the European Community. Beginning as a customs union and a framework for the promotion of the free movement of people, services, and capital among states, and to rationalize agricultural and transport policy among six states, it has now grown to cover the bulk of Western Europe with a framework for political and cultural cooperation, as well.

The European Community has become a voice for democratic values around the world. It has become an experiment in the separation of powers and democracy on a continental scale, with power allocated among a council of ministers, a commission, and a directly elected European Parliament.

We may have our political and trade differences with the European Community from time to time, Mr. Speaker, but we can all agree that its development is a healthy thing. A fair challenge from free peoples is a challenge we should, and can, rise to. We have much more in common than those issues which divide us.

Accordingly, I am delighted to join in supporting this resolution, Mr. Speaker, and I hope our colleagues will support it.

Mr. LANTOS. Mr. Speaker, I have no further requests for time.

Mr. GILMAN. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. GRANDY].

Mr. GRANDY. Mr. Speaker, March 25 marked the 30th anniversary of the beginning of the European Economic Community—an important trade partner of the United States.

Before the House votes on Resolution 121 commending the EC, I would like Members to consider with me the relationship that has developed between the Community and American agriculture.

The EC has made good on its express commitment to encourage the development of European agriculture. Since 1974, EC ag exports to the United States have grown from $1 billion to over $3.5 billion in 1985, U.S. ag exports to the EC, however, dropped nearly 50 percent in the few short years between 1980 and 1985. Soybean exports to the EC in 1985 were less than half of 1982 exports.

Feed grains have fared even worse. 1985 exports to the EC are only one quarter of 1981 figures.

Obviously, Mr. Speaker, the European Community is mounting a strong challenge to the American farming community. The EC is built on taking unfair advantage of international markets.

How have they accomplished all this in such short time? A host of import protections and export subsidies have enabled the EC to drastically reduce the ability of the American farmer to compete fairly for its share of the world market-depressing prices, causing enormous surpluses and expensive storage problems for the American industry.

Furthermore, the EC has signaled its intention to deepen this crisis by taxing the consumption of soybean products. This tax would amount to almost 90 percent of the current price of soybean oil. This tax is blatantly inconsistent with EC commitments in both the general agreements on tariffs and trade as well as a commitment they made as far back as 1962 ro pestrict duties on soybean products.

Along with several other Members, I have cosponsored House Concurrent Resolution 51, encouraging the President to ensure that this tax is not established and to impress upon the EC the importance of adhering to their previous commitments restricting duties on soybean products.

As a member from an agricultural district in Iowa, I cannot, in good conscience, support this bill commending the European Community whose success has come at the expense of the American farmer.

I urge my colleagues to join me in rejecting this resolution and call on the European Community to recommit itself to fair trade thereby renewing the economic relationship which both the United States and the European Community deserve.

□ 1540

Mr. EMERSON. Mr. Speaker, will the gentleman from Iowa yield?

Mr. GRANDY. I yield to the gentleman.

Mr. EMERSON. Mr. Speaker, I would like to associate myself with the excellent statement being made by the distinguished gentleman from Iowa [Mr. GRANDY]. I agree most heartily with what he has to say.

Mr. LANTOS. Mr. Speaker, will the gentleman from Iowa [Mr. GRANDY] yield?

Mr. GRANDY. I will be glad to yield.

Mr. LANTOS. Mr. Speaker, in large measure, I find myself in agreement with my distinguished friend from Iowa [Mr. GRANDY] and I only wish he could have been with us during the very heated discussions we had with our European friends on their common agricultural policy, which in many ways has been protectionist; in many ways the imposition of barriers in the way of American agricultural exports to the European Community has been noted by us, criticized by us, and fought against.

I think my friend will agree with me that economic relations among free nations is not a love boat. Economic relations between free nations are always contentious; we fight and dispute, and they have complained against many of our policies and we have complaints against many of their policies.

I think it is important that the gentleman make his point, but I am sure he made it in a spirit of good will vis-a-vis the European Economic Community, because it is our single most important democratic trading partner. Many of its nations are our NATO allies, and between the United States and the European Economic Community, we represent the bulk of the free and democratic societies on the face of this planet.

So while I think it is singularly appropriate to indicate shortcomings in the policies of the European Community, the overriding issue is our common goal of recognizing that both they and we wish to live in free economies and in a free society, promoting our own and everyone else's economic growth.

Mr. GILMAN. Mr. Speaker, I am pleased to yield 1 additional minute to the gentleman from Iowa [Mr. GRANDY].

Mr. GRANDY. Mr. Speaker, I simply want to respond to my friend from California [Mr. LANTOS] and concur with him. This is an economic argument we have; not a political one, not a philosophical one.

My problem with the language in this resolution are statements to support agricultural growth, which means the common agricultural policy which means a lot of problems for a lot of producers in Iowa; and the enlargement of the European Community as desirable developments which promote prosperity.

Well, unfortunately, the give and take right now is clearly working against some of us in the Upper Midwest. The gentleman is correct, I do wish to be on record as opposing the economic provisions of this resolution, but support him in his political endeavors, and admire his ability to bring this to the floor and have a discussion about it today.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from Iowa for his remarks.

Mr. Speaker, I yield 6 minutes to the gentleman from Minnesota [Mr. WEBER].

Mr. WEBER. Mr. Speaker, first of all let me say I rise very strongly to support the point of view just stated by our colleague from Iowa [Mr. GRANDY].

I want to say at the outset that I have nothing but the highest regard for my colleague from California [Mr. LANTOS] and for the gentleman from New York [Mr. GILMAN] and have supported them in most of the things that they have tried to accomplish in this body, and proud to do so.

Let me say, speaking on behalf of an agricultural district, I must disagree most strongly with the thrust of this resolution; and let me say in response to a statement by the gentleman from California, I have good will for the Nation-States of Europe that are our friends and our trading partners and our allies.

My good will toward the European Economic Community has been exhausted and replaced with the frustration and the bitterness that all the people in my part of the country feel about that community.

The political trappings of the Treaty of Rome are largely ceremonial. The European Parliament is hardly a center of power, and the treaty never led to the political unification of Europe as was its hope in those lofty days when it was launched.

The real significance of the treaty, thus, lies in the economic structure it created; and the strongest, indeed in many respects the only significant part of that structure is the most offensive part from our standpoint, and that is the common agricultural policy. The CAP has undoubtedly benefited France's farmers, but we can leave such commemorations to the French parliament, I would suggest.

The reality for American farmers is quite different. They have lost billions of dollars in exports, through the extension of protectionist barriers and the use of predatory trade subsidies by the European Community.

The recent accession of Spain and Portugal into the EEC—something this resolution commemorates—is a fitting case in point. When Spain and Portugal joined the Community, they moved behind an iron curtain of import protection. The feed grain market that took us decades to develop were lost in a moment to the protectionist laws of the Community.

The Europeans say that we received compensation for these levies. Protracted negotiations did allow us continued access to 50 percent of our previous markets, but losing half your market is hardly just compensation. It is certainly not something that we should commemorate in a resolution.

The Community does not specialize in protectionism alone. Besides cutting off our sales in Europe, the Community also has used the common agricultural policy to dump its excess production, robbing our farmers of important markets in North Africa and Eastern Europe.

Predatory subsidies have become a hallmark of the EC's policy.

This resolution also commemorates consistent U.S. support for "the enlargement of the European Community." Looking at the accession of Spain and Portugal, and the loss of agricultural markets that ensued, I hardly see why we should support the extension of this protectionist monstrosity to countries like Morocco, Algeria or Norway. It would result in an even greater loss of our agricultural markets.

The European Community is waging a one-sided trade war on our farmers, ignoring GATT and using the common agricultural policy to protect their own markets, while they dump in markets that we have traditionally supplied.

With the opening of the new GATT round in Uruguay, it is time to wage war on the levies and subsidies that define agricultural policy in the European Community. It is time to push for the dismantling of the common agricultural policy so that we can put our farmers back on a level playing field.

All of us commend the original goals and ideals of the European Economic Community, but I would say that those goals and ideals have become warped as increasing percentages of the resources of the Community have been dumped into this monstrosity they call the common agricultural policy.

As long as that defines the reality of the EEC, I must say I believe it is inappropriate to pass this kind of resolution.

Mr. Speaker, I now yield to my good friend from California [Mr. LANTOS].

Mr. LANTOS. Mr. Speaker, I can only comment that our delegation to the European Economic Community is usually unanimous in denouncing the European Community's common agricultural policy, which has been a counterproductive policy of artificially stimulating overproduction in Europe resulting in predatory trade practices elsewhere.

□ 1550

But having said that, I still would like to redirect my friend's attention to what the European Community is. My colleague complained about Spain and Portugal being admitted to the European Community. I need not remind him that both Spain and Portugal, not too many years ago, were fascist dictatorships. Today they are free political democracies with functioning parliaments, free press, freedom of religion, freedom of assembly, freedom to travel. This would not come about without the strengthening impact of a large and growing Western Europe. I think it is important even for our friends from some other parts of the country to realize that the parochial view will not help Europe change its agricultural policies. We will have to work with them not against them.

Mr. WEBER. I thank the gentleman for his concern. Let me make two points.

First of all, we all have an interest in a strong and growing Western Europe for just the reasons that the gentleman has cited. I would argue that increasingly European observers are saying though that the way the European Community is functioning with increasing percentage of its resources going into the common agricultural policy, the EEC itself is on the verge of not being the boon to economic growth in Europe that it should be.

Furthermore, the reason that I am making the point so strongly is that we are trying, I know that the gentleman has been trying to influence the common agricultural policy; my feeling about the resolution that we are passing today, although I know it comes from only the best of intentions, so does everything the gentleman does—and I mean that with the utmost sincerity—is that it sends to them the wrong signal. The only signal that I want to send to the European Community is change the common agricultural policy. Anything that blurs that message, in my judgment, is detrimental.

Mr. LANTOS. Mr. Speaker, will the gentleman yield?

Mr. WEBER. I yield to the gentleman from California.

Mr. LANTOS. I thank the gentleman for yielding further.

Mr. Speaker, I shall personally deliver to our friends in the European Community a copy of the eloquent statement of my friend from Minnesota and my friend from Iowa [Mr. GRANDY] so they will not miss the signal.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I just would like to have us bear in mind that we do have many common interests between the United States and the European Community. While we do have distinct trade differences and differences with regard to agricultural policies, that with regard to the security of the West, with regard to terrorism, with regard to narcotics, with regard to our condemnation of aggression by the Soviets in various regional conflicts, we find a great deal of support in the European Community. I hope that we will not be shortsighted as we criticize the European Community for some of their agricultural policies, that we do not forget the more important aspects of the commonality of our common interests and working together on the most important issues.

Accordingly, I urge my colleagues to support this resolution.

Mr. BROOMFIELD. Mr. Speaker, I support the resolution to commend the European Community on its 30th anniversary.

Forty years ago the United States of America established the Marshall plan to rebuild a Europe devastated by war. America helped the Europeans to help themselves. Thirty years ago, with the Treaty of Rome, the European states united their economies to produce a single, healthy European economy. That treaty was the greatest proof of the success of America's Marshall plan.

The unity of the economies of Europe has benefited the European states and has led to increased political and defense cooperation that benefits the Western alliance. The Treaty of Rome reflected the great strength of Western democracy.

America should send its hearty congratulations to the countries of Europe on the memorable occasion of the 30th anniversary of the Treaty of Rome.

I urge my colleagues to vote to suspend the rules and pass the resolution to commend our European allies.

Mr. GILMAN. Mr. Speaker, I yield back the balance of my time.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I strongly urge all my colleagues to vote for this resolution.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. GRAY of Illinois). The question is on the motion offered by the gentleman from California [Mr. LANTOS] that the House suspend the rules and agree to the resolution, House Resolution 121.

The question was taken.

Mr. GRANDY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. LANTOS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Resolution 121, the resolution just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

BIG CYPRESS NATIONAL PRESERVE ADDITION

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 184) to establish the Big Cypress National Preserve Addition in the State of Florida, and for other purposes.

The Clerk read as follows:

H.R. 184

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Act may be cited as the "Big Cypress National Preserve Addition Act".

(b) AMENDMENT OF BIG CYPRESS NATIONAL PRESERVE ACT.—Whenever in this Act an amendment is expressed in terms of an amendment to the Act of October 11, 1974, such amendment shall be considered to be made to the Act entitled "An Act to establish the Big Cypress National Preserve in the State of Florida, and for other purposes", approved October 11, 1974 (88 Stat. 1258; 16 U.S.C. 698f and following).

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress as follows:

(1) The planned construction of Interstate 75 is presently being designed in such a way as to improve the natural water flow to the Everglades National Park, which has been disrupted by State Road 84 (commonly known as "Alligator Alley").

(2) The planned construction of Interstate 75 provides an opportunity to enhance protection of the Everglades National Park, to promote protection of the endangered Florida panther, and to provide for public recreational use and enjoyment of public lands by expanding the Big Cypress National Preserve to include those lands adjacent to Interstate 75 in Collier County north and east of the Big Cypress National Preserve, west of the Broward County line, and south of the Hendry County line.

(3) The Federal acquisition of lands bordering the Big Cypress National Preserve in conjunction with the construction of Interstate 75 would provide significant public benefits by limiting development pressure on lands which are important both in terms of fish and wildlife habitat supporting endangered species and of wetlands which are the headwaters of the Big Cypress National Preserve.

(4) Public ownership of lands adjacent to the Big Cypress National Preserve would enhance the protection of the Everglades National Park while providing recreational opportunities and other public uses currently offered by the Big Cypress National Preserve.

(b) PURPOSE.—It is the purpose of this Act to establish the Big Cypress National Preserve Addition.

SEC. 3. ESTABLISHMENT AND ADMINISTRATION OF ADDITION.

(a) ADDITION.—The Act of October 11, 1974, is amended by adding at the end thereof the following section:

"SEC. 9. BIG CYPRESS NATIONAL PRESERVE ADDITION.

"(a) ESTABLISHMENT.—In order to—

"(1) achieve the purposes of the first section of this Act;

"(2) complete the preserve in conjunction with the planned construction of Interstate Highway 75; and

"(3) insure appropriately managed use and access to the Big Cypress Watershed in the State of Florida; the Big Cypress National Preserve Addition is established.

"(b) MAP AND BOUNDARIES.—The Big Cypress National Preserve Addition (referred to in this Act as the 'Addition') shall comprise approximately 136,000 acres as generally depicted on the map entitled Big Cypress National Preserve Addition, dated June, 1986, and numbered 176-91000B, which shall be on file and avaialble for public inspection in the Office of the National Park Service, Department of the Interior, Washington, D.C., and shall be filed with appropriate offices of Collier County in the State of Florida. The Secretary shall, as soon as practicable, publish a detailed description of the boundaries of the Addition in the Federal Register.

"(c) ADMINISTRATION.—The area within the boundaries depicted on the map referred to in subsection (b) shall be known as the Big Cypress National Preserve Addition and shall be managed in accordance with section 4.

"(d) COMPLETION OF ACQUISITION.—For purposes of administering the Addition and notwithstanding section 2(c), it is the express intent of the Congress that the Secretary should substantially complete the land acquisition program contemplated with respect to the Addition within 5 years after the date of the enactment of this section.".

(b) HUNTING, FISHING, AND TRAPPING.—Section 5 of the Act of October 11, 1974, is amended by inserting "and the Addition" after "preserve" each place it appears.

"(c) SUITABILITY AS WILDERNESS.—Section 7 of the act of October 11, 1974, is amended—

(1) by inserting "with respect to the preserve and 5 years from the date of the enactment of the Big Cypress National Preserve Addition Act with respect to the Addition" after "date of the enactment of this Act" in the first sentence; and

(2) by inserting "or the area within the Addition (as the case may be)" after "preserve" each place it appears.

(d) INDIAN RIGHTS.—Section 6 of the Act of October 11, 1974, is amended as follows:

(1) In clause (i) insert "and the Addition" after "preserve" and insert "(January 1, 1985, in the case of the Addition)" after "1972".

(2) In clause (ii) insert "or within the Addition" after "preserve".

SEC. 4. ACQUISITION OF LAND WITHIN ADDITION.

(a) UNITED STATES SHARE OF ACQUISITION COSTS.—The first section of the Act of October 11, 1974, is amended by adding at the end thereof the following new subsection:

"(d)(1) The aggregate cost to the United States of acquiring lands within the Addition may not exceed 80 percent of the total cost of such lands.

"(2) Except as provided in poaragraph (3), if the State of Florida transfers to the Secretary lands within the Addition, the Secretary shall pay to or reimburse the State of Florida (out of funds appropriated for such purpose) an amount equal to 80 percent of the total costs to the State of Florida of acquiring such lands.

"(3) The amount described in paragraph (2) shall be reduced by an amount equal to 20 percent of the amount of the total cost incurred by the Secretary in acquiring lands in the Addition other than from the State of Florida.

"(4) For the purposes of this subsection, the term 'total cost' means that amount of the total acquisition costs (including the value of exchanged or donated lands) less the amount of the costs incurred by the Federal Highway Administration and the Florida Department of Transportation, including severance damages paid to private property owners as a result of the construction of Interstate 75.".

(b) METHODS OF LAND ACQUISITION IN THE ADDITION.—The first sentence of subsection (c) of the first section of the Act of October 11, 1974, is amended—

(1) by inserting "or the Addition" after "preserve" the first place it appears; and

(2) in the first proviso—

(A) by inserting "in the preserve" after "subdivisions,"; and

(B) by striking out the colon and inserting in lieu thereof "and, any land acquired by the State of Florida, or any of its subdivisions, in the Addition shall be acquired in accordance with subsection (d):".

(c) Valuation and Appraisal.—The fourth sentence of subsection (c) of such section is amended by inserting "or the Addition" after "preserve" each place it appears.

(d) Acquisition of Property Rights by the State of Florida.—Subsection (c) of such section is amended by adding at the end thereof the following: "Nothing in this Act shall be construed to interfere with the right of the State of Florida to acquire such property rights as may be necessary for Interstate 75.".

(e) Exclusion of Subsurface Estate.—The second and third sentences of subsection (c) of such section are each amended by inserting "and the Addition" after "preserve" each place it appears.

(f) Improved Property in Addition.—Section 3(b) of the Act of October 11, 1974, is amended—

(1) in paragraph (i) by inserting "with respect to the preserve and January 1, 1986, with respect to the Addition" after "November 23, 1971,"; and

(2) in paragraph (ii)—

(A) by inserting "with respect to the preserve and January 1, 1986, with respect to the Addition" after "November 23, 1971," the first place it appears; and

(B) by inserting "or January 1, 1986, as the case may be," after "November 23, 1971" the second and third places it appears.

SEC. 5. COOPERATION AMONG AGENCIES.

The Act of October 11, 1974, if further amended by adding at the end thereof the following new section:

"SEC. 10. COOPERATION AMONG AGENCIES.

"The Secretary and other involved Federal agencies shall cooperate with the State of Florida to establish recreational access points and roads, rest and recreation areas, appropriate wildlife protection, and, where appropriate, hunting, fishing, frogging, and other recreational opportunities in conjunction with the creation of the Addition and in the construction of Interstate Highway 75. Not more than 3 of such access points shall be located within the preserve (including the Addition).".

SEC. 6. REPORT TO CONGRESS.

The Act of October 11, 1974, is further amended by adding at the end thereof the following new section:

"SEC. 11. REPORT TO CONGRESS.

"Not later than 3 years after the date of the enactment of this section, the Secretary shall submit to the Congress a detailed report on, and further plan for, the preserve and Addition. The report and further plan shall include each of the following:

"(1) The status of the existing preserve, the effectiveness of past regulation and management of the preserve, and recommendations for future management of the preserve and the Addition.

"(2) The need for involvement of other Federal and State agencies to accomplish the objectives of the preserve and Addition.

"(3) The status of land acquisition.

"(4) A determination, made in conjunction with the State of Florida, of the adequacy of the number, location, and design of the recreational access points on Interstate 75 (Alligator Alley) for access to the Big Cypress National Preserve, including the Addition.

The determination referred to in paragraph (4) shall incorporate the results of any related studies of the State of Florida Department of Transportation and other Florida State agencies. Any recommendation for significant changes in the approved recreational access points, including any proposed additions, shall be accompanied by an assessment of the environment impact of such changes.".

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

Section 8 of the Act of October 11, 1974, is amended—

(1) by striking out "There" in the first sentence and inserting in lieu thereof "(a) In General.—Except as provided in subsection (b), there"; and

(2) by adding at the end thereof the following new subsection:

"(b) Addition.—There are authorized to be appropriated such sums as may be necessary for acquisition of lands and for development within the Addition.".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Minnesota [Mr. Vento] will be recognized for 20 minutes and the gentleman from California [Mr. Lagomarsino] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. Vento].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 184 was introduced by our colleague Tom Lewis, with cosponsorship of the entire Florida congressional delegation. The bill would modify the boundaries of the Big Cypress National Preserve to add lands important to the ecological wellbeing of the southwest Florida region.

Big Cypress National Preserve presently consists of about 575,000 acres, abutting Everglades National Park on the north. The preserve is an extension of the unique ecosystem of the everglades, containing large numbers of plant and animal species found nowhere else in North America, including 21 rare or endangered species.

The land to be included in the addition will accomplish several important purposes, namely, enhanced protection of the water supplies that the Everglades National Park and the southwest Florida region are dependent upon; the preservation of prime endangered species habitat; and enhanced public recreational opportunities. The land in question is bisected by "Alligator Alley," a State highway that runs across the southern tip of Florida which is in the process of being upgraded to become a section of Interstate 75. Because of the upgrading from a State highway to an interstate segment, we have a unique opportunity to leverage highway severance funds with Federal and State appropriations, to acquire lands that will protect critical water areas and the habitat for the endangered Florida panther.

With the upgrading of Interstate 75, funds provided through the highway trust fund will be used to pay 60 percent of the value of the surface rights for 88,000 acres of the proposed addition to the preserve. H.R. 184 provides that the remaining 40 percent would be funded on the basis of 80 percent from the Federal Government and 20 percent by the State of Florida. The remaining 48,000 acres to be added to the preserve would likewise be funded on an 80-20 split between the Federal Government and the State of Florida.

The 136,000 total acres added to the preserve by H.R. 184 would be managed in the same manner as the existing preserve to provide for the protection of this unique ecosystem and to provide for recreation use, including fishing and hunting. Subsurface rights would be retained by private owners and exploration and development of any mineral or oil and gas would be permitted under the same authorities and in the same manner as provided in the 1974 act establishing the Big Cypress Preserve.

Mr. Speaker, the bill before us today is identical to legislation we considered and passed in the House last year. The inclusion of the Big Cypress addition lands carries with it, what I believe is a broad bipartisan consensus. While there is some question of effecting a land exchange to deal with part of the land included in the addition, I want to point out to Members that the legislation before us does not preclude such an exchange. If, and when, such an exchange can be worked out, I am sure the Committee on Interior and Insular Affairs will be receptive to its consideration, but I do not believe we should delay the addition of critical lands to the preserve on the basis of an exchange that may or may not come about. The Big Cypress National Preserve Addition and the proposed land exchange can each stand on their own merits and be judged.

I support the addition of these critical lands to the Big Cypress National Preserve and urge the adoption of H.R. 184.

Mr. Speaker, I reserve the balance of my time.

Mr. LAGOMARSINO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 184. This bill would authorize a 136,000-acre addition to the Big Cypress National Preserve in southern Florida. It is identical to legislation passed by the House last year which did not receive final action in the Senate.

H.R. 184 provides the Federal Government with a unique opportunity to acquire and protect this important addition, without paying full value for the land. Due to the proposed conversion of Alligator Alley to Interstate 75 later this year, highway severance funds can be utilized to pay a major portion of the acquisition costs. The additional expenditures would be cost-shared by the Federal and State Governments, 80 and 20 percent, respectively.

Acquisition of this area will preserve the wetland areas which serve as important fish and wildlife habitat and also as recharge sources for southern Florida's water supply. Expansion of the preserve will also result in significant public benefits since the bill allows the same multiple uses of the addition which are currently permitted in the preserve, including hunting, fishing, and trapping. Large numbers of sportsmen from across the country have enjoyed these activities within the preserve for many years and will now have the benefit of an expanded area. Mineral exploration and development, which is currently permitted in the preserve, would also be allowed in the addition since only the surface rights would be acquired under the bill's provisions. I believe that all of these uses can successfully go hand in hand with recreation and preservation and strongly encourage the Federal managing agencies to permit continued multiple uses of this area. In order to allow the necessary access to the preserve addition for the public's use, the bill allows for the establishment of three access points along Interstate 75 within the boundaries of the preserve and addition.

H.R. 184 also requires the Secretary to submit to Congress within 3 years after the bill's enactment, a detailed report on the Big Cypress Preserve and Addition including management recommendations, a public use summary, the status of land acquisition, and recommendations on recreational access points. This information will enable Congress to review the management of, and activities within, the preserve in the future and make any necessary changes or improvements.

Although H.R. 184 provides for a substantial land acquisition program, negotiations are currently underway regarding a proposed exchange of a significant portion of the land within the addition for lands in Arizona. While a final agreement has not yet been reached nor approved by Congress, passage of H.R. 184, will, in no way, affect the proposed exchange.

I would like to commend the bill's sponsor, the gentleman from Florida [Mr. LEWIS], for his outstanding efforts and diligence in pursuing passage of this bill. I believe he has put together an excellent piece of ligislation for which I am pleased to lend my strong support. I would also like to commend Chairman UDALL for his interest in and assistance with this bill and the subcommittee chairman, Mr. VENTO, for moving this legislation forward.

H.R. 184 has received widespread praise and broad, bipartisan support as an important expansion of an area critical to the Florida Everglades, therefore, I urge all of my colleagues to support and vote for this legislation.

Mr. Speaker, I yield such time as he may consume to the sponsor of the legislation, the gentleman from Florida [Mr. LEWIS].

Mr. LEWIS of Florida. I thank the gentleman for yielding.

Mr. Speaker, it is indeed an opportunity to rise in support of H.R. 184, the Big Cypress National Preserve addition legislation. I, too, would like to thank Chairman UDALL, also Subcommittee Chairman VENTO and the ranking minority member of the committee, Mr. LAGOMARSINO, from California, again.

As many will recall, this important bill, which is cosponsored, as stated, by the entire Florida delegation, is identical to legislation passed in the House last year. Unfortunately the Senate bill to expand the Big Cypress was not acted upon because the 99th Congress adjourned.

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However, later this very week our colleagues in a Senate subcommittee will consider H.R. 184's companion.

H.R. 184 once again provides the unique opportunity to acquire and protect a major land area in southwest Florida for an important addition to the Big Cypress National Preserve. It has received widespread praise and continues to enjoy broad, bipartisan support.

Of unquestioned environmental importance, this area is undoubtedly worth preserving and enhancing for its unique and wild beauty. However, this is more about protecting water—drinking water—for over more than 4 million south Florida residents. This area is part of the area, as is the existing Big Cypress Preserve, through which that water filters.

Mr. Speaker, because of continuing public benefit associated with the acquisition of this land, I urge passage of H.R. 184.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, I want to commend the gentleman from Florida [Mr. LEWIS] for the work he has done. This is, indeed, a unique area. The Spartina Marsh that occurs in Florida is known as the "River of Grass," and there is almost a continuous sheet flow of water from central Florida through the Everglades. The maintenance of that sheet flow is important so that there is not intrusion of salt water into this area, changing dramatically the environment, and consequently, the type of habitat that is necessary for maintenance of the various species is this unique type of area.

Mr. Speaker, this will be a big help, along with the good work done by the Florida water conservation districts and continues to be done. I think that Florida really leads the Nation—and it is hard for me to say this, coming from Minnesota— but they do lead the Nation in limnology, the study of fresh water, because of necessity, not necessarily for any other reason.

I am sure that, in fact, they will continue to do that. I think that the Congress, in terms of providing for this addition, is going a long way in terms of good faith, providing for preservation of what is a unique area.

I urge my colleagues, Mr. Speaker, to act favorably on this.

Mr. YOUNG of Florida. Mr. Speaker, I rise in strong support of H.R. 184, legislation I have cosponsored to expand the Big Cypress National Preserve.

This legislation, which has the full support of the entire Florida delegation, calls for the Federal purchase of an additional 136,000 acres surrounding the Alligator Alley-Interstate 75 conversion. Because the scheduled conversion of Alligator Alley to Interstate 75 will block access to land north and south of the alley, the Federal and State Governments are obligated to pay severance damages to the landowners. This measure will use those severance damage payments toward the purchase of the land. Of the remaining balance, 80 percent will be paid by the Federal Government and 20 percent will be paid by the State of Florida, providing a significant savings to the American taxpayers while ensuring important environmental protection for some of Florida's most beautiful and unique park land.

H.R. 184 provides an important and cost-effective opportunity for the State of Florida to acquire additional acreage for the Big Cypress National Preserve that will expand the protected natural habitat for endangered wildlife native to the area, such as orchids, bald eagles, and the Florida panther.

The additional preserve area will also enhance the ecosystem of the Everglades. Because of the unusual water flow at certain times of the year, which covers literally thousands of square miles and results in some of the most biologically diverse areas in the United States, additional land is considered necessary to address the water control problem.

Finally, H.R. 186 will enable the Federal Government to acquire this land at a significantly lower cost than otherwise might be possible. During these times of fiscal restraint, it is necessary to look for alternatives to traditional methods for land acquisition. This measure provides for critical environment needs of both the State and Federal Government, while ensuring a cost-effective allocation of Federal resources.

Mr. Speaker, I commend my colleague from Florida, Mr. LEWIS, for his leadership in sponsoring this legislation, and the entire Interior and Insular Affairs Committee for acting on this measure in such a diligent and expedient manner, and urge this House to send a strong message to the Senate by supporting H.R. 186.

Mr. SHAW. Mr. Speaker, we have the opportunity today to preserve valuable, environmentally sensitive wetlands in my home State of Florida, by adding 128,000 acres to the Big Cypress National Preserve.

The bill before us, H.R. 184, has many important benefits. First, public acquisition of these lands will protect the environmentally sensitive wetlands that are important to our water supply in South Florida. Alligator Alley, an existing east-west roadway running from Naples to Fort Lauderdale, FL, has caused the disruption of the natural waterflow in the Big Cypress area. The completion of Alligator Alley's conversion to Interstate 75 will improve the waterflow, and if we set aside the additional acres as part of the preserve, we will prevent any future development that might disrupt the waterflow. Also, we will allow for effective water management practices in the area.

Second, H.R. 184 will help protect the endangered Florida panther and other wildlife and waterfowl.

This bill also provides for three recreational access points along the highway that will provide boat and pedestrian access.

Finally, H.R. 184 would make the fullest possible use of funds that have already been allocated. The conversion of Alligator Alley to I-75 will restrict access to privately owned land north and south of the existing highway in the Big Cypress area, requiring the payment of severance damages to the owners of this property. Under the provisions of H.R. 184, we will use this money to pay a part of the cost of acquiring this land outright. The remainder of the purchase price will be paid jointly by the Federal Government and the State of Florida.

Mr. Speaker, I urge my colleagues to give their full support to this bill. I commend my colleague on the Florida delegation, Mr. LEWIS, for his outstanding work on this legislation. With this bill we will put the severance funds to better use, while protecting the water supply in one of the fastest growing areas of our Nation.

Mr. VENTO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LAGOMARSINO. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. GRAY of Illinois). The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the bill, H.R. 184.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

ALASKA NATIVE CLAIMS SETTLEMENT ACT AMENDMENTS OF 1987

Mr. UDALL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 278) to amend the Alaska Native Claims Settlement Act to provide Alaska Natives with certain options for the continued ownership of lands and corporate shares received pursuant to the act, and for other purposes as amended.

The Clerk read as follows:

H.R. 278

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Alaska Native Claims Settlement Act Amendments of 1987".

(b) Whenever, in this Act, an amendment is expressed in terms of an amendment to a section or provision, the reference shall be considered to be made to a section or provision of the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 et seq.).

CONGRESSIONAL FINDINGS

SEC. 2. Congress finds and declares—

(a) the Alaska Native Claims Settlement Act (ANCSA) was enacted to achieve a fair and just settlement of all claims by Natives and Native groups based upon aboriginal land claims in a manner consistent with the real economic and social needs of the Alaska Natives, including maximum participation by Native people in decisions which affect their rights and property;

(b) the corporate model adopted by ANCSA is frequently ill-adapted to the reality of life in many Alaska Native villages and to traditional Native cultural values;

(c) although Congress mandated that the settlement be implemented rapidly and without litigation, the complexity of the land conveyance process and frequent and costly litigation have delayed the implementation of the settlement and significantly diminished its value;

(d) providing Alaska Natives maximum participation in decisions affecting their rights and property necessitates that ANCSA be amended to—

(A) provide the stockholders of each Native Corporation an opportunity to implement the settlement in the manner which they determine is best suited to their particular circumstances and needs, including, but not limited to, an opportunity to decide the manner in which Alaska Natives born after December 18, 1971, should participate in the settlement and whether the business corporation is the most appropriate entity to hold legal title to lands conveyed in partial settlement of aboriginal claims; and

(B) continue restrictions on the transfer of stock of Native Corporations until such time as the stockholders of a corporation may vote to terminate such restrictions; and

(e) both ANCSA, as amended, and this Act are Indian legislation enacted by Congress pursuant to its plenary authority under the Commerce Clause to regulate Indian affairs.

NEW DEFINITIONS

SEC. 3. (a) Section 3 (43 U.S.C. 1602) is amended by adding the word "group" after the word "individual," in subsection (h); striking the word "and" at the end of subsection (k); and by striking the periods at the end of subsections (l) and (m) and inserting, in lieu thereof, semicolons.

(b) Section 3 is further amended by adding the following new subsections:

"(n) 'Native common stock' means the stock of a Native Corporation issued pursuant to subsection (g) of section 7 which carries with it the rights and restrictions provided for in paragraph (1) of subsection 7(h); and

"(o) 'descendant of a Native' means a lineal descendant of a Native or of an individual who would have been a Native if he or she were alive on December 18, 1971, or an adoptee of a Native or descendant of a Native whose adoption is recognized at law or in equity.".

NEW STOCK ISSUANCE

SEC. 4. Subsection (g) of section 7 (43 U.S.C. 1606(g)) is amended to read as follows:

"(g)(1) The Regional Corporation shall be authorized to issue such number of shares of Native common stock, divided into such classes of shares as may be specified in the articles of incorporation to reflect the provisions of this Act, as may be needed to issue one hundred shares of Native common stock to each Native enrolled in the region pursuant to section 5 of this Act.

"(2) Notwithstanding any other law, a Regional Corporation, if authorized by an amendment to its articles of incorporation, may issue up to one hundred shares of additional Native common stock to—

"(A) Natives born after December 18, 1971;

"(B) Natives who have attained the age of sixty-five; and

"(C) Natives who were eligible for enrollment pursuant to section 5, but who were not so enrolled;

for no consideration or for such consideration and upon such terms and conditions as may be specified in the articles of incorporation or by a resolution of the board of directors pursuant to authority expressly vested in it by the articles of incorporation.

"(3)(A) Notwithstanding any other provision of this Act and in addition to any other existing authority, any Regional Corporation, after the date of enactment of this paragraph, may amend its articles of incorporation to authorize the issuance of additional shares of stock as provided in this paragraph.

"(B) Such shares of stock may be—

"(i) divided into classes and series within classes, with preferences, limitations, and relative rights, including, without limitation, dividend rights, voting rights, liquidation preferences, and rights to share in distributions made to stockholders under subsections (j) and (m) of this section;

"(ii) subject to alienability restrictions not in excess of the restrictions provided for in paragraph (1) of subsection (h) of this section;

"(iii) restricted in issuance to—

"(a) Natives who have reached the age of sixty-five; or

"(b) any other identifiable group of Natives, where such group is defined in terms of general applicability and, except as provided in subparagraph (H) of this paragraph, not in any way by reference to place of residence, family, or position as an officer, director, or employee of a Native Corporation, or stockholder of a Native Corporation other than the issuing Corporation; and

"(iv) issued as a dividend or other distribution upon outstanding shares of stock or for such consideration as may be permitted by law;

as may be provided in the articles of incorporation or an amendment thereto.

"(C) Any amendment to the articles of incorporation of a Regional Corporation which permits the issuance of classes or series of stock other than Native common stock shall specify the maximum number of shares of any such class or series and the maximum number of votes that may be held by shares of such class or series.

"(D) During any period in which the restrictions on alienation of Native common stock imposed by paragraph (1) of section 7(h) are in effect, no stock may be issued under this paragraph to a group of individuals composed only of employees, officers or directors of the Regional Corporation.

"(E) If any amendment to the articles of incorporation permits the issuance of classes or series of stock which, when issued, singly or in combination, may cause the outstanding shares of Native common stock to represent less than a majority of the voting power of all stock in the Regional Corporation, the stockholders of such corporation shall be expressly so advised in the proxy statement or other informational material distributed in advance of their vote upon the amendment.

"(F) In no event may shares of stock other than Native common stock be issued more that thirteen months after the date of the stockholder vote authorizing the issuance of such stock if, as a result of the issuance of such stock, the outstanding shares of Native common stock will represent less than a majority of the voting power of all stock in the Regional Corporation. The restriction of this subparagraph shall be of no further force and effect if shares of stock previously have been lawfully issued pursuant to this paragraph which have caused the shares of the Native common stock to represent less than a majority of the voting power of all stock in the Regional Corporation or if the restrictions upon alienation of Native common stock provided for in paragraph (1) of section 7(h) have expired under section 7a or have been terminated under section 7(h) by vote of the stockholders.

"(G) Notwithstanding the issuance of additional shares of Native common stock or new classes or series of stock pursuant to this paragraph, the Regional Corporation shall continue to apply the ratio last computed under subsection (m) of this section before the date of enactment of this paragraph for purposes of distributing funds under subsections (j) and (m) of this section.

"(H) If shares of different classes or series have been issued pursuant to this paragraph to nonvillage stockholders as described in subsection (m), distributions payable under subsections (j) and (m) of this section shall be made with respect to such classes or series in accordance with the rights, if any, of each class or series to share in such distributions as provided in the articles of incorporation or an amendment thereto and, if so provided, the right to share in such distributions may be established as a right or other security separate from any other shares issued to such nonvillage stockholders.

"(I) Common stock issued pursuant to this subsection which carries the same rights and restrictions provided for in section 7(h) or which is issued in substitution for Native common stock shall be deemed to be Native common stock as long as all such rights and restrictions are in effect with respect thereto.

"(4) The issuance of additional shares of Native common stock or other stock pursuant to paragraphs (2) and (3) of this subsection shall have no affect on the division and distribution of revenues pursuant to subsection (i) of this section.".

NATIVE COMMON STOCK: RIGHTS: ALIENATION RESTRICTIONS

SEC. 5. Subsection (h) of section 7 (43 U.S.C. 1606(h)) is amended to read as follows:

"(h)(1)(A) Except as otherwise provided in this paragraph and in paragraphs (3) and (4) of this subsection, Native common stock of a Regional Corporation issued pursuant to subsection (g) of this section shall—

"(i) carry a right to vote in elections for the board of directors and on such other questions as properly may be presented to stockholders;

(ii) permit the holder to receive dividends or other distributions from the Regional Corporation; and

(iii) vest in the holder all rights of a stockholder in a business corporation organized under the laws of the State of Alaska.

"(B) Until the termination of such restrictions by the stockholders under paragraph (2) of this subsection or pursuant to section 7a, Native common stock, inchoate rights thereto, and any dividends paid or distributions made with respect thereto, may not be—

"(i) sold;

"(ii) pledged;

"(iii) subject to a lien or judgment execution;

"(iv) assigned in present or future;

"(v) treated as an asset in a bankruptcy estate; or

"(vi) otherwise alienated.

"(C) The limitation contained in subparagraph (B) of this paragraph shall not apply to transfers of Native common stock if such transfers are made to Natives or descendants of Natives pursuant to a court decree of separation, divorce or child support or by a stockholder who is a member of a professional organization, association, or board which limits the ability of that stockholder to practice his or her profession because of holding stock issued under this section.

"(D) Except as provided in section 7a, the restrictions on alienation of Native common stock provided in this paragraph shall remain in effect until such time as the stockholders of a Regional Corporation vote to terminate such restrictions as provided in paragraph (2) of this subsection.

"(2)(A) Except as provided in subparagraph (F) of this paragraph, a Regional Corporation may terminate the restrictions on alienation imposed on its Native common stock by paragraph (1) of this subsection as provided in this paragraph.

"(B) At any time after the date of enactment of this paragraph, a resolution to terminate such restrictions may be adopted by the board of directors on its own motion or pursuant to a stockholders' petition as provided in paragraph (6)(D) of this subsection. A resolution of the board of directors of a Regional Corporation to terminate such restrictions shall be submitted to a vote of the stockholders in accordance with the procedures set forth in paragraph (6) of this subsection.

"(C) A resolution to terminate restrictions adopted pursuant to this paragraph shall make provision for the time of termination, either by the establishment of the date certain or the description of a specific event upon which the restrictions shall terminate.

"(D) The approval of a resolution under this paragraph shall be considered to be an amendment to the articles of incorporation of the Regional Corporation for the purposes of paragraph (6) of this subsection. On the date of termination as established in such resolution, all Native common stock previously issued shall be deemed canceled and shares of stock of the appropriate class shall be issued to each holder of Native common stock, share for share, subject only to such restrictions as may be provided in an amendment to the articles of incorporation adopted pursuant to paragraph (7) of this subsection or in agreements between the corporation and the individual stockholders.

"(E) The rejection of a resolution adopted pursuant to this paragraph by the stockholders of a Regional Corporation shall not preclude votes on subsequent resolutions adopted and submitted to a vote pursuant to this paragraph.

"(F) Notwithstanding the provisions of this paragraph, if the board of directors of the Bristol Bay Native Corporation or any Village Corporation in the Bristol Bay region adopts, within one year of the date of enactment of this paragraph, a resolution electing to follow the procedures set forth in section 7a of this Act, the provisions of this paragraph shall not be applicable to such corporation.

"(3)(A) Upon the death of any holder of Native common stock, ownership of such stock shall be transferred in accordance with the last will and testament of such holder or under applicable laws of intestate succession, except that, in the event the deceased stockholder fails to dispose of all of his or her Native common stock by will and if such stockholder has no heirs under applicable laws of intestacy who are Natives or descendants of Natives, such Native common stock shall escheat to the appropriate Regional Corporation.

"(B) In the event that stock would be transferred by devise or inheritance to a person not a Native or a descendant of a Native, the Regional Corporation shall have the right to purchase such stock for its fair market value.

"(4)(A) Notwithstanding the restrictions on alienation imposed by paragraph (1) of this subsection, any Regional Corporation is hereby authorized to amend its articles of incorporation to permit it to purchase and, for that purpose, its stockholders to sell, any or all of its Native common stock then issued and outstanding.

"(B) Payment for such stock shall be made out of—

"(i) unreserved or unrestricted earned surplus of the corporation; or

"(ii) net profits for the fiscal year in which the purchase is being made and for the preceding fiscal year, except when the corporation is unable to pay its debts as they become due in the usual course of business.

"(C) For the purpose of this paragraph, net profits derived from the exploitation or liquidation of timber resources or subsurface estate may be determined without consideration of depletion of those assets resulting from lapse of time, consumption, liquidation, or exploitation.

"(D) Shares of stock purchased pursuant to this paragraph shall become nonvoting treasury stock or may be canceled by the Regional Corporation in accordance with law.

"(E) In the case of each purchase of Native common stock pursuant to this paragraph, the board of directors shall determine a price at which such purchase will be made. Such price, if determined in good faith, shall conclusively be presumed to be fair. In determining such price, the board of directors, at its option, may exclude from such determination the value of the land or any interest therein received by the Regional Corporation pursuant to this Act which is committed by the corporation to Native traditional or cultural uses or is of speculative or unknown value on the date such determination is made.

"(F) With respect to any purchase under this paragraph, all holders of such Regional Corporation's Native common stock shall be given a fair opportunity to participate in any offer by the corporation to purchase shares of its Native common stock on the same basis as is made available to any holder of such stock.

"(5) Native common stock transferred through inheritance to a person who is not a Native shall not carry voting rights. The lapse of the right to vote in a holder of Native common stock upon a transfer by inheritance or otherwise may be restored by the adoption of an amendment to the articles of incorporation, but only if such shares of stock are held by a Native or a descendant of a Native.

"(6)(A) Notwithstanding any provision of Alaska law, other than those which relate to proxy statements or solicitations which are not inconsistent with this paragraph, and except as provided in section 7a of this Act—

"(i) any amendment to the articles of incorporation of a Regional Corporation authorized by this subsection or subsection (g) of this section;

"(ii) a transfer of assets made pursuant to section 7b;

"(iii) a resolution described in paragraph 2(C) of this subsection; or

"(iv) a resolution described in paragraph (B) of this paragraph;

shall be approved as provided in this paragraph.

"(B) The board of directors shall adopt a resolution setting forth the proposal and directing that it be submitted to a vote at the annual, or a special, meeting of the stockholders. One or more such amendments or resolutions may be submitted to the stockholders and voted upon at one meeting.

"(C) A written or printed notice, setting forth the proposal or summary of the changes to be effected, or the proxy statement and related proxy material if required under applicable law, shall be delivered by hand or sent by first class mail to each stockholder of record entitled to vote not less than fifty nor more than sixty days before the date of the meeting at the address of such stockholder as it appears on the records of the corporation.

"(D) With respect to any amendment or resolution described in subparagraph (A) of this paragraph, if the holders of at least 15 per centum or, in the case of an amendment to terminate restrictions on the alienability of Native common stock, one-third of the outstanding shares of Native common stock entitled to be voted petition the board of directors to adopt and submit such amendment or resolution to the vote of the stockholders, the board of directors shall adopt a resolution to that effect and submit it to the stockholders as provided in this paragraph. The procedural and disclosure requirements pertaining to the solicitation of proxies under State law shall govern solicitation of signatures on any such petition. If the petition meets the aforementioned standards and if—

"(i) the board of directors agrees with such petition, it shall submit the resolution and either the proponent's statement or its own statement in support of the resolution to the stockholders for a vote; or

"(ii) the board of directors disagrees with the petition for any reason, it shall submit the resolution and the proponent's statement to the stockholders and may, at its discretion, submit an opposing statement and/or an alternative resolution.

"(E)(i) An amendment to the articles of incorporation that would have the effect of removing the restrictions on alienation of Native common stock provided in paragraph (1) of this subsection shall be approved if such amendment receives the affirmative vote of at least a majority of the outstanding shares of Native common stock entitled to vote on such amendment.

"(ii) Any other amendment or resolution described in subparagraph (A) of this paragraph shall be approved—

"(a) if voted upon by at least 51 per centum of the votes represented by the capital stock of the Regional Corporation entitled to be voted on such amendment or resolution; and

"(b) if such amendment or resolution receives the affirmative vote of at least a majority of all votes cast,

subject to the right of the board of directors of the Regional Corporation to provide a quorum or vote requirement greater than subclause (a) or (b) of this clause, or both, and to the right of the Regional Corporation in its articles of incorporation to provide a vote by classes of stock for all or any of such actions.

"(F) If the result of a stockholder vote under this paragraph is the continuation of the restrictions against alienation of Native common stock, a stockholder who voted in favor of termination of the restriction may demand and receive payment from the corporation for all of his or her shares, but only if, contemporaneously with such vote, the stockholders approve a resolution providing for such right. The procedure established by Alaska law for the exercise of the right of a dissenting stockholder shall be followed, if such right is made available pursuant to this subparagraph.

"(G) A resolution adopted pursuant to subparagraph (F) of this paragraph may provide that Native common stock shall be valued on the basis set forth in section 7a(f)(2) and that the form of payment to dissenting stockholders shall be as provided in section 7a(f)(3).

"(7) Notwithstanding a stockholder vote to terminate restrictions on alienation of Native common stock under paragraph (2) of this subsection or the expiration of such restrictions pursuant to section 7a, a Regional Corporation, prior to the effective date of such termination, may amend its articles of incorporation to impose any restrictions upon the replacement common stock issued pursuant to paragraph 2(D) of this subsection permitted under applicable law as well as restrictions providing for—

"(A) the denial of voting rights to any holder of such replacement common stock who is not a Native or descendant of a Native; and

"(B) the granting to the corporation, or to the corporation and the stockholder's immediate family, on reasonable terms, the first right to purchase a stockholder's replacement common stock prior to the sale or transfer of such stock, other than a transfer by inheritance, to any other party, including a transfer in satisfaction of a lien, writ of attachment, judgment execution, pledge, or other encumbrance.".

BRISTOL BAY REGION: SPECIAL PROVISIONS

SEC. 6. The Alaska Native Claims Settlement Act is further amended by adding a new section as follows:

"SEC. 7a. (a) If the Bristol Bay Native Corporation or any Village Corporation located in the Bristol Bay region adopts a resolution as provided in paragraph (2)(F) of subsection 7(h), such corporation may extend the restrictions on alienation of Native common stock as provided in this section.

"(b)(1) Within two years after the election under paragraph (2)(F) of section 7(h) and, if the quorum requirement specified in subsection (e) of this section is not satisfied, annually thereafter, the board of directors of such corporation shall adopt, and submit to a vote of its stockholders, a resolution to amend its articles of incorporation to extend the restrictions on alienation of its Native common stock.

"(2) Such resolution shall provide for an extension of the restrictions for a period of not less than twenty nor more than fifty years.

"(3) If a resolution under paragraph (1) of this subsection is adopted, such corporation may, prior to the expiration of the period of extension or any successor extension period, further extend the restrictions under the provisions of this section.

"(c)(1) If any vote conducted pursuant to subsection (b) of this section is ineffective because of a continuing or repeated lack of quorum as provided in subsection (e) of this section or if the holders of Native common stock defeat a resolution to continue restrictions on alienation, the board of directors shall adopt, and submit to the vote of the stockholders, a resolution which establishes the date or describes the specific event upon which the restrictions shall terminate.

"(2) If no such resolution is voted upon and approved, the restrictions shall terminate one year from either the date of the vote disapproving the resolution to extend such restrictions or the last date on which a lack of a quorum existed, as the case may be, or on December 18, 1991, whichever date later occurs.

"(3) On the date of termination of such restrictions, all Native common stock of such corporation previously issued shall be deemed canceled and shares of stock of the appropriate class shall be issued to each stockholder, share for share, subject only to such restrictions as may be provided by the articles of incorporation, including any amendment thereto adopted pursuant to section 7(h)(7), or in agreements between the corporation and individual stockholders.

"(d)(1) Notwithstanding any provision of Alaska law, except those relating to stockholders' rights of petition and to proxy statements and solicitations which are not inconsistent with the provisions of this section—

"(A) any amendment to the articles of incorporation of a corporation authorized by this section or subsections 7(g) and 7(h) (4), (5), and (7) of this Act;

"(B) a transfer of assets made pursuant to section 7b;

"(C) a resolution described in subsection (c) of this section; or

"(D) a resolution described in subsection (f)(2) of this section;

shall be approved as provided in this subsection.

"(2) The board of directors shall adopt a resolution setting forth the proposal and directing that it be submitted to a vote at the annual, or a special, meeting of the stockholders. One or more such amendments or resolutions may be submitted to the stockholders and voted upon at one meeting.

"(3) A written or printed notice setting forth the proposal or a summary of the changes to be effected shall be given to each stockholder of record entitled to vote not less than fifty nor more than sixty days before the date of the meeting, either personally or by mail.

"(e)(1) In order for a resolution to be approved under this section, the proposal must be voted upon by at least 51 per centum of the outstanding shares of Native common stock entitled to be voted and must receive the affirmative vote of at least 50 per centum plus one of the shares voted.

"(2) Notwithstanding paragraph (1) of this subsection, the stockholders may require a minimum vote of more than 51 per centum of the outstanding shares of Native common stock entitled to be voted or an affirmative vote greater than 50 per centum of the shares voted, or both, to approve any such proposal.

"(f)(1) If the result of a stockholder vote under this section is the extension of restrictions against alienation or a transfer of assets pursuant to section 7b, a stockholder who voted against the extension or transfer may demand and receive from the corporation the fair market value of his or her shares. Unless longer periods of time are authorized in the bylaws of the corporation, the procedure established by Alaska law for the exercise of the right of a dissenting stockholder to demand and receive payment for his or her shares in certain cases shall be followed to the extent such right is made available pursuant to this subsection.

"(2) The stockholders of the corporation may adopt a resolution, concurrent with the vote authorized under subsection (a) of this section, which provides that, in the event dissenters' rights are exercised—

"(A) the Native common stock shall be valued as restricted stock, having the same restrictions for the same period made applicable to the stock by the vote; and/or

"(B) the value of the land or any interest therein received by the corporation pursuant to this Act which—

"(i) is committed by the corporation to Native traditional or cultural uses; and/or

"(ii) is of speculative or unknown value on the date such resolution is adopted;

shall be excluded by the stockholder, the corporation and any court in the determination of the fair market value of the shares of Native common stock to be purchased from such stockholder by the corporation; and/or

"(C) payments to each dissenting stockholder shall be made by the corporation through the issuance to such stockholder of a nonnegotiable note in the principal amount of the payment due, which note shall be secured either by—

"(i) a payment bond issued by an insurance company or financial institution;

"(ii) the deposit in escrow of securities or property having a fair market value equal to at least 125 per centum of the face amount of the note; or

"(iii) a lien upon the real property interests of the corporation valued at 125 per centum or more of the face amount of the note, other than lands or interests therein which are committed to Native traditional or cultural uses and the percentage interest in its timber resources and subsurface estate that would result in the recognition of 'Gross Section 7(i) Revenues' within the meaning of, and pursuant to, article II, section 1(d) of the 7(i) agreement cited in subsection (f)(2) of section 7b of this Act.

"(3) Any note issued pursuant to this subsection shall provide that—

"(A) interest shall be paid semi-annually, beginning as of the date the corporation elected to extend stock restrictions on Native common stock or transfer assets pursuant to section 7b of this Act, at the rate applicable on such date to obligations of the United States having a maturity date of one year; and

"(B) the principal amount and any undistributed interest shall be payable to the former stockholder or his or her heirs or devisees—

"(i) at any time, at the option of the corporation; or

"(ii) if not so called, on December 18, 1991, or, if the restrictions on Native common stock otherwise would have expired on a later date, on such date or five years after the date of election, whichever comes first, or, if the transfer of assets occurs after December 18, 1991, then five years after the date of such transfer.".

TRANSFER OF ASSETS: QUALIFIED TRANSFEREE ENTITY

SEC. 7. The Alaska Native Claims Settlement Act is further amended by adding the following new section:

"SEC. 7b. (a) Any Native Corporation or the stockholders of a Native Corporation which has been dissolved involuntarily under applicable law is hereby authorized to convey any or all of its assets, including the title to the surface or subsurface of land, to a qualified transferee entity as provided in this section. In cases where a Native Corporation has been involuntarily dissolved under State law, a State court of appropriate jurisdiction, upon petition of no less than twenty-five of the former stockholders of such corporation, may order the transfer of real property assets and such other assets remaining after satisfaction of outstanding debts upon an affirmative vote of individuals who were shareholders in the dissolved corporation on a resolution as provided in section 7(h)(6) or 7(c) without requiring that the resolution be adopted by the Board of Directors.

"(b) The conveyance of such assets shall be as provided in a resolution, including a provision for the payment of consideration or no consideration as desired, adopted by the board of directors of such corporation and submitted to a vote of its shareholders as provided in section 7(h)(6) or section 7a of this Act, as the case may be.

"(c) An entity shall be qualified to accept a transfer of assets conveyed pursuant to this section if it—

"(1) is organized pursuant to, or recognized by, State or Federal law;

"(2) has a membership composed of persons whose interest in the entity is nontransferable;

"(3) provides membership for every person who holds Native common stock in the corporation making the transfer of assets on the day before the date of such transfer; and

"(4) except as provided in paragraph (3), accepts as new members only Natives or descendants of Natives.

"(d) Notwithstanding any provision of State or Federal law, a qualified transferee entity is authorized to—

"(1) by a vote of its members;

"(A) limit its membership to Natives or descendants of Natives; and

"(B) admit to membership non-Natives only for the purpose of complying with paragraph (3) of subsection (c) of this section;

"(2) distribute cash and other assets to its members, except that such entity shall not convey fee title to land or interests therein unless authorized or required by section 14(c) or 21(j) of this Act; and

"(3) exchange lands or interests therein pursuant to the provisions of section 22(f) of this Act and section 1302(h) of the Alaska National Interest Lands Conservation Act.

"(e) The provisions of subsections (d) and (e) of section 21 of this Act shall continue to apply to any lands or interests therein conveyed by a Native Corporation to a qualified transferee entity pursuant to this section.

"(f)(1) Any revenues subject to distribution under section 7(i) of this Act derived from assets conveyed pursuant to this section shall remain subject to 7(i) to the same extent such revenues would have been subject if the conveyance had not occurred.

"(2) A Regional Corporation shall not convey assets subject to section 7(i) to more than one qualified transferee entity. Prior to receiving a conveyance of an asset subject to section 7(i), a qualified transferee entity shall agree in writing—

"(A) to be bound by the provisions of the agreement dated June 29, 1982, among and between the parties to Aleut Corporation et al. against Arctic Slope Regional Corporation (Civ. Act. A75-53 D. Ak.); and

"(B) to waive its sovereign immunity, if any, with respect to claims arising under section 7(i) or this section.

"(3) The Regional Corporation or, in the case of its dissolution, another single entity designated by its stockholders or the United States district court, as appropriate, shall be responsible for administering the provisions of section 7(i) and the June 29, 1982, agreement with respect to assets subject to section 7(i) conveyed by such corporation pursuant to this section.

"(4) After the conveyance of an asset subject to section 7(i) by a Regional Corporation, such asset shall be security for the payment of such corporation or its successor entity of all revenues which the corporation is obligated to distribute to other Regional Corporations pursuant to section 7(i).

"(g)(1) If a resolution conveying assets is approved by a stockholder vote pursuant to subsection (b) of this section, any stockholder who voted against the resolution may demand and receive payment from the corporation for all of his or her shares, but only if, concurrent with such vote, the stockholders of the Native Corporation adopt a resolution expressly providing for such right.

"(2) The procedure established by Alaska law for the exercise of the right of a dissenting stockholder to demand and receive payment for his or her shares in certain cases shall be followed if such right is made available pursuant to this subsection.

"(3) For the purpose of this section, a resolution establishing dissenters' rights may provide that the Native common stock shall be valued on the basis set forth in section 7a(f)(2) and that the form of payment to dissenting stockholders shall be as provided in section 7a(f)(3).".

DISCLAIMER: TRIBAL GOVERNMENT

SEC. 8. The Alaska Native Claims Settlement Act is further amended by adding a new section as follows:

"SEC. 7c. No provision of the Alaska Native Claims Settlement Act Amendments of 1986 shall be construed as enlarging or diminishing or in any way affecting the scope of governmental powers, if any, of an Alaska Native village entity, including entities organized under the Act of June 18, 1934 (48 Stat. 987), as amended, or Traditional Councils.".

SEC. 9. The Alaska Native Claims Settlement Act is further amended by adding a new section as follows:

"SEC. 7d. The Aleut Corporation, Cook Inlet Region, Inc., and Koniag, Inc., and any Village Corporation within the Aleut and Cook Inlet regions may, by a vote of its board of directors within one year after the effective date of this section, elect to comply with the provision of section 7a with respect to a stockholder vote on the question of whether to continue restrictions on alienation of Native common stock imposed by paragraph (1) of section 7(h) beyond December 18, 1991.".

VILLAGE AND URBAN CORPORATIONS: NATIVE GROUPS

SEC. 10. Subsection (c) of section 8 (43 U.S.C. 1607(c)) is amended to read as follows:

"(c)(1) The provisions of subsections (g), (h), and (o) of section 7 and of section 7a of this Act relating to Regional Corporations shall apply in all respects to Village Corporations, Urban Corporations and Native groups, except that—

"(A) audits need not be transmitted to the Committee on Interior and Insular Affairs of the House of Representatives or to the Committee on Energy and Natural Resources of the Senate; and

"(B) subject to the provisions of paragraph (2) of this subsection and section 7a, restrictions on the alienation of Native common stock of such corporations, inchoate rights thereto, and any dividends paid or distributions made with respect thereto shall continue after December 18, 1991.".

"(2) The restrictions on alienation of Native common stock of Village Corporations, Urban Corporations and incorporated Native groups may be terminated or extended by the adoption of an amendment to their articles of incorporation to such effect pursuant to the provisions of paragraphs (2) and (6) of subsection 7(h) or of section 7a, as the case may be, except that—

"(A) with respect to action under section 7(h), only one such vote may be held prior to December 18, 1991 and only once annually thereafter; and

"(B) with respect to action under section 7a, votes shall be held as provided in subsection (b)(1) of section 7a.".

CONSTITUTIONALITY: UNITED STATES JURISDICTION

SEC. 11. Section 10 (43 U.S.C. 1609) is amended by adding the following new subsection:

"(c)(1) The United States District Court for the District of Alaska is vested with exclusive original jurisdiction over any action challenging the constitutionality of any provision of the Alaska Native Claims Settlement Act Amendments of 1986. Such action shall be heard and determined by a court of three judges as provided in section 2284 of title 28, United States Code, with a direct appeal from any final judgment to the United States Supreme Court.

"(2) It being the express intention and direction of Congress that in no circumstances shall enactment of this Act result in any liability to the United States, the court shall not enter a money judgment against the United States in fashioning appropriate relief upon a determination that any of such sections violates the Fifth Amendment to the United States Constitution.".

SUBSURFACE CONVEYANCE TO VILLAGE ENTITY

SEC. 12. Section 14 (43 U.S.C. 1613) is amended by adding the following new subsection:

"(i)(1) A Regional Corporation may convey any subsurface estate owned by such corporation to a village entity which acquired or currently owns the surface estate pursuant to this Act.

"(2) Notwithstanding any conveyance pursuant to paragraph (1) of this subsection, the Regional Corporation shall continue to receive the thirty percent of the revenues from any development of the subsurface estate it would have retained had there been no such conveyance and the remaining seventy percent of such revenues shall be distributed in accordance with section 7(i).

"(3) Any conveyance under this subsection shall be subject to the provisions of section 7b as if the village entity were a qualified transferee entity. The document or documents effecting such conveyance shall be recorded by the Regional Corporation, together with copies of section 7b and this subsection, in the land records of the appropriate recording district.

"(4) The village entity to which any subsurface estate is conveyed pursuant to this subsection may not convey or otherwise transfer all or any part of such subsurface estate to any other entity without the express consent to the transfer Regional Corporation.".

REAL PROPERTY INTERESTS: IMMUNITIES

SEC. 13. Paragraph (1) of subsection 21(d) (43 U.S.C. 1620(d)(1)) is amended to read as follows:

"(1)(A) All land and interests therein conveyed pursuant to this Act, to any Native individual, Native group, Village or Regional Corporation, or a corporation established pursuant to section 14(h)(3) of this Act shall be, so long as such land and interests therein are not developed or leased to third parties or are used solely for purposes of exploration, entitled from the date of their conveyance to immunity from—

"(i) adverse possession and similar claims based upon legal theories of estoppel;

"(ii) real property taxes by any governmental entity;

"(iii) judgment resulting from any claim based upon or arising under title 11 of the United States Code relating to bankruptcy (or any successor statute), other insolvency or moratorium laws, or other laws affecting creditors' rights generally;

"(iv) unless such immunity is waived by the corporation in a valid and binding contract executed prior to the commencement of such proceedings, judgment in any action at law or equity to recover sums owed or penalties incurred by any Native Corporation or Native group or any officer, director, or stockholder of any such corporation or group, and

"(v) involuntary distribution or conveyance related to the involuntary dissolution of the Native Corporation.

"(B) For the purposes of this paragraph, lands shall not be considered to be developed solely as a result of construction, installation, or placement upon such land of any structure, fixture, device, or other improvement intended to enable, assist, or otherwise further the subsistence or other customary or traditional uses of such land.

"(C) Immunities provided for in this paragraph shall be in addition to those immunities or other benefits to which such lands or interests therein may be entitled under the Alaska National Interest Lands Conservation Act, but shall not apply to any judgment in any action at law or equity or to any arbitration award arising out of any claim regarding revenue sharing under section 7(i) of this Act.

"(D) Land to which this paragraph applies and lands conveyed pursuant to section 7b of this Act shall be subject to condemnation for public purposes in accordance with the provisions of applicable State law.

"(E) Except as provided in section 14(c)(3), no trustee, receiver or custodian vested under applicable Federal or State law with any right, title or interest of any Native Corporation or Native group may assign or lease to a third party any land subject to this paragraph which has not theretofore been developed or leased, or commence development or use of the land other than for purposes of exploration, and such trustee, receiver, or custodian may not convey any right, title, or interest in land and interests therein protected under this paragraph to any third party, except pursuant to a judgment or arbitral award regarding revenue sharing under section 7(i).".

CONFORMING AMENDMENT: SECTION 21

SEC. 14. Subsection (f) of section 21 (43 U.S.C. 1620(f)) is amended by striking the phrase "Until January 1, 1992" and inserting, in lieu thereof, the phrase "Until such time as the limitations upon alienation of Native common stock have been removed pursuant to section 7(h)(2) or have expired pursuant to section 7a of this Act".

SEVERABILITY CLAUSE

SEC. 15. Section 27 (85 Stat. 688) is amended to read as follows:

"SEC. 27. The provisions of this Act, as amended, are severable and, if any provision of the Act is determined by a court of competent jurisdiction to be invalid, such invalidity shall not affect any other provision.".

CORPORATIONS EXEMPT FROM SECURITIES LAWS

SEC. 16. Section 28 (43 U.S.C. 1625) is amended to read as follows:

"SEC. 28. (a)(1) Any corporation organized pursuant to this Act shall be exempt from the provisions of the Investment Company Act of 1940 (54 Stat. 789), the Securities Act of 1933 (48 Stat. 74), and the Securities Exchange Act of 1934 (48 Stat. 881), as amended, through the earlier of the date after—

"(A) the date on which the corporation issues any shares of stock which will not be issued solely to Natives or descendants of Natives or to entities established for the sole benefit of Natives or descendants of Natives; or

"(B) the date on which the corporation removes the limitations on alienation of Native common stock as provided for in section 7(h)(2) or the date on which such restrictions terminate under section 7a of this Act.

"(2) Nothing in this section shall be construed to mean that any such corporation shall or shall not, after such date, be subject to the provisions of such Acts.

"(b)(1) Any such corporation which, but for this section, would be subject to the provisions of the Securities Exchange Act of 1934 shall transmit to its stockholders each year a report containing substantially all the information required to be included in an annual report to stockholders by a corporation which is subject to the provisions of such Act.

"(2) For the purposes of determining the applicability of the registration requirements of the Securities Exchange Act of 1934 after the date determined pursuant to subsection (a) of this section, holders of

Native common stock shall be excluded from the calculation of the number of shareholders of record pursuant to section 12(g) of that Act.

"(c) The provisions of the Investment Company Act of 1940 shall not, in any event, apply to any corporation organized pursuant to this Act prior to January 1, 2001.".

FEDERAL PROGRAMS: MINORITY CORPORATION

SEC. 17. Section 29 (43 U.S.C. 1626) is amended by adding the following new subsection:

"(c) In determining the eligibility of any household or individual Native or descendant of a Native to participate in the Food Stamp program, receive assistance under the Social Security Act of financial assistance or benefits available under any other Federal or federally assisted program otherwise available to the Native people of Alaska as citizens of the United States and of the State of Alaska, any compensation, remuneration, revenue, stock, land, or other benefits received by any individual, any household or any member of such household under this Act, including land received from such individual's Native Corporation or Native group organized under this Act, shall be disregarded and shall not be considered as a resource or otherwise utilized as a basis for making such determination.

"(d) Until such time as less that 50 per centum of the voting power of a Native Corporation is represented by shares of outstanding Native common stock or any other securities of such corporation held by Natives or descendants of Natives entitled to vote, such Native Corporation for all purposes of Federal law shall be considered a corporation owned and controlled by Alaska Natives.".

CONFORMING AMENDMENT: SECTION 30

SEC. 18. Subsection (b) of section 30 (43 U.S.C. 1627(b)) is amended by striking the phrase "prior to December 19, 1991" and inserting, in lieu thereof, the phrase "while the Native common stock of all corporations subject to merger or consolidation remain subject to restraints on alienation".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Arizona [Mr. UDALL] will be recognized for 20 minutes and the gentleman from Alaska [Mr. YOUNG] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Arizona [Mr. UDALL].

GENERAL LEAVE

Mr. UDALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. UDALL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 278 makes some extremely important amendments to the Alaska Native Claims Settlements Act.

Congressman LUJAN and I are the only remaining members of the Interior Committee who were on the committee when we passed this historic legislation in 1971.

I remember the sense of satisfaction and the great hopes and expectations we had for the success and future of the Alaska Natives under ANCSA. The act represented an innovative, experimental approach by Congress to the settlement of Indian claims and the treatment of Indian tribes.

Over 15 years have passed since enactment of ANCSA and it is clear that it has not fully met our hopes and expectations. It is apparent that it did not wholly satisfy the real economic, social and cultural needs of Native people and almost all who are affected by the act agree that major modifications are in order. H.R. 278 provides those changes.

In settling the Native land claims, ANCSA extinguished Native aboriginal rights and, in return, provided for the conveyance of 44,000,000 acres of land and nearly $1 billion to the Natives.

To provide a framework for the administration of the settlement, the act required Alaska Natives to create a series of regional and village corporations. Alaska Natives of at least one-quarter Native blood who were alive on December 18, 1971, were enrolled in these regions and villages and issued shares of stock in those corporations.

H.R. 278 makes three basic changes in ANCSA in order to protect lands and Native interests.

Under ANCSA, stock owned by a Native cannot be sold or otherwise alienated until December 18, 1991. After that date, the stock will be freely alienable with the distinct possiblity that Natives will lose control of their corporations and lands. H.R. 278 amends ANCSA to indefinitely extend the period of inalienability unless the shareholders of a corporation vote to terminate it.

Second, the bill amends ANCSA to permit corporations to issue new stock to Natives who were born after the 1971 date of enactment. Under existing law, young Natives are precluded from sharing in the benefits of the settlement and in their own heritage.

Finally, the bill amends ANCSA to facilitate the transfer of lands from the Native corporations to other entities, including Native tribal entities, which might better protect their lands for the long term.

Mr. Speaker, this vital legislation has, unfortunately, become embroiled in the issue of the continued existence of Native tribal entities in Alaska. As one of the two remaining members of the 1971 Interior Committee, let me make my position clear on that point.

ANCSA was an Indian Land Claims Settlement Act. As noted in the committee report on this bill, Congress did not intend to deal in any way with the issue of tribal entities. That was an issue which was left to other applicable law. The same is true of the amendments made to ANCSA by H.R. 278.

Neither ANCSA nor these amendments are intended to affect the legal status or tribal entities in Alaska.

If they exist under other applicable law, ANCSA and these amendments are not intended to impair that existence. If they do not so exist, ANCSA and these amendments are not intended to revitalize them.

Mr. Speaker, I urge the Members to vote for passage of this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the sponsor of H.R. 278, I rise in support of the legislation. Also, I would like to commend the distinguished chairman of the Committee on Interior and Insular Affairs for his assistance and leadership in helping to bring the legislation before this Chamber.

For the benefit of our colleagues, I intend to briefly describe the background of this legislation and its major provisions. This bill is identical to legislation which passed this body last July.

Sixteen years have now passed since the Alaska Native Claims Settlement Act of 1971 was signed into law by President Nixon. The Settlement Act of 1971 was a bold, far-reaching land claims settlement act. It represented an important change in traditional Federal Indian law, since Congress chose to have the act administered by Native corporations organized under State law, instead of creating reservations found in other States. Under the law, the land would be transferred to these corporations, which would be given 20 years of protection from sale and certain property taxes. This 20 year period was intended to provide the corporations with time to develop economically without the pressure of corporate takeovers.

The intent of the Settlement Act was stated in section 2(b) of ANCSA, which is not changed under this legislation. Section 2(b) states in part:

> The settlement should be accomplished rapidly, with certainty . . . without litigation . . .

The protections of ANCSA were for 20 years, but the law also called for expeditious conveyances, "Without extensive litigation." Sixteen years after ANCSA, lands remain to be conveyed and litigation still hampers some selections and conveyances.

Mr. Speaker, it is important to remember that the land title claims were settled immediately and completely and were not limited to 20 years.

As the 20 year deadline draws near, there has been a great deal of concern in Alaska Native communities that the unrestricted sale of stock could result in the loss of lands conveyed under the Settlement Act. As the committee report notes, the possible loss of land from Native ownership is of paramount concern. It is the reason for this legislation.

To address this concern, the legislation would provide for the continuation of restrictions contained in ANCSA, unless an individual Native corporation takes certain actions to eliminate or modify the sale restrictions. Dissenter's rights are provided where the corporation elects to continue stock restrictions. In addition to clarification or corporate share ownership rights, the bill provides for land ownership protections in the form of statutory protections similar to those now in Alaska Land Bank Program.

Finally, as I have stated throughout consideration of this bill, this legislation does not deal with governments. It deals solely with stock and land ownership. These are ownership issues of private individuals and corporations—not governments.

The bill does not affect Government powers, it does not grant new lands or funds, and does not have any significant fiscal impact on the Federal Government.

Many individuals and groups in Alaska have spent a great deal of time and effort over the past 2 years in considering responses to the 1991 deadline. Through a series of village meetings, and special conventions, Alaska Natives have deliberated, and made many difficult decisions which resulted in proposals to Congress. From there, this legislation was considered, changed in some respects, and then was the subject of congressional hearings in Anchorage, Fairbanks, and Washington, DC over the last 2 years.

Mr. Speaker, these amendments are intended to respond to a real concern in rural Alaska and to maintain the intent of the Alaska Native Claims Settlement Act. Nothing more, nothing less. It is my belief that we must act to provide flexibility for the villages in rural Alaska if the intent that brought us the settlement in 1971 is to be maintained.

We have the opportunity to make the Settlement Act work better to meet the needs of Alaska, especially rural villages.

Finally, I will restate my conviction that removal of the 1991 deadlines in ANCSA is of great importance to future generations of Alaskans. To the extent that groups and individuals seek to manipulate legal definitions to achieve control over the use of lands owned by Native Alaskans through opposition to 1991 remedial legislation, they jeopardize a way of life in rural Alaska which is a fundamental strength in the State.

Alaskans in rural communities who have thrived quietly and privately through good and bad economic times will not suffer, yet their children and grandchildren will if land ownership is not protected for future generations.

For these reasons, I urge my colleagues to support this legislation.

Mr. Speaker, I yield back the balance of my time.

Mr. UDALL. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. Vento].

Mr. VENTO. Mr. Speaker, I just want to rise in support of this measure, which provides for the Alaskan Native Claims Settlement Act.

At the direction of the chairman in 1985, we held hearings at Anchorage with the ranking member, the gentleman from Alaska [Mr. Young], on this subject.

Mr. Speaker, I concur that the optimism with regard to which the Natives would be able to adapt to a sort of Wall Street environment by 1991 was in error. The fact is, I think, that we need to continue some of the special protections, some of the special technical assistance that has been available into the future, as well as solve the issue with regard to extension of the rights to those that did not have ownership at the time that the cutoff dates occurred in the initial ANCSA legislation.

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So I am pleased to rise in support of the bill. I know this is an important measure for the State of Alaska. I am pleased to rise in support of our colleague, the gentleman from Alaska, with regard to the spirit of this legislation and the extension of this 1991 date.

Mr. UDALL. Mr. Speaker, I yield back the balance of my time.

The **SPEAKER** pro tempore (Mr. Gray of Illinois). The question is on the motion offered by the gentleman from Arizona [Mr. Udall] that the House suspend the rules and pass the bill, H.R. 278, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

DESIGNATING A SEGMENT OF THE MERCED RIVER, CA, AS A COMPONENT OF THE NATIONAL WILD AND SCENIC RIVERS SYSTEM

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 317) to amend the Wild and Scenic Rivers Act by designating a segment of the Merced River in California as a component of the National Wild and Scenic Rivers System, as amended.

The Clerk read as follows:

H.R. 317

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF MERCED RIVER.

(a) Designation.—Section 3(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1274(a)) is amended by adding the following new paragraph at the end:

"(62) Merced, California.—The South Fork Merced River from its source (including Red Peak Fork, Merced Peak Fork, Triple Peak Fork, and Lyle Fork) in Yosemite National Park to the junction with the main stem, and the main stem from its source in Yosemite National Park to a point at Highway 140 at the town of Briceburg, as generally depicted on a map entitled 'Proposed Merced River,', to be administered by the Secretary of Agriculture; except that those portions of the river within the boundaries of Yosemite National Park, the El Portal Administrative unit, and the portion of the river flowing through lands administered by the Bureau of Land Management shall be administered by the Secretary of the Interior. With respect to the portions of the river designated by this paragraph which are within the boundaries of Yosemite National Park, and the El Portal Administrative unit, the requirements of subsection (b) of this section shall be fulfilled by the Secretary of the Interior through appropriate revisions to the general management plan for the park, and the boundaries, classification, and development plans for such portions need not be published in the Federal Register. Such revisions to the general management plan for the park shall assure that no development or use of park lands shall be undertaken that is inconsistent with the designation of such river segments. For the purposes of the segment designated by this paragraph, there are authorized to be appropriated such sums as may be necessary for the acquisition of lands and interests in lands and for development."

(b) Renumbering.—Section 3(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1274(a)) is amended by redesignating the paragraphs relating to the Cache La Poudre River, the Saline Bayou, Black Creek, the Klickitat, and the White Salmon as paragraphs (57) through (61), respectively.

SEC. 2. LOWER MAIN STEM OF MERCED RIVER.

For the purpose of protecting the scenic, natural, cultural, recreational, and fish and wildlife values of the lower main stem of the Merced River, California, from Highway 140 at the town of Briceburg to the point of maximum flood control storage of Lake McClure, such segment shall be subject to the provisions of subsection (a) of section 7 of the Wild and Scenic Rivers Act in the same manner as the other river segments referred to in such subsection (a). The protection afforded by this section shall expire on September 30, 1992.

SEC. 3. CONSULTATION.

For purposes of sections 1 and 2 of this Act, the Secretary of Agriculture shall consult with the appropriate State and local officials, including the Mariposa County Board of Supervisors, as required by the provisions of section 3(d)(1) of the Wild and Scenic Rivers Act.

The **SPEAKER** pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Minnesota [Mr. Vento] will be recognized for 20 minutes and the gentleman from California [Mr. LAGOMARSINO] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 317 would designate the main stem of the Merced River from its source to the town of Briceburg—about 82 miles—and the south fork of the Merced River from its source to the junction with the main stem—about 43 miles—as components of the National Wild and Scenic Rivers System. The segment from Briceburg to the point of the maximum flood control pool of Lake McClure would be protected under the provisions of section 7(a) of the Wild and Scenic Rivers Act until September 30, 1992.

The main stem of the Merced River originates in Yosemite National Park and flows through Yosemite Valley. From the western boundary of Yosemite Valley the river is within national forest on Bureau of Land Management boundaries with little private land along the river. State Highway 140 parallels the river from the town of Briceburg upstream to the Yosemite National Park boundary, and park roads parallel the river through Yosemite Valley. The main stem of the Merced River offers excellent fishing for its entire length, spectacular scenery in the more wild reaches, and an outstanding and heavily used recreation resource in the area of easy accessibility.

The south fork of the Merced River also has its source in Yosemite National Park and flows through the park for about 25 miles before entering national forest lands near the village of Wawona. The river is wholly within the boundary of the Sierra National Forest until it joins with the main stem 23 miles downstream.

The nationwide rivers inventory conducted by the Department of the Interior rated the south fork of the Merced as having more outstandingly remarkable values than any other California river. The upper river is located in a glaciated gorge and has numerous pools and cascades. The lower river falls rapidly through heavily forested areas and has a growing use by rafters, hikers, and fishermen. The river has an excellent native trout fishery and is a critical area habitat for deer, black bear, cougar, and other wildlife. There are several rare plant species found along the river.

Hearings were held by the Subcommittee on National Parks and Public Lands on March 5, 1987, and the bill was favorably reported, with an amendment, by the Committee on Interior and Insular Affairs on March 18, 1987.

Mr. Speaker, I want to commend my friend and colleague of the Interior Committee, TONY COELHO, for his diligence and hard work in crafting this bill to protect one of the most beautiful rivers in the Sierra Nevada Mountains from adverse development that would forever destroy this remarkable stream. His commitment to environmental concerns has made it possible for us to bring this bill to the floor today and I urge all of my colleagues to join me in support of H.R. 317.

Mr. Speaker, I reserve the balance of my time.

Mr. LAGOMARSINO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R 317, to designate 117 miles of the main stem and south fork of the Merced River in California as a component of the National Wild and Scenic Rivers System.

The headwaters and a substantial portion of both segments are within Yosemite National Park. Both segments also flow through national forest lands, which are a part of the Sierra and Stanislaus National Forests. Approximately 17 miles of the river flows through designated wilderness.

In addition to the wild and scenic designation, H.R. 317 would establish a 5-year water development moratorium, rather than wild and scenic designation, for an additional 8 miles of the main stem of the Merced River to allow the local county adequate time to examine possible future water resources for the area. While the wild and scenic designation included in H.R. 317 would preclude licensing of a pending hydroelectric project on the main stem of the Merced, it does not appear that this project is necessary to meet current energy demands of the area. In addition, the National Park Service has expressed concern regarding the project's potential adverse effects on Yosemite National Park and the El Portal administrative site.

The Merced River was identified as a potential wild and scenic river in the 1982 nationwide rivers inventory by the National Park Service. In addition, it was recommended for designation by the Forest Service in the draft plan and environmental impact statement for the Sierra National Forest completed in September 1986. The river and corridor receive substantial recreation use, including rafting, hiking, camping, and picnicking. Finally, H.R. 317 would not affect private lands. There is very little private land within the river corridor and the Federal managing agencies have indicated that an aggressive land acquisition policy is unnecessary.

For these reasons, Mr. Speaker, I commend the subcommittee chairman, Mr. VENTO, and Mr. COELHO, the primary author, support H.R. 317 and urge my colleagues to approve this legislation.

Mr. VENTO. Mr. Speaker, I yield such time as he may consume to the distinguished majority whip, the gentleman from California [Mr. COELHO], a member of the committee.

Mr. COELHO. Mr. Speaker, I would just like to urge my colleagues to join with us in support of the bill.

Mr. Speaker, today we are considering legislation to designate an important river in my district, the Merced, as a wild and scenic river. For everyone who has had the opportunity to visit Yosemite National Park, they have been fortunate to see the beauty of the Merced.

This river begins in the park, travels down past the town of El Portal, through Mariposa County and on to Lake McClure. As it wanders along its path, one gets a close look at the high granite walls in the canyon that surround the river. Rare birds and other forms of wildlife are often seen on the river's shores and many varieties of plants and flowers can be found along the banks.

While the scenery is something to admire, the river offers a number of recreational opportunities to thousands each year. I have been fortunate enough to raft through the white water of the Merced during the summer months. I want others to be able to have the same experience, and to be able to use the river for hiking, fishing, and swimming.

One of the main reasons we need to pass this bill is to stop a proposed hydroelectric project that threatens the river. The project is planned for the very gateway to Yosemite National Park, and would substantially reduce the flow of the river. The benefits of the project are questionable, and there are very few people in Mariposa County who support it.

H.R. 317 would place approximately 125 miles of the main stem and South Fork of the Merced within the National Wild and Scenic Rivers System. A moratorium on development would be placed on the lower part of the main stem from Briceburg to Bagby. This moratorium is intended to give officials of Mariposal County an opportunity to explore possible water options for the future.

I appreciate the support offered by the chairman of the subcommittee, Mr. VENTO, in moving H.R. 317 early in the session. I hope that our actions will show our children and grandchildren that Congress was committed to preserving part of a beautiful river so that they too can enjoy what we find so worthy of protection today.

Mr. VENTO. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. LEHMAN].

Mr. LEHMAN of California. Mr. Speaker, I rise in support of this legislation, and I want to congratulate all the Members involved in bringing it to the floor.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this measure is yet another important step in preserving and protecting our river resources within the policy outline of the wild and scenic rivers laws. Rivers are under enormous pressure, and we must as policymakers strive to act lest we see irrational development and irreversible actions which spell the loss of these fragile natural river systems. The Merced River certainly is a magnificent resource. Our committee visit in 1985 was a real eye opener for me and, I think, for some other Members. Of course, that action has led to the introduction of and the fostering of the legislation before us today. Positive action by this Congress is justified and necessary.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the bill, H.R. 317, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

DEFENSE TECHNICAL CORRECTIONS ACT OF 1987

Mr. FOGLIETTA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1783) to make technical corrections in certain defense-related laws, as amended.

The Clerk read as follows:

H.R. 1783

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE

This Act may be cited as the "Defense Technical Corrections Act of 1987".

SEC. 2. REFERENCES TO 99TH CONGRESS LAWS

For purposes of this Act:

(1) The term "Defense Authorization Act" means the Department of Defense Authorization Act, 1987 (division A of Public Law 99-661; 100 Stat. 3816 et seq.).

(2) The term "Defense Appropriations Act" means the Department of Defense Appropriations Act, 1987 (as contained in identical form in section 101(c) of Public Law 99-500 (100 Stat. 1783-82 et seq.) and section 101(c) of Public Law 99-591 (100 Stat. 3341-82 et seq.)).

(3) The term "Defense Acquisition Improvement Act" means title X of the Defense Appropriations Act and title IX of the Defense Authorization Act (as designated by the amendment made by section 3(5)). Any reference in this Act to the Defense Acquisition Improvement Act shall be considered to be a reference to each such title.

SEC. 3. TECHNICAL CORRECTIONS TO DEFENSE AUTHORIZATION ACT

The Defense Authorization Act is amended as follows:

(1) Section 234(c) is amended—

(A) in paragraph (1), by striking out "adding at the end" and inserting in lieu thereof "inserting after section 2363"; and

(B) in paragraph (2), by striking out "adding at the end" and inserting in lieu thereof "inserting after the item relating to section 2363".

(2) Section 602(b) is amended by inserting "of section 1006" after "Subsection (j)".

(3) Sections 643(a) and 644(a) are amended by striking out "such title" and inserting in lieu thereof "title 10, United States Code,".

(4) Section 651(a)(2) is amended by striking out "of" before "the following".

(5) The title heading preceding section 900 is amended by striking out "TITLE IV" and inserting in lieu thereof "TITLE IX".

(6) Section 1343(a)(1) is amended by striking out "section 775 (as redesignated by section [502])" and inserting in lieu thereof "section 774".

(7) Section 1343(a)(23) is amended by striking out "Section 5155(c)" and inserting in lieu thereof "Section 5150(c) (as redesignated by section 514(a)(2) of Public Law 99-433)".

(8) Section 1343(a)(25) is amended by inserting "(as added by section 806(b) of Public Law 99-399) after "Section 1051(d)".

(9) Section 1355 is amended by striking out "subsections" and inserting in lieu thereof "subsection".

(10) Section 1404(c)(2) is amended by striking out "clause (2) or (3)" and inserting in lieu thereof "clause (1) or (2)".

SEC. 4. TECHNICAL CORRECTIONS TO DEFENSE APPROPRIATIONS ACT

(a) Payment Date for Pay and Allowances.—(1) Paragraph (3) of section 9103 of the Defense Appropriations Act is amended to read as follows:

"(3) Section 1466(a) of title 10, United States Code (as amended by section 661(b) of the Department of Defense Authorization Act, 1987 (Public Law 99-661)), is amended by striking out 'paid that month to' in paragraphs (1)(B) and (2)(B) and inserting in lieu thereof 'accrued for that month by'.".

(2) Paragraph (4) of such section is amended—

(A) by striking out "Section 1013" and inserting in lieu thereof "Section 1014"; and

(B) by striking out "subsection (a), and the amendment made by subsection (b)" and inserting in lieu thereof "paragraph (1) and redesignated by section 8(b)(2) of the Defense Technical Corrections Act of 1987, and the amendments made by paragraph (3),".

(b) Clerical Amendment.—Section 909(a) of such Act is amended by inserting "(1)" before "Chapter 139".

SEC. 5. TECHNICAL AMENDMENTS TO DEFENSE ACQUISITION IMPROVEMENT ACT

The Defense Acquisition Improvement Act is amended as follows:

(1) Section 906(b) is amended by striking out "subsection (b)" in the first sentence and inserting in lieu thereof the following: "section 2437(c) of title 10, United States Code (as added by subsection (a)(1))".

(2) Section 908(c) is amended by striking out "this section" and inserting in lieu thereof "subsections (a) and (b)".

(3) Section 909 is amended—

(A) by striking out "by adding after section 2364 (as added by section 234)" in subsection (a) and inserting in lieu thereof "by adding at the end"; and

(B) by striking out "by adding after the item relating to section 2364 (as added by section 234)" in subsection (a)(2) and inserting in lieu thereof "by adding at the end".

(4) Section 926(a)(2) is amended by inserting "of such title" after "chapter 137".

(5) Section 932(d) is repealed.

(6) Section 954(a)(2) is amended by striking out "section 971" and inserting in lieu thereof "section 951".

SEC. 6. CONSTRUCTION OF DUPLICATE AUTHORIZATION AND APPROPRIATION PROVISIONS

(a) Rule for Construction of Duplicate Provisions.—(1) In applying the provisions of Public Laws 99-500, 99-591, and 99-661 described in paragraph (2)—

(A) the identical provisions of those public laws referred to in such paragraph shall be treated as having been enacted only once, and

(B) in executing to the United States Code and other statutes of the United States the amendments made by such identical provisions, such amendments shall be executed so as to appear only once in the law as amended.

(2) Paragraph (1) applies with respect to the provisions of the Defense Appropriations Act and the Defense Authorization Act (as amended by sections 3, 4, 5, and 10(a)) referred to across from each other in the following table:

Section 101(c) of Public Law 99-500	Section 101(c) of Public Law 99-591	Division A of Public Law 99-661
Title X	Title X	Title IX
Sec. 9122	Sec. 9122	Sec. 522
Sec. 9036(b)	Sec. 9036(b)	Sec. 1203
Sec. 9115	Sec. 9115	Sec. 1311

(b) Rule for Date of Enactment.—(1) The date of the enactment of the provisions of law listed in the middle column, and in the right-hand column, of the table in subsection (a)(2) shall be deemed to be October 18, 1986 (the date of the enactment of Public Law 99-500).

(2) Any reference in a provision of law referred to in paragraph (1) to "the date of the enactment of this Act" shall be treated as a reference to October 18, 1986.

SEC. 7. TECHNICAL AND CLERICAL AMENDMENTS TO TITLE 10, UNITED STATES CODE

(a) Technical and Clarifying Amendments.—Title 10, United States Code, is amended as follows:

(1) Section 138(c) (as amended by section 903(c)(4) of the Defense Acquisition Improvement Act) is amended by striking out "to the Secretary" and all that follows and inserting in lieu thereof "to the Secretary of Defense and the Under Secretary of Defense for Acquisition and shall be accompanied by such comments as the Secretary may wish to make on the report.".

(2) Section 867(g)(1) is amended by striking out "the Director, Judge Advocate Division, Headquarters, United States Marine Corps" and inserting in lieu thereof "the Staff Judge Advocate to the Commandant of the Marine Corps".

(3) The second sentence of subsection (a) of section 1466 as in effect before the enactment of the Defense Appropriations Act is hereby reenacted as a flush sentence at the end of such subsection.

(4) Section 2320(a) (as amended by section 953(a) of the Defense Acquisition Improvement Act) is amended—

(A) by inserting after "Federal funds" in paragraph (2)(A) the following: "(other than an item or process developed under a contract or subcontract to which regulations under section 9(j)(2) of the Small Business Act (15 U.S.C. 638(j)(2)) apply)"; and

(B) by striking out "of the United States in technical data pertaining to an item or process developed entirely or in part with Federal funds" in paragraph (2)(G)(ii) and inserting in lieu thereof "in technical data otherwise accorded to the United States under such regulations".

(5)(A) Section 2321 (as amended by section 953(b) of the Defense Acquisition Improvement Act) is amended—

(i) by redesignating subsections (c) through (f) as subsection (e) through (h), respectively; and

(ii) by striking out subsections (a) and (b) and inserting in lieu thereof the following:

"(a) CONTRACTS COVERED BY SECTION.—This section applies to any contract for supplies or services entered into by the Department of Defense that includes provisions for the delivery of technical data.

"(b) CONTRACTOR JUSTIFICATION FOR RESTRICTIONS.—A contract subject to this section shall provide that a contractor under the contract and any subcontractor under the contract at any tier shall be prepared to furnish to the contracting officer a written justification for any use or release restriction (as defined in subsection (i)) asserted by the contractor or subcontractor.

"(c) REVIEW OF RESTRICTIONS.—(1) The Secretary of Defense shall ensure that there is a thorough review of the appropriateness of any use or release restriction asserted with respect to technical data by a contractor or subcontractor at any tier under a contract subject to this section.

"(2) The review of an asserted use or release restriction under paragraph (1) shall be conducted before the end of the three-year period beginning on the later of—

"(A) the date on which final payment is made on the contract under which the technical data is required to be delivered; or

"(B) the date on which the technical data is delivered under the contract.

"(d) CHALLENGES TO RESTRICTIONS.—(1) The Secretary of Defense may challenge a use or release restriction asserted with respect to technical data by a contractor or subcontractor at any tier under a contract subject to this section if the Secretary finds that—

"(A) reasonable grounds exist to question the current validity of the asserted restriction; and

"(B) the continued adherance by the United States to the asserted restriction would make it impracticable to procure the item to which the technical data pertain competitively at a later time.

"(2)(A) A challenge to an asserted use or release restriction may not be made under paragraph (1) after the end of the three-year period described in subparagraph (B) unless the technical data involved—

"(i) are publicly available;

"(ii) have been furnished to the United States without restriction; or

"(iii) have been otherwise made available without restriction.

"(B) The three-year period referred to in subparagraph (A) is the three-year period beginning on the later of—

"(i) the date on which final payment is made on the contract under which the technical data are required to be delivered; or

"(ii) the date on which the technical data are delivered under the contract.

"(3) If the Secretary challenges an asserted use or release restriction under paragraph (1), the Secretary shall provide written notice of the challenge to the contractor or subcontractor asserting the restriction. Any such notice shall—

"(A) state the specific grounds for challenging the asserted restriction;

"(B) require a response within 60 days justifying the current validity of the asserted restriction; and

"(C) state that evidence of a justification described in paragraph (4) may be submitted.

"(4) It is a justification of an asserted use or release restriction challenged under paragraph (1) that, within the three-year period preceding the challenge to the restriction, the Department of Defense validated a restriction identical to the asserted restriction if—

"(A) such validation occurred after a challenge to the validated restriction under this paragraph; and

"(B) the validated restriction was asserted by the same contractor or subcontractor (or a licensee of such contractor or subcontractor).".

(B) Subsection (e) of such section (as redesignated by subparagraph (A)(i)) is amended by striking out "If a contractor or subcontractor asserting a restriction subject to this section" and inserting in lieu thereof "TIME FOR CONTRACTORS TO SUBMIT JUSTIFICATIONS.—If a contractor or subcontractor asserting a use or release restriction".

(C) Subsection (f) of such section (as redesignated by subparagraph (A)(i)) is amended—

(i) by striking out "(1) Upon" and inserting in lieu thereof "DECISION BY CONTRACTING OFFICER.—(1) Upon"; and

(ii) by striking out "subsection (b)" in paragraphs (1) and (2) and inserting in lieu thereof "subsection (d)(3)".

(D) Subsection (g) of such section (as redesignated by subparagraph (A)(i)) is amended by inserting "CLAIMS.—" after "(g)".

(E) Subsection (h) of such section (as redesignated by subparagraph (A)(i)) is amended—

(i) by inserting "RIGHTS AND LIABILITY UPON FINAL DISPOSITION.—" after "(h)";

(ii) by striking out "the restriction on the right of the United States to use such technical data" in the matter in paragraph (1) preceding subparagraph (A) and inserting in lieu thereof "the use or release restriction";

(iii) by striking out "on the right of the United States to use the technical data" in paragraph (1)(A);

(iv) by striking out ", as appropriate," in paragraph (1)(B) and inserting in lieu thereof "asserting the restriction"; and

(v) by striking out "the restriction on the right of the United States to use such technical data" in the matter in paragraph (2) preceding subparagraph (A) and inserting in lieu thereof "the use or release restriction".

(G) Such section is further amended by adding at the end the following new subsection:

"(i) USE OR RELEASE RESTRICTION DEFINED.—In this section, the term 'use or release restriction', with respect to technical data delivered to the United States under a contract subject to this section, means a restriction by the contractor on the right of the United States—

"(1) to use such technical data; or

"(2) to release or disclose such technical data to persons outside the Government or permit the use of such technical data by persons outside the Government.".

(6) Section 2322(b) is amended by striking out "two years" and all that follows and inserting in lieu thereof "on January 17, 1987".

(7)(A) Section 2328 (as added by section 954(a) of the Defense Acquisition Improvement Act) is amended—

(i) in subsection (a)(1)—

(I) by striking out "technical data to a person requesting such a" and inserting in lieu thereof "such technical data to the person requesting the"; and

(II) by striking out "search and duplication" and inserting in lieu thereof "search, duplication, and review";

(ii) by striking out "DISPOSITION OF COSTS" in subsection (b) and inserting in lieu thereof "CREDITING OF RECEIPTS"; and

(iii) by striking out "section 552(a)(4)(A)" in subsection (c)(3) and inserting in lieu thereof "section 552(a)(4)(A)(iii)".

(B)(i) The heading of such section is amended to read as follows:

"2328. Release of technical data under Freedom of Information Act: recovery of costs".

(ii) The item relating to such section in the table of sections at the beginning of chapter 137 is amended to read as follows:

"2328. Release of technical data under Freedom of Information Act: recovery of costs.".

(8) The heading of chapter 138 is amended to read as follows:

"CHAPTER 138—ACQUISITION AND CROSS-SERVICING AGREEMENTS WITH NATO ALLIES AND OTHER COUNTRIES".

(9) Section 2364(c) (as added by section 234(c) of the Defense Authorization Act) is amended—

(A) by striking out "a decision" in paragraph (2) and inserting in lieu thereof "the decision";

(B) by striking out "[a]/[the] selection by an appropriate official of the Department of Defense of" in paragraph (3) and inserting in lieu thereof "the decision by an appropriate official of the Department of Defense selecting"; and

(C) by striking out "approval by an appropriate official of the Department of Defense for" in paragraph (4) and inserting in lieu thereof "the decision by an appropriate official of the Department of Defense approving".

(10) Subsection (d) of section 3036 (as amended by section 922 of Public Law 99-662) is amended—

(A) by designating the first sentence as paragraph (1);

(B) by designating the second sentence as paragraph (2); and

(C) by striking out "United States" and all that follows in such subsection and inserting in lieu thereof the following:

"United States or to a State or political subdivision of a State. The Chief of Engineers may provide any part of those services by contract. Services may be provided to a State, or to a political subdivision of a State, only if—

"(A) the work to be undertaken on behalf of non-Federal interests involves Federal assistance and the head of the department or agency providing Federal assistance for the work does not object to the provision of services by the Chief of Engineers; and

"(B) the services are provided on a reimbursable basis.".

(b) MAJOR DEFENSE ACQUISITION PROGRAMS.—Chapter 144 of title 10, United States Code (as added by section 101(a) of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433)) is amended as follows:

(1) The heading of such chapter is amended to read as follows:

"CHAPTER 144—MAJOR DEFENSE
ACQUISITION PROGRAMS".

(2)(A) Such chapter is amended by inserting after the table of sections the following new section:

"§ 2430. Major defense acquisition program defined

"In this chapter, the term 'major defense acquisition program' means a Department of Defense acquisition program that is not a highly sensitive classified program (as determined by the Secretary of Defense) and—

"(1) that is designated by the Secretary of Defense as a major defense acquisition program; or

"(2) that is estimated by the Secretary of Defense to require an eventual total expenditure for research, development, test, and evaluation of more than $200,000,000 (based on fiscal year 1980 constant dollars) or an eventual total expenditure for procurement of more than $1,000,000,000 (based on fiscal year 1980 constant dollars).".

(B) The table of sections at the beginning of the chapter is amended by inserting before the item relating to section 2431 the following new item:

"2430. Major defense acquisition program defined.".

(3) Section 2432 (as redesignated by section 101(a)(5) of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433)), is amended—

(A) by striking out paragraph (1) and redesignating paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively; and

(B) by striking out "programed" each place such term appears in subsection (a)(2), as redesignated by subparagraph (A), and inserting in lieu thereof "programmed".

(4) Section 2433(a)(1) (as redesignated by section 101(a)(5) of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433)), is amended by striking out "(1) 'Major defense acquisition program', 'program" and inserting in lieu thereof "(1) The terms 'program".

(5) Section 2434(b) (as redesignated by section 101(a)(5) of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433) and amended by section 1208 of the Department of Defense Authorization Act, 1987 (division A of Public Law 99-661)) is amended—

(A) by striking out paragraph (1); and

(B) by redesignating paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively.

(6) Section 2435 (as added by section 904(a) of the Defense Acquisition Improvement Act) is amended by striking out subsection (c).

(7) Section 2436(d)(3) (as added by section 905(a)(1) of the Defense Acquisition Improvement Act) is amended by inserting a comma after "In this subsection".

(8) Section 2437(a)(1) (as added by section 906(a)(1) of the Defense Acquisition Improvement Act) is amended by striking out "subsection (b)" and inserting in lieu thereof "subsection (c)".

(9)(A) Section 2305a of title 10, United States Code, is transferred to the end of such chapter 144, redesignated as section 2438, and amended—

(i) by striking out "program," in subsection (d)(1) and all that follows in that subsection and inserting in lieu thereof "program."; and

(ii) by striking out "section 2432(a)(1)(B)" both places it appears in subsection (d)(2) and inserting in lieu thereof "section 2430(2)".

(B) The item relating to such section in the table of sections at the beginning of chapter 137 of such title is transferred to the end of the table of sections at the beginning of chapter 144 of such title and revised to reflect the redesignation of such section made by subparagraph (A).

(c) CLERICAL AND CONFORMING CROSS-REFERENCE AMENDMENTS.—(1) The tables of chapters at the beginning of subtitle A, and at the beginning of part IV of subtitle A, of title 10, United States Code, are each amended—

(A) by striking out the item in each such table relating to chapter 138 and inserting in lieu thereof the following:

"138. Acquisition and Cross-Servicing Agreements with NATO Allies and Other Countries .... 2341";

(B) by striking out the item in each such table relating to chapter 144 and inserting in lieu thereof the following:

"144. Major Defense Acquisition Programs .... 2430"; and

(C) by striking out "2701" in the item relating to chapter 161 and inserting in lieu thereof "2721".

(2) Sections 138(a)(2)(B) and 1621(3) of title 10, United States Code (as amended by section 110(g) of Public Law 99-433), are amended by striking out "section 2432(a)(1)" and inserting in lieu thereof "section 2430".

(d) UNITED STATES CODE CITATIONS.—Title 10, United States Code, is further amended as follows:

(1) Section 113(e)(2) (as amended by section 603(b) of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433; 100 Stat. 1075)) is amended by inserting "(50 U.S.C. 404a)" after "National Security Act of 1947".

(2) Section 2208(i)(3) is amended by inserting "(22 U.S.C. 2778)" after "section 38 of the Arms Export Control Act".

(3) Section 2304 is amended—

(A) by inserting "(41 U.S.C. 403 note)" in subsections (a)(1)(A) and (g)(1) after "Competition in Contracting Act of 1984"; and

(B) by inserting "(41 U.S.C. 416)" in subsection (f)(1)(C) after "Office of Federal Procurement Policy Act".

(4) Section 2318 is amended—

(A) by inserting "(41 U.S.C. 418(a))" in subsection (a)(1) after "Policy Act";

(B) by inserting "(41 U.S.C. 418(b), (c))" in subsection (a)(2) after "Policy Act"; and

(C) by inserting "(41 U.S.C. 419)" in the second sentence of subsection (c) after "Policy Act";

(5) Section 2319 is amended—

(A) by inserting "(15 U.S.C. 637(b)(7))" in subsection (c)(4) after "the Small Business Act"; and

(B) by inserting "(15 U.S.C. 632)" in subsection (d)(2) after "the Small Business Act".

(6) Section 2664(a)(3) is amended by inserting "App." after "46 U.S.C.".

(e) DUPLICATE SECTION DESIGNATIONS.—Title 10, United States Code, is further amended as follows:

(1)(A) Section 1051, as added by section 806(b)(1) of Public Law 99-399 and amended by section 1343(a)(25) of the Defense Authorization Act, is redesignated as section 1032 and is transferred within chapter 53 to appear immediately after section 1031.

(B) The table of sections at the beginning of chapter 53 is amended—

(i) by inserting after the item relating to section 1031 the following new item:

"1032. Disability and death compensation: dependents of members held as captives."; and

(ii) by striking out the item relating to the second section 1051.

(2) Section 1095, as added by section 806(c)(1) of Public Law 99-399, is redesignated as section 1095a, and the item relating to that section in the table of sections at the beginning of chapter 55 is amended to reflect such redesignation.

(3) Section 2810, as added by section 315(a) of the Defense Authorization Act, is redesignated as section 2811, and the item relating to that section in the table of sections at the beginning of subchapter I of chapter 169 is revised to reflect that redesignation.

(f) REFERENCES TO REAL ESTATE MINOR CONSTRUCTION AMOUNT.—Title 10, United States Code, is further amended as follows:

(1) Sections 2233a(a)(2)(B)(ii)(II), 2806(c)(1), and 2861(b)(6) are amended by striking out "specified by law" and inserting in lieu thereof "specified by section 2805(a)(2) of this title".

(2) Section 2853 is amended—

(A) by striking out "the amount specified by law as the maximum amount for a minor military construction project" the first place such term appears in subsection (a)(1) and inserting in lieu thereof "the minor project ceiling (as defined in subsection (f))";

(B) by striking out "the amount specified by law as the maximum amount for a minor military construction project" each place such term appears (other than as specified in subparagraph (A)) and inserting in lieu thereof "the minor project ceiling";

(C) by striking out "such maximum amount" both places it appears in subsection (b) and inserting in lieu thereof "the amount of such ceiling"; and

(D) by adding at the end the following new subsection:

"(f) In this section, the term 'minor project ceiling' means the amount specified by section 2805(a)(2) of this title as the maximum amount for a minor military construction project.".

(g) INTERNAL CROSS-REFERENCES.—Title 10, United States Code, is further amended as follows:

(1) Section 2313(d)(1) is amended by striking out "section 2306(f)" and inserting in lieu thereof "section 2306a".

(2) Section 2343(b) is amended by striking out "2306(f)," and inserting in lieu thereof "section 2306a,".

(3) Section 8062(e) (as amended by section 110(g)(10) of the Public Law 99-433) is amended by striking out "section 114" and inserting in lieu thereof "section 115".

(h) REFERENCES TO INTERNAL REVENUE CODE OF 1954—(1) The following sections of title 10, United States Code, are amended by striking out "Internal Revenue Code of 1954" and inserting in lieu thereof "Internal Revenue Code of 1986": sections 1403, 1408(a)(4)(D), 1451(e)(4)(B)(ii), and 2401(d)(1)(B).

(2)(A) The heading of section 1403 of such title is amended to read as follows:

"§ 1403. Disability retired pay: treatment under Internal Revenue Code of 1986".

(B) The item relating to such section in the table of sections at the beginning of chapter 71 of such title is amended to read as follows:

"1403. Disability retired pay: treatment under Internal Revenue Code of 1986.".

(i) Enactment Date References.—Title 10, United States Code, is further amended as follows:

(1) Sections 101(44), 101(45), and 191(b) are amended by striking out "the date of the enactment of the Goldwater-Nichols Department of Defense Reorganization Act of 1986" and inserting in lieu thereof "October 1, 1986".

(2) Section 708(d)(1) is amended by striking out "the date of the enactment of this section" and inserting in lieu thereof "October 19, 1984".

(3) Section 2031(a) is amended by striking out "beginning with the calendar year 1966".

(4) Section 2319(c) is amended by striking out "the date of the enactment of the Defense Procurement Reform Act of 1984" in paragraphs (1) and (3) and inserting in lieu thereof "October 19, 1984,".

(j) Capitalization, Punctuation, Etc. Amendments.—Title 10, United States Code, is further amended as follows:

(1) Subsection (f) of section 114 (as added by section 105(d) of the Defense Authorization Act) is redesignated as subsection (e).

(2) Section 115(b)(1)(B)(vii) (as added by section 413(2) of the Defense Authorization Act) is amended by striking out "members" and inserting in lieu thereof "Members".

(3) Section 1208(a) is amended—

(A) by striking out "clause (1)" and "clause (2)," and inserting in lieu thereof "paragraph (1)" and "paragraph (2),", respectively; and

(B) by striking out "clause (2)(B) of this subsection" and inserting in lieu thereof "paragraph (2)".

(4) The heading of section 1623 (as amended by section 1343(a)(10) of the Defense Authorization Act) is amended by striking out "**flag and general**" and inserting in lieu thereof "**general and flag**"

(5) Section 2397 is amended—

(A) by striking out "3-year" in subsection (b)(1)(B) and inserting in lieu thereof "three-year";

(B) by striking out "2-year" each place it appears and inserting in lieu thereof "two-year"; and

(C) by striking out ", United States Code" in the second sentence of subsection (f)(2).

(6) Subsection (f) of section 2634 (as added by section 620(b)(2) of the Defense Authorization Act) is redesignated as subsection (d).

(7)(A) The heading of section 2774 is amended by striking out "**allowances, and**" and inserting in lieu thereof "**allowances and of**".

(B) Subsection (a) of such section is amended by striking out "as defined in section 101(3) of title 37,".

(C) The item relating to that section in the table of sections at the beginning of chapter 165 is amended to read as follows:

"2774. Claims for overpayment of pay and allowances and of travel and transportation allowances.".

(8) Section 2828 is amended by striking out "Armed Forces" in subsections (a)(1) and (c) and inserting in lieu thereof "armed forces".

(9) Section 2861(b)(7) is amended by inserting "of this title" after "section 2858".

(10)(A) The tables of chapters at the beginning of subtitle B, and at the beginning of part I of subtitle B, are each amended by striking out "3010" in the item relating to chapter 303 and inserting in lieu thereof "3011".

(B) The tables of chapters at the beginning of subtitle D, and at the beginning of part I of subtitle D, are each amended by striking out "8010" in the item relating to chapter 803 and inserting in lieu thereof "8011".

(11) Sections 4723 and 8723 (as amended by section 604(f)(1)(D) of the Defense Authorization Act) are amended by striking out the comma after "disease".

(j) Definitions.—Title 10, United States Code, is further amended as follows:

(1) Section 101 is amended—

(A) by inserting "The term" in each paragraph (other than paragraph (2)) after the paragraph designation;

(B) by inserting "the term" in paragraph (2) after "United States," the second place it appears; and

(C) by revising the first word after the open quotation marks in each paragraph (other than paragraphs (1), (8) through (13), (44), and (45)) so that the initial letter of such word is lower case.

(2) Sections 976(a), 1045(e), 1587(a), 1621, 2006(b), 2120, 2213(e), 2232, 2302 (other than paragraph (3)), 2305a(d), 2350, 2362(e), 2394(c), 2397(a), 2397a(a), 2403(a), 2432(a), 2547(e), 2801(c), and 5001(a) are amended—

(A) by inserting "The term" in each paragraph after the paragraph designation; and

(B) by revising the first word after the first quotation marks in each paragraph (other than in sections 1045(e), 2006(b)(1), 2213(e)(2), 2232(1), 2350(2), 2801(c)(3), 5001(a)(1), and 5001(a)(2)) so that the initial letter of such word is lower case.

(3) Sections 130(b)(2), 708(e), 975(a)(2), 1490(c), 2319(a), 2324(k), 2391(d), 2401a(d), 2404(e), 2825(a)(2), 2826(f), and 2862(a)(2) are amended by inserting "the term" after "In this section,".

(4) Section 276(b) is amended by inserting ", the term" after "In this section".

(5) Sections 1126(d) and 7420 are amended—

(A) by striking out the dash in the matter preceding paragraph (1) and inserting in lieu thereof a colon;

(B) by inserting "The term" in each paragraph after the paragraph designation;

(C) by striking out the semicolon at the end of each of paragraphs (1) through (4) and inserting in lieu thereof a period; and

(D) by striking out "; and" at the end of paragraph (5) and inserting in lieu thereof a period.

(6) Section 2181 is amended—

(A) by striking out " 'Captive" and inserting in lieu thereof "The terms 'captive"; and

(B) by striking out " 'Dependent" and inserting in lieu thereof "The term 'dependent".

(7) Section 2433(a) is amended—

(A) by inserting "The term" in paragraphs (2) and (4) after the paragraph designation; and

(B) by striking out "(3) 'Procurement" and inserting in lieu thereof "(3) The term 'procurement".

(8) Section 3001 is amended by inserting "the term" after "In this title,".

(9) Section 7430(i) is amended by striking out "As used in" and inserting in lieu thereof "In".

(10) Section 7721(b) is amended by inserting ", the term" after "In this chapter".

SEC. 8. AMENDMENTS TO TITLE 37, UNITED STATES CODE

(a) Conflicting Provisions.—The amendments made to section 404(d) of title 37, United States Code, by section 614(a) of the Defense Authorization Act shall be executed as if that portion of section 9073 of the Defense Appropriations Act which is before the proviso had not been enacted, and such amendments shall be effective as provided in section 614(b) of the Defense Authorization Act. Such portion of section 9073 which is before the proviso shall not be in effect after the date of the enactment of this Act, and the reference to "this section" in such proviso shall be deemed to refer to section 614 of the Defense Authorization Act.

(b) Duplicate Section Designations.—Title 37, United States Code, is amended as follows:

(1) Section 431, as added by section 615 of the Defense Authorization Act, is redesignated as section 432, and the item relating to that section in the table of sections at the beginning of chapter 7 of such title is revised to reflect that redesignation.

(2) Section 1013, as added by section 9103 of the Defense Appropriations Act, is redesignated as section 1014, and the item relating to that section in the table of sections at the beginning of chapter 19 of such title is revised to reflect that redesignation.

(c) Reference to Internal Revenue Code of 1954.—Section 558 of title 37, United States Code, is amended by striking out "Internal Revenue Code of 1954" and inserting in lieu thereof "Internal Revenue Code of 1986".

(d) Clerical Amendments.—Title 37, United States Code, is amended as follows:

(1) Section 301(b) is amended by striking out "Monthly rate" each place it appears and inserting in lieu thereof "Monthly Rate".

(2) Section 302a is amended—

(A) by striking out "a" at the beginning of paragraphs (1), (2), and (3) and inserting in lieu thereof "A";

(B) by striking out ", or" at the end of paragraph (1)(A) and inserting in lieu thereof "; or";

(C) by striking out the semicolon at the end of paragraph (1)(B) and inserting in lieu thereof a period; and

(D) by striking out "; and" at the end of paragraph (2) and inserting in lieu thereof a period.

(3) Section 303 is amended—

(A) by striking out "a" at the beginning of paragraphs (1), (2), and (3) and inserting in lieu thereof "A";

(B) by striking out ", or" at the end of paragraph (1)(B) and inserting in lieu thereof "; or";

(C) by striking out the semicolon at the end of paragraph (1)(C) and inserting in lieu thereof a period;

(D) by striking out the comma at the end of paragraphs (1)(A) and (1)(B) and inserting in lieu thereof a semicolon; and

(E) by striking out "; and" at the end of paragraph (2) and inserting in lieu thereof a period.

(4) Section 308i is amended in subsection (b)(1)(B) by inserting a comma after "$2,500".

(5) Section 403(l)(1) is amended by striking out "Armed Forces" and inserting in lieu thereof "armed forces".

(6) Sections 404(d)(1)(A) and 408 are amended by striking out "privately-owned" and inserting in lieu thereof "privately owned".

(7) Section 406 is amended—

(A) by striking out "round trip" each place it appears in subsection (a) and inserting in lieu thereof "round-trip"; and

(B) by striking out "roundtrip" in subsection (b) and inserting in lieu thereof "round-trip".

(8) Section 411b(a) is amended by striking out "forty-eight" each place it appears in paragraphs (1) and (2) and inserting in lieu thereof "48".

(9) Section 411c(b) is amended—

(A) by striking out "roundtrip" and inserting in lieu thereof "round-trip"; and

(B) by striking out "roundtrips" and inserting in lieu thereof "round-trips".

(e) Definitions.—Title 37, United States Code, is further amended as follows:

(1) Section 101 is amended—

(A) by striking out "for the purposes of this title—" and inserting in lieu thereof "the following definitions apply in this title:";

(B) by inserting "The term" in each paragraph after the paragraph designation;

(C) by revising the first word after the open quotation marks in each paragraph (other than paragraphs (1) and (6) through (10)) so that the initial letter of such word is lower case;

(D) by striking out the semicolon at the end of paragraphs (1) through (24) and inserting in lieu thereof a period; and

(E) by striking out "and" at the end of paragraph (24).

(2) Section 301 is amended—

(A) by striking out "For the purposes of this subsection," in subsection (a) and inserting in lieu thereof "In this subsection, the term"; and

(B) by striking out "paragraph" in subsection (f)(2)(C) and inserting in lieu thereof "paragraph, the term".

(3) Section 301a(6) is amended—

(A) by striking out "For the purposes of this section, the term—" and inserting in lieu thereof "In this section:";

(B) by inserting "The term" in each subparagraph after the subparagraph designation;

(C) by striking out the semicolon at the end of subparagraphs (A) and (B) and inserting in lieu thereof a period; and

(D) by striking out "and" at the end of subparagraph (B).

(4) Section 301c(a)(5) is amended—

(A) by striking out "For the purposes of this section, the term—" and inserting in lieu thereof "In this section:";

(B) by inserting "The term" in subparagraphs (A) and (B) after each subparagraph designation; and

(C) by revising the first word after the open quotation marks in subparagraphs (A) and (B) so that the initial letter of such word is lower case.

(5) Section 305a(d) is amended by striking out "For the purposes of this section," and inserting in lieu thereof "In this section,".

(6) Sections 315, 409(e), 411d(d), and 501(a) are amended by inserting "the term" after "In this section,".

(7) Section 401 is amended by inserting "the term" after "In this chapter,".

(8) Section 403a(c)(6)(B) is amended by inserting "the term" after "In subparagraph (A),".

(9) Section 501(g) is amended in the last sentence by inserting "the term" before the open quotation marks each place they appear.

(10) Section 551 is amended—

(A) by striking out "In this chapter—" and inserting in lieu thereof "In this chapter:";

(B) by inserting "The term" in each paragraph after the paragraph designation;

(C) by striking out the semicolon at the end of paragraphs (1) and (2) and inserting in lieu thereof a period; and

(D) by striking out "and" at the end of paragraph (2).

(11) Section 559(a) is amended—

(A) by striking out "In this section—" and inserting in lieu thereof "In this section:";

(B) by inserting "The term" in paragraphs (1) and (2) after the paragraph designation; and

(C) by striking out "; and" at the end of paragraph (1) and inserting in lieu thereof a period.

SEC. 9. RECODIFICATION OF CERTAIN INTELLIGENCE PROVISIONS

(a) Recodification.—(1) Part I of subtitle A of title 10, United States Code, is amended by adding at the end the following new chapter:

"CHAPTER 21—DEPARTMENT OF DEFENSE INTELLIGENCE MATTERS

"Sec.

"421. Funds transfers for foreign cryptologic support.

"422. Counterintelligence official reception and representation expenses.

"423. Authority to use proceeds from counterintelligence operations of the military department.".

(2) Section 128 of such title (as redesignated by section 101 of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433)) is transferred to the end of chapter 21 of such title (as added by paragraph (1)) and is redesignated as section 421.

(3) Sections 140a and 140b of such title (as added by sections 401 and 403, respectively, of the Intelligence Authorization Act for Fiscal Year 1987 (Public Law 99-569)) are transferred to the end of such chapter and redesignated as sections 422 and 423, respectively.

(b) Conforming and Clerical Amendments.—(1) The table of sections at the beginning of chapter 3 of such title is amended by striking out the item relating to section 128.

(2) The table of sections at the beginning of chapter 4 of such title is amended by striking out the items relating to sections 140a and 140b (as added by sections 401 and 403, respectively, of the Intelligence Authorization Act for Fiscal Year 1987).

(3) Section 423 of such title (as redesignated by subsection (a)(3)) is amended by striking out "United States Code," in subsection (a).

(4) The tables of chapters at the beginning of subtitle A, and at the beginning of part I of subtitle A, of such title are amended by inserting after the item relating to chapter 20 (as added by section 333(a)(2) of the Defense Authorization Act) the following new item:

"21. Department of Defense Intelligence Matters .... 421".

SEC. 10. CORRECTIONS TO SMALL BUSINESS PROCUREMENT PROVISIONS

(a) Defense Acquisition Improvement Act—Section 921 of the Defense Acquisition Improvement Act is amended as follows:

(1) Subsection (a)(1) is amended by striking out "paragraph" and inserting in lieu thereof "clause".

(2) Subsection (h)(3) is amended by striking out "value of contracts to be awarded under such sections" at the end of the first sentence and inserting in lieu thereof "dollar value of the contracts to be awarded in that industry category".

(3) Subsection (j) is amended by striking out "construction" and all that follows in such subsection and inserting in lieu thereof "construction by Great Lakes Naval Training Center, Illinois, and of the total dollar amount of the contracts awarded for fiscal year 1987 for refuse systems and related services by such training center, not more than 30 percent of each such dollar amount may be under contracts awarded through so-called small business set-aside programs.".

(b) Small Business Act.—(1) Section 15(o) of the Small Business Act (as added by section 921(c)(2) of the Defense Acquisition Improvement Act) is amended—

(A) by striking out "the concern" in paragraph (1)(A) and all that follows through "employees" and inserting in lieu thereof "at least 50 percent of the cost of contract performance incurred for personnel shall be expended for employees of the concern"; and

(B) in paragraph (3)—

(i) by striking out "subparagraph" and inserting in lieu thereof "paragraph"; and

(ii) by adding at the end the following new sentence: "The percentage applicable to any such requirement shall be determined in accordance with paragraph (2).".

(2)(A) Paragraph (3) of section 3(a) of such Act (as added by section 921(f) of the Defense Acquisition Improvement Act) is amended by striking out "value of contracts to be awarded under such sections" and inserting in lieu thereof "dollar value of the contracts to be awarded in that industry category".

(B) Paragraph (4)(A)(i) of such section is amended by striking out "paragraph (3)(A)" and inserting in lieu thereof "paragraph (3)".

(C) Paragraph (5) of such section is amended by striking out "made with the expiration of 180 days after each" and inserting in lieu thereof "shall be made not later than 180 days after the end of each such".

(3) Paragraph (14) of section 8(a) of such Act (as added by section 921(c)(1) of the Defense Aquisition Improvement Act) is amended by striking out "section 15(n)" in subparagraphs (B) and (C) and inserting in lieu thereof "section 15(o)".

SEC. 11. OTHER TECHNICAL AMENDMENTS

(a) Cross-Reference Corrections.—(1) Section 1243(a) of the Defense Procurement Reform Act of 1984 (title XII of Public Law 98-525; 98 Stat. 2609) is amended by striking out "section 139a(a)" and inserting in lieu thereof "section 2430".

(2) Section 915(d) of the Defense Procurement Improvement Act of 1985 (title IX of Public Law 99-145; 99 Stat. 688) is amended by striking out "section 139a(a)(1)" and inserting in lieu thereof "section 2430".

(b) Public Law 99-433.—Section 523(c)(1) of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (100 Stat. 1063) by striking out "section" and inserting in lieu thereof "sections".

SEC. 12. EFFECTIVE DATES

(a) Public Law 99-661.—The amendments made by section 3 shall apply as if included in Public Law 99-661 when enacted on November 14, 1986.

(b) Public Laws 99-500 and 99-591.—The amendments made by section 4 shall apply as if included in Public Laws 99-500 and 99-591 when enacted on October 18, 1986, and October 30, 1986, respectively.

(c) Defense Acquisition Improvement Act.—The amendments made by sections 5 and 10 shall apply as if included in each instance of the Defense Acquisition Improvement Act (as specified in section 2) when each was enacted.

(d) TECHNICAL DATA.—(1) The amendments to section 2321 of title 10, United States Code, made by section 7(a)(5) shall apply to contracts for which solicitations are issued after the end of the 210-day period beginning on October 18, 1986.

(2) The amendment to section 2328 of such title made by section 7(a)(7)(A)(i)(II) shall take effect on the same date and in the same manner as provided in section 1804(b) of Public Law 99-570 for the amendment made by section 1803 of that Public Law to section 552a of title 5, United States Code.

The **SPEAKER** pro tempore. Is a second demanded?

Mr. **DICKINSON**. Mr. Speaker, I demand a second.

The **SPEAKER** pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The **SPEAKER** pro tempore. The gentleman from Pennsylvania [Mr. FOGLIETTA] will be recognized for 20 minutes and the gentleman from Alabama [Mr. DICKINSON] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. FOGLIETTA].

Mr. **FOGLIETTA**. Mr. Speaker, I defer to the gentleman from Alabama [Mr. DICKINSON].

The **SPEAKER** pro tempore. The Chair recognizes the gentleman from Alabama [Mr. DICKINSON].

Mr. **DICKINSON**. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the bill. I can assure the Members that there are no substantive changes in this bill—it is truly a technical corrections bill. Those Members who have had the opportunity to look at the bill will have realized that about 90 percent of the provisions in it relate to changing section numbers, moving provisions within title 10 to make the organization of the Code better, and generally just dotting i's and crossing t's. Its not a very exciting thing, but extremely important, and I, along with my colleague on the other side of the aisle, would like to thank Bob Cover in the legislative counsel's office for his tireless efforts to ensure our legislative endeavors are correct in form as well as substance.

Mr. Speaker, I urge my colleagues to vote for this measure, and I reserve the balance of my time.

Mr. **FOGLIETTA**. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the bill. As is often the case, we find that there were instances in which provisions of laws enacted last year contained drafting errors or lacked clarity. The Department of Defense Authorization Act for fiscal year 1987 was no exception. The purpose of this bill is to make technical corrections to that act, and to address problems caused by the dual enactment of several provisions in both the authorization act and the continuing resolution.

The dual enactment occurred because at the time the continuing resolution was being considered it was unclear whether in fact an authorization bill would be agreed upon. In order to protect the work of the committee in the procurement reform area, the Appropriations Committee agreed to include the entire procurement reform package in the continuing resolution. Because the continuing resolution had to be signed a second time these provisions were actually enacted three times. This bill would treat the provisions as having been enacted only once for purposes of printing in the United States Code and make them effective on the date first passed.

Most of the provisions of this bill are to make stylistic changes in title 10 such as changing a word from singular to plural, capitalizing a section heading, adding United States Code cites, or putting in specific effective dates where the effective date is now known. Finally, there are several changes to the DOD Authorization Act which are necessary to correct drafting errors or ambiguities.

I urge my colleagues to support this bill. Mr. Speaker, I reserve the balance of my time.

Mr. **DICKINSON**. Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. **FOGLIETTA**. Mr. Speaker, I have no additional requests for time, and I yield back the balance of my time.

The **SPEAKER** pro tempore. The question is on the motion offered by the gentleman from Pennsylvania [Mr. FOGLIETTA] that the House suspend the rules and pass the bill, H.R. 1783, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. **MAVROULES**. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

□ 1620

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The **SPEAKER** pro tempore (Mr. GRAY of Illinois). Debate has been concluded on all motions to suspend the rules.

Pursuant to the provisions of clause 5, rule I, the Chair will now put the question on each motion on which further proceedings were postponed in the order in which that motion was entertained.

Votes will be taken in the following order: House Concurrent Resolution 34, de novo; and House Resolution 121, by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic votes after the first such vote in this series.

CONCERNING VIOLATIONS BY THE SOVIET UNION OF ITS INTERNATIONAL HUMAN RIGHTS OBLIGATIONS

The **SPEAKER** pro tempore. The pending business is the question of suspending the rules and agreeing to the concurrent resolution, House Concurrent Resolution 34.

The Clerk read the title of the concurrent resolution.

The **SPEAKER** pro tempore. The question is on the motion offered by the gentleman from Pennsylvania [Mr. YATRON] that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 34.

The question was taken.

Mr. **GRANDY**. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The **SPEAKER** pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 415, nays 0, answered "present" 1, not voting 17, as follows:

[Roll No. 40]

YEAS—415

Ackerman
Akaka
Alexander
Anderson
Andrews
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Badham
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bates
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Biaggi
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boulter
Boxer
Brennan
Brooks
Broomfield
Brown (CO)
Bruce
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Cheney
Clarke
Clay
Clinger
Coats
Coble
Coelho
Coleman (MO)
Collins
Combest
Conte
Conyers
Cooper
Coughlin
Courter
Coyne
Craig
Crane
Crockett
Darden
Daub
Davis (IL)
Davis (MI)
de la Garza
DeFazio
DeLay
Dellums
DeWine
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy

Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Fields
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frenzel
Frost
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gibbons
Gilman
Gingrich
Glickman
Goodling
Gordon
Gradison
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Gregg
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Howard
Hoyer
Hubbard
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
Jeffords
Johnson (CT)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kemp
Kennedy
Kennelly
Kildee

Kleczka
Kolbe
Kolter
Konnyu
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken, Thomas
Lukens, Donald
Lungren
Mack
MacKay
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKinney
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Oxley
Packard
Panetta
Parris
Pashayan
Patterson

Pease
Penny
Pepper
Perkins
Petri
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Rhodes
Richardson
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shumway
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stark
Stenholm
Stokes
Stratton
Studds
Stump
Sundquist
Sweeney
Swift
Swindall
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torres
Torricelli

Towns
Traficant
Traxler
Udall
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich

Walgren
Walker
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams

Wilson
Wise
Wolf
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—17

Annunzio
Brown (CA)
Bryant
Coleman (TX)
Daniel
Dannemeyer

Derrick
Edwards (OK)
Feighan
Gephardt
Huckaby
Jenkins

Johnson (SD)
Morrison (CT)
Ridge
Rostenkowski
Smith, Denny (OR)

□ 1640

Mr. SCHUMER changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on the additional motion to suspend the rules on which the Chair has postponed further proceedings.

COMMENDING THE EUROPEAN COMMUNITY ON THE 30TH ANNIVERSARY OF THE SIGNING OF THE TREATY OF ROME

The SPEAKER pro tempore (Mr. Gray of Illinois). The pending business is the question of suspending the rules and agreeing to the resolution H. Res. 121.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. Lantos] that the House suspend the rules and agree to the resolution (H. Res. 121) on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 269, nays 147, not voting 17, as follows:

[Roll No. 41]

YEAS—269

Ackerman
Akaka
Alexander
Anderson
Andrews
Anthony
Applegate
Armey
Aspin

Atkins
AuCoin
Barnard
Bateman
Bates
Beilenson
Bennett
Bereuter
Berman

Bevill
Biaggi
Bilbray
Bliley
Boehlert
Boggs
Boland
Boner (TN)
Bonior (MI)

Bonker
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Bustamante
Callahan
Campbell
Cardin
Carr
Chandler
Chapman
Chappell
Clarke
Clay
Clinger
Coelho
Coleman (MO)
Collins
Conte
Conyers
Cooper
Coughlin
Courter
Coyne
Crane
Crockett
Darden
Davis (MI)
de la Garza
DeFazio
Dellums
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Downey
Duncan
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Espy
Evans
Fascell
Fawell
Fazio
Fish
Flake
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frenzel
Frost
Gallo
Garcia
Gaydos
Gejdenson
Gibbons
Gilman
Goodling
Gordon
Gradison
Gray (IL)
Gray (PA)
Green
Guarini
Hall (OH)
Hamilton
Hatcher
Hawkins
Hayes (IL)

Hefner
Hertel
Hiler
Hochbrueckner
Horton
Houghton
Howard
Hoyer
Hubbard
Hughes
Hyde
Jeffords
Johnson (CT)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kemp
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lagomarsino
Lancaster
Lantos
Latta
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Lowry (WA)
Luken, Thomas
MacKay
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCurdy
McDade
McGrath
McHugh
McKinney
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Mica
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Mollohan
Moody
Morella
Morrison (WA)
Mrazek
Murphy
Murtha
Nagle
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar

Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Oxley
Panetta
Patterson
Pease
Pepper
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Rahall
Rangel
Richardson
Rinaldo
Ritter
Rodino
Roe
Rose
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Scheuer
Schneider
Schroeder
Schulze
Schumer
Sharp
Sikorski
Skaggs
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NJ)
Solarz
Spratt
St Germain
Staggers
Stallings
Stark
Stokes
Stratton
Studds
Swift
Synar
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Udall
Valentine
Vander Jagt
Vento
Visclosky
Walgren
Waxman
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolpe
Yates
Yatron

NAYS—147

Archer
Badham
Baker
Ballenger
Bartlett
Barton
Bentley
Bilirakis
Boulter
Brown (CO)
Bruce
Buechner

Bunning
Burton
Byron
Carper
Cheney
Coats
Coble
Combest
Craig
Daub
Davis (IL)
DeLay

DeWine
Dorgan (ND)
Dornan (CA)
Dowdy
Dreier
Durbin
Dyson
Emerson
English
Erdreich
Fields
Flippo

Gallegly
Gekas
Gingrich
Glickman
Gonzalez
Grandy
Grant
Gregg
Gunderson
Hall (TX)
Hammerschmidt
Hansen
Harris
Hastert
Hayes (LA)
Hefley
Henry
Herger
Holloway
Hopkins
Hunter
Inhofe
Ireland
Jacobs
Kolbe
Konnyu
Kyl
Leach (IA)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lott
Lowery (CA)
Lujan
Lukens, Donald
Lungren
Mack
Madigan
Marlenee
Martin (IL)
Martin (NY)
McCandless
McEwen
Michel
Molinari
Montgomery
Moorhead
Myers
Natcher
Nielson
Packard
Parris
Pashayan
Penny
Perkins
Petri
Pursell
Quillen
Ravenel
Ray
Regula
Rhodes
Roberts
Robinson
Roemer
Rogers
Roth
Schaefer
Schuette
Sensenbrenner
Shaw
Shumway
Shuster
Sisisky
Skeen
Skelton
Smith (NE)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Stangeland
Stenholm
Stump
Sundquist
Sweeney
Swindall
Tallon
Tauke
Tauzin
Taylor
Traficant
Traxler
Upton
Volkmer
Vucanovich
Walker
Watkins
Weber
Whittaker
Wolf
Wortley
Wyden
Wylie
Young (AK)
Young (FL)

NOT VOTING—17

Annunzio
Brown (CA)
Bryant
Coleman (TX)
Daniel
Dannemeyer
Derrick
Edwards (OK)
Feighan
Gephardt
Huckaby
Hutto
Jenkins
Johnson (SD)
Morrison (CT)
Ridge
Rostenkowski

□ 1650

Messrs. ROBINSON, TRAXLER, TALLON, HALL of Texas, VOLKMER, TRAFICANT, SMITH of Texas, and DENNY SMITH changed their votes from "yea" to "nay."

Mr. HUBBARD and Mr. CHAPMAN changed their votes from "nay" to "yea."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1320, LAND AND WATER CONSERVATION FUND ACT OF 1965 AMENDMENTS

Mr. PEPPER, from the Committee on Rules, submitted a privileged report (Rept. No. 100-35), on the resolution (H. Res. 135) providing for the consideration of the bill (H.R. 1320) to amend the Land and Water Conservation Fund Act of 1965, and for other purposes, which was referred to the House Calendar and ordered to be printed.

HOUR OF MEETING ON THURSDAY, APRIL 2, 1987

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns on Wednesday, April 1, 1987, it adjourn to meet at 10 a.m. on Thursday, April 2, 1987.

The SPEAKER pro tempore (Mr. GRAY of Illinois). Is there objection to the request of the gentleman from Washington?

Mr. LOTT. Mr. Speaker, reserving the right to object, I just want to make sure; the request is that we come in at 10 o'clock Thursday of this week, is that correct? Is that what the gentleman is asking for, 10 o'clock this week on Thursday?

Mr. FOLEY. Mr. Speaker, if the gentleman will yield, the gentleman is correct; the request is to come in at 10 a.m. on Thursday.

Mr. LOTT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentlemen from Washington?

There was no objection.

REQUEST FOR PERMISSION ON TUESDAY, APRIL 7, 1987, TO CONSIDER GENERAL DEBATE ON FIRST CONCURRENT ON THE BUDGET FOR FISCAL YEAR 1988 AND FOR COMMITTEE ON THE BUDGET TO HAVE UNTIL MIDNIGHT APRIL 6, 1987, TO FILE A REPORT ON FIRST CONCURRENT RESOLUTION ON THE BUDGET

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that if the Committee on the Budget files a report on the concurrent resolution on the budget for fiscal year 1988 on or before Monday, April 6, 1987, that it be in order, section 305(a)(1) of the Congressional Budget Act of 1974 and clause 2(1)(6) of rule XI to the contrary notwithstanding, on Tuesday, April 7, 1982, upon motion of the chairman of the Budget Committee or his designee to move that the House resolve itself into the Committee of the Whole House on the State of the Union to consider general debate only, with not to exceed 3 hours of general debate and not to exceed 1½ hours of debate as provided in section 305(a)(3) of the Congressional Budget Act of 1974, and that at the conclusion of said general debate the committee shall rise automatically without motion.

I further ask unanimous consent that the Committee on the Budget have until midnight April 6, 1987, to file a report on the concurrent resolution on the budget for fiscal year 1988.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

Mr. LOTT. Mr. Speaker, reserving the right to object, under my reservation I would like to inquire, the gentleman is asking for two unanimous-consent requests in one, is that correct?

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Washington.

Mr. FOLEY. The gentleman is correct. I will be glad to separate them if the gentleman would request.

Mr. LOTT. I think it maybe will save a little time to go ahead and to do the two together.

I wonder, wanting to try to be cooperative, could we see the budget resolution before we go along with this kind of a unanimous-consent request, because we are waiving a couple of very important rules that give Members an opportunity to see what is in a budget resolution. We are waiving the 3-day rule and at least one other rule there that would cut off the Members' opportunity to see the budget resolution.

So if the gentleman could give us some information on when that budget resolution will be available, perhaps he could put this off and call it up, or could make his unanimous-consent request tomorrow, perhaps. But at this point, we just would be hesitant on this side to give unanimous consent to a request to waive these two very important rules not having even seen a budget resolution.

I would be glad to yield to the gentleman from Washington.

Mr. FOLEY. I would advise the gentleman that the budget resolution has not yet been adopted by the Budget Committee, as the gentleman knows. Members of the Budget Committee have been seeking to discuss and deliberate on the question of the budget resolution, but have had some difficulty in carrying on that discussion and debate and markup within the committee. But the purpose here is to attempt to expedite the procedure under the Budget Act so that we could bring the budget resolution, particularly at least the general debate part of it, to the floor of the House next week.

Mr. LOTT. I understand the Budget Committee may be meeting, or maybe has met today or will be meeting tomorrow, and after they have had a chance to meet, perhaps we could see a budget resolution at that point, and we would be glad to discuss it further at that time.

But at this point, Mr. Speaker, I am constrained to object.

The SPEAKER pro tempore. Objection is heard.

INTERSTATE COMMERCE COMMISSION DAY

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate joint resolution (S.J. Res. 96) designating April 3, 1987, as "Interstate Commerce Commission Day," and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, I do not object, but I simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, under my reservation of objection, I yield to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, I thank the gentlewoman. She is most gracious indeed.

Mr. Speaker, I would like to begin by asking are we designating April 1 the day to celebrate the Interstate Commerce Commission, or is it April 3? April 1 would, of course, be a much more appropriate day.

Mr. DYMALLY. Mr. Speaker, will the gentlewoman yield?

Mrs. MORELLA. I yield to the gentleman from California.

Mr. DYMALLY. Mr. Speaker, this question is of such significance that the committee did deliberate in private about the significance of April 1 and the necessity to have this item brought up on April 1, but considering the urgency of the matter we changed our minds and brought it up today.

□ 1700

Mr. DINGELL. Is it possible to consider this matter, Mr. Speaker, on April 1, which is April Fool's Day? Is this resolution laudatory? Is it one of joy, or is it one of sorrow? I am trying to figure out what it is that goes on at that commission that we are celebrating.

Mr. DYMALLY. Mr. Speaker, will the gentleman from Michigan yield?

Mrs. MORELLA. I will be delighted to yield to the gentleman.

Mr. DYMALLY. All of the above.

Mr. DINGELL. All of the above?

Mr. DYMALLY. Yes.

Mr. DINGELL. Mr. Speaker, I will be delighted to be recognized under my own reservation of objection. I tell the gentlewoman from Maryland [Mrs. MORELLA] that she has been most gracious to me, and I am quite content not to intrude into her time, but to proceed on my own reservation.

Mrs. MORELLA. Mr. Speaker, I further reserve the right to object, but I would yield the time to the gentleman from Michigan [Mr. DINGELL].

Would the gentleman like to make further comments?

Mr. DINGELL. Well, I thank the gentlewoman. She is most gracious. I have a certain reluctance to intrude upon her time.

Mr. Speaker, I have a number of thoughts I would like to share with my colleagues about the ICC. It once was a great organization. It once served the public interest. It once did things to protect the people of the United States against monopoly. It once saw to it that there was competition. It once met, regularly. It once kept public records. It once did things deserving of the citizens' respect; and there was a time when a resolution of this sort was highly appropriate.

It must be observed that although the Commission now meets, it cannot show that it has accomplished anything. It appears before our committee from time to time to explain how it contrives to collect rather generous salaries for doing precisely nothing.

On matters relative to competition with regard to railroads and competitive shippers, I have a number of thoughts I would like to share with the House on this curious institution called the ICC.

I really do not want to impose upon the gentlewoman from Maryland, who has been most gracious.

Mrs. MORELLA. Mr. Speaker, I withdraw my reservation of objection.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from California?

Mr. DINGELL. Mr. Speaker, I reserve the right to object.

I am delighted to yield to the gentlewoman, because she has been abundantly gracious to me. On my reservation, if she has any desire to say anything either for or against this quaint institution, the ICC, I would be delighted to have her have her thoughts on the record, because I am sure they do have merit.

Mrs. MORELLA. I appreciate the gentleman's compliments.

Mr. DINGELL. Mr. Speaker, further reserving the right to object, it must be observed that the salaries and expenses that are collected by this agency are largely collected under false pretenses. The problems that the ICC might most noteworthy bring to the attention of the Congress, if it were to report fairly upon its action or upon its inaction, are that it has forgotten its responsibilities to the American people.

The ICC has failed to carry out the intent of the Staggers Rail Act, it has failed to protect captive shippers, to enhance competition, and to apply fairly the laws with respect to rail labor. It has disregarded the concerns of coal-producing areas and electrical utilities. It has disregarded the concerns of consumers of electric power and others who are dependent upon it to assure fair treatment.

It has recently even been incapable of telling that a major railroad failure impended until 2 weeks before the event occurred.

Mr. Speaker, shippers pleading their cases before the ICC have had to wait years before their cases have been processed. Usually the law will change several times during the processing because of the sloth, inaction, indifference, laziness, and slowness of the process before the ICC.

The ICC might establish as its motto that "justice delayed is justice denied," because it can be observed that in almost every instance the ICC has failed to process matters before it in proper speed.

Now I will observe to you that that curious, quaint, obsolete and indifferent institution has appeared before our committee, and the only evidence of diligence which we ascertain on their part is that they defend both their incompetence, their sloth, their indifference, and laziness.

I must say that the Commission has rarely found for the shippers, and rarely done anything to enhance competition. I will observe that we might say that this agency has perhaps made its greatest contribution in permitting the wholesale abandonment or sale of thousands of miles of track throughout the country without making any provision for protection of shippers, workers or communities.

It is regretful, at least, Mr. Speaker, that we are not considering this resolution on April 1, instead of the day before, because certainly if there is a congregation that deserves to have its affairs and its activities celebrated on April Fool's Day, it is the ICC. I say with even more profound regret that it is a great shame that we are honoring them on any day other than April Fool's Day, when they should be called to appear before this Congress with appropriate dunce caps and other proper arraignment to explain their inaction, their indifference, and their lack of concern for the public.

Mr. Speaker, I am delighted to yield to the gentleman from Wisconsin.

Mr. MOODY. Mr. Speaker, I was very interested in the chairman's comments, and I would like to associate myself with them.

The President of the United States, as part of his competitiveness package, has submitted or is in the process of submitting a bill to essentially abolish the ICC and transfer its consumer protection functions over to the Federal Trade Commission; and basically let the market determine who can compete in the trucking area, for example, and really in the acknowledgement of much of what you have been saying, would the gentleman be interested in possibly supporting that sort of initiative?

Mr. DINGELL. I thank the gentleman. I would observe, Mr. Speaker, that the ICC has effectively abolished the agency by being nonfunctional, but they have done it in all particulars save one: They show up regularly to collect their salaries.

I yield again to the gentleman from Wisconsin.

Mr. MOODY. Mr. Speaker, I want to point out that in fact the White House and a number of people interested in this issue are moving in this area.

Maybe that would be a more appropriate subject for debate than this one.

Mr. DINGELL. Further reserving the right to object, Mr. Speaker, I will not oppose this legislation. I will simply observe that its passage demeans both the Congress, the ICC, the consumers of the country and the principles for which the ICC was founded.

I would urge my colleagues to vote against it, but it is sponsored by a dear friend of mine, to whom I wish to give no offense, and the chairman of the committee which has reported it happens to be one of my dearest friends, and I regret that more appropriate denunciations of this agency and more appropriate stimuli to it to behave properly in the public interest are not possible.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, further reserving the right to object, under my reservation, I yield to the gentleman from California [Mr. ANDERSON].

Mr. ANDERSON. Mr. Speaker, the Interstate Commerce Commission will be 100 years old on April 5, 1987. The event will be celebrated on Friday, April 3, 1987.

As chairman of the Subcommittee on Surface Transportation, I wish to extend recognition and gratitude to the many men and women who have worked at the Commission administering the Nation's regulatory laws in the field of surface transportation.

It is only appropriate that we note this centennial event. I, therefore, urge my colleagues in the House to support passage of Senate Joint Resolution 96.

Mr. HOWARD. Mr. Speaker, April 5, 1987, is the 100th anniversary of the effective date of the act to regulate commerce.

The Interstate Commerce Commission, created to administer that act and subsequently enacted regulatory acts, is celebrating its centennial celebration on April 3, 1987.

For 100 years, the Commission has been responsible for administering the laws which regulate the surface transportation industries in this Nation.

Senate Joint Resolution 96 honors the Commission's efforts for the last 100 years, and all of the people who have worked to make our transportation system the envy of the world.

I urge my House colleagues to support the resolution.

Mrs. MORELLA. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution as follows:

S.J. RES. 96

Whereas the Interstate Commerce Commission was created by Congress in 1887 to implement the congressional mandate to regulate interstate transportation, and 1987 marks the one hundredth year of its continuous public service;

Whereas the Commission was the first independent, quasi-judicial, administrative agency created by Congress as a pioneering concept in a growing Nation's legal system with a leading role in the development of an increasingly important body of administrative law;

Whereas the one-hundred-year period of the Commission's regulatory responsibility has embraced the challenge of two world wars and other major international conflicts, as well as continuous fluctuations in the Nation's economy and business cycles which span the Great Depression, postwar booms, and the beginnings of the nuclear and space ages;

Whereas the Commission's record of national service has encompassed tremendous changes in technology and competition accompanying the development and growth of waterways, railroads, pipelines, motor carriers, and air carriers;

Whereas the Commission has steadfastly endeavored to guard and protect the public interest in the development and regulation of the Nation's transportation system; and

Whereas, under its one hundred years of regulatory oversight dedicated to the development, promotion, and preservation of a national system of tranportation under a free enterprise economy, a transportation system unsurpassed throughout the world has been established: Now, therefore, be it;

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That April 3, 1987, is designated as "Interstate Commerce Commission Day". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that day with appropriate ceremonies and activities to recognize the one hundredth anniversary of the establishment of the Interstate Commerce Commission.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL FORMER POW RECOGNITION DAY

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 47) to designate "National Former POW Recognition Day," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, I do not object, but would like to inform the House that the minority has no objections to the legislation now being considered.

□ 1710

Mrs. MORELLA. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Ohio [Mr. APPLEGATE].

Mr. APPLEGATE. I thank the gentlewoman for yielding.

Mr. Speaker, I want to extend my utmost thanks and appreciation to my colleague, MERVYN DYMALLY of California, in agreeing to bring this important resolution before the Chamber this afternoon.

Mr. Speaker, Senate Joint Resolution 47, passed by the Senate last Tuesday, is similar to my resolution, House Joint Resolution 155, which I introduced in the House on February 24. In little more than 1 month, over 120 House Members have agreed to cosponsor this resolution which would designate April 9, 1987, as "National Former Prisoner of War Recognition Day."

Let me just say that I am highly pleased that the Senate acted with such diligence in adopting Senate Joint Resolution 47, introduced by the very able chairman of the Senate Veterans' Affairs Committee, Senator ALAN CRANSTON of California. Not only has the support for my resolution been very strong in the House, but the Senate Joint Resolution had 65 cosponsors when it was passed on March 24, clearly indicating the support for this measure.

Mr. Speaker, let me just remark that Senate Joint Resolution 47 was amended on the floor of the Senate by including the word "former" into the title and the body of the resolution. This is a change we sought in order to distinguish our resolution from another resolution, House Joint Resolution 100, which seeks to establish September 18, 1987, as National POW/MIA Recognition Day.

While House Joint Resolution 100 deals with the very important matter of missing American servicemen in Southeast Asia following the war in Vietnam—and everyone in both Chambers holds a very strong interest in this issue of highest national priority—we felt it appropriate to take some time to recognize the approximately 80,000 former prisoners of war throughout our Nation today and pay tribute to them upon the 45th anniversary of that day when American soldiers holding out on the Bataan Peninsula in the Philippines surrendered to enemy forces, eventually leading to the infamous Bataan "death march" and the deaths of thousands of Americans.

The experiences of former prisoners of war is something that, I'm sure, most Americans can hardly imagine. The brutality and hardship endured by Americans in captivity in World War II, the Korean war, and the war in Vietnam, is widely known. I feel that all Americans who owe their freedom and liberty to the sacrifices that were made by all servicemen, and especially POW's, should reserve some time on April 9 to think of all the former prisoners of wars in the United States.

Mr. Speaker, I would like to extend my thanks to the members of the American Ex-Prisoners of War who sought the passage of this resolution: national commander Curtis Musten; senior vice commander Albert Bland; national director-at-large Charles Williams; and, Dr. Charles Prigmore, national director of legislation.

Most of all, I want to thank my good friend and colleague from Ohio, the vice chairman of the Veterans' Affairs Subcommittee on Compensation, Pension, and Insurance, Bob McEwen, for his unyielding support and assistance in making "National Former Prisoner of War Recognition Day" a reality. I want to thank him and everyone who joined in cosponsoring House Joint Resolution 155.

Mr. Speaker, I strongly support passage by the House of Senate Joint Resolution 47.

Mrs. MORELLA. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. I thank the gentlewoman for yielding.

Mr. Speaker, I rise in strong support of Senate Joint Resolution 47, designating April 9, 1987, as "National Former Prisoner of War Recognition Day" and I commend the gentleman from Ohio for his sponsorship of the resolution.

No single group of individuals in this country is more deserving of the gratitude of all Americans. As the ranking member of the Veterans' Affairs Committee I would like to pledge the continued support of the Veterans Affairs Committee to work to see that they continue to receive the recognition and compensation they rightfully deserve.

Mr. Speaker, the date of April 9 was not a random selection—as thousands of our former prisoners of war well know. Many of them remember it as the day they were taken prisoner in the fall of Bataan during World War II.

It was President Eisenhower who said, "A soldier's pack is not so heavy a burden as a prisoner's chain." There are over 80,000 Americans living today who well remember both the weight of a soldier's pack and the burden of a prisoner's chains.

Our former prisoners of war faced their circumstances with honor and dignity—and they did so to secure the freedoms which are the hallmark of America.

I respectfully request all Members to join in supporting Senate Joint Resolution 47.

Mrs. MORELLA. Mr. Speaker, I rise in support of Senate Joint Resolution 47 designating April 9, 1987, as "National Former POW Recognition Day."

POW's are perhaps the most deserving heros America has today and I would like to take this opportunity to commend my colleagues in both the House and Senate who supported the legislation. This legislation shows a deep concern and a concerted effort by the Members of both Houses and the American people to honor our former prisoners of war. By establishing April 9, 1987, as a day of recognition for these brave men and women, we are proclaiming our deep gratitude and respect for their brutal and inhumane treatment and for the sacrifices they made to further our democracy.

The men and women who served their country in the frontlines of battle or in dangerous enemy territory were the first to be killed or taken captive. Our Nation owes these men and women and their families the profoundest statement of recognition for the losses they experienced at the hands of their captors. The ordeals of the POW's certainly did not end with the wars in which they fought. The after effects of starvation, torture, and disease linger today in their bodies and minds.

Therefore, I feel it is imperative that this body act favorably in proclaiming April 9, 1987, a day of recognition for the men and women who gave so much for the sake of their Nation. Let us honor these men and women and assure them that their sacrifices for the American people has not been forgotten.

I urge my colleagues to join me in supporting this resolution.

Mr. MCEWEN. Mr. Speaker, as an original cosponsor of the House companion bill, House Joint Resolution 155, with my distinguished colleague from Ohio, DOUG APPLEGATE, I rise in strong support of Senate Joint Resolution 47. This resolution seeks to honor all former American prisoners of war on April 9 of this year.

DOUG APPLEGATE is the chairman of the Veterans' Subcommittee on Compensation, Pension and Insurance, and as the vice chairman of that subcommittee, we understand the many sacrifices and hardships these brave Americans have endured as prisoners of war. April 9 commemorates the 45th anniversary of the fall of Bataan in the Philippines during World War II in which several thousand Americans were taken prisoner. Tragically, some 30,000 Americans were taken prisoner in the Pacific Theatre. The mortality rate of these POW's was almost 40 percent.

This resolution honors all Americans of all wars who were captured. Moreover, it recognizes the great sacrifices and torment which they experienced at the hands of their captors. And it is a poignant reminder that their families endured the agony of not knowing the fate of their loved ones, the not knowing if their husband or a brother or a friend would come back home alive and in one piece.

Mr. Speaker, this resolution cannot fully reward or express our gratitude to these special Americans. But it is an expression of thanks to them and to their families on behalf of a grateful Nation. I urge my colleagues to support this resolution.

Mr. MONTGOMERY. Mr. Speaker, I want to join my colleagues in strong support of Senate Joint Resolution 47, which would set aside a special day of recognition for our former prisoners of war.

I also want to commend my distinguished colleagues from Ohio, Mr. APPLEGATE and Mr. MCEWEN, the chairman and ranking minority member of the Veterans' Affairs Subcommittee on Compensation, Pension and Insurance, for introducing identical legislation in the House and for their active and outspoken advocacy of issues of special importance to former prisoners of war.

In hearings before the Veterans' Affairs Committee last year, one witness had this to say about the prisoner of war experience:

> We have all heard stories about the inhuman, sadistic, and barbaric treatment dispensed by our enemy captors. We have all read of the death marches, starvation, beatings, torture and countless other atrocities suffered by these brave men (and I might add, brave women). But can we ever feel the physical and mental pain? Can we ever truly understand the complexity and the long-term effects of that pain as experienced by prisoners of war? We can only attempt to right these wrongs by continuing to pass legislation designed to expedite the continuing process of healing the wounds.

Mr. Speaker, this process of healing is carried out through both tangible benefits and services such as those offered by the Veterans Administration and through the type of recognition that is called for under the legislation we now consider. For the extraordinary courage and patriotism exhibited by our former prisoners of war, this measure is both appropriate and warranted.

I urge each of my colleagues to support Senate Joint Resolution 47.

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in strong support of Senate Joint Resolution 47 designating April 9, 1987, as "National Former Prisoner of War Recognition Day."

This resolution recognizes the over 80,000 former prisoners of war living in this country and authorizes the President to give them the tribute they so justly deserve.

In each of America's wars, our prisoners of war have suffered extraordinary hardships but overcome them through bravery and sacrifice.

I also wish to pay tribute to the families of America's prisoners of war who suffered while awaiting news of their loved ones. The sacrifices these prisoners and their families made to help preserve the freedom of all Americans, must never be forgotten.

America's former prisoners of war symbolize the strength and patriotism of all Americans. The courage, suffering and profound devotion to duty of our former POW's have earned them the highest degree of gratitude our country can bestow.

I urge all of my colleagues to support Senate Joint Resolution 47.

Mrs. MORELLA. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. GRAY of Illinois). Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 47

Whereas the United States had fought in many wars;

Whereas thousands of Americans who served in such wars were captured by the enemy;

Whereas many American prisoners of war were subjected to brutal and inhumane treatment by their enemy captors in violation of international codes and customs for the treatment of prisoners of war, and many such prisoners of war died or were disabled as a result of such treatment; and

Whereas the great sacrifices of American prisoners of war and their families are deserving of national recognition: Now, therefore, be it;

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That April 9, 1987, shall be designated as "National Former POW Recognition Day", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to commemorate such day with appropriate activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL CANCER INSTITUTE MONTH

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 74) to designate the month of May, 1987 as "National Cancer Institute Month," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, I do not object, but simply would like to inform the House that the minority has no objections to the legislation now being considered.

Mr. Speaker, further reserving the right to object, under my reservation I yield to the gentleman from Florida [Mr. PEPPER] who is the chief sponsor of the joint resolution, H.J. Res. 54.

Mr. PEPPER. Mr. Speaker, I want to commend my colleagues for joining me in supporting the passage of a bill which honors the 50th anniversary of the National Cancer Institute by designating the month of May as National Cancer Institute Month.

Mr. Speaker, having lost my beloved wife to this monster cancer in 1979, you can understand the depth of my fellings, that all possible efforts should be added to the research program of this country to try to find the cause and cure of that dread disease.

Fifty years ago, it was my great pleasure to sponsor a bill establishing the National Cancer Institute, and now, 50 years later, it pleases me to commemorate the 50th anniversary and the achievements made by this great Institute.

The progress made in cancer research, and the benefits in terms of the health of the people of our Nation and around the world, are simply incalculable. The National Cancer Institute's research programs have indicated that through systematic therapies, largely developed through clinical trials, more than 50 percent of all cancer patients are potentially curable, and numerous cancers now have 5-year survival rates of over 75 percent, in diseases such as thyroid endometrium melanoma, breast, bladder, Hodgkin's disease, and prostate cancer. Also, children's 5-year cancer survival rates are climbing to an all-time high of 60 percent.

Cancer research programs have contributed enormously to the development of biomedical knowledge, affecting not only cancer research but all other disease research. There now exists a network of 59 cancer centers across the country which provide the Nation with an invaluable national resource for cancer research, treatment, control, prevention, and training.

A network has been established across the Nation that links basic science laboratories, cancer centers, community cancer centers, cooperative groups of clinical researchers, community oncologists, practicing physicians, and nurse oncologists. This network also facilitates the application of the results of research.

Also, the National Cancer Institute has mounted a major program of research on cancer prevention, which serves as the basis for a prevention awareness program in our Nation. This program informs individuals of actions they can take to lower personal cancer risks—modifying diet and stopping smoking, for example.

It is expected that this resolution and the subsequent presidential proclamation will be helpful in calling to the attention of the American people the great research advances that have been made at the National Cancer Institute, the NCI-support cancer centers, and by the hardworking researchers. Also, this resolution will promote and inform the public about the opportunities for prevention of cancer, early detection of cancer, and the improved patient care as a result of the research advances that have occurred.

The National Cancer Institute is one most worthy of special recognition. I thank my colleagues for joining with me in recognizing the great contributions the Institute has made to the people of our Nation and around the world.

Mrs. MORELLA. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 74

Whereas in 1937 the "National Cancer Institute" was created by law,

Whereas the intent of Congress in enacting legislation in 1937 was to initiate a new, high priority, highly visible, national program for the conquest of cancer,

Whereas Congress continues to stress the importance of the National Cancer Institute through the creation of the 1971 National Cancer Act and its 1974, 1978, 1982, and 1986 reauthorizations,

Whereas the National Cancer Institute represents a unique structure for a coherent and systematic attack on the vastly complex problems of cancer through the National Cancer Institute,

Whereas the National Cancer Institute created a network of cancer centers that has increased from three before 1971 to fifty-nine in 1986, thus providing the Nation with an invaluable national resource for cancer research, treatment, control, prevention, and training,

Whereas recombinant DNA techniques and monoclonal antibody technologies have contributed so much to discovering the blueprint of cancer and now hold enormous promise for rapidly diagnosing and characterizing tumors and for treating patients,

Whereas cancer research scientists supported by the National Cancer Program funded by the National Cancer Institute determined the function of a normal human oncogene, and are elucidating the role of oncogene products in cancer, discovered the structure of the T-cell receptor, demonstrated the role of viruses in the causation of cancer, discovered that the virus HTLV-III is the cause of AIDS, showing that fundamental research in cancer biology forms the underpinnings for all other cancer research programs,

Whereas it has been shown that systemic therapies, largely developed through clinical trails, can cure cancer with more than 50 per centum of patients potentially curable and numerous cancers now have five-year survival rates over 75 per centum such as thyroid, endometrium, melanoma, breast, bladder, Hodgkin's disease, and prostate and with children's five-year cancer survival rates reaching an all-time high of 60 per centum,

Whereas progress continues in understanding and planning strategies to interfere with cancer metastasis and overcome drug resistance,

Whereas collaboration between surgery, radiation, therapy, chemotherapy, and therapy with biological response modifiers has greatly improved the outcome for cancer patients, allowing for less radical surgery by utilizing adjuvant radiation and new success in hard-to-treat tumors through improved chemotherapy,

Whereas the National Cancer Institute has mounted a major program of research on cancer prevention which serves as the basis for a prevention awareness program stressing what individuals can do to lower personal cancer risk by modifying lifestyle factors such as diet, and

Whereas the National Cancer Act has fostered the transfer of information from basic research to the patients's bedside, while strengthening a network that links basic science laboratories, cancer centers, cooperative groups of clinical researchers, community oncologists, practicing physicians, and nurse oncologists, and facilitate the application of the results of research: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the month of May, 1987 is designated as "National Cancer Institute Month", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States and all appropriate Government agencies to observe the month with appropriate programs and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OLDER AMERICANS MONTH

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 64) to designate May 1987 as Older Americans Month and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, I do not object but simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, under my reservation of objection I yield to the gentleman from Florida [Mr. McCOLLUM], the chief sponsor of House Joint Resolution 173, designating May 1987 as Older Americans Month.

Mr. McCOLLUM. I thank the gentlewoman for yielding to me.

I rise certainly in support of Senate Joint Resolution 64. It is an identical version of my bill, House Joint Resolution 173, which has over 226 cosponsors in the House. I want to thank my colleagues for joining in this resolution again this year. This is the fifth year, consecutively, that I have had the privilege of sponsoring this resolution designating May as Older Americans Month and I think that it is a tribute to our senior citizens that we continually have so much strong support in the House and the Senate for this particular designation. It means a lot to the senior citizens to have a month set aside that we can have celebrations of their contributions to society and to all of the betterment that we all work for and that they have spent so much of their lives working for.

Let us not forget that our senior Americans are our country's most vital reservoir of knowledge and experience providing positive models to our youth.

This measure calls on the President to make the official designation and asks citizens to plan special activities to commemorate the month long observance. It is a great honor to be a part of this observance which means so much to our senior Americans. I hope all of my colleagues will support Senate Joint Resolution 64 and designate once again the month of May as Older Americans Month.

I thank the lady very much and I yield back to the gentlewoman from Maryland.

□ 1720

Mrs. MORELLA. Mr. Speaker, further reserving the right to object, I yield to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I am pleased to rise in support of Senate Joint Resolution 64, designating May 1987 as "Older Americans Month."

I am proud to be an original cosponsor of the companion bill (H.J. Res. 173), introduced by the distinguished gentleman from Florida [Mr. McCOLLUM].

The contributions to our society by our Nation's seniors are innumerable, of paramount importance to us all and deserving of this expression of our Nation's gratitude. We must recognize this important group of Americans by designating the month of May as "Older Americans Month."

Our Nation's seniors have many needs, that unfortunately we have not always met. I hope that this designation in May 1987, will bring attention to all of our older Americans, so that we can help to assure to them the security needed to assist them through their senior years.

In the next few months the U.S. Congress will be focusing on several issues that will affect our older Americans. Issues such as catastrophic health insurance, the Social Security notch years, and safe, affordable housing are just a few of the many needs we must look at carefully. It is important that we realize their significance in the overall long-term plan to ease the financial and emotional burdens placed on this special group.

Having sponsored and cosponsored legislation in the past to protect our Nation's elderly, and I will continue to do so until they receive all of the benefits and care they deserve.

Mr. Speaker, we owe a great debt to these fine Americans for all that they have done to make this country as great as it is, and for all that they will continue to do, to make sure it stays that way. Accordingly, I urge my colleagues to support Senate Joint Resolution 64, designating May 1987 as Older Americans Month, and urge their continued work to assume the security and happiness of all of our older Americans.

Mrs. MORELLA. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Florida [Mr. PEPPER].

Mr. PEPPER. Mr. Speaker, I wish in the warmest way to commend the excellent remarks of the distinguished gentleman from New York.

Mr. Speaker, I rise today in strong support of House Joint Resolution 173, a bill introduced by my good friend from Florida, Hon. BILL McCOLLUM, to designate May 1987 as Older Americans Month. This meaningful measure recognizes the immensely important, valuable and growing role of older Americans in our society.

Today one of every eight Americans is over the age of 65. By the year 2030 greater than one in five of Americans will be over the age of 65. The older Americans are healthier and living longer than in years past. Today, the fastest growing segment of our population is Americans 85 years of age and older. I am proud to count myself as part of that group of Americans. Therefore, in numbers alone, older Americans represent a tremendous and vital force in Americans society.

Older Americans' efforts made and are continuing to help make our's the greatest nation in the world. It is critical that we take the opportunity of Older Americans Month to pay tribute to this role. It is also vitally important that we take this important opportunity to highlight what we in the Nation and in Congress need to do to ensure that older Americans can continue their important role and meet their many and growing needs, from health care to income security.

Perhaps there is no greater pressing need of older Americans than the assurance of access to affordable high quality health care. This year, the average American, age 65 and older, will spend over $1,800, or roughly one-fifth of their income, paying for the health care they need. This is more than they were paying before the enactment of Medicare in 1965?

This year some 700,000 older Americans will be forced into poverty as a result of catastrophic illnesses such as stroke, Alzheimer's disease, cancer and Parkinson's because they require long-term care which is not covered by Medicare or private insurance. We need to enact a plan whereby older Americans can insure themselves against these catastrophic costs. I have legislation, H.R. 65, which provides comprehensive catastrophic health care protection to all elderly and disabled Americans. We must use the wide bipartisan agreement that exists to enact a meaningful catastrophic health plan for the elderly, one that addresses the true health care catastrophe for older Americans—long-term care.

Seniors in this great Nation have so much to offer. With the passage of the Age Discrimination in Employment Act last session, Congress has eliminated mandatory retirement for workers who are still fit and able to fulfill their responsibilities. It is so very important for people of all ages to be able to do perform whatever tasks make them happy and content in their life. The freedom to keep working and being able to provide for yourself and your family members should have no age limitations.

Income security has yet to be afforded to all other Americans. In fact, some 3.5 million of our Nation's elderly are living in poverty today. Four in 10 older Americans today are near poor and are at perilous risk of being in poverty in the future. We must strengthen, not weaken, programs designed to provide the elderly with a reasonable income level. We must also remove disincentives for older Americans to provide for themselves. I was very proud to have sponsored legislation which was enacted last year outlawing forced retirement of private sector workers age 70 and older. We must be diligent in assuring that this and other measures are strongly enforced.

There are many other pressing areas of need among older Americans—the fight against elder abuse and neglect, the protection of nursing home residents, provision of adequate transportation, just to name a few—which deserve our prompt attention.

I again warmly commend my friend and colleague from the great State of Florida, Mr. McCOLLUM, for sponsoring this important measure and urge all of my colleagues to support it.

Mrs. MORELLA. Mr. Speaker, further reserving the right to object, I rise in support of Senate Joint Resolution 64, and its counterpart, House Joint Resolution 174, designating the month of May 1987, as Older Americans Month.

Mr. Speaker, as a member of the Select Committee on Aging I feel it is fitting that we designate a month in which we call upon the American people to recognize the contributions of our older Americans. Approximately 12 percent of our Nation today are older Americans who continue to be productive members of our society. Older Americans continue to share their expertise and energies by working and volunteering in their local communities to assist others who are less fortunate. Our older Americans possess a wealth of knowledge and experience that should not be allowed to go idle. They are a diverse group of individuals who want to be productive and they continue to be a valuable and integral part of our society.

Our older Americans have made our Nation what it is today and in many ways that are shaping our future. By designating the month of May as older Americans month it will give us an opportunity to recognize and honor our older persons for their determination to mold and defend our Democratic values, their strong work ethic to revive our economy and their continued contribution to our nations well-being.

Mr. Speaker, we can all learn from the accomplishments of our older Americans, not only from their past efforts but their present efforts as well.

I urge my colleagues to join me in honoring our older citizens by supporting this resolution and I also call upon my colleagues to join me in supporting the reauthorization of the Older Americans Act which is to be considered in late May.

Mr. Speaker, further reserving the right to object, I yield to the gentleman from California [Mr. DYMALLY].

Mr. DYMALLY. Mr. Speaker, I want to associate myself with the remarks of the gentlewoman from Maryland and the gentleman from Florida [Mr. McCOLLUM], the original author of this resolution, which is a very significant resolution.

Mr. MARLENEE. Mr. Speaker, I fully support designating May 1987 as "Older Americans Month." It is important that all of us keep a perspective on aging and designating May as "Older Americans Month" helps to call attention to a most valuable resource: senior citizens.

As the proportion of the elderly population continues to increase, Congress should enhance and not diminish the programs for our Nation's elderly. Through federally administered programs, through State administered programs and through the workable, productive arrangement of combination private and Federal management, Montana senior citizens have formed a partnership with government and are able to make important contributions to society.

The Older Americans Act, with its seven major titles, is a proven success story in Montana. Green Thumb, Meals on Wheels, senior transportation programs, senior citizen center funding, provisions of the Older Americans Act read like a Hall of Fame for Seniors programs. Also, Social Security is an example of a responsible, flexible government program that has endured to continue to meet the needs of seniors. Both of these are administered on a partnership between the government and citizens.

Government can meet the challenges of seniors programs, and Congress has so far been successful in creating new and innovative answers to the challenges facing America and the elderly. We must continue to do so.

Mrs. MORELLA. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. GRAY of Illinois). Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 64

Whereas older Americans have contributed many years of service to their families, their communities, and the Nation;

Whereas the population of the United States is comprised of a large percentage of older Americans representing a wealth of knowledge and experience;

Whereas older Americans should be acknowledged for the contributions thay continue to make to their communities and the Nation; and

Whereas many States and communities acknowledge older Americans during the month of May: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That in recognition of the traditional designation of the month of May as "Older Americans Month" and the repeated expression by the Congress of its appreciation and respect for the achievements of older Americans and its desire that these Americans continue to play an active role in the life of the Nation, the President is directed to issue a proclamation designating the month of May 1987, as "Older Americans Month", and calling on the people of the United States to observe such month with appropriate programs, ceremonies, and activities.

The Senate joint resolution was ordered to be read a third time, was read a third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL FISHING WEEK

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 18) to authorize and request the President to issue a proclamation designating June 1 through June 7, 1987 as "National Fishing Week," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, I do not object, but simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. JONES of North Carolina. Mr. Speaker, today, I am endorsing Senate Joint Resolution 18, which is similar to House Joint Resolution 121 that I previously introduced in the House, requesting that the President proclaim June 1-7, 1987, as "National Fishing Week."

Sport fishing is a time-honored and respected activity. In addition to providing protein-rich food, fishing has been a mainstay of American culture. Millions of people today enjoy the mental and physical benefits of fishing, following in the footsteps of native Americans and our early pioneers. A recent Gallup poll determined that fishing is the second most popular national activity of Americans. In fact, fishing is the favorite active sport of almost 60 million Americans.

Sport fishing contributes in many ways to the health and well-being of our nation. Not only do fishermen benefit from being in the great American outdoors, nonfishermen benefit from the economic activity generated by the sport fishing industry. Last year, the sport fishing industry contributed over $25 billion, and 800,000 jobs to our national economy.

During the last several years, Congress and the President have recognized the contributions of sport fishermen to our society by proclaiming a National Fishing Week. Across the country last year, people of all ages went to fishing clinics, competed in fishing tournaments, and participated in environmental seminars. The topics at the fishing clinics and seminars ranged from catching and cooking various species of fish, to game fishing laws and ethics.

The National Wildlife Federation, Optimists International, civic clubs, and various fishing gear manufacturers sponsored "take a kid" fishing activities. Through these and many other programs, thousands of children experienced the joys of fishing for the first time. In addition, many State Governors issued free fishing day proclamations, which provided an avenue for nonfishermen to try the sport, and to remind people who have not fished for a while of the joys of fishing.

National Fishing Week provides a wonderful opportunity for children, handicapped persons, and retired Americans and families to learn about our rich natural resources and the benefits of fishing. Children were encouraged to "get hooked on fishing—not on drugs." Everybody was urged to "take pride in America," and work to enhance our environment.

Again, I would like each of you to join me in supporting Senate Joint Resolution 18 and urging the President to set aside a week in June to recognize the pleasure, nourishment, and economic strength that fishing brings to our Nation.

Mrs. MORELLA. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 18

Whereas the United States Bureau of the Census reported that fifty-four million residents of our country participated in sport fishing in 1980;

Whereas sport fishing is a family oriented, outdoor, recreational activity that provides therapeutic rewards and enjoyment to people of all ages;

Whereas the demands for goods and services by sport fishing participants is estimated to generate $25,000,000,000 in economic activity and employment for an estimated six hundred thousand individuals in 1985;

Whereas the commercial fishing industry annually employs an estimated three hundred thousand individuals and lands over six billion pounds of seafood worth over $2,400,000,000 in direct sales;

Whereas sport and commercial fishing provide an excellent source of healthful protein-rich food;

Whereas fishing promotes respect for our Nation's marine, estuarine, and fresh waters, and their associated plant and animal communities; and

Whereas our country's league of fishing enthusiasts represent a constituency that seeks to prevent the degradation of our Nation's diverse aquatic habitats: Now, therefor, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is requested and authorized to issue a proclamation designating June 1 through June 7, 1987, as "National Fishing Week" and calling upon Federal, State, and local government agencies, and the people of the United States to observe the week with appropriate programs and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolutions just passed.

The SPEAKER pre tempore. Is there objection to the request of the gentleman from California?

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries.

INTERNATIONAL EDUCATION FOR A COMPETITIVE AMERICA ACT OF 1987

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PANETTA. Mr. Speaker, global interdependency is a fact of life. America can no longer exist in this world wearing linguistic blinders. The time is long overdue for us to recognize the need to enhance our awareness of the languages and cultures of other nations. As the 1979 President's Commission on Foreign Languages and International Studies phrased it, "Nothing less is at issue than the nation's security." It is today therefore my privilege to introduce the International Education for a Competitive America Act. This legislation expands on several existing foreign language and international education programs and creates innovative new ones. An identical bill was recently introduced in the Senate by Senator DODD.

In today's highly competitive international economy, inferior language capabilities are handicapping our domestic industries from the outset. Former Assistant Secretary of Commerce for Industry and Trade, Frank A. Weil has noted that our language deficiency is "one of the most subtle nontariff barriers to our export expansion." Our future national security and economic prosperity depend on our ability to communicate with our foreign counterparts. As technology shrinks the distances separating the nations of the world, we find ourselves dealing with foreign nationals with greater and greater frequency. Across the negotiating table, in our laboratories, through business deals, and in academic conferences we place ourselves at an immediate disadvantage by our limited ability to communicate. We must wake up and recognize that English is no longer the only game in town. One of the key themes, and tasks, for this Congress is restoring America's "competitiveness" in a highly complex, rapidly-changing world. Improving our foreign language training capability is a concrete and attainable goal in the context of international trade and our place in the world economy. It is a substantial way to give content to the "buzzword" of competitiveness.

Japan's remarkable recovery since the end of the war has been the greatest economic success story of the century, much to the chagrin of many of her competitors. The success can be attributed to a number of factors, but we cannot underestimate the importance of Japan's international marketing strategies, including especially its strong emphasis on other languages and cultures. The Japanese have deliberately prepared their businessmen and other professionals to operate in a global marketplace, with multicultural customers. They have learned the language, analyzed the needs, grasped the culture, and tried to understand the basic psyche of all potential consumers. It is estimated that there are 10,000 Japanese businesspersons who speak English in the United States, while less than 1,000 Japanese-speaking American businesspersons are in Japan.

U.S. companies, for the most part, have marketed their products abroad American-style. American advertising campaigns have not been as effective as they could be because we have not taken the time to understand international audiences. For example, in Italy advertisements for Schweppes tonic translated the product as "bathroom water." A Coca-Cola ad was phonetically translated into Chinese characters as "bite the wax tadpole." Not to be outdone, Pepsi's "Pepsi brings good things to life" translated into Chinese as "Pepsi brings your ancestors back from the dead." And Chevrolet marketing executives were stumped as to why their Nova car was not selling in

Spain until they finally realized that "Nova" translated into Spanish means "does not go." We have committed countless careless, thoughtless and costly mistakes which have done nothing for American prestige, let alone product sales. Americans are certainly not alone in making such errors, but especially considering our place in the world's economy and trade, we definitely need to significantly improve our foreign language capabilities.

The language of business must be the language of the customer. Yet, in only a small percentage of the Nation's business schools are courses in foreign languages or international affairs required. While 30 percent of American business profits are derived from trade and over 4,000,000 Americans travel abroad on business every year, the majority of American business persons have no training in foreign languages or international affairs. In fact, less than 1 percent of U.S. business schools have a foreign language requirement. We simply are not preparing these business majors for the future.

Likewise, our scientists and engineers are quickly finding that the latest breakthroughs in their fields are no longer occurring exclusively in English-speaking countries, or being reported only in English language journals. While other countries have access to most American technological advances through translation of journal articles or direct knowledge of English, Americans often do not have similar access simply because we lack the language capability. For example, less than 20 percent of Japanese technical journals are translated into English, while most Japanese scientists and engineers are able to read English or have access to translations of English into Japanese. This situation must change, or our leadership in science and technology in the world will also change, for the worse.

In short, studying foreign language and international affairs should no longer be limited to majors in those fields. Students themselves are beginning to realize that knowledge of certain key languages will make them more attractive to potential employers. Accordingly, enrollment in college-level Japanese courses increased 40.2 percent from 1980-83. This trend must be encouraged and expanded to encompass all languages of the world. Japan's is not the only market in which we will compete in the years ahead. Commerce in the Middle East, for example, will grow increasingly significant, to say nothing of its strategic value. Yet over that same 1980-83 period, the number of students studying Arabic actually declined by 0.9 percent.

We must improve the quality and scope of our foreign language and international training at all educational levels. Given that the ease of learning a second language is inversely proportional to age, it is discouraging to find that only 1 percent of students in our elementary schools receive any kind of foreign language training. Moreover, a 1982-83 survey showed that only 21.3 percent of all high school students were enrolled in foreign language courses, 88 percent of which were in Spanish and French. As for international knowledge, a recent survey found that 25 percent of high school students in Dallas could not name the country bordering us to the south, and in 1984, only 27 percent of students at a top State university knew that Manila is the capital of the Philippines. While this situation is changing, a large majority of our colleges and universities still do not designate minimal language skills as a requirement for either entrance into or graduation from their institutions.

The International Education for a Competitive America Act of 1987 addresses these deficiencies. The bill is designed to encourage the creation, development and expansion of foreign language programs at all levels; $76 million would be authorized in assistance to States and higher education institutions to promote cultural and linguistic studies. Specifically, the bill would provide funding for:

Model foreign language programs on the elementary and secondary levels awarded to the States on a competitive basis;

Presidential Awards for Teaching Excellence in Foreign Languages to be given to 100 teachers each year;

Centers for international business education at several major American universities to coordinate foreign language and international education activities with business education;

A translation service for technical and scientific periodicals to correct our severe deficiencies in this crucial area; and

Restoring a portion of cuts in title VI foreign language and international programs that were mandated by the Higher Education Amendments of 1986.

This investment in our future national security is relatively minimal, yet the stakes are high. We must act now to put our foreign language and international education system back on track. I call on my colleagues to join me in demonstrating our support for a more internationally aware, linguistically sophisticated America.

The text of this resolution follows:

H.R. 1875

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "International Education for a Competitive America Act".

FINDINGS

SEC. 2. The Congress finds that—

(1) the future economic welfare of the United States will depend substantially on increasing international skills in the business and educational communities and creating an awareness among the American public of the internationalization of our economy; and

(2) significant improvement is necessary in the quantity and quality of foreign language and international studies instruction offered in the Nation's schools and institutions of higher education, and Federal funds should be increased to assist this purpose.

DEFINITIONS

SEC. 3. FOR THE PURPOSE OF THIS ACT—

(1) The term "local educational agency" has the same meaning given that term under section 198(a)(10) of the Elementary and Secondary Education Act of 1965.

(2) The term "State educational agency" has the same meaning given that term under section 198(a)(17) of the Elementary and Secondary Education Act of 1965.

(3) The term "Secretary" means the Secretary of Education.

(4) The term "State" means any of the several States, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

TITLE I—EDUCATION FOR ECONOMIC SECURITY

SHORT TITLE

SEC. 101. This title may be cited as the "Education for Economic Security Amendments Act".

PROGRAM AUTHORIZED

SEC. 102. (a) Title IV of the Education for Economic Security Act is amended—

(1) by inserting before the section heading of section 401 the following:

"PART A—PRESIDENT AWARDS FOR TEACHING EXCELLENCE IN MATHEMATICS AND SCIENCE"; and

(2) by adding after section 403 the following new part:

"PART B—PRESIDENTIAL AWARD FOR LANGUAGES

"PRESIDENTIAL AWARDS

"SEC. 411. (a) The President is authorized to make Presidential Awards for Teaching Excellence in Foreign Languages to elementary and secondary school teachers of foreign languages who have demonstrated outstanding teaching qualifications in the field of teaching foreign languages.

"(b) Each year the President is authorized to make one hundred and four awards under subsection (a) of this section. In selecting elementary and secondary school teachers for the award authorized by this section, the President shall select at least one elementary school teacher and one secondary school teacher from each of the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

"ADMINISTRATIVE PROVISIONS

"SEC. 412. The President shall carry out the provisions of section 411, including the establishment of the selection procedures, after consultation with the Secretary of Education, other appropriate officials of Federal agencies, and representatives of professional foreign language teacher associations.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 413. (a) There are authorized to be appropriated $1,000,000 for fiscal year 1988 and such sums as may be necessary for each of the fiscal years 1989 through 1993 to carry out the provisions of section 411.

"(b) Amounts appropriated pursuant to subsection (a) shall be available for making awards under section 411, for administrative expenses, for necessary travel by teachers selected under section 411, and for special activities related to carrying out the provisions of section 411.".

(b) The heading of title IV of the Act is amended to read as follows:

"TITLE IV—PRESIDENTIAL AWARDS FOR TEACHING EXCELLENCE".

TITLE II—ELEMENTARY AND SECONDARY FOREIGN LANGUAGE EDUCATION

SHORT TITLE

SEC. 201. This title may be cited as the "Elementary and Secondary Foreign Language Education Assistance Act".

PROGRAM AUTHORIZED

SEC. 202. (a) GENERAL AUTHORITY.—The Secretary shall make grants to State educational agencies whose applications are approved under subsection (b) in order that such agencies may fund model programs, designed and operated by local educational agencies, providing for commencement or improvement and expansion of foreign language study for students residing within their school districts. Any State whose application is approved shall receive an amount equal to the sum of (1) $275,000, plus (2) the product of $0.06 multiplied by the population of the State (as determined in accordance with the most recent decennial census). The amount described in the preceding sentence shall be made available to the State for two additional years after the first fiscal year during which the State received a grant under this section if the Secretary determines that the funds made available to the State during the first year of funding were used in the manner required under the State's approved application.

(b) APPLICATION.—Any State educational agency desiring to receive a grant under this section shall submit an application therefor to the Secretary at such time, in such form, and containing such information and assurances as the Secretary may require. No application may be approved by the Secretary unless the application—

(1) contains a description of model programs designed by local educational agencies, and representing a variety of alternative and innovative approaches to foreign language instruction, which were selected school district of the local educational agency shall be eligible to participate in any model program funded under this section (without regard to whether such children attend schools operated by such agency);

(2) provides assurances that, if the application of the State educational agency is approved, each model program described in the application shall have available to it sufficient funds from State and local sources, in addition to any funds under this section, to ensure that the program is carried out as described in the application; and

(3) provides that the local educational agency will provide reliable and valid evaluations of pupils' proficiency at appropriate intervals in the program, and provide such evaluations to the State educational agency.

(c) PARTICIPATION OF PRIVATE SCHOOLS.—(1) To the extent consistent with the number of children in the State or in the school district of each local educational agency who are enrolled in private elementary and secondary schools, such State or agency shall, after consultation with appropriate private school representatives, make provision for including special educational services and arrangements (such as dual enrollment, educational radio and television, and mobile educational services and equipment) in which such children can participate and which meet the requirements of this section. Expenditures for educational services and arrangements pursuant to this subsection for children in private schools shall be equal (taking into account the number of children to be served and the needs of such children) to expenditures for children enrolled in the public schools of the State or local educational agency.

(2) If by reason of any provision of law a State or local educational agency is prohibited from providing for the participation of children from private schools as required by paragraph (1), or if the Secretary determines that a State or local educational agency has substantially failed or is unwilling to provide for such participation on an equitable basis, the Secretary shall waive such requirements and shall arrange for the provision of services to such children which shall be subject to the requirements of this subsection. Such waivers shall be subject to consultation, withholding, notice, and judicial review requirements in accordance with section 557(b)(3) and (4) of the Education Consolidation and Improvement Act of 1981.

(d) APPROPRIATIONS RULE.—If sums appropriated to carry out this section are not sufficient to permit the Secretary to pay in full the grants which State educational agencies may receive under subsection (a), the amount of such grants shall be ratably reduced.

(e) EXEMPLARY PROGRAMS.—(1) From sums reserved for each fiscal year pursuant to section 205 to carry out the provisions of this subsection, the Secretary is authorized to make grants to local educational agencies whose applications are approved under paragraph (3) in order that such agencies may support exemplary programs providing for commencing or improving and expanding foreign language study for students residing within their school districts.

(2) The Secretary may not approve any application for a grant under this subsection unless the Secretary determines that the exemplary program described in the application is consistent with the State programs approved under subsection (a) for the State in which the local educational agency is located.

(3) Each local educational agency desiring to receive a grant under this subsection shall submit an application to the Secretary at such time, in such form, and containing or accompanied by such information and assurances as the Secretary may require.

AUTHORIZATION OF APPROPRIATIONS

SEC. 203. There are authorized to be appropriated $35,000,000 for each of the fiscal years 1988 through 1993 to carry out this title of which $5,000,000 in each fiscal year shall be available to carry out subsection (e) of section 202.

TITLE III—POSTSECONDARY FOREIGN LANGUAGE AND INTERNATIONAL EDUCATION

SEC. 301. This title may be cited as the "Postsecondary Foreign Language and International Education Assistance Act".

FOREIGN TECHNICAL AND SCIENTIFIC PERIODICALS

SEC. 302. (a) AUTHORIZATION OF APPROPRIATIONS.—(1) Section 607(a) of the Higher Education Act of 1965 (hereafter in this title referred to as the "Act") is amended—

(A) by inserting "(1)" after the subsection designation; and

(B) by adding at the end thereof the following new paragraph:

"(2) In addition to amounts authorized to be appropriated by section 610 and paragraph (1) of this subsection, there are authorized to be appropriated $10,000,000 for the fiscal year 1988 and for each of the 3 succeeding fiscal years to carry out the provisions of subsection (d) of this section.".

(2) Section 607(b) of the Act is amended by striking out "subsection (a)" and inserting in lieu thereof "subsection (a)(1)".

(b) PROGRAM AUTHORIZED.—Section 607 of the Act is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d)(1) From amounts appropriated pursuant to subsection (a)(2), the Secretary shall provide for the acquisition, translation, and dissemination of technical and scientific periodicals published outside the United States. The Secretary shall disseminate translated periodicals acquired under this subsection directly or in coordination with the Department of Commerce, the Small Business Administration, and other appropriate Federal agencies, to businesses, professional societies, libraries, and institutions of higher education.

"(2) In carrying out the provisions of paragraph (1), the Secretary shall select periodicals published outside the United States which the Secretary, after consultation with the Department of Commerce and other departments and agencies of the Federal Government, and with businesses and professional societies, determines may be of value to departments and agencies of the Federal Government, to businesses, and to researchers in the United States.".

ADDITIONAL FUNDS AUTHORIZED FOR TITLE VI PART A

SEC. 303. Section 610 of the Act is amended by striking out "and such sums as may be necessary for the 4 succeeding fiscal years." and inserting in lieu thereof "$69,000,000 for fiscal year 1988, and such sums as may be necessary for the 3 succeeding fiscal years.".

CENTERS FOR INTERNATIONAL BUSINESS EDUCATION AUTHORIZED

SEC. 304. Title VI of the Act is further amended—

(1) by redesignating sections 612 and 613 as sections 613 and 614, respectively; and

(2) by inserting after section 611 the following new section:

"CENTERS FOR INTERNATIONAL BUSINESS EDUCATION

"SEC. 612. (a) The Secretary is authorized to make grants to institutions of higher education, or combinations of such institutions, to pay the Federal share of the cost of planning, establishing and operating centers for international business education which—

"(1) will be national resources for the teaching of improved business techniques, strategies, and methodologies which emphasize the international context in which business is transacted,

"(2) will provide instruction in critical foreign languages and international fields needed to provide understanding of the cultures and customs of United States trading partners, and

"(3) will provide research and training in the international aspects of trade, commerce, and other fields of study.

In addition to providing training to students enrolled in the institution of higher education in which a center is located, such centers shall serve as regional resources to businesses proximately located by offering programs and providing research designed to meet the international training needs of such businesses.

"(b) Each grant made under this section may be used to pay the Federal share of the cost of planning, establishing or operating a center, including the cost of—

"(1) faculty and staff travel in foreign areas, regions, or countries,

"(2) teaching and research materials,

"(3) curriculum planning and development,

"(4) bringing visiting scholars and faculty to the center to teach or to conduct research, and

"(5) training and improvement of the staff, for the purpose of, and subject to such conditions as the Secretary finds necessary for, carrying out the objectives of this section.

"(c)(1) Programs and activities to be conducted by centers assisted under this section shall include—

"(A) interdisciplinary programs which incorporate foreign language and international studies training into business, finance, management, communications systems, and other professional curricula;

"(B) interdisciplinary programs which provide business, finance, management, communications systems, and other professional training for foreign language and international studies faculty and advanced degree candidates;

"(C) evening or summer programs, including, but not limited to, intensive language programs, available to members of the business community and other professionals which are designed to develop or enhance their international skills, awareness, and expertise;

"(D) collaborative programs, activities, or research involving other institutions of higher education, local educational agencies, professional associations, businesses, firms, or combinations thereof, to promote the development of international skills, awareness, and expertise among current and prospective members of the business community and other professionals;

"(E) research designed to strengthen and improve the international aspects of business and professional education and to promote integrated curricula; and

"(F) research designed to promote the international competitiveness of American businesses and firms, including those not currently active in international trade.

"(2) Programs and activities to be conducted by centers assisted under this section may include—

"(A) the establishment of overseas internship programs for students and faculty designed to provide training and experience in international business activities, except that no Federal funds provided under this section may be used to pay wages or stipends to any participant who is engaged in compensated employment as part of an internship program; and

"(B) other eligible activities prescribed by the Secretary.

"(d)(1) In order to be eligible for assistance under this section, an institution of higher education, or combination of such institutions, shall establish a center advisory council which will conduct extensive planning prior to the establishment of a center concerning the scope of the center's activities and the design of its programs.

"(2) The Center Advisory Council shall include—

"(A) one representative of an administrative department or office of the institution of higher education;

"(B) one faculty representative of the business or management school or department of such institution;

"(C) one faculty representative of the international studies or foreign language school or department of such institution;

"(D) one faculty representative of another professional school or department of such institution, as appropriate;

"(E) one or more representative of local or regional businesses or firms;

"(F) one representative appointed by the Governor of the State in which the institution of higher education is located whose normal responsibilities include official oversight or involvement in State-sponsored trade-related activities or programs; and

"(G) such other individuals as the institution of higher education deems appropriate.

"(3) In addition to the initial planning activities required under section (d)(1), the center advisory council shall meet not less than once each year after the establishment of the center to assess and advise on the programs and activities conducted by the center.

"(e)(1) The Secretary shall make grants under this section for a minimum of three years unless the Secretary determines that the provision of grants of shorter duration is necessary to carry out the objectives of this section.

"(2) The Federal share of the cost of planning, establishing and operating centers under this section shall be—

"(A) not more than 90 per centum for the first year in which Federal funds are furnished,

"(B) not more than 70 per centum for the second such year, and

"(C) not more than 50 per centum for the third such year and for each such year thereafter.

"(3) The non-Federal share of the cost of planning, establishing, and operating centers under this section may be provided either in cash or in-kind assistance.

"(f)(1) Grants under this section shall be made on such conditions as the Secretary determines to be necessary to carry out the objectives of this section. Such conditions shall include—

"(A) evidence that the institution of higher education, or combination of such institutions, will conduct extensive planning prior to the establishment of a center concerning the scope of the center's activities and the design of its programs in accordance with subsection (d)(1);

"(B) assurance of ongoing collaboration in the establishment and operation of the center by faculty of the business, management, foreign language, international studies and other professional schools or departments, as appropriate;

"(C) assurance that the education and training programs of the center will be open to students concentrating in each of these respective areas, as appropriate; and

"(D) assurance that the institution of higher education, or combination of such institutions, will use the assistance provided under this section to supplement and not to supplant activities conducted by institutions of higher education described in subsection (c)(1).".

AUTHORIZATION OF APPROPRIATIONS

SEC. 305. Section 614 of the Act (as redesignated by section 321 of this Act) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 614. (a) There are authorized to be appropriated $10,000,000 for the fiscal year 1988 and for each of the 3 succeeding fiscal years to carry out the provisions of section 612.

"(b) There are authorized to be appropriated $5,000,000 for fiscal year 1987, and such sums as may be necessary for the 4 succeeding fiscal years, to carry out the provisions of section 613.".

CONFORMING AMENDMENT

SEC. 306. Section 613 of the Act (as redesignated by section 321 of this Act) is amended by striking out "part" each time it appears and inserting in lieu thereof "section".

THE INSURANCE INSOLVENCY THREAT

(Mr. FLORIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FLORIO. Mr. Speaker, I wish to call the attention of the Congress to a development in the insurance industry with troubling implications for the entire country.

A New Jersey insurance company has been declared insolvent for the first time in nearly 12 years. An article from the Journal of Commerce states that the primary reason for the liquidation of Integrity Insurance Co. is the inability of an insolvent California insurer, Mission Insurance, to pay claims it owed Integrity.

This blow to the insurance industry in my State illustrates the threat to our entire economy from a rising number of insolvent insurers. Insurance companies reinsure each other and contribute to State guarantee funds which are supposed to protect policyholders in the event of insolvency.

These linkages mean, however, that the demise of one company can imperil others. The turmoil in the insurance industry associated with the crisis in the unaffordability of insurance threatens to overwhelm existing methods of preventing insolvencies and mitigating their consequences. The Subcommittee on Commerce, Consumer Protection and Competitiveness will continue investigating this problem. Responsible officials must take action before more insurance companies join banks in a row of tumbling financial dominos, with grave consequences for our economy.

I am submitting the Journal of Commerce article for the RECORD, as follows:

N.J. DECLARES INTEGRITY $50 MILLION INSOLVENT

(By C.A. Carpenter)

Integrity Insurance Co. was declared at least $50 million insolvent and placed under the control of New Jersey insurance regulators.

The Paramus, N.J., property and casualty insurer, thus becomes the first New Jersey insurer to be declared insolvent in almost 12 years, New Jersey Insurance Commissioner Kenneth D. Merin said. Integrity is a wholly owned subsidiary of Integrity Financial Group Inc.

The liquidation also follows a recent new wave of insolvencies for the insurance business around the country.

Constellation Reinsurance Co. of New York recently was placed under liquidation as at least $28.7 million insolvent. Ambassador Insurance Co., based in North Bergen, N.J., but domiciled as a Vermont insurer, also has been ordered into liquidation with at least $100 million of more liabilities than assets. And in the largest yet for history, Mission Insurance Cos., Los Angeles, have agreed to liquidation of its operations that have a negative net worth of $448.1 million.

Mission's inability to pay claims is primarily why Integrity is being liquidated. And Integrity's insolvency has raised the ire of federal lawmakers now looking into some form of stricter federal control of the insurance business. The lawmakers are concerned that Mission's liquidation may ripple throughout the country.

In fact, even the insurance industry estimates that it carries some $70 billion of reinsurance that it won't be able to collect on.

Integrity purchased reinsurance from Mission, and carried on its books at least $25 million due from Mission. The company, however, hadn't set up a reserve in case the reinsurance proved uncollectible. Ironically, Integrity's operations have been improving; underwriting losses through the nine months last year narrowed to $6.8 million from $17 million in the same period for 1985. At the end of September, its surplus was $12.5 million.

The company has been held under the control of the New Jersey insurance department since December when Superior Court Judge William C. Meehan signed an order placing the company in rehabilitation.

The New Jersey department asked the court to place the company in liquidation, arguing the firm is "hopelessly insolvent to the extent of at least $50 million."

Integrity primarily wrote commercial liability and automobile insurance. It has about 2,000 policyholders in New Jersey and about 20,000 nationwide.

It is licensed in all 50 states and has assets of about $130 million, according to the department.

The department said claims against Integrity arising in New Jersey for most property/casualty lines will be paid up to a limit of $300,000 a claim by the New Jersey Property-Liability Insurance Guaranty Association.

□ 1730

THE CIVIL RIGHTS ACT OF 1987

The SPEAKER pro tempore (Mr. GRAY of Illinois). Under a previous order of the House, the gentleman from Wisconsin [Mr. SENSENBRENNER] is recognized for 5 minutes.

Mr. SENSENBRENNER. Mr. Speaker, today, Congressman STENHOLM and I, together with some of our colleagues, have introduced the Civil Rights Act of 1987. Through this legislation, we offer a consensus-building bipartisan alternative on civil rights protection.

This bill reverses the Supreme Court's decision in Grove City versus Bell by covering education institutions and public school districts receiving any Federal assistance under all four cross-cutting civil rights statutes—section 504, title VI, title IX, and the Age Discrimination Act of 1975. However, we avoid the controversial and hopelessly knotty task of expanding or narrowing all other applications of these statutes from their pre-Grove City scope.

Moreover, this bill seeks a commonsense civil rights policy by incorporating the Tauke-Sensenbrenner abortion-neutral amendment passed by the House Education and Labor Committee and religious tenets exemption language passed by Congress last fall in the Higher Education Amendments Act of 1986. As the vote in the House Education and Labor Committee demonstrated, addressing the issues of abortion neutrality and religious tenets enhances the probability of passage as well as forges a consensus.

It is especially appropriate that Congress pursue this consensus-building, commonsense approach on civil rights in 1987. This year, America celebrates the bicentennial of the Constitution. That document has been referred to as "The most remarkable work * * * to have been produced by the human intellect, at a single stroke, in its application to political affairs." It should be remembered that the Constitution was not one framer's proposal rubber-stamped by the Convention. Nor were the framers stampeded into adopting its provisions by one cluster of interest groups. The marvel of the Constitution is not just its ideals but that it reflected a hard-fought consensus of diverse and strong-willed individuals. Let us apply the lessons of the framing of the Constitution to carrying out its goals of civil rights. The major features of the Civil Rights Act of 1987 are products of the 3 year experience with the Grove City bill. In our constitutional tradition, I hope many of my colleagues join the bipartisan coalition to this civil rights bill that reflects experience, compromise, and consensus.

INTRODUCTION OF AN AMENDMENT TO SECTION 307(C) OF CZMA: PRESERVING STATE REVIEW OF FEDERAL ACTIONS AFFECTING THE COASTAL ZONE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. PANETTA] is recognized for 5 minutes.

Mr. PANETTA. Mr. Speaker, last week, in a landmark decision, the Supreme Court upheld the right of States to regulate federally permitted activities on Federal lands within their borders. In the case of California Coastal Commission versus Granite Rock Co., the Court found that regulations imposed on mining by a Federal agency "not only are devoid of any expression of intent to preempt State law but rather appear to assume that those submitting plans of operations will comply with State laws." The clear message of the Court is that the States have a legitimate interest in regulating activities on Federal land that have an effect on State land.

Unfortunately, recent judicial and administrative actions have eroded the application of this principle with regard to federally permitted activities on the Outer Continental Shelf [OCS]. Because of these actions, coastal States have had an increasingly difficult time asserting their interests in protecting air and water quality and traditional coastal industries from the adverse effects of Federal offshore activities. This difficulty arises from a serious misinterpretation of the consistency provision of the Coastal Zone Management Act of 1972 [CZMA]—a provision which was originally intended by Congress to guarantee a meaningful role for the coastal States in regulating activities which directly affect coastal environments and economies.

Mr. Speaker, today I am introducing legislation which would amend the CZMA to insure that Federal activities which directly affect the coastal zone are consistent with approved State coastal management plans.

Congress first enacted the consistency provision of CZMA in order to provide an incentive for coastal States to develop and implement coastal management programs. The consistency language assured coastal States that if they spent the time and money necessary to formulate such programs, they would not be preempted by conflicting or opposing Federal actions. A mutually beneficial and constructive partnership was thus established; the States agreed to abide by Federal criteria in developing their coastal programs, and the Federal Government agreed that activities which "directly affected" a State's coastal zone would be consistent, "to the maximum extent practicable," with that State's coastal protection efforts.

The plain language of the section strongly suggests that Congress intended section 307 to require that all Federal activities directly affecting the coastal zone—including those which occur outside the coastal zone—be consistent with an affected State's approved coastal management program. The text of the section requires that:

Each Federal agency conducting or supporting activities directly affecting the coastal zone shall conduct or support those activities in a manner which is, to the maximum extent practicable, consistent with approved State management programs (16 U.S.C. 1456(C)(1).

Yet in spite of the clear intention that consistency was to be required of any federally permitted activity significantly affecting the coastal zone regardless of location, the courts have found Outer Continental Shelf leasing, and exploration plans submitted subsequent to leasing, to be activities which occur outside the coastal zone and therefore outside the purview of the statute. In addition, the Departments of Interior, Commerce, and Justice have made a concerted effort to severely restrict the applications of the consistency review process. The Justice Department has filed briefs in support of the position that federally permitted activities must occur within the coastal zone itself in order to be reviewed by coastal States for consistency.

This interpretation of the law is clearly contradicted by a review of the legislative history of the 1972 Act, and by legislative intent expressed in House reports on subsequent amendments to the act. In addition, this interpretation is contradicted by a 1981 vote by the House Merchant Marine and Fisheries Committee—where the original act and 1976 and 1980 amendments originated—to veto proposed Commerce Department regulations restricting section 307(c)(1) to exclude Federal OCS leasing activities from consistency review.

But these most recent judicial and administrative interpretations do much more than obscure a clear understanding of congressional intent; they severely limit the right of coastal States to exercise limited influence over those Federal activities which directly affect the coastal zone. These actions raise the implication that all Federal activities on the OCS might be exempt from the consistency requirements of section 307(c)(1). Contrary to these court and administrative decisions, a Federal activity; that is, a lease sale or oil exploration, does not have to take place within the coastal zone to have a direct effect on it. The important issues is not the geographic location of the activity per se, but the nature of its subsequent impact on the coastal zone. Recent rulings and actions limit the interpretation of "direct impact on the coastal zone" to such an extent that the consistency provision is in danger of becoming meaningless with respect to any activity which does not take place within the coastal zone itself.

If the States are to have a meaningful voice in activities which clearly affect their coastal zones, regardless of the geographic location of those activities, the consistency provision must be clarified.

In order to insure States an opportunity to influence decisions which would affect their coastal zones, and in order to avoid future misinterpretation of the statute in this regard, I am introducing legislation clarifying section 307(c)(1). This legislation would amend section 307(c)(1) of CZMA to require that Federal activities—including those occurring landward or seaward of the coastal zone—which directly affect the coastal zone shall be subject to the section's consistency requirements. In addition, the legislation would—unlike current statute—provide a definition of activities directly affecting the coastal zone.

This legislation does not seek to extend the authority to require a consistency review provided by the original act. Rather, the bill seeks to insure that coastal States may continue to exercise only that authority which—but for recent judicial and administrative actions would be legitimately claimed and exercised by coastal States as they have since CZMA's enactment in 1972. Consistent with this view, this amendment would not affect those Federal actions which occur outside the coastal zone and which do not directly affect the zone. Nor would this legislation provide to States an extension—de facto or otherwise—of veto authority over Federal activities affecting the coastal zone. Rather, it merely insures coastal States the right to object to Federal activities affecting the coastal zone.

Mr. Speaker, Congress long ago recognized the need for establishing a working partnership to ensure the orderly development and preservation of coastal resources in its enactment of the CZMA. Court decisions and Federal agency actions which have reinterpreted the CZMA seriously weaken one of the major bonds of this partnership: State review of Federal activities which directly affect the coastal zone. We must seek to restore the strength of this critical tie, and the State-Federal partnership which depends upon it.

The legislation I am introducing today would seek to stem the erosion of this partnership through reinterpretation of this important statute. The principle established by the Supreme Court in last week's decision in California Coastal Commission versus Granite Rock—that States have a legitimate interest in regulating activities on Federal land which have a direct impact on State land—should be reaffirmed and applied to offshore activities. It is clear that activities on the Federal OCS can and do have direct and significant impacts on coastal States. Consistency demands that the principle which applies onshore should apply offshore as well. I commend this legislation to my colleagues for their consideration, and urge their support.

H.R. 1876

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 307(c)(1) of the Coastal Zone Management Act of 1972 (16 U.S.C. 1456(c)(1)) is amended to read as follows:

"(c)(1)(A) Each Federal agency conducting or supporting an activity (whether within, or landward or seaward of, the coastal zone) that directly affects the coastal zone shall conduct or support that activity in a manner which is, to the maximum extent practicable, consistent with approved State management programs.

"(B) For purposes of subparagraph (A), a Federal agency activity shall be treated as one 'that directly affects the coastal zone' if the conduct or support of the activity either—

"(i) produces identifiable physical, biological, social, or economic consequences in the coastal zone; or

"(ii) initiates a chain of events likely to result in any of such consequences.

"(C) As used in subparagraph (A), the phrase ', the maximum extent practicable,' shall be construed as requiring each Federal agency to conduct or support each of its activities directly affecting the coastal zone in a manner fully consistent with approved management programs, unless—

"(i) the conduct or support of the activity in that manner is prohibited by Federal law; or

"(ii) a circumstance arising after a management plan is approved, and unforeseen at the time of approval, presents a substantial obstacle to the achievement by the agency of full consistency in conducting or supporting the activity.

In the event that achievement by a Federal agency of full consistency is prevented by a circumstance described in clause (i) or (ii), the agency may deviate from full consistency only to the extent justified by the presence of such circumstance.".

SOVIET JEWRY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. MORELLA] is recognized for 60 minutes.

Mrs. MORELLA. Mr. Speaker, it is particularly appropriate that this special order is taking place on the last day of the month of March 1987. In granting 450 emigration visas between the last day of February and today, the Soviets have taken their most positive step in years toward ameliorating their abysmal record on human rights. Their rhetoric in recent days, particularly in last week's meetings with Morris Abram, chairman of the National Conference on Soviet Jewry, and Edgar Bronfman, chairman of the World Jewish Congress, has given us hope that even greater deeds are ahead. But let us hope that this new spirit of openness, of glasnost, is not just an empty promise, a public relations gimmick.

Over 100 prisoners of conscience, both Jewish and non-Jewish, have been released from their cells. These include Soviet Jewish refusenik Iosif Berenshtein and Soviet Christian activist Aleksandr Ogorodnikov, on behalf of both of whom I have written to Secretary Gorbachev.

But many others still remain in prison, locked away for the crime of practicing their religion or for the offense of merely speaking in favor of the independence of regions enslaved by the Soviets after the world wars.

Four hundred and fifty visas in 1 month is indeed a great improvement over the rate for every year since 1981.

But while it is 10 times better than March 1986, when only 47 visas were granted, it is still only one-tenth as good as March 1979, when some 4,000 Soviets were given permission to leave for freer shores.

And we must not forget the standard of free emigration against which even the best of these figures must be judged. In 1948, the Soviets signed the U.N.'s Universal Declaration of Human Rights, which states that, "Everyone has the right to leave any country, including their own." And in 1975 the U.S.S.R. signed the Helsinki accord, which declares that, "The participating states will deal in a positive and humanitarian spirit with the application of persons who wish to be reunited with members of their family, with special attention being given to requests of an urgent character—such as requests submitted by persons who are ill or old."

Vladimir Slepak, a refusenik whose son is presently in the midst of a 17-day fast on the grounds of this building, has said to us, his friends in America, "If you turn your eyes, even for a moment, we will cease to exist." I share Mr. Slepak's suspicion that without a continued strong show of interest by the West, the recent signs of improvement in Soviet human rights will disappear. That is why, now more than ever, it is crucial that we have events such as this to show the Soviets that we care.

That we care about Vladimir Slepak, still a refusenik after 17 years.

That we care about Sheina-Lea Swartz, an elderly woman who is dying of cancer yet is denied permission to come to the West for treatment.

That we care about those brave Balts, Ukrainians, and Kazakhs who are repressed for speaking out on behalf of their nation's freedom or jailed for attempting to keep alive their native languages and cultures.

That we care about all 400,000 Soviet Jews who wish to live in freedom but may not, about all those citizens of the Soviet Union who wish to exercise their inalienable rights but are stifled.

The U.S. Congress has a record in this regard of which I think it may justifiably be proud. Organizations such as the Human Rights Caucus, the Congressional Friends of Human Rights Monitors, and the Congressional Coalition for Soviet Jewry, on whose steering committee I am proud to be one of the two freshmen Representatives have done excellent work on behalf of human rights in the Soviet Union.

I have personally called Leningrad to offer my support to Lev Shapiro, who, in a typical twist of Soviet justice, was punished for keeping his daughter out of school after she was denied admission to school because her father was a refusenik.

I have personally heard across the miles the tearful voice of Sheina-Lea Swartz's daughter in Moscow, Rolla Shtein, and have spoken face to face at the Soviet Embassy with those who represent here the system which has kept ill Mrs. Swartz from treatment in America.

I know that many of my colleagues here with me now have had similar experiences, which have made even stronger their determination to press on with the fight for justice across the seas. I yield the floor to them now so that they may join me in making heard the voice of freedom.

Mr. GILMAN. Mr. Speaker, will the gentlewoman yield?

Mrs. MORELLA. Mr. Speaker, I consider it a great privilege to yield to the gentleman from New York, who has been patient enough to wait for me to finish. I know that the gentleman has a meeting that he wishes to attend.

Mr. GILMAN. Mr. Speaker, with each succeeding Congress, those of us involved in the fight for Soviet Jewry are pleased to welcome new Members to our ranks. Today's special order is at the behest of our new colleagues, the gentlewoman from Maryland [Mrs. MORELLA] and the gentleman from Arizona [Mr. KYL]. I thank them for today's initiative and for this opportunity to speak out at this crucial time. It is only through such collective efforts that we will succeed. The staunch commitment of all of our colleagues to human rights is both needed and highly appreciated.

The situation facing Soviet Jews, for all the talk of glasnost, does not appear to have changed much lately. We are thankful to see the release of a number of prisoners of conscience, such as Iosef Begun and Vladimir Lifschitz, yet these men never committed any crime to begin with. They and others were arrested, charged, convicted and sentenced to horrendous prison and labor camp terms solely because they were Jewish. Has glasnost brought them their emigration permits? Not yet. Iosef Berenshtein, Yuli Edelshtein, and Alexei Magarik remain prisoners. Their health is precarious. Has glasnost reached these innocent men? Not yet. Thousands of Soviet Jews suffer harassment, discrimination, and loss of employment merely because they applied for permission to emigrate, a right guaranteed them by the Helsinki Final Act, to which the Soviets are a signatory. Yet new emigration regulations severely restrict even those who can apply. Is this glasnost? I think not.

Even if we were to recognize the new emigration regulations as a legitimate manifestation of international law, the Soviet Union does not comply. Ida Nudel has been waiting for years to join her sister in Israel. Vladimir and Maria Slepak have yearned to be reunited with their sons. And Mark Terlitsky received yet another refusal to reunite with his brother only a few short weeks after the new regulations took effect. These individuals have not seen glasnost applied to them.

Emigration rates from the Soviet Union continue to be extraordinary low. Only 914 persons last year were allowed to leave. Some have made much of the fact that this month, some 450 individuals have emigrated. However, this contrasts markedly with the reportedly 400,000 who desire to reunify with family members abroad. Is this glasnost? It doesn't seem to be.

Soviet officials continue to interfere with the free flow of mail and parcels to the Soviet Union, and on May 1, 1987, will implement a new customs regulation that will require package contents to be described in Russian or French only. English will no longer be acceptable, despite the fact that English is the international language. Is this glasnost? I doubt it greatly.

Mr. Speaker, the veneer of glasnost loses its sheen upon close inspection. If the Soviet Union truly desires improved relations with the United States, a truer commitment to human rights for Soviet Jews is required. Glasnost for Soviet Jews and other minorities in the Soviet Union does not yet exist.

□ 1740

Mrs. MORELLA. Mr. Speaker, I yield to the gentleman from Arizona [Mr. KYL].

Mr. KYL. I thank the gentlewoman for yielding to me.

Mr. Speaker, I wish to thank the gentlewoman for cosponsoring this special order and also to thank all of the others who have expressed a desire to join us here and who have already done so much on this matter.

This response makes a critical point about why we are here today. We know that the only way to gain concessions from the Soviets, including in the area of human rights and immigration is to keep the pressure on, to keep the spotlight of public opinion focused on their actions rather than succumbing to the siren song of their words.

This week the Soviets have announced minor increases in immigration levels. True, they are a great improvement, but that is only because they started from such a low level to begin with.

From the historical perspective of 4,000 Jewish immigrants per month, last month's great increase to 400, which is one-tenth of the earlier level, is clearly no more than cosmetic. The point is this: We only gain ground in the struggle for human rights by constantly pushing. We would not have seen the release of dissidents like Anatoly Schransky or the improved treatment of Andrei Sakarov or the immigration of 400 Jews last month without events like this. Where, in our free country we are allowed to assemble and to speak out and to gain publicity in our free press for the cause of freedom, and that is why we are here today.

We do not suppose for a moment that last month's immigration of Jewish immigrants presage a flood of immigration from the Soviet Union. Without events like this, I am sure most of us doubt that even a level of 400 could long be sustained.

But we must do more than merely speak out. We must also avoid actions that play into the hands of the Soviets and make it easier for them to deny rights while talking a good game. We must avoid being duped, being used by Soviet propagandists. I would like to briefly discuss one specific problem which I hope will add to our understanding this afternoon.

The subject to which I refer is an agreement entered into between the American Bar Association and the Association of Soviet Lawyers in May of 1985. It was subsequently replaced by another understanding in the summer of 1986. I would like to read to you the first line of this second declaration between the American Bar Association and the Association of Soviet Lawyers.

The first words are as follows: "Being mutually pledged to advance the rule of law in the world." That is how the document begins. Efforts to rescind this agreement have thus far been unsuccessful, but I am proud to say that two of my friends, Patience Huntwork and Orest Jeyna, both Phoenix lawyers, have worked hard to bring this matter to the delegates of the American Bar Association and to rescind the agreement that has been entered into.

The agreement, as I said, begins with the phrase that the lawyers of the Soviet Union and the United States are mutually pledged to advance the rule of law. The agreement is therefore naive and dangerous. I find it incredible that the American Bar Association, of which I am a member, could be a signatory to an agreement that makes such a naive statement to begin with.

The whole point of the rule of law is to protect human rights and the most basic of these rights we know are denied to the citizens of the Soviet Union. The Soviet Union is not mutually pledged to advance the rule of law as we understand and cherish it. This is what makes this agreement so dangerous. The ABA's action falsely equates commitments to justice when there is no equivalent from the Soviets. It serves of the purpose of Soviet propagandists who attempt to create the impression that their system is like ours.

Finally, it is demoralizing to those Soviet citizens who are fighting and suffering for their fight for human rights who lose hope that the free world understands the depth of human abuses in the Soviet Union.

The danger in these actions is that the Soviets see that they can gain legitimacy without making meaningful actions. In fact, I believe that such agreements serve to act as a disincentive for the Soviets to seriously address human rights issues.

That this is the case I think we need to look no further than the ABA Steering Committee report to the house of delegates at their midyear meeting last month. They reported under a heading, "What Has Been Accomplished," that this agreement with the Soviets has resulted in announced regulations dealing with the immigration process. What they do not state is that this new Soviet immigration law has been roundly condemned by human rights groups. The Union of Councils for Soviet Jews states, and I am quoting, "Far from liberalizing and speeding up the process of immigration, the new decree ensnarls hundreds of thousands of Soviet Jews in a bureaucratic maze of red tape, delays and puts their faith totally at the mercy of the Soviet Immigration Office."

The level of mercy shown by Soviet immigration officials is best evidenced by the number of Jews allowed to emigrate from the Soviet Union in the last several years from a high of 51,000-plus in 1979 to a pitiful 914 last year.

The ABA report highlights the release of prominent Soviet dissidents. What needs to be highlighted is the fact that there are 400,000 Soviet Jews who have taken steps to immigrate and have not yet received permission. Let there be no doubt about the state of the refusnick: No job, no help, just isolation and repression.

Finally, the ABA concludes their report by seemingly apologizing for Soviet behavior by stating that "While the United States is over 200 years old, the Soviet Union is only 65 years old. And while the United States will celebrate the 200th anniversary of our Constitution, the Soviet experience with their current constitution is only 10 years old. Therefore, it is unrealistic to expect quick change from the Soviets." That the ABA could make such a sloppy analogy is very sad. The comparison is, on its face, absurd.

Our Government is based on the principles of democracy. Government by the people. The Soviet Government is a totalitarian government, which by definition, subordinates the individual to the state.

Coming from diametrically opposed political philosophies, it is ludicrous to suggest that 200 years of 2,000 years of experience with their constitution based on their philosophy, would result in any positive change.

Our Government, even for all of its faults, in 1787, provided greater rights then than the Soviet Union does in 1987, 200 years later.

To attribute human rights abuses in the Communist state of the U.S.S.R. merely to a time factor rather than the brutal system imposed upon its hapless people is mush-headedness. Just how much progress has been made in 70 years? Is there a free press? There was in our Colonies 200 years ago. Is there free speech. There was in our Colonies 200 years ago. Free religious pursuit; that is why the people came to this continent in the first place. Freedom to emigrate from the beginning of this country.

□ 1750

No, it is not the passage of time, but the fundamental recognition that we are all created equal, with God-given inalienable rights that are protected by a Constitution that means something because lawyers and jurists as well as the media and all Americans believe that we are free. That is what makes a free society.

The Soviet Communist Government cannot accept those principles and survive. To believe that it is only a matter of time and our good influence before they will change is foolish, naive, dangerous, and a sad defeat for the thousands of Soviets who count on us for assistance.

Mr. Speaker, I would like to close simply by quoting very briefly from some testimony given by Anatoly Shcharansky. I spoke with Anatoly Shcharansky about this agreement. I asked him what he thought about it and I am going to submit something for the RECORD that is a little bit longer that explains his position in full; but he said that there was nothing more dispiriting to the people in the Soviet Union, nothing that could make them lose more hope about their ultimate ability to gain freedom than to see Americans who ostensibly are there to help them being duped into agreements, such as this.

I would like to quote just briefly from his testimony given earlier this year which explains his personal experience with the rule of law in the Soviet Union, and I am now quoting from Anatoly Shcharansky's testimony. He said:

> So, from this, my personal experience as well as from being familiar with other cases of dissidents, I can tell that for sure, first of all, this judicial system starts as nothing and creates nothing. The only function which it has is to give legitimate legal grounds for decisions which have already been made. That's the only function of this system, at least as far as political trials and dissidents and prisoners of Zion are concerned.

He goes on to say:

> There are lawyers from the bar associations of the Soviet Union who are supposed to defend you. In my case, for example, in accordance with the law, I had the right to look for defense counsel or to ask my relatives or anybody whom I like to find a lawyer for me. I had the right to write them a note or even to meet with my relatives, and to discuss with them what kind of a lawyer I wanted.
>
> But the authorities simply said no to all my requests. They refused to give me an opportunity to write to or to meet with my relatives and to say what kind of a lawyer I wanted. Nevertheless, my mother was lucky to find one lawyer who agreed to defend me. The lawyer who agreed to go to court and defend me based on the position that I am innocent, was expelled from the bar association and had to leave the country.
>
> Instead, they tried to give me a lawyer who they chose themselves and though I refused to communicate with this lawyer, she came to the trial. When I stated that I wouldn't say one word at this trial, the lawyer was taken away. But the position from which she was going to defend me was quite obvious. This woman was going to state that of course there were crimes but look, it wasn't he who was responsible for the others and he is young and so on, to try to make it a collective crime and not my personal crime.
>
> There was, in fact, collusion among the prosecutor, lawyer and judge. Of course, the most primitive role was the role of the judge who had simply to read the sentence which

> was prepared by the KGB in advance. In fact, he didn't change even one word in the 40-page sentence.
>
> It's one of the many examples. Every dissident who went through this can give his example of how it worked.

He went on then to cite some examples.

I close with this conclusion from his testimony.

> When those people who really speak on behalf of the law or even try to use Soviet law to protect the rights of people in prison, whether they are for example Helsinki group monitors or activists of Amnesty International; whether they are Jews struggling for their rights or the rights of others to emigrate, these are the real colleagues of the American lawyers who defend the same rights here in America.
>
> American lawyers however, have reached an agreement not with their colleagues who are in the Soviet prisons and camps. They've reached an agreement with that Soviet body whose main function is to give legality to the Soviet dictatorship, to give legality to the destruction of these laws. I think it's one of the most disgraceful acts of the Western free society which is exactly that type of policy which Gorbachev needs and which he tries to initiate all the time.

He goes on:

> Here come American lawyers whose role in defending human rights all over the world is known very well. Also in my case I'm very thankful to many American and other Western lawyers. But they reached an agreement with the Soviet lawyers which helps the Soviets to say that they are the same type of body as the American one. They say, "Well, we will discuss with them human rights principles." The lip service is not what is needed.

Mr. Speaker, I have taken the time to quote this eloquent testimony because I think it bears witness better than any of us, better than anything we could say, to the point that this kind of cooperation between very well-meaning groups in the United States and propagandists in the Soviet Union is action which plays into the hands of the Government of the Soviet Union, and as a result of that kind of action, by being dupes in this country, we do not further the advance of human rights; rather, we permit a situation to occur which results in dispirit and does not result in the advancement of human rights in the Soviet Union.

Mr. Speaker, I am very glad to join my colleagues today in again trying to bring attention to this problem, because as I said in the beginning, it is only by speaking out, by putting the cold hard focus of public scrutiny on the actions of the Soviets that we can hope to influence their actual deeds. Therefore, Mr. Speaker, I am pleased to join my colleagues today.

Mr. Speaker, I include the following additional material:

THE POSITION OF THE UNION OF COUNCILS FOR SOVIET JEWS ON THE AMERICAN BAR ASSOCIATION AGREEMENT WITH THE ASSOCIATION OF SOVIET LAWYERS

(Revised December, 1986)

In August, 1986, the Union of Councils for Soviet Jews issued a statement urging abrogation of the "Administrative Agreement" formulated between the American Bar Association and the Association of Soviet Lawyers. Subsequently, the ABA announced that the agreement had been superseded by a "Declaration of Cooperation Between the ABA and the ASL." The UCSJ, comprised of 55,000 members and 35 affiliated councils, remains unalterably opposed to any agreement, even in a modified form. The UCSJ urges the American Bar Association to promptly abrogate the agreement with the ASL as stipulated by the Huntwork/Jejna Resolution.

Advocates of the agreement with the ASL have argued that dialogue between American and Soviet lawyers will help to promote the cause of human rights. But, in fact, any such agreement between the ABA and the ASL will simply bestow upon the ASL, and by inference the Soviet legal system, an undeserved aura of legitimacy and respectability within the international community.

As Anatoly Shcharansky has noted, the American Bar Association mistakenly views the Association of Soviet Lawyers as its counterpart in the Soviet Union. Unfortunately, he contends, the real colleagues of American lawyers, men committed to justice and due process, are in prisons throughout the USSR.

The ASL is not an independent, autonomous organization but is an arm of the Soviet government. The ASL's concerns range far beyond the matters traditionally considered to be the province of lawyers. The ASL is the most prominent official sponsor and publisher of anti-Semitic material in the USSR. Together with the Soviet Anti-Zionist Committee, the ASL is co-author and co-publisher of the infamous White Book, a scathing denunciation of the so-called "international Zionist conspiracy." There is not a shred of evidence to suggest that the members of an organization like the ASL, the publisher of blatantly anti-Semitic material, could have the slightest interest in fostering the development of human rights through the law.

The ASL is an integral part of the mechanism for prosecution of Soviet Jewish citizens who are tried and convicted on trumped up charges. At the precise time the ASL was negotiating an agreement with the ABA, its members were engaged in the fabrication of evidence used to convict Soviet Jewish refusenik Vladimir Lifshitz. He is now serving three years in the Siberian Gulag.

Surely there can be no more vivid examples of the Soviet Union's disregard for human rights and the provisions of the Helsinki Accords.

Despite its signature on the Accords, the Soviet Union has failed to comply with any of the Accords' human rights provisions. The Soviet government has ignored provisions which allow citizens free movement between borders, respect for the religious, cultural and human rights of all citizens, and the prompt reunification of separated families.

On the contrary, there has not been the slightest indication of any relaxation in the Soviet policy of denying the right of emigration to nearly 400,000 of its Jewish citizens.

The Union of Councils believes that an agreement—either in its original or its modified form—between the American Bar Association and the Association of Soviet Lawyers serves only to enhance the image of a reprehensible arm of Soviet repression.

The Union of Councils re-emphasizes its support for the Huntworth/Jejna Resolution, which calls upon the ABA to quickly abrogate its agreement with the ASL.

To: The Union of Councils for Soviet Jews.
From: Natan (Anatoly) Shcharansky.
Date: July 1st 1986.
Re: Agreement between the American Bar Association and the Association of Soviet Lawyers.

You have asked for my opinion regarding the agreement on co-operation between the American Bar Association (ABA) and the Association of Soviet Lawyers (ASL). As I have explained before, the Soviets want to present a human face to the world. Such a false face enables the Soviets to continue their inhuman violations against entire nations. In order to present their false face, the Soviets need the help of co-operative Western bodies. By entering into the agreement with the ASL, the ABA helps the Soviet regime to mask from the world its real face.

It is important to understand that the ASL does not represent independent opinion of Soviet lawyers (to have such opinions is against the law). It can only represent the official point of view and because of that covers up countless human rights violations. This organisation is one of the main advocates of the Soviet State's anti-Semitic policy. If American lawyers want true dialogue, why do they not suggest to their Russian colleagues, for example, that a committee be organised for the mutual monitoring of possible human rights violations in both countries? Or to send American representatives to the trials of the dissidents in the Soviet Union and the Soviet lawyers to the trials which draw their attention in America?

There is practically no doubt that the ASL would never agree to such a thing. But at least such proposals help to see the real intentions of this organisation and to unmask them. So I support the efforts of American lawyers Huntwork and Jejna to persuade the ABA to terminate the ABA-ASL agreement.

NATAN SHCHARANSKY.

Mrs. MORELLA. Mr. Speaker, I thank the gentleman from Arizona.

Mr. Speaker, I yield to the gentleman from Georgia [Mr. LEWIS].

Mr. LEWIS of Georgia. Mr. Speaker, I would like to thank the gentlewoman from Maryland and the gentleman from Arizona for bringing this special order before us today.

Mr. Speaker, my colleagues and I are here today to focus attention on the plight of Soviet Jewry. The time is now for the leadership of this country to demand that the doors to freedom be opened, and that the Jewish citizens of the Soviet Union be reunited with their families.

The Soviet leadership wants to show a new face to the world and all of us encourage this new openness, but it is incumbent on the Soviet Union to prove this is more than just empty rhetoric.

One positive expression of the Soviet's new face would certainly be to grant an exit visa to Vladimir and Maria Slepak. Several weeks ago, Soviet officials published a list of eight refusenik families who were told they would never receive permission to emigrate. Former prisoner of conscience, Mr. Slepak, and his wife Maria were among those listed. For 17 years the Slepaks have waited and worked toward the bettering of human rights for Jews in the Soviet Union. And now, they are told they may never leave. Because of this new development, Alexander Slepak is currently engaged in a hunger strike on the Capitol grounds, while his parents are on a hunger strike together in Moscow. The Slepaks will continue their fast for 17 days, representing the 17 years of refusal. Mr. Slepak's only crime is that he has given direction, spirit, and soul to the Jewish immigration movement in the Soviet Union.

I would also like to take this opportunity to ask my colleagues to join supporters of human rights for Soviet Jewry from around the country in a National Freedom Seder for Soviet Jews on Tuesday, April 7. This observance will provide a unique opportunity for Members of Congress to sit with Jewish community leaders and participate in the telling of the story of a modern exodus from the Soviet Union which relates to the first exodus from ancient Egypt. A special program will be held and a traditional Passover meal will be served.

Let us work together to reunite all of those who seek freedom. The spirit personified by the Jewish community in the Soviet Union can never be suppressed. We ask the Soviet Government to respect the dignity and human rights of all its citizens and allow those who wish to emigrate to be allowed to do so without delay.

Now is the time for the Soviet Union to do what is right, for the time is always right to do right.

Mrs. MORELLA. Mr. Speaker, I yield to the gentleman from Utah [Mr. OWENS].

Mr. OWENS of Utah. Mr. Speaker, in December 1973 the Congress voted for passage of the Jackson/Vanik amendment to the 1973 Trade Reform Act. I voted for the amendment then and would proudly vote for it again today. This amendment stated that the United States would prohibit most-favored-nation trade status and Export-Import Bank credits to Communist countries which do not permit free emmigration.

Also in December 1973 the Anisimov family of Derbent, applied for an exit visa to leave the Soviet Union. All we know about the Anisimovs is that they are Jewish and that they want to emigrate from the U.S.S.R. We also know that they have courage, and that they have patience, because today, over 13 years later, they are still waiting for their exit visas.

They are still awaiting their visas although the Jackson/Vanik amendment is still in force. Today, in an effort to help the Anisimov family and other such familes in the U.S.S.R., we reaffirmed that commitment in passing House Concurrent Resolution 34. Again we do what we can to assist Soviet Jewry to emigrate and to stop Soviet human rights violations.

The Anisimovs still believe that they can be free. I had hoped 12 years ago, when I last served in Congress, that they would soon be free.

During the last year we have been heartened by the positive developments occurring in the Soviet Union. These include the releases of Anatoly Shcharansky, Yuri Orlov, and David Goldfarb, and the permission given Andrei Sakharov and Yelena Bonner to leave Gorki and return to Moscow. Furthermore, we are heartened to hear that in the last few months more people have been granted exit visas than at any time since late 1981; 200,000 Jews have been released since we passed the Jackson/Vanick amendment.

Finally, I am heartened to read in today's Washington Post that Morris B. Abram, chairman of the National Conference on Soviet Jewry, and Edgar Bronfman, chairman of the World Jewish Congress, after having met with Soviet Government officials last week, believe that the Soviet Union will soon begin once more to permit large-scale Jewish emigration, and increased cultural and religious freedom to those Jews who wish to remain in the Soviet Union.

I wish to echo Mr. Abram when he states:

> We now await Soviet performance on all these fronts, for only then are we prepared to say that Glasnost is a real process and that it includes Jews.

Hopefully, all the Anisimov's of the Soviet Union will one day be free. There are apparently 400,000 who still want to leave. In the season of rebirth, we must again look to those that are not free whose hopes are reborn with springtime flowers. At this time of year, during the celebration of Easter and Passover, we declare anew to the leaders of the Soviet Union, allow free emmigration now.

Mrs. MORELLA. Mr. Speaker, I yield to the gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Mr. Speaker, earlier this afternoon, I had a chance to meet briefly with Alexander Slépak. Mr. Slépak is nearly a third of the way through a 17-day hunger strike which symbolizes the 17 years his parents have been denied permission to emigrate. Why is that? The Soviets say it's because of the fact that they formerly held jobs which exposed them to government secrets. Perhaps. But it has been nearly two decades since they were even remotely involved in any such work—a time that found Vladimir Slepak having spent 5 years in jail for his efforts to try and emigrate.

The Soviets say they are practicing Glasnost or openness, but the evidence is difficult to find. And, even members of our own press fall victim to the Soviets' efforts. A recent segment of the CBS program "60 Minutes" proved to be a big disservice to the efforts help refuseniks win their battle to leave the Soviet Union. Did the crew and reporters think for a minute that they were really presented an accurate picture of Soviet Jewry? Their claim that Soviet Jews more or less live satisfying lives flies in the fact of the nearly 400,000 Jews who continue to wait for permission to emigrate, Jews who have been subject to harassment, removal from their jobs, exile and/or prison for simply having made that request.

In today's New York Times, there is a report that Moscow is preparing to allow—what it calls—a major increase in Jewish emigration. In addition, the Soviets say they will soon allow the importation of religious books, an opening of synagogues where there is a demonstrated need, and the establishment of a kosher restaurant.

Meanwhile, only last month, the Soviet named eight refusenik families who they said would never be permitted to emigrate because of their earlier employment in secret government work. Mr. Slépak, who I mentioned earlier, is the son of one of those families. Yet, again today in that same New York Times article, we read that those 8 families would be allowed to have their cases reviewed.

Clearly, if the Soviet Government is sincere and if glasnost is to have any real meaning, then those 8 families—and all Soviet families who desire to emigrate—should be granted permission to do so unconditionally.

Let's see some action—since actions do speak louder than words. Let us see Jews in the Soviet Union practicing their religion openly and unchallenged. Let us see those Soviet citizens—Jews and non-Jews—who wish to make their life elsewhere be allowed to do just that.

Then, and only then, will we have reason to believe the Soviets are giving us more than just empty words.

□ 1800

Mrs. MORELLA. I would like to thank the gentleman from Georgia [Mr. LEWIS]. He and I have the honor of serving together as freshman representatives on a conference of Soviet Jewry. He speaks with great passion and conviction.

Mr. BUECHNER. Mr. Speaker, will the gentlewoman yield?

Mrs. MORELLA. I yield to the gentleman from Missouri.

Mr. BUECHNER. Mr. Speaker, I think that it is quite relevant that the last speaker was our colleague from Georgia. If one were to go down the street to the Smithsonian Institution and walk into the section dedicated to movements, they would find a picture of a Life magazine cover with our colleague, the gentleman from Georgia [Mr. LEWIS], crossing the bridge at Selma, AL.

I would point out that if one were to read the article they would find that those people who walked across that bridge, who went down that long road, who sat in the buses and sat in the lunchrooms, were considered to be leaders, potential martyrs, certainly heroes.

If one were to take any of the pubications in the Soviet Union that are approved by the government and they saw a picture of a Soviet Jew, I would think that they would not find them described as potential martyrs, as leaders, as individuals who are on the forefront of freedom. They would be considered to be those who are disruptive of the public policy; they would be called hooligans; they would be called individuals not fit to reside within the state.

Yet at the same time, just recently, on television, Mr. Gorbachev said that:

> There is no country where Jews have as many rights as in the U.S.S.R. If there is a problem of reunions among family members, we accept that. When do we prevent the resolution of such problems? When the applicant knows state secrets. Then we give him the possibility of waiting.

In other words, nothing is wrong, therefore, nothing will change.

Since taking office Mr. Gorbachev's policy of glasnost or openness has been disappointing. I am encouraged by the release of Anatoly Shcharansky and Iosif Begun and the fact that 400 Soviet Jews have so far received permission to emigrate this month, yet life remains very difficult, especially for the refuseniks.

To be a Jew in Russia today is to face a living death. Prospects for a normal life, an education, a job, a future, have never been bleaker; yet even to ask to emigrate is to risk persecution, to face imprisonment.

Jewish cultural and religious expression has long been restricted, and there are apparent obstacles to its preservation. There are no Hebrew or Yiddish schools. Publication in those tongues and language instruction is extremely limited, and less than 60 synagogues remain open. Rabbinical training is nonexistent.

Mr. Speaker, I was reading a story about Nadezhda Fradkova, who in 1978 applied for a visa to emigrate to Israel. She lived and worked in Leningrad as a linguist. When she applied for the visa, she was told that she must receive her father's permission to emigrate. She could not believe her ears. Her father divorced her mother 31 years ago, before she was born. She had never even met him. She protested and reapplied for a new visa. It was to no avail. She lost her job and had to support herself as a cleaning woman and by giving private language lessons. Years passed. In March 1983 she started a hunger strike. The KGB dragged her off to a hospital. She was drugged and force-fed. She was eventually released. Soon after that she went on another hunger strike. She was arrested again and taken to a psychiatric hospital where she was registered as mentally disturbed. In July 1985 she was kept in total isolation and in September she stood trial for political crimes. She was sentenced to a labor camp for 2 years in the Arctic north.

Mr. Speaker, as long as Nadezhda Fradkova is not free, Russian Jews are not free. As long as Russian Jews are not free, American Jews are not free. As long as American Jews are not free, all Americans are not free. And as long as any American is not free, we here in this forum of freedom must speak out, not just today, but every day. Speak out to the press, to Mr. Gorbachev, to the world, and yes, Mr. Speaker, to God.

Mr. COURTER. Mr. Speaker, will the gentlewoman yield?

Mrs. MORELLA. I yield to the gentleman from New Jersey.

Mr. COURTER. Mr. Speaker, I must begin by saying the most necessary thing, albeit an unpleasent one: the announcements in today's newspapers about reported Soviet plans for sharp increases in Jewish emigration are not unqualified good news. They deserve no more and no less attention than was given the statement of Historian Martin Gilbert in December, that "Anatoly Shcharansky's release coincided with a year when more Russian Jews were arrested and imprisoned than at any time since the death of Stalin."

I do not mean that today we should not be pleased for the good fortune of the 11,000 or 12,000 who have waited for so many years. What is necessary is a note of extreme caution. It would be counterproductive if naive people were to greet this news of today as proof that there is seriousness about democratic reform and substance to glasnost. There isn't; Glasnost is 97 percent fraud, just as the freedom of 11,000 Soviet Jews—if it comes—would leave 97 percent of the larger community of would-be Jewish emigrees under Soviet rule. If a government has locked up people unjustly, and in violation of international agreements it has itself signed, then it hardly deserves applause for opening the door a crack and letting 3 percent of the prisoners free.

It was only 2 months ago that Nathan Shcharansky, whose courage is nothing less than an example for all time, predicted that General Secretary Gorbachev would do precisely what this morning's papers tell us he may now do. Shcharansky explained that a new emigration law forbids applications for emigration from people without immediate relatives abroad. For example, those with uncles and aunts outside the Soviet Union cannot apply. With the stroke of the pen then, the authorities reduced the hopeful among the standing applicant pool from 382,000 to some 30,000. "The next step for Gorbachev in his diplomacy of gestures" Shcharansky explained, "will be to use these 30,000 as investment capital . . . he will permit (them) to leave over 5 and 6 years, and it will look like a big improvement" because only 800 or 900 escaped during 1986.

Mr. Speaker, that is what Shcharansky predicted in early February, and that is what makes this morning's news less than an occasion for rejoicing.

But there are other games being played here by the man Shcharansky acidly calls "the big liberator." He shared a cell, just before his own release last year, with a man who had been a top Soviet official with access to information on the extent of the Soviet Gulag. The man was able to confirm the educated guesses of the Jewish community in the USSR. There are some 5 million slaves in the camps controlled by the same General Secretary who is getting great press for permitting the showing of a film about Stalin's excesses. In addition to those five million prisoners there are another 6 million whom Shcharansky calls "half-slaves", men and women confined to work in isolated communities in half freedom. Finally, there are the 800 to 900 political prisoners known to Soviet human rights activists by name, as well as an estimated 5,000 to 10,000 others incarcerated for purely political reasons.

There, Mr. Speaker, is the grim essence of the Soviet regime. There is the apparatus, still doing its deadly and deadening work, which is covered over by the smiles of the Politburo's newest diplomatist. There, quickened by those eleven million souls, is the human material which the ceaseless mills of totalitarianism are still trying to reduce to a uniform grade a full seven decades after the revolution.

Mr. Speaker, the new politics of Glasnost have done little but paint pretty pictures on the Iron Curtain. And the new Politburo chief is getting undeserved credit for baring the truth about Stalin—something Khrushchev did decades ago—while doing nothing serious about changing the totalitarian apparatus that made Stalinism not only possible but repeatable.

Mr. ESPY. Mr. Speaker, will the gentlewoman yield?

Mrs. MORELLA. I yield to the genteman from Mississippi.

Mr. ESPY. Mr. Speaker, today over 2½ million Jews are trapped in a country that's impossible for them to live in, and impossible to leave. Since 1979, Jewish emigration from the Soviet Union has plummeted by a shocking 98 percent. In 1979, a record number of Soviet Jews emigrated from the Soviet Union—51,320. In 1984, only 896 Jews were allowed to leave. This figure represents the first time since the landmark Leningrad trials of 1970-71 that fewer than 1,000 Jews received permission to leave in a single year. For those Jews who remain behind, life has become more miserable than ever.

Once a Jew applies to leave the Soviet Union, in order to live freely as a Jew or be reunited with family members in Israel, his or her entire life changes. Would-be emigrants are fired from their jobs, and may then be arrested for not having one.

Of the 20,000 refuseniks who have already been denied permission to emigrate, some have waited for over 15 years. Almost 400,000 have begun the difficult and uncertain emigration process.

The emigration process is extremely difficult and requires a tremendous amount of documentation, and many obstacles are placed in their way. All applicants for exit visas must submit copies of the following to the local visa office: invitation from relatives in Israel; document of employment status; proof of residency; birth and marriage certificates; photographs; university diplomas; statement of intent and autobiography; parental or spousal permissions; and fee—cost for a family of four is approximately $5,880.

There are various reasons that permission to emigrate is denied. Among these are: denial of visa on the basis of access to state secrets; minimum 5-year waiting period following military service; and restrictions of invitations to first degree relatives living in Israel.

Once an application is denied, another cannot be filed for 6 months. In addition, refuseniks must now submit a completely new set of documents each time they reapply.

Those Soviet Jews who have applied to emigrate and have been denied, don't give in, and they don't give up. Stubbornly and repeatedly they bring their application to the visa office. Their reason to emigrate 1 or 3 or 15 years ago, their desire to live in Israel, to reunite with their families, is bolstered by a new reason: A person should not live in a country where their right to practice their religion is denied.

I would like to cite the example of one family who has tried to emigrate from the Soveit Union since 1978 and have been denied. Mark and Frieda Budnyatsky and their daughter, Anne, first applied for visas in December 1978. Permission to emigrate was denied in July 1979, on the grounds of access to secret information. Mark Budnyatsky was an electronics engineer who worked in a scientific research laboratory, Frieda Budnyatsky was a chemical engineer. They left their jobs prior to applying for emigration, so that could not be used as a reason to deny permission to emigrate, however, it was, and they were told it would be at least 10 years before they could reapply. Mark now stokes a boiler and Frieda is a file clerk.

This family could lead very productive, fulfilled lives outside the Soviet Union and that is what they seek, the opportunity to emigrate. The Budnyatskys should not have to wait 10 years to realize their dream of a life free to celebrate their holidays and practice their religion.

I applaud the efforts of the many individuals, including Morris Abram, chairman of the National Conference on Soviet Jewry, and Edgar Bronfman, chairman of the World Jewish Congress, who have worked tirelessly on behalf of those Soviet Jews who wish to emigrate, especially the 11,000 long-term refuseniks, such as the Budnyatskys, whose previous applications have been rejected.

Our purpose here today is to assist in those efforts, to bring attention to the plight of these people seeking refuge from cultural and religious harrassment, to help make the prediction of the promise of emigration, a reality.

□ 1810

Mrs. MORELLA. Mr. Speaker, I thank the gentleman from Mississippi for his remarks.

Mr. Speaker, I yield to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Speaker, it is with great honor and continued concern that I rise today in support of Soviet Jewry. For too long Jews in the Soviet Union have been persecuted and harassed, despite official proclamations and international obligations to respect their basic human rights.

Today there are reports that a new government in Moscow is adopting a more tolerant attitude towards the aspirations of Soviet Jews. More Soviet Jews are being allowed to leave the Soviet Union than at any time since the late 1970's, and promises have been made that Jews who wish to remain in the Soviet Union will be allowed greater religious and cultural freedom.

If these reports are true, and I hope they are, this could be the evidence that we have been waiting for that our perseverance on behalf of Soviet Jewry is having some effect. For several years private citizens and Members of Congress have been insisting that the Soviet Union honor its commitments to its own citizens that it made when it signed the Helsinki accords. We have been writing letters on behalf of Soviet Jews and encouraging the executive branch to press for for their release. Perhaps now we are beginning to see the rewards of our efforts.

While this news is welcome, the Soviet leadership should be put on notice that the West will be watching to see if this new toleration will continue in the months and years ahead, or if it is just a tactical move to secure greater trade with the West.

At the same time, we must not forget that the Soviet Union, for 6 years, was in blatant violation of the Helsinki accords. We must remember that the Soviet Union caused immense hardship for Soviet Jews. The Kremlin must not be praised for easing the suffering that it caused.

Finally, we must remember that a government like the Soviet Union can return to its repressive policies of the past just as easily as it has apparently adopted a more humane policy. Continued vigilance by the West will be necessary to ensure that Soviet Jews enjoy the rights the Soviet Government promised them in the Helsinki accords.

Mr. Speaker, I certainly want to congratulate and commend the gentlewoman from Maryland for her sincere and persistent efforts on behalf of Soviet Jews, and for calling this special order today.

Mrs. MORELLA. Mr. Speaker, I thank the gentlewoman from New Jersey for her kind comments as well as her cogent comments on Soviet Jewry.

Mr. Speaker, I yield to the gentleman from Illinois [Mr. HASTERT].

Mr. HASTERT. Mr. Speaker, I am very proud of this House for its action earlier today in approving House Concurent Resolution 34 which sets as a priority for this 100th Congress a focus on the continuing human rights abuses against Jews in the Soviet Union.

As this Nation celebrates the 200th anniversary of those documents which established our freedoms, I believe it is proper to focus on the failure of another world superpower to extend such freedoms of their peoples.

In recent months, Soviet officials have lulled the whole world into believing there is a new openness and a change in human rights policies. But the record indicates that is far from the truth.

Last year, for instance, only 914 Jews were permitted to emigrate from that country, compared with 1,140 in 1985 and 896 in 1984.

Nearly 400,000 Jews in the Soviet Union have petitioned to leave that country. Of this number, more than 11,000 hold the status of refusenik. These persons continue to be refused permission to be reunited with family and repatriated to Israel. Some of these have been waiting for 15 years.

In 1975, 35 countries including the U.S.S.R., signed the so-called Helsinki accords in which they solemnly adopted principles for advancing peace and cooperation. They also promised to respect freedom of thought, conscience, religion or belief for all without distinction as to race, sex, language, or religion.

For those Soviet Jews who want to remain in the U.S.S.R., the Government should grant them the right to study and express their religious and cultural heritage, free from prosecution.

Mr. Speaker, I believe in all our dealings with the Soviets, we must constantly remind them of these violations and demand that they be corrected before granting them concessions in any of our dealings including cultural, scientific, and trade exchanges.

Again, Mr. Speaker, I would like to thank the gentlewoman from Maryland, the gentleman from Arizona, and the gentleman from Georgia for bringing this special order before the Congress.

Mrs. MORELLA. Mr. Speaker, I very much would like to thank the gentleman from Illinois.

Mr. Speaker, I yield to the gentleman from the State of Washington [Mr. MILLER].

Mr. MILLER of Washington. Mr. Speaker, I want to thank the gentlewoman from Maryland and the gentleman from Georgia and the gentleman from Arizona for their invitation to participate in this special order on Glasnost.

Mr. Speaker, ever since the Geneva summit between President Reagan and General Secretary Grobachev, there has been intense interest in our country about exchanges between our citizens and the peoples of the Soviet Union.

I believe that exchanges can serve the causes of peace and freedom: But only if we think about them strategically.

Why are we interested in exchanges between the United States and the U.S.S.R.? Because we have a lot to learn about the many different peoples living in the Soviet empire. Because they have a lot to learn about us. Because getting at each others' heads may keep us from each others' throats.

These are good reasons for exchange. But they're not enough.

There is a lot of misunderstanding and bad communication between the United States and the Soviet Union. But that misundestanding is not the root of the conflict between us. We fool ourselves if we think it is. Conflict between the United States and the Soviet Union stems from one great fact: We are a democracy, and they are a Leninist tyranny. Here, the people rule. There, a privileged elite, the members of the Communist Party, rule. Here, we celebrate diversity; there, pluralism is a disease to be eradicated.

Exchange can be an important instrument for opening the windows of a closed society. And that would be an important step toward real peace. Human rights and peace aren't two issues, to be "linked" or not as the politics of the situation demand. Human rights and peace are two sides of the same issue. A Soviet Union keeping the international obligations to which it solemnly bound itself in the United Nations Charter, the Universal Declaration of Human Rights, and the Helsinki Final Act, would be a Soviet Union with which we're likely to do serious business in arms reduction.

On the other hand, a Soviet Union in which men are imprisoned for teaching Hebrew and women sent to labor camps for writing Christian poetry is not a country on which we are going to be willing to bet our future, and the human future.

If exchange programs help support the independent people of the Soviet Union; if they help break down the Leninist monopoloy of power in Soviet society; if they make true communication between us possible—then exchanges will serve the causes of peace and freedom.

But if exchanges only serve to reward the privileged sons and daughters of the Communist Party elite; if exchanges become instruments of Soviet propaganda; if the net result of exchange programs is that we understand less about the true state of affairs for the peoples of the U.S.S.R.—then it's hard to see how either peace or freedom has been served.

Throughout this year, some of our congressional colleagues will be participating in a "spacebridge" exchange program with members of the Supreme Soviet. These televised discussions could be exchanges that serve the causes of peace and freedom. But in order to do that, our colleagues are going to have to make several important things clear.

First, our colleagues are going to have to say that they understand who they're talking with.

Members of the Supreme Soviet aren't legislators, at least in the Western sense of the term. To present this "spacebridge" as a meeting between two groups of "parliamentarians" is simply false. Members of the Supreme Soviet are worth talking to because they're senior members of the Communist Party of the U.S.S.R.; they have considerable influence within their country. But, especially in this year of our own constitutional bicentennial, let's not demean ourselves and fall into the Orwellian trap of describing them as "parliamentarians." The parliamentarians are all on our side of the spacebridge.

Second, our congressional colleagues should make it clear that the root of the conflict between our two countries—or, better, between the United States and the rulers of the Soviet Union—is ideological and political. It isn't a matter of misunderstanding, though misunderstanding there may be. It isn't a matter of bad communication, though better communication we need. The root of the conflict is that our revolution looks to Jefferson, and their's looks to Lenin.

Third, let our colleagues challenge the misunderstanding of American society that pervades the Soviet leadership elite. Let's have a little Glasnost about America. Let's make it clear to the members of the Supreme Soviet that this country isn't ruled by a cabal of munitions manufacturers. Let's try to help them understand what an opposition party is, and a free press, and fair elections, and religious liberty. Americans may carry a lot of stereotypes about the peoples of the Soviet Union in their heads; but the leadership of the Soviet Union carries a lot of stereotypes about the way the United States works in its collective head. Let's challenge that.

Fourth, let's make it clear that peace and freedom go together over the long run. We'd love to believe that the Leninist winter was melting in the Soviet Union. How would we know that that's the case? What's the difference between glasnost and glitz? Let's apply five tests:

First, freedom for all political prisoners.

Second, free emigration.

Third, no more kangaroo court trials of political dissidents.

Fourth, freedom of worship for all, and an end to state "registration" of churches and synagogues.

Fifth, dissent in the official press or, even better, the emergence of a real opposition press.

Let our colleagues in the "spacebridge" press the members of the Supreme Soviet on these issues.

Mr. Speaker, the issue isn't whether there are going to be exchanges between the United States and the Soviet Union—the issue is what kind of exchanges, aimed at what goals. I think our goal should be to support the independent people of the Soviet Union—the human rights activists, the religious believers, the independent peace movement. Let our colleagues, in their spacebridge discussions with members of the Supreme Soviet, become voices for the voiceless. Let them take up the cause of the independent people of the Soviet Union. Let them speak for peace and freedom.

□ 1820

Mrs. MORELLA. I thank the gentleman from Washington [Mr. MILLER] for his remarks.

Mr. Speaker, I yield to the gentleman from Florida [Mr. SHAW].

Mr. SHAW. Mr. Speaker, I thank the gentlewoman for yielding to me, and giving us all a chance to speak out on this most pressing issue of Soviet refuseniks detained in the Soviet Union. I appreciate the opportunity to speak out on such an important human rights matter.

While I am concerned about all refuseniks wishing to emigrate, I would like to speak about just three. I have adopted two refuseniks in the Soviet Union, and I keep in contact with them in the U.S.S.R. The first of the refuseniks, Lev Gendin, is currently living in the Soviet Union with his wife and two sons. He has requested emigration for his entire family, but his requests have been rejected by Soviet officials. The plight of a second refusenik, Boris Chernobilsky, has recently come to my attention, and I have begun correspondence with him as well. The third refusenik I am concerned with is in the special divided spouse category. Pyatras Pakenas has requested emigration 16 times but has been refused each time by Soviet officials. It has been 6 years since Pyatras has seen his wife, a resident of my district and a new American citizen. He has never seen his 6-year-old grandson.

This evening his wife, Dr. Vileshina, sits in my office in her mission, and I might say heroic mission, of bringing Pyatras here to the United States to be with her.

These people are just a sample of 400,000 refuseniks wishing to emigrate from the Soviet Union. General Secretary Gorbachev has repeatedly promised to relax emigration policies for the refuseniks, but so far he has not fulfilled his promise. Time and again Soviet citizens are denied emigration, and some are penalized for requesting it. It is time we, the American people, ban together and insist that the Soviets, once and for all, commit to the Helsinki Final Act and allow all Soviets the freedom to emigrate if they wish to.

I would like to appeal to the sense of fairness, justice, and compassion of those in the Soviet Government. It does not benefit your society to keep these people in the Soviet Union against their will. I cannot believe that these people contribute very much toward the achievement or the perfection of a Communist society. The cost of monitoring their activities and responding to inquiries on their behalf must be a significant drain on the resources of your state.

Secretary Gorbachev, I was very interested in the comments that you had in your discussions with Prime Minister Thatcher in the Soviet Union yesterday in which you mentioned that you would be glad to talk about human rights if this could be expanded to talk about the plight of the homeless and the unemployed.

Mr. Gorbachev, I believe that you will find that the American statesmen with which you will be speaking are not only good speakers, but good listeners; but I warn you: Freedom-loving Americans would rather sleep homeless on the grates of Washington, DC, than live imprisoned in the Soviet Union.

Once again I would like to thank the gentlewoman from Maryland [Mrs. Morella] and the gentleman from Arizona [Mr. Kyl] for the opportunity to speak out on such an important issue as this.

The only hope these refuseniks have to leave the Soviet Union is for the United States to stand behind them as we have stood behind other victims of human rights violations throughout the years. We must all band together and stick together in this fight against repression in hopes that one day all citizens of the world will be free.

Mrs. MORELLA. Mr. Speaker, I appreciate that the gentleman from Florida [Mr. Shaw] is adopting refuseniks in his remarks.

I now yield to the gentleman from Arizona [Mr. Kolbe].

Mr. KOLBE. Mr. Speaker, I thank the gentlewoman from Maryland for yielding to me. I also want to thank the gentleman from Arizona and the gentleman from Georgia for the fine job they have done tonight in organizing this special order.

I think it is appropriate that this body talk about this issue, even though the front page of the Washington Post today has an article which is entitled "Jewish Leader Predicts Soviets Will Let Thousands Emigrate," some might say, as a result of that article, that perhaps this is a needless special order.

I say very much to the contrary. There could be no better time to call attention to the Soviet claims of change and reform, and our purpose today should be to ensure that world attention is focused; focused squarely on seeing that the Soviets do follow through on their expressions of good will.

What it all boils down to is the credibility of General Secretary Gorbachev's policy of glasnost, or openness. Does glasnost represent a change in public policy, or merely public relations? Does glasnost represent real reform or just renewed rhetoric?

Does glasnost represent a change in the face of the Soviet bear or is he simply wearing a new mask?

All of these questions need to be answered.

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But whether the thoughts of changes that Morris Abram, chairman of the National Conference on Soviet Jewry, talks of in today's Post article, Mr. Speaker, whether those will come to pass will be a big part of the answers to these questions.

All friends of Soviet Jewry should be encouraged simply by the discussion of these sorts of far ranging reforms, reforms that include importation of Jewish religious books, they are now to be allowed; a kosher restaurant will be opened; ritual slaughtering to produce kosher meat will be allowed; synagogues will be opened; rabbinical students will be permitted to leave the Soviet Union to study; and the teaching of Hebrew in schools will be permitted.

Perhaps most significantly, emigration of 11,000 long-term refuseniks will be allowed.

While Mr. Abram's observations are encouraging, it is Soviet actions, not promises, on which the policy of glasnost, will rise or fall and be judged by humanity.

As Mr. Abram notes, we now await Soviet performance on all these fronts, for only then are we prepared to say that glasnost is a real process and that it includes Jews.

Our challenge, Mr. Speaker, is to make sure that Soviet deeds match Soviet words. We need to keep focused the hot glare of public opinion so that these reforms survive to be written about again in the Washington Post. Only then, the next headline should read: "Soviet emigration proceeds at record pace, exceeds 1979 level of 51,000."

I thank the gentlewoman for yielding.

Mrs. MORELLA. I thank the gentleman from Arizona for speaking so movingly.

Mr. Speaker, I yield to the gentleman from Texas [Mr. Bartlett].

Mr. BARTLETT. I thank the gentlewoman for yielding.

I would inquire of the gentlewoman as to how much time remains?

Mrs. MORELLA. I understand we have 1 minute and I think the gentleman from Texas can do it in a minute.

Mr. BARTLETT. I will, but I am going to take a good part of that time, at the conclusion of this program, to commend the gentlewoman from Maryland for both her sensitivity in helping these human beings trapped in the Soviet Union, her leadership of today and in the past before her service in Congress and in the future on this issue and her effectiveness in representing the views of her constituents.

I would just bring the words of one group of refuseniks in Leningrad whom my wife and I and several colleagues visited with in July 1985. When we inquired, we did not know the word at the time, glasnost, but we inquired of these refuseniks the general question, "Do you believe General Secretary Gorbachev is different?" They looked at one another and then they looked at us and they said, "We will believe that General Secretary Gorbachev is different when Gorbachev acts differently."

I think that is what America and the world is waiting on; not words, but deeds, so that 6 months from now or 1 year from now we can indeed know that glasnost is hopefully meaningful and that the Soviet Union has acted differently with regard to their international obligations under the Helsinki accords and their obligation to their own citizens.

I think the gentlewoman for yielding and yield back to her.

Mrs. MORELLA. I thank the gentleman for his comments and for waiting so long.

Mr. Speaker, I would like to thank the gentleman from Arizona, the gentleman from Georgia, and I yield briefly to the gentleman from Arizona, Mr. KYL.

Mr. KYL. Mr. Speaker, I simply wanted to quote for the record the source of the testimony which I read earlier from Anatoly Shcharansky. He was testifying before the Commission of Inquiry on Soviet Human Rights Violations, a public hearing in the Russell Senate Office Building on January 23, 1987, before Commissioners: Senator WILLIAM L. ARMSTRONG, Senator CHARLES E. GRASSLEY, Senator Richard B. Stone and Mr. Stuart E. Eizenstat.

Again I want to thank my colleague from Georgia, my colleague from Maryland for assisting in putting this special order together on this very important subject.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I would like to commend my colleagues, Representative JON KYL, and Representative CONSTANCE MORELLA for sponsoring this special order to address the human rights struggles of Soviet Jews.

Recently, the West has been witness to a new era and style of Soviet political and economic life. We have been assured that, as Winston Churchill once said, the "enigma inside of a mystery, surrounded by a question mark" that is the Soviet Union has been stripped away layer by layer to reveal a more open, conciliatory and dynamic nation. The birth of Glasnost has been trumpeted and promulgated to all that will listen. We have heard of a revamped Soviet economic engine, of shackles being lifted off of the Soviet press, and of a Soviet leader shaking off the cobwebs of the antiquated Politburo to emerge as a man of peace.

These are lofty and grandiose designs to accomplish in a lifetime of sincere effort and dedication, let alone in a few months of gladhanding gestures, bereft of much substance. While I am encouraged by the direction which the Soviet Union appears to be taking, I am weary of the Soviet Union's past and present human rights policy, which reflect the true spirit and character of a nation.

Focusing a cold, sober eye on the Soviet Union's continued blatant disregard for the fundamental rights of Soviet Jews, rights which we are fortunate to have here in America by virtue of our birthright, makes it easy to separate the fact from the fantasy, the performance from the expectation. While we are grateful for the recent release of the more publicized human rights cases of individuals like Natan Scharansky, and Yuri Orlov, there are 400,000 Jews still waiting to be granted this precious permission, each statistic representing a special, touching and in many instances, a tragic story.

Recently I visited Israel and became aware of an especially tragic Soviet Jewry family struggling to be reunited. Refused permission for over 10 years on the most spurious of reasons, Yuri Speizman and his wife remain isolated and severed from loved ones. Over 70 of my colleagues rallied with me to urge the release of Juri, who is afflicted with leukemia, and his wife. Recently he was finally granted permission to emigrate, but only after he endured a near fatal heart attack. Soviet officials sought to intimidate him, break his will to continue his quest for freedom and inflict punitive actions for the international support his case attracted. This was not the demonstration of compassion and Glasnost of a secure superpower, but a vindictive and petty action in adhering to a centuries' old policy of disrespect for fundamental human rights.

It is important that we rededicate ourselves to continuing our partnership with the many concerned organizations and committees here and abroad who seek daily to mitigate the suffering which Soviet Jews—seeking no more than the right to choose how and where to live their lives—must endure as an accepted price for keeping the flame of freedom burning bright.

In particular, the Congressional Human Rights Caucus, cochaired by Representatives JOHN PORTER and STENY HOYER, must be recognized for their unstinting efforts in support of the protection of universal human rights and the International Cancer Patient Solidarity Committee for their commitment to alleviating the medical traumas endured by those emigres trapped in the Soviet system.

As we look to the future of Soviet Jewry, it is crucial that while we remain open to conciliation, and are encouraged by stated Soviet intentions of glasnost, we must insist that they demonstrate fidelity to the spirit of this new policy by hearing and respecting the poignant cries of the thousands of Soviet Jews to whom glasnost is more for the benefit of foreign consumption than for domestic tranquility.

Mr. SCHEUER. Mr. Speaker, I am pleased to have this opportunity to join my colleagues as a participant in this special order on behalf of Soviet Jewry.

While I am heartened by the active support demonstrated by this body today and on many previous occasions, I am also deeply saddened by the continued necessity for these special orders. The terrible plight of Jews in the Soviet Union is one of the most shameful wholesale violations of human rights in the world today.

Soviet General Secretary Gorbachev's much publicized policy of glasnost or openness, has yet to prove to be much more than tactical and cosmetic where it concerns Jews in the Soviet Union.

The new so-called progressive emigration decree actually offers little hope to the hundreds of thousands of Jews seeking the right to leave.

There had been some hope of a positive shift in Soviet policy when some refuseniks noted that the emigration decree, which updated a 1970 statute, had by implication recognized that departure was not a "criminal act," and that under certain conditions "ordinary citizens" could depart from the U.S.S.R.

However, upon closer inspection, the decree codified restrictive practices in effect since 1980, which allowed Jews to leave only on the basis of family reunification, rather than as a fundamental right. Seemingly humanitarian, it fixed in law the narrow definition of family as including only parents, children and siblings, condemning hundreds of thousands of people from ever applying for, much less receiving, permission to leave.

The new decree left Soviet authorities with absolute power to reject applications for emigration. It ignored many of the human rights provisions of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the more recent Helsinki accords, to which the Soviet Union is signatory.

The cold truth is that glasnost has changed little or nothing for Soviet Jews. Only 914 Jews were permitted to leave the Soviet Union in 1986, compared with 1,140 in 1985 and 896 the previous year. These figures are a far cry from the all-time high of 51,320 in 1979.

If the Soviet Union is truly serious about human rights, it need only free the prisoners of conscience, including those whom it has incarcerated for teaching Hebrew and insisting on the right to be repatriated to Israel; grant issuing visas to the hundreds of thousands of Soviet Jews who have initiated the emigration procedures.

Last week I met with Mrs. Bronislava Gimpelson and her son, Alexandre, in my home district. Mrs. Gimpelson emigrated from the Soviet Union 10 years ago with her son, forced to divorce her husband in the process.

Her husband was denied a visa because Soviet officials said his work as an electrical engineer—which was terminated by Soviet officials 14 years ago—meant he had access to state secrets.

She said the divorce was not an easy step to take, but it was the only one for them because their son was quickly approaching draft age. Had he been inducted into the Soviet military, he, too, would have been denied an exit visa.

Mrs. Gimpelson's case is but one of many tragic situations that demonstrate the ongoing plight of Soviet Jews.

I will be visiting the Soviet Union in April as part of a House delegation, headed by our distinguished Speaker, JIM WRIGHT. Human rights remains my overriding concern. Hopefully through the effort of this bipartisan delegation under the eloquent leadership of Speaker WRIGHT, we can bring about real change for Soviet Jews.

Today's papers report that the Soviet Union has promised to permit thousands of Jews to emigrate to Israel this year on direct flights via the Soviet's East-bloc ally Romania, and will increase substantially Jewish religious and cultural freedom for those who remain. This came about as a result of talks between Soviet officials and two Western Jewish spokesmen, Morris B. Abram and Edgar M. Bronfman. We welcome such dialog and Soviet promises, and we await the Soviets to make good on their international obligations.

The Soviet Union must be made to understand that Soviet Jews are not alone in their struggle. Our voices will be heard.

There is a wide range of areas of concern to both superpowers. But progress in areas such as trade, scientific cooperation, cultural exchanges, to name just a few, is contingent on real progress in the area of human rights in the Soviet Union.

As always, Mr. Speaker, actions speak louder than words. We will be watching their moves closely now and in the future.

Mr. KENNEDY. Mr. Speaker, in the first months of 1987, the Soviet Union's Glasnost policy has had a visible effect upon the plight of the country's Jewish citizens. In the month of March, 450 Soviet Jews were granted permission to emigrate. That is more than half the number who were allowed to leave during the entire year of 1986. Last week Soviet officials met with two of America's leading activists for would-be Soviet Jewish emigres and assured them that the 11,000 long-term "refusniks" would receive permission to leave within the year. These events are cause for some optimism.

But before we give the Soviets too much credit, we should remember that until 1979 emigration of Jewish citizens stood at a rate of about 4,000 per month. When the United States and 33 other nations signed the Helsinki accords with the Soviet Union in 1975, basic human rights were part of the agreement. General Secretary Gorbachev seems to perceive more clearly than did his predecessors the value of advocating those rights. Openness in society and freedom from religious persecution are not favored by all Politburo members, so Gorbachev's courage is to be commended. He needs the support of the world community in order that his policies will be implemented and those who have waited so long will be free. Many in the Soviet Union are watching the effects of his decisions, and there are those who believe that the "Moscow spring" will be short-lived.

It has been traditional in Soviet society that when a Jewish citizen applies for an exit visa, his life changes. He may lose his job or be harassed by the KGB. He faces the prospect of becoming a social outcast, and some citizens face arrest. Societies do not change overnight. New policies handed down by governments do not stamp change on the mood of the people. We must continue to monitor both the progress of emigration promised and the status of Secretary Gorbachev and his policies. We must work to offer legitimate and responsible compromises in trade in return for favorable human rights decisions, and we must not let even the tiniest hint of openness and change go unnoticed.

Mr. LOWERY of California. Mr. Speaker, I want to add my voice to this effort to call on the Soviet Union to live up to its human rights obligations. In particular, we must continue to demand that the Soviet Union end its repression of Jews in that country.

Today I want to focus on the plight of one family that is an example of the denial of basic human rights to all Soviet Jews. Naum Kogan, his wife Zhanna Kazacminer and their two daughters have been trying to obtain exit visas for over 10 years. Despite Secretary Gorbachev's announced policy of glasnost, the Kogans were again refused viasas on March 11.

Why are the Kogans a refusenik family? What crime have they committed? None. Naum and Zhanna were denied an exit visa in 1977 because Zhanna had worked as an engineer for the Institute of Communications, which Soviet officials claimed had security implications. The Kogans lost their jobs and have been denied exit visas ever since. They have obviously not been involved in any form of supposed classified work for over a decade. Sadly, as we have seen too many times, facts and rational reasoning seem to have little meaning to the Soviet Government.

Like many of my colleagues, I have sent numerous letters to Soviet officials asking them to grant the Kogans an exit visa. As we all know, these requests are neither answered nor acknowledged. Our purpose in speaking here today is to reaffirm our commitment to work for the release of the Kogans and all Soviet Jews who want to emigrate or simply desire to be able to practice their religion without harassment from their own Government.

I will not end my efforts until Naum Kogan is able to join his family in the United States and I will continue to work with my colleagues to pressure the Soviet Union to truly begin their policy of glasnost.

Mr. KEMP. Mr. Speaker, I thank my colleagues, the lady from Maryland and the gentleman from Arizona, for organizing this special order on Soviet Jewry.

The subject is always timely, but particularly so today when the House has before it House Concurrent Resolution 34, which expresses our very strong objections to the Soviet Union's consistent violation of the Helsinki final act and basic human rights. The bill focusses particularly on the new Soviet codification of the emigration laws, which makes it even more difficult for Jews, and other religious and ethnic minorities, to emigrate.

Today, Irina Ratushinskaya testified at a hearing of the Helsinki Commission. Irina is a poet, who was sentenced to 7 years of hard labor for her poetry and her commitment to human rights. Although she has been called a religious poet by the Soviet Government, she does not consider herself that. Irina says instead that she is one of many of her generation in the Soviet Union who has turned to God, and who has been punished for doing so. When Irina was in prison, she was incarcerated with women of all religions, and they tried to help each other. They prayed together, and celebrated together two Easters and one Passover.

I find this story quite moving, and indicative of the fact that it is not the Russian, or Georgian, or Ukrainian people who are repressing each others' beliefs, but the Soviet system which is attempting to repress any individuality.

That these attempts are failing is clearly indicated by the number of people, nearly half a million, who are willing to forgo the limited rights they enjoy and risk prison and torture in their quest for the right to emigrate.

We, in the West, who are blessed with freedom, are celebrating the bicentennial of our Constitution. The Bill of Rights, our Declaration of Independence is a statement of the inalienable rights of all people. This freedom is indeed a blessing, and it also brings with it the responsibility of working to achieve freedom for all people.

If we do not speak for these people, they will have no voice. Political and religious dissidents in the Soviet Union are being imprisoned and tortured for expressing the desire to enjoy the same freedoms we guaranteed for ourselves with our Bill of Rights and our Declaration of Independence.

Irina and her husband, Igor Geraschenko, Natan Sharansky and his family, Lev Blitshtein, and belatedly Inna Meiman, all were released from the Soviet Union because of pressure from the West. We must continue to exert this pressure through special orders, such as this one, through legislation such as House Concurrent Resolution 34, through "Dear Colleagues" and letters to the State Department and to Soviet officials by bringing up the issue in all our meetings with the Soviets. We must encourage the work of organizations which monitor and document closely the human rights situation, such as the Union of Councils on Soviet Jewry, the Christian Rescue Effort for the Emancipation of Dissidents, the National Conference on Soviet Jewry, the International Parliamentary Group for Human Rights in the Soviet Union, the Human Rights Caucus and the Helsinki Commission.

Once again, I thank my colleagues for the opportunity to reiterate the strong stand the United States takes on behalf of Soviet Jews.

Mr. STOKES. Mr. Speaker, I would like to commend the gentlewoman from Maryland [Mrs. MORELLA] and the gentleman from Arizona [Mr. KYL] for taking out this special order to focus on this very important human rights issue.

While there are nearly 380,000 Jews who have requested, and been denied permission to leave the Soviet Union, I have particular compassion for a very special group of refuseniks—those who suffer from cancer.

Under the best circumstances, cancer is a horrible disease. The plight of cancer patients in the Soviet Union is exacerbated by the unavailability of the latest treatments for that deadly disease. Soviet patients cannot choose a physician for treatment—they must accept whoever is assigned to the case; there is no opportunity to seek a second opinion, no opting for alternative or experimental treatment, no possibility of traveling to another location.

The situation is doubly difficult for Jewish cancer patients. In addition to suffering from the burden of cancer and its accompanying physical and psychological pain, they must live with the oppression and ostracism inflicted because they are Jews.

Mr. Speaker, I would like to bring to the attention of my colleagues a vigil currently being held near the Soviet Embassy in Washington. Leon Charney is protesting the refusal of the Soviet Government to grant his brother, Benjamin, an exit visa so that he may seek cancer treatment.

Benjamin Charney is a 49-year-old mathematician who lives in Moscow. Since 1979 he has suffered from both malignant skin cancer and a critical heart condition that has required frequent emergency treatment and hospitalization. He has been separated from Leon, his only brother—their parents are dead—for 8 years. Appeals on his behalf have been made by this body beginning in July 1986, however the Soviet authorities refuse to grant permission for him to leave.

Mr. Speaker, the refusal of the Soviet Government to allow Benjamin Charney, and all cancer victims who need more sophisticated treatment, to leave the Soviet Union is both insensitive and inhumane. I ask my colleagues to join with me in the continuing struggle to secure the release of the Soviet cancer patients separated from family members in the West and to fight for the freedom of all refuseniks.

Mr. HUNTER. Mr. Speaker, Illya Vaitsblit is 69 years old. He is the only member of his family who survived the Holocaust. He has never seen his only grandson and chances are that he will never again see his son. He is half blind and suffering from multiple sclerosis. Fortunately, his wife, Inna, a retired pediatrician, is able to care for this bedridden man.

In 1973 Illya retired from his job as a radio engineer because of failing health. He and his family applied for an exit visa to Israel but were refused because Illya had previous access to "classified" material. Although their son was allowed to leave the Soviet Union, Illya and Inna have been denied exit visas repeatedly since 1974.

We have been hearing a lot lately about Mr. Gorbachev and his new policy—glasnost. But, Mr. Speaker, we must remember that there are over 400,000 people seeking to leave the Soviet Union. People like Illya and Inna who only want what we as Americans have every day—their freedom and the right to worship and be with their family.

Today's Jewish exodus is encouraging—I pray it continues. But the fact remains that aside from a few highly publicized releases, only 244 Soviet Jews have been allowed to leave the Soviet Union. Mr. Speaker, I believe that if Mr. Gorbachev is serious about his glasnost policy he must allow more Soviet Jews to emigrate.

For our part we must continue to show our support for the Refusenik's and other Soviet citizens who long for freedom. I hope, Mr. Speaker, that one day Illya and Inna will be free.

Mr. LANTOS. Mr. Speaker, I would like to commend my colleague, Congresswoman, MORELLA, and those who have joined with her in calling for this special order to focus attention on the treatment of Jews in the Soviet Union.

This week two Western Jewish leaders are meeting with Soviet officials in Moscow in an attempt to open talks that could lead to direct flights for Soviet Jews from the Soviet Union to Israel in return for easing American trade sanctions on the Soviet Union. The success of these talks could significantly improve the ability of Soviet Jews to exercise their human right to emigrate.

About 450 Jews are expected to leave the Soviet Union this month, compared to only 98 in January and 146 in February. While these figures are still far below the peak year in 1979 when 51,000 Jews were allowed to emigrate, it is an encouraging sign.

Mr. Speaker, with many of my colleagues and with leaders of the Jewish community, I welcome these indications of improvement with cautious optimism.

But, Mr. Speaker, I am concerned that flagrant violations of human rights continue in the Soviet Union. I am concerned when someone like Vladimir Slepak—one of the founding members of the Soviet Jewish emigration movement—is refused permission to leave the Soviet Union. Thanks to Mr. Slepak's efforts some 260,000 Jews have been permitted to emigrate, but he has not yet received permission to leave.

Mr. Speaker, I am concerned because of the violation of the human rights of Mikhail Shirman. Makhail who emigrated to Israel in 1980 died of leukemia on March 4. A potentially life-saving operation was delayed by the Soviet Union's refusal to let his sister, Inessa Fleurov, donate bone marrow for him until it was too late.

I am concerned, Mr. Speaker, because of mixed signals affecting Soviet policy regarding refuseniks and prisoners of conscience. Earlier Foreign Ministry spokesman Gennady Gerasimov contradicted a statement by Communist Party General Secretary Mikhail Gorbachev about the time limits required before individuals involved in classified work will be permitted to emigrate. In 1985, Secretary Gorbachev stated that the time limit was generally 5 years and that the very upper limit was 10 years.

Mr. Gerasimov said Secretary Gorbachev's statement "was a mistake." He went on to say that there were categories of state secrets which could not be limited, and were therefore indefinite. "There are institutions in our country where even 30 years of security classification could be inadequate," he said. He then went on to state that refusenik Naum Meiman would never be allowed to emigrate.

Mr. Speaker, this inconsistent and arbitrary policy denies to citizens of the Soviet Union human rights which their government has pledged to guarantee. It is imperative that Soviet Jews, Christians, Moslems, and people of all religions be entitled to their right to emigrate if they wish. They should also be permitted to exercise their right to freely practice their religion if they so desire.

The Universal Declaration of Human Rights states that, "recognition of the inherent dignity of the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world." Mr. Speaker, if the Soviet Union cannot keep this solemn obligation which it has pledged to observe, how can we expect that the Soviet Union will observe other international obligations that it has or may yet enter into?

Mr. Speaker, it is my sincere hope that the leaders of the Soviet Union will come to realize the crucial importance of the observance of human rights, including the right of Soviet Jews to emigrate or freely to practice their religion if they remain in their country. Human rights is the foundation of good relations between our two nations.

Mr. HOYER. Mr. Speaker, I would like to commend my colleagues, Congressman JON KYL and Congresswoman CONNIE MORELLA for scheduling this special order today on the continuing plight of Soviet Jews and other minorities.

Recently it was announced that the Soviets have begun to allow 100 Jews per week to leave the Soviet Union. If this trend continues we may see a total of 5,000 Jews emigrate this year, a far cry from the 51,000 of 1979. Many are encouraged that a mass exodus may occur; there is talk of direct flights for Soviet Jews to Israel from the Eastern bloc; there is talk of a new openness in Soviet society that has seen the release of several political prisoners and signs that more may be released soon.

But the harsh reality remains. Alex Slepak, the son of Vladimir and Maria Slepak, is on a hunger strike on the grounds of the U.S. Capitol to draw attention to the fact that the Soviets have announced that his parents are one of eight families who will never leave the Soviet Union;

Leon Charney began a vigil last week outside the gates of the Soviet Embassy to focus attention on the perilous condition of his brother, Benjamin, who is suffering from cancer;

Elena Balovlenkov, a resident of Baltimore, met with Soviet officials on Sunday, March 29 to discuss the continued refusal by the Soviets to allow her husband, Yuri, to join her and their two children in the United States;

Adir Aronovich of Silver Spring, MD wonders if he will ever see his aunt, Sheina-Lea Swartz alive. She suffers from cancer and the Soviets refuse to permit her to travel to the West for medical treatment.

Mr. Speaker, the list is tragically long. The Soviets have published new emigration regulations, yet today we discuss a resolution on this House floor which condemns them for this action, for the end result may be even more restrictive emigration practices.

Humanitarianism, Mr. Speaker. That is what it is all about. The Soviets have signed documents that call upon the signatories to respect the human rights of individuals yet they fail to live up to those agreements. Where is this humanitarianism? The Soviet Government desires and seeks the respect of other nations. Surely, by now, they understand that respect between nations is premised upon the respect that a nation shows its own citizens.

Mr. Porter. Mr. Speaker, I have been actively involved in the mass movement for Soviet human rights since entering the Congress and admit that I am encouraged by the significant changes being proposed by the Soviets. On the emigration front, 450 Soviet Jews are expected to leave in March, compared to 76 per month in 1986. For the first time, the Soviets have invited to Moscow a senior figure in the American movement for Soviet Jewry, Morris B. Abram. As a result of his extensive talks with Soviet officials, Abram predicts substantial increases in emigration and in Jewish religious and cultural freedom for those choosing to remain in the Soviet Union. From personal experience, I know that the Soviet Embassy is now opening their gates to U.S. officials who come to discuss human rights concerns.

At the same time, we must not be blinded by these changes. They are a step in the right direction but not a solution to the broader problems. Even if 500 Jews are allowed to leave each month, it would take almost 2 years for the 11,000 current refuseniks—those whose previous applications to leave have been rejected—to actually leave. Furthermore, at this rate it would be nearly 70 years before the 400,000 Jews who have expressed a desire to emigrate are allowed to leave. What I'm saying is that 500 a month are far better than 76 but not nearly enough.

Mr. Gorbachev is taking a risk, and the Soviet hardliners are closely watching the outcome. We want to encourage Mr. Gorbachev's apparently more liberal emigration policies and must be prepared to be more forthcoming in our relations with the Soviets.

Mr. Speaker, the Congress has been instrumental in keeping the issue of Soviet human rights in the forefront of United States-Soviet relations. And we must keep it there until every person who wants to leave the Soviet Union has left. We should encourage the changes in the Soviet approaches, but we must never be still and never rest until every person seeking human freedom has been allowed to leave.

Mr. GALLO. Mr. Speaker, I want to thank my colleagues, Connie Morella from Maryland, John Kyl from Arizona, and John Lewis from Georgia for having this special order and for keeping the issue of Soviet Jews in the forefront of our concerns in this House.

As the freshman cochair of the Congressional Caucus on Soviet Jewry last year, I am pleased to see that the freshman Members of the 100th Congress are taking a very active role in behalf of Soviet Jews.

Despite the new glasnost policy of the Soviet Government, the fact remains that at the very least there are some 40,000 Jewish refuseniks who have been waiting years and years for their exit visas.

Will this be the year that the Soviet Government accepts its responsibility to uphold human rights under the Helsinki accords? This remains to be seen.

We are told that some 10,000 cases are under review and that by year's end, some 10,000 refuseniks will be given their exit visas. This, too, remains to be seen.

What we do know is that in January of this year, only 98 refuseniks were granted permission to emigrate to their homeland. In February there was only a slight increase to 146.

In light of Soviet promises and the contrasting reality of the situation, it is clear that there is an important role for Members of Congress to play. We must keep the pressure on.

We can do this in a number of ways. We can:

Adopt a refusenik family and advocate in their behalf with Soviet officials;

Get to know our family personally and share their story with Members of this House and with our constituencies;

Arrange for a trip to the Soviet Union and see the reality first hand;

Participate in the efforts of our colleagues to advocate in behalf of individual refuseniks.

Through these actions, refusenik families may be afforded special protection from harassment and fear which so many encounter when they apply to leave the Soviet Union. It is important for the Soviets to know that we are watching and that we will record publicly their actions.

In addition, we must keep the issue alive as a No. 1 priority in negotiations with the Soviet Union. President Reagan and Secretary Shultz have consistently supported human rights as an integral part of any arms agreement with the Soviets. We should support President Reagan's conviction in this matter.

Finally, a few words for the freshman Members of Congress who have initiated this special order. Your actions here today are vital to the thousands of Soviet Jews who do not have a voice of their own. They depend on us to speak for them to the rest of the world.

Your involvement and your dedication provide great hope to those who must remain in the Soviet Union. When I traveled to Moscow last year, this was the one message given to me time and time again: Please don't let people forget. With your involvement, I am confident that we will not forget.

I encourage all your freshman colleagues, on boths sides of the aisle, to join in united support for Soviet Jews and to join as members of the Congressional Caucus on Soviet Jewry.

Mr. KOSTMAYER. Mr. Speaker, despite the recent changes in the Soviet Union under Mikhail Gorbachev, the Jewish people of the Soviet Union are still a people persecuted for their religious beliefs. I would like to draw my collegues' attention to the case of one family, the Slepak family of Moscow.

Vladimir and Maria Slepak are considered founders of the Soviet Jewish emigration movement. The Slepaks first applied for exit visas 17 years ago. In addition to seeking exit visas for his own family, Vladimir was a member of the Public Group to Assist the fulfillment of the Helsinki Accords in the U.S.S.R. For his defense of human rights Vladimir's apartment was repeatedly raided, his books confiscated, and his name vilified throughout the Soviet press.

Vladimir was arrested twice in 1971 and was forced to testify at the Second Leningrad Trials of 1971. In 1978, Vladimir was sentenced to 5 years of internal exile in Siberia for hanging a sign from his apartment window pleading for the right to join his sons in Israel.

Today, as we meet, Vladimir's son Alexander is staging a hunger strike in front of the Capitol. Alexander Slepak, a constituent of mine, is a husband, father, and medical student. He is making this courageous stand to demonstrate the cruelty of the Soviet system that has kept him separated from his parents for these many years. The strike will last for 17 days, 1 day for each year that his parents have been denied the right to emigrate. I urge my colleagues to support Alexander in his strike to gain his parents' freedom.

Mr. GLICKMAN. Mr. Speaker, I rise today to join with other Members of Congress in expressing our support for House Concurrent Resolution 34, which protests continued human rights violations in the Soviet Union. Passage of this resolution reaffirms Congress' commitment to the plight of the Soviet refuseniks and its continued concern that the U.S.S.R. must adhere to its responsibilities under the Helsinki accords and other treaties.

In the recent past we have heard some good news from the Soviet Union in the context of its new glasnot or openness policy. Just yesterday Morris Abram, chairman of the National Conference on Soviet Jewry, made some promising predictions about the possibility of emigration for the estimated 11,000 refuseniks living in the Soviet Union. After taking part in a series of high level meetings, Mr. Abram anticipates some important policy shifts in emigration. Most encouraging of all is that about 500 Jews received exit visas this month. This is five times the monthly rate of last year.

Yet despite this progress, the situation for Soviet Jews who wish to emigrate remains grim. Two weeks ago I met with a group of people from Kansas City who came to Washington to express their continued support for the Soviet Jews and to bring to my attention a number of specific individuals who still need our help. Listed below are the names of these refuseniks.

I commend the efforts of these active individuals in Kansas City and others around the country, including many in my home community of Wichita, who have made it their duty to remember these people. I urge my colleagues to continue to show that same dedication to the plight of the Soviet refuseniks.

Luavick, Sofie and Marina Vigdarov, Leonid Levit, Lvov.
Stanislav Mezhebovsky, Leningrad.
Evgeny Yakir, Moscow.
Yuri Frants, Moscow.
Vladimir Gorodnitsky, Leningrad.
Vyachslav Livshits, Moscow.
Yangil Manashirov, Derbent.
Iosif Pargamanik, Kiev.
Jacob Rabinovich, Leningrad.
Gennady Resnikov, Moscow.
Leonid Ruskin, Leningrad.
David Shekhter, Odessa.
Viktor Shtein, Moscow.
Alexander Solomadin, Moscow.
Grigory Vainer, Volgograd.
Leonid Yuzefovich, Moscow.
Leonid Doks, Vinnitsa.
Mikhail Kara-Ivanov, Moscow.
Boris Kelman, Leningrad.
Sergei Ksido, Leningrad.
Naum Koleminsky, Kolomyya.
Andrei Lifshitz, Moscow.
Grigory Marantz, Leningrad.
Igor Mazo, Leningrad.
Vladimin Mitin, Riga.
Natalia Sofronov, Kharkov.
Valery Sorin, Moscow.
Vadim Teter, Soviet Armenia.
Mengert Berner, Zakarpatskaya Oblast.
Ian Brushin, Leningrad.
Boris Edelman, Leningrad.
Michael Jacobson, Moscow.
Aron Khananaev, Derbent.
Lev Kitrossky, Moscow.
Evgeny Lizunov, Kiev.
Yura Miller, Moscow.
Sergey Pyshuy, Leningrad.
Mark Rakovsky, Kharkov.
Mark Tarshis, Moscow.
Vitaly Degtyarev, Yanna Berenshtein, Moscow.
Albert Burshtein, Leningrad.
Marina Vigadrov, Moscow.
Mikhail Faingersh, Kishinev.
Adolph Raikh, Khust.
Viktor Brailovsky, Moscow.
Efim Pitovsky, Kharkov.
Aron & Yakov Ibragimov, Tashkent.
Abram Benenson, Leningrad.
David Kroiter, Kishinev.
Stanislavas Glinskene, Kaunas.
Aleksandr Lukatsky, Moscow.
Solomon Lekhtman, Beltsky.
Zhanna Volynskaya, Moscow.
Kuuh Avadiaiev, Derbent.
Iosip Iosovich, Khust.
Boris Lisenker, Chernovtsky.
Lev Shapiro, Leningrad.
Mark Lvovsky, Moscow.
Iosef Aunutzky, Kharkov.
Solomon Finkelshtein, Chernovtsy.
David Kvartin, Moscow.
Yakov Ioffe, Leningrad.
Anatoly Shavlov, Grozny.
Galina Molchanova, Kiev.
Leonid Volvovsky, Gorky.
Volko Rabiner, Kiev.
Igor Abkevitch, Moscow.

Zinovy Fuks, Odessa.
Evgeny Aizenberg, Kharkov.
Vladimir Berkun, Donetsk.
Mark Freidlin, Moscow.
Boris Friedman, Leningrad.
Clara Galant, Odessa.
Boris Ger, Leningrad.
Gregory Gimpelson, Leningrad.
Aleksander Kan, Moscow.
Mark Katz, Leningrad.
Efim Lifson, Leningrad.
Isaak Maizlin, Moscow.
Arkady Pittel, Leningrad.
Michael Fuchs Rabinovich, Moscow.
Moisey Liberman, Bendery.
Michael Mermershtein, Zakarpatsia.
Naum Rabinovich, Zaporojie.
Marina Raikhlin, Moscow.
Michael Shmidt, Leningrad.
Lev Shubov, Leningrad.
Yakov Volokh, Vinnitsa.
Leonid Altman, Tashkent.
Yuri Varvak, Kiev.
Elisaveta Kelbert, Leningrad.
Elena Goldfarb, Moscow.

Mr. CONTE. Mr. Speaker, after a full year of Soviet glasnost, the 1986 emigration total for Soviet Jews stood at 914. That dismal total is the second lowest in the 1980's, and lower than an average 1-month total in the 1970's. The much heralded policy of glasnost obviously didn't have a positive impact on Jewish emigration. Glasnost means openness, but openness to the Soviets does not refer to open borders for Soviet Jews.

It is long past time for the Soviet Union to recognize that respect for human rights means more than merely signing an accord or talking about openness. If Mr. Gorbachev has been practicing openness he knows that there has been no end to the number of Congressional letters protesting the Soviet Union's perpetual, cruel treatment of Jews, ethnic minorities, prisoners of conscience, religious groups, and any others who don't fit into their oppressive system. We never receive any replies to our letters, but written replies would be like the ink on the paper of the Helsinki Final Act—mere words. Action is what counts.

Despite the substantial disappointments of 1986, there was, nevertheless, hope that 1987 would be better. The ponderous Soviet bureaucracy, accustomed to dealing out repression, moves slowly when the direction is toward freedom. But as of today it is apparent that long-awaited improvements may finally be on the way.

Morris B. Abram, president of the National Conference on Soviet Jewry, and Edgar M. Bronfman, president of the World Jewish Congress, just completed talks with Soviet leaders in Moscow. The results are very promising, especially in the light of the increase in Soviet Jewish emigres this month. Along with the possible easing of restrictions on Jewish religious observances, the Soviets gave assurances that they would permit a major increase in Jewish emigration.

We all know that the Soviets are masters at saying one thing and doing another. Now it is time for their deeds to match their rhetoric. The latest figures show that 453 Soviet Jews were able to emigrate in March, which is the highest 1-month total since July 1981. Some 500 Jews were granted permission to emigrate in March, and I am pleased to hear that among those granted permission are Mikhail and Marina Fuks-Rabinovich and their son Mishka. I'll be even more pleased when I hear they have their exit visas and are on their way out. When we add it all up, in the first 3 months of 1987, 697 Soviet Jews were able to emigrate. That is a positive development.

I don't mean to imply any satisfaction with the numbers of Soviet Jewish emigres. Far from it. Everyone here remembers that thousands of Soviet Jews emigrated each month in the 1970's. What encouragement we take from the recent increase is only the hope that it represents a reversal of the decline of the past 7 years. For every Jew permitted to leave, over 100 more remain behind. How can we be satisfied when only 1 percent of the 400,000 Jews who seek their freedom are allowed to achieve it? We can't—and we aren't.

We are not satisfied as long as Lev and Inna Elbert are forced by repressive Soviet policy to continue their hunger strike, while the Kremlin sits in stone-faced silence, unmoved by compassion or humanity. We are not satisfied as long as Benjamin Charney suffers the dual hardship of inadequate medical care and refusal, while his son Leon sits in daily protest outside the Soviet Embassy. We are not satisfied, Mr. Gorbachev, and we will not be satisfied until Vladimir and Maria Slepak, Abe Stolar, Boris Dorodny, and the thousands of other refuseniks and Jews who wish to leave are granted their freedom.

Mr. ERDREICH. Mr. Speaker, we have heard much in recent weeks about the Soviet Union's "new" policy of glasnost, or openness, regarding its dealings with both its citizens and other nations of the world. However, upon closer inspection, one will find that this new policy consists more of empty rhetoric than actual deeds.

True, there have been some families who have been allowed to emigrate from the Soviet Union to the free world, and for that, we are grateful. But the happy ending for these families are but small victories . . . victories that are overshadowed by the thousands and thousands of individuals whose happy endings have yet to be written and whose dreams remain unfulfilled.

During the first two months of 1987, and following the implementation of the new emigration law on January 1, only 244 Soviet Jews were allowed to leave. This is not a significant improvement over the number of Soviet Jews who were allowed to leave during 1985 and 1986. In fact, almost 400,000 Jews continue to be denied the right to be with their loved ones and practice their religious beliefs.

Since my election to Congress in 1983, I have tried to secure the release of several families who sought to emigrate from the Soviet Union. One of those families, Boris and Irene Ghinis, was finally allowed to emigrate last year and arrived in the United States several months ago after more than 8 years of struggle.

I recently received a letter from the Ghinis, in which they wrote, "At this moment of our happiness we cannot forget about many of our friends, who have been struggling for many years for free emigration from the Soviet Union." The have asked me to help secure the release of three families in particular, Alexander and Irina Berdichevski, who have been trying to emigrate since 1982, the Yusephoviches, who have been refuseniks since 1980, and the Shustoroviches, who have sought the right to emigrate since 1977.

I have taken up the cause of these three families, and have added them to the group of families I continue to fight for, the Mikhail Kazanovich family, the Antanas Vausa family, and the family of Nachman Komack.

As we continue to fight for the rights of Soviet Jews and people around the world who live under oppressive states, it is imperative that we impress upon Soviet leaders that we have not been duped by their claims of glasnost, and that countries with true policies of openness place a higher regard on the rights of the individual, not the iron will of the government.

Steady and constant pressure can move a seemingly immovable object. Let us take courage from the infinite strength and unflagging faith of those who seek freedom, and redouble our efforts on behalf of the thousands in the Soviet Union who ask no more than the right to exercise their religious freedom, emigrate, and be reunited with their families.

Mr. CRANE. Mr. Speaker, I would like to commend my colleague from Maryland for her special order concerning the plight of Jews in the Soviet Union. Ever since Stalin tried to destroy the identity of Jews in the U.S.S.R. by dismantling the Jewish educational system, destroying Jewish communal and cultural institutions, and restricting Jewish religious practices, it has been clear that the road to freedom for Jews in the Soviet Union will be an especially arduous and difficult one.

Of the thousands of Jews that wish to emigrate to Israel or to the West, only a small group are granted this basic request every year. From the day a Soviet Jew applies for emigration to the day of departure, months or years may pass. The long emigration process may be marked by constant harassment and conscious bureaucratic delays, especially for activists. To apply, one must submit a variety of documents to the local visa office. The critical one is a vyzov, or invitation from a relative in Israel. Since 1979, narrow rules determined that this invitation must be from "first degree" kin, virtually precluding hundreds of thousands of people from receiving the mandatory document to apply for an exit visa.

Those persistent to apply for exist visas even after they have been denied permission on previous occasions are then labeled "refuseniks." Refuseniks and their families are subject to special harassment and great suffering. Among the forms employed are repeated questioning by the authorities, firing people and forcing them into menial jobs, expelling them from universities and professional institutions, and, in some cases, revoking their academic or professional credentials.

For those Soviet Jews who wish to try and make changes within the U.S.S.R., they confront many of the same obstacles as those who wish to leave. Since 1970, Soviet authorities have tried to curb Jewish activism. Arrests and trials of selected individuals took place, and scores of Jews were sentenced to prison, forced labor camps, and were exiled to Siberia. Instead of deterring Soviet Jews, however, the plights of these "prisoners of conscience" have served to intensify the determination of Jewish activists to carry on the struggle.

Earlier today, the House of Representatives passed a resolution which I cosponsored that makes support for the restoration of internationally recognized human rights in the U.S.S.R. a priority for the 100th Congress, and strongly protests continued Soviet violation and the new emigration regulations. Although it was only a resolution, it further confirms congressional concern over the human rights and emigration abuses perpetrated by the Soviet Union. Hopefully, continued pressure might someday bring about a positive change in the treatment of Jews in the U.S.S.R.

Once again, I commend the gentlewoman from Maryland for her efforts.

Mr. ROE. Mr. Speaker, I rise to add my voice to those in Congress who are protesting the continued persecution and mistreatment of the Jews of the Soviet Union.

The religious freedom that is taken for granted in America is nonexistent, for the Jewish people at least, in the Soviet Union. They are not free to worship as they please, as we are. They are not free to instruct their children in the tenets of their religion, as we are. In short, the Jews of the Soviet Union are denied every means to preserve their Judaism and its rich and illustrious heritage.

In light of this situation, we must consider these recent developments. The Soviets have spoken in recent days of the policy of glasnost, openness, of supposedly alleviating the brutal conditions that confront Soviet Jews and other oppressed minorities in the Soviet Union. Now, we hear of a prominent Jewish leader predicting that the Soviet Union will permit thousands of Jews to emigrate to Israel this year, and that Jewish religious and cultural freedom will be substantially increased for those who choose to stay in the Soviet Union. What are we to make of these events.

As of today, glasnost has not meant much for the oppressed Jews of the Soviet Union. In the first 2 months of 1987, only 287 Jews were allowed to leave the Soviet Union. There are still 400,000 Jews waiting the emigrate from the Soviet Union. For those who choose to practice their Judaism in the Soviet Union, conditions still remain pretty grim. We have yet to hear of the Soviet authorities allowing the teaching of Hebrew to children in schools or synagogues, yet to see increased training of rabbis for the Jews of the Soviet Union, and yet to learn of synagogues being opened in all parts of the Soviet Union where they are needed.

The recent predictions of permission for Jews to emigrate by the thousands and for the revitalization of Judaism by the Soviet authorities must be received with cautious optimism. We must await Soviet performance on these actions, to see of they are truly serious about implementing the policy of glasnost.

Mr. Speaker, the behavior of the Soviet authorities toward the Jews of the Soviet Union has certainly caused persecution and hardship to the millions of the Jewish people who live there. It is time that they lived up to the guarantees of religious freedom found in the Soviet Constitution, and endorsed by the Soviet leaders when they signed the Helsinki Declaration on Human Rights. We can only hope and pray that the predictions of freedom for the Jews of the Soviet Union are true, and that these oppressed and persecuted people, along with other Soviet peoples, will finally taste the joys of religious freedom and tolerance.

Mr. DWYER of New Jersey. Mr. Speaker, I would like to join my colleagues today in the special order bringing to light the problems suffered by Soviet Jewry despite the recent glasnost in the Soviet Union. We cannot allow our efforts on the behalf of Jews in the Soviet Union to lessen. While this recent change in Soviet policy does hold the potential for reforming, in some measurable way, the Soviet political and economic system, it can hardly be termed a decisive turning point when the basic human rights of thousands of Soviet Jews to emigrate are being denied.

We applaud the release of some 140 dissidents from Soviet gulags. We cannot forget, however, that these recent internal reforms have been accomplished by a severe tightening of eligibility standards for approval of applications to emigrate.

I would like to take this opportunity to bring to the attention of my colleagues the case of the Tsimberov family of Leningrad, Pavel and Victoria Tsimberov, their 21-year-old daughter Una, their 24-year-old son Dmitri, Dmitri's wife Tania and their 6-month-old baby Leah have applied for permission to leave the Soviet Union for the United States. The original application was filed 8 years ago and has been consistently denied.

Pavel is a physicist who lost his job when the original application was filed and is now working as a sewer inspector. Dmitri and his wife are both doctors. He has been offered a scholarship at the Harvard Medical School. Una has been offered a fellowship at the Eastman School of Music in Rochester. The family has close friends in Rochester, NY, and they are all fluent in English.

It is a shame that these people and others like them are not allowed to emigrate and begin more productive lives. I have been endeavoring to obtain the Tsimberovs' freedom, but we all know it will be a long and difficult effort.

Since the implementation of the new Soviet emigration law on January 1, only 244 Soviet Jews have been allowed to leave. This is not a significant improvement over the previous 2 years. The fact remains that over 400,000 Jews are still waiting to emigrate. We cannot allow the recent glasnost to make us lose sight of this grim statistic.

Mr. Speaker, I appreciate this opportunity to join my colleagues in continuing our efforts on behalf of Soviet Jewry. In spite of the public position adopted by General-Secretary Gorbachev, the situation in the Soviet Union has not changed for hundreds of thousands of Jewish citizens and members of other ethnic groups who wish to exercise their right to emigrate. The recent publicity coup for the Soviets aired on a CBS "60 Minutes" broadcast must be scrutinized in the same manner we have to review every other official Soviet statement.

Mr. Gorbachev is simply following in the footsteps of many of his predecessors in using human beings as political capital. He simply doles out a few visas and hopes that the world will forget his rosy promises to increase Jewish emigration.

Those who wish to leave the Soviet Union are then bogged down in a hopeless entanglement. If they have ever worked for the Soviet Government, a strong possibility given the degree of government economic control, the potential emigre faces the infamous "state secret" barrier. Whether they have knowledge from college science experiments or the Moscow sewer system, they possess "state secrets," and their visa applications are denied.

The story does not end at that point for the unfortunate Soviet Jew, who has stated his desire to leave. His or her job is suddenly terminated, and with no realistic hope for employment, the individual is left with no resources. The next step toward a life of misery and oppression is the routine harassment by KGB agents and eventual arrest for partisitism, the crime of not having a job.

Mr. Speaker, most Americans simply do not know or do not believe the incredible brutality of the Soviet system. They disregard the stories of families divided for years, deaths and illnesses in prison camps, and other instances of official oppression.

Our efforts to publicize these ongoing atrocities have been set back by a carefully contrived media event staged by the Soviet Government. We cannot allow "60 Minutes" or any other journalistic endeavor to cover up the real Soviet policies.

Mrs. KENNELLY. Mr. Speaker, I rise today to focus attention on the Soviet Union's dismal human rights record. I want to focus particularly on the U.S.S.R.'s repression of Soviet Jews. Each of us knows several cases where Soviet authorities have denied internationally recognized human rights to people whose only crimes are to want to learn their own language and culture, to teach their religion, and to emigrate.

Recently, an article in the New York Times quoted Soviet officials as predicting that 10,000 to 12,000 Jews would leave the Soviet Union this year. I hope this prediction comes true because Soviet authorities have to date been very stingy with exit visas, which are required of Soviet Jews who want to leave the country. These people want to leave because they are consistently discriminated against not only as a religious group but also as a national group. For example, they are not permitted to study their own history, culture, and language. They are arrested for the crime of teaching Hebrew and for the dissemination of Jewish culture. Soviet Jews applying for exit visas are arrested, charged with having committed "crimes against the state," put in prison for "leading a parasitic way of life," and are generally mistreated and harassed.

Mr. Speaker, I do not know the basis for the Soviet prediction of such a high level of Jewish emigration this year, but I do know that Soviet authorities have consistently looked for ways to make emigration ever more difficult. The new Soviet emigration law, for example, stipulates that invitations from immediate relatives, such as a spouse or a parent, are the only basis for granting an exit visa. Under the old law, which was restrictive enough, applicants for exit visas were required to obtain invitations from relatives abroad, including distant relatives, before being considered.

Mr. Speaker, simply on the basis of the new emigration law it would seem unlikely that Jewish emigration from the Soviet Union this year would rise. Jewish emigration reached its peak in 1979 with the departure of 51,000 Soviet Jews. Under the old law, departures dwindled to less than 1 percent of that number. Why should we believe that the more restrictive new law will permit a larger number of the 400,000 Jews who want to leave to obtain an exit visa?

Mr. Speaker, I urge my colleagues in Congress to take every opportunity to protest in strongest terms the Soviet Union's violations of human rights. I believe this can be done by exposing individual cases of oppression and mistreatment. Anatoly Shcharansky recently told an American audience that focusing attention on particular cases of mistreatment can make a life-and-death difference. I believe this to be true.

One case that everyone may be aware of is that of Ida Nudel, a former prisoner of conscience and current refusenik. Nudel was convicted in 1978 on charges of "malicious hooliganism" and was sentenced to internal exile in Siberia for hanging a sign on her balcony saying, "KGB, give me my visa." She was released in 1982 and now lives in rural Moldavia. She has applied for, and has so far been refused, and exit visa to emigrate to Israel. I have worn an Ida Nudel bracelet since 1980, and I will continue to wear it until Ida Nudel is allowed to leave the Soviet Union for the freedom of Israel.

Mr. Speaker, I urge all my colleagues to focus on the plight of Soviet Jews and to undertake everything possible to ensure their safety. I also urge my colleagues to put all the necessary pressure on Moscow to allow those who want to leave the U.S.S.R. to do so without harassment. We are beginning to see some success. If we continue to act together on this, I believe we can do much for those everywhere who are oppressed and who need our help to free them from their shackles.

Mr. SIKORSKI. Mr. Speaker, suffering is not something new for Jews. Problems, faced by Jews in the Soviet Union, is especially not new. Acts of anti-Semitism have been prevalent throughout the history of Russia. Indeed, was the wrath of the pogroms that first brought thousands upon thousands of Russian Jews to this country at the turn of the century.

Certainly, things have improved since the time of Cossacks slaughtering whole towns and burning down synagogues while human beings remained locked inside.

Life in the Soviet Union, however, is still not good for Jews. A new leader with a clever public relations cadre and a catchy ad campaign does not change basic policy. Despite the vaunted glasnost, repression continues in its most brutal and inhumane forms.

Recently, the CBS television series "60 Minutes" portrayed the plight of Soviet Jewry in an inaccurate light, seriously hurting the cause of fighters for justice. I feel compelled to read to you the letter sent to Mike Wallace by Pamela Cohen, national president of the Union of Councils for Soviet Jewry, an organization of over 77,000 members who have fought for the cause of Soviet Jewry for more than a decade.

[Letter]

DEAR MIKE WALLACE: I found your 60 Minute segment of March 22, which purported to examine fairly the situation of Soviet Jews, to be dangerously misleading. By irresponsibly distorting the balance of easily available witnesses, it gave the Soviet Union an undeserved propaganda victory against the human rights movement that mocks the direct evidence our network of rescue workers collects every day. In so doing, you may have caused irreparable harm to the aspirations of refuseniks who put their lives on the line simply by seeking freedom.

By what standards of research and accuracy could you balance a single Jewish refusenik with a long parade of English-speaking court Jews, e.g., a Soviet "Frank Sinatra", a Russian "George Burns", a viciously anti-Semitic Samual Zivs, an English teacher who denies the indisputable trend of Jews wishing to learn and speak Hebrew even when Hebrew teachers are routinely arrested, harassed and sent to jail, a class of smug, British accented students, as if the Soviets don't discriminate against Jews applying to university, and as if Jewish children are not generally ostracized and vilified by their schoolmates?

Could CBS not afford a proper translator of its own? Where were the Russian activists, the hunger and labor strikers, of the Jewish refusenik movement? Where were the dozens of current and former prisoners of conscience? How obscene to trot out to the Potemkin village of Birobijhain. Have you forgotten Thieriesenstadt? By whose authority do you claim that "1.5 million Soviet Jews live more or less satisfying lives" in the face of state-sponsored anti-Semitism and the nearly 50,000 refuseniks who have risked all for the legal right to emigrate to a land of their choice, to say nothing of the 400,000 who are known to want desperately to leave the USSR? Is it the eyewitness testimony of the Sharanskys, Orovs, and Sakharovs to be discredited by a few smiling, ironic faces tolerated by the KGB?

We of the Union of Councils for Soviet Jews, the 77,000-member rescue organization, offered your producers our assistance in finding truly representative refuseniks and prisoner families to interview. Contrary to your statement, this has never been hard to do even in the worst periods of repression. I repeat the offer today. Indeed, I seriously urge you to let us help you repair some of the grevious damage you have done to the fragile cause of rescue. I urge you to give us equal time by scheduling another, blacker side of the story.

Your program did dangerous disservice by letting entertainment values masquerade as news and comment. Surely, CBS News is capable of a competent, careful, and well researched presentation of the plight of Soviet Jews.

Sincerely,

PAMELA COHEN,
National President,
Union of Councils for Soviet Jews.

None of us should be a stranger to the harsh realities of the refusenik. Day after day, applications for emigration by Soviet Jews are rejected. The violations of the Helsinki accords have become the most predictable part of Soviet policy.

Jail, torture, and slow death are the punishments for such crimes as teaching a language of faith, passing on a heritage, and wanting to move to a society where such freedoms are considered normal.

"60 Minutes" may doubt these facts, but I have had them once again confirmed by one of my former legislative assistants, Ron Apter, who visited first hand with Soviet refuseniks just 2 weeks ago.

Meeting with these families on my behalf, Mr. Apter noted the cruel tests that become a way of life for these people. Prison, forced labor, brutal hunger strikes, and dangerous army assignments become routine.

"60 Minutes" seemed short on examples. Yet, there are more than 10,000 documented cases. I will mention only a few.

Yuri Drookinivoz, and Vitaly Nikolayevich Efimov have become statistics. They are two of 400,000 who wish to emigrate. They are two of 10,000 who have been actively persecuted for expressing their desire for freedom. Both Yuri and Vitaly have family members in my home State of Minnesota people who have written to me of the frustration and the suffering shared by these two individuals.

Annatolli Raben and Janna Saguta are people whose names were brought to my special attention by Inna Meiman. Inna Meiman was a refusenik that the Soviet Union was only willing to let emigrate when her painful cancer was so severe that death was imminent. Inna Meiman died here in Washington shortly after her release. Her experience with freedom was tragically short. Her husband, Naum, still awaits any experience with freedom.

Boris Lifshits, an 18-year-old boy waits in a hospital bed. The torture brought to him as military duty included 16 hours a day of strenuous manual labor on almost no food. My former aid visited Boris' family in Leningrad shortly after they got word that Boris' father would be released from a Soviet prison. The scene that he described to me is one of intense emotion.

There are so many names, so many stories, so much suffering.

Leaders of the Soviet Union:

Let your nation be known amongst to nations as one with a just society, and a fair and compassionate people. I know that as I speak you have the power to release thousands. The choice is in your hands. This month you have already decided to release more than 5 hundred souls. I know that you are considering the release of thousands and thousands more.

Mr. Gorbackev, Members of the Politburo: Let these people go.

Mr. GREEN. Mr. Speaker, I should like to thank our new colleagues, Representatives MORELLA and KYL, for organizing this special order on Soviet Jewry.

This special order comes at a particularly appropriate time. The Jewish holiday of Passover—a commemoration of the Jews exodus from Egypt and slavery—is just 2 weeks away and the news from the Soviet Union is the most encouraging it has been in 7 years. Rumor has it that as a result of the new glasnost policy 400 visas will have been issued to Soviet Jews this month alone and this morning's paper carried a prediction of mass exoduses over the next year.

Any yet a nagging doubt keeps us from celebrating these new developments. It was just 2 months ago that Inna Meiman died because the Soviets prevented her from coming here for desperately needed medical treatments until it was too late. I still receive letters from constituents whose mother or brother or friend are not allowed to leave to join their only surviving relatives or to return to the land of their people in Israel. We still hear of refuseniks who have been turned down for visas and told not to reapply because they will never be allowed to leave. Despite all of the releases of prisoners of conscience, Iosif Berenshtein, Aleksandr Cherniak, Yuli Edelshtein, and Aleksey Magarik still remain in labor camps and are subject to inhumane treatment and brutal beatings. Ida Nudel, the Guardian Angel of Refuseniks, is still in internal exile and kept from her ever vigilant sister in Israel.

We do continue to hope, even if it is a cautious hope. I hope that this year Semyon Gluzman, a psychiatrist and former prisoner of conscience whom I first adopted 8 years ago, will be allowed to leave; that this year, Soviet Jews will be allowed to practice their religion and learn Hebrew without harrassment; that this year, when Soviet Jews say at their Passover Seders "Next year in Jerusalem," it will be a reality and not a dream.

Mr. COUGHLIN. Mr. Speaker, I rise today to speak out once again on behalf of human rights in the Soviet Union and, in particular Soviet Jewry.

Mr. Speaker, Americans are following with great interest recent development in the U.S.S.R. It appears as though General Secretary Gorbachev has taken some first steps toward improving human rights in the Soviet Union. A number of political prisoners and prisoners of conscience have been released from the Gulag. Emigration figures are up somewhat from the dismal rates last year. In today's Washington Post Morris Abrams, chairman of the National Conference on Soviet Jewry, notes his optimism about possible major changes in Soviet policy toward the Jewish minority there, following his discussions with Mr. Gorbachev.

I know all of my colleagues here, and all people who cherish liberty, hope this is so. But while the Soviets have released scores of prisoners of conscience and political prisoners from prison camps, thousands are said to remain. While Iosif Begun, Leonid Volvovsky, Roald Zelichonok, and others have been released, Yuli Edelshtein and Alexei Magarik are still subjected to forced labor and severe deprivation. While it is hinted that some 11,000 long-term refuseniks may soon be allowed to emigrate, there is no talk of reworking the wholly inadequate Decree on Emigration to allow hundreds of thousands of others to leave.

Moreover, questions about national security restrictions on the emigration rights of some refuseniks cause grave concern. Just last month the Soviets announced that eight refuseniks—Vladimir Slepak, Alexander Lerner, Yulian Khasin, Natalya Khasina, Yuli Kosharovsky, Yaacov Rakhlenko, Valery Soifer, and Lev Sud—will not be allowed to emigrate because of their access to "government secrets."

Mr. Speaker, I am not familiar with the specifics of each of these cases, but I do know about the case of Vladimir Slepak. I met Vladimir during my trip to the Soviet Union in October 1985 and his son Alexander resides in the Philadelphia area.

Vladimir and his wife, Mariya, have been trying to emigrate for some 17 years, but have been refused because of Vladimir's supposed access to Soviet national secrets. His alleged exposure to secrets stems from is work 17 years ago as head of the Moscow Television Research Institute. Despite the fact that his knowledge of Soviet television technology is 17 years old, that such knowledge was only arguably tied to any military matter, and that others who worked with him on the same projects have been allowed to emigrate, he has been listed as ineligible to emigrate. Clearly, the Soviet position on this case is untenable, and it suggests that the other denials are equally supportable.

Last Friday, Vladimir's son Alexander initiated a 17-day hunger strike on behalf of his parents. The 17 days are symbolic of the 17 years of refusal that his parents have endured. The deprivation that Alexander is now inflicting on himself symbolizes the 17 years of deprivation of freedom that his parents have suffered—including periods of exile and imprisonment. When Vladimir learned of his son's plans, he too started a 17-day fast. Alexander is carrying out his hunger strike by the fountains on the east side of the Capitol, and I heartily encourage my colleagues to show their support by visiting with him.

Mr. Speaker, General Secretary Gorbachev may have moved forward a few steps with some of his recent actions. It remains to be seen just how far he will go. What is clear, however, is that the distance he must ultimately travel to dispel all doubts and demonstrate true change is far, far indeed.

Mrs. SCHROEDER, I join my distinguished colleagues today in calling on the Soviet Union to put substance into their glasnost policy. I am especially concerned with the continued refusal by the U.S.S.R. to grant an exit visa to Ida Nudel.

For 15 years Ms. Nudel has been seeking an exit visa so that she may join her sister, Ilana Fridman, in Israel. She has assisted other refuseniks and their families. For her efforts, she has been denied an exit visa repeatedly, treated violently, arrested, tried and sentenced to exile in Siberia, where she lived for 4 years. While there, she was beaten and then housed in a barrack lacking electricity, water, and heat at a time when temperatures dropped to 40 degrees below zero.

When Ms. Nudel returned to Moscow, she was not allowed to live in her home. It is often difficult for refuseniks to find a place to stay, so it took her several months to find a place in Bendery, Moldavia.

I am very concerned about the conditions under which Ms. Nudel is living now. Recent reports indicate she has been harassed in her efforts to obtain medical care. Her sister has told us that people are afraid to be her friend and that she is very lonely.

I hope that the Soviet Union will take the humanitarian route and give Ms. Nudel an exit visa soon so that she may be reunited with her family.

Mr. LENT. Mr. Speaker, the American public has recently become aware of a new trend in Soviet policy known as glasnost or the democratization of Soviet society. Initiated by the Soviet Union's General Secretary Mikhail Gorbachev, glasnost has been widely hailed as a demonstration of Soviet commitment to human rights and freedom.

In truth, glasnost could prove the most significant threat yet to human rights and freedoms in the Soviet Union. I am concerned that Gorbachev's call for openness may lull us into a false sense of complacency regarding the need for continued action on behalf of the Soviet Jews. I understand that the March figure for Soviet emigration of Jews was the highest monthly figure in 5 years. That is encouraging. However, the 400 visas given out in March are only the tip of the iceberg. We cannot forget that there are hundreds of thousands of Soviet Jews still desperately seeking to emigrate.

In addition, we must not forget the persecution and vicious anti-Semitism which prevades Soviet society. Indeed, even now—during this so-called democratization—Hebrew teachers in the U.S.S.R. are routinely arrested, harassed and sent to prison, as are the many prisoners-of-conscience who vigorously protest human rights violations in that country. There are also the refuseniks who are relentlessly persecuted and whose only crime is their sincere desire to emigrate from the Soviet Union.

We must not relax our efforts to secure human rights and freedom for the hundreds of thousands of Soviet Jews wishig to leave the Soviet Union. As long as these individuals are living under such oppression and persecution, glasnost is nothing but an empty promise.

Mr. HALL of Ohio. Mr. Speaker, I rise to bring to the attention of my colleagues the courage and strife of the people of the Soviet Union who struggle daily to secure their fundamental human rights. I also take this opportunity to urge the Soviet Government to provide an environment where all people, regardless of race or creed may live freely and without fear of persecution.

Recently, much attention has been brought to the new Soviet policy of "glasnost," or openness. I am encouraged by this attitude of reform and tolerance, however, words are not sufficient to bring about change. Human rights must be respected.

Continuing reports of discrimination and imprisonment for political and religious reasons reveal human rights violations in the Soviet Union. Today in Congress we urge the Soviet Union to match that country's theory of openness and cultural freedom with its actions.

As an example of the new cultural and social openness, Soviet leaders cite the 244 Soviet Jews granted permission to emigrate to Israel this year. However, 400,000 Soviet Jews await emigration permission, and hundreds remain imprisoned.

The people of the Soviet Union must be assured their fundamental human rights—their right to life, liberty and personal dignity, including the right to religious and cultural heritage.

Under "glasnost," some jailed dissidents have been released and some divided families have been reunited. The key word here is some, and not all. Suffering and persecution due to human rights violations persist in the Soviet Union making a call for reform imperative.

The Soviet Union has taken a step in the right direction with its new attitude of "glasnost," and I encourage further efforts both within the Soviet Union and worldwide toward the establishment and upholding of international human rights.

GENERAL LEAVE

Mr. MORELLA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the subject of my special order today.

The **SPEAKER** pro tempore (Mr. ERDREICH). Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

INTERNATIONAL COOPERATION IN SPACE: ENHANCING THE WORLD'S COMMON SECURITY

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from California [Mr. BROWN] is recognized for 60 minutes.

Mr. BROWN of California. Mr. Speaker, over the past 2 months, in a series of special order speeches, I have addressed various aspects of the Nation's space program. On February 26, I provided a detailed analysis of how the Nation's overall space effort has become increasingly controlled by the military, and how it is being diverted toward the goal of developing instruments for space warfare. Today, I will carry my discussion one step further, by exploring security-enhancing alternatives to an arms race in space.

As a starting point, I would like to focus quickly on the concept of national security. Doing so seems only fitting in any discussion of programs aimed at contributing to America's security interests.

Fundamentally, we all have a sense of what national security is. The term implies protection of the Nation from external threats while maintaining the health, integrity and economic well-being of our society. Justifiably, the term could be applied to any number of programs aimed at ensuring the continued vigor and prosperity of America. Practically speaking, however, the term "national security" is generally used in a much more limited fashion.

In its most common usage, national security is the catchall phrase used to defend the need for new weapons systems. A quick search through the annals of this political institution would show the term "national security" affixed to more weapons systems than to any other program or activity. Weapons systems such as the Minuteman, Pershing, and MX missiles; the B-1, B-52, and Stealth bombers; the Polaris, Poseidon, and Trident submarines; these—and many, many more—have been advanced by the Pentagon and then advocated by politicians as being "essential" in order to maintain the national security of the United States.

Throughout the period of developing and deploying these weapons, however, little attention has been given to whether our investments are actually making us feel more secure. While many argue that our nuclear arsenal has, indeed, brought security benefits, and others argue that it is the Soviet Union's defense buildup that has prevented us from meeting our security objectives, I think most of us realize that the past 40 years of pursuing national security has left us less secure at each new turn of the United States-Soviet arms race.

Despite the hundreds of billions of dollars invested in defense programs year after year, national security remains an illusive goal; indeed, it has become an increasingly unreachable goal as new weapons—once deployed by both superpowers—have simply spawned new insecurities. Increasingly accurate land-based nuclear missiles with multiple warheads, cruise missiles small enough to be carried on any surface vessel, strategic bombers increasingly invisible to radar detection—these developments, on both sides of the Iron Curtain, are not allowing any of us to sleep better at night.

Although people are reluctant to admit it—given the enormous investments we have made in building our nuclear arsenal—we live today in a world which has made traditional notions of security obsolete, in which the continued development and refinement of our nuclear arsenal is simply irrational. Whereas the weapons of yesteryear had limited capabilities and limited implications when used, today, the entire firepower of World War II can be unleashed by a single nuclear bomb. That firepower can be delivered to essentially any spot on the globe in a matter of minutes. And there are enough nuclear weapons in the world to recreate the explosive power of more than 6,000 World War II's.

These weapons of global scale, deliverable in a brutally short timeframe, have forced us into an era in which we simply cannot continue to think according to the conventional terms of national security. Those terms have suggested that a single nation's security can be maintained independent of the security of other nations. We must now think in terms of common security. For we live in a time when U.S. security is inextricably linked to the security of nations around the globe. If world war III comes, regardless of where it starts and who starts it, it could well determine the fate of all 159 nations on this planet.

All nations thus share the same desire to prevent such a war. All nations face a common threat to their continued survival. This is an unprecedented reality that must be reflected in our security planning.

And it's not simply the nuclear threat that is melding the security of all nations into one. The possibility of environmental crises of global dimensions also has a grasp on the world's collective destiny. A warming up of the atmosphere due to the continued burning of fossil fuels, depletion of the ozone layer as a result of fluorocarbon interactions, changes in the climate due to population stresses on the environment—these and other environmental threats are of real and immediate concern. Within the next 50 to 100 years—a minuscule time period in terms of human history—environmental crises could have devastating impacts on the security of the United States, and the security of nations around the world. Here again, security must be seen in global, and not simply national, terms.

With this said, let me now turn to the space program, which I am convinced could play a vital role in helping the world move away from its outdated, nationalistic notions of security, and toward the fundamental requirements of common security.

At the present time, the Nation's space program, unfortunately, is being carried by the currents of thought that have dominated U.S. "security" planning over the past 40 years. Preparation for space warfare has become one of the top "national security" priorities of this administration. The development of antisatellite [ASAT] weapons and the strategic defense initiative [SDI] are the means to that end. Yet, the putative benefits of such developments are likely to be just as evanescent as have been the avowed benefits of so many weapons programs paid for by the American public in the past. As explained in my February 26 special order address, preparing for space warfare will simply bring greater and greater insecurity, at higher and higher costs.

Our space program could take a different path, however. It could forge a path that truly did enhance our security, and also provided security dividends for people living far beyond our Nation's borders. Such a path is what I would like to explore today.

In my view, there are three distinct and necessary areas of space activity that should be pursued to enhance global security. One would be aimed at global peacekeeping, through the development of an international satellite-based arms control verification and crisis management system. A second would be aimed at global resource analysis and management, through the creation of an array of space observatories designed to monitor environmental change on the planet and study the Earth as a unified system. And a third would be aimed at breaking new ground in the United States-Soviet relationship through international cooperative efforts in space of an unprecedented nature, including a manned mission to the planet Mars.

Let me elaborate on these three proposals, starting with the use of space activities for peacekeeping purposes.

The role of space technologies in contributing to enhanced security arrangements has been clear since the first nuclear detection satellite was placed in orbit by the United States on October 17, 1963. Seven days later, the United States signed the Limited Test Ban Treaty with the Soviet Union and Britain, with the knowledge that it had just launched into space the means of ensuring compliance with the treaty. This development, in many ways, was foreshadowed by President Eisenhower's "open skies" proposal made nearly a decade earlier.

It was in 1955 that Eisenhower, speaking at a Geneva Disarmament Convention, proposed that the United States and the Soviet Union allow aerial photography of each other's nation so as to help reduce the possibility of nuclear war stemming from either miscalculation or misguided fears about the other's military capabilities. Eisenhower offered use of the U-2 reconnaissance plane as a means of helping create the record of this information, but Soviet Premier Khrushchev rejected the proposal as a disguised plan to spy on the Soviet Union.

Overtime, however, both nations mounted extensive satellite photoreconnaissance systems that lead, de facto, to a partial realization of Eisenhower's "open skies" initiative. While Eisenhower had proposed that the United Nations be the coordinating agency for the analysis of information about each other's military capabilities and facilities, both nations instead developed agencies of their own to conduct such activities.

Over the past 25 years, photoreconnaissance from space has advanced to an incredible degree. The first spy satellites were not very precise, failing to meet the quality of images taken from the U-2 spy plane. Indeed, it took a number of years and numerous satellites to reach the capability of the U-2 overflights of the Soviet Union, which stopped in 1960 with the shooting down of Gary Powers.

The KH [Keyhole]-8 satellite, first launched in August 1966, reportedly had a resolution of 6 inches, sufficient to detect objects as small as a paperback book from 145 miles in space. With this capability in place, President Johnson in 1966 approached Soviet officials about negotiating limits on strategic nuclear weapons. The SALT I talks began 2 years later. By the time those talks concluded in 1972, the United States had launched its KH-9 satellite, which added further capabilities for monitoring compliance with the SALT I and Anti-Ballistic Missile Treaties.

In contrast to the KH-8 satellite, designed to provide imagery at very high resolutions, the KH-9, also called Big Bird, was designed for taking area surveillance images of larger areas with a resolution measured in feet, not inches. In 1976, the United States launched the KH-11 satellite, which combined both close-look and area surveillance on a single satellite, and also introduced digital imagery technology—an entirely new method of photoreconnaissance and interpretation. Rather than involving the ejection of film canisters by the satellite, and their subsequent capture in the atmosphere by aircraft, the KH-11 collects images electronically and transmits them directly to the ground via a communications relay satellite. And it does this in near real time, providing images of events virtually while they occur. The KH-11 technology represented a revolutionary advance in photoreconnaissance from space.

The newest addition to the U.S. spy satellite inventory will be the KH-12, which some say will render even the KH-11 obsolete. According to press accounts, the KH-12, scheduled for one of the first space shuttle launches in 1988, will have a resolution of less than 4 inches. This might be sufficient to determine whether a person sitting in Red Square was reading the newspaper Pravda or Izestia. The KH-12 will also be able to see in the dark using thermal infrared sensors.

Future photoreconnaissance satellites will possess even better capabilities. For instance, sensors are being developed that would collect simultaneous images in as many as 200 or more contiguous spectral bands along the electromagnetic spectrum. A multispectral scanner of this form, enormously more sophisticated than any in use today, would represent an incredible breakthrough in the identification and characterization of Earth objects from space, since every substance has slightly different radiation characteristics.

Applications for such sensors will be enormous. For example, sensors of this sort might enable determinations of the precise metals—whether titanium, aluminum, or steel—out of which Soviet weapons are built. Such information would provide insight into the performance of those weapons. The sensors might also enable the characterization of gaseous emissions from Soviet factories to determine whether they are involved in chemical weapons production.

Also under development for future reconnaissance satellites are radar sensors that could take images at night and through cloud cover. Radar imaging satellites will also be able to provide subsurface information, since radar transmissions can penetrate a certain distance into soils and water. And while these and other advances in sensor development are underway, great breakthroughs in computer enhancement and manipulation techniques can be expected, which will enable the extraction of even more information from collected images.

What I have provided here is simply a cursory look at the evolving capabilities of some of the Nation's photoreconnaissance satellite systems, based on accounts taken from books available to the public, the New York Times and magazines such as IEEE Spectrum. The full details of these satellites remain highly classified. Indeed, even of the office that designs, builds, and operates these satellites is officially classified, although anyone can read about the National Reconnaissance Office [NRO] in various unclassified articles, reports and books.

One can also read about Soviet photoreconnaissance satellites in unclassified literatrue. What becomes apparent from reviewing both the United States and Soviet spy satellite networks is that these highly secret spacecraft have had a major stabilizing effect on the superpower relationship. They have helped reduce surprises and eliminate exaggerated, worst-case fears. They have made arms control agreements possible and have created a situation where surprise attacks resulting from the mobilization of conventional forces would be impossible. In sum, these satellites have helped keep the peace between the United States and the Soviet Union.

Satellites such as these could help keep the peace between many more nations if they were not under the exclusive control of the United States and the Soviet Union. Indeed, it is this realization that gave rise to initial proposals in the late 1970's for an International Satellite Monitoring Agency, which would carry the existing bipolar, United States-Soviet open skies arrangement to its next logical step, an era of gloval open skies.

In 1978, the French Government proposed the creation of an international system of surveillance satellites to monitor arms control agreements and help safeguard against military crises. The proposal was quickly rejected by both the United States and the Soviet Union, with United States officials claiming such a system would be unworkable and too costly. But that rejection made at a time when the superpowers maintained a clear monopoly on high-resolution remote sensing satellites, and that monopoly no longer exists.

In February 1986, the French launched their SPOT satellite, with a 10-meter resolution, and they have plans for four more civilian remote sensing satellites. The Japanese, Canadians, Indians, and the European Space Agency also are in the process of developing earth observation satellites. The news media has a growing interest in high resolution photos from space as well, and may launch a remote sensing satellite of their own in the not too distant future. What this means is that, just as Soviet opposition to Eisenhower's open skies proposal was overcome by the passage of time so too will the superpowers' rejection of an international open skies era be overtaken by events.

An international satellite-based verification system is, de facto, coming into being. Within a decade, most the pieces for such a system will be in place. A multinational array of satellites capable of providing high resolution images will be in orbit within the next 10 to 15 years. Ground receiving stations for these satellites will be located around the globe. The technology for image processing will also be widely available. The only missing element will be the organizational framework for utilizing the information for peacekeeping purposes, and this is where the United States should assume a leadership role.

The United States should recognize that the era of United States-Soviet control over remote sensing from space has ended. Moreover, it should realize that this is a constructive development in terms of global security. A global information network, providing near real time high resolution images of the entire planet to anyone interested in such information, could help create the foundation for new ways of preventing conflict. It could help preclude wars brought on by misunderstanding or miscalculation. The information gathered by such a system could provide the basis for monitoring border disputes, cease-fire agreements, peacekeeping arrangements, and demilitarized zones. It could provide the conditions for new international legal protections for the security of all nations. Quite simply, it would enhance the world's common security.

To help facilitate a global peacekeeping system such as this, a number of actions by the United States are necessary. The United States should stop pretending that its system for taking high resolution images from space is something that nobody knows about; and instead, become an aggressive international promoter of remote sensing as a means of helping enhance global security and international stability. It could do this in a variety of ways.

First, by relaxing existing regulations on the allowable resolution levels for civilian-launched remote sensing satellites. This limit, presently at 10 meters, will be bypassed anyway by other countries in the near future. Second, by initiating discussions within the Government and with other nations on how best to set up an international agency responsible for verifying arms control agreements and managing military conflicts. And third, by lowering the veil of secrecy that has been draped for far too long over the National Reconnaissance Office and its operations.

The original circumstances that lead to establishing such a tight security blanket around our space photoreconnaissance systems are simply no longer valid. A transparency revolution has been well underway for years, making objects and actions on the face of the Earth increasingly observable to anyone interested. Yet, those in control of the Nation's space reconnaissance program seem eternally locked into an ancient era, an era when the public couldn't go to their corner bookstores or local libraries to pick up a dozen books with information about photoreconnaissance and the NRO. The stealth and secrecy attached to their efforts has reached almost comical proportions.

For more than 20 years, it has been widely known that the United States operates reconnaissance satellites. Yet, it wasn't until 1978 when President Carter made the first public admission of this fact. Today, more than a decade after the first flight of the KH-11, United States officials still refuse to acknowledge the existence of the satellite, even though since 1977 the Soviet Union has owned a KH-11 operator's manual—complete with information about the satellite's characteristics, capabilities and limitations. The manual was purchased for $3,000 from a former CIA officer.

The NRO has filled warehouses with images of the planet from space, yet access to these images is tightly constrained to only those intelligence officers with a "need to know." Yet, this "need to know" restriction is artificially constraining access to what, to a considerable degree, should be a public resource. The American public has as much "need to know" about military, economic and agricultural developments around the world—as revealed in high resolution remote sensing images—as does anyone within the intelligence communities. Not only do they have a "need to know," they have a right to know. They are the ones who have spent tens of billions of dollars on this information-gathering system.

The American public should be allowed to learn of the powerful peacekeeping activities of the NRO. They should have the opportunity to incorporate into their understanding of the world real images of the Soviet Union, in the place of the speculative conceptions presently governing the public's view of that country and its people. The images archived by the NRO also would have substantial economic and historical value if made available to the public and to industry for analysis. Those images are loaded with information of commercial value. And while all the details of the NRO's activities—and everything with their archives—certainly need not be revealed, wider knowledge of them would help rebuild support for the arms control process and help lead to an international appreciation for the peacekeeping contributions of remote sensing satellites.

One can be sure that those who have helped maintain secrecy and control over intelligence gathering satellites during the past two decades—both in the United States and the Soviet Union—will be reluctant to forfeit that control now. A clear demonstration of that reluctance was recently seen when the Pentagon voiced strong objections to proposed regulations that would increase the media's access to remotely sensed data. But it should be emphasized once again that the monopoly which once existed over these technologies, exists no more.

Stansfield Turner, former Director of the CIA, predicts that, "it will not be long before we reach the point where all satellite photography will be so good that the differences between various models—from different countries * * * will be insignificant." Turner, who participated in the United States decision to reject the 1978 French open skies proposal, now feels the decision was a mistake. He thinks the United States should move promptly to help establish such a system.

So, too, does another former high-ranking CIA official, Ray Cline, who has written recently that an international satellite monitoring system would be highly beneficial for United States and global security, as well as for helping provide information for the economic advancement of the developing world.

As time goes on, the case for an international network of peacekeeping satellites will only get stronger. Technical, political and market forces are all pushing in the direction of opening up the remote sensing field. Faced with these conditions, it is in the best interests of the United States—a Nation premised on the free flow of information—to step forward now and provide leadership in creating a global "open skies" system. A 1981 United Nations study of the French proposal estimated the cost to be $2.5 billion (1980 dollars) over a 10-year period for the launch and operation of a three-satellite system. While this might seem expensive, it would represent a drop in the bucket compared to what the two superpowers already spend on intelligence-gathering satellites in the name of national security. A modest evolution from this system would give the capability for essentially continuous coverage of every spot on the face of the globe.

Let me now turn from the topic of peacekeeping from space, to the topic of environmental management from space.

As I mentioned earlier, the world's communal destiny is not simply threatened by the potential outbreak of nuclear war, it is also threatened by the possibility of environmental crises of global and dimensions.

As the world's population has pressed beyond 5 billion, on its way to 6 billion by the year 2000, there are growing indications that human activities are creating major and potentially hazardous changes on the Earth, oceans and atmosphere. These changes could reach catastrophic proportions within the next century. Evidence of such change can be seen in all directions.

For example, we already know that acid rain caused by the combustion of fossil fuels in automobiles and power plants is having a devastating impact on the forests of central Europe. Studies have shown that more than one-third of the trees of West Germany have suffered damage from airborne pollutants According to some scientists, vast regions of European forestland will become wasteland within the next few decades as a result of these pollutants.

Fossil fuel combustion also is releasing carbon dioxide into the atmosphere on a scale likely to cause dramatic shifts in the Earth's climate. Measurements taken over the past few decades have shown a steady, annual increase in atmostpheric carbon dioxide levels. If this trend continues, some scientists predict a warming of the Earth by 3 degrees to 8 degrees fahenheit over the next 50 years. This could lead to a melting of the polar ice caps and the subsequent flooding of coastal regions around the globe.

Recent studies of the upper atmosphere over Antarctica indicate that the Earth's ozone layer is being depleted on a seasonal basis. Whether this is the consequence of using fluorocarbons in the atmosphere, as many scientists have predicted, is not known.

Nor is it known whether population pressures in Africa—which have led to the desertification of vast regions—may be having a direct, and adverse impact on the climatic conditions of that continent, although theories support this view. While a link between population growth and climate change has been discounted by scientists in the past, a recent study of the question lead a Canadian meteorologist, Kenneth Hare, to conclude: "We seem to have arrived at a critical moment in the history of mankind's relation to climate. For the first time we may be on the threshold of man-induced climate change." If this is true, the impacts could be momentous, affecting the Earth's ecosystems in a fashion that we simply cannot presently predict.

Our inability to forecast the implications of human-induced global change stems from our vast ignorance of how in fact we are disturbing our surroundings. Yet, knowledge about such issues could be absolutely vital for our security and our survival in the 21st century. Increasingly, this fact is being recognized by scientists throughout the United States and the world, scientists who are now calling for an international study of the Earth through the use of a network of permanent satellite observatories in space, as well as through ground-based instrumentation around the globe. Satellites provide a unique ability to study and monitor the Earth as never before.

Scientists at the National Science Foundation, National Academy of Sciences, and NASA have endorsed a study of the Earth from space, a study which goes by a variety of names, including the International Geosphere-Biosphere Program, Global Change, and Global Geosciences. A report issued recently by the Space Science Board of the National Academy of Sciences refers to such a study as a mission to planet Earth, and outlines the project as including five to six platforms in geostationary orbit and two in low-Earth polar orbits for continuous observations of the entire Earth.

Through the use of space-based sensors of a variety of kinds, scientists could conduct a simultaneous study of the Earth's climate, the oceans, the biosphere, the dynamics of the continents, and the geochemical cycles of all the major nutrients—in short, a study of the entire planet as an integrated whole. Such a study would require cooperation among scientists from every part of the world, and would no doubt be one of the largest cooperative endeavors in the history of science. The benefits from such an effort could be enormous. As stated in one NASA document endorsing the global change research effort, "If pursued with resolve and commitment, this research program will bring us rewards of knowledge as dramatic, and as relevant to humankind, as any in scientific history."

Such a prediction seems entirely warranted. The information emerging from such a study would enable the world's decisionmakers to get a solid grasp on how humans are disturbing their lifesupport system: planet Earth. Such information might enable us to predict with confidence environmental problems in advance, allowing the formulation of policies to head off or blunt impending catastrophies. A project that provided such opportunities would, without question, be a security-enhancing endeavor for the entire world. It would provide security against threats that are certain to loom larger and larger in the future unless we act soon to confront them in an international, multidisciplinary and large-scale fashion. Now is the time to start such a study, while we still have time to respond.

The building blocks for a global change project are certainly available. NASA has operated Earth observing satellites since the early 1960's. An international network of weather monitoring satellites are in place. A joint United States-French ocean observation satellite will be launched in 1990, and other ocean observation spacecraft will soon be operated by the Japanese and the European Space Agency. Satellites that measure the Earth's radiation budget and the dynamics of the upper atmosphere will also be flying soon. And there are other satellites under development that will provide data essential for modeling interactions among all the Earth's many components. As these programs progress, sophisticated computer systems and software will be needed to assimilate the data. International agreements will be required in order to manage the flow of information and the interaction of scientists. And a substantial investment will be needed in order to launch and operate the sort of Earth observation platforms that will be critical to the success of the program over an extended period.

By the turn of the century, the global change project could involve a large-scale infrastructure in space comprised of multisensor platforms in both low-earth and geostationary orbit. These platforms could house not only the sensors for monitoring environmental characteristics of the planet, they could also contain sensors for the international satellite-based verification system outlined above. The space shuttle could routinely dock with these platforms in order to repair or replace aging sensors, or to mount new, more sophisticated devices. A multinational network of sensors clustered on a number of these space platforms would be the most sensible and cost-effective means of proceeding with Earth observations from space. In order to achieve such a system, U.S. leadership will be invaluable.

The United States should strongly urge the international community to adopt the Global Change Program, and it should match this aggressive stance with substantial funding commitments which, in and of themselves, make a statement that the United States is eager to work with nations around the world in developing, through the use of space-based sensors, models of environmental change on the planet so as to help avert human-induced environmental catastrophes in the next century.

This leads to the final topic I would like to discuss today, which is the security-enhancing role of a broad and ambitious agenda of international cooperation in space, including high-profile United States-Soviet space cooperation.

International cooperation in the planning and execution of activities in space is certainly nothing new. Over the past 30-years, the United States has signed more than 1,000 agreements with more than 100 countries for international space activities. These cooperative efforts have ranged from sharing data from space experiments, to the cooperative development of satellites, to the hooking-up of manned spacecraft in orbit, as occurred in 1975 with the Apollo-Soyuz handshake in space involving American astronauts and Soviet cosmonauts.

Cooperative space projects such as these, however, hardly compare to the ones that will be available in the future. This is because a number of developments are working together to create opportunities for space cooperation on a much broader and more ambitious scale than ever before.

The most obvious of these developments is the rapid maturity of space programs around the world. Whereas 30-years ago the United States and the Soviet Union were the only major players in space, today impressive space programs are taking form worldwide. For example, China, India, Japan and the European Space Agency have all developed the ability to launch satellites. Canada, France and West Germany have developed substantial aerospace industries. England is forming its own space agency. Brazil is developing its own remote-sensing satellite. All told, more than 125 nations are involved in space exploration in some fashion. As the number and sophistication of these space programs has increased, cross-fertilization among them has also grown. This development will only accelerate as the world's many space programs set ever-more ambitious goals.

A second factor contributing to greater space cooperation is the increased cost of major space projects. Advances in space technology have lead to the development of increasingly complex space systems, which are heavier, have higher power requirements, and produce data at enormous rates. These factors all contribute to growing costs. By sharing the costs of such projects, each participating nation carries a smaller economic burden while maintaining access to the data of interest. For example, the U.S. space station, spacelab, Hubble Space Telescope, and Infrared Astronomy Satellite have all involved international cooperation in terms of funding, planning and hardware development. Last year's mission to Halley's Comet, involving collaboration between the Soviet Union, United States, European Space Agency and Japan was a prime example of cost sharing in an endeavor that might have seemed prohibitively expensive if pursued by any single nation alone.

A third major development in international space cooperation has been growing openness in the Soviet space program. Up until very recently, the entire Soviet space program was shrouded in extreme secrecy, which made space cooperation with the Soviets enormously difficult. However, the policy of "glasnost," or openness, which is being pursued throughout Soviet society under the leadership of Mikhail Gorbachev, has extended to the space program as well. Last summer, the Soviet Union established for the first time a separate agency for the operation of civilian space activities. Previously, civilian and military space programs were tightly covered by the same security veil. With this new agency—called Glavcosmos—in place, the Soviet Union is assuming an aggressive stance in promoting its civilian space program, seeking customers for its space launch vehicles, partners for space science missions, and passengers for its space station. And given the ambitious space plans of the Soviet Union, space scientists around the world have become increasingly interested in working with the Soviets.

Finally, the advance of technology is increasing opportunities for space cooperation. Developments around the world in areas such as space propulsion, power sources, advanced materials, artificial intelligence and robotics are leading to a future in which space travel will become routine, and space science and exploration will advance beyond many of our wildest dreams. As stated in "Pioneering the Space Frontier," the May 1986 report to the President from the National Commission on Space, "space technology has freed humankind to move outward from Earth as a species destined to expand to other worlds." As this expansion into the solar system occurs, people from around the globe will be interested in participating, and will be technically capable of doing so.

With these developments all underway, it should be incumbent of the United States, as the world's most advanced space-faring Nation, to help lead the world in the development of an agenda for international space activities to take us into the 21st century. Two of the top items on that agenda should be the two I have already explored, an international satellite-based verification system and the global change program. A third priority should be an ambitious effort aimed at the exploration of Mars.

Over the past year, leading scientists from around the Nation have endorsed a Mars exploration program as a top priority. This summer, the third in a series of "Case for Mars" conferences will be held in Boulder, CO, with sponsorship coming from NASA, the American Astronomical Society and the Planetary Society. At the present time, the Soviet Union is the prime mover in charting out the exploration of Mars, with two unmanned spacecraft scheduled to explore the red planet over the next 6 years. The Soviet Union has proposed a joint United States-Soviet mission to obtain and return sample material from Mars, but NASA, without a similar project underway, has been forced to decline the offer. However, momentum for a United States-Soviet Mars sample return mission is building, as suggested by the recent endorsement of such an effort by Dr. Lew Allen, Director of the Jet Propulsion Laboratory, the Nation's premier laboratory for the unmanned exploration of the solar system.

Exploration of Mars was also the central thrust of a new United States-Soviet Union space cooperation agreement negotiated in October 1986, and awaiting enactment at a superpower summit. Out of 16 agreed cooperative projects that comprise the new agreement, the first 4 in the list involve coordination of United States and Soviet Mars missions. These developments are all leading in the direction of an eventual joint United States-Soviet manned mission to Mars.

A manned Mars mission is certainly feasible, according to the National Commission on Space. Indeed, some scientists say that the technical basis for a manned Mars trip is stronger than was the technical basis for President John F. Kennedy's 1961 decision to land a man on the Moon.

Not only is it feasible, a manned trip to Mars seems highly probable. The Soviets have announced their interest in such a trip. Their long-duration space flights and development of a massive launch vehicle are important components of such a plan. American scientists have shown a similar interest in a journey to Mars, which stands out as the most alluring next challenge for manned space flight. Perhaps the most important question is whether such a venture will be done in cooperation or competition between the superpowers.

Realistically, a manned trip to Mars only makes sense if done in a cooperative fashion involving not only the United States and the Soviet Union, but also countries around the world.

An international manned Mars effort—led by the two superpowers—would be the most challenging and exciting space mission ever pursued.

The cost of a manned trip to Mars has been estimated at $40 billion, a price that, if shared by a number of nations, would cost the United States much less than was spent to go to the Moon.

And while some observers would question the value of such an expenditure, in my view, the benefits are compelling. Such a project would put some badly needed direction back into the U.S. Space Program. It would do this by giving high priority to a series of increasingly demanding projects that would serve as the technological stepping stones toward Mars. Moreover, such a mission could help lead to a fundamental reshaping of superpower relations.

Recall, if you will, the moment when *Apollo 11* landed on the Moon in 1969. Nearly everyone on the planet within range of a television was watching. Imagine how much more symbolic it would have been if it had not resulted from a lengthy United States-Soviet space race, but rather if it had been the crowning accomplishment of a collaborative effort involving some of the best scientific and engineering minds in the world. A manned trip to Mars could be just such an effort.

And while such a project, in and of itself, could never eliminate the serious and difficult political tensions between the United States and the Soviet Union, it could play an enormously valuable role in helping the superpowers see their relationship in new terms. It could do this by helping demonstrate the unassailable, yet constantly ignored fact, that the superpowers have no choice but to coexist on spaceship Earth.

The President of the United States should announce that a manned mission to Mars is a fundamental priority for our space program, and that such a mission will be pursued in collaboration with as many nations as are interested. The formal inauguration of such a project could be made in 1992, which has been designated as the international space year. At the time of launching the effort, the United States could initiate work on a Mars sample return mission to be matched with a companion Soviet effort. By 1992, the Soviet Union will have sent two additional spacecraft to Mars, and the United States will have launched its Mars Observer. These developments would provide the foundation for marshaling the energies, resources and advanced technologies of many nations in a peaceful enterprise in space of an unprecedented scale. The international space year could not be celebrated in a more triumphant manner.

Mr. Speaker, this essentially concludes my discussion today. What I have tried to do is identify three areas of space activity that, in combination, could serve as an alternative to spending a larger and larger share of our space budget on developing space-based and space-directed weapons. The administration's strategic defense initiative and antisatellite weapons programs are justified in terms of national security, but, as I have argued here and elsewhere, such weapons, once deployed by both superpowers, would simply bring new insecurities, and at a cost far beyond that of the projects I have proposed. What I have outlined are space endeavors that seek to break from the antiquated conceptions that now govern our security planning. Those outmoded ways of thinking, characterized by the constant pursuit of weapons as a means toward enhancing security, could well turn space into yet another battleground for the United States-Soviet arms race. We can do better than that.

Space is the common heritage of all the nations of the world. As such, it should be utilized and explored in a manner that adds to the world's common security. As John Foster Dulles once said, "As we reach beyond the planet, we should move as truly united nations." Opportunities for doing so await our attention. The time to focus on them is now.

Thank you, Mr. Speaker.

As a final note, I would like to have printed in the RECORD a partial bibliography on reconnaissance satellites and the National Reconnaissance Office. Since I mentioned that the material used in my statement was all available from bookstores and libraries, I thought it might be useful to list the titles of those resources.

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PERSONAL EXPLANATION

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Connecticut [Mr. MORRISON] is recognized for 5 minutes.

Mr. MORRISON of Connecticut. Mr. Speaker, I was unavoidably absent earlier today when the House considered overriding the President's veto of H.R. 2, the Surface Transportation and Uniform Relocation Act. Had I been present, I would have voted in favor of passage notwithstanding the President's objections.

STEPS TAKEN TO IMPLEMENT RECOMMENDATIONS OF THE SPECIAL REVIEW BOARD CHAIRED BY FORMER SENATOR JOHN TOWER—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 100-58)

The SPEAKER pro tempore (Mr. ERDREICH) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Armed Services, the Permanent Select Committee on Intelligence, the Committee on Rules, and the Committee on Foreign Affairs, and ordered to be printed:

(For message, see proceedings of the Senate of today, Tuesday, March 31, 1987.)

SUBMISSION OF AN AMENDMENT TO THE RULES OF THE COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS OF THE HOUSE FOR THE 100TH CONGRESS

(Mr. ST GERMAIN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. ST GERMAIN. Mr. Speaker, pursuant to rule XI, clause 2(a), the rules of the Committee on Banking, Finance and Urban Affairs for the 100th Congress were printed in the Record on February 5, 1987. The following is an amendment to those rules:

In rule 15, at the end of the description of the Subcommittee on Consumer Affairs and Coinage, add the following:

The Subcommittee shall not schedule a hearing on any commemorative medal legislation unless the legislation is cosponsored by at least 218 Members of the House.

In considering legislation authorizing Congressional gold medals, the Subcommittee shall apply the following standards:

(1) The recipient shall be a natural person;

(2) The recipient shall have performed an achievement that has an impact on American history and culture that is likely to be recognized as a major achievement in the recipient's field long after the achievement;

(3) The recipient shall not have received a medal previously for the same or substantially the same achievement;

(4) The recipient shall be living or, if deceased, shall have been deceased for not less than 5 years and not more than 25 years; and

(5) The achievements were performed in the recipient's field of endeavor, and represent either a lifetime of continuous superior achievements or a single achievement so significant that the recipient is recognized and acclaimed by others in the same field, as evidence by the recipient having received the highest honors in the field.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Annunzio (at the request of Mr. Foley), through April 30, on account of illness.

Mr. Daniel (at the request of Mr. Foley), for the balance of the week, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Gallo) to revise and extend their remarks and include extraneous material:)

Mr. Rogers, for 60 minutes, on April 7.

Mr. Sensenbrenner, for 5 minutes, today.

Mr. Mack, for 60 minutes, today.

Mr. McCandless, for 60 minutes, today.

Mr. McCandless, for 60 minutes, on April 1.

Mr. McCandless, for 60 minutes, on April 2.

Mr. Roth, for 60 minutes, on April 1.

Mr. Roth, for 60 minutes, on April 2.

Mr. Roth, for 60 minutes, today.

Mr. Molinari, for 60 minutes, on April 1.

Mrs. Bentley, for 60 minutes, on April 7.

Mrs. Bentley, for 30 minutes, on April 2.

Mr. Hastert, for 5 minutes, today.

Mr. Molinari, for 5 minutes, today.

Mr. Shaw, for 5 minutes, today.

(The following Members (at the request of Mr. Erdreich) to revise and extend their remarks and include extraneous material:)

Mr. Panetta, for 5 minutes, today.

Mr. Conyers, for 5 minutes, today.

Mr. LaFalce, for 10 minutes, today.

Mr. Espy, for 15 minutes, on April 2.

(The following Members (at the request of Mr. Lewis of Georgia) to revise and extend their remarks and include extraneous material:)

Mr. Morrison of Connecticut, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Gallo) and to include extraneous matter:)

Mr. Conte.

Mr. Gilman in two instances.

Mr. Schaefer.

Mr. Dornan of California in two instances

Mr. Young of Alaska.

Mr. Gingrich.

Mr. Rogers.

Mrs. Bentley.

Mr. Hunter.

Mr. Henry.

Mr. Broomfield.

Mr. Barton of Texas.

Mr. Blaz.

Mr. Tauke.

Mr. Daub in three instances.

Mrs. Morella.

Mr. Hansen.

Mr. Gradison.

Mr. Courter.

Mr. Horton.

Mr. Dreier of California.

Mr. Wortley.

(The following Members (at the request of Mr. Erdreich) and to include extraneous matter:)

Mr. Dyson.

Mr. Tallon.

Mr. Hall of Ohio.

Mr. Coleman of Texas in two instances.

Mr. Pepper in two instances.

Mr. Florio in three instances.

Mr. Miller of California.

Ms. Oakar.

Mr. Darden in two instances.

Mr. Gibbons.

Mr. Dwyer of New Jersey.

Mr. Downey of New York.

Mr. Clarke.

Mr. Montgomery.

Mr. Scheuer.

Mr. Stark in three instances.

Mr. Feighan.

Mr. Lantos in three instances.

Mr. Fascell.

Mr. Mrazek in two instances.

Mr. Erdreich.

Mr. Tauzin.

Mr. Dellums in two instances.

Mr. Roe.

Mr. Rodino in two instances.

ADJOURNMENT

Mr. BROWN of California. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 56 minutes p.m.) the House adjourned until tomorrow, Wednesday, April 1, 1987, at 2 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1041. A letter from the Deputy Assistant Secretary of Defense, transmitting the Navy's determination and findings on a proposed Government-to-Government agreement with the United Kingdom of Great Britain and Northern Ireland for product support of the Pegasus engine installed in the AV-8 series of aircraft, pursuant to 10 U.S.C. 2313(c); to the Committee on Armed Services.

1042. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 7-13, "Citizens Energy Advisory Committee Extension Amendment Temporary Act of 1987," pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1043. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 7-12, "Inheritance and Estate Tax Revision Act of 1986 Amended Temporary Act of 1987," pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1044. A letter from the Secretary of State, transmitting notification that the President intends to exercise his authority under section 506(a) of the Foreign Assistance Act in order to authorize the furnishing of $10 million in emergency military assistance to Chad, pursuant to 22 U.S.C. 3871; to the Committee on Foreign Affairs.

1045. A letter from the Assistant Secretary, U.S. Department of Housing and Urban Development, transmitting notice of a proposal to amend the HUD/DEPT-2 accounting records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1046. A letter from the Commissioner of Examinations, Immigration and Naturalization Service, transmitting a copy of the order granting defector status in the case of Elisabeth Bruyant Almog, pursuant to 8

U.S.C. 1182(a)(28)(1); to the Committee on the Judiciary.

1047. A letter from the Board of Directors, Tennessee Valley Authority, transmitting the Board's 53d annual report on the activities of TVA during the fiscal year beginning October 1, 1985, and ending September 30, 1986, pursuant to 16 U.S.C. 831h(a); to the Committee on Public Works and Transportation.

1048. A letter from the Board of Trustees, Federal Hospital Insurance Trust Fund, transmitting the 1987 annual report of the Board of Trustees of the Federal Hospital Insurance Trust Fund, pursuant to 42 U.S.C. 401(c)(2), 1395i(b)(2), 1395t(b)(2) (H. Doc. No. 100-56); to the Committee on Ways and Means and ordered to be printed.

1049. A letter from the Board of Trustees, the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, transmitting the 1987 annual report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and the Federal Disability Insurance Trust Funds, pursuant to 42 U.S.C. 401(c)(2), 1395i(b)(2), 1395t(b)(2) (H. Doc. No. 100-55); to the Committee on Ways and Means and ordered to be printed.

1050. A letter from the Acting Secretary, Department of Agriculture, transmitting a draft of proposed legislation to provide authority to accept contributions toward cooperative work relating to the National Forest System; jointly, to the Committees on Agriculture and Interior and Insular Affairs.

1051. A letter from the Secretary of Labor, Chairman of the Board, Pension Benefit Guaranty Corporation, transmitting the 12th annual report of the Pension Benefit Guaranty Corporation covering fiscal year 1986, which includes the Corporation's financial statements as of September 30, 1986, pursuant to 29 U.S.C. 1308; jointly, to the Committees on Education and Labor and Ways and Means.

1052. A letter from the Acting Secretary, Department of Agriculture, transmitting a draft of proposed legislation to amend the act of May 27, 1955, to increase the effectiveness of domestic firefighting forces and ensure prompt and effective control of wildfires on Federal lands by permitting the use of firefighting forces of foreign nations and the reimbursement of such forces for costs incurred in fighting wildfires throughout the United States, and for other purposes; jointly, to the Committees on Foreign Affairs and Government Operations.

1053. A letter from the Director (Office of Civilian Radioactive Waste Management), Department of Energy, transmitting a copy of the proposal for the construction of a monitored retriveable storage facility, including an evaluation of the need for and feasibility of MRS in a fully integrated system for the disposal of high level radioactive waste and spent nuclear fuel, pursuant to Public Law 97-425, section 220; jointly, to the Committees on Interior and Insular Affairs and Energy and Commerce.

1054. A letter from the Board of Trustees, Federal Supplementary Medical Insurance Trust Fund, transmitting the 1987 annual report of the Board of Trustees of the Federal Supplementary Medical Insurance Trust Fund, pursuant to 42 U.S.C. 401(c)(2), 1395i(b)(2), 1395t(b)(2) (H. Doc. No. 100-57); jointly, to the Committees on Ways and Means and Energy and Commerce, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BEILENSON: Committee on Rules. House Resolution 135. Resolution providing for the consideration of H.R. 1320, a bill to amend the Land and Water Conservation Fund Act of 1965, and for other purposes (Rept. 100-35). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CLAY:

H.R. 1865. A bill to amend section 2(11) of the National Labor Relations Act; to the Committee on Education and Labor.

By Mr. DeFAZIO (for himself, Mr. Ackerman, Mr. Smith of Florida, Mr. Tallon, Mr. Bosco, Mr. Cardin, Mr. AuCoin, Mr. Atkins, Mr. Gunderson, Mr. Wyden, Mr. Jontz, Ms. Slaughter of New York, and Mr. Williams):

H.R. 1866. A bill to make available to consumers certain information on the performance records of air carriers operating in the United States; to the Committee on Public Works and Transportation.

By Mr. FISH:

H.R. 1867. A bill to create criminal penalties for the premature release or use for private gain of sensitive economic indicators generated by the Department of Commerce and to authorize the Secretary of Commerce to promulgate regulations deemed necessary to protect such sensitive information prior to public release; jointly, to the Committees on the Judiciary and Energy and Commerce.

By Mr. GLICKMAN:

H.R. 1868. A bill to amend the Clayton Act to restore the jurisdiction of the Attorney General of the United States and of the Federal Trade Commission to enforce the provisions of the Clayton Act relating to the merger of air carriers; to the Committee on the Judiciary.

By Mr. LANTOS:

H.R. 1869. A bill to authorize the granting of diplomatic and consular privileges and immunities to offices of the Commission of the European Communities which are established in the United States; to the Committee on Foreign Affairs.

By Mr. LUJAN:

H.R. 1870. A bill to provide for the designation of chili as the official food of the United States of America; to the Committee on Post Office and Civil Service.

By Mr. MADIGAN:

H.R. 1871. A bill to amend the Developmental Disabilities Assistance and Bill of Rights Act to extend the programs established in such act, and for other purposes; to the Committee on Energy and Commerce.

By Ms. OAKAR:

H.R. 1872. A bill to change the title of employees designated by the Librarian of Congress for police duty, to make the rank structure and pay for such employees the same as the rank structure and pay for the Capitol Police, and to amend the Omnibus Crime Control and Safe Streets Act of 1968 to make such employees eligible for public safety officers' death benefits; jointly, to the Committees on House Administration and the Judiciary.

By Mr. ORTIZ:

H.R. 1873. A bill to amend title 10, United States Code, to reserve 25 percent of obligations under military construction contracts for local contractors; to the Committee on Armed Services.

H.R. 1874. A bill to amend the Federal Property and Administrative Services Act of 1949 to reserve 25 percent of obligations under certain Federal construction contracts for local contractors; to the Committee on Government Operations.

By Mr. PANETTA:

H.R. 1875. A bill to establish and expand Federal foreign language and international education programs designed to strengthen the competitiveness of American industry, and for other purposes; to the Committee on Education and Labor.

H.R. 1876. A bill to amend the Coastal Zone Management Act of 1972 regarding Federal activities that are subject to the Federal consistency provisions of the act, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. PANETTA (for himself, Mr. Horton, Mr. Coelho, Mr. Stenholm, Mr. Durbin, and Mr. Miller of California):

H.R. 1877. A bill to improve the safety of imported meat and poultry products and raw agricultural products subject to pesticides; jointly, to the Committees on Agriculture and Energy and Commerce.

By Mr. RINALDO:

H.R. 1878. A bill to amend title 18, United States Code, to provide procedures for the imposition of the death penalty, and for other purposes; to the Committee on the Judiciary.

By Mr. ROBINSON (for himself, Mr. Murphy, and Mr. Conyers):

H.R. 1879. A bill to amend the Fair Labor Standards Act of 1938 and the Tariff Act of 1930 to promote fair trade based on a fair wage; jointly, to the Committees on Education and Labor and Ways and Means.

By Mr. ROWLAND of Connecticut (for himself, Mr. Wortley and Mrs. Smith of Nebraska):

H.R. 1880. A bill to amend part A of title IV of the Social Security Act to require States to establish and implement programs designed to afford greater opportunities for AFDC recipients to achieve self-sufficiency through employment; jointly, to the Committees on Ways and Means and Education and Labor.

By Mr. SENSENBRENNER (for himself, Mr. Stenholm, Mr. Hyde, Mr. DeWine, Mr. Emerson, Mr. Coble, Mr. Skeen, Mr. Lagomarsino, Mr. Combest, Mr. Craig, Mr. Shumway, and Mr. Hubbard):

H.R. 1881. A bill to clarify the meaning of the phrase "program or activity" as applied to educational institutions that are extended Federal financial assistance, and for other purposes; jointly, to the Committees on Education and Labor and the Judiciary.

By Mr. SMITH of New Jersey:

H.R. 1882. A bill to amend the Veterans' Job Training Act; to the Committee on Veterans' Affairs.

By Ms. SNOWE (for herself, Mr. Ackerman, Mr. Roe, Mr. Richardson, Mr. Wortley, Mr. Sunia, Mr. Lagomarsino, Mr. Lehman of Florida, Ms.

Slaughter of New York, Mr. Yates, Mr. Mrazek, Mr. Traficant, Mr. Owens of New York, Mr. Biaggi, Mr. Fish, Ms. Kaptur, Mrs. Vucanovich, Mr. Lewis of Georgia, Mr. Rinaldo, Mr. Towns, Mr. Shaw, Mr. Roybal, Mr. Martinez, and Mrs. Boxer):

H.R. 1883. A bill to amend title XIX of the Social Security Act to require States to provide for enforcement of the rights of patients in long-term care facilities, and for other purposes; to the Committee on Energy and Commerce.

By Mr. STUMP (for himself, Mr. Udall, Mr. Kolbe, Mr. Kyl, and Mr. Rhodes):

H.R. 1884. A bill to provide for the establishment of a national cemetery in Maricopa County, AZ; to the Committee on Veterans' Affairs.

By Mr. TAUZIN (for himself, Mr. Rose, Mr. Gregg, Mr. Stangeland, Mr. Stallings, Mr. Chapman, Mr. Smith of New Hampshire, Mr. Robinson, Mr. Spratt, Mr. Skelton, Mr. Boucher, Mr. Penny, Mr. Jones of Tennessee, Mr. Clinger, Mr. Ackerman, Mr. Swift, Mr. Perkins, Mr. Lewis of Georgia, Mr. Montgomery, Mr. Tallon, Mr. Sharp, Mr. Williams, Mr. Hammerschmidt, Mr. Clarke, Mr. Schuette, Mr. Gunderson, Mr. Henry, Mr. Wise, Mr. Daub, Mr. Rahall, Mr. Rogers, Mr. Kildee, Mr. Thomas of California, and Mr. Bosco):

H.R. 1885. A bill to amend the Communications Act of 1934 to provide for fair marketing practices for certain encrypted satellite communications; to the Committee on Energy and Commerce.

By Mr. TRAFICANT:

H.R. 1886. A bill to amend title 23, United States Code, to improve safety on the National System of Interstate and Defense Highways by transferring rearward, to other internal axle groups, a part of the load weight carried on the steering axle of a three axle truck-tractor and triaxle semitrailer; to the Committee on Public Works and Transportation.

By Mr. YOUNG of Alaska:

H.R. 1887. A bill to promote and improve the carrying out of research regarding the commercial fisheries of the United States; to the Committee on Merchant Marine and Fisheries.

By Mr. de LUGO (for himself, Mr. Sunia, Mr. Blaz, Mr. Foley, Mr. Coelho, Mr. Gephardt, Mr. Michel, Mr. Lott, Mr. Cheney, Mr. Vander Jagt, Mr. Kemp, Mr. Udall, Mr. Lagomarsino, Mr. Howard, Mr. Ford of Michigan, Mr. Akaka, Mr. Anderson, Mr. Bennett, Mr. Berman, Mr. Bevill, Mr. Bliley, Mr. Boehlert, Mr. Boland, Mr. Boner of Tennessee, Mr. Bonior of Michigan, Mrs. Boxer, Mr. Brown of California, Mr. Bustamante, Mrs. Byron, Mr. Carr, Mr. Clay, Mr. Coleman of Texas, Mrs. Collins, Mr. Conyers, Mr. Crockett, Mr. Dellums, Mr. DeWine, Mr. Dicks, Mr. Dixon, Mr. Dornan of California, Mr. Downey of New York, Mr. Dwyer of New Jersey, Mr. Dymally, Mr. Dyson, Mr. Fauntroy, Mr. Fazio, Mr. Fish, Mr. Foglietta, Mr. Ford of Tennessee, Mr. Frank, Mr. Garcia, Mr. Gray of Illinois, Mr. Hall of Ohio, Mr. Hall of Texas, Mr. Hamilton, Mr. Hawkins, Mr. Hefner, Mr. Horton, Mr. Hughes, Mr. Jacobs, Mr. Jeffords, Mr. Kastenmeier, Mr. Kildee, Mr. Kolter, Mr. Leland, Mr. Levine of California, Mr. Lewis of Florida, Mr. Donald E. Lukens, Mr. McDade, Mr. McHugh, Mr. Martinez, Mr. Mineta, Mr. Mollohan, Mr. Montgomery, Mr. Moody, Mr. Morrison of Connecticut, Mr. Mrazek, Mr. Murphy, Mr. Myers of Indiana, Mr. Natcher, Mr. Neal, Mr. Oberstar, Mr. Owens of New York, Mr. Panetta, Mr. Pepper, Mr. Perkins, Mr. Rahall, Mr. Rangel, Mr. Richardson, Mr. Rose, Mr. Roybal, Mr. Sabo, Mr. Savage, Mr. Scheuer, Mrs. Schroeder, Mr. Sikorski, Mr. Skelton, Mr. Denny Smith, Mr. Smith of Iowa, Mr. Robert F. Smith, Mr. Stokes, Mr. Stratton, Mr. Tauke, Mr. Towns, Mr. Torres, Mr. Traxler, Mr. Valentine, Mr. Vento, Mr. Visclosky, Mr. Walgren, Mr. Waxman, Mr. Weiss, Mr. Williams, Mr. Wilson, Mr. Wolpe, Mr. Yatron, Mr. Barton of Texas, Mrs. Bentley, and Mr. Lightfoot):

H.J. Res. 217. Joint resolution proposing an amendment to the Constitution of the United States to provide for the appointment of electors of President and Vice President by the Virgin Islands of the United States, American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands; to the Committee on the Judiciary.

By Mr. DELLUMS (for himself, Mr. Savage, Mr. Hayes of Illinois, and Mrs. Collins):

H.J. Res. 218. Joint resolution entitled: "Self-Determination for Puerto Rico"; to the Committee on Interior and Insular Affairs.

By Mr. DYMALLY:

H.J. Res. 219. Joint resolution designating 1987 as "National Year of Shelter for the Homeless"; to the Committee on Post Office and Civil Service.

By Mr. LIPINSKI (for himself, Mr. Annunzio, Mr. Berman, Mr. Biaggi, Mr. Bilbray, Mr. Borksi, Mrs. Boxer, Mr. Brennan, Mr. Bustamante, Mr. Coelho, Mr. Conte, Mr. Conyers, Mr. Crockett, Mr. Dannemeyer, Mr. Daub, Mr. DeFazio, Mr. de la Garza, Mr. de Lugo, Mr. DioGuardi, Mr. Dornan of California, Mr. Dwyer of New Jersey, Mr. Dymally, Mr. Espy, Mr. Fascell, Mr. Fazio, Mr. Fish, Mr. Frank, Mr. Frost, Mr. Fuster, Mr. Garcia, Mr. Gonzalez, Mr. Gray of Illinois, Mr. Hayes of Illinois, Mr. Hertel, Mr. Horton, Mr. Howard, Mr. Hughes, Mr. Kolter, Mr. Kostmayer, Mr. Lagomarsino, Mr. Levin of Michigan, Mr. Lungren, Mr. McGrath, Mr. McMillen of Maryland, Mr. Manton, Mr. Martinez, Mr. Mrazek, Mr. Murphy, Ms. Oakar, Mr. Owens of New York, Mr. Pashayan, Mrs. Patterson, Mr. Rangel, Mr. Richardson, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Russo, Mr. Savage, Mr. Schumer, Mr. Smith of Florida, Mr. Sunia, Mr. Torricelli, Mr. Towns, Mr. Vento, Mr. Walgren, Mr. Waxman, Mr. Weiss, Mr. Wolf, and Mr. Wortley):

H.J. Res. 220. Joint resolution to designate October 28, 1987, as "National Immigrants Day"; to the Committee on Post Office and Civil Service.

By Mr. GRAY of Pennsylvania:

H. Con. Res. 92. Concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal years 1988, 1989, and 1990; to the Committee on the Budget.

H. Con. Res. 93. Concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal years 1988, 1989, and 1990; to the Committee on the Budget.

MEMORIALS

Under clause 4 of rule XXII.

17. The SPEAKER presented a memorial of the Legislature of Montana, relative to a proposed amendment to the Constitution; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 22: Mr. Atkins, Mr. Lewis of Georgia, and Mr. Rinaldo.

H.R. 25: Mr. Hochbrueckner and Ms. Slaughter of New York.

H.R. 36: Mr. Atkins.

H.R. 39: Mr. Stark.

H.R. 52: Mr. Bates, Mr. Valentine, Mr. Levine of California, Mr. Hughes, Mrs. Lloyd, Mr. Swindall, and Mr. Bustamante.

H.R. 59: Mr. Jeffords.

H.R. 74: Mr. Gekas.

H.R. 117: Mr. Burton of Indiana.

H.R. 130: Mr. Moakley, Mr. Brown of Colorado, Mr. Hayes of Illinois, Mr. Hughes, Mr. Stenholm, and Mr. Nielson of Utah.

H.R. 157: Mr. Conte, Mr. Lagomarsino, Mr. Solarz, Mr. Lehman of Florida, Mr. Saxton, Mr. Horton, Mr. McGrath, Mr. Hayes of Illinois, Mr. Fuster, Mrs. Johnson of Connecticut, Mr. Smith of Florida, Mr. Craig, Ms. Kaptur, Mr. Dannemeyer, Mr. Akaka, Mr. Huckaby, Mr. Gray of Illinois, Mr. Kostmayer, Mr. Fazio, Mr. Scheuer, Mr. de la Garza, Mr. LaFalce, Mr. Frost, Mr. Yatron, Mr. Livingston, Mr. Martinez, Mr. Porter, Mr. Owens of New York, Mr. Towns, Mr. Weiss, Mr. Biaggi, Mr. Hughes, Mr. Dorgan of North Dakota, Mr. Madigan, Mr. Brennan, Mr. Lantos, and Mr. Barnard.

H.R. 186: Mr. Mrazek.

H.R. 245: Mr. Gordon, Mr. Penny, Mr. Pickle, Mr. Ravenel, Mr. Rinaldo, and Mr. Sensenbrenner.

H.R. 275: Mr. Waxman.

H.R. 313: Mr. Jeffords and Mr. Atkins.

H.R. 372: Mrs. Bentley and Mr. Herger.

H.R. 379: Mr. DeWine and Mrs. Johnson of Connecticut.

H.R. 432: Mr. Burton of Indiana, Mr. Hyde, Mr. Solarz, Mr. Weiss, and Mr. Lowry of Washington.

H.R. 469: Mr. McCollum.

H.R. 514: Mr. MacKay, Mr. Lewis of California, Mr. Hughes, Mr. McKinney, and Mr. McCollum.

H.R. 537: Mrs. Boxer, Mr. Cardin, and Mr. Morrison of Washington.

H.R. 575: Mr. Barnard.

H.R. 578: Mr. Robinson.

H.R. 592: Mr. Hayes of Illinois, Mr. Yatron, Mr. Volkmer, Mr. Kostmayer, Mr. Manton, Mr. Wise and Mr. Tallon.

H.R. 759: Mr. Wyden, Mr. Courter, Mr. Thomas A. Luken, and Mr. Hansen.

H.R. 768: Mr. McKinney.

H.R. 789: Mr. Chandler.

H.R. 791: Mr. McGrath.

H.R. 799: Mr. Roemer and Mr. Udall.

H.R. 900: Mr. Richardson and Mr. Owens of Utah.

H.R. 910: Mr. Mineta, Mr. Biaggi, Mr. Johnson of South Dakota, Mr. Synar, Mr. Badham, Mr. Bonior of Michigan, Mr. Martinez, Mr. Pease, Mr. Clinger, Mr. Stokes, Mr. Yates, Mr. Weiss, Mr. Kolter, Mr. McCurdy, and Mr. Murphy.

H.R. 911: Mr. Ravenel, Mr. McKinney, Mr. Stallings, and Mr. Jacobs.

H.R. 924: Mr. Frost, Mr. Edwards of Oklahoma, and Mr. Stenholm.

H.R. 980: Mr. Clinger.

H.R. 988: Mr. Kostmayer.

H.R. 1008: Mr. Morrison of Connecticut, Mr. Torricelli, Mr. Synar, Mr. Young of Florida, Mr. Jacobs, Mr. Burton of Indiana, Mr. Wyden, Mr. Glickman, and Mr. Solarz.

H.R. 1024: Mr. Martinez.

H.R. 1025: Mr. Green, Mr. Fish, Mr. Hughes, and Mr. Shumway.

H.R. 1026: Mr. Sunia and Mr. Nielson of Utah.

H.R. 1041: Mr. Horton, Mr. Swindall, Mr. Howard, Mr. Roe, and Mr. Lewis of Georgia.

H.R. 1049: Mr. Gephardt and Mr. Duncan.

H.R. 1050: Mr. Sikorski and Mr. Kolter.

H.R. 1064: Mr. Gray of Illinois, Mr. Wolf, Mr. Dwyer of New Jersey, Mr. Garcia, Mr. Espy, Mr. Fish, Mr. Edwards of California, and Mr. Feighan.

H.R. 1065: Mr. Gray of Illinois.

H.R. 1072: Mr. Daniel, Mr. Wortley, Mr. Armey, and Mr. Hyde.

H.R. 1148: Mr. Dornan of California, Mr. Petri, Mr. Roe, Mr. Lewis of Georgia, Mr. Regula, Mr. Fazio, Mr. Atkins, Mr. Espy, Mr. Clinger, Mr. Mfume, Mr. Feighan, Mr. McMillen of Maryland, Mr. Levin of Michigan, Mr. Owens of New York, Mr. Parris, Mrs. Lloyd, Mr. Lipinski, Mr. Hefner, Mr. Dwyer of New Jersey, Mr. Evans, Mr. Fish, Mr. Barnard, Mrs. Bentley, Mr. Boucher, and Mr. Garcia.

H.R. 1154: Mr. Aspin, Mr. Brennan, Mr. Cardin, Mr. Chapman, Mr. Coleman of Texas, Mr. Coyne, Mr. Durbin, Mr. Gejdenson, Mr. Hall of Texas, Mr. Hughes, Mr. Lipinski, Mr. Obey, Mr. Sikorski, Mr. Skeen, Mr. Smith of New Jersey, Mr. Smith of New Hampshire, Mr. Stratton, and Mr. Torricelli.

H.R. 1180: Mr. Atkins, Miss Schneider, Mr. Martinez, Mr. Hawkins, Mr. Rangel, Mr. Wolpe, Mr. Mfume, and Mr. Howard.

H.R. 1202: Mr. Grandy, Mr. Roberts, and Mr. Tauke.

H.R. 1203: Mr. Feighan, Mr. Tallon, Mr. Visclosky, Ms. Oakar, Mr. Hoyer, Mr. Penny, Mr. Owens of Utah, Mr. Mollohan, and Mr. Wolpe.

H.R. 1211: Mr. Martinez, Mr. Sawyer, Mr. McGrath, and Mr. Lewis of Georgia.

H.R. 1213: Mr. Martinez, Mr. Mavroules, Mr. Bilbray, Mr. Clinger, Mr. Udall, Mr. Weiss, and Mr. DeWine.

H.R. 1214: Mr. AuCoin Mr. Carper, Mr. Clarke, Mr. Dicks, Mr. Gejdenson, Mr. Leach of Iowa, Mrs. Martin of Illinois, Mr. McCloskey, Ms. Oakar, Mr. Panetta, Mr. Regula, Mr. Sabo, Ms. Slaughter of New York, Ms. Snowe, Mr. Udall, and Mr. Williams.

H.R. 1228: Mr. Gallo, Mr. Nichols, Mr. Weber, Mrs. Roukema, Miss Schneider, Mr. Stangeland, Mr. Spence, Mr. Gordon, Mr. Penny, Mr. Lehman of California, Mr. Coelho, Mr. Derrick, Mr. Packard, Mr. Young of Florida, Mr. Jenkins, Mr. Duncan, Mr. Bilirakis, Mr. Broomfield, Mr. Madigan, Mr. Traficant, Mr. Sikorski, Mr. Sundquist, and Mr. Mazzoli.

H.R. 1240: Mr. Craig, Mrs. Bentley, and Mr. Shumway.

H.R. 1245: Mr. Solomon and Mrs. Vucanovich.

H.R. 1259: Mr. Lancaster, Mr. Bliley, Mr. Erdreich, Mr. Jontz, Mr. Archer, Mr. Stratton, Mr. Fauntroy, Mr. Whitten, Mr. Barton of Texas, Mr. Gekas, Mr. Valentine, Mr. DeLay, Mrs. Bentley, Mr. Duncan, and Mr. Schumer.

H.R. 1290: Mr. Bateman, Mr. Biaggi, Mr. Borski, Mrs. Boxer, Mr. Cardin, Mr. Clinger, Mr. Dyson, Mr. Espy, Mr. Fazio, Mr. Fish, Mr. Garcia, Mr. Hefner, Mr. Hertel, Mr. Hochbrueckner, Mr. Hubbard, Mr. Hughes, Ms. Kaptur, Mr. Lancaster, Mr. Lewis of Georgia, Mr. Lipinski, Mr. McKinney, Mr. Manton, Mr. Mavroules, Mr. Mrazek, Mr. Ortiz, Mr. Pickett, Mr. Quillen, Mr. Roe, Mr. Tallon, Mr. Vento, Mr. Williams, and Mr. Wise.

H.R. 1397: Mr. Horton.

H.R. 1412: Mr. Foglietta and Mr. Robinson.

H.R. 1432: Mr. Foglietta, Mr. Lipinski, Mr. Roe, Mr. Beilenson, Mr. Ackerman, Mr. Yatron, Mr. Bustamante, Mr. Smith of Florida, Mr. Kostmayer, Mr. Kleczka, Mr. Hughes, Mr. Ravenel, Mr. Owens of New York, Mr. Florio, Mr. Horton, Mr. DeFazio, Mr. Mrazek, Mr. Levin of Michigan, and Mr. Annunzio.

H.R. 1436: Mr. McEwen, Mr. Smith of Florida, Mr. Sikorski, Mr. McDade, Mr. Hayes of Illinois, Mr. Campbell, Mr. Martin of New York, Mr. Dyson, Mr. Robinson, and Mr. Schuette.

H.R. 1443: Mr. Beilenson, Mr. DeFazio, Mr. Upton, Mr. Frank, and Mr. Sikorski.

H.R. 1479: Mr. Mavroules, Ms. Kaptur, Mr. Sunia, and Mr. Atkins.

H.R. 1483: Mr. Garcia, Mr. Pepper, and Mr. Williams.

H.R. 1517: Mr. Sundqist, Mr. Gray of Illinois, Mr. Sunia, Mr. Lagomarsino, Mr. Lungren, Mr. Craig, Mr. Holloway, and Mr. Lewis of Georgia.

H.R. 1545: Mr. Hayes of Illinois.

H.R. 1548: Mr. Thomas of California.

H.R. 1560: Mr. Rangel, Mr. Boehlert, Mr. Stark, Mr. Torres, Mr. Lewis of Georgia, Mr. Duncan, Mr. Wilson, Mr. Roe, and Mr. Lagomarsino.

H.R. 1561: Mr. Evans, Mr. Wolpe, Mr. DeFazio, Mr. Hall of Ohio, Mr. Berman, Mr. Frank, Mr. Clay, Mr. Dellums, Mr. Fazio, Mr. Oberstar, Mr. Owens of New York, Mr. Kastenmeier, Mr. Edwards of California, Mrs. Kennelly, Mr. Pepper, Mr. Leland, Mr. Panetta, Mr. Torres, Mr. Weiss, Mrs. Boxer, Mr. Alexander, Mr. Miller of California, Mr. Hubbard, Mr. Hayes of Illinois, and Mr. Atkins.

H.R. 1585: Mr. Edwards of California, Mr. Owens of New York, Mr. Stark, Mr. Penny, Mr. DeFazio, Mr. Jacobs, Mr. Scheuer, Mr. Glickman, Mr. Brown of California, Mr. Morrison of Connecticut, Mr. Panetta, Mr. Mineta, Mr. Synar, Mr. Bates, and Mr. Konnyu.

H.R. 1624: Mr. Derrick.

H.R. 1639: Mr. Williams.

H.R. 1641: Mr. Jacobs, Mr. Gregg, and Mr. Matsui.

H.R. 1701: Mr. Frank and Mr. Kastenmeier.

H.R. 1722: Mr. Slaughter of Virginia and Mr. Wilson.

H.R. 1723: Mr. Slaughter of Virginia and Mr. Wilson.

H.R. 1729: Mr. Wolf, Mr. Badham, Mr. Davis of Michigan, Mr. Ireland, Mr. Bilirakis, Mr. Crane, Mr. Lott, Mr. Bonior of Michigan, and Mr. Rogers.

H.R. 1732: Mr. Smith of Florida, Mrs. Lloyd, Mr. Henry, Mr. Hughes, Ms. Kaptur, and Mr. Bennett.

H.R. 1742: Mr. Hughes.

H.R. 1752: Mr. Chappell, Mr. Gilman, Mr. Shaw, and Mr. Fauntroy.

H.R. 1776: Mr. Conte, Mr. Ackerman, and Mr. Solomon.

H.R. 1788: Mr. Miller of California, Mr. Williams, Mr. Sikorski, Mr. Lowry of Washington, Mr. Frank, Mr. Edwards of California, Mr. Owens of New York, Mr. Stark, Mr. Penny, Mr. DeFazio, Mr. Jacobs, Mr. Scheuer, Mr. Glickman, Mr. Brown of California, Mr. Morrison of Connecticut, Mr. Mineta, Mr. Synar, Mr. Bates, and Mr. Konnyu.

H.R. 1829: Mr. Bereuter, Mr. Gray of Illinois, and Mr. Derrick.

H.R. 1830: Mr. Bereuter, Mr. Gray of Illinois, and Mr. Derrick.

H.R. 1845: Mr. Cheney and Mr. Lewis of Georgia.

H.J. Res. 48: Mr. Gekas, Mrs. Roukema, Mr. Lightfoot, Mrs. Vucanovich, Mr. Kasich, Mr. Fish, Mr. Ridge, Mr. Sensenbrenner, Mr. Whittaker, Mr. Sweeney, Mr. Kyl, Mrs. Martin of Illinois, and Mr. Schaefer.

H.J. Res. 51: Mrs. Boxer and Mr. McGrath.

H.J. Res. 62: Mr. Burton of Indiana.

H.J. Res. 67: Mr. Ackerman, Mr. Bevill, Mr. Bryant, Mr. Dannemeyer, Mr. Dellums, Mr. DeWine, Mr. Fish, Mr. Frost, Mr. Horton, Mr. Hughes, Mr. Inhofe, Mrs. Johnson of Connecticut, Mr. Konnyu, Mr. Lowery of California, Mr. Miller of Washington, Mr. Pepper, Mr. Regula, Mr. Shaw, Mr. Sikorski, and Mr. Volkmer.

H.J. Res. 90: Mr. Spratt, Mr. Howard, Mr. DioGuardi, Mr. Bevill, and Mr. Lewis of Georgia.

H.J. Res. 100: Mr. Torricelli, Mr. Dixon, Mrs. Bentley, Mr. Hall of Texas, Mr. Boner of Tennessee, Mr. Courter, Mr. Blaz, Mr. Hughes, and Mr. Wolpe.

H.J. Res. 108: Mr. Garcia, Mr. Schaefer, Mr. Gibbons, Mr. Badham, Mr. McGrath, Mr. Daniel, Mr. Mrazek, Mr. Stenholm, Mr. Campbell, Mr. Robert F. Smith, Mr. Carper, Mr. de Lugo, Mr. Coleman of Texas, Mr. Kemp, Mr. Coleman of Missouri, Mr. Saxton, Mr. Bunning, Mr. Tauke, Mr. Owens of Utah, Mr. Hall of Ohio, Mr. Lent, Mr. Crockett, Mr. Borski, Mr. Stark, Mr. Flake, Mr. Stallings, Mr. Broomfield, Mr. Blaz, Mr. McCollum, Mr. Gray of Pennsylvania, Mr. Boner of Tennessee, Mr. Weber, Mr. Shumway, Mr. Markey, Mr. Mica, Mr. Foglietta, Mr. Dyson, Mr. Hochbrueckner, Mr. Harris, Mr. Coelho, Mr. Mollohan, Mr. Whittaker, Mr. Rowland of Connecticut, Mr. Lewis of Georgia, Mr. Richardson, Mrs. Vucanovich, Mr. Hiler, Mr. Bates, Mrs. Morella, Mr. Mineta, Mrs. Meyers of Kansas, and Mr. Hammerschmidt.

H.J. Res. 116: Mr. Walgren, Mr. Hefner, Mr. Natcher, Mr. Jones of North Carolina, Mr. English, Mr. Ballenger, Mr. Hubbard, Mr. Perkins, Mr. Neal, Mr. Mazzoli, Mr. Duncan, Mr. Grandy, Mr. Dickinson, Mr. Dymally, Mr. Barnard, Mr. Skelton, and Mr. Hopkins.

H.J. Res. 128: Mr. Chandler.

H.J. Res. 132: Mrs. Collins, Mr. Weiss, Mr. Studds, Mr. Conyers, Mr. Guarini, Mr. Scheuer, and Mr. Brown of Colorado.

H.J. Res. 134: Mr. Dellums, Mr. Dowdy of Mississippi, Mr. Coelho, Mr. Donnelly, Mr. Hunter, Mr. Harris, Mr. Hall of Texas, Mr. Bateman, Mr. McEwen, Ms. Kaptur, Mr. McCollum, Mr. Campbell, and Mr. Hall of Ohio.

H.J. Res. 138: Mr. Fields, Mr. McGrath, Mr. Waxman, Mr. Sunia, Mr. Pepper, Mr. Crockett, Mr. Rangel, Mr. Fish, Mr.

DORNAN of California, Mr. WOLPE, Mr. BORSKI, Mr. OWENS of Utah, and Mr. HERTEL.

H.J. Res. 139: Mr. GRAY of Illinois, Mr. WOLF, Mr. DWYER of New Jersey, Mr. GARCIA, Mr. ESPY, Mr. FISH, Mr. HUGHES, and Mr. FEIGHAN.

H.J. Res. 145: Mr. KOLTER, Mr. PEPPER, Mr. FISH, Mrs. BOXER, Mr. COATS, Mr. GUARINI, Mr. HOWARD, Mr. FAZIO, Ms. OAKAR, Mr. LEWIS of Florida, Mr. SHAW, Mr. HUGHES, and Mr. LUNGREN.

H.J. Res. 155: Mr. HUGHES, Mr. MARTIN of New York, Mr. OLIN, Mr. ESPY, Mr. WORTLEY, and Mr. CAMPBELL.

H.J. Res. 163: Mr. DE LA GARZA, Mr. LEATH of Texas, Mr. MARLENEE, Mr. WORTLEY, Mr. LEWIS of Georgia, Mr. DOWDY of Mississippi, Mr. MCEWEN, Mr. DYMALLY, Mr. EMERSON, Mr. MACK, Mr. GRADISON, Mr. SPRATT, Mr. MILLER of California, Mr. NATCHER, Mr. GUNDERSON, Mr. FISH, Mr. VANDER JAGT, Mr. JACOBS, Mr. WYDEN, Mr. QUILLEN, Mr. BROWN of Colorado, Mr. HEFNER, Mr. DENNY SMITH, Mr. PICKETT, Mr. LEWIS of Florida, Mrs. MORELLA, Mr. MOLLOHAN, Mr. KLECZKA, Mr. HUGHES, Mr. COBLE, Mr. CAMPBELL, Mr. BATEMAN, Mr. LAFALCE, Mr. MCMILLEN of Maryland, Mr. OLIN, Mr. THOMAS A. LUKEN, Mr. MATSUI, Mr. COURTER, Mr. DONNELLY, Mr. HALL of Ohio, Mr. LIVINGSTON, Mr. BENNETT, Mr. JONES of North Carolina, Mr. LEHMAN of California, Ms. OAKAR, Mr. RITTER, and Mr. WHEAT.

H.J. Res. 164: Mr. NIELSON of Utah and Mr. ECKART.

H.J. Res. 173: Mrs. MORELLA, Mr. ROGERS, Mr. PANETTA, and Mr. KENNEDY.

H.J. Res. 180: Mr. HUGHES, Mr. MANTON, and Mr. GRADISON.

H.J. Res. 183: Mr. JEFFORDS, Mr. FROST, Mr. KILDEE, Mr. DE LUGO, Mr. CAMPBELL, Mr. FAZIO, and Mr. STOKES.

H.J. Res. 190: Mr. ACKERMAN, Mr. BATEMAN, Mr. BOLAND, Mr. BONER of Tennessee, Mr. CARPER, Mr. CARR, Mr. CHANDLER, Mr. CONTE, Mr. DEWINE, Mr. DIOGUARDI, Mr. ERDREICH, Mr. FASCELL, Mr. FAUNTROY, Mr. FISH, Mr. FRANK, Mr. GRADISON, Mr. GREEN, Mr. HOCHBRUECKNER, Mr. HORTON, Mr. HOYER, Mr. HUNTER, Mr. JEFFORDS, Mrs. JOHNSON of Connecticut, Mr. KENNEDY, Mr. LELAND, Mr. LOWERY of California, Mr. MCGRATH, Mr. MAZZOLI, Mr. MOLINARI, Mr. MRAZEK, Mr. OWENS of New York, Mr. PORTER, Mr. ROBINSON, Mr. ROE, Mr. SCHULZE, Ms. SLAUGHTER of New York, Mr. SMITH of New Jersey, Mr. SMITH of Florida, Mr. SOLARZ, Mr. STRATTON, Mr. SWINDALL, Mr. TORRICELLI, Mr. WEISS, Mr. WILSON, and Mr. WORTLEY.

H.J. Res. 193: Mr. AKAKA, Mr. BONER of Tennessee, Mrs. COLLINS, Mr. EDWARDS of Oklahoma, Mr. GUARINI, Mr. HOLLOWAY, Mrs. JOHNSON of Connecticut, Mr. LIPINSKI, Mrs. LLOYD, Mr. MONTGOMERY, Mr. MOORHEAD, Mr. ROE, Mr. SKELTON, Mr. SWEENEY, Mr. WAXMAN, Mr. WHITTEN, and Mr. WYDEN.

H.J. Res. 201: Mr. ACKERMAN, Mr. BONER of Tennessee, Mr. SCHUMER, Mr. MARKEY, Mr. BERMAN, Mr. BUSTAMANTE, Mr. WYDEN, Mr. SMITH of Florida, Mr. HEFNER, Mr. DIOGUARDI, Mr. HUGHES, Mr. ROE, Mr. BOLAND, Mr. LEHMAN of Florida, Mr. FUSTER, Mr. LELAND, Mr. MFUME, Mr. MORRISON of Connecticut, Mr. LEVIN of Michigan, Mr. MCKINNEY, Mr. TAUZIN, Mr. CLAY, Mr. SOLARZ, Mr. LEWIS of Georgia, Mr. CONYERS, and Mr. FAUNTROY.

H. Con. Res. 15: Mr. SENSENBRENNER, Mr. HUNTER, Mr. HUGHES, Mr. BALLENGER, Mr. HILER, and Mr. DIOGUARDI.

H. Con. Res. 30: Mr. SENSENBRENNER, Mr. PICKETT, Mr. UDALL, Mr. PACKARD, Mr. SHUSTER, Mr. HORTON, Mr. RAHALL, Mr. PRICE of Illinois, Mr. MCEWEN, Mr. LEWIS of California, Mr. HUGHES, Mr. AKAKA, Mr. LUJAN, Mr. WILSON, Mr. CARR, Mr. YATES, Mr. TAUZIN, Mr. MCGRATH, Mr. SLAUGHTER of Virginia, Mr. KLECZKA, Mr. VISCLOSKY, Mr. SKELTON, Mr. MOORHEAD, Mrs. BYRON, Mr. SISISKY, Mr. MACKAY, Mr. MCHUGH, Mr. HAYES of Illinois, Mr. NAGLE, Mr. STRATTON, Mr. HALL of Texas, Mr. BOSCO, Mr. CONYERS, Mr. CAMPBELL, Mr. TORRES, Mr. TAYLOR, Mr. INHOFE, and Miss SCHNEIDER.

H. Con. Res. 62: Mr. VALENTINE, Mr. SIKORSKI, Mr. LEWIS of Georgia, Mr. BEVILL, and Mrs. BENTLEY.

H. Con. Res. 63: Mr. HEFNER, Mr. KLECZKA, Mr. ROSE, Mr. STUDDS, and Mr. ATKINS.

H. Res. 15: Mr. HOCHBRUECKNER and Mr. BUSTAMANTE.

H. Res. 68: Mr. CAMPBELL, Mr. SIKORSKI, and Mr. ROBINSON.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1777

By Mrs. SCHROEDER:

—After section 146, insert the following new section:

SEC. 147. AUTHORITY OF CHIEF OF MISSION.

Section 207 of the Foreign Service Act of 1980 (22 U.S.C. 3927) is amended by adding at the end the following new subsection:

"(d)(1) Nothing in this section authorizes the chief of mission to a foreign country to direct, coordinate, or supervise the activities in that country of representatives of the Inspector General or of the Comptroller General in the conduct of any inspection, investigation, or audit within the jurisdiction of the Inspector General or the Comptroller General. If the Secretary of State finds that the activities of representatives of the Inspector General or of the Comptroller General in a foreign country pose a serious danger to the foreign policy or national security of the United States, the Secretary of State may direct the Inspector General, or request of the Comptroller General, to curtail the activities of their representatives to the extent necessary to protect the foreign policy or national security of the United States.

"(2) For purposes of this subsection—

"(A) the term 'Inspector General' means the Inspector General of the Department of State, as established under the Inspector General Act of 1978 (5 U.S.C. App.); and

"(B) the term 'Comptroller General' means the Comptroller General of the United States.".

SENATE—*Tuesday, March 31, 1987*

(Legislative day of Monday, March 30, 1987)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Honorable Alan J. Dixon, a Senator from the State of Illinois.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

God of Abraham, Isaac, and Israel, You posed a penetrating question to Your people of the Old Covenant, "What iniquity have your fathers found in me, that they have gone far from me and have walked after vanity and are become vain?" (Jeremiah 2:5) Through Your prophet Jeremiah, You charged them, "My people have changed their glory for that which doth not profit." (Jeremiah 2:11). And Your people today deserve the same indictment. Be patient, long-suffering God, with our perennial waywardness. We have dismissed spiritual, eternal reality as religion, which makes it possible for us to handle it, to control it. With a false dichotomy, sacred versus secular, a distinction You do not make, we relegate religion to peculiar, fortress-like buildings separate from life. We treat the spiritual as irrelevant, forgetting that You created what we call secular and called it "very good." We equate morality with religion and banish moral issues on the basis of the first amendment. Just God, forgive our manipulations of truth, our self-deceiving transvaluation of values. Restore us to the absolutes of truth and justice and righteousness. In His name who is love incarnate. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. Stennis].

The assistant legislative clerk read the following letter.

U.S. Senate,
President pro tempore,
Washington, DC, March 31, 1987.

To the Senate:

Under provisions of Rule I, Section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable Alan J. Dixon, a Senator from the State of Illinois, to perform the duties of the Chair.

John C. Stennis,
President pro tempore.

Mr. DIXON thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AID FOR THE HOMELESS

Mr. BYRD. Mr. President, the distinguished Republican leader and I were just discussing the homeless package that has been introduced and cosponsored by the two of us, together with other Senators on both sides of the aisle. The committees that have jurisdiction over that bill are the Labor and Human Resources Committee; the Governmental Affairs Committee; the Banking, Housing, and Urban Affairs Committee; and the Agriculture, Nutrition, and Forestry Committee.

Those committees are trying to report their components of the bill to the Senate this week.

I was just saying to the distinguished Republican leader that if we can work together to urge attendance at those committees so that there will be quorums present, it would expedite reporting out the components of the bill. We only have one more week after this week prior to the Easter recess. It is the desire to complete action on the homeless bill before the Easter recess.

I wonder if the distinguished Republican leader has any reaction.

Mr. DOLE. Only to indicate that we certainly will make an effort to encourage Members to be present so they can report the bill. I think the majority leader is correct, that we should complete action on it before the recess. The House acted several weeks ago. We have been doing a lot of work on this side, working it out on a bipartisan basis.

Mr. President, it would seem to me that it is in the best interest of everyone to get it reported out and move as quickly as we can.

Mr. BYRD. Mr. President, I thank the Republican leader.

THE SEMICONDUCTOR AGREEMENT

Mr. BYRD. Mr. President, I rise today to congratulate the President on his decision to take tough steps to encourage the Japanese Government to come into full compliance with the semiconductor agreement. Semiconductors are the building blocks of computers and hundreds of other electronic products. In addition they are vital components of our most sophisticated weaponry. Japanese failure to comply fully with the semiconductor agreement has cost the American industry an estimated 30,000 to 40,000 jobs. Because of the vital importance of semiconductors to our national security, we simply cannot allow the industry to move to foreign shores. It is just that plain, that simple.

Japan is a great friend and a fine ally, but just as Japan does what is in her own interests, the United States must be determined to do likewise. We must enforce these vital trade agreements just as we would enforce any agreement critical to our national security. These sanctions should be lifted only when American access to Japanese semiconductor markets improves and when Japan ceases to dump semiconductors on the world market.

Prime Minister Nakasone is due to visit the United States in late April, and the President's action here may boost the Prime Minister's ability to convince elements in his country to open more markets to U.S. products. This action should also go a long way toward helping our trade negotiators achieve reciprocity with our trading partners.

My only regret is that the President did not act sooner, before loss to the semiconductor industry in the United States reached as high as $300 million.

The steps that the President has announced he will be taking are long overdue, but I commend him for making a beginning toward encouraging fairness and reciprocity in our trade situation.

According to reports, this announcement has led some people here and abroad to "fear a trade war" between the United States and Japan. That fear simply has no basis in fact. I know of no one in Congress or the administration who wants to engage in a spiral of retaliation with Japan on this or any other issue.

In this case, the United States reached a narrow and specific agreement with Japan on semiconductors 8 months ago. We have been providing the Japanese Government with evidence of noncompliance in regular meetings since last fall. When we reached an impasse going that route, the administration finally decided to impose narrow and judicious sanctions. The sanctions will affect $300 million worth of Japanese imports—equivalent to our losses due to their noncompliance. That represents barely three-tenths of 1 percent of our total $86 billion in imports from Japan—three-tenths of 1 percent.

There is much more to be done if the competitive position of the U.S. economy in the world is to improve. Our trade problem involves adjustments in American education, American product marketing, quality control, Third World debt, and a host of other areas. It also requires a responsible fiscal policy that will reduce the budget deficit. But, fundamental to all that is making sure that we have a fair chance to compete and that agreements which we enter in good faith with our partners are enforced. This is the President's duty, and I commend him for doing it.

The Japanese simply did not think we would ever do anything. So they have been surprised. It is about time.

Mr. President, I ask unanimous consent that I may reserve the remainder of my time if I have any.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the minority leader is recognized.

Mr. DOLE. Mr. President, I thank the Chair.

THE SEMICONDUCTOR AGREEMENT

Mr. DOLE. Mr. President, in line with the statement the distinguished majority leader just made about the action by the President, I certainly thank him for supporting the President's action. I, too, think it was long overdue and welcome the action taken by the President in reference to the Japanese.

The stock and bond markets seem to think there is going to be a trade war, but I doubt that is the case. The administration's announced retaliation on semiconductors is, in fact, a highly limited action. Moreover, it is one which can largely be avoided by swift and responsible actions on the part of our Japanese friends. President Reagan and Prime Minister Nakasone will be meeting in a matter of weeks, and it ought to be possible for determined leaders of both countries to come together and settle this dispute quickly.

The Japanese agreed to the semiconductor agreement 9 months ago. All the United States is asking is that it now be observed. This is not too much to ask. The Japanese have been on notice that we would expect compliance. It is not too much to hope that the Japanese will acknowledge this, and move to satisfy United States concerns. They bear the consequences of trade frictions at least as much as we do.

So I urge those of us in Congress to express our support of the administration in a difficult time, and express to Japan our hope that it will continue to show the cooperative spirit that has made us close postwar allies.

In addition, we must hope that the markets will focus on the realities of the situation, and trust that the parties involved will appreciate the consequences and move quickly to resolve their dispute.

THE SOVIET "VERIFICATION OFFENSIVE"

Mr. DOLE. Mr. President, last week I commented on the amnesia which all Soviet arms control officials seem to have developed just after General Secretary Gorbachev's February 28 speech. According to Soviet officials, the United States has now advanced new proposals on shorter range intermediate nuclear force missiles. In fact, these missiles have been part of our position since 1981.

Recent Soviet statements also contain another interesting wrinkle: The Soviets—in the words of Chief Negotiator Vorontsov—are taking the offensive on verification because they want "to be sure that the United States keeps its pledges." The fact is that the United States and its allies abide by their obligations, and in our open societies, the Soviets can check our performance any day of the week. Unfortunately, the reverse is not true.

The Soviet spokesmen have twisted their desire to exclude shorter range missiles from an INF Treaty into a verification problem. If the United States converts Pershing-2's into shorter range missiles to counter the Soviet monopoly in these systems, how can the Soviets know they have not been reconverted? A good question, but one easily met by good onsite inspection measures.

An unverifiable treaty will provide no security at all. Indeed, it might well become a source of tension. Therefore, we will need extensive onsite verification written into any INF agreement. I mention this because, up until just a few weeks ago—before the Soviet verification offensive—the Soviets wanted to treat verification as a "detail" that could be worked out after the agreement is signed. In fact, we will have to confirm missile numbers and types, see their conversion or destruction, and visit places where such missiles could be produced, deployed or hidden. These are not details. This President and this Senate just will not buy it.

Just in case the Americans were too solid on verification, the Soviets have also resorted to the familiar tactic of trying to drive a wedge between us and our friends in Europe. They have been quick to point out that inspections of European military facilities will be required. They present our NATO consultations on verification as something we conjured up to hide behind. Nothing could be more distorted. Free countries meet all the time to discuss their views on various subjects—including verification. Let us recall that the Europeans have been calling for extensive onsite inspection for years in the conventional forces and chemical weapons talks. INF is no different.

As I said last week: If the Soviets want progress on INF, they have only to tell our negotiators in Geneva this, and then get down to serious business. America—and our allies—will welcome an agreement which truly enhances European security and stability.

A BICENTENNIAL MINUTE—MARCH 31, (1888): PRIVATE CLAIMS BILLS

Mr. DOLE. Mr. President, at the end of the day on March 31, 1888, 99 years ago today, Senate Doorkeeper Isaac Bassett followed his daily custom of jotting down his thoughts on that day's activity. That evening he wrote:

> The Senate passed more bills than they ever did before in the history of the Senate: Numbered one-hundred and eighty-five.

At first glance, we might think that that must have been quite a day. The CONGRESSIONAL RECORD, however, reveals that the reason Bassett could report this great number of bills passed was because they were almost all "private claims" bills.

Private claims bills are legislation intended for the benefit of an individual, or group. They are used essentially as a court of "last resort," because the people seeking relief must have exhausted all reasonable administrative and judicial procedures before asking Congress to intercede on their behalf. The first private claims bill was passed on September 24, 1789, and gave 17 months of back pay to Baron De Glaubeck, a foreign officer who served America during the revolution.

In the late 19th century, land claims, military justice claims, and pension claims were the most common types of private claims bills. Most of the 185 bills Bassett mentioned, for example, were pension claims arising from the Civil War. S. 1957, for instance granted a pension to Virtue Smith, widow of David W. Smith. "Late a private in Company A, First Regiment, Minnesota Volunteers."

The 1946 Legislative Reorganization Act created the Federal Tort Claims Court to relieve Congress of the burden the mushrooming number of such cases had become. As a result, today only a small number of private claims cases, those not covered by the court, reach the Senate each year.

Mr. President, I reserve the balance of my time.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond the hour of 10:30 a.m., with Senators permitted to speak therein for not to exceed 5 minutes.

The Senator from Wisconsin is recognized.

Mr. PROXMIRE. I thank the Chair.

U.S. HOUSING BEST IN WORLD; MUST BE BETTER

Mr. PROXMIRE. Mr. President, today the Senate will complete action on a major housing bill. This bill is probably the most realistic action the Congress can take to improve housing for the poor. But many of those who have followed Federal housing policy most closely are disappointed. We should do better. It is a strange paradox.

Our country today provides the best housing in the world. Indeed, Americans are the most comfortably, cleanly, conveniently housed people in human history. Yet we are told that this country has a housing crisis. We are suddenly aware of the homeless. We see with our own eyes as we trudge to work on a dark, early, very cold morning, people sleeping, huddled up on stone benches or on a grate. We are told that there is a higher proportion of children than ever moving from one emergency shelter to another.

Members of Congress also know that of all the social programs housing has suffered the most severe and consistent reductions in funding for the past 6 years. We know of the pathetic dearth of family housing for the poor. We know there has been no significant progress in advancing new housing legislation for years. We know the current administration has appointed the sleepiest, slowest, and most indifferent housing administrators in memory. And we know the case for improved low- and moderate-income housing is overwhelming.

So, how can our country be said to provide the best housing in the world? How can be boast of the best housing this or any country has ever enjoyed? Well, consider the facts: first, is American housing crowded? In 1940, there were 3.28 persons in a median household. The average house had a little over one room per inhabitant. Today the average household is 2.67 people. They have more than two rooms apiece. What does this mean? It means that in the past 45 years, American homes have become more than twice as roomy.

How about the availability of sanitary facilities? In 1940, nearly a quarter of American homes did not even have running water. Today, more than 97 percent of our homes not only have running water, they have complete private plumbing facilities.

How about the conveniences that make life livable? In 1940, almost one quarter of American homes did not even have radios. Today 95 percent of American homes have television. In 1940, air-conditioning was rare even in the most expensive homes. For the overwhelming majority of Americans air-conditioning in a home was literally unheard of. I lived in a place called Lake Forest, IL, near Chicago, a prosperous suburb. There was no air-conditioning in those homes. The Gold Coast of Chicago—no air-conditioning. And today? Today 6 out of 10 American homes have air-conditioning.

Sound great? It is. But it could have been better. The progress has not been as steady as it should have been. One measure of the success of a housing policy is the proportion of persons who own their own homes. We have been properly proud of the fact that, generally, the United States has been a world leader in home ownership. In this category, we have lost ground in the past 6 years. In 1980, the United States achieved a peak in the proportion of dwellings occupied by their owners. It was 64 percent. By 1986, that proportion had fallen by more than 10 percent to 57 percent.

In a sense it could be said that this country has too much housing. Consider: In 1960, there were 4.8 million vacant dwelling units. By 1970, that had risen to 5.3 million. Today, in the first quarter of 1987, the number has almost doubled to 10.3 million vacant units. The reasons for the vacancies is revealing. There are 4.4 million homes not yet occupied because they are for sale or rent. But a whopping 6 million are off the market because they are second—that is vacation—homes, or owned by persons whose usual residence is elsewhere. This "second home" ownership has more than doubled since 1970. It constitutes a vivid reflection in this country's affluence.

So, in summary, some Americans are far better housed than ever. We have affluent housing as never before. Most Americans are enjoying roomier—twice as many rooms per occupant—and far more comfortable—air-conditioned—and convenient and clean—indoor plumbing—as well as pleasant—television—homes than ever. Altogether, housing for most Americans has vastly improved. That makes it all the more imperative that our Nation can and should provide the kind of housing for the poor we can afford.

Mr. President, I yield the floor.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the rolls.

The assistant legislative clerk proceeded to call the roll.

(Mr. PROXMIRE assumed the chair.)

Mr. DIXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

1987 HOUSING AUTHORIZATION

Mr. DIXON. Mr. President, I am pleased that the 1987 housing and urban affairs authorization bill, S. 825, is among the first authorizing proposal on which this body will act. Our distinguished colleagues, Senator PROXMIRE—who is in the chair right now—as chairman of the Banking, Housing, and Urban Affairs Committee, and Senator CRANSTON as Housing Subcommittee chairman, have provided excellent leadership in getting this bill to the floor for early consideration.

Although the Senate Banking, Housing, and Urban Affairs Committee approved a housing bill last year, S. 2507, it has been 4 years since the House and Senate were able to agree on a major housing bill. These issues are far too important and affect the lives of too many Americans for us to continue providing authority by extending temporary resolutions, providing assumptions in budget resolutions, or by authorizing legislation on appropriation bills. Both Houses must agree to a bill this year.

I believe that in approving S. 825, the committee has acted responsively to both program participants and taxpayers. It reauthorizes such significant and successful programs as low-income assisted housing, community development block grants, urban development action grants, and rural housing loans and grants. In addition, it authorizes many of these programs for 2 years at current year funding levels, and rejects secondary mortgage market user fees.

Moreover, S. 825 includes provisions of a bill, S. 243, the Public Housing Resident Management Act of 1987, which, along with Senators GLENN, DANFORTH, and KENNEDY, I introduced on January 6, 1987. The provisions are also very similar to those in S. 2242, the Public Housing Resident Management Act of 1986, a bill which, along with Senator Glenn, I introduced on March 26, 1986.

S. 825 authorizes an alternative to residents of public housing to manage their own housing conditions. It is intended to offer hope and improvements in their overall living conditions, while providing a valuable return on investment for taxpayers.

S. 825 permits a majority of tenant households in a public housing project to approve the establishment of a resident council, which would determine the feasibility of establishing a resident management corporation. Under contract with the local public housing agency, the corporation is authorized to manage the housing project and to retain profits from improved rent collections so that the corporation may: First, establish business enterprises that employ tenants; second, provide better project maintenance and operation; or third, acquire additional dwelling units for low-income families.

As a protection against loss or theft, S. 825 requires each management corporation to provide fidelity bonding and insurance plus an annual audit of its books and records. As an incentive to increase flexibility for tenant-managed projects, corporations may be provided with comprehensive improvement assistance for project improvements and renovations. The Secretary of the Department of Housing and Urban Development would be required to evaluate the Resident Management Program and to submit a report to Congress after 3 years.

Although not known to residents of many public housing developments or to most taxpayers, tenant management is not a new concept. Since the 1970's—on an experimental basis—tenants have managed at least one public housing project in the cities of Boston, Rochester, St. Louis, Louisville, Jersey City, New Orleans, and Washington, DC.

Where resident management currently exists, tenants report that: First, services have improved and maintenance costs have been reduced; second, there has been a reduction in the number of residents receiving public assistance; and third, rent collections have improved. Many of these projects have created jobs and health clinics, formed day care centers, and served as a catalyst for other business ventures. Overall, these public housing communities have become safer and more stable.

The tenant management idea was presented to me by concerned residents from two housing developments in the city of Chicago, Cabrini-Green and LeClaire Courts. I am delighted to inform you, Mr. President, that LeClaire Courts is currently negotiating a special agreement with the Chicago Housing Authority to become Chicago's first tenant management corporation.

I offered the tenant management proposal in response to a request from my constituents, and because of my interest in implementing the program nationwide as a means of improving the housing conditions of public housing residents, while wisely investing our scarce tax dollars.

I realize that tenant management is not a solution to all public housing projects. However, it is intended to increase the flexibility of the residents of those housing projects that choose tenant management.

Let me allay the fears of some of my colleagues. S. 825 does not displace current tenants. It does not require tenant management. It does not relieve the Federal Government of its commitment to public housing programs.

It is my desire to make tenant management one alternative that is available to residents of public housing as they attempt to overcome impoverishment and improve crime-ridden projects in hope for a better tomorrow.

Mr. President, after full debate and discussion, I urge my colleagues to approve S. 825.

TRIBUTE TO THE UNIVERSITY OF NORTH DAKOTA "FIGHTING SIOUX"

Mr. CONRAD. Mr. President, on Saturday March 28, 1987, the University of North Dakota "Fighting Sioux" hockey team defeated the Spartans of Michigan State University, 5-3, in the finals of the NCAA division I hockey tournament to gain their fifth national title since 1959. The "Fighting Sioux" gained a berth in the championship game by defeating the Crimson of Harvard 5-2 on Thursday. North Dakota Gov. George A. Sinner appropriately proclaimed Monday, March 30, 1987, "Fighting Sioux Hockey Day" in the State of North Dakota.

The hockey program at the University of North Dakota, led for the last 9 years by Head Coach Gino Gasparini, deserves special commendation. During the last 9 years, the Sioux have won four Western Collegiate Hockey Association championships, three NCAA division I championships, and have been in the final four of division I five times. This year, the Sioux set UND records for total points, assists, and goals. Coach Gasparini notched his 257th career victory, and the Sioux won 40 games this year, a national record. Sophomore center Tony Hrkac received the 1987 Hobey Baker Award as the Nation's top collegiate player.

As Coach Gasparini remarked, these records speak for themselves. The 1987 University of North Dakota "Fighting Sioux" hockey team is destined to be recorded as one of the greatest teams in the history of college hockey, and perhaps of any sport. They have made all North Dakotans proud and I salute their tremendous accomplishments. We could use a little of that "Fighting Sioux" spirit right here in this Chamber.

DEATH OF AMERICAN ADVISER IN EL SALVADOR

Mr. DOLE. Mr. President, I am sorry to have to bring to the Senate the tragic news that an American military adviser has apparently been killed in El Salvador, as the result of an attack by 800 Marxist guerrillas on a Salvadoran military base.

This death underscores the tragic toll of the war in Central America—a war being waged by Communist guerrillas, whose inspiration, direction, and support orginates in Moscow and Havana, and is channeled through Managua; a war against the democratically elected Government of El Salvador; and a war which threatens both the security of the region and our own security interests there.

This death also underscores one other fact: While the Congress of the United States debates and debates over the provision of assistance to the freedom fighters in Nicaragua, the massive aid that Moscow and Havana are shoveling into the region, with the help of the Sandinistas, continues to have deadly impact.

Mr. President, I hope all of us take new understanding and new resolve from today's tragic event.

HOUSING AND COMMUNITY DEVELOPMENT ACT

The PRESIDING OFFICER. Under the previous order, the hour of 10:30 a.m. having arrived, the Senate will now resume consideration of S. 825, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 835) to amend and extend certain laws relating to housing, and for other purposes.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of the amendment by the Senator from Oklahoma [Mr. Nickles] dealing with Nehemiah, on which there shall be 20 minutes of debate, equally divided and controlled.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, the time will not run.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. REID. Mr. President, I ask if Senator PROXMIRE desires that I proceed with my amendment.

Mr. PROXMIRE. I say to my good friend that this is unfortunately embarrassing. The chairman of the Housing Subcommittee is on his way; he has been informed. Senator RIEGLE also is interested. Of course, the majority manager, Senator D'AMATO, is expected.

Under the circumstances, Mr. President, I think it would be wise if we could have a brief quorum call, without the time being charged against either side, and we will proceed as rapidly as we can.

The ACTING PRESIDENT pro tempore. Does the Senator suggest the absence of a quorum?

Mr. PROXMIRE. I do.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BYRD. Has morning business been closed?

The ACTING PRESIDENT pro tempore. Morning business has been closed. The Senate is now on the consideration of S. 825.

Mr. BYRD. I believe the first amendment under the order was to have been that by Mr. NICKLES.

The ACTING PRESIDENT pro tempore. The majority leader is correct. The second is by Mr. REID; and Mr. REID, as the majority leader can see, is on the floor.

Mr. BYRD. I wonder if perhaps, until Mr. NICKLES arrives on the floor, we could simply proceed with Mr. REID's amendment.

The ACTING PRESIDENT pro tempore. The Chair informs the majority leader that we are waiting for the minority manager.

Mr. BYRD. Mr. President, I ask unanimous consent that the time not start running.

Senator NICKLES is now on the floor. Mr. President, I withdraw my unanimous-consent request.

The ACTING PRESIDENT pro tempore. The request is withdrawn.

AMENDMENT NO. 71

(Purpose: To strike title V of S. 825)

Mr. NICKLES. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Oklahoma [Mr. NICKLES] proposes an amendment numbered 71.
>
> Beginning on page 124, line 5, strike all through page 136, line 9.

The ACTING PRESIDENT pro tempore. Under the previous order the Senate will now proceed to the consideration of the amendment of the Senator from Oklahoma [Mr. NICKLES] dealing with Nehemiah on which there shall be 20 minutes of debate equally divided and controlled.

The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I appreciate the opportunity to introduce this amendment and I hope that this amendment will pass. I hope my colleagues are aware of what is in this housing bill.

My amendment would strike the Nehemiah provision in the housing bill. The Nehemiah provision, for my colleagues who are not aware of it, is a new program. It is an open-ended entitlement program which authorizes the Secretary of Housing to give individuals in primarily urban areas a $15,000 loan on which no interest is repaid, no interest is charged, and no principal is paid. All the Federal Government gets is a second mortgage.

Mr. President, I am supposed to be in a budget meeting right now. Our Budget Committee is just now getting together and we are trying to mark up a budget. We are trying to come up with something that would be fiscally responsible in order to bring down the deficit. But at this very time in this bill we are creating a brand new entitlement program, one that we cannot afford, one that is not in anybody's budget, one that is opposed by the administration, and one that this country cannot afford.

Even if we had a balanced budget, in my opinion, this would be a poor program. This would be a program that we could not afford even if we had surpluses. In my opinion, it is wrong to go out and confiscate individuals' money, their tax dollars, or increase their debt load so that the Government can give up to $15,000 to another individual so that he can buy a home; and he does not have to pay one dime of interest on that loan. To me that makes no sense, and it is hardly a loan.

This should not be called the Nehemiah provision because Nehemiah, as the Presiding Officer is well aware, is the prophet in the Old Testament who went in and rebuilt the walls of Jerusalem. I would say that he was a pretty responsible individual.

I call this a "rich uncle" provision because only a rich uncle could give somebody a $15,000 loan and say "You don't have to pay any principal and you don't have to pay any interest, and yes, if you sell it, I will take a second mortgage and if I get my money back, fine, and if I don't, fine."

The Federal Government is not a rich uncle. The Federal Government cannot afford it.

This provision would benefit only a few areas. Possibly it would benefit Chicago, but it probably would not benefit any other city in the Presiding Officer's home State. I doubt it would benefit any city in the State of Oklahoma. Maybe it could benefit Tulsa and Oklahoma City, but I doubt it. But certainly it could not benefit smaller cities. Why? Because there is a requirement they would have to build at least 50 units. In the larger cities such as Washington, DC, or New York, the requirement would be that they would have to build at least 250 units. And, again, for each one of these units the Government would be granting, or loaning, as I have used that term very loosely, up to $15,000 and not receiving a dime of principal or interest.

In my opinion, Mr. President, it would benefit the middle income, because we are talking about building units in the range of $50,000 or $75,000. Qualifying individuals are required to make a 10 percent down payment.

So you are not going to be helping the lower income people. You are going to be helping people that are already medium-level income.

Looking in the Washington, DC area, you have people that would qualify if their income was $41,000. In Houston, you could qualify if your income was $36,000, and I tell you I know Houston is depressed right now and Dallas as well as Oklahoma City, and I know there are a lot of people who would line up for a long time to be at the starting gate, "Yes, I want that $15,000 no-interest, no-principal loan, and I do not have to make a payment." All a person has to do if they sell it would be supposedly to give some of that money back.

I have a feeling the Government would not get its money back, but the demand would be great. The demand would be very great. You would have thousands, maybe millions of people who will want to get this provision. I have a son who would be entering the housing market in the not-too-distant future and he would love to have a $15,000 no interest loan. I am sure lots of people would.

But what is right about going out and taxing the people of Montana or taxing the people of Oklahoma or taxing the people of South Dakota, taxing people throughout the country that in all likelihood will not get one dime of assistance from this program in order to subsidize and give no interest loans to people possibly in New York City, Washington, DC, Baltimore, or in a few cities for those few select people who would happen to qualify for the program?

I think it is not financially prudent. I do not think it is affordable.

This is a new program, and I would hope that the Senate would use its discretion and not create a new program when in many cases we cannot afford the programs we have today.

I yield the floor.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. D'AMATO. Mr. President, I strongly support this program as does the Banking Committee.

I would like to focus in, if I might, on the last words my distinghished colleague and friend from Oklahoma mentioned. He said a very few, a select few, are going to benefit. The fact of the matter is that it is true. They will be select. They are not few, but they will be select. They will be restricted to having no more than 100 percent of the median income.

I would suggest that in most of our urban centers and even our suburban and rural areas where you cannot buy a home there are tens of thousands, if not millions, of people who are precluded from the American dream of homeownership because they simply do not have sufficient wherewithall to purchase a home.

Let us take a look and see what happened by way of fact in the first Nehemiah program which was a city-sponsored program in New York. What were the incomes of the people in a rather high-income metropolitan area? The median income of the participants in the New York Nehemiah program was not $50,000 not $45,000, not $30,000. It was $24,000. That program made possible homeownership, which for most is a dream that will never by accomplished, because the targets were working families and they had to put in real money and sweat equity. When they have that opportunity, working families will scrimp and save and they will get those dollars, and they will make those downpayments. In most cases the home was $55,000. Rather simple attached homes.

Does the Senator mean to tell me that in a community that has 20,000 or 30,000 people there would not be a need for 50 units? I suggest to you, you will find communities throughout America, up and down our coast to the west, to the east, to the south, where there are more communities that would qualify and that would opt to bring homeownership as a reality to their young people. I am suggesting to you, as we did after World War II, when we enacted a veterans' program that made homeownersiip a reality to the returning veterans of America, that we need such a program today because most of America's young people cannot purchase homes.

This is not a givaway. This is a loan. It is secured by a second mortgage and there must be a 10-percent down payment.

Let us take a look at the so-called rich and affluent in the Brooklyn project that came into a devastated area, and by the way, to qualify an area must be 80 percent in terms of the mean income. You just cannot go into some luxury area. You go into poor neighborhoods. Those are the qualifications that are required. As it relates to this, 40 percent of those homeowners came from either publicly assisted housing or section 8 certificates.

Also, in relation to that, 25 percent of them came from public projects. They moved into their new homes where they had homeownership, and we made it a reality for people with an average income of $6,500. So what we did was make available housing opportunities for the lowest of the low to move into public housing whose average income was $6,500 and we took working families for whom the idea of homeownership was nothing more than a dream they would never attain and we made it a reality.

The results have been spectacular. We can demagog this and there are people who say this is giving Uncle Sam's money away. The same people would probably, if you follow that analogy, have said at the end of World War II, "Don't give the veterans an opportunity to own a home, don't give them a VA mortgage, don't let them put $500 down and own a home, that is anti-American, we are going to bankrupt the Government." A lot of hokum; a lot of nonsense.

We better begin to look and see that the working families of America have an opportunity, that middle-class families have an opportunity to grow and to flourish because it is a myth right now.

Thank you, Mr. President.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. NICKLES. Mr. President, could I inquire how much time is remaining on both sides?

The ACTING PRESIDENT pro tempore. Yes. The Chair informs the Senator from Oklahoma that he has 4 minutes on the side supporting the amendment and those in opposition have remaining 5 minutes and 21 seconds.

Who yields time?

Mr. CRANSTON. I yield 3 minutes to the Senator from Maryland.

The ACTING PRESIDENT pro tempore. The Senator from Maryland.

Mr. SARBANES. Mr. President, I strongly urge the Members of the Senate to reject this amendment.

First of all, there have been a number of misstatements about what the committee's proposal does. It does not provide an entitlement. It is an authorization. The amount of money appropriated for the program would be determined by the Appropriations Committee. The legislation does not create an open-ended claim. There has to be appropriated money. The authorization is for such moneys as may be necessary, but there will need to be an appropriation. So it is a misstatement of the situation to say there is an entitlement.

Second, this program is available to communities all across the country. Now, the Senator from Oklahoma may feel there is no need for housing for poor and moderate-income people in his State. I would think most Members of the Senate would disagree with that evaluation with respect to their own States. And, under this program, it is possible for communities, small communities, by developing 50 units to qualify under the program. The 50-unit criteria was used in order to get some economies of scale in the construction and rehabilitation of the housing units and to have an impact on the improvement of a neighborhood.

This is an initiative which offers a tremendous prospect for meeting the housing needs of our people. It enlists the sponsorship of church and nonprofit organizations which will, in effect, have to make a commitment of their own. It requires a commitment by local government. It offers people an opportunity for homeownership—a chance to develop equity in their homes.

The Senator has made much of the fact that there is a possibility of up to a $15,000 interest-free loan which would be received by a second mortgage on the property involved. Does the Senator know what it costs to construct a unit of public housing in this country? Well over $100,000 to put up a unit of public housing. That is the cost in public moneys—$100,000 to construct a unit of public housing for lower income people.

This program offers an opportunity to construct owner-occupied housing with a Federal investment of $15,000 as an interest-free loan, and the Government claims the second mortgage. It enlists the support of nonprofit and church groups all across the country to help provide this housing. It provides the opportunity to establish stable neighborhoods in areas of severe physical and economic blight.

In the one very successful achievement in Brooklyn, 40 percent of the people buying into Nehemial housing moved out of assisted housing, thereby freeing up that number of units for low-income people.

This is an opportunity, working as a partnership in a cooperative way, like nonprofit organizations and State and local governments, to begin to come to grips with the housing problem in this country. It is an opportunity to move forward in a very balanced, prudent, and frugal way emphasizing important values of saving, home ownership, and neighborhood stability. I urge the Senate to reject this amendment and allow this program to move ahead. This program commanded very strong support in the Senate Banking Committee on both sides of the aisle. It has the support of religious and community leaders across the country.

I submit to the Senator from Oklahoma if he could have personally seen the testimony of people who have participated in this program in New York, people whose dream of homeownership has been realized, he would understand that this is a program that offers a special and significant opportunity to meet the housing needs of our people.

I strongly urge the rejection of this amendment.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. NICKLES addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I appreciate the comments that have been made. I just happen to totally disagree with them. This is a program which we cannot afford. I will grant the Senator from Maryland that this an authorization. But is it the beginning of a new housing program?

I heard my good friend, the Senator from New York, say that this is giving people an opportunity to own a home. He said the people from the lower side of the income scale could get started to own that first home. That is great. But there is a catch. There is a 10-percent downpayment. We have the FHA, which has a 5-percent downpayment, and that is nationwide. That is a program that works. That is a program that has repayment.

This program has a 10-percent downpayment, so you are not going to get the lowest of the low. You are not going to be pulling people up, you are going to be pulling in these people who are making $25,000 or $35,000, in some cases maybe $40,000.

And, yes, you are going to be giving them not a loan—I defy anybody to say it is a loan when you do not charge interest and you do not charge principal. And if they sell it, all you have is a second mortgage. If you go into that type of loan business, you are going broke.

And this idea that because the Federal Government happens to have lots of money and so this program is a desirable objective, is, I think, ludicrous.

What about the poor souls that are making $15,000 in the State of Oklahoma, or in the State of Illinois, and they have to pay the bill so we can have a new project in Baltimore or in New York City for 250 or 500 units? Because, the reality is, these units are not going to end up in Oklahoma. Maybe we would have a unit of 50; maybe not. I do not know.

But is it really right to be taking that much money in taxes or in debt from all the rest of the people in the country so we can give individuals $15,000? And then, if they happen to buy this unit and maybe the property values go down or they move out in a year, does the Federal Government get the money back? It is a second mortgage. If they foreclose and the value is less or just enough to cover the first mortgage, the taxpayers get the short end of the stick.

This could be a very, very expensive program, because the demands will be very great. Many people would love to have a $15,000 "loan" that they do not have to pay interest or principal on.

Again, I find it almost unbelievable, when every person in this body has stood up and blasted this enormous deficit problem that we are wrestling with today, that we would be in the process right now of creating a new program that we can ill afford.

Mr. President, I ask for the yeas and nays on the amendment.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There appears to be a sufficient second.

The yeas and nays were ordered.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. CRANSTON. Mr. President, I rise to oppose the amendment. It would kill a sound provision of the committee bill that would open homeownership opportunities and help build healthy neighborhoods in our cities' most distressed areas. The Nehemiah program deserves a fair test. The committee heard very impressive testimony from experts who had direct experience in the program.

The Nehemiah grant title of the committee bill contains several provisions to ensure that this program helps those who need it most. First, the program is restricted to census tracts in which the median family income is not more than 80 percent of the median income for that area. So it is not going to be attracting families who have many other housing choices.

Second, family incomes cannot be higher than the greater of the area's median income or the national median income for a family of four. So it is targeted to families of modest means who have a very hard time buying a home, finding a home without this program.

Third, the program is open only to first-time home buyers.

For all these reasons, and those described by the Senator from Maryland, I urge the Senate to reject the amendment.

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I will make my comments brief.

Mr. President, I have heard my colleagues saying that this is making opportunities available to people in the lower levels of income. I must say that the FHA is a successful program with a 5-percent downpayment. The VA requires no downpayment. We have programs that have worked and that have been successful that are much broader in scope and that have helped a lot of people, that have been successful with a proven payment record. This is going to be giving a lot of people $15,000 that Uncle Sam will be making more or less as a gift that we cannot afford.

I would hope that Members will not buy the argument that this is helping people on the lower end of the economic scale. FHA does a much better job throughout the country. This program would be isolated more or less to a few large communities and we will be asking the rest of the country to subsidize it.

Again, with our deficit, I do not believe this is an item we can afford.

Mr. NICKLES. Mr. President, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will proceed to the consideration of an amendment to be offered by the Senator from Nevada [Mr. Reid] dealing with rent payment for the elderly on which there shall be 20 minutes of debate equally divided and controlled.

AMENDMENT NO. 72

(Purpose: To reduce for the elderly the contribution required under section 8 rental property from 30 percent to 25 percent)

Mr. REID. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. Shelby). The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Nevada [Mr. Reid] proposes an amendment numbered 72.

Mr. REID. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 101, between lines 2 and 3, insert the following new section:

SEC. . REDUCTION OF RENTAL PAYMENTS FOR ELDERLY FAMILIES.

(a) In General.—Section 3(a)(1) of the United States Housing Act of 1937 is amended by inserting before the semicolon the following: "25 percent in the case of family the head of which (or his or her spouse) is at least 62 years of age)".

(b) Effective Date.—The amendment made by subsection (a) shall become effective on October 1, 1987.

Mr. REID. Mr. President, I rise today to offer an amendment to bring relief to the Nation's elderly. The amendment is simple enough. It rolls back the rental contribution for senior citizens in low-income housing from 30 percent of adjusted gross income to 25 percent. This is a small change, but for a senior who depends on Social Security to cover monthly expenses, it can mean the difference between a square meal or an empty stomach.

Mr. President, the reason for providing low-income housing assistance to the elderly is to provide not only a decent shelter, but services vital to the continuing good health of seniors. In addition to providing safe and decent housing, many housing projects for the elderly also provide friendship and fellowship with other senior citizens, a well-balanced diet, and basic medical care. Due to the 30-percent rent contribution from their small fixed incomes, seniors are unable to enjoy the benefits of such services. Many seniors are thus forced to live in substandard housing.

Let me use my State of Nevada as an example of the problems the elderly face. Although on a small scale, the problem we have in Nevada will sound familiar to many of my colleagues.

Nevada has two main urban areas: Reno and Las Vegas. In a recent study, the Reno Housing Authority identified 2,400 elderly with monthly income just over $500 in need of subsidized housing. When the survey was conducted, the number of low-income units they could afford was only 1,200. This is a ratio of 2 to 1, and the numbers are growing every day. Seniors can expect to wait as long as 2 years for an opening in a low-income housing project in Reno and, the worst part, then find they cannot afford the housing anyway.

In Las Vegas, one of the Nation's fastest growning cities, there are thousands of people on waiting lists—not including those who never bother to sign up when they learn that the waiting period is as long as 3 years. Moreover, the neediest people can seldom be helped because they are too poor to contribute 30 percent of their income to rent. In other words, section 8 is not working; the neediest are not receiving the benefits.

I understand why, back in 1981, the contribution level was raised from 25 percent to 30 percent for all participants in Federal housing assistance programs. But I also understand the increase was adopted with no debate and no consideration of how it would affect all of the program's recipients, especially the elderly. Thoughtful decisionmaking and good public policy was sacrificed to the whims of some administration accountants. Now I am providing this body with the opportunity to partially correct this hasty and faulty decision by returning the rent contribution level for seniors back to an affordable level—25 percent.

This amendment, the oppositon will argue, will cost millions each year. But do not be misled. These figures do not take into consideration real life.

Ken Hebr used to play professional football for the Chicago Bears. A great athlete. But because of an eye disease, his athletic career was shortened. He is blind now. He has devoted his life to working with the elderly. Even though living in total darkness, Ken is an expert on the problems of the elderly.

I vividly remember sitting in his Las Vegas office and his explaining some of his work to me. He specializes in senior employment. Many of his seniors go without things we take for granted. Mr. President, Ken Hebr explained how many, many of the poor seniors go without even toilet paper; that in his Christmas basket collections, Ken recommended that you place in the Christmas basket toilet paper. With that background, it is easy to understand why an extra $15 to $20 per month could mean toilet paper, meals with protein, a phone, or even heat.

What is the value of human dignity?

The opponents of this legislation will say it will cost so much money. But deduct from this phantom figure, first of all, the value of filling the many vacant low-income units in certain areas of our country.

Second, the savings in medical costs which naturally occur because seniors have an adequate roof over their heads.

Plus the cost of additional years to the life of a senior citizen with adequate housing.

In January, the Reno housing director told me access to low-income housing for the elderly can add as much as 5 years to a senior's life. Five years of life for tens of thousands of seniors to me, Mr. President, is a bargain.

I want to express to the committee, its chairman, its ranking member, and the floor managers, my appreciation for their work on this bill providing assistance to the needy, a bill fiscally responsible. Senate bill 825 addresses the basic needs of this country, but the needs of the elderly are unique and not basic in some instances. For many poor citizens, the extra $15 to $20 for food, medicine, heat, even a phone, is important. But to some this extra money literally means the difference between life and death.

This amendment will not cost the Government money. It will save the Government money. Let us not always look at the short-term solution. Let us look at the future. Let us not be penny-wise and pound-foolish all the time.

Congress not only must set budget limitations, but we must also set spending priorities. As a Senator and as a member of the Committee on Aging, this is a top priority for me.

Assuming for argument's sake this amendment does cost a few extra dollars out of our trillion-dollar budget, it must be spent.

We are here dealing with the lives of human beings. Shelter must be affordable. We cannot ask our mothers and fathers to go without adequate housing, without needed medical care, without heat, without food, even without life.

Mr. President, a country is only as good as it treats its seniors in their golden years.

Mr. President, I reserve the remainder of my time.

The **PRESIDING OFFICER.** Who yields time?

Mr. **CRANSTON.** Mr. President, I yield myself 2 minutes.

Mr. President, I commend my colleague from Nevada for offering this amendment and I wish I could support it, but I cannot. I share with him and other Members of the Senate a deep concern for the problem of housing our low-income elderly.

The problem is a special one because it requires more than the availability of decent and affordable housing. Many of our elderly citizens are disabled or infirm and need supportive services at or near their residence.

The problem has grown acute over the past 6 years as we have seen housing in general and elderly housing in particular subjected to disproportionately large budget cuts. In fact, the funding for production of elderly housing—under section 202, Farmers Home, and Public Housing—has been cut 86 percent from its 1979 level.

The bill before us as well as the Senate Urgent Relief for the Homeless Act attempt to deal with the special housing problems of our elderly. The transitional housing program in the homeless package, for example, is designed to stimulate the development of housing and supportive services.

Through rental assistance and loans for construction, the bill now before us contains $2.3 billion for elderly housing. The bill also reauthorizes the Congregate Housing Services Program, a demonstration program providing in-home, community-based supportive services to frail elderly persons in order to prevent institutionalization.

The committee has tried to address the need for elderly housing while also being responsive to the current fiscal realities. We would like to do more. Given the budgetary contraints, however, we cannot do as much as we want.

The Senator's amendment, while worthwhile, would increase Federal outlays be about $500 million annually. For that reason, as chairman of the Housing Subcommittee, I cannot agree to it. I hope that in another year, another time, we can launch that sort of program the Senator from Nevada proposes.

Let me say that we plan another bill that we shall be working on after we complete work on this measure, a long-range housing program and policy for the 1990's. I hope to bring that bill to the floor of the Senate next year. Once we start work on that bill, I shall be delighted to work with the Senator from Nevada to consider getting this sort of approach into that bill.

The PRESIDING OFFICER. Who yields time?

Mr. REID. Mr. President, would the Chair indicate how much time is left to this Senator?

The PRESIDING OFFICER. The Senator from Nevada has 2 minutes, 39 seconds.

Mr. REID. Is there anyone else speaking against the amendment?

If so, I shall reserve my time until they have spoken.

The PRESIDING OFFICER. Who yields time?

Mr. REID. Mr. President, it is my understanding that the yeas and nays have already been ordered on this matter. Is that correct?

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. REID. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. REID. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. REID. Mr. President, I appreciate the comments of the distinguished Senator from California, the manager of this bill. However, I also suggest that the $500 million figure is from figures that were supplied as a result of the Gray amendment that was offered in the House last year. My amendment is more restrictive than that in that it does not include the handicapped and disabled. I suggest the figure is not $500 million.

In closing, I think the constraint in this body is policy, not budget numbers. Budget numbers should be secondary and flow from good policy. I think this amendment is good policy.

The elderly, unlike other groups, especially the poor elderly, have no way to increase their income and move to nonassisted housing.

I have here, Mr. President, many, many letters from people who address this specific problem, who are in a deep quandary because they simply cannot afford to be making their house payments any more on the housing that they have because of this extra 5 percent. This does not include the many, many people who cannot get into housing in the first place.

Healthy seniors require less federally provided medical attention, thus producing savings in the Medicare and Medicaid programs. Seniors are hurting. They have received a 1.3 percent Social Security COLA increase, but due to the increase in Medicare premiums and deductibles, it was lost. There are letters here indicating that some of the housing groups are charging for refrigerators and stoves to make up for the shortfall. These people are hit from all angles, the poor elderly.

For a senior drawing the minimum Social Security distribution of just under $300 a month, a little more or less, the difference between a 25- and 30-percent contribution means an extra $15 a month. That is an impossible situation.

I suggest, Mr. President, that this amendment is good policy and that my colleagues should support it.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from California controls the remaining time.

Mr. CRANSTON. If no one wishes time, Mr. President, I suggest we yield the time we have. That is now done, Mr. President.

The PRESIDING OFFICER. All time is yielded back.

LAUTENBERG AMENDMENT

The PRESIDING OFFICER. Under the previous order, the Senator will proceed to the consideration of the amendment proposed to be submitted by the Senator from New Jersey [Mr. LAUTENBERG] dealing with UDAG.

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I ask unanimous consent that the distinguished Senator from Indiana may proceed out of order for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

INDIANA'S NCAA TITLE

Mr. QUAYLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. QUAYLE. Mr. President, what a game. What a game that was played last night in New Orleans. I mean to tell you. We probably ought to call these hurrying Hoosiers from IU "The Heart Attack Kids" because I want to tell you cardiac arrests were alive and well in the QUAYLE household last night. I am sure others enjoyed watching this game. And opening up my morning's newspaper to the headline it says, "Smart Shot Gives Indiana NCAA Title."

What a game, Mr. President. I hope you saw it, Mr. President. It was something that I am sure you enjoyed. I hope other Senators who are on the floor, and off the floor did also, because they probably will not see another game in their lifetime like the one last night.

Before I get into too many accolades about Indiana and the Hoosiers, I do want to compliment Syracuse. They played one heck of a game. They really did. They played one heck of a game. Quite frankly, going back and forth, it could go either way. But the sheer determination of Bobby Knight's basketball team year in and year out paid off once again.

Watching that, just thinking of that, Mr. President, you know we talk for hours in this body. But this game came down to a few seconds, just a few seconds, minuscule seconds. IU was behind 3 points, Syracuse was at the foul line, and 45 seconds were left on the clock. They get the rebound, they go down, and make the basket. They did not try for the 3-pointer. They said "By golly, just get those 2 points on the board. Let's get this edge. Syracuse is down to 1 point. Then we will see what to do."

They get it down to 1 point with 30 seconds left, with a time out, sort of like a quorum call here. Bobby Knight instituted his quorum call last night when the Hoosiers were down to 1 point, with 30 seconds to go.

So what did they do? They call a time out. They get back in, and then another foul. There is another time out. They call that a refrigerator time out. I do not know if we have a refrigerator quorum call. They call that a refrigerator time out. They did not want to put it on ice. Kansas knows a lot about ice, and Nebraska knows a lot about ice. North and South Dakota know about ice. They know about ice and snow. The refrigerator time out paid off.

The foul shot was missed, and all of a sudden here they come. In came Daryl Thomas 10 to 12 feet away with one man guarding. They could have forced a jump shot with 10 seconds to go. But, oh, no. Here comes old Smart—sort of a definition of Hoosiers; smart. [Laughter.] Here comes old Smart—right; Smart Hoosier—whatever you want to call them.

I see the Senator from New York is on the floor.

Old Smart comes out. Old Smart takes the little jump shot after it is pitched back to Smart, and away we go. There is 1 point, and with 1 second on the clock it is history. Mr. President, Indiana University won its third title.

Mr. D'AMATO. Mr. President, I wonder if my colleague might yield before he introduces that resolution because if he might, I would like to make an observation that I am going to petition the people at Webster's Dictionary——

Mr. QUAYLE. Wait a second, Mr. President, I have the floor, let me finish. The Senator can get into that in just a second.

The PRESIDING OFFICER. The Senator from Indiana has the floor.

Mr. QUAYLE. Let me reclaim the floor.

Let me say, Mr. President, a few words about our team, and the names of the players.

First, I was never a doubting Thomas about IU's prospects. Their victory was hardly a Calloway to win a national championship.

Indiana was not Meiered in confusion—they were poised and experienced on the court. Any Freeman in this great country of ours could see that.

While I will admit to a slight bias—I was Alfor(d) Indiana throughout the final hour—I firmly believe that Indiana was Smart and talented enough to Garrett its formidable opponent.

Clearly beating Syracuse was no Minor feat. In fact, it was something a Hillman on this side of the Eyl can appreciate, an accomplishment of Oliphant-size proportions. But in the end, Indiana forged a victory that any blacksmith would be proud of.

Mr. President, sons and daughters of Hoosier farmers who go to IU quite often do so with a U.S. (S)loan or a Pell grant. But as anyone knows, you can't make a Pelkowski in Indiana. Basketball is the only game in my great State. It was certainly a great game, with great players and a great coach.

Mr. President, in that spirit, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will report the resolution.

The legislative clerk read as follows:

A resolution (S. Res. 181) congratulating Indiana University on winning the NCAA basketball championship.

S. Res. 181

Whereas Indiana University has had an outstanding basketball program since basketball was introduced as a collegiate sport, and has had an exemplary program for its student athletes;

Whereas the Senate applauds IU coach Bobby Knight for winning his third NCAA title, a feat matched only by two other coaches in college basketball history;

Whereas the Senate pays tribute to all four teams—Indiana, Syracuse, Providence and the University of Nevada-Las Vegas—who reached the Final Four in New Orleans;

Whereas Indiana University's victory is much more than just a single accomplishment. It is part of a long and glorious tradition of amateur college athletes in this country: Now therefore be it

Resolved, That the Senate recognizes and congratulates Indiana University for its outstanding achievement in winning the 1987 NCAA basketball title.

The PRESIDING OFFICER. Is there further debate on the resolution? If not, the question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

Mr. QUAYLE. Mr. President, let me just continue a little about the IU Hoosiers.

A point was brought up yesterday by the very distinguished Senator from New York about what the definition of Hoosier really is. He brought forth a definition I had not seen before and one I did not particularly like and one I intend to pursue with the authors of Webster's Dictionary. But I believe that it is perfectly proper for this Senator to enlighten the Senator from New York as to what the definition of Hoosier really is.

There are a lot of definitions. For well over a century and a quarter, the people of Indiana have been called Hoosiers. It is one of the oldest State nicknames and has had a wider acceptance than most. True, there are the Buckeyes of Ohio, the Suckers of Illinois, and the Tarheels of North Carolina, but none of these has had the popular usage accorded Hoosier. The only comparable term in American experience is Yankee.

I ask unanimous consent to have printed in the Record an article which goes through a very detailed description of the definition of Hoosier.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Word "Hoosier"

For well over a century and a quarter the people of Indiana have been called Hoosiers. It is one of the oldest of state nicknames and has had a wider acceptance than most. True there are the Buckeyes of Ohio, the Suckers of Illinois and the Tarheels of North Carolina—but none of these have had the popular usage accorded Hoosier.

The only comparable term in American experience is Yankee. And that started out as a synonym for New Englander. In the Civil War era Southerners applied it indiscriminately to all Northerners. Many a boy from Dixie doubtless felt a sense of shock when he discovered that in the eyes of our British (Limey) allies that all Americans were Yanks!

But where did Hoosier come from? What is its origin? We know that it came into general usage in the 1830's. John Finley of Richmond wrote a poem, "The Hoosier's Nest," which was used as the "carriers' address" of the Indianapolis *Journal*, January 1, 1833. It was widely copied throughout the country and even abroad. Finley originally wrote Hoosier as "Hoosher." Apparently the poet felt that it was sufficiently familiar to be understandable to his readers. A few days later, on January 8, 1833, at the Jackson Day dinner at Indianapolis, John W. Davis offered "The Hooshier State of Indiana" as a toast. And in August, former Indiana governor, James B. Ray, announced that he intended to publish a newspaper, *The Hoosier*, at Greencastle, Indiana.

A few instances of the earlier written use of Hoosier have been found. The world appears in the Carrier's Address" of the *Indiana Democrat* on January 3, 1832. G. S. Murdock wrote on February 11, 1831, in a letter to General John Tipton, "Our Boat will [be] named the Indiana Hoosier." In a publication printed in 1860 *Recollection . . . of the Wabash Valley*, Sandford Cox quotes a diary which he dates July 14, 1827, "There is a Yankee trick for you—done up by a Hoosier." One can only wonder how long before this Hoosier was used orally.

As soon as our nickname came into general use, speculation began as to its origin. The speculation and argument have gone on every since. On October 26, 1833, the *Indiana Democrat* reprinted an article published earlier in the Cincinnati *Republica'*: "The appellation of Hooshier has been used in many of the Western States, for several years, to designate . . . an inhabitant of our sister state of Indiana." The Ohio editor then reviews three explanations of the nickname and concludes:

"Whatever may have been the original acceptation of Hooshier this we know, that the people to whom it is now applied, are amongst the bravest, most intelligent, most enterprising, most magnanimous, and most democratic of the Great West, and should we ever feel disposed to quit the state in which we are now sojourning, our own noble Ohio, it will be to enroll ourselves as adopted citizens in the land of the 'Hooshier.'"

Among the more popular theories:

1. When a visitor hailed a pioneer cabin in Indiana or knocked upon its door, the settler would respond, "Who's yere?" And from his frequent response Indiana became the"Who's yere" or Hoosier State. No one ever explained why this was more typical of Indiana than of Illinois or Ohio?

2. That Indiana rivermen were so spectacularly successful in trouncing or "hushing" their advesaries in the brawling that was then common that they became known as "hushers" eventually Hoosiers.

3. That there was once a contractor named Hoosier employed on the Louisville and Portland Canal who preferred to hire laborers from Indiana. They were called "Hoosier's men" and eventually all Indians were called Hoosiers.

4. A theory attributed to Governor Joseph Wright was to the effect that Hoosier derived from an Indian word for corn, hoosa. Indiana flatboatmen taking corn or maize to New Orleans came to be now as as "hoosa men" or Hoosiers. Unfortunately for this theory, a search of Indian vocabularies by a careful student of linguistics failed to reveal any such word for corn.

5. Quite as plausible as these was the facetious explanation offered by James Whitcomb Riley. He claimed that it originated in the pugnacious habits of or early settlers. They were enthusiastic and vicious fighters who gouged, scratched and bit off noses and ears. This was so common an occurrence that a settler coming into a tavern the morning after a fight and seeing an ear on the floor would touch it with his toe and casually ask, "Whose ear?"

The distinguished Hoosier writer, Meredith Nicholson (The Hoosiers) and many others have enquired into the problem. But by all odds the most serious student of the matter was Jacob Piatt Dunn, Indiana historian and long-term secretary of the Indiana Historical Society. Dunn noted that "hoosier" was frequently used in many parts of the south in the 19th century for woodsmen or rough hill people. He traced the word back to "hoozer," in the Cumberland dialect of England. This derives from the Anglo-Saxon word "hoo" meaning high or hill. In the Cumberland dialect, the word "hoozer" meant anything unusually large, presumably lika a hill. It is not hard to see how this word was attached to a hill dweller or highlander. Immigrants from Cumberland, England, settled in the southern moutains (Cumberland Mountains, Cumberland River, Cumberland Gap, etc.). Their descendants brought the name with them when they settled in the hills of southern Indiana.

As Meredith Nicholson observed, "The origin of the term 'Hoosier' is not known with certainty." But certain it is that on the eve of Indiana's 150th anniversary of statehood Hoosiers bear their nickname proudly. Five generations of Hoosier achievement have endowed the term with connotations that are strong and friendly. It is not without significant that in the 1965 Indianapolis phone book there are two full columns of firm names that incorporate that word "Hoosier."

Mr. QUAYLE. Mr. President, I will not go through all the history, because there are five different types of rationale as to what the definition is of Hoosier. But I think that the real definition of Hoosier is one that was exhibited last night.

So I want my friend from New York to know that the definition of Hoosier henceforth will be "quick, smart, resourceful, skillful, a winner, unique, and—above all—modestly brilliant." [Laughter.]

That is the definition of Hoosier.

Mr. President, in that spirit, I send a resolution to the desk and ask that it be read.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

Mr. CRANSTON. Mr. President, it is fine to have the resolution read at this time, but it has not yet been cleared, so I ask that we not act on it at this time.

Mr. QUAYLE. I asked that it be read. That was my request.

The PRESIDING OFFICER. The clerk will read the resolution.

The legislative clerk read as follows:

A resolution clarifying the definition of the word "Hoosier."

Whereas Indiana University's basketball team displayed the real name of the word "Hoosier" last night: Therefore, be it

Resolved, That a Hoosier is someone who is quick, smart, resourceful, skillful, a winner, unique and brilliant.

Mr. QUAYLE. Mr. President, I have about concluded my remarks. I just want to summarize by saying that it was a super game. If anybody want to see it, I have a tape they can have. I will be glad to send it out, because I want them to see what Hoosierism is all about—not only IU basketball, but what it really means to America.

Once again, I compliment Bobby Knight for his coaching ability and this particular team. I call them "the heart-attack kids." There were many games this season on the borderline, and when the close ones came down to the crunch—whether it was Syracuse or LSU or Wisconsin or Ohio State or whatnot—they were always there.

So, in the spirit of Hoosierism, we have a superlative team, a winning team, a skillful team, a resourceful team, a smart team, and every other attribute and definition that goes along with the nickname of my great State of Indiana.

Mr. D'AMATO. Mr. President, I congratulate the Senator from Indiana for rightfully taking great pride in his Hoosiers and in the tremendous determination and skill they have demonstrated. They have clearly dispelled that which has heretofore been held as the definition of a Hoosier. They were anything but awkward, unhandy, or unskilled. Quite the contrary. They demonstrated a determination that should be the epitome of college athletics.

Obviously, I am quite proud of the tremendous battle on the part of Coach Boeheim and the Syracuse Orangemen, this having been the first time in their illustrious history that they reached the finals. I think they accredited themselves well. It was probably one of the alltime basketball games for an NCAA final. It was a heartbreaker for those of us rooting for the Orangemen, but it was a triumph for Indiana.

I could have used the crying towel which I had sent to my colleague last evening.

Let me also say that I refused to put on the TV this morning to again witness that final shot—with 4 seconds remaining—coming right through the middle of that cylinder, by Mr. Smart.

Again, it was a well-fought, gallant game by both teams. I wish it could have been Syracuse, but they certainly were beaten by a great team.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Jersey.

AMENDMENT NO. 73

(Purpose: To provide notification and appeal under Sec. 143, the anti-pirating provision of S. 825)

Mr. LAUTENBERG. Mr. President, I send an amendment to the desk, which is cosponsored by my colleague from New Jersey, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Jersey [Mr. LAUTENBERG], for himself and Mr. BRADLEY, proposes an amendment numbered 73.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 57, between lines 9 and 10, insert the following new paragraph:

"(4) Following notice of intent to withhold, deny or cancel assistance under paragraph (2), the Secretary shall provide a period of not less than 90 days in which the applicant can appeal to the Secretary the withholding, denial or cancellation of assistance.

Mr. LAUTENBERG. Mr. President, this amendment is very simple. Section 119(h) of the UDAG statute is a prohibition on the use of UDAG's to facilitate business relocation. The law bars assisted relocations that harm the city that the firm is leaving. In other words, UDAG's shouldn't be used to pirate jobs.

Section 143 of the bill requires the Secretary of HUD to issue regulations setting forth criteria under which a finding of pirating could be made. Our amendment would simply require that, as part of those regulations, the Secretary include a provision that would give an applicant community 90-day notification of intent to withhold, deny or cancel assistance. During that time, the applicant community would be given the opportunity to appeal the decision to the Secretary.

Our amendment does not affect in any way the criteria the Secretary must develop to support a finding of "significant and adverse impact." Our amendment does not change the intent of section 143.

What our amendment does is give fair notice to an applicant community that its assistance is in jeopardy. With this provision in place, an applicant community will not have to worry that an arbitrary and discriminatory decision will cost them a legitimate grant award.

That is the substance of our amendment. To ensure that the rules of this section are not applied in an arbitrary and discriminatory manner. To provide notice that decisions to withhold, deny or cancel assistance will be subject to judicious scrutiny.

Mr. President, I would like to briefly review why my colleague, the senior Senator from New Jersey, and I feel strongly that this small change can make a big difference to a community.

On January 9, 1985, the Secretary of Housing and Urban Development issued a policy designed, he said to clarify the way he would enforce section 119(h) of the UDAG statute. Section 119(h) is the prohibition on the use of UDAG's to facilitate business relocation. The Secretary's policy stated that a city within a 50-mile radius of another UDAG-eligible community is "pirating" jobs from that community if the city applying for a UDAG accepts—not solicits, but accepts—firms wishing to move from a neighboring jurisdiction as tenants in a UDAG assisted project.

Mr. President, Secretary Pierce issued this policy in response to a UDAG award for a project in Jersey City, NJ. Subsequently, he canceled the award of that UDAG grant. The grant, for $9 million, was awarded in 1983 to a project that included among its tenants Banker's Trust. Banker's Trust had made a decision to move part of its operations from Manhattan to Jersey City because it represented an economical location for these operations.

Mr. President, this policy was issued with no advance notice, and without the normal comment and review period which usually accompanies administrative policies of such import. At the same time, he rescinded the grant and set off an unfortunate and divisive controversy in the New Jersey-New York metropolitan area over UDAG grants. At the same time, he raised the spectre of similar controversies arising in the 20 CMSA's around this Nation which include UDAG eligible cities within a 50-mile radius of one another.

I do not ever again want any city in New Jersey to be faced with a decision by the Secretary to cancel or deny a UDAG under section 143 without advance notice and the opportunity to be heard. I do not think any other Senators would want to find their States subjected to such decisions either. I urge my colleagues to support this amendment.

Mr. President, I would also like to speak to the intent of section 143 of the bill. The intent of the UDAG Program is not to move jobs around. Rather, it is to encourage job development in economically distressed cities. Cities which might otherwise lose out to suburban and industrial park developments.

In a situation where a firm wants to relocate, without regard to the offer of assistance, it should not be prohibited from moving into a UDAG assisted project. If that were true, our distressed urban centers which participate in the UDAG Program would lose desperately needed jobs and tax revenues to more affluent areas in the region. That would defeat one major role of the UDAG Program. That's why as I read section 143, the Secretary is not barred from providing assistance to a firm that is going to vacate its home city, no matter what—where the assistance simply encourages the firm to move to another distressed city instead of someplace else. In that case, the UDAG is not facilitating the relocation; it is redirecting a relocation that would occur anyway.

After watching many of New Jersey's cities struggle to recover from a decline in the postwar period, I am proud to see them come alive again. I am proud to see the growth in jobs and the commitment to revitalization on the part of our mayors. I have worked hard over the past 4 years with our mayors and business leaders to rebuild New Jersey's cities.

Some of this growth has come from the relocation of businesses that are attracted by the lower cost of doing business in New Jersey. A recent New York Times article about the pattern of relocations in the New Jersey-New York metropolitan area addressed this issue. I ask unanimous consent that a copy of this article, from the March 15, 1987, Times be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHY SUBURBS BEAT THE BOROUGHS IN GAINING TENANTS

(By Mark McCain)

Despite a smorgasbord of subsidies, the boroughs outside of Manhattan rarely beat the New Jersey competition for back-office tenants, dollar for dollar.

That is the one reason why—four years into an aggressive compaign by New York City officials—so few companies are moving operations to Brooklyn, Queens, Staten Island and the Bronx.

Critics say the city should promote less-expensive areas in Manhattan to stem the flow of data-processing and other "back-office" operations to New Jersey. Most recently, the Real Estate Board of New York, a trade group, advanced a proposal for two back-office "development areas" in Manhattan.

"New York City's magnet for back-office users is Manhattan, not Brooklyn," agreed Mitchell L. Moss, a professor of planning and public administration at New York University. "That doesn't mean that occasionally a firm won't locate in Brooklyn, but it will never be a magnet.

"Brooklyn's comparative advantage is that it's a residential community in close proximity to lower Manhattan. For an office user, it offers neither the reduced costs of New Jersey nor the central location and support services of Manhattan."

Numerous factors come into play when a company decides to move back-office operations out of Manhattan, but rental rates are high on the list. "In business today," noted Raymond T. O'Keefe, New York regional director of Cushman & Wakefield, a realty brokerage, "many executives are compensated on the company's bottom line."

As a very rough average, a new back-office facility in Brooklyn is 15 percent more expensive than a nearby New Jersey alternative, real-estate brokers and developers say. That can mean $5 million a year for a million-square-foot complex.

Such large space needs are not unusual for major financial-services companies. Paine Webber, for instance, is moving scattered operations into a million square feet of space in Weehawken, N.J.

"We've just scratched the surface of demand for back office," said Joseph A. Hilton, the Manhattan broker who arranged Paine Webber's lease. "A great number of businesses are out looking for anywhere from 100,000 to a million feet of space."

As the years progress, a tenant in New Jersey will likely see greater savings than the initial percentage because New York City depends on electricity, gas and tax subsidies to even approach New Jersey's rents. Those financial sweeteners begin to phase out in the 8th to 13th years.

Without them, space in the boroughs outside of Manhattan would be nearly 25 percent more expensive from the start.

On the New Jersey riverfront, subsidies trim barely a dollar off the average square-foot cost at the start of a lease. Nevertheless, New Jersey has a strong competitive edge because all the basic elements, from land to electricity, cost less.

Tenants and landlords guards the details of the deals they sign, but on average, a brand-new operations and data center, all ready for computers and employees, costs $4 to $6 more per square foot in Brooklyn than New Jersey based on first-year costs of about $29 to $33 a square foot in Brooklyn.

The base rent is about $22, including the amortized cost of enhancing the space for computer facilities. The operating expenses—including insurance and cleaning—are about $5, the gas and electricity about $3.50, the property tax about 50 cents, and the city's commercial-rent tax about 75 cents.

"New York is trying as hard as it can," Mr. Hilton said, "and it's doing a good job."

But not quite good enough: On the New Jersey riverfront, similar space can be rented for $25 to $27 a square foot. The base rent is about $18, operating expenses about $3.50, utilities about $3.50, and property tax about $1.50. There is no commercial-rent tax, also known as occupancy tax, in New Jersey.

But a simple cost comparison begs the real issues in the back-office competition, New York City officials say.

"When I made a complete swing through the northern New Jersey suburbs a month ago, I saw projects literally stuck in the middle of nowhere," said Alair A. Townsend, the Deputy Major for Finance and Economic Development.

"Some firms are finding that turnover is much higher than anticiapted because people simply can't get there from here. That creates enormous costs in finding new employees and training them."

By comparison, she said, the 600,000-square-foot building under construction in Brooklyn for Morgan Stanley & Company "sits astride major transportation hubs."

Nevertheless, only three other major companies are moving back offices to the boroughs outside Manhattan. The Security Industry Automation Corporation and Citicorp have major plans on the drawing boards, and Drexel Burnham Lambert opened a 100,000-square-foot operation in Brooklyn's Fulton Landing last year.

Yet, Ms. Townsend said, considering that Brooklyn was almost devoid of commerical construction from 1975 to 1984, the borough has come a long way fast. "Two or three years ago, we had nothing to show," she said, "while our competition has buildings with green grass and tulips. Now it's different. We have projects that are real. We have buildings going up."

For the most part, to help bring down occupancy costs further than tax and utility subsidies allow, the city is an equity partner in the projects. "But those participations aren't gifts," Ms. Townsend noted. "As the projects thrive and throw off profits, we will share in the profits."

Critics doubt whether the city will ever recoup a fraction of the money it is pouring into back offices, both directly and through subsidies. The projects, asserted Mr. Moss of New York University, are fueled by politics, not economics.

"Rather than determine where a natural synergy exists, the city has tried to scatter back offices through the outer boroughs like buckshot," he said. "But even with very deep subsidies, the city has little to show for enormous effort. Meanwhile, many firms have quietly expanded into New Jersey."

The Real Estate Board of New York echoed that sentiment in its proposal for the Manhattan back-office districts. One would cover a half-mile swath between the Hudson River and Avenue of the Americas, extending north from Chambers Street up 22 blocks to Barrow Street. The other would run from 23d to 42d Streets, west of Seventh Avenue.

The two districts, as proposed by the board, would offer back-office sweeteners similar to those available in the boroughs outside Manhattan. Currently, a tenant looking for new back-office space in Manhattan must be prepared to pay annual costs of $40 to $50 a square foot, including rent, utilities, taxes and operating expenses.

That is too expensive for the typical back-office operation, which is why they are moving out of Manhattan. A fraction of the flow "has been successfully diverted to Brooklyn and Queens," the board noted, "but the primary effect of the paucity of modern, moderately priced Manhattan office space has been to cede this market to New Jersey."

Other observers agree with that assessment. "There's movement of back offices to the outer boroughs, but not enough to stem the outflow from New York City," said Samuel M. Ehrenhalt, regional commissioner of the Bureau of Labor Statistics. "The problem is still very much with us."

Mr. LAUTENBERG. Mr. President, I recognize that Federal assistance should not be used to lure jobs from one area to another. However, it is not fair that cities in my State might be denied UDAG grants because businesses have decided to leave New York City and would, if offered assistance, relocate to distressed areas in New Jersey, instead of someplace else. We must recognize that businesses move for a variety of reasons, including the costs of doing business.

Mr. BRADLEY. Mr. President, I rise as a cosponsor of the amendment by my colleague from New Jersey, Senator LAUTENBERG. The amendment we are offering will provide UDAG grant recipients with an opportunity to rebut a highly arbitrary administration interpretation of existing law governing urban development action grants [UDAG's]. HUD's internal policy restricts the ability of urban States like New Jersey to receive UDAG's and threatens to discourage UDAG and non-UDAG-related development in any State with an attractive business climate. Surely we do not want to bar urban development action grants from urban areas and punish States with tax policies and infrastructure that promotes economic development. But that is exactly what these rules do.

I share the concerns of my colleagues who believe that UDAG's should not just relocate businesses from one area of the country to another. This issue has arisen in a number of States. In the past, the city of Minneapolis has objected to a $4 million UDAG that resulted in a crane manufacturer moving to North Carolina. This case, along with others, indicates HUD's failure to properly apply the existing law prohibiting UDAG grants for projects which would result in the relocation of industrial or commercial plants from one area to another.

The Government Accounting Office reported in January of 1986 that, as a result of this award, a relocation from Minneapolis to Wilmington, NC, did occur. The GAO strongly suggested that HUD officials failed to pursue this issue in a timely manner.

Secretary Pierce's policy directive on so-called job-raiding heightened the relocation controversy. In January 1985, Secretary Pierce notified the members of the New Jersey congressional delegation that any projects without identifiable tenants would be presumed to result in business relocation from neighboring municipalities if the project were within a 50-mile radius of another UDAG eligible area. But virtually all of New Jersey's urban areas are within 50 miles of either New York or Philadelphia. Secretary Pierce's rule is tantamount to an exclusion of New Jersey—the most densely populated State in the Nation—from the UDAG program. Congress should not tolerate administration rules that pit States against one another or arbitrarily exclude some States form a program available to the rest.

Relocation happens because of State taxes, the skills of a State's work force, and the infrastructure that the State offers to its businesses and workers. To restrict UDAG's because they have the potential to attract businesses from other parts of an urban area is no different from restricting UDAG's in any State with pro-growth economic policies. Most business relocation is from States with high tax rates to States with low tax rates. Why hurt States with low tax rates?

UDAG grants were meant to help revitalize our urban areas. It is more than clear that New York City and northern New Jersey are one metropolitan area, reliant on each other's economic health. Movement across the Hudson River is not the same as movement across the country to another State. Many thousands of New Yorkers as well as New Jerseyans commute to jobs located in one another's State every day. Furthermore, given Department of Labor statistics indicating that New York City enjoyed an increase of 51,000 jobs between 1984 and 1985, it is difficult to argue that UDAG grants to New Jersey have hurt New York. This makes more outrageous the Secretary's cancellation of a previously awarded $9 million grant to Jersey City, NJ. The cancellation of this award has fueled a debate which continues to jeopardize the future of the UDAG Program. The program has been successful, and it has fulfilled the objectives which Congress intended. From 1978 to 1984, over 2,100 UDAG's were awarded to cities throughout the country, resulting in nearly $20 billion in private investment. These grants have helped attract developers to blighted areas that would otherwise have been left to further decay.

I realize that members of the House and Senate Banking Committees have debated this issue in the past. And I thank the distinguished subcommittee chairman from California and other members of the subcommittee for the opportunity to review this issue again. I understand the concerns that my colleagues have, and their wish to pass the housing authorization bill in an expeditious manner. However, attempts to clarify the Secretary's arbitrary policy administratively or through other negotiations have proven to be fruitless. For that reason, Senator LAUTENBERG and I propose an amendment which would provide UDAG applicants with an opportunity to appeal the Secretary's decision to withhold, deny, or cancel a UDAG award. The amendment attempts to address the Secretary's arbitrary policy in a manner that takes into account the particular geographic and economic situation present in the Northeastern United States—a situation that clearly indicates that businesses move from one area to another for a host of different reasons. At present, HUD's internal policy presumes that jobs have been relocated from another UDAG eligible area. This arbitrary decision deserves to be rebutted not only when UDAG applications are being processed, but when the policy is used to revoke or cancel a grant. I hope that my colleagues who have had difficulties with HUD's administration of the UDAG Program will support this amendment.

AMENDMENT NO. 74

(Purpose: To clarify Congressional intent and policy with respect to the UDAG program)

Mr. D'AMATO. Mr. President, I send an amendment to the desk and ask for its immediate consideration. I offer this amendment in the second degree to the Lautenberg amendment which is pending at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New York [Mr. D'AMATO] proposes an amendment numbered 74 to the Lautenberg amendment No. 73.

At the end of the matter proposed to be inserted, insert the following:

Notwithstanding any other provision of this section, nothing in this section or in any legislative history related to the enactment of this section may be construed to permit an inference or conclusion that the policy of Congress in the Urban Development Action Grant program is to authorize, permit, or encourage the relocation of businesses from one area to another.

Mr. D'AMATO. Mr. President, I have supported urban development action grants since 1981. I have supported them to the extent that, even when it has meant taking on the administration, the leadership of my own party, to preserve them, I have been constant in that support. It is a good program. It has come a long way.

In most cases, they are not grants but they are long-term loans, revolving loans. They have been cut back severely, tremendously, so it is now at a level of some $225 million when, in 1980, it was a half-a-billion dollars. It has been cut back, it has been modified, it has been streamlined. Many of the abuses that once existed have been alleviated.

Having said that, Mr. President, I have to suggest to you that there have been those critics who have indicated that urban development action grants should be ended because, indeed, it is not the catalyst to preserve and keep businesses in distressed areas, but that many of the projects that have come about would have come about in any event; that is a subsidy, in many cases, to very successful undertakings and projects.

We have been able to keep support for the urban development action grants program as result of accommodations, as a result of seeing to it that the administration of this program is tighter, as a result of seeing to it that we target the distressed areas for good, sound economic projects that otherwise would not be available.

Now, I have no objection to the amendment that Senator LAUTENBERG, my distinguished colleague from New Jersey, has put forward, along with Senator BRADLEY, as it relates to the 90-day period of time. However, I think it is absolutely essential we make sure we are not attempting, by way of legislative language or by the oratory on this floor, to include an inference that it is OK to relocate businesses from one distressed area to another area and have that business or have that area qualify for UDAG grants. Because that, I think, would fly in the face of what we are attempting to do.

We do not want to lure businesses from one distressed area to another by way of a Federal subsidy being the inducement. If anything, we want every State to be able to qualify. But there is that caveat. Section 143 was written specifically to see to it that we preclude the abuse of UDAG programs by moving jobs from one distressed area to another. That is exactly why section 143 is there.

Now, I have no objection. That is why I proposed a second-degree amendment, so that we clearly spell out that we are not moving away from that well-established principle.

Mr. President, I believe we have asked for the yeas and nays, but I ask for the yeas and nays, just in case they have not been asked for.

The PRESIDING OFFICER. Is the Senator from New York asking for the yeas and nays on the second-degree amendment?

Mr. D'AMATO. I am.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. LAUTENBERG. Is the Senator from New York asking for a rollcall vote?

The PRESIDING OFFICER. There is not a sufficient second.

Mr. D'AMATO. If the Senator from New Jersey will consent, I can accept the Senator's amendment.

Mr. LAUTENBERG. A point of clarification. The D'Amato amendment, the D'Amato language, does not in any way vitiate the underlying amendment.

Does the Senator ask for the yeas and nays?

Mr. D'AMATO. Well, I would say we could accept it without a rollcall vote, if the Senator would agree to that, and we would save 20 minutes. Why do we not wait for the floor manager, Senator CRANSTON, to come back and I will be prepared, and I am sure he will be, to accept the Senator's amendment.

Mr. LAUTENBERG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The bill clerk proceeded to call to roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. D'AMATO. Mr. President, I have no objection to Senator Lautenberg's amendment.

The PRESIDING OFFICER. The question is on the amendment of the Senator from New York. If there is no objection, the amendment is agreed to.

Mr. LAUTENBERG. I reserve the right to object.

The PRESIDING OFFICER. The Senator from New Jersey.

The question is on the amendment.

Mr. LAUTENBERG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

The PRESIDING OFFICER. The majority leader.

Mr. BYRD. Mr. President, the hour of 12 noon is almost upon us. Under the order of yesterday, the Senate was to recess for 2 hours at the hour of 12 noon. Will the distinguished managers of the bill give us some advice?

Mr. CRANSTON. Mr. President, we are in the process of working out the only matter delaying this legislation. I would suggest that we extend our work session for at least 5 minutes and see if we can resolve it in that time.

Mr. BYRD. Mr. President, I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 74, AS MODIFIED

Mr. D'AMATO. Mr. President, I ask that the second-degree amendment which I have submitted be modified so that where it says "authorized, permit, or encourage" the words be replaced with the word "facilitate." I send a copy of that modification to the desk.

The PRESIDING OFFICER. The Senator has a right to modify his amendment. The amendment is so modified.

The amendment, as modified, is as follows:

At the end of the matter proposed to be inserted, insert the following:

Notwithstanding any other provision of this section, nothing in this section or in any legislative history related to the enactment of this section may be construed to permit an inference or conclusion that the policy of Congress in the Urban Development Action Grant program is to facilitate the relocation of businesses from one area to another.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I move adoption of the amendment, as modified, of the Senator from New York.

The PRESIDING OFFICER. Is there further debate on the second-degree amendment? If not, the question is on agreeing to the amendment, as modified.

The amendment (No. 74), as modified, was agreed to.

The PRESIDING OFFICER. Is there further debate on the amendment, as amended?

If not, the question is on agreeing to the amendment, as amended.

The amendment (No. 73), as amended, was agreed to.

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the amendment, as amended, was agreed to.

Mr. D'AMATO. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CRANSTON. Mr. President, I want to thank the Senator from New Jersey and the Senator from New York for working out a complicated matter that had held up action on this matter. I believe we have completed all the work we were facing on the floor and that after the recess we can proceed early in the afternoon to back-to-back votes on two pending amendments and then on passage of the measure.

The PRESIDING OFFICER. There will be votes on three amendments.

Mr. CRANSTON. Three amendments and then passage of the bill.

Mr. BYRD. Mr. President, I have discussed with the Republican leader earlier the delaying of the vote a bit beyond 2 o'clock. I, therefore, ask unanimous consent that the Senate stand in recess until the hour of 2:30 p.m. today, and I wish to state that the votes will occur in this manner: A rollcall vote will occur on the amendment by Mr. NICKLES. That will be followed by a rollcall vote on the amendment by Mr. REID. That will be followed by a rollcall vote on the amendment by Mr. HUMPHREY. That will be followed by third reading and a vote on final passage.

I have not cleared a request I was hoping to make, namely that the back-to-back votes be limited to 10 minutes each.

Have the yeas and nays been ordered on final passage?

The PRESIDING OFFICER. They have not been.

Mr. BYRD. Do Senators want the yeas and nays on final passage?

Mr. D'AMATO. Yes.

Mr. BYRD. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, I ask unanimous consent to proceed for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, this request has been cleared with the distinguished Republican leader.

Mr. President, I ask unanimous consent that, on the back-to-back votes—and there will be three of them following the initial vote—there be a limitation of 10 minutes on each of those three back-to-back votes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. So the first vote will be a 15-minute rollcall vote and each of the three succeeding back-to-back votes will be 10-minute rollcall votes.

Mr. President, I thank the Chair and I thank the managers of the bill.

The PRESIDING OFFICER. Without objection, all of the foregoing is agreed to.

RECESS UNTIL 2:30 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2:30 p.m.

Thereupon, at 12:05 p.m., the Senate recessed until 2:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HEFLIN).

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent to speak out of order and to address the Senate for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

VETO THE HOUSING BILL

Mr. ARMSTRONG. Mr. President, by unanimous consent and through a misunderstanding, a consent agreement was entered into which precludes my opportunity to speak at length upon the pending housing bill. I regret that misunderstanding but, having returned to the floor and discovered this fact, I did not want to let the opportunity pass to at least register my opposition to it.

Mr. President, this bill is veto bait. I do not know whether the President will veto it, but I hope he does. This bill calls for $15 billion in subsidized housing, which is twice what the President asked for. It reauthorizes the UDAG projects which built 1,200 projects—marinas, shopping centers, and so on. It reauthorizes the HoDAG Program which, by its own standards and definitions, is a failure.

So, Mr. President, I shall vote against the bill. I hope the Senators will, and I hope in due course, the President will veto this bill and his veto will be sustained.

I thank the Chair and my colleagues for permitting me this opportunity to speak.

ORDER OF BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that the Senator from California [Mr. WILSON] may speak out of order prior to the rollcall vote for not to exceed 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILSON. I thank the Chair. I thank the distinguished majority leader for his courtesy.

BENJAMIN CHARNY

Mr. WILSON. Mr. President, I rise, not to make a point of order but a point of conscience. I rise to speak for one who cannot speak to us himself. Yet his struggle is one that should engage the concern of all of civilized mankind. His name is Benjamin Charny. It is the name on the button I am wearing.

Mr. Charny is a 49-year-old mathematician, who lives with his wife and family in Moscow. Benjamin Charny is a refusenik—a prisoner of conscience who, more than 15 years after leaving a laboratory job, is being denied permission to leave the Soviet Union ostensibly on the grounds that he is a security risk because of his special knowledge. Yet, at least one of Charny's colleagues, we know, from the same laboratory, has been permitted to emigrate, in 1981.

Mr. President, Benjamin Charny is a victim of official intolerance and state-induced paranoia. Far worse, however, he suffers from a deadly form of skin cancer called malignant melanoma.

Even before being operated on for cancer in 1979, Charny experienced hypertension and cardiac problems. He has suffered a heart attack, hormonal and kidney ailments. And he struggles against high blood pressure, poor circulation in his legs, and chronic invalidism.

Recently, Charny's doctors discovered two new tumors in their patient—one on his thyroid gland, another on his neck.

His condition, while desperate, is not hopeless. Foreign medical doctors who have examined him have suggested that Benjamin Charny undergo experimental procedures available, unhappily, only in the West.

Mr. President, in the words of the late Martin Luther King, "Injustice anywhere is a threat to justice everywhere." Yet so long as Benjamin Charny languishes in a Moscow apartment, denied not only the basic human right of mobility, but the right to prolong life itself, then you and I and everyone who values human freedom is diminished. And justice is tarnished.

There has been much talk lately of a new Soviet openness. Today, I invite General Secretary Gorbachev to apply a little glasnost to the plight of this painfully sick man, whose only offense has been to seek emigration to the West.

No party and no politburo can break Benjamin Charny's indomitable spirit. No squad of thought police has been able to imprison his soul. Yet the politicians in Moscow hold dominion over Benjamin's physical survival. For him, an exit visa is literally a matter of life and death.

It would be easy for us to do nothing—easy, and morally indefensible.

Mr. President, when Woodrow Wilson was once charged with being too much of an idealist, he had a timeless response. He said:

> That is how I know I am an American because I am an idealist.

Benjamin Charny is an idealist whose ideals have cost him his job and his freedom. If we are idealists in the Wilsonian mold, then we will do all in our power to make sure that Charny does not die for his ideals.

We cannot look the other way, or pretend we have no stake in his survival. We cannot allow ideology or repression to invade the operating room and take over the physician's consulting office.

Mr. President, with some 20 of my colleagues, bipartisan in their coalition, I have just completed a news conference urging General Secretary Gorbachev to pray and not simply preach glasnost. We are wearing buttons with Benjamin Charny's name on them, badges of honor linking us with an imperiled colleague half a world away.

We wear green ribbons to symbolize life and hope and to dramatize our appeal for the life of Benjamin Charny. I invite all my fellow Senators to join me and those who are wearing these buttons in making this gesture and in going beyond gestures to raise their own voices in the hope that, together, our appeal might pierce even the thick walls of the Kremlin to be heard by the General Secretary.

Mr. President, I thank the Chair and I thank again the distinguished majority leader for his courtesy. I yield the floor.

Mr. BYRD. Mr. President, the distinguished Senator is welcome.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOUSING AND COMMUNITY DEVELOPMENT ACT

The Senate continued with the consideration of the bill.

VOTE ON AMENDMENT NO. 71

The PRESIDING OFFICER. The question recurs on amendment No. 71, offered by the Senator from Oklahoma [Mr. NICKLES]. All time having expired on the amendment and the yeas and nays having been ordered, the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN] is absent because of illness.

Mr. SIMPSON. I announce that the Senator from Alaska [Mr. STEVENS] is necessarily absent.

The PRESIDING OFFICER (Mr. ADAMS). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 44, nays 54, as follows:

[Rollcall Vote No. 46 Leg.]

YEAS—44

Armstrong
Bingaman
Bond
Boren
Boschwitz
Chiles
Cochran
Cohen
Conrad
Danforth
DeConcini
Dole
Domenici
Evans
Exon
Garn
Gramm
Grassley
Hatfield
Hecht
Helms
Humphrey
Karnes
Kassebaum
Kasten
McCain
McClure
McConnell
Nickles
Nunn
Packwood
Pressler
Proxmire
Quayle
Roth
Rudman
Simpson
Stennis
Symms
Thurmond
Trible
Wallop
Warner
Wilson

NAYS—54

Adams
Baucus
Bentsen
Bradley
Breaux
Bumpers
Burdick
Byrd
Chafee
Cranston
D'Amato
Daschle
Dixon
Dodd
Durenberger
Ford
Fowler
Glenn
Gore
Graham
Harkin
Hatch
Heflin
Heinz
Hollings
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lugar
Matsunaga
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Pell
Pryor
Reid
Riegle
Rockefeller
Sanford
Sarbanes
Sasser
Shelby
Simon
Specter
Stafford
Weicker
Wirth

NOT VOTING—2

Biden
Stevens

So the amendment (No. 71) was rejected.

Mr. SARBANES. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE HOUSE VOTE TO OVERRIDE THE PRESIDENTIAL VETO

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. I ask unanimous consent that I may proceed for 30 seconds.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I beg the indulgence of the Senate to report the outcome of the just completed vote in the House on the motion to override the Presidential veto of the Surface Transportation Act.

The vote was 350 yeas, 73 nays, a 5-to-1 margin. On the majority side, the vote was 248 to 1. On the minority side, the vote was 102 to 72.

Mr. President, I thank the Chair.

I yield the floor.

HOUSING AND COMMUNITY DEVELOPMENT ACT

The Senate continued with the consideration of the bill (S. 825).

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BYRD. Mr. President, I want to remind all Senators that on the next three votes the time limitation is 10 minutes each.

VOTE ON AMENDMENT NO. 72

The PRESIDING OFFICER. Under the previous order, the Senate will now vote on amendment No. 72 offered by Mr. REID of Nevada. Under that order, the rollcall will not exceed 10 minutes. Under the previous order, the yeas and nays were ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN] is absent because of illness.

Mr. SIMPSON. I announce that the Senator from Alaska [Mr. STEVENS] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 43, nays 55, as follows:

[Rollcall Vote No. 47 Leg.]

YEAS—43

Adams
Bumpers
Burdick
Byrd
Chafee
Cohen
Conrad
Daschle
Durenberger
Ford
Fowler
Glenn
Gore
Harkin
Hatch
Hollings
Inouye
Johnston
Kennedy
Kerry
Leahy
Levin
Matsunaga
McCain
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Pell
Pressler
Pryor
Reid
Riegle
Rockefeller
Sanford
Sarbanes
Sasser
Shelby
Simon
Weicker
Wilson
Wirth

NAYS—55

Armstrong
Baucus
Bentsen
Bingaman
Bond
Boren
Boschwitz
Bradley
Breaux
Chiles
Cochran
Cranston
D'Amato
Danforth
DeConcini
Dixon
Dodd
Dole
Domenici
Evans
Exon
Garn
Graham
Gramm
Grassley
Hatfield
Hecht
Heflin
Heinz
Helms
Humphrey
Karnes
Kassebaum
Kasten
Lautenberg
Lugar
McClure
McConnell
Murkowski
Nickles
Nunn
Packwood
Proxmire
Quayle
Roth
Rudman
Simpson
Specter
Stafford
Stennis
Symms
Thurmond
Trible
Wallop
Warner

NOT VOTING—2

Biden
Stevens

So the amendment (No. 72) was rejected.

Mr. CHAFEE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HELMS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that I may be allowed to speak for 15 seconds.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR ROBERT C. BYRD CASTS VOTE NO. 11,000

Mr. MOYNIHAN. Mr. President, I have the honor of informing the Senate that the majority leader has just cast his 11,000th vote. May we have a hand for that?

[Applause, Senators rising.]

URBAN DEVELOPMENT ACTION GRANT

Mr. BYRD. Mr. President, I oppose this amendment to eliminate the Urban Development Action Grant Program. We must cut the budget wherever possible and reasonable, but, at the same time, I believe we must protect essential community and development programs of proven value which continue to be vitally needed by communities and our people throughout the country. The Urban Development Action Grant Program has been an excellent one for my home State of West Virginia, and for other States which have suffered substantial economic devastation in the recent recession.

In concept, this program provides seed money or leveraging funds to bring investment by the private sector into economically devastated areas.

In my home State of West Virginia, the unemployment level reached 21 percent in the not too distant past. Absent the UDAG Program and the help which it and other community and regional development programs have provided we would, undoubtedly, not have been able to lower this level to the present level—just under 10 percent—a level which remains unacceptably high.

Since the UDAG Program's inception in fiscal year 1978, it has provided funding for 19 projects in West Virginia, amounting to $40 million. These funds have leveraged an investment into the State of almost $200 million in private sector funding, along with the creation of 5,500 permanent jobs.

With the continued help of such programs as UDAG, we can continue to move forward. Without them, I fear that we will revert to a down-slide in our economy and quality of life.

We need this type of incentive program. It is a good program with a proven track record. There is much remaining to be done, and I call upon my colleagues to join in support for the continuance of this program, at a reasonable level of funding.

VOTE ON AMENDMENT NO. 70

The PRESIDING OFFICER. Under the previous order, the Senate will now vote on amendment No. 70 offered by Mr. HUMPHREY, of New Hampshire. Under that order, the rollcall vote will not exceed 10 minutes. The clerk will call the roll.

The bill clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN] is absent because of illness.

Mr. SIMPSON. I announce that the Senator from Alaska [Mr. STEVENS] is necessarily absent.

The result was announced—yeas 23, nays 75, as follows:

[Rollcall Vote No. 48 Leg.]

YEAS—23

Armstrong
Boschwitz
Cochran
Dole
Gramm
Hecht
Helms
Humphrey
McClure
McConnell
Murkowski
Nickles
Pressler
Proxmire
Roth
Rudman
Simpson
Symms
Thurmond
Wallop
Warner
Wilson
Wirth

NAYS—75

Adams
Baucus
Bentsen
Bingaman
Bond
Boren
Bradley
Breaux
Bumpers
Burdick
Byrd
Chafee
Chiles
Cohen
Conrad
Cranston
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Domenici
Durenberger
Evans
Exon
Ford
Fowler
Garn
Glenn
Gore
Graham
Grassley
Harkin
Hatch
Hatfield
Heflin
Heinz
Hollings
Inouye
Johnston
Karnes
Kassebaum
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lugar
Matsunaga
McCain
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Nunn
Packwood
Pell
Pryor
Quayle
Reid
Riegle
Rockefeller
Sanford
Sarbanes
Sasser
Shelby
Simon
Specter
Stafford
Stennis
Trible
Weicker

NOT VOTING—2

Biden
Stevens

So amendment No. 70 was rejected.

Mr. D'AMATO. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCAIN. Mr. President, I would like to offer my comments on this housing bill—the first in nearly 6 years.

First, let me say that I share wholeheartedly the additional views expressed by the distinguished Senator from Colorado:

That is, this bill is a necessary piece of legislation, but, in light of the fiscal responsibility we all say we believe important, this bil is being hastily considered, without apparent consideration to any overall spending plan for the next fiscal year. I am concerned that we are getting deeper and deeper into the habit of ignoring the need for deficit reduction—and we will certainly be confronted with the economic realities of this habit sooner, rather than later.

Nevertheless, this bill is under consideration, and is clearly headed for adoption by this body. Moreover, there are some good provisions in it—such as the fair housing provisions, the permanent extension of the second mortgage authority for Fannie Mae and Freddie Mac, and the permanent FHA extension.

There is one provision above all, though, Mr. President, that pleases greatly and this is the expansion of opportunities for tenant management.

This is an initiative for which I worked vigorously while in the House of Representatives, for one special reason. I deeply believe it is a step toward helping the poor who live in housing projects break out of the cycle of poverty and dependency on government programs. There is no greater service we can render these citizens.

The tenant management initiative embodies the simple and profound philosophy to which we ought to adhere more often when it comes to domestic spending—and, especially, welfare—programs. As the saying goes: "Give me a fish, and I eat for a day. Teach me to fish, and I eat for a lifetime."

This is exactly the direction in which tenant management programs are headed. Tenant management teaches skills to some residents who will be able to use them elsewhere in the job market, while allowing many others simply to take pride in a community that was only a dark and lonely project before tenants became managers. And, these communities exist because of the significant declines in otherwise frightening statistics: Crime, drug abuse, teen pregnancy. The fall in these statistics is directly attributable to tenant management.

The success stories are undeniable. Kenilworth, the project here in the Capitol's backyard is a terrific example, and one which has been celebrated repeatedly.

In my mind, Mr. President, the pioneers of these projects such as Kimi Gray and others, deserve high honors for their dedication to and concern for the families that live in inner-city housing projects. Their fellow project residents across the country have much to thank these courageous people for. So do the taxpayers—tenant management is as clearly good budget policy as it is good people policy—and so do project neighbors. These people have reminded us all that with sensible legislation and a lot of hard work, we really can make our world a better place.

Mr. President, I would like to congratulate the distinguished members of the committee who helped win inclusion of the tenant management provisions in this housing bill. My friend, the distinguished senior Senator from Colorado, who introduced one of the original bills in August 1985, and the distinguished Senator from Illinois, Senator Dixon, have done much to promote this landmark legislation, and I am pleased with the results of their efforts.

Mr. KASTEN. Mr. President, I rise to voice my support for the continuation of the Urban Development Action Grant Program.

The loss of these important funds will have a crippling effect on our cities ability to carry out important economic development projects. The use of UDAG funds has stimulated economic growth and created important job opportunities in Wisconsin. The termination of this worthy program could lead to a decline in economic development and increase unemployment in urban and rural communities.

In Wisconsin, we have accomplished a great deal with UDAG financing. Many people have benefited, spinoff projects have been generated, and additional dollars have been added to city tax rolls. Since the programs inception, 55 UDAG projects have been approved, over 9,000 new jobs have been created, $78 million have been invested in Wisconsin cities, and the private sector has spent nearly a half billion dollars in Wisconsin.

Mr. President, as you can see the UDAG Program has had a profound effect on Wisconsin cities. The changes in UDAG selection process and the caps on the UDAG awards contained in this bill will make this program even more important to Wisconsin. Under these new rules, each UDAG eligible community will get an equal opportunity to secure important seed funds.

Mr. President, I hope my colleagues will take a long hard look at the impact this program has had on their State and arrive at the same conclusion that I have. I urge them to join me in voting to defeat the Humphrey amendment.

FANNIE MAE AND FREDDIE MAC SECOND MORTGAGE AUTHORITY

Mr. SASSER. Mr. President, Fannie Mae's and Freddie Mac's second lien authority under current law would expire on September 30 of this year. I wish to commend the chairman, Senator Cranston and Senator Dodd, for their leadership in bringing about a permanent extension of this existing authority.

Fannie Mae and Freddie Mac have brought to the second mortgage market the same kinds of benefits they have long provided the first mortgage market. First and foremost, they have helped consumers who need that second mortgage financing—whatever the purpose may be. They have helped bring down the interest rates on these second liens, promoted standardization, and ensured the availability of second lien financing. While their share of the market may be small, their beneficial effects have been great.

I do not support efforts to narrow this authority. I support permanent extension of the authority Fannie Mae and Freddie Mac now have. That is what the Banking Committee did, and that is what I hope the Senate will do today.

Mr. SANFORD. Mr. President, I would like to clarify the colloquy that I had with Senator Cranston yesterday regarding congressional intent toward the use of coinsurance. As that colloquy correctly states, the development of the multifamily coinsurance program was not intended to occur at the expense of the full insurance program. However, HUD has taken actions in the recent months that have discouraged the use of full insurance programs and favored coinsurance programs.

My colloquy with Mr. Cranston is intended to leave no doubt that Congress does not intend to favor one insurance program over another and that Congress is concerned over HUD actions that favor coinsurance and discriminate against full insurance.

Mr. CRANSTON. I thank Senator Sanford for this correction. Again, I agree with him.

Mr. SASSER. I would like to ask the distinguished chairman of the Housing Subcommittee a question concerning section 135 of S. 825, the bill before us today.

It is my understanding that this provision would permanently extend Fannie Mae's and Freddie Mac's statutory second mortgage authority.

Is it correct that this provision imposes no limitations on the scope of that existing authority?

Mr. CRANSTON. The Senator is correct. The provision simply removes the expiration date on their current authority.

Mr. D'AMATO. If I may add my own response, I agree with Senator Cranston. My understanding, and our intent, is simply to remove the expiration date.

THE INCLUSION OF THE FEDERAL CRIME INSURANCE PROGRAM IN THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1987

Mr. MOYNIHAN. Mr. President, I rise to join my colleagues, Senator D'Amato and Senator Cranston, in expressing support for the Federal Crime Insurance Program. The Federal Crime Insurance Program provides affordable insurance against robbery, theft, burgulary, and vandalism to tens of thousands of businesses and residents of high-crime areas—insurance not otherwise affordable in the private insurance markets. These businesses serve a crucial purpose in their communities by providing jobs and tax revenues; losing these businesses to crime would be devastating.

The Federal Crime Insurance Program is particularly important to New York State. More than 19,000 New York residents and businesses hold FCIP policies—57 percent of all policies issued—worth more than $200 million, in neighborhoods which vitally need continued support and investment. Between October 1985 and October 1986, $5.5 million in claims were paid to New Yorkers, comprising 68 percent of all claims paid during that time.

On the first day of the 100th Congress, I introduced S. 26, a bill extending the life of the Federal Crime Insurance Program through fiscal year 1991. By including the Federal Crime Insurance Program in the Housing and Community Development Act of 1987, it is our hope that this program will continue to provide insurance for small businesses and homeowners, not only in New York State, but across the country.

Mr. D'AMATO. I thank my colleague and could not agree more. In 1986, more than 30,000 FCIP policies were held by businesses and homeowners in over 23 States, at a total value of more than $350 million. Roughly one-third of FCIP beneficiaries are small businesses located in areas engulfed by crime and vandalism.

Despite its importance to these small businesses and homeowners, in past years, this program has been targeted for elimination—so far without success. But every year I have joined my colleagues in fighting to extend the life of this program.

Mr. CRANSTON. I join my colleagues, Senator D'Amato and Senator Moynihan, in urging the Senate conferees to include the Federal Crime Insurance Program [FCIP] in the Housing and Community Development Act of 1987. Although this program is not included in the Senate bill, it is included in the House bill and it is our hope that the Federal Crime Insurance Program will be included in the final version of the Housing and Community Development Act of 1987.

The Federal Crime Insurance Program is invaluable to our Nation's inner cities—we must do all we can to preserve it.

As my colleague from New York stated, the Federal Crime Insurance Program is an effective means of protecting and encouraging business investment in high-crime areas by providing affordable insurance against robbery, theft, burglary, and vandalism. Many of these businesses, absent support from the FCIP, might abandon their neighborhoods to further decay: We cannot let this happen.

We urge the inclusion of this program in the Housing and Community

Development Act of 1987. I thank my colleagues.

Mr. SASSER. Mr. President, I rise in strong support of the Housing and Community Development Act of 1987. In many ways, Mr. President, this bill represents last year's unfinished business; indeed, it should have been enacted years ago. The bill contains several important and needed provisions, particularly relating to home mortgage finance, and aid to economically distressed communities. I call upon my colleagues to endorse, and act expedittiously on, this legislation.

Mr. President, this is the first housing bill that we have had before us in many, many years. In bringing this bill to the floor so early in this session, I believe that several of my colleagues on the Banking Committee deserve much credit. In particular, I think that the able leadership of Senators CRANSTON, RIEGLE, and PROXMIRE should be recognized. Without their efforts doubtless this housing bill, with its important provisions, would not have been realized.

Mr. President, before I discuss what I consider to be the highlights of the bill, I wish to point out that, as important as the bill is, it does not begin to address the mammoth housing problem facing America. This legislation really just sets the stage for the broader, fundamental reassessment of our national housing policy, which the Banking Committee will conduct in the months ahead. It is the hope of our committee to comprehensively evaluate the role of the Federal Government in the provision of our Nation's housing. And to attempt to develop new approaches to both new and old problems.

Mr. President, housing is a serious problem in this country. Since 1970, housing prices have risen at a rate four times higher than incomes. Further, indications are that a drastic shortage of affordable housing, particularly for low income families, is developing. This is the result of, among other factors, such market forces as the rampant conversion of apartments to condominiums, which have occurred in many of our urban areas. In response, we have cut Federal housing subsidies from $30 billion to $8 billion in the last 6 years. And, unfortunately, the end product of last year's Tax Reform Act, which altered the depreciation and interest deduction, and tax exempt bond financing, rules for multifamily housing, is expected to be even less available housing. It is the intention of both our Housing Subcommittee and the full Banking Committee to address many of these problems in the days ahead.

Turning now to the legislation at hand, Mr. President, I wish to point out that this bill is not a budget buster. It extends the authorizations for most housing and community development programs through fiscal 1989, and freezes them at current levels of budget authority.

The bill makes several important contributions to the Nation's housing and development needs. First, it provides for the permanent authorization of FHA mortgage insurance programs. We will not experience again the disgrace of having the FHA shut down six times in 1 year—for a total of 51 days. We will no longer impose needless costs on home buyers and sellers, and the Nation's housing industry. We will not leave thousands of home closings to be put off, with no guarantee as to when mortgage insurance authority would be reinstated.

Second, Mr. President, the bill prohibits the imposition of user fees on the activities of the Government sponsored secondary mortgage market agencies. I was pleased to take part in efforts on this issue. The proposals to impose user fees were a blatant attempt by the administration to lessen the budget deficit by making it more costly for individuals and financial institutions to use the self-funding Federal credit agencies. The proposals were designed to shrink the role of these agencies in the Nation's home finance market and thereby make home financing even more difficult to attain. In effect, the administration was advocating a tax on homeownership—a particularly onerous burden at a time when the rate of homeownership is declining. Mr. President, I am pleased that the bill provides for increases in fees for the secondary mortgage market agencies, only if the increases are reasonably related to the cost of administering the programs. The budget will not be balanced at the expense of the homeownership aspirations of young Americans.

Mr. President, another issue in which I was very much involved, and take particular pride in, was the change in the selection formula for the UDAG Program. Mr. President, the UDAG Program has a proven track record. Over the years it has been successful in assisting distressed urban communities with a unique public-private approach. UDAG's provide leverage to entice and expand private sector development, create jobs and stem the spiral of urban decay.

However, in recent years, Mr. President, as the money available for this worthy program became limited, many projects which were eligible under the existing selection criteria could not be funded. Unfortunately, many of the most productive, job creating projects went without funding. While many less productive projects received grants. Consequently, Mr. President, I worked with several of my distinguished colleagues in developing a formula which places greater emphasis on projects designed to relieve economic distress in a local community—the focus of the UDAC Program when enacted.

The new selection criteria would give additional credit for the degree that a project brought new capital into a local economy, improved housing or employment in a city's most distressed neighborhoods, or created or maintained jobs. The intent of the Banking Committee in working out and adopting this new formula was to ensure that all distressed communities nationwide have a fair chance to receive a UDAG. In this effort to change the formula, and make the program more responsive to the needs of distressed communities, Senators CRANSTON, RIEGLE, GRASSLEY, HEINZ, and D'AMATO should be recognized for their foresight and leadership.

Mr. President, this bill contains many other worthy and notable provisions which are designed to enhance our Nation's housing opportunities and its communities. Among other things, the bill provides expanded authority for the FHA to insure adjustable rate mortages—a program which will be of great assistance to homebuyers particularly if interest rates rise in the future. It authorizes a demonstration program to expand the availability of home equity conversion mortgages—a means for the elderly to gain needed funds from their most valuable asset, their home. In the area of public housing, the bill would permit tenants to form corporations for the purpose of managing their projects, and on a demonstration basis, even allow tenants to own their own projects.

In sum, Mr. President, this legislation is overdue, and should be acted on quickly. It takes several important steps toward providing greater housing opportunities and aiding our most distressed communities. However, Mr. President, I wish to remind my colleagues that our Nation's housing problem is difficult, serious and worsening. It deserves our deepest commitment in developing solutions which are innovative and reflect an efficient use of our resources. I look forward to hammering out new solutions with my colleagues on the Banking Committee.

FANNIE MAE/FREDDIE MAC SECOND MORTGAGE AUTHORITY

Mr. HECHT. Mr. President, Fannie Mae's and Freddie Mac's statutory authority to deal in second mortgages will expire on September 30 of this year. The bill as passed by committee would permanently extend the full authority Fannie Mae and Freddie Mac have to purchase second mortgages. I support that measure and hope that my colleagues in the full Senate will do the same.

Fannie Mae and Freddie Mac have helped homeowners and home buyers by reducing second mortgage interest rates, promoting competition, and ensuring that second mortgages will be available in good times and bad—throughout the housing cycle.

Fannie Mae's and Freddie Mac's programs cost the Government nothing. There are no subsidies, guarantees or appropriations involved. Yet they provide a very real and measurable benefit to consumers.

The bill as passed by committee will allow Fannie Mae and Freddie Mac to continue to do exactly what they have been doing. I support that and urge my colleagues to join me in supporting the continuation of the consumer benefits Fannie Mae and Freddie Mac provide.

Mr. DOMENICI. Mr. President, I rise to speak in opposition to the housing and community development bill before us this afternoon.

This Senator does not doubt that there are many valuable programs and activities authorized in this bill. I certainly recognize the importance of these housing and development programs and would vote to continue many of them.

I want to commend the Banking Committee for the restraint that they have shown in putting together this bill, especially compared to the legislation that we will see from the other body.

But I am concerned as well that the committee has not veered from the status quo. This bill would continue existing programs at current levels, no matter how worthwhile the program and despite our current budget situation.

I understand that some have called this a housekeeping bill, to tide these programs over while the Banking Committee develops a new, more comprehensive package of housing legislation.

But this Senator finds it difficult to call a $15.6 billion, 2-year bill simply a housekeeping effort. This legislation will set in place for another 2 years programs which we should be considering for cutbacks or wholesale elimination.

Mr. President, Members of this body have identified many new high priority areas for Federal spending—welfare reform, education, scientific research, catastrophic insurance, and perhaps most relevant to this debate, the homeless. But how are we going to pay for them?

I submit that we need to start with bills like this one, finding programs that have outlived their usefulness. We have to be willing to cut back, if we are to be able to pay for these new initiatives.

Mr. President, let me remind my colleagues what this bill does. It continues existing programs, without any reduction. It authorizes a couple of new ones. And it prohibits the imposition of user fees that the administration has proposed this year and in the past to help solve our budget problems.

Mr. President, I oppose this bill because it makes the job of reducing the deficit all the more difficult. It lacks creativity. It is simply more of the same.

I submit that we cannot afford more of the same. We need to act more boldly and begin to take a more critical look at programs like these. We need to identify activities that can be traded, so that we can begin to solve new problems.

Mr. President, I oppose this bill because it fails to offer us the guidance we need in setting spending priorities for housing and community development in the late 1980's.

IN SUPPORT OF THE URBAN DEVELOPMENT ACTION GRANT PROGRAM

Mr. MOYNIHAN. Mr. President, our Nation's cities must not be abandoned. They are where most of the Nation works and much of the Nation lives. Strong and growing cities are in the national interest, and yet we pretend that many of them are not beset with high unemployment, lack of affordable housing, crime, poverty, decaying infrastructure, and a declining tax base. These are characteristic of cities large and small, and in every region.

A city in decline is very difficult to turn around, as these forces magnify one another and reverberate throughout the urban system. But we must find ways to assist our distressed cities because they are our centers of commerce, culture, and innovation. We must improve the health of declining urban areas, and we have found ways to do so. The UDAG Program is successful, successful in stimulating private investment where otherwise there would be none. It creates jobs where there would be unemployment, and it creates vitality where there would be stagnation or decay.

I can cite no better sources than mayors whose cities have benefited from this program. Mayor Thomas Ryan of Rochester said, "The elimination of the UDAG Program would be a major setback to the city in its efforts to provide jobs and enhance our tax base." The mayor of Utica, NY, Lou LaPolla, said the elimination of the UDAG Program "would set us back 50 years and could result in a depression as severe as was experienced in the 1930's." Tom Whelen, the mayor of Albany, said that "there is not one single project in downtown Albany that has been completed in the past 6 years or is now underway which has not had either UDAG, CDBG allocation or IRB financing * * *. The importance of the UDAG Program to New York City economic development cannot be overstated. It represents one of the largest and most flexible sources of public funds available to municipalities," Ed Koch, mayor of New York, told me.

Mike O'Laughlin, mayor of Niagara Falls, fears that the elimination of UDAG "would mean the renewed loss of jobs and erosion of our real property tax base." Buffalo's mayor, Jim Griffin, concurred, saying, "cutting this progam [UDAG] would be a disaster for the city of Buffalo. It will return us to 1931 and will be viewed as a complete abandonment of urban center needs by the Federal Government." And Art Gray, mayor of the city of Port Jervis, said, "Without the UDAG Program * * *, our poor city would be destitute."

These are only a few examples, I could include countless more. Clearly this is a program worthy of continuation; I ask for your support.

Mr. PRYOR. Mr. President, as the Senate prepares to vote on final passage of S. 825, the Housing Act of 1987, I wanted to take a moment to express my support for this measure.

Several of my colleagues have commented on the essential nature of this legislation. My friend from California, the chairman of the Housing Subcommittee, Senator CRANSTON, has done a masterful job of steering the housing bill through the Banking Committee and onto the Senate floor.

S. 825 will extend most housing and community development programs through fiscal year 1989. This legislation offers a major reform of the urban development action grant [UDAG] selection process, extends rural housing programs—which are of great importance to my State of Arkansas—and grants permanent insuring authority to the Federal Housing Administration [FHA]. This last provision is especially significant in light of the FHA drama of 1986.

My colleagues will recall that the Federal Housing Administration shut down six times last year—a total of 51 days—because the Congress failed to pass a permanent FHA extension measure. Thousands of families were affected by the FHA disaster—my office received a number of frustrated, angry, and tearful callers asking why the House and Senate could not act responsibly. S. 825 insures uninterrupted lending authority for the FHA.

Mr. President, let me say a few more words about the importance of rural housing programs to my State. Arkansas has a number of areas where the Farmers Home Administration [FmHA] is the only source of mortgage credit. At least seven counties in the State are without a federally chartered savings and loan institution, yet there is no county in Arkansas that does not have a FmHA office close by. In fiscal year 1986, over 1,000 families in the State benefited from the section 502—single family—program, with loans totaling more than $22 million. For many rural Arkansans, FmHA rural housing programs offer the only hope of homeownership.

The Housing Act of 1987 is an important initial step toward a comprehensive Federal housing policy. I urge my colleagues to vote for final passage of the bill.

Mr. LAUTENBERG. Mr. President, I rise in support of this legislation.

It has been 3 years since Congress has passed legislation to reauthorize our housing and community development programs. Three years in which our communities have struggled to administer programs whose continuation has been subject to the uncertainties of continuing resolutions and supplemental appropriations bills. Three years of inability to do any long-term planning.

I want to commend the Senator from California, chairman of the Housing Subcommittee, for his hard work and commitment to the early consideration of this legislation. While I do not support every provision of the bill, I believe this bill will provide a stable environment in which housing and community development programs can be efficiently administered over the next 2 years.

New Jersey's cities need this stable environment. Over the past year, localities have endured the loss of revenue sharing and a steep reduction in State urban aid. They have been hit with cuts in the UDAG and CDBG programs. One by one, they have seen sources of Federal and State commitment dry up. New Jersey's mayor are faced with the raising taxes to maintain vital services. Aging infrastructures will required significant capital investment.

New Jersey also needs housing programs. Affordable housing is scarce in New Jersey, where land and development prices are going up. The urban poor, the young family, the elderly are all struggling to find decent housing at an affordable price.

I particularly want to mention two provisions which grew out of legislation I sponsored in earlier Congresses. The first, title, I, section 131, incorporates legislation which I introduced to prevent fraud and abuse of HUD mortgage insurance programs. A series of articles in the Philadelphia Inquirer disclosed an elaborate scheme employed by real estate speculators in Camden, NJ, to falsify employment and credit records in a cynical swindle which cost the poor their hopes for a home and resulted in taxpayer funds being diverted from scarce Federal housing assistance programs.

In this scheme, speculators bought HUD-held properties in bulk sales or single sales conducted by HUD. These homes came into HUD possession when HUD-insure mortgages fell into default. The speculators would identify low-income individuals, often on welfare, who desperately wanted a home of their own. The speculators would assist the buyer by falsifying an employment and credit record. The speculator would make cosmetic improvements to homes bought at nominal cost from HUD and sell them to low-income persons for substantially more. After a brief period of ownership, the mortgage would fall again into default, because the owner could not sustain the mortgage payments. The resident would be back on the streets and HUD would again be left holding the bag.

When this scheme became public, I requested a GAO study of the situation in Camden and elsewhere. The study recommended tighter controls over mortgage insurance. Then, after consulting with HUD and GAO, I introduced legislation to tighten HUD's practices regarding its mortgage insurance programs. Since the Camden scandal first broke, similar scams have been uncovered all over the country. The GAO estimated that over a 2-year period, from 1981-83, HUD lost over $900 million in these programs. How much is due to fraud and how much to poor management is difficult to say, but the figure is staggering. I am pleased that my legislation to put a stop to these scams has been incorporated into this bill. We have a responsibility to ensure that this kind of fraud does not recur.

The second provision I want to note would extend the entitlement status of certain metropolitan cities and urban counties under the Community Development Block Grant Program. In New Jersey, Hudson County and the city of Hoboken have historically received CDBG funds under urban county status. As Hoboken has grown, the city reached the point at which it could break with the county and each could compete on their own for CDBG funds. Section 141 of title I will give them the option of continuing this arrangement. I have fought in the past to give cities and counties such as these in New Jersey the opportunity to continue what has been a successful arrangement. I am pleased that the extension of the entitlement status will allow the decision to be made at the local level.

Mr. President, I also want to note an amendment offered by the Senator from California which will raise the ceiling on FHA-insured mortgages in high-cost areas. This provision is very important to New Jersey, where the current ceiling is too low to service a significant number of aspiring homebuyers.

Mr. President, it is with regret that I opposed the Senator from Nevada's amendment regarding the percentage of income the elderly pay to live in assisted housing. We have many low-income elderly in New Jersey who rely upon housing assistance to ensure that they have a decent place to live. But we also have many other families who require assistance. This amendment would support one group at the expense of another. It would set one standard of need for one group and a higher standard for another. I support a comprehensive look at our housing programs to determine the best way to address the problem of providing adequate shelter for the less fortunate among us.

Mr. President, I urge adoption of this important legislation.

Mr. GLENN. Mr. President, I rise today and join my colleagues in supporting passage of Senate bill 825, the Housing and Community Development Act of 1987. Despite the importance of housing and community development programs, the Senate has taken 3 years to reauthorize our Federal housing programs. Action on this bill is long overdue.

In Ohio, as in other States, Federal housing costs have taken their toll. I would like to share with my colleagues some examples of the condition of housing in my State. Due to cuts in Federal housing programs only one affordable rental unit is available now in Ohio for every two low-income households. The number of low-income families unable to secure affordable housing increased by nearly 10,000 between 1980 and 1985, a 237-percent increase. Ohio's allocation of federally funded programs has gone from 10,000 units in 1981 to an estimate 2,500 units in 1987. And last, more than 38,000 Ohio households are waiting for public housing. If this is what the administration calls a safety net, then I fear for the people who may have to use it.

It is important to note that State housing agencies, nonprofit community development corporations, local governments, and private financial institutions have taken on new roles in housing. However, the needs of low-income households are too great to tackle effectively without a strong Federal partner.

I am particularly glad to see incorporated in this bill, a provision I worked on with my distinguished colleague Senator DIXON, the public housing resident management section. This provision provides an alternative to residents of public housing to manage their own living conditions. This provision does not displace current tenants and does not provide for tenant ownership. It does not require tenant management of public housing. In fact this approach will not work everywhere and should not be viewed as a cure-all for public housing. What it is intended to do is offer hope and improvements in the overall living conditions of public housing tenants, as well as a valuable return on an investment for taxpayers.

I would also like to thank my colleagues for accepting legislation I introduced earlier this year as part of the housing package. This important provision will permit the use of community block grant funds for use in implementing 911 emergency telephone number systems.

I believe that passage of this legislation is long overdue and urge my colleague to join me in supporting Senate bill 825, the Housing and Community Development Act of 1987.

Mr. WARNER. Mr. President, I rise, regrettably, in opposition to this bill. While I believe the objectives this legislation seeks to attain are of paramount importance to our Nation, I believe this legislation places too great a financial strain on the Federal Treasury in this era of fiscal austerity and fails to properly target those in the greatest need.

Housing is the bedrock of our economy. If Americans cannot obtain access to decent, affordable housing all attempts at improving our economic well-being will amount to nought. How can we expect to improve the productivity of America's work force, as we must do to continue to prosper in the years ahead, if that work force cannot rely on decent housing for its physical and financial comfort and security?

I am afraid this is not the way to do it. What we have here is a repudiation of the progress made in the last 7 years of the Reagan administration toward making housing opportunities more compatible with the needs and requirements of the American people.

This legislation is also a repudiation of the progress we have been making in harnessing Federal spending, and returning many responsibilities to the State governments, where they more properly belong.

Although we have made progress on the deficit, our problems are far from over. As we have seen over the last several months, the constituency simply does not exist to raise taxes. Therefore, if we are to close the still-yawning gap of a Federal deficit, which must remain our No. 1 priority, we must be relentless in our efforts to trim spending.

This bill goes in the wrong direction, adding over $19.1 billion to Federal outlays in the next 5 years. This is money that may not come out of our pockets in higher taxes, but out of the pockets of our children and our children's children when the massive Federal debt comes due. We should not mortgage off the well-being of succeeding generations by compounding the Federal deficit for today's needs better met by State and local governments.

Mr. CHAFEE. Mr. President, I am pleased that the Senate will act today to reauthorize a number of important Federal housing and community development programs.

This legislation reaffirms our national commitment to assist needy families in obtaining decent affordable housing and to help low- and moderate-income Americans in realizing the dream of home ownership. It extends the authorization for lower income housing assistance programs at $7.5 billion—the current level of funding. The administration had sought to reduce the level to $3.9 billion. In my view, such a reduction in budget authority would make it impossible for the Federal Government to meet the housing needs of disadvantaged Americans in the next several years, and I am pleased that the committee is maintaining the current level.

A key provision of this bill is the permanent extension of the Federal Housing Administration's Mortgage Insurance Program. Since it was established in 1934, the Federal Housing Administration has enabled millions of low- and moderate-income Americans to obtain mortgage insurance protection. Thus the program has permitted millions of people to buy homes who might not otherwise have qualified for mortgages in the conventional market.

Current law requires Congress to periodically renew FHA's insuring authority, and legislation to extend it has often been delayed. Last year, FHA's insuring authority was allowed to lapse six times, creating great uncertainty among thousands of prospective homebuyers and lenders. The provision in the bill before us today will make the FHA's insuring authority permanent. I believe this will help to stabilize our Nation's housing financing system and permit this successful program to continue without interruption.

I am pleased that this legislation reauthorizes the Community Development Block Grant Program. Through the CDBG Program, Federal dollars are channeled to projects at the local level which meet a variety of needs. Local leaders are provided flexibility to target the funds for priority activities. In Rhode Island, CDBG is helping to provide day care services, meals and transportation for the elderly, housing rehabilitation for low-income families, recreational programs for children, and many other worthwhile activities. City and town officials from throughout Rhode Island have repeatedly emphasized the importance of the CDBG Program and I support its reauthorization.

The bill includes an amendment which I joined in cosponsoring with Senator HEINZ during the Banking Committee's discussion of the bill. It extends the Congregate Housing Services Program, which was established as a demonstration program in 1978. CHSP enables the Department of Housing and Urban Development to award grants for projects which assist elderly and handicapped residents of public housing facilities in living independently. The program permits public housing agencies and nonprofit organizations to provide meals, transportation and other supportive services to frail elderly, handicapped or temporarily disabled residents. Without such services, these residents would be unable to live independently, and would usually face institutionalization.

I would also like to state my strong support for section 135 of S. 825. The provision would permanently extend Fannie Mae's and Freddie Mac's present statutory second mortgage authority.

In the 6 years since Fannie Mae, and more recently Freddie Mac, have participated in the second mortgage market, we have witnessed a very significant reduction in interest rates on second mortgages as compared to first mortgages. In 1981, the interest charged on second mortgages cost homeowners 5 to 6 percentage points more than the interest rate charged for first mortgages. Now this difference is less than 2 percentage points. That can only be good for consumers.

Fannie Mae's and Freddie Mac's presence in the second mortgage market means lenders always have the option, if it suits their needs, of selling their second mortgages to Fannie Mae and Freddie Mac. This ensures that second mortgages are always available. Fannie Mae and Freddie Mac have injected greater competition in the market. They have promoted standardization. They have set a standard in the market, although they do less than 2.5 percent of the total business.

I believe Fannie Mae and Freddie Mac have demonstrated their importance in this market. They have done exactly what Congress intended they do, and I am pleased that S. 825 will allow them to continue doing exactly what they have been doing without additional restrictions or time limitations.

I hope my colleagues will join me in supporting lower interest rates for homeowners, and permanent extension of Fannie Mae's and Freddie Mac's existing second lien authority.

OPPOSING HOUSING AND COMMUNITY DEVLOPMENT ACT OF 1987

Mr. DOLE. Mr. President, this Senator intends to vote against S. 825, the Housing and Community Development Act of 1987. The reason I am against this bill is that it is yet another budget buster—it would add $2.7 billion in outlays to the President's budget for fiscal year 1988 and $19.1 billion in outlays over fiscal years 1988–92.

Let's keep housing spending in perspective. Outlays for subsidized housing have risen dramatically during the Reagan administration. In 1980, outlays were $5.6 billion. For fiscal year 1986, housing outlays had risen to $12.4 billion—an increase of nearly $7 billion, or 120 percent. The reasons housing outlays continue to increase is that annual commitments of budget authority are spent slowly and over a long period of time.

UNNECESSARY NEW PROGRAM

Mr. President, with deficits running at all time highs, this bill would establish a brand new program, the Nehemiah Housing Opportunity Grants Program, funded at such sums as may be appropriated. It seems that nobody bothered to ask along the way how we would pay for this wonderful new initiative. This is just a small sign of the spending spree that Congress is headed toward during this 100th Congress.

BUSINESS AS USUAL IN HOUSING PROGRAMS

Although the Banking Committee is to be commended for the restraint they have shown in putting together this bill, this Senator still finds it difficult to call a $15.6 billion 2-year bill simply a housekeeping effort. Programs that we should be considering for cutbacks or outright elimination have been returned to the status quo. This bill continues existing programs, without any reduction, while authorizing a couple of new ones. And it prohibits the imposition of user fees that the adminstration has proposed this year and in the past to help solve our budget problems.

Mr. President, I oppose this bill because it makes the job of reducing the deficit all the more difficult. There is no creativity in the approach it has taken—other than to add some fancy new programs that do not benefit the smaller States. We cannot afford more of the same in the 100th Congress. The American people expect better of their leaders, and I intend to stand up for the interest of the taxpayer, along with my friend, the ranking minority member of the Budget Committee. This bill fails to offer us any guidance in setting spending priorities for housing and community development in the late 1980's.

This Congress has already identified many new high priority areas, which will require some new spending—education, scientific research, catastrophic health insurance, welfare reform, and assistance for the homeless. My question is, these are all fine initiatives, but how are we going to pay for them? I suggest that we start holding the line on spending and fancy new ideas here with this bill before us. It's time we set our priorities and hold the line on Federal spending.

UDAG AND HODAG

Mr. President, this legislation reauthorizes through fiscal year 1989 at a cost of $650 million, two of the most nonessential programs in the entire Federal budget—UDAG and HODAG. Billions in UDAG funds have found their way into commercial development projects to build high class hotels, shopping centers, or sailing marinas. This program is definitely not based on need. In fact, a recent Washington Post article has stated "The clearest beneficiaries of UDAG are often developers who are decidedly not poor." Although UDAG is relatively small program in the larger scheme of the Federal budget—$225 million— it represents a litmus test of congressional will to take serious action to address the Federal deficit.

HODAG isn't any better. Only one-fifth of the rental units it helps build go to low-income families. The rest of the units, along with 60 percent of HODAG funds, go to middle and upper-class renters. An average grant of $73,400 is necessary to build one low-income unit under HODAG. I wish somebody could explain how this makes sense. I certainly can't. We in this body are accountable for setting priorities, and this doesn't look like a good candidate.

CONCLUDING REMARKS

Mr. President, in short, this bill contains more of the same—unnecessary programs that Congress has become comfortable with. New programs that we had no need for and certainly no way to pay for. I urge my colleagues to vote against this bill in an effort to make Congress reassess exactly how we intend to set our priorities. We can't have everything, and should only be allowed to continue programs that we can justify and pay for.

HOUSING AND COMMUNITY DEVELOPMENT ACT

Mr. BYRD. Since the Housing Act of 1949 was passed, Congress has shown strong support for assisted housing. Each year the number of those needing assistance has increased and each year Congress has responded by adding additional units to the assisted housing stock.

S. 825 affords the opportunity, once again, to assure that those needing shelter will obtain it and that our national goals of "a decent home and suitable living environment for every American family"—National Housing Act of 1941—will be met.

It is not enough to say that enough units are in existence. We do not know how decrepit or inadequate these units are. The real measure of how well the housing needs of low-income families are being met lies in how many new housing units are being made available to meet the growing need.

Housing experts tell us that under current programs, housing assistance is provided to about one-half of the Nation's low-income families who spend more than 30 percent of their income on housing. Many analysts maintain that an additional 50,000 vouchers per year would not come close to meeting the demand that exists for low-cost housing.

Special groups such as the elderly and handicapped, in particular, need programs designed specifically for them. The section 202 program, with the improved changes expressed in this bill, would guarantee housing suitable for the elderly as well as the nonelderly handicapped. The fact that the section 8 subsidy mechanism would be replaced by a 2-year contract to cover the necessary and reasonable costs of the projects not covered by project income, should reduce the cost to the Federal Government, while at the same time maintaining a program which has proven successful and popular since its inception.

RURAL HOUSING

Since 1949, Congress has also responded to the housing needs of our rural poor through housing programs designed to meet their needs. These programs of the FmHA have managed to greatly improve the level of housing in rural areas. These programs are limited to small towns of less than 20,000, where there is no source of mortgage credit and where those served are unable to obtain loans from private lenders.

These programs serve the truly needy; 75 percent of the tenants living in single family homes have incomes below $6,000 per year.

Because of these programs, many of those living in our rural areas have decent living quarters who would not otherwise have them. These programs provide low-interest loan and grants for the construction and repair of owned and rented housing in rural areas.

While great improvements have been made, an enormous amount of assistance is still needed. The program of the Farmers Home Administration, as provided for in the bill, would do much to improve existing rural housing deficiencies. A voucher program would not aid the rural poor sufficiently nor eliminate the problems of housing they now face.

To eliminate these programs in favor of incorporating all housing assistance under HUD would not be in the best interests of those living in rural areas. Farmers Home Administration officials in rural country areas are familiar with local problems and needs and know how best to serve small populations with the unique problems they face. HUD, on the other hand, is familiar with larger urban areas and populations. I feel that by incorporating all housing assistance under HUD's jurisdiction the small rural areas would not be best served.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

This vital program—whose purpose is to prevent or overcome blight in economically troubled cities and to assist low-to-moderate income areas—has a fine track record. It is an investment in the future. It is targeted toward areas which have been economically devastated and those areas in urgent need of help. It is flexible enough to be used for a great many purposes and affords an opportunity for participation and decisionmaking at the local level which some other programs do not.

Typically, in my home State of West Virginia, it has been used for street improvements, water and sewer projects, and many other vital programs and projects.

Since the program's inception, beginning in fiscal year 1975, West Virginia has received around $300 million. This money has been well used to directly impact the economic growth, quality of life, and community development in my home State.

I have seen the program work, and it works well. I fully support its continuation and enhancement.

The **PRESIDING OFFICER.** No further amendments are in order.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The **PRESIDING OFFICER.** The bill having been read the third time, the question is, Shall it pass?

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Alaska [Mr. STEVENS], is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN], is absent because of illness.

The **PRESIDING OFFICER.** Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 71, nays 27, as follows:

[Rollcall Vote No. 49 Leg.]

YEAS—71

Adams
Baucus
Bentsen
Bingaman
Bond
Boren
Bradley
Breaux
Bumpers
Burdick
Byrd
Chafee
Chiles
Cochran
Cohen
Conrad
Cranston
D'Amato
Daschle
DeConcini
Dixon
Dodd
Durenberger
Exon
Ford
Fowler
Glenn
Gore
Graham
Harkin
Hatfield
Hecht
Heinz
Hollings
Inouye
Johnston
Karnes
Kassebaum
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lugar
Matsunaga
McCain
McConnell
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Riegle
Rockefeller
Sanford
Sarbanes
Sasser
Shelby
Simon
Specter
Stafford
Stennis
Weicker
Wirth

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Armstrong
Boschwitz
Danforth
Dole
Domenici
Evans
Garn
Gramm
Grassley
Hatch
Heflin
Helms
Humphrey
Kasten
McClure
Nickles
Proxmire
Quayle
Roth
Rudman
Simpson
Symms
Thurmond
Trible
Wallop
Warner
Wilson

NOT VOTING—2

Biden
Stevens

So the bill (S. 825), as amended, was passed, as follows:

S. 825

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Housing and Community Development Act of 1987".

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TITLE I—PROGRAM EXTENSIONS AND AMENDMENTS

Subtitle A—General Extension of Programs

SEC. 101. PERMANENT INSURANCE AUTHORITY FOR FHA.

(a) Repeals.—Each of the following provisions of law is repealed:

(1) Section 217 of the National Housing Act.

(2) The fifth sentence of section 221(f) of the National Housing Act.

(3) Section 244(d) and the last sentence of section 244(h) of the National Housing Act.

(4) The last sentence of section 245(a) of the National Housing Act.

(5) The second sentence of section 809(f) of the National Housing Act.

(6) The second sentence of section 810(k) of the National Housing Act.

(7) The second sentence of section 1002(a) of the National Housing Act.

(8) The second sentence of section 1101(a) of the National Housing Act.

(b) Amendment.—The first sentence of section 2(a) of the National Housing Act is amended by striking out "and not later than September 30, 1987".

SEC. 102. FLOOD INSURANCE.

(a) Limitation on Premiums.—The premium rates charged for flood insurance under any program established pursuant to the National Flood Insurance Act of 1968 may not be increased during the period beginning on the date of enactment of this Act and ending on September 30, 1989, by more than a prorated annual rate of 10 percent.

(b) Extension of Program.—Section 1319 of the National Flood Insurance Act of 1968 is amended by striking out "September 30, 1987" and inserting in lieu thereof "September 30, 1989".

(c) Emergency Implementation.—Section 1336(a) of the National Flood Insurance Act of 1968 is amended by striking "September 30, 1987" and inserting "September 30, 1989".

(d) Establishment of Flood-Risk Zones.—Section 1360(a)(2) of the National Flood Insurance Act of 1968 is amended by striking "September 30, 1987" and inserting "September 30, 1989".

(e) Postponement of Implementation of Regulations Dealing With Flood Plain Management Standards.—The Federal Emergency Management Agency's revised regulations relating to flood plain management standards (51 Federal Register 30290, August 25, 1986) shall not be effective during the 60-day period beginning on the date of enactment of this Act. During such 60-day period, the Director of the Federal Emergency Management Agency shall solicit and receive public comment and prepare and submit to the Congress a study of the impact on small business of such regulations.

SEC. 103. MISCELLANEOUS EXTENSIONS.

(a) Section 202 Interest Rate Limitation.—Section 223(a) of the Housing and Urban-Rural Recovery Act of 1983 is amended by striking out paragraph (2).

(b) Home Mortgage Disclosure Act of 1975.—Section 312 of the Home Mortgage Disclosure Act of 1975 is repealed.

(c) Rehabilitation Loans.—Section 312(h) of the Housing Act of 1964 is amended by striking out "September 30, 1987" and inserting in lieu thereof "September 30, 1989".

(d) Rural Programs.—(1) Section 515(b)(4) of the Housing Act of 1949 is amended by striking out "September 30, 1987" and inserting in lieu thereof "September 30, 1989".

(2) Section 523(f) of such Act is amended by striking out "September 30, 1987" and inserting in lieu thereof "September 30, 1989".

Subtitle B—Mortgage Insurance and Secondary Mortgage Market Programs

SEC. 121. LIMITATION ON FEDERAL HOUSING ADMINISTRATION INSURANCE PREMIUMS.

(a) In General.—Section 203(c) of the National Housing Act is amended by striking out all that precedes the first proviso and inserting in lieu thereof the following: "The Secretary is authorized to fix premium charges for the insurance of mortgages under the separate section of this title. In the case of any mortgage insured under section 203(b) or 234, such charge shall not be more than 3.8 per centum of the principal obligation of the loan or mortgage involved. In the case of any other mortgage insured under this title such charge shall not be more than an amount equivalent to 1 percent per annum of the amount of the principal obligation of the mortgage outstanding at any time, without taking into account delinquent payments or prepayments. The Secretary shall certify to Congress 90 days prior to any increases in these fees that the proposed increases are solely for the purposes specified in the following sentence. The fee charged for the insurance of mortgages under this title shall be set by the Secretary at a level adequate to create reserves sufficient to meet anticipated claims based upon actuarial analysis, and to compensate for actual administrative expenses, but for no other purpose:".

(b) Effective Date.—The amendment made by subsection (a) shall take effect on October 1, 1987.

(c) Maximum Mortgage Amount.—Section 203(b)(2)(A) of the National Housing Act is amended by striking out "133⅓" and inserting in lieu thereof "150".

SEC. 122. ADJUSTMENTS TO RENTAL HOUSING INSURANCE MORTGAGE LIMITS.

(a) Section 221(d)(3) Limits.—Section 221(d)(3)(ii) of the National Housing Act is amended by striking out "$21,563"; "$24,862"; "$29,984"; "$38,379"; "$42,756"; "$22,692"; "$26,012"; "$31,631"; "$40,919"; and "$44,917" and inserting in lieu thereof "$28,032"; "$32,321"; "$38,979"; "$49,893"; "$55,583"; "$29,500"; "$33,816"; "$41,120"; "$53,195"; and "$58,392", respectively.

(b) Section 221(d)(4) Limits.—Section 221(d)(4)(ii) of the National Housing Act of 1934 is amended by striking out "$19,406"; "$22,028"; "$26,625"; "$33,420"; "$37,870"; "$20,962"; "$24,030"; "$29,220"; "$37,800"; and "$41,494" and inserting in lieu thereof "$25,228"; "$28,636"; "$34,613"; "$43,446"; "$49,231"; "$27,251"; "$31,239"; "$37,986"; "$49,140"; and "$53,942", respectively.

SEC. 123. REFINANCING OF GRADUATED PAYMENT MORTGAGES.

Section 223(a)(7) of the National Housing Act is amended by inserting in the first proviso after "except that" the following: "(A) the principal amount of any such refinancing mortgage may equal the outstanding balance of an existing mortgage insured pursuant to section 245 of this Act, if the amount of the monthly payment due under the refinancing mortgage is less than that due under the existing mortgage for the month in which the refinancing mortgage is executed; and (B)".

SEC. 124. REFINANCING MORTGAGE INSURANCE FOR HOSPITALS, NURSING HOMES, INTERMEDIATE CARE FACILITIES, AND BOARD AND CARE HOMES.

(a) State Certification Requirement.—Section 223(f)(4)(D) of the National Housing Act is amended to read as follows:

"(D) the applicable requirements for certificates, studies, and statements of section 232 (for the existing nursing home, intermediate care facility, board and care home, or any combination thereof, proposed to be refinanced) or of section 242 (for the existing hospital proposed to be refinanced) have been met.".

(b) Refinancing Insurance for Nursing Homes, Intermediate Care Facilities, and Board and Care Homes.—Section 223(f) of the National Housing Act is amended—

(1) in paragraph (1), by inserting after "existing hospital" the following: "(or existing nursing home, existing intermediate care facility, existing board and care home, or any combination thereof)"; and

(2) in paragraph (4) (other than in subparagraph (D)), by inserting after "existing hospital" each place it appears the following: "(or existing nursing home, existing intermediate care facility, existing board and care home, or any combination thereof)".

(c) Regulations.—The Secretary of Housing and Urban Development shall issue such regulations as may be necessary to carry out the amendment made by this section by not later than the expiration of the 90-day period following the date of enactment of this Act.

SEC. 125. MORTGAGE INSURANCE FOR NURSING HOMES, INTERMEDIATE CARE FACILITIES, AND BOARD AND CARE HOMES.

(a) Insurance for Public Nursing Homes.—Section 232(b)(1) of the National Housing Act is amended by inserting "public facility," before "proprietary".

(b) Requirement of State Approval.—Section 232(d)(4)(A) of the National Housing Act is amended by inserting at the end the following new sentences: "If no such State agency exists, or if the State agency exists but is not empowered to provide a certification that there is a need for the home or facility or combined home and facility as required in clause (i) of the first sentence, the Secretary shall not insure any mortgage under this section unless (i) the State in which the home or facility or combined home and facility is located has conducted or commissioned and paid for the preparation of an independent study of market need and feasibility that (I) is prepared in accordance with the principles established by the American Institute of Certified Public Accountants; (II) assesses, on a marketwide basis, the impact of the proposed home or facility or combined home and facility on, and its relationship to, other health care facilities and services, the percentage of excess beds, demographic projections, alternative health care delivery systems, and the reimbursement structure of the home, facility, or combined home and facility; (III) is addressed to and is acceptable to the Secretary in form and substance; and (IV) in the event the State does not prepare the study, is prepared by a financial consultant selected by the State and approved by the Secretary; and (ii) the State complies with the other provisions of this subparagraph that would otherwise be required to be met by a State agency designated in accordance with section 604(a)(1) or section 1521 of the Public Health Service Act. The proposed mortgagor may reimburse the State for the cost of the independent feasibility study required in the preceding sentence.".

(c) Regulations.—The Secretary of Housing and Urban Development shall issue such regulations as may be necessary to carry out the amendments made by this section by not later than the expiration of the 90-day period following the date of enactment of this Act.

SEC. 126. REQUIREMENT OF STATE APPROVAL FOR MORTGAGE INSURANCE FOR HOSPITALS.

(a) In General.—Section 242(d)(4) of the National Housing Act is amended by inserting at the end the following new sentences: "If no such State agency exists, or if the State agency exists but is not empowered to provide a certification that there is a need for the hospital as set forth in clause (A) of the first sentence, the Secretary shall not insure any mortgage under this section unless (A) the State in which the hospital is located has conducted or commissioned and paid for the preparation of an independent study of market need and feasibility that (i) is prepared in accordance with the principles established by the American Institute of Certified Public Accountants; (ii) assesses, on a marketwide basis, the impact of the proposed hospital on, and its relationship to, other health care facilities and services, the percentage of excess beds, demographic projections, alternative health care delivery systems, and the reimbursement structure of the hospital; (iii) is addressed to and is acceptable to the Secretary in form and substance; and (iv) in the event the State does not prepare the study, is prepared by a financial consultant selected by the State and approved by the Secretary; and (B) the State complies with the other provisions of this paragraph that would otherwise be required to be met by a State agency designated in accordance with section 604(a)(1) or section 1521 of the Public Health Service Act. The proposed mortgagor may reimburse the State for the cost of the independent feasibility study required in the preceding sentence.".

(b) Regulations.—The Secretary of Housing and Urban Development shall issue such regulations as may be necessary to carry out the amendment made by this section by not later than the expiration of the 90-day period following the date of enactment of this Act.

SEC. 127. RELEASE OF POOL FUNDS.

(a) Section 236.—Section 236 of the National Housing Act is amended by adding at the end thereof the following:

"(r) The Secretary shall, not later than 45 days after receipt of an application by the mortgagee, provide interest reduction and rental assistance payments for the benefit of projects assisted under this section whose mortgages were made by State or local housing finance agencies or State or local government agencies for a term equal to the remaining mortgage term to maturity on projects assisted under this section to the extent of—

"(1) unexpended balances of amounts of authority as set forth in certain letter agreements between the Department of Housing and Urban Development and such State or local housing finance agencies or State or local government agencies, and

"(2) existing allocation under section 236 contracts on projects whose mortgages were made by State or local housing finance agencies or State or local government agencies which are not being funded, to the extent of such excess allocation, for any purposes permitted under the provisions of this section, including without limitation rent supplement and rental assistance payment unit increases and mortgage increases for any eligible purpose under this section, including without limitation operating deficit loans.

An application shall be eligible for assistance under the previous sentence only if the mortgagee submits the application within 548 days after the effective date of this subsection, along with a certification of the mortgagee that amounts hereunder are to be utilized only for the purpose of either (A) reducing rents or rent increases to tenants, or (B) making repairs or otherwise increasing the economic viability of a related project. Unexpended balances referred to in the first sentence of this subsection which remain after disposition of all such applications is favorably concluded shall be rescinded. The calculation of the amount of assistance to be provided under an interest reduction contract pursuant to this subsection shall be made on the basis of an assumed mortgage term equal to the lesser of a 40-year amortization period or the term of that part of the mortgage which relates to the additional assistance provided under this subsection, even though the additional assistance may be provided for a shorter period.".

(b) Rent Supplement Program.—Section 101 of the Housing and Urban Development Act of 1965 is amended by adding at the end thereof the following:

"(m) The Secretary shall, not later than 45 days after receipt of an application by the mortgagee, provide interest reduction and rental assistance payments for the benefit of projects assisted under this section whose mortgages were made by State or local housing finance agencies or State or local government agencies for a term equal to the remaining mortgage term to maturity on projects assisted under this section to the extent of—

"(1) unexpended balances of amounts of authority as set forth in certain letter agreements between the Department of Housing and Urban Development and such State or local housing finance agencies or State or local government agencies, and

"(2) existing allocation under section 236 contracts on projects whose mortgages were made by State or local housing finance agencies or State or local government agencies which are not being funded, to the extent of such excess allocation, for any purposes permitted under the provisions of this section.

An application shall be eligible for assistance under the previous sentence only if the mortgagee submits the application within 548 days after the effective date of this subsection, along with a certification of the mortgagee that amounts are to be utilized hereunder for the purpose of either (A) reducing rents or rent increases to tenants, or (B) making repairs or otherwise increasing the economic viability of a related project. Unexpended balances referred to in the first sentence of this subsection which remain after disposition of all such applications is favorably concluded shall be rescinded.".

SEC. 128. INCREASE IN AUTHORITY TO INSURE ADJUSTABLE RATE SINGLE FAMILY MORTGAGES.

(a) In General.—Section 251(c) of the National Housing Act is amended to read as follows:

"(c) The aggregate number of mortgages and loans insured under this section in any fiscal year may not exceed 40 percent of the aggregate number of mortgages and loans insured by the Secretary under this title during the preceding fiscal year.".

(b) Conforming Amendments.—

(1) Section 245(c) of the National Housing Act is amended in the last sentence by striking out ", section 251,".

(2) Section 252(g) of the National Housing Act is amended—

(A) by striking out the first comma and inserting in lieu thereof "and"; and

(B) by striking out ", and section 251".

SEC. 129. LIMITATIONS ON CERTAIN SECONDARY MORTGAGE MARKET FEES.

(a) Federal National Mortgage Association.—Section 304 of the Federal National Mortgage Association Charter Act is amended by adding at the end thereof the following new subsection:

"(f) Except for fees paid pursuant to section 309(g), no fee or charge may be assessed or collected by the United States (including any executive department, agency, or independent establishment of the United States) on or with regard to the purchase, acquisition, sale, pledge, issuance, guarantee, or redemption of any mortgage, asset, obligation, trust certificate of beneficial interest, or other security by the corporation. No provision of this subsection shall affect the purchase of any obligation by the Secretary of the Treasury pursuant to subsection (c).".

(b) Government National Mortgage Association.—Section 306(g) of Federal National Mortgage Association Charter Act is amended by adding at the end thereof the following new paragraph:

"(3)(A) No fee or charge in excess of 6 basis points may be assessed or collected by the United States (including any executive department, agency, or independent establishment of the United States) on or with regard to any guaranty of the timely payment of principal or interest on securities or notes based on or backed by mortgages that are secured by 1- to 4-family dwellings and (i) insured by the Federal Housing Administration under title II of the National Housing Act; or (ii) insured or guaranteed under the Serviceman's Readjustment Act of 1944, chapter 37 of title 38, United States Code, or title V of the Housing Act of 1949.

"(B) The fees charged for the guaranty of securities or on notes based on or backed by mortgages not referred to in subparagraph (A), as authorized by other provisions of law, shall be set by the Association at a level not more than necessary to create reserves sufficient to meet anticipated claims based upon thorough actuarial analysis, and for no other purpose.

"(C) Fees or charges for the issuance of commitments or miscellaneous administrative fees of the Association shall not be on a competitive auction basis and shall remain at the level set for such fees or charges as of September 1, 1985, except that such fees or charges may be adjusted or instituted if reasonably related to the cost of administering the program, and for no other purpose.

"(D) Not less than 90 days before increasing any fee or charge under subparagraph (B) or (C), the Secretary shall submit to the Congress a certification that such increase is solely for the purpose specified in such subparagraph.".

(c) Federal Home Loan Mortgage Corporation.—Section 306 of the Federal Home Loan Mortgage Corporation Act is amended by adding at the end thereof the following new subsection:

"(i) Except for fees paid pursuant to section 303(c) or 306(c), no fee or charge may be assessed or collected by the United States (including any executive department, agency, or independent establishment of the United States) on or with regard to the purchase, acquisition, sale, pledge, issuance, guarantee, or redemption of any mortgage, asset, obligation, or other security by the Corporation. No provision of this subsection shall affect the purchase of any obligation by any Federal Home Loan Bank pursuant to section 303(a).".

SEC. 130. FNMA CUMULATIVE VOTING.

The first sentence of section 303(a) of the Federal National Mortgage Association Charter Act is amended to read as follows: "The corporation shall have common stock, without par value, which shall be vested with all voting rights, each share being entitled to one vote with rights of cumulative voting at all elections of directors, except that the corporation may eliminate such rights of cumulative voting by a resolution adopted by its board of directors and approved by the holders of a majority of the shares of common stock voting in person or by proxy at the annual meeting, or other special meeting, at which such resolution is considered.".

SEC. 131. MORTGAGE INSURANCE PROGRAM LOSS REDUCTION.

(a) Regulatory Actions.—The Secretary of Housing and Urban Development shall take appropriate administrative actions to reduce losses in connection with the mortgage insurance programs carried out pursuant to the National Housing Act.

(b) Reports of Identifying Numbers.—Title V of the National Housing Act is amended by adding at the end thereof the following new section:

"AUTHORITY FOR THE SECRETARY TO REQUIRE MORTGAGEES AND LENDERS TO REPORT TAXPAYER IDENTIFYING NUMBERS OF BORROWERS

"Sec. 533. Notwithstanding any other provision of law, to assist in enforcing the requirements of this Act, the Secretary may require a mortgagee approved under this Act, or a lender holding a contract of insurance under title I of this Act, to disclose to the Secretary the taxpayer identifying numbers contained in the records of the mortgagee or lender with respect to borrowers under any program under this Act. The Secretary shall establish such safeguards as are necessary (as determined in regulations issued by the Secretary) to ensure that information secured under this section is used only for the purpose of assisting the Secretary in enforcing the requirements of this Act. The term 'taxpayer identifying number' has the meaning given to such term by section 6109 of the Internal Revenue Code of 1954.".

(c) Reports by Mortgagees.—Title V of the National Housing Act is amended by adding at the end thereof the following new section:

"DIRECTION TO THE SECRETARY TO REQUIRE MORTGAGEES WITH ABOVE NORMAL RATES OF EARLY, SERIOUS DEFAULTS AND CLAIMS TO SUBMIT REPORTS AND TAKE CORRECTIVE ACTION

"Sec. 534. (a) To reduce losses in connection with mortgage insurance programs under this Act, the Secretary shall review, at least once a year, the rate of early serious defaults and claims involving mortgagees approved under this Act. On the basis of this review, the Secretary shall notify each mortgagee which, as determined by the Secretary, had a rate of early serious defaults and claims during the preceding year which was higher than the normal rate for the geographic area or areas in which that mortgagee does business. In the notification, the Secretary shall require each mortgagee to submit a report, within a time determined by the Secretary, containing the mortgagee's (1) explanation for the above normal rate of early serious defaults and claims; (2) plan for corrective action, if applicable, both with regard to mortgages (A) in default; and (B) its mortgage-processing system in general; and (3) a timeframe within which this corrective action will be begun and completed. If the Secretary does not agree with this timeframe or plan, a mutually agreeable timeframe and plan will be determined.

"(b) Failure of the mortgagee to submit a report required under subsection (a) within the time determined by the Secretary or to commence or complete the plan for corrective action within the timeframe agreed upon by the Secretary may be cause for suspension of the mortgagee from participation in programs under this Act.".

SEC. 132. MORTGAGES ON HAWAIIAN HOME LANDS AND INDIAN LANDS.

(a) Hawaiian Home Lands.—(1) Section 247 of the National Housing Act is amended by adding the following new subsection at the end thereof:

"(d) Notwithstanding any other provision of this Act, the insurance of a mortgage using the authority contained in this section shall be the obligation of the General Insurance Fund created pursuant to section 519 of this Act. The mortgagee shall be eligible to receive the benefits of insurance as provided in section 204 of this Act with respect to mortgages insured pursuant to this section, except that all references in section 204 to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the General Insurance Fund, and all references in section 204 to section 203 shall be construed to refer to the section under which the mortgage is insured.".

(2) Section 247(c)(1) of such Act is amended by inserting before the period at the end thereof the following: "(or, in the case of an individual who succeeds a spouse or parent in an interest in a lease of Hawaiian home lands, such lower percentage as may be established for such succession under section 209 of the Hawaiian Homes Commission Act, 1920, or under the corresponding provision of the Constitution of the State of Hawaii adopted under section 4 of the Act entitled 'An Act to provide for the admission of the State of Hawaii into the Union', approved March 18, 1959 (73 Stat. 5)".

(b) Indian Lands.—Section 248 of the National Housing Act is amended by—

(1) redesignating subsections (f), (g), and (h) as subsections (g), (h), and (i), respectively, and inserting after subsection (e) the following new subsection:

"(f) Notwithstanding any other provision of this Act, the insurance of a mortgage using the authority contained in this section shall be the obligation of the General Insurance Fund created pursuant to section 519 of this Act. The mortgagee shall be eligible to receive the benefits of insurance as provided in section 204 of this Act with respect to mortgages insured pursuant to this section, except that all references in section 204 to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the General Insurance Fund, and all references in section 204 to section 203 shall be construed to refer to the section under which the mortgage is insured."; and

(2) striking out in the last sentence of subsection (g)(3) and the first sentence of subsection (g)(5), as such subsections were redesignated by paragraph (1), "insurance fund" each place it appears and inserting in lieu thereof "General Insurance Fund".

SEC. 133. FHA TITLE I REGULATIONS.

(a) In General.—Until January 1, 1988, any applicant for a loan insured under title I of the National Housing Act may (at the option of the applicant) have such application considered under—

(1) the regulations of the Department of Housing and Urban Development in effect on January 15, 1986; or

(2) the regulations published by the Department of Housing and Urban Development on October 25, 1985 (50 Federal Register 43516 et seq., relating to insurance of title I property improvement and manufactured home loans).

(b) Review of Regulations.—Prior to January 1, 1988, the Secretary of Housing and Urban Development shall reopen the regulations referred to in subsection (a)(2) for public comment and take into consideration the comments received.

SEC. 134. HOME EQUITY CONVERSION MORTGAGE INSURANCE DEMONSTRATION.

(a) In General.—Title II of the National Housing Act is amended by adding at the end the following new section:

"DEMONSTRATION PROGRAM OF INSURANCE OF HOME EQUITY CONVERSION MORTGAGES FOR ELDERLY HOMEOWNERS

"Sec. 254. (a) Purpose.—The purpose of this section is to authorize and require the Secretary to carry out a demonstration program of mortgage insurance designed—

"(1) to meet the special needs of elderly homeowners by reducing the effect of the economic hardship caused by the increasing costs of meeting health, housing, and subsistence needs at a time of reduced income, through the insurance of home equity conversion mortgages to permit the conversion of a portion of accumulated home equity into liquid assets;

"(2) to encourage and increase the involvement of mortgagees and participants in the secondary mortgage market in the making and servicing of home equity conversion mortgages for elderly homeowners; and

"(3) to require the evaluation of data to determine—

"(A) the extent of the need and demand among elderly homeowners for insured and uninsured home equity conversion mortgages;

"(B) the types of home equity conversion mortgages that best serve the needs and interests of elderly homeowners, the Federal Government, and lenders; and

"(C) the appropriate scope and nature of participation by the Secretary in connection with home equity conversion mortgages for elderly homeowners.

"(b) Definitions.—For purposes of this section:

"(1) The terms 'elderly homeowner' and 'homeowner' mean any homeowner who is, and whose spouse, if any, is, at least 62 years of age or such greater age as the Secretary may prescribe.

"(2) The terms 'mortgage', 'mortgagee', 'mortgagor', and 'State' have the meanings given such terms in section 201.

"(3) The term 'home equity conversion mortgage' means a first mortgage which provides for future payments to the homeowner based on accumulated equity and which a housing creditor (as defined in section 803(2) of the Garn-St Germain Depository Institutions Act of 1982) is authorized to make (A) under any law of the United States (other than section 804 of such Act) or applicable agency regulations thereunder; (B) in accordance with section 804 of such Act, notwithstanding any State constitution, law, or regulation; or (C) under any State constitution, law, or regulation.

"(c) Insurance Authority.—The Secretary may, upon application by a mortgagee, insure any home equity conversion mortgage eligible for insurance under this section and, upon such terms and conditions as the Secretary may prescribe, make commitments for the insurance of such mortgages prior to the date of their execution or disbursement to the extent that the Secretary determines such mortgages—

"(1) have promise for improving the financial situation or otherwise meeting the special needs of elderly homeowners;

"(2) will include appropriate safeguards for mortgagors to offset the special risks of such mortgages; and

"(3) have a potential for acceptance in the private mortgage market.

"(d) Eligibility Requirements.—To be eligible for insurance under this section, a mortgage shall—

"(1) have been made to a mortgagee approved by the Secretary as responsible and able to service the mortgage properly;

"(2) have been executed by a mortgagor who—

"(A) qualifies as an elderly homeowner;

"(B) has received information as provided in subsection (f); and

"(C) meets any additional requirements prescribed by the Secretary;

"(3) be secured by a dwelling that is designed principally for a 1-family residence and is occupied by the mortgagor and that has a value not to exceed the maximum dollar amount established by the Secretary under section 203(b)(2) for a one-family residence;

"(4) provide that prepayment, in whole or in part, may be made without penalty at any time during the period of the mortgage;

"(5) provide for a fixed or variable interest rate or future sharing between the mortgagor and the mortgagee of the appreciation in the value of the property, as agreed upon by the mortgagor and the mortgagee;

"(6) contain provisions for satisfaction of the obligation satisfactory to the Secretary;

"(7) provide that the homeowner shall not be liable for any difference between the net amount of the remaining indebtedness of the homeowner under the mortgage and the amount recovered by the mortgagee from—

"(A) a foreclosure sale; or

"(B) the insurance benefits paid pursuant to subsection (i)(1)(C); and

"(8) contain such terms and provisions with respect to insurance, repairs, alterations, payment of taxes, default reserve, delinquency charges, foreclosure proceedings, anticipation of maturity, additional and secondary liens, and other matters as the Secretary may prescribe.

"(e) Disclosures by Mortgagee.—The Secretary shall require each mortgagee of a mortgage insured under this section to make available to the homeowner—

"(1) at the time of the loan application, a written list of the names and addresses of third-party information sources who are approved by the Secretary as responsible and able to provide the information required by subsection (f);

"(2) at least 10 days prior to loan closing, a statement explaining the homeowner's rights, obligations, and remedies with respect to temporary absences from the home, late payments, and payment default by the lender, all conditions requiring satisfaction of the loan obligation, and any other information that the Secretary may require; and

"(3) on an annual basis (but not later than January 31 of each year), a statement summarizing the total principal amount paid to the homeowner under the loan secured by the mortgage, the total amount of deferred interest added to the principal, and the outstanding loan balance at the end of the preceding year.

"(f) Information Services for Mortgagors.—The Secretary shall provide or cause to be provided by entities other than the lender the information required in subsection (d)(2)(B). Such information shall be discussed with the mortgagor and shall include—

"(1) options other than a home equity conversion mortgage that are available to the homeowner, including other housing, social service, health, and financial options;

"(2) other home equity conversion options that are or may become available to the homeowner, such as sale-leaseback financing, deferred payment loans, and property tax deferral;

"(3) the financial implications of entering into a home equity conversion mortgage; and

"(4) a disclosure that a home equity conversion mortgage may have tax consequences, affect eligibility for assistance under Federal and State programs, and have an impact on the estate and heirs of the homeowner; and

"(5) any other information that the Secretary may require.

"(g) Limitation on Insurance Authority.—No mortgage may be insured under this section after September 30, 1991, except pursuant to a commitment to insure issued on or before such date. The total number of mortgages insured under this section may not exceed 2,500. In no case may the benefits of insurance under this section exceed the maximum dollar amount established under section 203(b)(2) for a one-family residence.

"(h) Administrative Authority.—The Secretary may—

"(1) enter into such contracts and agreements with Federal, State, and local agencies, public and private entities, and such other persons as the Secretary determines to be necessary or desirable to carry out the purposes of this section; and

"(2) make such investigations and studies of data, and publish and distribute such reports, as the Secretary determines to be appropriate.

"(i) Protection of Homeowner and Lender.—

"(1) Notwithstanding any other provision of law, and in order to further the purposes of the demonstration program authorized in this section, the Secretary shall take any action necessary—

"(A) to provide any mortgagor under this section with funds to which the mortgagor is entitled under the insured mortgage or ancillary contracts but that the mortgagor has not received because of the default of the party responsible for payment;

"(B) to obtain repayment of disbursements provided under subparagraph (A) from any source; and

"(C) to provide any mortgagee under this section with funds not to exceed the limitations in subsection (g) to which the mortgagee is entitled under the terms of the insured mortgage or ancillary contracts authorized in this section.

"(2) Actions under paragraph (1) may include—

"(A) disbursing funds to the mortgagor or mortgagee from the General Insurance Fund;

"(B) accepting an assignment of the insured mortgage notwithstanding that the mortgagor is not in default under its terms, and calculating the amount and making the payment of the insurance claim on such assigned mortgage;

"(C) requiring a subordinate mortgage from the mortgagor at any time in order to secure repayments of any funds advanced or to be advanced to the mortgagor;

"(D) requiring a subrogation to the Secretary of the rights of any parties to the transaction against any defaulting parties; and

"(E) imposing premium charges.

"(j) Safeguard To Prevent Displacement of Homeowner.—The Secretary may not insure a home equity conversion mortgage under this section unless such mortgage provides that the homeowner's obligation to satisfy the loan obligation is deferred until the homeowner's death, the sale of the home, or the occurrence of other events specified in regulations of the Secretary. For purposes of this subsection, the term 'homeowner' includes the spouse of a homeowner.

"(k) Report to Congress.—(1) The Secretary shall, not later than September 30, 1989, submit an interim report to Congress describing—

"(A) design and implementation of the demonstration;

"(B) number and types of reverse mortgages written to date;

"(C) profile of participant homeowner-borrowers, including incomes, home equity, and regional distribution; and

"(D) problems encountered in implementation, including impediments associated with State or Federal laws or regulations governing taxes, insurance, securities, public benefits, banking, and any other problems in implementation that the Secretary encounters.

"(2) Not later than March 30, 1992, the Secretary shall submit to Congress a preliminary evaluation of the program authorized in this section. Such evaluation shall include an updated report on the matters referred to in paragraph (1) and shall in addition—

"(A) describe the types of mortgages appropriate for inclusion in such program;

"(B) describe any changes in the insurance programs under this title, or in other Federal regulatory provisions, determined to be appropriate;

"(C) describe any risk created under such mortgages to mortgagors and mortgagees or the insurance programs under this title, and whether the risk is adequately covered by the premiums under the insurance programs;

"(D) evaluate whether such program has improved the financial situation or otherwise met the special needs of participating elderly homeowners;

"(E) evaluate whether such program has included appropriate safeguards for mortgagors to offset the special risks of such mortgages;

"(F) evaluate whether home equity conversion mortgages have a potential for acceptance in the private market; and

"(G) evaluate whether such program has increased secondary mortgage market activity with respect to home equity conversion mortgages.

The preliminary evaluation shall incorporate comments and recommendations solicited by the Secretary from the Board of Governors of the Federal Reserve System, the Secretary of Health and Human Services, the Federal Council on Aging, Federal Home Loan Bank Board, the Comptroller of the Currency, and the National Credit Union Administration Board regarding any of the matters referred to in this paragraph or paragraph (1).

"(3) Following submission of the preliminary evaluation, the Secretary shall, on a biennial basis, submit to the Congress an updated report and evaluation covering the period since the most recent report under this subsection and shall include analysis of the repayment of the home equity conversion mortgages under this demonstration during such period.".

(b) Regulations.—The Secretary of Housing and Urban Development shall—

(1) not later than 6 months after the date of enactment of this Act, consult with lenders, insurers, and organizations and individuals with expertise in home equity conversion in developing proposed regulations implementing section 254 of the National Housing Act; and

(2) within 9 months, issue proposed regulations implementing section 254 of the National Housing Act.

SEC. 135. AUTHORITY TO PURCHASE SECOND MORTGAGES.

(a) Federal National Mortgage Association.—Section 302(b)(5)(A)(i) of the Federal National Mortgage Association Charter Act is amended by striking "until October 1, 1987,".

(b) Federal Home Loan Mortgage Corporation.—Section 305(a)(4)(A)(i) of the Federal Home Loan Mortgage Corporation Act is amended by striking "until October 1, 1987,".

SEC. 136. MISCELLANEOUS AMENDMENTS.

(a) Section 223 of the National Housing Act is amended—

(1) by striking out in the first proviso of subsection (a)(7) "a rate not in excess of the maximum rate prescribed under the applicable section or title of this Act" and inserting in lieu thereof the following: "such rate as may be agreed upon by the mortgagor and the mortgagee";

(2) by striking out in the second proviso of subsection (a)(7) "maturity, a principal obligation, and an interest rate" and inserting in lieu thereof the following: "maturity and a principal obligation";

(3) by inserting at the end of the second proviso of subsection (a)(7) before the semicolon the following: ", and shall bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee"; and

(4) by amending clause (1) of the second sentence of subsection (d) to read as follows: "(1) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee,".

(b) Section 232(i)(2)(B) of such Act is amended to read as follows:

"(B) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee;".

(c) Section 236 of such Act is amended by striking out "(h)" in the last sentence of subsection (i)(1) and inserting in lieu thereof "(f)(4)".

(d) Section 244(f) of such Act is amended by striking out paragraph (2) and redesignating paragraphs (3), (4), (5), and (6) as paragraphs (2), (3), (4), and (5), respectively.

(e) Section 247(a)(2) of such Act is amended by striking out "Mortgagor" and inserting in lieu thereof "mortgagor".

(f) Section 248 of such Act is amended—

(1) by striking out in subsection (a)(1) "lands" and inserting in lieu thereof "land";

(2) by striking out in subsection (a)(2) "lands"; and

(3) by striking out "tribal or trust land" in subsection (d) and inserting in lieu thereof "trust or otherwise restricted land".

(g) Section 253 of such Act is amended—

(1) by striking out the fourth sentence of subsection (b) and inserting in lieu thereof the following: "For purposes of this section, the term 'net appreciated value' means the amount by which the sales price of the property (less the mortgagor's selling costs) exceeds the actual project cost after completion, as approved by the Secretary.";

(2) by striking out in the first sentence of subsection (c) "204" and inserting in lieu thereof "207"; and

(3) by striking out the last sentence of subsection (c) and inserting in lieu thereof the following: "The term 'original principal face amount of the mortgage' as used in section 207 shall not include the mortgagee's share of net appreciated value.".

(h) The first sentence of section 810(h) of such Act is amended—

(1) by striking out "(exclusive of" and all that follows through "207" and inserting in lieu thereof "at such rate as may be agreed upon by the mortgagor and the mortgagee"; and

(2) by striking out before the period at the end thereof "not to exceed the rate applicable to mortgages insured under section 203" and inserting in lieu thereof "such rate as may be agreed upon by the mortgagor and the mortgagee".

(i) Section 203(k)(3)(B) and section 241(b)(3) are each amended by striking out "mortgagor" and inserting in lieu thereof "borrower" and by striking out "mortgagee" and inserting in lieu thereof "financial institution".

SEC. 137. CHANGE IN THE DEFINITION OF VETERAN.

The National Housing Act is amended—

(1) by inserting immediately after "other than dishonorable" at the end of the first undesignated paragraph of section 203(b)(2) the following: ": *Provided*, That persons enlisting in the armed forces after September 7, 1980, or entering active duty after October 16, 1981, shall have their eligibility determined in accordance with 38 U.S.C. 3103A(d)"; and

(2) by inserting immediately after "other than dishonorable" at the end of the last sentence of section 220(d)(3)(A)(i) the following: ": *Provided further*, That persons enlisting in the armed forces after September 7, 1980, or entering active duty after October 16, 1981, shall have their eligibility determined in accordance with 38 U.S.C. 3103A(d)".

SEC. 138. REPEAL OF SECTION 244(c) OF COINSURANCE AUTHORITY.

Section 244(c) of the National Housing Act is hereby repealed.

SEC. 139. PROTOTYPE HOUSING COSTS.

Section 904 of the Housing and Community Development Act of 1977 is hereby repealed.

SEC. 140. CREDIT LIMITATION.

Any new credit authority (as defined in section 3 of the Congressional Budget and Impoundment Control Act of 1974) which is provided by this Act shall be effective only to such extent or in such amounts as may be approved in appropriation Acts.

Subtitle C—Community and Neighborhood Development and Conservation Programs

SEC. 141. CITY AND COUNTY CLASSIFICATIONS.

(a) Metropolitan City.—Section 102(a)(4) of the Housing and Community Development Act of 1974 is amended—

(1) in the second sentence, by striking out "September 30, 1987" and inserting in lieu thereof "September 30, 1989"; and

(2) by adding at the end thereof the following new sentence: "Any city classified as a metropolitan city pursuant to the first or second sentence of this paragraph, and that no longer qualifies as a metropolitan city under such first or second sentence in a fiscal year beginning after fiscal year 1989, shall retain its classification as a metropolitan city for such fiscal year and the succeeding fiscal year, except that in such succeeding fiscal year (A) the amount of the grant to such city shall be 50 percent of the formula value under section 106(b); and (B) the remaining 50 percent shall be added to the amount allocated under section 106(d) to the State in which the city is located and the city shall be eligible in such succeeding fiscal year to receive a distribution from the State allocation under section 106(d) as increased by this sentence.".

(b) Metropolitan City Option.—Section 102(a)(4) of the Housing and Community Development Act of 1974 is amended by striking out the third sentence and inserting in lieu thereof the following: "Any unit of general local government that becomes eligible to be classified as a metropolitan city, and was not classified as a metropolitan city in the immediately preceding fiscal year, may, upon submission of written notification to the Secretary, defer its classification as a metropolitan city for all purposes under this title, if it elects to have its population included in an urban county under subsection (d). Notwithstanding the preceding sentence, a city may elect not to retain its classification as a metropolitan city for fiscal year 1988.".

(c) Urban County.—Section 102(a)(6) of the Housing and Community Development Act of 1974 is amended—

(1) by inserting after the first sentence the following: "Such term also includes a county that has a combined population in excess of 175,000, has more than 50 percent of the housing units of the area unsewered, and has an aquifer that was designated before March 1, 1987, a sole source aquifer by the Environmental Protection Agency, with the amount of the grant to such urban county under this clause to be deducted from the State's allocation under section 106(d).";

(2) in the second sentence, by striking out "September 30, 1987" and inserting in lieu thereof "September 30, 1989"; and

(3) by striking out the last sentence and inserting in lieu thereof the following new sentence: "Any county classified as an urban county pursuant to the first or second sentence of this paragraph, and that no longer qualifies as an urban county under such first or second sentence in a fiscal year beginning after fiscal year 1989, shall retain its classification as an urban county for such fiscal year and the succeeding fiscal year, except that in such succeeding fiscal

year (A) the amount of the grant to such an urban county shall be 50 percent of the formula value under section 106(b); and (B) the remaining 50 percent shall be added to the amount allocated under section 106(d) to the State in which the urban county is located and the urban county shall be eligible in such succeeding fiscal year to receive a distribution from the State allocation under section 106(d) as increased by this sentence.".

(d) RETENTION OF URBAN COUNTY CLASSIFICATION.—Section 102(a)(6) of the Housing and Community Development Act of 1974 is amended in the second sentence by inserting "or 1984" after "fiscal year 1983".

(e) DEFINITION OF "AREA INVOLVED".—The last sentence of section 102(a)(20)(A) of such Act is amended by inserting before the period at the end thereof the following: ", except that in the case of amounts distributed under section 106(d) to units of general local government located in nonmetropolitan areas, the area involved shall be the entire nonmetropolitan area of the State".

(f) ELIGIBLE ACTIVITIES.—Section 105(a)(15) of the Housing and Community Development Act of 1974 is amended by striking out "grants" both places it appears and inserting in lieu thereof "assistance".

(g) ENERGY USE STRATEGIES.—Section 105(a)(16) of such Act is amended to read as follows:

"(16) activities necessary to the development of energy use strategies related to a recipient's development goals, to assure that those goals are achieved with maximum energy efficiency, including items such as—

"(A) an analysis of the manner in, and the extent to, which energy conservation objectives will be integrated into local government operations, purchasing and service delivery, capital improvements budgeting, waste management, district heating and cooling, land use planning and zoning, and traffic control, parking, and public transportation functions; and

"(B) a statement of the actions the recipient will take to foster energy conservation and the use of renewable energy resources in the private sector, including the enactment and enforcement of local codes and ordinances to encourage or mandate energy conservation or use of renewable energy resources, financial and other assistance to be provided (principally for the benefit of low- and moderate-income persons) to make energy conserving improvements to residential structures, and any other proposed energy conservation activities;".

(h) STATE CERTIFICIATION.—Section 106(d)(2) of the Housing and Community Development Act of 1974 is amended—

(1) by striking out in subparagraph (C) "the Governor must certify that the State" and inserting in lieu thereof "the State must certify that it"; and

(2) by striking out in subparagraph (D) "the Governor of each State" and inserting in lieu thereof "the State".

(i) CONSIDERATION OF CERTAIN COUNTIES AS CITIES UNDER URBAN DEVELOPMENT ACTION GRANT PROGRAM.—Section 119(n)(1) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following new sentence: "Such term also includes the counties of Kauai, Maui, and Hawaii in the State of Hawaii.".

SEC. 142. URBAN DEVELOPMENT ACTION GRANT PROGRAM.

(a) AUTHORIZATION.—Section 119(a) of the Housing and Community Development Act of 1974 is amended by striking out the last sentence and inserting in lieu thereof the following: "There are authorized to be appropriated to carry out the provisions of this section not to exceed $440,000,000 for each of the fiscal years 1984 and 1985, such sums as may be necessary for fiscal years 1986 and 1987, and $225,000,000 for each of the fiscal years 1988 and 1989. Any amount appropriated under the preceding sentence shall remain available until expended.".

(b) PROJECT QUALITY CRITERIA.—Section 119(d)(1) of the Housing and Community Development Act of 1974 is amended—

(1) by inserting a dash before "(A)";

(2) by indenting subparagraphs (A) and (B) in the same manner as subparagraphs (C) and (D), as inserted by this subsection;

(3) in subparagraph (A), by striking out "as the primary criterion,";

(4) by striking out "and" at the end of subparagraph (B); and

(5) by striking out subparagraph (C) and inserting in lieu thereof the following new subparagraphs:

"(C) the following other criteria:

"(i) the extent to which the grant will stimulate economic recovery by leveraging private investment;

"(ii) the number of permanent jobs to be created and their relation to the amount of grant funds requested;

"(iii) the proportion of permanent jobs accessible to lower income persons and minorities, including persons who are unemployed;

"(iv) the extent to which the project will retain jobs that will be lost without the provision of a grant under this section;

"(v) the extent to which the project will relieve the most pressing employment or residential needs of the applicant by—

"(I) reemploying workers in a skill that has recently suffered a sharp increase in unemployment locally;

"(II) retraining recently unemployed residents in new skills;

"(III) providing training to increase the local pool of skilled labor; or

"(IV) producing decent housing for low- and moderate-income persons in cases where such housing is in severe shortage in the area of the applicant, except that an application shall be considered to produce housing for low- and moderate-income persons under this clause only if such application proposes that (a) not less than 51 percent of all funds available for the project shall be used for dwelling units and related facilities; and (b) not less than 30 percent of all funds used for dwelling units and related facilities shall be used for dwelling units to be occupied by persons of low and moderate income, or not less than 20 percent of all dwelling units made available to occupancy using such funds shall be occupied by persons of low and moderate income, whichever results in the occupancy of more dwelling units by persons of low and moderate income;

"(vi) the impact of the proposed activities on the fiscal base of the city or urban county and its relation to the amount of grant funds requested;

"(vii) the extent to which State or local Government funding or special economic incentives have been committed; and

"(viii) the extent to which the project will have a substantial impact on physical and economic development of the city or urban county, the proposed activities are likely to be accomplished in a timely fashion with the grant amount available, and the city or urban county has demonstrated performance in housing and community development programs; and

"(D) additional consideration for projects with the following characteristics:

"(i) projects to be located within a city or urban county which did not receive a preliminary grant approval under this section during the 12-month period preceding the date on which applications are required to be submitted for the grant competition involved; and

"(ii) twice the amount of the additional consideration provided under clause (i) for projects to be located in cities or urban counties which did not receive a preliminary grant approval during the 24-month period preceding the date on which applications under this section are required to be submitted for the grant competition involved.

If a city or urban county has submitted and has pending more than one application, the additional consideration provided by subparagraph (D) of the preceding sentence shall be available only to the project in such city or urban county which received the highest number of points under subparagraph (C) of such sentence.".

(c) SELECTION LIMITATIONS AND CRITERIA WEIGHT.—Section 119(d) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following new paragraphs:

"(3) The Secretary shall award points to each application as follows:

"(A) not more than 35 points on the basis of the criteria referred to in paragraph (1)(A);

"(B) not more than 35 points on the basis of the criteria referred to in paragraph (1)(B);

"(C) not more than 33 points on the basis of the criteria referred to in paragraph (1)(C); and

"(D)(i) 1 additional point on the basis of the criterion referred to in paragraph (1)(D)(i); or

"(ii) 2 additional points on the basis of the criterion referred to in paragraph (1)(D)(ii).

"(4) The Secretary shall distribute grant funds under this section so that to the extent practicable during each funding cycle—

"(A) 65 percent of the funds is first made available utilizing all of the criteria set forth in paragraph (1); and

"(B) 35 percent of the funds is then made available solely on the basis of the factors referred to in subparagraphs (C) and (D) of paragraph (1).

"(5)(A) Within 30 days of the start of each fiscal year, the Secretary shall announce the number of competitions for grants to be held in that fiscal year. The number of competitions shall be not less than—

"(i) 2 competitions for grants under paragraph (1) for cities not described in the first sentence of subsection (i) (relating to small cities) and urban counties; and

"(ii) 2 competitions for cities described in the first sentence of subsection (i) (relating to small cities).

"(B) Each competition for grants described in any clause of subparagraph (A) shall be for an amount equal to the sum of—

"(i) approximately the amount of the funds available for such grants for the fiscal year divided by the number of competitions for those funds;

"(ii) any funds available for such grants in any previous competition that are not awarded; and

"(iii) any funds available for such grants in any previous competition that are recaptured.".

(d) USE OF REPAID GRANT FUNDS.—Section 119(f) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following: "In any case in which the project proposes the repayment to the applicant of the grant funds, such funds shall be made available by the applicant for economic development activities that are eligible activities under this section or section 104. The applicant shall annually provide the Secretary with a statement of the projected receipt and use of repaid grant funds during the next year together with a report acceptable to the Secretary on the use of such funds during the most recent preceding full fiscal year of the applicant.".

(e) NONDISCRIMINATION.—Section 119(r) of the Housing and Community Development Act of 1974 is amended to read as follows:

"(r) In utilizing the discretion of the Secretary when providing assistance and applying selection criteria under this section, the Secretary may not discriminate against applications on the basis of (1) the type of activity involved, whether such activity is primarily housing, industrial, or commercial; or (2) the type of applicant, whether such applicant is a city or urban county.".

(f) REPORTS OF COMPTROLLER GENERAL.—

(1)(A) Not later than the expiration of the 6-month period following the date of enactment of this Act and every 3 years thereafter, the Comptroller General of the United States shall prepare and submit to the Congress a comprehensive report evaluating the eligibility standards and selection criteria applicable under section 119 of the Housing and Community Development Act of 1974.

(B) Such report shall evaluate in detail the standards and criteria specified in such section that measure the level or comparative degree of economic distress of cities and urban counties and the effect of the grants awarded on the basis of such standards and criteria on stimulating the maximum economic development activity.

(C) Such report shall also evaluate in detail the extent to which the economic and social data utilized by the Secretary in awarding grants under such section is current and accurate, and shall compare the data used by the Secretary with other available data. The Comptroller General shall make recommendations to the Congress on whether or not other data should be collected by the Federal Government in order to fairly and accurately distribute grants under such section based on the level or comparative degree of economic distress. The Comptroller General shall also make recommendations on whether or not existing data should be collected more frequently in order to ensure that timely data is used to evaluate grant applications under such section.

(2) Not later than the expiration of the 3-month period following the date of the final competition for grants for fiscal year 1987 under section 119 of the Housing and Community Development Act of 1974, the Comptroller General of the United States shall prepare and submit to the Congress a comprehensive report describing the effect of the amendments made by this section on—

(A) the targeting of grant funds to cities and urban counties having the highest level or degree of economic distress;

(B) the distribution of grants funds among regions of the United States;

(C) the number and types of projects receiving grants;

(D) the per capita funding levels for each city, urban county, or identifiable community described in subsection (p) of such section 119, receiving assistance under such section 119; and

(E) the stimulation of the maximum economic development activity.

(g) REGULATIONS.—The Secretary of Housing and Urban Development shall issue such regulations as may be necessary to carry out the amendments made by this section. Such regulations shall be published for comment in the Federal Register not later than 60 days after the date of enactment of this Act. The provisions of section 119(d)(1)(D), section 119(d)(3), and section 119(d)(4) of the Housing and Community Development Act of 1974, shall take effect on the date of enactment of this Act.

(h) APPLICABILITY.—The amendments made by this section shall be applicable to the making of urban development action grants that have not received the preliminary approval of the Secretary of Housing and Urban Development before the date on which final regulations issued by the Secretary under subsection (g) become effective. For the fiscal year in which the amendments made by this section become applicable, such amendments shall only apply with respect to the aggregate amount awarded for such grants on or after such effective date.

(i) LIMITATION ON GRANT AMOUNTS.—Section 119 of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following:

"(s)(1) The maximum grant amount for a project under subsection (b)(2) of this section is $6,000,000.

"(2) The maximum grant amount for a project under subsection (b)(1) of this section is $6,000,000 during fiscal years 1988 and 1989, except that this paragraph shall not apply to a project in which the Secretary determines that the average cost for each new permanent job does not exceed $8,000 and that the average cost for each permanent job retained that would otherwise be lost to the community does not exceed $8,000.".

SEC. 143. PROHIBITION ON USE OF URBAN DEVELOPMENT ACTION GRANTS FOR BUSINESS RELOCATIONS.

Section 119(h) of the Housing and Community Development Act of 1974 is amended—

(1) by inserting after the subsection designation the following: "(1) SPECULATIVE PROJECTS.—";

(2) by adding at the end of paragraph (1), as so redesignated, the following new sentence: "The provisions of this paragraph shall apply only to projects that do not have identified intended occupants."; and

(3) by adding at the end thereof the following new paragraphs:

"(2) PROJECTS WITH IDENTIFIED INTENDED OCCUPANTS.—No assistance may be provided or utilized under this section for any project with identified intended occupants that is likely to facilitate—

"(A) a relocation of any operation of an industrial or commercial plant or facility or other business establishment—

"(i) from any city, urban county, or identifiable community described in subsection (p), that is eligible for assistance under this section; and

"(ii) to the city, urban county, or identifiable community described in subsection (p), in which the project is located; or

"(B) an expansion of any such operation that results in a reduction of any such operation in any city, county, or community described in subparagraph (A)(i).

"(3) SIGNIFICANT AND ADVERSE EFFECT.—The restrictions established in paragraph (2) shall not apply if the Secretary determines that the relocation or expansion does not significantly and adversely affect the employment or economic base of the city, county, or community from which the relocation or expansion occurs.

"(4) APPENDIX.—Following notice of intent to withhold, deny or cancel assistance under paragraph (2), the Secretary shall provide a period of not less than 90 days in which the applicant can appeal to the Secretary the withholding denial, or cancellation of assistance. Notwithstnding any other provision of this section, nothing in this section or in any legislative history related to the enactment of this section may be construed to permit an inference or conclusion that the policy of Congress in the Urban Development Action Grant program is to facilitate the relocation of businesses from one area to another.

"(5) DEFINITION.—For purposes of this subsection, the term 'operation' includes any plant, equipment, facility, position, employment opportunity, production capacity, or product line.

"(6) REGULATIONS.—Not later than 60 days after the date of enactment of the Housing Act of 1986, the Secretary shall issue such regulations as may be necessary to carry out the provisions of this subsection. Such regulations shall include specific criteria to be used by the Secretary in determining whether there is a significant and adverse effect under paragraph (3).".

SEC. 144. CDBG AUTHORIZATION.

The second sentence of section 103 of the Housing and Community Development Act of 1974 is amended by inserting "and $3,000,000,000 for each of the fiscal years 1987, 1988, and 1989" before the period.

SEC. 145. URBAN HOMESTEADING.

(a) AUTHORIZATION.—(1) The first sentence of section 810(k) of the Housing and Community Development Act of 1974 is amended by inserting before the period at the end thereof the following: "and fiscal year 1986, and not to exceed $12,000,000 for each of the fiscal years 1987, 1988, and 1989".

(2) Section 810(h)(1) of such Act is amended by striking out "and 1985" and inserting in lieu thereof ", 1985, 1986, 1987, 1988, and 1989".

(3) Section 810(i)(1) of such Act is amended by striking out "and 1985" and inserting in lieu thereof ", 1985, 1986, 1987, 1988, and 1989,".

(4) Section 810(j) of such Act is amended by striking out "December 31, 1985" and inserting in lieu thereof "December 31, 1989".

(b) STATE ADMINISTRATIVE EXPENSES.—

(1) The second sentence of section 106(d)(3)(A) of the Housing and Community Development Act of 1974 is amended—

(A) by inserting immediately after "such expenses" the first time it appears the following: "and its administrative expenses under section 810 of this Act and section 17(e)(1) of the United States Housing Act of 1937"; and

(B) by inserting immediately after "such expenses" the second time it appears the following: "under this title".

(2) Section 107(b)(4) of such Act is amended by striking out the first semicolon, and inserting in lieu thereof a comma and the following: "section 810 of this Act, and section 17(e)(1) of the United States Housing Act of 1937;".

(c) SELECTION PROCEDURE.—

(1) Section 810(b)(2) of the Housing and Community Development Act of 1974 is amended to read as follows:

"(2) an equitable procedure for selecting recipients of homestead properties who have the capacity to make or cause to be made the repairs and improvements required under paragraph (3) of this subsection, which procedure shall—

"(A) give special priority to applicants who are 'lower income families' as defined in section 3(b)(2) of the United States Housing Act of 1937;

"(B) exclude applicants who are currently homeowners;

"(C) take into account the applicant's capacity to contribute a substantial amount of labor to the rehabilitation process, or to obtain assistance from private sources, community organizations, or other sources; and

"(D) include other reasonable selection criteria.".

(2) Section 810(b)(5) of such Act is amended by adding "and" after the semicolon.

(3) Section 810(b)(6) of such Act is amended by striking out "; and" and inserting in lieu thereof a period.

(4) Section 810(b)(7) of such Act is repealed.

(d) TRANSFERS TO QUALIFIED COMMUNITY ORGANIZATIONS.—(1) Section 810(b)(1) of the Housing and Community Development Act of 1974 is amended by inserting before the semicolon the following: "or in accordance with subsection (l) to qualified community organizations".

(2) Section 810 of such Act is amended by adding at the end thereof the following:

"(l) A unit of general local government, or a State, or a public agency designated by a unit of general local government or a State may transfer any real property that it receives under subsection (a) or purchases under subsection (h) to a qualified community organization. Qualified community organizations will be limited to those organizations—

"(1) that are incorporated and controlled by a Board of Directors whose members receive no compensation of any kind for the performance of their duties;

"(2) that are organized exclusively for charitable, educational, or scientific purposes, or the promotion of social welfare;

"(3) that qualify as exempt organizations under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986; and

"(4) that agree to assist the applicable State or unit of general local government with the selection of homesteaders, selection, inspection, and rehabilitation of the properties, and to perform such other functions as may be agreed between the States or unit of general local government and the qualified nonprofit organization, including the acceptance of title to property and the conveyance of the property to the homesteaders subject to the terms and conditions specified elsewhere in this section.".

SEC. 146. REHABILITATION LOAN FEES.

Section 312(g) of the Housing Act of 1964 is amended by adding at the end thereof the following new sentences: "No risk premium or loan fee may be assessed or collected by or for the Secretary or any other Federal agency on or with respect to a loan made under this section.".

SEC. 147. NEIGHBORHOOD REINVESTMENT CORPORATION.

(a) AUTHORIZATION.—Section 608(a) of the Neighborhood Reinvestment Corporation Act is amended—

(1) by striking out "and" after "1984,"; and

(2) by inserting before the period at the end thereof the following: ", and $19,000,000 for each of fiscal years 1988 and 1989".

(b) TECHNICAL AMENDMENT.—Section 604 of such Act is amended—

(1) by inserting before the semicolon in subsection (a)(1) the following: "or a member of the Federal Home Loan Bank Board to be designated by the Chairman";

(2) by striking out subsection (a)(3) and inserting in lieu thereof the following: "(3) the Chairman of the Board of Governors of the Federal Reserve System, or a member of the Board of Governors of the Federal Reserve System to be designated by the Chairman;";

(3) by inserting before the semicolon in subsection (a)(4) the following: "or the appointive member of the Board of Directors of the Federal Deposit Insurance Corporation if so designated by the Chairman"; and

(4) by striking out "Administrator" in subsection (a)(6) and inserting in lieu thereof the word "Chairman"; and by inserting after "Administration" the following: "or a member of the Board of the National Credit Union Administration to be designated by the Chairman.".

SEC. 148. NEIGHBORHOOD DEVELOPMENT DEMONSTRATION PROGRAM.

Section 123(g) of the Housing and Urban-Rural Recovery Act of 1983 is amended by inserting before the period at the end thereof the following: ", and such sums as may be necessary for fiscal years 1986, 1987, 1988, and 1989".

SEC. 149. TECHNICAL AMENDMENTS.

(a) Section 106(d)(3)(A) of the Housing and Community Development Act of 1974 is amended by striking out "$102,000" and inserting in lieu thereof "$100,000".

(b) Section 702 of the Housing Act of 1954 is amended—

(1) by striking out subsections (c) and (h); and

(2) by striking out subsection (g) and inserting in lieu thereof the following:

"(g) Effective upon the enactment of this subsection, and in accordance with such accounting and other procedures as the Secretary may prescribe, each advance made by the Secretary under this section that has any principal amount outstanding shall be forgiven. The terms and conditions of any contract, or any amendment to a contract, for such advance with respect to any promise to repay the advance shall be cancelled.".

SEC. 150. URBAN RENEWAL LAND DISPOSITION PROCEEDS.

(a) HARTFORD, CONNECTICUT.—Notwithstanding any other provision of law or other requirement, the City of Hartford in the State of Connecticut is authorized to retain any land disposition proceeds from the financially closed-out Sheldon-Charter Oak, Section A Urban Renewal Project (No. Conn. R.77) not paid to the Department of Housing and Urban Development and to use such proceeds in accordance with the requirements of the community development block grant program specified in title I of the Housing and Community Development Act of 1974. The City of Hartford shall retain such proceeds in a lump sum and shall be entitled to retain and use, in accordance with this section, all past and future earnings from such proceeds, including any interest.

(b) LEBANON, PENNSYLVANIA.—Notwithstanding any other provision of law or other requirement, the City of Lebanon in the State of Pennsylvania is authorized to retain any land disposition proceeds from the financially closed-out Southside Urban Renewal Project (R-635(C)) not paid to the Department of Housing and Urban Development, and to use such proceeds in accordance with the requirements of the community development block grant program specified in title I of the Housing and Community Development Act of 1974. The City of Lebanon shall retain such proceeds in a lump sum and shall be entitled to retain and use, in accordance with this section, all past and future earnings from such proceeds, including any interest.

SEC. 151. AVAILABILITY OF COMMUNITY DEVELOPMENT BLOCK GRANTS FOR UNIFORM EMERGENCY TELEPHONE NUMBER SYSTEMS.

(a) IN GENERAL.—Section 105(c)(2) of the Housing and Community Development Act of 1974 is amended—

(1) by inserting "(A)" after the paragraph designation;

(2) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively; and

(3) by adding at the end thereof the following new subparagraph:

"(B) The requirements of subparagraph (A) do not prevent the use of assistance under this title for the development, establishment, and operation for not to exceed 2 years after its establishment of a uniform emergency telephone number system if the Secretary determines that—

"(i) such system will contribute substantially to the safety of the residents of the area served by such system;

"(ii) not less than 51 percent of the use of the system will be by persons of low and moderate income; and

"(iii) other Federal funds received by the grantee are not available for the development, establishment, and operation of such system due to the insufficiency of the amount of such funds, the restrictions on the use of such funds, or the prior commitment of such funds for other purposes by the grantee.

The percentage of the cost of the development, establishment, and operation of such a system that may be paid from assistance under this title may not exceed the percentage of the population to be served that is made up of persons of low and moderate income.".

(b) APPLICABILITY.—

(1) IN GENERAL.—The amendments made by this section shall be applicable to amounts made available for fiscal year 1987 and each succeeding fiscal year.

(2) NOTIFICATION OF GRANTEES.—Not later than the expiration of the 30-day period following the date of enactment of this Act, the Secretary of Housing and Urban Development shall notify each grantee of assistance under section 106 of the Housing and Community Development Act of 1974 for fiscal year 1987 of the availability of such assistance for the development, establishment, and operation of a uniform emergency telephone number system in accordance with section 105(c)(2)(B) of such Act.

(c) NOTICE.—Not later than the expiration of the 30-day period following the date of enactment of this Act, the Secretary of Housing and Urban Development shall by notice establish such requirements as may be necessary to carry out the amendments made by this section. Such notice shall not be subject to section 553 of title 5, United States Code, or section 7(o) of the Department of Housing and Urban Development Act.

(d) REGULATIONS.—The Secretary of Housing and Urban Development shall issue such regulations, based on the notice required by subsection (c), as may be necessary to carry out the amendments made by this section. Such regulations shall be published for comment in the Federal Register not later than 90 days after the date of enactment of this Act.

SEC. 152. LOAN CANCELLATION.

The Secretary of Housing and Urban Development shall cancel the indebtedness represented by loan number 070024914 under section 312 of the Housing Act of 1964. The obligor on such loan is relieved of all liability to the Government for the outstanding principal balance on such loan, for the amount of accrued interest on such loan, and for any other fees and charges payable in connection therewith.

SEC. 153. BAY CITY HOUSING COMMISSION, MICHIGAN.

Notwithstanding any other provision of law or other requirement, the Secretary of Housing and Urban Development may not require the Bay City Housing Commission in the State of Michigan to pay any amount relating to ineligible costs incurred with respect to the public housing development grant numbered Michigan 24-7, awarded in 1974, under the United States Housing Act of 1937 (42 U.S.C. 1401, et seq.).

SEC. 154. VERIFICATION SYSTEM, NO LIABILITY FOR COMPLYING.

Section 214 of the Housing and Community Development Act of 1980, 42 U.S.C. 4136(a), is amended by adding a new subsection at the end as follows:

"(f)(1) Notwithstanding any other provision of law, no agency or official of a State or local government shall have any liability for the design or implementation of the Federal verification system described in subsection (d) if the implementation by the State or local agency or official is in accordance with Federal rules and regulations.

"(2) The verification system of the Department of Housing and Urban Development shall not supersede or affect any consent agreement entered into or court decree or court order entered prior to the date of enactment of this Act.".

Subtitle D—Miscellaneous Program Amendments

SEC. 161. STUDIES UNDER NATIONAL FLOOD INSURANCE PROGRAM.

Section 1376(c) of the National Flood Insurance Act of 1968 is amended by inserting before the period at the end thereof the following: ", fiscal year 1986, and fiscal year 1987, and not to exceed $37,000,000 for each of fiscal years 1988 and 1989".

SEC. 162. COLLECTION OF CERTAIN DATA.

(a) IN GENERAL.—The Secretary of Housing and Urban Development and the Secretary of Agriculture shall each collect, not less than annually, data on the racial and ethnic characteristics of persons eligible for, assisted, or otherwise benefiting under each community development, housing assistance, and mortgage and loan insurance and guarantee program administered by such Secretary. Such data may be collected on a building by building basis if the Secretary involved determines such collection to be appropriate.

(b) REPORTS TO CONGRESS.—The Secretary of Housing and Urban Development and the Secretary of Agriculture shall each include in the annual report of such Secretary to the Congress a summary and evaluation of the data collected by such Secretary under subsection (a) during the preceding year.

SEC. 163. SOLAR ENERGY AND ENERGY CONSERVATION BANK.

Section 522(a) of the Solar Energy and Energy Conservation Bank Act is amended by striking out "the fiscal year 1985" and inserting in lieu thereof "each of the fiscal years 1986, 1987, 1988, and 1989".

SEC. 164. RESEARCH AUTHORIZATION.

The second sentence of section 501 of the Housing and Urban Development Act of 1970 is amended by inserting before the period at the end thereof the following: ", fiscal year 1986, and fiscal year 1987, and $17,000,000 for each of the fiscal years 1988 and 1989".

TITLE II—HOUSING ASSISTANCE

Subtitle A—Programs Under United States Housing Act of 1937

SEC. 201. LOWER INCOME HOUSING AUTHORIZATION.

(a) AGGREGATE BUDGET AUTHORITY.—Section 5(c)(6) of the United States Housing Act of 1937 is amended by adding at the end thereof the following new sentence: "The aggregate amount of budget authority that may be obligated for contracts for annual contributions is increased by $7,510,000,000 on October 1, 1987, and on October 1, 1988.".

(b) UTILIZATION OF BUDGET AUTHORITY.—Section 5(c)(7) of the United States Housing Act of 1937 is amended to read as follows:

"(7)(A) Any amount available for public housing development, comprehensive improvement assistance, or Indian housing under subsection (a) that is recaptured shall be available for reuse for the same purpose notwithstanding any other provision of law. The preceding sentence does not apply to those amounts that become available for rescission pursuant to section 4(c)(3).

"(B) Any amount available for the conversion of a project to assistance under section 8(b)(1), if not required for such purpose, shall be used for assistance under section 8(b)(1).".

(c) ALLOCATION OF ASSISTANCE BETWEEN PROGRAMS.—(1) Section 8 of the United States Housing Act of 1937 is amended by adding at the end thereof the following:

"(q) The Secretary shall not, during a fiscal year, enter into contracts to provide assistance for a number of units under subsection (o) that is greater than twice the number of units assisted under contracts entered into under subsection (b) during that year.".

(2) The amendment made by paragraph (1) shall take effect on October 1, 1987.

SEC. 202. SECTION 8 ASSISTANCE.

FAIR MARKET RENTALS.—Section 8(c)(1) of the United States Housing Act of 1937 is amended by inserting before the last sentence the following new sentence: "Each fair market rental in effect under this subsection shall be adjusted to be effective on October 1 of each year to reflect changes, based on the most recent available data trended so the rentals will be current for the year to which they apply, of rents for existing or newly constructed rental dwelling units, as the case may be, of various sizes and types in the market area suitable for occupancy by persons assisted under this section.".

SEC. 203. OPERATING SUBSIDIES.

Section 9(c) of the United States Housing Act of 1937 is amended to read as follows:

"(c) For the purpose of providing annual contributions under this section, there are authorized to be appropriated:

"(1) Such sums as may be necessary for fiscal year 1987.

"(2) $1,600,000,000 for each of the fiscal years 1988 and 1989.".

SEC. 204. INCOME ELIGIBILITY FOR ASSISTED HOUSING.

Section 16 of the United States Housing Act of 1937 is amended by adding at the end thereof the following:

"(c) In developing admission procedures implementing subsection (b) of this section, the Secretary may not totally prohibit admission of lower income families other than very low-income families, and shall establish, as appropriate, differing percentage limitations on admission of low-income families in separate assisted housing programs which, when aggregated, will achieve the overall percentage limitation contained in subsection (b) of this section. The Secretary shall promulgate regulations to carry out this subsection not later than 60 days after the date of enactment of this subsection.".

SEC. 205. RENTAL REHABILITATION AND DEVELOPMENT GRANTS.

(a) AUTHORIZATION.—Section 17(a)(4) of the United States Housing Act of 1937 is amended to read as follows:

"(4) AUTHORIZATION.—To carry out the purposes of this section, there are authorized to be appropriated not to exceed $320,000,000 for each of the fiscal years 1988 and 1989, of which amount—

"(A) not to exceed $220,000,000 shall be available in each such year for rental rehabilitation, of which $1,500,000 shall be available each year for technical assistance, including the collection, processing, and dissemination of program information useful for local and national program management; and

"(B) not to exceed $100,000,000 shall be available in each such year for development grants.".

(b) ELIGIBILITY.—Section 17(k)(4) of the United States Housing Act of 1937 is amended—

(1) by inserting "privately owned" before "real property";

(2) by inserting "(A)" after "includes"; and

(3) by inserting before the semicolon at the end thereof the following: ", and (B) housing which is owned by a State or locally chartered, neighborhood based, nonprofit organization the primary purpose of which is the provision and improvement of housing".

(c) RENTAL REHABILITATION.—

(1) The last sentence of section 17(b) of the United States Housing Act of 1937 is amended by striking out all after "assistance under this section" and inserting in lieu thereof a period.

(2) The second sentence of section 17(e)(1) of such Act is amended by striking out all that follows "subsection (b)(2)" and inserting in lieu thereof a period.

(3) Section 17(c)(2)(E) of such Act is amended by striking out "$5,000 per unit" and inserting in lieu thereof the following: "$7,500 per unit for units with up to two bedrooms and $8,500 per unit in the case of units with three or more bedrooms".

(d) DISPLACEMENT EXEMPTION.—Section 16(b) of the United States Housing Act of 1937 is amended by adding at the end thereof the following: "This subsection does not apply to units made available under section 8 housing assistance contracts for the purpose of preventing displacement, or ameliorating the effects of displacement, including displacement caused by rents exceeding 30 percent of monthly adjusted family income, of lower income families from projects being rehabilitated with assistance from rehabilitation grants under section 17 of this Act and the Secretary shall not otherwise unduly restrict the use of payments under section 8 housing assistance contracts for this purpose.".

(e) Rents.—The second sentence of section 17(d)(8)(A) of the United States Housing Act of 1937 is amended to read as follows: "In approving such rents, the grantee shall provide that the rents of such units are not more than the higher of (i) 30 percent of the adjusted income of a family whose income equals the income limit for very low-income families in the area, as determined by the Secretary with adjustments for smaller and larger families, or (ii) 30 percent of the adjusted income of a family whose income equals such income limit for very low-income families as determined by the Secretary at the time an application for a development grant is submitted.".

SEC. 206. PREVENTING FRAUD AND ABUSE IN HOUSING AND URBAN DEVELOPMENT PROGRAMS.

(a) In General.—As a condition of initial or continuing eligibility for participation in any program of the Department of Housing and Urban Development involving loans, grants, interest or rental assistance of any kind, or mortgage or loan insurance, and to assure that the level of benefits provided under these programs is correct, the Secretary may require that an applicant or participant (including members of an applicant's or participant's household) disclose his or her social security number or employer identification number to the Secretary.

(b) Applicant and Participant Consent.—As a condition of initial or continuing eligibility for participation in any program of the Department of Housing and Urban Development involving initial and periodic review of an applicant's or participant's income, and to assure that the level of benefits provided under the program is correct, the Secretary may require that an applicant or participant (including members of an applicant's or participant's household) sign a consent form approved by the Secretary authorizing the Secretary, or the public housing agency or owner responsible for determining eligibility or level of benefits to request current or previous employers to verify salary and wage information pertinent to the applicant's or participant's eligibility or level of benefits. This consent form shall not be used to request taxpayer return information protected by section 6103 of the Internal Revenue Code of 1986.

(c) Definitions.—As used in this section:

(1) The term "Secretary" means the Secretary of Housing and Urban Development.

(2) The terms "applicant" and "participant" shall have such meanings as the Secretary by regulation shall prescribe. Such terms shall not include persons whose involvement is only in their official capacity, such as State or local government officials and officers of lending institutions.

(3) The term "public housing agency" means any agency described in section 3(b)(6) of the United States Housing Act of 1937.

(d) Access to State Employment Records.—

(1) Amendment to Social Security Act.—Section 303 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(h)(1) The State agency charged with the administration of the State law—

"(A) shall disclose, upon request and on a reimbursable basis, to officers and employees of the Department of Housing and Urban Development any of the following information contained in the records of such State agency with respect to individuals applying for or participating in any housing assistance program administered by the Department—

"(i) wage information, and

"(ii) whether an individual is receiving, has received, or has made application for, unemployment compensation, and the amount of any such compensation being received (or to be received) by such individual, and

"(B) shall establish such safeguards as are necessary (as determined by the Secretary of Labor in regulations) to insure that information disclosed under subparagraph (A) is used only for purposes of determining an individual's eligibility for benefits, or the amount of benefits, under a housing assistance program of the Department of Housing and Urban Development.

"(2) Whenever the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that there is a failure to comply substantially with the requirements of paragraph (1), the Secretary of Labor shall notify such State agency that further payments will not be made to the State until he or she is satisfied that there is no longer any such failure. Until the Secretary of Labor is so satisfied, he or she shall make no further certification to the Secretary of the Treasury with respect to such State.".

(2) Applicant and participant protections.—(A) In order to protect applicants for, and recipients of, benefits under the programs of the Department of Housing and Urban Development from the improper use of information obtained pursuant to the requirements of section 303(h) of the Social Security Act from the State agency charged with the administration of the State unemployment compensation law, no Federal, State, or local agency, or public housing agency, or owner responsible for determining eligibility or level of benefits receiving such information may terminate, deny, suspend, or reduce any benefits of an individual until such agency or owner has taken appropriate steps to independently verify information relating to—

(i) the amount of the wages or unemployment compensation involved,

(ii) whether such individual actually has (or had) access to such wages or benefits for his or her own use, and

(iii) the period or periods when, or with respect to which, the individual actually received such wages or benefits.

(B) Such individual shall be informed by the agency or owner of the findings made by the agency or owner on the basis of such verified information, and shall be given an opportunity to contest such findings, in the same manner as applies to other information and findings relating to eligibility factors under the program.

(3) Penalty.—(A) Any person who knowingly and willfully requests or obtains any information concerning an individual pursuant to the authority contained in section 303(h) of the Social Security Act under false pretenses, or any person who knowingly and willfully discloses any such information in any manner to any individual not entitled under any law to receive it, shall be guilty of a misdemeanor and fined not more than $5,000. The term "person" as used in this paragraph shall include an officer or employee of the Department of Housing and Urban Development, an officer or employee of any public housing agency, and any owner (or employee thereof).

(B) Any individual affected by (i) a negligent or knowing disclosure of information referred to in this section or in section 303(h) of the Social Security Act about such person by an officer or employee of any public housing agency or owner (or employee thereof), which disclosure is not authorized by this section, section 303(h), or any implementing regulation, or (ii) any other negligent or knowing action that is inconsistent with this section, section 303(h), or any implementing regulation may bring a civil action for damages and such other relief as may be appropriate against any officer or employee of any public housing agency or owner (or employee thereof) responsible for any such unauthorized action. The district court of the United States in the district in which the affected individual resides, or in which such unauthorized action occurred, or in which the individual alleged to be responsible for any such unauthorized action resides, shall have jurisdiction in such matters. Appropriate relief that may be ordered by such district courts shall include reasonable attorney's fees and other litigation costs.

(4) Effective dates.—(A) The amendment made by subsection (d)(1) shall take effect on September 30, 1988, except that at the initiative of a State or an agency of the State, and with the approval of the Secretary of Labor, the amendment may be made effective in such State on any date before September 30, 1988, which is more than 90 days after the date of enactment of this section.

(B) The effective date of subsections (d)(2) and (d)(3) shall be 90 days after the date of enactment of this section.

SEC. 207. PUBLIC HOUSING RESIDENT MANAGEMENT.

The United States Housing Act of 1937 is amended by adding at the end the following new section:

"PUBLIC HOUSING RESIDENT MANAGEMENT

"Sec. 20. (a) Purpose.—The purpose of this section is to encourage increased resident management of public housing projects, as a means of improving existing living conditions in public housing projects, by providing increased flexibility for public housing projects that are managed by residents by—

"(1) permitting the retention, and use for certain purposes, of any revenues exceeding operating and project costs; and

"(2) providing funding, from amounts otherwise available, for technical assistance to promote formation and development of resident management entities.

For the purpose of this section, the term 'public housing project' includes one or more contiguous buildings or an area of contiguous row houses the elected resident councils of which approve the establishment of a resident management corporation and otherwise meet the requirements of this section.

"(b) Program Requirements.—

"(1) Resident council.—As a condition of entering into a resident management program, the elected resident council of a public housing project shall approve the establishment of a resident management corporation. When such approval is made by the elected resident council of a building or row house area, the resident management program shall not interfere with the rights of other families residing in the project or harm the efficient operation of the project. The resident management corporation and the resident council may be the same organization, if the organization complies with the requirements applicable to both the corporation and council. If there is no elected resident council, a majority of the households of the public housing project shall approve the establishment of a resident council to determine the feasibility of establishing a resident management corporation to manage the project.

"(2) Public housing management specialist.—The resident council of a public housing project, in cooperation with the public housing agency, shall select a qualified public housing management specialist to assist in determining the feasibility of, and to help establish, a resident management corporation and to provide training and other duties agreed to in the daily operations of the project.

"(3) Bonding and insurance.—Before assuming any management responsibility for a public housing project, the resident management corporation shall provide fidelity bonding and insurance, or equivalent protection, in accordance with regulations and requirements of the Secretary and the public housing agency. Such bonding and insurance, or its equivalent, shall be adequate to protect the Secretary and the public housing agency against loss, theft, embezzlement, or fraudulent acts on the part of the resident management corporation or its employees.

"(4) Management responsibilities.—A resident management corporation that qualifies under this section, and that supplies insurance and bonding or equivalent protection sufficient to the Secretary and the public housing agency, shall enter into a contract with the public housing agency establishing the respective management rights and responsibilities of the corporation and the public housing agency. Such contract may include specific terms governing management personnel and compensation, access to public housing projects records, submission of and adherence to budgets, rent collection procedures, tenant income verification, tenant eligibility determinations, tenant eviction, the acquisition of supplies and materials, and such other matters as may be appropriate.

"(5) Annual audit.—The books and records of a resident management corporation operating a public housing project shall be audited annually by a certified public accountant. A written report of each audit shall be forwarded to the public housing agency and the Secretary.

"(c) Comprehensive Improvement Assistance.—Public housing projects managed by resident management corporations may be provided with comprehensive improvement assistance under section 14 for purposes of renovating such projects in accordance with such section. If such renovation activities (including the planning and architectural design of the rehabilitation) are administered by a resident management corporation, the public housing agency involved may not retain, for any administrative or other reason, any portion of the assistance provided pursuant to this subsection unless otherwise provided by contract.

"(d) Operating Subsidy and Project Income.—

"(1) Calculation of operating subsidy.—Notwithstanding any provision of section 9 or any regulation under such section, and subject to the exception provided in paragraph (3), the portion of the operating subsidy received by a public housing agency under section 9 that is allocated to a public housing project managed by a resident management corporation shall not be less than the public housing agency per unit monthly amount provided in the previous year as determined on an individual project basis.

"(2) Contract requirements.—Any contract for management of a public housing project entered into by a public housing agency and a resident management corporation shall specify the amount of income expected to be derived from the project itself (from sources such as rents and charges) and the amount of income funds to be provided to the project from the other sources of income of the public housing agency (such as operating subsidy under section 9, interest income, administrative fees, and rents).

"(3) Calculation of total income.—

"(A) Subject to subparagraph (B), the amount of funds provided by a public housing agency to a public housing project managed by a resident management corporation may not be reduced during the 3-year period beginning on the date of enactment of the Housing and Community Development Act of 1987 or on any later date on which a resident management corporation is first established for the project.

"(B) If the total income of a public housing agency (including the operating subsidy provided to the public housing agency under section 9) is reduced or increased, the income provided by the public housing agency to a public housing project managed by a resident management corporation shall be reduced or increased in proportion to the reduction or increase in the total income of the public housing agency, except that any reduction in operating subsidy that occurs as a result of fraud, waste, or mismanagement by the public housing agency shall not affect the funds provided to the resident management corporation.

"(4) Retention of excess revenues.—

"(A) Any income generated by a resident management corporation of a public housing project that exceeds the income estimated for purposes of this subsection shall be excluded in subsequent years in calculating (i) the operating subsidies provided to the public housing agency under section 9; and (ii) the funds provided by the public housing agency to the resident management corporation.

"(B) Any revenues retained by a resident management corporation under subparagraph (A) shall be used for purposes of improving the maintenance and operation of the public housing project, for establishing business enterprises that employ residents of public housing, or for acquiring additional dwelling units for lower income families.

"(e) Resident Management Technical Assistance and Training.—

"(1) Financial assistance.—To the extent budget authority is available for section 14, the Secretary shall provide financial assistance to resident management corporations or resident councils that obtain, by contract or otherwise, technical assistance for the development of resident management entities, including the formation of such entities, the development of the management capability of newly formed or existing entities, the identification of the social support needs of residents of public housing projects, and the securing of such support.

"(2) Limitation on assistance.—The financial assistance provided under this subsection with respect to any public housing project may not exceed $100,000.

"(3) Funding.—Of the amounts available for financial assistance under section 14 for fiscal year 1987, the Secretary may use not more than $1,500,000 to carry out this subsection.

"(f) Assessment and Report by the Secretary.—Not later than 3 years after the date of enactment of this section, the Secretary shall conduct an evaluation and assessment of resident management, and particularly of the effect of resident management on living conditions in public housing, and shall transmit a report thereon, including such recommendations as the Secretary deems appropriate, to the Congress.".

SEC. 208. PUBLIC HOUSING OWNERSHIP OPPORTUNITIES.

(a) In General.—The United States Housing Act of 1937 (as amended by section 207 of this Act) is amended by adding at the end the following new section:

"PUBLIC HOUSING OWNERSHIP OPPORTUNITIES

"Sec. 21. (a) Ownership Opportunities in General.—Lower income families residing in a public housing project shall be provided with the opportunity to purchase the dwelling units in the project through a qualifying resident management corporation as follows:

"(1) Formation of resident management corporation.—As a condition for public housing homeownership—

"(A) the adult residents of a public housing project shall have formed a resident management corporation in accordance with regulations and requirements of the Secretary prescribed under this section and section 20;

"(B) the resident management corporation shall have entered into a contract with the public housing agency establishing the respective management rights and responsibilities of the resident management corporation and the public housing agency; and

"(C) the resident management corporation shall have demonstrated its ability to manage public housing effectively and efficiently for a period of not less than 3 years.

"(2) Ownership assistance.—

"(A) The Secretary may provide comprehensive improvement assistance under section 14 or section 20 to a public housing project in which ownership activities under this section are conducted.

"(B) The Secretary, and the public housing agency owning and operating a public housing project, may provide such training, technical assistance, and educational assistance as the Secretary determines to be necessary to prepare the families residing in the project, and any resident management corporation established under paragraph (1), for ownership.

"(3) Conditions of purchase by a resident management corporation.—

"(A) A resident management corporation may purchase from a public housing agency one or more multifamily buildings in a public housing project following a determination by the Secretary that—

"(i) the resident management corporation has met the conditions of paragraph (1);

"(ii) the resident management corporation has applied for and is prepared to undertake the ownership, management, and maintenance of the building or buildings with continued assistance from the Secretary;

"(iii) the public housing agency has held one or more public hearings to obtain the views of citizens regarding the proposed purchase and, in consultation with the Secretary, has certified that the purchase will not interfere with the rights of other families residing in public housing, will not harm the efficient operation of other public housing, and is in the interest of the community;

"(iv) the public housing agency has certified that it has and will implement a plan to replace (by production, acquisition, or rehabilitation of vacant public housing units) public housing units sold under this section within 30 months of the sale, which plan shall provide for replacement of 100 percent of the units sold under this section or such lower percentage as the public housing agency determines is justified by the local supply of lower income housing; and

"(v) the building or buildings meet the minimum safety and livability standards applicable under section 14 and section 20, and the physical condition, management, and operation of the building or buildings are sufficient to permit ownership by the families residing in the project.

"(B) The price of a building purchased under the preceding sentence shall be approved by the Secretary, in consultation with the public housing agency and resident management corporation, taking into account the fair market value of the property, the ability of resident families to afford and maintain the property, and such other factors as the Secretary determines to be consistent with increasing the supply of dwelling units affordable to very low income families.

"(4) CONDITIONS OF RESALE.—

"(A) A resident management corporation may sell a dwelling unit or ownership rights in a dwelling unit only to a lower income family residing in, or eligible to reside in, public housing and if the Secretary determines that the purchase will not interfere with the rights of other families residing in the housing project or harm the efficient operation of the project, and the family will be able to purchase and maintain the property.

"(B) A purchase under the previous sentence may be made under any of the following arrangements:

"(i) cooperative ownership;

"(ii) condominium ownership;

"(iii) shared appreciation with a public housing agency providing financing under paragraph (6); or

"(iv) any other arrangement determined by the Secretary to be appropriate.

"(C) Property purchased under this section shall be resold only to the resident management corporation or to a lower income family residing in or eligible to reside in public housing or to the public housing authority.

"(D) RECAPTURE AT TIME OF SALE.—If any purchaser of property under this section, including a resident management corporation, sells the property before the expiration of the 5-year period following the date of the purchase, the purchaser shall pay to the public housing agency the following percentage of any excess of the sales price over the purchase price:

"(i) 100 percent, if the sale occurs during the 1st 1-year period following such date;

"(ii) 100 percent, if the sale occurs during the 2nd 1-year period following such date;

"(iii) 75 percent, if the sale occurs during the 3rd 1-year period following such date;

"(iv) 50 percent, if the sale occurs during the 4th 1-year period following such date; and

"(v) 25 percent, if the sale occurs during the 5th 1-year period following such date.

"(5) USE OF PROCEEDS.—Proceeds from the sale of a building or buildings under paragraph (3) and amounts recaptured under paragraph (4) shall be paid to the public housing agency and shall be retained and used by the public housing agency only to increase the number of public housing units available for occupancy. The resident management corporation shall keep and make available to the public housing agency and the Secretary all records necessary to calculate accurately payments due the local housing agency under this section. The Secretary shall not reduce or delay payments under other provisions of law as a result of amounts made available to the local housing agency under this section.

"(6) FINANCING.—Where financing for the purchase of the property is not otherwise available for purposes of assisting any purchase by a family or resident management corporation under this section, the public housing agency involved may make a loan on the security of the property involved to the family or resident management corporation at a rate of interest which shall not be lower than 70 percent of the market interest rate for conventional mortgages on the date on which the loan is made.

"(7) ANNUAL CONTRIBUTIONS.—Notwithstanding the purchase of a building in a public housing project under this section, the Secretary shall continue to pay annual contributions with respect to the project. Such contributions may not exceed the maximum contributions authorized in section 5(a).

"(8) OPERATING SUBSIDIES.—Operating subsidies shall not be available with respect to a building after the date of its sale by the public housing agency.

"(b) PROTECTION OF NONPURCHASING FAMILIES.—

"(1) EVICTION PROHIBITION.—No family residing in a dwelling unit in a public housing project may be evicted by reason of the sale of the project to a resident management corporation under this section.

"(2) TENANTS RIGHTS.—Families renting a dwelling unit in a building purchased by a resident management corporation shall have all rights provided to tenants of public housing under this Act.

"(3) RENTAL ASSISTANCE.—If any family resides in a dwelling unit in a building purchased by a resident management corporation, and the family decides not to purchase the dwelling unit, the Secretary shall provide to the family such assistance as is necessary to enable the family to continue to reside in the dwelling unit.

"(4) RELOCATION ASSISTANCE.—If any family resides in a dwelling unit in a public housing project in which other dwelling units are purchased under this section, and the family decides not to purchase the dwelling unit, and to relocate, the Secretary shall at the family's option—

"(A) assist the family in relocating to a dwelling unit in another public housing project; and

"(B) provide to the family such financial and other assistance as will permit the family to obtain comparable and affordable alternative housing.

"(c) FINANCIAL ASSISTANCE FOR PUBLIC HOUSING AGENCIES.—The Secretary shall provide to public housing agencies such financial assistance as the Secretary determines is necessary to permit such agencies to carry out the provisions of this section.

"(d) ADDITIONAL OWNERSHIP OPPORTUNITIES.—This section shall not apply to the turnkey III, the mutual help, or any other ownership program established under section 5(h) or section 6(c)(4)(D).

"(e) REGULATIONS.—The Secretary shall issue such regulations as may be necessary to carry out the provisions of this section. Such regulations may establish any additional terms and conditions for ownership or resident management under this section that are determined by the Secretary to be appropriate.

"(f) ANNUAL REPORT.—The Secretary shall annually submit to the Congress a report setting forth—

"(1) any need for the development of additional public housing dwelling units as a result of the sale of public housing dwelling units under this section;

"(2) recommendations of the Secretary for additional budget authority to carry out such development; and

"(3) recommendations of the Secretary to ensure decent homes and decent neighborhoods for lower income families.

"(g) LIMITATION.—Any authority of the Secretary under this section to provide financial assistance, or to enter into contracts to provide financial assistance, shall be effective only to such extent or in such amounts as are or have been provided in advance in appropriation Acts.".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of enactment of this Act. Paragraphs (2) and (3) of section 21(a) of the United States Housing Act of 1937 shall not have effect after September 30, 1990.

SEC. 209. LIMITATION ON PUBLIC HOUSING DEVELOPMENT AND ASSURANCE OF PUBLIC HOUSING QUALITY STANDARDS.

Section 5 of the United States Housing Act of 1937 is amended by adding at the end the following new subsection:

"(j)(1) After September 30, 1987, in providing assistance under this Act to a public housing agency for public housing (other than for Indian families), the Secretary shall reserve funds for the development of public housing only if—

"(A) the Secretary determines that additional amounts are required to complete the development of dwelling units for which amounts are obligated on or before such date;

"(B) the public housing agency certifies to the Secretary that 85 percent of the public housing dwelling units of the public housing agency—

"(i) are maintained in substantial compliance with the housing quality standards established by the Secretary under section 8(o)(6); or

"(ii) will be so maintained upon completion of modernization for which funding has been awarded or for which applications are pending under section 14 or 20 or under a comparable State or local government program (and such applications shall comply with the comprehensive plan of the public housing agency developed under such section 14 or 20);

"(C) the public housing agency certifies that such development—

"(i) will replace dwelling units that are disposed of or demolished by the public housing agency, including dwelling units disposed of or lost through sale to tenants or through unit redesign; or

"(ii) is required to comply with court orders or directions of the Secretary;

"(D) the public housing agency certifies that it has demands for family housing not satisfied by the rental assistance programs established in subsection (b) or (o) of section 8 for which it plans to construct or acquire projects of not more than 100 units; or

"(E) the Secretary makes such reservation under paragraph (2).

"(2) Notwithstanding any other provision of law, not more than 20 percent of the funds appropriated for development of public housing also may be committed by the Secretary for the substantial redesign, reconstruction, or redevelopment of existing public housing projects or units, which work shall be carried out pursuant to the rules and regulations applicable to the development of public housing.".

SEC. 210. COMPREHENSIVE GRANTS.

(a) FINDINGS.—The Congress finds and declares that:

(1) The condition of lower income public housing financed under the United States Housing Act of 1937 is in some cases substandard with many dwelling units remaining vacant, which forces many lower income families to live in substandard or dangerous living conditions and prevents many others from obtaining decent, safe, and sanitary rental housing at an affordable rent as provided for under such Act.

(2) The Federal Government has a responsibility to help ensure the maintenance of public housing dwelling units in decent, safe, and sanitary condition, and to help provide public housing agencies with funds sufficient to carry out such maintenance.

(3) Public housing agencies should be provided with the flexibility, responsibility, and predictable funding levels that are needed (A) to establish priorities for capital improvement expenditures, (B) to assess the relative needs of all public housing projects, (C) to evaluate the relative advantages of repair, major maintenance, and capital replacement, and (D) to make managerial improvements.

(4) The current comprehensive improvement assistance program has made it difficult for public housing agencies to anticipate, plan, and carry out capital replacement and improvements on a multiyear basis and has involved unnecessary paperwork and delay that increase the cost of capital improvements.

(b) PURPOSE.—The purpose of this section is to encourage the development of a proposal to reform section 14 of the United States Housing Act of 1937 to—

(1) provide public housing agencies with reliable assistance to manage, upgrade, modernize, and rehabilitate lower income housing financed under the United States Housing Act of 1937 so as to ensure its continued availability as decent, safe, and sanitary rental housing at rents affordable to lower income families;

(2) allocate Federal assistance for capital improvements to public housing units on the basis of need;

(3) significantly increase local managerial flexibility in the planning and implementation of capital improvement of public housing;

(4) provide increased opportunities and incentives for efficient management of public housing; and

(5) establish stronger local mechanisms for public accountability through closer consultation among public housing agencies, local governments, and residents with regard to the planning and establishment of priorities of capital and managerial improvements, thereby eliminating the necessity for extensive review and approval by the Secretary of Housing and Urban Development.

(c) DEVELOPMENT OF A COMPREHENSIVE GRANT PROGRAM.—Not later than one year after the date of enactment of this Act, the Secretary of Housing and Urban Development (hereafter referred to as the "Secretary") shall—

(1) complete the study of the need for public housing modernization initiated under the Department of Housing and Urban Development—Independent Agencies Appropriation Act, 1984, and any other studies that are necessary to evaluate the current condition and capital requirements of public housing as well as the future need for rehabilitation and replacement of public housing facilities;

(2) submit to Congress proposed methods for determining the relative allocation of funds between activities to correct existing deficiencies and the annual accrual of resources to meet future needs;

(3) submit to Congress proposed alternatives for allocating funds among public housing agencies to correct existing deficiencies, including formulas for distributing funds to public housing agencies, to regional and field offices of the Department of Housing and Urban Development, or to States, as well as such other allocation methods as the Secretary may wish to recommend;

(4) provide Congress with (A) an analysis of data and other information used to develop recommendations for measuring existing deficiencies, future needs, and anticipated emergencies, (B) an analysis of the bases underlying each of the proposed allocation methods, and (C) a comparison of proposed allocations to previous allocations under section 14 of the United States Housing Act of 1937;

(5) propose criteria for distinguishing capital replacement activities that are routine from those that are not routine;

(6) propose alternative methods to (A) allocate funds to public housing agencies to meet routine and regular capital replacement expenses, and (B) provide for unpredictable, infrequent, or extraordinary capital replacement needs through an actuarially based fund administered on a national, regional, State, or local level or through such other methods as the Secretary may recommend; and

(7) consult at least on a quarterly basis with organizations and individuals representing public housing agencies, local government, and tenants regarding progress on the studies referred to in paragraph (1) and the development of alternatives for improving section 14 of the United States Housing Act of 1937.

(d) CONTINUATION OF CURRENT PROGRAM.—The comprehensive improvement assistance program under section 14 of the United States Housing Act of 1937 shall continue under current regulations until that section is repealed or amended by Congress.

SEC. 211. REVISED DEFINITION OF DISABILITY.

(a) Section 3(b)(3)(A) of the United States Housing Act of 1937 is amended—

(1) by striking out "or" the first place it appears and inserting in lieu thereof a comma; and

(2) by striking out "Developmental Disabilities Services and Facilities Construction Amendments of 1970" and inserting in lieu thereof the following: "Developmental Disabilities Assistance and Bill of Rights Act".

(b) The third sentence of section 202(d)(4) of the Housing Act of 1959 is amended by striking out "is a developmentally disabled individual as defined in section 102(5) of the Developmental Disabilities Services and Facilities Construction Amendments of 1950" and inserting in lieu thereof the following: "has a developmental disability as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001)".

SEC. 212. TECHNICAL AMENDMENTS.

(a) Section 6(c)(4)(A) of the United States Housing Act of 1937 is amended—

(1) by striking out "or are paying more than 50 per centum of family income for rent"; and

(2) by inserting ", are paying more than 50 per centum of family income for rent," after "substandard housing".

(b) Sections 6(k) (4) and (5) of such Act are each amended by striking out "his" and inserting in lieu thereof "their".

SEC. 213. VOUCHER PROGRAM.

Section 8(o) of the United States Housing Act of 1937 is amended—

(1) in the first sentence of paragraph (1), by striking out "In" and all that follows through "demonstration program" and inserting in lieu thereof "The Secretary may provide assistance";

(2) by striking out paragraph (4) and inserting in lieu thereof the following:

"(4) Assistance payments under this subsection shall be made for (A) lower income families who were living in rental projects rehabilitated under section 17 of this Act or section 533 of the Housing Act of 1949 before rehabilitation and who are physically displaced from their units, and (B) lower income families who were living in such projects before rehabilitation and who would have to pay more than 30 percent of their adjusted income for rent after rehabilitation whether they choose to remain in, or to move from, the project. For the purpose of this paragraph, 'physically displaced' means that the family must move out of the unit it is occupying because of the physical rehabilitation activities or because of overcrowding.".

SEC. 214. PUBLIC HOUSING AGENCY FEES.

(a) Section 8 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new subsection:

"(r)(1) The Secretary shall establish a fee that may be charged by public housing agencies for the costs incurred in administering the programs under subsections (b) and (o). The amount of the fee for each month for which a dwelling unit is covered by an assistance contract shall be 8.2 percent of the fair market rental established under subsection (c)(1) for a 2-bedroom existing rental dwelling unit in the market area of the public housing agency.

"(2)(A) The Secretary shall also establish reasonable fees (as determined by the Secretary) that may be charged by public housing agencies for—

"(i) the costs of preliminary expenses incurred in connection with new allocations of assistance under the programs under subsections (b) and (o); and

"(ii) the costs incurred in assisting families who experience difficulty (as determined by the Secretary) in obtaining appropriate housing under the programs.

"(B) The method used to calculate fees under subparagraph (A) shall be the same for the programs under subsections (b) and (o) and shall take into account local cost differences.".

SEC. 215. FLEXIBILITY TO ADJUST ASSISTANCE PAYMENTS.

Section 8(o)(7) of the United States Housing Act of 1937 is amended—

(1) in subparagraph (A), by striking out "as frequently as twice during any five-year period" and inserting in lieu thereof "annually"; and

(2) by striking out subparagraph (D).

SEC. 216. ADJUSTMENT POOLS.

Section 8(o) of the United States Housing Act of 1937 is amended by adding at the end thereof the following:

"(9) The Secretary shall set aside a portion of amounts appropriated under this subsection as an adjustment pool to pay for the adjustments required by paragraph (7)(A). Funds shall be distributed from the adjustment pool on a needs basis. To receive an adjustment, a public housing agency shall certify that adjustment funds are necessary to compensate for higher than normal increases in rent levels in its jurisdiction. Distribution of adjustment funds shall be made at the discretion of the Secretary.".

SEC. 217. GAO STUDY.

The Comptroller General of the United States shall prepare and submit to the Congress not later than October 30, 1987—

(1) a report relating to the administrative fees provided for under section 8(r) of the United States Housing Act of 1937 specifically addressing—

(A) whether the percentage set by section 8(r)(1) of the United States Housing Act of 1937 is adequate to cover the costs of administering the programs under sections 8(b) and 8(o), and

(B) whether the fee system set under section 8(r)(1) should be restructured to reflect the different characteristics and experiences of localities such as size, geographic location, and vacancy rates; and

(2) a report comparing the voucher and certificate programs in representative rental markets, and containing an assessment of what changes should be made in either the certificate or voucher programs. In preparing such assessment, the Comptroller General shall consult with the Secretary of Housing and Urban Development and other appropriate Federal officials as well as individuals and national and other organizations representing public housing agencies, local governments, and tenants.

SEC. 218. ABT ASSOCIATES REPORT.

Not later than 90 days after the date of enactment of this Act, the Secretary of Housing and Urban Development shall submit to Congress the preliminary findings of the ABT Associates in connection with the preparation of the report entitled "Evaluation of the Housing Voucher Demonstration Program".

Subtitle B—Other Housing Assistance Programs

SEC. 221. NONDISCRIMINATION AGAINST SECTION 8 CERTIFICATE HOLDERS.

No owner of a subsidized project (as defined in section 203(h)(2) of the Housing and Community Development Amendments of 1978, as amended) shall refuse unreasonably (1) to lease any vacant dwelling unit in the project that rents for an amount not greater than the fair market rent for a comparable unit, as determined by the Secretary under section 8 of the United States Housing Act of 1937, to a holder of a certificate of eligibility under such section solely because of the status of such prospective tenant as a holder of such certificate, and to enter into a housing assistance payments contract respecting such unit, or (2) to lease any vacant dwelling unit in the project to a holder of a voucher under section 8(o) of such Act, and to enter into a voucher contract respecting such unit, solely because of the status of such prospective tenant as holder of such voucher.

SEC. 222. HOUSING FOR THE ELDERLY AND HANDICAPPED.

(a) AUTHORIZATION TO ISSUE OBLIGATIONS.—The first sentence of section 202(a)(4)(B)(i) of the Housing Act of 1959 is amended—

(1) by striking out "and" the first place it appears; and

(2) by inserting after "1984," the following: "and to such sums as may be approved in appropriation Acts for fiscal years 1986 and 1987, and to $595,000,000 for fiscal years 1988 and 1989,".

(b) INTEREST RATE ON LOANS.—Section 202(a)(3) of the Housing Act of 1959 is amended—

(1) by inserting "(A)" after "(3)";

(2) by striking out everything after "Secretary" the second place it appears through "loan is made" and inserting in lieu thereof the following: "taking into consideration the average yield, during the three-month period immediately preceding the fiscal year in which the loan is made, on the most recently issued 30-year marketable obligations of the United States"; and

(3) by adding the following new subparagraph at the end thereof:

"(B) At the option of the borrower, a loan under this section may be made and may be processed for a conditional or firm commitment either (i) at an interest rate not to exceed a rate and allowance determined by the Secretary in accordance with subparagraph (A) using the one-month period immediately prior to the month in which the request for a commitment is submitted, or (ii) at an interest rate not to exceed a rate and allowance determined by the Secretary in accordance with subparagraph (A) using the three-month period immediately preceding the fiscal year in which the request for a commitment is submitted.".

(c) INTEREST RATE ON NOTES.—The second sentence of section 202(a)(4)(B)(i) of the Housing Act of 1959 is amended to read as follows: "Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury taking into consideration the average yield, during the three-month period immediately preceding the fiscal year in which the loan is made, on the most recently issued 30-year marketable obligations of the United States.".

(d) EFFECTIVE DATE.—The provisions of subsections (b) and (c) of this section shall be effective on the date of enactment of this Act.

SEC. 223. HOUSING FOR THE HANDICAPPED.

(a) FINDINGS AND PURPOSE.—

(1) The Congress hereby finds that—

(A) housing for nonelderly handicapped families is assisted under section 202 of the Housing Act of 1959 and section 8 of the United States Housing Act of 1937;

(B) the housing programs under such sections are designed and implemented primarily to assist rental housing for elderly and nonelderly families and are often inappropriate for dealing with the specialized needs of the physically impaired, the developmentally disabled, and the chronically mentally ill;

(C) the development of housing for nonelderly handicapped families under such programs is often more expensive than necessary, thereby reducing the number of such families that can be assisted with available funds;

(D) the program under section 202 of the Housing Act of 1959 can continue to provide direct loans to finance group residences and independent apartments for nonelderly handicapped families, but can be made more efficient and less costly by the adoption of standards and procedures applicable only to housing for such families;

(E) the use of the program under section 8 of the United States Housing Act of 1937 to assist rentals for housing for nonelderly handicapped families is time consuming and unnecessarily costly and, in some areas of the Nation, prevents the development of such housing;

(F) the use of the program under section 8 of the United States Housing Act of 1937 to assist rentals for housing for nonelderly handicapped families should be replaced by a more appropriate subsidy mechanism;

(G) both elderly and handicapped housing projects assisted under section 202 of the Housing Act of 1959 will benefit from an increased emphasis on supportive services and a greater use of State and local funds; and

(H) an improved program for nonelderly handicapped families will assist in providing shelter and supportive services for mentally ill persons who might otherwise be homeless.

(2) The purpose of this section is to improve the direct loan program under section 202 of the Housing Act of 1959 to ensure that such program meets the special housing and related needs of nonelderly handicapped families.

(b) HOUSING FOR HANDICAPPED FAMILIES.—

(1) Section 202(h) of the Housing Act of 1959 is amended to read as follows:

"(h)(1) Of the amounts made available in appropriation Acts for loans under subsection (a)(4)(C) for any fiscal year commencing after September 30, 1987, not less than 15 percent shall be available for loans for the development costs of housing for handicapped families. If the amount required for any such fiscal year for approvable applications for loan under this subsection is less than the amount available under this paragraph, the balance shall be made available for loans under other provisions of this section.

"(2) The Secretary shall take such actions as may be necessary to ensure that—

"(A) funds made available under this subsection will be used to support a variety of methods of meeting the needs primarily of nonelderly handicapped families by providing a variety of housing options, ranging from small group homes to independent living complexes; and

"(B) housing for handicapped families assisted under this subsection will provide families occupying units in such housing with an assured range of services specified in subsection (f), will provide such families with opportunities for optimal independent living and participation in normal daily activities, and will facilitate access by such families to the community at large and to suitable employment opportunities within such community.

"(3)(A) In allocating funds under this subsection, and in processing applications for loans under this section and assistance payments under paragraph (4), the Secretary shall adopt such distinct standards and procedures as the Secretary determines appropriate due to differences between housing for handicapped families and other housing assisted under this section.

"(B) The Secretary may, on a demonstration basis, determine the feasibility and desirability of reducing processing time and costs for housing for handicapped families by limiting project design to a small number of prototype designs. Any such demonstration shall be limited to the 3-year period following the date of enactment of the Housing and Community Development Act of 1987, may only involve projects whose sponsors consent to participation in such demonstration, and shall be described in a report submitted by the Secretary to the Congress following completion of such demonstration.

"(4)(A) The Secretary shall, to the extent approved in appropriation Acts, enter into contracts with owners of housing for handicapped families receiving loans under, or meeting the requirements of, this section to make monthly payments to cover any part of the costs attributed to units occupied (or, as approved by the Secretary, held for occupancy) by lower income families that is not met from project income. The annual contract amount for any project shall not exceed the sum of the initial annual project rentals for all units and any initial utility allowances for such units, as approved by the Secretary. Any contract amounts not used by a project in any year shall remain available to the project until the expiration of the contract. The term of a contract entered into under this subparagraph shall be 240 months. The annual contract amount may be adjusted by the Secretary if the sum of the project income and the amount of assistance payments available under this subparagraph are inadequate to provide for reasonable project costs. In the case of an intermediate care facility in which there reside families assisted under title XIX of the Social Security Act, project income under this subparagraph shall include the same amount as if such families were being assisted under title XVI of the Social Security Act.

"(B) The Secretary shall approve initial project rentals for any project assisted under this subsection based on the determination of the Secretary of the total actual necessary and reasonable costs of developing and operating the project, excluding the costs of the assured range of services under subsection (f), taking into consideration the need to contain costs to the extent practicable and consistent with the purposes of the project and this section.

"(C) The Secretary shall require that, during the term of each contract entered into under subparagraph (A), all units in a project assisted under this subsection shall be made available for occupancy by lower income families, as such term is defined in section 3(b)(2) of the United States Housing Act of 1937. The rent payment required of a lower income family shall be determined in accordance with section 3(a) of such Act, except that the gross income of a family occupying an intermediate care facility assisted under title XIX of the Social Security Act shall be the same amount as if the family were being assisted under title XVI of the Social Security Act.

"(D) The Secretary shall coordinate the processing of an application for a loan for housing for handicapped families under this section and the processing of an application for assistance payments under this paragraph for such housing.".

(2) Section 202(d) of the Housing Act of 1959 is amended by adding at the end thereof the following new paragraphs:

"(9) The term 'housing for handicapped families' means housing and related facilities to be occupied by handicapped families who are nonelderly handicapped families.

"(10) The term 'nonelderly handicapped families' means elderly or handicapped families, the head of which (and spouse, if any) is less than 62 years of age at the time of initial occupancy of a project assisted under this section.".

(3) Section 202(c)(3) of the Housing Act of 1959 is amended by inserting after "section" the following: "and designed for dwelling use by 12 or more elderly or handicapped families".

(c) SUPPORTIVE SERVICES FOR ELDERLY AND HANDICAPPED FAMILIES.—Section 202(f) of the Housing Act of 1959 is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2) Each applicant for a loan under this section for housing and related facilities shall submit with the application a supportive services plan describing—

"(A) the special needs of residents which such housing and facilities are intended to serve;

"(B) the range of necessary services to be provided to the families occupying such housing;

"(C) the manner in which such services will be provided to such families; and

"(D) the extent of State and local public and private funds available to assist in the provision of such services.".

(d) TERMINATION OF SECTION 8 ASSISTANCE.—On and after the first date that amounts approved in an appropriation Act for any fiscal year become available for contracts under section 202(h)(4)(A) of the Housing Act of 1959, as amended by subsection (b) of this section, no project for handicapped (primarily nonelderly) families approved for such fiscal year pursuant to section 202 of such Act shall be provided assistance payments under section 8 of the United States Housing Act of 1937, except pursuant to a reservation for a contract to make such assistance payments that was made before the first date that amounts for contracts under such section 202(h)(4)(A) became available.

(e) IMPLEMENTATION.—Not later than the expiration of the 120-day period following the date of enactment of this Act, the Secretary of Housing and Urban Development shall, to the extent amounts are approved in an appropriation Act for use under section 202(h)(4)(A) of the Housing Act of 1959 for fiscal year 1986, publish in the Federal Register a notice of fund availability to implement the provisions of, and amendments made by, this section. The Secretary shall issue such rules as may be necessary to carry out such provisions and amendments for fiscal year 1987 and thereafter.

(f) EFFECTIVE DATE AND APPLICABILITY.—

(1) Except as otherwise provided in this section, the provisions of, and amendments made by, this section shall not apply with respect to projects with loans or loan reservations made under section 202 of the Housing Act of 1959 before the implementation date under subsection (e).

(2) Notwithstanding paragraph (1), the Secretary may apply the provisions of, and amendments made by, this section to any project in order to facilitate the development of such project in a timely manner.

SEC. 224. SECTION 235 HOMEOWNERSHIP PROGRAM.

Section 235(h)(1) of the National Housing Act is amended by adding at the end thereof the following: "After the date of enactment of the Housing and Community Development Act of 1987, the Secretary may insure mortgages and contract to make assistance payments in accordance with the fourth proviso under the heading 'Annual Contributions for Assisted Housing' in Public Law 99-160.".

SEC. 225. CONGREGATE SERVICES.

(a) REPORT.—Section 408(c) of the Congregate Housing Services Act of 1978 is amended to read as follows:

"(c) The Secretary shall contract with a university or qualified research institution to produce a report—

"(1) documenting the number of elderly living in federally assisted housing at risk of institutionalization;

"(2) studying and comparing alternative delivery systems in the States, including the Congregate Housing Services Program, to provide services to older persons in assisted congregate housing; and

"(3) assessing existing and potential financial resources at the Federal, State, and local levels for the support of congregate housing services.

The Secretary shall submit this report to the Congress not later than September 30, 1989.".

(b) AUTHORIZATION.—Section 411(a) of such Act is amended to read as follows:

"(a) To carry out the provisions of this title, there are authorized to be appropriated—

"(1) not to exceed $7,000,000 for fiscal year 1988; and

"(2) not to exceed $13,000,000 for fiscal year 1989, of which not to exceed $2,000,000 shall be used to carry out the study on at risk population under section 408(c).".

SEC. 226. TENANT ELIGIBILITY DETERMINATIONS IN RENT SUPPLEMENT PROJECTS.

Section 101 of the Housing and Urban Development Act of 1965 is amended by—

(1) striking out the second sentence of subsection (e)(1); and

(2) striking out subsection (k) and inserting in lieu thereof the following:

"(k) In selecting individuals or families to be assisted under this section in accordance with the eligibility criteria and procedures established under subsection (e)(1) of this section, the project owner shall give preference to individuals or families who are occupying substandard housing, are paying more than 50 per centum of family income for rent, or are involuntarily displaced at the time they are seeking housing assistance under this section.".

TITLE III—RURAL HOUSING

SEC. 301. PROGRAM AUTHORIZATIONS.

(a) INSURANCE AND GUARANTEE AUTHORITY.—Section 513(a)(1) of the Housing Act of 1949 is amended to read as follows:

"(a)(1) The Secretary may insure and guarantee loans under this title in an aggregate amount not to exceed $2,033,093,000 in each of the fiscal years 1988 and 1989 as follows:

"(A) For insured loans made under section 502 to borrowers receiving assistance under section 521(a)(1), the aggregate amount may not exceed $1,339,800,000 in each of the fiscal years 1988 and 1989.

"(B) For insured loans made under section 515, the aggregate amount may not exceed $669,900,000 in each of the fiscal years 1988 and 1989.

"(C) For insured loans made under section 514, the aggregate amount may not exceed $11,484,000 in each of the fiscal years 1988 and 1989.

"(D) For insured loans made under section 504, the aggregate amount may not exceed $11,335,000 in each of the fiscal years 1988 and 1989.

"(E) For insured loans made under section 524, the aggregate amount may not exceed $574,000 in each of the fiscal years 1988 and 1989.".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 513(b) of the Housing Act of 1949 is amended to read as follows:

"(b) There are authorized to be appropriated for each of the fiscal years 1988 and 1989, and to remain available until expended—

"(1) for grants under section 504, $12,500,000;

"(2) for purposes of section 509(c), $713,000;

"(3) such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 511 equal to—

"(A) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to section 503; and

"(B) the interest due on a similar sum represented by notes or other obligations issued by the Secretary;

"(4) for financial assistance under section 516, $9,513,000;

"(5) for grants under section 523(f), $8,000,000;

"(6) for grants under section 533, $19,140,000; and

"(7) such sums as may be necessary for the Secretary to administer the provisions of sections 235 and 236 of the National Housing Act and section 8 of the United States Housing Act of 1937.".

(c) RENTAL ASSISTANCE PAYMENT CONTRACTS.—Section 513(c) of the Housing Act of 1949 is amended to read as follows:

"(c) The Secretary, to the extent approved in appropriation Acts, may enter into rental assistance payment contracts under section 521(a)(2)(A) aggregating $160,310,000 for each of the fiscal years 1988 and 1989. Such authority as is approved in appropriation Acts shall be used by the Secretary to renew rental assistance payment contracts that expire during such fiscal year and to make additional rental assistance payment contracts for existing or newly constructed dwelling units.".

SEC. 302. RURAL AREA CLASSIFICATION.

Section 520 of the Housing Act of 1949 is amended by striking out "September 30, 1987" in the last sentence and inserting in lieu thereof "September 30, 1989".

SEC. 303. MANUFACTURED HOUSING.

Section 502(e) is amended by adding at the end thereof the following:

"(3) A loan which may be made or insured under this section with respect to a manufactured home or a manufactured home and lot shall be repayable over the same period as would be applicable under section 2 of the National Housing Act.".

SEC. 304. AMENDMENT TO SECTION 502(d).

Section 502(d) of the Housing Act of 1949 is amended by adding at the end thereof the following:

"For the purpose of this subsection, the term 'very low-income families or persons' means those families or persons whose incomes do not exceed the respective levels established for very low-income families under the United States Housing Act of 1937, or those families and persons whose incomes do not exceed 50 per centum of the median income for all nonmetropolitan areas in the State.".

SEC. 305. LOAN PACKAGING BY NONPROFIT ORGANIZATIONS.

Section 501 of the Housing Act of 1949 is amended by adding at the end thereof the following new subsection:

"(h) For the purposes of this title, the term 'development cost' shall include the packaging of loan and grant applications and actions related thereto by public and private nonprofit organizations tax exempt under the Internal Revenue Code of 1986.".

SEC. 306. ESCROWING TAXES AND INSURANCE.

Section 501(e) of the Housing Act of 1949 is amended to read as follows:

"(e) The Secretary shall establish procedures whereby borrowers under this title are required to make periodic payments for the purpose of taxes, insurance, and other necessary expenses as the Secretary may deem appropriate. Notwithstanding any other provision of law, such payments shall not be considered public funds. The Secretary shall direct the disbursement of the funds at the appropriate time or times for the purposes for which the funds were escrowed. If the prepayments made by the borrower are not sufficient to pay the amount due, advances may be made by the Secretary to pay these costs in full, which advances shall be charged to the account of the borrower, bear interest, and be payable in a timely fashion as determined by the Secretary. The Secretary shall notify a borrower in writing when loan payments are delinquent.".

SEC. 307. CONFORMANCE WITH LOW-INCOME HOUSING TAX CREDIT ELIGIBILITY CRITERIA.

Section 515(o) of the Housing Act of 1949 is amended by adding at the end thereof the following:

"(4) In projects financed under this section, units which have been allocated a low-income housing tax credit by a housing credit agency pursuant to section 42 of the Internal Revenue Code of 1986 shall not be available for occupancy by persons or families other than persons or families with incomes not in excess of the qualifying income applicable to such units pursuant to subparagraph (A) or (B) of section 42(g)(1) of such Code, except when the Secretary determines that the continued vacancy of units which have been unoccupied for at least 6 months threatens the project's financial viability.".

TITLE IV—FAIR HOUSING DEMONSTRATION

SEC. 401. FAIR HOUSING INITIATIVES PROGRAM DEMONSTRATION.

(a) IN GENERAL.—The Secretary of Housing and Urban Development (hereafter referred to as the "Secretary") may make grants to, or (to the extent of amounts provided in appropriation Acts) enter into contracts or cooperative agreements with, State or local governments or their agencies, public or private nonprofit organizations or institutions, or other public or private entities that are formulating or carrying out programs to prevent or eliminate discriminatory housing practices, to develop, implement, carry out, or coordinate—

(1) programs or activities designed to obtain enforcement of the rights granted by title VIII of the Act of April 11, 1968 (commonly referred to as the Civil Rights Act of 1968), or by State or local laws that provide rights and remedies for alleged discriminatory housing practices that are substantially equivalent to the rights and remedies provided in such title VIII, through such appropriate judicial or administrative proceedings (including informal methods of conference, conciliation, and persuasion) as are available therefor; and

(2) education and outreach programs designed to inform the public concerning rights and obligations under the laws referred to in paragraph (1).

(b) PROGRAM ADMINISTRATION.—

(1) Not less than 30 days before providing a grant or entering into any contract or cooperative agreement to carry out activities authorized by this section, the Secretary shall submit notification of such proposed grant, contract, or cooperative agreement (including a description of the geographical distribution of such contracts) to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives.

(2) The Secretary shall provide to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a quarterly report that summarizes the activities funded under this section and describes the geographical distribution of grants, contracts, or cooperative agreements funded under this section.

(c) REGULATIONS.—

(1) The Secretary shall issue such regulations as may be necessary to carry out the provisions of this section.

(2) Such regulations shall include provisions governing applications for assistance under this section, and shall require each such application to contain—

(A) a description of the assisted activities proposed to be undertaken by the applicant, together with the estimated costs and schedule for completion of such activities;

(B) a description of the experience of the applicant in formulating or carrying out programs to prevent or eliminate discriminatory housing practices;

(C) available information, including studies made by or available to the applicant, indicating the nature and extent of discriminatory housing practices occurring in the general location where the applicant proposes to conduct its assisted activities, and the relationship of such activities to such practices;

(D) an estimate of such other public or private resources as may be available to assist the proposed activities;

(E) a description of proposed procedures to be used by the applicant for monitoring conduct and evaluating results of the proposed activities; and

(F) any additional information required by the Secretary.

(3) The Secretary shall, for use during the demonstration authorized in this section, establish guidelines for testing activities funded under the private enforcement initiative of the fair housing initiatives program. The purpose of such guidelines shall be to ensure that investigations in support of fair housing enforcement efforts described in subsection (a)(1) shall develop credible and objective evidence of discriminatory housing practices. Such guidelines shall apply only to activities funded under this section, shall not be construed to limit or otherwise restrict the use of facts secured through testing not funded under this section in any legal proceeding under Federal fair housing laws, and shall not be used to restrict individuals or entities, including those participating in the fair housing initiatives program, from pursuing any right or remedy guaranteed by Federal law. Within 6 months of the close of the demonstration period authorized in this section, the Secretary shall submit to Congress the Secretary's evaluation of the effectiveness of such guidelines in achieving the purposes of this section.

(4) Regulations issued under this subsection shall not become effective prior to the expiration of 90 days after the Secretary transmits such regulations, in the form such regulations are intended to be published, to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives.

(5) The Secretary shall not obligate or expend any amount under this section

before the effective date of the regulations required under this subsection.

(d) Authorization of Appropriations.—

(1) There are authorized to be appropriated to carry out the provisions of this section, including any program evaluations, $5,000,000 for each of fiscal years 1988 and 1989, of which not more than $3,000,000 in each such fiscal year shall be for the private enforcement initiative demonstration.

(2) Any amounts appropriated under this section shall remain available until expended.

(e) Sunset.—The demonstration period authorized by this section shall close on September 30, 1989.

TITLE V—NEHEMIAH HOUSING OPPORTUNITY GRANTS

SEC. 501. STATEMENT OF PURPOSE.

It is the purpose of this title—

(1) to encourage homeownership by families in the United States who are not otherwise able to afford homeownership;

(2) to undertake a concentrated effort to rebuild the depressed areas of the cities of the United States and to create sound and attractive neighborhoods; and

(3) to increase the employment of neighborhood residents.

SEC. 502. DEFINITIONS.

For purposes of this title:

(1) The term "Fund" means the Nehemiah Housing Opportunity Fund established in section 609(a).

(2) The term "home" means any 1- to 4-family dwelling. Such term includes any dwelling unit in a condominium project or cooperative project consisting of not more than 4 dwelling units, any town house, and any manufactured home.

(3) The term "lower income families" has the meaning given such term in section 3(b)(2) of the United States Housing Act of 1937.

(4) The term "metropolitan statistical area" means a metropolitan statistical area as established by the Office of Management and Budget.

(5) The term "nonprofit organization" means a private nonprofit corporation, or other private nonprofit legal entity, that is approved by the Secretary as to financial responsibility.

(6) The term "Secretary" means the Secretary of Housing and Urban Development.

(7) The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

(8) The term "substantial rehabilitation" means—

(A) rehabilitation involving costs in excess of 60 percent of the maximum sale price of a home assisted under this title in the market area in which it is located; or

(B) the rehabilitation of a vacant, uninhabitable structure.

(9) The term "unit of general local government" means any borough, city, county, parish, town, township, village, or other general purpose political subdivision of a State.

SEC. 503. ASSISTANCE TO NONPROFIT ORGANIZATIONS.

(a) In General.—The Secretary may provide assistance to nonprofit organizations to carry out Nehemiah housing opportunity programs in accordance with the provisions of this title. Such assistance shall be made in the form of grants.

(b) Applications.—Applications for assistance under this title shall be made in such form, and in accordance with such procedures, as the Secretary may prescribe.

SEC. 504. USE OF ASSISTANCE.

(a) In General.—Any nonprofit organization receiving assistance under this title shall use such assistance to provide loans to families purchasing homes constructed or substantially rehabilitated in accordance with a Nehemiah housing opportunity program approved under this title.

(b) Specific Requirements.—Each loan made to a family under this section shall—

(1) be secured by a second mortgage held by the Secretary on the property involved;

(2) be in an amount not exceeding $15,000;

(3) bear no interest; and

(4) be repayable to the Secretary upon the sale, lease, or other transfer of such property.

SEC. 505. PROGRAM REQUIREMENTS.

(a) In General.—Assistance provided under this title may be used only in connection with a Nehemiah housing opportunity program of construction or substantial rehabilitation of homes.

(b) Family Need.—Each family purchasing a home under this title shall—

(1) have a family income on the date of such purchase that is not more than whichever of the following is higher:

(A) the median income for a family of 4 persons in the metropolitan statistical area involved; or

(B) the national median income for a family of 4 persons; and

(2) not have owned a home during the 3-year period preceding such purchase.

(c) Downpayment.—

(1) Each family purchasing a home under this title shall make a downpayment of not less than 10 percent of the sale price of such home, or of such greater amount determined by the nonprofit organization involved to be appropriate.

(2) Any downpayment made under this subsection shall accrue interest from the date on which such downpayment is made through the date of settlement, at a rate not less than the passbook rate. Such interest shall be paid by the nonprofit organization involved to the family purchasing the home for which such downpayment was made.

(d) Leasing Prohibition.—No family purchasing a home under this title may lease such home.

SEC. 506. TERMS AND CONDITIONS OF ASSISTANCE.

(a) Local Consultation.—No proposed Nehemiah housing opportunity program may be approved by the Secretary under this title unless the nonprofit organization involved demonstrates to the satisfaction of the Secretary that—

(1) it has consulted with and received the support of residents of the neighborhood in which such program is to be located; and

(2) it has the approval of each unit of general local government in which such program is to be located.

(b) Program Schedule.—Each nonprofit organization applying for assistance under this title shall submit to the Secretary an estimated schedule for completion of its proposed Nehemiah housing opportunity program, which schedule shall have been agreed to by each unit of general local government in which such program is to be located.

(c) Minimum Participation.—No nonprofit organization receiving assistance under this title may commence any construction or substantial rehabilitation (except with respect to homes to be constructed or substantially rehabilitated for the purpose of display) until not less than 25 percent of the homes to be constructed or substantially rehabilitated are contracted for sale to purchasers who intend to live in such homes and the required downpayments are made.

(d) Financial Feasibility.—The Secretary may not provide any assistance under this title to any nonprofit organization unless such nonprofit organization demonstrates the financial feasibility of its proposed Nehemiah housing opportunity program, including the availability of non-Federal public and private funds.

(e) Home Quality and Location.—A Nehemiah housing opportunity program may be approved under this title only if it provides that—

(1) the number of homes to be constructed or substantially rehabilitated under such program will not be less than whichever of the following is less:

(A) the greater of (i) 50 homes; or (ii) 0.25 percent of the number of existing dwelling units in the unit of general local government that provides the most assistance to such program; or

(B) 250 homes;

(2) each home constructed or substantially rehabilitated under such program will comply with—

(A)(i) applicable local building code standards;

(ii) in any case in which there is not an applicable local building code, a nationally recognized model building code mutually agreed upon by the sponsoring nonprofit organization and the Secretary; or

(iii) in the case of a manufactured home, the standards prescribed pursuant to title VI of the Housing and Community Development Act of 1974 and the installation, structural, and site requirements that would apply under title II of the National Housing Act; and

(B) the energy performance requirements established under section 526 of the National Housing Act or in the case of manufactured housing, the energy conservation requirements prescribed in accordance with section 203(b) of the National Housing Act;

(3) all homes constructed or substantially rehabilitated under such program will be located in census tracts, or identifiable neighborhoods within census tracts, in which the median family income is not more than 80 percent of the median family income of the area in which such program is to be located, as such median family income and area are determined for purposes of assistance under section 8 of the United States Housing Act of 1937;

(4) all homes constructed or substantially rehabilitated under such program will be concentrated in a single neighborhood and located on contiguous parcels of land, except that if the unit of general local government in which the project is located certifies that such land cannot be made available for a program of the size required by paragraph (1), homes may be constructed in a single identifiable neighborhood if the program provides for construction or substantial rehabilitation of homes on not less than 20 percent of the lots in such neighborhood; and

(5) sales contracts entered into under such program will contain provisions requiring repayment of any loan made under this title upon the sale or other transfer of the home involved, unless the Secretary approves a transfer of such home without repayment (in which case the second mortgage held by

the Secretary on such home shall remain in force until such loan is fully repaid).

SEC. 507. PROGRAM SELECTION CRITERIA.

(a) In General.—In selecting Nehemiah housing opportunity programs for assistance under this title from among eligible programs, the Secretary shall make such selection on the basis of the extent to which—

(1) non-Federal public or private entities will contribute land necessary to make each program feasible;

(2) non-Federal public and private financial or other contributions (including tax abatements, waivers of fees related to development, waivers of construction, development, or zoning requirements, and direct financial contributions) will reduce the cost of homes constructed or substantially rehabilitated under each program;

(3) each program will produce the greatest number of units for the least amount of assistance provided under this title, taking into consideration the cost differences among different market areas;

(4) each program is located in a neighborhood of severe physical and economic blight (and, in determining the degree of physical blight, the Secretary shall consider the condition of the housing, other buildings, and infrastructure, in the neighborhood of the proposed program);

(5) each program uses construction methods that will reduce the cost per square foot below the average construction cost in the market area involved; and

(6) each program provides for the involvement of local residents in the planning, and construction or substantial rehabilitation, of homes.

(b) Exception.—To the extent that non-Federal public entities are prohibited by the law of any State from making any form of contribution described in paragraph (1) or (2) of subsection (a), the Secretary shall not consider such form of contribution in evaluating such program.

SEC. 508. DISTRIBUTION OF ASSISTANCE TO NONPROFIT ORGANIZATIONS.

(a) Reservation of Amounts.—Following the selection of any Nehemiah housing opportunity program for assistance under this title, the Secretary shall reserve sufficient amounts in the Nehemiah Housing Opportunity Fund for such assistance.

(b) Distribution of Assistance.—Following the sale of any home constructed or substantially rehabilitated under a Nehemiah housing opportunity program selected for assistance under this title, the Secretary shall provide to the sponsoring nonprofit organization an amount equal to the amount of the loan made to the family purchasing such home. Such amount shall be provided not more than 30 days after the sale of such home.

(c) Maximum Assistance.—The assistance provided to any nonprofit organization under this title may not exceed $15,000 per home.

SEC. 509. NEHEMIAH HOUSING OPPORTUNITY FUND.

(a) Establishment.—There hereby is established in the Treasury of the United States a revolving fund, to be known as the Nehemiah Housing Opportunity Fund. The Fund shall be available to the Secretary, to the extent approved in appropriation Acts, for purposes of providing assistance under section 503.

(b) Assets.—The Fund shall consist of—

(1) any amount appropriated under section 512;

(2) any amount received by the Secretary under section 504(b)(4); and

(3) any amount received by the Secretary under subsection (c).

(c) Administration.—Any amount in the Fund determined by the Secretary to be in excess of the amount currently required to carry out the provisions of this title shall be invested by the Secretary in obligations of, or obligations guaranteed as to both principal and interest by, the United States or any agency of the United States.

SEC. 510. ANNUAL REPORT.

The Secretary shall annually prepare and submit to the Congress a comprehensive report setting forth the activities carried out under this title. Such report shall include—

(1) an analysis of the characteristics of the families assisted under this title during the preceding year, including family size, number of children, family income, sources of family income, race, age, and sex;

(2) an analysis of the market value of homes purchased under this title during the preceding year;

(3) an analysis of the non-Federal public and private financial or other contributions made during the preceding year to reduce the cost of homes constructed or substantially rehabilitated under each program;

(4) an analysis of the sales prices of homes under this title during the preceding year;

(5) an analysis of the amounts of the grants made to programs under this title during the preceding year; and

(6) any recommendations of the Secretary for modifications in the program established by this title in order to ensure the effective implementation of such program.

SEC. 511. REGULATIONS.

The Secretary shall issue such regulations as may be necessary to carry out the provisions of this title. Any such regulations shall be issued in accordance with section 553 of title 5, United States Code, notwithstanding the provisions of subsection (a)(2) of such section.

SEC. 512. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this title such sums as may be necessary for fiscal years 1988 and 1989. Any amount appropriated under this section shall be deposited in the Nehemiah Housing Opportunity Fund, and shall remain available until expended.

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. D'AMATO. Mr. President, I move to lay that motion on the table.

Mr. ARMSTRONG addressed the Chair.

Mr. D'AMATO. I withdraw that.

Mr. ARMSTRONG. Mr. President, I thank my friend for permitting a moment just to comment on the outcome.

Twenty-seven Senators voted against it and that says to me that if the President should be disposed to veto this bill, as indeed I hope he will, such a veto will be sustained.

I thank the Chair and thank my friend from New York.

Mr. D'AMATO. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader is recognized.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, for the information of all Senators the veto message is expected in the Chamber momentarily. When it is spread upon the Record, it will be before the Senate. It is open to debate.

I hope that the Senate will vote on the override this afternoon.

While we are awaiting the message, I ask unanimous consent that the distinguished Senator from Ohio may be recognized for not to exceed 7 minutes to speak as in morning business and that he may be permitted to speak for not to exceed 7 minutes.

I ask unanimous consent that Mr. McCain may be permitted to speak out of order for not to exceed 5 minutes.

In this instance may I ask the distinguished Senator from Ohio if I may, if Mr. McCain may go first because he asked me earlier and I indicated it would be quite all right.

Mr. METZENBAUM. I have no objection.

Mr. BYRD. Very well.

Then, Mr. President, I expect to be on the floor when those two Senators have completed their statements.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Arizona is recognized for 5 minutes.

The Senator from Arizona.

Mr. McCAIN. Thank you, Mr. President. I appreciate the indulgence of the Senator from Ohio and the privilege extended to me by the distinguished majority leader.

SOLDIERS OF THE SUMMIT

Mr. McCAIN. Mr. President, this evening at 10 p.m., eastern time, public television will present a stirring documentary entitled "Soldiers of the Summit." This is the story of the 10th Mountain Infantry Division of World War II.

Many Americans, those of us who remember that great war so well are aware of this legendary division. Skilled in mountain warfare, and highly trained the men broke the infamous "Gothic Line" stretching across Northern Italy and opened up the PO Valley for the allied forces, a key element in the eventual victory over Nazi Germany. Their courageous efforts led to the capture of 20,000 German soldiers. On one day in April of 1945, the 10th Mountain Division took more casualties than all other allied forces in Italy combined.

Especially noteworthy about tonight's program is its focus on our distinguished minority leader Robert Dole, one of the bravest members of a group of outstanding and wonderfully brave Americans. The intensive training and discipline of the 10th Mountain Division helped Senator Dole, then a 23-year-old second lieutenant, to withstand and recover from a terrible tragedy. While attempting to save a fallen comrade during a fierce battle on that fateful April day, ROBERT DOLE was struck by an explosion and left for dead on the battlefield.

The tenacity and determination which marked the 10th Mountain men was undoubtedly the inspiration behind his remarkable recovery. Told he would probably never walk again, Senator DOLE survived 39 months of hospitalization and years of rehabilitation. He underwent numerous painful and dangerous operations and fought back several close brushes with death along the way.

Even in the worst of times, Senator DOLE's now famous wit was evident. In his first letter to his parents he wrote:

> Dear Mom and Dad: Just writing to let you know I'm feeling okay. I can move my legs now, but I'm still having a little bit of trouble with my left arm. I have a broken bone in my right arm and two in the shoulder. I guess some German thought I was a good target. Please don't worry about me. I may be home for my birthday. Love Bob.

After that courageous comeback, young ROBERT DOLE went on to forge the highly successful career of public service with which we are all familiar. Forced to give up a career in medicine, he went back to his home State of Kansas, for a law degree, became a State representative and then was elected to Congress in 1960. Quickly making his mark, he became a Senator in 1968 and in 1976 he was the Republican candidate for Vice President.

He served most capably as majority leader from 1985 to 1987 and now serves the administration and his party with dignity and skill as minority leader.

One 10th Mountain veteran summed up his extraordinary division this way:

> For those of us who survived, our training on Mt. Rainier, at Camp Hale and in the mountains of Italy gave us a confidence that would never leave us . . that we could do anything.

Our distinguished minority leader has that confidence—confidence that is often our inspiration. As a friend and a leader, he displays the same intelligence, tenacity, and courage that was his strength as a member of the 10th Mountain Infantry Division. His life has been extraordinary, his achievements awe inspiring, and his dedication to our country worthy of emulation.

I urge my colleagues to watch "soldiers of the summit" this evening to see the inspiring story of one very remarkable American.

I yield the floor.

(Mr. ROCKEFELLER assumed the chair.)

Mr. DOLE. Mr. President, will the Senator yield?

Mr. McCAIN. Yes.

Mr. DOLE. Mr. President, I want to thank my distinguished colleague. I had no idea he would be making this statement. There will be an outstanding program on tonight on the 10th Mountain Division. I hope I will have an opportunity to watch it, also. It starts at 10 o'clock.

But I want to thank my colleague from Arizona, who certainly understands what it is to be an American soldier and what it is to undergo deprivation and what courage and dedication means, because of his own experiences, which we all are familiar with.

Senator McCAIN's plane was shot down in 1967. And for nearly 6 years he was held prisoner in Hanoi-area camps.

So I particularly want to thank him for his kind words.

Mr. McCAIN. Mr. President, I thank the distinguished minority leader for his kind words. I can assure him that any unpleasantness I might have experienced pales in comparison to the enormous sacrifices he underwent.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Ohio is recognized for 7 minutes.

AIRLINE CONSUMER RIGHTS BILL OF 1987

Mr. METZENBAUM. Mr. President, I rise to introduce the airline consumer rights bill of 1987. I am joined in introducing this piece of legislation by Senators BAUCUS, SIMON, LAUTENBERG, WEICKER, and RIEGLE.

Americans have had it with chronic delays, unexpected cancellations, reroutings, and the general decline in the quality of service offered by the airlines today. It is high time that the airline industry became more accountable to the public it is serving. "The friendly skies" have become less than friendly. Right now, "America's way to fly" means doing so in a state of frustration, aggravation and inconvenience. And, unfortunately, on an all too frequent basis, that "something special in the air" will not be your plane.

Consider the following hypothetical story. A businessperson arrives at an airport only to find that her flight has been canceled, and she misses a crucial meeting and, therefore, loses thoussands of dollars in business.

The story would be an unfortunate one—but understandable—if that businessperson lost that deal because the airline had no choice but to cancel the flight for mechanical or weather-related problems. We would all agree that safety comes first.

But chances are just as good that the airline canceled the flight simply because it could not fill all the seats on the plane, because they did not think they could make money on the flight.

Too often, a story like the one I just mentioned is real. Consider the following true tale. A woman testified before our committee hearing the other day and told us about her 16-year-old son who was flying from northern California to meet his mother in Boston. He did not make it. It was not his fault, but there was an airline ticketing error and that, combined with flight delays, caused him to be stranded, marooned in Utah. He was left in the Salt Lake City Airport with no winter clothes, no baggage, and no place to spend the night, and total indifference from the airline.

I could stand here this afternoon and spend the balance of the afternoon with horror stories of this kind. The sad truth is, you cannot find a person who travels by air these days who does not have a horror story about a delayed flight, missed connection, a lost bag, an abruptly canceled flight, or a lengthy wait on the tarmac.

I like the story that one of my colleagues told me recently about going up to the airline counter and getting on the plane. The plane was flying from Washington to another far-distant city. He said, "I would like to have one of my bags sent to Boston, one sent to Honolulu, one sent to Salt Lake City, Utah, and one sent to Miami, Florida." The lady at the gate said, "I can't do that." And he said, "The devil you can't. That's what happened to my bags just last week."

Now, while deregulation has increased the number of passengers flying and lowered some fares, it has also brought massive confusion. Airline personnel and airport facilities are strained to capacity. The firing of the air traffic controllers in 1981 did not help, either.

I stand here before you today and I say, Mr. President, for the life of me, I do not know why those airline traffic controllers cannot be brought back to help out, to go back to work. They have paid their penalty. Even the worst criminals in this country, when they commit heinous crimes, once they pay their penalty—and quite often it is much less than 6 years—they are given a new chance.

Those employees struck and it was in violation of the law. But how long are they to pay a penalty? And why should their families be deprived of an opportunity to have a breadwinner in the family earning a living? In addition to everything else, we, the airline travelers, we need them back on the job.

The system is overloaded and it is fraught with delays. And the end result? Airline passengers are getting the short end of the stick, and too often airline passengers are not flying in safe skies.

Although air passengers' consumer rights and remedies were transferred to the Department of Transportation when the Civil Aeronautics Board closed its doors in 1985, the Department of Transportation has not been aggressive in protecting airline passengers. Instead, the Department of Transportation has focused much of its efforts on approving huge airline mergers.

The Department of Transportation is going in the wrong direction. It is time to give airline passengers a fair shake, not just the airline companies.

The bill I am introducing attempts to establish some equity for consumers in the current deregulated airline market. The bill will require the Secretary of Transportation to obtain and make public on a monthly basis information on each airline's record for late take-offs and arrivals, cancellations, and reroutings and overbookings. It will require the Department of Transportation to report on the treatment of passengers who were denied boarding because of airline overbooking policies. And it will require the airlines to let passengers know at the time they go to buy their tickets the type of plane on which they will be flying, the on-time performance record for that flight and the airline's past on-time record for delivering luggage to the given destination. The airlines will also have to inform passengers when the planes do not have restrooms or will not serve food. These provisions will help air travelers make informed decisions about where to take their business.

Furthermore, the bill will require the Secretary of Transportation to develop regulations to ensure that airlines do not cancel flights for purely economic reasons unless they make a reasonable effort to notify passengers at least 24 hours in advance. It will ensure that airlines that advertise low-priced fares will have at least one-third of those seats available at those prices. Finally, it will establish a 24-hour toll-free consumer hotline at DOT to help air passengers with any complaints. That number will be put on every airline ticket and prominently displayed at every airport.

An identical bill is being introduced in the House today by Congressman Peter DeFazio.

Mr. President, the bill is not perfect. It may need to be fine-tuned, other problems about air travel may surface and other solutions may be in order. For instance, we may need to look at whether airlines are luring customers with certain frequent flyer programs, guaranteeing free flights for *x* number of miles flown and then changing the rules in midstream. That is what some airlines have done within recent weeks and months. I look forward to working with my colleagues to craft legislation which addresses all of the problems faced by airline passengers.

The need for congressional action is clear—the rights of air passengers must be strengthened. I ask unanimous consent that the text of my bill be inserted at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 885

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. This Act may be cited as the "Airline Consumer Rights Act of 1987".

Sec. 2. (a) Within the 180-day period following the date of the enactment of this Act, the Secretary of Transportation (hereinafter referred to as the "Secretary") shall, by regulation, require each commercial air carrier engaged in the transportation of passengers in the United States, including a foreign air carrier and a commuter air carrier, to report to the Secretary, on a monthly basis the following information:

(1) the number of late take-offs and arrivals of each such air carrier for the period covered by such report;

(2) the number of cancellations of flights by each such carrier for the period covered by such report;

(3) the lost and delayed luggage performance record of each such airline for the period covered by such report;

(4) the number of rerouted and downgraded flights of each such air carrier during the period covered by such report; and

(5) the number of passengers involuntarily "bumped" from a flight by each such air carrier, and treatment given passengers so "bumped", including hotel accommodations, free air passage, and other expenses.

(b) The Secretary shall, with respect to information reported pursuant to subsection (a) of this section, take such action as may be necessary in order to make such information available to the public in a clear, concise, and visible manner at all public airports in timely fashion.

Sec. 3. Within the 180-day period following the date of the enactment of this Act, the Secretary of Transportation shall, by regulation, take such action as may be necessary to require each such carrier referred to in the first section of this Act—

(1) to disclose to each passenger purchasing a ticket, in a clear and concise manner and in a form to accompany such ticket, the policy of such carrier with respect to cancellations of flights, delays, overbooking, and liability for lost or damaged luggage; and

(2) to disclose to each passenger or his or her agent, at the time of reserving or purchasing a ticket, a description of the aircraft on which such passenger will be flying, the number of late take-offs and arrivals with respect to the flight route covered by such ticket, the baggage delivery record with respect to such route, and when food or beverages, or both, or a restroom will not be available on such flight.

Sec. 4. (a) Within 180 days following the date of the enactment of this Act, the Secretary shall, by regulation, prohibit any air carrier referred to in the first section of this Act from advertising a fare for any flight at a particular price unless the air carrier offers at least one-third of the seats for such flight at such advertised price, or unless such carrier, in so advertising a fare for a flight at a particular price, makes a general disclosure that fewer than one-third of the seats for such flight at such advertised price are available on a particular day, time of day, or destination.

(b) Such regulation shall further require any advertisement referred to in subsection (a) to disclose all restrictions with respect to advanced purchase of tickets, refundability of money, minimum stay requirements, and any and all other restrictions or conditions with respect thereto.

Sec. 5. Within 180 days following the date of the enactment of this Act, the Secretary shall, by rule, prohibit any air carrier referred to in the first section of this Act from canceling any flight based on economic reasons, unless such air carrier—

(1) make a reasonable effort to notify each passenger of such cancellation at least 24 hours prior to the scheduled departure time for such flight; and

(2) makes available to each such passenger similar services within a reasonable time as determined by the Secretary by regulation.

Sec. 6. Any violation of a regulation promulgated by the Secretary pursuant to this Act shall be punishable by a fine not to exceed $250,000.

Sec. 7. The Secretary shall, within 90 days following the date of the enactment of this Act, establish a 24 hour toll free consumer hotline to provide consumer information on air carrier performance records, information as to the rights of consumers and responsibilities of air carriers, and to provide assistance in resolving disputes between consumers and air carriers. Information with respect to the availability of such hotline and its purpose, together with the telephone number thereof, shall be printed on each ticket or ticket jacket, and prominently displayed in appropriate locations at airports.

Mr. METZENBAUM. Mr. President, I thank the Chair.

ORDER OF PROCEDURE

The PRESIDING OFFICER. The majority leader.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senator from South Dakota (Mr. Pressler) be permitted to speak for not to exceed 5 minutes out of order.

The PRESIDING OFFICER. Without objection, it is so ordered,

Mr. BYRD. May I say to Senators for their information that the veto message is at the door, and I hope to be able to let the message come in shortly. As soon as it is spread on the Record, it will be before the Senate.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

PIPELINE SAFETY ACT OF 1987

Mr. PRESSLER. Mr. President, today I am joining, my colleague, Senator Durenberger, in introducing the Pipeline Safety Act of 1987. The legislation will strengthen the current Hazardous Liquid Pipeline Safety Act of 1979.

The National Gas Pipeline Safety Act of 1968 and the Hazardous Liquid Pipeline Safety Act of 1979 granted the Department of Transportation regulatory authority over interstate and intrastate pipelines. Over 1 million miles of gas pipelines are regulated under these programs. In calendar year 1984, 1,002 gas pipeline failures occurred. These failures illustrate the size of the pipeline system and the potential hazards of pipeline leaks.

Mr. President, I expect that this legislation will be referred to the Commerce, Science, and Transportation Committee where I intend to work hard for its approval. I think the legislation will be good for the companies which build pipelines in the long term because it will actually save money. I will illustrate that with some examples. If there are adequate safety standards for pipelines, some automatic alarms if something is going wrong in the pipeline, a requirement for immediate reporting of a failure and action by local officials and companies our piplelines will be safe. The public will be more willing to have them built. The companies will not have to pay so much for insurance or for repairing damage.

Public safety will be served. In my home State of South Dakota we had several pipeline failures last year. Water supplies have been threatened, and additional wells have had to be dug. In one case the fumes went into a school. The company is going to pay for the construction of a new school in Sioux Falls. This is costing the company money which in turn costs the consumers money.

So I think this legislation in the long term will save money for the consumers. It will make it easier to build pipelines because with adequate safety requirements the public will not object to having pipelines in their neighborhoods.

Even a small State like South Dakota has problems with gas pipeline leaks. In South Dakota an estimated 58 gasoline spills have occurred in the past 10 years. There have been numerous other incidents involving the spillage of hazardous substances. Most recently the city of Sioux Falls, SD, experienced two serious pipeline leaks. Last September, the Howard Elementary School in Sioux Falls had to be closed and still remains closed due to fumes coming from a gasoline pipeline leak near the school. The leak was not immediately detected by the Williams Pipe Line Co. Eventually the ground became so saturated that vapors became evident in the school. As a result, the leak was discovered and the school closed. Construction on a new school will begin soon. In the meantime, the students must attend classes in temporary facilities.

Incidentally, the company is going to pay for a new school, but that means that the consumers pay. Had the pipeline been safe, this cost would not have occurred. Some say this bill will create more bureaucracy, regulation, and costs. Indeed, there is some of each involved in it. But I contend it will save money in terms of safer pipelines, and savings in insurance costs and costs created by pipeline failures.

Earlier this year the Williams pipeline Co. suffered another pipeline leak in Sioux Falls. The leak occurred on the company's land, but nearby ground water is threatened. Wells are being drilled in an effort to protect the ground water and contain the gasoline. The most troubling fact about the most recent leak was the delay in contacting local officials after the leak was discovered.

Mr. President, I see my colleague who is the sponsor of this legislation, Senator DURENBERGER, on the Senate floor. I am very proud to be a cosponsor of this legislation with him.

Several hours elapsed between the time when the leak was discovered and local officials were notified. When the public's safety is threatened, the proper public officials should be contacted immediately. These two incidents highlight the need to strengthen current pipeline safety standards.

A 1984 Government Accounting Office study of Federal gas and hazardous liquids pipeline safety programs identified many problems in the current programs. The GAO report stated that the Department of Transportation was not meeting its inspection goal and better coordination was needed between Federal and State regulatory efforts. The bill we are introducing today will address many of the problems identified in the GAO report. Regarding the two leaks I mentioned earlier, the legislation will require the installation of leak detection equipment to immediately notify operators of a leak. It would also require more frequent testing of pipeline safety. With these and other precautions, a leak would not go undetected.

The bill also requires immediate notification of State and local officials in case of a pipeline leak. This will allow the State and local officials to take timely actions to protect the safety of area residents. The legislation will also give the State and local government more authority in regulating pipelines.

In the case of the school in Sioux Falls, the company has agreed to pay for the construction of a new school. But, if the company did not have adequate financial resources or insurance, the local community would be forced to pay for a new school. The bill requires pipeline companies to maintain adequate insurance to pay for the cleanup of any spill or any injury or property loss suffered by any third party.

Finally, the bill increases the current fee paid by pipeline companies to fund the more stringent Safety Program. This user fee financing will prevent any increase in the Federal deficit. The increased funding will also allow more frequent and thorough inspection by pipeline safety officials.

Mr. President, in conclusion, I want to thank the majority leader for yielding. I wish to thank my colleague, Senator DURENBERGER, for his leadership on this matter.

Mr. President, I urge our colleagues to join in supporting this important pipeline safety legislation. We must assure all Americans that their lives and property are safe from damage from pipeline leaks and ruptures.

I thank the Chair.

ORDER OF PROCEDURE

HOUSE MESSAGE ON PRESIDENTIAL VETO

Mr. BYRD. Mr. President, the message is at the door.

Mr. President, I ask unanimous consent that Mr. DURENBERGER may proceed for not to exceed 3 minutes as if in morning business for the introduction of legislation, and that he may be permitted to speak during those 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

PIPELINE SAFETY ACT OF 1987

Mr. DURENBERGER. Mr. President, I am most grateful to the majority leader for this opportunity, and I am most grateful to my colleague from South Dakota for his kind comments.

Mr. President, I am today introducing the Pipeline Safety Act of 1987. This bill is a comprehensive rewrite of the law establishing the Pipeline Safety Program at the U.S. Department of Transportation. This bill is needed because the current Federal program does not provide sufficient protection for the health and safety of our citizens and the quality of our environment.

I am joined in introducing this bill by six other Members of the Senate. Senators STAFFORD, PRESSLER, MITCHELL, DASCHLE, HEINZ, BOSCHWITZ, and MOYNIHAN are also cosponsors of this bill. It is very encouraging that so many other Members from different parts of the country found this legislation worthy of support.

Both Minnesota and South Dakota have recently experienced pipeline incidents which have convinced us that this bill is necessary. In Minnesota it was the explosion in the community of Mounds View early in the morning hours of July 8 last year. The gasoline spill and resulting explosion killed Beverly Spano and her 7-year-old daughter, Jennifer. All of Minnesota was united in the tragedy of this family. We are determined that it will not happen in our State again.

In response to that accident Governor Perpich appointed a commission on pipeline safety which held thorough hearings and made a comprehensive report in December. The bill we are introducing is in close accord with the recommendations of the Commission. Just as the Spano family has our deepest sympathies, the Minnesotans who gave their time to the work of the Commission to make the case for reform of the Pipeline Safety Program have our sincere gratitude.

The accident in Mounds View was not an isolated incident. Other Minnesotans have been injured and killed by pipeline accidents during this decade. Families in Maplewood, MN, have lost their homes to gasoline vapors in their basements. About 70 spills in a 20-year period can be attributed to one pipeline company alone. And, as Senator PRESSLER will tell you, this very same company has been responsible for a number of problems in our neighboring State of South Dakota, as well.

In addition to a heightened concern for the safety of pipelines, Minnesotans learned another lesson from the events on and after July 8. We learned that when it comes to interstate pipeline operations the Federal Government is not prepared to respond in a direct and cooperative way with the views and concerns of State and local officials whose job it is to protect public health. The law excludes State and local officials from any meaningful role in pipeline regulation or oversight. The Federal Office of Pipeline Safety has insufficient resources to routinely assure the safety of pipelines. But the Federal program prevents State and local governments from using their public safety resources to prevent or respond to accidents such as happened in Mounds View.

As shocking as the accident and its human consequences were, we have been as deeply affected by the callousness of the Federal regulatory program to the legitimate interests of State and local officials who tried to respond to the incident and faithfully discharge their duties after the event occurred. Not only do we need to make pipeline technology safer, we also need to change the structure of the Federal Pipeline Safety Program, so that State and local officials who have the principal duty to protect public safety in our federal system of government have a recognized and appropriate role in pipeline regulation.

Mr. President, there are five major principles that run through this legislation.

The first is a series of provisions that require the use of better technology in the construction, operation, monitoring, and testing of hazardous liquid pipelines. The design and operating standards in this legislation are not unlike those which we have required in other industries to protect public health and safety.

Second, the bill provides for a larger role for States and local governments in regulating pipelines. Current law preempts the authority of States and their subdivisions to regulate interstate pipeline facilities.

This legislation strikes the preemption from Federal law and replaces it with an explicit savings clause, reserving the right of States to impose requirements more stringent than the Federal requirements. Again, there is ample precedent for preserving the regulatory authority of States in other health and safety legislation which the Congress has adopted.

Third, the bill includes right-to-know provisions assuring that pipelines will be clearly marked and that local governments and nearby residents will be notified of the location of each pipeline and the materials that it carries.

Fourth, the bill requires testing of pipelines at least once every 3 years using the best available testing technology and requires the U.S. Department of Transportation to employ sufficient inspectors to assure that each pipeline company is inspected and audited annually.

Finally, this bill provides increased funding of the DOT pipeline safety program and provides for grants to the States financed through fees on pipeline companies of not less than $40 million per year.

So, these are the five major principles of this legislation, Mr. President, better technology, a larger State role, right-to-know, more testing of operating pipelines and adequate funding for the Government's safety program. Each of these principles raises major questions which will be explored as this bill moves through the legislative process. I will touch just briefly on some of those questions in my comments this afternoon.

First, in respect to pipeline technology, the bill we are introducing today will require the immediate use of best available pipeline technology for all new pipelines located in areas that are densely populated or environmentally sensitive. Existing pipelines operating in such areas must be brought up to the best available technology standard within 15 years. The best available technology requirement applies to the design and fabrication of the pipeline system. It also requires the installation of continuous leak detection systems which can promptly warn of and locate significant leaks anywhere within the pipeline system.

The definition of what is, in fact, best available technology is left to the discretion of the Secretary of Transportation, but in giving definition to this term DOT is to analyze and consider the use of technology which provides for secondary containment of pipeline releases. This is a slightly different approach to the double-wall requirement than was included in the bill which I introduced last year. It is my hope that congressional hearings on this legislation will examine the costs and benefits of double-wall construction to determine where and to what extent it should be required. It is my understanding that some European nations have already required secondary containment in their pipeline systems and we will certainly want to look at their experience. This is not some futuristic technology. And it is not the same technology which is used for casings under roadbeds today.

The biggest objection to requiring secondary containment or other forms of BAT in pipeline design and construction is cost and I am sure that in the debate on this bill some will say that it will increase the cost of petroleum products to the consumer. It is not possible to place a value on human life and I am sure that the people who live in Mounds View, MN, will not be much impressed by arguments about cost. But, we will hear about cost. In evaluating these concerns we will need to keep in mind that the cost of transportation is only a small fraction of the price of gasoline or heating oil—perhaps as little as a penny a gallon to move product through the whole pipeline system from the gulf coast to Minnesota. Only a portion of that transportation cost goes to recover the capital investment in the pipeline. Most of it goes to operating cost—the cost of pumping. So, even if we do dramatically improve the technology going into our pipeline systems, it is not likely to make even a noticable difference in the cost of the product to the consumer.

Mr. President, increasing the role of State and local governments in pipeline regulation is, as you might expect, of major concern to my constituents in Minnesota. They do not believe that the U.S. Department of Transportation has done an adequate job of oversight on the Williams Co. pipeline system. State, county, and local government officials were extremely frustrated by their inability to participate directly in the decisions subsequent to the accident in 1986.

Current law explicitly preempts the right of States and local governments to regulate interstate pipelines. States do have the authority to regulate pipelines which are wholly within their boundaries; and States may in the future be delegated inspection and enforcement authority with respect to the Federal regulations which apply to interstate pipelines. But States are prohibited by current law from imposing their own health and environmental regulations on interstate pipelines.

The legislation we are introducing today repeals the Federal preemption and includes other provisions designed to increase State and local participation in pipeline regulation. Under this bill States could impose more stringent health and environmental regulation. Mr. President, there is ample precedent in other environmental law for more stringent State regulations. Superfund, the Resource Conservation and Recovery Act, the Clean Water Act, the Safe Drinking Water Act, and the Clean Air Act all provide authority for States to impose regulations more stringent than those imposed by the Federal Government, if they find it necessary to protect the health and safety of their citizens.

Despite the precedent, I have heard a great deal of concern about this provision of the bill. In fact, the principle objection of the pipeline industry to this bill is in respect to the nonpreemption provision. The industry is concerned that, in the name of health and safety, States will pursue other agendas and needlessly interfere with pipeline operations. They may even try to prohibit interstate transportation altogether according to this view.

I doubt that theory. Interstate oil pipelines have been operating for decades, and well before adoption of the existing preemption, with little evidence of this kind of State interference. But to be responsive to the concerns I have heard expressed, this bill includes additional language which would prevent any State from imposing requirements that had as their purpose or affect the prohibition of an interstate pipeline. This language is borrowed from the Superfund bill which the Congress passed last year. In that legislation we were concerned that all States might adopt regulations prohibiting the siting of a hazardous waste disposal facility within their borders which would prevent Superfund cleanups, because there would be no disposal option for the materials removed in a cleanup. So included anti-NIMBY language in the Superfund bill to take care of the "not-in-my-back-yard" syndrome. That language, slightly modified, has been inserted in this pipeline bill to assure that the authority of State governments to protect the health and safety of their citizens is not abused to the detriment of consumers in other States.

The second provision in this bill designed to increase the State role in pipeline regulation is new authority to allow delegation of the whole Federal regulatory pipeline program to individual States which have adopted rules and regulations which are at least as stringent as those contained in the Federal code. This delegation authority is similar to that which exists in our other environmental laws. If a State chooses to take over the regulatory program for interstate pipelines, it will receive a grant from DOT in the amount of 85 percent of the cost of running the State program. The matching rate is high in this case, because it is regulation of interstate pipelines with the benefit accruing to citizens in other States and because the program is funded by a national fee on pipeline operations and not from the general funds.

A third provision of the bill which increases the State role is only triggered, if an accident occurs. Under current law, if there is a leak or rupture from a pipeline, the U.S. Department of Transportation is instructed to negotiate with the owner of the pipeline on the steps that will be taken to repair and test the line before it is put back into service. Under the legislation we are introducing today, that provision is repealed and replaced with a requirement that DOT negotiate with the Governor of the State and chief executive officer of the local government where the accident occurred on the steps to be taken before the line can be put back into operation.

In the case of the Mounds View accident there was a period of extreme controversy resulting from a testing order issued by DOT. There was not adequate consultation between DOT and the State and local governments involved before this testing order was issued. DOT was eventually required to amend and reissue the order. Under this bill, consultation with State and local officials would be required.

Mr. President, there are several other provisions of this legislation which deserve brief mention.

First, the bill requires the owner or operator of a pipeline to clearly mark the facility and to notify all residents within the vicinity of the pipeline of the materials that it carries, the hazards which it may present and steps to take in the event of a release.

Second, the legislation extends the Community Right-to-Know provisions which were recently adopted as part of the Superfund authorization to explicitly apply to pipelines. That legislation gave a notification exemption to transportation facilities which is repealed for pipelines in this bill. Among other things this provision of the Superfund bill requires local governments to establish emergency planning committees to prepare plans to respond to chemical disasters which may occur in the community. And, the owners of facilities which handle hazardous substances are required to notify these communities of the presence of chemicals in the facilities and what hazards they may present.

Third, this bill requires the U.S. Department of Transportation to hire additional inspection personnel for its hazardous liquids pipeline safety program. The goal is to conduct an annual audit and inspection of every pipeline company and its facilities. To the extent that States took delegation responsibilities under the provisions of this legislation, the mandate for new Federal inspection personnel would be reduced.

Fourth, the bill significantly increases funding for the Federal pipeline safety program from an authorized level of approximately $800,000 in 1987 to $40 million per year including $15 million for grants to the States. The additional funds would come from increases in fees charged to the pipeline companies.

Fifth, the legislation allows EPA to use the new leaking underground storage tank trust fund to respond to releases from pipeline accidents when a prompt response is needed to protect human health and the environment. This $500 million trust fund is financed by a small tax on gasoline sales and is available now to provide alternative water supplies, relocate residents, conduct exposure assessments and to take all other actions necessary to protect human health and the environment.

Sixth, the bill includes a provision allowing citizens to bring suit against the Department of Transportation, if DOT fails to issue regulations in a timely way. A Federal court may compel DOT to issue the new regulations necessary to carry out the provisions of this legislation as the result of such a suit. This provision is similar to the citizen suit authorities which are contained in most other Federal environmental laws.

Seventh and finally, Mr. President, the legislation increases the penalties that may be imposed for failure to comply with the act from a maximum of $1,000 to $25,000 per day and increases the overall maximum from $25,000 to $250,000.

Mr. President, that is a summary of the bill. I have already mentioned the role that the Minnesota Pipeline Safety Commission played in shaping the proposals which have led up to this bill. The commission was cochaired by Jon Grunseth, the vice president of Economics Laboratory and, I am pleased to say, a long-time and close friend of mine, and State Senator Steve Novak. The commission did an excellent job under their leadership and prepared a highly credible report which I am sure will be very valuable to the Congress as we further explore these issues.

This bill also owes much to the work that Congressman BRUCE VENTO of Minnesota has done over in the House of Representatives. Congressman VENTO has been working on the problem of pipeline safety for many years and we are all grateful for the leadership he has provided.

Mr. President, this is the very beginning of the legislative process for these issues. We are hopeful that we can get early hearings in the Commerce Committee on this set of proposals. We are hopeful because of the fine support that we have already gathered here in the Senate, but also because we know that the people back home are steadfast in their determination to see that the law is changed. Minnesotans and South Dakotans now understand the problem of pipeline safety. We have been made painfully aware of the shortcomings in the Federal pipeline safety program. We are convinced that the rest of the Nation needs to hear of our experience and join us in reforming the law.

Mr. President, I would ask that a series of materials be printed in the RECORD along with my comments this afternoon. These materials include an article from the St. Paul Pioneer Press of July 20, 1986 on the accident in Mounds View, the executive summary of the report of the Minnesota Pipeline Commission, a summary of the Pipeline Safety Act of 1987 and the text of the bill itself.

In addition, I would ask that a statement by Senator BOSCHWITZ be included in the RECORD along with my comments this afternoon.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DAD AND DAUGHTER STRUGGLE TO KEEP FAITH IN TOMORROW

(By Jacqui Banaszynski)

A small burn mars the tan on Donald Spano's forearm. It is where he cradled his daughter's head when he carried her from the fiery front yard to the cool grass behind the house.

"It's from her hair, not much more than a contact burn really," he says.

Physically, the burn is all that lingers of the day, almost two weeks ago, when a gas pipeline explosion ripped through Spano's life—killing his wife, Beverly, and their youngest child, Jennifer, and forever changing things for him and his surviving daughter, Alison.

The light burn, probably not bad enough to scar, gives no hint of deeper wounds inflicted that day—a day Spano simply refers to as "the 8th."

"I'll never be the same person I was two weeks ago Monday," he says. "That's not fatalistic, just realistic."

Everything else seems normal—even peaceful—at the comfortable home on Woodcrest Drive in Mounds View. Jennifer's ducks, Timmy and LaVerne, paddle sedately in the pond that edges the back yard. A woman's shampoo bottles and lotions clutter the vanity in the bathroom that Spano shared with his wife but that was clearly, he says, "Bev's domain." The books and games and dolls of a 7-year-old brighten the white shelves in Jennifer's room, and more dolls are stuffed into the plastic crates in her closet, resting until small hands reach out and bring them back to life.

Alison, 8 fidgets in her father's lap as he talks to visitors, interrupting with an occasional question or skipping off to find her toys when she gets bored.

It seems no different than other afternoons, with Beverly Spano and Jennifer out on one of their legendary shopping sprees. The house, and those in it, seem to be waiting for them to come home.

But there is that burn in the crook of Donald Spano's arm where Jennifer rested her head for the last time. And a patch of burned grass discolors the neighbor's lawn, as if kissed by a bit too much sun.

It is where Spano found his wife and daughter after the flash.

"We had discussed death, but always mine because of my job. It's not the safest job in the world," says Spano, 35, a switchman for the Chicago and North Western Transportation Co. "Only fools think they're infallible and never going to die."

It is the first interview he's granted since the explosion—a way to respond to the sympathy cards that have poured in from around the country, to acknowledge the keen pubic interests in his family's tragedy and to announce plans to sue the Williams Pipe Co. and the manufacturer of the ruptured pipe.

Alison stays close to him as he talks, hugging his arm or nestling in his lap. Spano pads through the plush carpet in bare feet. The blisters he suffered from running along the burning streets that morning have since healed.

Spano brought Alison home the day after the explosion. It is here they will continue their lives together, learning anew how to be a family. Spano will return to work soon, and Alison will start third grade at nearby Sunnyside Elementary School.

"This is our home and I love it," Spano says. "It's the cumulation of three houses and 13 years of marriage. The ugliness of a few moments hasn't overshadowed the fun times we had here."

The Spanos moved to the modern, split-level house from Fridley just a year ago. Beverly Spano had redecorated it to her family's needs and tastes. Decks line the back, overhanging a sloping lawn and White Oak Lake, a spring-fed pond surrounded by similar homes and friendly neighbors. In 15 years, their mortgage would be paid, the girls would be through college and Don and Bev Spano would just be turning 50.

"This was going to be it," Spano says. "It was kind of our Walden's Pond out here. It had everything we thought we'd need for the rest of our lives."

Monday, July 7, dawned bright and cheerful in Mounds View. The Spano family was settling back into a routine after their annual summer vacation: a few days of luckless fishing up north, then a trip to Wisconsin Dells, riding the duck boats and watching the waterski show, before coming home for the July 4th weekend.

Alison spent the holiday with friends. Jennifer tagged along with her parents while they shopped for dining room chairs.

Spano had been assigned a swing shift that week, and went to work at 3 p.m.

He got home well before midnight. Alison and Jennifer were in bed. His wife was still up, so the couple talked for about an hour before going to bed. The night was warm, and they left the French doors open to the back deck.

"Everything was completely normal," Spano says.

Early the next morning, they were awakened by an explosion that Spano says "sounded like a cannon." The smell of gas and smoke poured in the open doors. Across the pond, flames danced above the trees.

Like most of the neighbors, the Spanos didn't know a liquid gas pipeline snaked beneath their streets. They thought a natural gas main had ruptured and their instinctive response, Spano says, was to get out of the house.

"You just say, 'Let's grab the kids and go,'" he says. "It took me long enought to get a pair of pants on. Bev didn't bother. She was in her nightgown. The kids were, too."

Jennifer's room was just down the hall from theirs. Beverly Spano grabbed the tiny girl, then ran to the downstairs bedroom where Alison usually slept.

When his wife yelled that she couldn't find Alison, Donald Spano went straight to the living room. As was her habit, Alison had crept out of bed sometime during the night to sleep on the couch, nearer her parents.

As Spano was waking Alison, his wife rushed back upstairs, hand-in-hand with Jennifer. The two ran out the entrance at the top of the stairs, into the front yard. The steel door closed behind them.

Spano followed soon after with Alison. But when he yanked the front door open, he was met by a wall of smoke. He ran with his daughter back through the house, out onto the deck and down the stairs toward the pond.

"Ali was terrified," Spano says. "She kept running back and forth between the lake and the house, yelling for her mom and me. In the process of calming her down is when the flash happened. I could see it down at the lake. It lit everything up.

"And I could hear the screams. So I knew where to look."

Spano tells his story sparingly, but directly. He doesn't flinch at the questions, but when they get too painful his answers come slowly, and sometimes are no more than a word or two.

Was he able to get to them?

"Yes."

Was he the first one there?

"Yes."

Was there anything he could do?

A pause this time, then finally: "No."

The screams had stopped by the time Spano reached his wife and daughter. Now there only moans.

"I'm no medical doctor. You always go on faith that there's something than can be done," he says.

"But I knew they were burned. The clothes they have worn were no longer there. The skin on Jenny, once soft, was now hard like leather. The eyes were burned closed. The hair . . . the hair was gone."

He gathered Jennifer in his arms and carried her to the pond, laying her in the soft, cool grass. He asked a neighbor to get a towel or blanket for her, and to keep Alison away. Then he raced back up the hill to his wife.

"I knew she was hurt enough where I shouldn't be picking her up," he says. "She knew she was badly burned and understood I was there and she needed help and I had to go."

Spano ran frantically through the neighborhood, following voices in the dark searching for flashing lights that might signal an ambulance, retracing his steps and going the long way around when the flames, sometimes eight feet high, blocked his path.

"It was like a war zone," he says.

When the ambulance arrived, it, too, was blocked by the fire and forced to stop a half-block away. Beverly Spano was carried there on a stretcher. Spano followed behind, his daughter once again in his arms.

They waited then, he thinks as long as 10 or 15 minutes, until more ambulances came. Beverly Spano was rushed to St. Paul-Ramsey Medical Center in the first truck. Spano rode with Jennifer in the second.

"I don't know what good I did, but I kept the compresses of water wet and cool, and I talked to her on the way," he says. "They were concerned with her breathing. I had to encourage her to breathe deep. I told her I was there and we were on our way to the hospital and when we got there they would help her."

Spano stayed with Jennifer in the emergency room, soothing her as the doctors searched her thin arms for a place to insert an intravenous needle, telling her not to be frightened, hushing her child-like fears.

When Spano was taken to his wife's bedside that morning, both already knew she and Jennifer were dying.

"When I first got to the emergency room, I was confronted by the chief of the burn unit," Spano says. "I asked him to be very straightforward. I asked what were their chances of recovery. He said none.

"You ask him that question, will they make it, and the only thing you can do is hope he'll say yes. But you look in his eyes and know that, yes, he's being honest. But the answer is no.

"Apparently Bev had already asked the same question."

Spano divided his time between his wife and daughter, who were placed in adjacent beds in the burn unit. He spent much of the morning talking with his wife about death and life and God, and the memories shared privately between a husband and a wife. Just two days earlier, after attending Sunday services at Messiah Lutheran Church, Beverly Spano had told her husband how comfortable she felt about her religion, and how peaceful she felt about her life.

"We discussed Ali and myself and what she wanted and didn't want as far as funeral arrangements and a religious upbringing, which was important to her," Spano says. "That was one of her desires for Ali.

"And she had other wishes . . . some silly ones. She wanted me to go out and get married again."

Jennifer was placed on a respirator, so she couldn't talk, but answered her father's questions with nods and noises.

"She knew I was there and that Mom was across the room. Jenn was always my wishy kid as far as . . . falling down was always a major catastrophie. She had a low pain threshold. I asked her if she hurt. She said no and I'm greateful for that.

"They got quite a bit of morphine. But up until the last hour, both of them could respond."

Beverly Spano died at 10:07 a.m. on the 8th. Jennifer died exactly an hour later.

Alison first learned about death eight months ago when her grandfather died. And she was in the hospital waiting room the morning of the 8th, when her mother and sister died.

Spano shielded Alison from the worst of what happened that day. He kept her from running up the hill to her mother's screams, and didn't let her see her mother or Jennifer after the accident.

But he couldn't shield her from their deaths.

"There's no way you can find pretty words to skim around it and make it sugar. "There's not much you can say besides, 'Your mother is dead.'

"We hear the wish from her now . . . 'I wish they weren't . . .' To me that says she knows they aren't coming back. She has moved beyond that point and has established that fact. Not that she's dealt with it, but she has established the fact."

Spano is, by his own admission, a quiet man who works hard at not being closed. He forces himself to be aware of his anger, and to deal with it in constructive ways.

He says that will be especially important in the coming months.

"The bitterness has not had a chance to set in, although I'm sure it will in time," he says. "So far from the 8th I've been able to put it on the back burner. But I've been trying to pick a spot to put it, find a way to direct it.

"There are certain things I'm going to demand out of anger, out of hurt, out of grief."

Last week, he contacted lawyers about filing suit against the pipeline's owner and manufacturer. Decisions about additional suits will wait until he is able to study news reports, which relatives are saving for him.

Nor is he yet clear about the specific claims he'll make.

"One of the things I'm going to shoot for is safe communities, to prevent things like this," he says. "There's no excuse for this. There's no excuse why the kids in the neighborhood should have trouble going to sleep at night."

Spano says money can't compensate him for his wife and daughter. But he wants better governmental control of hazardous pipelines, greater public awareness of their locations and penalties so stringent the industry can't afford to be lax.

"I would like to make it so expensive to do it wrong that the only choice they have is to do it right, so the automatic safety factors are built in," he says. "The way they've been doing it so far, they've not proved this is the safe way. They've hurt the environment a lot, and a few people along the way. There's got to be a better way."

While lawyers and politicians grapple with the public implications of Beverly and Jennifer Spano's deaths, Donald Spano and Alison will be grappling with the private implications of life without them.

For Alison, there are questions of security—physical and emotional—and the sudden status of being an only child.

"Ali will be playing with the toys, and she'll say, 'This is Jenny's,'" Spano says. "And there's an inflection in her voice that says, 'Is it OK to play with it?' As angelic as Jenny was, she could be a stinker about certain things. Sharing her toys happened to be one of them. So now we're in a period of whose was whose.

Spano does what he can to reassure her, understanding there are no guarantees. He watches Alison, and himself, closely for signs of stress. He encourages her to spend time with friends, and talks to their parents about Alison's moods. And if they need professional help, Spano says he won't be too proud to seek it.

"But at this point, we'll take care of each other," he says. "That's what a family is for. You grow together and live together and take care of each other."

Meanwhile, Spano must face his own questions, questions without any easy answers, inevitable questions like "Why me?"

"That question can't be answered now," he says. "When it will be is when I stand in front of God, because he's the only one who can answer that. I'm going to have to live with it until that time.

"And I try to stay away from questions like, 'What if?' You can't like with what if. I'm as much at peace as I can be with a situation like this.

"And right now, what I need most is peace, being able to finally sort things out in my mind. Right now, I just know all fathers should give their kids a kiss every night and be thankful they've got them."

Minnesota Commission on Pipeline Safety

(Findings and Recommendations, December 1986)

EXECUTIVE SUMMARY

Governor Perpich established the Minnesota Commission on Pipeline Safety in July 1986 in the aftermath of a pipeline rupture and fire that took two lives in the community of Mounds View. The commission's charge was to investigate all aspects of the safety of pipelines operating in Minnesota, as well as the reliability of energy supplies transported by pipelines. Due to broad public concern raised by the accident, the commission elected to meet intensively over a four-month period and to complete their recommendations before the beginning of the 1987 session of the Minnesota Legislature in January.

The complete findings and recommendations of the commission are presented in Chapter 1 of this report and are divided into five general areas of pipeline safety. The topic areas include:

(1) Steps to improve emergency response to pipeline leaks and spills,

(2) Methods for reducing accidents caused by third-party dig-ins,

(3) Federal and state pipeline inspection programs,

(4) Government standards for existing pipelines, and

(5) Government requirements for new pipeline design, construction and routing.

Federal, State and Local Roles in Pipeline Safety

Under the current division of federal, state and local authority, each level of government is responsible for various aspects of pipeline safety. The commission's recommendations are, therefore, directed at one of the three levels of government.

A principal factor determining the form of the recommendations is the dominant role of the federal Department of Transportation in pipeline regulation. Federal statutes specifically prohibit states from setting safety standards for interstate pipelines. States can be certified by the department to conduct their own inspection programs as an agent of the federal government. If state programs meet federal guidelines on qualifications of inspectors and thoroughness of the inspection program, then the department may authorize greater latitude for inspection of intrastate pipelines. The higher level of certification permits states to carry out their own enforcement actions and establish more stringent standards than required by federal regulation.

State participation in the inspection of interstate pipelines is very limited. Federal statutes do not permit the higher level of certification for state inspection and enforcement actions. In addition, the Department of Transportation has certified only 11 states to inspect interstate natural gas pipelines as an agent of the federal government. No states are currently certified to inspect interstate petroleum pipelines.

Recommendations for Federal Pipeline Inspection and Regulation

The Minnesota Commission on Pipeline Safety has concluded that the federal government should give states greater latitude in the regulation of interstate pipelines. Maintaining a single federal regulatory authority for interstate pipelines may be more efficient than shared state/federal responsibility, but states have an overriding responsibility for the safety and welfare of their residents. Therefore, the commission makes the following recommendations (the number in parentheses following the recommendation is its number in the full set of Findings and Recommendations):

Congress should direct the federal Department of Transportation to play an affirmative role in helping states develop inspection programs for interstate natural gas and hazardous liquid pipelines. (3.1)

Congress should amend the Natural Gas Pipeline Safety Act of 1968 and the Hazardous Liquid Pipeline Safety Act of 1979 to give states authority to establish regulations for interstate pipelines as long as they are not inconsistent with federal regulations. (3.4)

In addition to overseeing greater inspection of pipelines at the state level, the commission recommends that federal inspection efforts be increased significantly.

In those states that are not acting as an agent of the federal Department of Transportation, Congress should increase the number of federal inspectors to a level sufficient to inspect each interstate pipeline once per year. (3.2)

Additional recommendations on more stringent safety regulations for new and existing pipelines are summarized in the following section, which identifies recommendations intended for either federal or state implementation.

Seven issues addressed by the commission would require additional study before sufficiently well advised actions can be taken. Such research or study can be most effectively conducted at the federal level, and the commission recommends that a number of specific issues be given further attention.

The federal Department of Transportation should develop and maintain a comprehensive database of all pipeline spills, leaks and testing, based on annual reports submitted by pipeline operators. (3.8)

The National Transportation Safety Board should conduct a comprehensive study of longitudinal seam failures in electric resistance welded pipelines. (4.5)

The federal Department of Transportation and the NTSB should sponsor or conduct increased research on pipeline safety technologies. The topics that should receive priority for further study include (1) incorporating new test procedures, such as standards for fracture toughness, into standards for pipeline materials, (2) using higher test pressures during hydrostatic testing to increase safety margins, and (3) improving and applying test procedures currently being developed to evaluate the integrity of existing pipelines. (4.6)

The federal Department of Transportation should, in general, upgrade regulations covering hazardous liquid pipelines to be comparable in stringency and thoroughness to regulations covering natural gas pipelines. (4.7)

Two recommendations relate specifically to additional study on two aspects of design and construction for new pipelines.

The federal Department of Transportation should conduct extensive safety and economic analyses of seamless, single wall-welded, double casing, and reservoir pipeline systems. (5.5)

The federal Department of Transportation should study the need for additional registration, licensing and certification requirements for pipeline design and construction personnel. (5.6)

More Stringent Federal or, if Authorized, State Regulations

The Minnesota Commission on Pipeline Safety urges Congress and the federal Department of Transportation to adopt the following recommendations to improve public education efforts and the safety of new and existing pipelines. If Congress amends current federal law to permit state standards for interstate pipelines, Minnesota should consider adopting these standards at the state level.

Requirements for increased public education would help to increase emergency preparedness in the event of a pipeline spill or leak and would reduce accidents caused by third-party dig-ins.

Minnesota should draft state legislation or support the current federal effort to enact "right-to-know" provisions which require pipeline companies to increase efforts directed toward community awareness of pipeline locations, operations, testing and inspection. (1.4)

The federal Department of Transportation or the State of Minnesota should establish requirements for continuing public education programs to be carried out by pipeline companies. (2.3)

Hazardous liquid pipelines often extend through populated and environmentally sensitive areas. More stringent regulations are needed to assure the safe operation of pipelines in these areas.

The federal Department of Transportation, or the State of Minnesota if authorized, should establish stricter standards for existing pipelines.

The standards should require higher safety margins for operating pressures on hazardous liquid pipelines located in populated or environmentally sensitive areas. (4.1)

The standards should require that pipeline companies submit comprehensive reports on the condition of each pipeline once every one to four years, depending on the pipeline's location and other characteristics. Based on the reports, the pipeline company should be required to conduct appropriate tests (hydrostatic testing, instrumented [smart] pigs, etc.). (4.2)

Pipeline operators should prepare contingency plans for the abandonment of utilization of pipelines that do not perform to the standards of federal regulations. (4.3)

The standards should require that hazardous liquid pipeline operators take steps to improve their ability to rapidly locate and isolate pipeline leaks or spills. These steps should include:

(a) Installation of remote-control shut-off valves at regular intervals along the pipeline.

(b) Installations of remotely monitored pressure gauges and flow meters at regular intervals, and

(c) More specific emergency response procedures and training for locating and isolating leaks and spills as rapidly as possible. (4.4)

More stringent requirements for new pipelines, whether implemented at the federal level or by permitting states to set standards, present an opportunity for use of improved pipeline materials, close monitoring of construction, and other steps to reduce the potential for safety problems.

The federal Department of Transportation, or the State of Minnesota if authorized, should review and update existing standards for pipe manufacture, pipeline construction and pipeline operation, incorporating new developments that represent the "best available technology." (5.1)

The federal Department of Transportation should be required to conduct regular site inspection of pipeline construction projects to ensure that federal standards are being met.

Congress should amend federal statutes to permit states to inspect interstate pipeline construction as an agent of the federal Department of Transportation. If authorized, Minnesota should implement a program, through the Department of Labor and Industry, Division of Code Enforcement, for inspecting pipeline construction. (5.2)

Whether federal or state, new standards should require remote shut-off valves on all new lines. (5.3)

The federal Department of Transportation and the State of Minnesota should closely monitor the development of reliable technologies that can detect and locate pipeline leaks and spills. Any successful technology should be incorporated into new standards. (5.4)

State Legislation, Requirements and Programs

State government has clear authority in several areas of pipeline safety. These areas include coordination of emergency response to pipeline leaks, adoption of legislation to reduce third-party accidents and establishment of a state office of pipeline safety.

A number of actions at the state and local level would help to increase the speed and effectiveness of emergency response to pipeline accidents. One area of concern involves communciations linkages between individuals who report a spill or leak, municipal and county emergency response personnel, appropriate state agencies, and the pipeline company. The commission recommends the following steps to improve communications and reduce the required response time to pipeline spills or leaks:

Enact a statute which requires pipeline companies to notify the state duty officer at the Minnesota Department of Public Safety immediately if they believe that product is escaping from their pipeline.

Implement a system to disseminate advisory and warning information to potentially affected communities in the event of a reportable pipeline spill, leak or other failure that may result in a release of product.

Any statute passed which requires notification should also provide for appropriate and substantial fines or criminal penalties for failure to make the required notification. (1.1)

Promote and implement the use of 911 as the appropriate number for the public to call if they discover a leak or spill.

Provide the state duty officer and emergency communication center with enhanced capability to coordinate the response to state resources and provide fast, accurate response information to local jurisdictions and the pipeline company. (1.2)

Enact a statute which provides penalties for the removal or vandalism of pipeline right-of-way markers. (1.6)

A second area of concern is the ability of communications to respond effectively to the particular hazards and characteristics of pipline accidents.

The state should provide training in pipeline incident contingency planning and emergency response to all potentially affected communities on a regular basis. Pipeline companies would participate in these programs, which would include training and financial support. (1.3)

The state should mandate all local units of government traversed by a pipeline to develop an emergency response plan. (1.5)

Third-party damage to pipelines by construction firms and individuals accounts for a substantial share of all pipeline accidents. State-mandated one-call systems provide contractors and individuals with a single number to call to check for all underground utilities. These systems, along with associated damage prevention laws, are widely recognized as an effective method of reducing third-party dig-ins.

Minnesota should adopt legislation which requires pipeline companies and all other undergound utility owners to be members of a statewide one-call system. (2.1)

Minnesota should adopt an underground utility damage prevention law which requires all persons, prior to excavation, demolition or blasting, to ascertain the location of all underground utilities that would be affected. (2.2)

Although the federal Department of Transportation has primary responsibility for regulation of pipeline safety, Minnesota can take steps to increase the scope of its current inspection activities. The Minnesota Department of Public Safety, Fire Marshal Division, currently employs three inspectors who staff the state inspection program for intrastate natural gas pipelines. Strengthen this program and placing it within an office of pipeline safety would increase Minnesota's ability to take responsibility for pipline safety. After meeting challenges permitted by current state authority, the office could begin to monitor federal inspection of Minnesota's interstate pipelines and could also seek certification for inspecting interstate pipelines.

Minnesota should seek to meet the conditions for inspecting interstate pipelines as an agent of the federal Department of Transportation. The state program should maintain staffing at a level sufficient to complete annual comprehensive inspections of both intrastate and interstate pipelines in Minnesota. (3.2)

The Minnesota legislature should establish an office of pipeline safety in the Department of Public Safety responsible for the state inspection program, monitoring and reporting on the implementation of emergency response activities, and implementation of state policies to reduce third-party accidents. (3.5)

The office of pipeline safety should be advised by a pipeline safety commission made up of technical experts and representatives from the pipeline industry, state government and the public. (3.6)

Minnesota should establish regulations governing the disposal and testing of removed pipeline sections that have experienced failure in the state. (3.9)

An effective pipeline inspection program requires inspectors with extensive knowledge of pipeline operations and pipeline safety. Therefore, the commission supports the implementation of two recommendations on qualifications of state inspectors.

Individuals hired after Jan. 1, 1987, as inspectors for Minnesota's pipeline safety inspection program should have engineering degrees from accredited engineering schools and be registered engineers with at least three years' experience in the pipeline industry or have more than 10 years of employment experience that demonstrates in-depth knowledge of pipeline engineering technology and pipeline safety. (3.10)

Minnesota's pipeline safety inspection program should maintain a policy of having state inspectors complete courses at the Transportation Safety Institute and become certified as soon as possible. (3.11)

Two concerns involving licensing of pipeline construction personnel and routing of new pipelines to avoid populated and environmentally sensitive areas can be addressed at the state level.

Minnesota should require the licensing of personnel involved in the repair or expansion of existing pipelines or the construction of new pipelines in the state. (5.6)

The Minnesota Environmental Quality Board should be given pipeline routing control authority at the same level as its existing powerline routing authority. (5.7)

Finally, the state can encourage the adoption of a comprehensive and unified source of industry standards for pipeline safety.

The State of Minnesota and its federal congressional representatives should encourage the American National Standards Institute Inc. to develop and publish a "National Pipeline Safety Code." (5.8)

In order to assure that adequate funding for pipeline safety can be maintained, the commission recommends that both Minnesota and the federal government recover program costs directly from the pipeline industry.

Congress and the Minnesota Legislature should fund increased inspection and related activities entirely through user fees paid by pipeline operators. (3.7)

Local Government Responsibilities

The principal area in which the commission's recommendations affect local government responsibilities is emergency response and communication, which is discussed in the above section on state responsibilities. These recommendations provide for more rapid and complete information to local emergency response personnel, more ongoing information to local governments from pipeline companies, requirements for local contingency planning, and the support and participation of pipeline companies in training for local emergency service departments.

The commission also supports the adoption of local setback requirements from pipeline right-of-ways.

Local units of government should adopt zoning regulations requiring a setback from pipelines in areas zoned for residential or other development, with provision for variances based on other setback requirements. (4.8)

While local city and county governments do not have a role in the regulation and inspection of pipelines, their responsibility for emergency response and the concern for the safety of their residents give them a strong interest in pipeline safety.

Corporate Responsibility for Pipeline Safety

In addition to its numerous recommendations to federal, state and local governments, the commission provided its view on appropriate safety performance by the Williams Pipeline Co. and the pipeline industry in general:

Williams should undertake an aggressive program to meet or exceed current industry standards for a) public information; b) emergency response and communication; and c) pipeline construction, maintenance and repair.

The pipeline industry, in general, should consider government requirements to be minimum, rather than maximum, standards. When public safety is at issue, the industry should attempt to exceed government requirements for pipeline operating and construction standards, materials performance, and public education and information.

These recommendations reflect the fact that pipeline safety is ultimately the responsibility of the pipeline industry and individual pipeline companies. Without continued efforts and improvements within the industry, successful government oversight of this important public concern would not be possible.

Conclusion

Minnesotans were shocked that a pipeline rupture and fire of such magnitude as the Mounds View incident could occur literally in their backyards. Residents and public officials need to know what can be done to keep such a serious accident from taking place again. The recommendations adopted by the Minnesota Commission on Pipeline Safety are intended to provide a first step in responding to this previously unrecognized public concern.

Pipeline safety has proved to be a complex subject, both in terms of its highly technical nature and the relationships among many different governments and pipeline companies. Nevertheless, the many recommendations included in this report demonstrate that steps can be taken to insure the safe operation of Minnesota's pipeline system.

SUMMARY OF THE PIPELINE SAFETY ACT
(MARCH 31, 1987)

The Pipeline Safety Act of 1987 to be introduced by Senator Dave Durenberger (R-Mn) contains a series of comprehensive amendments to the Hazardous Liquid Pipeline Safety Act which was adopted by the Congress in 1979 and which is administered by the U.S. Department of Transportation. The bill is cosponsored by Senators Stafford, Pressler, Mitchell, Daschle, Heinz and Boschwitz.

The following is a summary of the major provisions of this legislation.

Release Detection, Prevention and Correction.—Current law requires DOT to issue standards for the safe operation of pipelines carrying hazardous liquids. Under this authority DOT has issued rules for the design, materials and operations of interstate and intrastate pipeline systems. The amendments proposed by Senator Durenberger would focus on the prevention, detection and correction of releases from pipelines and would require DOT to add several specific elements to their current standards. Among those new elements are:

Performance Standards for New Pipelines.—The amendments require that DOT promulgate performance standards including regulations covering design, siting, construction, and operation of pipeline facilities installed after January 1, 1988. These performance standards would require the use of "best available pipeline technology" in areas that are densely populated or environmentally sensitive.

Testing and Leak Detection.—The new regulations will also include provisions that require pipeline testing every three years and the installation of continuous leak detection systems that can provide immediate warning of any pipeline rupture. The type of testing required will be determined by DOT according to the conditions of the specific pipeline using the best technology for testing available.

Record-keeping.—The new regulations will require pipeline operators to keep records on pipeline materials, installation practices, testing and leak detection systems. These records will be audited annually by Federal or State inspectors. Each pipeline operator is also required to submit a complete system inventory including a description of pipeline design and operating characteristics to the DOT.

Notification of a Release.—In some recent accidents several hours have elapsed between the time that a pipeline system was aware of a rupture and the time that State and local public safety officials were notified. The new regulations will require pipeline operators to establish procedures for rapid notification of public safety officials.

Operating Pressure.—Pipelines generally operate at very high pressures, but below the maximum pressures for which they were designed and tested (80% of maximum is common). The new regulations will require that operating pressures be substantially below (only 50-60%) design pressures in areas that are densely populated or environmentally sensitive.

Shut-off Valves.—When a pipeline ruptures, hazardous liquids may be pulled by gravity back down the system increasing substantially the quantity of materials released. By placing remotely-controlled shutoff valves at regular intervals along the system, the amount of product that can flow back down the system and be released is greatly diminished. The new regulations will require the installation of shut-off values every four miles in urban areas and every twenty miles in rural areas.

Financial Responsibility.—The new regulations will require the operators to maintain insurance to pay for the cleanup of any release and to compensate third parties who are injured or who experience property loss as the result of a release.

Marking.—Pipeline operators will be required to post conspicuous signs along pipeline systems and to notify local governments, local fire departments, and public safety agencies of pipeline operations. In addition residents along pipeline routes will be given written information on pipeline hazards and steps to be taken in the event of a release.

Training and Certification.—DOT will also include in the new regulations a requirement that those who design and build pipeline systems receive adequate training and be certified by DOT.

In addition to the release detection, prevention and correction regulations current law and the amendments to be offered by Senator Durenberger also touch on several other issues which are described in the following items.

State Preemption.—Current law prevents any State or local government from setting pipeline safety standards which are more stringent than those issued by the U.S. Department of Transportation. The Pipeline Safety Act would allow those governments to set more stringent safety standards, but would not permit a State statute or local ordinance that was enacted for the sole purpose of preventing the construction or operation of an interstate pipeline.

One-call Systems.—Many pipeline accidents are caused by construction or demolition activities which dig or tunnel into the pipeline right-of-way and puncture or damage a pipeline. Many States (approximately 30) operate "one-call systems" which require any person before engaging in construction activities to contact a service that maps utility and pipeline systems. The amendments to be introduced by Senator Durenberger will require States to establish one-call systems as a condition of receiving Federal grants and will make those who cause pipeline ruptures liable for the damage caused by the release when they fail to use a one-call system.

State Programs.—Under current law the pipeline safety program is administered by an office at DOT with only limited opportunity for participation by the States. The amendments authored by Senator Durenberger would allow DOT to delegate full program responsibility to those States which have adopted programs of their own which are as stringent as the Federal regulations. For States not wishing to take on the full program, there is an option to take over inspection and enforcement responsibilities from DOT. States which take the program or enter into an agreement for inspection and enforcement will receive grants from DOT for up to 85% of the cost of the programs they administer.

Penalties.—DOT is given authority to issue administrative orders to streamline enforcement of the new regulations and penalties for violation are substantially increased.

Inspection.—DOT has a goal of auditing each pipeline system annually, but in practice conducts only limited inspections. DOT employs only 18 inspectors for over 2 million miles of hazardous liquid and natural gas pipelines in the United States. GAO has indicated that this is a major weakness in the current program. The Pipeline Safety Act of 1987 requires DOT to employ a minimum of 72 inspectors for hazardous liquid pipelines.

Fees.—Under current law DOT recovers the full cost of its pipeline safety program from fees on the pipeline industry. Nevertheless the size of the program is very small. The Pipeline Safety Act of 1987 will require that the fees be increased to not less that $40,000,000 annually which will be used in part for the pipeline safety programs of the Federal government and in part for grants to the States.

S. 888

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SEC. 1. This Act may be cited as the "Pipeline Safety Act of 1987".

DEFINITIONS

SEC. 2. (a) Section 202(4) of the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. 2001(4)) is amended by striking "but 'right-of-way' as used in this title does not authorize the Secretary to prescribe the locations or the routing of any pipeline facility".

(b) Section 202 of such Act (49 U.S.C. 2001) is further amended by striking "and" at the end of subsection (10) and by adding at the end thereof the following—

"(12) "release" means any spilling, leaking, emitting, discharging, escaping, leaching or disposing of a hazardous liquid from a pipeline facility into ground water, surface water, subsurface soils, or air;

"(13) "surface water" means the waters of the United States including the waters of the territorial seas;

"(14) "ground water" means water beneath the land surface in the zone of saturation;

"(15) "other populated area" means any land area where—

"(A) there are 46 or more buildings intended for occupation in an area that extends 220 yards on either side of the one-mile length of pipeline,

"(B) the pipeline lies within 100 yards of a building that is occupied by 20 or more persons during normal use or a small well-defined outside area (such as a playground or recreational area) that is occupied by 20 or more persons during normal use, or

"(C) such other area as may be designated by the Secretary or a State acting under a program approved pursuant to the provisions of section 205; and

"(16) "environmentally sensitive area" means any land area—

"(A) within the vicinity of or above vulnerable surface water or ground water resources,

"(B) within a wellhead protection areas as determined according to provisions of the Safe Drinking Water Act (42 U.S.C. 300f, et seq.),

"(C) within the vicinity of a national wildlife refuge or other area designated as the habitat of an endangered or threatened species; or

"(D) such other area as may be designated by the Secretary or a State acting under a program approved pursuant to the provisions of section 205.".

(c) Section 9001 of the Solid Waste Disposal Act (42 U.S.C. 6991) is amended by—

(1) adding after "any one or combination of tanks" the phrase ", whether above or underground,";

(2) striking ", and the volume of which (including the volume of the underground pipes connected thereto) is 10 per centum or more beneath the surface of the ground"; and

(3) in paragraph (D) striking "facility" wherever it occurs and by adding after "of this subparagraph", the phrase "(except that the term does include any tank located above or underground whether or not such tank is subject to regulation under such laws)".

RELEASE DETECTION, PREVENTION AND CORRECTION

SEC. 3. (a) Section 203(a) of the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. 2002(a)) is amended to read as follows—

"(a) AUTHORITY OF THE SECRETARY.—Not later than twenty-four months after the date of enactment of the Pipeline Safety Act of 1987, the Secretary shall, after notice and opportunity for public comment, promulgate regulations which establish Federal safety standards, including requirements for release detection, prevention and correction, for the transportation of hazardous liquids and pipeline facilities, as necessary to protect human health and the environment. The regulations shall apply to each person who engages in the transportation of hazardous liquids or who owns or operates pipeline facilities.".

(b) Section 203(b) of such Act (49 U.S.C. 2002(b)) is amended to read as follows—

"(b) FACTORS CONSIDERED.—

"(1) In promulgating regulations under this section, the Secretary may consider—

"(A) relevant available pipeline data;

"(B) whether the standards are appropriate for the particular type of pipeline transportation facility;

"(C) the reasonableness of any proposed regulations; and

"(D) the extent to which the standards will contribute to public safety.

"(2) In promulgating regulations under this section, the Secretary may distinguish between types, classes and categories of pipeline facilities. In making such distinctions, the Secretary may take into consideration such factors as, but not limited to—

"(A) location of the pipeline facilities, including location within an urban or other populated area;

"(B) soil, climate and environmental conditions within the vicinity of the pipeline facilities including the presence of vulnerable surface water or ground water resources or other environmentally sensitive areas;

"(C) age, history of maintenance and failures of the pipeline facility including known releases of hazardous liquids;

"(D) the presence of permanently occupied dwellings or community facilities including schools, hospitals or nursing homes within the vicinity of the pipeline facility;

"(E) the size of the pipeline facility and the pressure at which it operates; and

"(F) the characteristics of the hazardous liquid stored or transported by the pipeline facility.".

(c) Section 203(c) of such Act (49 U.S.C. 2002(c)) is amended by striking the word "standards" and inserting in lieu thereof the word "regulations" in the first sentence and by striking the second sentence thereof. Such section is further amended by adding at the end of subsection (c) the following—

"Such regulations shall include, but need not be limited to, the following requirements respecting all pipeline facilities—

"(1) requirements for preventing releases of hazardous liquids from pipeline facilities brought into use before January 1, 1988 by cathodically protecting such facilities and coating such facilities with protective material to prevent corrosion;

"(2) requirements for pipeline facilities brought into use after January 1, 1988 with respect to design, siting, construction, installation and operations of such facilities to prevent releases of hazardous liquids in a manner that is consistent with the protection of human health and the environment;

"(3) requirements with respect to maintaining a release detection system and requirements for testing pipeline facilities to identify releases and the potential for releases in a manner consistent with the protection of human health and the environment;

"(4) requirements for maintaining records with respect to design, installation, operation, release detection, testing and corrective action for each pipeline facility;

"(5) requirements in the event of a release for prompt notification of public safety and emergency response officials of Federal, State, and local governmental entities with jurisdiction over areas that will or may be affected by such release in a manner consistent with the protection of human health and the environment;

"(6) requirements for the installation of remote control shut-off valves on all pipeline facilities to minimize the threat of bodily injury or damage to property or the environment in the event of a release;

"(7) requirements for taking corrective action in response to any release from a pipeline facility as necessary to protect human health and the environment;

"(8) requirements for maintaining evidence of financial responsibility for taking corrective action and compensating third parties for bodily injury and property damage caused by sudden and nonsudden accidental releases from operating a pipeline facility;

"(9) requirements with respect to marking pipeline facilities and notifying persons residing or working within the vicinity of such facilities of the presence of such facility, the hazardous liquids stored or transported by such facility, the hazards which might result from the release of such liquids, and the appropriate actions to be taken by such persons in the event of a release; and

"(10) requirements for the training and certification of persons engaged in the design and construction of pipeline facilities.".

"(d) Section 203(d) of such Act (49 U.S.C. 2002 (d)) is amended to read as follows:

"(d) Adoption of Additional or More Stringent Safety Standards.—Nothing in this Act shall preclude or deny any right of any State or political subdivision thereof to adopt or enforce any regulations, requirement or standard of performance respecting interstate or intrastate pipelines that is more stringent than a regulation, requirement, or standard of performance in effect under this Act or to impose any additional liability with respect to the release of hazardous liquids within such State or subdivision provided that the regulation, requirement, or standard of performance adopted by the State or subdivision is a reasonable exercise of the powers of such State or subdivision to protect human health, property and the environment and was not adopted for the sole purpose of precluding the location of an interstate pipeline or pipeline facilities within the jurisdiction of such State or subdivision.".

(e) Section 203(e) of such Act (49 U.S.C. 2002(e)) is amended by striking the word "may" and inserting in lieu thereof the word "shall", by striking the word "minimum", by striking the word "standards" and inserting in lieu thereof "regulations", and by adding the phrase "or 'one-call' system" after the words "public safety program". Such section is further amended by adding at the end of subsection (e) the following—

"The regulations established by the Secretary shall provide that any person or persons engaged in demolition, excavation, tunneling or construction near or affecting any pipeline facility shall contact the appropriate public safety program or 'one-call' number prior to the commencement of any demolition, excavation, tunneling or construction to ascertain the exact location of any underground pipeline or pipeline facilities. Any person or persons who fails to make such contact where such public safety program or 'one-call' system has been established shall be held jointly and strictly liable for any damages, injury or response costs which may result from the release of a hazardous liquid from the pipeline or pipeline facility affected by the demolition, excavation, tunneling or construction.".

(f) Section 203 of such Act (49 U.S.C. 2002) is amended by striking the text of subsection (h) and inserting in lieu thereof the following—

"(h) Testing.—Requirements for testing pipeline facilities to detect releases or the potential for releases promulgated pursuant to subsection (c)(3) shall provide for testing not less frequently than every three years using testing technology which is, in the judgment of the Secretary, the best technology available which has been demonstrated to be effective in detecting releases or the potential for releases.".

(g) Section 203 of such Act (49 U.S.C. 2002) is amended by adding at the end thereof the following—

"(i) Notification.—Requirements for marking and notification of pipeline facilities promulgated pursuant to subsection (c)(9) shall include, but not be limited to, requirements that operators of pipeline facilities subject to this Act—

"(1) provide (and update as appropriate) to each local government whose jurisdiction extends to within one-half mile of such pipeline facility detailed maps showing the exact location of such pipeline facility and an inventory and description of all substances transported through such pipeline facility;

"(2) provide (and update as appropriate) to each local fire department and public safety agency whose jurisdiction extends to within one-half mile of such pipeline facility, any maps, inventories, or descriptions required to be provided to local governments under paragraph (1), along with a copy of such operator's operations, maintenance and emergency manuals;

(3) provide (and update as appropriate) to all property owners, residents and commercial tenants within a one-half mile of such pipeline facility, written notice informing such persons of the location of the pipeline facility, information on the identification of pipeline hazards, and the actions to be taken in the event of a release of hazardous liquids; and

"(4) post conspicuous signs of all public roads and streets under which such pipeline facility passes and at other locations as necessary to protect human health and the environment.

Maps and inventories provided pursuant to this subsection shall be made available for public inspection. Signs, markers and other information which provides instruction for emergency response shall utilize and promote "911 emergency service" where appropriate.

"(j) Release Detection.—Requirements with respect to maintaining a release detection system promulgated pursuant to subsection (c)(3) shall provide for utilization of a release detection system (or systems) which is, in the judgment of the Secretary, the best technology available which has been demonstrated to be effective in monitoring for releases and which is capable of detecting a release at the earliest practicable time and with the greatest possible precision consistent with protection of human health and the environment as to the location of the release.

"(k) Shut-off Valves.—Requirements for the installation of remote control shut-off valves shall, subject to appropriate engineering standards, provide for the spacing of such valves not less frequently than every four miles in urban areas and not less frequently than every twenty miles in rural areas. Such requirements for new pipeline facilities shall be effective not later than 9 months after the date of enactment of the Pipeline Safety Act of 1987. Such requirements for pipelines put into operation before the date 9 months after the date of enactment of the Pipeline Safety Act of 1987 shall be effective on a staggered schedule to be determined by the Secretary but not later than 120 months after the date of enactment of the Pipeline Safety Act of 1987.

"(l) Operating Pressure.—Requirements with respect to the operations of pipeline facilities promulgated pursuant to subsection (c)(2) shall provide that operating pressures on hazardous liquid pipelines remain substantially below maximum design pressures or pressures certified by testing in standard metropolitan statistical areas, other populated areas, or environmentally sensitive areas.

"(m) Design Requirements.—

"(1) Requirements with respect to the design, construction and installation of pipeline facilities pursuant to subsection (c)(2) shall provide for the utilization of technology, materials, and practices which are, in the judgment of the Secretary, the best technology, materials and practices available which have been demonstrated to be effective in minimizing releases or the potential for releases and the injury and damage which may occur in the event of a release for pipeline facilities which—

"(A) are located in a standard metropolitan statistical area or other populated area;

"(B) are located in an environmentally sensitive area;

"(C) transport or store extremely hazardous liquids; or

"(D) operate under high pressure or under other circumstances which may present a threat to human health or the environment.

"(2) In promulgating such requirements, the Secretary shall thoroughly analyze, propose and take comment on requirements for double wall construction with continuous leak detection as one regulatory option. For purpose of this subsection, double wall construction shall mean secondary containment systems designed, installed and operated to prevent migration of any hazardous liquids to soil, ground water, surface water or air at any time and that such systems are capable of detecting and collecting releases until the contained material can be removed and are protected from corrosion of the primary pipeline interior and exterior surface of the outer shell.

"(3) Pipeline facilities brought into service after 27 months after the date of enactment of the Pipeline Safety Act of 1987 shall be in compliance with the requirements promulgated pursuant to this subsection on and after the date brought into service. Pipeline facilities brought into service before such date shall be in compliance with the requirements promulgated pursuant to this subsection on the date 15 years after the date brought into service or January 1, 1993 whichever is later.

"(n) PIPELINE INVENTORY.—Requirements with respect to maintaining records promulgated pursuant to subsection (c)(4) shall include, but are not limited to, a requirement that not later than 24 months after the date of enactment of the Pipeline Safety Act of 1987 each operator of a pipeline facility subject to this Act complete and submit to the Secretary an inventory including specifications with respect to all types of pipeline used in such operator's system.

"(o) FINANCIAL RESPONSIBILITY.—

"(1) Financial responsibility required by this section may be established in accordance with regulations promulgated by the Secretary by any one, or any combination, of the following: insurance, guarantee, security bond, letter of credit qualification as a self-insurer or such other method determined to be satisfactory by the Secretary. In promulgating requirements under this section, the Secretary is authorized to specify policy or other contractural terms, conditions or defenses which are necessary or are unacceptable in establishing such evidence of financial responsibility in order to effectuate the purposes of this Act.

"(2) In any case where the owner or operator is in bankruptcy, reorganization, or other arrangement pursuant to the Federal Bankruptcy Code or where with reasonable diligence jurisdiction in any State court or the Federal courts cannot be obtained over an owner or operator likely to be solvent at the time of judgment, any claim arising from conduct for which evidence of financial responsibility must be provided under this subsection may be asserted directly against the guarantor providing such evidence of financial responsibility. In the case of any action pursuant to this paragraph such guarantor shall be entitled to invoke all rights and defenses which would have been available to the owner or operator if any action had been brought against the owner or operator by the claimant and which would have been available to the guarantor if an action had been brought against the guarantor by the owner or operator.

"(3) The total availability of any guarantor shall be limited to the aggregate amount which the guarantor has provided as evidence of financial responsibility to the owner or operator under this section. Nothing in this section shall be construed to limit any other State or Federal statutory, contractural or common law liability of a guarantor to its owner or operator including, but not limited to, the liability of such guarantor for bad faith either in negotiating or in failing to negotiate the settlement of any claim. Nothing in this section shall be construed to diminish the liability of any person under section 107 or 111 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 or other applicable law.

"(4) For purposes of this subsection, the term 'guarantor' means any person, other than the owner or operator of a pipeline facility, who provides evidence of financial responsibility for an owner or operator under this subsection.".

STATE PROGRAMS

SEC. 4. Section 205 of the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. 2004) is amended to read as follows—

"SEC. 205. State Programs—

"(a) Any State may submit a pipeline safety program with respect to release detection, prevention and correction for review and approval by the Secretary. The program may cover either interstate or intrastate pipelines or both. A State program may be approved by the Secretary under this section only if the State demonstrates that the State program includes all of the requirements of subsections 203(c) and (e) of this Act and such requirements in the State pipeline safety program are no less stringent than the requirements promulgated by the Secretary pursuant to those subsections. If the Secretary determines that a State program complies with the provisions of this section, provides for adequate enforcement of compliance with the requirements and standards of the State program, and the State has adequate authority to require record-keeping, reporting and inspection to carry out the provisions of this Act, the Secretary shall approve the State program in lieu of the Federal programs and the State shall have primary enforcement responsibility with respect to the requirements of its program for interstate pipelines, intrastate pipelines or both. If the Secretary approves a State program pursuant to the provisions of this subsection, the Secretary shall for each fiscal year for which an approved program is in effect, provide a grant to the State for up to 85 percent of the cost of the personnel, equipment, facilities and activities reasonably required to carry out the program.

"(b) Whenever the Secretary determines after a public hearing that a State is not administering and enforcing a program authorized under this Act in accordance with the provisions of this section, the Secretary shall so notify the State. If appropriate action is not taken within a reasonable time, not to exceed 120 days after such notification, the Secretary shall withdraw approval of such program and reestablish the Federal program pursuant to this Act.

"(c) If a State chooses not to submit a complete program for interstate pipelines, intrastate pipelines or both under this section, the State may nevertheless enter into an agreement with the Secretary to carry out the inspection and enforcement functions of the Federal program in that State as an agent of the Secratary. Such agreement shall provide that all State inspection personnel be certified according to the provisions of section 212(d) of this Act, that the State will conduct inspections at each location where pipeline facilities are being constructed pursuant to section 210(d) of this Act, and that each pipeline (either interstate, intrastate, or both) covered by the agreement with that State shall be subject to a comprehensive inspection and audit no less often than annually. If the Secretary and a State enter into an agreement pursuant to this subsection, the Secretary shall for each fiscal year in which the agreement is in effect, provide a grant to the State for up to 85 percent of the cost of the personnel, equipment, facilities and activities reasonably required to carry out the agreement. The Secretary shall monitor the State's performance under any such agreement and may terminate the agreement, after notice and opportunity for a hearing, if the Secretary finds that the State has failed to comply with any provision of such agreement.

"(e) No State shall be eligible for a grant authorized under this section after January 1, 1990 unless such State has enacted a public safety program designed to prevent damage to pipeline facilities from demolition, excavation, tunneling or construction near such facilities including the establishment and promotion of a 'one-call' system requiring the participation of all underground utility and pipeline systems within the State.".

COMPLIANCE AND PENALTIES

SEC. 5. (a) Section 207(a)(1) of the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. 2006(a)(1)) is amended to read as follows—

"(1) at all times after the date any applicable regulation established under this Act takes effect comply with the requirements of such regulation;".

(b) Section 207(b) of such Act (49 U.S.C. 2006(b)) is amended to read as follows—

"(b) ISSUANCE OF ORDERS.—

"(1) Whenever on the basis of any information, the Secretary determines that any person is in violation of any requirement of this Act, the Secretary may issue an order requiring compliance within a reasonable time period or the Secretary may commence a civil action in the United States district court in which the violation occurred for appropriate relief, including a temporary or permanent injunction.

"(2) The Secretary shall give notice to the State in which such violation has occurred prior to issuing an order or commencing a civil action under this section.".

(c) Section 208(a)(1) of such Act (49 U.S.C. 2007)(a)(1) is amended by striking "$1,000" and inserting in lieu thereof "$25,000" and by striking all after the word "persists" and inserting in lieu thereof a period.

(d) Section 208 (b) of such Act (49 U.S.C. 2007 (b)) is amended by striking "the effect on ability to continue in business," and by striking "ability to pay the penalty.".

(e) Section 208 (c)(1) of such Act (49 U.S.C. 2007 (c) (1)) is amended by striking "$25,000" and inserting in lieu thereof "$250,000".

(f) Section 208 (c) of such Act (49 U.S.C. 2007 (c)) is further amended by adding at the end thereof the following new paragraph—

"(3) Any person who willfully and knowingly defaces, damages, removes, or destroys any pipeline sign or right-of-way marker required by Federal law or regulation shall, upon conviction, be subject, for each offense, to a fine of not more than $5,000, imprisonment for a term not to exceed one year, or both.".

RIGHT-TO-KNOW

SEC. 6. (a) Section 302 (b) of the Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. 11002) is amended by adding at the end thereof the following—

"(3) Facilities subject to the requirements of this subtitle shall include pipelines and pipeline facilities subject to regulation under the Hazardous Liquid Pipeline Safety Act of 1979 or the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. 1671 et seq.) whether or not the hazardous liquids transported or stored by such facilities are on the list referred to in subsection (a) of this section.".

(b) Section 311 (a) of the Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. 11021) is amended by adding at the end thereof the following—

"(4) PIPELINE FACILITIES.—In addition to any other information required to be provided by this section, the operators of pipeline facilities subject to regulation under the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. 2001, et seq.) or the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. 1671, et seq.) shall submit to the governmental agencies listed in paragraph (1) of this subsection a map showing the location of all pipeline facilities and information as to the operation of the pipeline, including advance notice of pipeline testing, the results of such testing, and the operator's operations, maintenance and emergency manuals, updated as appropriate."

(c) Section 327 of the Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. 11047) is amended by adding at the end thereof, "For the purposes of this section "transportation" shall not include the transportation of hazardous liquids or natural gas by a pipeline or pipeline facility subject to regulation under the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. 2001, et seq.) or the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. 1671, et seq.).".

INSPECTION AND MAINTENANCE

SEC. 7. (a) Section 210 (a) of the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. 2009 (a)) is amended by adding at the end thereof the following—

"Such plan shall include provisions for testing not less frequently than every three years using testing technology which has been prescribed by the Secretary according to the provisions of subsections (c)(3) and (h) of section 203 of this Act.".

(b) Section 210 of such Act (49 U.S.C. 2009) is further amended by adding at the end thereof the following—

"(c) The Secretary shall hire or retain sufficient qualified personnel to assure that each pipeline facility is subject to a comprehensive, annual inspection and audit. In satisfying the requirements of this subsection, the Secretary shall hire or retain, on a full time equivalency basis, not fewer than 72 inspectors who shall be assigned to hazardous liquid pipelines. The Secretary shall assure that inspectors are adequately trained to carry out the purposes of this Act. Annual inspections shall include travel to the site of the pipeline facilities regulated and an audit of the records maintained by the owner of such facility with respect to monitoring, testing and other operations at the facility. The number of inspectors required to be retained by the provisions of this subsection may be reduced proportionately to reflect inspections conducted by States acting pursuant to approved programs or agreements under section 205 of this Act.

"(d) The Secretary shall by regulation provide for on-site inspection of all construction of pipeline facilities by Federal inspectors or by certified State inspection personnel acting pursuant to approved programs or agreements under section 205 of this Act to assure that all new pipeline facilities are in compliance with the standards and requirements of this Act.".

POWERS AND DUTIES OF THE SECRETARY

SEC. 8. (a) Section 211 (a) of the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. 2010(a)) is amended by striking "however, before the Secretary may exercise authority under this section to require testing of portions of pipeline facilities subject to the provisions of this title which have been involved in or affected by an accident, he shall make every effort to negotiate a mutually acceptable plan with the owner of such facilities and, where appropriate, the National Transportation Safety Board for performing such testing." and inserting in lieu thereof, "where the Secretary requires testing of a pipeline facility as the result of an accident or release, the Secretary shall consult with the National Transportation Safety Board and with the Governor of the State and the chief executive of any political subdivision in which the accident or release occurred on the extent and methods of the testing to be required.".

(b) Section 211 of such Act (49 U.S.C. 2010) is amended further by striking "(e)" and inserting in lieu thereof "(f)" and by adding after subsection (d) the following new subsection—

"(e) The Secretary shall develop and maintain a comprehensive database of all pipeline releases and testing based on annual reports submitted by the operators of pipeline facilities. The annual reports shall include for each pipeline release the type and quantity of the hazardous liquid released; the State, county and county subdivision in which the release occurred; the cause of the release; the type and age of the pipeline; and the date of the occurrence.

RESEARCH AND DEMONSTRATION

SEC. 9. (a) Section 211 of the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. 2010) is amended by adding at the end thereof the following—

"(g) The Secretary may conduct and support, through grants, cooperative agreements, and contracts, research with respect to the detection, prevention and correction of releases from pipeline facilities. Such research may include the construction and operation of pipeline facilities to demonstrate new technologies for monitoring, testing, and operating such facilities including various methods of secondary containment and continuous monitoring.

"(h) The Secretary, in cooperation with the National Transportation Safety Board, shall conduct a comprehensive study on the extent to which longitudinal seams in electric resistance welded pipelines are prone to experience failures.".

PIPELINE SAFETY COORDINATION AND COOPERATION

SEC. 10. Section 212 of the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. 2011) is amended by adding at the end thereof the following new subsection—

"(d) The Secretary shall establish a training and certification program for personnel retained by the States to conduct inspections and audits of pipeline facilities and for persons engaged in the design and construction of pipeline facilities.".

CITIZEN SUIT

SEC. 11. Section 215(a) of the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. 214(a)) is amended by inserting "(1)" after "relief," and by adding at the end thereof the following: "(2) the Secretary where there is alleged a failure of the Secretary to perform any act or duty under this Act.".

SPECIFIC RELIEF AND RESPONSE AUTHORITIES

SEC. 12. (a) Section 9003 (h) of Subtitle I of the Solid Waste Disposal Act (42 U.S.C. 6991b) is amended by adding at the end thereof the following—

"(12) For purpose of the corrective action authorities specifically provided in paragraph (5) of this subsection, the term "underground storage tank" shall include pipelines and pipeline facilities which transport or store petroleum and which are subject to regulation under the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. 2001, et seq.). The Administrator (or a State acting pursuant to paragraph (7) of this subsection) shall seek full recovery of the costs of all such corrective actions pursuant to the provisions of paragraph (6)(A) of this subsection. The provisions of paragraph (11) of this subsection shall not apply to corrective actions taken pursuant to this paragraph.".

(b) Section 209(b) of the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. 2008(b)) is amended by adding at the end thereof the following—

"(6) Any person may file a petition requesting that the Secretary make a determination that a particular pipeline or pipeline facility is hazardous. The Secretary shall conduct a hearing on any such petition within 60 days or issue a written finding as to the reasons for denying such petition. The Secretary's determination to deny a petition is reviewable according to the provisions of section 206 of this Act.".

FEES

SEC. 13. Section 7005(d) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (42 U.S.C. app. 1628a) is amended by adding to read as follows—

"(d) FEE SCHEDULES.—Fees established by the Secretary under subsection (a) shall be assessed against all natural gas and hazardous liquids transported by pipelines subject to the Natural Gas Pipeline Safety Act of 1968 and the Hazardous Liquid Pipeline Safety Act of 1979 and shall be sufficient to meet the costs of activities described in subsection (c). For the fiscal years after September 30, 1987 fees assessed against hazardous liquids transported by pipelines shall not be less than $40,000,000 nor exceed 120 percent of the appropriations made for such fiscal year for the activities authorized under the Hazardous Liquid Pipeline Safety Act of 1979, as amended by this Act.".

AUTHORIZATIONS

SEC. 14. (a) Section 214(a) of the Hazardous Liquids Pipeline Safety Act of 1979 (49 U.S.C. 2013(a)) is amended by striking "and" at the end of paragraph (2); striking the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and by adding at the end thereof the following new paragraph—

"(4) $25,000,000 for each of the fiscal years ending September 30, 1988, 1989, 1990, 1991, and 1992.".

(b) Section 214(b) of such Act (49 U.S.C. 2013(b)) is amended by striking "and" at the end of paragraph (4); striking the period at the end of paragraph (5) and inserting in lieu thereof "; and"; and by adding at the end thereof the following new paragraph—

"(4) $15,000,000 for each of the fiscal years ending September 30, 1988, 1989, 1990, 1991, and 1992.".

● Mr. BOSCHWITZ. Mr. President, I am pleased to be joining my distinguished colleague, Senator DURENBERGER, in sponsoring the Pipeline Safety Act of 1987. This bill would amend the Hazardous Liquid Pipeline Safety Act of 1979, by requiring the Department of Transportation to add new standards focusing on the prevention, detection, and correction of hazardous liquid releases from pipelines. This bill addresses some major concerns about pipeline safety, and I applaud Senator DURENBERGER's efforts in formulating such a comprehensive bill.

As many of you know, a tragic accident occurred in Mounds View, MN, on July 8, 1986. A pipeline ruptured, spilling gasoline onto a residential street. The gasoline caught fire and exploded. Beverly Spano, who was just 35, and her 7-year-old daughter Jennifer walked out the front door of their home when they heard the explosion, and were fatally burned. Another woman, Diane Balk, suffered second degree burns over 27 percent of her body. This tragic accident focused a great deal of attention on current pipeline safety standards. After the explosion, the Minnesota Pipeline Safety Commission was set up to investigate the accident. The legislation we are introducing today adopts many of the recommendations of the Minnesota Pipeline Safety Commission.

The Pipeline Safety Act of 1987 would require the Department of Transportation to add new standards for the safe operation of pipelines carrying hazardous liquids. Among other things, it would require performance standards for new pipelines, and pipeline testing every 3 years. More comprehensive recordkeeping and more DOT inspectors for hazardous liquid pipelines would be required. The bill would also increase penalties for violations of regulations, and require operators to cleanup any spillage and to maintain insurance to pay for such cleanup.

Significantly, the bill would also require pipeline operators to post conspicuous signs along pipeline systems, which would alert local fire departments and safety officials about pipeline operations. Residents along pipeline routes would receive written safety-related information, outlining steps they could take in case of a hazardous liquid leak.

Also notable in the bill is the requirement that pipeline operators establish procedures for rapid notification of public safety officials in case of an accident. Rapid notification has not always occurred in the past, but is obviously necessary if we hope to keep the devastating effects of accidents to a minimum.

I have highlighted only a few of the provisions of the Pipeline Safety Act. I do feel that this bill is an excellent start at addressing the public's safety concerns about pipelines. It is vitally important to ensure the safety of the public, and to do all we can to keep a tragic accident like that in Mounds View from happening again. I'm pleased to be a sponsor of this bill, and urge the Commerce Committee to move quickly to hold hearings on pipeline safety, particularly to determine the feasibility of the proposals outlined in this bill. Once again, I commend Senator DURENBERGER for taking the lead on this issue and for coming up with such a comprehensive and timely bill.●

Mr. HEINZ. Mr. President, few things are as terrifying to watch as gasoline leaking from a pipeline. Last October, I witnessed just such an event in King of Prussia, PA, where a gasoline pipeline burst, sending thousands of gallons rushing out in a populated area. We were fortunate in King of Prussia. The gasoline did not explode or start a fire, and did not reach the Schuykill River, from which Philadelphia draws its drinking water. In addition, the pipeline's owner, Sun Oil, did a splendid job of cleaning up the spilled gasoline.

So, we were very lucky. Unfortunately, other communities have not been so lucky, and the threat of gasoline leaks from pipelines should not be tolerated. For that reason I commend Senator DURENBERGER for his prompt action regarding pipeline safety legislation. The bill he and I are introducing proposes sensible amendments to the existing Department of Transportation standards that emphasize prevention. Nationwide there are fewer than 40 inspectors for hazardous liquids pipelines. With so few inspectors, little in the way of oversight is provided, and of course an ounce of prevention is worth a pound of cure. It is only fitting that we take steps now to ensure that potential problems and risks are kept to a minimum. We will not always be as fortunate as King of Prussia, and not all operators will be as responsible as Sun Oil and others have been. Senator DURENBERGER's own experience in Minnesota illustrates this point all too well.

Where we have not been so lucky is the dumping of deadly PCB's from compression units at about a dozen locations along the route of Texas Eastern's Pennsylvania pipeline system. While jurisdiction over the PCB's belongs to EPA, prevention should have been handled by the Office of Pipeline Safety. Dumping PCB's from compression units poses a real threat to the surrounding communities, no less so than if hazardous materials had leaked out. I hope that by providing more inspectors generally, and emphasizing prevention, this legislation will help improve pipeline safety across the board.

Our legislation is aimed at areas vital to preventing, detecting, and correcting releases. Specifically, it calls for performance standards, testing on a regular basis, and leak detection systems for pipelines which transport hazardous liquids. Specifically, the legislation requires the Department of Transportation to promulgate performance standards for design, siting, construction, and operation of pipelines installed after January 1, 1988. Testing and leak detection would be required every 3 years. Continuous leak detection systems will also be required. Pipeline operators must implement adequate recordkeeping, and must notify public safety officials in the event of a leak. In densely populated areas, operating pressures would be limited to 50 to 60 percent, rather than 80 percent, which is now the practice.

Most importantly, our legislation would require no less than 72 inspectors for hazardous liquids pipelines. By doubling the number of inspectors available, we hope to upgrade enforcement and prevention activities.

There are those who might argue that the current standards have been adequate. While this may be true, the issue here is prevention; by taking these steps now, we can help avoid a scenario where drastic measures will be necessary. This is too important a matter for us to put off any longer. In closing I would just like to add that, thanks to the foresight of Senator DURENBERGER, we are hopefully on our way to commonsense regulation of hzardous liquids transportation.

SURFACE TRANSPORTATION AND UNIFORM RELOCATION ASSISTANCE ACT

Mr. BYRD. Mr. President, I yield the floor so that the Senate can receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

The following message from the House of Representatives, communicated to the Senate by Mr. Berry, one of its reading clerks, announced that the House of Representatives having proceeded to reconsider the bill (H.R. 2) entitled "An act to authorize funds for construction of highways, for highway safety programs, and for mass transportation programs, to expand and improve the relocation assistance program, and for other purposes," returned by the President of the United States with his objections, to the House of Representatives, in which it originated, it was

Resolved, That the said bill pass, two-thirds of the House of Representatives agreeing to pass the same.

VETO MESSAGE

The **PRESIDING OFFICER.** The Chair lays before the Senate the President's messsage on H.R. 2, which the clerk will read and which will be spread in full upon the Journal.

The assistant legislative clerk read as follows:

To the House of Representatives:

I am returning herewith without my approval H.R. 2, the "Surface Transportation and Uniform Relocation Assistance Act of 1987." I want to make clear that I strongly favor an adequate and fiscally responsible Federal-aid highway and transit program, and I support the provisions in H.R. 2 that would provide essential funds for legitimate transportation construction and safety projects. I also support allowing the States to raise their speed limits on rural interstate highways to 65 miles per hour. However, the bill authorizes excessive funding levels of $87.5 billion over 5 years, $10.1 billion more than my original request and more than is brought in by highway user taxes. It includes unjustifiable funding for narrow, individual special interest highway and transit construction projects, and it unfairly distributes transit funds. All of these reasons force me to veto H.R. 2.

H.R. 2 is an unsound bill. It respresents a failure to exercise the discipline that is required to constrain Federal spending, especially pork barrel spending. I remain firm in my commitment to the American people to hold down Federal spending, and I ask the Congress to join me in that commitment by promptly enacting a bill that is consistent with the need for fiscal discipline.

In vetoing H.R. 2, I recognize that the States are rapidly running out of highway funds and that legislation is necessary to make funds available for the 1987 construction season. I am committed to that goal. Therefore, I was deeply disappointed when the Congress failed to pass an acceptable bill before it adjourned last year. The Administration transmitted its own bills to the Congress in January so that funds could be made available promptly to the States for legitimate projects. I am ready with an improved and acceptable proposal that I urge the Congress to enact without further delay. This proposal does not include special "pork barrel" projects, and provides a fair and equitable distribution to States of both highway and transit funds.

Some of the unaffordable provisions in H.R. 2 include add-on funding for 152 highway special interest projects. The 5-year Federal cost of the 152 highway projects is estimated to be $1.4 billion, and nearly $900 million of this amount is not subject to any spending controls. The total cost to complete these highway projects is estimated to be $5.5 billion, and they have not even been selected through the established Federal-aid highway program mechanism that relies on the expertise of State and local officials. In fact, there is virtually no hearing record and related analyses regarding the merits of these projects. The States, not the Congress, should determine their highway program needs.

The expansion of the scope of the Boston Interstate projects eligible for interstate highway funds would increase the Federal cost to complete the Interstate System by $1.1 billion. This provision is unfair because, for all other States, the Interstate System was closed to add-ons in 1981.

The direction in Title III to fund the Los Angeles Metrorail project also grossly distorts funding priorities. The provision would require that up to $870 million, or 14 percent, of the fuel taxes paid by motorists for the national transit program be spent in one city. Moreover, Los Angeles has not decided where to build the project, and the environmental review process is incomplete. The Department of Transportation should not be statutorily required to execute a new contract or make available additional money to Los Angeles or any other specific city, beyond amounts already agreed to by the parties.

Since 1983, over $4 billion collected from motorists in fuel taxes has been authorized for transit programs. Because these funds are not distributed by formula, this revenue has not been distributed equitably to each of the States. For example, in 1986, eleven cities received over 80 percent of the funds made available that year.

We must provide for a more equitable distribution of the fuel taxes that are collected from motorists and reduce the level of General Funds going to mass transit. An increase in the required local share for major mass transit projects is also needed to encourage the planning of more economically viable projects. In addition, I am opposed to the sharp increase in certain excise taxes contained in this bill.

Finally, H.R. 2 contains "Buy America" provisions that would be harmful to our trading interests. The increase in the domestic content requirements related to transit projects and the requirement that foreign rolling stock must be 25 percent cheaper than U.S. products are unwarranted. The changes invite retaliation against U.S. exports that are produced and marketed by U.S. businesses.

I am committed to the expeditious enactment of authorization legislation so that funds will be available for use during the impending construction season. To make that point I have made an alternative proposal. Let me briefly describe what my proposal would do. With regard to highway programs, we would authorize $66 billion over 5 years; the same levels provided in the Senate-passed bill. Compared to H.R. 2, our bill would provide a more fair distribution, with more money going to States through regular program formula distributions. States would be able to fund the projects identified in H.R. 2 from their allocation of highway funds, if they so choose, but not with add-on funding. There would be no special treatment for large projects.

We would apply the equity principle to transit programs as well. We would authorize $16.1 billion over 5 years, increase the local match for major projects, and would promote a fairer distribution of the gas tax receipts that are collected in all States but that now only benefit a few cities. We would not spend the taxpayers' dollars on high cost projects of dubious merit like the expansion of Los Angeles Metrorail.

In short, this is the way a reasonable and fair highway and transit bill should be constructed. Now, there is no reason why the Congress cannot send me a bill that I can sign quickly before the spring construction season is any further along.

RONALD REAGAN.

THE WHITE HOUSE, *March 27, 1987.*

Mr. BYRD. Mr. President, I know of no more important piece of legislation than that which is before the Senate at this moment. I hope that the Senate will vote on the override of the President's veto this afternoon. This is a matter that is debateable, but I hope that it will not be debated to the extent that we cannot reach a vote this afternoon.

At the moment, I see only six Senators on the floor. I think it is important that other Senators be present. I shall suggest the absence of a quorum, but before I do so, may I say again that I am prepared to vote for the bill and Senators, I hope, will vote soon.

But I believe that more Senators should be on the floor at the moment than we now have so that we can reach some decision, hopefully, this afternoon.

QUORUM CALL

Mr. BYRD. Mr. President, if no Senator asks me to yield, I shall suggest the absence of a quorum and it will be a live quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll, and the following Senators entered the Chamber and answered to their names.

[Quorum No. 9 Leg.]

Adams
Byrd
Dole
Mitchell
Pressler
Rockefeller
Stennis
Weicker

The PRESIDING OFFICER. A quorum is not present. The clerk will call the names of the absent Senators.

The assistant legislative clerk resumed the call of the roll.

Mr. BYRD. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of the absent Senators. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Washington [Mr. Evans], the Senator from Oregon [Mr. Hatfield], and the Senator from Alaska [Mr. Stevens] are necessarily absent.

The PRESIDING OFFICER (Mr. Graham). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 88, nays 9—as follows:

[Rollcall Vote No. 50 Leg.]

YEAS—88

Adams
Armstrong
Baucus
Bentsen
Biden
Bingaman
Bond
Boren
Boschwitz
Bradley
Breaux
Bumpers
Burdick
Byrd
Chiles
Cochran
Cohen
Conrad
Cranston
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Exon
Ford
Fowler
Garn
Glenn
Gore
Graham
Gramm
Grassley
Harkin
Hatch
Hecht
Heflin
Heinz
Helms
Hollings
Humphrey
Inouye
Johnston
Karnes
Kassebaum
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lugar
Matsunaga
McCain
McConnell
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Riegle
Rockefeller
Roth
Rudman
Sanford
Sarbanes
Sasser
Shelby
Simon
Simpson
Specter
Stafford
Stennis
Symms
Thurmond
Trible
Wirth

NAYS—9

Chafee
McClure
Nickles
Proxmire
Quayle
Wallop
Warner
Weicker
Wilson

NOT VOTING—3

Evans
Hatfield
Stevens

The PRESIDING OFFICER. With the addition of Senators voting who did not answer the quorum call, a quorum is now present.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, while a goodly number of Senators are on the floor, as I indicated earlier, I hope that we can vote this afternoon on the override of the President's veto of the highway bill.

Senators, of course, have a right to debate this issue. I have talked to Senators on this side of the aisle and some on the other side, and I think we are in a position to vote. As far as speeches are concerned, we could probably vote by 7 o'clock this evening.

May I ask the distinguished Republican leader what the chances might be for a vote this afternoon?

Mr. DOLE. I thank the majority leader.

I would indicate chances probably are not particularly good and I will state the reason.

One of my colleagues is out of the city on personal business, as I indicated to the majority leader earlier, and will not be back until 7 a.m. tomorrow morning. There are three absentees. Another of my colleagues is absent as of 4:30 this afternoon until tomorrow morning, and another one is waiting at the airport to pick up his wife. So he will be here, but I would still be short two. And the last time I counted the vote, it was probably too close to have two missing.

So I hope that we might agree to vote tomorrow morning. I know there are some Members who wish to speak, on both sides. But I would hope we will not press for a vote this evening.

Mr. BYRD. Mr. President, may I say to the distinguished Republican leader that I know about Mr. Stevens' absence. He is absent because of sickness in the family. I would personally be happy to pair with Mr. Stevens under that circumstance.

But the distinguished Republican leader says he has another Senator who is gone and will not be back until the morning.

If the distinguished Republican leader would vote these evening, may I say that we could furnish an offsetting vote in each instance. Would this be of any encouragement to the Republican leader to proceed with the vote today?

Mr. DOLE. As I look at that, we would need 33 votes to sustain the veto.

It seems to the Republican leader the vote is very close. Though I appreciate the offer, it might be a mistake if I accepted it. I could doublecheck quickly and take one more look at my count. If I could look at Senator Cranston's vote count, I might be in a better position.

Mr. BYRD. Shall we take a moment?

Mr. DOLE. Do we want to pass another bill?

Mr. BYRD. While doing that, we could take up Calendar Order No. 38, S. 477, a bill to assist homeless veterans. If that is agreeable to the Republican leader, I think that measure is cleared.

I believe Mr. Cranston is prepared to proceed with that bill.

Mr. President, I ask unanimous consent to proceed for not more than 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOMELESS VETERANS ASSISTANCE ACT

Mr. BYRD. Mr. President, this has been cleared with the Republican leader.

Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 38, S. 477.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 477) to assist homeless veterans.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Veterans' Affairs, with an amendment to strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Homeless Veterans' Assistance Act of 1987".

TITLE I—HOMELESS VETERANS

SEC. 101. AUTHORITY TO MAKE CERTAIN PROPERTIES AVAILABLE FOR SHELTERS.

(a) In General.—The Administrator, within the limits of available appropriations, is authorized under this section to carry out during fiscal years 1987, 1988, and 1989 a program to assist homeless veterans and their families to acquire shelter by entering into agreements, described in subsection (b) with any organization named in, or approved by the Administrator under, section 3402 of title 38, United States Code, or any other governmental, public, or nonprofit private institution, organization, corporation, or other entity, especially any such entity working on behalf of homeless individuals, for the purpose of such entity providing shelter primarily for homeless veterans and their families.

(b) Agreements To Transfer or Lease.—(1) Agreements authorized by subsection (a) are agreements pursuant to which the Administrator would, subject to paragraphs (2) and (3) of this subsection and to subsection (d)—

(A) transfer, for no or nominal consideration, to such an entity, title to real property acquired by the Administrator as the result of a default on a loan guaranteed under chapter 37 of title 38, United States Code; or

(B) lease, for a fixed period of time, or otherwise temporarily make available to such an entity underutilized facilities under the jurisdiction of the Administrator that would be suitable for providing emergency shelter.

(2) The Administrator may enter into an agreement under paragraph (1) only if the Administrator determines that such an action will not adversely affect the Veterans' Administration's ability to fulfill its statutory missions or to carry out other functions and administer other programs authorized by law.

(3) The Administrator may enter into an agreement under paragraph (1)(A) only if—

(A) the real property to be transferred was acquired by the Administrator at least twelve months prior to the date of any proposed transfer;

(B) the Administrator determines that the price for which the real property could likely be sold within the following twenty-four months, as determined by the Administrator in accordance with regulations prescribed under this section, is less than the total of the costs which the Administrator would incur during such twenty-four months for property taxes, insurance, assessments, maintenance and improvement, administration, and other expenses resulting from maintaining and disposing of such property;

(C) the entity to which the property is to be transferred demonstrates, to the satisfaction of the Administrator, an intention to (i) utilize the property solely as a shelter primarily for homeless veterans and their families, (ii) to abide by all zoning laws relating to the property; and (iii) to make no use of the property that is not compatible with the area where the property is located;

(D) the Administrator determines that there is no likelihood of the property being sold for a price sufficient to reduce the liability to the Veterans' Administration of the veteran who had defaulted on the loan guaranteed under chapter 37 of title 38, United States Code;

(E) the deed or other instrument by which title to the property is transferred by the Veterans' Administration contains provisions specifying that (i) the transferee will utilize the property solely as a shelter primarily for homeless veterans and their families, (ii) the transferee will comply with all applicable zoning laws in connection with its use of the property as a shelter, (iii) the transferee will give the Veterans' Administration ninety days advance written notice of any proposed sale in order that the Veterans' Administration may determine whether to exercise the right to reacquire the property as provided for in subclause (iv), and (iv) if the transferee within ten years of the date of the transfer, ceases to utilize the property solely as a shelter primarily for homeless veterans and their families, the Administrator, upon tendering to the transferee within eleven years from the date of the original transfer amount equal to the amount (if any) paid by the transferee to the Administrator for the property plus the depreciated value, as determined by the Administrator in accordance with regulations prescribed under this section, of any improvements to the property made by the transferee, shall have the right to reacquire the property; and

(F) the transferee satisfies other terms and conditions established pursuant to subsection (d).

(c) Preference for Certain Entities.—In selecting entities with which to enter into agreements under subsection (a), the Administrator shall accord preference to entities which—

(1) have a demonstrated commitment to working with and on behalf of homeless individuals;

(2)(A) have a demonstrated ability to establish, operate, and maintain shelters for homeless individuals, or (B) are named in, or approved by the Administrator under, section 3402 of title 38, United States Code;

(3) have a plan for utilizing the voluntary services of homeless individuals, or others, to rehabilitate and repair such property as necessary in order to improve its habitability; and

(4) have a plan for utilizing the volunteer assistance of Veterans' Administration employees, members of veterans' service organizations, homeless individuals, or others in the establishment, operation, and maintenance of the shelter established pursuant to such an agreement.

(d) Terms and Conditions of Instruments.—Any agreement, deed, or other instrument executed by the Administrator under subsection (a) shall be on such terms and conditions as the Administrator determines to be appropriate and necessary to carry out the purpose of such agreement.

(e) Inventory of Underutilized Facilities.—Not later than one hundred eighty days after the date of the enactment of this Act, the Administrator shall complete an inventory of all underutilized facilities under the jurisdiction of the Administrator in order to determine which such facilities could be suitable for lease under subsection (b)(1)(B).

(f) Report on Facilities Made Available.—Not later than February 1, 1989, the Administrator shall submit to the Committees a report—

(1) on real property transferred under subsection (b)(1)(A), including for each such property—

(A) information as to the price for which the Veterans' Administration acquired the property, the costs incurred by the Veterans' Administration in maintaining the property thereafter, the name of the transferee, and any price paid by the transferee, and

(B) a description of the bases on which the Administrator made a determination pursuant to subsection (b)(3)(B); and

(2) on the leasing of facilities under subsection (b)(1)(B).

SEC. 102. PILOT PROGRAM OF ACTIVITIES TO ASSIST HOMELESS VETERANS.

In order to enhance the Veterans' Administration's ability to assist homeless veterans and their families and to evaluate the effectiveness of various activities in that regard, the Administrator shall, within the limits of available appropriations and as provided for in this section, conduct a pilot program and study for a period of not less than twenty-four months in not less than ten geographic regions in which there are significant numbers of homeless veterans. In the course of such pilot program and study, the Administrator shall undertake and evaluate various activities otherwise authorized by law as well as activities—

(1) to designate individuals at Veterans' Administration facilities to coordinate official and volunteer efforts designed to assist homeless veterans and their families;

(2) to authorize Veterans' Administration employees to seek out and cooperate with, and seek to enhance the effectiveness of the activities of, other entities providing counseling, job training, rehabilitation, and assistance in obtaining shelter to homeless individuals; and

(3) subject to the last sentence of this section, (A) to facilitate the efforts of Veterans' Administration employees who wish to assist, on a volunteer basis, (i) homeless veterans and their families in acquiring necessities, such as shelter, food, and health care, and rehabilitation services, training, and employment, or (ii) in any other charitable activity approved by the Office of Personnel Management pursuant to section 2 of Executive Order 12353 of March 23, 1982 (and the implementing regulations in 5 CFR Part 950), or by the Administrator for the purposes of this clause, and (B) to use, for the purpose of assisting homeless veterans and their families in acquiring such necessities, rehabilitation services, training, and employment, Veterans' Administration resources and facilities, not otherwise employed, where the cost to the Federal Government would be minimal. In carrying out activities described in clause (3), the Administrator shall prescribe regulations to ensure that (i) no Veterans' Administration employee shall coerce in any fashion another such employee to participate in volunteer activities described in such clause, (ii) each Veterans' Administration employee in such geographic areas is specifically advised to report to the Inspector General of the Veterans' Administration any apprehension that his or her job evaluation or opportunity for advancement, assignment, or promotion was adversely affected by non-participation in such volunteer activities, and (iii) any Veterans' Administration employee found, pursuant to prescribed personnel procedures, to have engaged in coercive conduct in violation of such regulations shall be subject to disciplinary action, including suspension.

SEC. 103. OUTREACH SERVICES PROGRAM.

Not later than ninety days after the date of the enactment of this Act, the Administrator, within the limits of available appropriations, shall submit to the Committees a report setting forth—

(1) a description of all efforts undertaken in fiscal years 1986 and 1987 under subchapter IV of chapter 3 of title 38, United States Code, to provide outreach services to homeless veterans to assist them in applying for and obtaining benefits and services for which they are eligible under laws administered by the Veterans' Administration or under other laws by virtue of their veteran status;

(2) any information available on the increased utilization of such benefits and services by such veterans as a result of the efforts described in clause (1) to assist them in securing necessities, such as shelter, food, and health care, rehabilitation services, training, and employment, together with a description of all follow-through activities related to such outreach services; and

(3) a description of, and a timetable for, any plans to expand such outreach efforts (including necessary training of outreach personnel) and follow-through activities, together with an estimate of the additional resources needed for such expanded efforts.

SEC. 104. SURVEY OF HOMELESS VETERANS.

(a) Conduct of Survey.—Not later than one hundred and eighty days after the date of the enactment of this Act, the Administrator, in coordination with the Secretaries of Labor, Defense, Health and Human Services, and Housing and Urban Development and within the limits of available appropriations, shall (1) conduct a survey to determine (A) the extent to which veterans are represented in the population of homeless individuals, and (B) the information described in subsection (b), and (2) submit to the Committees a report on the results of such survey.

(b) REPORT.—The report required by subsection (a) shall include, to the maximum extent feasible, estimates of—

(1) the number of veterans, both as an absolute number and as a percentage, in the population of homeless individuals and the numbers of family members accompanying such veterans;

(2) a breakdown showing the periods of service of such veterans and subgroupings of such veterans, including those with families, those with chronic mental illness disabilities, and those with substance abuse disabilities;

(3) the numbers of such veterans who, during fiscal years 1986 and 1987, received or will receive benefits and services under laws administered by the Veterans' Administration or the Department of Labor, with specific breakdowns showing the numbers who received or will receive (A) health-care services under chapter 17 of title 38, United States Code, (B) compensation under chapter 11 of such title, (C) pension under chapter 15 of such title, (D) vocational, educational, and training assistance under such title or the Veterans' Job Training Act (29 U.S.C. 721 note), or (E) job training, counseling, referral, or other vocational assistance under programs carried out or supported by the Department of Labor; and

(4)(A) the numbers of such veterans who, if they were to apply, would be eligible for benefits and services under laws administered by the Veterans' Administration or (by virtue of their veteran status) the Department of Labor but who are not receiving such benefits and services, with a breakdown estimating the numbers who would be eligible for each of the benefits and services described in subclauses (A), (B), (C), (D), and (E) of clause (3), and (B) a description of the reasons why such veterans are not receiving such benefits and services.

(c) Not later than thirty days after the date of the enactment of this Act, the Administrator of Veterans' Affairs shall submit to the Committees a report setting forth an implementation plan and timetable for collecting the information needed for the report required by subsection (a).

SEC. 105. CHRONICALLY MENTALLY ILL VETERANS.

(a) REPORT ON INSTITUTIONAL CARE FURNISHED MENTALLY ILL VETERANS.—Section 235 of the Veterans' Benefits Improvement and Health-Care Authorization Act of 1986, Public Law 99-576, is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(2) by inserting the following new subsection (b):

"(b) The report required under subsection (a) shall also include information on the number of veterans being treated by the Veterans' Administration for mental illness disabilities who were furnished hospital, domiciliary, or nursing home care by the Administrator in each of fiscal years 1984, 1985, and 1986, broken down by the type of care furnished, as well as an estimate of the number of such veterans being furnished such care in fiscal year 1987, together with the Administrator's analysis of the basis for any change in the numbers of such veterans being furnished any type of such care during the period beginning with fiscal year 1984 and ending with fiscal year 1987, with particular emphasis on the impact of the implementation by the Veterans' Administration of a resource allocation methodology on the numbers of such veterans being furnished any type of such care and the duration of the care furnished.".

(b) PILOT PROGRAM OF CONTRACT COMMUNITY-BASED RESIDENTIAL CARE.—(1) During the period beginning on the date of the enactment of this Act and ending on September 30, 1989, the Administrator shall conduct a pilot program, utilizing the authority in section 620C of title 38, United States Code (as added by section 2(a) of Public Law 100-6), to provide care and treatment and rehabilitative services in halfway houses, therapeutic communities, psychiatric residential treatment centers, and other community-based treatment facilities to homeless veterans suffering from chronic mental illness disabilities.

(2) Not later than February 1, 1989, the Administrator shall submit to the Committees a report on the experience under the pilot program prior to October 1, 1988, and the recommendation of the Administrator (and reasons therefor) as to whether the pilot program should be continued.

(3) In carrying out the pilot program provided for in this subsection, the Administrator may not expend more than $5,000,000 in fiscal year 1987, nor more than $10,000,000 in each of fiscal years 1988 and 1989.

(c) CONTINUATION OF CONTRACT COMMUNITY-BASED PSYCHIATRIC RESIDENTIAL CARE AUTHORITY.—Section 2(c) of Public Law 100-6 is amended by inserting "in fiscal year 1987" after "limited".

(d) EXPANSION OF CONTRACT COMMUNITY-BASED PSYCHIATRIC RESIDENTIAL CARE ELIGIBILITY.—Section 620C of title 38, United States Code, is amended—

(1) in subsection (a)(3)—

(A) by redesignating clauses (A), (B), and (C) as clauses (B), (C), and (D), respectively; and

(B) by inserting a new clause (A) as follows:

"(A) has a chronic mental illness disability rated as service-connected;";

(C) amending clause (C) (as redesignated by clause (1)(A) of this subsection) by striking out "homeless" and inserting in lieu thereof "a homeless individual"; and

(2) by adding at the end of subsection (a) the following new paragraph:

"(4) The term 'homeless individual' means an individual who lacks a fixed and adequate nighttime residence and includes an individual whose primary residence is in a publicly- or privately-operated shelter which provides temporary shelter.".

SEC. 106. VETERANS' JOB TRAINING ACT AMENDMENTS.

(a) DEFINITIONS.—Section 3 of the Veterans' Job Training Act, Public Law 98-77 (29 U.S.C. 1721 note) is amended by adding at the end the following new paragraph:

"(4) The term 'homeless individual' has the meaning given that term in section 620C(a)(4) of title 38, United States Code.".

(b) EXPANSION OF ELIGIBILITY.—Section 5(a)(1) of such Act is amended—

(1) by inserting "(i)" after "(B)";

(2) by striking out the period at the end of subclause (i), as redesignated by clause (1) of this subsection, and inserting in lieu thereof a semicolon and "or"; and

(3) by adding at the end the following new subclause:

"(ii) is (I) a veteran with a service-connected disability rated at 30 per centum or more, or (II) a homeless individual.".

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 16 of such Act is amended—

(1) by striking out "$65,000,000 for fiscal year 1986" and inserting in lieu thereof "a total of $65,000,000 for fiscal years 1986, 1987, and 1988"; and

(2) by striking out "September 30, 1988" and inserting in lieu thereof "September 30, 1989".

(d) EXTENSION OF TERMINATION DATES.—Section 17(a) of such Act is amended—

(1) in clause (1), by striking out "January 31, 1987" and inserting in lieu thereof "December 31, 1987"; and

(2) in clause (2), by striking out "July 31, 1987" and inserting in lieu thereof "June 30, 1988".

SEC. 107. DEFINITIONS.

As used in this Act:

(1) The term "Administrator" means the Administrator of Veterans' Affairs.

(2) The term "Committees" means the Committees on Veterans' Affairs of the Senate and House of Representatives.

(3) The term "homeless individual" has the meaning given that term in section 620C(a)(4) of title 38, United States Code.

(4) The term "veteran" has the meaning given that term in section 101(2) of title 38, United States Code.

(5) The term "homeless veteran" means a veteran who is a homeless individual.

TITLE II—VIETNAM-ERA VETERANS' READJUSTMENT COUNSELING PROGRAM AND RELATED REPORTS

SEC. 201. POSTPONEMENT OF TRANSITION PERIOD FOR READJUSTMENT COUNSELING PROGRAM AND DUE DATE OF RELATED REPORTS.

(a) POSTPONEMENT OF TRANSITION PERIOD.—Section 612A(g) of title 38, United States Code, is amended—

(1) in paragraph (1) by striking out "September 30, 1989" and inserting in lieu thereof "September 30, 1990";

(2) in paragraph (1)(A)—

(A) by striking out "October 1, 1989" and inserting in lieu thereof "October 1, 1990"; and

(B) by striking out "centers located" and all that follows through "such health-care facilities" and inserting in lieu thereof "Vet Centers to a program providing readjustment counseling services primarily through Veterans' Administration general health-care facilities";

(3) in paragraph (2)(A)—

(A) by striking out "April 1, 1987" and inserting in lieu thereof "April 1, 1988"; and

(B) by striking out "(or" and all that follows through "available)";

(4) in paragraph (3)—

(A) by striking out "July 1, 1987" and inserting in lieu thereof "July 1, 1988"; and

(B) by striking out "(or" and all that follows through "available)";

(5) in paragraph (4)—

(A) by striking out "February 1, 1989" and inserting in lieu thereof "February 1, 1990"; and

(B) by striking out "experience" the first place it appears and all that follows and inserting in lieu thereof "Administrator's evaluation of the experience under as much of the transition as was carried out pursuant to paragraph (1) of this subsection prior to September 30, 1989, and, based on that evaluation, the results of the study required by section 102 of the Veterans' Health Care Amendments of 1983 (Public Law 98-160), nd other pertinent information regarding he readjustment counseling program, the dministrator's opinion as to the extent to hich the provision of readjustment coun-eling services under this section through et Centers is needed to meet the readjust-ent needs of veterans who served on active uty during the Vietnam era."; and

(6) by adding at the end the following new aragraph:

"(5) For the purposes of this subsection:

"(A) The term 'Vet Centers' means facili-ies which are operated by the Veterans' Ad-inistration for the provision of services nder this section and which are situated part from Veterans' Administration gener-l health-care facilities.

"(B) The term 'Veterans' Administration eneral health-care facilities' means health-are facilities operated by the Veterans' Ad-inistration for the furnishing of health-are services under this chapter, not limited o services provided through the programs stablished under this section.".

(b) POSTPONEMENT OF REPORT DUE DATE.—ection 102(b) of the Veterans' Health Care mendments of 1983 (Public Law 98-160; 97 tat. 994) is amended by striking out "Octo-er 1, 1986" and inserting in lieu thereof October 1, 1987".

Mr. CRANSTON. Mr. President, as he chairman of the Committee on eterans' Affairs, I am delighted to rge our colleagues to give their unan-mous approval to the pending meas-re, S. 477, the proposed Homeless eterans Assistance Act of 1987, as re-orted by the committee on March 18 s modified by an amendment offered n my behalf along with our commit-ee's ranking minority member [Mr. URKOWSKI] which will resolve the ifferences he and I had over certain rovisions of S. 477 as reported. I am ruly delighted that we were able to esolve those differences and will de-cribe the amendment in more detail ater in my statement.

Mr. President, the measure that is efore the Senate today—which I will efer to as the "committee bill" or "S. 77 as reported"—is derived primarily rom S. 477, which I introduced on ebruary 4 with the cosponsorship of ellow committee members Senators ATSUNAGA, DECONCINI, MITCHELL, OCKEFELLER, and GRAHAM. It also con-ains provisions derived from section (b) of S. 6, which I introduced on anuary 6; from S. 279, which was in-roduced by Senator DECONCINI on anuary 6; and from S. 553, which was ntroduced by Senator ROCKEFELLER on ebruary 19. Joining as cosponsors of . 477 since introduction are Senators ERRY, HEFLIN, SIMON, and GORE.

Mr. President, the primary purpose f S. 477 is to address the tragedy of omelessness among our Nation's vet-rans, principally through focusing nd enhancing the efforts of the Vet-rans' Administration to assist those eterans and their families. As I noted n my introductory remarks on S. 809, he proposed Urgent Relief for the omeless Act, which begin on page S. 677 of the daily edition of the RECORD or March 23, it is our intention that the provisions of this measure, once passed by the Senate, will be incorporated into the final version of S. 809 prior to final Senate action on that measure.

BACKGROUND

Mr. President, I am deeply concerned about the reports that a significant portion of the population of homeless individuals is comprised of veterans and their families. For example, a paper presented at the 1985 annual meeting of the American Public Health Association in Washington, DC, entitled "Homeless Veterans in Los Angeles County", indicated that 47 percent of homeless persons in Los Angeles were veterans and that a survey conducted in eight cities and the State of Ohio showed that veterans constituted about one-third of the homeless population. Other estimates on this matter vary widely. For example, Mitch Snyder, the director of the Community for Creative Non-Violence here in Washington, DC, told me, during a visit I made to the CCNV shelter in January that, based on his observations in a large number of cities, more than half of the homeless individuals are veterans. During a hearing in our committee on February 18, Jesse Moses, a resident of that same shelter, stated that he estimated that 60 percent of homeless persons lodged in that facility were veterans.

Specific factors contributing to homelessness among veterans that were enumerated during our hearing, as well as during other recent hearings that have addressed the overall issue of homelessness as well as the specific issue of homeless veterans, include unemployment, various mental disabilities, serious alcohol or drug abuse problems, and psychological problems related to combat.

Among homeless veterans, there are certainly those who returned from their military service with serious physical and mental disabilities, especially those who served in a combat area. In the absence of proper rehabilitation and training, these physical and mental disabilities often prevent these veterans from securing employment. According to a homeless research study conducted in Baltimore in 1981-82 by researchers in the Department of Psychiatry and Behavioral Sciences in the School of Medicine at the Johns Hopkins University:

> It is difficult to interpret what role military service might play in the life history of homeless persons. ... The alienation experienced by many homeless people may be compounded by the sense of rejection described by some Vietnam veterans. . . .
>
> VA benefits, including health services, though available in major cities where the homeless congregate, are underutilized. . . . Problems of accessibility and acceptability within the VA system should be identified and remedial action taken to correct deficiencies. Where necessary, special services to address the needs of homeless veterans should be developed.
>
> In addition to traditional health, mental health and alcoholism treatment services, these services should include outreach, transportation to often remote sites for care, rehabilitation, and resettlement. . . .

A February 10, 1987, report of the Select Committee on the Homeless of the Council of the City of New York regarding homelessness and veterans in New York City succinctly stated recommendations designed to eliminate the plight of the homeless veterans there. It recommended, first, that government must reach out to the homeless veterans; second, that stable housing must be provided; and, finally, that a veteran who has been reached and housed must be rehabilitated.

Ronald W. Drach, national employment director of the Disabled American Veterans, during his appearance before the January 29 hearing I chaired of the Senate Banking Committee's Subcommittee on Housing and Urban Affairs, stated that all agencies, both public and private, must provide their expertise and respective services to assist in alleviating the problem of homeless veterans. He further stated that the failure of any one provider of services to live up to its responsibility would significantly diminish the possibility of successfully combating homelessness.

Mr. President, in response to testimony before the Committee on Veterans' Affairs and the Housing Subcommittee and based on our view that the VA has a special responsibility to meet the needs of our Nation's veterans, our committee revised and reported S. 477.

SUMMARY OF PROVISIONS

Title I of S. 477 as reported and as revised by the Cranston-Murkowski amendment includes provisions that are designed to provide assistance to homeless veterans and their families that would:

First, authorize the VA, during fiscal years 1987, 1988, and 1989, to enter into agreements with veterans' organizations and other nonprofit entities to sell to them, for such consideration as the Administrator determines is in the best interests of the Government, the VA's Loan Program, and the solvency of its revolving fund, for use as shelters primarily for homeless veterans and their families certain hard-to-sell dwellings from the VA's inventory of over 21,000 properties acquired as a result of defaults on VA loans.

Second, authorize the VA, during fiscal years 1987, 1988, and 1989, to lease to the same kinds of organizations as I have just described underutilized VA facilities for use as emergency shelters for homeless veterans.

Third, require the VA to make an inventory of dwellings—which the VA has held for more than 12 months after postdefault acquisition—available for sale and underutilized other

VA facilities available for lease so as to identify those that might be suitable for sale or leasing, and to notify the organizations I have just described of the availability of such dwellings and facilities.

Fourth, require the VA to establish a pilot program, for at least 2 years in 10 geographic areas with significant populations of homeless veterans, whereby various activities would be undertaken to improve the VA's ability to assist homeless veterans and their families.

Fifth, require the VA to report on: first, its outreach efforts in fiscal years 1986 and 1987 to assist homeless veterans to receive the health care, job counseling, income maintenance support, and other benefits and services for which they may be eligible, and second, any plans to increase those efforts.

Sixth, require the VA, in coordination with any Federal coordinating body, such as the one that would be established by title I of S. 809, relating to homeless programs, and, as appropriate, in conjunction with carrying out other programs under the committee bill, to conduct a survey to estimate the number and service periods of veterans who are homeless and what veterans' benefits they would likely be eligible to receive.

Seventh, require the VA, as part of a statutory report on the treatment of chronically mentally ill veterans, to provide information on the numbers of veterans furnished inpatient psychiatric care by the VA in fiscal years 1984 through 1987, together with an analysis of any change in the numbers of veterans furnished or expected to be furnished such care during the period covered by the report, with a particular emphasis on any impact from the implementation of the VA's new resource allocation methodology.

Eighth, provide for the continuation beyond fiscal year 1987 of the VA's authority to contract for community-based psychiatric residential care for certain veterans with chronic mental illness [CMI] disabilities, and expand that authority to include care for veterans who need such care for a service-connected CMI disability.

Ninth, require the VA to carry out a 2½-year pilot program—spending up to $25 million in fiscal years 1987, 1988, and 1989—of contracting for community-based residential care for homeless veterans suffering from CMI disabilities, and to submit a report, by February 1, 1989, on the first 18 months' experience under this pilot program.

Tenth, authorize $30 million to be appropriated for the Veterans' Job Training Act [VJTA] for fiscal years 1987 and 1988—by extending through fiscal years 1987 and 1988 the current fiscal year 1986 authorization of appropriations of $65 million, of which $35 million was appropriated in fiscal year 1986; make eligible for the VJTA Program without satisfying the length-of-unemployment criterion those unemployed veterans who are homeless or who have service-connected disabilities rated at 30 percent or more; and postpone by approximately 6 months the deadlines for veterans to apply for VJTA participation, from July 2, 1987, to December 31, 1987, and to enter training, from January 2, 1988, to June 30, 1988.

Eleventh, require the VA, unless impracticable to do so, to establish 500 new domiciliary-care beds using underutilized space in VA facilities.

Title II of S. 477 as reported contains provisions relating to the VA's Readjustment Counseling Program for Vietnam-era veterans and to various reports that would:

First, provide for a 1-year delay, from October 1, 1987, to October 1, 1988, of the date by which the VA's Readjustment Counseling Program for Vietnam-era veterans is to begin a 2-year, gradual transition from being a program providing counseling services primarily through vet centers, which are located apart from the VA's general medical facilities, to a program providing services primarily through the VA's general medical facilities.

Second, provide for 1-year delays in the due dates of three reports relating to the transition—from April 1, 1987, to April 1, 1988, in the case of a report from the Administrator setting forth the Administrator's views and recommendations on the future of the Readjustment Counseling Program; from July 1, 1987, to July 1, 1988, in the case of a report on the VA's plans for the transition; and from February 1, 1989, to February 1, 1990, on the experience under the first year of the transition.

Third, provide for a 1-year delay, from October 1, 1986, to October 1, 1987, in the due date of the VA's report on the prevalence and incidence of post-traumatic stress disorder and other postwar psychological problems among Vietnam veterans.

TITLE I—HOMELESS VETERANS

ASSISTANCE IN PROVIDING SHELTER

Mr. President, section 101 of S. 477 as reported, which was derived from section 2 of S. 477 as introduced, would authorize the VA, within the limits of available appropriations, to carry out a program during fiscal year 1987, 1988, and 1989, to sell, to veteran's service organizations or other nonprofit entities, certain hard-to-sell foreclosed dwellings from the VA's inventory and to lease to these entities underutilized VA facilities for use as shelters primarily for homeless veterans and their families.

As is set forth in our committee's report accompanying S. 477, S. Rept. 100-15, we recognize that the roots of homelessness, in the population in general and among veterans, are many and that no one program or specific effort will be adequate to resolve this difficult problem. Nevertheless, it is the view of the committee that providing shelter can be an important step in any overall program of assistance.

In this regard, and in further recognition of the VA's fundamental mission of providing needed assistance to veterans, the committee bill includes provisions that would enable the VA, in a modest way, to assist in the provision of shelter for homeless veterans and their families. Specifically, the committee bill would direct the VA to provide shelter in two principal ways:

First, the VA would be authorized to sell, for such consideration as the Administrator determines is in the best interests of the Government, the VA's Loan Program, and the solvency of its revolving fund, title to hard-to-sell dwellings that the VA acquired as a result of foreclosures. These properties would be used by veterans' organizations and other nonprofit organizations, including local governments, primarily as shelters for homeless veterans and their families.

Second, the VA would be authorized to lease, for a fixed period of time, underutilized VA facilities to the same type of entities for use primarily as shelters for homeless veterans and their families.

In neither case would the VA actually operate any of the resultant shelters or be responsible for the activities of those who would.

A number of changes were made to S. 477 as introduced in response to concerns raised at the committee's hearings in this area. For example, in response to concerns voiced about whether shelters established in property that had been in the VA's inventory would be operated in violation of zoning laws, the committee bill includes a provision that would require the VA, prior to any transfer of property, to gain assurances from the transferee that the property will be used solely as a shelter principally for homeless veterans and their families, that all applicable zoning laws will be complied with, and that the transferee will make no use of the property that is incompatible with the neighborhood. In addition to these assurances from a transferee, the committee bill would require that the deed transferring the property include specific provisions requiring adherence to all zoning laws. The deed also would have to give the U.S. Government a right of reverter if the transferee, within 10 years of the transfer, ceases to use the property for other than a shelter and a right of 90 days advance written notice of any proposed sale by the transferee so that the VA could make a decision whether to exercise its right of reverter.

Mr. President, in order to ensure that transfers of property for the purpose of providing shelter to homeless veterans do not have an adverse effect on the integrity of the loan guaranty revolving fund, the committee bill as revised by the Cranston-Murkowski amendment would expressly limit the authority to transfer houses to the sale of properties for such consideration as the Administrator determines is in the best interests of the Government, the VA's Loan Program, and the solvency of its revolving fund. Finally, in response to concerns that the authority to transfer properties from the inventory could somehow result in a financial detriment to the defaulting veterans, the committee bill includes a provision pursuant to which the Administrator would be required to affirm, prior to transfer, that there is no likelihood that the VA could sell the property for a price sufficient to reduce a defaulting veteran's liability.

I will discuss other aspects of this provision later in describing the Cranston-Murkowski amendment.

PILOT PROGRAM TO ASSIST HOMELESS VETERANS

Mr. President, section 102 of S. 477 as reported, which was derived from section 3 of S. 477 as introduced, would require the Administrator, within the limits of available apropriations, to conduct a pilot program and study in not less than 10 geographical locations for a period of not less than 24 months to evaluate various activities that might assist homeless veterans and their families.

Activities that might be undertaken as part of the pilot program would include those otherwise authorized by law—such as outreach efforts under subchapter IV of chapter 38 of title 38, United States Code—as well as other activities specified in the committee bill, including designating VA employees at the VA pilot program facilities involved to coordinate official and volunteer efforts to assist homeless veterans, authorizing VA employees to seek out and cooperate with non-VA organizations which assist homeless individuals, and facilitating the activities of VA employees who wish to assist homeless veterans on a volunteer basis. As clarified by the Cranston-Murkowski amendment, the facilitating of volunteer activities would be limited to the VA's adjusting the duty hours or meal breaks so as to permit a VA employee to engage in volunteer activities during personal time without interfering with the employee's discharge of his or her assigned work responsibilities.

Mr. President, the committee report noted that the committee expects that the employees who will be both designated to coordinate and otherwise involved in these various activities will be existing personnel—such as VA voluntary service employees, veterans benefit counselors, and vet center personnel—who are already in positions of directly assisting veterans who come to the VA. No additional staff is contemplated for this pilot program.

With reference to the authority to facilitate VA employees' volunteer efforts—such as providing flexibility in scheduling an employee's duty periods or lunch hours—the committee bill, in response to concerns raised at the committee's hearings regarding the potential for pressure being placed on VA employees under this authority, included a very strong anticoercion provision. Under this provision, the Administrator would be required to prescribe regulations to ensure that no VA employee would coerce in any fashion any other VA employee in order to get such an employee to participate in volunteer activities and also sets forth a mechanism for reporting to the VA's Inspector General any apprehension an employee may have about retribution in connection with nonparticipation in such volunteer activities. Additionally, the regulations would be required to ensure that an agency employee who attempts to coerce an employee to volunteer for any activities under this legislation would be subject to appropriate disciplinary action.

Although the anticoercion provisions are deleted by the Cranston-Murkowski amendment, that in no way diminishes our intent that no such coercion be permitted in any respect.

Finally, because of concerns that singling out homeless veterans for volunteer assistance would give special priority to that cause and could unfairly work to the disadvantage of other worthy causes, the committee bill also would authorize the Administrator to facilitate volunteer activity in support of any other charitable activity approved by the Director of the Office of Personnel Management, under 5 CFR part 950, in connection with certifying organizations for participation in the Combined Federal Campaign, or otherwise designated by the Administrator.

With reference to the emphasis on voluntary activity by VA employees, I note, as did the committee's report, that the VA generally has a strong record of encouraging voluntary charitable activities by its employees. I view these provisions in the committee bill as a way to extend that activity with the specific focus of assisting homeless veterans and their families.

OUTREACH SERVICES PROGRAM

Mr. President, section 103 of S. 477 as reported, which was derived from section 4 of S. 477 as introduced, would require the Administrator to report on the VA's outreach efforts to homeless veterans and on ways those efforts could be improved in order to assist these veterans in receiving the health care, job counseling, rehabilitation services, and income maintenance support for which they may be eligible.

Specifically, the Administrator would be required to submit a report on the VA's outreach efforts to homeless veterans that have occurred or will occur during fiscal years 1986 and 1987 under that statutory mandate. This report is also to include information on any changes in the utilization of benefits by homeless veterans as a result of VA outreach efforts, a description of all followthrough activities carried out by the agency in connection with its outreach efforts, a description of, and timetable for, any plans to expand outreach efforts, and an estimate of additional resources needed to accomplish such plans.

SURVEY OF HOMELESS VETERANS

Mr. President, section 104 of S. 477 as reported, which was derived from section 5 of S. 477 as introduced, would, as modified by the Cranston-Murkowski amendment, require the VA, in coordination with any Federal coordinating entity established with respect to homeless programs, such as would be set up by title I of S. 809, to conduct a survey to develop an estimate of the number of veterans, by service period, who are homeless and the veterans benefits for which they are likely to be eligible. Under the Cranston-Murkowski amendment, the VA would be directed to utilize in conducting the survey, to the extent it would be appropriate to do so, the personnel working in other programs carried out under the legislation.

This provision was included in the committee bill in response to the strong support voiced by those who testified regarding homeless veterans at the committee's hearings about the lack of reliable information at present on the population of homeless veterans.

Mr. President, I do not minimize the difficulty inherent in trying to develop a reliable estimate of the overall number of homeless individuals and recognize that seeking to determine the size of a subset of that universe—namely, homeless veterans—is even more difficult. However, without some estimate of this population, it becomes very difficult for the Congress or the VA or other executive branch departments or agencies to develop and carry out effective, appropriate programs targeted on this population.

The report on this survey would be due within 180 days of the date of the enactment of this measure. In response to concerns expressed at the committee's hearings about the difficulty in developing precise figures, the committee bill calls for only estimates of the numbers of homeless veterans in various subgroupings. Specifically, the survey and report would be required to provide estimates, to the maximum extent feasible, of the total number of homeless veterans and their dependents, a breakdown showing periods of service for the overall population of homeless veterans with subgroupings showing the numbers with families and those with chronic mental illness or substance abuse disabilities. In addition, the survey and report would be required to include, to the maximum extent feasible, estimates of the numbers of homeless veterans who received or will likely receive various veterans benefits and services in fiscal years 1986 and 1987—including VA health care, compensation or pension benefits, and employment benefits from the Department of Labor—and on the numbers of veterans who would likely be eligible for such benefits if they were to apply for them. Finally, the Cranston-Murkowski amendment clarifies the survey requirement by providing that the survey be carried out through representative samplings in appropriate geographic areas.

CHRONICALLY MENTALLY ILL VETERANS

Mr. President, because of general concerns that a significant percentage of homeless individuals are suffering from chronic mental illness [CMI] disabilities and of concerns expressed by the American Legion during the committee's hearings that the VA's resource allocation methodology may be leading to premature and inappropriate discharges of such veterans, section 105 of S. 477 as reported, which was derived from section 6 of S. 477 as introduced, would amend section 235 of the Veterans' Benefits Improvement and Health-Care Authorization Act of 1986, Public Law 99-576, relating to VA services furnished to veterans suffering from CMI disabilities, to require that the study mandated by that section also include information on the number of veterans suffering from mental illness disabilities who were furnished hospital, domiciliary, or nursing home care by the VA in each of the last 3 fiscal years, fiscal years1984, 1985, and 1986—and an estimate in each category for fiscal year 1987—and to analyze any changes in the numbers of such veterans being furnished each type of care with a particular emphasis on any changes resulting from the VA's implementation of its resource allocation methodology for allocating funds to VA health care facilities.

In this regard, I note, as did the committee report, that it is particularly important that the committee learn about the impact of the VA's adoption of the diagnosis-related group methodology—known as "DRG's"—with respect to mental illnesses. Such information would better enable the VA, the committee, and the Congress to attempt to meet the needs of homeless veterans suffering from CMI disabilities and, to the extent it appears that inappropriate discharge decisions are being made, to work to correct that situation in general.

The committee bill also requires the VA to conduct a 2½-year pilot program, utilizing the new authority in section 620C of title 38, United States Code, which was just recently provided to the agency by section 2 of Public Law 100-6, to provide contract community-based residential care to certain veterans suffering from CMI disabilities. The committee bill would target the new, general authority in section 620C on homeless veterans in order to provide them with such community-based care through the use of the $5 million that was transferred to the VA for fiscal year 1987 by Public Law 100-6 to fund the new section 620C authority. As was noted in the committee report, the committee understands that the VA is prepared to expend the $5 million entirely for services for homeless veterans with CMI disabilities, and this provision in the committee bill would provide clear legislative support and direction for that plan. In addition, the committee bill would authorize the expenditure of up to $10 million in each of the next 2 fiscal years in support of this pilot program to assist homeless veterans. Thus, as a result of this provision, the VA will be authorized to spend up to $25 million over the next 2½ fiscal years to assist homeless veterans suffering from CMI disabilities.

The committee bill also includes a provision to amend section 620C so as to provide eligibility for contract community-based residential care to veterans for treatment of their service-connected CMI conditions. Under section 620C as enacted, eligibility for this contract care is limited to veterans suffering from CMI disabilities who either are being furnished VA inpatient care for a CMI disability, are homeless, or have a 50-percent or more service-connected disability. Adding veterans being treated for service-connected CMI disabilities to the list of eligibles would have the effect of rectifying an inequity in current law that provides eligibility for the new contract authority for one category of nonservice-connected, noninstitutionalized veterans—namely homeless veterans—suffering from CMI and provides no such eligibility to veterans in need of treatment for their service-connected CMI disabilities. Providing for the treatment of veterans's service-conected disabilites has always been a top priority for our committee and the Congress, especially with reference to the use of contract facilities.

Finally, the committee bill includes some amendments to both Public Law 100-6 and new section 620C so as to improve the new contract authority. Specifically, Public Law 100-6 would be amended so as to make the $5 million limitation on the use of the authority applicable only during fisc year 1987—thereby making the a thority available to the VA after Se tember 30, 1987—and section 62 would be amended so as to include definition—derived from section 201 of H.R. 558, the proposed Urge Relief for the Homeless Act, as pass by the House on March 5, 1987— "homeless individual" identifyi those intended to be served and f targeting care on them in the Pil Program.

VETERANS' JOB TRAINING ACT

Mr. President, section 106 of S. 47 as reported, which was derived from 553, would extend through fiscal yea 1987 and 1988 the authorization of ap propriations under the Veterans' Jo Training Act [VJTA]; extend by ap proximately 6 months the deadline for application for VJTA participatio and entry into job training program under VJTA; and provide certain un employed Korean-conflict and Viet nam-era veterans who either ar homeless or have service-connecte disabilities with eligibility for trainin under VJTA without regard to th length-of-unemployment criterion i current law, namely unemploymen for at least 10 of the 15 weeks preced ing the veteran's VJTA application.

VJTA is designed to promote train ing and employment opportunities fo long-term jobless Vietnam-era an Korean-conflict veterans through program of cash incentives to employers to help them defray the costs o employing and providing training t such veterans. The VJTA Program was originally established in 1983 with the enactment of the Emergency Veterans' Job Training Act of 1983, Public Law 98-77. Made eligible for a VJTA job-training position were unemployed veterans who had served during the Korean conflict or Vietnam era and were unemployed for 15 out of the 20 weeks preceding their application and who either had more than 180 days active service or were discharged or released from service for a disability or are entitled to VA service-connected disability compensation.

The 1983 law authorized appropriations of a total of $300 million for fiscal year 1984 and 1985, $150 million of which was appropriated by the fiscal year 1984 Continuing Appropriations Act, Public Law 98-151, and the fiscal year 1984 Supplemental Appropriations Act, Public Law 98-181. Section 212 of the Veterans' Benefits Improvements Act of 1984, Public Law 98-543, extended by 5 months the original deadlines for applications and for entry into training to February 28, 1985, and September 1, 1985, respectively. This act also extended by 1 year, until the end of fiscal year 1987, the date by which the program's existing funds could be expended to assist veterans in gaining needed job training under VJTA. On September 30, 1985, with the enactment of section 4 of Public Law 99-108, the date by which a veteran could enter into training was further extended from September 1, 1985, to July 1, 1986.

On January 13, 1986, with the enactment of section 201 of the Veterans' Compensation Rate Increase and Job Training Amendments of 1985, Public Law 99-238, the program was amended to extend further the participation deadlines regarding application and entry into a training program to July 2, 1987, and January 2, 1988, respectively; to authorize a fiscal year 1986 appropriation of $65 million; to delete "Emergency" from the title of the act; to reduce, from 15-of-20 weeks to 10-of-15 weeks preceding his or her application, the period a veteran must be unemployed; and to require that contact be made with participating veterans on at least a monthly basis and that counseling services be made available to them and their employers.

VJTA has provided over 47,000 veterans with the opportunity to gain the skills and on-the-job experience needed to help them break away from sustained unemployment and build more productive lives for themselves and their families. Moreover, the benefits of VJTA extend, beyond the veterans themselves, to society in general in a number of significant ways, including reduced public assistance payments, higher revenues from increased taxable income, and greater community stability stemming from reduced unemployment.

Among the measurable benefits accruing to veterans as a result of their participation in VJTA is increased earning power. A 1985 report, carried out by Centaur Associates, Inc., entitled "Final Report: Evaluation of the Emergency Veterans' Job Training Program," found that veterans, while participating in VJTA, earn $50 more per week than veterans eligible for but who do not participate in the program and, in the year following training, about $2,200 more.

VJTA is highly popular among those employers who have provided job training programs to veterans under it. In general, according to the Centaur report, the supervisors of participating veterans rank the job performance of these veterans from good to excellent and the employers express an interest in hiring other veterans through VJTA.

In order to provide for the continuation of this job training program, and especially to make it more readily accessible to assist homeless veterans as well as those veterans with service-connected disabilities rated at 30 percent or more, section 106 of the committee bill would extend through fiscal years 1987 and 1988 the fiscal year 1986 authorization of appropriations for VJTA—$65 million, of which $35 million was appropriated for fiscal year 1986—and extend by nearly 6 months the dates governing applilcation and entry into training from July 2, 1987, to December 31, 1987, and from January 2, 1988, to June 30, 1988, respectively. With regard to the $30 million that would be authorized to be appropriated for VJTA under this provision, this funding in fiscal year 1987 would enable approximately 10,000 additional veterans to participate in VJTA training programs.

In connection with funding for VJTA, I am pleased that officials of the Department of the Treasury have recently reversed, as I had urged them to do, an earlier determination that approximately $5 million of the remaining fiscal year 1984 appropriation for VJTA—which, according to the VA, could increase to as much as $8 million by the end of fiscal year 1987 due to deobligations from veterans terminating their VJTA training—could not be spent after the end of fiscal year 1986. The Department's revised decision will allow these funds—which have now been released—to be used to provide an estimated 2,700 additional veterans the opportunity to take part in job training under VJTA through the end of fiscal year 1987.

Mr. President, I ask unanimous consent that my exchange of letters with the Secretary of the Treasury on this subject be printed in the RECORD at this point.

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, January 15, 1987.

Hon. JAMES A. BAKER III,
Secretary of the Treasury,
Washington, DC.

DEAR JIM: I am writing regarding your Department's interpretation of the statutory authority relating to the availability of certain funds appropriated to carry out the Veterans Job Training Act (VJTA).

I have recently been advised that officials in your Department have determined that the approximately $1.6 million remaining of the FY 1984 appropriation to VJTA may not be used, after the end of FY 1986, to carry out this Act. In view of the provision in section 16 of Public Law 99-238 that such funds shall remain available until September 30, 1988, I would appreciate your providing me with an explanation of the Department's position.

With warm regards,
Cordially,
ALAN CRANSTON,
Chairman.

DEPARTMENT OF THE TREASURY,
ASSISTANT SECRETARY,
Washington, February 20, 1987.

Hon. ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: On behalf of Secretary Baker, this responds to your letter of January 15, 1987, regarding the availability of funds appropriated to the Veterans' Job Training Program.

We have recently received a letter from Thomas K. Turnage, Administrator of the Veterans Administration, a copy of which is enclosed. That letter takes the position that Public Law 98-543 extended the availability of funds appropriated under the Veterans Job Training Act until September 30, 1987. After reviewing the legislative history under Public Law 98-543, Financial Management Service agrees with the VA that the funds appropriated under the Veterans Job Training Act are available until September 30, 1987.

I hope that this letter brings the matter to a satisfactory conclusion.

Sincerely,
J. MICHAEL HUDSON,
Assistant Secretary
(Legislative Affairs).

VETERANS' ADMINISTRATION,
ADMINISTRATOR OF VETERANS' AFFAIRS,
February 2, 1987.

Hon. JAMES A. BAKER III,
Secretary of the Treasury,
Washington, DC.

DEAR MR. SECRETARY: We recently have received several inquiries from veterans' service organizations, as well as the Senate and House Veterans' Affairs Committees, concerning the funding of the Veterans' Job Training Act Account, 36-6/8-0103. The specific concern expressed to the Veterans' Administration is the lack of availability of Veterans' Job Training Act (VJTA) funds appropriated by Public Law 98-151 and 98-181.

Our Agency's Director, Office of Budget and Finance, has pointed out that, in accordance with the authorization of appropriations provision enacted as section 16 of Public Law 98-77 (August 15, 1983), the aforementioned laws appropriated a total of $150 million during FY 1984 to remain available until September 30, 1986. Subsequently, however, section 16 of the VJTA was amended by section 212(b) of Public Law 98-543 (October 24, 1984) to provide that all amounts appropriated pursuant to that section shall remain available until "September 30, 1987."

I understand, nevertheless, that the Treasury Department has determined that the period of availability of use of the $150 million appropriated for the VJTA during the FY 1984 lapsed on September 30, 1986. This position apparently is based on the language of the continuing and supplemental appropriations provisions of Public Laws 98-151 and 98-181, respectively, as well as the view that such language was not affected by last year's supplemental appropriations bill (Public Law 99-349, enacted July 3, 1986) which directed that $35 million be transferred from the VA's Minor Construction Program to the VJTA, to remain available until September 30, 1988. It is not clear however, whether your department considered the amendments made by Public Law 98-543.

Our General Counsel, after having reviewed the legislative history of Public Law 98-543, has advised that the Congress, in enacting section 212(b) of that law, clearly intended that the period of availability of all funds appropriated under the VJTA be extended for an additional year, until September 30, 1987. The General Counsel points out that this is plainly reflected in the floor statement of Congressman Marvin Leath (D-TX), then Chairman of the Subcommittee on Education, Training and Employment, House Committee on Veterans' Affairs, preceding the House agreement to the Senate amendments to H.R. 5688, which reads in pertinent part as follows: "Additionally, funds appropriated for fiscal year

1984 and 1985 will be available until September 30, 1987, rather than September 30, 1986. These changes will greatly enhance the effectiveness of the EVJTA." 130 Cong. Rec. H11275 (daily ed. October 5, 1984). Please see, also, 130 Cong. Rec. S13879 (daily ed. October 9, 1984) (expression of the same intent in the explanatory statement of compromise agreement on H.R. 5688, the Veterans' Benefits Improvement Act of 1984).

In view of the above, we request that the Treasury Department reconsider its position in this matter and advise us accordingly. To facilitate your review, we are enclosing copies of the pertinent statutory provisions and legislative history referenced above.

Your prompt consideration of this request will be most appreciated.

Sincerely,

THOMAS K. TURNAGE,
Administrator.

Mr. CRANSTON. As part of its program to deal with the problem of homelessness among our Nation's veterans, the committee bill includes provisions to amend VJTA so that it can help alleviate the serious problem of joblessness among homeless veterans. In this regard, I believe that, as is the case with the general population of homeless persons, three major underlying causes of veterans' homelessness need to be dealt with—substance abuse, chronic mental illness, and unemployment.

During the past 6 months, the Congress has addressed two of these causes. In section 4002 of the Anti-Drug Abuse Act of 1986, Public Law 99-570, Congress provided a $10.4 million increase in funding for the VA's drug and alcohol treatment programs, and in section 2 of Public Law 100-6, which transferred $50 million to the Emergency Food and Shelter Program, the Congress enacted a $5 million fiscal year 1987 initiative for providing contract community-based residential treatment programs to certain veterans, including those who are homeless, suffering from chronic mental illness disabilities. As discussed above with respect to section 105 of the committee bill, the committee bill proposes to build on the latter initiative by extending the contract authority indefinitely and providing for its utilization through the end of fiscal year 1989 in a pilot program to care for homeless veterans, for which $10 million could be expended in each of fiscal years 1988 and 1989.

As a complementary part of this effort to reduce homelessness among veterans, section 106 of the committee bill would waive for homeless veterans the requirement under current law that VJTA participants be unemployed 10 of the 15 weeks preceding application to the program. This provision reflects the belief that every reasonable opportunity should be afforded homeless veterans to help them return to the mainstream of American life. Waiving the unemployment criterion should provide an opportunity for homeless veterans to receive vitally needed job training through gainful employment.

Section 106 would also waive the 10-of-15-week unemployment requirement under VJTA for 30 percent or more service-connected disabled veterans who as a group experience significantly higher rates of unemployment than nondisabled veterans. This proposed change reflects the committee's deep concern over the high rate of joblessness among seriously disabled veterans. Extending eligibility without regard to length of unemployment to service-connected disabled veterans with disability ratings of 30 percent or more is consistent with the committee's actions over the years to recognize the special needs of these veterans and to help enable them to gain economic independence. As part of that effort, under section 5(c) of VJTA, employers may receive payments to defray the costs of providing training up to 15 months for veterans with service-connected disabilities rated 30 percent or more as compared to 9 months for other veterans. Likewise, the needs of veterans with service-connected disabilities rated 30 percent or more also receive special attention through the disabled veterans' Outreach Program and the local veterans' employment representative program under chapter 41 of title 38, "Job Counseling, Training, and Placement Services for Veterans," and through the affirmative action activities required by Federal contractors under chapter 42, "Employment and Training of Disabled and Vietnam-Era Veterans."' Special recognition is also afforded this category of severely disabled veterans in the veterans small business loan program—authorized although not implemented—under chapter 37, "Housing and Small Business Loans."

Waiving the 10-of-15-week unemployment requirement for this same category of seriously disabled veterans would enhance their opportunities for accelerated placement in VJTA training programs, which are designed to lead to permanent employment.

Mr. President, a new section 107 would be added to the bill by the Cranston-Murkowski amendment in order to require the VA, unless impracticable to do so, to establish 50 new domiciliary-care beds using underutilized space in VA facilities. I will describe this provision in more detail shortly.

TITLE II—ONE-YEAR POSTPONEMENT REGARDING VET CENTER TRANSITION

POSTPONEMENT OF TRANSITION PERIOD FOR READJUSTMENT COUNSELING PROGRAM AND DUE DATE FOR PTSD/OTHER PSYCHOLOGICAL PROBLEMS INTERIM REPORT

Mr. President, section 201 of the committee bill, which is substantively identical to the text of S. 279 and would generally have the same effect as section 4(b) of S. 6, would provide for a 1-year postponement, from October 1, 1987, to October 1, 1988, of the date by which the VA's readjustment counseling program for Vietnam-era veterans is to begin a 2-year transition from being a program providing counseling services primarily through vet centers, which are facilities—often located in community storefront locations or in dwellings—situated apart from the VA's general health-care facilities, to being a program providing such services primarily through the VA's general health-care facilities. Section 201 would also provide for corresponding postponements of the due dates of three reports on the transition process and also a 1-year postponement—from October 1, 1986, to October 1, 1987—in the due date of a study of the prevalence and incidence of posttraumatic stress disorder and other psychological problems in readjusting to civilian life among Vietnam veterans.

Public Law 96-22, the Veterans' Health Care Amendments of 1979, required the VA to provide readjustment counseling to Vietnam-era veterans. This enactment came only after the Senate had five times passed legislation I had authored to set up such a program. Under that law, eligible veterans had 2 years from the date of their discharge or, for those discharged prior to 1979—the vast majority of Vietnam-era veterans—2 years from the October 1, 1979, effective date of that law, that is, until September 30, 1981, to request readjustment counseling from the VA.

In 1981, Public Law 97-72 extended the period of eligibility to request readjustment counseling by 3 years, until September 30, 1984. That law also mandated the VA to take such steps, beginning on September 30, 1983, and ending on September 30, 1984, the new eligibility expiration date, as necessary to accomplish a transition in the Readjustment Counseling Program from one providing counseling and other services primarily through vet centers—which, as was noted above, are facilities situated apart from traditional VA health-care facilities—to a program providing such services primarily through traditional VA health-care facilities. The VA was also mandated to submit a report to Congress by April 1, 1984, on its plans in that regard. This transition process was mandated in order to ensure that there would be an ongoing capacity within the VA to provide the mandated readjustment counseling services to those veterans who had requested such services prior to the expiration date, and thus were eligible to complete necessary counseling.

Public Law 98-160, enacted in 1983, made the eligiblity for readjustment counseling permanent and postponed the deadline for beginning the program transition to October 1, 1987, and the deadline for the transition report until July 1, 1987. In addition, that law required the VA to conduct a study—and to submit to the committees on Veterans' Affairs a report thereon by October 1, 1986—of the prevalence and incidence of posttraumatic stress disorder and other psychological problems in readjusting to civilian life among Vietnam veterans. The Administrator was also mandated to submit a report by April 1, 1987, evaluating the effectiveness of the readjustment counseling program and providing the Administrator's recommendations for the future of the program. The Administrator was also required in that report to give particular attention, in light of the results of the PTSD/other postwar psychological problems study, to the provision of readjustment counseling and related mental health services to veterans with PTSD and to the diagnosis of and treatment of PTSD.

Finally, Public Law 99-576, enacted in 1986, extended the deadline for completing the program transition by 1 year, until October 1, 1989, and provided that the transition take place in an "orderly and gradual" manner over the course of 2 years, rather than 1 year. That law also modified the April 1, 1987, and July 1, 1987, reports, described above, to require that the Administrator take into account so much of the PTSD/other-postwar-psychological problems study results as were available at the time the reports were to be submitted, and mandated a third report, due by February 1, 1989, on the results of the first year of the transition.

Thus, as a result of these various laws, there are a number of milestones in current law which are related to a process whereby the existing readjustment counseling program is scheduled to undergo a 2-year transition beginning October 1, 1987, from a program providing services primarily through the vet centers to a program providing such services primarily through general VA health-care facilities, such as medical centers and outpatient clinics. The "primarily" criterion has been construed by the VA's general counsel—in a white paper prepared last year—to require that by the end of the transition period a majority of readjustment counseling programs must be operated at traditional VA facilities. Our committee agrees with this interpretation.

Mr. President, as was noted above, the first of the milestones relating to the transition was October 1, 1986, the date by which the Administration of Veterans' Affairs was required to submit to the two Veterans' Affairs Committees a report on the results of the PTSD/other-postwar-psychological-problems study. As was also noted, following that report, and taking the results of the study into consideration, the Administrator is requried under current law to submit two additional reports before the transition period begins.

The first of these—the one which is due on April 1, 1987—is required to set forth the Administrator's evaluation of the VA's effectiveness in helping to meet the readjustment needs of Vietnam-era veterans and the Administrator's opinion on the extent to which the readjustment needs of Vietnam-era veterans remain unmet and the extent to which facilities situated apart from VA health-care facilities—vet centers—are needed to meet that need and, if so, whether there should be some modification of the transition period requirement. The second report—the one due on July 1, 1987—must set forth the Administrator's plan for accomplishing the transition during fiscal years 1988 and 1989. Also, as just noted, as a result of a provision in Public Law 99-576, there is a requirement for a third, midtransition report, due under current law by February 1, 1989, on the experience of the VA during the first year of the transition.

This approach of a comprehensive study together with sequenced reports was designed to enable the Congress to make informed decisions about the future of the readjustment counseling program, including the nature and timing of its integration into other VA health-care facilities. However, in a May 12, 1986, letter transmitting proposed legislation to the Congress, the VA noted that the private contractors who are carrying out the PTSD/other-postwar-psychological-problems study "have experienced delays in the study's design and initiation." In view of those delays, the VA proposed moving the due date for the report on the study back 1 year, to October 1, 1987.

Since the time of that initial notification of problems with the study's progress, it has become apparent that the study timetable has become seriously disrupted.

In May 1986, committee staff met with representatives of the VA and the study contractor, Research Triangle Institute, Inc., of North Carolina, to review various problems and allegations that had arisen about the scope and conduct of the study. Thereafter, on June 6, the chairmen and ranking minority members of both the House and Senate Committees on Veterans' Affairs wrote to the Office of Technology Assessment asking OTA to convene a panel to review the situation and make recommendations. OTA did so and on September 5 issued a report to the committees recommending some major alterations in the study personnel and the VA's supervisory relationship to the study. On November 24, 1986, the VA responded to the OTA recommendations and, late December, committee staff met with the VA, OTA, and representatives of the contractor. From the VA's reply and the followup meeting, it appears that the VA is making a bona fide effort to put the study back on track and to complete it swiftly. According to the contractor, the interim study report will be submitted approximately a year late, on October 1 of this year, and the final report, by December 31, 1988. The VA has recently confirmed this timetable in its March 24, 1987, agency report on S. 6.

As is set forth in the committee report, because the committee continues to consider the PTSD/other-postwar-psychological-problems study important and relevant to the potential needs of Vietnam-era veterans for readjustment counseling and related services, the committee believes that, as originally conceived, it should be considered in the planning for and conduct of the transition for the vet center program. I concur in that assessment completely.

Thus, Mr. President, section 201 of the committee bill includes provisions that would delay the start of the 2-year transition period by 1 year, until October 1, 1988. In addition, the committee bill would extend for a similar period the due date of the four required reports described above. These changes, if enacted, will reestablish the order and relationship between the PTSD/other-postwar-psychological-problems study and the transition process and thereby provide the Congress with appropriate information that can be taken into account in oversight activity related to the transition and in connection with any legislation relating to the transition.

I note that, during the February 18 hearing, the Administrator of Veteran's Affairs, Tom Turnage, testified that the administration does not object to the enactment of these provisions postponing the vet center transition and the various related reports due dates and that representatives of the veterans' service organizations either supported or did not object to the postponements. Moreover, the Administrator agreed to hold up on submitting the April 1 and July 1 reports in view of the committee's intention to report legislation delaying that report for a year.

TITLE III—TECHNICAL AMENDMENT

Mr. President, the Cranston-Murkowski amendment adds a technical amendment regarding the VA's State home construction grant authority. I will describe this technical amendment in describing the compromise amendment.

CRANSTON-MURKOWSKI AMENDMENT

Mr. President, as I noted at the outset, the committee bill will be amended by an amendment that Senator MURKOWSKI and I have worked out which resolves the differences we had at the time of the committee's markup on February 10.

The substantive changes that our amendment would make in the committee bill are as follows:

First, instead of authorizing the VA to "transfer for no or nominal consideration" postforeclosure acquired dwellings for use as shelters, the compromise would authorize the VA to "sell" such dwellings for "such consideration" as the VA determines to be in the best interests of the Government, the loan guaranty program, and the solvency of the revolving fund. In light of this change, the compromise deletes the provisions requiring that a property must have been in the VA's inventory for 12 months and prescribing a formula for determining whether the likely sale price on the open market would be less than the cost to the VA of maintaining and disposing of the property. It is intended, however, that those properties would still be the primary focus of this provision. In addition, because the measure as amended contemplates a true marketplace sale of the property, the provision in the committee bill giving the Government a right of reverter in the case of a nonconforming use is deleted.

I want to clarify, however, that the amended provision leaves the decision about the appropriate selling price to the Administrator based on the VA's assessment of what would be in the best interests of the Government, the loan program and its revolving fund's solvency. Hence, the VA could certainly decide to sell a dwelling for less than its book value and set a price that is generally in the best interests of the Government in consideration of all factors including, of course, the carrying costs for the property for as long as the Administrator estimates it would otherwise continue in the VA's inventory as well as the costs of ultimately selling the property commercially.

Second, in an attempt to promote the sale or lease of appropriate property that might be used as shelters, the VA would be required to notify the types of organizations to which such dwellings could be sold and to which underutilized other VA facilities could be leased for use as shelters of the potential availability of the dwellings or facilities for such sale or lease.

Third, also in order to promote the sale of appropriate dwellings for use as shelters, the VA, within 30 days after the date of enactment, would be required to complete an evaluation of the houses which it has had in its inventory for over a year and which are located in areas where there are significant numbers of homeless veterans.

Fourth, in order that the Congress can evaluate the impact of these "shelter" provisions on the problems of homelessness among veterans, two reports to the Congress would be required on the experience under these provisions—an interim report on February 1, 1988, and a final report on February 1, 1989, 8 months before the program expires.

Fifth, except to the extent that the Administrator determines that it is impractical to do so, the VA would be required—by a new section 107 added to the bill—not later than January 1, 1988, to convert underutilized space in VA facilities located in areas with significant populations of homeless veterans to 500 domiciliary beds to care for veterans in need of domiciliary care, primarily those who are homeless. A determination of impracticality of a conversion in any specific area may be based on a finding that appropriate underutilized space is not available or that there are too few homeless veterans in that area who are in need of domiciliary care to warrant the conversions. In making the conversions under this provision, the VA would be precluded from diminishing the conversion of its hospital-care beds to nursing-home-care beds.

Sixth, the amendment would add a new title III to make a correction in provisions enacted in the Veterans' Benefits Improvement and Health-Care Authorization Act of 1986, Public Law 99-576, requiring the prioritization of State veterans' home construction grants effective with respect to fiscal year 1988 grants, to reinstate for the last quarter of fiscal year 1987 the existing authority to make grants on a so-called first-in/first-out basis. The repeal of the authority to make grants for this fourth quarter was inadvertent.

Mr. President, with reference to this last provision relating to the State veterans' home grant program, I ask unanimous consent that there appear at this point in the RECORD the text of a March 24, 1987, letter to me from VA Administrator Tom Turnage and an opinion by the VA's general counsel which discuss the need for this corrective legislation.

VETERANS' ADMINISTRATION,
Washington, DC, March 24, 1987.

Hon. ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Section 224 of Public Law 99-576 changes the method by which the VA will award State home construction grants and becomes effective July 1, 1987.

The agency has been preparing regulations to implement section 224 of the new law; unfortunately, that process proved more complex than we had initially anticipated, and we can no longer project publication of final regulations by April 1, 1987. We do plan to furnish advance copies of our proposed regulations to the States as soon as possible, and expect to establish the priority list for funding State home construction projects as of July 1, 1987, consistent with the requirements of Public Law 99-576.

Finally, we would call to your attention an issue that has been raised by our General Counsel. In responding to our request for an opinion regarding certain provisions of the new law, the General Counsel advised, in the enclosed opinion, that under the terms of section 224 of Public Law 99-576 there is no provision to award construction grants between July 1 and September 30, 1987. I believe it important to call this point to your attention because it could have serious implications for States that have been notified of the availability of Federal funds and expect a grant after July 1, 1987. We are exploring options to resolve this difficulty before July 1, 1987.

Sincerely,

THOMAS K. TURNAGE,
Administrator.

[Memorandum]

VETERANS' ADMINISTRATION,
January 5, 1987.

From: Assistant General Counsel (023).

Subject: Public Law 99-576—Revision of State Home Grant Program.

To: Chief Medical Director (181).

1. We have reviewed your request for our interpretation of section 224 of Public Law 99-576. This section revises provisions of law governing the State veterans home grant program in a manner clearly intended to eliminate the VA's current practice of awarding grants on a "first come, first served" basis. Explanatory Statement on the Proposed Compromise Agreement on H.R. 5299, the Proposed "Veterans' Benefits Improvement and Health-Care Authorization Act of 1986, 132 Cong. Rec. S15,593, S15,597 (daily ed. Oct. 8, 1986). Instead, the Administrator would be required to award grants according to a prioritized list of grant applications established as of July 1 of each year. This list would then be used to award grants for the fiscal year beginning on October 1 of the calendar year in which the list was made. The Administrator must promulgate regulations to implement this new procedure by April 1, 1987. The first priority list must be issued July 1, 1987. We answer your specific questions below.

2. Question: a(1). Is the VA required to prioritize applications only after Title 38, USC, Section 5034 requirements are met?

Answer: No. The Administrator may not wait to prioritize applications until all section 5034 requirements are met. Instead, the Administrator is required to prioritize all applications submitted under section 5035(a) whether or not they meet the section 5034 requirements.

Explanation: Effective July 1, 1987, 38 U.S.C. § 5035(b)(1) shall provide:

Upon receipt of an application for a grant under subsection (a) of this section, the Administrator—

(A) shall determine whether the application meets the requirements of this section and of the regulations prescribed under section 5034 of this title;

(B) shall notify the State submitting the application whether the application conforms with those requirements and, if it does not, of the actions necessary to bring the application into conformance with those requirements; and

(C) shall determine the priority of the project described in the application in accordance with the provisions of this subsection.

After according priority to each project, "[t]he Administrator shall establish a list of approved projects, in the order of their priority, as of July 1, of each year." 38 U.S.C. § 5035(b)(4), as amended by Public Law 99-576. "[T]he meaning of a statute must, in the first instance, be sought in the language in which the act is framed * * *" *Caminetti* v. *United States*, 242 U.S. 470, 485 (1917). "Where the language is plain and admits of no more than one meaning the duty of interpretation does not arise and the rules which are to aid doubtful meanings need no discussion." Id. In our opinion, section 5035(b), as amended by Public Law 99-576, is clear on its face that the project described in an "application for a grant under [section 5035(a)]" is to be prioritized upon receipt. According to section 5035(a), a State's application for a grant shall set forth:

(1) the amount of the grant requested with respect to such project which may not exceed 65 percent of the estimated cost of construction (or the estimated cost of facility acquisition and construction) of such project,

(2) a description of the site for such project,

(3) plans and specifications for such project in accordance with regulations prescribed by the Administrator pursuant to section 5034(2) of this title,

(4) reasonable assurance that upon completion of such project the facilities will be used principally to furnish to veterans the level of care for which such application is made and that not more than 25 percent of the bed occupancy at any one time will consist of patients who are not receiving such level of care as veterans,

(5) reasonable assurance that title to such site is or will be vested solely in the applicant, a State home, or another agency or instrumentality of the State,

(6) reasonable assurance that adequate financial support will be available for the construction of the project (or for facility acquisition and construction of the project) by July 1 of the fiscal year for which the applicaiton is approved and for its maintenance and operation when complete,

(7) reasonable assurance that the State will make such reports in such form and containing such information as the Administrator may from time to time reasonably require, and give the Administrator, upon demand, access to the records upon which such information is based,

(8) reasonable assurance that the rates of pay for laborers and mechanics engaged in construction of the project will be not less than the prevailing local wage rates for similar work as determined in accordance with the Act of March 3, 1931 (40 U.S.C. 276a-276a-5) (known as the Davis-Bacon Act), and

(9) in the case of a project for acquisition of a facility, reasonable assurance that the estimated total cost of acquisition of the facility and of any expansion, remodeling, and alteration of the acquired facility will not be greater than the estimated cost of construction of an equivalent new facility.

To meet these requirements, a State has to develop plans and specifications for the proposed project which comply with the regulations at 38 C.F.R. § 17.177 (1986). 38 U.S.C. § 5035(a)(3). This regulation sets forth detailed requirements for plans and specifications and also requires the submission of bid tabulations. 38 C.F.R. § 17.177(v) (1986). Thus, in order to submit a complete section 5035(a) application, a State must essentially finish the planning stage of its project at its own expense up to the point where it is ready to contract with one of the bidders. We believe that few States would be willing to do all this at their own expense without some indication of their project's placement on the priority list. Section 5035(b)(1), as enacted by Public Law 99-576, however, does not require the Administrator to wait for the State to submit a complete application meeting in full all the requirements of section 5035(a) before including the application's project on the July 1 priority list. According to this section, which becomes effective July 1, 1987, the Administrator shall determine the priority of the project described in the application upon receipt of an application under section 5035(a). At the same time, the Administrator shall notify the State submitting the application whether the application conforms with VA requirements and, if it does not, of the actions necessary to bring the application into conformance with those requirements. In our opinion, therefore, an application submitted under section 5035(a) may be prioritized even though the Administrator has notified the State that it does not meet in full the requirements of section 5035(a) and implementing regulations.

Some applications may be received, however, which are so lacking in information as to be impossible to prioritize. The Administrator is not without authority, in our view, to deal with such a situation. In construing a grant of power to an administrative agency, it is a general principle of law that "where the end is required, the appropriate means are given." *United States* v. *Bailey*, 34 U.S. (9 Pet.) 238, 251 (1835). Every grant of power carries with it the use of necessary means for its effective execution. *American Trucking Association* v. *United States*, 344 U.S. 298, 308-13 (1952). Based on the above long-standing principles of administrative law and the express authority in section 230(f) of Public Law 99-576 to promulgate regulations to implement the new State home provisions, we believe the law confers on the Administrator sufficient authority to permit him to establish a minimum necessary level of information that must be in the section 5035(a) application describing the project before the Administrator will prioritize the project. The Administrator need not prioritize projects described in section 5035(a) applications which lack the necessary information.

3. Question a(2): If so, and there are no approved applications by July 1, 1988, does the law provide any options for operating under the existing procedures?

Answer: No.

Explanation: First, we note that, as explained above, the Administrator must prioritize all projects adequately described in applications submitted under section 5035(a) and not just those that meet all the requirements for VA approval. We thus believe that there will be sufficient applications received by VA to establish a priority list on July 1, 1987, which is the date on which the Administrator must establish the first priority list. See Veterans Benefits Improvement and Health-Care Authorization Act of 1986, § 224(e), Pub. L. No. 99-576 (1986). We believe the drafters of this provision had the same belief because, as noted below, the law makes no specific provision for the situation you posit.

Assuming, however, that VA has no applications with which to establish a July 1 priority list, the law does not permit VA to use an alternate procedure. Effective July 1, 1987, section 224 of Public Law 99-576 replaces the current State home grant approval procedures in 38 U.S.C. § 5035(b) with procedures requiring prioritization of grant projects. By removing the current procedures from title 38, United States Code, the law in effect prohibits VA from using them after July 1, 1987. Moreover, the law includes neither a "grandfather" clause for the applications currently filed with the VA but not approved before July 1, 1987, nor interim procedures for approving projects.

Moreover, because the law provides for no alternate procedure for approving applications after July 1, 1987, and because projects on the July 1, 1987, list may not be approved until October 1, 1987, we find no basis for approving State home grant applications from July 1 to October 1, 1987.

4. Question b. Does the VA have the flexibility to prioritize preapplications pending approval?

Answer: Yes.

Explanation: Although there is no statutory provision which requires a preapplication, existing regulations provide that a state desiring a State home grant must submit a "preapplication" to the VA. 38 C.F.R. § 17.173(a) (1986); OMB Circular A-102, Attachment M, para. 2a. The preapplication "is used to (1) establish communication between the Federal grantor agency and the applicant; (2) determine the applicant's eligibility; (3) determine how well the project can compete with similar applications from others; and (4) eliminate any proposals which have little or no chance for Federal funding before applicants incur significant expenditures for preparing an application." OMB Circular A-102, Attachment M, para. 2a. Preapplications for State home grants are not required to include as much information as an application submitted under section 5035(a). They thus normally cannot be considered to be "applications" submitted under section 5035(a) which must be included in the priority list. We find nothing in Public Law 99-576 or any other law, however, that would prevent VA from establishing a separate list of projects described in preapplications which have been submitted to VA.

5. Question c. Does the new language include all types of renovation projects in the prioritization, or will the priority list be limited to nursing home and domiciliary bed producing projects?

Answer: The priority list should not be limited to nursing home and domiciliary bed producing projects but should include all projects described in State home grant applications submitted under section 5035(a).

Explanation: Effective July 1, 1987, the Administrator is required to prioritize all projects described in State home grant applications submitted under 38 U.S.C. § 5035(a). 38 U.S.C. § 5035(b)(1)(C), as enacted by section 224 of Public Law 99-576. Section 5035(a) provides that states requesting grant assistance "for a project for construction of State home facilities" (or acquisition) must submit to the Administrator an application which meets the requirements of that subsection (emphasis added). The term "construction" for purposes of State home grants includes more than just projects that increase the number of nursing home and domiciliary beds. In 38 U.S.C. § 5031(c), the term "construction" is defined as "the construction of new domiciliary or nursing home buildings, the expansion, remodeling, or alteration of existing buildings for the provision of domiciliary, nursing home, or hospital care in State homes, and the provision of initial equipment for any such buildings." So, the term "construction," as used in section 5035(a), includes expansion, remodeling, and alteration projects whether or not they increase the number of beds. In addition, the requirement in new section 5035(b)(3) that the Administrator "shall accord priority [using the criteria in section 5035(b)(2)] only to projects which involve construction or acquisition of either nursing home or domiciliary buildings" requires the Administrator to prioritize expansion, remodeling, and alteration projects using the specified criteria whether or not they result in new domiciliary or nursing home beds.

In addition, we note that section 5035(b)(3), as enacted by section 224 of Public Law 99-576, permits the Administrator to accord priorities using the criteria listed in section 5035(b)(2) only to nursing home and domiciliary projects. That section also provides that "the Administrator . . . may not, in according priorities using the criteria listed in section 5035(b)(2), accord any priority to a project which would expand a State's capacity to furnish hospital care in a State home." 38 U.S.C. § 5035(b)(3)(B), as enacted by section 224 of Public Law 99-576. Applications for projects to expand a State's capacity to furnish hospital care, therefore, must be ranked at the bottom of the priority list and may not be approved unless all applications for nursing home and domiciliary projects have been approved. The law does not specify, however, the criteria which the Administrator shall use in ranking hospital projects except that the section 5035(b)(2) criteria may not be used. As noted previously, the law requires the Administrator to prioritize all projects for which an application has been submitted from section 5035(a). In authorizing the Administrator to prioritize projects, therefore, the law grants the Administrator the means to do so which includes establishing criteria for prioritizing hospital projects which do not expand a State's capacity to furnish hospital care.

We note that the law does not specifically state where hospital projects which do not expand a State's capacity to furnish hospital care are to be ranked in relation to nursing home and domiciliary projects and projects which expand hospital capacity. According to a longstanding rule of statutory construction, the enumeration of specific items implies the exclusion of all others, expressio unius et exclusio alterius. *Smith* v. *Stevens*, 77 U.S. 321, 326-327 (1879); *United States* v. *Acquino*, 338 F. Supp. 1080, 1082-1083 (E.D. Mich. 1972). Applying this rule, we must interpret the law's specific enumeration of only hospital capacity expansion projects as those projects to which a "no priority" ranking should be given as meaning that such rank should be given to no other type of project. Hospital projects which do not expand capacity must, therefore, be prioritized ahead of hospital capacity expansion projects. Moreover, because the new provisions dictate that projects for nursing home and domiciliary care must be accorded priority, hospital projects cannot be ranked ahead of them. By default, therefore, hospital projects which do not expand capacity must be ranked on the priority list between the nursing home and domiciliary projects and the hospital capacity expansion projects.

6. Question d. Can the "need" for a construction grant project be interpreted as VA's determination of need for the project (as opposed to relying on the State's determination of need)?

Answer: Yes.

Explanation: Effective July 1, 1987, the Administrator shall prioritize State home projects according to criteria established by law and regulations. 38 U.S.C. § 5035(b)(1)(C), as enacted by section 224 of Public Law 99-576. The law does not require VA to assign a priority based expressly on the "need" for a specific project. The Administrator, however, could establish such a criterion pursuant to section 5035(b)(2)(D), as enacted by section 224 of Public Law 99-576. The criterion established by the statute which discusses "need" refers to the "need" for nursing home or domiciliary beds in a State and not the "need" for a particular grant project. 38 U.S.C. § 5035(b)(2)(C), as enacted by section 224 of Public Law 99-576. That provision specifies that the Administrator (and not a State) is to establish the criteria and procedures by which to determine whether the State's need for nursing home or domiciliary beds is greater than other States. The Administrator does not have to rely on a State's determination of its need for nursing home and domiciliary beds.

Moreover, as a practical matter, we see no way for the Administrator to rely on a State's determination of its need for beds as opposed to another State's need. Each State would probably have different methods of comparing bed needs.

7. Question e. If the VA begins prioritizing construction grant projects on July 1, 1987, would projects scheduled for funding in Fiscal Year 1987 be exempt from the required prioritization?

Answer: Applications scheduled for funding in fiscal year 1987 which have not been approved by July 1, 1987, are not exempt from prioritization.

Explanation: As explained above, the Administrator's authority to approve State home grant applications will, by force of law, have changed significantly effective July 1, 1987. With the change, the Administrator will no longer have authority to approve grant applications under the existing "first come-first served" system. Instead, the Administrator will be required to establish a priority list on July 1, 1987, and may not approve applications for projects on that list until October 1, 1987. Thus, projects scheduled for funding in fiscal year 1987 must be prioritized on the July 1, 1987, list unless they have been funded by that date.

8. We hope the above has been helpful. We will be pleased to continue working closely with your staff to asssist in implementing these statutory changes.

DONALD L. IVERS.

Mr. CRANSTON. Mr. President, the various changes to be made to the committee bill by our amendment have made it possible for us to move forward in bipartisan fashion on the bill, and I am most grateful to Senator MURKOWSKI for his cooperation and assistance as we have worked to develop this amendment. I remain convinced, as I have been over the many years of my service on the Veterans' Affairs Committee, that our committee is most effective when we are able to work in a bipartisan manner and this amendment is the latest demonstration of that approach.

COST ESTIMATE

Mr. President, the Congressional Budget Office estimated the cost of S. 477 as reported at $10 million in fiscal year 1988, $34 million in fiscal year 1989, and $7 million in fiscal year 1990. These costs, according to CBO, are attributable to the pilot program on community-based residential care for homeless veterans suffering from chronic mental illness disabilities and to the extension of the authorization of appropriations for the Veterans Job Training Act.

CONCLUSION

Mr. President, it has been a pleasure to work with Senator MURKOWSKI and all the members of the committee in the development of this legislation to address the needs of homeless veterans and their families. Homelessness, especially homelessness among those who answered our Nation's call during its hours of need, is a very tragic problem that deserves our immediate attention. I am very pleased with our committee's prompt action and look forward to having the provisions of this measure also included in S. 809 once that measure is ready to move forward in the near future.

Mr. President, I note the contributions of, and thank, the committee staff members who have worked on this legislation—Lisa Moore, Cathy McTighe, Chris Yoder, Tony Principi, Susan Theroux, Laura Stepovich, and Anne Patterson on the minority staff; Roy Smith, who so ably provides editorial support to the committee; and, on the majority staff, George Bentley, Darryl Kehrer, Nancy Billica, Jennifer McCarthy, Bill Brew, Ed Scott, Jon Steinberg, Charlotte Hughes, Loretta McMillan, Ingrid Post, Daphne Howard, and Claudia Kashin.

I believe that S. 477 as reported and as amended today by our floor amendment today is a measured and appropriate response to the problem of homelessness among our Nation's veterans and, if enacted, will be of substantial help in addressing this very critical problem. I urge my colleagues to give this measure their full support.

Mr. President, I am delighted to urge our colleagues to give their unanimous approval to the pending measure, the proposed Homeless Veterans Assistance Act of 1987.

Mr. MURKOWSKI. Mr. President, as ranking minority member of the Veterans' Affairs Committee, I rise in support of the amendment to S. 477, the proposed Homeless Veterans' Assistance Act of 1987. I am pleased that Senator CRANSTON, the distinguished chairman of the committee, and I were able to reach an agreement on this important legislation. I applaud his commitment to this effort and thank our staffs for their hard work on this bill.

The Veterans' Administration [VA] has contributed significantly to meeting the needs of veterans—many of whom are disabled, aged, or poor. The VA—through its $27 billion annual budget—has a well established and comprehensive medical care and benefits system which provides compensation to veterans who are disabled in service and pension to veterans who are elderly or disabled. Additional benefits include education, job training, vocational rehabilitation and counseling, and home loan guarantees to assist veterans in buying a home. The VA's medical care system—the largest in the country—provides free hospital, nursing home, and domiciliary care to, among others, those who can't afford to pay for their health care services. The VA has contributed a great deal to the prevention of homelessness. I commend its diligent efforts in this regard.

The issue of homelessness is a troubling one. There are no easy answers to address the many complexities surrounding this issue. Homeless individuals often suffer from chronic mental illness, alcohol and drug abuse problems, or are without jobs. Because of these factors, homeless individuals need more than a roof over their heads. Medical treatment, counseling, vocational or job training are but a few of the support services which are vital if the individual is to overcome the problems which contributed to his or her homeless status.

In that regard, I am pleased that Public Law 100-6 includes a provision, which I authored, to provide $5 million for community-based psychiatric residential care for chronically mentally ill homeless veterans. This is an important first step in efforts to be responsive to the needs of this population.

In addition to the aforementioned legislation on behalf of homeless veterans, Senator Cranston introduced and the committee received testimony on S. 477. Because of the many concerns raised during those hearings, I, along with Senators Simpson, Thurmond, and Stafford were unable to support S. 477 during the committee's February 26 markup. Although I was supportive of the goals of S. 477, I felt the approach was unwise, counterproductive to the medical care and shelter needs of homeless veterans, and involved substantial risks to the integrity of the VA Home Loan Program.

Thus, I offered an amendment, during the committee's markup, to delete the objectionable provisions of the bill and to, among other things, provide for the expansion of the VA's domiciliary program. The amendment would have authorized an additional 1,100 domiciliary beds through new construction and conversion of existing VA space. Due to the majority's opposition to my amendment, it was tabled in committee.

It is important to make clear why I opposed S. 477. Specifically, I strongly objected to a provision which would authorize the VA to transfer at no cost, VA properties, acquired through foreclosures of homes financed by VA guaranteed loans, to groups for the purpose of providing shelter to homeless veterans. I strongly believe that from a medical perspective, homeless veterans—many with mental illness and substance abuse problems—should not be placed in an unstructured environment and unsupervised residences. Also, such a proposal would threaten the viability and integrity of one of the most important VA programs—the VA Home Loan Guaranty Program. We should be taking steps to shore up a financially weakened program, not adding to its insolvent and perilous state. The VA does not have sufficient resources to adequately manage the current workload let alone additional burdens which will do little if anything to assist homeless veterans. The additional reasons for my opposition to that provision were articulated in the minority views which were submitted by myself and Senators Simpson, Thurmond, and Stafford, and accompanied the report on S. 477.

Since that time, Senator Cranston and I were able to reach a compromise agreement on the legislation. I join with Senator Cranston in offering this amendment to delete the language of the bill which authorizes the VA to transfer, at no cost, properties for use as homeless shelters. Instead, the amendment includes provisions which would, in part, require the Administrator to: One, evaluate properties in the VA's inventory where substantial numbers of homeless veterans are located to determine which properties might be appropriate to sell; two, notify entities who may be interested in purchasing such property for use as shelters for homeless veterans; and three, sell such properties to such entities, for a price determined by the Administrator to be in the best interest of the Government, the VA Loan Guaranty Program, the loan guaranty revolving fund, and which would not be disadvantageous to the veteran in default. This compromise is premised on my clear understanding that properties will not be sold at a price below market value, unless in accordance with VA current practice to move hard-to-sell properties at auctions or with a discount to enhance their marketability.

I am most pleased that the amendment includes a provision, modeled after a provision included in my amendment to S. 477, which I offered at the committee's markup on S. 477 which would require the Administrator to convert underutilized space located in VA facilities to 500 domiciliary care beds by January 1, 1988. As I have previously stated, I believe it is wise to use the VA's existing infrastructure to address the needs of homeless veterans. This farsighted approach is appropriate because in the domiciliary setting the many needs of veterans are met which include medical treatment, rehabilitation, and counseling. I am disappointed, however, that an agreement could not have been reached to add more beds to the domiciliary program through construction or conversion of underutilized acute care beds. This would have been a more concrete step to aid homeless veterans.

There were certain other provisions of S. 477, as reported, which I opposed. Changes have been made to those sections which I believe address some of my concerns. These modifications remove some of the administrative burdens and expenses associated with the extensive reporting requirements Although I still have serious reservations regarding sections 102, 104, and 106, I have not allowed my objections to impede our progress in reaching a compromise on this legislation and of the need to address the plight of the homeless veterans.

Relative to the pilot program, I wish to emphasize that the VA shall only facilitate the efforts of VA employees to volunteer to assist the homeless to that extent that it does not interfere with their assigned responsibilities. Further, these volunteer efforts shall take place only during off-duty hours and regular lunch periods. In agreeing to this provision, I do not mean to imply that VA employees are not already participating in volunteer efforts. Volunteerism is an integral part of the VA system, and VA employees are the cornerstone of this effort. It does not have to be legislated.

Again, this is a reasonable amendment and it adequately addresses my many concerns relative to the Home Loan Guaranty Program. I urge my colleagues to join with Senator Cranston and me to ensure Senate passage of this important measure.

Mr. President, I ask unanimous consent that the minority views of myself, Senators Simpson, Thurmond, and Stafford be printed in the Record.

There being no objection, the statement were ordered to be printed in the Record, as follows:

Minority Views of Senators Frank H. Murkowski, Alan K. Simpson, Strom Thurmond, and Robert T. Stafford on S. 477, the Proposed "Homeless Veterans' Assistance Act of 1987"

S. 477, as reported by the Committee, attempts to solve some of the problems of homeless veterans. We believe that the goals of this legislation are worthy; however, we do not support the approach. We strongly oppose certain provisions of S. 477, and therefore, we are submitting minority views on this legislation.

First, it is important to make clear we object only to the approach taken in S. 477—not in the need to assist the homeless, and in particular, homeless veterans. This is a serious problem and merits proper consideration.

The Veterans' Administration (VA)—through its $27 billion annual budget—provides far-reaching benefits and health care services for our Nation's 28 million veterans. This well-established infrastructure has for many years met the needs of veterans—many of whom are disabled, aged, or poor. In the area of veterans' benefits, the VA provides monthly compensation for those who were disabled in service and to their survivors and dependents. In addition, pensions provide a guaranteed minimum income to wartime veterans who are disabled or 65 years of age or older. The VA also provides educational benefits, job training, vocational rehabilitation and counseling, as well as home loan guarantees to assist veterans in purchasing a home. Through the VA's medical care system—the largest in the United States—the VA provides free hospital, nursing home, and domiciliary care to, among others, those who cannot afford to pay for health care services. Without this vast array of benefits and services, it is very likely that the homeless population would consist of even more veterans. The VA should be commended for its enormous contributions to homeless veterans and to the prevention of homelessness.

The fact that the VA has done much to help veterans obtain education, jobs, homes, and health care services does not mean that more cannot be done to address the complex problem of homelessness. Let us keep in mind that mental illness, alcohol and drug abuse problems, and general psychological problems are major factors which contribute to homelessness among veterans. The difficult question is what additional action is appropriate for the VA to undertake to help homeless veterans? We believe additional efforts should be implemented within the context of the existing well-defined structure of benefits and services. It may be necessary to expand or fine-tune existing programs to address the homeless issue. In that light, we offered an amendment during the Committee markup which sought to meet the needs of homeless veterans within the current VA structure. Specifically, the amendment would have provided, in part, for an expansion of the VA's domiciliary program by authorizing an additional 1,100 domiciliary beds through new construction and conversion of existing VA space. The Majority opposed this amendment.

Homeless veterans need much more than a roof over their heads. They need medical treatment, counseling, and rehabilitation as well as vocational and job training in order to have the opportunity to lead happy and productive lives. The amendment sought to provide those essential services. Let us be clear that simply providing unsupervised shelter to the homeless—which we believe is a short-sighted approach—does not address the many complex problems which they face. VA clinicians have indicated that an effective long-term solution to homelessness must include components such as medical treatment, counseling rehabilitation, and vocational and job training. We believe that housing homeless veterans—many of whom have chronic mental illness or alcohol and drug abuse problems—in unsupervised residential homes without adequate support services is unwise and inappropriate.

S. 477, as reported, would authorize the transfer of title of certain VA properties, acquired by the VA through foreclosures of homes financed by VA guaranteed loans, to organizations for the purpose of providing shelter to homeless veterans. In addition to the concerns raised above, we believe that this proposal threatens the viability and integrity of a program of immense value to veterans, active duty service members, and our nation's economy—the VA Home Loan Guaranty Program. This Program has guaranteed over 12 million home loans since its inception. Unlike other veterans benefits this benefit is available to all veterans—those who served in peacetime as well as those who scaled the walls of Normandy. To receive this benefit a veteran does not need to be disabled or live near a VA medical center. This program is available in every city and town in America. 28 million veterans, their families, and future generations of American service members have a stake in the integrity of this program and its continued sound operation. The proposed transfer authority involves the transfer of property from the VA with no reimbursement to the Loan Guaranty Revolving Fund (LGRF) upon which the program depends. This unreimbursed transfer will result in additional losses to this fund which can only be recovered through appropriations or paid by veteran and active duty military homebuyers through an increase in the funding fee.

If, on the other hand, the provisions of S. 477 which are intended to protect the LGRF are effective, then so few properties will be transferred that this bill will be ineffective in assisting homeless veterans.

We believe that once the precedent has been set to transfer properties at no cost, the Congress will face enormous pressure to expand this program and transfer even larger numbers of VA properties at no cost. This would lead to the transfer of so many properties that the integrity of the LGRF would be threatened. This precedent cannot and should not be treated lightly.

We believe there is no need for, and a great risk in, the precedent which this provision would establish. We further believe the effectiveness of this provision in sheltering homeless veterans will come at the expense of homebuying veterans. Given the infrastructure of the VA and the wide range of benefits which can be expanded, there is no need to create this inequity.

Additionally, there remain significant questions regarding the liability of veterans whose home loans have been foreclosed, and as a result, owe a debt to the government of up to $27,500. Under S. 477, as reported, their foreclosed homes would be given away at no cost to the transferee. On the other hand, the sale of such a foreclosed home would potentially reduce the debt owed by the veteran. The VA has testified that "it would not be appropriate for the VA to dispose of properties which have potential for sale". Herein lies the paradox. All VA properties have potential for sale. The VA has never failed to sell a "hard-to-sell" property either on the open market or through VA auction irrespective of how long it was in the inventory.

The bill, as reported, has provisions intended to protect the interest of these veterans. Again, if these provisions are effective, they will mean the transfer provision will be of little or no value to homeless veterans. We believe the VA should not be placed in the position of helping one veteran at the expense of others and having to decide which veteran, the former homeowner or a homeless veteran, should be put at a disadvantage by a VA decision.

We disagree with the Majority's assertion that describing homes to be transferred in terms of the cost of maintenance and sale is appropriate protection for veterans or the LGRF. We note that any property can be sold at auction, if necessary. We further note that the real estate market can go up as well as down and depressed geographic areas can turn around. We have consisten
urged the VA to aggressively market
properties. We continue to believe aggr
sive marketing to be in the best interest
the American veterans, the LGRF, and
taxpaying public.

We believe that the formula set forth
S. 477 is flawed. It requires the VA, wh
computing its holding and selling costs,
assume that the VA would maintain th
properties in its inventory for 2 years. T
is not, and should not, be the case. This
an erroneous assumption. Properties th
are more costly to maintain for a giv
period of time, and where there is no r
sonable likelihood that the market val
would increase, should be sold immediat
and not be held in the inventory for 2 yea
On the otherhand, if as the Majority sta
there would be no loss to the LGRF as
result of this bill, we submit that th
properties would not be suitable to serve
a shelter for homeless veterans and wou
cost substantial amounts to make habitab

We note that for fiscal year 1988 the
has requested that a 2.5 percent funding
be imposed on veteran homebuyers. T
Congress has been presented with the alt
native of accepting such a fee or appropri
ing $411 million to the LGRF. We belie
adoption of S. 477, as reported, will only
crease losses to the LGRF and result
future difficult choices of this nature
the Congress.

We further note that throughout t
Committee's deliberations on this issu
that all the major veterans' service orga
zations and the largest active duty milita
organization expressed strong concerns wi
regard to this provision. The AMVETS a
the Non-Commissioned Officers Associati
strongly oppose this proposal. Copies
their letters appear at the conclusion
these views. The VA has also indicated th
several provisions contained in S. 477, as
ported, will impose overly burdensome a
ministrative oversight and enforcement
sponsibilities on the Veterans' Administr
tion.

S. 477 also proposes to require the VA
conduct a pilot program to encourage
employees to volunteer their time and
forts to assist the homeless. We believe th
activities provided under legislative ma
date are no longer voluntary and that e
ployees may feel coerced into participatio
We are also concerned about singling o
one worthy cause and bestowing legislati
endorsement to it, to the exclusion
others. A volunteer must be able to choose
cause and make the decision to act on his
her own. Notwithstanding the improv
ments made to S. 477 as introduced, it is
appropriate to legislate voluntarism.

Finally, the legislation requires the VA,
conjunction with other federal department
to conduct a study on the extent to whic
veterans are represented in the populatio
of homeless. We have already overburden
the VA with too many time consuming a
costly studies and reports. This study alo
will cost the VA an estimated $1 million a
we question whether the information it w
yield will be useful. This provision diver
scarce resources from direct veteran assis
ance and puts those funds into the hands
consultants. It would be far more benefici
to homeless veterans to use the money f
direct services to homeless veterans.

We also disagree with section 106 of
477, as reported, which would make hom
less veterans eligible for the Veterans' Jo
Training Act (VJTA), a job training and en
ployment program, without regard to th

current requirement that an applicant have been unemployed for 10 of the 15 weeks prior to application. This program is not an entitlement and is not funded at a level which guarantees funding will be available for the training of all applicants. This means that the advantage provided to homeless veterans under this provision must come at the expense of jobless veterans who would otherwise be served. While we are sensitive to the desirability of providing job training to homeless veterans and assisting them in obtaining employment, we believe it is inappropriate to do so at the expense of other unemployed veterans who are equally deserving and whose financial situation may be equally desperate and may become homeless unless employment is found. We believe the program to be of significant value to homeless veterans in its current form since many homeless veterans will qualify under the current unemployment requirements.

Although we supported section 201 of the Committee bill, relating to the one year extension of the completion date for the transition of the Vet Center program, we do not intend for this to be interpreted as preventing the VA from moving forward with plans to implement the transition of certain appropriate Vet Centers prior to the 24 months preceeding the completion date.

Frank H. Murkowski,
Ranking Minority Member.
Strom Thurmond.
Alan K. Simpson.
Robert T. Stafford.

AMVETS National Headquarters,
Lanham, MD, February 26, 1987.

Hon. Alan Cranston,
Chairman, Senate Committee on Veterans' Affairs, Russell Senate Office Building, Washington, DC.

Dear Mr. Chairman: Because of the time limitations which necessarily curtailed consideration of S. 477, the "Homeless Veterans Assistance Act of 1987," when we testified on 18 February, please permit us to expand our views on the subject.

AMVETS appreciates the compassionate motivation for the proposed legislation. There is no question that among the uncounted numbers of homeless people, veterans are represented. It is highly probable that the conditions of homeless veterans could, in many cases, be improved if they were to receive the veterans benefits and entitlements which the law provides. Although we doubt the efficacy of any outreach effort addressed to the chronically homeless, because of their essential alienation from conventional society, we support the provisions of Section 4 of S. 477, in order to evaluate whatever homeless outreach programs have been employed. AMVETS believes that until we thoroughly understand the dynamics of these efforts to inform the homeless veteran of his or her entitlements and to deliver them, we should refrain from instituting additional programs to deal with a problem, the dimensions and character of which we either do not understand, or the causes of which are far beyond the parameters of the Veterans Administration's authority or responsibility.

In general, it would appear that the congressionally proposed expenditure of approximately $570M on programs for the homeless attempts only to alleviate some of the symptoms of the problem. As usually occurs when a lot of money is thrown at a social problem without an appreciation of its causes, we succeed only in constructing a well financed bureaucracy to spend the money, but we do not solve the problem. In many cases we aggravate the situation. Among the salient causes which should be considered for the current homeless problem are rent control, the deinstitutionalization of the mentally incompetent and the misdirection of HUD funds into luxury hotels and shopping centers, rather than low cost and moderate housing.

We therefore cannot support what we consider a dangerous tampering with the VA loan guaranty program by the leasing or transfer without charge of collateral assets for homeless shelters or for any other purpose, other than reduction of costs to the system, which, as we know, is currently riding on budgetary thin ice. AMVETS believes that the provisions of Section 2 of S. 477 pose a potentially destructive threat to the fiscal integrity of the loan guaranty program, the impairment of which will surely increase the number of veterans without homes of their own, if not homeless veterans. We suggest as an alternative, the sale to municipalities or community service groups of selected foreclosed VA properties. This arrangement is currently being explored in the District of Columbia.

AMVETS believes that Section 5 of S. 477 would impose a wasteful and extremely expensive burden on the already limited resources of the VA, as well as DOL, DOD, HHS and HUD, in an effort to answer what are largely unanswerable questions. The only benefits to be derived from attempting to compile such a report on homeless veterans will inure to the consultants who are hired to go through such an exercise in futility. Subsection (b)(4)(A) of Section 5 of S. 477, in particular, would require at least a records check evaluation of all homeless persons who claim to be veterans, if not adjudication of their claims.

We note with particular concern, as we did in our statement for the record on 18 February, that the proposed assistance to homeless veterans is intended to draw on already scarce resources of the VA benefit, medical and administrative departments. We simply cannot afford, nor do we have a right to do so for what AMVETS considers to be largely cosmetic purposes.

Sincerely,

Joseph T. Piening,
National Commander.

Non-Commissioned
Officers Association,
Alexandria, VA, February 25, 1987.

Hon. Frank Murkowski,
Vice Chairman, Committee on Veterans' Affairs, U.S. Senate, Senate Hart Office Building, Washington, DC.

Dear Senator Murkowski: I have recently sent the enclosed letter to Senator Cranston informing him that NCOA is withdrawing its support for those provisions of the Homeless Veterans Assistance Act of 1987 that authorizes the transfer of housing from the VA's loan guaranty inventory to homeless use. As stated in that letter we appreciate Senator Cranston's efforts on behalf of homeless veterans, but believe after more extensive consideration that the proposal will work to the disadvantage of a much larger segment of veterans than it will help. Accordingly, NCOA endorses your efforts to have these provisions stricken from the bill.

Thank you for your efforts in this matter.

Sincerely,

Richard W. Johnson,
Director of Legislation.

Non-Commissioned
Officers Association,
Alexandria, VA, February 25, 1987.

Hon. Alan Cranston,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Russell Senate Office Building, Washington, DC.

Dear Mr. Chairman: The Non Commissioned Officers Association recently submitted testimony to your committee in support of your bill S. 477, the "Homeless Veterans Assistance Act of 1987." Our endorsement was prompted by a sincere desire to alleviate the shelter problems of homeless veterans. However, subsequent review of the proposal has revealed that Section Two may create many more problems than it resolves.

Section Two authorizes the Administrator of Veterans's Affairs to transfer housing from the VA's loan guaranty inventory to groups and organizations who agree to adapt and run these dwellings as shelters for homeless veterans and their families. Such transfers would be made at nominal charge or no charge. Considered only in this limited context the use of excess housing in the VA inventory of foreclosed homes seems very laudable. Yet, up on reflection NCOA has considered the extended results of such transfers.

The minute the VA transfers ownership of an inventory property, the original veteran owner becomes indebted to the VA for any loss suffered by the agency on the sale. As a direct result, many unfortunate veterans who have already lost their homes to foreclosure will involuntarily be forced to financially support this initiative.

Even if forgiveness is granted to individual veterans whose previously owned homes are transferred to homeless use the problem remains unsolved. First this would be unfair to other veterans who can not easily liquidate their indebtedness. Additionally, the transfer of housing will still deplete the assets of a Loan Guaranty Revolving Fund in need of $400 million in appropriations to remain solvent this year. As you know, the President wants to transfer this cost to veterans by increasing fees paid by veterans who participate in the loan guaranty program. Thus we believe a liquidation of housing under these circumstances will only fuel the firestorm of problems which currently plague program and will ultimately cost all veterans to suffer a loss.

Therefore NCOA must regretably withdraw its support for those provisions of S. 477 that authorize the transfer of housing from the VA's loan guaranty inventory. NCOA commends and appreciates your efforts on behalf of homeless veterans and urges you to continue to seek ways to improve these services.

Thank you for your efforts on behalf of all veterans.

Sincerely,

Richard W. Johnson,
Director of Legislation.

Mr. ROCKEFELLER. Mr. President, I applaud my distinguished colleague, the senior Senator from California and the chairman of the Senate Veterans' Affairs Committee, for his swift, committed leadership in responding to the growing problem of homeless veterans. I have been honored to have worked with Senator Cranston and all of my distinguished colleagues on the Veterans Committee in crafting this important legislation, S. 477, which is now before the full Senate for approval.

I am especially pleased to note that my bill, S. 553, was recently incorporated by the Veterans Committee into this larger piece of legislation to assist homeless veterans. In February, I introduced S. 553, the "Veterans' Job Training Act Extension of 1987," and have been joined by Senators CRANSTON, DECONCINI, MATSUNAGA, KERRY, GRAHAM, MITCHELL, and LEVIN as cosponsors.

A principal purpose of the provisions included in S. 477 concerning the Veterans' Job Training Act is to obtain the necessary authorization for additional funding for this valuable program in fiscal years 1987 and 1988. In addition, this part of the legislation before us today would qualify as a category homeless veterans for VJTA services. Our goal is to ensure that the Veterans' Job Training Program can be another source of Federal assistance for veterans without both a job and shelter.

Mr. President, surveys indicate that veterans make up to 40 percent of the homeless in this country. I am shocked and appalled that this could be the case. We should be doing everything possible to make sure that none of our citizens are homeless—but in particular, we should mobilize all the resources necessary to ensure that those who served this Nation in battle and peacetime do not suffer the indignity of unemployment and homelessness.

S. 477 will take some critical steps to alleviating this tremendous problem. In addition, the specific part addressing the Veterans' Job Training Program should be of benefit to numerous veterans in desperate need of assistance. In those States which have run out of VJTA money, S. 477 will enable Congress to approve a supplemental appropriation to replenish the program's funding and approve the applications of unemployed veterans who are anxiously awaiting job training and related services. And as I noted earlier, S. 477 will make it possible for VJTA Program administrators to provide this help to homeless veterans who are in the position to benefit from these same services.

I am grateful to my Senate colleagues for their support. Veterans across the country will be enormously pleased to know about our action tonight. Now, we must follow up quickly and aggressively with the necessary funding to make this legislation a reality.

The PRESIDING OFFICER. The question is on the reported committee substitute for S. 477.

AMENDMENT NO. 76

(Purpose: To modify the circumstances under which the Veterans' Administration may sell certain properties for use as shelters for homeless veterans and their families; to require the conversion of certain underutilized Veterans' Administration space to domiciliary-care beds; and for other purposes)

Mr. CRANSTON. Mr. President, I send an amendment to the committee substitute to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from California [Mr. CRANSTON] for himself and Mr. MURKOWSKI proposes an amendment numbered 76.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 10, line 16, strike "TRANSFER" and insert in lieu thereof "SELL".

On page 10, strike out all one lines 20 and 21 and insert in lieu thereof the following:

"(A) sell to an entity described in subsection (a), for such consideration as the Administrator determines is in the best interests of the United States Government, the Veterans' Administration loan guaranty program, and the short- and long-term solvency of the Loan Guaranty Revolving Fund, real property acquired by the".

On page 10, line 22, insert "made or" after "loan".

On page 11, line 3, insert "(other than properties so acquired as the result of such a default)" after "facilities".

On page 12, lines 3 and 4, strike out "transferred" and insert in lieu thereof "sold".

On page 12, line 7, strike out "abide by" and insert in lieu thereof "comply with".

On page 12, line 8, strike the semicolon and insert in lieu thereof a comma.

On page 12, line 16, insert "and" after "Code;".

On pages 11 through 13, strike out clauses (A), (B), and (E) of paragraph (3) of section 101(b) and redesignate clauses (C), (D), and (F) of such paragraph as clauses (A), (B), and (C), respectively.

On page 13, line 16, strike out "transferee" and insert in lieu thereof "buyer".

On page 13, between lines 17 and 18, insert the following:

"(4) The Administrator, through means selected by the Administrator, shall provide appropriate entities described in subsection (a) which are involved in working on the problems of homelessness and homeless veterans with notice of the potential availability for sale or lease to such entities of appropriate properties under paragraph (1).".

On page 14, line 20, after "Facilities.—" insert "(1)(A) Not later than 30 days after the date of the enactment of this Act and periodically thereafter, the Administrator shall evaluate all real properties described in subparagraph (B) in order to determine which such properties are appropriate to offer for sale under subsection (b)(1)(A).

"(B) Properties referred to in subparagraph (A) are those which (i) are located in geographic areas in which there are significant numbers of homeless veterans, and (ii) are being held by the Administrator after having been acquired by the Administrator at least 12 months previously as the result of defaults on loans made or guaranteed under chapter 37 of title 38, United States Code.".

On page 14, strike out all on line 21 through 22 and insert in lieu thereof the following:

"(2) Not later than 180 days after the date of enactment of this Act and periodically thereafter, the Administrator shall complete an".

On page 14, line 23, insert "which are" after "facilities".

On page 14, line 24, insert "and which are located in geographic areas in which there are significant numbers of homeless veterans" after "Administrator".

On page 14, line 25, insert "to offer" after "suitable".

On page 15, strike out all on lines 1 through 16 and insert in lieu thereof the following:

"(f) REPORTS.—(1) Not later than February 1, 1988, the Administrator shall submit to the Committees a report—

"(A) on the results of the evaluations and inventory conducted under subsection (e);

"(B) on the activities carried out by the Administrator under subsection (b)(4);

"(C) on real property sold under subsection (b)(1)(A), including for each such property information as to the price for which the Veterans' Administration acquired the property, the costs incurred by the Veterans' Administration in maintaining the property thereafter, the name of the buyer, and the price paid by the buyer; and

"(D) on the leasing of facilities under subsection (b)(1)(B).

"(2) Not later than February 1, 1989, the Administrator shall submit to the Committees a report on the experience under this section and shall include in the report (A) information updating the information required to be provided in the report under paragraph (1), and (B) such recommendations (and the reasons therefor) as the Administrator considers appropriate as to whether the program carried out under this section should be extended and any recommendation for legislation that the Administrator considers appropriate to include in the report.".

On page 15, line 25, strike out "regions" and insert in lieu thereof "areas".

On page 16, lines 10 and 11, strike out ", and seek to enhance the effectiveness of the activities of,".

On page 16, strike out all lines 15 and 16 and insert in lieu thereof the following:

"(3)(A) to facilitate (by adjusting, consistent with supervisors' determinations regarding employees' assigned responsibilities, duty hours and meal breaks) the efforts of Veterans' Administration em-".

On page 17, strike out all on lines 6 through 21 and insert in lieu thereof "would be nominal."

On page 18, line 4, strike out "years 1986 and" and insert in lieu thereof "year".

On page 19, beginning with "the Secretaries" on line 4, strike out all through "Development" on line 6 and insert in lieu thereof "any Federal entity established to coordinate programs to assist homeless individuals, and, as appropriate, in conjunction with efforts carried out under sections 101, 102, 103, and 105".

On page 19, line 7, after "survey" insert "(through representative samplings in appropriate geographic areas)".

On page 19, line 24, strike out "1986 and 1987" and insert in lieu thereof "1987 and 1988".

On page 20, lines 12 and 17, insert "likely" after "would" each place it appears.

On page 20, line 24, strike out "a report setting forth".

On page 25, strike out all on line 10 and insert in lieu thereof the following:

"SEC. 107. CONVERSION OF UNDERUTILIZED SPACE TO DOMICILIARY-CARE BEDS.

"(a) IN GENERAL.—(1) Subject to subsection (b) and within the limits of available appropriations, not later than January 1, 1988, the Administrator shall, in urban areas in which there are significant numbers of homeless veterans, convert underutilized space located in facilities under the jurisdiction of the Administrator, to 500 domiciliary-care beds to be used for the care of veterans in need of domiciliary care, primarily homeless veterans.

"(2) if the Administrator determines that it is impractical to undertake the conversions required in paragraph (1) to the extent therein required—

"(A) because appropriate space for the conversions is not available in sufficient quantity, or

"(B) because in areas in which there is sufficient space the numbers of homeless veterans in need of domiciliary care who would likely utilize the beds are not sufficient to warrant the conversions,

the Administrator shall carry out paragraph (1) only to the extent that the Administrator has not determined that it is impractical to do so.

"(b) Prohibition Against Diminution of Certain Other Conversions.—Nothing in this section shall result in the diminution of the conversion of hospital-care beds to nursing-home-care beds by the Veterans' Administration.

"SEC. 108. DEFINITIONS.".

On page 28, line 10, insert "which are" after "facilities".

On page 28, below line 19, insert the following:

"TITLE III—TECHNICAL AMENDMENT

"SEC. 301. REINSTATEMENT OF AUTHORITY TO MAKE STATE VETERANS' HOME CONSTRUCTION GRANTS DURING THE LAST QUARTER OF FISCAL YEAR 1987.

"Section 224(e) of the Veteran's Benefits Improvement and Health-Care Authorization Act of 1986 is amended by striking out 'The' and inserting in lieu thereof 'Except with respect to grants awarded during the period beginning on July 1, 1987, and ending on September 30, 1987, the' ".

THE PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California.

The amendment (No. 76) was agreed to.

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STAFFORD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KERRY. I am very pleased to be a cosponsor with Senator CRANSTON of S. 477, the Homeless Veterans Assistance Act of 1987. I am delighted that the Senate has acted today, and passed this important piece of legislation. I commend my distinguished colleague from California, the chairman of the Veterans Affairs Committee, for his leadership in this effort.

This bill would provide needed assistance for homeless veterans, and veterans with service-connected disabilities. It makes housing from VA inventories available as shelter for homeless veterans. It also provides opportunities for job training, by extending the Veterans Job Training Act through fiscal years 1987 and 1988. This legislation incorporates an earlier bill, S. 553, which I cosponsored with Senator ROCKEFELLER, to extend VJTA and the application period for veterans wishing to enter the program. This bill also extends the Vet Center Program for 1 year. The Vet Centers have provided valuable services for Vietnam veterans attempting to readjust and enter the mainstream of society. All of these programs are important and needed.

Mr. President, a great deal of attention has been focused recently on the problem of the homeless in America. It is indeed a disgrace that in the richest Nation on Earth many of our citizens are living on the streets of our cities. But perhaps an even greater tragedy is the fact that many of the homeless in America, perhaps as many as one-third or more, are also Vietnam veterans. It is a painful irony that many of those who served this country in Vietnam are now struggling for survival on the streets of our own major cities right here in the United States.

The Senate, by passing this legislation today, has taken an important step in starting to deal with the problem of homelessness among veterans in a meaningful way. But I hope we will not fall into the trap of thinking that by passing a bill, and spending some money, we have solved the problem. We owe too much to Vietnam veterans to treat this problem in a cavalier, hit-and-run fashion.

Mr. President, our priorities have been distorted for too long. Many Vietnam veterans are on our streets today, suffering from drug, alcohol, and psychiatric problems which have gone untreated. They are not only homeless, but forgotten by society. Meanwhile, we spend millions of dollars on an undeclared war in Nicaragua, and billions on star wars.

We all recognize the great progress that America has made in the past few years in recognizing the contributions of Vietnam veterans. But the "homecoming" process is not complete, and cannot be complete, when so many of those veterans are literally without a home. It is time to for us to remember the forgotten heros of America—our homeless Vietnam veterans. The Senate's action today is an important step in that process.

Mr. DOMENICI. Mr. President, I would like to associate myself with the remarks of Senator MURKOWSKI. It is important in our national fight against homelessness to add 500 domiciliary-care beds at Veterans' Administration sites to serve veterans who are homeless.

I believe that it is wise, as Senator MURKOWSKI explains, to make use of the Veterans' Administration existing infrastructure to meet the needs of homeless veterans. The excellent agreement between Senators MURKOWSKI and CRANSTON is a farsighted approach.

Mr. MURKOWSKI is to be congratulated as is Mr. CRANSTON. Their wide differences on this matter have been considerably narrowed. The addition of 500 domiciliary-care beds for the care of homeless veterans is a major benefit of this compromise.

As ranking member of the Senate Budget Committee, it does my heart good to see the $27 billion Veterans' Administration make some positive moves forward to help the homeless veteran. Many of the beneficiaries of this agreement will be veterans who have mental illnesses, drug abuse, and alcohol problems.

As Senator MURKOWSKI has said, "Homeless veterans need much more than a roof over their heads. They need medical treatment, counseling, and rehabilitation as well as vocational and job training in order to have the opportunity to lead happy and productive lives." To leave the homeless veteran "in unsupervised residential homes without adequate support services is unwise and inappropriate."

Mr. President, I again congratulate my colleagues on a fine agreement. Their use of the largest medical care system in the United States is exemplary. The helping hand of medical, nursing, domiciliary care, and related counseling services is a fine gesture. It will go a long way to help the homeless veteran who also has serious mental illness.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 477

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Homeless Veterans' Assistance Act of 1987".

TITLE I—HOMELESS VETERANS

SEC. 101. AUTHORITY TO MAKE CERTAIN PROPERTIES AVAILABLE FOR SHELTERS.

(a) In General.—The Administrator, within the limits of available appropriations, is authorized under this section to carry out during fiscal years 1987, 1988, and 1989 a program to assist homeless veterans and their families to acquire shelter by entering into agreements, described in subsection (b) with any organization named in, or approved by the Administrator under, section 3402 of title 38, United States Code, or any other governmental, public, or nonprofit private institution, organization, corporation, or other entity, especially any such entity working on behalf of homeless individuals, for the purpose of such entity providing shelter primarily for homeless veterans and their families.

(b) Agreements To Sell or Lease.—(1) Agreements authorized by subsection (a) are agreements pursuant to which the Administrator would, subject to paragraphs (2) and (3) of this subsection and to subsection (d)—

(A) sell to an entity described in subsection (a), for such consideration as the Administrator determines is in the best interests of the United States Government, the Veterans' Administration loan guaranty program, and the short- and long-term solvency of the Loan Guaranty Revolving Fund, real property acquired by the Administrator as the result of a default on a loan made or guaranteed under chapter 37 of title 38, United States Code; or

(B) lease, for a fixed period of time, or otherwise temporarily make available to such an entity underutilized facilities (other than properties so acquired as the result of such a default under the jurisdiction of the Administrator that would be suitable for providing emergency shelter).

(2) The Administrator may enter into an agreement under paragraph (1) only if the Administrator determines that such an action will not adversely affect the Veterans' Administration's ability to fulfill its statutory missions or to carry out other functions and administer other programs authorized by law.

(3) The Administrator may enter into an agreement under paragraph (1)(A) only if—

(A) the entity to which the property is to be sold demonstrates, to the satisfaction of the Administrator, an intention to (i) utilize the property solely as a shelter primarily for homeless veterans and their families, (ii) to comply with all zoning laws relating to the property, and (iii) to make no use of the property that is not compatible with the area where the property is located;

(B) the Administrator determines that there is no likelihood of the property being sold for a price sufficient to reduce the liability to the Veterans' Administration of the veteran who had defaulted on the loan guaranteed under chapter 37 of title 38, United States Code; and

(C) the buyer satisfies other terms and conditions established pursuant to subsection (d).

(4) The Administrator, through means selected by the Administrator, shall provide appropriate entities described in subsection (a) which are involved in working on the problems of homelessness and homeless veterans with notice of the potential availability for sale or lease to such entities of appropriate properties under paragraph (1).

(c) Preference for Certain Entities.—In selecting entities with which to enter into agreements under subsection (a), the Administrator shall accord preference to entities which—

(1) have a demonstrated commitment to working with and on behalf of homeless individuals;

(2)(A) have a demonstrated ability to establish, operate, and maintain shelters for homeless individuals, or (B) are named in, or approved by the Administrator under, section 3402 of title 38, United States Code;

(3) have a plan for utilizing the voluntary services of homeless individuals, or others, to rehabilitate and repair such property as necessary in order to improve its habitability; and

(4) have a plan for utilizing the volunteer assistance of Veterans' Administration employees, members of veterans' service organizations, homeless individuals, or others in the establishment, operation, and maintenance of the shelter established pursuant to such an agreement.

(d) Terms and Conditions of Instruments.—Any agreement, deed, or other instrument executed by the Administrator under subsection (a) shall be on such terms and conditions as the Administrator determines to be appropriate and necessary to carry out the purpose of such agreement.

(e) Inventory of Underutilized Facilities.—(1)(A) Not later than thirty days after the date of the enactment of this Act and periodically thereafter, the Administrator shall evaluate all real properties described in subparagraph (B) in order to determine which such properties are appropriate to offer for sale under subsection (b) (1) (A).

(B) Properties referred to in subparagraph (A) those which (i) are located in geographic areas in which there are significant numbers of homeless veterans, and (ii) are being held by the Administrator after having been acquired by the Administrator at least 12 months previously as the result of defaults on loans made or guaranteed under chapter 37 of title 38, United States Code.

(2) Not later than one hundred eighty days after the date of the enactment of this Act and periodically thereafter, the Administrator shall complete an inventory of all underutilized facilities which are under the jurisdiction of the Administrator and which are located in geographic areas in which there are significant numbers of homeless veterans in order to determine which such facilities could be suitable to offer for lease under subsection (b)(1)(B).

(f) Reports.— (1) Not later than February 1, 1988, the Administrator shall submit to the Committees a report—

(A) on the results of the evaluations and inventory conducted under subsection (e);

(B) on the activities carried out by the Administrator under subsection (b)(4);

(C) on real property sold under subsection (b)(1)(A), including for each such property information as to the price for which the Veterans' Administration acquired the property, the costs incurred by the Veterans' Administration in maintaining the property thereafter, the name of the buyer, and the price paid by the buyer; and

(D) on the leasing of facilities under subsection (b)(1)(B).

(2) Not later than February 1, 1989, the Administrator shall submit to the Committees a report on the experience under this section and shall include in the report (A) information updating the information required to be provided in the report under paragraph (1), and (B) such recommendations (and the reasons therefor) as the Administrator considers appropriate as to whether the program carried out under this section should be extended and any recommendation for legislation that the Administrator considers appropriate to include in the report.

SEC. 102. PILOT PROGRAM OF ACTIVITIES TO ASSIST HOMELESS VETERANS.

In order to enhance the Veterans' Administration's ability to assist homeless veterans and their families and to evaluate the effectiveness of various activities in that regard, the Administrator shall, within the limits of available appropriations and as provided for in this section, conduct a pilot program and study for a period of not less than twenty-four months in not less than ten geographic areas in which there are significant numbers of homeless veterans. In the course of such pilot program and study, the Administrator shall undertake and evaluate various activities otherwise authorized by law as well as activities—

(1) to designate individuals at Veterans' Administration facilities to coordinate official and volunteer efforts designed to assist homeless veterans and their families;

(2) to authorize Veterans' Administration employees to seek out and cooperate with other entities providing counseling, job training, rehabilitation, and assistance in obtaining shelter to homeless individuals; and

(3)(A) to facilitate (by adjusting consistent with supervisors' determinations regarding employees' assigned responsibilities, duty hours and meal breaks) the efforts of Veterans' Administration employees who wish to assist, on a volunteer basis, (i) homeless veterans and their families in acquiring necessities, such as shelter, food, and health care, and rehabilitation services, training, and employment, or (ii) in any other charitable activity approved by the Office of Personnel Management pursuant to section 2 of Executive Order 12353 of March 23, 1982 (and the implementing regulations in 5 CFR Part 950), or by the Administrator for the purposes of this clause, and (B) to use, for the purpose of assisting homeless veterans and their families in acquiring such necessities, rehabilitation services, training, and employment, Veterans' Administration resources and facilities, not otherwise employed, where the cost to the Federal Government would be mominal.

SEC. 103. OUTREACH SERVICES PROGRAM.

Not later than ninety days after the date of the enactment of this Act, the Administrator, within the limits of available appropriations, shall submit to the Committees a report setting forth—

(1) a description of all efforts undertaken in fiscal year 1987 under subchapter IV of chapter 3 of title 38, United States Code, to provide outreach services to homeless veterans to assist them in applying for and obtaining benefits and services for which they are eligible under laws administered by the Veterans' Administration or under other laws by virtue of their veteran status;

(2) any information available on the increased utilization of such benefits and services by such veterans as a result of the efforts described in clause (1) to assist them in securing necessities, such as shelter, food, and health care, rehabilitation services, training, and employment, together with a description of all follow-through activities related to such outreach services; and

(3) a description of, and a timetable for, any plans to expand such outreach efforts (including necessary training of outreach personnel) and follow-through activities, to-

gether with an estimate of the additional resources needed for such expanded efforts.

SEC. 104. SURVEY OF HOMELESS VETERANS.

(a) Conduct of Survey.—Not later than one hundred and eighty days after the date of the enactment of this Act, the Administrator, in coordination with Federal entity established to coordinate programs to assist homeless individuals, and, as appropriate, in conjunction with efforts carried out under sections 101, 102, 103, and 105 and within the limits of available appropriations, shall (1) conduct a survey (through representative samplings in appropriate geographic areas) to determine (A) the extent to which veterans are represented in the population of homeless individuals, and (B) the information described in subsection (b), and (2) submit to the Committees a report on the results of such survey.

(b) Report.—The report required by subsection (a) shall include, to the maximum extent feasible, estimates of—

(1) the number of veterans, both as an absolute number and as a percentage, in the population of homeless individuals and the numbers of family members accompanying such veterans;

(2) a breakdown showing the periods of service of such veterans and subgroupings of such veterans, including those with families, those with chronic mental illness disabilities, and those with substance abuse disabilities;

(3) the numbers of such veterans who, during fiscal years 1987 and 1988, received or will receive benefits and services under laws administered by the Veterans' Administration or the Department of Labor, with specific breakdowns showing the numbers who received or will receive (A) health-care services under chapter 17 of title 38, United States Code, (B) compensation under chapter 11 of such title, (C) pension under chapter 15 of such title, (D) vocational, educational, and training assistance under such title or the Veterans' Job Training Act (29 U.S.C. 721 note), or (E) job training, counseling, referral, or other vocational assistance under programs carried out or supported by the Department of Labor; and

(4)(A) the numbers of such veterans who, if they were to apply, would likely be eligible for benefits and services under laws administered by the Veterans' Administration or (by virtue of their veteran status) the Department of Labor but who are not receiving such benefits and services, with a breakdown estimating the numbers who would likely be eligible for each of the benefits and services described in subclauses (A), (B), (C), (D), and (E) of clause (3), and (B) a description of the reasons why such veterans are not receiving such benefits and services.

(c) Not later than thirty days after the date of the enactment of this Act, the Administrator of Veterans' Affairs shall submit to the Committees an implementation plan and timetable for collecting the information needed for the report required by subsection (a).

SEC. 105. CHRONICALLY MENTALLY ILL VETERANS.

(a) Report on Institutional Care Furnished Mentally Ill Veterans.—Section 235 of the Veterans' Benefits Improvement and Health-Care Authorization Act of 1986, Public Law 99-576, is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(2) by inserting the following new subsection (b):

"(b) The report required under subsection (a) shall also include information on the number of veterans being treated by the Veterans' Administration for mental illness disabilities who were furnished hospital, domiciliary, or nursing home care by the Administrator in each of fiscal years 1984, 1985, and 1986, broken down by the type of care furnished, as well as an estimate of the number of such veterans being furnished such care in fiscal year 1987, together with the Administrator's analysis of the basis for any change in the numbers of such veterans being furnished any type of such care during the period beginning with fiscal year 1984 and ending with fiscal year 1987, with particular emphasis on the impact of the implementation by the Veterans' Administration of a resource allocation methodology on the numbers of such veterans being furnished any type of such care and the duration of the care furnished.".

(b) Pilot Program of Contract Community-Based Residential Care.—(1) During the period beginning on the date of the enactment of this Act and ending on September 30, 1989, the Administrator shall conduct a pilot program, utilizing the authority in section 620C of title 38, United States Code (as added by section 2(a) of Public Law 100-6), to provide care and treatment and rehabilitative services in halfway houses, therapeutic communities, psychiatric residential treatment centers, and other community-based treatment facilities to homeless veterans suffering from chronic mental illness disabilities.

(2) Not later than February 1, 1989, the Administrator shall submit to the Committees a report on the experience under the pilot program prior to October 1, 1988, and the recommendation of the Administrator (and reasons therefor) as to whether the pilot program should be continued.

(3) In carrying out the pilot program provided for in this subsection, the Administrator may not expend more than $5,000,000 in fiscal year 1987, nor more than $10,000,000 in each of fiscal years 1988 and 1989.

(c) Continuation of Contract Community-Based Psychiatric Residential Care Authority.—Section 2(c) of Public Law 100-6 is amended by inserting "in fiscal year 1987" after "limited".

(d) Expansion of Contract Community-Based Psychiatric Residential Care Eligibility.—Section 620C of title 38, United States Code, is amended—

(1) in subsection (a)(3)—

(A) by redesignating clauses (A), (B), and (C) as clauses (B), (C), and (D), respectively; and

(B) by inserting a new clause (A) as follows:

"(A) has a chronic mental illness disability rated as service-connected;";

(C) amending clause (C) (as redesignated by clause (1)(A) of this subsection) by striking out "homeless" and inserting in lieu thereof "a homeless individual"; and

(2) by adding at the end of subsection (a) the following new paragraph:

"(4) The term 'homeless individual' means an individual who lacks a fixed and adequate nighttime residence and includes an individual whose primary residence is in a publicly- or privately-operated shelter which provides temporary shelter.".

SEC. 106. VETERANS' JOB TRAINING ACT AMENDMENTS.

(a) Definitions.—Section 3 of the Veterans' Job Training Act, Public Law 98-77 (29 U.S.C. 1721 note) is amended by adding at the end the following new paragraph:

"(4) The term 'homeless individual' has the meaning given that term in section 620C(a)(4) of title 38, United States Code.".

(b) Expansion of Eligibility.—Section 5(a)(1) of such Act is amended—

(1) by inserting "(i)" after "(B)";

(2) by striking out the period at the end of subclause (i), as redesignated by clause (1) of this subsection, and inserting in lieu thereof a semicolon and "or"; and

(3) by adding at the end the following new subclause:

"(ii) is (I) a veteran with a service-connected disability rated at 30 per centum or more, or (II) a homeless individual.".

(c) Authorization of Appropriations.—Section 16 of such Act is amended—

(1) by striking out "$65,000,000 for fiscal year 1986" and inserting in lieu thereof "a total of $65,000,000 for fiscal years 1986, 1987, and 1988"; and

(2) by striking out "September 30, 1988" and inserting in lieu thereof "September 30, 1989".

(d) Extension of Termination Dates.—Section 17(a) of such Act is amended—

(1) in clause (1), by striking out "January 31, 1987" and inserting in lieu thereof "December 31, 1987"; and

(2) in clause (2), by striking out "July 31, 1987" and inserting in lieu thereof "June 30, 1988".

SEC. 107. CONVERSION OF UNDERUTILIZED SPACE TO DOMICILIARY-CARE BEDS.

(a) In General.—(1) Subject to subsection (b) and within the limits of available appropriations, not later than January 1, 1988, the Administrator shall, in urban areas in which there are significant numbers of homeless veterans, convert underutilized space located in facilities under the jurisdiction of the Administrator to five hundred domiciliary-care beds to be used for the care of veterans in need of domiciliary care, primarily homeless veterans.

(2) If the Administrator determines that it is impractical to undertake the conversions required in paragraph (1) to the extent therein required—

(A) because appropriate space for the conversions is not available in sufficient quantity, or

(B) because in areas in which there is sufficient space the numbers of homeless veterans in need of domiciliary care who would likely utilize the beds are not sufficient to warrant the conversions,

the Administrator shall carry out paragraph (1) only to the extent that the Administrator has not determined that it is impractical to do so.

(b) Prohibitioin Against Diminution of Certain Other Conversions.—Nothing in this section shall result in the diminution of the conversion of hospital-care beds to nursing-home-care beds by the Veterans' Administration.

SEC. 108. DEFINITIONS.

As used in this Act:

(1) The term "Administrator" means the Administrator of Veterans' Affairs.

(2) The term "Committees" means the Committees on Veterans' Affairs of the Senate and House of Representatives.

(3) The term "homeless individual" has the meaning given that term in section 620C(a)(4) of title 38, United States Code.

(4) The term "veteran" has the meaning given that term in section 101(2) of title 38, United States Code.

(5) The term "homeless veteran" means a veteran who is a homeless individual.

TITLE II—VIETNAM-ERA VETERANS' READJUSTMENT COUNSELING PROGRAM AND RELATED REPORTS

SEC. 201. POSTPONEMENT OF TRANSITION PERIOD FOR READJUSTMENT COUNSELING PROGRAM AND DUE DATE OF RELATED REPORTS.

(a) POSTPONEMENT OF TRANSITION PERIOD.—Section 612A(g) of title 38, United States Code, is amended—

(1) in paragraph (1) by striking out "September 30, 1989" and inserting in lieu thereof "September 30, 1990";

(2) in paragraph (1)(A)—

(A) by striking out "October 1, 1989" and inserting in lieu thereof "October 1, 1990"; and

(B) by striking out "centers located" and all that follows through "such health-care facilities" and inserting in lieu thereof "Vet Centers to a program providing readjustment counseling services primarily through Veterans' Administration general health-care facilities";

(3) in paragraph (2)(A)—

(A) by striking out "April 1, 1987" and inserting in lieu thereof "April 1, 1988"; and

(B) by striking out "(or" and all that follows through "available)";

(4) in paragraph (3)—

(A) by striking out "July 1, 1987" and inserting in lieu thereof "July 1, 1988"; and

(B) by striking out "(or" and all that follows through "available)";

(5) in paragraph (4)—

(A) by striking out "February 1, 1989" and inserting in lieu thereof "February 1, 1990"; and

(B) by striking out "experience" the first place it appears and all that follows and inserting in lieu thereof "Administrator's evaluation of the experience under as much of the transition as was carried out pursuant to paragraph (1) of this subsection prior to September 30, 1989, and, based on that evaluation, the results of the study required by section 102 of the Veterans' Health Care Amendments of 1983 (Public Law 98-160), and other pertinent information regarding the readjustment counseling program, the Administrator's opinion as to the extent to which the provision of readjustment counseling services under this section through Vet Centers is needed to meet the readjustment needs of veterans who served on active duty during the Vietnam era."; and

(6) by adding at the end the following new paragraph:

"(5) For the purposes of this subsection:

"(A) The term 'Vet Centers' means facilities which are operated by the Veterans' Administration for the provision of services under this section and which are situated apart from Veterans' Administration general health-care facilities.

"(B) The term 'Veterans' Administration general health-care facilities' means health-care facilities which are operated by the Veterans' Administration for the furnishing of health-care services under this chapter, not limited to services provided through the programs established under this section.".

(b) POSTPONEMENT OF REPORT DUE DATE.—Section 102(b) of the Veterans' Health Care Amendments of 1983 (Public Law 98-160; 97 Stat. 994) is amended by striking out "October 1, 1986" and inserting in lieu thereof "October 1, 1987".

TITLE III—TECHNICAL AMENDMENT

SEC. 301. REINSTATEMENT OF AUTHORITY TO MAKE STATE VETERANS' HOME CONSTRUCTION GRANTS DURING THE LAST QUARTER OF FISCAL YEAR 1987.

Section 224(e) of the Veterans' Benefits Improvement and Health-Care Authorization Act of 1986 is amended by striking out "The" and inserting in lieu thereof "Except with respect to grants awarded during the period beginning on July 1, 1987, and ending on September 30, 1987.

The title was amended so as to read: "A bill to assist homeless veterans and their families by authorizing the Administrator of Veterans' Affairs to transfer or lease certain properties to non-profit entities for use as shelters, by requiring the Administrator to conduct a pilot program of activities to assist homeless veterans, to report on outreach services to such veterans, to conduct a survey of such veterans, and to conduct a pilot program of contract community-based residential care for homeless veterans suffering from chronic mental illness disabilities, and by extending the Veterans' Job Training Act and expanding homeless veterans' eligibility thereunder; to provide for a one-year postponement of the transition period for the Vietnam-era veterans readjustment counseling program and related reports; and for other purposes.".

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STAFFORD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

JOBS FOR EMPLOYABLE DEPENDENT INDIVIDUALS ACT

TIME AGREEMENT ON S. 514

Mr. BYRD. Mr. President, I have a time agreement which we are prepared to enter into. The Republican leader has cleared this. If I may proceed while the distinguished Senator from Vermont is the acting Republican leader.

Mr. STAFFORD. Mr. President, if I may ask the majority leader, this is Calendar No. 63?

Mr. BYRD. Yes, it is.

Mr. President, I ask unanimous consent that at such time as the Senate proceeds to the consideration of Calendar Order No. 63, S. 514, there be a time agreement thereon as follows:

That there be 2 hours, equally divided, on the bill, the time to be controlled by Mr. KENNEDY and Mr. HATCH; that only one committee amendment be in order and one technical amendment to the committee amendment, and that is a committee amendment also—one committee amendment and one technical committee amendment to the amendment; that no other amendments be in order; that on any debatable motion or appeal, there be 10 minutes to be equally divided in accordance with the usual form; and that on any point of order, if such is submitted by the Chair to the Senate, there be a time limitation of 10 minutes, to be equally divided in accordance with the usual form.

Mr. STAFFORD. Mr. President, will the majority leader yield?

Mr. BYRD. Yes.

Mr. STAFFORD. I understood the majority leader to say 2 hours, equally divided?

Mr. BYRD. Yes, 2 hours, equally divided.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The text of the agreement follows:

Ordered, That when the Senate proceeds to the consideration of S. 514, a bill to amend the Job Training Partnership Act to establish an incentive bonus for the successful placement of certain employable dependent individuals, to provide targeting of assistance from certain carryover funds for such individuals, and for other purposes, no amendments shall be in order, except a committee amendment, and a technical committee amendment to that amendment: *Provided*, That time for debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 10 minutes, to be equally divided and controlled in the usual form.

Ordered further, That time for debate on this bill shall be limited to 2 hours, to be equally divided and controlled by the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Utah (Mr. HATCH), or their designees.

Mr. BYRD. Mr. President, so that the amendment will be understood by everyone, I send the amendment to the desk.

The PRESIDING OFFICER. The amendment will be printed in the RECORD.

The amendment reads as follows:

AMENDMENT NO. 77

On page 20, between lines 13 and 14, insert the following:

"(f) An individual shall not be considered to meet the requirements of subsection (c)(1) or (d)(1) if the individual participates in employment-related services and activities in a program established under the Social Security Act. For the purpose of the preceding sentence, an individual's receipt of medical services under title XIX of the Social Security Act or registration for manpower services, training, employment, and other employment-related activities pursuant to the Social Security Act shall not be treated as participation in employment-related services and activities in a program established under the Social Security Act.".

On page 21, line 19, strike out "subsection (b)" and insert in lieu thereof "section 502(a)(2)".

On page 22, line 15, strike our "subsection (c)" and insert in lieu thereof "section 502(b)(2)".

On page 36, strike out lines 3 and 4.

On page 36, line 5, strike out "(D)" and insert in lieu thereof "(C)".

On page 36, line 6, strike out "(E)" and insert in lieu thereof "(D)".

Mr. BYRD. Mr. President, there is a title amendment, also.

FEDERAL-AID HIGHWAY ACT OF 1987—PRESIDENTIAL VETO

Mr. BYRD. Mr. President, if any Senator would wish to speak at this time on the overriding veto, it would be a good opportunity while we are waiting.

I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, I was hopeful that the minority leader would be on the floor when I made these remarks, but I know he is out checking the score sheet or checking with someone to see whether he should accept the most gracious invitation of giving offsetting votes for any votes the minority leader has in the absence of one Senator who is away on personal business.

As usual, the majority leader, Senator ROBERT BYRD, has been gracious and he has been kind and he has been understanding. The same occasion was not offered by the present minority leader about 2 years ago when there was another key vote in the U.S. Senate. That was on the budget measure. And, lo and behold, there was a switch unknown to the then minority Democrats, and they had the votes to pass the budget so long as the Senator from Nebraska remained in the hospital with an emergency operation, not by choice and not on personal business, but an emergency operation for gallbladder removal. And at that time, that measure passed and it passed only because this Senator from Nebraska could not be here to vote in opposition.

At that time, I wish that the then-majority leader, the Senator from Kansas, would have been as kind and understanding as the now-minority leader, then-minority leader, is of the critical situation.

I would simply say, Mr. President, that if we are going to make exceptions as to when we do or do not have rollcall votes in this body because someone is out of here on personal business, I can understand that. But I would point out that the majority leader has offered to the minority leader an offsetting vote for that one individual that is out of town—and I say again I can understand that—on personal business.

I simply say that I feel that we should move ahead on the attempt to override the Presidential veto this evening. If we are going to make exceptions along the line that the minority leader seems to be taking, that he does not want to vote until this individual comes back, even though he has been assured an offsetting vote, than I think probably we are setting a tremendously bad precedent in the U.S. Senate. And I would guess if someone does not want to vote on something they could suddenly go out of town, on personal business or otherwise, or they could go in the hospital on an emergency basis to have a gallbladder taken out and it would tie up the U.S. Senate.

I would simply point out to my colleagues that that consideration was not offered this Senator 2 years ago.

So I am wondering how much of a precedent we are making here if we tie up the Senate, bog it down on a legitimate duty of voting one way or the other on this issue.

So I am taking note of this. I hope that at some time in the future—and you know how we are setting precedents around here—I would suspect that if I have to go out of town on personal business at some time in the future or if I am back in the hospital for another emergency operation, I would hope that in that instance the Senate would remember the Senator from Nebraska who got up and said, I would not be complaining about this except that I think that all of us should be treated equally in this body. And if one Senator can hold up the U.S. Senate, even for reasons beyond his control, then I think that probably should be extended to all other Members of the body.

So I hope that because of the gracious offer that has been made by the majority leader with regard to the Senator who is out of town on personal business, I hope that in the interest of moving this bill along, we should recognize and realize that this is a bill that needs action. If should have been acted on 6 months ago. There is no reason to put it off until tomorrow because of the arrangements that have tenatively been agreed to.

I hope we can go ahead and vote this up or down this evening and then get on down the line with other business that the Senate has before it.

I thank the chair, and I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I understand that in just a few moments we will begin the debate on the bill. I welcome the opportunity to be able to express my views.

If the floor manager wanted to make a presentation, I would certainly withhold my comments until that time. But if we are waiting now for the matter to be laid down, I would inquire of the Senator from New York—I am glad to wait my turn—if we are looking for people that have views about this and want to speak briefly, I would welcome that opportunity, but I am glad to follow the leadership of the Senator from New York who has done so much in making this bill, I think, the supportable measure that it is.

So I would just inquire of the Senator from New York, or of the minority floor manager, but I am glad to wait my turn, or I will speak now.

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from New York for an inquiry?

Mr. MOYNIHAN. Mr. President, might I say we would be very happy to hear what the Senator from Massachusetts has to say. We have more than enough time for us all to speak before we hear a response from the other side.

Mr. KENNEDY. I thank my friend and colleague.

I want to first of all express both my appreciation to him personally for the leadership on this issue and also to our majority leader. I understand that the leader has indicated that we are quite prepared to vote on this measure. I am quite prepared to vote now as well. I think the leader has spoken I think for the overwhelming majority of the Members of this body who are prepared to cast that vote on this extremely important measure now. But since there has been objection that has been raised I welcome the opportunity to speak briefly about the substance of this issue.

Mr. President, this highway bill is a bipartisan measure that deserves to be enacted into law. We all know the extraordinary and excruciating effort that went into the mammoth House-Senate compromise legislation now before us. Round the clock efforts almost succeeded in achieving a bill before time ran out last year. Building on that momentum this year we have brought the measure to the threshold of enactment after 3 long months of further tooth pulling in this Congress.

No one who has been a part of this painful process believes that it will be easy to achieve a fallback compromise if this bill goes down this evening. By every standard, save one, this legislation passes muster. It is essential to the economy. It is within the budget target. It is as bipartisan as major legislation gets. And its enactment has already been delayed too long. The State of Massachusetts does well in this measure as do so many other States. In fact, since the inception of the Interstate Highway Program, Massachusetts has received slightly less than its fair share. Only 97 cents have come back to the State in return for every dollar of gasoline taxes that citizens of Massachusetts have paid into the highway trust fund.

Now, after more than a decade of bureaucratic gridlock over our highway gridlock, we have the opportunity to construct an essential link in our Interstate Program by adding a third harbor tunnel and improving the central artery. Even the President's own Federal Highway Administration has agreed that the project is appropriate. If anyone thinks we do not need these projects, they have not been to Boston in the last 10 years. Our Republican colleague, Senator SYMMS, deals with each of the White House arguments on the merits against this bill and demolishes them one by one. His lengthy analysis is extremely persuasive—like Roger Clemens throwing past Little League.

The President has chosen this legislation to draw a line in the dust against the Congress, not because of any objections that can be taken seriously against the bill but to prove that he is still President. In essence, this is not a veto on the merits. It is a chip-on-the-shoulder veto, and it deserves to be overriden in the Senate. The major highway bill of vast importance to the Nation should not be lost because the President's foreign policy collapsed around him.

I thank the Senator, and I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts has yielded the floor.

Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. SYMMS. Mr. President, I wish to make a few comments today on this bill and to explain why I am going to vote against the position the President has taken, and vote to override the veto. I do not like to be voting against the President or taking a position in opposition to the Chief of Staff of the White House with respect to his request that Senators vote to sustain the President's veto. It is an uncomfortable position. But I think when one really examines what is in a bill one finds that many bills that pass the Congress are not perfect, and are signed into law by Presidents. On a scale of 1 to 10, I would have to say this bill rates somewhere in the 7 to 8 range. It is not perfect. But it is not all bad.

I think we should also look back at the Interstate Highway and Defense System, that was started by President Eisenhower in 1956. It has been built by users fees, by taxes on gasoline, on tires, excise taxes on trucks. It has been funded by the people who use the roads.

If it were not for President Reagan we would not have a bill before the Congress today that would complete the Interstate System in the next 5 years. It was his leadership and his willingness to go to the American people and Congress asking for our votes in 1982 for another 5 cents a gallon which has made it possible to bring to the Congress this kind of a highway program. I think we should give the President credit for that.

I call to the attention of my colleagues a Dear Colleague letter that I sent out on Monday of this week. I urge them to review it and ask their staffs to at least look through it. But I want to make a few of the points that I made in the letter so my colleagues can think about this before the vote.

The President in good faith has called this bill a budget buster. His veto message says "The bill authorizes excessive funding levels of $87.5 billion over 5 years, $10.1 billion more than my original request, and more than is brought in by highway user taxes." In fact, approximately $76 billion of the funds authorized in this bill will come from the highway mass transit accounts, and the highway trust fund. These are funds that are collected from highway users across the Nation, and are dedicated for highway transit construction projects. The $68.6 billion authorized for the Highway Program, and the $6.25 billion authorized from the mass transit account for transit projects is less than the user fees plus the interest what will accrue in those accounts in the next 5 years according to the CBO.

In other words, if you count the interest that accrues to the trust fund, the 5-year authorization from the highway trust fund are revenue neutral under the conference agreement. So it stretches it in this Senator's view to say this bill is truly a budget buster. As of March 1, 1987, the highway account had $9.9 billion and was rising. So probably it is over $10 billion as we are standing here today. That $10 billion is money that the taxpayers of this country already have paid, and they expect the Congress to pass a highway program so the money can be spent to fix the roads in the country.

Mr. President, I know of no other program other than our Defense Program that provides more freedom for the taxpayers than the Highway Program. The opportunity for Americans to get in their automobile and drive where they wish at their own schedule is a kind of freedom that most people of the world will never know.

So I think we should recognize this has been a very, very successful program since its inception in 1956.

There is about $10 billion plus in the trust fund now. CBO estimates that the Highway Program funding levels established in the conference agreement will leave a cash balance of $10.9 billion in the highway account at the end of 5 years. In other words, the already too rich balance in the highway account is slowly going to increase over the life of this bill. CBO estimates we can spend an additional $1.2 billion per year on the Highway Program without triggering the Byrd amendment leaving a balance of $5.8 billion at the end of 5 years.

So, to me it is hardly evidence that this is a budget buster, spending too much money. The fact is that we will be accumulating money each and every day in the trust fund at a rate more than what the highway program will be spending if the veto is overriden and the bill goes into effect.

Now let us talk about the mass transit account. It had a cash balance of $3.29 billion at the beginning of 1987. The CBO estimates that the authorization in this bill will leave a cash balance of $6.17 billion at the end of 5 years. The interest and user fees will be almost $2 billion more than the 5-year authorizations. Clearly, if the bill is a budget buster, the problem must then lie in the general fund financing for the Mass Transit Program.

This is the point I have been trying to make to my colleagues on this side of the aisle, the Republican side of the aisle, where the push has come from President Eisenhower to President Reagan to have a user-fee-funded highway program.

Here we are accumulating a cash balance in the account instead of spending down the balance so that our accounting system is honest with the taxpayers of this country.

The bill authorizes $11.65 over 5 years to be appropriated from the general fund, not from the trust fund, for the mass transit programs. I agree with the President that the Congress should eliminate general fund financing from the mass transit program. I have no argument with that. In fact, I offered the President's mass transit funding proposal as an amendment to the budget resolution in the 99th Congress. But the amendment was defeated overwhelmingly in this Senate which at that time was controlled by my party. The votes simply are not there to eliminate or significantly reduce the general fund financing for the Mass Transit Program.

In addition, the general fund portion of the Mass Transit Program, $2.44 billion for fiscal year 1987, already has been appropriated in last year's continuing resolution.

The fiscal year 1987 appropriation was approved in the absence of any authorization. There is little reason to expect that the appropriations committees are going to refuse to fund the Mass Transit Program in future years whether we pass this authorization bill or not. Since the general fund appropriation accounts for two-thirds of the Mass Transit Program, it will be the Highway Program Mr. President, that is going to suffer exclusively if we fail to enact this important legislation.

Finally, the President's proposed alternative bill makes some laudable policy changes in both highway and transit titles, but it does not take a significant step toward deficit reduction. The President's proposal would save approximately $2 billion in the Highway Program and approximately $1.8 billion in the Mass Transit Program over the 5-year period, $3.8 billion. Again, the reduced funding in the Highway Program will only add to the burgeoning cash balance already sitting in the highway trust fund.

So we will be $2 billion more in arrears in facing our commitment to the taxpayers of the United States who want good roads than we will be now if we take the President's proposal. It is spending savings but what happens in this town is that the money is put into the trust fund for highways and because of the unified budget then there will be other programs come in, whether they are laudable or not laudable, and then the money will be spent on those programs and money taxed directly for the users of highways will stay in the trust fund accumulate a further balance.

The President in his veto message condemned the add-on funding for 152 highway special interest projects.

Mr. President, I think we ought to go into just what those 152 projects are. He notes that the 5-year cost of those demonstration projects is estimated to be $1.4 billion and the total cost to complete the projects is estimated to be $5.5 billion. The projects, the President observes, have not been selected through the established Federal Aid Highway Program mechanism that relies on the expertise of State and local officials.

I do not have any argument with the President's position on this. I have argued that position in my entire 6½ years on this committee.

I agree wholeheartedly with his analysis of the demonstration projects. They are not good public policy. In fact, the Senate's answer to the demonstration projects, priority projects which a State could build using any of its regularly apportioned highway funds, is an idea I worked on and helped develop with the committee last year when I was chairman of the Transportation Subcommittee. Unfortunately, the objections of the President and many Senators notwithstanding, demonstration projects are a fact of life and a highly valued commodity in the House of Representatives.

In my judgment, we would not be finished with the highway conference today if the Senate conferees had not been willing to provide some funding or additional funding for the demonstration projects.

The following is a review of the details of our agreement on demonstration projects.

The Senate conferees insisted that the money added to the bill for demonstration projects would pay for not more than 50 percent of the authorized cost of those projects, and that State and local governments must provide 20 percent of the projects, and the remaining 30 percent of the authorized cost would come from the Secretary's discretionary accounts.

The conferees agreed to $178 million per year on top of funding for the regular program to finance the 50 percent that we put in of so-called new money. That money also provides a guaranteed minimum annual allocation of one-half percent, $829,000, to every State. States with no demonstration projects may spend their $829,000 of those funds on any Federal aid highway package or bridge project they want to.

The 30-percent matching funds, approximately $107 million, will reduce the authorized discretionary fund available to the Secretary from $925 million to approximately $818 million per year. States that receive the $829,000 guaranteed minimum in new Federal money also will receive matching funds of $479,500 annually. So every State gets a little bit of this.

As noted by the President, approximately $1.4 billion in the Federal funds may be obligated for demonstration projects over the 5-year life of the bill. Of that amount, $535 million would have been spent on other projects at the Secretary's discretion if there were no demonstration projects.

Those funds would not have been apportioned to the States under the regular program.

So, Mr. President, what that leaves us is $890 million in new Federal funds for demonstration projects which, if there were no demonstration projects, either would not have been spent or would have been apportioned to the States under the regular program.

That is $890 million. If we want to call it pork, that is fine, let us call it pork. But it is $890 million out of a $69 billion highway program. I would venture to say that in many of the States if you talk to the congressional delegations or the people in those States, they would say that most of these projects are worthy projects and that they are going to be useful and helpful to the people in the communities where those projects will be built. For approximately 1.3 percent of the total program, that is the price the Senate conferees agreed to pay the House to get this conference report.

I cannot give this bill a rating of 10 on a scale of 1 to 10, but it is a 7 or 8.

The $890 million comes out of the trust fund. It is paid for every time somebody buys a gallon of gas. We reduced the cost enormously and required that every State would have to put up at least 20 percent of the money for any project that they want. So we are not really shoving it entirely down their throats. The States and local communities will have to decide if they want the project bad enough to put up 20 percent of the cost. So it has some governing process on each State to make a State-matched commitment on it.

We will not reach an agreement with the House on a highway bill that fails to include some Federal funding for demonstration projects. The conference agreement on the demonstration projects was hammered over a number of days in conference and with a full year of private deliberations prior to the conference about the stark differences between the Senate and the House bills with respect to those projects.

I do not believe a new agreement on demonstration projects is going to be as easy to achieve or as readily forthcoming as many people here in the Chamber think.

Mr. President, I want to make another comment about a project many people hear talked about a lot in the country. That is the Boston Central Artery. The President has objected to the "expansion of the scope of the Boston interstate projects eligible for interstate highway funds." I think we ought to discuss what the conference agreed to on this project as it was contained in the conference agreement.

First, this is a project that has been in contention for many, many years. It has been part of the Interstate System for many, many years. The Boston I-93, and I-90 projects will complete two interstate highways. I-93, the so-called Central Artery, is a north-south highway which converges with I-90, the third Harbor Tunnel, an east-west highway. The traffic from both I-93 and I-90 now funnels through a substandard, outdated 3 mile interstate segment.

I-90 and I-93 have been a recognized part of the Interstate System; I-93 was included in 1956, an open-to-traffic segment built with State funds, and I-90 in 1974. There has been a disagreement between the Department of Transportation and the State of Massachusetts as to what kind of improvements on these two segments are eligible for interstate construction funds. The State has demonstrated a need for expanding the proposed Third Harbor Tunnel from a special purpose two-lane tunnel to a multipurpose four-lane tunnel. They also have demonstrated a need for major improvements to the existing Central Artery. I-93 is the most congested interstate highway in the country.

The tunnel through the Boston Harbor to the airport is used by all the people in the New England States serviced by the Boston International Airport. So it is used by many, many citizens from that part of the country. They have been paying their gasoline taxes into the trust fund. My colleagues can look it up and find that they have been paying their share over the years to help build the Interstate System over the entire country.

I emphasize that point. This highway was built for a national purpose, to serve not only the commercial good and the personal opportunity for the people to use it, but for the national defense of the country so we could connect Seattle to Maine and vice versa. It is intended to give us the capability, if necessary, to move large numbers of people or troops on the Interstate System. It was built and designed so we can haul trucks, with tanks on it, heavy loads, and transport an army, if you will, from coast to coast on an Interstate System. They have been paying their share up there, so we should not forget that.

The conferees agreed that the multipurpose four-lane third harbor crossing would be eligible for interstate construction funds, along with three major interchanges on the Central Artery. In exchange for this, the State is responsible to pay for the depression of the Central Artery which is currently estimated to cost over $800 million. While this compromise is not what everyone wanted, it is a resolution to a longstanding problem which will permit Boston to proceed with solving its major transportation problems.

Chairman HOWARD was on the floor just a few minutes ago informing me that the House is not in the frame of mind to do that again. The facts are very simple: While the Senate supports the "65" amendment overwhelmingly, the House does not. The margin of victory in the House was a slim 11 votes, and Chairman HOWARD remains adamantly opposed to the amendment.

Representative BARNEY FRANK just sent a letter around with some 12 or 15 signatures that I have here, that says that because of the importance of this matter, the people who voted for it do not wish to do it again in the next highway bill.

I think we have to be realistic and the people on this side of the aisle, particularly from the West, should be realistic and know that the people out in the country think we have already raised the 55-miles-per-hour speed limit to 65; they think it is going to be just a matter of time that they are going to be driving and see the 55 miles blocked out and "65" in its place. That is not the case. I believe it is fair to say that we have seen the last vote of the House in this Congress on a Senate-passed speed limit amendment unfettered by compliance requirements or the threat of penalties sufficient to make speed limit reform unworkable in most States.

As I said, the word is out now: Congress has passed a new speed limit law. Most people believe their States soon will have the option to raise the speed limit to 65 on rural interstates. Senators who vote to sustain the President's veto will vote to eliminate the most well-known and popular provision in this bill. And if the veto is sustained, we will disappoint, once again, the millions of Americans who thought that maybe—just maybe—Congress has swallowed a healthy dose of reality and voted for something that makes sense. If we fail to override this veto, we are going to be denying them that once again. So I urge people to vote to save this important modification of the national maximum speed limit law. It is the first time in my years in Congress that we ever passed a bill where we slowed down the social engineers who tried to interfere with a matter that is an issue with the States. It is the first major reversal of that action, and it is of significance that it is this bill. I think it is significant for anybody who has any doubts about how to vote, that they could hang their vote on that issue alone and easily justify it, in this Senator's opinion.

RISK/BENEFIT RATIO

In his veto message, the President reviews some of the benefits to be attained if we sustain his veto and subsequently adopt his proposed alternative. For instance, we would reduce total authorizations in the bill by about $4 billion over 5 years; approximately one-half of the savings would accure to the highway account of the highway trust fund, so the cash balance would increase even more dramatically under the President's proposal than it does under the conference agreement. In addition, we would eliminate special funding for demonstration projects, eliminate the compromise on eligibility for the Boston projects and thereby reduce the Federal cost to complete the Interstate System, eliminate the transit provision requiring a new contract and additional funding for the Los Angeles Metrorail project, eliminate the "buy-America" provisions affecting foreign rolling stock, and provide a more equitable distribution of mass transit account funds.

Except for the overall reduction in authorizations for the Highway Program, I believe the President's proposals are a marked improvement to the provisions they would replace in the conference agreement. The problem with the President's proposal is that it will not be acceptable to the House, and if the Senate adopts this proposal, a new and very difficult conference will have to be convened.

To all these people who make the argument that somehow, this is do or die for President Reagan—I do not buy that argument. We have a constitutional Republic in this country. We have a House and Senate which make up the legislative branch. We have a judicial branch, and we have an executive branch. We have a difference of opinion with our President. He has made his case very articulately and very well to the American people. I salute him for it.

Now we should make our case. Then we go on; tomorrow is a new day. If this veto is overriden, there is another issue coming up next week. There are many more issues that are more important for this President to be embroiled in than whether we save $2 billion or $3 billion and, in the process of saving it on the highway bill, put it in a dedicated trust fund only to have it sit there and denied to the people who paid it to fix their highways.

I want to point out just some of the important provisions to the conference agreement that are going to be placed at risk if we agree to a highway conference. Many people, particularly on this side of the aisle, particularly from the Western States should listen carefully.

One of the reasons we have the fights on the demonstration projects is we bring up a highway bill every year called the "Interstate Cost Estimate"—ICE.

Every year we bring up the ICE we have to deal with the House of Representatives and all the ideas people have, what they would like to add, detract, or do to the Highway Program. I happen to think that the best way to have the Highway Program work well is to have a sustained program that works for a 5-year period at least, where the State DOT's know the money will be there and there is not this on again-off again situation.

Now, in the past the Interstate Program has been delayed because the House Members demanded demonstration projects in return for approval of the ICE. The conference agreement provides for interstate agreement for release of the funds if the Congress fails to approve the ICE prior to October 1. This agreement provides an important assurance that there will be continuity in the Interstate Program for the next 5 years.

That is a significant point that we gained in this conference, and it should not just be overlooked. Particularly for the Senators who are concerned about the demonstration projects, I think we did a pretty good job to get the demonstration projects whittled down to $178 million a year. Now you are going to find out that you will have to fight it every year. We may lose that provision in conference.

One-half percent minimum for interstate construction. The conference agreement continues the one-half minimum percent guarantee for interstate construction funds, notwithstanding strong opposition to this provision from the House conferees. In fiscal year 1987 every State is guaranteed a minimum of $13.1 million in interstate construction funds. Over the life of this bill 32 States will benefit from this provision. Thirty-two States. Most of the House Members come from the big urban centers, so all the Senators who come from the rural States should consider very carefully before they vote to throw this protection away because it means a lot to some of the States with small populations which are bigger geographically. It does not mean much to the distinguished Senator from New Jersey, but it means a lot to the Dakotas, for example, or some of the other smaller Western States. I think it is an important point.

Interstate 4R distribution formula. The conference agreement continues the current formula for distribution of interstate 4R funds. The House bill would have changed the formula to reflect population factors only. Twenty-nine States, Mr. President, benefit from the current formula as compared to the House formula which has the strong support among House conferees, and again for the Senators who come from the big city States it is not as important to them, but all of you who come from the more rural States, it makes a big difference.

Finally, Mr. President, if a highway bill is not enacted soon, we are going to lose the 1987 construction season in most of the Northern States. According to AASHTO, the American Association of State Highway and Transportation Officials, failure to enact a new authorization by May 1 will result in postponement of 1,900 projects valued at $2.9 billion beyond the 1987 construction season. In addition, Associated General Contractors, using data supplied by the Federal Highway Administration, estimates that if no bill is enacted in time for the 1986-87 construction season, there will be a loss of 800,000 jobs.

Now, Mr. President, this Senator has never taken the floor and claimed that the highway program should be called a jobs bill. But now we have taxed the people and the money sits in the trust fund. We are denying people the opportunity to work fixing their roads by holding up this bill. So whatever will be saved—let us say if we did in the wildest of expectations pass the bill exactly the way the President sent it over here, we still may lose most of the 1987 construction season. So I urge my colleagues to review this assessment of the issues involved and vote with me to override the veto.

This is not a vote against the President. This is not a vote standing on anything that is Republicans versus Democrats. This is a vote for the American people to be able to move forward with their highway program as the law states and keep it out of politics. I have never seen a highway that was for Republicans only or for Democrats only. The highways are for the American people. It is not a partisan issue. And so, Mr. President, for the information of Members, so that it will be in the RECORD for their review tonight, I ask unanimous consent to include tables prepared at my request by the Federal Highway Administration showing the State-by-State apportionments and allocations in the conference report, the Senate-passed bill and the House-passed bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF H.R. 2, CONFERENCE REPORT FISCAL YEAR 1987 ESTIMATED APPORTIONMENTS AND ALLOCATIONS

[Dollars in thousands]

State	Interstate construction	I-4R	Primary	Secondary	Urban	Bridge	Hazard elim.	RR hwy xings	Int hwy transf.	Urban plng.	Total apport	85 percent min alloc.	Subtotal	402 safety	Demos.	30 percent demo. disc.	Interstate bisc.
Alabama	111,638	47,426	41,509	12,180	9,465	26,611	2,982	3,217	0	556	255,584	0	255,584	183	3,600	2,160	0
Alaska	13,127	21,602	74,661	32,262	3,657	3,431	833	2,449	0	233	152,255	0	152,255	51	829	497	0
Arizona	17,531	55,922	31,521	9,927	9,446	3,431	2,245	1,575	136	603	132,337	14,345	146,682	138	829	497	18,328
Arkansas	13,127	27,618	28,381	10,593	4,464	19,880	2,018	2,366	0	233	108,680	14,936	123,61	123	6,780	4,068	0
California	287,968	246,584	167,086	23,967	92,604	38,493	14,352	10,148	2,409	6,231	889,842	69,125	958,967	881	23,880	14,328	22,487
Colorado	54,862	49,643	34,374	11,030	9,801	15,565	2,326	2,181	4,982	636	185,400	0	185,400	142	829	497	0
Connecticut	66,014	32,908	25,240	3,851	10,494	48,102	1,851	1,023	81,618	730	271,831	0	271,831	114	829	497	37,997
Delaware	13,127	12,725	11,336	2,925	3,657	3,431	833	497	0	233	48,764	0	48,764	51	829	497	0
Dist. of Col	34,779	12,725	11,336	0	3,657	7,471	833	219	11,221	233	82,474	0	82,474	51	829	497	0
Florida	146,772	89,523	75,267	14,826	34,887	20,555	6,197	4,693	0	2,341	395,061	29,645	424,706	380	3,800	2,280	0
Georgia	61,620	89,683	55,429	15,743	13,914	39,578	4,006	4,558	8,343	820	293,694	26,405	320,099	246	9,150	5,490	0
Hawaii	98,053	12,725	11,336	2,925	3,657	3,435	833	394	0	233	133,591	0	133,591	51	829	497	0
Idaho	24,312	23,196	18,309	7,235	3,657	4,041	1,225	1,430	0	233	83,638	0	83,638	75	2,300	1,380	0
Illinois	13,127	90,912	89,742	16,992	40,130	40,287	7,461	8,148	59,617	2,614	369,030	0	369,030	458	6,520	3,912	8,537
Indiana	17,862	56,611	52,532	13,837	14,534	24,121	3,864	5,086	3,807	820	192,974	58,010	250,984	237	4,560	2,736	0
Iowa	13,127	36,701	35,240	12,700	6,652	30,954	2,721	3,745	22,104	294	164,238	0	164,238	166	4,900	2,940	0
Kansas	13,127	37,178	33,225	11,995	6,218	32,821	2,640	4,809	0	269	142,282	0	142,282	161	3,500	2,100	8,095
Kentucky	19,445	45,526	39,495	12,183	7,438	31,909	2,666	2,671	0	388	161,721	1,567	163,288	163	3,800	2,280	0
Louisiana	112,324	45,169	38,807	9,831	11,859	33,327	2,836	3,147	0	694	257,994	0	257,994	173	3,365	2,019	0
Maine	13,127	12,725	14,458	5,115	3,657	5,347	833	934	0	233	56,429	0	56,429	51	3,000	1,800	0
Maryland	104,432	38,409	33,958	5,583	14,387	19,301	2,521	1,510	52,758	990	273,849	0	273,849	155	3,540	2,124	0
Massachusetts	367,332	32,222	44,577	5,993	20,391	44,216	3,391	1,979	8,371	1,401	529,873	0	529,873	208	850	510	0
Michigan	40,733	83,573	82,565	17,527	27,574	19,883	6,135	5,527	0	1,822	285,339	29,008	314,347	376	4,220	2,532	21,828
Minnesota	58,005	46,637	43,607	14,557	11,058	20,257	3,488	4,212	2,845	647	205,313	0	205,313	213	4,700	2,820	19,932
Mississippi	13,127	32,098	31,796	10,714	4,663	25,615	2,086	2,189	0	233	122,521	4,475	126,996	127	2,058	1,234	0
Missouri	13,127	71,505	51,721	15,700	13,687	60,829	3,852	4,141	0	826	235,388	15,147	250,535	236	8,400	5,040	3,532
Montana	13,127	40,917	26,672	11,020	3,657	8,648	1,166	1,645	0	233	107,085	0	107,085	71	829	497	0
Nebraska	13,127	21,773	25,218	9,389	4,025	22,121	1,796	2,705	1,713	233	102,100	0	102,100	110	829	497	0
Nevada	13,127	22,478	18,903	7,110	3,657	3,431	883	788	0	233	70,610	0	70,610	54	2,660	1,596	0
New Hampshire	13,127	12,725	11,336	2,925	3,657	8,099	833	657	0	233	53,592	0	53,592	51	829	497	0
New Jersey	96,375	30,112	53,435	5,241	28,088	65,486	4,253	2,700	26,977	1,983	314,650	0	314,650	261	7,200	4,320	0
New Mexico	13,127	42,529	25,889	9,755	3,846	5,198	1,251	1,191	0	233	103,019	0	103,019	76	4,000	2,400	0
New York	13,127	88,692	134,684	17,439	63,286	137,240	10,477	6,157	156,371	4,347	631,790	0	613,790	642	5,424	3,254	0
North Carolina	43,072	47,067	64,685	17,510	11,330	38,852	4,090	3,987	0	631	231,224	57,980	289,204	251	1,800	1,080	13,099
North Dakota	13,127	20,565	17,498	7,116	3,657	6,792	1,247	2,794	0	233	73,029	0	73,029	76	3,400	2,040	0
Ohio	29,676	104,159	93,771	18,278	33,398	49,189	6,900	6,563	9,807	2,061	353,802	63,643	417,445	423	2,800	1,680	0
Oklahoma	13,127	36,266	34,570	11,798	8,137	35,079	2,762	3,224	0	399	145,362	44,507	189,869	169	829	497	0
Oregon	16,303	38,469	29,445	9,909	7,272	11,244	2,380	2,154	9,045	400	126,621	0	126,621	145	829	497	6,762
Pennsylvania	150,552	66,538	107,744	22,152	34,318	95,611	7,492	5,926	8,681	2,259	501,273	0	501,273	460	15,610	9,366	76,106
Rhode Island	13,127	12,725	11,336	2,925	3,657	3,850	833	443	51,970	249	101,115	0	101,115	51	829	497	0
South Carolina	16,846	40,662	32,937	9,074	6,717	9,979	2,316	2,715	0	375	121,621	26,553	148,174	142	4,000	2,400	19,362
South Dakota	13,127	25,428	18,729	7,711	3,657	9,253	1,134	1,726	0	233	80,998	0	80,998	69	1,980	1,188	0
Tennessee	13,127	62,204	46,888	13,456	11,432	54,155	3,309	3,183	19,885	658	228,297	13,766	242,063	203	2,500	1,500	2,668
Texas	125,011	202,918	132,586	37,363	47,234	57,261	10,490	10,697	0	2,877	626,437	223,604	850,041	643	4,900	2,940	0
Utah	35,488	39,331	19,825	6,571	5,141	3,431	1,282	1,191	0	331	112,591	0	112,591	78	829	497	13,619
Vermont	13,127	12,871	11,336	2,925	3,657	6,345	833	634	0	233	51,961	0	51,961	51	829	497	0
Virginia	65,353	69,793	49,848	12,861	14,817	17,936	3,517	2,702	1,240	960	239,027	0	239,027	215	1,900	1,140	6,230
Washington	107,905	55,318	39,771	10,196	12,669	26,353	3,037	2,915	0	826	258,990	0	258,990	186	829	497	0
West Virginia	13,127	19,199	23,696	7,528	3,657	35,374	1,400	1,680	0	233	105,894	0	105,894	86	1,960	1,176	21,417
Wisconsin	13,127	34,558	48,135	13,577	12,314	31,722	3,628	3,912	0	736	161,709	32,562	194,271	223	829	497	0
Wyoming	13,127	33,442	17,321	7,094	3,657	3,431	833	908	0	233	80,046	0	80,046	51	829	497	0
Puerto Rico	0	12,725	29,953	3,939	8,781	3,431	1,795	757	0	542	61,923	0	61,923	111	0	0	0
Total	2,625,311	2,544,910	2,303,719	585,053	731,326	1,372,402	164,935	156,802	543,900	46,510	11,074,868	725,276	11,800,144	10,111	177,979	106,782	300,000

State	Interstate transfer disc.	Rail relocation bends	MIPP roads	Urban high density	Studies	Forest hwys.	Subtotal B	Bridge disc.[1]	I–4R disc.[1]	Public lands[1]	Parkways and park highways[1]	Indian res. roads[1]	Maintenance of certain rail/hwy crossings[2]	Grand tot.
Alabama	0					266	261,793							
Alaska	0					3,566	157,198							
Arizona	706					3,030	170,210							
Arkansas	0					716	135,303							
California	1,518				970	7,081	1,030,112							
Colorado	19,525					4,082	210,475							
Connecticut	13,660					0	324,928							
Delaware	0					0	50,141							
Dist. of Col	0					0	83,851							
Florida	0					358	431,524							
Georgia	0	2,000				223	337,208							
Hawaii	0					0	134,968							
Idaho	0					4,885	92,278							
Illinois	32,632	3,500				105	424,694							
Indiana	2,277	3,500		2,807		72	267,172							
Iowa	3,722					0	175,966							
Kansas	0					0	156,138							
Kentucky	0					185	169,716							
Louisiana	0					165	263,717							
Maine	0					23	61,303							
Maryland	22,386					0	302,053							
Massachusetts	0					0	531,441							
Michigan	0					699	344,002							
Minnesota	7,209					872	241,060							
Mississippi	0					382	130,798							
Missouri	0					324	268,067							
Montana	0					4,155	112,637							
Nebraska	2,289	2,000				70	107,895							
Nevada	0					748	75,668							
New Hampshire	0					275	55,244							
New Jersey	9,846					0	336,278							
New Mexico	0		58,000			2,110	169,605							
New York	0					0	641,110							
North Carolina	0					663	306,097							
North Dakota	0					142	78,687							
Ohio	11,383					76	433,807							
Oklahoma	0					69	191,434							
Oregon	9,335					7,369	151,559							
Pennsylvania	11,269				650	200	614,934							
Rhode Island	0					0	102,492							
South Carolina	0					216	174,294							
South Dakota	0					528	84,763							
Tennessee	0					281	249,214							
Texas	0	750				285	859,559							
Utah	0					1,741	129,355							
Vermont	0					99	53,437							
Virginia	4,857					673	254,043							
Washington	0					3,945	264,447							
West Virginia	0					316	130,849							
Wisconsin	0					421	196,241							
Wyoming	0					1,792	83,215							
Puerto Rico	0					29	62,063							
Total	152,615	11,750	58,000	2,807	1,620	53,237	12,675,045	185,613	164,990	40,000	60,000	80,000	0	13,205,648

[1] No estimate of distributions available.

[2] No authorization in this bill.

Grand total, 13,205,648; administration and research, 210,989; SHRP, 30,475; Territories, 13,199; Dept. of Interior, 49; FHWA safety 403, 10,000; nonspecified studies, 1,200; nonspecified rail relocation, 3,250; total authorizations, 13,474,810.

Assumptions: Interstate Discretionary—Based on actual FY 1987 allocations of $687 Million ($387 Million of lapsed funds and $300 Million of new authority) prorated to the $300 Million set-aside in H.R. 2 Conference Report. Interstate Transfer Discretionary—Based on allocations in the FY 1987 DOT Appropriations Act (Continuing Resolution) prorated to account for reduced authorization and 30 percent demonstration projects set-aside. Bridge Discretionary—Prorated to account for 30 percent demonstration projects set-aside. I–4R Discretionary—Prorated to account for 30 percent demonstration projects set-aside. Forest Highways—Preliminary FY 1987 allocations.

SUMMARY OF S. 387 FISCAL YEAR 1987 ESTIMATED APPORTIONMENTS AND ALLOCATIONS

[In thousands, of dollars]

State	Interstate and primary	Secondary	Urban	Bridge	Hazard elim.	RR HWY. XINGS	Int. hwy transf.	Urban plng.	Total apport	85 percent alloc. min	Subtotal	402 safety	Demos[1]	30 percent demo disc.[1]	Interstate disc.[1]
Alabama	227,301	12,181	9,466	24,626	3,069	3,520	0	558	280,721	0	280,721	183			
Alaska	112,052	32,264	3,637	3,175	858	2,677	0	233	154,916	0	154,916	51			
Arizona	119,541	9,928	9,446	3,175	2,311	1,724	115	605	146,845	0	146,845	138			
Arkansas	72,483	10,594	4,463	18,397	2,077	2,587	0	233	110,836	26,906	137,742	123			
California	781,388	23,968	92,609	35,623	14,775	11,099	2,107	6,254	967,823	7,230	975,053	881			
Colorado	153,860	11,031	9,902	14,405	2,395	2,386	4,352	638	198,869	0	198,869	142			
Connecticut	140,325	3,851	10,494	44,515	1,905	1,119	71,293	732	274,234	0	274,234	114			
Delaware	39,574	2,925	3,657	3,175	858	543	0	233	50,965	0	50,965	51			
Dist. of Col.	67,142	0	3,637	6,913	858	239	9,799	233	88,841	0	88,841	51			
Florida	343,793	14,827	34,889	19,022	6,380	5,134	0	2,350	426,395	0	426,395	380			
Georgia	225,968	15,744	13,915	36,627	4,124	4,986	7,291	823	309,478	32,132	341,610	246			
Hawaii	143,638	2,925	3,637	3,178	858	431	0	233	154,920	0	154,920	51			
Idaho	72,502	7,236	3,657	3,740	1,261	1,563	0	233	90,192	0	90,192	75			
Illinois	201,412	16,993	40,132	37,283	7,680	8,911	52,072	2,623	367,106	0	367,106	458			
Indiana	134,500	13,837	14,535	22,322	3,978	5,563	3,325	823	198,883	81,913	280,796	237			
Iowa	89,049	12,700	6,652	28,646	2,801	4,096	19,312	295	163,551	0	163,551	166			
Kansas	87,556	11,996	6,218	30,373	2,717	5,260	0	270	144,390	0	144,390	161			
Kentucky	111,675	12,183	7,438	29,530	2,744	2,921	0	390	166,881	12,670	179,551	163			
Louisiana	223,046	9,831	11,859	30,842	2,920	3,441	0	696	282,635	0	282,635	173			
Maine	42,672	5,115	3,657	4,948	858	1,021	0	233	58,504	3,245	61,749	51			
Maryland	196,644	5,583	14,388	17,862	2,595	1,652	48,752	994	287,870	0	287,870	155			
Massachusetts	294,076	5,994	20,392	40,919	3,491	2,164	7,315	1,406	375,757	0	375,757	208			
Michigan	221,097	17,528	27,576	18,400	6,316	6,046	0	1,829	298,792	4,516	303,308	376			
Minnesota	163,456	14,557	11,058	18,747	3,591	4,607	2,484	650	219,150	0	219,150	213			
Mississippi	90,734	10,714	4,663	23,705	2,147	2,393	0	233	124,589	16,158	140,745	127			
Missouri	142,828	15,701	13,688	56,293	3,965	4,529	0	829	237,833	26,590	264,423	236			
Montana	85,051	11,021	3,657	8,003	1,201	1,800	0	233	110,966	0	110,966	71			

SUMMARY OF S. 387 FISCAL YEAR 1987 ESTIMATED APPORTIONMENTS AND ALLOCATIONS—Continued

[In thousands, of dollars]

State	Interstate and primary	Secondary	Urban	Bridge	Hazard elim.	RR HWY. XINGS	Int. hwy transf.	Urban plng.	Total apport	85 percent alloc. min	Subtotal	402 safety	Demos [1]	30 percent demo disc. [1]	Interstate disc. [1]
ska	63,065	9,389	4,025	20,471	1,849	2,958	1,495	233	103,485	0	103,485	110			
da	57,541	7,111	3,657	3,175	909	862	0	233	73,488	0	73,488	54			
Hampshire	39,574	2,925	3,657	7,495	858	718	0	233	55,460	0	55,460	51			
Jersey	202,133	5,241	28,090	60,603	4,379	2,953	23,564	1,990	328,953	0	328,953	261			
Mexico	86,001	9,756	3,846	4,811	1,288	1,302	0	233	107,237	0	107,237	76			
York	243,723	17,440	63,289	127,007	10,755	6,735	136,595	4,363	609,907	0	609,907	642			
Carolina	173,354	17,511	11,331	35,955	4,211	4,361	0	633	247,356	74,184	321,540	251			
Dakota	54,093	7,117	3,657	6,286	1,284	3,056	0	233	75,726	0	75,726	76			
	240,927	18,278	33,400	45,521	7,103	7,177	8,566	2,068	363,040	102,660	465,700	423			
oma	87,917	11,798	8,138	32,464	2,843	3,528	0	401	147,089	30,387	177,476	169			
n	90,283	9,909	7,272	10,405	2,450	2,355	7,898	401	130,973	0	130,973	145			
ylvania	360,794	22,153	34,320	88,482	7,713	6,481	7,582	2,267	529,792	0	529,792	460			
Island	39,574	2,925	3,657	3,563	858	484	45,398	250	96,709	0	96,709	51			
Carolina	96,796	9,075	6,718	9,235	2,384	2,970	0	376	127,554	0	127,554	142			
Dakota	60,535	7,711	3,657	8,563	1,167	1,887	0	233	83,753	0	83,753	69			
ssee	128,018	13,456	11,432	50,117	3,406	3,480	17,372	660	227,941	40,969	268,910	203			
	500,955	37,364	47,236	52,991	10,799	11,700	0	2,887	663,932	283,904	947,836	643			
	106,911	6,571	5,142	3,175	1,320	1,303	0	332	124,754	0	124,754	78			
ont	39,731	2,925	3,657	5,872	858	693	0	233	53,969	0	53,969	51			
ia	203,579	12,861	14,817	16,598	3,620	2,956	1,085	963	256,479	0	256,479	215			
ngton	229,575	10,196	12,669	24,388	3,127	3,189	0	829	283,973	0	283,973	186			
Virginia	58,791	7,529	3,657	32,736	1,442	1,838	0	233	108,226	0	108,226	86			
nsin	99,617	13,577	12,314	29,356	3,735	4,279	0	739	163,617	52,349	215,966	233			
ing	67,731	7,094	3,637	3,175	858	993	0	233	83,741	0	83,741	51			
Rico	43,439	3,939	8,781	3,175	1,848	828	0	544	62,554	0	62,554	111			
Total	7,947,420	585,078	731,360	1,270,063	169,797	171,498	477,772	46,662	11,399,650	795,812	12,195,462	10,111	0	0	0

State	Interstate transfer Disc.	Rail relocation demos [1]	WIPP roads	Urban high density [1]	Studies [1]	Foresty hwys.	Subtotal B	Bridge disc. [2]	Public lands [2]	Parkways and park highways [2]	Indian res. roads [2]	I–4R disc. [1]	Maintenance of certain rail/hwy crossings [1]	Grand total
na	0					242	201,146							
	0					3,242	150,209							
a	752					2,755	150,490							
sas	0					631	138,516							
nia	1,616					6,437	983,988							
do	20,790					3,711	223,512							
cticut	14,545					0	288,893							
are	0					0	51,016							
of Col	0					0	88,892							
	0					325	427,101							
ia	0					203	342,058							
i	0					0	154,971							
	0					4,441	94,708							
	34,745					95	402,405							
a	2,424					65	283,523							
	3,963					0	167,680							
s	0					0	144,551							
cky	0					168	179,882							
ana	0					150	282,958							
	0					21	61,821							
and	23,836					0	311,860							
chusetts	0					0	375,965							
an	0					635	304,320							
sota	7,676					793	227,832							
sippi	0					347	141,220							
uri	0					295	264,954							
na	0					3,777	114,814							
ska	2,437					64	106,096							
a	0					680	74,222							
Hampshire	0					250	55,761							
ersey	10,484					0	339,698							
Mexico	0		58,000			1,918	167,231							
York	0					0	610,549							
Carolina	0					603	32,394							
Dakota	0					129	75,931							
	12,121					69	478,313							
oma	0					63	177,708							
n	9,940					6,699	147,758							
ylvania	11,999					182	542,433							
Island	0					0	96,760							
Carolina	0					196	127,892							
Dakota	0					480	84,302							
ssee	0					255	269,368							
	0					259	948,738							
	0					1,583	126,415							
nt	0					90	54,110							
ia	5,171					612	262,478							
ngton	0					3,586	287,745							
Virginia	0					287	106,599							
nsin	0					383	216,571							
ing	0					1,629	85,421							
Rico	0					26	62,691							
Total	162,500	0	58,000	0	0	48,398	12,474,471	200,000	50,000	75,000	75,000	0	0	12,874,471

[1] No authorization in this bill.

[2] No estimate of distributions available.

Grand total, 12,874,471; administration and research, 208,400; SHRP, 28,932; territories, 13,914; Department of Interior, 49; FHWA safety 403, 10,000; non-specified studies, 1,100; total authorizations, 13,136,866.

Assumptions: Interstate Transfer Discretionary-Based on Allocations in FY 1987 DOT Appropriations Act (Continuing Resolution) prorated to account for reduced authorization and 30% demonstration projects set-aside. Forest Highways—inary FY 1987 allocations.

SUMMARY OF H.R. 2, FISCAL YEAR 1987 ESTIMATED APPORTIONMENTS AND ALLOCATIONS

[In thousands of dollars]

State	Interstate construction	I-4R	Primary	Secondary	Urban	Bridge	Hazard elim.	RR hwy. xings	Int. hwy transf.	Total apport.	85% min. allocation	Subtotal	Urban plng.	402 safety
Alabama	78,706	45,937	41,509	12,180	9,465	28,501	2,982	2,815	0	222,095	0	222,095	555	18
Alaska	0	8,269	74,661	32,262	3,657	3,657	833	2,142	0	125,499	0	125,499	232	5
Arizona	10,527	41,075	31,521	9,927	9,446	3,675	2,245	1,379	152	109,947	37,448	147,395	602	13
Arkansas	0	29,413	28,381	10,593	4,464	21,292	2,018	2,070	0	98,231	25,424	123,655	232	12
California	264,762	285,932	167,086	23,967	92,604	41,228	14,352	8,879	2,686	901,496	59,087	960,583	6,128	88
Colorado	52,585	38,735	34,374	11,030	9,801	16,671	2,326	1,910	5,554	172,986	0	172,986	634	14
Connecticut	46,494	38,705	25,240	3,851	10,494	51,519	1,851	895	87,609	266,658	0	266,658	728	11
Delaware	0	5,418	11,336	2,925	3,657	3,675	833	436	0	28,280	1,257	29,537	232	5
Dist. of Col.	25,150	3,107	11,336	0	3,657	8,001	833	192	12,510	64,786	0	64,786	232	5
Florida	222,232	106,759	75,267	14,826	34,887	22,015	6,197	4,106	0	486,289	0	486,289	2,336	38
Georgia	94,038	97,386	55,429	15,743	13,914	42,390	4,006	3,988	9,302	336,196	0	336,196	819	24
Hawaii	117,508	6,173	11,336	2,925	3,657	3,679	833	346	0	146,457	0	146,457	232	5
Idaho	24,599	12,038	18,309	7,235	3,657	4,329	1,225	1,252	0	72,644	0	72,644	232	7
Illinois	3,124	95,181	89,742	16,992	40,130	43,149	7,461	7,129	66,459	369,367	0	369,367	2,608	45
Indiana	10,685	68,576	52,532	13,837	14,534	25,834	3,864	4,451	4,245	198,558	58,765	257,323	818	23
Iowa	0	31,938	35,240	12,700	6,652	33,153	2,721	3,277	24,643	150,324	0	150,324	293	16
Kansas	0	29,916	33,225	11,995	6,218	35,152	2,640	4,208	0	123,354	0	123,354	269	16
Kentucky	69,360	46,291	39,495	12,183	7,438	34,176	2,666	2,337	0	213,946	0	213,946	388	16
Louisiana	161,193	49,999	38,807	9,831	11,859	35,694	2,836	2,753	0	312,972	0	312,972	692	17
Maine	0	11,025	14,458	5,115	3,657	5,727	833	818	0	41,633	13,207	54,840	232	5
Maryland	94,038	49,497	33,958	5,583	14,387	20,673	2,521	1,321	62,220	284,198	0	284,198	988	15
Massachusetts	480,456	43,386	44,577	5,993	20,391	47,357	3,391	1,730	9,332	656,613	0	656,613	1,398	20
Michigan	41,375	88,734	82,565	17,527	27,574	21,296	6,135	4,837	0	290,043	15,105	305,148	1,818	37
Minnesota	61,616	41,784	43,607	14,557	11,058	21,696	3,488	3,686	3,165	204,657	0	204,657	646	21
Mississippi	6,169	29,130	31,796	10,714	4,663	27,435	2,086	1,915	0	113,908	10,973	124,881	232	12
Missouri	0	69,496	51,721	15,700	13,687	65,150	3,852	3,623	0	223,229	19,934	243,163	824	23
Montana	5,067	12,328	26,672	11,020	3,657	9,262	1,166	1,440	0	70,612	0	70,612	232	7
Nebraska	0	19,284	25,218	9,389	4,025	23,692	1,796	2,366	1,910	87,680	0	87,680	232	11
Nevada	3,124	12,577	18,903	7,110	3,657	3,675	883	691	0	50,620	0	50,620	232	5
New Hampshire	1,103	8,477	11,336	2,925	3,657	8,674	833	576	0	37,581	0	37,581	232	5
New Jersey	109,423	54,666	53,435	5,241	28,088	70,139	4,253	2,362	30,070	357,677	0	357,677	1,979	26
New Mexico	0	23,865	25,889	9,755	3,846	5,568	1,251	1,041	0	71,215	6,828	78,043	232	7
New York	0	102,788	134,684	17,439	63,286	146,990	10,447	5,387	174,333	655,354	0	655,354	4,338	64
North Carolina	43,527	61,860	64,685	17,510	11,330	41,612	4,090	3,489	0	248,103	31,003	279,106	630	25
North Dakota	0	8,798	17,498	7,116	3,657	7,275	1,247	2,445	0	48,036	0	48,036	232	7
Ohio	25,990	123,828	93,771	18,278	33,398	52,684	6,900	5,742	10,933	371,524	44,983	416,507	2,056	42
Oklahoma	8,138	42,408	34,570	11,798	8,137	37,571	2,762	2,823	0	148,207	34,941	183,148	398	16
Oregon	24,678	33,903	29,445	9,909	7,272	12,042	2,380	1,885	10,084	131,598	0	131,598	399	14
Pennsylvania	106,535	88,448	107,744	22,152	34,318	102,404	7,492	5,186	9,678	483,957	0	483,957	2,254	46
Rhode Island	0	6,839	11,336	2,925	3,657	4,123	833	389	57,939	88,041	0	88,041	249	51
South Carolina	18,797	39,731	32,937	9,074	6,717	10,688	2,316	2,375	0	122,635	32,105	154,740	374	14
South Dakota	0	10,843	18,729	7,711	3,657	9,911	1,134	1,510	0	53,495	0	53,495	232	6
Tennessee	8,611	65,610	46,888	13,456	11,432	58,003	3.309	2,784	22,169	232,262	2,213	234,385	656	20
Texas	157,439	222,210	132,586	37,363	47,234	61,329	10,490	9,359	0	678,010	146,642	824,652	2,871	64
Utah	51,981	22,418	19,825	6,571	5,141	3,675	1,282	1,042	0	111,935	0	111,935	330	7
Vermont	0	6,167	11,336	2,925	3,657	6,796	833	556	0	32,270	0	32,270	232	51
Virginia	95,062	73,313	49,848	12,861	14,817	19,210	3,517	2,364	1,383	272,375	0	272,375	957	21
Washington	99,499	53,445	39,771	10,196	12,669	28,226	3,037	2,551	0	249,394	0	249,394	824	18
West Virginia	1,706	16,945	23,696	7,528	3,657	37,887	1,400	1,470	0	94,289	0	94,289	232	8
Wisconsin	0	41,602	48,135	13,577	12,314	33,975	3,628	3,423	0	156,654	30,599	187,253	735	22
Wyoming	0	12,022	17,321	7,094	3,657	3,675	833	795	0	45,397	0	45,397	232	51
Puerto Rico	0	13,946	29,953	3,939	8,781	3,675	1,795	662	0	62,751	0	62,751	541	111
Total	2,625,297	2,552,221	2,303,719	585,053	731,326	1,469,903	164,935	137,208	606,376	11,176,038	570,423	11,746,461	45,468	10,111

State	Demos.	30 percent demo. disc.[1]	Interstate disc.	Interstate transfer disc.	Rail relocation demos.	MIPP roads[1]	Urban high density	Studies	Forest hwys.	Subtotal B	Bridge disc.[2]	I-4R disc.[2]	Public lands[2]	Indian res. roads[2]	Maintenance of certain rail/hwy crossings	Grand total
Alabama	700		0	0					276	223,809						
Alaska	0		0	0					3,696	129,478						
Arizona	0		18,328	955					3,140	170,558						
Arkansas	16,000		0	0					742	140,752						
California	52,600		22,487	2,051				1,170	7,339	1,053,3297						
Colorado	0		0	26,387					4,230	204,380						
Connecticut	3,850		37,997	18,460					0	327,808						
Delaware	0		0	0					0	29,820						
Dist. of Col.	2,000		0	0					0	67,069						
Florida	1,900		0	0					371	491,276						
Georgia	5,000		0	0	2,000				231	344,492						
Hawaii	0		0	0					0	146,740						
Idaho	0		0	0					5,063	78,014						
Illinois	43,250		8,537	44,100	8,500				109	476,929						
Indiana	0		0	3,077	3,500		2,807		75	267,837						
Iowa	0		0	5,030					0	155,813						
Kansas	5,000		8,095	0					0	136,879						
Kentucky	5,800		0	0					192	220,489						
Louisiana	14,550		0	0					171	328,558						
Maine	0		0	0					24	55,147						
Maryland	0		0	30,253					0	315,593						
Massachusetts	3,800		0	0					0	662,019						
Michigan	3,900		21,828	0					724	333,795						
Minnesota	8,100		19,952	9,743					904	244,195						
Mississippi	0		0	0					396	125,637						
Missouri	5,000		3,532	0					336	253,090						
Montana	0		0	0					4,306	75,221						
Nebraska	0		0	3,094	2,000				73	93,188						
Nevada	4,000		0	0					775	55,682						
New Hampshire	0		0	0					285	38,149						
New Jersey	13,300		0	13,307					0	386,524						
New Mexico	0		0	0					2,187	80,538						
New York	13,250		0	0					0	673,584						
North Carolina	0		13,099	0					687	293,773						
North Dakota	0		0	0					147	48,491						
Ohio	7,500		0	15,384					79	441,948						

State	Demos.	30 percent demo. disc.[1]	Inter-state disc.	Inter-state transfer disc.	Rail relocation demos.	MIPP roads[1]	Urban high density	Studies	Forest hwys.	Subtotal B	Bridge disc.[2]	I–4R disc.[2]	Public lands[2]	Indian res. roads[2]	Maintenance of certain rail/hwy crossings	Grand total
Oklahoma	0		0	0					72	183,786						
Oregon	0		6,762	12,616					7,637	159,157						
Pennsylvania	24,220		76,106	15,230				1,000	207	603,434						
Rhode Island	0		0	0					0	88,341						
South Carolina	0		19,362	0					224	174,842						
South Dakota	0		0	0					547	54,343						
Tennessee	5,000		2,668	0					291	243,202						
Texas	8,500		0	0	750				295	837,711						
Utah	0		13,619	0					1,804	127,767						
Vermont	0		0	0					103	32,656						
Virginia	0		6,230	6,564					697	287,039						
Washington	0		0	0					4,088	254,492						
West Virginia	3,000		21,417	0					327	119,352						
Wisconsin	0		0	0					436	188,647						
Wyoming	0		0	0					1,857	47,537						
Puerto Rico	0		0	0					30	63,433						
Total	250,220	0	300,000	206,250	16,750	0	2,807	2,170	55,173	12,636,343	250,000	200,000	20,000	90,000	4,500	13,200,843

[1] No authorization in this bill.

[2] No estimates of distribution available.

Grand total, 13,200,843; administration and research, 214,059; SHRP, 30,900; Territories, 12,967; Dept. of Interior, 49; FHWA Safety 403, 10,000; Nonspecified studies, 500; Total authorizations, 13,469,318.

Assumptions: Interstate Discretionary—Based on actual FY 1987 allocations of $687 Million ($387 Million of lapsed funds and $300 Million of new authority) prorated to the $300 Million set-aside in the H.R. 2 Conference Report. Forest Highways—Preliminary FY 1987 allocations.

ESTIMATED FISCAL YEAR 1987 APPORTIONMENTS FOR INTERSTATE AND PRIMARY UNDER S. 185

[In thousands of dollars]

State	Interstate construction	I–4R	Primary	Total
Alabama	134,409	49,661	41,368	225,438
Alaska	14,553	23,216	73,830	111,599
Arizona	28,052	59,163	30,218	117,433
Arkansas	14,553	29,024	28,009	72,586
California	348,881	259,582	165,443	773,906
Colorado	66,076	53,454	32,567	152,097
Connecticut	79,512	34,294	24,991	138,797
Delaware	14,553	13,583	11,233	39,369
District of Columbia	41,881	13,583	11,335	66,799
Florida	172,013	99,416	74,502	345,931
Georgia	74,211	96,323	55,440	225,974
Hawaii	118,087	13,583	11,233	142,903
Idaho	29,259	25,053	18,190	72,502
Illinois	14,553	97,322	88,859	200,734
Indiana	21,518	60,431	52,016	133,965
Iowa	14,553	38,663	35,261	88,477
Kansas	14,553	39,606	32,982	87,141
Kentucky	23,434	48,986	39,107	111,527
Louisiana	135,301	47,480	38,425	221,206
Maine	14,553	13,583	14,314	42,450
Maryland	120,449	39,607	33,624	193,680
Massachusetts	214,078	33,495	44,139	291,712
Michigan	49,072	87,050	81,753	217,875
Minnesota	69,697	50,158	43,426	163,281
Mississippi	14,553	34,662	31,497	80,712
Missouri	14,553	77,098	51,207	142,858
Montana	14,553	43,232	26,342	84,127
Nebraska	14,553	23,554	25,499	63,606
Nevada	14,553	23,773	18,406	56,732
New Hampshire	14,553	13,583	11,233	39,369
New Jersey	116,093	32,032	52,909	201,034
New Mexico	14,553	45,628	25,140	85,321
New York	14,553	93,659	133,359	241,571
North Carolina	58,230	49,772	64,049	172,051
North Dakota	14,553	22,210	17,473	54,236
Ohio	25,741	113,844	92,848	242,433
Oklahoma	14,553	39,924	34,370	88,847
Oregon	19,629	41,372	29,271	90,272
Pennsylvania	181,329	72,080	106,685	360,094
Rhode Island	14,553	13,583	11,233	39,369
South Carolina	20,311	42,973	32,613	95,897
South Dakota	14,553	27,484	18,712	60,749
Tennessee	14,553	68,966	46,535	130,054
Texas	150,574	216,456	131,183	498,213
Utah	44,768	41,043	19,221	105,032
Vermont	14,553	13,806	11,233	39,592
Virginia	78,725	73,271	49,357	201,353
Washington	129,948	59,474	39,177	228,599
West Virginia	14,553	20,391	23,462	58,406
Wisconsin	14,553	37,126	47,813	99,492
Wyoming	14,553	35,616	17,170	67,339
Puerto Rico	0	13,583	29,659	43,242
Total	1,910,550	2,716,511	2,279,921	7,906,982

Mr. SYMMS. Mr. President, I might just say in closing that I think there is a broad spectrum of support for this override from associations representing State and local officials, highway interest groups, and millions of highway users across the Nation. These associations represent people who want a highway bill. Mr. President, they want it in time for the 1987 construction season.

I ask unanimous consent that letters from the National Governors' Association, the American Association of State Highway and Transportation Officials, the Highway Users Federation, the National Association of Counties, and the 27.5 million-member American Automobile Association be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NATIONAL GOVERNORS' ASSOCIATION,
March 27, 1987.

Hon. ROBERT C. BYRD,
Majority Leader of the Senate,
Washington, DC.

DEAR SENATOR BYRD: When H.R. 2 is returned to the Congress, we urge the House and Senate to enact the highway bill over the President's veto.

We are very concerned with the current trend toward Congressional earmarking of project funds which bypasses the normal planning and priority-setting proceses in the states. Special project funding diverts money from priority projects and inefficiently allocates capital investment.

Despite this major concern, we feel the consequences of further stalemate at the federal level are too costly. The highway construction season is upon us. We ask that you vote once again on this measure and enact it over the President's veto.

Sincerely,

Governor BILL CLINTON,
Chairman.
Governor WILLIAM A. O'NEILL,
Chairman, Committee on Transportation, Commerce and Communications.
Governor JAMES R. THOMPSON,
Chairman, Subcommittee on Transportation Finance, Member, Executive Committee.

HIGHWAY USERS FEDERATION,
March 24, 1987.

Hon. STEVEN D. SYMMS,
U.S. Senate,
Washington, DC.

DEAR SENATOR SYMMS: The country now has been without new highway authorizations for 174 days, which means a vital nationwide program is grinding to a halt.

This situation is occurring even though (1) your constituents still pay taxes into the Federal Highway Trust Fund, (2) traffic still grows on an aging highway network, and (3) badly needed road and bridge improvement projects still sit on shelves rather than putting people to work.

It now appears that you may be asked to vote again on conference bill H.R. 2, as amended, because there is the prospect of a Presidential veto. Should such an occasion arise, we would appreciate your consideration of these points:

1. H.R. 2 is not a "budget buster." The 1987 budget authority for highway and safety programs amounts to about $13.7 billion. This is far lower than the 1986 level of nearly $15.6 billion.

Importantly, dedicated highway user taxes are still being collected at 1986 rates, which could support a $15 billion annual highway program.

The year-end balance in the Highway Trust Fund was over $12 million higher than when the 5 cents-per-gallon gas tax increase was approved nearly five years ago. This balance will continue to rise during the next five years.

It would certainly appear that the highway program, while not contributing to the federal budget deficit, has done its share toward reduction.

It is our understanding that transit budget authority for 1987 is also lower than in 1986.

2. H.R. 2 is not a perfect bill. It is the product of a two-year legislative process requiring many complex and controversial compromises. Such legislation will never be completely acceptable to all interested parties. In particular, highway users regret H.R. 2's specific funding of the large number of demonstration projects. We hope the Congress will return to the traditional formula financing process in future bills. For now, however, we accept the present version of H.R. 2 and urge its passage into law.

3. H.R. 2 is fair to the states. In recent days a table has been circulating which appears to show a reduction in 5-year apportionment totals to 41 states of nearly $2 billion. This table misrepresents the situation! Most states will, in truth, receive lower apportionments in 1987 than in 1986. A portion of the reduction is related to completion of Interstate construction in many states. However, the drop is caused largely by the reduced authorizations to meet Congress' overall budget reduction targets. It is not correct to relate the 1987 drop to the treatment of demonstration project.

It is most regrettable that a program as widely popular and vitally necessary to our nation as the highway program continues to engender controversy and debate. However, it is past time to move on to other issues.

We appreciate your past support of H.R. 2, and urge that you help make it the law of the land.

Sincerely,

Lester P. Lamm.

American Association of State Highway and Transportation Officials,
March 25, 1987.

Hon. Robert Byrd,
Majority Leader, U.S. Senate, Washington, DC.

Dear Senator Byrd: Congressional staff have inquired of the Association as to what the position of the state departments of highways and transportation is with regard to a veto of HR 2, the bill reauthorizing the highway and transit programs. We accordingly undertook a ballot to find out, and are now in a position to convey the results to you.

Enclosed is a copy of a policy resolution that urges HR 2 not be vetoed, and that if a veto does occur that it be overridden, for the reasons stated. As is required by the procedures of AASHTO, this resolution has the support of more than two-thirds, or 35, of the 52 member departments. The Association, as you are aware, is comprised of the departments of highways and transportation in the 50 states, the District of Columbia and Puerto Rico.

We trust that this official position of the Association will be taken into account, at such time as Congress may be called upon to address a Presidential veto of HR 2.

Very truly yours,

Francis B. Francois,
Executive Director.

American Association of State Highway and Transportation Officials,
Washington, DC, March 20, 1987.

Official ballot on proposed policy resolution relating to position on veto of highway and transit reauthorization bill.

To the Members of the Board of Directors/Policy Committee of the American Association of State Highway and Transportation Officials.

The following proposed policy resolution is hereby submitted to you for balloting. Please send your vote to AASHTO by close of business on Tuesday, March 24, utilizing either the AASHTO Electronic Information System or the telephone. Then, please also send a signed copy to the above address.

Proposed Policy Resolution 87——

Title: Position on Veto of Highway and Transit Reauthorization Bill

Be it Resolved. THAT the Board of Directors/Policy Committee of the American Association of State Highway and Transportation Officials hereby adopts the following position with regard to veto of the highway and transit reauthorization bill passed by Congress in March, 1987:

The member departments of the American Association of State Highway and Transportation Officials have reviewed the highway and transit reauthorization bill enacted by the Congress. We find that it includes a number of provisions that will advance the nation's highway and transit programs, including funds to complete the Interstate highway system. We also find that it includes provisions in conflict with Association policy, and that it does not fully utilize the revenues into the Highway Trust Fund. The compromise represented by the bill thus troubles many member departments. But given the great need for a highway and transit bill as soon as possible, to avoid further disruptions to the nation's transportation system and possible loss of the 1987 construction season, the Association believes that it is in the best interests of the nation that the highway and transit reauthorization bill passed by the Congress become law as soon as possible. Accordingly, the Association does not support a veto of the legislation, and believes that if a veto occurs the Congress should vote to override it.

American Automobile Association,
Falls Church, VA, March 30, 1987.

Hon. Steven D. Symms,
U.S. Senate,
Washington, DC.

Dear Senator Symms: The American Automobile Association, serving more than 27.5 million members, strongly urges an override of the veto of H.R. 2, the Surface Transportation and Relocation Assistance Act of 1987.

The nation's motorists have willingly paid their federal highway user taxes—in advance—into the Highway Trust Fund with the promise of a modern, safe and efficient highway network in return.

Expenditures from the Highway Trust Fund do not, indeed cannot, contribute to the federal deficit. Unfortunately, that fact has been clouded by continuing to link trust fund obligations with the overall effort to reduce the deficit. As a result, the nine-cent-per-gallon gasoline tax paid by car owners for highway improvements, including long-overdue completion of the National System of Interstate and Defense Highways, accumulates while the highway system deteriorates.

A sustained veto at this time could jeopardize the entire 1987 construction season and lead to the loss of 800,000 jobs across the nation.

Congressional enactment of H.R. 2 will allow continuation of a crucially needed highway program and keep faith with and the trust of the nation's motorists.

Sincerely,

John Archer,
Managing Director, Government Affairs.

National Association of Counties,
Washington, DC, March 27, 1987.

Dear Senator: On behalf of the National Association of Counties (NACo), I strongly urge you to support the override of the President's veto of the highway bill.

County officials have been working with the Congress for two years to reauthorize the programs contained in this bill. We believe the conference agreement represents a compromise and one which we can support. Let me take a few moments of your time to outline our position and why we believe it to be essential that H.R. 2 become law.

There are 217,000 miles of county roads which are part of the federal-aid system. We are pleased that this measure continues the federal commitment to these roads. The county governments which are responsible for these roads need the secondary and urban system funds which are authorized in this bill immediately. County government also needs the funds for bridge replacement and rehabilitation so that they can take care of the thousands of substandard bridges for which they have responsibility.

There already has been a six month delay since the highway program expired and further delay could mean the loss of an entire construction season in much of the country and the loss of as many as 800,000 jobs.

This bill is not a "budget-buster." Great care was given to seeing that the legislation did not exceed the guidelines of the Budget Resolution.

This bill contains provisions which seek to ensure that all states get back a reasonable amount of what their citizens contributed to the Highway Trust Fund. We recognize that in the highway program all states do not get back what they contributed. However, this occurs with many other federal programs and is not sufficient reason to oppose this essential legislation.

Thank you for your consideration in this matter.

Sincerely,

John Thomas,
Executive Director.

Mr. SYMMS. Mr. President, I yield the floor.

Mr. DIXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DIXON. Mr. President, first may I congratulate my distinguished friend, the Senator from Idaho. He is absolutely correct in every statement he made regarding the fundamental facts concerning the highway and the transit bills.

I hope that every Senator in his office who is watching this debate has taken note, if he or she is a Senator from any of the rural, less populated States, that there is a good deal of language in this bill which is beneficial to those kinds of States, and in many cases is disadvantageous to Senators like myself from the larger States concerning the distribution formulas. So the point the Senator makes is exactly valid.

Now, I am the majority manager of the transit side any many others will talk about the highway features here, and the Senator from Idaho has done such an excellent job of covering all the questions on the highway features that I would like to devote my remarks very briefly to the mass transit sections.

As majority manager, I urge my colleagues to join me in voting to override the President's veto. I do so with some regret because I have always had the greatest regard for our President and we have found ourselves in agreement often during our years of service in Washington.

The President is right to hold down the growth of Federal spending but he is not right about this bill. This veto is wrong-headed; it is based on a set of facts which are simply not true. This veto is reckless: it demonstrates complete disregard for the needs of cities and towns all over the United States, and also shows that the President is willing to play Russian roulette with the health of the American economy. Most importantly, this veto was completely unnecessary; if the administration had simply talked to the conferees during the conference process, this stupid and destructive confrontation could have been avoided.

The administration claims that this bill is a budget-buster, and I do not deny that the funding levels in the conference bill are higher than those proposed by the administration in its budget submissions. The fiscal 1988 administration budget, for example, proposed overall transit spending for that year of $1,374 billion. Based on that annual figure, the administration has argued that the conference bill is $9.1 billion over its request.

However, the administration budget proposal calls for ending all general revenue support for transit, a cut of almost 60 percent from the 1987 levels. The administration has made this request for the past 3 years and each year the Congress has rejected it.

Further, there is ample reason to question whether even the administration was serious about its proposal. Legislation necessary to make the required transit program changes was never put before the Senate Banking Committee in the last Congress, or yet in this one. The draft bill the administration attached to the President's veto message does not propose the $7.7 billion transit funding level based on the budget submission; rather, it proposes a 5-year total that is only $100 million less than the $16.2 billion authorized in the Senate-passed transit title. This means that even the administration acknowledges that the transit title of the conference bill is only $1.8 billion, not $9.1 billion, too high.

The conference bill does not authorize budget-busting funding levels for transit. The truth is that the transit title is fiscally responsible and responsive to the highway and mass transit needs of this Nation. It authorizes a total of $17.9 billion for fiscal years 1987 through 1991—$17.9 billion over 5 years. By way of contrast, the last transit authorization bill, a bill the President signed in 1982, authorized $17.7 billion over 4 years. Let me repeat that for my colleagues—President Reagan signed a transit bill that authorized $17.7 billion over 4 years, but he now refuses to sign a bill the authorizes 17.9 billion—or almost the same amount—over 5 years.

If you put the two bills on the same 5-year basis, the bill now before us is $4.4 billion—or almost 20 percent—smaller than the 1982 bill. That hardly sounds like budget-busting to me. On the contrary, I think it demonstrates that Congress is meeting its commitment to hold down spending.

A look behind the overall numbers provides further evidence that the transit title of the conference bill is fiscally responsible, Mr. President. Transit spending on an annual basis has actually fallen over 30 percent since 1982. The fiscal 1987 transit funding level in this bill is actually $800 million below the funding level for 1982, over 5 years ago. The bill does provide for limited growth, but even in 1991, the last year of this bill, proposed transit spending will be at least $450 million below the amount made available in 1982. The modest growth provided in this bill will not even maintain the Transit Program at the Congressional Budget Office current services baseline, which means that in real terms, the conference bill is proposing transit spending levels that are actually below a freeze level. Again, that does not sound much like budget-busting to me.

It is also worth remembering that, unlike the highway title of the bill, almost two-thirds of the transit funds authorized in this measure will be available only if funding is provided in annual appropriations bills. That means this bill is far from the last word on transit spending for the next 5 years. The administration will have ample opportunity in the appropriations bills for the next several years to attempt to further reduce transit spending. This source of fiscal descipline is far from illusory. In 1986, the Appropriations Committee made available only about two-thirds of the amount authorized for the major Transit Formula Grant Program for that year. Almost never is the amount authorized ever fully appropriated.

The President's veto message does more than criticize the transit funding levels, however. It also argues that the provisions related to the Los Angeles Metrorail project somehow guarantee that project 14 percent of the mass transit account funds—the gas tax money—made available over the life of the bill. This contention is also at odds with the facts. The truth is that the conference bill does not guarantee Los Angeles even $1 over the life of the bill. Transit funds for new rail system projects are earmarked in annual appropriations bills, and this bill does not require the Appropriations Committee to earmark funds for L.A. or to change the way it handles this kind of project. Further, the bill explicitly states that phase II of the L.A. project cannot go forward until the environmental impact statement is completed and approved.

Reasonable people can and do differ on whether we ought to be funding additional new subway systems, but that is not really what is at issue here. With respect to the Los Angeles project, that decision was made years ago. Over $400 million has been earmarked by Congress in annual appropriations bills for the Los Angeles project; it is currently under construction. What the bill before us now does is merely continue our commitment to the L.A. project, ensuring that the money we have already spent is not wasted.

Even more disturbing than the less-than-accurate criticisms the administration has leveled at this bill, however, is the administration's callous disregard of the impact of this veto on America's States, cities, and towns, and on the overall health of our economy. The Highway Program, and a major part of the Transit Program, expired 6 months ago. This means that highway and transit funds for vital projects around the Nation have not been made available. The distinguished chairman of the Environment and Public Works Committee, Senator BURDICK, and the equally distinguished chairman of that Committee's Transportation Subcommittee, Senator MOYNIHAN, are much more expert in this area than am I. It should be clear to every Member of the Senate, however, that this veto puts at risk the entire construction season for major parts of the Nation.

In my own State of Illinois, contractors have told me that they will lose their businesses if highway funds are not released soon. Thousands of jobs will be lost, and the Illinois highway and transit infrastructure will rapidly deteriorate. Similar consequences will result in every State of the Union.

What is even more frightening is that the veto could throw the whole U.S. economy into recession. We are in the fifth year of recovery, but economic growth rates are below what they should be. Further, the economy seems fragile, and I, for one, believe that it may not be able to sustain the devastating blow that this veto portends.

It may that I am being overly alarmist, but as I have said before, I believe the President is playing Russian roulette with our transportation of infrastructure and our overall economic health, and it seems to me that he has the cylinder with the bullet. Frankly, it seems to me that we cannot afford to take the risk; we cannot afford to let that hammer fall. Our only rational choice is to override the veto and avoid its potentially terrible adverse consequences.

As I have stated before, I find the administration's factual case mistaken and I do not understand how the White House can act so recklessly on an issue of such a critical nature. The worst thing about this veto confrontation, however, is that it was so unnecessary.

The process to reach agreement of the highway-mass transit bill began 7 months ago but the administration never played a constructive role. One can argue that the administration should not compromise prematurely. But the administration even stayed away from the conference, the time when an agreement could have been reached that would have made it possible for the President to sign the bill. Whether the refusal to negotiate was deliberate or mistaken I do not know. All I do know is that the administration forfeited its opportunity to influence the conference process.

The Senate should know that the conferees did not act to shut the administration out. Both the Senate conferees and the House conferees were more than willing to sit down with the Department of Transportation to discuss the administration's concerns and to attempt to work out an acceptable compromise.

In 1982, the last time we reauthorized the Highway and Transit Programs, that is just what happened. Secretary of Transportation Drew Lewis was all over the Hill. He made it very clear what it would take to get that year's landmark highway-transit bill signed, and his negotiations with key conferees played an important part in shaping that bill.

In contrast, neither I nor any other Senate or House conferee was ever even called by an administration official that was willing and able to even enter into negotiations on the bill. Faced with that fact, I asked my good friend Senator D'AMATO of New York, the Republican manager of the transit title, to contact the administration to express the willingness of the Senate conferees to talk to responsible administration officials and to make it clear that the Senate conferees thought that there was an opportunity for the administration to play a constructive role. The reply from the administration was silence.

I think I should also make it clear, Mr. President, that the right kind of administration involvement would have had an impact on the conference process. The veto message and the attached draft bill give priority to the issues of authorization levels, "Buy America," the L.A. metrorail project, and the distribution of gas tax receipts. I think it shows a lot of gall to put forward a draft bill now. I would like to know where the administration was 3 months ago, or even 3 weeks ago. I can state for a certainty, though, that if the administration had been willing to negotiate with the conferees at any time before the bill was sent to the White House, their influence would have been felt in each of these areas.

I cannot state for a certainty that, had the administration been willing to negotiate, the conference bill would have authorized the amount the administration is now proposing. While the Senate bill was roughly at that level, the House proposed a 5-year total of $20.5 billion, or $4.3 billion more than the Senate bill authorized. However, it is worth pointing out that even without constructive administration involvement, the House came down $2.6 billion, while the Senate went up by only $1.7 billion. While I believe that the amount the conference bill authorized is less than the Nation's transit systems need, I am also enough of a practical politician to know that the conferees would have settled on an overall figure much closer to the administration's $16.1 billion request, if the conferees knew that the settlement would have resulted in getting the bill signed.

The point is the same in the other areas. Constructive administration involvement might have meant no "Buy America" provision; the Senate conferees were resisting the House on this issue and could have used the right kind of administration support. On the issue of distributing an increasing amount of the gas tax funds allocated to transit by formula, I can only say that I am the author of legislation that would distribute 70 percent of all mass transit account funds by formula, and that with administration help, I might have been able to go further in that direction. I think the administration could even have influenced the sensitive issue of the L.A. project.

The conferees were willing to negotiate, Madam President, but it takes two parties to negotiate and the administration would not. The administration is, of course, entitled not to talk to the conferees. If the President makes that kind of choice, however, I do not see how he can expect the Senate to vote to sustain a veto.

This is not a partisan issue, but it does go to the heart of the legislative process. I can see supporting a veto in cases where the administration tried to negotiate with Congress but Congress refused. I strongly believe, though, that we should not support any veto where the administration never made any serious attempt to even discuss the issues with the Congress.

The White House now argues that the issue is about the Presidency—they argue that the veto should be sustained in order to prove we have a strong President. But that is not what the issue is about. The issue is whether the Senate is going to let the administration get away with distorting the truth. The issue is whether the Senate is going to let the administration get away with playing Russian roulette with our transportation system and our economy. The issue is whether the Senate is going to let the administration get away with refusing to even talk to the Congress about what would constitute an acceptable bill before issuing a veto.

To my mind, there is only one answer: to pass the essential and long overdue highway-transit bill, "the objections of the President of the United States to the contrary notwithstanding." I urge my colleagues to join me in voting to overturn this ill-advised and unnecessary veto.

Mr. ADAMS. Will the Senator from Illinois yield to me for a 2-minute comment as he starts his remarks on the transit portion so I can report to the Members on the stand of two former Secretaries of Transportation with regard to this matter?

Mr. DIXON. Certainly.

Mr. ADAMS. Mr. President, I thank the Senator from Illinois for yielding. My remarks will be very brief.

I want to state how much I appreciate that and how much I appreciate what the Senator from Illinois has done with regard to mass transit in this bill.

I agree completely with the remarks of the Senator from Idaho with respect to the highway allocation system and its effect on the rural States.

I take the floor at this point to state that I have on this day talked with former Secretary of Transportation Goldschmidt, and, as a former Secretary of Transportation myself, we are both in full and complete support of overriding this veto and enacting this bill at this time. I would hope that we would vote on it tonight; if not tonight, early tomorrow. These Members have spent months and months last year and this year trying to forge a compromise.

I talked yesterday and today with the ranking Member and with the chairman on the House side; and I think the dream that many have that we could simply strip this bill and go forward with a reauthorization bill in a very short period of time is just that—a fond dream. It will not happen.

In the experience of all of us who have worked on highway bills for nearly 20 years, once you have struck an agreement—we did not get one last year—it is almost essential that you immediately move with the bill, so that the transit projects will not be halted and so that the highway allocations will take place. Otherwise, those of us in the West and in the North will miss our entire season. Those that have transit projects—and we have them in my cities, as well as in the cities of Illinois, as well as in other areas—will miss our spring season and summer season, and the money will not be obligated. This is trust fund money, and trust fund money has been paid by the citizens of the United States for this to happen.

Mr. President, I ask unanimous consent to have printed in the Record an impact statement from the State of Washington, which is a white paper, indicating the job effect on our State, which would mean a loss of over 4,000 jobs and an incredible amount of money and stoppage of our projects.

There being no objection, the material was ordered to be printed in the Record, as follows:

Washington State
Department of Transportation,
Olympia, WA.

IMPACT WHITE PAPER

This paper outlines the impacts on Washington State if Congress fails to enact the Surface Transportation Reauthorization Act by March 1987.

BACKGROUND

The U.S. Congress adjourned in October 1986, failing to reauthorize Federal Highway and Transit Programs, which expired on September 30.

This means that dedicated gas tax revenues accruing to the Federal Highway Trust Fund cannot be made available to the states for utilization in 1987 and beyond.

The state normally receives federal highway funds in several categories for construction, preservation and safety work on the state's various road systems. While the state presently has a limited amount of federal highway funds available, it has no funds for expenditures in those highway categories where the needs are critical.

Due to expected delays for reorganization within the Congress as a result of the recent elections, it is feared that Congress may not enact new highway and transit authorizations for several months.

Washington State will lose the 1987 summer construction season if Congress does not act on a reauthorization bill by March 1987. This is due to the time required to advertise highway projects, award contracts and have the construction started.

When the new Act is enacted, the state is expected to receive over $250 million of federal highway funds for 1987. At risk is the delay of critical highway contruction, preservation, and safety improvements, and the loss of jobs and other economic benefits to the state which would be supported by new federal revenue.

IMPACT ON STATE, COUNTY, AND CITY ROAD PROGRAMS WITHOUT A SUMMER CONSTRUCTION SEASON

If federal funds are not received in March, contracts could not be awarded in time to effectivley use the summer construction season. Expeditures not made because of a lost summer construction season on the state highway and local road systems are estimated to be as much as $95 million. Specific impacts are:

On the State Highway System (Estimated $85 million).

I-90 (I-5 to I-405) in Seattle.

Delays that occur in construction of Stage 2—East Mercer Interchange, paving on new Lake Washington Bridge, and construction of the section between Luther Burbank and East Mercer Interchange are severe in themselves. These are "critical path" projects. These delays will, in turn, hold up other projects on I-90, possibly delaying the critical planned 1989 traffic "switch over" date, and ultimately delaying completion beyond the 1990 national cut-off date for interstate completion.

I-5 (Olympia); (South Renton to Tukwila); and the N.E. 4th Avenue Interchange in Bellevue.

These projects would experience the same type schedule problems as I-90, extending the time that traffic is severely constricted by present congested conditions.

Interstate 4R. Sixteen to eighteen projects needed to improve and preserve the existing interstate system would be delayed a year.

Federal-Aid Primary System. This program is impacted most heavily since the majority of this work would be done in the 1987 season. Forty-four contracts (valued at approximately $45 million) would not be awarded, creating a significant impact on the work schedules and cash flow of the smaller construction firms which traditionally bid this type of work. Failure to accomplish the summer 1987 work means higher cost to correct further deterioriated pavements at a later time. Sections which have had a high number of accidents will continue to have them.

On the County and City Systems. (Estimated $11 million).

On the Federal-Aid Secondary System, principally work in the counties, approximately $4 million in planned contracts could not be awarded. Urgently needed projects in Adams, Cowlitz, Island, Kitsap, Kittitas, Klickitat, Pend Oreille, Skagit, Spokane, and Yakima Counties would be deferred.

On the Federal-Aid Urban System, principally work in the cities, approximately $7 million in planned contracts could not be awarded. The major impacts will be in Spokane ($1 million); Tacoma ($2 million); and Seattle ($4 million).

ESTIMATE OF JOBS LOST WITHOUT A SUMMER CONSTRUCTION SEASON

In the state's private sector economy, considering all factors, 45 jobs are supported by each million dollars of construction. Of this number, there is an average of 10 jobs on-site, 13 jobs on contractor payroll directly supporting on-site work; and 22 jobs induced in the general economy from expenditures related to contractors or contractor personnel.

In the public sector there are an additional 2 direct jobs supported by each million dollars of construction.

If a summer construction season is lost, an estimated $95 million in federal fund expenditures will not occur. Impact on jobs is:

In the construction industry: 2,185.

In the general economy: 2,090.

In the public sector (state and local government): 190.

Approximate total jobs impacted: 4,465.

DIRECT ECONOMIC IMPACT ON THE STATE WITHOUT A SUMMER CONSTRUCTION SEASON

Federal funds represent "new dollars" to the state's economy, whereas revenues generated from state dollar expenditures already in the economy simply redistribute money from one segment to another.

With a conservative multiplier of 2.0 times, the loss of $95 million in federal funds as a result of a lost summer construction season equates to a loss of $190 million in the general state economy.

REVENUE LOSS TO STATE GENERAL FUND

For each $100 million in construction expenditure, the state's General Fund receives $8-$11 million. This revenue comes from sales taxes, business/occupation tax, property tax, and other taxes.

If a summer construction season is lost, $95 million in federal funds expenditures will not occur. The direct impact on the General Fund is a revenue loss of $7-10 million.

This does not include the loss in sales tax revenue on expenditures by the 4,465 employees whose jobs would most likely be affected by construction cutbacks. (See preceding page).

IMPACT ON TRANSIT INDUSTRY

Without Congressional action the State of Washington will not receive $600,000 in capital grants to finance the purchase of special vehicles for the elderly and handicapped in many communities around the state.

METRO (Seattle-King County) will be faced with the unpleasant decision of whether to defer $80 million in Spring 1987 bus tunnel contracts, or resort to debt financing of the work. Their dilemma will be repeated again in the Summer of 1987 with $70 million in other bus tunnel contracts.

OTHER ECONOMIC AND TRANSPORTATION IMPACTS ON COMMERCE AND STATE'S CITIZENS

Impact on commerce

Annually Washington agricultural and commercial enterprise ships about 200 million tons of commodities over the state wide transportation system with an estimated value of $21 billion. About 40 percent of this volume moves by highway. Significant congestion or inadequate road conditions exists on a number of miles in most regions. Deferral of improvements associated with loss of a construction season means longer delays in correcting these inadquate roadways, thereby increasing operating costs to shippers.

Impact on States' citizens

Washington's 4.3 million citizens travel almost 20 billion miles on the state's 18,000 miles of federal-aid system roadways, accounting for 60 percent of total miles traveled. Only 40 percent of the travel is on the other 42,00 miles of non-federal-aid system roadway.

Washington's citizens pay 18 cents per gallon in state motor fuel tax to ensure a good road system. Even with this level of revenue, over the next four years there is a $3 billion shortfall in funds needed to bring the state, county and city system to a reasonable standard.

Failure to enact a new Surface Transportation Act by March will probably require that for some programs, particularly preservation programs, state dollars may need to be expended on critical projects that would otherwise be eligible for 80 percent federal matching funds. This will impact state and local government ability to plan for and proceed with capital expenditure on capacity improvements to reduce congestion. This directly affects the movement of goods and people.

Many projects which would add improved safety features to the highway system will be delayed. This will increase the risk to the motorist until these safety features can be constructed.

Mr. ADAMS. Mr. President, I thank the Senator from Illinois for yielding me a moment. I want to be certain that other Senators are watching this debate and that they understand that many others who have served in the Department of Transportation as well as in the House of Representatives and have the pleasure now of serving in the Senate of the United States are in full support of this bill. We are grateful to the managers on the Democratic side and the Republican side for hammering out this agreement. There are parts of it we may disagree with, and some have so stated; but now is the time to act.

I thank the Senator from Illinois, my good friend, for having yielded so that I could make this statement.

The PRESIDING OFFICER (Ms. Mikulski). The Senator from Illinois.

Mr. DIXON. Madam President, I appreciate very much the comments of my distinguished colleague, who has served in the past with great distinction as a Secretary of Transportation for a prior administration. His contribution is very valuable.

Madam President, let me say again that I think it is absolutely essential that Members of the Senate understand that the case the President has made about this bill being a budget buster is absolutely without any merit. I would like to talk numbers on the mass transit side. My friends on both sides who are speaking on the override question will discuss the highway question, but let us talk about mass transit.

I managed the transit side of this bill with my distinguished colleague from New York, the minority manager, Senator D'Amato. The Senate transit bill provided for total expenditures over the life of the bill of $16.2 billion. The veto message of the President sent back to us a mass transit bill over the same number of years in which the President is recommending $16.1 billion. Over 5 years, Madam President, that is a difference of $100 million, or $20 million a year. Obviously, there is nothing about that kind of figure that would indicate that what the Senate had originally done was budget-busting legislation.

Now let me talk about the last transit authorization bill. The last transit authorization bill, the bill the President signed in 1982, authorized $17.7 billion over 4 years. Let me repeat that for my colleagues: President Reagan signed a transit bill in 1982 that authorized $17.7 billion over 4 years. The product of the present conference, which he has vetoed and refused to sign, is a bill that authorizes $17.9 billion, or almost the same amount, over 5 years. That is incredible. In other words, what I am saying to the Senate is this: The President signed a mass transit bill in 1982 that spent the same amount of money for 4 years that this bill spends in 5 years. So, incredibly—absolutely incredibly—the President of the United States has vetoed a transit bill as a budget buster that spends the same amount of money over 5 years that the bill he previously signed spent in 4 years.

If you put the two on the same 5-year basis, the bill now before us, the one we are looking at on the override, is $4.4 billion, or almost 20 percent, smaller than the 1982 bill.

I hope the staff people in the Senate will tell their Senators that the mass transit part of the bill that the President of the United States vetoed is 20 percent below what the President signed in 1982. That is incredible, but it is true. I do not think that sounds like budget busting. On the contrary, I think it demonstrates that Congress is meeting its commitment to hold down spending.

Transit spending, Madam President—and I am delighted to see my good friend, Madam President—transit spending on an annual basis has absolutely fallen. I want to repeat that: Transit spending has actually fallen over 30 percent since 1982. The 1987 transit funding level in this bill is actually $800 million below the funding level for 1982, over 5 years ago. Think of it. The 1987 provisions in this bill are $800 million below 1982, 5 years ago.

The bill provides for some limited growth, but listen to this: In 1991, reaching out to 1991, 4 years away, the very last year, the proposed transit spending will be $450 million below the amount made available in 1982.

It is also worth remembering that, unlike the highway title of the bill, almost two-thirds of transit funds authorized in this measure will be available only if the funding is provided in annual appropriations bills. That means that this bill is far from the last word on transit spending for the next 5 years.

The administration will have ample opportunity in the appropriations bills for the next several years to attempt to further reduce transit spending.

So let me say this in conclusion, Madam President: Every Member of the U.S. Senate has to make up his or her own mind. But as to any Senator in this Chamber, of the 100, if any one of them goes back to his or her respective State and says "I supported the President because this was a budget buster," this is absolutely patently false. This bill is a budget saver. This bill is at a lower level than the prior bill that the President signed, and so it is clear that there is no reason to vote to sustain the President for that reason.

Now, Madam President, I want to conclude by reading an editorial from the Chicago Tribune of yesterday, Monday, March 30. The Chicago Tribune has endorsed the President of the United States twice in his candidacy for the Presidency. Here is what they say about this veto:

> Wrong Script, Mr. Reagan.
>
> President Reagan's veto of the $87 billion road bill was disheartening—not so much because of the bill as because of what the veto says about Mr. Reagan's own view of himself and his office. He still seems convinced that presidential leadership is something measured by an applause meter.

Any they go on to talk about the whole bill, and they conclude—and I am going to ask unanimous consent in a moment that this entire editorial be placed in the Record—by saying:

> By turning an important bill into a rerun of the old me-against-the-spenders routine, he has not answered that question. Or even worse, maybe he has.

So, Madam President, I ask unanimous consent that this editorial be printed in the Record in full.

Mr. CHAFEE. Madam President, I missed where the editorial was from.

Mr. MOYNIHAN. Chicago Tribune.

Mr. DIXON. The Chicago Tribune of yesterday, Monday, March 30, may I say to my good friend.

Mr. CHAFEE. I thank the Senator.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Wrong Script, Mr. Reagan

> President Reagan's veto of the $87 billion road bill was disheartening—not so much because of the bill as because of what the veto says about Mr. Reagan's own view of himself and his office. He still seems convinced that presidential leadership is something measured by an applause meter.
>
> His veto is all but certain to be overridden, handing Mr. Reagan a major legislative defeat to top off his months of embarrassment over the Iran-contra mess. The highway bill passed both chambers by margins that would seem veto-proof even against a strong president in full command of administration policies. There is no clear principle at stake; the bill may appropriate more than the minimum needed for roads, but Mr. Reagan has signed others like it. The veto leaves no time to hammer out a compromise, since the road-building season is already beginning.
>
> For these and other reasons, White House Chief of Staff Howard Baker and Republican Congressional leaders pleaded with Mr. Reagan to sign this bill and pick some other one for a showdown.
>
> He not only rejected the advice but went out of his way to needle backers of the highway bill. The measure was "a real lemon," Mr. Reagan told an audience of businessmen, and went on: "The sticker price is $88 billion, loaded with every option in the book . . . I will have it towed back and dropped at Congress' door with a note that says, 'Stop the spending spree.'"
>
> No doubt these one-liners got laughs, but they will not satisfy a wide audience. The question on most people's minds is not whether Mr. Reagan can make a snappy speech, but whether he knows what is going on. By turning an important bill into a rerun of the old me-against-the-spenders routine, he has not answered that question. Or even worse, maybe he has.

Mr. DIXON. I make this final point. I recognize others here want to speak.

Madam President, the suggested legislation that the President has sent back to us I am informed is not just a change in numbers. It is not just a change in numbers. It is not a matter of saying to the House and Senate if you do not like these numbers, vote for these different numbers of the President. There are a lot of material changes in that bill.

If anyone believes that in short order the Congress will pass new legislation, I think that they are in for a very, very sad surprise. I think, Madam President, that is why four or five of the Republican leaders in the House, including the distinguished Republican leader from my State, the Congressman from the Peoria area, BOB MICHEL, voted to override the President's veto.

I would like to ask, Madam President, in conclusion, that this Senate pass the essential and long overdue highway transit bill, the objections of the President of the United States to the contrary notwithstanding, and I urge my colleagues to join me in voting to overturn this ill-advised and, in my view, unnecessary veto.

I thank the President.

I yield back my time.

The **PRESIDING OFFICER**. The Senator from New Jersey.

Mr. **BYRD**. Madam President, will the distinguished Senator yield without losing his right to the floor?

Mr. **LAUTENBERG**. I certainly will yield to the majority leader.

ORDER OF PROCEDURE

Mr. **BYRD**. Madam President, I take the floor now simply to state that there will be no more rollcall votes today.

The distinguished Republican leader and I are attempting to reach an agreement as to a time certain for a vote on tomorrow. We have not been able to do that yet but it is clear that there will be no rollcall vote today. I wanted to announce that to our colleagues.

I thank the Senator for yielding.

Mr. **LAUTENBERG**. Madam President, I rise to lend my voice to those who support an override of the President's veto of H.R. 2, the Surface Transportation and Uniform Relocation Assistance Act of 1987.

When we passed this bill we told the highway departments throughout this country to put out the road signs, the road signs that say "People at work." If we do not override this veto, they are going to have to put out different signs. Signs that say "Road closed."

In vetoing this bill, the President claimed it was a budget buster, that it overemphasized the need for transit, that it was simply full of pork.

Well, pork is a consumable that is often forgotten after it has been digested, and that is not a persuasive argument to many of us because we see it as nourishment. It is nourishment for the continued economic development of many of our States, the ability to move people and goods back and forth to work and for commerce.

As many of my colleagues have already stated, the bill is not a budget buster. A close look at the facts confirm this. According to the Congressional Budget Office, when accured interest is taken into account, the authorized expenditures from the mass transit and highway trust funds are revenue neutral.

Today, there is a cash balance of $9.9 billion in the highway account. Those are funds collected from highway users, specifically for the purpose of maintaining and improving our highway system. Under the funding scheme of H.R. 2, at the end of the 5-year authorization, that balance will grow to $10.73 billion.

We see a similar picture when one looks at the mass transit account. At the beginning of fiscal year 1987, this account had a cash balance of $3.29 billion. At the end of the 5-year reauthorization, there will be a balance of $6.17 billion. In fact, over these 5 years, the user fees collected an interest accured, will exceed by almost $2 billion the authorized spending levels from the mass transit account.

Clearly, transit needs are not overemphasized in H.R. 2. That the President however, should make this claim should come as no surprise. This administration was, year after year, sought to dismantle the transit program.

But transit is not special interest or frivolous spending. For urban States like New Jersey, it is a necessity. Urban areas throughout this country cannot sustain more auto traffic. Mass transit is the only rational way of getting people to and from work.

For many of our lower income people, transit is the only way of getting around day to day. A study conducted by the University of Pennsylvania noted that 71 percent of transit riders earn less than $20,000. Forty-percent take home less than $10,000 annually.

Transit is as important to urban areas as highways are to rural areas. The conference report recognizes this and strikes a fair balance.

By vetoing this bill, the President ignored the clear will of Congress. This legislation was worked out on a bipartisan basis over the course of two Congresses. It was supported by overwhelming margins in both Houses. Just a short while ago, the House of Representatives voted to override the veto by a margin of 350 to 73, which included much of the leadership of the Republican Party in the House.

H.R. 2 is not a perfect bill. I do not agree with everything in it. As a matter of fact, I strongly opposed an increase in the 55-miles-per-hour speed limit and made my feelings clear on the Senate floor. And as chairman of the Transportation Appropriations Subcommittee, I have reservations about certain provisions in the transit title.

But on the whole, I support this bill. It represents the consensus of the House and Senate. It is a package that cannot be easily duplicated in a week, a month, or perhaps even several months.

This reauthorization bill is urgently needed by States throughout the country. Many of our States are on the brink of losing entire construction seasons. Much needed projects are going undone. In New Jersey, transportation officials are waiting for over $330 million in highway funding. It is time to put an end to that wait.

Madam President, I have an article from the Newark Star-Ledger, the largest newspaper in the State of New Jersey, detailing the impact of a sustained veto on our State. I ask unanimous consent that the text be printed in the RECORD at the conclusion of my remarks.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

(See exhibit 1.)

Mr. **LAUTENBERG**. Madam President, the conference report is the same one that we passed by a margin of 79 to 17 a few short days ago. The issues have not changed. The need for this bill has not changed. The fate of some 800,000 jobs still hangs in the balance.

The President proposes that the Senate abandon the bill and start down a different road. The President would have this Congress take a detour. A lengthy, time-consuming and costly detour on the road to an effective transportation policy.

But the way is clear, if we have the will. The way is clear, if we vote to override the veto.

I urge my colleagues in the Senate to join our colleagues in the House of Representatives in supporting this vital legislation by overriding the President's veto.

EXHIBIT 1

[From Newark Star-Ledger, Mar. 26, 1987]

GLUCK FEARS ROAD PROJECT DELAYS IF HIGHWAY FUNDING BILL HITS SNAG

(By Richard S. Remington)

Several major highway construction projects in New Jersey, including Route 169 in Hudson County, could be delayed up to a year if President Reagan and Congress fail to agree on a federal transportation funding bill by early May, State Transportation Commissioner Hazel Gluck said yesterday.

"If we don't get the bill by early in May, it's going to probably take us close to a year to recover," Gluck said. "We can't move until we know we have the bill and the authority to use the money."

Gluck said New Jersey expected to receive $300 million in highway construction funds under a bill Reagan said Tuesday he would veto. The legislation passed the Congress by large margins, but Reagan has vowed to fight any veto override attempt as a test of his leadership.

Regardless of what agreement is reached on the federal level, any lengthy delay could seriously hamper the State Department of Transportation's (DOT) construction schedule, Gluck said.

Most immidiately affected would be a series of projects the DOT planned to put out to bid between now and June 30 including:

$10 million for the construction of Route 169 in Hudson County.

$15.9 million for repairs of Route 80 in Morris and Essex counties.

$13.5 million for another Route 80 repair project in Morris and Warren counties.

$7.8 million for repairs of Route 78 in Warren and Hunterdon counties.

$500,000 for a repair project on Route 280 in Essex County.

$3 million in engineering contracts for various other projects.

Further delay, Gluck said, could eventually affect the construction schedules of a series of projects scheduled to go out to bid between July and September, including:

$65 million for the construction of two more segments of Route 287 in Bergen and Morris counties.

$65 million for the construction of Route 295 in Gloucester County.

$54 million for construction of the final two segments of Route 55 in Glouester County.

$3 million for Route 517 Sparta Bypass in Sussex County.

$10 million for the Route 522 project in South Brunswick.

Under the state's contract award system, the amount of time between the advertising of bids and the start of construction can take several months. As a result, if New Jersey received its federal funding on May 1, construction work on projects would not begin until July or early August, Gluck said.

The loss of several warm weather months is important because highway construction generally comes to halt by December at the latest, Gluck noted.

The absence of federal funding also would prevent the DOT from awarding engineering contracts and buying land needed for highway projects scheduled to go to construction next year, Gluck said. "It's like a domino, it brings the assembly line to a crawl," she said.

Gluck already faces uncertainty regarding future sources of state transportation funding. New Jersey's $2.7 billion transportation trust fund is scheduled to run out of money June 30 and the Legislature has not agreed to any of a series of new funding proposals, including the Kean administration's plan to increase the gasoline and diesel taxes by five cents a gallon.

The situation is less severe for NJ Transit, which was expecting $75 million under the bill Reagan said he would veto, according to Stanley Rosenblum, director of the agency's office of policy and legislative analysis. Rosenblum said most of the funding would be used to rehabilitate Arrow passenger rail cars on the Northeast Corridor and North Jersey Coast Line, work that can be performed at any time of the year.

Mr. MOYNIHAN. Madam President, I would like to thank my able and learned colleague and neighbor, the Senator from New Jersey, for his very cogent remarks about the mass transit aspects of this legislation, which is a transportation bill and is the product of long effort in our country. It goes back a very long way to the early development of our rivers and harbors and then canals and then turnpikes and railroads. The U.S. Government did not fail to provide some 100 million acres, or many more than that, I believe, to the railroads across the United States connecting the two sides of the continent.

Then in 1921, if memory is correct, the primary highway program began, a Federal effort to provide local, provide primary local activity, beginning to develop with the arrival, in large numbers, of automobiles. Then, of course, comes the great interstate program, which President Eisenhower enacted, President Roosevelt having first proposed it, the largest public works program in history, and one of the great feats of engineering that you can look through the ages and find nothing of its audacity and its success.

Earlier today we had a number of the Members of the House who voted for this legislation, overwhelmingly as we know, Madam President. The vote was 350 to 73. It was a heavily bipartisan vote. Madam President, having served with such distinction in that body, cannot have failed to have noted of the five Republican leaders of that body, four voted to override. Mr. MICHEL, the distinguished minority leader rose on the House floor and said he would do. Mr. TRENT LOTT joined him. Mr. RICHARD CHENEY joined him, and Mr. GUY VANDER JAGT joined him.

A number of those Members of both parties came over to visit here on the Senate floor after the vote expressing their hope we would join them. One of the particularly welcomed guests was KENNETH J. GRAY, the distinguished Representative from Illinois, who is one of the few Members of the House who was present—I believe there were only three who were on the committees that adopted the Interstate and Defense Highway Program—in 1956. He has always been interested in the problems of safety and was well aware of the work of Bertram Tallamy of New York, who designed the first segment of the interstate, the New York State Thruway, and then came down under President Eisenhower to design the whole of the system. The concern was safety, with the separation of crossings, with the divisions of intervals.

He pointed out this rather striking number to me. He said the number of highway fatalities in this Nation since the program really began to have an impact on miles driven, as you might say, in 1966, when there were some 50 million cars in this country, we had 50,844 automobile fatalities. Two decades later, with five times the number of cars, we have fewer highway fatalities, 45,634. This is an extraordinary measure, a result of the redesign of our road program and the amount of traffic which is now carried on the some 42,000-mile Interstate System.

In the course of this effort, 30 years, now coming to a close, there has developed a very close working relationship between a much expanded Federal capacity with respect to this kind of planning and development.

Bertram Tallamy came down to a small Bureau of Public Roads in the Department of Commerce. There is now a Department of Transportation, working through each State that has a highway department of one name or another; most counties have, cities do. In the language of which American governments is described, this is called a vertical bureaucracy. People move up and down this chain. Just as Bertram Tallamy left, having been head of the highway department in New York State, he became head of the Highway Program in the Federal Government. People know each other, career patterns move up and down. And the injection of some notion that we have large issues of federalism who will control spending—will the Congress suddenly impose its will on States that have heretofore in some vauge way been sovereign—is meaningless. It is a meaningless proposition. This has been a cooperative activity of professional engineers and planners for the last 30 years, a very successful one.

The statistics with respect to this particular bill are quite impressive. About 1½ percent of the moneys provided over 5 years are provided for specific projects. The Secretary of Transportation is given 6 percent of the money to use at her discretion in terms of applications that come from States and they tend to even out over the years. And finally, the rest is proportioned, by formula, to the States who use it largely at their own discretion, save where they are carrying out and completing the Interstate System, which is mandated under law, and of which there are about 200 miles still to be completed.

The motion that some change in the distribution of power in this system or authority or discretion is simply wrong. In that respect, Madam President, I would like to make a point—and I do not want to burden the RECORD overly in this matter, but it is so important—with respect to a misunderstanding that is abroad regarding the so-called demonstration projects.

In the 99th Congress, there was a disagreement between the Senate conferees and the House conferees—I was not one of them; I was not a member of the Subcommittee on Transportation—as to whether we should name specific projects to the bill and the House thought this was a good thing.

As our able and eloquent and unconquered Senator from Idaho said earlier today, it was his thought that, well, perhaps we could put in what the Senate called priority projects, and named them.

Now what is a priority project? It is very simply a project chosen by the State highway administration as something it would particularly like to see done and with a measure of urgency, of need; that they would like to be able to pool their funds of the various highway programs, the bridge programs, the maintenance programs, the primary construction programs, and use funds from other portions of their allocation for this particular priority.

I have here a list of the projects named in the bill. The striking thing is that the largest number by my count are in fact projects which States declared to be priorities, and for which they asked the simple administrative flexibility to move their moneys—no extra money, just move their moneys around—to be able to carry out ahead of what otherwise would be the schedule. It is called good administration, it is called public administration, and it is something we should be pleased by and not frightened by.

Just to give you a example, in Alabama, every project in Alabama comes in the senate as a priority project. In Arkansas, every project comes from the State as a priority project. In Florida, every project is a State priority project. In Georgia, every project; in Idaho, every project is a State priority project. In Indiana, every project is a State priority project. In the State of Louisiana, all but one is a State priority project. In Maine, every project is a State priority project. In Maryland, which the able President so happily for us now represents, every project is chosen by the State highway department. In the State of Minnesota, every project was chosen by the State highway department. In the State of Mississippi, every project is chosen by the State highway department. In the State of Nebraska, every project was chosen by the State highway program. In the State of Nevada, every project was a State priority project. In the State of New Mexico, every project was a State priority project.

In the State of New York, which I represent, I am not in the business of picking on the priorities when we have an able and thoroughly professional State highway department, whence the Interstate Highway Program has come. And every project is a State priority project.

In North Dakota, where our distinguished chairman of our committee hails from, of course, every project is a State priority project. I do not wish to grow tedious, but in Rhode Island every project is a State priority project. In South Carolina, every project; in South Dakota, every project; and so down the list, Madam President.

These projects did not spring forward from the brow of some overenthusiastic legislator. They represent overwhelmingly the judgments of the persons whose responsibility it is in State government, judgments which over the years have been very widely and routinely shared.

There is not always agreement in these matters. But there is typical consensus. We think we have it here.

I see the distinguished majority leader has come on the floor. So I wish to conclude my remarks by making just one point.

If there was some infringement on federalism and the divisions of responsibility between a national interstate and defense highway program, which is financed 90 percent and more from here, constructed at the State level, and so forth—if there was some invasion of previous divisions of responsibility and authority, why would the National Governors Association have written us to ask that we override this veto and go forward with this plan? The Governors Association writes us. Governor Clinton, Democrat, of Arkansas; Governor Bangerter, Republican, of Utah; Governor O'Neill, Democrat, of Connecticut; Governor Thompson, Republican, of Illinois. And when we have the great and genuinely difficult deliberations, we reach an understanding which is overwhelmingly supported in the House, and I hope it will be supported in the Senate.

Madam President, I yield the floor.

Mr. BUMPERS. Madam President, although it came as no surprise, the President's veto of the Federal-Aid Highway Act of 1987 will deal a shocking blow to our Nation's economy unless we in the Congress act responsibly and override it. In calling the bill a budget buster and citing its cost as a contributor to the Federal deficit, the President has made a serious mistake. Failure to enact this bill immediately will only serve to magnify our economic problems further still.

The 6-month delay already experienced from failure to reach an agreement during the last Congress has certainly begun to take its toll, and the construction industry nationwide will be devastated without fast action now. The Associated General Contractors of America estimate that 800,000 highway construction jobs will be lost nationwide unless highway reauthorization legislation is immediately enacted. The industry has billions of dollars borrowed on idle equipment and thousands of firms will be bankrupt if further delays continue. Over 1,400 construction projects have already been canceled, and these numbers are growing daily. These jobs, these investments, and these worthwhile projects all represent economic decisions made in reasonable anticipation and trust that the Congress would act responsibly so that highway trust fund money from taxpaying Americans would be available in a timely manner. Can we afford to let this devastation take place? I certainly don't think so.

In Arkansas alone, 7,500 construction jobs will be lost if the President's veto is sustained. Unemployment in the State's construction industry is already running at around 16.8 percent, and the veto will only increase this unacceptably high rate. In addition, when our construction industry is suffering, there is a ripple effect on many other industries and small businesses that depend on a healthy construction sector. I'm sure this is true in every community throughout our Nation. Henry Gray, director of the Arkansas State Highway and Transportation Department, estimates that for every $100 million spent in highway construction in Arkansas, 15,000 jobs are directly or indirectly affected. When this is repeated in every State in America, it represents a very significant impact on our country's economy. Al Johnson, formerly assistant chief engineer for planning and development for the Arkansas State Highway and Transportation Department, tells me that the loss of this construction season would be like starting all over again. He recalls that when this happened in the 1960's, competition was reduced to the point that construction costs the next year skyrocketed. Again, I simply do not believe we can afford that bleak outcome.

In addition to the staggering economic damage which would result from a sustained veto of this legislation, I am very disturbed by the important safety needs which would go unresolved. Major road and bridge rehabilitation and replacement efforts would necessarily be suspended until funding authorization could be agreed upon. This would pose several serious threats in Arkansas. The U.S. Highway 82 bridge in Garland City is in tremendous need of repairs. Highway 82 is the only major highway in southwest Arkansas. According to the State Highway and Transportation Department, the bridge will almost certainly fall in during the next year without these repairs. The bridge is currently being held up with a hydrolic lift. I know this is not a comforting thought to the many citizens who have no choice but to travel this route. We surely cannot in good conscience uphold this veto and watch a major tragedy occur because we did not want to spend the money.

Another highway in Arkansas, U.S. Highway 71, is infamous for causing more traffic deaths than any other route in the State. My colleagues have heard me speak on it many times before. Besides containing funds for an improved highway along this corridor, which would greatly enhance safety in the entire region, the old route is undergoing essential repair work through several safety projects. These will be halted if funding is not provided.

Mr. President, these scenes are being repeated throughout my State and throughout our country. In order to prevent further damage, we must act responsibly and quickly and be worthy of the trust placed in us by the citizens whom we represent. Therefore, I urge my colleagues to join me in voting to override the President's ill-advised veto of the critically needed highway bill.

Thank you, Mr. President.

THE PRESIDENTIAL VETO OVERRIDE OF H.R. 2—FEDERAL-AID HIGHWAY ACT OF 1987

Mr. BENTSEN. Madam President, I rise today in support of the highway bill that the Congress passed only a few weeks ago. I urge my colleagues in the Senate to override the President's veto.

This bill is a compromise, bipartisan piece of legislation. Its provisions are finely wrought, and designed to take us into the final stages of building the Interstate Highway Transportation System. I, therefore, am very disappointed that the President has chosen this bill as a test of strength for the remainder of his Presidency. Playing politics with important national legislation is not the way to govern a nation or to satisfy the transportation needs of our citizens.

The very sad reality of this action by the President is that he seems to have ignored the many victories achieved during the negotiations over this bill. One such victory, which the President says that he plainly supports, is the close vote in the House allowing the States to raise the speed limit to 65 miles per hour on rural parts of the interstate. This issue has been one of the most contentious in conference deliberations. The Members of the other body participating in the conference have historically perceived this issue as nonnegotiable. So when the conference miraculously agreed to allow a free-standing vote in the House on the speed limit provision, it was not some fly-by-night, namby-pamby agreement. It was a major breakthrough. I am afraid that to start all over again on this issue, as with so many others, will mean more delay, more acrimony, and more time spent driving the current speed limit on rural parts of the interstate. For the 65 miles per hour speed provision, it's either now or never. I do not want to chance that.

Another victory that this bill achieves is the formula changes for minimum allocation. When I worked on this bill last year, we toiled all night to find a compromise. We didn't. It is not an issue that ought be reopened at this point, but if we fail to override the President's veto, it may well be back on the table. The resolve of the House and the Senate on this issue ought not be tested. We finally agreed on something that satisfies the concerns of the most affected States. What has been done ought not be undone.

The message accompanying the President's veto indicates that his basic dissatisfaction stems from two sources: Demonstration projects and distribution of transit funds, two of the hardest fought, passion generating measures in the bill. I am afraid that if we do not join the House in overriding this veto, we will see one of the most unpleasant conferences on a highway bill that we've seen in the history of the interstate program. That road is not the one to travel down. I prefer that we take the high road and override the veto.

I do not believe that this veto is warranted. While we all would agree that the highway bill is not without its flaws, it is not the budget-buster that the President paints it to be. I dislike when we have to override the President, because I believe that cooperation between the legislative and executive branches is one of the hallmarks of our democracy. But we have a responsibility to the Nation to do what is needed. The highway bill is needed. Jobs are hanging in the balance. The Interstate Highway System is 97 percent complete. The States have gone for over 6 months without highway aid. It is time for economic punishment and suffering to cease.

Madam President, we have all heard that there are some places where angels fear to tread. In my judgment, the delicate compromise embodied in the highway bill is one of them. I will vote to override.

THE ABM TREATY

Mr. HOLLINGS. Madam President, two recent articles on the interpretation of the ABM Treaty are representative of the misunderstandings and distortions surrounding the current dispute over the treaty. Where both articles mislead is that they ignore the treaty. They ignore the terms of a contract which binds.

In understanding the term "ABM system," one should recognize immediately the description for an ABM system contained in article II, paragraph (1), as "currently consisting of" interceptor missiles, radars, and launchers. The emphasis here is "currently." One must also acknowledge the fact that article II, paragraph (2), limits those components of an ABM system to the present—that is, 1972 when the treaty was ratified—rather than to the future. No reference to the future or exotic appears. A search of the negotiation record reveals numerous attempts and a constant design by the U.S. delegation to have article II encompass future as well as present systems. The fact that these attempts were thwarted at every turn by the Soviets makes crystal clear that article V restricts developing, testing or deploying ABM systems or components which are space-based to variants of the components defined in article II. Without careful study of the entire text and terms of the treaty, many have interpreted the restriction on space-based ABM systems in article V to constitute a restriction on future, exotic ABM technologies in space. But the wording of the treaty itself and the negotiation record is categorical on this score. Articles II and V refer solely to those systems present at the time of the treaty, which were land-based systems, and to the restrictions on mobile, space-based variants of these systems. After months of negotiations and numerous refusals by the Soviets to agree to restricting unknown devices in the future, Agreed Statement (D) was agreed upon as a restriction against deployment of ABM systems based "on other physical principles" and * * * "created in the future." Clearly, the restriction on future systems is not on testing and development which the Soviets contended could not be controlled but on deployment after discussion in accordance with article XIII—the Standing Consultative Commission—and agreement in accordance with article XIV.

One of the two articles, an op-ed piece in the Washington Post on March 27, 1987, by our former colleague and Secretary of State, Ed Muskie, is off target because he disregards the treaty. While he correctly points out the latitude for research and testing for fixed-based systems allowed in article V, he overlooks: First, the restrictive definition in article II limiting systems to the present; and second, the latitude for research and testing for systems based "on other physical principles" embodied in Agreed Statement (D). An understanding of the terms of the treaty conclusively prohibits the notion expressed by Secretary Muskie that it has now been "demonstrated authoritatively" that the Soviets agreed to a narrow interpretation and that it was presented in that way to the Senate for ratification. Nothing in the treaty or in the negotiation record suggests such a Soviet view. And, the broad versus narrow dispute was never an issue during ratification.

The second article, by Strobe Talbott in the March 23, 1987, edition of Time magazine, intentionally distorts the treaty and its negotiation record. If Mr. Talbott had studied the treaty and the negotiation record, he would have concluded in one short paragraph that the SDI Program is permitted by the treaty. Everyone agrees that the U.S. negotiators tried but failed to achieve a ban on the research, testing, and deployment of future "exotic" ABM systems. The Soviets—after months of negotiations—agreed to restrictions on deployment but not on research and testing of ABM systems "based on other physical principles * * * created in the future." These are the essential terms of Agreed Statement (D). The Talbott article finesses the opposite of what the treaty states and the record shows. He turns Agreed Statement (D) around to what he wants it to say, namely that it refers only to fixed, land-based systems—which it does not—and ignores the permission for research and testing of exotic ABM technologies. The treaty, the negotiation record and the ratification proceedings categorically lead one to just the opposite of the interpretation offered in the Talbott article.

Madam President, I ask unanimous consent that the articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

WHAT THE ABM TREATY MEANS

(By Strobe Talbott)

For a U.S. Senator, Sam Nunn is unusually laconic. Last week, to make matters worse, he was suffering from laryngitis. But the Georgia Democrat, chairman of the Armed Services Committee, had a lot to say, so he stocked up on throat lozenges. In a series of speeches in the Senate, he addressed one of the most important arms-control questions today: Does the 1972 Antiballistic Missile (ABM) Treaty permit the U.S. to develop and test a space-based Star Wars system?

The Reagan Administration, eager to move ahead with its Strategic Defense Initiative, says, yes. Last week—at great length, his voice often cracking—Nunn said no. The Administration's claim, he concluded, was based on a "complete and total misrepresentation" of key parts of the historical record, especially its ratification by the Senate.

Since the treaty was signed in 1972, the nuclear peace has rested on the superpowers' willingness to forgo large-scale strategic defenses, lest the accumulation of shields on one side provoke a proliferation of nuclear spears on the other. Secretary of State George Shultz and his chief arms control adviser Paul Nitze got President Reagan to declare that the SDI program is a research program permitted by the ABM treaty. But in 1985 other officials—particularly Assistant Secretary of Defense Richard Perle and State Department Legal Adviser Abraham Sofaer—launched a campaign to "reinterpret" the pact. According to them, nothing in the treaty impinges on the right of the U.S. to go beyond research and actually test space-based systems.

This history of the treaty seems to support Nunn's rejection of the "broad interpretation." If the two nations had agreed in 1972 merely to limit the ground-based interceptor missiles that existed at the time, the treaty would have become meaningless as soon as scientists invented new missile-killing technologies. For just that reason, the Nixon Administration debated now to limit what were than called "exotics"—such as laser and particle beams.

National Security Adviser Henry Kissinger wanted to ban testing and deployment of exotic systems, but not research and development. He argued that it was impossible to verify a ban on research taking place in a laboratory—and besides, it would be good to have an R. and D. program as a hedge against what the other side might do. The U.S. military, meanwhile, was conducting secret experiments with ground-based lasers, and the Joint Chiefs of Staff insisted that this program be exempt from any ban on development and testing. So in August 1971 the U.S. negotiating team proposed a ban on developing and testing "systems based on other physical principles." The only exception was for fixed, land-based systems.

The cryptic and cumbersome phrase "systems based on other physical principles" (the inevitable acronym: OPPs) was coined by Nitze, then the Pentagon representative at the talks, and a Soviet scientist, Alexander Shchukin. They wanted a catchall term that would apply even to future systems so exotic that they were not yet a gleam in scientists' eyes. After some weeks of haggling, the two sides agreed "not to develop, test or deploy ABM systems or components which are sea-based, air-based, space-based or mobile land-based." An ABM system was defined as one "to counter strategic ballistic missiles or their elements in flight trajectory, currently consisting of" ABM interceptor missiles, launchers and radars.

The word currently was inserted by a U.S. delegate at the time, Raymond Garthoff, who is now at the Brookings Institution. Without the key adverb, the treaty might have been interpreted as applying only to systems then in existence. Garthoff was underscoring that the treaty covered all systems—both those systems that were "currently" in use as well as any future ones. He emphasized that point in 1971 to his Soviet counterpart.

The Soviet representatives professed puzzlement and annoyance over how a treaty could ban "things that did not exist." They seemed in part to be trying to smoke out details of the U.S. laser program that were being shielded by the proposed language. But over time it became clear that they understood perfectly well what the U.S. had in mind—the Kremlin too wanted to develop a fixed-site, land-based facility to test large lasers, and it has since done so at Sary-Shagan in central Asia.

The U.S. negotiators were determined to prevent the loophole for fixed-site exotic ABMs from becoming a loophole for space-based systems. So they worked out a footnote, known as Agreed Statement D. It said that if "ABM systems based on other physical principles . . . are created in the future, specific limitations on such systems and their components would be subject to discussion." In other words, if any breakthroughs occurred in the permitted area of fixed, land-based ABMs, there would have to be new negotiations. But the treaty still banned development and testing of other systems, including space-based ones.

At a "working group" in September 1971, one of the Soviets, Victor Karpov (who remained a fixture in the arms talks until late last year), acknowledged in a statement, which became part of the classified negotiating record, that he understood what was being banned—the development, testing and deployment of futuristic systems except for fixed, ground-based ones—and that his government agreed to such a ban.

There was no murkiness about this in the U.S. Senate during the ratification debate. The late Henry Jackson, the hawkish Democrat of Washington, pressed Administration witnesses hard to make sure that fixed, land-based ABM projects were indeed exempt from the ban on space-based and other programs. Senator James Buckley, a Conservative-Republican from New York voted against the treaty on the ground that "it would have the effect . . . of prohibiting the development and testing of a laser-type system based in space."

Thus when it voted 88 to 2 to give the treaty the status of law, the Senate knew what it was doing ratifying an explicit ban on the development and testing of space-based, exotic ABMs—precisely the type of SDI system that the Reagan Administration now argues it can develop and test under its broad interpretation of the treaty. If the Administration persists in its policy, Nunn warned, it risks a "constitutional confrontation" with the Hill and a congressional "backlash" against funding for SDI.

KISSINGER THE REVISIONIST

(By Edmund S. Muskie)

For some years now, those who urged us to enter the world of MIRV have assailed the drastic increases in nuclear weaponry spawned by the ill-considered technological innovations that they endorsed. Yet a number of them, notably Henry Kissinger, have simultaneously seemed contemptuous of practical measures to begin redressing the trends toward ever-more-numerous strategic forces.

In 1979 Kissinger's pronounced skepticism about the SALT II treaty, coupled with demands for amendments and collateral conditions, was one of the factors that bogged down the ratification process.

Of late, Kissinger has conveyed a more general condemnation of arms control [op-ed, March 15]. He has cast doubt on the value of reducing the scale of nuclear deployments. What difference does it make, he asks, whether there are 11,000 strategic warheads on each side or 6,000 as proposed at Reykjavik?

That is the wrong question. It makes little sense to think of these destructive capabilities only in narrow military terms. Even with 6,000 warheads each, the Soviet Union and the United States will retain physical power beyond imagining. The crucial question concerns their likely political behavior in the presence of such forces: will the two governments be able to muster mutual restraint in a highly threatening environment marked by large increases in their deployments, perhaps to 15,000 weapons each in the early 1990s? Or will they facilitate restraint by cooperating to regulate a menace that they do not know how to eliminate?

Kissinger's current stance is nowhere so pernicious as in his astonishing revisionism toward the Anti-Ballistic Missile Treaty. He acknowledges that, although he has not reviewed the documents, the administration in which he served submitted the treaty to the Senate with a "narrow interpretation." But the former secretary of state asserts—mistakenly, as Sen. Sam Nunn has now demonstrated authoritatively—that the Soviets adopted the "broad interpretation" from the outset and that the United States should now do the same.

Does this mean that he and his associates did not know what they were doing in 1972, or that they mislead the Senate by setting forth an interpretation of the treaty other than the one agreed to with the Soviets? Neither, one suspects. Rather, Kissinger's personal position has changed as he has come to look fondly on the Strategic Defense Initiative, another of the technologies that periodically excite his fancy.

In claiming that the Soviets favored the broad interpretation, Kissinger refers to a single remark by former defense minister Andrei A. Grechko: that the treaty "imposes no limitations on the performance of research and experimental work." That statement is scarcely different from the testimony by U.S. military officials who made clear the wide latitude for research and development at fixed sites on the ground. It is quite compatible with the fundamental interpretation presented by both governments at the time. As Acting Foreign Minister Vasily V. Kuznetsov said to the Soviet Presidium just before Marshal Grechko spoke, "The sides pledge themselves not to create or develop ABM systems or components emplaced in the sea, the air or space, or of a mobile ground type."

Grasping at the Grechko statement to justify reinterpretation of the treatly is less troubling, however, than the cavalier attitude of treaty revisionists toward American constitutional practice. To condone the notion that a president can sell a treaty on an interpretation that he or his successor can subsequently alter would render meaningless the Senate's power to offer advice and consent. That is not constitutional government; it is despotism.

There is a compelling argument that, for the United States, the only lawful reading of the ABM treaty is the one on which the Senate based its approval. If the executive branch wishes to reverse interpretations, the treaty itself provides for negotiated amendments to be considered by the Senate.

Kissinger's fluid posture on the treaty relates, of course, to his interest in SDI. While demanding that the Reagan administration devise a negotiating position that "reflects a long-range national strategy," he contends that such a strategy must include a prior commitment to proceed with SDI testing and deployment free of any qualitative restrictions.

After several years and billions of dollars, no one has begun to answer the most elementary questions of how we and the Soviets might make the transition to a new strategic relationship built on SDI. What we do know, to paraphrase Defense Secretary Caspar Weinberger, is that if the Soviets were moving to install the kinds of SDI systems that we are seeking, the United States would be bound to expand its offensive capabilities dramatically. And I would add that if the Soviets were propounding the revisionist view of the ABM treaty to justify such actions, I would be leading the parade to announce U.S. withdrawal from the agreement.

What tragic irony if those who sold us MIRV as necessary to overwhelm nonexistent defenses would now sell us SDI as necessary to meet the thousands of warheads bred by MIRV! Responsible policy must forswear technological escapism.

What we need to help President Reagan understand is that the ABM treaty already affords ample scope for exploring technologies that might someday play a role, but his singular opportunity is to improve his successors' strategic options by beginning a process of agreed reductions in offensive forces. If he misses the opportunity to curb offenses, there is virtually no likelihood that defenses will be able to handle the continuing expansion and diversification of the threat.

I share Henry Kissinger's disappointment that all of us who have worked so long with the nuclear dilemma have not yet devised satisfactory remedies. But politics cannot indulge its frustrations by passing the buck to technology. If we are to escape strategic calamity, technology must be an instrument of diplomacy, not a substitute for it.

CAMPAIGN FINANCE REFORM

Mr. **BOREN**. Madam President, the need to reform our congressional election campaign system, is continuing to gain substantial momentum and support. The need to control overall spending and to set aggregate limitations on contributions from PAC's could be no more clearly demonstrated than by the 1986 elections.

I am proud to report that at this early date, 42 colleagues have joined Senate Majority Leader BYRD and me by cosponsoring S. 2. I ask unanimous consent that a complete list of these cosponsors be inserted in the RECORD at the conclusion of my comments.

Further, already, 53 editorials from 27 States have been written giving support of the kind of reforms encompassed in S. 2. I ask unanimous consent that a list of those newspapers as well as the text of a Washington Post editorial be included in the RECORD at the conclusion of my comments.

And finally, I wish to commend the chairman of the Rules and Administration Committee for his diligence in holding two hearings on this issue this month. His sincere desire to see a comprehensive reform bill passed through his committee lends great support to an effort that continues to gain momentum.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CO-SPONSORS OF S. 2: THE SENATORIAL ELECTION CAMPAIGN ACT

Senator Lawton Chiles, Florida.
Senator Edward M. Kennedy, Massachusetts.
Senator John Stennis, Mississippi.
Senator Terry Sanford, North Carolina.
Senator Robert Stafford, Vermont.
Senator Jeff Bingaman, New Mexico.
Senator John Melcher, Montana.
Senator Dennis DeConcini, Arizona.
Senator Donald Reigle, Jr., Michigan.
Senator William Proxmire, Wisconsin.
Senator Wyche Fowler, Georgia.
Senator Paul Simon, Illinois.
Senator Brock Adams, Washington.
Senator Carl Levin, Michigan.
Senator Dale Bumpers, Arkansas.
Senator Daniel Inouye, Hawaii.
Senator Claiborne Pell, Rhode Island.
Senator Albert Gore, Jr., Tennessee.
Senator John Rockefeller, West Virginia.
Senator Barbara Mikulski, Maryland.
Senator David Pryor, Arkansas.
Senator Tom Harkin, Iowa.
Senator Joe Biden, Delaware.
Senator Bob Graham, Florida.
Senator John Chafee, Rhode Island.
Senator Patrick Leahy, Vermont.
Senator Kent Conrad, North Dakota.
Senator Sam Nunn, Georgia.
Senator Max Baucus, Montana.
Senator Paul Sarbanes, Maryland.
Senator Thomas Daschle, South Dakota.
Senator Harry Reid, Nevada.
Senator Howard Metzenbaum, Ohio.
Senator Jim Sasser, Tennessee.
Senator Alan Dixon, Illinois.
Senator Spark M. Matsunaga, Hawaii.
Senator John Kerry, Massachusetts.
Senator Alan Cranston, California.
Senator George Mitchell, Maine.
Senator J. Bennett Johnston, Louisiana.
Senator Timothy Wirth, Colorado.
Senator Quentin Burdick, North Dakota.

NEWSPAPER EDITORIALS ENDORSING S. 2

NEWSPAPER—CITY/STATE

Aiken Standard, Aiken, South Carolina.
The Beaumont Enterprise, Beaumont, Texas.
The Globe Times, Bethlehem, Pennsylvania.
The Sun Herald, Biloxi-Gulfport, Mississippi.
Press & Sun Bulletin, Binghamton, New York.
Boca Raton News, Boca Raton, Florida.
The Boston Globe, Boston, Massachusetts.
The Cedar Rapids Gazette, Cedar Rapids, Iowa (2).
The Daily Mail, Charleston, West Virginia (2).
The Dallas Morning News, Dallas, Texas.
News-Journal, Daytona Beach, Florida.
Delray Beach News Journal, Delray Beach, Florida.
The Intelligencer/Record, Doylestown, Pennsylvania.
The Courier-Express, Du Bois, Pennsylvania.
Enid Morning News, Enid, Oklahoma.
Erie Daily Times, Erie, Pennsylvania.
The Register Guard, Eugene, Oregon.
Northwest Arkansas Times, Fayetteville, Arkansas.
Fayetteville Observer, Fayetteville, North Carolina.
The Flint Journal, Flint, Michigan.
Gainesville Sun, Gainesville, Florida.
The Recorder, Greenfield, Massachusetts.
The Times, Hammond, Indiana.
Hannibal Courier-Post, Hannibal, Missouri.
The Hartford Courant, Hartford, Connecticut.
The Gleaner, Henderson, Kentucky.
Herald-Dispatch, Huntington, West Virginia (2).
The Clarion-Ledger/Jackson Daily News, Jackson, Mississippi.
The Kansas City Star, Kansas City, Missouri.
Augusta Journal, Kennebec, Maine.
Leesburg Commercial, Leesburg, Florida.
Newsday, Long Island, New York.
Los Angeles Herald Examiner, Los Angeles, California.
The Courier-Journal, Louisville, Kentucky.
The McDowell News, Marion, North Carolina.
Missoulian, Missoula, Montana.
The Star Ledger, Newark, New Jersey.
The Norman Transcript, Norman, Oklahoma (2).
The Pittsburgh Press, Pittsburgh, Pennsylvania.
Reno Gazette-Journal, Reno, Nevada.
St. Petersburg Times, St. Petersburg, Florida.
The Tribune, San Diego, California.
Statesboro Herald, Statesboro, Georgia.
Daily Sun News, Sun City, Arizona.
Tallahassee Democrat, Tallahassee, Florida.

Register Citizen, Torrington, Connecticut.

Waterloo Courier, Waterloo, Iowa.

Watertown Public Opinion, Watertown, South Dakota.

The Wenatchee World, Wenatchee, Washington.

[From The Washington Post, Mar. 26, 1987]

SWITCH HITTERS

When Republican Mark Andrews was trying to hold on to his North Dakota Senate seat, the American Bankers Association gave him a $10,000 campaign contribution. When Democrat Kent Conrad then beat him, the unabashed bankers gave Mr. Conrad $10,000 too.

The bankers were not the only group to come so late to the realization of Mr. Conrad's virtues. A study by Common Cause shows that 39 political action committees, or PACs, switched to the sunnier side of the street after the election. Among them were the giving arms of the sugar beet growers, milk producers, airline pilots, beer wholesalers, letter carriers, National Education Association, AT&T, Philip Morris and the law firm of former Democratic national committee chairman Robert Strauss.

These were not campaign contributions in the classic sense. They did not express a preference or a hope. They were get-well gifts, rueful efforts by these PACs that backed the familiar but wrong horse to buy forgiveness and, once that is over, to resume their buying of influence.

It's a rotten system—and it is a system. Mr. Conrad was not the only new arrival to be offered or to take such money. Common Cause looked at all seven instances in which Democrats unseated incumbent Republicans last year. The same grounds for embarrassment existed in every one. In Alabama, 31 PACs came 'round this way, hat in hand, money in the hat. Again the bankers led the list; they gave $10,000 to Jeremiah Denton before the election, $5,000 to Richard Shelby, who defeated him, after it. Among the other PACs whose magnanimity of view allowed them to switch sides were McDonald's—yes, the hamburger flippers—and a near-armada of defense contractors: Boeing, Bath Iron Works, Colt Industries, General Dynamics, Litton, Lockheed, Northrop and United Technologies.

In North Carolina, the certified public accountants gave James Broyhill $6,000; when he lost they then gave Terry Sanford $5,000. The podiatrists, the home builders, J. P. Morgan & Co. and United Transportation Union experienced similar conversions. In the state of Washington the list included the bankers and trial lawyers; in South Dakota, E. F. Hutton, Ocean Spray Cranberries, Inc., and the wine and spirits wholesalers; in Georgia, the American Dental Association and the National Association of Life Underwriters. In Florida, the Realtors, a citrus group and the Marriott Corp. performed the trick. A real who's-who of democracy, you could call it.

A bill is now pending in the Senate to reform congressional campaign finance. Among other things, it seeks to limit PAC contributions on the theory that the PACs have bought their way to a degree of political and legislative influence that such groups should not be allowed to have. You watch the PACs ooze around the winners, as here, and it's hard to disagree. They're trying to buy as much as is for sale up there. Surely there is a better way.

REPORT ON IMPLEMENTATION OF THE RECOMMENDATIONS OF THE PRESIDENT'S SPECIAL REVIEW BOARD ON IRAN—MESSAGE FROM THE PRESIDENT—PM 30

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Select Committee on Intelligence:

To the Congress of the United States:

In my address to the American people on March 4, I promised that I would report to the Congress by the end of March on all the steps I have taken to implement the recommendations of the President's Special Review Board chaired by former Senator John Tower.

I hereby submit to the Congress for its information the text of the decision directive I issued to implement the Special Review Board's recommendations. This directive mandates certain actions to put the National Security Council (NSC) process in better order and to avoid any recurrence of the deficiencies and abuses that the Special Review Board described. Many of these remedial measures—including the prohibition of NSC staff engagement in covert activities—were implemented before the Special Review Board reported to me on February 26. The remaining steps have been taken or will be completed shortly.

The President and the Congress share a significant responsibility for safeguarding and advancing the interests of the United States in the world at large. When our two branches of government are at odds, we weaken ourselves as a force for international peace and freedom; when our two branches work in harmony, there is little our Nation cannot accomplish. Each branch is jealous of its constitutional prerogatives; yet, each must also respect the prerogatives of the other.

In this regard, I endorse the Special Review Board's recommendation that the structure and procedures of the National Security Council system not be the subject of further legislation. The NSC and NSC system have traditionally been a flexible instrument for presidential management of national security affairs. Every President since 1947 has used this instrument in a different way; as my successors, too, will discover, its flexibility is an important part of its usefulness. Similarly, the Special Review Board found that it was not the present structure or procedures that were at fault; rather, the problem was that the properly established structure and procedures were not properly used.

The reforms and changes I have made are evidence of my determination to return to proper procedures, including consultation with the Congress. I will do my share, as I said on March 4, "to make the congressional oversight process work."

I look to the Congress to do its share, as well. In the intelligence field, I welcome the Congress's oversight role as it has developed in the last decade. At the same time, this is a sphere of policy that requires a strong Executive role—for constitutional, historical, and practical reasons—as well as a special spirit of close cooperation between our two branches.

The Special Review Board recommended that the existing Intelligence Committees of the House and Senate be merged into a new Joint Committee, with a restricted staff, to oversee the intelligence community. This is a recommendation that deserves to be enacted as it would help ensure the necessary secrecy of deliberations in this sensitive area. In addition, I must make clear that I will strongly oppose legislation that would attempt to encroach further on what I regard as the President's independent constitutional authority in the intelligence field.

I pledge to the American people and to the Congress that I will follow through on all the commitments set forth in the decision directive that I am transmitting. I intend, as well, to move ahead on the pressing agenda of foreign policy challenges and opportunities that lie before us. This agenda will not wait. I was elected to carry forward this Nation's vital role of leadership in the world, and I intend to do so.

RONALD REAGAN.

THE WHITE HOUSE, *March 31, 1987.*

MESSAGES FROM THE HOUSE

At 4:21 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House of Representatives having proceeded to reconsider the bill (H.R. 2) entitled "An Act to authorize funds for construction of highways, for highway safety programs, and for mass transportation programs, to expand and improve the relocation assistance program, and for other purposes," returned by the President of the United States with his objections, to the House of Representatives, in which it originated, it was resolved, that the said bill pass, two-thirds of the House of Representatives agreeing to pass the same.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PELL, from the Committee on Foreign Relations:

Special Report entitled "Legislative Activities Report of the Committee on Foreign Relations, 99th Congress" (Rept. No. 100-28).

By Mr. KENNEDY, from the Committee on Labor and Human Resources:

Special Report entitled "Legislative Review Activity of the Committee on Labor and Human Resources, 99th Congress" (Rept. No. 100-29).

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with amendments:

S. 85. A bill to amend the Powerplant and Industrial Fuel Use Act of 1978 to repeal the end use constraints on natural gas, and to amend the Natural Gas Policy Act of 1978 to repeal the incremental pricing requirements (Rept. No. 100-30).

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, with amendments:

S. 677. A bill to amend the Federal Trade Commission Act to provide authorization of appropriations, and for other purposes (Rept. No. 100-31).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PELL, from the Committee on Foreign Relations:

Burton Levin, of Maryland, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Socialist Republic of the Union of Burma.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Burton Levin.

Post: Burma.

Contributions, amount, date, and donee:

1. Self: None.
2. Spouse: None.
3. Children and spouses names: Clifton and Alicia (both unmarried), none.
4. Parents names: Benjamin (deceased) and Ida, none.
5. Grandparents names: All deceased for at least 25 years.
6. Brothers and spouses names; No brothers.
7. Sisters and spouses names: No sisters.

Melissa Foelsch Wells, of New York, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of Mozambique.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Melissa Wells.

Post: Ambassador.

Contributions, amount, date, and donee:

1. Self: None.
2. Spouse: None.
3. Children and spouses names: Christopher Wells, Gregory Wells, none.
4. Parents names: Kuno Foelsch, Deceased, Miliza Korjus, Deceased, Walter Sheltor, Stepfather, Deceased, Emilie Foelsch, Stepmother, 89 yrs. old, 1985 $400 Republican party, to best her recollection contributions earlier years did not exceed 1985 contribution, she has no records—sorry!
5. Grandparents names: Georg Foelsch, Helen, Arthur Korjus, Anna Krojus, deceased.
6. Brothers and spouses names; Richard Foelsch, none; Ernest and Jacque Foelsch, none.
7. Sisters and spouses names: None.

Trusten Frank Crigler, of Virginia, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Somali Democratic Republic.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Crigler, Trusten Frank.

Post: Ambassador to Somalia.

Contributions, amount, date, and donee:

1. Self: $100, August 15, 1984, Mondale Ferraro; $25, August 15, 1984, Udall Campaign Cte.; $25, August 15, 1986, Flannery for Congress.
2. Spouse: Bettie Crigler, none.
3. Children and spouses: Jeffrey Charles & Nellis Kinkaid, $50, July 18, 1983, John Glenn; $135, April 1, 1983, AIPAC; $50, 1985, Michael Barnes; $30, September 7, 1985, Gerald Baliles; $20, April 1, 1986, WACPAC. Lauren Elizabeth, none; Jeremy Trusten, none.
4. Parents: Elsie M. Crigler, none.
5. Grandparents: N.A.
6. Brothers and spouses: Robert Crigler Jr., & Shirlie C. none.
7. Sisters and spouses: Alice E. Richards & Edwin Richards, none.

John Cameron Monjo, of Maryland, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Malaysia.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Monjo, John Cameron.

Post: Malaysia.

Contributions, amount, date, and donee:

1. Self: None.
2. Spouse: None.
3. Children and spouses names: Rolf K. Monjo; Christina C. Monjo, none.
4. Parents names: Ferdinand Monjo (F) (mother deceased), none.
5. Grandparents names: Deceased.
6. Brothers and spouses names: Brother deceased, Louise L. Monjo (sister-in-law), none.
7. Sisters and spouses names: (None).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. CRANSTON:

S. 884. A bill to prohibit the burning and dumping of toxic and hazardous waste in certain areas off the coast of California, and various other purposes; to the Committee on Environment and Public Works.

By Mr. METZENBAUM (for himself, Mr. Baucus, Mr. Lautenberg, Mr. Riegle, Mr. Simon, and Mr. Weicker):

S. 885. A bill to make available to consumers certain information on the performance records of air carriers operating in the United States; to the Committee on Commerce, Science, and Transportation.

By Mr. DeCONCINI:

S. 886. A bill to amend the Immigration and Nationality Act to provide for the temporary admission to the United States of the operators of motor common carriers of passengers; to the Committee on the Judiciary.

By Mr. MATSUNAGA (for himself, Mr. Cochran, Mr. Kennedy, Mr. Hatch, Mr. Pell, Mr. Metzenbaum, Mr. Dodd, Mr. Thurmond, Mr. Weicker, Ms. Mikulski, Mr. Melcher, Mr. Lautenberg, Mr. Heinz, Mr. Durenberger, Mr. Specter, Mr. Glenn, Mr. Sarbanes, Mr. McCain, Mr. Simon, Mr. Cranston, and Mr. Rockefeller):

S. 887. A bill to extend the authorization of appropriations for and to strengthen the provisions of the Older Americans Act of 1965, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. DURENBERGER (for himself, Mr. Stafford, Mr. Pressler, Mr. Mitchell, Mr. Daschle, Mr. Heinz, Mr. Boschwitz, Mr. Moynihan, and Mr. Chafee):

S. 888. A bill entitled the "Pipeline Safety Act of 1987"; to the Committee on Commerce, Science, and Transportation.

By Mr. GORE (for himself, Mr. Ford, Mr. Bumpers, Mr. Pryor, Mr. Sasser, Mr. Rockefeller, Mr. Sanford, and Mr. Cochran):

S. 889. A bill to amend the Communications Act of 1934 to provide for fair marketing practices for certain encrypted satellite communications; to the Committee on Commerce, Science, and Transportation.

By Mr. GRASSLEY (for himself, Mr. Dole, and Mr. Harkin):

S. 890. A bill to establish a program to provide dislocation services and assistance to meet the unique needs of farmers, farm workers, and ranchers who face the loss of their primary source of income as a result of the decline in U.S. agriculture, to assist in preparing such individuals for transition to other economic opportunities, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HOLLINGS:

S. 891. A bill to improve the enforcement of the trade laws of the United States, and for other purposes; to the Committee on Finance.

By Mr. GARN:

S. 892. A bill to remove the right of reversion to the United States in lands owned by the Shriners' Hospitals for Crippled Children on lands formerly owned by the United States in Salt Lake County, Utah; to the Committee on Energy and Natural Resources.

By Mr. D'AMATO:

S. 893. A bill relating to the prevention or circumvention of countervailing and antidumping duty orders; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. QUAYLE (for himself and Mr. LUGAR):

S. Res. 181. A resolution congratulating Indiana University on winning the NCAA Basketball championship; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CRANSTON:

S. 884. A bill to prohibit the burning and dumping of toxic and hazardous waste in certain areas off the coast of California, and various other purposes; to the Committee on Environment and Public Works.

CALIFORNIA OCEAN SANCTUARY ACT

Mr. CRANSTON. Mr. President, today I am introducing the California Ocean Sanctuary Act of 1987 to give long-range protection to California's coastal environment. The bill will protect and preserve the environmentally sensitive areas off the coast of California from the risks of damage associated with oil and gas drilling or exploration, and the dumping or burning of toxic or hazardous waste.

Offshore oil and gas drilling has become the focal point of environmental concern for many Californians as this administration has pushed for wholesale OCS development. Efforts to negotiate protection for sensitive environments have been consistently resisted by the Department of the Interior. And most recently Secretary Hodel issued the draft proposed 5-year OCS leasing plan for the California coast which completely ignores Californians' environmental concerns. Secretary Hodel seems determined to lease tracts virtually everywhere on the OCS off California, even at the expense of the California environment and the California economy.

Last summer, the California State Legislature passed Assembly Joint Resolution No. 91—urging Congress to provide long-term protection by establishing a permanent ocean sanctuary off the northern California coast to prohibit extraction of fossil fuels and the dumping or burning of toxic waste, and insure protection of the marine environment and the needs of the commercial and sports fisheries.

The measure I introduce today addresses the California Assembly's concerns and also establishes similar protections for portions of the southern California coast.

The legislation embraces the need to protect the California coastal areas that possess unique historical, ecological, educational, recreational, and research values by designating them as an ocean sanctuary. My purpose is to stop, before they begin, actions that could result in irreparable damage to this coastal resource resulting from burning or dumping of toxic and hazardous wastes and fossil fuel exploration and development. Removal of fish, crab, and other renewable marine resources is not affected by this legislation.

The long coastline of California has significantly shaped the State's history and played a vital role in the lives of its people. Tourism and fishing are major industries in the State that depend on healthy beaches and shores. These are fragile environments that can be disastrously damaged by a single major oil or toxic spill or slowly and insidiously destroyed by incomplete burning of hazardous wastes.

In California, the State government—with the full support of county and local officials and the people who live in these areas, as well as the millions of tourists who come to enjoy their spectacular beauty—has chosen to preserve portions of its coastal zone for purposes inconsistent with oil and gas leasing while other areas, both off and onshore, are used for energy production. This is a sensible, balanced, rational way to allocate resources.

Congress required—in the Outer Continental Shelf Lands Act—a careful balance between the economic and environmental risks and the resource recovery benefits of offshore energy development together with a process of accommodation and consistency between Federal activities and the State interests. But this administration, in its offshore activities, has consistently overridden any attempt to preserve the coastal environment.

This legislation addresses other potential sources of strain on the coastal environment including the dumping and incineration of toxic chemicals. There are many questions that have never been answered about ocean incineration of toxic chemicals including—what will be rising out of the smoke stacks of incineration ships; will incineration completely destroy the poisons; how will a liquid waste spill be contained; and what are the risks to people and the environment. Our coastline is much too sensitive to be gambling with unanswered questions of this magnitude.

This bill will protect the California coastal area, from the Mexican border north to the Oregon border and out to 200 miles off State waters in this region, from ocean incineration and ocean dumping activities.

It will also keep the environmentally sensitive areas of California's coast free from oil and gas development, providing permanent protection for the areas previously covered by the congressional moratorium.

The bill will protect the five geological basins north of Morro Bay and preserve, for continued human enjoyment, the scenic panoramic points at the Mendocino headlands, the Point Reyes National Seashore, Bodego Bay, the Golden Gate National Seashore, the Farallone Islands, Santa Cruz beach, Monterey Bay, Big Sur, and San Simeon.

It will ensure safe access to commercial thruways in the Santa Monica Bay and preserve the natural and untouched panoramas off the San Diego and Orange County coastlines.

Likewise, it will give statutory protection to the Santa Barbara Channel Ecological Preserve and Buffer Zone, established during the Nixon administration by Secretary Wally Hickel shortly after the 1969 oil blowout in the Santa Barbara Channel. This 18-mile ecological preserve extends parallel to the coast from Carpenteria to Goleta seaward of the State's own 3-mile wide sanctuary.

And it will give statutory protection to the Channel Islands National Marine Sanctuary, a zone 6 nautical miles wide around the four northern Channel Islands and around Santa Barbara Island to the south.

In creating the 1,000 square mile Channel Island sanctuary in 1980, President Jimmy Carter noted the area had "low hydrocarbon potential and therefore this designation will not be detrimental to our efforts to meet our energy needs." The waters within the boundary are critical foraging areas for the diverse and unique marine mammal, bird, and fish population which inhabit the islands.

The Santa Barbara Channel is the core of a major biogeographical transition zone—one of a handful in the world—where two continental ecosystems meet. Nutrients which are prolific in and around the channel provide food for close to 300 species of fish, helping produce a harvest of more than one-half billion pounds of fish annually.

In addition the channel contains 18 rare or endangered species, 6 rare plants, and 31 different marine mammals including 14 kinds of whales—an amazing diversity.

It is easy to imagine what toxic spills could do to this unique national treasure. The California sea otter—a threatened species which inhabits these waters—depends on its coat for survival. Even an encounter with oil is usually fatal for this delightful creature.

Any of the present environmental hazards my bill will prevent could devastate any of these spectacular scenic places and severely damage the marine life and the local industries that depend on it.

The coast of California is a place of rare beauty and a national treasure—admired and loved by all who have been refreshed by it. It has an incalculable value to the spirit of human kind as well as for its economic well being.

This legislation is designed to allow full utilization and continued enjoyment of California's most precious natural resource—its beauty.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 884

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the California Ocean Sanctuary Act of 1987.

SEC. 2. FINDINGS.

The Congress finds that—

(a) the California coast possesses unique historical, ecological, educational, recreational, and research values which are appropriate for protection under Federal law; and

(b) there is an existing and mounting threat to this sensitive national treasure in the form of burning and dumping of toxic and hazardous wastes and the exploration for and extraction of fossil fuels, which could result in irreparable damage to this coastal resource.

SEC. 3. DESIGNATION.

The area in this Act described in section 6 is designated as the California Ocean Sanctuary (hereinafter in this Act referred to as the "Sanctuary").

SEC. 4. RESTRICTIONS.

(a) Notwithstanding any other provision of Federal law, no Federal agency shall issue a lease, permit, or license—

(1) for ocean incineration or dumping of toxic or hazardous waste within the Sanctuary; or

(2) for an onshore facility which exists to facilitiate ocean incineration or ocean dumping of toxic or hazardous waste within the Sanctuary.

(b) Notwithstanding any other provision of federal law, a vessel may not travel within the Sanctuary while en route to or from ocean incineration or ocean dumping of toxic or hazardous waste.

(c) Notwithstanding any other provision of Federal law, no Federal agency shall issue any lease, permit, of license for the exploration for or extraction fossil fuels on or from submerged lands located in the following areas within the Sanctuary:

(1) an area within the Department of the Interior Central and Northern California Planning Area which lies north of the line between the row of blocks numbered N816 and the row of blocks numbered N817 of the Universal Transverse Mercator Grid System;

(2) an area of the Department of the Interior Southern California Planning Area bounded by the following line on the California (Lambert) Plane Coordinate System: From the point of intersection of the international boundary line between the United States and Mexico and the seaward boundary of the Sanctuary State Tidelands west along said international boundary line to the point of intersection with the line between the row of blocks numbered 27 west; thence north to the northeast corner of block 20 north, 28 west; thence northwest to the southwest corner of block 29 north, 35 west; thence north along the line between the row of blocks numbered 36 west and the row of blocks numbered 35 west to its intersection with the seaward boundary of the California State Tidelands; thence easterly along the seaward boundary of the California State Tidelands to the point of beginning;

(3) a portion of the Department of the Interior Southern California Planning Area which lies both: (a) east of the line between the row of blocks numbered 52 west, and (b) north of the line between the row of blocks numbered 34 north and the row of blocks numbered 35 north, on the California (Lambert) Plane Coordinate System;

(4) the boundaries of the Channel Island National Marine Sanctuary, as defined by title 15, part 935.3 of the Code of Federal Regulations; and

(5) the boundaries of the Santa Barbara Channel Ecological Preserve and Buffer Zone, as defined by the Department of the Interior, Bureau of Land Management Public Land Order numbered 4587 (vol. 34, page 5655 Federal Register, March 26, 1969).

SEC. 5. PERMITTED ACTIVITIES.

(a) This act shall not prohibit commercial or recreational fishing or other harvesting of ocean life in the Sanctuary.

(b) This Act shall not prohibit exploration for or extraction of fossil fuels on or from submerged lands within the Sanctuary under the terms of a lease, permit, or license which permits such exploration or extraction.

(c)(1) This Act shall not prohibit oil and gas leasing within the Sanctuary, except in those areas identified in section 4(c) of this Act.

(2) Leasing and all postlease activities permitted under this section shall be carried out in accordance with the Outer Continental Shelf Lands Act and other applicable Federal, State and local law.

(3) Leasing and all postlease activities permitted under this section shall be carried out in a manner so as to minimize the environmental, economic, and social impacts of activities related to such leasing.

SEC. 6. DESCRIPTION OF AREA WITHIN SANCTUARY.

(a) The area referred to in section 3 is the area of the Outer Continental Shelf extending 200 miles seaward from the seaward boundary of California (as approved and confirmed by section 4 of the Submerged Lands Act (67 Stat. 31; 43 U.S.C. 1312)).

(b) For purposes of this Act, the term "Outer Continental Shelf" has the meaning given such term in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)).

By Mr. METZENBAUM (for himself, Mr. Baucus, Mr. Lautenberg, Mr. Riegle, Mr. Simon, and Mr. Weicker):

S. 885. A bill to make available to consumers certain information on the performance records of air carriers operating in the United States; to the Committee on Commerce, Science, and Transportation.

(The remarks of Mr. Metzenbaum and the text of the legislation appear earlier in today's Record.)

By Mr. DeCONCINI:

S. 886. A bill to amend the Immigration and Nationality Act to provide for the temporary admission to the United States of the operators of motor common carriers of passengers; to the Committee on the Judiciary.

TEMPORARY ADMISSION OF THE OPERATORS OF MOTOR COMMON CARRIERS OF PASSENGERS

Mr. DeCONCINI. Mr. President, today I am reintroducing legislation which will facilitate trade between the United States and Canada by making it possible for busdrivers from Canada to enter the United States on appropriate visas. In past years, there has been a problem with obtaining visas for Canadian citizens who are employed by Greyhound Bus Corp., and who drive on routes which service points in both Canada and the United States.

First one solution and then another have been tried to extend the interpretation of current visa categories to include these busdrivers. However, a strict reading of the immigration law indicates there is no appropriate visa classification for busdrivers who are transporting passengers across international boundaries on regularly scheduled routes. This bill would amend the Immigration and Nationality Act to allow busdrivers to come under the same provision of the immigration law that covers commercial airline pilots, and ship captains and crew.

Without this legislation, the Greyhound Corp. will be forced to suspend operation of its service between Canada and parts of the Northeastern United States, including New York and Vermont, because it will no longer be able to hire Canadian busdrivers. Not only will Greyhound be unable to use Canadian drivers on these routes, but the Canadian Government will no longer permit American drivers to drive these routes in Canada. The Canadian Government made this decision only after it became clear that no administrative remedy would be possible which would permit the Canadian busdrivers to obtain the necessary visas. As a result, not only will passengers suffer from lack of bus service in the area, but American busdrivers will lose jobs as service is cut back. On the other hand, if Canadian busdrivers can obtain the necessary visas, they would in no way deprive the resident labor of employment opportunities, wages, or good working conditions, because American employees would be permitted to drive Canadian routes. The unions representing the drivers support the legislation.

I hope the Senate will act quickly to approve this legislation, so that we can avoid an unnecessary disruption of commercial bus service between Canada and the United States. I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 886

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That (a) section 101(a)(10) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(10)) is amended by inserting before the period at the end thereof the following: "or, for the purposes of paragraph (15)(D) of this section and section 245, 252, and 257, a person serving as an operator of a motor common carrier of passengers".

(b) Section 101(a)(15)(D) of such Act (8 U.S.C. 1101(a)(15)(D)) is amended by adding at the end thereof the following new clause:

"(iii) an alien crewman serving in good faith as such as an operator of a motor common carrier of passengers engaged in regular route transport across an international boundary who intends (I) to travel to his destination in the United States with intermittent stops as prescribed by the schedule established by the carrier, (II) to remain in the United states temporarily and solely in pursuit of his employment as an operator of such a carrier, and (III) to depart from the United States with the carrier, and (III) to depart from the United States with the carrier on which he arrived or some other motor common carrier of passengers;".

(c)(1) Section 252 of such Act (8 U.S.C. 1282) is amended by inserting "or stay" after "to land" each place it appears.

(2) Section 252 of such Act is further amended—

(A) in subsection (a)(1), by inserting after "port" the following: "and the period of time during which the motor common carrier of passengers remains in the United States in accordance with the schedule established by the carrier"; and

(B) in subsection (a) and in subsection (b), by striking out "or aircraft" each place it appears and inserting in lieu thereof ", aircraft, or motor common carrier".

(d) Section 257 of such Act (8 U.S.C. 1287) is amended by striking out "or aircraft" each place it appears and inserting in lieu thereof ", aircraft, or motor common carrier".

By Mr. MATSUNAGA (for himself, Mr. Cochran, Mr. Kennedy, Mr. Hatch, Mr. Pell, Mr. Metzenbaum, Mr. Dodd, Mr. Thurmond, Mr. Weicker, Ms. Mikulski, Mr. Melcher, Mr. Lautenberg, Mr. Heinz, Mr. Durenberger, Mr. Specter, Mr. Glenn, Mr. Sarbanes, Mr. McCain, Mr. Simon, Mr. Cranston, and Mr. Rockefeller):

S. 887. A bill to extend the authorization of appropriations for and to strengthen the provisions of the Older Americans Act of 1965, and for other purposes; to the Committee on Labor and Human Resources.

OLDER AMERICANS ACT AMENDMENTS

Mr. MATSUNAGA. Mr. President, I rise today to introduce a bill to reauthorize the Older Americans Act, with the cosponsorship of Senators Cochran, Kennedy, Hatch, Pell, Metzenbaum, Dodd, Thurmond, Weicker, Mikulski, Melcher, Lautenberg, Heinz, Durenberger, Specter, Glenn, Sarbanes, McCain, Simon, Cranston, and Rockefeller. The Older Americans Act was a landmark piece of legislation when it was originally enacted in 1965. Through this legislation, Congress created a new Federal program specifically designed to address the social service needs of older persons. In addition to the creation of the relatively small set of service programs created at that time, however, Congress established the framework for a national policy on aging. The original act set forth 10 national policy objectives aimed at improving the lives of older persons in the areas of income, health, housing, employment, retirement and community services. Congress also created the Administration on Aging, which was directed to stimulate more effective use of existing resources for older persons.

As the act has evolved through successive reauthorizations and amendments, it has become the cornerstone for the development and delivery of a broad array of services for older persons. Though the elderly may receive services under a multiplicity of other Federal programs, the act is viewed as the major vehicle for the organization and delivery of services to older Americans.

Amendments in 1972 and 1973 created the National Nutrition Program for the Elderly and the network of area agencies on aging. The 1973 amendments folded authority for the Community Service Employment Program for low-income older persons under the auspices of the act, and the 1978 amendments streamlined the various service programs and added a new program for older Indians. Subsequent amendments have expanded the authority and responsibilities of State and area agencies on aging. During the 22 years since its enactment, the act has evolved from a program of small grants to one that now supports 57 State agencies on aging and over 660 area agencies on aging. Annual appropriations have grown from about $6 million to $1.2 billion.

As chairman of the Subcommittee on Aging, I am holding 3 days of hearings to consider possible modifications to the act as it comes up for reauthorization once again. The first of these hearings, to be held this afternoon, will address the changing needs of the elderly, including specific recommendations to meet their needs. The subcommittee's second hearing will examine the participation of older minority individuals in the benefits and services available under the act, and the final hearing will examine the implementation and management of current services funded by the act and ways in which they can be improved.

The bill being introduced today simply reauthorizes the current Older Americans Act, so as to provide a base from which we can work to make necessary improvements to the act in accordance with testimonies given at the hearings.

We face a period of rapidly changing demographics and social relationships. The elderly population has grown more rapidly in this century than has the rest of the population, and this trend is predicted to continue into the 21st century. Between 1980 and the year 2020, the total population is projected to increase by slightly more than 30 percent, while the elderly population is projected to increase by more than 200 percent.

One of the more critical demographic factors to consider is the startling pace of increase among the oldest segment of our society. Persons 85 years of age and older are now the fastest growing age group. This factor may have significant implications for continued and expanded support for services authorized and funded under the act, especially those services which assist older persons to remain in their own homes. Moreover, the increased number of persons in the oldest age group is expected dramatically to effect demand for nursing home care. This factor may also affect future planning or the long-term care ombudsman program authorized under the act.

Other issues of concern as we consider changes to the act are the apparent decreases in service to minority elderly individuals, and particular problems of access among native American elderly, including Indians, native Hawaiians, and Alaskan Natives. The problems of racial and ethnic minority access are mirrored by problems of access and services among individuals with special disabilities and illnesses. Individuals with Alzheimers disease, mental illness, mental retardation, or developmental disabilities deserve our special attention.

Over the course of the next few months, we will examine issues of service, as well as issues of administration. I am confident that we reach agreement to further improve this important legislation, and would welcome the reflections and support of all of my colleagues.

Mr. THURMOND. Mr. President, I am pleased to join with the distinguished Senator from Hawaii, Senator Matsunaga, in introducing today the Older Americans Reauthorizations Act of 1987.

With the passage of the Older Americans Act in 1965, Congress created a new Federal program specifically designed to meet the social service needs of older people. This act is the major vehicle for the organization and delivery of social services to our elderly.

State and area agencies on aging constitute the administrative structure for the program, and oversee the funding of specific services in their areas. Through local agencies, this act provides a broad range of supportive services including: transportation, information and referral, visiting and telephone assurances, legal services and home delivery of meals.

In addition, the act supports a variety of agencies and organizations which carry out training and research in the field of aging, as well as employment opportunities for low-income persons 55 years or older.

Mr. President, the number of older Americans has increased by 2.8 million or 11 percent since 1980, compared to an increase of 4 percent for the rest of the population. In order to ensure that the needs of this growing segment of our society continue to be met, I am pleased to join Senator MATSUNAGA as an original cosponsor of this reauthorization measure, and urge my colleague to do likewise.

Mr. WEICKER. Mr. President, I rise to offer my support for the reauthorization of the Older Americans Act. This legislation demonstrates our Nation's commitment to programs which assist over 9 million elderly individuals to lead independent and productive lives. I am pleased to join my distinguished colleague Senator MATSUNAGA, chairman of the Subcommittee on Aging and Senator COCHRAN, the ranking minority member, and other members of the subcommittee, as an original cosponsor of this important legislation.

With passage of the Older Americans Act [OAA] in 1965, Congress created several new Federal programs specifically designed to meet the social service needs of elderly Americans. While most elderly persons can live independently, many do require assistance in their efforts to maintain that independence.

To address these needs, programs authorized by the Older Americans Act assist elderly individuals to preserve their independence and thus avoid reliance on costly out-of-home residential care. Programs authorized by the Older Americans Act assist elderly individuals to preserve their independence by providing for basic nutritional and social needs. In addition, the Older Americans Act supports programs for the elderly at the local level, in such areas as employment, counseling, home health care, transportation, adult day care, information and referral, and legal services.

The Older Americans Act programs have provided the foundation for a partnership among Federal, State, and local governments and communities to meet the needs of the elderly and this reauthorization gives us the opportunity to strengthen this partnership. I strongly support the Older Americans Act because of the valuable role it plays in furthering the independence and self-sufficiency of our Nation's senior citizens, and I am pleased to cosponsor the Older Americans Act of 1987.

By Mr. DURENBERGER (for himself, Mr. STAFFORD, Mr. PRESSLER, Mr. MITCHELL, Mr. DASCHLE, Mr. HEINZ, Mr. BOSCHWITZ, Mr. MOYNIHAN, and Mr. CHAFEE):

S. 888. A bill entitled the "Pipeline Safety Act of 1987"; to the Committee on Commerce, Science, and Transportation.

(The remarks of Mr. DURENBERGER and Mr. PRESSLER and the text of legislation appears earlier in today's RECORD.)

By Mr. GORE (for himself, Mr. FORD, Mr. BUMPERS, Mr. PRYOR, Mr. SASSER, Mr. ROCKEFELLER, Mr. SANFORD, and Mr. COCHRAN):

S. 889. A bill to amend the Communications Act of 1934 to provide for security and fair marketing practices for certain encrypted satellite communications; to the Committee on Commerce, Science, and Transportation.

SATELLITE TELEVISION FAIR MARKETING ACT

● Mr. GORE. Mr. President, today I am pleased to join Senator FORD, Senator BUMPERS, Senator PRYOR, Senator SASSER, Senator ROCKEFELLER, Senator SANFORD, and Senator COCHRAN, to reintroduce major new viewing rights legislation for TVRO owners. This bill is the product of 6 months of review, analysis, and marketplace observation since the Senate considered this issue last September. At that time, many said that the marketplace for home satellite television programming needed time to work, and the viewing rights amendment was narrowly defeated.

We have had that passing of time—more than enough time to see that this marketplace is not going to work until the anticompetitive nature of the dominant interests changes. We now need a meaningful law to ensure that home dish owners are able to buy programming at fair prices, and that the ongoing effort to stifle the growth of the TVRO industry is brought to a halt.

Mr. President, the bill we propose today is modest in scope. It is not anticable. It allows programmers to be fairly paid for their property, through scrambling and sale of their services, yet mandating that the marketplace be truly open and competitive. Let me summarize the provisions of the bill for our colleagues:

COMPETITIVE MARKETING

Programmers who choose to scramble services which are otherwise offered to cable customers must be willing to sell programming to home dish owners. We believe this right of access is fundamental. If programmers choose to use other companies for distribution, they must establish reasonable business standards and not discriminate among distributors who meet those standards.

PBS AND ARMED FORCES RADIO AND TELEVISION SCRAMBLING

Public Broadcasting Service programming intended for public viewing may not be scrambled. However, PBS may encrypt backfeeds, private communications, et cetera. AFRTS programming may not be scrambled, unless encryption is required to conform to trade agreements between the United States and other countries. We understand that leakage and piracy of programming abroad has created a real problem for AFRTS and its program suppliers. We will look forward to hearing from both PBS and AFRTS during hearings on this issue later this spring.

DECODER STANDARDS

The bill requires that program scrambling must meet standards set by the FCC, to ensure that home dish owners will not be forced to purchase different decoding devices for each different program service.

FTC INVESTIGATION

The bill requires the Federal Trade Commission to undertake an investigation into anticompetitive industry behavior affecting the pricing and distribution terms for satellite television programming for home dish owners. Because the Justice Department has an ongoing investigation, the FTC has declined to begin its own. There seems to be no end in sight for the Justice inquiry, so we believe the FTC should enter this area right away.

NETWORK SERVICE TO RURAL AREAS

The bill requires the FCC to begin developing ways to bring better access to network programming to rural areas not now served by over-the-air broadcast signals. The FCC would consider efforts, including satellite reception, to get network signals to those otherwise unserved. We would not prohibit network scrambling, but we would want the FCC to consider network descrambling as a remedy for at least those not now served.

Mr. President, last year our opponents said—and will probably say again—that the marketplace is working, that there is no need for concern. But the marketplace is not working—it is not competitive and will not be competitive until the cable-programming conglomerates release their stranglehold on a fledgling technology that has brought the communications revolution to millions of rural families.

Exacerbating the dilemma facing dish owners' efforts to obtain fair viewing rights is the vertical integration and cross-ownership which defines the programming and cable distribution industry. To note only two of many major examples: Viacom, a major cable operator, also owns Viacom, a major programmer (Showtime/Movie Channel, MTV, and other services); Time, Inc. owns both ATC, one of the largest multiple system operators [MSO], and HBO/Cinemax, the premier movie services. This scenario worsens each week as MSO interests acquire a greater and greater ownership—and thus marketing control—over program services.

Moreover, the major programmers—HBO, Showtime, ESPN, Turner, et cetera—have steadfastly refused to allow competitive distribution of their products, allowing only cable companies to augment their own direct sales. To date, not a single independent, third party (noncable) distributor has been authorized to market the dozen or so scrambled services most desired by viewers.

And, Mr. President, the marketplace distortions facing home dish owners is not confined to program pricing and availability. When scrambling was first initiated by HBO and other major programmers, there was a stated promise that all home dish owners who wanted to subscribe to programming would be able to do so by purchasing a decoder device, specifically the VideoCipher II, manufactured by MaCom (recently acquired by General Instruments). But now we are witnessing a wholesale "turnoff" by GI of thousands of decoders, just because GI has a "suspicion" that illegal decoder chips may be used by those customers. GI should certainly pursue and prosecute those who are actually manufacturing and selling illegal decoder devices. But this indiscriminate roundup, and the other conditions surrounding decoder availability and use are troubling.

Our new legislation will be the major priority for advocates of the nearly 2 million home dish owners in this country. Mr. President, many of our colleagues are new to the Senate, or do not remember the numbers of families affected by the current home dish marketplace distortions. I would like to take this opportunity to restate the numbers of home dish owners, State by State:

West South Central	
Arkansas	40,000
Louisiana	51,000
Oklahoma	47,000
Texas	159,000
East South Central	
Tennessee	61,000
Kentucky	36,000
Alabama	62,000
Mississippi	31,000
South Atlantic	
Florida	59,000
Georgia	48,000
North Carolina	59,000
South Carolina	36,000
West Virginia	28,000
Virginia	33,000
Maryland	13,000
Delaware	3,000
New England	
Maine	5,000
New Hampshire	5,000
Vermont	5,000
Massachusetts	5,000
Rhode Island	2,000
Connecticut	5,000
Middle Atlantic	
New York	47,000
Pennsylvania	45,000
New Jersey	6,000
East North Central	
Ohio	56,000
Indiana	55,000
Illinois	47,000
Michigan	56,000
Wisconsin	30,000
West North Central	
Minnesota	22,000
Iowa	27,000
Missouri	53,000
North Dakota	8,000
South Dakota	8,000
Nebraska	22,000
Kansas	33,000
Mountain	
Montana	21,000
Idaho	14,000
Wyoming	9,000
Colorado	43,000
New Mexico	18,000
Arizona	24,000
Utah	7,000
Nevada	16,000
West	
California	144,000
Alaska	2,000
Washington	14,000
Oregon	37,000
Hawaii	1,000

(Total U.S.: 1,673,000. These are 1985 estimates—updated information shows approximately 1.9 million families owning home dishes nationwide.)

Mr. President, there are nearly 2 million families across the country who need our help now, families disenfranchised by an industry with little interest in serving them with programming easily obtained on convenient terms by their urban neighbors.

I urge our colleagues to join us in this important effort. And I ask unanimous consent that the text of the bill and a summary of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 889

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Satellite Television Fair Marketing Act".

FAIR MARKETING OF CERTAIN SATELLITE COMMUNICATIONS

SEC. 2. Section 705 of the Communications Act of 1934 (47 U.S.C. 605) is amended—

(1) by redesignating subsections (c), (d), and (e) as subsections, (d), (e), and (f), respectively; and

(2) by inserting after subsection (b) the following new subsection:

"(c)(1) No person shall encrypt or continue to encrypt satellite delivered Public Broadcasting Service programming intended for public viewing by retransmission by television broadcast stations.

"(2) No person shall encrypt or continue to encrypt satellite-delivered Armed Forces Radio and Television Service Programming, unless such encryption is required under multinational trade agreements.

"(3) any person who encrypts any satellite delivered programming for private viewing shall—

"(A) make such programming available for private viewing by home satellite antenna users;

"(B) when making such programming available through any other person, establish reasonable financial and character criteria under which distributors may qualify to distribute such programming to home satellite antenna users and not discriminate in price, terms, or conditions among different distributors offering similar distribution services to the consumer; and

"(C) conduct such encryption in accordance with uniform standards for encryption of such programming approved by the Commission.

"(4) Standards approved by the Commission pursuant to paragraph (3)(C) of this subsection shall be designed as far as possible to provide the public interest benefits of a universal encryption system which permits decryption at the television receiver of a cable television subscriber and a home satellite antenna user.

"(5) The provision of paragraph (3)(C) of this subsection shall not take effect until the Commission has completed a rulemaking on the standards required under this subsection.

"(6) Any person aggrieved by any violation of this subsection may bring a civil action in a United States district court or in any other court of competent jurisdiction. Such court may—

"(A) grant temporary and final injunctions on such terms as it may deem reasonable to prevent or restrain such violations; and

"(B) direct the recovery of full costs to a prevailing plaintiff, including awarding reasonable attorney fees, actual damages, any additional profits of the violator, or statutory damages for all violations in a sum of not more than $500,000 as the court considers just.

"(7) As used in this subsection, the term—

"(A) 'satellite delivered programming' means video programming transmitted by a domestic communications satellite intended for reception by cable television system subscribers; and

"(B) 'reasonable financial and character criteria' means commonly prudent business standards designed to facilitate payment to the programmer and maintenance of the business reputation of the programmer, and which are calculated to facilitate the existence of multiple noncable distributors.".

FEDERAL TRADE COMMISSION INVESTIGATION INTO PROGRAM MARKETING PRACTICES

SEC. 3. (a) The Federal Trade Commission shall conduct and complete an investigation within 120 days following the effective date of this section into the pricing and distribution terms and practices of persons selling satellite television programming to home satellite antenna owners to determine whether the market for such programming is developing competitively.

(b) Should the Federal Trade Commission determine, after such investigation, that this market is not developing competitively, it is empowered to establish any remedies which it deems necessary to produce adequate competition for such programming.

AVAILABILITY OF NETWORK PROGRAMMING TO RURAL AREAS

SEC. 4. The Federal Communications Commission shall initiate a rulemaking to facilitate, to the maximum possible extent, the provision of network broadcasting signals to persons living outside the available broadcast area of local licensees. In undertaking such rulemaking, the Commission shall take into consideration the following:

(1) the extent to which individuals in rural areas are unable to receive broadcast television transmissions;

(2) the extent to which existing Federal rules have prevented the ability of local broadcast entities from providing signals to such persons living outside areas designated as Grade B countours by the Commission;

(3) the potential for serving these persons, and others who cannot receive such transmissions, using home antennas to receive satellite delivered network programming which might be otherwise encrypted to prevent private reception; and

(4) methods by which network programmers may protect certain portions of satellite-transmitted signals not intended for public viewing, while providing unencrypted signals to those persons living outside Grade B countours as defined by the Commission.

EFFECTIVE DATE

SEC. 5. The foregoing provisions of this Act shall take effect upon the expiration of the 30-day period following the date of its enactment.

SATELLITE TELEVISION FAIR MARKETING ACT—BILL SUMMARY

Sec. 1. Bill title.

Sec. 2. Fair Marketing of Certain Satellite Communications.

(1) Public Broadcasting Service programming intended for public viewing shall not be encrypted (scrambled). However, PBS may encrypt all backfeeds, private communications, etc.

(2) Armed Forces Radio and Television Service programming shall not be scrambled, unless encryption is required to conform to trade agreements between the U.S. and other countries.

(3)(A) Programmers who choose to scramble services which are otherwise offered to cable customers must be willing to sell programming to home dish owners, although no regulation of price or terms is mandated.

B. Programmers may continue to act as the sole source of program sales to home dish owners, but if they choose to use other parties for distribution, they must establish reasonable business standards of their own choosing and not discriminate among distributors who meet their own standards.

C. Program scrambling must meet standards set by the FCC, to ensure that home dish owners will not be forced to purchase different decoding devices for each different program service. However, there is no prohibition on scrambling, and any programmer now scrambling may continue to do so; i.e., a programmer cannot be expected to meet a standard until one is formulated by the FCC.

Aggrieved parties may bring a civil action in federal court, and the court may apply remedies as it deems fit.

Sec. 3. Federal Trade Commission Investigation.

The FTC shall undertake an investigation into possible anticompetitive industry behavior affecting the pricing and distribution terms for satellite television programming for home dish owners.

Sec. 4. Availability of Network Programming to Rural Areas.

The FCC shall initiate a rulemaking to facilitate the provision of network television programming to rural areas not now served by over-the-air broadcast signals. Network efforts to protect programming by scrambling would not be prohibited; rather, the FCC would undertake efforts, including satellite reception, to get network signals to those otherwise unserved.

Sec. 5. Effective Date

The Act shall take effect 30 days after enactment.●

● Mr. SASSER. Mr. President, I am pleased to join with my colleague from Tennessee, Senator GORE, in offering legislation to increase competition in the distribution of television programming signals. This will correct an extremely unfair situation which now exists for the satellite dish owner.

Most programmers have encrypted their satellite signals, or intend to do so in the near future. Satellite dish owners who wish to receive unscrambled programming must pay a fee either to the programmer or a cable company. Now, the satellite dish owners in my State do not object to paying a reasonable fee for the programming they receive. What they do object to is the current situation where there is almost total lack of competition in signal distribution and the exorbitant fees they must pay for programming.

Presently, signals are maketed exclusively by the programmers or through cable stations. There is virtually no third party competition. This allows artificially high prices both for the programming signal and for the decoders to receive it.

Satellite dish owners are now paying fees for programming which are equal or near the fees for cable subscribers. However, most of a cable fee goes to the maintenance of the cable system. Satellite dish owners should not have to pay for a cable system they neither use nor derive any benefit from. They should not have to pay for its maintenance. Satellite dish owners have already incurred the considerable expense of installing their own equipment—in many cases because cable reception is unavailable to them.

The inequities of the current system are apparent in my State of Tennessee. Almost 50 percent of Tennessee is rural. Cable services will never come to these areas because they simply do not have the population density to make cable profitable. In fact, in the mountains and hilly areas of my State even network reception is often unobtainable. Many of my constituents have had to purchase a satellite dish to obtain any television reception at all.

The legislation we are introducing today strikes the proper balance between the rights of dish owners and those of programmers.

First, programmers who scramble signals which are otherwise available to cable customers must make such programming available to satellite dish owners. What we are ensuring here is availability. We are not mandating any price or price scale.

Second, if programmers make their signal available to other parties for distribution they must do so on the basis of reasonable business standards and they must make such programming available to all competitors who meet these standards. This will end the current monopolistic distribution system and allow free and open competition to regulate the market price of programming.

Third, we require that program scrambling meet standards set by the FCC. This will ensure that decoders will be compatable with all program services and that dish owners will only need to purchase one such device to view all scrambled programming.

Fourth, we direct the FCC to develop ways to increase the availability of network programming in rural areas which currently do not receive over-the-air television signals. This section of the bill is of particular importance to me as many areas of my State of Tennessee lack access to television programming of any sort.

Fifth, we require the FTC to conduct an investigation into anticompetitive industry practices affecting the pricing and distribution of satellite programming to home dish owners.

Sixth, the bill prohibits scrambling of Public Broadcasting programming intended for public viewing. They will, however be able to encrypt the signals that are intended for their own engineering use—such as backfeeds and other technical data. By the same token, Armed Forces Radio and Television programming may not be scrambled, except to comply with international trade agreements.

Both the Public Broadcasting Service and Armed Forces Radio and Television are taxpayer supported services. It is unfair that they be denied to some citizens on a commercial basis.

Mr. President, I believe we must take steps to address the inequities in the satellite signal programming industry now. Home dish owners have already suffered excessive financial hardships as a result of the current system. The legislation we are introducing today will ensure that a competitive marketplace exists for satellite signal programming and that it is fair and open to all.

I urge the Commerce Committee to consider this legislation expeditiously, before further harm is done. I commend my colleague, Senator GORE, for offering this bill today, and I look forward to working with him to ensure its early passage.●

● Mr. BUMPERS. Mr. President, I am pleased today to join Senators GORE and FORD in introducing the Satellite

Television Security and Fair Marketing Act. I have spoken on the Senate floor on this issue a number of times in the past and testified before the Senate Commerce Committee in hearings held last June. But the problem persists, so several of my Senate colleagues and I are introducing legislation today that is the result of much experience, compromise, and discourse on this issue.

The issue, Mr. President, is the right of rural Americans to benefit from technology that provides for the reception of directly broadcast television programming under fair conditions. As I have said numerous times, rural Americans are not asking for something for nothing. But they are demanding fair treatment. They are demanding a competitive market for the reception of satellite delivered television programming.

The legislation we are offering today provides such competition and fairness. The gist of the legislation is to require a competitive market for scrambled satellite television programming, and give assurances to dish owners that their investment in a satellite antenna is a sound one. I would like to take this opportunity to urge the Commerce Committee to hold early hearings on this issue that is of vital importance to rural Americans.

We do not seek to halt scrambling. We do not seek to give rural America a free ride. But we do seek to ensure that rural satellite television antenna owners reap the benefits that satellite television technology provides.

The history of this issue is long and complicated. I do not wish to recount it here, but suffice it to say that technology advances in the early 1980's now make it possible through satellite delivered signals for those in rural areas to view the same cable television programs that city dwellers have long taken for granted. For about $1,500 and up a rural citizen can now purchase a satellite antenna—a dish—and receive as many as 120 programs; 1.6 million Americans have bought such a dish, and there are 25,000 plus in my State alone. Some 75 percent of these dishes are in rural areas.

For many of the rural dish owners, satellite delivered programming has been a boon in terms of news, entertainment, and information. Now some of these signals are scrambled. None of us sponsoring this legislation want to prevent that. We, and the millions of dish owners, realize that program providers have the right to scramble their signals and charge a just fee. But there is no reason why the market for these programs should not be fully competitive. There is no natural monopoly justification for limits on the distribution of scrambled satellite programming. There is no reason why any certain industry or group of companies should have exclusive distribution rights for scrambled satellite programming.

But that is exactly what has taken place. As the recently concluded "Notice of Inquiry" conducted by the Federal Communications Commission certifies, of the approximately 32 channels that have scrambled their signals or who plan to scramble soon, there are no packages of programs offered to dish owners by third parties. That is to say if a rural dish owner wants to purchase a package of scrambled satellite television signals, there is no competitive market in which to purchase that programming. As I mentioned just a moment ago, there is no natural monopoly justification for this lack of competition. There are no lines, no efficiencies of scale, no lack of qualified, experienced firms willing to distribute such programming.

Senator GORE, in his statement of introduction, sets forth the argument on this issue cogently and in great detail. I do not intend to retrace his steps, but I am convinced that the market for these programs needs to be opened to competition. Without appropriate steps by Congress, I fear that this competition will not take place. This legislation will provide that competition.

One issue I would like to address is the question of network programming. This is the first time that a provision on network programming has been included in legislation on this issue before the Senate. Section 5 of this bill requires the Federal Communications Commission [FCC] to initiate a rulemaking to facilitate to the maximum extent possible the reception of network programming in rural areas that do not receive such programming now.

This section does not repeal the legal right that networks have to scramble their internal feed to their affiliates. It simply says that the experts, the Federal Communications Commission, need to put their heads together and determine the best way to extend these signals to the estimated 200,000 television households that presently receive no network affiliate signal. This is an important access issue which needs to be addressed.

In most instances, these are the households that receive no alternative television signals. There are areas of my state, for example, where it has been certified by industry specialists that network signals are not available, and no plans are underway to get them there. I want to work with those in these areas, the networks, the affiliates, and with the FCC to ensure that these signals, which most Americans take for granted, are provided to these remote areas.

Granted, Mr. President, this may be a small percentage of all television households, but the technology is clearly available to get the signal to them. All that is lacking is the proper coordination of all interested parties to ensure that this is facilitated efficiently and fairly. A separate FCC rulemaking on this issue is the proper approach.

This is an issue that I hope will be addressed in detail in hearings on this legislation during this session of Congress. It should not be a source on contention or controversy. The time has come for the available technology to be put to use. There should be no obstructions to the viewing of network television for those who simply have no alternative means of viewing it.

Mr. President, I urge my colleagues to take a good look at this legislation, and I invite them to cosponsor it. It is a sound bill that is the result of long study and serious compromise. But most importantly, it is essential to those in rural America who rely on satellite antennas for their news, entertainment, and information.

Mr. President, I ask unanimous consent that a summary of the legislation be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SATELLITE TELEVISION SECURITY AND FAIR MARKETING ACT—BILL SUMMARY

Sec. 1. Bill title.

Sec. 2. Interference with Satellite Communications.

Penalties for interference with communications satellite transmissions, as in the "Captain Midnight" episode last year, are strengthened. The FCC is required to conduct an inquiry into such incidents of interference.

Sec. 3. Fair Marketing of Certain Satellite Communications.

(1) Public Broadcasting Service programming intended for public viewing shall not be encrypted (scrambled). However, PBS may encrypt all backfeeds, private communications, etc.

(2) Armed Forces Radio and Television Service programming shall not be scrambled, unless encryption is required to conform to trade or copyright agreements between the U.S. and other countries.

(3) (A) Programmers who choose to scramble services which are otherwise offered to cable customers must be willing to sell programming to home dish owners, although no regulation of price or terms is mandated.

B. Programmers may continue to act as the sole source of program sales to home dish owners, but if they choose to use other parties for distribution, they must establish reasonable business standards of their own choosing and not discriminate among distributors who meet their own standards.

C. Program scrambling must meet standards set by the FCC, to ensure that home dish owners will not be forced to purchase different decoding devices for each different program service. However, there is no prohibition on scrambling, and any programmer now scrambling may continue to do so; i.e., a programmer cannot be expected to meet a standard until one is formulated by the FCC.

Aggrieved parties may bring a civil action in federal court, and the court may apply remedies as it deems fit.

Sec. 4. Federal Trade Commission Investigation.

The FTC shall undertake an investigation into possible anticompetitive industry behavior affecting the pricing and distribution terms for satellite television programming for home dish owners.

Sec. 5. Availability of Network Programming to Rural Areas.

The FCC shall initiate a rulemaking to facilitate the provision of network television programming to rural areas not now served by over-the-air broadcast signals. Network efforts to protect programming by scrambling would not be prohibited; rather, the FCC would undertake efforts, including satellite reception, to get network signals to those otherwise unserved.

Sec. 6. Effective Date.

The Act shall take effect 30 days after enactment.●

By Mr. GRASSLEY (for himself, Mr. DOLE, and Mr. HARKIN):

S. 890. A bill to establish a program to provide dislocation services and assistance to meet the unique needs of farmers, farm workers, and ranchers who face the loss of their primary source of income as a result of the decline in the United States agriculture, to assist in preparing such individuals for transition to other economic opportunities, and for other purposes; to the Committee on Labor and Human Resources.

RURAL DISLOCATION ASSISTANCE ACT

Mr. GRASSLEY. Mr. President, today, I am being joined by Senators DOLE and HARKIN in introducing the Rural Dislocation Assistance Act. Congressman TOM TAUKE from Iowa is introducing a companion bill on the House side.

This legislation is specifically targeted at farmers who have been forced off of the farm due to the downturn in the economy. Under our legislation, these dislocated farmers will finally be given necessary Federal assistance that will enable them to receive job counseling, including job-seeking training and specific skill training.

Today's farmers are subjected to loss of income and livelihood due to the same adverse economic pressures that have been forcing industrial and manufacturing workers out of a job. Unfortunately, States dependent on an agricultural economy are distressed and unable to address the particular needs of dislocated farmers. An additional obstacle in assisting these farmers is the fact that formulas used to distribute Federal assistance to dislocated workers are based on unemployment statistics that regularly undercount agricultural unemployment. Consequently, distressed farm States, such as my own State of Iowa, do not receive a fair share of Federal assistance for farmers who have been torn away from their farmland and are forced to carve out a new life for themselves and their families.

Model programs administered by the Secretary of Labor have proven that programs specially targeted to dislocated farmers do work and can, therefore, provide a new foundation on which to build a better life for the farmer, and a stronger future for the State and the Nation as a whole.

President Reagan, along with Congress, has emphasized the national importance of making America more competitive in the world economy. The President and Congress are poised to implement a virtual "retooling" of the American economy through new programs to further educate and train the American workforce. The American farmer deserves a fair share of our new "quest for excellence," and I urge my colleagues to join me and Senators DOLE and HARKIN in this effort to focus attention on the displaced farmer's special problems in reentering the workforce and the need to adequately address these problems in the very near future.

Mr. DOLE. Mr. President, I am pleased to join Senator GRASSLEY in sponsoring S. 890, the Rural Dislocation Assistance Act. This bipartisan effort will provide services and assistance in meeting the unique needs of farmers, farm workers and ranchers who face the loss of their primary source of income as a result of the decline in the agricultural economy and will assist in preparing these individuals for the transition to other economic opportunities.

A FARM-STATE CONCERN

There has been interest by Members of Congress from rural areas and farm-state Governors—Governor Hayden of Kansas, Governor Branstad of Iowa, Governor Orr of Nebraska and others—in ensuring that the administration's proposed new worker readjustment program [WRAP] in the administration's trade bill be fully available to displaced farmers and farm families. While the administration's proposal correctly identifies readjustment services needed during the current period of economic transition, we need to assure that these services are available to rural Americans in addition to traditional industrial and manufacturing workers.

At the recent meeting of the Republican Task Force on Farm and Rural America, held in Washington, DC, in late February, considerable attention was focused on the need to make rural development issues a top national priority. Republican Governors, Senators and Congressmen attending that meeting indicated a key aspect of a revitalized national focus on rural development should include the need to create new jobs and diversify economic activities in rural areas.

RURAL AMERICA'S ECONOMIC LOSS

Mr. President, U.S. farm exports have declined 29 percent in volume, from 162 million metric tons to 114 million tons, and 41 percent in value, from $44 billion to $26 billion, since reaching their peak levels in 1981. I would stress that this loss in export volume and value represents a significant economic loss to farmers and others in rural America. Every $1 billion in farm exports generates 35,000 jobs and creates another $1.4 billion of economic activity in the United States.

FLEXIBILITY FOR RURAL STATES

The needs of rural Americans differ from their city-counterparts. In recognition of the unique circumstances facing rural Americans, nearly every farm state has implemented some form of special outreach and counseling system for their farmers. Kansas' special programs were established in recognition of the reluctance of farmers to come forward to the JTPA system for the special kinds of early intervention they need.

In Kansas, these specially tailored programs of outreach, assessment, counseling, and referral are currently funded by a combination of State resources and a discretionary grant from the U.S. Department of Labor. The State of Kansas had to patch together the funding for these activities from short-term resources. The State's ability to continue them in the face of projected increases in caseload and funding uncertainty is problematic at best. It is important that we provide farm State Governors the flexibility to continue these specially targeted programs.

TARGETING OF FUNDS

This legislation would authorize a formula-based allocation of funds to the Governors of the most severely distressed farm States. These funds would be targeted for use in developing and funding the kinds of specially tailored basic readjustment services which will be effective in bringing dislocated farmers into the worker adjustment training programs supported under States' existing structures.

CONCLUSION

It is no secret that farm problems have been severe in recent years. Yet, we need to keep in mind that the economic crisis in rural America is as severe for local businesses and entire communities as it is for farmers. Declines within the agricultural and natural resource producing sectors of the economy have placed a tremendous burden upon rural America. This legislation is designed to ensure that job retraining funds be available to displaced rural Americans. I would urge its quick adoption by my colleagues.

By Mr. HOLLINGS:

S. 891. A bill to improve the enforcement of the trade laws of the United States, and for other purposes; to the Committee on Finance.

TRADE ENFORCEMENT ACT

Mr. HOLLINGS. Mr. President, I must confess a certain bemusement at this morning's headlines. The media speak hysterically of "fears of a trade war," and the "threat of a trade war." They portray this computer chip brouhaha as the Fort Sumter—or, should I say, Pearl Harbor—of some imminent conflict. Nonsense.

This latest outrage is not a trade war; it is just one more trade skirmish. The larger war has been raging for years now. What's new is that our Government has, for once, summoned the moxie to fight back.

Mr. President, I repeat, the United States today is at war—an international trade war in which, shamefully, we are only now beginning to fight back. As is the fashion in recent years, this war has remained undeclared. But the reality of the conflict cannot be denied. Nor, in the face of last year's $170 billion trade deficit, can we deny our surrender, our abject passivity in the face of a determined onslaught from abroad.

Tragically, this trade war is being fought principally on American soil. Its toll is evident not just in the laboratories of Silicon Valley, but in abandoned factories, failing farms, and vast defeated armies of the unemployed.

No sector of the U.S. economy has been spared the devastation: not agriculture, not manufacturing, not high technology. This is a very real war, with very real casualties. And what we need is a real response, a national mobilization led by the President and Congress.

To that end, Mr. President, I place before the Senate today this bill, the Trade Enforcement Act of 1987. Let me emphasize, up front, that this legislation is not aimed specifically at Japan or any other competitor. It is not punitive, and it involves no new tariffs. The principal thrust of this bill is to strengthen the discipline and enforcement behind trade laws that are already on the books. It is estimated, for example, that unfair trade practices by foreign competitors cheat American firms of some $20 billion in business annually.

The highlights of my bill are as follows:

Improvements in antidumping and countervailing duty laws designed to stiffen enforcement. Many of these changes are patterned on the practices of our major trading partners.

A provision to ensure that persons or firms convicted of two or more customs violations within 7 years are barred from importing into the United States.

Restructuring of the import relief process to remove discretion from the President and make enforcement automatic by the International Trade Commission.

Requiring approval by Congress of tariff concessions made by the United States pursuant to trade agreements.

A tighter procedure for implementation of our textile import program.

Reform of export control laws. The Commerce Department would be required to produce a comprehensive survey of foreign availability. This report and periodic updates would alert the President to products and technologies for which a license was denied, but that are widely available. The export licensing procedure would be amended to shorten time limits by half.

Creation of a cabinet-level National Trade Council in the executive branch with a National Trade Advisor assigned responsibility for coordinating trade policy.

Encouragement of investment in research and development. The bill offers two tax credits for R&D. First, the credit against tax for R&D would give qualified businesses 6 percent for basic research, 6 percent for qualified research, and 6 percent for qualified development expenses. Participants would be able to claim up to 18 percent total credit on current R&D expenditures. The bill also permits small businesses to claim an additional 6 percent credit for startup expenses.

Ending the deductibility of interest paid on funds borrowed to purchase the stock of any corporation in which taxpayer controls more than 10 percent of the outstanding stock.

Imposition of a 10 percent value added tax, plus shifting the transaction value of customs duties from an f.o.b. [free on board] to a c.i.f. [cost, insurance, and freight] basis. Revenues from these two provisions will be earmarked exclusively for deposit in a trust fund to pay the principal and interest on the national debt.

Mr. President, the hour is late. The United States is in the fourth quarter of the game. And we're not talking touch football here. We're talking about a bare-knuckles international competition for jobs, for standard of living, and for industrial capacity to retain our standing as a world power.

Regrettably—even while it pursues very limited retaliation for Japanese chip dumping—the administration continues to indulge in the conceit that international commerce is governed by something called free trade—a wonderful, objective, rational system that rewards the efficient and punishes the slothful. The free trade theoreticians lecture us that foreign products are more efficient and therefore deserve to take over the U.S. market.

This is not just outrageous nonsense. It is an insult to American industry and the American worker. America is hungry to compete. We have the talent and the toughness. All we lack is a government as eager to compete as our people are.

From the ivory towers of Commerce and State, this administration preaches a childlike faith in the "invisible hand." Meanwhile, our trading partners pursue a policy of the iron fist. Their nations are citadels of tariffs and barriers to trade. They gang together in consortia and cartels and "common markets" to protect their own industries and plunder America's.

So let us be done with the "free trade" myth. The reality is that 99 percent of world trade today is government-to-government trade—trade conducted according to ground rules laid down between governments. It is time, at long last, for the U.S. Government to go to bat and play hardball with the rest of them.

The old concepts of "terms of trade" and "comparative advantage" grow increasingly irrelevant. We live in a world where products from toasters to computer chips can be produced in South Carolina or South America or the South Pacific. So competition is no longer between the cultural and natural resources of different contries, it is between governments.

The nations of Europe and the Pacific rim learned long ago that government participation is the key factor in successful world trade. Since World War II, these nations have counted on their governments to protect domestic industries, to stimulate research and development, to orchestrate trade strategy. And, not surprisingly, today's trade powerhouses are better know as Japan, Inc., Korea & Co., Taiwan Unlimited, and so on. Meanwhile, the United States plays the hapless role of Uncle Sucker—dumping ground and market of first resort for all the world's goods and merchandise.

And, Mr. President, let us not be fooled by the rhetoric of martyrdom coming now from Japan, the threats of retaliation, the specter of "trade war." Absurd. It is Japan that was caught selling computer chips in the United States market at prices 80 percent below cost. We are the aggrieved party. It is the United States that—after years of passivity and sufferance—has the right and obligation to take countermeasures.

And let us remember that the United States ultimately holds the high cards in this great trade competition. If we finally show backbone and insist that our competitors negotiate and obey reasonable trade agreements, they will toe the line. After all, America is far and away the world's richest consumer market. Our rivals would not dare place in jeopardy their access to the U.S. market.

Who has more to lose from an all-out trade war? Japan, which exports $85 billion in merchandise to the United States, or the United States, which exports only $27 billion in merchandise to Japan?

Who has more to lose? Taiwan, whose exports to the United States total $21 billion, or the United States, whose exports to Taiwan a total of just $5.5 billion?

Who has more to lose? South Korea, whose exports to the United States total $13.5 billion, or the United States, whose exports to Korea total only $6 billion?

The fact is, we have enormous leverage in the international marketplace—and it's high time we exploited that leverage to restore some measure of equity and fairness.

Mr. President, we do not intend to slam the door on legitimate imports. But neither do we intend to go on being the doormat of the world trading community. And doormat we are—in industry after industry. The assault on America's economic infrastructure is across the board—from manufacturing to agriculture to high technology and even to services.

The time has come to draw a line. American workers are eager to compete. American industry is eager to compete. Accordingly, we in government must be equally resolved to compete.

Through the Trade Enforcement Act of 1987, Congress has the opportunity to speak up for the American people. And let the world hear our message loud and clear: We intend not only to compete. We intend to win.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD following my formal remarks, and that my brief section-by-section analysis be printed following the text of the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 891

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Trade Enforcement Act of 1987".

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TITLE I—AMENDMENTS TO TRADE LAWS

SUBTITLE A—THE TARIFF ACT OF 1930

DEFINITIONS OF UNITED STATES PRICE AND FOREIGN MARKET VALUE

SEC. 101. (a) Section 773(a)(4)(B) of the Tariff Act of 1930 (19 U.S.C. 1677b(a)(4)(B)) is amended by inserting immediately before the semi-colon the following: ", except that in no event shall the administering authority deduct indirect selling expenses from foreign market value in order to effect expenses deducted from an exporter's sale price under section 772(e)".

(b) Section 772(e)(1) of the Tariff Act of 1930 (19 U.S.C. 1677a(e)(1)) is amended by inserting immediately after "selling" the following: "and profits from selling".

(c) Section 773(c) of the Tariff Act of 1930 (19 U.S.C. 1677b(c)) is amended to read as follows:

"(c) STATE-CONTROLLED ECONOMIES.—If the merchandise under investigation is exported from a State-controlled economy country, the administering authority shall, with respect to antidumping duties, determine the foreign market value of the merchandise on the basis of the trade weighted average of the home market prices or prices sold to other countries of selected market economies at a comparable stage of development for which such information is available, as determined by information from public and private statistical series, price information supplied by petitioners (which information may be rebutted by comparable information supplied by respondents), and by information supplied by cooperating industries in countries similar to the State-controlled economy country.".

CLARIFICATION OF THE SCOPE OF ANTIDUMPING AND COUNTERVAILING DUTY ORDERS

SEC. 102. Section 751 of the Tariff Act of 1930 (19 U.S.C. 1675) is amended by adding at the end the following:

"(f) SCOPE OF ORDERS.—(1) The Commission shall determine whether an antidumping or countervailing duty order should apply to a particular class or kind of merchandise.

"(2) In making the determination specified in paragraph (1), the Commission shall determine whether the merchandise is the result of the technological development of products subject to existing antidumping or countervailing duty orders.

"(3) In making the determination required by paragraph (2), the Commission shall consider—

"(A) the physical characteristics of the merchandise;

"(B) the uses for which the merchandise is being imported;

"(C) the expectations of the ultimate purchaser of the merchandise;

"(D) the manner in which such merchandise is transported;

"(E) whether the merchandise is manufactured by the same company or companies subject to the original order;

"(F) whether the merchandise competes with currently produced products of the domestic industry on whose behalf the order was issued; and

"(G) whether the merchandise permits the purchaser to perform additional functions, but such functions do not constitute the primary use of the product and do not constitute more than 35 percent of the cost of production.

If the Commission determines that the factors specified in subparagraphs (A) through (G) are satisfied, the Commission shall apply the antidumping duty order involved to the particular class of kind of merchandise.".

DOWNSTREAM DUMPING

SEC. 103. (a) Subtitle B of the Tariff Act of 1930 (19 U.S.C. 1673 et seq.) is amended by inserting immediately after section 771A the following:

"SEC. 771B. DOWNSTREAM DUMPING.

"(a) DEFINITION.—As used in this section, the term 'downstream dumping' occurs when a product is routinely used as a significant part, component, assembly, subassembly or material in the manufacture or production of merchandise subject to investigation under subtitle B, only if such product is purchased at a price that—

"(1) is lower than the generally available price of the product in the country of manufacture or production, or

"(2) if the general available price of the production in the country of manufacture or production is artifically depressed by reason of any subsidy or other sales at below foreign market value, is lower than the price at which the product would be generally available in such country but for such depression.

For purposes of this subsection, a 'significant part' means that the part involved constitutes not less than 20 percent of the total cost of the product.

"(b) Inclusion of Amount Attributable to Downstream Dumping.—If the administering authority determines, during the course of such an investigation, that downstream dumping is occurring or has occurred with respect to any such product, the administering authority, in calculating the amount of any antidumping duty on such merchandise, shall include an amount equal to the difference between—

"(1) the price at which the product was purchased, or

"(2) either (A) the generally available price (referred to in subsection (a)(1)) of the product, or (B) the price (referred to in subsection (a)(2)) of the product that would pertain, but for the artifical depression, whichever is appropriate.

"(c) Scope of Inquiry of Administering Authority.—The administering authority is not required, in undertaking such an investigation, to consider the presence of downstream dumping, beyond that stage in the manufacture or production of the class or kind of merchandise that immediately precedes the final manufacturing or production stage before export to the United States, unless reasonably available information indicates that such dumping has occurred or is occurring before such immediately preceding stage and is having or has had a substantial effect on the price of the merchandise."

(b) Section 731(2) of the Tariff Act of 1930 (19 U.S.C. 1673(2)) is amended—

(1) in subparagraph (A)(ii), by striking "or";

(2) by inserting "or" at the end of subparagraph (B); and

(3) by inserting immediately after subparagraph (B) the following:

"(C) the Commission determines that an industry producing a product used in the manufacture or production of the foreign merchandise has been materially injured or threatened with material injury, or the establishment of such an industry in the United States has been materially retarded,".

(c) Subparagraphs (C), (D), (E) and (F) of section 771(9) of the Tariff Act of 1930 (19 U.S.C. 1677(9)(C), (D), (E) and (F)) are amended by inserting immediately after "product" the following: "or the product that is used in the manufacture or production of a like product".

(d) The table of contents for title VII of the Tariff Act of 1930 is amended by inserting immediately after the item relating to section 771A the following:

"Sec. 771B. Downstream dumping.".

APPLICATION OF TITLE 5, UNITED STATES CODE, TO INVESTIGATIONS REGARDING ANTIDUMPING AND COUNTERVAILING DUTY ORDERS

Sec. 104. (a) Subtitle D of title VII of the Tariff Act of 1930 (19 U.S.C. 1677 et seq.) is amended by adding at the end the following:

"SEC. 780. APPLICATION OF TITLE 5, UNITED STATES CODE, TO INVESTIGATIONS REGARDING ANTIDUMPING AND COUNTERVAILING DUTY ORDERS.

"All investigations under subtitles A and B regarding antidumping and countervailing duty orders shall be governed by, and conducted in accordance with, the provisions of subchapter II of chapter 5 of title 5, United States Code.".

(b) Section 774(b) of the Tariff Act of 1930 (19 U.S.C. 1677c(b)) is amended by striking the last sentence.

(c) The table of contents of title VII of the Tariff Act of 1930 is amended by adding at the end the following:

"Sec. 780. Application of title 5, United States Code, to investigations regarding antidumping and countervailing duty orders.".

RESOURCE INPUT SUBSIDIES

Sec. 105. (a)(1) Subtitle D of title VII of the Tariff Act of 1930 (19 U.S.C. 1677 et seq.), as amended by section 104 of this title, is further amended by adding at the end the following:

"SEC. 771C. RESOURCES INPUT SUBSIDIES.

"(a) General Rule.—A resource input subsidy exists if—

"(1) a product (hereafter in this section referred to as an 'input product')—

"(A) is provided or sold by a government or a government-regulated or controlled entity within a country (hereafter in this section referred to as an 'exporting country'), for use as an input in another product manufactured within that country, at a domestic price that—

"(i) is lower than the fair market value of the input product, and

"(ii) is not freely available, by reason of government regulation or control, to United States producers for purchase of the input product for export to the United States; and

"(B) would, if sold at the fair market value constitute a significant portion of the total cost of the manufacture or production of the merchandise in which or for which the input product is used; or

"(2) the right to remove or extract a product (hereafter in this section referred to as the 'removal right') is provided or sold by a government or a government-regulated or controlled entity within a country, and—

"(A) that product is for input use in another product manufactured within that country;

"(B) the removal right is provided or sold at a domestic price that is lower than the fair market value of that right; and

"(C) if that right was sold at a fair market value, would constitute a significant portion of the total cost of manufacture or production of the merchandise in or for which the product is used.

"(b) Amount of Resource Input.—

"(1) In general.—The amount of a resource input subsidy is the difference between the domestic price of an input product or of a removal right, and the fair market value of that product or right.

"(2) Exclusions.—For purposes of this section, the terms 'domestic price' and 'fair market value' do not include, with respect to an input product, the costs incident to the transportation and handling required to move the product from its point of production to the respective domestic or foreign destination.

"(c) Definitions and Rules.—For purposes of this section—

"(1) the term 'fair market value' means—

"(A) with respect to an input product, the price that, in the absence of government regulation or control, a willing buyer would pay a willing seller for that product from the exporting country in an arms-length transaction; and

"(B) with respect to a removal right, the price that, in the absence of government regulation or control, a willing buyer would pay a willing seller for the removal right in the country providing or selling the right;

"(2) in determining the fair market value of an input product, the administering authority shall take into account—

"(A) the export price of the product;

"(B) the prices at which the product is generally available in world markets;

"(C) the current market clearing price at which the product can be sold competitively by the exporting country in the markets of other countries (including the United States) that are non-state-controlled economy country markets; and

"(D) the availability to the exporting country of markets described in subparagraph (C);

"(3) in determining the fair market value of a removal right, the administering authority shall take into account—

"(A) the price paid in the exporting country for a comparable removal right not subject to government regulation or control;

"(B) the price paid in the exporting country for a comparable removal right sold or offered for sale through a process of competitive bidding; and

"(C) the price paid for a comparable removal right in comparable regions of countries other than the exporting country; and

"(4) the term 'input use' refers to the use (directly or indirectly) of an input product in the manufacture or production of any class or kind of merchandise that is the subject of an investigation under this title.

"(d) Requirement of Injury Test.—Notwithstanding section 303(b), sections 703(a) and 705(b) (relating to injury determinations by the Commission) shall apply to any investigation under section 303(b) in which the existence of resource input subsidies under section 771C is alleged.".

(2) The table of contents for title VII of the Tariff Act of 1930, as amended by section 104 of this title, is further amended by inserting after the item relating to section 771B the following:

"Sec. 771C. Resource input subsidies.".

(b) Section 771(5) of the Tariff Act of 1930 (19 U.S.C. 1677(5)) is amended by adding at the end the following:

"(C) Any resource input subsidy provided under section 771C.".

PROHIBITION ON USE OF GENERAL AVAILABILITY TEST

Sec. 106. Section 771(5)(B) of the Tariff Act of 1930 (19 U.S.C. 167(5)(B)) is amended—

(1) by striking "to a specific enterprise or industry, or group of enterprises or industries, whether publicly or privately owned,"; and

(2) by adding at the end the following: "A benefit shall be considered to constitute a subsidy, even if it is nominally or actually available to many or all enterprises or industries, if when actually conferred it accrues to specific recipients.".

APPLICATION OF THE COUNTERVAILING DUTY LAW TO NON-MARKET ECONOMIES

Sec. 107. Section 771(b) of the Tariff Act of 1930 (19 U.S.C. 1677(5)) is amended—

(1) by inserting "(A)" immediatley after "(5)"; and

(2) by adding at the end the following:

"(B) Subsidies in State-Controlled Economy Countries.—Benefits that would constitute a countervailable subsidy under subparagraph (A) of this paragrpah shall be treated as a subsidy if provided to an enterprise or industry, or group of enterprises or industries, in a State-controlled economy country. In such cases, the amount of the subsidy is equal to the difference between the price at which the merchandise under investigation is sold in the United States, and the weighted average of the prices at which such or similar merchandise of non-state-controlled economy countries, selected by the administering authority as being at a stage of economic development comparable to that of the country under investigation, is sold either—

"(i) for consumption in the home market of those countries, or

"(ii) to other countries, including the United States,

as such prices are established by public and private statistical information, by information supplied by cooperating industries in such selected countries, and by price information submitted by the petitioner and not rebutted by the foreign producer.".

DETERMINATIONS OF INJURY IN ANTIDUMPING AND COUNTERVAILING DUTY INVESTIGATIONS

SEC. 108. (a) Section 771(7)(B) of the Tariff Act of 1930 (19 U.S.C. 1677(7)(B)) is amended by adding at the end the following: "The Commission shall not consider the size of the dumping or countervailing margins found by the administering authority, or the ability of other foreign producers to enter the United States market.".

(b) Section 771(7)(C)(iv) of the Tariff Act of 1930 (19 U.S.C. 1677(7)(C)(iv) is amended—

(1) by inserting immediately after "subject to" the following: "either an antidumping or a countervailing duty"; and

(2) by inserting immediately after "investigation" the following: "or to an antidumping or countervailing duty order (if the marketing of such products is reasonably coincident)".

(c) Section 771(7)(C)(iii) of the Tariff Act of 1930 (19 U.S.C. 1677(7)(C)(iii) is amended by adding at the end the following:

"In evaluating such factors, the Commission shall consider what effect other factors, including the existence of a national economic recovery, have had upon such factors, and whether an increase in the sale of imports compared to sales of domestic products indicates that there is a likelihood that such declines will occur.".

JUDICIAL REVIEW IN ANTIDUMPTING AND COUNTERVAILING DUTY PROCEEDINGS

SEC. 109. Section 516A of the Tariff Act of 1930 (19 U.S.C. 1516a(b)(1)(B)) is amended by striking "substantial" and inserting in lieu thereof "a preponderance of the".

UNFAIR PRACTICES IN IMPORT TRADE

SEC. 110. (a) Section 337(a) of the Tariff Act of 1930 (19 U.S.C. 1337(a)) is amended to read as follows:

"(a) UNFAIR METHODS OF COMPETITION.—

"(1) UNLAWFUL ACTS.—Subject to paragraph (2), the following are unlawful, and when found by the Commission to exist, shall be dealt with, in addition to any other provision of law, as provided in this section:

"(A) Unfair methods of competition and unfair acts in the importation of articles (other than articles provided for in subparagraphs (B) and (C)) into the United States, or in the sale of such articles by the owner, importer, consignee, or agent of either, the threat or effect of which is—

"(i) to destroy or substantially injure an industry in the United States;

"(ii) to impair or prevent the establishment of such an industry; or

"(iii) to restrain or monopolize trade and commerce in the United States.

"(B) The importation into the United States, or the sale within the United States after importation, of articles that—

"(i) infringe a valid and enforceable United States patent or a valid United States copyright registered under title 17, United States Code; or

"(ii) are made, produced, processed, or mined under, or by means of, a process covered by the claims of a valid and enforceable United States patent.

"(C) The importation into the United States, or the sale within the United States after importation, of articles that infringe a valid and enforceable United States trademark registered under the Trademark Act of 1946.

"(2) APPLICABILITY.—Subparagraphs (B) and (C) of paragraph (1) apply only if an industry in the United States, relating to the articles, patent, copyright, or trademark concerned, exists or is in the process of being established.

"(3) EXISTENCE OF INDUSTRY.—For purposes of paragraph (2), and for purposes of applying paragraph (1)(A) with respect to common law trademarks and trade secrets, an industry in the United States shall be considered to exist if there is in the United States, with respect to the articles, patent, copyright, trademark, or trade secrets concerned—

"(A) significant investment in plant and equipment;

"(B) significant employment of labor or capital; or

"(C) substantial investment in its exploitation, including engineering, research and development, or licensing.".

(b) Section 337(g) of the Tariff Act of 1930 (19 U.S.C. 1337(g)) is amended—

(1) by striking "REFERRAL TO PRESIDENT.—" and inserting in lieu thereof "REPORT OF COMMISSION.—";

(2) in paragraph (1)(B), by striking all after "thereto" and inserting in lieu thereof a period;

(3) by striking paragraphs (2) and (4), and redesignating paragraph (3) as paragraph (2); and

(4) in paragraph (2), as so redesignated, by striking "Subject to the provisions of paragraph (2), such" and inserting in lieu thereof "Such".

JUDICIAL REVIEW OF FAILURE TO PRECLUDE IMPORTATION

SEC. 111. Section 526 of the Tariff Act of 1930 (19 U.S.C. 1526) is amended by adding at the end the following:

"(f) REVIEW.—Any citizen referred to in subsection (a) of this section may bring an action in the Court of International Trade for review of any decision not to preclude the importation of merchandise which bears a trademark owned by such citizen. The Court of International Trade shall not set aside any such decision, unless the Court determines that such decision is not supported by a preponderance of the evidence.".

SUBTITLE B—IMPORT RELIEF

IMPORT RELIEF

SEC. 121. (a) Section 201(b)(2)(B) of the Trade Act of 1974 (19 U.S.C. 2251(b)(2)(B)) is amended by inserting immediately after "wages," the following: "investment, research and development expenditures,".

(b) Section 201(b)(3) of the Trade Act of 1974 (19 U.S.C. 2251(b)(3)) is amended—

(1) by striking "and" at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting in lieu thereof ", and"; and

(3) by adding at the end the following:

"(D) shall, in the case where the petition covers a broad range of related products, many or all of which are produced by the same domestic producers, treat the producers of such products as constituting a single industry, even though the products may not be like or directly competitive with one another.".

(c) Section 201(b)(2)(C) of the Trade Act of 1974 (19 U.S.C. 2251(b)(2)(C)) is amended by inserting immediately before the period at the end the following: ", or a significant reduction in market share, profits, employment, investment, or research and development which would not have occurred in the absence of increased quantities of imports, even though similar reductions due to other causes might have occurred".

(d)(1) Section 201(d)(1) of the Trade Act of 1974 (19 U.S.C. 2251(d)(1)) is amended—

(A) by striking "include such findings or recommendation in its report to the President" and inserting in lieu thereof "prescribe relief that shall take effect within 30 days"; and

(B) by striking the last sentence.

(2) The last sentence of section 201(d)(2) of the Trade Act of 1974 (19 U.S.C. 2251(d)(2)) is amended to read as follows: "Upon completing its investigation, the Commission shall submit its report to the President and to the Congress. The Commission shall also promptly make public its report (except information which the Commission determines to be confidential) and shall publish a summary of the report (except such information) in the Federal Register.".

(e) Section 201(e) of the Trade Act of 1974 (19 U.S.C. 2251(e)) is amended by striking all after "Commission" the second place it appears and inserting in lieu thereof the following: "completed such previous investigation.".

(f) Section 201 of the Trade Act of 1974 (19 U.S.C. 2251) is amended by adding at the end the following:

"(g) Actions of the Commission under this section shall be subject to the provisions of subchapter II of chapter 5 of title 5, United States Code.".

(g) Section 201(b)(5) of the Trade Act of 1974 (19 U.S.C. 2251(b)(5)) is amended by striking all after "shall" through "203,".

DETERMINATION OF IMPORT RELIEF

SEC. 122. Section 202 of the Trade Act of 1974 (19 U.S.C. 2252) is amended by adding at the end the following:

"(e) In determining what type or types of relief are appropriate under subsection (a) of this section, the Commission shall consider—

"(1) information and advice from the Secretary of Labor on the extent to which workers in the industry have applied for, are receiving, or are likely to receive adjustment assistance under chapter 2 of this title or benefits from other manpower programs;

"(2) information and advice from the Secretary of Commerce on the extent to which firms in the industry have applied for, are receiving, or are likely to receive adjustment assistance under chapters 3 and 4 of this title;

"(3) the probable effectiveness of import relief as a means to promote adjustment, the efforts being made or to be implemented by the industry concerned to adjust to import competition, and other considerations relative to the position of the industry in the Nation's economy;

"(4) the effect of import relief on consumers (including the price and availability of the imported article and the like or directly competitive article produced in the United States) and on competition in the domestic markets for such articles;

"(5) the effect of import relief on the international economic interests of the United States;

"(6) the impact on United States industries and firms as a consequence of any possible modification of duties or other import restrictions which may result from international obligations with respect to compensation;

"(7) the geographic concentration of imported products marketed in the United States;

"(8) the extent to which the United States market is the focal point for exports of such article by reason of restraints on exports of such article to, or imports of such article into, third country markets; and

"(9) the economic and social costs which would be incurred by taxpayers, communities, and workers, if import relief were or were not provided.".

CONFORMING AMENDMENTS

SEC. 123. (a) Section 203(a) of the Trade Act of 1974 (19 U.S.C. 2253(a)) is amended to read as follows:

"(a) The President shall provide import relief according to the findings of the Commission under section 201.".

(b) Subsections (b), (c), (d) and (e) of section 203 of the Trade Act of 1974 (19 U.S.C. 2253(b), (c), (d) and (e)) are repealed.

(c) Section 203(h)(3) of the Trade Act of 1974 (19 U.S.C. 2253(h)(3) is amended—

(1) by striking "President" wherever it appears and inserting in lieu thereof "Commission"; and

(2) by striking all after "determines" through "202(c).".

(d) Section 203(h)(4) of the Trade Act of 1974 (19 U.S.C. 2253(h)(4) is amended—

(1) by striking "President when he" and inserting in lieu thereof "Commission when it"; and

(2) by striking all from "after taking" through "(i)(3) and".

(e) Subsection (g) of section 203 of the Trade Act of 1974 (19 U.S.C. 2253(g)) is repealed.

(f) Section 203(k) of the Trade Act of 1974 (19 U.S.C. 2253(k)) is amended—

(1) in paragraph (1), by striking "President" and inserting in lieu thereof "Commission"; and

(2) in paragraph (2), by striking "President" and inserting in lieu thereof "Commission, as appropriate,".

(g) Section 203(i) of the Trade Act of 1974 (19 U.S.C. 2253(i)) is amended to read as follows:

"(i)(1) While any import relief provided pursuant to this section remains in effect, the Commission shall keep under review developments with respect to the industry concerned (including the progress and specific efforts made by the firms in the industry concerned to adjust to import competition).

"(2) The Commission shall determine the probable economic effect on the industry concerned of any extension, reduction, or termination of the import relief provided pursuant to this section.

"(3) Upon petition on behalf of the industry concerned, filed with the Commission not earlier than the date which is 9 months, and not later than the date which is 6 months, before the date on which any import relief provided pursuant to this section is to terminate by reason of the expiration of the initial period provided for such relief, the Commission shall determine the probable economic effect on such industry of such termination.

"(4) In making its determinations under paragraph (2) or (3) as to the probable economic effect on the industry concerned, the Commission shall take into account all economic factors which it considers relevant, including the considerations set forth in subsection (d) of this section and the specific efforts made by the industry concerned to adjust to import competition.

"(5) The Commission shall make its determination under paragraph (2) or (3) on the basis of an investigation during the course of which the Commission shall hold a hearing at which interested persons shall be given a reasonable opportunity to be present, to produce evidence, and to be heard.".

IMPLEMENTATION OF RELIEF

SEC. 124. (a)(1) Chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.) is amended by adding at the end the following:

"SEC. 204. PROCLAMATION OF RELIEF BY PRESIDENT; APPROVAL OF CONGRESS.

"(a) Upon receipt of the report of the Commission under this chapter, with its findings and determinations, the President shall:

"(1) in the case of increases in tariff rates and tariff-rate quotas, proclaim such changes in tariff rates and the imposition of quantitative restrictions as were provided by the Commission;

"(2) in the case of quantitative restrictions, instruct the United States Customs Service to allow entry into the United States only those imports of the article which possess a valid visa, in accordance with subsection (b) of this section;

"(3) in the case of orderly marketing arrangements, direct the United States Trade Representative to undertake such negotiations;

"(4) in the case of a recommendation of adjustment assistance, direct the Secretary of Labor to review petitions for assistance under chapter 2 of this title, and the Secretary of Commerce to review petitions for assistance under chapters 3 and 4 of this title, on an expeditious basis; and

"(5) perform such other actions as are necessary to put the determination of the Commission into effect.

"(b)(1) Import relief under this section shall be proclaimed and take effect within 15 days after the import relief determination date.

"(2) If the Commission prescribed the negotiation of orderly marketing arrangements, relief shall come into effect on the date such arrangement is concluded. If no arrangement is concluded within 90 days of the date of the Commission's determination, the alternative relief prescribed by the Commission shall take effect.

"(c)(1) The President shall by regulation provide for the efficient and fair administration of any restrictions proclaimed pursuant to this section.

"(2) Regulations prescribed under this subsection shall, to the extent practicable and consistent with efficient and fair administration, preclude the inequitable sharing of imports by a relatively small number of large importers.".

(2) The table of contents of the Trade Act of 1974 is amended by inserting immediately after the item relating to section 203 the following:

"SEC. 204. PROCLAMATION OF RELIEF BY PRESIDENT; APPROVAL OF CONGRESS.".

(b) Section 123(a) of the Trade Act of 1974 (19 U.S.C. 2133(a)) is amended—

(1) in paragraph (1), by striking "and" the second place it appears;

(2) in paragraph (2), by striking the period and inserting in lieu thereof "; and"; and

(3) by adding at the end the following:

"(3) shall treat as compensation the suspension of dutiable treatment on any product by the United States.".

(c) Section 1102 of the Trade Agreements Act of 1979 (19 U.S.C. 2581(a)) is amended by inserting immediately after "may" the following: "(except that, with respect to section 203 of the Trade Act of 1974, the President shall)".

(d) Section 123(a) of the Trade Act of 1974 (19 U.S.C. 2133(a)) is amended—

(1) in paragraph (1), by striking "and" the second place it appears;

(2) in paragraph (2), by striking the period and inserting in lieu thereof "; and"; and

(3) by adding at the end the following:

"(3) may offer as compensation the suspension of dutiable treatment on any product by the United States.".

DETERMINATIONS BY INTERNATIONAL TRADE COMMISSION

SEC. 125. Section 301 of the Trade Act of 1974 (19 U.S.C. 2411) is amended to read as follows:

"SEC. 301. DETERMINATIONS BY INTERNATIONAL TRADE COMMISSION.

"(a) DETERMINATION.—

"(1) RIGHTS OR BURDENS ON COMMERCE.—Upon the request of the President or the United States Trade Representative, upon its own motion, or upon the receipt of a petition filed under section 302, the International Trade Commission (hereafter in this chapter referred to as the 'Commission') shall determine whether—

"(A) the United States has been denied its rights under any trade agreement; or

"(B) any act, policy or practice of a foreign country or instrumentality—

"(i) is inconsistent with the provisions of, or otherwise denies benefits to the United States under, any trade agreement, or

"(ii) is unjustifiable, unreasonable, or discriminatory and burdens or restricts United States commerce.

"(2) APPROPRIATE ACTION.—If the Commission determines under paragraph (1) that either of the circumstances specified in subparagraphs (A) or (B) has occurred, the Commission shall determine what action is appropriate and feasible to enforce the rights of the United States or to obtain the elimination of the act, policy or practice. The Commission may recommend action under this subsection with respect to any goods or sector.

"(b) RECOMMENDATIONS.—The Commission may recommend, among other things, pursuant to its determination under subsection (a) of this section, action to—

"(1) suspend, withdraw, or prevent, or the refraining from the proclamation of, benefits of trade agreement concessions to carry out a trade agreement with the foreign country or instrumentality involved; and

"(2) impose duties or other import restrictions on the goods of, and, notwithstanding any other provision of law, fees or restrictions on the services of, such foreign country or instrumentality.

"(c) TRANSMITTAL OF DETERMINATION.—Upon completion of its determination under subsection (b) of this section, the Commission shall transmit copies of its determination to—

"(1) the President;

"(2) the Congress; and

"(3) the United States Trade Representative."

"(d) ACTION BY PRESIDENT.—Upon receipt of the determination by the Commission, the President shall perform all actions necessary to put the recommendation of the

Commission into effect, except that the President may determine to commence negotiations to eliminate the unfair foreign trade practices, as provided in subsection (f) of this section.

"(e) ADDITIONAL AUTHORITY.—

"(1) RESTRICTIONS AND DENIALS.—Notwithstanding any other provision of law governing any service sector access authorization, and in addition to the authority conferred in subsection (b) of this section, the Commission may direct the President to—

"(A) restrict, in the manner and to the extent the Commission deems necessary, the terms and conditions of any such authorization; or

"(B) deny the issuance of any such authorization.

"(2) AFFECTED AUTHORIZATIONS.—Actions under paragraph (1) shall apply only with respect to service sector access authorizations granted, or applications therefor pending, on or after the date on which—

"(A) a petition is filed under section 302(a) (19 U.S.C. 2412(a)); or

"(B) a determination to initiate an investigation is made by the Commission.

"(3) CONSULTATION.—Before the President takes action under subsection (b) or (c) involving the imposition of fees or other restrictions on the services of a foreign country, the Trade Representative shall, if the services involved are subject to regulation by any agency of the Federal Government or of any State, consult, as appropriate, with the head of the agency concerned.

"(f) NEGOTIATIONS.—

"(1) COMMENCEMENT.—The President may, within 10 days of receipt of the Commission's determination under subsection (a), direct the United States Trade Representative to begin negotiations within 30 days with the foreign country or countries responsible for the unfair trade practices found by the Commission, for the purpose of concluding an agreement that will eliminate completely such practices.

"(2) LIMITATION ON ACCEPTANCE OF AGREEMENTS.—The President may accept only such agreements as result in the complete elimination of the unfair trade practices determined by the Commission to exist, and that contain an undertaking by any foreign country involved not to take any other actions that would tend to nullify the effect of the agreement.

"(3) NOTIFICATION.—The President shall notify the Commission and Congress of—

"(A) a decision to undertake negotiations; and

"(B) the results, if any, of such negotiations."

"(g) PROCEDURES.—

"(1) ACTION ON REQUEST OR ON OWN MOTION.—If the Commission decides to take action under this section upon the receipt of a request by a party specified in subsection (a) of this section, or upon its own motion, and no petition has been filed under section 302 of this title, it shall cause to have published in the Federal Register a notice of the decision, including the reasons therefor. Unless it determines that expeditious action is required, the Commission shall provide an opportunity for the presentation of views concerning the taking of such action.

"(2) ACTION REQUESTED BY PETITION.—Upon the receipt of a petition requesting action under section 302 of this title, the Commission shall follow the procedure provided in such section.

"(h) DEFINITIONS.—For purposes of this section,

"(1) COMMERCE.—The term 'commerce' includes, but is not limited to—

"(A) services (including transfers of information) associated with international trade, whether or not such services are related to specific goods; and

"(B) foreign direct investment by United States persons with implications for trade in goods or services.

"(2) VESSEL CONSTRUCTION SUBSIDIES.—An act, policy, or practice of a foreign country or instrumentality that burdens or restricts United States commerce may include the provision, directly or indirectly, by that foreign country or instrumentality of subsidies for the construction of vessels used in the commercial transportation by water of goods between foreign countries and the United States.

"(3) UNREASONABLE.—The term 'unreasonable' means any act, policy, or practice which, while not necessarily in violation of or inconsistent with the international legal rights of the United States, is otherwise deemed to be unfair and inequitable. The term includes, but is not limited to, any act, policy, or practice which denies fair and equitable—

"(A) market opportunities;

"(B) opportunities for the establishment of an enterprise; or

"(C) provision of adequate and effective protection of intellectual property rights.

"(4) UNJUSTIFIABLE.—

"(A) IN GENERAL.—The term 'unjustifiable' means any act, policy, or practice which is in violation of, or inconsistent with, the international legal rights of the United States.

"(B) CERTAIN ACTIONS INCLUDED.—The term 'unjustifiable' includes, but is not limited to, any act, policy, or practice described in subparagraph (A) which denies national or most-favored-nation treatment, the right of establishment, or protection of intellectual property rights.

"(5) DEFINITION OF DISCRIMINATORY.—The term 'discriminatory' includes, where appropriate, any act, policy, or practice which denies national or most-favored-nation treatment to United States goods, services, or investment.

"(6) SERVICE SECTOR ACCESS AUTHORIZATION.—The term 'service sector access authorization' means any license, permit, order, or other authorization, issued under the authority of Federal law, that permits a foreign supplier of services access to the United States market in a service sector concerned.".

INITIATION AND CONDUCT OF INVESTIGATIONS

SEC. 126. (a)(1) The section heading of section 302 of the Trade Act of 1974 (19 U.S.C. 2412) is amended to read as follows:

"SEC. 302. INITIATION AND CONDUCT OF INVESTIGATIONS REQUESTED BY PETITION.".

(2) Section 302(a) of the Trade Act of 1974 (19 U.S.C. 2412(a)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1) FILING OF PETITION.—Any interested person may file a petition with the Commission requesting that it make a determination under section 301 of this title and setting forth the allegations in support of such request."; and

(2) in paragraph (2), by (A) striking "Trade Representative" and inserting in lieu thereof "Commission", and (B) striking "he" and inserting in lieu thereof "it".

(3) Section 302(b) of the Trade Act of 1974 (19 U.S.C. 2412(b)) is amended—

(1) by striking "Trade Representative" wherever it appears and inserting in lieu thereof "Commission";

(2) by striking "he" wherever it appears and inserting in lieu thereof "it"; and

(3) in paragraph (2), by inserting immediately after "Register" the following: ", shall notify the President, the United States Trade Representative, and Congress,".

(b) Section 302(c) of the Trade Act of 1974 (19 U.S.C. 2412(c)) is amended to read as follows:

"(c) DETERMINATION TO INITIATE BY MOTION OF COMMISSION OR UPON REQUEST.—

"(1) DETERMINATION TO INITIATE.—If the Commission determines on its own motion, or upon the receipt of a request from the President or the United States Trade Representative, as provided in section 301(a) of this title, that an investigation should be initiated in order to make the determination provided for in section 301(a) of this title, the Commission shall—

"(A) cause notice of such determination to be published in the Federal Register; and

"(B) shall notify the President and the United States Trade Representative of such determination. "Such determination shall be treated as an affirmative determination under subsection (b)(2) of this section.

"(2) CONSULTATION BEFORE INITIATION.—The Commission shall, before making any determination under paragraph (1), consult with the appropriate committees established pursuant to section 135 of this title.".

(b)(1) The section heading of section 304 of the Trade Act of 1974 (19 U.S.C. 2414) is amended to read as follows:

"SEC. 304 RECOMMENDATIONS OF COMMISSION.".

(2) Section 304(a)(1) of the Trade Act of 1974 (19 U.S.C. 2414(a)(1)) is amended by striking all from "and subject to" through "than—" and inserting in lieu thereof "the Commission shall determine what action should be taken under section 301 of this title with respect to the matters under investigation. The Commission shall make such determination not later than—".

(3) Section 304(a)(2) and (3) of the Trade Act of 1974 (19 U.S.C. 2414(a)(2) and (3)) is amended by striking "Special Representative" and inserting in lieu thereof "Commission".

(4) Section 304(b) of the Trade Act of 1974 (19 U.S.C. 2414(b)) is amended by striking all from "Before" through "required—" and inserting in lieu thereof the following: "Before making its recommendation under section 301 of this title with respect to the treatment of any product or service of a foreign country or instrumentality which is the subject of a petition filed under section 302 of this title, the Commission, unless it determines that expeditious action is required—".

(5) Section 304(b) of the Trade Act of 1974 (19 U.S.C. 2414(b) is amended by striking all from paragraph (3) and inserting in lieu thereof the following:

"(3) shall determine the probable impact on the economy of the United States of the taking of action with respect to such product or service.".

CONSULTATION UPON INITIATION OF INVESTIGATION

SEC. 127. (a) Section 303(a) of the Trade Act of 1974 (19 U.S.C. 2413(a)) is amended by striking "On the date an affirmative determination is made under section 302(b)," and inserting in lieu thereof the following: "Upon receipt from the Commission of notification that an investigation has been commenced under section 302(b),".

(b) Section 303(b) of the Trade Act of 1974 (19 U.S.C. 2413(b)) is amended—

(1) by amending paragraph (1)(A) to read as follows:

"(A) the United States Trade Representative may request that the Commission verify or improve the petition, to ensure an adequate basis for consultation;"; and

(2) by adding at the end of paragraph (1) the following: "The Commission shall grant or deny any request under this paragraph within 10 days of its receipt. If the Commission grants such request, the Trade Representative may delay, for a period not to exceed 90 days, any request for consultation.".

(c) Section 303 of the Trade Act of 1974 (19 U.S.C. 2413) is amended by adding at the end the following:

"(c) Report to the Commission.—Upon the conclusion of consultations under this section, the Trade Representative shall report the results of such consultations to the Commission.".

REQUESTS FOR INFORMATION

Sec. 128. Section 305 of the Trade Act of 1974 (19 U.S.C. 2415) is amended by striking "Special Representative" wherever it appears and inserting in lieu thereof "Commission".

ADMINISTRATION

Sec. 129. Section 306 of the Trade Act of 1974 (19 U.S.C. 2416) is amended—

(1) by striking "Special Representative" wherever it appears and inserting in lieu thereof "Commission"; and

(2) by striking "by the President".

INCREASE IN CERTAIN DUTIES

Sec. 130. (a) Notwithstanding any other provision of law, when the United States International Trade Commission makes a determination that a country has engaged in an unfair trade practice, the Commission shall transmit notice of such determination to the President. The President shall, to eliminate such unfair practice, on an interim basis increase the import duties on the import which was involved in such practice, or impose quotas for such imports (in accordance with the findings of the Commission). While such duties or quotas are in effect, but not longer than one year after the date on which such determination is made, the President may carry out negotiations regarding an agreement under which the nation which engaged in such unfair trade practice agrees to terminate such practice within a specified period of time (which period of time shall not exceed one year from the date of such agreement) under section 301(f) of the Trade Act of 1974, as added by section 125 of this subtitle. Any import duties increased or quotas imposed under this section shall cease to be in effect on the date on which any such agreement becomes effective.

(b) If the United States International Trade Commission makes a determination that a country has not engaged in an unfair trade practice, the Commission shall transmit notice of such determination to the President.

CONGRESSIONAL REVIEW OF TARIFF CONCESSIONS

Sec. 131. (a) Chapter 1 of title III of the Trade Act of 1974 (19 U.S.C. 2411 et seq.) is amended by adding at the end the following:

"SEC. 307. CONGRESSIONAL REVIEW OF TARIFF CONCESSIONS.

"(a) Submission by President.—If the President, in accordance with the provisions of section 101, 123, or 124, has negotiated or proclaimed any modification in an existing duty, the President shall transmit notification of such modification to the Congress. Such modification shall not enter into effect until the expiration of a period of 60 calendar days after such submission, except that such modification shall not become effective if within such 60-day period a joint resolution disapproving such modification has become law.

"(b) Consideration of Joint Resolution of Disapproval.—Notwithstanding any other provision of law, a joint resolution of disapproval under this section shall be subject to the provisions of section 151(d), (e), (f) and (g).

"(c) Definition.—For purposes of this section, the term 'joint resolution' means a joint resolution which does not contain a preamble and the matter after the resolving clause of which is as follows: 'That the Senate and the House of Representatives disapprove of the modification in existing duty designated   , submitted to the Congress by the President on   , 19 .', the blank spaces being filled with the appropriate designation of the modification and the date of submission of the modificaiton to the Congress, respectively.".

(b) The table of contents of the Trade Act of 1974 is amended by inserting immediately after the item relating to section 306 the following:

"Sec. 307 Congressional review of tariff concessions.".

PETITIONS REGARDING MARKET DISRUPTION

Sec. 132. (a)(1) Any interested party may file with the United States Committee for Implementation of Textile Agreements (hereafter in this section referred to as "CITA") a petition to correct market disruption with respect to a particular article.

(2) Upon receiving such a petition, CITA shall determine within 30 days whether to commence an investigation to determine whether the product subject to the petition has been or is being imported into the United States in such quantities as to cause disruption in the United States market for that product, contrary to the terms of an international agreement.

(3) If CITA determines not to initiate an investigation, it shall publish notice of such determination in the Federal Register, along with the reasons for such determination.

(4) If CITA determines to commence an investigation, it shall notify the United States Trade Representative and Congress of such determination.

(5) CITA shall conclude any such investigation within 180 days after the date on which a petition was filed under this section, except that CITA may extend such time period for an additional period not to exceed 60 days in complicated cases (as determined by CITA).

(b)(1) Any interested party may obtain review from the United States Court of International Trade of any determination by CITA not to undertake an investigation under this section or, at the conclusion of an investigation, any determination of CITA.

(2) The standard of review of an appeal under this subsection shall be whether the Committee's action was supported by the preponderance of evidence on the record.

(3) As used in this subsection, the term "interested party" means—

(A) a manufacturer, producer, importer, retailer, or wholesaler in the United States of a like product;

(B) a certified union or recognized union or group of workers which is representative of an industry engaged in the manufacture, production, importation, retailing or wholesale in the United States of a like product; or

(C) a trade or business association a majority of whose members manufacture, product, import, retail, or wholesale a like product in the United States.

(c) If a call for consultation is issued regarding the article which is the subject of a petition under this section, CITA shall, in order to correct the market disruption caused by such article, impose quotas on the importation of such article unless and until the United States Trade Representative has negotiated an appropriate bilateral agreement with the country from which such article is imported.

(d)(1) Any agreement entered into under subsection (c) of this section or section 204 of the Agricultural Adjustment act of 1956 (7 U.S.C. 1854) must provide for the issuance of export visas for the products covered by the agreement by any exporting country that is a party to the agreement. Such visas shall limit the amount of the product exported to the amount provided in the agreement.

(2) At the conclusion of an agreement entered into under subsection (c) of this section, CITA shall notify the Customs Service of the products covered by the agreement, that such products shall not enter the United States without a valid export visa, and of the amount of imports allowed by the agreement.

(3) The Customs Service shall refuse entry to any product requiring an export visa which is not accompanied by such a visa.

(4) The Customs Service shall monitor all imports of products covered by an agreement entered into under subsection (c) of this section, and shall deny entry to any imports in amounts exceeding the limits contained in such an agreement, even though the entry is accompanied by an otherwise valid export visa.

(e) When the President determines to negotiate an agreement limiting imports under subsection (c) of this section, the United States Trade Representative shall notify CITA of the products that are the subject matter of the negotiations. Upon receiving such notification, CITA shall instruct the Customs Service to begin issuing import licenses to such products, with the amount covered by such licenses to be equal to the quantity of the product imported into the United States in the year preceding the commencement of negotiations. If the United States Trade Representative has not concluded an agreement by the time all such licenses have been issued, no further entries of the product shall be allowed until such an agreement has been concluded.".

Subtitle C—National Trade Council

ESTABLISHMENT

Sec. 141. There is established in the Executive Office of the President a council to be known as the National Trade Council (hereafter in this subtitle referred to as the "Council").

MEMBERSHIP OF THE COUNCIL

Sec. 142. (a) The Council shall be composed of—

(1) the President;

(2) the Vice President;

(3) the Secretary of State;

(4) the Secretary of the Treasury;

(5) the Secretary of Defense;

(6) the Secretary of Agriculture;

(7) the Secretary of Commerce;

(8) the Secretary of Labor; and

(9) the United States Trade Representative.

(b) The President shall preside over meetings of the Council. In the President's absence, the President may designate a member of the Council to preside in the President's place.

FUNCTIONS OF THE COUNCIL

SEC. 143. (a) The Council shall advise the President with respect to the integration of national and international policies relating to trade so as to enable the President and the departments and agencies of the Federal Government to cooperate more effectively in matters involving international trade.

(b) In addition to performing such other functions as the President may direct, for the purposes of more effectively coordinating the policies and functions of the departments and agencies of the Federal Government relating to international trade and making recommendations to the President, the Council shall, subject to the direction of the President—

(1) assess and appraise the Nation's international trade policies (including commodity and direct investment matters) and international trade objectives;

(2) consider policies on matters of common interest to the departments and agencies of the Federal Government concerned with international trade;

(3) consider the relationship between the Nation's standard of living and its international trade policies; and

(4) evaluate the effects of the Nation's international trade policies and objectives on the national security.

EMPLOYEES OF THE COUNCIL

SEC. 144. The Council shall have a staff to be headed by an Executive Secretary who shall be appointed by the President. The Executive Secretary, subject to the direction of the Council and in accordance with the provisions of title 5, United States Code, may appoint and fix the compensation of such personnel as may be necessary to perform such duties as may be prescribed by the Council in connection with the performance of its functions.

RECOMMENDATIONS AND REPORTS

SEC. 145. The Council shall, from time to time, make such recommendations and such other reports to the President as the Council considers to be appropriate or as the President may require.

ADVISORY COMMITTEES

SEC. 146. (a)(1) The Council shall appoint a Food and Fibre Advisory Committee to advise the Council regarding the production and distribution of food and food products in international trade.

(2) The Council shall appoint a Business and Labor Advisory Committee to advise the Council regarding methods to increase the productivity of the Nation's workforce so as to improve international trade.

(3) The Council shall appoint a Research and Development Advisory Committee to advise the Council regarding technological research and development, in order to improve international trade. Members of such advisory committee shall be selected on the basis of their expertise in the fields of science and education.

(b) The Council may appoint such other advisory committees and employ, consistent with the provisions of this subtitle, such part-time advisory personnel as the Council may consider necessary in carrying out its functions under this subtitle.

(c) Members of advisory committees established pursuant to this section who are employees of the Federal Government shall receive no additional compensation for their service on such advisory committees. Members of such advisory committees who are not employees of the Federal Government shall be entitled to receive compensation at a daily rate not to exceed the daily equivalent of the rate of pay in effect for grade GS-18 of the General Schedule established by section 5332 of title 5, United States Code.

Subtitle D—Private Right of Action

AMENDMENT OF THE CLAYTON ACT

SEC. 151. Section 1 of the Clayton Act (15 U.S.C. 12) is amended by inserting immediately after "nineteen hundred and thirteen;" the following: "section 801 of the Act of September 8, 1916, entitled 'An Act to raise revenue, and for other purposes' (15 U.S.C. 72);".

UNFAIR COMPETITION

SEC. 152. (a) Section 801 of the Act of September 8, 1916 (15 U.S.C. 72) is amended to read as follows:

"SEC. 801. (a) No person shall import or sell within the United States any article manufactured or produced in a foreign country if:

"(1) such article is imported or sold within the United States at a United States price which is less than the foreign market value or constructed value of such article; and

"(2) such importation or sale—

"(A) causes or threatens material injury to industry or labor in the United States; or

"(B) prevents, in whole or in part, the establishment of modernization of any industry in the United States.

"(b) Any interested party who shall be injured in his business or property by reason of an importation or sale in violation of this section may bring a civil action in the district court of the District of Columbia or in the Court of International Trade against any manufacturer or exporter of such article or any importer of such article into the United States who is related to such manufacturer or exporter.

"(c) In any action brought under subsection (b), upon a finding of liability on the part of the defendant, the plaintiff shall—

"(1)(A) be granted such equitable relief as may be appropriate, which may include an injunction against further importation into, or sale or distribution within, the United States by such defendant of the articles in question, or (B) if such injunctive relief cannot be timely provided or is otherwise inadequate, recover damages for the injuries sustained; and

"(2) recover the costs of the action, including reasonable attorney's fees.

"(d) The standard of proof in any action filed under this section is a preponderance of the evidence. Upon a prima facie showing of the elements set forth in subsection (a), or upon a final determination adverse to the defendant by the Department of Commerce or the International Trade Commission under section 735 of the Tariff Act of 1930 (19 U.S.C. 1673d) relating to imports of the article in question for the country in which the manufacturer of the article is located, which final determination shall be considered a prima facie case for purposes of this Act, the burden of rebutting such prima facie case shall be upon the defendant.

"(e) Whenever it shall appear to the court that justice requires that other parties be brought before the court, the court may cause them to be summoned, without regard to where they reside, and the subpoenas for such purpose may be served and enforced in any district of the United States.

"(f) The acceptance be any foreign manufacturer, producer or exporter of any right or privilege conferred upon him to sell his products or have his products sold by another party in the United States shall be deemed equivalent to an appointment by the foreign manufacturer, producer, or exporter of the District Director of the United States Customs Service of the Department of the Treasury for the port through which the article is commonly imported to be the true and lawful agent upon whom may be served all lawful process in any action brought under this section.

"(g)(1) An action may be brought under this section only if such action is commenced within four years after the date on which the cause of action accrued.

"(2) The running of the statute of limitations provided in paragraph (1) shall be suspended while any administrative proceedings under section 731, 732, 733, 734, or 735 of the Tariff Act of 1930 (19 U.S.C. 1673-1673d) relating to the importation in question, or any appeal of a final determination in such proceeding, is pending and for one year thereafter.

"(h) If a defendant in any action brought under subsection (b) fails to comply with any discovery order or other order or decree of the court, the court may—

"(1) enjoin the further importation into, or the sale or distribution within, the United States by such defendant of articles which are the same as, or similar to, those articles which are alleged in such action to have been sold or imported under the conditions described in subsection (b) until such time as the defendant complies with such order or decree; or

"(2) take any other action authorized by law or by the Federal Rules of Civil Procedure, including entering judgment for the plaintiff.

"(i)(1) Except as provided in paragraph (2), the confidential or privileged status accorded by law to any documents, evidence, comments, or information shall be preserved in any action under this section.

"(2) The court in any action brought under this section may—

"(A) examine, in camera, any confidential or privileged material;

"(B) accept depositions, documents, affidavits, or other evidence under sale; and

"(C) disclose such material under such terms and conditions as the court may order.

"(j) Any section brought under this section shall be advanced on the docket and expedited in every way possible.

"(1) The terms 'United States price', 'foreign market value', 'constructed value', 'subsidy', and 'material injury', shall have the meaning given such terms by title VII of the Tariff Act of 1930.

"(2) If—

"(A) a subsidy is provided to the manufacturer, producer, or exporter of any article, and

"(B) such subsidy is not included in the foreign market value or constructed value of such article (but for this paragraph),

the foreign market value of such article or the constructed value of such article shall be increased by the amount of such subsidy.".

"(l) The Court shall permit the United States to intervene in any action, suit or proceeding under this section, as a matter or right. The United States shall have all the rights of a party.

"(m) Any order by a court under this section is subject to nullification by the President pursuant to the President's authority under section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702).".

RELATIONSHIP TO GATT

SEC. 153. It is the sense of the Congress that the provisions of this subtitle are consistent with, and in accord with, the General Agreement on Tariffs and Trade (GATT).

PRIVATE ENFORCEMENT ACTION

SEC. 154. (a) Chapter 95 of title 28, United States Code, is amended by adding at the end the following: § 1586. Private enforcement action.

"(a) Any interested party who shall be injured in his business or property by a fraudulent, grossly negligent, or negligent violation of section 592(a) of the Tariff Act of 1930 (19 U.S.C. 1592(a)) may bring a civil action in the district court of the District of Columbia or in the Court of International Trade, without respect to the amount in controversy.

"(b) Upon proof by an interested party that he has been damaged by a fraudulent, grossly negligent, or negligent violation of section 592(a) of the Tariff Act of 1930 (19 U.S.C. 1592(a)), such interested party shall—

"(1) be granted such equitable relief as may be appropriate, which may include an injunction against further importation into the United States of the articles or products in question; or

"(2) if such injunctive relief cannot be timely provided or is otherwise inadequate, recover damages for the injuries sustained; and

"(3) recover the costs of suit, including reasonable attorney's fees.

"(c) For purposes of this section—

"(1) The term 'interested party' means—

"(A) a manufacturer, producer, or wholesaler in the United States of a like or competing product; or

"(B) a trade or business association a majority of whose members manufacture, produce, or wholesale a like product or a competing product in the United States.

"(2) The term 'like product' means a product which is like, or the absence of like, most similar in characteristics and uses with products being imported into the United States in violation of section 592(a) of the Tariff Act of 1930 (19 U.S.C. 1592(a)).

"(3) The term 'competing product' means a product which competes with or is a substitute for products being imported into the United States in violation of section 592(a) of the Tariff Act of 1930 (19 U.S.C. 1592(a)).

"(d) The court shall permit the United States to intervene in any action, suit or proceeding under this section, as a matter of right. The United States shall have all the rights of a party.".

(b) The chapter analysis of chapter 95 of title 28, United States Code, is amended by adding immediately after the item relating to section 1585 the following: "1586. Private enforcement action.".

Subtitle E—Scofflaw Penalties

SCOFFLAW PENALTIES FOR MULTIPLE CUSTOMS LAW OFFENDERS

SEC. 161. (a)(1) The Secretary of the Treasury shall by order prohibit any person who is a multiple customs law offender from—

(A) introducing, or attempting to introduce, foreign foods into the customs territory of the United States; and

(B) engaging, or attempting to engage, any other person for the purpose of introducing, on behalf of the multiple customs law offender, foreign goods into such customs territory.

If the multiple customs law offender is a firm, corporation, or other legal entity, the order shall apply to all officers and principals of the entity. The order shall also apply to any employee or agent of the entity if that employee or agent was directly involved in the violations of the customs laws concerned.

(2) The prohibition contained in the order issued under paragraph (1) of this subsection shall apply during the period which begins on the sixtieth day after the date on which the order is issued and ends on the third anniversary of such sixtieth day.

(b) Each Federal agency shall notify the Secretary of the Treasury of all final convictions and assessments made incident to the enforcement of the customs laws under the jurisdiction of such agency.

(c) Whoever violates, or knowingly aids or abets the violation of, an order issued by the Secretary of the Treasury under this section shall be fined not more than $250,000 or imprisioned not more than 10 years, or both.

(d) The Secretary of the Treasury shall prescribe rules to carry out this section, including rules governing the procedures to be used in issuance of orders under subsection (a) of this section. Such rules shall also include a list of the customs laws.

(e) For poses of this section, the term—

(1) "customs laws" means any Federal law providing a criminal or civil penalty for an act, or failure to act, regarding the introduction of, or the attempt to introduce, foreign goods into the customs territory of the United States, including sections 496 and 1001 (but only with respect to customs matters), and any section of chapter 17, of title 18, United States Code, and section 592 of the Tariff Act of 1930 (19 U.S.C. 1592); and

(2) "multiple customs law offender" means a person that, during any period of seven consecutive years after the date of enactment of this Act, was either convicted of, or assessed a civil penalty for, two separate violations of one or more customs laws finally determined to involve fraud or criminal culpability.

TITLE II—EXPORT ENHANCEMENT

REQUIREMENT OF EXPORTS REGARDING FOREIGN AVAILABILITY

SEC. 201. Section 4(c) of the Export Administration Act of 1979 (50 App. U.S.C. 2403(c)) is amended—

(1) by inserting "(1) immediately before "In accordance with"; and

(2) by adding at the end the following:

"(2) The Secretary of Commerce, in consultation with the Secretaries of State and Defense and such other officials as the Secretary of Commerce considers appropriate, shall prepare a report, to be submitted to the President and to Congress not later than January 1, 1989, describing all products and technologies with respect to which applications for export licenses have been made since January 1, 1986, for which foreign availability within the meaning of paragraph (1) of this subsection was claimed, and which the Secretary determines not to be available outside the United States, together with the reasons for such determination.

"(3) Beginning with the report described in paragraph (2) of this subsection, the Secretary of Commerce shall, in consultation with the Secretaries of State and Defense, submit to the President and to Congress a report every two years describing the products and technologies with respect to which applications for export licenses have been made and for which foreign availability was claimed, which were denied by reason of absence of foreign availability, together with the reasons for denial.".

EXPORT LICENCING PROCEDURE

SEC. 202. (a) Section 10(c) of the Export Administration Act of 1979 (50 App. U.S.C. 2409(c)) is amended by striking "90" and inserting in lieu thereof "60".

(b) Section 10(d) of the Export Administration Act of 1979 (50 App. U.S.C. 2409(d)) is amended by striking "20" and inserting in lieu thereof "10".

(c) Section 10(f) of the Export Administration Act of 1979 (50 App. U.S.C. 2409(f)) is amended—

(1) in paragraph (1), by (A) striking "60" and inserting in lieu thereof "30", and (B) striking "60-day" and inserting in lieu thereof "30-day"; and

(2) in paragraph (a)(A), by striking "30" and inserting in lieu thereof "20".

(d) Section 10(g) of the Export Administration Act of 1979 (50 App. U.S.C. 2409(g)) is amended—

(1) by redesignating paragraphs (2), (3) and (4) as paragraphs (3), (4) and (5), respectively; and

(2) by inserting immediately after paragraph (1) the following:

"(2) Upon referral of a license application to the Secretary of Defense, the Secretary of Commerce shall inform the applicant, who shall have 5 days within which to submit comments on the license application to the Secretary of Defense.".

(e) Section 10(j) of the Export Administration Act of 1979 (50 App. U.S.C. 2409(j)) is amended by adding at the end the following:

"(4) If an application is denied, the applicant may bring an action in the Court of International Trade for review of such denial. The standard for such review shall be whether the Secretary's decision was supported by a preponderance of evidence on the record. In hearing and deciding such cases, the Court shall take such measures as are necessary for the security of the United States.".

TITLE III—ENCOURAGEMENT OF INVESTMENT AND RESEARCH AND DEVELOPMENT

CREDIT AGAINST TAX FOR RESEARCH AND DEVELOPMENT EXPENSES

SEC. 301. (a)(1) The section heading of section 41 of the Internal Revenue Code of 1986 is amended to read as follows:

"SEC 41. CREDIT FOR RESEARCH AND DEVELOPMENT EXPENSES.".

(2) Section 41(a) of the Internal Revenue Code of 1986 is amenddd to read as follows:

"(a) GENERAL RULE.—For purposes of section 38, the research and development credit determined under this section shall be an amount equal to the sum of—

"(1) 6 percent of the qualified research expenses for the taxable year;

"(2) 6 percent of the basic research payments, as defined in subsection (e); and

"(3) 6 percent of the qualified developments expenses for the taxable year, as defined in subsection (f).".

* * * * *

"(ii) such basic research is to be performed by such qualified organization.

"(B) Exception to requirement that research be performed by the organization.—In the case of a qualified organization described in subparagraph (C) or (D) of paragraph (6), clause (ii) of subparagraph (A) shall not apply.

"(2) Qualified organization.—For purposes of this subsection, the term 'qualified organization' means any of the following organizations:

"(A) Educational institutions.—Any educational organization which—

"(i) is an institution of higher education (within the meaning of section 3304(f)), and

"(ii) is described in section 170(b)(1)(A)(ii).

"(B) Certain scientific research organizations.—Any organization not described in subparagraph (A) which—

"(i) is described in section 501(c)(3) and is exempt from tax under section 501(a),

"(ii) is organized and operated primarily to conduct scientific research, and

"(iii) is not a private foundation.

"(C) Scientific tax-exempt organizations.—Any organization which—

"(i) is described in—

"(I) section 501(c)(3) (other than a private foundation), or

"(II) section 501(c)(6),

"(ii) is exempt from tax under section 501(a),

"(iii) is organized and operated primarily to promote scientific research by qualified organizations described in subparagraph (A) pursuant to written research agreements, and

"(iv) currently expends—

"(I) substantially all of its funds, or

"(II) substantially all of the basic research payments received by it, for grants to, or contracts for basic research with, an organization described in subparagraph (A).

"(D) Certain grant organizations.—Any organization not described in subparagraph (B) or (C) which—

"(i) is described in section 501(c)(3) and is exempt from tax under section 501(a) (other than a private foundation),

"(ii) is established and maintained by an organization established before July 10, 1981, which meets the requirements of clause (i),

"(iii) is organized and operated exclusively for the purpose of making grants to organizations described in subparagraph (A) pursuant to written research agreements for purposes of basic research, and

"(iv) make an election, revocable only with the consent of the Secretary, to be treated as a private foundation for purposes of this title (other than section 4940, relating to excise tax based on investment income).

"(3) Definitions and special rules.—For purposes of this subsection—

"(A) Basic research.—The term 'basic research' means any original investigation for the advancement of scientific knowledge not having a specific commercial objective, except that such term shall not include—

"(i) basic research conducted outside of the United States, and

"(ii) basic research in the social sciences, arts, or humanities.

"(B) Exclusion from incremental credit calculations.—For purposes of determining the amount of credit allowable under subsection (a)(1) for any taxable year, the amount of the basic research payments taken into account under subsection (a)(2) shall not be treated as qualified research expenses under subsection (a)(1)(A).

"(C) Trade or business qualification.—For purposes of applying subsection (b)(1) to this subsection, any basic research payments shall be treated as an amount paid in carrying on a trade or business of the taxpayer in the taxable year in which it is paid (without regard to the provisions of subsection (b)(3)(B)).

"(D) Certain corporations not eligible.—The term 'corporation' shall not include—

"(i) an S corporation,

"(ii) a personal holding company (as defined in section 542), or

"(iii) a service organization (as defined in section 414(m)(3)).".

(e) Section 41(h) of the Internal Revenue Code of 1986 is repealed.

SPECIAL CREDIT FOR SMALL BUSINESSES

Sec. 302. (a) Subpart E of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting immediately after section 46 the following:

"SEC. 46A. SPECIAL CREDIT AGAINST TAX FOR QUALIFYING SMALL BUSINESSES.

"(a) Amount of Credit.—There shall be allowed as a credit against tax an amount equal to 6 percent of the qualified research and development production expense incurred by a qualified taxpayer during the taxable year.

"(b) Qualified Research and Development Production Expense.—The term 'qualified research and development production expense' refers to amounts expended by a qualifying taxpayer—

"(1) for the purchase or lease of section 38 property, as defined in section 48(b), or

"(2) for the purchase or lease of real estate, including land and any structures erected thereon,

for the purposes of putting into production products or utilizing processes developed by a qualifying taxpayer, so long as such products or processes result from expenditures for research and development that would confer a credit upon the taxpayer under section 41.

"(c) Qualifying Taxpayer.—For purposes of this section, the term 'qualifying taxpayer' means a corporation or partnership—

"(1) that had gross revenues of less than $1,000,000 in the last tax year; and

"(2) that is not owned in part or in whole by any other corporation or partnership."

(b) The table of sections for subpart E of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting immediately after the item relating to section 46 the following:

"Sec. 46A. Special credit against tax for qualifying small businesses.".

TITLE IV—SECURITIES LAWS DISALLOWANCE OF DEDUCTION FOR INTEREST USED TO FINANCE CERTAIN STOCK

Sec. 410. Section 163 of the Internal Revenue Code of 1986 is amended—

(1) by redesignating subsection (i) as subsection (j); and

(2) by inserting immediately after subsection (k) the following:

"(i) Disallowance of Deduction For Interest Used to Finance Capital Stock Purchases.—No deduction shall be allowed under this section for interest paid for funds used to finance the purchase of the stock of any corporation if, either before or after such purchase, the taxpayer owns or controls, directly or indirectly, more than 10 percent of the outstanding stock of the corporation.".

TITLE V—DEFICIT REDUCTION IMPOSITION OF VALUE-ADDED TAX

Sec. 501. (a) Subtitle D of the Internal Revenue Code of 1986 (relating to miscellaneous excise taxes) is amended by inserting before chapter 31 the following new chapter:

"CHAPTER 30—VALUE ADDED TAX

"Subchapter A. Imposition of tax.
"Subchapter B. Taxable transaction.
"Subchapter C. Taxable amount; rate of tax for certain transactions; credit against tax.
"Subchapter D. Administration.
"Subchapter E. Definitions and special rules; treatment of certain transactions.

"Subchapter A—Imposition of Tax

"Sec. 4001. Imposition of tax.

"SEC. 4001. IMPOSITION OF TAX.

"(a) General Rule.—A tax is hereby imposed on each taxable transaction.

"(b) Amount of Tax.—Except as otherwise provided in this chapter, the amount of the tax shall be 10 percent of the taxable amount.

"(c) Increases in Rates Require Vote by Two-Thirds by Members of Congress.—

"(1) In general.—It shall not be in order in the House of Representatives or the Senate to consider any bill or resolution increasing the rate of tax under subsection (b).

"(2) Waiver by two-thirds majority.—Paragraph (1) may be waived or suspended in the House of Representatives or the Senate by a vote of two-thirds of the Members of that House, duly chosen and sworn.

"(3) Points of order.—If the ruling of the presiding officer of the House of Representatives or the Senate sustains a point of order raised pursuant to paragraph (1), a vote of two-thirds of the Members of that House, duly chosen and sworn, shall be required to sustain an appeal of such ruling. Debate on any such appeal shall be limited to two hours, to be equally divided between, and controlled by, the majority leader and the minority leader or their designees. Any appeal of any such point of order is not subject to a motion to table.

"(4) Rules of house of representatives and senate.—This subsection is enacted by the Congress—

"(A) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of bills and resolutions described in paragraph (1); and

"(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"Subchapter B—Taxable Transaction

"Sec. 4003. Taxable transaction.
"Sec. 4004. Commercial-type transaction.
"Sec. 4005. Taxable person.
"Sec. 4006. Transactions in the United States.
"Sec. 4007. Rules relating to other terms used in section 4003.

"SEC. 4003. TAXABLE TRANSACTION.

"For purpose of this chapter, the term 'taxable transaction' means—

"(1) the sale of property in the United States.

"(2) the performance of services in the United States, and

"(3) the importing of property into the United States,

by a taxable person in a commercial-type transaction.

"SEC. 4004. COMMERCIAL-TYPE TRANSACTION.

"(a) General Rule.—For purposes of this chapter, the term 'commercial-type transaction' means a transaction engaged in by—

"(1) a corporation, or

"(2) any person (other than a corporation) in connection with a business.

"(b) Sales and Leases of Real Property; Imports.—For purposes of this chapter—

"(1) In general.—The term 'commercial-type transaction' includes—

"(A) any sale or leasing of real property, and

"(B) any importing of property,

whether or not such transaction is described in subsection (a).

"(2) Certain imported articles.—Notwithstanding paragraph (1)(B), the importing of an article which is free of duty under part 2 of schedule 8 of the Tariff Schedules of the United States shall not be treated as a commercial-type transaction unless such transaction is described in subsection (a).

"SEC. 4005. TAXABLE PERSON.

"(a) General Rule.—Except as otherwise provided in this chapter, for purposes of this chapter, the term 'taxable person' means a person who engages in a business or in a commercial-type transaction.

"(b) Treatment of Employees, Etc.—For purposes of this chapter, an employee shall not be treated as a taxable person with respect to activities engaged in as an employee.

SEC. 4006. TRANSACTIONS IN THE UNITED STATES.

"(a) Sales of Property.—For purposes of this chapter—

"(1) In general.—Except as provided in paragraph (2), the sale of property shall be treated as occurring where delivery takes place.

"(2) Real property.—The sale of real property shall be treated as occurring where the real property is located.

"(b) Performance of Service.—For purposes of this chapter—

"(1) In general.—Except as otherwise provided in this subsection, a service shall be treated as occurring where it is performed.

"(2) Services performed inside and outside United States.—If a service is performed both inside and outside the United States, such service shall be treated as performed—

"(A) inside the United States, if 50 percent or more of such service is performed inside the United States, and

"(B) outside the United States, if less than 50 percent of such service is performed inside the United States.

"SEC. 4007. RULES RELATING TO OTHER TERMS USED IN SECTION 4003.

"(a) Exchanges Treated as Sales.—For purposes of this chapter—

"(1) an exchange of property for property or services shall be treated as a sale of property, and

"(2) an exchange of services for property or services shall be treated as the performance of services.

"(b) Certain Transfers to Employees Treated as Sales.—For purposes of this chapter, the transfer of property to an employee as compensation (other than a transfer of a type for which no amount is includible in the gross income of employees for purposes of chapter 1) shall be treated as the sale of property.

"(c) Performance of Services.—For purposes of this chapter.

"(1) Certain activities treated as performance of services.—Activities treated as included in the performance of services shall include (but shall not be limited to)—

"(A) permitting the use of property,

"(B) the granting of a right to the performance of services or to reimbursement (including the granting of warranties, insurance, and similar items), and

"(C) the making of a covenant not to compete (or similar agreement to refrain from doing something).

"(2) Employers and employees.—

"(A) Services for employer.—An employee's services for his employer shall not be treated as the performance of services.

"(B) Services for employee.—An employer's services for his employee shall not be treated as the performance of services unless such services are of a type which constitute gross income to the employee for purposes of chapter 1.

"(3) Performance of services treated as sale of services.—The performance of services shall be treated as the sale of services.

"Subchapter C—Taxable Amount; Rate of Tax for Certain Transactions; Credit Against Tax

"Sec. 4011. Taxable amount.
"Sec. 4012. Zero rating for food, housing, and medical care.
"Sec. 4013. Zero rating for farmers, fishermen, mass transit, exports, and interest.
"Sec. 4014. Governmental entities.
"Sec. 4015. Exempt organizations.
"Sec. 4016. Credit against tax.

"SEC. 4011. TAXABLE AMOUNT.

"(a) Amount Charged Customer.—For purposes of this chapter, the taxable amount for any transaction for which money is the only consideration shall be the price charged the purchaser of the property or services by the seller thereof—

"(1) including all invoiced charges for transportation, and other items payable to the seller with respect to this transaction, but

"(2) excluding the tax imposed by section 4001 with respect to this transaction and excluding any State and local sales and use taxes with respect to this transaction.

"(b) Exchanges.—For purposes of this chapter, the taxable amount in any exchange of property or services shall be the fair market value of the property or services transferred by the person liable for the tax (determined as if such person had sold the property or services to the other party to the exchange).

"(c) Imports.—For purposes of this chapter, the taxable amount in the case of any import shall be—

"(1) the customs value plus customs duties and any other duties which may be imposed, or

"(2) if there is no such customs value, the fair market value (determined as if the importer had sold the property).

"(d) Special Rule in the Case of Sales of Certain Used Consumer Goods.—For purposes of this chapter, if—

"(1) a taxable person acquires any tangible personal property in a transaction which was not a taxable transaction, and

"(2) such property had been used by an ultimate consumer before such acquisition,

the taxable amount in the case of any sale of such property by such taxable person (determined without regard to this subsection) shall be reduced by the amount paid for such property by such taxable person.

"SEC. 4012. ZERO RATING FOR FOOD, HOUSING, AND MEDICAL CARE.

"(a) Zero Rating for Food, Housing, and Medical Care.—The rate of the tax imposed by section 4001 shall be zero with respect to the following:

"(1) Food.—The retail sale of food and nonalcoholic beverages for human consumption (other than consumption on the premises).

"(2) Housing.—The sale and renting of residential real property for use by the purchaser or tenant as a principal residence.

"(3) Medical care.—Medical care.

"(b) Definitions.—For purposes of subsection (a)—

"(1) Nonalcoholic beverages.—The term 'nonalcoholic beverages' does not include any article which is taxable under chapter 51.

"(2) Medical care.—The term 'medical care' means the performance of any service, and the retail sale of any property, payment for which by the purchaser would constitute medical care within the meaning of section 213.

"(3) Mobile homes, etc., treated as real property.—A mobile or floating home shall be treated as real property.

"(c) Advance Zero Rating.—The Secretary shall prescribe regulations under which any item which becomes clearly identifiable as an item to which subsection (a) will apply when it reaches the retail stage shall be zero rated for all transactions after it becomes so clearly identifiable.

"SEC. 4013. ZERO RATING FOR FARMERS, FISHERMEN, MASS TRANSIT, EXPORTS, AND INTEREST.

"The rate of the tax imposed by section 4001 shall be zero with respect to the following:

"(1) Sales by farmers of fishermen.—The sale (other than at retail) of—

"(A) agricultural commodities by the producer of such commodities, or

"(B) fish (or other form of aquatic animal life) by person in whose business such fish (or other forms) were caught.

"(2) Mass transit.—The performance of mass trasportation services in urbanized areas.

"(3) Exports.—Exports of property.

"(4) Interest.—Interest.

"SEC. 4014. GOVERNMENTAL ENTITIES.

"(a) Zero Rating for Sales to Governmental Entities and Educational Activities of Governmental Entities.—The rate of the tax imposed by section 4001 shall be zero with respect to the following:

"(1) Sales to governmental entities.—Any sale of property or services to a governmental entity.

"(2) Educational activities.—The providing by a governmental entity of property and services in connection with the education of students.

"(b) Sales, Etc., by Governmental Entities Taxable Only Where Separate Charge Is Made.—For purposes of this chapter, the sale of property and the performance of services by a governmental entity shall be a taxable transaction if (and only if) a separate charge or fee is made therefor.

"(c) Governmental Entity Defined.—For purposes of this chapter, the term 'governmental entity' means the United States, any State or political subdivision thereof, the District of Columbia, a Commonwealth or possession of the United States, or any agency or instrumentality of any of the foregoing.

"SEC. 4015. EXEMPT ORGANIZATIONS.

"(a) Zero Rating for Section 501(c)(3) Organization; Credit Allowed for All Purchases.—

"(1) Zero rating.—The rate of the tax imposed by section 4001 shall be zero with respect to any taxable transaction engaged in by a section 501(c)(3) organization other than as part of an unrelated business.

"(2) Credit allowed for all purchases.—For purposes of this chapter, a section 501(c)(3) organization shall be treated as engaged in a business with respect to all of its activities.

"(b) Taxable Transactions in Case of Other Exempt Organizations.—For purposes of this chapter, the sale of property and the performance of services by any exempt organization other than a section 501(c)(3) organization shall be a taxable transaction if (and only if) a charge or fee is made for such services.

"(c) Definitions.—For purposes of this chapter—

"(1) Section 501(c)(3) organizations.—The term 'section 501(c)(3) organization' means an organization described in section 501(c)(3) which is exempt from tax under section 501(a).

"(2) Other exempt organization.—The term 'other exempt organization' means any organization (other than a section 501(c)(3) organization) which is exempt from tax under chapter 1.

"SEC. 4016. CREDIT AGAINST TAX.

"(a) General Rule.—There shall be allowed as a credit against the tax imposed by section 4001 the aggregate amount of tax imposed by section 4001 which has been paid by sellers to the taxpayer of property and services which the taxpayer uses in the business to which the transaction relates.

"(b) Exempt Transactions, Etc.—If—

"(1) property or services are used partly in the business and partly for other purposes, or

"(2) property or services are used partly for taxable transactions and partly for other transactions,

the credit shall be allowable only with respect to the property and services used for taxable transactions in the business. No credit shall be allowable for any transaction occurring when the taxpayer was a nontaxable person.

"(c) Excess Credit Treated as Overpayment.—

"(1) In general.—If for any taxable period the aggregate amount of the credits allowable by subsection (a) exceeds the aggregate amount of the tax imposed by section 4001 for such period, such excess shall be treated as an overpayment of the tax imposed by section 4001.

"(2) Time when overpayment arises.—Any overpayment under paragraph (1) for any taxable period shall be treated as arising on the later of—

"(A) the due date for the return for such period, or

"(B) the date on which the return is filed.

"*Subchapter D—Administration*

"Sec. 4021. Seller liable for tax.
"Sec. 4022. Tax invoices.
"Sec. 4023. De minimis exemption.
"Sec. 4024. Time for filing return and claiming credit; deposits of tax.
"Sec. 4025. Treatment of related businesses, etc.
"Sec. 4026. Secretary to be notified of certain events.
"Sec. 4027. Regulations.

"SEC. 4021. SELLER LIABLE FOR TAX.

"The person selling the property or services shall be liable for the tax imposed by section 4001.

"SEC. 4022. TAX INVOICES.

"(a) Seller Must Give Purchaser Tax Invoice.—Any taxable person engaging in a taxable transaction shall give the purchaser a tax invoice with respect to such transaction if the seller has reason to believe that the purchaser is a taxable person.

"(b) Content of Invoice.—The invoice required by subsection (a) with respect to any transaction shall set forth—

"(1) the name and identification number of the seller,

"(2) the name of the purchaser,

"(3) the amount of the tax imposed by section 4001, and

"(4) such other information as may be prescribed by regulations.

"(c) No Credit Without Invoice.—

"(1) In general.—Except as provided in paragraphs (2) and (3), a purchaser may claim a credit with respect to a transaction only if the purchaser—

"(A) has received from the seller and has in his possession a tax invoice which meets the requirements of subsection (b), and

"(B) is named as the purchaser in such invoice.

"(2) Employees or other agents named in invoices.—To the extent provided in regulations, the naming of an employee or other agent of the purchaser shall be treated as the naming of the purchaser.

"(3) Waiver of invoice requirement in certain cases.—To the extent provided in regulations, paragraph (1) shall not apply—

"(A) where the purchaser without fault on his part fails to receive or fails to have in his possession a tax invoice,

"(B) to a taxable transaction (or category of transactions) where—

"(i) the amount involved is de minimis, or

"(ii) the information required by subsection (b) can be reliably established by sampling or by another method and can be adequately documented.

"(d) Time for Furnishing Invoice.—Any invoice required to be furnished by subsection (a) with respect to any transaction shall be furnished not later than 15 business days after the tax point for such transaction.

"SEC. 4023. DE MINIMIS EXEMPTION.

"(a) In General.—Under regulations, a person—

"(1) whose aggregate taxable transactions for the calendar year do not exceed $20,000, and

"(2) whose aggregate taxable transactions for the next calendar year can reasonably be expected not to exceed $20,000,

may elect to be treated as a person who is not a taxable person for the next calendar year.

"(b) Exceptions.—Subsection (a) shall not apply—

"(1) to any sale or leasing of real property, and

"(2) to any importing of property.

"(c) Termination of Election.—Any election under subsection (a) for a calendar year shall terminate if the aggregate taxable transactions—

"(1) for the first calendar quarter in such year exceed $7,000,

"(2) for the first 2 calendar quarters in such year exceed $12,000, or

"(3) for the first 3 calendar quarters in such year exceed $17,000.

Such termination shall take effect on the first day of the second month following the close of the first period in which the requirements of paragraph (1), (2), or (3) are met.

"(d) Taxable Amount Treated as Zero for Zero-Rated Transactions.—For purposes of this section, the taxable amount of any zero-rated transaction shall be treated as zero.

"(e) Condition of Election.—In the case of a person who is a taxable person for any period, an election under subsection (a) may be made for succeeding periods only with the consent of the Secretary. Such consent shall be conditioned on placing such person, for all succeeding periods, in the same position with respect to the tax imposed by section 4001 (and the credit allowed by section 4016) he would have been in if all property and services he holds at the time he becomes a nontaxable person had been acquired as a nontaxable person.

"(f) Casual Sales and Leases or Real Property Excluded.—For purposes of this section, the term 'taxable transaction' does not include a transaction which is treated as a commercial-type transaction solely by reason of section 4004(b)(1)(A).

"SEC. 4024. TIME FOR FILING RETURN AND CLAIMING CREDIT; DEPOSITS OF TAX.

"(a) Filing Return.—Before the first day of the second calendar month beginning after the close of each taxable period, each taxable person shall file a return of the tax imposed by section 4001 on taxable transactions having a tax point within such taxable period.

"(b) Credit Allowed for Taxable Period in Which Purchaser Receives Invoice.—

"(1) In general.—Except as provided in paragraph (2), a credit allowable by section 4016 with respect to transaction may be allowed only for the first taxable period by the close of which the taxpayer—

"(A) has paid or accrued amounts properly allocable to the tax imposed by section 4001 with respect to such transaction, and

"(B) has a tax invoice (or equivalent) with respect to such transaction.

"(2) Use for later period.—Under regulations, a credit allowable by section 4016 may be allowed for a period after the period set forth in paragraph (1).

"(c) Taxable Period.—For purposes of this chapter—

"(1) In general.—The term 'taxable period' means a calendar quarter.

"(2) Exception.—

"(A) Election of 1-month period.—If the taxpayer so elects, the term 'taxable period' means a calendar month.

"(B) Other periods.—To the extent provided in regulations, the term 'taxable period' includes a period, other than a calendar quarter or month, selected by the taxpayer.

"(d) Tax Point.—For purposes of this chapter—

"(1) Chapter 1 rules with respect to seller govern.—Except as provided in paragraph (2), the tax point for any sale of property or services is the earlier of—

"(A) the time (or times) when any income from the sale should be treated by the seller as received or accrued (or any loss should be taken into account by the seller) for purposes of chapter 1, or

"(B) the time (or times) when the seller receives payment for the sale.

"(2) Imports.—In the case of the importing of property, the tax point is when the property is entered, or withdrawn from warehouse, for consumption in the United States.

"(e) Monthly Deposits Required.—To the extent provided in regulations, monthly deposits may be required of the estimated liability for any taxable period for the tax imposed by section 4001.

"SEC. 4025. TREATMENT OF RELATED BUSINESS, ETC.

"(a) General Rule.—For purposes of this chapter (other than section 4023), to the extent provided in regulations, the taxpayer may elect—

"(1) to treat as 1 taxable person 2 or more businesses which may be treated under section 52(b) as 1 employer, and

"(2) to treat as separate taxable persons separate divisions of the same business.

"(b) De Minimus Exemption.—For purposes of section 4023, all businesses which are under common control (within the meaning of section 52(b)) shall be treated as 1 business.

"SEC. 4026. SECRETARY TO BE NOTIFIED OF CERTAIN EVENTS.

"To the extent provided in regulations, each person engaged in a business shall notify the Secretary (at such time or times as may be prescribed by such regulations) of any change in the form in which a business is conducted or any other change which might affect the liability for the tax imposed by section 4001 or the amount of such tax or any credit against such tax, or otherwise affect the administration of such tax in the case of such person.

"SEC. 4027. REGULATIONS.

"The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this chapter.

"Subchapter E—Definitions and Special Rules; Treatment of Certain Transactions

"Sec. 4031. Definitions.
"Sec. 4032. Special rules.
"Sec. 4033. Personal use by owner of business property or services.
"Sec. 4034. Gift of business property or services.
"Sec. 4035. Special rules for dispositions of nonbusiness real property.
"Sec. 4036. Special rule for insurance contracts.

"SEC. 4031. DEFINITIONS.

"(a) Property.—For purposes of this chapter, the term 'property' means any tangible property.

"(b) Business.—For purposes of this chapter, the term 'business' includes—

"(1) a trade, and

"(2) an activity regularly carried on for profit.

"(c) Employee.—For purposes of this chapter, the term 'employee' has the meaning such term has for purposes of chapter 24 (relating to withholding).

"(d) Person.—For purposes of this chapter, the term 'person' includes any governmental entity.

"(e) Business Day.—For purposes of this chapter, the term 'business day' means any day other than Saturday and Sunday and other than a legal holiday (within the meaning of section 7503).

"(f) United States.—For purposes of this chapter, the term 'United States', when used in a geographical sense, includes a Commonwealth and any possession of the United States.

"SEC. 4032. SPECIAL RULES.

"(a) Coordination With Subtitle A.—For purposes of subtitle A—

"(1) Treatment of credit.—Any credit allowable to a taxpayer under section 4016 which is attributable to any property or services shall be treated as a reduction in the amount paid or incurred by the taxpayer for such property or services.

"(2) Amount of deduction for tax.—The amount allowable as a deduction for the tax imposed by section 4001 shall be determined without regard to any credit allowable under section 4016.

"(3) Computation of percentage depletion.—For purposes of sections 613 and 613A—

"(A) gross income shall be reduced by the amount of tax imposed by section 4001, and

"(B) taxable income shall be determined without regard to any deduction allowed for such tax.

"(b) Special Rule Where Sale of Property Includes Incidental Performance of Services.—For purposes of this chapter, if in connection with the sale of any property there is an incidental performance of services, such performance of services shall be treated as part of the sale of such property.

"(c) Special Rule Where Performance of Services Includes Incidental transfer of Property.—For purposes of this chapter, if in connection with the performance of any services there is an incidental transfer of property, such transfer shall be treated as part of the performance of such services.

"(d) Authority to Zero Rate De Minimis Transactions, Etc.—The Secretary may prescribe regulations providing that the rate of tax shall be zero for a taxable transaction (or category of such transactions) where—

"(1) the amount involved is de minimis, or

"(2) the revenue raised by taxing the transaction is not sufficient to justify the administrative and other costs involved in the payment and collection of the tax.

"(e) Importing Treated as Sale and Purchase.—For purposes of this chapter, the importing of any property into the United States shall be treated as both a sale and purchase of such property by the person importing such property.

"(f) Subchapter S Corporation Treated as Not a Corporation.—For purposes of this chapter, an S corporation (as defined in section 1361(a)) shall be treated as a person which is not a corporation.

"(g) Use Includes Held for Use.—For purposes of this chapter, property and services held for use by any person shall be treated as used by the person.

"SEC. 4033. PERSONAL USE BY OWNER OF BUSINESS PROPERTY OR SERVICES.

"(a) General Rule.—If any business property or services are used by an owner or the taxpayer for personal purposes, for purposes of this chapter such use shall be treated as a taxable transaction.

"(b) Taxabe Amount.—In the case of a use described in subsection (a), for purposes of this chapter, the taxable amount shall be—

"(1) except as provided in pargraph (2), the fair market value of the property or the services, or

"(2) if such use is only the temporary use of property, the fair rental value of such use.

"(c) Definitions.—For purposes of this section—

"(1) Business property or services.—The term "business property or services' means any property or services if a sale of such property, or the performance of such services, by the taxpayer would be a taxable transaction.

"(2) Owner.—The term 'owner' means—

"(A) in the case of a sole proprietorship, the proprietor,

"(B) in the case of any other business enterprise, any holder of a beneficial interest in the corporation, partnership, or other entity, and

"(C) any member of the family (within the meaning of section 267(c)(4)) of an individual described in subparagraph (A) or (B).

"SEC. 4034. GIFT OF BUSINESS PROPERTY OR SERVICES.

"(a) General Rule.—In the case of any gift of business property or services, for purposes of this chapter—

"(1) such gift shall be treated as a taxable transaction, and

"(2) the taxable amount shall be the amount determined under section 4033(b).

"(b) Gifts Related to Business Promotion Activities.—For purposes of subsection (a), the term 'gift' includes any gift of property or services transferred in connection with business promotion activities.

"SEC. 4035. SPECIAL RULES FOR DISPOSITIONS OF NONBUSINESS REAL PROPERTY.

"(a) In General.—In the case of any sale of real property which is treated as a commercial-type transaction solely by reason of section 4004(b)(1)(A), for purposes of this chapter, the taxable amount shall be the excess (if any) of—

"(1) the amount realized on such sale, over

"(2) the adjusted cost to the taxpayer of such real property.

"(b) Adjusted Cost.—For purposes of subsection (a)—

"(1) In general.—Except as provided in paragraph (2), the term 'adjusted cost' means, with respect to any property, the basis of such property increased by expenditures properly chargeable to capital account (other than taxes of other carrying charges described in section 266) for periods during the holding period for such property.

"(2) Transitional rule.—The adjusted cost of any property shall include only amounts incurred during periods after December 31, 198-.

"(c) Value Added Tax Not Taken Into Account.—For purposes of this section, the amount realized on any sale of real property shall not include any amount attributable to the tax imposed by this chapter.

"SEC. 4036. SPECIAL RULE FOR INSURANCE CONTRACTS.

"In the case of any contract of insurance, for purposes of this chapter, the taxable amount is the excess of—

"(1) the portion of the premium attributable to insurance coverage, over

"(2) the actuarial cost to the insurer of providing such insurance coverage.".

(b) The table of chapters for subtitle D of the Internal Revenue Code of 1986 is amended by inserting before the item relating to chapter 31 the following:

"Chapter 30. Value added tax.".

(c) The amendments made by this section shall apply to transactions occurring after December 31, 1987.

PAYMENT OF CERTAIN CUSTOMS DUTIES

Sec. 502. (a) Section 402(b)(1) of the Tariff Act of 1930 (19 U.S.C. 1401a(b)(1)) is amended—

(1) in subparagraph (D), by striking "and";

(2) in subparagraph (E), by striking the period and inserting in lieu thereof a semicolon;

(3) by adding at the end the following:

"(F) the cost of transporting the merchandise to the United States port of entry; and

"(G) the cost of insuring the merchandise prior to entry into the United States."; and

(4) by striking "(A) through (E)" and inserting in lieu thereof "(A) through (G)".

(b) Section 402(b)(4)(A) of the Tariff Act of 1930 (19 U.S.C. 1401a(b)(4)(A)) is amended by striking "exclusive of" and inserting in lieu thereof "including".

(c) Section 402(d)(3)(A) of the Tariff Act of 1930 (19 U.S.C. 1401a(d)(3)(A)) is amended—

(1) by striking clause (ii); and

(2) by redesignating clauses (iii) through (v) as clauses (ii) through (iv), respectively.

(d) Section 402(e)(1) of the Tariff Act of 1930 (19 U.S.C. 1401a(e)(1)) is amended—

(1) in subparagraph (C), by striking "and";

(2) in subparagraph (D), by striking the period and inserting in lieu thereof a semicolon; and

(3) by adding at the end the following:

"(E) the costs of transporting the merchandise to the port of entry in the United States; and

"(F) the cost of insuring the merchandise prior to entry into the United States.".

APPLICATION OF REVENUES

SEC. 503. Notwithstanding any other provision of law, the revenues derived from the imposition of the value-added tax under section 501 of this title and from the determination of value required by the amendments made by section 502 of this title shall be deposited in the Deficit and Debt Reduction Trust Fund, which shall be established by the Secretary of the Treasury for such purpose. Monies in such Trust Fund shall only be available for payments on the principal and interest of the national debt.

[Section-by-section analysis]

TRADE ENFORCEMENT ACT OF 1987

Section 101(a) eliminates the Exporters's Sales Price Offset. The Commerce Department will continue to reduce the exporter's sales price by the amount of selling expenses incurred by a related party. However, the Department will no longer be able to reduce the home market price by an amount equal to that. Section 101(b) requires the deduction of profit earned by a related party from the Exporter's Sales Price. Both of these changes reflect adjustments made to Exporter's Sales Price by our trading partners.

Section 101(c) requires the International Trade Administration (ITA) to use the best information available in determining foreign market value when the country involved is a state-controlled economy.

Section 102 spells out the criteria the ITA is to employ when determining whether an antidumping or countervailing duty investigation should cover merchandise which is the result of technological developments of products subject to an existing order.

Section 103 extends the coverage of the antidumping laws to major components of a product already subject to an antidumping order.

Section 104 applies the Administrative Procedure Act to antidumping and countervailing duty investigations.

Section 105 makes natural resources subsidies subject to the countervailing duty laws.

Section 106 brings the "generally available" test into line with recent court cases.

Section 107 brings non-market economy countries within the scope of the countervailing duty laws.

Section 108(a) prohibits consideration of the size of dumping margins or the presence or absence of barriers to entry in determining whether a U.S. industry has been injured.

Section 108(b) requires cross-cumulation of imports under investigation and for products already subject to an antidumping or countervailing duty order if the marketing of such products is reasonably coincident.

Section 108(c) requires the International Trade Commission (ITC) when determining injury to consider potential declines in output, sales, employment, etc., which may be temporarily buoyed by an economic recovery.

Section 109 changes the standard of judicial review in antidumping and countervailing duty cases from "substantial evidence" to a "prepondence of the evidence" test.

Section 110 eliminates the injury requirement in cases of patent, copyright or tradmark infringement.

Section 111 allows trademark owners to obtain judicial review of any decision by Customs not to embargo trademarked goods.

Section 121 through 124 make several changes in section 201 of the Trade Act to 1974. Final determinations on relief would be made by the ITC instead of the President, the scope of 201 would be changed to encompass a broad range of related products, the definition of injury is clarified to ensure that during a recession other causes of injury may be considered, the APA is applied to 201 proceedings, duty suspensions are allowed to be considered as compensation under 201, and when quotas are applied under 201 they are required to be auctioned.

Sections 125 through 130 make changes to section 301 of the Trade Act of 1974. USTR's investigatory authority is transferred to the ITC. The ITC is directed to recommend action to the President to remedy any unfair trade practice. The President is also given authority to undertake consultations with the foreign country involved to eliminate the unfair practice.

Section 131 provides for Congressional disapproval of tariff reductions on a "fast-track".

Section 132 makes some changes in the current procedures of the textile and apparel import program for issuing a "call" for consultations on a quota and negotiating a quota. A time limit is established for actions on petitions alleging market disruption; when market disruption is found, imports in that category are required to be licensed and temporary quotas are imposed based on current levels of trade until an agreement is reached. Export visas are also required for all new bilateral agreements.

Sections 141 through 146 establish a National Trade Council at the White House with a National Trade Advisor to the President to coordinate trade policy.

Sections 151 through 154 establish a private right of action for domestic industries injured by dumped or subsidized imports or by customs violations.

Section 161 provides that persons convicted of two or more customs violations within seven years are barred from importing.

Sections 201 and 202 reform the export control laws in several ways. First, the Commerce Department is required to produce a comprehensive survey of foreign availability. This report and periodic updates will alert the President to products and technologies for which a license was denied, but are currently available. Secondly, the export licensing procedure is amended by shortening the time limits by one-half. Finally, if a license application is denied, the applicant may obtain judicial review of the Secretary's decision from the Court of International Trade.

Sections 301 and 302 offer two tax credits for research and development. First, the credit against tax for research and development says qualified businesses may receive 6% for basic research, 6% for certain qualified research and 6% for qualified development expenses. Those businesses and individuals participating could earn up to an 18% total credit on current R&D expenditures. There is also a provision offering a special credit for small business. An additional 6% may be taken by small-scale entrepreneurs for start-up expenses.

Section 401 states that no tax deduction shall be allowed for interest paid for funds used to finance the purchase of the stock of any corporation if the taxpayer controls more than 10% of the outstanding stock of the corporation.

Sections 501 through 503 impose a value added tax at a 10% level; and the transaction value of customs duties is changed from an F.O.B. (free on board) to a C.I.F. (Cost, insurance and freight) basis. Revenues from these two provisions go directly into a trust fund to pay the principal and interest on the national debt.

By Mr. GARN:

S. 892. A bill to remove the right of reversion to the United States in lands owned by the Shriners' Hospitals for Crippled Children on lands formerly owned by the United States in Salt Lake County, UT; to the Committee on Energy and Natural Resources.

REVERSION OF RIGHTS TO CERTAIN LANDS

● Mr. GARN. Mr. President, I rise to introduce S. 892, legislation to remove the right of reversion to the United States in lands owned by the Shriners' Hospitals for Crippled Children. These lands were formerly owned by the United States in Salt Lake County, UT.

The purpose of this bill is to remove an existing reversionary provision of law which, if unchanged, will impede the creation of a new hospital for children suffering from orthopedic injuries or diseases. The bill will not have any adverse effect on the budget since it simply alters the nature of the reverter and does not act as a release of any property right with practical value to the United States.

The creation of the Salt Lake Shriners Hospital was made possible by an act of Congress in 1946 and through the subsequent enactment of the Administrative Services Act in 1949.

It is my hope that the Senate will act promptly on this measure so that the great public service which the Shrivers Hospital system provides to needy children can go forward without interruption. I thank the chair.●

By Mr. D'AMATO:

S. 893. A bill relating to the prevention of circumvention of countervailing and antidumping duty orders; to the Committee on Finance.

CIRCUMVENTION OF COUNTERVAILING AND ANTIDUMPING

● Mr. D'AMATO. Mr. President, I rise today to introduce legislation which would strengthen U.S. trade laws by preventing one all-too-typical form of circumvention of antidumping and countervailing duty orders. Specifically, my legislation would provide the U.S. Department of Commerce with authority to consider so-called later developed products within the scope of an outstanding antidumping duty order.

Importers and foreign manufactures subject to an order make a minor alteration to the targeted product so that it becomes subject to a different tariff classification. Once a product is identified outside the scope of the original order, due to a product alteration, the Commerce Department's prior investigation, determination of harm to U.S. industry and resulting duties are no longer applicable.

The legislation which I propose would provide the Commerce Department with the authority to consider "later developed products" within the scope of an existing antidumping duty order. It would clarify the policy directive that the Commerce Department shall not presumptively regard a later developed product as being outside the scope of an order merely because such a product could be considered under some different tariff classification.

Rather, the Commerce Department would be required to evaluate whether such a later developed product merely modifies the original product in some nonessential way so as to permit the user to perform additional functions. Commerce would be authorized to consider whether such new functions constitute the primary function of the product and whether the cost of that component exceeds 35 percent of the total cost of production. Products falling within this category would be subject to discretionary classification as being within the scope of an outstanding antidumping duty order.

One egregious example of this kind of circumvention of our law involves Smith Corona, the last remaining U.S. manufacturer of portable electric typewriters. The company employes nearly 3,000 people in Cortland, NY.

In 1980 the Commerce Department imposed an antidumping order on the importation of portable electric typewriters, having found injury to the U.S. industry as a result of dumping. The order requires a duty be paid on the importation into the United States of portable electric typewriters. In this case the alteration is a simple modification to a portable electric typewriter's existing memory, slightly adding to its memory or adapting its electronics to potentially interface with other electronic components. Foreign typewriter manufacturers have recently reprogrammed portable electric typewriter equipment so as to provide a calculating function or added limited word memory through the incorporation of a mere $2 computer chip.

Loss of revenue to the U.S. Treasury as a result of circumvention of this antidumping order is estimated to be $40 to $50 million. Combined with a loss of market share and sales to Smith Corona, this could result in the demise of the portable electric typewriter industry in the United States.

I believe in free and fair commerce within the law. But, Mr. President, our trade laws should not be so relaxed that a product modified, cosmetically or superficially, is able to avoid otherwise applicable dumping penalties. My legislation is intended to prohibit this mockery of U.S. trade laws. I urge my colleagues to act expeditiously for passage of this legislation.●

ADDITIONAL COSPONSORS

S. 81

At the request of Mr. METZENBAUM, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 81, a bill to amend the Older Americans Act of 1965 to establish the Alzheimer's Disease and related dementias home and community based services block grant.

S. 213

At the request of Mr. HELMS, the name of the Senator from Nevada [Mr. HECHT] was added as a cosponsor of S. 213, a bill to restore the right of voluntary prayer in public schools and to promote the separation of powers.

S. 303

At the request of Mr. BRADLEY, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 303, a bill to establish a Federal program to strengthen and improve the capability of State and local educational agencies and private nonprofit schools to identify gifted and talented children and youth and to provide those children and youth with appropriate educational opportunities, and for other purposes.

S. 338

At the request of Mr. PRYOR, the name of the Senator from Wisconsin [Mr. KASTEN] was added as a cosponsor of S. 338, a bill to allow homeowners to deduct the full amount of prepaid interest paid in connection with the refinancing of their principal residence for the taxable year in which paid.

S. 402

At the request of Mr. EVANS, the name of the Senator from Wisconsin [Mr. KASTEN] was added as a cosponsor of S. 402, a bill to provide that during a two-year period each item of any joint resolution making continuing appropriations that is agreed to by both Houses of the Congress in the same form shall be enrolled as a separate joint resolution for presentation to the President.

S. 422

At the request of Mr. BRADLEY, the names of the Senator from South Dakota [Mr. DASCHLE], and the Senator from Tennessee [Mr. GORE] were added as cosponsors of S. 422, a bill to amend title XIX of the Social Security Act to permit States to provide Medicaid benefits to additional poor children and pregnant women.

S. 530

At the request of Mr. HEINZ, the name of the Senator from Delaware [Mr. ROTH] was added as a cosponsor of S. 530, a bill to delay for 1 year the changes made by the Tax Reform Act of 1986 in the taxable years of certain entities, and for other purposes.

S. 531

At the request of Mr. DODD, the name of the Senator from Delaware [Mr. ROTH] was added as a cosponsor of S. 531, a bill to repeal the sunset provisions in FHA and related laws.

S. 534

At the request of Mr. CHAFFEE, the names of the Senator from Maryland (Ms. MIKULSKI), and the Senator from Oregon [Mr. HATFIELD] were added as cosponsors of S. 534, a bill to require the Administrator of the Environmental Protection Agency to conduct a study of the measure available to reduce the adverse effect discarding or dumping of plastic on land and in the waters have on the environment, including the effects on fish and wildlife; to make recommendations for eliminating or lessening such adverse effects; and to require the Administrator of the Environmental Protection Agency to control the pollution of the environment caused by the discarding of plastics on the land and in water.

S. 535

At the request of Mr. CHAFEE, the names of the Senator from Maryland (Ms. MIKULSKI), and the Senator from Oregon [Mr. HATFIELD] were added as cosponsors of S. 535, a bill to implement the provisions of Annex V to the International Convention for the Prevention of Pollution from Ships, as modified by the Protocol of 1978.

S. 557

At the request of Mr. KENNEDY, the name of the Senator from Georgia [Mr. NUNN] was added as a cosponsor of S. 557, a bill to restore the broad scope of coverage and to clarify the application of title IX of the Education Amendments of 1972, section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and title VI of the Civil Rights Act of 1964.

S. 559

At the request of Mr. CHAFEE, the names of the Senator from Vermont [Mr. STAFFORD], and the Senator from Montana [Mr. BAUCUS], and the Senator from Rhode Island [Mr. PELL] were added as cosponsors of S. 559, a bill to require the Administrator of the Environmental Protection Agency to conduct a study of the measures available to reduce the adverse effect discarding or dumping of plastics on land and in the waters have on the environment, including the effects of fish and wildlife; to make recommendations for eliminating or lessening such adverse effects; and to require the Administrator of the Environmental Protection Agency to control the pollution of the environment caused by the discarding of plastics on the land and in water.

S. 560

At the request of Mr. CHAFEE, the names of the Senator from Vermont [Mr. STAFFORD], and the Senator from Montana [Mr. BAUCUS], and the Senator from Rhode Island [Mr. PELL] were added as cosponsors of S. 560, a bill to implement the provisions of Annex V to the International Convention for the Prevention of Pollution from Ships, as modified by the Protocol of 1978.

S. 604

At the request of Mr. PRYOR, the name of the Senator from Oklahoma [Mr. NICKLES], was added as a cosponsor of S. 604, a bill to promote and protect taxpayer rights, and for other purposes.

S. 630

At the request of Mr. TRIBLE, His name was added as a cosponsor of S. 630, a bill to prohibit the use on Cyprus of military equipment provided to Turkey by the United States and to require that certain information regarding activities on Cyprus of the Turkish armed forces be included in the periodic reports submitted to Congress.

S. 668

At the request of Mr. MCCLURE, the name of the Senator from Michigan [Mr. LEVIN], was added as a cosponsors of S. 668, a bill for the relief of Bela Karolyi.

S. 685

At the request of Mr. QUAYLE, the name of the Senator from Delaware [Mr. ROTH] was added as a cosponsor of S. 685, a bill to amend the Deficit Reduction Act of 1984 to make permanent the administrative offset debt collection provisions with respect to education loans.

S. 703

At the request of Mr. SPECTER, the name of the Senator from Colorado [Mr. ARMSTRONG] was added as a cosponsor of S. 703, a bill to amend title 18, United States Code, including the Child Protection Act, to create remedies for children and other victims of pornography, and for other purposes.

S. 709

At the request of Mr. KENNEDY, the names of the Senator from North Dakota [Mr. CONRAD], the Senator from California [Mr. CRANSTON], the Senator from Massachusetts [Mr. KERRY], the Senator from Vermont [Mr. LEAHY], the Senator from Maryland [Ms. MIKULSKI], and the Senator from Wisconsin [Mr. PROXMIRE] were added as cosponsors of S. 709, a bill to impose additional sanctions against Chile unless certain conditions are met.

S. 718

At the request of Mr. MATSUNAGA, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 718, a bill to eliminate discrimination with regard to mental illness under Medicare.

S. 794

At the request of Mr. METZENBAUM, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 794, a bill to amend chapter 13 of title 18, United States Code, to impose criminal penalties and provide a civil action for damage to religious property and for injury to persons in the free exercise of religious beliefs.

S. 797

At the request of Mr. METZENBAUM, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 797, a bill to require the Attorney General to collect data and report annually about hate crimes.

S. 803

At the request of Mr. HARKIN, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 803, a bill to impose a 1-year moratorium on the commission of commercial franchise business facilities on military installations.

S. 830

At the request of Mr. STAFFORD, the name of the Senator from Delaware [Mr. ROTH] was added as a cosponsor of S. 830, a bill to clarify the treatment of certain education loans in bankruptcy proceedings.

S. 856

At the request of Mr. NICKLES, the name of the Senator from Idaho [Mr. MCCLURE] was added as a cosponsor of S. 856, a bill to amend the Food Security Act of 1985 to clarify that certain persons should not be denied status as separate persons under such Act, and for other purposes.

S. 882

At the request of Mr. BOSCHWITZ, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as a cosponsor of S. 882, a bill to provide Federal tax treatment for payments under, and facilities idled by, the Milk Production Termination Program.

SENATE JOINT RESOLUTION 15

At the request of Mr. PRESSLER, the names of the Senator from Alabama [Mr. SHELBY], and the Senator from Hawaii (Mr. INOUYE) were added as consponsors of Senate Joint Resolution 15, a joint resolution designating the month of November 1987 as "National Alzheimer's Disease Month".

SENATE CONCURRENT RESOLUTION 20

At the request of Mr. GORE, the name of the Senator from Montana [Mr. BAUCUS] was added as a consponsor of Senate Concurrent Resolution 20, a concurrent resolution to express the sense of Congress that funding for the vocational education program should not be eliminated.

SENATE CONCURRENT RESOLUTION 35

At the request of Mr. DECONCINI, the names of the Senator from Tennessee [Mr. GORE], the Senator from Pennsylvania [Mr. SPECTER], the Senator from North Carolina [Mr. HELMS], and the Senator from Hawaii [Mr. MATSUNAGA] were added as a consponsors of Senate Concurrent Resolution 35, a concurrent resolution expressing the sense of Congress regarding the imposition of charges for outpatient care provided in medical facilities of the uniformed services to retired members of the Armed Forces, dependents of retired members, and dependents of members serving on active duty.

SENATE CONCURRENT RESOLUTION 36

At the request of Mr. PRESSLER, names of the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Idaho [Mr. SYMMS], the Senator from North Dakota [Mr. CONRAD], the Senator from South Dakota [Mr. DASCHLE], and the Senator from Alaska [Mr. MURKOWSKI], were added as a consponsor of Senate Concurrent Resolution 36, a concurrent resolution expressing the sense of Congress with respect to the use of ethanol and methanol in reducing air pollution, and for other purposes.

SENATE RESOLUTION 181—CONGRATULATING INDIANA UNIVERSITY ON WINNING THE NCAA BASKETBALL CHAMPIONSHIP

Mr. QUAYLE (for himself and Mr. LUGAR) submitted the following resolution; which was considered and agreed to:

S. RES. 181

Whereas, Indiana University has had an outstanding basketball program since basketball was introduced as a collegiate sport, and has had an exemplary program for its student athletes;

Whereas, the Senate applauds IU coach Bobby Knight for winning his third NCAA title, a feat matched only by two other coaches in college basketball history;

Whereas, the Senate pays tribute to all four teams—Indiana, Syracuse, Providence and the University of Nevada-Las Vegas—who reached the Final Four in New Orleans;

Whereas, Indiana University's victory is much more than just a single accomplishment. It is a part of a long and glorious tradition of amateur college athletics in this country: Now therefore be it;

Resolved, That the Senate recognizes and congratulates Indiana University for its outstanding achievement in winning the 1987 NCAA basketball title.

AMENDMENTS SUBMITTED

HOUSING AND COMMUNITY DEVELOPMENT ACT

NICKLES AMENDMENT NO. 71

Mr. NICKLES proposed an amendment to the bill (S. 825) to amend and extend certain programs relating to housing, and for other purposes; as follows:

Beginning on page 124, line 5, strike all through page 136, line 9.

REID (AND DASCHLE) AMENDMENT NO. 72

Mr. REID (for himself and Mr. DASCHLE) proposed an amendment to the bill S. 825, supra; as follows:

On page 101, between lines 2 and 3, insert the following new section:

SEC. . REDUCTION OF RENTAL PAYMENTS FOR ELDERLY FAMILIES.

(a) IN GENERAL.—Section 3(a)(1) of the United States Housing Act of 1937 is amended by inserting before the semicolon the following: "(25 percent in the case of a family the head of which (or his or her spouse) is at least 62 years of age)".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1987.

LAUTENBERG (AND BRADLEY) AMENDMENT NO. 73

Mr. LAUTENBERG (for himself and Mr. BRADLEY) proposed an amendment to the bill S. 825, supra; as follows:

On page 57, between lines 9 and 10 insert the following new paragraph:

"(4) Following notice of intent to withhold, deny or cancel assistance under paragraph (2), the Secretary shall provide a period of not less than 90 days in which the applicant can appeal to the Secretary the withholding, denial or cancellation of assistance."

D'AMATO AMENDMENT NO. 74

Mr. D'AMATO proposed an amendment, which was subsequently modified, to amendment No. 73 proposed by Mr. LAUTENBERG (and Mr. BRADLEY) to the bill S. 825, supra; as follows:

At the end of the matter proposed to be inserted, insert the following:

Notwithstanding any other provision of this section, nothing in this section or in any legislative history related to the enactment of this section may be construed to permit an inference or conclusion that the policy of Congress in the Urban Development Action Grant program is to facilitate the relocation of businesses from one area to another.

URGENT RELIEF FOR THE HOMELESS ACT

NICKLES (AND ARMSTRONG) AMENDMENT NO. 75

(Ordered to lie on the table.)

Mr. NICKLES (for himself and Mr. ARMSTRONG) submitted an amendment intended to be proposed by them to the bill (S. 809) to provide urgently needed assistance to protect and improve the lives and safety of the homeless; as follows:

At the appropriate place, insert the following new title:

TITLE IX—AVAILABILITY OF FUNDS

SEC. 101. LIMITATION ON APPROPRIATIONS.

(a) IN GENERAL.—No funds appropriated or otherwise made available by a bill or joint resolution that becomes law after October 30, 1986, may be obligated or expended to carry out any provision of this Act or of the amendments made by this Act.

(b) EXCEPTION.—Subsection (a) shall not apply to funds made available pursuant to a transfer of funds authorized or approved by a bill or joint resolution that becomes law on or after the date of the enactment of this Act.

HOMELESS VETERANS ASSISTANCE ACT

CRANSTON (AND MURKOWSKI) AMENDMENT NO. 76

Mr. CRANSTON (for himself and Mr. MURKOWSKI) proposed an amendment to the bill (S. 477) to assist homeless veterans; as follows:

On page 10, line 16, strike "TRANSFER" and insert in lieu thereof "SELL".

On page 10, strike out all on lines 20 and 21 and insert in lieu thereof the following:

"(A) sell to an entity described in subsection (a), for such consideration as the Administrator determines is in the best interests of the United States Government, the Veterans' Administration loan guaranty program, and the short- and long-term solvency of the Loan Guaranty Revolving Fund, real property acquired by the".

On page 10, line 22, insert "made or" after "loan".

On page 11, line 3, insert "(other than properties so acquired as the result of such a default)" after "facilities".

On page 12, lines 3 and 4, strike out "transferred" and insert in lieu thereof "sold".

On page 12, line 7, strike out "abide by" and insert in lieu thereof "comply with".

On page 12, line 8, strike the semicolon and insert in lieu thereof a comma.

On page 12, line 16, insert "and" after "Code;".

On pages 11 through 13, strike out clauses (A), (B), and (E) of paragraph (3) of section 101(b) and redesignate clauses (C), (D), and (F) of such paragraph as clauses (A), (B), and (C), respectively.

On page 13, line 16, strike out "transferee" and insert in lieu thereof "buyer".

On page 13, between lines 7 and 18, insert the following:

"(4) The Administrator, through means selected by the Administrator, shall provide appropriate entities described in subsection (a) which are involved in working on the problems of homelessness and homeless veterans with notice of the potential availability for sale or lease to such entities of appropriate properties under paragraph (1).".

On page 14, line 20, after "Facilities.—" insert "(1)(A) Not later than 30 days after the date of the enactment of this Act and periodically thereafter, the Administrator shall evaluate all real properties described in subparagraph (B) in order to determine which such properties are appropriate to offer for sale under subsection (b)(1)(A).

"(B) Properties referred to in subparagraph (a) are those which (i) are located in geographic areas in which there are significant numbers of homeless veterans, and (ii) are being held by the Administrator after having been acquired by the Administrator at least 12 months previously as the result of defaults on loans made or guaranteed under chapter 37 of title 38, United States Code.".

On page 14, strike out all on lines 21 through 22 and insert in lieu thereof the following:

"(2) Not later than 180 days after the date of the enactment of this Act and periodically thereafter, the Administrator shall complete an".

On page 14, line 23, insert "which are" after "facilities".

On page 14, line 24, insert "and which are located in geographic areas in which there are significant numbers of homeless veterans" after "Administrator".

On page 14, line 25, insert "to offer" after "suitable".

On page 15, strike out all on lines 1 through 16 and insert in lieu thereof the following:

"(f) REPORTS.—(1) Not later than February 1, 1988, the Administrator shall submit to the Committees a report—

"(A) on the results of the evaluations and inventory conducted under subsection (e);

"(B) on the activities carried out by the Administrator under subsection (b)(4);

"(C) on real property sold under subsection (b)(1)(A), including for each such property information as to the price for which the Veterans' Administration acquired the property, the costs incurred by the Veterans' Administration in maintaining the property thereafter, the name of the buyer, and the price paid by the buyer; and

"(D) on the leasing of facilities under subsection (b)(1)(B).

"(2) Not later than February 1, 1989, the Administrator shall submit to the Committees a report on the experience under this section and shall include in the report (A) information updating the information required to be provided in the report under paragraph (1), and (B) such recommendations (and the reasons therefor) as the Administrator considers appropriate as to whether the program carried out under this section should be extended and any recommendation for legislation that the Administrator considers appropriate to include in the report.".

On page 15, line 25, strike out "regions" and insert in lieu thereof "areas".

On page 16, lines 10 and 11, strike out ", and seek to enhance the effectiveness of the activities of,".

On page 16, strike out all on lines 15 and 16 and insert in lieu thereof the following:

"(3)(A) to facilitate (by adjusting, consistent with supervisors' determinations regarding employees' assigned responsibilities, duty hours and meal breaks) the efforts of Veterans' Administration.—".

On page 17, strike out all on lines 6 through 21 and insert in lieu thereof "would be nominal."

On page 18, line 4, strike out "years 1986 and" and insert in lieu thereof "year".

On page 19, beginning with "the Secretaries" on line 4, strike out all through "Development" on line 6 and insert in lieu thereof "any Federal entity established to coordinate programs to assist homeless individuals, and, as appropriate, in conjunction with efforts carried out under sections 101, 102, 103, and 105".

On page 19, line 7, after "survey" insert "(through representative samplings in appropriate geographic areas)".

On page 19, line 24, strike out "1986 and 1987" and insert in lieu thereof "1987 and 1988".

On page 20, lines 12 and 17, insert "likely" after "would" each place it appears.

On page 20, line 24, strike out "a report setting forth".

On page 25, strike out all on line 10 and insert in lieu thereof the following:

"SEC. 107. CONVERSION OF UNDERUTILIZED SPACE TO DOMICILIARY-CARE BEDS.

"(a) IN GENERAL.—(1) Subject to subsection (b) and within the limits of available appropriations, not later than January 1, 1988, the Administrator shall, in urban areas in which there are significant numbers of homeless veterans, convert underutilized space located in facilities under the jurisdiction of the Administrator to 500 domiciliary-carebeds to be used for the care of veterans in need of domiciliary care, primarily homeless veterans.

"(2) If the Administrator determines that it is impractical to undertake the conversions required in paragraph (1) to the extent therein required—

"(A) because appropriate space for the conversions is not available in sufficient quantity, or

"(B) because in areas in which there is sufficient space the numbers of homeless veterans in need of domiciliary care who would likely utilize the beds are not sufficient to warrant the conversions.

the Administrator shall carry out paragraph (1) only to the extent that the Administrator has not determined that it is impractical to do so.

"(b) PROHIBITION AGAINST DIMINUTION OF CERTAIN OTHER CONVERSIONS.—Nothing in this section shall result in the diminution of the conversion of hospital-care beds to nursing-home-care beds by the Veterans' Administration.

"SEC. 108. DEFINITIONS.".

On page 28, line 10, insert "which are" after "facilities".

On page 28, below line 19, insert the following:

"TITLE III—TECHNICAL AMENDMENT

"SEC. 301. REINSTATEMENT OF AUTHORITY TO MAKE STATE VETERANS' HOME CONSTRUCTION GRANTS DURING THE LAST QUARTER OF FISCAL YEAR 1987.

"Section 224(e) of the Veterans' Benefits Improvement and Health-Care Authorization Act of 1986 is amended by striking out 'The' and inserting in lieu thereof 'Except with respect to grants awarded during the period beginning on July 1, 1987, and ending on September 30, 1987, the' ".

JOB TRAINING PARTNERSHIP ACT AMENDMENTS

KENNEDY AMENDMENT NO. 77

(Ordered to lie on the table.)

Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill (S. 514) to amend the Job Training Partnership Act to establish an incentive bonus for the successful placement of certain employable dependent individuals, to provide targeting of assistance from certain carryover funds for such individuals, and for other purposes; as follows:

On page 20, between lines 13 and 14, insert the following:

"(f) An individual shall not be considered to meet the requirements of subsection (c)(1) or (d)(1) if the individual participates in employment-related services and activities in a program established under the Social Security Act. For the purpose of the preceding sentence, an individual's receipts of medical services under title XIX of the Social Security Act or registration for manpower services, training, employment, and other employment-related activities pursuant to the Social Security Act shall not be treated as participation in employment-related services and activities in a program established under the Social Security Act.".

On page 21, line 19, strike out "subsection (b)" and insert in lieu thereof "section 502(a)(2)".

On page 22, line 15, strike out "subsection (c)" and insert in lieu thereof "section 502(b)(2)".

On page 36, strike out line 3 and 4.

On page 36, line 5, strike out "(D)" and insert in lieu thereof "(C)".

On page 36, line 6, strike out "(E)" and insert in lieu thereof "(D)".

NOTICES OF HEARINGS

SUBCOMMITTEE ON FEDERAL SPENDING, BUDGET AND ACCOUNTING

Mr. CHILES. Mr. President, the Government Affairs Subcommittee on Federal Spending, Budget and Accounting will hold a hearing in Orlando, FL on April 14, 1987 to examine the Florida demonstration project on sponsored research.

Five Federal agencies, the Florida University system, and the University of Miami have teamed together in an exercise to simplify and reduce administrative requirements associated with the conduct of federally sponsored research. The theme of the hearing will be what this project to reduce paperwork and eliminate unnecessary regulations has to offer to the Nation's search for excellence in basic research.

The hearing is scheduled for 9:15 a.m. at the Holiday Inn Crown Plaza, 1500 Sandlake Rd. in Orlando. The tentative hearing list includes faculty researchers, research administators, university presidents, the chancellor of the university system, representatives from various Federal agencies and a representative from the National Academy of Science. The Government-university-industry roundtable of the Academy is a sponsor to the demonstration project.

Anyone who wants to submit written testimony to the subcommittee should do so by sending that testimony to the subcommittee's office at 326 Senate Dirksen Building, Washington, DC, 20510-6250. Questions concerning the hearing can be directed to Robert Coakley of the subcommittee staff at (202) 224-9000.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Tuesday, March 31, 1987, to hold hearings on proposed legislation relating to the Government's role in economic competitiveness.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. BYRD. Mr. President, I ask unanimous consent that the Select Committee on Indian Affairs be authorized to meet during the session of the Senate on Tuesday, March 31, 1987, to hold a hearing on the "Final Report of the Garrison Unit Joint Tribal Advisory Committee."

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. BYRD. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, March 31, 1987, to resume hearings on proposed legislation authorizing funds for fiscal year 1988 for the intelligence community.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON THE CONSTITUTION

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on the Constitution, of the Committee on the Judiciary, be authorized to meet during the session of the Senate on March 31, 1987, to hold a hearing on S. 558, Fair Housing Amendment Act of 1987.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON MINERAL RESOURCES DEVELOPMENT AND PRODUCTIVITY

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Mineral Resources Development and Productivity of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Tuesday, March 31, 1987, to consider S. 643, a bill to amend section 402 of the Surface Mining Control and Reclamation Act of 1977 to permit States to set aside in a special trust fund up to 10 per centum of the annual State allocation from the abandoned mine land reclamation fund for expenditure in the future for purposes of abandoned mine reclamation.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON DEFENSE INDUSTRY AND TECHNOLOGY

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Defense Industry and Technology, of the full Committee on Armed Services, be authorized to meet during the session of the Senate on Tuesday, March 31, 1987, in open session to receive testimony on the Department of Defense's implementation of recent changes in acquisition policy.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON MERCHANT MARINE

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Merchant Marine, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on March 31, 1987, to hold hearings on S. 800, legislation authorizing funds for fiscal year 1988 for certain maritime programs of the Department of Transportation (Maritime Administration) and the Federal Maritime Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON MANPOWER AND PERSONNEL

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Manpower and Personnel of the Committee on Armed Services be authorized to meet during the session of the Senate on Tuesday, March 31, 1987, in open session to receive testimony on manpower and personnel issues in review of the fiscal years 1988 and 1989 Department of Defense authorization request.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON STRATEGIC FORCES AND NUCLEAR DETERRENCE

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Strategic Forces and Nuclear Deterrence, of the full Committee on Armed Services, be authorized to meet during the session of the Senate on Tuesday, March 31, 1987, in closed session to receive testimony on the military applications portion of the Department of Energy's budget request for fiscal years 1988 and 1989.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AGING

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Aging, Committee on Labor and Human Resources, be authorized to meet during the session of the Senate on Tuesday, March 31, 1987, to hold hearings on "The Reauthorization of the Older Americans Act."

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENVIRONMENTAL PROTECTION

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Environmental Protection, Committee on Environment and Public Works, be authorized to meet during the session of the Senate on March 31, to hold a hearing on the health effects of ozone and carbon monoxide in nonattainment areas.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, March 31, 1987, to have a closed briefing from an administration official on the situation in the Persian Gulf and to hold a brief business meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

STINGER UPDATE

Mr. DECONCINI. Mr. President, in the 99th Congress I introduced legislation which would have placed security controls and safety measures on the sale or transfer of Stinger missiles to democratic resistance efforts. These precautions were identical to the controls we have with friendly NATO nations. Let me emphasize that this must not and cannot be interpreted as an effort for or against resistance forces, but for safeguards in a world increasingly threatened by terrorism. When individuals such as Colonel Qadhafi say that he will export terrorism to America and "Pursue U.S. citizens in their country and streets," we must protect ourselves.

I would like to bring to the attention of my colleagues two recent articles concerning topics of interest to all Americans. The first article is on the Stinger and appeared in the March 2, 1987, edition of Defense and Foreign Affairs Weekly. In January, a gang of bandits in Zambia were engaged in arms trafficking and were arrested attempting to sell Stingers on the black market.

The second article is a most provocative and interesting piece from the January 4, 1987, edition of the Arizona Republic. The author, Richard Lessner, discusses the antithetical perspectives of the Stinger as a superweapon or as a terrorist's delight. Mr. President, I urge my colleagues to read these articles and I ask that they be printed in the RECORD.

The articles follow:

[From the Washington Post News Library, Mar. 2-8, 1987]

DEFENSE AND FOREIGN AFFAIRS

STINGER STING

Last year, when Stinger shoulder-launched SAMs were first being provided by the U.S. to the Afghan Mujabidin and Jonas Savimbi's UNITA in Angola, a handful of critics warned that the portable missile launchers could easily fall into the wrong hands: in fact, the Congressional refusal to sell Stingers to Saudi Arabia had been based on concern that this might occur. Senator Dennis DeConcini (Democrat of Arizona) last year promoted an amendment against the Stinger deliveries. Now it looks as if some of the warnings were justified: in January a gang of "bandits" in Zambia, engaged in arms trafficking, were arrested, and among the systems they were selling were Stingers, acquired (reportedly) from UNITA via Zaïre. While the ready availability of the SA-7 Strela on the world market means that the Stinger's proliferation is not so alarming, this does appear to justify the earlier concerns.

[From the Arizona Republic, Jan. 4, 1987]

SUPERWEAPON OR BOONDOGGLE?

MISSILE IS NEITHER TOO COMPLEX NOR THREAT IN TERRORISTS' HANDS

(By Richard Lessner)

On a little-used road a mile from a busy international airport runway, a terrorist climbs out of a battered car, opens the trunk and lifts out a 5-foot-long tube with a breadbox-sized structure attached to one end.

The man takes a heavy cord running from a battery strapped to his waist. He plugs the cord into a pistol grip on the tube, which he grips in his right hand. He hoists the tube onto his right shoulder, peers through a sight, flicks a few switches and swings the device toward the line of civilian airliners on final approach for landing.

At last an El Al 747 comes into sight, preparing to land after a non-stop flight from Tel Aviv. The jumbo jet carrying 378 passengers is approximately 1,500 feet above ground. The terrorist slowly tracks the airliner and, seconds later at a range of 1½ miles, squeezes a trigger. A small missile streaks away from the tube toward the 747.

In less than five seconds, the missile strikes the airliner's right outboard engine. The 747 begins a slow diving roll and hits the ground 500 yards short of the runway in a blazing fireball. Everyone on board dies.

The terrorist calmly places the empty tube back into the car's trunk, climbs in and drives away.

EL PASO, TEXAS.—This hypothetical use of a Stinger anti-aircraft missile by terrorists against a civilian airliner was the main reason given by congressional opponents in rejecting a request last year by the Reagan administration to sell the weapon as part of a proposed arms package to Saudi Arabia.

It represents one of two antithetical views of the Stinger which have received considerable attention in the news media this past year.

The first view might be called "Stinger as superweapon." The preceding hypothetical story is an example. It was used by opponents of the Saudi arms sale with great effectiveness. After all, should the weapons fall into the wrong hands, who would be comfortable with Abu Nidal running around with "smart" missiles? Anyone can aim and pull a trigger, the argument goes; the intelligent supermissile does the rest.

Sen. Dennis DeConcini, D-Ariz., cited such a hypothetical attack in a column he wrote for The New York Times which also was read into The Congressional Record as a part of the debate on the Saudi sale.

An alternative, diametrically opposed view, could be called "Stinger as high-tech boondoggle."

In this view, the Stinger is so excessively complicated that our soldiers are unable to fire it effectively in combat. Critics of the Stinger, citing the miserable performance of similar Soviet-made missiles in the Arab-Israeli wars, say the weapon is too expensive, too sophisticated and so difficult to operate that the average American soldier is unable to hit the broad side of a barn with it, let alone high-speed jets.

The clash between these two views takes on special significance because the Stinger is well on its way toward becoming a central component in the Army's overall air-defense plans.

With the demise of the ill-fated Sergeant York DIVAD (division air defense) gun, the Stinger is emerging as a major weapon system. This year, the Pentagon will buy more than $250 million worth.

Moreover, the Army has proposed a multiple weapon air-defense system costing $8 billion—$22 billion, with heat-seeking missiles like the Stinger as a prominent part of the scheme along with radar controlled Gatling guns and fiber-optic guided missiles.

The proposal has set off what some Pentagon observers call a "feeding frenzy" among 27 different weapons manufacturers eager to get a bite of the contracts.

Is the Stinger a superweapon or high-tech boondoggie? The answer to that question can be found here at Fort Bliss, where the U.S. Army trains its Stinger gunners.

First, some technical details. The Stinger supersonic missile is touted as a man-portable, or "manpad" air-defense weapon designed for use by ground troops against low-flying helicopters and high-speed ground attack jet aircraft.

The Stinger is propelled by a solid-fuel rocket motor with a range of up to three miles. It measures just 60 inches long, 2.75 inches in diameter and weights 34.5 pounds, but it is not really man-portable as is claimed. It is shoulder-fired and can be carried short distances, but the Army deploys it in two-man teams driving jeeps with six Stingers mounted on a small trailer. The team can remove the missile from its container and be ready to fire in 10–15 seconds.

The Stinger destroys its target with both a three-pound explosive warhead and the kinetic force of a mid-sized car traveling at 60 miles per hour.

The Stinger was developed by General Dynamics Corp. More than 13,000 of them have been manufactured at the company's Valley Systems division in Ontario, Calif., at a cost of approximately $90,000 each.

Each comes from the manufacturer as a certified round of ammunition packed in an aluminum carrying case. It is ready to fire and requires no maintenance. The launch tubes can be reloaded in the field.

"Think of how many steps there are to starting and driving an automobile," he said "If they are broken down sequentially, it's an imposing task, but with repetition you do them subconsciously. You even do several almost simultaneously."

The same is true of the Stinger. Broken down, the steps are intimidating, but with minimal instruction one is able to execute the sequence with modest proficiency.

Gunners at the Fort Bliss school spend 24 hours over an eight-week period in the Stinger moving target simulator (MTS) at the base, engaging a variety of aircraft in many different combat situations.

In addition, non-firing training versions of the Stinger are used during field exercises so gunners receive the experience of operating against real combat aircraft. Airliners landing and taking off from El Paso International Airport are used as simulated targets.

"You cannot separate the technical part of a weapon from the training," Tollette said. "It would be very hard for just anyone to pick up a Stinger and use it effectively by following written instructions. A gunner experienced in other manpads might be able to, but it would be extremely difficult for the average terrorist to do it without extensive training."

Gunners dismiss some of the report's other criticisms. It notes, for example, that flying debris from the Stinger's launch blast are such a hazard that the breech must be kept at least 30 inches off the ground. The missile can, however, be safely fired at a maximum angle of 65 degrees, at targets almost directly overhead.

A Stinger gunner successfully destroyed a rocket-powered drone in a test that probably bore little resemblance to actual combat against high-speed maneuvering jet airplanes and jinking helicopters. The gunners interviewed in the class were almost unanimous in wishing they could fire the missile in practice before having to shoot in the heat of combat.

Officers, on the other hand, stress the importance of the simulator, which trains the gunner to follow procedures right up to sequeezing the trigger. If they do that efficiently, the training officers argue, the fire-and-forget missile does the rest. They see no need for each gunner to actually fire the weapon.

The Stinger is probably not too complicated for the average soldier-gunner to use effectively, given the level and intensity of training offered. As for terrorists, the Stinger would undoubtedly be a devastating weapon used against slow-moving civilian airliners following predictable flight paths near airports.

Training officers question, however, how effective a terrorist could be without extensive training, practice in a simulator, or actually missile firings against live targets. The Stinger is not a simple weapon to operate, but neither with adequate training is it too complex.

A number of experts on terrorism point out the Soviet SA-7, while not as advanced as the Stinger, would be just as effective against commercial airliners. Although the SA-7 has been readily available to terrorists for a long time—in Lebanon they are used routinely against Israeli air strikes—they have not been used against commercial airliners.

"The Stinger isn't perfect, but for the cost and in combination with other air-defense weapons, it will have the effect of significantly degrading the enemy's ability to carry out his mission."

The Pentagon and the White House do not want to talk about the use of Stingers in Afghanistan and Angola. But sources in Washington close to both the Afghan guerrilla organizations and Jonas Savimbi's UNITA force fighting the Cuban- and Soviet-backed government in Angola say the Stinger has been tested in the two countries.

Andrew Eiva, head of the Federation of American Afghan Action, claims the U.S. government tested Stingers in April along the Pakistan-Afghanistan border.

Citing Afghan resistance sources, Eiva claims Pakistani gunners fired as many as 12 Stingers at Soviet aircraft flying in Pakistan airspace without scoring a single hit.

The Pentagon reportedly supplied Afghan rebels in July 1985 with as many as 150 launchers with two missiles each of the older Stingers drawn from the Army's inventory. The weapons proved a disappointment because of the low level of training among the relatively unsophisticated Afghans.

The Stinger is the successor to the American Redeye missile. The Soviet equivalents are the SA-7 Strela and the SA–14 Gremlin. The British manpad is called the Blowpipe. All feature passive infrared guidance, which homes in on the hot exhaust of a jet engine.

The Stinger is a "fire-and-forget" system, meaning that once the missile is fired there is nothing more for the gunner to do. The missile is fully automatic and the gunner is free to move immediately to a new location.

The Stinger has an IFF (identification friend or foe) capability. The weapon sends out a cooled radio signal which interrogates the target U.S. and NATO aircraft are equipped with transponders which reply to the Stinger's inquiry in prearranged code, letting the gunner know the target is friendly and that he should not fire.

The Stinger's IFF interogator and infrared homing device operate by a series of tones audible to the gunner. The different sounds indicate if the aircraft is friend or foe, if the guidance system has acquired the target, and if it has infrared homing locked on. The minicomputer tells the gunner when to fire.

The Stinger is already in a second generation. The Stinger-POST (for "passive optical seeker technique") deployed in October, reportedly has improved effectiveness against infrared countermeasures the enemy might use, such as shielding jet exhaust or dropping flares to distract the heat-seeking guidance system.

A third generation, called Stinger-RMP, will feature a "reprogrammable microprocessor." This model, due for deployment late this year will allow gunners to reprogram the missile's minicomputer in the field simply by changing a plug-in microprocessor. The unit will be pre-programmed with software designed to defeat a wide range of countermeasures. This allows gunners to adjust to changing countermeasures on the battlefield.

A 1984 study of the Stinger conducted by the U.S. Army Research Institute for the Behavorial and Social Sciences produced several highly critical articles in newspapers and technical journals.

The study examined the missile's "human factors," and is frequently cited as the authority for the conclusion that the Stinger firing system is excessively complicated.

The most critical portion of the report is a diagram showing an elaborate 18-step sequence the Stinger gunner must follow for a successful engagement. The report concludes the Army and General Dynamics did not adequately address human limitations in developing a simpler weapon, and that its effectiveness in combat is limited.

"The lower mental category soldiers constituting a large portion of the current population of gunners cannot operate the Stinger," the report concludes.

How complicated is the Stinger? Not as complicated as the institute's engineers and some journalists who have not actually handled the weapon or received instruction seem to think.

The report also states the rocket motor emits hydrogen chloride gas in concentrations 20 times greater than that allowed by the Occupational Health and Safety Administration, and gunners are advised to hold their breath after firing until the cloud dissipates.

The gunners interviewed found this amusing. They rejected the idea that a weapon designed for combat use must conform to OSHA standards.

Of course, a rocket emits fumes, but since the Stinger is not fired indoors, none of the training officers or gunners interviewed found this to be a problem. It didn't appear to be a problem in the test firing witnessed. Even with a modest breeze, the cloud of exhaust gases dissipated in a few seconds.

Reason exists, however, to question the overall effectiveness of manpad systems. Although, the precise information is secret, the SA-7 has shown itself to be virtually useless against Israeli aircraft.

According to defense analyst Andrew Cockburn, Arab forces in the 1973 Yom Kippur war fired 5,000 SA-7s at Israeli aircraft but scored only 28 hits. Of these, only two planes failed to return to base.

The low hit rate is probably because of Israel's highly effective use of countermeasures, as well as poorly trained Arab gunners. The low kill rate is probably because manpad missiles must carry a very small warhead to keep them light.

Stinger proponents defend the weapon, saying its electronics are far superior to the Soviet SA-7 and that gunner training in the U.S. Army is better than that among Arab armies and irregular forces as the Palestine Liberation Organization.

Although Stinger test results are classified, it is known that in firings under simulated combat conditions, the Stinger scored a hit rate of between 45 and 57 percent. This has led many skeptics to question the value of the weapon.

But Anthony Cordesman, a Washington-based defense analyst and a leading expert on Arab-Israeli wars, said too much weight is given to the low hit rate figure.

"The weapon cannot be assessed simply on the basis of test numbers without considering the overall tactics of its use," he said.

"The Stinger is not fielded just to kill, but to degrade the enemy's tactical capabilities. No manpad comes close to achieving in combat even its relatively low hit rate in testing, but you must consider not only the kill factor but the effects its deployment has on the enemy's tactics.

"You can proliferate Stingers on the battlefield. You can fire a lot of $80,000 missiles at $40 million aircraft and still be very cost effective. The Stinger is integrated into a whole family of air-defense systems; it does not operate alone. Its purpose in combat must be considered."

In Angola, a source close to both Savimbi and the U.S. intelligence establishment, who asked to remain anonymous, said Stingers have been used effectively there.

"Unlike the (April) test in Afghanistan, the United States should be pleased with the performance of the Stinger in Angola," the source said. "The UNITA troops are better educated, better trained and more disciplined than the Afghans and are better able to use an advanced weapon effectively."

This source said the presence of Stingers on the battlefield in Angola has forced Soviet and Cuban pilots to change tactics, and that several aircraft have been downed.

"The Cuban pilots used to just climb into their MiGs and go out and bomb the poor 'wogs' in their villages. No big deal, it was a picnic because they were almost invulnerable.

"It's a different story when they go out knowing they might get a Stinger . . . You have to change your tactics, your bombing accuracy is severely degraded by the presence of Stingers.

"Effective air defense is essential in guerrilla warfare, either in Afghanistan or Angola, and the Stinger is exceptionally well suited to it."

The Stinger is neither superweapon nor high-tech white elephant. Evaluated in the context of a multiple-weapon integrated air-defense system and in the hands of well-trained gunners, the Stinger most likely will be able to perform effectively, despite skepticism from some critics. As with any weapon, however, its final test can only come in the brutal reality of the battlefield.●

JOBS AND THE ECONOMY

● Mr. ARMSTRONG. Mr. President, early in his career as a young reporter, Mark Twain was told never to state as fact anything that he could not personally verify. Following these instructions to the letter, he wrote the following account of a gala social event:

> A woman giving the name of Mrs. James Jones, who is reported to be one of the society leaders of this city, is said to have given what purported to be a party yesterday to a number of alleged ladies. The hostess claims to be the wife of a reputed attorney.

Although Twain had fun carrying this advice to the extreme, it is still a useful admonition. A case in point is the flap over what many now realize was a biased and inaccurate critique of our economy's ability to create good jobs. The attack, based on a flawed study, claimed there is an alarming increase in low paying jobs. Unable to explain away the huge number of jobs created by our economy in recent years, an effort was made to describe these jobs as not worth having. This claim was echoed by reporters, TV newscasters, and others.

Economist Robert Samuelson and Janet Norwood, Commissioner of Labor Statistics, in separate articles, outlined the errors of the earlier study and the false picture being painted by those who want to diminish the accomplishments of our Reagan era economy. In today's Wall Street Journal, economist Warren Brookes joins Samuelson and Norwood in pointing out the "statistical fraud" of the low paying jobs thesis. Several weeks ago, I asked that the Samuelson and Norwood articles be printed in the RECORD and now ask the same for this article by Mr. Brookes. Our economy has done a good job creating jobs. Efforts to distort the facts may very well lead us to policies that reverse these gains. We should be moving to expand opportunities for work, not working to belittle accomplishments of the past.

The article follows:

[From the Wall Street Journal, Mar. 25, 1987]

LOW-PAY JOBS: THE BIG LIE

(By Warren T. Brooks)

For the past two months, organized labor has been running Dickenseque TV commercials that show Americans in the year 2010 clad in dusty scarves and sitting in rockers in dingy attics. The point of this dismal scene is that the future is bleak for U.S. workers.

But is it? Over the past 12 months (February 1986 to February 1987), 2.7 million jobs were created, 41.5% of which were "managerial and professional specialty," the highest-paid category classified by the Labor Department.

This is the largest year-to-year growth-share for top-paid jobs, and continues a trend over the past four years. From February 1983 to February 1987, the shares of managerial/professional, technical/sales, and precision/production categories all rose. The shares of the service, laborer and farm-worker categories declined. In other words, the Labor Department shows Americans "trading up" in jobs at a fairly steady rate.

Yet, Big Labor has been busy putting out the story that just the opposite is taking place. Worried about the sharp decline in their share of the U.S. work force, the unions have promoted the work of Barry Bluestone of the University of Massachusetts and Bennett Harrison of MIT that supposedly shows an "alarming trend toward low-pay jobs," using the period from 1979 to 1984 as the key point of assault, and comparing that period with 1973 to 1979.

LABOR DEPARTMENT WARNING

The Bluestone-Harrison research eventually found its way to the Joint Economic Committee of Congress, whose then-chairman, Rep. David Obey (D., Wis.), published it in December.

As it was later learned, the Labor Department had warned Messrs. Bluestone and Harrison back in October that their use of the consumer price index as the "deflator" (to arrive at constant dollar wage brackets) rather than the personal consumption expenditure (PCE) index dramatically understated constant-dollar wage scales in the 1979-84 period, and thus overstated their low-pay wage thesis. When the PCE deflator was used, most of the low-pay trend disappeared.

The Labor Department also cautioned them that by selecting the period from 1979 to 1984, they were picking the most extreme possible case that did not reflect the long-term, essentially stable trend. But both these warnings were ignored, and the study was released and has since become part of national economic mythology.

Yet, as the Labor Department's data have repeatedly demonstrated, this whole low-pay jobs thesis is largely a statistical fraud resulting from careful selection of unrepresentative years. As Robert Samuelson, economist and Washington Post and Newsweek columnist, said on Feb. 23: "Welcome to Economics Propaganda 101. The notion that the U.S. economy is producing mostly low-paying, unskilled jobs is an economic fiction.

"Generally speaking, the mix between well-paid and poorly paid work is the same as in the 1970s. Creating the impression that it's otherwise is an exercise in statistical myth-making designed to advance a political agenda."

In short, it is part of Big Labor's shortsighted strategy to sell the American people the witches' brew of protectionism, tariffs and quotas.

Despite Mr. Samuelson's debunking, the Washington Post gave this "myth-making" still another shot in its Sunday Outlook Section on March 15, where Lance Compa, a lawyer for the United Electrical, Radio and Machine Workers of America, argued that "44 percent of the new jobs in the Reagan years paid $7,400 or less." In order to come up with such a charge, Mr. Compa had to include as "Reagan years" the period from 1979 through 1981, or three Carter fiscal years that also included two recessions, the worst inflation in modern history and a massive 7 percent, two-year decline (1979-81) in average real wages.

The reason Messrs. Bluestone and Harrison chose the 1979-84 period for their study becomes obvious in an analysis made by congressional staff economist Christopher Frenze for Rep. Dan Lungren (R., Calif.). Mr. Frenze's study uses Bureau of Labor Statistics data to supply the same Bluestone-Harrison breakdown for all years, 1973-85. His analysis shows that between 1973 and 1985, there is almost no change in the basic distribution of jobs by pay classification, even accepting the Bluestone-Harrison data base with its disputed deflator.

When you arrange the data in four-year presidential budget cycles—1973-1977 (Nixon-Ford budgets), 1977-1981 (Carter budgets) and 1981-1985 (Reagan budgets)—a stunning new picture emerges. During the Carter years, of the net new jobs created, 41.7 percent were in the Bluestone-Harrison low-pay category. At the same time, their high-pay category lost jobs.

NET NEW JOBS

[In thousands of dollars]

	Low (under $7,012)		Middle ($7,012–$28,048)		High ($28,048 and over)	
	Number	Share (percent)	Number	Share (percent)	Number	Share (percent)
Nixon-Ford (1973–77)	2,550	37.5	3,490	51.3	758	11.2
Carter 1977–81	3,837	41.7	6,277	68.2	−912	−9.9
Reagan 1981–85	412	6.0	3,180	46.2	3,169	46.1
Bluestone-Harrison 1979–84	4,687	58.0	3,837	47.5	−442	−5.5

Note: salaries in 1984 constant dollars.

Source: Joint Economic Committee.

Now compare that with the real Reagan years, 1981-1985: In that period, 46.1 percent of the net new jobs were in the high-wage category. At the same time, only 6 percent were in the low-wage category, and 1986 raw data suggest this high-wage trend accelerated last year.

What has actually happened is that since 1982 we have been correcting the unusual downward trends associated with the double-digit inflation of 1979 and 1980, and the two back-to-back recessions of 1980 and 1981, all of which apparently had the greatest impact on the high-pay jobs category. In effect, the recovery has focused mainly on bringing those jobs back up to their original 1973 share of the economy.

As Janet Norwood, the nonpartisan commissioner of labor statistics, said in a very carefully understated Feb. 22 article in the New York Times, "the findings [of so called low-wage jobs studies] are extremely sensitive to the particular set of data used [and] the years chosen for the analysis."

A MORE SERIOUS PROBLEM

What is much more troubling about all this statistical flimflammery is that it is obscuring a much more serious problem in our economy: Since 1982, we apparently have been generating high-pay and high-skill jobs at a much faster rate than we have been training people to fill them.

This is already producing serious and potentially inflationary skilled-labor shortages in many sectors of our economy, even as it leaves out the untrained underclass. Even a perfunctory review of the nation's currently record levels of help-wanted advertising shows a very strong bias toward higher-skilled jobs in both the service and the manufacturing sectors.

By using the phony low-pay jobs thesis to protect old labor-union turf, the nation's liberals are overlooking and undercutting a portentially greater new opportunity for social spending and advocacy: the case for much more education and training for the high-wage economy being created.●

BUDGET SCOREKEEPING REPORT

● Mr. CHILES. Mr. President, I hereby submit to the Senate the budget scorekeeping report for this week, prepared by the Congressional Budget Office in response to section 308(b) of the Congressional Budget Act of 1974, as amended. This report was prepared consistent with standard scorekeeping conventions. This report alao serves as the scorekeeping report for the purposes of section 311 of the Budget Act.

This report shows that current level spending is under the budget resolution by $3.9 billion in budget authority, but over in outlays by $13.3 billion.

I ask that this report be printed in the RECORD.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 30, 1987.

Hon. LAWTON CHILES,
Chairman, Committee on the Budget,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of Congressional action on the budget for fiscal year 1987. The estimated totals of budget authority, outlays, and revenues are compared to the appropriate or recommended levels contained in the most recent budget resolution, Senate Concurrent Resolution 120. This report meets the requirements for Senate scorekeeping of section 5 of Senate Concurrent Resolution 32 and is current through March 27, 1987. The report is submitted under section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended. At your request this report incorporates the CBO economic and technical estimating assumptions issued on January 2, 1987.

Since the last CBO report, Congress has sent H.R. 1505, making technical corrections to the Federal Employees Retirement System Act, to the President, changing the budget authority and outlay estimates.

With best wishes,

Sincerely,

JAMES BLUM,
(For Edward M. Gramlich,
Acting Director.)

CBO WEEKLY SCOREKEEPING REPORT FOR THE U.S. SENATE, 100TH CONGRESS, 1ST SESSION, AS OF MAR. 27, 1987

[Fiscal year 1987—In billions of dollars]

	Current level [1]	Budget resolution S. Con. Res. 120	Current level +/− resolution
Budget authority	1,089.5	1,093.4	−3.9
Outlays	1,008.3	995.0	13.3
Revenues	833.9	852.4	−18.5
Debt subject to limit	2,229.7	[2] 2,322.8	−93.1
Direct loan obligations	42.5	34.6	8.0
Guaranteed loan commitments	140.5	100.8	39.8

[1] The current level represents the estimated revenue and direct spending effects (budget authority and outlays) of all legislation that Congress has enacted in this or previous sessions or sent to the President for his approval. In addition, estimates are included of the direct spending effects for all entitlement or other programs requiring annual appropriations under current law even though the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[2] The current statutory debt limit is $2,300 billion (Public Law 99-509).

FISCAL YEAR 1987, SUPPORTING DETAIL FOR CBO WEEKLY SCOREKEEPING REPORT, U.S. SENATE, 100TH CONGRESS, 1ST SESSION, AS OF MAR. 27, 1987

[In millions of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			833,855
Permanent appropriations and trust funds	720,451	638,771	
Other appropriations	542,890	554,239	
Offsetting receipts	−185,071	−185,071	
Total enacted in previous sessions	1,078,269	1,007,938	833,855
II. Enacted this session:			
Water Quality Act of 1987 (Public Law 100–4)	−4	−4	
Emergency Supplemental for the Homeless (Public Law 100–6)	−7	−1	
Total enacted this session	−11	−5	
III. Continuing resolution authority			
IV. Conference agreements ratified by both Houses:			
Surface Transportation and Relocation Act (H.R. 2)	10,466	−80	2
Technical Corrections to FERS Act (H.R. 1505)	1	1	
Total Conference agreements	10,467	−79	2
V. Entitlement authority and other mandatory items requiring further appropriation action:			
Special milk	6	3	
Veterans compensation	173		
Readjustment benefits	9		
Federal unemployment benefits and allowances	33	33	
Advances to the unemployment trust fund [1]	(3)	(3)	
Payments to health care trust funds [1]	(224)	(224)	
Family social services	110		
Medical facilities guarantee and loan fund	5	4	
Payment to civil service retirement and disability fund [1]	(33)	(33)	
Coast Guard retired pay	3	3	
Civilian agency pay raises	358	373	
Replenishment of disaster relief funds [2]	57	50	
Total entitlements	754	467	
Total current level as of Mar. 27, 1987	1,089,479	1,008,321	833,857
1987 budget resolution (S. Con. Res. 120)	1,093,350	995,000	852,400
Amount remaining:			
Over budget resolution		13,321	

FISCAL YEAR 1987, SUPPORTING DETAIL FOR CBO WEEKLY SCOREKEEPING REPORT, U.S. SENATE, 100TH CONGRESS, 1ST SESSION, AS OF MAR. 27, 1987—Continued

[In millions of dollars]

	Budget authority	Outlays	Revenues
Under budget resolution	3,871	....	18,543

[1] Interfund transactions do not add to budget totals.
[2] Included at request of Senate Budget Committee.

Note.—Numbers may not add due to rounding.●

HONORING KEN GALBRAITH

● Mr. SIMON. Mr. President, I would like to submit for the RECORD, the eloquently written speech of John Kenneth Galbraith of Harvard University, given upon receiving the 1987 Physicians for Social Responsibility Award in Chicago, IL on March 14, 1987. Dr. Galbraith and the P.S.R. have contributed greatly to the arms control movement.

The speech, "The Military Power Political Action," addresses the problem of military build up and the nature of the military-industrial complex. Dr. Galbraith warns that it is not in the interest of our military complex to reduce tensions and work toward peace among nations. We cannot and should not rely on arms control leadership from this community. Dr. Galbraith then goes on to refute the argument that the economy would suffer if military spending was significantly reduced. He points to the desperate needs of the Nation's, housing, transportation, and educational systems, economic sectors far more productive than military spending.

I encourage my colleagues to read "The Military Power and Political Action," as it addresses an issue of great urgency in a most qualified manner.

Physicians for Social Responsibility should be applauded for honoring Ken Galbraith, whose contributions to the country are numerous. I ask that Dr. Galbraith's speech be printed in the RECORD.

The material follows:

THE MILITARY POWER AND POLITICAL ACTION

(By John Kenneth Galbraith)

You will not doubt my pleasure in the honor you are according me this evening; my vanity is only marginally under control. Or my pleasure in the opportunity you give me for reviewing the circumstances governing our progress to arms control and survival at this important moment in the history or our common effort. It is an effort, let me say with all possible emphasis, in which Physicians for Social Responsibility has had a leading and highly influential role. We would not now be talking of arms agreement had it not been for the efforts of this organization and its committed and highly effective leaders.

However, my purpose this evening is not to reflect on past and present progress but on the nature of the forces we confront and on the broad design for future action. Much has been accomplished in education as to the effect of nuclear war; less has been done in addressing the political means by which such a war may be avoided. That political effort is my concern this evening. I must begin, however, with some matters that I have emphasized before. One is the transcendent force of the military power in the nineteen-eighties. It is this and the means for dealing with it that we must have first and fully in mind.

The basic fact we must now accept: it is that the military power has become an independent force in our time, and on both sides of the superpower relationship. There is an interacting dynamic that serves the military in each of the two great powers—each takes action that produces responding action in the other country. This, one country must do because it is what the other does or intends to do. Thus each military power builds on the other, on to the eventual catastrophe. What is this power, we must first ask? What specifically are the sources of its strength?

The first source of the military power in the United States is the belief that it is subject to democratic process—to civilian democratic authority. This belief is strong in our rhetoric; it is what no fully informed citizen can now believe. The modern military establishment, in the organization it controls, the money it deploys, the captive politicians it commands, the scientific community that it subsidizes, all under a cloak of patriotism that helps shield it from attack, has become an independent force in its own right. The military services, the Defense Department civilians, the serving industries, employ 6.5 million people. They now generate around $150 billion in business to private enterprise. The civilian authority to which legally and constitutionally the military power is presumed to be subject is now its instrument. Secretaries of Defense and of the three armed services are now the most ardent advocates of the military power. No one can suppose or does suppose that they are a controlling restraint.

Leaving office more than a quarter of a century ago, if I may recur to a familiar episode in our history, President Dwight D. Eisenhower warned of the dangers of the acquisition of power, deliberately or because of neglect, by the military-industrial complex. "In the councils of governments," he said, "we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist." He could not, were he to return, think his fear unjustified.

I do not speak with equal authority of the military power in the Soviet Union. There it is official doctrine that the military establishment is fully subject to the larger authority of the socialist state. Some Soviet leaders concede otherwise in private; they agree that no great bureaucracy submits passively to external control or fails to assert its claims on society. In an interview just published in the progressive Yevgeny Yevtushenko, the premier Soviet poet, came close to my point:

"Your hard-liners explain their position by saying there are hard-liners in the Soviet Union. And our hard-liners are trying to close our openness, our democratization, because they are waving this image of American hard-liners. So they both need each other."

Given the military power and its bureaucratic dynamic, two further circumstances follow.

The first is the need of the military power, any military power, for an enemy—a plausible enemy. In the absence of such an enemy, both its public influence and its financial support are gravely at risk.

The second is its need to contend with the main threat to its own power in our time, the threat that arises from the deep public fear that modern nuclear weaponry, by its nature, arouses. In all countries, and not least here in the United States, there is a strong resistance to the idea of nuclear euthanasia. It is not a politically popular prospect. So, just as the military power must have a plausible enemy, it must also have a plausible design for countering or containing this public fear. This is what arms control negotiations in the past have served principally to accomplish.

But first the need for an enemy.

The United States in the last century and again in the years between the World Wars, as I've elsewhere noted, had no plausible military adversary. In consequence, the American military establishment had negligible power and resources. Our army in those years was on a par with that of Portugal. This situation the military power has strongly addressed in modern times. Enemies have been manifestly more available—or have been made so. China, until it was promoted to its present role as an honorary bastion of free enterprise, for a time so served. The new atomic yellow peril. North Vietnam and Cuba have also been serviceable; Nicaragua has become an arrow pointed directly at the heart of some otherwise unknown town in Texas. But overwhelmingly and durably the needed enemy has been the Soviet Union.

The Soviet Union is indispensable to the military power in the United States. Tension in our relations with the Soviets directly and overtly serves that power; any relaxation of tension is specifically damaging to the resources it commands. From this has come a further major fact of our time. That is the cultivation of tension in order to support the military power. Military appropriations were once in response to external threat. Now the reverse. External threat is in the service of military appropriations and weapons development. And, except in aberrant moments, an inferior position in weapons and weapons development must be alleged.[1]

Once again, I do not identify these grim tendencies peculiarly with the United States. The charge that we pose a grave imperialist threat to the world has in the past come regularly from the Soviet Union. In both countries we live perilously in a society where tension and hostility have come to serve military purpose and power.

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[1] Donald Fredericksen, Deputy Under Secretary of Defense for tactical warfare programs, speaking recently to a breakfast gathering of the American Defense Preparedness Association, said that in the event of a war in Europe, "I'm absolutely sure we would take over the air in a week," because U.S. missiles, warplanes and pilots are better than those of the Warsaw Pact.

One industry representative, in essence, wanted to know why the Pentagon insists on telling the truth. He asked Fredericksen if this kind of prediction didn't hinder the Pentagon's lobbying for more money.

"Yeah, I think it creates a problem," Fredericksen answered.

"Then why keep saying it?" Responded the amazed contractor.

They serve it, let us note, in a world where a basic presumption that underlies the very word "superpower" is now strongly in question. That presumption is of a relentless extension of power, a relentless imperialist ambition, on the part of the Soviet Union and the United States. The very evident reality, in contrast, is the powerful and successful desire on the part of all the countries of the world, without exception, to assert and preserve their own independence, to be free of superpower influence and control. This, over the last twenty-five years, has been the Soviet experience in China, in Egypt, Algeria and Ghana. In all these countries Soviet influence has been rejected. And also in Indonesia; in visible measure, in Eastern Europe—and in Afghanistan. The Soviets are still influential in Ethiopia, Mozambique and South Yemen; these are hardly masterpieces of socialist achievement; Marx, as I had occasion to point out in the recent forum in Moscow, would be appalled at the thought of socialism before there was capitalism.

Not less has been the thrust for independence now being encountered by the United States. This we have seen powerfully manifest in Central and South America, in Iran, elsewhere in the Middle East, and notably and sadly in Vietnam. As the power of the Soviets has been greatly in retreat, so has ours.

Nonetheless, the imagery of relentless socialist and imperialist expansion—expansionism is the word—continues. It does so because it serves the military power in both countries. The truth is kept subordinate to the need.

So I repeat once more: Our present situation is not military need in response to tension and hostility; it is tension and hostility in the service of military need. I come now to the role of arms control.

International tranquillity is not the only threat to the military power. In the age of nuclear alarm and terror there is also the threat posed by massive popular concern and reaction. As I earlier noted, there is, and not surprisingly, a strong public perference for continued personal and human existence. This has made itself evident in recent times in the United States in the nuclear freeze movement and in the pressure for a comprehensive test ban. And in the pressure for a declaration of no first use. And in the peace movement in general.

Here, as I've noted, the P.S.R. has been greatly influential. However, it must, I should add, share credit with the present administration. In the early Reagan years there was compulsive talk in Washington of strategy and tactics in nuclear war. And of prevailing in nuclear war. And of the concept of a protracted nuclear war. And there were some notably insane suggestions as to how individuals and communities might survive nuclear war. "With a thrown-down door and enough earth on top almost everyone will make it." Even on Park Avenue it was thought that there might be a scarcity of both soil and doors.

I have been sufficiently in the Soviet Union to know that the same sensitivity to the threat of nuclear war exists strongly in the Russian mind. More so I judge than in the Americian mind. Twice in this century Russia had the experience of war on its own territory. Our outlying Pacific possessions apart, we escaped. Russians, in consequence, see themselves as victims in war; we see ourselves as people who indeed escape.

Contemplating death, all people resort to psychological denial. This we do where nuclear war is concerned. We seek to turn our minds to happier prospects. This, arms negotiations in the past have allowed us to do. We have delegated our concerns to the arms control negotiators; they, it is hoped, will come up with a solution. This delegation is an extraordinary thing. We would not readily delegate power over taxes; we are rather relieved to delegate it over death.

In these days as I speak we seem to be on the threshold of some move to an arms agreement. It is partial, but it is not unimportant. Let us be sure, however, that it does not serve our psychological denial. Beyond the removal of intermediate range missiles from Europe there is much, much more to be done before we are safe. Let me be specific—or moderately so.

We must, as a first step, be fully and completely aware of how tension and hostility serve the military power. In the United States we must enlist both public opinion and democratic process in seeking to reduce that tension. Specifically, we must elect politicians who react powerfully against those who cultivate tension. We must also ask the Soviet Union for similar restraint, but I would hope as an American that we might set an example in this regard; there is no harm or weakness in that. Our public leaders have sufficiently indicated to the Soviets that they are less than approving of their economic and social system. Repetition is unneeded.

Let us now recognize and accept one of the great facts of our time: it is that the other nations of the world do not want to be ruled, or guided, by the great powers, as in courtesy they still are called. If we accept that, it will ensure that there will be no collision of American and Soviet policy in Angola, the Middle East, Ethiopia of some other unfortunate land. In independence, the people of these countries will not all be well and democratically governed, all happy and free. But it is not for us—or the Soviet Union—to intervene and take control.

Next, let us have further effective action on arms control. Let us be sure that arms control negotiations are not a charade to quiet the fear of nuclear death. Let us have specific, continuing progress and the political leadership that insists upon it.

In the past, P.S.R. has been greatly successful in picturing—making vividly real—the human consequences of nuclear war. That task, I think, has been largely accomplished. The need now is political action, a need that should not, must not, be evaded. We must deliver ourselves of politicians who align themselves with the military power and who are not sufficiently effective in its restraint. There is, I urge, nothing wrong with political action in a democracy. Or with identifying and defeating those who resist the end we seek—who are in the service of the military power.

This is a point that I would especially emphasize this evening. The peace movement in these past years has relied heavily on persuasion. This certainly has had its effect. But let us not be averse to instilling concern—concern on the part of those who ally themselves either thoughtfully or mindlessly with the Pentagon. Let it henceforth be known that without our support or with our opposition there is no chance of election. Let us not abandon love, but let us admit of the political utility of a little alarm.

A final question will be asked as to the economic effects of restraint on the military power—no economist can entirely escape his own vocation. Economic restraint on the Pentagon in an age of nuclear overkill is not a matter that should be thought to wait on arms control, important as that may be. I am not a unilateralist here; however, there is much, including much in the way of initiative in new weaponry (not excluding SDI), that awaits only our own action. Let us be unrelenting in our pressure to bring military expenditures under control. Let us be especially unrelenting as regards the politicans—the President, senators, congressmen—who are reluctant to do so. The economic effects will be strongly affirmative. The fiscal consequences in an age of heavy budget deficits are fully evident. But there are yet deeper advantages in military restraint. The two great economic success stories since World War II have been the German Federal Republic and Japan. Both have used capital and human resources in lesser measure for sterile military purpose than have the United States and Britain, more for refreshing the capital and manpower of civilian industry. This is not a theoretical judgment; the hard practical evidence, especially in the case of Japan, is for all to see.[2]

RATIO OF MILITARY SPENDING TO CIVILIAN CAPITAL FORMATION

1979:	
United States	33
United Kingdom	32
Germany	20
Japan	3.7
1987: U.S.S.R.	[1] 66
1988 (projected): United States	[1] 87

[1] Estimates.

Nor would the transition to a rational use of economic resources be traumatic; it would perhaps not even be very difficult. We have in our cities, our housing, our transportation system, our educational establishment, in provision for our health care, powerfully pressing needs. I am disturbed by the number of intelligent people who believe that the modern economy is somehow sustained by military spending and would collapse without it. There is no basis for this fear.

The United States and the Soviet Union have now lived together peacefully, if not always amicably, for almost seventy years. We can conclude, accordingly, that capitalism and socialism can coexist. But they cannot and will not coexist if they yield to the military power and to the interacting dynamic that now dominates this relationship. And in the nuclear collsion, premeditated or unpremeditated, that it assures, neither capitalism for socialism will survive.

This leads me by way of conclusion to the words of Gabriel Garcia Marquez, the Colombian Nobel Prize winner for Literature, as he spoke in Ixtapa, Mexico, at the recent conference of the six heads of state of Argentina, Mexico, India, Sweden, Tanzania and Greece—a meeting which I was privileged to attend. He said:

"The growing suspicion that Earth is the only place within the solar system to have given forth the prodigious adventure of life drives us relentlessly to a disheartening conclusion: the arms race goes against intelligence itself.

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[2] I draw attention to a recent calculation by Seymour Melman of Columbia University of the relation between capital investment and military spending in leading industrial countries, including the Soviet Union.

"And not only human intelligence, but the very intelligence of nature, whose end eludes even the clearsightedness of poetry. Three hundred and eighty million years were necessary that a butterfly should learn to fly; another 180 million years to devise a rose with no other duty than to be beautiful; and four geological eras that human beings should be able to outsing the birds and die for love. In the Golden Age of Science, it does no honor to the talents of mankind to have conceived the means by which a multi-millernarian process, so bountiful and colossal, should return to the nothingness from whence it came through the simple art of pushing a button."●

DECLINE IN VOTER PARTICIPATION

● Mr. FORD. Mr. President, last Sunday, our colleague from California, Senator CRANSTON, speaking before the Council on Foundations in Atlanta, GA, sounded an alarm about a problem that all of us in the Senate and in the Nation need to be more concerned about.

That problem is the foreboding decline in voter participation in our elections.

During the first century of our Nation, voting increased steadily to an all-time high of 82 percent at the time of our first centennial. But then a decline set in—a steady drop in voter participation since 1876.

Today, the problem has reached crisis proportions. Senator CRANSTON calls it "a clear and present danger" pointing out that more Americans don't vote than do vote and that America has the lowest voter participation rate of any democracy in the world.

How this problem came to be and what we can do about it is the subject of Senator CRANSTON's speech.

I urge my colleagues to read what the Senator from California said and ask that it appear in the RECORD.

The address follows:

SPEECH BY SENATOR ALAN CRANSTON

I thank all of you for this very special opportunity to address the issue of voter participation—an issue that goes to the very heart of our democracy, its strength, and, indeed, its survival.

I know well what you and the organizations you lead have done in recent years to increase voter participation among all segments of our society and particularly among low income and minority groups. I know how difficult and often frustrating your work has been—and how elusive sure signs of success can be. Your perseverance is an inspiration. It has created a solid foundation for new, more far-reaching efforts.

Preliminary analysis of voter turnout in the 1986 election and of efforts to raise and allocate funds for voter participation projects should be encouraging to all who had a role in the planning, funding, and implementing of those programs. Everyone who participated should feel a sense of pride in many positive results.

I am here out of deep respect for your work, and to suggest specific strategies for moving this common concern of ours to the top of our Nation's agenda. What is at stake is nothing less than the realization of American democracy through the full participation of all Americans in our electoral system.

I am not here to talk about Democrats or Republicans, or about conservatives or liberals. I am here as an American citizen—a voter myself—to explore with you the dangerous, growing phenomenon of non-participation in local, state and national politics—and hence non-participation in our government itself. This is a very serious non-partisan, bi-partisan issue, one that cries out for attention by all elements of our society.

George Bernard Shaw once said, "Democracy is a device that insures we shall be governed no better than we deserve."

For two hundred years this experiment in democracy that we call America has run according to the belief that our government will be no better and hopefully no worse than the people from whom it springs.

That means that the quality of our leaders and the direction of our country will depend on the participation of our people—all of them.

When America was just an idea, citizen participation was at the core—an idea that governments instituted among men should derive their powers from the consent of the governed.

That idea launched a revolution for human freedom, embodied in democracy.

Today we must ignite a second American revolution—an explosion of participation in our democracy that will strengthen our institutions and guarantee our freedoms, no matter what crises lie ahead.

Unless we wage and win this new revolution, we will risk losing all we hold dear. History may say of us: "They had a democracy, but they lost it. They didn't lose it to any outside power. They gave it away to a small part of their population that had a greater interest than the rest in governing."

When our Constitution was first written, when our country was first created, when democracy was brand new, voter turnout was very, very low. The first citizens had no experience in the ways and means of democracy. It took them a while to get involved—and the barriers to participation in those early days were overwhelming. The word and the law was this: "Only white male owners of property need apply."

There are few records of exactly what happened in the first elections, but I've been digging around in the Archives, and the first apparent facts are fascinating. It's estimated that only 3.5 percent of the total population voted in the 1888 elections for the House of Representatives. Would-be voters faced all sorts of difficulties. Example: In South Carolina some citizens had to travel 150 miles by horse, wagon or afoot to vote. Slowly over the decades, as the habit, the practice, the system developed, there was a steady rise in participation. It became easier to vote. There were more polling places. The franchise broadened. An increase in the number of eligible voters was accompanied by a steady rise in the percentage of those who actually voted.

Only 27 percent of the Nation's white men voted in 1824, but turn-out of that privileged group grew to a high of almost 82 percent, then a decline set in—a slow but steady erosion of voter participation that's been going on since 1876.

So in terms of the percent of people voting age who vote, the first American century was one of expansion of our democracy, while the second century has been one of contraction.

Our task is to reverse this foreboding trend: To make the looming third century of our national existence one of renewal, or renaissance, of revived and maximum meaning and involvement for our citizens.

The downward slide in participation has gotten steadily worse since 1960. It's assuming the proportions of a crisis. It poses a clear and present danger.

Today many more Americans don't vote than vote in Federal elections: The majority does not vote.

Three years ago, 80 million Americans who were eligible to vote for President stayed home. Last November only 37 percent of the people of voting age voted in Senate and House contests—so slightly more than 18 percent made the decision about how we are to be governed.

Matters are even worse in statewide and municipal elections, where typically only 20%, or 30 or sometimes 40% of eligible voters go to the polls.

Today America has the lowest participation rate of all the democracies of the world.

Why?

What's happening to our republic?

Abstention, ambivalence, apathy and indifference about the electoral process surely stem from many factors. Their cumulative effect has produced a sense of alienation from a political system that has become very impersonal.

Political reforms and technological advances have isolated individual voters from the process. Civil service put an end to the dominance of institutions like Tammany Hall and their need to turn voters to preserve their political control—and an end to the need of voters to depend on Tammany for their jobs. The appearance of the welfare state further eroded the role of political parties in the wards and precincts.

The electorate, transfixed by television, has been transformed from activists to audience by a technology that enables candidates to appeal to voters electronically. (How ironic that the first two syllables of that word are "elect"!) 'Bye 'bye to precinct workers, campaign storefronts and neighborhood political activities. The key to this new way to reach voters is money, and large contributions come from direct contact only with the wealthy few—so that's about all that's left of personal campaigning. Small contributions are garnered through skillful, massive, expensive use of the technology itself—computer mail and phone banks.

Doubt, despair and cynicism about the system must also have stemmed from the tragedy of Vietnam and the trauma of Watergate. Those twin disasters may account in good measure for the large-scale turn-off we've witnessed in recent years. We can only wonder what the effect of Irangate will now be. And whether the big business indictments and convictions, and the scandals afflicting TV salesmen of salvation and the charges and countercharges they've been hurling against each other of satanic plots, will convince still more Americans that all too many of our institutions are falling into a hopeless condition, and should be ignored.

We must not fail to note that the decline in participation that has characterized our second century coincides with the development of registration as an integral part of our electoral system.

Registration began to appear in the separate states not long after the Civil War, coinciding with mounting demands that blacks, women, and other untouchables be allowed to vote. Along with poll taxes and literacy tests, registration served, often deliberately, sometimes inadvertently, to offset what might otherwise have been a new burst of participation.

It's important that we identify all the underlying causes of this waning engagement, for only then can we apply appropriate cures. And that we must do. For surely massive under-representation of various population groups:

Sews the seeds of alienation and discontent;

Creates fertile soil for demagogues and those intent on exploiting fears and anxieties;

Denies the political system the vigor and substantive input of those who must help us build a more just society;

Produces, in essence, a non-functional democracy in which problem-solving and progress are overcome by apathy, antipathy and out-right anti-political, anti-democracy, anti-government sentiment.

Many, many Americans have fought, bled and died defending the most priceless privileges of our democracy—the right to walk into a voting booth and help decide what kind of a country we are to have. To relinquish that right is to suggest that those brave Americans died in vain. It's to say that this experiment in democracy is not worth preserving.

Millions of our fellow humans have struggled for those rights, and to billions they are still denied.

Let we who possess them resolve together to do all within our power to see that these rights and privileges are fully—and wisely—exercised.

This commitment will require aggressive, bold and sustained action by both the public and private sectors; by concerned citizens, government, business and labor, schools, civic associations, nonprofit groups. Private philanthropy has an especially exciting catalytic leadership opportunity to move the country forward in this vital endeavor.

There are three areas requiring strategic initiative.

The first area is education—

Education on democracy, citizenship and voting;

Education on the vital link between issues and voting; showing people how voting can make a difference on issues they are concerned about;

Education on the methods and techniques of increasing voter registration and voter turnout;

Education on the need for funds to execute the effort.

The second area is voter registration. We must—

Encourage government at all levels to conduct voter registration programs;

Work to remove local administrative barriers to voter registration and to stop unfair voter purging practices;

Conduct creative voter registration drives in communities and states where registration is lowest;

Concentrate resources where they will accomplish the most, through thoughtful and strategic planning. We cannot yet afford in terms of money and expertise to do what is necessary in all 50 states, or even 30 or 20. So we must choose a limited number of states where the opportunities for improvement are best and work there. Let's achieve a quantitative and qualitative impact where it will mean the most.

We must also work for new laws to advance the cause of universal registration.

I'm taking the lead on this in Congress because I believe that just about the most serious obstacle to voting lies in registration laws and, too often, their arbitrary and unfair administration.

A majority of people of voting age don't vote, but a majority of people who are registered usually do vote in presidential elections. While a majority of registered voters often do not turn out in elections for lesser offices, the evidence clearly indicates that the easier we make it for people to register, the more people *will* vote.

The avowed purpose of registration is to guard against fraud. However, the overwhelming effect of the present patchwork of registration laws is to help deny the vote to at least 60 million americans who have every right to vote—one-third of our voting age population.

A respected California pollster, Mervin Field, says there is much research evidence that many citizens don't get interested in forthcoming elections until the days or hours just before voting takes place. "It is during that terminal period of political campaigns," declares Field, "That significant portions of citizens discover that they have neglected to register for the first time, or failed to reregister after moving."

Thus existing registration procedures—the norm for registration cut-off is 30 days before an election—disenfranchise a large body of citizens who aren't indifferent, who aren't alienated, who want to vote—but who discover too late that they can't.

This runs directly counter to the politics of inclusion that we must have if we are to fulfill the promise of our democracy. The government of the United States is the only government of a major democracy that takes no affirmative actions, provides no incentives, to foster voter participation.

We must change that.

I will push soon for legislation to accomplish three goals: A, make it easier to citizens to register; B, make it easier for registered citizens to stay registered; and C, remove from the voting rolls individuals who have died or moved.

Specifically, subject to the advice and consent of all concerned as the legislative process unfolds, this is my starting agenda:

Proposal No. 1. That in elections for Federal office, registration shall close not more than seven days prior to the elections. To register, citizens would have to provide proof of residence and sign an affadavit that they are citizens who are eligible to vote in the congressional district and state.

Proposal No. 2. That citizens eligible to vote in Federal elections shall be able to register for Federal elections by mailing registration forms to local registrars.

Proposal No. 3. That the Federal Government will provide registration assistance. A universal registration form, similar or identical to the form currently used by the Department of Defense, shall be adopted. These forms shall be available in all post offices, and mailed with all tax returns. A grant system shall be created to encourage states to pursue other efforts to make it easier for individuals to register, such as door to door registration, and "motor voters"—a synchronized system for simultaneously registering and acquiring your driver's license.

Proposal No. 4. That the postal service change of address forms shall be changed to a duplicate form. The second copy shall be sent to local registrars whose responsibilities embrace the old address. The registrar will remove the individual from the old voting list unless the individual specifically indicates on the change of address form that he does not want his registration changed. The form will then be forwarded to the local registrar responsible for the individual's new address. The individual automatically will be registered at the new address for 120 days. After 120 days the individual will be sent registration forms to enable him to re-register.

Proposal No. 5. That every two years, 30 days before the election, all registered voters will be sent nonforwardable postcards confirming their registration. The names of all individuals whose postcards are returned will be put on a challenge list.

None of this is brand new. But it would move our election system dramatically forward if we could adopt all or most of these proposals.

I want to stress that as far as I'm concerned none of this is necessarily in final form. If you have suggestions of any sort—improvements, modifications, alternatives—I'm eager to know about them.

Actually, I'm tempted to offer one alternative: Election day registration rather than cut-off a week before election day. Three states now have that—Maine, Minnesota, Wisconsin—and it's working well. They are tops in turnout among all the states, with no evidence of increased fraud. Actually, one state, North Dakota, doesn't require any registration at all, and it gets along very well without it—high turnout, low (if any) cheating.

I need your help, your support for this agenda, if it's to be achieved. We need to develop a visible, strong, irresistible demand for this sort of reform.

The Senate schedule this spring calls for action on another front first: Campaign finance reform. I'm deeply involved in that, too.

We need to return to an electoral system where candidates campaign for votes, not for money * * * where the costs for running for office are not astronomical * * * where candidates don't need to spend over half their campaign time raising money to pay for television ads.

I should know. I spent more than $13 million in my re-election battle last year in what turned out to be the most expensive Senate race ever. I'm now the best financed Democratic Senate candidate in American history—but I got outspent!

I'm working with other Senators of both parties to end the campaign spending spree before it ends all in-depth discussion of issues in campaigns. We are endeavoring to establish spending limits in primary and general elections; endeavoring to institute public financing in general elections; endeavoring to restrict the role of PAC's and to offset the impact of independent campaign expenditures. I've already successfully fought off an effort to unduly handicap registration and get-out-the-vote drives.

Unless we over-haul the system soon, the costs of campaigning will escalate to the point where all we will do in campaigns is raise money and use it for television commercials. The consequence would surely be the exclusion of still more citizens from the process. There would be a major role only for those able to contribute significantly. The role for the rest would be to respond to computerized pleas for small contributions and to TV appeals for votes. If that's the extent of their campaign involvement, how many will feel like voting on election day?

By now, I suspect you may have forgotten that a while back I said that there were three particular areas requiring strategic initiatives. The first two were education and registration. The third is voter turnout.

If people who've been educated and registered don't wind up voting, the effort won't make that much difference. So we have to turn back to techniques and organizing methods that will get massive numbers of people to the polls. And we need some new approaches.

While we've allowed our political system to be overwhelmed by money, technology, and media experts, we've permitted people-oriented systems to atrophy.

It's time to call a halt. It's time to go back to the people.

It takes money to educate, train, encourage, nurture, and cajole people to build community based citizens participation programs. We must make these investments in the infrastructure of our democracy.

You've already demonstrated what you can do, what can be accomplished. A lot has been learned about how to go at the task successfully, particularly in the last two years. I urge you to do still more.

You all know, of course, that foundations can support non-partisan registration and get-out-the-vote programs that focus on citizenship or on issues. You know that corporate contributions and deductible individual contributions can be employed for these purposes—and that in many circumstances there are no limits on the size of such contributions. And no reporting requirements. And that all these types of contributions can be devoted to training people to manage voter education and participation projects.

The latter is an important new development. It became apparent in 1985 and 1986 that there was a profound need for trained and experienced organizers—and a profound lack thereof. Three institutions are now being created to meet this educational need—one in the west, one in the south, one in the east. I urge you to learn about them, to support them, and, in time, to see that their facilities are utilized and their graduates involved in appropriate organizational activities, advocacies, and causes.

I've often thought that while many issues are important, the most important of all is the crusade to prevent nuclear war—because if we blow ourselves up, no other cause will matter. In the same sense, the most important of all efforts to make our democracy work is voter education and participation—because failure or success on that front will affect failure or success on every other front. It will touch every cause, deeply.

Frankly, I'm thrilled by what is under way and by what can and will—with your help—be accomplished.

I've been active in the fight to defend charitable giving ever since I arrived in the Senate 18 years ago. Right now I am working to straighten out those ill-considered IRS regulations. I got deeply involved in voter participation nationally in 1985 and 1986. I intend to be even more involved in the days and years ahead—working with you; working with Rob Stein who's providing such super leadership at Americavotes; working with colleagues in both the Senate and House on education; on registration and campaign finance reform; on get-out-the-vote; and on fundraising.

You in the world of philanthropy can fulfill a dynamic and central leadership role in all these areas. Your involvement can and must be scrupulously non-partisan. But it also can and must be focused, strategic, and result-oriented.

Together, we can stimulate a vigorous new era of citizenship participation, one that will serve to strengthen every cause we cherish—whether it be the preservation of peace, the protection of our environment, the promotion of civil rights, more equal opportunity and justice, the perfection of education, the plight of the homeless, or whatever.

Most of all, we can help realize the American ideal of democracy and freedom that we all hold so dear.

I thank you for what you've already done in pursuit of these monumental goals.

I urge you onwards.●

A TRIBUTE TO THOMAS MUNDY PETERSON

● Mr. BRADLEY. Mr. President, today marks the anniversary of an important event in New Jersey's and the Nation's history. On March 31, 1870, Thomas Mundy Peterson, a resident of Perth Amboy, became the first black to vote in the United States—1 day after the adoption of the 15th amendment, which guaranteed the right to vote for all men, regardless of race. A special commemorative plaque will be dedicated in honor of Mr. Peterson today at School No. 1 in Perth Amboy, where he worked as a custodian.

Mr. Peterson was a respected member of the community, active in his church, and also active in local government. In 1870, Mr. Peterson was named to the committee to revise the Perth Amboy City Charter. He was also elected to serve as a delegate to several Republican conventions. In 1884, city officials presented Mr. Peterson with a gold medal signifying his distinction as the first black voter in this country. From that day on, Mr. Peterson proudly wore the medal at every public function.

The right to vote is a cherished freedom for all Americans. When he died in 1904 at the age of 80, Mr. Peterson had left an important mark on history. I ask my colleagues to join me and the citizens of Perth Amboy in honoring the memory of Mr. Peterson and his contributions to his community and to the Nation.●

MAUM MEIMAN

● Mr. SIMON. Mr. President, there has been a shift in Soviet behavior regarding human rights activities in recent weeks. Prisoners have been released, and there is talk of higher emigration levels. I welcome the Soviet Government's attempts to follow internationally accepted human rights practices, but greater steps are necessary.

The situation of Jews in the Soviet Union has not improved. Jewish activists who have been imprisoned for teaching Hebrew or applying to emigrate remain in prison. Until the Soviet Union allows Jews to practice their religion freely within the country or emigrate to practice in the West, Soviet reforms will not be complete.

Not only are those who are in prison subject to persecution by the Soviet Government. Naum Meiman and his wife, Inna, who passed away in Washington, DC, in February, have been long-time activists who were refused permission to emigrate on numerous occasions. When Inna was diagnosed to have cancer that required medical attention available in the West, the Soviets delayed issuing her an exit visa until her illness had progressed to a point where it could no longer be cured.

During this difficult period, Naum was not permitted to join his wife in the United States to offer comfort and support. He was not even allowed to attend Inna's funeral. Although Naum has little left to live for in the Soviet Union without Inna, the Soviets continue to deny him an exit visa.

This blatant human rights violation must not continue. I implore the Soviet Government to grant Naum Meiman permission to emigrate.●

U.S. COORDINATOR FOR REFUGEE AFFAIRS SPEAKS ON HUMANITARIAN PROBLEMS OF SOUTHERN AFRICAN REGION

● Mr. KENNEDY. Mr. President, the first hearing I conducted as chairman of the Subcommittee on Immigration and Refugee Affairs was on the "Refugee Crisis in Southern Africa." It was clear that major humanitarian problems were brewing in southern Africa as a result of conflict and violence, and this was confirmed by witnesses from the administration, international organizations, and private voluntary agencies.

I was pleased to see these concerns emphasized in a speech by the coordinator for Refugee Affairs, Ambassador Jonathan Moore, delivered recently at a conference of the Center for Migration Studies. Ambassador Moore's remarks contain an important assessment of some of the humanitarian challenges which the international community faces in southern Africa, and which Jonathan recently viewed first hand.

I should also note, Mr. President, that it is indeed fitting that remarks of such high caliber as Ambassador Moore's should be delivered at a luncheon honoring my distinguished colleague on the subcommittee, Senator ALAN SIMPSON for his work over the past 6 years.

Also honored was my esteemed colleague from the other body, the chairman of the Judiciary Committee, Congressman PETER RODINO. Chairman RODINO has long been known for his considerable accomplishments in the immigration field.

I commend to my colleagues the speech of Ambassador Moore, which I ask to have printed in the RECORD.

The speech follows:

ADDRESS BY AMBASSADOR JONATHAN MOORE

(U.S. Coordinator for Refugee Affairs at the 10th Annual Conference on Immigration & Refugee Policy, March 26, 1987)

I am very pleased to have been invited by the Center for Migration Studies to participate in this 10th Annual National Legal Conference on Immigration and Refugee Policy and to be with all of you here today. I am also privileged to participate in a program honoring Chairman Rodino and Senator Simpson for their exceptional leadership in immigration and refugee policy. I first admired and met Chairman Rodino several years ago when I was working at the Department of Justice, but it was not until last fall, when we were in his office fairly early one morning just prior to my first annual consultation on refugee admissions as the brand new U.S. Coordinator, and he offered me a piece of his own muffin along with my coffee, that I became directly aware of his personal concern for the displaced.

One of the most currently active and burgeoning refugee developments in the world today is in Southern Africa, and in particular, Mozambique, from which area I have just returned. I want to discuss it today, necessarily briefly, with three points in mind:

The increasingly large number of Mozambican refugees and displaced persons who are in desperate straits and need attention;

The special characteristics with regard to the perception and treatment of refugees which are peculiar to the African region, which confront us with certain opportunities and challenges; and

The important insights and lessons in this emergency which are important to understand in their own right and perhaps useful elsewhere in the world.

The refugee situation in Southern Africa is intensely complicated. It is important through our analysis to expose its complexity, examine it with care and precision, and deal with its full reality.

Senator Simpson's presence makes it particularly appropriate to discuss this subject. He welcomed me to this job with generosity and support when I needed it the most, before the Senate Foreign Relations Committee for confirmation—since which time he may have viewed his investment with a proper mixture of hope and skepticism—and he provides many of us with guidance in refugee matters characterized by thoughtfulness, tenacity, and originality. (Incidentally, just because I spent some time at Harvard, don't think I don't know what "gazoo" means. I learned that before I got there, and I also learned enough discretion, from my mother, not to tell anyone.) But earlier this month in the February Senate hearing on the refugee crisis in Southern Africa, Senator Simpson stated, first, that we may have allowed ourselves to become preoccupied with the Southeast Asia refugee flow to the extent that we have not paid proper attention to other refugee populations, and, second, that we should try to get away from an undue reliance on third country resettlement and place emphasis on the preferred durable solution of repatriation, along with providing protection and humanitarian assistance until safe repatriation is possible. These points are right on target when considering Southern Africa.

I

There are some 2.8 million refugees in Africa today, over one-third of which, about 1.1 million, are in Southern Africa. Of Mozambique's population of 14 million, nearly 1.5 million, 11%, are uprooted internally or have taken refuge in neighboring countries. Economic deprivation and civil war have driven perhaps 225,000 Mozambican refugees into South Africa, and an estimated 28,000 into Zambia, 130,000 into Malawi, 65,000 into Zimbabwe, and 5,500 into Swaziland. The prognosis is for continued outflows from Mozambique of people seeking first asylum. Whereas efforts are underway to strengthen refugee assistance programs in Malawi, Zambia, Zimbabwe, and Swaziland, the civil war continuing inside Mozambique makes it very difficult to reach large numbers of displaced persons there with food and supplies.

Two weeks ago I met with refugees from Mozambique along the southwest border in Malawi, in Dedza and Ncheu Districts, some of whom had been there for two years or more, others recent arrivals. They were not always certain which side, Renamo or Frelimo, attacked their home villages, or they weren't willing to say, but they had fled violence, family members had been hauled off or killed, and their eyes became vacant or their lips crooked ruefully when asked when they thought it would be stable and safe enough to return. They were grateful for the food being distributed by the Malawi Red Cross and the limited supplies, clothing and shelter. They said they felt the water supply would be adequate, but they badly needed salt. They personified destitution and homelessness. They appeared not quite hopeless and very humble.

In a "dislocados" village in Mozambique north of Quelimane, the capital of Zambezia, which is the most populous, productive and conflicted province of Mozambique, we saw people who had not crossed an international boundary to seek asylum but who had travelled as far as 200 kilometers from their disrupted homes to find sanctuary and aid in a rural "center" of huts and tents admidst trees and surrounded by long grasses run jointly by the Mozambican Department for the Prevention and Combat of Natural Calamities and CARE. Two of the leaders in this community of 700 told of their home village exploding in the early morning hours when the Renamo "Banditos" came through with guns indiscriminately blazing, killing some women and children, the survivors fleeing by land and by boat. A group of new arrivals were literally dressed in rags, sometimes in a single garment tied by its own shreds, diminished by travel and inadequate nutrition, exhausted physically and emotionally, hoping for transportation to Beira soon because the men were railroad workers and not farmers. They asked for soap.

The attention given to such peoples by the United States in terms of dollar and food aid is substantial, but more is needed. Over the past five years the U.S. has provided $1.3 billion in economic assistance to Southern African nations. U.S. humanitarian and development assistance in Southern Africa is estimated to be $205 million during the present fiscal year. We are currently providing over $15 million in funds to Mozambique in emergency disaster relief over a two year period. Recently AID Administrator McPherson announced a $50 million assistance package for Mozambique, including 150,000 metric tons of food grains under the Food for Peace program, and I understand that earlier this week AID committed an additional 43,000 metric tons of food grains to this effort. In response to the League of Red Cross Societies appeal at the end of last year for $2.1 million to assist Mozambican refugees in Malawi, we pledged $500,000, half of which has already been provided. At least four bills have been introduced in the Congress which would authorize humanitarian relief and development for Southern Africa, sponsored by Congressmen Dixon, Gray and Leland, and by Senators Kennedy and Weicker, which will face intense debate over new authorizations vs. reprogramming unobligated funds.

The UN Secretary General has convened a meeting of donor nations on March 31st in Geneva in an appeal of $203 million for "emergency assistance to help the Government of Mozambique . . . to give equal priority to both food and non-food . . . requirements, and in particular to the necessity of providing adequate means to ensure the distribution of food and other emergency assistance to those in need." In addition, the UN High Commissioner for Refugees has launched special appeals for financial support for programs to help care for Mozambicans who have fled to Malawi and to help the Government of Mozambique in assisting refugees who have returned to Mozambique from Malawi.

II

The regard for and treatment of refugees which is peculiar to Africa, the traditional characteristics pertaining to refugee phenomena on the continent not as typical elsewhere, need to be recognized. First, major migrations of people across national boundaries and over vast areas for various reasons occur frequently in Africa—they are not unusual. Second, resettlement of refugees in third countries is not generally favored there. Although U.S. refugee assistance to the Africa region makes up 31% of the total worldwide, the regional ceiling for admissions for resettlement in this country for the current year is 3,500 out of a worldwide allocation of 66,000, and this is a direct reflection of the limited interest African refugees have in resettlement elsewhere. Third, resettlement in place is accepted practice—local integration in the country of first asylum, settling down to live for an indefinite period of time and being allowed to do so, is much more traditional in Africa than in other regions of the world. There are currently 35 countries in Africa giving asylum to refugees coming from 17 countries; these numbers and relationships shift over time, and there is some overlap—that is, certain countries both generate and receive refugees.

Fourth, voluntary repatriation is a natural and active phenomenon in Africa. Over a dozen different repatriations there are occurring now or have recently, either spontaneously or assisted by the UNHCR or other organizations. Major examples include large numbers of refugees repatriated to Ethiopia from 1983 to the present from Somalia, Sudan, and Djibouti, even though over one million Ethiopians still remain in asylum outside of their native country and outflows are continuing simultaneously. Since mid-1985, over 40,000 Chadians have returned from the Central African Republic, and almost 130,000 Ugandans have returned from Rwanda, Sudan and Zaire. Recently an estimated 15,000 refugees repatriated from Malawi back to Mozambique. So there are ebbs as well as flows, although they are not symmetrical given the stubborn disruptions across major portions of the continent.

Fifth, and consistent with some of the other especially African characteristics being identified, the interpretation of who is a refugee for the purposes of humanitarian assistance and protection tends to be broader in Africa than in some other areas of the world. The definition of refugee given by the Organization of African Unity extends beyond the "well-founded fear of persecution" criterion to include "every person who, owning to external aggression, occupation, foreign domination or events seriously disturbing public order in either part or the whole of his country of origin or nationality, is compelled to seek refuge in another place outside his country or nationality." This is important, given the need to continue immediate assistance, care and protection for refugees in camps or settlements which can often extend indefinitely in the absence of any of the three formal durable solutions. Our own laws facilitate this definition, allowing international assistance funds from the U.S. to flow flexibly. Our Refugee Act of 1980 restricts refugees to be admitted for resettlement to the United States to people with a "well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion", but our Migration and Refugee Assistance Act of 1962 provides the authority for assistance in place without defining refugees specifically but allowing, for instance, contributions to the UNHCR for assistance to "refugees under his mandate or persons on behalf of whom he is exercising his good offices" and for "meeting unexpected urgent refugee and migration needs."

III

Finally, what are some of the key factors and lessons to be grappled with as the United States in concert with others in the international community addresses the refugee emergency in Mozambique? First, there are resource constraints, which are very serious and will remain so—so that we must turn every effort to extend them both here and abroad. Second, the politics of the region both shapes the emergency and influences its diminution. South Africa's policies of apartheid and relations with its neighbors loom over everything and everyone. The potential for a resumption of cross-border armed attacks against refugee camps remains. With the Nkomati Accords, relations between South Africa and Mozambique have stabilized somewhat. Also, previous hostility between Mozambique and Malawi has recently been substantially alleviated. In a recent letter to the UN Secretary General, President Chissano wrote: "It should be further stressed that we have recently established joint working commissions with Malawi, which country has demonstrated a firm determination to cooperate with us in countering the destabilization efforts under way so as to be able once again to use the railways and the ports of Macala and Beira and to engage in mutually advantageous bilateral and regional co-operation."

Third, there is a "tightening up" of the traditional attitudes and policies mentioned previously with regard to the generosity and welcome given to refugees in first asylum in Malawi, Zambia, Zimbabwe and Swaziland, as the numbers increase and the pressure on local resources, services and populations mount. Fourth, despite the inherent affinity for repatriation in Africa mentioned previously, there are important obstacles to early successful voluntary repatriation of significant numbers of refugees back to Mozambique, where economic and security conditions for many people remaining within the country and already returned are extremely deprived and volatile. Fifth, and perhaps above all, what we see in Mozambique demonstrates in the starkest, most powerful terms the waste and tragedy, the suffering and degradation which breeds when famine and economic backwardness combine with violent, protracted insurgencies. This is physical and psychic destruction at its most appalling, capable of strangling whole societies.

All this means, it seems to me, that our strategy must be to continue to pursue the various instruments open to us, multilaterally and bilaterally, as best we can, in the most energetic, tenacious collaboration, with the maximum resources available. The different methods can be mutually reinforcing if approached carefully. Repatriation, for instance, depends not only upon relief and assistance to refugees in place until repatriation is possible, but also upon the alleviation of root causes so that the refugees can return home to stable and viable circumstances. There is no quick or simple fix for the the tragedy and danger in Southern Africa, where our most profound values and interests compel us to exert our imagination and will over the long haul.

Thank you very much.●

FREEHOLD WELCOMES AFGHANI FREEDOM-FIGHTER

● Mr. LAUTENBERG. Mr. President, today, a courageous man from the resistance forces in Afghanistan will arrive at the Freehold Area Hospital in Freehold, NJ. His name is Rahimdad, and he will be treated at the Freehold Area Hospital for a severe hand injury he received 3 years ago while fighting valiantly against Soviet troops in Afghanistan.

Like so many brave men in Afghanistan fighting for the freedom of their country, Rahimdad's story is heartwrenching. During a fire fight with the Communist forces in the Parwan area of Afghanistan, Rahimdad was hit by shrapnel in his left hand. An Afghani doctor tried to fix Rahimdad's wound, but was unsuccessful. To receive additional treatment for his hand, Rahimdad trekked on foot to neighboring Pakistan—a journey that took some 17 days. Rahimdad made that long and tiring journey not once, but twice, always returning to Afghanistan after receiving treatment to continue fighting for freedom. Despite Rahimdad's tireless efforts, these attempts to treat his war injury have failed. Having sustained this war injury for some 3 years, Rahimdad can no longer move his left hand.

But now, thanks to the generosity of the Freehold Area Hospital in Freehold, NJ, Rahimdad will at last receive the quality medical treatment his injured hand requires. The hospital recognized the pain and anguish Rahimdad suffers from his war injury, and they offered to help. At my request, the Freehold Area Hospital generously offered to provide Rahimdad with long-awaited medical care—including surgery and followup care—and to house Rahimdad at their Convalescent Center while he recovers. Even more, the Freehold Area Hospital has offered to provide these services which Rahimdad so desperately needs free of charge.

Providing this treatment for Rahimdad is a great humanitarian gesture for the Freehold Area Hospital to make. It is a gesture Rahimdad has anxiously awaited for a long time. And it is one that may at long last succeed in restoring movement to Rahimdad's left hand.

I asked the Freehold Area Hospital to provide medical services for war injured Afghanis such as Rahimdad by encouraging the hospital to participate in an Afghan relief program organized by the Intergovernmental Commission for Migration. This organization, established in 1952 to ease the refugee problem in Eastern Europe after the war, is seeking to arrange treatment for a number of injured Afghanis in dire need of medical treatment that is not available in Pakistan. With the cooperation of hospitals like the Freehold Area Hospital, the Intergovernmental Commission for Migration has succeeded in arranging treatment for more than 260 wounded Afghanis worldwide. Fortunately, Rahimdad is among those numbers.

I commend the Freehold Area Hospital for so swiftly working to ensure that Rahimdad's hand will be properly treated. Shortly after I contacted the hospital, they set up a panel of physicians to review the medical histories of some 100 Afghani patients carefully selected for the program by a team of Afghani, Pakistani, and American doctors. The panel selected Rahimdad, basing their decision on the hospital's facilities and the nature of his wound.

Three individuals at the Freehold Area Hospital have been particularly instrumental in arranging Rahimdad's treatment. I appreciate the tireless efforts of Mr. Jack DiCerce, the chief executive officer; Mrs. Dorothy Parillo, the administrative assistant for the Emergency Department; and Dr. Rudolph Borgersen, the physician responsible for Rahimdad's care. I am honored to work with such dedicated individuals, and am glad that they have welcomed Rahimdad to Freehold, NJ, so enthusiastically. I know that Rahimdad is glad too.

Mr. President, life has been a nightmare in Afghanistan since the Soviet Union invaded that country in 1979. Some 1½ million Afghani lives have been lost since the beginning of the Soviet intervention, and another 4½ million Afghani refugees have fled to Pakistan and Iran. Those courageous individuals who remain suffer intolerable hardships—courageous individuals like Rahimdad.

The Soviet occupation has shattered Rahimdad's life. His farm and home have been bombarded and destroyed. His friends and fellow freedom fighters have died at the hands of Soviet troops. His wife and six children live in constant fear for their lives. And so Rahimdad continues to fight with the Afghani resistance forces. For freedom. For dignity. And for self-determination.

By reaching out to Rahimdad, the Freehold Area Hospital has demonstrated that they care about the plight of Rahimdad, and of all Afghanis fighting for freedom in their war-torn country. It demonstrates that they share his dream of freedom for Afghanistan. I hope that dream will soon be realized.●

AUTHORIZING THE ENROLLING CLERK TO MAKE CORRECTION IN THE ENGROSSMENT OF S. 829

Mr. BYRD. Madam President, I ask unanimous consent that in the engrossment of S. 829, the enrolling clerk be authorized to change 1986 to 1988 on page 2 at line 11.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR STAR PRINT—S. 767

Mr. BYRD. Madam President, I ask unanimous consent that there be a star print of S. 767, and I send the corrected text to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR STAR PRINT—S. 826

Mr. BYRD. Madam President, at Mr. DASCHLE's request, I ask unanimous consent that there be a star print of S. 826, and I send the corrected copy to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to Senate Resolution 222, 93d Congress, appoints the following Senators to serve as ex officio members of the Committee on Commerce, Science, and Transportation for the purpose of participating in the National Ocean Policy Study: the Senator from Mississippi [Mr. COCHRAN], the Senator from Maine [Mr. COHEN], and the Senator from Washington [Mr. EVANS].

ORDERS FOR WEDNESDAY

Mr. BYRD. Madam President, I have been discussing a request with the distinguished Republican leader. I believe we are in agreement.

I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9 a.m.; provided further, that following the prayer, the standing orders for the two leaders be waived; and that the time between the hours of 9 and 11 o'clock a.m. be equally divided and under the control of the two leaders or their designees; provided further, that at the hour of 11 o'clock a.m. tomorrow, the Senate vote on the override of the President's veto; that no quorum call be in order prior thereto; and that no other motions to proceed to any other matter be in order during the pendency of the veto message.

May I ask the distinguished Republican leader if I have left out anything?

The PRESIDING OFFICER. The distinguished Republican leader.

Mr. DOLE. Madam President, I would just make an inquiry. As I understand, you can waive the right to a quorum call in this instance by unanimous consent without any constitutional prohibition. Is that correct?

The PRESIDING OFFICER. The Republican leader is correct.

Mr. DOLE. I do not have any problem with that because we are trying to accommodate Members on each side. I know there are pressures on each side. I think the agreement is correct. I have no objection to it.

Mr. BYRD. Madam President, I want to be sure that immediately following the prayer the Senate will resume its consideration of the President's veto message.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. That completes my request.

The PRESIDING OFFICER. Without objection, the request is granted.

The text of the agreement follows:

Ordered, That on Wednesday, April 1 1987, following the prayer, the Senate proceed to the consideration of the President's veto message on H.R. 2, the Surface Transportation and Uniform Relocation Assistance Act of 1987, with the time between 9 a.m. and 11 a.m. to be equally divided and controlled by the Senator from New York [Mr. MOYNIHAN] and the Senator from Vermont [Mr. STAFFORD], or their designees.

Ordered further, That at the hour of 11 a.m. the Senate proceed to vote on the question, "Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?"

Ordered further, That no quorum call be in order prior to the vote.

Ordered further, That no motion to proceed to any other matter be in order during the pendency of the veto message.

Mr. BYRD. Madam President, I thank the distinguished Republican leader and I thank all Senators. Many have waited until this hour with the expectancy that there might be a rollcall vote. But that matter has been resolved now and the Senate will soon go out unless another Senator wishes to speak.

CONTROL OF TIME TOMORROW

Mr. BYRD. Madam President, I designate the time under my control on this side to Mr. MOYNIHAN.

Mr. DOLE. Madam President, if the majority leader will yield, I designate the distinguished Senator from Vermont [Mr. STAFFORD] to be in charge of the time on this side.

RECESS UNTIL TOMORROW AT 9 A.M.

Mr. BYRD. Madam President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 9 a.m. tomorrow.

The motion was agreed to and the Senate, at 6:42 p.m., recessed until Wednesday, April 1, 1987, at 9 a.m.

EXTENSIONS OF REMARKS

INSURER INSOLVENCIES AFFECT STATE GUARANTY FUNDS

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. FLORIO. Mr. Speaker, the liability insurance crisis has produced many troubling consequences, including a rising number of insurance company insolvencies. The recent insolvency of Mission Insurance Co. may be the largest such insolvency.

States set up guaranty funds as safety nets for claimants in the event of an insolvency. Unfortunately, the increasing numbers of insolvencies and the increasingly large size of the insolvent companies may strain the resources of these guaranty funds. Continuing an inquiry begun in the last Congress, the Subcommittee on Commerce, Consumer Protection and Competitiveness is looking into this important subject. The following article from the Wall Street Journal provides background on the potential impact of current insolvencies:

INSURER FAILURES RAISE DEMANDS ON STATE FUNDS

(By Karen Slater)

When an insurance company fails, policyholders in most states can fall back on state-supervised, industry-supported guarantee funds to pay their outstanding claims. But in the future, some of them may have to wait a little longer for their money.

Numerous failures of property-casualty insurance companies in recent years have put heavy demands on the state funds guaranteeing such coverage. Now the pressure is growing because of decision by California regulators to seek liquidation of Mission Insurance Co., a large and long troubled Los Angeles-based insurer. A formal liquidation order is expected to be issued at a court hearing today.

GOING TO BE A STRAIN

"Mission is going to be a strain, I think," says Illinois Director of Insurance John E. Washburn, who is vice president of the National Association of Insurance Commissioners. "It's not just Mission. It's: What if Mission hits hard in a state that already has a few big problems it is dealing with?"

Typically, individual and corporate policyholders of a failed company must wait from a few months to two years for claims payments from the funds, says John R. Gorecki, a divisional secretary at Travelers Corp. and chairman of the insurance industry's National Committee on Insurance Guaranty Funds. But now, for some policyholders in some states, he says, "that period of time may be extended" to as much as four years.

The full cost of the expected Mission liquidation and its impact on the individual funds may not be known for months. Payment delays are possible because of the way funds get their money: Almost all wait until a company is ordered liquidated before they assess insurers in their state. And that annual levy is limited usually to 1% to 2% of an insurer's premiums.

THREE OUT OF FOUR

The Florida Insurance Guaranty Association, for example, is already making its maximum 1% assessment in three of four lines of property-casualty business. But despite the added burden expected because of Mission, Gerald Wester, the state's deputy insurance commissioner, says he is confident that all Florida claimants will receive prompt and full payment.

Many of the expected claims in the Mission case are for disability payments under worker compensation policies, he says; these would be paid in installments over the claimants' lives, not all at once. If necessary, the fund could borrow from one of its accounts to another or from outside—effectively drawing on future assessments to pay current bills. Mission "will put a strain on our guarantee fund," Mr. Wester says, "but it's not something we can't handle."

But the many property-casualty failures of the past few years—primarily the result of a long price war in business insurance in the early 1980s—are also raising other questions about the guarantee-fund system. (A separate network of state funds covers life and health insurance.)

PURE HELL

Some property-casualty policyholders, particularly large corporations that operate nationwide, find that differing, sometimes-conflicting state rules make collecting on claims difficult. "It's usually pure hell for a multistate policyholder," says Jon Harkavy, general counsel at the Risk and Insurance Management Society, a business association.

Some insurance executives, such as Jean C. Hiestand, general counsel of personal-insurance giant State Farm Insurance Cos., reply that the funds shouldn't cover sophisticated corporate policyholders at all. Indeed, when the funds were started in the late 1960s and early 1970s, the impetus was failures of smaller companies primarily writing personal automobile insurance.

Meanwhile, some insurance executives worry that higher guarantee-fund assessments will have a domino effect, worsening conditions at other insurers already near the brink. Many insurers, though, will simply pass the cost along to the public through special state tax credits they can receive or through higher insurance premiums.

In Washington, a House subcommittee headed by Rep. James J. Florio is seeking information on Mission as part of its continuing investigation of the guarantee funds and other insurance issues. The New Jersey Democrat says suggestions the committee has received so far include establishment of a single federal guarantee fund and a new federal court to consolidate the handling of failed insurers.

1987 YOUNG WRITER'S CONTEST WINNER: JANE KULBIDA

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. LIPINSKI. Mr. Speaker, I am pleased to bring to your attention, and to that of my colleagues here in this great body assembled, the accomplishment of 105 first through eighth graders across America, who were recently announced as winners of the 1986–87 Young Writer's Contest. Their original stories, poems, and essays will be published in the 1987 Rainbow Collection: "Stories and Poetry by Young People." Sponsored by Ronald McDonald's Children's Charities, it is the anthology of winning entries from this year's competition. I am especially proud of the fact that 13 of these winners were children from Illinois, and that 3 of these Illinois winners are residents of the Fifth District which I represent. Jane Kulbida, one of Ms. Geraldine Banks' eighth graders at the John Kinzie School in Chicago, chose to write a poem entitled "The Real Americans." It is a poem about the American Indian tribes and the many problems and stresses their cultures have endured. Jane, it is encouraging to see your empathy for the problems the Indian tribes faced and the hope for the future which you expressed in your poem. I am sure that my colleagues join me in congratulating you on your award and wishing you, as you wished the Indians, "a bright day" ahead.

UNITED STATES AND RUSSIA SHOULD PULL TOGETHER ON SDI

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. DARDEN. Mr. Speaker, my support for the Strategic Defense Initiative is well known; a space-based, nonnuclear shield against Soviet warheads is vastly preferable to the retention of mutually assured destruction, or MAD, as our primary strategy in dealing with the Soviet Union.

The Soviets, of course, still contend that SDI will provide the United States with an unfair strategic advantage, opening the way for a first strike against them by our missiles.

President Reagan has offered to give the Soviets our SDI technology once it is developed, but that idea has obvious flaws. However, our former colleague, Elliott Levitas, suggests an intriguing variation on that idea—a cooperative United States-Soviet SDI program, in which both nations would work toward building a shield to defend each from the other.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

I would like to offer Congressman Levitas' proposal—as he outlined it in last Sunday's Atlanta Journal-Constitution—and urge my colleagues to carefully consider its positive implications for our efforts toward world peace.

UNITED STATES, RUSSIA SHOULD PULL TOGETHER ON SDI

(By Elliot Levitas)

In ancient times, Gordius, king of Phrygia, tied a knot in a chariot thong and proclaimed that the conqueror of Asia alone could untie that knot. Many tried and failed. According to legend, in 333 B.C., when Alexander the Great confronted the Gordian knot, he drew his sword and cut it through. He went on to conquer Asia.

Substantial reductions of nuclear weapons and the avoidance of nuclear war remain the No. 1 concern for the inhabitants of this planet.

The likely negotiation of an intermediate range nuclear missile treaty in the next few months still leaves the awesome threat of long-range strategic nuclear missile capabilities both by the United States and the Soviet Union.

It is widely believed that the United States' development and deployment of the space-based Strategic Defense Initiative (SDI) is the last major obstacle preventing the Soviet Union from negotiating a strategic nuclear arms reduction treaty.

The time has come when a sound but dramatic proposal by the United States—similar to the recent boldness shown by General Secretary Mikhail Gorbachev in arms control issues—can cut this SDI Gordian knot.

What is this bold and dramatic, yet practical, proposal? It is nothing less than cooperative development of SDI by the United States and the Soviet Union—or CO-DEV.

President Reagan should propose now that the Soviet Union and the United States jointly develop a strategic defense capability that could defend against an intercontinental ballistic missile (ICBM) nuclear attack. Our financial and scientific resources would be pooled and we would work together in searching for ways to achieve SDI feasibility.

This proposal would immediately gain support for the United States in Western Europe and the rest of the world as a major step toward strategic nuclear arms reduction and stability in superpower relationships. It would build on the mutual Confidence Building Mechanisms recently negotiated in Stockholm. And it would give the Soviet Union a sense of security in knowing that the United States would not unilaterally gain an upper hand.

Developing a defense against strategic nuclear attack is far better than having the nuclear security of the world continue to be based on the superpowers' fear of mutually assured destruction (MAD) from a first strike. But the United States unilateral development of SDI has caused the Soviets to fear that it will undermine the stability, albeit precarious, that MAD has provided. As the Soviets see it, a U.S. advantage in strategic defense would make it possible for the United States to launch a first strike at the Soviet Union and still be secure in knowing that any retaliatory strike by the Soviet Union could be stopped or significantly thwarted.

To deal with this Soviet fear, Reagan had said repeatedly that we will give the Soviets our SDI technology once we develop it. The idea of such generosity, understandably, is not believed by the Soviets and is scorned as ridiculous by many American defense experts. After we have spend hundreds of billions of dollars developing the most secret and sensitive technology, it is unlikely that we would give it away to our main adversary.

But co-development of SDI would assure American taxpayers that we would not be giving away their money or security to our adversary. Our Soviet co-developers would be putting their own money and their own scientific expertise into the joint development project from the outset.

We would not have to fear a Soviet advantage either in defensive (SDI) or offensive (ICBM) development given that we would know what they were doing. CO-DEV is the best type of verification.

CO-DEV would put an end to the administration's foolish attempt to abrogate the Anti-ballistic Missile Treaty in order to move unilaterally on SDI. CO-DEV would stop the administration's headlong, dangerous rush to early SDI deployment and the associated chaos we are seeing in the research efforts by the scientific community.

Finally, CO-DEV would smoke the Soviets out. If SDI, as proposed by the Reagan administration, is in fact the last major stumbling block to a significant strategic arms reduction agreement, then this proposal would remove that obstacle or it would show the world that the Soviet Union is really not interested in a strategic arms reduction.

The time to make this proposal is now. The intermediate range arms policies of the Carter and Reagan administrations have finally paid off. The two-track approach of these administrations—negotiate elimination of Soviet SS-20 missiles or deploy our own intermediate range missiles (INF)—has been successful.

Although the Soviets broke off the Geneva INF talks and threatened that they would not return to negotiate until our cruise missiles and Pershing 2's were withdrawn, the firmness of the Reagan administration—and the steadfastness of our NATO allies in going forward with INF deployment—changed the Soviets' minds. The Soviets have returned to the bargaining table and have offered an INF agreement based upon the zero-zero option approach that the United States offered at Geneva before the Soviet walkout.

We must now build upon this success by offering a bold initiative to bring about a strategic arms reduction. That bold, dramatic and new alternative is strategic defense co-development.

If Reagan is sincere about seeking a major strategic arms reduction treaty, about developing a strategic defense capability to make the world a safer place in the nuclear age, and about sharing our strategic defense developments with the Soviet Union, then strategic defense co-development provides the opportunity to achieve all of these goals. It will make an honest man of Ronald Reagan while it smokes out the Russians on strategic arms reduction. All this—and the world can be made a safer place for all of us and future generations.

ELDER-TOT CENTERS

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. DORNAN of California. Mr. Speaker, the problem of providing adequate supervision to children of working parents, better known as latchkey kids, is a serious one in many communities across the Nation. And the fact that there are more and more households with both parents working illustrates just how important it is that we make an effort to provide proper supervision for these latchkey kids.

To fill this void, an innovative and worthwhile program called Elder-Tot Centers has been developed by Mr. Raymond P. DiSalvo of Newport Beach, CA. Elder-Tot Centers, Inc. is a nonprofit public benefit corporation established to bring together senior citizens and unsupervised children in a way beneficial to the community. The centers are staffed by volunteer senior citizens and provide a stop off for latchkey children after school. Mr. DiSalvo's corporation offers his services freely and will aid any community in program development.

Mr. Speaker, these Elder-Tot Centers have an effect on the community that goes far beyond what they do for latchkey kids. They involve churches, synagogues, corporations, and senior citizens. They involve the schools, corporations, and parents. In other words, Elder-Tot Centers involve the whole community working for one goal: A better environment for our children. And after all, isn't the future of any community its children?

In closing, Mr. Speaker, I would just like to say that Elder-Tot Centers represent a new and exciting approach to the latchkey kid problem; a solution that relies on the community rather than the Federal Government. It is well worth supporting and I urge my colleagues to do what they can to help spread this idea.

GOING FOR THE GOLD

HON. HAL DAUB

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. DAUB. Mr. Speaker, I rise today to share with my colleagues the outstanding achievements of five young women from Nebraska's Second Congressional District—each of whom decided to go for the "Gold" and got it.

The "Gold" to which I refer is the Girl Scout Gold Award, the highest achievement that a Girl Scout can attain. This award represents the culmination of all the knowledge, skills, experiences, and maturing that is gained through years of Girl Scouting. What is unique about the Gold Award is its emphasis on the individual: her interests, her goals, her commitment.

Once a year on the third Sunday in May, the Great Plains Girl Scout Council of Omaha, NE, honors all the Gold Award recipients. Thus, on Sunday, May 17, 1987, Tobi Richardson, Sarah Fitzsimmons, and Kris McCoy of Omaha, NE, and Amy Johnson and Karol Persinger of Bellevue, NE, will be formally honored for reaching the hallmark of their Girl Scout careers.

Much leadership, service, and hard work had to be done in order to master the ideals of the Gold Award. The efforts of these five bring to mind a passage from a poem by Robert Frost. He wrote:

I shall be telling this with a sigh,
 somewhere ages and ages hence
Two roads diverged in a wood, and I
 took the one less traveled by,
And that has made all the difference.

The road less traveled. It is always the more difficult one, but as they travel it, I am sure these Girl Scouts will find that the only barriers along the way are those that they set themselves—in their own minds.

Long after these young ladies put their award in a scrapbook or a drawer of old treasures, they will continue to wear it—no longer pinned on a uniform—but inside, in their outlook on life, in their willingness to take on a new challenge, in their dedication to their families, their religion, and to the Nation.

THE FAIR TRADE WAGE ACT

HON. TOMMY F. ROBINSON

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. ROBINSON. Mr. Speaker, today I have reintroduced a bill that addresses the most important aspect of the trade crisis—the loss of American jobs. My bill confronts our international trade crisis from the American worker's point of view. Its message is simple: Fair trade begins at home. Its method is straightforward: Remove any incentive for U.S. companies to abandon U.S. workers through cheap foreign labor and tax breaks.

A section-by-section analysis of the Fair Trade Wage Act follows:

SECTION-BY-SECTION ANALYSIS: THE FAIR TRADE WAGE ACT

Section 1 establishes the legislation's short title as the The Fair Trade Wage Act. This recognizes that fair trade begins in the factory—that companies seeking access to the U.S. marketplace for their exports, must also be prepared to honor our national commitment to a fair living wage.

Section 2 declares it to be the findings of Congress that our national dedication to the statutory minimum wage, and to earnings levels which allow American workers to share equitably in the national wealth, are being undermined by U.S. companies which locate plants in the extremely low-wage countries to make goods destined for the American marketplace. Congress also finds that existing U.S. trade laws are not equipped to stem the jobs outflow, and that American workers whose jobs are exported abroad, are entitled to Federal training and re-location assistance at the expense of the job-exporting companies themselves.

Title I makes Federal statutory minimum wage laws applicable extraterritorially. In other words, all U.S.-owned or controlled firms operating outside the United States must still pay at least the U.S. statutory minimum wage to those workers who would be covered by the minimum wage laws if they worked in the United States. Violators would be denied the right to import any products they manufactured abroad, into the United States for so long as the violation continues.

The goal: to shut the door to the U.S. marketplace to U.S. companies unwilling to honor this country's commitment to a decent minimum wage.

Title II requires U.S.-owned or controlled firms which pay less than the prevailing U.S. hourly earnings rate to foreign workers making products destined for U.S. markets, to pay the difference into a fund which will be used to assist Americans whose jobs have been exported abroad. The purpose of this title is to remove any advantage to a U.S. company of "chasing" low-wage rates in foreign countries at the expense of American jobs.

Title II establishes an "earnings parity fee" equalling the difference between what a company subject to the Act pays its foreign workers to produce a U.S.-destined product, and the prevailing U.S. earnings rate for an American worker at a similar job in the same industry. It establishes the formula for calculating the fee, so as to require the importer to pay an additional duty which completely offsets any labor-cost advantage the manufacturer otherwise would have gained by making the product offshore.

Title II uses the term "U.S. foreign enterprise" to define companies which are subject to the trade provisions of the Act. A "U.S. Foreign Enterprise" is any company formed or operating outside the United States which is effectively owned or controlled by U.S. person.

Title II also defines the terms "foreign average hourly earnings," "U.S. average hourly earnings," "production and related workers" and "actual foreign labor cost," as they are to be used in calculating the earnings parity fee.

Finally, Title II instructs the U.S Customs Service to require in certified form, the information necessary to calculate the earnings parity fee, from the U.S. foreign enterprise as a condition to the product entering the United States. It also provides that should the company be unable or unwiling to certify what it pays its foreign workers, then country and industry-specific foreign earnings data compiled by the U.S. Labor Department will be used instead.

The goal: to eliminate any incentive for U.S. companies to abandon the American worker for cheap foreign labor.

Title III establishes a "Trade Adjustment Assistance Fund" to provide assistance to American workers whose jobs have been exported abroad.

Title III establishes the Fund within the U.S. Treasury Department. It instructs the Secretary of Labor to place in the Fund, those amounts collected by the Government through the earnings parity fee. It requires the Secretary to report annually to Congress on the condition of the Fund, and to prudently invest monies in the Fund not required for current use.

Title III authorizes monies from the Fund to be used for two purposes. The first is to provide re-location and trade-adjustment assistance to the American workers whose jobs have been exported abroad. The second is to provide low-cost, short-term export financing to American small businesses, which have great difficulty finding financing now.

The goal: to make U.S. job exporters pay the costs of the damage and disruption they cause, and help restore our own competitiveness in the world marketplace.

Title IV amends the Internal Revenue Code to remove provisions which encourage U.S. firms to dismantle production capacity at home and re-locate abroad.

Title IV applies to "substitute facilities," defined as any property which is constructed or acquired by a U.S. taxpayer outside the U.S., for the purpose of producing substantially the same goods as were once produced by the taxpayer in the U.S., but whose production was ended or curtailed within the last five years, resulting in job loss to one or more American workers.

Title IV would discourage "substitute facilities" in three ways:

First, it would deny taxpayers the right to take any U.S. Federal tax deductions whatsoever for depreciation on substitute facilities. This will have the effect of making it much more expensive for a U.S. taxpayer to re-locate abroad rather than modernizing or expanding at home.

Second, Title IV provides that substitute facilities would in most cases acquire the "basis" (the adjusted cost factor which profits upon sale are calculated) of the old U.S. property. This will have the effect of making it much more expensive for a U.S. taxpayer to dispose of its substitute facilities, than it would be were the facilities within the United States.

Finally, Title IV would deny the "foreign tax credit" for substitute facilities. In other words, any taxes paid to a foreign government based on income derived from a substitute facility, would not be eligible to be credited against the taxpayer's U.S. tax obligation, as most foreign taxes are. This will have the effect of taxing away a greater share of profits earned from a substitute facility, than had those profits been earned making the product at home.

The goal: to change the nation's tax laws so American workers, as taxpayers, won't have to subsidize the export of America's productive capacity—and jobs—anymore.

TRIBUTE TO GENE MORRONE AND ANTHONY F. BELLUCCI

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. MRAZEK. Mr. Speaker, on March 20, the Cellini Lodge No. 2206 of the Order Sons of Italy in America, located in New Hyde Park, Long Island, honored two past presidents for their exemplary service to the order. During their tenure, these leaders were credited with maintaining a high level of membership, fiscal stability and an enthusiastic fraternal spirit at Cellini Lodge No. 2206.

The honorees, saluted at the lodge's 19th annual scholarship dinner dance, were Gene Morrone and Anthony F. Bellucci. I call to the attention of my colleagues today their exemplary records of service to the Cellini Lodge.

Gene Morrone presided over the Cellini Lodge from 1981–83. Born in 1928 in Celico, Italy, he came to this country with his family in 1937 to begin a new life. His father established a shoemaking business in the Bronx. After an education in New York public schools, he began a career in the making of lighting fixtures from antiques. His work was interrupted, however, by a stint in the U.S. Air Force, and he served in Korea.

Upon returning to New York, Gene Morrone began work as a journeyman electrician. He was hired in 1983 by the City of New York as an electrical inspector for the department of general services, and soon decided to establish his own electrical contracting company. He married the former Sandy Battisti on Nov. 16, 1957, and the couple has four children.

Anthony F. Bellucci served as lodge president from 1983-85. The son of Frank A. Bellucci, an immigrant who rose to the presidency of the Queens County Bar Association, he followed his father's footsteps into the practice of law after receiving a degree from St. John's University's School of Law. He served in the U.S. Army, and he and his wife Carole have two children.

In addition to his lodge activities, Anthony F. Bellucci also has served as a member of the Queens County Bar Association, the Lions Club, the Knights of Columbus, the Queens County Advisory Board of the Salvation Army and the board of directors of the Italian Charities of America, Inc.

While I have supplied my colleagues with only a brief overview of the accomplishments of these two gentlemen, I'm sure that you will join with me in congratulating each of them on their fine records of service to the community and the Cellini Lodge.

THE PRESIDENT AND THE PONY

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. STARK. Mr. Speaker, whenever we talk about the Reagan deficits, the President's supporters say it's unfair to blame them on the President. And the President continues to talk about the Democrats always pursuing "the old tax-and-spend approach."

Now, Mr. Speaker, I dislike taxes as much as the next person. Taxing just so we can spend more of the taxpayer's money is not a policy I pursue. But to pretend that the Federal budget is made up of mostly wasteful expenditures that nobody supports is to ignore common sense and the record of the Reagan years.

The current obscene military expenditures have the strong support of this administration and, to my dismay, the majority of the Members of this Congress. In a democracy, one might conclude that the majority of those in this country who vote also support this high military spending.

To pretend that we will drastically curb domestic spending also ignores recent history. Does anyone seriously contend that a majority of the Congress—and the voters—wants Social Security and Medicare to be cut? Once we eliminate defense, Social Security, Medicare and interest on the debt, there's precious little left to cut.

Except taxes and that's what got us into this deficit mess. The President's program is to spend, spend, spend and borrow, borrow, borrow.

Chapter 12 in David Stockman's book "The Triumph of Policics," brings all of this into focus. The President labors under two illusions that he cannot shake. He seems to believe that we can make additional meaningful cuts in Federal spending without triggering a political upheaval. At the same time he seems to believe that the tax cuts will, by stimulating increased economic activity, bring in sufficient new revenues to pay for his uncontrolled military spending.

Mr. Speaker, a lot of people want very much to believe the President. But they're smart enough, I believe, when presented with the economic facts of life, to see through the illusions we've been guided by for too long. A close reading of the opening pages of David Stockman's chapter 12, "The President and the Pony," should open the eyes of a lot of people who for too long have been willing to, "Leave it to Ronnie."

The pertinent section of Mr. Stockman's book follows:

THE PRESIDENT AND THE PONY

It was January 1983, and Jim Baker and I were in the third-floor residence of the White House, briefing the President.

"You're telling me this trigger tax is actually going to happen, aren't you?" The President sounded crushed.

"Yes," I answered, "I don't see how it can be avoided."

"Oh darn, oh darn. It just can't be. I never thought it would come to this." Slowly he took out his pen and scratched "RR" on the paper I had brought to him. His 1984 budget was thus approved, calling for a tax increase of $50 billion per year, on top of the large tax increase he had approved just a few months earlier. I had never seen him look so utterly dejected.

Ordinarily, Ronald Reagan was an incorrigible optimist. One of his favorite stories was the one about the two boys getting their Christmas presents. The first boy was a pessimist, the second an optimist. The pessimist gets a roomful of toys. He's miserable, because he's sure there's some catch involved. The optimist gets a roomful of house manure. He's delighted. He digs around in the room for hours on end. With all that horse manure, he figured there just had to be a pony in there somewhere!

Well, I had just unloaded several tons of horse manure into the Cabinet Room, and it appeared that Ronald Reagan had finally given up looking for the pony. God knows he had tried. But now even he understood that major tax inceases were needed to restore the Treasury's depleted coffers. Over the previous two months I had given him evidence upon evidence that if we didn't impose this trigger tax, the already frightening deficit would soar to $227 billion by 1986. As it stood now, we would accumulate $1.4 trillion in red ink over five years.

Yet up to now he had stoutly resisted any further tax increase, no matter what the evidence. In his mind, the three-year $100 billion tax increase (TEFRA) that Bob Dole and the College of Cardinals had insisted upon the summer before would be the absolute limit of his retreat. He had accepted that only with great reluctance, as a quid pro quo for additional congressional spending cuts. In fact, he had managed to convince himself that it wasn't really a tax increase at all.

"This bill only collects taxes we are owed already," he told the group of dubious House Republicans in the Cabinet Room. "It won't raise taxes on the legitimate taxpayer at all."

That was true only if you considered people who bought cigarettes and owned a telephone "illegitimate" taxpayers; they and millions of others were the ones who would now be paying more taxes. In order to get him to go along with it, we had gussied up Bob Dole's tax increase bill so that it seemed like some bench warrant issued at midnight to permit a raid on America's criminal underground.

But even that had not been enough. Over 1982, as the economy plunged deeper into recession and inflation continued to collapse, Rosy Scenario looked less and less rosy. The structural deficit turned out not to be $150 billion, as we had thought during the November 1981 debate, but nearly double that. By the end of 1982, the fiscal situation was an utter, mind-numbing catastrophe.

To convince the President it really was as bad as I was saying, I invented a multiple-choice budget quiz. The regular budget briefings weren't doing the job. I thought this might be the way.

The quiz divided the entire budget up into about fifty spending components and gave him three spending-cut choices on each, ranging from a nick to a heavy whack. Next to each choice was a description of what the impact of the cut would be (how many people would be thrown out into the snow), and of its political prospects (e.g., "previously defeated 27-2 in committee").

One typical example of a heavy whack showed that he could save $1.3 billion by eliminating the tourism bureau, dropping 2.5 million households from the heating assistance aid program, cutting child welfare grants by 35 percent, and eliminating the senior employment program and the minority business program entirely. By contrast, if he merely nicked this set of programs, he would save only $47 million.

The President took the quiz in November 1982. During several long sessions in the Cabinet Room we had gone through all fifty budget components. The quiz allowed him systematically to look at the whole $900 billion budget, to see it brick-by-brick. It also allowed him to get his hands dirty, maybe even bloody, with the practical chore of nitty-gritty cutting. Once the President went through it, he would understand that the budget was not a matter of too many bureaucrats and filing cabinets, but a politically explosive, vast, complex network of subsidies, grants, and entitlements. He would see that to cut COLAs by $14 billion meant taking $1,263 dollars a year out of the pockets of 36 million Social Security recipients and several more military and civilian retirees.

The President enjoyed the quiz immensely. He sat there day after day with his pencil. He listened to his senior staff and the economic team discuss the relevant policy and political ramifications, then announced his choice and marked the appropriate box.

And rarely chose to make a whack. They were mostly nicks. "Yes," he would say, "we can't go that far." Or, "No, we better go for the moderate option or there will be a drumbeat from the opposition."

The last session was on a Friday afternoon. I could tell the President was delighted about having endured the ordeal. It has occasioned a number of anecdotes about the federal monster and he had happily dispensed them to the group assembled at the cabinet table.

When we told him what his grade was early the next week, he was not so pleased. He had flunked the exam. After making all his cuts, the five-year deficit remained at a staggering $800 billion.

I went into the meeting in which I would present the President with his grade, thinking, "Well, the moment of truth has finally come." But not yet. I still did not understand how determined the President was to find his pony.

I made sure that his report card highlighted all the positive aspects of the cuts he had made, but it also showed the negative ones, too. Such as the fact that the remaining deficits meant the government would need to borrow over half of the nation's net private savings over the next four years. Such as the fact that under his budget, the total national debt would reach two trillion dollars by 1988.

When the discussion turned to taxes, his fist came down squarely on the table.

"I don't want to hear any more talk about taxes," he insisted. "The problem is deficit spending!"

It is difficult politely to correct the President of the United States when he has blatantly contradicted himself. The $800 billion worth of deficits were the result of the spending he didn't want to cut.

But now came two new ideas. "It's time we got something out to the people," said the President, "and that is to show them we didn't cause deficits. Now, what would they have been under the policies before we got here?

"And we should also show them where the deficits would be if Congress had given us all the cuts we asked for."

I cautioned that neither approach would make the huge deficit numbers in front of us go away. Moreover, that what the President was suggesting might not prove as exculpatory as he thought.

But now Meese began chanting the California mantra. "That's just the point," he echoed. "We inherited this mess. Bad as it is, we need to get out how much worse it would be under the old tax-and-spend approach of Carter."

Soon a Saturday radio speech was being cooked up along the lines of, If "we" flunked the test, "they" would have flunked it worse. I was instructed to make the numbers prove all this.

Well, you couldn't. No known method of accounting could. The numbers simply would not prove either point. A few days later I sent the President a memo saying, "I would recommend you not pursue these points in the Saturday speech."

My memo pointed out by 1986 the deficit would still be $150 billion, even if Congress had enacted every cut in our original budget. It would have actually been $200 billion save for the magic asterisk. And, in truth, we had never "actually proposed this due to the deadlock over Social Security."

As for the mess we'd inherited from Jimmy Carter, well, oops! Under his policies, the deficit by 1986 would only have been $80 billion. "A weak argument for our case," I noted.

I succeeded in aborting the radio speech pinning the blame on the donkey.

TRIBUTE TO WOMEN IN OUR NATION'S HISTORY

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. LANTOS. Mr. Speaker, it is an honor and a pleasure for me to participate in the commemoration of Women's History Month. I welcome this opportunity to pay tribute to the many contributions women have made to our society and to our Nation. The United States should be incomparably poorer without the accomplishments of the women of our country in the scientific, economic, social, and cultural fields, and many other areas.

Women such as Betsy Ross, Clara Barton, Dolly Madison, and Susan B. Anthony, have served as an inspiration to both young women and young men throughout the history of our country. Their achievements are models for all of us in the same way that today Astronaut Sally Ride, Teacher Christa McAuliffe, former U.N. Ambassador Jeanne Kirkpatrick, Supreme Court Justice Sandra Day O'Connor, and countless others have already taught future generations valuable lessons that will propel the women of tomorrow to even greater accomplishments.

While these women are only a few of millions, they represent the progress that women have made since our Nation's founding. As we celebrate the bicentennial of our Constitution this year, we are reminded of the dreams of our forefathers. To "secure the blessings of liberty to ourselves and our posterity" it is essential that the American women take advantage of what was intended with this great document—the freedom to pursue opportunity.

It is our responsibility to insure the progress of American women by guaranteeing this freedom. Despite the progress women have made there is still a long road to travel before women achieve full social and economic equality. But, we are making progress. The Supreme Court of our Nation—despite periodic setbacks—is clearly acting to expand opportunities for women. The Supreme Court has recognized the weight of women in history as laborers in American society. They concluded that, as full partners in our Nation's work force, women deserve to receive a full partner's share in its opportunities as well.

There is nothing that makes a nation stronger than the equality of its people. It is with this in mind that I commend the women of the United States for their individual, personal accomplishments. Mr. Speaker, it is appropriate that, on this day—the final day of Women's History Month—we commend the women of our country and honor their contribution to the history of the United States.

SECOND ANNUAL JOE MORGAN YOUTH FOUNDATION ROAST

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. DELLUMS. Mr. Speaker, it pleases me to call my colleagues' attention to the 2nd Annual Joe Morgan Youth Foundation Roast, which will be held in Oakland, CA on April 4.

For the second time the foundation will undertake to raise funds for the Oakland Mayor's Summer Youth Job Program, the Oakland YMCA, and the Oakland Unified School District. These contributions help finance programs to build the strength of character and discipline necessary for today's youth to become responsible and productive adults.

Joe Morgan, one of baseball's greats, has pulled together a memorable array of active and retired stars to support his endeavor. On hand for the evening will be special guests Willie McCovey and Reggie Jackson. The theme of the evening will be to honor the immortal achievements of Mr. Jackie Robinson, major league baseball's first Black player. Joining the attendees and receiving the honors on behalf of her deceased husband will be Ms. Rachel Robinson, Jackie's widow.

I commend to my colleagues the determination and enthusiastic dedication to supporting programs to assist our youth that Joe Morgan has undertaken over the years. This year's program promises to recall the great passion and commitment to democracy and equality that Jackie Robinson's career in the major leagues symbolized, and to allow our community to rally towards the goal of providing our youth with constructive alternatives to joblessness and despair.

TRIBUTE TO CARLOS MARTINS

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. RODINO. Mr. Speaker, it is my pleasure to take this time to pay tribute to one of Newark's finest young athletes, Carlos Martins. Carlos arrived in this country, from Portugal, only 6 years ago. Since then, he has distinguished himself as a track star and an excellent student at East Side High School.

Mr. Speaker, I salute Mr. Martins and his family, and I ask consent to reprint an article in the RECORD about his many accomplishments, published in the Newark Star-Ledger on March 8, 1987.

PORTUGUESE GROUP HAILS SCHOLAR-ATHLETE

(By Anthony F. Shannon)

A 17-year-old youth who has maintained a high academic standing while setting all sorts of track records since he arrived in Newark six years ago was honored last night by the Portuguese American Congress of New Jersey (PACNJ).

Carlos Martins, a senior at East Side High School who was undefeated in a dozen cross-country meets during the 1986-87 track season, received the PACNJ's Community Pride Award at the organization's annual dinner-dance at the Portuguese Pavillion in the Ironbound section of Newark.

"We're not only honoring him for his athletic ability, but for his academic achievements as well," said Armando Rontoura, president of the PACNJ.

Martins, who will graduate from East Side in June, has maintained a B-plus average as a fulltime student and also holds a partime job at Newark International Airport.

"He's a team player from the word go," said Ollie Dickerson, the indoor and outdoor track coach at the school since 1979. "He never thinks about individual records."

Martins, who will attend one of five New Jersey colleges that have offered him an athletic scholarship, is the second track star to be named a high school All-American during Dickerson's tenure at the school.

"He's a fine athlete and a fine young man," the coach added.

The award, which Fontoura presented to young Martins, said the Portuguese organization was honoring him for "distinguishing yourself as an athlete and as a scholar in 1986."

"By attaining heights never before accomplished," it adds, "you have brought respect and recognition to our community and it is with great pride that we all salute you."

Alberto Covas, vice president of Haines Security Co. of Newark, was chairman of the dinner committee and also served as master of ceremonies.

Martins, whose family moved to Portugal shortly after his birth in Angola, said he spends two hours each day running in Branch Brook Park, covering about 10 miles.

The youth, who is the son of Antonio and Dilar Martins, said he would major in business administration in college and hopes to have his own business.

Isabel Duarte, a foreign language teacher at East Side and a member of the PACNJ, said Martins was not only a good student but "he is also extremely considerate with his fellow students."

"When I told him about getting the award," Duarte said, "the first thing he said was, 'I'm very honored. Will my mother be there, too?' "

Special guests at the annual event included:

Richard Gomes, the newly appointed municipal court judge in Newark and the first Portuguese-American to be named to a judgeship at any level in New Jersey.

Newark Mayor Sharpe James, who nominated Gomes and who also cited the Portuguese community for its "continuing efforts" to help revitalize the state's largest city.

BISHOP EUSTACE PREP SCHOOL HONORS CHRISTA McAULIFFE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. FLORIO. Mr. Speaker, on April 3, 1987, the Bishop Eustace Preparatory School in Pennsauken, NJ, will dedicate its new Christa McAuliffe Science Center. This educational center is dedicated to the memory of a teacher who brought an enthusiastic appreciation of learning to her students and to the many others whom she inspired. While trying to bring closer to home her appreciation of space and science, Mrs. McAuliffe died aboard the Space Shuttle *Challenger* in the fiery accident that saddened everyone of us in January 1986.

When Christa McAuliffe first entered the program that would eventually lead her on to the *Challenger,* she hoped to bring back to her students and to students around the country a firsthand look at the lessons of space. She had prepared a lesson that would have been televised to students throughout the United States. Her students watched in anticipation as the *Challenger* rose from the Kennedy Space Center. Many young students have been inspired by the achievements of our astronauts. Christa McAuliffe was following in their footsteps. With the opening of this educational center, the students of Bishop Eustace Preparatory School are following in the footsteps of those astronauts who pioneered space flight and took us to the stars.

The Bishop Eustace Preparatory School honors that memory with the opening of this center. The center is dedicated not only to Christa McAuliffe's desire to learn but also the education of the students. The Science Center demonstrates the desire of the students of Bishop Eustace to learn from Christa's example. By providing a center for the study of science, these students will enhance their education. In an increasingly competitive world, science is a necessary part of an education. And the center will give many students a chance to study the sciences. Whether they choose to be astronauts or they choose to keep their feet firmly on the ground, they will have taken something with them in their lives. It will form a constructive part of the learning process.

I applaud the staff and the students of the school for their efforts. They have made the learning process an informative and enjoyable one. With this center, they will make yet another valuable addition to the growth of our greatest heritage, our children. Christa's memory will survive in the ideals that she represented and in her courage to face the unknown.

CHIEF JOHN LOVE

HON. HAL DAUB

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. DAUB. Mr. Speaker, our small town, rural public safety programs are usually manned by hard-working citizens who volunteer their time for the good of the community. John Love, the chief of the Waterloo, NE Fire and Rescue Department, has devoted 36 years to serving his friends and neighbors.

Chief Love joined the fire department in 1945. Six years later, he added the responsibilities of firechief to those of his full-time job as a railroad conductor. In his career of public service, John has faithfully looked out for the citizens of Waterloo. During periods of heavy flooding on the Elkhorn River, he was the first one to man the dikes.

Public service continues to be an important part of the Love family. John's extraordinary wife Delores is currently the city clerk/treasurer. Although John retired last month, his achievements stand as a lasting tribute to his years of service to the citizens of Waterloo.

It is indeed a privilege to call to the attention of my colleagues the outstanding career of this dedicated public servant.

1987 YOUNG WRITER'S CONTEST WINNER: JACQUELINE RAVNIC

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. LIPINSKI. Mr. Speaker, I am pleased to bring to your attention, and to that of my colleagues here in this great body assembled, the accomplishment of 105 first through eighth graders across America, who were recently announced as winners of the 1986–87 Young Writer's Contest. Their original stories, poems, and essays will be published in the 1987 Rainbow Collection: Stories and Poetry by Young People. Sponsored by Ronald McDonald's Children's Charities, it is the anthology of winning entries from this year's competition. I am especially proud of the fact that 13 of these winners were children from Illinois, and that three of these Illinois winners are residents of the Fifth District which I represent. Jacqueline Ravnic, one of Ms. Libby Reinkall's third graders at the Mark Sheridan Academy in Chicago, chose to write a poem about the sheriffs of today. I was especially intrigued by Jacqueline's entry because of a uniquely modern twist to her poem. To quote, "A sheriff wears a badge of gold and travels streets new and old. She catches outlaws on the street and protects you from evil that you meet." Jacqueline, it is encouraging to see your vision of today and your understanding and feel for the America of yesterday. I am sure that my colleagues join me in congratulating you and wishing you a bright future ahead.

ADDRESS OF MAJ. GEN. NORBERT J. RAPPL

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. HORTON. Mr. Speaker, last month I had the opportunity to attend a farewell dinner in honor of Norbert J. Rappl, Major General of the U.S. Army Reserve. Following a number of testimonials on behalf of Major General Rappl, he addressed the group.

In my 25 years in Congress and untold years in other forms of public service I have had the occasion to listen to literally thousands of speeches, as we all have. General Rappl's words that evening are among the finest, most touching, and most inspirational I have heard. I wanted to share his thoughts.

Norbert and his wife Bernie devoted much of their lives to the Army Reserves, and this country owes them a great deal. As a personal friend of the Rappls, and on behalf of my wife Nancy, I want to wish the very best to Norbert and Bernie. They deserve no less.

TRANSCRIPT OF FAREWELL SPEECH DELIVERED BY MAJ. GEN. NORBERT J. RAPPL, COMMANDING GENERAL, 98TH DIVISION (TRAINING), U.S. ARMY RESERVE, FEBRUARY 28, 1987, ROCHESTER, NY

There have been so many, many nice things said tonight to me and to my wife. My father would have loved it. My mother, sitting over there, believes it all. I only wish my mother-in-law were here to hear it. And it really kind of makes you super proud. But I have a watchdog called a wife, and she always keeps me humble. About a week ago we were at a dinner and someone introduced me as a warm and model General. I thought that was pretty great until my wife leaned over and said that warm means not so hot and a model is a small imitation of the real thing.

I stand here before you tonight with a great deal of gratitude and affection and deep love for the soldiers under my Command who have made things happen during the past five years. During the past five years we have built on a legacy left by General Parmelee, General Stahl and General

Barrett. We have had superb support from First Army, TRADOC, and FORSCOM. We have had challenges from Fort Leonard Wood and Fort Drum, and we have had supportive commanders. We have had a defense budget which enabled us to do the things we should do. All those things, together with superb officers and men and women, have come together under my watch and made the 98th Division the greatest Command in the Army Reserve today. I thank you all so very, very much for that hard work.

Over the years, my wife has been my trusted confidant. She's been my severest critic. She's been my best friend. She's supported me and encouraged me all these years. She has done all the things that I should have done during those years. Especially, she has brought up five really neat kids and they're a great joy to both of us.

Our best friends are people we have met in the Reserves. In 1980, the worst year of my life, several things happened. Two of my daughters were hurt very, very badly; one permanently. I was the acting Division Commander because my predecessor, General Barrett, was in intensive care in Strong Memorial Hospital for four months; the recession that hit the construction business cut my business by 50 percent; my partner suffered a bad accident and was in the hospital for five months; my wife was up in Duluth on the verge of a nervous breakdown with our daughter; and General Rosenblum, who was the First Army Commander, couldn't understand why we couldn't go to summer camp and I had to agree with him; but I made him understand it was because we didn't have any money, not because we didn't want to go. During that very, very, very difficult period of time in my life, I got some support from people in the Reserve than from any other group with which I'm associated. Some people wonder why I think so much of the Band.

In June of 1980, during the annual training period at home station, I remember attending the Band's annual dinner at the old Heritage House out in Webster. The love and the respect and the support I got from people like John Tracy and Gary Cassara, Marty Walker, and Bill Roberts were not duplicated in any other part of my world. I have a special spot in my heart for the Retention people of the Division because they took me with them up to Fort Drum for a week's training, and they showed me a love and respect and affection and support I needed very badly at that time. Now, that's two parts of the Division, but I got that same level of support from all over the Division, from many of those 8,000 soldiers we have in all parts of the State of New York. I submit to you that that kind of thing cannot happen in any other area than in the Army.

I am blessed with five neat kids, as I said. I have two sons-in-law that anyone would be proud of. Of course, they're pretty lucky, too, because they got a couple of girls that any man would be proud to have. You heard Laurie up here; I have a great deal of pride in that young lady. She got the worst break than any human being could have and you saw that she has a spirit and quality about her that is unmatched. I love you, honey.

I have two sisters who don't get a lot of attention. But they have done something for me that no one else could do over the past several years—they have taken care of my mother with hardly any help from me. Thanks, gang.

You know, the world is a very, very dangerous place. There are two conflicting systems in the world, the United States and Russia, each with their own satellites of allies of a greater or lesser degree. Both systems were born out of revolution—our's in 1776, the Russians in 1917. The only difficulty is the Russian revolution was betrayed by its leaders. The leaders of that Russia have vowed to spread their form of government throughout the world. I submit that those two systems can never, never live in peace and harmony with each other—they are diametrically opposed. Unless we are vigilant and unless we are strong, and unless we are perceived to be strong, why the Russians will win. It won't be because of a war. It will be because we allowed it to happen.

I don't know how many of you watched Amerika last week, Amerika with a K. I won't debate whether it was a good show or a bad show, too long or too short, what have you; but there was one scene in that show which really struck home to me. The Russians had occupied the United States for some 10 years at that point, and they had determined that the best way to prevent Amerika from becoming a competitor again was to break it up. So they started with five midwestern states, carved out a new nation and called it Heartland. The new Governor General of Heartland was Peter Bradford. He and his wife were getting ready for the inaugural ball and it suddenly dawned on her that this was the breakup of Amerika and that's not the way it was supposed to be. She accused him of playing ball with the Russians and contributing to this breakup of Amerika, and that she could not support him in this.

He went into a kind of a rage and said, "I'm damn sick and tired of this talk of being an Amerikan. I never noticed you being particularly interested one way or another in being an Amerikan before. You never expressed an interest, much less ever took part. Now, all of a sudden, it's important to you to be an Amerikan. For most people, being an Amerikan never meant much anyway. The last time there was ever any real Amerikan spirit was in World War II. Where was all that patriotism when it counted 10 years ago? Where was all that willingness to sacrifice? Nobody wanted to join the damned Army to defend the Country and nobody wanted to give any time to public service." And she said, "I still don't agree, but what you say is more than half true. I won't support you, but I will go with you."

I think there's quite a lesson in that. But, as I wander around the 98th Division and around the State, and I don't see the soldiers entrusted to our care; as I wander around Fort Leonard Wood and Fort Dix and the other posts that our units go to and I see those young soldiers training, I tell you that I don't fear Amerika with a K because we do have people that are willing to join the "damn Army" to defend this Nation. And we do have people, and there are many of them in this room, who are willing to give of their time for public service.

You know, we're all victims of our own experiences; I had an experience three years ago that I think every American should have. I went on a trip to Germany with some 40 other Reserve General Officers. The purpose of the trip was to impress on us how important it was for us to get our units and our soldiers ready to take their place alongside the Active Army in case they were called upon. In fact, there are at least three others in this room who were with me on that trip. At one time we stood at the wall, not at Berlin, but at a little village called Hof. The wall, made of steel and concrete, is about a hundred meters in from the actual border. On the other side of that wall are plowed fields and dog runs and watch towers; in those watch towers, in each one, within sight of each other are two guards. There are 36,000 men in the East German Border Patrol whose only function is to man those watch towers and make sure that their people don't cross the line. They're not watching us, they're watching their people. Those two men in each tower are there not only to make sure their people don't leave, but to watch each other. They're not allowed to talk about politics or religion. If one starts, the other must turn him in. You look over there at a rather desolate landscape. The buildings are not very well maintained.

You don't see any cars or trucks, you don't see any animals, you don't see any flowers, and you don't see any churches. Then you turn around and you look back, in this case at the little village of Hof. There are cars and trucks there, there are well-maintained and painted buildings and houses; and flowers—you know the Germans are great for flowers, flower pots in the windows, flower gardens, a lot of animals all over the place, church bells ringing, well-stocked stores. It gives you a feeling that says this is worth fighting for and, man, I really don't want any part of that system over there. Anyplace I go, I try to convince people that if they go to Germany, they should make a trip to the wall. Just stand there for five minutes, and they will come back with a new spirit and a new resolve to make this last great hope for democracy work.

The Army has taken a bad rap in the past several years. It took a bad rap in Vietnam. It wasn't the Army that wanted to go to Vietnam and fight that war. The Army was sent there by civilian leadership. You know, the Army never lost a battle in Vietnam, but as one Vietnamese Lieutenant Colonel said, "It's true, but it's also irrelevant. While your Army didn't lose a battle, America lost the war because you didn't have the hearts and minds of your people behind us." That's never going to happen again. Never again will an American soldier be sent overseas to fight a war without the total weight of the United States behind him. We learned that there is no such thing as a small war when the prestige and pride of the United States are involved. There is no such thing as committing American fighting men to a war without the total might of the United States behind them.

The Army is a great institution. It won our freedom; it has preserved our freedom. Does anyone doubt that peace has been preserved in Europe for 42 years now because 250,000 American soldiers are there? That is the longest period of peace in Europe since the days of Rome. Does anyone doubt that there has been peace in Korea for 34 years now only because 40,000 American soldiers are there? This is an Army of peacekeeping. It is a noble thing to serve in the defense forces of America. The American Army today cannot fight without the Reserve. That's a great responsibility we have, to get ourselves ready to support the Active Army forces that today stand in Germany and Korea and a dozen other places guarding the vital interests of the United States.

I appreciate, especially, the support of the wives, and husbands in many cases, of our Reservists because without them we could not serve. We couldn't do the job that we want to do, but also that is vitally important.

As for my soldiers, I thank you all for what you have done and what you are doing, and what I am confident you will continue to do. I have been proud to tell General Stahl and General Parmelee and General Barrett that we haven't let them down; that we have built on the legacy they left behind. Now I will join them in the watching-don't let us down. I am confident that you won't.

We will miss the Reserve. Our best friends are people we've met thru the Reserve. We will miss the comraderie, the sharing of experiences, the esprit, the ceremonies, the patriotism, the people working for a common cause, you young soldiers. We will miss Fort Leonard Wood and Fort Drum and such exotic places as Fort Pickett and Fort AP Hill. We will miss Tuesday nights and early Wednesday mornings, trips to Plattsburgh and Jamestown and every place in between. We will cherish the memories good and bad, for the good far outweigh the bad. But most of all, we will cherish our times with you, our very, very dear friends. You have our gratitude, our appreciation, and our love. God bless you all.

INTRODUCTION OF THE SATELLITE TELEVISION FAIR MARKETING ACT OF 1987

HON. W.J. (BILLY) TAUZIN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. TAUZIN. Mr. Speaker, I am pleased to join today with Congressmen GREGG, HAMMERSCHMIDT, and ROSE to introduce major new satellite television viewing rights legislation for all consumers including home satellite dish owners. The legislation encourages the marketplace delivery of scrambled satellite services while placing limitations on the ability of publically funded programmers to deny their programming to dish owners. It also charges the appropriate governmental agencies with fact finding and standardization responsibilities.

This legislation is the result of investigation and two sets of hearings last year during which we were assured by program distributors that the marketplace was rapidly working out all problems which were presented to consumers who used home satellite antennas. I am sorry to say that this is not the case. Consumers are confused. They do not know why they cannot obtain a reasonably priced package of satellite programming from different sources. They do not know if they will have to purchase different decode boxes for each service that chooses to scramble its signal. They do not know if they will be able to continue to view PBS and network signals if, and when, these services are scrambled. As a result home satellite earth station sales have dropped dramatically during the year. Thousands of home satellite dealers have been put out of business.

The bill which we propose today is limited in scope. It allows commercial programmers to be fairly paid for their property through scrambling and sale of their services. It requires that the marketplace for purchase of such services be open and competitive. I will summarize the provisions in the bill.

SCRAMBLING PERMITTED

Satellite services which chose to scramble their signal and are otherwise offered for sale to cable customers must be willing to sell that programming to home satellite dish owners. Those services may choose to sell directly to home dish owners. If, instead, they choose to use outside companies for distribution, such as cable television companies, they must establish reasonable business standards to authorize other distributors as well, and not discriminate in terms, prices or conditions among any distributors who meet those standards. Such standards might include volume discounts applicable to all distributors. But they would preclude, for example, charging many times more for distribution to dishes than to cable.

AFRTS AND PUBLIC BROADCASTING SERVICES

The Armed Forces Radio and Television Service programming may not be scrambled under the legislation unless the scrambling is required to meet a trade agreement between the United States and another country. The Public Broadcasting Service may not scramble that part of its programming which is intended for public viewing. It may, however, encrypt its back haul feeds as well as its feeds for private communications.

DECODER STANDARDS

Standards will be set by the FCC to insure that home dish owners will not be forced to purchase different decoding devices for different programming services. No interruption of the currently existing scrambling is contemplated by the legislation, however.

FTC INVESTIGATION

The Federal Trade Commission is required to investigate anti-competitive industry behavior affecting the distribution and pricing terms for satellite television programming to home earth station owners.

NETWORK PROGRAMMING TO RURAL AREAS

The Federal Communications Commission is required to study how to improve access to network signals by rural Americans who are now now served by such signals.

Mr. Speaker, this legislation is necessary to ensure that the future of the home satellite dish industry and the many consumer benefits it provides will be decided in a fair and open marketplace and not be controlled by another and sometimes competitive technology. That is what is happening today. The Nation's largest cable television companies own or control virtually all of the major nonbroadcast satellite programming services.

Mr. Speaker, the bill which we introduce today is not anticable. Cable operators are permitted to market programming services to home dish owners. The bill simply requires that if the satellite programming service chooses to sell to home dish owners through third-party distributors that the terms and conditions imposed on those distributors must be fair, reasonable and not discriminatory. Today, not a single independent third-party (noncable) distributor has been authorized to market the dozen or so scrambled services most desired by viewers.

There are other problems in the marketplace. At hearings last year, we were assured that the scrambling technology was virtually impossible to break. Now, it is increasingly clear that that technology has been compromised. In an effort to "turn off" unauthorized viewers of programming, General Instruments, the owner of the technology, may have turned off numerous legal subscribers. Of course, General Instruments should prosecute those who are manufacturing and selling the illegal decoder devices, but they should proceed against these individuals in a responsible manner.

The legislation which we are introducing today is a direct benefit not just to those who own home satellite antennas or wish to own them. It is also a direct benefit to cable television subscribers. Several years ago the Congress deregulated the cable industry. A consumer wishing to watch this satellite-delivered programming may receive it either through the cable television or through a home satellite antenna. So long as the cable television industry is able to control the growth of home satellite technology through the fees charged for viewing of satellite programming, home satellite technology will be stifled and consumer choice harmed.

Mr. Speaker, I wish to emphasize the issue here is not payment. It is simply fair competition versus monopoly. Both the home satellite television industry and home earth station owners recognize that payment must be made for scrambled satellite pay television services. Satellite programmers, however, have not committed to accepting payment from the home satellite antenna industry, and herein lies the problem.

Mr. Speaker, there are nearly 2 million home satellite earth station owners across our great country. They need our help now. They need access to the same types of programming as are available to their urban neighbors. Cable subscribers and other consumers also will benefit by having a choice. This legislation gives them that choice.

I urge our colleagues to join us in this important effort and that hearings be initiated at the very earliest moment.

GREEK INDEPENDENCE DAY

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. HOWARD. Mr. Speaker, on March 25 individuals across this Nation marked the 166th anniversary of Greek Independence Day. In 1821 the Greek-people began a campaign to rid their nation of almost 400 years of Ottoman occupation and oppression. This is an occasion worthy of note by all Americans as the histories of our two nations are inextricably joined.

When the Founding Fathers were creating a Government for the 13 Colonies, they looked to the traditions of ancient Greece, notably the city-state, of Athens, the first democracy. These traditions influenced the creation of our Nation. Moreover, the Greek example has continued to guide American thought. John J. McCloy, in conversation with President Kennedy, held that it was the goal of government to recreate the Periclean age. The great debt our Nation owes to Greek civilization is demonstrated by both our system of government and by much of the architecture of the public buildings in our Nation's Capital.

Similarly, as the Greek nationalists began their struggle for freedom they looked for inspiration to the American Declaration of Independence. Over a century later when the Greek state was threatened by Communist subversion, the Government of Greece turned to the United States for aid in order to preserve their freedom. To this day, there is a statue of Harry Truman standing in Athens as a memorial to cooperation between our two countries.

Through commemoration of Greek Independence Day we continue to recognize and acknowledge our long history of relations while hoping for continued good will.

POTENTIAL FOR DEBT CRISIS ASSESSED

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. FLORIO. Mr. Speaker, the following article from the New York Times succinctly describes the precarious, highly leveraged state of our economy. The author sounds a clear warning regarding America's debt that we cannot affort to ignore.

[From the New York Times, Mar. 2, 1987]

DEBT IN AMERICA: A HOUSE OF CARDS

(By Horace W. Brock)

MENLO PARK, CALIF.—Here are reasons why some of the brightest people I know are worried:

In 1986, the Federal Deposit Insurance Corporation closed 138 banks—the highest number since the Depression, and a fifth consecutive record.

Household credit card and mortgage default rates have reached their highest levels ever.

Corporate debt-service expense as a percentage of income has risen sharply because of leveraged buyouts and stock repurchases, while the annual default rate on junk bonds is currently running at least twice its historical average of 1.6 percent.

Finally, the Government's annual deficit has tripled since 1981, and the Gramm-Rudman-Hollings remedy is now seen as a sham.

And all this is happening when times are supposed to be good.

The root problem is debt, too much debt. The best measure of national indebtedness is the ratio of total (private *and* public sector) debt to the gross national product. Between 1950 and 1981, total debt remained at about 140 percent of the G.N.P. Since 1981, however, all sectors simultaneously have gone on a borrowing binge, so that total debt is nearly 180 percent of the G.N.P. This figure understates matters since it excludes a growing number of "contingent liabilities" that do not appear on the balance sheets of depository institutions.

What does today's private and public debt structure portend? First, it increases the likelihood of some financial shock that could trigger a recession—for example, a money-center bank default or a string of junk bond defaults. Second, it implies that the next recession will be worse than previous ones.

The reason lies in the likely response of businesses wedged between high debt-servicing costs and decreasing revenues: a fire sale of corporate assets that would greatly depress asset values—hence, the collateral of depository institutions as well. Layoffs could rise much faster than normal in a downturn, and consumer confidence would evaporate. Recent events in the farm sector provice a microcosm for observing the dynamics of distress that accompany rising debt burdens and plunging asset values.

To cope with such a recession, Government would clearly have to step up to bat. But when it did, we could expect Government deficits to soar to $400 billion during the next recession—if not higher. Such deficits would result from normal cyclical revenue shortfalls and expenditure increases, as well as from the need to shore up the Federal Deposit Insurance Corporation, which insures bank deposits, and the Federal Savings and Loan Insurance Corporation, which insures deposits at savings and loan institutions, as well as the Farm Credit System.

As a corollary of these developments, the Federal Reserve Board would probably have to monetize the deficit ("create money") to a degree never before experienced, especially if a concomitant wave of defaults in major debtor nations such as Brazil (which has recently suspended interest payments) imperiled our money center banks. In such an environment, foreign and domestic participants in the American credit market might go on strike. This could lead to a vertiginous collapse in the dollar, and higher interest rates as well.

Curiously, some are not troubled by the recent growth of debt and what it may protend. Persuaded by today's free-market ideology, they would let the unconstrained forces of supply and demand reign supreme in the debt market. After all, cannot "rational" market participants be counted on to assume the "right" amount of debt? No. Borrowers irrationally tend to take on too much debt, especially when times are good.

The Sanford Nobel laureate Kenneth Arrow recently suggested an analogy known as the Earthquake Insurance Paradox. As years pass since the time of the last big quake, people tend to reduce their earthquake insurance. Yet were they rational, they would be increasing their coverage since the probability of the next "big one" is increasing as time goes on.

Government reforms may thus be needed to save us from ourselves. On the consumer front, household borrowing should be discouraged by eliminating the interest expense deductability of second mortgages and home equity loans. On the corporate front, fresh policies are needed to make debt financing less appealing and equity financing more attractive. Finally, our depository insurance institutions should be consolidated and refinanced. Such moves would not be welcome in today's heady, antiregulatory environment. But they may just be rational.

1987 YOUNG WRITER'S CONTEST WINNER: CARRIE SIMON

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. LIPINSKI. Mr. Speaker, I am pleased to bring to your attention, and to that of my colleagues here in this great body assembled, the accomplishment of 105 first through eighth graders across America, who were recently announced as winners in the 1986-87 Young Writer's Contest. Their original stories, poems, and essays will be published in the 1987 Rainbow Collection: "Stories and Poetry by Young People." Sponsored by Ronald McDonald's Children's Charities, it is the anthology of winning entries from this year's competition. I am especially proud of the fact that 13 of these winners were children from Illinois, and that 3 of these Illinois winners are residents of the Fifth District which I represent. Carrie Simon, one of Ms. Geraldine Banks' third graders at the John Kinzie School in Chicago, chose to write a story entitled "Bill the Buffalo and His Long Day." Carrie, it is encouraging to see such personal insight in a person of your years. I am sure that my colleagues join me in congratulating you and wishing you a bright future ahead. Always remember to heed the advice of your Bill the Buffalo. Be yourself and you will never go wrong.

STUDENTS REACH FOR THE SKY AT MARIETTA JUNIOR HIGH

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. DARDEN. Mr. Speaker, this Nation's public school system has been one of the major factors in the great economic and social progress of the United States during its more than two centuries of existence.

We too often hear only criticism of that system of public education, with very little attention paid to its enormous successes and the people who make those successes possible—the parents, teachers and students who pull together and strive for excellence.

Recently, in my hometown newspaper, The Marietta Daily Journal, columnist Nancy Ryle drew attention to this pursuit of excellence as it is unfolding at Marietta Junior High School—where, I am proud to say, my son George is among the students.

I would like to submit Ms. Ryle's column for inclusion in the CONGRESSIONAL RECORD, and urge my colleagues to consider the great contribution public education makes daily to communities throughout our great Nation.

STUDENTS REACH FOR THE SKY AT MARIETTA JUNIOR HIGH

(By Nancy Ryle)

You notice two things right away at Marietta Junior High.

One is the stained-glass work hanging in the central hall.

Large letters in the center say, "Be Somebody."

Around it, blue, yellow, red and green glass form pictures: a boy playing football, another baseball, a girl playing a saxophone, another reading, a youngster jumping rope.

At the top it says, "In Memoriam . . . Ben Wilkins . . . Coach, Principal, Friend . . . 1934-1984." There's also a striking likeliness of Ben worked into the picture, which was created by Chrys Street.

I remember that gangly, tall, exuberant man with such affection—his dedication to youngsters, his warm friendship and interest in them, his exemplary life. My children felt he was their friend. Every young person who knew him did.

Now as boys and girls pass through the halls of Marietta Junior High each day they read his message of encouragement: "Be Somebody."

Another thing you notice at M.J.H.S. is a tremendous eagle hanging above the entrance to the gym, with the sign "Welcome to Marietta Junior High School—Home of the Mighty Eagles."

It seems right that an eagle should be the school's symbol. Soaring to new heights of achievement is exactly what's happening there.

The school has been named a Georgia School of Excellence for 1987, one of 29 middle and high schools selected for this honor in the state. (Elementary schools are chosen in alternate years.)

Good schools don't just happen. They get that way when parents, teachers, administrators and community pull hard together.

A great example is the brand new Art Appreciation Gallery at Marietta Junior High. It will open at a ribbon-cutting ceremony April 2 at 4:30 p.m.

No one is real sure how it got started.

The Cultural Arts Committee of the P.T.A., everyone agrees, is where the idea began. Someone noticed the plaques identifying pictures in the halls were missing and needed to be replaced. Someone else pointed out there weren't many pictures anyway. And they began to think.

The school has long, wide corridors that crisscross at several points because it's built around several open courtyards. This means that wonderful natural light streams into the halls—a perfect light for displaying art!

The committee got to work—Dot Dunaway, chairman, Betty Neel Lawton, Betty Darden, Vicky Posten. So did Nancy Parker, art teacher. So did just about everybody else.

The school P.T.A. sponsored student dances as fundraisers. M.A.S.S. (Marietta Area School Support) and other parents gave more—$2,000 in all. Kathy Hoppe donated posters from Jubilee. Local artists offered to loan their work.

The National Gallery and other museums were contacted for prints of famous art from the Byzantine period to the present. "They cost only 50 cents a print—for $150 we were able to buy jillions," Betty Neel sparkles as she discusses the project.

Diane Post, and Marcia Hair, associate, of Frameworks generously framed the prints at cost. "They're wonderful—we couldn't have managed without them," says Betty Neel.

First National Bank of Cobb, a "Partner in Education" with M.J.H.S., underwrote the printed invitations for the opening, to which the public as well as many special groups are invited.

The gallery will be a teaching museum One hallway will feature prints from museums, another the work of local artists and selected students. Since art is an elective course, the language-arts teachers will be given material about selected masterpieces each month and help students learn about those particular artists and the periods they represent—a little history, social studies and art appreciation interfaced with language skills.

"I can hardly wait to see it all!" said Edith Gordon, a school counselor, as she showed me aroung this week.

As the saying goes, "It's hard to soar like an eagle when you're surrounded by a flock of turkeys."

On the other hand, when you're encouraged each day to "Be Somebody" . . . when you're offered creative happy learning experiences . . . for the boys and girls at Marietta Junior High soaring seems the natural thing to do.

CHARLIE TILLMAN REPRESENTS THE BEST IN PUBLIC SERVICE

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. STARK. Mr. Speaker, I rise today with a great sense of respect and admiration to pay tribute to a dedicated public servant and friend, Charles A. Tillman. On April 15, 1987 he will be named the 1987 Alameda "Citizen of the Year," by the owners and managers of the South Shore Center in Alameda.

Charlie Tillman is a rare find among individuals who choose to dedicate themselves to serving their fellow men and women. His record of solid achievements and commitment is unprecedented within the city of Alameda and the east bay area.

Charlie will be retired from the Pacific Telephone Co. 17 years on April 27, 1987. He retired after 45 years of dedicated service to that company. He served in the Armed Forces for 5 years during World War II, enlisting before the bombing of Pearl Harbor.

Throughout his life Charlie has served as a president, vice president, advisor, and as a member of numerous groups. Charlie has served as a city councilman for Alameda, was a member of the California Commission on Aging, and chaired the ad hoc committee that produced the Senior Citizen's Housing Complex at Park/Otis, in Alameda. He has shown the ability to assume responsibliy in many different roles. Much of Charlie's work has been directed toward improving the lives of senior citizens; however, he has also participated in youth and animal care projects. Be it organizing a Meals on Wheels Program, or serving on the board of directors for the Community Adult Day Health Services, Charlie has provided outstanding leadership and direction.

Charles A. Tillman is a vastly talented individual, who applies himself for the public good. One thing that stands out in my mind is that much of Charlie's work is done on a volunteer basis. Charlie is an extremely active person, and Alameda is a better place because of him.

It is with much pride and a great amount of gratitude that I join with the owners and managers of South Shore Center of Alameda in honoring and thanking Charlie Tillman for his dedication to his fellow citizens. We wish him much fortune in his future endeavors.

IN MEMORIAM OF DR. RICHARD D. WALTER

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. DORNAN of California. Mr. Speaker, one of my constituents, Mr. Raymond Carl Stute, recently informed me of the death of Dr. Richard D. Walter, chairman of the UCLA Medical School's Department of Neurology. Mr. Stute was a patient of his and asked me to share the loss with my colleagues. Dr. Walter achieved great acclaim from his peers for his work in neurology, but he also deserves to be remembered for his compassion and caring. He was loved and respected by all who were blessed to know him.

Mr. Speaker, I would like to submit for the RECORD a brief obituary in the memory of Dr. Walter.

IN MEMORIAM

Dr. Richard D. Walter, chair of the UCLA Medical School's Department of Neurology, succumbed recently to Lou Gehrig's disease. He was 65.

Walter, known for developing the technique of electroencephalography (EEG), a diagnostic tool to trace the brain's electrical activities, was a pioneer during the early 1960s of implanting electrodes in the brain to identify the centers of seizures.

He served as director of the UCLA Reed Neurological Research Center from 1975 to 1984, where his techniques continue to be carried out as a significant field of clinical research.

The author of several papers on brain-implanted electrodes, Walter also conducted other neurological investigations, such as sleep studies and research on the brain's responses to auditory stimulus.

Walter joined the UCLA School of Medicine as an instructor in neurology in 1955, and by 1972, had advanced through the ranks to professor of neurology and psychiatry.

He is survived by his wife, Ruth, and his mother.

MAYOR ERIC KNUDSON

HON. HAL DAUB

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. DAUB. Mr. Speaker, for decades the Midwest has been known as the breadbasket of the world. Even during these tough times for the farmer, strong leadership coupled with a healthy dose of vision has kept our rural towns and villages a vital part of Nebraska society.

These qualities have been best exemplified by Mayor Eric Knudsen throughout his career of public service in Washington, NE. During his career, which has spanned more than four decades, Mayor Knudson met every challenge that faced his community; and yet, he never lost touch with the concerns of his constituency.

Eric Knudsen devoted his life to serving the residents of Washington, a village of 125 people. In 1944 he was elected to the Village Board. Five years later, he became chairman of the board, where he served as Washington's mayor until his retirement last November. He did not limit himself to the duties of mayor. He worked with the school board on a variety of issues and was instrumental in its reorganization. Mayor Knudsen was also a member of the Washington County Planning and Zoning Boards and he served as the secretary of the Papio Valley Land Preservation Board.

Eric Knudsen is held in the highest esteem by his colleagues. His presence at the annual Eastern Nebraska Conference of Mayors is a tradition, as are his numerous contributions to the organization.

Public service has been an important facet of the Knudsen family. His extraordinary wife Emma was the village postmaster for nearly 30 years, and their daughter Marybeth has now assumed these responsibilities. Although Eric has retired, his countless achievements stand as a lasting tribute to his years of public service in Nebraska.

It is indeed a privilege to call to the attention of my colleagues the outstanding career of this impressive public servant.

ARKANSAS LAWMAKERS FAVOR VETO OVERRIDE OF TRANSPORTATION BILL

HON. TOMMY F. ROBINSON

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. ROBINSON. Mr. Speaker, today I received a letter from the House Public Transportation Committee of the 76th Arkansas General Assembly. The letter was written before the President's veto of the "Surface Transportation and Uniform Relocation Assistance Act of 1987." However, the committee was extremely concerned with the threatened veto of the highway-transit bill. Arkansas is in dire need of funds to continue the much needed work on our existing highway improvement projects. Most of the recent contract lettings have been canceled due to lack of funds.

While the letter was on its way to me, the President did veto the transportation bill but the House of Representatives has voted 350 to 72 to override the veto. Hopefully, the Senate will do likewise and an entire construction season will not be lost.

For the benefit of my colleagues, I wish to insert the full text of a resolution.

RESOLUTION

THAT THE ARKANSAS CONGRESSIONAL DELEGATION JOIN WITH THE CONGRESSIONAL DELEGATIONS OF ALL STATES TO REAFFIRM THEIR PREVIOUS COMMITMENT AND OVERRIDE THE PRESIDENT'S VETO OF THE SURFACE TRANSPORTATION AND REALLOCATION ASSISTANCE BILL OF 1987

Whereas, The Surface Transportation and Reallocation Assistance Bill of 1987 (H.R. 2) has been approved by the Congress with broad support among Democrats and Republicans; and

Whereas, This measure has been thoroughly reviewed and approved by representatives of all the states; and

Whereas, States are in dire need of those federal highway dollars which are accumulated from a trust fund consisting of monies collected from a nine-cent-a-gallon federal gasoline tax; and

Whereas, An estimated 700,000 people might lose construction jobs without the Surface Transportation and Reallocation Assistance Bill; and

Whereas, President Reagan has indicated he will veto this bill; and

Whereas, the authority for the past Surface Transportation Assistance Act has expired; Now, therefore, be it

Resolved by the House Committee on Public Transportation of the Arkansas General Assembly, That the Arkansas Congressional Delegation join with the congressional delegations of all states to reaffirm their previous commitment and override the President's veto of this much needed federal highway bill; and be it further

Resolved, That upon adoption of this resolution, a copy hereof shall be transmitted to each member of the Arkansas Congressional Delegation.

TRIBUTE TO REV. MSGR. JAMES E. COLLINS

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. MRAZEK. Mr. Speaker, on June 17, Saint Dominic's Parish of Oyster Bay, Long Island will bid a grateful adieu to a remarkable spiritual leader.

On that date, the Reverend Monsignor James E. Collins will relinquish his pastorship because of mandatory retirement. For 48 years, Monsignor Collins has served the Roman Catholic priesthood, the past 23 years of which he has worked with the parishioners of St. Dominic's. His accomplishments as a spiritual leader, educator, and community leader speak for themselves.

Under Monsignor Collins' guidance, St. Dominic's has built a new church, elementary school and major sports center. Also, St. Dominic's High School has earned a reputation of educational excellence in Nassau County.

Monsignor Collins also is credited with a remarkable restoration of the original beauty of St. Dominic's Chapel. He has involved himself in countless community and ecumenical affairs in Oyster Bay during his tenure, earning the lasting gratitude of both his parishioners and his community.

I rise today, Mr. Speaker, to bring to Reverend Monsignor James E. Collins' achievements to the attention of my colleagues. His leadership in St. Dominic's Parish will be missed.

MENTAL HEALTH IS AS IMPORTANT AS PHYSICAL HEALTH—MENTAL HEALTH BENEFITS FOR FEDERAL WORKERS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. LANTOS. Mr. Speaker, it has long been the policy of our Government that federal workers should receive compensation and benefits comparable to those enjoyed by their counterparts in the private sector. Any careful comparison will reveal that current practice has made a travesty of this policy. A recently released General Accounting Office Report comparing health coverage for Federal and private sector employees reveals that Federal workers pay more in premiums and deductibles in return for fewer benefits.

Today I would like to draw attention to one aspect of this discrimination—the almost total absence of adequate psychiatric benefits in the Federal Employees Health Benefit Plan [FEHP]. The 10 million employees of the Federal Government are effectively denied mental health treatment. In 1982 the Office of Personnel Management [OPM] placed arbitrary limits on all mental health care, without regard for the patient's need. These restrictions continue today unilaterally singling out for discriminatory coverage those persons suffering from mental illness or substance abuse addiction.

To redress this imbalance, I am joining as a cosponsor of H.R. 1734 which addresses the need for comprehensive health insurance—including psychiatric benefits—for Federal workers. This important legislation will ensure that those enrollees who need medical treatment for nervous, mental and emotional disorders—including alcoholism and drug addiction—receive the treatment they need. All plans will be required to provide a minimum of 50 outpatient visits and 60 inpatient days per year as well as two 28-day alcoholism and drug addiction programs. All copayments and deductibles must be at the same level as for the treatment of physical illness.

A clear and obvious need for mental health care exists in our society. The American Psychiatric Association [APA] estimates that between 30 and 40 million Americans—or one in five people—suffer from some form of mental illness or substance abuse. We have only to look at the recent rash of youth suicides for a tragic illustration of the consequences of poor mental health.

Moreover, I suggest that increased attention to mental health would actually reduce the costs of physical care. For those who wish to stop smoking, counseling is frequently a vital step. The link between good physical health and good mental health is clear in this example, but it also extends to many forms of physical illness. Physical symptoms are frequently a manifestation of mental ill-health and prove difficult to treat unless the source of the problem is addressed. This so-called offset effect has been widely acknowledged in medical circles.

H.R. 1734 is an important first step towards ending the discrimination currently exercised against Federal employers. Government workers deserve to have access to health plans which meet their needs. I urge you to join with me in supporting H.R. 1734 to achieve this goal.

SECOND ANNUAL ARMY DAYS CELEBRATION

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. DELLUMS. Mr. Speaker, during times of national defense, natural disaster, and emergency the 6th U.S. Army has historically supported Constitution as well as provided relief and assistance to the citizens of the San Francisco Bay Area, California, and the Nation. I consider it appropriate that the House acknowledge the significance of the Army and its historic connections to the citizens of northern California during the Second Annual Army Days Celebration, to be held April 2-5, 1987.

Army days 1987 is a community-sponsored, public-service event dedicated to fostering better communication and understanding between the 6th U.S. Army, headquartered at the Presidio of San Francisco, and the citizens of northern California.

Designed around the theme "When We Were Needed We Were There" Army days focuses on the Army's continuing commitment not only to national defense but to community assistance. The Army played an important emergency preparedness roll during the 1906 San Francisco earthquake and fire and is prepared to do so today and on into the future. Army days was conceptualized to coincide with the anniversary of the 1906 earthquake and fire; 1987 marks the 81st anniversary of the Army's assistance to the community during this natural catastrophy.

The 4-day Army Day 1987 extravaganza is a series of civic-oriented activities, including sky diving, "Rings of Victory" Army air show, band concerts, performances by Maxine Andrews of the "Andrews Sisters," a 10-kilometer run, health fairs, modern equipment displays, open houses and patriotic ceremonies.

It is designed to provide the public with an opportunity to participate in the celebration of the bicentennial of the Constitution and to become better acquainted with their Army. It pleases me to inform my colleagues of this celebration and to join with the citizens of northern California to honor the men and women who serve their Nation in today's Army.

RUTGERS UNIVERSITY SCHOOL OF LAW SALUTES JUSTICE SCALIA

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. RODINO. Mr. Speaker, this Thursday, my alma mater, the Rutgers University School of Law will honor one of New Jersey's most distinguished native sons, U.S. Supreme Court Justice Antonin Scalia.

It is my great honor to join Dean Peter Simmons, Judge John J. Gibbons, Judge Harold R. Tyler, Thomas Campion, Esq., Raymond Trombadore, Esq., and Dolores Pegram Wilson, Esq. in saluting Justice Scalia's brilliant accomplishments as lawyer, teacher, and judge. His recent appointment to the Supreme Court is a great source of pride to Americans of Italian descent and to all Americans, as we are a nation of immigrants' children.

Mr. Speaker, I ask unanimous consent to reprint my special order remarks in honor of Justice Scalia's appointment to the Supreme Court.

Mr. RODINO. Mr. Speaker, it is my great pleasure to join my House colleagues in taking out this special order to Antonin Scalia, our Nation's newest Associate Justice of the U.S Supreme Court.

Justice Scalia is the embodiment of the American dream. The only son of a Sicilian immigrant father and a school teacher mother, he attended Georgetown University, becoming valedictorian, and graduated from Harvard Law School, where he served as editor of its prestigious law review.

As a young lawyer, Justice Scalia quickly earned a reputation as an outstanding scholar and an impeccable legal intellectual. He has taught law at the University of Virginia and the University of Chicago. During the Nixon and Ford administrations, Justice Scalia served as general counsel of the White House Office of Telecommunications Policy and head of the Justice Department Office of Legal Counsel. In 1982, President Reagan appointed him to the U.S. Court of Appeals for the District of Columbia Circuit, the second highest powerful court in the Nation.

On a more personal note, Justice Scalia is a man of warm good humor, a family man, devoted to his wife, Maureen, and their nine children. Known to family and friends as "Nino," he has a zest for oldfashioned "singalongs" and friendly poker games.

Mr. Speaker, even though some of us may disagree with Justice Scalia's conservative views, we respect his outstanding record as lawyer, teacher, and jurist. I am especially pleased to note that Justice Scalia is the first American of Italian heritage to be selected to serve on the highest court in the land. A few weeks ago, my colleagues in the Senate—both Democrat and Republicans—voted to confirm Justice Scalia, unanimously.

Mr. Speaker, the Constitution of the United States is the cherished foundation of our democracy, a guarantee of civil rights, freedom and liberty for all Americans. All Americans—black and white, young and old, rich and poor, conservative and liberal—depend on the Supreme Court to preserve the meaning of this wonderful document through history. I am sure that in the coming years, Justice Antonio Scalia will prove to be a jurist who inspires the prid and confidence of all Americans, a jurist o extraordinary talents and unwavering devotion to the Constitution, who will hel wisely guide the Supreme Court and th American people into the 21st century.

TRIBUTE TO DR. JOHN BALL

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mrs. MORELLA. Mr. Speaker, it is with deep sorrow that I announce that Dr. John Ball, a friend and former Bethesda resident, who devoted his life to the practice of medicine, and in service to his community, died of injuries suffered in a traffic accident near Frederick MD.

Dr. Ball's death was reported in the Washington Times of Monday, March 23, 1987, and I insert the article at this point in the RECORD

[From the Washington Times, Mar. 23 1987]

DR. JOHN BALL, MEDICAL OFFICER

Dr. John Ball, 78, a retired Maryland state deputy medical examiner for Montgomery County, died Thursday from injuries in a traffic accident. He lived in Frederick, Md.

Dr. Ball was assistant deputy medical examiner for Frederick County and past state president and fellow of the Academy of Family Practice.

The Frederick County Sheriff's Office reported that Dr. Ball was a passenger in a car driven by his wife, Monica Ball, that collided with another car while Mrs. Ball was attempting a left turn from Route 180 onto Route 340 near Frederick. He was reported dead on arrival at Frederick Memorial Hospital.

Dr. Ball's medical career included a 44-year private medical practice in Bethesda. He also served as physician for the Bethesda Fire Department. He was a charter member of the board of trustees of Suburban Hospital, where he served as chief of the out-patient department and chief of the medical staff from 1956 to 1982.

He was born in Warren, Pa., and attended George Washington University before transferring to Oberlin College in Ohio, where he received his bachelor's degree. He received his M.D. from the University of Buffalo.

He was an intern at old Emergency Hospital in Washington.

In 1938, Dr. Ball moved to Bethesda and opened a private practice. He also was a clinical instructor st George Washington University's medical school.

From 1942 to 1946, he was an Army medical officer stationed in the Pacific.

In 1963, he became the physician for the Bethesda Fire Department and a deputy state medical examiner for Montgomery County.

He retired in 1982 and moved to Frederick. He was named assistant deputy medical examiner of Frederick County.

Dr. Ball was a former chairman and member of the Medical Chirurgical Faculty from 1938 to 1982. He was also a member of the Washington Metropolitan Health Council and the Medical Arts Society of Greater Washington.

Dr. Ball was a past president and treasurer of the Christ Lutheran Church in Bethesda.

Besides his wife, he is survived by a daughter, Susan Ball Steiger of Philadelphia; a son, Michael S. Ball of Walnut Creek, Calif; and three grandchildren.

The family suggests that expressions of sympathy be in the form of contributions to Christ Lutheran Church and Suburban Hospital in Bethesda or Frederick Memorial Hospital and the Evangelical Lutheran Church in Frederick.

DISLOCATION ASSISTANCE ACT

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. TAUKE. Mr. Speaker, I am pleased to introduce today, along with my colleagues, Messrs. LEACH, SLATTERY, ROBERTS, WHITTAKER, and Mrs. MEYERS, the Rural Dislocation Assistance Act. This bill will help the large number of rural workers who have been displaced because of the decline in the agricultural economy make the transition to new jobs and new economic opportunities.

Farmers, ranchers, and other individuals who rely on agriculture for their livelihood are faced with the loss of their farms and their jobs as a result of the same national and international economic forces that have adversely affected industrial and manufacturing workers.

Yet, the dislocated worker assistance programs that exist to help these individuals find and train for new jobs are geared toward industrial dislocation and are not suited to the unique needs of rural workers. Rural workers are often isolated and difficult to identify. Farmers are ineligible for unemployment compensation that provides industrial workers financial assistance while making the transition to a new job.

In addition, farmers and other rural workers often need specialized services to make the transition out of farming, such as assistance in evaluating financial conditions and in managing temporary crises through psychological and mental health counseling, that are unavailable through the existing dislocated worker programs.

The Rural Dislocation Assistance Act provides for a temporary influx of funds to rural States to meet the increasing, unique demand caused by the significant number of workers being displaced because of the present adverse agricultural conditions.

The bill does not authorize new funds. Rather, it earmarks a portion of the discretionary funds available to the Secretary of Labor for the purpose of meeting the rural needs. Because the existing dislocated worker program does not adequately address the unique problems faced by rural workers, the Secretary's discretionary account is an appropriate source of funds to meet this need.

From the funds available to the Secretary, 10 percent or $20,000,000, whichever is greater, would be earmarked for 20 rural States hardest hit by the decline in agriculture. The funds would be allocated on the basis of declines in farm equity and increases in debt to asset ratios within these States.

This reliable source of funding will enable States to build on the innovative approaches that they have developed to meet the needs of dislocated rural workers. The set-aside is authorized for 5 years, through 1992, to enable rural States to assist their workers in this period of agricultural transition. A summary of the bill follows:

RURAL DISLOCATION ASSISTANCE ACT—SUMMARY

RURAL STATE SET-ASIDE

Sets aside from the Secretary's discretionary funds for programs of assistance to dislocated workers (i.e. JTPA, Title III), 10 percent or $20,000,000, whichever is greater, for allocation to the Governors of states hardest hit by adverse agricultural conditions for the purpose of establishing programs providing basic readjustment services (e.g. intake, assessment, job placement and training) to dislocated farmers, ranchers and farm workers.

DETERMINATION OF STATE ELIGIBILITY

Eligible states shall be (1) the 40 percent of states most adversely affected by declining farm equity as measured by the percent change in farm equity between 1981 and the present, and (2) states in which the present increase in the average debt to asset ratio of all farms between 1981 and the present exceeds 40 percent.

Data to determine eligible states is available through USDA, Economic Research Service, which is mandated by the Act to transmit such data to the Secretary of Labor within 14 days from the date funds are available.

ALLOCATION OF AVAILABLE FUNDS TO ELIGIBLE STATES

50 percent of funds set-aside for rural dislocation assistance programs shall be allocated to states eligible under the first criteria in proportion to the farm population of each eligible state in relation to the total farm population of all states eligible under the first criteria, and

50 percent shall be allocated to states eligible under the second criteria in proportion to the farm population of each eligible state in relation to the total farm population of all states eligible under the second criteria.

The amount available to each eligible state shall be the sum of amounts calculated above, except that no state shall receive more than 10 percent of available funds.

STATE PLAN REQUIREMENTS

To receive funds, a state must submit a plan for approval by the Secretary, describing how the state will utilize the available funds to meet the basic readjustment needs of eligible dislocated rural workers.

ELIGIBLE RECIPIENTS OF SERVICES

To be eligible for services, individuals must demonstrate that the farm or ranch operation which provide their primary occupation have terminated or will terminate.

ELIGIBLE ACTIVITIES

Activities and services which may be provided include:

(1) assistance in the evaluation of financial condition and in the preparation of financial plans;

(2) assistance in managing temporary crises, including psychological and mental health counseling;

(3) vocational evaluation, including basic skills and literacy evaluation, counseling, and remediation;

(4) credit and legal counseling, including farmer/lender mediation services, and legal representation;

(5) job search assistance, including training in job seeking skills;

(6) entrepreneurial training;

(7) specific skills training, including on-the-job training and customized training in cooperation with potential employers; and

(8) support services required to enable eligible individuals to participate in programs including transportation, health care, dependent care, and other reasonable subsistence allowance; and tuition, fees, books, and expenses associated with training.

REPRESENTATIVE MILLER CALLS FOR REFORM OF ROYALTY COLLECTION

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. MILLER of California. Mr. Speaker, for most of the 13 years that I have served in the Congress of the United States, scandal has engulfed the Federal Government's collection of revenues from the leasing and sale of public resources. Indeed, I have made a career of exposing the shortchanging of the taxpayer, and of authoring legislation to bring accountability to our oil, gas, and water programs.

I cannot recount the many words which have accurately been used to characterize the mismanagement in the royalty collection program. Scandal, incompetence, outrage, looting of the taxpayers' pockets, all come to mind, and more.

As stewards of the public resources, the Interior Department can play a critical role in improving the operations of Government, in restoring public faith in our institutions, and in reducing the historic size of our national debt.

However, the Department has failed repeatedly to exercise both its authority and its responsibility to protect the public purse, not just with respect to royalty payments on oil and gas, but also in the cases of hard rock minerals; leases for coal, oil and gas; water prices; and other resource sales.

I have already introduced legislation to reform the onshore oil and gas leasing system, the Government's biggest floating crap game, and I am hopeful that this legislation will be enacted, at long last, in the 100th Congress.

The urgency of securing real reform in the Interior Department's financial management of our natural resources is as great today—in the era of the trillion dollar budget and the $2 trillion debt—as was the imperative for environmental reform which dawned late upon the Interior Department in the 1970's.

A newly published article in the "Washington Monthly" confirms how overdue this reform truly is. The title of the article itself is illustrative of the debacle: "You Think the NSC Is Screwed Up? Take a Look at Washington's Worst Run Program." I am including a copy of this alarming article in these remarks, so that all Members can read how poorly managed our royalty collections system truly is.

Not even the "Washington Monthly" article could fully expose the depths of the mismanagement. Just last week, it was revealed in the Washington Post that the Army Corps of

Engineers has been illegally overseeing some 300 oil and has wells in four Eastern States, covering more than 42,000 acres of land. Corps officials collected less than $150,000 from the 600 wells last year, and the Bureau of Land Management, which is supposed to run the program, concludes that royalty payments "appear to have been made sporadically with no monitoring for compliance with lease terms."

Mr. Speaker, as a member of the Budget Committee, I have heard this administration assert over and over again that we need to ferret waste out of Government.

The administration said we didn't need auditors; they said we needed junkyard dogs. The article by John Eisendrath makes clear that those dogs have been toothless and kept on a very short leash.

I have also heard that we need to imbue Government with proven standards of business management. If the Reagan Interior Department is any example of that principle in practice, I expect that Ivan Boeske can anticipate appointment to a high Cabinet position any day now.

Mr. Speaker, the Interior Department's management of our system for collecting accurate amounts of royalty and other income from the use of public resources is not just broke, it's unfixable.

A new system is needed, one that is independent of the Interior Department. I will soon introduce legislation to create a new system for overseeing the leasing, contracting, valuation, and sale of public resources. The new system will have exclusive authority to assure that proper amounts are collected, deposited in the Treasury, and distributed to States and Indian tribes as required by Federal law. Its administrators should have very tough enforcement and investigatory powers.

Operated correctly, a new collection system will not cost taxpayers a nickel because it will be funded by the moneys it collects. And to provide an incentive for diligence by its employees, I would not be opposed to assuring bonuses to those who recover uncollected revenues for taxpayers.

Mr. Speaker, this proposal deserves bipartisan support from this Congress. We, and the constituents we represent, are tired of being played for Uncle Sucker. The Interior Department has had its chance for over 100 years, and it has failed again, and again, and again. Let us join together in an effort to make Government work better, and to secure for the taxpayers of this country that revenue which is rightfully theirs.

[From the Washington Monthly, April 1987]

YOU THINK THE NSC IS SCREWED UP? TAKE A LOOK AT WASHINGTON'S WORST RUN PROGRAM

(By John Eisendrath)

You can always tell a government program isn't working well when the General Accounting Office decides it can save itself some work by starting each new report on a program with the exact same paragraph. The federal government's royalty management program, operated by the Department of Interior, is a prime example. "Historically, [Interior] has not placed a high priority on the collection of oil and gas royalties," begin the GAO's 1981, 1982, and 1983 reports. "Consequently, serious deficiencies in the collection system that were identified over 20 years ago persist today."

During the past 33 years, three task forces, one blue ribbon panel, and five outside contractors have tried to improve the Interior's management of this huge program; the GAO, Interior's own inspector general, and five differnt congressional committees have weighed in with 18 reports totaling 1,319 pages.

Without success. The problem is now worse than ever. According to a report issued last September by the House Appropriations Subcommittee on the Interior, the government may be failing to collect as much as $1 billion a year in royalties. The government, of course, disputes the exact amount, but admits that hundreds of milions of dollars did go uncollected in 1985, and that over the years, billions more have been lost. The subcommittee estimated that the undercollection rate is twice that of five years ago, and more than triple the estimated undercollection rate of 1975.

These royalties are paid on oil and gas pumped from federal and Indian lands that have been leased to private companies. In exchange for their leases, companies pay 12 to 16 percent on whatever they produce, which can be a significant source of revenue; since 1959, the government has collected more than $28 billion. Indians receive all the royalties paid by companies leasing their land; states get half the royalties earned from public land inside their borders.

Now, you may have more important things to worry about than whether New Mexico is getting its fair share of royalties. It's a good bet most people in New Mexico don't even care. What everyone from Santa Fe to the Senate should care about is that the royalty management program represents government so out of control it makes the National Security Council seem orderly.

THE SEVEN PERCENT SOLUTION

Until 1982, royalty management was done by Interior's U.S. Geological Survey (USGS), a division well respected for its scientific undertakings. But even in 1959 the GAO pointed out that the study of rocks and the collection of money have little in common. Interior informed Congress that it "seriously considered" this point in 1963 and again a year later. Interior's thoughtfulness, however, was swiftly followed by decades of inaction.

The geologists meant well. In an early effort to straighten out the collection mess, the director of USGS in 1954 ordered a bureau-wide audit under the direction of a new chief inspector. The only problem was that the order provided no staff. For seven years the "chief" inspector was the only inspector. When the GAO noted the chief inspector had not yet conducted an audit, it suggested USGS give the poor guy some help. A small staff was assigned in 1961, but no audits were done until 1964.

For most of the next 15 years, USGS maintained this grueling pace. Of a sample of 5,000 leases in 1979, the GAO found that only eight had been audited. The following year, a look at 18,000 leases showed that USGS auditors had examined only 92.

To do all this work, the royalty management program by 1980 employed 321 people. Unfortunately, 315 didn't know very much about collections: only six were CPAs. When a blue ribbon panel pointed this out to Interior in 1982, the agency decided the Minerals Management Service could do a better job. The MMS has 130 auditors, 108 accountants, and a staff of 618 whose sole purpose is to collect royalties.

But for all its apparent expertise, the MMS has done its predecessor proud. To make up for all the previous lax years, the MMS in 1983 began auditing the major companies involved in oil and gas leasing over the previous five years. Auditors were assigned, money was appropriated, and sure enough, $320 million in underpayments was found. That sounds like a lot, but Congress now estimates that undercollections for those years total about $5 billion—15 times the shortfall MMS found.

Officials at Interior are so proud of collecting less than 7 percent of what it is owed that they are reluctant to take on more auditors. In 1984, when MMS had 90 auditors, MMS director William Bettenberg told Rep. John Murtha, "We're in good shape on auditors." A wary Congress gave him more anyway. Last April Bettenberg told Rep. Sidney Yates, chair of the House Appropriations Subcommittee on the Interior, that the 130 auditors now on staff were all he needed. Only after an internal report concluded that by spending $2.5 million more on 50 auditors the department could increase collections by $20 million, did Bettenberg admit that more auditors would be helpful. But in September, when Yates asked Bettenberg whether he'd like 100, Bettenberg replied: "We think not."

A CERTAIN AMOUNT OF CHAOS

Of course, it doesn't matter how many auditors Interior has if they can't figure out what they're supposed to do. It would seem, for instance, simple to decide how much a company owes in royalties each year. Just determine the market price on the oil and gas, apply the applicable royalty rate, and send out the bills.

Interior has never quite figured this out. Between 1949 and 1959, the department simply failed to bill a number of oil producers for royalties, including one that owed more than $250,000 because USGS officials couldn't agree on what its production was worth. No bill, no royalties. After the GAO expressed concern over this lack of collections, USGS officials assured investigators, "Although all the items have not been billed, considerable action has been taken to bring the work up to date."

In fact, little action had been taken years later in 1972 the GAO reported that the USGS determined the value of oil and gas by relying on the price the *company* set—even when that company was selling oil from one subsidiary to the next. Not surprisingly, an examination of only a small fraction of producing wells exposed hundreds of thousands of dollars in royalties lost due to artificially low prices. Again, the USGS promised that the "assistant secretary has ordered the present operating manual reviewed as rapidly as possible . . . to ensure that no [questions] remain about the computation of royalty payments." Nine years later the acting director of the USGS was again soberly assuring Congress that Interior was working on "a new accounting system that would solve the valuation problem." The system, he said, would be operating by 1984. There is still no such system.

Moreover, there are still only loose guidelines for setting a price on oil and gas. This leaves both conscientious companies and department auditors confused. Consider this exchange last fall between Bettenberg and Rep. Yates:

Yates: How in the world can a company know whether it is complying with what you expect them to do? If they have no guidelines, how can your auditors know whether the company is complying? Isn't it total chaos?

Bettenberg: It's not total chaos.

Yates: It is just chaos.

Bettenberg: There is a certain amount of chaos out there.

How much? Enough that not only is Interior failing to collect royalties but oil companies are successfully suing the department to get back the small percent of royalties the government does take in. In the absence of specific valuation guidelines, the industry has successfully appealed a number of audit findings on the grounds that the rules are open to interpretation.

Last fall Interior finally came up with a sure fire way to solve the valuation question: it decided to let Conoco write the guidelines. By the MMS's own estimation, Conoco's proposal would have saved oil and gas companies $600 million. Though the MMS's Royalty Managment Advisory Committee vetoed the proposed guidelines by one vote last October, new regulations now pending are no better. If implemented, they would require states and Indians to rebate millions to oil and gas companies for royalties collected since 1982.

Even when Interior does manage to snag some royalties, it has a hard time keeping track of them. Over the years, the vast majority of lease accounts have been inaccurate. Of the 22,735 such accounts kept by the USGS in 1979, 16,166 were so poorly maintained that there was no way to know whether the government was owed money or whether the companies had paid too much.

When asked that year about the problem, the USGS assured investigators that all accounts would be reconciled by 1981. But by May 1981 the portion of accounts with errors had grown from 60 to 73 percent. Another assurance from USGS was followed 11 months later by another GAO report. Same first paragraph. Same conclusion. An analysis of 275 lease accounts disclosed errors totaling $1.1 million, indicating, according to the GAO, "the seriousness of the problem the Department has faced in maintaining accurate lease account records."

Interior's solution? Purge some accounts that had discrepancies. This might seem a prudent approach if direced at the small but time-consuming accounts. But the department naturally opted to wipe the slate clean for only those accounts where the books were off by *more than* $100,000. The government might be owed $100,000, or it might have been overpaid by that amount—starting in 1985, all accounts that large were wiped clean. In their defense, Interior officials told Congress that they had run a cost-benefit analysis that backed up the write-offs. When asked for a copy of the analysis, Interior officials said that all the copies of the report had somehow been misplaced.

When the agency does collect royalties properly, it doesn't have a conniption about quickly sending Indians and states their share. In 1979 Interior made $359 million late payments; in the second quarter of 1980, $98 million; and in 1981, $390 million. In 1982 an irritated Congress passed the Federal Oil and Gas Royalty Management Act, which required, in part, that Interior disperse royalties within 30 days of receipt. Needless to say, Interior has not complied with the law. In 1985 thousands of Navajos whose lands are leased for oil and gas production sued the department over late payments. Last July, U.S. District Court Judge Edwin Mechem ruled in the Navajos' favor, saying the department had consistently failed to satisfy the requirements of the law.

BLIND AMBITION

Considering the history of the program, it should come as no surprise that the one innovation Interior billed as its panacea for royalty collections followed exquisitely in the sound mangement tradition of its other reforms. In 1979 Interior began work on a new computer system to track royalty collections and distributions and gave MMS responsibility for overseeing the conversion of data from the existing system to the new computer. Given the importance and complexity of the problem, one might imagine that the MMS would assign as many top-flight people to work on it as possible. Instead, according to an internal General Services Administration (GSA) report last August, which we obtained through the *Denver Post*, the MMS assigned 14 people to manage the project, only three of whom had any experience in converting data from one system to the next. Only one of those three had any experience in the kind of conversion the MMS was attempting. Moreover, the man MMS put in charge of the project—the man responsible for steering Interior away from the rocks for jocks stewardship of the USGS—was, that's right, a geologist.

The new computer is a dud. To date, Interior has spent $82 million on it, and it still doesn't work properly. In August, six years after Interior leased the first contract for the computer, the GSA predicted that unless changes were made, "the project may ultimately fail."

In September 1980, the initial development contract was awarded on a sole source basis to Sterling Systems, Inc., which in turn subcontracted to Arthur Andersen and Company. It quickly became apparent that Andersen was doing all the work. Rather than pay two companies for work only one was doing, Interior canceled Sterling's contract in February 1981.

But the department then chose not to follow Andersen's advice that, for $11 million, a new system could be set up using three mainframe computers already in the USGS inventory. Instead, the department started over. By September 1981, three new contractors had been hired to do three separate tasks: development, oversight, and data processing. Rather than use the available computers, American Management Systems (AMS), the company awarded the development contract, designed a new system around one minicomputer, or VAX. Interior purchased one that October. By May 1982, with only 10 percent of the data entered, the VAX was overloaded. A second was purchased. Then a third. Within a year there were six and all were over capacity.

Apparently the minis weren't designed for high volume input, and no software existed to process so much information. Interior could buy 50 minis and the computers still couldn't keep up. So what was MMS's oversight team doing? According to an internal department report, it had no idea. "AMS inundated the MMS staff with paper," the report notes. "Many of these documents containing key design decisions were never really read or analyzed by the MMS staff. . . . It soon became apparent that only [AMS] fully understood the intricacies of the new system."

What everyone did understand was that opting for the VAX system had turned out to be a $50 million mistake. It was also a waste of four years. Interior decided to go back to the mainframe computer idea Arthur Andersen had suggested in 1980. To implement that, on April 1985 the department awarded a $32 million contract to the Martin Marietta Corporation. Marietta was supposed to complete the system by December 1985. It didn't. It then missed all its 1986 deadlines. Rather than miss another, Marietta now says only that the system will be operational sometime this year.

Interior has fined Marietta $979,498 for the delays. Marietta refuses to pay, saying the government's records are in such bad shape they cannot be fed into the system. Blaming government delays for its inability to meet its deadlines, Marietta is now demanding $1 million from the agency. One internal MMS report concedes the agency has "error-ridden files that still have not been completely unraveled or reconciled." At the same time, a GSA report concluded that Marietta's management team was no keener then MMS's: "Martin had no personel with significant conversion management skills assigned to this project [until] about four months after the project got underway." The GSA concluded that the $32 million contract "can be characterized as a case of the blind leading the blind."

PROBLEM? WHAT PROBLEM?

The standing joke among those involved in royalty management is that after 33 years of trying to correct the program's problems, it still takes ten bureaucrats to collect royalities. One to underestimate the amount owed and nine of make sure the payments get screwed up.

Despite years of repeated criticism, the royalty program remains grist for the Borscht belt mill because Interior routinely brushes aside recommended improvements. Even when Congress made the recommendations law, the department ignored them. The reason is simple. There's no financial incentive for Interior to improve collections. Almost all the royalties collected that don't go back to the states or the Indians are deposited in the general treasury. No secretary is going to devote his or her increasingly scarce resources to a program that brings his or her department no return.

A generation of incompetence should be long enough to realize that the only way to improve the royalty management program is to make MMS salaries proportionate to its success. Without this kind of incentive, taxpayers will keep making up the difference, Indians and states that are owed royalties will continue being shortchanged, and efforts to improve the program will be met with a kind of imperviousness that leads one to conclude that Interior may even enjoy making a bureaucratic mess.

During a meeting with James Watt and four of his assistants, David Linowes, chair of the panel assigned to assess the royalty management program, says he pointed out that because the department never matched reports on the production of oil and gas with reports on sales, it was impossible to be sure the proper amount of royalties was being assessed. "The secretary looked at his calendar and said, 'As of today, we'll start doing that,'" recalls Linowes. When, months later, Linowes asked those in the meeting along with Watt why nothing had been done, he says each official replied, "We didn't hear the secretary say he was going to do anything."

[From the Washington Post, Mar. 27, 1987]

CORPS ILLEGALLY OVERSEES ENERGY LEASES: TECHNICAL SNAFU CITED FOR FAILURE TO TRANSFER MANAGEMENT TO BLM

(By Cass Peterson)

The U.S. Army Corps of Engineers has been illegally overseeing more than 300 oil and gas leases in at least four eastern states and is not certain where rent and royalty payments made by the energy producers who own the leases ended up, embarrassed Corps officials said yesterday.

The leases are on more than 42,000 acres of land acquired for water projects in the Corps' Ohio River Division—which covers West Virginia, Ohio, Pennsylvania and Kentucky. The Corps blamed a "technical snafu" for its failure to transfer the leases to the Interior Department's Bureau of Land Management, which is the only federal agency empowered to handle mineral leases on federal land.

Rep. Nick J. Rahall II (D-W.Va.), whose district includes some of the oil properties, called the disclosure a "potential scandal" and said the state may be owed "millions of dollars" in royalties that either were not collected or were not distributed to the states.

Corps officials said they collected less than $135,000 last year from the leases, which cover an estimated 600 operating oil and gas wells in all four states and coal fields in at least one area of Kentucky. An initial BLM investigation found that royalty payments "appear to have been made sporadically with no monitoring for compliance with lease terms."

But BLM Director Robert F. Burford said it is too early to tell whether the government has missed out on significant royalty revenues.

"I don't have reason to believe that [Rahall's estimate]," he said, "but I can't say with any assurance that it's not true, and I won't be able to until we have examined the wells."

According to BLM documents, some of the leases date back to 1891 and others were let as recently as 1979. Burford said some of the older wells "may be close to the end of production," but other leases appear to cover areas that have drawn recent interest as potential gas fields.

BLM officials said they were stunned to learn of the Corps' oil and gas properties during a "casual conversation" at an interagency meeting in Cincinnati last month.

Dave Bayard, a spokesman for the Corps in Huntington, W.Va., said his agency brought up the subject because "we were doing a large load of work administering these leases and we were trying to get some money for it from the BLM. It looks to me to be an honest mistake."

The Corps acquired the leases over a period of decades when the agency purchased tracts of land for flood control and other projects in the four-state region. The agency is legally required to transfer the leases immediately to BLM.

"What the Corps has been doing is we've been administering the lease until it expires or until we finish the project," Bayard said. "This has been wrong."

According to Bayard, revenues received before 1980 were distributed the same as income from other Corps activities, such as leases for marinas, compgrounds and farmland—25 percent to the federal treasury and 75 percent to the country "to offset tax losses."

Since 1980, however, the Corps has deposited the money into a "royalty account." Bayard said it is unclear how the money was distributed. "I assume, but I don't know, that it was distributed 25-75, but there is an outside possibility that it wasn't distributed at all," Bayard said. "I wish I had some better answers as to who got the money."

The Corps has agreed to transfer the leases "as expeditiously as possible" so that BLM can conduct field inspections to determine production levels and compliance with environmental laws.

The Corps' real estate office also ordered all its field offices to check their records and report any private mineral leases on Corps land.

"I think they feel they have some egg on their face," said Burford.

PAKISTAN: A COMMITMENT TO NONPROLIFERATION

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. DREIER of California. Mr. Speaker, we have recently seen a great deal of concern over Pakistan's nuclear energy program. No doubt, we will hear much more concerning Pakistan's capabilities and intentions. For the record, I would like to submit the remarks of Pakistan's ambassador to the United States, Jamsheed K.A. Marker. The Ambassador clearly spells out his country's desire to honor the principles of nuclear nonproliferation and avoid a nuclear arms race with neighboring India. I commend the Ambassador's statement, which appeared in the Washington Post, to my colleagues and argue it is a fair proposal.

[From the Washington Post, Mar. 13, 1987]

PAKISTAN: A COMMITMENT TO NONPROLIFERATION

The Post ["Pakistan and Nuclear Weapons," editorial, March 10] has omitted two fundamental aspects of Pakistan's nuclear policy: first, that we believe in nonproliferation, and our nuclear research is, therefore, devoted entirely to peaceful purposes; and second, that we believe that the practical and purposeful way to proceed with nonproliferation is in the regional context.

To this end, the president and prime minister of Pakistan have repeatedly expressed their commitment to nonproliferation and have equally frequently proposed that:

(a) India and Pakistan jointly sign the nonproliferation treaty, or

(b) India and Pakistan jointly declare South Asia as a nuclear-weapons-free zone, or

(c) India and Pakistan agree to a mutual inspection of each other's nuclear facilities; or that there be

(d) simultaneous acceptance of complete IAEA safeguards for all nuclear installations, or

(e) a binding declaration by states of South Asia renouncing the acquisition or manufacture of nuclear weapons.

We await a positive response to any of the above proposals or to any other idea, from any quarter including the United States, that is nondiscriminatory in nature. We remain convinced that their acceptance would mark a significant progress toward nonproliferation. It is therefore a matter of some regret that The Post editorial should have entirely ignored this fundamental aspect of Pakistan's nonproliferation offer, and thus rendered its argument somewhat tendentious.

Pakistan's policy on Afghanistan is governed by principles. It is a matter of historical record that Pakistan's opposition to the Soviet invasion of Afghanistan commenced with the intervention itself, and certainly long before (at least a year and a half) the first U.S. aid package was initiated. Nothing will deflect us from adhering to these same principles, which, indeed, form the basis of our position in the current delicate political negotiations for the withdrawal of Soviet troops from that unhappy land.

Finally, I regard as somewhat peremptory the assertion that "they [the Pakistanis] have thought they could have American patronage and the bomb too." Permit me to suggest, as gently as I may, that Pakistan has sought neither: if we have sought anything at all, it has been American friendship, for which we have reciprocated in kind, and will continue to do so.

JAMSHEED K.A. MARKER,
Ambassador of Pakistan.

THE PECAN

HON. CHARLES WILSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. WILSON. Mr. Speaker, I respectfully request that the article, "Our State Tree, The Pecan" by Howard Peacock, from the February 1986 issue of Texas Highways, be entered in the RECORD. Almost as American as apple pie, the fruit of the pecan tree ranks highest in North America in production for world nut markets. The pecan has been a part of our horticultural heritage since precolonial times. Mr. Peacock's tribute to this fine tree is one of the best I've read, and I would therefore like to share it with my colleagues.

OUR STATE TREE, THE PECAN

(By Howard Peacock)

When the conversation turned to death and grave markers, James Stephen Hogg became quiet for a few moments, and then made an odd request.

The date was March 2, 1906, Texas Independence Day, and the former governor and his daughter were spending the holiday with his friend and law partner, Frank Jones of Houston.

Governor Hogg had proved to be one of Texas' greatest statesmen, despite a stumbling start as a boy in the deep piney woods. The first native-born son to occupy the governor's office, he hammered through reforms in education, commerce, and law enforcement and won the admiration of national leaders. He had been shot, impoverished, enriched, ignored, cheered, hated, and honored.

However, the comment to his friend became Hogg's most durable memorial.

"I want no monument," he's quoted as telling Frank Jones. "Let my children plant at the head of my grave a pecan tree, and at my feet an old-fashioned walnut tree. When these trees bear, then let the pecans and walnuts be given to people so they may plant them and make Texas a land of trees."

Unexpectedly, Hogg died in his sleep the next morning. But his remarks were remembered. For decades, nuts from trees planted at his grave were gathered by Texas A&M University horticulturists and distributed to school children for planting.

Then 13 years later, when the legislature was inspired to choose a state tree—they had at least 145 species to choose from—the honor went to the pecan. All 50 states now list official state trees, but the pecan is reserved for Texas alone.

At its best, the pecan becomes a friend 150-foot-tall, or taller, a shaggy-barked eminence to paint or photograph, to pat on the trunk or picnic under. It provides leafy shade in summer, fuel in winter, lumber for furniture and small tools, a home for wild creatures, and nutritious food in vast quantities.

"This is the most important nut producer of the genus Carya," says the Encyclopedia Britannica. "Pecan nuts are North America's greatest contribution to the world's nut markets."

No wonder, then, that Texas housewives and gourmet chefs throughout the Western Hemisphere have concocted more recipes based on the pecan than on any other nutmeat, ranging from a simple sprinkling of crushed pieces on fruit salad to a fish sauce of pecan halves and melted butter and a Neiman-Marcus colossus of an ice cream ball rolled in toasted pecans and drenched in hot fudge sauce.

The pecan has assumed a notable role in history. Cabeza de Vaca, the first European explorer in these parts, stuffed himself on pecans to stay alive during a starving captivity with migrant Indians, thanks to the "River of Nuts," as the Guadalupe was called in 1532. Centuries later, astronauts munched pecans on Apollo 13 and Apollo 14 missions, marking the first time fresh food was packed for space exploration.

Between those major historic events, thousands of Texans planted pecans to celebrate births, marriages, housewarmings, barn-roofings and other important milestones in family life. Such traditions may well revive and boom to mark births and weddings during the Sesquicentennial year.

Fossils of pecans date back 80 million years, but the natural range was probably established some half million years ago, spreading from southwestern Wisconsin-down the Mississippi and Ohio River valleys and through the eastern half of Texas to the Rio Grande. The range was probably determined by glaciers moving back and forth that caused the Gulf of Mexico to alternately rise and recede.

Migrating animals and birds planted many a pecan during such epochs. Parts of Illinois, Indiana, Missouri, Kentucky, Tennessee, Arkansas, Louisiana, Oklahoma, Mississippi, and Alabama, plus Texas, were sprouted. Nowadays the tree is planted in many other states, in Mexico, and on several other continents.

A member of the walnut family, the pecan claims closest kin to a dozen or more hickories, the genus name of which is *Carya*, derived from a Greek word for walnut. The pecan's official name in *Carya illinoiensis*.

"It was once known as 'Illinois nut,'" explains Dr. Benton Storey of Texas A&M. "That term was used by trappers and traders." The word "pecan" comes from an Algonquin Indian term, "pakan," meaning a nut hard enough to require a stone to crack it. Cajuns gave the name an extra flourish, calling it "pecanier."

Pioneers used the hard wood of the pecan for flooring, furniture, and small tools. Modern uses include fancy cabinetry for the elegant color and grain of the wood, which takes a high, lustrous finish.

Leafless in winter, the tree bares its strong frame in November and December, and delays longer than any other species putting on its green garb of spring.

Texas ranks first in the consumption of pecans but second to Georgia in production. That comparison may mean that Georgians truck their nuts to market while Texans crack and pick the shells on their porches, nibbling all the while. In 1983, Texas growers produced 70 million pounds of pecans. The total dropped to about 25 million in 1984, however, after an extremely cold winter and a hot, dry spring.

Out of 254 counties in Texas, 152 produce pecans for market. Hood Country often tops the annual tally, in 1984 edging El Paso County 3 million pounds to 2.13 million, and in 1983 coming in with 6.178 million pounds to 5.72 million for San Saba County, where the worldwide appetite for soft-shell pecans began.

"Source of more important varieties than any other pecan in the world," certifies Famous Trees of Texas, published by the Texas Forest Service, Texas A&M University, referring to the San Saba Mother Pecan, a tough old tree growing near the confluence of the San Saba and Colorado rivers.

But it was a pitiful sight when E. E. Risien, a British-born cabinetmaker who sponsored the original pecan exhibition in San Saba, first viewed it more than a century ago. The nuts that won the exhibition prize were so impressive and delicious that Risien asked the owner to show him the tree that produced them. Riding out to the place, they reined up presently, and the owner waved toward the tree. Only one limb remained! Stunned by the grotesque silhouette, Risien asked what had happened to the scores of other limbs, now represented merely by their stubs.

"Had to cut them off to get the nuts," the man replied. The surviving limb had been the one he stood on to saw off the others.

Risien bought 320 acres of the surrounding tract for $1,000, a handsome price for the time, and set about fulfilling his fascination with breeding pecans. Eventually, he would develop more than 20 varieties of papershell pecans, using the mother tree for thousands of experiments. He nursed that specimen back to vigorous health, meanwhile riding horseback over thousands of miles in Central Texas seeking promising trees for budding grafting, and pollenizing.

Risien established a nursery in 1888, and filled orders for his varieties and budwood. Orders came from every state in the union where western species would grow, and from every continent. Queen Victoria and Alfred, Lord Tennyson were among his customers, in addition to John Studebaker of the auto family and C. W. Post of the cereal empire. Post saw a grape-like cluster of pecans exhibited by Risien at the Chicago World's Fair in 1893 and came all the way to San Saba to talk with Risien and inspect his work. According to reports, the cluster of pecans inspired the name Post gave a new product, Grape Nuts.

Experimenters and nursery owners still seek large, fat, juicy, thin-shelled pecans that will fall in profuse abundance every year. Today, more than 1,000 kinds of pecans called cultivars have been developed from the small, hard-shelled native varieties that fed native Americans, Cabeza de Vaca, families during the Great Depression, and many a young boy who knew where to look for free nuts and didn't mind thumbnailing out the pulp.

The Indian period of pecan history is remembered by the U.S. Department of Agriculture in the practice of naming varieties for tribes, such as the Pawnee, Wichita, Mohawk, and others.

Biggest of all varieties discovered to date is the Podsednik, which measures two inches or more in length. A pound of Podsedniks may require only 11 nuts. By contrast, a pound of fat Burketts, a popular variety, may average 40 nuts. One of the small native pecans exhibited recently required 824 nuts.

Robert Podsednik planted a pecan nut in 1963 at his home in Arlington. When the resulting tree was about 10 years old, he moved it to another spot in his yard. Then it began fruiting. He had never budded or grafted the tree, yet the pecans were the biggest he had ever seen.

Larry Womack of Womack's Nursery in DeLeon saw the giants and arranged to graft this variety onto his nursery stock. About 1,000 trees now are budded. "We've been selling the Podsednik for about four years, but right now it's more of a novelty pecan than a serious cultivar."

The process of determining whether a variety is suitable for large scale production takes 15 years of research. What research will prove with regard to the Podsednik (which some think is a cross between the Mahan and the Success) no one knows, but at present it holds the world honors for size.

Growing pecans is one of those businesses that works well as a family operation, and the Womack experience might be typical. Larry's father started the DeLeon nursery in the 1930s. The groves have grown to some 20,000 trees. "The best fertilizer is the owner's shadow," an old saying goes.

Hugo Pape knows as much about family operations, research, and pecan lore as anyone. Now past his mid 80s, he's a patriarch of the pecan world. His Pape Pecan Valley Ranch is south of Seguin. On a high ledge at the ranch, he built an overlook where he can get a grand view of the valley where he tends experimental pecan trees.

"One day when he was a boy about six years old, my son Kenneth was playing around the bank of an old bed of the river," Pape recalls. "Very old pecan trees form groves on those banks. He discovered an extensive collection of Indian arrowheads and scrapers. The spot was obviously an encampment for the Indians' fall migrations along the Guadalupe where they could fatten up on pecans for the lean months ahead.

"We know that Cabeza de Vaca was captured by Indians and brought somewhere between the sites that became Gonzales and Seguin," he continues. "Perhaps his party knew this place. It's the right location. And those trees may well be several hundred years old, old enough to tell the tale, if they could talk."

The trees he points to look older than Texas history. Huge, gnarled, burled, they hold their crowns 100 feet or more above the old river bed, and still bear pecans.

The Pape family now owns and operates one of the largest pecan complexes in the United States, including vast groves and a landmark retail outlet in Seguin, Pape's Pecan House. Kenneth, who as a young boy discovered the Indians' cache, owns the pecan house and is president of the Texas Pecan Growers Association.

Hugo Pape got into the business when a local man swapped him seven and a half acres of land for $100 and an expensive rug. Hugo's father later gave him 10 pecan grafts, and Hugo got so interested in pecan growing that he bought additional acreage. That tract now comprises the experimental orchard and the groves of ancient pecans on the Guadalupe River.

"In those days, a pecan tree would produce well every second year," Hugo says. "The in-between years would be a failure. That didn't seem right to me. I drove over to A&M and told those scientists that I didn't believe God intended pecans to produce just every other year. I said before I died I wanted to prove that pecan trees could produce well every year, like peaches and apples." He offered to foot much of the bill for research, which began his long friendship with the university.

Years of research at Texas A&M have yielded the knowledge to produce hefty pecan crops each year. Three of America's top authorities on the pecan are connected with the university; Dr. Benton Storey, Dr. George McEachern, and Bluefford Hancock. The latter invented the world's most widely used graft, the Texas bark inlay, in the 1950s.

It's still a roller coaster ride of a business, say most growers. Over the years, they have had to deal with myriad insects, crows, raccoons, and other wild creatures. Crows still upset commercial growers because the intelligent birds often pick the biggest, juiciest, softest-shelled, most marketable nuts to carry off and hide.

Actually, says one authority, crows spread the best species by flying considerable distances with the nuts, storing them for winter food, and leaving some to germinate in the spring.

Bears once roamed the river and woods between Seguin and Gonzales, and gulped huge quantities of native pecans. "The bears would tear off the limbs and drag them to the ground, where they could devour the nuts at leisure," reveals a book of the 19th Century. "It looked as if a cyclone had passed over the country."

Settlers often copied animals in destroying the trees. Accounts abound of immense old pecan trees being felled for one year's harvest.

Wasteful practices such as those, plus positive thrusts in research, production, and marketing, moved families in the pecan business in 1921 to form the Texas Pecan Growers Association, the state's oldest agricultural organization. It has about 1,300 members and is the largest of its kind in the world.

"Eighty percent of our members are Texans," says Norman Winter, executive director. "Others live in Mexico, Israel, Australia, and other countries where pecans are grown and being tried."

Folklore, history, and various uses of the pecan are prime concerns of the association, as are activities aimed at helping the pecan compete commercially with almonds and walnuts as a table delicacy.

Thomas Jefferson and George Washington set out pecan trees in their home orchards, and saplings planted by Washington may well be the oldest living trees in Mount Vernon. A slave in St. James Parish, Louisiana—Antoine by name, the gardener of Governor Telephore J. Roman—performed the first grafts on pecan trees. The variety he created through 16 grafts was named "centennial." Similar historical notes often appear in a popular column headed "Can You Top This One?" in the association's quarterly magazine. The column also invites readers to tell about pecan trees of remarkable size.

In Dallas, for example, a pecan towers 150 feet over a home in an otherwise normal neighborhood. No telling its age.

In Bell County, an old tree known as Number 735 bursts forth in the springtime with as many as 25,000 rosettes of pecan clusters, and in 1954 yielded 1,000 pounds of nuts in one day's gathering.

In Huntsville, on the south corner of the Houston homestead, an immense pecan has grown from a sapling Sam Houston used for flicking his horse on the flank one night on a long trip; it was planted the next day.

On Salado Creek in San Antonio, an enormous tree with a circumference of 223 inches at the breast was on land purchased in 1947 by Jack White, later to be elected mayor. One expert estimated its age at 1,000 years. When White took possession of the property, he found a hobo living in the hollow of the tree. It became known as the "Hobo Pecan."

Still another kind of home life is provided by pecans at a place near Goldthwaite for emotionally and physically abused children.

"We have several hundred native pecan trees along Pecan Bayou," explained Paul Kirby, an administrator of the New Horizons Ranch & Center, in an address at a recent pecan growers convention.

"Our pecan orchard helps give our children a chance to stop and think, to sort through their lives and try to make some rhyme and reason out of the things that have happened to them. They have nut-gathering parties on the river, and sell pecans for group bus trips they want to take. The grove is one of the important tools of our program to help them rebuild self-esteem."

Gardening, nature study, and other outdoor activities along Pecan Bayou supplement the orchard in the work of this nonprofit residential center.

In his years of scientific study and collecting data, Bluefford Hancock of Texas A&M maintains he knows of no pecan tree that died of old age. Death comes from the destructive acts of people and from lightning, he says. Otherwise, large specimens may well live hundreds of years.

Today's state champion pecan tree lives on a farm just north of Weatherford on FM 51. It's not the tallest pecan by a long shot, but its circumference (230 inches) plus its height 90 feet) plus the crown spread (112 feet) give it a combined index of 348 official points that no other pecans tree in Texas has yet been found to match.

The champ is just one of the giants James Stephen Hogg had in mind when he thought of his state as "a land of trees." He probably couldn't conceive of the modern breadth of his drama. At last count, more than 2 million pecan trees graced the hills, river banks, and backyards of Texas, many of them proliferating from nuts gathered at the governor's grave and distributed to generations of Texas school children.

TRIBUTE TO KEVIN GAST

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. DYSON. Mr. Speaker, I rise today to point out the achievement of my constituent, Kevin Gast, who recently won the 119-pound class B-C wrestling championships, held at Western Maryland College. Kevin finished the 1986-87 season, with an impressive 25-1 record.

The victory by Kevin symbolizes not just an individual victory, but also a victory for our youth, and for the future of our country. So often we hear how the American fighting spirit no longer exists, that we are a country on the decline. I dispute this theory, however, and suggest that the youth of today will bring prosperity and glory to our great Nation. Competitiveness among young adults has not diminished, and will one day be transferred into other realms, such as science, business, communication, as well as others. I would therefore like to assure the doomsdayers that the American spirit is alive and well, and will continue, as long as we have individuals such as Kevin Gast, who, once committed to an ideal, never give up.

COMPETING WORLDWIDE

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mrs. BENTLEY. Mr. Speaker, on March 11, 1987, I had occasion to speak before the national meeting of the Cast Metals Association in Washington. These are the representatives of our national foundry industry across the country. It is another sector of our defense industrial base under great stress from foreign imports, under daily threat of disappearing in the avalanche of balance of payments deficits.

The main speaker at the breakfast was Mr. Albert W. Gruer, Jr., sales manager of the Waupaca Foundry in Waupaca, WI. His speech was so cogent, so descriptive of the destruction being wrought not only on our defense industrial base but on our communities that I wish to share it with you and our colleagues by having it inserted in today's RECORD.

LET US COMPETE—LET'S GET ON WITH IT

I come from a small community of 4,400 people, most of whom are dependent on Waupaca Foundry's success and continued growth. We have a very personal interest in competing worldwide!

Let me state that the theme for this meeting, "Let Us Compete", was set long before the current bandwagon of the Congress and the President to make our Nation more competitive. This Cast Metals Association has been pounding that drum since 1980. This organization represents 500 foundries throughout the country responsible for 90 percent of casting tonnage produced in the United States today.

In 1980, the U.S. foundry industry operated with 4,000 plants employing 400,000 persons. We began 1987 with 2,900 plants employing 170,000 persons (a loss of 230,000 jobs). There have been a few mergers and acquisitions, some joint ventures, but lots of chapter 11's, chapter 7's and bankruptcies. Currently the U.S. tonnage production of ferrous castings is about 50 percent of what it was in the early 1980's—non ferrous production has not suffered in the same magnitude.

This shrinkage occurred mainly because enormous quantities of foreign castings are coming into this country as rough parts, machined parts, portions of assemblies, or simply unclassified castings because of umbrella tariff categories. Look around you—and you don't have to look far:

1. Count the foreign cars—33 percent.
2. Note the foreign names on electric motors and generators.
3. See which trucks are delivering merchandise—I hardly recognize the names.
4. Lift the hood on automobiles and trucks with American names and see who supplied the gasoline or diesel engines—the same with transmissions and powertrains.
5. Check the inards of your refrigerator and see who made the compressor.
6. The farm machinery and construction equipment manufacturers—names like John Deere, J.I. Case, International Harvester, Allis Chalmers, Caterpillar—are being devastated and inundated by imported equipment. Some of the names I just mentioned have already closed their doors, or shut down some of their operations.
7. Over 60 percent of all machine tools are no longer produced in the U.S.A.
8. Note the number of new plants being built in America by foreign producers, but ask from where are their cast parts being supplied—their homeland.
9. I could go on with products like valves, pumps, food machinery, home machinery, garden tractors, braking systems, engine parts, construction castings * * *.

The demand for these products, all requiring castings, has gone overseas, along with the jobs. Frankly, we don't need any more "Government Commission Studies" to tell us about the impact of imports on the domestic foundry business—or, as a matter of fact, on our trade deficit for all products .

In 1984, the International Trade Commission—at the request of then U.S. Trade Representative Bill Brock—conducted a competitive assessment of the U.S. foundry industry in domestic and world markets—a section 332 study. The results of that study—three years ago—alarmed us. However, it focused on a perception we already had on foreign competition. It provided us with the facts and the statistics. Among the findings: prices on imported castings ranged from 15 to 28 percent lower than our own. Import penetration for certain castings ranged from 10 to 37 percent and was expected to continue upward. Many U.S. foundry customers increasingly sourced castings abroad. Imports of finished assemblies were predicted to have greater potential impact than imports of castings themselves—(the end-use sector)—and domestic foundry employment, shipments, net sales, and profitability were declining while imports were rising.

The study further showed some distinct disadvantages to U.S. producers were:

A. Their lower cost of labor—(no mention of comparable productivity/man hour or standard of living.)

B. Their lower cost of capital—(many foreign countries favor their industries with the capital costs by special tax concessions, and encourage individuals to save with special tax incentives.)

C. The assistance in R&D by foreign governments.

D. Their favorable tariff policies—(imports versus exports by foreign governments. Foreign governments impede imports by tariffs or taxes—favor exports by special tax concessions.)

E. Our U.S. governmental regulations and mandates—impeded U.S. foundries in competing—(clear air—clean water—OSHA—EPA—employment policies and benefits—and our position on product liability.)

F. An unfavorable exchange rate for U.S. producers—(has not been favorable to U.S. manufacturers.)

G. And lastly, the 332 study showed that, "with no substantial changes in world economics or political conditions, it is likely U.S. foundry producers will continue to lose market share."

That study was 1984. AMD covered the preceding four year period. Since then the intensity of foreign competition has increased, particularly in the end-use sector which affects casting demand drastically.

Our industry followed this 332 study with a 201 case with the ITC (the same body that had done the 332 study)—and in losing the case we were told that increasing imports where not threatening the domestic industry with serious injury. We were told that "serious injury requires an important, crippling, or mortal injury, one having permanent or lasting consequences."

Like it or not, our industry is still alive and breathing—that 201 case, however, did show that our foundry employment, productivity, profitability and sales (by those foundaries surveyed) had improved from 1981 to 1985. It showed we weren't just sitting around with our fingers up the old proverbial—waiting for someone (like our government) to help us. We were improving our own lot. But the headlines stated, "declining demand, not imports cause domestic casting woes." As I said earlier, look around us—and what caused the declining demand—how could they reach such a conclusion!

But there's been some good come out of our present dilemma. We foundrymen have had to search for better means to continue to compete—what are some of those means:

1. Work as a company team—management and employee—get everyone involved—be receptive to exchange of ideas with an open mind—and be willing to take a chance to improve your costs.
2. To accept and use advanced technology. Better methods to improve not only productivity, but, improve working conditions—but this needs capital from profit!
3. To work harder and more efficiently—not all of increased productivity is related to automation—much of it is effort and attitude.
4. Shut down inefficient parts of a foundry to reduce capacity and overheads and to regain profitability.
5. Negotiate more realistic wage scales and, in some cases, renegotiate very costly fringe benefits.
6. Develop new markets for your foundry, and to suggest ideas for reducing costs for your customer.
7. Fight to maintain market share by performing with superb service and quality.

In summary, get more out of what you have—and do it more efficiently and serve your customer better. The foundry industry is doing just that to be competitive with foreign competition. We can't ask someone else to do our job for us—to accept our responsibilities and our challenges. But there are some things we can ask:

I am repeatedly astonished, even astounded, by the apparent ignorance—or maybe it's myopia (the deficiency in foresight or discernment) that seems to surround all branches of government in trade and trade policy. 1975 was the last recent year that we exported more than we imported.

From $2.2 billion surplus in 1975 to a 1976 deficit of about $16 billion; to 1977 with about a $32 billion deficit—why does it take the current crisis—an increase in the trade deficit from $20 to $40 billion several years ago to $170 billion in 1986—to start now in real earnest to do something.

Twelve (12) years of myopia—resulting in the fact that the U.S. is in financial hock to the rest of the world. A foreseeable economic disaster is now a political football—and, as always, the finger points to "the other guy." We now have the admittance, by the administration—by the Congress—that we insist that trade not only be free—but fair—"that we always will be trading partners, but not trade patsies."

We and many other metalworking industries have been telling you since 1980 that a crisis is coming! What's new! Our dilemma reminds me of a sign my wife has in her kitchen, I'm not deaf, I'm just ignoring you!

In the mid 1950's (1957), Eisenhower was pushing for a Trade and Aid Program—to help the impoverished nations in the world become more industralized—to improve their standard of living. He wanted to continue a form of the Marshall plan.

Obviously much of this effort was in regard to keeping these impoverished nations from becoming "Soviet" oriented. And may it be said without any fear of contradiction, that since the end of World War II, our Nation has helped these former enemies and impoverished nations to revitalize their cultures, their esteem, and their economic well being in the world today.

The Marshall plan—trade and aid on our part, as well as hard work and effort, and relatively stable governments on their part—has improved their fortune. Without waving a flag—I find that practical, generous and moralistic activity and resonsibilities on the part of American people reflects something fantastic that sets our system above all others. In all of modern history, what other defeated nations have had that opportunity. But let's hope it has not developed into an attitude—well, that's what you did for me yesterday—what are you going to do today."

It seems to me, in our political system and atmosphere, we are willing to forget economics (as separate from politics) and spend whatever has to be spent on "favorite" programs—paid for through taxation of the American people and American businesses. How can we be competitive when we discourage savings—the base of capital formation? Or increases in taxes to business, such as the recent loss of investment tax credit? Product liability costs that are skyrocketing? Costly on-going government regulations—that don't improve productivity—and increase our burdens—and our accelerated cost recovery benefits are gone. How does raising the minimum wage help us to be more competitive?

We don't need more commissions to tell us what's wrong. President Reagan's first Commission on Internatinal Competitiveness told us, "for those industries threatened by severe import penetration, U.S. trade law has often granted relief only after their injuries have become irreparable." Amazing, but true! And I ask, is our Government practicing and advocating euthanasia on our industrial sector of American businesses?"—frankly, we don't need your mercy!—we need your help!

We need some common sense to make American business competitive—balance the budget and get on with reducing the national deficit—fewer government services—toughen our trade and currency policies—a trade deficit that's out of hand—either other countries buy more from us, or they must sell less to us, and stop debating it, do it—stop increasing taxes to American businesses—some have estimated our tax reform bill will increase business taxes $120 billion—and stop making reckless loans to foreign nations that have no possibility or ability to meet their obligation or pay the interest, let alone the principal. Stop mandating useless regulations on our operations that cost money.

We face not a temporary emergency, but a long-term responsibility to combat and defeat our outrageous trade deficit and to improve our nation's competitive spirit. This involves managers of business: labor unions, and all wage earners: the taxpayers (your constituency)—and a conviction on the part of all branches of government, particularly the Congress. Whatever that concentrated effort, it must be designed for infinite use and endurance. Short term, hasty, extraordinary, retaliatory, or protectionist efforts, under the impetus of sudden fear, cannot provide an adequate answer to the threat of the trade deficit or in making American industry more competitive.

Indeed, the attitude of current—as well as recent administrations—contrasts dramatically with the attitudes and actions of foreign governments. It appears to us that foreign governments try to help their industries grow while our own Government seems intent on making sure U.S. industry is denied the tools to enable us to remain competitive. We seem now to be more sensitive to the economic stability of our trading partners in other nations—than to the economic stability of American industry.

The United States is in the process of rapid deindustrialization. Almost to the point that government has already thrown in the towel. It will be interesting to see what historians write about the current deindustrialization of the U.S.A. in the year 2000. The definition of deindustrialization is as follows: "The act or process of reducing or destroying the industrial organization and potential, especially of a defeated nation." I think it is a Communist doctrine that they will defeat us by our own irresponsible fiscal policy and economics—not on the battlefield.

For several decades following World War II Americans had taken for granted that this nation was not only the richest and freest and most powerful in the world, but also was the best educated and most technologically advanced. Unfortunately the boasters failed to recognize that this status was abnormal and unique due to the way our enemies had been pulverized. Almost all writings of general history of the 1950's and 1960's and early 1970's point to the complacency of these decades. American business was at fault for assuming these attitudes—but so was government! It was the decade of the "giveaways," and flat productivity. Why take a stand—business could raise prices (which it did)—Government could raise taxes (which it did)—and consumers could pay more (which they did).

But then! 1976 and 1977—we all were suddenly challenged! Nobel Prize winner David Harberstam commented: "Being undermined is an entirely different challenge to us, to our strength, to our well being. We are bountiful. Our expectations are high. The Japanese start out with an assumption of poverty, of limits. We have become careless. We are wasteful. They are careful. Nothing is wasted. We celebrate the sense of being big, they celebrate the smaller the better. Comparing Japan and the U.S.—we are short-range in our views. They are long-range."

So much for history and what has been. What about today and tomorrow—what about some common sense applied to a very complex problem—what about "global competitiveness"—it's a part of our whole economic dilemma!

1. Accept that "free" trade is an illusion all over the world—and we're the only nation trying to maintain that position.

2. Accept that "fair" trade must apply to all nations—without it there can't be free trade.

3. Accept that American industry often competes with foreign governments—not always with foreign companies.

4. Accept that there has to be a better solution than retaliation and protectionism—but that applies to all nations—one to another.

5. Accept that throwing money at a problem doesn't necessarily solve it—it's how the money is managed that's important.

6. Accept that restoration of a meaningful capital cost recovery system is needed more than ever by capital-intensive companies—so that they can be competitive.

7. Accept that current trade laws must be enforced; or they must be modified—or be forgotten altogether.

8. Accept the fact that the trade laws of this country and the trade laws of other nations must be reconciled with the rules of G.A.T.T. (General Agreement on Trade and Tariffs)—to play the game you need to know the rules. From misunderstanding comes nothing but disorder and disarray: while from understanding comes nothing but continuity and harmony.

9. Accept that real negotiations with other countries are needed—that result in a measurable bottom line. Stop huffing and puffing with threats—negotiate from strength.

10. Accept that we can neither borrow nor tax our way out of the budget deficit—we must cut spending—we must promote savings for capital formation.

11. Accept that the trade deficit is not going away overnight—it's going to take time. U.S. industry, given a more favorable competitive climate, can improve our position, but it's doubtful, and maybe not even desirable, that we would ever drive all competitors out, or beat everyone in the world. As a matter of fact, our trade deficit may be adjusted by an initiation of foreign producers or countries not to continue to accept American I.O.U.'s.

12. Accept that American businessmen and wage earners expect and deserve credibility from the Congress and the administration—in regard to competing worldwide—and in keeping their jobs. It seems to me that an effort to keep our jobs is cheaper and more productive than retraining and relocating. Stop "politicizing" economics.

Eisenhower once said, "each Congressman thinks of himself as intensely patriotic. But it does not take the average Member long to conclude his first duty to his country is to get himself re-elected—a conviction that has led to a capacity for rationalization that is almost unbelievable." I'm sure that statement did not help Ike to be endeared to those on the Hill.

We can't rationalize anymore about our national debt—about our trade deficit—about third world debt—about jobs—about deindustrialization—about unfair trade practices—about irresponsible government fiscal policy (unbalanced budgets).

Protectionism—the only protectionism American industry needs is that competitive consideration be made an integral part of U.S. policy making—by the administration and the Congress.

There seems to be a flurry today—after seeing a $170 billion trade deficit—for all parties to join together in what can we do about it! Why this "humongous" (enormous) trade deficit comes as a surprise is beyond me. Everyone expected the dropping dollar to solve the problem. No way! Our world competitors, now having a stronghold on sizeable market shares, aren't going to let go that easily. Moreover, many of the developing nations already have their currencies pegged to the dollar with no change to up or down.

Congress could, at no cost, help U.S. manufacturers by subjecting all politically inspired legislation and rulemaking initiatives to a test of the proposal's impact on American industry's health and its ability to compete in world markets.

Before passage of any bill, the following five questions should be answered:

1. Would employment be adversely affected?

2. Would United States trade deficit be further hurt?

3. Will capital formation in the U.S. be impeded?

4. Will it make American industry less competitive?

5. Will it injure our defense effort and economic stability?

If the answer to any of these questions is yes, the legislation or rulemaking should not go forward.

It is certainly one way to make competitiveness more than just a buzzword. The meaning of buzzword is "imprecise meaning, but sounding impressive to outsiders." The foundry industry is trying to do our job—so why don't you join us and other American industries in helping us to compete—and get on with it.

We think a little common sense about sound economics—and less politics—can go a long way toward enabling U.S. industry to begin returning to a more favorable trade balance. It'll take years of industry effort for the good ol' red, white and blue to return to the black. We cannot continue to ignore any more what's happening to us in global competition.

As General Patton said: "Now I want you to remember that no bastard ever won a war dying for our country! He won it by making the other poor dumb bastard die for his country!

It's not going to make us more competitive by allowing our metalworking industries to die for our country! Let's don't let our situation become irreparable.

We thank you again for being with us this morning.

WE NEED A COMPREHENSIVE ENERGY SECURITY POLICY NOW

HON. JOE BARTON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. BARTON of Texas. Mr. Speaker, we all know that the American oil and gas industry is on the ropes. The collapse in world oil prices that started in December 1985 was the result of an OPEC price war designed to regain market share. As a result, our oil production has declined, and we are more dependent on imported oil.

We all know the dangers of undue dependence on imported oil from unstable foreign countries. The question at hand is: "What is the Government doing to prevent dependence?" Unfortunately, the answer is "Nothing." Congress has fallen asleep at the watch and done nothing to pretect our country against dependence on imported oil. In the past 14 months, Congress has done nothing about the most serious energy threat confronting our Nation since 1979. Over this period, the United States has lost 800,000 barrels per day of domestic production, or 9 percent of total domestic production. At the same time, oil imports rose by 1 million barrels per day, or 22 percent.

I can think of no similar situation in the past. Did our Government do nothing when steel imports were considered a threat to the national interest and domestic industries? No, the Government acted. Quotas were imposed on steel imports, and the domestic industry was safeguarded. Did the Government sit on its hands when automobile imports were determined to be a threat to the national interest and domestic industries? Again, the answer is no. The United States Government imposed voluntary quotas on Japanese automobile manufacturers. I am not saying we should impose oil import quotas. In fact, I oppose quotas on the grounds that they could lead to supply shortages in the event domestic production continues to decline. But we need to do something.

There is only one way to boost domestic oil production and reduce our dependence on imported oil in the short run: the oil import fee. I know that this is not an easy choice for my colleagues from oil consumer States. But I also warn my colleagues that we will all be held accountable by the American people the next time we are victims of an oil supply disruption by OPEC.

The time for action is now. We need the oil import fee for a short-run boost to domestic oil production. We also need a long-range plan for energy security that includes tax incentives for new exploration and production, the restoration of the 27.5 percent percentage depletion, the repeal of the Fuel Use Act and the windfall profit tax, comprehensive natural gas decontrol, and opening up Federal lands both onshore and offshore to exploration and development.

Mr. Speaker, the need for immediate action to boost domestic production and reverse our growing dependence in recognized by many leaders in the oil patch. One of the leading oilmen from my home State of Texas, Mr. L. Frank Pitts, recently gave a speech to the Texas Railroad Commission that really hits the nail on the head. Mr. Pitts details a list of recommendations that could form the basis for an excellent energy security policy for our Nation. He also points out that time is growing short for corrective measures, and the longer we wait, the more painful it will be to adopt these measures.

I would like to draw the attention of my colleagues to the comments by Mr. Pitts, a gentleman who knows the score in the oil industry, and knows all too clearly the dangers we run through dependence on imported oil.

Following is the text of the speech given by Mr. Pitts:

Remarks by L. Frank Pitts

Anyone who lives in Texas knows that when the oil and natural gas industry is in trouble, Texas is in trouble. I'm sure everyone here today can confirm that "trouble" is the password of the day.

The administration's answer to our troubles has been: "Let the 'free market' work." But when governments own 75 percent of the world's mineral wealth, there is no free market for oil. Oil is a political tool in every nation on Earth.

I have been told the study by the Department of Energy, released yesterday, finally recognizes that there is no free market for oil. I certainly hope that is correct.

Since 1973, the United States has been at the mercy of the volatile whims of Middle East Rulers. Leading OPEC countries, like Saudi Arabia and Iran, can juggle the world price of oil by opening or closing a few valves. But OPEC made a tactical error in 1979, when they became greedy enough to run their price up to new heights. American drillers, and drillers in other countries, were suddenly able to compete with OPEC, in spite of our high findings costs. But when we regained some of our own market, and became less dependent on their supply, they changed their game plan.

The current Saudi Arabian plan is openly designed to break the back of high cost producers, such as those in the North Sea, Canada, and the United States. It's working to near perfection.

When the Saudis began to dump an extra two million barrels a day of cheap oil into the market last year. American motorists clebrated by going on a consumption binge. In only nineteen months, U.S. imports from Saudi Arabia have risen from only 26,000 barrels a day to over 700,000 barrels a day. U.S. consumption is up by nearly 450,000 barrels a day, but we're producing 790,000 barrels less per day. And no wonder. Drilling has decreased 50 percent and is still declining. This commission reported earlier that over 20,000 wells were shut in last year, in Texas alone. Foreign imports have increased by 1,000,000 barrels per day. If these rates continue, I believe total imports may exceed 50 percent of our consumption by 1989.

When Americans are fat on OPEC oil, and our dependence is only a few percentage points higher than today, a new and powerful price shock will bring this country to its knees!

We're in a box. The Middle East and North Africa have two-thirds of the free world's oil reserves and 80 percent of its excess producing capacity. They can fine-tune a price from $5 to $60. Even worse, if a sheik or a holy man decides he's offended by some element of our foreign policy, we can be told to change it, or have our very lifeblood of oil cut off!

As I see it, there is only one way out of this kind of vicious trap. That is to drill more and more new oil and natural gas wells in this country! That will increase our security by developing our own fuel supply in the safety of our own country, for the use of our own citizens.

Now, how are we going to do that? The oil industry is in tough fight for survival. Rigs are stacked everywhere. Those producers still in business are running tight ships, and are still looking for places to cut. The world price of oil is not likely to rise enough to encourage high-risk drilling, and help must come from somewhere else.

Its time for Washington to eliminate some disincentives! Even more to the point, it's time for Washington to create some new positive incentives!

There are excellent examples all over the free world today of Government encouragement and assistance to oil producers. Many countries have already developed and announced new tax incentives. They have cancelled oppressive disincentives. There are even outright cash grants designed to revive exploration, drilling and production in some countries.

The actions of foreign governments, who have a genuine concern about getting wells drilled, stand out in marked contrast to the "get lost" attitude of our own executive branch and lawmakers. In fact, capital and entrepreneurs are being siphoned away from America. For example, I read in a Dallas paper a few days ago that Houston's Robert Mosbacher has moved a $100 million war chest into Alberta, Canada, where he'll drill natural gas wells.

It's a mistake for our Government to allow American producers to be enticed into the arms of other countries who welcome their expertise and capital, just when we may need them most.

I know the Railroad Commission is concerned. Texas operators appreciate your continued efforts to elighten people in Washington, because there are a number of fresh incentives that might be put in place, and many disincentives that can be abolished.

For example, along with many producers and some legislators, I continue to support, first and foremost, a variable import fee. It deserve serious consideration as the immediate answer to price manipulation by foreign producers, instead of being stonewalled by this administration, as has been the case since the day a fee was first suggested.

Other things need to be done, and they include the followng:

The repeal of the Fuel Use Act, a major disincentive, would allow some industries to switch from foreign oil to U.S. natural gas and improve our balance of payments by $10 to $12 billion a year.

The windfall profit tax is still intact, a clear disincentive that announces to American operators that they stand to lose up to 70 percent of future oil revenues.

Reinstating the 27½ percent depletion allowance would be a positive incentive to help make us competitive with OPEC.

The elimination of Federal taxes on new discoveries and their associated development wells for a period of, perhaps, five years would cause many new, true wildcat wells to be drilled.

More Federal lands, onshore and offshore, must be opened for development as a stimulus for new discoveries.

The administration's long-awaited energy security study was finally released yesterday. I deeply regret that it attacks the oil import fee concept, with what appears to be a biased presentation of cost data and worst case scenarios. Nevertheless, the study does pose other solutions for our energy crisis. Do they intend to take action on their findings, or is it another one of their stalling tactics?

For Washington to continue to pussyfoot around and fail to develop a sensible energy policy is a potentially dangerous and expensive mistake. Of course, it is the consumer who must ultimately pay the bill for Washington's mistakes—in money, inconvenience, or even war itself.

But I'm encouraged by the efforts of this commission to educate Washington and the concern of a growing number of Congressmen about the growth of imports. The hour is already late. We must have action before the treacherous foothold of the Middle East is irreversible and our national security is compromised.

GONE WITH THE WIND COMMEMORATION

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. GINGRICH. Mr. Speaker, the attached resolution, passed by the Georgia State Legislature in January 1987 is a joint resolution recognizing Clayton County, GA, as the official home of "Gone With the Wind."

I am very proud to represent the district in which Margaret Mitchell chose to set a major portion of her historic novel. By her own account, Miss Mitchell envisioned Tara—the plantation home of the illustrious Scarlett O'Hara—in the area surrounding Jonesboro, GA. Insofar as the book and movie "Gone With the Wind" have touched and enlightened Americans and people worldwide, it is appropriate that today we recognize the contribution that Miss Mitchell has made to our culture. I ask the following resolution be entered into the RECORD for that purpose.

H.R. No. 117

(By Representatives Bailey of the 72d, Lee of the 72d, Benefield of the 72d, Holcomb of the 72d, Johnson of the 72d, and Greer of the 39th)

A RESOLUTION

Recognizing Clayton County as the official Home of "Gone With the Wind"; and for other purposes.

Whereas, in the opening setting of "Gone With the Wind," the author expressly suggests that the life patterns ". . . in the north Georgia County of Clayton . . ." form the background for this world famous novel; and

Whereas, in the only radio interview held with Margaret Mitchell, she confirmed that nearly all the action in this fictional work ". . . takes place in Atlanta and at Tara, the plantation home of Scarlett O'Hara . . . in Clayton County, near Jonesboro, Georgia"; and

Whereas, while Margaret Mitchell consistently held that her book did not reflect real people, places, or events, her childhood visits and memories of the family homestead located southwest of Jonesboro unmistakeably provided the imprint for Tara and much of her understanding of the history of this period and locale; and

Whereas, "Gone With the Wind" has brought international acclaim to the State of Georgia, the City of Atlanta, and Clayton County; and

Whereas, "Gone With the Wind" is intimately entwined with Clayton County before, during, and after the War Between the States; and

Whereas, the heirs of Margaret Mitchell unanimously endorsed Clayton County as the most appropriate location for a memorial to her, this famous Georgian.

Now, therefore, be it resolved by the General Assembly of Georgia that the members of this body appropriately recognize Clayton county as the official Home of "Gone With the Wind" and endorse the efforts proposed in Clayton County to honor and commemorate Margaret Mitchell, author of this world famous, Pulitzer Prize-winning novel.

Be it further resolved that the Clerk of the House of Representatives is authorized and directed to transmit an appropriate copy of this resolution to Honorable Joe Frank Harris, Governor, and to Mr. George Berry, Commissioner of Industry and Trade.

IMPORTED PRODUCTS AND COMMODITIES SAFETY ACT OF 1987

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. PANETTA. Mr. Speaker, I rise to introduce a bill to improve the inspection, monitoring, and enforcement of drug and pesticide restrictions on imported meat and poultry products, and pesticide restrictions on imported raw agricultural commodities. This legislation builds on recommendations from a February 1987 Office of Inspector General [OIG] audit and an 18-month General Accounting Office investigation which identified serious deficiencies in the U.S. import inspection system.

Our bill would:

First. Require the USDA, within 90 days of enactment, to submit a report to Congress specifying how the inspection of imported meat and poultry products will be improved to respond to the findings in the OIG's report, recommendations on appropriate legislation to improve its enforcement procedures where violators are identified, and any research conducted to improve drug and pesticide residue testing procedures on imported meat and poultry products;

Second. Require the FDA, within 90 days of enactment, to develop and publish in the Federal Register its plan to better test and monitor imported fresh fruit and vegetable shipments;

Third. Require annual reports to Congress on FDA's testing of food shipments, including numbers of tests conducted by commodity, numbers of violation by importer and country, and enforcement actions taken against identified violators; and

Fourth. Require FDA to report to Congress its proposal to improve its enforcement procedures where violators are identified and of any research efforts into improved pesticide testing procedures, and the extent to which identified improvements are utilized.

The gaps in our current imported food inspection system need to be addressed. This legislation can help fill these gaps and ensure that imported fresh fruits and vegetables meet the standards we set for domestic produce grown and sold in this country.

H.R. 1877

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Imported Products and Commodities Safety Act of 1987".

TITLE I—IMPORTED MEAT AND POULTRY PRODUCTS

SEC. 101. SAMPLING AND ENFORCEMENT REPORT.

Not later than 90 days after the date of the enactment of this title, the Secretary of Agriculture shall submit a report to Congress—

(1) specifying the planned distribution, in fiscal year 1987, of the resources of the Department of Agriculture available for sampling imported meat and poultry products to ensure compliance with the requirements of the Federal Meat Inspection Act, the Poultry Products Inspection Act and the Egg Products Inspection Act, that govern the level of residues of pesticides, drugs, and other products permitted in or on such products,

(2) describing current methods used by the Department to enforce such requirements under such laws in fiscal year 1987,

(3) that responds to the audit report of the Inspector General of the Department of Agriculture, Number 38002-2-HY, dated January 14, 1987,

(4) providing a summary with respect to the importation of meat and poultry products during fiscal year 1986 that specifies—

(A) the number of samples of each such product taken during such fiscal year in carrying out the requirements described in paragraph (1), and

(B) for each violation of such requirements during such fiscal year—

(i) the meat or poultry product with respect to which such violation occurred,

(ii) the residue in or on such product in violation of such requirements, and

(iii) the country exporting such product,

(5) a description of any research conducted by the Secretary to develop improved methods to detect residues subject to such requirements in or on meat and poultry products, and

(6) any recommendations the Secretary considers appropriate for legislation to add or modify penalties for violations of laws, regulations, and other enforcement requirements governing the level of residues subject to such requirements that are permitted in or on imported meat and poultry products.

TITLE II—IMPORTED RAW AGRICULTURAL COMMODITIES

SEC. 201. SAMPLING AND ENFORCEMENT.

(a) PLAN.—(1) Not later than 90 days after the date of the enactment of this title, the Secretary of Health and Human Services shall prepare a plan—

(A) specifying the distribution, in the fiscal year for which the plan is prepared, of the resources of the Food and Drug Administration available for sampling imported raw agricultural commodities to ensure—

(i) compliance with laws, regulations, and other enforcement requirements governing the level of pesticide chemicals permitted in or on such commodities, and

(ii) the timely sharing among Food and Drug Administration districts of data and information relating to violations of such laws, regulations, and requirements found in each such district, and

(B) describing the methods the Food and Drug Administration will use to improve the enforcement of such laws, regulations, and requirements in the fiscal year for which the plan is prepared.

(2) Within 45 days after the date of enactment of this title, the Secretary shall cause to be published in the Federal Register a proposed plan which complies with paragraph (1) and a notice requesting public

comments on such proposed plan for a period of 30 days beginning on the date such notice is published.

(3) Not later than 45 days after the expiration of each fiscal year, the Secretary shall revise, as necessary, the plan prepared under paragraph (1).

(4) Each plan prepared or revised under paragraph (1) or (3), respectively, for a fiscal year shall be implemented by the Secretary in such fiscal year.

(b) MONITORING SUMMARY.—Within 45 days after the end of each fiscal year, the Secretary shall prepare a summary with respect to the importation of raw agricultural commodities during such fiscal year. Each such summary shall specify—

(1) each type of raw agricultural commodity imported during such fiscal year,

(2) each country exporting each such commodity,

(3) the volume of each such commodity imported from each such country during such fiscal year,

(4) the number of samples of each such commodity taken during such fiscal year in carrying out provisions of laws, regulations, and other enforcement requirements governing the level of pesticide chemicals permitted in or on such commodity, and

(5) for each violation of such laws, regulations, or requirements during such fiscal year—

(A) the raw agricultural commodity with respect to which such violation occurred,

(B) each pesticide chemical used in or on such commodity,

(C) the name of the person who imported such commodity, and

(D) the country exporting such commodity.

(c) IMPROVED MONITORING.—In any case in which a raw agricultural commodity imported from a particular country is found, during any growing season, to violate provisions of laws, regulations, or other enforcement requirements governing the level of pesticide chemicals permitted in or on such commodity, the Secretary shall continue to monitor the compliance of such commodity with such laws, regulations, and requirements by sampling shipments of such commodity imported from such country during the immediately successive growing season.

SEC. 202. ANNUAL REPORT.

Within 60 days after the end of each fiscal year, the Secretary shall prepare and transmit to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Labor and Human Resources of the Senate and the Committee on Agriculture and the Committee on Energy and Commerce of the House of Representatives a report on the enforcement during such fiscal year of provisions of laws, regulations, and other enforcement requirements governing the level of pesticide chemicals permitted in or on imported raw agricultural commodities. Each such report shall contain—

(1) a copy of the plan prepared or revised under section 201(a),

(2) a copy of the monitoring summary required under section 201(b) for such fiscal year,

(3) a description of—

(A) the violations of such laws, regulations, and requirements which occurred during such fiscal year,

(B) the actions taken in response to such violations, and

(C) the reasons for such actions,

(4) a description of any research conducted by the Secretary to develop improved methods to detect residues of pesticide chemicals in or on raw agricultural commodities, and

(5) any recommendations the Secretary considers appropriate for legislation to add or modify penalties for violations of laws, regulations, and other enforcement requirements governing the level of pesticide chemicals permitted in or on imported raw agricultural commodities.

SEC. 203. DEFINITIONS.

For purposes of this title—

(1) the term "raw agricultural commodity" means any food in its raw or natural state, including all fruits that are washed, colored, or otherwise treated in their unpeeled natural form prior to marketing, and

(2) the term "Secretary" means the Secretary of Health and Human Services.

A TRIBUTE TO GERRY GRINDLE

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. DYSON. Mr. Speaker, I rise today to extend my congratulations to Mr. Gerry Grindle, the mayor of Church Creek, MD. Recently, Mayor Grindle celebrated his 15th year as a public servant. I would like to commend him for his dedication to good government, and his concern for community values.

Rural America is fortunate to have public officials such as Gerry Grindle, and others, who dedicate their time and effort to improving the quality of life in their townships. Over the years, Gerry Grindle has served Church Creek in many capacities, such as, town clerk, town commissioner, and most recently, as mayor.

Mayor Grindle first came to Church Creek, a town of 125 people, in the year 1960. After working as a painter, he obtained a job with the then Farmers and Merchants National Bank as a teller. By the time of the bank merger with First National Bank of Maryland in 1981, Gerry had risen to the position of Vice President. Gerry is currently the regional branch manager of the First National Bank in Cambridge. These changes in his job, have not, however, deterred him from continuing to serve his community.

It is only through this devotion by Mayor Grindle, and others, to good government and community service, that rural America has able to preserve the heritage of its forefathers. This strong community spirit, which still exists in Church Creek, also survives throughout most of rural America. Our country is a stronger nation because of dedicated public servants like Gerry Grindle. I would, therefore, like to once again extend my congratulations to Mayor Grindle and his family, and to the other fine local officials throughout the First Congressional District, for a job well done.

PEACE ESSAY CONTEST—1986

HON. SAM GIBBONS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. GIBBONS. Mr. Speaker, I would like to share with my colleagues two essays that were written by students in my district of Tampa, FL, which have been selected as the best submissions of an annual contest sponsored by the Peacemakers of Sun City Center. This year's theme was "How Can Our Country Support the International Year for Peace."

The two students receiving this special recognition are Aaron Rundus, age 12, Nathan B. Young Junior High School, and Allison Edgecomb, age 16, King High School. I would like to commend both of these students on their fine essays addressing the important topic of maintaining world peace.

PEACE ESSAY CONTEST—1986

(By Aaron Rundus)

The history of man is a story mostly of wars and less often of peace. The peaceful times must have been valued because they were called "golden ages" but even so people have continued to use force to solve their disputes. Besides the horror of war, the problem with this approach is that war is never a final solution. Violence breeds counterviolence and terrorism provokes retaliation. Now that no country can feel safe from the devastating effects of a major war, it is finally clear to all that the endless cycle of violence must be broken. Nations must build bridges across the gulf which separates us into hostile camps.

A bridge is a passageway between territories which would otherwise be isolated from each other. Some bridges are the political type, such as the United Nations and the World Court. These organizations link nations together making possible discussions, debates, and negotiations in a neutral forum.

Another type of bridge is the communications bridge. Radio and television stations and the telephone system beam news and information around the globe. Individual to individual communication links are formed by ham radio operators and by pen pals. Communication unites people in common causes which suggests that more emphasis should be placed on the study of foreign languages. Ideas are powerful bridges which form the strongest bonds as demonstrated by Ghandi and Martin Luther King, Jr.

On a personal level, foreign exchange student programs, touring companies in the performing arts, sports competitions and tourists bring people together and promote interpersonal relationships.

Perhaps the most common bridges are business ties. In an effort to extract raw materials from the earth, to develop better products and to produce and market those products, companies in different countries have formed partnerships. When people take jobs in foreign countries and invest money abroad they have a personal interest in maintaining peace and stability.

Building a bridge that will withstand the pressures of time is not a simple matter. Before a bridge is erected, surveys and studies have to be done to determine the lay of the land. Knowledge of the territory is crucial to a strong foundation. It is equally important for people in our ever shrinking world to be informed citizens. Intelligent decisions cannot be made by ignorant people who have no knowledge of world geography, history, politics, and economics.

Bridges are constructed to be somewhat flexible or they will crack under stress. Enlightened citizens are more tolerant, more receptive to cooperation and compromise, and more respectful of the unfamiliar.

The most difficult bridges to build are those over "troubled waters," but these are the most important. As the ties between countries increase, the likelihood of using violent solutions decreases. The more our future as a nation is linked with other nations the greater our incentive to cooperate. The more involved we become with the international community the more we commit ourselves to the peaceful progress of all mankind.

PEACE ESSAY

(By Allison Edgecomb)

Are there nonviolent ways to ease differences among nations? Can we recreate the nonviolent philosophy of Martin Luther King and Gandhi in order to bring about a more just society? In a world which seems to have moved further away from peace and compromise, what alternatives have a chance for diminishing war or conflict? What solutions are there for making freedom and equality available for all men? People, the worldwide, list among their greatest hopes, the absence of war, a call for peaceful co-existence, the banning of nuclear weapons, and a plea for justice for all mankind. They, however, seem to contradict these concerns with the continued development of more powerful weapons, the spread of terrorist activities among nations, and increased cruel acts of injustice against each other.

During the 1960's John F. Kennedy introduced the Peace Corp as a way for Americans to work with people in underdeveloped countries. The purpose was to improve their lives. Although the main reasons were to teach, improve technology and help provide other services, it was also a way to bridge differences and increase understanding among people of different cultures. People learned to respect each other and overcome their differences through peaceful means and working together. Perhaps the time has come to use these same ideas on a larger scale to bring people together.

In every culture religion plays an important part in the lives of its people. Among each religious group there is a leader who is respected. If these leaders organized ways to influence, encourage, and act as mediators for conflicting nations, perhaps there would be less violence and more peaceful compromise. Why not an organization like the United Nations made up of religious leaders rather than political leaders? This idea may seem simplistic but to try anything to encourage peace is worth it.

In a recent move to show disapproval for terrorist acts, apartheid, and other situations of injustice, nations have withdrawn their associations with those countries. Private corporations have also disassociated themselves. Some governments have declared economic sanctions against such countries. These are all nonviolent alternatives to situations that could have resulted in war. These countries instead used non-aggressive ways to focus attention on those who are being mistreated. Such nonviolent protests during the Civil Rights movement in America in the 1960's and for Gandhi and the Indian people in 1947. Maybe nonviolent protests are solutions for today's violent problems.

Our history is full of accounts that describe how freedom and justice are achieved in war and battle. Perhaps it is then the only means for achieving the goals. Even then it was a price that men paid with their lives. Today, we are a more sophisticated world with far more means for accomplishing peace and equality. If we can develop weapons to kill, we can certainly find ways to protect life. Are developing weapons easier than working together? Is it our own selfish greed for power that keeps us from seeking peace? Wouldn't it be better to sacrifice a life rather than kill? No one solution will solve the problems of war and injustice. It will demand that leaders learn to listen, compromise, and to reason.

THE RETIREMENT OF RABBI NATHAN HOROWITZ

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. SCHEUER. Mr. Speaker, I want to call the attention of my colleagues to the retirement of Rabbi Nathan Horowitz, principal of the North Shore Hebrew Academy in Kings Point, NY.

Rabbi Horowitz has devoted his career to educating an entire generation of students. Under his tutelage, the North Shore Hebrew Academy grew from 150 students to its current enrollment of 500.

Due to his foresight, the academy was the first Jewish school in the New York area to incorporate computers into its curriculum. On numerous occasions, North Shore Hebrew Academy students won top honors in the Long Island Science Congress. Rabbi Horowitz's students were introduced to the cultural arts and sang in the choir.

Rabbi Horowitz has worked to give his students the best education possible, but he also encouraged them to expand their horizons beyond the realm of religion and academics.

He believes that all students should be good citizens and good neighbors. For that reason, he urged them to get involved in community affairs and other civic matters. He sponsored essay contests to promote good citizenship and civic pride. In fact, there were few community projects where the North Shore Hebrew Academy was not represented.

For 18 years, Rabbi Horowitz has served the academy with distinction. But his efforts and boundless energy always extended far beyond the schoolyard gate. He was one of the organizers of the Great Neck Memorial Parade, had a hand in the annual library art display, and he established the Outreach Unity Program for retarded Jewish children.

Along with his various academic and civic efforts, Rabbi Horowitz and his wife found time to raise a family of four children.

Ordained at Yeshiva Torah Vodaat, Rabbi Horowitz earned his masters degree from Columbia University and his bachelors degrees at Brooklyn College. In addition, he has completed all the course work for a doctoral degree in education at Yeshiva University.

Rabbi Horowitz devoted much of his life to educating children, but for many of his students he was more than just another teacher. He was a mentor and a role model.

For example, there is the story about a young student at the academy who, upon arriving home from school one day, discovered that someone in his family had left on a water faucet and a minor flood was in the making. Since his mother was out and the situation was reaching the high water mark, he picked up the telephone and called someone he knew could provide assistance. Who was that someone he turned to? It was Rabbi Horowitz.

Our children represent our future and we must provide them with opportunity for growth. A conducive scholastic environment is an investment in their future.

Rabbi Horowitz' years of service and commitment to the North Shore Hebrew Academy has enhanced the progress of our community's most precious resource: our youth.

Rabbi Horowitz deserves our thanks for his outstanding efforts and achievements.

THE 75TH ANNIVERSARY OF THE PARISH OF ST. MARY MAGDALEN

HON. JACK BUECHNER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. BUECHNER. Mr. Speaker, I rise today in honor of the 75th anniversary of a revered institution in our community: the parish of St. Mary Magdalen. A strong church builds a strong community. And that's what St. Mary Magdalen's has done for the city of Brentwood. St. Mary Magdalen fulfills a vital and necessary role, meeting the community's needs—from the needs of the parishoners to the needs of the many schoolchildren it serves—and providing a beautiful place to worship God.

St. Mary Magdalen has a long and venerable tradition in the St. Louis area. The parish of St. Mary Magdalen dates back to February 14, 1912, when Archbishop John J. Glennon commissioned Father J. Clement Fehlig to establish a parish for the Brentwood area.

St. Mary Magdalen continued to grow. In December 1941, Father Gerald G. McMahon became pastor and was instrumental in building a new church and rectory. World War II delayed much of the work. But the present St. Mary Magdalen Church at the corner of Brentwood Boulevard and Manchester Road was dedicated on May 25, 1947.

Monsignor Thomas F. Durkin became pastor in June 1960, and was responsible for the new school and gymnasium. Monsignor Durkin was succeeded by Father James Finley, and the current pastor, Father John J. Kilcullen.

Over the years, St. Mary Magdalen played a positive and active role in the community through its many organizations and activities. St. Mary Magdalen has grown from 45 parishioners to 1,300 families—the school has an enrollment of 223.

I am proud to wish the parishioners of St. Mary Magdalen a happy 75th anniversary. May St. Mary's continue to prosper in the years to come, and to continue to bless those it serves.

THE LONG-TERM CARE PATIENTS' RIGHTS ACT OF 1987

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Ms. SNOWE. Mr. Speaker, today I am introducing, along with 19 of my colleagues, "The Long-Term Care Patients' Rights Act of 1987", a bill which I first introduced in the 99th Congress. Now, no less than then, the need to protect the rights of the most vulnerable of our older citizens is paramount. While only 5 percent of older persons at any given point in time reside in nursing homes, they represent a significant number—over 1.5 million people reside in 15,000 nursing homes across the country.

Although many long-term care facilities provide quality care, guarantees are not present to insure this quality of care for all such residents. Currently, the only protection of rights for long-term care residents is found in regulations. When violations occur, it is often difficult for residents to have their rights enforced. My bill would address this omission by placing in statute the requirement that States provide for the enforcement of the rights of patients in long-term care facilities. The specifically delineated rights would include:

The right of a resident to be informed about his or her medical condition and treatment;

The right to refuse to participate in drug experiments;

The right to privacy during medical treatment and in personal visits;

The right to confidentiality of records and personal communication;

The right to associate with persons and groups of one's choice;

The right to freedom from physical and mental abuse and from unreasonable restraint; and

The right of a resident to personally manage his or her financial affairs.

The right not to be discriminated against because of ability to pay is fundamental. Under the provisions of this bill, a facility could not deny admission, nor transfer or discharge a resident because of the source of payment for care or, for that matter, on the basis of the resident's history or condition. Transfer and discharge for nonmedical reasons would require the resident's consent and 14 days reasonable notice, unless the resident poses a threat to the welfare of other residents.

Further, residents would be expressly provided a private right of action. In the absence of congressional intent on the issue, residents of long-term care facilities have no standing in the courts when attempting to sue facilities for violations. The private right of action would assure that standing. Additionally, this bill would give the ombudsman greater access to nursing home residents and their files. In conjunction with the long-term care Ombudsman Program, a statewide system of uniform reporting and recording of complaints and violations would be established.

All of these provisions would be required by States as a condition for participation in the Medicaid Program and States would be required to develop a State plan for enforcement of these rights. A multilevel procedure would be implemented which would include the establishment of an in-facility complaint procedure, a State-level complaint procedure, an appeals process, and a process of immediate remedial action when appropriate. Penalties would include administrative sanctions, civil fines, and criminal penalties. By linking rights and enforcement to Medicaid, oversight is placed with the State rather than the individual facility. In this way, the enforcement of rights will apply to all facilities providing care and service for people 65 years of age and over whose average length of stay is 30 days, regardless of the method of payment of residents.

My bill is an important step in protecting persons who reside in long-term care facilities by affirming that their rights can neither be denied nor abridged because of their institutionalization.

LETTER FROM MR. DAVID BLOCK

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. PEPPER. Mr. Speaker, I have a letter from an outstanding citizen of Miami engaged in international trade and very knowledgeable in our foreign trade problem. I think his letter would be valued reading for any Member of Congress and those who read this RECORD. I ask unanimous consent that the letter of Mr. David Block of January 6 be included in full following my remarks.

DAVID BLOCK,
ATTORNEY AT LAW,
Miami, FL, January 6, 1987.

Congressman CLAUDE PEPPER,
Rayburn Building,
Washington, DC.

DEAR SENATOR: I want to thank you for including me at the luncheon you sponsored for Congressman Richard Gephardt, as you always so generously do. As you may recall, at that gathering I asked the Congressman what solutions he had for our trade deficit and the flood of imports? His answer dealt with the reform of our educational process with emphasis on the sciences and trades. Re-educating our work force is a great long term solution but we have an immediate crisis.

We cannot afford to wait a dozen years for a new generation of Americans to be super educated to compete with the foreign competition, nor can we afford the mistaken belief that the current trade woes of the United States will be rectified by a weak dollar. We also need to take some immediate actions.

A December article in Forbes is entitled "Does Anyone Really Believe in Free Trade?" It should be entitled "Does the Rest of the World Really Believe in Free Trade?" The current U.S. thinking is "never mind that, we have lost our industrial capacity to the developing world, Far East and Europe. We will simply import the manufactured goods we need and pay for these imports by exporting knowledge oriented goods and high tech products." Steel, TV's, stereos, clothing, autos, come in, and microchips go out. Wrong. That kind of simplistic thinking produced a $170 billion trade deficit in 1986!

Japan, South Korea, Brazil, Taiwan, India and our European trade partners, are very happy to sell us unlimited quantities of manufactured goods, while they carefully control the imported goods they buy from us. Today these imported goods from the United States still include computers and other high tech items, but long term prospects are not good.

First, the Japanese have been especially adept at protecting their home market; which increases their productive capacity which in turn increases efficiency for those domestically manufactured and protected items, thus enabling them to manufacture for export at smaller marginals and for less.

Second, most of our trading partners take advantage of our research and development and its associated cost and their lower wages, to put us at an unfair trade advantage.

Three hundred years ago in Northern Italy, stealing and/or disclosing to any foreigner the secrets of silk spinning machinery was a capital offense. At the height of the industrial revolution, Britain protected its textile manufacturing processes through banning the export of equipment and emmigration of men who knew how to build and operate the new textile industrial capacity. Eventually, after decades, the French and Americans, through risky industrial espionage, were able to steal the technology. But during the long laborious process, Britain profited handsomely.

Today our trading partners and third world countries follow this ancient practice of protecting local industry and stealing our technology. In Brazil, foreign-owned firms are banned from competing in the personal computer and micro computer market. Although Brazil has also encouraged IBM to establish a research and development plant for computer hardware.

Brazil's Secretariat of Information Service [SEI] enforces a system of laws based upon the Japanese laws and decrees that all businesses must be 70 percent owned by Brazilians with Brazilians having technological and decisional control and SEI having complete control of the computer semiconductor and computer chip industries.

An international high-tech trading company called Dataquest brags that it now has reduced the time to three weeks to take a new U.S. product, copy it, manufacture it, and ship it back to the United States from Asia. All of this with dirt cheap labor and no need for local design and development costs. (The U.S. company that originally produced the now pirated item absorbed all the research and development costs).

The rest of the world either never had free trade or has abandoned it as nationalism or regionalism has dictated. The European Economic Community is an internationally sanctioned protective trade organization. Now that we have all but lost our industrial capacity and are in danger of losing our high tech capacity, why shouldn't we also look after our own first?

Something like 70 percent of Japan's exports or $60 billion per year, go to the United States. For several years the Japanese have been promising to allow $70 M per year of U.S. grown oranges into Japan sometime in 1988 or 1989 (they keep putting it off). This indicates how dramatic the imbalance is. South Korea, and Taiwan also prey heavily on our trade niavete. We have the ability to be totally self-sufficient and since we are by far the world's largest consuming market, why don't we take the cue from the Japanese and protect our markets for ourselves first, primarily through import tariffs. Import tariffs could also go a long way toward solving our budget deficit problems.

In the last two years, the money outflow from the United States has accelerated so rapidly that the 10 largest banks in the world now include only 1 U.S. bank (Citicorp #6) and 6 Japanese.

Let's take quick and decisive action and get Dick Gephardt to include solutions to our trade problems, in his platform, he is otherwise one of the Democratic Party's very attractive and bright candidates.

Admittedly, I have not addressed the downside of a more protective trade posture. As a strong "fair trade" bill enables us once again to capture the world's largest trading market—our own, how will our angry "most-favored" trading partners retaliate? By denying us access to their small markets that we don't have access to today? It is well worth that risk. Other negative postures include higher labor costs, poor management in America's larger corporations, higher prices to consumers, (inflation) etc., but the speed with which we are losing our productive capacity and national wealth requires that America take immediate and decisive legislative action to address our trade problems. If not, we face the prospect of very shortly becoming a poor and dependent second-rate country with a dramatically lower standard of living.

Very truly yours,

David Block.

A TRIBUTE TO LT. GEN. CHARLES McCAUSLAND

HON. JAMES V. HANSEN

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. HANSEN. Mr. Speaker, I rise today in our Nation's Capital, among statues of our country's greatest Americans, to pay tribute to another great American and friend, Lt. Gen. Charles McCausland.

General McCausland recently completed a 2-year assignment as commander of the Ogden Air Logistics Center, Hill Air Force Base, Utah, which is located in my congressional district.

During his tenure as commander, General McCausland was the moving force behind so many accomplishments that time does not permit full coverage, nor could words do justice to his successes. However, I would like to share with my colleagues a few of the many activities and accomplishments that occurred at Hill AFB under General McCausland's outstanding leadership.

In 1984, a technological research of advanced concepts team devised a method of repairing items normally discarded and found a way to make items no longer manufactured, thereby saving the Air Force millions of dollars. That same year, the Air Logistics Center opened a new computer information center, bringing the total military construction program for the base to more than $23 million.

In 1985, under General McCausland's direction, the quality of life on base was enriched by improved living and working conditions. In fact, the housing branch on base was named the best in the Air Force. Hill AFB also organized a program to help employ the handicapped in Utah, called Command REACH. Hill received numerous awards in 1985, among which were: Outstanding Unit Award for the 2849th Civil Engineering Squadron, Secretary of the Air Force Small and Disadvantaged Business Award, and Best Central Contracting Organization in the AFLC awarded to the Directorate of Contracting and Manufacturing.

In 1986, a study was conducted on Government parts pricing, resulting in a cost avoidance of over $10 million. Hill AFB received the AFLC Commander in Chief Installation Excellence Award, and the 2952 Combat Logistics Support Squadron was rated the best in the Air Force, receiving the Air Force Outstanding Unit Award. That same year, the Maintenance Reliability and Maintainability Center also received an award for the best in the AFLC.

In 1987, Ogden ALC was nominated for the Commander-in-Chief's Annual Award for Installation Excellence for the second year in a row. Ogden also received the Air Force Organizational Excellence Award for exceptionally meritorious service under General McCausland's command. Many new construction projects were begun, including intergrated support facility, transport repair facility, six new aircraft docks, 16 aircraft maintenance docks, the base exchange was expanded, and a new temporary lodging facility was added to the base.

On a more personal note, let me say that Chuck McCausland has always been willing to give his time and information to enlighten my office on issues of mutual importance and interest. He has devoted his life unselfishly for the benefit of the defense of our great country, and it is fitting and proper that we Members of the House of Representatives honor this fine leader today.

I wish him and his lovely wife, Gwen, the best in his new position as Vice Commander, Air Force Logistics Command.

FSLIC RECAPITALIZATION

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. GRADISON. Mr. Speaker, on March 27, the Senate passed S. 790, the Competitive Equality Banking Act of 1987. Among the provisions of S. 790 is a recapitalization of the Federal Savings and Loan Insurance Corporation [FSLIC]. This week the House Committee on Banking, Finance and Urban Affairs is considering H.R. 27, a bill to provide for the recapitalization of FSLIC. It seems certain that the House will soon be asked to consider this issue once again. Unfortunately, for the second time in less than a year, we are on the verge of considering a Band-Aid for a problem that requires major surgery.

We are all aware of the difficulties that currently plague the savings and loan industry. There are 270 problem thrifts on the Federal Home Loan Bank Board's list of significant supervisory cases. They are losing $4.8 billion annually. In addition, nearly 450 savings and loan institutions across the country are bankrupt. Yet, those S&L's remain in business because Federal regulators are unable to close them. FSLIC, which should be used to pay off the depositors, is insolvent by approximately $3 billion.

According to the Treasury Department, over $20 billion is required to address the problem of insolvent S&L's. The administration has requested a $15 billion recapitalization plan that it feels will strengthen the system. The Senate responded with a $7.5 billion plan. Indications are that the bill likely to be brought to the House floor will barely be enough to make the insurance fund solvent.

Mr. Speaker, in July 1986, I outlined my concerns with the recapitalization plan then pending before the House. My concerns with that plan have not been allayed by the actions taken to date by either body or the administration.

It should be obvious that the amounts of debt infusion under consideration in these various plans are wholly inadequate to the task. This shortsightedness guarantees that we will have to revisit the issue of an undercapitalized insurance fund in the not too distant future. In the interim, we will continue to run up significant operating costs making a solution to the FSLIC problem even more difficult.

Instead, we should fix it right, right now. We must recognize that the system, as presently constituted, is fundamentally deficient. The insurance system is insolvent and the regulatory system has all but collapsed. Absent a meaningful capital infusion and real regulatory and supervisory reform, the legislation we are likely to pass will merely paper over the problem with which another President and another Congress will have to deal.

Mr. Speaker, in addition to these significant deficiencies in the FSLIC recapitalization plans, I remain concerned about the budgetary treatment of recapitalization. As I have indicated on previous occasions, any FSLIC recapitalization is likely to cost billions of taxpayers' dollars. Ultimately, the question is how much.

We should be honest with the American people on this point and not attempt to hide the true cost in budgetary gimmickry. For example, in the CBO cost estimate accompanying S. 790, Acting Director Gramlich indicated that—

> The CBO scoring of this proposal is based on the assumption that the financing corporation would be off-budget. This assumption, however, is a close call.

This issue reopens the technical question of whether Government-sponsored enterprises should be on budget. In my view, the financing corporation succeeds in avoiding the creation of FSLIC debt only on narrow, technical grounds that ought to be the subject of debate.

Finally, as a former chairman of the Federal Home Loan Bank Board in Cincinnati and a representative of the area hardest hit by the Ohio savings and loan crisis, I am deeply concerned about the depositors and their investments. Over $900 billion are currently on deposit in the Nation's S&L's. Institutional pressures and political parochialism have prevented the emergence of meaningful reform and adequate recapitalization of the insurance fund. The longer Congress delays in addressing this problem squarely and honestly, the greater will be the cost to the public in the end.

IF YOU WOULD UNDERSTAND ARMS CONTROL, READ—THE MONTGOMERY JOURNAL?

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. DOWNEY of New York. Mr. Speaker, as chairman of the House Democratic Caucus Task Force on Arms Control, and as a lifelong arms control advocate, I frequently find myself dismayed at the superficiality of major media coverage of the subject.

If you were to read and remember all that's been printed on arms control during the past year in the Washington Post and the New York Times, and all that's been said on the major networks, what would you know?

You would know the dates of the negotiations, the details of the self-serving rhetoric each side uses to blame the other, the endless minutiae of the cosmetic numerical reductions that have been put forward, and various other trivia the world has no cause to remember.

You would not understand arms control. You would no more understand it than you would understand the U.S. Constitution by memorizing the schedule of the convention which produced it.

Arms control is about preventing nuclear war. It's about keeping first strike temptation and first strike ability away from both superpowers. That's the beginning and the end of it. That's the iron standard against which all arms control achievements and proposals must be judged. Tragically, even the most prestigious arms control reporters seem to lose sight of this basic fact.

To my pleasure and surprise, my attention was recently called to one publication which has kept its eye firmly on the ball. An article in the February 26, 1987, Montgomery Journal, published just outside the Nation's Capital, is the best encapsulation I've ever seen of the essence of arms control. It locks on the target like a Sidewinder missile.

Is it possible for a local suburban newspaper to write with more insight than those which paper their walls with Pulitzer prizes? The Montgomery Journal seems to have done so.

In order for my colleagues to share its wisdom, I insert the article in the CONGRESSIONAL RECORD at the conclusion of my remarks. If you don't read anything about arms control all year, read this.

The article follows:

ARMS CONTROL: AN EXPERT EXPLAINS WHY WE SHOULD PAY ATTENTION

So long as both the United States and the Soviet Union believe they can retaliate if attacked, there is a nuclear stalemate. That stalemate has given the world more than 40 years of peace, at least as far as a world war between the U.S. and U.S.S.R. is concerned.

But if that stalemate is threatened—if one side believes it could attack first and not be effectively attacked in return—then the possibility for nuclear world war increases.

The purpose of arms control is to maintain that stalemate, while lowering its costs.

With arms control, its proponents argue, East and West would cut back on some of their nuclear weapons (and the expense) but still be left with enough retaliation power.

Without it, something called destabilization happens in which one nuclear power or another might think it could attack first and not be attacked in return.

Every president since John Kennedy has supported arms control to one degree or another. But lately it has been floundering.

Why?

Whatever happened to arms control?

Why should we care?

And does the president's "Star Wars" idea—high-tech protection against an enemy's nuclear first strike—help or hurt the nuclear stalemate?

Page 2 Editor Clive Small asked Paul Warnke, who is a former head of the Arms Control and Disarmament Agency and helped negotiate the Salt II treaty, what makes arms control so vital.

Q: Why should ordinary people care about arms control?

A: Because you need informed public debate. Look at some of the asininity that's going on at the present time. Scientific experts will tell you there is no chance with any available technology of creating an effective space-based strategic defense against ballistic missiles.

Nonetheless, the Reagan administration spends billions of dollars a year, and refuses to accept proposals for very substantial reductions in offensive arms.

Under thse circumstances, the American public is entitled to question why this is—is this the right policy? The public can influence these decisions. The one contribution that the Reagan administration has made to arms control has been to scare people. It has made people more aware of the menace of nuclear war.

Q: East and West have been at peace for more than 40 years, all the time perfecting their nuclear arsenals. Why shouldn't that mutual deterrence simply continue, with no arms control?

A: The objective of arms control is to see to it that mutual deterrence does continue. Without arms control, both sides may engage in nuclear weapons developments that will make that deterrence less stable. That will create a situation in which one side could fear a first strike from the other.

Q: But isn't that very fear the crucial factor that keeps the world at peace? Aren't nuclear missiles only symbols of power, with the two big boys too scared to ever use them?

A: If both sides go ahead without restrictions, you can reach a stage when there could be a combination of offensive systems and some sort of defensive devices. That could lead one side to feel there is an incentive to strike first.

Q: But could you realistically ever envisage such a moment arising?

A: Yes—supposing, for instance, there's a time of extreme crisis. Let's say there's a question about whether the Soviet Union is going to take over Yugoslavia and add it to its satellite empire. That would be of grave concern to the West Europeans.

Or say a West German government falls into revanchist hands, and tries to force union with East Germany.

Or take Iran—an unstable situation there when the Ayatollah Khomeini goes to his somewhat uncertain reward. At one point, as you know, right after World War II, the Soviet Union occupied the northern part of Iran. That would now be regarded as a very severe threat to moderate Arab states, to Israel, and to the United States.

So you can't totally disregard the possibility of crisis.

Q: But isn't the Strategic Defense Initiative, "Star Wars," a way of defending the West against a pre-emptive attack?

A: No, because the technology is not there. If we look back, in the late 60s, what got the United States interested in arms control was the Soviet strategic defense plan. We knew we could overcome any strategic defense, but the things we'd have to do to defeat it were in themselves destabilizing. We'd have to greatly increase our offensive warheads.

As a matter of fact, the MIRVs, the multiple independently-targeted re-entry vehicles, were a direct result of the Soviet strategic defense plans—and of course the MIRVs have made the strategic balance less stable. And a number of developments like the MIRVs would take place if we or the Soviet Union tried to deploy any territorial defense.

Q: So you see no future in SDI?

A: If there were some sort of magic Astrodome system, obviously that would be just as good as eliminating all nuclear weapons. There is no such technology. It probably won't exist in the next century.

So the effort to defend yourself just means that the other side has to do very, very dangerous things in order to assure its retaliatory second-strike capability.

Q: But with both sides simply trusting their offensive ability, what can arms control do to prevent a sudden world crisis from going over the edge?

A: That's exactly the objective of arms control: to create a situation in which neither side has any concern about the ability of its retaliatory deterrent to survive. As long as both sides have an assured retaliatory deterrent, there'll be no nuclear war.

IT'S TIME FOR THE DEPARTMENT OF STATE TO TIGHTEN UP SECURITY

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. BROOMFIELD. Mr. Speaker, I am concerned about recent reports that U.S. Marines at the American Embassy in Moscow may have been recruited by Soviet intelligence officers. Now is the time for the Department to reevaluate the adequacy of its domestic and overseas security programs.

I am concerned about a recent incident involving a senior management official at the Department of State. Ambassador Spires allowed a photograph of himself to appear on the cover of the Foreign Service Journal with a classified document clearly visible on his desk. Taking a hard look at security procedures in the Department of State is in order and I hope this unfortunate incident serves to highten awareness of the need for improved security across the board.

Equally disturbing are reports that the new American Embassy in Moscow may have been technically penetrated and that the building may be unusable for U.S. Government activities because of this problem. The ongoing investigation of two marines who are suspected of having cooperated with Soviet agents in Moscow and Vienna is a serious breach of the security of our facilities. The Soviets apparently have done massive damage to our intelligence and communications programs at that Embassy when they gained access to sensitive areas.

While any security program can be improved, the downside of having young marines assigned to one of the highest intelligence threat posts in the world is obvious to all of us. All U.S. personnel assigned to Moscow and the East bloc should be vigilant and ever mindful in counterintelligence activities of the KGB. A State Department professional security officer should be on duty at all times and especially during the evening hours when the previous practice of having only one or two marines on duty has proven insufficient.

The Department should also consider having a series of backup technical systems in our overseas Embassies to ensure that the failure of one system will not lead to a compromise of the entire Embassy security program.

More frequent and more in-depth inspections of our Embassy security programs should be conducted. Less experienced security personnel, responsible for Embassy security programs, should be subjected to more rigorous security inspections. They must continue to have direct and timely access to the more experienced security officers now assigned overseas in a number of regional offices.

Those seasoned veterans, known as Associate Directors of Security, are charged with evaluating the adequacy of Embassy security programs in accordance with established security standards. It is regrettable that these experienced professionals are being withdrawn from overseas and assigned to the Department of State. Logic would dictate that the most experienced experts in the Department of State's Diplomatic Security Service should remain in the field where the terrorist and the intelligence threats are found.

The Associate Directors should conduct more frequent inspections and evaluate in a more detailed way the adequacy of overseas security programs. They can better improve these critical security programs by staying overseas. Why bury them in the bureaucracy of the Department of State?

With these real concerns in mind, I commend the following Washington Post article on security problems in Moscow to my colleagues in the Congress.

[From the New York Times, Mar. 28, 1987]

MARINES SAY TWO GUARDS ALLOWED RUSSIANS TO ROAM U.S. EMBASSY

(By Stephen Engelberg)

WASHINGTON.—The Marine Corps charged today that two Marine guards at the American Embassy in Moscow allowed Soviet agents to spend hours roaming through some of the most sensitive sections of the embassy on "numerous occasions" last year.

In its most detailed public statement about the case, in which one of the marines is charged with espionage and the other is being held on suspicion of spying, the Marine Corps said the two guards worked as a team. One acted as a lookout while the other turned off the alarms being activated by the Soviet agents, who entered such areas as the defense attaché's office, the communications processing unit and "sensitive intelligence spaces," according to the Marine Corps.

FIVE CHARGES ADDED

The Marine Corps also charged that one of the guards, Sgt. Clayton J. Lonetree, had given Soviet agents blueprints to the American Embassies in Moscow and Vienna, classified documents from a bag of sensitive material supposed to be destroyed, and the identities, telephone numbers and addresses of "covert U.S. intelligence agents."

The disclosure of the charges came as the Marine Corps filed five additional charges against Sergeant Lonetree, bringing the total to 24, including espionage. They added new details to a case that Administration officials have termed one of the most potentially serious security breaches in a recent period that has already had a series of damaging spy cases. Michael V. Stuhff, the lead defense attorney for Sergeant Lonetree, said his client would "absolutely deny these allegations."

Administration officials said they were particularly concerned about the reported breach because the Moscow embassy was used as the command post for some of the Central Intelligence Agency's most closely guarded intelligence gathering operations.

The Marine Corps charges that Sergeant Lonetree collaborated with the second marine, Cpl. Arnold Bracy, in escorting Soviet agents through the compound in early 1986. The two men later lied to their superiors about what had set off alarms in the communication processing unit, which handles the coded transmission of the embassy's most sensitive messages, according to the Marine Corps.

Two people familiar with the case said the allegations about the Soviet agents in the United States Embassy were based on detailed admissions by Corporal Bracy. The two said he had since recanted his confession, saying investigators had given him an elaborate false story to tell so they could build a case against Sergeant Lonetree.

Sergeant Lonetree's family has consistently denied that he engaged in espionage.

A Marine Corps spokesman would not comment on whether Corporal Bracy had withdrawn his confession, but Administration officials said they were skeptical about his suggestion that the story about Soviet agents entering the embassy had been fabricated.

SOVIET AGENTS NAMED

The Marine Corps said that Sergeant Lonetree conspired with Violetta Seina, a Soviet employee of the embassy who Administration officials said seduced him and recruited him as a spy. According to the charges, Sergeant Lonetree then worked with two Soviet agents, identified in the Marine charges as Aleksiy G. Yefimov, or Uncle Sasha, and Yuriy V. Lysov, or George.

According to the Marine Corps, Corporal Bracy was paid $1,000 by Sergeant Lonetree. It was the first official report that money had played a part in the case. Administration officials have said previously that Corporal Bracy, like his colleague, had been seduced by a Soviet national who worked in the embassy.

Sergeant Lonetree and Corporal Bracy are being held in military custody in Quantico, Va. Sergeant Lonetree was arrested last December and brought back to the United States, where he was charged with espionage and related counts. Corporal Bracy was arrested this week at the Marine base in Twentynine Palms, Calif., where he had been transferred.

They are awaiting decisions about whether their commanding officer will convene court-martial proceedings. Espionage charges, if prosecuted in the Federal court system, carry a maximum sentence of life in prison. Because the cases are being handled in the military justice system, the charge of espionage carries a death penalty.

The charges against Sergeant Lonetree said he escorted "unauthorized personnel from the U.S.S.R." into the embassy, "allowing them to peruse said areas and equipment contained therein for periods of one to four hours at a time; during which time Corporal Bracy acted as a lookout, while monitoring, silencing and securing various alarms which were set off in the embassy spaces."

The charges said that the two conspired to allow Soviet agents to enter the embassy from January to March 1986.

The charges did not specify whether the two guards helped the Soviet agents gain access to such items as the Central Intelligence Agency's files, or key cards, used to encode and decode communications.

In the espionage case involving John A. Walker Jr., the former Navy warrant officer, an associate, Jerry A. Whitworth, gave Soviet agents extensive access to key cards used by the Navy. This allowed Soviet intelligence to read huge quantities of secret messages.

The charges against Sergeant Lonetree assert that the guards allowed the Soviet agents access to "instruments, appliances, documents, and writings" within the embassy.

According to the charges, the communications processing unit contains "cryptographic information."

Adm. Stansfield Turner, President Carter's Director of Central Intelligence, said the charges suggested significant damage had been done to American intelligence. "Anytime you have the enemy mucking around in your crypto, you've got a potentially serious problem," he said.

Admiral Turner said the problem of embassy security was of long standing. He recalled that while he was director of central intelligence, he recommended that everyone involved in building the new American embassy in Moscow be given a polygraph, or lie-detector, test. The Pentagon, he said, refused to allow the Marine guards to be subjected to the test, which is routine for C.I.A. officers.

Secretary of Defense Caspar W. Weinberger, on the Cable News Network program "Newsmaker," to be aired Saturday, said the Administration would be re-examining all of its procedures for security at the embassy.

"We are, indeed, going to investigate just as thoroughly as we can," he said. "And not just these two, but the whole system. We're going to look at the whole thing, the way they're chosen, the training and the way the Soviets will continually try to subvert them, and try to block that."

TELEPHONE DECENCY ACT

HON. ROBIN TALLON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. TALLON. Mr. Speaker, ours is an age which makes it very difficult for children to be children. Advances in communication and technology have given young people immediate access to adult lifestyles requiring adult decisions. On a social, educational, and technological level, our young people today seem to go from infancy to maturity. Although this can often represent progress, the case of telephone pornography clearly does not. Almost anytime, anywhere across the country, children can pick up a telephone and receive an obscene, lewd pornographic message. Through dial-a-porn, young people can bring pornography right into their homes.

Although Congress in 1983 passed an amendment to the Federal Communications Commission reauthorization which outlawed lewd and sexually explicit telephone communications to minors, these "adult services" are still available. Current law permits obscene and indecent communications to adults only, but does not provide for the screeing our of underage callers.

After 3 years, it has become painfully clear that the 1983 amendment is not only inadequate but has set a percedent by alleging that adults have a right to receive obscene communications, and that their rights supersede the Government's interest in protecting children from sexual abuse. Thus, the law prohibiting dial-a-porn has been reduced to an unenforceable technicality.

In an effort to address this growing problem, my colleague Congressman BLILEY has introduced the Telephone Decency Act, of which I am a cosponsor. This legislation would, quite simply, make dial-a-porn operations illegal. Under this legislation, producers of these pornographic messages would be liable for prosecution in local courts.

I am extremely disturbed about the effect of pornography on America's values, especially those of our children. And, the longer we postpone action, the more people dial-a-porn reaches.

I believe Congress should act now to correct this problem by supporting the Telephone Decency Act and protect our children from costly, damaging perversity. We have a responsibility to our families and to our Nation's future to protect our children's moral health and integrity. It is an issue that in one way or another affects us all.

FISHERIES RESEARCH PROMOTION ACT OF 1987

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. YOUNG of Alaska. Mr. Speaker, in these days of rising budget deficits and decreasing Federal spending, it is rare to find a group willing to put its own money on the line to offset budget reductions. I am pleased to announce that such a group does exist in the U.S. commercial fishing industry and I am introducing legislation today to help them accomplish their goal: to provide the best research available for the sound management of our Nation's fisheries.

In January of this year, a group of concerned fishermen and processors met in Anchorage, AK, to take the first step in setting up a nonprofit foundation whose funds would be used to provide scientific data to the North Pacific Fishery Management Council. An ad hoc board was established to develop the idea further and promote the cause among fellow industry members. The guiding light behind this idea is Barry Fisher of Newport, OR, who is well known among commercial fishermen in the Pacific Northwest. The other board members are Oscar Dyson of Kodiak, AK; Ron Hegge of Sitka, AK; Richard White of Seattle, WA; and Ron Peterson of Seattle, WA. Staff support is being provided by Ron Miller of Anchorage, AK.

The bill I am introducing today will set up the necessary legal framework for the foundation to be established, for assessments to be collected, and for research to be started. The immediate objective of the group is to set up a domestic observer program, whereby data can be collected directly from fishing and processing vessels. Such real-time data is seldom available from the domestic fleet but is essential for making proper fisheries management decisions. Rather than having a Federal or State program, this group hopes to do it themselves. Indeed, the only Federal effort required under my bill will be approval of the foundations charter and necessary enforcement of the assessment orders.

The commercial fishing industry in the United States has long been known for its independence and its willingness to provide food for the world without Government subsidies. Once again, our fishermen and processors have shown their leadership in dealing with difficult issues. I hope that other industries will take note of this and make their own efforts to become self-sufficient.

HON. SILVIO O. CONTE HONORING FRANK D. GULLUNI ON HIS 25 YEARS OF PUBLIC SERVICE

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. CONTE. Mr. Speaker, I rise today to honor Frank Gulluni for his 25 years of public service to greater Springfield. Frank has also been an outstanding leader as director and founder of the Italian Cultural Center of western Massachusetts, and he has positively influenced many people over the years.

Frank Dominick Gulluni is a native of Springfield; his parents were born in Italy and emigrated to Springfield during World War I.

Now acting as the regional administrator for employment and training, Frank has many accomplishments that provide him with a solid background. He taught secondary school English in Windsor Locks, CT, and Springfield for a total of 9 years. As well as founding the Hampden District Regional Skills Center, for 8 years Frank served as its administrator.

In 1970, Frank Gulluni founded the Massachusetts Career Development Institute, and since then it has trained more than 20,000 people, a great percentage of whom have become productive citizens throughout western Massachusetts.

Frank Gulluni has a remarkable record as far as his recent positions in various organizations of Springfield. In addition to founding and directing the Italian Cultural Center of Western Massachusetts, Frank also is the director of the Baystate Skills Corp., Hispanic Employment Program, Upper State Street Development Corp., Mayor's Youth Commission, Springfield Executive Management Group, Springfield Institutional Trust, Private Industry Council Youth Committee, Massachusetts Career Development Institute, and Roncalli Home Health Care Center.

Frank's achievements earned him the Springfield UNICO Man of the Year Award in 1981, and he still proceeds to further offer his services to the community by lecturing and commentating at Mount Carmel Church, and by acting as corporator of Mercy Hospital.

I congratulate and express my gratitude to you, Frank Gulluni, a man with many honorable accomplishments. I wish you much luck and success as you continue your services during the many years ahead.

TRIBUTE TO FORMER GOVERNOR KIM SIGLER

HON. PAUL B. HENRY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. HENRY. Mr. Speaker, we in Michigan take great pride in our State's reputation for clean government, and I rise to ask that this body join us in recognizing the life of former Governor Kim Sigler, the person most responsible for restoring that reputation after a brief period of corruption more than 40 years ago.

Kim Sigler came to Michigan from Nebraska in 1913 to attend law school, and after years of supporting himself with factory jobs, received his degree from the University of Detroit. He moved to Hastings in Barry County, where he served 10 years as city attorney and three consecutive terms as county prosecutor. Kim Sigler was a spectacular man, in many ways. News accounts tell of his broad-brimmed Panama hats, eyeglasses dangling from a ribbon, his Malacca cane, his oratory. But most of all, Mr. Speaker, they tell of his incorruptibility and his fairness.

When evidence of bribery and other scandals surfaced in 1943 at the State capitol in Lansing, Judge Leland Carr sent for Kim Sigler and asked him to serve as special prosecutor. By the time he was finished with his distasteful labor, Mr. Speaker, he had obtained convictions and guilty pleas from a former lieutenant governor, 12 State senators, 11 State representatives, and policemen, lobbyists, and business people.

Kim Sigler was a Democrat, but he ran for Governor as a Republican in 1946, defeating the incumbent by 350,000 votes. Although he initiated and won approval for important laws, many of them designed to solve difficult labor questions, his work as special prosecutor caused rancor in the legislature, and squabbling led to his loss of governorship in the election of 1948.

Just 5 years later, Mr. Speaker, an airplane he was piloting crashed near Battle Creek, killing Kim Sigler and three others aboard.

On May 1 and 2 of this, the 150th year of our statehood, the people of Michigan will celebrate the life of Kim Sigler. The Michigan Historical Commission has approved an official historical marker for the lawn of the Barry County courthouse in Hastings. On May 1, local school children will dedicate the marker. The next day, the 93rd anniversary of his birth, the commission will play host to another dedication ceremony.

Mr. Speaker, I believe it is only fitting that you and I and the Members of this House also join in paying tribute to a brother politician, Kim Sigler, a man endowed with many gifts, the greatest of them his integrity.

SUPPORT FOR THE SOCIAL SECURITY SYSTEM

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. HUNTER. Mr. Speaker, I rise today to address a topic of great concern to our Nation's senior citizens, the stability and preservation of Social Security. There are some who try to capitalize on the very real fears of our senior by implying that Congress wants to cut benefits. Nothing could be further from the truth.

I am committed, along with the overwhelming majority of my colleagues, to preserving and enhancing our Social Security system. My reasons for supporting Social Security are simple: First, it is an unbreakable commitment from the Government, and second, Social Security is profamily legislation.

When some call for cutting back Government spending and for policies of fiscal restraint, they should include Social Security. What generation has ever sacrificed as much as today's senior citizens? These are the people born in the earliest years of the century, raised in the Great Depression. These are the people who fought on the battlefields of the Pacific, Europe, and Korea. During the Second World War, they built the greatest arsenal in history and saved the free world.

In the postwar era, today's seniors made the greatest economic recovery ever and built a society without peer in the world. They paid for the interstates, build millions of new homes and schools, fed and clothed the world, and put a man on the Moon. This generation literally created prosperity.

Some sent their children to Vietnam and never saw of them again. Many saw their savings decimated by the inflation and recessions of the seventies. When they retired, they found that some people called on them to sacrifice for the mistakes of Government.

Mr. Speaker, no generation has ever sacrificed so much or given so much to America. To ask them to surrender what they now have is unconscionable.

Social Security is the bedrock of today's American family. Congress cannot and must not rob our senior citizens, who have given so much to America, of their security and future. To those who suggest that Social Security must be included in budget cuts, I disagree. It's time for America to honor its promises.

FULL CITIZENSHIP FOR ALL AMERICANS, NOW

HON. BEN BLAZ

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. BLAZ. Mr. Speaker, I spent 30 years of my life as a Marine Corps officer defending our Nation. My Guam homeland was occupied by the enemy during World War II and my fellow Guamanians were subjected to abuses because of their intense loyalty to the United States.

But we cannot vote for the President of the United States.

Guam has a higher percentage of servicement killed and wounded in action than most American communities of its size. As a Marine, I fought in Korea and Vietnam. The names of 71 Guamanians can be found on the Vietnam Memorial.

But we may not vote for the Commander in Chief.

Mr. Speaker, I am loyal member of the Republican Party, and a staunch supporter of Ronald Reagan. Yet, I must tell you, I didn't vote for him in 1984 or in 1980. And I may not vote for the Republican Presidential candidate in 1988, either.

I cannot vote for the standard-bearer of my party.

I am, like all the people of Guam and other U.S. flag territories, denied that right by law. Though the people of Guam have been American citizens for more than 35 years and have proudly served this country with honor and distinction—ready to lay down our lives to defend the Constitution—we cannot vote for President.

Though the people of all the U.S. off-shore territories are Americans and bear the full responsibilities of that citizenship, they may not vote for President.

The U.S. Constitution, written by men who fought against colonial domination, presumed that all peoples who were brought into our great and noble union would become full members of the political family with all the rights and privileges due American citizens.

The Constitution directed that the States would appoint electors to choose the President. Over the centuries this practice was progressively expanded into the "popular vote for President", extending the right to vote for President (and choose the electors) to the citizens of the States.

But then something unexpected happened. At the turn of the 19th century, in a burst of great power energy, the United States acquired several island territories in the Pacific and Caribbean, some very far from our continental shores.

The tragic legacy of that era is that the people brought into the American fold have, due to a technicality in the law, been denied the full rights of American citizenship because they are not members of States. They are, and for the forseeable future will remain, citizens of territories.

Mr. Speaker, isn't it a supreme and terrible irony that in a nation founded on the revolutionary principles of representative government, the American citizens of the island territories cannot vote for President?

This tragic injustice can be ended. This terrible wrong, which projects a negative image of American Democracy abroad, can be made right. There is a remedy.

I join my colleagues from the Territories and the more than 100 Members of the House who are cosponsoring legislation to amend the Constitution and grant the people of the U.S. flag territories a total of not more than three Presidential electors, so that these citizens may join their fellow Americans in the full exercise of their rights.

This would be especially meaningful for the people of Guam who are now seeking a closer political relationship with the United States. Winning the Presidential vote would help fulfill the spirit and substance of that quest—full participation in the American political system, full membership in the American political family.

THE 100TH BIRTHDAY OF VENTURA COUNTY MEDICAL CENTER

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. LAGOMARSINO. Mr. Speaker, I wish to bring to the attention of my colleagues, the celebration of 100 years of service of the Ventura County Medical Center.

On April 1, 1987, a gala rededication ceremony will be held on the hospital grounds. There will be speeches, proclamations, a color guard and the placement of a time capsule.

The Ventura County Medical Center has provided medical care to all people for 100 years. There are, however, two unique services which merit special mention, these being the neonatal-intensive care nursery and the emergency medical team. The neonatal-intensive care nursery provides much needed, special care to more than 350 babies a year. The unit is staffed by a caring team of neonatologists and nurses. The nearest facilities providing similar care is Los Angeles to the south and the bay area to the north.

In conjunction with the sheriff's search and rescue team, medical volunteers from the hospital have been trained and skilled in emergency wilderness medicine. This is the only team in the Nation composed entirely of volunteer doctors and nurses trained in helicopter jumping, tracking, rock climbing, and reconnaissance.

I ask my colleagues to join me in wishing a happy 100th birthday to Ventura County Medical Center and best wishes for many more years of medical excellence.

PARITY FOR LIBRARY OF CONGRESS POLICE

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Ms. OAKAR. Mr. Speaker, today I am introducing legislation that would change the name and adjust the pay and rank structure of the police force of the Library of Congress.

The Library of Congress Police provide an invaluable service to Capitol Hill. As the National Library, the Library of Congress contains thousands of priceless collections and documents, which, if stolen, cannot be replaced. Since 1950, the Library Police have conducted 24-hour physical inspections of the Library areas which presently include over 500 miles of shelves and several acres of land. Library Police protect more than 5,000 employees occupying a number of different buildings, as well as thousands of students, readers, and tourists who visit the Library on a daily basis.

The police force of the Library of Congress has enormous responsibilities; however, they have not received a salary adjustment besides the mandated COLA's in 14 years. While the Capitol and Supreme Court private start at $24,929, the Library Police private starts at a salary of $18,358. Under the present salary structure, the maximum a Library Police officer can earn is a salary of $20,806 less than the starting salary of the Capitol and Supreme Court Police. Recently, the Capitol Hill Police force—privates through lieutenants—received a flat $3,000 salary increase for 1986. This further proves the disparity in wages, regardless of the parity in duties. The benefits of the Library Police force also lag significantly behind those of the other two forces. This legislation will also amend the Omnibus Crime Control and Safe Streets Act of 1968 to make these employees eligible for public safety officers' death benefits.

According to a 1981 Office and Personnel Management Study of Federal police, the problems and responsibilities encountered by the Library Police are no less difficult than those of the other two forces. Furthermore, all three forces attend the same 8-week training program which requires them to fulfill firearm, traffic control, and powers of arrest requirements.

It is quite evident that now is the time to take action in support of the Library of Congress Police force.

PRIDE IN THE SYRACUSE ORANGEMEN AND WAIT UNTIL NEXT YEAR!

HON. GEORGE C. WORTLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. WORTLEY. Mr. Speaker, the enduring axiom that "it isn't whether you win or lose but how you play the game" has never had greater meaning than it did last night in the epoch NCAA championship game between the Syracuse Orangemen and the Indiana Hoosiers.

As a Syracuse alumnus, a lifelong and unmitigated basketball fan and an extremely proud representative, I find it difficult to find adequate words of praise for Coach Jim Boeheim and his team. In central New York and throughout New York State, our Orangemen put on a performance and showed the kind of class that nobody, from the East or the West, the North or the South, and from the Atlantic to the Pacific, can forget.

So it is how they played the game. And how they got to the final title game.

My congratulations to the Hoosiers and the Orangemen.

I have one more thought for my colleagues in the Congress to consider.

As they used to say in Brooklyn: "Wait until next year."

HONORING THE CLAY COUNTY TIGERS—STATE BASKETBALL CHAMPIONS OF 1987

HON. HAROLD ROGERS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. ROGERS. Mr. Speaker, Kentucky is known for excellence in many things—race horses, bourbon, and perhaps more than anything else, basketball.

This year, it gives me special pleasure to announce that the Kentucky State High School Boys Championships were won this past Saturday by a team from my district—the Clay County Tigers.

Led by coach Bobby Keith, this gritty team of young men defeated Louisville Ballard, 76-73 in overtime, for the victory. It was the first time in 31 years that a team from the eastern mountains of Kentucky has won the boys State title.

There were many keys to victory for Clay County, not the least of which were 27 points in that championship game from Richie Farmer, the junior guard who was also named the tournament MVP. Richie's brother, Russell, scored 14, while Russ Caldwell added 19 in the win.

Mr. Speaker, I need not tell you how excited this victory has made everyone in Clay County. As the team returned home from Lexington on Sunday, thousands of people lined miles and miles of highway to welcome home the victorious Tigers and their coaches.

This excellence on the basketball floor is a wonderful complement to the work ongoing in my district to increase excellence in the classroom. By having both, we truly offer our students an outstanding education.

Mr. Speaker, I ask my colleagues to join me today in saluting the Clay County Tigers on a job well done, and to wish them well next season as they defend their rightfully deserved title as State champions.

TRIBUTE TO SARAH GODDARD POWER

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. FASCELL. Mr. Speaker, the country lost a great American, a great Democrat, and an outstanding, fine woman when Sarah Goddard Power suddenly died last week in her home State, Michigan. Many of us knew her during the years of the Carter administration when she served as Deputy Assistant Secretary for Social and Humanitarian Affairs in the Bureau of International Organization Affairs, Department of State from 1979-80. In that position, she worked tirelessly to support principles of human rights in foreign policy, especially freedom of the press as well as social and humanitarian causes, including the rights of women.

She helped the United States develop a policy for dealing with the Third World's concern for imbalances in news and information by advocating assistance to strengthen their communications capabilities. She also represented the United States as a member of the delegation to the U.N. Conference of the Mid-Decade for Women in Copenhagen. Before taking up the position in the State Department, Sarah chaired the U.S. National Commission on UNESCO and was a member of the U.S. delegation to several UNESCO general conferences.

Mrs. Power was kind and dedicated. She was knowledgeable in foreign affairs and a friend. Her bright future in politics and international affairs has been sadly and abruptly cut short. We shall miss her. We extend our deepest sympathy to her husband, Philip, and son, Nathan.

TRIBUTE TO LARRY W. DYE

HON. DAN SCHAEFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. SCHAEFER. Mr. Speaker, for Larry Dye, today marks the end of an era. After 15 years of public service he is leaving Capitol Hill to return to Colorado and pursue a new career. It is a sad day for those of us who have benefited from his wisdom and enjoyed his friendship.

Larry has been a champion of the Republican cause in the Nation's Capital for most of his working life. In his 15 years in Washington, DC, he has worked hard and accomplished much. His contributions to Congress and the Republican Party are too numerous to list, for he has served and advised in many capacities.

Larry came to Washington, DC, in 1971 as a research specialist for the Republican National Committee. By his departure in 1975 he had become RNC's assistant director of research. Over the next 7 years, he served as a professional staff member to Senator BILL ROTH of Delaware, research assistant to Congressman STEVE SYMMS of Idaho, and executive assistant to Senator BILL ARMSTRONG of Colorado. In 1982, he was to become the administrative assistant to Congressman-elect Jack Swigert of Colorado, who died before being able to take office. After a special election, Larry agreed to join my staff, where he has served as my administrative assistant for 4 years.

Larry's political expertise goes far beyond organizing an office, training a staff, and managing a legislative program. It is widely known that he also excels at campaign organization and financing. He has managed two successful campaigns for me, and has also worked in the organizations of numerous other Congressmen, Senators, and Governors. His ability to analyze political situations, coupled with a deep understanding of the legislative process, gives Larry unique standing in the political arena.

Our loss, however, is the gain of the Morris Animal Foundation in Englewood, CO. Larry will become executive director of this philanthropic organization, which focuses on the health and care of domestic animals. I am sure that he will approach his new tasks with as much dedication, empathy, and energy as he has his past positions.

I know many of my colleagues, from both Houses of Congress, will join me in saying a reluctant farewell to Larry Dye, and in wishing him the very best of luck in his future endeavors.

SOVIETS INTENSIFY JAMMING OF RADIO LIBERTY

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. COURTER. Mr. Speaker, General Secretary Gorbachev received a great deal of press attention for ceasing the jamming of the BBC as English Prime Minister Thatcher prepared to visit Moscow. Yet it appears that the expensive jamming technology thus freed up was devoted to redoubled obstruction of ou own Soviet radio service, Radio Liberty. This was not the first such instance: When the Soviets stopped jamming Radio Beijing months ago they increased jamming of the West German broadcasting system.

It is important that all Americans be aware of this childishly simple game of political manipulation, of which carefully selected parts are displayed abroad by the Soviets as evidence of glasnost. Glasnost is 97 percent fraud, and the Soviets continue to dread the availability of real news to Soviet subjects. As Solzhenitsyn has told us, the power which news broadcasting has behind the Iron Curtain is amazing, and it is only we here in the West who sometimes forget that.

I hope that Members will do all that is necessary in the current budget cycle to assure the robust operation and continued modernization of Radio Free Europe and Radio Liberty. Despite the intense jamming, we still reach—by RFE/RL estimates—an estimated audience of 52 million adults in Eastern Europe, the U.S.S.R., and the Baltic States.

SENATE—*Wednesday, April 1, 1987*

(Legislative day of Monday, March 30, 1987)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Honorable Timothy E. Wirth, a Senator from the State of Colorado.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

All wise, all knowing Heavenly Father, merciful and gracious, You have promised, "If any of you lack wisdom, let him ask of God, that giveth liberally, and upbraideth not; and it shall be given him." (James 1:5)

As our Founding Fathers looked to You for wisdom in the explosive days of our Nation's birth, so leadership today, at this critical, dangerous time, needs superhuman direction. The desires and demands of millions of special interests, public and private, individual and corporate, controversial and conflicting, plus the growing tensions of a fragmented, convulsive, inflammatory world—weigh heavily upon the Senate. There was a time, in a tamer day, when in our technological and scientific pride, we assumed no matter what the problem, we could fix it. Now intractable issues of impossible proportions deluge national leaders.

Gracious God, give to the Senators the measure of humility which will allow them to acknowledge their limitations and turn to You, a "very present help in the time of trouble" and find "grace to help in the time of need." To the honor and glory of Your name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Stennis).

The legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, DC, April 1, 1987.

To the Senate:

Under the provisions of Rule I, Section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable Timothy E. Wirth, a Senator from the State of Colorado, to perform the duties of the Chair.

John C. Stennis,
President pro tempore.

Mr. WIRTH thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

THE CHAPLAIN'S PRAYER

Mr. BYRD. Mr. President, I compliment the Chaplain. The same Scripture says:

> Happy *is* the man *that* findeth wisdom, and the man *that* getteth understanding.
>
> For the merchandise of it *is* better than the merchandise of silver, and the gain thereof than fine gold.

The Chaplain has struck a note here. Solomon asked for wisdom and so do we, so do we, as we reach our judgments every day.

THE JOURNAL

Mr. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BYRD. Mr. President, I believe the time is divided, so I shall yield the floor.

FEDERAL-AID HIGHWAY ACT OF 1987—PRESIDENTIAL VETO

The ACTING PRESIDENT pro tempore. The Senate will now resume consideration of the veto message from the President of the United States, which the clerk will state.

The legislative clerk read as follows:

A veto message from the President of the United States on H.R. 2.

(The text of the President's message was printed in the Record of yesterday on page S4247.)

The ACTING PRESIDENT pro tempore. Under the previous order, the time between now and 11 a.m. shall be equally divided and controlled by the Senator from New York [Mr. Moynihan] and the Senator from Vermont [Mr. Stafford].

The Chair recognizes the distinguished Senator from the State of New York [Mr. Moynihan].

Mr. MOYNIHAN. Mr. President, I begin this morning with just the briefest remarks. We have a large decision to make by 11 o'clock, which we shall do. Lest there be any thought that in the aftermath, there will be acrimony or recrimination, let me stand in the company of my good friend, our chairman emeritus, as we like to call Senator Stafford of Vermont, and say that if we fail to follow the overwhelming example of the House, the very powerful example of the House—which, by a 5-to-1 margin yesterday, insisted on going forth with the highway program for this year—and if we put the program in a situation where, at very best, it is in jeopardy, as it already is, we will set about immediately to try to reconstruct legislation that can be sent to the House and we will have to wait on the House. It is a tax measure, of course. There will be no delay on our part.

But I do not think—and I would be willing to have hearings tomorrow morning. I am chairman of the subcommittee and I shall ask my chairman if he would not permit that to happen. If he does—and I am sure he will—we will go right forward. But I would like to make as clear as I can do how complex this effort is.

Last year, in the 99th Congress, the effort to reach agreement on a highway bill failed in conference. I was not a member of that conference nor of the subcommittee last year, but the time came around that I am chairman of the subcommittee this year and was chairman of the conference. We went immediately to work this time around. The first day of this 100th Congress saw the introduction on the House side of the highway bill as H.R. 2. On our side, it was introduced the same day I introduced it as Senate 185. That was on January 6.

On January 21, scarcely 2 weeks later, the Committee on Environment and Public Works reported out the bill. On January 27, we filed our conference. On February 4, the bill was passed, having been given the number of the House bill, which by then had arrived.

By March 19, the conference report passed the Senate. We went to conference, we met five times. We worked night and day and weekends and we worked under the extraordinary necessity of getting this job done in time for the highway season, the building season, which had begun. To reproduce that success again would be extraordinary. And if we were to do that, do no more than that, do as much as that, we would find ourselves into the summer before any bill would be law

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

and, in effect, the program for this year would be lost.

Mr. President, the question has been, would this be a budget-busting measure; is this in violation of the Budget Act or the Gramm-Rudman ceilings? The statement has been made over and over again: It is not. On that final conference report of March 19, both the distinguished chairman of the Budget Committee [Mr. CHILES] and the ranking member [Mr. DOMENICI] voted for this measure.

I need not tell any Senator that on these measures, our procedures and statutes are filled with points of order that may be brought against any measure that is not exactly in keeping with the budget resolution. There was no point of order brought because none could lie.

I make the final point, Mr. President, that we do in fact put in jeopardy our economy—not because anybody wants to, but because this ongoing activity will cease.

I have received a good deal of advice, as have many Members of this body, from the organization called the Road Information Program. Its acronym is TRIP and it has provided us with very good, very careful studies of the impact on highways of the American economy. They are done professionally by persons formerly employed by the Congressional Budget Office, good clear work about the extraordinary role this program has in our economy, which has been partly assumed over the last 30 years.

It was only by accident that I learned that the chairman of the board of this organization is a friend, Mr. Richard Forrestel, who heads the Cold Springs Construction Co. of the small village of Akron, NY, in western New York, not far from Batavia, where the first land office was opened. Our term, "land office business," arose from the western movement along the rutted roads and canals of those days.

It happens I joined the Navy with the late Tom Forrestel some 43 years ago. We were mates for the longest while, and I have come to know his brother, who is a superb builder. The firm was founded in 1911, first-rate engineering, first-rate craftsmanship. I have been talking with him on the phone. His is the example of I think thousands of medium-sized, very able American contractors in this country. He says, without anything more than astonishment that it might be happening, if this bill does not pass, by July he will have laid off 110 of his employees, his entire hourly work force. And the economy of Akron will just simply go on hold as they wait for the Congress to do what clearly it can and ought to do.

I think that was a message we got from the House yesterday. I remind one and all that it is a bipartisan message, just as there will be a bipartisan vote today. Of the five leaders of the Republican Party in the House, four voted for this measure. I hope we might see the same good sense prevail in the Senate today. If it does, we will say no more and get on with other work.

Thank you, Mr. President. I yield the floor, reserving the remainder of my time.

The ACTING PRESIDENT pro tempore. The Chair recognizes the distinguished Senator from Vermont [Mr. STAFFORD].

Mr. STAFFORD. Mr. President, I want to assure my good friend from New York, Senator MOYNIHAN, the majority manager, that I appreciate all the hard work he put into chairing the conference and earlier chairing the subcommitee which produced the Senate bill that went into conference, because the Senate bill that we developed was a good bill and if it had been the substance of the conference report, I doubt we would be here today having to consider the question of whether or not we should be sustaining or overruling the veto of the President of the United States.

Personally, Mr. President, I support sustaining the veto of the President of the United States on the highway bill which is before us. I believe that we can very quickly produce a new bill and a better bill than the one which came out of the committee of conference.

Along with my good friend from New York, Senator MOYNIHAN, I worked on getting the conference report that was sent to the President and I voted for it when it was here before this body. But in the course of the statement which I made before the vote occurred, I did lay out in detail reservations which I had with respect to various parts of that conference report. So nobody should be surprised that the Senator from Vermont finds himself proposing to sustain the veto of the President on this matter.

There really is one basic reason why I find myself supporting the President's veto, and that basic reason, in addition to some others which I will not debate this morning, has to do with demonstration projects.

Let me go back in history a bit, since I have been on the Environment and Public Works Committee now for approaching 17 years, and say that in the past, as we have developed Federal highway programs in the Congress, there have been very few demonstration projects.

The first time any significant number of demonstration projects appeared on a Federal highway bill was in 1982, and at that time there were 13—13, Mr. President. Now in this bill, as it has evolved in the conference report which the President vetoed, there are 152—152. And so I have to feel that we have lost all sense of discipline as far as this particular question of demonstration projects is concerned; they have gone out of control, and if we do not sustain this veto, I have to wonder where will it stop.

If we override the President's veto and come out of this occasion with 152 demonstration projects in the bill, I have to wonder, Mr. President, what self-respecting Member of the House or the Senate can go home next time we have a highway bill unless he or she has a demonstration project in that bill. I certainly could not go back to the Green Mountains of Vermont without one.

At a minimum it would appear to me we would have 535 demonstration projects in the next highway bill if we have 152 in the one we are considering this morning.

Now, aside from the additional cost of some $900 million over the 5-year period beyond the obligation authority for regular highway programs, which is not an insignificant sum when you think about the size of our deficit and the size of the debt which this country now owes, what is the impact which 152 demonstration projects may have on the States of this Union? What will be the impact if in 1992 we have 535 demonstration projects instead of 152? And that seems very likely if we continue this undisciplined march toward more demonstration projects.

I believe demonstration projects in this magnitude will disrupt the orderly procedures of the 50 States to take care of their highways. I remember back in my career I had the privilege of serving my State as its attorney general and later its Governor, two events which occurred so long ago most of my constituents have forgotten I ever had the job. But at the time I held those responsibilities we were acquiring the rights-of-way to build the Interstate Highway System, and later when I was Governor of the State we were building the highway system. And so the State engineers and our secretary of transportation felt it necessary to educate their attorney general, later their Governor, in all the details of highway right-of-way acquisition and construction. In the course of that education I came to realize the State of Vermont, in common with the other States, maintained a status report on every mile of highway for which the State of Vermont was responsible.

We had a 5-year plan which indicated where the State's moneys, whether it was Federal money or State money or a combination of the two, ought to be spent to keep the highway system in as good shape as possible. I believe today every State in the Union follows a similar practice and has a status report constantly updated on each mile of highway within the State. They have at least a 5-year plan, some

States have a 10-year plan, as to how they want to spend money, whatever the source, as long as it is legitimate, that may be available to them to keep up their highways.

And so I fear, I have to say to my good friend from New York, that if we start 152 demonstration projects now and 535 or more the next time we have a highway bill, we will disrupt completely the States' orderly programs to keep their highways up as they see the necessity. What I really see is the Federal-aid Highway Program to be in jeopardy, and let me tell you why.

In recent years, we have seen a rebellion among the so-called donor States that contribute more to the highway trust fund than they get back in dollars to spend on highways. The donor States, the big States that do turn in a lot of money, have succeeded in requiring by statute that they get back 85 percent of the funds which they turn into the Federal highway trust fund.

Human nature being what it is, I know that those States want to get back 100 percent of what they are turning in. In other words, they like to keep their money at home, and I presume every other State would like to do so. If we have 500-and-some demonstration projects, I see the trend in the future developing until the Federal-aid Highway Program is at risk and likely to come to an end.

In conclusion, at this point in the debate, Mr. President, I say that we ought not risk the possibility that the Federal highway program will be put in total jeopardy by excessive, massive infusions of demonstration projects now and in the future. The time to stop this proliferation of demonstration projects is now, by sustaining the President's veto.

For that reason, I urge my colleagues to vote to sustain the veto of the President of the United States.

I yield the floor.

Mr. **SYMMS** addressed the Chair.

The **ACTING PRESIDENT** pro tempore. Who yields time?

Mr. **MOYNIHAN.** I yield the Senator 2 minutes.

Mr. **SYMMS.** Mr. President, I very rarely take the floor on highway matters and not be in agreement with the chairman emeritus, the distinguished Senator from Vermont, who has had a great deal of experience. I salute him for all his efforts this year and in past years to try to keep the Federal highway program one we can be proud of.

We should consider one fact: This highway bill is a 5-year bill. It is true that there is $890 million of new money in the bill for demonstration projects, which is a small price, in my view, to pay to have a 5-year highway program where there will be no opportunities for Representatives and Senators to offer demonstration projects for 5 years, if this veto is overridden. If the veto is sustained, it is not unlikely that we will end up passing 6-month extensions of the Highway Act, and each time we will have to fight the battle over demonstration projects with our colleagues in the other body and in the Senate.

If the Senator wants to avoid having 535 demonstration projects, in my view, the best way to do it is to override this veto, and then we will know what we have. We will have made a clear decision. It is a $69 billion highway bill, with less than $1 billion in demonstration projects. Later this morning, I would like to get time to read off some of the States and how they are affected.

Mr. **MOYNIHAN.** I yield myself 2 minutes.

First, Mr. President, I wish to make the point that I know my dear friend from Vermont will agree with—that the conference report was a unanimous report. Democratic and Republican Members in the House and the Senate, everyone, signed; and of course my dear friend from Vermont signed.

In the spirit of good humor, which he brings to all our proceedings, may I read a passage from the 1982 legislation, section (f)(1), and some other section. It says:

> The Secretary of Transportation, in cooperation with the State of Vermont, shall carry out a project to demonstrate the feasibility of reducing the time and cost required to——

Demonstration projects have been in legislation before, and life has gone on.

Mr. **STAFFORD.** Mr. President, will the Senator yield?

Mr. **MOYNIHAN.** I yield.

Mr. **STAFFORD.** Mr. President, I anticipated that at some time this might come up.

Indeed, in 1982 I did ask for a demonstration project for Vermont. Had I known the fate that that demonstration project would suffer, I probably would not have asked for it, since it still remains unbuilt. So it has only demonstrated that nothing happens, sometimes. But it was the last time, I say to my good friend, that I have ever asked for a demonstration project for Vermont; and that has embarrassed me back home, the way things have gone.

I realized in 1983—and as the Senator knows, I was then chairman of the committee—and I felt that we had to stop demonstration projects, that they were of future harm to the Federal highway program.

So I learned the error of my ways at that time, and since that time and through this year, I have not asked for a demonstration project.

Mr. **MOYNIHAN.** Precisely so.

Mr. President, I yield 8 minutes to the distinguished Senator from California, who wishes to speak on this matter and who will speak on behalf of the conference committee.

The **ACTING PRESIDENT** pro tempore. The Senator from California.

Mr. **WILSON.** I thank the distinguished manager, my friend from New York.

Mr. President, let me concentrate on some specifics from the veto message that I think require response.

The first of these has to do with the expressed concerns of the President that this legislation will violate the budgetary standards that we are seeking to adhere to. This is a quotation:

> The bill authorizes more spending than is brought in by highway user taxes. The bill represents a failure to exercise the discipline that is required to constrain Federal spending.

Let us take the second point first. Actually, this bill, H.R. 2, contains less in the way of spending than the two previous measures which the President has signed. In fact, in 1985, the highway measure spent $19 billion. In 1986, after the first Gramm-Rudman cut, we spent $18.1 billion. For this fiscal year, the bill authorizes less than $17 billion.

However, more to the point, let us deal with the complaint that "the bill authorizes more spending than is brought in by highway user taxes."

The reality, instead, is that, according to the Congressional Budget Office, unspent balances in the highway account and mass transit account of the trust fund will rise substantially over the 5 years of the bill. The highway portion rises from $9.7 billion in fiscal 1987 to $10.7 billion in fiscal 1989. The mass transit portion rises from $4 billion in fiscal year 1987 to $6.2 billion in fiscal 1991.

In other words, for the life of the bill, we will spend less than the highway trust fund can support, and less for mass transit than we spent before the penny gas tax was dedicated for mass transit in 1982.

This is not exceeding the provisions. It is, in fact, a measure than has been carefully calculated, as Senator **SYMMS** pointed out in his speech yesterday, to be revenue neutral in terms of the moneys that are spent and the projects that are authorized.

Now, let me also say that we are talking about a trust fund. We are talking about gasoline taxes that people pay at the pump with the expectation that they will be used to make highways safer, to build an Interstate System, to complete it. We are talking about commerce. We are talking about projects that have been needed for years. We are talking about a provision in more than one State, including mine, where those who seek to authorize toll roads in order to cure the road and highway deficit that threatens safety in those places will indeed be threatened if this legislation is vetoed and that veto is sustained.

Let us talk about the kind of emergency road repair, speaking of safety, that has been occasioned over the recent years by tremendous storm damage in several States. In my State we have so far exceeded the cap that is permitted for reimbursement for emergency road repair because of an outmoded and outdated standard that it is required that we in fact update that to accord with reality. That provision is contained in this legislation.

Let me go now to the President's complaint about the Los Angeles metrorail system since he is concerned that we are distorting mass transit funding. He says, and I quote, "* * * to fund the Los Angeles metrorail project grossly distorts funding priorities."

The reality, Mr. President, is in 1986 his Department of Transportation, through the Urban Mass Transportation Administration, ranked the Los Angeles metrorial project as the most cost-effective proposed subway system in the Nation. They ranked it in terms of cost effectiveness, in terms of need, in terms of desert, merit. By every projection that I have seen, Los Angeles will overtake even New York City as the most populous city in the Nation some time around the turn of the century. We are indeed facing a crisis. New York, with great foresight, has had a subway system for years. So has Chicago. So have a number of other cities that have grown more gradually.

Los Angeles is experiencing explosive growth. It is only fair, Mr. President, that those who have chosen to live in high density be accorded the recognition of requiring a different kind of transportation than those who have chosen instead to live in the more sparsely populated rural areas.

To say that this bill unfairly distributes mass transit funds, that Grand Forks, NE, is not getting its share is a little bit absurd. There is not the same requirement. There has not been the same proportional contribution.

That is what was behind the allocation, the dedication of that portion of the gas tax increase in 1982 that was indeed dedicated to mass transit.

But let us come back to the ranking—the most cost-effective project in the Nation.

Also there is a complaint that no money should be allocated on this basis until there has been completion of the environmental impact assessments.

Someone has neglected to tell the President that by law not 1 penny of the Federal funds can be spent on phase II of the metrorail project unless and until the federally mandated environmental process is completed which it will be completed very soon.

Also, the statement is made that the very location of the corridor is yet undetermined. Apparently someone has neglected to inform the President that the general corridor of the system is not known but that Congress has mandated that a preferred local option be modified and that is also being done. The precise location of the tunneling is unknown only to the extent that we are not quite certain where within a couple of blocks the actual line will travel.

The President has been advised that "the provision would require up to 14 percent of the fuel taxes paid by motorists for the national transit program be spent in one city."

Mr. President, this is simply inaccurate. If the provision is fully utilized by Los Angeles and if the Federal Transit Program is reauthorized in subsequent legislation through the fiscal year 1994 at the same funding level as the conference report contains for fiscal year 1991, then only about 8.3 percent of the trust-funded program, not 14 percent, will go to Los Angeles.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. WILSON. Mr. President, I ask unanimous consent that my time be extended by 2 minutes.

Mr. MOYNIHAN. Could I ask it be 1 minute, as we are in a time constraint?

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. WILSON. Mr. President, let me sum up in that final minute. The figures that have been given to the President are inaccurate. This program is one that is necessary, one that is justified by cost, by desert, by requirement.

Let me say that not only will we not get the 65-mile-an-hour speed limit raised, as the Senator from Idaho has correctly predicted but in the absence of a capital improvement program—the Federal Government is the only agency I know that does not have one—those that are required to look for their share of what is dedicated to mass transit funding for long-term projects I think can congratulate this committee for doing what it should have done a long time ago, engaging in multiyear authorization as the Department of Defense requires in the DOD authorization bill every year. If we can do it for airplanes, can we not do it for a subway system?

Mr. President, fair is fair. Someone has given the President bad information. I think we have a duty to our constituents to override this veto.

The ACTING PRESIDENT pro tempore. The Senator from Vermont.

Mr. STAFFORD. Mr. President, I yield 10 minutes to the very able Senator from Rhode Island, Senator Chafee.

Mr. CHAFEE. I thank our distinguished leader of the Republicans on the Environment and Public Works Committee.

Mr. President, first I wish to have printed in the Record at this point two editorials, one from the Providence Journal, "Pass a Highway Bill, But Skip the 'Pork,'" and one from the Washington Post, "Pork on Wheels," both of which recommend sustaining the President's veto on this measure. I ask unanimous consent those be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

PASS A HIGHWAY BILL, BUT SKIP THE "PORK"

President Reagan vetoed a popular highway bill Friday that contains $13 billion in funds needed to keep highway projects going in Rhode Island and other states. He labeled the five-year, $87.5 billion package "a textbook example of special-interest, pork-barrel politics." He's right. Congress should sustain the president's veto, and then pass forthwith the bill being submitted in its place by Transportation Secretary Elizabeth Dole.

Both bills would distribute federal gas-tax revenues according to an accepted formula for the states—including $100 million for Rhode Island. This is not pork. It should have been approved by Congress last October, but wasn't. Since then, the vetoed measure was loaded down not only with unnecessary spending, but with political implications that demand that this veto be sustained.

Regrettably, the highway veto has become a test of Mr. Reagan's ability to govern. If the veto is overridden, the president's critics will claim he no longer is a significant factor in the nation's governance. However untrue that may be, it could become a self-fulfilling prophecy, undercutting Mr. Reagan's attempt to "put the Iran affair behind him" and focus attention on the nation's business.

Aside from that, and aside from the bill's many beneficial aspects, it really is loaded with wasteful spending. Much of this is concentrated in "demonstration projects." For example, $58 million would go to road improvements in Los Angeles designed to "demonstrate methods of improving vehicular patterns relating to intermodal transportation of port-related activities," whatever that means. Some $8 million would go to replace a highway ramp in Cleveland that doesn't need replacing—"to demonstrate the relationship between infrastructure improvement and economic vitality."

Furthermore, the $1-billion allocated all told to these so-called "demonstration projects" would not be distributed on the same equitable basis as are the proceeds otherwise from the 9-cents-a-gallon gasoline tax that finances the Highway Trust Fund. Instead, such money would be gobbled up mostly by states and districts whose members of Congress wield the most political clout.

A case may be made for most of the spending in the bill, even some of that to which the president objects, such as mass transit subsidies apart from those items he considers pork. Did Mr. Reagan, then, have to make his stand against over-spending by vetoing so popular a bill? Maybe not. But he had to make it somewhere.

As important in this instance is the political issue the highway bill has become. Rather than kicking President Reagan as he climbs out of the Iran affair, Congress should sustain his veto and pass the bill submitted in its place by DOT Secretary Dole.

That bill would delete the pork but retain most of the beef. If Congress disagrees, let it quickly work up an acceptable substitute. Funds designed for state projects should be released, not held hostage to power politics.

Pork on Wheels

President Reagan pegged it perfectly when he vetoed the highway bill Friday, calling the $87.5-billion package "a textbook example of special-interest, pork-barrel politics at work." The shame of it in this expensive case is that Congress has ground up and jammed all its pork into one indigestible sausage containing many serious, worthy and urgent road projects that should have been financed last year. Without a bill, the economy could stand to lose hundreds of thousand of jobs, most of which are linked to the legitimate projects that the state governments have approved. But the junk in this package, which also includes the 65-mph speed limit provision that deserves rejection, too, is as overwhelming as it is ill-planned: there are 121 "demonstration projects"—meaning ways for members of Congress to demonstrate their individual creativity and generosity with trust fund money, above and beyond what state governments have sought, and with no requirements for state matching money. It's hang the cost and take the credit. It also deserves the veto it generated.

Those in Congress who are urging an override of the veto point to damage that delay would do to the economy—but who wasted all the time banging this monstrosity together in the first place? Return with us now to those thrilling days of yesteryear '86, when the old 99th left a heap of highway ideas on the floor of a conference committee and adjourned. When business opened this year, who urged prompt action to avoid the damage to the states' approved projects and the jobs they generate? Transportation Secretary Elizabeth Hanford Dole called time and again for action, noting in January that the shortage of construction money was "a growing national emergency—one that affects every community in this country."

The whole process should be scrapped in favor of increased state control of this money. More and more governors are coming to this conclusion. For now, Congress should uphold the veto, take a good, quick look at the president's alternative proposal and come up with a sensible compromise that could keep things going for now and provide time for fundamental improvements in the federal highway program before a next round can begin.

Mr. CHAFEE. Mr. President, every day here in the U.S. Senate we hear about urgent social programs that require funding. For instance, in a couple of days, we are going to start on doing something about housing for the homeless. We are concerned about those folks out there who are sleeping on the grates and have no place to go, and I want to do something about them. I want to do something about the proper health care for American citizens where now we have a higher infant mortality rate than any of the 20 industrialized nations in the world.

What I am talking about here is a matter of priorities. What are we interested in? Are we interested in those folks on the grates? Are we interested in those trying to preserve the lives of young children and see that their mothers get proper prenatal care? Are we trying to do something about giving our young people a chance to go to college with college education grants and tuition grants and loans? Are we trying to do something about better job training for our citizens so they can go out and get the jobs that are there if they only had the training?

That is what I choose. I think, as to those of us who are voting to sustain this veto, that is the choice we are making.

Mr. WILSON. Mr. President, will the Senator yield?

Mr. CHAFEE. No, if I may continue. We are making the choice between having some extra concrete projects that are not included in the State's priority list. None of the States are prepared on their own to pay for these projects, these so-called demonstration projects in the various States. None of them are prepared to do it. That is why these Congressmen have inserted in these special projects, because they will not be funded by the States themselves.

Now, here is the choice: To do something about proper prenatal care, to do something about infant mortality, to do something about college education, or to pour extra concrete in various demonstration projects around the country.

I for one opt to do something to help our low-income and other students in America go to colleges and universities so they can get their education to improve the health of our citizens.

There are those who stand here and argue, "Oh, it is from a trust fund and a trust fund cannot be used if it is not used for highways; it cannot be used for anything else."

Everyone who has been in this Senate any length of time knows that we work under a unified budget and, whether we like it or not, an expenditure from the Social Security trust fund, from the airport trust fund, from the highway trust fund, counts as an expenditure, and that is outgo. That is what contributes to the deficit of the United States.

We have not any concern at all about these other social programs which have to be funded by the budget and thus will add to the expenditures. Unless we can some way make a savings such as in this highway program, the deficit will continue to go on and we will be constrained about doing something about those worthwhile human programs.

Is there an alarm system? Maybe it does not make any difference. Spend from the highways and in addition take care of all these other needs. Here is the ominous sign. We knew it was coming unless we mended our ways. The prime rate goes up a quarter of 1 percent, the first increase since 1984. And if other people cannot see a foreboding in that for the economy of this Nation and for the ability of the United States to compete abroad, and if they cannot see that this is a threat to American jobs all over, then they are not alert to what is taking place.

Second, we have had these dire warnings. Indeed, the distinguished senior Senator from New York has pictured a cataclysmic event occurring in the world, never mind a national recession. It appears there will be a worldwide recession unless the President's veto is overridden.

Well, rarely do I think that what the distinguished senior Senator from New York states on this floor is nonsense, but this comes perilously close to it. Is there anybody that suggests that there will be no highway bill whatsoever? Is the Senator from New York and others who sit on this committee saying: "All right, that's it. I am picking up my bat and going home. You didn't give us what we wanted so, therefore, that ends it."?

I have had the privilege to sit on that committee for some 12 years. I have sat on this conference and indeed on this highway bill, I signed the conference report and I voted for the bill on the floor. So I am for a highway bill.

But when I voted on the floor, I said if we get another chance to straighten out this legislation, I will take it. I voted every time in the conference, as the Senator from New York knows, against those special interest projects, those so-called demonstration projects. But in order to get a bill, as did others, I went along and I voted for it on the floor so we would have legislation.

But now we have another chance. The President, under the Constitution, has the right to veto legislation and he chose to veto this giving us a chance to straighten this out. I say to all here that we should seize this opportunity. It is not going to be this tremendous delay. If it is such a delay, the blame will rest right over there, right on the other side, because they have control. They are the majority. They can pass a bill if they want. If we sustain this veto at 11 o'clock, they can proceed immediately to new legislation and bring it before this body and have it passed, go to conference and produce something so that it would meet the requirements that are necessary to satisfy the President, as well as get going with this, proceeding with our highway construction.

So I do not believe in this Chicken Little proposal. "The skies are falling, the skies are falling; 800,000 Americans will be out of work." That, it seems to me, does not do justice to the ability of this body and the other body to arrive at a compromise and proceed with a highway bill that will get us proceeding with the construction of needed roads in this Nation.

So there it is. First of all, we are threatening the prosperity of this Nation unless we do something about this budget. And this ominous note in the newspaper today about the increase in the prime rate threatens us all.

Second, we have to have a choice. We have to have priorities. The priorities of this Senator are to take care of the young people, see that they get an education, see that they remain healthy; provide housing for the elderly people, look after the elderly, not make cuts in Medicare. That is a proposal that is before us.

What is the choice here? Who is going to opt for cutting Medicare? Not this Senator. Who is going to opt for cutting Medicaid? Not this Senator. Who is going to opt for cutting into the WIC Program, or the Child and Maternal Health Program? Not this Senator. Who is going to cut college aid and tuition grants? Not this Senator.

I believe in every one of those programs and they have to be paid for. And if savings can be made, here is where the savings can be made right in this highway program we have before us, with over—I forget the exact number—I think it is something like 190 special interest projects.

Mr. STAFFORD. One hundred and fifty-two.

Mr. CHAFEE. One hundred fifty-two; all right. Who is going to quibble over 40?

Next year, you can be sure, as has been so well predicted, there will not be 150, there will be one for every Senator and Representative in this Congress.

Mr. SYMMS. Will my good friend yield for a question?

Mr. CHAFEE. If I could just proceed, because I have a time limit here, and then I would be glad to answer any questions.

So I hope we will get on with this, sustain the President's veto, come right back with a bill that is satisfactory to all Members, and get on with the continued construction of our highways.

I thank the Chair.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. MOYNIHAN. Mr. President, before yielding to our distinguished chairman, may I simply make a point that I wish the word "blame" had not been used. We have tried, the Senator from Vermont and I, to open this debate in an effort to state that there are well-founded disagreements on this matter. Every member of the conference signed the report. Blame is not the issue. Responsibility seems to me to be the issue.

But, in any event, a detail. We have heard much of 152 demonstration projects. Yes, they are there. But it might put the matter in perspective to know that at this moment—we just called the Federal Highway Administration—at this moment there are some 13,000 highway projects underway; 152 is less than 1.2 percent.

I yield 3 minutes to the distinguished chairman.

Mr. BURDICK. Mr President, today, Members of the U.S. Senate will decide whether or not to override the President's veto of the highway bill. For many of the Senators there is no difficulty in casting a vote to override the veto.

They have examined the merits, they have looked at the compromises that we made, and while they may dislike a few of the provisions, they have determined to support the bill. Other Senators have not yet made their decision.

For some Members It will be a choice between supporting their President and supporting the highway program. It is unfortunate that they have been placed in such a difficult position.

For others the issue has been clouded because of misleading and conflicting information that has been circulated regarding budget busting. For those of you who are concerned about budget busting, I offer the following comments:

First, highway bill authorizations have been set at a level that meets the Gramm-Rudman Budget Act requirements.

Contrary to what the President has said, the Congressional Budget Office has scored the bill, the Budget Committees of both Houses have reviewed that score, and both Budget Committees have determined that the bill does not exceed the Federal budget and does meet Gramm-Rudman.

I repeat, the bill does meet the Gramm-Rudman budget requirements. I want my colleagues to be aware that the Congressional Budget Office has studied the impact of the bill on the highway trust fund.

Their study concluded that during each year of the 5 years of this bill, the balance of the trust fund will increase. This is true for both the highway trust fund balance and the mass transit trust fund balance.

Therefore, rather than being a budget buster, this bill helps to offset the deficit by increasing the balance in the trust fund. However my colleagues may decide to vote, a vote based on the idea that this bill is a budget buster simply does not square with the facts.

I urge all Senators to vote to override the veto. To do otherwise is to risk losing much in the highway bill that is very good. The country will lose hundreds of thousands of jobs and the economic growth commensurate with that level of employment.

The 65-mile-per-hour speed limit amendment will be lost; 11 Members of the House who voted for that change have stated they will not vote for the amendment again. Eleven votes are sufficient to defeat the speed limit amendment. Indeed, House Members have stated that it will be their intent to reopen the entire bill and renegotiate the minimum one-half percent interstate construction provision, the 4R formula change contained in their bill and other Senate provisions agreed to in conference.

The resulting delay, even if work on a new bill begins immediately, will preclude a new highway bill for much of the construction season. The House has voted overwhelmingly to override the veto; I suggest that the Senate do the same.

Mr. MOYNIHAN. Mr. President, I yield 4 minutes to the able and distinguished Senator from South Dakota.

The ACTING PRESIDENT pro tempore. The Senator from South Dakota.

Mr. PRESSLER. Mr. President, this is one of the most painful speeches I have given in my 13 years in Congress. I love Bob and Elizabeth Dole. In fact, I am spending much of my time supporting Senator Dole for President. I also love and respect the President of the United States, Ronald Reagan. I have voted with him 78 percent of the time on a lot of difficult issues. After 13 years in Congress, I have come to believe that you get things done through working through your caucus.

So it is a very difficult decision for me. How does a Senator vote; how does he decide to vote? I think this perhaps could be a classic case of having different loyalties tugging at one as he agonizes. I just had a conversation with my party leader, Senator Dole, in which I told him again that I would have to abandon him on this vote.

That was very painful. I arrived at that decision only after a lot of thought, prayer, and consideration because it is a very difficult choice for me. How does a Senator vote? On the one hand I come from the State of South Dakota. I serve on the Environment and Public Works Committee. Yes, we have demonstration projects for South Dakota in this bill. I am proud of them. They are all needed. One is in Todd County, and another in Kingsbury County, two economically depressed areas where jobs are needed but also where roads are needed. Another is in the Black Hills of South Dakota to help economic development.

We have a short construction season in my State. If things are delayed, we will not have construction this summer. Jobs will be lost and the much needed public roads that help the economy will be lost. That is on the one hand.

On the other hand, I have a great desire to balance the Federal budget. But I have become convinced that most of these projects will be in other public works bills anyway. Based on my experiences, our large cities need and deserve public transportation. I go to my colleagues in New York and elsewhere and ask for help with the farm program. I go and ask for help with some of the economically depressed areas in my State. I cannot stand here and deny them urban mass transit projects that are very much needed. Our country must work together.

So, Mr. President, in this short time I wanted to say how painful this vote will be and how difficult it has been to arrive at my decision. My duties as a U.S. Senator with State and National interests have me torn between my party and certain friendships. Adding to the difficulty of this decision is how much I want to see our leader and our President win. But I believe after balancing all the factors that it is in the interest of my State and the United States that I vote to override my President's veto.

I ask that my statement be placed in the RECORD.

Mr. President, later this morning I will be casting one of the most difficult votes of my career. Over the past week I have been torn by conflicting loyalties and interests, both in my home State and within my party. But after much agonizing, I must vote to override my President's veto of the highway bill.

I have not arrived at this decision lightly, but finally decided that it is the only thing I can do in conscientiously representing South Dakota. We need to get on with the business of building our infrastructure. Our construction season is too short to delay the process any longer.

But I do not enjoy the necessity to vote against my President, for whom I have the greatest respect. I know he is doing what he believes is right, and I applaud his courage. I consider myself a strong supporter of Ronald Reagan. Indeed, I recently noted that a national Republican foundation report listed my support for the President at 80 percent on what it considered to be 18 key administration votes last year, which was well above that of the average percentage of Republican Senators overall. I believe that if all votes were counted, it would be even higher than that. Though I consider myself a strong supporter of the President, I must cast this vote for what I believe to be in the best interests of those who sent me here. My first priority is to South Dakota.

This vote is additionally painful to me because of my respect for the Secretary of Transportation. She has spent countless hours working to correct some of the admitted deficiencies in this bill. And there are problems with the bill. But, on balance, it is a good bill—and its timely passage is absolutely essential to my State and the entire country.

Perhaps the most difficult aspect of this vote is the fact that I shall have to vote against my good friend and party leader, BOB DOLE. I have discussed this issue with him on many occasions in the past week, and know he understands my position. But that does not make it any easier.

In any event, I shall be voting to override the President's veto. and I urge my colleagues to join me in that vote so we can complete this badly needed bill, and get on with other important issues facing the country.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. STAFFORD. Mr. President, I am very happy to yield 10 minutes to the very distinguished and able Senator from Texas, Senator GRAMM.

The ACTING PRESIDENT pro tempore. The Senator is recognized.

Mr. GRAMM. Mr. President, I thank our distinguished ranking member for yielding. I rise in support of sustaining the President's veto, Mr. President, and I would like to make several points. A number of people have said that as pork-barrel bills go, this is a little pig, that we have passed a lot worse bills in the past, and we may pass worse bills in the future. And I think basically that is true. In fact, were it not for a commitment that we have in place today to hold the Federal deficit this year to $108 billion, I think everybody might have looked the other way on this bill. But when we have so many Members in this body who have concluded after looking at the budget problem that there is more fat in the family budget than there is in the Federal budget and therefore are crying out for tax increases, I do not see how we can in good conscience override the President's veto on a bill that spends more than $11 billion from general revenues for mass transit while leaving the mass transit trust fund relatively untouched.

There are a lot of other reasons that we ought to sustain this veto. No. 1, we are about to get on a fast track toward doing all of our highway bills on a demonstration basis. The last time we passed a highway bill we had 13 "demonstration" projects. We have had fewer than 30 in the entire last decade of the Highway Program. In this bill, we have 152 "demonstration" projects. We are spending over $1 billion on a demonstration project in Boston, MA. We closed out the Interstate Highway System for everybody else in 1981, but not for those who have the political power to do it on a demonstration basis. I do not think that is right. I am opposed to it. And if we do not act here to sustain this veto, I am willing to predict that the next time we write a highway bill virtually every project in it will be a demonstration project, and we, not the people of our States, not the State highway commissioners, not the local Federal highway authorities, and not the Governors, will be setting priorities for our Federal highway system.

I do not think that is the way we ought to be running the Federal highway system of this country.

I would like to say something about the mass transit funding. Not only are we talking about twice as much as the President requested but look at the biggest pork barrel project of them all in this bill, the Los Angeles project. For the first time in the history of mass transit, this bill mandates that the Federal Government sign a contract. It is no longer a matter of setting priorities. In this bill we say that the Federal Government shall enter into a contract. Not only is that the first time we have ever done it, but Los Angeles has not even produced a final plan for locating or building this much-touted monorail or peoplemover.

And in granting this privileged treatment to Los Angeles, we are allowing that project to bleed funds from Houston, Dallas, and every other city in the United States with a mass transit program.

Second, I am amazed that when so many Members are so particular about environmental impact statements any time any private sector employer wants to create a job or build a factory, that we are mandating in this bill that the Federal Government sign a contract to pay for a project before the environmental impact statement is completed. I do not think that is the way we ought to be running programs.

Mr. President, that I am going to vote to sustain the veto for a lot of reasons. No. 1, this is not good law. These demonstration projects represent an abuse to the system. They cheat Texas and 42 other States that do not have demonstration projects as big as their allocation formula would be. They reward those who have engaged in the old-fashioned pork-barrel politics that we tried to get away from in the Highway Program. We have overfunding on mass transit, and we are for the first time mandating that a program be undertaken not on its merits, but on the basis of raw political power. This is only a problem that is going to grow.

I am going to vote to sustain the veto because if we let this bill get through with this much lard, the next bill is going to have more lard, and the bill after that is going to have still more lard, and so on until we give the whole Nation trichinosis, until we bust the budget, until we send inflation back up, until we send interest rates back up, until we slip back to the position we were in 6 years ago, and all the readjustment and all the pain to bring inflation under control will have been for nothing.

Mr. President, I deeply resent all the people who are saying, "Take the highway bill larded, or you are not going to get a highway bill." I reject that because the Nation needs a highway bill. What kind of an argument is it that, if you do not do it our way, we are not going to do it, we are going to hurt America, we are going to hurt your State unless you take our pork barrel. I reject that. We are going to bring a highway bill back to the floor and it is going to be voted on again and again and again until it becomes law. If we can sustain this veto today, it is going to become law without all these "demonstration" projects, without the pork barrel, and without the lard.

Finally, I am going to vote to sustain the veto not because it was Ronald Reagan that vetoed this bill, not because this is some test for the President, but because the President is right. The President is right because in the current budget environment, this bill, which might have been acceptable last year or the year before and which might have passed with virtually no controversy, is not acceptable when we have to lower the deficit to $108 billion this year and down to zero in 1991.

So I urge my colleagues to vote to sustain the President's veto. If we do not do it here, then the next bill will have more pork and the next more and the next more until finally, in revulsion, we will sustain a veto.

When Ronald Reagan stands up for what is right for America, whether it is popular or not, he will not be standing alone because I am going to be standing with him and I am hopeful that 34 Members of the Senate are going to be standing with him today.

Mr. President, I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from New York.

Mr. MOYNIHAN. Mr. President, might I once again quietly state what I did in my opening remarks, that if we should fail to override the veto, fail to support the conference report today, I will convene a hearing, a meeting, of the Subcommittee on Water Resources, Transportation, and Infrastructure tomorrow morning and we shall proceed to do the best we can.

I will ask to have placed in the RECORD at this point a chronology of a very special effort to bring this matter, a major 5-year bill, to the floor in the third month of the Congress. How we can do it in lesser time I do not know. Mr. President, I ask unanimous consent that this chronology be printed in the RECORD.

There being no objection, the chronology was ordered to be printed in the RECORD, as follows:

January 6: H.R. 2 introduced in the House; S. 185 introduced in the Senate.

January 21: S. 387 reported out of EPW Committee; H.R. 2 passed House by a vote of 401-20.

January 27: Senate Conference Report 100-4 filed.

February 2: S. 387 laid before the Senate.

February 4: Passed Senate as H.R. 2 by a vote of 96-2; Senate Conferees named.

February 5: Further Senate Conferees named.

February 19: House Conferees named.

February 24: Conference Committee met.

February 26: Conference Committee met.

March 4: Conference Committee met.

March 5: Conference Committee met.

March 10: Conference Committee met.

March 17: Conference Report Approved; House Rules Committee granted Waiver.

March 18: Conference Report on H.R. 2 passed House by a vote of 407-17.

March 19: Conference Report on H.R. 2 passed Senate by a vote of 79-17.

March 27: President vetoes H.R. 2.

Mr. STAFFORD. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I yield.

Mr. STAFFORD. Mr. President, I want to assure my good friend, who was the manager of the conference and is chairman of the subcommittee that prepared this bill, that if the veto is sustained, I will join him tomorrow in an effort to report a bill out as quickly as possible.

Mr. MOYNIHAN. As quickly as possible has been 3 months this time. We will see what it is the next time.

Mr. President, I yield 5 minutes to my friend from Idaho, who was also a member of the unanimous conference.

Mr. SYMMS. Mr. President, I normally would be on the floor in agreement with my good friend and very, very capable Senator and colleague, Senator GRAMM of Texas. He may think that this bill is going to give the people trichinosis, Mr. President, but I would submit that some of the statements that were just made about the budgetary aspects of this legislation by my good friend from Texas are nothing more than a bunch of hogwash.

First off, the Boston project is not a demonstration project. I do not know where that erroneous information came from. It is part of the Interstate System. It has been on the map since 1956.

Second off, the trust fund has $10 billion in it right now and if this bill is passed it will have $11.7 billion in it at the end of a 5-year cycle.

If I have ever heard a good argument for taking the trust fund off budget, what I have heard here this morning is a good argument. We hear Senators coming in saying, "We want more money for the homeless, more money for this, more money for that," for different projects that are not even associated with the highway trust fund. I think that is a point that needs to be made.

Mr. President, I would also like to make the point that I reminded Senators yesterday that important provisions in the conference report are going to be put at risk.

We may talk about demonstration projects. Senator GRAMM of Texas just made the statement again that the next year they will have a bill in here and they will have 500-and-some demonstration projects. The truth is if the veto is overridden, there will not be a highway bill for 5 more years—5 more years.

Mr. President, we did have some demonstration projects as a compromise. Here is what the compromise is:

In fiscal year 1987, the one-half of 1-percent States will receive $13.1 million in interstate construction apportionments under the conference agreement. Many of those States would have received no interstate construction apportionments and all of those States would have received less than the $13.1 million if the House had prevailed on this point in conference. Frankly, the tradeoff we made in return for preserving the one-half of 1-percent program was to provide some new Federal money (the $178 milion per year) for demonstration projects. I can tell my colleagues that the House conferees see a strong relationship between the one-half of 1-percent minimum program and the Federal funding for demonstration projects, and this will be another difficult issue to resolve if we have to return to a highway conference.

For the information of Senators, the 34 States which will benefit from the one-half of 1-percent minimum program over the life of the bill are as follows: Alaska, Arizona, Arkansas, Delaware, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Michigan, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Mexico, New York, North Dakota, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, West Virginia, Wisconsin, and Wyoming.

I also mentioned yesterday, Mr. President, that the House bill would have changed the Interstate 4R formula dramatically to reflect population factors only. There are 29 States which would lose Interstate 4R funds if we accept the House formula in a new conference. Those States are as follows: Alabama, Alaska, Arizona, Colorado, Delaware, District of Columbia, Montana, Nebraska, New Mexico, New Hampshire, Oregon, North Dakota, Hawaii, Idaho, Iowa, Kansas, Maine, Minnesota, Mississippi, Missouri, Oregon, Rhode Island, South Carolina, South Dakota, Utah, Vermont, Washington, West Virginia, and Wyoming.

Mr. President, I hope all Senators will consider very seriously what a vote to sustain the veto may mean to their States if we have to return to a highway conference. Of course, there is also the very real possibility that a new highway conference will take long enough that the Northern States will miss our 1987 construction season.

I also want to note that while I was in Idaho last week, I stopped at Quinn's Restaurant in Boise and had a great conversation about the highway bill and other issues with two loyal, young fans of Ronald Reagan. Matt Frantz, a waiter at a steak house in Boise, and Jeff Beamguard, the manager of the Idaho Youth Ranch Thrift Store in Boise, both have been following the progress of the highway bill for some time. Matt and Jeff both told me they have voted for Ronald Reagan every time his name has appeared on the ballot in Idaho, and they said if the Constitution would let him run again, they would like to keep him in the White House for the rest of their lifetimes. They figure the President looks fit enough to last at least that long. But they said, "Senator, the President's wrong on this one and you're right. We hope you'll stick to your guns and get us a new highway bill and a new speed limit between here and Pocatello."

Mr. President, as I said, the House conferees see a strong relationship between the one-half percent minimum program and the Federal funding for demonstration projects. In my view, in view of the fact that the money is coming out of the trust fund, we are going to actually be accumulating money in the trust fund. There is no plausible argument for colleagues on the Republican side of the aisle to come in and say this is a budget buster.

Mr. President, I think it would be appropriate at this time to review the history of the Interstate and Defense Highway Programs for our colleagues.

It started in 1922 when Captain Eisenhower was ordered to take a column of 135 trucks from an Army base in Maine to Fort Ord, CA. It took well over 6 weeks for Captain Eisenhower to get there with that truck column.

As he was crossing dirt roads in Wyoming, it occurred to him that this country could not move troops from one side of the continent to the other in time of national emergency.

In 1944, in December, when the Germans hit the United States forces in Belgium and Bastogne, it made a real impression on then General Eisenhower because he could not believe that the Germans could move the troops, trucks, tanks, and equipment as fast as they did.

When he came back after the war and became President, he pushed this program through. It was his leadership that got us started on this interstate program, a Republican President, which made it possible for Americans to have a good road system to drive from Maine to California with no interruptions on a good, safe highway.

Followed on by that, President Reagan, deserves everlasting credit for taking the heat to restore and renew the commitment so we could, A, complete the interstate, and, B, maintain it.

We wear out these roads every 20 years. Every 5 years a section of interstate wears out. What that means is that you have 20 percent of your interstate every 5 years needing to be redone.

We have to maintain this. I hear my colleague from Texas talking about the demonstration projects. If this veto is sustained, we may have a highway bill in here every 6 months because we will extend it and then it will have demonstration projects they want in the bill.

I would urge my colleagues to vote to override this veto and put it behind us. It is not a budget buster. I believe in the longrun we will have done a much better job than we will do if we continue to have a hopscotch, unfunded highway program to deal with every 6 months for the next 5 years.

Mr. MOYNIHAN. Mr. President, I regard the Defense Highway Program as the most important domestic achievement of President Eisenhower's Presidency.

Mr. President, this is a 5-year bill. We have so much to do in Congress. In 5 years, we will not see a highway or transit program if we do not accept this one today.

Mr. President, I yield 4 minutes to the able and distinguished senior Senator from Nevada.

Mr. HECHT. Mr. President, this is one of the most difficult decisions on a vote I have cast as a U.S. Senator. It is with great reluctance that I have decided to cast my vote in opposition to President Reagan's veto of this legislation.

The highway authorization bill places many of us who care about government in a tough position. I would prefer a less expensive bill, and this bill is a good example of why the President should be given line-item veto authority. However, many projects certainly can be justified and are necessary to maintain America's highway system.

Mr. President, I am convinced that the consequences of killing this bill would be more harmful to the American economy than enacting it. It will create many jobs, in time for the construction season. The three projects in my State are good ones, and since the money will come from the highway trust fund and not from the General Treasury, I cannot buy the argument that this bill is a "budget buster."

The 65-mile-per-hour provision is another reason I am going to vote to override the President's veto. I have worked extremely hard over the past 4 years to get the speed limit changed. I cannot cast a blow to States rights. I cannot cast a vote against my State.

Mr. President, I do not believe this vote is a test of Presidential leadership. The leadership that Ronald Reagan has provided this country does not need confirmation by this Senate on this issue. On the whole, this highway bill has enough good in it to justify enactment over a Presidential veto.

Mr. President, I yield the floor.

Mr. STAFFORD addressed the Chair.

The PRESIDING OFFICER (Mr. SANFORD). The Senator from Vermont.

Mr. STAFFORD. Mr. President, I am prepared to yield 8 minutes to the able and distinguished Senator from New Mexico, Senator DOMENICI.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I say to the Members of the Senate, from the first day I arrived in the U.S. Senate until this year, I served on the Environment and Public Works Committee. I have participated in most of the highway bills. I participated in a number of most interesting conferences wherein the great disparities between the House-passed bill and the Senate-passed bill were resolved. I have been there when we watched the House develop formulas clearly favoring one section of the country, and, by the time we resolved it, we seemed to have a fair and equitable bill. With the exception of the 1 year in 14 years, I have been on the committee. So I know these issues.

Mr. President, the President is right on this veto. Some might say the Senator from New Mexico is going to talk budget issues here. I could do that. I could tell you why, on budgetary grounds, the bill is not a solid bill. But I prefer to talk about the highway program, and what is going to happen if we continue down the path that begins in this bill. I need not report to the Senate on the history and evolution of the highway program of this country. But it is obvious that it has had a history that was salutary, centered on the States.

If there is one thing the States of this Union have done because of the highway program, it is to develop healthy, strong, well-planned professional highway construction programs, from State engineers who are professionals to various and sundry varieties of State commissions that determine priorities within each State.

I really believe it is fair to say that the national highway program has prompted the States of the Union to handle construction of roadways in the right way. There may be, from time to time, a highway commission or a highway engineer or a Governor who is accused of being less than professional or playing politics with highways. But for the billions and billions of dollars spent for the American people on roadways, it is probably the best single success story of States creating a capacity to do the job right.

We resisted for almost two decades the desire to go into each of these States and say, "You are not building the project that I want, so I will put it in this bill. After all, I am a Senator or I am a Representative, and I want this road." For almost two decades, we resisted that. We did a few, a very few, of that kind. And we needed a name for it, so we called them demonstration projects.

I am not even going to look at those few, I am going to guess that maybe one or two of them were actual demonstrations, trying something new, trying to prove a point about highway building or about some new way to do things. That is what a demonstration is.

Now, we have decided in this conference report, after weeks in conference with the House, in my humble opinion, that we are about to abandon that thesis and take another route.

Why in the world would we do that unless the program was a failure? Why would you allocate to the States and then come along in this bill and say, "Well, let us do 160 demonstration projects?"

We ought to drop the word "demonstration." It really begins to be kind of a joke. These projects are special selected projects by Members of Congress who say, "The highway program is great in my State, but I just think the highway fund ought to be used to build something very special that the highway engineers, that the professionals in that State, are not going to build. So I am going to put these projects in the bill, and we are going to start taking the money out of the highway fund to pay for it."

I know my good friend from New York is going to say we did the best we could with the House. They had an even worse bill. They wanted to pay more for the special projects, and they wanted more of them. That is irrelevant.

What will happen is that the next time we have a highway bill—the President may well lose and in 5 years, we may have another one—there will not be 160 special projects. I guarantee that. To the wonderful new Senator occupying the chair, who used to be a Governor, I say, Mr. President, there will be one for every Member who needs one. And there may be two, if that person is powerful enough. There may be five for that Senator or Representative who is really powerful and in the right place.

What we are about to do, is take the most successful highway program in the world, the most successful State-administered program in the world, and we are about to say we are going to dismantle it. We are going to have two, side-by-side programs. One is going to be the special choices of Congress; the other is going to be the allocation formula that the States have been doing so well with on the interstate, the primary, and the other systems.

I lived through an era here when we did exactly the same thing to the water projects of this country, exactly the same thing. We decided in Congress that every time a Member had a water project, be it flood control or some other kind of water project, we got them started. The States paid nothing. There was no marketplace test. As a consequence, they became parochial. They became centered upon power structures here, or they were geared to one section of the country, because of the Bureau of Reclamation, and not the other.

And you know what happened, Mr. President? Instead of getting more water projects, we just about killed the program. For 6 or 7 years, we had zero projects because we had decided how to pick them ourselves, from clear up here in Washington.

That is what is going to happen here. Some people are going to have more for highways; some are going to end up with less. We are going to end up with special projects all over the place. And you know what that ends up doing? It ends up, very simply, causing public support to dwindle, rather than to increase.

Instead of going up, it is going to come down. We are about to put this wonderful program on the skids, where it need not be.

Mr. President, we should sustain the President's veto.

Mr. President, President Reagan is right. The Senate should sustain the veto of H.R. 2, the bloated highway and transit bill.

We will hear laments about how this veto will hurl the economy into recession; how it will destroy millions of jobs. We will be told that we will never have another highway bill if we miss this opportunity.

I do not believe a word of it. Nor should any other Member.

We are told the House will not bargain over this bill, unless it can be assured the bill will be chock-a-block with special projects for special Members.

If that is so, let's be honest and tell the American people why this important program may be threatened.

This bill can be rewritten and on the President's desk by tax day, April 15, if the will exists to do it. To pretend otherwise is to deceive the America people.

Now, why is this a bad bill? Wh should we sustain the President's vet and take a chance that petulance wil prevail?

We could debate the bill's relation t the budget resolution. The bill is ove the budget, and that is one soun reason to vote to sustain.

The bill spends much more than i raises in taxes. That is unsound polic for a program that is justified as user-based program. That is anothe reason to vote to sustain.

But the real reason—the vita reason—to vote to sustain the President and reject this bill is this:

H.R. 2 impales what has been the most successful Federal public works program in our history, a user-financed program. It impales a sound policy and proclaims that from now on, more and more road projects and road alignments and road decisions will be made by 535 Members of Congress, not by the highway experts back in the States.

This bill siphons cash out of a national program and pumps it into the pork barrel that is called demonstration projects, 160 of them, some of which involve roads never studied by any highway administrator.

That is wrong. Why? Because, in the long run, that shift will undermine a program that is absolutely essential to America's economy and welfare. If we want to bust the budget, let's at least give the money to the States for priority work, not to construct a congressional wish list.

We saw what happened to the water-projects program when it began to drown in special-interest projects: Construction spending fell 80 percent over the past quarter century. We nearly killed off that program before it was saved last year with new cost-sharing approaches.

To force this bill into law will inflict the same kind of damage—with an erosion in public support—onto the highway program.

The great strength of the Federal-aid highway program since its early days has been its nonpolitical distribution of money. We have a gas tax—now 9 cents per gallon—that is collected nationally, then distributed among the States for the States to utilize according to priorities they set.

The States decide how that money is spent. It is a direct shift, from users back to benefit the users.

But what does this bill do? It skims $5.5 billion off the top, and deals that money out to this special Member, to that favored project.

Sure, I have a project in this bill. It is a project that, when it was included in the Senate's bill originally, gave the State of New Mexico greater flexibility, not more cash. New Mexico will build that road, with or without this pork-barrel approach. At least it will be built so long as the general program remains solid and continues to attract public support.

The thing that most threatens the viability of the Santa Fe to Los Alamos road will be a discrediting of the entire Federal-aid highway program. And that is precisely what this bill does.

Some may ask me: "Senator, aren't you powerful enough to get your road?" Maybe; maybe not. But with 5 Members of the U.S. Congress—5 out of 535—New Mexico is unlikely to do as well, over the long term, after we convert this program into one where road selections are made here, instead of in our State capitals.

Mr. President, this has been the week of the college basketball championships. That was a great game Monday night. But I fear that some of my colleagues have gotten too deeply into the spirit by saying they want to slam-dunk this bill, and show the President and the highway contractors who is in charge.

The unfortunate part is they may, in their enthusiasm, end up destroying public confidence in one of the best Federal infrastructure programs that exists.

Mr. President, I urge my colleagues to vote to sustain President Reagan's veto.

Once we accomplish that task, then we can—and will—get back to work and send a bill to the White House that the President will sign. We can achieve that in 2 weeks, and we can, in the process, preserve this essential program.

Mr. MOYNIHAN. Mr. President, may I say to my good friend from New Mexico, he knows that the two of us worked for almost a decade on exactly that problem of water policy that he described. Last year, after 17 years, we produced a water program bill, a responsible one. And as I vouched for that then, I vouch for this today.

May I say with the greatest of friendship that not 13 days ago, when this conference report came to this floor, my good friend from New Mexico voted for it.

Mr. DOMENICI. There is no question about it. And I said clearly to my people in New Mexico, if the President suggests that we should do this another way, and has another formula, I said publicly right then, I am going to support him.

Mr. MOYNIHAN. Fair enough.

Mr. President, I yield 4 minutes to the distinguished Senator from Maine, who labored indefatigably in the 99th Congress.

Mr. MITCHELL. I thank the Senator.

Mr. President, I would like to call to the attention of the Senate, for what I hope will be the final time, the difference between fact and fiction concerning this conference report.

The President has repeatedly referred to this legislation as a budget buster. That is simply inaccurate. Both budget authority and outlays for the highway title of the conference report are $1 billion lower in fiscal year 1987 than in fiscal year 1986. Compared to the amount originally authorized for fiscal year 1986 under the Surface Transportation Act, the conference report reduces highway spending by 14 percent.

Both the Senate and the House Budget Committee have scored this conference report and have determined that it meets the spending limits of the fiscal year 1987 budget resolution and the deficit reduction goals under Gramm-Rudman-Hollings.

Let us take a close look at the highway trust fund. In his veto message, the President claimed that the highway bill spends more than is brought in by highway user taxes. That is misleading because it ignores the effect of interest earned on the trust fund. Currently, the highway trust fund has a surplus of $9.74 billion. The Congressional Budget Office has estimated that the surplus will continue to grow throughout the 5-year reauthorization contained in the conference report so that by fiscal year 1991, the highway trust fund will have a cash balance—a surplus—of $10.73 billion. This is an increase in the trust of $1 billion, after the funds authorized in the conference report have been expended.

In his weekly radio address on Saturday, the President reiterated the claim that the conference report is $10 billion over budget. This is based not on the deficit reduction targets under Gramm-Rudman-Hollings, but on the President's budget proposals which called for ending all general revenue support for mass transit, a proposed cut of almost 60 percent from 1987 levels. The President has made that request for the past 3 years and Congress has rejected it each time.

In fact, during the last session of Congress, Senator SYMMS offered the administration's mass transit funding proposal as an amendment to the fiscal year 1986 budget resolution. That amendment, considered by a Republican-controlled Senate, was overwhelmingly defeated by a vote of 25 to 72. Yet the President's current use of the phrase "budget buster," and all the talks about quickly passing an alternative bill, is based on the assumption that the Senate will now simply accept a provision which it has rejected 3 years in a row, that last time by an overwhelming recorded vote, and all three times when the Senate was under Republican control.

The fact is that the mass transit account had a cash balance of $3.29 billion at the beginning of fiscal year 1987. The Congressional Budget Office has estimated that the authorizations under this conference report will leave a cash balance of $6.17 billion at the end of 5 years. Also between fiscal years 1987 and 1991, the user fees coming into the account amount to $6.26 billion and the interest earned on the account amount to $1.86 billion for a total of $8.12 billion. During the same 5-year period, authorizations for mass transit amount to $6.247 billion. Therefore, the mass transit account will increase by nearly $2 billion after the amounts authorized under the conference report are expended.

It is clear that the administration opposes funds appropriated from general revenues for mass transit. But it is equally clear that Congress has again and again rejected that position. This is not a partisan issue. During the last several years, bipartisan support for mass transit has remained strong.

When he vetoed the bill last Friday, President Reagan said he did so because it is too expensive, $10 billion too high. He said he would send an alternative, much less expensive bill to Congress. Just a few hours later, the minority leader stood here in the Senate and, obviously based upon information provided him by the administration, urged Senators to support the alternative because he said:

> As I understand the compromise that the President is sending up which will be introduced later today, 43 States are better off than they are under the bill that came out of the conference report.

So the President was telling the American people that the conference report was too expensive, he was vetoing it and sending a less costly bill to the Congress, and at almost the same time the minority leader was urging Senators to support the President's alternative on the ground that it would provide more money to 43 States.

Many Senators have asked how that can be. How can the President's alternative be $10 billion less than the conference report and still provide more money to 43 of the 50 States?

The answer, of course, is that it cannot be, and it will not be. While the President has repeatedly stated that the conference report is, in his words, "$10 billion overboard," the budget he submitted Friday reduces spending not by $10 billion, but rather by about $4.4 billion. While the conference report authorizes $87.5 billion, the new administration bill would authorize $83.16 billion. The difference between the two bills for highway spending amounts to $2.6 billion. The difference between the two bills for mass transit amounts to $1.8 billion. The amount authorized for safety programs would remain the same at $861,000.

The table distributed by the administration to which the minority leader referred is yet another misleading table. That table shows 43 States receiving more funds under the new administration bill compared to the conference report. The table does not take into consideration that 16 of the States have received interstate discretionary funds as of March 5 this year. The table also does not take into consideration the fact that allocations have not yet been made for bridge discretionary funds and Interstate 4R discretionary funds.

Once allocations to the States are made in these categories, it is highly likely that most States will receive more money under the conference report than under the new administration bill. However, the table was designed to mislead those without detailed knowledge for the Federal-Aid Highway Program into believing that 43 States would receive more funds under the administration's proposal than under the conference report. They would not.

This is not the first time during the debate on this conference report that the administration has deliberately circulated misleading tables containing half-truths. I hope it will be the last time. The complexity of the Federal-Aid Highway Program readily lends itself to the use of tables. However, those tables should be accurate and complete. To give half the story is misleading and wrong.

In the administration's bill submitted on Friday, the President claimed to have pared down the waste in the conference report. He further claimed that if he received it within a week, he would sign it within an hour. That is totally unrealistic. It wholly ignores everything that has happened on this subject in the past 2 years. It assumes that all of those individuals and groups who have an interest in this bill will suddenly stop being interested, and there will magically occur prompt agreement on a new bill.

Have the Senators from New York and Illinois and Pennsylvania and Connecticut and New Jersey and other States interested in mass transit agreed to simply accept the President's proposal to reduce mass transit from $17.9 billion in the conference report to $16.1 billion under the administration's new bill?

Have the Senators from California agreed to drop the provision in the conference report which provides funds for the Los Angeles metrorail project?

Have the Senators from Massachusetts agreed to drop the Boston central artery from the Interstate System?

As of March 5, 16 States had received fiscal year 1987 interstate construction discretionary funds. Have these 32 Senators, and others who might benefit from interstate discretionary funds beyond fiscal year 1987, agreed to terminate the program as requested by the administration?

The answer to each of these questions is, of course, no. These are important, contentious issues on which there have been and continue to be very strong feelings. It is pure fantasy to suggest that if the veto is sustained, this matter can be quickly resolved.

I ask these questions only of the Senate. This does not yet take into account the fact that any bill passed by the Senate must also be approved by the House. Does anyone believe that the House Members from California, New York, Pennsylvania, Illinois, Massachusetts, or those on the House Banking Committee, would ever agree to the administration bill? Does anyone believe that those 189 House Members representing the 16 States that have received interstate construction discretionary funds this year would agree to terminate the fund beginning next year?

I have not even yet mentioned the fact that if the veto is sustained we will be reopening the whole debate on the highway program. There were literally hundreds of disagreements on which we were able to reach fragile agreement. Each of these issues would be reopened.

Many of you may remember the debate on highway beautification. With regard to billboards, the conference report retains current law. There is no assurance that any future bill would treat highway beautification similarly.

Many of you may remember the debate on the buy America provision, an amendment offered on the Senate floor by Senator COCHRAN that would have required the use of American clinker and cement on Federal-aid highway projects. That amendment was tabled by a vote of 65 to 33 and therefore the Senate had no American cement provision. But, the House bill did contain such a restriction. It was no easy agreement to get the House to recede on that provision.

In the Senate, the one-half of 1-percent minimum allocation is very important for those of who represent States that placed a high priority on completing their Interstate Systems. It was no easy feat to get the House to retain this provision.

The conference report retains the current Interstate 4R distribution formula. Senate conferees had to fight hard to get the House conferees to drop their Interstate 4R formula provision which would have changed the formula to reflect population factors only. Some 38 States would have lost Interstate 4R funds had we acquiesced on that one.

Over the last year, the Senate voted three times on whether to allow States to raise the speed limit on rural interstates. This issue could not be resolved in conference. Chairman HOWARD of the House Public Works Committee f nally agreed to let the House membership itself decide. I am sure you al know that in the House the increase i the speed limit was approved by an 11 vote margin. Since then, more than 1 House Members have said publicl that if the veto is sustained they wil not vote to increase the speed limi again. Therefore, if this veto is sustained, the proposed increase in th speed limit is gone, dead, buried. I any Senator feels strongly about increasing the speed limit, there is onl one way to get it. That is to overrid the veto. Any other course, any other means no increase in the speed limit.

Another provision in the administration bill on which it is extremely unlikely that the House and Senate could agree is funding for demonstration projects. The House bill provided 100 percent Federal funding. The Senate bill provided no new Federal funding, but permitted States to divert their other Federal apportionments to fund the construction of projects. After many, many hours of debate, the conferees finally settled on funding up to 50 percent with new Federal funds. Up to 30 percent would be allocated from the Secretary's discretionary funds, but would not represent new budget authority. This was a major compromise. In addition, 20 percent or more of each demonstration project would have to be matched by either the State or local government. While these projects may be authorized, they won't get a dime without the State or local match.

One of the most important and one of the most contentious provisions involved the 85-percent minimum allocation, which is very important to donor States. After much disagreement, the 85-percent minimum allocation was the very last agreement made prior to adoption of the conference report by the conferees. The conference report alters the formula and expands the base on which the 85-percent minimum is allocated. The 85-percent minimum provides donor States a return closer to the amount they contribute to the highway account of the highway trust fund. Currently, in calculating the return of the 85-percent minimum to the States, only apportioned programs are considered. The conference report adds allocations as well as apportionments to the calculation and makes the provision permanent law. This was a difficult and delicate agreement. Only by excluding some discretionary allocations during the first 2 years could we reach agreement. There is no assurance that this provision will be included in any subsequent bill. If that occurs, all donor States will suffer significant reductions below what they otherwise would have received.

Under the conference report in fiscal year 1987, the following are donor States affected by any changes in the 85-percent minimum allocation: Arizona, Arkansas, California, Florida, Georgia, Indiana, Kentucky, Michigan, Mississippi, Missouri, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee, Texas, and Wisconsin. If the veto is sustained and the conference report provision regarding the 85-percent minimum is not included in any subsequent bill—which may well be the case given the hostility to the provision by the House conferees—those donor States will suffer enormously under this program in future years. Senators from those donor States who vote to sustain the veto are playing Russian roulette with their State's future funding under this program.

Altogether, the administration bill submitted on Friday includes 30 major policy changes. In many cases, these are policy changes that we already know will not be accepted.

The resolution offered by the distinguished minority leader on Friday may have been good politics. It allowed Senators who vote to sustain the veto to say that they voted to have the Senate act on a new highway bill within 7 days. The only trouble with it is that we all know it is not true. It will not happen. Perhaps some of our citizens will be fooled. But we cannot fool ourselves.

The conference report has been approved by the House and the Senate by overwhelming margins. Just 12 days ago, 79 Senators voted for this conference report. They did so because they knew that there are many controversial issues involved. They knew that many of the agreements made were not easy and may not be made the next time. They knew that the conference report is the result of many long months of hard work and literally hundreds of compromises.

If the veto is sustained, we do not know when there will be agreement or what it will contain. But we do know that our States are running out of highway funds fast. I ask, based on what we all know to be the facts, is it worth the risk to the States to lay aside the conference report?

The President has changed the debate from one based on the merits of the conference report to one based on support of the President. So the question really is, Should Senators support their constituents or their President? That is a tough choice. But we represent the people and our allegiance belongs at home.

I urge the Senate to vote to override this veto. In the last few minutes, I have addressed some of the many, many misstatements that have been made regarding this legislation. I mentioned that in his weekly radio address last Saturday, the President reiterated his claim, often stated, that the conference report is $10 billion over the budget. There is no basis for that assertion. Indeed, the bill that the President sent up the day before he made that statement reduces the conference report by only about $4 billion. So if we use the President's standard, his bill is a budget buster by about $6 billion.

Ironically, at almost exactly the same time that the President was saying that the conference report was $10 billion too high, the minority leader was standing here, on the Senate floor, urging Senators to support the President's alternative because, he said, and I quote the minority leader again, "As I understand the compromise that the President is sending up which will be introduced later today, 43 States are better off than they are under the bill that came out of the conference report."

In other words, the President was saying that the conference report was too expensive and he is sending up a much smaller bill. The minority leader at the same time is standing on the Senate floor urging people to vote for the alternative because he said 43 States will do better.

Well, many Senators have asked how can that be, how is it possible to have a less expensive bill and yet have almost all the States get more money. The answer, of course, is that it cannot be and it will not be. The two arguments are mutually inconsistent. The reality is that the overwhelming majority of States will do better under the conference report.

I would like to address briefly, if I could, the argument that has been made over and over again that if this veto is sustained we can turn out a bill in 2 days or 7 days.

That is totally unrealistic; it ignores everything that has happened on the highway bill over the past 2 years. It assumes that the Senate will accept the President's alternative with regard to mass transit, a proposition which has been before the Senate in each of the last 3 years, during which time the Senate was controlled by Republicans, and each time was overwhelmingly rejected. Senator SYMMS well knows; he proposed the President's proposal last year, and it was rejected 25 to 72 in a Senate controlled by Republicans and a clear majority of Republicans rejected the President's proposal.

Now, obviously, it is not going to be accepted, and for people to say that this will be enacted simply ignores the whole history of the past 2 years and is inaccurate.

Now, there are many, many controversial areas. There are many important provisions. I would like to address just one. One of the most important and contentious provisions in this bill, and the very last subject of agreement, was the 85 percent minimum allocation to donor States. Donor States are those large, fast-growing States which send more money into the highway trust fund than they get back from it. We put into this bill a provision that they cannot get back any less than 85 percent of what they have contributed. That is an absolutely critical provision, absolutely critical provision to 13 States. I would like to identify those States here. They are Arizona, Arkansas, California, Florida, Georgia, Indiana, Kentucky, Michigan, Mississippi, Missouri, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee, Texas, and Wisconsin.

If the conference report provision regarding the 85-percent minimum is not included in a subsequent bill, which may very well be the case because there is tremendous hostility to this provision in the House, those donor States, those 13 States I just read off, will suffer grievously under this program in future years, and Senators from those donor States who vote to sustain the veto are playing Russian roulette with their States' future funding under the highway program. They should understand that. This was a very contentious provision. I have been on both conferences, last year and this year, and after 7 months of negotiating that was the very last subject on which agreement was reached, and the House relented only under enormous pressure.

This conference report was approved by the Senate just 13 days ago with 79 Senators voting for it, and many of the Senators who have stood here today telling us what a terrible bill this is voted for it just 13 days ago. If it is such a terrible bill, how could they have voted for it? The fact is, of course, it is not a terrible bill.

The Senator from Texas—and I am sorry he left the floor—said, criticizing those of us who want to override the veto, "What kind of argument is it that if you don't do it my way, you are not going to do it?"

I simply point out that is the President's argument. That is precisely the position in which we find ourselves. I do not agree with anything else the Senator from Texas said in his comments, but I do agree with that. That is not a very good argument.

Concluding, the President has changed the debate on this bill from one based on the merits of the conference report to one based on support of the President. The question then really is, should Senators support their constituents or their President? That is a very tough choice. But we represent the people and our allegiance belongs at home.

Thank you, Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. STAFFORD. Mr. President, I am pleased to yield 5 minutes to the very able Senator from Washington.

Mr. EVANS. Thank you, Mr. President.

First let me congratulate both the chairman and the ranking member of this committee and all the members of the committee for the excellent work they have done in attempting to bring the House to its senses. It is unfortunate that we have not come as far as we should.

Forty years ago, my father was nominated as King County engineer. That was just after World War II. Very shortly after taking office as county engineer, he put his job on the line in a highly political office by saying to the three county commissioners of that time, "It is time in a postwar era to start building roads and building a highway system based on priorities and based on need and not based on whose house and what street the county commissioner happens to live on."

He won that battle, and 40 years ago that county and successively in succeeding years other counties throughout this Nation have gotten away from the pothole filling, I will slap your back if you slap mine, political kind of roadbuilding that typified America in pre-World War II days.

Senator GARN, in a conversation with me just a couple of days ago, I think put it pretty well when he said, "We in the Senate are being asked to pay $1 billion, or close to it, for a 65-mile-an-hour speed limit." That is precisely what we are faced with, the House demanding almost $1 billion worth of demonstration projects and then grudgingly giving the 65-mile-an-hour speed limit, which is desired by many Senators. That $1 billion comes from taxpayers in my State, taxpayers in your State, taxpayers in every State.

As a one-time engineer, Mr. President, I am outraged, frankly, that we substitute logrolling and pork barreling for determinations we could have made and did make a long time ago as to how we build highways and the priority and wisdom with which we spend that highway money.

As a Governor for 12 years, I worked with our State legislature. Early in that 12-year period we passed a detailed bill on highway priorities, and we set forth for the primary highways of the State and the secondary highways and the collector highways a system of priorities that brought the agreement not only of the legislators but of local officials so that we would end the practice at that time of doing just what we are about to do today.

We ended pork barreling in the State more than 20 years ago. We ended it in King County more than 40 years ago. Why in the world, in the National Congress, we have to be the very last ones, the last bastion of highway pork barreling, is beyond me.

Mr. President, we have extraordinary priorities in front of us. We have an international banking crisis, with major nations of the world incapable of paying their debts to the United States. We have a trade imbalance that tends to engulf us all. We have a budget deficit and priorities ahead of us in dealing with that budget deficit that ought to utilize the time and the efforts and the talent of Members of this body. We have a remarkably important role to play as a Congress, in conjunction with the President of the United States, in bringing control over nuclear arms and bringing about a more peaceful world for ourselves and for all mankind.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. EVANS. Mr. President, I ask for 2 additional minutes.

Mr. STAFFORD. I yield the Senator from Washington 2 more minutes.

Mr. EVANS. Mr. President, we are a nation in peril, and what do we end up doing? We end up acting not like statesmen, not like the great Senators of years past, but we act like county commissioners. We do not even act like good county commissioners or wise county commissioners, but old-time road barons, long since passed away, in most of the counties of this Nation.

The question before us is not which States do better under this bill or any substitute which might come forth. The real question is, will the Nation do better?

The President is part of the legislative process, constitutionally and in every other way. He is part of the legislative process in his decision to sign or to veto legislation.

As Governor, I used that veto pen liberally. But having used it and having been sustained for 10½ years without fail, I immediately sat down and worked with the legislature and with legislative leaders to develop appropriate answers.

It is not whether the President prevails over Congress or Congress prevails over the President; but, rather, it is a matter of the President sitting down with the legislature—in this case, Congress—and working together to build an answer that is not the President's answer, not Congress' answer, but a joint answer, a better answer.

Mr. President, I believe we can and should do better, and the only way we can do that is to sustain the President's veto.

Mr. MOYNIHAN. Mr. President, the Senator from Washington knows the esteem and regard in which I hold him and what he stands for; but I just make, not in rebuttal but in clarification, a specific point.

The conference committee agreed on a conference report that would be voted up or down in the House, and thereafter would be a free vote on the speed limit. The House agreed to take that vote, win or lose. We agreed to take that vote, win or lose. It passed by a mere 11 votes, as a matter of fact. But in no sense did that put one nickel into this bill in return for the 65-mile-an-hour speed limit.

Mr. EVANS. Mr. President, will the Senator yield briefly?

Mr. MOYNIHAN. The Senator will have to ask the Senator from Vermont.

Mr. STAFFORD. I yield 1 minute to allow the Senator to respond.

Mr. EVANS. My reference was to the fact that we are now facing a veto override, and it is quite clear from the word coming from the other body that if we do not override the President's veto, we will have seen for the very last time a 65-mile-per-hour speed limit. It is that to which I refer, and I reiterate what I said in my remarks.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I observe the distinguished Senator from Washington [Mr. ADAMS] on his feet. He is the former Secretary of Transportation. I yield him 2 minutes.

Mr. ADAMS. I appreciate the manager of the bill yielding to me.

Mr. President, I rise as a Senator from the State of Washington, as a former Secretary of Transportation, and as a former House Budget chairman to urge my colleagues to override the President's veto today.

The people in our State will not be riding on safe, decent roads, and neither will the people of other States, if this veto is sustained, because there is no way the Congress of the United States can move a new highway bill before the construction season starts.

For over 20 years, I have supported the program known as the Interstate System, or the Federal Highway Defense System, as a Congressman, Secretary of Transportation, U.S. attorney in condemning the road sections, and I have seen a number of these bills.

Mr. President, this is a good bill. There are never perfect bills. But the people in my State, and I suspect the people in all the other States, are looking toward not just the jobs that will be created but also the safety that will result, and having a highway system that will move forward over a 5-year period.

Many political pundits are saying this is a political battle over the Presidency, but it is not. If the President wins a victory, it will not be shared by 4,000 people in my State who will not work in the spring and summer, or 700,000 people throughout the country who will be in unemployment lines rather than working on a better transportation system. It will not be shared by millions more who would share in the dollars that are built up through construction spending. It certainly will not be shared by those of us in the Foreign Relations Committee and elsewhere who care about starting to rebuild a better economic future for our people. We become competitive as we build an infrastructure.

This bill is not a budget buster. It uses tax money to pay for taxpayer highway needs.

So I urge my colleagues that this bill be passed, notwithstanding objections of the President, and I hope we will put an end to making a charade of a highway policy on a political basis. Let us vote on the merits, as we did before. Let us override this veto, and let us move on with the country's business.

I thank the manager of the bill for yielding time.

Mr. STAFFORD. Mr. President, at this point, I yield 6 minutes to the very able and distinguished Senator from Delaware [Mr. ROTH].

The PRESIDING OFFICER (Mr. ADAMS). The Senator from Delaware.

Mr. ROTH. Mr. President, when the highway bill left the Senate this year, I voted against it because of the excessive amounts of money it devoted to mass transit, a provision I had hoped would be corrected by the conferees. Unfortunately, it was not. I questioned rail projects that might not attract all the potential riders it was designed for, and felt it was unfair that 20 percent of the population should receive 80 percent of mass-transit dollars. And, as my distinguished colleague and good friend Senator ARMSTRONG from Colorado stated, "While there is a need for mass transit, and while it can do much to revitalize this country and local communities, this is not the way to go about it."

Next came the conference report, and I voted against it. In short, I felt the conference report amounted to highway robbery, and I urged my colleagues to save the victim—in this case the taxpayer.

So here I am again Mr. President, to speak in strong support of our President's veto of H.R. 2, the Surface Transportation and Uniform Relocation Assistance Act of 1987, and when I vote to sustain the veto, I will have voted against this bill for the third time, I guess the only Senator to have done so. A lone speed trap on an uncontrolled freeway.

Mr. President, I have placed a mock citation on the desk of each of my colleagues. These citations which express violations of failure to yield to the taxpayer's interest and failure to reduce the deficit, I hope will help me convince some of my colleagues not to vote for this big-spending bill.

And I stand today to urge my colleagues to join me, to see the folly and waste within this legislation—legislation that in no way can be called fiscally responsible—legislation that spends our taxpayers' hard-earned money on futile parking lots, unnecessary roads and tunnels, projects that cannot be justified on any reasonable cost-benefit basis and are for the direct benefit of a few. These programs are in this bill only because Uncle Sam's deep pockets will pay for them.

Not only my opinion, Mr. President, but just let me read for the RECORD what the Washington Post had to say:

> President Reagan pegged it perfectly when he vetoed the highway bill Friday, calling the $87.5-billion package "a textbook example of special-interest, pork-barrel politics at work." The shame of it in this expensive case is that Congress has ground up and jammed all its pork into one indigestible sausage containing many serious, worthy and urgent road projects that should have been financed last year.

How can we support this legislation when Congress will be faced with tough, and I mean really tough budget decisions in the upcoming months. I do not need to remind my colleagues that we have to reduce our Nation's deficit from $170 billion to $108 billion this year. How are we going to accomplish this if we do not stop needless spending? Our course is clear. We must exercise fiscal restraint and vote to sustain the President's veto of the highway bill.

Mr. President, the Wilmington News Journal in a recent editorial stated: "Uncle Sam simply must stop being Uncle Sugar." To insert specific frivolous demonstration projects in 36 States and the District of Columbia is unwarranted and unnecessary.

We must face our large looming budget deficits with candor, and I submit that those people whose favorite pork is in this budget busting legislation will be the first to come out in favor of a tax increase. They will have to. There will be no other way to pay for their special interests and the ever increasing deficit. As a matter of fact, we have some Members already talking about an increase in the gasoline tax and an oil import fee.

The charge has been made that Congress supports spending, spending, spending, and then tax, tax, tax. I think that this bill is a perfect example of that.

I can say that as one who is going to vote to sustain the veto I shall strongly oppose any effort to raise the taxes on the American people.

I understand and am very concerned about those States that will soon see their highway funds depleted, especially now that the construction season is almost here. But, the requirement that this bill must pass legislation, is no reason to paste it with pork. It is a tragedy when we are willing to hurt some constituents to advance the special interests of others.

I keep asking myself what has happened to our fiscal mindset? Why cannot we be fiscally accountable? Is it because we are more concerned with bringing home the bacon—making our constituents feel that we can micromanage in Washington, outside the responsibilities of the States transportation departments. The irony is, the only bacon fried is our constituents. We do not pay the bills—they do. The Congress must shape up, the Congress must end these economic shenanigans now, and get down to real business. We cannot afford to continue to play this game any longer. To do so will most surely damage our country.

I have a letter of the Governor of the State of Delaware, who urges me to support the President. I ask unanimous consent that the Delaware letter be included in the RECORD in its entirety, at the end of my statement.

I suggest that the concerns we hear about the loss of the construction season is because people are sick with the Washington politics with demonstration projects. Each State should have the option to decide which project should be funded. This is an idea brought forward by the Senate and the administration. Not to mention the Founding Fathers who once called their idea federalism.

Mr. President, I urge my distinguished colleagues to face these times of large budget deficits with fiscal constraint and consciousness. We cannot allow everybody's pet project back home to get the best of us at the expense of the unsuspecting taxpayer. We must sustain the veto, and immediately pass a fiscally responsible measure.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF DELAWARE,
OFFICE OF THE GOVERNOR,
March 25, 1987.

Hon. WILLIAM V. ROTH, Jr.,
Hart Senate Office Building, Washington, DC.

DEAR BILL: The President has announced his intention to veto the highway/transit reauthorization bill and to seek passage of a "clean" highway bill devoid of such demonstration projects. We recognize the urgency of obtaining a highway funding bill as soon as possible; however, because of the added cost and the overall detriment to the program which such projects represent, we support the President's position on this matter.

I want to personally urge you to support the President's position on this subject which, in the end, we believe to be in the best interest of the State of Delaware. I would also encourage you to support new legislation providing for highway funding without the demonstration projects. In my opinion, this would serve the interests of this country and Delaware far better.

Sincerely,

MICHAEL N. CASTLE,
Governor.

Mr. STAFFORD. Mr President, how much time remains to the minority?

The PRESIDING OFFICER. The minority has 5 minutes remaining and the majority has 10 minutes and 13 seconds.

Mr. STAFFORD. I thank the President. I reserve the remainder of my time.

Mr. MOYNIHAN. I yield 2 minutes to the distinguished Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. BOREN. Mr President, I thank my colleague from New York.

Mr. President, it is with more disappointment and sadness than with anger that I rise to oppose this veto by the President of the United States. I am disappointed because the President's action, if sustained, will mean that 11,000 people in my State which faces a desperate economic situation will have to go a longer period of time without jobs and remain on the unemployment rolls. I am disappointed because this is money that has been paid into a trust fund by the people of my State that they are simply wanting returned to our State to spend on badly needed projects. It is money that cannot be spent for other purposes.

Mr. President, I am even more disappointed because I believe that the President vetoed this bill for the wrong reason. I believe that he vetoed this bill to try to demonstrate that he is in charge and that he is exercising leadership. But how sad that action is and what a mistake it is from that point of view, Mr. President.

We are here engaged with serious problems facing this country. We are not engaged in a childish game of king on the mountain on some playground. We are dealing with serious matters. We do not demonstrate leadership as we try to teach our children by macho confrontations. We demonstrate true leadership by patient and quiet cooperation.

Mr. President, we do not demonstrate true leadership by criticism. We demonstate true leadership by constructive action. We do not demonstrate true leadership by partisan gamesmanship. We demonstrate true leadership that this country so badly needs through bipartisan statesmanship. We do not demonstrate leadership by cosmetics. We demonstrate true leadership by substance.

This country needs the President to demonstrate true leadership. I hope he will do so. I hope he will sit at the head of the table and bring us together in a bipartisan fashion to solve the budget crisis and lay out a budget blueprint and to lay out a bipartisan approach on Central America and other places where it is so badly needed.

It is time for true leaderhip, Mr. President, and not this kind of cosmetic action.

Mr. MOYNIHAN. Mr. President, I yield 3 minutes to the very able and learned Senator from Connecticut.

The PRESIDING OFFICER (Mr. KERRY). The Senator from Connecticut.

Mr. WEICKER. I thank the distinguished Senator from New York.

Mr. President, I rise to advocate overriding the President's veto of the highway bill. First and foremost is the fact that as an alternative to this bill there is indicated a huge slash in transit funds. At least insofar as the Northeast is concerned, whatever we need, we might need some highway improvements, but we do not need more highways; we do need more bus and rail systems that work and work well.

So there is a basic conflict in policy. Those who feel that the transportation future of the Nation is on the highways, those of us who believe that both in terms of mobility and in terms of conservation more emphasis should be placed on transit rail and bus.

Second, this legislation has already occupied an overly protracted period of time during which highway improvement projects vital to many parts of the Nation have been held in abeyance.

Very succinctly, this spring, not next fall, is the time for such work.

Then last, I received the President's veto message and the one aspect of the bill that he approves of, that is, the 65-mile-per-hour speed limit is something that I have fought long and hard against. This Nation is going to have another energy crisis. All we have to do is put all our money on the highways, go ahead and up the speed on the highways, forget the fuel efficiency standards, and we are going to be right back where we were several years ago.

So in the sense of these major policy issues, I deem it appropriate to oppose the President on this issue.

I yield the floor and I thank my colleague from New York.

Mr. MOYNIHAN. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. I yield 1 minute to the Senator from California.

The PRESIDING OFFICER. The Senator from California has 1 minute.

Mr. CRANSTON. Mr. President, I thank the Senator from New York for his very great leadership on this issue.

What is at stake here is not a political matter, really. It is not the prestige or power of the President or the new Chief of Staff in the White House.

This measure is very important, I know, to my State and I believe it is important to every other State, important in terms of moving along our transportation infrastructure so that people do not waste time on freeways that are collapsing, deteriorating, or not yet built so that they cannot even get on freeways.

It is important also in terms of the rapid transit opportunities in my State, in Massachusetts, demonstration projects elsewhere, programs elsewhere.

If we do not enable our people and our produce to move around in our economy we will face some severe strains and quite possibly a catastrophe.

I believe the Senator from New York is correct in saying that failure in terms of overriding the veto could lead to a recession for our country. So let us vote the merits. Let us vote to override.

Mr. BYRD. Mr. President, I ask unanimous consent that there be an additional 5 minutes to each side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I yield 3 minutes to the able and distinguished Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized for 3 minutes.

Mr. BENTSEN. Mr. President, I rise today in support of the highway bill that the Congress passed only a few weeks ago. I urge my colleagues in the Senate to override the President's veto.

The President calls this bill a budget buster, and that description has been widely reported in the press. It has only served to mislead the people. What we are talking about here is money that the people have already paid into a trust fund to finish building the Interstate System. The money is already there. It is just sitting there waiting to be put to proper use. The user tax that our citizens pay daily as they fill up at the gasoline pumps around the country is collected for the very purpose of this bill. We have made a contract with the people. It is well past the time when we should honor it. Thus when I hear the President lambast this bill as a budget buster, I can only think that he is gunning for the headlines, not the people. The people deserve to get what they pay for. This bill would do that.

Mr. President, I think that in vetoing this bill that the President has miscalculated the difficulty in crafting another bill. I participated in this conference which was difficult enough, but nothing like the one I played a pivotal role in during the last Congress. I do not think the President realizes how hard it is to put together an acceptable bill—not a perfect bill, but an acceptable one. I worked in the last days of the last Congress until midnight to put together a bill. We did not agree. And it is important to realize that we did not agree because we wanted to disagree. Rather, it is because people in both Houses of Congress and on both sides of the aisle—and sometimes on the same side of the aisle—have strong views about things. Politics is a give and take business. This bill, like so many others, is not exactly as anyone of us would like, but as we have all agreed together is the best compromise we could develop. Those are the political facts of life, Mr. President. That is democracy in action. It works. And it worked in this case. I only wish that the President understood that. Playing politics with important national legislation is not the way to govern a nation or to satisfy the transportation needs of our citizens.

The very sad reality of this action by the President is that he seems to have ignored the many victories achieved during the negotiations over this bill. One such victory, which the President says that he plainly supports, is the close vote in the House allowing the States to raise the speed limit to 65 miles per hour on rural parts of the interstate. Historically, this issue has been one of the most contentious in conference. It will no doubt remain so. This issue finally got settled. I believe that if we do not override this veto that this issue is lost. For the 65-mile-per-hour speed provision, it is either now or never. I do not want to chance that.

Another victory that this bill achieves is the formula changes for minimum allocation. I cannot overemphasize the importance of this provision to Texas and other big donor States. When I worked on this bill last year, we toiled all night to find a compromise. We did not. It is not an issue that ought be reopened at this point, but if we fail to override the President's veto, it may well be back on the table. The resolve of the House and the Senate on this issue ought not be tested. We finally agreed on something that satisfies the concerns of the most affected States. What has been done ought not be undone.

The message accompanying the President's veto indicates that his basic dissatisfaction stems from two sources: demonstration projects and distribution of transit funds, two of the hardest fought, passion generating measures in the bill. I am afraid that if we do not join the House in overriding this veto, we will see one of the most difficult conferences on a highway bill that we've seen in the history of the interstate program. That road is not the one to travel down. I prefer that we take the high road and override the veto.

The demonstration projects, while many might prefer that they were not in the bill, are only a fraction of the total cost of this 5-year highway bill. The criticism about the inequitable distribution of the transit funds is, in my judgment, a bit disingenuous. The transit funds go where they are most needed. The urban areas, of which there are several in my State, need these funds as badly as some rural areas need agricultural funds. Transit funds are efficiently directed, and they help millions of people.

Mr. President, I do not believe that this veto is warranted. As Senator Symms has pointed out in his thoughtfully analyzed "Dear Colleague" letter, the President does not adequately perceive the political facts of life. The risks involved in sustaining the President's veto far outweigh any potential benefits. While we all would agree that the highway bill is not without its flaws, it is not the "budget-buster" that the President paints it to be. I dislike when we have to override the President, because I believe that cooperation between the legislative and executive branches is one of the hallmarks of our democracy. But we have a responsibility to the Nation to do what is needed. The highway bill is needed. Jobs are hanging in the balance. The Interstate Highway System is 97-percent complete. The States have gone for over 6 months without highway aid. It is time for economic punishment and suffering to cease.

I will vote to override.

Mr. **MOYNIHAN**. I thank my distinguished friend and would want to record the extraordinary efforts that came to final conclusion last year and note that this is a unanimous bipartisan conference report we bring to the floor today.

I yield 30 seconds to my able friend from Florida.

The **PRESIDING OFFICER**. The Senator from Florida is recognized for 30 seconds.

Mr. **GRAHAM**. Mr. President, I appreciate the Senator from New York allowing me to correct one brief misstatement that had been made about this bill.

Whatever you may feel about the concept of demonstration projects, at least judgment on their inclusion in this bill should be based, Mr. President, on reality.

Last week, the spokesman for the White House, Mr. Marlin Fitzwater, made this statement relative to one of the demonstration projects. He stated:

> In Miami, We spent $23 million in 1982 to build a bridge. This bill wants to spend $31.9 million to replace it with a tunnel.

Mr. **MOYNIHAN**. I yield 30 more seconds to my friend from Florida.

Mr. **GRAHAM**. Item: no bridge was ever constructed with the $23 million which was appropriated in 1982. Item: the amount in this bill is not $31.9 million, but it is $5.1 million over a 5-year period for design and preliminary construction work for a tunnel to one of the major ports in the United States, a port which is our primary link to commerce of the Caribbean and Latin America, a port which will have substantial national security importance in the event of a national emergency in that region.

Mr. President, if there is a reason to vote against the bill, it is not because of this project.

I ask unanimous consent to have printed in the Record a news account and an editorial on this project.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Miami Herald, Mar. 26, 1987]

Reagan Aide Errs on Port Bridge Project

(By Tom Bowman)

Washington.—The Reagan administration has once again cited a Miami public works project as a prime example of government waste.

But the administration got its facts wrong, again.

The target this time is a proposed tunnel to connect the Port of Miami to downtown. White House spokesman Marlin Fitzwater said during a Tuesday press conference that Miami's port tunnel project is a primary reason why President Reagan will veto the $88 billion federal highway bill this week.

"In Miami we spent $23 million in 1982 to build a bridge," Fitzwater said "This bill wants to spend $31.9 million to replace it with a tunnel."

No bridge was ever built and the amount appropriated for the tunnel, which the author of the amendment says is much less, is only for design and preliminary work.

Congress did approve $23 million for five-lane, 65-foot-high bridge to replace the current two-lane bridge. But Metro officials and the Miami City Commission later started feuding about the design of the bridge. The city and county reached a compromise after the bridge design was scaled down and the county agreed to pursue a tunnel as the permanent solution.

The office of Rep. Claude Pepper, D-Miami, who pushed for the tunnel amendment, was unsure where the Reagan administration got the $31.9 million figure. The bill authorizes only $5.1 million over a five-year period for design and preliminary construction work, a Pepper spokesman said. The federal share of that amount is about 50 percent.

The project, which would cost $100 million to $150 million, calls for construction of a tunnel from the Port of Miami on Dodge Island to Interstate 395 to relieve the crush of traffic on the existing two-lane bridge, the only link between the port and the mainland.

Both houses passed the highway bill by more than the two-thirds vote necessary to override a veto. The Senate endorsed the measure, 79-17, and the House backed the bill, 407-17.

Two years ago, Reagan attacked Dade's Metrorail project at a National League of Cities meeting and said "it would have been a lot cheaper to buy everyone a limousine."

In his comments, Reagan got the number of people who ride Metrorail wrong—he said 10,000 a day when it was 15,000—and the amount of the federal subsidy to the project—he said $1 billion when it was $700 million.

[From the Miami Herald, Mar. 28, 1987]

A Mistaken Veto on Highway Bill

By yon rude bridge that ne'er arched the Bay, there the embattled President stood yesterday, and fired the shot heard 'round the Beltway: He vetoed the highway-money bill.

Mr. Reagan had disclosed his intentions during a Wednesday meeting with House Republicans. He told them there's too much waste in the $87.9-billion bill. It passed the House 407-17 and the Senate 79-17 after months of wrangling about secondary issues such as billboards and the 55-mph speed limit.

As evidence of waste, however, Mr. Reagan's aides cited erroneous data. Spokesman Marlin Fitzwater: "In Miami we spent $23 million in 1982 to build a bridge. This bill wants to spend $31.9 million to replace it with a tunnel."

That bridge doesn't exist. It fell victim to a squabble between Dade County and Miami officials.

Had Mr. Reagan or his aides inquired into the merits of the tunnel project, they would have found that the Port of Miami is a vital link in U.S. commerce with Latin America and the Caribbean. It's also one of the few American ports that regularly registers a U.S. trade surplus.

This island port's slender lifeline to the mainland is an antiquated two-lane bridge that must be raised frequently to let vessels pass under it, thus disrupting vehicular traffic to the port. The vehicles already face obstacles enough as cruiseship passengers rush to board and heavy trucks hauling cargo must wend their way through congested downtown streets to reach the port bridge.

Meanwhile, a bridge-ship collision such as the one that destroyed the Sunshine Skyway would leave this busy port cut off. That's why planners wisely have decided on a tunnel linking the port with the expressway system.

No doubt any bill appropriating $87.9 billion will have some examples of waste and pork-barreling. That's politics.

Yet the overwhelming support for the highway bill in both houses suggests that most congressmen now want to get on with it. State highway programs that rely on Federal aid have been too long in limbo. Even the House Republican leaders made that clear on Wednesday.

So if Mr. Reagan wanted to pick a spot to make a stand reasserting leadership after his Iranscam setbacks, this wasn't it. Indeed, anyone making a stand on a highway risks being overridden in more ways than one.

The **PRESIDING OFFICER.** Who yields time?

Mr. **MOYNIHAN.** Mr. President, I yield 1 minute to the distinguished Senator from Louisiana, who was an able member of our conference, bringing his skills from both bodies in helping us in this unanimous agreement we have before us.

Mr. **BREAUX.** I thank my chairman.

Mr. President, highways are not Republican and highways are not Democratic. Unfortunately, the next team of advisers down at the White House have decided to make this a political issue, and it should not be. Highways are part of the transportation system of this country.

The President is advised to say that this is a budget buster. It is just the opposite. The money has already been paid. As the distinguished Senator from Texas has pointed out, the people have already put the money into the trust fund and are waiting to get it out. Yet the President, unfortunately, decided: "This will be my political recovery legislation."

Instead of honoring the commitment we have to the establishment of a trust fund to build the roads and the mass transit systems of America, they have decided that his political career is more important than the safety of the people of the United States of America.

The **PRESIDING OFFICER.** The Senator's time has expired.

Who yields time?

Mr. **CRANSTON.** Mr. President, I yield 2 minutes to the distinguished Senator from Iowa.

The **PRESIDING OFFICER** (Mr. FOWLER). The Senator from Iowa is recognized for 2 minutes.

Mr. **HARKIN.** I thank the distinguished Senator for yielding me this time.

Mr. President, I would just like to make a couple of points about the highway bill.

First of all, it is not a budget buster. We all know that the trust fund will be taking in more money than we will be spending.

Second, the President criticized the demonstration projects contained in the bill. The fact is, all of the highway demonstration projects in this bill amount to less than 2 percent of the total cost.

Third, the President takes the view that demonstration projects are just pork barrel projects selected by Members of Congress by whim. Nothing could be further from the truth.

That is not the way it worked for the demonstration projects in my State.

One, providing for the widening of a highway in Dubuque and south to connect the city with Interstate 80 is crucial to the economic development of the area. Without widening that highway to four lanes, the entire economy of a multicounty area will suffer. That project was the highest priority goal of not only the local community officials but of the Iowa Department of Transportation as well. My staff went to Ames, IA, and met at length with the State highway department and discussed the options and Highway 61 was their top priority.

I spoke with members of the committee about the project and they placed it in the bill. And I believe that it is a very sound project, as sound as any that Iowa will undertake. However the President may characterize it, I am proud that I was able to work with the committee and its senior members, Senator BURDICK and Senator MOYNIHAN, and Senator STAFFORD to include this worthy and important project in the bill.

I can also say that the other Iowa project that was placed into the House version of the bill was also a priority of the Iowa DOT.

In speaking with my colleagues, find that they also worked with their state departments of transportation to decide which projects to propose.

The President has proposed his alternative to this highway bill. I note that my State would lose $5.3 million a year under that bill according to the Iowa Department of Transportation.

But that is less important than the Congressional realities. The President proposed a bill that is fairly close to what the Senate originally passed before we went to conference with the House. The President's staff knew that he had no chance to override in the House. So, it seems, that they wanted to propose a bill that would be acceptable to the Senate with no concern about how the House felt.

But we all know that it takes two Houses to agree before legislation is passed.

In the bill that the Congress passed, the House wanted and received some of their demonstration projects. The Senate wanted the 65 miles-per-hour speed limit. Those were the items that were in the headlines.

But the Senate also won on some important formula provisions that are very important to this body and to most of the States.

For example, the Senate supports a formula for interstate highway construction requiring that at least one half percent of that fund go to each State which was in the agreement that we are considering. The House opposed it. That provision means about $65 million for my State of Iowa.

A lot of the members on the House conference strongly oppose the half percent provision in the interstate formula.

Who here thinks we will be able to say to the House: Just give us what we want because we need to get a new bill passed quickly. Let us just take what the President proposed. We are sorry that none of the controversial items that you want are in the President's proposal.

It will get a good laugh and no new bill to send to the President.

The President's bill may be good to wave on TV. But as a legislative proposal designed to pass the Congress, it must be given an F.

Perhaps those who are thinking of supporting the President on this override believe that the Senate should give up on the one-half-percent minimum requirement in the interstate formula.

If they do, they may see a lot of resistance from the Senate Conferees.

The bill that is now before us that the Congress passed by an overwhelming majority in both Houses is not perfect, but, it is a complex and delicate compromise. If we say that we will not override the veto, I fear that we will be here just before the August recess trying to get a highway bill passed and we could be fighting for passage in November. That is the political reality.

If we do not get money to the Northern States soon, there will be no construction season this year.

Ten thousand people will be unemployed in Iowa. About 800,000 will be unemployed in the Nation.

Roads that are desperately needed will not be built. Bridges in real need of repair will not be repaired.

I urge the Senate to override the veto.

Mr. KERRY. Mr. President, we are here this morning because the President has vetoed one of the most important domestic economic measures Congress has passed in several years—the Federal highway bill. This legislation is essential to completing the Interstate Highway System, providing funds for highway maintenance and improvements, funding transit programs, and in so doing creating a great many jobs which would certainly improve our economic and competitive standing. To stop the Federal highway bill at this time would have a devastating effect on our economy.

It is important to trace the odyssey that has brought us to this day. We began the process of reauthorizing the highway and transit titles of these bills nearly 2 years ago. The committees held hearings and markups and bills were reported and subsequently passed by very wide margins in each House. The Senate, for its part, responsibly completed its work by October of last year at around the same time the last highway bill expired. Unfortunately, the committee of conference was unable to reach a compromise bill before the 99th Congress ended. However, both House and Senate committees quickly produced new bills that were sent to conference very early in this Congress. Through a painstaking process, the conference produced a delicate, but very intelligent piece of consensus legislation which was overwhelmingly embraced here and across the way.

To listen to the President, you'd think enactment of this bill would have a disastrous effect on the country. Nothing could be farther from the truth. The only disaster that would come of enactment is one for this administration and is the result of his insistence that this vote be a vote of confidence on Presidential leadership and prestige. This vote is about some very different issues.

The $87.5 billion authorized in this bill, 86 percent of which will be collected through a user fee, will be spent to provide much-needed road and transit construction throughout the country. The President says he vetoed this bill because it is a "budget buster."

However, this bill has been accepted by the House and Senate Budget Committees as falling within the limits of the fiscal year 1987 bipartisan budget resolution. This bill is consistent with GRAMM-RUDMAN, consistent with the priorities of Democrats and Republicans alike in the House and Senate. As anyone with a rudimentary understanding of the Federal budget process knows, the Interstate Highway System has been built almost exclusively out of funds from the highway trust fund, a dedicated trust fund that has been raised through a gasoline tax and which can only be used for highway purposes.

The President also finds fault with the number of so-called demonstration projects that are in this bill. On some of them, he may be right. But the way the administration has been carrying on about the demos, you'd think they were a major part of this bill. The reality is the demonstration project spending ends up concerning 1.3 percent of the total funding authorized in this bill. It is easy to jump up and down about excessive spending, but it is important to keep a perspective about the share that these demos have in the process.

Another project that the administration has cited in this bill is the Boston Central Artery project. My senior colleague from Massachusetts and I have a clear interest in this. This project will complete two Interstate Highways, I-93 and I-90. In the process it will relieve traffic on the most congested piece of highway in the country. Anyone who has visited Boston in the last several years knows that without this work we will soon have one of the largest elevated parking lots in the world. Far from being "pork," this is absolutely essential to our future survival as a region. In addition, the State has agreed to fund a major section of the project, over $800 million, on their own.

The President has created a monumental no-win situation for the American people. Here is a case where if the President wins, we all lose. He knew that out of 535 Members of Congress, 34, or 7 only percent, agreed with him on this issue when this bill came before the Congress for a vote; 501 Members of Congress realize that spending trust fund moneys on desperately needed projects, for the purpose they were raised, makes sense. Good, reasonable, bipartisan sense. They realize that without this legislation roads won't be built, transit programs will not be adequately funded, and many jobs will not be created. They realize that an effective highway system saves consumers billions of dollars in transportation costs and helps get our products to market at more competitive prices. Democrats and Republicans overwhelmingly agree on all of this. But not President Reagan.

The President may tell us that the Congress could easily pass new legislation that meets his desires, but the reality is that the chairmen of the authorizing committees have made it abundantly clear that they have completed their work on this issue for this Congress. I believe that the many months that the committee has devoted to creating this delicate compromise is enough and it is time that the only person standing in its way stand aside and not become a roadblock. It is clear that if this veto is sustained, at least for the foreseeable future, we will not have a highway program and the consequence will be bad for the economic health and safety of every American, with the possible exception of the one who begins and ends his trips from the backdoor of his mansion on Pennsylvania Avenue in his own helicopter.

Mr. President, a recent column in the Boston Globe by Bob Turner makes an eloquent case for Boston's Central Artery project and for overriding the President's veto of the highway bill. I ask unanimous consent that the column appear in the Record.

There being no objection, the column was ordered to be printed in the Record, as follows:

[From the Boston Globe, Mar. 31, 1987]

CENTRAL ARTERY PLAN LONG OVERDUE, DESERVES GREEN LIGHT

(By Robert L. Turner)

Last Friday, in San Francisco, the radio traffic reporters went nuts when repair crews closed off one outbound lane of the San Francisco-Oakland Bay Bridge, funneling the traffic from five lanes into four.

How could the public-works people be so stupid, they wanted to know, and a hangdog public works official was soon on the air, conceding that a mistake had been made, that commuters should not be forced to squeeze into four lanes, even at midday.

At the same time, in Washington, President Reagan was vetoing a highway bill that would enlarge one end of Boston's Central Artery from two lanes to four.

Reagan tossed out accusations of "pork-barrel politics" and said he found Boston's desire for a $3.1 billion third harbor tunnel and Central Artery overhaul one of the worst features of the $88 billion bill.

Reagan was latching onto aged, outworn criticisms that tried to portray the Boston plans as an overgrown beautification project dreamed up to decorate local political reputations.

But this view has been overwhelmed in recent years by the clear evidence that this is, above all else, a traffic project, long overdue and desperately needed to mitigate one of the worst—possible the worst—bottleneck in the interstate highway system.

Some of the smaller projects in the bill may be of questionable transportation value and chiefly of local interest. But the biggest projects generally have strong arguments in their favor, and Boston's is probably strongest of all.

If enough senators join House members in this view, the cork will finally be pulled.

By now, opposition has virtually disappeared to a third harbor tunnel, which would siphon traffic from the Southeast Expressway and the Massachusetts Turnpike and carry it directly to Logan Airport.

The Central Artery overhaul has been more controversial, though with little more reason.

The proposal is to depress the artery, running it underground while street traffic operates unfettered and the ugly elevated superstructure is finally ripped down.

Depressing the artery originally seemed like do-gooder's dream. Barney Frank said years ago it would be cheaper to raise the city.

There is no doubt that the operation would be expensive. But what had become increasingly clear is that all the other options are worse, much worse.

One suggestion is that the tunnel be built, but the artery be left alone, in hopes that the new tunnel would ease traffic sufficiently on the artery.

But this would have little impact on the worst constriction of all—the two-lane connector at the northern end of the artery—and, besides, it is impossible.

The artery is slowly crumbling. If another roadway is not provided, the artery will have to undergo nearly complete reconstruction within the next decade. If this were done, the result would not be much of an improvement, since capacity would not be increased, and the construction period would be a years-long disaster.

The beauty of depressing the artery is two-fold: It is the only proposal that would substantially increase capacity, and its construction, underground, could be accomplished with relatively little disruption to present traffic patterns. The elevated would be torn down only when the depressed artery was ready to open.

Advocates on the issue find themselves in strange camps.

Reagan, a booster of free enterprise, has put himself in the position of supporting a two-lane bottleneck in the interstate highway system. Also, some Republicans are abandoning the legacy of Dwight Eisenhower, who promoted the interstate system largely for national security reasons.

Locally, a few North End residents who opposed construction of the elevated artery in the first place are now fighting its removal. But the number seems small, by several measures. Rep. Joseph Moakley said yesterday his mail is running 80-85 percent in favor of the project, including neighborhoods like the North End and South Boston that are directly affected.

Back in San Francisco, another traffic proposal was in the news last week. A plan to celebrate the 50th birthday of the Golden Gate Bridge with a five-hour rock concert on the bridge was scuttled because officials wouldn't close the bridge.

If the highway bill veto is sustained, Boston, could invite the rock bands to play on the Central Artery here. On an average day, the motorists parked in traffic wouldn't even notice.

Mr. DIXON. Mr. President, I ask unanimous consent to submit, for the RECORD, an editorial I wrote which appeared in today's St. Louis Post-Dispatch.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

OVERRIDE THE REAGAN VETO

(By Senator Allan Dixon)

The Senate will soon vote on whether to override the president's veto of the highway-transit bill. The president argues that the bill is a budget-buster, and the White House says the Reagan presidency is endangered if the veto is not sustained.

These arguments sound persuasive. The TV pictures of the president supposedly holding the line against unaffordable congressional pork make great theater. Only one small thing is wrong with this story: It's not accurate.

The last time major highway-transit legislation was enacted was in 1982. That year, the president signed a four-year, $71 billion bill. This year, the president vetoed a five-year, $87.5 billion bill. Now $87.5 billion is certainly larger than $71 billion. However, if the 1982 act is put on a five-year basis, this year's legislation is actually about $2 billion smaller.

I managed the transit portion of the bill on the Senate floor. It authorized $17.9 billion over the next five years. That's almost 20 percent smaller than the 1982 bill on an annual basis. Yet the president signed the 1982 bill and vetoed this one.

But what about all those "pork-barrel" projects? One answer is that the money for all the demonstration projects—many of which are sound and greatly needed—is only about 1 percent of the bill's total funding, less than $200 million a year. This answer might not satisfy a lot of Americans who say that Congress should remove even the smallest amounts of pork.

The real answer involves the administration's role in the House-Senate conference on the bill. The president included a new highway-transit bill along with his veto message. That bill is very close to the legislation passed in the Senate, which had no demonstration projects. Yet in the conference, when the administration's influence could have shaped a settlement closer to the Senate bill, the administration was nowhere to be seen.

This year neither I nor any other conferee was ever called by an administration official who was willing to negotiate. We actually contacted the administration and told officials of the opportunity to help shape an agreement. Their reply was silence.

The simple truth is that this veto was unnecessary. The administration could have helped the Senate get a bill that the president could sign. Because the Department of Transportation refused to do so, the highway construction season has been irresponsibly jeopardized. The administration failure leaves the Senate with only one choice; to override the veto.

Mr. STAFFORD. Mr. President, we have traveled a long road during the last 2 years in attempting to reauthorize the Federal-aid Highway Program.

Reauthorizing the Highway Program has never been a particularly easy task as my colleagues who were here in 1982 remember. At that time, after long hours of debate, Congress and the President agreed to legislation which increased highway user fee revenues by over $5 billion per year. The result of those additional user fees can be seen throughout the country in improved transportation facilities.

The process to reauthorize the Highway Program began almost 2 years ago when the Subcommittee on Transportation began a series of 10 hearings in July 1985. On May 6, 1986, S. 2405, the Federal-Aid Highway Act of 1986, was introduced. I very much regret that House and Senate conferees were unable to reach agreement before Congress adjourned last year. The fact that agreement was not reached, even though this meant that States would not receive much needed transportation funds until the middle of the fiscal year at the earliest, was an indication of the difficulty of the conference and the deeply held differences of opinion.

Both the House and Senate moved quickly this year and passed legislation in the first few weeks of the 100th Congress. We completed a difficult conference which involved five committees in the Senate. As I stated when the Senate considered the conference agreement, it is not a perfect bill. There are specific provisions in the conference agreement which I did not support. These include the 55-mile-per-hour speed limit and the large numbers of demonstration projects.

However, it did represent one compromise to resolve the differences between the House and Senate bills and make highway funds available to the States that was already 6 months late. It appeared to be the best we could do under the circumstances. On that basis, I voted for the conference report and urged the President to sign the bill.

The President is not willing to settle for this bill. He believes we can do better, and I agree with him and support him in that endeavor.

Mr. President, the greatest concern I have with the highway title of this bill is the explosion of demonstration projects that has occurred. It is only fair to say that there have always been a handful of what have come to be known as demonstration projects in the highway bill. These kinds of projects appear not only in highway legislation but in most bills passed by Congress. But we have lost all discipline in this bill with regard to the number of these projects.

The disturbing issue to me is the dramatic proliferation of these projects that has occurred in this highway bill. There are 121 subsections in this bill consisting of approximately 160 discrete projects. This represents a dramatic departure from longstanding policy in the wrong direction.

Demonstration projects have, I believe, brought the most controversy to reaching agreement on highway legislation during the last few years. They have delayed agreement on the Federal-Aid Highway Act of 1987, and they have delayed the release of interstate construction funds since 1982.

If demonstration projects become the established policy of this program, every Member of Congress will have to have projects to protect his or her district or State. They will be presumed to be inept and derelict in their duties if they do not have a demonstration project. I can almost guarantee you that the next major highway bill will have 535 projects. This will turn the program into a project-by-project authorization rather than a national program with national priorities. I believe this issue, more than any other, threatens the support for and the future of a national highway program.

One of the greatest strengths of the Highway Program has been that it has really operated as a Federal-aid program. It is one of the best examples of a Federal program with a successful Federal-State-local partnership. The States own these transportation facilities. The States, not the Federal Government, are liable for anything that happens on these facilities if they are unsafe.

The States have monitoring programs in place that tell them the condition and performance of every mile of road and of every bridge. Most States, if not all, have a minimum 5-year transportation plan which they are required by their State legislature to follow. Many States have a 10-year plan in place. There must be an orderly process in the State to address transportation needs. States, in consultation with their localities, have put a great deal of time and energy into developing these plans, and to make certain that scarce resources are equitably distributed throughout the State to meet the most urgent and critical transportation needs.

Mr. President, I am also concerned about the preferential treatment demonstration projects receive regarding obligational authority. Since 1979, States have been limited each year in what they can collectively spend during a specific year.

The obligation ceiling on the Federal-Aid Highway Program for fiscal years 1987 through 1991 in this conference report is $12.35 billion. Authorizations for the program exceed this amount for each year. The obligation ceiling was reduced in response to concerns raised by the Senate Budget Committee regarding outlays in the fiscal years 1988-91. This means that States will not be able to spend all the apportionments authorized in the major categories such as interstate construction, Interstate 4R, primary, bridge, urban and secondary. The result of lowering the obligation ceiling is that spending in these regular programs will be squeezed downward.

However, the new Federal money made available for demonstration projects is outside this obligation ceiling and will not have to contribute anything to these savings. Only the regular Federal programs will have to contribute to the savings that must be made. And if more savings have to be made in the future due to budgetary constraints, Congress will most likely make these savings by reducing the obligation ceiling even further. This means that once again the demonstration projects are protected from any reductions while regular program spending will be cut.

Mr. President, I continue to be concerned about the increased speed limit. I am aware that the Senate voted overwhelmingly to permit States the option of increasing the speed limit up to 65-miles-per-hour on rural interstates. As a conferee on title I of this legislation I supported and upheld this position. However, I am personally still convinced that the 55-mile-per-hour speed limit has contributed significantly to saving lives and conserving fuel. Increasing the speed limit will save some people a little time, but it will also cost some people their lives.

Mr. President, it is my hope that no matter what the outcome of the vote is today, the bipartisan support for the Highway Program will continue. That kind of support for the Highway Program has been a longstanding tradition in the Environment and Public works Committee regardless of which party was in the majority. And I believe it will continue to be the case.

If the President's veto is sustained today, which I believe it should be, it is extremely important that the Congress and the President work together immediately to work out a compromise that is acceptable to everyone concerned. I strongly believe that this can be done very quickly because where there is a will there is a way.

The President has submitted legislation which modifies the conference agreement to reflect his concerns. I have cosponsored this legislation along with several of my colleagues. While I personally can not endorse every provision of this legislation, particularly the 65-mile-per-hour speed limit, it is a good starting point. It shows the President's willingness to compromise and move quickly to enact legislation. It deserves our serious attention.

I pledge my support to working with my colleagues on the Environment and Public Works Committee and in the House to find a satisfactory compromise.

Mr. BINGAMAN. Mr. President, I rise to vote to override the veto by President Reagan of the Surface Transportation and Uniform Relocation Assistance Act of 1987. I believe his veto demonstrates this administration's lack of commitment to the important task of rebuilding and improving our Nation's highways. Any delay in approving this legislation only postpones the urgent task of dealing with our deteriorating infrastructure. The President's veto message offers little substantive justification for rejecting this important legislation.

If the highway bill is not enacted soon, we will lose a great deal of the 1987 construction season. According to a report of the American Association of State Highway and Transportation Officials [AASHTO], failure to enact a new authorization by May 1 will result in the postponement of 1,900 projects nationwide, valued at $2.9 billion. New Mexico is targeted to receive over $109 million for fiscal year 1987 highway projects. Additionally, the Associated General Contractors, using data supplied by the Federal Highway Administration, estimates that if no bill is enacted in time for the 1987 construction season, there will be a loss of approximately 800,000 jobs nationwide.

Among the projects in New Mexico that are delayed are improvements on I-10 in Luna County, I-40 in Guadalupe, Bernalillo, and McKinley Counties, I-25 in Colfax and Mora Counties, and Highways 264 and 4, as well as preliminary work on a new road from Los Alamos to Santa Fe.

Aside from the important highway projects that await funding, this legislation also includes an important provision that raises the speed limit on most Federal highways in New Mexico to 65 miles per hour. I strongly support this provision and would like to see it enacted as soon as possible.

Given the urgent need to enact this legislation quickly, I urge my colleagues to vote to override the President's veto.

Mr. ARMSTRONG. Mr. President, the question before the Senate today on whether to sustain or override the President's veto is simply: "Does the Senate want to help the President control Federal spending?"

Mr. President, let there be no question this bill is a budget buster.

The bill exceeds the President's request for highway and mass transit programs by $10 billion.

The bill exceeds Congress' budget resolution from last year by $1.7 billion in just the first 3 years of the bill. If spending continued at the levels in the budget resolution, the excess spending in this bill would reach nearly $3 billion, according to OMB.

The Nation's annual Federal budget deficit stands at $150 billion annually, and the Nation is over $2 trillion in debt. The highway/mass transit bill will cost $87 billion over 5 years. This is no time for business as usual. The President's veto sends a clear signal to Congress that he intends to rein in Federal spending, and Congress should now stand up and support the President.

Not only does the $87 billion highway/mass transit bill ignore the budgeting realities of the times we live in, but it ignores it in the worst, most parochial way. The highway bill is riddled with 152 blatant, pork-barrel demonstration projects for 37 States. The bill provides $1.4 billion as the Federal share on these demonstration projects, but another estimated $3.8 billion in Federal funds will be required to complete the projects. Of the original $1.4 billion, $890 million will be new Federal funding taken from the Highway Trust Fund and the remaining $535 million will be taken from other discretionary highway accounts.

President Reagan explained in his veto message that none of these demonstration projects has been selected through the established Federal-aid Highway Program mechanism that relies on the expertise of State and local officials. The projects reflect simply the strength of various States in the committees which worked on the bill. Why else would 13 projects be for access roads to public recreation areas at lakes in North Dakota? Certainly not to relieve traffic congestion.

The bill even adds pork to the Interstate Construction Program—the 95-percent complete, 42,000-mile road system connecting the Nation's major urban areas. The Interstate System should be complete in the next several years, but a provision in the bill allowing Boston to dig a $1.1 billion tunnel under Boston Harbor will delay completion of the interstate. The Boston project will be the first project added to the interstate since 1981 when further additions were forbidden.

What does Colorado receive in this lavish bill? Not much. In fact, the State will lose $10 million next year in allocations under this bill compared to the bill passed earlier in the year by the Senate. Demonstration projects will be competing with the discretionary funding necessary to complete C-470 and rebuild bridges over the South Platte River Valley in Denver. The Boston project will drain funding available for completion of essential, unfinished, transcontinental routes on the interstate, such as Glenwood and DeBeque Canyon in Colorado.

I might contrast the parochial approach in the highway bill to efforts in my own State of Colorado to meet its highway needs. Colorado, as much as any State, has tremendous highway construction requirements to meet the traffic congestion from fast population growth in the past decades. Yet, Colorado has not petitioned Congress for demonstration projects. Instead, in the counties surrounding Denver where the transportation needs are most urgent, Coloradans have actively been seeking alternative mechanisms to finance and build a beltway around Denver. In fact toll road authority, the one provision Colorado needs to assist with citizens self-help approach is not granted to Colorado in this bill.

The first time the Senate considered the highway bill, I voted against it in large part because of the $5 billion increase in mass transit spending over the President's budget request. This ante was upped further in the House/Senate conference when an extra year of funding was added, and the $17.7 billion in funds for the transit portion of the bill now exceeds the President's request by $9 billion. Congress, even, in last year's budget resolution assumed a 25-percent cut in operating subsidies for transit, but this bill fails to make that cut. After spending $50 billion in the last 25 years on mass transit, ridership is declining, the fare box is relied on less and less to cover costs, transit workers wages keep increasing, and productivity in mass transit is declining. This bill does nothing toward alleviating continued dependence by mass transit authorities on Federal funds.

The mass transit portion of this bill is loaded with special interest provisions, too. The bill specifically requires the Federal Government to fund a metrorail project in Los Angeles. So far, the Federal Government is providing $700 million for a 4.4-mile segment system. This bill would require Federal funding for a second segment of the project where the route is not yet determined, the cost unknown, and the environmental review process incomplete. If the bill becomes law, nearly 15 percent of the fuel tax paid by motorists for mass transit will go to one city—Los Angeles. The priority for the LA rail project will directly compete with funds for other transit projects around the country, including the bus/HOV lane proposed on I-25 in Denver. And supporters of this bill say it needs to be passed to return the taxpayers their money.

Despite the extravagancies of the bill, we are told that unless we override the President's veto there will not be another chance to pass a highway bill this year and no other chance to raise the speed limit. Yet, Congress is clearly on record in favor of raising the speed limit and the reauthorization of the highway programs. Both could be accomplished in a day.

We are also told the highway trust fund is in surplus and the money should be returned to the users. What they forget to tell us is that for 7 of the past 8 years spending from the highway trust fund has exceeded revenues. There is a widespread impression that the year-ending balance of $9 billion in the trust fund is surplus, but the Federal Government has commitments for every cent of that balance. It would actually take another 2 years worth of gas tax collections to meet all outstanding Federal commitments from the highway trust fund.

We are also told to believe the bill does not affect the deficit because all the spending comes from the highway trust fund. Wrong again. Mass transit will take $9 billion directly from general revenues and spending from the highway trust fund will exceed revenues in this bill.

This bill is loaded with pet projects and excessive spending. The President wisely rejected such demands and is insisting the Congress uphold his fiscal responsibility. I urge the Senate to vote to sustain the President's veto of the highway/mass transit bill.

Both the Rocky Mountain News and the Denver Post have editorialized against this bill, and I ask unanimous consent that their editorials be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Rocky Mountain News, Mar. 30, 1987]

NEW HIGHWAY BILL PREFERABLE TO OVERRIDE OF REAGAN VETO

The bloated interstate highway construction bill passed by Congress deserved the veto President Reagan gave it on Friday.

The measure is loaded with an unprecedented number of pork-barrel "demonstration projects" that have little to do with completion of the interstate highway system.

It offered a big going-away present for former House Speaker "Tip" O'Neill. O'Neill had a $2.1 billion Boston harbor road-tunnel project put in a bill that got bogged down in Congress last year. The Massachusetts congressman has retired, but his pet project was put on life support in the legislation that passed the Congress.

There also is money in that bill for parking lots and garages in Chicago suburbs, for improved access to a parking lot at Georgetown University in Washington, D.C., for a new bridge in Savannah, Ga. to replace one that is relatively new and still structurally sound.

These are examples of 150 "demonstration projects" that would receive total federal financing and are in addition to regular allotments of highway funds to the states. Almost all of them have been given low priority by state and federal highway officials, who ordinarily decide where interstate highway funds should be spent.

Sen. Gordon Humphrey, R-N.H., complained that his state was being short-changed in order to fund such demonstration projects as "improved access to an amusement park" in Toledo, Ohio. Instead of using federal money for such a purpose, Humphrey suggested that people of Toledo "come to Washington and watch some of the world's biggest clowns for free."

The result of the congressional three-ring circus is this $88 billion highway bill—$9 billion more than President Reagan said he would approve. He has now put his veto where his mouth was.

The action puts Congress on a spot. Since it failed to enact a highway bill when it should have last year, the states (Colorado included) are badly in need of money as the road construction season gets under way. Supporters of the puffed-up bill argued that it would be months before another bill could be approved if Reagan vetoed this one and the veto holds.

That's baloney. Congress can pass another bill in a week if it wants to do so.

Reagan was on solid ground in vetoing this one. Congress would be better advised to write new legislation, though it probably will go for an override. If so, its responsibility for overspending will be impossible to deny.

[From the Denver Post, Mar. 25, 1987]

VETO THIS HIGHWAY HOG TROUGH

Transportation Secretary Elizabeth Dole reports that President Reagan has promised to veto an $87.9 billion highway and mass transit bill that would propel America further down an eight-lane highway to bankruptcy. We applaud the president's decision—and urge every member of Congress, regardless of party, to uphold that veto.

The decision is a politically tough one for the president, because no one doubts the need for the $70 billion in highway user taxes that are divided among the states by a standard formula. The bill even includes a rider that we definitely support—allowing states to raise their speed limits to 65 miles per hour on rural interstates.

But Democratic majorities in both chambers—who apparently find the nation's $200 billion dollar annual deficits a hilarious joke—didn't stop with these necessary projects.

Instead, they loaded up the highway bill with another $10 billion of useless pork and 152 cynical "demonstration projects" to benefit local special interests.

Unfortunately, about all these projects "demonstrate" is that certain members of Congress are adept at raiding your taxes. As a "demonstration" of the clout of former House Speaker Tip O'Neill, for example, overburdened Coloradans are being ordered to build a third harbor tunnel through Boston. Coloradans must also help pay for mass transit systems in Miami and Los Angeles—without getting a dime back for our own needs.

In particular, every Western legislator should uphold the president's veto—or explain why he or she treated the interests of the nation as a whole and the West in particular with such contempt. After such a veto is upheld, a more affordable bill can be passed to release the highway funds—and raise the speed limit.

It's bad enough to see a necessary bill turned into a political hog trough. But it becomes unbearable when the West isn't even offered a fair share of the slops.

Mr. NICKLES. Mr. President, I rise today in support of sustaining the President's veto of this highway bill. The Washington Post, with which I do not often find myself in agreement, recently characterized this bill as "a classic illustration of the blurring of public works, the pork barrel, politics and polemics in the days of 12-digit deficits."

If you want to know where the pork is, let me tell you. It is in more than 152 highway projects at a cost of $1.4 billion. It is in areas like Chicago, where over $1½ million is to be spent to build parking lots beside an unbuilt transit project. It is in Boston, where $3.3 billion is to be spent to complete the central artery and the third harbor crossing as part of the Interstate System; $1.1 billion of this amount is special additional funding provided by the Federal Government. As the President pointed out, this increase is unfair to all other States since the Interstate System was closed to such add-ons in 1981.

It is in Toledo, OH, where $16 million is to be used to build an access road to an amusement park. It is in Clarinda, IA, where $7.2 million is to be spent to reconstruct and rehabilitate a little used highway in a sparsely populated rural area. It is in Union County, IL, where one-half million dollars is to be used to reconstruct a road to a landmark that attracts less than 50,000 people a year.

It is in Los Angeles, where over $870 million is slated to be spent on a subway system that is still on the drawing board. This amount is significantly beyond that agreed to by the Federal Government. Moreover, as the President pointed out in his veto message, the $870 million represents 14 percent of the total funds collected through the fuel tax for mass transit. The Department of Transportation tells me that the initial cost is about $300 million per mile. It is unfair that any one city receive this amount of money, especially when 34 States, including Oklahoma, pay into the transit account and receive no section 3 moneys.

Because these special interest projects are funded out of the highway trust account before the funds are apportioned to the States, States like Oklahoma are literally a victim of highway robbery. Each State on the average will lose $17.8 million. The Department of Transportation estimates that Oklahoma will lose more than $22 million.

For States with demonstration projects, that loss is regained. But in those instances, Congress becomes the highway planners instead of the States since these projects represent ones already rejected by the States. Oklahomans are angry, as a donor State we have been taken advantage of for too long. We continue to receive less money per capita than most States for our highways. We continue to pay into the mass transit account yet receive no section 3 moneys. And now, to top it off, we are being forced to contribute from our allocation of highway funds in order to allow certain selected States to build unnecessary and costly projects.

During the Senate consideration of this legislation, I fought to help my State receive a fair share of the tax money that we pay in for transit purposes. Unfortunately, the conference committee dropped the provision that would have done this. The President's proposal is much more fair in its distribution of mass transit funds and would benefit the 34 States that currently receive no section 3 funds.

Like everyone here, I am concerned about the need to release highway funds to the States. Oklahoma, like every State, has urgent highway projects that need to be completed. However, I am not willing to sacrifice our need for deficit reduction to pass a highway bill that is irresponsible.

If the veto is sustained then let's work together to pass a new bill as soon as possible that is responsible. We owe the American public no less.

Mr. JOHNSTON. Mr. President, in his 1986 State of the Union Address, President Reagan borrowed a line from the movie "Back to the Future" and told us: "Where we're going we don't need roads."

I had no idea he meant it literally until he vetoed this bill.

Where I come from, we do need roads. Louisiana's Interstate 49 is one of the very last segments of the National Interstate System to be undertaken and we need to finish it. This legislation authorizes two extensions of that interstate to make it of practical use to motorists at the highway's two termination points, Shreveport and Lafayette.

There are other new projects that are also very important to Louisiana. But beyond the improvements this bill will bring to transportation, the economic and employment benefits associated with the highway construction program are absolutely critical to my State.

With a 14.7-percent unemployment rate, the highest in the Nation, with actual unemployment exceeding 20 percent, and with some of our parishes suffering unemployment above 30 percent, we simply cannot afford the additional economic stagnation that would result from a watered down highway bill or a long delay in highway funding.

I know most of my colleagues also have compelling reasons for supporting this legislation. If this measure is judged on its merits, rather than on the rhetoric we have heard about pork barrel spending or the high stakes involved for the President's leadership, the veto will be overridden.

Mr. DECONCINI. Mr. President, I have struggled over the past week trying to decide whether or not to vote to sustain the President's veto on H.R. 2 or to vote for the override. Reauthorization of our Federal highway programs is, in this Senator's mind, one of the most important measures that will be considered by the Congress this session. In past years, when congressional action on the approval of the interstate cost estimate has stalled, very important transportation projects have ground to a halt. In Phoenix, AZ, for example, where construction on a high priority gap closing interstate project, the Papago Freeway, is slowed, costs increase, and the State slips further behind in its efforts to finish this important interstate segment by 1990. Arizona has been the recipient of large sums from the interstate discretionary program and it has allowed us, in the past, to make up for some of the lost time.

H.R. 2 is of particular interest to this Senator because it contains a provision which allows the States to raise the maximum allowable speed limit on the rural interstate highway system to 65 miles per hour. I support this provision and feel it is long overdue. Nevertheless, I am very distressed by the large number of special demonstration projects contained in H.R. 2 and the costs of these projects. I do not believe we should be in the business of setting aside hundreds of millions of dollars to fund projects which would otherwise not qualify for Federal funds. This results in funds being taken away from existing Federal aid program categories which are important to all States to fund those projects which may or may not have merit. It also encourages further diversion of funds from the highway trust fund for projects which are not necessarily considered in the Federal interest.

Over the past week, I have been contacted by many, many groups and individuals in and out of Arizona on the veto override. Communities like Phoenix and Tucson have contacted me to express their concerns about the impact the veto will have on their transportation plans. Mayor Lew Murphy of Tucson and Mayor Terry Goddard of Phoenix have been very vocal in their support for H.R. 2. Arizona does not have any special demonstration projects. But, they support the override of the President's veto because 8,800 jobs in Arizona alone are at stake and because we may not see another Federal aid to highway bill for some time if the override fails. Tucson is concerned that important interstate substitution projects will not be completed. Phoenix is worried that timely completion of the Papago Freeway will be jeopardized. I have also heard from many national organizations like the Association of General Contractors, the National Association of Counties, the Building Trades, Bechtel Corp., and many others voicing their support for a veto override.

There are accusations that bill is full of pork. But, I have found that if the demonstration projects of approximately $890 million over 5 years were, in fact, totally eliminated and all of those funds were returned for use in the regular formula programs, as a result, Arizona would receive a net gain of $3 million. Arizona's regular apportionment for fiscal year 1987 will be in the range of $146 million. This represents a reduction of approximately $32 million from the fiscal year 1986 apportionment. I am advised, however, by officials at the Arizona Department of Transportation, that most of this reduction is due to the fact Arizona's interstate construction needs have declined. Because Arizona has been so successful in its efforts to see the Papago Freeway completed, we have reached a point where our apportionment has decreased as a result of those achievements.

Mr. President, I do not want to be associated with a so-called budget buster highway measure. That charge is simply not true. The funds used for highway construction projects are generated from the gasoline taxes paid by all U.S. citizens and placed in a trust fund dedicated for Federal highway use. These projects are not funded by general revenues. As a matter of fact, over the years, we have seen a substantial reduction in the Federal funds obligated for highway programs because of growing concern about Federal deficits. These taxes are collected for a dedicated use and the highway trust fund should not be held hostage to deficit reduction efforts.

I have become convinced that the Nation's highway programs are much too important to hold up any longer. The loss of hundreds of thousands of jobs which will result from considerable delays in the passage of a responsible highway program is unacceptable. The gas taxes which constitute the highway trust fund are generated from the American traveling public. Those funds should be spent here to create jobs in this country. Wasting additional time will only see jobs exported to other countries. The administration's so-called compromise legislation would eliminate the interstate construction discretionary program, and make substantial reductions in the funds available for the interstate substitution and Federal lands highways programs. These changes are unacceptable from my perspective. All three of these Federal highway programs are very important to Arizona. I do not support the demonstrations in H.R. 2, but the changes proposed in the administration's bill are even more egregious. Based on the input I have received from Arizona interests and national interests in support of the highway program, I have decided to vote in support of the veto override. It is time we got on with the Nation's transportation business and not spend additional time arguing about so called budget busting exercises.

Mrs. KASSEBAUM. Mr. President, I think I speak for many Senators in saying that I regret we have come to this vote on the highway bill, a bill that is vitally important to each of our States.

I voted for this bill last year. I voted for it again this year. I had hoped the President would sign it. However, he chose instead to veto this legislation and send in its place a substitute bill.

Up until a few days ago, I was prepared to vote to override the President's veto for one simple reason—time is running out if the funds in this legislation are to be transformed into the better and safer roads and bridges that our States critically need. April is here and we still have not moved this bill.

In Kansas, as in nearly every other State, bids for some road projects already have been delayed. Contractors and workers are sitting idle. Road improvements are still waiting on the drawing boards. The longer we delay the worse this situation will become.

Given these circumstances, the simplest and easiest thing to do would be to approve this bill and get on with the work. After all, this bill is neither a budgetary outrage nor a totally irresponsible compromise. However, the President was not persuaded by this argument, even though it was made to him quite forcefully.

Instead, the President has raised what I believe to be a serious and legitimate complaint about this bill—so-called demonstration projects inserted by various Members of Congress in both parties.

The President believes that these demonstration projects, costing nearly $1 billion over the next 5 years, represent bad transportation policy and an unwise use of public funds. On that point, I must agree with him.

What we have done in this legislation is to decide that some road projects should not be subjected to the traditional process of review and priorities established by the States. Instead, we have plucked these projects from our wish lists and moved them to the head of the line for funding. Some of these projects have strong merits, others are dubious at best. What all of them have in common is strong political backing by a Member of Congress.

In short, Mr. President, what this bill does is inject a large dose of politics into setting our transportation priorities, and I think that is good cause for concern. In the past, we have dabbled in the retail highway business. Now we are getting into the wholesale business with more than 120 projects.

In his veto message, the President listed his objections to this bill. While I do not agree with all of those reasons, I do agree that these demonstration projects represent a serious problem. I therefore will vote to sustain the veto.

Mr. President, I will conclude with one additional comment. I have heard remarks that, if this veto is sustained, it will be months before a new bill can be approved, that we may lose the current construction season entirely, and that this could trigger a national recession.

I, for one, hope these prophecies do not become self-fulfilling. One does not have to be a very astute observer to see that this issue has gotten the partisan juices flowing. It would be more than unfortunate if the result is a new round of foot-dragging and finger-pointing.

I doubt that a new bill could be approved in 7 days, but I see no reason why it should take 7 months or even 1 month. We have been debating this issue for more than a year. At this point, the issues are pretty straightforward.

If this veto is sustained and the Congress fails to act promptly and responsibly on a replacement, then the public will blame not only the President but all of us. There will be plenty of blame to go around.

Mr. ROCKEFELLER. Mr. President, it is now more than 6 months that the country has gone without a highway authorization bill in place. Regrettably, the President has chosen to turn this bill into a political issue—a vote of confidence in his leadership. While the President postures, America's roads and bridges continue to deteriorate and thousands of jobs are being lost. If we do not vote to override this veto, we will be right here 6 months from now considering the same issues, but we will have missed this year's construction season.

If we do not have a highway program this year, there will be severe and prolonged disruptions in the construction and repair of our highway system and hundreds of thousands of workers will be unemployed. Already, the lack of a bill has meant that 1,400 highway projects have been lost for this year. In addition to the disruption of the transportation system and the devastating effect on the economy, the President's position reflects the shortsightedness of this administration in planning for the needs of our country's economic future.

My State of West Virginia will very soon exhaust all of the Federal funds available for highway repair and construction. The $100 million plus in highway funds for my State breaks down as follows:

Category:	*Millions*
New construction	$13
4R	19
Primary	23
Secondary	7
Urban	3
Bridge	35
Hazard elimination	1.4

West Virginia has two demonstration projects which are very desperately needed: the Chelyan Bridge and the New River Parkway. The Chelyan Bridge, which is very important to the area's coal and chemical industry, is 56 years old and badly in need of replacement. Just last week the wheel of a coal truck went completely through the pavement of the bridge. There were no injuries, fortunately, but traffic was tied up for several hours.

The New River Parkway is vital to the economic viability of southern West Virginia. This highway bill will provide a tremendous boost to the economy of the area by greatly increasing the number of tourists. These demonstration projects, which are so vital to West Virginia, have been targeted by the President as pork barrel, budget busting projects, when in fact all the demonstration projects amount to a little more than 1 percent of the total authorization for highways. I should point out that the Secretary's discretionary funds included in this bill total approximately 6 percent of the total authorization. If the President and his Department of Transportation are really serious about examining the costs of this bill, let them put their own house in order.

In addition, the South Side Bridge in Charleston and the Sixth Street Bridge in Huntington have been targeted as high priorities under the Secretary's discretionary fund. There is a provision that gives the State of West Virginia the flexibility to transfer Federal highway money to benefit the Route 22 Bypass in Weirton. This bypass is integral to the continued vitality of Weirton Steel, the largest employee owned corporation in the country.

The highway bill is not the "budget buster" the administration makes it out to be. As a matter of fact, no funds from the general fund will be expended on the highways portion of the bill. The highways portion is totally funded by the 9-cent-per-gallon tax on fuel that highway users have been paying into the highway trust fund, a fund which currently has a $10 billion surplus. The bill meets the budget target of Gramm-Rudman-Hollings. The funding level is $1 billion below that of 1986. In fact, at the end of the fifth year of authorizaton of the bill we are voting on today, the highway trust fund will have another $11 billion surplus. Increasing the balance over $200 million per year is hardly "budget busting."

In vetoing the highway bill, the administration is again demonstrating a lack of regard for far-sighted economic development. Numerous studies have documented the fact that a substantial portion of the Nation's basic publicly financed infrastructure is grossly inadequate. A report completed for the Joint Economic Committee concluded that the single most dominant need in this area is for investment in highways and bridges. This study entitled "Hard Choices" estimated that $720 billion would be needed by the year 2000. We cannot sustain economic growth when our highways and bridges are falling apart, and it is time to begin attacking this problem. As President Reagan once said in another context: "if not us, who? If not now, when?"

Mr. McCONNELL. Mr. President, it is often said that timing is everything. Timing, in the instance of the highway bill, clearly dictates that we should and must release designated highway user fees to the States. The construction season is upon us. An override, albeit distasteful to me, must occur. This is the resounding call of my constituents and I will heed their request.

Let me just say to my colleagues, however, that I take no pleasure in refusing the request of my President. Let me further say, that I am more than a little disgusted with inferences that it is the President, and the President alone, who has jeopardized highway construction, mass transit projects and the attendant jobs by vetoing H.R. 2. A veto is the President's prerogative and he believes he has acted in the public interest. Furthermore, I have heard no Member say that this is a perfect bill. Under different circumstances, perhaps the veto would have laid the foundation for getting the two Chambers back to the bargaining table to formulate a better bill. But we don't have enough time. That is not the President's fault. That is the fault of this Congress who, by its very obstinance, failed to act last year and present a bill to the President for his signature.

There is no doubt in my mind that, if this veto were sustained, the Congress could present an acceptable bill to the President in short order in time for the construction season. We could, but it is unlikely that we would. It would be high stakes poker to wager that it is sheer posturing of some who pledge that we wouldn't have a bill until next fall. You would assume that those who have raised the hue and cry over the need for highways and the construction jobs would make every attempt to get a new bill quickly. But in this very expensive game of chicken, I cannot gamble the desires of my constituents on the hopes that reason and cooperation would prevail.

Notwithstanding the objections of the President, this bill is on a fast track because the Congress, willingly or not, passed a bill with the inference that this is a "take it or leave it" measure. Notwithstanding sufficient lead time, we didn't act until the 11th hour and it is now high noon for the construction season. I will override this veto because timing dictates that we must and because based on previous performance, I don't believe the Congress could get its act in order quickly enough to get an acceptable bill to the President for his signature.

Mr. HATFIELD. Mr. President, it is with some regret that I vote today to sustain the President's veto of H.R. 2. I had hoped that the Congress could produce a workable and responsible highway reauthorization bill. My disappointment with our effort caused me to vote against the conference report last week and no new evidence has convinced me to change that vote.

There can be no excuse for the dilemma we find ourselves in today. We all knew that the authorization for Federal highway programs was due to expire last October, but as is too often the case with Congress, we have allowed a crisis to develop. Because conferees failed to reach agreement during the 99th Congress, we have been held hostage by the threat that a new construction season soon would be upon us. In our haste to beat the deadline set by "Mother Nature," we have produced bad legislation.

Much has been made of the so-called demonstration projects contained in this bill. Mr. President, I have no problem with Congress earmarking funds for particular projects which truly demonstrate unique transportation systems. This bill, however, has few projects which meet that criterion, and instead is loaded with costly projects which, in this era of dangerous deficits, represents fiscal madness.

I also cannot overlook one mass transit project authorized in the bill. The downtown Los Angeles to San Fernando Valley metro rail project is a boondoggle of mammoth proportion. The nearly $1 billion we will spend on this project could better be spent on mass transit alternatives in the Los Angeles area and elsewhere in the country. Members of this body know that I long have supported responsible spending for mass transit projects. The new light rail systems in other locations in the country have proven to be popular and cost effective. This will not be the case, I fear, with the Los Angeles project.

The section of H.R. 2 with which I find particularly troublesome is the raising of the speed limit to 65 miles per hour on rural interstate highways. As a Western Senator, I understand the concern of many constituents and colleagues who wish to have the speed limit raised. The lonely stretches of I-5 and I-84 in Oregon were designed for higher speeds than the current speed limit. But the reason we established the national speed limit still is as compelling as it was in 1974. Our Nation now is importing 40 percent of our petroleum needs, the same level as when the law was enacted. We still have an energy crisis in this Nation and conservation efforts still are in order. Beyond that, the matter of saving lives should draw our attention. The most conservative figure I have heard is that a minimum of 500 lives will be lost per year if we allow the speed limit to rise. I cannot vote for any measure which would allow 500 lives to be lost on our Nation's highways anymore than I would vote for legislation which would end the lives of Americans in the jungles of Central America or the deserts of the Middle East.

Some, including the President's own advisers, claim that today's vote is a test of Ronald Reagan's ability to govern. I do not share that conviction. If the President wants to show that he will lead the Nation for the next 2 years, I call upon him to negotiate meaningful arms control agreements with the Soviet Union and to convene a budget summit with congressional leaders to work out a responsible compromise on taxing and spending.

I am mindful of the economic effects our action will have if 34 Senators vote to sustain the veto. Construction companies and their employees have made that point very clear to me. Oregon Gov. Neil Goldschmidt, the former Secretary of Transportation, has written to remind me of those consequences as well.

I am as committed as any Member of this body to reauthorizing Federal highway programs. No Senator has worked harder to rebuild the infrastructure of this Nation. But I cannot vote for legislation which would result in the loss of American lives and the paving of congressional districts with pork. Therefore, with my vote comes an offer to help my colleagues quickly enact a new highway bill in the event the President's veto is sustained.

Mr. GRASSLEY. Mr. President, I would like to share with my colleagues some concerns regarding this transportation legislation and the President's veto.

I am troubled by the apparent direction this legislation is taking our transportation policy. Since 1973, there have been only 30 demonstration projects nationwide. This bill alone includes 152.

This means money that should be spent based upon formula and merit, is instead being spent on projects determined by political interests.

Perhaps some of this is nothing new, but this legislation takes a giant leap away from fairness and equity.

My colleagues should know that during my 16 years as a member of the Iowa House of Representatives, we never took it upon ourselves to play highway engineer. We left the important task of determining transportation priorities to our department of transportation.

You can be certain, Congress makes a lousy highway engineer, too. Congress should not usurp the right and authority of States to determine their own priorities. To do so on such a large scale undermines the integrity of this program.

We face today other serious issues in addition to fairness and the propriety of Congress usurping the right and authority of States determining their own transportation needs.

We face the serious concern of budget deficits. As we vote today, the Senate Budget Committee of which I am a member, is struggling with the deficit problem and how we can bring this deficit under control.

The difference between the conference bill, and the President's plan is about $2.6 billion. Most of this difference is money from general revenues, not from the highway trust fund. And of course, general revenue spending adds to our deficit problem.

Here is our opportunity to draw the line on unnecessary spending and to work to get the budget under control.

One other point, that is of very serious concern to me, is the impact of further delays in passing this legislation. The fact is, it should have been passed long ago.

But we live in the real world and must realize that time is running short. Jobs around the country could be jeopardized. In Iowa, it is estimated that about 8,500 jobs rely upon passage of highway legislation.

These jobs concern me greatly. But yesterday, I spoke to the director of Iowa's Department of Transportation. He informed me that Iowa should not lose any jobs. Presently, the Iowa General Assembly is considering legislation that will allow Iowa's construction season to proceed on schedule. Therefore, our jobs should be secure. Nevertheless, it is incumbent upon Congress to move quickly ahead with a more equitable transportation bill.

Mr. President, we have an opportunity here today to make a difference, to take a stand. When Congress voted on this legislation previously, it was the only game in town. We were told we had to accept the questionable provisions, or we wouldn't have a bill. It was the best we were going to get.

But now it is a different game. The President is weighing in heavily on this issue. He is a key player. He is calling on Congress to back its rhetoric with action. He is calling on Congress to take a stand for a fair, responsible transportation policy guided by formula and merit—not special parochial interests. He is calling on us to keep transportation planning in the hands of the States, not armchair congressional engineers. And he is calling on us to get our fiscal House in order.

We have an opportunity to draw the line today, and to take a stand for what is right. It may not be popular, but that is often the case.

I urge my colleagues to join me in sustaining the veto and in working on a more equitable, fiscally responsible bill.

I do not always agree with the President. In fact, 9 out of 10 times I have voted to override the President's veto. But this time Congress is wrong, and that's why I support sustaining the veto.

Mr. D'AMATO. Mr. President, I rise to offer some observations regarding today's important vote on whether to sustain the President's veto of H.R. 2, the Surface Transportation and Uniform Relocation Assistance Act of 1987.

By a vote of 350 to 73, the House decided to enact this legislation notwithstanding the President's objections. It is now is up to the Senate to cast the deciding vote to sustain, or to override, the President's veto.

I regret that the President's advisers have persuaded him to veto a bill so vital to the safety of our Nation's highways, bridges, and transit systems. Moreover, I am disappointed that the President's steadfast supporters in Congress—on critical issues of world security and national defense—are now being asked to prove their loyalty by killing this desperately needed bill. At a time when our Nation's infrastructure is crumbling, we must not further postpone the authorization of these critical funds.

The consequences of failure to enact this legislation will be severe. In New York City alone, further delay in repairs to two major bridges serving nearly one-half of a million people per day, may cause these bridges to be closed to protect the public.

I am compelled to vote to override this veto. I do so not because I think that this bill is perfect—clearly it is not—but because I know that it is necessary. If the President had available to him the "line-item" veto, he would not have found it necessary to kill this entire bill. As a conferee on the transit portion of this legislation, I know of the long hours and weeks that went into forging the compromises needed to report a bill out of conference. H.R. 2 would have been a better bill if the President could have used the surgical precision of a line-item veto to delete those portions most objectionable to him.

Make no mistake about it, this bill contains some provisions that I opposed; however, given the varying and sometimes conflicting needs that required resolution by the conferees, I think that H.R. 2 reflects the best compromises attainable. Remember, we began conference with a Senate bill costing about $81 billion—if extended from 4 years to 5 years—and a House bill costing about $90 billion. The final bill contains about $87 billion in authorizations.

Along with the veto message, the administration has sent Congress a $82 billion substitute bill. This substitute would be only $5 billion less expensive than H.R. 2, which was produced by Congress after months of legislative stalemate, followed by weeks of tough conferences. To reiterate the objections made by my good friend and colleague Senator DIXON when he spoke on the Senate floor last week: Why did the administration wait so long to come to us with a bill? No official overtures were made to the conferees before the bill was approved. No efforts were made to work with us to produce a conference report that would satisfy the President. Now, after the fact, we are presented with a substitute bill which would provide only about 6 percent less than H.R. 2. I ask: How can OMB tell the President that H.R. 2 is a "pork-barrel" bill when OMB's own substitute is 94 percent as costly?

We do not have the luxury of time to further debate and refine H.R. 2. The Federal Highway and Transit Programs have already expired, as of September 30, 1986. Should we really attempt to reopen the entire bill, in order to make savings of 6 percent? Is it realistic to think that this could be done quickly given our experience in conference with the controversial nature of many of the provisions involved—for example, raising the speed limit; strengthening Buy-America; altering funding formulas; et cetera. I simply do not think that it can be done without months of further delay.

Failure to have a highway-transit bill enacted into law will lead to the loss of hundreds of thousands of jobs and lack of needed safety projects. The safety of the people of the State of New York as well as elsewhere throughout the Nation cannot safely abide any further delay in billions of dollars of projects.

I object to the use of the long-delayed $87 billion highway-transit measure as a vehicle for OMB to make its own statement. I continue to be a firm supporter of our President on significant issues of national and international policy. Under this administration, we have enjoyed an economic renewal that has produced hundreds of thousands of new jobs. Moreover, President Reagan's leadership has enabled this country to reaffirm its position as the world's leader, and as its guardian and defender of freedom.

Thus, Mr. President, I cast my vote in support of the Nation's need to move forward with the repair and construction of its surface transportation infrastructure. American taxpayers, who have contributed the taxes that fund these vital programs, deserve to see their hard-earned dollars put to work for them. We simply cannot afford to postpone this bill any longer.

If Federal highway and transit funds are further delayed, the impact in the State of New York alone will be devastating. While New Yorkers continue to contribute about $12 million per week in Federal taxes earmarked for transportation projects, New York State has already run out of Federal transportation funds.

Over the 5-year life of the legislation, New York State anticipates receiving more than $6.3 billion for highway, bridge, transit, and other needed transportation projects. However should this veto be sustained, the ensuing delay will prevent worthwhile and needed projects—not pork barrel, make-work projects—from going ahead.

As of March 1, the failure to approve Federal funds for $150 million in highway projects has cost 4,000 jobs. By April 1, we will lose 250 million dollars' worth of projects and 6,700 jobs. If a bill is not enacted by May 1, $375 million in projects will be lost along with 10,000 jobs.

Mr. President, I ask unanimous consent to have the following list of New York projects included in the RECORD at this point. This list will illustrate typical transportation projects that H.R. 2 was crafted to assist.

There being no objection, the list was ordered to be printed in the RECORD as follows:

HIGHWAY PROJECTS

$7 million rehabilitation project on the Northway between Exits 2 & 6, in Albany County.

$3.5 million Route 30A, bridge replacement project over the Mohawk River and Barge Canal.

$6.7 million reconstruction project on 2.9 miles of Route 146 in Saratoga County.

$1.73 million resurfacing project on Routes 13 & 69 in Camden Village.

$1.359 million bridge rehabilitation project on Route 81 in Syracuse.

$2.65 million bridge replacement project on Route 204, Brooks Ave. Bridge over the Barge Canal, Town of Gates, in Monroe County.

$422,000 project for safety work on Route 31F in the Town of Perinton, Monroe County.

$19 million for bridge work on a Wantagh State Parkway Bridge in Nassau County.

$22 million for construction of 1.4 miles of the Nassau Expressway in Nassau County.

$2.8 million for repairs and safety work on Route 434, the Vestal Parkway in Binghamton.

$3.2 million in rehabilitation work on 10 bridges on Interstate 81, Bevier St. to Minman's Corners, Town of Chenago.

$3.1 million bridge replacement project at Hillside Ave. and Snake Hill Road in Rockland County.

$9.6 million reconstruction project for Route 9 in the Town of Poughkeepsie in Dutchess County.

$1.7 million bridge replacement project at Route 11 Watertown Bridge over the Black River, Jefferson County.

$1.83 million for bridge rehabilitation on Madison Ave. over the Chemung River, City of Elmira.

$329 million (OVER 5 YEARS) to repair the East River Bridges in New York City. Includes continuing work on the following:

$150 million project for the Manhattan Bridge ($54 million already spent);

$240 million project for the Williamsburg Bridge ($16 million already spent);

$220 million project for the Queensboro Bridge ($128 million already spent); and

$150 million project for the Brooklyn Bridge ($81 million already spent).

$6.9 million line safety project on the Belt Parkway System, Gowanus Exp.

$4.8 million construction project on Route 33, the Kensington Exp. in the Town of Cheektowaga.

TRANSIT PROJECTS

About $507 million per year in transit formula and discretionary funds for New York MTA projects.

About $10 million per year in transit projects for the Niagara Frontier Transportation Authority in Buffalo.

About $6.8 million in transit projects in Rochester.

About $5.6 million per year in transit projects in Albany.

About $4.8 million per year in transit projects in Syracuse.

Mr. GORE. Mr. President, I rise to support the veto override of the highway reauthorization bill. This urgent highway bill has cleared some tough hurdles over the past 8 months. But one more obstacle remains to these much-needed highway construction, maintenance, and safety programs. I urge my Senate colleagues to join me in voting to override the President's misguided veto.

I was an enthusiastic cosponsor of the original highway bill. In the last Congress I supported this legislation, but unfortunately we did not take it up in time. Because of last year's stalemate over divisive issues like billboard amendments and the speed limit, this year's bill took on a new sense of urgency. The House and Senate rose to the occasion by burying their differences and devising compromises to create a coherent and complete package. I congratulate my colleagues in both Houses for their diligence and persistence in crafting this legislation. Congress clearly recognizes the desperate need for action now. We need to release trust fund revenues so that States will not miss the construction season and workers are not laid off.

The President attacks the bill as a "budget-buster" and "full of pork." I would like to counter those claims with a few facts. Since several of my fellow Senators have already addressed this particular charge, I will be brief. First, the highway and mass transit appropriations are drawn from the highway trust fund, money collected from highway users across the Nation. To restrict spending of these funds would not directly affect the Federal budget deficit. The highway trust fund must be used solely for highway and mass transit programs and projects. Vetoing the highway bill does not release that money for other uses. Yet, by bottling up those funds. the President jeopardizes hundreds of thousands of jobs in construction and related industries.

While the President is preoccupied with bookkeeping niceties, I would like to point out some of the hidden costs of his veto. This veto directly affects the safety of everyone who travels on highways, city streets, and country roads. Failure to pass the highway bill will eliminate many worthy safety projects, and equally important, slow down the rehabilitation of roads and bridges in desperate need of repair. Without highway funds, our interstates, overpasses, streets, and bridges will deteriorate. The cost in human terms is impossible to gauge.

This crucial legislation also contains provisions to reauthorize highway safety programs and make funds available to the States for safety improvements. It would authorize several National Highway Transportation Safety Administration safety research and development programs including a study and a pilot program to improve older driver safety and mobility. In addition, this bill would direct the Transportation Safety Research Board of the National Research Council to study certain truck safety measures, and it would direct the Secretary of Transportation to improve safety at rail-highway crossings.

In Tennessee, there are several projects, totaling over $90 million, which are long overdue to secure the safety of travelers within and across our State. The same is true for most of the projects in the bill. Highway 68, for example, winds through Monroe County, TN, near the Cherokee National Forest and the Appalachian Trail. Substandard roads—those narrow shouldered, curving, hilly stretches of pavement—in that area cannot satisfactorily handle current traffic demands. This presents a real hazard to drivers. The highway bill will provide funds to improve this route. That is not "pork"—it is common sense. There are countless projects, highway repair programs, and bridge rehabilitation projects that we must have in order to guarantee the safety of the public. There are even provisions to study schoolbus safety. Our citizens and our children must have the safest roads possible.

The highway bill allocates funds for scores of worthy and necessary projects. The safety and economic prosperity of the Nation will be directly affected by this legislation. I encourage my colleagues to join me in voting to override the veto and enact this important legislation. Let us cross this final hurdle. Thank you.

Mr. WARNER. Mr. President, I rise today to oppose H.R. 2, and to indicate my intention to vote to sustain President Reagan's veto of this legislation. I urge my colleagues to join me in this vote.

Mr. President, we all have a stake in the outcome of this vote, although some have a greater stake than others.

One of the main reasons I wanted to serve on the Environment and Public Works Committee was to work on this highway bill. The members of that committee received me graciously, listened to the concerns of my State, and addressed them.

I took part in the markup of this important bill, and commend the leadership of the committee for the speed with which the panel moved.

As with most Members of the Senate, I was pleased to join the majority when the Senate passed its highway bill on February 4 by the overwhelming vote of 96 to 2. Despite having to deal with several controversial issues, the Senate acted quickly to meet the needs of the Nation. We were all mindful of the losses to the highway programs in our States which would result if we delayed in passing a highway bill.

Had the bill which the House-Senate conference produced borne a significant resemblance to the bill the Senate passed in February, our States would be advertising for bids and letting contracts under a new law.

But the conference agreement that came back to the Senate was far different than the bill the Senate worked so hard to produce. For Virginia, that difference was a critical one.

Lest any Senator be left with the wrong impression, I want to make it clear that I am respectful of my Senate colleagues on the conference. Inded, Conference Chairman MOYNIHAN worked diligently.

Mr. President, the quality of the Senate bill notwithstanding, the conference agreement fell far short of what the Commonwealth of Virginia requires to pursue its highway construction program. Somehow, between a House bill which provided $105 million for Virginia's interstate program, and a Senate bill which provided $100 million, Virginia wound up with only $65 million a year in this funding category.

This cut is directly attributable to other projects in the bill of dubious merit. Virginia has devoted much care and concern to meeting its transportation needs, and this bill would not allow Virginia to pursue that initiative.

Thoughout every step of this process I have been in close consultation with Virginia Gov. Gerald Baliles. Governor Baliles has shown exceptional leadership in the field of transportation in our State as well as nationally.

The Virginia General Assembly met in special session last September solely for the consideration of transportation issues and produced a package of revenues and highway construction which has become well known throughout the 50 States. Much of our State action was predicated on a fair and equitable Federal highway bill.

Our Governor, despite his early and continuing vocal support for quick passage of a highway bill, urged the Virginia delegation to uphold the President's veto of H.R. 2.

An excessive amount of the money in this bill is for demonstration projects and discretionary funds which we just do not need. As tempting as those demonstration projects and discretionary funds are, in the end they only reduce the total amount of money available to the States for its programs. Let there be no misunderstanding: Virginia, too, has demonstration projects in this bill. But "demo" projects are merely a symptom of the overriding issue here.

In this bill, there are over a hundred demonstration projects. What is there to prevent the next highway bill from containing 535 projects, at least one for each Member of Congress? Or even more? The answer is, there is nothing to prevent this bill for setting a precedent to do just that!

If passed, this bill would set a precedent for the next highway bill, when every Member would feel compelled to add his or her demonstration project, capsizing the whole bill. We are losing sight of the purpose of the Federal highway bill.

This program has functioned well as a State-Federal partnership. This partnership has been usurped by Congress' insistence of adding expensive and unnecessary spending.

This legislation includes criteria for the discretionary programs which directly penalize some States. It's bad enough that there are multimillion dollar discretionary programs in the bill at all, but when States cannot compete equally for those funds, its worse still.

Another issue here is how this bill will affect the Federal budget. Our President has led the fight to reduce Federal spending. He has taken aim at the extraneous and unnecessary spending in this legislation. We must support him in this effort.

The PRESIDING OFFICER. Who yields time?

Mr. STAFFORD. Mr. President, I yield the remaining time to the distinguished Republican leader, Senator DOLE.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. DOLE. Mr. President, how much time do we have on this side?

The PRESIDING OFFICER. The Senator from Vermont has 10 minutes remaining.

Mr. DOLE. How much time on the other side?

The PRESIDING OFFICER. Twenty-five seconds remain to the Senator from New York.

Mr. DOLE. Mr. President, if I may, I yield 5 minutes to the distinguished majority leader from our time.

Mr. BYRD. How much time remains on this side?

Mr. DOLE. You have 25 seconds and we have 10 minutes.

Mr. BYRD. Fine. If the distinguished leader would, or we could extend the overall time.

The PRESIDING OFFICER. The Senator from Kansas, Senator DOLE, is recognized.

Mr. DOLE. Mr. President, let me thank all Senators for this debate. I am not certain at this point whether anything anyone says is going to change any minds, but since somebody prepared this for me, I thought I ought to give it.

Mr. President, in a few moments the Senate will cast a vote, important to the American people and important to the President. Let us face it, it is a simple, straightforward test: Will the Senate of the United States match the courage of the President to say no to a bad bill.

And make no mistake about it, our effort to sustain the President's veto reflects our strong commitment to Federal aid to highways—not against it. The President wants a highway bill. This Senator wants a highway bill. The people want a highway bill. And we can give the people the kind of highway bill they deserve, if we sustain the President's veto and then get down to work on a new package starting today.

HISTORY

We have imposed a Federal excise tax on gasoline, diesel fuel, and trucks, with the understanding that it will help provide for a Federal Interstate Highway System and also help ensure that the American motoring public—the people who pay for the program—will have adequate and safe primary and secondary highways and bridges.

All the Congress had to do was to pass a bill that equitably divided the money that is paid expressly for this purpose. Yet, we have not.

Last year, the Senate did its job, passing the Surface Transportation Act on September 24. At that time, we requested a conference with the House to resolve differences in our two bills. On October 2, the House agreed to meet with us in conference, but the House never showed.

The simple reason is because some on the conference were opposed to the 65-mile-per-hour speed limit, and if they could not get their way, they were willing to sacrifice highway construction and maintenance programs throughout the country.

The consequences of that position are already showing. Contractors, equipment manufacturing and sales outlets, sand and gravel operations and asphalt refineries have suffered. So have concrete and steel manufacturers, suppliers of other highway construction needs—and employees of all these companies.

In addition, States and local governments which have budgeted for these funds—based on our agreement to collect the money and equitably distribute it—are now out of money and missing deadlines for signing contracts.

DEMONSTRATION PROJECTS

The bill contains 152 special interest highway projects and will siphon at least $1.4 billion from the trust fund to benefit a few and penalize the vast majority of States. To fund these projects, money is taken right off the top of the trust fund, before an equitable distribution formula is implemented.

Even worse, the true cost to complete all of these demonstration projects is now $5.5 billion, and climbing. If you vote to override the veto, be prepared to be visited next year and every year thereafter by those representing the uncompleted projects until all these projects are completed.

I will not make a judgment about the merit of each and every demonstration project in the bill—I am sure some have merit and some may not. The important point is that we have promised to establish and fund an Interstate Highway System, which allows the States to decide how and where to construct and maintain interchanges and the primary and secondary systems to compliment the interstates. The bill breaks that agreement with the States, and attempts to have the Congress run roughshod over the States and micromanage highway construction.

BUDGET BUSTING

I have heard it suggested that there is no budget argument against the bill, that it is all trust fund money. Regrettably, it is not all trust fund money. In fact, over $2 billion would be spent in each of the 5 years during the life of the bill from the general fund at the Treasury. This is not trust fund money, it's straight deficit spending.

The only reason this funding scheme was devised is to help disguise the fact that only 20 States received any money from the penny per gallon mass transit gasoline tax last year. Yet the other States are expected to pay nearly $2.4 billion into the fund under this bill.

TIMING

Mr. President, the fear being spread by the proponents of voting to override the veto is that this is the only chance to get a highway bill. I have even heard that if the veto is sustained, no other bill could be considered this year. That is flat not true!

When my party was in the majority last year, we passed a bill and were ready to go to conference. Many of those who say we cannot get another bill are the very ones who refused to even attend the conference last year. Now these handwringers cry that time is of the essence.

Mr. President, it is time to separate those who support Federal aid to highways from those who would use this program to serve some other agenda.

ADMINISTRATION'S ALTERNATIVE

Mr. President, we do have an option, an opportunity to right the wrong which would be inflicted by overriding this veto. Last Friday, I introduced S. 878, the administration's alternative.

Basically, the bill will provide more money to 43 States for highway projects by eliminating funding for the demonstration projects from outside the formula program. even the vast majority of those States with demonstration projects in the vetoed bill will be better served.

In addition, the 30 States which did not receive one red cent from the penny per gallon mass transit fund last year will be given money from the trust fund through the mass transit formula program.

The alternative is a better deal while remaining fiscally responsible by reclassifying the demonstration projects to priority projects, by reducing the amount allocated to discretionary accounts, by giving more back to the States through the formula, and allowing all States to receive some of the mass transit trust fund.

Before any of my colleagues vote on this veto, I urge them to take the time to look at the alternative. It preserves the States' discretion to set 65 miles-per-hour speed limits, and upholds our agreement with the States.

ADVANCE CONSTRUCTION

The administration's alternative also contains the advance construction provision. This would allow States to begin construction projects now, and be repaid following the enactment of the bill. Several States have already begun to use this authority in anticipation of receiving money that they are rightfully due. This provision does allow construction to get underway.

SUMMARY

Mr. President, I have heard just about every story imaginable about the bill the President vetoed. There seems to be some sort of law against approving another bill, yet we have turned around continuing resolutions—which fund the entire Federal Government—in a day or two following a veto. Why is it that we cannot do the same with a highway bill?

I have heard that voting to sustain this veto will bring about the second Great Depression of this century. But, the real threat is continuing to allow the Government to spend as if we had unlimited resources.

I think it is fair to say that this is a very important vote.

Mr. BYRD. Mr. President, may we have order in the Senate? I am sure everyone would like to hear the distinguished Republican leader.

The PRESIDING OFFICER. The Senate is not in order. The Senate will be in order.

Mr. BYRD. I ask unanimous consent that the time not be taken out of the Senator's time.

The PRESIDING OFFICER. Time will not be charged. The Senator from Kansas, the Republican leader, Senator Dole.

Mr. DOLE. I thank the majority leader, and I thank the presiding officer.

This is a very important vote. It is not a vote for or against highways, or whether or not those who vote to sustain the veto are somehow against highway construction. We were for it last year. We passed a bill last year. It went to conference. It got hung up on the House side because of the intransigence of someone on the House side over the 65-mile-per-hour provision.

Now we are up to April 1 of this year, as far as I can tell through no fault of anybody who will vote to sustain the veto.

I must say that this is a rather unique position for me because I do know the Secretary of Transportation quite well. [Laughter.]

I do not know the President that well. [Laughter.]

But I get a lot of good advice on this program, even more than I want. [Laughter.]

I would just make it clear for the record that if this veto is sustained, and I hope it will be sustained, we are going to have a highway bill just as quickly as we can muster people on both sides to do it. So the record should be clear that those of us who vote to sustain the veto are not voting against highway construction. I think we can give the people the kind of highway bill that they deserve.

Until a couple of years ago we had about 10 or 12 special demonstration projects. In this bill alone, there are 152. I think my distinguished colleague, the Senator from Vermont, has said that the next time we probably will have 535 demonstration projects.

So I just suggest for many, many reasons of merit that the President's veto should be sustained.

Let me make just one other plea to my Republican colleagues, and my Democratic colleagues. Some say this is a test of loyalty. Some on the other side say it is a test of loyalty to the majority leader, and some say it is a test of loyalty to Howard Baker, Bob Dole, or more importantly, the President of the United States on this side. That may or may not be accurate. But it is a very critical vote for Ronald Reagan. He has looked at the merits. He decided to veto this bill. He has made a judgment. I would hope that we could sustain that judgment.

If we are going to be busting the budget with this bill, I am not certain that it is not going to happen again next week or the next week or the next month. The President may decide to veto additional legislation.

So I urge my colleagues, if you are in doubt, if you are in doubt on this side of the aisle, keep in mind that Ronald Reagan is a Republican. Ronald Reagan is our President. Ronald Reagan never asked us to do very much around this place. But he has asked us to sustain this veto.

I would say to many of my colleagues that he came along in 1980 and pulled us off the street, made us chairmen, put us in the majority.

I just suggest that it ought to be bipartisan, and so does the President. The highway bill has been bipartisan in the past. Most of us voted for the highway bill, and will vote for the next highway bill. We are not quarreling about Democrats or Republicans, or highway construction.

So as far as the test of loyalty, if someone perceives it as a test of loyalty, it ought to be easy to cast a vote for Ronald Reagan. I would hope that some of our Democratic colleagues would join us. This may be a historic vote. This may determine the strength of the President for the next 21 months.

I do not believe anyone on either side of the aisle is looking for a weak and ineffective leadership in the White House. But I would conclude my making a point that I made at the outset.

There will be another highway bill this year. There is going to be a highway bill signed into law. There could be a highway bill yet in the next week—in the Senate or in the House next week.

The construction period is starting. We know it will cause a hardship for some States. If they do not have advance funding, they will need authority to issue bonds, or issue notes. Many States will have to do that. It will be a real crisis. We know people will not go to work. Suppliers and others want this bill passed.

There is no question about whether or not there will be a highway bill. So I would just urge my colleagues that in this rather critical moment that we think long and hard about what we are about to do. Some say that we are not going to pass another bill. We know that is not accurate.

So I urge my colleagues to support the President, to vote to sustain the veto.

I yield whatever additional time I may have to the distinguished majority leader.

Mr. BYRD. Mr. President, I thank the distinguished Republican leader.

Mr. President, how much time do I have?

The PRESIDING OFFICER. The majority leader has 5 minutes and 25 seconds.

Mr. BYRD. I thank the Chair.

Mr. President, we have heard that we should sustain the President for a number of reasons: That this bill is a budget buster, and others have debunked that idea; that there is pork in this bill; that another bill can quickly be passed; and that the President must be rehabilitated.

Mr. President, if this veto is sustained it will not be because of pork in the bill. It will be because of politics; not pork, as the White House asserts, but because the White House has put it on that basis. I am sorry to say that.

Another argument is that there is another bill sitting there, and that all we have to do is call it up, send it down to the White House, and the President will sign it the same day. Mr. President, that is not very realistic. We know all of the thorny problems that have to be resolved.

This measure was 2 years in the making. It involves the 20-percent minimum, the one-half percent minimum, the 4R formula, the demonstration projects, the 65-mile-an-hour speed limit, and all of these things are very complicated and thorny issues. There are very contentious elements in this equation. We are not just talking about two Houses here. We are talking about three Houses. We are talking about this House, and the House of Representatives, and also the conference that must occur between the two Houses. That is the third House. And it is there where most of the problems have to be finally resolved.

Mr. President, it is misleading to the people of this country to have them believe that another bill can be passed this week or next week or this month. It will not happen. It cannot happen because the legislative realities are such that it will not happen. All of these issues are complicated matters.

My distinguished friend, the Republican leader, has said that this ought to be bipartisan. It was bipartisan. It passed this Senate on the final conference report by a vote of 79 to 17, with 4 Senators not voting. That was a bipartisan vote.

All of a sudden now the White House is putting on the pressure. I was amused to read in this morning's paper that our good friend, Howard Baker—and nobody loves Howard Baker more than I do [Laughter.]

But here is what Howard Baker is reported to have said in the Republican conference yesterday: "I told them it was not just the President's hide," and that is in brackets—"that the Democrats were trying to nail to the wall. But it is mine, too." [Laughter.]

So Mr. Baker was talking about Howard Baker's hide, not just the President's hide—but Howard Baker's hide. BOB DOLE's hide? No. He did not say that. [Laughter.]

I will tell you whose hide is really being nailed to the wall if this veto is sustained. It is the hide of every householder, every wage earner out there among the 800,000 persons, the individuals whose jobs, whose bread on whose table depends on this vote that is going to occur within the next 5 minutes.

That is the guy whose hide is going to be nailed to the wall, his hide.

So let us not get confused about whose hide is going to be nailed to the wall here.

We have projects waiting to go in my State and every other State. We have over 6,000 jobs at stake in my State. Every Senator here can say the same thing with respect to projects that are ready to go in his or her State. These people can be put to work as quickly as we can cast this vote to override the veto.

But, Mr. President, there are no Republican highways in this country; there are no Democratic highways in this country. Potholes know no party. [Laughter.]

The highways in this country are for the American people, and the vote that we cast today is going to be for the American people or against the American people.

Mr. President, my good friend, the Republican leader, says this is a test of loyalty to the President.

Mr. President, this President is not going to rise or fall based on this vote. There will be other vetoes coming down the road. This is not the final battle of Armageddon. This is not the lay of the last minstrel.

Some Senators would have us believe that this President will rise or fall on the basis of this vote.

Mr. President, we all know this is really not the case.

Isabella in "Measure for Measure," pleading with the Lord Deputy to the Duke of Vienna for her brother's life, said, "Oh, it is excellent to have a giant's strength, but it is tyrannous to use it like a giant."

Mr. President, every President has the constitutional power of the veto. He has the authority to use it. But, Mr. President, think of what the veto is being used for in this instance, if what we hear is the case, that it is a test of loyalty to the President. The veto here is used to show that the President is rehabilitated.

Mr. President, I ask unanimous consent that each side may have an additional minute.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. **BYRD.** Mr. President, they say it is a test of loyalty. Surely, the President's veto is not going to be used in that context. Surely, that is not the case to be made for this veto, that it is a test of loyalty, when it involves so many households, so many family budgets that will be busted if this veto is sustained. And every month that passes is a month out of each householder's budget.

There are those who say, "Well, we can pass it tomorrow." Suppose it were passed a month from now or 2 months from now?

That much of the construction season will be gone and that much of each jobholder's budget is down the drain and lost forever.

Mr. President, in closing, may I say to my good friend, the job you lose may be your own. You can do a favor for a dozen voters out there and they all may go fishing on election day. But you take one man's job and he will remember it, his family will remember it, and he will make sure that his friends will remember it.

Let us cast this vote on the basis of merit, jobs, highways, bridges, lives, safety, the national economy. If the vote is on the basis of merit, then the American people will win today.

I yield the floor.

The **PRESIDING OFFICER.** The Senator from Kansas is recognized.

Mr. **DOLE.** Mr. President, I ask unanimous consent that the letter I received this morning from the President be made part of the RECORD, and also a letter received by the distinguished Senator from Vermont, Senator STAFFORD, from the Secretary of Transportation be made a part of the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, March 31, 1987.

Hon. ROBERT DOLE,
Republican Leader,
U.S. Senate, Washington, DC.

DEAR BOB: I have returned to the Congress without my signature the bill H.R. 2, which authorizes Federal highway and transit programs.

This legislation provides excessive funding for mass transit programs and distributes these funds unfairly to certain cities. It contains provisions to fund an unprecedented 152 "highway demonstration" projects and thereby violates the equitable and correct method of allocating highway funds to the States by formula. It favors major metropolitan areas, such as Boston and Los Angeles, depriving other regions and localities of fair treatment.

Since 1976, I have supported giving States the option of raising speed limits to 65 miles per hour on sections of rural interstate highways. I continue to support that provision today. But, it is a deep disappointment to me that after delaying needed highway legislation for nearly a year and a half, the Congress has been unable to produce a bill that can meet even minimum standards of fiscal responsibility.

The American people have time and again made it abundantly clear that they expect the Federal government to live within its means. On that basis, I strongly urge you to vote to sustain my veto of H.R. 2.

I look to the Senate to sustain my veto and to the Congress to move swiftly to pass responsible highway and transit legislation that I can sign into law.

Sincerely,

RON.

THE SECRETARY OF TRANSPORTATION,
Washington, DC, March 30, 1987.

Hon. ROBERT T. STAFFORD,
U.S. Senate,
Washington, DC.

DEAR BOB: You will shortly be voting on whether or not to sustain President Reagan's veto of the Highway-Transit Reauthorization Legislation. I strongly urge you to sustain his veto.

The President viewed H.R. 2 as bad policy for a number of reasons. It subverts the historic authority of State governments and undermines the 60-year Federal/State partnership under which states have determined the priority of highway projects. Since 1973, there have been only 30 demonstration projects. In this single bill, however, Congress designated 152 such projects. Only three of the 152 earmarked in H.R. 2 were deemed "worthy of study" or evidenced potential national significance.

By earmarking funds to the states for construction of 152 "demonstration" projects, the legislation would not only establish policy to govern the nation's highway program for five years, it would establish Congress as the nation's chief highway engineer. Congress would offer $890 million in new funds outside of budget controls and take $540 million from other categories of funds, such as that which has been used to repair deficient bridges. The total of $1.4 billion would only partially finance many of these projects, leaving to the states—or more likely future Congresses—the problem of providing additional funds. In fact, the total cost to complete these projects is estimated to be $5.5 billion.

It is important to realize that the administration's compromise designates these as "priority projects" for which the states may select from among a number of Federal Highway funding categories. This added flexibility, coupled with the direction given by Congress designating these as priority projects, provides an impetus for states to complete these projects. The Administration alternative preserves the traditional Federal-State partnership, the foundation of the Federal-aid program.

Further, the Conference Agreement would create a new billion dollar highway rehabilitation discretionary fund intended to benefit only a few states, but financed by drawing down funds which historically have been distributed to all states.

The distribution of mass transit funds under the Conference Agreement continues to be grossly unfair to the vast majority of states. In 1986, only 11 cities received 80% of the funds collected from all motorists through the penny of gasoline taxes that is dedicated by law to transit programs. Since 1984, over $3.4 billion collected from motorists in fuel taxes has been authorized for transit programs. Because these funds have not been distributed to all states by formula, this revenue has not been distributed equitably. Under this legislation, Los Angeles alone would receive 14% of the fuel taxes paid by all motorists for a project which is not completely designed and for which the environmental review process is incomplete. The initial cost of this project is approximately $300 million per mile.

I am committed to expeditious enactment of authorization legislation and will do everything reasonably within my power to ensure that funds will be available for use during the impending construction season. Legislation can be enacted quickly that would provide a fairer distribution of gas tax receipts, with more highway money going to states through regular program formula distribution. Similarly in the transit program we can address our transit needs, while distributing gas tax receipts on a more equitable basis and reducing the burden on the General Fund.

Never before in our history has a President been compelled to veto a highway reauthorization bill. But never before has such legislation so diminished the prerogatives of the states and so jeopardized the program. Transportation is too essential to us all to permit such a cavalier attitute in setting a 5-year transportation policy which sacrifices national goals.

With warmest regards,

Sincerely,

ELIZABETH HANFORD DOLE.

Mr. DOLE. Mr. President, I think some have made this a test of loyalty on each side. So the argument that it is a test of loyalty on one side and not the other is probably not accurate. We are not talking about jobs. We are ready to pass the highway bill. We were ready last year and were ready this year. It is not the fault of anybody I know on this side that we did not have the bill here a month ago or 6 weeks ago or even last year.

Mr. President, I would hope we could sustain the veto and pass another bill as quickly as we can.

I share the view of the majority leader about jobs. We do not want anybody to lose their job. But neither do we want a "Dial-a-project" mentality around here where for everyone in Congress adds one and votes to override.

The PRESIDING OFFICER. All time has expired. The question is, Shall the bill pass, the objection of the President of the United States notwithstanding? The yeas and nays are mandatory. The clerk will call the roll.

The legislative clerk called the roll.

The VICE PRESIDENT. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 65, nays 35, as follows:

[Rollcall Vote No. 51 Leg.]

YEAS—65

Adams
Baucus
Bentsen
Biden
Bingaman
Bond
Boren
Bradley
Breaux
Bumpers
Burdick
Chiles
Cochran
Conrad
Cranston
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Durenberger
Exon
Ford
Fowler
Glenn
Gore
Graham
Harkin
Hecht
Heflin
Heinz
Hollings
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Leahy
Levin
Matsunaga
McConnell
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Nunn
Pell
Pressler
Proxmire
Pryor
Reid
Riegle
Rockefeller
Sarbanes
Sasser
Shelby
Simon
Specter
Stennis
Symms
Weicker
Wilson
Wirth

NAYS—35

Armstrong
Boschwitz
Byrd
Chafee
Cohen
Dole
Domenici
Evans
Garn
Gramm
Grassley
Hatch
Hatfield
Helms
Humphrey
Karnes
Kassebaum
Kasten
Lugar
McCain
McClure
Murkowski
Nickles
Packwood
Quayle
Roth
Rudman
Sanford
Simpson
Stafford
Stevens
Thurmond
Trible
Wallop
Warner

The VICE PRESIDENT. On this vote, the yeas are 65, the nays are 35. Two-thirds of the Senators present and voting not having voted in the affirmative, the bill, on reconsideration, fails to pass over the President's veto.

Mr. BYRD. Mr. President, I qualify, having voted for the prevailing side. I move to reconsider the vote.

Mr. DOLE. Mr. President, I sugges the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The bill clerk proceeded to call th roll.

Mr. MOYNIHAN. Mr. President, ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. FOWLER). Without objection, it is s ordered.

The question is on the motion to reconsider.

Mr. BYRD. Mr. President, may we have order in the Senate?

The motion before the Senate is the motion to reconsider, is it not?

The PRESIDING OFFICER. The majority leader is correct.

Mr. BYRD. Well, that is a debatable motion. Oh, no, it is not, because of the time limit on the underlying vote.

The PRESIDING OFFICER. The Chair states that the motion is not debatable.

Mr. BYRD. Yes, because we had entered into a time agreement.

Mr. President, I ask unanimous consent that the motion be debatable.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, reserving the right to object, I would be willing if there were 20 minutes or 10 minutes on a side.

Mr. BYRD. Mr. President, I ask unanimous consent that there be 2½ hours on a side.

The PRESIDING OFFICER. The Chair does not understand the majority leader.

Will the majority leader repeat his request?

Mr. BYRD. My request was that there be 5 hours for debate to be equally divided.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, I object.

The PRESIDING OFFICER. There is an objection. Objection is heard.

Mr. DOLE. Mr. President, will the majority leader yield?

Mr. BYRD. Yes.

Mr. DOLE. Mr. President I would be very happy to work out some reasonable debate time with the majority leader because I know there are Senators moving around this town and some may have logistical problems right now. But we would like to complete action. I wish we would have completed action a few moments ago. We would like to have some reasonable agreement. I wonder if the majority leader would object if we continued the quorum and maybe the two of us could visit about it?

Mr. BYRD. Very well.

Mr. CHAFEE. Mr. President, I do not understand why we are going through this. The majority leader yesterday was extemely anxious to vote quickly and we set it down and we had a vote.

Now there is a discussion of a lengthy discussion further of this measure which everyone knows backwards and forwards.

There is not a single vote going to be changed in further discussion except inconveniencing people who might be going hither or yon, and the matter was set down for a time certain at 11 o'clock. Now it has gone 45 minutes beyond it. I cannot see why. The matter has been disposed of. He has a right to have a reconsideration. So be it.

But I would object to any lengthy discussions such as was further suggested. I am not sure where we are parliamentarywise.

The PRESIDING OFFICER. The majority leader has the floor based on his unanimous-consent request.

Mr. BYRD. The matter is not debatable. If we want to continue this discussion at least 2 or 3 minutes I ask unanimous consent that there be 2 minutes to the side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, will the majority leader yield a moment?

Mr. BYRD. Does the Republican leader wish to have the floor?

Mr. DOLE. I was going to take the 2 minutes.

I am happy to yield.

Mr. BYRD. Yes, I yield 1 minute to the Senator from Michigan.

Mr. RIEGLE. I thank the Senator for yielding.

I want to take issue with the comments of the Senator from Rhode Island because nothing has been settled because we do not have a highway program now because the veto, at least in this initial vote, has been sustained. We do not have a highway program. We have projects all across this country that need to move ahead. We have not had one and we do not have one now. So nothing has been resolved.

The notion that something has been settled is not true. The people of the country I think are deserving of having action that produces a result and the action that was just here now is to prevent anything from happening. So it does not solve any problems.

I yield back the remainder of my time.

Mr. BYRD. I thank the Senator.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas, Mr. Dole.

Mr. DOLE. Mr. President, everyone knew this was going to be a very close vote and it turned out to be fairly close. In my view it is over. We won fair and square. The vote has been taken.

I would hope that we could move on in trying to get another highway bill passed. We understand that maybe one or two of our Members will not be back for 3 or 4 hours. They did not vote with us. We do not have any incentive to wait 3 or 4 hours for them to return.

I certainly want to be reasonable and I know the majority leader has always been reasonable. We had a rather difficult, tense time over this particular vote, and the vote was the veto was sustained.

As I understand, we could agree to the motion to reconsider and vote again on the same issue. I am not certain what would change in that time.

I do not really see any reason for any additional debate. So I would object to any additional time for debate.

Mr. BYRD. Mr. President, do I have any time remaining?

The PRESIDING OFFICER. The majority leader has 1 minute and 18 seconds remaining.

Mr. BYRD. Mr. President, I hope that Senators will allow us to debate. We can wait until later, but I would just as soon use the time for debating this matter. The American people are being shafted by this vote. It is jobs that are at stake. That is what it is. It is jobs. It is highways and bridges and mass transit moneys that we lost.

Mr. CHAFEE. We had a vote.

Mr. BYRD. We did, but the Senator knows the rules. We can have another vote and we may lose again on the next one, but it is the American people who will really lose. We do not have a highway bill and that highway bill is not going to be revived in 1 day or 1 week or 2 weeks or 3 weeks and meanwhile the construction season is slipping away, time is running.

Mr. President, I do not want to have to move to adjourn for a few hours or until tomorrow so I hope that we will get a time agreement for debate on this matter.

I ask unanimous consent, Mr. President, that there be——

The PRESIDING OFFICER. The Senate will be in order.

Mr. BYRD. I ask unanimous consent that there be—we can either have 3 hours to the side or we can go over until tomorrow and start over.

I ask unanimous consent that there be not to exceed 3 hours to the side for debate. Will that be agreeable?

Mr. DOLE. I am afraid not. Let me say to the distinguished majority leader that I am hearing——

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. I hear a lot of voices say "I am going to object." I would rather they do it through me. I am advised there will be objection, at least one or two. Maybe the only alternative would be what the majority leader suggested earlier, have a vote on the motion to adjourn, I suppose.

Mr. BYRD. We could do that, but I would rather spend the time telling the American people what is at stake a little longer, hoping that Senators might be persuaded by the people out there, the constitutents whose votes count.

Mr. METZENBAUM. Mr. President, will the minority leader yield for a question?

Mr. BOSCHWITZ. Regular order.

Mr. DOLE. If I have time I will be happy to yield.

The PRESIDING OFFICER. The Senator is right. The Senate is not in order.

Mr. BOSCHWITZ. Regular order, Mr. President.

The PRESIDING OFFICER. Regular order will be maintained.

The majority leader has 47 seconds remaining. Senators please take their seats.

Mr. BYRD. Mr. President, I am going to suggest the absence of a quorum. I hope that there will be some time for debate on this motion to reconsider. If there is, it will have to be done by unanimous consent. I hope we can spend the time debating rather than in being out of session.

Does the Republican leader wish me to yield to him before I suggest the absence of a quorum?

Mr. DOLE. No.

Mr. BYRD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

(During the quorum call the Chair was occupied by Senators Dixon, Pryor, and Breaux.)

Mr. BYRD. Mr. President, I ask unanimous consent that the call for the quorum be rescinded.

The PRESIDING OFFICER (Mr. Adams). Without objection, it is so ordered.

Mr. DOLE addressed the Chair.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia, the majority leader, is recognized.

Mr. BYRD. Mr. President, I ask unanimous consent that there be a time for debate on the motion to reconsider 20 minutes, 10 to the side.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, reserving the right to object, and I will not object, I did want to indicate, since I believe the matter has been resolved, that I may make some motions at the end of the debate on the motion to reconsider, a motion to postpone indefinitely, or a time certain, but I have no objection to the request.

Mr. BYRD. Mr. President, every Senator is within his rights, of course, and we will just proceed precisely by the rules of the Senate. I think we have to proceed from that standpoint.

Mr. DOLE. I have no objection.

The **PRESIDING OFFICER**. Hearing no objection, it is so ordered. Who yields time?

Mr. **BYRD**. Mr. President, I yield 10 minutes to the Senator from North Carolina.

Mr. President, before I yield those 10 minutes, however, let me say that I hope we can get on with the motion to reconsider after 20 minutes, and if that is the case there would be the vote on the motion to reconsider. And then the vote would occur on the motion to reconsider. If that vote carries, then the Senate will be back on the override of the President's veto. I yield 10 minutes or whatever time within that 10 minutes the distinguished Senator from North Carolina [Mr. SANFORD] would require. And may we have order in the Senate.

The **PRESIDING OFFICER**. The Senate will be in order. The Senator from North Carolina.

Mr. **SANFORD**. Mr. President, since the vote this morning, I have talked to and been talked to by a number of Senators, including Republican Senators, who make the point that somehow we need to find a way to get this bill back on the track, to begin construction of highways across the Nation. There is a feeling that maybe there is a better way than what we did today, if we can reconsider it. In talking to my colleagues and in listening to them, I have decided that I will, when the vote is called, vote to reconsider, for four reasons.

First of all, I think it was very important, from my point of view, to vote on the veto this morning the way I had said I would vote. A number of people were relying on my word, and I felt I had no choice but to carry out my word. I had made commitments to people in North Carolina; and while I had not specifically made commitments to people in Washington, certainly people in Washington had relied on my statement, and I felt that I was compelled to live up to it.

Now, in talking to others, I decided we ought to—and I have—think a little more deeply about the implications of this veto override. This became a vote to support the President, and it was presented in that way mostly, but not entirely, to those of this body who were on the Republican side. I think it was quite right that the President and the White House put great stock in this vote.

The President needed to make a point, the White House thought, that he is still effective. He has indeed now made that point, and in view of that accomplishment, I think it is worth looking one more time at what is before us. The President made his point in a very effective way. He made it showing strength; he made it showing that he had the spunk and the will and the capacity to get things moving again; and I, for one, am glad that he did. I am glad that he had that victory. I am glad because I think we need a strong, effective President, and I want our President to be effective. I want him to be effective as we look now at the great problems this Nation continues to face.

So I am not sorry at all that I had a hand in making that possible. However, having done that, we must ask ourselves how we can show the kind of leadership the Nation needs? What must we do now? We have proved that the President is here to lead. We have proved that the President has the capacity. We have proved that the President is going to be an effective President for the rest of this term, if indeed that was the purpose of the vote; and whether or not that was the purpose, that aim has been achieved.

Now, the other reason I voted as I did was that I have been disturbed that North Carolina, over the years, has not received its fair share of Federal funds. It has been an issue in my State recently that North Carolina is at the bottom of the list in Federal funds returned to the States. Not only have we been at the bottom of the list generally, but for 30 years we have consistently, year in and year out contributed our highway tax dollars to other States. We have never been a recipient State. We have always been a donor State; and except for 2 years, our share has always been under 85 percent of what we contributed.

So I wanted to make that point, and I will come back to it. Second, as I reflected on my vote this morning, and after having listened to people who had voted on both sides of this question, I began to think of my responsibility and my position, not just as a Senator from North Carolina, but as a U.S. Senator. As was contemplated by the Founding Fathers who drew the Constitution, the Senate, of course, was to represent individual States, but it was to be a body that was to have both a national and an international outlook.

Consequently, I began to evaluate very carefully and consider what I already knew: that without a highway bill our unemployment problems and the problems of delayed construction that will indeed cause additional unemployment and will only worsen, I don't believe the President wants that to happen. I for one certainly do not want this to happen.

I know something about unemployment. I know something about unemployment in North Carolina, where, because of what I consider a faulty textile policy, we have unemployment, and the suffering and disruption of families that goes with it. I take very seriously our responsibility to maintain a strong economy and to be concerned with unemployment. I think there is not any question that we need now, on reconsideration, to think very seriously about the impact of unemployment, the impact of not getting started before time runs out for construction to get under way.

Having made an important statement about the Presidency I think we need to make an equally strong statement about these thousands and thousands of working people and their families all across the Nation. What about them, and what does this do to them? If this is not quite as good a bill as it ought to have been, is it good enough, measured against the costs to these families if we do not now concern ourselves with them? So I want us to reconsider so that we can think again about those people and their families.

Third, I come back to North Carolina, because I do not intend to be here in this body and not be concerned about North Carolina. I do not intend to go along with those pieces of legislation that continue to leave North Carolina out. We are a big State; we are a growing State. We are the 10th largest. We have an excellent highway system, started in the early 1920's, when North Carolina was the first State in the Union to have a statewide highway bond issue to build roads all across the State, and our concern about having good roads has never diminished

So I intend to do all I can to see that North Carolina gets its fair share of funds. That was the point I wanted to make, and I think I have made it. I think it is understood now that I am not going to be here without continuing to make that point.

Finally, there is one other thing that disturbs me about this piece of legislation, which caused me to vote as I did. I think it is a shameful practice that people sitting in Congress decide highway projects and where those projects ought to be placed. Those priorities ought to be left to the professionals within the respective States.

In North Carolina, we do not permit the State legislature to make these decisions; there is no good reason they should be permitted to be made way up here in Washington.

So I will present legislation with sufficient details so that any one Senator can object if at any time, in any future highway construction bill, there is any special project authorized that ought in that Senator's view to be left to professional decisionmakers within the respective States.

So, with those four thoughts in mind, I think I have done my duty, Mr. President. I think I have kept my word. I think I have served my Nation.

With pressure from no one, but with the thoughtfulness that comes from listening to and considering carefully the views of others, I shall now vote to reconsider. The President, with the help of this body, has indeed made the point that he is here to lead.

Unemployment does indeed also need our deep concern.

I have made my point about North Carolina, and I have made my point that this is no way to divide up highway money.

Accordingly, I hope my colleagues will understand that I am doing my duty as I see it when I now announce that I will vote to reconsider.

Thank you.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Vermont.

Mr. STAFFORD. Mr. President, how much time remains to the minority side?

The PRESIDING OFFICER. The Senator from Vermont has the full time, which was 10 minutes.

Mr. STAFFORD. Mr. President, it is the understanding of the Senator from Vermont that the Republican leader wishes to consume this time, and I expect momentarily he will be back on the floor of the Senate to do so.

Mr. BYRD. Mr. President, I ask unanimous consent that the time of the distinguished Republican leader not run.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Kansas, the minority leader, is recognized.

Mr. DOLE. Mr. President, as I understand the time situation this side has 10 minutes and the 10 minutes on that side have been used. Is that correct?

Mr. BYRD. Yes.

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. I am only going to take about 5 minutes, but I would like that 5 minutes to start in 5 minutes, if there is no objection.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. No objection. That is fine.

The PRESIDING OFFICER. I understand the minority leader has requested that he would like 5 minutes and start in 5 minutes; is that correct?

Mr. DOLE. I am not certain why.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Republican leader is notified that the 5 minutes have elapsed.

Mr. DOLE. Mr. President, I thank the Presiding Officer.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, let me indicate that I have no quarrel with my friend, the Senator from North Carolina. I know the immense pressure that he was getting. I could see. I witnessed a lot of the pressures. And I do not second-guess why people vote or change their minds. Others may change their mind before the day is over.

But this is a very important issue. I think it is clear now that in this case party loyalty is important, as it should be. It was 13 Republicans to 1 Democrat voting against their party. Now it is 13 to 0.

I am still trying to encourage some on my side that this is not a partisan issue—that it is a question of whether or not the President of the United States can have his veto sustained.

Now I can direct my remarks solely to the Republican side, because there are 46 of us and we only need 34. And I do not quarrel with anyone on the other side. I have the highest regard for everyone on the other side.

But I am not yet convinced that we cannot find another vote on the Republican side. It seems to me that it was all over 4 hours ago by the vote, fair and square. The veto had been sustained. And I certainly do not quarrel with the distinguished majority leader for trying to turn that around, and maybe successfully.

But now we can get down to the nitty-gritty of loyalty and support for the President. And if there is going to be any, it is going to come from this side of the aisle. That is obvious.

Right now, the President is airborne. He is on his way back from Philadelphia. We may need his help when he touches down. He may not touch down for another hour.

Now that the shoe is on the other foot, we are not quite ready to vote, because I think I can calculate the vote. It looks like about 67 to 33 if we did it immediately, and it may be 67 to 33 if we would do it at 6 o'clock or 7 o'clock or 8 o'clock.

But hope springs eternal. And since we have won, although it may be short lived, when the time expires I will move to indefinitely postpone the motion to reconsider. I think it ought to carry and the results this morning ought to stand. I hope, in a spirit of bipartisanship, everyone will vote for the motion. I have some doubts that will happen, but it could happen.

Has the time expired?

The PRESIDING OFFICER. The Senator has a minute and 24 seconds.

Mr. DOLE. Let me yield that back.

The PRESIDING OFFICER. Time is yielded back.

Mr. DOLE. Then I move to postpone indefinitely the motion to reconsider.

Mr. BYRD. Mr. President, I move to lay that motion on the table and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question occurs on the motion to table the motion of the Senator from Kansas to indefinitely postpone. The vote occurs on the motion to table. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 61, nays 39, as follows:

[Rollcall Vote No. 52 Leg.]

YEAS—61

Adams
Baucus
Bentsen
Biden
Bingaman
Boren
Bradley
Breaux
Bumpers
Burdick
Byrd
Chiles
Conrad
Cranston
Danforth
Daschle
DeConcini
Dixon
Dodd
Durenberger
Exon
Ford
Fowler
Glenn
Gore
Graham
Harkin
Hecht
Heflin
Heinz
Hollings
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Leahy
Levin
Matsunaga
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Nunn
Pell
Pressler
Proxmire
Pryor
Reid
Riegle
Rockefeller
Sanford
Sarbanes
Sasser
Shelby
Simon
Specter
Stennis
Weicker
Wirth

NAYS—39

Armstrong
Bond
Boschwitz
Chafee
Cochran
Cohen
D'Amato
Dole
Domenici
Evans
Garn
Gramm
Grassley
Hatch
Hatfield
Helms
Humphrey
Karnes
Kassebaum
Kasten
Lugar
McCain
McClure
McConnell
Murkowski
Nickles
Packwood
Quayle
Roth
Rudman
Simpson
Stafford
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Wilson

So the motion to lay on the table the motion to indefinitely postpone was agreed to.

Mr. DOLE. Mr. President, I move to lay the motion to reconsider on the table. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER (Mr. GRAHAM). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 36, nays 64—as follows:

[Rollcall Vote No. 53 Leg.]

YEAS—36

Armstrong
Boschwitz
Chafee
Cochran
Cohen
D'Amato
Dole
Domenici
Evans
Garn
Gramm
Grassley
Hatch
Hatfield
Helms
Humphrey
Karnes
Kassebaum
Kasten
Lugar
McCain
McClure
Murkowski
Nickles
Packwood
Quayle
Roth
Rudman
Simpson
Stafford
Stevens
Symms
Thurmond
Trible
Wallop
Warner

NAYS—64

Adams
Baucus
Bentsen
Biden
Bingaman
Bond
Boren
Bradley
Breaux
Bumpers
Burdick
Byrd
Chiles
Conrad
Cranston
Danforth
Daschle
DeConcini
Dixon
Dodd
Durenberger
Exon
Ford
Fowler
Glenn
Gore
Graham
Harkin
Hecht
Heflin
Heinz
Hollings
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Leahy
Levin
Matsunaga
McConnell
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Nunn
Pell
Pressler
Proxmire
Pryor
Reid
Riegle
Rockefeller
Sanford
Sarbanes
Sasser
Shelby
Simon
Specter
Stennis
Weicker
Wilson
Wirth

So the motion to lay on the table the motion to reconsider was rejected.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Republican leader.

Mr. DOLE. Mr. President, I move to postpone the vote on the motion to reconsider until 10 a.m. tomorrow, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, I move to table that motion, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll on the motion to table the motion to delay consideration of the motion to reconsider until 10 a.m. tomorrow.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Wyoming [Mr. WALLOP], is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 62, nays 37, as follows:

[Rollcall Vote No. 54 Leg.]

YEAS—62

Adams
Baucus
Bentsen
Biden
Bingaman
Bond
Boren
Bradley
Breaux
Bumpers
Burdick
Byrd
Chiles
Conrad
Cranston
Danforth
Daschle
DeConcini
Dixon
Dodd
Durenberger
Exon
Ford
Fowler
Glenn
Gore
Graham
Harkin
Hecht
Heflin
Heinz
Hollings
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Leahy
Levin
Matsunaga
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Nunn
Pell
Pressler
Proxmire
Pryor
Reid
Riegle
Rockefeller
Sanford
Sarbanes
Sasser
Shelby
Simon
Stennis
Weicker
Wilson
Wirth

NAYS—37

Armstrong
Boschwitz
Chafee
Cochran
Cohen
D'Amato
Dole
Domenici
Evans
Garn
Gramm
Grassley
Hatch
Hatfield
Helms
Humphrey
Karnes
Kassebaum
Kasten
Lugar
McCain
McClure
McConnell
Murkowski
Nickles
Packwood
Quayle
Roth
Rudman
Simpson
Specter
Stafford
Stevens
Symms
Thurmond
Trible
Warner

NOT VOTING—1

Wallop

So the motion to table the motion to postpone the motion to reconsider until 10 a.m. tomorrow was agreed to.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for quorum call be rescinded.

The PRESIDING OFFICER (Mr. BINGAMAN). Without objection, it is so ordered.

RESTORING RURAL PROSPERITY

Mr. BURDICK. Mr. President, the 1985 farm bill was a compromise conceived in controversy. Congress tried to write a bill that would achieve several different goals simultaneously. Two main purposes of the bill—to help family farmers caught in the squeeze between falling commodity prices and high debts, and to lower the prices of American farm commodities to make them more competitive in world markets—may in the long term be the same, but in the short term, they conflict.

The 1985 farm bill has helped some farmers. There is some cautious optimism again in my State. Yet, despite some positive aspects of the law, farmers have encountered problems that should be corrected. The law created new equities and added peculiar distortions to the market, when it should be making the market more fair and less uncertain. It has rewarded some farmers for bad decisions in the past, while penalizing others for good management. It has encouraged farmers to "farm for the government," growing surplus crops to qualify for more government payments, instead of encouraging farmers to make prudent economic decisions on what crops to plant and how to use their land. It has paid huge sums to big corporate farms and investors, while hard-working farm families still struggle to make a living. And it failed to deal with critical credit problems that still face many farm families who are trying to keep their farms.

The law also falls short of restoring prosperity in rural America. Net income per North Dakota farm in 1984 was less than half the 1974 figure, and yet, gross income more than doubled. In other words, farmers in my State are working twice as hard for one-half the income. Meanwhile farm debt increased, as did the average ratio of debts to equity.

I am sympathetic to farmers who have contacted me to urge that Congress not change the 1985 farm bill. They say we should leave the programs alone so farmers can plan their operations for the future. They fear Congress will do more harm than good if the law is reconsidered. I understand their frustration, and I share their fear.

However, it seems likely that changes in the law will be considered. Several changes have been proposed. I believe it is in the best interest of American agriculture that a full range of options be reviewed. Despite the law's success in some areas, it still falls short of our goals in others.

Mr. President, for my part, I am concerned that American farmers are becoming captives to the caprices of politicians and bureaucrats. Farmers need a program based on common sense, one with flexibility so that it can adjust to changes in the world economy, one that compensates for the uncertainty of the market.

Our programs should be simple, clear, and fair. They should be less costly and more targeted than current law. They also should offer price supports that more realistically reflect the cost of production on family farms.

I plan soon to introduce a farm package that will correct some of the shortcomings of the 1985 farm bill. It will maintain income support for farm families while allowing our grain prices for export to adjust to competitive levels in world markets. These are the key elements of my package:

A marketing loan for wheat, corn, soybean, and sunflower that would target support to family-sized farms, and as a byproduct of the loan limit, discourage over production.

A resolution calling upon the Secretary of Agriculture to propose to the other major grain exporting nations that we begin negotiations on an agreement to establish market shares and limit agriculture production in our countries.

A bill requiring that all food imports to the United States be labeled to identify them as imported and to indicate their country of origin.

A bill to require that the Commodity Credit Corporation pay rates for the storage of grain on farms that are no less than the rates the Corporation pays for storing grain in commercial storage facilities.

A bill to require that the Farmers Home Administration and the Farm Credit System cooperate in good faith with State farm loan mediation programs. The bill also would require that FmHA allow borrowers facing an acceleration of their account to choose more than one servicing option, instead of the current practice of restricting borrowers to only one option. And the bill would require that FmHA offer a program of debt restructuring prior to acceleration or liquidation, including a write down of loans to the current assessed value of the real estate.

The marketing loan would be in effect for the 1988-92 crop years. The loan rates would be set at not less than 9 cents per pound for sunflower, $5 per bushel for wheat and soybean, and $3.50 per bushel for corn.

Farmers may repay the loan at the lesser of the loan rate, or the prevailing market price at the county. The loan would be targeted to family size farmers by capping the total amount in loans that any farmer could receive at $150,000.

To be eligible for loans, farmers would be required to have and carry out an approved conservation plan. They also would be required, if they desire support on wheat and corn, to participate in a set-aside program of 20 percent for corn and 25 percent for wheat, based on total tillable acres.

Farmers could produce more grain if they desired, but at their risk. It is my expectation that farmers may voluntarily decide not to produce beyond the volume that is eligible for loan.

This proposal meets my criteria for simplicity and realistic price-support levels. The program is targeted to family sized farmers who are the backbone of American agriculture.

Furthermore, the program would give farmers the freedom to make their own decisions on how to manage their farms. It ties benefits to actual production and does away with base and yield formulas that bedevil farmers, distort land values, and create inequities among farmers.

Mr. President, a great economic resource—America's family farms—is being neglected. Despite the efforts in 1985 to shape the farm bill that would assist farmers through the changes in agriculture, the financial hardships have not ended. The true potential of our Nation's vast economic strength cannot be fully realized if such a fundamental segment of our economy as agriculture continues to suffer. North Dakota last summer experienced an 8.8-percent fall in personal income, the biggest drop in the Nation. The troubles in the farm economy are to blame.

As we consider the many farm proposals before us this year, I hope we will put aside our partisan and ideological differences and work together on a farm policy that is more than just compromise, but a real attempt to restore prosperity in rural America.

ELK POINT AND VERMILLION HIGH SCHOOL STUDENTS FIGHT AGAINST DRUGS

Mr. DASCHLE. Mr. President, I am pleased today to recognize the efforts of a group of enterprising high school students who seized the initiative on the fight against drugs. Student council leaders from Elk Point and Vermillion High Schools in South Dakota organized a four-State leadership seminar which involved 27 school districts and featured methods of combating drug abuse. The efforts of these fine young men and women should be commended and serve as an example of what can be accomplished with hard work and enthusiasm.

The Student Council Leadership Conference on Chemical Abuse Prevention took place in February 1987 on the campus of the University of South Dakota. Student leaders from South Dakota, Nebraska, Iowa, and Minnesota participated in this seminar, which included large group activities, video-tape presentations, a panel discussion headed by reformed teenage drug abusers, and smaller lectures aimed at specific goals. The conference proceeded smoothly and successfully, much to the credit of the students from Vermillion and Elk Point High Schools, who spent almost a year planning the event.

I would like to recognize the students and faculty who were responsible for organizing this conference.

Dennis Jensen, the superintendent of the Elk Point Public Schools, should be commended for lending support to this admirable effort. His encouragement was instrumental in the success of the conference. In addition, Carol Homandberg of the Southeast Area Drug Prevention Resource Center helped plan the event and contacted many of the key speakers and lecturers.

I would especially like to commend the student leaders who organized this conference. Their willingness to take on additional work and their enthusiasm for such a noble purpose merit our acknowledgement.

From Elk Point High School, the following student council leaders were involved in the project: Michelle Cody, Lori Kooiman, Dana Abraham, Tony Klein, Mark Skinner, Chad Teply, Erica Klein, Larry Schmitz, Greg LaBrune, Renae Rosenbaum, and Eric Abraham.

From Vermillion High School, these student council leaders were involved: Jill Anderson, Nicole Levison, Carol Voss, Kitty Bartels, Troy Gregoire, Deb Miller, Keith Mockler, Desha Bymers, Peggy Whittmeier, Marshall Lavin, Todd Schott, D.J. Peterson, Jill Miller, and Angie O'Connor.

These students showed an extraordinary dedication to a very difficult task. Their hard work and commitment have contributed greatly to the prevention of drug abuse, and I applaud their efforts.

The seminar was a tremendous success for all 27 school districts involved, and planning has already begun for future conferences. I hope that other schools will launch similiar efforts to alert our children to the hazards of drug abuse. These students deserve our respect and recognition, and I am proud that such a worthy project was initiated in our South Dakota schools.

PIPELINE SAFETY ACT

Mr. DASCHLE. Mr. President, I rise to support the Pipeline Safety Act of 1987, introduced by Mr. DURENBERGER of Minnesota. Like our neighbors in Minnesota, we in South Dakota have experienced extremely dangerous petroleum spills in South Dakota and have discovered that existing Federal regulation is woefully inadequate to detect, prevent, and correct such spills. The amendments to the Hazardous Liquid Pipeline Safety Act being proposed today will go a long way toward strengthening existing law and preventing future hazardous waste discharges from our Nation's pipelines.

My interest in this issue was heightened by a recent tragedy in my home State of South Dakota. Last September it was disclosed that at least 20,000 gallons of gasoline had slowly leaked from an above-ground petroleum storage tank in Sioux Falls, SD. That spill was not discovered until the underground water table was completely contaminated and gasoline fumes infiltrated the Hayward Elementary School to the point where school children, were evacuated immediately and the building was permanently condemned.

A second spill of 8,000 gallons of petroleum was reported on March 11, 1987. That spill was the result of a burst pipe on the same tank farm in Sioux Falls. This spill immediately soaked into the ground and was floating on top of the underground water source within a day. The gasoline is reported to be moving toward a nearby housing development and may eventually force the relocation of 100 or more families. It is not yet clear whether water in this aquifer can be used by Sioux Falls residents in the foreseeable future.

When local officials sought assistance from the Federal Government in the wake of the spills, they were told that there was very little the Federal Government could have done to prevent the burst pipe, under existing statutory authority. Moreover, the Environmental Protection Agency and the U.S. Department of Transportation have indicated that they do not have the authority to oversee the cleanup of the above-ground storage tank. It is clear that we need to strengthen our laws to ensure that these dangerous petroleum discharges can be prevented, detected, and controlled before people and the environment are endangered.

I am currently in the process of drafting legislation which will regulate above-ground petroleum storage tanks in exactly the same manner as underground tanks are currently regulated. In addition to my proposed legislation dealing with storage tanks, I urge my colleagues to support this legislation to strengthen laws regulating pipelines transporting petroleum and other hazardous materials.

If any of my colleagues doubt the need for regulation of petroleum pipelines, I would like to invite them to come with me to Sioux Falls. Because of the storage tank spill and the pipeline rupture, we now face the unpleasant prospect of busing our children to distant schools, helplessly watching local property values plummet, and living with a contaminated water supply for some time to come. Had this legislation been in force, we might very well have prevented this tragedy.

This legislation is a responsible means to ensure that our environment and our people are spared the damaging affects of discharges from pipelines carrying hazardous liquids. Among other things, it requires the Department of Transportation to set up performance standards for new pipelines, and requires stringent testing of existing piping every 3 years. It also requires that operators clean up any spills, maintain insurance to pay for the cleanup of any release, and compensate any third parties that experience physical or financial harm as a result of a pipeline discharge.

There are those who will say that we don't need more Government regulation of above-ground storage tanks and hazardous liquid pipelines. I will grant you that even the most responsible regulation can be a bit of a nuisance for the petroleum industry. But the legislation Senator DURENBERGER proposes today and the bill I plan to introduce very soon to regulate petroleum storage tanks will not be affronts to the many petroleum suppliers that minimize accidents with their own "in-house" prevention and detection procedures. I maintain that the protection of our environment and maintenance of the health and safety of our people outweigh any arguments put forth by those few suppliers who fear public oversight of their operations.

Mr. President, we have been lucky in South Dakota in that nobody has become seriously ill from inhaling gasoline fumes or from drinking contaminated water as a result of the petroleum spills we have experienced in the last few months. Future Americans may not be so lucky if we do not institute a comprehensive policy to avoid these types of spills. With the passage of the Pipeline Safety Act and legislation to regulate above-ground petroleum storage tanks, we can take steps to ensure that our environment is preserved for future generations of Americans and that our people are protected from the dangerous effects of hazardous material spills. I hope my colleagues will join us in that effort.

DAVID HAASE, SOUTH DAKOTA VOICE OF DEMOCRACY SPEECH WINNER

Mr. DASCHLE. Mr. President, I would like to share with my colleagues an enlightening speech that a young man from my home State of South Dakota presented in the Voice of Democracy speech contest. The author, David Haase of Scotland, SD, is the South Dakota Voice of Democracy speech winner.

I am very proud of this young man. He has written an inspiring speech that asks us all to reflect upon our commitment and dedication to our gift of American citizenship. He honors our veterans and challenges his peers. I look to the future with excitement and pride knowing that young people like David care and, if I may borrow David's words, think of America not only as their country, but as their home.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE CHALLENGE OF AMERICAN CITIZENSHIP

One person I will never forget is an all state football player that taught me the true meaning of the word challenge. This guy was six foot three inches tall, 235 pounds, and was offensive tackle for an opposing team. This was the man I was going to compete against all night. If I was to do my job, it was going to require concentration, an attitude that wanted to succeed, and a physical effort like none before. To do my job in that game was a challenge.

When I first thought of the challenge of American citizenship, I questioned what a challenge really was. I consulted a Webster dictionary on this matter, and it told me that a challenge was anything that claims or demands effort, interest, or feeling.

I could easily see where playing against an excellent player in football was a challenge, but I couldn't quite make the connection between being an American citizen and facing a challenge. History is the best teacher, so I began to think what challenges were encountered since the conception of our nation.

Thomas Jefferson overcame the challenge of justifying America's independence from England and did so in such a eloquent manner that the pattern for the Declaration of Independence was and is being used by countless other countries in their own Declarations.

George Washington, during the revolutionary war, overcame the tremendous odds of fighting a war where his enemy had all the advantages. The advantages of many supplies, trained men, and experienced leadership for the British all counted against the success of this young general. He also overcame the challenge of having no example to follow in his role of President, but through his sincerity and foresight he laid the groundwork for the actions of presidents to come.

Abraham Lincon gives us probably the best example of facing up to a challenge and overcoming it. He preserved the union of the United States during the Civil War and conducted a bitter war without becoming bitter himself. President Lincoln shows us one of the greatest qualities needed when facing a challenge, and that is you must care about the outcome. He cared that the union stayed together, and he acted upon that by never giving up in his belief that the North would prevail and thereby preserve unity.

No group of people do we owe so much to as we do the the thousands upon thousands of veterans of our armed forces. The veterans are the perfect example of transforming thoughts and beliefs into actions. These people gave their time, their efforts, their ideas, their health, and some, even their lives just so we could keep those freedoms of which we are so proud of and that our forefathers fought so hard to gain.

What I have learned from my study of challenges throughout time is that no matter what the odds are against me, I must care enough to keep this country and its ideals alive. But caring is not enough. I must protect the freedoms given to me by my American citizenship by practicing those freedoms. The veterans of the United States armed forces did not give their lives so we might just sit back and let our indifference tranquilize us into thinking that our future is paid for because of past accomplishments. Just as a muscle in a cast degenerates from lack of use, rights and freedoms given to us, if not exercised and taken advantage of, will begin to weaken and eventually disappear. Thomas Jefferson did not sit back and hope the English would understand our country's need for independence; instead he put his idea in writing so all people might understand. George Washington did not give up when he suffered his first defeat; instead he dug in his heels and led the colonial forces on to victory. Many more examples can be given, but there are three qualities that link all people that overcome challenges together, and those are: each person cared, each person made a decision or commitment, and each person acted upon his decision or commitment without looking back.

The challenge of American citizenship for me is to keep America what it was meant to be; a place where anything is possible, a place where the rights of all people to life, liberty, and the pursuit of happiness are guaranteed, and a place that is not only a country, but a home.

SENATOR EDWARD ZORINSKY

Mr. INOUYE. Mr. President, I join my colleagues in paying special tribute to a committed public servant. The sudden passing of Edward Zorinsky has left a void in the hearts of those who knew him. As a native Nebraskan, Ed began his distinguished political career as the mayor of Omaha. He relied on his inborn common sense, placing the interests of the people of Nebraska and the Nation above partisan politics.

Ed Zorinsky was a vigorous advocate of the American farmer. His commendable efforts included the expansion of credit for needy farmers, and the electrification of rural America. Ed's perseverance was instrumental to the passage of the last two farm bills.

Ed Zorinsky was also a dedicated member of the Foreign Relations Committee where he carried out his responsibilities with compassion and integrity. His reliance on common sense enabled him to get to the heart of difficult foreign relations matters with ease.

We must not forget the vitality and conviction Ed Zorinsky displayed throughout his tenure in the U.S. Senate. Harry S. Truman once remarked, "The American people desire, and are determined to work for, a world in which all nations and all people are free to govern themselves as they see fit and to achieve a decent and satisfying life." This epitomized Ed Zorinsky.

Ed left an unfinished agenda which we should carry on. This will enable us to keep his memory vibrant in the Halls of Congress. I offer my warm prayers and aloha to Ed's wife Cece and their children.

NUCLEAR AGE SURVIVAL REQUIRES BOTH ARMS CONTROL AND DETERRENCE

Mr. PROXMIRE. Mr. President, do we live in the most dangerous period in the history of mankind on Earth? Certainly. Never before has man had within his capability the power to destroy all civilization and very possibly end the life of mankind as a species on this planet. Think of it: With every day that passes both superpowers continue to add to their already obscenely massive nuclear arsenals. With each passing month the United Kingdom, France, and China build up their smaller but immensely lethal stockpile of nuclear weapons. These United Kingdom, French, and Chinese weapons could already eliminate tens of millions of people from the Earth in a matter of hours. And with every day that passes other countries move toward building their nuclear weapon capability. There is Israel. There is Pakistan. There is India. There is Brazil. There is Argentina. Each of these countries have or will have in time—and a very short time—their own nuclear weapons. As the research and development and especially the testing of nuclear weapons proceeds in the great laboratories of the superpowers smaller, cheaper nuclear weapons will be coming on made to order for the Third World countries. Some of those countries are looking for the "equalizer" that will enable them to take out the capital of a superpower and deal them in as a power that must be recognized and negotiated with.

It has been 7 years since the United States and the Soviet Union last negotiated any kind of an arms control agreement. Meanwhile one crucial arms control agreement—the second Strategic Arms Limitation Treaty [SALT II] has lapsed. And with its death we have lost any significant limitation on offensive nuclear arms by either superpower. The other major arms control agreement between the United States and the Soviet Union: the Anti-Ballistic Missile [ABM] Treaty has become the prime intended victim of the American administration's No. 1 military priority, the strategic defense initiative [SDI]. If this country proceeds as the administration is urging it to do with SDI, the ABM Treaty will be dead.

So arms control is not just stalled. It is worse. Much worse. The superpowers have been giving up the modest but critical progress of the past 25 years. The nuclear arms race has moved relentlessly ahead. Arms control has faded. In these dangerous circumstances. Where do we go from here? One wise and thoughtful answer comes from a former Secretary of Defense. Writing in the March 1987 edition of Arms Control Today Robert McNamara proposes that arms control should aim at "a state of mutual deterrence at the lowest levels consistent with stability." In the judgment of this Senator Secretary McNamara is exactly right. Arms control should have two objectives that both contradict and reinforce each other. First we should negotiate agreements to restrict the super power nuclear arsenals to the most stable weapon systems. That is nuclear weapons that are as survivable as possible and therefore do not have to be fired first because of a "use it or lose it" fear. Their survivability is crucial. It is the survivability of these weapons that provides the strongest kind of credibility to enhance deterrence.

For example both adversaries know that the prospect for eliminating all or even most of a substantial fleet of submarines or bombers in a preemptive attack is virtually nil. Even land based single warhead missiles could be highly survivable provided they were mobile. Mobility provides the kind of survival that SDI purports to provide but can't possibly deliver.

The second objective of arms control proposed by Secretary McNamara is a reduction in the number of nuclear missiles in the arsenals of both superpowers. Mr. McNamara wisely makes this objective one that must be consistent with stability—that means survivability. Both powers must maintain a sufficient number of sea, air and land based nuclear weapons so that the adversary will in fact be deterred. With full use of mobility and a triad deployment—that is land, sea, and air deterrence could be maintained at far lower levels than each superpower carries now in its nuclear arsenal. As McNamara points out the aborted negotiations at Reykjavik for substantial reductions in strategic offensive forces suggest an important part of the way to go.

The leader of each of the superpowers has suggested the tempting, tantalizing pie-in-the-sky dream of abolishing all nuclear weapons from the face of the Earth. Unfortunately the whole course of human history teaches us that realistically this can only happen under two terrible conditions. Condition one is that the superpowers develop even more deadly weapons—for example an antimatter bomb with infinitely more devastating destructive power than our current nuclear weapons. Such new weapons would make nuclear weapons obsolete the way gun powder eliminated cross bows. Condition two for the elimination of nuclear weapons is a nuclear war that would destroy civilization utterly to the point where the few primitive survivors could not understand or fabricate nuclear weapons.

The honest and realistic way to go is to acknowledge that nuclear weapons are here. They cannot and will not be disinvented. Therefore we must not only have arms control to limit the nuclear arsenals on both sides, but we must have nuclear weapons of sufficient credibility—and that means survivability—that neither superpower will initiate a strike with the firm knowledge that such a strike would surely bring mutual suicide.

Mr. President, I ask unanimous consent that the article to which I have referred from the March 1987 issue of Arms Control Today be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Arms Control Today, March 1987]

REYKJAVIK: BREAKTHROUGH OR BLUNDER?

(By Robert S. McNamara)

The arms talks now under way between the United States and the Soviet Union represent an historic opportunity to move away from the ad hoc decision-making that has shaped nuclear forces since Albert Einstein sent his historic letter to President Roosevelt in 1939. Einstein warned Roosevelt it was essential the United States move quickly to develop the nuclear bomb. In the half century that has elapsed since the letter was written, the world's inventory of such weapons has increased from zero to 50,000. The two great power blocks, not yet able to avoid continuing political conflict and potential military confrontation, face each other with nuclear war-fighting strategies and nuclear arsenals capable of destroying civilization several times over. Despite that fact, the nuclear arms race continues to escalate.

In the tense atmosphere of a crisis, each side will feel pressure to delegate authority to field commanders to employ nuclear weapons. Under attack, field commanders will be faced with the choice of using their nuclear weapons or losing them. This same dilemma could be faced at the national level even before attack. Because strategic nuclear forces and their complex command and control systems are perceived by some to be vulnerable to a preemptive attack, some will advocate the need to use strategic nuclear weapons before they are destroyed.

At the same time, the West has been unable to develop realistic plans for using its nuclear weapons against the Soviet Union. We simply cannot find ways actually to use nuclear weapons that would provide a clear military advantage while simultaneously avoiding escalation to an all-out nuclear war in which both sides would be catastrophically defeated. President Reagan has apparently recognized this stark reality by stating repeatedly that "a nuclear war cannot be won and must not be fought."

The risk that military conflict would quickly evolve into nuclear war, leading to certain destruction of our society, is far greater than I am willing to accept on military, political, or moral grounds. We must find a means to change course. This conviction appears to be shared by nearly all the world's leaders, including President Reagan and General Secretary Gorbachev. The problem, of course, is how to achieve this goal.

Because we lack a long-run plan to reverse course, and the will to implement such a plan, the number of weapons continues to multiply. Moreover, the actions both superpowers have taken in the past six or seven years have considerably weakened the existing arms control regime. Disputes over compliance with arms control agreements erode the integrity of the existing arms control framework. More importantly, the SDI program puts the United States on a collision course with the ABM Treaty, upon which the entire framework of arms control rests.

The superpowers now appear on the verge of an escalation of the arms race that will not only place weapons in space, thereby destroying the prospects of arms reductions, but will also seriously increase the risk that one or the other of the adversaries will be tempted to start a nuclear war in a crisis.

If all these trends continue over the coming decades, the danger of a global thermonuclear war could become a reality. It is the recognition of this danger that led the President and the Soviet General Secretary to propose at Reykjavik dramatic-solutions to the current dilemma.

FLAWED APPROACHES TO THE CURRENT DILEMMA

At the Reykjavik summit in 1986, General Secretary Gorbachev and President Reagan presented radically different approaches to the current nuclear dilemma. Gorbachev made a formal offer that would require both sides to eliminate their strategic nuclear weapons within a ten-year period. In his January 1986 proposal he called for the elimination of all nuclear weapons, strategic and tactical, by the year 2000. Gorbachev's proposal at Reykjavik hinges on a mutual commitment by both sides to abide by the ABM Treaty and thereby severely limit the development of strategic defenses.

President Reagan's approach at Reykjavik was based on the need to develop and deploy strategic defenses. In pursuit of that goal, the President sought to convert the unlimited-duration ABM Treaty, which clearly prohibits development and testing of all types of space-based ABM systems, to a totally different agreement that would permit these activities and terminate the treaty in 10 to 12 years to allow for full-scale deployment of a nationwide strategic defense system.

There is, however, a fundamental flaw in the approaches taken by President Reagan and Secretary Gorbachev.

Is a nuclear-free world desirable? I think it would be if it were attainable. However, NATO's current military strategy and war plans are based on the opposite premise. And many—I would say most—U.S. military and civilian officials, as well as European leaders, hold the view that nuclear weapons are a necessary deterrent to Soviet aggression with conventional forces.

A sensible criticism of Gorbachev's vision is not that it is undesirable, but that it is infeasible under foreseeable circumstances. Unless it becomes possible to develop technologies and procedures to detect steps toward building nuclear weapons by our adversaries, an agreement for total nuclear disarmament could degenerate into an unstable rearmament race. Despite the desirability of a world without nuclear weapons, an agreement to that end does not appear feasible either today or for the foreseeable future.

President Reagan's approach was initiated in March 1983. In the now-famous "Star Wars" speech, the President proposed his solution to the problem of security in the nuclear age: the Strategic Defense Initiative. The initial, stated goal of this vast program was to create an impenetrable shield to protect the entire nation against a missile attack. And at Reykjavik, the President was seeking to project his SDI approach, even at the cost of rejecting the possibility of deep and substantial reductions in both sides' strategic nuclear arms.

The result was predictable. There exists a radical incompatability between arms control agreements and President Reagan's dream of a strategic defense system. As I wrote more than two years ago in a Foreign Affairs article entitled "The President's Choice: Star Wars or Arms Control" with McGeorge Bundy, George Kennan and Gerard Smith, "It is possible to reach good [arms] agreements, or possible to insist on the Star Wars program as it stands, but wholly impossible to do both." Reykjavik has made abundantly clear that the Soviet Union will not agree to an arms control agreement that reduces its strategic forces unless and until it can get acceptable constraints on strategic defenses.

This is the logical position upon which the SALT process was based. And SALT was an American initiative. In November 1966, President Johnson and I first proposed to the Russians that we begin working toward limits on strategic forces. We spent a long day at Glassboro, New Jersey, in 1967 trying to persuade Premier Aleksei Kosygin that development of strategic defenses would fuel the arms competition and increase the danger of war, while constraining defenses would allow for limitations on and then reductions in offensive arms. Five years later, in the SALT I accords, President Nixon finally got Soviet agreement on this very same proposition.

Until there are inventions that have not yet been imagined, a defense robust and cheap enough to replace deterrence will remain a pipe dream. Given that harsh reality, President Reagan's claims that defensive forces are "morally preferable" to offensive forces and that we have a "moral obligation" to pursue them are dangerously deceptive, if not irresponsible. Mutual assured destruction—the vulnerability of both superpowers to the destructive power of the nuclear weapons of the other—is not a policy. It is a grim fact of life in the nuclear age. To have rejected offers at Reykjavik, which could open the door to historic breakthroughs in arms reductions, on the grounds that they would slow the development of SDI is tragically contrary to our security interests.

Those who have criticized the SALT approach because they say it did not achieve the desired goal of limitations in the Soviet Union's strategic offensive arms should look carefully and objectively at the kind of reductions in Soviet systems we might have achieved by simply upholding the ABM Treaty in Reykjavik.

THE CENTRAL THREAT TO ARMS CONTROL

The biggest threat to arms control on the horizon is the recent speculation that President Reagan may soon approve a plan for "early deployment" of SDI. Secretary of Defense Caspar Weinberger has justified this plan on the grounds that it would be the first phase of a thoroughly reliable defense, designed to protect the entire nation. Others will undoubtedly seek to justify this deployment on the grounds that a partially effective defense would introduce an element of uncertainty into Soviet attack plans and would thereby enhance deterrence.

Technical experts should argue the technological merits of the specific system under development. Suffice it to say that the kinds of weapons being proposed are the very kinds of technologies which have been rejected in the past because they simply cannot be deployed in a cost-effective and survivable manner. These technologies are not the ones that anyone can plausibly argue can be expected to change the fundamental offense-defense equation.

What such a deployment will do, however, is to confirm the existing Soviet suspicions that we are seeking to develop a first-strike capability. Why will the Soviets suspect that deployment of a partially effective defense supports a first-strike strategy? Because a leaky umbrella offers no protection in a downpour, but is quite useful in a drizzle. That is, such a defense would collapse under a full-scale Soviet first strike but might cope adequately with the depleted Soviet forces that survived a U.S. first-strike. President Reagan recognized this dilemma in a little-noted sentence in his March 1983 speech: "If paired with offensive systems, [defensive systems] can be viewed as fostering an aggressive policy, and no one wants that."

It would be foolhardy to dismiss as mere propaganda the Soviets' repeated warnings that deployment of even a partially effective defense would be highly provocative. Their promise to respond with a large offensive buildup is not an empty threat. In a letter to President Reagan on November 13, 1985, regarding Soviet compliance, Secretary of Defense Weinberger explained that we would react to a Soviet defense in much the same way they have said they would respond to ours: "Even a probable territorial defense would require us to increase the number of our offensive forces and their ability to penetrate Soviet defenses to assure that our operational plans could be executed."

As far as the Geneva arms talks are concerned, an "early deployment" decision simply underscores the bankruptcy of the administration's "strategic concept" for a cooperative shift to a Star Wars world. Although Ambassador Paul Nitze and others have said that strategic defensive forces should not be deployed other than in accordance with the terms of an arms control agreement, it is wholly impossible to negotiate such an agreement. It is simply inconceivable that either side would ultimately agree to reduce offensive forces at the same time that territorial defenses are permitted. Under such circumstances, neither side would have adequate confidence in ensuring its most important national security goal: maintaining an effective deterrent against nuclear attack. It can be said without qualification that we cannot have both deployment of Star Wars and arms control.

The most immediate result of an "early deployment" of the kind being proposed will be the utter destruction of the ABM Treaty. Even under the administration's "broad" interpretation of the ABM Treaty, the development and testing of kinetic energy ABM systems and components in space appears to be prohibited and would put the United States in violation of the treaty very soon after a decision was made. Furthermore, deployment of this type of area defense would violate not only the specific constraints in Article III and Article V but would also be a material breach of the parties' fundamental obligation in Article I "not to deploy ABM systems for a defense of the territory of its country and not to provide a base for such a defense." If the ABM Treaty is terminated, the United States will face a spiralling arms race in both defensive and offensive systems, a competition that will seriously jeopardize strategic stability and will require major increases in the military budget.

ARMS CONTROL PRIORITY: THE ABM TREATY

What approach should the United States take? Over the long term, we should accept the fact, as the President and Secretary Shultz did at Reykjavik, that nuclear weapons serve no useful military purpose, except to deter one's opponent from their use. That premise should be incorporated into our national strategy so that our military plans, our defense budgets, our weapons development and deployment programs, and our arms negotiations are based on that proposition. The ultimate goal should be a state of mutual deterrence at the lowest force levels consistent with stability.

If the Soviet Union and the United States were to agree, in principle, that each side's nuclear force would be no larger than was needed to deter a nuclear attack by the other, how might the size and composition of such a limited force be determined? A critical factor in answering this question will be our ability to detect possible cheating in such an agreement. With our present verification technology, we can already police an arms agreement, even if it restricted each side to a small number of warheads. The number required for a force large enough to deter cheating would be determined by the number the Soviets could build without detection by NATO and U.S. means of intelligence. Presently, there are no authoritative studies that point to what that number might be, but surely it would not exceed a few hundred; very possibly it would be far fewer.

In the near term, however, we must set our sights on significant, but less far-reaching outcomes. First and foremost, we must preserve the integrity of the ABM Treaty, without which we will be unable even to begin the process of arms reductions. That means we must ensure that SDI remains a research program, conducted within the constraints of the traditional interpretation of the ABM Treaty. As long as either side believes it faces the prospect of a strategic defense, we will simply be unable to achieve real reductions in offensive systems. It is painfully obvious that the key to unlocking the current stalemate in arms control is to reaffirm the ABM Treaty as it has traditionally been interpreted. The importance of this issue to the prospect for arms control under this and future administrations cannot be overemphasized.

Second, we should build on the strategic offensive arms reduction framework of 1,600 launchers and 6,000 warheads tentatively agreed to at Reykjavik. Deep reductions, on the order of 50 percent of present forces, should be pursued with an eye towards enhancing crisis stability. Both sides should be encouraged through arms control to reduce their dependence on threatening multiple warhead delivery systems and vulnerable basing modes.

Third, preserving the integrity of the ABM Treaty does not mean that we must agree to the Soviets' demand that our SDI research be carried out "within the walls of the laboratory." We can continue, as the President has proposed, to probe the technological potential of defense systems. But we must not move into unrestricted development and testing. This would be a clear violation of the treaty. And it would serve to fuel Soviet fears that we mean to deploy the system at a time of our choosing, in violation of the treaty. It would confirm their belief that we are seeking to achieve a first-strike capability.

In sum, it is time to change course. Both President Reagan and General Secretary Gorbachev recognize this. The proposals put forward at Reykjavik for substantial reductions in strategic offensive forces, it further developed and incorporated in formal agreements, would represent the first step toward the long-term goals that will ensure peace in the nuclear age.

GOLDEN FLEECE FOR APRIL

Mr. PROXMIRE. Mr. President, today I am awarding my golden fleece for the month of April to the Presidential Inaugural Committee for spending $15.5 million of the taxpayers funds for the 1985 inaugural—reimbursing the taxpayers for only 4 percent of the total costs incurred. Most of this money went for private parties, military chauffeurs, escorts, and entertainment for the privileged few invited to the inaugural balls and other events.

The Presidential Inaugural Committee is a private entity like no other in existence. Its members were high officials in the administration and they used their clout to demand that the Department of Defense and other Government agencies provide taxpayer support to the inaugural.

The result was an inaugural where $15.5 million was spent from tax dollars—most of it coming out of the Department of Defense budget. DOD provided 8,400 military personnel to the inaugural, including chauffeurs, personal aides to visiting VIP's, ushers, and 270 so called coordinators who were party organizers. Twenty-three military aides were assigned to the First Family members and the Vice President's party. Governors had 56 more aides and 71 were provided to various VIP's and entertainers.

Lavish partying at inaugurals has grown alarmingly. Historically there was one inaugural ball. Then that was expanded to three and then five under JFK in 1961 and nine for Ronald Reagan in 1985. A spectacular gala has been added. Commemorative items are sold, although in 1985 sales brought in $98,000 less than expenses for these items.

There are no laws authorizing much of these expenditures. The General Accounting Office has concluded that during the 1985 inaugural, a significant amount of DOD's support was again provided without proper legal authority.

What should be done about this situation? There are several corrective actions that need to be taken. First, Congress should pass a law spelling out exactly what kind of support should be given to inaugural committees. This would clear up the legal questions.

Second, all Government expenses required by the Presidential Inaugural Committee should be fully reimbursed by private funds. The taxpayers should not have to subsidize those aspects of inaugurals which are private in nature and essentially are given to provide entertainment for a President's political supporters and contributors. After all the public is not invited to the galas and balls so why should the public subsidize the wealthy campaign contributors who do get invitations?

Inaugurals have gotten out of hand. It is time to bring back some sense of fiscal discipline and exercise common sense. When an administration campaigns to get the Federal Government off the backs of the taxpayers, it should get its hands out of their wallets at inaugural time.

MESSAGES FROM THE HOUSE

At 7:31 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following joint resolutions, without amendment:

S.J. Res. 18. Joint resolution to authorize and request the President to issue a proclamation designating June 1 through June 7, 1987, as "National Fishing Week";

S.J. Res. 47. Joint resolution to designate "National Former POW Recognition Day";

S.J. Res. 64. Joint resolution to designate May 1987, as "Older Americans Month";

S.J. Res. 74. Joint resolution to designate the month of May 1987, as "National Cancer Institute Month"; and

S.J. Res. 96. Joint resolution designating April 3, 1987, as "Interstate Commerce Commission Day".

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 184. An act to establish the Big Cypress National Preserve Addition in the State of Florida, and for other purposes;

H.R. 278. An act to amend the Alaska Native Claims Settlement Act to provide Alaska Natives with certain options for the continued ownership of lands and corporate shares received pursuant to the Act, and for other purposes;

H.R. 317. An act to amend the Wild and Scenic Rivers Act by designating a segment of the Merced River in California as a component of the National Wild and Scenic Rivers System; and

H.R. 1783. An act to make technical corrections in certain defense-related laws.

The message further announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 34. Concurrent resolution concerning the continued violations by the Soviet Union of its international human rights obligations, especially its violations of the right to emigrate;

H. Con. Res. 86. Concurrent resolution expressing the sense of the Congress congratulating the people of Berlin on the occasion of the city's 750th anniversary in the year 1987, commending the people of Berlin for the centuries of great tradition and continuing courage in the face of historical adversity, and recognizing the deep and lasting relations they have with the people of the United States of America; and

H. Con. Res. 91. Concurrent resolution authorizing the 1987 Special Olympics Torch Relay to be run through the Capitol Grounds.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, without amendment:

S. 626. A bill to prohibit the imposition of a fee at the Statue of Liberty National Monument, and for other purposes (Rept. No. 100-32).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. GLENN, from the Committee on Governmental Affairs: Charles R. Gillum, of Virginia, to be Inspector General, Small Business Administration.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MURKOWSKI:

S. 894. A bill to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to furnish certain hospital care and medical services for service-connected disabilities of certain veterans; to the Committee on Veterans Affairs.

By Mrs. KASSEBAUM (for herself and Mr. Inouye):

S. 895. A bill to provide for a two-year pilot program in the Peace Corps for the purpose of providing, and training foreign nationals to provide, health care services in two host countries; to the Committee on Foreign Relations.

By Mr. BREAUX (for himself, Mr. Johnston, Mr. Moynihan, and Ms. Mikulski):

S. 896. A bill relating to the application of the drawback provisions of section 313 of the Tariff Act of 1930 to certain imports of raw cane sugar; to the Committee on Finance.

By Mr. DURENBERGER:

S. 897. A bill entitled the "Health Care Innovation Act of 1987"; to the Committee on Finance.

By Mr. GRAMM (for himself and Mr. Proxmire):

S. 898. A bill to provide for the enhanced safety and soundness of United States financial institutions engaged in international lending, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BINGAMAN (for himself and Mr. Domenici):

S.J. Res. 106. Joint resolution to recognize the Disabled American Veterans Vietnam Veterans National Memorial as a memorial of national significance; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MURKOWSKI:

S. 894. A bill to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to furnish certain hospital care and medical services for service-connected disabilities of certain veterans; to the Committee on Veterans' Affairs.

MEDICAL CARE FOR SERVICE-CONNECTED DISABILITIES OF CERTAIN VETERANS

● Mr. MURKOWSKI. Mr. President, I introduce today a bill which would allow the VA to provide medical care for the service-connected disabilities of some veterans now unable to receive such care. The Veterans' Administration now provides medical care for the service-connected disabilities of veterans located outside the United States only if they are U.S. citizens or are in the Philippine Islands. The legislation I introduce today would allow the same level of care to be provided to all who served in the Armed Forces of the United States and sustained disabilities as a result of that service. The Veterans' Administration supports this proposal.

The current situation was brought to my attention by a group of Canadian veterans of the Vietnam war visiting Washington to pay homage to their fallen comrades at the Vietnam Veterans' Memorial. Mr. President, these men are Canadian citizens who chose to come to the United States and enlist in our Armed Forces.

They wore the uniform of the United States.

They fought the war on behalf o the United States.

They were injured or disabled in th service of the United States.

Throughout our history citizens o other countries have joined us in th defense of liberty. Lafayette was no the first citizen of a foreign country t serve in our Armed Forces and the Canadian veterans of the Vietnam wa will not be the last.

In creating our Armed Forces and when necessary, committing them t action, we have accepted a responsibility to provide medical care for the injuries and disabilities suffered by servicemen and women while they are on active duty.

All who serve, irrespective of citizenship, take an oath to defend the Constitution of the United States.

All who serve, irrespective of citizenship, should have access to medical care for the disabilities incurred while fulfilling that oath whether they live in the United States or in a foreign country.

Mr. President, this legislation would not require the VA to create new programs or procedures. U.S. citizens are eligible for VA medical care for their service-connected disabilities throughout the world. For example, two veterans of the U.S. Armed Forces, with identical service-connected disabilities, could be living side-by-side in a foreign country, one a U.S. citizen, one not. Under current law the U.S. citizen would be eligible for VA care, the non-U.S. citizen would not. This legislation would allow the VA to provide care to both veterans for their service-connected disabilities.

Mr. President, the cost of this legislation would be minimal as there are only a few thousand service-connected noncitizen veterans residing outside the United States.

I ask unanimous consent that the text of my bill be printed in the Record following my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 894

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 624(b) of title 38, United States Code, is amended by striking out "(1) is a citizen of the United States sojourning or residing abroad, or (2) is in the Republic of the Philippines." and inserting in lieu thereof "is sojourning or residing abroad.".●

(By Mrs. KASSEBAUM (for herself and Mr. Inouye):

S. 895. A bill to provide for a 2-year pilot program in the Peace Corps for the purpose of providing, and training foreign nationals to provide, health care services in two host countries; to the Committee on Foreign Relations.

HEALTH OVERSEAS SERVICE TEAM LEGISLATION

Mrs. KASSEBAUM. Mr. President, I am introducing today the health overseas service team [HOST] bill. I am extremely pleased to be joined in this effort by the distinguished Senator from Hawaii, Mr. INOUYE.

This measure is substantially identical to legislation introduced in the House earlier this year by Representative BILL RICHARDSON. Briefly, it would authorize a 2-year pilot program within the Peace Corps to send 12-person health teams to two countries. These teams would be comprised of doctors, dentists, and nurses. They would be headed by retired health professionals, with recent medical, dental, and nursing school graduates filling out the teams.

These teams would be involved not only with the direct delivery of health services, but would also provide health training to foreign nationals. The $1.6 million authorized by this legislation would be used to cover regular Peace Corps volunteer expenses.

In spite of the obvious need for health delivery and training activities in developing countries, the United States has done surprisingly little in this area. Currently, for example, there are no physicians and only three dentists serving as Peace Corps volunteers. The nursing situation is somewhat better, but the fewer than 100 nurses now serving as volunteers falls far short of the demand in host countries.

I would anticipate that the health teams authorized in this pilot project would focus particularly on training activities. Such activities would fill an important gap in the historic Peace Corps mission of helping people to help themselves. I first became aware of the need in this area through my daughter's observations as a Peace Corps volunteer in Togo. In addition, in my work with the Africa Subcommittee of the Senate Foreign Relations Committee, I have heard frequent requests for support in strengthening health professional training programs.

During her visit to Ghana last year, Peace Corps Director Loret Ruppe learned that one of that country's greatest priorities is finding help in recruiting medical school teachers. The Korle Bu Hospital in Accra, Ghana, was once the medical training center for all of West Africa. Today, it is badly in need of instructors who can restore the institution to its previous leadership role.

This pilot project is a modest proposal, and it certainly cannot address all of the obvious needs which exist. Yet, I think it is significant step in terms of beginning the process of providing a sustained U.S. effect to meet the health care and training needs of developing countries.

Mr. President, I ask unanimous consent that my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 895

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PEACE CORPS HEALTH SERVICES PILOT PROGRAM.

(a) AUTHORITY TO ESTABLISH.—The President may establish, under the Peace Corps Act, a pilot program to be carried out, during the fiscal years 1988 and 1989, in each of two host countries which have existing Peace Corps programs for the purpose of—

(1) training foreign nationals of the host country to deliver basic health care services; and

(2) providing basic health care to the people of the host country.

(b) HEALTH SERVICE TEAMS.—The training and health care described in paragraphs (1) and (2) of subsection (a) shall be provided by a health service team selected for each of the two host countries selected under subsection (a). Each health service team shall consist of not more than 12 volunteers who are physicians, dentists, and nurses. Volunteers on each team shall, to the extent possible, be selected from both experienced physicians, dentists, and nurses (especially retired persons) and recent medical, dental, and nursing graduates.

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

In addition to any other funds authorized to be appropriated to carry out the Peace Corps Act for the fiscal years 1988 and 1989, there is authorized to be appropriated $1,600,000 for the program authorized by section 1 of this act.

By Mr. BREAUX (for himself, Mr. JOHNSTON, Mr. MOYNIHAN, and Ms. MIKULSKI):

S. 896. A bill relating to the application of the drawback provisions of section 313 of the Tariff Act of 1930 to certain imports of raw cane sugar; to the Committee on Finance.

SUGAR DRAWBACK EXTENSION LEGISLATION

● Mr. BREAUX. Mr. President, today I am introducing a bill that extends the deadline for the refund of customs import duties and fees on sugar that is reexported. Except for a date change, this bill is identical to a bill that passed the House in the last session. Time expired before the Senate could consider that bill along with a number of other miscellaneous tariff measures. An identical provision has been reintroduced in the House this year.

This bill is designed to permit cane sugar refiners to continue to reexport sugar, and thereby avoid further refinery closings. Eight refineries have closed since 1981, and five refiners have gone out of business. The industry has lost one-third of its capacity, and thousands of people have lost jobs.

This frightening trend must be stopped. The maintenance of a viable cane sugar refining industry is of vital importance to American consumers and food manufacturers. It is also terribly important to our Nation's sugarcane producers and processors. They depend upon the refiners to buy their sugar. As a result, the bill has widespread support among producer, food manufacturing, and consumer groups.

The conferees had this bill in mind when they adopted the conference report to the farm bill in 1985. That report stated that "the conferees are concerned that cane sugar refining capacity should not be further impaired." Passage of the bill will help avoid further refinery closings, and preserve American jobs.

Under the Tariff Act of 1930, the Treasury refunds 99 percent of any duty or fee paid on imported sugar, if an equivalent quantity of sugar is exported. This refund is referred to as "drawback."

In order to be eligible for drawback the sugar has to be processed within 3 years, and exported within 5 years. The bill waives these deadlines on sugar entered after October 31, 1977, and before April 1, 1985, provided the sugar is exported before October 1, 1991. Sugar import fees were in force from November 1977 through March 1985, which is the period covered by the extension. The new deadline, October 1, 1991, is the expiration date of the sugar program under the 1985 Farm Act.

Under the Quota Program, sugar imports have dropped from over 5 million tons to little more than 1 million tons a year. Refiners have attempted to offset this loss in volume by developing an export business. Exports have totaled from 400,000 to 500,000 tons annually since 1983. This helps maintain refinery throughput and jobs. It also contributes favorably to our balance of trade. Drawback is necessary for the refiners to be competitive in a world market where refined sugar prices are sharply depressed by heavily subsidized exports from the European Community.

The drawback should amount to no more than the $35 million per year currently being refunded. Unless the bill is adopted, refined sugar exports will cease in late 1987 because of the expiration of a suitable drawback.●

By Mr. DURENBERGER:

S. 897. A bill entitled the "Health Care Innovation Act of 1987"; to the Committee on Finance.

HEALTH CARE INNOVATION ACT

● Mr. DURENBERGER. Mr. President, I am pleased to rise today to introduce the Health Care Innovation Act of 1987. This act, by amending title 18 of the Social Security Act, will enable Medicare patients to have access to new medical technologies that have been approved as safe and effective by the Food and Drug Administration [FDA]. This bill is designed to ensure that efforts to control Medicare costs do not stifle medical innovation and, more importantly, do not place state-of-the-art health care off limits to those with the greatest need—the elderly and the disabled.

THE PROBLEM: THE IMPACT OF RECENT HEALTH SYSTEM REFORMS ON TECHNOLOGICAL INNOVATION

Mr. President, recent public and private sector health system reforms have helped bring about more cost-effective delivery of health care in the United States. This is an important trend that should continue. At the same time, however, these reforms must not be permitted to lower the standard of care for our senior citizens or disabled individuals.

A central player in the recent reforms is the Medicare hospital prospective payment system [PPS]. While this system is an important step forward in controlling costs, it may unintentionally hinder the development of certain advanced medical technologies. Because PPS pays a set price for each illness, it encourages hospitals to use the least expensive available treatments. While this is precisely the kind of prudent buyer behavior we want to encourage, good cost containment incentives must be balanced by other beneficiary protections, including incentives which promote selective innovation.

Cost control mechanisms may prevent or slow the introduction of two types of technologies: Those that improve quality, but at a higher cost, and those that cost more up front, but reduce the need for return visits to the hospital. Technologies such as these must have a chance to survive if we are to continue providing the best hospital care in the world.

In reviewing Medicare's prospective payment system, the present Commission on Industrial Competition found that:

> Unless the DRG regulations are changed, industry observers think that the development of many useful new technologies will be slowed or stopped. Therefore, allowances for medical innovation should be made within the reimbursement system to recognize technology's pivotal importance in the future health care system of this country. Innovation in health care is of vital importance not only for our technological prowess, but for the standard of living and quality of life as well.

Today's legislation will make the kind of adjustment recommended by this important study and will help ensure continued innovation in the future, as well as foster access to the best, most advanced medical technology by America's elderly and disabled.

INCENTIVES ARE NEEDED TO ENCOURAGE TECHNOLOGY DEVELOPMENT

If the PPS rates were adjusted promptly to take new technologies into account, the cost-controlling disincentives of the payments could be reduced. Unfortunately, regulatory lags can delay these adjustments for months—even years. In fact, the initial Medicare decision to allow hospitals to use a new technology for Medicare patients can take months after FDA's approval for safety and effectiveness.

Perhaps the best way to underscore this problem is with an example—the cochlear artificial ear implant—an innovation which only recently was approved for payment by Medicare.

It is difficult for those of us blessed with all five senses to imagine a world without sound. Although the deaf in our society show tremendous courage in coping with their disability, their world often can be terribly isolated. What's more, those who lack hearing must take special precautions to avoid accidents that are averted by an ambulance siren or a car horn.

But, medical technology is providing hope for many deaf persons. The cochlear implant has already removed the shroud of total deafness for hundreds of patients, and could help up to 200,000 more Americans who are totally deaf. Placed surgically in the inner ear, the cochlear implant stimulates the auditory nerve electronically with signals sent from a tiny transmitter that can attach to the patient's eyeglasses. With the implant, the user can hear sirens, car horns and even conversation. Though the device won't quite distinguish among words, it greatly aids the deaf in reading lips and following conversations. Perhaps, more importantly, it opens the door to the possibility of future treatments that could give total hearing to many of our Nation's 2,000,000 deaf citizens.

Although the FDA approved the cochlear implant for general use in adults in November 1984, and although many insurance companies paid for it even then, Medicare did not agree to pay for the device until October 1986—nearly 2 years later.

The reason? Medical technologies must undergo a series of government reviews before reaching Medicare patients. First Medicare must make a separate decision—a coverage decision—on whether to reimburse hospitals for treating patients with the new technology.

Then, after Medicare decides on coverage, there is another decision—the payment decision—on how, and how much Medicare will pay. If the current payment rates under prospective payment are inadequate, Medicare must decide whether, and how much to adjust those rates to accommodate higher costs of new technologies before hospitals can use them without taking a financial loss. Unfortunately, both of these decisions can take years.

The delays are worsened by a catch 22 that makes it difficult for a technology to prove itself to Medicare: Medicare demands a great deal of data about a new product's costs and benefits before making coverage and payment decisions—especially if the product will raise costs. But how can useful data be generated if Medicare does not approve or pay for use of the product?

Looking down the road a bit, access of Medicare beneficiaries to a number of technologies that the FDA is now testing, or that are under development may be harmed by these delays and by the overall incentives of Medicare to cut costs. Such technologies include:

The left ventricular assist device, which is used to assist the pumping action of a weak heart. It can be used for patients who are awaiting a heart transplant or for boosting the pumping power of a heart after open-heart surgery;

A device that can correct sudden bursts of rapid heartbeats that, if not corrected, can cause death; and

An implantable drug administration device that can be used with medications to control pain and spasticity, treat cancer and diabetes and, perhaps someday, Alzheimer's disease.

WITHOUT THIS LEGISLATION, MEDICARE WILL BE UNABLE TO RESPOND AND HEALTH CARE WILL SUFFER

While it is hard to pinpoint precise costs of emerging technologies of this kind, we must ask whether a Medicare system that has been cut by more than $40 billion since 1981 will be able to accommodate products of this type, or if inventors and manufacturers will be encouraged to develop new technologies.

The impact of Medicare's incentives may not be readily apparent today. Products now emerging, and even those still in testing and development, have been in the pipeline for years. Many products initially were developed by innovators during a different financial climate. Today, the PPS incentives plus Medicare's unwillingness to make adjustments that raise costs, are affecting innovators' decisions about where to invest research and development dollars. The real effect of today's incentives and inflexibility will be felt tomorrow when the next generation of medical technologies emerge. What will be the impact on products available in 5 or 10 years? Will we ever realize the benefits of artificial eyes, skin, or an artificial pancreas? Will it take longer to find cures for cancer or Alzheimer's disease?

Medicare coverage and payment lags, as well as overall inflexibility, are sending negative signals to those working on the next generation of medical breakthroughs. The technological edge that has made the United States the world leader in medical technology could be dulled. As a matter of fact, that lead already is slipping rapidly—from a $1 billion surplus in 1983 to half that today.

THE LEGISLATIVE PROPOSAL

The Health Care Innovation Act of 1987 will provide a temporary footbridge that allows Medicare patients to benefit from certain technologies while maintaining the permanent span between FDA and Medicare approval. It encourages the development of potentially cost-raising technologies that are now discouraged by Medicare, but which hold promise for long-term savings or substantial improvements in quality or access. It should not be viewed as a sweeping change in Medicare. Rather it is a minor adjustment—the kind that Congress expected to make as our understanding of Medicare's incentives grew. And, this act uses a free-market approach, rather than adding another layer of bureaucracy to an already cumbersome process.

Specifically, the act would allow a hospital to receive a limited, additional Medicare payment for using a cost-increasing technology that already has FDA approval, but has not yet received coverage and payment approval by Medicare. It also would cover certain cost-increasing medical procedures.

COST CONTROL PROVISIONS

I do not believe that Medicare should be liable for the full cost of a technology before it has been approved for coverage. This bill requires that Medicare pay only a part of the cost that the treatment adds to Medicare's normal payment for treating a patient. I think it is reasonable for hospitals to invest some of their own funds. If they do, they will be encouraged to scrutinize their investment options. The hospital, therefore, shares much of the responsibility for the increased cost.

Several other controls also keep costs of this program at a minimum:

Total payments under the program cannot exceed 1 percent of the total amount Medicare paid for hospital inpatient treatment through its prospective payment system.

The act's provisions begin only when the Medicare trust fund is running a surplus.

Each hospital can receive only a certain level of payment each year under this program. That is because not every hospital has the same ability to provide technological advances, and an effective allocation of resources should reflect that fact. Each hospital's limit is determined through a formula based, in part, on a hospital's Medicare revenues and, in part, on the amount of teaching payments a hospital receives under Medicare.

I should point out that this program won't necessarily cost Medicare more money in the long run. Some new technologies, as I noted earlier, cost more up front, but save money down the road because they reduce the need for followup surgery or hospitalization.

In addition, the Government gets something in return for payments under the act. When hospitals use technologies that are paid for under the bill, they must provide data to Medicare about the technologies' cost effectiveness. These data can be very valuable to Medicare as it decides on coverage and sets payment levels.

This data-generation function should reduce the catch-22 problem mentioned earlier, where funding is held back because adequate data is unavailable. It should be particularly helpful in illuminating the true value of medical technologies that do raise costs—by providing data not just on their price, but also on their impact on quality, access, and health status.

Indeed, Mr. President, America's elderly and disabled deserve access to the best health care treatments available. The Health Care Innovation Act of 1987 moves us in the right direction and does so carefully, with specific limits that do not add more bureaucratic hurdles, and with plenty of incentives to encourage efficiency in the use of new technologies. Mr. President, I urge my colleagues to join me in supporting this important effort. I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 897

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Health Care Innovation Act of 1987".

SEC. 2. INTERIM FINANCING AND DATA COLLECTION.

(a) IN GENERAL.—Section 1886 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(i)(1)(A) Notwithstanding sections 1813 and 1814(b), the Secretary shall make payment under this subsection to a subsection (d) hospital (as defined in subsection (d)(1)(B)) for the qualified new technology or procedure costs incurred with respect to an inpatient hospital discharge.

"(B) Payments made under this subsection shall be in addition to payments made under subsection (d).

"(2) The Secretary shall make payments for qualified new technology or procedure costs as follows:

"(A) DETERMINING QUALIFIED NEW TECHNOLOGY OR PROCEDURE COSTS.—A 'qualified new technology or procedure cost', as used in this subsection, is the incremental operating cost associated with the use of a new technological advance or a new procedure (as determined in accordance with paragraph (3)) with respect to a hospital discharge.

"(B) DETERMINING INCREMENTAL OPERATING COSTS.—'Incremental operating cost', as used in this subsection, is the amount by which charges, adjusted to cost, with respect to a hospital discharge, exceed 110 percent of the amount payable under subsection (d) with respect to such discharge (as determined prior to the adjustment under subsection (d)(5)(B) for indirect costs of medical education).

"(C) PAYMENT AMOUNT.—The Secretary shall pay to a subsection (d) hospital, with respect to a hospital discharge, an amount equal to 60 percent of the qualified technology or procedure costs for which the requirements of this subsection are satisfied and for which the hospital submits a claim for payment.

"(3) The new technological advances and new procedures with respect to which payment may be made under this subsection shall be determined as follows:

"(A) DETERMINING NEW TECHNOLOGICAL ADVANCES AND NEW PROCEDURES.—

"(i) A 'new technological advance', as used in this subsection, is a medical device (as defined in subparagraph (F)(i))—

"(I) for which the Food and Drug Administration has approved a premarket approval application under section 515(a) of the Federal Food, Drug, and Cosmetic Act (other than a device which is or may be subject to section 515(a)(1) of such Act);

"(II) which is used during the interim data collection period (as determined under subparagraph (B)) for such device; and

"(III) which is not a capital technology (as defined in subparagraph (C)).

"(ii) A 'new procedure', as used in this section, is a medical or surgical procedure (as limited by subparagraph (F)(ii)) which is used during the interim data collection period (as determined under subparagraph (B)) for such procedure.

"(B) DETERMINING INTERIM DATA COLLECTION PERIODS.—With respect to a medical device or a medical or surgical procedure, the 'interim data collection period', as used in this subsection, is the period which—

"(i) begins on—

"(I) in the case of a medical device, the date such medical device receives approval of a premarket approval application under section 515(a) of the Federal Food, Drug, and Cosmetic Act; and

"(II) in the case of a medical or surgical procedure, the date that is the earlier of the date on which an ICD-9-CM code is assigned to the procedure or the date on which the Secretary makes a final determination (as defined in subparagraph (F)(iii)), that the procedure is not excluded under section 1862(a); and

"(ii) ends on the date, subject to subparagraph (D), that is the earliest of—

"(I) the first October 1 which occurs at least 24 months after the date on which such period begins;

"(II) the effective date of a reweighting (as defined in subsection (d)(4)(C)(iv)(II)) or a classification adjustment (as described in subsection (d)(4)(C)(i)) which directly affects a diagnosis related group with respect to which such medical device or procedure is used; or

"(III) the effective date of a final determination (as defined in subparagraph (F)(iii)) by the Secretary that such medical device or procedure (or a service employing such medical device or procedure) is excluded under section 1862(a).

"(C) EXCLUDING CAPITAL TECHNOLOGIES.—A capital technology, as used in this subsection, is a medical device, the costs of which (in whole or in part) are capital related costs as defined by the Secretary under subsection (a)(4).

"(D) LIMITING FOR SPECIFIC USES.—In determining the date on which an interim data collection period ends under subparagraph (B)(ii) (II) or (III), a reweighting, classification adjustment, or final determination which applies with respect to a specific use of a medical device or procedure operates to end such period only with respect to such use.

"(E) Exemptions from coverage requirement.—Notwithstanding section 1862(a), and except as provided in subparagraph (B)(ii)(III), payment may not be denied by reason of section 1862(a)—

"(i) if such payment is under this subsection and is for qualified new technology or procedure costs; or

"(ii) if such payment is under subsection (d) and is for expenses incurred for items or services for a discharge with respect to which an amount is payable under this subsection.

"(F) Definitions.—The term—

"(i) 'medical device', as used in this subsection, means a medical device as defined in section 201(h) of the Federal Food, Drug, and Cosmetic Act;

"(ii) 'procedure', as used in this subsection, does not include a procedure using a medical device for which an investigational exemption under section 520(g) of the Federal Food, Drug, and Cosmetic Act is in effect; and

"(iii) 'final determination', as used in subparagraphs (B)(i)(II) and (B)(ii)(III), means a determination which—

"(I) applies with respect to all subsection (d) hospitals; and

"(II) in the case of a determination described in subparagraph (B)(ii)(III) is not based, in whole or in part, on insufficiency of data with respect to a medical device or procedure or a service employing such medical device or procedure.

"(4) The Secretary shall collect data on new technological advances and new procedures and use such data as follows:

"(A) Data collection and reporting.—A subsection (d) hospital which elects to claim a payment under paragraph (2)(C) with respect to an inpatient hospital discharge shall report, in such form and in accordance with such procedures as the Secretary may prescribe—

"(i) the amount of reasonable operating costs of inpatient hospital services (as defined in subsection (a)(4)) incurred with respect to such discharge; and

"(ii) such other financial or clinical data with respect to such discharge as the Secretary determines to be necessary to carry out subparagraph (B).

"(B) Use of data for reweighting and reclassification.—The data reported under subparagraph (A)—

"(i) shall be used by the Secretary to carry out clauses (i) and (ii) of subsection (d)(4)(C);

"(ii) shall be made available by the Secretary to the Prospective Payment Assessment Commission and used by such Commission to carry out subsection (d)(4)(D); and

"(iii) shall be made available by the Secretary, upon request, to the National Institutes of Health, National Center for Health Services Research and Health Care Technology Assessment, Office of Technology Assessment, Food and Drug Administration, Veterans' Administration, and Department of Defense.

"(5) In addition to the limitations imposed by paragraphs (2) and (3), the Secretary shall limit payments under this subsection as follows:

"(A) Excluding outlier payments.—No payment may be made under this subsection for a cost or charge which qualifies for an additional payment under subsection (d)(5)(A).

"(B) Limiting annual payments to individual hospitals.—The amount of payments available under this subsection to a subsection (d) hospital for a fiscal year shall not exceed a share of the total amount available under this subsection for such fiscal year (as determined under subparagraphs (D) and (E)). Such share for any hospital shall be a fraction of the total amount available, equal to—

"(i) 40 percent of a fraction—

"(I) the numerator of which is the amount of payments to such hospital under part A of this title for operating costs of inpatient hospital services (as defined in subsection (a)(4)), as estimated by the Secretary for the immediately preceding fiscal year; and

"(II) the denominator of which is the amount of all payments under part A of this title for operating costs of inpatient hospital services (as defined in subsection (a)(4)), as estimated by the Secretary for the immediately preceding fiscal year; plus

"(ii) 60 percent of a fraction—

"(I) the numerator of which is the amount of payments to such hospital under subsection (d)(5)(B) for indirect costs of medical education, as estimated by the Secretary for the immediately preceding fiscal year; and

"(II) the denominator of which is the amount of all payments under subsection (d)(5)(B) for indirect costs of medical education, as estimated by the Secretary for the immediately preceding fiscal year.

"(C) Limiting carry forward of payments.—Payments available to a subsection (d) hospital under subparagraph (B) for a fiscal year, but not claimed under paragraph (2)(C) with respect to a qualified new technology or procedure costs incurred in such year, may not be claimed for a succeeding fiscal year.

"(D) Limiting aggregate annual payments.—Subject to subparagraphs (E) and (F), the total amount available under this subsection for all hospitals for any fiscal year shall be the amount equal to 1 percent of the total payments made under subsection (d) for the immediately preceding fiscal year, as estimated by the Secretary.

"(E) Adjustment for excess aggregate annual payments.—The amount determined under subparagraph (D) for any fiscal year shall be reduced by the amount (if any) by which the total payments made under this subsection for the preceding fiscal year exceeded the amount determined under such subparagraph for such preceding fiscal year.

"(F) Requirement of trust fund balance.—Payments under this subsection for any fiscal year—

"(i) shall be payable from the Federal Hospital Insurance Trust Fund (and shall not be subject to appropriations); and

"(ii) shall be available under subparagraph (D) only to the extent an asset balance (as described in the 'Annual Report of the Board of Trustees of the Federal Hospital Insurance Trust Fund') exists in such Fund at the beginning of such fiscal year, as estimated by the Secretary after consulting with the other Trustees for such Fund.".

(b) Report.—The Secretary of Health and Human Services shall report to Congress not later than one year after the date of the enactment of this Act on methods by which payments could be made under section 1886(i) of the Social Security Act (as added by this Act) to any health maintenance organization or competitive medical plan that has a risk-sharing contract under section 1876 of the Social Security Act.

(c) Conforming Amendments.—(1) Section 1862(a)(1)(A) of the Social Security Act is amended by inserting "or which are new technologies or procedures to which section 1886(i) applies," after "(C), or (D),".

(2) Section 1886(d)(5)(B) of such Act is amended by adding at the end thereof the following:

"The adjustment under this subparagraph shall be made on the basis of the payment amount to such hospital without taking into account any payments under subsection (i) for qualified new technology or procedure costs.".

(d) Effective Date.—(1) The amendments made by this section shall apply with respect to qualified new technology or procedure costs (as defined in section 1886(i)(2)(A) of the Social Security Act) incurred after the date of the enactment of this Act.

(2) Notwithstanding section 1886(i)(3)(A) of the Social Security Act, a medical device (as defined in section 201(h) of the Federal Food, Drug, and Cosmetic Act) or procedure or a specific use thereof shall not be a new technological advance or procedure for purposes of such section 1886(i)(3)(A) if, on or before the date of the enactment of this Act, there occurs with respect to such device or procedure or a specific use thereof—

(A) a reweighting or classification adjustment (as described in section 1886(i)(3)(B)(ii)(II) of the Social Security Act and as limited by section 1886(i)(3)(D) of such Act); or

(B) a final determination (as described in section 1886(i)(3)(B)(ii)(III) of the Social Security Act, as defined in section 1886(i)(3)(F)(iii) of such Act, and as limited by section 1886(i)(3)(D) of such Act).

SEC. 3. CLARIFICATION OF RECALIBRATION AUTHORITY.

(a) Adjustments of DRG Classifications and Weighting Factors.—Section 1886(d)(4)(C) of the Social Security Act is amended to read as follows:

"(C)(i) The Secretary shall adjust the classifications established under subparagraph (A) for discharges in fiscal year 1988 and at least once every four fiscal years thereafter.

"(ii) The Secretary shall adjust the weighting factors established under subparagraph (B)—

"(I) through a recalibration for discharges in fiscal year 1988 and at least annually thereafter; and

"(II) through reweighting for discharges in fiscal year 1988 and at least once every four fiscal years thereafter.

"(iii) The Secretary shall make the adjustments under clauses (i) and (ii) to reflect changes in treatment patterns, technology, and other factors which may change the relative use of hospital resources.

"(iv) As used in this subparagraph, the term—

"(I) 'recalibration' means a weighting factor adjustment which is based on a methodology applied uniformly to all weighting factors, which reflects the relative hospital resources used for each weighting factor compared to all other weighting factors, and which becomes effective with respect to all weighting factors simultaneously; and

"(II) 'reweighting' means a weighting factor adjustment which reflects the relative hospital resources used for a weighting factor compared to all other weighting factors, but which does not apply to all weighting factors.".

(b) PUBLICATION.—(1) Section 1886(e)(5)(A) of the Social Security Act is amended by inserting "and proposed recalibration under subsection (d)(4)(C)(ii)(I)" after "paragraph (4)".

(2) Section 1886(e)(5)(B) of such Act is amended by striking out "proposal" and inserting in lieu thereof "proposals" and by inserting "(4) and final recalibration under subsection (d)(4)(C)(ii)(I)" after "such paragraph".

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective on the date of the enactment of this Act.●

Mr. GRAMM (for himself and Mr. PROXMIRE):

S. 898. A bill to provide for the enhanced safety and soundness of U.S. financial institutions engaged in international lending, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

INTERNATIONAL LENDING INSTITUTION SAFETY ACT

Mr. GRAMM. Mr. President, today I am joining with Senator PROXMIRE to introduce legislation to extricate our financial system from the dangerous morass that the Third World debt problem has become. On Friday, February 20, the President of Brazil, Mr. Jose Sarney, sent shock waves through the world's banking institutions with the announcement that the largest Third World debtor was suspending payments on its international loans.

Hopefully, Brazil's move was nothing more than a ploy intended to gain concessions in negotiations with banks to reschedule Brazil's international loans. Mexico was recently successful in obtaining major concessions from its creditors, along with an additional $12 billion, in exchange for promises of limited economic reforms. Brazil is reportedly seeking similarly lenient treatment. The Brazilians are reminding the banks of the old saw that a small-time borrower is your debtor; a big-time borrower becomes your partner.

At worst, Brazil's suspension of its debt payments could set a precedent that will be followed by other major debtors and result in a dangerous international financial crisis, threatening the stability of the banking system in this country as well as in other countries. If Brazil were followed only by Mexico and Argentina in suspending debt repayments, nearly half of the capital of all United States commercial banks would be at risk. That exposure rises to nearly 80 percent when we look at the situation of the nine largest banks in America. And when we examine the exposure of these nine money center banks to the 10 largest debtors in Latin America the risk is a very dangerous 120 percent of capital and reserves. While it may not be that all these loans will go bad at the same time, this only presents part of the picture; it does not include the exposure to such troubled debtor countries as Nigeria, Poland, and the Philippines. Moreover, this high degree of exposure leaves little room for banks to absorb losses from real estate, farm, or energy loans.

At the very least, Brazil's recent action reminds us that the international debt problem is still with us, that the debtor countries still maintain too much leverage over American financial institutions and our economic decisions, and that the situation can too easily erupt into a crisis threatening our financial security. Since Brazil's announcement Ecuador has declared a moratorium on interest payments for the remainder of the year.

This is not a time to panic, but it is a time to act. The legislation that we are introducing today will strengthen the ability of our Nation's banks to absorb the shock of a major debt repayment failure. In so doing, it will reduce the leverage that the debtor countries now hold over our banks, and through them over our Nation's financial system.

Under this legislation the Office of the Comptroller of the Currency, the Federal Reserve, and the Federal Deposit Insurance Corporation would be required to estimate the actual or real value of American bank loans to the troubled debtor countries, categorized by the agencies as either other transfer risk problems [OTRP] or substandard. Although these countries are in debt difficulty, banks currently carry these loans on their books at 100 percent of their face value. This is an accounting fiction, perhaps a necessary one for accounting purposes, but it does little to encourage banks to make the necessary advance adjustments for the possibility that many of these loans will not be serviced by the debtors at full value. Many of them may never be repaid.

Third World loans already trade in discount markets. While these secondary markets are relatively new and perhaps not deep enough to give a fully reliable measure of the appropriate discount for all the troubled loans, they can play an important role as reference points to assist the regulators in determining the level of reserves that banks should be required to set aside against them. The bill would require the regulators to identify, for reserve purposes, the difference between the book value of the loans categorized as either OTRP or substandard and their estimated actual or real value, insofar as that difference was reflective of the transfer risk involved. It would not reflect any change in loan value due to a changed interest rate environment unrelated to transfer risk. This difference would not be used to mark down the accounting value of the loans as long as the loans continued to be serviced. It would be used, however, for the purposes of setting aside general loan loss reserves against the event of debt service failure.

Banks would be required under the legislation to set aside reserves within 12 months equal to 10 percent of this identified discount or risk in their OTRP and substandard loans. They would be required to increase these reserves by an additional 10 percent each year until these special reserves equaled 100 percent of the OTRP and substandard loan risk. In this manner, within 10 years American banks would be fully reserved against potential losses from their Third World loan exposure. Each year on the way to that goal United States banks will become strengthened and better positioned to require appropriate policy adjustments in debtor countries.

What lies at the heart of the debt problem is the resistance of Third World countries to private direct investment. Their situation is comparable to the corporation with a high debt-to-equity ratio that funds expansion by borrowing in order to avoid issuing new stock. The corporation comes to find that it has a heavy debt burden, limiting the very growth that it was designed to promote. Long-term solution of the Third World debt problem will only come about as these countries replace their policies of funding their growth through commercial loans with policies of funding growth through equity investment.

With equity investment the investor puts economic resources into the country in exchange for a share in the profits of that investment. A factory is built, a service firm is established, all owned by the investor. The investor has a stake in the local economy and can be expected to support policies of economic growth and expansion.

In order to promote equity investment in Third World countries the bill would, first of all, require the Federal Banking Agencies to identify what regulatory and accounting barriers there are to exchanges of foreign debt for equity. Under these arrangements, which are occurring now on a limited basis, existing bank loans can be transformed into one form or another of equity investment. A debtor country may exchange interest in a state-run factory for a certain amount of its loans. The bank then sells its interest in the factory to an interested investor. The bank is paid, and the debt burden of the Third World country is reduced, and yet investment increases. Commercial banks say that they would like to do more of these swaps were it not for regulatory and accounting obstacles. The agencies would be required to identify those obstacles and recommend appropriate legislative changes.

As a further step to promote private direct investment the Treasury Department would be required to include enhanced conditions for private direct investment as elements of any agreement with debtor countries for the rescheduling or restructuring of loans owed to the U.S. Government. Any failure to fulfill such commitments would make a country ineligible for further loan restructuring until the commitments were fulfilled. The Treasury Secretary would be able to waive this restriction only if he notified the Congress in writing that the failure was caused by factors beyond the control of the debtor country and that the waiver was in the best interests of the United States.

Mr. President, in summary, this legislation approaches the Third World debt problem from the position of our first responsibility, the health of the United States financial system. It will set in motion a process by which the independence of our financial system from the instability of the Third World economies increases each year. The leverage of the banks to require appropriate economic adjustments instead of providing new concessions will grow. At the same time market mechanisms for resolution of debt-to-equity imbalances would be promoted through the encouragement of the exchanges of debt for equity and improvements in the environment for private direct investment.

We should not act as though the house of cards were about to come crashing down, but we should coolly recognize that the Third World debt problem is too serious and the potential for disaster too great for us to fail to take appropriate and prudent action.

Mr. President, I ask that the text of the bill, along with accompanying explanatory materials, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 898

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That

SECTION 1. SHORT TITLE.

This Act shall be known as the "International Lending Institution Safety Act of 1987".

SEC. 2. ENHANCED GENERAL RESERVES.

Section 905 of the International Lending Supervision Act of 1983 is amended by adding at the end thereof the following new subsection:

"(d)(1) Not later than 120 days following the enactment of the International Lending Institution Safety Act of 1987, and not less frequently than once each year thereafter, the Federal banking agencies shall jointly review the aggregate transfer risk exposures of United States banking institutions to foreign countries categorized by the Federal banking agencies as either Other Transfer Risk Problems or Substandard. As part of such review the Federal banking agencies shall jointly estimate the value of the transfer risk associated with each loan categorized as Other Transfer Risk Problems or Substandard. In estimating the value of such transfer risk the Federal Banking agencies shall estimate the degree to which an actual or real value of such exposure would be less than the book value of such exposure. The Federal banking agencies shall estimate the actual or real value of such exposure based upon the following factors:

"(A) the price that banks are receiving to sell or swap loans to such countries;

"(B) relevant factors in loan rescheduling and restructuring agreements;

"(C) prospects for resumption of regular debt service;

"(D) export earnings by such countries;

"(E) foreign exchange reserves held by such countries;

"(F) compliance with external debt service obligations;

"(G) relevant external debt service history; and other appropriate factors, except that the Federal banking agencies shall not include in such evaluation factors that are not related to the value of the transfer risk.

"(2) Each appropriate Federal banking agency shall require a banking institution to establish, within one year after the enactment of the International Lending Institution Safety Act of 1987, and maintain thereafter a special reserve in the amount of not less than 1/10 of the difference between the book value of the institution's total exposure to foreign countries categorized by the appropriate Federal banking agencies as either Other Transfer Risk Problems or Substandard and the actual or real value of such exposure as estimated by the Federal banking agencies pursuant to paragraph (1) of this subsection.

"(3) In each succeeding year following the establishment of the reserve described in paragraph (2) of this subsection the appropriate Federal banking agency shall require a banking institution to increase such reserve by an amount not less than 1/10 of the difference between the book value of the institution's total exposure to foreign countries categorized by the appropriate Federal banking agencies as either Other Transfer Risk Problems or Substandard and the actual or real value of such exposure as estimated by the Federal banking agencies pursuant to paragraph (1) of this subsection, except that a banking institution shall not be required under this subsection to maintain such a reserve in excess of the difference between the book value of the loans to the countries designated pursuant to this subsection and the actual or real value of the loans as estimated pursuant to this subsection.

"(4) Such reserves shall be considered as part of capital and surplus or allowances for possible loan losses for regulatory, supervisory, or disclosure purposes. Amounts allocated to such resrves shall not be treated as a directed charge off pursuant to Treasury Regulation 1.166-2(d).".

"(5) For the purposes of this section

"(A) "Other Transfer Risk Problems" means an examination category for loans to a country that, in the judgment of the Federal banking agencies,

"(i) is not complying with its debt service obligations, as evidenced by arrearages, forced restructuring, or rollovers, but which country is taking positive actions to restore debt service through economic adjustment measures, generally as part of a program with the International Monetary Fund; or

"(ii) is meeting its debt obligations, but noncompliance is imminent; or

"(iii) has been classified previously, but for which recent debt service indicates classification no longer is warranted, although the sustained resumption of orderly debt service by such country needs to be demonstrated; and

"(B) "Substandard" means a classification category for loans to a country that, in the judgment of the Federal banking agencies.

"(i) is not complying with its external service obligations, as evidenced by arrearages, forced restructuring, or rollovers; and

"(ii) is not in the process of adopting an economic adjustment program with the International Monetary Fund or another suitable economic adjustment program, or is not adequately adhering to such a program; or

"(iii) has not negotiated with its bank creditors a viable rescheduling and is unlikely to do so in the near future;

but whose arrearages are not protracted, as determined by the Federal banking agencies.".

SEC. 3. FACILITATION OF DEBT FOR EQUITY EXCHANGES

Section 913 of the International Lending Supervision Act of 1983 is amended to read as follows:

"REPORT

"SEC. 913. The appropriate Federal banking agencies shall conduct a study of any regulatory or accounting barriers to exchanges of foreign debt for equity. Not later than January 15, 1988, each such agency shall transmit a report on such study to the Congress, including therein recommendations for such legislation as may be necessary.".

SEC. 4. PROMOTION OF PRIVATE DIRECT INVESTMENT

The International Lending Supervision Act of 1983 is amended by adding at the end thereof the following:

"RESCHEDULING COMMITMENTS

"SEC. 914. The Secretary of the Treasury shall take appropriate action to ensure that any rescheduling of the indebtedness of any foreign country to the United States Government shall be accompanied by commitments satisfactory to the Secretary of the Treasury that such foreign country will enhance significantly the conditions for private direct investment by United States business concerns as well as by nationals of the foreign country. Failure to comply with commitments made under this section by a foreign country shall render that country ineligible for any further rescheduling of such indebtedness until the commitments are honored, unless the Secretary of the Treasury informs the Congress in writing that such failure stems from factors beyond the control of the foreign country and that it is in the best interests of the United States to waive this restriction.".

SUMMARY OF THE INTERNATIONAL LENDING INSTITUTION SAFETY ACT OF 1987

1. The bill would amend the International Lending Supervision Act of 1983 (ILSA) to direct Federal Banking Authorities to estimate at least once each year an actual or real value of loans held by U.S. banks to countries designated by the Agencies as either Other Transfer Risk Problems (OTRP) or Substandard. The appropriate Federal Banking Agency would then require that banks establish within one year, as part of general reserves, special reserves in the amount of 10% of the difference between the book value of these loans and the actual or real value as estimated by the Agencies. The required reserves would be in-

creased each year by an additional 10% of the difference between the book value and the Agencies' estimate of the value of OTRP and Substandard country loans held by the banks, so that over a period of ten years the banks would be adequately covered against the full value of this estimated transfer risk identified for such loans.

2. The Federal Banking Agencies would be required to review the situation with respect to regulatory and accounting barriers to exchanges of foreign debt for equity and to recommend appropriate legislation by January 15, 1988.

3. The bill would require that restructuring or rescheduling of sovereign debt owed to the U.S. Government be accompanied by commitments to enhance significantly the conditions for private direct investment in the country by both domestic and foreign investors. Failure to comply with previous commitments will make a country ineligible for further debt restructuring or rescheduling until commitments are honored, unless the Secretary of the Treasury informs the Congress in writing that the failure was due to factors beyond the control of the debtor and waiver of this restriction is in the best interests of the United States.

EXPLANATION OF THE INTERNATIONAL LENDING INSTITUTION SAFETY ACT OF 1987

The bill is premised on the need to preserve the safety and soundness of the U.S. financial system. It recognizes the growing possibility of major debt service failure by Third World debtor countries. The purpose of the bill is to improve over several years the ability of U.S. financial institutions to absorb such a shock. At the same time, steps would be taken to encourage less developed countries to shift their methods of financing growth away from debt financing and toward equity financing.

The main elements of the bill are the following:

Enhanced General Reserves. The Federal Banking Agencies would be directed to estimate the actual or real value of loans held by U.S. banks to countries categorized by the Agencies either as Other Transfer Risk Problems (OTRP) or Substandard and require banks to establish, as a category within general reserves, reserves against the difference between the book value of these loans and the actual or real value estimated by the Agencies. Factors unrelated to transfer risk would not be taken into account in estimating the actual or real value of these loans. The reserves so created in the first year would be equal to 10% of the difference between the book value and the estimated value of the loans and would be increased each year by additional 10% increments until the reserves equal 100% of this estimated transfer risk identified for such loans.

Debt-for-Equity Exchanges. Bank regulators would be required to identify regulatory and accounting impediments to exchanges of foreign debt for equity and report to the Congress, including recommendations for legislation, by January 15, 1988.

Promotion of Private Direct Investment. The U.S. Government would use its influence to improve the environment in the debtor country for domestic and foreign private direct investment. The U.S. Government would be required to insist, as part of any rescheduling of official debt, that the debtor country make commitments in this regard. The U.S. Government would be prohibited from any further debt rescheduling with a debtor country that fails to fulfill its commitments to enhance significantly the conditions for domestic and foreign private direct investment. This prohibition could be waived if the Secretary of the Treasury informs the Congress in writing that the failure was due to factors beyond the control of the debtor country and that such a waiver is in the best interests of the United States.

With this legislation in place U.S. financial institutions would become more secure each year because of increased reserves, reserves that are related to the transfer risk of troubled loans. At the same time market mechanisms, such as debt-for-equity swaps, would be promoted as effective and equitable tools contributing to relief of the debt problem. Long-term solution of the Third World debt problem will only come about as less developed countries change their policies of funding their growth by debt and replace them with policies of funding growth through increased equity investment. The flight of domestic capital will be stemmed and foreign investments will be made based upon criteria of productivity and profitability, and the investors will gain an equity interest in the health of the economy of the developing country.

Banks would be required by the regulatory agencies to maintain special reserves as a category within their general reserves. They would not, however, be required to make any concessions to the debtor countries or relinquish any rights with regard to loan recovery. They would also be free to sell their loans; in fact, the substantial reserve requirements may encourage them to do so. In this way, the bill could further promote the development of a secondary market in international debt.

The bill requires no budget authority or Federal spending. The reserves would not be tax deductible. Neither would the bill require any specific additional role by the International Monetary Fund or any of the multilateral development banks.

● Mr. PROXMIRE. I rise to join my esteemed colleague, Senator PHIL GRAMM, in introducing the International Lending Institution Safety Act of 1987. The purpose of this bill is to put U.S. banks in a better position to deal with the increasing uncertainties surrounding their international loan portfolios. Let me explain.

As we all know during the 1970's and early 1980's, U.S. banks sharply increased their foreign lending, much of it directed toward borrowers in developing countries. Exposures—international loans and other claims—of the nine largest U.S. banks to developing countries totaled over 340 percent of their bank capital as of June 1982, with exposures to Argentina, Brazil, and Mexico alone accounting for almost 140 percent of their capital. The risks to bank safety involved in this type of lending became starkly visible in August 1982 when Mexico announced that it was unable to serve its debts and shortly thereafter several other large debtor nations, including Brazil, Argentina, and Venezuela, also experienced similar difficulties. This marked the onset of the international debt crisis.

During 1983 congressional hearings, on the size and concentration of the exposure of U.S. banks to the debtor nations with repayment difficulties, deficiencies were revealed in the system our banking regulators were using to supervise international lending. Concerns were expressed that U.S. banks were not setting aside sufficient reserves against their loans to foreign borrowers and generally needed a stronger capital base to ensure their safety and soundness.

These hearings led to enactment of the International Lending Supervision Act of 1983 [ILSA]. That act, which was passed in conjunction with an IMF capital increase, required permanent improvements in the supervision and regulation of international lending. Section 904 of ILSA required Federal banking regulators to take foreign country exposure and transfer risks into account when considering the adequacy of the capital of banking institutions. Section 905 of the act also charged the regulators to require that banking institutions establish "special reserves," that did not count as capital, against international loans where there was a "protracted inability of public or private borrowers in a foreign country to make payments on their external indebtedness."

In determining whether there was a protracted inability to make foreign payments by the foreign borrower, regulators were ordered to consider factors such as whether there were failures "to make full interest payments on external indebtedness" or "a failure by the foreign country to comply with any IMF or other suitable adjustment program." These "special reserves" were subsequently named "Allocated Transfer Risks Reserves" [ATRR's] by the regulators.

Last summer, the Banking Committee conducted oversight hearings to determine how the regulators were implementing the provisions of ILSA. It was discovered that the provisions of the 1983 act requiring banks to build special reserves against troubled foreign loans were not being utilized in a manner that Congress had originally envisioned. The regulators required such reserves to be built against only a very small amount—less than 2 percent—of the more than $116 billion total of the developing country exposure of U.S. banks. The regulators were requiring such reserves only against loans made to a country categorized as either "value impaired" or "loss." These are the lowest two categories used by the regulators and loans are only put into these categories when there is little likelihood they will never be repaid.

Most loans to the major debtor countries such as Mexico, Brazil, Venezuela and Argentina were placed in the "Other Transfer Risk Problem [OTRP]" category. This category covers loans to "countries not complying with their external debt-service obligations, as evidenced by arrearages of forced restructurings or rollovers, but which are taking positive actions to restore debt service through economic adjustment measures, such as an IMF program." The regulators required no special reserves for loans in this category, nor for loans in the next lower category, that is the "substandard" category. This category defines loans to "countries not complying with their external debt service obligations and * * * not negotiating a viable rescheduling of their debts to banks or likely to do so in the near future." The regulators have not implemented the "special reserves" requirement called for by ILSA. Their failure to do so means the "special reserves" required by that 1983 act have not been built and U.S. banks are not adequately provisioned to take a loss on these loans if that turns out to be necessary.

The July 1986 hearing also revealed that there was a secondary market developing in third world debt and that most such debt traded at varying discounts off the face value of the loans held by the banks. This continues to be the case. An article in the March 16, 1987, "Barron's," for example, noted that the market value of Argentinian debt was 62 cents on the dollar, while Venezuelan debt was valued at 71 cents and Mexican debt at 55 cents on the dollar.

The bill Senator GRAMM and I are introducing is designed to increase the safety of our banks and improve their position in dealing with the troubling international debt situation. It would amend the ILSA by directing Federal banking regulators to estimate at least once each year an actual or real value of loans held by U.S. banks to countries either in the OTRP or substandard category. The appropriate regulator would then require that banks establish within 1 year, as part of their general reserves, special reserves in the amount of 10 percent of the difference between the book value of these loans and the actual or real value as estimated by the agencies. The required reserves would be increased each year by an additional 10 percent of the difference between the face value of such loans, and the agencies' estimate of the value of OTRP or substandard country loans held by the banks, so that over a period of 10 years the banks would be adequately reserved against the full value of the estimated transfer risk identified for such loans.

Once banks are forced to reserve against loans in the OTRP and substandard categories, they may become more willing to trade such loans at less than their face value. Over time this could improve both the safety of our banks and lessen the debt load of the debtor countries. In order to further this process, the bill Senator GRAMM and I are introducing requires the bank regulators to identify regulatory and accounting impediments to exchanges of foreign debt for equity and jointly report to the Congress with recommendations for legislation to facilitate the growth of such a market by January 15, 1988.

A final provision of our bill requires that the Treasury Department, in rescheduling any official loans owed by a foreign government to the U.S. Government, to seek commitments from the foreign government to enhance significantly the conditions for private direct investment by U.S. nationals and nationals of the foreign country in the foreign country. The debtor countries need capital to get their economies moving again and this provision is designed to help the debtor countries establish internal conditions that will attract investment capital. The provision provides that commitments made by a foreign country in this regard would have to be fulfilled before any such official loans would be eligible for further rescheduling. The Secretary of the Treasury would be able to waive this restriction under certain conditions including that it was in the best interest of the United States for him to do so.

Mr. President, the Banking Committee, under the auspices of its International Finance and Monetary Policy Subcommittee, is holding 3 days of hearings this week and next week on the international debt problem. During these hearings we may develop additional ideas for legislation that would help our banks and the debtor countries develop solutions to the debt problem. I am convinced, however, that the measures established by this bill should be part of our overall debt approach. If our banks are better reserved against questionable loans, they will be much better equipped to work to develop solutions to this problem that could benefit the debtor countries as well as serve their own long-term interests.

I am pleased to join Senator GRAMM in sponsoring this bill.●

By Mr. BINGAMAN (for himself and Mr. DOMENICI):

S.J. Res. 106. Joint resolution to recognize the Disabled American Veterans Vietnam Veterans National Memorial as a memorial of national significance; to the Committee on the Judiciary.

RECOGNITION OF VIETNAM VETERANS NATIONAL MEMORIAL, ANGEL FIRE, NM

● Mr. BINGAMAN. Mr. President, it is with pride that I introduce today a joint resolution that will declare the DAV Vietnam Veterans' National Memorial in Angel Fire, NM, a memorial of national significance. The memorial chapel was begun in 1968 by Dr. and Mrs. Victor Westphall and their son, Douglas, in honor of their son and brother, David, who was killed in Vietnam. Dr. Westphall exhausted all funds for the memorial before completion, but, in 1977, the Disabled American Veterans learned of the project and began supplying funds to finish it.

The memorial chapel rises to a height of nearly 50 feet above a hill in Angel Fire overlooking the Moreno Valley in northern New Mexico. When viewed from a distance, it makes a striking impression and has been recognized for its architectural value by the New Mexico Society of Architects. In 1983, the first session of the 36th New Mexico State Legislature declared the chapel a State memorial, and on Memorial Day of that year, it was rededicated as the DAV Vietnam Veterans' Memorial.

Mr. President, I hope that my colleagues in the Senate will join in giving this chapel the special recognition it deserves by declaring it a national memorial. Similar legislation has been introduced in the House of Representatives by Congressman RICHARDSON of Santa Fe. The memorial attracts visitors from all over the country and has inspired efforts to establish other Vietnam memorials around the country, including the Vietnam Veterans' Memorial in Washington, DC.

The Vietnam experience was a very complex one emotionally. The chapel at Angel Fire allows veterans and others to gather, meditate, pray, and share in the peaceful calm of the site, and in so doing, to deal with those emotions. David Westphall believed deeply in the cause for which he gave his life, but as part of an ethical framework for a peaceful world. I urge my colleagues to recognize this chapel as a national memorial to underscore those beliefs we share with him.●

ADDITIONAL COSPONSORS

S. 2

At the request of Mr. BOREN, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 2, a bill to amend the Federal Election Campaign Act of 1971 to provide for a voluntary system of spending limits and partial public financing of Senate general election campaigns, to limit contributions by multicandidate political committees, and for other purposes.

S. 11

At the request of Mr. CRANSTON, the name of the Senator from Colorado [Mr. WIRTH] was added as a cosponsor of S. 11, a bill to amend title 38, United States Code, to establish certain procedures for the adjudication of claims for benefits under laws administered by the Veterans' Administration; to apply the provisions of section 553 of title 5, United States Code, to rulemaking procedures of the Veterans'

Administration; to provide for judicial review of certain final decisions of the Administrator of Veterans' Affairs; to provide for the payment of reasonable fees to attorneys for rendering legal representation to individuals claiming benefits under laws administered by the Veterans' Administration; and for other purposes.

S. 12

At the request of Mr. CRANSTON, the name of the Senator from Kansas [Mr. DOLE] was added as a cosponsor of S. 12, a bill to amend title 38, United States Code, to remove the expiration date for eligibility for the educational assistance programs for veterans of the All-Volunteer Force; and for other purposes.

S. 62

At the request of Mr. STEVENS, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 62, a bill to improve efforts to monitor, assess, and to reduce the adverse impact of driftnets.

S. 69

At the request of Mr. TRIBLE, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 69, a bill to amend the Internal Revenue Code of 1986 to repeal the basis recovery rule for pension plans.

S. 99

At the request of Mr. INOUYE, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 99, a bill to allow the Internal Revenue Code of 1986 to be applied and administered as if the 3-year basis recovery rule applicable to employees' annuities had not been repealed.

S. 332

At the request of Mr. DECONCINI, the names of the Senator from Colorado [Mr. WIRTH], and the Senator from Maryland [Mr. SARBANES] were added as cosponsors of S. 332, a bill to provide for a General Accounting Office investigation and report on conditions of displaced Salvadorans, to provide certain rules of the House of Representatives and of the Senate with respect to review of the report, to provide for the temporary stay of detention and deportation of certain Salvadorans, and for other purposes.

S. 514

At the request of Mr. KENNEDY, the names of the Senator from Maine [Mr. MITCHELL], the Senator from Iowa [Mr. GRASSLEY], the Senator from Oklahoma [Mr. NICKLES], the Senator from Missouri [Mr. DANFORTH], and the Senator from California [Mr. CRANSTON] were added as cosponsors of S. 514, a bill to amend the Job Training Act to establish an incentive bonus for the successful placement of certain employable dependent individuals, to provide targeting of assistance from certain carryover funds for such individuals, and for other purposes.

S. 523

At the request of Mr. HELMS, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 523, a bill to amend title 39, United States Code, to extend to certain officers and employees of the Postal Service the same procedural and appeal rights with respect to certain adverse personnel actions as are afforded to Federal employees under title 5, United States Code.

S. 538

At the request of Mr. METZENBAUM, the names of the Senator from North Dakota [Mr. BURDICK], and the Senator from Maryland [Mr. SARBANES] were added as cosponsors of S. 538, a bill to implement the recommendations of the Secretary of Labor's Task Force on Economic Adjustment and Worker Dislocation, and for other purposes.

S. 552

At the request of Mr. CRANSTON, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 552, a bill to improve the efficiency of the Federal classification system and to promote equitable pay practices within the Federal Government and for other purposes.

S. 598

At the request of Mr. MITCHELL, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 598, a bill to amend title XIX of the Social Security Act to protect the welfare of spouses of institutionalized individuals under the Medicaid Program.

S. 604

At the request of Mr. PRYOR, the name of the Senator from Wyoming [Mr. WALLOP] was added as a cosponsor of S. 604, a bill to promote and protect taxpayer rights, and for other purposes.

S. 629

At the request of Mr. BINGAMAN, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 629, a bill to establish literacy programs for individuals of limited English proficiency.

S. 630

At the request of Mr. PELL, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 630, a bill to prohibit the use on Cyprus of military equipment provided to Turkey by the United States and to require that certain information regarding activities on Cyprus of the Turkish armed forces be included in the periodic reports submitted to Congress.

S. 726

At the request of Mr. MCCONNELL, the names of the Senator from New Jersey [Mr. BRADLEY], the Senator from Arizona [Mr. MCCAIN], the Senator from Montana [Mr. MELCHER], and the Senator from Pennsylvania [Mr. HEINZ] were added as cosponsors of S. 726, a bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to provide States with assistance to establish or expand clearinghouses to locate missing children.

S. 818

At the request of Mr. DOMENICI, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 818, a bill to provide permanent authorization for White House Conferences on Small Business.

S. 831

At the request of Mr. BINGAMAN, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of S. 831, a bill to provide grants to States for fellowships for individuals who have outstanding ability, demonstrate an interest in a teaching career, and will teach in areas of the State in which there is a shortage of quality elementary or secondary school teachers or in fields of study in which there is a shortage of quality elementary or secondary school teachers, or both, and for other purposes.

S. 844

At the request of Mr. SIMON, the names of the Senator from Ohio [Mr. METZENBAUM], the Senator from South Carolina [Mr. THURMOND], the Senator from Alabama [Mr. HEFLIN], the Senator from Wyoming [Mr. SIMPSON], and the Senator from Arizona [Mr. DECONCINI] were added as cosponsors of S. 844, a bill to exempt certain activities from provisions of the antitrust laws.

S. 856

At the request of Mr. NICKLES, the names of the Senator from Idaho [Mr. SYMMS] and the Senator from Alabama [Mr. HEFLIN] were added as cosponsors of S. 856, a bill to amend the Food Security Act of 1985 to clarify that certain persons should not be denied status as separate persons under such Act, and for other purposes.

S. 880

At the request of Mr. DURENBERGER, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of S. 880, a bill entitled the "Superconductivity Competition Act of 1987".

S. 889

At the request of Mr. GORE, the name of the Senator from Texas [Mr. BENTSEN] was added as a cosponsor of S. 889, a bill to amend the Communications Act of 1934 to provide for fair marketing practices for certain encrypted satellite communications.

SENATE JOINT RESOLUTION 21

At the request of Mr. HOLLINGS, the name of the Senator from Florida [Mr. CHILES] was added as a cosponsor of Senate Joint Resolution 21, joint resolution proposing an amendment to the Constitution of the United States relative to contributions and expenditures intended to affect congressional, and Presidential elections.

SENATE JOINT RESOLUTION 39

At the request of Mr. SIMON, the name of the Senator from Texas [Mr. BENTSEN] was added as a cosponsor of Senate Joint Resolution 39, a joint resolution to provide for the designation of the 69th anniversary of the renewal of Lithuanian independence, February 16, 1987, as "Lithuanian Independence Day."

SENATE JOINT RESOLUTION 77

At the request of Mr. HEINZ, the names of the Senator from Kansas [Mr. DOLE], the Senator from Alabama [Mr. HEFLIN], the Senator from Minnesota [Mr. DURENBERGER], the Senator from New York [Mr. MOYNIHAN], the Senator from Georgia [Mr. NUNN], and the Senator from Michigan [Mr. LEVIN] were added as cosponsors of Senate Joint Resolution 77, a joint resolution to designate October 14, 1987, as "William Penn Appreciation Day."

SENATE CONCURRENT RESOLUTION 35

At the request of Mr. DECONCINI, the names of the Senator from North Carolina [Mr. SANFORD], the Senator from South Dakota [Mr. DASCHLE], and the Senator from Nevada [Mr. HECHT] were added as cosponsors of Senate Concurrent Resolution 35, a concurrent resolution expressing the sense of the Congress regarding the imposition of charges for outpatient care provided in medical facilities of the uniformed services to retired members of the Armed Forces, dependents of retired members, and dependents of members serving on active duty.

SENATE RESOLUTION 174

At the request of Mr. DECONCINI, the name of the Senator from Wisconsin [Mr. PROXMIRE] was added as a cosponsor of Senate Resolution 174, a resolution expressing the sense of the Senate condemning the Soviet-Cuban build-up in Angola and the severe human rights violations of the Marxist regime in Angola.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for the public that a hearing has been scheduled before the full Committee on Energy and Natural Resources.

The hearing will take place Wednesday, April 22, 1987, 9:30 a.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC.

The purpose of this hearing is to receive testimony concerning the recent Department of Energy report to the President entitled "Energy Security." The witness will be Hon. John S. Herrington, Secretary of Energy.

For further information, please contact Betsy Moler, senior counsel to the committee, at (202) 224-0612.

Mr. BUMPERS. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Public Lands, National Parks and Forests.

The hearing will take place Thursday, April 23, 1987, 10 a.m. in room SD-336 of the Senate Dirksen Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on two measures currently pending before the subcommittee:

S. 247, a bill to designate the Kern River as a national wild and scenic river; and

S. 275, a bill to designate the Merced River as a national wild and scenic river.

Those wishing information about testifying at the hearing or submitting written statements should write to the Subcommittee on Public Lands, National Parks and Forests, U.S. Senate, room SD-364, Dirksen Senate Office Building, Washington, DC 20510. For further information, please contact Beth Norcross at 224-7933.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LEAHY. Mr. President, I wish to announce that the Committee on Agriculture, Nutrition, and Forestry will hold a hearing on Tuesday, April 7, 1987 at 9 a.m. in room SR-332 to receive testimony on the economic problems of rural communities. For further information please contact Leslie Dach of the committee staff at 224-2035.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON INTERNATIONAL FINANCE AND MONETARY POLICY

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on International Finance and Monetary Policy of the Committee on Banking, Housing, and Urban Affairs, be authorized to meet during the session of the Senate on Wednesday, April 1, 1987, at 9:30 a.m., to conduct oversight hearings on Third World debt.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON COURTS AND ADMINISTRATIVE PRACTICE

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Courts and Administrative Practice, of the Committee on the Judiciary be authorized to meet during the session of the Senate on April 1, 1987 at 10 a.m., to hold a hearing on S. 548, Retiree Benefits Security Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on April 1, 1987 at 1:30 p.m., to hold a hearing on judicial nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON STRATEGIC FORCES AND NUCLEAR DETERRENCE

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Strategic Forces and Nuclear Deterrence, of the full Committee on Armed Services, be authorized to meet during the session of the Senate on Wednesday, April 1, 1987, at 9 a.m., in open session to receive testimony on the SDI Research Program and on its compliance with existing treaty obligations, in review of the fiscal years 1988 and 1989 Department of Defense authorization request.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PROJECTION FORCES AND REGIONAL DEFENSE

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Projection Forces and Regional Defense of the Committee on Armed Services, be authorized to meet during the session of the Senate on Wednesday, April 1, 1987, at 2 p.m., in open session to receive testimony on the reorganization of special operations forces and program proposals for SOF airlift.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CHILDREN, FAMILY, DRUGS, AND ALCOHOLISM

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Children, Family, Drugs, and Alcoholism, Committee on Labor and Human Resources, be authorized to meet during the session of the Senate on Wednesday, April 1, 1987, at 2 p.m. to hold a hearing on the Reauthorization of Child Abuse Prevention and Treatment Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Wednesday, April 1, 1987, at 9:30 a.m. to hold a hearing on S. 557, the Civil Rights Restoration Act of 1987, part II.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. BYRD. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, April 1, 1987, at 2:30 p.m. to resume closed hearings on proposed legislation authorizing funds for fiscal year 1988 for the intelligence community.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Wednesday, April 1, 1987, at 10 a.m. to hold hearings and markup on S. 813, the Urgent Relief for the Homeless Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

REPORT OF DEMOCRATIC MEMBERS OF THE COMMISSION ON CENTRAL AMERICAN NEGOTIATIONS

● Mr. PELL. Mr. President, last fall in the legislation governing the funding of the Contras, the Congress established the Commission on Central American Negotiations. Its purpose is to monitor and report on efforts toward negotiations for peace and security in Central America. According to the legislation, the Commission is required to prepare a report within 5 days after the Congress receives the Presidential determination on Nicaragua, addressing the issues dealt with in the determination. The Congress, however, has not received such a report because the Commission has not functioned due to lack of agreement regarding the selection of the Commission's chairperson. The failure to agree on a chairperson has prevented the Commission from doing the work intended in the legislation. Perhaps we should be looking for alternative ways to select a chairperson so that the Commission can finally get underway.

In order to comply with the spirit of the legislation, the Democratic members of the Commission on Central American Negotiations have submitted a report, prepared by Commission member Ed King, to me as chairman of the Committee on Foreign Relations and to the Speaker of the House. Among the points made by Mr. King is that the President chose not to consider the fact that the Central American countries are actively working on the proposal by Costa Rican President Arias in preparation for a meeting of the five Central American presidents in May in Guatemala. This certainly enhances the prospects for achieving an agreement. Mr. King also writes of the Nicaraguan Government's repeated offers to negotiate a security accord with the United States and bilateral security/border accords with its Central American neighbors.

Mr. President, I recommend that my colleagues read Mr. King's report and I ask that it be placed in the RECORD.

The report follows:

MARCH 23, 1987.

Hon. CLAIBORNE PELL,
Chairman, Senate Foreign Relations Committee, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: This report is submitted in accordance with Title II, Section 213(e)(1) of the act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1987 as contained in Public Law 99-500, approved on October 18, 1986.

The Commission on Central American Negotiations authorized by Section 312 has not been able to formulate and submit a full Commission report as required by paragraph (e)(1) above, due to the inability of the Commission members to as yet agree, by majority vote, on the selection of a Commission chairman.

To comply in some personal measure with the mandate and intent of the act establishing the Commission, the duly appointed Democratic members, Mr. Edward King and Mr. Kirk O'Donnell, herewith submit a separate report prepared from public documents and information obtained by Mr. King while in Central America with congressional delegations.

With esteem and best wishes,

Sincerely,

EDWARD L. KING,
Member, Commission on Central American Negotiations.

MEMORANDUM FOR CHAIRMAN OF THE SENATE FOREIGN RELATIONS COMMITTEE

REPORT ON PRESIDENTIAL DETERMINATION NO. 87-10 FOR FURTHER ASSISTANCE TO NICARAGUAN DEMOCRATIC RESISTANCE, MARCH 20, 1987

This report is transmitted in accordance with section 213e(1) of the FY 1987 Military Construction Appropriations Act. It includes:

A statement regarding the President's determination on the status of negotiations toward a settlement of the conflict in Central America, including the willingness of the Nicaraguan democratic resistance and the Government of Nicaragua to negotiate a settlement;

A statement regarding the President's determination on alleged human rights violations by the Nicaraguan democratic resistance and the Government of Nicaragua, including a comment about the steps taken by the Nicaraguan democratic resistance to remove from its ranks any individuals who have engaged in human rights abuses;

A statement regarding the President's evaluation of the progress made by the Nicaraguan democratic resistance in broadening its political base and defining a unified and coordinated program for achieving representative democracy in Nicaragua.

STATEMENT ON THE PRESIDENT'S DETERMINATION ON EFFORTS TO PROMOTE A SETTLEMENT IN CENTRAL AMERICA AND IN NICARAGUA

While the President indicates that efforts toward a negotiated agreement in Central America have intensified, he blames lack of progress on Nicaraguan intransigence. His determination notes that after the January 19-20 trip to Central America, the foreign ministers of the Contadora and Support Group countries, accompanied by the Secretaries General of the UN and OAS, noted that *all* the Central American states expressed their interest in a political solution and the willingness to continue to participate in the Contadora process. This distinguished group of ministers visited Nicaragua as well as El Salvador, Costa Rica, Guatamala and Honduras. And although they noted a lack of political will among the countries to resolve the conflict, they did not relate this lack of political will to just Nicaragua. A review of past Contadora negotiations processes reveals that there have also been instances of intransigence on the part of El Salvador, Costa Rica and Honduras often with U.S. Government backing.

In regard to the reference in the determination about President Azcona's letter to the Presidents of the Contadora and Support Group countries, no mention is made that he does not acknowledge the presence of camps of armed Contras inside Honduras, who regularly cross into Nicaragua to attack civilian and military targets. It is misleading therefore to use a statement by President Azcona to indicate that the crisis in Central America is primarily an internal conflict within Nicaragua that has spilled over its borders. Furthermore, Nicaragua's suits in the International Court of Justice (ICJ) filed in July 1986 were attempts to stop cross-border violations by bands of armed guerrillas operating from Honduras and Costa Rica, financed by money from the United States and other countries. It is correct that these suits followed unsuccessful Nicaraguan attempts to negotiate bilateral agreements with their neighbors to establish joint border commissions to use international observers to provide surveillance over fifteen mile wide demilitarized zones on each side of the borders with Honduras and Costa Rica. Nicaragua has indicated that it is willing to withdraw its suits in the International Court of Justice if it can reach some bilateral border agreements with its neighbors.

The Nicaraguan Government has not responded to the February letter from the internal political position parties calling for "a broad dialogue and ceasefire as a basis for ending the war that is tearing Nicaragua apart and that has been financed by the U.S. Government for the past 6 years." It has also remained firm in refusing to consider any negotiations with the Contras who they allege are maintained as foreign supported terrorists.

On February 19, the Nicaraguan Government accepted the invitation of President Arias to participate in the meeting, in May at Esquipulas, Guatamala to consider the peace proposals submitted by President Arias at the San Jose Summit meeting on Feb. 15. The Nicaraguans accepted the invitation despite being excluded from the San Jose summit meeting and which may explain why Nicaragua issued the January 30 communique harshly condemning the talks that is referred to in the President's certification.

While the United States has publicly welcomed the proposals of President Arias and the other three democratically-elected Presidents to overcome the current impasse in regional negotiation, Assistant Secretary Elliot Abrams on March 6 stated "we have some ideas about how to improve the proposals and will make them known through the appropriate channels at the appropriate time." Such statements do little to reassure the four democratically-elected Presidents—not to mention the Nicaraguan President—that the United States intends to allow these Central American leaders to freely work out a peaceful political settlement to the crisis in the region without U.S. interference or pressure.

The President's certification indicates that UNP leaders Arturo Cruz and Alfonso Robelo have announced support for the Arias peace proposals, but he makes no mention of the fact that FDN leaders Mr. Calero and Col. Bermudez, have not indicated support for the proposals. On the contrary the FDN, which is the largest Contra organization, has said it does not support the Arias proposals. And of course Arturo Cruz has since resigned from UNO in protest against the undue control exercised by Calero and Bermudez. Mr. Alfredo Cesar and other leaders of BOS, the Southern Opposition Bloc have sent a letter to the Central American presidents indicating support for the Arias initiative and offering to renounce the five million dollars earmarked for them in the $100 million package, when and if a ceasefire is agreed to by all five Central American presidents. However, the certification does not mention that BOS is not part of UNO and only maintains contact with them for general coordination. Nor does it mention that BOS refuses to join UNO because it does not trust the FDN leaders and their total dedication to a military option rather than a political solution favored by BOS.

The President's certification makes much of Ambassador Habib's flying visits to five Contadora and Latin American countries during January 12-16. It also mentions his trips the following week, to seven European countries.

It seems that the President considers that the tours by Ambassador Habib somehow ere indications of serious U.S. efforts to seek peace in Central America. Yet even after the San Jose Summit when Ambassador Habib visited Costa Rica, Honduras, El Salvador and Mexico from Feb. 22-24, to exchange views about the Arias proposals, there were no indications given in the certification regarding why he did not also visit Nicaragua which had accepted President Arias' invitation to attend the Esquipulas meeting in May. It is difficult to understand why an exchange of views with the Nicaraguan Government—which we maintain diplomatic relations with—would not also be important to Ambassador Habib's negotiating mission.

The certification indicates that because of Ambassador Habib's shuttle visits to Latin America, Europe and 3 of the 5 Central American countries the U.S. Government had thus demonstrated its support for regional negotiations. It then goes on to say that since the Central American countries have not concluded a comprehensive and effective agreement; and that in the President's opinion there was no prospect on March 5, that the Nicaraguan Government would engage in a serious dialogue with all elements of the Nicaraguan democratic opposition; nor was there in the President's opinion a reasonable prospect of achieving such an agreement through further bilateral or multilateral diplomatic measures in the foreseeable future without additional assistance to the democratic resistance.

This section of the certification is indeed a weak reed. Ambassador Habib's international shuttle trips to various European, Latin American and some Central American countries, except Nicaragua and Guatamala, should not be regarded as a firm demonstration of U.S. resolve, to sincerely seek a political/diplomatic settlement to the regional crisis. It is difficult indeed to believe that the administration is sincere in a desire to reach a genuine negotiated settlement in Central America, when it has, for 3 years, refused to talk to the Nicaraguan government. The President's certification on March 5 that there is *no* reasonable prospect for achieving a peaceful agreement through further bilateral or multilateral diplomatic measures, ignores the fact that four of the five Central American presidents signed the preamble to an agreement pledging to seek just such a multilateral political/diplomatic agreement in May at Esquipulas, Guatamala.

The President's certification is misguided when it indicates that additional assistance to UNO and the FDN military effort is necessary for the Arias peace proposals to have a prospect for success. Those proposals are based on a ceasefire and political settlement, thus it is far more likely that continued assistance to the Contra military forces will endanger rather than promote the prospect for peace so clearly outlined in the San Jose document which four Central American Presidents signed.

In regard to the prospects for achieving a bilateral agreement it should be noted that the Nicaraguan Government has for three years been offering to continue the bilateral U.S.-Nicaraguan talks that were broken off at Manzanillo by the U.S. in 1984. The Nicaraguans have repeatedly stated they are willing to negotiate with the U.S. regarding removal of Soviet, Cuban and other military advisors, guarantees of no foreign bases, reduction in levels of sophisticated arms and numbers of troops. In return they ask for a U.S. guarantee not to invade Nicaragua.

Furthermore, since the Administration has for almost 3 years made no attempt to establish either bilateral or multilateral discussions with Nicaragua, the President cannot accurately certify that there is "no reasonable prospect" of achieving a peaceful political agreement without additional military assistance to the armed Contras, particularly in face of the agreement of five Central American Presidents to meet at Espuipulas to seek through diplomatic negotiations a political solution to bring peace to the region.

REPORT ON PRESIDENT'S CERTIFICATION ABOUT POLITICAL DEVELOPMENTS IN THE DEMOCRATIC RESISTANCE

The President's certification attempts to put the best possible face on the rapidly diminishing prospects for the Contras. He points out that on January 10, BOS and UNO signed a communique announcing joint political goals for a democratic society in Nicaragua. What is not pointed out is that BOS leaders refused to join UNO, contending that it is dominated by a clique of FDN military leaders. BOS has also expressed its opposition to seeking a military solution and called on UNO to join in a political initiative to find peace through a ceasefire and amnesty which permits Nicaraguan political leaders now in exile an opportunity to return to Nicaragua and fight for a restoration of democracy in Nicaragua with ballots, not bullets. The certification is correct when it states that the December-February period was one of intense political activity for UNO. It was during this period that Arturo Cruz threatened to resign from the UNO Directorate unless reforms to give civilians control over the FDN and UNO-South military forces, make UNO more representative of Nicaraguan society, establish better accounting of all funds expended, and broaden the base of UNO support. The reforms were not undertaken and furthermore Mr. Cruz realized that the U.S. Administration was going to continue to support Col. Bermudez and Mr. Calero, rather than push for civilian control of the FDN military; consequently Mr. Cruz announced his resignation from UNO on March 10th. Adolfo Calero left the UNO directorate but remained the political leader of the FDN, which contains most of the Contra military forces. Mr. Calero and Col. Bermudez, commander of the FDN forces, continue to be the most powerful and influential figures in the Nicaraguan democratic opposition.

Reference is made in the certification to the BOS statement that it would no longer accept U.S. aid because its troops were not being supplied. BOS claimed they had only received about $300,000 in U.S. aid despite having been promised $5 million in 1986. BOS leaders believe that they were receiving only a trickle of U.S. assistance because they refuse to join UNO. The military leaders of UNO-South operating near the Costa Rican border had ceased their military operations in January, because they said they had not received sufficient money and supplies from UNO to enable them to continue.

The President's certification does not include specifics regarding "an evaluation of the progress made by the Nicaraguan democratic resistence in broadening its political base and defining a unified and coordinated program for achieving representative democracy in Nicaragua" as required by Section 214(4) of the FY 1987 Military Construction Appropriations Act.

REPORT ON PRESIDENT'S CERTIFICATION REGARDING HUMAN RIGHTS

There appears to be a slight increase in 1986 in the number of human rights violations reported by both the Contras and the Nicaraguan Government. Both sides seem to attempt to place the blame for reported human rights violations on the other side. Thus, it is very difficult for the certification to accurately report on the true human rights situation in Nicaragua. The President's certification on human rights does not include any specific comment on steps taken by the democratic resistance to remove from their ranks any individuals who have engaged in human rights abuses as specified in Section 214(3).

The Democratic Resistance

The President's certification refers to a November 9, 1986 Contra example at the village of El Nispero of how the Nicaraguan interior forces try to place blame on the attacking Contra forces for subsequent atrocities that are alleged to have occurred after the Contras left the village.

The nonprofit UNO Nicaraguan Association for Human Rights (NAHR) which is financed by U.S. money, has begun an investigation of this incident. According to statements taken by America's Watch, from witnesses, 40 UNO-South soldiers attacked the small farm hamlet of El Nispero at 2 a.m. The Contras allegedly fired indiscriminately into the houses of the village, as well as at the command post of the small group of local militia. After this indiscriminate shooting, the Contras remained in the village for several hours, then withdrew with two women and a four-month old boy as captives. They left behind two dead militia soldiers, two elderly sisters killed by gunfire, a young mother killed as she fled, and two infants, one of whom had his throat cut. The President's certification states that a force of 200 Sandinista soldiers occupied a military base at El Nispero, while news reports from the area and a recent America's Watch report indicate that the military command post was occupied by a Sandinista Army conscript and three militia members. The conscript was killed as was a 35 year old military reservist who was with his family in another house. The other three wounded militiamen fled the scene, according to witnesses interviewed by press correspondents and America's Watch.

The formation of the NAHR to monitor human rights violations and train Contra forces on a code of conduct is certainly a step in the right direction. But reports persist that the NAHR office is not allowed to thoroughly investigate alleged Contra human rights abuses and that its reports are inclined to downplay some FDN-UNO human rights violations. On the other hand the Nicaraguan Government uses the state-controlled press to blame the Contras for some abuses committed by the EPS and Interior forces.

Religious Oppression

Cardinal Obando y Bravo has said that the continuing talks between the Catholic Church and the Nicaraguan Government have progressed better than expected. But there are still remaining problems. Chief among them have been the expulsion of Nicaraguan Bishop Vega and Monsignor Bismark Carballo, and the closing down of Radio Catolica.

The Nicaraguan Government has said that Bishop Vega is free to return to Nicaragua when he wishes. They have indicated that Monsignor Carballo will also be permitted to return at a later time. Negotiations are ongoing concerning the return of Radio Catolica to broadcasting under the direction of the Church.

In regard to the two other priests mentioned in the section, (an American and Salvadoran), they were accused by the Sandinistas of helping the Contras. However, the American priest Father D'Abele has been allowed to return to Nicaragua. Church-State relations continue to be strained but there appears to be some hope for improvement as long as the current dialogue between the Church and State continues.

Labor

There is little doubt the Nicaraguan Government has repressed and intimidated the Confederation of Labor Unity (CUS). CUS is the opposition labor union, and its members have felt the full impact of Sandinista pressure and intimidation to conform to government labor regulation an control.

Political Opposition

The seven internal Nicaraguan opposition parties have, as certified, been more active over the past few months than in the past. However, they are still restricted by the state of siege law which limits most individual constitutional rights in Nicaragua.

These small opposition political parties have fared badly over the past three years. They have continually opposed the Contra military activities, while at the same time losing their own political and personal flexibility because of the state of siege invoked by the Nicaraguan Government against the threat posed by the Contras. The internal political opposition has also generally been ignored by the United States Administration because of the overriding emphasis by the Administration on supporting the military effort of the Contras.

The internal demonstrations reported in the President's certification have occurred because of the rising public dissatisfaction with the Sandinista government. Yet it is not accurate to transpose that internal dissatisfaction into broad popular support for the Contras. It is more accurately an expression of the support the Nicaraguan people chose to give to the political parties still operating in Nicaragua. Nicaraguans did not demonstrate in Managua on January 9 and 10 in support of the Contras whom many view as "restorationists" of the old order; they demonstrated there against the Sandinista regime, using the opposition internal political parties in the Coordinadora as a way to express their discontent with the Sandinistas.

It should be remembered that the Coordinadora political parties have publicly disavowed support of the Contras. In fact, the Contras have no viable politcal presence inside Nicaragua. Nor do they have a visible political presence outside the country that generates much enthusiasm inside Nicaragua or with Nicaraguans living in exile. So concerned are the internal political parties with maintaining their independence from the Contras that they will not meet with them. Indeed after Mr. Mauricio Diaz, Secretary General of the Popular Social Christian Party and Mr. Eric Ramirez, President of Social Christian Party attended a meeting with Ambassador Habib in San Jose, Costa Rica they were harshly criticized by the other internal political parties upon their return to Managua.

General

The certification notes that in mid-December a Sumo refugee reported that as many as 65 Sumos had returned to Nicaragua and had been forcibly inducted into the Sandinista military. It also notes that the allegation had not been verified.

This claim appears to be an attempt to make a better case for the Administration policy supporting the Contra military effort. In fairness it would have been more balanced to have also mentioned that KISAN, the UNO affiliated Miskito-Indian group, has frequently engaged in open forced recruitment of Miskito youths, both in the refugee camps in Honduras and inside Nicaragua in villages along the Coco River.

In regard to Soviet-bloc mines being found in Honduran territory, there are also press reports of Soviet-bloc and U.S. manufactured mines being found on roads and trails on the Nicaraguan side of the border. The Sandinista army has placed several captured U.S. mines on display in Matagalpa. So it would appear that both sides are mining along the border areas and on interior roads inside Nicaragua. The result of this indiscriminate mining by both sides in the fighting along the Honduran Nicaragua border has been that dozens of innocent civilian women and children are being crippled and maimed by these cruel devices.

Summary

The President's certification does not contain a specific report on the matters referred to in Section 211(d), (1)(D)(E)(F) or (2)(A)(D).

The certification does not contain specific statements concerning how the Nicaraguan democratic resistance groups receiving assistance are implementing:

(1)(D) The pursuit of a defined and coordinated program for achieving representative democracy in Nicaragua.

(1)(E) The subordination of military forces to civilian leadership.

Mention is made on page 12 of the President's certification regarding the UNO Directorate working toward creation of a "National Army" which would bring the resistance military effort more effectively under civilian control. However, Mr. Arturo Cruz has said that one of the reasons for his recent resignation from UNO was because the U.S. Dept. of State and CIA, thought it would be unwise for Cruz to insist on the appointment of Luis Rivas to be a civilian supreme commander of Contra military forces. Cruz was told to be gentle and deferential to Col. Bermudez, commander of the FDN military forces. Cruz has said that it was his perception that the FDN clique of military leaders would not permit the military reforms that he considered necessary for subordination of the military forces to civilian leadership unless the U.S. Government forced them to do so and he found no inclination in his contacts with the Administration to back such reform.

(1)(F) The application of rigorous standards, procedures and controls to assure that funds transferred are fully accounted for and are used exclusively for purposes authorized.

The certification contains only a report on the expenditures for the Contra Human Rights Program. It indicates that $400,000 of the authorized $2 million has been disbursed during Oct. 22, 1986 through Feb. 22, 1987. However, there is no indication of what controls have been established and effected on the disbursement of the remaining $58 million which has been allocated under the controlling legislation during the same period. There is not any indication of how money has been spent.

(2)(A) To reflect the views and objectives of the internal and external Nicaraguan Democratic opposition.

Nor is it clear from the certification, how the President has taken into account the effectiveness and legitimacy of the political leadership of the Nicaraguan democratic resistance groups receiving assistance, including the ability of that political leadership to reflect the views and objectives of the internal and external democratic opposition. As has been noted, the internal Nicaraguan political opposition has disavowed any support for the Contras and the Contra external political opposition, whose leadership has been in constant turmoil has been unable to gain the political support of more than a handful of the Nicaraguans living in exile.

(2)(D) To provide command and control for the military forces of all resistance groups receiving assistance under this title and to establish the goals for their military operations.

Additionally, it is also not clear from the President's certification how he has taken into account the ability of the Nicaraguan democratic opposition to effectively provide command and control for the military forces of all resistance groups and establish goals for their military operations. During the period of the report, the Contra forces in UNO South ceased to fight and those of BOS remained outside UNO command channels. And even in the FDN forces these numbers were reported in February 1987 as being 12,000 to 15,000 troops, while in August of 1986, they were reported to number 20,000 and to be growing larger each day.

Under the provisions of paragraph 211(e)(1)(2)(3) Continuing Appropriations for Military Construction for FY 1987, the President has certified:

(e)(1) That the Central American countries have not concluded a comprehensive and effective agreement based on the Contadora Document of Objectives.

He indicates that the principal reason for this failure is Nicaraguan intransigence on withdrawing their suits against Costa Rica and Honduras before the International Court of Justice (IJC) over border violations by the Contras. It should be pointed out that, during this same period, El Salvador and Honduras have both stated reasons why they too have serious reservations about negotiating a settlement based on the Contadora Document of Objectives.

(e)(2) That the Government of Nicaragua is not engaged in a serious dialogue with representatives of all elements of the Nicaraguan democratic opposition, accompanied by a cease-fire and an effective end to the existing constraints of freedom of speech, assembly, religion and political activity, leading to regularly scheduled free and fair elections and the establishment of democratic institutions.

The operative words in this statement are "all elements," which means that the UNO-FDN forces as well as the internal Nicaraguan political opposition parties must be included in any dialogue. The Nicaragua Government has repeatedly stated that they will not talk with any armed group—which they consider terrorists—seeking their overthrow. Including the UNO-FDN forces in talks as a prerequisite for dialogue in effect dooms any hope for negotiations between Nicaragua and their democratic opposition in the Coordinadora. Furthermore, demanding the inclusion of the UNO-FDN as a dialogue participant gives the Nicaraguan Government an excuse for not talking with the legitimate internal political opposition parties who have advocated a ceasefire and amnesty as a basis for dialogue. It is difficult to understand why the Administration continues to demand inclusion of the UNO-FDN in any dialogue, when the political leadership of UNO has, in the past, stated they are willing to let the legitimate internal political parties represent them in any discussions with the Government of Nicaragua.

(e)(3) That there is no reasonable prospect of achieving such agreement, dialogue, ceasefire, and end to constraints described above through further diplomatic measures, multilateral or bilateral, without additional assistance to the Nicaraguan democratic resistance.

In this certification the President seems to ignore the possibilities of the peace proposals put forward on February 15 by President Arias of Costa Rica. On page 2 of the report that accompanied his certification, the President notes that the Arias proposals seek to address the key issues of national reconciliation and democratization within the Contadora framework. Surely the Arias proposals, which will be discussed in May, by the five Central American Presidents at Esquipulas, Guatemala, constitute a reasonable prospect of achieving the type of agreement referred to in Sections (a) and (b) of the President's certification.

The ten points contained in the Arias proposal call for national reconciliation, amnesty, dialogue, ceasefire, democratization, free elections and arms reduction. All of the same points are in the Contadora Document of Objectives.

Additionally, the Nicaraguan Government has indicated several times over the past three years, that it is willing to continue the bilateral security talks that were broken off in Manzanillo, Mexico by the U.S. in 1984.

Therefore, considering the ongoing effort through the Arias Proposal to reach a multilateral agreement for a peaceful settlement of the crisis in Central America and recognizing that the Nicaraguan Government has indicated its readiness at any time, to continue the bilateral security talks with the U.S., it is difficult indeed to understand how the President can certify that there is no reasonable prospect of achieving an agreement without additional assistance to the Contras. At this point it would seem that the Contra military efforts are counterproductive to the efforts currently underway to achieving a political agreement that brings peace to Central America.

Under the provisions of paragraph 214(1)(3)(4) of the Military Construction Act for FY 1987 the President's certification also includes:

(1) "A detailed statement of the status of negotiations toward a settlement of the conflict in Central America, including the willingness of the Nicaraguan democratic resistance and Government of Nicaragua to negotiate a settlement"—

The President's certification details chiefly the efforts made by the Foreign Ministers of the Contadora and Support Group countries and the Secretaries General of the OAS and UN during their January 19-20 trip to five Central American countries. He reports that although the 10 ministers found all the Central American states interested in seeking a political solution, there was a lack of political will to resolve the conflict. He makes no mention of any steps taken by the U.S. to facilitate the negotiation process beyond Ambassador Habib's visits. Also the President's report does not address the possibility of internal political opposition parties negotiating for the democratic resistance.

The President also blames the Nicaraguan Government's intransigence as the reason for lack of progress in efforts toward a negotiated settlement with the democratic resistance or Contadora. Specifically cited is Honduran President Azcona's letter and a Salvadoran aide-memoire indicating that Nicaragua's refusal to withdraw their suits in ICJ over Contra border violations was the reason Contadora negotiations were blocked. No mention is made of past Costa Rican, Salvadoran and Honduran reservations regarding the draft Contadora Document of Objectives as also being a restraining factor toward progress on Contadora negotiations.

Mention is made of the peace proposal put forward by Costa Rican President Arias on Feb. 15 at the San Jose summit meeting of the democratically-elected Central American Presidents. And a detailed report is made concerning Ambassador Habib's shuttle stops in countries in Europe, Latin America and Central America.

It should be noted that in this, the major expression of U.S. interest in negotiations seems to be to comply with the requirements of Section 214(1), there is no mention made of Ambassador Habib visiting either Guatemala or Nicaragua, both of which are vital to any successful Central American negotiated peace settlement.

It is stated in the certification that there is no reasonable prospect that the Government of Nicaragua will engage in a serious dialogue with representatives of all elements of the Nicaraguan democratic opposition, nor any reasonable chance of achieving an agreement through further diplomatic measures bilateral or multilateral without additional assistance to the Nicaraguan democratic resistance. While it is correct that the Government of Nicaragua refuses to engage in a serious dialogue with the armed democratic resistance, its President has agreed to meet with other Central American Presidents at Esquipulas, Guatemala on May 15 to discuss the proposals put forward by President Arias to seek a political settlement to the crisis in Central America.

(3) In reporting on alleged human rights violations by the Government of Nicaragua and the democratic resistance, no mention is made of the steps taken by the Nicaraguan democratic resistance to remove from their ranks any individuals who have engaged in human rights abuses.

(4) The certification in evaluating the progress made by the Nicaraguan democratic resistance in broadening its political base and defining a unified and coordinated program for achieving representative democracy in Nicaragua, stresses that the United Nicaraguan Opposition (UNO) and the Southern Opposition Bloc (BOS) have signed an agreement on joint political goals. It also makes a point of Auturo Cruz's demand for reform in UNO and the resignation of Adolfo Calero from the UNO leadership.

It does not point out that the UNO-BOS agreement was only to coordinate the exchange of information. The political military base of the UNO democratic resistance remains the FDN forces of Mr. Calero and Col. Bermudez. With the recent resignation of Mr. Cruz from the UNO civilian leadership, the political base of the democratic resistance has not been broadened, nor has the cause of a unified and coordinated program for the democratic resistance to achieve democracy in Nicaragua yet been satisfactorily addressed.●

AFGHANISTAN: LETTERS FROM THE STATE OF MISSISSIPPI

● Mr. HUMPHREY. Mr. President, last December the brutal Soviet occupation of Afghanistan entered its eighth year. The horrible condition of human rights in Afghanistan was recently described in a United Nations report as: "A situation approaching genocide."

As chairman of the Congressional Task Force on Afghanistan, I have received thousands of letters from Americans across the Nation who are outraged at the senseless atrocities being committed today in Afghanistan. Many of these letters are from Americans who are shocked at this Nation's relative silence about the genocide taking place in Afghanistan.

In the weeks and months ahead, I plan to share some of these letters with my colleagues. I will insert into the Record two letters each day from various States in the Nation. Today, I submit two letters from the State of Mississippi and ask that they be printed in the Record.

The letters follow:

Dear Senator Humphrey: My husband and I are writing you this letter to express our concern about the terrible events happening now, and for the past eight years, in Afghanistan. There can be no justification for this type of behavior by any nation in the world.

We have often wondered why the three major networks have been so reticent about the events in Afghanistan while being so vocal concerning South Africa and certain South American countries. It amazes me that television networks in a free country would lack even enough courage to speak loud and long about events happening with regularity which rival Hitler's Germany. At what point do we say enough? I realize there is great fear over an atomic war. Is it any worse to die from an atomic blast than to die as Afghans are dying? Those Afghans who have died had as much right to life as any American.

Any information we have happened across concerning this horror has been either from the Reader's Digest or, rarely, small segments on one of the "big three" networks. We find CBN Network often gives a better world view than those networks most often watched by viewers. We Americans cannot abhor actions about which we are unaware. Those who will not speak, be they television reporters, newspapermen or politicians, share guilt with those who commit the acts.

Thank you for allowing us an outlet for our anger about, and concern for, those so vilely treated in Afghanistan by a stronger and amoral force.

Sincerely,

ED and LINDA TANOUS.

GREENWOOD, MS.

DEAR SENATOR HUMPHREY: The descriptions of what's happening in Afghanistan in the March, 1987, Reader's Digest are so horrible as to seem unreal—impossible in our "civilized" era. Maybe that's why we can get so upset by the plight of a single dissident or kidnap victim and yet ignore the wholesale destruction of a people like in Cambodia and now Afghanistan.

I don't know what our country can do, or should do, but we must do something. It's inconceivable that we should be able to spend as much time and money as we have aiding people in Nicaragua and other places to assure them a decent form of government, and yet be unable to do anything to assure these people even the right to stay alive.

There have been a lot of books and films recently reminding us of the Holocaust, and we wonder forty years too late how that was allowed to happen. Please let's not wait forty years to mourn the fate of the Afghans!

Sincerely yours,

MRS. BETTY HINDMAN.

JACKSON, MS.●

ECONOMIC DISPLACEMENT AND WORKER ASSISTANCE ACT

● Mr. HUMPHREY. Mr. President, the Committee on Labor and Human Resources will soon begin debate on provisions of S. 538, the Economic Displacement and Worker Assistance Act.

Recently, three major newspapers—the New York Times, the Wall Street Journal, and the Detroit News—have recently editorialized on this legislation. Of particular concern to the three editorial writers are the advance notice and consultation requirements of title II of the bill.

I share the concerns expressed in these editorials. In fact, I suspect that if title II were a play, and received reviews like the three expressed here, the curtain would be dropped in the middle of the first act.

As more public scrutiny is shed on this special interest legislation, I predict further editorial criticism. While these editorials do mention the bill's primary sponsor, Senator METZENBAUM, it is not my intention to personalize this issue. My arguments are with the policy represented in this proposal. As far as I am concerned, I wish the editorials had left out specific reference to the Senator from Ohio.

Mr. President, I ask that three editorials be printed in the RECORD.

The editorials follow:

[From the New York Times, Mar. 14, 1987]

PLANT CLOSINGS: WARNINGS, NOT LAWS

Congressional Democrats propose requiring employers to give workers substantial notice of layoffs and to consult with them or local authorities before the door is shut. The objective is noble, but the means are excessive.

The Senate and House are now considering similar versions of a "plant closing" bill, part of a package that would also beef up Federal and state aid to dislocated workers. The proposal deals with job dislocations caused by foreign competition, the takeover craze and technological change. The Administration has a similar proposal but opposes statutory requirements for advance notice and consultation.

The plan submitted by Senators Metzenbaum, Kennedy and Simon would require employers to give at least 90 days warning if they are going to eliminate 50 or more jobs in one location, and earlier notice for bigger layoffs. It would also make employers talk with employee representatives or the community where layoffs are scheduled, with an eye to alternatives. There would be penalties for noncompliance absent unforeseeable adversity.

Actually, advance notice is already standard practice for many companies, particularly big ones. What rightly concerns them about writing this into law is the potential for long delays that cancel out needed flexibility and intensify a company's difficulties. Small companies are also understandably concerned that as soon as they go public with the bad news, closing comes even faster than expected. Suppliers and customers vanish and creditors cut them off.

Forewarning is simple fairness for workers about to be put out on the street, and management should be open to suggestions from affected employees and communities. More than just fair, when a shutdown is inevitable, advance notice gives employees and the community time to adjust. The best remedy, favored by the Administration and major business organizations, would be for companies to give notice and consult without legal red tape. But if there is no law, business bears a heavy burden to act responsibly.

[From the Wall Street Journal, Mar. 26, 1987]

THE JOB-DESTRUCTION BILL

Some bad ideas won't stay buried. Every year since 1974, legislation requiring that companies give advance notice of plant closings has been introduced in Congress. The high-water mark for plant-closing legislation came in 1985, when a scaled-down version lost by five votes in the House of Representatives. Organized labor, which had pulled out all the lobbying stops, was humiliated. Many observers were ready to give the idea its last rites.

They didn't count on the tenacity of Sen. Howard Metzenbaum (D., Ohio). Noticing that the administration's new budget proposed an additional $600 million or so in displaced-workers assistance, Sen. Metzenbaum rushed forward with legislation that would appropriate the extra funds. He added a requirement that companies provide a minimum of 90 days' notice for any layoffs or closings involving 50 or more employees. A notice of 180 days would be required for any action involving more than 500 employees.

After notice is given, the employer must meet and consult "in good faith" with employees on possible alternatives to or modifications of the action. In short, employers face local pressure to keep plants open.

Now, giving notice sounds innocent enough at first. But what the law actually will do is delay adaptations to changing business conditions, which sometimes happen quickly. The costs of such delays could mean bankruptcy for a company that might otherwise survive. The more risks there are in starting or expanding a business, the fewer there will be, and fewer jobs.

A federal law also would reduce the competition states now engage in to provide an attractive climate for business. That competition has been crucial to U.S. economic vitality.

Yet Sen. Metzenbaum has the colossal nerve to say that "this legislation will help workers give the competitive edge back to America." Many members of Congress know this is hogwash but don't want to be tagged as being "against" jobs.

Business leaders are not unaware of the difficulties a plant shutdown can cause. In 1983, the National Center on Occupational Readjustment, a business-backed clearinghouse, was set up to provide guidance on how closings can be managed so that adverse effects are minimized.

There is nothing to stop labor unions from demanding job-security provisions in their contracts, and many do. Since nothing is free, workers who win such benefits have to give up something else. The present Labor Act places certain restrictions on closings, for example those seen as based on "anti-union animus."

Sen. Metzenbaum's bill is, however, a "jobs" bill of one sort—for lawyers. It creates a set period of time during which unions and others can file lawsuits. Employees claiming that a company did not adequately provide notice will seek injunctions ordering a plant to continue operating. Judges will have to evaluate any proposed "alternatives" or "modifications." Must the plant keep running so long as the court isn't satisfied? Where does it get the money? Will federal judges sell its products?

Past failures of Sen. Metzenbaum's efforts on behalf of economic stagnation have been no accident. Let's hope that this present Congress will be as perceptive as Congresses of the past in seeing the economic dangers his ideas present.

[From the Detroit News, Mar. 19, 1987]

METZENBAUM'S METZEN-BOMB

A few years ago we heard a lot about the neutron bomb—you remember, the one that kills people but spares buildings. Now we'd like to introduce you to the "Metzenbaum," a device now under construction in Congress. It not only would kill new business formation but fill up the federal courts with litigious fallout.

We've named this engine of destruction after its inventor, U.S. Sen. Howard Metzenbaum of Ohio. He prefers to call it a "plant closing law," and he's not altogether wrong. Plant closings are precisely what his bill would accomplish—but with a unique twist. His law would close plants even before they open, because its provisions are so onerous that entrepreneurs would be reluctant to commit resources to job-creating investments. The same type of legislation already is on the books in many European countries, where job creation has been almost nil.

The Metzenbaum—or should we say the "Metzen-bomb"—is hidden away in a much larger legislative package known as "The Economic Dislocation and Worker Assistance Act of 1987," an act that is supposed to help train and relocate workers who have been dislocated by competition from imports. About $1 billion would be spent on economic SWAT teams of federal and state bureaucrats who will rush around offering "help" to communities faced with plant closings.

As part of that help, Title II of the act would require the following:

Any company laying off 50 or more employees for any reason must give 90 to 180 days notice not only to the employees and their bargaining unit, but to the SWAT team, and local government.

After such notice, the employer must meet "in good faith" with these various groups "for the purpose of agreeing to a mutually satisfactory alternative to or modification of such proposal."

The burden of proof is on the employer to justify his action, by requiring him to disclose "such relevant information as is necessary for a thorough evaluation of the proposal to order a plant closing or mass [50 or more] layoff, or for the thorough evaluation of any alternatives or modifications suggested to such proposal."

Any refusal to comply makes the employer subject to fines of $500 a day, and makes him liable to either the employees or local government representatives for redress—in collective lawsuits that will be costly to defend, but which will create irresistible campaign ammunition for politicians on the move.

Such rules would wipe out the entire venture capital industry in one stroke. After all, if you have to put up $1 million or so to start a business, you'd have to think twice about the possibility that failure could actually increase that loss by 50-100 percent, and tie you up in court for the next three to five years.

Rep. William D. Ford of Michigan proposed a much less lethal version of Sen. Metzenbaum's plant-closing legislation last year. It required only 90 days notification and imposed fewer legal requirements on companies. This was bad enough, but it came within four votes of House passage. So there is hope for Sen. Metzenbaum's proposal, though we hope moderation will prevail in Congress—and that the Metzen-bomb will go the way of the neutron bomb.●

LOW-POWER TESTING

● Mr. BIDEN. Mr. President, last Thursday, March 26, the Atomic Safety and Licensing Appeal Board [ASLAB] of the Nuclear Regulatory Commission gave its approval to low-power testing of the reactor at the Seabrook powerplant. Acknowledging that serious policy questions are raised by a decision to go ahead with lower power testing, the NRC Commissioners blocked staff from acting on the ASLAB action pending a review of its implications.

The dispute is focused on the application by Seabrook for a low-power license to test the facility's reactor. The point of contention is whether the utility should be granted a low-power license even though it has failed an application without a state and local government emergency plan. No plan is included in the application. In effect, the utility has not filled in all the blanks in its application. This is the first time an application containing no emergency plan has been considered by the NRC.

A low-power license is one of the last steps before an operating license for full-power generation of electricity. Barring major changes, there is a clear requirement for an emergency plan approved by State and local governments within 10 miles of the nuclear plant in a full-power license application. It is also clear that there are major problems with the emergency planning aspect of this plant's operation. The complete lack of even a draft proposal drawn up by the utility highlights the severity of the problem.

The point the Commissioners need to address is not whether an offsite plan is needed for a low-power license, but the larger policy question, which was beyond the authority of the ASLAB to address, of whether there is any reason to proceed further in the licensing process in the absence of an emergency plan. The Commission should decide in favor of a policy that requires answers to central, but unresolved, questions about the plant's operation at as early a time as possible.

A low-power license by itself is of no use to the utility. It allows the reactor to be tested, and the glitches in the equipment to be worked out, but it will not result in revenues flowing to the utility. The testing is done under the assumption that a full-power license will follow shortly afterward. This is an assumption that should not be made in the Seabrook case, but one the NRC would be making if it goes ahead with approval of the low-power request.

The Seabrook controversy has exposed a major flaw in the licensing procedure followed up to now by the NRC. Consideration of the feasibility of an emergency plan should not be pushed back to the last step in the licensing process. Along these lines, I have introduced legislation to require active consideration of emergency planning issues by the utility and state and local governments before construction of a plant begins, and before billions of dollars are put at risk.

Unfortunately, it is too late to apply this sensible requirement to the Seabrook license request. The situation at hand is one nobody is happy with, but the NRC can do best by stopping the drive toward a full-power license at this point, and demand that major issues, like a workable emergency plan, be resolved before proceeding further It is a policy that will help assure neighbors of the plant that their concerns are not going to be swept aside. The Commissioners have created the opportunity to put the NRC's policies on the right track, and I urge them to take advantage of it.●

LINE-ITEM VETO

● Mr. HUMPHREY. Mr President, I have joined with Senator EVANS and many other Senators in introducing S. 402, a bill to grant the President limited line-item veto authority. Thus far, 33 Members of the Senate have cosponsored this proposal.

Chief executives in 43 States have some form of a line-item veto. Of the remaining seven, one Governor has no veto authority at all.

I recently received a letter from one of these "line-item veto" Governors, Gov. Evan Mecham from the State of Arizona. I would ask unanimous consent that Governor Mecham's letter appear in the RECORD at the close of my remarks.

I do not think there is a Member of this body who will not agree with Governor Mecham that "The take-it-all or veto the whole thing does not give the executive any discretion." While there may be Members who feel that this is as it should be—no discretion in the executive, our Founding Fathers included the veto as a crucial element in the delicate system of checks and balance—a balance which Congress has been upsetting slowly but surely. As a result, Governor Mecham hit the nail on the head when he wrote, "The limited line-item veto is long overdue." The time has come to restore some sense of accountability around here.

In addition, Mr. President, Governor Mecham raises a very important point in writing that, "Even if the line-item veto is never used, its presence will always benefit the taxpayers by holding some element of spending down." I would only add that this element of spending will be the unnecessary and wasteful boondoggles which Congress continues to insert into these mammoth continuing resolutions.

As the Senate begins to work on the budget process and possible budgetary reform, I would urge my colleagues to reflect upon the arguments Governor Mecham offers.

The letter follows:

OFFICE OF THE GOVERNOR,
STATE HOUSE,
Phoenix, AZ, March 19, 1987.

Hon. GORDON J. HUMPHREY,
U.S. Senate, Washington, DC.

DEAR SENATOR HUMPHREY: I appreciate your letter of March 6, relating to providing the President limited line-item veto authority. I fully support this for the President as one of the beginning steps to give him some opportunity to control federal spending.

The take-it-all or veto the whole thing does not give the Executive any discretion.

It is he who is charged with the responsibility of running the Executive Branch of government. The limited line-item veto is long past needed.

Fortunately, here in Arizona the Governor has line-item veto power. Although in my short administration I have not yet received any appropriation bills, I can assure you that the fact that it is there is an important factor in negotiating with the legislature in the appropriation process. Even if the line-item veto is never used, its presence will always benefit the taxpayers by holding some element of spending down, if it is in the hands of a competent chief executive.

If people in Washington don't realize the crisis we have because of the unbalanced federal budget and don't take steps to correct it, we are all consigned to suffer the inevitability of what happens to any organization, including the government of the United States, if it continues to try to live on borrowed funds. If there is an opportunity to push the balanced budget amendments over the top, I would certainly be in accord with that as well as with any other activity that would help bring fiscal responsibility on the federal level.

I certainly, full heartily, support your actions and if I can be of service at any time, in helping bring this about please let me know.

Sincerely yours,

EVAN MECHAM,
Governor.●

PROPOSED ARMS SALES

● Mr. PELL. Mr. President, section 36(b)(1) of the Arms Export Control Act requires that Congress receive formal notification of proposed arms sales under the act in excess of $50 million, or in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is available to the full Senate, I ask to have printed in the RECORD at this point the notifications I have received. The classified annexes referred to in the covering letters are available to Senators at the Foreign Relations Committee.

The material follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, March 27, 1987.

Hon. CLAIBORNE PELL,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 87-16 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Air Force's proposed Letter(s) of Offer to Saudi Arabia for defense articles and services estimated to cost $325 million. Soon after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

PHILIP C. GAST,
Lieutenant General, USAF Director.

[Transmittal No. 87-16]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b)(1) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Saudi Arabia.

(ii) Total Estimated Value:

	Millions
Major defense equipment [1]	0
Other	$325
Total	[2] 325

[1] As defined in sec. 47(6) of the Arms Export Control Act.

[2] Reflects latest contractor pricing.

(iii) Description of Articles or Services Offered: Ninety-five AN/ALQ-171 Electronic Countermeasure Systems for use on Saudi Arabian Air Force F-5 and F-15 aircraft, including aircraft modifications, logistic support, and training.

(iv) Military Department: Air Force (SRA).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: March 27, 1987.

POLICY JUSTIFICATION

Saudi Arabia—AN/ALQ-171 electronic countermeasure systems

The Government of Saudi Arabia has requested the purchase of 95 AN/ALQ-171 Electronic Countermeasure Systems for use on Saudi Arabian Air Force F-5 and F-15 aircraft, including aircraft modifications, logistic support, and training. The estimated cost is $325 million.

This sale is consistent with the stated U.S. policy of assisting friendly nations to provide for their own defense by allowing the transfer of reasonable amounts of defense articles and services. It will demonstrate the continuing willingness of the United States to support Saudi Arabia's effort to improve its security through modernization of its forces. In a regional context, continuing support of defensive capabilities of Saudi Arabia will also contribute to overall Middle East security.

The electronic countermeasures system would satisfy the Saudi Arabian Air Force requirement for a self-protection jamming system for F-5 and F-15 tactical aircraft. The system would enhance their tactical operational effectiveness in the 1990s. As the Saudi Air Force is currently operating and maintaining similar equipment on F-15C aircraft, it will be able to absorb the AN/ALQ-171 rapidly into its force structure.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Northrop Defense Systems Division of Rolling Meadows, Illinois.

Implementation of this sale will not require the assignment of any additional U.S. Government personnel; however, 16 contractor representatives may be required in Saudi Arabia for three years.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, March 27, 1987.

Hon. CLAIBORNE PELL,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 87-17 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Army's proposed Letter(s) of Offer to Saudi Arabia for defense articles and services estimated to cost $400 million. Soon after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

PHILIP C. GAST,
Lieutenant General, USAF Director.

[Transmittal No. 87-17]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b)(1) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Saudi Arabia.

(ii) Total Estimated Value:

	Millions
Major defense equipment[1]	$175
Other	225
Total	400

[1] As defined in Section 47(6) of the Arms Export Control Act.

(iii) Description of Articles or Services Offered: Twelve UH-60 Blackhawk and one Blackhawk VIP configuration helicopters, 15 Bell 406 helicopters with 7.62mm guns and 2.75 inch rocket and TOW launchers, one C-12 aircraft, spare engines, spare parts, special tools, test equipment, training, logistics and maintenance support.

(iv) Military Department: Army (VIV).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid:

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Included in report for quarter ending 31 December 1986.

(viii) Date Report Delivered to Congress: March 27, 1987.

POLICY JUSTIFICATION

Saudi Arabia—UH-60 Blackhawk helicopters, Bell 406 helicopters, and one C-12 aircraft

The Government of Saudi Arabia has requested the purchase of twelve UH-60 Blackhawk and on Blackhawk VIP configuration helicopters, fifteen Bell 406 helicopters with 7.62mm guns and 2.75 inch rocket and TOW launchers, one C-12 aircraft, spare engines, spare parts, special tools, test equipment, training, logistics and maintenance support. The estimated cost is $400 million.

This sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a friendly country which has been and continues to be an important force for political stability in the Middle East.

The sale of this equipment and support to Saudi Arabia will strengthen the capability of its land forces and contribute to the Gulf Cooperation Council's regional defense posture. Saudi Arabia will have no difficulty absorbing these items into its armed forces.

The sale of this equipment and support will not affect the basic military balance in the region.

The principal contractors will be Sikorsky Aircraft of Stratford, Connecticut; Bell Helicopter Textron, Inc., of Fort Worth, Texas; and Beech Aircraft of Wichita, Kansas.

Implementation of this sale will require the assignment of 28 additional U.S. Government personnel in Saudi Arabia for periods varying from one to four years; there may also be a requirement for one additional person for a period between three and six months. This sale will also require assignment to Saudi Arabia of 15 additonal contractor representatives for three months and 25 additional contractor representatives from two to three years.

There will be no adverse impact on U.S. defense readiness as a result of this sale.●

ARMS SALE ADVANCE NOTIFICATION

● Mr. PELL. Mr. President, by agreement, section 36(b)(1) of the Arms Export Control Act provides that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 20 calendar days to review and consult with the administration on the proposed sale. Section 36(b)(1) requires that Congress receive a statutory notification of the proposed arms sales and upon such notification, has 30 calendar days to review the sale. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is available to the full Senate, I ask unanimous consent to have printed in the RECORD at this point a notification which has been received. Portions of the notification which are classified have been deleted for publication, but are available to Senators at the Foreign Relations Committee.

The material follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, March 27, 1987.

MR. GERYLD B. CHRISTIANSON,
Staff Director, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHRISTIANSON: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b)(1) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle Eastern country tentatively estimated to cost $50 million or more.

Sincerely,

PHILIP C. GAST,
Lieutenant General, USAF Director.●

RAPIDLY CHANGING TECHNOLOGY

● Mr. KERRY. Mr. President, for those of us concerned with the issue of maintaining America's technological competitiveness, a continuing concern is the question of how we can promote continuing education on technological developments, both for scientist and engineers, and for policymakers. These questions have been examined in two thoughtful editorials in Science magazine by Philip H. Abelson, former editor of Science.

As Abelson points out, education in our rapidly changing technological society must be an ongoing process. New technologies can make a university education in engineering obsolete in a short period of time. We must make education for our engineers in industry a continuing process if we are to remain competitive in the world economy. And scientists and engineers on our university faculties are also at risk.

The Massachusetts Institute of Technology [MIT] has developed an innovative program to deal with this problem. As Abelson describes in his article, more than half of the students at MIT in the early 1980's wishing to major in electrical engineering and computer science sought to take a course entitled "Structure and Interpretation of Computer Programs," which included newly developed cutting-edge material that most senior faculty members were not familiar with. Thus the MIT faculty members were placed in the position of knowing less about this important subject than their own sophomore students. The solution was a special course for faculty during the January break in 1984, including a 2-week period of total immersion in the subject at a secluded off-campus location. This enabled MIT faculty members to enjoy "a tremendous learning experience," and to once again become computer-literate.

The MIT experience has led to similar programs at other universities and at leading companies such as AT&T, GE, and IBM. This MIT program is a model for what should be a national effort at continuing education in science and technology. As Abelson points out, "A national need exists to foster lifelong learning. This need demands attention and support from universities, industry, professional organizations, private foundations, and the Government."

A second editorial by Abelson, also in Science, points out that most policymakers do not have sufficient understanding of science and technology issues, and that most scientists and engineers have little understanding of the process of politics and policymaking and how to influence that process. He also notes that "key decisions in the grand issues involving technology are made by public policy, not in the marketplace."

Given this reality, the lack of meaningful exchanges of information and ideas between policymakers in Congress and scientists and engineers involved in creating new technologies is a disturbing phenomenon. Congress, propelled by the pressure of the media, tends to focus on the immediate and the short-term crisis rather than on long-term issues and complex problems affecting the future. And Members of Congress have little time for contemplation of serious long-range issues while caught up in the whirlwind of the political process in Washington.

Abelson suggests that: "In view of the frenetic atmosphere in Washington, scientists and engineers in the hinterlands should consider the advantages of activities in the home States and districts. By the nature of their professions, scientists and engineers tend to be alert to developments that may affect the national and global future. They could provide a perspective for politicians that is missing in Washington."

We in the Congress need to make greater efforts to expose ourselves to the views of the scientific community, and to educate ourselves about complex issues of science and technology. And the scientists and engineers in our home States likewise need to make greater efforts to involve themselves in the policymaking process. This kind of interchange is no longer a luxury. It is a vital necessity if America is going to remain competitive in science and technology in the 21st century.

I ask that two editorials by Philip Abelson from Science magazine, entitled "Managing Technology" and "Lifelong Learning," be placed in the RECORD.

The editorials follow:

MANAGING TECHNOLOGY

Many thoughtful people are concerned about the future of this country. They are uneasy about loss of technological competitiveness, a mounting trade imbalance, and the probability that the nation is living beyond its means and may face the need to accept a lower standard of living. They have long been troubled by reports of deleterious side effects of technology. Their discomfort is enhanced by a feeling that they are helpless to have even a slight impact on events. Most of those who would like to influence decisions about the future do not know how. They have little knowledge about how society and its political and communications systems work. Edward Wenk, a veteran of the national political scene and an engineer, has produced a book that will interest them.[1] This volume provides insightful perspectives on how technology interacts with the various segments of society and notes that the key decisions in the grand issues involving technology are made by public policy, not in the marketplace.

Pollsters have determined that television programs are exposed an average of 7.5 hours a day in American households. Accordingly, one of the realities of the present is the great impact that the media can have on popular opinion, rendering it volatile. In turn, the media recognize that if they do not produce excitement, they will lose their audience. The offerings tend to concentrate on disasters. Complex issues and important matters affecting the future get little attention. Correspondingly, as Wenk points out, pressures transmitted by the public "tilt the legislative process to favor what is urgent rather than what is important," Wenk further states: "Most issues seem propelled by either crisis or pressure. Legislative histories generally confirm this pattern, although there are exceptions. Some issues are also driven by a tidal wave of popular sentiment where people lead their leaders."

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[1] E. Wenk, Jr., *Tradeoffs* (Johns Hopkins Univ. Press, Baltimore, 1986).

In what follows, the scene of the political action is described. Washington and the surrounding metropolitan area are largely devoted to politics and to attempts to influence legislation and the regulations pertaining to the laws. More than 45,000 lawyers are licensed to practice in the District of Columbia. The government is, of course, the largest employer of personnel, but thousands of professional and trade associations together rank second. For many years, the region has had a great building boom with tens of millions of square feet of office space added. The complement of federal employees in the Executive Branch has expanded somewhat, but the great increase has been in congressional staffers. In the last two decades, their numbers have increased about fivefold, and they now total nearly 40,000. Washington seethes with activities of major and minor players—perhaps 100,000 of them—intent on influencing events. Trying to monitor the most exciting developments is a press and electronic media corps that totals more than 5,000.

One way or another, most of the issues being dealt with have to do with money, power, and influence. They also often have a substantial content of technology. The political system seems to find it difficult to legislate simply about technology. In the last two decades, the average number of pages devoted to each law has tripled, as has the number of pages in the *Federal Register.* Last year, nearly 50,000 pages were devoted to new or amended and proposed or final regulations. The regulations are often so complex that those affected, though professionals, find it difficult to comprehend the language.

Members of Congress are in general conscientious and well meaning, but they have little free time for contemplation while in Washington. Each serves on an average of more than seven committees or subcommittees. They must manage staff, be available for key constituents, deal with the media, and attend innumerable social functions.

In view of the frenetic atmosphere in Washington, scientists and engineers in the hinterlands should consider the advantages of activities in the home states and districts. On visits home, politicians may be more receptive to well-considered positions from a group of constituents than they would be elsewhere. By the nature of their professions, scientists and engineers tend to be alert to developments that may affect the national and global future. They could provide a perspective for politicians that is missing in Washington.

LIFELONG LEARNING

At one time, a single stint of university education was sufficient to provide the structural framework for lifelong learning. It was then possible for scientists or engineers to maintain a good level of awareness about progress in much of science or engineering. But the body of knowledge is expanding rapidly, and many new specialties have arisen. In some disciplines, several hundred thousand pages in journal articles appear each year. The usual response of the individual to the flood of knowledge is to become an expert devoted to learning more and more about less and less.

Most engineers are employed in industry; there, life is increasingly turbulent as some technologies become outdated and foreign competition destroys many jobs. Even in healthy companies, older engineers find themselves obsolescent as new technologies become applicable that did not exist when they were in school. This country trains fewer engineers per capita than do our leading competitors. Both for competitive and humanitarian reasons, we cannot afford to consign older engineers to oblivion. On the basis of individual effort, it is not feasible for an engineer in mid-career to change fields or to update himself or herself extensively without some kind of structured support. Thus there is a national need to organize effective continuing education for engineers. This need has been recognized by a number of organizations, including the American Society for Engineering Education, which presents a discussion of the problem in a report on Engineering Education.[1]

The activities of engineers are relevant to the scientific community for several reasons. First, a large fraction of the basis for support of academic research is the assumption that practical applications will result. If they are to help better our competitive positions, our engineers must function effectively. A second reason is that if the engineers evolve good mechanisms for fostering lifelong learning, these will be applicable to scientists.

Engineers working in industry are not alone in becoming obsolescent. At equal hazard are faculties at universities, including scientists and engineers. A striking example and a useful remedy were experienced at Massachusetts Institute of Technology. In common with many other schools teaching engineering, MIT in the early 1980s received a large number of applications from high-quality students wishing to study engineering. After being admitted and on campus, many wanted to major in electrical engineering and computer science. More than half of the students wished to take a sophomore course entitled, "Structure and Interpretation of Computer Programs." This included newly developed cutting-edge material with which only a tiny fraction of the faculty was familiar. Senior faculty were faced with the indignities of knowing less about an important subject than the sophomores and being unable to do their share of teaching it. The crisis was met by a special course for faculty conducted during the January break in 1984. The course, given 8 hours a day for a week, with laboratory and homework, enabled some of the faculty to understand better a textbook on the topic and later to teach it. Other sections of the course were conducted employing a 2-week period of total immersion in the subject at a secluded spot off campus. Freed from the innumerable interruptions and distractions that occur on campus, the professors enjoyed a tremendous learning experience. Experience at MIT with courses designed especially for faculty has been satisfactory and has led to similar courses in other fields.

Some leading companies, including AT&T, GE, and IBM, are active in continuing education. They, too, use isolated campuses with total immersion for a week and more. At least one company conducts a written examination at the conclusion of the course.

Most universities have no structured program for faculty education. Individuals are expected to create their own programs, which may involve sabbaticals, attendance at professional meetings, and other traditional activities. These, though useful, are not sufficient for many professors. A national need exists to foster lifelong learning. This need demands attention and support from universities, industry, professional organizations, private foundations, and the government.●

AGENT ORANGE

● Mr. KERRY. Mr. President, the recognition of the film "Platoon" as Best Picture of the Year in the Academy Awards ceremony reminds us once again that, in many ways, the legacy of Vietnam is still with us. One important and tragic legacy of Vietnam that has yet to be dealt with by our society and by the Congress is the issue of agent orange.

In many ways, the agent orange issue provides a metaphor for the experience of the Vietnam war itself. The story of agent orange is a story of technology run amok, and turned upon its creators. The use of agent orange mirrors the whole effort in Vietnam to use American technological superiority to win a war which could not be won by technology. And the divisions over the issue of agent orange, which continue to this day, mirror the divisions over the Vietnam war itself.

The great Irish poet, William Butler Yeats, wrote: "Too long a sacrifice can make a stone of the heart." Many Vietnam veterans know the truth of those words all too well. They know the bitterness which comes of feeling that one's sacrifices have not been recognized or rewarded. All of us know that there was a reason for that felling of bitterness. But we also know that during the past 5 years, since the establishment of the Vietnam Veterans Memorial in Washington, and other milestones for Vietnam veterans, that the healing process has brought many of us home again.

But there are some for whom a feeling of bitterness remains. There are those for whom the sacrifices continue, and are not yet recognized or rewarded. I am referring to the victims of agent orange.

Elmo Zumwalt III has written and spoken eloquently about the subject of agent orange in the book which he wrote with his father, Adm. Elmo Zumwalt, Jr., entitled "My Father, My Son." This book is a moving, personal account of one family's personal tragedy caused by agent orange.

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[1] American Society for Engineering Education, *The Quality of Engineering Education* (Washington, DC, 1986).

Elmo Zumwalt III, who served as I did as a swift-boat officer in Vietnam, wrote:

> I had seen Agent Orange defoliation nearly everywhere I had patrolled, but from the air the extent of it was dramatic—trees were stripped of leaves, thick jungle growth was reduced to twigs, the ground was barren of grass. In the 11 months I was in Vietnam, I had often washed in the waters into which Agent Orange had drained, and had eaten local produce which I suspect had been doused with the chemical. I remember developing a skin rash while in the Sea Float area. I have since learned that one of the effects of Agent Orange exposure is a skin rash. But at the time, I was thankful for the defoliation. It meant the enemy could not attack Sea Float without great cost to itself.

And these are the words of Elmo Zumwalt today, knowing that he is the victim of Hodgkin's disease, a severe form of cancer, and that his son Russell is the victim of a learning disability, both probably caused by agent orange. He writes:

> I am a lawyer, and I don't think I could prove in court, by the weight of the existing scientific evidence, that Agent Orange is the cause of all the medical problems—nervous disorders, cancer and skin problems—reported by Vietnam veterans, or of their children's serious birth defects. But I am convinced that it is.

Mr. President, the time has come to bring to a close the debate over agent orange, and to begin to provide compensation to the victims of agent orange. This Nation needs to take that further step in the healing process, in the process of closing the lingering wounds from the Vietnam war. And the Congress needs to be a part of that process. I am hopeful that we will finally see action in the 100th Congress to bring some measure of relief to the victims of agent orange.

I am proud to say that the State of Massachusetts has been a leader in both the medical research on agent orange, and the organization of veterans with problems which could be related to their agent orange exposure in Vietnam. The Commonwealth's Agent Orange Program has conducted research and come up with some very important findings, some of the most important in all of the research on agent orange.

In January 1985, the Massachusetts Agent Orange Program published a report, "Mortality Among Vietnam Veterans in Massachusetts, 1972–1983." The report found that deaths due to stroke and connective tissue cancer were significantly elevated among Vietnam veterans compared to both non-Vietnam veterans and nonveteran males. The increase in connective or short-tissue cancer was the most alarming, because this extremely rare disease is closely linked to dioxin exposure in scientific literature.

And in June 1986, the Massachusetts Agent Orange Commission released the results of a survey it conducted among Vietnam veterans in the State who believed they had been exposed to agent orange and to the highly toxic element of dioxin. These veterans reported very high incidents of birth defects, nervous disorders, and other ailments. Other States, including New Jersey, Wisconsin, Iowa, and New York, have also done surveys or studies on agent orange. And the results are similar.

The most recent evidence of the link between dioxins and soft-tissue sarcoma and lymphatic cancer is contained in the Kansas study conducted by Dr. Sheila Hoar Zahm and her colleagues, and published in the Journal of the American Medical Association in September 1986. The study clearly shows that farmers and workers exposed to herbicides similar to agent orange face a much higher risk of lymphatic cancer than those who were not exposed.

Given this evidence, I have been deeply dismayed by the continuing efforts of the Reagan administration to deny, delay, and even impede studies on agent orange. This administration has placed politics ahead of the health of this Nation's veterans.

A study released in September by the Harvard School of Public Health and the Mount Sinai School of Medicine, and commissioned by the House Energy and Commerce Committee, stated that the Office of Management and Budget "has delayed, impeded, and thwarted governmental research efforts designed to answer public demands for information on serious public health questions."

The study concluded that:

> Conditions imposed by OMB during its paperwork review of a proposed NIOSH study of New Jersey and Missouri dioxin workers have substantially delayed the initiation of the study, will substantially increase contracting costs by more than $270,000, and may even totally block the completion of this important study.

At a time when veterans are still waiting to receive any compensation for injuries and diseases caused by exposure to agent orange in Vietnam, this intentional foot-dragging by the Reagan administration is intolerable.

Meanwhile, the VA regulations on agent orange continue to be totally inadequate to the needs of veterans. The VA regulations recognize only chloracne, a severe form of acne, as being related to agent orange exposure. They continue to deny the existence of all other diseases, including soft-tissue cancers, as being related to agent orange. They continue to state the totally unreasonable requirement that the disease must have occurred within 1 year of service in Vietnam, in contradiction of all the facts which show that such diseases may not show up for 15 years, or 20 years, or longer.

The result of those VA regulations is that not one Vietnam veteran has received compensation for diseases which were caused by agent orange That is no longer acceptable in 1987.

How many more body counts do w have to conduct before we decide tha enough people have died, and we ar now ready to say that agent orang was the cause?

How do we tell a mother who may be carrying a child with birth defects du to agent orange that we need to conduct still more studies, and wait stil more years before we draw any conclusions?

How do we tell a father who may be dying of cancer due to agent orange that we as a society are not yet ready to make a decision?

How much longer are we going to make them wait? When are we going to say "Enough. These people have suffered enough."

I say that the time is now.

Let us as a society make a decision that the time is now to heal the final wounds of Vietnam, to recognize the final sacrifices, and to make the final amends. And let us begin that process by finally, belatedly recognizing the horrors that we have visited upon ourselves and our children through agent orange.

The Vietnam war has held a terrible power, an awful sway over our society. It has had the power to rend us apart, and to bring out both the best and the worst in us.

Yeats wrote, in his poem "The Second Coming":

> Things fall apart; the center cannot hold;
> Mere anarchy is loosed upon the world,
> The blood-dimmed tide is loosed, and everywhere
> The ceremony of innocence is drowned;
> The best lack all conviction, while the worst
> Are full of passionate intensity.

Those words could be a description of both the Vietnam conflict itself, and its effect on our society. I hope that the time has come when we can bind the center together, heal the wounds, and leave the scars and the pain of Vietnam behind us. Recognizing the pain and the wounds of agent orange, and resolving those lingering divisions between us, is an important part of that process.

I ask that an article from the New York Times Magazine by Elmo Zumwalt, Jr., and Elmo Zumwalt III, entitled "Agent Orange and the Anguish of an American Family," be placed in the RECORD.

AGENT ORANGE AND THE ANGUISH OF AN AMERICAN FAMILY

(By Elmo Zumwalt, Jr., and Elmo Zumwalt III)

When Elmo Russell Zumwalt III was a 23-year-old Navy lieutenant, he patrolled the rivers in South Vietnam, where the dense green jungle hid snipers preying on American crews. To reduce casualties, the area was systematically stripped bare by mists of the chemical known as Agent Orange. Elmo's father, Adm. Elmo Russell Zumwalt Jr., as commander of the American in-country naval forces in South Vietnam, was the one who ordered this defoliation in 1968.

The war in Vietnam has been over for more than a decade, but the Zumwalts feel they are continuing to pay a price for it. Elmo, now 40 years old and a lawyer in Fayetteville, N.C., has two forms of cancer. His 9-year-old son, Elmo Russell Zumwalt IV, is plagued by a severe learning disability. Elmo and the Admiral, now retired, both believe Elmo's exposure to Agent Orange is responsible for the cancers and for Russell's brain dysfunction. Many other Vietnam veterans and their children have suffered similar fates and have come to the same conclusion.

Through all the devastating experiences of the last several years, the Zumwalts have remained extraordinarily loving and supportive. The heart of their story is detailed in the following "dialogue."

Admiral ZUMWALT. Leaving my family to go to sea was always painful. I always had a sense of foreboding—that something would happen, and I would not be there when they needed me. That foreboding became a reality in August 1951.

Not long after the battleship on which I was serving arrived in Cuba on a shakedown cruise, I received a telegram saying that my son Elmo, then 5, had been stricken with polio. Deeply worried, I thought only in terms of permanent paralysis.

By the time I was able to rejoin my family, the news was a little more encouraging, and within 10 days, Elmo was released from the hospital.

A year later, doctors at the Newport, R.I., Navy base hospital told my wife, Mouza, and me that Elmo had tuberculosis. But my physician father, Dr. Elmo Russell Zumwalt, questioned the diagnosis and suggested we consult specialists.

At the Children's Hospital in Boston we learned that what Elmo really had was an atrial-septal defect, a hole between the left and right chambers of his heart, and that his heart was already twice the normal size because of the tremendous overload the defect put on it. We went on to consult Dr. Helen Taussig, a pediatric heart specialist at Johns Hopkins Hospital in Baltimore, who told us that without surgery Elmo had a life expectancy of perhaps 24 years. But he was too young to be operated on then.

When Elmo was 12, Dr. Taussig suggested he begin to think about having the surgery to correct his defect. She wanted it to be his decision as much as ours.

Elmo first asked how long he would live if he had the operation, and how long he would live if he didn't. Then he asked me, "Will I be able to go to the Naval Academy if I have it done?"

I said, "Yes, I think the chances are that you will."

"O.K., I'll have it done."

The operation was performed in 1958. Mouza and I sat in the waiting room, our nerves all in knots until we learned that the surgery had been successful.

ELMO. I think that period of my life was harder on my parents than on me. I also think Dad's long absences from home had a way of making me grow up fast. I sort of became a third parent to my brother, Jim, and sisters, Ann and Mouzetta. But when Dad came home from the sea, he always found time for touch football games, picnics and camping trips, and he went to all our school functions.

In the end, my high school grades were not good enough to get me into the Naval Academy. It was a disappointment, but not a bitter one. I was accepted at Elon College in North Carolina, where I did well enough in my freshman year to transfer to the University of North Carolina at Chapel Hill, from which I graduated in 1968.

Now I had a three-year Naval Reserve obligation to fulfill.

ADMIRAL. As Elmo was beginning his military career, mine was moving into an entirely new arena, Vietnam, where I would take command of what was called the brown-water navy, the ships that patrolled the inland rivers and coastline.

At one of the first briefings I attended at the headquarters of Gen. Creighton W. Abrams, Supreme Commander in South Vietnam, an Air Force colonel said that his service would transfer most of its resources to the South Vietnamese by 1976. The next thing I heard was a fist smashing the table, and Abrams shouting expletives. He was enraged that the Air Force did not understand that we had nothing like eight years in which to Vietnamize the war.

When my turn came, I laid out a plan that called for the South Vietnamese Navy to wage the in-country naval war essentially on its own within three years. An Air Force officer began to criticize my plan, but Abrams cut him off. "The Air Force has already dug itself into a cesspool," he said. "Bud Zumwalt may be doing the same thing, but so far he's making some sense."

The major problem we faced was the continued infiltration of enemy arms and men into South Vietnam, primarily along the Cambodian border. That was where I thought we should strike hard and fast. But because the waterways there were often very narrow, the men in our patrol boats could easily be hit from either side by enemy fire. Their chances of being killed or wounded were 70 to 75 percent.

I thought one way to save American lives was to destroy much of the foliage along the river banks. This would force the enemy back and make it much more difficult for its forces to ambush our patrol boats. We checked with the Army and Air Force about the possible injurious effects on humans of Agent Orange, which had been used in other defoliation efforts. We were told there were none. You trust those things, and I ordered the spraying of Agent Orange. Our patrol boat casualties dropped significantly as more and more of the chemical was used.

ELMO. I had always thought that combat was the true test of an officer, and I wanted to take that test. After four or five months in the Atlantic and the Caribbean as electronics officer on the Ricketts, a guided-missile destroyer, I asked to serve in Vietnam as an officer-in-charge of a Patrol Craft Fast, known as a swift boat.

After an intensive training course, I arrived in Vietnam in August 1969, and reported to Coastal Division 12 in Da Nang. After several weeks of patrolling in the area, I volunteered to go south, where the river fighting was reportedly heavier.

But first I flew to Cam Ranh Bay to report to the commodore in charge of the swift boats. There I learned that Bob Crosby, the lieutenant who had trained me and my crew, had been killed. My horror deepened when I learned that he had been accidently shot by an American sailor, part of a crew checking out the guns on a swift boat. Somehow, some way, a live shell had been left in one of the guns. The last crew to have patrolled with that craft before the new crew took over had been mine.

Swift boat officers-in-charge were not required, or expected, to check every gun mount after patrol. I never did, and I never saw any other officer do so. But I have never been able to escape my feeling of responsibility for Bob's death.

ADMIRAL. When Elmo came to visit me at my headquarters in Saigon, he told me about the Bob Crosby incident and the almost intolerable pain it caused him.

A Navy board of inquiry exonerated Elmo and his crew in the shooting. The only one who has never exonerated Elmo is Elmo.

ELMO. At dusk one day late in 1969, we slipped under the overhanging jungle growth along a canal bank. I knew we were a few hundred yards inside Cambodia. I also knew that just by crossing into Cambodia I was in violation of direct orders. But I disobeyed the orders because I was sure the Vietcong and the North Vietnamese were infiltrating along this particular river, even though Navy intelligence said they were not. I thought this would be the best way to prove my point. Several hours later, we heard noises coming from downriver. The South Vietnamese had been warned not to be on the rivers at night, so we could be pretty damn sure it was the enemy. It was a convoy of sampans. When they drew to within 20 or so feet of our hiding place, we opened fire. We took some return fire, but then they fled leaving behind some sampans loaded with weapons.

ADMIRAL. Elmo's unauthorized but successful ambush demonstrated that the intelligence we received gave us only part of the story. Our agents had identified the infiltration routes along the major rivers, but the Vietcong and the North Vietnamese were clever enough to switch to lesser routes. Largely as a result of Elmo's ambush, I ordered our river boats into the mouths of the smaller canals and creeks.

ELMO. The helicopter swayed in the crosswinds as we flew over the Cua Lon River. In the distance was Sea Float, the man-made island Dad had conceived of to bring an American presence into the southern part of the country.

I had seen Agent Orange defoliation nearly everywhere I had patrolled, but from the air the extent of it was dramatic—trees were stripped of leaves, thick jungle growth was reduced to twigs, the ground was barren of grass.

In the 11 months I was in Vietnam, I had often washed in the waters into which Agent Orange had drained and had eaten local produce which I suspect had been doused with the chemical.

I remember developing a skin rash while in the Sea Float area. I have since learned that one of the effects of Agent Orange exposure is a skin rash. But at the time, I was thankful for the defoliation. It meant the enemy could not attack Sea Float without great cost to itself.

ADMIRAL. As I was eating breakfast at headquarters in Saigon on April 12, 1970, a communications messenger ran in to tell me I had a telephone call from Secretary of the Navy John Chafee, who ordered me to take the next commercial flight to Washington.

When we met at the Pentagon, Secretary Chafee said, "Bud, you are the one Mel Laird and I have nominated to the President to relieve Tom Moorer as Chief of Naval Operations."

Despite my regrets about not completing my Vietnam tour, I felt very deeply that significant changes were needed within the Navy, and the one way I could effect them was as C.N.O.

ELMO. When I finally boarded the plane at Tan Son Nhut Airport at the end of June

1970, I had an indescribable feeling of exhilaration and relief knowing I was really getting out, and that my crew was leaving, too. Dad had preceded me by about six weeks.

ADMIRAL. I believe our effort in Vietnam was worse than futile. We would have been far better off never taking that stand. What has since happened to Elmo and his son as a result of that war has only intensified that feeling.

ELMO. When our son, Elmo Russell Zumwalt 4th, was born on March 12, 1977, seven years after I returned from Vietnam, he appeared to be happy, responsive and normal. But within a few months, my wife, Kathy, began to sense that something was wrong. He was slower to lift his head, crawl, sit up and walk than his sister, Maya, had been. Kathy took Russell to a pediatric neurologist in Fayetteville. He could find nothing wrong with Russell's reactions to stimuli.

But not long after Russell began nursery school, his teacher told us he did not appear to learn what she tried to teach him. She suggested that he be evaluated by a child psychologist.

It became painfully clear after a series of tests that Russell had not progressed as a normal 4-year-old should. At an age when other children were learning the alphabet sequence and how words are formed, Russell could not recognize a single letter. His speech was also below his age level.

Two years later, Kathy and I became aware through press and television accounts that many Vietnam veterans whose children had been born with serious defects believed their exposure to Agent Orange might be responsible. But I did not then make a connection between my exposure and Russell's learning difficulties.

ELMO. For weeks, I had not been able to shake a dry, hacking cough. Kathy, along with Mom and Dad, insisted that I see a doctor.

Early in January 1983, Dr. Douglas Henley, a young family practitioner, diagnosed my cough as postnasal drip, but I could see that he was concerned as he examined me further, particularly about my abdomen. After consulting with his partner, he told me my spleen had become enlarged.

I possessed enough medical knowledge to know that could mean cancer, and I asked if that was a possibility. Dr. Henley said yes, but that it could mean many other things. At his suggestion, Dr. Franklin Clark, an outstanding local surgeon, removed two of my lymph nodes and sent them to a pathologist for study.

Several days later, Dr. Clark called with the results: I had lymphoma, a cancer of the lymphatic system. My specific type, he said, was called nodular poorly differentiated lymphoma, or N.P.D.L., a very slow-moving form of the disease. When I hung up, Kathy and I wrapped our arms around each other and cried.

Later that day, I called Dad to tell him I had cancer. We Zumwalts play a lot of jokes on one another, and they can get a little rough sometimes, so Dad laughed and said, "You're kidding me."

I said I wished I were. After a long pause, Dad said, in a soft voice, "Elmo, I just don't know what to say."

When I told Mom, she cried and said how unfair she thought it was. I didn't feel any sense of unfairness or anger. I realized I had a problem to deal with, and I had better get on with it.

Dad and I began a flurry of activity to learn as much as we could. We telephoned cancer specialists around the country and consulted oncologists at several universities.

Then we went to the National Cancer Institute in Bethesda, Md., where they discovered that the cancer had spread throughout my lymphatic system and had invaded my spleen, my bone marrow and probably my liver. That was devastating to hear. But Dr. Paul Bunn, an oncologist, then at N.C.I. and now at the University Hospital in Denver, whom we consulted, offered some good news: because N.P.D.L. moves so slowly, the median survival time, even at an advanced stage, is eight years. There was, however, a dark side: my type of lymphoma was always fatal.

"Everytime?" I asked.

"Yes," Dr. Bunn said.

He was, however, able to offer some hope. Doctors at Stanford University had recently reported the cure of an N.P.D.L. patient as the result of an experimental technique involving monoclonal antibodies, which modify the body's own immune defense system so that it attacks the malignant cells and rids the body of the cancer.

Dr. Bunn said I could begin chemotherapy immediately, or I could watch and wait. He said that a 10-year comparative analysis had shown that N.P.D.I. patients who received immediate treatment did not have survival times any longer than those who waited until the disease became more active.

I decided to watch and wait.

I made a decision to volunteer for a research program at N.C.I., so that the progress of my disease could be monitored by an institution at the cutting edge of research and treatment. Several months later, I also decided to go to Stanford to see if their researchers could develop my monoclonal antibodies.

ADMIRAL. Of all the crises Elmo and I had been through together, the diagnosis of his cancer was the toughest. But he never expressed the least bit of anger, and although he maintained hope, he did not delude himself into believing that he was going to be cured.

And it seemed to me that he felt his medical condition was of secondary importance to his family's financial condition. He was deeply worried, almost to the point of obsession, about their welfare. He was most troubled about Russell's future.

To ease his mind, I placed some money I had inherited into a trust fund for Russell. And I promised I would continue contributing to the fund so that, if the worst happened, Russell would have enough money to subsist in adulthood.

ELMO. One of Russell's speech teachers attended a seminar where Dr. Salvatore DeMarco of East Carolina University spoke on sensory integration problems in children. She thought he might be talking about Russell's problem. We contacted Dr. DeMarco, who tested Russell and reported he had a sensory integration dysfunction, which originates in the brain, but the cause of which is uncertain. The symptoms are an inability to discriminate among sounds and sights and to concentrate.

There was no surgery that could improve Russell's dysfunction. And while some children's conditions are improved with drugs, they did not help Russell. In many cases, when children reach 11 or 12 they begin to outgrow these problems to some extent. But given the level of Russell's dysfunction, Dr. DeMarco did not think Russell would ever completely overcome his.

In February 1985, two years after the initial diagnosis of my lymphoma, Dr. Ivor Royston, a leading researcher in monoclona antibodies at the University of California i San Diego, performed my ninth lymph nod biopsy. When he called with the results, h reported that, incredible as it seemed, I ha Hodgkin's Disease, a fast-moving, aggressiv form of cancer, as well as lymphoma. On lymph node had grown so big it was impinging on my bladder and moving toward m ureter and kidney.

The time for watch-and-wait was over.

Because my cancers appeared in so many areas, radiation would not be effective, nor would surgery. The only potentially useful treatment was chemotherapy.

I am a lawyer and I don't think I could prove in court, by the weight of the existing scientific evidence, that Agent Orange is the cause of all the medical problems—nervous disorders, cancer and skin problems—reported by Vietnam veterans, or of their children's serious birth defects. But I am convinced that it is. (In May 1984, a class-action suit brought on behalf of Vietnam veterans against several chemical manufacturers involved in the production of Agent Orange was settled without trial for $180 million.)

I realize that what I am saying may imply that my father is responsible for my illness and Russell's disability. I have the greatest love and admiration for Dad as a man, and the deepest respect for him as a military leader. I do not doubt for a minute that the saving of American lives was always his first priority. Certainly thousands, perhaps even myself, are alive today because of his decision to use Agent Orange.

ADMIRAL. Knowing what I now know, I still would have ordered the defoliation to achieve the objectives it did, of reducing casualties. But that does not ease the sorrow I feel for Elmo, or the anguish his illness, and Russell's disability, give me. It is the first thing I think of when I awake in the morning, and the last thing I remember when I go to sleep at night.

ELMO. I have always fought to keep thoughts of my disease from dominating my consciousness. But after I learned that my latest lymph node biopsy showed there were Hodgkin's disease cells present, I found myself wondering what death would be like and how I would feel when it approached.

Thinking about Maya and Russell was the hardest part. After I broke the bad news of my test results, Maya asked if I wanted to die to get rid of my cancer. I told her I would rather be on earth with her.

I knew then that if my next three months of chemotherapy were not successful, there was a treatment of last resort, an experimental procedure in which I would be given total body radiation, coupled with high levels of chemotherapy. The treatment is so powerful that it completely destroys the marrow inside the bones that manufactures blood cells, which must then be replaced by transplants.

Dr. John J. Nanfro, the physician at the Naval Hospital in Bethesda, who told me about this treatment, warned that this is the most intensive medical procedure he knew. "If you combined your polio, heart surgery, Vietnam experience, cancer and chemotherapy all together, the bone marrow would still be worse. It is unbelievably difficult for the patient and the risks are very high."

A bone marrow transplant required a donor who had a perfect tissue match with me. So the first thing was to determine if any of my siblings qualified.

ADMIRAL. Elmo's sister Mouzeta provided the good news. She turned out to be a perfect tissue match.

ELMO. Less than two weeks after my final chemotherapy treatment was completed in November 1985, I discovered an enlarged lymph node in my left groin area.

This was the worst possible sign. I could not believe it had appeared so quickly in the face of nine months of potent anticancer drugs. If it were Hodgkin's, the more aggressive of my two cancers, I knew my time could be very short.

Dad and I were alone in my room at the hospital in Bethesda the morning before I was to have my 14th lymph node biopsy. Neither of us openly express our emotions often, but there were some things I felt very deeply. I told him he had done more for me than any father could possibly do for his son. He had lifted so many burdens off me that I could never adequately express by gratitude.

Dad put his arms around me and told me how glad he was to be able to help, and what I meant to him as a son. Neither of us could talk for quite a while afterward.

When the pathology report was completed, it showed the worst had happened. It was Hodgkin's disease.

ADMIRAL. I had always let myself have hope, but that hope was shattered when Elmo told me the results of his latest pathology report. I could not escape the sadness I felt at the prospect of facing life without Elmo. He is more than a son to me. He is also my partner, my brother, someone in whom I have absolute trust and confidence. I knew that without Elmo life would never have the zest and fun that he puts into it.

ELMO. I was faced with the hardest decision of my life. During the bone marrow procedure, I had a 1-in-5 chance of dying—from bacterial, viral and yeast infections, the failure of Mouzetta's bone marrow to "take" in my body, or graft-versus-host disease, in which the new white blood cells in the marrow attack the host's cells in the liver, skin, lungs and so on.

In the end, I decided on the bone marrow transplant because I love Kathy, Maya, Russell, my family and life, and I wanted to do the one thing that would give me a chance of being with them for a long time.

ADMIRAL. Kathy, Mouzetta, Maya, Russell and I took up residence on Jan. 30, 1986, in a small apartment that was a short walk from the Fred Hutchinson Cancer Research Center in Seattle, a primary facility for bone marrow transplants, where Elmo was to receive his transplant from Mouzetta.

To lessen the chances of infection, Elmo was placed in a sterile environment. His living space was an 8-by-10-foot cubicle partitioned off from the rest of his hospital room by a nylon curtain.

I brought a calendar for Elmo's wall. I thought marking off each day would give him a psychological lift, reminding him how far he had come.

Beginning Wednesday, Feb. 12, Elmo began an exhaustive procedure: two days of massive chemotherapy, a day of rest, and then six days of full-body radiation, designed to kill every last cancer cell in his body. Just as the doctors had predicted, Elmo's condition steadily worsened. With no immune system to protect him, he developed mouth, throat and esophagus sores so severe he said it felt as though someone were inside his mouth with a branding iron.

He could not take too much morphine because it would impair his kidney function. Several nights he paced until dawn because of the pain. His face puffed out and in a single hour he lost all his hair. But no matter how badly he felt, he found a way to stagger over to the calendar and cross off another day.

ELMO. Dad came by every morning for almost three months, but sometimes I felt so terrible I did not say a word to him. He would always tell me he loved me and try to cheer me up.

ADMIRAL. On Feb. 20, Mouzetta was admitted to the Swedish Hospital Medical Center, directly across the street from the Hutchinson Center. Surgeons there removed 1,000 cubic centimeters of her bone marrow, which was rushed to Elmo's bedside where it was intravenously injected into him.

Three weeks later, the doctors drew marrow from Elmo's bone for analysis. The results indicated that Mouzetta's marrow was producing both red and white blood cells. We were all jubilant. A major hurdle had been surmounted.

On Monday, March 24, 1986, we gave Russell the honor of being the first to walk into Elmo's heretofore bacteria-free bubble. It was a symbolic step, indicating that Elmo's immune system could now tolerate normal air and contact with people. That same day, Elmo was discharged from the Hutchinson Center.

It was a time of great emotion and joyous celebration.

ADMIRAL. Last month, Elmo developed graft-versus-host disease, but his doctors at Bethesda hope they can bring it under control with immuno-suppressive therapy.

It has now been three and a half years since Elmo was first diagnosed as having cancer. I think back on those times when Elmo was at his absolute worst, so fevered, pained and weakened that it was hard for him even to lift his head. I remember him whispering to me, "Dad, it will have to get a hell of a lot worse than this before I give up."●

INTRODUCTION OF CLOC/NATIONAL COMMODITY PROCESSION EXTENSION

● Mr. HEINZ. Mr. President, there are two very small pilot programs which provide our schools with flexibility and efficiency in their school lunch programs. These two programs are the National Commodity Processing and Commodity Letter of Credit programs. These programs, at little or no cost to the Government, provide school districts with responsive school lunch programs, programs which make running a school and feeding children more effective.

I am very pleased that Senator McCLURE has introduced an extension of these two programs, which sunset automatically this summer, and once more join with him as a cosponsor. I cannot describe the frustration a school district experiences when commodity shipments come late, or when great blocks of surplus commodities must be processed. These two programs provide the schools with a few options.

Under the commodity letter of credit program, selected school districts receive cash or a letter of credit in lieu of commodities. These school districts can thus purchase what they need, not what the Government says they need. National Commodity Processing takes raw commodities, allows contractors to process them into finished foods, and makes them available to the school districts.

These are sensible, efficient programs which should be continued. I urge my colleagues to join with us in extending these two progams, and I commend Senator McCLURE for his continued efforts on behalf of our Nation's school districts.●

NAUM MEIMAN

● Mr. SIMON. Mr. President, the Soviet Union has made various changes in recent weeks that support its desire to improve relations and implement a more open policy. Among these changes is the release of a number of prisoners of conscience. In addition, a Soviet official has stated that emigration levels will reach 10,000 to 12,000 this year. This would be a considerable improvement from recent years.

Although I strongly encourage the Soviets to continue with the proposed changes, their refusal to cooperate in human rights issues causes me to pause. There are several cancer patients in the Soviet Union who are in desperate need of medical attention in the West, yet they have been denied permission to emigrate. Benjamin Charny is one of these unfortunate individuals. If Benjamin does not receive treatment in the West immediately, it is likely that he will die.

I would like to commend my distinguished colleague from California, Senator WILSON, for his work on behalf of Benjamin and other Soviets cancer victims. Senator WILSON held a rally for Benjamin yesterday. Congressional pressure such as this has proven to be successful in influencing the Soviets on human rights cases.

The unwillingness of the Soviets to cooperate in a life and death situation such as the treatment of cancer has already resulted in the death of Inna Meiman. The Soviet Government did not allow Inna to receive medical attention in the United States until her illness had progressed to a point where it could no longer be treated. Naum Meiman, Inna's widower, was not permitted to join Inna in the West or to attend her funeral. The Soviets' continuous refusal to release Naum causes me to doubt their seriousness about improving relations between our countries.

I urge the Soviets officials to grant Naum Meiman an exit visa immediately.●

GREEK INDEPENDENCE DAY

● Mr. HATCH. Mr. President, on March 25, 1987, Greek Independence Day was celebrated.

The date of this celebration is significant as it marks the 166th anniversary of the revolution which eventually freed the Greek people from the Ottoman Empire in 1821. It is fitting that we, as Americans, join in celebrating this day because our two countries have shared the same ideals and goals for democracy and the Greeks have followed many of our country's founding principles. For instance, the American revolution became a standard for the Greeks as they fought for their own independence, and our Declaration of Independence served as a model for theirs.

The country of Greece, small in size by comparison, has produced some of the world's greatest philosophers, artists, and scientists, of whose talents we have been the grateful recipients. Additionally, many significant contributions have been made by Greeks in the fields of medicine, fashion, and government. In my own State of Utah, our communities have been enhanced and our lives have been enriched because of the contributions of our Greek population.

We have celebrated Greek Independence Day together for many years, and I hope this day will continue to be symbolic of the cooperative and supportive relationship the Greeks and Americans have shared throughout the years.●

FmHA REGULATIONS

● Mr. LEAHY. Mr. President, the Farmers Home Administration was created by Congress as the lender of last resort for those involved in agricultural production. It was designed to provide supervised credit for farmers and ranchers that are facing adversity; it was designed to provide a means by which young people can obtain the financing needed to begin farming; and it was designed to give all that need to utilize it, fair access to its programs. Congress has not changed this mandate. Yet at a recent hearing of the Senate Committee on Agriculture, Nutrition, and Forestry we heard disturbing testimony that these basic tenents are being challenged. Challenged by the very agency itself.

The FmHA, through the issuance of administrative rules, is trying to change the scope and nature of its mission. It is trying to limit the availability of credit to many of its present borrowers and prevent many more potential borrowers from utilizing FmHA programs. Furthermore, they have gone so far as to develop a training program to implement these rules before ever considering public comments as required by the Administrative Procedure Act.

Mr. President, members of the Committee on Agriculture, Nutrition, and Forestry find this very disturbing. Many of the members of the committee have joined me in sending a letter to the Secretary of Agriculture expressing our concerns with the proposed regulations and the process the agency followed in preparing to implement these regulations.

Mr. President, I ask that the text of this letter be printed in the Record.

The letter and its enclosure follows:

United States Senate, Committee on Agriculture, Nutrition, and Forestry,
Washington, DC, March 17, 1987.

Hon. Richard E. Lyng,
Secretary of Agriculture, Department of Agriculture, Washington, DC.

Dear Mr. Secretary: On March 11, 1987, the Committee on Agriculture, Nutrition, and Forestry held a hearing on the Farmers Home Administration's proposed regulations entitled "General Revision of Farmer Program Regulations; Proposed Rule," 52 F.R. 1706 (Jan. 15, 1987). You will recall that an extension of the 30-day comment period was granted by the Department as a result of requests from the Senate Agriculture Committee, other members of Congress and the public.

Two major points became apparent during this hearing. One is that the provisions of the proposed regulations would be extremely detrimental to FmHA's present farm borrowers and to those applying for FmHA loans. Second, that the Farmers Home Administration exhibited a blatant disregard for the intent of the public comment provisions of the Administrative Procedure Act, 5 U.S.C. 553.

On the first point, we believe that the proposed regulations circumvent present law, disregard due process, do not adequately consider the impact upon the rural economy and dramatically change the traditional and statutory role of FmHA as the lender-of-last-resort. We strongly disagree with the attempt to make such profound changes through the promulgation of regulations.

Second, it is apparent that the FmHA was prepared to implement the regulations as they were proposed without reviewing the public comment. FmHA prepared a training package complete with manual and tapes to instruct the field staff on how to implement the proposed regulations. This suggests that any comments would not be seriously considered. We are appalled by the agency's apparent disregard for this crucial aspect of the rule making process.

We are attaching a list of concerns which surfaced during our hearing and which must be addressed in developing a new set of proposed regulations on these items. We expect you to begin again in developing your regulations, keeping these concerns in mind. We further suggest that in the future whenever major revisions to regulations are being considered that consultation with Congress take place prior to publication of the proposal. If this procedure were to be followed we could minimize future conflicts. Moreover, we insist that you carefully consider public comments as is required by the Administrative Procedure Act.

As you pointed out in your letter to Chairman Leahy there were some benefits to farmers in the proposed regulations. These included provisions affecting cross-collateralization, conservation easements, loan consolidation at reduced rates of interest, liberalization of emergency loan purposes cover household contents and clarificati of the conditions under which FmHA w continue to fund certain housing borrowe whose farmer program loans are accele ated. We would ask that you find a way proceed with the implementation of the provisions, while starting over with anoth proposed rule for other provisions. In add tion we would hope that the revised regul tions would enhance FmHA's ability to n gotiate with other lenders and borrowers restructure loans whenever possible, pa ticularly when provisions of Chapter 1 bankruptcy law may compel a higher co restructuring.

Sincerely,

Patrick Leahy, Chairman, Thomas Daschle; Tom Harkin; John Melche David Pryor; Kent Conrad; Wych Fowler, Jr.; Howell T. Heflin; an David L. Boren.

Summary of Some of the Major Concern Raised During the Hearing Held by th Senate Committee on Agriculture, Nu trition, and Forestry on Propose FmHA Regulations

1. PRE-APPLICATION AND APPLICATION RISK RATIOS

FmHA was established by Congress t provide credit to borrowers who canno qualify for commercial credit. In essence the proposed new risk ratios impose commercial credit standards on applicants fo FmHA credit. This is inconsistent wit FmHA's legislative mandate.

The proposed regulations would disqualif many of FmHA's present borrowers. Estimates of those who are currently borrowin from FmHA who would not qualify fo loans under the proposal range from 18% t roughly 50%. Such disenfranchisement doe not appear to be consistent with the missio of FmHA. While some means to provid speedier turnaround of applications is necessary, it is essential that any proposal fo screening incorporate explicit appeal procedures and be supported by careful evaluation of the impacts of the decision criteri on the eligibility of potential FmHA borrowers.

2. SURPLUS PROPERTIES

FmHA has acquired many hundreds o thousands of acres of farmland nationwide Due to its policy of starting adverse actio proceedings on all farmers who are $100 o more delinquent for one year or more FmHA will probably acquire much more land in the future through foreclosures o conveyances. The critical issue in farm states is to whom FmHA will sell this farmland. FmHA has historically adhered to a law that requires it to restrict its sales of acquired farmland to family sized farms for a three-year period after acquisition. The proposed regulations would permit FmHA to auction its farm land to the highest bidder after only one year. This is in clear derogation of the law and the historic mission of FmHA to help protect rural community and foster family farms.

3. USURPATION OF THE ROLE OF COUNTY COMMITTEES

The proposed regulations would allow FmHA staff members to usurp the historic role of FmHA county committees in determining who is eligible to apply for FmHA loans. The rules allow state FmHA staff members to overrule favorable decisions of the committees and otherwise restrict the exercise of judgment of the county committee. Further, the use of mechanical ratios to determine eligibility obviates any meaningful decision making role for these committees. Historically the role of the county committee has been to assess the managerial and personal characteristics of applicants. We are concerned that mechanical use of financial ratios will preclude applicants who have the potential to be successful farmers from receiving FmHA funding.

4. ECONOMIC BARRIERS TO SUCCESSFUL FARMING BY FMHA BORROWERS

It is essential that FmHA borrowers be permitted to operate their farms on a comparable basis with non-FmHA borrowers. The proposed regulations would thwart FmHA borrowers' potential for success by such actions as: prohibiting loans for advance payments of cash rent (in clear contravention of statute), prohibiting the use of loans to expand production of commodities declared to be "in surplus", prohibiting further loans for production in excess of the lower of the borrower's average production over the past five years or the past two years, prohibiting replacement of foundation livestock herds with line of credit guarantees, requiring cash reserves in amounts equivalent to depreciation allowances, limiting the use of balloon payments, and requiring pledges of all assets for any loan.

5. BARRIERS TO BEGINNING, LOW EQUITY, AND REENTRY FARMERS

FmHA has proposed a number of regulations (in addition to the risk assessment ratios) that would impede beginning farmers, low equity farmers and reentry farmers. For example, FmHA would require three years' experience in operating and managing a farm within the last five years before a farmer would be eligible to apply for a loan. It would also require preferences for existing borrowers, and, prohibit loans except in limited circumstances, to an applicant who has previously entered into debt settlement with FmHA. Further, these regulations will in general prohibit extending credit to borrowers whose previous obligations have been discharged through bankruptcy proceedings.

6. REQUIRING COUNTYWIDE DISASTERS PRIOR TO REAUTHORIZING FOR EMERGENCY LOANS

The proposed regulations would not allow disaster loans unless the county as a whole suffered a qualifying 30% disaster loss. The law establishing disaster payments was intended to apply to both widespread disasters and more isolated disasters that injure only individual farmers or small groups of farmers.

7. APPRAISALS

In derogation of the law which requires FmHA to promulgate regulations to implement the FmHA appraisal process, FmHA proposes to simply delete the regulations on appraisals from the Code of Federal Regulations.

8. MIX OF OPERATING AND OWNERSHIP LOANS

Farmers' Home appears to be moving rapidly to position itself as a supplier of operating credit, to the point of discontinuing farm ownership loans. While operating credit concerns may be the primary issue in this particular phase of the business cycle, abandoning the ownership programs may have serious long term implications. The Committee would like to see evidence that movement in this direction is warranted.●

TECHNOLOGICAL EDUCATION

● Mr. KERRY. Mr. President, for those of us concerned with the issue of maintaining America's technological competitiveness, a continuing concern is the question of how we can promote continuing education on technological developments, both for scientists and engineers, and for policymakers. These questions have been examined in two thoughtful editorials in Science magazine by Philip H. Abelson, former editor of Science.

As Abelson points out, education in our rapidly changing technological society must be an ongoing process. New technologies can make a university education in engineering obsolete in a short period of time. We must make education for our engineers in industry a continuing process if we are to remain competitive in the world economy. And scientists and engineers on our university faculties are also at risk.

The Massachusetts Institute of Technology [MIT] has developed an innovative program to deal with this problem. As Abelson describes in his article, more than half of the students at MIT in the early 1980's wishing to major in electrical engineering and computer science sought to take a course entitled "Structure and Interpretation of Computer Programs," which included newly developed cutting-edge material that most senior faculty members were not familiar with. Thus the MIT faculty members were placed in the position of knowing less about this important subject than their own sophomore students. The solution was a special course for faculty during the January break in 1984, including a 2-week period of total immersion in the subject at a secluded off-campus location. This enabled MIT faculty members to enjoy "a tremendous learning experience," and to once again become computer-literate.

The MIT experience has led to similar programs at other universities, and at leading companies such as AT&T, GE, and IBM. This MIT program is a model for what should be a national effort at continuing education in science and technology. As Abelson points out, "A national need exists to foster lifelong learning. This need demands attention and support from universities, industry, professional organizations, private foundations, and the Government."

A second editorial by Abelson, also in Science, points out that most policymakers do not have sufficient understanding of science and technology issues, and that most scientists and engineers have little understanding of the process of politics and policymaking and how to influence that process. He also notes that "key decisions in the grand issue involving technology are made by public policy, not in the marketplace."

Given this reality, the lack of meaningful exchanges of information and ideas between policymakers in Congress and scientists and engineers involved in creating new technologies is a disturbing phenomenon. Congress, propelled by the pressure of the media, tends to focus on the immediate and the short-term crisis rather than on long-term issues and complex problems affecting the future. And Members of Congress have little time for contemplation of serious long-range issues while caught up in the whirlwind of the political process in Washington.

Abelson suggests that "In view of the frenetic atmosphere in Washington, scientists and engineers in the hinterlands should consider the advantages of activities in the home States and districts * * * By the nature of their professions, scientists and engineers tend to be alert to developments that affect the national and global future. They could provide a perspective for politicians that is missing in Washington."

We in the Congress need to make greater efforts to expose ourselves to the views of the scientific community, and to educate ourselves about complex issues of science and technology. And the scientist and engineers in our home States likewise need to make greater efforts to involve themselves in the policymaking process. This kind of interchange is no longer a luxury. It is a vital necessity if America is going to remain competitive in science and technology in the 21st century.

I ask that two editorials by Philip Abelson from Science magazine, entitled "Managing Technology" and "Lifelong Learning," be printed in the RECORD.

The editorials follow:

MANAGING TECHNOLOGY

Many thoughtful people are concerned about the future of this country. They are uneasy about loss of technological competitiveness, a mounting trade imbalance, and the probability that the nation is living beyond its means and may face the need to accept a lower standard of living. They have long been troubled by reports of deleterious side effects of technology. Their discomfort is enhanced by a feeling that they are helpless to have even a slight impact on events. Most of those who would like to influence decisions about the future do not know how. They have little knowledge about how society and its political and communications systems work. Edward Wenk, a veteran of the national political scene and an engineer, has produced a book that will interest them. This volume provides insightful perspectives on how technology interacts with the various segments of society and notes that the key decisions in the grand issues involving technology are made by public policy, not in the marketplace.

Pollsters have determined that television programs are exposed an average of 7.5 hours a day in American households. Accordingly, one of the realities of the present is the great impact that the media can have on popular opinion, rendering it volatile. In turn, the media recognize that if they do not produce excitement, they will lose their audience. The offerings tend to concentrate on disasters. Complex issues and important matters affecting the future get little attention. Correspondingly, as Wenk points out, pressures transmitted by the public "tilt the legislative process to favor what is urgent rather than what is important." Wenk further states: "Most issues seem propelled by either crisis or pressure. Legislative histories generally confirm this pattern, although there are exceptions. Some issues are also driven by a tidal wave of popular sentiment where people lead their leaders."

In what follows, the scene of the political action is described. Washington and the surrounding metropolitan area are largely devoted to politics and to attempts to influence legislation and the regulations pertaining to the laws. More than 45,000 lawyers are licensed to practice in the District of Columbia. The government is, of course, the largest employer of personnel, but thousands of professional and trade associations together rank second. For many years, the region has had a great building boom with tens of millions of square feet of office space added. The complement of federal employees in the Executive Branch has expanded somewhat, but the great increase has been in congressional staffers. In the last two decades, their numbers have increased about fivefold, and they now total nearly 40,000. Washington seethes with activities of major and minor players—perhaps 100,000 of them—intent on influencing events. Trying to monitor the most exciting developments is a press and electronic media corps that totals more than 5,000.

One way or another, most of the issues being dealt with have to do with money, power, and influence. They also often have a substantial content of technology. The political system seems to find it difficult to legislate simply about technology. In the last two decades, the averages number of pages devoted to each law has tripled, as has the number of pages in the Federal Register. Last year, nearly 50,000 pages were devoted to new or amended and proposed or final regulations. The regulations are often so complex that those affected, though professionals, find it difficult to comprehend the language.

Members of Congress are in general conscientious and well meaning, but they have little free time for contemplation while in Washington. Each serves on an average of more than seven committees or subcommittees. They must manage staff, be available for key constituents, deal with the media, and attend innumerable social functions.

In view of the frenetic atmosphere in Washington, scientists and engineers in the hinterlands should consider the advantages of activities in the home states and districts. On visits home, politicians may be more receptive to well-considered positions from a group of constituents than they would be elsewhere. By the nature of their professions, scientists and engineers tend to be alert to developments that may affect the national and global future. They could provide a perspective for politicians that is missing in Washington.

LIFELONG LEARNING

At one time, a single stint of university education was sufficient to provide the structural framework for lifelong learning. It was then possible for scientists or engineers to maintain a good level of awareness about progress in much of science or engineering. But the body of knowledge is expanding rapidly, and many new specialties have arisen. In some disciplines, several hundred thousand pages in journal articles appear each year. The usual response of the individual to the flood of knowledge is to become an expert devoted to learning more and more about less and less.

Most engineers are employed in industry; there, life is increasingly turbulent as some technologies become outdated and foreign competition destroys many jobs. Even in healthy companies, older engineers find themselves obsolescent as new technologies become applicable that did not exist when they were in school. This country trains fewer engineers per capita than do our leading competitors. Both for competitive and humanitarian reasons, we cannot afford to consign older engineers to oblivion. On the basis of individual effort, it is not feasible for an engineer in mid-career to change fields or to update himself or herself extensively without some kind of structured support. Thus there is a national need to organize effective continuing education for engineers. This need has been recognized by a number of organizations, including the American Society for Engineering Education, which presents a discussion of the problem in a report on Engineering Education.

The activities of engineers are relevant to the scientific community for several reasons. First, a large fraction of the basis for support of academic research is the assumption that practical applications will result. If these are to help better our competitive positions, our engineers must function effectively. A second reason is that if the engineers evolve good mechanisms for fostering lifelong learning, these will be applicable to scientists.

Engineers working in industry are not alone in becoming obsolescent. At equal hazard are faculties at universities, including scientists and engineers. A striking example and a useful remedy were experienced at Massachusetts Institute of Technology. In common with many other schools teaching engineers, MIT in the early 1980s received a large number of applications from high-quality students wishing to study engineering. After being admitted and on campus, many wanted to major in electrical engineering and computer science. More than half of the students wished to take a sophomore course entitled, "Structure and Interpretation of Computer Programs." This included newly developed cutting-edge material with which only a tiny fraction of the faculty was familiar. Senior faculty were faced with the indignities of knowing less about an important subject than the sophomores and being unable to do their share of teaching it. The crisis was met by a special course for faculty conducted during the Janaury break in 1984. The course, given 8 hours a day for a week, with laboratory and homework, enabled some of the faculty to understand better a textbook on the topic and later to teach it. Other sections of the course were conducted employing a 2-week period of total immersion in the subject at a secluded spot off campus. Freed from the innumerable interruptions and distractions that occur on campus, the professors enjoyed a tremendous learning experience. Experience at MIT with courses designed especially for faculty has been satisfactory and has led to similar courses in other fields.

Some leading companies, including AT&T, GE, and IBM, are active in continuing education. They, too, use isolated campuse with total immersion for a week and mor At least one company conducts a written ex amination at the conclusion of the course.

Most universities have no structured pr gram for faculty education. Individuals ar expected to create their own program which may involve sabbaticals, attendanc at professional meetings, and other trad tional activities. These, though useful, ar not sufficient for many professors. A natio al need exists to foster lifelong learnin This need demands attention and suppor from universities, industry, professional o ganizations, private foundations, and th government.

ARMS CONTROL PACTS CAN BE VERIFIED

● **Mr. KERRY.** Mr. President, it ha been argued by the opponents of arm control that we cannot reach meaning ful arms control agreements with th Soviets because such agreements ar not verifiable. This argument, if i ever had any validity, has now lost al credibility. The combination of tech nological advances in verificatio methods and substantial concession by the Soviets has made verification problem which can be solved, if th political will to reach an agreemen exists.

Dr. Kosta Tsipis is a renowned physicist at the Massachusetts Institute o Technology, and is the director o MIT's Program in Science and Technology for International Security. He has written a comprehensive article on verification issues in the current issue of Discover magazine, entitled "Arms Control Pacts Can Be Verified."

As Dr. Tsipis points out, the Soviets, who have long opposed the principle of onsite inspection, now have expressed a willingness to accept it for the sake of getting agreement on arms reduction. This is indicated not only by statements of Soviet spokesman, but even more significantly by their permitting an American environmental group, the Natural Resources Defense Council, to place seismic equipment inside the Soviet Union, for the purpose of detecting the vibrations of underground nuclear tests. As Dr. Tsipis states, with this seismic equipment in place:

> There no longer seems to be a technical barrier to monitoring compliance with a complete test ban agreement down to explosions of one kiloton or less.

Dr. Tsipis also points out that:

> As the new detection systems indicate, our intelligence gathering has reached extraordinary levels of sophistication. These capabilities are even better than the Government will admit in public.

He believes that, with this new ability to verify, we could now reach a comprehensive test ban treaty, ending all explosions of nuclear weapons, without threatening our national security. He also states that we could verify with confidence a drastic reduction in nuclear weapons as discussed at the Reykjavik summit.

Dr. Tsipis states that:

> There's little doubt that testing of full star wars systems in space—or even on the ground—can be monitored. One can't hide a laser or a particle accelerator the size of a factory or fire their beams into space without being caught.

And as he adds:

> If these assertions seem overly optimistic, consider the detail in which the U.S. has complained of Soviet violations of the ABM Treaty. The charges themselves are proof of how well we watch Soviet activities relating to ballistic defenses deep inside their territory.

Dr. Tsipis concludes that:

> In my view, an agreement to ban the testing and deployment of both antiballistic missiles and antisatellite weapons appears verifiable.

I agree with the conclusions of Dr. Tsipis with regard to verification. The problem is not our technical capacity to monitor Soviet actions. We have that capacity, and we are already using it. And the problem now is not even Soviet willingness to accept intrusive verification procedures. They have indicated, as Dr. Tsipis puts it, "a refreshing willingness to use advances in technology in a more cooperative manner," as their willingness to accept American seismic stations on their soil indicates.

The real question is whether the Reagan administration is prepared to reach an arms control agreement with the Soviets, or whether it merely wishes to raise verification issues as an excuse to not reach an agreement. The verification conditions which have been set by this administration in the current INF negotiations are so stringent that, if the Soviets were to accept them, our own generals would reject them. What is needed is a reasonable and realistic combination of onsite verification and national technical means of intelligence gathering. This would be sufficient to produce a verifiable arms control agreement in our national security interests.

President Reagan is the first President since the dawn of the nuclear age to fail to enter into a single arms control agreement with the Soviets. I hope that, as he looks toward the end of his Presidency and his place in the history books, he will decide that the time has come for him to reach an agreement to reduce the nuclear threat to mankind. The opportunity is in front of us to reach a major and meaningful agreement with the Soviet Union to begin to reduce the nuclear confrontation in Europe. Let us not fail to take advantage of that opportunity.

I ask that the article by Kosta Tsipis entitled "Arms Control Pacts Can Be Verified" be printed in the RECORD.

[From Discover Magazine, April 1987]

ARMS CONTROL PACTS CAN BE VERIFIED

(By Kosta Tsipis)

When fire broke out aboard a Soviet nuclear submarine east of Bermuda last October, its captain and crew weren't the only ones to hear the boat's alarms go off. The signals were also picked up loud and clear by secret American listening devices on the continental shelf several hundred miles away. Indeed, thanks to these underwater acoustic detectors, which can record the reverberations of an explosion halfway round the world, the Pentagon may well have known about this accident, which eventually led to the vessel's sinking, before the Kremlin did.

Strategically placed along the East, Gulf, and Pacific coasts, as well as in other militarily significant areas, such as the approaches used by Soviet subs into the North Atlantic above Norway and into the Pacific near the Kuriles, the automated listening posts are just one link in a vast network of high-tech snooping devices that keep a continual watch on Soviet military activities, not to mention Nicaragua, the Iran-Iraq frontier, and terrorist training camps in North Africa and the Middle East.

By far the greatest share of the U.S. intelligence budget (at least $15 billion a year) now goes for what those in the business call non-intrusive technical means of information-gathering, or TECHINT (technical intelligence), in contrast to HUMINT (human intelligence). These include giant hydrophones linked by cables on the ocean floor for monitoring the Soviet fleet of 375 submarines, reconnaissance satellites equipped with sharp-eyed cameras, radars on the perimeter of the Soviet Union looking out for missile launches, ELINT (electronic intelligence) listening posts in Turkey, Pakistan, and China, ships bristling with a variety of antennas, and large arrays of seismic detectors that pick up virtually every creak and groan of the earth, natural or man-made. Much of the information gathered by these electronic eyes and ears is screened, analyzed, and stored by computers that can process data at rates of billions of bits per second.

On balance the great investment in such sophisticated intelligence-gathering has been a force for peace. Nasty international incidents, like the crisis that ensued when Francis Gary Powers was shot down in his U-2 plane over the U.S.S.R. in 1960, are avoided.[1] Nor is one side likely to spring unpleasant surprises on the other. In 1967 President Johnson defended the billions spent for spy satellites by explaining that they told him "how many missiles the enemy has." Today they also provide clues to their quality and potential for destructiveness. Even before the Soviets test-fire new intercontinental ballistic missiles (ICBMs), the Pentagon usually has a good idea about such characteristics as "throw weight," number of warheads, even accuracy.

However, as useful as such equipment may be for collecting military intelligence, it has another important role that has yet to be fully exploited: it can monitor Soviet compliance with the terms of arms control agreements—or, in the shorthand of diplomacy, verification. At the moment, to be sure, there isn't much to verify. Only a handful of agreements exists to curb the arms race between the superpowers, notably the Limited Test Ban Treaty, which forbids nuclear testing everywhere but underground; SALT II, which limits the number of strategic missiles, warheads, and launchers, and forbids camouflaging launch sites (but which has never been ratified by the Senate, and was effectively broken by President Reagan in November when he ordered a 131st B-52 bomber with cruise missiles deployed; and the ABM (antiballistic missile) Treaty, which prohibits the introduction of exotic systems for intercepting ICBMs in flight, except to defend one mutually agreed upon site on each side. (The Soviets have chosen to defend Moscow; we've opted not to exercise the right, on the ground that any available defense would be easily penetrated.)

One reason for the lack of real progress in arms control is the widespread opinion that the Soviets will cheat on any agreement, and that undetected deception will give them the upper hand. The Reagan administration has used this argument to reject out of hand a proposal by the U.S.S.R. to halt all underground nuclear explosions. It insists—counter to the arguments of some U.S. seismologists that Soviet tests could be detected—that the U.S.S.R. could secretly continue to conduct such tests and leap ahead in weapons design. In any case, on Feb. 26 the Soviets ended their 18-month moratorium on testing by exploding a 20-kiloton nuclear bomb at Semipalatinsk. And the U.S. continuing to detonate nuclear bombs under the deserts of Nevada.

The Kremlin, which long opposed on-site inspection, seems willing to accept it now for the sake of getting an agreement on arms reduction. Moscow's change of heart has been signaled not only by the statements of high-level spokesmen, from General Secretary Mikhail Gorbachev on down, but also in such direct action as permitting the Natural Resources Defense Council a private American environmental group, to place seismic equipment inside the Soviet Union that could pick up the vibrations of undergound tests. On Feb. 28 the U.S.S.R. proposed the withdrawal of all Soviet and American medium-range missiles in Europe independent of an agreement on the Strategic Defense Initiative (SDI), a proposal quickly welcomed by President Reagan.

But, as Reagan stressed, before we can sign an arms control deal with the Soviets, we must first ask ourselves how good our ability to detect violations is. Clearly, the same equipment that keeps tabs on Soviet military activities will have to be used to monitor the Kremlin's compliance with a pact. But after the initial intelligence collection, the two processes—military reconnaissance and treaty monitoring—diverge subtly. In the analysis of the data, verification must decide whether a suspicious activity—say, the construction of a new radar or a change in the throw weight of a new missile—violates the agreement or not. Often the decision may be clouded by ambiguity. The suspected violation may not have been observed in enough detail to show an undisputed transgression. Or even if it shows up clearly, the treaty provisions may be too murky for it to be declared a violation. Thus verification makes its own very special demands on intelligence analysts.

These demands are complex and interrelated. First and foremost, verification must enhance national security. We have to be able to tell whether the Soviet Union is doing anything forbidden by the terms of an arms control treaty that could damage us if undetected for any length of time.

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[1] Although the Soviets originally considered satellite overflights a violation of their national sovereignty, as do many other nations, they stopped complaining once their own surveillance program got under way. However, the issue of where national sovereignty ends and space begins has never been satisfactorily resolved.

Second, verification must have a deterring effect: if the Soviet Union knows that cheating will be discovered, it won't attempt it.

Third, verification should enhance stability, mutual trust, and confidence among the signatories of an arms control agreement. If we're convinced that the U.S.S.R. is abiding by the terms of the pact, we won't engage in the paranoia of "worst case" analyses, whereby even the suspicion of a violation leads us to declare bomber or missile "gaps" and begin expansive arms build-ups. Instead, there will be exchanges like those that occured in 1973, a year after the signing of SALT I. U.S. satellites had spotted what looked like the excavation of silos for a powerful new ICBM in northern Siberia in violation of the new treaty, and the Nixon administration complained to the Soviets. Keep watching, they replied. Sure enough, as the work continued, satellite observations showed that the Soviets weren't digging missile silos. They were building underground command posts, which were in fact permitted by the treaty.

Finally, verification must satisfy domestic political requirements. No U.S. administration can hope for ratification of an arms control treaty by the Senate, to say nothing of acceptance by the public, unless it can convincingly show that it can monitor compliance.

Proponents of a comprehensive test ban claim that since the U.S. is able to detect an underground nuclear detonation with a yield of only a few hundred tons of TNT, our means of verification are adequate. The explosive power of some of the Soviet warheads is equivalent to millions of tons of TNT. Therefore a test of a single warhead of less than a kiloton, even if undetected, couldn't alter the strategic balance or threaten our national security. In other words, adequate verification is a function of the size of the arsenals, a relative, not an absolute, concept.

The argument goes something like this: If we agreed with the Soviets to allow 10,000 nuclear bombs each, our security couldn't be affected very much if they secretly increased their inventory to 10,100. But if we agreed to reduce our total arsenals to only 50 bombs each, it would matter a great deal if they secretly tripled their number to 150, even though the actual increase—100 bombs—is the same in both instances. (The opponents of arms control agreements say that what matters, at least for now, isn't whether those 100 secret bombs pose a military threat but that we be able to verify that there's no cheating at all.)

If we're to be assured that we can always monitor Soviet compliance with any arms control agreement, we should be able to determine whether an event has or hasn't happened, or is in the process of happening. There are two kinds of event; one, like the firing of a missile, changes the scene temporarily; the other, like the construction of a large radar or a missile silo in the middle of a forest, creates a permanent change.

Permanent changes, or even semi-permanent ones—for example, the slow movement of a division of troops or a wing of mobile missile from one part of the country to another—are detected by before-and-after comparisons. Usually this is the task of photo reconnaissance satellites, which routinely photograph whatever comes into their field of view (it can also be done by high-flying planes like the U-2, whose ceiling is 90,000 feet, and the SR-71, or Blackbird, which can travel at Mach 4 at 125,000 feet, or by small remotely piloted vehicles). By comparing different images of the same scene, taken under similar lighting conditions over a period of time, we can detect changes—the laying of a keel for a nuclear submarine, say.

But such transient events as the flight test of a new missile or the underground detonation of a nuclear explosive must be observed while they're occurring. Therefore the detection systems (radars and telemetry receivers in the case of missle tests, seismographs for underground explosions) have to be on at all times. Such vigilance can be expensive. And so we depend on the synergy of a variety of intelligence-gathering tools, e.g., if satellite photos tell us the Soviets are preparing a missile for launch, we may be able to get the exact time of the test by listening in on their telephone calls. Or we can be on the lookout for the activation of Soviet radars whose beacons track their missiles in flight. Then we can turn on our own monitoring radars and telemety receivers to "see" and "hear" the details of the test.

One such missile-watching installation is the Cobra Dane phased-array radar on Shemya Island in the western Aleutians, which tracks warheads as they head from their launch sites at Tyuratam or Plesetsk across eastern Siberia for impact areas on the Kamchatka Peninsula or in the Pacific. We may also send up reconnaissance planes, usually lumbering RC-135s called Cobra Ball aircraft, to track a warhead with a battery of cameras working in various wavelength ranges while the plane's ELINT equipment searches for the missile's telemetry. (Some U.S. officials think the Soviets may have shot down Korean Air Lines Flight 007 because they mistook the Boeing 747 for an American spy plane on just such a mission.)

In the seas, the Navy's hydrophone network, known as SOSUS (sound surveillance system), can recognize the distinctive patterns of individual Soviet submarines from thousands of miles away. Each detector consists of a score or more of hydrophones sealed in large vats, said to be as big as oil storage tanks, and buried in the sea floor. Because the microphones are tuned to different frequencies, they can pick up different and distinctive sounds—engine noise, prop wash, the whirr of pumps—from a submarine. This cacophony is relayed by satellites in geosynchronous orbit to analysis centers, where computers sort and compare the signals with those in their memories. The objective is to form a sonic profile of each submarine in the Soviet armada, which can then be used to identify it wherever SOSUS may pick up its telltale sounds.

Because a single source of information—whether a radar, a camera, or a hydrophone—can rarely tell the whole story, the intelligence analyst must fit together myriad pieces of information from different sources, from realtime detectors like radars that observe events as they unfold and from off-line detectors like photo satellites that provide delayed but consecutive observations of the same scene, before he obtains a complete picture of a suspicious event.

Of course, even without any agreements, simply as a matter of national prudence, we must be able to observe the development, testing, and deployment of Soviet nuclear weapons systems. We must be able to detect and measure the amount of energy released by underground nuclear explosions. We must also make sure that nuclear explosive aren't placed under water or in earth orbi and we must be certain the Soviets aren' secretly exploding nuclear weapons in suc exotic locales as behind the sun (a site physicist Edward Teller once suggested the might use).[2]

We also have to be able to count th number of Soviet ICBMs and bombers know how many warheads each can carry and tell whether new Soviet missiles var from older ones by more than five percen in any of a number of important performance characteristics (because this would b a violation of SALT II). If the types o sweeping arms control agreements discusse by Reagan and Gorbachev at Reykjavik ar ever to be signed, we should also be able t count how many missiles have been destroyed, and to make sure their nuclear warheads are dismantled. We should determin that no intermediate-range ballistic o cruise missiles are deployed in Europea Russia, and we should have a way of finding out whether the Soviets are producing any more plutonium or weapons-grade uranium and other ingredients for nuclear explosives. Finally, we must be certain they aren't developing or testing ballistic missile defense systems beyond those allowed by the 1972 ABM Treaty, or anti-satellite (ASAT) weaponry that could knock out our unmanned orbital observatories.

Many technical experts working on arms control verification systems now think that such a task can be accomplished, thanks to recent advances in technology. Detection depends on the fact that all objects emit or reflect electromagnetic radiation of some sort (infrared or visible light or radio waves) and that almost all events involve the release of some energy in the form of electromagnetic or sound waves.

Consider the testing of a new missile. As it sits on the pad, the missile reflects sunlight, which allows the optical camera on a satellite to photograph it. As its engines start up and it lifts off, the exhaust plume of hot gases sends out large amounts of infrared and visible radiation, which can be detected by special infrared cameras that stare at the entire Soviet land-mass from a fixed position in geosynchronous orbit 22,300 miles above the earth. As the missile arcs across the sky, we can follow its motion in the minutest detail, spotting course deviations of much less than one degree, by illuminating it with giant radars directed toward the interior of the Soviet Union. And as the missile's sensors broadcast data about its performance in flight—telemetry signals—for Soviet engineers on the ground, antennas aboard our satellites and at our listening posts intercept them, decode them, and let us know how the missile behaves.

The best known system for intercepting these electromagnetic waves is the satellite-borne photographic camera. The first successful photo reconnaissance satellite, a 300-pound package of miniaturized optics publicly called Discoverer to create the impression that it was purely for scientific purposes, though known privately in the intelligence community as Corona, was launched in 1960. Three years earlier the Soviets had orbited a similar machine, Sputnik 1, the earth's first artificial satellite, which astonished the world but could do little more than send out beeps. The cameras aboard

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[2] Even a test of this sort could probably be spotted by keeping watch on the moon for a faint flash of reflected light from the blast.

Discoverer satellites and succeeding spies in he sky contained large rolls of film, which nabled them to record many sequential nages of the terrain below. When a roll was completely exposed it was ejected inside protective canister. At it entered the atmosphere a parachute opened to slow its decent and a plane equipped with special hooks snared it in mid-air. Once the film was developed, an analyst could see what he camera had seen.

Even the early photo reconnaissance satllites told us how many ICBMs and bombrs the Soviets had, how many warships hey were building, and how many submaines were in their pens. They could be aised or lowered through adjustments in heir orbits, which allowed them to sweep own for a closer look at suspicious activity. But the satellites had disadvantages. First, hey were wasteful. A single camera-satellite omplex cost many hundreds of millions of ollars, only to become a piece of space junk nce all its film was exposed, sometimes within only weeks or months. Second, addional time would elapse before the film was eveloped and analyzed. That was all right or monitoring events that proceeded owly, like the construction of a missile silo, ut not for more rapid developments, like he installation of mobile missiles and adars, or even a short conflict like the Six-Day War. Third, bad weather might keep arge areas hidden under clouds for months t a stretch.

The first two drawbacks were overcome in he mid-70s with a new technology called harge-coupled devices (CCDs). Using essenally the same technology as that in home ideo cameras, they take and transmit picures electronically. Each CCD consists of n array of tiny sensors, or pixels (for picure elements), numbering in the thouands, arranged in a grid. As light waves fall n the array, each sensor stores a quantity f electrons proportional to the intensity of he light that has hit it. A counter tallies up he number of electrons each sensor has acumulated, and that number, as well as the ocation of the sensor in the grid, is transmitted to a receiving center on the ground. There a computer uses the information to onstruct on a TV-type screen an exact copy f the original image captured by the CCD. Meanwhile, aboard the satellite, as the elecrons drain from the individual pixels the rray becomes ready for another exposure. All this happens in millseconds. No film has o be ejected, captured, and developed. omeone sitting at a console in Fort Belvoir, Va., the site of the CIA's satellite imagery enter, can see in real time what the satelte is seeing in the Soviet Union. If somehing tweaks his curiosity, he can zoom the ens and take a more detailed picture on the ext pass. And the CCD array can be used gain and again, inexhaustibly.

How much the camera will see depends on s resolution, the size of the smallest object it can distinguish. That depends on its disance from the scene, its focal length, and he size of the individual pixel. The smaller he pixel d and the longer the focal length f, he smaller s will be—that is, the better the esolution of the system. Let's say the satelte is at an altitude h of 100 kilometers, hat the individual pixel size is 2 microns, nd that the focal length of the camera is 4 meters. You quickly find out that the resoution on the ground of the hypothetical amera is 5 centimeters, which means it can etect objects as small as two inches from an altitude of about 60 miles above the earth.[3]

Although the capabilities of the satellite cameras are secret, stories circulate that we've been able to follow the pucks during ice hockey games at outdoor rinks in Moscow or see astonishing closeup details of Soviet submarines. Says one intelligence analyst, "You can tell if the guys on the bridge watch have their parka hoods up."

High resolution can be a mixed blessing, however. Say the camera takes a picture of a scene 100 x 100 meters on the ground. If the resolution is one meter, the picture will be composed of 100 x 100, or 10,000 pixels. But if it's 5 centimeters, the number of pixels increases to 2,000 x 2,000, or 4,000,000 pixels. As a result, 400 times as much information will be transmitted to the receiving station. This means the satellite must have a very large transmitting antenna (to handle the increased flow of data) and a lot of electrical power, which isn't always available from its solar cells. Ground controllers often order photo satellites to conserve their energy by taking pictures at lower resolution.

Also the satellites may take too many pictures, overloading the analysts. Since new pictures are compared with earlier ones of the same scene, the process can be mechanized with the help of electro-optical scanners. A flesh-and-blood photo-interpreter would be needed only when the machine points out a change. Even so, the number of pictures would be overwhelming if the satellite camera took pictures of all the terrain it flew over. So the camera is turned off when it encounters clouds, or when it's over oceans or other areas where we would expect nothing to be happening, like the Sahara or the Soviet Arctic. But this practice can lead to oversights, such as the alleged installation of a nuclear explosives test facility by South Africa—which was discovered by a Soviet photo reconnissance satellite—or the construction of a large early warning radar near Krasnoyarsk, in central Siberia, in apparent violation of the ABM Treaty, which was only noticed by one of our satellites two to three years after construction had begun. (The Soviets presumably have photographed our modernizations of the early-warning radars in Thule, Greenland, and Fylingdales Moor, England, which they claim are breaches of the treaty. We insist that they're "grandfathered" under the accord and therefore legitimately open to upgrading.)

Besides cameras, some satellites, like the Air Force's Big Bird, one of the KH (for Keyhole) series, carry sensitive listening devices that allow us to intercept radio and microwave telephone signals within the Soviet Union as well as transmissions from Soviet satellites. Such eavesdropping is supplemented by listening posts in Norway and elsewhere that can pick up the Russians' own ferret satellites (so named because they fly low enough to trigger tracking radars) as they download streams of intercepted American signals. This technology, which is of the same kind that enables us to receive and interpret signals from the eight-watt radio aboard the spacecraft Pioneer, now almost four billion miles away from earth, not only listens in on internal Soviet communications but also picks up the telemetry from Soviet missiles during testing. These signals establish a missile's rate of acceleration, fuel consumption, and temperatures and pressures at different points in the engine. Even though the Soviets encode some of these messages—in violation of SALT II, say some experts, but not in my view—we can compensate for the loss of a portion of this information through radar and satellite tracking.

These satellites monitor other activities as well. When American bombers attacked Libya last April, their targets were picked out with the help of a photo reconnaissance satellite and a signals intelligence satellite (SININT) whose orbit had been changed so that it passed over North Africa rather than Eastern Europe. Some satellites, like the Velas, orbiting in pairs at an altitude of 70,000 miles, nearly a third of the distance of the moon, carry a variety of sensors to detect nuclear explosions in the atmosphere. (The chores of the Velas are gradually being assumed by the new NAVSTAR global position system [GPS]; its primary function is as an extremely precise navigation aid, but its satellites also carry detectors for spotting detonations.) Other satellites are designed to ferret out the characteristics of Soviet radars and electronic jamming devices. Still others are equipped with special radars to obtain images at night or to penetate cloud cover. These are known as synthetic aperture radars (SARs). Conventional radars, even when they send out beacons at very short wave-lengths, can't provide very high-resolution images, because their resolution is limited by the ratio of the wavelength of their radiation to the diameter of the antenna. Even if the wavelength were one millimeter and the antenna ten meters long, the resolution of the radar flying 800 kilometers above the surface of the earth would still be only 80 meters (in contrast to my imagined camera's five centimeter resolution).

But in the case of the SAR, after the radar's waves are bounced off the ground they're tricked electronically into "thinking" the satellite's receiving antenna is as long as the distance the spacecraft has traveled during that interval. A typical SAR with a ten-meter antenna, orbiting at 800 kilometers, will have a resolution of just five meters. (To achieve this resolution with an ordinary radar would require an antenna almost 20 kilometers long, or about twelve miles.) The size of the antenna can't be reduced to achieve higher resolution because the radar beam will be spread out and diffuse by the time it reaches the ground, thereby spoiling the image. But even with this limitation, satellite SARs can achieve resolutions approaching one meter and provide almost photographic images of the terrain they survey.

In radar systems of this sort the amplitude and arrival time of each reflected wave must be briefly stored. Then all the pulses returning from a given point on the earth must be added up electronically. In the past this information had to be transmitted to the ground and processed by computers before it could be viewed on a monitor. But now that computers have shrunk in size and their power requirements have been reduced, very complex computational capability can be carried on board the satellite, which makes it possible to send back pictures in real time. This is a significant advance, considering that large areas of the Soviet Union are blanketed by clouds for extended periods and that the northernmost regions are cloaked in the darkness of the polar night for several months a year.

Of course, such surveillance requires that we have at least one fully operational photo reconnaissance satellite in orbit—preferably more. The halt in space shuttle launches after the Challenger catastrophe and the loss of two Titan boosters and their satellite payloads, all in the past year and a half, have crippled our satellite-orbiting capability. Before the Air Force finally managed to loft a ferret satellite in February, our watchdog capacity had dwindled. For notable example, we were left only a single KH-11, the workhorse of our reconnaissance program. This advanced satellite is equipped with a large optical telescope that has a primary mirror of 70 or 80 inches, high-resolution CCDs, and multi-spectral and infrared imagers. It will be replaced by a new super satellite, the KH-12, which will have not only extraordinary resolution—less than three inches, according to reports[4]—but also extraordinary night-seeing ability. However, it's so heavy it can only be carried into orbit by a shuttle or a modified Titan booster.

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[3] The formula: $s=(h/f)d$.

Large phased-array radars on the ground and on ships monitor the maneuverings of satellites (which are also observed with very large optical telescopes installed on Maui and in Florida), the testing of missiles and aircraft, and the trajectories of ballistic missile re-entry vehicles. Activities that take place too deep inside Soviet territory to be observed by radars on the periphery of the country are monitored by "over the horizon" radars that seem to defy the physical law that all radio waves travel in a straight line. They bounce powerful beams at small grazing angles off the surface of the sea. These are reflected off the ionosphere, flooding the interior of the Soviet Union with radar waves. If missiles or aircraft happen to pass through them, the waves are disturbed in characteristic ways, so that when they're eventually recaptured by receivers at the other end of the continent—by listening posts in the Aleutians, say—they can provide information about the performance of the vehicles that caused the disburbances.

Beginning with Eisenhower, every American president except Reagan has tried to limit or to ban nuclear testing. John Kennedy agreed with the Soviet Union to stop all tests except those conducted underground. During the Nixon years, Washington and Moscow agreed to stop detonating nuclear explosives with a yield greater than the equivalent of 150,000 tons of TNT. Although Congress had urged the U.S. to join in the U.S.S.R.'s moratorium, the administration continued its test program. If we could in fact get a comprehensive test ban treaty, as the Carter administration had hoped, could the U.S. confidently detect a small, chandestine Soviet nuclear explosion?

When a nuclear explosive detonates underground, it releases a portion of its energy as earthquake-type waves. In addition to pinpointing the test site with standard seismic techniques, seismologists can calculate the size of the explosion. They start by measuring the amplitude of the waves, which are proportional to the amount of energy released. They then take into account what type of rock the pulses have traveled through, since the terrain will affect how quickly they lose their strength. (In general, higher-frequency waves are attenuated more rapidly than those of lower frequencies.) From these two measurements they can estimate the size of weapon yields with an accuracy of 10 to 20 per cent, with the uncertainty reduced further as their knowledge of the geology of the test site increases. In any event, seismometers are now so sensitive that the U.S. and the U.S.S.R. both claim to have recorded unannounced tests by the other with yields as low as one kiloton.

The detection technology consists of arrays of sensitive seismometers and the recording and computerized analysis of the signals they pick up. Such arrays are located in Norway, Montana, Turkey, and Japan, and two new ones may be operating now in China's Sinkiang province, only 300 miles from the U.S.S.R.'s underground test site at Semipalatinsk in Kazakhstan. To ensure that an underground test will be detected, the seismometers must be permanently on. Unfortunately for analysts, the earth's crust is a noisy place, shaken by numerous earthquakes, big and small, by the pounding of the oceans on shorelines, the rumbling of construction and mining operations, even the swaying of skyscrapers and large trees buffeted by high winds. As a result, there's always a risk that the waves caused by a detonation will be drowned out by the earth's other tremors, or that a nuclear test will be mistaken for an earthquake.

Nonetheless, seismologists have learned to discriminate between quakes and underground nuclear detonations. They've found that the relative magnitudes of the surface and body waves generated by a quake are distinct from those given off by an explosion. So when the needles of their seismographs come alive, they compare the size of the two types of waves that have been recorded. This tells them unambiguously whether they were generated by an earthquake or a nuclear test. Yet in spite of these advances, or perhaps because of them, the Defense Department has cut funding for the seismic research. Some scientists suspect the reason may be the Reagan administration's distaste for any test ban.

Test ban monitors might be duped in two ways. One, an underground nuclear test might be conducted at the very moment an earthquake is taking place in the area (the Soviet Union has many quake-prone regions). The waves from the quake might obscure the waves generated by the explosion. Two, a cavity hundreds of meters in diameter could be dug and a nuclear explosive detonated at its center. The waves from the blast would be very small, because the giant hole would have "decoupled" the explosion from the surrounding soil, and they might escape detection.

Both these possible ploys have been overcome by seismologists at the U.S. Geological Survey in Menlo Park, Calif., and the University at Colorado at Boulder, who can now detect very small detonations, even those under 1,000 tons of TNT and even if they occur during an earthquake or take place in muffling underground cavity. The technique is based on the fact that a quake releases its energy over a large area, from a rupture in the earth that may be tens or hundreds of kilometers long, primarily in the form of long, low-frequency waves, whereas a nuclear blast is effectively a point source that emits predominantly short, high-frequency waves. Consequently, seismometers used to monitor test-ban violations are turned to pick up higher-frequency seismic waves. So even if a quake is occurring at the same time as a test, the instruments will ignore the quake's low-frequency waves and "see" only the high-frequen signature of the explosion. This selecti monitoring also works for tests conducted decoupled cavities, since they attenuate t low-frequency waves but not the high-fr quency ones.

However, there are limitations. High-fr quency waves don't travel underground far as low-frequency ones, so if we're to confident of our detection procedures, must place seismometers near the test site This creates a sticky political problem, b cause neither superpower likes the idea foreign scientists snooping on—or under—i soil, particularly around test sites. Sand National Laboratories in Albuquerque, Mex., may have provided a solution with th development of an unmanned, tamperpro seismic station. It can be installed inside th Soviet Union and monitored by a satellit which relays the signals detected by th seismometer and alerts the controlling faci ity in the U.S. if anyone tries to tamp with the equipment. Several of these sei mic stations are now in operation in th U.S. and Canada to test their sensitivity an tamper-proof qualities. Although the Sovi Union had resisted the placement of thes "black boxes" on its territory, it has no agreed to accept them, so there no longe seems to be a technical barrier to monito ing compliance with a complete test ba agreement down to explosions of one kil ton or less.

As the new detection systems indicate, ou intelligence gathering has achieved extrao dinary levels of sophistication. These capa bilities are even better than the governmen will admit in public. Given this rosy asses ment, what kinds of arms control measure could be undertaken with the Soviet Unio without threatening our national security?

A prime example would be a comprehen sive test bank treaty, ending all explosion of nuclear weapons. With unmanned seismi monitoring stations inside the U.S.S.R., w should be able to detect even the sub-kilo ton blasts. But political obstacles remain When the Soviets said they would resum underground testing in response to the U.S testing, they told visiting American seis mologists to halt their studies of Soviet ge ology during the test period.

A second objective could be a ban on th testing of ballistic missiles, especially thos with several warheads, or MIRVs (multipl independent re-entry vehicles). It coul easily be verified because a multi-stag rocket lifting off is hard to miss even i you've got only a few radars and listenin posts. Besides, new missiles require tens o tests, and honing their accuracy at leas twenty more, so the probability that th Soviet Union can develop, test, and deplo an improved ICBM without our knowledg is virtually zero.

Missiles that can carry many warhead must be able to release them sequentiall with great precision by performing delicat maneuvers in flight. Such maneuvers ca readily be observed by radar. But the would still be easier to spot if the Soviet and we agreed to install a transponder on al test missiles. During flight it would broad cast a continuous stream of signals tha would enable the other nation's detectors t spot changes in speed or direction, thereb providing a foolproof check on whether th missile had been MIRVed.

Another class of arms-control agreemen that we could verify with confidence is th sort of drastic reduction in nuclear arms dis cussed at the Reykjavik summit. Photo re connaissance satellites and other space borne intelligence-gathering devices can see and count the dismantling of ballistic missiles and their silos, fleets of bombers, and ballistic-missile-carrying submarines if the Soviets agree not to conceal them. However, they can't monitor the disassembly of nuclear warheads and the peaceful disposal of their radioactive materials, since this work has to be done indoors in special laboratories. The only workable check would be the presence on site of inspectors.

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[4] This means you couldn't quite tell whether a man sitting in Gorky Park was reading Izvestia or Pravda, as it is often said you could. But as former CIA director William Colby once testified before Congress, "You can see the tanks, you see the artillery, [even if] you may not quite see the insignia on the fellow's uniform."

Cruise missiles pose a special verification problem. Tactical cruise missiles with convention explosives and long-range ones with nuclear explosives look alike, so it would be very difficut to check compliance with an agreement limiting the number or means of deployment of these weapons unless both types were barred. This is a good example of a more general principle in arms control: it's easier to monitor a complete ban than a partial one, since the discovery of only a single event or a single proscribed weapon would be a clearcut tip-off to a violation.

In conjunction with any drastic reduction in the number of nuclear arms each country would be allowed, there would probably have to be a limitation on the production of plutonium, weapons-grade uranium, and large quantities of deuterium and tritium—all of them components of nuclear warheads. This ban could be monitored with existing technical means by making sure that nuclear reactors dedicated to the production of these materials were shut down, a relatively simple assignment for infrared sensors. Yet small quantities of fissile materials, enough perhaps to build a few tens of new warheads per year, could be produced clandestinely in small research reactors or reactors ordinarily used for power production. At present, with the U.S. and the Soviet Union each having approximately 25,000 nuclear warheads—enough to blow the planet to eternity many times over—a few additional warheads wouldn't make much difference in the strategic scheme of things. But in a future arms regime, when each side has slashed its nuclear arsenal by, say, 90 percent or more, a handful of contraband warheads could be significant. To avoid such a situation, Soviet and American power reactors would have to be monitored by on-site inspectors to reassure one another that no weapons-grade materials were being diverted. The necessary monitoring technology exists, and all it would take is the political will to install it.

In recent years, because of the emergence of President Reagan's Strategic Defense Initiative to provide a shield against ballistic missiles and because of the administration's complaints that the Soviet Union has been violating the ABM Treaty, which bars certain practices related to land-based ballistic-missile defenses, considerable work has been done on devising technical methods to monitor the testing of systems that could be used in ballistic missile defenses. While laboratory tests of small SDI components could perhaps be conducted unobserved, there's little doubt that testing of full Star Wars systems in space—or even on the ground—can be monitored. One can't hide a laser or a particle accelerator the size of a factory or fire their beams into or from space without being caught. Nor can a nation conduct secret tests of the kinetic energy kill weapons or the radars needed for a defensive network.

If these assertions seem overly optimistic, consider the detail in which the U.S. has complained of Soviet violations of the ABM Treaty. The charges themselves are proof of how well we watch Soviet activities relating to ballistic defenses deep inside their territory. In my view, an agreement to ban the testing and deployment of both antiballistic missiles and anti-satellite weapons appears verifiable.

Together, verification and arms control create a bootstrap process: advances in verification make arms control agreements possible, and the confidence and trust these agreements breed make more cooperative verification approaches acceptable. Until very recently, verification was based exclusively on non-intrusive, unilateral national technical means. Now the Soviets are showing a refreshing willingness to use advances in technology in a more cooperative manner, viz., their acceptance of seismic stations on their soil. If the sweeping reductions of nuclear arsenals so grandly envisioned by Reagan and Gorbachev at Reykjavik are to be implemented, verification will have to move into its third and final stage: the bilateral, cooperative use of technical means and human observers to monitor agreements that preserve a common security for both the U.S. and the U.S.S.R., and for the rest of the world.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I ask unanimous consent that I may proceed for not to exceed 5 minutes and my only intentions are to make a brief statement, probably have a little colloquy with the distinguished Republican leader, and ask for consent for committees to meet. I have nothing else in mind during that 5 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BYRD. Mr. President, I have in my hand several requests for committees to meet on this day. The distinguished Republican leader has approved these. I, therefore, ask unanimous consent that I may submit them en bloc, that they may be spread upon the record severally, and that the Senate approve the meetings of those committees. The committee meetings may have occurred already. Some of them are still occurring, but I want it made clear that the Senate is approving the meetings of those committees throughout this day.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, let me indicate that the distinguished majority leader is correct, that we have approved each of the requests.

Mr. BYRD. I thank the distinguished Republican leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The committee meeting requests are printed in the RECORD under Routine Morning Business.)

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I have had a little chat or so with the distinguished Republican leader. I have a feeling that the Senate is not going to vote on the veto message tonight. The Senate has not yet voted on the motion to reconsider.

May I make it clear for the record that there is no way that I can force a vote on the veto message. Under the somewhat peculiar rules of the Senate, the only way that a vote on the veto message could be forced would be if cloture were involved. As I have said many times, the rules of the Senate are much different from the rules of the other body. But there are many people, I am sure, who wonder why we just cannot force a vote. We cannot do that. That is one of the reasons why the Senate is the unique institution that it is.

We have heard it said that there is unlimited debate in the Senate. Well, to a degree, that is correct. It is unlimited until such time as a time agreement is entered into by unanimous consent or cloture is invoked, in which case the time for debate ends in due course.

As the situation now stands, I cannot force a vote on this veto message. I have discussed this with the minority leader. I am under the impression that we could go until midnight or longer and still not vote. So I do not see the point in staying in late this evening. It would be futile.

So, shortly, I am going to move to go out until tomorrow and, if we can come back and have some rest in the meantime and have our battles anew, perhaps a final decision can be made in the morning.

Mr. HELMS. Mr. President, will the Senator yield for a question?

Mr. BYRD. Yes, I am happy to yield to the distinguished Senator.

Mr. HELMS. I thank the Senator.

Is there any way I could persuade the distinguished majority leader to make the pending business right now, if possible, the resolutions of disapproval of certification with reference to foreign aid to Mexico, Panama, and so forth? Now, as the distinguished majority leader knows, the deadline is midnight tonight. If we do not act on it, the question becomes moot. Is there any way we could get a vote on it? It would not take long.

Mr. BYRD. There are three joint resolutions on the calendar.

Mr. HELMS. That is correct.

Mr. BYRD. It would take unanimous consent, in the first place.

Mr. HELMS. Yes, sir.

Mr. BYRD. Because, under the previous order of the Senate, no motion to go to any other matter is in order while the veto message is pending. At this hour, I think we ought to go out.

Mr. HELMS. Well, this involves a lot of the taxpayers' money going to countries which are not being fully cooperative, as the law requires, foreign aid money to countries that are still trafficking in drugs, laundering money, and all the rest of it. And we have been caught by the schedule of the Senate.

I understand the predicament the majority leader is in and I am sympathetic. But, on the other hand, it gives me some discomfiture to have been shut out on a proposition by the circumstances. I know the majority leader did not intend to go that way, but this is a right important question. The foreign aid money will continue to go to these countries even though they are laundering drug money and they are not cooperating in many ways in terms of trying to stop the drug trafficking into this country.

Would the Senator be willing to propound a unanimous consent request in that connection?

Mr. BYRD. Mr. President, I know that some Senators have gone. I know of at least one Senator on the other side of the aisle who has gone, and that Senator and others I am sure would like to be here for any rollcall votes. I would hesitate to bring about a situation in which there might be one or more rollcall votes at this hour when Senators have left.

Mr. HELMS. Well, I can understand that, of course. Could I make a proposition to the majority leader? Would he be willing to statutorily write into the joint resolutions a time extension so that we could consider them tomorrow or the next day? I do not know whether that would have any effect or not, but at least we could make a run at it.

Mr. BYRD. I would not want to take the liberty of doing that. The chairman of the Foreign Relations Committee is not on the floor, and there are other Senators who are involved in these joint resolutions. I know one other Senator, I believe, who is the author of two of the joint resolutions. He is not on the floor at this time.

Mr. HELMS. Senator Kerry?

Mr. BYRD. Yes, Senator Kerry.

I could not take the liberty of doing that. I regret that this whole thing is being caught up in this veto override situation. I hesitate to let anything else intervene until we get that matter settled. It would take unanimous consent to do it in any event. And I do not wish to propound a unanimous-consent request with the other Senators not here and knowing that there could very well be rollcall votes, and probably would be rollcall votes.

I do not want a situation now to arise in which there would be, No. 1, an intervention of another matter at this point when we have this very important veto override still pending before the Senate, and, second, when the other Senators are not here to speak for themselves.

Mr. HELMS. It looks like I have been shut out.

Mr. BYRD. Well, the distinguished Senator is very gracious about it all. He does understand the extenuating circumstances in which we find ourselves here at this particular moment. I am a bit of a prisoner of circumstances myself.

Mr. HELMS. At least I tried.

Mr. BYRD. The Senator did try.

Mr. HELMS. I thank him very much.

Mr. BYRD. I thank the distinguished Senator.

FEDERAL-AID HIGHWAY ACT OF 1987

Mr. BYRD. Mr. President, I had indicated that it was my impression, based on my conversations with the able Republican leader, that we would not be able to go forward tonight to a completion of the vote on the override of the President's veto of the highway bill. Let me ask the distinguished Republican leader if there is anything that he would like to say, or if he might wish to comment on my statement.

Mr. DOLE. Let me first state to the majority leader that I certainly appreciate his consideration because I came to him at 5 o'clock and said, "If you give me a few minutes on a quorum call, maybe I can get back to you, save a lot of time and a lot of votes." He was most gracious. It is now 10 after, almost quarter after 7, and nobody has pressed for any vote, which could have been done. I appreciate that. I know my colleagues do on both sides.

Mr. BYRD. May I say to the distinguished Republican leader that he has always been very courteous out of consideration for my conveniences and necessities. And I have tried to do likewise. I am sure he would have done the same for me.

Mr. DOLE. The Senator is correct. I would have. I appreciate that. But having said that, I must say in all honesty I do not think we can vote tonight. I do not know whether the vote is going to change tomorrow—probably not. That would be my guess. I think right now the vote would be 67 to 33, and the veto would be overridden. But there is still some effort being made to enlighten a number of my colleagues. [Laughter.]

I think there was a feeling if the majority side could persuade 1 out of 1 we ought to be able to persuade 1 out of 13. [Laughter.]

But in any event, it just makes it impossible for me to cooperate with the majority leader any more this evening.

Mr. BYRD. Mr. President, I respect the Republican leader for the situation he is in.

ORDERS FOR THURSDAY

RECESS UNTIL 10 A.M.

Mr. BYRD. I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

PROGRAM

Mr. BYRD. May I make it clear now to those Senators who are present, and those who are listening in, that the situation in the morning will be as follows. The Senate will come in at 10 o'clock, and immediately after the prayer by the Chaplain, the two leaders will be recognized for not to exceed 10 minutes each, and then we are right back where we are now.

I wonder if the distinguished leader would want to cut the time down for the two leaders. If he would rather not, I will certainly respect that request.

Mr. DOLE. I would be very happy to. I would like unanimous consent, if the majority leader does not mind, to have a couple of statements included in today's Record; one congratulating Abby on her first day as the secretary for the majority, the first, I think, woman in that position. I have a statement on that, and another concerning the death of John C. Calhoun.

Mr. BYRD. Yes; as a matter of fact, I would be happy if the distinguished Republican leader would like to read those tonight. I will either say something shortly about Abby or I will have a statement for the record. But I have no problem with the Senator, if he wishes to read them. And I will join him, and I would be happy to do it.

DISAPPROVAL RESOLUTIONS

Mr. WILSON. Mr. President, would the distinguished majority leader yield for a question?

Mr. BYRD. Yes.

Mr. WILSON. Forgive me. I came rushing over because I saw Senator Helms on the television, and I was eager to participate in what seemed to be a colloquy on the subject of the resolutions that are pending to disapprove Presidential certification required under last year's drug legislation.

If I understand, the Senator from North Carolina was making a request that we temporarily lay aside the pending business, the highway bill, in order that we might deal with those resolutions. If I may second him in that, the urgency which he may very well have outlined to the Senator as a prime sponsor is that our understanding is that unless acted upon by midnight tonight, they will have no legal effect. The purpose obviously of seeking to set aside the legislation is to avoid that.

And whether we prevail or not, the debate is essential because this is the irst test of the will of the Congress nder that new legislation in this very, ery serious area. And three nations hat have been certified as having conormed to the requirements of the legslation frankly have not done so. They are continuing to engage in pracices very much to the detriment of he American people, and those who re victimized by the drug trafficking.

If I am mistaken, I would be happy o be set straight on the matter. But I hink that unless we act tonight, we re in danger of taking an action at ome later date that will be ineffectul. And I cannot help but think that he American people will be badly diserved by what is in effect a rather utile gesture that will have the effect f encouraging those nations who ave been certified as conforming vhen they have not.

So, let me implore a correction of my nderstanding if that is in order. But f I am correct in my understanding, I vould urge that we not simply adjourn r recess until tomorrow without some ction on these because tomorrow will e too late to make an effectual disaproval.

Mr. BYRD. Mr. President, I ask nanimous consent that I may proceed or not more than 2 additional mintes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I am orry to have to say to the distinuished Senator that we caught up in situation here that nobody foresaw. Without unanimous consent, no notion can be made to take up any ther matter—that means nominaions or measures, and that includes he three joint resolutions on the calndar—as long as this veto message is ending before the Senate. And that is ur situation. We are not going to reolve the matters tonight.

On the strength of what we have aid tonight earlier, Senators have eft, some on both sides of the aisle. So would have to say to the distinuished Senator that there is no hance of having those joint resoluions brought before the Senate under he circumstances that I have outined, no chance of having those rought before the Senate, certainly ot today, not before midnight, and ve are going out soon.

Mr. WILSON. Let me say to the maority leader that I understand this vas not foreseen and it certainly is not he wish of anybody to have this esult. It would seem to me, as one of he cosponsors, and I see Senator HELMS here, though I do not see Senaor KERRY, and this is a bipartisan coponsorship of these resolutions, that t would not take much time. We could nter into a unanimous-consent agreenent to both set aside the pending usiness and return to it within a halfour. I understand we are not going to settle this tonight. It would simply be to take a half-hour in an attempt to do what I think is business of enormous importance, considering that if we fail to do it, we will have rendered rather hollow that whole certification process.

I would ask the Senator if he would seek unanimous consent so that we might do that. It will do no violence whatever to the pending business, but what we will do is address that legislation within the timeframe that was intended by us when we passed the Omnibus drug bill last year.

Mr. BYRD. Mr. President, if I may have 2 more minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I know that I cannot get consent, and it would require consent, to go to any other matter. We have already told other Senators that the veto matter would not be resolved tonight and they knew that as long as that message is pending before the Senate no motion is in order to go to any other matter—even in executive session, let alone legislative session.

If we were to try to do that, we would get into a situation in which there could and probably would be rollcall votes and then those Senators, some of whom are on the Senator's side of the aisle, would miss those votes.

I just feel constrained to respectfully say to the distinguished Senator that I do not see how, as I said to Mr. HELMS, a few minutes ago, we can hope to get those measures up this evening.

Mr. WILSON. Let me ask the majority leader this, and he has been most courteous and I appreciate the courtesy: I understand the difficult situation in which we find ourselves. I have no desire to embarrass any absent Senator of either party by urging that we go to a rollcall vote in their absence.

I am emphatic, however, in saying that this is important business, business of enormous importance. I think through the fault of no one we find ourselves in the embarrassing position of having allowed the 30 days to lapse without the necessary action.

I will simply implore both leaders to work with the sponsors of those resolutions to find some way that we can rectify this situation.

We will not go past midnight and past the effective date for registering congressional disapproval. I do not think there is anyone on this floor, and I am convinced that everyone that voted for that omnibus drug bill did so conscientiously in the expectation that it would make a significant difference—I do not think there is anybody who wants us to default and yet, through no one's fault, we are in that awkward position.

I think it is incumbent upon this body to cure that fault.

I will look forward to counseling with the majority leader and the minority leader so we can do that at the earliest opportunity. This is unfinished business, I think of the greatest importance.

Mr. BYRD. Mr. President, I will be available and happy to discuss this with the Senator on tomorrow. At the moment, I would not know what to advise the Senator, but I will be very happy to counsel with him tomorrow.

Mr. WILSON. I thank the distinguished majority leader.

Mr. BYRD. I thank the distinguished Senator.

BICENTENNIAL MINUTE

APRIL 1, 1850: DEATH OF JOHN C. CALHOUN

Mr. DOLE. Mr. President, on April 1, 1850, 137 years ago today, Senator Andrew Butler of South Carolina entered the Senate Chamber, and in a voice choked with emotion, announced the death of his colleague John Calhoun. Calhoun had died the day before, Sunday, March 31 at 7:30 a.m. His death came as no surprise—he had been failing for weeks and looked, said colleagues, like the specter of death himself. Still, the news was a blow.

Senator Butler praised Calhoun's life and accomplishments, and noted that his name carried associations that "reached the heart of the Nation." Henry Clay of Kentucky rose next to laud his long-time adversary: "I have seen him surpassed by no one . . . I am his senior only in years." Daniel Webster of Massachusetts, who had vigorously attacked Calhoun's fourth of March address less than a month before, followed Clay by saying, "We shall carry with us a deep sense of his honor and integrity, his amiable deportment in life, and the purity of his exalted patriotism."

While Webster paid tribute to his old foe Calhoun, Thomas Hart Benton of Missouri turned his back refusing to listen. As a senior Senator, Benton should have at least found a few words about his long-time colleague: Webster even prodded him to do so. But, Benton refused. He had said of Calhoun that his doctrines were treasonous and that he, Benton, "Could make no distinction between the treason and the traitor." The day's business ended with the adoption of a resolution providing that each Senator would wear a black armband for 1 month to mourn the death of a distinguished colleague.

The following day, April 2, funeral services for Calhoun were conducted in the Senate Chamber. President Zachary Taylor attended along with scores of Government Dignitaries. Among the pallbearers were Webster and Clay. Each had less than 3 years to live. With the death of John C. Calhoun the golden age of the Senate began to fade.

CONGRATULATIONS TO ABBY SAFFOLD

Mr. DOLE. Mr. President, while all of us are sorry to see David Pratt leave, we are at the same time very pleased that Abby Saffold will take over as Secretary to the majority.

Her appointment to this position is a historic occasion—she becomes the first woman to hold this job. And I cannot think of anyone more qualified or deserving of this honor. Those of us in the Republican leadership know how dedicated and knowledgeable Abby is about the workings of the Senate. As a member of the Democratic policy committee staff, and a floor assistant for the distinguished majority leader, she has always been both courteous and helpful to us. And I have no reason to doubt that will change with her new and enhanced status.

So, I personally congratulate Abby on her appointment, as well as Senate Democrats, who showed the wisdom of elevating a qualified woman to this important post.

ORDER OF PROCEDURE TOMORROW

Mr. BYRD. Mr. President, if I could ask the Republican leader, would it be possible at this time to set a time for a vote on tomorrow? As a suggestion, I would suggest 11 o'clock for a vote on the override. We could, by unanimous consent, in that fashion, waive the vote on the motion to reconsider, then go directly to the override vote at 11 o'clock. All Senators would know we are going to have a vote at that hour; it can go one way or the other. Then we can get on with other business tomorrow. That would leave plenty of time for other business to be done tomorrow.

Mr. DOLE. If the majority leader would yield, Mr. President, I cannot do that now. I think we can do it tomorrow morning. I think we should give Senators notice. It is a critical vote, no doubt about it. I think we could probably tell by 10 a.m.

Mr. BYRD. Very well. I thank the distinguished leader.

DISAPPROVAL RESOLUTIONS

Mr. DODD. Mr. President, will the majority leader yield?

Mr. BYRD. Mr. President, I suppose I have run out of time. I ask unanimous consent to proceed for an additional 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I yield to the Senator from Connecticut.

Mr. DODD. I thank the leader. I missed some of the colloquy that had gone on before in the discussion of three resolutions that had been introduced or at least sponsored by the Senator from North Carolina [Mr. HELMS]. He and I had more procedural disagreements than substantive disagreements, because the matters that he raised are legitimate matters.

There is a serious problem, of course, with drugs that are coming into this country and nations that are not doing enough, in any of our minds, to eradicate that problem. We have a problem with legislation that we have to grapple with. My hope would be that the administration would come before the respective appropriate committees to explain how they arrived at the certification on a couple of these matters. We really did not get an adequate explanation of that. The Senator from North Carolina is correct in his concerns about that.

I would like to support that effort, anyway, to see that we do get a full reading. We can revisit this situation next year if we do not establish some sort of procedure by which we can examine certification; otherwise, we are going to be confronted with serious foreign policy questions.

We did not get to the matter on a procedural basis tonight, so the matter is sort of moot. I agree with the Senator that we must change the law or correct the law or at least set up a process by which we can examine this certification process.

Mr. BYRD. Yes, Mr. President. I thank the Senator. I propose that the Senator from California and the Senator from North Carolina counsel with the Senator from Connecticut and the distinguished chairman of the Foreign Relations Committee and see if something can be worked out. Frankly, I know very little about these resolutions. It is mainly because I have been so involved in other matters—I have been pretty much involved in the matter that is presently before the Senate. Perhaps something can be worked out. I do not know. I would like to revisit that matter at the Senator's convenience.

Mr. HELMS. Mr. President, will the distinguished Senator yield?

Mr. BYRD. I ask unanimous consent for 1 more minute, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Would he allow me, in the time yielded to me, to raise a parliamentary inquiry?

Mr. BYRD. Absolutely. I yield for the purpose stated.

Mr. HELMS. I thank the Senator.

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. HELMS. Mr. President, will the three resolutions still be privileged tomorrow?

The PRESIDING OFFICER. The resolutions would retain their privilege.

Mr. HELMS. Very well. And therea ter?

The PRESIDING OFFICER. An thereafter. The Senator is correct.

Mr. HELMS. I thank the Chair. thank the Senator from West Virgini

Mr. BYRD. I thank the distir guished Senator.

The PRESIDING OFFICER. Th Senator is referring to Senate Join Resolutions 90, 91, and 92.

MORNING BUSINESS

Mr. BYRD. Mr. President, I as unanimous consent that the Senate b deemed to have conducted mornin business today. This will allow Senators to have introduced their bills an resolutions, memorials, petitions, an statements in the RECORD. I ask unanimous consent that Senators may b deemed to have been permitted t speak during that period of mornin business.

The PRESIDING OFFICER. I there objection? Without objection, i is so ordered.

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

Mr. BYRD. Mr. President, I ask unanimous consent that I may yielc for the presentation of a message from the other body without losing my right to the floor.

The PRESIDING OFFICER. The Senator retains his right to the floor when the Senate receives a message.

The message is as follows:

MESSAGES FROM THE HOUSE

At 7:31 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following joint resolutions, without amendment:

S.J. Res. 18. Joint resolution to authorize and request the President to issue a proclamation designating June 1 through June 7, 1987, as "National Fishing Week";

S.J. Res. 47. Joint resolution to designate "National Former POW Recognition Day";

S.J. Res. 64. Joint resolution to designate May 1987, as "Older Americans Month";

S.J. Res. 74. Joint resolution to designate the month of May 1987, as "National Cancer Institute Month"; and

S.J. Res. 96. Joint resolution designating April 3, 1987, as "Interstate Commerce Commission Day".

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 184. An act to establish the Big Cypress National Preserve Addition in the State of Florida, and for other purposes;

H.R. 278. An act to amend the Alaska Native Claims Settlement Act to provide Alaska Natives with certain options for the continued ownership of lands and corporate shares received pursuant to the act, and for other purposes;

H.R. 317. An act to amend the Wild and Scenic Rivers Act by designating a segment of the Merced River in California as a component of the National Wild and Scenic Rivers System; and

H.R. 1783. An act to make technical corrections in certain defense-related laws.

The message further announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 34. A concurrent resolution concerning the continued violations by the Soviet Union of its international human rights obligations, especially its violations of the right to emigrate;

H. Con. Res. 86. A concurrent resolution expressing the sense of the Congress congratulating the people of Berlin on the occasion of the city's 750th anniversary in the year 1987, commending the people of Berlin for the centuries of great tradition and continuing courage in the face of historical adversity, and recognizing the deep and lasting relations they have with the people of the United States of America; and

H. Con. Res. 91. A concurrent resolution authorizing the 1987 Special Olympics Torch Relay to be run through the Capitol Grounds.

PROGRAM

Mr. **BYRD**. Mr. President, the Senate will come in at 10 a.m. Following the two standing orders for the recognition of the two leaders or their designees, the Senate will be right where it is at this point from the standpoint of the veto override. The motion to reconsider will be before the Senate. That motion is not debatable under the circumstances in the particular instance.

If the motion to reconsider is agreed to at some point, then the Senate will be back on the override of the President's veto. There will be no debate on that matter.

So Senators are on notice that a rollcall vote or rollcall votes could come early. I would suggest that Senators ought to be prepared for rollcall votes as early as 10:30 tomorrow morning.

RECESS UNTIL 10 A.M. TOMORROW

Mr. **BYRD**. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 10 o'clock tomorrow morning.

The motion was agreed to and the Senate, at 7:32 p.m., recessed until Thursday, April 2, 1987, at 10 a.m.

HOUSE OF REPRESENTATIVES—*Wednesday, April 1, 1987*

The House met at 2 p.m.

The Reverend Randy Ray, Metropolitan Baptist Church, Madison, TN, offered the following prayer:

Let us bow our heads for prayer:

Heavenly Father, we are grateful to the Americans and I pray that You would keep America strong and pure.

May our strength afford us the power of gentleness and may our leadership be respected around the world.

I pray today for our President that You would give him the leadership that would initiate that respect.

I pray for our judiciary that they might be empowered to continue to monitor the dealings of our Nation that we might stay true and pure to our Constitution. And Heavenly Father, I pray for the Members of this body.

I pray that You would give them the wisdom to know the laws that should be enacted and passed, that our lives might be made better and that our reputation as a country might be more effective.

So on this day we pray an extraordinary amount of wisdom to these who have gathered here, in Jesus' name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 790. An act to regulate nonbank banks, impose a moratorium on certain securities and insurance activities by banks, recapitalize the Federal Savings and Loan Insurance Corporation, allow emergency interstate bank acquisitions, streamline credit union operations, regulate consumer checkholds, and for other purposes.

The message also announced that pursuant to the provisions of Public Law 99-603, the Chair on behalf of the President pro tempore appointed Russell Pitzer of West Virginia, to the Commission of Agricultural Workers.

THE REVEREND RANDY RAY

(Mr. BONER of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONER of Tennessee. Mr. Speaker, it is a personal privilege and special honor for me to welcome Rev. Randy Ray to our Nation's Capital and to thank him for delivering today's opening prayer. Reverend Ray is a most respected and distinguished theologian and administrator from Madison, TN. Currently he is the pastor of Metropolitan Baptist Church, one of the leading independent Baptist Churches in the Nashville area. Under Pastor Ray's leadership the church operates a bus ministry, a ministry to the deaf and mentally handicapped as well as one of the fastest growing Christian schools in the area.

A native of Nashville, Pastor Ray serves as a director on two Christian mission boards and as a member of the board of directors of the president's board of the Bill Rice Ranch. In addition, he is a member of the executive committee of the Tennessee Association of Christian Schools.

I have known Randy and his wife Jan ever since she attended East High School and he graduated from Goodlettsville High School. With them today are their three children, Nathan, Matthew, and Paul. Mr. Speaker, I want to thank Rev. Randy Ray for serving as the chaplain of the day for the U.S. House of Representatives. His Christian leadership has been an inspiration to the people of Nashville, TN.

EXPRESSING THE SENSE OF CONGRESS CONGRATULATING THE PEOPLE OF BERLIN ON THE OCCASION OF THE CITY'S 750TH ANNIVERSARY

Mr. HAMILTON. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the concurrent resolution (H. Con. Res. 86) expressing the sense of the Congress congratulating the people of Berlin on the occasion of the city's 750th anniversary in the year 1987, commending the people of Berlin for their centuries of great tradition and continuing courage in the face of historical adversity, and recognizing the deep and lasting relations they have with the people of the United States of America, and ask for its immediate consideration.

The Clerk read the title of the concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. FASCELL. Mr. Speaker, I rise in strong support of House Concurrent Resolution 86, congratulating the people of Berlin on the 750th anniversary of the founding of their great city.

The city of Berlin is a city of great tradition. In recent times, it has stood as a clear symbol of the openness and diversity that typifies Western culture and political institutions. The spirit of Berlin stands in stark contrast to the tyrannical uniformity imposed on the people of East Berlin by Soviet military power and the Berlin wall.

The postwar period has produced deep and abiding personal bonds between the American people and the people of Berlin. President John F. Kennedy captured the essence of these bonds with his famous words "ich bin ein Berliner," symbolizing the steadfast commitment of the United States to freedom in the face of military and political blackmail.

As one of the four powers administering ultimate political control over the city, the United States together with France and the United Kingdom have successfully resisted repeated threats to the political and economic viability of the city of Berlin.

As a result of this longstanding relationship, House Concurrent Resolution 86 recognizes that on Berlin's 750th birthday, the city looks confidently to a future of freedom and accomplishment in close partnership with the United States. This resolution recognizes this important relationship and its importance to the achievement of ongoing U.S. foreign policy objectives in Europe.

Mr. Speaker, I urge the unanimous adoption of this resolution.

Mr. BROOMFIELD. Mr. Speaker, I support this concurrent resolution congratulating the people of Berlin on the 750th anniversary of that great city. Few cities in the world have the history, culture, and commitment to freedom that Berlin has today. The freedom loving spirit of Berlin symbolizes the goals and aspirations which all Americans had for Europe at the end of the Second World War. We hoped that Europe would rebuild as democratic societies which would cherish freedom and liberty as much as Americans do.

The Berlin airlift of 1948 was our commitment to ensuring that Berlin would remain free. After Soviet troops denied access to that city, American aircraft airlifted food to that city for 11 months as a sign of our support for that city and its people. While the Soviet Union hoped that their efforts would force the Western powers to abandon that city, the Soviet blockade only strengthened our commitment.

The United States unwavering commitment to a free Berlin and to support our allies in Europe is even stronger today. I am sure that future generations of Americans will share the common bond and dedication to the goal of one day seeing a united and free Berlin.

I urge my colleagues to join me in support of this timely resolution.

Mr. GILMAN. Mr. Speaker, I rise to join my friend and colleague the gentleman from Indiana [Mr. HAMILTON] in offering my strong support to House Concurrent Resolution 86, which expresses the sense of Congress in congratulating the people of the city of Berlin on its 750th anniversary in 1987.

Berlin has been one of the world's most vital and important centers of civilization for more than seven centuries. It was in this century however that this city and its people had to face its greatest challenge. Since the end of the Second World War Berlin has been the focus of the tensions between East and West. These have been difficult and trying times but the people of Berlin have met them with courage and dignity.

The people of the United States and the people of Berlin have a special relationship as a result of the challenges we have faced together. It is entirely appropriate then that we in the Congress extend our heartfelt congratulations to the city of Berlin on this important anniversary.

I urge my colleagues to support this resolution.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 86

Whereas 1987 marks the seven hundred and fiftieth anniversary of the great city of Berlin;

Whereas Berlin is renowned for its traditions of openness and diversity;

Whereas Berliners have bravely constructed a flourishing democracy in the midst of Communist tyranny;

Whereas the bonds linking Berliners and Americans are profound and lasting;

Whereas Berlin looks confidently to a future of freedom and accomplishment in close partnership with the United States; and

Whereas the words "Ich bin ein Berliner," ring eternal in the hearts of both Americans and Berliners: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress—

(1) expressly congratulates Berlin on the occasion of the city's seven hundred and fiftieth anniversary in the year 1987;

(2) commends the people of Berlin for their centuries of great tradition and continuing courage in the face of historical adversity; and

(3) recognizes the deep and lasting relations Berliners have with the people of the United States of America.

Mr. HAMILTON. Mr. Speaker, House Concurrent Resolution 86 expresses the sense of Congress in congratulating the people of Berlin on the city's 750th anniversary in 1987.

This resolution comes up now because of the planned April visit to Berlin by the Speaker and a bipartisan congressional delegation. It will be important for our Speaker to have this resolution to take with him as an expression of the American people.

The city of Berlin has become one of the most important historical and political symbols of this century. Since the end of the Second World War, the city has been divided. The Berlin airlift in 1948, the construction of the Berlin wall in 1961, and the continued commitment of the people of Berlin to build a prosperous, democratic society are important symbols of political freedom.

The United States has shared a special relationship with the people of Berlin. U.S. aircraft provided much of the material relief sent to Berlin during the airlift. It shares with its fellow Western allies, France and Great Britain, the commitment of armed forces to the city's freedom. American Presidents and other political leaders have visited Berlin to restate their commitment to freedom.

Beginning this month through October, the city of Berlin will host a series of events to celebrate its anniversary. Prime Minister Thatcher, President Mitterrand, and President Reagan plan to visit the city during this period and as I indicated our Speaker will be there in April. This resolution states congressional recognition of the importance of Berlin and its role as a symbol of political freedom.

I urge my colleagues in the committee to support this resolution.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HAMILTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution just agreed to.

The SPEAKER pro tempore. (Mr. BONIOR of Michigan). Is there objection to the request of the gentleman from Indiana?

There was no objection.

THE AMERICAN COAL MINER

(Mr. RAHALL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RAHALL. Mr. Speaker, on this date in 1898, the United Mine Workers of America obtained its first 8-hour-per-day work agreement. Most UMWA contracts in America provide for this day to be set aside as a coal miner holiday. In some quarters of the Appalachian coalfields, this day is known as John L. Lewis Day.

I believe it is important for us all to reflect on a day such as this upon the valuable contribution made to the industrialization of this great country by the American coal miner. We should not forget that the fuel we are so dependent upon to light our cities and heat our homes is produced by hardy men and women who are engaged in one of the most dangerous occupations in the Nation, that of coal mining.

Mr. Speaker, on this day I salute the American coal miner. We all owe the American coal labor work force our appreciation.

INFORMING AMERICAN CONSUMERS OF THE ORIGIN OF FRESH FRUITS AND VEGETABLES

(Mr. HORTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HORTON. Mr. Speaker, today, I am introducing a bill amending the Tariff Act of 1930, which would assure that American consumers know where the fresh fruits and vegetables they purchase are grown. At present, the Tariff Act specifically requires that the country of origin of fresh produce be printed on the package, so it can be seen by the ultimate purchaser. However, in the present day marketing practices dealing with produce, fruits and vegetables are often sold in bulk bins, or are repackaged by someone in the distribution chain. Once this occurs, the Bureau of Customs has not required that country of origin information be displayed.

It seems meaningless to require this information on bulk packaging such as that received in a supermarket stockroom, and yet not require that the ultimate purchaser, the American consumer, be provided with this information. It is the consumer, not the supermarket personnel, that need to know the source of the food they purchase and consume.

I have received a legal opinion that the Tariff Act as presently written now could be interpreted to require that country of origin information be required at the point of retail sale, even when produce is sold in bulk, or is repackaged. However, to clarify any ambiguity, the bill which I have introduced today makes this requirement clear. It provides for forfeiture of any produce not labeled with the country of its origin if not from the United States, as well as a civil penalty of $1,000 for a first violation, and $5,000 for each subsequent violation.

Importation of food products increasing yearly. The amount of imported fresh fruits alone has doubled since 1979. American consumers have the right to know where the food they eat is grown. Such information is common on many canned foods, as well as many other imported consumer items. My bill will assure that consumers will know the country of origin of the produce they purchase.

"FREE LUNCH" HAS ITS PRICE

(Mr. KLECZKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KLECZKA. Mr. Speaker, some years back, the eminent Nobel Prize-winning U.S. economist Milton Friedman opined that even the proverbial free lunch has a price.

Now our ally and principal trading partner, Japan is about to learn the hard way that free trade also has a price.

It's been a long time since this administration has done something that would move me to stand up and cheer. But I must applaud President Reagan's decision to dispense with the hype about free trade and get down to the business of enforcing it.

Although late in coming, the President's action demonstrates that there is, in fact, a price associated with the idea of free trade. Monetarily, the price right now is a modest $300 million penalty. More important than the money, however, is the warning this action issues to Japan and, we hope, to our other trading partners:

The price of free trade, friends, is diligent compliance with the terms of our trade agreements. And compliance is a good deal cheaper than the alternative.

Well done, Mr. President. Now, how about Canada, Brazil, and Korea?

□ 1410

SOVIET JEWRY

(Mr. INHOFE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. INHOFE. Mr. Speaker, I rise today to remember the plight of Soviet Jewry. The Kremlin is currently engaged in a slick public relations campaign to convince the world that there is a new openness in the Soviet Union and that the Soviets are making a serious attempt to improve their human right record. Gorbachev is even attempting to give the impression that the Soviet Union is becoming a true democracy.

Let us not be mislead. The Soviet Union is still an atheistic totalitarian state dedicated to promoting world revolution and the destruction of our capitalist system. The Soviets are also dedicated to keeping their own people enslaved.

A prime example of the true nature of the Soviet State is the persecution experienced by Soviet Jews. Almost 400,000 Soviet Jews have expressed a desire to emigrate from the Soviet Union. Nearly 50,000 have applied for exit visas and been refused. Yet with all these people waiting to leave the Soviet Union, a mere 1,140 were allowed to leave in 1986.

Don't be fooled by lipservice to human rights. Let us instead focus on the facts. Last November, the Soviet Foreign Minister announced a new emigration policy that was ostensibly designed to simplify and accelerate the emigration process. This policy is a farce. In the first 2 months of 1987, only 244 Soviet Jews were allowed to leave the Soviet Union.

Many times we bandy about so many statistics that we forget the real human side to this human rights tragedy. In 1979, while serving as mayor of Tulsa, I had the opportunity to convey a special message to former Soviet Premier Leonid Bresnev that was signed by hundreds of Tulsans who were petitioning for the release of refusenik Boris Penson from a Soviet labor camp. His crime was working for increased emigration from the Soviet Union by Soviet Jews. For his courage and determination to speak out he was rewarded with a prison sentence.

Much to our surprise the Soviet Government relented and shortly thereafter permitted Boris Penson to leave the Soviet Union. Upon his release he came to Temple Israel in Tulsa and thanked the citizens of Tulsa for their help in securing his release. He reminded us that there are countless Soviet Jews that are not only denied the right to emigrate, but who are being held in slave labor camps or insane asylums. Boris remembered the plight of his fiance, Ida Nudel, who to this day, is still being held a prisoner in a Soviet prison for her beliefs.

We must not lose sight of the suffering of Ida Nudel or the countless others who are enslaved just because they have petitioned their Government for the right to emigrate.

Because I was recognized by Boris Penson as having played a role in his release I was viciously attacked by the newspaper of the Communist Party of the United States, the Daily World, for allegedly stirring up anti-Soviet feelings. That personal experience demonstrated to me that the Soviets and their Communist sympathizers are devoid of respect for basic human rights and are dedicated to the cause of spreading Marxism and Leninism across the globe.

I call upon the Soviet leaders to prove to the world that they are serious about the cause of human rights by adhering to the Helsinki accord. It is time that they allow Soviet Jews the right to freely emigrate and in the words of Moses, "Let my people go."

We in Congress will continue to support those in the Soviet Union who continue to seek recognition and observance of their human rights, including the right to emigrate. It is ironic that in the same year, the Soviet Union adopted a new emigration law to control people who want to leave, the United States passed a new immigration law to control the inflow of the millions of people who want to move to our country. Here is the true story of people's preference for living in open societies.

SHAMROCK SUMMITS CREATE SHAM PROPOSALS ON ACID RAIN

(Mr. SIKORSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SIKORSKI. Mr. Speaker, for the third time in as many years, President Reagan and Canadian Prime Minister Mulroney will be meeting this weekend for their annual summit. These shamrock summits have a history of producing sham proposals on acid rain.

The record shows that the President's acid rain positions are nothing more than public relations ping-pong. The promises he makes, he breaks. The studies he calls for, he ignores. The evidence he reads, he forgets.

I have a whole file of press clippings announcing "immediate action" on new acid rain initiatives, envoys, studies and projects—each matched by smaller clippings detailing denials, cancellations, and recissions of same. And the press buys into this tennis match. Where are the line judges? The score so far is love-love for the Prime Minister and the President. And that's zero-zero for acid rain progress. Zip—nothing for America's lungs and lakes, hunting and fishing, our environment and our economy.

THE BUDGET COMMITTEE TWO-STEP

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, the budget Democrats say they can't meet the $108 billion Gramm-Rudman target, and instead will only save $36 billion. And they say new taxes are necessary. Standing alone, either of these statements have some credibility. Combined, they reveal the majority's refusal to address the deficit crisis.

Can we meet the $108 billion target by saving $60 billion? Absolutely. CBO numbers show we can freeze all domestic discretionary and defense spending, freeze COLA's and Federal pay, reform some entitlements, sell the assets recommended by OMB, and tack on a few billion in new user fees. But everyone knows we won't do this.

So, are substantial taxes needed to get a mere $36 billion in reductions? Absolutely not. A freeze on discretionary spending and defense spending plus a handful of entitlement reforms and program eliminations produce $36 billion in savings.

So when the majority says they are only going for $36 billion in deficit reduction, and they are using taxes to get there, grab your wallet. What they means is that they aren't serious about holding the line, and they want those new taxes for new spending.

THE PRESIDENT'S BUDGET REQUEST FOR FOREIGN AID IS UNREALISTIC

(Mr. McHUGH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McHUGH. Mr. Speaker, I believe that foreign assistance, when used wisely, is an important tool of American foreign policy; and I share the concern of those in Congress and the administration that substantial cuts in foreign aid could damage U.S. interests abroad. However, it's important for the administration to understand that its foreign aid request for next year is unrealistic in two respects.

First, the President can hardly expect Congress to approve a significant increase in foreign aid when his budget once again proposes to cut deeply into important programs here at home. While the President is requesting an increase of $1.8 billion in foreign assistance, he proposes to eliminate economic development and rural housing programs, and to substantially cut health care and education.

The President's foreign aid request is also unrealistic in that it continues to place inordinate emphasis on military aid. Grant military assistance alone has grown more than 700 percent since President Reagan took office, and now he has requested an increase of $800 million in military aid. In contrast, programs like UNICEF and the Peace Corps would be cut or frozen at current levels.

Mr. Speaker, the answer is not to gut foreign aid, but for the President to work cooperatively with Congress in fashioning a more balanced set of priorities in the budget as a whole, as well as in the foreign assistance account.

COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS—THE FORMULA FOR DISASTER

(Mr. PARRIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PARRIS. Mr. Speaker, the Committee on Banking, Finance and Urban Affairs just adopted a bill calculated to permanently and fatally impact on the Nation's thrift industry. It can be summarized as follows: Cover up the serious nature of this situation with accounting gimmicks; postpone a painful resolution as long as possible; if money is needed to bail it out, get the winners in the program to subsidize the losers; provide Band-aids and window dressing and show appropriate concern and compassion by ordering forebearance through the use of capital certificates of an insolvent agency; and finally tap the Treasury only in desperation after all else fails.

This is a formula for disaster; it will not correct the crisis, and we will one day regret our actions.

Stay tuned this afternoon for a special order on this subject. We are going to talk about this legislation and the problem which it addresses for 2 hours later today.

FEDERAL FUNDING FOR VOCATIONAL EDUCATION PROGRAMS

(Mr. FLIPPO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLIPPO. Mr. Speaker, I rise today in strong opposition to President Reagan's budget proposal to eliminate entirely Federal funding of vocational education programs.

All too often, President Reagan has criticized Congress for playing beltway politics. Yet, the President's budget leaves no doubt about who is playing games with the American people.

In June of 1983, President Reagan was happy to declare that "the vocational classroom is just as important as any other classroom," before over 6,000 members of the vocational industrial clubs of America, meeting in Louisville, KY. Yet, today, President Reagan would lead us to believe that the vocational classroom is not important enough to merit even 1 cent of Federal support.

President Reagan's budget would have the Congress dissolve the 68-year-old vocational education partnership between Federal, State, and local governments. He would have us abandon our commitment to leadership and assistance in efforts to obtain excellence in vocational education.

The facts are clear. Last year, the Congress approved $900 million for vocational education, after strongly rejecting the President's proposal to cut funding levels by 52 percent. The Congress was definite in its dedication to promote improvements in vocational education, but obviously that has been forgotten. The President's budget forgets both Congress and the American people by requesting elimination of vocational education funding for fiscal year 1988, and the recision of $389 million already appropriated for fiscal year 1987.

President Reagan seems to believe that the Federal Government has no role to play in promoting quality vocational education. But he would learn that this assumption is profoundly misplaced if he were to hear what we, the Members of Congress, hear from State and local education leaders, from vocational education teachers, and from the students themselves.

In the State of Alabama alone, over 125,000 students would be affected by the President's proposed elimination of Federal funding, and a new generation would be placed in jeopardy. I have been proud and confident of the ability of my home State to improve the quality of education, but education leaders in Alabama know that I understand, and hope that the President can understand, that Alabama cannot carry this burden alone. At a time when the dropout rate in my State is 38.5 percent, we cannot afford to lose one more student because of a failure of vision in Washington.

The Federal role in vocational education has been applauded throughout the Nation for its leadership and incentives for program improvements, innovations, and expansion. Federal funding has been vital in encouraging a broad outlook based on national economic needs and developments. The Federal investment in vocational education is profitably returned in increased productivity, and shows up each week in the paychecks of millions of Americans. The Federal commitment to equity has been vital in meeting the needs of those previously unserved or underserved. And as this Nation faces the demands of adapting to new technologies in the work place, vocational education provides the experience and skills needed by business and labor. I urge my colleagues to join me in supporting full funding for vocational education so that this Nation can meet the needs of today and the challenges of tomorrow.

A LESSON IN COMPETITION AND DEREGULATION

(Mr. HASTERT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HASTERT. Mr. Speaker, while I was a member of the Illinois General Assembly, I authored the 1985 Public Utilities Act which rewrote our State statutes dealing with regulation of the telephone industry. Before we passed our bill, the local telephone companies in Illinois operated as regulated monopolies; they had few incentives to innovate and offer new services, and they did not have the flexibility to price services in response to market demand. There simply was no competition in the local exchange.

We thought we could spur competition, encourage innovation and, in turn, stimulate our economy, by deregulating telephone service at the local level. We bet that business and residential consumers would benefit from a wider choice of carriers and services. We bet that the only way information age services would come to consumers—in small towns—or farms—

or in the big cities—would be through more options by the local telephone companies. We were right.

Illinois now has local telephone competition and we've proven a lot of critics wrong. There may be a lesson in all this—less regulation and more competition could be a winning combination for all local telephone customers.

The U.S. District Court for the District of Columbia currently is in the process of reviewing the Justice Department's triennial report and recommendations on the AT&T consent decree's line-of-business restrictions. We should keep an eye on that court to see whether the judge modifies the decree as the Justice Department has strongly suggested. I don't see how the judge can fail to do so in view of the evidence before him. We need not consider legislation addressing these issues at this time. Let's let the court proceed without interference. There will be time for Congress to act if it is dissatisfied with the court's ruling.

□ 1420

REFLECTIONS ON THE APPROPRIATENESS OF AN APRIL FOOL'S DAY BUDGET FROM THE PRESIDENT

(Mr. SABO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SABO. Mr. Speaker, as the gentleman from Pennsylvania, Mr. GRAY, and the Budget Committee begin the task of producing a budget for us for 1988, I want to wish them well. The task is both simple and difficult. The simple part for the Budget Committee is going to be present a budget that is better than the President's. The difficult part is going to be to present a budget to us that is realistic and fair.

How unfortunate, however, that the simple part is to present a budget that is better than the President's. Again we have failed Presidential leadership. It would have been so much more appropriate if the President had presented his budget to us on today, on April Fool's Day.

GRAZING FEE LEGISLATION

(Mrs. VUCANOVICH asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. VUCANOVICH. Mr. Speaker, today legislation is being introduced that will preserve the formula used to determine the proper fee for grazing livestock on public lands and I am very pleased to be an original cosponsor of this bill.

When section 6(a) of the Public Rangeland Improvement Act [PRIA] expired in December 1985 the President issued an Executive order to extend the grazing fee formula established under PRIA with the exception that a minimum fee of $1.35 per annum be established.

Unsuccessful attempts were made last year to overturn the Executive order and are underway again this year. Those efforts would replace the Executive order with legislation which would increase the fee by nearly 300 percent. Increasing grazing fees on our Western rangelands by 300 percent would create financial havoc and quite likely financial ruin for our livestock producers.

I strongly support the continuation of the PRIA formula which is based on the ability to pay concept. When farm income increases, so do the grazing fees; and those fees decrease when income is down.

My State of Nevada is 86 percent owned or managed by the Federal Government, which means my livestock producers are forced to rely on public lands to graze their stock. This bill is extremely important to Nevada and I will work hard for its passage.

URGING SUPPORT FOR LEGISLATION TO MAINTAIN GRAZING FEES

(Mr. CAMPBELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CAMPBELL. Mr. Speaker, I also rise today as an original cosponsor of a bill to maintain the present fee formula for grazing on public lands. I want to command the sponsors of the bill for their efforts to protect stockmen in my district and in all the Western United States from being driven out of business by this outrageous fee increase. The National Cattlemen are here in Washington today. They are aware and certainly supportive of this bill.

We all know that the agricultural economy in America is in terrible shape. This is not the time to be raising grazing fees in a depressed agricultural economy.

Mr. Speaker, I realize that there are concerns among some that grazing leads to the deterioration of the public lands. My district in Colorado is made up of diverse economies that complement each other. The million of acres of public land in my district contribute to the tourism economy, and it is very important for us to maintain the quality of these lands. Maintaining the public land is also important to the stockmen in my district who use this land in cooperation with these other users. This working relationship between the economies is working very well in my district, and I urge my colleagues to support this needed legislation.

INTRODUCTION OF A BILL TO AMEND THE POWERPLANT AND INDUSTRIAL FUEL USE ACT OF 1978

(Mr. TAUZIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TAUZIN. Mr. Speaker, today April Fool's Day, is a very appropriate day to introduce legislation which will repeal a very bad trick that has been played on our Nation's energy policy. I am introducing legislation with my colleagues, Congressmen BRYANT, BRUCE, SYNAR, LELAND, RICHARDSON, and some 22 cosponsors, legislation which will benefit America's energy consumers—legislation which will increase our energy independence—legislation which will correct a flawed and antiquated policy.

The Fuel Use Act of 1978 prohibits new electric powerplants and major fuel-burning installations from using natural gas or petroleum as a primary energy source. Since the enactment of this law in 1978, we have seen a dramatic change in our energy markets throughout the country. The extreme shortage of natural gas that was predicted during the energy crisis in the 70's has never materialized.

The time has come to amend that energy policy which is a detriment to both the consumer and the producer. Our legislation amends the Powerplant and Industrial Fuel Use Act to eliminate those gas market restraints on use in new powerplants. It redefines the definition of "coal capable" to require a new gas fired powerplant to be technologically capable of burning coal or some other type of fuel. Finally, our legislation establishes a procedure for electric companies to follow in order to certify that their new powerplants are coal capable.

I want to commend the coal industry, the utility industry, and the gas producers for reaching this long-awaited consensus. I urge my colleagues to join us in support of this bill.

REPEAL OF THE FUEL USE ACT

(Mr. BRUCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRUCE. Mr. Speaker, I am happy to follow the gentleman from Louisiana [Mr. TAUZIN] in announcing that we are going to introduce, along with the gentleman from Texas [Mr. BRYANT] and others, legislation that is designed to repeal the Fuel Use Act. The name of the gentleman from Texas [Mr. LELAND] should also be mentioned as one who played a major role in getting us to this point.

Currently the Fuel Use Act mandates that all new powerplants be designed to burn coal. When Congress first passed this legislation we were being dominated by OPEC and we were fearful of depleting our more flexible fuels such as oil or natural gas.

Now however, we are experiencing an oil glut and a gas bubble. It is not currently necessary that we restrict the use of these fuels. In addition, allowing plants to use them will provide consumers with relief from rate shock.

The legislation we will be introducing is very similar to that which this House passed last year, only to see it die in the Senate.

There is however an important difference between this year's bill and last year's. We now have included a provision which I call coal convertability. Simply put, this bill stipulates that any new powerplant must be designed so that it may be converted to coal use should it become necessary in the future.

Given the historical volatility of the world's energy economy, this coal convertability provision guarantees that our energy policy not only seeks to restrain energy costs for consumers, but also preserves the infrastructure of our energy industry so that we will be able to convert to our most abundant fuel and meet any future OPEC-like embargo.

Mr. Speaker, I see this bill as a compromise that serves the individual, consumer and our Nation as a whole all at the same time, I hope my colleagues will be able to support it.

LAND AND WATER CONSERVATION FUND ACT AMENDMENTS OF 1965

Mr. BEILENSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 135 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 135

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1320) to amend the Land and Water Conservation Fund Act of 1965, and for other purposes, and the first reading of the bill shall be dispensed with. All points of order against the consideration of the bill for failure to comply with the provisions of clause 7 of rule XIII are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, said substitute printed in section two of this resolution shall be considered to have been adopted in the House and in the Committee of the Whole. No other amendment to said substitute shall be in order except the amendments printed in the report of the Committee on Rules accompanying this resolution, by and if offered by, the Member designated, or his designee, and each amendment shall be debatable not to exceed thirty minutes, and shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. 2. Page 13, line 11, strike "without further appropriation,"; page 13, line 23, strike "without further appropriation,"; and page 19, after line 15, insert the following new section:

SEC. 4. The President shall submit as part of the annual budget message a detailed list and accounting of all fees received pursuant to this Act by each collecting agency and each collecting unit and shall include proposed distributions of fee receipts from the previous year by function within each unit. Appropriations shall be made as required in this Act. No funds shall be transferred from fee receipts made available under this Act to each unit: *Provided, however,* That in making appropriations, funds derived from such fees may be used for any purpose authorized herein.".

The SPEAKER pro tempore (Mr. TAUZIN). The gentleman from California [Mr. BEILENSON] is recognized for 1 hour.

☐ 1430

Mr. BEILENSON. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Missouri [Mr. TAYLOR] for purposes of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 135 is the rule providing for consideration of H.R. 1320, the Land and Water Conservation Fund Act Amendments of 1987. It is a modified closed rule which provides for 1 hour of general debate, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs.

The rule makes in order the committee amendment in the nature of a substitute now printed in the bill, as modified by the amendments contained in section 2 of this resolution, as original text for the purpose of amendment. Under this rule, two specified amendments are permitted, and 30 minutes are allotted for debate on each.

The rule also waives clause 7 of rule XIII, requiring cost estimates in committee reports, which is necessary because the Interior Committee did not have a CBO estimate before it filed its report, although the estimate is available now. And, finally, the rule provides for one motion to recommit, with or without instructions.

The rule before us will allow the expeditious consideration of H.R. 1320, legislation which permanently extends the higher entrance fees for many of our national parks which Congress approved last fall, and which extends the authorization of the Land and Water Conservation Fund Act for 25 years. The Rules Committee believes that this particular measure warrants a more restrictive rule than is usually the case for bills reported by the Interior Committee. By limiting amendments, the rule ensures that the park entrance fee structure approved by the Interior Committee will remain intact throughout the House consideration of this bill. That way, if the full House approves this measure, we will provide for uniform entrance fees at similar types of parks, and we will keep those fees at their current level. The bill will not have been subjected to amendments which would alter admission fees at individual parks or throughout the park system.

The two amendments that are permitted under this rule would not affect the basic fee provisions and are, in the committee's view, matters which are appropriate for resolution by the full House membership. One amendment, to be offered by Mr. LAGOMARSINO or his designee, would raise the price of a Golden Eagle Passport, the pass which admits a family to all national parks for a year. The other, to be offered by Mr. HANSEN or his designee, would establish a one-time charge for a Golden Age Passport, the pass which admits persons aged 62 or older to all national parks free of charge. Both amendments were printed in the Rules Committee report on this resolution, and both are restricted from further amendment. The rule provides for 30 minutes of debate on each one.

The rule also effectively modifies the committee amendment in the nature of a substitute, with amendments that are printed in section 2 of this rule. These amendments are needed in order to correct House Rules and Budget Act violations in the committee amendment as reported by the Interior Committee.

As reported, the committee amendment provided that amounts collected from park entrance fees would be available to the parks without further action by Congress. That provision violated clause 5(a) of rule XXI, which prohibits appropriations in a legislative bill, as well as section 303(a)(1) of the Congressional Budget Act, which prohibits consideration of new budget authority prior to the adoption of the budget resolution.

The amendments contained in this rule, which are deemed adopted upon the rule's passage, subjects the funds raised through entrance fees to the appropriations process. In other words, instead of allowing those funds to be distributed directly to the national parks, they will be provided to the park system through an appropriation, the same way all other funds for park operations and activities are provided under current law.

The amendments thus ensure that this legislation will not violate two important budgetary safeguards in our legislative process. In our opinion, subjecting the park fees to the appropriations process is a better way to distribute the funds, because it allows Congress to monitor and control their use. And, I would like to add that this change is supported by both the chairman of the Interior Committee's Subcommittee on Parks and the chairman of the Appropriations Committee's Subcommittee on Interior.

Mr. Speaker, H.R. 1320 provides for a very reasonable schedule of entrance fees to our national parks, which are such an important part of the heritage of all Americans. Under this bill, the maximum fees would be the same as those established temporarily by the Fiscal Year 1987 Continuing Appropriations Act, which are high enough to bring in much-needed revenues for our parks without being unduly burdensome to our citizens. Urban park units would continue to be exempt from fees; children would continue to be admitted free at units that charge for entrance; and senior citizens and frequent park visitors would continue to be eligible for special passes to the parks.

In addition, the legislation provides for a long-term extension of the Land and Water Conservation Fund Act, which is the law that authorizes collection of revenues from oil and gas leasing and other sources to pay for the acquisition of recreation lands and protection of our Nation's most valuable natural resources.

Mr. Speaker, I urge adoption of House Resolution 135, so that we can proceed to consideration of H.R. 1320.

Mr. TAYLOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the provisions of this rule represent a compromise worked out yesterday during a recess in the Rules Committee meeting. I would particularly like to commend the chairman of the Committee on Interior and Insular Affairs, the gentleman from Arizona [Mr. UDALL] and the chairman of the Appropriations Subcommittee on Interior, the gentleman from Illinois [Mr. YATES] for their willingness to sit down together and hammer out a settlement of their differences.

This compromise rule provides that upon adoption of the rule, the bill will be considered to have been amended in two areas. First, the language in the bill bypassing the Appropriations Committee is dropped. Second, spending guidelines which are acceptable to both the Appropriations Committee and the Interior and Insular Affairs Committee are added.

In addition to these two changes which will be considered to have been adopted when the rule is agreed to, the rule provides for the consideration of two other amendments which are debatable for 30 minutes each.

Mr. Speaker, there is only one waiver of a point of order in this rule, but it is significant. The committee report contains no cost estimate either from the Congressional Budget Office or from the committee itself. The rule requiring a cost estimate in each committee report is one of the few ways we have to try to keep an eye on spending. We should not make a habit of waiving this rule.

Mr. Speaker, the bill made in order by this rule deals primarily with admission fees to national parks and other Federal lands. However, it exempts parks in urbanized areas from entrance fees, while imposing fees on parks in rural areas.

Mr. Speaker, I hope when this bill gets to conference there will be some effort to deal with this disparity.

Mr. Speaker, I yield 5 minutes to the gentleman from Wyoming [Mr. CHENEY].

Mr. CHENEY. I thank the gentleman for yielding me this time.

Mr. Speaker, I would like at this point, if I might, explore with the distinguished chairman of the Subcommittee on Public Lands and Parks the agreement that was reached yesterday concerning the amendment that will be adopted to the bill if the rule is approved.

Specifically, it is my understanding that the language that was adopted will not alter the way in which funds are allocated among the various units of the Park Service or the way that the process would function and that ultimate result would be the same as that that was intended by the Parks and Public Lands Subcommittee when we passed this legislation.

Mr. Speaker, I yield to the gentleman from Minnesota [Mr. VENTO] for his response.

Mr. VENTO. I thank the gentleman.

Mr. Speaker, the gentleman is correct that obviously it was our intent, because of the limited number of dollars involved that there would not be a necessary appropriation action; at least that was the intent of the subcommittee.

Subsequently, the Appropriations Committee objected to that particular provision and asked that we strike that, and after some degree of compromise yesterday, we did. We kept in place the same formula, that is that 50 percent of the revenue goes to the park that collects it and 50 percent goes across the board to 338 units on a different formulation. It is limited to the utilization, in terms of entrance fees for interpretation for research and for resource protection; the three.

In the Appropriations Committee, in looking at that, may well decide that all of it, for instance, might be best placed in research, but indeed, it will be limited to 50 percent. It is our intention that this legislation will limit it to 50 percent of the fees that are collected at the park and would in fact go back into that park. If it happens to be Yellowstone Grant Tetons or it happens to be Glacier or, for instance, Voyagers in Minnesota, that would be the intent.

I thank the gentleman for yielding.

□ 1440

Mr. CHENEY. Mr. Speaker, I thank the gentleman for his clarification, and with the understanding as stated by the gentleman from Minnesota, I would urge my colleagues to approve the rule.

Mr. TAYLOR. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I rise in opposition to the rule. Somebody said to me the other day, "Walker, is there any rule that you would find acceptable out here on the floor?"

And I said, "Yes, one that allows us to debate under the established procedures of the House and one that didn't waive the Budget Act." This rule does not quite make that, and let me explain what I have got as a problem with this particular rule.

First of all, as explained by the gentleman from Missouri, the gentleman explained, I think, quite accurately that in this particular rule the committee has failed to provide a cost estimate as required by the rules of the House, and the gentleman said quite correctly that that is not a practice that we want to encourage, because one of the few ways that we have around here of figuring out just how much these bills cost is to look in the committee report and figure out just exactly what somebody has calculated the cost of the bill to be. In this particular case, the committee for some reason, I do not know the reason, has decided not to include the cost estimate, and instead of requiring that before we bring the bill to the floor, that the Rules Committee simply waives that requirement and says, "Go ahead, we don't really need that information."

I would suggest that some of us would like to have that information when we consider bills that might cost the taxpayers some money.

Second, I have a problem with this bill because it is a gag rule. Once again we are not being permitted the opportunity to consider this bill under an open rule to allow Members the full ability to debate the bills and offer amendments. We have had a series of bills on the floor now, only one of which we have been permitted to debate under the rules of the House.

We have consistently had come out of the Rules Committee in this particular Congress gag rules.

I have to assume that under the new regime that is the pattern that we are going to adopt, that the Members are not going to be given their opportunity to debate these, that the entire body is not going to be given its full share of the action when it comes to the rules of the House.

I might suggest, Mr. Speaker, that the more appropriate pictures to have in the front of this Chamber, the two great pictures of Washington and Lafayette, would be more appropriate to this regime if we stuck gags in their mouths, because the fact is that this is exactly the way we are proceeding around here is with gag rule after gag rule after gag rule that does not allow us to open debate.

So I would suggest to the Members to vote "no" on this particular rule would be entirely appropriate. We ought to vote against the gag rule. We ought to vote against a rule that says we do not even have a cost estimate as we consider the legislation.

Mr. VENTO. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I am very glad to yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Speaker, I appreciate the gentleman yielding and I understand his frustration.

I just want to say that on a bipartisan basis the subcommittee, the committee did request this rule, and certainly not to deny the gentleman. We obviously would all be well-served by the passage of a budget resolution, which I understand is on the way and I expect there will be some philosophic differences discussed here next week on that matter; so obviously I think the gentleman recognizes that we are all at work acting on these matters and that we ought to be afforded the opportunity to come to the House in a timely manner.

As the gentleman is aware, last year in the appropriations measure they sent into place certain fees which were to go into effect in Pennsylvania, New York, and other areas. There is a certain urgency to address those concerns so that we can set a policy that is reasonable and with some degree of certainty.

Mr. Speaker, if the gentleman will continue to yield, I will just finish my conclusion.

The fact is that we are dealing here with some small receipts, small amounts of receipts that come in from the Park Service vis-a-vis these fees. We are talking about something currently around $25 million and perhaps under an optimistic scenario it may be increased to $50 million. The President, of course, has sought an extra $25 million in terms of that area, which I do not agree with. I do not think most Members of the House agree with him.

What we are concerned about is as we look at the 340 units or so that make up the parks in the different national parks, we would be faced on the floor here with repeated amendments. Over the years I guess we have learned that it is much easier to vote specifically against the fees in these 130 different units than it is to vote for them.

What we are trying to do and what this committee I think tried to do, and I think we have brought a pretty good bill, is one that sets a policy path. It talks about urban areas. It talks about destination parks. In doing that, we feel that we have offered and afforded the minority the amendments that they requested with regard to this and we hope that will be acceptable.

I just want the gentleman to be aware of that.

Mr. WALKER. Well, Mr. Speaker, I thank the gentleman for that. Let me just reclaim my time and say to the gentleman that one of the problems with democracy is that it does tend to get a little messy. I mean, there might actually be Members who would come to the floor and offer amendments to the gentleman's bill. That would be a real tragedy. You know, horror of horrors, we migh even have several Members come to the floor and offer amendments to the gentleman's bill. The fact that there is a bipartisan consensus to shut down that kind of democracy does not strike this gentleman as being a very good idea. I mean, we have bipartisan bad ideas around here. I think this may be one of them.

The SPEAKER pro tempore (Mr. TAUZIN). The Chair wishes to assure the House that regardless of how this healthy debate turns out, the Chair will see to it that the nice portraits in this Chamber are not mutilated.

PARLIAMENTARY INQUIRY

Mr. WALKER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. WALKER. Mr. Speaker, based upon the statement of the Chair, can I assume that only the Members are mutilated, not the portraits.

The SPEAKER pro tempore. We will try to see to it that no one is mutilated.

Mr. TAYLOR. Mr. Speaker, I yield 2 minutes to the gentleman from Wyoming [Mr. CHENEY].

Mr. CHENEY. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I share the concerns of the gentleman from Pennsylvania [Mr. WALKER] about rules that limit debate and I always support the gentleman in that venture.

A couple points I would make, No. 1, at one time the bill was going to be brought up under the Suspension Calendar and that would have been even more restrictive than the procedure here today.

Second, I think it is important that the Members understand that what we are talking about here is not taking money out of the Federal Treasury and spending if for parks purposes. What we are talking about in this legislation is charging fees at national parks, raising money, and then allocating that money. It is a relatively small amount of money, as the gentleman pointed out; but the net effect overall will be in fact that the bill is basically a revenue raiser. In that regard I think it is important that people understand and Members not misunderstand that this is not a bill that is intended to take tax dollars out of the Treasury and expend them for some other purposes.

Mr. TAYLOR. Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

Mr. BEILENSON. Mr. Speaker, I would like to end by just telling our colleagues that our friends, the gentleman from Wyoming and the gentleman from Minnesota, have spoken to the question of the limitation of the number of amendments and pointed out the bipartisan reasons for requesting that.

I would again at this point like to point out to my colleagues that the waiver of clause 7 of rule 13 that the gentleman from Pennsylvania mentioned, that rule generally requires cost estimates in committee reports. That cost estimate is in fact now available. It was not available in time to be printed in the report. It is now available and it does show, as the gentleman from Wyoming suggested, an increase in revenues, not in cost. That is available to any Member, if the gentleman from Pennsylvania is interested in looking at it.

Mr. BEILENSON. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appear to have it.

Mr. PARRIS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 303, nays 110, not voting 20, as follows:

[Roll No. 42]

YEAS—303

Ackerman
Akaka
Alexander
Anderson
Andrews
Anthony
Applegate
Atkins
AuCoin
Badham
Barnard
Bateman
Bates
Beilenson
Bennett
Bereuter
Berman
Bevill
Biaggi
Bilbray
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Boucher
Boxer
Brennan
Brooks
Brown (CA)
Bruce
Bryant
Bustamante
Byron
Campbell
Cardin
Carr
Chapman
Chappell
Cheney
Clarke
Clinger
Coelho
Coleman (MO)
Coleman (TX)
Collins
Conte
Conyers
Cooper
Courter
Coyne
Crockett
Darden
Daub
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Flake
Flippo
Florio
Foglietta
Ford (MI)
Ford (TN)
Frank
Frost
Gallegly
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Goodling
Gordon
Gradison
Grandy
Grant
Gray (IL)
Gray (PA)
Gregg
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hertel
Hochbrueckner
Holloway
Horton
Houghton
Howard
Hubbard
Hughes
Hutto
Hyde
Ireland
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kemp
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kostmayer
LaFalce
Lagomarsino
Lancaster
Lantos
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lipinski
Lloyd
Lott
Lowry (WA)
Lujan
Luken, Thomas
MacKay
Manton
Markey
Marlenee
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McEwen
McHugh
McKinney
McMillen (MD)
Meyers
Mfume
Mica
Miller (CA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Moorhead
Morrison (CT)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (UT)
Packard
Panetta
Pashayan
Patterson
Pease
Penny
Pepper
Perkins
Pickett
Pickle
Price (NC)
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Robinson
Rodino
Roe
Rose
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Savage
Sawyer
Scheuer
Schroeder
Schulze
Schumer
Sharp
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Snowe
Solarz
Spence
Spratt
St Germain
Staggers
Stallings
Stark
Stenholm
Stratton
Studds
Swift
Synar
Tallon
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weiss
Wheat
Whitten
Williams
Wilson
Wise
Wolpe
Wyden
Yates
Yatron
Young (AK)
Young (FL)

NAYS—110

Archer
Armey
Baker
Ballenger
Bartlett
Barton
Bentley
Bilirakis
Bliley
Boehlert
Boulter
Broomfield
Brown (CO)
Buechner
Bunning
Burton
Callahan
Carper
Chandler
Coats
Coble
Combest
Craig
Crane
Dannemeyer
Davis (IL)
DeLay
DeWine
DioGuardi
Dornan (CA)
Dreier
Edwards (OK)
Fawell
Fields
Fish
Frenzel
Gallo
Gekas
Gingrich
Green
Hammerschmidt
Hastert
Hefley
Henry
Herger
Hiler
Hopkins
Hunter
Inhofe
Jacobs
Jeffords
Kasich
Konnyu
Kyl
Latta
Lent
Lightfoot
Livingston
Lowery (CA)
Lukens, Donald
Lungren
Mack
Madigan
Martin (IL)
Martin (NY)
McCandless
McGrath
McMillan (NC)
Michel
Miller (OH)
Miller (WA)
Molinari
Morella
Morrison (WA)
Nielson
Oxley
Parris
Petri
Porter
Roberts
Rogers
Roth
Roukema
Saiki
Saxton
Schaefer
Schneider
Schuette
Sensenbrenner
Shaw
Shumway
Shuster
Slaughter (VA)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Stangeland
Stump
Sweeney
Swindall
Tauke
Upton
Vucanovich
Walker
Weber
Whittaker
Wolf
Wortley
Wylie

NOT VOTING—20

Annunzio
Aspin
Bosco
Clay
Coughlin
Daniel
Foley
Hefner
Hoyer
Huckaby
Kolter
McCollum
Owens (NY)
Price (IL)
Ritter
Roemer
Rostenkowski
Stokes
Sundquist
Weldon

□ 1500

Mr. McMILLAN of North Carolina and Mr. BOEHLERT changed their votes from "yea" to "nay."

Mr. STUDDS and Mr. SKEEN changed their votes from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. Tauzin). Pursuant to House Resolution 135 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 1320.

□ 1509

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1320) to amend the Land and Water Conservation Fund Act of 1965, and for other purposes, with Mr. Kleczka in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Minnesota [Mr. Vento] will be recognized for 30 minutes and the gentleman from Wyoming [Mr. Cheney] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. Vento].

□ 1510

Mr. VENTO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 1320 would amend the Land and Water Conservation Fund Act of 1965 to modify and restrict the collection and utilization of current recreational use fees. The bill also provides for an extension of the monumental land and water conservation fund for a period of 25 years at its current authorization level.

As the sponsor of H.R. 1320, I am pleased to bring before the House legislation that I believe sets in place a reasonable and workable policy on entrance and user fees, for our park and recreation areas, while at the same time addressing important national conservation needs. H.R. 1320 represents the bipartisan efforts of many Members and I am pleased with the constructive input I have received from Members interested in this matter.

The fact that the committee was able to forge a bipartisan agreement on this matter was a feat in itself. Frankly, the fee proposals of the administration did not make our task easier. The various dubious formulas and allocations that have been advanced by the administration does not hide the fact that by and large, they were seeking funds to replace moneys they have simultaneously axed out of the National Park Service budget. Our national park units are a unique system that preserves and protects several of our national treasures that are the very symbols of our country. We should not and cannot allow our parks to become another of the administration's revenue enhancers. Mr. Chairman, the American citizen has grown weary of this type of nit-picking taxes every time they turn around. The fact is that under the most ideal collection system for access fees, the National Park Service and parks will only receive a token amount from such fees, in fact less than 5 percent of the $1 billion used to fund these programs in the current year cycle. Many Members of Congress, and the public in general, have no objection to reasonable fees, even entrance fees, if they are carefully controlled in both place and amount. I believe that H.R. 1320, as reported by the committee, meets that test. The legislation provides for a limited and targeted entrance fee program for national park units, protecting such national treasures as the Statue of Liberty and Independence National Historical Park and the Washington Monument from entrance fees. Therefore, limiting and denying access to these national parks—really worth tens of billions dollars investment, and invaluable cultural, historical, and natural resources—being denied access by charging and discouraging U.S. citizens from enjoying and being educated by exposure to these outstanding resources is a far greater loss than the small amount of revenue that might possibly be generated or gained.

H.R. 1320 provides that the single-visit permit at any designated area shall not exceed $5 per vehicle for those entering by private noncommercial vehicle and $3 per person for those entering by other means. The bill permits the sale of the Golden Eagle Passport at a fee not to exceed $25 and authorizes the establishment of an annual admission permit for a specific park or group of parks at a fee not to exceed $15. In crafting H.R. 1320, it was my intention and the committee's intention to assure that entrance fees be set and maintained at a fair and reasonable level. This measure is being put forth with the understanding and agreement that such fees should in no way dissuade use of national park units by the public. In fact, the bill contains provisions requiring the Secretary of the Interior to report to Congress on the fee program and to be fully able to justify both the imposition of an entrance fee at a specific park unit, as well as the level of the fee proposed to be charged within the caps contained in this measure.

At present, there are approximately 338 units of the National Park System. Under H.R. 1320, only about 130 parks would have an entrance fee. These units, in large measure, are our "destination parks" that are the focal point for a trip or vacation. The legislation includes language prohibiting an entrance fee at those national park units located in an urbanized area where a fee was not charged prior to September 30, 1986. Many other parks will never have an entrance fee proposed because they do not meet the criteria contained in section 4(d) of the Land and Water Conservation Fund Act.

H.R. 1320 not only takes steps to limit the imposition of entrance fees but just as important, the fee receipts generated under authority of the Land and Water Conservation Fund Act would be returned to individual park and recreation units to enhance certain operational and resource protection efforts, rather than being used as an offset against existing appropriations. The bill would make all entrance fees generated by the NPS available for resource protection, research and interpretation activities on the basis of the following allocation: 50 percent of entrance fee funds available shall be provided to all units of the park system based on each unit's proportion of operating expenses and 50 percent shall be provided to units with entrance fees, based on each collecting unit's proportion of total entrance fee collections. All other recreational fees generated by the NPS as well as other Federal agencies will be available for those activities cited earlier with the addition of funds availability for maintenance activities related to resource protection.

The ability to generate entrance fee receipts has little bearing on the value of a park unit to the system as a whole. As has been reiterated in law and policy each park unit is equally important. The formula in H.R. 1320 will assure that extra funds will be available to enhance and protect each and every park unit. I know this is a concern shared by my distinguished colleague, Mr. Yates. I was pleased to be able to work out language in the bill with him to assure that the allocation of the fee receipts receives continuing congressional oversight. As part of the annual budget submittal, the administration will submit to the Appropriations Committee a detailed list and accounting of the fee receipts received by the collecting agency under authority of this act. The administration's report shall include the proposed distribution of the previous year fee receipts by function within the individual park unit or recreation facility.

In accordance with the provisions of this act, the Committee on Appropriations may adjust the projects proposed to be funded within a particular park unit or recreation facility; provided that no action is taken to decrease the overall amount available from fee receipts and that funds may not be transferred among park units or recreation facilities.

I would like to point out to Members that the new subsection (i) to section 4 of the Land and Water Conservation Fund Act exempts the U.S. Fish and Wildlife Service from its provisions. This was done for two reasons. First, it is our intent to clarify that no revenues currently received and distributed pursuant to the Refuge Revenue Sharing Act be affected by this act. Second, last year Congress passed the Emergency Wetlands Resources Act of 1986. This Act authorized the Fish and Wildlife Service to charge entrance fees at certain national wildlife refuges. The act directed that 70 percent of the entrance fees be deposited into the migratory bird conservation fund and the remaining 30 percent be made available, without further appropriation, for refuge operation and maintenance. It is our intent to abide by the entrance fee allocation provided for under that act.

H.R. 1320 repeals inconsistent provisions in law and makes several additional national park units subject to the provisions of this Act, rather than the piecemeal exemptions that now exist in law. To further a reasonable and workable policy with regards to recreation use fees, the legislation includes language that: First, permit the use of volunteers in fee collection, subject to training and bonding requirements; second, prohibits charging an entrance fee to those 16 years of age or less; third, allow for transportation fees in lieu of an entrance fee in those park units that furnish bus tours of the park; fourth, permit sale of Golden Eagle Passports by private businesses; fifth, require a study of alternative fee pricing to aid in distributing use at parks over a greater portion of the year; and sixth, authorize a higher entrance fee at three specific national park units, namely Grand Canyon, Yellowstone, and Grand Teton.

Last, but not least, H.R. 1320 would continue the current authorization of the historic land and water conservation fund. Since creation of the Fund in 1965, this landmark measure has assisted in over 31,000 projects, protecting many of the important natural and cultural resources of the country and assisting in furthering a wide spectrum of recreational opportunities for the American people.

Mr. Chairman, because of the committee's deadline for filing the report on H.R. 1320, several Members who wished to be added as cosponsors were not able to be officially listed on H.R. 1320, as reported. I want to list these Members because I know they share my interest in furthering a sound policy with regard to recreational use fees. Mr. Lehman of California, Mr. Schulze, Mr. Yatron, Mr. Scheuer, Mr. Kildee, Mr. Owens, Mr. Bevill, Mr. Richardson, Mr. Clarke, Mr. Mrazek, Mr. Darden, Mr. Howard, Mr. Kolter, Mr. Lagomarsino, Mr. Cheney, and Mr. Huckaby.

The broad spectrum of Members who have cosponsored H.R. 1320 is indicative of the bipartisan support in furthering the national conservation policy objectives contained in the legislation. While there is not complete unanimity, both philosophically and politically, with this legislation we have before us a measure that I believe is worthy of this House's support and I urge the adoption of H.R. 1320, as reported by the committee.

Mr. Chairman, I reserve the balance of my time.

Mr. CHENEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I urge my colleagues to support this legislation, because we have an obligation to maintain America's national parks for the sake of today's park users and tomorrow's visitors as well.

The continuing resolution passed by the 99th Congress took a step in the right direction by adjusting park entrance fees and by improving the formula governing the spending of fee revenue. But that was only a temporary measure, and it will expire later this year. During the past 3 months, Members from both sides of the aisle have worked out a careful compromise that provides for a permanent nationwide system of park entrance fees.

This bill would enact a fee system adequate to reflect the present and future needs of America's national parks, recreation areas, and historic sites. It also gives authority to the National Park Service to retain every cent that is collected at park entrance stations.

The old system was a deception, because most park visitors must have thought that the money they handed to the ranger at the entrance kiosk would somehow be spent at the park where it was collected. But instead, entrance fee revenue went elsewhere. Under the formula in this bill, each park that collects entrance fees will keep half of the revenue. The other half will be distributed by the National Park Service to all its units. This bill assures that the money will be spent where it's needed.

We must provide the professional park managers with the resources to protect and maintain the natural wonders that are the pride of America's National Park System. The fees provided in this bill are, by any measure, a bargain. At most parks, the fee would be a maximum of only $5 for a carload of visitors. Because Yellowstone, Grand Teton, and Grand Canyon are so clearly destination parks, the fees at those three parks would be capped at $10 for a car full of visitors.

Ten dollars is all a family of four would pay to visit both Yellowstone and Grand Teton parks for a week. That is remarkably reasonable, especially if you compare it to the cost of lunch at a fast food restaurant or the cost of a few rolls of film. And for people who live near a national park, the bill authorizes a $15 pass for unlimited visits all year long.

Mr. Chairman, it is essential that we preserve the natural resources of America's parks. It is equally important that we maintain park visitor facilities. I urge my colleagues to support a permanent system of park entrance fees before the temporary system expires. I urge my colleagues to support this legislation.

Mr. Chairman, I reserve the balance of my time.

Mr. VENTO. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. LEVINE].

□ 1520

Mr. LEVINE of California. Mr. Chairman, I am here first to compliment the gentleman from Minnesota [Mr. VENTO], as well as the bipartisan leadership of the Committee on Interior and Insular Affairs, for the compromise that they have struck on this legislation.

It is a good bill and a bill that accomplishes a number of important objectives that have been accomplished with a very thoughtful bipartisan effort.

I have personally, Mr. Chairman, been concerned about one significant aspect of this bill which I would like to bring to the attention of my colleagues and place in the RECORD on the House floor. This is language that is contained on page 7 of the committee report, where the report states that "the Committee believes it would be appropriate for the Secretary to establish a priority program at one or two park units where overnight camping or lodging is not permitted to study the feasibility and desirability of such a proposal" where free access for indigent persons or families could be established in the National Park System.

Mr. Chairman, I do not think anybody on this floor ever wants to see a fee at a national park preclude any American from the ability to enjoy the marvelous wonders of our National Park System. Although we did not specifically craft in legislative language an indigent program, I do think the report language sufficiently encourages the department to look into the feasibility of a program whereby no person would be deprived of access to our parks because of the inability to afford it.

I simply want to underscore the importance of this report language and strongly suggest to the department, in implementing this legislation, that they proceed along these lines vigorously so that no American will ever be deprived of the ability to see our parks because of any economic hardship.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. LEVINE of California. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, the gentleman has worked hard to bring this point home to the subcommittee and to the committee, and certainly I think that all of us are concerned about the impact or imposition of any type of entrance fee in terms of discouraging individuals from access to the parks.

While we have frozen the fees in this bill generally at the $5 and $3 level, and slightly higher, at the $10 level for the Grand Canyon and for Yellowstone/Teton combination, the fact is that we have put this language in the report that we hope the Park Service will look at and explore the possibility of, in fact, providing an opportunity where there may be some concern where fees are put in effect and they may limit access.

We do not think that they will do that, especially since we have put the prohibition in with regard to urban areas.

I would just like to point out to the gentleman section 4 of the Land Water Conservation Fund language, which is referenced in the legislation before us, but is in the existing law, and, of course, will be continued by this measure.

That points out, in clause (d):

> All fees established pursuant to this section shall be fair and equitable, taking into consideration the direct and indirect cost to the Government, the benefits to the recipient, the public policy or interest served, the comparable recreation fees charged by non-Federal public agencies, the economic and administrative feasibility of fee collection and other pertinent factors. Clear notice that a fee has been established pursuant to this section shall be prominently posted at each area and at appropriate locations therein and shall be included in publications distributed at such areas. It is the intent of this Act that comparable fees should be charged by the several Federal agencies for comparable services and facilities.

That means that they will be equitable with those that are charged in surrounding outside areas.

Furthermore, of course, this legislation does not anticipate that we would have a significant growth in the number of fees or that we would exclude people on the basis thereof, and it does propose the desirability of trying some various means to other parks.

I might say again that it only imposes fees on about 130 out of the 338 parks.

Mr. LEVINE of California. Mr. Chairman, I thank the gentleman and again the minority, as well, for including this in the report language. I anticipate that this will result in an equitable process.

Mr. CHENEY. Mr. Chairman, I yield 3 minutes to the gentlewoman from Nevada [Mrs. VUCANOVICH].

Mrs. VUCANOVICH. Mr. Chairman, thanks to my colleagues from Arizona and Minnesota for introducing this legislation. I rise in support of H.R. 1320, a measure to amend and reauthorize the Land and Water Conservation Fund.

This bill would reauthorize the fund at its current level of $900 million annually through the year 2015. It will reestablish special recreation-fee accounts for the seven Federal land managing agencies which collect recreation fees. These fees will then be made available to the agencies for resource protection, research and maintenance of facilities.

The Land and Water Conservation Fund has been a way to provide Federal and State governments with the means to acquire land for public recreation. It is funded primarily with revenues from Outer Continental Shelf mineral leasing and well as from entrance fees.

In my State of Nevada the Land and Water Conservation Fund has assisted in some very important projects, one of the most recent being the acquisition of land to expand the Red Rock recreation area in the southern part of the State. Red Rock is a magnificant area that is visited by thousands of tourists annually and extensively used by the local folks. On a much smaller scale, the tiny town of Carlin, NV has just applied for matching grant funds to construct a public swimming pool.

This is an important fund for the people of my State, as well as for the country. It is a good bill and I urge its passage.

Mr. VENTO. Mr. Chairman, I yield 4 minutes to the gentleman from Pennsylvania [Mr. FOGLIETTA].

Mr. FOGLIETTA. Mr. Chairman, I rise today in favor of H.R. 1320, the Land and Water Conservation Act Amendments of 1987. This is a very important bill which brings about consistency in our National Park System, and ensures all Americans access to our natural resources.

Our National Park System is one of the country's most treasured resources. From Independence National Historical Park in Philadelphia, PA, to Klondike Goldrush National Historical Park in Alaska, millions of Americans enjoy our national preserves each year.

The maintenance of our national parks is not inexpensive, but it is a responsibility that the Federal Government should continue to uphold.

I am not opposed to the idea of entrance fees, but I do feel the National Park Service has been inconsistent in implementing their program.

There are certain areas in which everyone should have free access. A perfect example is Independence National Historical Park in Philadelphia. This park is the birthplace of our Nation. It is the home of the Liberty Bell, the location of the signing of the Declaration of Independence, and the signing of the U.S. Constitution. It is one of the most sacred places in this country, full of the history of how our Nation was born.

Last year, the National Park Service announced its intention to charge an entrance fee at Independence Park. This proposal was especially distressing because it was to be implemented this year, the Bicentennial of the Signing of the United States Constitution. 1987 in particular should be a year when all Americans take part in the recognition of this document, which has no rival in the world. To charge a fee at the place where the U.S. Constitution was drafted and signed, excluding people from the enjoyment of this educational experience would be a tragedy. There has been overwhelming agreement that this proposal was misguided, and the Secretary of the Interior has agreed to rescind it.

I use this example to show the inconsistent manner in which the park service has gone about implementing its fee program.

This bill goes a long way toward rectifying this situation. H.R. 1320 establishes a fair and equitable system of charges at our national parks. It protects the interests of both the elderly and the young by providing them with free access. It also takes into account the important role of national parks in urban areas and protects them from entrance fees.

At the same time, this bill recognizes the need for responsible fees at certain national parks units. It requires the National Park System to submit a full outline of its plans, to be reviewed by the appropriate House and Senate committees.

This bill ensures that the revenues from these fees will not replace regular appropriations, but will supplement them and enable parks to improve their facilities. It provides for an equitable allocation of these revenues for all parks, and for the specific parks where fees are collected.

In conclusion I wish to state that the Land and Water Conservation Act Amendments are a fiscally responsible means of protecting this Nation's natural resources. They will ensure that our national treasures remain viable and accessible. I am proud to be a cosponsor of this legislation and I commend the chairman and his subcommittee on the work they have done.

□ 1530

Mr. CHENEY. Mr. Chairman, I have no further requests for time on this side of the aisle, and I reserve the balance of my time.

Mr. VENTO. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. GUARINI].

Mr. GUARINI. Mr. Chairman, I want to compliment my good colleague, the gentleman from Minnesota, Mr. BRUCE VENTO, and his fine committee for this sound legislation and recognize the efforts of the Senator from New Jersey, Mr. BILL BRADLEY, for taking a special interest in eliminating the fee of $1 for every American to visit the Statue of Liberty. Although I am in complete agreement with this bill, I just want to limit my comments to those concerning the Statue of Liberty as symbolizing the significance of the bill itself.

As Representative of the Statue of Liberty's home district, I have a special interest in free access to this national monument. For over a century now the Statue of Liberty has symbolized the freedom which all Americans enjoy. I consider the imposition of a fee at the entrance of the Statue of Liberty, which is second only to the American flag in the minds and hearts of our fellow Americans, to be both inappropriate and unfitting.

A users' fee at our Nation's urban parks is nothing more than another tax. The taxpayer is already paying almost $1 billion in appropriations for America's parks, and any visitor to the Statue of Liberty will accordingly be taxed twice.

The American public has contributed generously to renovate and restore the Statue of Liberty. It now stands in the forefront of our country's national symbols as a place belonging to all our citizens. Generations of Americans, countless immigrants and millions of newcomers to our shores have embraced this monument to the opportunity which our land possesses. There is indeed a part of every American in this statue.

It is wrong to place a price tag on Liberty and impose a fee at this focal point of our national consciousness. Mr. Chairman, the $1 fee at the entrance of the statue is a slap in the face to all those who reached into their pockets to support the Centennial Commission's plans to renovate Lady Liberty.

The Statue of Liberty is distinctly a National Park Service facility in one of the most densely populated urban areas of the United States. The public should not be restricted from visiting this monument which provides the residents of this great metropolitan area with needed recreational space.

In addition, the Statue of Liberty should represent the bounty which our Nation makes available to all its citizens. This gift from France was intended to commend our Nation's founders for their perpetual commitment to the principles of freedom. Any restrictions on public access to this place simply will not do.

Mr. Chairman, I would also like to say that it is inspirational, it is educational, and it is cultural. It would be like charging a fee to visit the public library in any of our communities. It would be like paying a fee to visit the U.S. Capitol itself.

Mr. Chairman, we all recognize that the Statue of Liberty holds a unique place among the sites held in trust by the National Park Service. As a symbol commemorating our Founding Fathers' commitment to the principles of freedom, it offers a vast opportunity to deepen our sense of pride. Our national parks were not intended to be revenue raisers, but rather sites bestowing cultural and educational benefits to both the rich and the poor alike. To charge admission would hurt poor and large families the most. A dollar per head reduces this national monument to the level of crass commercialism and cheapens the very purpose of Lady Liberty especially in the Bicentennial Year of the Constitution, when great efforts are being taken to renew our dedication and commitment to the principles of our great land.

Let the young and old, rich and poor enjoy a day's outing in Liberty Park, visit Ellis Island, pay tribute to Lady Liberty, in a truly American spirit without having to reach into their pockets. I urge my colleagues to support this measure, to do otherwise would be a national shame.

Mr. VENTO. Mr. Chairman, will the gentleman yield to me?

Mr. GUARINI. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I thank the gentleman for yielding.

I think this points out one of the problems we have is that very often people do pay to go out on the boat to make it to the island. The problem is that once they are there, they can go into the gift shop and do a lot of other things, they can walk around the island, but except for the price of a fee they may not go inside the statue. That is the type of problem we are going to run into again and again.

Furthermore, the gentleman's observations with regard to fund raising for the Statue of Liberty and Ellis Island are exactly right. Here we have had a private fund raising effort for the Statue of Liberty that raised nearly $90 million to renovate it and repair it. Now, of course, instead of permitting those families that have in essence paid for that to be able to enjoy it when they make their infrequent trips to New York, they have to pay that extra dollar. I just think that is inappropriate.

Mr. GUARINI. Mr. Chairman, I agree with the gentleman. I think deep in the hearts of all Americans they would like to feel they have access to Lady Liberty, the Statue of Liberty, Ellis Island, and many of our national park services, and to be able to put it on a commercial basis is nothing short of crass commercialism.

Mr. VENTO. Mr. Chairman, I yield 2 minutes to the gentleman from Hawaii [Mr. AKAKA].

Mr. AKAKA. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in opposition to this measure and the imposition of national park entrance fees.

Several weeks ago, I testified before the Subcommittee on National Parks and Recreation regarding my concerns about the collection of fees to enter national parks in Hawaii. I appreciate the committee's attention to some of my concerns and its inclusion of report language to address these issues.

In its report to accompany H.R. 1320, the Interior Committee has focused on two problems regarding the implementation of park fees in Hawaii: The use of parkland for religious purposes by Native Americans and commuting through park units. I am pleased that the committee "concurs in the National Park Service policy of permitting Native Americans free entry into * * * areas for religious purposes." Likewise, I am grateful that the committee has encouraged the Park Service to resolve the matter of crossing parklands for commuting purposes only in an expeditious and satisfactory manner.

The report language, quite frankly, is not enough. I remain adamantly opposed to the collection of fees to enter our national parks and intend to vote against H.R. 1320.

In taking this action, I am accurately representing the views of over 800 constituents who have contacted me to voice their opposition to entrance fees. Representatives from Native Hawaiian groups have written to me about the entrance fees. The mayor of the county of Hawaii has expressed his opposition to the fees. Elementary school students, tour operators, and members of both the Leleiwi Community Association and the Volcano Community Association have all contacted me. Their's is a loud, clear and organized voice opposing the collection of fees to enter our national parks.

I strongly agree with my constituents. It is unfair to force taxpayers who have paid for these parks with their hard-earned tax dollars to accept a fee to enter them. Why must our citizens pay to use the land they already own? Our parks are our Nation's greatest treasure, enjoyed by millions of Americans. The parks provide the opportunity for outdoor recreation, which is increasingly important in today's hectic world. We should not be restricting the use of these family recreational opportunities in any fashion.

The existing park entrance fees are regressive and could potentially deny many low-income Americans the right to visit our national parks. These avenues of recreation and enjoyment must not be closed to those less fortunate. They, too, are entitled to open access to our country's national parks.

My constituents are also concerned about the effects that entrance fees may have on the preservation of their religious beliefs and cultural heritage. For Hawaii's residents, the significance of her national parks transcends their recreational value. Hawaii Volcanoes and Pu'uhonua o Honaunau, for example, have played a meaningful role in Native Hawaiian culture and religion for over a thousand years. Aside from their historical importance, these areas have a profound relationship to Hawaiian legend, spirituality and unique traditional observances. While the committee has encouraged the National Park Service to waive the payment of entrance fees for Native Hawaiians when exercising their religious beliefs, it is clearly difficult to implement such a policy in an equitable manner.

The National Park Service oversees about 245,000 acres of Federal land in Hawaii. Our State is small in size when compared to its mainland counterparts and is separated from the rest of the United States by a vast ocean. My constituents cannot simply get in their cars and drive across State lines to visit a nearby national park. Many Hawaii residents never leave the State or, for that matter, the island where they were born during their lifetime. The National Park Service is currently collecting entrance fees at the three park units in Hawaii which comprise all but 58 acres of the Federal land managed by the Service. I question the fairness of charging fees to residents to enter virtually every acre of Federal parkland within their access.

I honestly believe the people of Hawaii deserve better and urge my colleagues to join me in opposing H.R. 1320.

Mr. Chairman, I want to commend the chairman of the full committee, the gentleman from Arizona [Mr. UDALL], and also my friend, the gentleman from Minnesota [Mr. VENTO], who has done a good job as chairman of this subcommittee. I want to thank the subcommittee chairman for his effort in helping the people of Hawaii in placing language in the bill, language that would permit Native Americans free entry into the parks for religious purposes and would allow waiver of entrance fees for bona fide educational and scientific purposes.

This will certainly help the people of Hawaii in understanding what the committee is trying to do, and I want to commend the committee for this.

Also I want to tell the committee that, since this bill has been offered I have received about a thousand letters from constituents of mine who are opposing the fees.

Mr. VENTO. Mr. Chairman, will the gentleman yield to me on the remainder of his time?

Mr. AKAKA. Certainly, I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, let me say that I know the gentleman from Hawaii has appeared before the subcommittee and has worked diligently to work an agreement whereby those who were going to enter public parks for religious purposes, those who had to cross park property for access to work, or those who would follow the daily routine in terms of commuting would not have to pay the fee. Now, very many of them may choose to do so, but obviously they have a right to avoid it.

This was the same problem that was brought up by the gentleman from Utah [Mr. HANSEN], in the subcommittee, as well as by the gentleman from Montana [Mr. MARLENEE], in terms of this commuter traffic that sometimes goes through the parks. The gentleman from Hawaii, I understand, was not completely satisfied with our responses and the fact that this bill does not completely waive the fees for all in Hawaii, but we hope that this will at least deal with the most acute problems the gentleman had.

Mr. Chairman, I want to thank the gentleman from Hawaii for his cooperation in this endeavor.

Mr. Chairman, I yield 3 minutes to the gentlewoman from California. [Mrs. BOXER].

Mrs. BOXER. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I am pleased to offer my support for and endorsement of this important bill, but first I wish to clarify one point with the chairman of the subcommittee, Mr. VENTO. Am I correct in my understanding of H.R. 1320 that these amendments to the land and water conservation fund expressly prohibit the Park Service from requiring entrance or user fees for urban parks units for which no fees were collected prior to Sept. 30, 1986?

Mr. VENTO. Mr. Chairman, if the gentleman will yield, that is correct.

Mrs. BOXER. The provision protecting parks units in urbanized areas from fees and that such parks remain free and open to the public is important and commendable. I would like to clarify the applicability of this provision to two California parks—Golden State National Recreation Area and Point Reyes National Seashore. In your bill, the provisions of the enabling legislation for both of these parks prohibiting the collection of fees has been repealed and these parks are to be brought under the provisions of H.R. 1320. Is that correct?

Mr. VENTO. Mr. Chairman, if the gentleman will yield, that is correct.

Mrs. BOXER. Both parks serve the San Francisco metropolitan area and its some 5 to 6 million people; both parks are accessible by mass transit. Both parks are heavily used—providing important sources of recreation and other amenities to the population of the bay area. It is clear to me that both parks fall within an urbanized area. Is it your understanding and intention that these two parks fall within the definition of an urbanized area for purposes of your bill?

Mr. VENTO. Yes, it is.

Mrs. BOXER. It is your intention, therefore, that there will be no entrance fees charged at either park and that the Park Service, according to the terms and conditions of your bill, will be prohibited from charging entrance fees at either park?

Mr. VENTO. That is my intention, Mr. Chairman.

Mr. KOSTMAYER. Mr. Chairman, I rise in support of H.R. 1320, legislation to amend the Land and Water Conservation Act of 1975. This bill will revise the current system of entrance fees at our national park units and would extend for a period of 25 years the land and water conservation fund, one of our most important national conservation initiatives.

Mr. Chairman, this legislation addresses in a fair and equitable manner the concept of park entrance fees. Philosophically, I and other members of the National Parks Subcommittee are not opposed to park entrance fees under certain circumstances. What we are opposed to however, is the administration's highly subjective approach to initiating these fees at certain parks.

Of particular concern to me is Independence National Historical Park in Philadelphia. On September 17, 1987, the Nation will celebrate the bicentennial of the signing of the Constitution. Many special events are planned to commemorate this very historic event. All eyes will be on Philadelphia where a joint session of Congress is also planned and thus I find the charging of admission fees at Independence particularly untimely.

I object to the administration's plan to charge at this and other urban parks simply because such a system is easier to implement and administer. I find less objectionable, however, the charging of admission fees at parks that are clearly destination points in and of themselves, such as Yosemite. Parks such as Yosemite also differ from Independence in that a purely recreational experience is provided as compared to the historical and educational experience offered by our national shrines. However, in so doing, we must be careful to ensure that these fees are affordable to the average American.

This legislation also addresses yet another important issue—that of entrance fees versus user fees. Again, I think the Congress accepts the concept of entrance fees at certain parks, provided it is done so fairly, and provided the parks remain affordable. However, the fees collected should be used to supplement the budget of the National Park Service, not to replace moneys that have been eliminated by the administration. Our system of national parks should not be dependent on fee revenue for continued operation and maintenance. Instead, revenues collected should go to the enhancement of existing park operations. H.R. 1320 addresses this issue by stipulating that all revenues generated by the program are returned to the park system for the sole purpose of enhancing park operations, not to a general operating account.

Mr. Chairman, this legislation resolves once and for all, in a fair and equitable manner, the question of park entrance fees. It also provides a 25-year reauthorization of one of our most important cultural and natural protection programs and I urge the support of my colleagues for this important legislation.

Mr. LAGOMARSINO. Mr. Chairman, I rise in strong support of H.R. 1320, to provide permanent authority for recreation fee collection at national park units. There is no doubt that more Americans are taking vacations today and many of them are deciding to see the national treasures of the United States rather than travel abroad. As visitation continues to increase at our national park units, the resources and infrastructures at many units are being strained to the limit. Unfortunately, Federal expenditures have been unable to keep pace with this increased use due to the fiscal constraints facing the Federal Government. The combination of these factors has resulted in a serious crisis for our National Park System. H.R. 1320 seeks to address this grave situation by providing a workable solution.

The bill contains a number of important provisions. These include: First, capping fee levels at $5 per vehicle or $3 per person, except for three of the larger and more popular western parks—Grand Canyon, Grand Teton, and Yellowstone National Parks where the cap is $10 per vehicle or $5 per person; second, increasing the fee for the Golden Eagle Passport, or annual general admission permit to the national parks, from $10 to $25; third, authorizing a park-specific annual pass for a fee of $15; fourth, exempting urban area parks from fees; fifth, requiring reports to Congress by the National Park Service on the fee schedule and any proposed changes; sixth, permitting volunteers to collect fees after adequate training and bonding; seventh, requiring the fee revenue to be returned to the National Park Service through the appropriations process for resource protection, research, and interpretation activities at all park units; and eighth, reauthorizing the Land and Water Conservation Fund Act for 25 years.

I believe it is particularly important to note that this bill establishes a fair and equitable formula for the distribution of the fee revenue. Under the bill's provisions, 50 percent of the fees collected would be returned to the collecting units on a proportionate basis and 50 percent would be distributed to all of the national park units based on each unit's proportion of operating expenses. By returning a portion of the fees to the collecting parks, this formula encourages more effective fee collection by the National Park Service and fosters a spirit of cooperation among park visitors who are more willing to contribute to the fee program if they are directly assisting the park they are visiting.

The language on the distribution of the fee revenues was recently modified as a compromise between Appropriations and Interior Committee members. It now requires the appropriation of the revenue to the Park Service in the fiscal year following its collection rather than a direct return of the funds to the agency. While this language obviously provides the Appropriations Committee and Congress discretion over how the revenue will be used in the areas of resource protection, research, and interpretation, it is my hope that the Park Service will be able to provide input on this matter and be given some degree of flexibility on the use of the revenue. Furthermore, I am hopeful that the Congress, and particularly the Appropriations Committee, will ensure that the total amount of the fee revenue is returned to the Park Service as an addition to, rather than an offset of, the agency's regular appropriations. This is clearly the intent of the legislation and if carried out, will improve the efficiency and effectiveness of the fee collection program.

Under the 1987 continuing resolution—Public Law 99-591—the National Park Service [NPS] was permitted to increase existing entrance fees and establish new entrance fees for a 1-year period at all national park units, except urban recreation areas and those units where entrance fees were prohibited by law. Entrance fees were frozen by law in 1979 and had not been increased since 1972.

Unfortunately, this has resulted in problems for the national parks. Fee increases are long overdue and are clearly needed. Therefore, the gentleman from Alaska [Mr. YOUNG] and I introduced fee legislation—H.R. 1542—this year which embodied the administration's fee proposal and which we felt was a good solution to the problem. Our colleague, the gentleman from Wyoming [Mr. CHENEY], who has also been very interested and active in the recreation fee issue, also introduced a very similar bill—H.R. 1089—this year. Hearings were held on these bills and on H.R. 1320 by the Interior Committee earlier this year. Following the hearings, a compromise between the bills was reached. Although the compromise which is before us does not include all of the provisions of our fee bills, H.R. 1320, which will raise an estimated $55 million in fee revenues in fiscal year 1988, will greatly assist in alleviating the strain on the resources and infrastructures at many national park units.

I believe H.R. 1320 is a good compromise and a solid solution to the funding and overuse problems facing the national parks today. While it may very well need to be fine tuned in the future, the bill provides this necessary flexibility. Safeguards are included in the bill to insure that the fee levels will be fair and reasonable to prevent the fee program from creating a financial hardship for visitors to our national park units. And, along this same line, urban park units are exempted from fees. In addition, fees are proposed to be charged at only about half of the units within the National Park System. Furthermore, the administration strongly supports the fee concept embodied in H.R. 1320 and is pressing for congressional passage of fee legislation this year. Passage of H.R. 1320 will help to preserve and protect the natural and cultural resources of our National Park System, improve and maintain park visitor facilities and enable a high quality visitor experience—the type envisioned when the Park System was created—all at no additional cost to the Government.

For these reasons, I urge all of my colleagues to support and vote for this important bypartisan legislation.

Mrs. SAIKI. Mr. Chairman, I rise in opposition to the bill.

Mr. Chairman, I am opposed to H.R. 1320 for several reasons. The provisions of this bill which mandate the collection of admission fees at our national parks are not considerate of the unique system of national parks in Hawaii. In Hawaii, we are fortunate to have several wonderful parks in the National Park System. Many of these parks serve, not simply as a tourist attraction, but also as a community resource and as a site for native Hawaiians to hold ceremonies of religious and cultural significance. In particular, the Hawaii Volcanoes National Park, the Haleakala National Park, and the Pu'uhonua o Honaunau National Historical Park are used in this way. For native Hawaiians, paying an admission fee for these parks is like paying to go to church.

The National Park Service has thus far exempted native Hawaiians from admission fees if they enter the parks for religious purposes or for subsistence fishing. I endorse this policy and trust that it will continue. It is my understanding from discussions with my colleagues on the Interior Committee that nothing in this legislation jeopardizes the continuation of this policy, and that the Congress endorses this approach.

However, my own view is that the current policy does not go far enough, and that Hawaii residents should be exempted from paying admission fees to enter Hawaii national parks. These parks are a community resource, a cultural center for our families to gather and work to preserve Hawaiian heritage. In addition, Hawaii is unique in that we are an insular State, separated from the mainland by thousands of miles of ocean. Our residents cannot get in their cars and drive to a national park in California or Montana. Therefore, it is particularly important that our residents not have to pay to enter the parks in Hawaii.

I regret that I cannot support the approach brought to the House floor today. I hope that, if this measure is defeated, a new version of the bill will be reported quickly which takes into account Hawaii's unique situation.

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Mr. VENTO. Mr. Chairman, I yield 1 minute to the chairman of the committee, the gentleman from Arizona [Mr. UDALL].

Mr. UDALL. I thank the gentleman for yielding me this time.

Mr. Chairman, the subcommittee, under Chairman VENTO with the cooperation of Mr. CHENEY, MR. HANSEN, and Mr. LAGOMARSINO, and others, have pulled the teeth of what little controversy we had in this bill and it is now in the form of what we try to do in our committee, and that is to have solid, bipartisan support for the bill.

I might just put a touch of history in here. In 1964, the environmental and conservation movement was really coming of age and we passed a number of important bills, including the Wilderness Act that year. Little noticed was the Land and Water Conservation Fund Act in 1964, which was based on an interesting rationale. The Government owns billions of barrels of oil on the Outer Continental Shelf, and someday, not too far in the future I am afraid, we are going to pump all that oil out and we will have nothing left. But the land and water conservation fund said let us take a piece of that revenue from the Outer Continental Shelf that we all own; let us use it only to buy land, and beaches, and waters, and resources, and when we get all the oil and gas pumped out, we will have something left.

This has produced little parks, and State parks, and Federal parks; half the money goes to the States. I saw a printout once of just my district in Arizona where there was a couple of hundred little parks and small units that were, in part, paid for by the land and water conservation fund.

The fund is a good idea; it has not only the oil resources, but it has the resources of the fees that are charged and the places where they will be charged under the limitations we have adopted. It has a few other miscellaneous sources, including the motor fuel tax used on boats that otherwise would go to the highway fund.

So this is a good bill; a good result. I congratulate everybody, and we have struck a blow today for environment, and good living, and all the other things the environmental movement stands for.

Mr. CHENEY. Mr. Chairman, before I yield back the remainder of my time, let me reiterate something I said at the outset. It has been a pleasure to work with the distinguished chairman of the subcommittee, Mr. VENTO, on this particular measure. It is a bill that folks in Wyoming have been interested in for some time.

I also want to thank the distinguished vice chairman or ranking member of the committee, Mr. LAGOMARSINO, who, as I mentioned before, would be here today to manage the bill but he is unavoidably detained in a markup in another committee.

Mr. VENTO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to pay my compliments to Mr. LAGOMARSINO who is not here. He has worked very hard on this as well as Mr. CHENEY. I would also like to commend the distinguished chairman, Mr. UDALL, who has also been instrumental in terms of guiding us along the path dealing with this important issue. They have all been essential for us to bring a bipartisan bill to the floor today.

With that said, Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute now printed in the reported bill is considered as an original bill for the purpose of amendment, and is considered as having been read.

The amendments printed in section 2 of House Resolution 135 are considered as having been adopted. No other amendments to said substitute are in

order except the amendments printed in House Report 100-35, if offered by the Member indicated in said report or his designee.

The amendments shall not be subject to amendment, and each amendment shall be debatable for 30 minutes.

The text of the committee amendment in the nature of a substitute, as amended by section 2 of House Resolution 135, is as follows:

H.R. 1320

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be referred to as the "Land and Water Conservation Fund Act Amendments of 1987".

SEC. 2. PARK SYSTEM ADMISSION FEES: USE OF RECEIPTS.

(a) Section 4(a) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-6(a)), is amended as follows:

(1) Paragraph (1) is amended by striking out "$10" and inserting in lieu thereof "$25" in the first sentence.

(2) Paragraph (1) is further amended by striking out "(1)" and inserting in lieu thereof "(1)(A)" and adding the following new subparagraph:

"(B) For admission into a specific designated unit of the National Park System, or into several specific units located in a particular geographic area, the Secretary is authorized to make available an annual admission permit for a reasonable fee. The fee shall not exceed $15 regardless of how many units of the park system are covered. The permit shall convey the privileges of, and shall be subject to the same terms and conditions as, the Golden Eagle Passport, except that it shall be valid only for admission into the specific unit or units of the National Park System indicated at the time of purchase.".

(3) Paragraph (2) is amended by adding the following sentences at the end thereof: "The fee for a single-visit permit at any designated area applicable to those persons entering by private, noncommercial vehicle shall be no more than $5 per vehicle. The single-visit permit shall admit the permittee and all persons accompanying him in a single vehicle. The fee for a single-visit permit at any designated area applicable to those persons entering by any means other than a private noncommercial vehicle shall be no more than $3 per person. The maximum fee amounts set forth in this paragraph shall apply to all designated areas except those specified in paragraph (9).".

(4) Paragraph (3) is amended by adding the following new sentence at the end thereof: "Notwithstanding any other provision of this Act, no admission fee may be charged at any unit of the National Park System if—

"(A) the unit is located in an urbanized area; and

"(B) no fee was charged for admission to the unit as of September 30, 1986.".

(5) Add the following new paragraphs:

"(6)(A) No later than 60 days after the date of enactment of this paragraph, the Secretary of the Interior shall submit to the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate a report on the entrance fees proposed to be charged at units of the National Park System. The report shall include a list of units of the National Park System and the entrance fee proposed to be charged at each unit. The Secretary of the Interior shall establish and include in the report an explanation of the guidelines used in applying the criteria contained in subsection (d).

"(B) Following submittal of the report to the respective committees, any proposed changes to matters covered in the report, including the addition or deletion of park units or the increase or decrease of fee levels at park units shall not take effect until 60 days after notice of the proposed change has been submitted to the committees.

"(7) No admission fee may be charged at any unit of the National Park System for admission of any person 16 years of age or less.

"(8) For purposes of paragraph (3), the term 'urbanized area' means an area consisting of a central city or cities of at least 50,000 inhabitants and the surrounding closely settled area for the city or cities considered as an urbanized area by the Secretary of Commerce for general statistical purposes.

"(9) In the case of the following parks, the fee for a single-visit permit applicable to those persons entering by private, noncommercial vehicle (the permittee and all persons accompanying him in a single vehicle) shall be no more than $10 per vehicle and the fee for a single-visit permit applicable to persons entering by any means other than a private noncommercial vehicle shall be no more than $5 per person: Grand Canyon National Park, Yellowstone National Park, and Grand Teton National Park. In the case of Yellowstone and Grand Teton, a single-visit fee collected at one unit shall also admit the vehicle or person who paid such fee for a single-visit to the other unit.".

(b) Section 4(f) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-6a(f)) is amended to read as follows:

"(f) The head of any Federal agency, under such terms and conditions as he deems appropriate, may contract with any public or private entity to provide visitor reservation services. Any such contract may provide that the contractor shall be permitted to deduct a commission to be fixed by the agency head from the amount charged the public for providing such services and to remit the net proceeds therefrom to the contracting agency.".

(c) Section 4 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-6a) is amended by adding the following new subsections at the end thereof:

"(i) All receipts from fees collected pursuant to this section by any Federal agency (or by any public or private entity under contract with a Federal agency) shall be covered into a special account for that agency established in the Treasury of the United States. The preceding sentence shall not apply to fees collected by the United States Fish and Wildlife Service. Notwithstanding any other provision of law, amounts covered into such special account for each such agency during each fiscal year shall be available for obligation or expenditure by the agency after the end of such fiscal year, to be used for resource protection, research, interpretation and maintenance activities related to resource protection at facilities managed by that agency at which outdoor recreation is available. The preceding sentence shall not apply in the case of fees collected by the National Park Service (or by any public or private entity under contract with the National Park Service). Amounts covered into the special account for the National Park Service during each fiscal year shall be allocated among park system units in accordance with subsection (j) in the first fiscal year after the year in which such funds are covered into the special account. Notwithstanding any other provisions of law, such amounts shall be available for obligation or expenditure by the Director of the National Park Service to be used in such first fiscal year as follows:

"(1) In the case of receipts from fees collected for admissions to units of the national park system: for resource protection, research, and interpretation at units of the national park system.

"(2) In the case of receipts from user fees collected for units of the national park system: for resource protection, research, interpretation, and maintenance activities related to resource protection at units of the national park system.

"(j)(1) Half of the funds made available to the Director of the National Park Service under subsection (i) in each fiscal year shall be allocated among units of the national park system in accordance with paragraph (2) of this subsection and half shall be allocated in accordance with paragraph (3) of this subsection. Amounts allocated to a unit for any fiscal year and not expended in that fiscal year shall remain available for expenditure at that unit until expended.

"(2) The amount allocated to each unit under this paragraph for each fiscal year shall be a fraction of the total allocation to all units under this paragraph. The fraction for each unit shall be determined by dividing the operating expenses at that unit during the prior fiscal year by the total operating expenses at all units during the prior fiscal year.

"(3) The amount allocated to each unit under this paragraph for each fiscal year shall be a fraction of the total allocation to all units under this paragraph. The fraction for each unit shall be determined by dividing the user fees and admission fees collected under this section at that unit during the prior fiscal year by the total of user fees and admission fees collected under this section at all units during the prior fiscal year.

"(k) When authorized by the head of the collecting agency, volunteers at designated areas may sell permits, and collect fees, authorized or established pursuant to this section. The head of such agency shall insure that such volunteers have adequate training regarding (1) the sale of permits and the collection of fees, (2) the purposes and resources of the areas in which they are assigned, and (3) the provision of assistance and information to visitors to the designated area. The Secretary shall require a surety bond for any such volunteer performing services under this subsection. Funds available to the collecting agency may be used to cover the cost of any such surety bond. The head of the collecting agency may enter into arrangements with qualified public or private entities pursuant to which such entities may sell (without cost to the United States) annual admission permits (including Golden Eagle Passports) at any appropriate location. Such arrangements shall require each such entity to reimburse the United States for the full amount to be received from the sale of such permits at or before the agency delivers the permits to such entity for sale.

"(l)(1) Where the National Park Service provides transportation to view all or a portion of any national park, the Director of the National Park Service may impose a charge for such service in lieu of an admission fee under this section. The amount of any fee imposed under this paragraph shall not exceed the maximum amount of the admission fee which could otherwise be imposed under subsection (a).

"(2) Notwithstanding any other provision of law, half of the charges imposed under paragraph (1) shall be retained by the national park at which the service was provided. the remainder shall be covered into the special account referred to in subsection (i) in the same manner as receipts from fees collected pursuant to this section. Fifty percent of the amount retained shall be expended only for maintenance of transportation sytems at the park where the charge was imposed. The remaining fifty percent of the retained amount shall be expended only for activities related to resource protection at such park.".

(d) Title I of Public Law 96-514 is amended by striking out the following: "Notwithstanding the provisions of Public Law 90-401, revenues from recreation fee collections by Federal agencies shall hereafter be paid into the Land and Water Conservation Fund, to be available for appropriation for any or all purposes authorized by the Land and Water Conservation Fund Act of 1965, as amended, without regard to the source of such revenues.".

(e) Section 402 of the Act of October 12, 1979 (93 Stat. 664), is hereby repealed.

(f) The following provisions relating to fees in specific national park system units are hereby repealed:

Park System Unit(s)	Act	Provision Repealed
Alaska units of national park system.	Alaska National Interest Lands Conservation Act.	Last sentence section 203
Biscayne National Park, Florida.......	June 28, 1980 (94 Stat. 600).	Last sentence section 106
Boston African American National Historic Site, Massachusetts.	Oct. 10, 1980 (94 Stat. 1846).	Last sentence section 103
Channel Islands National Park, California.	March 5, 1980 (94 Stat. 77).	Section 207
Fort Jefferson National Monument, Florida.	June 28, 1980..................	Last sentence section 204
Golden Gate National Recreation Area, California.	Oct. 27, 1972 (16 U.S.C. 460bb-3(e).	Section 4(e)
Martin Luther King, Jr. National Historic Site, Georgia.	Oct. 10, 1980 (94 Stat. 1842).	Section 5
Mount Rushmore National Memorial, South Dakota.	Feb. 25, 1929 (45 Stat. 1300).	Last sentence section 3
Point Reyes National Seashore, California.	Sept. 13, 1962 (16 U.S.C. 459c-5(e).	Section 5(e)

(g) The Secretary of the Interior shall assess the extent to which traffic congestion and overcrowding occurs at certain park system units during times of seasonally high usage and shall conduct a study of the following:

(1) The feasibility of reducing vehicular traffic within national park system units through fee reductions for visitors traveling by bus and through other means which could shift visitation from automobiles to buses.

(2) The feasibility of encouraging more even seasonal distribution of visitation.

The study shall include a pilot project to be carried out in Yosemite National Park. For purposes of such pilot project, the Secretary may reduce the fees for admission of various classes or categories of visitors to Yosemite National Park and may reduce the admission fees imposed at the park and may reduce the admission fees imposed at the park during seasons with low visitation. A report containing the results of the study shall be transmitted to the Committee on Interior and Insular Affairs of the United States House of Representatives and to the Committee on Energy and Natural Resources of the United States Senate within 3 years after the enactment of this Act.

SEC. 3. EXTENSION OF LAND AND WATER CONSERVATION FUND.

(a) Section 2 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601 and following) is amended as follows:

(1) In the matter preceding subsection (a), strike "1989" and sustitute "2015".

(2) In subsection (c)(1) strike "1989" and substitute "2015".

(b) The last sentence of section 3 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601 and following) is amended to read as follows: "Moneys made available for obligation or expenditure from the fund or from the special account established under section 4(a)(1)(B) may be obligated or expended only as provided in this Act.".

SEC. 4. The President shall submit as part of the annual budget message a detailed list and accounting of all fees received pursuant to this Act by each collecting agency and each collecting unit and shall include proposed distributions of fee receipts from the previous year by function within each unit. Appropriations shall be made as required in this Act. No funds shall be transferred from fee receipts made available under this Act to each unit: *Provided, however,* That in making appropriations, funds derived from such fees may be used for any purpose authorized herein.

AMENDMENT OFFERED BY MR. HANSEN

Mr. HANSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HANSEN: On Page 10, line 9, add a new paragraph as follows and renumber succeeding paragraphs accordingly:

(4) Paragraph (4) is amended by striking out "without charge" and inserting in lieu thereof "for a fee of $10" in the second sentence, and by striking out "other" in the third sentence.

The CHAIRMAN. Under the rule, the gentleman from Utah [Mr. HANSEN] will be recognized for 15 minutes and the gentleman from Minnesota [Mr. VENTO] will be recognized for 15 minutes.

The Chair recognizes the gentleman from Utah [Mr. HANSEN].

Mr. HANSEN. Mr. Chairman, let me just start out by saying what a pleasure it is to work with Mr. UDALL and Mr. VENTO and Mr. CHENEY and others regarding this piece of legislation. I agree it is overdue and I believe that it is a good piece of legislation, and I generally support it.

I would like to say, however, that I think the time is probably ripe that we could make a minor amendment to it which would make the bill better and probably would help out America in a small way.

I do not know if people realize, Mr. Chairman, that there are two types of parks; there are the urban parks and there is the nonurban parks. The urban park, as we see around this area, the Washington Monument and others such as that, people walk into those parks on a daily basis, and I think it is wonderful that they can do it at no cost to the citizens of America

On the other side of the coin, Mr Chairman, there are a lot of us who live out in the West, and in some of those parks people do not walk into those parks. I have yet to see anyone walk into the Grand Canyon and I have spent hundreds of hours seeing people come into that area. I have yet to see them walk into Yellowstone, Zion, Brice, Canyonlands, Arches, and all of those. Those parks are destination parks; they end at a particular point.

Mr. Chairman, the people who come into those parks are those people who have the money to drive there. Now, I have great love and respect in my heart for the senior citizens of America; I think we should protect them.

On the other side of the coin, it is interesting to note that many senior citizens visit these nonurban parks, and how do they get there? They do not hitchhike in there; they do not come on motorscooters. Most of them come in airstream trailers which come by the hundreds, or they come in Winnebagos or they come in other large things.

Normally, if you go there and watch for a while, you will see them pulling a car behind them. You will see them have TV sets, and they move into those camp areas, and if you talk to the superintendents of those parks, they stay there for a long time. They in effect camp; they squat; they stay there and we do not see them move for 2 weeks or so.

Now, I think it is very modest, Mr. Chairman, to just ask that these people who go to the nonurban parks, not the urban parks, just the nonurban parks, could pay $10 at one time. I know that is not much money, but I think we all realize in any situation like the Government or our own homes, we have to be careful and frugal and save our money where we can.

Mr. Chairman, I have here in my hand, from the U.S. Department of the Interior, the National Park Service, a letter from Mr. William Penn Mott, Jr., the Director of the National Parks, and he says this:

> I wish to take this opportunity to reiterate my strong personal support for the Administration's proposed one-time $10 charge for the Golden Age Passport.

Keep in mind, Mr. Chairman, this is a one-time, it only happens once. If a person lives 10 years, it cost him a dollar a year. If he lives 20 years, it is 50 cents a year. It is a pretty good deal.

In fact, it is an excellent deal. This is a situation that the administration asked us to put in.

He goes on to say:

Under existing law, the Golden Age Passport is free to any person 62 years of age or older. It entitles the holder and his party to free entry into all park areas, and it entitles the holder to a discount of 50 percent on all park user charges. It is a lifetime pass.

So, when our folks reach those golden years, as many of us are looking forward to, and you have the wherewithal to go to those Western, urban parks, and please believe me, I am not talking about these parks around here, where you have to get to them to drive where you want to see the grandeur of the Grand Canyon or Zion or Bryce or Yellowstone, and you are going to spend a week and enjoy yourself and walk around, is it too much to ask for a dollar a year or 50 cents a year one time to get that Golden Age pass? That is all we are asking for.

Mr. Chairman, I have never seen a more reasonable amendment than this one at this time asking for this particular charge to go in.

Mr. VENTO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the gentleman's amendment to institute a $10 charge for the Golden Age Passport. When this matter was discussed in the past, proponents of the fees have been quick to point out that their sightings of senior citizens visiting our national parks in Winnebagos and campers.

Surely, they say, these people can afford a fee on the Golden Age Passport. Unfortunately, the seniors in Winnebagos are the exception rather than the rule. The stark fact is that 12.6 percent of our older Americans were below the poverty level in 1985. In fact, of the 8.5 million households over the age of 65, as an example, and, of course, this amendment deals with age 62, but in any case, we have statistics for that; of the 8.5 million households over the age of 62, over 7 million had an annual income below $10,000.

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There were a total of 10.2 million households that had an average income of less than $15,000. These millions of Americans can barely afford basic transportation, let alone a $30,000 or $40,000 Winnebago.

The National Park Service issued 190,000 Golden Age Passports last year. This indeed is a program that is used by older Americans, Mr. Chairman, and yet the Park Service estimates that if they place a charge on this that there will be no change in the number of Golden Age Passports that they issue. That sort of analysis appears to be premised on the assertion that Golden Age Passport applications will remain constant regardless of the fee. The truth is that studies done on older Americans show that when a fee is instituted in a senior program, participation dramatically drops off. That is a fact.

The sad fact is that the first dropoffs are likely to be those who most need it.

A variation of this amendment was offered and defeated in the committee.

Frankly, Mr. Speaker, this is just another instance where the administration proposes to nickel and dime people with what is really a substitute for new taxes on those who are least able to pay, and that is who it is going to have the effect on, just those senior citizens that we do not want it to have the effect on.

I am, of course, opposed to this particular amendment.

Mr. Chairman, I think this is sort of tantamount to placing a charge on for instance people who have paid a lifetime of taxes. It would be like saying that in order to get your Social Security you have to pay a fee in order to apply for that. You have to pay a fee in order to obtain that.

You know, senior citizens have a lot of different unusual expenses. Maybe we give them a break on transportation. Maybe we give them a break in terms of a Golden Age Passport or a free fishing license in my State or other types of benefits; but you know, this population has to pay almost 20 percent of their income in terms of health costs. That is not a cost faced by most middle-income Americans.

It is easy for us perhaps in the middle age of our lives to look ahead and say, "Well, surely I could afford that. Therefore, what is the problem with someone 62 years of age or older?"

This is an attempt to say to older Americans who have worked a lifetime to build our national parks, to build these resources which are literally worth tens of billions of dollars, which as I said are invaluable with regard to cultural, historic and other natural values that they possess, and it would exclude those particular people.

I think we ought to open up the doors of these public lands and let people come in and use them. We do not have an overcrowding problem in the vast majority of those parks. I think we ought to recognize that where there are difficulties and problems, that is another matter.

You know, the final point is, is this a message we want to send to older Americans? Time and time again this past year I have heard the expression that somehow the elderly are wealthy, that the older Americans are the wealthy population. The fact is, and I understand this is a tough time for middle Americans, for Americans with families today, but the problem is that to lower the standards, to take away the benefits we provide for older Americans, the problem is to leave those benefits in place and to raise the benefits to those children and those lower income Americans who are working for minimum wages. That should be the goal of this Congress, not to move for a lower common denominator with regard to benefits, but to bring the benefits up so all Americans can live a decent quality of standard of life.

Mr. Chairman, I submit this amendment deserves to be overwhelmingly defeated today.

Mr. HANSEN. Mr. Chairman, I yield myself 2 additional minutes.

Mr. Chairman, I would not have much trouble agreeing with the gentleman from Minnesota [Mr. VENTO], except that the gentleman missed a very important point. It seems so abundantly obvious that the gentleman was talking about all parks. I would agree with that. There are a lot of people walking in these parks; but what the gentleman missed; which is so obvious to all of us, the gentleman missed what parks we are talking about. If we go back and read the amendment, we are talking about the nonurban parks. We are talking about people who do control a lot of money. We are talking about people who have written to us and said that they are happy to pay their share. We are talking about people that William Penn Mott talked about when he said that so many people come up and try to give him money for these things.

Why should these people not carry their share like everyone else?

I had a hard time seeing this when the point came up about this same amendment. This is not the same amendment that was offered. I do not know where the gentleman gets that idea. The amendment that was offered in the subcommittee was $10 a year. This is $10 for the lifetime of the individual. Even $10 a year I think is the best buy there is that the Federal Government could possibly come up with and this is a super buy.

Again, if we were talking about all parks, I say to the gentleman from Minnesota [Mr. VENTO], I would be with the gentleman 100 percent. I think the gentleman is reasonable and right on, but I surely have a hard time for you folks in the east who do not come out and visit our parks and see who is camped in our areas and see the vast amount of money that is there and all the things that they have, and they cannot shell out $10? I have a hard time believing that.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. HANSEN. I am happy to yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I certainly understand this amendment is different from that which was offered in the subcommittee, but I would just suggest to the gentleman that the fact is that this will act as an inhibition with regard to individuals utilizing the parks. That is the point. It is the principle that we are dealing with here.

If somebody wants to make a donation, almost all our parks include a donation box. If somebody wants to make that donation, we in fact set up a form where they can make it and receive, for instance, tax breaks and do a variety of other things.

I thank the gentleman for yielding.

Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, I rise in support of H.R. 1320, which amends the land and water conservation fund in several important ways and extends this critical program for another 25 years.

The land and water conservation fund is one of this Nation's premiere conservation programs, designed originally to help protect natural resources and create recreational opportunities in this country. It is one of the primary means by which lands are acquired for protection. It is a program which has worked well and should be extended.

H.R. 1320 establishes a rational and consistent system of fees and user charges for units of the National Park System. By and large, this fee system is the same as that approved by Congress last year as part of the continuing resolution (Public Law 99-591). For designated areas, single visit permits will cost $5 per vehicle and $3 per person for persons entering by other means. Golden Eagle permits will cost $25 and the annual fee for a park or group of parks will not exceed $15. Some highly used parks such as the Grand Canyon, Yellowstone and Grand Teton will have slightly higher fees.

Urban park sites for which no fees were charged prior to October 1, 1986, will remain free of charge. This measure is necessary to ensure that sites such as the Washington Monument, the Statue of Liberty, Point Reyes National Seashore and other major urban park sites are readily and easily available to all who wish to visit them.

Of critical importance to the future protection, enhancement, and operation of all parts of the park system, the legislation provides that fees collected shall be returned to park units—without the need for additional congressional action—for operation, maintenance, and other activities. The money collected for use of the park system is, therefore, returned to that system to improve and maintain it. This is intended to supplement rather than replace normal appropriations for the park system. And given the Park Service budget slashing that has occurred during this administration—and the general beating that the Nation's parks have taken, first during the reign of Jim Watt and now during the present regime—this infusion of money is sorely needed and overdue.

Mr. Chairman, I strongly urge my colleagues to join me in supporting this important bill.

Mr. HANSEN. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Virginia [Mr. PARRIS].

Mr. PARRIS. Mr. Chairman, I thank the gentleman for yielding this time. I asked for this time frankly to inquire of the chairman of the subcommittee, if I might, for some information.

As I understand it, and I apologize, I am not a member of this committee, but as I understand it now the current charge being assessed against these persons with the Golden Age Passports is $10. Is that the current practice?

Mr. VENTO. Mr. Speaker, will the gentleman yield?

Mr. PARRIS. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, the Golden Age Passport is available upon application. There is no charge for that application, just as there is no charge for an application for Medicare or for Social Security or for a variety of other programs.

Mr. PARRIS. Apparently I misspoke, and I apologize.

The persons now are charged $10 to go to the nonurban parks, is that not the case?

Mr. VENTO. No, that is incorrect.

Mr. PARRIS. All right, would the gentleman just tell me what the case is?

Mr. VENTO. The certain situation is that upon reaching the age of 62 if a person chooses to apply for this, there is no mandate that they must, but 190,000 Americans do, they may reply and they receive a pass that entitles them to entrance to any of our parks without charge.

Mr. PARRIS. If they do not have one of these, they are charged $10, is that correct?

Mr. VENTO. If they do not have a Golden Age pass, they pay whatever the charge is at the park. That may be $5 it may be $3, and it may be on an individual basis less than that.

Mr. PARRIS. If I understood the gentleman correctly, there are roughly 190,000 of these persons?

Mr. VENTO. One hundred ninety thousand people a year apply for this particular pass of the senior population. There may be many senior members who do not have this particular pass. I hope by virtue of this discussion we can encourage more participation and more people will take advantage of this.

Mr. PARRIS. Do I understand from the gentleman then that there are 190,000 of those Golden Age Passports?

Mr. VENTO. Mr. Chairman, if the gentleman will yield, it is per year.

Mr. PARRIS. Could the gentleman show me how many there are altogether?

Mr. VENTO. I do not have that information, but I think it would be in the millions. I do not know that we can keep track because as the gentleman knows, the actuarial experience above age 62, I could not give the gentleman what the record is, but it is in the millions.

Mr. PARRIS. And when you apply, you apply just one time?

Mr. VENTO. You apply once for the remainder of your life.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. HANSEN. Mr. Chairman, I yield 1 additional minute to the gentleman from Virginia.

Mr. PARRIS. Mr. Chairman, I thank the gentleman for yielding this additional time. I have just one other question.

Could the gentleman share with us how much money that raises?

Mr. VENTO. Well, I think the assumption the Park Service is going under, if the gentleman will continue to yield, is that there would be no dropoff in terms of participation if they charged $10. I think the point is, and I realize I am using the gentleman's time, but I think we will have adequate time, that in fact a lot of individuals would not apply, so the amount of revenue would not be different. I think very many of those who apply for this keep it in their pocketbooks and on occasion maybe use it. Obviously there are experiences where those who can afford it do not pay anything, they do not contribute anything, and they end up in the park basically taking space or using it a great deal. I think many simply would take this and not use it very often. That does not mean they use it every year, as a matter of fact.

So I thank the gentleman for yielding.

Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. LEHMAN].

Mr. LEHMAN of California. I thank the gentleman for yielding time to me.

Mr. Chairman, I oppose this amendment. This really is not going to raise a lot of money; that has been brought out. It is going to be insignificant in terms of what it would contribute to the Park Service or the fund. What it is going to do is harass a lot of senior citizens who up until now have received this ability to go into the parks freely. These are people who have paid taxes all of their lives for this opportunity, and now they are going to be charged this $10 fee to obtain the same permit that they used to get for nothing.

I also want to point out that we have yet to see empirical results from any study that has been done on raising the Eagle Passports to $25. I have talked to people who work in the parks collecting those fees, and they indicate that there is a substantial reduction in the number of people who are taking advantage of that. I suggest that we take a look at the results of what happens with raising the fees on that pass before we initiate any fees on this particular pass.

Mr. HANSEN. Mr. Chairman, how much time do we have remaining?

The CHAIRMAN. The gentleman from Utah [Mr. Hansen] has 6 minutes remaining and the gentleman from Minnesota [Mr. Vento] has 10 minutes remaining.

Mr. HANSEN. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, may I say in response to the remarks of the gentleman from California [Mr. Lehman] regarding the harassment of senior citizens, right now going into a park if they do not have it, they have to stop and apply for it. I hardly consider that much harassment, to add $10 and get the particular fee.

I would just urge the Members of Congress to give this some thought. No one is trying to beat up on senior citizens. That is not it at all. I agree that it is not much money. On the other side of the coin, it comes at a time in this fiscal crunch that we are in that we have to watch our nickels and dimes. I think that most of our senior citizens are very happy to contribute this infinitesimal amount for the opportunity of seeing our beautiful parks.

Again, for the benefit of Members watching from their offices, this does not apply to the urban parks of the East; it applies only to those drive-in parks, the nonurban parks. I think that it is the very least that we can ask these people to pay.

Mr. Chairman, I reserve the balance of my time.

Mr. VENTO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the fact is that there are many parks in the East where there are charges that are put in place. These parks are the historic parks, the other centers, and in fact there probably are an equal number of parks, because most of the units of the park system are located in the East, even though the great natural parks with the acreage and so forth are located, for instance, in the districts of my colleagues from Utah and Montana and many other States, Alaska and so forth, places where frankly most of our senior population rarely have an opportunity to go.

I would just point out that in this instance we are not talking—the senior citizens who utilize our national parks as a place to visit, as a place of recreation, as a place of vacation, are generally the individuals who cannot afford the lake cottage, who cannot afford the ski chalet, who cannot afford the Shangri-la someplace. In other words, they are depending upon these public parks as the basis for their vacation, recreation, and so forth. These generally are the more moderate or lower income Americans, the moderate-income or lower income senior citizens.

I just submit that that is one dream that I want to keep alive. That is one dream that our committee wants to keep alive for people in our culture. I do not want to begin to charge a processing fee, as it were here, when you get your Golden Age or you get there by virtue of age, you have paid your taxes all your life, it is I think not inappropriate to recognize that and to permit these individuals to enjoy that experience and have that benefit.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, I have been listening to the debate, and I was just curious, there is a question in my mind that has not been answered.

Right now we have somewhere I suppose from three-quarters of a million to a million senior citizens who presently have the Golden Age Passport who can go into the Federal parks without charge. Is that correct?

Mr. VENTO. That is correct.

Mr. VOLKMER. Under the amendment, would those people have to pay the $10, or are they going to be able to keep theirs?

Mr. VENTO. No, it would just be on the individuals I believe when their birthday changed to that age.

Mr. VOLKMER. I would like to make a statement then. It appears that we are going to have two classes of senior citizens out there. We are going to have one group that is going to be able to continue to go free, and we are going to have another group that are going to have to pay $10. I do not think that that is very fair.

Mr. VENTO. I tend to see the gentleman's point, and it does create sort of a two-class system here. I think that the answer is to provide the opportunity to continue to receive that on the basis of reaching that age and having paid those taxes all your life, and I hope that the House sees it that way.

Mr. Chairman, I have no further requests for time.

Mr. HANSEN. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I would like to point out that we have that same problem of two classes of people everywhere we go. In the military we have that, if we say that we are going to draft from a certain age. We have that in a hundred different places. We have that under tax laws. We have that under civil and criminal law. We have that everywhere we have two classes of people. Why are we making any difference now? Somewhere you draw lines in this thing. I think that we could let this thing go on forever, but I think that I will acquiesce.

Mr. Chairman, I yield back the balance of my time.

Mr. LAGOMARSINO. Mr. Chairman, I rise in support of the amendment by my good friend and colleague from Utah, Mr. Hansen. This amendment, which would require a one-time charge for the Golden Age Passport for senior citizens 62 years of age and older, is a fair and reasonable proposal. While I certainly feel our Nation's senior citizens should be accorded some special privileges to visit our national parks, I believe this amendment still allows these privileges while providing additional revenue to assist in protecting and interpreting the outstanding resources of our National Park System.

I believe the one-time fee of $10 which enables senior citizens to visit any or all of the national park units for the rest of their lives, will not create a financial hardship for any of these park visitors. In addition, it is important to remember that under H.R. 1320, all of the urban park units will remain free of charge to all park visitors, including senior citizens. Also, fees are proposed to be charged at only about half of the park units, so the other half would, of course, also remain free to senior citizens and other park visitors. Furthermore, I believe that in those cases where it appeared that this fee would be a hardship, the Park Service would certainly take this into consideration and lower, or possibly, waive the fee.

It has been estimated that a one-time charge for the Golden Age Passport would raise approximately $2 million in fee revenue in fiscal year 1988. This funding would certainly help the Park Service in undertaking important activities in the parks which are currently precluded by fiscal constraints. In addition, I believe the vast majority of senior citizens visiting our parks would be glad to make this small contribution to assist the parks. Furthermore, the administration, and particularly Park Service Director Mott, who is 76 years of age, strongly supports this amendment.

Therefore, I urge my colleagues to support and vote for this amendment.

Mr. VENTO. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Utah [Mr. Hansen].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. PARRIS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 43, noes 375, not voting 15, as follows:

[Roll No. 43]

AYES—43

Archer
Armey
Bartlett
Barton
Beilenson
Bliley
Buechner
Carper
Craig
Crane
Dannemeyer
DeLay
Dreier
Fields
Frenzel
Gibbons
Glickman
Hansen
Hunter
Johnson (CT)
Jones (TN)
Konnyu
Kostmayer
Lagomarsino
Lowery (CA)
Lungren
Mack
Marlenee
Molinari
Moody
Nielson
Owens (UT)
Packard
Porter
Price (NC)
Scheuer
Shumway
Skaggs
Slattery
Smith, Denny (OR)
Thomas (CA)
Upton
Walker

NOES—375

Ackerman
Akaka
Alexander
Anderson
Andrews
Anthony
Applegate
Aspin
Atkins
AuCoin
Badham
Baker

Ballenger
Barnard
Bateman
Bates
Bennett
Bentley
Bereuter
Berman
Bevill
Biaggi
Bilbray
Bilirakis
Boehlert
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boulter
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Brown (CO)
Bruce
Bryant
Bunning
Burton
Bustamante
Byron
Callahan
Campbell
Cardin
Carr
Chandler
Chapman
Chappell
Cheney
Clarke
Clinger
Coats
Coble
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Conyers
Cooper
Courter
Coyne
Crockett
Darden
Daub
Davis (IL)
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frost
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gilman
Gingrich
Gonzalez
Goodling
Gordon
Gradison
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Gregg
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Henry
Herger
Hertel
Hiler
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Inhofe
Ireland
Jacobs
Jeffords
Jenkins
Johnson (SD)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kemp
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kyl
LaFalce
Lancaster
Lantos
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Lott
Lowry (WA)
Lujan
Luken, Thomas
Lukens, Donald
MacKay
Madigan
Manton
Markey
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKinney
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Mollohan
Montgomery
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Oxley
Panetta
Parris
Pashayan
Patterson
Pease
Penny
Pepper
Perkins
Petri
Pickett
Pickle
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rogers
Rose
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Schaefer
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shuster
Sikorski
Sisisky
Skeen
Skelton
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stark
Stenholm
Stratton
Studds
Stump
Sweeney
Swift
Swindall
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Watkins
Waxman
Weber
Weiss
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

NOT VOTING—15

Annunzio
Clay
Coelho
Coughlin
Daniel
Hefner
Kolter
Ortiz
Owens (NY)
Price (IL)
Roemer
Rostenkowski
Stokes
Sundquist
Weldon

□ 1620

Messrs. OBERSTAR, McMILLEN of Maryland, CROCKETT, FASCELL, GILMAN, HOLLOWAY, and MRAZEK changed their votes from "aye" to "no."

Messrs. MACK, GLICKMAN, SKAGGS, SCHEUER, and PACKARD changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

1630

AMENDMENT OFFERED BY MR. HANSEN

Mr. HANSEN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. Is the gentleman from Utah a designee of the gentleman from California [Mr. LAGOMARSINO]?

Mr. HANSEN. I am, Mr. Chairman.

The Clerk read as follows:

Amendment offered by Mr. HANSEN: On Page 9, line 6, strike out "$25" and insert in lieu thereof "$40".

The CHAIRMAN. Under the rule, the gentleman from Utah [Mr. HANSEN] will be recognized for 15 minutes and the gentleman from Minnesota [Mr. VENTO] will be recognized for 15 minutes.

The Chair recognizes the gentleman from Utah [Mr. HANSEN].

Mr. HANSEN. Mr. Chairman, the last amendment we talked about was the Golden Age, which would have changed the amount the senior citizens would pay. This amount would merely change the Golden Eagle from $25 to $40.

Mr. Chairman, it is a pretty simple amendment.

Mr. Chairman, at this point I yield to the gentleman from Ohio [Mr. LATTA].

Mr. LATTA. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio to speak out of order?

There was no objection.

THE DEMOCRATIC BUDGET PROPOSAL

Mr. LATTA. Mr. Chairman, I take this time to announce to the House that the Democratic majority on the House Budget Committee has reported out this year's budget resolution. I have it in my hand on one sheet of paper, one sheet of paper. This was handed to us, handed to us today at 12 o'clock, and we were in session off and on a couple of hours trying to ascertain what went into these numbers, how they came up with these numbers, what programs would be affected and how.

We were denied answers to any of our questions. We got not one single answer, not one explanation to a $1 trillion budget, a $1 trillion budget.

Mr. DURBIN. Mr. Chairman, will the gentleman yield?

Mr. LATTA. No, I will not yield. You had your chance in the committee.

Let me say this is unheard of, a $1 trillion budget being reported out by sheer political 2-to-1 in the Budget Committee without explanation. Next Tuesday they plan to come before the Rules Committee and ask for a rule to bring this piece of paper to the floor of the House.

Now I understand that after we broke up our meeting they called a secret meeting for the press, believe, it or not, and excluded our staff to try to give some sort of an explanation as to what went in to make up these numbers after they reported out the resolution.

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. LATTA. Will the gentleman please restrain.

Now, had we had the opportunity to ask questions I would have asked a question on 050, for example. Believe it or not, for the third year in a row the Defense Department will be taking a cut of serious magnitude and their outlay figure for fiscal year 1988 is $281.7 billion.

The CHAIRMAN. The Chair has an inquiry of the gentleman from Utah.

Was there a specific amount of time yielded to the gentleman from Ohio?

Mr. HANSEN. Mr. Chairman, I have yielded to the gentleman from Ohio.

The CHAIRMAN. It is coming out of the 15 minutes of the gentleman from Utah.

Mr. HANSEN. Yes.

The Chairman. The gentleman from Ohio is recognized.

Mr. LATTA. On this one title alone, national defense, had we had an opportunity to ask questions and get answers I would have asked, does this document of one page assume that the cuts in national defense will be made proportionately in all major titles? If so, how much money would be cut from the military personnel accounts? Is the pay raise for the military expected to be absorbed by DOD? How many troops will be dismissed? How many troops?

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I will be happy to yield to the gentleman from Kentucky.

Mr. ROGERS. I thank the gentleman for yielding.

Well, the gentleman from Ohio certainly had a chance to ask questions of the majority of the committee. What did they answer?

Mr. LATTA. There were no answers, no answers. No answers to questions on a $1 trillion budget. I think the American people deserve better treatment than that; forget about partisan politics, forget about the Republican Members of the committee. I think the American people deserve to know what they are proposing to bring to this House as early as next week in a $1 trillion budget.

Mr. ROGERS. Mr. Chairman, will the gentleman yield again?

Mr. LATTA. I will be happy to yield to the gentleman from Kentucky.

Mr. ROGERS. Is the gentleman telling us that the entire Democratic Budget Committee's proposal is on one page, on one piece of paper, $1.2 trillion budget?

Mr. LATTA. Without explanation.

Mr. ROGERS. I have in my hand the President's budget proposal which, as you can tell, is a very thick document which is only a summary of the budget.

PARLIAMENTARY INQUIRY

Mr. VENTO. Mr. Chairman, I have a point of inquiry.

The CHAIRMAN. The gentleman from Minnesota will state his parliamentary inquiry.

Mr. VENTO. Mr. Chairman, it is my understanding that we are debating the Golden Eagle Passport amendment put forth by the gentleman from Utah [Mr. HANSEN], is that correct?

The CHAIRMAN. The gentleman is correct.

Mr. VENTO. Mr. Chairman, would it be in order to have the unanimous consent—have the amendment reread so the Members can understand what we are talking about?

The CHAIRMAN. At this point the gentleman from Ohio, [Mr. LATTA], has the floor. He was given unanimous consent to speak out of order. There are 15 minutes allotted to the gentleman from Utah [Mr. HANSEN] in favor of the amendment, 15 minutes allowed to the gentleman from Minnesota [Mr. VENTO] in opposition. Mr. LATTA is using the 15 minutes to speak out of order.

Mr. VENTO. Mr. Chairman, could I inquire what the amount of time is that the gentleman from Utah has remaining and the amount of time I have remaining?

The CHAIRMAN. The gentleman from Utah has 11 minutes remaining and the gentleman from Ohio has been recognized.

Mr. MACK. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Florida.

Mr. MACK. I thank the gentleman for yielding.

Mr. Chairman, about 2 hours after we started, after we began the discussion about the one-page document, after we came back from a vote, four pages were delivered to us just before the final passage to send the resolution to the floor. And in that document, under General Science Space and Technology, there is a $300 million cut. I say this now for the members of the Florida delegation, the 19 members of the Florida delegation.

I want you to recognize that the reason that they, the Democrats, do not want to tell you what is in this one-page document is because there is a $250 million cut in NASA. They do not want you to know that.

□ 1640

They did not mind going around the country telling everyone what was in the President's document, but apparently they just want to run around the Capitol one time with their one page and call its quits.

Mr. LATTA. Mr. Chairman, I thank the gentleman for his contribution.

Mr. BOULTER. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Texas.

Mr. BOULTER. Mr. Chairman, we had field hearings across the country to discuss the budget, I believe; did we not? I mean, I went to some. Did you go to some?

Mr. LATTA. That is correct.

Mr. BOULTER. We had all sorts of witnesses from all over the country coming to these various cities across our Nation testifying, did we not?

Mr. LATTA. That is correct.

Mr. BOULTER. That cost a lot of money, I assume, to go around the country.

Mr. LATTA. It cost quite a bit.

Mr. BOULTER. But we all felt it was worthwhile to get the democratic process going and there was a lot of work involved in that.

Now, as you know, I had to miss a lot of the meetings, but are you telling me that after all of that work, all of that discussion, all of that money, all of the press, all of the media, all of the attention by the American people on the deficit, that this whole thing comes down to just one single page?

Mr. LATTA. The gentleman is absolutely right.

Mrs. JOHNSON of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentlewoman from Connecticut.

Mrs. JOHNSON of Connecticut. Mr. Chairman, we have had testimony, I think, at the very beginning of our budget hearings from the head of the Budget Office to the effect that if we did nothing about the deficit, that no matter how much we changed our trade law, we would not affect the trade deficit; that, indeed, addressing the domestic deficit was not only key to this Nation's economic health in the future, but key to addressing our trade problems as well.

With all of the serious attention that has been given to deficit reduction in the last few months, it is ironic that the budget that we were presented with was only one page, and that we were given more detail in their press release than we were in the budget document. In the press release, they increased spending $13.5 billion——

POINT OF ORDER

Mr. VENTO. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman from Minnesota will state his point of order.

Mr. VENTO. Mr. Chairman, the gentleman from Ohio [Mr. LATTA] asked unanimous consent to speak out of order. The other Members who are speaking have not been granted permission to speak out of order.

I make a point of order against their speaking out of order at this time.

The CHAIRMAN (Mr. KLECZKA). The gentleman from Minnesota is correct. Only the gentleman from Ohio [Mr. LATTA] has been permitted to speak out of order.

Does the gentleman from Utah [Mr. HANSEN] continue to yield to the gentleman from Ohio?

Mr. HANSEN. Mr. Chairman, I continue to yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, may I say to the gentlewoman from Connecticut [Mrs. JOHNSON] that she might preface her remarks by saying something about the bill and the amendment.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I thank the gentleman from Ohio for yielding to me.

I am very regretful that the——

POINT OF ORDER

Mr. VENTO. Mr. Chairman, I reiterate my objection on the basis that they are not speaking to the issue before the committee and have not had permission to speak out of order.

The CHAIRMAN (Mr. KLECZKA). The gentleman from Minnesota is correct.

The Chair recognizes the gentleman from Ohio [Mr. LATTTA].

Mr. LATTA. Mr. Chairman, let me reclaim my time, then.

Let me say that this is typical as to what has been going on. I am not blaming my good friend, but this is typical.

You do not want anybody to know what is in this one piece of paper. No way, that is right, no way.

I think it is serious business, my friends. We are talking about $1 trillion. We are talking about new taxes that they want to put on the American people. Where are they going to come from?

Mr. SCHUMER. Mr. Chairman, I have a point of parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Ohio yield to the gentleman from New York?

Mr. LATTA. No, Mr. Chairman; I do not yield.

The CHAIRMAN. The gentleman from Ohio does not yield to the gentleman from New York [Mr. SCHUMER].

Mr. LATTA. Mr. Chairman, let me say that there are so many questions unanswered about this document. As I was about to point out in defense alone, when they come down to $281.7 billion in outlays for defense for fiscal year 1988, they subject the security of this country to question.

I do not think they want to do that. Absolutely. You do not want to do that, you thinking individuals on my right. You do not want to do that, do you? Absolutely.

But here it is, here it is. Absolutely. I would like to say it is not so, but it is, there it is.

This is not fun, my friends. Let me say that when you talk about laying off, dismissing, from 200,000 to 400,000 troops, you are talking about real cuts in the military. This document cannot pass this House, I hope. I hope that there are thinking Democrats sufficiently on that side of the aisle to vote with the Republicans on this side to see that this thing does not become law. No? Well, I would hope so.

Let us talk about international affairs. This document—do Israel and Egypt—does that get your attention—expect to receive their full earmarked share?

Let us skip over to another function of the budget: Agriculture. Everybody knows that the farmers are having a hard time, my friends. Over 4-percent cut in agriculture, over 4-percent reduction.

Our Democratic friends, ever since January, ever since the President submitted his budget, have been out around the country lambasting the President's budget. Well, you have had your day. Now it is time to put up something, and what do you put up? A one-sheet resolution without explanation.

What would you have said if the President of the United States would have sent down one sheet to you in January instead of a budget?

As the gentleman from Florida has pointed out, and he had better talk about this, especially you Floridians, those cuts in NASA. Go home and explain that. I can explain my vote on that, but you Floridians, you talk about it back home. Talk about the loss of those jobs under this proposal.

All the way through, there are going to be massive cuts that are unexplained. What are we going to do about Medicare coverage for State and local employees? Are you going to bring them in and charge all of these State and local governments who are not now in Medicare for coverage that they do not now have and they cannot pay for? Absolutely not.

But the question is, Are they included in this one sheet of paper? Are they included? I think the House deserves better treatment than this. I think the American people deserve better treatment than this.

I hope that in the future that when we have budget hearings at the beginning of the year, we will not be presented last year's budget, as we were this year, and say, "Here is our document. We are going to start from this."

Unprecedented, but that is what happened this year in the Committee on the Budget.

□ 1650

They never even came up with a document until today. They took last year's budget, laid it down in front of us, and said, "Here's our budget. We are going to work from this."

That is when we said, "No, it is now time to present your budget. The President has presented his. It is time to present yours."

So today they presented it and said, "You can't ask questions. We are not going to explain it, and you can't ask questions. What we want you to do is come forward with some document so we can attack yours as we have been attacking the President's for the last month.

Mr. EDWARDS of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I am happy to yield to the gentleman from Oklahoma.

POINT OF ORDER

Mr. VENTO. Mr. Chairman, I have a point of order.

The CHAIRMAN. The gentleman from Minnesota will state his point of order.

Mr. VENTO. Mr. Chairman, I raise a point of order that the gentleman from Oklahoma has not received permission to speak out of order. Is that correct, Mr. Chairman?

Mr. LATTA. He has not even started to speak yet.

The CHAIRMAN. The Chair has recognized the gentleman from Ohio to speak out of order.

Mr. VENTO. Mr. Chairman, I reserve my point of order against the gentleman.

The CHAIRMAN. The Chair will wait until the gentleman speaks to rule on the relevancy of his remarks.

Mr. EDWARDS of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I am very happy to yield to the gentleman from Oklahoma.

Mr. EDWARDS of Oklahoma. I just want to pick up on the point the gentleman just made. For those of you who were not privileged to be in the meeting of the Budget Committee——

Mr. VENTO. Mr. Chairman, I raise the same objection. I reassert my point of order against the gentleman. He does not have permission to speak out of order.

Mr. LATTA. The Chair has not ruled otherwise.

Mr. EDWARDS of Oklahoma. You should have had the experience of being in that committee when the Budget Committee chairman said to us——

Mr. VENTO. Regular order, Mr. Chairman.

Mr. EDWARDS of Oklahoma. The gentleman said to us, "welcome," but he refused to answer any questions about what was in the budget. Repeatedly, repeatedly, Mr. Chairman, he refused to answer any questions.

Mr. VENTO. The gentleman is out of order, Mr. Chairman.

The CHAIRMAN. The gentleman from Oklahoma is out of order and must confine his comments to the pending amendment.

Mr. EDWARDS of Oklahoma. All right, Mr. Chairman. I would say to my colleagues across the aisle, with all due respect, that while the pending amendment is a very good amendment, a very worthwhile amendment, and while the gentleman makes some very good points, I think it is a shame that we are taking it up at a time when we are not able to get a copy of the budget document prepared on the other side, with the justification for it.

Mr. Chairman, I thank the gentleman for yielding.

The CHAIRMAN. The gentleman from Utah [Mr. HANSEN] has 30 seconds remaining on the amendment.

Mr. HANSEN. Mr. Chairman, I yield the last 30 seconds to the gentleman from Ohio [Mr. LATTA].

The CHAIRMAN. The gentleman from Ohio [Mr. LATTA] is granted the remaining time.

Mr. LATTA. Mr. Chairman, let me say in those 30 seconds to my friends on the right over here that you will have your opportunity because this document is going to be coming to the floor, and you people who have had smiles on your faces, when you find out what lies ahead, will find, I think, that the smiles will be removed, and I think the American people deserve better treatment than they have gotten today. Hopefully, when this matter comes to the floor, they will get that kind of treatment and get some explanation of what is in this document that we did not get today.

The CHAIRMAN. The time of the gentleman from Utah, Mr. HANSEN, has expired.

Mr. HANSEN. Mr. Chairman, I ask unanimous consent to withdraw the amendment.

Mr. VENTO. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The gentleman from Minnesota [Mr. VENTO] is recognized for 15 minutes.

Mr. VENTO. Mr. Chairman, I yield myself such time as I may consume. Mr. Chairman, just in case we ever do vote on this amendment that does raise the Golden Eagle Passport to $40, I object to the amendment and the fact that it will lose dollars.

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. VENTO. Of course, I yield to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Chairman, I ask unanimous consent to waive regular order and speak out of order.

The CHAIRMAN. The gentleman asks unanimous consent to speak out of order.

Is there objection to the request of the gentleman from New York?

Mr. KOLBE. Mr. Chairman, I object.

Mr. PARRIS. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. VENTO. Mr. Chairman, I yield to the gentleman from New York.

Mr. SCHUMER. Mr. Chairman, I would like to address the Golden Eagle Passport amendment.

The CHAIRMAN. How much time does the gentleman yield?

Mr. VENTO. Mr. Chairman, I yield such time as he may consume to the gentleman from New York.

The CHAIRMAN. The gentleman from New York [Mr. SCHUMER] is recognized on the amendment.

Mr. SCHUMER. Mr. Chairman, I would like to address this Golden Eagle Passport amendment, and let me ask the gentleman from Minnesota this question: let us say the Golden Eagle Passport amendment was a vital amendment to the future of this country and let us say we decided on the committee that considered it, that is, the Interior Committee, that there were to be bipartisan discussions about this very important Golden Eagle amendment, and then let us say that the Republicans, the other side of the aisle, came into the Interior Committee 3 weeks ago and 2 weeks ago and, when given the opportunity to vote and amend it and change the Golden Eagle Passport—some might say it should be $50, and some might say it should be $25—they all simply voted "present," probably because they were afraid it was too difficult an issue for them to deal with; and then a week later the same issue, because it was so important, came up, and again the other side of the aisle came into the room and refused to vote again.

Would the chairman of the subcommittee think there was a little bit of crocodile tears involved when finally his side of the aisle put together a wonderful Golden Eagle amendment and all they could do, they would not change their own, they could not introduce their own, they simply said, "we didn't get enough time," even though they had the opportunity 2 or 3 weeks ago. And I would like to ask the gentleman one more parable——

Mr. VENTO. I would ask the gentleman, is this a multiple choice?

Mr. SCHUMER. A multiple choice. I would say to the gentleman——

Mrs. BYRON. Mr. Chairman, will the gentleman yield?

There is one question I would like to ask the gentleman. Is the gentleman suggesting that we are going to balance the budget on the back of the national parks with a Golden Eagle pass increase?

Mr. SCHUMER. If we only could.

But I would like to ask the gentleman one more question. Let us say the gentleman went into the well, after refusing to vote, and put together a budget and started saying, "We didn't get but 2 or 3 hours' notice, even though we knew we had to debate it on the floor," but let us say in 1981 someone from the White House had given somebody a Golden Eagle amendment that was far more sweeping in its changes and the gentleman demanded a vote on the floor with a half hour of debate, and on the Golden Eagle's feathers was Rita Seymour's phone number.

What would the gentleman's reaction be to that?

Mr. VENTO. Mr. Chairman, if the gentleman will yield, I would be outraged.

Mr. SCHUMER. Well, I share the gentleman's outrage. I think we all do.

Mr. Chairman, I yield back the balance of my time.

Mr. VENTO. Mr. Chairman, I would inquire if the gentleman from Utah [Mr. HANSEN] would like to renew his request to withdraw his amendment.

Mr. HANSEN. Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose, and the Speaker pro tempore [Mr. FOLEY] having assumed the chair, Mr. KLECZKA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1320) to amend the Land and Water Conservation Fund Act of 1965, and for other purposes, pursuant to House Resolution 135, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The CHAIRMAN. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. PARRIS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 416, nays 5, not voting 12, as follows:

[Roll No. 44]

YEAS—416

Ackerman
Alexander
Anderson
Andrews
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Badham
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bates
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Biaggi
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boulter
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Bruce
Bryant
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Cheney
Clarke
Clinger
Coats
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Conyers
Cooper
Coughlin
Courter
Coyne
Craig
Crane
Crockett
Dannemeyer
Darden
Daub
Davis (IL)
Davis (MI)
de la Garza

DeFazio
DeLay
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frenzel
Frost
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Gradison
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Gregg
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Henry
Herger
Hertel
Hiler
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Inhofe
Ireland
Jacobs
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kemp
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Konnyu
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken, Thomas
Lungren
Mack
MacKay
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKinney
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (UT)
Oxley
Packard
Panetta
Parris
Pashayan
Patterson
Pease
Penny
Pepper
Perkins
Petri
Pickett
Pickle
Porter
Price (NC)
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rogers
Rose
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shumway
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stark
Stenholm
Stratton
Studds
Stump
Sweeney
Swift
Swindall
Synar
Tallon
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

NAYS—5

Akaka
Brown (CO)
Hunter
Lukens, Donald
Saiki

NOT VOTING—12

Annunzio
Clay
Daniel
Hefner
Kolter
Owens (NY)
Price (IL)
Roemer
Rostenkowski
Stokes
Sundquist
Taylor

□ 1710

Mr. DONALD E. LUKENS changed his vote from "yea" to "nay."

Mr. LEHMAN of Florida changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. (Mr. VOLKMER). Is there objection to the request of the gentleman from Minnesota?

There was no objection.

GUIDELINES FOR CONSIDERATION OF THE BUDGET RESOLUTION IN THE RULES COMMITTEE

(Mr. PEPPER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEPPER. Mr. Speaker, I rise to explain the Rules Committee position on proposed amendments to the budget resolution.

It is my understanding that the Budget Committee has adopted a budget resolution today. The Committee on Rules expects to consider the budget resolution next Tuesday, April 7. I am informed that the Budget Committee may seek a restrictive rule.

With that possibility in mind, Mr. Speaker, I would like to remind my colleagues of the Rules Committee position on amendments to a budget resolution. In the last few years, the Rules Committee has requested that certain guidelines be followed in order to insure that all amendments receive fair and orderly consideration by the committee and on the floor.

Today, I ask Members wishing to offer amendments to adhere to the following guidelines.

First, the Rules Committee will make in order only broad substitutes, not simple cut-and-bite amendments making small changes in one or two functions. The Rules Committee has followed this practice in the past few years. And it is our intention once again to do so. The debate on a budget resolution should be focused on questions of national priorities and fiscal policy. Only major substitutes allow the House to debate those questions.

Second, submit 35 copies of each substitute to the Rules Committee before 5 p.m. Monday, April 6. I call your attention to the Monday deadline. It is the intention of the committee not to consider any amendment that has been submitted after the Monday deadline. With the press of time and the need to consider the budget resolution before the Easter recess, the committee must expedite consideration. Members may want to keep that deadline in mind when they make their weekend plans.

Finally, please attach an explanatory statement with each substitute. The statement should briefly state the purpose of the substitute and explain any provisions, including reconciliation instructions. Please indicate if any provisions would change House rules, procedures or enforcement of the Budget Act.

Mr. Speaker, I remind Members that the purpose of these guidelines is to provide fair and orderly consideration of the budget resolution in the Rules Committee and on the floor. I have sent out a "Dear Colleague" letter to all Members explaining these guidelines. I appreciate my colleagues' cooperation in this matter.

□ 1720

Mr. LOTT. Mr. Speaker, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from Mississippi.

Mr. LOTT. Mr. Speaker, the chairman of the Committee on Rules, as I understand it, is not asking for unanimous consent that any binding request or rule be made in order here; is that right?

Mr. PEPPER. The gentleman is correct; this is only advisory.

Mr. LOTT. Mr. Speaker, the gentleman indicated that he thought perhaps the budget resolution would be available tomorrow. Is that correct? Can we count on that?

Mr. PEPPER. My understanding is that it will be available by tomorrow afternoon from the Committee on the Budget.

Mr. LOTT. I think that the Members understand what the distinguished chairman is trying to do. The Committee on Rules likes to be able to see amendments before they make them in order. But I would like to remind the chairman that in order for the members to have amendments, they need to see what it is that they are trying to amend. So I would hope that the Committee on Rules would give us at least that much latitude. If the resolution is not ready until Friday afternoon, it is very hard for Members to have their amendments ready.

With that in mind, we certainly understand what the gentleman is trying to do, but I would like to urge the committee to give us a resolution, so we can properly prepare our amendments.

Mr. PEPPER. I thank my colleague for his additional explanation. We are not trying to foreclose anybody or be overly rigid. We are simply trying to be helpful to the Members in allowing them a fair opportunity to offer major amendments in the nature of substitutes.

Mr. WALKER. Mr. Speaker, will the distinguished chairman yield?

Mr. PEPPER. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Speaker, do I understand that essentially the Committee on Rules is announcing that we are going to have a closed rule on this bill and that Members will not be able to offer individualized amendments with regard to particular functions of the bill?

Mr. PEPPER. Well, I am not speaking for the Committee on Rules now, because we have not acted on the matter. I am simply giving advice as best I can in the light of our practices of the past for the guidance of the Members in helping us to give fair consideration to the budget resolution.

Mr. WALKER. If the gentleman would yield further, my understanding of the guidelines was that Members were not to bring to the Committee on Rules any individualized amendments. Is that true?

Mr. PEPPER. This budget resolution is probably the major matter that the Congress shall endorse during this session of the Congress, and we wanted to discourage if we could sort of picayunish amendments that did not really go to the policy involved and the essential questions related to this budget process. I do not say that any specific amendment might not be considered by the Committee on Rules, but I am trying to be helpful to the Members in offering general guidelines as to what in general has been our practice in the past in relation to this matter.

Mr. WALKER. If the gentleman will yield further, the particular issue that this gentleman is concerned about is the fact that in the budget that we have seen so far, we have the Space Program cut by $1.1 billion, which will literally wreck the Space Program. There are a number of us who believe that maybe we would like to reprioritize the moneys so that we can put the money back into the Space Program in order to assure that this Nation builds a space station and does some other things.

Are we now saying that if we want to delineate a particular item like that and try to find other ways of handling it, that that kind of amendment would not be considered?

Mr. PEPPER. The committee will of course try to be fair to all the Members in giving fair consideration for whatever is submitted to the committee.

Mr. WALKER. I thank the gentleman for yielding.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE JOINT RESOLUTION 42

Mrs. BENTLEY. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of House Joint Resolution 42.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

IT'S TIME TO SET OUR OWN HOUSE IN ORDER

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. Bentley] is recognized for 5 minutes.

Mrs. BENTLEY. Mr. Speaker, since World War II, our country has been telling the world how it should run. But we failed to tend to our own business at the same time. The result has been disastrous.

During that 40 years, we have gone from being the dominant industrial Nation in the world to the point where our manufacturing capacity has fallen into disrepair. From being an exporting machine without equal, we now have a net trade deficit which reads like the deficit.

On more than one occasion, I have spoken on the reasons for this sad state of affairs. Our trade and tax policies have robbed our people of jobs; our small stockholders of their investments; and our grandchildren of their future solvency.

It is time to begin to repair the damage that has been done to our Nation and to our future. Today, in behalf of the gentleman from Illinois [Mr. Lipinski], the gentleman from Pennsylvania [Mr. Schulze], the gentleman from Pennsylvania [Mr. Ritter], the gentleman from Pennsylvania [Mr. Gaydos], the gentleman from California [Mr. Hunter], the gentlewoman from Ohio [Ms. Oakar], the gentleman from New Jersey [Mr. Courter], the gentlewoman from Ohio [Ms. Kaptur], and myself, I introduced a House joint resolution calling for the convening of a commission to identify the major causes of the decline in what was once the arsenal of democracy and to recommend to the Congress and the Nation the steps to be taken to restore this country to its former preeminence.

This is an admittedly small first step in what should become a domestic resurgence not unlike the restoration this Nation and its citizens created in Western Europe and Asia after the Second World War. I anticipate that it will become our own domestic Marshall plan, and I urge my colleagues to join in the resolution and in the effort.

H.J. Res. 221

Joint resolution to establish a Commission to study the means to revivify and strengthen the National Industrial Base of the United States; and to recommend the proper means of achieving that goal

Whereas the strength of the nation has been created and maintained by a successful industrial and manufacturing base; and

Whereas many of our basic industries are in decline or are closing their operations; and

Whereas the survival and strength of our nation depends, at least in part, upon the vitality of our domestic industrial base; and

Whereas the root cause of the decline of our industrial base includes actions and policies of the government in the areas of trade and taxation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That a Commission be empaneled to study the causes of this decline in our industrial base; to examine and formulate remedies for the decline; and to propose to the President and to the Congress, prompt and effective programs to remedy the decline and to revivify the nation's industrial manufacturing base.

That such Commission shall consist of nine members, to be selected from the operational officers of the industrial community by the Chairman and Vice Chairman of the House Energy and Commerce Committee and the Senate Commerce, Science and Transportation Committee.

BROTHER, CAN YOU SPARE A DIME?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia [Mr. Boucher] is recognized for 5 minutes.

Mr. BOUCHER. Mr. Speaker, once spoken humbly by the men and women who during the Great Depression crisscrossed America in search of work hidden aboard railroad boxcars, the Interstate Commerce Commission has given new meaning to the refrain, "Brother, can you spare a dime?" Today, however, the role of America's unemployed is played by the railroads, their brothers are captive shippers, and the refrain more closely approximates, "Brother, you can spare a few hundred million."

Earlier this month the ICC issued its latest revenue adequacy findings on the Nation's railroads—a measure of economic health and an indicator of the Commission's sympathies. The Commission concludes that in 1985, as in every year since the Staggers Rail Act was passed in 1980, no major American railroad was revenue adequate. The ICC reaches this conclusion despite the fact that several railroads found the necessary capital to acquire trucking companies, oil and gas holding companies, extensive coal reserves, and, although the attempt failed, controlling interest in a major airline.

While this comes as no surprise to captive shippers who continue to press unsuccessfully for reasonable rail rates, it should lay to rest any argument that left to its own initiative the Interstate Commerce Commission will resolve the legitimate concerns of captive shippers.

Last year, as the Energy and Commerce Committee was preparing to act on Staggers Act amendments proposed by our colleagues BILLY TAUZIN and TOM TAUKE, the ICC asked Congress to give the agency time to show that it could respond to captive shippers' concerns. High on the list of those concerns was the ICC's revenue adequacy test which contradicted not just every other measure of financial health, but also common sense in showing every major railroad to be revenue inadequate.

The ICC proposed a set of changes in its revenue adequacy test which went a long way toward meeting the committee's concerns, including an evaluation of multiple financial indexes such as bond ratings and use of the embedded rather than the current cost of debt. Shortly after the Congress adjourned, however, the ICC decided to adopt just a few of the changes it had proposed to fix what it had admitted was a flawed revenue adequacy test.

That all too predictable results of the new test are in, and they are dishearteningly similar to the results of the old test. No class 1 railroad was revenue adequate in 1985.

Mr. Speaker, coal producers throughout the resource-rich Appalachian region know exactly who is revenue inadequate, and it is not the railroads whose excessive coal-hauling rates have frustrated our efforts to develop new markets for Appalachian coal.

The ICC was given an opportunity to adopt meaningful reforms to carry out the Staggers Act. But after 6½ years of endless delays, countless proceedings, false stops and starts, excuses, promises, and pleas for more time, the promise of reasoned reform remains unfulfilled.

The Commission doesn't need more time, it needs firm guidance from Congress. That's why 37 of our House colleagues are now supporting the Consumer Rail Equity Act.

The bill, H.R. 1393, neither expands the regulatory umbrella of the ICC nor undermines the basic foundation of deregulation laid by the Staggers Act. Fully 85 percent of rail traffic, traffic which enjoys the benefits of a deregulated, competitive rail marketplace, is not affected by the Consumer Rail Equity Act. It does, however, hold the promise of effective rate oversight by the ICC for that small number of shippers and consumers who are captive to one railroad.

The Consumer Rail Equity Act restores a sense of balance to the Staggers Act, a balance which defers to marketplace competition to set rail rates where competition exists but insists on reasoned regulation to protect the interests of both carriers and shippers where one railroad controls the shipping lines.

Mr. Speaker, the following Members are cosponsors of the Consumer Rail Equity Act: Mr. TAUZIN, Mr. TAUKE, Mr. RAHALL, Mr. ROGERS, Mr. BILIRAKIS, Mr. SYNAR, Mr. PEPPER, Mr. BEVILL, Mrs. VUCANOVICH, Mr. MARLENEE, Mr. FASCELL, Mr. GUNDERSON, Mr. WISE, Mr. HUBBARD, Mr. PERKINS, Mr. GAYDOS, Mr. HUCKABY, Mr. MARTINEZ, Mr. BOSCO, Mr. WILSON, Mr. MOLLOHAN, Mr. FAUNTROY, Mr. TRAFICANT, Mrs. BENTLEY, Mr. LANCASTER, Mr. WALTER JONES, Mr. OWENS, Mr. MCMILLAN, Mr. HAROLD FORD, Mr. WEBER, Mr. SENSENBRENNER, Mr. CHAPPELL, Mr. PICKLE, Mr. CLARKE, Mr. BENNETT, Mr. CHARLES HAYES, and Mr. VALENTINE. They join with me in urging the adoption of this legislation.

INTRODUCING THE EQUITY IN INTERSTATE COMPETITION ACT OF 1987

The Speaker pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. BROOKS] is recognized for 5 minutes.

Mr. BROOKS. Mr. Speaker, today I am introducing legislation—the Equity in Interstate Competition Act of 1987—which would close a major loophole which allows millions of dollars legally owed the States under their current tax laws to go uncollected. This bill is identical, except for general technical changes, to H.R. 5021 which I introduced in the last Congress.

Presently, under most State laws, a tax is imposed and collected on the sale of tangible personal property. The seller incorporates the tax in the purchase price of the item being sold and sends the tax to the State. When, however, the sale is made through the mail with a company without an actual physical presence in that State, the tax, while legally owed, often cannot be effectively collected by the State. This puts the retailers operating in the State at an unfair disadvantage vis-a-vis the out-of-State mail order sales firm. Local sellers must tack on the State sales tax to the price of their goods; mail order sales firms can sell their goods at lower prices because the sales tax is not included. This anomaly, therefore, creates a double burden—local sellers and retailers are placed at a competitive disadvantage and the States are denied needed revenues. For example, in my home State, Texas, it has been estimated that up to $104 million a year escapes collection.

The bill I am introducing today would close the loophole by allowing the States to require the mail order firms to collect the tax at the time of the sale. The Federal Government's ability to grant such authority to the States is provided through the commerce clause of the Constitution.

Further, the bill is created to ensure that this power does not violate due process requirements. The sales tax may only be required to be collected if the sale destination is in the State imposing the tax and the seller engages in regular or systematic soliciting of sales in that State. In addition, collection may be imposed on the seller only if he has gross sales of $12.5 million nationwide or over hal a million in that State. Accounting for collection purposes is limited to quarterly reporting and the bill specifies that the seller will no have to account, in any manner, for receipts on the basis of geographic location within the State.

I urge my colleagues to support this important measure. It is incumbent upon the Congress, under its power to regulate interstate commerce, to grant the authority to the States to collect their own tax owed on these interstate mail transactions.

□ 1730

THE DEATH OF S. SGT. GREGORY FRONIUS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. BURTON] is recognized for 5 minutes.

Mr. BURTON of Indiana. Mr. Speaker, all life is precious, and to me the life of an American serviceman is even more so. The death of S. Sgt. Gregory Fronius, which resulted from the attack on the Salvadoran 4th Infantry Brigade, should stand as more proof that Communist guerrillas are attempting to take over in the country of El Salvador. Fronius, a husband and father of one, was killed by small arms and mortar fire. What proof is needed to convince this body that Communists are trying to overthrow the Government of El Salvador? His death should unite our resolve to halt the spread of communism in Central America. Our underestimation of the Communist insurgents in El Salvador can only lead to more instability in that country. It is not a good sign when hundreds of rebels have the ability to assemble and assault a Salvadoran military camp. We cannot allow this Communist growth in the region to go unchecked. In Managua, Nicaragua, Communist guerrilla leader Ruben Zamora said that this attack was part of a nationwide military operation in El Salvador. So I ask, if we turn our backs now in Central America where will we have to fight tomorrow?

Mr. DORNAN of California. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from California.

Mr. DORNAN of California. Mr. Speaker, I can vividly remember when the first American adviser was killed in combat in Vietnam. It is the date that the Veterans' Affairs uses to establish the beginning of the Vietnam conflict or war, December 22, 1961, Sgt. Jim Davis.

Now if you go down to the Vietnam Memorial to look at his name, I will tell my colleague from Indiana, there will be about 13 or 14 names ahead of him because when they put up the memorial they went back into the period in 1959 and picked up 7 or 8 men that were killed watching a movie in the central highlands, and there was another year before another American lost his life. But they still use Jim Davis as the benchmark for the first American killed in Vietnam.

Now he was an adviser, and God forbid we should ever have a black wall put into a depression in the ground somewhere on The Mall for the fight for freedom in Central America with American troops involved. But if it should come to pass, to that horror in some future administration, probably this young sergeant's name would be the first one on the wall, and then they would probably go back and pick up those four young Embassy guard marines, Tim Weber and the rest who were brutally murdered in a cafe in San Salvador, and pick Comdr. Al Schaffleburger, who was a part of the Navy military, part of the group there in San Salvador. And the one thing you and I and some of us on both sides of the aisle have tried to get across to our colleagues here is that we do not want Americans dying for freedom in North America, at the southern part of North America that we call Central America; that there are young boys and girls, some in their mid to late teens called Contras, we call them freedom fighters, who are trying to fight for our freedom in our place. All they want is the wherewithal to do it.

The gentleman asked the question rhetorically how we could debate on that kind of aid and not get a response from our colleagues, but this is the first and hopefully the only American who dies in conflict down there.

If we take the advice of the author, director of the film "Platoon," and I call it spittoon because I think it spits on my father's branch of the service, then where will some future Republican or Democratic President make a stand? You ask Mexico and they laugh in your face. Then they bring up President Reagan's line about Brownsville, TX. So if it is not El Salvador, when those young men are willing to die there, and in the hills of Nicaragua, where is it?

What State was Sergeant Fronius from; have they told you?

Mr. BURTON of Indiana. Ohio.

Mr. DORNAN of California. So he is from your neck of the woods, next door to Indiana?

Mr. BURTON of Indiana. Right.

Mr. DORNAN of California. Was he married?

Mr. BURTON of Indiana. Yes, he was married and had one child.

Mr. DORNAN of California. One child. Was he part of our 55 adviser force that President Carter put into El Salvador and Central America under Robert White, our Ambassador?

Mr. BURTON of Indiana. Yes, I understand he was counted as one of those. He was TDY out of Panama, I understand.

Mr. DORNAN of California. Has the Defense Department told us that there are going to be funeral arrangements in Arlington, or will he be buried in Ohio?

Mr. BURTON of Indiana. My office is checking on that right now. We do not know, but I think the point the gentleman makes about where do we draw the line is very important.

I was just down in the Contra camp on the Honduran-Nicaraguan border not long ago, and I have been to this camp here. I was at this camp where this man was killed about a year and a half ago.

Mr. DORNAN of California. The second largest in the country.

Mr. BURTON of Indiana. The gentleman is correct. And if we do not help these people fighting valiantly for their freedom down there, I think our boys will be fighting in the future, and it is not necessary.

Mr. DORNAN of California. I do not know how much time the gentleman has left, but if the gentleman would let me I would just like to underscore what makes Sergeant Fronius' death different from the others. We have had just last year 25-some Americans killed around the world, and you can count the four marines as urban guerrilla terror, and you can count Commander Schaffleburger as terror, but this is an American adviser killed in combat, in the field, for an allied nation that has not been in the headlines because young men and women are dying in the hills of Nicaragua. El Salvador is back in the headlines and we had better pay attention.

THE BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. GRAY] is recognized for 5 minutes.

Mr. GRAY of Pennsylvania. Mr. Speaker, I rise as chairman of the House Budget Committee to respond to some of the questions that have been raised. I would like to just briefly make eight points.

First of all, the budget resolution that was brought forth in the committee and voted out cuts the deficit by $38.2 billion in 1988, achieving more deficit reduction than the President's budget. It achieves $38.2 billion in real, permanent deficit reduction. It does not depend on illusory 1-year savings such as asset sales or accounting gimmickry as does the President's budget. The $38.2 billion in permanent deficit reduction in the committee plan is nearly twice as large as the permanent reduction of $19.8 billion in the President's budget, so when someone said today from the minority side there is going to be some massive cuts here, they were right. We Democrats are committed to controlling spending and bringing the deficit under control that were created by the Reagan fiscal and revenue policies.

I would also point out it produces real and permanent spending levels $4.3 billion lower than the President's budget. In other words, once you take out the asset sales that are 1 year, and then compare the Democratic budget to the Republican Presidential budget, we actually reduce spending by a total of $4.3 billion in the aggregate.

Finally, I should add it also calls for a balanced deficit reduction, consistent with the Gramm-Rudman-Hollings-Mack approach of cutting both defense and nondefense programs equally by $8.75 billion. Unlike the President, we do not apply the budgetary scalpel of austerity only to the domestic side, cutting education by 28 percent, cutting health care for the elderly and the poor by nearly $8 billion, but we apply it to both sides of the ledger equitably.

It also requires reductions totaling $76 billion over 3 years, almost half of the nondefense cuts over 3 years. More than $16 billion are through reconciliation directives which cut entitlements and other mandatory programs. The remaining spending cuts, both defense and nondefense, are enforced through a ceiling on total discretionary appropriations. So thus in total reductions in spending it is greater than the President or any other budget proposal laid before the Nation.

□ 1740

It also, while at the same time reducing the deficits to the greatest amount, it protects high-priority programs serving children, senior citizens and their social security, the homeless, the ill, the needy, and others of our citizenry that are most vulnerable; and it also makes for adjustment of priorities to enhance trade, promote education and meet emergency health and other needs such as AIDS.

It would also add, Mr. Speaker, that it meets the Gramm-Rudman-Hollings-Mack deficit target for fiscal year 1988 by producing a deficit of $107.6 billion, $400 million under the target, $200 million under the President, and thus on the President's assumptions, it hits the Gramm-Mack target of 108 even stronger than the President.

It is our belief that when CBO reestimates it, that it will also be stronger in deficit reduction than in any other budget before the Nation.

Then finally, let me respond to the charge that has been laid before the Nation that somehow the tyranny of the majority has overrun the rights of the minority. Not so, Mr. Speaker.

On two occasions, as chairman of the Budget Committee, I opened up the process and asked for an open markup, starting with the current level of spending, where we are today, which Democrats and Republicans voted for, and the Republican President signed into law, by signing the appropriation bills.

On both of those occasions, the minority side refused to participate, voted present, and when asked if they were going to participate, they said no. When given another opportunity, they refused to show up; canceled, and said "Democrats, go write a budget and pass the budget." We are now doing that, and now the complaint is, Mr. Speaker and colleagues, "we want to have an open process."

Well, you cannot have it both ways. Today we met and they had opportunities to amend or provide substitution. For 1 hour this chair asked for amendments. Not one amendment was offered by the minority side. Not one substitute was offered.

If we want to argue about the size of the table, then let them do it, but we are going to move ahead and reduce these deficits. If they have a budget they would like to offer, they can do it on the floor. I will support their right to do it on the floor. If they have an amendment they would like to offer, to adjust the mark passed by the Budget Committee today, I will support their right in the Rules Committee; but let us not argue about paper; let us make proposals.

I ask the Republicans to offer their own budget or an amendment and not argue about parliamentary process.

FAIRNESS IN THE U.S. TAX COURT FOR THE AVERAGE TAXPAYER

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from California [Mr. PANETTA] is recognized for 5 minutes.

Mr. PANETTA. Mr. Speaker, I am today reintroducing legislation to permit certified public accountants and enrolled agents to practice before the U.S. Tax Court in small tax cases without taking the stringent examination now required of them. This measure was adopted by the House as part of H.R. 3838, the Tax Reform Act of 1986, and H.R. 4170, the Tax Reform Act of 1984. In both instances, however, it was removed from the final bill by the House-Senate conference committee.

This legislation is needed to provide fairness to taxpayers who have disputes with the Internal Revenue Service in cases involving $10,000 or less. Current law denies them an opportunity for the least expensive, most effective possible representation before the Tax Court in these cases.

In determining who may practice before the Tax Court, the court is prevented by current law from denying admission to any individual on account of his "failure to be a member of any profession or calling." However, the law does not prevent the court from establishing rules making it more difficult for members of a particular profession to qualify.

The Tax Court has established separate qualifying rules for attorneys and nonattorneys. Attorneys qualify for practice through a relatively simple procedure which does not require that they show any particular knowledge of tax law and procedures. But nonattorneys, including certified public accountants and enrolled agents authorized to practice before the IRS, must take a difficult written examination which emphasizes court procedures as well as tax law. How difficult is this test? Generally, fewer than ten percent of those who take the test are able to pass it.

For large tax cases, it makes sense to require a knowledge of both tax law and courtroom procedures for practice before the Tax Court. While CPA's and enrolled agents have proven their knowledge of tax law in order to qualify for their particular licenses, they have not had to display any knowledge of courtroom procedures, and such knowledge could be crucial to their ability to represent clients.

But small tax cases, those involving amounts of under $10,000, are different. Section 7563 of the Internal Revenue Code establishes a less formal procedure for the handling of these cases. Normal court procedures are discarded, and an effort is made to air the facts of the case in a direct, informal manner. The court tries cases under section 7563 only at the request of the taxpayer.

In cases tried under this informal process, there is no need for knowledge of courtroom procedures. Yet CPA's and enrolled agents, who have a demonstrated knowledge of tax law, still may not represent clients in these cases unless they have demonstrated, through the written examination, extensive knowledge of those procedures.

It is the taxpayer who is hurt most by this restriction. Most taxpayers who obtain outside assistance for preparation of income tax returns employ CPA's or enrolled agents. But if they become involved in a dispute with the IRS, they must hire an attorney to take their case before the Tax Court or find one of the few nonattorneys who have qualified to practice.

In small cases, it is very costly for the taxpayer to hire an attorney who is unfamiliar with the case and must be paid to catch up on the details. But the fact is that most attorneys are not even interested in representing taxpayers in small tax cases. The result is that many smaller taxpayers are unable to gain representation. And many who do obtain representation hold up the work of the Tax Court because their attorney or other representative is not familiar with their case. Neither of these results is acceptable.

Enabling the taxpayer to employ the individual who helped prepare his return would not only make it easier for taxpayers to exercise their rights but also greatly expedite many small cases before the Tax Court. And this is increasingly important as the backup of cases before the court remains severe.

This legislation would promote both fairness and efficiency in small cases before the Tax Court. I hope my colleagues will join me in supporting it.

Following is the text of this legislation:

H.R. 1901

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a section 7463 of the Internal Revenue Cod of 1986 (relating to disputes involvin $10,000 or less) is amended by adding at th end thereof the following new subsection:

"(g) REPRESENTATION OF TAXPAYER.—I any case in which the proceedings are co ducted under this section, any person wh is—

"(1) a certified public accountant, or

"(2) an enrolled agent authorized to practice before the Internal Revenue Service,

shall be allowed to represent the taxpayer.

(b) The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

TRIBUTE TO JUDGE JAMES E. DOYLE

The **SPEAKER** pro tempore. Unde a previous order of the House, the gentleman from Wisconsin [Mr. KASTENMEIER] is recognized for 5 minutes.

Mr. KASTENMEIER. Mr. Speaker, it is wit a heavy heart that I rise this afternoon to recognize the passing of a dear friend and trusted public servant, Judge James E. Doyle o Madison, WI.

Judge Doyle—Jim, to me—died last nigh after struggling with a long illness. Although was prepared for Jim's passing, I nonetheles feel as though hit by a sudden and unexpected blow.

From a personal perspective, I would lik my colleagues to know—and also all of Jim' family and friends—that he was singularly responsible for my entering political life in th early 1950's. As a relatively young man, Ji decided to devote himself to governmen service. He preceded me to Washington, DC in the 1940's, first as a law clerk to Supreme Court Associate Justice James F. Byrnes later as an attorney for the Office of War Mobilization and Reconversion and as a consultant to the U.S. Department of State.

Jim ultimately returned to Wisconsin an ran for the governorship of the State of Wisconsin. He did not win that election, but this does not mean that his views were wrong. Although unsuccessful at politics, he has been a success at everything else he tried. Most notably, he was a early founder of the moder State Democratic Party in Wisconsin. He was also a founder and early chairman of Americans for Democratic Action. Last, he was one of the top advisers to Adlai Stevenson in his Presidential campaigns.

Having been appointed a Federal judge i 1965 by President Lyndon Johnson, Jim distinguished himself during his more than three decades of judicial service as one of this country's most intelligent, compassionate, diligent, and ethical Federal judges.

Alexander Hamilton observed in the Federalist Papers that "The judiciary * * * has no influence over either the sword or the purse; nor direction either of the strength or of the wealth of the society, and can take no active resolution whatever." Whatever strength the judiciary has today—and it is great indeed—comes from the type of good judgment and ethical standards so exemplified by the Jim Doyles in the Federal judiciary.

I am sure that Jim Doyle would be embarrassed by some of these comments, as modesty was also one of his strongest traits. Yet, I cannot let this day pass without recognizing him for what he was; a devoted husband to his wife, Ruth; an excellent parent to his children, Mary, Jim, Katie, and Ann; a warm and accessible grandfather; a good and trusted friend to me; a highly respected Federal judge; and a public servant with a record that we can all strive to attain, but may not be able to equal.

Jim, thank you. I will miss you.

RESPONSE TO THE U.S. TRADE REPRESENTATIVE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. GAYDOS] is recognized for 60 minutes.

Mr. GAYDOS. Mr. Speaker, I am getting tired of hearing administration officials boast about the President's steel program, when I know beyond any doubt that the American steel market continues to be flooded with unfairly priced foreign steel.

On March 3, Ambassador Alan Woods, the Deputy U.S. Trade Representative [USTR], came before the congressional steel caucus. He stated his testimony by discussing the successful implementation and enforcement of the President's Voluntary Restraint Agreement [VRA] Program for curbing foreign steel imports.

He also mentioned the newest VRA treaty, with the People's Republic of China. This treaty is only the latest example of the administration's unstated policy of improving the world's economy by buying foreign steel.

For years, the People's Republic of China has been steadily increasing its steel exports to the United States, especially nail and wire products. In 1985, a number of American nail manufacturing companies filed a suit with the International Trade Commission [ITC], charging that the Chinese were unfairly dumping nails into our market. Last year, the ITC and the Department of Commerce determined that the Chinese were indeed flooding America with unfairly low-priced nails.

This decade has shown a marked increase in the amount of steel imported from China, starting from 26,800 tons in 1981. The total Chinese steel import level agreed upon by the new VRA would allow them to almost triple their imports in the short period between 1981 and 1989.

TABLE 1.—UNITED STATES STEEL IMPORTS FROM THE PEOPLE'S REPUBLIC OF CHINA

[In tons]

Year	Nails	Bar products	All other products	Total
1981	26,677	1	110	26,788
1982	27,762	528	236	28,526
1983	46,268	1,978	680	48,926
1984	41,165	1,479	3,411	46,055
1985	54,497	400	3,926	58,823
1986	20,975	13,844	6,912	41,731

Note.—Congressional Research Service, using as sources: American Iron & Steel Institute. "Annual Statistical Reports." Washington, various years; and, American Steel & Iron Institute. "Imports of Steel Mill Products by Country of Origin. December, 1986." Washington, 1987.

The new VRA with the People's Republic of China imposes import restraints and I will include these figures in my written remarks. These figures show that the new Chinese VRA gives them a 10-percent increase in the total amount of steel that they are allowed to ship to the United States during the next 3 years. This seems like a modest sum, it was my understanding that the VRA program was designed to decrease the volume of imported steel. After all, it is called a voluntary restraint agreement. What is the purpose of the VRA treaties if not to reduce the level of imports?

TABLE 2.—IMPORT LIMITS ON STEEL PRODUCTS FROM THE PEOPLE'S REPUBLIC OF CHINA

[In tons]

Year	Nails	All other products	Total
1987	35,000	33,000	68,000
1988	37,000	35,000	72,000
1989: 1st 3 quarters	29,500	27,500	47,000
Annualized	39,333	36,667	75,000

Source: CRS, David J. Cantor. "U.S. Steel Imports from the People's Republic of China." Mar. 13, 1987.

Mr. Speaker, I wonder why China is receiving an increase in total steel export volume when we are asking other nations to cut back. The President seems to be sending a very mixed message because only months after the ITC declared that the Chinese were unfairly exporting nails to the United States, the USTR signed a VRA with them which allows them to increase their nail exports. This is unfair to the companies involved in the ITC lawsuit and to the American workers who produce nails.

The day after his agency addressed the steel caucus, I received a letter from USTR Ambassador Clayton Yeutter, which I will include in my written remarks. His letter brings up some interesting points I would like to address.

First, Ambassador Yeutter extolls the fact that total imports have decreased since the VRA program began in 1984. He and the administration concentrate on the fact that the current level of market penetration is lower than it was in when the President's steel program started. They neglect the fact that the 1984 level was unacceptably high—26.4 percent of the U.S. domestic market!

TABLE 3.—U.S. STEEL IMPORTS

Year	Total steel imports (millions of tons)	Imports as a percentage of total steel used in the United States
1979	17.5	15.2
1980	15.5	16.3
1981	19.9	18.9
1982	16.7	21.8
1983	17.1	20.5
1984	26.2	26.4
1985	24.3	24.3
1986	20.7	23.1

Source: American Iron & Steel Institute. "Statistical Highlights: U.S. Iron and Steel Industry." Washington, various years.

In a recent research paper, Mr. David J. Cantor, Congressional Research Service's specialist in industry economics stated:

> While the VRA countries may have exported less steel to the United States in 1986 than permitted by their agreements, their market share could increase in 1987 and the remaining term of the steel program . . . If the VRA countries export all the steel they are permitted by their agreements, and if the non-VRA countries do not reduce their market share in 1987, it is conceivable that the progress in reducing the steel import share of the U.S. market might not continue in 1987.

TABLE 4.—ESTIMATED FUTURE U.S. STEEL IMPORTS

Year	Total steel imports (millions of tons)	Imports as a percentage of total steel used in the United States
1987	19.9	23.1
1988	20.6	23.7
1989	20.9	24.2

Source: CRS. From estimates (at control levels) by Data Resources, Inc. February, 1987.

Mr. Speaker, there is every reason to believe that the non-VRA countries will increase their exports to the United States next year. Last year, 6 VRA countries and 26 non-VRA countries increased their steel exports to America. Canada increased its shipments by about 11 percent, from 2.87 million tons in 1985 to 3.2 million tons in 1986. Taiwan more than doubled their exports, from 218,000 tons in 1985 to an unbelievable 476,000 tons in 1986! These are only 2 brief examples of the 32 countries which increased their steel exports last year, but I will include others in my written remarks.

TABLE 5.—EXPORTS OF STEEL MILL PRODUCTS TO THE U.S. BY SELECT NON-VRA COUNTRIES

[In thousands of tons]

Country	Exports		Increase	Percent increase
	1985	1986		
Dominican Republic	9	30	21	233
Indonesia	10	38	28	280
Malaysia	3	22	19	633
Singapore	47	103	56	119
Taiwan	218	476	258	118
Thailand	35	67	32	91
Turkey	68	152	84	124

Source: American Iron & Steel Institute. Compiled from reports by the U.S. Department of Commerce's Census Bureau.

I think that all of the figures I have mentioned and those which will appear with my remarks in the RECORD belie the Ambassador Yeutter's rosy view of the President's Steel Program. The administration can draw any number of exotic charts and graphs showing a reduction in the level of imports since 1984 when their program began, but it is all relative.

The charts which Mr. Yeutter included in his report can be very confusing. They seem to show a dramatic reduction in the level of foreign steel coming into the U.S. market. The problem with this data is that the charts are based on export licenses from foreign countries, when almost all trade data is based on import documents. Export licenses are neither independently verifiable nor available to the general public, and it is thus a misleading reporting technique.

Furthermore, export data is compiled only for countries under the VRA Program, and so it is impossible to directly compare the USTR's VRA data with conventional data on import levels. It is therefore very difficult to understand the total steel import situation using the USTR's information. In spite of their obscure graphs, the real picture is that steel imports are increasing and these imports are costing American jobs.

Our loss of 23.1 percent of our domestic market to foreign steelmakers last year is a clear sign to me that something must be done to improve our posture in the world steelmaking community. We need to strengthen our steel industry here and reexamine our economic policies with countries which engage in unfair trading practices. If we supply another nation with some important commodity and they ship us steel that is unfairly priced, then we should somehow penalize them for their actions.

The 1986 American trade deficit of $170 billion is absolutely outrageous and it has had disastrous consequences for American firms and workers. The current administration has done very little to defend U.S. businesses who are victims of unfair trading and they also continue to deny assistance to firms who are legally entitled to it. It is time to take positive steps to strengthen our international trading posture.

To achieve this goal, I have cosponsored H.R. 3, the Trade and International Policy Reform Act of 1987. The first title of the bill amends the Trade Act of 1974 to request that the President encourage foreign countries to improve their trading practices if they are either not providing competitive opportunities to the United States or if they have consistently violated American trade laws. When this determination has been made, he can recommend changes in U.S. trade laws, increase duties, or impose import restrictions.

As the chairman of the Congressional Steel Caucus, I am very aware that the American steel industry is suffering at the hands of unscrupulous foreign exporters. Numerous cases have been filed with the International Trade Commission and in most cases foreign steel producers have been found guilty of unfair trade practices. Unfortunately, almost none of these cases have resulted in punitive measures against foreign steel exporters.

The President and the USTR are not doing enough to preserve and build America's manufacturing and industrial base. We need to adopt vigorous measures to revitalize our Nation's producing capability. I believe that H.R. 3 will improve our ability to trade competitively in the international marketplace and I urge all of my colleagues to vigorously support this important bill.

U.S. TRADE REPRESENTATIVE,
Washington, March 4, 1987.

Hon. JOSEPH M. GAYDOS,
Chairman, House Steel Caucus, U.S. House of Representatives, Washington, DC.

DEAR JOE: Given the strong interest of the Steel Caucus, I thought it might be appropriate to share with you the results achieved by the President's steel program through 1986. (See attached graphs)

Steel arrangements have now been concluded with 18 countries and the European Community, bringing under restraint steel imports from a total of 28 countries. The most recent arrangement was concluded with the People's Republic of China on February 25. Furthermore, imports from countries such as Sweden and Argentina have been reduced markedly since this program began. A unilateral program announced by Taiwan should result in a substantial import reduction from this country during 1987.

In 1984, the first year of the President's steel program, over 26 million tons of steel were imported into the United States. Data for 1986 demonstrates that steel imports have been reduced to just 20.7 million tons, a twenty-one percent decline since 1984. Furthermore, imports of finished steel totalled 18.6 million tons last year, just five percent over the level prevailing during 1977-1983.

The attached graphs demonstrate the steel import decline that has been occurring since the initiation of the program. The graphs use a three-month moving average to remove the fluctuations that occur from month to month. Graph 1 tracks imports since October, 1984, the month in which the program was initiated. Steel imports then averaged over 2.2 millions tons per month. Some countries increased their steel exports in the months immediately following the initiation of the program, while negotiations were underway, pushing total imports above 2.3 million tons per month in early 1985. Since that time, as the graph demonstrates, the reduction has been dramatic.

Graph 2 shows demand for steel in the United States over the same period. Steel consumption, which in 1984 was nearly 100 million tons, declined to just 89 million tons in 1986 and is expected to decline further to 85 million tons in 1987.

Declining demand has played havoc with our efforts to hold imports to the hoped for import penetration target established by the President in 1984. If consumption had not declined over the past three years, 1986 import penetration would have been 20.9 percent, only slightly above the combined targets for finished and semi-finished steel.

We anticipated, when we designed this program, that demand might drop over time, following the declining trend that has been occurring since the mid 1970's, although we never imagined that the decline would be so precipitous. We insisted that the majority of our steel arrangements, and all arrangements with larger suppliers, be based on market shares, rather than absolute tonnage quotas. As demand has fallen, quota levels have been reduced accordingly. During 1986, we regularly revised downward these quota levels. Nevertheless, shifts in demand have occurred more rapidly than quota adjustments can be accomplished. There are inevitable time lags in the quot adjustment process from the time tha demand declines, program revisions ar made, and foreign export orders and shipments are curtailed, until the U.S. Census f nally reports reduced imports in our monthly trade statistics. This phenomenon is demonstrated in graph 3.

Much has been said about imports from "uncovered" countries as a factor preventing us from achieving the import penetration targets. Legislation has been drafted specifically to address this perceived problem. Steel imports from "arrangement countries have fallen 6.1 million tons since 1984. Steel imports from "uncovered" countries have indeed increased, but by jus 575,000 tons. In my view, this problem ha been exaggerated and is of nominal importance when compared to declining demand

Is the President's steel program working This question was recently put to David Roderick, Chairman of USX, in a press conference. I would like to share with you his response.

"Do I think it's successful? Let me summarize it this way. In the quarter prior to the agreement (to establish the program), imports rose to 31 percent of the domestic market. In 1986, they were about 22, 23 percent. So yes, it's working. I think if you didn't have the voluntary agreement, I think imports would have probably risen to about 40 percent of the total market. So I think the agreement has been very, very successful."

"Now, it had a target of about, if you'd bring semifinished into it, it had a target of about 20 percent. Clearly last year we were at about 22, 23, so we're still above target, and we have to keep working to get it back to about that 20 percent. But we're only arguing about these two or three percent, and I'm saying if you didn't have that, I think the dumped and subsidized steel would probably have captured up to 40 percent of the market. So I give the President very high marks on that, and I think the steel industry and the union should admit that the program has been successful and congratulate the President for that intervention."

Notwithstanding those very generous accolades, we realize that the President's steel program has not yet fully achieved its goals. But we've come a long way, and we'll continue to hone the program's coverage and its implementation measures as we go.

Both the Steel Caucus and the steel industry have been tremendously cooperative and supportive during this entire exercise, and we are extremely grateful for that.

Sincerely,

CLAYTON YEUTTER.

THE CHIPS ARE DOWN IN THE U.S. SEMICONDUCTOR INDUSTRY

Mr. Speaker, I applaud the administration's decision to impose stiff penalties on Japanese companies for both dumping semiconducting computer chips at below-market prices and for closing their markets to United States-built supercomputers.

The administration's proposed reprisals echo the concerns of Congress expressed in resolutions passed only days ago and in both the House and the Senate. The resolutions urge the President to use all of his powers to end Japanese chip dumping and to prevent it from happening again. They also indicate the growing awareness of the questionable trading practices of Japanese businesses.

The Japanese attitude toward trade with us is unbelievable. The vice chief of Japan's Ministry of Trade and Industry [MITI] recently told a visiting American trade delegation that it is a waste of time for the United States to try to sell supercomputers to Japanese Government agencies or universities, no matter how superior they are in price or quality.

This kind of comment is an outrage, since the ink is barely dry on the bilateral Semiconductor Trade Agreement between the United States and Japan. The pact requires that their government stop predatory pricing, both in the United States and in third country markets. It also commits the Japanese to opening up their market to chips made in America. Neither of these two goals has been met.

A Commerce Department report recently confirmed charges by American semiconductor manufacturers that Japan is allowing its chip makers to sell semiconductors at levels below their production costs, both in the United States and in other nations. This action is a clear violation of the Semiconductor Agreement.

Threats of impending trade tariffs prompted the Japanese to announce last week that they were going to tell their chip manufacturers to immediately reduce chip production. They predict that cuts should eliminate the oversupply of chips that have led to sale of underpriced chips to third country markets. The Japanese have not given overall figures for these cuts, but they have said that the controversial sale of two types of chips, called D-RAM's and EPROM's, will be cut by 11 percent in the second quarter of this year. The D-RAM production cutbacks are a victory won by a little semiconductor manufacturer in Boise, ID.

That company filed an antidumping suit against the Japanese in June 1985. The next month, the Semiconductor Industry Association started a section 301 trade case against Japan to force them to open their semiconductor market to American producers.

After months of fighting, American chip producers eventually convinced the administration that the Japanese are trading unfairly and that our industry is being hurt. The company's vice president of sales and marketing, recently said that his company lost $11 million in its most recent quarter and $33 million in 1986. He claims that the losses are, "100 percent attributable to the Japanese."

The financial losses of this small company could spread like wildfire unless the administration takes decisive action. The semiconductor industry currently employs 188,000 American workers and last year it contributed $17 billion to our gross national product. This certainly sounds like a healthy industry, but the volume of foreign semiconductors sales in the United States has increased from 2.5 percent in 1976 to about 17 percent in 1986.

It is only a matter of time before imports flood 50 or 75 or even 100 percent of our U.S. semiconductor market and there is no indication that the increasing levels of imports will decline without Government action.

I have urged the Congress to take a more active role in our trade relations since I came to Washington almost 20 years ago. In fact, in 1976 I said:

> Foreign Governments and foreign manufacturers use direct or indirect subsidies, tax rebates, cartel agreements, etc. to enable their industries to undersell competitors, thereby capturing a greater share of international markets. At the same time, through an elaborate network of tariffs and excise taxes, they effectively bar competitive products from their home markets. These unfair trade practices have converted the United States from the greatest seller of goods to its greatest buyer—in less than a generation.

Mr. Speaker, things have not improved over the course of the last 10 years—they have gotten much worse.

In 1976 we had a trade deficit of $9.5 billion. Last year our trade deficit skyrocketed to a record $170 billion and $59 billion of it was with Japan. This means that one-third of last year's trade imbalance was due to our incredibly lopsided trade with Japan. The battle over semiconductors is just the latest struggle in our trade war with Japan.

Throughout this decade, the trade balance has been increasingly burdened by our trade deficit, yet nobody at the other end of Pennsylvania Avenue seems too concerned.

They maintain that we must improve our competitiveness, although I do not think that anyone has a clear idea of exactly what that means or how it can be achieved. What we need is a clear strategy, and I have a few suggestions:

Formulation of long-term and short-term national trade policies would allow both Congress and the administration to keep our trade decisions reasonable and consistent.

Establishment of a department of trade would provide a centralized Federal agency to negotiate and enforce trade agreements and it would help develop America's exporting capacity.

A major revision of our international trade regulations would streamline the resolution of trade cases. A number of companies who have been hurt by unfair foreign competition have gone out of business during the time that it takes years to settle their cases.

Getting American exporters more involved with formulation trade laws and policies would be beneficial for everyone involved, and it would generate very innovative trade strategies.

Mr. Speaker, we in Congress need to look toward these and other creative ways of dealing with our trade deficit. We cannot assume that the situation will get better without Government action. Congress needs to be more actively involved formulating our Nation's trade policy and addressing our trade problems.

Congress should not have to take the initiative in this matter. The administration should be responsible for enforcing its trade agreements and guarding American businesses from unfair foreign competition. Negotiating and enforcing trade agreements is the exclusive domain of the executive branch, and it is very unfortunate when we have to pass resolutions to get them to act. Unfortunate, but typical.

In the past 20 years, the executive branch has been very hesitant to take an active role in effectively monitoring and regulating trade. During the 1960's and early 1970's, the economy was doing well and they did not want to risk upsetting a trade balance that was weighted in our favor.

When inflation and unemployment struck in the second half of the 1970's and 1980's, the White House seemed to be afraid that our problems would get worse if we dared change our open market trading policy. As a result we lost our competitive edge in steel, footware, textiles, apparel, automobiles, electronics, and many other industries.

The rise in semiconductor imports is simply the latest sign of our increasing dependence upon foreign imports, and the latest example of the White House's reluctance to curb unfair foreign imports.

Mr. Speaker, if the President cannot or will not take the lead on drafting a comprehensive and workable trade strategy, the Congress must do so. Once we take this initiative, the administration will need to get involved.

Together, we can focus our combined abilities and energies on the important issue of increasing our exporting capacity and eliminating unfair trading by our trading partners. The combination of American business, the administration, and Congress would be unbeatable. Now is the time for us to work together to shrink our giant trade deficit and return our Nation to its former dominance in the international marketplace.

□ 1800

PROBLEMS IN THE THRIFT INDUSTRY

The SPEAKER pro tempore (Mr. Volkmer). Under a previous order of the House, the gentleman from Virginia [Mr. Parris] is recognized for 60 minutes.

Mr. PARRIS. Mr. Speaker, I take to the well of the House today to discuss what I consider to be a very significant and increasingly frightening prospect now facing this Congress and the U.S. financial services industry, including millions of depositors in our Nation's thrifts, who are looking to us to protect their hard-earned savings.

Let me initially, Mr. Speaker, express in advance of my further comments to two of my colleagues, the gentleman from Wisconsin [Mr. ROTH] and the gentleman from California [Mr. MCCANDLESS], my sincere appreciation for their joining with me in the discussion over the next minutes of this problem to which I have just referred.

I have reference, Mr. Speaker, to the problems of the thrift industry and the precarious financial state of the Federal Savings and Loan Insurance Corporation, better known as FSLIC.

The deteriorating state of a significant segment of the thrift industry and the FSLIC, the insurance plan, has increasingly been the subject of discussion in the business sections of our local papers and is from time to time making front page news. Its compounding problems are beginning to permeate the public conscience.

We in the Congress must take some responsible action to put the thrift industry and the FSLIC back on its feet at the earliest possible date. Not doing so will erode public confidence even further and, regretably, our citizens will one day begin to withdraw their deposits from savings institutions.

Hopefully, this would not manifest itself in the form of a depression-style banking crisis, but I believe, and I am not alone in that thought, that if something substantive is not done now, the depositors will soon begin to lose faith in the savings system at an ever increasing rate as they become increasingly aware of the situation which exists and which continues to deteriorate daily.

We simply cannot permit, nor afford, a crisis of confidence in our financial system.

Before we begin an indepth consideration of this matter, let me reiterate to depositors around the country that there is no justification or no requirement, no need for them to be concerned about the stability or access to their individual accounts in their local FSLIC-insured thrift institutions, at least up to the statutory limit of $100,000.

The full faith and credit of the United States guarantees those deposits and will be available to them in any circumstance. This is a problem affecting an industry, rather than one that jeopardizes the existence or the future of individual savings accounts.

For 2½ years, Mr. Speaker, I have been an outspoken advocate of addressing this situation, the situation that faces the thrift industry and at the Federal Home Loan Bank Board, and have addressed this problem on many occasions before today.

Mr. ROTH. Mr. Speaker, will the gentleman yield?

Mr. PARRIS. I yield to the gentleman from Wisconsin.

Mr. ROTH. Mr. Speaker, I want to congratulate the gentleman because, yes, he was one of the first, the first to come before Congress to tell us that we had a real problem in this area and that we must solve the problem to protect the people who were involved. People who had their savings and so on invested.

I remember the GAO study that the gentleman asked for and the fine service that he did, not only for the Congress, but for the entire country. I want to again reiterate and thank the gentleman for pointing out to the American people the reason that he is working on this is because we want to keep these institutions solvent, responsible. I know if we follow your lead, we are going to do that.

☐ 1810

I want to compliment the gentleman. It is not very often that we see one man stand up against the entire Congress, but the gentleman did that today in committee. We appreciate that kind of courage, so I say to the gentleman from Virginia, "My hat's off to you."

Mr. PARRIS. Mr. Speaker, I thank the gentleman very much. Those are extremely kind words, and he is very gracious.

Mr. ROTH. Mr. Speaker, will the gentleman yield for a couple more statements?

Mr. PARRIS. I yield to the gentleman from Wisconsin.

Mr. ROTH. I had a chance to talk to many of our savings and loan people around the country. In Wisconsin we have some 79 savings and loans, and all of them are strong. One of the reasons is, I think, that we have good management in our savings and loans, and we want to keep the trust and confidence of people in the savings and loans. The way to do that is to make sure that the people can always put their trust and confidence in them. If we follow the gentleman's lead and his guidelines, we are going to be able to do that. That is our purpose and our objective, and I think we are going to be able to do it.

This trust and confidence of the people is so important, because if that trust and confidence is ever lost, it is going to be impossible to ever regain it.

We do, however, have some problems in this area. For example, we have some 445 institutions that do face some problems. We have over a thousand in the country that have a net worth of from zero to 3 percent, but basically from 70 to 80 percent of these institutions are very strong and do an excellent job, and I think if they are managed well, as has usually been the case, we find that they do very well.

Mr. Speaker, the gentleman from Virginia has been a very strong member of our Banking Committee and has taken the lead in so many areas. The gentleman has been a strong proponent also of the GAP accounting system, and I was wondering if the gentleman could answer a question for me. Why is the gentleman putting so much emphasis on the GAP accounting system?

Mr. PARRIS. Mr. Speaker, I would say to the gentleman once again that certainly he is absolutely on point in his suggestion that the confidence in the financial system of this Nation and the individual institutions which make it up is obviously critical to the entire economy of the Nation. Can we imagine what would happen if our financial system were in some way to reach a crisis in confidence? So the gentleman is directly on point.

In answer to the gentleman's question, the so-called GAP accounting is the generally accepted accounting principles. This is the ground rules by which all of the accountants act and all of the bookkeeping is done essentially by financing and other corporations across the Nation.

RAP is called regulatory accounting practices. Under RAP, that is a system that was devised by the Federal Home Loan Bank Board in 1981, and we watched them escalate it into an art form in 1982. That is when you take extraordinary advances, which are called income certificates, for instance, which is an IOU from a defaulted insolvent government agency, and include them, if you are an individual financial institution, in your net worth, and you thereby meet the capital requirements established for continued operation in your community.

The problem with all of that is that it sounds very nice, except that we know that no moneys will ever be passed under those income certificates. The net worth certificates are exactly the same. We have generated a whole bunch of phony assets that are being called assets but which are in fact not and which would amount to value only in the event that the savings and loan insurance corporation, which is now bankrupt, would provide the moneys.

So here we come full circle again, so that the guarantees which have been issued are dependent upon the full faith and credit of the United States. And I would say to the gentleman that I must remind him again that this is not a minuscule problem. There is $800 billion of these guaranteed credits, and if that is not enough, 80 percent of the total Nation's annual budget is represented. If that is not a big enough number to scare you, I do not know what would be enough to get somebody's individual attention.

Mr. ROTH. Mr. Speaker, I would like to ask the gentleman if he would yield for one more question.

Mr. PARRIS. I am glad to yield to the gentleman from Wisconsin.

Mr. ROTH. I thank the gentleman for yielding.

Mr. Speaker, I have a few dollars in savings and loans. What is the gentleman's recommendation? Many people have asked me this.

Is it the wise course to put money in savings and loans? I have always said, "Yes, they are as safe as can be."

Does the gentleman think I am acting improperly in giving that type of advice? Does the gentleman think that is proper advice?

Mr. PARRIS. This is not "tune in on your dial and get free financial advice," but if the gentleman is asking me, would I invest in stock or securities of an individual institution in the thrift industry, I would say to the gentleman that he would have to look at each institution one at a time.

If the gentleman is referring to the ordinary savings and loan type deposit or thrift institution deposit, I would say, as I have indicated earlier in these remarks and on other occasions on this floor, that I would not be concerned so long as that account is insured by the Federal Savings and Loan Insurance Corporation up to the statutory limit, which is $100,000. There may be a little dislocation if an individual institution fails before the moneys are available. We saw some of that in Maryland and some in Ohio when we had failures. But that is not a serious problem, and the moneys will not be withheld for a great period of time. And I think, as has been evidenced and as the gentleman as a member of the Banking, Finance and Urban Affairs Committee voted today on what was referred to as a Parris amendment, that we have once again in the banking bill, the FSLIC bill, that will be coming to this floor, reiterated the sense of the Congress that the full faith and credit of the U.S. Government is insuring the individual accounts of individual Americans who have their moneys deposited in thrift institutions.

Mr. ROTH. Mr. Chairman, I would ask the gentleman from Virginia [Mr. PARRIS], if he would yield once more.

Mr. PARRIS. I yield to the gentleman from Wisconsin.

Mr. ROTH. Mr. Speaker, the question that I have is that of all the savings and loans, 80 percent of them are very strong and are excellent institutions and are very well managed and doing an excellent job. What can we do to make sure that their reputation remains strong and does not deteriorate because of a few that have not been doing as well as they should have been doing?

Mr. PARRIS. I have some very strong opinions about that, and I would say to the gentleman that my remarks in the balance of the special orders this evening will cover that. I would say to the gentleman in a one-sentence summary—and perhaps that is where I ought to stop with this, but I have considerably more detail I want to go into—that I have accomplished severability. We have to take that 70 or 80 percent of the industry which is well managed, well capitalized, and making record profits, and we have to sever it from the 30 or 25 percent, or whatever the number the gentleman would like to assign. We have to sever those categories within the thrift industry itself, and then we have to minimize the disposition of the assets, the below-market assets, the low-quality assets of the 30 percent so as to minimize the damage, if you will, the cost, the resolution cost, it is called in the business, to the taxpayers of this Nation.

And that is not a simple problem. It is an intricate, complex, bothersome issue that must be addressed. I have a rather detailed proposal included in my remarks which we will get to in just a moment here.

Mr. ROTH. Mr. Speaker, I thank the gentleman for yielding to me during his time. I know that he is very knowledgeable in this field, and I want to listen to some of his suggestions because I think he is doing a tremendous service not only to this Congress but to the country.

I again compliment the gentleman for taking the initiative and taking the lead in this area.

Mr. PARRIS. Mr. Speaker, the gentleman is most gracious, and again I thank him for his kind remarks. For those comments that he continues to make, I am delighted to yield to him for that purpose and for any other purpose.

Let me indicate, Mr. Speaker, that yesterday and then again today, in the Banking, Finance and Urban Affairs Committee, as my friend, the gentleman from Wisconsin, has just indicated, I cast the lone dissenting vote in the subcommittee against the FSLIC recapitalization plan. That is not easy to do. I did not like to do it, but I did it, and I think it was the right vote. I think some of the points that we will discuss here in the next few moments will justify the wisdom of that position. My reasons for casting that protest vote are many. I would like to just explain my position to the approach that is represented in that plan.

In my judgment, Mr. Speaker, all of the proposals that were on the table before the subcommittee and the full committee to solve the FSLIC crisis will ultimately prove to be inadequate in solving the problem. Under anybody's scenario, it is simply an inadequate approach to the problem. Whether we give FSLIC bonding authority for $2.5 billion a year or $7.5 billion over 2 years, as the Senate bill would, I believe that any combination of those figures will not provide the dollars needed by FSLIC to resolve the troubled cases that need action and that need it now.

On the other hand, I have very serious reservations about the whole design of the Treasury plan. With growing skepticism, I question how marketable these bonds will be, to begin with, I do not know what the risk plan assessed by the marketplace is going to amount to, and moreover, my major concern, Mr. Speaker, is that we will bleed the healthy portion of the thrift industry by special assessments that are enormous—and we will get to those in a minute—so that the healthy portion through these assessments will continue over the next 5 years to support the portion of the industry which we discussed with my friend, the gentleman from Wisconsin, just a moment ago, that represents almost one-third of the entire industry.

Mr. McCANDLESS. Mr. Speaker, will the gentleman yield?

Mr. PARRIS. I am glad to yield to the gentleman from California.

Mr. McCANDLESS. Mr. Speaker, I would also like to compliment the gentleman for taking out this special order and presenting this timely information and reassuring those who may be listening to us that we are not talking about the average thrift institution on the average corner of an average street in any town.

□ 1820

We are talking about 20 percent of those who, anyhow, irrespective of how poorly they are managed, the savings of those people are safe as long as that institution is insured by the Federal Savings & Loan Insurance Corporation which we call "FSLIC," and that is important to those who have savings in their areas.

I, too, voted against this bill today very reluctantly, but you have brought up the financing procedure and what you consider to be some of the shortcomings of what I understand your presentation to be relative to the bonds and the selling of those bonds for the purpose of the reinvestment necessary in the FSLIC Reserve Fund to protect the savings which amount to somewhere around $900 billion on a nationwide basis.

Where are your concerns relative to those bonds and the type of program that came out of the full committee? I wonder if you would share some of those thoughts. We did not get a chance to talk at all during the committee hearing; we were busy with amendments and those kinds of things.

Where are your concerns?

Mr. PARRIS. Once again, I would say to the gentleman that I appreciate very much his question. I will be glad to answer that in brief and then I will later, in my statement, cover it in greater detail.

I would say to the gentleman that what the Treasury plan essentially does is recognizes the situation in which a portion, the gentleman is absolutely correct, of the thrift industry finds itself in being mismanaged, undercapitalized; those kinds of problems, and therefore have enjoyed a tremendous loss of capital.

As a result of those losses, they have been motivated to take even further risks. The so-called high fliers that make direct investments in business ventures using money obtained from the Federal credit window, and they go sour. Then the problem exacerbates itself, et cetera.

Mr. McCANDLESS. If the gentleman would yield on that point, this becomes then a management problem in the design of direct investments and the shortcomings of those management decisions have resulted in this. Is that direct investment do you consider to be a wise part of the portfolio of a savings and loan given proper management?

Mr. PARRIS. I would say to the gentleman it depends on what the direct investments are and to what extent of the capital of a given institution they represent. The business of Federal insured savings and loan institutions is to provide beneficial home financing to individual American customers. It is not to engage in the purchase of race horses or windfarms, which we have a number of instances like that of direct investment of capital in business prospects many of which have turned very sour.

Mr. McCANDLESS. So if I were a constituent of yours or you were a constituent of mine and I went into my savings and loan and said to the manager, "I understand that savings and loan associations are now permitted to make direct investments," and the manager said, "Yes, we are permitted," that a brief discussion as to the direct investments that that institution would be making under the new laws that they are permitted to do so, would result in a pretty good idea if the individual who was asking the question had, had business experience, but would result in a pretty good idea of what that savings and loan institution had in the way of management and the direction it was going. Would that be a good assessment?

Mr. PARRIS. I would say to the gentleman that would be an excellent question to ask; to reach some kind of understanding of just what kind of an institution this is to which you are addressing that question.

Mr. McCANDLESS. Also the fact that there are direct investments available to these savings and loans under current regulations is not necessarily bad in that sense.

Mr. PARRIS. A direct investment in and of itself in some reasonable amount up to some reasonable percentage of the capital of the institution is not bad. It is the 100-percent capital investment in direct capital amounts, in direct investment, that are shaky if not almost criminal in the way in which they are selected, and in some cases, mismanagement, fraud, abuse and all the rest.

If that is the case, then they are obviously bad to all. Another aspect of this is the inability of the regulators to control the amount or the place in which the direct investments are made.

Mr. McCANDLESS. When we talk about the average savings and loan and we talk about direct investment, the individual who is the average person who relies upon the Government to insure savings that represents a livelihood, an income or a life investment, that individual is not necessarily knowledgeable as maybe you and I would be or others in the history of the savings and loan institutions.

This direct investment came about as a result of deregulation. Maybe if we could talk a little bit about what the initial thrust of savings and loan were intended to accomplish and then what happened, it might help these people build on what you and I and Congressman ROTH will be talking about in this special order.

Mr. PARRIS. I appreciate that very much, Mr. Chairman, and I would say to the gentleman, if you will permit me, I am going to very shortly undertake a brief summary of the history of the thrift industry in this Nation, how we got there, and basically where we are.

Mr. McCANDLESS. I thank the gentleman from Virginia for yielding.

Mr. PARRIS. I thank the gentleman for his contribution.

Mr. Speaker, let me just reiterate that I am convinced that the major portion of the problems with the bill that was reported today by the Banking and Finance Committee is that we are going to bleed the healthy portion of this industry to solve the problem of what I call the "brain deads." There is a better way, and in this special order this evening we will discuss a proposal that will recognize among other things that the Congress must minimize the ultimate cost to the taxpayer if a bailout of FSLIC is in fact needed. It will limit the threat to the healthy thrifts to our banks as well. Commercial banks are threatened; that their own solvency is jeopardized, or would be, by a hastened, crisis-driven merger of the FSLIC, which the savings and loan corporatio funds, and the FDIC, which is the ir surance fund that insures deposits i commercial banks. So you must kee that distinction in mind.

Finally, a proposal that the marke place recognizes, the marketplace ha overrun the regulatory process, we i the Congress have to recognize th changing financial structure that ha clearly already taken place and wi continue to do so in the future.

The vote in the subcommittee and i the committee this afternoon, Mı Speaker, was a protest and simply way of indicating that all is still no well with the thrift industry an FSLIC, despite our action today, and think that the committee will b facing that problem again in the ver near future.

Let me say to fully understand thi problem it is important that we understand how we got here. Let me, as have indicated to the gentleman fron California, undertake a brief histor of the thrift problems.

For many years the savings an loans in this Nation met this country' needs for long-term, fixed-rate mortgages, a market that many commercia banks were barred from filling. In conjunction with this, the U.S. Government promoted homeownershi through a panoply of supports an subsidies to S&L's [savings and loans] Thrifts responded by making million of long-term mortgages at fixed rates and many of us enjoy the great American dream of home ownership as result thereof.

Despite the popularity of the mortgages with the homebuyer, the funding scheme of S&L's, which was predicated on borrowing short term an lending long term has always been at least questionable if not unsound. Maturity mismatches between thrift rates and liabilities has always left thrifts vulnerable to insolvency, and failure itself whenever interest rates jump precipitously. Also, we learned in the Ohio and Maryland crises that should depositors of any S&L, well capitalized or not, ever begin a run on an S&L, it would have trouble raising the cash to meet those needs, except if it sold its mortgages at fire sale prices.

Until the late 1970's, the thrift funding scheme worked well. But the interest rate fluctuations of that period and on into the early 1980's posed great problems for thrifts. S&L's held millions of fixed-rate mortgages that were worth less than their face value.

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Low yielding loan portfolios made many thrifts insolvent based on the market value of their loans. At the same time the deregulation of deposit rates, the thing that the gentleman referred to a moment ago, forced many thrifts to compete for deposits and to pay higher interest rates to preserve their core deposit base.

In 1981 and 1982 S&L's failed by the hundreds. The thrift industry as a whole reported a total of $9 billion in losses in those 2 years alone.

In addition, Mr. Speaker, deposits flowed out of thrifts to money market mutual funds and elsewhere because of below market caps on thrift interest rates, so-called regulation Q.

Congress attempted to resolve the interest rate problem in March 1980 by hurriedly passing the Depository Institutions Deregulation and Monetary Control Act of 1980, called the Deregulation Act. This act created the Depository Institutions Deregulation Committee, which started decontrolling depository institution interest rates so that thrifts and banks could regain the deposits they had lost; however, the cost of funds for thrifts shot up. In turn, longstanding thrift profitability suddenly turned into enormous losses. On a market value basis, thrifts were as much as $30 billion under water by mid-1981.

The Deregulation Act only partially addressed the asset side of thrift balance sheets by granting federally chartered thrifts limited asset diversification powers.

The Garn-St Germain Depository Institutions Act of 1982 authorized further asset diversification for thrifts. State legislatures responded by granting similar broader lender powers for State chartered thrifts.

The process set off by deregulation was a very mixed blessing for thrifts. After conforming to one set of Federal policies for almost 50 years, thrift managers, already battered by losses and declining net worths were cast adrift by the Federal regulatory process to set new courses in the unfamiliar and choppy seas of volatile interest rates.

The long-term nature of thrift assets made it extremely difficult for thrifts to restructure their balance sheets in a short timeframe and during the few turbulent years in which they had to accomplish this task, the regulators attempted to address the solvency problems of the thrift industry by easing up on the bank boards net worth rules, the so-called RAP [Regulatory Accounting Practices].

The minimum net worth requirements were dropped to 4 percent in 1980 and then to 3 percent in 1982.

Regulatory accounting principles were adopted in 1981 and 1982 which permitted thrifts to report overstated net worths. Income capital certificates, which I referred to earlier, and net worth certificates and other accounting devices were used to mask thrift insolvencies. Actual regulation of the thrift industry failed badly. Supervision of thrifts exercising liberalized investment powers has been weak at best, if not incompetent.

The Bank Board has simply flunked the test in controlling the get rich quick operators.

Bank Board oversights of thrifts placed in the Management Consignment Program has been extremely poor as these thrifts have continued in operation for far too long, while paying excessive interest rates and making poor loans and even worse investments.

The Bank Board has had far too few examiners and supervisory personnel and those that they have had not been the most qualified or effective.

The Bank Board and FSLIC have lacked quality people and inadequate funds in adequate amounts.

Horror stories abound the FSLIC moving too slowly and without decisveness in closing up or selling off insolvent thrifts.

Adding to these problems, many S&L's turned to direct investments and we have discussed that earlier, in an attempt, an almost desperate attempt to return to profitability. Unfortunately, many of these risky ventures backfired and resulted in even greater losses for many S&L's. That has had the effect of compounding the problems facing the FSLIC, our insurance plan. That has been a very significant problem and it has added fuel to the fire. Many investments were made in energy and agricultural dominant areas. The subsequent downturn of the economy in those industries has resulted in an ever greater number of thrift failures.

What all this means, Mr. Speaker, is that the strain on FSLIC resources has been significant. In 1985, FSLIC had $4.6 billion in primary reserves. By the end of 1986 the primary reserves had shrunk to a negative $4.5 billion.

Mr. McCANDLESS. Mr. Speaker, will the gentleman yield?

Mr. PARRIS. Yes, I am glad to yield to the gentleman from California.

Mr. McCANDLESS. Mr. Speaker, I appreciate the gentleman yielding. I would like to expand, if I may, on our discussion a little bit about the FSLIC reserve and its problems, its demise and what the Banking Committee in its infinite wisdom, the subcommittee and most recently the full committee, has done to attempt to correct that and some of the ramifications that may come as a result of that in what the gentleman and I view in our "no" votes as being shortcomings of the bill and its inadequacy in dealing with the issue.

Now, we started out with a recommendation from the Savings & Loan Association, the League, with a $5 billion, 2-year plan, which is a self-imposed insurance policy on the industry——

Mr. PARRIS. Imposed by the Federal Home Loan Bank Board, rejected by the industry.

Mr. McCANDLESS. Yes; I thank the gentleman; so at the outset we want to make sure that there is an understanding, there is no direct Federal or governmental money involved.

Mr. PARRIS. This is an industry bailout of itself is what it amounts to.

Mr. McCANDLESS. One might liken it to automobile insurance, where the industry insures itself against its collective losses and because losses have been rather high, those who are in an excellent financial position find they are in a position of paying for the bad judgment of others and they have reached a point where they say the cost of doing that is more than they want to assume.

Well, the gentleman and I both agreed that the $5 billion over a 2-year period was totally inadequate. Now, maybe we could go into the other plan presented by the Treasury Department which the Banking Committee asked the Treasury Department to come up with last year and the parameters of that so that we could make that comparison.

Mr. PARRIS. I think the gentleman's suggestion is an excellent one. I wonder if the gentleman might withhold slightly, however, because I am coming to that, if the gentleman will.

Mr. McCANDLESS. Glad to.

Mr. PARRIS. Let me just give again a one-sentence summary so that it will be evident to all.

The so-called Treasury plan from the administration's Treasury Department was $15 billion.

Mr. McCANDLESS. Again, Mr. Speaker, if the gentleman will yield, at no cost to the taxpayers.

Mr. PARRIS. That is correct.

Mr. McCANDLESS. But an assessment to the industry.

Mr. PARRIS. That is correct, which looked to the somewhat uncertain cash flow of the cash assets of the industry itself to leverage bonds that will be marketed at risk premiums in the normal process of things in this Nation, so it was a great deal more energetic scheme than those that have now been ratified by the committee and the number of dollars is three times as much, which I would again submit to the gentleman I am coming to, but which represents something between 10 and 15 percent of the total resolution cost of the problem.

Mr. McCANDLESS. Mr. Speaker, I thank the gentleman.

Mr. PARRIS. Mr. Speaker, we will return and revisit that issue if we do not cover it adequately to the satisfaction of the gentleman.

I was indicating, Mr. Speaker, in my remarks that by the end of last year, just 3 months ago, the primary reserves of FSLIC, our insurance program that covers all of the thrifts in this Nation, have gone to a negative $4.5 billion.

More critically, FSLIC had only $4 billion of cash and securities to use in meeting its obligations. We were told just last month that FSLIC cash resources just since then had been depleted to $1.4 billion.

Now, it is obvious that the FSLIC's liquidity problems are clearly far worse than is generally recognized and FSLIC's depleted cash position and its negative reserve position dramatizes its inability to absorb insolvency losses beyond its current cash income. Insolvent thrifts increasingly are bidding up interest rates in order to attract deposits. Unfortunately, healthy thrifts also have to pay those higher rates in order to be competitive. Thus, the FSLCI's problems are clearly affecting all the thrifts that it insures throughout this entire Nation.

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Now that we have examined to this point how we got here, let me relate very briefly where we are today, and the state of the thrift industry, and the size of the problem that the gentleman from California Just alluded to, the size of the problem of cost resolution that FSLIC faces.

The thrift industry is, as one would imagine, not in the best financial condition. Approximately one-third of the industry is in a severely weakened condition. The other two-thirds of the industry is generally well-managed, and is in good financial condition and, as I have indicated earlier this evening, reported record profitability in recent times.

However, as the good thrifts prosper, the weak or the brain-dead institutions are losing more money than the good ones are earning. The 70 to 80 percent are earning an enormous amount of money, record profits. The 20 to 30 percent that are not earning at all are losing much more than the 70 or 80 percent are in fact earning. So we are going farther in the hole faster every day.

As of October 31, 1986, low-quality assets equaled 90 percent of the industry's net worth under regulatory accounting practices. Two years earlier, low-quality assets were only 53 percent of the total industry net worth. The picture is worse if good will and other intangibles are subtracted from net worth. After reducing industry net worth by the intangible assets, low-quality assets equaled 168 percent of reduced net worth in the third quarter of last year. Delinquent loans and repossessed assets have increased $29 billion over the last 2 years.

In order to assess the state of the industry, let us use the latest General Accounting Office figures which have been provided to the Banking Committee and which figures are not disputed by the Federal Home Loan Bank Board, which supervises FSLIC. In fact, the Bank Board itself has used many of these same statistics to argue in favor of the recapitalizing of its insurance fund.

As of September 1986 there were 445 insolvent thrifts in the United States as determined by generally accepted accounting principles [GAAP]. Every single one of those institutions has a negative net worth, which means that their liabilities exceed the value of their assets under GAAP accounting. These 445 institutions had assets totaling $112 billion, and they are involvent.

Beyond these 445 there are 598 institutions with net worths between zero and 3 percent, which is dangerously low. In the early seventies the Bank Board would close institutions under its own regulations whose net worth had reached that level. The return on assets on these institutions is a negative 0.16 percent. now that figure I hope is startling and dangerous to Members, because it implies that there are hundreds more institutions that could slip into GAAP insolvency, and ultimately become FSLIC cases that must be Resolved with FSLIC funds. The inescapable conclusion is that the problem is really much larger than generally thought, and will take many more dollars to solve that has ever been publicly acknowledged.

It is a clear fact, Mr. Speaker, that of the 3,287 thrift institutions in the United States, 1,043, or 32 percent, almost one-third, are either insolvent or in a very weak and inadequate capital position. All totaled, those institutions have $395 billion in assets. I did not say millions, Mr. Speaker, I said billions, with a "b."

Not all of the approximately 1,000 troubled institutions are unprofitable. In fact, about half still report a decent profit, but the return on assets from this group is so small, and their positions are so precarious, that the slightest change in any number of factors could make them unprofitable and quickly move then into GAAP insolvency.

The geographics of the problem are also very significant. Texas is at the center of the fire storm—140 of the GAAP-insolvent and undercapitalized institutions are in Texas, 60 in California, 45 in Florida, 49 in Louisiana, and 25 in Oklahoma. It is obvious, therefore, that the Southwest has been hit hardest by this crisis. Many of these institutions have been seriously affected by the economic depression in that area. Many, however, are what we alluded to earlier as and are generally called high flyers. They made risky investments with no thought that the oil boom and the real estate market would ever end. Now that the good times are over, these thrifts threaten to destroy the rest of the savings an loan industry.

In addition, it cannot be ignore that the economics and structure o the thrift industry are changing in a irreversible manner. Recent innovations in mortgage securitization, enhanced by the 1986 tax legislation, ar rapidly altering the thrift industry Origination and servicing functions by specialists financing home mortgage through what are called REMICS floating rates, mortgage-backed securities, and new computer technologie have enabled thrifts to reduce cost and rates. New accounting rules and increased capital standards, satisfied in many cases by shrinking in asset size and looking to origination fees as an immediate source of profits and cash flow will bring further changes to the thrift industry.

These changes, and a number of others surely to follow in the marketplace with or without approval of the regulators, will force the traditional thrift out of its original business, which was funding home mortgages with retail deposits.

The fundamental question then must be asked, when faced with the growing competition from nondepository and no-reserve lenders, will the funding cost disadvantage that now burdens thrift institutions largely eliminate any viable long-term role for an industry of depository institutions that largely specialize in home mortgage lending?

That, Mr. Speaker, I submit is a fundamentally critical question that must be addressed.

In fairness it should be stated that although the current situation was in part generated by gross mismanagement, abuse, and some outright fraud among a portion of thrift industry managers, that was only a small portion of the influences at work.

The economics of the industry, technology, and changes in the marketplace also were involved, and the failure of the regulatory structure and of the regulators themselves were also partly responsible for the dilemma with which we are faced.

Acknowledgement should be given to the fact that the profitable and well-managed thrifts did not cause the FSLIC problem, and therefore they should not get punished for it.

While the thrift industry has suffered these major losses, its insurance fund, FSLIC, has slowly dwindled toward bankruptcy.

Let us consider FSLIC today, Mr. Speaker. As I pointed out earlier, FSLIC has used its resources down to the point that it stands at least at a negative $4 billion according to the General Accounting Office and admitted by the Bank Board Chairman.

Why has the GAO determined that FSLIC is insolvent? Let me quote from their testimony:

> As part of our audit of FSLIC's calendar year 1986 financial statements, we have preliminarily determined that FSLIC needs to establish a contingent liability in the range of $8 billion to handle cases that will require action in the near future. When this amount is deducted from FSLIC's reserves, FSLIC would have a deficit of over $3 billion at the end of 1986. Clearly, such a fund balance cannot handle the real liability FSLIC now faces.

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The liquidity problem that FSLIC faces has affected its ability to handle the insolvent cases that it has in its caseload. In 1986, FSLIC acted upon only half of its serious cases. During the same period, its serious case list doubled. It is now up to 182.

Another aspect of FSLIC's problems is that the cost of liquidations increased from $981 million to at least $3 billion in 1986. Assistance to open institutions rose from $4.8 billion to $6.9 billion last year.

Another cloud on the horizon for FSLIC is the large amount of uncollateralized advances or loans that have been made by the regional Federal Home Loan Banks with the full backing of the FSLIC. The banks have made $5.9 billion in advances to 83 troubled institutions. Of these, $3.4 billion are guaranteed by the FSLIC. The FSLIC guarantee is most likely the only source of prompt repayment on these loans to the troubled institutions. We have seen recently that regional bank auditors will not give a clean bill of health to these institutions when a bankrupt entity, FSLIC, is the guarantor of these notes.

There is no reason to believe that the regional banks will continue to be willing to make more uncollateralized loans to the troubled thrifts. The director of these banks have a fiduciary duty to their shareholders, all of which are other thrifts. If the foundation of the regional Federal Home Loan Banks is shaken, their stock value will decline, and the ripple effect will plunge even more thrifts into GAAP insolvency.

Another problem with an insolvent FSLIC is that it has $4.5 billion in outstanding notes payable to troubled thrifts. Once again, accountants will have to face the question of whether an institution can count a note as an asset if it is from an insolvent corporation, even if it is a Government agency.

FSLIC's prospective insolvency loss at the end of 1986 among insolvent and barely solvent thrifts is estimated to be $35 to $45 billion. This figure represents the difference between market value of the assets and their insured and collateralized liabilities as of the end of 1986. In effect, this range represents the amount of cash FSLIC would have to disburse, as of the end of last year, to pay third parties to take over all of the assets and just the insured and collateralized liabilities of every thrift that was insolvent at that time, $35 to $45 billion.

These are the losses that are looming for FSLIC. The ongoing operating losses in 347 so-called significant supervisory cases alone are $6 million a day. This totals over $2 billion a year, and these daily losses alone exceed FSLIC's total income. Another 400 thrifts also lost money in the third quarter of 1986 with the possibility of their loss amounting to another $2 or $3 million daily.

FSLIC's income is composed of regular assessments of one-twelfth of 1 percent of deposits that generate $740 million annually and a special assessment, now in its third year, of one-eighth of 1 percent which is a burden to the thrift industry, and yet it is the primary source of FSLIC's income. It produces about $1.1 billion a year.

Insolvent thrifts increasingly are bidding up interest rates in order to attract deposits. Unfortunately, healthy thrifts also have to pay these higher rates solely because they are FSLIC-insured rather than FDIC-insured. All totaled, these excessive interest rates are costing the industry another $4 billion a year.

An additional cost of delay of resolving of this situation is the certainty of future declines in market values of deteriorating assets.

What all this means is that the FSLIC probably has no more than $2 billion on hand today. Furthermore, and most importantly, the FSLIC at the present time has no money and no way to resolve the troubled cases on which it needs to act. The total cash resources it could marshal to meet its cash requirements approximate just 1 percent of total thrift deposits which were almost $900 billion at the end of last year.

The problems of the thrift industry are apparent, but the conditions that I have highlighted here have been known to the administration, and to the respective House and Senate committee's for some time now. Despite this, the Congress has been slow to act on the FSLIC crisis. The irony is now that as we near some kind of action it may be too little, too late.

Now that the problems of the thrift industry have been laid on the table, and the troubled condition of the FSLIC fully exposed over these past few years, some have searched for a solution.

I think it is necessary, Mr. Speaker, to ask what actions would it be anticipated that the Congress might take in the face of this situation. Well, there is one thing that is for sure and that is that history assures us that neither the bank board or its staff will provide anything approaching adequate direction as the thrift industry approaches its hour of crisis.

Individual State regulators will have little influence because restructuring of the Nation's financial institutions will be determined by Congress at the Federal level, which will not be overly attentive to State interests if doing so will increase the cost of necessity of bailing out FSLIC with Federal Treasury funds.

While Congress will not repudiate resolutions of full faith and credit behind the Federal deposit insurance guarantees, it will do everything possible to avoid backing up those guarantees with appropriations of hard cash from the Treasury. Political expediency, driven by the budget deficit, will delay the actual injection of taxpayer funds into FSLIC. Congress will also be extremely reluctant to divert money from its cherished domestic programs.

If funds have to be diverted to FSLIC many will propose that we consider reregulation as a preferable approach. However, reregulation will generate no cash or other support for FSLIC and will instead perpetuate an already outmoded industry structure.

Because of the budget deficit and the adverse impact that the use of Federal funds would have on it, the Congress and probably the administration as well would surely impose even more of FSLIC's insolvency losses on the thrift industry itself so as to avoid using taxpayer funds to bail out FSLIC.

If it becomes obvious to all that FSLIC's problems cannot be contained within the thrift industry, which is another way of saying that a recap plan will not work, Congress will, as an action that will carry with it political exposure less than direct appropriations, order the merger of the two insurance funds and the use of FDIC insurance reserves to help stem the tide with attendant risks to the banking industry as it faces more bank failures this year than in any year since the Depression in the 1930's. A merger would open a Pandora's box that ultimately would affect every type of financial services institution, as well as creating foreign concern about the soundness of the entire American banking system, with the implications of that being recognized by everyone.

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In addition, there are major structural policy decisions that would have to be made in the event of a merger or a loan from FDIC to FSLIC.

So what are the alternatives for Solving the FSLIC Problem? The gentleman asked this question a moment ago, and I have gotten to it.

The Senate has offered to issue bonds in order to give the FSLIC $7.5 billion for the next 2 years. Importantly, the Senate bill would cap what the FSLIC can borrow at $3.75 billion each year.

The House Banking Committee earlier this afternoon gave FSLIC bonding authority of $5 billion for 2 years with an annual limit of $2.5 billion.

Does anyone who is really serious about this problem believe that it can be corrected with an effort of only that magnitude, or that we can simply wait out this problem and do nothing or very little? If they do, they are very, very wrong because, as has already been shown, the potential insolvency loss is $35 to $45 billion and the proposed remedy of that problem would be only 10 to 15 percent of the resolution cost. The 85-percent balance of the cost to solve this problem would simply be ignored—in a desperate hope that maybe it will go away. That is formula for disaster. It will not correct the crisis, and we will one day regret our actions.

Let me say now, Mr. Speaker, that this should not be interpreted as a plea for the Treasury's recapitalization plan because even that plan, had it been adopted, would have in my view been inadequate as well. I am convinced that any of the proposed recap plans are not feasible under any possible scenario, and I am saddened that the small sum plans are being adopted in my committee in this House and might well become the law for the next 2 years.

In that 2-year period or perhaps even sooner, FSLIC will suffer losses that will far outstrip its ability to meaningfully correct this problem. Consequently, FSLIC will be forced to again delay the resolution of its problem thrifts until that time expires and we will again face the same problem, again at a much higher cost.

The problems that the losing institutions face are not interest rate problems. Their profitability will not return even if interest rates decline as they did for many thrifts in the mid-1980's. Neither will an economic turnaround in the Southwest save many of these thrifts because most of them have "asset quality" problems. That means the market value of their loans and investments are not as large as the amount of debt that these assets secure. The market value of the investments are not as large as the debts that have been made on them.

Asset quality problems are potentially more expensive to the insurance fund than were the interest-rate spread problems of the early 1980's. They also can be more difficult to deal with.

Let me quote from the General Accounting Office on this problem. They said:

> We have seen that asset quality problems are both less predictable and more costly to the insurance fund than interest rate spread problems. Perseverance is not a virtue for an institution with poor credit risks, bad assets, and a worsening insolvency problem. First, every dollar of continuing losses by an insolvent thrift adds to the FSLIC's cost and creates a growing imbalance between the liabilities for which FSLIC is responsible and the assets it must manage at the time of case resolution.

FSLIC will be forced to defer any meaningful action while the losses simply build up. I don't think that is what the Congress wants. Unfortunately, we cannot simply wait out this problem, as that would lead to certain catastrophe.

Let me give you three more reasons why any action short of an adequate solution to this situation is negative for the thrift industry itself. A small sum such as proposed in the committee bill will actually increase the future cost of borrowing in the marketplace, as all the recap plans depend on long-term borrowing. The financial condition of FSLIC, the weakness of a large part of the industry, the certainty that Congress will have to revisit this problem in the near future and growing skepticism that the bonds can be marketed successfully at a reasonable interest rate, all will cause the bonds to be more expensive to market. They will in effect become Government "junk bonds" because of the high risk associated with the problems of FSLIC.

Another risk of delay. The Bank Board estimates that just a modest increase of 200 basis points in interest rates would cost FSLIC an additional $7 billion over the next 2 years—and jeopardize the future of hundreds more thrift institutions. Even this is undoubtedly an underestimate, given the Bank Board's previous optimism.

If you increase interest rates by 2 basis points, and cost $7 billion, that obviously exacerbates the problem.

We saw, Mr. Speaker, several banks in New York, led by Chase Manhattan and Citicorp, increased their prime rate yesterday by ¼ of 1 percent, and we are going in that direction for sure.

There is another major problem that is associated with the theory that we can wait out this problem. It is more than likely that interest rates will slowly increase in the future rather than continue to decline significantly. Therefore, the longer the delay, the greater the interest and carrying costs incurred on FSLIC's accumulated insolvency loss.

EQUAL ACCESS TO COMMERCIAL CREDIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. LAFALCE] is recognized for 10 minutes.

Mr. LAFALCE. Mr. Speaker, I am happy to join my colleague, the distinguished gentlewoman from Louisiana, in introducing today a bill that will help remove barriers that confront more than half of all Americans who seek to pursue the American dream.

The desire to seek independence by owning one's own business is not limited by race or gender, but access to its fulfillment is often dependent upon factors unrelated to entrepreneurial skill. Equality of access to business credit is vital for business formation and development, and in spite of advances in achieving equality of opportunity, women and minorities still face subtle discrimination in credit transactions for the sole reason that they are members of historically disadvantaged groups.

Because of a loophole in the law, discriminatory practices in commercial lending occur with alarming frequency and are difficult to detect or prove. The legislation I am introducing would close the loophole and clarify the intent of Congress that all Americans be provided equal access to commercial loans so vital to economic development and growth.

The Equal Credit Opportunity Act of 1974 [ECOA] prohibits discrimination in credit transactions on the basis of race, color, national origin, sex, marital status, or age. Provisions contained in the act are designed to protect against discriminatory practices.

The act provides for the promulgation of regulations by the Federal Reserve Board [Fed], and authorizes the Fed to make classifications and distinctions and to exempt from the act any class of business or commercial transactions under certain conditions. Regulation B, which was promulgated under this authority, gives special treatment to certain commercial credit transactions but also exempts all business and commercial credit transactions from the ECOA provisions relating to the following:

First, notification of adverse action including a written statement of reasons for the adverse action;

Second, retention of records, including information used in evaluating the application; and

Third, information concerning marital status.

These permitted exemptions are the basis for a broad, albeit erroneous perception that the ECOA does not apply to business credit. Without the act's protections, women and minorities are forced to continue their struggle against unwarranted bias and are thwarted in their efforts to achieve economic parity.

It is important to note that the ECOA never intended a business credit exemption. The legislative report is quite clear that business and commercial credit were to be afforded the same protections against discrimination as other types of credit activities. The ECOA provides that exemptions or classifications and distinctions may, indeed, be made but only if there is "an express finding" that application of the act's provisions would not further the goals and purposes of the act. No such findings have ever been made nor evidence presented to support the Regulation B exemptions.

This bill amends the Equal Credit Opportunity Act to withdraw the current exemption of business credit transactions from these three key provisions of the act. Some have argued that certain classes of trade credit should remain exempt from the notification and recordkeeping requirements. The bill would permit these groups to seek a special classification if truly justified. Our bill merely clarifies the original intent and prohibits exemptions for business loans except for narrowly defined classes or distinctions made by formal due process procedures and subjected to close scrutiny and public comment.

I am not so naive as to believe this bill will assure equality for all time and for all persons. But it will help. It will alert lenders to their responsibilities under the ECOA to apply sound business criteria to loan applications and make it more difficult to make subjective decisions based on factors other than merit.

This legislation was voted a high priority, 19th out of 60 recommendations, by the recent White House Conference on Small Business. I am happy to bring this bill to your attention and recommend its early passage.

JEAN STRINGER ELLIS NAMED ONE OF 10 OUTSTANDING WOMEN IN AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi [Mr. MONTGOMERY] is recognized for 10 minutes.

Mr. MONTGOMERY. Mr. Speaker, a resident of my district, Mrs. Jean Stringer Ellis of Rankin County, has been honored as one of the 10 Outstanding Young Women in America for 1986. I have known Jean all her life and can tell you firsthand that the award is well deserved. She has assumed leadership roles in a wide range of areas, both on the local and State level. In addition to her unending civic work, she is also a successful professional in the field of real estate, and is a devoted wife and mother.

Jean was recently honored by the Mississippi Legislature for the outstanding contributions she has made to our State. The resolution outlines some of the many projects on which Jean has worked over the past few years. I want to share it with my colleagues.

HOUSE CONCURRENT RESOLUTION NO. 194

Whereas, Mrs. Jean S. Ellis of Rankin County, Mississippi, was honored on Monday December 1, 1986, in Washington, D.C., as a member of the 10 Outstanding Young Women of America for 1986; and

Whereas, Jean Ellis graduated as an honor student from Forest High School, Forest, Mississippi, and received her bachelor and master of science degrees from Mississippi University for Women, where she was selected to the Hall of Fame, to Who's Who Among Students in American Colleges and Universities, as Senior Class Secretary-Treasurer, as President of Student Interfaith Association; to the "Collegiate Board" by Congressman G. V. (Sonny) Montgomery, a Dean's List Scholar and to the "Committee of '82"; and

Whereas, after graduation from college, Jean Ellis began a successful professional career working as Executive Director of the United Way of Greater Lee County, as a sales associate with Magnolia Realty and is presently a sales associate with Ann Jensen Realty in Jackson, Mississippi; and

Whereas, while she was a resident of Lee County, Jean Ellis contributed to the Tupelo Community Development Foundations Cultural Enrichment Committee, to the National Association of Junior Auxiliary Scholarship Committee, to the Boards of Directors for the Faith Haven Home for abused children and the Tupelo Ballet Association; and

Whereas, Jean Ellis has a history of extensive civic activities which include active participation with the Business and Professional Women's organization where she served as an officer of District V, as a charter member of the Starkville Chapter, as charter president of the Tupelo Chapter, as a member of the state level Young Careerist Committee Chair as vice president and president, as a member of the state board of directors, as a national convention delegate, as a member of the National Young Careerist Committee of the 1984-1985 board of directors and as a workshop panelist; and

Whereas, Jean Ellis has also done extensive work for the Girl Scouts organization as evidenced by her service which includes Senior Girl Scout Leader, member of the Prairie Girl Scout Council Nominating Committee, member of the Nominating Committee and Board of Directors for the Middle Mississippi Girl Scout Council, State Coordinator of the First Annual Mississippi Girl Scout Leadership Conference in 1985, state legislative monitor for the Mississippi Girl Scout Council during the 1985 and 1986 legislative session, and the state cochair person of the Girl Scouts of the U.S.A.'s 75th Anniversary celebration; and

Whereas, Jean Ellis has been an active member of the American Association of University Women, serving as President of the Tupelo Branch, giving countless hours to the Mississippi University for Women Alumnae Association, serving as International President during the university's centennial, and serving as a member and as past member of the Executive Committee for the Mississippi Inter-Alumni Council; and

Whereas, Mrs. Ellis belongs to the Mississippi Association of Realtors, the National Association of Realtors, the Mississippi Women's Network, and the League of Women Voters, where she has served as finance chair; and

Whereas, the Mississippi YWCA is grateful for Mrs. Ellis' work on the "Tribute to Women in Industry and Business Project" and for her work on the board of directors, and the Mississippi United Way Association is grateful for Mrs. Ellis' continuous support and for her participation as 1980 state president; and

Whereas, Mrs. Ellis has received numerous awards in recognition of her exceptional amount of civic service, including receiving the "Helping Hands" Award for legislative efforts from the Middle Mississippi Girl Scout Council, being selected to represent Mississippi at the National Leadership Today and Tomorrow Conference sponsored by the Girl Scouts of U.S.A., being selected "Mississippi's Young Career Woman" by the Mississippi Business and Professional Women's Association and being selected to "Names Honored" by the American Association of University Women; and

Whereas, Mrs. Ellis has served on the Constitutional Study Commission and on the Private Sector Council and has participated in "Leadership Mississippi" sponsored by the Mississippi Economic Council; and

Whereas, Mrs. Jean Ellis is married to J. Stephen Ellis and is the proud mother of Elizabeth Anne and James Stephen Ellis, Jr.; and

Whereas the welfare of our state is dependent on the generous and dedicated service of intelligent, capable and skilled volunteer civic workers such as Mrs. Jean Ellis; Now, therefore, be it

Resolved by the House of Representatives of the State of Mississippi, the Senate concurring therein, That we do hereby commend Mrs. Jean Ellis on being selected a member of the Ten Outstanding Young Women of America and we do hereby thank her for her generous and outstanding contribution to the State of Mississippi and for the honor she has brought to our state through her national recognition. Be it further

Resolved, That copies of this resolution be sent to Mrs. Jean Ellis and to members of the Capitol Press Corps.

PROBLEMS IN THE THRIFT INDUSTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. McCANDLESS] is recognized for 60 minutes.

Mr. McCANDLESS. Mr. Speaker, at this point I will yield to the gentleman from Virginia [Mr. PARRIS].

Mr. PARRIS. Mr. Speaker, I thank the gentleman very much for his consideration, and I do apologize to the Speaker, as the time is long and the evening is growing late, but I hope the gentleman would agree with me that this is a matter of some complexity, and certainly some seriousness.

Once again, I thank the gentleman from California [Mr. McCANDLESS] for his courtesy.

There is another major problem, Mr. Speaker, that I was addressing, that makes it difficult to wait out the problem. That is the almost certainty among many experts that interest rates will slowly increase in the future rather than continue to decline, and that makes the carrying cost, the accumulated insolvency costs, higher.

The final cost of delay is perhaps the most frightening in that it could result in increasing costs by additional billions of dollars. The new tax bill made the resolution of thrift failures more difficult after December 31, 1988. One provision will tax FSLIC financial assistance used to acquire failing thrifts, I think an extremely bad idea. The other provision removes the ability of acquiring institutions to use loss carryforwards in mergers with troubled institutions, another bad idea. Without these tax advantages, unassisted mergers will not be viable alternatives. To quote the Bank Board on this issue "FSLIC's cost will be raised by having to compensate acquirers for future tax payments or by having to liquidate institutions for which mergers are no longer feasible."

You may ask, why is this so devastating? Well, the benchmark for solving this size of problem is asset resolution percentage. In the early seventies, the Bank Board could resolve a problem S&L at a cost of about 3 percent of assets. Now, today, 25 percent of the benchmark for resolving an institution's failure; 25 percent of its assets will be spent in solving the average problem. The percentage the Bank Board must expend to solve their problem cases will increase as future failing thrifts can no longer be merged or acquired by other institutions. The higher the resolution percentage, the greater the cost of the FSLIC, and ultimately to the American taxpayer.

I am and will continue to be opposed completely to any short sighted and unrealistic bailout scheme that will surely fail.

□ 1910

To quote the Bank Board's chairman's views on the smaller funding plan, he say:

> The adoption of plans involving lesser recapitalization resources would be tantamount to the adoption of a continuous crisis resolution. No one has demonstrated that such sums are even remotely adequate to meet the full magnitude of the FSLIC's problems.

I submit to you, Mr. Speaker, that the argument used by some of my colleagues on the Banking Committee that even a lousy $5 billion to solve this problem, even over a 2-year period, even with an annual cap is better than nothing at all. And I submit to you, Mr. Speaker, that that is not right. What we ought to do is address the problem in a realistic and workable solution to the crisis that faces us all.

The other alternative that has been offered to recapitalize FSLIC is the Treasury plan. The Treasury plan shares some of the problems that the smaller plans share but it authorizes the sale of $15 billion of recapitalization plan bonds over the next 5 years. One major defect in the Treasury's plan is that it would require thrifts to pay interest on the borrowed bonds with the special assessment. It would have the effect of mortgaging the future of all of the thrift industry for many years to come. Thrifts are already paying 2½ times as much in premiums as are their FDIC counterparts. It is increasingly difficult for healthy thrifts to attract depositers and make a profit with a special assessment in effect. The Treasury plan proposes to phase out the special assessment within 5 years. But the General Accounting Office has demonstrated that even the Treasury plan will not be enough to solve the problem. If this is true, the special assessment may have to continue indefinitely, effectively bleeding the profitable portion of the thrift industry for a great number of years to come. Clearly, if enacted, the Treasury plan would seriously harm the stronger element of the thrift industry and weaken its profitable segment. Additionally, there is considerable question whether or not we can market these bonds at a reasonable rate of interest. The risk premium may be very high. Finally, the other major defect in the Treasury logic is that it erroneously assumes an 8-percent annual growth in thrift deposits. The shaken confidence in FSLIC's fund has already reduced the growth of S&L deposits and will have an increasingly adverse effect on any future increases. According to the Wall Street Journal of March 24, Tuesday, just a few days ago, "withdrawals from federally insured S&L's exceeded deposits by $2.2 billion in January. The Bank Board is quoted as saying that this represents a much larger deterioration in deposits than the normal holiday withdrawals of December."

Does anyone believe that people are going to put their money into S&Ls over the next 2 years unless we really solve this problem and restore public confidence? Certainly you cannot anticipate an 8-percent annual increase in those deposits with the situation which we are discussing today.

In addition, higher capital requirements are going to give thrift managment an incentive to shrink their deposits because it will be easier and less dilutive to existing stock holders to raise capital ratios by shrinking in size rather than by selling additional stock.

The Treasury recap plan fundamentally pledges and leverages much of FSLIC's highly unpredictable income stream over the next 20 to 30 years and simply will not begin to generate sufficient funds to pay for FSLIC's present or future insolvency problems.

I said earlier today in a 1-minute statement, Mr. Speaker, that the approach in anybody's recap plan, therefore, can be summarized as follows: Cover up the serious nature of the problem with accounting gimmicks, postpone a painful resolution as long as possible; if money is needed to bail it out, get the winners in the program to subsidize the losers; provide bandaids and window dressing and show appropriate concern and compassion by ordering forbearance through the use of capital certificates of an insolvent agency which are nothing more or less than a phony IOU; and finally, tap the Treasury only in desperation after all else fails. So what is the answer to this frightening spectacle? I believe there is a better alternative and perhaps several of them. The one I prefer and propose would, I believe, permanently solve the thrift crisis and not simply postpone the inevitable recognition of the problem.

I have, as has been so kindly stated by the gentleman from Wisconsin, watched as the FSLIC crisis has grown over the last several years. I first began to talk openly about FSLIC's deteriorating financial condition in 1985.

I have taken to the well of this House two or three times before to speak at length on this issue. I asked the General Accounting Office to conduct a study of FSLIC's financial condition. That report and its ongoing followups have been available to all of us for some months now.

I put a great deal of time, effort, an thought into the FSLIC issue.

At times I felt like a pretty lonel voice speaking on this issue.

A year ago I warned Members of th Congress that the size of the FSLI problem was at least $22 billion, $2 billion. At that time the Bank Boar strongly disagreed with my assump tions. All along, the Bank Board an its chairman have deliberately under estimated or refused to acknowledg the size of solving this situation.

The chairman of the Federal Hom Loan Bank Board on October 17, 1985 said he would not "speculate bu maybe this is a $10 billion to $14 bil lion problem."

On January 27, 1986, he said, "Th GAO is overstating the problem" in letter to the GAO he said, "It is probably a $22 billion resolution problem.'

On March 12, 1986, he said, "It is $10 billion to $14 billion resolution.' Then he said under questioning, "It might not be that big, might not." That was before the House Banking Subcommittee on Financial Institutions. I was there.

On May 8, 1986, less than 2 months later, he said, "The assessment is a $16 billion problem." That is, less than 2 months later it grew by $2 billion.

On September 19, 1986, he said in a letter to me that the current resolution is "$7 billion to $10 billion." And on January 22, 1987, just 6 or 8 weeks ago, he said in testimony before the House Banking Committee that this is a "$23.5 billion cost resolution."

So he has come from nothing to $23.5 billion since July 1985. It is time to construct a plan that will save thrift industry and save it now.

We cannot forget that it was not raining when Noah built his ark.

The plan that I propose will be controversial and is a dramatic departure from our recent history. It makes several assumptions.

Among those are: First, FSLIC is bankrupt; second, the recap plan will not work because it raises an insufficient amount of money to correct FSLIC's existing and future liabilities; third, an outright merger of FDIC and FSLIC is not desirable for a number of reasons. Three of these, just three, three of perhaps the most important are: A, even FDIC reserves are not enough to pay both its own bills and FSLIC's liabilities; B, a merger will not dispose of the failing thrifts in the least costly manner; C, a merger would not accomplish the severability of the healthy thrifts from the brain-dead ones so that the latter do not drag down the former.

Fourth, reality is that the taxpayers of this Nation will ultimately have to provide money to solve the problem, and to think otherwise is pure fantasy.

To wait for the problem to become worse adds billions annually to the costs of the solution of this situation.

The thrift industry is slowly being driven out of the original business for which it was formed, and it must diversify and be permitted to do so.

Fifth, reregulation of the industry will not bail out FSLIC or the insolvent thrifts and would be damaging overall to the thrift industry.

Now, the plan that I propose, Mr. Speaker, is fairly simple. First, we should have the healthy part of the industry transfer to the FDIC. All the thrifts that can meet the capital requirements of the FDIC would transfer under this plan.

Upon transfer, each institution would pay a reasonable exit fee to FSLIC. Over a 5-year transition period uniform accounting standards, regulatory practices and capital requirements would be imposed on banks and thrifts so that the playing field of their competition would become truly level. I suggest that at the very least two-thirds of the industry would choose to transfer.

□ 1920

Others close to the capital requirement threshold would have a tremendous incentive to raise fresh capital in order to be permitted to join the FDIC club.

Second, my proposal would charge FSLIC with just one responsibility: That is, disposing of the thrifts that are unable or unwilling to transfer to FDIC coverage, and doing so in a manner that minimizes for the taxpayer the present or future cost of disposal. In order to fund FSLIC we would combine FSLIC's present reserves with exit fees from the healthy thrifts, and the retained earnings of the Federal Home Loan Banks. Under this proposal there would be no reason to maintain the Federal Home Loan Banks, thus allowing us to use their retained earnings to pay for some of the FSLIC's losses. Additionally, we would place the full faith and credit of the United States behind the FSLIC funds so as to avoid any loss of confidence among depositors in those institutions.

FSLIC would be given 5 years to accomplish the task of disposing of the remaining insolvent thrifts. I think that this time period is sufficient to allow those thrifts that are currently experiencing problems to build their capital to transfer to FDIC. Those that are beyond saving should be closed as soon as possible in order to minimize FSLIC's losses.

As with all ideas, there will be parts of this plan that will be subject to criticism from industry sectors. But this proposal rises above these interests and is a giant leap forward, not only in solving our current thrift crisis, but in paving the way for long overdue regulatory reform of America's financial services.

Allow me to expand on the positives that this proposal offers in solving the FSLIC problem.

First, and most importantly, it will minimize the cost to the American taxpayer. Maryland and Ohio eventually had to use taxpayer funds for a bailout. Why not recognize that some budget assistance is inevitable, and compartmentalize the problem in order to minimize our losses?

Second, this proposal will save the healthy portion of the thrift industry, which is holding hundreds of billions of dollars of deposits. Unlike the Treasury recap plan it will not burden healthy thrifts with onerous special assessments or extract prohibitive exit fees. Most of the institutions supporting the smaller dollar plan are doing so because they recognize that their own solvency is in danger under the Treasury scheme.

Third, the Congress would immediately restore public confidence in the banking system. No longer will it have to witness an FSLIC crisis spelled out in the papers everyday. Safety and soundness will be restored to the majority of savings institutions. No longer will they be threatened with the loss of business as the American public becomes increasingly disenchanted with thrifts.

Let us not fool ourselves into thinking that if we revisit this problem in 1 or 2 years that we will have some kind of quick resolution. It has taken us 3 years to reach this point alone. Public confidence will surely erode if we don't solve this problem now.

Fourth, we will prevent a crisis driven merger of the FSLIC and FDIC. Nothing could be worse for all sectors of the industry. It would jeopardize the FDIC fund, would hide the real problems of the thrift industry and not address the need to meld together two financial regulatory structures which have outlived their usefulness. It is the easy answer, but the most dangerous solution. But in an election year Congress, or a Congress that faces an exhausted public, will be very tempted to simply merge the funds. We must prevent that.

Finally, the Congress will simply be ratifying the changes that have taken place in the marketplace. The market place has overrun the ability of the regulatory system to regulate it. We do not need a separate thrift industry anymore simply to fund home mortgages. That already is being accomplished by the secondary mortgage market, mortgage bundling, REMIC's, and so forth. We really don't need the Home Loan Banks anymore or even the Federal Home Loan Bank Board. We no longer fear a shortage of home mortgages in the marketplace. Home mortgages are big business now. Who hasn't heard of Ginnie Mae's, Freddie Mac, Fannie Mae. A merger of the funds won't destroy home mortgages, it will make them cheaper and more accessible, all to the benefit of the consumer. The thrifts recognize that already, and it is time that the Congress does the same.

In conclusion, Mr. Speaker, this Congress faces a very serious problem, and as is often the case, rather than leading the way we will continue to grope and stumble until the problem overtakes us and gives us no choice but to do something even if it is too late.

This is not the first time, nor the last time, even today, that a Member will plead his cause on a particular issue before the House. It is serious, it is a problem, it is a crisis, we hear these worlds so often that they have become cliches, and they usually fall on deaf ears.

But it is just a matter of time before this crisis does catch up to us. It will be a political problem for many. No one wants to have the thrift industry collapse on their watch. I don't want it to happen on mine.

It will have a budget impact, because sooner or later we will have to bail out the FSLIC, and no one around here likes to cut spending, or increase the deficit, but we may have to do both. And if you don't think a bailout is coming, you have ignored the fact that we are witnessing a race to the Federal Treasury between FSLIC and the Farm Credit System [FCS], and they will soon be joined by the Pension Benefit Guarantee Corp., and the Federal Maritime Commission—all those hogs rooting in the public trough all at once is mind boggling. And the potential budgetary impact is enormous.

Finally, I would ask my fellow Members of Congress to focus on this problem. To give consideration to the most thoughtful approach. To reject quick fixes, and to restore confidence with the public so that we can indeed handle this problem before it becomes a real crisis, and to prove that we are capable of preventing continuation of this situation through insufficient action.

Thank you for this opportunity to address the House, Mr. Speaker.

Mr. McCANDLESS. Mr. Speaker, I thank the gentleman from Virginia for his very detailed analysis of the thrift industry and the problems that face us.

Possibly in the few minutes that we have remaining, we can conduct a little colloquy, because I have some concerns about the proposal that the gentleman has presented, as anyone would, without knowing more about it.

The question I think we need to talk a little bit about is the liquidation process in view of the fact that we have charted a course that is somewhat different than the gentleman from Virginia's proposal, and possibly will be the course that we will have to take in the near term.

Again, hopefully that course could prove to be fruitful, or at least start us in the right direction.

The gentleman from Virginia talked in his detailed analysis of the methods by which he would propose to solve this. We talk here and we say that somewhere between 65 and 70 percent, for purposes of our discussion, of the current savings and loan associations are solvent. Even those that are not solvent and well run, that have had the problems that have been alluded to, do have the FSLIC's backing for those investors who have the $100,000 or less accounts.

□ 1930

We talk here now, if we can use the 70 percent for the purpose of our discussion, of those that are sound, and the 30 percent should be liquidated. Like all things, there is no black and white in that kind of business, so there are some that can recover, some that are not brain dead, which is the term, I believe, the gentleman used, which would be those up in the higher echelons of that 30 percent.

How would the gentleman propose under his plan to address those types in that middle range for possible salvation or to bring them back from intensive care?

Mr. PARRIS. What I would do to distinguish between the brain deads and the healthy, well-capitalized institutions that have an enormous future is to make them meet the capital requirements of the FDIC. The gentleman will recall that under the old regulations the capital requirements of FDIC which insure banks were 6 percent. The capital requirements of the FSLIC, as I have indicated in my statement, were reduced from 4 to 3 percent several years ago, and there are 598 institutions that do not have those, that do not have that much.

Mr. McCANDLESS. The gentleman was referring to RAP accounting, which are regulatory accounting principles, and which are dubious at best?

Mr. PARRIS. Exactly.

Mr. McCANDLESS. Let me see if I have this straight. When we take this step and we determine the capital assets necessary, will we at that time be using GAP or generally accepted accounting principles?

Mr. PARRIS. GAP, generally accepted accounting principles.

Mr. McCANDLESS. Currently, with respect to the banks that enjoy insurance under FDIC—not the FSLIC—could one say with a certain amount of certainty that they are using generally accepted accounting principles?

Mr. PARRIS. Yes.

Mr. McCANDLESS. And the regulatory agencies, be it State or Federal, do adhere to these types of accounting principles?

Mr. PARRIS. That is correct. If I might just add to the gentleman's statement, the Federal Home Loan Bank Board devised RAP—regulatory accounting principles—in a way to help buck up insolvent thrifts in the rate crunch, the interest rate crunch, in the early 1980's, and consequently many of the practices that are utilized by thrift industries around the Nation today are in fact very deceiving in terms of the real worth of their assets. Consequently, the recognition of the severity of the problem is very easily obfuscated. You can say, "Well, these institutions meet RAP accounting principles," but RAP accounting is very, very fuzzy in terms of what it permits you to do and what it does not.

Mr. McCANDLESS. Under the gentleman's proposal, then, we have merged those that can meet the necessary capital requirements with the existing banking industry under the FDIC umbrella. At this point are we going to then have the ABC National Bank of Dash Hyphen Dash City and the XYZ Savings and Loan Association of Dash Hyphen Dash City proposing to its customers or providing to its customers the same total range of financial services?

Mr. PARRIS. Yes, I would have them do so. And I would suggest to the gentleman that if we do not do so, we fail to recognize reality in the real world today. And let me remind the gentleman—I am sure he is aware of this, although perhaps others are not—that the institution that provides the largest amount of individual financing today is an insurance company. The organization that provides the largest amount of consumer financing for consumer goods is a subsidiary of the Ford Motor Co. They are in the banking business, and they are going to continue to be in the banking business.

The difference is that when the regulators and the regulations limit the financial institutions of this Nation to compete because those institutions are not required to have reserves, because they are not under the same limitations in terms of their operation and reporting requirements and things of that kind, we create what is known in the industry as an unlevel playing field. When I am able in my institution to do things you cannot do because you are a federally regulated thrift or bank, then I have an enormous competitive advantage in the marketplace, and if we do not fail to recognize that in the early or near term, we are going to seriously cripple the delivery of financial services in this Nation.

Mr. McCANDLESS. Then if I understand the gentleman's proposal correctly, at the same time that we are combining these two, we are giving additional powers that are not presently enjoyed to the commercial banks; is that correct?

Mr. PARRIS. I would say to the gentleman that in my statement I indicated that regulatory practices, capital requirements, and operating limitations should all be leveled between savings and loans, thrifts, and banks, and I would say to the gentleman that there are those who argue—and I tend to agree with this—that with the changes in technology and the delivery of services generally in this Nation, particularly in the area of computer capabilities, by perhaps the turn of the century we will witness in this Nation the delivery of financial services through institutions which are all the same, and they will be big ones and medium-sized ones and small ones in different places in the country. They will be all alike, and they will deliver the same kinds of services in a competitive marketplace, and that will in my view be the best of all worlds for the consumers of this Nation.

Mr. McCANDLESS. Referring to some of the areas about which concern has been expressed by third parties—and maybe the gentleman would like to comment on this relative to his proposal—the independent insurance agent who has provided a valuable service to his community over the years is wondering about how he might fit into this expansion of total commercial services, as well as his colleagues who has been an independent real estate broker for a number of years.

How does the gentleman perceive that as the flow progresses in this area and this transition that he is proposing takes place?

Mr. PARRIS. That is one of the most difficult aspects of this complex problem, as the gentleman has recognized and indicated.

The thing we cannot do is precipitously make a crisis merger of the two, referring to the insurance funds, or a dramatic change that would be inimical to the interests of any of the major industries of this Nation. We have to plan an orderly, intelligent transition based on real-world realities and changes in the marketplace itself.

The answer to the gentleman's question is that I think we must try desperately to balance the equities, if you will, but we cannot ignore the fact that the issuance of insurance and the underwriting of securities, particularly mortgage-backed securities and municipal bond financings, things of that kind, are in fact being accomplished today by unregulated institutions that are not required to provide reserves.

If we continue to ignore that problem, we have what I have indicated earlier is an unlevel playing field, and sooner or later the Ma and Pa S&L,

which has an enormous amount of obligation to its brick and mortar cost because of the branch locations in its market area, will have to go out of the business of writing a single home mortgage one at a time, because when I engage in those as a mortgage banker and wholesale a number of mortgages and sell them on the secondary market, I can do it cheaper than you can, and I, therefore, can provide those mortgages at lower interest rates, and I will beat your brains out in a competitive marketplace because I am giving a similar service for a lesser cost, and that is what is happending in this Nation today.

Mr. McCANDLESS. Mr. Speaker, there is one other point I would like to bring up for the gentleman's comment relative to his proposal.

In some 25 States, as I remember it—and I might be off by one or two—we have State-chartered savings and loan associations, which charter approval is conditioned upon the fact that they have available to their depositors FSLIC insurance, Federal Savings and Loan insurance for those accounts. In those cases where these State charters take place, the State pretty well determines within certain minimal parameters what can and cannot be done by that savings and loan. In most cases that is far more liberal than with a federally chartered savings and loan.

How does the gentleman see the State-chartered institutions, be they banking institutions, commerical banking institutions or the savings and loans that I have alluded to, fitting into this master plan?

Mr. PARRIS. State-chartered thrifts would be regulated, just like State-chartered banks are now. Again this is going to have to be very delicately fine tuned, and the transition here is going to have to be provided so that the precipitous change in the marketplace circumstances is not inimical to the future of an important part of many of these industries.

□ 1940

By the same token, they are in the business of the delivery of financial services, and that can be and must be, in my view, uniformly generated in the competitive marketplace in the future. Now, the Comptroller of the Currency, the Federal Reserve Board, all of the regulatory possibilities of the parameters of who regulates whom, what the restrictions are, that sort of thing, would all have to be addressed by this Congress. But certainly a trip of a thousand miles starts with a first step, and if we do not define the problem and commence the finding of a solution, we are never going to get there.

Mr. McCANDLESS. Do you perceive there being a two-tier capital requirement there? A State institution would have one set of rules under this program and a federally chartered institution have another?

Mr. PARRIS. I think a more preferable approach would be to provide a reasonable capital requirement for a financial institution that is given the benefit of the taxpayer funds for insurance of its deposits.

If whatever that level of capital responsibility or requirements may be, to give State-chartered institutions that opportunity to draw in the event of financial setbacks from the Federal Treasury credit window is, in my opinion, a price that they must pay by generating sufficient capital to tend to insure that there will not be an enormous number of those that will come and be a drain on the Federal Treasury.

Mr. McCANDLESS. The reason I asked this question is because in many of the cases, and I will say the major cases of problem areas that we currently have, the demise of energy, the problem of agriculture and so forth, have been a problem for that geographical location. But in more cases than I would like to say, it has been the deregulation of State institutions by that State freeing that institution up to go, as we would say, wild in the candy store as a child would and, as a result, we have the deficiency that we are currently talking about and your program addresses and proposes.

You perceive this as not being possible then under your plan, a repeat of that, simply you are changing the insurance process and you are requiring a certain capital level in the final analysis but you do not have on conceivably you would not have regulatory power over the operation, other than auditory power, of this State institution which is chartered locally.

Mr. PARRIS. Perhaps I have confused the gentleman modestly; I regret that if it is so. I would not propose that we, certainly in the short term, and by that I mean 15 or 20 or 30 years, that we eliminate the dual banking system, the dual regulatory processes and that sort of thing.

What I am trying to say is that even in the gentleman's own State of California, State-chartered institutions can invest in direct investments 100 percent of their capital. I think that is modestly too liberal. I would, given my choice, limit that somewhat. But that is a State regulatory agency's decision to make and the State legislature.

What I am saying is that if that State-chartered institution wants to engage in those kinds of business practices and make those kinds of direct investments and risk, therefore, its capital, it should not be permitted to enjoy the security and the competitive advantage that is provided by being a part of the federally insured savings and loan fund. So that if you permit the high-fliers to engage in windfarm investments and they lose, they are going to lose their money, not the taxpayers' money. That is the important distinction.

Mr. McCANDLESS. I thank the gentleman. I think in summary here we maybe ought to bring up a couple of points for those may have followed this at some point or another, that once again the current savings and loans, irrespective of their current financial status, do enjoy the protection of their savings and loan customers, those depositors who enjoy the protection of the Savings and Loan Insurance Corporation. Behind that is the full faith and credit of the United States, so we in no way want to cause any alarm in those people who invest in the savings and loans and that we are not using scare tactics.

What we are saying here is that the current system of delivering financial services was fine 50 years ago or maybe even 40 years ago or maybe even 30 years ago when the ability of an individual to go out and find a person who was willing to loan him money to build his home was not available, and so that was the beginning of the savings and loan association system. A means by which money was available in the mortgage centers of the country through that process for the person to borrow to build a home with a modest down payment.

Now, we have come full circle and we have institutions who operate around the clock in different parts of the world transferring by computer basic information from the west coast of California in the evening to Hong Kong for the next day, and at the evening in Hong Kong transfer it to London for the next day and repeat that. And so, in your very, very detailed and precise statements, you talked about the computer age and how that has changed the entire process along with the way we currently provide services either directly or indirectly in the financial world, be it home mortgages, investments, bonds and whatever. Therefore, it is time to take a look at the entire system, modify it, bring it up to date, and address current needs rather than to try and rebuild an archaic system.

Mr. PARRIS. If the gentleman will yield, I would say that is totally accurate. This perhaps may not even be close to a good analogy, but I would say to the gentleman at one time in this Nation there was great public need for horse-drawn milk wagons, but we grew out of that somewhere in our past, and I submit to you that somewhere along the line here we have gotten to the point where there are significant and substantial technological changes that have changed the market forces that need to be addressed by this Congress, and with some of the failures of the regulatory processes and the failure to recognize those market-changing conditions over the last few years, we have created a situation in which we have permitted some, not all, but a significant portion of an important trillion-dollar industry to create an enormous problem for the Treasury of the United States. We have to address it; we have to do it now.

Mr. McCANDLESS. I would agree with the gentleman because we are in the minority in our voting today on the final writeup or markup of the bill that what is in the bill in the way of resources available in the time it is available is very disappointing because there is out there a requirement far greater than is in the bill and I would agree far greater than was in the Treasury proposal.

Mr. PARRIS. If the gentleman would yield on that point, I just want to make the point that we have in our bill, the bill that was reported by the committee, not with any support from the gentleman from California nor myself, but in the bill that will be reported to this House, we have a $2.5 billion cap. Now, we witnessed last week the Dallas Federal Home Loan Regional Bank that would not issue any more money to the insolvent thrifts, undercapitalized and insolvent institutions that are troubled, in Houston and other parts of Texas in that market. They simply could not justify the extension of any more credit.

So the Chairman of the Federal Home Loan Bank wrote them a check for $1,100,000,000 and sent it to Dallas. It is estimated that there is one savings and loan institution in the gentleman's home State of California which, if it went belly-up, and it is reputedly very close, it would cost our insurance fund $7 billion for just one institution. I have heard the number 3; another gentleman told me 7; I do not know what is right.

The point that I am trying to make to the gentleman is it is surely a very, very large number. To suggest that we can solve the problems of that magnitude by a $2.5 billion annual cap of the utilization of cash from our insurance fund is absurd.

Mr. McCANDLESS. I would agree completely with the gentleman. I thank the gentleman for his remarks and his contribution on the Banking Committee.

□ 1950

Although this is a special order, certainly it is an order well taken and the time well spent and the preparation that the gentleman from Virginia has taken, the gentleman should be applauded for that because he went through the whole process and did not shortchange the process in arriving at his conclusions and his presentation.

Mr. Speaker, I thank the gentleman from Virginia for his time and effort in presenting his special order.

Mr. PARRIS. Mr. Speaker, I thank the gentleman for his kind words.

ALARMING TREND OF DISCRIMINATION AND HOSTILITY TOWARD AMERICANS OF ARAB ANCESTRY

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. CONYERS] is recognized for 30 minutes.

Mr. CONYERS. Mr. Speaker, this weekend the American Arab Anti-Discrimination Committee will hold its annual convention in Crystal City, VA. I will bring this important civil rights group to the attention of my colleagues. It is a group 6 years old. It is a fine organization composed of many Americans of different backgrounds and ethnicity. It is a grass roots organization which now has 16,000 members and 60 chapters working in literally every State. It is a civil rights organization whose work is focused on combating defamation in the media and discrimination in public life.

I had the opportunity to hold hearings not too long ago on the subject of discrimination visited upon Arab-Americans. The remarks of my colleague, the gentleman from West Virginia [Mr. RAHALL] were particular relevant. He said:

> I feel that we can no longer afford to ignore the alarming trend of discrimination and hostility toward Americans of Arab ancestry in this country. As if we had not learned a lesson from the past of the harm that can result from unfair stereotyping and prejudice, we are now confronted with a wave of anti-Arab hysteria which is fueled by the media and occasionally by our leaders in the Congress and the Administration.
>
> And, worst of all, this hysteria has manifested itself in terrorist attacks on Americans of Arab heritage right here in the United States of America.
>
> Over the last year, we have witnessed an unstemmed tide of 'Ramboism', fueled by the President and members of this Administration, which somehow legitimizes the right to discriminate against and attack Arab-Americans. This is an attitude which prevails these days that it is acceptable to attack and slander and, yes, even kill Arab-Americans because, after all, Arabs are terrorists and we can somehow exact revenge for acts of terrorism by punishing those who happen to share this common ancestry.
>
> It sounds insane that this is exactly the type of thinking which has become so prevalent these days. And this attitude is promoted in the pages of our newspapers, on television and radio news broadcasts, and in the movie and entertainment industry as well. Just as other ethnic groups in the past have been forced unfairly to bear this cruel burden, Arabs, and Arab-Americans, have become the black sheep of the world. The entertainment industry in particular has cultivated the image of Arabs as bloodthirsty terrorists, shady business characters, or plain buffoons. Rarely have Arab-Americans been cast in any other more human role. They have been degraded to the role of sub-human, and it is this sub-humanity which lends credence to those who seek to denigrate Arab-Americans.
>
> We have witnessed brutal acts of terrorism overseas directed at Americans by ruthless terrorists of Arab heritage. But does this mean that it is acceptable to take revenge on any Arab or Arab-American or anyone who might even look like them? I think not. Yet, acts of terrorism against them are not on the high priority list of the Federal Bureau of Investigation. Arab-Americans who have been victimized by terrorism are not deemed worthy enough to receive condolences from the President of the United States, or to be invited to the White House for comfort, as have the families of other victims of similar senselessness. There is no great outcry of indignation and condemnation of the repeated attacks on these particular Americans, and I ask why?
>
> Last year, Alex Odeh, the West Coast Director of the American Arab Anti-Discrimination Committee, which meets in Washington this weekend, became a victim of terrorism here on American soil. He had appeared on television the previous night exercising his constitutional right as an American to speak his mind in debating the Middle East issue. The next morning he was murdered in cold blood. His death was even applauded by some who disagreed with the beliefs he had expressed the night before. And what has become of the investigation into this spreading terrorism in the United States? I think that this is something we should all know. His murder followed by a few days the murder of Leon Klinghoffer aboard the Achille Lauro. In that time we have seen the capture, trial, and sentencing of Klinghoffer's killers, and appropriately so; and yet we have seen very little, if any, progress made into finding the terrorists who killed Alex Odeh, and that killing occurred here in the United States of America.
>
> And make no mistake about it, this was definitely an act of terrorism. But it has not been the only act perpetrated against Arab-Americans. The Arab-American Anti-Discrimination Committee, an organization which has worked so hard to fight prejudice and stereotyping, has emerged as the prime target themselves of terrorists here in the United States. In addition to the murder of Alex Odeh, the anti-discrimination offices in Boston were the target of a bomb in August of 1985. Two brave police officers were injured as they attempted to disarm the bomb. Last Thanksgiving weekend, the National Office of the ADC here in Washington was severely damaged by a fire that was believed to have been deliberately set.
>
> These incidents are all as a result of the anti-discrimination members and staff exercising their right of free speech. An assault by lawless thugs on the right of one's free speech is an assault on the rights of us all, and it is happening right here in America.
>
> As Americans, we are proud of the fact that in our country rival ethnic and religious groups who hate and kill each other abroad manage somehow to live here mostly in peace and friendship. In this respect, our country despite any other shortcomings, sets an example for the whole world to follow. This is something that we all want to see preserved. I do not want to see this country turned into another Northern Ireland, Beirut or South Africa, where these religious and racial differences are the basis for widespread killing and violence. This is not what the United States should be all about.
>
> I think it is high time that this anti-Arab, anti-Arab-American hysteria which has engulfed so many in this country be calmed. It tears at the moral fabric upon which this

great Nation of ours is woven. We are all Americans, first and foremost, and that is the path that we must follow. We are not Arab or Jews or Blacks first. We are Americans who have a heritage of which we are very proud, and it is our Americanism which must rule our actions and our intelligence. The laws and the moral make-up of America have shown us that all men are created equal, that all of us have a right to speak and that that right must be upheld. That right for Arab-Americans is being threatened and this represents a serious crisis to each and every one of us. This right must never be threatened for any ethnic group.

So we must pledge here today to work together to wipe out this ugly stain of prejudice and violence from the face of the earth.

□ 2000

So, Mr. Speaker, I am very pleased to quote further from Anthony Lewis, who observed:

> It is a basic constitutional right in this country to read and express political ideas, however unpopular. We can subscribe to Pravda. We can distribute literature calling for replacement of Israel by a Palestinian state, or calling for a Greater Israel with its Arabs expelled.
>
> All that is so clear that I would have thought it unchallengeable. But it is being challenged now, from an astonishing quarter: the United States Government, through its Immigration and Naturalization Service.
>
> The I.N.S. is taking the position that freedom of political expression does not apply to aliens resident in this country. If after coming to America they join an organization that circulates certain publications, the I.N.S. says, they can be imprisoned and deported. And that is so even though the organization and the publications are entirely lawful—and could not, constitutionally, be made unlawful.
>
> This amazing theory is being pressed by the I.N.S. in a case involving eight Palestinian residents of Los Angeles * * * [who] were arrested at gunpoint on Jan. 26, and proceedings to deport them began. Seven are in prison without bail, under conditions of strict security. When they talk to a lawyer, they are put in shackles.
>
> You might think that those seven were charged with throwing bombs or some other horrifying crime. the actual charge is that each is "a member of . . . an organization that causes to be written, circulated, distributed, published or displayed, written or printed matter advocating or teaching economic, international and governmental doctrines of world Communism."
>
> The organization is the Popular Front for the Liberation of Palestine, a wing of the Palestine Liberation Organization. The P.F.L.P. calls itself Marxist. But as everyone knows, it is a radical Palestinian nationalist group, dedicated to the establishment of a Palestinian state.
>
> A P.F.L.P. magazine, Democratic Palestine, is in university libraries and on newstands in California, where people of Palestinian origin live in considerable numbers. No one has suggested that there is anything illegal about the magazine.
>
> The Supreme Court has said that the right to argue politics, and organize to that end, is at the "core" of the First Amendment. And of course the amendment makes no distinction between citizens and others. It says that "Congress shall make no law . . . abridging the freedom of speech, or of the press." The freedom covers the country.
>
> The so-called ideological provisions of the McCarran-Walter Immigration Act have been used to keep out foreign visitors disliked by Washington officials. Now the I.N.S. is trying to put them to an even more dangerous use: to deport resident aliens for using American political freedoms.
>
> A second doubt about the case—a matter of decency as well as constitutionality—is the way the Palestinians are being treated. They have lived in this country for as long as 15 years. Suddenly they are thrown in jail, shackled, denied bail—instead of just being notified of any alleged immigration violation, as is usually done.
>
> Why the harsh treatment? It seems designed to suggest some terrorist involvement. But Justice Department officials say the F.B.I. investigated these people for months and found no activity connected with terrorism.
>
> Indications are that some I.N.S. officials are using this case to try out a "contingency plan" for handling suspected terrorists. A draft plan leaked to the press last week suggests that when no evidence of terrorism can be found, suspects be charged with technical immigration violations, denied bail, treated as security risks.
>
> A third reason for qualms about this case is the targeting of Palestinians. The draft contingency plan said the I.N.S. would have to "concentrate its counterterrorism efforts against particular nationalities or groups." It listed eight examples: seven Arab countries and Iran. But in America, guilt is individual.
>
> * * * *
>
> Now Attorney General Meese should take a broad look at the whole proceeding. Surely he does not want to go down as the man who presided over an attempt to make a mockery of those words on the Statue of Liberty: the welcome to America for those "yearning to breathe free."

So I call upon all of us who appreciate the first amendment to join in the inquiry being conducted by one of the subcommittees of the Committee on the Judiciary to understand what this so-called INS option plan is and why such a drastic action has been taken in the case that I have brought to their attention.

□ 2010

MORE ON A SUPER DISCOVERY: SUPERCONDUCTORS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. RITTER] is recognized for 15 minutes.

Mr. RITTER. Mr. Speaker, mankind has recently achieved a once in a lifetime breakthrough in science. The ability to attain superconductivity at temperatures far higher and far more practical than the near absolute zero temperatures required in the past has the potential for a sea change in the way we live. Whole industries depending on electricity will be made more efficient. New products and new industry will emerge. New kinds of electric motors, trains, cars, electricity transmission, powerful computers, electronic telecommunication systems, perhaps even fusion energy, and so many things we cannot even dream about at this time all are possible with materials which can conduct electricity without electrical resistance and the associated energy losses and heat generated.

Mr. Speaker, the human intellect combined with the human spirit in a climate of freedom have brought forth a splendid quantum leap in the world of science and tremendous implications to our everyday lives, our standard of living, our possibilities as a nation and as a world.

I am including several recent articles in the Wall Street Journal which describe the importance of this scientific breakthrough to America and to humanity.

Before I do, I would like to point out what the potential is for this country and what we need to be alert to as we compete in the global economy for applications and commercialization of the phenomenon of superconductivity: Electrical transmission without electrical resistance.

This revolutionary property, which now has been achieved in our laboratories in this country at the University of Houston, working in conjunction with the University of Alabama in Huntsville, at Wayne State University in Detroit, at the Bell Telephone Laboratories of the AT&T Corp., and at IBM's laboratories in Switzerland. These revolutionary, scientific achievements have been achieved in Japan and in mainland China. They have been achieved as we understand it in Germany as well. The implications for America competing in the global economy are absolutely enormous.

We have led the world in the science of superconductivity, and we have perhaps the first of the breakthroughs. But our competitor nations are not far behind. How we bring this scientific achievement into the commercial realm will decide perhaps world economic leadership this breakthrough is so important. The United States of America will be competing head on with Japan and Japan, Inc. Japan has already put together its leading minds and leading institutions in industry, in the universities, and in their national laboratory in order to define a strategy whereby they will be first in this great new field, this fertile field for innovation and commercialization of new products. The objective, says Japan's leading business newspaper, is to organize industry to get the jump on the West in applications and commercialization for a huge new market.

Mr. Speaker, the United States is first with great potential and great opportunity. It will be an exciting race as Japan and the United States and Germany and the rest of Europe compete in this new field.

How we get our science to the marketplace in this new field, how we

compete in the race with the Japanese, as I have said, will have enormous implications for future world economic leadership. Our House Republican Task Force on High Technology and Competitiveness intends to play a lead role in bringing this breakthrough to the attention of Congress, the administration here in the Federal Government and to the American people.

The articles referred to follow:

[From the Wall Street Journal, Mar. 31, 1987]

SUPER DISCOVERIES

Bored by Iranamok? Had enough of "insider-trading" investigations? Take heart. While politicians and prosecutors dance atop the heads of legal pins, science has just presented two of the most dazzling discoveries of our time—superconductivity and a grand and puzzling supernova.

Researchers seeking superconductivity have been science's men of La Mancha, dreaming an impossible dream. The dream was the possibility of creating materials that would transmit electricity at room temperature without losing power into the transmitting material. Superconducted electricity, for instance, could be transmitted from coast to coast without any loss of energy.

The search began in 1911, when a Dutch scientist observed that at temperatures near absolute zero, or 460 degrees below zero Fahrenheit, superconductivity occurred. This required special equipment and used expensive liquid helium as a coolant. That set scientists on a long, frustrating search to raise the temperature for superconductivity and make it practical.

Now, in the past year, scientists believe that they have learned how to achieve superconduction at higher temperatures using new, ceramiclike materials. The practical applications could be immense. At a scientific colloquium in New York on March 18, Bell Labs physicist Bertram Batlogg stood before a hall crammed with excited colleagues and spoke six words that may become history's signature for the superconductivity revolution: "I think our life has changed."

Electric motors may become much smaller, perhaps a tenth of their current size. Electric cars become a reasonable option. The Japanese have been working on a new railway design that uses electromagnets to levitate the train slightly above the tracks and propel it at super speeds; superconductivity could make such trains an affordable reality.

Electricity could be stored in large magnets for use at times of peak demand, reducing the need to maintain often idle power-generating facilities. Magnets also might be used to contain fusion reactions to produce electricity using sea water for fuel.

In medicine, superconductivity could provide better imaging technologies, identifying tumors without surgery. Computers could be made smaller and infinitely faster, increasing their ability to solve complex problems quickly.

There could be large gains in national security. Superconductivity would vastly improve the efficiency of a strategic defense against nuclear weapons; computers would be able to pinpoint the targets more clearly, and dispatch interceptors or focus laser beams more quickly. An adaptation of the levitating railway could also be used to help launch rockets for civilian or military use by giving them an initial boost, much like catapults on aircraft carriers. Rockets would require less fuel and be able to carry substantially larger payloads.

Much hard work in these areas lies ahead of course. It is rare, though, for knowledge to hurtle progress forward on such a vast scale. The process began last April with a successful superconduction experiment by physicist K. Alex Muller at an IBM laboratory in Zurich. Researchers at the University of Alabama at Huntsville and the University of Houston then altered the composition of the material slightly and achieved even better superconduction results.

Physicists all over the world dropped their research to take up the challenge of achieving superconduction at or near room temperature. By now, rapid headway has been made at laboratories in the U.S., Europe, Japan and China. "This kind of thing," an MIT scientist remarked, "you see once in your lifetime."

[From the Wall Street Journal, Mar. 30, 1987]

WAYNE STATE PHYSICISTS DEVELOP MATERIAL SUPERCONDUCTIVE AT HIGHER TEMPERATURE

(By Amal Kumar Naj)

DETROIT.—Wayne State University physicists said they developed materials that can conduct electricity without the slightest resistance at temperatures far higher than previously achieved.

The scientists announced Friday that they had fabricated a material that was "superconductive" at 240 degrees Kelvin, or minus 33 degrees Celsius. This level of superconductivity is the warmest yet developed in the U.S. Previously, the highest temperatures of superconductivity, between 90 and 100 degrees Kelvin, were annnounced by scientists at a special session on superconductors at the American Physical Society's annual meeting two weeks ago. There have been unconfirmed reports, however, of superconductivity approaching the 240-degree mark in Japan and West Germany.

The fabrication of materials that are superconductive at higher temperatures would allow low-cost applications in the computer, transportation, power and communication industries. So far, superconductors, have been confined to limited scientific uses, because of the high cost of the supercold liquid helium in which the materials must be immersed to achieve completely resistance-free conductivity. The discoveries announced in recent weeks eliminate the need for using helium, and the materials can be cooled instead by much less expensive liquid nitrogen.

"At temperatures of 240 degrees, we don't even need nitrogen to reach superconductivity." said J.T. Chen, one of the three Wayne State physicists who developed the material. "We can even use the common coolant freon, but liquid nitrogen is very cheap," he said, noting that the 240-degree mark is only 60 degrees below room temperture.

"I will not rule out reaching superconductivity in room temperatures in the very near future." Mr. Chen said.

The other scientists involved in the development are Lowell E. Wenger and Eleftherios M. Legothetis, and two graduate students. Mr. Logothetis, who is an adjunct professor at the university, also is a full-time research scientist at Ford Motor Co., which provided financial support for the project.

The physicists declined to disclose th composition of the material they develope and would only say that it is similar to thos used by other scientists in recent experiments. Those materials are an yttrium barium-copper oxide. "Ours have differen composition and crystal phase," or the dimensions of the grains, Mr. Chen said.

The Wayne State scientists also used a unique technique in measuring superconductivity. They said in a statement that the conventional method—passing direct current through the material and measuring resistivity—used by others "couldn't clearly establish superconductivity at the higher temperature." Instead, they used a process that used radio frequency and alternating current to verify the existence of superconductivity at the high temperature. "It's a more thorough measurement, because it measures superconductivity of each of the grains of the material," he said.

[From the Wall Street Journal, Mar. 20, 1987]

JAPAN IS RACING TO COMMERCIALIZE NEW SUPERCONDUCTORS

(By Stephen Kreider Yober)

TOKYO.—In the corner of Prof. Shinichi Uchida's laboratory at the University of Tokyo, across from the bottles of liquid nitrogen, stands a bunk bed.

Until recently it was little used. Then, on Feb. 15, a Unversity of Houston press conference announced the latest breakthrough in the science of superconductivity, a development with potentially enormous commercial applications.

The lab and its bunks here seldom have been empty since.

For three weeks Prof. Uchida's 12-researcher team worked around the clock, seven days a week to duplicate the Houston results. Sleeping in shifts, they cooked their meals in a tiny kitchenette while their latest batch of experimental ceramic pellets baked in the lab's kiln.

In other labs, in company board rooms and in the offices of the powerful Ministry of Trade and Industry, or MITI, the Houston breakthrough has galvanized Japan. Scientists, industrialists and government officials have responded frantically, convinced they can, and must, walk away with the commercial applications. "When it comes time to make something out of it," predicts Prof. Shoji Tanaka, who is Prof. Uchida's boss, "the Japanese will have the upper hand."

In the U.S., by contrast, the reaction has been more measured. Labs are busy, but there isn't any nationally coordinated drive for commercialization. Leaders in superconductivity research caution that much science remains to be done first. "You must keep in mind that the scientific scene is changing so rapidly that to decide (on specific applications) on the basis of what is known today would be a mistake," says John Armstrong, director of the research division at International Business Machines Corp. It would also be wrong, he thinks, "to turn this into a race between East and West."

Here in Tokyo, however, the race is already on, showing once again the competitive drive and speed with which Japan can seize on Western science.

New materials that conduct electricity at warmer temperatures with almost no loss of power, have "opened a fantastic world of future industries," says Masatoshi Urashima, a MITI official. Because previous superconductors operated only at extremely low and expensive-to-maintain temperatures, the new materials make economical the creation of tiny, superfast computers, magnetically floating trains, long-distance power lines that don't waste electricity and even applicances that use almost no power.

The discovery meshes with technologies Japan has refined for years. Japan has a train using superconductivity that is almost ready for commercial use. It travels at more than 250 miles an hour while hovering five inches above a track on a magnetic cushion created by superconducting coils. Japan's shipbuilders, meanwhile, have spent $23 million to build a fast ship propelled by superconducting magnets.

NEC Corp. and others already have produced prototypes of superconducting computer ships; the West gave up trying to do so four years ago. Such giant electronics concerns as Hitachi Ltd. are supplying the West with millions of dollars of superconducting equipment. And Japan's leading role in industrial ceramics will help it develop ceramic superconductors. "A lot of revolutionary things are going to come up and a lot of it is going to come from Japan," says David L. Keller, a technology analyst with James Capel & Co., a British securities firm. "The Japanese will dramatically lead the rest of the world."

The Japanese government already is organizing that. Four days after the Houston bombshell, Japan's Science and Technology Agency announced its intent to form a research consortium of Japanese companies, universities and government labs. A week later, the consortium was in place, including such industrial giants as NEC, Toshiba Corp., Nippon Steel Corp. and Mitsubishi Electric Corp. "We've gathered all the leading-edge researchers in superconductivity in Japan," says Koji Yamaguchi, the agency official overseeing research. "We need to get everybody together to share information and decide how to move."

MITI, the agency that picks and funds national projects like the one that helped Japanese makers dominate the memory chip business, began moving on the day of the announcement. It already is polishing up an existing feasibility study on a superconducting power plant and plans to have a working model built by 1992.

"The objective is to organize industry to get the jump on the West in applications and commercialization for a huge new market," says Nihon Keizai Shimbun, Japan's leading business daily. The earliest application, researchers say, could be superconducting computer chips that would enable creation of a shoe box-sized supercomputer. IBM and most other U.S. companies abandoned research in 1983 on the chips, called Josephson Junction devices, partly because of the complications of cooling with helium. That left NEC, Hitachi and a MITI lab to refine the technology with little foreign competition.

For all the government-inspired organization, Japan's research labs didn't wait for government orders when they heard the news from Houston last month.

ELEMENTS OF SURPRISE

At the University of Tokyo, Mr. Uchida sat his researchers down in front of a large periodic table of the elements. For hours they debated which elements Houston could possibly have used. While they were still guessing, a rumor came over the phone that the material was fluoric. Students ran out and bought fluorinated chemicals. For three days they tried out hundreds of combinations until they found the rumor was false.

Action on another tip that the Houston material was dark green, the researchers mixed all the plausible chemicals that would become green when fired, again with no success. (The material needs to be fired further until it is black, they found later.) Then a news report said a Chinese lab had achieved superconductivity at 100 degrees Kelvin (minus 173 degrees Celsius) using a ceramic with ytterbium in it and researchers attacked that. The report proved wrong—the element was yttrium. (Ironically, the University of Tokyo lab later found, by coincidence, that ytterbium works. The lab patented the discovery.)

Finally, at 2 a.m. March 1, they got superconductivity. "It was an other-worldly experience," says Prof. Uchida. They drank a toast and launched back into another week of experiments, this time to refine the resulting ceramic. On March 8 they announced a purified form. On Wednesday the lab finally took a holiday.

Meanwhile, labs at Tohoko University, Hokkaido University and a government research facility in Tokyo have burst forth with rapid-fire announcements of their advances in superconductivity. They and other labs have been snatching up the ingredients for superconductors so fast that there are shortages. Suppliers have run out of yttrium, for example, and labs must wait three weeks for orders to be filled.

THE REAL THING

Prof. Uchida's lab has been flooded by calls and visits from companies. Sumitomo Electric Industries Ltd. researchers brought in some rudimentary wire made from superconducting ceramic. Engineers from Toshiba, Fujitsu Ltd. and Hitachi have visited the lab to keep watch on developments. "Company people have the conviction that this is finally the real thing. A lot are starting to pick it up. . . . They see that superconductivity is a sure thing and they want to get on to application," says Prof. Uchida.

Of course, there is scientific and commercial excitement in the U.S., too, but its less frenetic and isn't centrally controlled. Scientists say indications of an incipient breakthrough came as early as April 1986, when researchers at IBM's laboratory in Zurich, Switzerland, reported they had achieved superconductivity in a new class of materials, the metal oxide ceramics. This galvanized researchers throughout the world. By November, the Japanese and Chinese had confirmed the IBM discovery and by December, scientists in Houston and at American Telephone & Telegraph Co.'s Bell Laboratories were reporting important advances with the new materials.

About 5,000 physicists jammed the ballroom of the Hilton Hotel in New York Wednesday night for an unprecedented special session on superconductors at the annual meeting of the American Physical Society. They listened to the presentation of 60 papers on superconductivity research done largely within the last two to three months. Although scientists from U.S. universities dominated the program, there were reports from IBM, Bell Labs, Westinghouse Electric Corp. and Exxon Corp. as well as from Japanese, Chinese and Canadian scientists.

The breakthrough generated tremendous excitement among Bell Labs scientists, says Robert A. Laudise, director of the laboratories' inorganic chemistry branch. "Usually, research managers are coaching people to do this or that," Mr. Laudise notes. "But in this case we had people coming around from all different disciplines wanting to know if there was anything in this for their area," he says.

TOO SOON FOR APPLICATIONS

"We've had a lot of people going without sleep," Mr. Laudise says. But he agrees with IBM's Mr. Armstrong that it's still too soon for anyone to settle on specific applications of the superconductors. "We're not trying to make any specific devices or systems," he says.

Bell Labs researchers are, however, trying to fabricate various superconducting materials into experimental devices. At Wednesday's APS meeting they displayed a superconductor in the form of a flexible ceramic tape that can be formed and then hardened into a shape to fit a superconducting device.

Researchers at General Electric Co.'s big research and development center in Schnectady, N.Y., agree that it's too soon to jump into an industrial competition with anyone, including the Japanese.

JURY IS STILL OUT

"In the materials field, the events of the last several weeks have been quite spectacular, but in the applications sense, the jury is still very much out," says Michael Jefferies, manager in the center's engineering physics laboratory.

Until recently, the GE lab didn't have a group of scientists working on superconducting materials. "But we're now trying to confirm and duplicate the results that are being reported," Mr. Jefferies says.

Guy Donaruma, vice president for research at the University of Alabama in Huntsville, says governmental agencies and private concerns have shown a keen interest in the university's superconductivity research, which duplicated the Houston breakthrough.

"Wherever I go around town somebody buttonholes me and asks how we're coming along or when can we use this," Mr. Donaruma says. Some inquiries have come from the space and defense related agencies in the area, including the Marshall Space Flight Center and the U.S. Army Missile Command, he says.

In Palo Alto, Calif., where Stanford University recently announced a breakthrough in fabricating a superconducting thin film, useful in electronic devices, a news conference last week was packed with industry people. Several other scientists have called for more information for use in making a superpowerful magnet used by geological researchers. Niels Reimers, director of Stanford's technology licensing office, said, however, that he hasn't been fielding many industry inquiries.

CRASH PROGRAMS

In Japan, however, companies that already sell conventional superconducting wire to the U.S. have begun crash programs to commercialize the new discovery. Fujikura Ltd. and Sumitono Electric, for example, say they have developed rudimentary wire out of the new ceramic, despite skepticism among some scientists that the material won't lend itself to wiremaking.

Like their U.S. counterparts, Japanese makers temper their euphoria with warnings that too little is known about the new ceramic superconductor to tell when and how the material will be commercialized.

Aside from possible problems in forming brittle ceramic into wire, the new superconductor still can't handle enough current to be used in heavy applications such as power plants. Superconductors also don't work well with alternating current, the type of electricity used in most of the world's power equipment.

But Japanese labs are convinced they can solve the problems over the next several years. Now that the West has made the basic breakthrough, they say, the ball is in their court. "It will be difficult and will take time," says Kasumasa Togano, a government scientist. "But that's precisely where Japan's labs and makers have the edge."

Still, he and other researchers admit to a twinge of hurt pride. "To be honest, we're following in the footsteps of the U.S.," Mr. Togano says. "Here, again, the originality is coming from the West. We have a measure of sadness about that."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SUNDQUIST (at the request of Mr. MICHEL), for today and the balance of the week, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PARRIS) to revise and extend their remarks and include extraneous material:)

Mr. BURTON of Indiana, for 5 minutes, today.

Mrs. BENTLEY, for 5 minutes, today.

Mr. MOLINARI, for 60 minutes, on April 2.

Mr. MACK, for 60 minutes, today.

Mr. DREIER of California, for 5 minutes, today.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. BOUCHER, for 5 minutes, today.

Mr. BROOKS, for 5 minutes, today.

Mr. GRAY of Pennsylvania, for 5 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. KASTENMEIER, for 5 minutes, today

Mr. CONYERS, for 30 minutes, today.

Mr. LAFALCE, for 10 minutes, today.

Mr. MONTGOMERY, for 10 minutes, today

Mr. ALEXANDER, for 15 minutes, today.

Mr. GONZALEZ, for 30 minutes, today.

Mr. DORGAN of North Dakota, for 5 minutes, on April 2.

(The following Member (at the request of Mr. MCCANDLESS) to revise and extend his remarks and include extraneous material:)

Mr. RITTER, for 15 minutes, today.

(The following Member (at the request of Mr. GRAY of Pennsylvania) to revise and extend his remarks and include extraneous material:)

Mr. GONZALEZ, for 60 minutes, on April 2.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. CONYERS and to include extraneous material notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $2,210.

(The following Members (at the request of Mr. PARRIS) and to include extraneous material:)

Mr. GILMAN in two instances.
Mr. CONTE.
Mr. GOODLING.
Mr. MCKINNEY.
Mr. ROBERT F. SMITH.
Mr. HUNTER.
Mr. COURTER.
Mr. PORTER in two instances.
Mr. GEKAS in two instances.
Mr. COBLE.
Mr. MARLENEE.
Mr. LIGHTFOOT.
Mr. LIVINGSTON in two instances.
Mr. FIELDS.
Ms. SNOWE.
Mr. DORNAN of California.
Mr. IRELAND.
Mr. MOLINARI.
Mr. DANNEMEYER.
Mr. DIOGUARDI.
Mr. RITTER.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous material:)

Mr. VENTO.
Mr. SMITH of Florida.
Mr. FLORIO.
Mr. HAMILTON.
Mr. GUARINI.
Mr. RICHARDSON in two instances.
Mr. FAUNTROY.
Mr. MONTGOMERY.
Mr. RANGEL.
Mr. DERRICK.
Mr. ECKART.
Mr. LIPINSKI.
Mr. STOKES.
Mr. PANETTA.

ADJOURNMENT

Mr. RITTER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 17 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, April 2, 1987, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1055. A letter from the Chairman, Federal Financial Institutions Examination Council, transmitting the Council's 1986 annual report, pursuant to 31 U.S.C. 719(c)(3); to the Committee on Banking, Finance an Urban Affairs.

1056. A letter from the Auditor, District o Columbia, transmitting a copy of a repor entitled, "Review of D.C. Randolph-Sheppard Program", pursuant to D.C. Code Sec 47-117(d); to the Committee on the Distric of Columbia.

1057. A letter from the Secretary of Education, transmitting a copy of notice of fina funding priorities—program for severel handicapped children, pursuant to 20 U.S.C 1232(d)(1); to the Committee on Educatio and Labor.

1058. A letter from the Chairman, Railroad Retirement Board, transmitting a draf of proposed legislation to ensure that futur indexed rail cost-of-living adjustments ar consistently applied to all indexed rail industry pensions and eliminate the December 1987 rail industry pension cost-of-livin adjustment; to the Committee on Energy and Commerce.

1059. A letter from the Chairman, Federa Communications Commission, transmittin the Commission's annual report on goals objectives and priorities, fiscal years 1987 1988, and 1989, and accomplishments ove the past fiscal year 1986, pursuant to 47 U.S.C. 155(g); to the Committee on Energy and Commerce.

1060. A letter from the Assistant Secretary, Legislative and Intergovernmental Affairs, Department of State, transmitting notification that pursuant to the provisions of section 506(a) of the Foreign Assistance Act, the President signed Presidential Determination No. 87-13 (March 28, 1987) authorizing the furnishing of up to $10 million in emergency military assistance to the Government of Chad, pursuant to 22 U.S.C. 2318(b)(2); to the Committee on Foreign Affairs.

1061. A letter from the Comptroller General of the United States, transmitting a draft of proposed legislation to amend 5 U.S.C. 5724a(a)(4)(A) to liberalize certain provisions which authorize reimbursement for the expenses of the sale and purchase of a residence upon transfer of an employee; to the Committee on Government Operations.

1062. A letter from the Chairman, Board of Governors, Federal Reserve System, transmitting the Board's 10th annual report of its compliance with the Government in the Sunshine Act during calendar year 1986, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1063. A letter from the Administrator, Federal Aviation Administration, Department of Transportation, transmitting a copy of the summary report for the update of the master plan for Washington Dulles International Airport and the facility concept technical report for Washington National Airport, pursuant to Public Law 99-591; to the Committee on Public Works and Transportation.

1064. A letter from the Acting Assistant Secretary for Civil Rights, Department of Education, transmitting the fiscal year 1986 report summarizing the compliance and enforcement activities of the Office for Civil Rights [OCR] pursuant to 20 U.S.C. 3413(b)(1); jointly, to the Committees on Education and Labor and the Judiciary.

1065. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Natural Gas Pipeline Safety Act of 1968, as amended, and the Hazardous Liquid Pipeline Safety Act of 1979, as amended, to authorize appropriations for fiscal years 1988 and 1989, and for other purposes, pursuant to 31 U.S.C.

1110; jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

1066. A letter from the Comptroller General of the United States (omitted from Record—will appear 4/2/87).

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 318. A bill to provide for the restoration of Federal recognition to the Ysleta del Sur Pueblo and the Alabama and Coushatta Indian Tribes of Texas, and for other purposes; with amendments (Rept. 100-36). Referred to the Committee of the Whole House on the State of the Union.

DISCHARGE OF COMMITTEE

Pursuant to section 215 of the Military Construction Appropriation Act, 1987 (Public Law 99-500 and Public Law 99-591), the Committee on Appropriations is discharged from further consideration of House Joint Resolution 167; House Joint Resolution 167 referred to the Committee of the Whole House on the State of the Union, and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BERMAN (for himself, Mr. Glickman, Mr. Morrison of Connecticut, and Mr. Edwards of California):

H.R. 1888. A bill to amend the Foreign Sovereign Immunities Act with respect to certain activities of foreign governments; to the Committee on the Judiciary.

By Mr. BLILEY (for himself, Mr. Parris, Mr. Slaughter of Virginia, and Mr. Coble):

H.R. 1889. A bill to amend title 23, United States Code, relating to advanced construction of highway projects, and to establish certain traffic restrictions with respect to Shirley Highway; to the Committee on Public Works and Transportation.

By Mrs. BOXER (for herself, Mr. Edwards of California, and Mr. Miller of California):

H.R. 1890. A bill to prohibit the obligation or expenditure of funds available to the Department of Defense for the direct or indirect benefit of the Nicaraguan democratic resistance (commonly referred to as the "Contras") unless such funds were appropriated for such purpose; to the Committee on Armed Services.

By Mr. BROOKS:

H.R. 1891. A bill to authorize the several States and the District of Columbia to collect certain taxes with respect to sales of tangible personal property by nonresident persons who solicit such sales; to the Committee on the Judiciary.

By Mr. CARR:

H.R. 1892. A bill to amend the Internal Revenue Code of 1986 to provide that the total amount paid by a self-employed taxpayer for his or her health insurance premiums will be allowed as a business deduction; to the Committee on Ways and Means.

By Mr. HORTON (for himself, Mr. Lewis of Florida, Ms. Slaughter of New York, Mr. Dymally, Mrs. Schroeder, Mr. Ridge, and Mr. Boehlert):

H.R. 1893. A bill to amend the Tariff Act of 1930 regarding country-of-origin marking requirements for imported fresh fruits and vegetables; jointly, to the Committees on Ways and Means and Agriculture.

By Mr. JOHNSON of South Dakota (for himself and Mr. Bereuter):

H.R. 1894. A bill relating to cost-sharing rules of the Missouri National Recreation Area; jointly, to the Committees on Public Works and Transportation and Interior and Insular Affairs.

By Mr. KASTENMEIER:

H.R. 1895. A bill to amend title 18, United States Code, to prohibit certain forms of video surveillance, and to modify certain prohibitions with respect to other surveillance; to the Committee on the Judiciary.

By Mr. KILDEE (for himself, Mr. Goodling, Mr. Coyne, Mr. Fish, Mr. Horton, Mr. Hoyer, Mr. LaFalce, Mr. Nowak, Mr. Robinson, Ms. Slaughter of New York, and Mr. Vento):

H.R. 1896. A bill to reauthorize and improve programs of magnet school assistance under title VII of the Education for Economic Security Act; to the Committee on Education and Labor.

By Mr. LaFALCE (for himself and Mrs. Boggs):

H.R. 1897. A bill to amend the Equal Credit Opportunity Act; to the Committee on Banking, Finance and Urban Affairs.

By Mr. LIVINGSTON:

H.R. 1898. A bill to temporarily prohibit the Secretary of Commerce from implementing regulations requiring the use of turtle excluder devices in the western Gulf of Mexico; to the Committee on Merchant Marine and Fisheries.

By Mr. MARLENEE (for himself, Mr. Cheney, Mr. Stallings, Mr. Craig, Mr. Hansen, Mrs. Vucanovich, Mr. Campbell, Mr. Young of Alaska, Mr. Lujan, Mr. Pashayan, Mr. Rhodes, Mr. Lagomarsino, Mr. Skeen, Mrs. Smith of Nebraska, Mr. Robert F. Smith, Mr. Nielson of Utah, Mr. Kolbe, Mr. Roberts, Mr. Stump, Mr. Herger, Mr. Shumway, Mr. Johnson of South Dakota, and Mr. Richardson):

H.R. 1899. A bill to make permanent the formula for determining fees for the grazing of livestock on public rangelands; to the Committee on Interior and Insular Affairs.

By Mr. OWENS of New York (for himself, Mr. Biaggi, Mr. Murphy, Mr. Perkins, Mr. Richardson, Mr. Robinson, and Mr. Solarz):

H.R. 1900. A bill to amend the Child Abuse Prevention and Treatment Act, the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978, and the Family Violence Prevention and Services Act to extend through fiscal year 1991 the authorities established in such acts; to the Committee on Education and Labor.

By Mr. PANETTA:

H.R. 1901. A bill to amend the Internal Revenue Code of 1986 to provide that certified public accountants and enrolled agents may represent taxpayers in certain Tax Court cases involving $10,000 or less; to the Committee on Ways and Means.

By Mr. RANGEL:

H.R. 1902. A bill to amend the Federal Food, Drug, and Cosmetic Act to require that the label or labeling of a food state the specific common or usual name and the amount of each fat or oil contained in the food, the amount of saturated, polyunsaturated, and monounsaturated fats contained in the food, the amount of cholesterol contained in the food, and the amount of sodium and potassium contained in the food; to the Committee on Energy and Commerce.

H.R. 1903. A bill to deny the Prince Edward School Foundation and its successors tax-exempt status during the period beginning on October 3, 1984, and ending when it has demonstrated its nondiscrimination policy for 2 consecutive school years by having more than a token number of black students in attendance, black teachers on the faculty, and black individuals in administrative and clerical positions; to the Committee on Ways and Means.

H.R. 1904. A bill to amend the Internal Revenue Code of 1986 to deny tax-exempt status to educational institutions which have been found to have a policy of racial discrimination against any group in enrollment, hiring, or in other areas, until such institutions clearly and convincingly demonstrate their abandonment of such policy through the enrollment, hiring, or the taking of other vigorous, affirmative, and continued corrective action with respect to such group; to the Committee on Ways and Means.

By Mr. ROE (for himself, Mr. Walgren, Mr. Brown of California, Mr. Boehlert, Mr. Volkmer, Mr. Nelson of Florida, Mr. Hall of Texas, Mr. Mineta, Mr. Boucher, Mr. Traficant, Mr. Hamilton, Mr. Perkins, Mr. Nagle, and Mr. Hayes of Louisiana):

H.R. 1905. A bill to assist in revitalizing the Nation's academic research programs by authorizing a program in the National Science Foundation for the repair, renovation, or replacement of laboratories and other research facilities at universities and colleges; to the Committee on Science, Space, and Technology.

By Mr. SCHUMER (for himself, Mr. Weiss, Mr. Rangel, and Mr. Downey of New York):

H.R. 1906. A bill to amend part A of title IV of the Social Security Act to establish a demonstration program to test whether the net costs incurred in making emergency assistance payments to homeless AFDC families for temporary housing can be effectively reduced through the construction or rehabilitation (with Federal assistance) of permanent housing that such families can afford with their regular AFDC payments; jointly, to the Committees on Ways and Means and Banking, Finance and Urban Affairs.

By Ms. SNOWE (for herself, Mr. Clinger, Mrs. Roukema, Mrs. Morella, Mr. Staggers, Mr. Traficant, Mr. Daub, and Mr. Saxton):

H.R. 1907. A bill to amend title XVIII of the Social Security Act to require fiscal intermediaries to provide prompt handling of reconsiderations of medicare denials for home health services; to the Committee on Ways and Means.

By Ms. SNOWE (for herself, Mr. Clinger, Mrs. Roukema, Mrs. Morella, Mr. Traficant, Mr. Biaggi, Mr. Daub, and Mr. Saxton):

H.R. 1908. A bill to amend title XVIII of the Social Security Act to require fiscal intermediaries to notify home health agencies served by them of changes in Medicare policy within 7 days; to the Committee on Ways and Means.

By Ms. SNOWE (for herself, Mr. Clinger, Mrs. Roukema, Mrs. Morella, Mr. Staggers, Mr. Traficant, Mr. Biaggi, Mr. Daub, and Mr. Saxton):

H.R. 1909. A bill to extend the waiver of liability presumption with respect to home health services and hospice care under the Medicare Program through September 30, 1989; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Ms. SNOWE (for herself, Mr. Clinger, Mrs. Roukema, Mr. Roybal, Mrs. Morella, Mr. Traficant, Mr. Biaggi, Mr. Daub, Mr. Saxton, and Mr. Bonker):

H.R. 1910. A bill to amend title XVIII of the Social Security Act to require publication of a booklet describing Medicare coverage of home health services to be distributed to current and potential consumers of home health services; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Ms. SNOWE (for herself, Mr. Clinger, Mrs. Roukema, Mrs. Morella, Mr. Traficant, and Mr. Saxton):

H.R. 1911. A bill to amend title XVIII of the Social Security Act to clarify the reasonable and medically necessary standard in the case of home health services; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. STOKES (for himself, Ms. Oakar, Mr. Frost, Mr. Regula, Mr. Bevill, and Mr. Eckart):

H.R. 1912. A bill to extend until November 15, 1987, the provision of law requiring the continuation of health benefits for retired former employees in certain bankruptcies; to the Committee on the Judiciary.

By Mr. TAUKE (for himself, Mr. Leach of Iowa, Mr. Slattery, Mrs. Meyers of Kansas, Mr. Roberts, and Mr. Whittaker):

H.R. 1913. A bill to establish a program to provide dislocation services and assistance to meet the unique needs of farmers, farm workers, and ranchers who face the loss of their primary source of income as a result of the decline in U.S. agriculture, to assist in preparing such individuals for transition to other economic opportunities, and for other purposes; to the Committee on Education and Labor.

By Mr. TRAFICANT (for himself, Mr. Frost, Mr. Applegate, Mr. Regula, Mr. Murphy, Mr. Kostmayer, Mr. Ridge, and Mr. Stokes):

H.R. 1914. A bill to extend certain protections under title 11 of the United States Code, the Bankruptcy Code; to the Committee on the Judiciary.

By Mrs. BENTLEY (for herself, Mr. Lipinski, Mr. Schulze, Mr. Ritter, Mr. Gaydos, Mr. Hunter, Ms. Oakar, Mr. Courter, and Ms. Kaptur):

H.J. Res. 221. Joint resolution to establish a commission to study the means to revivify and strengthen the national industrial base of the United States; and to recommend the proper means of achieving that goal; jointly, to the Committees on Energy and Commerce, and Banking, Finance and Urban Affairs.

By Mr. DEWINE:

H.J. Res. 222. Joint resolution to designate May 1987 as "Courtesy Is Contagious Month"; to the Committee on Post Office and Civil Service.

By Mr. LUJAN:

H.J. Res. 223. Joint resolution to provide for the designation of chile as the official food of the United States of America; to the Committee on Post Office and Civil Service.

By Mr. NIELSON of Utah (for himself, Mr. Horton, Mr. Lagomarsino, Mr. Smith of Florida, Mr. Roe, Mr. Weldon, Mr. Kostmayer, Mr. Davis of Michigan, Mr. Brooks, Mr. Hughes, Mr. Miller of Ohio, Mr. Levin of Michigan, Mr. Kasich, Mr. Fish, Mr. Daniel, Mr. Espy, Mr. Hyde, Mr. Sunia, Mr. Dwyer of New Jersey, Mr. Boner of Tennessee, Mr. Fazio, Mrs. Boxer, Mr. Wolf, Mr. Traficant, Mr. Pashayan, Mr. Waxman, Mr. Mrazek, Mrs. Roukema, Mr. Volkmer, Mr. Hansen, Mr. Berman, Mr. Hutto, Mr. Daub, Mr. Wilson, Mr. Saxton, Mr. Lewis of Florida, Mr. Gray of Illinois, Mr. Bevill, Mr. Spence, Mr. Young of Alaska, Mr. Green, Mr. Savage, Mrs. Bentley, Mr. Atkins, Mr. Pepper, Mr. McCollum, and Mr. Oxley):

H.J. Res. 224. Joint resolution designating the week of September 14, 1987, through September 20, 1987, as "Benign Essential Blepharospasm Awareness Week"; to the Committee on Post Office and Civil Service.

By Mr. PANETTA:

H.J. Res. 225. Joint resolution to authorize and request the President to designate the week beginning April 12, 1987, as "National Week of the American Taxpayer"; to the Committee on Post Office and Civil Service.

By Mr. RANGEL:

H.J. Res. 226. Joint resolution to designate June 11, 1987, as "National Kidney Program Day"; to the Committee on Post Office and Civil Service.

By Mr. SMITH of Florida:

H.J. Res. 227. Joint resolution to designate the week beginning October 18, 1987, as "Gaucher's Disease Awareness Week"; to the Committee on Post Office and Civil Service.

By Mr. DYSON:

H. Con. Res. 94. Concurrent resolution expressing the insistence of the Congress on the extradition of Mohammed Hamadei to the United States for trial in connection with the murder of Navy diver Robert Stethem and the opposition of the Congress to any trade of Mohammed Hamadei for West German nationals being held hostage; to the Committee on Foreign Affairs.

By Mr. HOYER (for himself, Mrs. Bentley, Mrs. Byron, Mr. Cardin, Mr. Dyson, Mr. McMillen of Maryland, Mr. Mfume, and Mrs. Morella):

H. Res. 136. Resolution saluting Betty Brown Casey for her extraordinary support of Washington College; to the Committee on Post Office and Civil Service.

By Mr. STANGELAND (for himself, Mr. Lagomarsino, and Mr. Bereuter):

H. Res. 137. Resolution expressing the sense of the House of Representatives regarding the importance of protecting the stock of borrowers in the institutions of the Farm Credit System; to the Committee on Agriculture.

MEMORIALS

Under clause 4 of rule XXII

18. The SPEAKER presented a memorial of the Legislature of the State of Utah, relative to proposing an amendment to the Constitution; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LIVINGSTON:

H.R. 1915. A bill for the relief of Joseph W. Newman; to the Committee on the Judiciary.

By Mr. McKINNEY:

H.R. 1916. A bill for the relief of Bernard E. Teichgraeber; estate of Barbara G. Teichgraeber, deceased, Bernard E. Teichgraeber and Richard F. Teichgraeber, executors; Bernard E. Teichgraeber and estate of Barbara G. Teichgraeber, Bernard E. Teichgraeber and Richard F. Teichgraeber, executors; and Richard F. Teichgraeber and Winifred Teichgraeber; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 164: Mr. Mrazek, Mr. Howard, Mr. Lipinski, Mr. Owens of New York, Mr. Staggers, Mr. Florio, Ms. Kaptur, Mr. Kolter, Mr. Dellums, Mrs. Boxer, Mr. Traficant, Mr. Konnyu, and Mr. Garcia.

H.R. 300: Mr. Anderson.

H.R. 467: Mr. LaFalce and Mr. Lagomarsino.

H.R. 486: Mr. DeLay.

H.R. 543: Mr. Johnson of South Dakota, Mrs. Vucanovich, Mr. Lipinski, and Mr. Scheuer.

H.R. 585: Mr. Frank, Mr. Kastenmeier, Mr. Berman, Mr. Mrazek, Mr. Rinaldo, Mr. McDade, Mr. Towns, Mr. Edwards of California, Mr. Smith of Florida, Mr. Porter, Mr. Dwyer of New Jersey, Mr. Hughes, Mr. Glickman, Mr. Owens of New York, Mr. Evans, Mr. Gallo, Mr. Schaefer, Mr. Rangel, Mr. Feighan, Mr. Gilman, Mr. Smith of New Jersey, Mr. Martinez, Mr. Goodling, Mr. Donnelly, Mr. Smith of New Hampshire, Mr. Shaw, and Mr. Henry.

H.R 618: Mr. Gray of Pennsylvania and Mr. Penny.

H.R. 621: Mr. McGrath and Mr. Garcia.

H.R. 758: Mr. Lipinski.

H.R. 792: Mr. Fish and Mrs. Boxer.

H.R. 910: Mrs. Byron.

H.R. 1007: Mr. Young of Alaska, Mr. Lipinski, Ms. Oakar, Mr. Coughlin, Mr. Roe, Mr. Kolter, Mr. Volkmer, Mr. Foglietta, Mr. Mineta, Mr. Hertel, Mr. Kostmayer, Mr. McHugh, and Mr. Williams.

H.R. 1049: Mr. Evans, Mr. Jontz, and Mr. Frank.

H.R. 1068: Mrs. Collins, Mr. Traficant, and Mr. Ridge.

H.R. 1082: Mr. Davis of Illinois, Mr. Shuster, Mr. Michel, Mr. Holloway, Mr. English, Mr. Hubbard, Mr. Thomas of California, Mr. Gekas, Mr. Combest, Mr. Crane, and Mr. Coble.

H.R. 1119: Mr. McKinney.

H.R. 1212: Mr. Lewis of Georgia and Mr. Horton.

H.R. 1232: Mr. Garcia, Mr. Ritter, Mr. Frank, Mr. Dymally, Mr. Traficant, Mr. Biaggi, Mr. Espy, Mr. Bustamante, Mrs. Bentley, Mr. Towns, Mr. Martinez, Mr. Mrazek, Mr. Atkins, Mr. Stratton, Mr. Levin of Michigan, Mr. Horton, Mr. Penny, Mr. Sikorski, Mr. Owens of New York, Mr. McGrath, Mr. Dornan of California, and Mr. Wolpe.

H.R. 1282: Mr. Armey, Mr. Inhofe, Mr. Brown of Colorado, Mr. Green, and Mr. Crane.

H.R. 1302: Mrs. Bentley and Mr. Morrison of Connecticut.

H.R. 1310: Mr. Dyson, Mr. Taylor, Mr. Lagomarsino, and Mr. McEwen.

H.R. 1336: Mr. Murtha, Mr. Florio, and Mr. Lipinski.

H.R. 1339: Mr. Broomfield.

H.R. 1342: Ms. Slaughter of New York and Mr. Garcia.

H.R. 1367: Mr. Shumway and Mr. Weber.

H.R. 1398: Mr. Ackerman and Mr. Savage.

H.R. 1412: Mrs. Bentley and Mr. McDade.

H.R. 1417: Mr. Fascell, Mr. Lantos, Mr. Wheat, Mr. Kastenmeier, Mr. Hall of Ohio, Mr. Dorgan of North Dakota, Mr. Miller of California, Mr. Green, Mrs. Boxer, Mr. Fauntroy, Mr. Lehman of Florida, Mr. Smith of Florida, Mr. Gilman, Mr. Fuster, Mr. Leland, Mr. Lewis of Georgia, Mr. Berman, Mr. Levin of Michigan, Mr. Clay, Mr. Owens of New York, Mr. Biaggi, Mr. Frank, Mr. Morrison of Connecticut, Mr. Cardin, Mr. Wilson, Mr. Edwards of California, Mr. Bustamante, Mr. Miller of Washington, Mr. Hughes, Mr. Levine of California, Mr. Dymally, Mr. Waxman, Mr. Solarz, Mr. Studds, Mrs. Bentley, Mr. Dellums, Mr. Gray of Pennsylvania, Mr. Frenzel, and Mr. Scheuer.

H.R. 1429: Mr. Stark and Mr. Lowry of Washington.

H.R. 1468: Mr. Fazio and Mr. Bates.

H.R. 1496: Mr. Bryant, Mr. Dornan of California, Mr. Armey, Mr. Wilson, Mr. Ritter, Mr. Livingston, and Mr. Richardson.

H.R. 1534: Mr. Martinez and Mr. Garcia.

H.R. 1546: Mr. Schumer, Mr. Yatron, and Mr. Martinez.

H.R. 1599: Mrs. Bentley.

H.R. 1604: Mr. Hatcher, Mr. Wortley, Mr. Garcia, and Mr. Hyde.

H.R. 1716: Mr. Garcia, Mr. Hughes, Mr. Kolbe, Mr. Neal, Mr. Rangel, Mr. Schumer, Ms. Slaughter of New York, and Mr. Torres.

H.R. 1766: Mr. Lott.

H.R. 1769: Mr. Fauntroy, Mr. Ford of Tennessee, Mr. Gray of Pennsylvania, Mr. Martinez, Mr. Owens of New York, and Mr. Richardson.

H.R. 1786: Mr. Lungren, Mr. Frost, Mr. Stenholm, Mr. Henry, Mr. Broomfield, Mr. DeWine, Mr. Tauzin, Mr. Lewis of Florida, Mr. Wortley, Mr. Sunia, Mr. Porter, Mr. Smith of New Hampshire, Mr. Madigan, and Mr. Erdreich.

H.J. Res. 90: Mr. Pickett, Mr. Tallon, Mr. Frank, Mrs. Bentley, Mr. Brown of California, Mr. Torricelli, and Mr. Swift.

H.J. Res. 111: Mr. Lewis of Georgia.

H.J. Res. 114: Mr. Rowland of Connecticut, Mr. Miller of Ohio, Mr. Craig, Mr. Kasich, Mr. Bilirakis, Mr. English, Mr. Wilson, Mr. Yatron, Mr. Pickle, Mr. Stenholm, Mr. Gonzalez, Mr. MacKay, Mrs. Vucanovich, Mr. Chappell, Mr. Shaw, Mr. Whitten, Mr. Tallon, Mr. Anderson, Mr. Petri, Mr. Waxman, Mr. Sharp, Mr. Leath of Texas, Mr. Lowery of California, Mr. Roth, Mr. Lagomarsino, Mr. Mica, Mr. Swindall, Ms. Kaptur, Mr. Andrews, Mr. Dowdy of Mississippi, Mr. Sabo, Mr. Derrick, Mr. Thomas of Georgia, Mr. Dixon, Mr. Spence, Mr. Lewis of Georgia, Mr. Akaka, Mr. Stump, and Mr. Annunzio.

H.J. Res. 137: Mr. Wolpe, Mr. Upton, Mr. Traxler, Mr. Vander Jagt, Mr. Green, Mr. Fazio, Mr. Roberts, Mr. Dornan of California, Mr. DioGuardi, Mr. Lagomarsino, Mr. Hatcher, Mr. Horton, Mr. de la Garza, Mr. Daniel, and Mr. Donnelly.

H.J. Res. 140: Mr. McHugh, Mr. Mineta, Mr. Panetta, Mr. Howard, Mrs. Bentley, Mr. Edwards of California, Mr. Andrews, Mr. Traficant, Mrs. Martin of Illinois, Mr. Dellums, Mr. Hughes, Mr. Hall of Ohio, Mr. Foley, and Mr. Conyers.

H.J. Res. 148: Mr. Green, Mr. Mrazek, Mr. Jeffords, Mr. Howard, Mr. Leland, Mr. Stark, Mr. Pepper, Mr. Neal, Mr. Studds, Mr. McKinney, Mr. Panetta, Mr. Gregg, Mr. Darden, Mr. Stratton, Mr. Evans, Mr. Spratt, Mr. Coelho, Mr. Berman, Mr. Bosco, Mr. Brown of California, Mr. Goodling, Mr. Cardin, Mr. Owens of New York, Mr. Dellums, Mr. Dixon, Mr. Towns, Mr. Hoyer, Mr. Mfume, Mr. Sabo, Mr. Skaggs, Mr. Leach of Iowa, Mr. Hawkins, Mr. Foglietta, Mr. Morrison of Connecticut, Mr. Kildee, Mr. Craig, Mr. Kleczka, and Mr. Richardson.

H.J. Res. 176: Mr. Williams, Mr. Wyden, Mr. Schumer, Mr. Smith of Florida, Mr. Towns, Mr. Olin, Mr. Neal, Mr. Udall, Mr. Horton, Mr. Owens of New York, Mr. Garcia, Mr. Hawkins, Mr. Fascell, Mr. Dicks, Mr. Gordon, Mr. Frenzel, Mr. Hamilton, Mr. McKinney, Mr. Markey, Mr. Cardin, Mr. Hall of Ohio, Mr. Kennedy, Mrs. Collins, Mr. DeFazio, Mr. Hoyer, Mr. Miller of California, Mr. Dorgan of North Dakota, Mr. Hughes, Mr. Beilenson, Mr. Roybal, Mr. Mrazek, Mr. Walgren, Mr. Bates, Mr. Staggers, Mr. Ackerman, Mr. Berman, Mr. Bonker, Mr. Kastenmeier, Mr. McHugh, Mr. Hayes of Illinois, Mr. Murphy, Mr. Frank, Mr. Penny, Mr. Leland, Mr. Scheuer, Mr. Waxman, Mr. Lehman of Florida, Mr. Levin of Michigan, Mr. Conyers, Mr. Fauntroy, Mr. Akaka, and Mr. Lewis of Georgia.

H.J. Res. 200: Mr. Archer, Mrs. Bentley, Mr. Boner of Tennessee, Mr. Brown of Colorado, Mr. Burton of Indiana, Mr. Callahan, Mr. Carr, Mr. Conte, Mr. Courter, Mr. Daub, Mr. de la Garza, Mr. Dixon, Mr. Donnelly, Mr. Dornan of California, Mr. Dwyer of New Jersey, Mr. Fascell, Mr. Fawell, Mr. Flippo, Mr. Frank, Mr. Fuster, Mr. Gilman, Mr. Gordon, Mr. Harris, Mr. Hayes of Illinois, Mr. Hayes of Louisiana, Mr. Henry, Mr. Horton, Mr. Howard, Mr. Hughes, Mrs. Kennelly, Mr. Lagomarsino, Mr. Latta, Mr. Lehman of Florida, Mr. Lent, Mr. Levin of Michigan, Mr. Lewis of Florida, Mr. McDade, Mr. MacKay, Mr. Markey, Mr. Martin of New York, Mr. Montgomery, Mr. Neal, Mr. Nielson of Utah, Mr. Owens of New York, Mr. Perkins, Mr. Quillen, Mr. Regula, Mr. Roe, Mr. Scheuer, Mr. Denny Smith, Mr. Smith of Florida, Mr. Solarz, Mr. Volkmer, Mr. Walgren, Mr. Wortley, Mr. Wylie, Mr. Yates, Mr. Rhodes, Mr. Gradison, Mr. Ballenger, Mr. Conyers, Mr. Derrick, Mr. Durbin, Mr. Fauntroy, Mr. Hatcher, Mr. Jones of North Carolina, Mr. Kostmayer, Mr. Lipinski, Mrs. Lloyd, Mr. Sabo, Mr. Sikorski, Mr. Stokes, Mr. Stratton, Mr. Sunia, Mr. Tauke, Mr. Visclosky, and Mr. Wyden.

H. Con. Res. 7: Mr. Houghton, Mr. Stump, Mr. Nielson of Utah, and Mr. Herger.

H. Con. Res. 67: Mr. Robinson, Mr. Hall of Ohio, Mr. Manton, Mr. Akaka, Mr. Denny Smith, Mr. Fields, Mr. Blaz, Mr. McGrath, Mr. Weldon, Mr. Boulter, Mr. Mrazek, Mr. Bustamante, and Mr. Crane.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.J. Res. 42: Mrs. Bentley.

EXTENSIONS OF REMARKS

INTRODUCTION OF LEGISLATION TO REAUTHORIZE CHAPTER 2 OF THE ECIA

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. GOODLING. Mr. Speaker, last week I introduced H.R. 1795 which would reauthorize chapter 2 of the Education Consolidation and Improvement Act through 1993. Chapter 2 was created as part of the Ominbus Budget Reconciliation Act of 1981 by combining over 30 categorical programs into an educational block grant. Last year Congress appropriated $529 million for this purpose.

Most Federal education funding comes with many strings attached. While this makes sense in most cases, it is also important for us to help schools implement innovative programs based on their own ideas. Parents, students, and educators from across the country have told members of the Education and Labor Committee that chapter 2 is an important part of their school program. This reauthorization proposal retains the current flexibility in chapter 2, while specifying more clearly what are its major goals.

The proposed chapter 2 legislation would:

First, retain the current 80-20 percent split between local and State education agencies.

Second, with the 20 percent money States could find three general categories of activities: State administration of the chapter 2 program, technical assistance, grants to local school districts, and statewide activities aimed at achieving the goals of the act, and with 25 percent of the State money—which is 5 percent of the total State grant—they must specifically do "effective schools" programs.

Otherwise, the application process and the creation of the State advisory council remain much the way they are under current law.

Third, with the 80 percent money, local school districts could choose among the following educational areas in deciding how to utilize their local funds: programs for at risk youth, instructional, educational materials and equipment, educational personnel development and training, effective schools programs, and special projects—including gifted and talented and technology education.

I worked very closely with Chairman HAWKINS in developing this bill and I am glad that we have followed the example of H.R. 950, which reauthorizes chapter 1, and introduced this legislation jointly. In fact, H.R. 1795 represents the efforts of many people who provided input to our committee and who will see their finger prints in the bill.

Chapter 2 is a program that started out as an orphan but has definitely been adopted by the educators of this country. H.R. 1795 retains the original purposes of chapter 2 while making some modifications suggested by the persons most closely involved in its implementation. I hope to continue to work with my colleagues in Congress in order to perfect this legislation so that it can best meet the needs of our Nation's schools.

THE MIAMI PROJECT

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. SMITH of Florida. Mr. Speaker, a dedication ceremony is taking place in south Florida that is of interest to the entire Nation. On April 3, 1987, the basic science laboratories of the Miami Project to Cure Paralysis will be dedicated.

The project, based at the University of Miami Medical Center, has been the focus of international media attention over the past year.

The project's goal is quite clear. In fact, it's stated in the organization's name. The Miami project aims to cure paralysis. It hopes to bring the top physicians and scientists from around the world together to launch an attack on this devastating affliction.

Mr. Speaker, the Miami project is a reality today because of Nick Buoniconti who, for many years, was a major player with the Miami Dolphins football team. In 1985, Nick's son Marc suffered a severe spinal cord injury while playing college football that has left him a quadriplegic. Since that time, Marc has been undergoing rehabilitation and has become an international symbol of the Miami project's goal: To make paralysis an affliction of the past.

Nick Buoniconti's love for his son is so strong that his concern has grown beyond family needs. Nick's aim now is to help people throughout the Nation and the world who suffer from paralysis.

The dedication on April 3 marks an important step for everyone who has been or will be touched by the tragedy of paralysis. I believe it's also a testimony to the courage of Marc Buoniconti and the dedication of Nick Buoniconti and the many citizens who are working for the success of the Miami Project to Cure Paralysis.

To further the goals of the Miami project, Nick Buoniconti's friends and former teammates will be hosting the second annual NFL Celebrity Roast on April 11, 1987, in Miami.

As the newest addition to the NFL Hall of Fame, former Miami Dolphin great, Larry Csonka will be roasted by members of the 1972 team. The event will be a stroll down memory lane with members of the Miami Dolphins' great 1972 season, and will raise funds for this very worthy and important medical goal. I urge all my colleagues and the community to support this important step for those of our citizens who are suffering from forms of paralysis. With the devotion of all connected with this project we can cure this dreaded affliction.

COMMEMORATING LARRY VUILLEMOT'S SERVICE TO THE NATION

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. PORTER. Mr. Speaker, I rise today to commend the work of Lawrence Donald Vuillemot who is retiring from a career devoted to excellence as the director/superintendent of the special education district of Lake County in Gurnee, IL. His commitment to this endeavor extends all the way back to May 1960.

The special education district of Lake County [SEDOL], is a centralized joint agreement serving 40 school districts, and presently employing more staff and providing more services to more students than any other joint agreement in the State. In 1979-80, the SEDOL Program served over 2,489 students, not including those served by each of the member district's Speech Therapy and Learning Disabled Student Programs. A total of 570 professional and clerical staff are currently employed, including 325 classroom teachers representing all categories of special education.

The cooperative joint agreement model has requested and received Mr. Vuillemot's assistance as a consultant since 1960. This model delivers services to Special Education Programs at numerous institutions including, the Minnesota State Department of Education, Indiana University, the University of Illinois, the Montana State Department of Education, and the Western Interstate Commission for Higher Education.

Mr. Vuillemot has served on the board of directors of the Lake McHenry Regional Program since it's inception in 1967. His guidance and counseling in that capacity has helped produce one of the State's outstanding programs in the provision of diagnostic services to children.

In 1972, in cooperation with the special education department at Illinois State University at Normal, Mr. Vuillemot developed a unique off campus Teacher Training Program. This program has been responsible for training an exceptional group of special education teachers.

Through the years, Larry Vuillemot's professional involvement has included work with such groups as the American Academy of Pediatrics and the American Association of Mental Disorders—an active member since 1952. He has spoken three times at the national conventions of the American Association of School Administrators—a member since 1967. He has been a member of the Council for Exceptional Children since 1954

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

and served as editor of the Illinois Council for Exceptional Children Newsletter from 1962 to 1964.

From 1962 to 1964, he was also president of the Illinois Administrators of Special Education. He has been involved with the Illinois Commission on Children as a member of the Committee on Emotionally Disturbed Children and as chairman of the Subcommittee on Legal Mandates. Mr. Vuillemot was appointed by Gov. Richard Ogilvie to the first Statewide Council on Developmental Disabilities, and since 1981 he has been chairman of the Illinois State Advisory Council for the Education of Handicapped Children.

Other advisory boards that Mr. Vuillemot has served on include those of the Lake County Society for the Mentally Retarded, since 1960; the Illinois Regional Resources Center at Northern Illinois University; and the Moraine Association Residential Daily Living Facility for the Adult Retarded.

Mr. Vuillemot has received numerous honors, including annual recognition by the president of the Illinois Administrators of Special Education for dedicated service to the IASE since 1966. In 1972, he received the Lake County Mental Health Award, and in 1979 he received a certification of recognition by the Illinois House of Representatives. In 1980, he was invited to be the first special education administrator in residence at the University of Illinois, College of Education. That same year he was also named the Raymond E. Williams Memorial Lecturer at the University of Illinois, Phi Delta Kappa, PI chapter.

Mr. Speaker, Lawrence Donald Vuillemot's record speaks for itself. I can only add that he has worked his entire life to uphold one of the basic tenets of SEDOL's philosophy, that the "provision of educational services designed to meet the individual's needs is an intrinsic right." Larry Vuillemot's retirement after 27 years of dedicated service to Lake County and the State of Illinois is well deserved. I am sure he will be both missed and remembered for years to come.

POW NIGHTMARE STILL HAUNTS SURVIVOR OF THE BATAAN DEATH MARCH

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. RICHARDSON. Mr. Speaker, I would like to call the attention of my colleagues to an article written in the Albuquerque Tribune. It concerns a POW's nightmare existence while in the service of the U.S. military during World War II. The article gives people a glimpse at the terrible pain suffered by men who were tortured over long periods of time. Much of that pain goes on today—both bodily and psychologically. I feel this article points out the sacrifice that Carlos Montoya gave for his country, and the adulated praise that is owed him and other veterans like him. Congress would do well to bear in mind that our veterans deserve the utmost attention for their service.

[From the Albuquerque Tribune, Sept. 19, 1986]

POW NIGHTMARE STILL HAUNTS SURVIVOR OF THE BATAAN DEATH MARCH

(By Beatriz J. Hernadez)

Carlos Montoya's years of torment as a Japanese prisoner of war drag on, paving a trail of ailments, disillusion and nightmares common to the victims of torture.

It is etched in his memory, he said: Every moment from April 4, 1942, to Sept. 18, 1945, when he was held prisoner in the Philippines and Japan.

"In my nightmares, the Japanese are after me, or I'm after them. I would like to dream of my little girl, Nora, but I don't," he said, shaking his head. "I would like to dream of things that have happened since, but I don't. I've had disagreements recently, and I wish I could dream about those . . . I just can't!"

Montoya, 71, was one of the tens of thousands of World War II American soldiers—many from New Mexico—subjected to a 100 mile march known as the Bataan Death March. Scores of men died on the march from thirst and starvation.

Though Montoya was freed three and one-half years later, he at times is sorry he is not among the dead soldiers.

"I would have preferred to have been killed at the beginning of the war than go through that (the captivity and the aftermath)," he said in a low voice.

To Montoya, today's Day of Recognition of Prisoners of War (POWs) and Missing in Action (MIAs) at Kirtland Air Force Base has little practical meaning. Rather than symbolism, Montoya prefers relief.

He continues to fight with the Veterans Administration for full disability insurance. Next week he will file yet another claim in a long series of unsuccessful attempts at increasing his 60 percent disability to full coverage.

Montoya says he takes dozens of pills a day for the asthma he contracted shoveling coal for the Japanese. His breathing is labored because Paddlefoot, a Japanese guard, broke his nose. He said he has paid thousands of dollars to heal his back, which he hurt falling 40 feet from a trestle in Japan.

Montoya was beaten repeatedly with the butt of rifles, he said. His right hand bears the deforming mark of torture.

He gets piercing cramps in his feet at night—he thinks from wearing only discarded Japanese army pants and shoes and a straw coat in freezing weather. The prisoners made the blankets into mittens because others had lost skin from their unprotected palms while pushing searing carts of coal in a Japanese port city, Montoya said.

"But no one compensates me for the cramps, (the VA) could care less," he said, his voice rising.

V.A. spokesman Gerry Murphy said many New Mexico POW's get no compensation from the government because they have no evidence to back their claims. The other POW's, he said, are compensated according to the amount of damage their body suffered.

Montoya said he is awaiting documents that he said would complete his disability claim.

Meanwhile, he is here, busy as always in his successful Northeast Heights restaurant, Cocina de Carlos, but 15 Albuquerque men are still missing in action or are prisoners of war in Southeast Asia, 13 years after the United States pulled out of Viet Nam.

"It's horrible the United States was not able to win in Viet Nam because of lack of strength . . . and I don't think the government is doing enough to find out if our boys are really alive or dead," Montoya said, echoing the exasperation of Albuquerque families still waiting for their men.

He tapped his forehead with apparent frustration.

The memories open wounds that apparently haven't healed. And he becomes choked with tears recalling the ten years after being freed. But of those, he won't say much except to refer to his wife as "a strong woman." His business, he said, was not set up to make money, but to hold on to his sanity.

"It's terrible how one race acts against another," he said, sighing.

EAGLE SCOUT AWARD

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. GEKAS. Mr. Speaker, so often we, as Members of this great deliberative body, tend to overlook the extremely important achievements of our constitutents. Thus, it is with great pride that I bring to your attention the accomplishments of three young constituents of mine from Middletown, PA.

All three young men, Mark Henderson, Paul Ford Cranes, and Steven Kuhn, members of Boy Scout Troop, 594, will receive Boy Scouts' highest award—the coveted Eagle Award—before family, friends and their Congressman at the Middletown American Legion, Post 599, this Sunday, April 5, 1987.

I would like to extend my congratulations to each of these young men and would ask my colleagues in the U.S. Congress to join me in paying tribute to them on this very special occasion.

NATIONAL WEEK OF THE AMERICAN TAXPAYER

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. PANETTA. Mr. Speaker, I am introducing today a resolution authorizing the President to designate the week of April 12–18, 1987, as "National Week of the American Taxpayer."

This, of course, is the week in which April 15 falls, the date by which most Americans are required to file their annual income tax returns. It is an appropriate time to pay recognition to the American taxpayer, on whose shoulders rest the burden of paying for Government and on whose hard work the vitality and security of this Nation depend.

For millions of Americans, the chief form of contact with the Federal Government is through the annual filing of a tax return. This has often been an onerous experience. Last year's tax reform bill was intended to ease some of the burden of paying Federal taxes for most Americans. Either through reducing the taxes owed or by simplifying the system, the bill was designed to stem the erosion of public trust in Government and taxation.

Ultimately, the new law may be successful in this regard, but for now, the new W-4 forms and a general mistrust of new tax laws have combined to create the opposite effect of what was intended. The American taxpayer is feeling as put-upon as ever, and not without justification.

The resolution I am introducing would not reduce taxes, reform the Tax Code, or simplify tax forms. It would, however, pay tribute to the people who made Government in this country possible. I hope my colleagues will join me in sponsoring this resolution.

Mr. Speaker, it is obviously too late to gain the necessary 218 cosponsors to gain enactment of this resolution in time for this April 15. However, I will soon introduce a new resolution for the week of 1988 that includes April 15. The American taxpayer deserves this recognition, and I hope we will give it to him.

Following is the text of the resolution:

H.J. RES. 225

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating the week beginning April 12, 1987, as "National Week of the American Taxpayer" and calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

IN MEMORIAM OF ADM. ARTHUR STANLEY MOREAU, JR., U.S. NAVY

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. DORNAN of California. Mr. Speaker, a close personal friend of mine, Karl Bergheer, wrote me a touching letter expressing his sense of loss over the death of one of his closest and dearest shipmates. As my colleagues who had the privilege to serve in the armed services know, the friends we made during our service often became friends for life. I share his loss and would like to place into the RECORD Karl's thoughtful letter to me and the accompanying biography of one of America's unsung heroes, Adm. Arthur Stanley Moreau, Jr.

DEAR BOB: Enclosed is the Order of Funeral Services at the United States Naval Academy chapel for Admiral Arthur Stanley Moreau, Jr., USN. Art and I were shipmates in 1953-54 on the USS Bayfield APA33. I was a Ltjg., Art was an Ensign. Even then it was common knowledge that Ensign Moreau was destined for greatness. He fulfilled that promise, that vision of his peers, but tragically died of a massive heart attack on December 8, 1986. He was buried in Arlington with all the honors befitting a four-star Admiral of the United States Navy. Art's next assignment would have been with even greater areas of authority and command responsibility.

The country lost one of its great unsung heroes and military leaders; Katie Moreau lost her husband; the Moreau children lost their father, and I lost one of my closest and dearest shipmates. As I stood at attention at the gravesite with the other honorary pallbearers and as taps was played, the men around me stood silently with tears coursing down their cheeks. Standing next to the grieving widow was the Secretary of Defense, Cap Weinberger, whose eyes, like mine, were brimmed with tears. And so we put to rest Admiral Arthur Stanley Moreau, Jr., USN, who had served the Navy and his country his whole life.

I wanted to share this with you because Art, like the other men who serve in this position of responsibility, are the men of honor, integrity, discipline and courage, who keep us free and liberty alive for us and for our children. For me, when the last note of taps ended, it was a moment of instant rededication—to rededicate my life to the memory of Art, the principles that he believed in and stood for as an American—a free American.

KARL.

ADMIRAL ARTHUR STANLEY MOREAU, JR., U.S. NAVY

Admiral Arthur Stanley Moreau, Jr., U.S. Navy Commander in Chief, U.S. Naval Forces, Europe and Commander in Chief, Allied Forces Southern Europe died of cardiac arrest at the U.S. Naval Hospital, Naples, Italy at 4:38 A.M. (GMT) Monday, December 8, 1986.

Admiral Moreau served as both a NATO Commander and as one of the Navy's three Fleet Commanders in Chief. He assumed these commands November 15, 1985, and was promoted to Admiral in that year. As CINCUSNAVEUR, Admiral Moreau served as a component commander of the U.S. Commander in Chief, Europe. In this capacity he was operational commander in charge of all U.S. Navy forces in Europe. During his command, his staff in London was awarded the Navy's Meritorious Unit Commendation for the planning and execution of critical military operations in the European theater.

In his NATO duties, he commanded the largest of NATO's regional commands, with responsibilities for the land and air defense of Italy, Greece and Turkey and the defense of NATO sea lines of communication throughout the Mediterranean and Black Seas. Admiral Moreau's previous Assistant to the Chairman, The Joint Chiefs of Staff, a position he assumed in may 1983.

Admiral Moreau was born June 3, 1931, in Mount Rainier, Maryland, son of Arthur Stanley Moreau and Helen O'Leary (both deceased). He graduated from the U.S. Navy Academy in the Class of 1953. He was a 1964 graduate of the Command and Staff Course, U.S. Naval War College, and held a Master's Degree in International Affairs for George Washington University.

Admiral Moreau served with distinction in a wide variety of sea and shore assignments, and he commanded two ships and one naval station. He was decorated during combat operations in Southeast Asia in action off the Republic of Vietnam.

Admiral Moreau is survived by his wife, the former Katherine Ann Schindling of Cheverly, Maryland, and five children, Arthur Stanley III, Steven Matthew, Kathleen Elizabeth, Christopher Andrew, and Katherine Johanna. Arthur and Steven are both Naval Aviators. Kathleen is married to Lieutenant Townsend Griffiths Alexander, USN, who is also a Naval Aviator.

TRIBUTE TO THE FALLEN FIREFIGHTERS OF 1985

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. GOODLING. Mr. Speaker, on October 4, 1981 the people of the United States dedicated a monument at the national Emergency Training Center in Emmitsburg, MD known as the National Fallen Firefighters Memorial. The monument pays tribute to America's firefighters, who have been the bulwark of the Nation's civil defense effort since the founding days of our country. Throughout our history, patriotic Americans have risked their lives to defend their communities against fire and disasters. Therefore, it is only fitting to remember those who have given their lives unselfishly in service to their fellow man.

On Sunday, October 12, 1986, the fifth annual Fallen Firefighters Memorial ceremony was held on the campus at the monument site, honoring these who made the ultimate sacrifice, the sacrifice of their life, in an effort to save others during 1985.

Public interest and participation continues to grow since the 1981 dedication with a large attendance on that Sunday. Over 40 families of deceased persons were present on this special occasion. The observance, as is traditional, started in the chapel on the campus. The memorial service was concluded at the monument. This year it was an especially beautiful and moving ceremony and the Almighty truly looked in favor on the occasion by providing good weather.

The program of the second year again was orchestrated in a very professional manner under the able leadership of Timothy S. May of Frederick, MD, and a staff member of the National Fire Academy [NFA], who served as project officer for the occassion. This successful memorial recognition was the result of a great term effort on the part of many NETC staff members and volunteers. The special efforts of NETC Frank Davis and his wife, Julia Davis, were of inestimable value in contributing to the services of this day. Others who made a contribution of special note were Mary Ellis, program coordinator at the Fire Administration, members of the National Joint Fire Council Service, Marvin Gibbons, the liaison officer of Maryland State Firemens Association; Baltimore City Honor Guard; Baltimore County Honor Guard; Prince Georges County Honor Guard; Prince William County, Virginia Honor Guard; Washington, D.C. Honor Guard; and Montgomery County Honor Guard to name just a few.

For those Americans who did not have the privilege to attend this special occasion, a copy of the day's program is submitted for all to share.

PROGRAM—FIFTH ANNUAL NATIONAL MEMORIAL SERVICES FOR FALLEN FIREFIGHTERS, SUNDAY, OCTOBER 12, 1986.

CHAPEL

9:45—Organ Prelude, Sister Leona Russo, St. Joseph's Provincial House.

Choir, Messiah College Singers.

10:00—Welcome, Honorable James P. McNeill, Associate Director, Training and Fire Programs.

MEMORIAL

10:45—Concert, Messiah College Singers.

11:00—Invocation, Reverend Robert Grumbine, Chaplain, Baltimore City and County Fire Department, Maryland.

Posting of Colors, Baltimore County Fire Department Honor Guard.

National Anthem.

Introduction of Guests, Honorable Clyde A. Bragdon, Jr., Administrator, U.S. Fire Administration.

Memorial Address, Charles A. ("Chet") Henry, State Fire Commissioner of Pennsylvania.

Flag Presentation to Families, Jim Casey, Acting Superintendent, National Fire Academy.

Warren Isman, Chairman, National Fire Academy Board of Visitors.

Chief Larry Bonnafon, International Assoc. of Fire Chiefs, Louisville, Kentucky.

Unveiling of 1985 Memorial Plaque.

Placing of Wreath.

Taps.

Benediction, Reverend Edward M. Stauffer, Chaplain, Ft. Worth Fire Department, Texas.

The occasion was enhanced by the Messiah College Singers under the direction of Dr. Ronald L. Miller and accompanied by Aleta Crone. Among the numbers performed were "Exultate Justi", "They Shall Reap in Joy", "All That Hath Life and Breath", and "The Eyes of All Wait Upon Thee." The sopranos were Joy Ebersole, Regina Hershey, Leslie Lange, Reva Meiser, Jennifer Schrier and Christine Stanco. Tenors were Robert Freeman, Lance Schanck, Brian Trostle and Michael Wismer. Altos included Candice Hershey, Dawn Martin, Donna Musser, Kara Swartz and Stacey Willett. Singing bass were Mark Brumbach, Douglas LaRue, Steve Lias and Dan Reed.

1:00—Buffet Luncheon, Dining Room.

Mr. Speaker, it is proper and a privilege for me to bring the names of these everyday patriots to your attention and the attention of the Nation as a permanent record of their honorable and selfless deeds.

1985 FIREFIGHTER FATALITIES—122

01/02/85, James Hunkins, Breckenbridge Fire Dept., Minnesota.

01/04/85, Robert Binder, Edinboro Volunteer Fire Department, Pennsylvania.

01/06/85, Robert L. Keen, Fort Worth Fire Department, Texas.

01/06/85, Camella D. Kohl, Spring Grove Fire Protection District, Illinois.

01/07/85, David J. Kane, Sauk Centre Volunteer Fire Department, Minnesota.

01/07/85, Douglas E. Zabel, Sauk Centre Volunteer Fire Department, Minnesota.

01/13/85, John J. Durco, Sr., Salem Township Volunteer Fire Co. 2, Forbes Road, Pennsylvania.

01/13/85, Ricky E. May, Jackson Fire Department, Mississippi.

01/20/85, Ronald C. Edgmon, Gravette Fire Department, Arizona.

01/21/85, Lyle V. Boone, Sidney Fire Department, Iowa.

01/21/85, Charles D. Pickard, Marilla Volunteer Fire Department, Inc., New York.

01/28/85, Donald G. Jacobs, Reading Bureau of Fire, Pennsylvania.

01/29/85, Robert Bennett, Maple Rapids Fire Department, Michigan.

01/30/85, Marco A. Miranda, Florida Division of Forestry, Tallahassee, Florida.

01/30/85, Phillip R. Eicke, Kingston Fire Department, Pennsylvania.

01/31/85, Richard E. Webb, Whitney Fire Department, Spartanburg, South Carolina.

02/01/85, Daniel A. Nockels, Chicago Fire Department, Illinois.

02/01/85, Michael L. Forchione, Chicago Fire Department, Illinois.

02/01/85, Michael A. Talley, Sr., Chicago Fire Department, Illinois.

02/03/85, Richard A. McConnell, Castle Rock Fire Department, Colorado.

02/08/85, Carmen A. Lettieri, McKeesport Fire Department, Pennsylvania.

02/10/85, Robert J. Johnson, Jr., Plainview Fire Department, Minnesota.

02/11/85, Alvie L. Hudgens, Keyes Fire Department, Oklahoma.

02/13/85, Francis C. Lewis, Russell Volunteer Fire Department, Pennsylvania.

02/16/85, Shawn T. O'Dare, Metro-Dade County Fire Department, Miami, Florida.

02/16/85, Richard J. Daley, Brookline Fire Department, Massachusetts.

02/17/85, John A. Wysong, Hillsboro Fire Protection District, Missouri.

02/17/85, Alvin M. Brown, Oakland Fire Department, California.

02/20/85, Leon Dudak, Irvington Fire Department, New Jersey.

02/24/85, Jimmie A. McElwain, Claremore Fire Department, Oklahoma.

02/24/85, Guy T. Cooper, Claremore Fire Department, Oklahoma.

02/25/85, Vernon H. Harmon, Valley Inn Volunteer Fire Department, Monongahela, Pennsylvania.

02/28/85, James A. Whitfield, Carrollton-North Carrollton Fire Department, North Carrollton, MS.

03/01/85, Michael F. West, Spring Volunteer Fire Department, Texas.

03/03/85, Frank DiSarlo, Freeport Fire Department, New York.

03/04/85, Roland A. Weatherbee, Belmont Fire Department, Massachusetts.

03/05/85, Ronald B. Snow, Arlington Fire Department, Texas.

03/06/85, Thomas J. Gibson, Union Fire Co., Bensalem, Pennsylvania.

03/09/85, William M. Freeman, Jr., Martinez Fire Department, Georgia.

03/09/85, Federick G. LeGrys, Philomont Volunteer Fire Department, Virginia.

03/10/85, John T. Killian, Baltimore City Fire Department, Maryland.

03/11/85, James E. Smith, Cashtown Volunteer Fire Department, Buchanan, Georgia.

03/16/85, Russell H. Jones, Poquonock Bridge Fire Department, Groton, Connecticut.

03/18/85, James K. Allen, Morris Volunteer Fire Department, Illinois.

03/20/85, Harry Sauer, Salisbury Mills Fire Company, New York.

03/21/85, Jack Greer, Spangler Volunteer Co., Pennsylvania.

03/22/85, Paul M. Hand, Terrell Hills Fire Department, San Antonio, Texas.

03/24/85, Ozakie B. Knotts, Columbia Fire Department, South Carolina.

04/01/85, Gilbert Wiggins, Westvaco Pulp and Paper Company, Summerville, South Carolina.

04/09/85, C. Clifford Preisigke III, Buffalo Fire Department, New York.

04/17/85, Bradford C. Lennon, Flint Fire Department, Michigan.

04/22/85, Hilario Bustos, Weslaco Fire Department, Texas.

04/27/85, Benny M. Gracy, Rockwall Volunteer Fire Department, Texas.

05/07/85, Erwin N. Sample, Alliance Fire Department, Nebraska.

05/13/85, Donald I. Kemmerer, Anmoore Fire Department, West Virginia.

05/13/85, Joseph Lemieux, Quincy Fire Department, Massachusetts.

05/13/85, David D. Duncan, Jr., Albany Fire Department, New York.

05/14/85, John C. Edwards, Hunlock Creek Volunteer Fire Company, Pennsylvania.

05/16/85, Robert D. Tabor, ITT Rayonier Corporation, Fernandina Beach, Florida.

05/17/85, Randall O. Garrett, Midway Volunteer Fire Department, Gulf Breeze, Florida.

05/21/85, Ron Hubbard, San Diego Fire Department, California.

05/26/85, Raymond J. Magnus, Chicago Fire Department, Illinois.

05/29/85, James T. Flanagan, Florence Fire Department, South Carolina.

06/03/85, Frank Jelley, Smithtown Fire Department, New York.

06/03/85, George H. Knight, Danville Fire Department, Virginia.

06/07/85, Herbert Rasmussen, Grand Ledge Fire Department, Michigan.

06/17/85, Frank R. Vigh, Orange County Fire Department, Orlando, Florida.

07/04/85, Louis Kunde, Jr., New Berlin Fire Department, Seguin, Texas.

07/07/85, Claude Gowdy, Willing Volunteer Hose Company 1, Wellsville, New York.

07/15/85, Raymond M. Sidwell, Chicago Fire Department, Illinois.

07/19/85, Vernon W. Gaines, Western Laurens County Volunteer Department, Ware Shoals, South Carolina.

07/22/85, Dwight W. Dabbs, Anderson Twp. Volunteer Fire Department, Burlington, North Carolina.

07/22/85, Mariano F. Leoni, Evanston Fire Department, Illinois.

07/24/85, Charles E. Croy, Slaughter Volunteer Fire Department, Louisiana.

07/29/85, Bobby Lee Carter, Cobb County Fire Department, Marietta, Georgia.

07/29/85, Raymond J. Whalen, Buffalo Fire Department, New York.

07/30/85, Jaycee Nosie, Bureau of Indian Affairs, Department of the Interior, Wenatchee National Forest, Chelan County, Washington.

07/31/85, John W. Askew, Jr., Evington Volunteer Fire Department, Virginia.

08/05/85, Larry D. Filler, Greensburg Fire Department, Indiana.

08/05/85, Adam M. Tucker, Talco Fire Department, Texas.

08/05/85, Kenneth C. Whitney, Talco Fire Department, Texas.

08/07/85, Leland F. Jones, Edwardsville Fire Department, Kansas.

08/08/85, Leon I. Walton, York Fire Department, New York.

08/18/85, Glen L. Ussery, Norwood Volunteer Fire Company, Missouri.

08/27/85, Edward L. Brillhart, Marshallville Fire Department, Ohio.

08/27/85, Robert K. Galehouse, Marshallville Fire Department, Ohio.

08/27/85, Tommy J. Ware, Marshallville Fire Department, Ohio.

08/28/85, Richard Lee Gustafson, Socorro Fire Department, New Mexico.

08/28/85, Marinus P. Witte, Midland Park Volunteer Fire Department, New Jersey.

09/01/85, Theodore P. Lander, Evansville Fire Department, Indiana.

09/02/85, William J. Koenemund, Secaucus Fire Department, New Jersey.

09/03/85, W. Phillip Saaranzin, USDA Forest Service, Monterey, California.

09/05/85, James D. Ealey, Boston Fire Department, Massachusetts.

09/06/85, Victor E. Buckingham, Owatonna Fire Department, Minnesota.

09/07/85, Jean R. Charles, Altamont Fire Department, Kansas.

09/18/85, Michael A. Gurley, Fulton County Fire Department, Atlanta, Georgia.

09/22/85, Bernard O. Rogers, Chicago Fire Department, Illinois.

09/25/85, John F. Moore, Cochranton Volunteer Department, Pennsylvania.

10/04/85, Burton M Bowen, Center Barnstead Fire Department, New Hampshire.

10/10/85, Mary L. Francis, Crow Valley Rural Fire District, Veneta, Oregon.

10/11/85, James F. McDonnell, New York City Fire Department, New York.

10/15/85, Ralph R. Newell, Baltimore City Fire Department, Maryland.

10/26/85, Robert W. Jahelka, Los Angeles City Fire Department, California.

10/30/85, Jesse Y. Lara, Nixon Fire Department, Texas.

11/01/85, Robert G. Cassell, Roanoke City Fire Department, Virginia.

11/01/85, Harvey H. Helm, Sr., Roanoke City Fire Department, Virginia.

11/03/85, Kenneth E. Ferguson, Smithville Volunteer Fire Department, Missouri.

11/03/85, H. Gordon Walker, Norristown Fire Department, Pennsylvania.

11/04/85, James L. Craig, Jr., Memphis Fire Department, Tennessee.

11/04/85, Thomas Phillips, Deerfield Valley Volunteer Fire Department, Virginia.

11/18/85, Debra R. Swanson, Dalbo Fire Department, Minnesota.

11/21/85, Nelson K. Taylor, Baltimore City Fire Department, Maryland.

11/24/85, Frank Poatsy, Upper Salford Volunteer Fire Company, Salfordville, Pennsylvania.

12/08/85, Guy F. Baquet, Los Angeles County Fire Department, California.

12/09/85, Francis W. Sheppard, Charleston Fire Department, South Carolina.

12/18/85, Katherine M. Hippensteel, New Oxford Fire Company, Pennsylvania.

12/23/85, Wayne H. Burmeister, Lost Nation Fire Company, Iowa.

12/23/85, Robert Snyder, Baltimore City Fire Department, Maryland.

12/26/85, Barry J. Hawthorne, Kilgore Fire Department, Texas.

12/29/85, Franklin W. Mercer, Waukegan Fire Department, Illinois.

12/31/85, Daniel R. Pescatrice, Cleveland Fire Department, Ohio.

12/31/85, Marcus A. Reddick, Newark Fire Department, New Jersey.

A FIREFIGHTER'S PRAYER

Give Me Concern
A willingness to seek out those in need
Give Me Courage
The boldness of spirit to face and conquer fear,
to share and endure the ordeal of others in need
Give Me Strength
Strength of heart, to bear whatever burden might be placed on me and strength of body to deliver safely all those placed in my care
Give Me Wisdom to Lead
The Compassion to comfort, and the love to serve unselfishly wherever you take me
And please Lord, through it all, be at my side.

GAUCHER'S DISEASE AWARENESS WEEK

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. SMITH of Florida. Mr. Speaker, today I am pleased to introduce a resolution to designate the week of October 18, 1987, as Gaucher's Disease Awareness Week. Congress passed a similar resolution last year.

Gaucher's disease is the most prevalent among seven genetic disorders known to primarily affect Jewish populations. As many as 1 in 12 Jewish persons may be a carrier of Gaucher's disease which means that an estimated 1 child in every 600 born could have the disease.

Gaucher's disease is caused by the body's failure to produce an essential enzyme. The absence of this enzyme causes the body to store abnormal quanitities of lipids in the liver and spleen and can have an adverse effect on tissues in the body, especially bone tissue. Commonly associated symptoms inlcude an enlarged spleen, unusual bruising or bleeding and bone and joint pain.

In 1984, the National Gaucher's Foundation was founded to promote and support Gaucher's research and increase public awareness. I commend the National Gaucher's Foundation for their dedicated efforts in public education and awareness. On March 31, I had the pleasure to meet Jamie Seaver, a beautiful 6-year-old girl suffering from Gaucher's Disease. Watching Jamie and her parents convinced me more than ever of the need for this legislation. She brought to life the difficulties which children who suffer from Gaucher's disease and their families face. Due to the efforts of Gaucher's Awareness Week, Jamie's case became well-known in her Indiana community. Through money raised at home with the assistance of the Gaucher's Foundation, Jamie was in Washington for testing at the National Institutes of Health [NIH].

Gaucher's disease is a genetic timebomb—with no known cure in sight or any successful treatment. We must increase public awareness and support research efforts to understand and find a cure for patients like Jamie and others suffering from Gaucher's disease. Gaucher's Disease Awareness Week is a positive first step, and I urge my colleagues to join me in cosponsoring this resolution.

NUCLEAR SAFETY: A HIGH PRIORITY

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. PORTER. Mr. Speaker, the news of the Peach Bottom Nuclear Plant shutdown in Pennsylvania was both startling and shocking.

The realization that workers, supposedly monitoring the plant's controls, were asleep on the job put fear in the hearts of many living around Peach Bottom and other nuclear plants.

Mr. Speaker, nuclear energy is a very important part of our Nation's energy future. However, nuclear energy must be produced by plants that are managed and run in the safest, most alert manner.

With the recent glut of oil on the world market and the return to rockbottom gasoline prices at the pump, American dependence on foreign oil has reached 38 percent.

Nuclear energy is a clean, efficient form of energy that will continue to supplement our Nation's energy supply for future years, especially in the face of another oil crisis. However, it is essential that all nuclear powerplants meet, and even exceed, strict safety regulations set forth by the NRC and the individual States.

Safety must be our highest priority at all nuclear facilities.

THE CHALLENGE OF AMERICAN CITIZENSHIP

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. RICHARDSON. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its ladies auxiliary conduct the voice of democracy broadcast scriptwriting contest. The program was started 40 years ago with the endorsement of the U.S. Office of Education and the National Association of Secondary Schools Principals. In 1961–62, the Veterans of Foreign Wars assumed sole sponsorship responsibility. At that time, the national scholarship award consisted of a single $1,500 scholarship for the first place national winner. During the past 25 years under VFW sponsorship, the annual national scholarships have been increased to seven, totaling $33,500 with the first place winner currently receiving a $14,000 scholarship to the school of his or her choice. Student participation has tripled and school paticipation has doubled. Winners from each of the 50 States are invited to come to Washington, DC, for the final judging as a quest of the Veterans of Foreign Wars.

I would like to call the attention of my colleagues to the winning paper from my State, which was written by one of the constituents in my district—Leslie Sanchez. One of the daughters of Edward and Kathleen Sanchez, Leslie is currently a senior at Raton High School who hopes to attend Indiana University. Leslie's paper tells of the challenge of American citizenship. It was a moving statement, and hopefully represents the patriotism our young people have for our country. I am proud to insert her paper in the CONGRESSIONAL RECORD.

THE CHALLENGE OF AMERICAN CITIZENSHIP

(By Leslie Sanchez)

"Not like the brazen giant of Greek fame, with conquering limbs astride from land to land; here at our sea-washed, sunset-gates shall stand a mighty woman with a torch * * * her name Mother of Exiles. From her beacon-hand grows world-wide welcome

* * * with silent lips, 'Give me your tired, your poor, your huddled masses yearning to breath free, the wretched refuse of your teeming shore; send these, the homeless tempest-tost to me. I lift my lamp beside the golden door."

Emma Lazarus' famous poem which is inscribed on the base of the Statue of Liberty, helps establish the importance of America. The Statue of Liberty, a constant reminder of our freedom, our rights, our liberties, is symbolic of a nation and an American citizen.

Anyone may become a citizen of the United States. "We the people" together as one. Race, creed, or religion make no difference here in our great melting pot of individuals. We as Americans take pride in ourselves and our freedom. Setting the example of a government of the people, by the people. Being citizens, we as Americans are challenged.

The challenge of life is the pursuit of happiness through liberty; not just personal happiness, but that of your fellow man. Our invincible, inalienable rights which no man nor woman may take away.

We must uphold the twenty-six amendments. We as Americans must face the challenge and responsibilities of being able to question what isn't always right. To fight for what we believe in and never give up our own opinion. The first amendment guarantees us freedom of religion, press, and speech, also our right as citizens to assemble. These rights must be practiced regularly to preserve our democratic way of life.

The challenge of American citizenship is fundamentally the rights and bonding together of all. To give of yourself, saying the "Pledge of Allegiance" and realize what you are saying is more than just words. To stand for the "Star-Spangled Banner," not only because it is our national anthem, but because it should bring to mind all the men and women who fought and died for our great nation and helped make it become what it is today. Without them, we may not have had any challenges to face at being an American.

I am proud to be an American, and as I grow older, I am ready to face all challengers with open eyes and a strong heart. I believe that we are the future, and we will decide our own fate. So together we must stand, participate, and face the challenges of being an American citizen and realize that being an American citizen means also to be a citizen of the world.

The Statue of Liberty shows us an example of a genuine American citizen. She has stood watch for over a hundred years over our sometimes confused society. In the rain and snow, facing all the challenges that are brought to her, never faltering. One doesn't realize the impact of just the sight of the Statue of Liberty until it is there in front of you. Our forefathers must have had such a wonderful feeling inside about becoming Americans, about a new life, new challenges. To us, the Statue of Liberty is a constant reminder of our freedom, our liberties, our friendship, but most of all, what it takes to be a citizen here "in the land of the free and the home of the brave"—America.

RECOGNITION OF 30 YEARS OF FEDERAL SERVICE OF MR. LLOYD SCOTT

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. DYMALLY. Mr. Speaker, seldom do Members have the opportunity to bring recognition to those in the career civil service who make outstanding contributions over the period of their service to the Federal Government. In this vein, I wish this House to recognize a dedicated and conscientious Federal employee who has earned retirement after contributing 30 years of service mainly in the Departments of Justice, Defense, and Treasury. Perhaps it is because of the legions of employees serving in our important and critical positions of accountants, auditors, and special agents, we often neglect to point out the distinction and devotion to which these employees serve. It is to these often unobserved civil servants who contribute daily to the capacity of our Federal Government to function substantively, efficiently and anonymously that much of the necessary work critical to our service to the greater public can be achieved and thereby keep our Government moving forward smoothly.

I am most happy to point to such an individual as Lloyd Scott, who began his erstwhile career as an Internal Revenue agent in early 1962 in Dayton, OH. After spending another 4 years as an accountant at the large Wright Patterson Air Force Base at Dayton, OH, Lloyd spent from 1966 to 1970 with the Defense Supply Agency in Columbus before accepting a position as audit manager with the Department of Justice where he labored from 1970 to June 1986 and chose to retire thereafter.

Lloyd Scott was born on August 21, 1935 in Fairmont, WV, and attended Roosevelt High School in Dayton, OH. He went on to Ohio State University in 1953 but completed his bachelor of science degree in business administration and accounting at West Virginia State College Institute in 1958. Lloyd was honorably discharged from the U.S. Army after 2 years of service in 1960. For his arduous endeavors in developing audit systems, managing new fiscal and audit systems for Federal agencies and for his achievements during his professional career, I am certain that Members join me in saluting Lloyd Scott for his integrity, his devotion to duty and his high standards of professionalism which he has brought in his 30 years of service to our Government.

IN CELEBRATION OF THE 100TH ANNIVERSARY OF THE CENTRAL VALLEY CHAPTER OF THE AMERICAN HISTORICAL SOCIETY OF GERMANS FROM RUSSIA

HON. RICHARD H. LEHMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. LEHMAN of California. Mr. Speaker, I am pleased to join my friends and family in celebration of the 100th anniversary of the arrival of the first German immigrants to Fresno County. As a descendant of this proud group, I am honored to pay tribute to the small group of Germans who settled in Fresno County back in the late 1880's.

The history of the Germans who left their homeland to move to Russia during the 18th century is a unique point in German history. In the late 1700's, Germany was struggling with severe economic devastation from the Seven Years' War as well as serious and oftentimes brutal religious conflicts in recorded history. Poverty, unemployment, and shortages of food were evident at every level of society. Most of the people had lost hope for a quick and smooth recovery. Life in Germany at that time could be compared with that in Germany after World War II. The offer by Russian Empress Catherine II to move to Russia with the rare opportunity to settle land along the Volga River Basin was the sign of an end to the misery and the beginning of hope.

Catherine's timing could not have been better. As an educated and well-traveled member of the elite in Germany, Catherine II was well aware of the depression of the German peasants. She wanted to improve the lives of the German people by offering them something they could not have as quickly if they remained in their villages. As Empress of Russia, however, she also wanted to cultivate and settle the land in the Lower Volga Basin. She saw the need to populate large sections of uninhabited regions with civilized and hardworking people. Her plan ultimately proved to be one of her most successful accomplishments.

The response to her offer was widespread. She attracted over 27,000 immigrants who eventually settled 104 families in the Lower Volga Basin. Her cleverly crafted manifesto of July 22, 1762, addressd the known social grievances and provided an attractive alternative. She guaranteed free exercise of religion, the right to build churches, the exemption from taxes and exclusion from civil or military service. Moreover, Catherine made provisions for family and friends to settle in the same village, or "dorf" in German, recognizing the need for the large groups of people to live and work together in a foreign land.

The Germans from Russia eventually settled the rough terrain and vast wooded steppes of the Lower Volga Basin. Notwithstanding the initial disappointment of the terrain, the long, sometimes fatal, voyage, and the lack of adequate housing and farming tools, many Germans became productive farmers, teachers, blacksmiths, and carpenters, and contributed to the establishment of a productive Volga River Basin.

I am pleased to honor the ancestors of the 10 families who eventually made their way from Russia to the United States, particularly the 10 families who came to the Fresno area. I share in your celebration of our special heritage.

THE SUPER CONDUCTING SUPERCOLLIDER

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. FIELDS. Mr. Speaker, I want to take this opportunity to share with my colleagues in Congress a resolution by the 70th Texas Legislature which demonstrates the Lone Star State's support of the superconducting super collider. Moreover, House Concurrent Resolution 53 details Texas' commitment to providing the ideal location for the Nation's most advanced particle accelerator.

House Concurrent Resolution 53 was supported by all 150 members of the Texas House of Representatives and signed by Governor Clements on February 27, 1987. The unanimity of support in Texas for the superconducting super collider could not be more evident.

Therefore, it is with great pride I present Texas House Concurrent Resolution 53:

Whereas, The proposed Superconducting Super Collider (SSC) is a high-energy research accelerator that, when completed, will be the largest and most ambitious purely scientific project ever constructed; and

Whereas, As designed, the facility will be located 30 feet below ground and will consist of a circular tunnel 10 feet in diameter and 52 miles in circumference; and

Whereas, Scientists believe the device, essentially the world's largest atom smasher, will enable them to discover more about minute particles; spin-off research from a smaller European model has already led to a nuclear scanning device that has considerably advanced the field of X-ray technology; and

Whereas, The accelerator's design requires as much as 11,000 surface acres with a site tilt of less than one degree, making Texas an ideal choice for the laboratory's location; and

Whereas, The flat land and loose rock formations available in certain sections of Texas provide optimum conditions for the SSC's construction; further, the project will coexist harmlessly with farming and ranch usage and poses no hazard to human, plant, or animal life; and

Whereas, With an initial construction cost of roughly $3 billion and an annual operating budget of over $200 million, this important research center would be an appreciable addition to the Texas economy; at least 2,300 new jobs will be generated during the six-to-nine year construction phase and roughly 2,700 positions will become available once the facility is fully operational; and

Whereas, Conservative estimates indicate that net benefits from the project's building phase and first 20 years of operation will total approximately $553 million; other states have already mounted lobbying campaigns in an attempt to secure this lucrative and prestigious project; and

Whereas, Construction of the SSC in Texas would greatly enhance the state's sagging economy by bringing much-needed economic diversity, and the research performed in connection with the project promises to produce long-range benefits of great scientific and practical value; and

Whereas, The State of Texas possesses a competent and hardworking labor pool; and

Whereas, Texas is the nation's leading energy-producing state and has the power resources necessary for a project on the scale of SSC; and

Whereas, Texas is the home of great public and private universities and colleges, which can readily provide much-needed expertise for the project and capable resources to accelerate spin-off research and develoment that will be of great benefit to this country; and

Whereas, Texans stand united in their desire to attract the SSC to this state; and

Whereas, The Texas Legislature in 1985 created the Texas National Research Laboratory Commission to serve as the coordinating unit and authority within the state for the formulation of a siting proposal for SSC; and

Whereas, The Texas Legislature remains committed to providing whatever support is necessary to the success and timely advancement of the SSC project; now, therefore, be it

Resolved, That the 70th Legislature of the State of Texas hereby request the Congress of the United States to support construction of the Superconducting Super Collider in Texas; and, be it further

Resolved, That the Texas secretary of state forward official copies of this resolution to the president of the United States, to the vice-president of the United States, to the speaker of the United States House of Representatives, to the secretary of energy, to the science advisor to the president, and to all members of the Texas delegation to the congress, with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States.

Lewis, Agnich, Aikin, Arnold, Barton, Beauchamp, Berlanga, Betts, Blackwood, Blair.

Burnett, Cain, Campbell, Carriker, Carter, Cavazos, Ceverha, Clark, Clemons, Colbert.

Collazo, Connelly, Cooper, Craddick, Criss, Cuellar of Webb, Cuellar of Hidalgo, Culberson, Danburg, Delco.

Denton, Dutton, Earley, Eckels, Edge, Edwards, Evans of Tarrant, Evans of Harris, Finnell, Garcia.

Gavin, Geistweidt, Gibson, Givens, Glossbrenner, Granoff, Grusendorf, Guerrero, Hackney, Haley.

Hammond, Harris of Tarrant, Harris of Brazoria, Harrison, Heflin, Hightower, Hilbert, A. Hill of Dallas, P. Hill of Dallas, Hinojosa.

Hollowell, Holzheauser, Horn, Hudson of Smith, Hudson of Dallas, Hunter, Hury, Johnson of Anderson, Johnson of Collin, Jones.

Kubiak, Kuempel, Laney, Larry, Leonard, Lewis of Orange, Lucio, Luna of Harris, Luna of Bexar, McDonald.

McKinney, McWilliams, Madla, Marchant, Martinez, Melton, Millsap, Morales, Moreno of Hidalgo, Moreno of El Paso.

Oakley, Ovard, Parker, Patrick, Patronella, Patterson, Pennington, Perez Perry, Pierce.

Polumbo, Price, Rangel, Repp, Richardson, Riley, Roberts, Robinson, Robnett, Rodriguez.

Rudd, Russell, Saunders, Schleuter Schoolcraft, Seidlitz, Shaw, Shea Shelley, Shine.

Smith of Harris, Smith of Brazos, Smith of Travis, Smithee, Staniswalis, Stiles Sutton, Tallas, Taylor, Telford.

Thompson of Tarrant, Thompson of Harris, Toomey, Uher, Valigura Vowell, Waldrop, Wallace, Warner Waterfield.

Watkins, Watson, Whaley, Williamson Willis, Willy, Wilson, Wolens, Wright Yost.

"WHYS AND HOWS" OF LEGISLATIVE OVERSIGHT

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. DERRICK. Mr. Speaker, I want to call the attention of my colleagues and their staff aides to an April 15 Institute on Congressional Oversight and Investigations that the Congressional Research Service has organized. My distinguished former chairman of the Committee on Rules, Richard Bolling, will be the keynoter of this 1-day program on the "whys and hows" of legislative oversight. The Oversight Institute will be held in the Library of Congress's Madison Building, and the program for the day is presented below.

CRS INSTITUTE ON CONGRESSIONAL OVERSIGHT AND INVESTIGATIONS

8:45-9:00—Introduction to Program, Joseph E. Ross, CRS Director.

9:00-10:00—Keynote Address, Richard Bolling, Former Chair, House Committee on Rules.

10:00-10:45—Address: Congress's Oversight Functions, Steven R. Ross, General Counsel to the Clerk of the House.

11:00-12:30 (Concurrent panels)—Panels: Key Elements of Legislative Oversight.

Four small group sessions. Each will cover essentially the same material: the information-gathering process, essential steps in organizing a committee hearing/investigation, and the followup process. There will be brief presentations by panels of experienced Hill staffers, followed by Q&A interaction with the audience.

1. Moderator: Roger H. Davidson, CRS Senior Specialist.

Andrew A. Feinstein, Staff Director, Subcommittee on Civil Service, House Committee on Post Office and Civil Service.

Stuart Weisberg, Staff Director, Subcommittee on Employment and Housing, House Committee on Government Operations.

2. Moderator: Alfred R. Greenwood, Specialist, CRS Environmental and Natural Resources Division.

Roy Jones, Associate Staff Director, House Committee on Interior and Insular Affairs.

William D. Price, Professional Staff Member, House Committee on Armed Services.

3. Moderator: Frederick M. Kaiser, Specialist, CRS Government Division.

Fred Asselin, Consultant, (Former Investigator, Permanent Subcommittee on Investigations, Senate Committee on Governmental Affairs).

Michael J. O'Neil, Chief Counsel, House Permanent Select Committee on Intelligence.

4. Moderator: Morton Rosenburg, Specialist, CRS American Law Division.

Edward Correia, Chief Counsel and Staff Director, Subcommittee on Administrative Practice and Procedure, Senate Committee on the Judiciary.

Patrick M. McLain, Counsel, House Committee on Energy and Commerce, Subcommittee on Ovesight and Investigations.

Charles Tiefer, Deputy General Counsel to the Clerk of the House and Deputy General Counsel, House Select Committee to Investigate Covert Arms Transactions with Iran.

1:30-3:00 (Concurret panels)—Panels: Topical Subjects.

The Special Dimensions of Fiscal Oversight

Moderator: Angela M. Evans, Specialist, CRS Education and Public Welfare Division.

Martha Grundmann, Analyst in Domestic Programs, House Committee on the Budget.

Rikki Sheehan, Staff Member, Subcommittee on Labor, HHS, and Education, Senate Committee on Appropriations.

Eugene F. Sofer, Budget and Appropriations Analyst, House Committee on Education and Labor.

Bayla White, Senior Budget Examiner in Education Branch, U.S. Office of Management and Budget.

The Volatile Nature of Environmental Oversight

Moderator: James E. McCarthy, Specialist, CRS Environmental and Natural Resources Division.

Richard Frandsen, Counsel, Subcommittee on Oversight and Investigations, House Committee on Energy and Commerce.

Sue Morland, Executive Director, Association of State and Territorial Solid Waste Management Officials.

Curtis A. Moore, Counsel, Senate Committee on Environment and Public Works.

Resources for Oversight: Congressional Support Agencies, Inspector General, and Other Executive Branch Sources

Moderator: Thomas W. Novotny, CRS Senior Specialist.

Charles Dempsey, Management Consultant (Former Inspector General, HUD).

Richard Schmidt, Scanlon, Hastings, and Schmidt (Former Associate Director, Office of Evaluation and Technical Analysis, HHS).

Roger Sperry, Senior Management Analyst, GAO (Former Professional Staff Member, Senate Committee on Governmental Affairs).

3:15-4:30—Plenary Session: Outside Perspectives on Oversight.

Moderator: Charles H. Levine, CRS Senior Specialist.

Joan Claybrook, President, Public Citizen (Former Administrator, National Highway Traffic Safety Administration).

James F. Fitzpatrick, Partner, Arnold and Porter.

Howard M. Messner, Assistant Administrator for Administration and Resources Management, Environmental Protection Agency.

PAUL "RED" SITZLAR'S RETIREMENT

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. DUNCAN. Mr. Speaker, the Etowah Enterprise accurately sums up the career of retiring general manager, Paul Sitzlar. Paul served the Etowah Utilities Board for 37 years.

The article follows:

RED RETIRES AFTER 37 YEARS WITH EUB

(By Richard McCoy)

Paul "Red" Sitzlar's desk at the Etowah Utilities Board looks strange. It's clean.

It's usually cluttered with reports, files and whatever else a utilities general manager needs. But he's getting ready to leave.

"I've given everybody everything they need," he explained. Friday he will retire after 37 years with the cityowned utilities department. Since 1971 he had been general manager.

Sitzlar was born and attended school in Tellico Plains. From the earliest days electricity has always been a love of his.

When he was 34 years old and working for himself as an electrician Frank Berry, then EUB general manager, asked him to come to work in Etowah.

At first he was a linesman. He stayed on the ground while others climbed the poles.

He was promoted and for the next four years he climbed the poles.

In 1955 there was another promotion. "I was made meter superintendent. I read the meters."

Ten years later he was named superintendent of the electric department.

Then, in January 1971, he was named overall general manager of the utilities.

Since he started with the EUB it has grown, tremendously.

In 1949 about 1 million kilowatt hours of electricity were sold. Now sales top 120 million kilowatt hours a year.

In 1955 there were 2,000 electric customers. Now there's twice that many.

Sitzlar likes to talk about the electric department. He says that if he had not become EUB manager he would have liked to have been manager of an electric coop—no gas, water or sewer.

If he couldn't do that he would have stilled worked with electricity.

"Electric work, that's what I like. That's all I've ever known."

His biggest headaches have come from the sewer department.

"It's a constant problem and will continue to be," he says citing constantly changing environmental regulations and maintenance problems.

There's been two major additions since Sitzlar started with the EUB.

Around 1956 gas lines were extended to Etowah and EUB got a gas department. And in 1957 the water plant was built. Before that Etowah got its water from wells.

EUB has about 40 employees now. "When I came here we only had 12 to 14," he recalled. He is the last of that group still working. Others have retired or died.

"I'm the last of the old ones."

He's been through four general managers. In addition to Berry, who hired him, there were C.E. McGee, J.G. Synder and Bill Huddleston. Sitzlar served as general manager longer than any of the others.

"I don't know why I've lasted so long. I haven't had any serious political problems."

Following a heart attack in 1976 and bypass surgery in 1977 he thought about retiring.

"But my doctor said to keep working and I thinks its been for the best. It has been good for my health."

He leaving now because he has in enough years.

"I wanted to retire as soon as I could. I wanted to enjoy life."

But, he's not leaving without regrets.

"If I was younger I would like to stay on. The job is interesting and demanding. It's still enjoyable—most of the time."

What he will not miss is telephone calls in the wee hours of the morning. What he will miss is the "involvement with things going on."

But, he plans to keep busy, He and his wife, Faye, plan to camp, travel and go to UT football games. They have season tickets and make every home game.

They would like to tour the U.S., especially Hawaii and maybe Alaska.

He knows he has been lucky to have worked with one thing he really enjoys, electricity, even if he had had to put up with the problems of sewer, water and gas.

GREEK INDEPENDENCE DAY

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 25, 1987

Mr. LIPINSKI. Mr. Speaker, as cochairman of the Democratic Council on Ethnic-Americans, I rise to pay tribute to the day—March 25, 1821—when Greek patriots rose up in rebellion against their Turkish oppressors. One hundred and sixty-six years later, many Americans of Greek descent still remember and honor this most important and historic event.

After the fall of the Byzantine Empire in 1453, the Greek people lived for almost 400 years under Turkish domination. But with courage and conviction and after nearly 6 years of war beginning in 1821, the Greek revolutionaries finally won national independence from the Sultan of the Turkish Empire.

As a country committed to the ideals on which the Greeks based their rebellion, America provided much moral support and backing. President James Monroe, John Adams and other prominent Americans at the time expressed themselves quite strongly in support of the Greek people. In our century, Mr. Speaker, another American President, Harry S. Truman, provided both moral and material aid to ensure that Greece would not fall victim to the forces of anarchy and communism.

Today, Greece is a valued friend and integral ally of the United States. The idea of democracy, born in ancient Greece over 2,000 years ago, is still fresh in its appeal to the peoples of the world, while the contributions of Greek-Americans have enriched the lives of all who live in our land. Mr. Speaker, I would like to take this opportunity to convey my warmest wishes to those Greek Americans who reside in the Fifth District of Illinois and to all Americans of Greek descent throughout our Nation.

AMENDMENT TO IMMIGRATION REFORM ACT

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. RICHARDSON. Mr. Speaker, I am planning to introduce an amendment to the State Department authorization bill designed to assist former and present Cuban political prisoners in getting their freedom by permitting visas to be issued to nationals of Cuba who are or were imprisoned in Cuba for political activities without regard to section 243(g) of the Immigration and Nationality Act. My amendment would exempt Cuban political prisoners from certain visa restrictions. The Immigration and Naturalization Service [INS] will not presently give visas to individuals who are trying to enter this country from a third country. Cuban political prisoners who have successfully left Cuba and made it to another country such as Panama or Mexico are therefore denied visas to enter this country. This action effectively turns these individuals back over to Castro—they have left Cuba with the goal of achieving freedom in this country—and then they are denied that freedom. The policy of this administration, designed purportedly to punish Castro backfires and the people who suffer are the Cuban political prisoners who so desperately need our help.

Hearings held on human rights in Cuba late during the 99th session of Congress highlighted the dire circumstances of Cuban political prisoners. Armando Valladares, a former long-term Cuban political prisoner and author of a poignant and disturbing book on his experiences in Castro's prisons, stated that the most significant thing the United States can do for all Cuban political prisoners is to let them come to this country. My bill will ease passage into this country for a group of present and former Cuban political prisoners. It is long past time for us to do so.

I originally offered this amendment to the Immigration Reform Act of the 99th Congress. It was incorporated into the original text of the legislation and passed the House. During the House-Senate conference, it was turned into a sense of Congress. It is good that the Congress is on record as being for facilitating the entrance of Cuban political prisoners into this country—the INS, however, still has not been legally directed by the Congress to stop its practice of denying visas to Cuban political prisoners who have braved the odds and successfully made it to other countries. This amendment I am introducing today will be such a decisive step. I hope that it sees quick action, and I urge my colleagues to support it.

CONGRESSMAN RICHARD H. LEHMAN HONORS MARCELLO SALCIDO AS 1987 "LABOR LEADER OF THE YEAR"

HON. RICHARD H. LEHMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. LEHMAN of California. Mr. Speaker, I am honored to recognize Marcello Salcido, a constituent of mine who has contributed a great deal to the labor community in Fresno and to many of the people who work and know Marc as 1987's "Labor Leader of the Year."

I am pleased to see this award presented to Marc because he has contributed a great deal to the labor unions in the Central Valley, especially in the past 16 years as a recognized leader. In 1964, Marc was first introduced to the unions while working as an apprentice at a supermarket in Reedley, which was a member of the former Amalgamated Meatcutters Union. In 1971, Marc was appointed business representative for the Amalgamated Meatcutters Local and served as the recording secretary on the executive board. Following a merger that brought the Amalgamated Meatcutters and Retail Clerks Locals under the jurisdiction of the United Food and Commercial Workers Union, Marc took on the job of president of the union. Today, the U.F.C.W. is the largest international union in the AFL-CIO and represents a membership of 1.3 million. Marc has brought a great deal of experience to the U.F.C.W. since the days of his apprenticeship in a meatcutters shop in Reedley in 1969. This award is a reflection of the appreciation of Marc's hard work.

Marc Salcido is a leader that the Fresno community is proud of and is certainly someone that we can look to for committed leadership to our local labor groups. He has provided growth and stability to local 126 by creating an atmosphere in the union of cooperation. Marc believes that "proper communication is essential to making the members participants rather than spectators of the collective bargaining process and their union." His commitment extends beyond local 126 to public service on committees such as the State Human Rights Committee, chairman of Butchers and Employers Health and Welfare Trust Fund and executive board member of the Fresno-Madera Counties Central Labor Council.

I join the Central Labor Council of Fresno and Madera Counties in recognizing the achievements of Marc Salcido and presenting him with the 1987 "Labor Leader of the Year" award. Marc exemplifies rare qualities of leadership of which the Fresno community, his family and trade unionist colleagues can be proud.

HOME HEALTH CARE LEGISLATIVE PACKAGE

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Ms. SNOWE. Mr. Speaker, today I am introducing, along with a number of my colleagues, five bills concerning the Medicare home health benefit. These bills address certain aspects of home health care under Medicare which have lately been weakened by inconsistencies, insufficient communication, increased denials, and insensitivity. I regard these bills as links in a chain to strengthen the home health benefit.

Numerous factors have joined to increase the demand for home health care. As you are well aware, the elderly population is growing rapidly, especially the over-85 population. In addition, the new prospective payment system and the implementation of DRG's means that patients are being released from hospitals "sicker and quicker."

I believe that it was the intent of Congress in voting for the prospective payment system that those discharged from hospitals more quickly would be cared for in their own homes through the provision of less expensive home health care services. However, we are now finding that the Department of Health and Human Services is limiting reimbursement for home care in an arbitrary and capricious fashion.

My first concern is that the elderly are not receiving the medical care they need and to which they are entitled. I am also concerned that home health agencies, as secondary victims of these increased denials, face the dilemma of either refusing services to many ill elderly who are of uncertain eligibility or bearing the costs of care themselves. I am introducing five bills to address the problems faced by both victims.

THE HOME HEALTH INFORMED CONSUMER ACT OF 1987

This bill provides for mandatory publication and distribution of a booklet describing Medicare-reimbursed home care, including services covered, beneficiaries' rights, and the appeals process. Often potential patients have not been provided detailed information on what the Medicare home health benefit does and does not cover. This booklet would be made available at hospitals, home health agencies, physicians' offices, senior centers, nutrition sites, and outpatient clinics.

THE HOME HEALTH AND HOSPICE CARE WAIVER EXTENSION ACT OF 1987

This bill extends the waiver of liability for denials based on services considered not medically necessary and reasonable or custodial to September 30, 1989. This would establish a date consistent with the waiver extension for technical denials. Under the waiver of liability, home health agencies with a denial rate of 2.5 percent or less are paid for the denied services. The waiver is important to home health agenices because it allows a 2.5-percent cushion for error, meaning that home health agencies are not expected to be 100-percent perfect in their determination of Medicare eligibility. Home health and hospice agencies have faced loss of this waiver due to an inconsistent application of Federal regulations. Loss of the waiver leads many agencies to deny care when they are not completely confident of reimbursement even if the patient might reasonably deserve care.

THE HOME HEALTH COMMUNICATIONS ACT OF 1987

This bill requires fiscal intermediaries [FI's] to communicate with home health agencies [HHA's] within 7 days of receiving written or verbal communication from HCFA regarding a modification, clarification, or any kind of policy interpretation which is not published in the Federal Register. This bill seeks to address the internal procedures by which HCFA makes modifications and interpretations which are not subject to the Administrative Procedures Act [APA] and other rulemaking procedures. Home health advocates feel that HCFA and the FI's make rules internally while HCFA maintains that it has not changed interpretations of Medicare policy. Nevertheless, denial rates have increased dramatically in Maine and have doubled nationally. This bill establishes a direct line of communication necessary to address the need for better information.

THE HOME HEALTH PROMPT RECONSIDERATION ACT OF 1987

This bill requires that FI's make decisions on appealed denials—reconsiderations—within 90 days. This bill also stipulates payment of interest on the amount of the claim in question when the reconsideration decision takes longer than 90 days. Currently FI's take from 45 days to a year to rule on appeals of denials of home health care reimbursement, leaving the beneficiary uncertain as to whether services are covered by Medicare and leaving the home health agency with a cash flow problem while it waits for a decision on payment.

THE HOME HEALTH MEDICAL NECESSITY STANDARDS ACT OF 1987

Currently many claims are denied on the basis that the services provided were not medically necessary or reasonable although a physician had prescribed them. This bill:

(1) Puts the burden of proof on HCFA to show that the care was not medically reasonable or necessary by using unbiased, expert medical evidence;

(2) Gives physicians more control and involvement in home health care;

(3) Encourages the FI's to look at each case on an individual basis, taking into account particular circumstances for each individual, rather than denying the visits and then having the denial reversed after an appeal;

(4) Addresses discrimination against individuals who have chronic illnesses as opposed to acute. Medicare is supposed to cover acute care; however, if an individual meets the necessary home health criteria of being under a physician's care, needing intermittent, skilled nursing care and being homebound, then the individual should not be denied care. For example, a person with congestive heart failure occasionally falls into a medically unstable condition which requires skilled medical care. This bill would prohibit HCFA from denying Medicare coverage to this person solely because congestive heart failure is considered a chronic condition.

Circumstances in Maine are a good example of the effects of this policy of limiting benefits. Last September I held a hearing there to discover what difficulties Medicare beneficiaries and home health providers were experiencing. I found that agencies with no prior denials were having their claims denied at rates of 20 percent or more. Currently HHA's in Maine have an average denial rate of 30 percent, the highest denial rate in the country.

The initial impact of this rise in denials last fall was to leave agencies "holding the bag" for the cost of services already provided but not reimbursed by Medicare. One agency was denied 96 client claims totaling 1,208 visits in October 1986—as compared with eight client claims denied in August 1986. The October denials for this one agency alone totaled approximately $50,000.

There is concern that if this level of denials continues, it may result in the bankruptcy of a number of home health agencies, which will ultimately mean that fewer clients will be served. Further, the increased denial rate results in reduced service provision to the elderly by home health agencies who are fearful that their Medicare claims will be denied. Statistics from Maine show that agencies are screening their potential clients much more closely; consequently, the Medicare caseload for home health agencies has been reduced by as much as 50 percent, patients receive fewer visits, and are discharged sooner.

The problem, however, is not limited to Maine or even one region of the country. Indeed, the increase in home health care denials has become a crisis of national proportions. Nationally, HCFA statistics indicate that the percentage of home health agency claims denied rose from 1.2 percent in 1983 to over 6 percent in 1986. The National Association for Home Care conducted a nationwide survey and found that 75 percent of all home health care agencies report large increases in the number of elderly in their communities who are going without the home care they need.

To illustrate the problem, I quote from a letter I received from a home health agency in Odessa, TX:

> * * * denial rate has gone from one percent or half of one percent to a 3-4 percent denial rate. Not only do we face severe financial troubles but we face moral and legal problems as well. * * * For example, one case involved a patient requiring a skilled nurse to change a foley catheter, monitor for signs and symptoms of concussion following a fall, remove sutures and monitor episode of urinary tract infection. Agency was denied two skilled nurse visits that the intermediary termed not medically necessary. If agency staff fail to intervene in a patient's crisis, to monitor changes in patient's condition, then we could be put in the position of being charged with negligence by patient and patient's family and attending physician. * * * We have suffered through Gramm-Rudman, delay in claims processing time, change in intermediary, increased paper workload, and now unjustified claims denial by intermediaries. It appears that HCFA can mandate any standard they wish.

I believe that Congress owes the 30 million elderly of this Nation the Medicare benefits to which they are entitled, no more, no less. Indeed, if ultimately we are to address catastrophic care, we must be aware of the important role that an effective home health care policy plays in strengthening the community based provisions. Please join with me in supporting this legislation to address some of the problems facing elderly consumers of home health care.

CONGRATULATIONS TO LAKELAND, FL, STUDENTS

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. IRELAND. Mr. Speaker, I would like to draw the attention of my colleagues to a most significant occasion occurring in Florida's 10th Congressional District. The music programs at Lakeland High School and Southwest Junior High School will receive awards from the John Philip Sousa Foundation. It is unprecedented that two schools from the same area receive this recognition simultaneously.

Lakeland High School will receive the Sudler Flag of Honor and Southwest Junior High will be awarded the Sudler Cup Award, both named after Chicago businessman and arts patron Louis Sudler. The awards recognize sustained excellence over a number of years.

One criteria for these awards is that the concert band will have placed itself in situations where there has been an opportunity for evaluation by qualified persons or has been rated "superior" at State, regional, or national levels in concert activities.

The Sudler awards top a long list of achievements for both schools' music programs. Lakeland High's wind ensemble was chosen twice in 4 years to play at the Mid-West International Bank and Orchestra Clinic in Chicago, which showcases top bands from all over the world. No other Florida high school band has been invited twice.

Southwest's symphonic band played at the Mid-West in 1985, too, marking a first for a Florida junior high music group.

Lakeland High also set a State record this year by having 25 students selected for 1987 all-State bands. The school's marching band played at the Tournament of Roses Parade in Pasadena, CA, in 1985, and made a cameo appearance in an HBO film, "Long Gone," which will air this spring.

Mr. Speaker, I would like to offer my congratulations to band directors at both schools, Lakeland High's John Carmichael and Southwest's Frank Howes as well as to the current students and alumni who also should share in these achievements. Both schools are most deserving of this tribute and I know that the students' parents as well as the entire community are extremely proud of this accomplishment.

TRIBUTE TO MRS. ANGELA LaROCCA

HON. JOSEPH J. DioGUARDI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. DIOGUARDI. Mr. Speaker, I rise today to pay tribute to Mrs. Angela LaRocca, a very special person from my hometown of New Rochelle.

Angela LaRocca is retiring after almost a decade of dedicated service as city clerk and registrar of vital statistics in her native city of New Rochelle, NY. She found her career at city hall to be challenging and rewarding, as well as fun. She will be greatly missed at city hall as both a good friend and a conscientious, hard working city clerk and registrar.

As a life-long resident of the city of New Rochelle, Mrs. LaRocca demonstrated her commitment to bettering the city long before she started at city hall. Throughout the years, she has been an active participant in many civic, community and charitable organizations. She has also been a tireless election worker.

Mrs. LaRocca was educated in New Rochelle schools and is a graduate of the Westchester Business School. Having successfully completed the course requirements at the International Institute of Municipal Clerks at Syracuse University, she was certified as a municipal clerk.

Committed to education and innovation, Mrs. LaRocca plans to study computers—the path of the future—during her retirement. Her interest in computers began after she installed two word processors in her city hall office. She appreciates the power of computers in the voting process and intends to keep up with this rapidly advancing technology.

Mrs. LaRocca has one daughter, Phyllis, who is married to Victor Christiano. Her three grandchildren, Victor, Terry, and Lisa—ages 26, 24, and 20—also living in New Rochelle and are all graduates of New Rochelle Public Schools. I know her family is proud of her. We certainly are.

We will miss Mrs. LaRocca when she spends the winter months at her Florida residence, but she promises to always return in the spring to her native New Rochelle which she calls "home."

RISING TIDE OF INSURER INSOLVENCIES THREATENS

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. FLORIO. Mr. Speaker, the following article by Larry Fish in the Philadelphia Inquirer provides an excellent account of the threat posed by a rising tide of insurance company insolvencies. The subcommittee on Commerce, Consumer Protection and Competitiveness is currently investigating the huge Mission Insurance insolvency, referred to in the article, as part of our broader study of industry solvency. Mr. Fish's article will provide Members of Congress with useful background on this troubling situation.

Insurance Failures Pressure States' Bailout Funds

(By Larry Fish)

When an insurance company fails—and record numbers of them are doing that these days—its policyholders could face financial catastrophe.

Standing between them and that catastrophe are "guaranty funds," intended to pay claims when an insolvent insurance company cannot, by tapping healthy insurers.

But after three years of mounting insolvencies—and with the largest insurance liquidation ever just getting under way—the strains are beginning to tell on the state-by-state network of guaranty funds.

Originally set up to deal with the relatively modest problems created when automobile insurance companies went bust, the state guaranty funds are having to cope with hundreds of millions of dollars in debt on more complex commercial-liabilitiy policies, professional malpractice coverge and other big-ticket items.

"Insolvencies are generating debts so large that now questions are being raised about the adequacy of state guaranty funds," said Patricia A. Borowski, a vice president of the National Association of Professional Insurance Agents (PIA).

The organization counts 57 isolvencies since 1984 a startling change from the recent past in which "five auto carriers going under was considered a crisis," she said.

More serious than the number of companies going bust, however, is the unprecedented size of those that do. Nick A Verreso, president of the PIA, estimated that there was $3 billion in insolvent companies; debt that ultimately will have to be paid by the funds.

The biggest insolvency of them all—apparently the largest insurance insolvency in history—is that of Mission Insurance Co. and various subsidiaries, now entering liquidation.

California-based Mission is involvent by $448.1 million, and, according to Texas Insurance Commission Doyce Lee, "We believe that most claims on these companies will be subject to the guaranty funds of the states."

Each state and the District of Columbia has a guaranty fund to cover policies written by property and casualty insurers. Most, but not all, states have a similar fund to cover policies written by life and health insurers.

The property and casualty funds nearly all follow a model developed around 1970 by the National Association of Insurance Commissioners, in response to a brief wave of insolvencies of automobile insurance companies.

When an insurance company fails, the fund in each state calculates how much is owed to its citizens and then assesses the other companies licensed in that state a proportional share of the amount. The Pennsylvania fund, for instance, would assess companies licensed in Pennsylvania to pay money owed to state residents from the California insolvency.

In 1980, the total assessments for all the state funds were $12.4 million, according to the National Committee on Insurance Guaranty Funds. In 1984, when that number ballooned to $74.1 million, the industry in its innocence considered "that was a real big assessment," said Richard J. Marcus, the committee's executive secretary.

Things rapidly got worse: The 1985 assessment was a staggering $344 million, far more than all previous assessments since 1980 combined.

The results for 1986 aren't in yet. But already there is concern because some of the funds are nearing their maximum assessment.

In most states, the most that healthy insurance companies can be assessed is 1 percent or 2 percent of the premiums they had in that state.

To assess more, insurers and regulators believe, would dangerously weaken the surviving companies—perhaps leading to more insolvencies.

"This industry has always been able to meet its obligations with no problems," said Borowski of the agents' association. "Now we're faced with the possibility of maxxing out [on assessments] and wondering how we can deal with this situation."

Most expects believe the spate of insolvencies has not yet bottomed out, mainly because so many property-casualty companies were so badly wounded during the industry's lengthy price war of the late 1970s and early 1980s.

According to the National Association of Insurance Commissioners, roughly one in 10 property-casualty companies bears watching because of financial problems, so the demand on fund assessments is likely to continue to grow.

In Pennsylvania—where the maximum assessment is 2 percent of direct premium written—there is still some margin left, though it has shrunk as assessments have skyrocketed.

The 1985 Pennsylvania assessment of $41 million was "greater than all prior assessments levied" added together, said Ron Chronister, deputy insurance commissioner. The 1986 assessment was higher still: $62 million.

Chronister said that Pennsylvania actually makes two assessments for the property-casualty fund, one for auto insurance and another for "all other" kinds of coverage.

There is plenty of room left in the auto assessment, he said. But in the other fund, the maximum possible assessment last year was $54.5 million and the actual assessment was $43.5 million.

The Insurance Department hopes that one major insolvency—that of Mutual Fire, Marine & Inland Insurance Co. of Philadelphia—won't affect the guaranty fund at all, because a rehabilitation is being attempted.

Should the Mission insolvency and others ever exceed the fund's assessment limits, Chronister says, claimants might have to divvy up what was available one year and wait for subsequent assessments to get the remainder.

Others wonder if the guaranty funds ought to even try to reimburse the kinds of corporate policyholders most affected by today's insolvencies, as opposed to the individuals with automobile policies who first inspired the safety net.

"I don't really think that the drafters of the guaranty fund system thought the commerical lines would ever be a program," said Marcus of the guaranty fund association.

GRAZING FEES ON PUBLIC LANDS

HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. MARLENEE. Mr. Speaker, today I join with 20 of my colleagues in introducing legislation which would permanently reauthorize the grazing fee formula established in 1978 under the Public Rangelands Improvement Act. This legislation establishes a formula which sets grazing fees on a yearly basis according to livestock market conditions as well as the cost of production. When prices received for livestock are down while prices paid for farm supplies are up, the formula will adjust the fee downward. When these factors are favorable to livestock producers, the formula will increase the fee ranchers pay for grazing livestock on public lands.

Mr. Speaker, the public lands are an important part of our economy in the West. In Montana, the public lands account for one-third of the land area. In other Western States, the public lands account for up to two-thirds of the land. It is easy to understand then, that the people who live and work in the West need these lands to provide recreation, timber, livestock grazing, and other multiple uses.

Livestock grazing on the public lands is a particularly important use because many of the farms and ranches which are adjacent to the intermingled Federal lands would not be viable economic units without the public lands; and without farms and ranches which use these public lands, there would not be a county tax base nor would there be much of an economy to support the small rural towns which exist in the West.

Mr. Speaker, in order to insure that these fragile western economies are not harmed, it is necessary to allow reasonable timber management on the public lands; it is necessary to provide reasonable access for recreation; and it is necessary that a reasonable fee is charged for the grazing of livestock on the public lands. The formula that is established by this legislation provides for a reasonable fee.

LIVESTOCK GRAZING ON PUBLIC RANGELANDS

HON. ROBERT F. (BOB) SMITH

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. ROBERT F. SMITH. Mr. Speaker, I am joining several of my colleagues in introducing legislation this week which would make permanent the formula used to determine fees for the grazing of livestock on public rangelands.

In 1978 Congress passed the Public Rangeland Improvement Act [PRIA] which authorized the present fee formula. In the policy statement to PRIA, Congress made clear its intention in adopting the grazing fee formula:

> To prevent economic disruption and harm to the western livestock industry, it is in the public interest to charge a fee for livestock grazing permits and leases on the public land which is based on a formula reflecting annual changes in the costs of production.

This concept of basing the formula on the ability of livestock producers to pay is as true today as it was then. When livestock prices are up and producers are able to pay more the formula adjusts the fee upward. When the farm economy is depressed, the formula adjusts downward and producers pay less for grazing their livestock on public lands.

It is no surprise then, that for the last several years the fee has adjusted downward to reflect the difficult economic times which farmers and ranchers have experienced. While there continues to be tremendous economic disruption and harm to the livestock industry, the grazing fee charged by the Forest Service and Bureau of Land Management has not contributed to this disruption.

Mr. Speaker, recently there has been much debate about grazing livestock on public lands. Opponents of public lands grazing claim that the public lands provide only 2 percent of the grazing forage in the entire country. Therefore even if we eliminated all of the livestock from these lands, it would have a minimal affect on the livestock industry. However, those same people fail to realize that the public lands account for up to 60 percent of the grazing in the Western States. In my home district of Oregon, the small rural communities are socially and economically dependent on livestock producers who use the public lands.

Finally Mr. Speaker, I would add that ranchers who use these public lands to produce food and fiber also provide a valuable service. When they develop water for their sheep and cattle, wildlife have a new source of water; when minerals such as salt and other nutrients are provided for livestock, the wildlife share in the additional supplements. In fact, from 1979 to 1983, permittees of the public lands contributed $14 million in rangeland improvements.

Mr. Speaker, the PRIA formula is a good one. I encourage all of my colleagues to join me in supporting this fair and equitable legislation.

TRIBUTE TO LARRY MORRISH

HON. GUY V. MOLINARI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. MOLINARI. Mr. Speaker, there is, in every community, a select group of individuals who care enough about their neighborhood to labor tirelessly for improvements in the quality of life in the area, particularly those that will offer greater opportunities and assistance to children. Today, I rise to recognize one such individual in the Bay Ridge portion of my district, Larry Morrish.

The list of Mr. Morrish's accomplishments is extensive and exemplary. He is a founding member of the Bay Ridge Volunteer Organization [BRAVO], a highly praised volunteer ambulance service that is the largest and busiest in New York. BRAVO has received numerous citations, including one from the President of the United States, for its effectiveness in responding to those in need of prompt emergency care. Mr. Morrish himself has responded to over 20,000 emergency calls as a qualified emergency medical technician.

A member of several community organizations and a recipient of over a dozen distinguished awards and commendations, Mr. Morrish holds a special affection and concern for children. Indeed, he has dedicated an enormous amount of time and energy to such programs as the Special Olympics, the Ragamuffin Parade and Bridging the Gap for the Children, all of which attempt to involve young people in activities which enrich and entertain. In one particular youth council sports program, he demonstrated his versatility and stamina by serving, over a 15-year period, as president, vice president, secretary, treasurer, chief umpire, football referee and team manager of the group.

It is my privilege to bring the unselfish and meritorious accomplishments of Mr. Morrish to the attention of my colleagues in the House. I know they join me in commending the outstanding service he has given his community and the contributions he has made to the social and cultural development of young people in his area.

JEWISH EXODUS IS ENCOURAGING

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. HUNTER. Mr. Speaker, Illya Vaitsblit is 69 years old. He is the only member of his family who survived the Holocaust. He has never seen his only grandson and chances are that he will never again see his son. He is half blind and suffering from multiple sclerosis. Fortunately, his wife Inna, a retired pediatrician, is able to care for this bedridden man.

In 1973 Illya retired from his job as a radio engineer because of failing health. He and his family applied for an exit visa to Israel but were refused because Illya had previous access to classified material. Although their son was allowed to leave the Soviet Union, Illya and Inna have been denied exit visas repeatedly since 1974.

We have been hearing a lot lately about Mr. Gorbachev and his new policy—glasnost. But, Mr. Speaker, we must remember that there are over 400,000 people seeking to leave the Soviet Union. People like Illya and Inna who only want what we as Americans have every day—their freedom and the right to worship and be with their family.

Today's Jewish exodus is encouraging—I pray it continues. But the fact remains that aside from a few highly publicized releases, only 244 Soviet Jews have been allowed to leave the Soviet Union. Mr. Speaker, I believe that if Mr. Gorbachev is serious about his glasnost policy he must allow more Soviet Jews to emigrate.

For our part we must continue to show our support for the refuseniks and other Soviet citizens who long for freedom. I hope, Mr.

Speaker, that one day Illya and Inna will be free.

WOMEN VETERANS

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. MONTGOMERY. Mr. Speaker, I believe that most of my colleagues would agree that when we think or speak of the Nation's veterans and their deeds, we tend to focus almost exclusively on the male population, many times overlooking the significant contributions of our women veterans in the defense of our country.

Women are playing an increasingly integral role in our Armed Forces. Since 1972, the last year of the draft, the number of women on active duty has risen from 45,000 to over 200,000. That is nearly 10 percent of the active forces.

When these women are separated from military service, they are eligible for participation—subject to respective program eligibility criteria for all veterans—in programs administered by the Veterans Administration. However, there are services particular to the needs of women veterans that deserve our special attention, our sensitivity, and our resources. Outreach/awareness and health care services—including gynecologic care, patient privacy, unrestricted domiciliary access, and complete physical exams—are among the most oft-mentioned needs.

There are now almost 1.2 million women veterans who comprise 4.1 percent of the total veteran population. Sixty-eight percent of them have served during wartime. The number of women veterans who are 65 years and older will more than double by the turn of the century. Obviously, we must place a greater emphasis on the needs and concerns of women veterans.

Mr. Speaker, I want to commend one group in particular for monitoring outreach and services for women veterans, for its recommendations developed to address problem areas, for keeping the Veterans' Affairs Committees and the VA well-advised, and for its commitment to progress—the Veterans Administration Advisory Committee on Women Veterans.

Established in 1983 through the initiative of then-VA Administrator Harry Walters and through Public Law 98-160, its members visit VA facilities throughout the year and participate in Outreach and Educational Programs aimed at women veterans. Each member of the advisory committee is either a veteran, a current member of the Armed Forces, or actively involved in veterans activities. Their credentials are impressive:

VETERANS ADMINISTRATION ADVISORY COMMITTEE ON WOMEN VETERANS

Mr. Cosme J. Barcelo, Jr., San Antonio, Texas; Program Director, National Veterans Outreach Program; GI Forum; social worker; Vietnam-era veteran.

Col. Hazel E. Benn, USMC (Ret.), Falls Church, Virginia; former head of Education and Information, HQ Marine Corps; World War II, Korea and Vietnam-era veteran.

Ms. Gloria Crandall, Bay Pines, Florida; disabled Air Force veteran; works with Military Order of the Purple Heart.

Mrs. Shirley Dennis, Washington, D.C.; Director, Women's Bureau, Department of Labor.

BG Diann Hale, USAF (Ret.), San Antonio, Texas; recipient of Air Force Distinguished Service Medal; employed by Joint Hospital and Accreditation Commission.

MG Jeanne M. Holm, USAF (Ret.), Edgewater, Maryland; Chairman of the Advisory Committee; Former Director, Women in the Air Force; former Special Assistant to the President; author.

Mr. Charles R. Jackson, Master Chief Petty Officer, U.S. Navy (Ret.), Alexandria, Virginia; Vice President for Governmental Affairs, Non Commissioned Officers Association; Vietnam veteran.

Ms. Lucille M. James, Bloomington, Minnesota; World War II veteran, Coast Guard; life member of Disabled War Veterans; paralegal.

Mrs. Margaret M. Malone, Trenton, New Jersey; National Vice Commander, The American Legion; World War II veteran.

Mrs. Sarah McClendon, Washington, D.C.; journalist and author; World War II veteran.

Lt. Col. Judith Patterson, USAF (Ret.), Deerfield, Illinois; worked in Air Force recruitment, personnel, administration and public affairs; founder and former president of Chicago chapter of ARCS, Achievement Rewards for College Scientists.

Major Ilona E. Prewitt, Washington, D.C.; Executive Secretary, Defense Advisory Committee on Women in the Services (DACOWITS), The Pentagon.

Admiral Frances T. Shea-Buckley, USN (Ret.), San Diego, California; former Director, Navy Nurse Corps; Vietnam veteran.

Omega Silva, M.D., Washington, D.C.; Chief, Diabetic Clinic, VA Medical Center.

Ms. Mary Stout, Washington, D.C.; National Secretary, Vietnam Veterans of America.

Col. Eloise Strand, USA (Ret.), Rockville, Maryland; M.D., occupational therapy and health care administration; former special assistant to U.S. Army Surgeon General; former military representative on DACOWITS.

Miss Alberta I. Suresch, Sgt. USAF (Ret.), Waco, Texas; National Service Officer, Disabled American Veterans; Vietnam-era veteran.

Capt. Irene N. Wirtschafter, USNR (Ret.), Cocoa Beach, Florida; served on Navy Advisory Committee on Retired Personnel; former Internal Revenue Service agent; licensed commercial pilot.

Mr. Speaker, the Veterans Administration has been very responsive to the recommendations of this important advisory committee, as the committee itself pointed out in its July 1986 report: "We feel that the Veterans Administration is an agency which has shown remarkable alacrity in changing policies, attitudes and behaviors * * * no matter where committee members travel to visit Veterans Administration facilities we see changes for the better from items in canteens, to our posters on walls, to programs honoring women veterans, to the work of our women veteran coordinators, to distribution of brochures on benefits for women and even to glimpsing our bumper stickers on cars. Women veterans are no longer a forgotten group within the Veterans Administration. We look forward to continuing cooperation with the Veterans Administration. Our work goes on." So too does ours on Capitol Hill, Mr. Speaker.

Tomorrow, April 2, the Veterans' Affairs Subcommittee on Oversight and Investigations, chaired by our distinguished colleague, Mr. EVANS of Illinois, will conduct a hearing on the status and concerns of women veterans. I want to commend the gentleman for scheduling this hearing and for inviting Maj. Gen. Jeanne Holm, USAF (ret.), the advisory committee chairman, to testify. General Holm will be accompanied by former chairman Col. Lorraine A. Rossi, USA (ret.).

Mr. Speaker, I know my colleagues will want to join me in saluting these and all other efforts to heighten the Nation's awareness of our women veterans, of their achievements in the cause of freedom, and of our continuing commitment to provide all eligible veterans with fair and responsible readjustment opportunities and health care services.

THE 25TH ANNIVERSARY OF GREENFIELD COMMUNITY COLLEGE

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. CONTE. Mr. Speaker, I rise today to honor Greenfield Community College, located in Franklin County in western Massachusetts. The college will be celebrating its 25th anniversary during the 1987-88 year, and for a quarter of a century it has enriched the community by paving the roadway for students to move on to higher achievements.

Greenfield Community College, the smallest community college in the State with 1,500 day students and 1,100 evening students, prepares students for their careers, or for a transfer to a 4-year college. Fifty percent of Greenfield graduates continue on to public and private 4-year colleges, and many broaden their knowledge at graduate and professional schools.

Many faculty members are recognized for their work in the research and development of the Archibald MacLeish Collection, for Project TEME, the college's space shuttle simulation program, and for the college's nursing program, which is ranked highest of any colleges in the State of Massachusetts.

In the past 25 years, the college has responded swiftly to the needs of its community. Some of their services have included Project Future, which aided unemployed workers, and the Displaced Homemakers Program which assists women who are widowed or involved in divorce. Also, there are several training programs currently operating which provide services for welfare recipients and single parents, and the English is a Second Language Program, which assists foreign students.

Mr. Speaker, I am proud to be able to represent the students and faculty of Greenfield Community College, a major asset to my district, and I wish them continued success for another 25 years.

IMPERIAL POTENTATE EARL GRAY TO BE HONORED AT TESTIMONIAL BANQUET

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. STOKES. Mr. Speaker, on April 3 and 4, the Ancient Egyptian Arabic Order Nobles of the Mystic Shrine, North and South America, will honor the imperial potentate, Earl H. Gray, with a testimonial banquet and other tributes in his hometown of Richmond, VA. On this occasion he will be joined with the national officers of the Shriners and members of the organization including Prince Hall Masons from across the country. I have been requested by a special group of his friends to pay tribute to Imperial Potentate Earl H. Gray on the floor of the House of Representatives. Therefore, my remarks on this occasion will reflect the high esteem and special love that this group of men have for Earl Gray. Each of them has in his own way played some special role in life and success. They are: William E. Crockett, imperial captain of the guard; Robert F. Oglesby, imperial deputy of the desert; Foster J. Stringer, imperial deputy of the oasis; Rev. Otis Moss, Jr., deputy imperial chaplain; Ernest Terry, deputy imperial convention, director, Charles E. Richardson, imperial director of public relations; Deroy Gorham, imperial deputy talent and scholarship; James Thompson, deputy of internal security; Anderson K. Marlow, deputy imperial photographer; Judge Charles V. Fleming, deputy imperial legal advisor; Samuel Brogdon, Jr., imperial fraternal relations department; Charles E. Cook, deputy imperial legal advisor; Clarence F. Ellis, imperial credentials department; Wilbert N. Hauser, deputy imperial director of recreation; Monroe R. Bailey, deputy imperial lecturer; Roy Richardson, deputy imperial custodian; Carl V. Hawkins, deputy imperial director of publicity; Willis Johnson, deputy imperial director of foot patrols and Charles W. Hales, imperial convention director.

The position of imperial potentate is the culmination of over 25 years of diligent work on the part of Earl in the Shriners. Starting out with the Mocha Temple No. 7 in Richmond, VA, Earl has held numerous positions with the Shriners and the Masons both in the State of Virginia and nationally.

Some of these positions include past potentate—Mocha Temple No. 7; past master, Capitol City Lodge No. 107, F.&A.M. Prince Hall Affiliation; past high priest, Richmond Chapter No. 7 Royal Arch; passed imminent commander—Olivet Commandry No. 2; Knights Templar, past commander in chief; Richmond Consistory No. 22, most worshipful master; Prince Hall Grand Lodge Jurisdiction of Virginia and past imperial director of Regions, AEAONMS.

Because of his commitment to the Shriners and related fraternal organizations, Early H. Gray was elected to the highest office—imperial potentate—during the Shriners Convention in August in Chicago, IL. Mr. Speaker, I had an opportunity to participate in the week-long convention when Earl assumed the position of imperial potentate. By observing and talking with the members of the Shriners and the women's auxiliary group, the Daughters of Isis, I found that my good friend, Earl Gray, is both admired and revered by the entire membership.

Many view him as the type of individual who will bring new life and vitality to the programs and mission of the Shriners. He is an innovator. More importantly, he is a man of great conviction and vision.

In addition to his many years of tireless efforts with the Shriners, Earl Gray has displayed his keen leadership skills through his professional experiences and community associations in the Richmond, VA, metropolitan area.

A graduate of Virginia State University with a B.S. in accounting and M.Ed. in education administration, Earl Gray was quite active in the late 1960's and early 1970's with various job training programs for the disadvantaged, He was the director of the model cities job development and training agency, chief of plans and programs for the employment and training division—Virginia Employment Commission and the chief of the labor market information unit for the State of Virginia.

Additionally, he has served as a member of the commission for the elderly for the city of Richmond, chairman of the labor and industry committee and board member of the Richmond NAACP, board member of the Military Retirees Club and a board member of the Richmond Gold Bowl Committee. Finally, he is the co-chairman of the national board of directors—Assault on Illiteracy Program.

Lastly, Imperial Potentate Gray is the husband of Jane, to whom he has been married for 33 years and to whom he is devoted and loving. He is also the proud father of a daughter, Adrienne Gray. His daughter distinguished herself here on Capitol Hill as my press aide for 6 years. She is now employed in the public relations office of IBM.

Mr. Speaker, it is a high honor and privilege for me to join with the Nobles of the Ancient Egyptian Arabic Order Nobles of the Mystic Shrine and his friends and family to honor Earl H. Gray on the occasion of his testimonial banquet.

TRIBUTE TO CONNIE HUME DYKSTRA

HON. DENNIS E. ECKART

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. ECKART. Mr. Speaker, I rise today to pay tribute to Connie Hume Dykstra. It is rare that I rise to pay tribute to congressional employees, but Connie is especially deserving of my accolades. Connie has been a member of my staff since I was first elected to Congress in 1980, far outliving the average for congressional employees. She has served in a number of capacities and has admirably performed every task asked of her.

Connie has provided invaluable assistance to me and my constituents by answering constituent mail, helping with casework, developing legislative initiatives, and dealing with the press. Perhaps Connie's greatest attribute has been her ability to decipher congressional budget data in a timely and succinct manner. As I am sure my colleagues would attest, it is often difficult to translate just what the Federal budget means to our constitutents. Most importantly, relaying this information in an accurate and simplistic fashion best epitomizes Connie's expert ability to provide this crucial information to my constituents.

Similarly, Connie has helped create many of the newsletters which I regularly send to my constituents. As my colleagues know, these newsletters are full of vital information concerning important legislation. I am also sure that my constituents will miss my cable TV show which Connie helped produce. The cable TV show had a large and devout following, all of whom I am sure will miss Connie's creative talents.

Connie's most recent duties have been as my press secretary. As all of my colleagues know so well, this is a very important job in any congressional office. In a fit of candor and accuracy, Connie once told a reporter that legislation I supported had no chance at passing.

Connie's benevolence will also be missed in my district. Connie was active in local and community affairs. She eagerly set up a local fund raising drive to help give food to needy children during the Christmas season. Connie's efforts resulted in thousands of dollars being raised. Indeed, Connie's altruistic nature is a model for us all.

It is with much sorrow that I bid Connie farewell. I wish the best of luck to her and her ever expanding family in all their endeavors. I firmly believe that I, along with the constituents of the 11th District whom she so ably served, will be forever indebted to Connie for the long hours and hard work which she performed on our behalf.

A TRIBUTE TO EDWARD KENNEDY ELLINGTON

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. FAUNTROY. Mr. Speaker, I rise on this first day of April, to mark a month-long celebration in honor of a native-born Washingtonian and world class jazz musician, Mr. Edward Kennedy Ellington. This distinguished American jazz composer, brilliantly original pianist, innovative band conductor, and sophisticated entertainer revolutionized the art and music world.

He brought a new energy and vitality to the entertainment industry which came alive on stage, on screen, in intimate club settings, in giant music festivals, and before thousands of people in major auditoriums around the world. Many of his compositions are now beloved classics including "Mood Indigo," "Sophisticated Lady," "Satin Doll" and "Take the A Train."

Not selfish with his own talent, the "Duke" through the years provided a showcase for new and emerging talent, whom he would feature with his band for several years. He always maintained a large and diverse instrumental section and composed complex arrangements for them. The big band sound took on new meaning under his creative direction and jazz was elevated to a new dimension. Most of his band musicians went on to become legends in their own right.

The musical talents of Edward Kennedy Ellington were discovered early in life by his parents who provided him with piano lessons. A close circle of family members and friends nourished and encouraged his musical development and training. While attending Armstrong High School, he formed his first small jazz band playing at parties and school events. In his early twenties, he left this city with his band, "The Washingtonians," for the bright lights of New York City, where in a few years, his band became the featured jazz band at Harlem's Cotton Club.

One of the Duke's favorite recollections among close friends was his memory of playing sandlot baseball, as a boy in the afternoon after school. According to Duke, a frequent visitor at these games, who displayed keen interest, astride his horse, was President Theodore Roosevelt.

Mr. Speaker, I wish to pay tribute to a man who devoted his life to music and enriched countless lives of Kings and Presidents, the rich and the famous, as well as the everyday person.

It is with much esteem, high honor and great pride that I bring to the attention of my colleagues the many contributions that Edward Kennedy Ellington made to the music world in the 20th century. I take this opportunity to insert in the RECORD, the proclamation from the Mayor of the District of Columbia designating April 1987, as "Duke Ellington Month," accompanied by a supporting letter from President Ronald Reagan.

THE WHITE HOUSE,
Washington, DC, March 26, 1987.

I am delighted to send warm greetings to everyone gathered to inaugurate the Duke Ellington International Festival for the entire month of April in our Nation's Capital.

The late Duke Ellington epitomized greatness in American music. His name has come to symbolize a richness in sound and orchestration and high standards of musicianship. His remarkably varied body of work attests to his musical genius, and his lasting contribution to American music has endeared him to music lovers the world over.

I am delighted that Washingtonians will honor Duke Ellington, their native son, with a month-long celebration. Nancy joins me in extending our best wishes for a joyous and memorable "Duke Ellington Month." God bless you.

RONALD REAGAN.

OFFICE OF THE MAYOR,
Washington, DC.

PROCLAMATION—DUKE ELLINGTON MONTH
APRIL 1987

Whereas, the month of April 1987 has been designated as *Duke Ellington Month* in the District of Columbia; and

Whereas, Edward Kennedy "Duke Ellington was born in the District of Columbia and went on to become one of the most talented American composers of this century; and

Whereas, during his long career, he remained committed to the most rigorous standards of artistic excellence, yet always managed to incorporate an unstudied joy in all of his compositions; and

Whereas, this musical genius' creations have taken their rightful place as masterpieces in the American classical idiom, an art from which is universally recognized as *"jazz"*; and

Whereas, Duke Ellington has left us a mighty legacy consisting of numerous songs, anthems, and sophisticated arrangements of other composers' works, as well as longer pieces which embody his sense of racial pride, humility before God, and joy in the multitudinous sounds of life:

Now, therefore, I, the Mayor of the District of Columbia, do hereby proclaim April 1987 as "Duke Ellington Month" in Washington, D.C., and call upon all the residents of this great city to join with me in saluting this truly remarkable and talented man of this capital city and share in the celebration of our Duke Ellington.

MARION S. BARRY, Jr.,
Mayor.

IN SUPPORT OF H.R. 1917, SOCIAL SECURITY "NOTCH" LEGISLATION

HON. JIM LIGHTFOOT

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. LIGHTFOOT. Mr. Speaker, 10 years ago Congress approved the Social Security Amendments of 1977. These amendments, while they were necessary to shore up the financially troubled Social Security System, contained a little discussed provision revising the method in which Social Security benefits were calculated for people born after 1916. People born during the years 1917–21 bore the brunt of the benefit calculation change. This change created a disparity in benefits between those born before 1917 and those born after 1917.

For several years, this change went unnoticed. It was not until Abigail Van Buren spoke out against the so-called notch effect in September 1983 that a large number of people born during those years became aware of this inequity. Since then, Congress has been besieged by letters from constituents affected by the notch. Grassroots organizations have been formed in many parts of the country, including Iowa, Nebraska, California, Florida, Pennsylvania, New York, and North Carolina.

These groups have grown from a few interested people to thousands of people. Groups, like Iowa's, have traveled to communities across the different States to inform people about the notch and what they should do to get it corrected. These grassroots coalitions have also traveled to Washington, DC, to hold rallies on the steps of our Nation's Capitol.

The members of these grassroots coalitions are serious about seeking corrrection of the notch. They don't plan to let this issue die. Last year they worked hard to increase the number of cosponsors of Congressman ED ROYBALL's notch bill, H.R. 1917. At the end of the 99th Congress, this bill had 174 cosponsors. This was a substantial increase over the number of supporters from the 98th Congress. However, it still wasn't enough to get Congress to address this issue.

Last year, the chairman of the Ways and Means Subcommittee on Social Securit asked the General Accounting Office [GAO to conduct an indepth study of the notch. This report has not yet been released by GAO and is not expected for several more months Some Members of Congress feel we should wait until this study is completed before we act on notch legislation. However, notch individuals have already waited 10 years for this benefit disparity to be resolved. We canno continue to drag our feet on this issue.

Yesterday, Congressman ED ROYBAL introduced notch legislation in the 100th Congress This bill has again been assigned the numbe H.R. 1917 in order to highlight the year 1917 and to rally notch individuals around a single piece of legislation to eliminate this problem Once again, I have cosponsored this legislation with Congressman ROYBAL.

This legislation has been revised from las year's bill, however. This bill is less costly to the Social Security trust funds, which should mute the criticism that Congress cannot correct the notch because it would bankrupt the Social Security System.

The new H.R. 1917 would provide for a 10-year transition to the new benefit formula rather than the 5-year transition formula under current law, and the 30-year formula proposed under last year's legislation. As you may know, when former Presidents Gerald Ford and Jimmy Carter first proposed a 6- to 10-percent reduction in Social Security benefit levels, they recommended a 10-year phase-in. In 1977, the House passed a 10-year phase-in, but the Senate agreed to a 5-year transition instead. The 5-year provision prevailed, and Social Security beneficiaries ended up with greater reductions in their benefits than were actually intended.

Under this new legislation, benefits would be computed under the old (1972) formula and would be reduced by 3 percent. In addition, benefits would be reduced an additional 3 percent for each year of birth after 1916. This legislation would also include retroactive benefits for people affected by the notch.

While some notch individuals might be upset that this bill is not as comprehensive as legislation in the 99th Congress, this new bill is a reasonable proposal to put forward at this time. The estimated cost of the old notch legislation was projected to be $243 billion over 10 years. The cost of the new legislation is approximately $45 billion over 10 years.

I hope my colleagues will take a serious look at this new bill. It provides equity to notch individuals while ensuring the future solvency of the Social Security trust funds. This legislation also signals the willingness of several of us in Congress to work on a compromise piece of legislation, such as this new bill, which would finally make the Social Security System fairer for those people born during the years 1917–21.

Mr. Speaker, I encourage my colleague to join in cosponsoring this legislation and pushing for its passage.

SHALL AMERICA BE DEFENDED?: SDI DEPLOYMENT LEGISLATION

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. COURTER. Mr. Speaker, I have recently introduced three bills which have as their logical underpinning the need to protect Americans against the threat posed by nuclear ballistic missiles of the Soviet Union. There is no greater vulnerability at this time than the total defenselessness of America in the face of the Soviet ballistic missile force. Accordingly, there is no higher obligation for the Congress than the deployment of systems that at least begin to address this vulnerability.

A little more than 4 years ago, President Reagan announced the Strategic Defense Initiative [SDI] Program. This was not the beginning of United States efforts to defeat ballistic missile attacks, for we had briefly deployed a rudimentary SDI system in the mid-1970's at Grand Forks, ND, only to deactivate the system after a few months of operation. Neither was it the beginning of a defensive arms race or the militarization of space, for that occurred in the late 1940's when the Soviet Union began working on strategic defenses.

After 4 years of research and some spectacular demonstration projects, the promise of stratgic defense remains just that—a promise. The technology and the funding exist to deploy strategic defenses, but the indispensable element of political will is almost completely absent. The councils of excessive caution are dominating national security decisionmaking at this critical juncture in the Reagan administration's tenure. The boldness and vision required to manage a transition to a defense-dominated national security strategy are nowhere in sight in the executive branch.

The Soviet leadership, so astutely attuned to the sounds of a wounded Presidency, has escalated its propaganda and arms control attacks on the SDI Program. At the same time, they are introducing new strategic defense systems of their own, to the tune of $20 billion per year. Their time-tested negotiating tactic—what's ours is ours and what's yours is negotiable—is very much in evidence and is producing rich rewards.

Mikhail Gorbachev denounces SDI as a "voracious monster" based on a fundamentally inhumane concept, and the congressional majority signal their concurrence by cutting $2 billion from the President's fiscal year 1987 SDI request. The message to the Soviets is that the anti-SDI propaganda campaign is well worth the cost required to conceive and sustain it.

The question remains: shall America be defended? The executive branch has through its inaction on SDI already provided its answer. If, according to the conventional wisdom, the "inside the Beltway" coterie will not be so kind as to grant the administration permission to lead the free world out of its vulnerability to ballistic missiles, then SDI deployment must surely be a lost cause upon which it is sheer folly to expend any further precious political capital.

Imagine if the newly inaugurated Ronald Reagan had, in January 1981, politely requested Tip O'Neill's indulgence in cutting taxes, reducing wasteful nondefense spending and rebuilding America's military capabilities. The thought is absurd on its face.

It is equally absurd for a serious minded President to seek the acquiescence of his adversaries, either foreign or domestic, in providing for the common defense through early deployment of strategic defenses. The American people want to be effectively defended against the Soviet ballistic missile threat, and they cannot understand why their Government appears to have forsaken them.

I have recently introduced two bills which, if enacted, would direct the Secretary of Defense to begin the process of deployment of strategic defenses. A third bill would direct the release of the ABM Treaty negotiating record, so that the American people can for the first time understand the process by which U.S. strategic superiority was first compromised and then irretrievably lost.

The first bill, H.R. 1849, would simply direct the Secretary of Defense during fiscal year 1988 to initiate the development of strategic defense systems that could be deployed beginning in 1993. The legislation would require that these strategic defenses be survivable, capable of protecting wide areas, cost-effective against likely Soviet countermeasures and compatible with future, more advanced strategic defense systems. System details and costs are not specified in the legislation. The Secretary of Defense would be required to supply this detailed information to the Congress, so that intelligent decisions could be made about the future direction of the SDI Program.

The second bill, H.R. 1850, is considerably more detailed. It draws heavily upon the recent report entitled "Missile Defense in the 1990's," which was issued by the George C. Marshall Institute [GCMI]. The GCMI identified a comprehensive, multilayered strategic defense system which could begin deployment in 1993, cost approximately $120 billion upon completion and provide more than 90 percent effective defense against an attack by the entire Soviet ballistic missile arsenal of 10,000 warheads.

The legislation directs the Secretary of Defense in the next fiscal year to begin pursuit of the GCMI deployment objectives for SDI. Work would begin on the terminal, midcourse and space-based missile interceptors, along with the necessary sensors and radars to support the strategic defense architecture. The Secretary of Defense would be required to report annually on the progress of the SDI deployment activities and to request the necessary supplemental funding to support the SDI deployment program.

The third bill, H.R. 1851, directs the President to provide to the Congress the entire negotiating record of the ABM Treaty of 1972, including all relevant transcripts, memoranda of conversation and other documents. Because much of this material is classified for political reasons and not for legitimate national security reasons, the legislation also directs the President to justify any ABM Treaty material that he insists upon providing in classified form. All the ABM Treaty material must be provided within 6 months after enactment of the legislation.

Together, these three bills will begin the necessary process of shifting the strategic defense debate away from such obtuse issues as the broad versus narrow interpretation of the ABM Treaty, to the seminal national security question of our time: Shall America be defended against Soviet ballistic missiles?

It will no longer be possible for Members of the House and the other body to vote "maybe" on strategic defense by endorsing a lower funding level for SDI. My legislation is not tied to any particular funding level for the SDI Program; rather, it is directed toward the fulfillment of a vital national security mission, which is the protection of our homeland.

The present defenselessness of the United States against ballistic missile attack is acute. Accordingly, there is no cause more noble and humane than the reduction and eventual elimination of this vulnerability. If we take our public and constitutional obligations seriously, then we must spare no effort in the service of this cause.

THE 100TH ANNIVERSARY OF THE HEBREW ORPHAN ASYLUM

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. RANGEL. Mr. Speaker, it has been brought to my attention that Friday, March 13, marked the 100th anniversary of the foundation of the Hebrew Orphan Asylum of the city of New York. In its time the largest and most reknown Jewish orphanage in America, the asylum was dedicated to helping discharged orphans find a home, a job, and a normal life in the community.

In an age where social welfare agencies were nonexistent, the Hebrew Orphan Asylum was a shining example of the power of compassion. During the years of its operation the asylum sheltered nearly 36,000 children, including such well known figures as Art Buckwald, Edwin Franco Goldman, and Harold Touish.

Mr. Speaker, today, as we face a plethora of social ills on an unprecedented scale, it is only fitting that we make note of the humanitarian spirit that fostered the creation of the Hebrew Orphan Asylum. It is for this reason that I am pleased to make note of the 100th anniversary of this institution. We must honor the Hebrew Orphan Asylum, and never forget the valuable lessons that it has to offer us about what we can do for the welfare of our fellow man.

OIL: PROBLEMS AND PROSPECTS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, April 1, 1987, into the CONGRESSIONAL RECORD:

While the sharp decline in world oil prices over the past few years has provided much-needed relief to consumers, it has had the unfortunate consequence of leading to higher U.S. oil consumption and increased reliance on imported oil. That raises important questions about our future energy prospects. Are we again in for long gas lines, as during the 1973 oil embargo? Or, are energy supplies and prices likely to stabilize over the next few decades?

My view is that, despite the plentiful oil supply now, we still face a dangerous situation and are headed toward new oil shortages if we become complacent about America's future energy needs. A closer look at our present energy sources bears this out. Oil, two-thirds of which is used to meet our transportation needs, constitutes 43 percent of total U.S. energy use, coal: 23 percent, gas: 22 percent, nuclear: 6 percent, and hydroelectric: 5 percent. All, except oil, are basically available domestically, and supplies are expected to be stable for years to come. Oil, however, is our real problem. We currently rely heavily on foreign sources for oil, and that dependence is expected only to increase. For the long haul, we clearly need to reduce our consumption of oil and move toward developing a sound energy policy.

Several potentially negative trends have developed as a result of the lower oil prices. U.S. oil consumption is again on the rise, increasing by 5 percent over the last 3 years. Our oil imports last year increased 16 percent from 1985, and the United States now imports about 38 percent of its oil needs, about the same as preembargo levels. At the same time, our domestic production has declined. Because oil prices remain relatively cheap worldwide, about $18 a barrel, and because the cost of getting American oil out of the ground is higher than in any other major producing country, U.S. production has fallen from 9 million barrels a day in 1985 to about 8.3 million barrels a day now. In 1981, some 4,000 drilling rigs were operating in the U.S. By 1986, the total was down to 800. Similarly, the amount invested in new exploration has declined by one-half, from $33 billion in 1985 to only $16 billion in 1986.

Accompanying the increases in consumption and oil imports has been a decline in our conservation efforts. As memories of the energy crises of the 1970's have begun to fade, conservation measures have started to lose their appeal. In addition, the Reagan administration, driven both by stringent budget concerns and by the view that market forces should operate, has reduced substantially the Federal Government's energy conservation programs.

Most experts do not believe that the world glut of oil is likely to continue for very long. Although the Organization of Petroleum Exporting Countries [OPEC] has had difficulty in stabilizing production of some of its member countries as a way to raise prices, increased consumption in the industrialized world may do what OPEC has not been able to accomplish on its own. Some fear that, by the mid-1990's the United States will be dependent upon politically unstable foreign suppliers, mainly the Middle Eastern countries, for 60 percent of its needs. Heavy dependence on Mideast supplies is highly risky. That region contains over half of the known global oil reserves, compared to only 4 percent in the United States. The prospect of higher prices and increased foreign dependence could have grave economic and political consequences for our country.

Although estimates of future petroleum supply and its price vary widely, I believe that it is prudent to develop U.S. energy policy on the basis of the more conservative estimates, especially when the smooth functioning of our economy is dependent upon a steady supply of oil. As a result, we should develop a realistic energy policy which places greater emphasis upon long-term needs—one that is now swayed by the short-term availability of a relatively cheap energy supply.

For our immediate oil problem, several actions are needed. First, the strategic petroleum reserve should continue to be filled as a guard against an energy emergency. For the past few years, the President has recommended against filling this reserve quickly in order to save Federal revenue. In light of the lower oil prices and the looming shortage, the Congress rejected these recommendations. Second, while greater U.S. oil exploration and production should continue to be pursued, they should not be seen as the only answer to our difficulties. Most experts suggest that few, if any, domestic reserves are undiscovered and that the cost of producing from some known reserves is quite high. While major tax incentives have been used in the past to promote exploration, I am not convinced that they will be as effective in the future. Modest tax incentives from the Government, with primary reliance on market forces, seem the better approach. Finally, to the extent that imports must continue, alternate suppliers should be sought. Our aim should be to have a balanced set of foreign suppliers, continuing our past efforts to move away from heavy reliance on Middle Eastern oil producers in favor of more stable suppliers such as Canada and Mexico.

Our long-term efforts must recognize the limited prospects of oil, either domestic or foreign, in meeting overall U.S. energy needs. We must first renew our commitment to conservation. Various conservation measures put into place in recent years will continue to produce savings, but more needs to be done. While individual decisions and market forces can play an important role in shaping our conservation efforts, especially in the use of our autos, the Federal Government can also assist in promoting conservation, such as by continuing to support weatherization projects, industrial efficiency initiatives, and research on alternative vehicle fuels. At the same time, we should continue to seek alternate sources of energy. Solar energy needs to be given a greater degree of support. In recent years, research funding in this area has decreased, and it must be restored. We must also continue our efforts at improving clear coal technology. Greater attention to this alternate energy source is especially important, since our Nation possesses more than one-fourth of the world's coal reserves.

THANKS TO OUR NEW YORK FRIENDS

HON. HOWARD COBLE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. COBLE. Mr. Speaker, all of the snow and rain we received this winter has made some of us forget about the drought we experienced last summer. But the people in the Sixth District of North Carolina have not forgotten. We suffered through one of the worst combinations of drought and high temperatures this century.

We were able to survive the drought—in some cases—through the kindness and generosity of others. One group of people from upstate New York will come to my district this summer to be honored. I would like to take this opportunity to thank these gentlemen for their efforts.

Mr. Bruce Norris of Marcellus, NY, saw the problems his fellow farmers in the South were facing last summer. A mild, wet spring in New York had left him and other upstate farmers with excess hay. In July 1986, Mr. Norris contacted Mr. Glenn Crutchfield of Oak Ridge, NC, which is in my district. Mr. Crutchfield acted as the liaison between the North Carolina farmers who needed relief and the New York people who were so anxious to lend a helping hand. Thanks to the efforts of Messrs. Norris and Crutchfield, much-needed hay found its way to farms in Guilford, Alamance, and Rockingham Counties. The story did not end there, however.

Mr. Kenneth Lincoln of Interlaken, NY, and Pastor David Ashby of Tully, NY, saw what Mr. Norris was doing and decided to get involved, also. These gentlemen helped in getting the truckers lined up who would transport the hay from New York to North Carolina. Mr. Lincoln set up a jug in a local store to collect donations from other concerned residents. And Pastor Ashby convinced Church World Services to help pay for the costs of the trucks.

In all, it was a coordinated effort that successfully helped alleviate a serious situation thanks to these fine gentlemen. Many of those from New York who were involved in this undertaking will be coming to the Sixth District of North Carolina in early July. The people they so graciously helped last summer want to personally show their thanks.

We look forward to welcoming our New York friends this summer. In the meantime, thanks to everyone who helped us overcome a natural disaster. In these troubling times, it is good to know that we Americans can pull together to help each other out. I know the people of the Sixth District wish to offer their thanks to a group of people in New York who went to a lot of trouble and expense to help us last summer. We will not forget their efforts.

And to my colleagues, Congressmen GEORGE WORTLEY and FRANK HORTON, I would like to take this opportunity to let them know that they represent some truly generous and thoughtful people. Congressmen WORTLEY and HORTON can be justifiably proud of their constituents. The people who helped us last summer have gained our respect and gratitude the old fashioned way—they earned it.

PERSONAL EXPLANATION

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. DANNEMEYER. Mr. Speaker, I regret to announce that I was unable to attend the session yesterday, March 31, due to a longstanding commitment away from the District of Columbia. I subsequently missed four votes. Had I been present, I would have voted:

Nay on approving the Journal of Monday, March 30;

Nay on the vote to override the President's veto of H.R. 2, the surface transportation authorization;

Yea on suspending the rules and passing House Concurrent Resolution 34, concerning the continued violations by the Soviet Union of its international human rights obligations, especially the right to emigrate; and

Nay on suspending the rules and passing House Concurrent Resolution 121, to commend the member states of the European Community for the role which the Community has played in the development of the close relationship between the United States and Europe, on the occasion of the 30th anniversary of the signing of the Treaty of Rome which established the European Community.

PRIVATE RELIEF ACT

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. McKINNEY. Mr. Speaker, for the fourth consecutive Congress, I am introducing a private relief bill on behalf of the Teichgraeber family of Greenwich CT. This legislation seeks to remedy a gross inequity entirely unanticipated by Congress and resulting from an inflexible application of the subchapter K partnership rules of the Internal Revenue Code.

The Teichgraeber case involves partners in a stock brokerage firm. In 1967, certain partners, the Teichgraebers, left the firm and their share of the capital was computed, based upon what the partnership then believed to be its profits and losses for 1967. The Teichgraebers were not members of the partnership in 1968.

Close to 6 years after the Teichgraeber left the partnership, the partnership and the Internal Revenue Service (IRS) agreed to "roll over" from 1967 to 1968 a substantial amount of deductions originally claimed by the partnership in 1967. These deductions were taken into account in computing the Teichgraeber capital in 1967. The partnership benefited from this agreement with the IRS because its income in 1968 that was higher than in 1967. There also was a surtax imposed in 1968 that was higher than in 1967. There also was a surtax imposed in 1968, while there was none in 1967.

The effect of the agreement between the partnership and the IRS was to retroactively create phantom "income" taxable to the Teichgraebers in 1967. In addition, because the Teichgraebers were not partners in 1968 they could not reap the benefits of the "rolled over" deductions in that year. Although the Teichgraebers were taxed on this phantom "income" for 1967, they never had the right to receive it from the partnership. Thus, they suffered an economic loss as well as taxation on nonexistent (in their case) income.

The tax court characterized this result as a "harsh and mechanistic" application of the subchapter K partnership rules, but felt constrained to find for the Commissioner. The counsel for the Commissioner also admitted that the result for which he was arguing was "harsh," but required by the mechanical application of the partnership tax rules. It is important to note that the tax court has no equity jurisdiction and could not hold for the Teichgraebers based on the unfairness of the situation.

On June 24, 1981, the Teichgraeber family paid $171,133 to the IRS. Subsequently, the Second Circuit Court of Appeals affirmed the determination of the tax court, and the U.S. Supreme Court denied certiorari in this matter. Since the Teichgraebers have exhausted all legal recourse, private legislation is their only available means of redress.

Mr. Speaker, I do not take lightly the many responsibiities and time constraints of this House. Yet, in this instance, I must add to the work of this body by requesting a remedy for a family that has been wronged. Given the draconian application of the subchapter K partnership rules, and the exorbitant amount of money which the Teichgraebers paid to the IRS, I urge prompt consideration of this private relief act.

GRANT PATENT TO JOSEPH W. NEWMAN FOR HIS ENERGY MACHINE

HON. BOB LIVINGSTON

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. LIVINGSTON. Mr. Speaker, today I have introduced legislation instructing the Secretary of Commerce to grant a patent to Joseph W. Newman for his energy machine. Far too few of my colleagues know the true story behind this American's struggle to obtain the legal rights to his own invention. It is a story of bureaucratic bungling, thousands of wasted taxpayer dollars, and an appalling disregard by the U.S. Patent Office of normal patent procedures.

I am deeply disturbed by this situation, and I urge my colleagues to look beneath the surface at the legal issues involved in this case. This man may have an invention which could change the world and dramatically improve the quality of our lives. If he does, it is we—the American people—who are the victims of the Patent Office's stubborn and foolish behavior.

Please, examine the facts and give Newman a chance. I am certain that you will become convinced, as I am, that he has a right to take his invention to the American marketplace.

BUDGET RESOLUTION RULE

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. GRAY of Pennsylvania. Mr. Speaker, pursuant to Democratic Caucus Rule 35, I would like to advise the Members that I may request, on the behalf of the Committee on the Budget, a modified closed rule for the consideration of the concurrent resolution on the budget for fiscal year 1988.

UNIVERSITY RESEARCH FACILITIES ARE OBSOLETE

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. ROE. Mr. Speaker, today I am introducing, along with 13 of my colleagues, a bill to help revitalize the Nation's academic research facilities. The bill, entitled, "The University Research Facilities Revitalization Act of 1987" authorizes a program in the National Science Foundation [NSF] for the repair, renovation, or replacement of laboratories and other research facilities at universities and colleges.

In 1985, Dr. William B. Baker, vice president for Budget and University Relations of the University of California, in testimony before the Science and Technology Committee stated:

> If this Nation is to educate its citizens and create the knowledge that is the technological foundation of our economy, our security, and our way of life, we must replace higher education's backlog of obsolete scientific equipment and related facilities. Just as the Federal Government finds it in the national interest to repair the country's deteriorating public roads, bridges, and harbors, the Federal Government must assist higher education to replace its own worn and wearing out infrastructure.

We are placing ever greater demands upon our research universities to use new technological abilities to produce breakthroughs in areas such as microelectronics, manufacturing research, and biotechnology to enhance our economic competitiveness. Yet, we cannot be sure of the ability of our colleges and universities to deliver on our demands. Universities are finding themselves with aging facilities, obsolete equipment and shortages of both faculty and students. A 1986 study by NSF of 165 doctorate-granting institutions showed that more than half of the research facilities at these universities were built or renovated before 1970. Lack of modern facilities and instrumentation not only reduces the effectiveness of current research efforts, but also discourages many of our recent graduates from pursuing careers in university teaching and research, when the latest research instrumentation is available to them in the private sector.

We are not alone in recognizing that science and technology are critical to our future. Other nations recognize this and are investing in science. Japan has led other nations in the investment of research and scientific and technical manpower for the past 15 years. The emergence of Japan as a major economic power in world commerce is a direct result of their strong investment in research. The European Community is also banding together with programs like EUREKA and ESPRIT to reverse the trend of lagging technical capability.

In February 1986, the White House Science Council Panel on the Health of U.S. Colleges and Universities released their report entitled "A Renewed Partnership." The Council stressed the deteriorating health and capability of our universities and stated that the reverse of this trend was critical to the retention of our international leadership in science and technology. The report recognized that the Nation found itself in this dilemma when it imposed budgetary restrictions on universities. Forced to set priorities, universities chose to protect their human resources at the expense of facilities. But, it is now clear that this is equally destructive to the synergism that must exist if science is to be successful.

Embodied in H.R. 1905 are four principles I feel are essential in addressing the university infrastructure problem. First, funds allocated for the conduct of research are not diverted to modernize facilities. Rather, the bill creates a facilities fund within the National Science Foundation. By setting aside specific dollars for facilities and laboratories, the fund is devoted solely and entirely to upgrading, renovating, and replacing university research facilities.

Second, the solution proposed is a long-term investment in our future. By authorizing funds for a 10-year period, the facilities revitalization act ensures stable and continued support that will allow for more efficient planning and use of the new resources. The long-term security of our Nation's research enterprise requires a program which assures that university research facilities are current and modern at all times.

Third, the proposal provides for merit review to maintain, encourage, and exploit the long-established excellence of our research and educational institutions. Dr. Frank Press, president of the National Academy of Sciences, in testimony before our committee stated, "What peer review can do is to assure that any facility finally selected merits its support in terms of the overall health of scientific research." In addition, to ensure that all colleges and universities have an equal ability to compete for this pool of money, the bill requires that 15 percent of the authorization in any fiscal year be made available for awards to universities and colleges receiving less than $10 million in total Federal R&D, including the laboratory modernization program, in each of the two preceding fiscal years.

Finally, the bill ensures that any funds to be awarded for facilities revitalization may not exceed 50 percent of the cost of replacement or modernization. The remainder of the funds are to come from non-Federal public or private sources. Working together in this manner will ensure that Federal dollars are matched by all those who stand to gain from improvement in our facilities for performing research and training future scientists.

Future advances in science and technology will depend on the best available facilities and instrumentation. The University Facilities Revitalization Act is designed to reverse the trend toward obsolete university research facilities and assure that the university environment is conducive to high-quality research and education. H.R. 1905 is a modest beginning but far from the total solution. Therefore, I hope introduction of this bill will encourage the Congress to consider additional solutions to be administered by other agencies such as the National Institutes of Health, Department of Agriculture, National Aeronautics and Space Administration, Department of Defense, and Department of Energy, who share the responsibility to maintain a strong university science base essential to our national future.

Today's concerns over the costs of facilities and equipment stem from a reluctance in the past to recognize these costs as an integral and essential part of research. Buildings and instruments do not figure in press conferences heralding the newest scientific breakthroughs. But, without them, there would be no breakthroughs to improve the quality of life for all of us. I believe that this legislation represents an appropriate Federal response to a truly national problem. I invite my colleagues to join me in cosponsoring H.R. 1905.

WHAT DID WE KNOW AND WHEN DID WE KNOW IT?

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1987

Mr. CONYERS. Mr. Speaker, both the CIA and the NSC were armed with very questionable Presidential "findings" authorizing clandestine action against the Sandinistas. The creation of the Contras was based on a distorted CIA assessment that was suspect in Congress but only drew an expression of concern. In the year's to follow, the Contra operation took on a life of its own. Marci McDonald's very excellent article capsulizes the history of Contra-United States relations as the Contra tail wagging the administration dog and brings fresh insight to a historical perspective on the CIA's role in foreign policy under the Reagan administration.

The article follows:

[From the Washington Monthly, March 1987]

Would You Believe . . . Iranian Moderates?

(By Marci McDonald)

At first, John Horton had passed it off as just another cocktail party anecdote. In the summer of 1983, over drinks at a fellow spook's dinner party in Washington, a visiting Republican fundraiser from California buttonholed him with horror stories about doing business in Mexico. The bagman knew Horton was a respected CIA veteran, a former Mexican station chief who had been called back from an eight-year retirement to take over the controversial post of Nationa Intelligence Officer (NIO) for Latin America on the elite inter-agency panel that turned out the intelligence community's top-secret surveys known as Estimates. He also knew that Horton was working on an analysis of Mexico and the bagman wanted to make one thing clear: Mexico was on the brink of collapse. To illustrate his point, he somberly recounted the example of his Mexico City business partner who was so worried about the situation that he kept his private plane constantly warmed up at the airport in case he had to get out in a hurry.

The notion of a Lear jet purring on the tarmac, racking up boggling fuel bills, tickled Horton's instinct for the absurd, but he didn't give the story a second thought. Less than a year later, however, he recalled it as neither humorous nor harmless. For him, it had become omniously symptomatic of what he saw happening at the CIA. Furious and disillusioned, he had quit after CIA Director William Casey ordered a report on Mexico rewritten to depict that country as on the verge of toppling, a conclusion Horton believed there was no intelligence evidence to support. There were only allegations as flimsy as the Republican bagman's. Once, when Horton protested there was no data to back up the doomsday scenario, a senior intelligence official cited a story he had heard from his Mexican maid. As Horton recently wrote in the *International Journal of Intelligence and Counterintelligence:* "In the case of Mexico, a half-baked theory had taken on the authority of gospel."

Within the CIA it was no secret that a hidden agenda lay at the heart of the bitter debate over the Mexican Estimate. According to other intelligence officials, Casey was trying to win the official imprimatur of the intelligence community on plans to put the screws to a country that had become a meddlesome foreign policy opponent. At the time, the government of President Miguel de la Madrid was the most vociferous critic among the United States' Latin allies of the administration's Central American policy. It vehemently disapproved of aid to the contras and was a prime mover behind the Contadora process, the proposal for a negotiated peace with Nicaragua that was once again showing signs of life. With official proof that Mexico was a menace—another Iran on America's doorstep threatening even U.S. security with its instability—Casey reportedly hoped to win approval for economic and covert actions to destablize its recalcitrant government. "There was a great deal of resentment of Mexico for standing in our way on Central American policy," says Horton. "There was almost a desire to see Mexico punished."

Horton has been one of the few CIA officials to quit in protest over the corruption of the intelligence process by what he terms the administration's "zealotry." Having already earned retirement, it was a luxury he could afford. In the two years since his exit, other top officials have left the agency in discreet disgruntlement over the direction Casey has moved the CIA. Still more continue to chafe angrily inside, bound by the prospect of pensions, or clinging to the belief that they can have more effect trying to change the system from within. But the disaffection among analysts is widespread.

"Central America is just one example," says Scott Armstrong of the National Security Archive. "The problem is pervasive—systematic and across the board."

Horton's experience was not simply a case of sloppy professionalism or facts running afoul of the preconceived notions of the Reagan administration and its businessmen friends. It is the most public example of what agency critics charge is an increasing and dangerous politicization of intelligence under Ronald Reagan.

Politicization of intelligence makes for far less riveting headlines than exposes on CIA guerrilla training manuals that advocate assassination or the agency's mining of Third World harbors. But the consequences are fundamental and far-reaching, and threaten to pervert the very mission of the CIA.

As the agency finds itself increasingly implicated in the Iranian arms scandal, the spotlight's glare is focusing on Casey's pell-mell plunge into clandestine operations—frequently against the advice of intelligence reports and his own deputies. But, as many observers of the tight-knit espionage club point out, one of the by-products of his billion-dollar investment in covert actions has been pressure on the intelligence community to come up with the evidence to justify the expense. In cases like the agency's secret war against Nicaragua, critics charge that intelligence has been tailored to fit the Reagan administration's obsessions. During an interview with The New York Times last year, Senator David Durenberger, then chairman of the Senate Intelligence Committee, took calculated aim at the CIA's Central American assessments. Said Durenberger: "Some of that stuff is cooked."

Some see in the current charges a sinister replay of the Vietnam era, when CIA analysts found Great Society policymakers openly hostile to facts about Vietcong strength that might have called U.S. military involvement into question—and, not incidentally, saved thousands of American lives. By refusing to see the world in terms that don't dovetail with its policies, the Reagan administration risks finding itself embroiled in another tragic foreign misadventure with potentially disastrous results. Says Jeffrey Richelson, an intelligence scholar at Washington's American University and author of The Sword and the Shield: "It can be very serious if you wind up invading Nicaragua because you're convinced they're going to invade 12 other countries."

GOLDEN YEARS

In the bowels of the CIA's fortress-style headquarters, planted on 219 barbed-wire-shrouded acres in suburban Langley, Virginia, a special passkey-activated elevator whisks the director of Central Intelligence directly from the parking garage to his seventh-floor penthouse suite. Using it, he avoids the agency's impressive marble entrance lobby, where a verse from the Gospel according to St. John is chiseled into one wall: "And ye shall know the truth and the truth shall make you free." That lofty resolve was the CIA's conerstone when it was built on the ashes of World War II. It was founded as an intelligence, not an operation agency, in reaction to the worst intelligence failure in American history—the Japanese attack on Pearl Harbor. Without a centralized inteligence organization, the Fortress America over which Franklin Delano Roosevelt presided had not put together the hints that scattered U.S. military agents had been picking up about Japan's intentions. As soon as the war was over, Harry Truman moved quickly to fill that vacuum.

The CIA's mission was sketched out in only a few paragraphs of the 1947 National Security Act. It was so vague that certain factions of the intelligence community periodically have demanded a detailed charter, either to protect the agency or rein it in. But its fortunes have been left to fluctuate with the whims of succeeding administrations and the Directors of Central Intelligence (DCIs) charged with running it.

When William Casey took over in January 1981 as the most overtly political DCI in history—fresh from orchestrating Ronald Reagan's landslide presidential victory—the agency's fortunes were at an all-time low. During most of the previous decade, the image of the CIA as an ominiscent, intrepid force of clandestine Hardy Boys has been exploded in a succession of humiliating headlines and public congressional hearings. The list of its failures and misdeeds had exposed the agency's invincibility as a myth. Even one of the CIA's most affectionate critics, Roy Godson, a professor of intelligence studies at Georgetown University, points out: "There never was a great CIA golden age when everything was brilliant and then it all fell apart." As William Colby, the DCI who found himself at the helm when the agency braved its most ferocious public storms, now admits, "We made mistakes in the fifties too. You just didn't hear anything about it."

But when the world finally did hear, during Senator Frank Church's 1975 committee hearings, the most shocking revelations demonstrated that the agency had swiftly expanded its original intelligence function to embrace a paramilitary zeal and had taken to toppling unfriendly governments around the globe. Yet in virtually every case where a covert action had ended in defeat or disarray, it seemed that CIA had chosen to ignore or skew its own intelligence.

From the beginning, the glamorous cloak-and-dagger veterans who thrived under General "Wild Bill" Donovan's wartime Office of Strategic Services (OSS) made no secret of their scorn for the caution of their deskbound counterparts. The CIA was barely a year old when it launched Operation Valuable: an attempt to overthrow Enver Hoxha's regime in Albania by parachuting Albanian refugees behind that country's mountainous Iron Curtain to stir up a local revolt. Frank Wisner, the agency's clandestine services whiz, spurned CIA analysts' reports that "a purely Albanian uprising at this time is not indicated, and, if undertaken, would have little chance of success." He leapt at the Albanian plot as a "clinical experiment to see whether larger rollback operations would be feasible elsewhere." That clinical experiment ended in defeat—and death for at least a dozen of the air-dropped Albanians—in part beacause the operation was compromised by the double-agentry of British defector Kim Philby. But in larger part, it was done in by the very conditions of which the CIA's own intelligence had warned.

Still, Wisner was not deterred. Within months, the CIA was plotting Operation Ajax, the overthrow of the legally constituted government of Iranian Premier Mohammed Mossadegh, who had just nationalized the Anglo-Iranian Oil Company. That brisk 1953 covert operation, which reinstalled the young, uncertain Reza Shah Pahlavi on the Peacock Throne, marked the CIA's first paramilitary victory. So emboldened was Director Allen Dulles by the triumph that before it was complete he had optimistically christened his next plot Operation Success: the ouster of Guatemala's democratically-elected president, Jacobo Arbenz, who had expropriated 400,000 acres of largely fallow banana plantations belonging to the United Fruit Company.

Those twin victories energized the operations branch for decades. But their success masked the fact that such operations exacted a price. To many inside Iran and Guatemala, the United States—and specifically the CIA—became synonymous with the vicious repression and torture practiced by the right-wing regimes it had installed.

The bloom did not begin to wear off the CIA's secret wars until the failure of Operation Pluto, better known as the Bay of Pigs invasion. Above all, that 1961 debacle underlined the risk of running covert operations out of the same executive suite as intelligence gathering. When President John F. Kennedy hesitated over whether to give the green light to the invasion, Allen Dulles showed Kennedy a reassuring cable from a U.S. Marine colonel with the Cuban exile brigade training at Puerto Cabezas, Nicaragua, who claimed that as soon as the rebels landed, their compatriots would rise to join them and "melt away" from Castro. There is reason to doubt the authenticity of that cable, and the CIA's Office of National Estimates had reported no such possibilities of Cuban support. In his embittered memoirs, Dulles later admitted that the CIA had purposely kept Kennedy in the dark about the possibility that Operation Pluto might fail. As in many later cases, the agency hadn't wanted to risk undermining a covert action in which it had invested so heavily.

The CIA's top brass was not alone in taking a cavalier attitude towards information that failed to suit policy. As intelligence analyst Greg Treverton of Harvard's Kennedy School of Government has shown, when the administration made up its mind that Salvador Allende constituted a socialist menace in Chile, the Nixon White House appeared determined not to let facts cloud that perception. After a study of the intelligence at the time, Treverton concluded that "It's pretty clear the estimates didn't conjure up a picture of Allende as the kind of threat that was used as a justification for the covert action."

CAUGHT NAPPING

In the tumultuous social landscape of the seventies, the public at home and abroad came to distrust the CIA as a sinister force. After revelations about its role in the Vietnam war—including its illicit domestic mail opening and dirty tricks against the war's opponents—spilled onto the front pages, national anger built to such a pitch that Congress responded with the Church and Pike committees to scrutinize the rogue elephant of Langley. But the public wanted more: strict limits on the agency's covert action capability.

William Colby chose to appease that demand with secrets. In a trade-off some agency veterans have never forgiven him for, he cooperated with the committees, serving up documentation of the CIA's sins, including its plots to hasten the demise of Fidel Castro with Mafia hitmen and exploding cigars. "I took a conscious decision that if I tried to stonewall, the agency would be shattered," he says. "Congress was going to pass a law saying, 'Thou Shalt Never Do Any Covert Action Again.' " In the end, after what Colby calls "50 pages of sanctimony," the committee concluded that—if used only when "absolutely essential to national security" and when the operations "in no case" contradicted official U.S. policy—meddling in the internal affairs of other nations should not be outlawed. Colby, an old covert operations hand, draws himself up to full stature in his chair as he recalls it. "I consider that a full victory," he says.

The CIA that Admiral Stansfield Turner inherited after Jimmy Carter's election in 1976 was an organization that had been sorely discredited. But the furor over covert actions had in some ways provided a distraction from the more fundamental intelligence failure that the months of damaging testimony had laid bare.

In a 1975 *Harper's* article, former CIA analyst Sam Adams detailed how the Pentagon and the Johnson administration had purposely underestimated Vietcong strength during the war. They had both ignored and suppressed Adams's figures that, if revealed, would have forced Lyndon Johnson into a politically suicidal choice—either vastly increase the draft or pull out of Vietnam altogether. When Adams tried to correct the misguided figures, he met hostility, first within the CIA, where he received threats of dismissal, then later from the White House itself.

On top of Adams's revelations came leaks of secret testimony from the 1975 House Select Committee hearings on intelligence. They chronicled six other glaring intelligence flops—key moments when the CIA and its sister agencies were caught napping. With its vast resources the U.S. hadn't foreseen Ho Chi Minh's bloody Tet Offensive, a turning point in the war; the 1968 Russian Invasion of Czechoslovakia; the 1973 Middle East war; the 1974 military coup in Portugal; the overthrow of Archbishop Makarios in Cyprus; or India's 1974 nuclear test, the first proof that a Third World country had an atomic bomb. In the case of the Indian atomic blast, a Defense Intelligence analysis had reported only months earlier that the prospect of that nation pursuing a nuclear weapons program soon was "not likely." As for the surprise of the Yom Kippur invasion of Israel, the report concluded: "The Mid-East war gave the intelligence community a real test of how it can perform when all its best technology and human skills are focused on a known world 'hot spot.' It failed."

When Turner took over in the wake of that indictment, he concentrated on getting the CIA out of the covert operations business, firing several hundred agency employees in a purge known as the Halloween Massacre. The axe fell squarely on the secret warriors who had earned the agency its unsavory reputation. Within the corridors at Langley, the CIA's stripped-down budget and mission were blamed on Turner's noticeable lack of clout with Carter. But they were also a reflection of the times, when America was looking for reassurance that it was a moral nation, and when the CIA was a reminder of skeletons in the national closet. Jimmy Carter appeared uninterested in intelligence—that is, until fist-waving Iranian militants brought his presidency to its knees with their hostage-taking at the U.S. embassy in Teheran. Suddenly the U.S. was faced with the worst intelligence failure of its postwar history.

In part, the failure was the price of a long-ago covert action. After 25 years of propping up the increasingly imperious and overly sensitive Shah, the CIA had so much at stake in Iran that after the first energy crisis in 1974 it decided the agency couldn't risk offending him. As a result, the CIA avoided all contact with the Shah's opponents, the Shi'ite dissidents seething in the bazaar, for the two crucial twilight years of his regime from 1975 to 1977. The agency never saw what any casual tourist in Teheran could have predicted—the looming shadow of an ayatollah on the horizon.

That lapse was not just a case of failing to know that was happening beneath the gilded surface of Iran; it was also a case of not wanting to know. For under Carter, in a different way than would occur under Casey, intelligence had been politicized. According to the 1979 House Intelligence Committee report, there was "conscious suppression of unfavorable news, but indirectly . . . From an analysts' perspective, until recently you couldn't give away intelligence on Iran. Policymakers were not asking whether the Shah's autocracy would survive indefinitely; policy was premised on that assumption."

That humiliating blind spot produced one swift result. With its national; pride held ransom in Teheran, the American public wanted action. With that swing of the pendulum, Carter launched a volley of operations—all covert, including the botched Delta mission to rescue the embassy hostages that ended in technical breakdown and death in the desert. In the bitter Central American debate, few critics are aware that the initial covert action against Nicaragua's Sandinista regime was launched in the fading days of the Carter administration.

NO SISSIES

It was into this abruptly changed climate that William Casey loped in 1981. With a mandate from the 1980 Republican platform as well as from Reagan himself, Casey set out to inject new muscle and life into the ailing CIA. For years the millionaire tax lawyer had been considered an "intelligence groupie," avidly frequenting the fringes of the espionage world, and under Gerald Ford, sitting on the President's Foreign Intelligence Advisory Board. But he drew his main inspiration for the job from the undercover derring-do he had savored as one of "Wild Bill" Donovan's trusted OSS lieutenants in wartime London, dropping agents behind enemy lines and basking in Donovan's credo: "In an age of bullies, we can't afford to be sissies."

Casey personally supervised the revamping of both the CIA's intelligence and operations directorates, leaving other tasks to his deputy, Admiral Bobby Ray Inman, a respected intelligence professional who parted ways with him within a year and a half. Presiding over the biggest build-up of the intelligence community since the agency's inception, Casey more than doubled the total intelligence budget, pushing it toward an estimated $24 billion in 1986. With annual increases of up to 20 percent a year, the growth of the CIA's spending power outstripped the Pentagon's. Casey went on a hiring spree, boosting manpower by one-third, returning it to the highs of the Vietnam era. Many of those lured back were the familiar faces from the agency's paramilitary past excised by Turner; in fact, some of them are now resurfacing in the Iranian arms scandal.

To observers, the most obvious mark of Casey's tenure was the dizzying expansion of the Directorate of Operations—the DO or, as it is euphemistically known in Langley, the "international affairs division." Under him, covert actions, which the Reagan administration preferred to dub "special activities," again boomed; six years later, an estimated 50 are now in full swing. By rebuilding the agency's status and morale, Casey won a loyalty that has made even those who are horrified at some of his later directives reluctant to criticize him. "When Casey came in, he returned everybody to the good old days," says a former CIA employee. "He generated a lot of nostalgia and everybody loved it. The trouble is that nostalgia was probably not the best thing for the agency, because, of course, the times had changed."

In a speech to New York's metropolitan Club in May 1985, William Casey aired his global perspective. Privy to the most sophisticated data and analysis in the Western world, he nonetheless blamed "Marxist-Leninist policies and tactics" and the Soviet Union's "subversive war" for "famine in Africa, pestilence through chemical and biological agents in Afghanistan and Indo-China, war on three continents, and death everywhere." In a blanket indictment he charged that "in the occupied countries—Afghanistan, Cambodia, Ethiopia, Angola, Nicaragua—in which Marxist regimes have been either imposed or maintained by external force . . . has occurred a holocaust comparable to that which Nazi Germany inflicted in Europe some 40 years ago."

That world view, unsullied by fact or nuance and firmly rooted in Wold War II—merely substituting the Soviets for the Nazis as the villians—had won Ronald Reagan's ear. Casey saw his task as not simply supplying the president the information and analyses necessary to forge foreign policy; as a trusted conservative strategist and the first DCI ever awarded a seat in the Cabinet, he became a player in formulating policy. Some observers saw in that distinction an inherent conflict of interest. Was Casey representing the CIA's case to the president, or was he imposing the president's policy on the agency? Stansfield Turner had believed that "the ethic of intelligence is independence from policy," but Casey and his White House allies spurned that "traditionalist" view as out of date. They made no secret of their determination to make intelligence better serve decision makers. That radical shift occurred as Casey led the CIA into a key role at the cutting edge of secret diplomacy. Covert actions were becoming not just hand-maidens to foreign policy, but in some cases like Central America, the foreign policy itself. As one congressional source with close ties to the agency notes, "The operations side has been driven by and large by Mr. Casey's view of the world."

That same world view also guided an overhaul of the analysis side of the CIA. From the age of 23, information had been Casey's game. In his first job, writing for a Washington newsletter that alerted businessmen to upcoming legislation, he learned how to couch the most complex legalese in simple terms. Later, he made his fortune by founding the Institute for Business Planning, publishing under his own signature dozens of handbooks on real estate strategies and the merits of mutual funds for corporate readers. At the time he took over the CIA, the handbooks were still netting him $300,000 a year in royalties.

His canny appreciation of how to package knowledge to meet the needs of an audience was particularly useful when he became director of Central Intelligence. The intelligence community—through the inter-agency National Intelligence Council that reported directly to Casey—turns out top secret National Intelligence Estimates (NIEs) aimed at a select clientele: a handful of top officials, Cabinet members, the Joint Chief of Staff and—the most important customer of all—the president.

But when Casey arrived in Langley in 1981, the estimate process was in disrepute.

It was widely regarded as a cautious unwieldy bureaucracy filled with Ivory Tower idealists and bogged down by its own lengthy review systems. Its reports were frequently plodding and book-length, riddled with countless footnotes that recorded dissenting views of the various intelligence agencies. As secretary of state, Henry Kissinger had dismissed them as "talmudic documents" and made no secret of the fact that he filed them in the wastebasket.

Even Casey's most bitter critics credit him with whipping the estimate process into better shape. He reorganized analysts into regional groups for easier consultation, and extended their mandate to study a vast range of subjects the CIA had never bothered with, including terrorism and drugs, the Reagan administration's pet peeves. Haunted by the spectre of the CIA's intelligence failure in Iran, he elevated dissenting opinions from the footnotes to the main body of the texts. Most important, the NIEs became more frequent, increasing from a mere dozen under Stansfield Turner to a hundred a year. For a president who had no patience for complexity or ponderous briefing books, Casey served up intelligence in palatable mini-memo form with a summary of the estimate's conclusions at the top. Reagan, the consummate fan of a well-told yarn, also found his daily CIA briefings lively and anecdotal; Casey loved to cite Donovan's dispatches to Roosevelt, which were peppered with hyperbole and hype.

The director made no secret of the fact that he had a hand in revamping the estimates. When he took exception to one, it wasn't unusual for him to cancel his entire day's agenda and bark out a volley of stinging, even insulting, commands to his aides demanding fixes and rewrites. "We used to be in his office fighting things out," says Herbert Meyer, a onetime Fortune editor Casey brought in to manage the estimates. "Fighting over a particular paragaph."

One of Casey's most bitter battles occurred soon after his arrival. Then-Secretary of State Alexander Haig had just publicly denounced the Soviet Union as the fountainhead of global terrorism, an opinion Casey shared. Inspired by Haig's rhetoric, the DCI's office commissioned the agency's first terrorism estimate. The result failed to back up Haig's or Casey's thesis. Casey, who had the final veto on the National Intelligence Council, promptly ordered a series of redefinitions and rewrites. He took the estimate out of the hands of his national intelligence officer for terrorism and gave it to an influential newcomer, Lincoln Gordon, the very conservative former ambassador to Brazil. In case anyone missed his point, Casey issued a memo advising the analysts to read journalist Claire Sterling's just-published book, The Terror Network, which he thought had gotten the Soviet connection right.

Gordon's revised terrorism estimate still failed to prove the DCI's case. Casey didn't hide his fury. Admits Meyer: "We were dissatisfied with the final product." Still, Casey finally signed off on the estimate—some speculate because it was leaked to The New York Times—and analysts congratulated themselves that the integrity of the intelligence system had withstood political pressure. But four years later, Casey remained unconvinced by his own experts' assessment. "A Soviet connection may seem very shadowy to some," he declared, "but it seems very close to me."

Casey's penchant for seeing the sinister hand of the Kremlin behind most global events troubled his analysts. Jealous of their professional independence, many veterans have come to worry about the insidious effect of that mindset. "You hear a lot of people inside complaining that there's an anti-Soviet twist being put on everything," says Jay Peterzell of the American Civil Liberties Union. "What they fear is that it's becoming an institutionalized bias. People see that if they put that twist on things, it's a way of getting ahead."

Indeed, there have been visible rewards for those Casey found like-minded. After hiring Meyer—whose hard-line views had been on display as Fortune's Soviet editor—he promoted him over much older and more seasoned intelligence professionals to manage the prestigious National Intelligence Council. Casey also brought in Fritz Ermath, a controversial hawk who had won a reputation on the Carter National Security Council for his implacable suspicions of Moscow as the council's national intelligence officer for the Soviet Union.

Some observers charge that Casey also imposed the administration's policy biases by subtler means. Analysts complain that they have been asked to count all Soviet trucks as military vehicles. Others have been ordered to pursue arcane statistics that would later appear in one of the president's red-scare speeches. "They're being manipulated by internal tasking," says Scott Armstrong. "If I'm told every week I have to do an update on weapons shipments to El Salvador, I don't have time to write about the strength of the contras. It puts me out of action for other things; it neutralizes me."

When Casey took over the CIA, conservatives scorned the agency as a dangerously liberal force in the volatile East-West strategic debate. Among Republican right-wingers, its long record of cautionary readings on Soviet military strength and intentions—consistently lower than the Pentagon's—had earned it a reputation as a tool of the arms control crowd.

Under Casey, the CIA's Soviet estimates have become more hawkish, although still not hawkish enough for some conservatives like Senator Jesse Helms. But they have been instrumental in justifying the biggest peacetime military build-up in American history. In the summer of 1985, with the Pentagon's budget under assault in Congress, the White House found it convenient to order the declassification of the final summary of the top-secret estimate on Soviet strategic forces, which it promptly published.

But experts agree that intelligence is being cut most disturbingly to fit the administration's passions about Nicaragua. Soon after Casey's arrival at the CIA, he dispatched his first chief of the National Intelligence Council's Latin American division to teach at Georgetown University, pronouncing him, according to one of his former staff members, not "activist enough." In his stead, the director appointed Constantine Menges, known for his rabid anti-Soviet articles. Menges proved so activist that one Senate Intelligence Committee staff member recalls him as "more of a propagandist than anything else." Agency professionals, who try to carefully insulate themselves from partisan policy interests, were horrified at being dragged up to Capitol Hill to back up Menges's extravagant claims of Soviet subversion. "They'd come back close to tears," remembers one of their colleagues. "There was a near mutiny in the Latin American division."

As early as two months after his inauguration, Reagan had signed a presidential "finding"—the declaration that since 1980 has required that Congress be notified of each covert action—authorizing a clandestine operation against the Sandinistas. By November of that same year, another "finding" expanded on the first to create the contras, a force of 1,500 Nicaraguan refugees, recruited and trained by the CIA with help from the Argentine military—for an initial price tag of $19 million. Those "findings" justified the contras' existence as a force to halt the massive flow of arms from Nicaragua to the leftist guerrillas in El Salvador.

But three years later, former CIA analyst David MacMichael attacked that claim, charging that at the moment the contras were creating intelligence showed there was no massive arms flow to the Salvadoran rebels from Nicaragua. A one-time counterinsurgency specialist in Thailand who was brought into the National Intelligence Council in 1981, MacMichael protested to his superiors that he had called up all the files on arms traffic between the two countries and found it had virtually halted. He was assured that the agency had technical evidence—too highly classified for him to see. Besides, as one official told him, "Everybody knows that there are arms coming into El Salvador from Nicaragua." "Bob," MacMichael says he replied, "what everybody knows isn't intelligence work."

Although the administration has failed to produce evidence to back up its claim, and despite the fact that it has since changed its official rationale for the contras' existence, some intelligence experts still question MacMichael's assertions. His vociferous opposition to U.S. policy in Central America has made him a controversial figure. His claims have also been undercut because he didn't speak out until 1984, a year after he had left the agency when his contract wasn't renewed because, he says he was told, his standards were "possibly too high."

But a full two years before MacMichael burst into the headlines, loud alarms over the CIA's Central American assessments had prompted Rep. Edward Boland's intelligence subcommittee to commission a study. Its report, while couched in cautious and balanced bureaucratese, was highly critical. Among other flaws, it found "colorful but imprecise language was substituted for necessary analysis" and decried "a few products whose primary purpose appears less to inform policy choices than to help mobilize support for policy." The Boland committee asserted that its purpose had been merely to "sound an early note of concern" over such politicization of intelligence. But from all reports, that early warning failed to deter Casey, who regarded congressional oversight as an uppity annoyance.

MEXICAN STANDOFF

When John Horton was called back to the agency in the spring of 1983 to take over the post of Constantine Menges, who had been promoted to the NSC, he was a known supporter of the administration's policies in Central America. But early on he began to feel pressure. Summoned to an emergency meeting of the intelligence community to survey data on the Sunday after 7,000 U.S. troops invaded Grenada, he and his colleagues concluded that the administration's preinvasion estimates on the number of Cuban soldiers stationed there had been widely exaggerated. But when they submitted their final scaled-down figure, one that has since been officially accepted, Herbert Meyer told Horton, "I think it stinks." Casey himself called the statistic "unimaginative." As Horton put it, " I can only suppose that the assessment was 'unimaginative' because of what it did not say"—that Cuban construction workers on the island didn't count as combat troops. An additional sin may have been that the figure happened to agree with one Fidel Castro had quoted. As an official pointed out to Horton, it couldn't be right: "Castro lies, you know."

Still, that incident hadn't prepared Horton for his experience on the Mexican estimate. At first the pressure was low-key. He found that Meyer had circumvented him by consulting directly with a junior analyst sifting Mexican intelligence. Meyer's office also repeatedly asked Horton's for rewrites. "They don't come right out and tell you what they want," says another former analyst. "Otherwise there'd be a rebellion. They say, 'Don't you think you should reexamine this part, put a little more emphasis on that?" Casey reportedly felt the agency's view was "too narrow." Each request of Horton cited a story from the business and political cronies Casey regularly consulted. "That was the troubling part—these allegations and anecdotes that there wasn't sufficient evidence to support," says Horton. Each anecdote also meant another request to field officers to check it out, a costly process. When they didn't find the necessary evidence, Casey's office pronounced them out of touch. At one point Meyer commissioned an independent task force to study the question. The task force also failed to satisfy the director's expectations. Finally, Meyer took the offending estimate out of Horton's control and rewrote its conclusions himself. Horton protested, "Over my dead body," and gave his notice.

Meyer argues that he merely restored an original draft of the estimate—the one from an underling on Horton's staff whom he had personally supervised. He claims he wasn't politicizing intelligence; he was "depoliticizing" it, a charge Horton and the other onlookers scoff at. As chairman of a team, Horton forged an estimate from many sources, ultimately taking responsibility for its conclusions. As he later pointed out, Meyer's rewritten conclusions contradicted much of the estimate's main text. Of his final product, Meyer concedes: "We pushed it till we got it where we wanted it."

Meyer charges that Horton was a sore loser; he notes Casey had a right to change the estimates published under his signature. William Colby has also come to Casey's defense, admitting that as DCI he too had rewritten estimates that displeased him. But scholars point out that Colby was a veteran intelligence professional with a commitment to the agency's independence, not a former presidential campaign manager helping draft the government's foreign policy agenda.

At issue in the Horton case is not the right of the DCI to interfere with his staff, but the danger of that interference when he has become a partisan figure. That threat prompted Horton to make his concerns public. Like many agency veterans, he fears that turning the CIA into what Senator Durenberger has termed the White House's "political action committee" will eventually rebound on the agency itself, leading it into another round of congressional inquisitions and demands for legal restraint. "If any cans get hung around anyone's neck for Central America," he says, "it won't be Reagan's or Casey's, it's going to be the CIA's."

As Meyer points out, an NIE comes down to a question of judgment. Still, the judgments published in an NIE are no ordinary ivory tower theories; they form the guidelines for foreign policy and an administration's attitudes.

In the two years since Casey's pessimistic conclusions about Mexico, that country, needless to say, has not collapsed. But in addition to its longstanding problems with corruption, its troubled oil economy and staggering foreign debt, it has found itself facing a new problem: vituperative rhetoric from senior officials in the Reagan administration. Last year, during a congressional subcommittee hearing on Mexico under Senator Jesse Helms, Assistant Secretary of State Elliot Abrams, the administration's Central American point man, led an attack on Mexico that suggested things in the country could get out of hand. As the CIA's supposedly top secret assessment of Mexico's perils found its way into the press and the economic pressures on the country increased, a beleaguered President Miguel de la Madrid appeared to heed the warning, quietly but pointedly bowing out of his role as a leading Central American power broker. In fact, his retreat lasted until last December, when the Iranian arms scandal had so weakened the Reagan administration that he took advantage of the opportunity to revive the Contadora process.

WAGGING THE DOG

"How can any man say what he should do himself," Jomini, a French strategist once asked, "if he is ignorant what his adversary is about?" For any government, good intelligence is fundamental. But intelligence boils down to what questions are asked of it. "If you change the nature of the business so the answers become a way to get the Pentagon its budget or funding for the contras," says Scott Armstrong, "then you've distorted the whole process of intelligence. The desire to condemn your enemy for public relations purposes becomes so much greater than understanding what's really going on."

When a country starts to see all terrorists as Soviet agents, it risks missing the festering hate of nationalists or religious fanatics. When all revolutions are dismissed as Kremlin plots, there is little hope of comprehending indigenous discontent well enough to capitalize on it. And when an administration has acquired such a stake in a covert operation like the contras that it faces what Allen Dulles once termed a "disposal problem"—what to do with 15,000 armed Nicaraguan exiles let loose on the Central American isthmus—it may no longer be able to afford finding out what Daniel Ortega is really thinking; is he building his massive army to export a revolution or because he is bracing for an American invasion?

Covert actions create their own momentum. "I was an operations officer in my past," says Horton. "If you're involved in a covert action, you get bound up in it and you want to see it succeed. You can lose your objectivity." Agrees MacMichael: "Once you get into operations, the operations tail begins to wag the intelligence dog. People want the operation to continue and they begin to look at anybody that might stand in the way as somebody to be kept misinformed."

Casey's preoccupation with the Reagan administration's policy themes may also have left the country blind in other key regions. Despite the massive build-up of intelligence resources, the CIA had not succeeded in penetrating Hezbollah, the Shi'ite Party of God in Lebanon; and, despite indications of a threat to the U.S. embassy in Beirut, it failed to predict the tragic October 1983 truck-bombing that killed 230 marines.

Robert McFarlane recently admitted to the Senate Foreign Relations Committee that U.S. intelligence on what was happening inside post-revolutionary Iran was so "woefully poor" the CIA had to rely solely on Israeli reports that claimed there were moderates in that country lobbying for renewed ties to the United States.

Two wildly conflicting CIA assessments on Iran within a year indicate another danger of using intelligence as a tool to justify a foreign policy. In May 1985, apparently anticipating the administration's secret arms sales, Casey commissioned a formal intelligence estimate from NIO Graham Fuller. It provided a rationale for overtures to Teheran by warning of increasing Soviet efforts to gain a foothold in the country. A year later, when the arms sales had failed to win the release of most U.S. hostages, a revised Special National Intelligence Estimate proclaimed the Soviet threat minimal. For a policymaker, such results produce confusion at best. Playing fast and loose with selected intelligence also tends to backfire on its architects. The Senate Intelligence Committee, instead of becoming convinced by the CIA's assessments on Central America, has learned to be wary of all intelligence on the area. The media in turn has learned to be increasingly suspicious of intelligence leaks that might end up transforming it into a pawn in the CIA's global disinformation campaigns.

As Robert Gates, Casey's deputy since early last year, takes over as director, he falls heir to a charged legacy. On its 40th anniversary, the CIA once more stands at a crossroads—discredited for the very covert actions that Casey chose to make the agency's chief focus, most of them, ironically, not very covert at all. Many at Langley are elated that Reagan chose to return the embattled agency to the hands of a career insider. But Gates owes his recent meteoric rise to the fact that he had become Casey's man and, in announcing the appointment, the White House made no secret of its assumption that he would keep the CIA on Casey's course. The question now is whether he has the strength and courage—when intelligence fails to bolster the president's well-known prejudices—to bring his boss bad news.

Still, there is hope in Gates' appointment that he will move the CIA out of the controversial covert actions business and back to its original purpose—gathering and analyzing intelligence. As a veteran of the analysis side of the CIA, who from 1982 to 1986 served as deputy director for intelligence, Gates has a natural commitment to that mission—and, according to most CIA officials, a built-up skepticism about clandestine operations. But he may have difficulty reversing the course of the CIA's runaway covert plots, most of which have become publicly acknowledged administration policy. If the government's capacity for covert actions does survive, the best way of assuring that officials aren't tempted to manipulate intelligence to justify them or cover up their failure would be to transfer the responsibility for paramilitary operations to another agency, preferably the Pentagon, which is already accountable to Congress.

In the CIA's stormy history, it has too frequently found itself the victim of knee-jerk emotions—automatically lauded by the right, automatically berated by the left. If a legitimate and broad-based political constituency is to be built with the aim of assuring a strong independent intelligence agency, free of the failures and mishaps that have plagued the CIA over the past 40 years, the first responsibility lies with the agency itself in restoring its own shattered credibility. No nation, after all, can afford to chart its policy course on fiction knowingly served up as fact; by telling decision-makers only what they want to hear, the CIA risks paying a price in which truth may only be the first—and the least serious—casualty.

[From the Washington Monthly, March 1987]

THE PERSONNEL PROBLEM

(By Charles Peters)

Edward Lee Howard was hired by the CIA in 1981, and in 1982 was selected by the directorate of operations for assignment to the most sensitive post of all, Moscow. During his training he was told the identities of CIA personnel in Moscow and of at least one important Soviet official who was spying for the United States. But in 1983, after being confronted with disturbing results from a polygraph test, Howard admitted having used drugs and committing some petty thefts, such as stealing money from vending machines and from a woman's purse on an airplane.

He was fired. He became a heavy drinker (he may have been one previously), committed an assault with a deadly weapon, and told two CIA employees he was thinking of defecting. The employee reported this threat to higher-ups at the agency. Yet Howard went unwatched until a year later, when he was identified through information supplied by the Russian defector, Vitaly Yurchenko. Even so, Howard was allowed to escape to Moscow, the Soviet official who had been our spy was executed, and several CIA agents were expelled from Russia.

Edwin P. Wilson was hired by the CIA in 1955. He worked for the agency for the next 16 years and then was hired by the Navy for one of its secret spy operations. He then became involved in the weapons business, in which he was associated with two old friends who rose to high positions in the CIA: Thomas Clines and Theodore Shackley. Shackley became the number-two man in the directorate of operations, and also was rumored to be in line to be director of the entire agency.

Yet Wilson was a terrible man. He became wealthy, and bought a large estate in the fanciest part of the Virginia hunt country even though his government employment paid him a maximum of $32,000 a year. He sold guns and bombs to Kadaffi that were used in terrorist operations. He twice tried to arrange the murder of the U.S. attorney who was investigating him.

Yet, not only was he close to senior CIA officials during much of this time, even after he left the Navy job and was running his own arms business, another CIA employee, William Weisenberger supplied him ten miniature detonators of the most advanced design. Another CIA agent, Patry E. Loomis, moonlighted as a part-time Wilson employee. Wilson also worked with Frank Terpil, the former CIA agent who sold Kadaffi the guns that killed the young policewoman in front of the Libyan embassy in London.

How did people like Howard, Wilson, and Terpil get hired? How were Howard and Wilson selected for important assignments? Why was Howard so quickly given access to life-and-death information about our Russian connections? What kind of men were Shackley and Clines and Weisenberger and Loomis—all CIA employees, remember—if they were friends and associates with a man like Wilson? What are we to think of the fact that Clines, in a major way, and Shackley, to a lesser extent, turned up as participants in the abortive 1985-86 arms for hostages deal with Iran? What does all this say about the CIA and the kind of people who work for it?

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, April 2, 1987, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 3

9:30 a.m.

Agriculture, Nutrition, and Forestry

Business meeting, to mark up S. 728 and S. 812, bills to improve the nutrition of the homeless.

SR-332

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the United States Postal Service.

SD-116

Armed Services

To hold hearings on U.S. national security strategy, focusing on the President's recent report, National Security Strategy of the United States.

SR-222

Finance

Taxation and Debt Management Subcommittee

To hold hearings on S. 58, to make permanent and increase the income tax credit for increasing research activities, and proposals regarding the allocation of domestic research expenses.

SD-215

Joint Economic

To hold hearings to review the employment/unemployment statistics for March.

SD-628

10:00 a.m.

Labor and Human Resources

Education, Arts, and Humanities Subcommittee

To hold hearings on S.J. Res. 26, to authorize the President to call a White House Conference on Library and Information Services to develop recommendations for improvement of such services and their public use.

SD-430

APRIL 6

9:30 a.m.

Finance

International Debt Subcommittee

To hold hearings on Third World debt management issues.

SD-215

10:00 a.m.

Appropriations

Military Construction Subcommittee

To resume hearings, in open and closed session, on proposed budget estimates for fiscal year 1988 for military construction programs, focusing on Caribbean Basin Construction Program.

SD-192

Governmental Affairs

Permanent Subcommittee on Investigations

To hold hearings on the exploitation of young adults in door-to-door sales.

SD-342

3:00 p.m.

Appropriations

Agriculture, Rural Development and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Agriculture, rural development, and related agencies.

SD-138

APRIL 7

9:00 a.m.

Agriculture, Nutrition, and Forestry

To hold oversight hearings on economic problems in rural communities.

SR-332

Appropriations

Agriculture, Rural Development and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Agriculture, rural development, and related agencies.

SD-138

9:30 a.m.

Armed Services

Conventional Forces and Alliance Defense Subcommittee

To hold hearings on armaments cooperation within the NATO alliance.

SR-232A

Commerce, Science, and Transportation

Aviation Subcommittee

To hold hearings to review the implementation of the airport improvement program.

SR-253

Environment and Public Works

Environmental Protection Subcommittee

To hold hearings on S. 675, authorizing funds for fiscal years 1988-1992 for programs of the Endangered Species Act.

SD-406

Governmental Affairs

To resume hearings on the government's role in economic competitiveness.

SD-342

Judiciary

Constitution Subcommittee

To resume hearings on S. 558, to revise the procedures for the enforcement of fair housing under title VII of the Civil Rights Act of 1968.

SD-226

Small Business

Urban and Minority-Owned Business Development Subcommittee

To hold hearings to review the procedures used in an agency award of a project to a federally funded research and development center, and the adverse impact felt by a small business technical service firm which had been competing for a contract for the same project.

SR-428A

10:00 a.m.

Banking, Housing, and Urban Affairs

International Finance and Monetary Policy Subcommittee

To resume oversight hearings on the Third World debt.

SD-538

Finance

To resume hearings on certain trade issues, including provisions of H.R. 3, Trade and International Economic Policy Reform Act, S. 490, Omnibus Trade Act, and Title II of S. 636, International Economic Environment Improvement Act.

SD-215

2:00 p.m.

Appropriations

Agriculture, Rural Development and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Agriculture, rural development, and related agencies.

SD-138

Armed Services

Conventional Forces and Alliance Defense Subcommittee

Projection Forces and Regional Defense Subcommittee

To hold joint hearings on S. 864, authorizing funds for fiscal years 1988 and 1989 for the Department of Defense, focusing on the cost of the aircraft carrier replacement program.

SR-222

Energy and Natural Resources

Research and Development Subcommittee

To hold hearings on the President's budget request for fiscal year 1988 for the Department of Energy's Office of Energy Research for the Superconducting Super Collider (SSC).

SD-366

2:30 p.m.

Finance

Health Subcommittee

To hold hearings to examine hospital payment rates under Medicare's prospective payment system (PPS).

SD-215

Judiciary

To hold hearings on pending nominations.

SD-226

APRIL 8

9:00 a.m.

Appropriations

Agriculture, Rural Development and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Agriculture, rural development, and related agencies.

SD-138

Energy and Natural Resources

Business meeting, to mark up S. 748, to establish a comprehensive, equitable, reliable, and efficient mechanism for full compensation of the public in the event of an accident resulting from activities undertaken under contract with the Department of Energy, and S. 643, to permit States to set aside in a special trust fund up to 10 percent of the annual State allocation from the abandoned mine land reclamation fund for expenditure in the future for purposes of abandoned mine reclamation.

SD-366

9:30 a.m.

Banking, Housing, and Urban Affairs

To resume oversight hearings on corporate takeovers.

SD-538

Commerce, Science, and Transportation

Aviation Subcommittee

To hold hearings to review the national airspace system plan.

SR-253

10:00 a.m.

Appropriations

Energy and Water Development Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for energy and water development programs, focusing on nuclear fission, uranium enrichment, and the nuclear waste management.

SD-192

Appropriations

Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Securities and Exchange Commission and the Civil Rights Commission.

S-146, Capitol

Finance

To continue hearings on certain trade issues, including provisions of H.R. 3, Trade and International Economic Policy Reform Act, S. 490, Omnibus Trade Act, and Title II of S. 636, International Economic Environment Improvement Act.

SD-215

Foreign Relations

Business meeting, to mark up proposed legislation authorizing funds for development and security assistance programs.

SD-419

Judiciary

Patents, Copyrights and Trademarks Subcommittee

To hold hearings on S. 568 and S. 573, bills to protect patent owners from importation into the United States of goods made overseas by use of a United States patented process.

SD-226

Labor and Human Resources

To hold hearings on catastrophic health insurance issues.

SD-430

1:00 p.m.

Appropriations

Agriculture, Rural Development and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Agriculture, rural development, and related agencies.

SD-138

2:00 p.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the U.S. Fish and Wildlife Service, Department of the Interior.

SD-192

2:30 p.m.

Labor and Human Resources

Handicapped Subcommittee

To hold hearings on proposed legislation authorizing funds for developmental disability programs.

SD-430

APRIL 9

9:00 a.m.

Governmental Affairs

To hold hearings to review the need for an Inspector General at the Nuclear Regulatory Commission.

SD-342

9:30 a.m.

Energy and Natural Resources

Research and Development Subcommittee

To resume oversight hearings on clean coal technology program.

SD-366

Environment and Public Works

Environmental Protection Subcommittee

To hold hearings on potential additional controls on mobile sources under the Clean Air Act.

SD-406

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the National Aeronautics and Space Administration.

SD-124

Appropriations

Transportation and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Interstate Commerce Commission, and the Research and Special Programs Administration of the Department of Transportation.

SD-138

Labor and Human Resources

Labor Subcommittee

Business meeting, to mark up S. 79, to notify workers who are at risk of occupational disease in order to establish a system for identifying and preventing illness and death of such workers.

SD-430

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To hold a closed meeting.

S-407, Capitol

1:45 p.m.

Select on Indian Affairs

Business meeting, to mark up S. 727, to clarify Indian treaties and executive orders with respect to fishing rights, and S. 795, to provide for the settlement of water rights claims of the La Jolla, Rincon, San Pasqual, Pauma, and Pala Bands of Mission Indians in San Diego County, California.

SD-628

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the National Capital Planning Commission, Energy Conservation, Energy Information Administration, and the Economic Regulatory Administration.
SD-192

Select on Indian Affairs
To hold oversight hearings on Indian economic development issues.
SD-628

Joint Printing
To hold an organizational business meeting.
H-328, Capitol

APRIL 10

9:30 a.m.,
Appropriations
Treasury, Postal Services, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for Department of the Treasury, U.S. Postal Service, and general government.
SD-192

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the National Aeronautics and Space Administration.
SD-124

Finance
Private Retirement Plans and Oversight of the Internal Revenue Service Subcommittee
To hold hearings on proposed legislation providing a taxpayer's bill of rights.
SD-215

APRIL 21

10:00 a.m.
Environment and Public Works
Environmental Protection Subcommittee
Hazardous Wastes and Toxic Substances Subcommittee
To hold joint hearings on substitutes for stratospheric ozone depleting chemicals.
SD-406

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Bureau of Indian Affairs, Department of the Interior.
SD-192

2:30 p.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal years 1988 and 1989 for the Federal Communications Commission.
SR-253

APRIL 22

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Education, focusing on the Office of the Secretary, and salaries and expenses.
SD-192

Energy and Natural Resources
To hold hearings on the recent Department of Energy report to the President entitled Energy Security.
SD-366

Environment and Public Works
Environmental Protection Subcommittee
To hold hearings on the Environmental Protection Agency views on acid rain controls and post-1987 attainment strategies.
SD-406

Judiciary
Patents, Copyrights and Trademarks Subcommittee
To resume hearings on certain provisions relating to patent and trade issues of S. 635, Omnibus Intellectual Property Rights Improvement Act.
SD-226

10:00 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimate for fiscal year 1988 for the Small Business Administration, and the Federal Trade Commission.
S-146, Capitol

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Geological Survey, Department of the Interior.
SD-192

Appropriations
Energy and Water Development Subcommittee
To hold closed hearings on proposed budget estimates for fiscal year 1988 for energy and water development programs, focusing on the Department of Energy national laboratories.
SD-116

Select on Indian Affairs
To hold oversight hearings on the implementation of the Indian Self-Determination and Education Assistance Act (P.L. 93-638).
SD-485

APRIL 23

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Education, focusing on compensatory education for the disadvantaged, special programs, impact aid, bilingual education, immigrant and refugee education, education for the handicapped, rehabilitation services and handicapped research, special institutions (includes American Printing House for the Blind, National Technical Institute for the Deaf, and Gallaudet College), and vocational and adult education.
SD-192

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for programs of the Earthquake Hazards Reduction Act (P.L. 95-124).
SR-253

10:00 a.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1988 for military construction programs, focusing on Army and Army Reserve Components.
SD-124

Appropriations
Energy and Water Development Subcommittee
To hold closed hearings on proposed budget estimates for fiscal year 1988 for energy and water development programs, focusing on Atomic Energy Defense activities.
SD-116

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the U.S. Coast Guard, Department of Transportation.
SD-138

Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on S. 247, to designate the Kern River in California as a National Wild and Scenic River, and S. 275, to designate the Merced River in California as a National Wild and Scenic River.
SD-366

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of the Interior, focusing on the Office of the Secretary and the Office of the Solicitor.
SD-192

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To hold a closed meeting.
S-407, Capitol

2:30 p.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Education, focusing on student financial assistance, guaranteed student loans, higher education, higher education facilities loans and insurance, college housing loans, Howard University, education research and statistics, and libraries.
SD-138

Labor and Human Resources
Aging Subcommittee
To resume hearings on S. 887, authorizing funds for fiscal years 1988-1992 for

programs of the Older Americans Act, and to review the changing needs of the elderly.
SD-430

APRIL 24

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Federal Home Loan Bank Board, Neighborhood Reinvestment Corporation, and the National Institute of Building Sciences.
SD-124

Judiciary
Courts and Administrative Practice Subcommittee
To resume hearings on S. 548, Retiree Benefits Security Act.
SD-106

APRIL 27

10:00 a.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for energy and water development, focusing on certain activities of the Department of Energy.
SD-192

APRIL 28

9:30 a.m.
Energy and Natural Resources
To hold hearings on S. 839, to authorize the Secretary of Energy to enter into incentive agreements with certain States and affected Indian tribes concerning the storage and disposal of high-level radioactive waste and spent nuclear fuel.
SD-366

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for security assistance programs.
S-126, Capitol

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of the Interior, focusing on the Bureau of Mines, and the Office of Surface Mining, Reclamation and Enforcement.
SD-192

APRIL 29

9:30 a.m.
Energy and Natural Resources
To continue hearings on S. 839, to authorize the Secretary of Energy to enter into incentive agreements with certain States and affected Indian tribes concerning the storage and disposal of high-level radioactive waste and spent nuclear fuel.
SD-366

2:00 p.m.
Select on Indian Affairs
To hold oversight hearings on the Indian Financing Act and the Buy Indian Act.
SR-485

APRIL 30

9:30 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of the Interior, focusing on territorial governments.
SD-124

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Justice, focusing on the Office of Justice Programs, Immigration and Naturalization Service, and the Federal Prison System.
S-146, Capitol

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for defense security assistance programs.
S-126, Capitol

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Urban Mass Transit Administration of the Department of Transportation, and the Washington Metropolitan Transit Authority.
SD-138

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of the Interior, focusing on territorial affairs.
SD-192

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To hold a closed meeting.
S-407, Capitol

2:30 p.m.
Labor and Human Resources
Aging Subcommittee
To resume hearings on S. 887, authorizing funds for fiscal years 1988-1992 for programs of the Older Americans Act, and to review the changing needs of the elderly.
SD-430

MAY 1

9:00 a.m.
Select on Indian Affairs
To hold hearings on S. 721, to provide for and promote the economic development of Indian tribes.
SR-485

MAY 4

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-192

2:00 p.m.
Energy and Natural Resources
Research and Development Subcommittee
To hold hearings on proposals to restructure the Department of Energy's uranium enrichment program.
SD-366

MAY 5

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-138

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Smithsonian Institution, Woodrow Wilson International Center for Scholars, and the Holocaust Memorial Council.
SD-138

MAY 6

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-116

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

10:00 a.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1988 for military construction programs, focusing on defense agencies.
SD-192

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the U.S. Supreme Court, and for the Department of Justice, focusing on the Federal Bureau of Investigation, Drug Enforcement Administration, and the U.S. Marshals Service.
S-146, Capitol

2:30 p.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-116

MAY 7

9:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for fossil energy, and clean coal technology programs.

SD-192

9:30 a.m.

Appropriations

Labor, Health and Human Services, Education, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Departments of Labor, Health and Human Services, Education, and related agencies.

SD-116

10:00 a.m.

Appropriations

Transportation and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Federal Aviation Administration, and the General Accounting Office (FAA operations).

SD-138

2:00 p.m.

Energy and Natural Resources

Research and Development Subcommittee

To hold closed hearings to review the status of the Department of Energy's defense materials production facilities.

S-407, Capitol

2:30 p.m.

Appropriations

Labor, Health and Human Services, Education, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Departments of Labor, Health and Human Services, Education, and related agencies.

SD-116

MAY 8

9:30 a.m.

Appropriations

Labor, Health and Human Services, Education, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Departments of Labor, Health and Human Services, Education, and related agencies.

SD-192

Energy and Natural Resources

Research and Development Subcommittee

To resume hearings on proposals to restructure the Department of Energy's uranium enrichment program.

SD-366

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Housing and Urban Development, and independent agencies.

SD-124

Appropriations

Transportation and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Federal Aviation Administration of the Department of Transportation, and the General Accounting Office (R, E&D, F&E, Airports Grants).

SD-138

2:30 p.m.

Appropriations

Labor, Health and Human Services, Education, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Departments of Labor, Health and Human Services, Education, and related agencies.

SD-192

MAY 12

10:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for certain export financing programs.

S-126, Capitol

Appropriations

Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Legal Services Corporation, and the Equal Employment Opportunity Commission.

S-146, Capitol

MAY 13

9:30 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

10:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for foreign assistance programs.

S-126, Capitol

Appropriations

Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988, to receive public testimony on certain programs of the Departments of Commerce, Justice, State, the Judiciary, and related agencies.

S-146, Capitol

Appropriations

Transportation and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Transportation and related agencies.

SD-138

MAY 14

10:00 a.m.

Appropriations

Transportation and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Transportation and related agencies.

SD-138

MAY 15

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Housing and Urban Development, and independent agencies.

SD-124

MAY 18

2:00 p.m.

Energy and Natural Resources

To hold hearings on proposed legislation to expand the clean coal technology program.

SD-366

MAY 20

10:00 a.m.

Appropriations

Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Judicial Conference, Commission on the Bicentennial of the Constitution, U.S. Sentencing Commission, and the State Justice Institute.

S-146, Capitol

JUNE 23

10:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings to review proposed budget estimates for fiscal year 1988 for the Department of State.

SD-192

CANCELLATIONS

APRIL 2

2:00 p.m.

Appropriations

Energy and Water Development Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for energy and water development programs.

SD-192

APRIL 9

1:00 p.m.

Appropriations

Agriculture, Rural Development and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Agriculture, rural development, and related agencies.

SD-138

APRIL 23

2:00 p.m.

Select on Indian Affairs

To hold hearings on proposed legislation to revise certain provisions of the Indian Self-Determination and Education Assistance Act (Public Law 93-638).

SR-485

HOUSE OF REPRESENTATIVES—*Thursday, April 2, 1987*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Gracious God, in whom we live and move and have our being, may we ever be open to Your leading and receptive to Your guidance. In a world of trouble and anxiety, of hostages and pain, we pray that we will be prepared to lead in the paths of service to others and along the road to peace. Bless each person here gathered and may Your benediction never depart from us. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 477. An act to assist homeless veterans and their families by authorizing the Administrator of Veterans' Affairs to transfer or lease certain properties to nonprofit entities for use as shelters, by requiring the Administrator to conduct a pilot program of activities to assist homeless veterans, to report on outreach services to such veterans, to conduct a survey of such veterans, and to conduct a pilot program of contract community-based residential care for homeless veterans suffering from chronic mental illness disabilities, and by extending the Veterans' Job Training Act and expanding homeless veterans' eligibility thereunder; to provide for a 1-year postponement of the transition period for the Vietnam-era veterans readjustment counseling program and related reports; and for other purposes; and

S. 829. An act to authorize appropriations for the U.S. International Trade Commission, the U.S. Customs Service, and the Office of the U.S. Trade Representative for fiscal year 1988, and for other purposes.

OCTOBER IS NATIONAL DOWN SYNDROME MONTH

(Mr. DARDEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DARDEN. Mr. Speaker, today I am introducing a resolution to designate October 1987 as National Down Syndrome Month.

Down syndrome is a chromosomal disorder which usually causes delays in physical and intellectual development. The exact cause and prevention of Down syndrome are currently unknown, and there is a wide variation in mental abilities, behavior, and physical development in individuals with this condition.

One-quarter of a million families in the United States are affected by Down syndrome, and 600 people with this disorder may live in each of the 435 congressional districts.

I am pleased that Frank Murphy, a constituent of mine and the president of the National Down Syndrome Congress, is present today to represent the many families affected by Down syndrome.

This resolution to designate October 1987 as National Down Syndrome Month is intended to create greater public awareness and a better understanding of Down syndrome. I urge my colleagues to support this resolution.

WHEN AMERICA CEASES TO BE GOOD, AMERICA WILL CEASE TO BE GREAT

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, the following quotation is from the book "Democracy in America" by the 19th-century French essayist Alexis de Tocqueville:

> I was searching for the sources of the greatness and genius of America in her fertile fields and boundless forests—it wasn't there. I sought for it in her free schools and her institutions of learning—it wasn't there. I sought for it in her matchless Constitution and political institutions—it wasn't there. Not until I went to the churches of America and found them aflame for morality did I understand the greatness and genius of America. America is great because America is good. And when America ceases to be good, America will cease to be great.

America ceased to be good in 1971, when America's promises to pay ceased to be good. Since then, America has lost a war. Since then, America has gone from being the world's foremost creditor to its foremost debtor nation. Since then, America has become a hotbed of drug abuse and sexual licentiousness. Can there still be any doubt that Tocqueville's prophecy has come true, and America has ceased to be great?

Mr. Speaker, if this Congress musters up its moral fortitude in making America's promises to pay in the form of the dollar good, by backing it with gold then, maybe, America can b great once more.

INTRODUCTION OF LEGISLATION MANDATING PHYSICIAN ASSIGNMENT

(Mr. DONNELLY asked and wa given permission to address the Hous for 1 minute and to revise and extend his remarks.)

Mr. DONNELLY. Mr. Speaker, on Tuesday, a three-judge panel for the first circuit court of appeals upheld a Massachusetts law requiring physicians in the State to accept mandatory "assignment" from the Medicare Program for services performed.

Under the concept of mandatory assignment a physician is barred from billing a patient in excess of the allowable fees under Medicare aside from a 20-percent deductible which all beneficiaries must pay.

The Massachusetts law, applying mandatory assignment to all physicians in the State, is the first of its kind in the Nation. And although some in Congress have tried to impose mandatory assignment on a national level, we've never been successful.

I believe that all physicians should be required to accept assignment and I am introducing legislation today to do so. Doctors in Massachusetts argued that it was impermissible for a State to establish rules for a Federal program; my legislation would make that issue a moot point.

Enactment of my bill will result in savings of millions of dollars for America's retired and elderly citizens.

AIDS

(Mr. COUGHLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COUGHLIN. Mr. Speaker, President Reagan was at his very best in Philadelphia yesterday.

Brisk of step, quick of wit, with his unswerving vision of the greatness and goodness of America, the President called for a two-pronged attack on the AIDS crisis—cure and prevention.

Labeling AIDS "public health enemy number one," the President said, "I'm determined we'll find a way to conquer AIDS. We'll find a way or make one."

President Reagan said, "Our battle against AIDS has been like an emergency room operation: We've thrown everything we have into it."

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

He pointed out that this year we plan to spend $416 million on AIDS research and education, and $766 million overall. "Next year, we want to spend 28 percent more on research and education, and a total of $1 billion. That compares to $8 million just 5 years ago," the President said.

But President Reagan, as well as others present, warned that prevention involves education—going to the root causes of AIDS.

"AIDS information cannot be 'value-neutral,'" the President said. "After all, when it comes to preventing AIDS, don't medicine and morality teach the same lessons?"

Dr. Maurice C. Clifford, a physician and the Philadelphia City Commissioner of Public Health, echoed the President's theme. "Our behavior is killing us," he said. Dr. Clifford said "frenzied striving and loveless sex" were at the root of many health problems.

Other physicians discussed the responsibility people have to lead healthy lives in light of the growing costs of health care borne by the general public. This is an issue we must begin to consider seriously.

FULL COOPERATION BETWEEN UNITED STATES AND CANADA IMPERATIVE TO SOLVE THE ACID RAIN PROBLEM

(Mr. SIKORSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SIKORSKI. Mr. Speaker, as President Reagan and Prime Minister Mulroney prepare for their annual summit this weekend, I would like to give the Canadian leader some free, frank, and friendly advice about acid rain. While it is important to chat annually about acid rain and appoint envoys and assign protocols, the Prime Minister must understand that Congress makes the laws in the United States. Congress will have to pass acid rain controls. Congress is undercut every time he and the President do their annual acid rain jig that fades faster than the camera lights that cover it.

□ 1010

Every one of these summit photo opportunities on acid rain has acted as another rock behind which the American opponents of acid rain control hide.

The Prime Minister should be helping us remove these rocks to acid rain control, instead of hurling more of them into our path.

We in Congress need Prime Minister Mulroney to be strong on acid rain; he needs us to do the same; the people of North America need us both. Americans and Canadians stand together as brothers and sisters on this continent; we breathe the same air, drink the same water, share the same bountiful resources. Let us not let them down.

BAHAI PERSECUTION CONTINUES IN IRAN

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, I am horrified to report to the Congress three more Iranian Bahais have been executed by the Khomeni regime. This equals the total number of executions that took place during the entire year 1986.

Iran is the only place on Earth where people are not only being persecuted, but executed, solely because of their religious beliefs.

Though we had some hope last year, the repressive actions of the past few months make me fear that no fundamental changes have been made in the Iranian regime's policies toward the country's largest minority.

Mr. Speaker, we will not forget the thousands of Bahais that have been jailed, tortured, and executed because of their religious affiliation, and the congressional human rights caucus will continue to do everything within our power to bring this terrible matter constantly before the court of world opinion.

WE NEED A POLICY BASED ON MUTUAL RESPECT IN LATIN AMERICA

(Mr. BUSTAMANTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BUSTAMANTE. Mr. Speaker, Latin America is not a remote continent—it begins 500 feet from the district I represent in south Texas, across the Rio Grande. Over the course of our history, we have tried to conceive broad policies for the region—from the Monroe Doctrine to the Alliance for Progress, which proved so popular in the Kennedy administration.

Twenty-five years after the Alliance for Progress, Latin America is a different place. Our two goals now must be the installation of strong democracies, without exception, and the laying of a foundation for sustained economic growth.

The short-term obstacle is the repayment of $360 billion in foreign debt. The IMF requires Latin American nations to practice fiscal austerity and increase their foreign exchange earnings in order to qualify for new loans. But these measures often lead to economic dislocation, which takes many countries on a roller coaster ride. Last year, for instance, the Brazilian economy grew at over 10 percent. This year, GNP is expected to show a new fall.

What we need is a policy based on mutual respect. Without that ingredient, we will have to try to put out fires well into the next century. With it, we can help tap vast human and natural resources.

AMERICAN INDIFFERENCE TO ESPIONAGE AND TREASON

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, the latest revelations of espionage and treason at the very doorstep of the U.S. Embassy in Moscow are tragic enough in their implications and what may be the adverse consequences to our country, but what is more shocking, more tragic is a seeming indifference on the part of the American people about the incident as being just more of the same.

We have had the Walkers and the Pollards and other incidents of espionage and treason over the past several years, and each one is a crucial matter about which we should be greatly concerned, and yet, some people, including columnists of syndicated newspapers, are saying, "So what? It really cannot harm. The only thing that we have to worry about is nuclear war. Espionage and treason cannot harm us that much."

I hope that this is not the prevailing feeling and opinion of the general American public, else our country is not safe anymore, not safe internally, not safe externally.

We need, as a people, to guard against espionage and treason by making sure that our youngsters recognize the sanctity of being an American citizen and that betrayal of our country is the worst crime that any individual can commit.

HOUSE BUDGET FOR NEXT YEAR

(Mr. DURBIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DURBIN. Mr. Speaker, during the last 3 months, it has been my privilege to serve on the House Committee on the Budget, and yesterday, that committee reported a House concurrent resolution to be considered by the House of Representatives next week.

Budgets are never popular, whether they are at home or in Congress, and I am sure there will be controversy attached to this suggestion, but I am proud of the work product of our committee. We have come upon a formula which I think the American people will find fair and equitable.

We have asked the Defense Establishment to accept $9 billion in spending cuts and we have asked domestic programs to accept the same $9 billion in cuts. We have matched with $18 billion in revenues those cuts, to bring us to our deficit reduction level.

I might say that our work product is as good or better than the President's, but I think that will be the subject of debate in the days ahead.

There are several aspects of this budget that I am particularly proud of. Despite the fact that we have met the deficit reduction targets, we have done it with some feeling and compassion. In several areas of particular importance to me, we have redirected priorities so that we spend money where it is needed in America.

In one area in particular, infant mortality, our Nation has fallen dramatically over the last 20 or 30 years. We are directing resources to make certain that the babies and infants who are dying today can be served tomorrow.

We are putting another $300 million into AIDS research and education. That is absolutely essential. We are directing funds to chapter I education programs that are so important to make certain that our children have a chance in the future.

There will be a lot of debate in the days ahead about this amendment that has been offered by the House in consideration of our budget for next year. I think it is a fair approach to it. I will be supporting it, and I commend it to my colleagues.

IT IS PAST TIME TO RAISE THE MINIMUM WAGE

(Mr. WILLIAMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILLIAMS. Mr. Speaker, never before in our history have Americans allowed so much time to pass without an increase in the minimum wage. It has now been more than 6 years and 3 months since the mimimum wage was last increased. That is a new record in America, one that I do not think we are particularly proud.

Real minimum wages are now at the lowest point that they have been since the mid-1950's. Real minimum wages have declined 26 percent in just this half decade of the 1980's.

Minimum wage has now slipped below 40-percent less than the average wage in this country; the first time that has happened since 1949.

It is past time to raise the minimum wage.

LONG-TERM CARE INSURANCE FOR THE ELDERLY ACT OF 1987

(Mr. ROWLAND of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROWLAND of Georgia. Mr. Speaker, today I am reintroducing legislation which would allow individuals age 59½ and older to purchase long-term health-care insurance using IRA funds without being taxed. At a time when the attention of many Americans is focused on how to finance the cost of catastrophic illnesses and long-term health care, it becomes extremely important to allow future generations to better plan for their health care needs. Recognizing that unlimited Federal funds will never be available to meet all of the needs of all of our citizens, we must begin to address alternative methods for achieving our social goals.

This bill is designed to shift some of the weight of long-term care financing away from Government funded programs and into the private insurance market. Currently, very few individuals are purchasing long-term care insurance, primarily because of the misconception that Medicare will provide for such care. As the general public becomes more aware of the limitations of the Medicare Program, the need for alternative protection for long-term care will increase. Mr. Speaker, I hope that this bill will create a better environment for the growth of the purchase of such policies and, thus, assure more elderly better access to nursing home facilities or patient care at home in the future.

□ 1020

BUDGET COMMITTEE'S PROPOSAL DESCRIBED AS FAIR

(Mr. DERRICK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERRICK. Mr. Speaker, I am here to speak out in favor of the budget resolution passed yesterday by the House Budget Committee.

I know that, from the outside, it is easy to criticize this document as not giving enough money to some programs, or giving too much to others. But let me tell you after spending many long hours arguing over this budget, I can say with all sincerity that this is a fair proposal.

This budget promises genuine, long-term reductions in the Federal deficit and does not rely on phony, one-time savings like asset sales.

Unlike the President's budget, this budget provides adequate funding for education and housing programs, and it does not trash rural America.

We on the Budget Committee have worked hard to come up with genuine deficit reductions out of programs which were already under financial stress. I believe we have succeeded. I would once again commend this budget resolution to you as a fair document.

ASSET SALES, A POOR ALTERNATIVE TO RAISING TAXES

(Mr. MOODY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOODY. Mr. Speaker, this morning's headlines in the Washington Post emblazoned one particular feature of the Democratic budget package: $18 billion in taxes for 1988.

As we consider next year's budget and how to raise the revenues necessary to bring the budget deficit down, let us focus for a minute on the President's alternative that he proposed to that $18 billion in taxes. The President proposes $21 billion in revenues, $9 billion of which would be achieved through asset sales. Let me spend a moment to discuss asset sales.

Asset sales have precisely the same effect on the budget deficit as printing bonds. In both cases you take Government paper and you sell it to the public to get some short-term revenue for the Government, and the result is you put yourself in a deeper hole the next year and the next year and the next year as a result of that short-term cash you received up front.

In both cases we use private savings that should be going into productive capital to improve our productivity and competitiveness. And we borrow it; we soak it up from private savings and put it into running the Government on a daily basis rather than putting it into real investment. So on both financial grounds and economic grounds, asset sales are the worst possible way to go. They deceive the public into thinking that we have raised revenues.

If we are going to raise revenues, if we are going to raise taxes, which is the price of a civilized society, let us do it properly and not resort to asset sales, which only puts us in a deeper hole and has the equivalent effect of printing bonds.

AN APRIL FOOL'S BUDGET

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, if there was any question that yesterday was April Fool's Day, I think that ought to be put aside when one looks at the budget that was brought to us.

The previous speaker said that the price of a civilized society is the price of raising taxes. Yes; it is raising those taxes that are necessary, but not continually raising the rates of taxes, as our friends on the other side of the aisle seem adamant to achieve.

If we have no change in the tax structure at present, over the next 5 years we will have an increase in tax collections of $400 billion, and what we are saying, if we adopt their budget, is that the American people are led to think that we are adding $400 billion by the end of the fifth year, and that means that every year thereafter we will have $400 billion more of their money for Federal spending. And that is not enough; they say we cannot bring our budgets into balance with this amount of money, that we need to tax the people even more than we have today.

As we are talking about competitiveness, as we are talking about making American industry more competitive worldwide, I cannot understand how imposing more taxes on the American worker, on the American businessmen and women, and on the American consumer is the way to make ourselves more competitive in the world marketplace. It leads us absolutely in the opposite direction.

So, Mr. Speaker, yesterday was April Fool's Day. Unfortunately, the joke is on the American people.

LEGISLATIVE PROGRAM

(Mr. LOTT asked and was given permission to address the House for 1 minute.)

Mr. LOTT. Mr. Speaker, I have taken this time for the purpose of receiving the schedule for the balance of the week and for next week, and I am happy to yield for that purpose to the distinguished majority leader.

Mr. FOLEY. Mr. Speaker, I thank the distinguished Republican whip for yielding, and I wonder if he will yield to me for the purpose of making two unanimous-consent requests prior to discussing the program?

Mr. LOTT. Absolutely, I yield to the majority leader.

HOUR OF MEETINGS ON WEDNESDAY NEXT AND THURSDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns on Tuesday, April 7, 1987, it adjourn to meet at 10 a.m. on Wednesday, April 8, 1987, and that when the House adjourns on Wednesday, April 8, 1987, it adjourn to meet at 10 a.m. on Thursday, April 9, 1987.

The SPEAKER pro tempore (Mr. ROWLAND of Georgia). Is there objection to the request of the gentleman from Washington?

There was no objection.

MAKING IN ORDER CALL OF THE CONSENT CALENDAR ON TUESDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the call of the Consent Calendar be in order on Tuesday, April 7, 1987.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. FOLEY. Mr. Speaker, in further response to the distinguished Republican whip, the schedule for the remainder of the week and next week is as follows:

There is no legislative business scheduled for today. Tomorrow the House will not be in session

On Monday, April 6, the House will meet at noon in pro forma session, and on Tuesday, April 7, the House will meet at noon to consider the Consent Calendar and two bills under suspension of the rules, as follows:

H.R. 148, Michigan wilderness; and

H.R. 1728, to extend the commodities demonstration program under the School Lunch Act.

On Wednesday and the balance of the week, April 8, 9, and 10, the House will meet at 10 a.m. on Wednesday and Thursday and, if necessary, Friday to consider an unnumbered House concurrent resolution, which is the first concurrent resolution on the budget for fiscal year 1988, subject to a rule being granted.

Mr. Speaker, it is our hope that it will be possible, after consultation with the minority, to obtain permission from the House to begin the general debate on the budget on Tuesday next week, Tuesday, April 7.

Mr. LOTT. Mr. Speaker, I would like to ask the distinguished majority leader just a couple of questions about the announcement he made relative to the schedule for next week.

It appears that we will convene on Wednesday, Thursday, and Friday, at 10, although I do not believe the gentleman asked for the 10 o'clock time on Friday yet.

Mr. FOLEY. I would tell the gentleman that is the normal time the House would meet. It does not require unanimous consent.

Mr. LOTT. All right. But if we are in on Friday, it would be the gentleman's intent to come in at 10?

Mr. FOLEY. If there is a session on Friday, we intend to come in at 10 o'clock.

Mr. LOTT. We would have no objection to that.

Mr. Speaker, I also note that the supplemental appropriation bill that had been on the schedule earlier, first for rule consideration today, Thursday, and then to be considered next week, does not now appear on the schedule at all.

Is it the majority's intention not to bring up the supplemental appropriation bill before the Easter district work period, and are there any plans about when it may come up, if at all?

Mr. FOLEY. The gentleman is correct, it is not our intention to come up with the supplemental appropriation bill for consideration of the rule or for consideration of the appropriation itself until sometime after the Easter recess. The reason again is the urgency of considering the budget resolution before the recess begins next week during what we assume will be a tight schedule even if we can persuade the gentleman's side to give us permission to begin the debate on Tuesday.

Mr. LOTT. Mr. Speaker, I thank the gentleman for that information.

Mr. FOLEY. Mr. Speaker, I stand corrected with respect to the time of the meeting on Friday. If the gentleman will yield further, I have one more unanimous-consent request.

Mr. LOTT. I yield to the majority leader.

HOUR OF MEETING ON FRIDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns on Thursday, April 9, 1987, it adjourn to meet, unless there is some further order of the House, at 10 a.m. on Friday, April 10, 1987.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. LOTT. Mr. Speaker, I might ask, does the gentleman have a unanimous-consent request to make with regard to the trade bill? I understood there was some unanimous-consent request pending perhaps with respect to the trade legislation.

Mr. FOLEY. Yes. Mr. Speaker, will the gentleman yield further?

Mr. LOTT. I yield to the majority leader.

ADJOURNMENT TO MONDAY, APRIL 6, 1987

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

PERMISSION FOR COMMITTEES TO HAVE UNTIL 6 P.M. MONDAY, APRIL 6, 1987 TO FILE REPORTS ON H.R. 3

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that each of the committees receiving referral of the bill H.R. 3 have until 6 p.m. on Monday, April 6, to file their report on that bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

Mr. LOTT. Mr. Speaker, reserving the right to object, I do not intend to object, but I would just like to point out that this bill, H.R. 3, is trade legislation, and the proper title, I believe, would be the Omnibus Trade Act. I want to say that I am very pleased that that legislation is being worked on in a bipartisan way, particularly from the Ways and Means Committee. I understand that it had an overwhelming vote on both sides of the aisle, and while there may be some differences about certain sections in the different committees—and several committees are included—I think that is the way this House should operate, and I want to commend the majority leader for the effort that is being put forward, and in the spirit of that effort we certainly would have no objection to his unanimous-consent request.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

□ 1030

EDUCATION DAY U.S.A.

Mr. SIKORSKI. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from futher consideration of the joint resolution (H.J. Res. 200) to designate April 10, 1987, as "Education Day U.S.A.," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, I do not object but simply would like to inform the House that the minority has no objections to the legislation now being considered.

Mr. Speaker, I rise in support of House Joint Resolution 200 to designate April 10, 1987, as "Education Day U.S.A."

The quality of education is essential to America's heritage of political freedom and cultural achievements. Our schools are vital in that they provide for our technical and scientific competence. Education holds the key to the future of our countries higher education goals; and by designating April 10, 1987, as "Education Day, U.S.A" we call to the attention of the American people the necessity of continuing to maintain and improve our educational system.

I feel that in the future our Nation must rely more and more on a highly educated citizenry to compete with other nations of the world; therefore, we must nuture our desire for learning to motivate students and teachers to assure that we maintain the leadership necessary to continue our American democracy.

In this resolution we call attention to the Lubavitch movement which promoted many of the ethical values and principles upon which our great Nation was founded. It is only fitting that in choosing this date we honor the leader of the movement, Rabbi Menachem Mendall Scheerson, whose 85th birthday falls on April 10, 1987. Since 1980 Rabbi Menachem Mendall Scheerson has been the leader of the Lubavitch international which is the largest branch of the Hassidic movement. It gives me a great deal of pleasure to join the many admirers of the "rebbe" especially my constituents at the Chabad House in Rockville.

I strongly urge passage of the resolution which focuses attention on America's education that is so vital to our future competitiveness with other nations.

Mr. MICHEL. Mr. Speaker, I welcome this opportunity to say a few words about House Joint Resolution 200, requesting the President to designate April 10, 1987, as "Education Day, U.S.A."

Along with the distinguished majority leader, TOM FOLEY, I am sponsoring this resolution. I'm happy to be part of this worthy venture.

As I said last year, I think it is fitting that the majority and minority leaders, should cosponsor such a resolution. It deals with a subject that transcends partisan consideration.

We are seeing a rebirth of the Old American idea of progress through education for all Americans. That's still a great idea.

April 10 also happens to be the 85th birthday of a remarkable religious leader, Rabbi Menachem Mendell Schneerson.

He is the internationally renowned and respected leader of the Lubavitch movement which actively promotes education programs at more than 120 centers in 40 States.

The Lubavitch movement, founded in the 18th century, has as its philosophical foundation three basic elements—wisdom, understanding, and knowledge.

It is therefore appropriate that the movement, under the inspired leadership of the man called the rebbe, has been so active in promoting education.

Looking over my remarks from last year, I came upon a fact I want to share with you today.

The movement which the rebbe heads takes its name from a Russian city, Lubavitch, which, translated into English means, city of love.

In the final analysis it is love of one's religious heritage, love of learning—that is at the heart of the Lubavitch movement and at the heart of our resolution.

I'm pleased once again to honor a great man and to support such a fine idea.

Mrs. MORELLA. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 200

Whereas Congress recognizes the historical tradition of ethical values and principles which are the basis of civilized society and upon which our great Nation was founded;

Whereas these ethical values and principles have been the bedrock of society from the dawn of civilization, when they were known as the Seven Noahide laws;

Whereas without these ethical values and principles the edifice of civilization stands in serious peril of returning to chaos;

Whereas society is profoundly concerned with the recent weakening of these principles that has resulted in crises that beleaguer and threaten the fabric of civilized society;

Whereas the justified preoccupation with these crises must not let the citizens of this Nation lose sight of their responsibility to transmit these historical ethical values from our distinguished past to the generations of the future;

Whereas the Lubavitch movement has fostered and promoted these ethical values and principles throughout the world; and

Whereas Rabbi Menachem Mendel Schneerson, leader of the Lubavitch movement, is universally respected and revered and his eighty-fifth birthday falls on April 10, 1987: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That April 10, 1987, the birthday of Rabbi Menachem Mendel Schneerson, leader and head of the worldwide Lubavitch movement, is designated as "Education Day, U.S.A.". The President is requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. SIKORSKI

Mr. SIKORSKI. Mr. Speaker, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. SIKORSKI:

Strike out all after the resolving clause and insert: That April 10, 1987 the birthday of Rabbi Menachem Mendel Schneerson, leader and head of the worldwide Lubavitch movement, is designated as "Education Day, U.S.A.". The President is requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities. We also call on heads of state of the world to join our President in this tribute by signing the international scroll of honor which will be presented in their respective countries this year of "celebration 85."

The SPEAKER pro tempore. The question is on the amendment in the nature of a substitute offered by the gentleman from Minnesota [Mr. SIKORSKI].

The amendment in the nature of a substitute was agreed to.

The SPEAKER pro tempore. The question is on the engrossment of the joint resolution.

The joint resolution was ordered to be engrossed.

AMENDMENT TO THE PREAMBLE OFFERED BY MR. SIKORSKI

Mr. SIKORSKI. Mr. Speaker, I offer an amendment to the preamble.

The Clerk read as follows:

Amendment to the Preamble offered by Mr. SIKORSKI: At the end of the preamble, strike ": Now, therefore be it" and insert the following two clauses:

Whereas in tribute to this great spiritual leader, "the rebbe" this, his 85th year will be seen as the year of "turn and return", the year in which we turn to an education which will return the world to the moral and ethical values contained in the Seven Noahide Laws;

Whereas this will be reflected in an international scroll of honor signed by the President of the United States and other heads of state: Now, therefore, be it

The SPEAKER pro tempore. The question is on the amendment to the preamble offered by the gentleman from Minnesota [Mr. SIKORSKI].

The amendment to the preamble was agreed to.

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SIKORSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolution just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

H.R. 1049, LEGISLATION TO FORCE UTILITY COMPANIES TO REFUND FEDERAL INCOME TAXES TO UTILITY CUSTOMERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Dakota [Mr. DORGAN] is recognized for 5 minutes.

Mr. DORGAN of North Dakota. Mr. Speaker, I would like to address an important issue; the subject of legislation I have introduced in Congress, and the subject of quite an interesting debate in recent days.

The bill is H.R. 1049, the Utility Ratepayer Refund Act. I would like to take just a minute to describe the story of H.R. 1049. When utility companies in this country, electric companies, gas companies, telephone companies, charge their customers for that kilowatt hour or that telephone service, they impose a charge on the customer that includes the Federal income taxes that these companies are going to have to pay on their profits.

The trick is, even though they get the money from their customers to pay their Federal income taxes, they do not pay their Federal income taxes. They do not have to pay, because the Federal income taxes are deferred for a number of reasons: ACRS, investment tax credit, and so on. Thus, while they collect the income tax money from the customer now, often they do not repay the Federal Government for 25 or 30 years.

Sixty billion dollars; that is with a "b," $60 billion has been collected from the customers of electric companies, gas companies and telephone companies around this country. Sixty billion dollars they now have of the customers' money which they collected for the purpose of paying Federal income taxes, but which they have not yet paid.

Of that $60 billion, $15 billion will never be paid because the tax bill last year reduced the corporate income tax rate from 46 to 34 percent. So, $15 billion now held by the utility companies will never be sent to the Federal Government.

Question: Should that $15 billion be refunded to the customer? Answer: Yes. Second question: When? The utility companies say later, much later; in some cases, 30 years from now. In the tax reform bill last year, without debate, a barrier was written into it which prevents the State regulatory agencies, who would normally determine when the utilities should send that money back, from determining when the refund to the customer should be made.

That was unprecedented but it was done. I have introduced legislation, H.R. 1049, to undo it. I believe we should let the State regulatory authorities determine when that $15 billion ought to be refunded to the customers. The utility companies, of course, are upset about that. They want to keep the $15 billion as long as they can. I understand why they would want to do that. Look what utility companies are doing, they are diversifying into other areas. I have got some stories with me today. Here is a utility company that bought two 747's and leased them to KLM Royal Dutch Airlines. Another utility company bought satellite networks for hospitals; financial services; telecommunications. One of them is trying to buy a major league baseball team. These are the same utility companies which tell us that they really need this money to build utility plants to continue maintaining their services.

☐ 1040

I say this $15 billion is the customer's. It belongs to the customer and it ought to go back to the customer. The bill I have introduced, H.R. 1049, does not send it back immediately. It simply lets State regulators determine when this $15 billion goes back. That is what the issue is.

Utility companies are running all over Capitol Hill telling other Members of Congress, "Oh, no, this is a disastrous piece of legislation. We can't give this money back. This would be an awful thing."

This bill does not require it to be sent back immediately, as has been falsely represented in many of the visits on this Hill. This bill restores the authority to the State regulatory bodies to determine when the money is returned to taxpayers. That is exactly what this bill does.

We have 18 cosponsors on this bill today. I hope we will get more.

I understand why the utility companies do not like it. I would not like it either if I had $15 billion of somebody else's money and somebody was saying to me, "You have to give it back." But we ought to give it back now. If we let the utilities give it back in 30 years, it's the same as promising somebody steak when their teeth are gone. Why give a refund 30 years later? Half the folks will be dead that paid this money in. That $15 billion ought to go back on a timely basis. That is what this issue is about.

You are going to hear a lot of debate in the coming weeks about this legislation. We are going to have a hearing on this legislation at some point in the months ahead in the Ways and Means Committee. The utility companies are going to keep screaming that this is unfair. The fact is they are wrong. I do not care how big they are. I do not care how badly they say they want the money. The money does not belong to them. The money belongs to the American consumer and that is where the money ought to go. It ought to go on the basis of a judgment made by the State utility commissioners as to when that refund should be made, based on the economic health of that utility company. If they have got money to buy 747's to lease from foreign airlines, then they have money to refund to the consumer.

Mr. Speaker, I appreciate the opportunity to outline this for my colleagues. I expect we are going to hear a lot and see a lot about this issue in the weeks ahead. I just want them all to understand exactly what the issue is, not what it is being portrayed as by some who have a special interest in trying to keep hold of $15 billion that is not theirs.

NEW STRATEGIES FOR THE WAR ON POVERTY

The SPEAKER pro tempore (Mr. HARRIS). Under a previous order of the House, the gentleman from California [Mr. LUNGREN] is recognized for 60 minutes.

Mr. LUNGREN. Mr. Speaker, 25 years ago, socialist Michael Harrington stung the conscience of America with an exposé of economic distress in our Nation. Entitled "The Other America," Harrington's book described the breakdown of family life and the incessant despair characteristic of what he dubbed the culture of poverty. Troubling as those words must have been to the Americans of the New Frontier, they must give an even greater sense of unease to Americans today. For although Harrington's treatise helped to ignite a multi-billion-dollar war on poverty that now conscripts dozens of Government agencies and programs, we cannot hide from soaring teenage pregnancy rates, long term reliance on Government assistance and the other manifestations of an entrenched welfare culture.

Indeed, Americans need to recognize that precisely because welfare has become a culture, we need a cultural assault on poverty that enlists Government and society as a whole in an effort to root dependency out from local economies and from the minds of the poor. First, we must identify the fundamental characteristics of the culture we seek to transform. Then the public and private sectors must join forces to convince the behaviorally dependent of the value our society places on their participation in it. To preserve that participation, we must demonstrate that our society offers opportunities for personal growth on a continuing basis. In the long run, our Nation's ability to meet the economic and political challenges of the 21st century may hinge upon a union of Americans seeking new frontiers on their personal and community horizons.

Across the country, scholars and politicians have joined together to cast a resounding "no confidence" vote against our present welfare system. In particular, four major reports published in 1986 called for fundamental changes in the services and choices available to welfare recipients:

"Investing in Poor Families and Their Children," issued by the American Public Welfare Association and the National Council of State Human Service Administrators.

"Ladders Out of Poverty," a report of the project on the welfare of families, under the chairmanship of Bruce Babbitt and Arthur Flemming.

"A New Social Contract," a report of the Task Force on Poverty and Welfare submitted to Gov. Mario Cuomo.

"Up From Dependency," issued by the White House Low-Income Opportunity Working Group.

Given the prominence of the figures associated with these reports, no one can ignore the fact that they call for new foundations for our welfare policies—namely, the foundations of family and work. It is also highly significant that the chairman of the House Subcommittee on Public Assistance has called for the replacement of AFDC with an entirely new Family Support Program.

While policymakers and opinion shapers insist on an overhaul of our public assistance programs, some may find it difficult to pinpoint exactly what is wrong with the present network of aid. If we look at income level statistics, we find that the number of Americans living in poverty has declined in the past two decades from 17 percent in 1965 to 14 percent in 1985. Moreover, about 2 million Americans—out of a total of 7 million—fall short of the poverty line by only $2,000. Given the fact that the Federal Government provided some $59 billion in noncash benefits in 1985, it seems unlikely that many of those who appear to be poor in fact remain so after benefiting from Medicaid, food stamps and similar programs. Although we must avoid convenient presumptions about the well-being of the elderly, the complex weave of our Government safety net does in fact require closer scrutiny of the status of senior citizens. According to the American Enterprise Institute's Working Seminar on Welfare Policy, "The availability of Medicare in 1985, disbursing $565 million to 20 million patients, has helped to change the meaning of poverty for the elderly." While 29 percent of those over 65 lived on incomes below the poverty line in 1966, that figure has plummeted to 13 percent as of 1985. If we include noncash benefits like Medicare in the calculations, we find only 3 percent of the elderly in the poverty sector.

In sum, Uncle Sam merits high marks for reducing the numbers of Americans in desperate economic straits. On the other hand, the Federal Government deserves a failing grade for its treatment of those who remain in poverty. In a 1962 message to Congress, President Kennedy asked that welfare reform efforts "stress the integrity and preservation of the family unit." He insisted that the public assistance programs "contribute to the attack on dependency, juvenile delinquency, family breakdown, illegitimacy, ill health and disability." Remarkably, a survey of the effects of our present welfare system on children, juveniles and young adults in poverty reveal that that very system has failed precisely those sectors of our population that it was designed it help. Across all economic strata, the percentage of families headed by single women has risen from 8 percent in 1962 to 21 percent in 1985. But among poor families with children, the proportion of families headed by women has soared from 30 to 56 percent. The Working Seminar reports that 46 percent of children on AFDC in 1983 were born to unmarried parents. Also in 1983, teenagers had 270,000 children out of wedlock and an astounding 450,000 abortions. By 1980, over 50 percent of AFDC funds went to mothers who had first given birth as teenagers. By 1980, these teenage parents made up 71 percent of all AFDC mothers under 30.

Not surprisingly, these abstract statistics can translate into some very real suffering in the homes of the poor. Low-income subsistence presents grave material and psychological challenges to traditional family units. The American Public Welfare Association has reported that children in poor families suffer from more frequen and more violent child abuse and neglect than children from other segments of the population. But the stress of these challenges grows exponentially when mothers and children must face them alone. And one finds it difficult to imagine how a mother who possesses little more maturity than her child copes with the pressures of economic survival. Clearly, the Federal Government's crusade to insulate poor people from economic realities and responsibilities has left them more vulnerable than ever to personal disaster of the first order.

Unfortunately, this dispiriting conclusion applies not only to AFDC recipients, but to young male constitutents of the welfare culture as well.

☐ 1050

We all know about the grim employment statistics for black teenagers and young adults. Nevertheless, I find it startling that the labor force participation rate for black males ages 16 to 24 has plunged during the supposed "war on poverty." While 59 percent of young black males found employment in 1962, only 44 percent did so last year. As of 1984, almost one-half of this same group had zero—I repeat, zero—work experience. Given the fact that so many residents of our inner cities cannot even obtain a job reference, let alone an actual position, it's no surprise that many of them submit to hopelessness.

In 1985, Richard Freeman and Harry Holzer analyzed the roots of black employment difficulties in "The Black Youth Unemployment Crisis." They reject simple explanations in favor of social pathologies which they believe handicap black youths before they even consider competition in the job market. In their conclusion, Freeman and Holzer state:

> Black youths from welfare homes with the same family income and otherwise comparable to youths from nonwelfare homes had a much worse experience in the job market. Youths living in public housing projects also did less well than youths living in private housing. Thus, the unemployment rate among 19 to 24 year olds who received no public assistance and who did not live in public housing was 28 percent in 1979. Among those from families on welfare, the unemployment rate rose to 43.8 percent. And among those whose families collected welfare and lived in public housing, the unemployment rate soared to 52 percent.

So we have gone from 28 percent up to 52 percent with those two characteristics.

Dependence on welfare, it would appear from this assessment, not only reduces the probability of employment but at times can transform a job search into little more than a roll of the dice.

How have such good intentions produced such catastrophic results? Recently, a group of scholars and public officials met under the aegis of the American Enterprise Institute and agreed that "behavioral dependency" has perverted the destinies of many welfare recipients. For too long, policymakers have presumed that destitution and unemployment are material conditions. In reality, continuing poverty has profound psychological effects that leave individuals unsure of themselves and resentful of a society that appears to have forgotten them. In "A Community of Self-Reliance," the participants in AEI's Working Seminar on Welfare Policy dissect the body of this alienation. "What is distinctive about behavioral dependency," they write, "is its moral or attitudinal component, manifest in an inability to cope on the part of the many able-bodied adults. Two of its major causes are, on the one hand, female-headed households and, on the other, nonwork. In these two areas in particular, little progress can be made in reducing dependency apart from a heightened sense of personal responsibility."

The Working Seminar participants continue:

> Yet moral behavior seldom springs from resolute individuals will alone. It usually requires the social support of major institutions reinforcing what is good and noble in human behavior and blaming what is not. A weak social ethos increases the probability of personal failures. A strong ethos nourishes and strengthens individuals who act responsibly and blames those who do not—and thereby affects the probable distributions of each.

In other words, those who have lost their place in our society need society's help in reorienting themselves toward a purposeful and productive lifestyle. Handouts from Washington and open-ended training programs will never supply the poor with the sense of reciprocity they need in order to feel a part of our opportunity society. Reciprocal obligations inform the poor that not only do we expect them to be productive, but that we believe they can produce in a way that benefits our Nation.

The Working Seminar listed several options for implementing this reciprocity. First, it advised that Washington and the State governments require all able-bodied recipients of welfare to work or enroll in time-limited training programs. Second, since a majority of their counterparts living above the poverty line hold part-time or full-time jobs, the Working Seminar maintained that even mothers of preschool children must enter the work force. Third, welfare authorities should insist that young mothers complete their high school education so that they can compete in the employment marketplace. Fourth, Federal and State officials should also expect older mothers to find jobs in the private sector or accept positions in the public sector. Those who fail to do so must feel the effects of clear and fair sanctions. Fifth, all of these cases, welfare recipients "should be expected to regard every job, even part-time and at the minimum wage, as an obligation to society, as important to future work experience, and as an occasion of self-development." At a minimum, work requirements will provide the poor with the job references that many of them need to start on the road to permanent employment. It seems to be a truism that if you have not had the first job, your opportunity to get any other jobs up the job scale are going to be absolutely nil.

In an optimistic contingency, welfare recipients will gain a new understanding of their strengths and capabilities that will empower them to undertake challenges in the job market. "The underlying principle," the Working Seminar notes in its report, "is that the welfare system must be infused with a sense of obligation, in order to build a sense of reciprocal bonds among the members of the civic community. That community best helps the able needy by including them within its own productive activities."

Since the Working Seminar and other research units have established broad parameters in their reform recommendations, it remains for others to determine how the thrust of those suggestions may best be implemented. Many in Congress admire the Employment Training Program established under Gov. Michael Dukakis. Under Employment Training—or "ET," as it is known—the State government encourages welfare recipients to participate in a variety of services designed to enhance their employability. These include job appraisals, career-planning workshops, remedial education, job training and placement services. Should an aid recipient decide to move from training to actual employment, that person will obtain transportation allowances and free day care for a year, along with Medicaid coverage for up to 15 months.

As New Republic columnist Mickey Kaus has noted, two problems have sprung up concerning ET. First of all, it isn't workfare. ET does not require work or anything else of AFDC recipients. They suffer no penalties if they reject the training and employment options and decide to stay at home with their children. Since ET does nothing to reach out to the hard-core welfare recipients within the poverty culture and inculcate new thinking about the value of their contributions to society, it's not entirely clear that ET benefits people other than those who already possessed sufficient motivation to seek jobs anyway.

Of course, these structural limitations mesh with the outlook of Charles Atkins, the Massachusetts commissioner of welfare. According to the July 7, 1986 edition of the New Republic, Mr. Atkins has remarked, "I think workfare is slavery." I would suggest that many Members of Congress who have used ET as the model for their welfare reform proposals would find it shocking to learn that a principal architect of the Massachusetts program cannot distinguish between workfare and the labor practices of Simon Legree. Unfortunately, the old-fashioned handout mentality behind ET is not its only flaw. The second imperfection is even more serious: The program doesn't appear to work. In an essay for the January 19 edition of the Wall Street Journal, economics columnist Warren Brookes observes that "the results in Massachusetts are so poor as to call into question the entire ET Program as a waste of taxpayer dollars, now nearly $50 million a year." From the inception of ET in 1983 to September 1986, Brookes notes, the AFDC caseload in Massachusetts rose from 86,999 to 87,460. Over the same period, the number of new applications for AFDC increased from 13,657 to 14,890, and the number of terminations declined from 10,700 to 10,544. Remarkably, those events occurred as the unemployment rate in the Commonwealth dropped from 7.2 percent in September 1983 to 4.2 percent in September 1986. In sum, the architects of ET have achieved the dubious distinction of leaving the welfare culture intact amidst one of the most extraordinary turnarounds in a State's economy during this decade.

□ 1100

Fortunately, we in the Congress do not have to spend the $1.5 billion that Mr. Brooks estimates a nationwide ET failure would cost us every year. We can in fact turn to an innovative alternative that has proven its ability to transform the lives of persons habituated to dependency. It's called "GAIN, or Greater Avenues through Independence." This, the product of careful experimentation and a consensus between Republican Gov. George Deukmajian and and the Democratic California Legislature, is now being implemented on a county-by-county basis throughout the Golden State.

Our new colleague, the gentleman from California [Mr. KONNYU], played a major role in the creation of this program while he served as a Republican member of the California Legislature.

In describing the program, I'd like to refer to the testimony of Mr. David Swoap, formerly Under Secretary at the U.S. Department of Health and Human Services and then head of California's Welfare Department. Mr. Swoap discussed the GAIN Program in a hearing on workfare that I chaired for the Joint Economic Committee's

Subcommittee on Trade, Productivity and Economic Growth.

"In developing the program," Mr. Swoap told our panel, "we emphasized essentially two concepts: targeting and sequence. What we learned through State and local experiments in the 1980's is that in order to achieve cost-effective job placement, the sequence of the activities is as important as the activities themselves so that we can target dollars efficiently to those individuals who need them."

How is this efficiency implemented? To begin with, welfare recipients must register in the program. Following an assessment of the individual's capabilities, program administrators direct the person either to a remedial education program or to mandatory job search. At that point, Mr. Swoap reported, as many as 30 to 40 percent of the welfare enrollees find jobs. "By placing recipients in 3-week, job-search workshops," he noted, "San Diego was able to place more than 46 percent of its participants into jobs, thus saving taxpayers significant dollars in unnecessary training expenditures." According to Mr. Swoap, the mandatory job search also benefits the outlook of welfare recipients. In San Diego, one graduate of the "job club" told Swoap: "When I got out of there, I felt I could do anything in the world."

For those unable to find a position through job search, GAIN offers grant diversion. This is where a portion of the person's grant goes to an employer to help offset the wage. Intensive training for the functionally unemployed, and community work experience. Interestingly, even the work requirement has generated a positive response from participants. When Mr. Swoap visited a new class of workfare participants, he asked them how they felt about the mandatory aspects of GAIN. Swoap added, "'How many of you think this program should be mandatory?' Every single one of them raised his or her hand. They said, 'I wouldn't have been here had it not been mandatory, but now that I am here I find what tremendous opportunities this is going to provide me' with regard to enabling the individual to work himself off of welfare."

Mr. Swoap's observation concurs with the assessment of Barbara Blum, president of Manpower Demonstration Corp., who also testified before the JEC Subcommittee. Beginning in 1982, MDRC has conducted evaluations of State welfare reform initiatives. In San Diego, MDRC surveys showed that 60 to 70 percent of AFDC applicants regarded required work as a fair obligation. They did not object to it; they believed it was fair for the State to require work as part of the overall program. They saw nothing unfair about that, and 80 percent believed that it was fair to mandate a 3-week job search.

In her opening statement before the subcommittee, Ms. Blum commented:

> These results are consistent with other studies that the poor want to work and are eager to take advantage of opportunities to do so. As one of MDRC's field workers remarked, "These workfare programs did not create the work ethic, they found it."

Obviously, this judgment meshes with the belief of AEI's working seminar that every American can become an achiever if our society defines its expectations for that person with sufficient clarity.

Greater Avenues through Independence, GAIN, thus carries the demonstrable promise of a more fulfilling lifestyle for welfare recipients themselves. In addition, Mr. Swoap reports that the implementation of GAIN may carry fiscal advantages as well. He told our workfare hearing: "Annual costs to implement the program will be about $159 million, versus savings of approximately $272 million, plus the added benefits of recipients contributing to the State's tax base." It's my hope that Members of Congress will turn from the siren song of ET and look toward a real workfare plan that offers a real chance for a breakout from the imprisonment of the poverty culture.

In the final analysis, however, neither GAIN not ET nor any legislation or bureaucracy will resolve our poverty dilemmas. Amidst the monsoon of studies, reports and recommendations on welfare reform, it's disappointing that so few experts have highlighted the successes scored by community organizations in the war against poverty. Ultimately, we need to understand the unique strengths which these groups offer if we wish to properly tailor our national programs to the immense variety of local problems and needs.

The management of public housing units by tenants has provided some of the most dramatic evidence of how community efforts can defeat problems that bureaucrats and, I might say, elected officials find intractable. In the August 4, 1986 edition of U.S. News & World Report, reporters Art Levine and Dan Collins concentrated on the initiatives of Kimi Gray and her fellow tenants at the Kenilworth-Parkside public housing facility here in Washington, D.C. "Since tenants began running the project in 1982," they write:

> Something close to a miracle has occurred. Repairs have been made, utilities restored and crime, teenage pregnancy and welfare dependency have dropped substantially. At the same time, rental collections have risen 105 percent, while administrative costs are 60 percent less than those of the housing agency's subcontractor.

According to U.S. News:

> Kenilworth-Parkside still has some of the grim look of "the projects," but the streets are clean and there are touches of pride everywhere—mowed lawns, barbecue grills and flowers. There are small businesses and services that together employ 140 residents. Among them are a screen-door shop, a day care center and a food co-op.

Ms. Gray, who rose from a single parent reliant on welfare to become the head of the Kenilworth Management Corp., attributes the success of the project's renovation to the fact that residents gained new attitudes toward their homes once they became responsible for them. "Poor people," she says, "have the same dreams as everyone else."

In 1985, President Reagan noted that "the brave pioneers of resident management are sowing the seeds of hope and possibility in cities across our Nation," In designing antipoverty programs, Senators and Representatives need to remember that there are thousands of neighborhoods in our country with activists like Kimi Gray. They must remember that such community leaders have irreplaceable perspectives on the daily challenges facing the poor, and that they possess irreplaceable insight into the daily opportunities for lifting the poor out of the welfare culture. Hopefully, Congress will also recall that we need to assist, not complicate, these private crusades for hope in the bastions of despair. As President Kennedy himself observed in 1962, we must marshall "the total resources of the community to meet the total needs of the family to help our less fortunate citizens help themselves,"

Of course, long-term confidence about one's ability to help oneself depends to a large extent on prospects for economic growth. Unfortunately, a recent report from the majority side of the Joint Economic Committee has clouded the understanding of many vis-a-vis those economic prospects. Bennett Harrison and Barry Bluestone, who prepared the report, concluded that over 50 percent of the net increase in employment that occurred between 1979 and 1984 could be attributed to jobs that paid less than $7,012 per year. Reports from the children's defense fund and the Center for National Policy on Antipoverty Initiatives have both seized upon this information to help justify their conclusions about our economy and their recommendations for future policy. In "Work and Welfare: the Case for New Directions in National Policy," Robert Reischauer argues that the "disproportionate growth of jobs paying inadequate wages has had a particularly pronounced effect on the employment prospects of those with little education."

□ 1110

Clearly, a reliance on this judgment leads inevitably to additional Government intervention in the economy and to the conclusion that the poor cannot presently lift themselves out of economic distress.

In the March 25 edition of the Wall Street Journal, economics columnist, Warren Brookes, demonstrates that we cannot in fact rely on the assessments of Messrs. Reischauer, Harrison, and Bluestone. In his article, Brookes blasts the purported proliferation of low-wage jobs as a "statistical fraud resulting from careful selection of unrepresentative years." He cites Department of Labor employment statistics which show that from 1983 to 1987, the percentage of the highest paying job categories rose. In fact, the free market economy unleashed by the Reagan revolution created 2.7 million new jobs in the period from February 1986 to February 1987. Of those jobs, 41.5 percent came from managerial and professional specialties, the highest-paid category classified by the Labor Department.

Once we have established the true nature of economic opportunity in America, we can begin to forge policies that will allow the residents of our inner cities to take advantage of those opportunities. Throughout his administration, President Reagan has urged Congress to approve the creation of enterprise zones in urban areas. Such zones would encourage the formation of business enterprises through tax incentives. I'm pleased that my colleague Dick Armey has included enterprise zone legislation in his "Minority Opportunity Restoration Act," which also calls for a youth opportunity wage and an urban homesteading program that allows residents of public housing a chance to purchase their own homes at a reduced price. Enterprise zone provisions in the Armey legislation would provide Federal tax incentives through investment tax credits, employer tax credits and employee tax credits. In addition, State and local governments could request regulatory relief from the Federal Government. In my view, it's absolutely imperative that we move to ensure that the individuals which new welfare reform legislation will train for jobs can look forward to a future of employment in their communities. Given the fact that 32 States have approved enterprise zone legislation, it would appear that State legislators have recognized that imperative.

Unfortunately, many discussions of the best methods by which urban economies can be revitalized have ignored one of the fundamental impediments to commerce: crime. Information compiled by the Bureau of Justice statistics in 1983 revealed that burglars are twice as likely to victimize the homes of the poor as they are the homes of the affluent. Households with incomes under $7,500 report 40 percent of burglaries and 33 percent of all household crimes. Worst of all, the leading cause of death among young black males is homicide.

What are the consequences of the crime plague in our inner cities? First of all, they inhibit the economic activity of families and individuals. In an article for Policy Review entitled "The Urban Strangler," James K. Stewart reviewed the consequences of a burglary for those with limited means: "The theft of a TV, furniture, or car can be devastating. Robberies of cash or checks—for rent, welfare or Social Security—may at one stroke eliminate a family's ability to pay for home, food or future." Mr. Stewart goes on to observe that criminal activity can also shatter the aspirations of the poor for the future—a phenomenon that only strengthens the grip of dependency on their lives. People may stay at home rather than take a second job or enroll in night school because they worry about their safety in the night time.

In "A Community of Self-Reliance," AEI's working seminar profiles the crushing burden high crime rates place on the business activity depressed areas need so badly: "Crime lowers property values, making it harder for the urban poor to accumulate capital and to borrow money. Crime is one of the major reasons why businesses in central cities restrict operations, relocate, sell, or close down. Businesses in high crime areas face sharply higher operating costs, including higher labor costs and investments in a security force, improved lighting, alarms, metal grills for windows and doors, and—if it is available at all—extremely expensive insurance." In other words, burglars and violent criminals have at times established a blockade between the residents of poor communities and the jobs they so desperately need.

As the working seminar points out later in its report, efforts to restore the credibility of our criminal justice system must become part and parcel of our antipovery efforts if we ever wish to offer prospects for long-term economic growth in an urban context. Justice Department data from 1983 underscores the importance of the credibility issue. According to Bureau of Justice statistics, only 20 percent of reported crimes are solved. Fewer than 30 percent of those convicted of crimes of violence against persons or serious property crimes are sentenced to prison. Our criminal justice system returns over 70 percent of these individuals to communities on felony probation, and then rearrests 65 percent of those on probation within 3 years.

Clearly, State and national legislators, along with community leaders, need to do more to convince criminals that they take crime as seriously as its perpetrators do. The Working Seminar on Welfare Policy proposed some starting points for this effort. They include;

New methods of policing aimed at maintaining a sense of order on the streets of poor neighborhoods.

Stricter bail, sentencing and parole procedures.

Additional initiatives to control commerce in illegal narcotics in poverty-stricken communities.

I might say that the Congress has begun action in that regard with respect to the 1986 antidrug bill which is only now beginning to be implemented.

And finally Government action to facilitate the eviction of public housing tenants who disrupt community life or who do not meet minimally acceptable standards of conduct.

One of the complaints we have is that we make it almost impossible to evict those people who are destroying the very neighborhoods in which they live. Mothers say, "How can we raise our children when the disruptive elements of our community can never be evicted because they are protected by the laws that you and Congress and in the State legislatures have established?

"Who are you protecting and whom are you harming?"

While one may disagree as to the wisdom of these particular measures, it remains true that one of the principal obligations of our Government is to ensure domestic tranquillity. Places in our country where people cannot obtain jobs or even leave their dwellings because they fear for their lives and all that they have in this world have nothing that approaches tranquillity.

In his first State of the Union Address, President Lyndon Johnson observed that many poor Americans found themselves "on the outskirts of hope." Tragically, behavioral dependency has pushed many of the poor beyond even the outskirts. According to the American Enterprise Institute's Working Seminar on Welfare Policy, this dependency has crippled family structures in the homes of the poor. "According to a Los Angeles Times poll in 1985," the working seminar notes in its report:

> Sixty-four percent of the poor and 70 percent of poor women say it is "almost always" or "often" true that "poor young women have babies so they can collect welfare." Welfare "almost always" or "often" encourages husbands to avoid family responsibilities, according to 60 percent of the poor persons polled.

Remember this is not a poll of academicians, it is not a poll of Members of Congress, it is not a poll of so-called experts. This is a poll of the poor people themselves.

While one may raise objections to the accuracy of such perceptions, their very existence underscores the prevalence of self-destructive behavior in the so-called underclass. Obviously, such behavior is in no way characteristic of a great society. And such behavior necessitates a radical break with the policies that have helped to create it.

True workfare—workfare that establishes reciprocal obligations between society and the poor—will create the needed break with the failed policies of the past. False workfare proposals that rely on open-ended training programs will leave the poor in the status quo, segregated from a responsible participation in our society that could them confidence in their country as well as themselves. As Prof. Glenn Loury of Harvard University's Kennedy School of Government has said:

> The imposition of an obligation actually shows respect for the recipient * * *. By holding up a common standard of behavior to all able-bodied citizens we evidence our confidence that those who may now need our assistance are capable of becoming self-reliant. This avoids the situation in which "we," who are capable of responsible conduct and of generosity, deign to provide for "them" who, by virtue of their dependency are rendered objects of our concern, but are not treated as responsible moral agents.

In a nation pledged to equity and needful of more workers than ever before, a failure to learn from the mistakes of the past during our debate over welfare reform may be a recipe for calamity.

I hope that Members of this House as well as Members of the Senate will understand as we embark on our discussions on workfare that anything under the rubric of workfare may not be what is necessary and in fact may inculcate even further the problems of attitude and values and failure that we already have in our society with the poverty community. And that if we are going to give these people an opportunity to fully participate in our society and at the same time reestablish the connection in society between those who are currently paying taxes and those who are not, we need to have specific challenges involved in the program.

□ 1120

Open-ended training programs tend to tell people that they do not have to look for work. They can continue to train. Many of us know of professional students in colleges today who never seem to find the opportunity to look for work because it is easier to continue to study ad infinitum.

The same thing happens within the welfare culture itself. What we need to do is to establish programs that give them confidence and determine at the very outset what their qualifications are.

One of greatest parts of the game program in California is that assessment takes place at the very beginning. Those who do not need training in order to get jobs are not funneled into the training programs. They are given an opportunity to seek jobs.

If they do not have the skills to seek jobs, and there are some skills involved, they have a mandatory 3-week program of teaching in those skills and then they get involved in the search itself.

So what we find is that in San Diego County, the county that had the largest scale project program on that, those who benefit from the program actually thank those who are putting the program on for the requirements they placed on them.

I do understand why people in government seem to believe that folks, because they are poor, are different than the rest of us; that because they are poor, they are incapable of responding to incentives and disincentives; that somehow, because they are poor, we look at them differently.

They are Americans, just as we are. They respond to incentives and disincentives. If you give them a challenge, they are more apt to respond to that challenge. If you pat them on the head in a paternalistic gesture, they are less apt to take responsibility upon themselves.

As our society has discovered, the great war on poverty has left, unfortunately, a lot of people in its wake that many in our society have given up on.

It is time for us to take a look at a drastic change. Workfare is that change, but it has to be real workfare, not a phony workfare that says, "We will call it something, but we will not make it workfare that requires people to rise to challenges that we know that they can accept and they can overcome."

ORDER OF BUSINESS

Mr. HUBBARD. Mr. Speaker, I ask unanimous consent that my special order of today precede the special order of the gentleman from Texas [Mr. Gonzalez].

The SPEAKER pro tempore (Mr. Harris). Is there objection to the request of the gentleman from Kentucky?

There was no objection.

CONGRESSMAN TIM LEE CARTER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky [Mr. Hubbard] is recognized for 5 minutes.

Mr. HUBBARD. Mr. Speaker, at this time, actually, I am substituting for my friend and colleague, the gentleman from Kentucky [Mr. Rogers] who represents the Fifth District of Kentucky. He and I and other members of the Kentucky delegation grieve the passing last Friday of our former colleague and dear friend, Congressman Tim Lee Carter of Kentucky.

Congressman Rogers, who succeeded Congressman Carter in this House of Representatives, is being summone to the House floor at this time from budget briefing in order to announce special order that he has reserved nex Tuesday.

Last Sunday, in remarks I made a the graveside service I mentioned, as long-time friend of Tim Lee Carter that this week words of praise abou Dr. Carter would be heard in thi House Chamber. This special time today makes that statement accurate I want to commend Congressman Rogers for asking for time next Tuesday so that other members of the Kentucky delegation and from al other States who knew and loved Tim Lee Carter can pay tribute to him.

Dr. Tim Lee Carter was a distinguished statesman and physician from Tompkinsville, KY, who died last Friday at the age of 76. He was elected to the U.S. House of Representatives in 1964, and served eight terms before retiring in 1980.

For much of that time, Dr. Carter was the only practicing physician in the Congress and was a major contributor to health and hospital legislation. It was Congressman Tim Lee Carter who was the first Republican in the House of Representatives to seek withdrawal of United States troops from Vietnam.

A large crowd of about 500 people last Sunday afternoon in the community of Tompkinsville, KY, the hometown of Dr. Carter, were there to hear several pay tribute to him and to share thoughts with his widow, Kathleen, and his brother, Judge James Carter, his sister, Mrs. Vivian Hayes, and other members of the family who were there at that time.

Dr. Tim Lee Carter was a special friend to me. Yes, he was a Republican, I am a Democrat, but upon being elected to Congress in 1974, and being a freshman here in 1975, he was very helpful to me as a Member of the House, and was always one whom I admired very much.

Mr. GONZALEZ. Mr. Speaker, will the gentleman yield?

Mr. HUBBARD. I yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Speaker, I think that I would be remiss if I did not rise at this point, and the gentleman has given me this time which is greatly appreciated.

I join the gentleman in not only evoking the memory, but extolling the great virtues of a great Member of Congress, Dr. Tim Carter. Perhaps the angels in heaven who are receiving him unquestionably will make due note, but I think we earthbeings down here ought to place in the Record that I, for one, and those constituents I represent, the 20th District, at that time, my district was the entire county and included the principal city of San Antonio.

San Antonio is the only large city that has total dependency for its source of safe drinking water, an equifer known as the Edwards underground aquifer.

It was necessary that we have legislation protecting that single source of safe drinking water for the city of San Antonio. So I had to come onto the House floor to offer an amendment to the Safe Drinking Water Act that was being handled by a Democratic colleague, and who would not accept my amendment.

But Dr. Tim Carter, who was handling the minority side of this legislation, rose and immediately accepted my amendment and revealed his knowledge about San Antonio's aquifer situation. I think the Record ought to show that he single-handedly allowed us to have that amendment accepted on the House floor, which is the only protection we have for the single source of water in San Antonio.

I thank the gentlemen for yielding to me.

Mr. HUBBARD. Mr. Speaker, I thank the gentleman from Texas for his remarks.

I would remind the Speaker that my 5-minute special order was actually substituting for the distinguished gentleman from Kentucky [Mr. Rogers], who succeeded Dr. Carter. He has been in a very important budget briefing.

At this time, I end my special order, knowing that the gentleman from Kentucky [Mr. Rogers] will ask for unanimous consent for 5 minutes of his own.

□ 1130

A TRIBUTE TO THE LATE HONORABLE TIM LEE CARTER

The SPEAKER pro tempore (Mr. Harris). Under a previous order of the House, the gentleman from Kentucky [Mr. Rogers] is recognized for 5 minutes.

Mr. ROGERS. Mr. Speaker, I thank my colleague, the gentleman from Kentucky [Mr. Hubbard] who represents the First District, for his words on this subject, and let me state at the outset that we want to invite the Members to participate next Tuesday, April 7, in a special order in recognition and in tribute to Dr. Tim Lee Carter, who, as the Members know, passed away this past weekend in Kentucky.

Dr. Carter was my predecessor and served in this body as a very highly distinguished Member of Congress from 1964 through 1980. We invite everyone who would care to participate to join with us in the special order next Tuesday at the conclusion of the regular session of Congress.

Dr. Carter was, of course, a beloved figure in his district and in Kentucky as a whole and, in fact, here in the Halls of the Congress and in Washington, DC. He was a man who had made his mark in so many different ways and a man who was beloved in every respect.

Perhaps Dr. Carter's greatest legislative achievements were in the 1970's, and perhaps even in the 1960's, in health care legislation. He was the ranking Republican on the Health Subcommittee of the Interstate and Foreign Commerce Committee, as it was called then, and he was the author and coauthor of much of the almost revolutionary health care legislation of that era. And, of course, that stemmed from his great compassion for his people and for people in general, for all mankind, and also from the fact that he was a medical doctor, a physician who had spent his earlier career in treating the folks in his district, in Tompkinsville, in Monroe County, and in the surrounding region. He was a traveling physician, if you will, who would go when called and who cared so deeply that he would go many times without sleep in his service to humanity.

So that was where this wellspring of support for health care legislation came from, growing from that deep-seated concern for his people, and that concern manifested itself here in the Halls of Congress where he was able, with a lot of help, of course, to write into the laws of the land legislation, and funding for it, which was able to provide for the greater good of humankind.

He had concern for people not only in this country but elsewhere, because Dr. Carter had been, I know, to other nations and observed their health facilities. I recall not long before he left the Halls of Congress telling me of his trip to Red China, and one of the things he looked at very closely there was the acupuncture treatment facilities in China. This fascinated him because of the numbers of people involved in this rather unique kind of medical service.

So his was a life of dedication to people. He was a statesman, and I am reminded that he was an adviser to Presidents and even to rulers of foreign lands, on health matters especially, and to others as well. I am reminded of that portion of that old poem that says in essence that "He could walk with kings nor lose the common touch." And indeed that typified Dr. Carter's life.

He was a man who was beloved in Washington, a man who always had a kind word for his fellow workers, his fellow Members of Congress, and the clerks, the policemen, and all those who serve here in the Nation's Capital, especially servicemen, because, of course, he was a veteran as well, having served as a captain in the medical service during World War II in the Pacific.

He was a kind and compassionate person. If there is one thing we could say about Dr. Carter above all others, I think it is that he was a kindly and soft-spoken but fiercely determined human being who had great compassion for his fellow human beings.

Dr. Carter has gone on now to be with his dearly beloved son who left this life at age 21. That broke Dr. Carter's heart, having occurred not long before he retired from this Chamber. His son was a young man, a beautiful young man, who died of leukemia. I have always thought that perhaps that did break Dr. Carter's heart, because being the physician that he was and being unable to cure his son of this incurable disease, it would certainly break his heart.

So I would hope that the Members would join us next Tuesday, April 7, for this special tribute to Dr. Tim Lee Carter, the late Congressman from the Fifth District of Kentucky in whose footprints I am attempting to walk although without much success in filling his shoes.

Mr. Speaker, I hope our colleagues will join us next Tuesday.

THE LESSONS OF HISTORY

The SPEAKER pro tempore (Mr. Harris). Under a previous order of the House, the gentleman from Texas [Mr. Gonzalez] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, on Monday I continued to address the question of the fragile state of being that I am convinced we have for some time faced in two of the key organs of our Government, the executive branch, which has been in some turmoil for some time since the assassination of President Kennedy, and the legislative branch, which ironically in the name of reform has necessitated now the crying need for reform of the budgetary processes. This is a problem that the Budgetary Reform Act of 1974 was supposed to solve and prevent but which we take for granted now. I think this is at the price of the erosion of institutional integrity in the legislative process.

The whole question in both areas of concern can be summed up, I believe, as generally a compromise of integrity, either individual integrity or collective institutional integrity.

History shows that all societies and all governments from the time that we have had fairly accurate writings of history have confronted the same identical forces. The same basic questions that mankind has addressed from time immemorial confront us today.

I think that those who read the Scriptures for their guidance in life are probably the best suited to decipher the basic issues which are still confronting us. The basic issue always has been, and continues to be, the question asked by Cain: Am I my brother's keeper? I think that is the $64 question, and each one of us answers it in the light of his understanding.

In the case at point, I referred Monday to the fact that we have become accustomed to accepting a violation of the Constitution and of our statutes by the President, particularly in those actions that capture the popular imagination and approval, the attempt to knock off an unpopular figure, Qadhafi, but which resulted in the death of quite a number of innocent children, women, and elderly persons.

□ 1140

Our American public is not aware of what, for instance, a European press has brought in that connection. The literally dozens of Libyans that were taken in in France in the French hospitals by the surgeons and the physicians that attempted to patch up and fix up some of the children who were maimed and wounded severely in that bombing of the so-called Qadhafi headquarters but which the President announced was intended to bomb the training headquarters of the terrorist camps that were supposed to exist or do exist in Libya.

The fact is that the President usurped his power. The Congress, rather than calling him to account, applauded. Within 8 hours of the event, all the leaders in and out, on both sides of the aisles, in both sides of the rotunda, Senate and House, were rising to compliment the President. Some of us were dissonant in expressing some views that were certainly not popular. Same thing on the occasion of the invasion of Grenada. It was a popular thing. The President was able to sell it, but in doing so, he violated 4 laws, three of them the force of law because they were treaties. Of the three treaties, our country had taken the initiative in bringing around the formation, formulation and adoption of those treaties. The Treaty of Rio, the Understanding of Puenta del Esta and the others; they were all violated. Nobody wanted to look at that because it was a popular thing.

How could we stand by while a Cuban, Communist-type of preparation was underway and taking place in this place known as Grenada which very few people realized, not even the size of, well it was not even the size, geographically speaking, of the District of Columbia, and population-wise more than about 110,000 people, so that the resulting factors are being reported.

Several books have been written. One in which a military expert pronounces that as a military failure, and of course, I would refer my colleagues to that book in case they want to know just what, from a military standpoint, was considered a failed mission. It cost the lives of some 20 American service personnel.

But everybody forget that the invasion was ordered less than 30 hours after the demise and the death of 241 marines in Beirut, and why they died, and what the almost unbelievable, heedless disregard of the Commander in Chief of the unanimous advice of the chief professional military experts our country, at great expense, has provided our President with. Not for 14 hours but for 14 months. There were some of us that were speaking out then and saying, "Mr. President, you are violating the 1974 War Powers Limitation Act," but nobody in the Congress seemed to much care. These were lonely, isolated voices that in our system, where power is the law, whether it is power political or power of wealth, that rules the day; let us face it. Our standards of success are what is the size of your bank account. If you are successful that way, then we ascribe the potential for success in every other endeavor, including governing, including politics, which, of course, sober thinking reveals that to be fallacious and mistaken.

All of these are symptoms. The fact that I rise today motivated by the same, basic thrust that motivated me getting up and enjoying this great privilege, taking the time, and placing into the RECORD my utterances, is the same as the one that motivated me Monday and the one that motivated me in 1982 and 1983 with respect to the so-called deployment of the marines in Beirut and the President never once defining the mission, not for politicians, not for ambassadors, not for diplomats, but for warriors. Of course, the catastrophic result, the loss of this American human component of our society.

I do not think the average American has reached the point that we accept what we attribute to other, less happier civilizations where we figure that in that civilization human life, individual human life, is expendable. During the Korean conflict, we would read about the human waves, once the Chinese entered the fray, and we ascribe that to Oriental carelessness for the value of individual human life.

But the fact is that we are becoming enured to that. Two hundred and forty-one marines. What does it mean to those that suffered that loss like this distraught father in Philadelphia who called me all the way to Texas about 3 or 4 months after the death of his son, the youngest marine killed in Beirut. He was asking questions. How many of my colleagues realize that those 241 marines were not considered to have died in action or in service or in combat? They are listed as having died in an accident, and this poor father was calling me, sobbing on th phone, saying, "I have a letter fro the Marine Commandant, I have letter from the Secretary of Defens and they are telling me that the regret that my son died in an acc dent." He said, "My son was a marin he wanted to be a marine. He wa doing his duty for the country. He wa engaged in a mission for his countr How can you explain this, Congressman? We notice that you are the onl one that has been raising your voice and we saw the other day that yo had introduced a bill that would provide a $50,000 policy to our servicemen to be paid in the event of their deat in an undeclared war."

Well, of course, I never even wa able to get a hearing on that bill, bu the fact remains that the advisor tha died in El Salvador 2 days ago, as wel as our helicopter serviceman who die in Honduras while on erstwhile training, neither one of them will be place in the records as having died in the line of duty; they will be listed a having died in an accident. I think that is something that we should have learned since Korea and Vietnam, that no matter how vast, no matter how great a power and a potential nation we have, we cannot afford to be this careless with even one of our American lives.

I first raised this issue in May 1963. Now, who was President? The dearest and most personal Presidential friend I have ever had, John F. Kennedy. The reason was that I was invited by the commander then of the 433d Reserve Unit in San Antonio because the colonel then told me, "We understand that this family is a good friend of yours and we have a young airman that we are going to honor, and his father, we are told, is a long-time friend." I said, "Yes, I have known this boy since he was born." I went to the ceremony on a Sunday before taking a plane to return to Washington, and I was intrigued by the fact that the young man was being decorated or commemorated for 300 missions in an unknown place, nobody at that time, May 1963, if you had asked the average Member of the House or the average citizen on the streets, "Where is Vietnam?" they would have looked at you and stared and said, "Well, I do not know for sure."

It turned out that this young man was an advisor. He was a military advisor, one of several that then were in what we now designate as South Vietnam. He had been on a helicopter as cargo master, when, on the last run they received hostile fire, and as he told me, he said, "Listen, Congressman, I did not want to get shot down over a rice paddy. I ordered the RVN to fire his gun because we are not allowed to carry guns."

☐ 1150

I said, "What do you mean, you are not allowed to carry arms? What are you doing out in an area where you are going to receive hostile fire and face the possible loss of life or serious bodily harm?"

He said, "Well, that's the way it is. In fact, didn't you ever get a request from my father? I asked him how he could get a .45 revolver for me to have with me, because no matter where we are, even if we are in a city, we have need for personal arms."

I said, "Well, no, I never received such a request, but it intrigues me why if you are an advisor you would be exposed unarmed, without the elemental right of self-preservation."

He said, "Well, anyway, I ordered the RVN to fire. He wouldn't, so I grabbed the gun and fired and pulled out. When I landed they threatened to report me for violating my advisory status, so the CO thought it would be best for me to be shipped back and that is why I am here."

I came back to the Congress and noticed there was going to be a briefing by the State Department. At that time we used to have Wednesday morning briefings. I noticed that the briefing was going to be conducted by William or Bill McBundy, the Head of the Far East desk, so I made a proposal to be there, and I was. When he finished, I asked him the question. I said, "Why is it that we have Americans, by what logic is this Alice in Wonderland contortion? If you are going to have advisers and they are going to be exposed to hostile fire, why aren't they prepared to defend themselves?"

"Well, no, they are not supposed to be in hostile fire." He did not understand that, and besides, the ruling regime in South Vietnam at that time, the Diem regime, later assassinated in October that year, requested advisors.

I said, "I don't care who requested them. If I have constituents who are in the service and they are going to be asked to go in uniform anywhere where they are going to face hostile fire, I want them to have the means of defending themselves."

Well, I got no response until I was invited to the White House. President Kennedy used to invite me pretty often to those so-called gatherings. I button-holed the President and I said, "Mr. President, what about this situation? I don't think you want to be knowledgeable that this is going on."

He said, "No," and he laughed and he turned me over to Kenny O'Donnell, his special assistant at that time, personal secretary.

Well, weeks later I still had not heard any kind of resolution, so I kept bugging not only the White House staff, but I tried to get information from the Defense Department and all I got was the same thing we are getting now in the case of Central America.

To make a long story short, on that last fateful trip to Texas, I was still a thorn in the side of the President with respect to that and a couple other matters; so he invited me, I was one of three Members of Congress who were on Air Force One. The first place to touch down was my district, San Antonio. The President came out after we were aloft about 15 minutes and had a little brief conversation. Shortly after that, Larry O'Brien whispered something in his ear and he got up and said he had to leave, he was going to go into a little compartment they had there. My understanding was the First Lady was resting there, but as he was leaving the aisle, he turned around, looked at me and he said, "By the way, I've ordered all of those men out by the end of this year, and that includes the helicopters."

At first I did not know exactly what he had reference to. The President was great for doing that. On a couple other occasions he had done the same thing. He had reminded me, for instance, of a telegram I had sent him in December 1960 when I was a State senator. I had campaigned in 11 States for the Kennedy-Johnson ticket. I saw in the newspaper where he was thinking of appointing his brother Attorney General. I thought that would be a serious mistake, so I sent him a telegram saying, "Please don't do that. I think it's violative of nepotism. Besides, the combination of these two very powerful Offices is not good from the standpoint of the Nation."

Then I sent a similar telegram to his brother, Robert, with whom I had also campaigned and met and said, "If offered, please don't take it. You can serve your brother better in a nonofficial capacity."

Well, I never had an answer until at that point I did not dream I would be running for the House of Representatives or the Congress, until 1 year and 1 month later after I was sworn in, in fact, 2 years. In 1962 I was invited by Vice President Johnson to accompany the movie actor, Charleton Heston, to go pay his respects to the President. When we went there, the President came out, chatted briefly with Charleton Heston, seemed to be very knowledgeable about all the Hollywood gossip. Then he was called into his office and before he went in he did the same thing. He turned around and said, "By the way, Senator"—he called me Senator since I had been a State senator. He said, "How else would you expect me to have given Bobby a chance to get legal experience?"

That was the only acknowledgement I know that I ever had of the telegram I had sent him in December 1960 at a time when I never dreamed I would be up here; so that when he did the same thing, it was obviously in reference to the way I had been bugging him about this anomalous, in my opinion, improper diversion of American service personnel under, I felt, very questionable circumstances; however, I never heard about any decision until just 2 years ago when the historian Schlesinger in a review mentioned that he had come across a Presidential order that had been or was going to be issued by the President mandating that all that personnel and equipment be back and out of Vietnam by the end of that year.

That is all I know about these events; but the reason I bring it up is that it was not until 1982 that I had two constituents that formed part of the contingent of advisers to El Salvador. One of them got hold of me the same way as this little airman did in 1963 and said, "Hey, Congressman, I'm your constituent and I'm concerned." He said, "The Embassy officials, the American Embassy officials are being paid 40 percent more hazard duty pay. They travel in armored cars. They are also in a fortress, but we who walk the streets in uniform, we have bombs going off every night over here in the capital and we are not allowed to carry any arms," and I could not believe it.

We have learned nothing since 1963, and further, this little soldier began to tell me that what everybody felt in the American contingent, particularly the CIA, was that all that had to be done was to knock off some of these revolutionary leaders and all the problems will be resolved.

It was very difficult for me to make this young man understand that there was a civil war going on in El Salvador. This was not, as Alexander Haig had tried to make out in 1981, an East-West confrontation. This was an indigenous and continues to be an indigenous civil war. If there was any country in the Latin American context of things that Fidel Castro did not really know, had nothing to do with any one of the five different revolutionary movements in the smallest country in Central America, El Salvador, it was El Salvador; and yet here we are as our national leaders have perceived since Secretary of State Alexander Haig drew the line the first month he was Secretary of State in 1981.

In the meanwhile, though, the disarray in our process, the brutalness of our society at this point, impells me to rise maybe perhaps as I used to say in the State senate, that it was like a coyote out at midnight braying to the Moon. Maybe so. So be it.

☐ 1200

But at least I feel that it is my bounden duty out of the love and respect I have, not only for this institution but for each one of my colleagues, for the great sense of gratitude profoundly felt in every sense—body, heart, and soul—for the freedom of this country.

Nowhere could it have been possible for the likes of me to have been elected by his fellow citizens to all of the levels of representation from the lowest local, State, to the highest, with the particular attributes—no social standing, no particular economic base or anything—except here. And it grieves me to see that the blindness, the misperceptions of our leaders in and out of the Congress, in and out of the White House, are leading us to what I consider to be an inexorable catastrophic ending or perhaps sequela, not an ending, because what we do not see is that destiny has mandated that we share this part of the world with this host of nations: to the north, Canada; to the south, all of the array of nations down to Argentina.

As I said on the first occasion that I spoke out on this subject matter, which incidentally was April 1, 1980—and it was not President Reagan who was President, it was Jimmy Carter—the reason I rose was because for 6 months I had tried to have access both to the White House level and above all the State Department level because it seemed to me the last few months America had as leverage of moral suasive power of leadership in the New World through the established institutions that we ourselves had taken the lead in establishing—the Organization of American States.

The tragedy is that Mr. Carter did not see fit to utilize that leverage. Of course, he was involved in his reelection campaign. But I felt impelled to speak, whether or not anybody would or would not listen. The record is there.

I hate to say—I never take any pride in saying, "I told you so." I always when I speak, impelled as I have been the last few times here, it is with a distaste in my heart and soul, because I am always hoping that at least I will be 50 percent wrong, and it has been very, very demoralizing to find out that it is not the case.

For instance Monday I said that here we are concentrating, the President was bent inexorably, and he is not going to change the course of direct military intervention in Nicaragua, that the thing was being looked at very deceptively and sort of unilaterally, as if you can isolate Nicaragua from the rest of that whole isthmus.

I said everybody in America feels that we have won in Salvador because we have imposed Napoleon Duarte. I said, "But he's teetering." And after $4 billion in 6 years of investment in El Salvador—$4 billion that we could better use to shore up our brittle society, to help stem the erosion of our infrastructure in our cities and our communities, both rural and urban. Instead, after $4 billion-plus, and 6 years, I said this Monday, before there was any report that one of our servicemen was killed, because it had not happened Monday, but I was just merely trying to convey to my colleagues a more realistic perception of what that world is there now today.

If President Kennedy were President today and he were to broach his Alliance for Progress, I would say, "Mr. President, it isn't going to work in 1980. It's another world down there. It's gone forever."

The 1960 context was fine. The President could announce a unilateral program, which is what the Alliance for Progress was. We could have Fidel Castro hootin' and hollering and saying, "It won't work, because those Americanos don't have the gold to support a meaningful Alliance for Progress."

Well, it turned out that that was correct, but that was not 100-percent correct. There were other factors that we could not comprehend and we could not have handled anyway, because that was another world. The world has changed.

It is the same thing with respect to Europe. It is the same thing with respect to what is happening to us, but that we do not perceive. We like to think that say the Republic of Mexico is less savory and less stable, but the Republic of Mexico, for instance, has not had one national leader assassinated since 1923. We in the United States just in one 10-year period had four either assassinated or attempted assassinations, and one more in 1981 with the attempt on President Reagan's life.

We do not like to look upon ourselves as having a banana republic, if you will pardon that expression, type of instability, but let me point out why I said what I said, that America had reached this point of the sacrament of decision. It is not for us to say that we will endure as we understand our Constitution and Government, to celebrate its real 200th year in 1989. We will not celebrate the 200th anniversary of our form of government until 1989, when we had the first Congress that year, in March, with the implementation of the Constitution which had been adopted finally. We are celebrating the 200th anniversary of the writing of the Constitution.

I pointed out Monday that at this precise time in that year, in the spring, the sessions had opened in Philadelphia, and you had men like John Adams, great brilliant minds, Jefferson, overseas, our Ambassasor to Paris, John Adams, our Ambassador to London.

They got concerned, and John Adams wrote this beautiful treatise. In fact it was published and printed and reprinted three times by the time the Convention finished its business. These were missives that John Adams wrote to men like James Madison, Mason, and the others, and Wilso who were actively involved in the wri ing of the Constitution.

He was saying, "Hey, look, whateve it is you do, the lesson of mankind an government and preservation of fre dom and trying to ensure democracy i that you have a division of powers, counterbalance of powers. You canno have and preserve freedom with a overweening deposit of power in an one of these branches."

And then he quoted the great experiences. He referred to Cicero and ho he was trying to stem that erosion o the republic, the republic which ha enabled Rome to become an empire Cicero was quite futilely trying t stem what was going to be the era o the Caesars, the loss of the republic and the infusion of alien cultural way of life. The rest is history.

□ 1210

What we are experiencing at this point is whether we too will have a reaffirmation and a sacrament of decision as the prophet Elijah described when he planted the question before the Israelites as to who do you follow, the false god or the true God, and it was only after a test of fire that the Israelites said, oh, yes, we believe in the God, the true God. And in America today we Americans are being asked to pass on this great occasion as to whether or not we will have the resources for each one of our countervailing powers to rise to the occasion, in this case the first branch, article I, the Congress, and say to the President, we have not yet abdicated the Constitution to a willful and a power-seeking President. We are not going to allow any further a repetition of the errors that have been costly in blood and treasure to our Republic, as the cases in Southeast Asia amply reveal.

Had you not had the results in Southeast Asia, I doubt seriously we would have had the Iranian hostage-taking experience, because with each one of those the Nation has lost credibility. This is what is happening now.

I talk about the need to realize that we must share our destiny with these nations, at least in the Western Hemisphere, with the wit and the will that our country stands for. All I believe is necessary is just stand true to the basic revolutionary principles that America stands for and has stood all along. It is interesting to note that most every single revolutionary movement since Ho Chi Minh in the 1950's always referred to the American Revolution as their patron saint of revolutions, and that that was their hope, that was what they were struggling for, to throw off a foreign tyrannical yoke. And this is true today, and I firmly believe that in our contests such as they are described today on this earthly globe that that country which best understands revolution is the one that is going to triumph.

We cannot abdicate and go back and take the role of the corrupt and tyrannical kings who are trying to prevent the independence of these yearning nations for freedom, and we are not going to succeed any more than those kings did. And it is written, what we see now, which I think is susceptible of misunderstanding as reflected by the President's remarks the day before yesterday after the announcement of the death of the serviceman, the adviser. Here we had about 100 guerrillas attacking the most powerful army base in El Salvador, and they were able to commit mayhem at will. This was a place that just a few months ago we had a recital, a chorus of testimony about how we had succeeded, how at least we had a sponsored election that we paid for, lock, stock and barrel in El Salvador, giving us stability. But the truth of the matter was that that is illusory and self-deceptive, because at the same time we were inaugurating with our curious attack helicopters, terrible attacks on huddled, frightened elderly peasants, not revolutionaries. We have been responsible for the mass destruction of more human beings in El Salvador alone than anything the Communists have done. Like it or not, it is not a pleasant thing to say, but it is the truth. And what is it for?

We have heard comments since the President's that this proves, the death of this serviceman in El Salvador proves how we have to stand fast and fight those dirty Communists. But what about the serviceman who died in Honduras? What are the actual facts there? Do we blame the nasty Communists for that? What about these 17 other servicemen that have died in that Central American section of the New World? They were active duty servicemen. They have not even been visible. But nevertheless, we must ask the question: Wherein is the responsibility of the Congress? The Congress should know by that that its attempt to sanitize a nasty affair for which actions our Government, meaning our people, have been convicted before the World Tribunal of Justice as guilty of the crime of state terrorism against Nicaragua. There is not one country that sympathizes with our actions. I will not even dignify it by calling it a policy because it is not. Canada does not. None of the major Latin American countries do. The only ones that make clucking sounds are those we completely dominate, as we do Honduras. We are occupying Honduras. We have never been invited. The assembly in Honduras has never once—in fact, they have had some resolutions protesting the American military presence. That does not get reported up here, but these are the things that are going on.

We are totally unaware of the history, the culture of each one of the individual nations that you cannot lump all together any more than you can say that the revolutions in Nicaragua, the revolutions in El Salvador which have been ongoing since 1932 when you had a similar uprising there that was also costly in blood, you had over 35,000 Salvadorans die in that attempt, but those were days in which like 1929 where the policies or the practices that President Reagan seems to have adopted might have worked in 1929 with Calvin Coolidge when we invaded Nicaragua and stayed there for 13 years while we imposed both the civil guard or the national guard and Somoza.

Now we have got to face the facts, because we are living in such a world that its texture is entirely different. Through electronic communications the world has shrunk. The people in the mass, and I am talking now about 80 million more than we have total population in the United States, are no longer going to accept the oppression and the tyranny that they have had to take for 300 years. Those days are gone, nothing.

Now if we want to credit communism, which is not true, with these aspirations, so be it. All we will be doing is the very thing we say we want to prevent, and that is communistic, or in the name of communistic or Marxist-Leninist jargon the takeover of these countries, we ourselves in our perceptions and in our fears, distorting the world, such as it is there, will bring about and are going a long way in bringing about the very things we say we do not want to.

I have spoken this way back home. I do not take this forum to speak one way and another way back home, and I have introduced resolutions of impeachment, which is what I was speaking about Monday. And I want to point out how fragile we are.

I was one of 28 that voted no in 1965 when the resolution calling for the 25th amendment to our Constitution was entertained. I just could not believe that an American Congress that would concoct such a resolution, but it did, and it went through, and three-fourths of the States adopted it.

□ 1220

Ever since then, I have introduced and reintroduced repealer resolutions, and I will tell you why: Because it is like the sword of Damocles hanging over our head. I am going to refer to it because I think so many do not know what the 25th amendment is, and why we are so vulnerable, especially now.

Section 1 of the 25th amendment:

> In case of the removal of the President from the office or of his death or resignation, the Vice President shall become President.

That is fine. That has always been the case.

Section 2:

> Whenever there is a vacancy in the office of the Vice President, the President shall nominate a Vice President who shall take office upon confirmation by a majority vote of both Houses of Congress.

Well, we did that twice, for the first time in our history some 12 years ago. We ended up with the first two unelected Vice Presidents in history. Which, the men who wrote the Constitution I am sure have turned over in their graves 50 times. That is exactly what they did not ever want to happen.

Now let us go to section 3:

> Whenever the President transmits to the President pro tempore of the Senate and the Speaker of the House of Representatives his written declaration that he is unable to discharge the powers and duties of his office, and until he transmits to them a written declaration to the contrary, such powers and duties shall be discharged by the Vice President as Acting President.

Acting President. For the first time, a constitutional phrase, "Acting President."

Let us go to the more formidable and ominous section 4:

> Whenever the Vice President and a majority of either the principal officers of the executive departments or of such other body as Congress may by law provide—

And as far as I know, the Congress has yet to provide that.

Look here: The Vice President and a majority of the principal officers of the executive departments. When I read this, I went to the chairman of the Committee on the Judiciary at that time, the Honorable Manny Celler, and said, "Manny, what about this? This doesn't look at all logical or it looks very dangerous" and he kind of got perturbed with me. He was battling there, and he got—he just—I said, "What do you mean by that?"

He said, "Well, anybody knows that that means the Cabinet." Well, I did not want to argue any longer. I came back; but my question was not answered, so other questions were not answered, so I ended up voting "no," but I was the only one that placed in the record my reasons for voting "no."

Now—

> Whenever the Vice President and a majority of either the principal officers of the executive departments or of such other body as Congress may by law provide, transmit to the President pro tempore of the Senate and the Speaker of the House of Representatives their written declaration that the President is unable to discharge the powers and duties of his office, the Vice President shall immediately assume the powers and duties of the office as Acting President.

All right. What do we have here?

In 1974, Alexander Haig and then-Secretary Kissinger both told Mr. Nixon that if he did not resign, they were going to invoke this amendment, this section 4.

So what I had feared in 1965, that this was evocative of the old days of intrigue of the Roman Senate and the Catalinian conspiracies, and the orations of Cicero, trying to argue against those. We have them. We have that for the first time in American Government history; we have that potential.

It is more in modern times, as I said on the floor that day, is reminiscent of that French Republic that was about to cave in under the assault of the German invasion—full of intrigue and corruption, and fight for power among these contending personalities, all within the framework of the French Republic then.

Everybody seemed to think I was out of my water and probably a little loco.

All right. So they transmit this to the Congress. Thereafter, when the President transmits to the President pro tempore of the Senate, and the Speaker of the House of Representatives—now mind you, this is a President that is disabled.

His written declaration that no inability exists, he shall resume the powers and duties of his office, unless the Vice President and a majority of either the principal officers of the executive department or of such other body as Congress may by law provide, transmit within four days to the President pro tempore of the Senate, the Speaker of the House of Representatives, their written declaration that the President is unable; in other words, still unable to discharge the powers and duties of his office, notwithstanding that the President is saying, "I am able to come back."

> Thereupon Congress shall decide the issue, assembling within forty-eight hours for that purpose if not in session. If the Congress, within twenty-one days after receipt of the latter written declaration, or, if Congress is not in session, within twenty-one days after Congress is required to assemble, determines by two-thirds vote of both Houses that the President is unable to discharge the powers and duties of his office, * * *

Can anyone foresee that? Of course we can. We have an aging President with cancer in the Office. We have a President that almost instantaneously, as of the month of November 1986, lost all of this image, and credibility factor.

The Congress keeps probing what unquestionably has yet to be probed on this so-called malodorous Iran question. That will be the point which I predict, and I would not be surprised that it would be as soon as May and June when the President, to take away the attention as he did in the case of the marines dead in Lebanon, will invade Nicaragua.

After all, he has political generals like Paul Gorman, the former southern command general saying, "An invasion by our troops of Nicaragua is the equivalent of a 2-day training exercise for our Army."

Well, I remember when I was in college, and in high school, and they were talking about Japan. In 1936, they sent the *Panay*—this was an American gunboat in the Yantzee or Yellow River, I forget which—and there was a great alarm about these "darn Japanese" and everybody was saying, all the military experts and our leaders were saying: "Ha. Japan? We'll wipe it off in 4 weeks' war. Wipe it off, wipe it off the face of the Earth. Just 4 weeks' war." Well, it took 4 years.

I say that that is not the point at all. The point is that military solutions, which is what this administration and this President have been prescribing, unilaterally, without any attempt of diplomacy, are mistaken notions that are bound to lead us to catastrophe, to great loss of blood and treasure, and leave us leaderless in the new world, with hatred abounding; where we could, with wit and will, be the real leaders, as we have been, and accept it; and where we can in conjunction with the new world find the normal and natural outlet through give and take of our commercial and agricultural productions, bring a felicitous arrangement rather than one hate-filled and forever proscribing our future generations to an era of hatred and ill will, among these that should be good neighbors.

I say let us heed this. Also, let us really heed the people from America who have worked for years, the priests, the missionaries, the teachers, the doctors that have lived down there, know what it is; let us heed them instead of having the FBI raid their offices and intimidate them on the return from a trip to Nicaragua.

Let us heed, let us use some common sense. There is no need, unless this is a premeditated coldly calculated way of doing things which, as I describe as a catastrophic decision.

I cannot help but believe that there would be enough voices. I noticed just a few days ago, in fact the day before yesterday, there were at least three Members of the other body, the same party as the President, who said, "Mr. President, unless you make some effort to go diplomatic, we're not going to support you any longer."

□ 1230

Now that is our hope. Our hope is in this body, that at the time of the greatest in need for the American people to have the system working, that its Representatives rise to the occasion no matter how much unpopularity may attach to it politically for the time being.

We have got to trust the judgment, the good will that is inherent in the overwhelming preponderant majority of the American people. I certainly have, because I would not be here had I not relied on that faith.

But at this time, Mr. Speaker, I as
unanimous consent that at this poi
in the RECORD we place an article a
pearing in the New York Times Mag
zine of March 29 entitled: "Poetry a
Power in Nicaragua," by Francis
Goldman, who is not necessarily e
amored with the Sandinistan nor t
Nicaraguan revolution, but it is a go
article because it brings out the poet
nature of a great people.

It was Nicaragua that gave the ou
standing poet of the century, Rub
Dario, who wrote poem after poe
synthesizing what you want to call t
Latin American or Spanish America
ethos and spirit with regard to t
United States.

He was a great admirer of Wa
Whitman. He also described Theodo
Roosevelt as the predecessor of "Yo
the blue-eyed, who will be the futu
invaders of our nation."

These are the things and the peop
and the minds and the philosophie
and the poetry that we ought t
become acquainted with because a
least this article has a very good sum
mation of the context of the litera
effort in the light of the revolutiona
developments. But like in all revol
tions, the Mexican Revolution, for i
stance, was institutionalized. The off
cial party is the institutionalize
party, and yet they had to recogniz
that time marches on. You canno
freeze a revolution. Yet you are i
that 30-year bloody period of th
Mexican revolutionary active phase.

You had great things. You ha
actual harassment, if not persecutio
of the church. We had literally hu
dreds of priests, archbishops, and bish
ops in exile in San Antonio alon
during that period. I did not hear any
body talking about the infamous pe
secution of the church during th
Mexican revolutionary period. Why
Because there was a lot of sympath
for those conditions that the revolu
tion was trying to finally, in despera
tion, protest against and change, i
possible. For whatever reason, good o
bad, the clergy and the church was as
sociated with the powers that were en
trenched and had oppressed th
people. It is the same thing with ou
revolutions.

We in America do not understan
because revolutions, civil wars, mea
father against son, brother agains
brother, mother against daughte
May God preserve us. We suffered th
devastating Civil War. May God for
ever, forever allow America to remai
free, untouched by such strife. But w
cannot be responsible for those action
that we have become responsible for
that we have been found guilty an
convicted before the International Tri
bunal of Justice. It is not right and w
cannot prevail. We must summo
forth the heritage that Americ
stands for, even now, even among th

people and the peasants who are writing poetry in Nicaragua right now. They will say, "The American people are not against us. It is Ronald Reagan and his government."

Rightly or wrongly, I think this epitomizes the inherent admiration for this great land of ours. I say let us capitalize on that. Let us give that thing which the world is asking for more than a neutron bomb or space wars or whatever you want to call them; moral, suasive power of integrity. That is what the world is clamoring for, that is what America is unchallenged in.

Let us just be loyal to that heritage.

The aforementioned article follows:

[From the New York Times Magazine, Mar. 29, 1987]

Poetry and Power in Nicaragua

(By Francisco Goldman)

Sergio Ramirez Mercado, the Vice President of Nicaragua, has written a new book. It is first literary work since the revolution that ousted the 45-year Somoza dynasty in July 1979 and brought the Sandinista National Liberation front to power. First published early last year in Spain and then by Editorial Nueva Nicaragua, the Sandinista publishing house, the book is entitled "Estás en Nicaragua"—"You are in Nicaragua."

Ramírez, 44 years old, is frequently cited by Western diplomats in Managua as one of the most skillful of the Sandinista leaders. As Vice President, he oversees such disparate areas as roads and bridges, education, and the criminal justice system. He sits on the nation's economic planning council, and he is President Daniel Ortega Saavedra's close adviser on foreign policy. But long before the world was aware of the Sandinista front, Ramírez had a reputation as one of Latin America's promising young writers. The author of two novels—one of which, "Te dio miedo la sangre," has been translated into 14 languages and is available in the United States in a British edition as "To Bury Our Fathers"—he has also published a collection of short stories and three volumes of essays.

In his new book, a mosaic of reminiscences and essays, Ramírez presents an intellectual's self-portrait, a picture of the writer as revolutionary and political leader.

"I'm a politician out of necessity," says Ramírez, sitting behind a wide desk in his office in Managua. "I'd rather be just a writer. But, of course, I don't see a situation arising in the future in which I could devote myself solely to writing." His participation in the Sandinista revolution, he adds, "has been the greatest privilege of my life."

As the most prominent writer in power in Latin America, Ramírez is at the center of the controversy over the Sandinistas' attitude toward freedom of expression in the arts. He insists that his Government maintains a policy of complete artistic freedom, and that the Sandinistas have expanded the possibilities for cultural participation to all sectors of Nicaraguan society. Nicaragua, he says, is a country "whose people have unlimited admiration for the values of poetry, of poetic inspiration." "Our poets," he says, "have always been at the vanguard of whatever has been most contemporary in Latin America."

Yet it is this very tradition of individual artistic expression and accomplishment that a number of Nicaragua's intellectuals are now worried about, and that some even accuse the Sandinistas of having intentionally undermined. In Nicaragua's volatile setting, in which every act of oppression is justified by the Sandinistas as an emergency measure prompted by United States aggression and the war against the contras, the United States-supported rebels, the role of the writer in a revolutionary society is the subject of a continuing debate.

If Ramirez has a counterpart in the opposition, it is Pablo Antonio Cuadra, a poet of international reputation, and—until the Sandinistas closed it down last summer—the editor of long-censored La Prensa, Nicaragua's only opposition newspaper. Cuadra, 74, has been a literary mentor to generations of young Nicaraguan poets, many of whom he published on La Prensa's literary page.

In a 1984 essay published in Vuelta, a Mexican magazine, Cuadra wrote of the "Stalinization" of the Nicaraguan arts under Sandinista rule. Sergio Ramirez keeps a copy of the essay on his desk, its offending passages highlighted in yellow marker. In it, Cuadra accused the Sandinistas of insisting, like Castro in Cuba, that arts and letters should serve the revolution. Speaking last summer while vacationing in Ecuador, he reiterated the point: "If a writer is useful for anything, it's to break with propaganda. That's one of his obligations."

For many supporters of the Sandinista revolution, Sergio Ramirez is a moderate who personifies the hope that Nicaragua might one day evolve into a stable society, representative of that often-sought political "missing link," socialism with a human face. But he is not the only politically powerful writer in Nicaragua today. Among the Sandinistas there is Ernesto Cardenal, the famous poet-priest and the current Minister of Culture; the poet Rosario Murillo, wife of President Ortega and head of the powerful Sandinista Association of Cultural Workers, and a Sandinista commander, Omar Cabezas, whose Guerrilla memoir, "Fire From the Mountain," is the largest-selling book in Nicaraguan history.

For a while, the Sandinista writers seemed to insure a revolution that would protect freedom of thought and expression. How could writers of the stature of Sergio Ramirez and Ernesto Cardenal, so close to the very center of power, endorse censorship? Yet last year, even before the closing of La Prensa, the Roman Catholic Church's radio station was shut down. And now, more than seven years after the "triumph," as the Sandinista revolution is called, there is no dissenting voice accessible to the general public through the nation's media.

At issue in the argument over artistic freedom is the ideological nature of the revolution itself. The crushing circumstances faced by writers and artists in the Soviet bloc and Cuba are recognized throughout the West as one of the defining evils of Communist totalitarianism. The Sandinistas claim their ideology to be nationalist-revolutionary, borrowing from Western liberalism as well as from Marxism—though under Sandinista rule Nicaragua hardly resembles a coherent fusion of these influences. It is a country whose poetic tradition is regarded as a national treasure, but the true legacy of that tradition is individual artistic expression.

The Sandinista arts program was conceived to expand cultural participation (and literacy) beyond an educated elite. The Ministry of Culture, created after the revolution, for example, sponsors poetry workshops in 24 popular culture centers established for the general public throughout the nation. The Sandinista Association of Cultural Workers, by contrast, is for artists who have reached a level of accomplishment.

At the association's headquarters, the Casa Fernando Gordillo in Managua, poets, painters, dancers and the like are provided opportunities to pursue their arts. There are regular classes and readings, as well as theater, jazz and dance performances; it is also the home of a number of artists' unions, whose function, in the words of Rosario Murillo, is to "help creators disseminate their work, both here and abroad."

The results of these efforts are in many ways evident. For the first time, movies are actually being made in Nicaragua by nationals. Editorial Nueva Nicaragua has published more than 150 books, at prices that even poor Nicaraguans can afford. A volume of poetry receives a printing of at least 7,000 copies. Not all the published books are overtly political; some are by other Latin American and Spanish authors, including literary classics of this and previous centuries.

But the "democratization of culture," as the Sandinistas call it, can be interpreted as an effort to impose ideological uniformity as well. All publishers in Nicaragua are either affiliated with the Government or, if independently owned, pro-Government. In Managua's few bookstores, Sandinista-published books and magazines predominate, along with books donated by Cuba and the Soviet Union. The nonpolitical works of opposition writers, published before the revolution elsewhere in Latin America or by the writers themselves are harder to find, although still available. Overtly anti-Sandinista writing is nowhere for sale. The Sandinistas attribute the dearth of books imported from the non-Communist West to the shortage of hard currency caused by economic crisis.

Through the Ministry of Culture's poetry workshops, hundreds of "common people"—soldiers, policemen, peasants—have become involved in the country's cultural life. But many writers feel that the workshops pressure developing writers into writing politicized propagandistic verse, and that the workshop poets are favored by the cultural bureaucracy, such as the Ministry of Culture's literary magazine Poesia Libre, and Editorial Nueva Nicaragua.

Sergio Ramirez says there are no "dissident" writers in Nicaragua, and it is true that a majority of Nicaragua's young artists identify with the Sandinista revolution, the most dramatic collective event of their lives. In their work, many feel impelled to celebrate it. They consider themselves cultural workers. The Association of Cultural Workers organizes these artists into cultural brigades that travel to the war zones, where the Sandinistas battle the contras, to read and perform for the troops.

Since the turn of the century, Nicaragua has granted great prestige to its literary artists. Its poetic tradition—of a quality and diversity improbable for a country so small—is respected throughout the Spanish-speaking world.

Rubén Dario, who was born in 1867, is credited by succeeding generations of Latin American and Spanish writers with having revived Spanish poetry after more than a century of mediocrity. In the 1920's and 30's, the Vanguardia movement, a group of rebellious intellectuals, actively rejected the culture of the bourgeois-elite and its poets who pompously imitated Dario. Vanguardia produced, among others, Pablo Antonio Cuadra.

From the succeeding generation came Ernesto Cardenal and Carlos Martinez Rivas, considered by many to be the most important Nicaraguan poet since Dario. The Sandinista revolution has produced its own poet-celebrities, including the precocious Leonel Rugama, who died in guerrilla combat at the age of 20.

Inevitably, Nicaragua's writers have been drawn into their country's turbulent politics. Dario claimed to loathe politics, but he felt compelled to write many anti-imperialist essays and newspaper editorials; he even inaugurated the Latin American protest poem with his fierce "Ode to Roosevelt."

Salomón de la Selva was active as a campaigner in the United States on behalf of Gen. Augusto César Sandino when Sandino's peasant army was fighting the United States Marine occupation forces in Nicaragua in the 1920's and early 30's.

By 1935, the leading Vanguard poet, José Coronel Urtecho, believing a military dictator would put an end to the country's long history of civil wars, supported Anastasio Somoza Garcia. Somoza used the prestige of the Vanguardia intellectuals to help establish himself, then ignored and humiliated them. Today, Urtecho supports the Sandinistas.

It was a poet, Rigoberto López Pérez, who assassinated the first Somoza, at a ball in 1956, and was himself beaten and shot to death on the dance floor.

To Sergio Ramirez, the Sandinista front has always represented a cultural revolution as much as a socioeconomic one. His new book, "Estáas en Nicaragua," is a synthesis of themes that have long preoccupied him: literature and politics, Central American culture and history. The book was occasioned by a visit he made, during one of his frequent diplomatic tours, to the Paris grave of his friend, the Argentine novelist and Sandinista supporter Julio Cortázar, on the first anniversary of Cortázar's death.

Ramirez's generation is a product of the 1960's and 70's, decades of tyranny and violence in Central America. In "Estaś en Nicaragua," scenes of student massacres and university closings are memorably evoked. Many of Ramirez's young writer friends fell victim to what he calls "the cultural product par excellence" of the region's oligarchs: the death squad. But for the writer, exile was often the best choice, not merely the safest, for the same reason that Dario and so many other Central American writers since have chosen that path: the intellectual climate was stultifying. Ramirez himself lived for several years in West Berlin, until the Sandinista front beckoned him home in 1974.

Under the Somozas, writes Ramirez in his new book, the cultural style of the ruling classes was "Miami kitsch," while the peasant majorities continued to live in a state of illiteracy and enforced ignorance. It is against that reality that the Sandinistas justify, often dogmatically, their program of "democratization of culture."

In "Estaś en Nicaragua," Ramirez presents Julio Cortázar as the paradigm of the revolutionary artist: uncompromisingly adventurous in his work, politically committed in his life.

Ramirez, in his 20's, was just beginning to write when he read for the first time Cortázar's masterpiece "Rayuela" (in English, "Hopscotch"). An "anti-novel," a revolt against prosaic literary language, the antilinear story in "Rayuela" concerns Latin expatriates in Paris and their eventual homecoming. It is brilliantly comic, full of intellectual parody and a manner of slapstick, surreal episodes.

"Rayuela' liberated our language, absolutely," says Ramirez.

For Ramirez, the revolutionary literary esthetics of novels such as "Rayuela, Gabriel Garcia Marquez's "One Hundred Years of Solitude," and other works representative of the so-called "boom" in Latin American fiction during the 1960's fed easily into his developing esthetic of political revolution. In their creative freedom, the boom writers exemplified personal freedom; they also freed other politically attuned writers from their presumed obligation to write realistic novels of protest. The boom writers created new literary forms and authentic Latin American voices, uncontaminated by political rhetoric. Asserting themselves against the cultural domination of the United States and Europe, and defying the provincial tastes of the bourgeois elite at home they did many of the very things that young intellectuals like Ramirez believed actual revolutionaries could do.

A large, intensely thoughtful man who discusses literary subjects with animation, Ramirez today staunchly defends the Sandinistas' controversial arts program, rejecting the accusations of Pablo Antonio Cuadra and others that the Sandinista Government has imposed totalitarian strictures on expression. It is the predictable questions that transform him into a wearied politician giving predictable answers: La Prensa was closed, he intones, because it was receiving money from the Central Intelligence Agency and had become a tool of United States foreign policy inside of Nicaragua.

As proof of the Sandinistas' tolerance in the arts, he cites the publication in Ventana, the weekly cultural supplement of the official Sandinista newspaper, of an excerpt from Milan Kundera's novel "The Unbearable Lightness of Being." Kundera has lived in Paris since 1975, when Czechoslovakia's Government revoked his citizenship; his work is widely read as an indictment of totalitarianism and of the revolutionary euphoria that often precedes its establishment.

Ramirez says that he felt proud when Ventana published Kundera, even though Nicaragua has close ties with Kundera's greatest enemy, the Soviet Union. It was a symbolic act to publish him.

The Russian tanks were there, in his country. That's "a reality," says Ramirez. It is not, he adds, Nicaragua's.

Ramirez considers Cuadra a superb and nationalist poet, but says that Cuadra, prior to 1979, has "a romantic notion" of the Sandinista front and of the revolution. He didn't understand that the front's objective wasn't merely to remove Somoza from power, but to achieve a social and economic reordering of the society. As a member of "the old aristocracy," Ramirez argues, Cuadra naturally now opposes the Sandinista project.

The Sandinista revolution had the whole world on its side," says Pablo Antonio Cuadra. "We had a chance to mark out a true Nicaraguanidad. Instead, we've gone in the direction of Fidel Castro. Fidel could have been the leader of all Latin America, but, instead, sold himself to the Russians. We haven't had a real revolution here, because a revolution gives velocity to a historical destiny that's been coming along too slowly—our own historical destiny."

Don Pablo Antonio Cuadra—he prefer this traditional form of address—was born in 1912; he grew up in the decades of the Marine occupations. To his conversation about Nicaragua he brings the turned-down temperature of one who has seen his country endure too many calamities and dashed hopes to be persuaded by promises. An engaging man of old fashioned civility, in the context of contemporary Nicaragua he takes on the manner of an elder statesman

As a young man, Cuadra was a vanguarist and early supporter of Somoza. Disillusionment, however, came quickly. He spent much of his 20's attending to his family farm.

Sometime around 1940—he no longer recalls the exact year—Cuadra began to edit La Prensa's literary page. In 1954, he was lured into fulltime newspaper work by Pedro Joaquin Chamorro, the paper's founder and editor and a lifelong enemy of the Somoza dynasty. A man of heroic stature, Chamorro's murder in 1978 sparked the popular insurrection. Cuadra himself was imprisoned twice by the Somozas.

The summer of 1986 found Cuadra staying in Guayaquil, Ecuador. This was not the beginning of exile. He had been attending a poetry festival in Florence, when La Prensa was closed, and he continued on to Ecuador to visit relatives. Last fall, he taught Central American literature at the University of Texas, in Austin. After that, he returned home, though there is little chance that La Prensa will resume publishing.

"One of the things I find most estranging about this Government," says Cuadra, speaking of the Sandinistas, in the salon of a well-to-do house in Guayaquil suburb, "is that they always claim to be against the very things they're doing. They say they don't want to shut La Prensa, but then they do it. It's strange. Why this theater?"

In an essay Cuadra wrote years ago, titled "Our Obscene Symbol of Deception," he posed this trait, along with the verbal extravagance and charm that help to make a great liar, as central to the Nicaraguan character. It doesn't apply only to the Sandinistas, but, Cuadra says, they are masters of it. He believes the Sandinistas to be Marxist-Leninists who "wore masks to advance themselves," and says that he originally supported the Sandinista revolution because "if you asked them if they were Marxists, they said no, we're Sandinistas, or Marxist-Christians. Now they're people who've denied their deepest convictions. Among intellectuals, there should be honesty about reality. Love things for their true name; that's one of a writer's duties."

Cuadra insists that La Prensa advocated a nonviolent solution to Nicaragua's problems that involved all sectors of the society. And he feels that the contra war can only lead to a permanently factionalized and fanaticized country, as in Lebanon and Northern Ireland.

"The tragedy is that men become seized by ideologies," he says. "Ideologies are poison. That's the conclusion I've come to. Ideologies are a substitute for religion. But religion is transcendent. It's man's relation to God that's important, tremendous. Incorporating that into politics produces fanatics."

Sergio Ramirez, once "a good friend," has been, says Cuadra, "one of the surprises of my life." Instead of exerting a moderating influence in the Sandinista front, Ramirez has taken the hard line, believes Cuadra. He says that his own work has been censored, as was La Prensa's literary page; several young poets, he recalls, asked to have their work published anonymously in the newspaper, fearing that association with La Prensa might bar them from other publications.

The Sandinistas, Cuadra maintains, have subjected the arts in Nicaragua to a lowering of standards, a climate of conformity and intimidation. He bases this argument, put forth in the essay he published in Vuelta, on, among other things, two speeches given on the same day in 1980 by the Sandinista Commander Bayardo Arce Castano, who is not a writer, and Sergio Ramirez.

Commander Arce's speech on the arts that day contained the statement: "It must be remembered that art is worthless if it can't be understood by the workers and campesinos." The speech, says Cuadra "is an example of the pedantry of power," reflecting the vainglorious conceit that "the revolution should guide everything."

What Cudra took from Sergio Ramirez's speech that day pleased him no better. Ramirez's precise words were that Nicaraguan poets "had failed at creating an authentic culture, because Nicaragua wasn't an authentic nation." This has been a frequent Ramirex theme expressed in "Estas en Nicaragua" and elsewhere. His "authentic nation," the society the Sandinistas aim to create, has always been a place that, Ramirez claims, would be hospitable to poets, that would give them an elevated role in defining national identity—unlike Somoza's Nicaragua. He has repeatedly rejected "a recipe for the arts." And his position is at least rhetorically upheld by President Ortega, who refuted Commander Arce's Stalinist equation in a 1982 speech: Speaking about artists, he said: "If there is any advice we have, it is that they develop their imaginations, their creative capacities as they themselves see fit . . . free of any restrictions whatsoever."

Writing amidst the reality of censorship, however, Cuadra rejected the Sandinista position as another example of theater. "Arce . . . threw the first stone of tyranny," he wrote. "And to continue, Sergio Ramirez dynamited the past. Nicaraguan culture before the 19th of July, 1979, he said, 'is a failed historical project.'" This, wrote Cuadra, displays a totalitarian mentality, because Nicaraguan culture "has never been 'a project,' but life, agony."

Pablo Antonio Cuadra says that after the revolution the quality of Nicaraguan poetry went down, but now it is beginning to go up again. He is shown a list of contributors to a new magazine being prepared by two poets, members of the Sandinista Association of Cultural Workers' young writers union. "This is something new," Cuadra says, "but it doesn't surprise me." Several of the young people on the list are familiar to him; some have contributed to La Prensa. It is simply a list of names, nine young poets, but, Cuadra says: "It makes me happy. In the future we'll see more. I've always felt that the Nicaraguan has a great capacity to see his own reflection, to see the reality and save himself."

For the last year, Sergio Ramirez has been working on a novel, one that, he says, smiling, "has nothing to do with politics." But artistic freedom involves more than releasing writers from an obligation to propagandize—Cuadra, and many others, are not arguing merely for that. Ultimately, the more crucial question is whether the "freedom" granted to artists will be reflected in Nicaraguan society itself. The absolute nature of the Sandinistas' power to grant or deny that freedom arbitrarily was succinctly expressed by Ramirez when, explaining the sources of his disagreements with Cuadra, he concluded, almost impatiently, "Now we're in power, and he isn't."

CONGRESSMAN DYSON EXPRESSES OUTRAGE OVER WEST GERMANY'S INDECISION TO EXTRADITE HAMADEI

(Mr. DYSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DYSON, Mr. Speaker, I rise today to express my outrage over the proposal on the part of the West German Government to trade a known terrorist, Mohammed Hamadei, for West German hostages being held in Lebanon. For this reason, I have joined with Senator ALFONSE D'AMATO in introducing a resolution, House Concurrent Resolution 94, to communicate the outrage of the United States Congress at recent indications that the West German Government will negotiate such a trade.

Mr. Speaker, we in the U.S. Congress have a responsibility to take quick action condemning any such action. Indeed, this case merits our immediate attention if justice is to be brought to bear. Evidence compiled thus far points to the overwhelming guilt of Hamadei for the torture and subsequent murder of a young American Navy diver, Robert Dean Stethem, on the ill-fated TWA flight 847, June 14, 1985.

It is unfathomable that the West German Government, which has been heretofore committed to the eradication of international terrorism, would actually allow the terrorist Hamadei his freedom to continue his bloody rampage throughout the free world. Clearly, this compliant gesture would further handicap our efforts against terrorism. Now, more than ever, is the time for America to show the world that we will not tolerate the practice of trading hostages for terrorists. We must all learn from past mistakes and go forward against terrorism with renewed resolve and vigor.

Accordingly, I am confident that my colleagues in the House of Representatives will expeditiously approve this resolution. The resolution will serve to convey a strong, clear message to the Government of West Germany condemning the release of an international murderer. The United States must never waver from its commitment to thwart terrorist activities—and I believe that this resolution is a step in the right direction.

WHAT MAKES SCOUTMASTERS TICK?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi [Mr. MONTGOMERY] is recognized for 5 minutes.

Mr. MONTGOMERY. Mr. Speaker, W.A. Suggs of Memphis brought the following article to my attention. It was written by Dr. Nelms Boone, a clinical psychologist from Collierville, TN. It appeared in the Collierville Herald and pays special tribute to a group of unsung heroes in our society—Scoutmasters. I want to share it with my colleagues.

The article follows:

[From the Collierville (TN) Herald, July 25, 1985]

BOONE TO READERS

(By Nelms Boone, Ph.D.)

Scoutmasters always puzzle psychologists. There are no psychological tests to administer to find out who would be a good Scoutmaster and I don't know any school that teaches Scoutmastering. It's a complicated job. Scoutmasters are fearless leaders, counselors, disciplinarians, and good cooks. Most are geniuses in boy behavior. They lead, push, and pull all kinds of boys from wet behind the ears Webelos to girl crazy seventeen year olds who still want to make Eagle Scout.

Scoutmasters are also experts with adults. The mother of a twelve year old still wants to pack his knapsack and fix his meals. Fathers promise to go on campouts with the troop and then alibi at the last minute. And there's the father who wanted to pass his son on the swimming merit badge in a backyard pool. Later at summer camp the Scoutmasters learns that the boy can't swim.

The Scoutmasters I've known have been good citizens who were successful at earning a living. They've taken a second job that requires talents and mountains of energy. They all have certain characteristics.

Scoutmasters are honest. I answered a want ad and brought a second hand truck over the phone—when I learned that the owner was a Scoutmaster. It's been a good truck.

Scoutmasters are friendly. My best friend is a long time Scoutmaster. I've heard five other people say that he is their best friend, too.

Scoutmasters are thoughtful. The first Scoutmaster I knew died when he was 90. He sent me a Christmas Card six months after his death. Since he hadn't been feeling well he addressed his cards in the summer and left them for his daughter-in-law to mail. He believed in the Scout motto "Be Prepared."

Scoutmasters are courteous. They don't put pressure on boys to learn how to cook. The scouts are permitted to cook the first time without instructions. After eating black, burned eggs they are not bored when he shows them how to cook.

Scoutmasters are courageous. They can say to an irate person, "Since your son is short one merit badge he is not a Second Class Scout and that means he can't go on the trip to Washington."

Scoutmasters are generous. I've never known a rich Scoutmaster but I've seen a poor scout who needed a uniform and didn't get it. A lot of anonymous financing goes on in most Scout troops.

Scoutmasters are loyal. There aren't any ex-Scoutmasters. They will always get back into harness and help out for a few days.

Scoutmasters are wise. I asked a hard working Scoutmaster, "Why do you do this, all your children are girls?" The weary man looked up from his battered World War II brief case where he was filing records and replied, "I'm thinking about what kind of men my daughters will marry."

Scoutmasters are fortunate. They know how it feels to have a former scout, now grown, say, "Let me carry the groceries for you," when you don't really need any help. If psychologists ever learn what makes Scoutmasters tick they will know a lot more about the good part of human nature.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. ROGERS, at his own request, for 5 minutes, today.

(The following Members (at the request of Mr. DORGAN of North Dakota) to revise and extend their remarks and include extraneous material:)

Mr. HUBBARD, for 5 minutes, today.

Mr. ALEXANDER, for 30 minutes, today.

(The following Members (at the request of Mr. HUBBARD) to revise and extend their remarks and include extraneous material:)

Mr. LAFALCE, for 10 minutes, today.

(The following Members (at the request of Mr. DYSON) to revise and extend their remarks and include extraneous material:)

Mr. MONTGOMERY, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. SCHUETTE) and to include extraneous matter:)

Mr. DREIER of California.

Mr. DUNCAN.

Mr. SHUMWAY.

Mr. DELLUMS.

(The following Members (at the request of Mr. DORGAN of North Dakota) and to include extraneous matter:)

Mr. BEILENSON.

Mr. FLORIO.

Mr. UDALL.

Mr. ROYBAL.

Mr. COELHO.

Mr. VENTO in two instances.

Mr. LAFALCE.

Mr. VENTO.

SENATE BILL REFERRED

A bill of the Senate of the following titles was taken from the Speaker's table and, under the rule, referred as follows:

S. 477. An act to assist homeless veterans and their families by authorizing the Administrator of Veterans' Affairs to transfer or lease certain properties to non-profit entities for use as shelters, by requiring the Administrator to conduct a pilot program of activities to assist homeless veterans, to report on outreach services to such veterans, to conduct a survey of such veterans, and to conduct a pilot program of contract community-based residential care for homeless veterans suffering from chronic mental illness disabilities, and by extending the Veterans' Job Training Act and expanding homeless veterans' eligibility thereunder; to provide for a one-year postponement of the transition period for the Vietnam-era veterans readjustment counseling program and related reports; and for other purposes; to the Committee on Veterans' Affairs.

SENATE ENROLLED JOINT RESOLUTIONS SIGNED

The SPEAKER announced his signature to enrolled joint resolutions of the Senate of the following titles:

S.J. Res. 18. Joint resolution to authorize and request the President to issue a proclamation designating June 1 through June 7, 1987, as "National Fishing Week";

S.J. Res. 47. Joint resolution to designate "National Former POW Recognition Day";

S.J. Res. 64. Joint resolution to designate May 1987, as "Older Americans Month";

S.J. Res. 74. Joint resolution to designate the month Of May, 1987 as "National Cancer Institute Month"; and

S.J. Res. 96. Joint resolution designating April 3, 1987, as "Interstate Commerce Commission Day."

ADJOURNMENT

Mr. DYSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 39 minutes p.m.) under its previous order, the House adjourned until Monday, April 6, 1987, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

[Omitted from the Record of April 1, 1987]

1066. A letter from the Comptroller General of the United States, transmitting a report which discusses management problems at the Social Security Administration (GAO/HRD-87-39; March 1987); jointly to the Committees on Government Operations and Ways and Means.

[Submitted April 2, 1987]

1067. A letter from the Secretary of Housing and Urban Development, transmitting the 1987 consolidated annual report on community development programs, pursuant to 42 U.S.C. 5313(a); to the Committee on Banking, Finance and Urban Affairs.

1068. A letter from the Chairman, National Advisory Council on Women's Educational Programs, transmitting the 12th annual report of the National Advisory Council on Women's Educational Programs, pursuant to 20 U.S.C. 3346(c) (1) and (4); to the Committee on Education and Labor.

1069. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to extend and amend programs under the Older Americans Act of 1965, and for other purposes; to the Committee on Education and Labor.

1070. A letter from the General Counsel, Department of Energy, transmitting notice of a meeting related to the Internation Energy Program; to the Committee o Energy and Commerce.

1071. A letter from the Assistant Secr tary for Legislative and Intergovernment Affairs, Department of State, transmitting report on compliance with the internation arms embargo against South Africa, pursuant to 22 U.S.C. 5098; to the Committee o Foreign Affairs.

1072. A letter from the Chairman, Natior al Transportation Safety Board, transmi ting the Board's annual report of its activ ties for calendar year 1986 under the Fre dom of Information Act, pursuant to U.S.C. 552(d); to the Committee on Goverr ment Operations.

1073. A letter from the Chief Immigratio Judge, Executive Office for Immigratio Review, Department of Justice, transmi ting copies of the grants of suspension c deportation of certain aliens of good chara ter, pursuant to 8 U.S.C. 1254(c); to th Committee on the Judiciary.

1074. A letter from the Chairman, Federa Maritime Commission, transmitting th 25th annual report of the Federal Maritim Commission for the fiscal year ended September 30, 1986, pursuant to 46 U.S.C. apr 1118; to the Committee on Merchan Marine and Fisheries.

1075. A letter from the Secretary o Transportation, transmitting a draft of proposed legislation to amend rules 3 and 27 i the Inland Navigational Rules Act of 198 (Public Law 96-591; 94 Stat. 3415-3436; 3 U.S.C. 2000-2038) in order to conform then to the International Regulations for Preventing Collisions at Sea, 1972; to the Committee on Merchant Marine and Fisheries.

1076. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations to th Secretary of Commerce for the programs o the National Bureau of Standards for fisca years 1988 and 1989, and for other purposes pursuant to 31 U.S.C. 1110; to the Committee on Science, Space and Technology.

1077. A letter from the Administrator Veterans' Administration, transmitting draft of proposed legislation to amend titl 38, United States Code, to authorize the Administrator of Veterans' Affairs to provid on call pay to certain civil service health care personnel; to the Committee on Veterans' Affairs.

1078. A letter from the Administrator Veterans' Administration, transmitting draft of proposed legislation to amend titl 38, United States Code, to clarify the authority of the Chief Medical Director o designee regarding disciplinary actions or certain probationary title 38 health-car employees; to the Committee on Veterans Affairs.

1079. A letter from the Administrator Veterans' Administration, transmitting draft of proposed legislation to amend title 38, United States Code, to index rates of veterans' disability compensation and surviving spouses' and children's dependency and indemnity compensation to automatically increase to keep pace with the cost of living and for other purposes; to the Committee on Veterans' Affairs.

1080. A letter from the Administrator Veterans' Administration, transmitting draft of proposed legislation to amend title 38, United States Code, to provide authority for higher monthly installments payable t certain insurance annuitants, and to exempt premiums paid under servicemen's and veterans' group life insurance from State taxation; to the Committee on Veterans' Affairs.

1081. A letter from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to improve the administration of veterans health-care benefits, and for other purposes; to the Committee on Veterans' Affairs.

1082. A letter from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to extend the adult day health-care program and to authorize contract halfway house care for veterans with chronic psychiatric disabilities; to the Committee on Veterans' Affairs.

1083. A letter from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to revise and clarify VA authority to furnish certain health-care benefits, and for other purposes; to the Committee on Veterans' Affairs.

1084. A letter from the Chairman, U.S. International Trade Commission, transmitting the 49th quarterly report on trade between the United States and the nonmarket economy countries during 1986, pursuant to 19 U.S.C. 2440; to the Committee on Ways and Means.

1085. A letter from the Chairman, U.S. Institute of Peace, transmitting the report of the audit of the Institute's accounts for fiscal year 1986, pursuant to 22 U.S.C. 4607(n); jointly, to the Committees on Education and Labor and Foreign Affairs.

1086. A letter from the Director, Office of Management and Budget, transmitting a copy of the Supplement to Special Analysis D, which provides projections of Federal investment spending and a review of recent public civilian investment needs assessments, pursuant to 31 U.S.C. 1105(a); jointly, to the Committees on Public Works and Transportation and Government Operations.

1087. A letter from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to make certain improvements in the administering of tort claims and hospital cost collections, and for other purposes; jointly, to the Committees on Veterans' Affairs and the Judiciary.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ROYBAL (for himself, Mr. Rinaldo, Mr. Frank, Mr. Smith of New Jersey, Ms. Oakar, Mr. Lightfoot, Mr. Lent, Mr. Lott, Mr. Ford of Tennessee, Mr. Rangel, Mr. Manton, Mr. Latta, Mr. Leach of Iowa, Mr. Murphy, Mr. Saxton, Mr. Quillen, Mr. Ackerman, Mr. Alexander, Mr. Annunzio, Mr. Applegate, Mr. Bates, Mrs. Bentley, Mr. Bevill, Mr. Biaggi, Mr. Bustamante, Mr. Carr, Mr. Chapman, Mr. Clinger, Mr. Coelho, Mrs. Collins, Mr. Daniel, Mr. Davis of Michigan, Mr. DeFazio, Mr. Dellums, Mr. DeWine, Mr. Dickinson, Mr. Dowdy of Mississippi, Mr. Dwyer of New Jersey, Mr. Dymally, Mr. Dyson, Mr. Evans, Mr. Fazio, Mr. Feighan, Mr. Fish, Mr. Frost, Mr. Fuster, Mr. Gallo, Mr. Garcia, Mr. Gaydos, Mr. Gejdenson, Mr. Gilman, Mr. Gonzalez, Mr. Gordon, Mr. Gray of Illinois, Mr. Hall of Texas, Mr. Hawkins, Mr. Hayes of Illinois, Mr. Hefner, Mr. Hochbrueckner, Mr. Horton, Mr. Howard, Mr. Huckaby, Mr. Jones of North Carolina, Mr. Kanjorski, Ms. Kaptur, Mr. Kildee, Mr. Kolter, Mr. Lantos, Mr. McDade, Mr. McGrath, Mr. Madigan, Mr. Martinez, Mr. Mavroules, Mr. Mica, Mr. Mineta, Mr. Montgomery, Mr. Morrison of Connecticut, Mr. Mrazek, Mr. Natcher, Mr. Nichols, Mr. Owens of New York, Mr. Pashayan, Mrs. Patterson, Mr. Perkins, Mr. Price of Illinois, Mr. Rahall, Mr. Roe, Mr. Rose, Mrs. Roukema, Mr. Rowland of Connecticut, Mr. St Germain, Mr. Savage, Mr. Scheuer, Mr. Schumer, Mr. Shaw, Mr. Smith of Florida, Mr. Solarz, Mr. Spence, Mr. Stokes, Mr. Sundquist, Mr. Swindall, Mr. Torres, Mr. Towns, Mr. Traficant, Mr. Traxler, Mr. Vento, Mr. Volkmer, Mrs. Vucanovich, Mr. Walgren, Mr. Waxman, Mr. Weber, Mr. Wilson, Mr. Wise, Mr. Wortley, Mr. Wylie, Mr. Yatron, Mr. Young of Alaska, Mr. Weiss, Mr. Hertel, Mr. Coughlin, Mr. Weldon, Mr. Boucher, Mr. Clarke, and Mr. Boner of Tennessee):

H.R. 1917. A bill to amend title II of the Social Security Act to provide for a more gradual 10-year period of transition to the changes in benefit computation rules enacted in the Social Security Amendments of 1977 as they apply to workers attaining age 65 in or after 1982 (and related beneficiaries) and to provide for increases in their benefits accordingly; to the Committee on Ways and Means.

By Mr. ANDERSON:

H.R. 1918. A bill to amend title 38, United States Code, to provide a service pension of $150 per month for veterans of World War I and a pension of $100 per month for certain surviving spouses of such veterans; to the Committee on Veterans' Affairs.

By Mr. BEILENSON:

H.R. 1919. A bill to amend the Internal Revenue Code of 1986 to reduce the Federal deficit by increasing the tax on gasoline and other motor fuels; to the Committee on Ways and Means.

By Mr. CARPER:

H.R. 1920. A bill to amend title 10, United States Code, to authorize former prisoners of war to use Department of Defense commissary stores and post and base exchanges; to the Committee on Armed Services.

By Mr. DAUB:

H.R. 1921. A bill to amend the Internal Revenue Code of 1986 to allow monthly deposits of payroll taxes for employers with monthly payroll tax payments under $5,000, to establish a Fair Trade Advocates Office, and for other purposes; to the Committee on Ways and Means.

By Mr. DAVIS of Michigan:

H.R. 1922. A bill to improve the administration, management and law enforcement capabilities of the Coast Guard, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. DONNELLY:

H.R. 1923. A bill to amend title XVIII of the Social Security Act to require payments for physicians' services under the Medicare Program be made on an assignment-related basis; jointly, to the Committee on Ways and Means and Energy and Commerce.

By Mr. DREIER of California:

H.R. 1924. A bill to amend the Internal Revenue Code of 1986 to repeal the restrictions on retirement savings deductions added by the Tax Reform Act of 1986 and to allow up to a $2,000 deduction for retirement savings for a nonworking spouse; to the Committee on Ways and Means.

H.R. 1925. A bill to amend the Internal Revenue Code of 1986 to restore the preferential treatment of capital gains, to eliminate the retroactivity in the repeal of the investment tax credit by the Tax Reform Act of 1986, and to provide for the indexing of the basis of certain assets; to the Committee on Ways and Means.

By Mr. HERGER:

H.R. 1926. A bill to require that revenue collected by Federal agencies in the form of a user charge be obligated for certain programs which directly benefit persons required to pay such user charge, and for other purposes; to the Committee on Government Operations.

H.R. 1927. A bill to provide relief to State and local governments from Federal regulation; jointly, to the Committees on Government Operations, the Judiciary, and Rules.

By Mr. LaFALCE (for himself, Mr. McDade, Mr. Skelton, Mr. Ireland, Mr. Smith of Iowa, Mr. Gonzalez, Mr. Thomas A. Luken, Mr. Mazzoli, Mr. Mavroules, Mr. Hatcher, Mr. Wyden, Mr. Eckart, Mr. Savage, Mr. Roemer, Mr. Sisisky, Mr. Torres, Mr. Cooper, Mr. Olin, Mr. Ray, Mr. Hayes of Illinois, Mr. Conyers, Mr. Bilbray, Mr. Mfume, Mr. Flake, Mr. Lancaster, Mr. Campbell, Mr. DeFazio, Mr. Price of North Carolina, Mr. Martinez, Mr. Conte, Mr. Slaughter of Virginia, Mrs. Meyers of Kansas, Mr. Gallo, Mr. McMillan of North Carolina, Mr. McKinney, Mr. Rhodes, Mr. Upton, Mr. Owens of Utah, Mr. Ridge, Miss Schneider, and Mrs. Johnson of Connecticut):

H.R. 1928. A bill to amend the Small Business Act, and for other purposes; to the Committee on Small Business.

By Mr. MAZZOLI:

H.R. 1929. A bill to establish a Federal Courts Study Commission; to the Committee on the Judiciary.

By Mr. ROYBAL (for himself and Mr. Garcia):

H.R. 1930. A bill to amend titles XVIII and XIX of the Social Security Act to provide protection under the Medicare and Medicaid Programs against acute and transitional care costs; jointly, to the Committees on Ways and Means, and Energy and Commerce.

By Mr. MOORHEAD (for himself, Mr. Kastenmeier, Mrs. Schroeder, Mr. Hyde, Mr. Lungren, Mr. Crockett, Mr. DeWine, Mr. Morrison of Connecticut, Mr. Boucher, Mr. Coble, Mr. Slaughter of Virginia, and Mr. Cardin):

H.R. 1931. A bill to amend title 35, United States Code, with respect to patented processes; to the Committee on the Judiciary.

By Mr. RANGEL (for himself, Mr. Fuster, Mr. Hayes of Illinois, Mr. Gray of Illinois, Mr. Rodino, Mr. Frank, Mr. Roe, Mr. Leland, Mr. Dorgan of North Dakota, Mr. Bevill, Mr. Clay, Mr. Owens of New York, Mr. Towns, Mr. Smith of Florida, Mr. Chapman, Mrs. Collins, Mr. Solarz, Mr. Bustamante, Mr. Savage, Mr. Perkins, Mr. Levine of

California, Mr. Martinez, Mr. Dwyer of New Jersey, Mr. Bilbray, Mr. Feighan, Mr. Mfume, Mr. Lewis of Georgia, Mr. Fish, Mr. Ackerman, Mr. Lantos, Mr. Scheuer, Mr. Dellums, Mr. Flake, Mrs. Kennelly, Mr. Sawyer, Mr. Weiss, Mr. Ford of Tennessee, and Mr. Tallon):

H.R. 1932. A bill to amend part C of the Balanced Budget and Emergency Deficit Control Act of 1985 to exempt the Pell grant higher education assistance program from sequestration; jointly, to the Committees on Government Operations and Education and Labor.

By Mr. ROWLAND of Georgia (for himself and Mr. Jenkins):

H.R. 1933. A bill to require the Secretary of Health and Human Services to submit to the Congress a proposal for the regulation of long-term care insurance policies, including an analysis and evaluation of such policies as are available to individuals, and to amend the Internal Revenue Code of 1986 to allow tax-free distributions from individual retirement accounts for the purchase of long-term care insurance coverage by individuals who have attained age 59½; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. DINGELL (for himself, Mr. Markey, Mr. Coelho, Mr. Lott, Mr. Bonior of Michigan, Mr. Oberstar, Mr. Hyde, Mr. Brooks, Mr. Ford of Michigan, Mr. Weber, Mr. Pepper, Mr. Gingrich, Mr. Dellums, Mr. Dornan of California, Mr. Murtha, Mr. Fascell, Mrs. Schroeder, Mr. Leach of Iowa, Mr. Udall, Mr. Gray of Pennsylvania, Mr. Stenholm, Mr. Waxman, Mr. Dannemeyer, Mr. Walgren, Mr. Bliley, Mr. Leland, Mrs. Collins, Mr. Fields, Mr. Wyden, Mr. Eckart, Mr. Bryant, Mr. Nielson of Utah, Mr. Boucher, Mr. Lagomarsino, Mrs. Boxer, Mr. Rangel, Mr. Yates, Mr. Craig, Mr. Stokes, Mr. Dixon, Mr. Schumer, and Mr. Marlenee):

H.R. 1934. A bill to clarify the congressional intent concerning, and to codify, certain requirements of the Communications Act of 1934 that ensure that broadcasters afford reasonable opportunity for the discussion of conflicting views on issues of public importance; to the Committee on Energy and Commerce.

By Mr. SCHUETTE (for himself, Mr. Daub, Mr. Tauke, Mr. Craig, Mr. Whittaker, Mr. Sweeney, Mr. Bereuter, Mr. Lightfoot, Mr. Weber, Mr. Gunderson, Mr. McEwen, and Mr. Roberts):

H.R. 1935. A bill to amend the Agricultural Act of 1949 to require the Secretary of Agriculture to make deficiency payments for the 1987 through 1990 crops of wheat and feed grains based on the first 5 months of the marketing years for such crops; to the Committee on Agriculture.

By Mr. SHUMWAY:

H.R. 1936. A bill to provide a uniform product liability law; jointly, to the Committees on Energy and Commerce and the Judiciary.

By Mr. SISISKY (for himself, Mrs. Johnson of Connecticut, Mr. LaFalce, Mr. Skelton, Mr. Stenholm, Mr. Mavroules, Mr. Savage, Mr. Torres, Mr. Ray, Mr. Conyers, Mr. Mfume, Mr. Lancaster, Mr. DeFazio, Mr. Slaughter of Virginia, Mr. Olin, Mr. Hayes of Illinois, Mr. Bilbray, Mr. Flake, Mr. Campbell, Mr. Price of North Carolina, Mr. Conte, Mr. Ireland, Mr. Gallo, Mr. Combest, Mr. Rhodes, Mr. McMillan of North Carolina, Mr. McKinney, Mr. Chandler, Mrs. Roukema, Mr. Ballenger, Mr. Fawell, Mr. Martinez, Mr. Thomas A. Luken, Mr. Ridge, and Mr. Mazzoli):

H.R. 1937. A bill to amend the Small Business Act to establish a small Business Export Innovation Program to make competitive awards to small business concerns for the purpose of developing export trade strategies and knowledge essential for small business success in international trade; to the Committee on Small Business.

By Mr. VENTO:

H.R. 1938. A bill to amend the Internal Revenue Code of 1986 to provide an exclusion from gross income for that portion of a governmental pension received by an individual which does not exceed the maximum benefits payable under title II of the Social Security Act which could have been excluded from income for the taxable year; to the Committee on Ways and Means.

By Mr. VENTO (for himself, Mrs. Boggs, Mr. Lagomarsino, Mr. Coelho, Mr. Hughes, Mr. Roe, Mr. Lipinski, Mr. Dornan of California, Mr. Lewis of Georgia, Mr. Murphy, Mr. de Lugo, Mr. Richardson, Mr. Levine of California, Mr. Huckaby, Mr. Darden, Mr. Levin of Michigan, Mr. Beilenson, Mr. Horton, Mr. DeFazio, Mr. Gray of Illinois, Mr. Fauntroy, Mr. Bevill, Mr. Panetta, Mr. Bates, Mr. Sunia, Mr. Kostmayer, Mr. Fuster, Mr. Williams, Mr. Mrazek, Mr. Kennedy, Mr. Mavroules, Mr. Foglietta, and Mr. Crane):

H.R. 1939. A bill to provide for continuing interpretation of the Constitution in appropriate units of the National Park System by the Secretary of the Interior, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DARDEN (for himself, Mr. Akaka, Mr. Ritter, Mr. Bevill, Mr. Erdreich, Mr. Flippo, Mr. Dornan of California, Mr. Tauke, Mr. Henry, Mr. Wolf, Mr. Daub, Mr. Roe, Mr. Lipinski, Mr. Mrazek, Mrs. Boxer, Mr. Leach of Iowa, Mr. Dowdy of Mississippi, Mr. Wortley, Mr. Guarini, Mr. Sunia, Mr. Lagomarsino, Mrs. Roukema, Mr. Sabo, Mr. Lewis of Georgia, Mr. Hatcher, Mr. Mazzoli, Mr. Harris, Mr. Biaggi, Mr. Smith of Florida, Mr. Coats, Mr. Moody, Mr. Hayes of Illinois, Mr. Boner of Tennessee, Mr. Ortiz, Mr. Waxman, Mr. Kostmayer, Mr. Horton, Mr. Green, Mr. McGrath, Mr. Shumway, Mr. Leland, Mr. Lehman of Florida, Mr. Volkmer, Mr. Smith of New Jersey, Mr. Fish, Ms. Kaptur, Mr. Hughes, Ms. Snowe, Mr. Saxton, Mr. Pepper, Mr. Conte, Mr. Andrews, Mr. Frost, Mrs. Collins, Mr. Bonior of Michigan, Mr. Owens of New York, Mr. Fazio, and Mr. Coleman of Missouri):

H.J. Res. 228. Joint resolution to designate October 1987 as "National Down Syndrome Month"; to the Committee on Post Office and Civil Service.

By Mr. FAZIO:

H.J. Res. 229. Joint resolution proposing an amendment to the Constitution of the United States to permit certain naturalized citizens of the United States to hold the offices of President and Vice President; to th Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, spor sors were added to public bills and res olutions as follows:

H.R. 118: Mr. Boulter and Mr. Lagomar sino.

H.R. 308: Mr. Archer.

H.R. 545: Mr. Wylie, Mr. Bartlett, an Mr. Bereuter.

H.R. 593: Mr. Porter, Mrs. Patterson Mr. Badham, Mr. Boner of Tennessee, Mr Lagomarsino, Mr. Dymally, Mr. Downey o New York, Mr. Flippo, Mr. Green, Mr. Con yers, Mr. Moakley, Mr. Owens of Utah Mr. Garcia, Mr. Wilson, Mr. Lehman o California, Mr. Harris, Mr. Kennedy, Mr Sabo, Mr. Pickle, Mr. Shaw, Mr. Bliley Mr. Jeffords, Mr. Pashayan, Mr. Sunia, Mr Moorhead, Mr. Slaughter of New York, Mr Davis of Illinois, Mr. Robinson, Mr. Thoma of Georgia, Mr. Bilbray, Mr. Donald E Lukens, Mr. Manton, Mr. Miller of Califor nia, Mr. Stump, Mr. de Lugo, Mr. Hall o Ohio, and Mr. Campbell.

H.R. 618: Mr. Fuster and Ms. Slaughte of New York.

H.R. 782: Mr. Gordon and Mr. Sundquist

H.R. 907: Mr. Dellums, Mr. Saxton, anc Mr. Tallon.

H.R. 1028: Mr. Kolbe, Mr. Hiler, Mr. Lagomarsino, Mr. Petri, and Mr. Jeffords.

H.R. 1069: Mr. Nielson of Utah.

H.R. 1095: Mr. Daub, Mr. Traficant, Mr. Dornan of California, Mr. Wortley, Mr. Davis of Illinois, and Mr. Smith of New Hampshire.

H.R. 1141: Mr. Bates.

H.R. 1163: Mr. Owens of Utah, Mr. Ford of Tennessee, Mr. Nielson of Utah, and Mr. Barnard.

H.R. 1248: Mr. Cardin and Mr. Lantos.

H.R. 1249: Mr. Weber, Mr. Pepper, Mr. Cardin, and Mr. Hughes.

H.R. 1290: Mr. Bosco, Mr. Dellums, Mr. Foglietta, Mr. Kolter, Mr. Murtha, Mr. Sweeney, Mr. DioGuardi, and Mr. Yatron.

H.R. 1293: Mr. Coelho and Mr. Kolbe.

H.R. 1352: Mr. Fauntroy, Mr. Howard, Mr. Clay, Mr. Hawkins, and Mr. Fazio.

H.R. 1560: Mr. Atkins, Mr. Horton, Mr. Williams, and Mr. Manton.

H.R. 1583: Mr. Badham, Mr. Oxley, Mr. Ritter, Mr. Beilenson, Mr. Swindall, Mr. Barton of Texas, and Mr. Lightfoot.

H.R. 1598: Mr. Smith of Iowa.

H.R. 1621: Mr. Walgren, Mr. Beilenson, Mr. Mollohan, and Mr. de la Garza.

H.R. 1738: Mr. Lipinski.

H.R. 1750: Mr. Neal, Mr. Kleczka, Mr. Bustamante, Mr. Yatron, Mr. Erdreich, and Mr. Wise.

H.R. 1776: Mrs. Bentley.

H.R. 1782: Mr. Frost, Mr. Hoyer, Mr. Boner of Tennessee, Mr. Duncan, Mr. Mrazek, Mr. Lancaster, Mr. Ravenel, Mr. Parris, Mr. Levin of Michigan, Mr. Spratt, Mr. Garcia, and Mr. Walgren.

H.J. Res. 32: Mr. Fuster, Mr. Dwyer of New Jersey, Mr. Lehman of California, Mr. Nielson of Utah, Mr. Berman, Mr. Bevill, Mr. Boner of Tennessee, Mr. Bosco, Mr. Burton of Indiana, Mr. Borski, Mr. Carper, Mr. Coelho, Mr. de la Garza, Mr. Conyers, Mr. Daniel, Mrs. Byron, Mr. Schaefer, Mr. Atkins, Mr. Donnelly, and Mr. Dowdy of Mississippi.

H.J. Res. 67: Mr. Bustamante, Mr. Hayes of Illinois, and Mr. Waxman.

H.J. Res. 119: Mr. Levin of Michigan, Mr. Fazio, Mrs. Boxer, Mr. Boner of Tennessee, Mr. Borski, Mrs. Morella, Mr. Sunia, Mr. Dowdy of Mississippi, Mr. Berman, Mr. Boucher, Mr. Fuster, Mr. Foglietta, Mr. Neal, Mr. Daub, and Mr. Weldon.

H.J. Res. 144: Mr. Roberts, Ms. Snowe, Mr. Levine of California, Mr. Chappell, and Mr. Goodling.

H.J. Res. 152: Mr. Lewis of Florida and Mr. Hall of Ohio.

H.J. Res. 154: Mr. Markey, Mr. Bates, Mr. Badham, Mrs. Meyers of Kansas, Mr. Gaydos, Mr. Hughes, Mr. Hochbrueckner, and Mr. McEwen.

H.J. Res. 158: Mr. Badham, Mr. Clinger, Mrs. Collins, Mr. Davis of Illinois, Mr. DeFazio, Mr. de Lugo, Mr. Dornan of California, Mr. Frost, Mr. Garcia, Mr. Gradison, Mr. Guarini, Mr. Hughes, Mr. McCollum, Mr. McMillen of Maryland, Mr. Rahall, Mr. Shumway, Mr. Traficant, Mr. Waxman, and Mr. Weiss.

H.J. Res. 190: Mr. Atkins, Mrs. Boxer, Mr. Bustamante, Mr. Cardin, Mr. Dannemeyer, Mr. Dornan of California, Mr. Espy, Mr. Flake, Mr. Frost, Mr. Garcia, Mr. Hubbard, Mr. Hughes, Mr. Inhofe, Mr. Kanjorski, Mr. Kolbe, Mr. Lehman of California, Mr. Levin of Michigan, Mr. Mavroules, Mr. Miller of Washington, Mr. Morrison of Connecticut, Mr. Saxton, Mr. Scheuer, Mr. Sikorski, Mr. Volkmer, and Mr. Waxman.

H. Con. Res. 7: Mr. DeLay.

H. Con. Res. 47: Mr. Kastenmeier, Mrs. Meyers of Kansas, Mr. Hefner, Mr. Hayes of Illinois, and Mr. Lagomarsino.

H. Con. Res. 51: Mr. Weber.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1777

By Mr. DORNAN of California:

—Page 55, after line 25, add the following new section:

SEC. 192. MEMBERSHIP OF BYELORUSSIA AND THE UKRAINE IN THE UNITED NATIONS.

The President shall instruct the United States Ambassador to the United Nations to introduce in the General Assembly of the United Nations a resolution to cease the recognition of Byelorussia and the Ukraine as members of the United Nations.

—Page 70, after line 13, add the following new section (and redesignate succeeding sections accordingly):

SEC. 601. REPEAL OF WAR POWERS RESOLUTION.

The War Powers Resolution (50 U.S.C. 1541 et seq.) is hereby repealed.

—Page 70, after line 13, insert the following new section (and redesignate succeeding sections accordingly):

SEC. 601. PARTICIPATION IN THE OLYMPICS BY THE REPUBLIC OF CHINA ON TAIWAN.

(a) Findings.—The Congress finds that—

(1) for purposes of the Olympic Games, the International Olympic Committee recognizes both East Germany and West Germany, and both North Korea and South Korea;

(2) recognition of a national Olympic committee by the International Olympic Committee does not imply political or diplomatic recognition;

(3) the International Olympic Committee recognizes the National Olympic Committee of the People's Republic of China; and

(4) Taiwan considers itself to be a political entity distinct from the People's Republic of China.

(b) Participation.—It is the sense of the Congress that the International Olympic Committee should allow the Republic of China on Taiwan to participate in the 1988 Olympic Games under its own name, flag, and national anthem.

—Page 70, after line 13, insert the following new section (and redesignate subsequent sections accordingly):

SEC. 601. REQUIREMENT OF TESTING OF VISA APPLICANTS FOR INFECTIONS WITH RESPECT TO ACQUIRED IMMUNE DEFICIENCY SYNDROME.

A consular officer of the United States may not issue an immigrant visa or a nonimmigrant visa to any individual unless—

(1) the individual is tested for the purpose of determining whether the individual is infected with the etiologic agent for acquired immune deficiency syndrome; and

(2) the results of such test indicate that the individual is not infected with such etiologic agent.

—Page 70, after line 13, insert the following new section (and redesignate succeeding sections accordingly):

SEC. 601. SELF-DETERMINATION OF THE PEOPLE FROM THE BALTIC STATES OF ESTONIA, LATVIA, AND LITHUANIA.

(a) Findings.—The Congress finds that—

(1) the subjugation of peoples to foreign domination constitutes a denial of human rights and is contrary to the Charter of the United Nations;

(2) all peoples have the right to self-determination and to freely establish their political status and pursue their own economic, social, cultural, and religious development, a right that was confirmed in 1975 in the Helsinki Final Act;

(3) on June 21, 1940, armed forces of the Soviet Union, in collusion with Nazi Germany, overran the independent Baltic republics of Estonia, Latvia, and Lithuania and forcibly incorporated them into the Soviet Union, depriving the Baltic peoples of their basic human rights, including the right to self-determination;

(4) the Government of the Soviet Union continues efforts to change the ethnic character of the population of Estonia, Latvia, and Lithuania through policies of Russification and dilution of their native populations;

(5) the United States continues to recognize the diplomatic representatives of the last independent Baltic governments and supports the aspirations of the Baltic peoples to self-determination and national independence, a principle enunciated in 1940 and reconfirmed by the President on July 26, 1988, when he officially informed all member nations of the United Nations that the United States has never recognized the forced incorporation of the Baltic States into the Soviet Union; and

(6) the Soviet Union continues to deny the people of Estonia, Latvia, and Lithuania the right to exist as independent countries, separate from the Soviet Union and denies the Baltic peoples the right to freely pursue human contacts, movement across international borders, emigration, religious expression, and other human rights enumerated in the Helsinki Final Act.

(b) Recognition and Action by President.—The Congress—

(1) recognizes the continuing desire and right of the people of the Baltic States of Estonia, Latvia, and Lithuania for freedom and independence from the Soviet Union;

(2) calls upon the President to direct world attention to the right of self-determination of the people of the Baltic States by issuing on July 26, 1987, a statement that officially informs all member nations of the United Nations of the support of the United States for self-determination of all peoples and nonrecognition of the forced incorporation of the Baltic States into the Soviet Union; and

(3) calls upon the President to promote compliance with the Helsinki Final Act in the Baltic States through human contacts, family reunification, free movement, emigration rights, the right to religious expression and other human rights enumerated in the Helsinki Accords.

SENATE—*Thursday, April 2, 1987*

(Legislative day of Monday, March 30, 1987)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Honorable WYCHE FOWLER, JR., a Senator from the State of Georgia.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Father in heaven, the Senate could not function without the help of many men and women who work at the desks and tables, in the Cloakrooms, the lobby, the Offices of the Secretary of the Senate, the Sergeant at Arms, and CONGRESSIONAL RECORD, and those who provide security at the doors and on the floor. We thank You for the devotion to duty, the spirit of service, the efficiency, the dedication to the Senate, which these sisters and brothers manifest every minute the Senate is in session as well as before and after. We thank You for the young men and women who are the pages, for their tireless service to the Senators, their offices, and the Cloakrooms. May Thy blessing rest upon them and their families, and may those of us who have the privilege of working with them never fail to be grateful for their indispensable labors. In the name of One who is the servant of servants. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. STENNIS].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, April 2, 1987.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable WYCHE FOWLER, JR., a Senator from the State of Georgia, to perform the duties of the Chair.

JOHN C. STENNIS,
President pro tempore.

Mr. FOWLER thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WE SEE THROUGH A GLASS, DARKLY

Mr. BYRD. Mr. President, we are facing an important vote today, but I believe we have to keep in mind that things come and go in this mad rush of life and that what seems to be of importance today will not perhaps be at center stage on tomorrow.

I guess it was Paul who said that "we see through a glass, darkly."

Perhaps, as we become involved in our tensions and our arguments and our day to day problems and necessities, we ought not forget what we are told in the Scriptures—to "be still and know that I am God."

We are soon coming to the date of April 6, Monday of next week. It was on April 6, 1789, that the Senate first assembled a quorum.

I wonder what those few Senators who gathered in New York City—which was the second-largest city in the country at that time, Philadelphia being the largest—thought about this new, fledgling Republic and about the difficulties of getting Senators to assemble for a quorum. Only eight Senators assembled on the opening day, March 4. They had to wait a month and 2 days to get a quorum. Perhaps they became disheartened. They probably asked themselves: "Will it work?"

A lady came up to Franklin, after the Constitutional Convention had finished its work in Philadelphia, and asked him: "Dr. Franklin, what have you given us?"

Franklin replied: "A Republic, madam, if you can keep it."

Franklin had the right vision. He had his feet on the ground when he stood at that convention one day and addressed the chair in which sat Gen. George Washington. My, what an illustrious gathering that was: George Washington, James Madison, Gouverneur Morris. There were 55 great men.

Franklin saw far into the future. He was not bound down by the shackles, the tensions, and the contentiousness of the moment. He said:

> I have lived, Sir, a long time, and the longer I live, the more convincing proofs I see of this truth—that God governs in the affairs of men. And if a sparrow cannot fall to the ground without His Notice, is it probable that an empire can rise without His aid?
>
> We have been assured, Sir, in the sacred writings, that "except the Lord build the house they labor in vain that build it." I firmly believe this: and I also believe that without His concurring aid we shall succeed in this political building no better than the builders of Babel.

Mr. President, let us pause once in a while to think about the things that will go on after we have shuffled off this mortal coil and entered into that lasting sleep.

I commend the Chaplain for his daily reminder of the Scriptures, of the divine words that are in that great book. We need them every day, because anything we may say of our little selves amounts to nothing, compared with the inspiration that comes from God.

So, whatever happens today—the veto may be overridden, it may be sustained—I hope that we will all keep our sense of proportion and go on to the next business that is ahead. We may argue our points and our positions strongly and emotionally; but after it is all said, we leave this place as friends and fellow servants of all the people.

Mr. President, I yield the floor.

RECOGNITION OF THE REPUBLICAN LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the Republican leader, the Senator from Kansas, Senator DOLE.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, I thank the Presiding Officer.

I certainly do not disagree with the distinguished majority leader. That was a very eloquent statement.

I believe the vote will come sometime today. I am not certain just when. I am not certain of the outcome. But there will be other times and other days and other votes and other battles. I would hope that we could conclude action on this matter at an early time, because we do have other business. I have indicated to the majority leader there is still one possibility that is being explored that could take a little while. But I should have some word on that maybe as I speak.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

SDI AND THE ABM TREATY

Mr. DOLE. Mr. President, along with baseball and cherry blossoms, this spring brings to Washington a renewed debate over the proper interpretation of the ABM Treaty. We are hearing all kinds of arguments over what is legal and what is not; what is permissible, and what is not; what is relevant, and what is not. We even hear talk of a constitutional crisis.

It is time we put this issue back in perspective. As Republican leader, I begin today a series of floor statements discussing the real issues at stake, in an organized and coherent way. I, and a number of my colleagues—including some of the Senate's real experts on strategic affairs—will be discussing the whole range of questions involved: Military, political, legal, and budgetary.

SDI—THE REAL DEBATE

Make no mistake about it—this is really a debate on SDI; on the real, legal SDI options available to the President. Some are resorting to complex legal gymnastics, with only one real result: To tie the President's hands, and to kill SDI. Is it not time to end that kind of nonsense?

THE PRESIDENT'S RIGHTS

The President is not brashly pushing aside America's treaty obligations; he is not leaping into an uncharted military program; he is not abandoning the Geneva negotiating table: He is proceeding in the wisest of ways to ensure that what we do is technically, legally and strategically sound.

On the technical side, the President has asked the Pentagon to answer one modest question: Can the SDI Program be restructured to save time and money and allow us to make a sensible deployment decision when the time comes? This seems to me a responsible question.

On the legal side, so there are no remaining doubts, the President has asked for further analyses, this time on the records of subsequent practice and Senate ratification proceedings.

Unlike his critics, the President wants to look at all the relevant information—not just the part that fits our argument.

THE NEGOTIATING RECORD

The negotiating record is the most likely indicator of what we and the Soviets are mutually bound to. It shows that the U.S. delegation proposed to prohibit development, and testing, of ABM systems and components based on "other physical principles." The Soviets refused. That pretty much sums up what the United States and the Soviet Union are mutually bound to now.

As for subsequent practice, it is impossible to comment now because we lack important parts of the data. We ought to study all the confidential records before lecturing the President on what he should do.

Finally, I know that some Senators assert that the record of Senate ratification debates has some special legal standing. This notion is wrong. We attached no conditions on the ABM Treaty, and since we did not, interpretation falls to the President, period.

When the Reagan administration first spoke of its analysis of the ABM Treaty in 1985, critics maintained that the treaty was clear on its face. As that notion eroded, many felt sure that the negotiating record would vindicate the restrictive interpretation. That did not happen. Now their focus has shifted to the record of subsequent practice and to the Senate ratification proceedings. The inescapable conclusion: The President's critics are retreating.

THE BOTTOM LINE

So where do we stand? In the end, I doubt we will all agree upon one "correct" interpretation; but the real question is whether the President has a legally justifiable option to restructure the SDI Program without withdrawing from the treaty.

I believe he does. If restructuring SDI is technically feasible and strategically wise, I believe the President should have the option to proceed without withdrawing from the ABM Treaty.

We should also bear in mind that the painstaking legal analysis we are undertaking stands in stark contrast to Soviet practice: They just violate their treaty obligations whenever it suits their convenience. The bottom line here is that the ABM question is much, much more than a legal question. It is a question of America's defense.

Mr. President, I ask unanimous consent that a letter of mine to the President, a statement of Senator WILSON, and two Washington Times articles be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE PRESIDENT,
The White House,
Washington.

DEAR MR. PRESIDENT: I want to reaffirm my strong support for aggressive research and development on the Strategic Defense Initiative, SDI, in the context of our continued adherence to the Anti-Ballistic Missile (ABM) Treaty.

In recent weeks, new attention has focused on the question of the interpretation of that Treaty. One Democratic Senator has claimed that any Treaty interpretation contrary to views expressed by individual Senators at the time the Senate provided advice and consent to ratification of the Treaty could spark a "Constitutional confrontation of profound proportions."

As you know, there is no legal basis to such a claim. Constitutional law is absolutely clear on the point: the views of the Senate on the interpretation of a treaty are legally irrelevant and in no way bind the President, unless those views were expressed (1) formally and (2) at the time of the Senate's decision to advise and consent.

The prestigious American Law Institute, in the most recent edition of its authoritative Restatement of the Law, Foreign Relations Law of the United States, reaffirmed this proposition in a "black letter" declaration. Moreover, in its decision in the case of Fourteen Diamond Rings v. United States, the Supreme Court specifically ignored a formal expression of the Senate's interpretation of a customs agreement with the Philippines, on the grounds that the interpretation was expressed well after the act of advice and consent.

Since the Senate as a whole, at the time it provided advice and consent to ratification of the ABM Treaty, took no formal position on the meaning of Articles II and V and Agreed Statement D, as they relate to contemporary research and development of SDI, any views expressed informally by individual Senators at the time, or since, do not legally bind you.

As a practical political matter, of course, it is both proper and prudent that you consult closely with the Congress and with our Allies on matters impinging directly on the security of the country and the Free World. I know you share that view. I have also noted and welcomed recent statements by senior Administration officials reaffirming your intention to continue consulting closely with the Congress and our Allies, as decisions related to the ABM Treaty and SDI are contemplated and taken.

At the same time though, I think it is important that all of us—especially those who have sent up the alarmist cry of a Constitutional crisis—understand that these consultations must go forward in recognition of the fact that we have only one President. Under the law and in the circumstances that prevail, the final decision on interpreting the ABM Treaty is the President's alone.

Sincerely yours,

BOB DOLE,
U.S. Senate.

STATEMENT OF U.S. SENATOR PETE WILSON

Gentlemen and Senator Kassebaum: My purpose in appearing before you at this hearing is to appeal to you most urgently to join in my plea to the President that he authorize immediately the de-classification of the official record of negotiations of the Anti-Ballistic Missile Treaty of 1972. Unless the official negotiating record is made public, the American people and indeed the United States Congress have no assurance that they will ever learn the truth as to the actual obligations mutually agreed to in 1972 by the United States and the Soviet Union with respect to development, testing, and the deployment of ABM systems and their components based upon physical principles and technologies other than those consisting of fixed, land-based launchers, interceptor missiles, and radars.

Having studied the record, it is clear that despite repeated, strong efforts by the American negotiators to ban such future systems and components, they never succeed in getting Soviet agreement to a ban on development and testing; and achieved only the limited success of getting the Soviets to agree that prior to deployment, consultation in accordance with article XIII and discussion in accordance with article XIV must occur. It may even be argued, and at one point was argued by Soviet negotiators, that agreement is not required to permit deployment.

The evidence is clear and overwhelming that the Soviets succeeded, by their persistent rejection of the American position, in limiting the far more stringent restrictions of the treaty articles to fixed land-based ABM systems and components; and agreed that only the much less restrictive provisions of a minute to the treaty, so-called "agreed statement D", should apply to so-called future systems (i.e., those based "on other physical principles").

Yet, notwithstanding the great preponderance of clear evidence favoring the broad interpretation which is contained in the negotiating record, the treaty it defines has been presented to the American people and to the world at large as binding the United States to abide not by the obligations actually agreed to, as set forth in the secret record of negotiation—but by the far more restrictive obligations which the American negotiators sought unsuccessfully to impose and which the Soviets rejected.

This revision of history has led understandably to the widest possible and most serious misapprehension as to the truth regarding our obligations under the ABM Treaty, and has produced an entirely unnecessary debate as to whether a "broad" or "narrow" interpretation of treaty provisions is the correct one.

The broad interpretation is of course the correct one because it is what was actually agreed, as is clear from the negotiation record. The narrow interpretation is what the U.S. negotiators tried to get but failed to get from the Soviets. Yet it has been represented to the Nixon administration and the Senate that the U.S. negotiators did in fact achieve Soviet agreement to the narrow language they were instructed to obtain. They did not.

It is of course the actual agreement which was negotiated which sets the rights and duties of the United States and the Soviet Union. No external document, apart from a subsequent formal treaty, can amend the agreement so as to alter the rights and duties of the parties.

And it is of course the negotiating record which defines the agreement—the terms and obligations of the parties to the treaty. No further extrinsic evidence of the negotiation or of the negotiating record can be looked to legally or logically as better evidence of the agreement or of the record than the record itself—unless ambiguity, mistake or fraud is asserted to exist in the record.

State Department legal advisor, Judge Abraham D. Sofaer, and Ambassador Paul Nitze have undertaken to perform an analysis of the record of ratification.

Fine, Mr. Chairman, let them perform such an analysis. I have no doubt their work will be thorough and complete * * * and that, where the negotiating record is ambiguous, it can be helpful in resolving such ambiguity.

But where the negotiating record is clear and unambiguous, I question whether analysis of the ratification record can have value precisely because it is unnecessary. The logic of the "best evidence rule" would seem to apply with as much force to the construction of this contract between nations as to the construction of a contract between private parties. Where the text of the treaty discloses ambiguity as does the text of the ABM Treaty, resort to extrinsic evidence—in this case, the treaty negotiating record—is fully justified to explain such ambiguity. And if the negotiating record discloses ambiguity, further resort to extrinsic evidence is warranted.

But where the negotiating record is clear and unambiguous, it is the best evidence of the agreement and further extrinsic evidence in conflict with the record must be viewed as suspect, including even statements of participants in or observers of the negotiation which conflict with the clear and unambiguous record.

In the same way the ratification record cannot serve as a competent basis for altering the clear meaning of the negotiation record. It cannot add new duties for the parties to perform when the negotiation record makes clear that one of the parties expressly rejected them, as did the Soviets repeatedly in refusing to agree to the U.S.-proposed ban on future ABM technologies.

And as the Soviets refused in 1972 to be bound by the narrow interpretation of the treaty, neither is the United States so bound today.

All this would seem as clear as "the best evidence rule" as a matter of law. But because the truth is locked away from public view in secrecy imposed by national security classification, neither the American people, nor our allies, nor the news media—nor even the Congress (except for the few Members who have troubled to read the record) have access to the truth as a practical matter.

What better example could we require, Mr. Chairman, to illustrate the need for declassification of the negotiating record than the unsettling circumstance, presented before and during these hearings, of representations publicly made explaining the treaty or the record which are in fact contradicted by the secret negotiating record?

Whatever the good intentions and honest convictions of those whose public representations of the negotiation are at variance with the record of negotiation, the American people, the news media who inform them, our allies—and even over-scheduled Senators too busy to avail themselves of their access to secret documents—are all at least entitled to know that a discrepancy exists between such public statements and the secret record.

As long as the negotiating record remains shrouded in secrecy, the public cannot learn that such a discrepancy exists. They can only be told conclusions about what the record really reveals by the privileged few who have access to it. They are placed in the position of the juror in a personal injury suit who is compelled to decide somehow which of two flatly conflicting medical expert witnesses to believe. It is simply not fair to the American people.

Declassification of the negotiating record threatens in no way to compromise either human intelligence sources, or means and methods of gaining intelligence.

But continued secrecy threatens continued public and congressional misunderstanding, and allows the Soviets to continue a revisionism by which they now assert a position exactly contrary to that which the negotiating record makes clear as the true Soviet position at the time of signing the ABM Treaty: one of steadfast rejection of a ban on development, testing and even deployment of future ABM technologies.

Our future ability to defend the American people against the possible horror of nuclear ICBM attack depends upon lifting the artificial constraint upon our technological ABM capability that would be imposed by continued adherence to the narrow interpretation. Our national security interest is of paramount importance.

Let me finally say a word about the concern that some may voice with regard to breaking confidentiality of the negotiating process and undermining trust. Trust has been undermined—not only by clear Soviet violation of the undisputed provisions of article I, but—by Soviet assertions that the United States, in our espousal of the broad interpretation, is lying about the agreement negotiated in 1972. We are not only entitled but obliged to make public the secret negotiating record so the world can know the truth.

I urge you to communicate to the President that it is imperative that he revoke the classification of the negotiating record at once.

PARTISANSHIP DOMINATES ABM DEBATE

(By Warren Strobel)

Democratic and Republican lawmakers drew sharply different pictures yesterday of whether a key Strategic Defense Initiative device can be tested even under the administration's permissive interpretation of the ABM Treaty.

At issue in the latest round of a bitter dispute over the 1972 pact are orbiting "garages" filled with interceptor rockets to destroy Soviet nuclear missiles shortly after launch—a prime candidate for inclusion in the first phase of missile defenses.

Under the administration's "broad" reading of the anti-ballistic missile treaty—which is has yet to implement—exotic devices based on "other physical principles" than those known in 1972 can be developed and tested in the "star wars" program.

At a Senate Armed Services subcommittee hearing yesterday, senators divided along partisan lines on the question of whether the interceptor rockets, known as space-based kinetic kill vehicles, differ significantly from technologies of 15 years ago.

Committee chairman Sen. Sam Nunn, after a protracted exchange with the head of the SDI program, claimed they do not.

"This particular system, which is now being looked on for early deployment, could not be tested under the broad interpretation any more than it could under the narrow," the Georgia Democrat said.

The narrow interpretation of the pact allows testing and development only of land-based, non-mobile devices.

"This whole exercise we've been going through . . . has no bearing," Mr. Nunn said, referring to detailed analyses of the ABM Treaty by himself and State Department legal adviser Abraham Sofaer.

"I'm crushed that all my legal work is irrelevant," he said. "I wonder how Judge Sofaer is going to feel when he figures that out?"

Mr. Nunn's conclusions were rejected by the panel's Republicans.

More than 15 GOP senators, led by Senate Minority Leader Robert Dole, plan to defend Mr. Reagan's stance on the treaty in a series of floor speeches beginning today. The speeches are intended in part to counter Mr. Nunn's spirited support of the narrow interpretation.

Air Force Lt. Gen. James Abrahamson, SDI Organization director, said yesterday that the administration is reviewing whether the space-based rockets and other experimental devices fit the crucial definition of "other physical principles," but has not made a decision.

Gen. Abrahamson said that the first phase of missile defenses, under a preliminary plan his office is using, would cost about $50 billion. The system would include both ground- and space-based rockets, as well as various sensors.

In closed session last week, he testified that deploying ground-based interceptors known as ERIS would be legal under the treaty, presumably because they are not based on exotic technologies. The treaty allows deployment of 160 traditional land-based rockets.

Noting that statement, Mr. Nunn repeatedly asked the SDI chief if there were any differences between the space-based rockets and ERIS.

Finally, Gen. Abrahamson said, "There are many similarities in terms of its components."

However, under questioning later by Sen. Dan Quayle, Gen. Abrahamson said that the two systems do differ in the way they are guided to a collision with nuclear missiles or warheads in flight.

ERIS, Gen. Abrahamson said, is guided for most of this flight by a ground-based radar, with an infrared—heat-seeking—device taking over only as the collision nears. On the space-based rockets, he said, the infrared seeker "guides it the whole distance of the flight."

"That's a fairly significant difference, isn't it?" said Mr. Quayle, Indiana Republican.

The arcane, technical issue of guidance mechanisms now appears to be the heart of supporters' arguments for testing the orbiting rockets.

Asked after a speech yesterday if the interceptors can be tested under the broad interpretation, administration arms control adviser Paul Nitze said, "it depends in part on its guidance systems."

According to one Senate aide, the GOP position is that the seeker, merely an "adjunct" to ERIS, is a full "component," as defined by the treaty, in the space-based system and thus can be developed and tested.

BROAD READING OF ABM TREATY SUPPORTED BY 15-YEAR-OLD LETTER

(By Warren Strobel and James M. Dorsey)

The administration has found new evidence to substantiate its "broad" interpretation of the anti-ballistic missile treaty, senior State and Defense department officials publicly confirmed yesterday.

Richard Perle, outgoing assignment defense secretary, told the Senate that a 15-year-old letter has been located showing that the Pentagon's highest officials believed the pact would allow the types of tests now being contemplated for the Strategic Defense Initiative anti-missile program.

The letter, from Adm. Thomas H. Moorer, then chairman of the Joint Chiefs of Staff, to then-Defense Secretary Melvin Laird, was sent in early June 1972—days after the ABM treaty was signed in Moscow.

"The gist of it . . . was that, without qualification, the testing of systems based on other physical principles—and some are specifically identified as lasers and particle beams and so forth—is permitted." Mr. Perle, an administration hard-liner, told a joint hearing of the Foreign Relations and Judicial committees.

Missile defenses based on "other physical principles"—those not known at the time of the pact—are at the heart of the dispute over the treaty and the direction of SDI.

The narrow interpretation, followed for 13 years, allows only research on such systems.

The controversial broad reading, which President Reagan advanced in October 1985, holds that the treaty allows testing and development, but not deployment, of the devices.

Last Friday, The Washington Times reported that the Pentagon recently had uncovered documents buttressing the administration position.

Officials said Defense Secretary Caspar Weinberger has understood the NSPG's request for a detailed schedule of SDI tests to be held under the broad interpretation as a go-ahead that would be announced once Congress has approved the administration's budget.

"The meetings in early February of the National Security Planning Group were strongly biased toward a practical application of the broad interpretation," a senior official said. The NSPG is composed of the president, the secretary of defense, the secretary of state and President Reagan's national security adviser.

Mr. Weinberger was asked to provide the NSPG with the schedule of the SDI tests by the end of April, the officials said.

"We know where the President's heart is," a Pentagon spokesman said adding that the Defense Department wished to avoid "anything that will have a negative impact on the program, because we know what the congressional sentiment is."

Mr. Reagan twice has run into opposition from lawmakers in implementing his view, which is based on the classified record of the Geneva negotiations leading to the pact.

The 'negotiating record' is whatever the administration can find in a file cabinet to help prove its point," Sen. Joe Biden, Judiciary Committee chairman said yesterday.

The Delaware Democrat has introduced a resolution calling for Senate acquiescence to any change in the treaty. He argued yesterday that during the Senate's 1972 consideration of the treaty, lawmakers were presented with—and voted on—a narrowly construed document.

When State Department legal adviser Abraham Sofaer, author of the broad interpretation, suggested that the Senate vote on the agreement U.S. negotiators reached, "irrespective of the explanations it is provided." Mr. Biden retorted: "That's incredible. Absolutely staggering."

"Sofaer is not looking to find a challenge to the broad interpretation," a senior administration official said. "He has to prove that he is intellectually honest. He no longer can say that a conclusion has been reached for which the evidence will be provided later."

In another development, a U.S. negotiator revealed yesterday that the administration's initial review of the treaty was sparked when the Soviet Union in March 1985 proposed banning testing and development of space-based missile defenses—something the United States already considered banned by the ABM treaty.

"I believe the Soviets probably had believed, since 1972, that the ABM treaty permitted development and testing" of such systems, deputy negotiator Henry F. Cooper said in a letter to Sen. Dan Quayle, Indiana Republican.

Mr. Sofaer, who testified only after being threatened with a subpoena, said additional evidence has been turned up in a new review of the pact which the president has ordered him to conduct.

"There are many memos, and they are continuing to turn up in the many boxes arriving in my office from many storage facilities," he said. The latest analysis is due April 30.

Mr. DOLE. Mr. President, I yield the remainder of my time whenever the majority leader has used his time to the distinguished Senator from Oklahoma, Senator NICKLES.

Mr. BYRD. Mr. President, do I have any time remaining?

The ACTING PRESIDENT pro tempore. The Senator has 3 minutes and 36 seconds remaining.

Mr. BYRD. Mr. President, I would like for the distinguished Republican leader to proceed to yield. I promised Mr. MOYNIHAN I would yield my remaining time to him.

Go ahead.

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma [Mr. NICKLES] is recognized.

ARMS CONTROL

Mr. NICKLES. Mr. President, first, I wish to compliment the minority leader for his statement this morning.

I have had the pleasure of serving with nine other Senators as a member of the Senate's arms control observers group. We have observed the negotiations, and been briefed countless times on arms control issues, particularly in reference to the arms control meetings that are currently taking place in Geneva.

Mr. President, I find this issue and debate over broad versus narrow interpretation of the ABM Treaty sometimes amusing because I visualize a number of colleagues and a number of attorneys, past negotiators and others going to great lengths and detail to say what was agreed to or not agreed to in the ABM Treaty of 1972.

I think what is important, though, is what the minority leader said. For any treaty to have any salutary effect, it has to be mutually binding. When we have this great discussion of what the United States is limited to, many times people forget to ask what the Soviet Union is limited to.

When we are asking the question, Does the broad interpretation allow this test or will a narrow interpretation allow this test, does the Soviet Union ask a comparable question?

I would say to the Senate that they do not. I would say to the Senate that the Soviet Union's past history on treaties has been to take the broadest possible application of any ambiguity in any treaty if it suits their purpose. They have done it in development of their defense initiatives. They have done it in their interpretation of other treaties if they found that there is a gray area, an ambiguous area. In every treaty there will be some details that are unresolved, some unforeseen events that take place, and on some points any treaty may not be totally clear.

It is quite obvious that the Soviet practice has been to take the broadest possible interpretation of whatever treaty if it suits their interest.

So I think much more important than the broad versus narrow issue is compliance. Quite frankly, the Soviet's history on the ABM Treaty and other treaties has been, in many cases, noncompliance. They have violated treaties and the United States pays little more than lip service to request explanation or compliance. I find this to be much more important than whether we should be using a broad or narrow treaty interpretation. We should be focusing on Soviet noncompliance instead of trying to hold the United States to a much tighter, much more rigid treaty than the Soviet Union itself has agreed to.

It does not make good sense to hold the United States to a much higher standard than the Soviets.

For example, Marshal Grechko, the Soviet Minister of Defense in 1972, as he was explaining the ABM Treaty to the Soviet Ministers, stated that this treaty—

> Imposes no limitations on the performance, the research and experimental work aimed at resolving the problem of defending the country against nuclear missile attack.

What that means is that the Soviets were not constraining themselves whatsoever if they could develop some type of defensive system. They would not allow this treaty to restrict the performance of research and experimental work in any way.

I might inquire of the Chair how much time remains.

The ACTING PRESIDENT pro tempore. The Senator has 10 seconds remaining.

Mr. NICKLES. Mr. President, I will conclude by including in the RECORD a copy from the White House of the President's unclassified report on Soviet noncompliance.

Mr. DOLE. Mr. President, does the Senator need a couple of additional minutes?

Mr. NICKLES. Mr. President, I ask unanimous consent for 2 additional minutes.

The ACTING PRESIDENT pro tempore. Hearing no objection, it is so ordered.

Mr. NICKLES. Mr. President, I ask unanimous consent that a copy of the President's unclassified report on Soviet noncompliance with arms control agreements, dated March 10, 1987, dealing with the ABM Treaty be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. NICKLES. Mr. President, these findings by the President confirm that the Krasnoyarsk radar is a direct violation of the ABM Treaty. He also mentions numerous "potential" violations and, taken in their totality, suggest that the Soviets are preparing an ABM defense of their national territory. The fact is that they are violating the ABM Treaty. They are not just taking the broad interpretation of the treaty, they are violating the treaty. I would suggest to my colleagues that Soviet compliance with the ABM Treaty should be the focus of our debate as it is a more central and critical issue than how the treaty may be interpreted.

Mr. President, I yield the floor.

EXHIBIT 1

THE PRESIDENT'S UNCLASSIFIED REPORT ON SOVIET NONCOMPLIANCE WITH ARMS CONTROL AGREEMENTS

The following is the text of a letter from the President to the Speaker of the House of Representatives and to the President of the Senate transmitting the President's report, in classified and unclassified versions, on Soviet noncompliance with arms control agreements as required by PL 99-145:

DEAR MR. SPEAKER (DEAR MR. PRESIDENT): In response to congressional requests as set forth in Public Law 99-145, I am forwarding herewith classified and unclassified versions of the Administration's report to the Congress on Soviet Noncompliance with Arms Control Agreements.

Detailed classified briefings will be available to the Congress in the near future.

I believe the additional information provided, and issues addressed, especially in the more detailed classified report, will significantly increase understanding of Soviet violations and probable violations. Such understanding, and strong congressional consensus on the importance of compliance to achieving effective arms control, will do much to strengthen our efforts both in seeking corrective actions and in negotiations with the Soviet Union.

Sincerely,

RONALD REAGAN.

THE FINDINGS

ANTI-BALLISTIC MISSILE (AMB) TREATY

Treaty status

The 1972 ABM Treaty and its Protocol ban deployment of ABM systems except that each Party is permitted to deploy one ABM system around the national capital area or, alternatively, at a single ICBM deployment area. The ABM Treaty is in force and is of indefinite duration. Soviet actions not in accord with the ABM Treaty are, therefore, violations of a legal obligation.

1. The Krasnoyarsk Radar

Obligation: To preclude the development of a territorial defense or providing the base for a territorial ABM defense, the ABM Treaty provides that radars for early warning of ballistic missile attack may be deployed only at locations along the periphery of the national territory of each Party and that they be oriented outward. The Treaty permits deployment (without regard to location or orientation) of large phased-array radars for purposes of tracking objects in outer space or for use as national technical means of verification of compliance with arms control agreements.

Issue: The December 1985 report examined the issue of whether the Krasnoyarsk radar meets the provisions of the ABM Treaty governing phased-array radars. We have reexamined this issue.

Finding: The U.S. Government reaffirms the conclusion in the December 1985 report that the new large phased-array radar under construction at Krasnoyarsk constitutes a violation of legal obligations under the Anti-Ballistic Missile Treaty of 1972 in that in its associated siting, orientation, and capability, it is prohibited by this Treaty. Continuing construction and the absence of credible alternative explanations have reinforced our assessment of its purpose. Despite U.S. requests, no corrective action has been taken. This and other ABM-related Soviet activities suggest that the USSR may be preparing an ABM defense of its national territory.

2. Mobility of ABM System Components

Obligation: Paragraph 1 of Article V of the ABM Treaty prohibits the development, testing, or deployment of mobile land-based ABM systems or components.

Issue: The December 1985 report examined whether the Soviet Union has developed a mobile land-based ABM system, or components for such a system, in violation of its legal obligation under the ABM Treaty. We have examined this issue.

Finding: The U.S. Government reaffirms the judgment of the December 1985 report that the evidence on Soviet actions with respect to ABM component mobility is ambiguous, but that the USSR's development and testing of components of an ABM system, which apparently are designed to be deployable at sites requiring relatively limited special-purpose site preparation, represent a potential violation of its legal obligation under the ABM Treaty. This and other ABM-related Soviet activities suggest that the USSR may be preparing an ABM defense of its national territory.

3. Concurrent Testing of ABM and Air Defense Components

Obligation: The ABM Treaty and its Protocol limit the Parties to one ABM deployment area. In addition to the ABM systems and components at that one deployment area, the Parties may have ABM systems and components for development and testing purposes so long as they are located at agreed test ranges. The Treaty also prohibits giving components, other than ABM system components, the capability "to counter strategic ballistic missiles or their elements in flight trajectory" and prohibits the parties from testing them in "an ABM mode." The Parties agreed that the concurrent testing of SAM and ABM system components is prohibited.

Issue: The December 1985 compliance report examined whether the Soviet Union has concurrently tested SAM and ABM system components in violation of its legal obligation since 1978 not to do so. It was the purpose of that obligation to further constrain testing of air defense systems in an ABM mode. We have reexamined this issue.

Finding: The U.S. Government reaffirms the judgement made in the December 1985 report that the evidence of Soviet actions with respect to concurrent operations is insufficient fully to assess compliance with Soviet obligations under the ABM Treaty. However, the Soviet Union has conducted tests that have involved air defense radars in ABM-related activities. The large number, and consistency over time, of incidents of concurrent operation of ABM and SAM components, plus Soviet failure to accommodate fully U.S. concerns, indicate the USSR probably has violated the prohibition on testing SAM components in an ABM mode. In several cases this may be highly probable. This and other ABM-related activities suggest the USSR may be preparing an ABM defense of its national territory.

4. ABM Capability of Modern SAM Systems

Obligation: Under subparagraph (a) of Article VI of the ABM Treaty, each party undertakes not to give non-ABM interceptor missiles, launchers, or radars "capabilities to counter strategic ballistic missiles or their elements in flight trajectory, and not to test them in an ABM mode. . . ."

Issue: The December 1985 report examined whether the Soviet Union has tested a SAM system or component in an ABM mode or given it the capability to counter strategic ballistic missiles or their elements in flight trajectory in violation of their legal obligation under the ABM Treaty. We have reexamined this issue.

Finding: The U.S. Government reaffirms the judgment made in the December 1985 report that the evidence of Soviet actions with respect to SAM upgrade is insufficient to assess compliance with the Soviet Union's obligations under the ABM Treaty. However, this and other ABM-related Soviet activities suggest that the USSR may be preparing an ABM defense of its national territory.

5. Rapid Reload of ABM Launchers

Obligation: The ABM Treaty limits to 100 the number of deployed ABM interceptor launchers and deployed interceptor missiles. It does not limit the number of interceptor missiles that can be built and stockpiled. Paragraph 2, Article V, of the Treaty prohibits the development, testing or deployment of "automatic or semi-automatic or other similar systems for rapid reload" of the permitted launchers.

Issue: The December 1985 report examined whether the Soviet Union has developed, tested, or deployed automatic, semi-automatic, or other similar systems for rapid reload of ABM launchers in violation of its legal obligation under the ABM Treaty. We have reexamined this issue.

Finding: The U.S. Government reaffirms the judgment made in the December 1985 report that, on the basis of the evidence available, the USSR's actions with respect to the rapid reload of ABM launchers constitute an ambiguous situation as concerns its legal obligations under the ABM Treaty not to develop systems for rapid reload. The Soviet Union's reload capabilities are a serious concern. These and other ABM-related Soviet activities suggest that the USSR may be preparing an ABM defense of its national territory.

6. ABM Territorial Defense

Obligation: The ABM Treaty and Protocol allow each party a single operational site, explicitly permit modernization and replacement of ABM systems or their components, and explicitly recognize the existence of ABM test ranges for the development and testing of ABM components. The ABM Treaty prohibits, however, the deployment of an ABM system for defense of the national territory of the parties and prohibits the parties from providing a base for such a defense.

Issue: The December 1985 report examined whether the Soviets have deployed an ABM system for the defense of their territory or provided a base for such a defense. We have reexamined this issue.

Finding: The U.S. Government reaffirms the judgment of the December 1985 report that the aggregate of the Soviet Union's ABM and ABM-related actions (e.g., radar construction, concurrent testing, SAM upgrade, ABM rapid reload and ABM mobility) suggests that the USSR may be preparing an ABM mobility) suggests that the USSR may be preparing an ABM defense of its national territory. Our concern continues.

Mr. DOLE. Mr. President, if I could proceed for 1 minute.

The ACTING PRESIDENT pro tempore. The minority leader is recognized.

PRESIDENT TO MEET REPUBLICAN SENATORS

Mr. DOLE. Mr. President, at 11:15, the President will be in the Capitol meeting with Republican Senators. This will be an effort by the President to persuade some to change their minds on the veto. I commend the President for this effort. It seems to me that it is an indication that he feels strongly about this.

I advised the White House that I am not certain he will succeed. There is no ray of hope that I know of out there, but maybe there will be. But the President will meet with Republicans at 11:15 in the Old Senate Chamber, so my colleagues will be on notice. Democrats are invited. [Laughter.]

Mr. MOYNIHAN. I would come.

Mr. DOLE. But, in any event, I think this is an indication that the President feels strongly about this issue. Win or lose, he is going to do all he can. I commend him for it.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The majority leader has 3 minutes and 30 seconds.

Mr. BYRD. Mr. President, I yield that time to Mr. MOYNIHAN. I ask unanimous consent that he may have an additional—keeping in mind, Mr. President, that there is no debate on the motion to reconsider, no time for debate, no time for debate on the veto override and that once this bit of colloquy and statements have been completed, we will be back on the nondebatable motion to reconsider—I ask unanimous consent that the distinguished Senator from New York may proceed for 5 minutes, which would be 2 minutes in addition to my time remaining.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from New York, Mr. MOYNIHAN, is recognized for 5 minutes.

FEDERAL-AID HIGHWAY ACT OF 1987—PRESIDENTIAL VETO

CRUCIAL DAY OF CHOICE ON THE SURFACE TRANSPORTATION ACT

Mr. MOYNIHAN. Mr. President, I thank the majority leader for letting me make this brief comment as we open this crucial day of choice on the Surface Transportation Act.

Mr. President, President Kennedy used to say that to govern is to choose—a very important essential, in his view, of the whole task that we engage here in Washington—to choose between always difficult alternatives or rarely easy ones. It is in the nature of government processes that matters that are uncontentious are resolved at the lower levels of such hierarchies as we have and the most difficult ones rise to the top.

We see such an occasion here today. We have the President coming to speak to Members of his party—and any of us, I am sure, would be welcome—on the question of this legislation.

I would make simply two observations. First, there has been a wide set of assertions coming from the Executive that there is somehow something imbalanced in the conference report; that certain modes of transportation, such as transit, are preferred over other modes, such as highways; some regions over other regions; and such like.

Might I say, in a rather long while that I have tried to follow this subject, it seems to me always implicit in any decision about transportation that one mode will be preferred over another, their consequences will be different, being one region as another, within one region as another.

The decision to commence the Interstate Highway Program was largely a decision made at the behest of the automobile industry, then incomparably the most powerful industry in America, accounting for about a quarter of the sector of the American political economy. Those who follow the subject will say to you with great confidence that it was the General Motors Futurama exhibit at the World's Fair in Queens in 1939 which showed this great Interstate System that set in mind the notion of doing it and set in mind the use of automobile transport, motor vehicle transport, for long distances.

And it is not to be surprised that 30 years later, the U.S. Government finds itself owning half the railroads in the country, in receivership in one form or another. We made a choice of motor vehicle transportation over rail transportation for long distances. That also meant we made a choice to be very heavily dependent on petroleum. Both of those items, automobiles and petroleum, seemed abundant and forever available within our borders at that time, in the early 1950's. We learned, before long, though, that we needed foreign petroleum and we would find ourselves with an enormous inrush of foreign motor vehicles. Well, that choice was implicit in the original choice.

One of the things that disturbs me is the fact that so much of the objections the President voices—not personally concerns me but just as a matter of transportation—is the transit provisions. I mean, this is the principal source of objection. But I know the distinguished Presiding Officer comes from a city which, having found itself in an industrial surge and commercial surge, needed mass transit. You cannot have densities without transit. And choosing them intelligently is the mark of a society that will abet the natural tendencies of its economy to grow. I think we are doing that and ought to be.

Finally, and the second point that I would make, Mr. President, is that the next conference, if this highway bill, if this Surface Transportation Act is not adopted today, the next conference will be chaired in the House of Representatives. The Senate will not chair it, and we can in no way predict the outcomes will be as successful from our point of view as they have been to date.

Thank you, Mr. President.

The ACTING PRESIDENT pro tempore. The Senator from Vermont

Mr. STAFFORD. Mr. President, I ask unanimous consent that I might be allowed to proceed for 5 minutes on the same general subject, on the legislation now in front of us.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Vermont [Mr. STAFFORD], is recognized for 5 minutes.

Mr. STAFFORD. Mr. President, I know we are awaiting hopefully final disposition of the President's veto in one way or another as soon as possible so that we can, when that is resolved, get on to other important things. As my dear friend, the senior Senator from New York, has pointed out both of us have lived long enough in the public eye to have watched the Federal Highway System from concept to execution.

It was my privilege to have been the attorney general and later the Governor of my State at the time President Eisenhower was President of the United States, and actually implemented the beginning of the Interstate Highway System.

And in consequence when I was attorney general we were buying land for rights-of-way to build the Interstate System in our State. I found in supervising some of those court cases that an amazing number of motel sites happened to lie along the routes that we contemplated for interstate construction in Vermont. So some of the prices that we had to pay for these incipient motel sites were rather exhorbitant in our opinion. But I remember that aspect of it very well, and the fact that the engineers in Vermont put me through a course in vertical and horizontal site distances necessary for speed on the interstates, and all of the other details that were involved in doing the system.

Vermont, to be parochial only for a second, did decide to allow very wide spacing where it was esthetically attractive, between the lanes of the interstate so that we allowed trees, and in many cases rocks and hill extremities, to exist between the sites of our Interstate System. I think we made it a very attractive one. That is probably, we think, why many people want to drive on the Vermont system.

I think the construction of the Interstate System is one of the great success stories here in the United States in terms of public transportation. It is almost complete; practically complete. Only a few very expensive, very small elements in terms of miles still exist to be built.

It has been the result of a partnership between the Federal Government and the States. The States own the rights-of-way. They own the roads. The Federal Government has contributed very substantially to the construction of the interstate with the 90-percent Federal contribution, and also in building up the primary system where the original contribution was something on the order of 50-50, but it is now 75 Federal, 25 State.

So we have had this very successful partnership between the Federal Government, the Federal-aid highway system financed by the users' tax dollars based on gasoline consumption, and the States.

My fear in connection with that program now is that it could be wrecked in the future. I discussed this earlier, but I will very briefly touch on it once again; that is, my fear that the demonstration projects have proliferated in an undisciplined way out of control. We have gone from a few of them in earlier years of the construction of the Interstate System to 13 in the bill in 1982 on Federal highway aid and 152 on this one. It appears, as I have said and others have said, likely that no Member of the Senate or House will be able to go to their constituents the next time we have a highway bill without a demonstration project, whatever we want to call it, included in that bill.

And that is a danger in my opinion to the future of the Federal-Aid to Highway Program.

If we become nothing but projects authorized down here, specified down here, or take away from the States the option they have now to plan where they spend their money, how they spend their money, based upon their systems of knowledge as to the status of miles of their highways, the incentive for the Federal Government to play a role will be gone. And it is for that reason basically that I have supported the President's veto.

Mr. President, I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from New York.

QUORUM CALL

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll and the following Senators entered the Chamber and answered to their names:

[Quorum Vote No. 10]

Byrd
Cranston
Dole
Fowler
Mitchell
Moynihan
Stafford

The ACTING PRESIDENT pro tempore. A quorum is not present. The clerk will call the names of the absent Senators.

The assistant legislative clerk resumed the call of the roll.

Mr. BYRD. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators, and I ask for the yeas and nays.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from West Virginia [Mr. BYRD] to direct the Sergeant at Arms to request the attendance of absent Senators. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

The ACTING PRESIDENT pro tempore. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 94, nays 6, as follows:

[Rollcall Vote No. 55 Leg.]

YEAS—94

Adams
Armstrong
Baucus
Bentsen
Biden
Bingaman
Boren
Boschwitz
Bradley
Breaux
Bumpers
Burdick
Byrd
Chiles
Cochran
Cohen
Conrad
Cranston
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Evans
Exon
Ford
Fowler
Garn
Glenn
Gore
Graham
Gramm
Grassley
Harkin
Hatch
Hatfield
Hecht
Heflin
Heinz
Helms
Hollings
Humphrey
Inouye
Johnston
Karnes
Kassebaum
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lugar
Matsunaga
McCain
McClure

McConnell
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Riegle
Rockefeller
Roth
Rudman
Sanford
Sarbanes
Sasser
Shelby
Simon
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Trible
Warner
Wilson
Wirth

NAYS—6

Bond
Chafee
Proxmire
Quayle
Wallop
Weicker

So the motion to instruct was agreed to.

The ACTING PRESIDENT pro tempore. With the addition of Senators voting who did not answer the quorum call, a quorum is now present.

The ACTING PRESIDENT pro tempore. A quorum is present.

Mr. STENNIS. May we have order, Mr. President.

The ACTING PRESIDENT pro tempore. The Senate will be in order.

Mr. DOLE addressed the Chair.

The ACTING PRESIDENT pro tempore. The minority leader, Senator DOLE.

FEDERAL-AID HIGHWAY ACT OF 1987—PRESIDENTIAL VETO

Mr. DOLE. I move to postpone the vote on the motion to reconsider until 5 o'clock tomorrow afternoon and ask for the yeas and nays.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The ACTING PRESIDENT pro tempore. The question is on the motion to postpone.

Mr. BYRD. Mr. President, no debate is in order, but I am almost tempted to take the leader up on that. I move to table the motion. I ask for the yeas and nays.

The ACTING PRESIDENT pro tempore. The question is on the motion to table. Is there a sufficient second?

Mr. DOLE. I wonder if I might get consent to proceed for 30 seconds?

The ACTING PRESIDENT pro tempore. Before the Chair recognizes the Senator, there is a sufficient second on the motion of the majority leader to table.

The minority leader is recognized.

Mr. DOLE. Mr. President, I have indicated before the President of the United States will be addressing Republican Members. I had included Democrats but I want to withdraw that part of it for right now.

We will try to arrange another meeting for you.

The point I want to make is that that meeting will start in about 5 minutes. I know the majority leader would like to continue making some progress, but I hope that once the meeting starts we might have, say, 30 minutes so I would not have to run back to the floor and put in another motion to interrupt the meeting. If that could be done, it will be helpful.

Mr. BYRD. Mr. President, I ask unanimous consent to proceed for 1 minute.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that upon the disposition of this vote, the Senate stand in recess for 30 minutes.

The PRESIDING OFFICER (Mr. BREAUX). Is there an objection? Hearing none, it is so ordered.

The question is on agreeing to the motion to table. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Oklahoma [Mr. BOREN] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Oregon [Mr. PACKWOOD] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 57, nays 41, as follows:

[Rollcall Vote No. 56 Leg.]

YEAS—57

Adams
Baucus
Bentsen
Biden
Bingaman
Bradley
Breaux
Bumpers
Burdick
Byrd
Chiles
Conrad
Cranston
Daschle
DeConcini
Dixon
Dodd
Exon
Ford
Fowler
Glenn
Gore
Graham
Harkin
Heflin
Heinz
Hollings
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Leahy
Levin
Matsunaga
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Nunn
Pell
Pressler
Proxmire
Pryor
Reid
Riegle
Rockefeller
Sanford
Sarbanes
Sasser
Shelby
Simon
Stennis
Weicker
Wilson
Wirth

NAYS—41

Armstrong
Bond
Boschwitz
Chafee
Cochran
Cohen
D'Amato
Danforth
Dole
Domenici
Durenberger
Evans
Garn
Gramm
Grassley
Hatch
Hatfield
Hecht
Helms
Humphrey
Karnes
Kassebaum
Kasten
Lugar
McCain
McClure
McConnell
Murkowski
Nickles
Quayle
Roth
Rudman
Simpson
Specter
Stafford
Stevens
Symms
Thurmond
Trible
Wallop
Warner

NOT VOTING—2

Boren
Packwood

So the motion to table the motion to postpone the motion to reconsider until 5 p.m. tomorrow was agreed to.

RECESS FOR 30 MINUTES

The PRESIDING OFFICER. Pursuant to the previous order and request, the Senate will be in recess for 30 minutes.

Thereupon, at 11:31 a.m., the Senate recessed until 12:01 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer [Mr. INOUYE].

Mr. BYRD. Mr. President, I ask unanimous consent that I may proceed for 10 seconds.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS FOR 15 MINUTES

Mr. BYRD. Mr. President, I understand that the distinguished Republican leader would like a little additional time. I ask unanimous consent that the Senate stand in recess for an additional 15 minutes.

There being no objection, the Senate, at 12:02 p.m., recessed for 15 minutes; thereupon, at 12:17 p.m., the Senate reassembled when called to order by the Presiding Officer [Mr. PRYOR].

QUORUM CALL

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll, and the following Senators answered to their names:

[Quorum Vote No. 11]

Adams
Byrd
Cohen
Cranston
Domenici
Garn
Helms
Inouye
Karnes
McClure
Mitchell
Moynihan
Pell
Pryor
Rudman
Shelby
Stafford
Stennis

The PRESIDING OFFICER. A quorum is not present.

Mr. BYRD. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators, and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia [Mr. BYRD] to instruct the Sergeant at Arms to request the attendance of absent Senators.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Georgia [Mr. NUNN] and the Senator from Mississippi [Mr. STENNIS], are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 88, nays 10, as follows:

[Rollcall Vote No. 57 Leg.]

YEAS—88

Adams
Armstrong
Baucus
Bentsen
Biden
Bingaman
Boren
Boschwitz
Bradley
Breaux
Bumpers
Burdick
Byrd
Chiles
Cochran
Cohen
Conrad
Cranston
D'Amato
Daschle
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Exon
Ford
Fowler
Garn
Glenn
Gore
Graham
Grassley
Harkin
Hatch
Hatfield
Hecht
Heflin
Heinz
Helms
Hollings
Humphrey
Inouye
Johnston
Kassebaum
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lugar
Matsunaga
McCain
McClure
McConnell
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nickles
Packwood
Pell
Pressler
Pryor
Reid
Riegle
Rockefeller
Roth
Rudman
Sanford
Sarbanes
Sasser
Shelby
Simon
Simpson
Specter
Stafford
Stevens
Symms
Thurmond
Trible
Warner
Wilson
Wirth

NAYS—10

Bond
Chafee
Danforth
Evans
Gramm
Karnes
Proxmire
Quayle
Wallop
Weicker

NOT VOTING—2

Nunn
Stennis

So the motion to instruct was agreed to.

The PRESIDING OFFICER. With the addition of Senators voting who did not answer the quorum call, a quorum is now present.

FEDERAL-AID HIGHWAY ACT OF 1987—PRESIDENTIAL VETO

Mr. SIMPSON addressed the Chair.

Mr. BYRD. Mr. President, may we have order in the Senate? I would hope the distinguished assistant Republican leader is ready to give us good news and that we will proceed to a vote.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Wyoming.

Mr. SIMPSON. Mr. President, I would indicate, of course, that our Members have had a very interesting visit with the President of the United States, who was very forceful and very candid with our Members.

The President has now left the Capitol and members of the Republican Party are meeting because we are obviously at a point where we have a totally partisan issue. I would not want that to escape those who observe our processes, that we have a totally partisan issue. This is no longer an issue of highways and potholes and parties. It is parties, indeed it is. It is open and distinct partisanship.

Mr. President, I appreciate the fine efforts of the majority leader, who has been very patient with us. Thirteen of our Members are visiting about their situation. They are doing that at the present time.

Senator BYRD, as I say, has been more than generous as we have dealt with a rather extraordinary situation from a situation yesterday, or course, which was quite obvious in the changing of a vote. That option is now for our discussion, the changing of a vote—or two, or three.

Mr. President, I assure the majority leader that we are not here to go a week or 2 weeks. That is not our prospect. I feel quite certain that within a very few minutes we will have something to share, but it would not be well for me to press his patience and courtesies.

With that, I would make a motion. I would move at this time to postpone the pending Byrd motion until 12 noon on Monday, April 6, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, I move to lay the motion to postpone on the table and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion to lay on the table the motion of the Senator from Wyoming to postpone. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER (Mr. ADAMS). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 57, nays 43, as follows:

[Rollcall Vote No. 58 Leg.]

YEAS—57

Adams
Baucus
Bentsen
Biden
Bingaman
Boren
Bradley
Breaux
Bumpers
Burdick
Byrd
Chiles
Conrad
Cranston
Daschle
DeConcini
Dixon
Dodd
Exon
Ford
Fowler
Glenn
Gore
Graham
Harkin
Heflin
Heinz
Hollings
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Leahy
Levin
Matsunaga
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Nunn
Pell
Pressler
Proxmire
Pryor
Reid
Riegle
Rockefeller
Sanford
Sarbanes
Sasser
Shelby
Simon
Stennis
Weicker
Wirth

NAYS—43

Armstrong
Bond
Boschwitz
Chafee
Cochran
Cohen
D'Amato
Danforth
Dole
Domenici
Durenberger
Evans
Garn
Gramm
Grassley
Hatch
Hatfield
Hecht
Helms
Humphrey
Karnes
Kassebaum
Kasten
Lugar
McCain
McClure
McConnell
Murkowski
Nickles
Packwood
Quayle
Roth
Rudman
Simpson
Specter
Stafford
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Wilson

So the motion to lay on the table the motion of the Senator from Wyoming was agreed to.

Mr. BYRD. Mr. President, the distinguished Republican leader indicated to me he wanted a quorum call. I want to accommodate his request. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The majority leader.

Mr. BYRD. Mr. President, the question is on the motion to reconsider?

The PRESIDING OFFICER. The Senator is correct.

Mr. BYRD. The yeas and nays have been ordered?

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. BYRD. I thank the Chair.

Mr. DOLE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to reconsider. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 59, nays 41, as follows:

[Rollcall Vote No. 59 Leg.]

YEAS—59

Adams
Baucus
Bentsen
Biden
Bingaman
Boren
Bradley
Breaux
Bumpers
Burdick
Byrd
Chiles
Conrad
Cranston
Daschle
DeConcini
Dixon
Dodd
Durenberger
Exon
Ford
Fowler
Glenn
Gore
Graham
Harkin
Heflin
Heinz
Hollings
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Leahy
Levin
Matsunaga
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Nunn
Pell
Pressler
Proxmire
Pryor
Reid
Riegle
Rockefeller
Sanford
Sarbanes
Sasser
Shelby
Simon
Specter
Stennis
Weicker
Wirth

NAYS—41

Armstrong
Bond
Boschwitz
Chafee
Cochran
Cohen
D'Amato
Danforth
Dole
Domenici
Evans
Garn
Gramm
Grassley
Hatch
Hatfield
Hecht
Helms
Humphrey
Karnes
Kassebaum
Kasten
Lugar
McCain
McClure
McConnell
Murkowski
Nickles
Packwood
Quayle
Roth
Rudman
Simpson
Stafford
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Wilson

So the motion to reconsider was agreed to.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BYRD. Mr. President, I hope that we may have order in the Senate and in the galleries. The Republican leader is going to speak, and I would urge that we all pay our closest attention.

I ask unanimous consent, Mr. President, that there may be 5 minutes allotted to the Republican leader and 5 minutes to myself.

The PRESIDING OFFICER. Is there objection? Hearing no objection, it is so ordered.

The Republican leader is recognized for 5 minutes.

Mr. DOLE. Mr. President, I thank the Presiding Officer, and I thank the distinguished majority leader.

Mr. President, let me say at the outset that I want to thank all of my colleagues on both sides. I know we have had a number of votes, and have probably interrupted meetings, and otherwise disaccommodated a number of people. But as the leader on either side, we have a responsibility to try to win. Sometimes we win, and sometimes we do not.

We fought a good fight. I want to commend the distinguished President of the United States, Ronald Reagan, for coming to Capitol Hill. He spent over an hour and a half visiting the Republican Members—first in a meeting with all Republican Members, and then in a meeting with a smaller group of Republicans.

I think it is safe to say that no minds were changed. I am not totally sure of that. I may be mistaken. Maybe some of them will be stricken by conscience as they walk into the Chamber. But in any event, the President made the call. I think he did precisely the right thing. He feels very strongly about this issue. He came to the Hill, he made his case, he pleaded his case, and in my view in a very appropriate way. He did not bend any arms, he did not twist any arms, he did not make any deals. He came here as the President. Whether or not he succeeded will be known in about 20 minutes.

I also wish to thank the Secretary of Transportation, who also has worked very hard. I know she wants to thank all Members, those who have not returned her calls, and those who have. [Laughter.]

And those who will in the future. [Laughter.]

There will be a future.

But in the final analysis, it is our judgment to make. I thought yesterday it was all over. But I know that in this Chamber it is never over until it is over. I have told Senator BYRD that I am not certain that it is over. But I think it is time to vote. We have a lot of work to do today and tomorrow. And I am going to do all that I can to cooperate with the majority leader because I believe we might finish our work by October 1. That is something I want to help the majority leader achieve, if I can.

So to all of my colleagues, those on this side in particular, and those who stayed with us on this issue, I want to thank them very much. To those who have been against us on this issue, I want to indicate that there will be another one, maybe next week, maybe next month. And maybe there will be a different mix than this time, and we will be meeting with 13 other Republicans asking for their assistance.

But in the final analysis, we have had our shot at it. It has been over 24 hours since things started changing. And our batting average is not nearly as good as the majority leader's, but we will keep on trying.

So I will conclude by again thanking the President. When he called this morning, I said that I thought the odds were 10 to 1 or 100 to 10 that his visit would not change the outcome. To some that would be perceived as coming to the Hill and failing. But there is a constituency beyond this Chamber, and beyond this press gallery—the American taxpayers, the Americans who support Ronald Reagan, the Americans who want him to take on this responsibility. And for that constituency, I think the President thought he needed to make the fight, knowing there would be other problems. And I think he made the right call.

So I say thanks to the President, and to his new Chief of Staff, Howard Baker—whose help has been invaluable—and to all of my colleagues on both sides of the aisle.

Having said that, we are prepared for the verdict.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The time of the Republican leader has been yielded back and has expired.

The majority leader.

Mr. BYRD. Mr. President, I have seen many critical votes occur in this Chamber. I have seen the two sides on many occasions strive to win the battle. The distinguished Republican leader has fought valiantly, and like the Apostle Paul, he can say, "I have fought a good fight; I have finished my course; I have kept the faith." I do not know what the outcome of this vote will be. We have indications as to what we hope it will be.

It is a bipartisan bill. Both parties worked long and hard for the final product. This vote is not going to make or break the President of the United States, if indeed the veto should be overridden. There will be other vetoes in the future, and as one who has weathered many storms here over a period of almost 29 years, we seem to approach each thundercloud and lightning flash with the feeling that this is the final battle of Armageddon. But I have seen the lightning flash, I have heard the thunderclaps, and watched the stormclouds gather and go away. Yet, in this mad rush of life, another day brings other problems, new challenges, new battles. So we always gird again for the next one.

Sometimes we lose, and sometimes we win. We cannot win them all. I have had to lose on occasions. I have won on occasions. I have used a personal pronoun, having been the leader. I know what it is to win. I know what it is to lose. It is easy to be a big man when winning. Sometimes he who loses is the bigger man. But this instance transcends personalities in this Chamber. It is not a matter of "I lost" or "I won." It is larger than that. The American people are most involved, as they are in most votes here.

So whoever wins on the final vote today, must accept this as the judgment of the Senate, the judgment of Members on both sides of the aisle. It will not have been won or lost by any single individual in the final analysis.

So, let us be gracious in winning and encouraged and hopeful in losing, remembering that one day each of us will not be here and that this great institution will go on and on. Planes will continue to land at National, at Dulles, and they will take off. The bridges will be congested. The snows of winter will come, the flowers of spring will follow, and the seasons come and go. As I have said on occasion, nobody here today will always be here, but this institution will go on and this country must go on.

So I thank the distinguished Republican leader. He has at all times been frank with me, laying everything right on the table. I have tried to be equally forthright with him. I hope that in this debate I have measured up to what I should be. I have tried to be as accommodating as I could be because I know the distinguished Republican leader would certainly be the same with me, and has been.

Mr. President, I thank all Senators on my side of the aisle and on the other side of the aisle.

I particularly thank those Senators on both sides of the aisle who worked together to fashion this product, went to conference, and labored during the long hours of the conference. I especially thank all of those Members. And I again thank the Republican leader.

The PRESIDING OFFICER. The time of the majority leader has expired. All time has expired.

The question recurs, Shall the bill H.R. 2 pass, the objections of the President of the United States to the contrary notwithstanding?

The yeas and nays are required.

The clerk will call the role.

Mr. BYRD. Mr. President, I ask that the clerk repeat the vote after he calls the name.

The PRESIDING OFFICER. The Senate will be in order.

The clerk will repeat each name after it is called and the vote.

I ask the Senate to be in order so that all Senators may hear.

The clerk will proceed.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 67, nays 33; as follows:

[Rollcall Vote No. 60 Leg.]

YEAS—67

Adams
Baucus
Bentsen
Biden
Bingaman
Bond
Boren
Bradley
Breaux
Bumpers
Burdick
Byrd
Chiles
Cochran
Conrad
Cranston
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Durenberger
Exon
Ford
Fowler
Glenn
Gore
Graham
Harkin
Hecht
Heflin
Heinz
Hollings
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Leahy
Levin
Matsunaga
McConnell
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Nunn
Pell
Pressler
Proxmire
Pryor
Reid
Riegle
Rockefeller
Sanford
Sarbanes
Sasser
Shelby
Simon
Specter
Stennis
Symms
Weicker
Wilson
Wirth

NAYS—33

Armstrong
Boschwitz
Chafee
Cohen
Dole
Domenici
Evans
Garn
Gramm
Grassley
Hatch
Hatfield
Helms
Humphrey
Karnes
Kassebaum
Kasten
Lugar
McCain
McClure
Murkowski
Nickles
Packwood
Quayle
Roth
Rudman
Simpson
Stafford
Stevens
Thurmond
Trible
Wallop
Warner

The PRESIDING OFFICER. Two-thirds of the Senators present and voting having voted in the affirmative, the bill on reconsideration is passed, the objections of the President of the United States to the contrary notwithstanding.

The majority leader.

ORDER OF BUSINESS

Mr. BYRD. Mr. President, I think that Senators should know what the business will be for the rest of the day. It is hoped that we can bring up the JEDI bill which has a time agreement of 2 hours.

May we have order in the Senate and the galleries.

The PRESIDING OFFICER. The Senate will be in order. The Sergeant at Arms will keep the galleries in order. We appreciate having guests in the galleries. The Senate will suspend until we achieve order.

Mr. BYRD. Mr. President, there are three joint resolutions on the calendar. If Senators will look at the calendar, they are Calendar Order Nos. 70, 71, and 72. Those joint resolutions are under statutory time limitations of 10 hours each. I have been discussing with the distinguished Republican leader and Senator HELMS, Senator PELL, Senator KERRY, Senator DODD, and others, the possibility of limiting the time on those joint resolutions to 1 hour each, the hour to be equally divided, and I believe that those Senators have indicated they are willing to agree to such but they——

Mr. LEAHY. May we have order, Mr. President.

The PRESIDING OFFICER. The Senate will suspend. The Senate will be in order. The Sergeant at Arms will maintain order in the galleries. The Senate will be in order.

Mr. BYRD. I thank the Chair and I thank Senators and I thank our guests in the galleries.

Mr. President, I would like to propound the request at this time for time limitations on those three joint resolutions and then I would hope that we could go to the JEDI bill. That is Calendar Order No. 63, a bill to amend the Jobs Training Partnership Act. Mr. KENNEDY will manage the bill on this side. I hope we can go to it. That already has a 2-hour time limitation. I am saying to Senators, there will be rollcall votes this afternoon. I anticipate a rollcall vote on each of the joint resolutions and perhaps more rollcall votes.

Mr. KERRY. Will the Senator yield?

Mr. BYRD. Yes; I yield.

Mr. KERRY. I believe that proponents of the joint resolutions will be happy to have a total time limit on all three because I do not believe the amount of time proposed would be necessary. If we could have the total time with all three with a vote at the end, I think that will satisfy both sides.

Mr. BYRD. All right.

Mr. HELMS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The majority leader has the floor. Does the majority leader yield?

Mr. BYRD. Mr. President, I yield to the distinguished Senator from North Carolina.

Mr. HELMS. Mr. President, we have a small problem on one of the joint resolutions. I suggest we try to work out our time agreement on two of them and leave the third one open and see what develops on that.

Mr. BYRD. Very well. Will the distinguished Senator indicate on which of the three joint resolutions there is difficulty?

Mr. HELMS. Mr. President, may we have order? I cannot hear the majority leader.

The PRESIDING OFFICER. The Senate will be in order. We ask our guests in our galleries if they are going to make conversations, please leave the gallery so that the majority leader and the Senators can be heard. This is very important business.

Mr. BYRD. Mr. President, may I say, with all due respect to the Chair, that the problem is on the floor at this time.

The PRESIDING OFFICER. The Senate will be in order. Senators will be in order so we may hear the exchange.

The majority leader.

Mr. BYRD. I thank the Chair.

Mr. President, while the distinguished Republican leader is here, would it be all right, once we get this time agreement, to put the JEDI bill ahead of these joint resolutions, provided it is agreeable with the parties?

Mr. DOLE. That is fine. I think it will be if we keep the time equal.

Mr. LEAHY. Mr. President, while we are holding just for a moment, will the distinguished majority leader yield to me for a question?

Mr. BYRD. Yes.

Mr. LEAHY. And while the minority leader is here, too. We do have S. 410 on which we have been working on a time agreement. I know the distinguished minority leader has been interested in this and I have hesitated to bother him in the last few days because he has been very busy on other matters, but I am wondering if that might have been worked out, S. 410, and, if not, whether H.R. 1123 could just be brought up and passed.

The only reason I mention this, the Commission on Dairy Policy, I believe, ran out a couple of days ago. Everybody has agreed that that ought to be extended. The administration is for it. The Republican leadership of the Agriculture Committee, Democratic leadership of the Agriculture Committee, both House and Senate, are for it. I would like to get that through. I would be perfectly happy to go through S. 410 with the matters involving the Senator from Colorado, the Senator from Indiana, the Senator from Oklahoma, and others.

I think the whole business could probably be wrapped up in one rollcall vote, possibly two, and done in a couple of hours' time if it could be agreed to. If not, I say to my colleagues there is some urgency on the Commission, and if we could not agree on one, maybe we could agreed on taking up H.R. 1123 and passing it.

Mr. KENNEDY. Will the leader be willing to yield for just a brief statement, about a minute and a half?

Mr. BYRD. Yes. Mr. President, in response to the question by the distinguished Senator from Vermont, I am carrying on discussions with the distinguished Republican leader and other Senators who are involved in these matters. I prefer that they speak to them at this time if they will.

Mr. DOLE. If the majority leader will yield, I say to the distinguished Senator from Vermont that I have no problem with the agreement I was handed. As I understand, a part of that agreement would be an exchange between myself and the majority leader on H.R. 1157, and I just need to make certain that Senator GRASSLEY has no objection to that. We are trying to determine that right now.

Mr. LEAHY. Senator GRASSLEY is here and Senator LUGAR, the distinguished ranking member of the Agriculture Committee, is here. Maybe we can tie all these things down.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. BYRD. I will try to accommodate the Senator from Massachusetts in a moment.

Mr. KENNEDY. I just want to speak on another matter.

Mr. BYRD. Mr. President, I will yield to the distinguished Senator with the understanding that if any agreement is ready, I would like to seize it while I can get it.

Mr. KENNEDY. I will yield to the leader at any moment he wishes.

Mr. BYRD. Mr. President, I yield to the distinguished Senator from Massachusetts, with the understanding that I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRESIDENT'S LEADERSHIP UNAFFECTED BY VOTE TODAY

Mr. KENNEDY. Mr. President, this bill seems to have nine lives.

President Reagan has nothing to be concerned about in terms of the effect of this vote on his leadership. The old sports saying is still true, and it is especially applicable for the Gipper: "It doesn't matter whether you win or lose, but how you play the game."

And on this day, on this issue, in this battle, President Reagan played the game very well indeed—as the leader he is and can be. If no more shoes drop on Irangate, he is clearly out of the woods, and all of us recognize that, and welcome that.

We will disagree on the issues, as we have on this bill. But the country needs a strong President—and we certainly have one.

The PRESIDING OFFICER. The majority leader has the floor.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. DOLE. Mr. President, I commend the distinguished Senator from Massachusetts for that statement, one that I share. I appreciate his comments, coming as they do following the vote on a very important measure.

Mr. BYRD. Mr. President, I wonder if we could proceed with the JEDI bill while we are working on an arrangement on the other bills.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. I want to be sure the distinguished Republican leader heard the request.

Mr. DOLE. Yes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Will the majority leader state to the Chair the terms that he is proceeding with under this order?

JOBS FOR EMPLOYABLE DEPENDENT INDIVIDUALS ACT

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 63, S. 514, on which there is a time agreement, with the understanding that that measure cannot be displaced by any motion to proceed to any other measure or matter during the time that is provided in that agreement.

The PRESIDING OFFICER. It is the Chair's understanding that there is a 2-hour time limit on S. 514 and that no other matter is to take the floor during that period of time. Under the usual stipulations, it has been ordered that the time will be divided equally between the Senator from Massachusetts and——

Mr. BYRD. And the distinguished Republican leader or his designee.

The PRESIDING OFFICER. And the distinguished Republican leader or his designee.

Has the majority leader designated someone?

Mr. BYRD. It would be Mr. KENNEDY on this side.

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none, and it is so ordered.

The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 514) to amend the Job Training Partnership Act to establish an incentive bonus for the successful placement of certain employable dependent individuals, to provide targeting of assistance from certain carryover funds for such individuals, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Human Resources with an amendment to strike all after the enacting clause and insert in lieu thereof the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Jobs for Employable Dependent Individuals Act".

INCENTIVE BONUS ENTITLEMENT FOR EMPLOYABLE DEPENDENT INDIVIDUALS

SEC. 2. The Job Training Partnership Act (hereafter in this Act referred to as the "Act") is amended—

(1) by redesignating title V and all references thereto as title VI,

(2) by redesignating sections 501, 502, 503, and 504 as sections 601, 602, 603, and 604, respectively, and

(3) by inserting after title IV the following new title:

"TITLE V—JOBS FOR EMPLOYABLE DEPENDENT INDIVIDUALS INCENTIVE BONUS PROGRAM

"STATEMENT OF PURPOSE

"SEC. 501. It is the purpose of this title to entitle each State to the payment of a bonus for the successful job placement of certain employable dependent individuals.

"ELIGIBILITY BASIS FOR INCENTIVE BONUS ENTITLEMENT

"SEC. 502. (a) An individual who is a head of a household shall be eligible to be counted for the purpose of a payment of an incentive bonus under this title if the individual—

"(1)(A) has received benefits continuously under—

"(i) a State plan approved under part A of title IV of the Social Security Act, relating to the aid to families with dependent children program, or

"(ii) section 412(e) of the Immigration and Nationality Act, relating to cash assistance and medical assistance to refugees,

for at least 2 years prior to participation in education, training, and supportive services designed to provide jobs for such individuals; and

"(B) has no work experience for the year preceding the year for which the determination of eligibility is made; or

"(2)(A) receives benefits at the time the determination of eligibility under this title is made under a State plan under part A of title IV of the Social Security Act, relating to the aid to families with dependent children program, or section 412(e) of the Immigration and Nationality Act, relating to cash assistance and medical assistance to refugees, and

"(B) has—

"(i) not attained 22 years of age,

"(ii) not completed secondary school or its equivalent, and

"(iii) no work experience for the year preceding the year for which the determination of eligibility under this title is made; and

"(3) meets the requirements of subsection (c).

"(b) An individual who is blind or disabled shall be eligible to be counted for the purpose of a payment of an incentive bonus under this title if the individual—

"(1)(A) has received benefits continuously under title XVI of the Social Security Act relating to supplemental security income program for at least 2 years prior to participation in education, training, and support services designed to provide jobs for such individuals; and

"(B) has no work experience for the year preceding the year for which the determination of eligibility is made; or

"(2)(A) receives benefits at the time the determination of eligibility under this title is made under title XVI of the Social Security Act relating to supplemental security income, and

"(B) has—

"(i) not attained 22 years of age,

"(ii) no work experience for the year preceding the year for which the determination of eligibility under this title is made; and

"(3) meets the requirements of subsection (d).

"(c) An individual meets the requirements of paragraph (3) of subsection (a) if the individual—

"(1) participates in education, training, and supportive services designed to provide jobs for such individuals;

"(2) is placed in nonsubsidized employment for at least 1 year after such participation;

"(3) receives from the employment described in clause (2) income equal to or greater than the amount of cash benefits which the family received in the preceding year under part A of title IV of the Social Security Act, relating to the aid to families with dependent children program, or section 412(e) of the Immigration and Nationality Act, relating to cash assistance and medical assistance to refugees; and

"(4) no longer qualifies for benefits described in clause (3).

"(d) An individual meets the requirements of paragraph (3) of subsection (b) if the individual—

"(1) participates in education, training, and support services designed to provide jobs for such individuals;

"(2) is placed in employment or supported employment (as such term is defined in section 7(18) of the Rehabilitation Act of 1973) for at least 1 year after such participation;

"(3) receives from the employment described in clause (2) income equal to or greater than the amount of cash benefits which the individual received under title XVI of the Social Security Act relating to supplemental security income; and

"(4) no longer qualifies for benefits described in clause (3).

"(e) Each State shall be entitled to (subject to funds provided in appropriation Acts) receive an incentive bonus payment for the placement in accordance with the provisions of this title of individuals who are eligible under this section.

"AMOUNT OF INCENTIVE BONUS

"SEC. 503. (a) The amount of the incentive bonus paid to each State under this title shall be equal to—

"(1) 75 percent of the placement bonus base for each successful placement of an individual described in section 502;

"(2) 50 percent of the placement bonus base for the second continuous year of such employment; and

"(3) 25 percent of the placement bonus base for the third continuous year of such employment,

in excess of the number of such placements made in fiscal year 1986 or such other base period as provided by agreement between the Governor and the Secretary.

"(b) For the purpose of this section, the placement bonus base—

"(1) for an individual who qualifies under section 502(a)(1) is equal to the sum of the Federal contribution to amounts received by the individual and the family of such individual under a State plan approved under part A of title IV of the Social Security Act, relating to aid to families with dependent children, or under section 412(e) of the Immigration and Nationality Act, relating to cash assistance and medical assistance to refugees, or both, for the 2 fiscal years prior to the determination made under section 502 divided by 2; and

"(2) for an individual who qualifies under section 502(a)(2) shall be the annual amount to which such individual would have been entitled for one year at the time of the determination of eligibility of the individual, if such individual has not received the benefits described in subsection (b) for the prior year, under part A of title IV of the Social Security Act, relating to the aid to families with dependent children program, or section 412(e) of the Immigration and Nationality Act relating to cash assistance and medical assistance to refugees.

"(c) For the purpose of this section, the placement bonus base—

"(1) for an individual who qualifies under section 502(b)(1) is equal to the sum of the Federal contribution to amounts received by the individual under title XVI of the Social Security Act relating to supplemental security income for the two fiscal years prior to the determination made under section 502 divided by 2; and

"(2) for an individual who qualifies under section 502(b)(2) shall be the annual amount to which such individual would have been entitled for one year at the time of the determination of eligibility of the individual, if such individual has not received the benefits described in subsection (c) for the prior year under title XVI of the Social Security Act relating to supplemental security income.

"APPLICATIONS AND VERIFICATION REQUIRED

"SEC. 504. (a) Each State providing training to individuals qualifying for the incentive bonus under this title shall submit to the Secretary an application at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require. Each such application shall—

"(1) set forth the bonus base for the placement of individuals qualifying under this title in the State;

"(2) set forth the nonsubsidized employment or supported employment (as such term is defined in section 7(18) of the Rehabilitation Act of 1973) for each such individual and the annual amount earned;

"(3) set forth the amount of cash benefits under part A of title IV of the Social Security Act, relating to the aid to families with dependent children program, or section 412(e) of the Immigration and Nationality Act, relating to cash assistance and medical assistance to refugees, received by each individual placed pursuant to clause (1) of this subsection and the amount of cash benefits under title XVI of the Social Security Act relating to benefits for disabled individuals under the supplemental security income program received by each individual placed pursuant to clause (1) of this subsection;

"(4) describe the arrangements for carrying out sections 502(c)(1) and 502(d)(1) relating to the provision of education, training, and supportive services; and

"(5) set forth such additional information as the Secretary determines to be necessary.

"(b) The Secretary may not approve an application under this section without adequate verification of the placements described in the application of the State made under subsection (a).

"PAYMENTS

"SEC. 505. The Secretary shall pay (subject to funds provided in appropriation Acts) to each State the amount to which the State is entitled by reason of an application approved under section 504.

"RESERVATION OF INCENTIVE BONUS; USE OF FUNDS

"SEC. 506. (a) The Governor shall reserve an amount which is equal to the amount the State receives for incentive bonuses under section 505 and shall distribute such incentive bonus amounts in accordance with subsection (b).

"(b)(1) The Governor shall, from the amount reserved under subsection (a), set aside an amount, not to exceed 15 percent of the amount so reserved in each fiscal year, for distribution to participating State agencies to support the costs of establishing and maintaining systems necessary for the operation of the program under this title, including technical assistance, management information systems, postprogram followup activities, and research and evaluation activities.

"(2) The Governor shall distribute the remainder of the amount so reserved in each fiscal year to participating agencies, private industry councils in service delivery areas, and service providers, including community-based organizations, who contribute to the program authorized by this title.

"(c) Funds distributed pursuant to paragraph (2) of subsection (b) may be used only for outreach, basic and remedial education, including language training for limited English proficient individuals, training and supportive services, including child care and transportation, designed to prepare participants for, or place individuals in, jobs.

"EVALUATION OF PROGRAM

"SEC. 507. (a) The Secretary shall, directly or by contract or other arrangement, conduct a thorough evaluation of the program authorized by this title.

"(b) Not later than 3 years after the date of enactment of this title, the Secretary shall prepare and submit a report to the Congress on the evaluation activities conducted under subsection (a) and the results of such activities, together with an analysis on the costs of the program authorized by this title and the savings in payments under part A of title IV of the Social Security Act, relating to the aid to families with dependent children program, under section 412(e) of the Immigration and Nationality Act, relating to cash assistance and medical assistance to refugees, or under title XVI of the Social Security Act relating to supplemental security income program.".

PROVISIONS FOR IMPROVING ASSISTANCE TO HARD-TO-SERVE INDIVIDUALS AND WELFARE RECIPIENTS

SEC. 3. (a) Section 201 of the Act is amended by adding at the end thereof the following new subsection:

"(c)(1) For program years beginning July 1, 1988, and thereafter, the allotment from funds appropriated for such program year of a State shall be reduced by the amount that the unexpended balance at the end of the program year prior to the program year for which the determination under this subsection is made exceeds 20 percent of the State's allocation for that fiscal year and the unexpended balance from the program year prior to that program year.

"(2) Amounts available pursuant to paragraph (1) of this subsection shall be reallotted to States by the Secretary in accordance with States' need for and ability to use the funds for the purposes of this title.".

(b) The first sentence of section 202(b)(3)(B) of the Act is amended by striking out ", including incentives for serving hard-to-serve individuals" and inserting in lieu thereof "and incentives for serving increased numbers of hard-to-serve individuals, particularly long-term welfare recipients, including title IV of the Social Security Act relating to aid to families with dependent children and title XVI relating to supplementary security income".

(c) Section 106(e) of the Act is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2) The Secretary shall—

"(A) provide improved information and technical assistance on performance standards adjustment approaches;

"(B) collect data that better specifies hard-to-serve individuals and long-term welfare dependency; and

"(C) provide guidance on setting performance goals at the service provider level that encourages increased service to the hard-to-serve, particularly long-term welfare recipients, including title IV of the Social Security Act relating to aid to families with dependent children and title XVI relating to supplementary security income.

The Secretary shall also reexamine performance standards to ensure that such standards provide maximum flexibility in serving the hard-to-serve, particularly long-term welfare recipients, including title IV of the Social Security Act relating to aid to families with dependent children and title XVI relating to supplementary security income.".

(d) Section 106 of the Act is amended by adding at the end thereof the following new subsection:

"(i)(1) The basic measure of performance for adult education programs under section 204 shall be the attainment of educational competence in reading, writing, and computation, including, where appropriate, acquisition of the graduate equivalency degree in order to reduce welfare dependency by increasing individual employability. In order to determine whether the basic measures are achieved, the Secretary shall prescribe standards on the basis of appropriate factors which should include: (A) satisfactory progress toward mastering the basic academic competencies, (B) measured progress through each grade level, (C) retention in the program and placement, if possible, in employment, and (D) satisfactory completion of the graduate equivalency degree.

"(2) Nothing in this subsection shall be construed to modify the performance standard prescribed in subsection (b) of this section.".

AFDC/SSI AND SUMMER YOUTH PROGRAM

SEC. 4. (a) This section may be cited as the "AFDC/SSI and Summer Youth Employment and Training Amendments of 1987".

(b) Section 104(b) of the Act is amended—

(1) by striking out "and" at the end of clause (9);

(2) by striking out the period at the end of clause (10) and inserting in lieu thereof "; and"; and

(3) by inserting at the end thereof the following new clause:

"(11) for service delivery areas intending to operate or operating a program under section 254, a comprehensive plan of service in accordance with the requirements of section 254(c)(1).".

(c) Section 105(b)(1) of the Act is amended—

(1) by striking out "or" at the end of clause (D),

(2) by striking out the period at the end of clause (E) and inserting in lieu thereof "; or", and

(3) by inserting at the end thereof the following new clause:

"(F) for service delivery areas intending to operate or operating a program under section 254, the plan (or modification) does not include the required comprehensive plan of service (in accordance with the requirements of section 254(c)(1)).".

(d) Section 106(b) of the Act is amended—

(1) by striking out "also" in paragraph (2) of such subsection,

(2) by inserting in paragraph (2) of such subsection after "programs" the first time it appears the following: "under part A of title II",

(3) by redesignating paragraph (3) of such subsection as paragraph (4), and

(4) by inserting after paragraph (2) of such subsection the following new paragraph (3):

"(3) The Secretary shall, at such time as the Secretary deems appropriate, prescribe standards for evaluating the performance of the AFDC youth and SSI youth employment and training program under section 254. In prescribing such standards, the Secretary shall designate factors which, in addition to appropriate utilization of the factors described in paragraphs (1) and (2), may include, to the extent practicable, measures of basic education gains and reduced welfare dependency.".

(e) Section 202(b)(3)(B) of the Act is amended by inserting "under this title" after "programs" where it first appears.

(f)(1) Part B of title II of the Act is amended to read as follows:

"PART B—SUMMER AND AFDC/SSI YOUTH EMPLOYMENT AND TRAINING PROGRAMS

"SEC. 251. (a) The purpose of programs assisted under section 253 is to—

"(1) enhance the basic educational skills of youth;

"(2) encourage school completion, or enrollment in supplementary or alternative school programs; and

"(3) provide eligible youth with exposure to the world of work.

"(b) In addition to the purposes described above, the programs assisted under section 254 are intended to—

"(1) provide AFDC and SSI youth with the skills necessary for entering the labor force;

"(2) assist AFDC and SSI youth in addressing problems which prevent them from becoming productive members of society; and

"(3) reduce welfare dependency by targeting resources to help these AFDC and SSI youth, including young mothers receiving AFDC or SSI, who face multiple barriers to employment.

"AUTHORIZATION OF APPROPRIATIONS; ALLOTMENT AND ALLOCATION

"SEC. 252. (a) From the funds appropriated under section 3(b), the Secretary shall first allocate to Guam, the Virgin Islands, American Samoa, the Freely Associated States (Republic of the Marshall Islands and the Federated States of Micronesia), the Republic of Palau, the Northern Mariana Islands, and entities eligible under section 401 the same percentage of funds as were available to such areas and entities for the programs under this part in the fiscal year preceding the fiscal year for which the determination is made.

"(b) The remainder of sums appropriated pursuant to section 3(b) shall be allotted among States in accordance with section 201(b) and allocated among service delivery areas within States in accordance with section 202(a) (2), (3), and (4).

"SUMMER YOUTH EMPLOYMENT AND TRAINING PROGRAM

"SEC. 253. (a)(1) Funds available under this part may be used for—

"(A) basic and remedial education, institutional and on-the-job training, work experience programs, employment counseling, occupational training, preparation for work, outreach and enrollment activities, employability assessment, job referral and placement, job search and job club activities, and any other employment or job training activity designed to give employment to eligible individuals or prepare them for, and place them in, employment; and

"(B) supportive services necessary to enable such individuals to participate in the program.

"(2) A service delivery area shall assess the reading, writing, and mathematics skill levels of eligible participants in programs funded by this part and shall expend funds (from this Act or otherwise available to the service delivery area, or both) for basic and remedial education as described in the job training plan under section 104.

"(b)(1) Programs under this section shall be conducted during the summer months, except that a service delivery area may—

"(A) within the jurisdiction of any local educational agency that operates its schools on a year-round full-time basis, offer the programs under this section to participants during a vacation period treated as the equivalent of a summer vacation; or

"(B) use all or part of the funds under this part for conducting year round exemplary youth programs authorized under section 205 of this Act.

"(2) Except as provided in paragraph (3), individuals eligible under this section shall be economically disadvantaged youth consistent with section 4(8) of this Act.

"(3) Eligible individuals aged 14 or 15 shall, if appropriate and set forth in the job training plan, be eligible for summer youth programs under this section.

"(c)(1) Private industry councils established under title I, chief elected officials, State job coordinating councils, and Governors shall have the same authority, duties, and responsibilities with respect to planning and administration of funds available under this section as private industry councils, chief elected officials, State job training coordinating councils, and Governors have for funds available under part A of title II.

"(2) In accordance with the provisions of paragraph (1), each service delivery area shall establish written program goals and objectives which shall be used for evaluating the effectiveness of programs conducted under this section. Such goals and objectives may include—

"(A) improvement in school retention and completion;

"(B) improvement in academic performance, including reading, writing, and mathematics comprehension;

"(C) improvement in employability skills; and

"(D) demonstrated coordination with other community service organizations such as local educational agencies, law enforcement agencies, and drug and alcohol prevention and treatment programs.

"AFDC/SSI YOUTH EMPLOYMENT AND TRAINING PROGRAM

"SEC. 254. (a) In addition to or in lieu of the services for youth available in accordance with section 253, each service delivery area may elect to use funds available to it under this part for the program described in this section.

"(b)(1) The program under this section may be conducted on a year-round basis.

"(2) An individual shall be eligible to participate in the program under this section only if—

"(A) such individual is aged 16 through 21, or if appropriate and set forth in the job training plan, such individual is aged 14 through 21,

"(B) such individual is receiving payments, or such individual is an individual whose needs are considered in determining payments, made under the program of aid to families with dependent children under a State plan approved under part A of title IV of the Social Security Act or title XVI of the Social Security Act relating to supplemental security income, and

"(C) such individual is at risk of becoming a long-term welfare recipient or long-term unemployed.

"(c) A service delivery area electing to operate a program under this section shall—

"(1) describe in its job training plan a comprehensive plan of service containing—

"(A) the process for assessing the needs of each participant (including educational, training, employment, and social service needs);

"(B) the services (including supportive services necessary to enable such individuals to participate in the program) and activities to be provided, including the agencies that will provide such services, and an estimate of the length of time service will be provided to the participant; and

"(C) goals to be attained, including the intermediate success points to be pursued during the course of participation; and

"(2) provide the necessary services, where the assessment of the participant pursuant to subsection (c)(1)(A) indicates a need, including where appropriate—

"(A) basic and remedial education;

"(B) drug and alcohol abuse counseling;

"(C) pregnancy and pregnancy prevention counseling;

"(D) child care classes; and

"(E) life skills planning classes.

"(d) Funds available for the program under this section may be used to provide, in addition to the services required under subsection (c), the following services:

"(1) classroom training, on-the-job training, work experience, job search assistance, employment counseling, world-of-work orientation, any of the activities described under section 205 of this Act, and any other educational, employment, or job training activity designed to prepare participants for, or place individuals in, employment; and

"(2) other supportive services for such individuals.

"(e) Private industry councils established under title I, chief elected officials, State job training coordinating councils, and Governors shall have the same authority, duties, and responsibilities with respect to planning and administration of funds available under this section as private industry councils, chief elected officials, State job training coordinating councils, and Governors have for funds available under part A of title II, except that private industry councils shall have the additional responsibility under this section of ensuring that the job training plan provide for coordination of service delivery areas, local welfare agencies, and local educational agencies in the planning, program design, and the provision of services to participants.

"(f) The Secretary and the Secretary of Health and Human Services shall issue regulations jointly relating to the safeguarding and sharing, between service delivery areas and agencies administering a plan under part A of title IV of the Social Security Act, of information concerning programs under this part that is necessary for carrying out the purposes of such programs, and of the State plans approved under part A of title IV of the Social Security Act.".

(2) The table of contents of the Act relating to part B of title II is amended to read as follows:

"*PART B—SUMMER AND AFDC/SSI YOUTH EMPLOYMENT AND TRAINING PROGRAMS*

"*Sec. 251. Purposes.*

"*Sec. 252. Authorization of appropriation; allotment and allocation.*

"*Sec. 253. Summer youth employment and training program.*

"*Sec. 254. AFDC/SSI youth employment and training program.*".

(g) The amendments made by this section shall take effect on October 1, 1987.

CONFORMING AMENDMENTS

SEC. 5. (a) Section 104(b) of the Act (as amended by subsection (b)) is further amended—

(1) by redesignating clauses (7), (8), (9), (10), and (11) as clauses (8), (9), (10), (11), and (12), respectively; and

(2) by adding after clause (6) the following new clause:

"(7) a description of the procedures and methods of carrying out the provisions of title V, relating to incentive bonus payments for employable dependent individuals;".

(b) Section 106(b) of the Act is amended by adding at the end thereof the following new paragraph:

"(5) In prescribing performance standards under this section for programs authorized by section 109 and title V, relating to the placement of certain employable dependent individuals, the Secretary shall weigh the placement of such individuals in accordance with the average cost of successful placement of such individuals compared to the average cost of successful placement of individuals eligible for services under part A of title II of this Act.".

(c) Section 121(b) of the Act is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(2) by adding after paragraph (2) the following new paragraph:

"(3) The State plan shall include a description of the manner in which the State will encourage the successful carrying out of—

"(A) training activities for employable dependent individuals whose placement is the basis for the payment to the State of the incentive bonus authorized by title V; and

"(B) the training services, outreach activities, and preemployment supportive services furnished to such individuals.".

(d) Section 164 of the Act is amended by striking out "titles II and III" and inserting in lieu thereof "titles II, III, and V".

(e) Section 3 of the Act is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following new subsection:

"(e) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of title V of this Act.".

(f)(1) Part D of title I of the Act is amended by adding at the end thereof the following:

"CONSTRUCTION

"SEC. 172. (a) Nothing in this Act shall be construed in any way to limit the right of persons to remain eligible for assistance under title XIX of the Social Security Act relating to Medicaid pursuant to section 1619(b) of such Act.

"(b) Nothing in this Act shall be construed to authorize the use of funds under this Act for the ongoing support services provided to handicapped individuals placed in supported employment, as such term is defined in section 7(18) of the Rehabilitation Act of 1973.".

(2) The table of contents of the Act is amended by inserting after item "Sec. 171." the following new item:

"Sec. 172. Construction.".

Mr. BYRD. Does the able Senator from Massachusetts wish to have the yeas and nays on final passage, so that all Senators will know?

Mr. KENNEDY. Yes.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. I thank all Senators.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. LEAHY. Mr. President, will the Senator yield so that I may ask a question of the majority leader?

Mr. KENNEDY. I yield for that purpose.

Mr. LEAHY. I ask the majority leader if we are in a position to propound the agreement on S. 410.

Mr. GRASSLEY. We have to wait until Mr. DOLE returns.

Mr. LEAHY. I understand there has been a delay. I am perfectly ready to enter into any time agreement. If we get an opening, as the distinguished majority leader has said, I hope we can seize the opportunity and lock it in.

Mr. BYRD. Mr. President, I ask unanimous consent that this time not be charged against either side on the pending matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I thank all Senators.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, for the information of Members of the Senate, even though we have a 2-hour time limitation—an hour on each side—I do not think it will take all that time. We have to move quickly to final disposition. The length of the debate will not really be relevant to the importance of the matter we are considering, because this is a major piece of legislation, of very great significance. We have been fortunate in being able to work very closely, Republican and Democratic alike, in recommending this legislation to the Senate, and I hope we will be able to dispose of it in a very brief period of time. I yield myself such time as I may consume. Mr. President, today, the Committee on Labor and Human Resources brings to the Senate a bill reported unanimously by our committee. It is a bill with 45 cosponsors, and its name is the "Jobs for Employable Dependent Individuals Act," or JEDI. The premises of this legislation are simple:

First, it is better that families have income from work rather than from welfare. Nearly 4 million American families will receive aid to families with dependent children this year. Many of these families will receive AFDC for most of the next 10 years. These are the most needy and the most expensive of the poor—they have the fewest resources, all have children, and they will consume most of the AFDC dollars spent each year.

Second, despite the pressing need of these families to find work so that they can be free of the burden of long-term dependency, Federal job-training efforts have largely missed this group. Federal efforts suffer from a lack of essential resources, and what resources we have are often misdirected toward those who are easiest to place rather than to those who are most in need. The principal Federal Job Training Program is the Job Training Partnership Act. Title II a of the act spends $1.8 billion each year on job training for the economically disadvantaged, yet less than 150,000 AFDC dependents are enrolled in the program, and of these, perhaps as few as one-third are long-term AFDC recipients. Title II B of the program spends $800 million each year on summer jobs for economically disadvantaged youth, but these funds are not available for year-round programs, and are not targetted to those most in need. The WIN program, now funded at only $115 million, provides less than $35 per welfare family, and even this paltry amount is often targetted to those for whom jobs are easiest to find rather than to those for whom job training would be most helpful.

Third, there is impressive evidence that job training efforts directed to the long-term poor can succeed. The Massachusetts Employment and Training Choices Program [ET] has reduced the number of families that stay on AFDC for 5 or more years by 25 percent, and it has reduced the average time that a family stays on AFDC by one-third.

Fourth, successful employment programs for the long-term dependent can pay for themselves. The Massachusetts program is estimated to have saved the Federal Government nearly $100 million already. And we can predict savings by looking at the individual case. We know that the bulk of the two groups that JEDI targets will be on AFDC for the long haul—most of them for 10 years or more. If a State trains and places one of these people in nonsubsidized employment for 1 year, the Federal Government has almost certainly saved money. JEDI takes advantage of this fact, and offers to return to the States a fraction of the Federal welfare savings produced by successful State efforts.

This has important effects—it means that the Federal Government will not pay for a bonus until even more than that amount has been saved. And it means that the program will be hard-nosed about results—this program does not pay for failure; it does not pay for head counting; it does not pay for make-work. JEDI only pays for success in achieving its goals—to move people off the welfare rolls and on to the payrolls.

The bill includes the administration's AFDC/summer youth proposal which will permit States to provide year-round training to AFDC dependent youth. Taken together, this bill will save at least $215 million in Federal budget authority in the next 5 years. And if the States take us up on our offer to provide services to the long-term dependent in response to the sizable incentives we provide, the Federal savings could be enormous over time.

JEDI is a challenge to the States. It challenges them to use their present resources more effectively. It challenges them to devote additional resources to a problem we share with them and to produce results that benefit the Federal and State governments. I believe that the States are eager to take on this task and are equal to it. The sooner JEDI becomes law, the sooner families all over this country will be able to depart dependency and to enjoy the benefits of opportunity.

I thank my colleagues on the Labor Committee for their hard work and their cooperation in preparing this legislation. Senators HATCH and QUAYLE have been particularly helpful. Senators HARKIN and WEICKER made important contributions on behalf of the handicapped. And of course, Senator MOYNIHAN, who was an original cosponsor of this bill, has been extremely thoughtful and supportive of the JEDI concept. I also thank the staff of the committee for their help. Sarah Von Der Lippe, Johnathan Massey, Michael Iskowitz, and Lenny Gale of my staff, Kris Iverson with Senator HATCH, Bob Guttman with Senator QUAYLE, Bud Blakey with Senator SIMON and Eartha Isaac with Senator SPECTER have been generous with their time and with their weekends so that this important legislation could come to the floor. It is my intention to offer amendments shortly which will resolve all of the minor concerns that my distinguished colleagues have voiced relevant to this legislation. I will do that after the opening statements of the minority.

I withhold the remainder of my time.

The PRESIDING OFFICER. The Senator withheld the remainder of his time.

Senator Hatch.

Mr. HATCH. Thank you, Mr. President.

I am happy to be here on this floor at this time with this very important bill, and I compliment our chairman for the work he has done. I think this is one of the most important bills that will come to this Chamber this year. I think it is a tribute to Senator KENNEDY and others on the committee on both sides—this is a bipartisan bill—to have this type of legislation come to the floor that I think has so much potential for good. I would like to compliment staff on both sides. They have done a terrific job on this.

Mr. President, it is always an occasion to raise the flag when Senator KENNEDY and I are cosponsors of the same legislation, or when the Labor and Human Resources Committee is able to report a bill on a unanimous roll call vote. The legislation we are considering today is the reason for such a celebration of bipartisanship.

The Jobs for Employable Dependent Individuals Act, or [JEDI], is an innovative approach to promoting self-sufficiency for long-term welfare recipients. Public assistance is a burden not only for those citizens who bear the indignity of dependency, but for the taxpayers who always have to foot the bill for numerous public support programs. We have to devise ways of alleviating the welfare burden for both of these groups of citizens.

The administration has proposed some welfare reforms which I hope Congress will examine carefully. We should not overlook any opportunity for constructive change in this particular area. I look forward to working with my colleagues in the Senate as well as the administration on further improvements in our welfare system.

JEDI, however, is a step in the right direction.

First, JEDI does not create a new spending program, but instead encourages the use of existing funds to conduct the program. JTPA funds could be directed into training programs which target this hard-to-serve population of this country. The costs of paying bonuses to States would be offset by reductions in Federal AFDC and SSI payments.

Second, this approach does not beat States and local JTPA service delivery areas into submission with a vast array of new mandates and requirements. States may decide whether or not to make the investment in programs for JEDI eligible clients which would ultimately yield bonuses.

Third, JEDI encourages States to be innovative in their approach to training and welfare-to-work programs. We have heard a lot about Massachusetts' E.T./Choices program, but other States are also developing their own unique programs to address the multiple reasons individuals actually have become welfare dependents. California, Washington, and my own home State of Utah, are several of the States that have been leaders in this area. Utah has addressed the needs of the AFDC population in two different ways, through its Emergency Work Program which allows benefits to be paid to two-parent families as long as one parent participates in a training or work program, and its pilot Self-Sufficiency Program geared for single heads of households. This successful project provides valuable private sector internships which ultimately lead to job references and permanent employment. Federal policy must provide States with the flexibility to undertake such programs.

Fourth, in keeping with our aims to provide options for States and to target young AFDC recipients for assistance, S. 514 includes a change in title II-B of the Job Training Partnership Act proposed by the Reagan administration which will permit service delivery areas to use title II-B funds for quality education and training programs for youth receiving AFDC or SSI. Title II-B, the Summer Youth Employment Program, has been used primarily to provide jobs to economically disadvantaged youth during the summer. Such jobs can be helpful in exposing a teenager to the world of work, but only rarely can such temporary work alone break the cycle of poverty. Longer term and more comprehensive training is necessary to accomplish that goal. Under the provisions of this proposal, now incorporated in S. 514, private industry councils may now devote all or part of their title II-B allocations to training services for young welfare recipients.

Fifth, the concept of evaluation based on performance has been enhanced under this legislation in several ways. First, JEDI bonuses will be paid to States only after an eligible program participant has been employed in an unsubsidized job for at least a year at wages which are equal to or greater than the Federal share of that individual's AFDC benefit. Second, a maintenance of effort provision makes it clear that Congress does not want to merely reward States for what they are already doing, but rather is seeking additional progress in helping AFDC recipients become independent. Third, the bill calls on the Secretary of Labor to develop and disseminate better data and to assist States with modifying performance standards to take into account the characteristics of the client groups being served.

All in all, this bill accomplishes many of our major goals. It focuses more attention and resources on those citizens who are most often overlooked because they require a broader and more expensive range of services in order to become self-sufficient. And at the same time it saves money. The Congressional Budget Office estimates that this legislation would result in net savings during the out years of $257 million in budget authority and $201 million in outlays. Additionally, CBO estimates on their part savings to State and local governments of $261 million during the same 5 year period.

This is the kind of legislation I hope the 100th Congress will produce: problem-solving without new bureaucracy, new mandates, or new spending. I commend the Senator from Massachusetts, Senator QUAYLE, and others for an excellent idea. I commend his staff for their hard work and cooperation working with our staff in order to enact this legislation. I also thank the other members of the Labor and Human Resources Committee. Especially, I single out Senator QUAYLE, who as a chairman of the Employment and Productivity Subcommittee in the last 6 years actually has worked very, very hard in this area and, of course, he is a person who has actively participated in making this bill a truly innovative bipartisan approach to helping actual people in poverty, such citizens, to be able to break their way out of the poverty trap.

With that, I reserve the remainder of my time and look forward to passing this legislation.

The PRESIDING OFFICER. Who yields time?

Mr. HATCH. I yield to the distinguished Senator from Indiana.

The PRESIDING OFFICER. The time is controlled.

Does the Senator from Utah yield?

Mr. HATCH. I yield such time as the Senator from Indiana may use.

Mr. QUAYLE. Mr. President, I will just take a couple of moments and then I desire to enter into a little bit of colloquy with the chairman of the Labor and Human Resources Committee, Senator KENNEDY.

Mr. President, I congratulate the chairman and ranking member and all those who put together this bill, this JEDI bill, which basically rewards the placement of jobs on an incentive basis to the States. As a matter of fact, as we have pointed out time and time again, there is a saving in taking people off the welfare rolls and putting them on to actual jobs.

What this bill does for the first time—and I congratulate our chairman for coming up with the mechanism to try to provide some incentives and a mechanism for rewards when these take place. I think that he has certainly provided that kind of mechanism and I certainly hope it works. I hope it works and that we are able to gather the data in a coherent fashion, that we are able to make these decisions on which States are service delivery areas and really making those performances that we think are necessary. Because I think, if this does work, perhaps we are opening up a whole new area where we can take this kind of concept and apply it to other areas of legislation and other interests that I know the chairman and the ranking member have.

Second, I wish to thank Senator KENNEDY in particular, and Senator HATCH, for working with us to get our amendment through which would allow year-round training with funds under title 2(b) to be afforded AFDC recipients. I have for a long time advocated trying to expand and make sure that program is not just a jobs program, but a training program. I think what we have been able to achieve by this is to really focus and show the continuity and the viability of both education, training, and the jobs; that they work in tandem and are very, very important.

Also, I might point out that with this amendment, this piece of legislation, according to CBO, saves around $250 million over the next 3- to 4-year period of time. So this is a budget bill that, in fact, helps out the budget deficit, yet does some very positive and substantive things: very positive things to expand this program for AFDC recipients, to show that we have a very special commitment to trying to get them on the payrolls, and certainly lauds the new concept that Senator KENNEDY has put forth in trying to provide rewards and incentives for doing things we want to see achieved, and that is to see people placed in jobs.

Mr. President, I had contemplated and desired to offer an amendment on this piece of legislation, offer an amendment not in spirit to try to bog it down, but to improve the bill and to particularly highlight my particular interest in moving the Readjustment Assistance Program, the $980 million that is in the budget for readjustment assistance. I think that it is very important that we get on with this as soon as possible.

I know that just yesterday the Labor Committee of the House of Representatives passed a readjustment assistance by itself out of that committee to be part of the trade bill. I think that this legislation really deserves to be on what I call a fast track. We really simply cannot let this legislation become bogged down with controversial amendments. That is why I wanted to attach it to the JEDI bill, because there is strong bipartisan support for the JEDI bill and, therefore, I thought, with the strong bipartisan support we have for readjustment assistance, that this would be a logical vehicle to attach it to. It deals with education, training, and job placement. It is something I know that has strong bipartisan support.

But I am not going to offer it at this time, after a number of consultations with the chairman and others, particularly the chairman. But I want to make sure that I do have the chairman's assurance and understanding—I know he is committed to the bill—but if he would agree with me that we really need to put this on a fairly fast track, that there is no reason to delay this, that the sooner we could get this through his committee, the sooner we could get this through the Senate and send it over to the House—the House Labor Committee has already reported it out—the better off we are going to be.

There are literally thousands of people in my home State of Indiana, particularly in the Indianapolis area, where just recently we have had three major plant closings in the last couple of weeks. We had three major plant closings that desperately need some of this additional money. And, particularly for a plant that is going to close this fall, we could, if this bill is law today, we could be using some of that money for the early intervention. And I think with early intervention, when we can be able to begin to work with these people that are going to become dislocated, the transition is much easier.

So I would like to ask the chairman of the committee if he agrees with my basic premise that it would be very prudent and advisable for us to move the readjustment assistance, which I think has strong bipartisan support, in as quick a fashion as possible. I ask the chairman of the committee if he might be able to respond to a process that might accommodate the desires of the Senator from Indiana.

Mr. KENNEDY. Mr. President, I yield on my own time.

First of all, I want to thank the Senator from Indiana for not only his work on this particular legislation, but for the leadership he has provided in other Congresses in fashioning and shaping the JTPA. He was the chairman of the subcommittee and he held a great many hearings and has been very much involved in the whole effort that we have been making over a period of years, which is to ensure that training programs are going to be more effective and more efficient.

Now he has raised the issue on the readjustment assistance, a very important concept and one in which I share strong support with him.

In regard to the potential timing for legislation dealing with that readjustment assistance, I want to give the assurance to the Senator from Indiana that we intend to act expeditiously. We want to get that legislation passed. There are many of us on that committee that believe that the effective use of those resources can, as the Senator has mentioned, be used with early intervention. We do believe that notification is an important element in terms of plant closings. We do have some differences on that particular issue, and we know that we have in our committee. But we are very eager to work with the ranking minority member, the Senator from Utah, Senator HATCH, and with the Senator from Indiana in trying to find some path that can assure us early action on that issue. I hope that that could be worked out in a very short period of time. We are talking now, I suppose, just a very few weeks.

I can give the Senator the assurance that if we are unable to work it out, we will still be desirous of moving the legislation and permitting the Senate to take whatever position and that we will move ahead. Because I think I, myself, believe that the questions of notification are extremely important. We do not have to debate those issues here today. I have heard the Senator from Indiana on those questions before.

But, as he recognizes, the importance of early intervention, that is really the purpose for notification, and I would be hopeful we could work in a positive and constructive and bipartisan way and see if we cannot find some common path. That would be my intention and that would be my interest.

But I welcome the opportunity to respond positively that we hope that in a few weeks, and maybe the 2 or 3 weeks after we get back from the Easter break, which would be in the very early part of May, that we could get at least some final determination and final resolution, certainly before the trade bill comes to the floor of the Senate.

Mr. QUAYLE. Mr. President, I thank the chairman. I thank him also for his support in moving forward with that legislation. I know he is as interested as I am in that. We have a different viewpoint on, perhaps, the notice. In good faith, we have already started a number of processes in our subcommittee, and with a number of the chairmen, to try and see if we can come to some consensus. And we will go down that path. Maybe we can arrive at a consensus. And that would be the best thing, if we could, in fact, get a consensus on both bills. I do not think it would be very difficult for us to get a consensus on the readjustment assistance. I hope we could get a consensus on the notification, as well. Then we will not have any problems.

But my concern is, I just wanted to share this with the chairman, is looking at this in the past history where the House has dealt with it more than the Senate, what they have done early on is to split this off. They are going to have basically two bills, one out of readjustment assistance, and then it is my understanding they will later probably report a bill out with readjustment assistance and the notification. We do not have to answer the question here today. But I hope the chairman at some time once we begin these explorations, that if in fact we do come to a roadblock we will be able to hopefully continue our strong commitment to getting that readjustment assistance and the money on a very fast track and get that implemented.

If we could do it, attach the notification, and work out an understanding, fine. That is all the more to the credit. But if we cannot, what I am fearful of—and I do not want to see happen, and I will really quite vigorously sometime begin to oppose this if we cannot get an agreement, I really want to figure out a way to push this readjustment assistance.

If we wait for a trade bill I do not know when a trade bill is going to be sent over here. I presume the next month or so. But once the trade bill arrives at the Senate I am not sure, maybe the chairman knows, how that is going to be handled. Are we going to send it to all sorts of different committees, hold it at the desk, and report it back? Once the Senate gets hold of the trade bill, it is not like the House to move through this quite rapidly.

One can see it from my viewpoint. If I look at a case in point in any State, I have a plant closing this fall that has already given the notification; that, if in fact, as soon as we begin to pass this money, there is going to be assistance out there. There are probably literally scores of those kinds of examples around the country.

I want to point out from my viewpoint, that, yes, we are going to sit there, and we will be glad to sit down. We have a lot of processes at the subcommittee level going on to try to work out the notification. But it is urgent, it is urgent, I think, and absolutely necessary that we do not say the only vehicle we are going to be able to use for this readjustment assistance is the trade bill because I really do not know when that is going to happen. We probably could get a bipartisan agreement if you take what the House passed yesterday. We could do that in a very short order if we sit down.

I just urge the chairman to consider working at this in very, very much of an expeditious manner because the sooner we deal with this particular readjustment assistance, and we can put on any other legislation that we want to, the better off those people out there are going to be.

I say it in that guise. That is the reason I really want to attach it to this bill. After having numerous consultations with the chairman personally, a number of staff consultations—I might compliment the staff of both sides, they really worked quite well on this—I decided not to offer this amendment at this particular time.

But I hope the Chair understands it is with reluctance that I do not offer this, and that I really do want to pursue to try to figure out a way to have the readjustment assistance to go through this Chamber, through the Congress, and signed by the President as soon as possible. I think it is imperative.

Mr. KENNEDY. Mr. President, I yield myself time.

I think I responded to the inquiry of the Senator from Indiana. Let me just point out that there is some sizable unexpended funds under adjustment assistance now which are available for the very desperate situations. In some areas, in some regions, it is as high as 45 percent of all the money that has actually been appropriated.

So I want to give the assurance that we will act expeditiously. We are a strong believer in that program and strongly committed to the concept of notification. But we will certainly look forward to working with the Senator from Indiana.

I think we have made remarkable progress already, not only in this legislation and other legislation, so far, and I would certainly hope we could keep that spirit alive and make progress. But I will give the assurance that we will have early action. I would hope certainly by May that we will at least come to some type of a decision.

Mr. QUAYLE addressed the Chair.

The PRESIDING OFFICER (Mr. EXON). Who yields time?

Mr. HATCH. I yield to the distinguished Senator.

The PRESIDING OFFICER. The Senator from Indiana is recognized and the time will be charged to the Senator from Utah.

Mr. QUAYLE. Mr. President, just to follow up—and I again congratulate—as the chairman knows I will sit down and be willing to go to work and see if we can resolve this.

The only thing I would point out is, as far as the money, there are some service areas and regions around the country that have not spent the money. But the discretionary fund of the Secretary of Labor, from where a lot of these title III fundings come from, is down to $7 million. If you want to look at the number of plants that are closing and the people that are being dislocated through no fault of their own, $7 million does not go a long way. Therefore, I think there is an urgency of the situation and a necessity of getting quick resolution, as the chairman indicates he will do, and it is most appreciated and most needed.

Mr. President, I am in support of S. 514, the Jobs for Employable Dependent Individuals Act. I want to commend the chairman of the Labor and Human Resources, my friend from Massachusetts, for bringing to the full Senate a bill that will assist long-term unemployed individuals to receive training under the Job Training Partnership Act [JTPA].

S. 514 also contains my amendment to the Summer Youth Program, title II-B of JTPA to allow local service areas to expand the services under that program to economically disadvantaged youth and recipients of Aid to Families with Dependent Children [AFDC] to year-round remedial and training programs.

This bill, with the amendments that I offered regarding the expanded youth program, results in overall savings to the Federal Government over a 5-year period. The CBO cost analysis shows that the year-round education program for AFDC youth will result in a reduction in welfare spending to the extent that AFDC mothers find jobs as a result of the training they receive.

The youth proposal saves $257 million in budget authority from 1989 to 1992, thereby making S. 514 a savings bill, rather than a spending bill.

The concept of S. 514 is one which I endorse; that is, providing incentives to modify behavior. In this case, S. 514 offers bonuses to States that are successful in moving the long-term welfare recipient into unsubsidized employment.

In addition to the creation of the incentives to serve the long-term welfare recipient, this package includes a number of changes I proposed to the Summer Youth Program. The new language would permit increased flexibility at the local level to design new programs for economically disadvantaged youth, including AFDC youth.

Local service delivery areas could choose to offer a new year-round program of remediation for AFDC youth or they could offer a program of model or exemplary youth programs for economically disadvantaged youth year round. The current summer youth jobs programs could, of course, still be offered.

Another change I offered will limit the amount of unexpended funds that can be carried forward from 1 year to the next at the State level. This will ensure that funds are spent in a timely fashion. Any excess carry-over funding above 20 percent of the State's allotment could be redistributed by the Secretary of Labor based on the need of other States and their ability to use the funds.

Another change would revise the performance standards to make clear that services provided to those individuals who are hard to place are encouraged. This recognizes that higher costs are appropriate when serving these individuals.

Finally, the package would establish a base year on which to begin counting placements under the incentive bonus plan.

Mr. President, the combination of the original Kennedy bill and my amendments result in increased flexibility to the JTPA system. This bill imposes no new requirements on those operating JTPA programs, but it does offer them new opportunities to serve the needy individuals in their communities.

Again, I want to commend my friend from Massachusetts for his willingness to work out the issues in S. 514. It has been a pleasure to work with you on these amendments to JTPA, and I am pleased to support S. 514.

Mr. McCAIN. Mr. President, I rise today as a cosponsor of S. 514, the Jobs for Employable Dependent Individual Act.

I must say that, initially, I was reluctant to sign on as a cosponsor. But, as I began studying the legislation, I liked what I saw.

For some time now, I have felt that we need to take responsible action and address the issue of long-term welfare dependency. The reason for this is the belief that public assistance should not foster prolonged dependence, but rather should help people become self-sufficient, productive members of society. Our Nation's public assistance programs ought to assist those who are on welfare—and are unemployable due to lack of job skills—to gain the skills needed to become employable and raise themselves from the vise known as income dependence. A vise which—for many—breeds poor self-esteem.

Mr. President, Government assistance should function as a temporary crutch enabling recipients to get back on their feet, not as a device that allows—and sometimes even promotes—a long-term dependency on society.

This legislation addresses itself to the segment of the AFDC and SSI recipient population who are long-term welfare dependents or potential long-term welfare dependents. Known by the acronym JEDI, this legislation is designed to encourage States to implement models such as the Employing and Training Choices Program which has been very successful in the State of Massachusetts. By providing job training and support services to families in poverty, Massachusetts has reduced the number of families that stay on welfare for 5 years or more by 25 percent. The average amount of time that a family spends on welfare has been reduced by nearly one-third. And thousands of families previously trapped in the vise of economic dependence now support themselves as a result of decent jobs in the private sector.

JEDI is designed to provide States with the incentive to work effectively at training and employing long-term welfare dependents through the Job Training Partnership Program. Under JEDI, if any public or private agency within a State trains, places, and privately employs persons from the long-term dependency group, the Federal Government will pay that State a bonus based on a percentage of the benefits that would have been received by those persons had they not been employed. This approach affords States the maximum amount of flexibility, in that they determine—based on their own experience—what approach would be particularly suited to their unique needs.

Mr. President, I believe this legislation—if enacted—will have two results.

First, it will serve as a vehicle to encourage States to take action—tailored to the individual needs of their population—that would result in providing long-term welfare dependents with job training so that they might become productive members of society.

Second, this legislation will result in saving the Federal Government money because the bonus would be equivalent to 1.5 years of AFDC benefits, while the average JEDI participant would otherwise spend approximately 11 years on AFDC. The bottom line is that this program will contribute to the reduction of the deficit.

Mr. President, this legislation has a second component—utilization of summer youth program funds to better serve the youths on welfare. Under this provision, States could either establish a year-round program for AFDC or SSI recipients from 14 to 21 years of age or continue the existing subsidized summer job program for disadvantaged youth.

This provision, which first originated with the administration, is important in that it seeks to provide the children of welfare recipients with the tools to avert economic dependence. In helping people to become self-sufficient, productive members of society, we must not forget that we need to work with their children so that a generational cycle of welfare dependence does not develop.

Mr. President, I urge my colleagues to join me in supporting this legislation—legislation which will begin to move us toward the place where public assistance is about the mission of helping people to become self-sufficient, productive members of society, rather than promoting long-term welfare dependency.

In closing, Mr. President, I wish to commend my colleagues—Senators KENNEDY, HATCH, QUAYLE, and others—for taking the initiative and addressing this important issue. Their leadership is to be commended.

Mr. KENNEDY. I am glad to yield 5 minutes to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 5 minutes.

Mr. SHELBY. Mr. President, today I rise in support of S. 514—the jobs for employable dependent individuals bill. I am proud to join with 47 of my colleagues as a cosponsor of this vital and realistic approach to one aspect of the critical welfare situation our country is in.

On March 18, the Labor and Human Resources Committee voted unanimously to approve this legislation—I hear from committee staff that this is a momentous feat—the committee has not voted unanimously in a long time. I commend my colleagues on the committee for their swift efforts on this bill.

This measure would authorize the payment of bonuses to States that successfully move long-term welfare recipients into private-sector jobs. In simple terms, this measure identifies those who need Federal assistance the most and attempts, within each State's tailor-made program, to find, train, and employ in the private sector these long-term welfare recipients.

In a similar vein, the Job Training Partnership Act spends $1.8 billion for 700,000 economically disadvantaged individuals, but less than 150,000 recipients of aid for families with dependent children—the group that needs to be targeted for job training—are participating in this program. Clearly, the families which fall into this category are in dire need of the training and yet, they are not being covered under this program. Job training efforts across the Nation have missed this group.

As Senator KENNEDY has pointed out, nearly 4 million American families will receive aid to families with dependent children [AFDC] benefits this year.

In my home State of Alabama, estimates indicate that approximately half a million people are assisted on a yearly basis under various welfare programs—one-eighth of the total population of our State. Of this number, available estimates indicate that for the month of February 1987, 47,648 families were recipients of AFDC funds. This figure translates into 138,768 people involved in this one program in Alabama.

But let us talk in dollars and cents—those 47,648 families are receiving just $114.30 per family per month—just $39.25 per individual.

With the implementation of the JEDI Program, a State like Alabama could help get the heads of those 47,648 familes off welfare and out working. The benefit is manyfold: The individual, their children, the employer, the Federal Government, and finally, the State government all profit.

The JEDI Program achieves our goal: It allows the States the flexibility necessary to develop programs—either based on the successful plans of States like Massachusetts and Vermont—or tailored to meet the special needs of each particular State.

Yes, the time has come for the Federal Government to address the concerns of these special Americans and the JEDI bill is the catalyst that will help us reach such a goal.

We are faced with a wonderful opportunity in this 100th Congress—an opportunity to lay the groundwork to make welfare work—not just for Alabama, but for every State from Maine to Oregon. While we can't solve all the problems inherent in the system overnight or even in this Congress, we can face the challenge and begin to work for the future. I believe JEDI is a giant step in the direction we should travel in the next century. I urge my colleagues to support this legislation as a viable plan for our country.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. I yield to the Senator from New York such time as he may desire.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I would like to thank and congratulate the distinguished chairman of the Committee on Labor and Human Resources and his able associate, Senator HATCH, for having brought to this floor so expeditiously a major change in our whole approach to the problem of welfare dependency in this Nation.

The AFDC Program, as we know it, what we generally refer to as welfare, is, in fact, title IV of the Social Security Act of 1935, enacted some 52 years ago.

As amended in 1939, the act established survivors insurance. In the event of the breadwinner's death, almost invariably the male in a husband-wife family with children survivors insurance would help to replace the family's earned income. In the normal course of events, a certain number of working men, supporting families, would die from natural causes or industrial accidents. The Social Security Program, OASI or the Old Age and Survivors Insurance Program, provided insurance for their survivors. Today, we say OASDI because disability is included as well.

In 1935, however, a bridge program was established for those widows, as they were commonly assumed to be, and children who would not be covered until the insurance system matured. President Roosevelt, in his message, observed the same sort of temporary provision would have to be made for retired persons who would not have been in the system long enough to be eligible for Old Age Insurance benefits.

President Roosevelt suggested it would take some 30 years before the direct grants of old age assistance would "wither away" as regular Social Security retirement took hold. Indeed, that is exactly what did happen.

As was expected of the AFDC Program, it, too, would gradually "wither away" as survivors insurance benefits came into play. Indeed, survivors insurance benefits are paid to some 1.3 million children in the country today. But in the meantime, a whole new social condition arose in our country: that of the female-headed family, dependent early on and dependent often for very long periods of time.

When title IV of the Social Security Act was enacted, it was assumed that mothers would not work. In the main, mothers did not. They did their work at home. They would not work in paid employment.

In that interval of a half-century, however, our employment patterns have altogether changed and the majority of wives are now in the labor force. Indeed, the majority of mothers with children under 6 are in the labor force. They do not normally work full time, but they are employed or seeking work.

A striking fact is that one group of mothers with children who do not share in the normal experiences of the rest of society are the recipients of welfare. Only 1.2 percent of welfare mothers are working full time. Another 3 to 4 percent work part time.

This, we now commence to recognize, is to deprive these welfare mothers of the normal and useful experience of gainful employment, an experience which is increasingly normal for all mothers.

To exclude these welfare mothers from employment is not only to leave them out but, in many fundamental ways we now believe, and our inquiries have shown, to leave out their children as well.

Such children grow up so ill-equipped that they cannot take advantage of better circumstances, should they arise. Indeed, to a considerable degree they do not.

We are not, Mr. President, talking about a few children, a minority of children or minority children. The average child in America today will live in a single-parent family before reaching 18. Indeed, the average child will live in a female-headed family and some others will live in a single-parent family.

If we continue as we are now going, we project that for children born in 1985, if we do not change our patterns, we will find some 37 percent will be dependent on welfare for their subsistence before they reach the age of 18. Over one-third of our children are going to be on welfare before they are 18 if we go on the way we are doing.

This legislation, which Senators KENNEDY and HATCH bring to the floor, marks the first time in a half-century that we have said we are going to expect different things and provide different expectations, hopes, and opportunities for the single-parent family. We are going to help them find work. We have talked about it, but we have never done it.

All the so-called work incentive programs, WIN, work fare, what you will, have not produced employment. Mr. President, they have produced rhetoric without results.

Here, in S. 514, is a sober commitment to help find work for a class of unemployed Americans much larger than we ever anticipated. Many of those needing work are single mothers on welfare. They are kept out most clearly by a lack of opportunity. This JEDI Program says they will be brought in. They will finally be able to share the normal life experiences of Americans, and their children with them.

It is an enormous thing that we are going to do today. The Senator from Massachusetts has brought this to the floor in less than 3 months of the 100th Congress, which is spectacular.

One of the great events of social legislation was the introduction in January 1935 of the Social Security Act and its enactment into law only 8 months later, in August. That JEDI should come before us in 3 months, in a bipartisan manner—and I think we will have unanimous support—is a tribute to an idea whose time has come and to those leaders who have brought it to the floor.

I thank them.

I would like to say that the Subcommittee on Social Security and Family Policy will be considering legislation to revise our family welfare program, specifically title IV, the AFDC Program, in the course of this Congress. We make our first step today.

Mr. President, I rise in support of S. 514, the Jobs for Employable Dependent Individuals [JEDI] Act.

My good friend and colleague, Senator KENNEDY, the most able chairman of the Committee on Labor and Human Resources, has proposed a bill that would share a portion of future Federal savings from reduced public assistance payments with those States which succeed in using their Job Training Partnership Act [JTPA] programs to train and place long-term dependent welfare recipients into unsubsidized jobs.

This legislative proposal, which I am pleased to cosponsor, improves on a good idea. JTPA is designed, in part, to assist the economically disadvantaged in training for and finding private-sector jobs. Numbered among the economically disadvantaged are recipients of the Aid to Families with Dependent Children [AFDC] Program.

DISTINGUISHING BETWEEN THE LONG-TERM AND SHORT-TERM POOR

Not all AFDC recipients are equally disadvantaged, however. As we learned during recent hearings before the Finance Committee's Subcommittee on Social Security and Family Policy, over half of those who ever receive AFDC benefits leave the rolls in 4 years or less. Roughly a quarter leave the rolls within 2 years. Thus, for the majority of recipients, AFDC serves as a temporary source of assistance.

Unfortunately, another quarter of the AFDC population receives benefits for 10 years or longer. Nearly 40 percent of these very long-term recipients began as young—under age 25—unwed mothers who first came on the rolls when their youngest child was under age 3. Although those who rely on the AFDC Program for over 10 years are a clear minority of all those who ever use AFDC, they consume about 60 percent of all benefits ever paid!

That is why, Mr. President, we should all be interested in helping long-term AFDC recipients train for and find jobs. Title II-A of JTPA is meant to do just that: To help disadvantaged AFDC adults, among others, take full- or part-time jobs where before they worked not at all. This newly earned income will help some households leave the welfare rolls entirely; others may still need help but their earnings will help defray the costs of their public assistance.

As I said, Mr. President, the underlying premise of JTPA is a good one: We should do all that we can to help the disadvantaged find jobs that will pay them more than what they can receive on welfare and, at the same time, save public expenditures on welfare programs.

TARGETING VERSUS "CREAMING"

Unfortunately, this is easier said than done. Too often, JTPA programs have been shown to work with those who are the easiest to work with, rather than with those who need the most help. This process of selecting those most likely to succeed is referred to as "creaming."

Because JTPA programs are measured against performance standards that reward "bottom line" numbers of job placements, we should not be surprised that JTPA program directors choose to work with those individuals most likely to succeed. Despite the incentives to "cream," however, we expect the JTPA program to work with those who need the most help, those who are the most seriously disadvantaged, those who end up consuming the lion's share of all public assistance benefits paid.

How then are we to translate this policy objective into programmatic terms?

JEDI

The legislation before us would provide a financial reward to States which use their JTPA programs to help long-term AFDC recipients find private-sector jobs and leave the welfare rolls. More specifically, JEDI would provide States with bonus payments for finding unsubsidized jobs for two categories of recipients: First, AFDC adults who have received benefits for longer than 2 years before receiving education and training services, and second, young AFDC parents—under age 22—who have not completed high school and who have not worked for a year prior to participating in the education or training program.

To qualify for the Federal bonus payment, the jobs found for these long-term AFDC recipients must last at least 1 year and must pay enough so that the household no longer receives AFDC benefits.

It is from the savings that accrue to the Federal Government, as a result of the reduction in AFDC expenditures, that the JEDI bonus payments to the States are paid. The bonus payment is equal to 75 percent of the "bonus base" in the first year, 50 percent in the second year, and 25 percent in the third year.

Thus, under JEDI, no Federal bonus payments are made unless the Federal Government has first reaped savings from the successful targeting of JTPA services to the more seriously disadvantaged AFDC recipients. In other words, JEDI attempts to avoid the "creaming" problems that currently characterize the JTPA Program.

EDUCATION, TRAINING, AND WORK PROGRAMS FOR AFDC RECIPIENTS

I might note, Mr. President, that in the Subcommittee on Social Security and Family Policy we are also working on the problem of long-term AFDC dependency. I will shortly introduce legislation that will, among other things, replace the current Work Incentive [WIN] Program with a more comprehensive education, training, and work program for AFDC recipients.

This new proposal will require certain long-term dependent AFDC recipients to participate in State-designed education, training, and work programs as a condition of continued eligibility for assistance. At the same time, States will be required to serve these especially disadvantaged recipients. Aside from the long-term recipients that States must serve, States will have the option of requiring other AFDC recipients to participate in their new programs.

Unlike the current WIN program, which provides Federal matching of State expenditures at the rate of 90 percent, but caps Federal expenditures, in fiscal year 1987 at only $110 million, the new program will provide a Federal matching rate of 70 percent on an open-ended basis. Funding for child care will be provided at a 50-percent Federal matching rate.

ATTACKING LONG-TERM DEPENDENCY FROM BOTH ENDS

Mr. President, Sentor KENNEDY's JEDI bill and the legislation that I will soon introduce attack the problem of long-term AFDC dependency from both ends.

Senator KENNEDY's bill will allow States to share in the savings enjoyed by the Federal Government if they succeed in using their JTPA Programs to find unsubsidized private-sector jobs for long-term AFDC recipients.

My bill will establish mandatory education, training, and work-experience programs that will, at a minimum, target services to long-term AFDC recipients. States will have all the flexibility they desire in designing these programs. A stable source of Federal funding will be provided, on an open-ended basis, for both operating the programs and providing child care to participants.

If we mean what we say about substituting work for welfare, then both JEDI and my forthcoming legislation deserve support.

I congratulate my friend from Massachusetts for his innovative approach to the problem of long-term AFDC dependency and I welcome his support for our proposal to replace WIN with a new, more comprehensive program that will help long-term AFDC recipients leave the welfare rolls for payrolls.

Mr. President, I want to express again my appreciation to the Senator from New York for his comments and most of all for his support. I have had the opportunity to talk to him at some length about this legislation. We recognize the extraordinary leadership he has provided in this whole area of trying to rethink and revamp our welfare system. I think he has made a contribution to the understanding in our country of the growth of the numbers of poor children in our society. He has awakened the conscience of this body, I think, certainly of the Senate, in trying to review those various programs to try to ensure that whatever we are going to do is going to help lift those children—generally the single heads of household, but particularly those children—out of this whole life of desperation and lack of hope.

I want to indicate to him that we all, in our Human Resources Committee, look forward to standing with him as the Committee on Finance really comes to grips with that difficult challenge. It is one worthy of the Senator from New York. It is certainly worthy of our institution. It is an issue that I think ought to be on the front burner for the American people and on the top of the unfinished agenda for the Senate.

I thank him for his comments. I look forward to working closely with him and I express my appreciation for the leadership he has provided on the issue.

Mr. MOYNIHAN. I thank my learned friend.

Mr. KENNEDY. Mr. President, for the general information of the leadership, I think we have one other Senator who wants to speak in favor of the bill. We expect him on the floor in just a few moments, then I think we shall probably, after that, request a short quorum call, then move toward the technical amendments.

AMENDMENT NO. 77

(Purpose: To make technical corrections and other modifications in the bill)

Mr. KENNEDY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated. The legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes an amendment numbered 77.

On page 20, between lines 13 and 14, insert the following:

"(f) An individual shall not be considered to meet the requirements of subsection (c)(1) or (d)(1) if the individual participates in employment-related services and activities in a program established under the Social Security Act. For the purpose of the preceding sentence, an individual's receipt of medical services under title XIX of the Social Security Act or registration for manpower services, training, employment, and other employment-related activities pursuant to the Social Security Act shall not be treated as participation in employment-related services and activities in a program established under the Social Security Act.".

On page 21, line 19, strike out "subsection (b)" and insert in lieu thereof "section 502(a)(2)".

On page 22, line 15, strike out "subsection (c)" and insert in lieu thereof "section 502(b)(2)".

On page 36, strike out lines 3 and 4.

On page 36, line 5, strike out "(D)" and insert in lieu thereof "(C)".

On page 36, line 6, strike out "(E)" and insert in lieu thereof "(D)".

Mr. KENNEDY. Mr. President, I know of no objection to this amendment. I have discussed the amendment with the ranking minority member of our committee and we are prepared to vote on it.

Mr. HATCH. Mr. President, I support this amendment and hope it will pass.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 77) was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. Mr. President, I shall await the arrival of our good friend from Illinois [Mr. SIMON]. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be divided equally.

The PRESIDING OFFICER. Without objection, it is so ordered.

The legislative clerk proceeded to call the roll.

(Disturbance in the gallery)

The PRESIDING OFFICER. The Senate will be in order. The Senate will tolerate no outcry, applause, or talk in the gallery. If the Chair hears or identifies any further disturbance from the gallery, we will see that that individual is removed.

The clerk will continue to call the roll.

The legislative clerk resumed the call of the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. FORD). Without objection, it is so ordered.

NO AUTHORIZATION FOR ABORTIONS AND CONTRACEPTIVES

Mr. HELMS. Mr. President, section 254 creates the so-called AFDC/SSI Youth Employment and Training Program. This section would expand the existing Summer Youth Employment and Training Program to a year-round program. As reported by the Committee on Labor and Human Resources, section 254 in part provided the following:

> (c) A service delivery area electing to operate a program under this section shall—
>
> (1) describe in its job training plan a comprehensive plan of service containing—
>
> (A) the process for assessing the needs of each participant (including educational, training, employment, and social service needs);
>
> (B) the services (including supportive services necessary to enable such individuals to participate in the program) and activities to be provided, including the agencies that will provide such services, and an estimate of the length of time service will be provided to the participant; and
>
> (C) goals to be attained, including the intermediate success points to be pursued during the course of participation; and
>
> (2) provide the necessary services where the assessment of the participant pursuant to subsection (c)(1)(A) indicates a need, including where appropriate—
>
> (A) basic and remedial education;
>
> (B) drug and alcohol abuse counseling;
>
> (C) pregnancy and pregnancy prevention counseling;
>
> (D) child care classes; and
>
> (E) life skills planning classes.

Upon reading this legislation, I became concerned that subsection (C) might be construed to authorize a new Federal abortion and contraceptive program, and so I planned to offer an amendment prohibiting the program money from being used to provide abortions and contraceptives.

Before the bill was considered by the Senate, the sponsors agreed to offer an amendment deleting the "pregnancy and pregnancy prevention counseling" provision, subsection (C). That amendment was offered by the bill's managers and has been adopted without opposition by the Senate.

Although key terms in section 254 remain undefined including "social service needs," "services," and "necessary services," I do not believe it is necessary to offer further amendments. In light of the manager's amendment deleting "pregnancy and pregnancy prevention counseling", and its adoption by the Senate, it is clearly the intent of this bill that JTPA money not be used—in any way—for abortions or contraceptive services including specifically the provision of abortions or contraceptives, prescriptions for contraceptives, transportation for abortions or contraceptives, counseling or referral for abortions, or counseling or referral for contraceptives.

Mr. METZENBAUM. Mr. President, I am pleased to be an original cosponsor of Senate bill 514—the Jobs for Employable Dependent Individuals Act. I congratulate my chairman, Senator KENNEDY, for developing this innovative approach which provides meaningful incentives to States to place long-term welfare recipients and the disabled in jobs, while at the same time reducing the Federal deficit by over $200 million. JEDI is a prime example of doing more with less.

This is a bipartisan effort which includes the administration's new Summer Youth Jobs Program. This new effort gives States greater flexibility to provide educational and other enrichment programs to disadvantaged youth. The proposal also allows local programs to provide these services on a year-round basis. By providing these options to local providers, it is hoped they will be able to fashion programs in a way to best serve young people.

Included in this package is an amendment I offered to retain the existing formula for allocation of summer youth funds to the States. The administration's original proposal would have shifted money from States with high unemployment to States with low unemployment. Disadvantaged youth need jobs wherever they live. But they need even more help finding jobs in States where unemployment is high and rising.

The Labor and Human Resources Committee understood the logic of this position and unanimously accepted my amendment. Therefore, there will be no change in the formula and all Senators should be assured that this bill will not affect the allocation percentage to their States.

JEDI is a good bill—it helps people in need and at the same time it saves money. I urge its quick passage.

Mr. HARKIN. Mr. President, many persons with disabilities want to work. A recent Harris poll indicates that 67 percent of all disabled youth and adults are not working. Of these individuals, 66 percent say they want to work.

Historically, there have been a number of significant factors influencing a disabled person's decision not to work, including:

Poor self-image; negative attitudes by employers and social service providers; lack of appropriate educational opportunities; lack of meaningful training and employment opportunities; fear of loss of health benefits.

Thus, for many persons with disabilities, disincentives to working resulted in a dependence on welfare payments under the Supplemental Security Income Program [SSI].

Over the past 10 years, these barriers have begun to fall.

Public Law 99-142 is providing educational opportunity, including necessary skills for our disabled youth. Handicapped youth are also now leaving schools with better self-images.

Section 504 of the Rehabilitation Act is beginning to break down discriminatory attitudes by employers and service providers.

Public Law 99-643, the Employment Opportunities for Disabled Americans Act, provides former SSI recipients with continued eligibility for health coverage under Medicaid.

The Jobs for Employable Dependent Individuals Act [JEDI] provides us with another important opportunity to eliminate a barrier to employment. JEDI amends the Job Training Partnership Act to provide a State bonus system to encourage JTPA programs to address the training needs of hard-to-serve individuals. The amendments offered by Senator WEICKER and me, which are incorporated into the committee bill, define "hard-to-serve" individuals to include blind and disabled individuals receiving Supplemental Security Income. Originally, the bill included only recipients of benefits under Aid to Families with Dependent Children.

Currently, the Federal Government is providing support for the training of persons with disabilities through the Rehabilitation Act. However, the waiting lists for this program are long—sometimes there are as many as 10 disabled people awaiting training for each person served. JEDI will make training a reality for many more disabled persons currently on SSI.

Under this bill, as amended, everyone gains: Disabled people gain self-worth through a job; Federal and State governments save money by helping people get off welfare; and nondisabled persons benefit from the opportunity to work alongside persons with disabilities.

Mr. ADAMS. Mr. President, I rise to express my support for this measure. I would first like to commend the distinguished chairman of the Labor Committee, Mr. KENNEDY, for his innovation and vision in proposing this legislation; and for his skill at working with members of the committee on both the minority and majority sides of the aisle to produce legislation that everyone can proudly support.

We have in this country today an underclass of people living in dependency. Families, often single mothers with children, subsist on a bare bones AFDC budget that too often does not even provide for basic food and shelter needs. Uneducated, often unhealthy due to malnutrition and inadequate care, these people lack the skills to compete in an increasingly complex and demanding job market. Unless we reach out and help these people help themselves, they are increasingly doomed, through no fault of their own, to continue living in poverty and dependency, generation after generation in cycles of despair.

If there is one thing we have learned, however, from the public assistance programs of the last 20 years, it is that simply giving people enough money to barely get by, as we do now, leads only to the trap of dependency. Instead, true assistance should consist of providing access and opportunity, access to education and job training, and the opportunity to meaningfully compete for employment that will sustain an individual and his or her family in independence.

The bill before us provides such access and opportunity. The bill before us assists individuals on public assistance in the truest sense of the word.

This bill modifies the Job Training Partnership Act to provide incentives for service delivery areas under the act to successfully place long-term welfare recipients in jobs. The incentive will consist of a cash bonus paid to the States by the Federal Government that represents some of the savings gained by the Federal Government in lieu of continued welfare payments. The bill also contains a new administration initiative that allows service delivery areas to use summer youth program funds to conduct year-round programs for AFDC youth.

This bill is a prime example of the fresh new approaches that are being used across the country to tackle the plight of families living in poverty and dependency. Another such effort is occurring in my State of Washington. Our distinguished Governor, the Honorable Booth Gardner, has proposed a family independence plan. This plan would assist individuals to escape dependency by providing a broad spectrum of services, including medical benefits, job training and placement, subsidized jobs, child care, and incentive bonuses during the first year of full-time employment. I am hopeful that if and when both this State proposal and the bill before us are passed into law, the success of the State program in placing long-term welfare recipients will enable the State to receive significant bonuses through the JEDI program. The possible successful interplay of those two proposals is just one example of the strides we can and must make in providing true assistance to the disadvantaged.

Mr. President, I again commend Mr. KENNEDY for his leadership, express my support for his proposal, and urge my colleagues to do the same. I thank the Chair.

BEGINNING TOTAL WELFARE REFORM

Mr. McCLURE. Mr. President, I am pleased to be listed as a cosponsor of the jobs for employable dependent individuals [JEDI] bill. I believe it is a good first step in the direction of total welfare reform.

I think all of us are concerned about the welfare cycle that at times seems almost impossible to break. The statistics are nothing short of depressing.

According to a recent White House issue brief, research shows that 65 percent of those receiving aid to families with dependent children benefits at any given time will spend a total of 8 or more years dependent on the State. Forty-six percent of AFDC children have unwed parents. In 1983, 87 percent of AFDC children had a living father, but he was not at home. The United States currently operates 59 welfare programs that spent more than $132 billion in fiscal year 1985.

Mr. President, the list of facts and figures, most of them bad, goes on and on. What is clear from all of this is that we must begin to take steps to reform welfare and most importantly, get welfare recipients back to work. I believe this bill is the first step in that direction.

The bill targets the long-term, or potentially long-term unemployed. The bill identifies those people with limited job experience, or younger people without high school diplomas. If an agency can train and then privately place these people in jobs for over 1 year, the legislation grants a bonus to the State of 75 percent of what the AFDC payment would have been if the individual had remained on welfare. The second year results in a bonus of 50 percent and the third year bonus is 25 percent. CBO estimates that by the year 1990, this program will begin to save more money than it costs.

JEDI also incorporates the administration's AFDC/Summer Youth Program. This will allow the States to use job training money for more than just "raking leaves in the park" type jobs by providing for education and training for AFDC recipients under age 21.

Mr. President, this bill does not solve all our welfare problems and it doesn't pretend to. I hope the Labor and Human Resources Committee will continue its work in this area and will seriously consider all of President Reagan's welfare reform proposals. This administration is committed to reducing welfare dependency and I support that effort.

I urge my Senate colleagues to vote in favor of this legislation which will begin the process of total welfare reform. I ask unanimous consent that my remarks be included in the RECORD at the appropriate place.

Mr. HUMPHREY. Mr. President, as a member of the Labor and Human Resources Committee which reported this bill, my remarks will address the supplementary, "necessary services" that are authorized under the AFDC/SSI Youth Employment and Training Program.

For over 4 years, the Job Training Partnership Act has provided for a wide variety of activities within youth programs. In particular, the statute, 29 USC 1503, authorizes "supportive services" to be provided "to enable an individual eligible for training * * * to participate in a training program funded under this chapter." Among these services are "health care" which can be provided in-kind or through direct cash assistance.

Mr. President, the term "health care services" means a lot of things to a lot of different people. However, under this program, the term has not been interpreted to include family planning or abortion activities. Neither the direct provision of these activities, nor counseling and referral for these activities have been authorized by the act.

It is the intention of this Senator that the 4-year record regarding "health care" not be altered by this act to authorize any such family planning or abortion activities. To do so would unnecessarily and without authority alter a history of countervailing interpretations of the program. Further, to do so would divert scarce job training resources available under the bill to unrelated and unessential activities.

Mr. BINGAMAN. Mr. President, I wish to commend my distinguished colleague from Massachusetts for bringing this important legislation to the Senate so early in the session. S. 514, the Jobs for Employable Dependent Individuals Act [JEDI], amends the Job Training Partnership Act to establish incentive bonuses for the successful placement of certain employable long-term dependent individuals. And it adds an enrichment option to the existing Youth Employment and Training Program.

Too little has been done in the past in job training for the long-term poor, even though it has been demonstrated that such training can succeed. JEDI creates a new incentive for States to find, train, and employ the long-term welfare dependent. And it accomplishes this in a way that reduces the Federal deficit.

I am especially pleased with provisions in this bill dealing with basic skills. No other population may be in greater need of basic skills than long-term welfare recipients. This legislation defines the basic measure of performance for adult and youth educational programs in reading, writing, and computation. It also acknowledges the importance of general educational development in increasing individual employability and reducing welfare dependency.

The section on summer youth employment and training specifies that a service delivery area shall assess the reading, writing, and mathematics skill-levels of eligible participants, and provide basic and remedial education if the assessment indicates such a need. The JEDI section also highlights the individual's responsibility in improving his or her job marketability.

If we can teach basic skills, we will make significant progress in upgrading the quality of life for those dependent on welfare. At the same time, we can reduce our welfare rolls and the enormous expense they entail.

With the enactment of this legislation, we will help move long-term dependent families toward self-sufficiency. I strongly encourage my colleagues to support it.

Mr. SPECTER. Mr. President, I urge my colleagues to vote in favor of S. 514, the Jobs for Employable Dependent Individuals [JEDI] Act, which I introduced along with the distinguished chairman of the Committee on Labor and Human Resources, Senator KENNEDY, on February 5, 1987. JEDI amends the Job Training Partnership Act to pay bonuses to States for successfully training long-term welfare recipients and placing them in jobs.

Under the terms of the legislation, States will receive bonuses based on the Federal aid to families with dependent children [AFDC] savings produced by placing recipients in long-term jobs following training. During the first year of employment, States will receive a 75-percent bonus of the Federal AFDC benefits that would have been paid to the recipient if there had been no employment. The State would receive a bonus of 50 percent in the second year, and 25 percent in the third year.

Developing effective strategies to train, and place in jobs, long-term welfare recipients is one of the most important problems facing the 100th Congress. Approximately 4 million families will receive AFDC this year. Many of these families will receive welfare for 8-10 years. These are the most needy and most costly of the poor. While this group of recipients represents only about 25 percent of the AFDC population, it is estimated that they utilize nearly 60 percent of the resources.

Helping this subgroup of the AFDC population make the transition from dependency to self-sufficiency is not an easy task. Those most at risk of being long-term recipients often are young, never married mothers who come on welfare shortly after the birth of a child. Other factors, such as being a high school dropout, having little or no previous work experience, and having large numbers of children, also contribute heavily to the risk of long-term dependency.

To make this group job-ready, we must look beyond the short-term, low-cost services and relatively easy placement that has been made available to more able trainees. The long-term recipients need more intensive training and support services. Those with poor education often need classroom training. The parent of a young child will need day care. These are expensive services, and budget conscious administrators often have chosen instead to offer inexpensive services to a large number of persons with lesser problems, rather than serving this small but much more needy group. Thus, the long-term recipient often has been left to languish on welfare with very little access to education or training. It is for this reason that JEDI targets the long-term welfare recipient, and provides incentives for States to find, train, and place them into jobs.

Mr. President, I became especially interested in this problem in February 1986, when Rev. Leon H. Sullivan, founder and chairman of Opportunities Industrialization Centers of America [OIC] and I discussed the need for welfare families to receive education and job training. Subsequently, Reverend Sullivan, Mr. John Jacob, president of the National Urban League, and I developed legislation, the "Opportunities for Employment Preparation Act," and the "Aid to Families and Employment Transition Act." These bills would provide education and training to prepare long-term welfare recipients for employment, and support services to aid in the "work to welfare" transition during the first year of unsubsidized employment. This legislative package was reintroduced on January 6, 1987, as S. 280 and S. 281.

To help long-term welfare recipients have better access to job training, the "Opportunities for Employment Preparation Act" utilizes the services of existing community-based organizations such as OIC, the National Urban League, 70,001, the National Council of La Raza, and the National Puerto Rican Forum, in order to conduct outreach, and provide literacy, basic education and other preemployment preparation for individuals who need it. Community-based organizations are on the front line in providing services to the poor. They are an important resource, and should be utilized as a major vehicle to provide literacy and basic skills training to welfare recipients.

I am pleased that the basic principles of my "Opportunities for Employment Preparation Act" now are incorporated into JEDI. Under the terms of the legislation, State plans for the Job Training Partnership Act [JTPA] must include the provision of outreach, training and preemployment services targeted to long-term welfare recipients. In addition, the bill directs the Secretary of Labor to reexamine performance standards to provide maximum flexibility in serving long-term welfare recipients. Such an adjustment can reduce the monetary risks involved in serving the target population.

Mr. President, JTPA provides job training for 700,000 economically disadvantaged persons each year. Less than 150,000 AFDC recipients are enrolled in the program, and perhaps as few as one-third of these are long-term recipients. The Job for Employable Dependent Individuals Act will help us provide education and job training services to those who need it most, but who otherwise would be left untouched by Federal employment preparation initiatives.

I urge my colleagues to support this important measure.

Mr. DODD. Mr. President, 50 years ago last month, President Roosevelt made his second inaugural address to the American people. He said "the test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little."

Half a century later, our progress as a nation is again being tested. Poverty and neglect are all around us—in our cities, our towns, and in our rural communities. In America today, 15 million people live below the poverty line. One out of every four children—and every other black child—is born into poverty and despair. You don't need a Ph.D. in economics to see that we are creating a permanent underclass of young Americans without the skills and opportunities necessary to be meaningful participants in our society.

For too many of our Nation's poor, welfare has become a way of life. They are the black teenage mother in Bridgeport, CT, forced to drop out of school in order to care for her child. They are the divorced mother of three in Boston, MA, left with no child support, no job skills, and no choice but long-term welfare dependency. Of the 11 million people who receive aid to families with dependent children [AFDC] each year, 93 percent are single mothers and their children. And one quarter of them will stay on the rolls for 9 years or more.

For these Americans, the cycle of poverty is a reality—a black hole of deprivation and dependency from which many never emerge. Limited welfare-to-work programs are available in many States but most long-term dependents cannot take advantage of these services. Many programs lack hild care, transportation and other upport services which are essential to others with small children. And beause the Work Incentive Program nd the Job Training Partnership Act se placement rates as performance tandards, many training services cream" their applicants and accept nly those most likely to be trained nd placed successfully in the shortest ime. Those most difficult to train and lace—young mothers with small chilren, high school dropouts, and those ith little or no work experience—end p excluded from the very programs hat could benefit them most.

Fortunately, there is a way out and a ay up. States like Connecticut and assachusetts have established innoative new training programs which an help to break the cycle of longerm welfare dependency. Under the eadership of Governor O'Neill and ommissioner Steve Heintz, Connectiut's Job Connection Program proides AFDC recipients with extensive ducation, training, and support serves leading to unsubsidized employent. Out of a total average State ool of 19,000 AFDC recipients, Job onnection placed 5,400 people in prouctive jobs during the program's first ear alone.

We need to extend the success of ob Connection and Massachusetts' T to as many States as possible. For his reason, I am pleased to be a conponsor of the Jobs for Employable ependent Individuals Act [JEDI], egislation to encourage States to dopt similar training and placement rograms. Through a system of bonus ayments, JEDI would reward States hich establish successful programs r long-term welfare dependents. onus payments would be based on e Federal savings produced through e placement of welfare recipients in nsubsidized employment for at least year. The States would be required reinvest their bonus payments in ngoing training programs.

As a complement to the JEDI legistion, I have also joined Senator SPECER in introducing S. 281, the Opportuities for Employment Preparation ct of 1987. This legislation would esblish an outreach and feeder stem—utilizing existing communityased organizations—to provide reemployment and counseling serves to long-term welfare dependents. rganizations like the National Urban eague and the opportunities industrilization centers could play a vital role preparing these Americans for the ew training and placement systems ut in place to take advantage of the EDI incentive plan. I am pleased to ote that portions of S. 281 have been cluded in the measure now before us hich will enhance the focus and efctiveness of the JEDI legislation.

Mr. President, we have an exciting pportunity to help refocus our Nation's welfare-to-work system; to encourage and reward programs which train and employ long-term dependents. For every parent we help place in a productive job there is one less American family consigned to years of dependency and despair on the welfare rolls.

But let's not stop here. Let's consider this our shot across poverty's bow: The opening salvo of our two-pronged attack on the very problems which make people poor and keep them poor.

First, let's pledge to continue working for comprehensive welfare reform. While welfare-to-work programs are important—very important—they are no panacea. True welfare reform must also include a basic restructuring of the Federal benefits system to make it more responsive to people's immediate needs. We must also examine new child support enforcement mechanisms and increase access to affordable, quality child care services. I look forward to a close working relationship between our Labor and Human Resources Committee and the Senate Finance Committee as we move to tackle these and other critical welfare reform issues.

Second, let's examine the programs we already have on the books to see if we can do a better job of targeting Americans "at-risk" before they become long-term welfare dependents. For example, within the next few weeks, we will consider model legislation to address the high school dropout problem. Later this year, during the reauthorization of the Elementary and Secondary Education Act, we will also have the opportunity to improve compensatory education for disadvantaged children, to promote new literacy initiatives, basic skills education and early intervention programs. We have the resources at our disposal; the statutory structure is in place. Let's work together to launch a preemptive strike against welfare dependency.

Mr. President, we do indeed face a historic test of our Nation's progress; America is a sea of affluence but there are islands of deep neglect. We can meet this test if we are willing to invest in the productive future of our low-income families. The human benefits will be great—self-sufficiency, stronger family life, and the opportunity to take advantage of all our Nation has to offer. The payoff for society will be just as great—millions of dollars in welfare savings and a better educated and productive workforce as we move into the 21st century.

Mr. WEICKER. Mr. Speaker, I rise today in support of S. 514, an important piece of legislation which will enable many who are currently dependent on Federal benefits, to leave those benefit rolls, and join the Nation's workforce.

In large measure, S. 514 was crafted to address the so-called creaming phenomenon which has been far too common among Job Training Partnership Act [JTPA] grantees. "Creaming" refers to the practice of serving primarily those who are the easiest to train and place in jobs—leaving behind a core of chronic un- and under-employed welfare dependents. In order to address this problem, S. 514 amends JTPA to establish an incentive bonus system to get welfare dependent individuals trained, employed, and thus off the welfare rolls.

I am particularly pleased that the bill before the Senate today incorporates several provisions that will extend the proposed incentive bonus system to include job training and placement for disabled individuals receiving supplemental security income—many of whom have been victims of "creaming" practices.

Disabled individuals are currently eligible for services through JTPA. However, recent national estimates indicate that only 9.7 percent of our Nation's disabled receive job training and placement through JTPA programs. Yet a recent Harris poll indicates that two-thirds of disabled people between the ages of 16 and 64 are unemployed.

There was a time in our Nation's history when we could look at that unemployment rate—66 percent—and accept it because we thought disabled individuals couldn't measure up—that they were limited in their ability to enter the workforce and become independent, productive participants in the American way of life.

Well, no more. Fortunately for all of us, this doctrine of limitations has been replaced with a recognition of capacity—an understanding that with appropriate education, training, and support, individuals with disabilities can enter the competitive work force and take their rightful place in our communities as valued participants. And we can help them help themselves by making available the education, training, and other support needed to achieve the goals of independence, productivity, and integration.

The amendments in the Job Training Partnership Act included in S. 514 will assist in that endeavor, and remove one more barrier along the road toward full integration of disabled individuals into the mainstream of life. The amendments will encourage States to train and place disabled people who receive supplemental security income, and require States to consider the unique needs of disabled individuals in their planning and coordination of services under JTPA. Such amendments make economic sense because they will enable consumers of tax dollars to become taxpayers. Ultimately, we all gain.

I urge the passage of this legislation.

Mr. GLENN. Mr. President, few if any of us question the need for welfare reform and more effective job training. However, many people differ on the methods we should use to reach these goals. Earlier this session I became an original cosponsor of welfare and job training legislation that merits support even from people with diverse views.

This legislation is unique in that it will provide, for the first time, remedial education and meaningful job training for welfare recipients; for many such persons, education and job training are the sine qua non for permanently entering the labor force. This program will give long-term dependent individuals a hand up, not a hand out. Further, it will do this at no net cost to the Federal Government, and possibly could generate significant savings.

A number of States have already made tremendous strides in reducing the number of long-term AFDC recipients. In my own State of Ohio for example, the WIN Program has successfully placed 43,000 welfare recipients in full time jobs in the past 2 years. The Governor's office estimates that WIN returns more than $11 to the economy for every $1 invested. Unfortunately, this worthwhile program has repeatedly been targeted for termination by this administration.

Job training is an important tool in keeping this country competitive. However our Federal job training programs must begin to address the training and retraining needs of all able-bodied Americans who want to work. JEDI is a step in that direction.

Until now Federal job training programs have ignored the training needs of AFDC recipients, in part because these individuals are harder to place and more expensive to serve than most. What I find particularly attractive about this bill is that it creates an incentive for States to educate, train, and employ these long-term welfare recipients in a cost-effective way that also in the long run reduces the Federal deficit. For every individual trained and privately employed for 1 year, the State will receive from the Federal Government a bonus of 75 percent of the Federal AFDC benefits that would have been received by that person if the person had been unemployed. In the second year of employment, the State will receive 50 percent of the predicted AFDC payment and, in the third year, 25 percent. In Ohio that would mean a State bonus of $1,422 per person in the first year, $948 the second year, and $474 the third year. Another attractive feature of this bill is that the bonuses paid by the Federal Government will come not from general Federal revenues but from the savings accrued through reduced AFDC payments.

This legislation also permits States to use the Job Training Partnership Act title IIB funds for year-round remedial education and training for AFDC recipients 21 years old or younger, thus targeting much needed job training for "at-risk" populations.

Mr. President, as an original cosponsor of this bill I urge my colleagues to join me in supporting this important job training and welfare reform legislation.

Mr. MATSUNAGA. Mr. President, I rise to commend the chairman of the Committee on Labor and Human Resources, Senator KENNEDY, for spearheading the enactment of a most worthy proposal, and I am pleased to be an original cosponsor of the bill. S. 514, the Jobs for Employable Dependent Individuals Act, is intended to provide incentives to States and local job training deliverers to train more hard-to-serve individuals and to place them in permanent, unsubsidized jobs.

This goal has dual benefits:

First, it will give individuals who have been caught in the welfare cycle a chance to overcome the barriers raised by a lack of skills in obtaining employment, and to help them achieve self-sufficiency, pride and dignity. Second, because it will take individuals off the Federal and State welfare roles, it will ultimately save Government funds.

Mr. President, there has been much talk in recent years about requiring recipients of aid to families with dependent children to work in order to continue to receive their benefits. S. 514 would take a much more humane approach to getting people back to work and rid us of the assumption that individuals on welfare do not want to work. The key is to ensure that we do not set up administrative disincentives which discourage service to such individuals, but, rather, put measures into place which create incentives to train and to find employment for the neediest among us. The problem is not, as our past efforts have suggested, that people do not want to work, the problem is that we have created the wrong administrative incentives for serving our welfare-dependent population. We are provided the opportunity by this bill to begin to rectify those errors.

Mr. President, I wish, again, to express my strong support for the pending bill, and commend my colleagues on the Committee on Labor and Human Resources for dealing with a major issue in a positive and cooperative manner.

Mr. GRASSLEY. Mr. President, I congratulate my colleague from Massachusetts for bringing forth this legislation and am proud to join as a cosponsor of this bill because it addresses the complicated issue of welfare dependency. I'm sure the Labor Committee and its staff put much time and work on this proposal.

This bill represents an important step toward addressing the problems of welfare dependency. It is unfortunate that so many of our citizens must rely on Government programs for their livelihood. As most of you are aware, I have long worked to reduce welfare dependency, including that in the defense industry. Today's bill won't help the Defense Department's welfare queens, but it will help individuals truly in need of a helping hand.

This bill gets at the heart of the welfare problem by rewarding States for developing programs which help persons dependent on welfare to become self-sufficient. All people have the right to know the sense of self respect from bringing home their own paycheck and supporting themselves.

I also strongly support the part of this proposal which leaves specific initiatives up to the States. State legislators and State Department of Human Services officials know much better than we Washington politicians what kind of programs work best with their citizens.

This bill represents good public policy and I urge the support of my colleagues.

Mr. DOLE. Mr. President, the Jobs for Employable Dependent Individuals Act, commonly referred to as the JEDI bill is the first step the Senate has taken toward enacting welfare reform legislation. This is an important issue. Since the major emphasis of welfare reform will be on work, I commend the Senator from Massachusetts for his contribution and for making this a bipartisan effort.

This legislation should complement whatever the Finance Committee may choose to do. It is my understanding that there has been an agreement reached with the Finance Committee on some language relating to programs under that committee's jurisdiction. This amendment should satisfy the concerns of those of us who serve on that committee, which has jurisdiction over the AFDC Program itself.

CONCEPT IS COMMENDABLE

Mr. President, the JEDI Program is targeted on hard-core welfare recipients who have not had a fair opportunity to gain job skills or actually participate in the work force. Both Republicans and Democrats alike, liberals and conservatives, have come to recognize the importance of providing employment opportunities for women who receive AFDC benefits. It is not doing them any favors to keep them on welfare indefinitely—this approach only increases their dependency on the system, instead of providing them with an opportunity to join the mainstream of our society.

IMPORTANT STEP IN RIGHT DIRECTION

Mr. President, whatever the Finance Committee does from this point on with regard to changes in the AFDC Program and Child Support Enforcement Program will further the efforts of those who recognize the value of a strong work component in any welfare system. The Senator from Kansas supports the concept of the JEDI Program and supports this legislation. It has been a true bipartisan effort and this Senator hopes that this type of program will be successful.

Mr. KENNEDY. Mr. President, the leadership has requested a brief quorum call. I ask unanimous consent that it be in order at this time.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SIMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I ask unanimous consent to yield to the Senator from Illinois 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMON. Mr. President, I commend the Senator from Massachusetts for his leadership, and Senator Hatch, Senator Quayle, and others. We have a good, bipartisan piece of legislation. It does something that is important in our country; that is, it moves on the problem of unemployment. It does it not with any huge step, but with a small step in the right direction and we have to take more small steps in the right direction.

I just came from a hearing of the subcommittee I chair, where a Cleveland executive has talked about the rising number of racial incidents in Cleveland. What is true in Cleveland is true in New York City, it is true in Boston, it is true in Chicago; it is true, I am sure, in Louisville and the other communities represented on the floor.

I was on a radio call-in program in Chicago recently and a woman called in. I was talking about a jobs bill I had introduced. She called in and said, "You know the reason I am unemployed?"

I said, "Why?"

She said, "The blacks have all the jobs. If we had more people working, we would not have the kind of racial tensions that we have in our society today."

It is not simply statistics, Mr. President. I think of a young man I talked to in Chicago by the name of Willie Morris, who lives with his mother and his five younger brothers and sisters and is desperate for a job.

In talking to me, he said, "Last week I didn't eat 2 days." He said, "My mother doesn't know it, but I didn't want to take food away from my younger brothers and sisters."

It should not happen. A man in Hanover Park, 53 years old, called me, desperate for a job. This is a middle-class white suburb. He said, because of his family finances his 16-year-old daughter is threatening to commit suicide, and he asks, "Does anyone care?" And he really was not asking a question. He was really saying, "No one cares."

Yesterday, Mr. President, I had lunch with a group representing the handicapped and they gave me one statistic that is astounding. I know that handicapped Americans, Americans with disabilities face extra problems in employment. Among the employable blacks with handicaps in our society today, the unemployment rate is 82 percent. And of the other 18 percent, the average income is $4,000 a year.

The reality is we have not made the priority out of employment that we should. What Senator Kennedy and Senator Hatch—and I am pleased to be a cosponsor—and the others have put together is a bill that makes just a little more of a priority in this Nation of putting people to work who are hard to employ. I think it is a significant step in the right direction. I am proud to be a small part of it.

S. 514 provides an important first step toward addressing the needs of unemployed individuals in America. The bill provides incentive bonuses to States that train and successfully place AFDC and SSI recipients in jobs, focusing directly on individuals who are most likely to become long-term welfare recipients absent such assistance. To be quite honest, this bill corrects a longstanding problem with the Job Training and Partnership Act—the creaming of those least in need of services and employment assistance. Performance standards under JTPA reward successful placements and so they encourage those who operate the programs and contract with service providers to serve those who will be more easily placed. I was pleased to sponsor a provision in the bill which amends the performance standards in JTPA to also acknowledge training programs which serve individuals with remedial education needs.

The bill provides incentive bonuses which are funneled back to those agencies and organizations which have provided the training—be they State agencies, educational institutions, or community-based organizations. The funds can then be used to expand or enrich training programs for these hard-to-serve groups.

In addition, S. 514 provides greater flexibility in the JTPA disadvantaged youth employment programs. SDA's may provide summer employment opportunities to disadvantaged youth, or year-round activities, or both.

While the incentive bonus and summer youth employment provisions of this bill provide an excellent first step toward meeting the needs of unemployed individuals, they are only that—a first step. I am also sponsor of two bills which reach out to displaced workers and unemployed individuals before they are forced to join the welfare roles. S. 538, the Economic Dislocation and Worker Adjustment Assistance Act, provides reemployment assistance—training, counseling, and placement assistance—to individuals before they go on unemployment compensation due to layoff or plant closure.

S. 777, the Guaranteed Job Opportunity Act, provides an employment safety net for all unemployed individuals who are unable to find work in the private sector. Individuals would not be required to hit bottom—economically and emotionally—before being lifted up. The program would provide minimum wage jobs in public sector projects for individuals who have been unemployed for 5 weeks.

Each of these legislative proposals contribute to what must be our Nation's highest priority—putting Americans back to work.

Again, I commend Senator Kennedy for his leadership and Senator Hatch and the Republicans for putting this out also. It is a genuine bipartisan bill that nudges us a little more in the direction that we ought to go as a nation.

Mr. President, I yield back the remainder of my time.

Mr. KENNEDY. Mr. President, I ask that the Senator from Michigan [Mr. Levin] be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. I thank the Senator from Illinois for his work on this legislation and for his comments. We are prepared to vote.

Mr. HATCH. Mr. President, I thank the Senator from Illinois and also the Senator from Massachusetts for their kind comments. We really do appreciate this bill. It is going to make a lot of difference. We are prepared to vote.

The PRESIDING OFFICER. Both sides have yielded back their time. The question is on agreeing to the committee amendment in the nature of substitute, as amended.

The committee amendment, in the nature of a substitute, as amended, was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the committee amendment, in the nature of a substitute, as amended, was agreed to.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. No further amendments are in order. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The **PRESIDING OFFICER**. The bill having been read the third time, the question is, Shall the bill pass?

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. **CRANSTON**. I announce that the Senator from Delaware [Mr. BIDEN] is necessarily absent.

I further announce that, if present and voting, the Senator from Delaware [Mr. BIDEN], would vote "yea."

The **PRESIDING OFFICER**. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 99, nays 0, as follows:

[Rollcall Vote No. 61 Leg.]

YEAS—99

Adams
Armstrong
Baucus
Bentsen
Bingaman
Bond
Boren
Boschwitz
Bradley
Breaux
Bumpers
Burdick
Byrd
Chafee
Chiles
Cochran
Cohen
Conrad
Cranston
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Evans
Exon
Ford
Fowler
Garn
Glenn
Gore
Graham
Gramm
Grassley
Harkin
Hatch
Hatfield
Hecht
Heflin
Heinz
Helms
Hollings
Humphrey
Inouye
Johnston
Karnes
Kassebaum
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lugar
Matsunaga
McCain
McClure
McConnell
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Proxmire
Pryor
Quayle
Reid
Riegle
Rockefeller
Roth
Rudman
Sanford
Sarbanes
Sasser
Shelby
Simon
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Wilson
Wirth

NAYS—0

NOT VOTING—1

Biden

The bill (S. 514), as amended, was passed, as follows:

S. 514

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Jobs for Employable Dependent Individuals Act".

INCENTIVE BONUS ENTITLEMENT FOR EMPLOYABLE DEPENDENT INDIVIDUALS

SEC. 2. The Job Training Partnership Act (hereafter in this Act referred to as the "Act") is amended—

(1) by redesignating title V and all references thereto as title VI,

(2) by redesignating sections 501, 502, 503, and 504 as sections 601, 602, 603, and 604, respectively, and

(3) by inserting after title IV the following new title:

"TITLE V—JOBS FOR EMPLOYABLE DEPENDENT INDIVIDUALS INCENTIVE BONUS PROGRAM

"STATEMENT OF PURPOSE

"SEC. 501. It is the purpose of this title to entitle each State to the payment of a bonus for the successful job placement of certain employable dependent individuals.

"ELIGIBILITY BASIS FOR INCENTIVE BONUS ENTITLEMENT

"SEC. 502. (a) An individual who is a head of a household shall be eligible to be counted for the purpose of a payment of an incentive bonus under this title if the individual—

"(1)(A) has received benefits continuously under—

"(i) a State plan approved under part A of title IV of the Social Security Act, relating to the aid to families with dependent children program, or

"(ii) section 412(e) of the Immigration and Nationality Act, relating to cash assistance and medical assistance to refugees,

for at least 2 years prior to participation in education, training, and supportive services designed to provide jobs for such individuals; and

"(B) has no work experience for the year preceding the year for which the determination of eligibility is made; or

"(2)(A) receives benefits at the time the determination of eligibility under this title is made under a State plan under part A of title IV of the Social Security Act, relating to the aid to families with dependent children program, or section 412(e) of the Immigration and Nationality Act, relating to cash assistance and medical assistance to refugees, and

"(B) has—

"(i) not attained 22 years of age,

"(ii) not completed secondary school or its equivalent, and

"(iii) no work experience for the year preceding the year for which the determination of eligibility under this title is made; and

"(3) meets the requirements of subsection (c).

"(b) An individual who is blind or disabled shall be eligible to be counted for the purpose of a payment of an incentive bonus under this title if the individual—

"(1)(A) has received benefits continuously under title XVI of the Social Security Act relating to supplemental security income program for at least 2 years prior to participation in education, training, and support services designed to provide jobs for such individuals; and

"(B) has no work experience for the year preceding the year for which the determination of eligibility is made; or

"(2)(A) receives benefits at the time the determination of eligibility under this title is made under title XVI of the Social Security Act relating to supplemental security income, and

"(B) has—

"(i) not attained 22 years of age,

"(ii) no work experience for the year preceding the year for which the determination of eligibility under this title is made; and

"(3) meets the requirements of subsection (d).

"(c) An individual meets the requirements of paragraph (3) of subsection (a) if the individual—

"(1) participates in education, training, and supportive services designed to provide jobs for such individuals;

"(2) is placed in nonsubsidized employment for at least 1 year after such participation;

"(3) receives from the employment described in clause (2) income equal to or greater than the amount of cash benefits which the family received in the preceding year under part A of title IV of the Social Security Act, relating to the aid to families with dependent children program, or section 412(e) of the Immigration and Nationality Act, relating to cash assistance and medical assistance to refugees; and

"(4) no longer qualifies for benefits described in clause (3).

"(d) An individual meets the requirements of paragraph (3) of subsection (b) if the individual—

"(1) participates in education, training, and support services designed to provide jobs for such individuals;

"(2) is placed in employment or supported employment (as such term is defined in section 7(18) of the Rehabilitation Act of 1973) for at least 1 year after such participation;

"(3) receives from the employment described in clause (2) income equal to or greater than the amount of cash benefits which the individual received under title XVI of the Social Security Act relating to supplemental security income; and

"(4) no longer qualifies for benefits described in clause (3).

"(e) Each State shall be entitled to (subject to funds provided in appropriation Acts) receive an incentive bonus payment for the placement in accordance with the provisions of this title of individuals who are eligible under this section.

"(f) An individual shall not be considered to meet the requirements of subsection (c)(1) or (d)(1) if the individual participates in employment-related services and activities in a program established under the Social Security Act. For the purpose of the preceding sentence, an individual's receipt of medical services under title XIX of the Social Security Act or registration for manpower services, training, employment, and other employment-related activities pursuant to the Social Security Act shall not be treated as participation in employment-related services and activities in a program established under the Social Security Act.

"AMOUNT OF INCENTIVE BONUS

"SEC. 503. (a) The amount of the incentive bonus paid to each State under this title shall be equal to—

"(1) 75 percent of the placement bonus base for each successful placement of an individual described in section 502;

"(2) 50 percent of the placement bonus base for the second continuous year of such employment; and

"(3) 25 percent of the placement bonus base for the third continuous year of such employment,

in excess of the number of such placements made in fiscal year 1986 or such other base period as provided by agreement between the Governor and the Secretary.

"(b) For the purpose of this section, the placement bonus base—

"(1) for an individual who qualifies under section 502(a)(1) is equal to the sum of the Federal contribution to amounts received by the individual and the family of such individual under a State plan approved under part A of title IV of the Social Security Act, relating to aid to families with dependent children, or under section 412(e) of the Immigration and Nationality Act, relating to cash assistance and medical assistance to refugees, or both, for the 2 fiscal years prior to the determination made under section 502 divided by 2; and

"(2) for an individual who qualifies under section 502(a)(2) shall be the annual amount to which such individual would have been entitled for one year at the time of the determination of eligibility of the individual, if such individual has not received the benefits described in section 502(a)(2) for the prior year, under part A of title IV of the Social Security Act, relating to the aid to families with dependent children program, or section 412(e) of the Immigration and Nationality Act relating to cash assistance and medical assistance to refugees.

"(c) For the purpose of this section, the placement bonus base—

"(1) for an individual who qualifies under section 502(b)(1) is equal to the sum of the Federal contribution to amounts received by the individual under title XVI of the Social Security Act relating to supplemental security income for the two fiscal years prior to the determination made under section 502 divided by 2; and

"(2) for an individual who qualifies under section 502(b)(2) shall be the annual amount to which such individual would have been entitled for one year at the time of the determination of eligibility of the individual, if such individual has not received the benefits described in section 502(b)(2) for the prior year under title XVI of the Social Security Act relating to supplemental security income.

"APPLICATIONS AND VERIFICATION REQUIRED

"SEC. 504. (a) Each State providing training to individuals qualifying for the incentive bonus under this title shall submit to the Secretary an application at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require. Each such application shall—

"(1) set forth the bonus base for the placement of individuals qualifying under this title in the State;

"(2) set forth the nonsubsidized employment or supported employment (as such term is defined in section 7(18) of the Rehabilitation Act of 1973) for each such individual and the annual amount earned;

"(3) set forth the amount of cash benefits under part A of title IV of the Social Security Act, relating to the aid to families with dependent children program, or section 412(e) of the Immigration and Nationality Act, relating to cash assistance and medical assistance to refugees, received by each individual placed pursuant to clause (1) of this subsection and the amount of cash benefits under title XVI of the Social Security Act relating to benefits for disabled individuals under the supplemental security income program received by each individual placed pursuant to clause (1) of this subsection;

"(4) describe the arrangements for carrying out sections 502(c)(1) and 502(d)(1) relating to the provision of education, training, and supportive services; and

"(5) set forth such additional information as the Secretary determines to be necessary.

"(b) The Secretary may not approve an application under this section without adequate verification of the placements described in the application of the State made under subsection (a).

"PAYMENTS

"SEC. 505. The Secretary shall pay (subject to funds provided in appropriation Acts) to each State the amount to which the State is entitled by reason of an application approved under section 504.

"RESERVATION OF INCENTIVE BONUS; USE OF FUNDS

"SEC. 506. (a) The Governor shall reserve an amount which is equal to the amount the State receives for incentive bonuses under section 505 and shall distribute such incentive bonus amounts in accordance with subsection (b).

"(b)(1) The Governor shall, from the amount reserved under subsection (a), set aside an amount, not to exceed 15 percent of the amount so reserved in each fiscal year, for distribution to participating State agencies to support the costs of establishing and maintaining systems necessary for the operation of the program under this title, including technical assistance, management information systems, postprogram followup activities, and research and evaluation activities.

"(2) The Governor shall distribute the remainder of the amount so reserved in each fiscal year to participating agencies, private industry councils in service delivery areas, and service providers, including community-based organizations, who contribute to the program authorized by this title.

"(c) Funds distributed pursuant to paragraph (2) of subsection (b) may be used only for outreach, basic and remedial education, including language training for limited English proficient individuals, training and supportive services, including child care and transportation, designed to prepare participants for, or place individuals in, jobs.

"EVALUATION OF PROGRAM

"SEC. 507. (a) The Secretary shall, directly or by contract or other arrangement, conduct a thorough evaluation of the program authorized by this title.

"(b) Not later than 3 years after the date of enactment of this title, the Secretary shall prepare and submit a report to the Congress on the evaluation activities conducted under subsection (a) and the results of such activities, together with an analysis on the costs of the program authorized by this title and the savings in payments under part A of title IV of the Social Security Act, relating to the aid to families with dependent children program, under section 412(e) of the Immigration and Nationality Act, relating to cash assistance and medical assistance to refugees, or under title XVI of the Social Security Act relating to supplemental security income program.".

PROVISIONS FOR IMPROVING ASSISTANCE TO HARD-TO-SERVE INDIVIDUALS AND WELFARE RECIPIENTS

SEC. 3. (a) Section 201 of the Act is amended by adding at the end thereof the following new subsection:

"(c)(1) For program years beginning July 1, 1988, and thereafter, the allotment from funds appropriated for such program year of a State shall be reduced by the amount that the unexpended balance at the end of the program year prior to the program year for which the determination under this subsection is made exceeds 20 percent of the State's allocation for that fiscal year and the unexpended balance from the program year prior to that program year.

"(2) Amounts available pursuant to paragraph (1) of this subsection shall be reallotted to States by the Secretary in accordance with States' need for and ability to use the funds for the purposes of this title.".

(b) The first sentence of section 202(b)(3)(B) of the Act is amended by striking out ", including incentives for serving hard-to-serve individuals" and inserting in lieu thereof "and incentives for serving increased numbers of hard-to-serve individuals, particularly long-term welfare recipients, including title IV of the Social Security Act relating to aid to families with dependent children and title XVI relating to supplementary security income".

(c) Section 106(e) of the Act is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2) The Secretary shall—

"(A) provide improved information and technical assistance on performance standards adjustment approaches;

"(B) collect data that better specifies hard-to-serve individuals and long-term welfare dependency; and

"(C) provide guidance on setting performance goals at the service provider level that encourages increased service to the hard-to-serve, particularly long-term welfare recipients, including title IV of the Social Security Act relating to aid to families with dependent children and title XVI relating to supplementary security income.

The Secretary shall also reexamine performance standards to ensure that such standards provide maximum flexibility in serving the hard-to-serve, particularly long-term welfare recipients, including title IV of the Social Security Act relating to aid to families with dependent children and title XVI relating to supplementary security income.".

(d) Section 106 of the Act is amended by adding at the end thereof the following new subsection:

"(i)(1) The basic measure of performance for adult education programs under section 204 shall be the attainment of educational competence in reading, writing, and computation, including, where appropriate, acquisition of the graduate equivalency degree in order to reduce welfare dependency by increasing individual employability. In order to determine whether the basic measures are achieved, the Secretary shall prescribe standards on the basis of appropriate factors which should include: (A) satisfactory progress toward mastering the basic academic competencies, (B) measured progress through each grade level, (C) retention in the program and placement, if possible, in employment, and (D) satisfactory completion of the graduate equivalency degree.

"(2) Nothing in this subsection shall be construed to modify the performance standard prescribed in subsection (b) of this section.".

AFDC/SSI AND SUMMER YOUTH PROGRAM

SEC. 4. (a) This section may be cited as the "AFDC/SSI and Summer Youth Employment and Training Amendments of 1987".

(b) Section 104(b) of the Act is amended—

(1) by striking out "and" at the end of clause (9);

(2) by striking out the period at the end of clause (10) and inserting in lieu thereof "; and"; and

(3) by inserting at the end thereof the following new clause:

"(11) for service delivery areas intending to operate or operating a program under section 254, a comprehensive plan of service in accordance with the requirements of section 254(c)(1).".

(c) Section 105(b)(1) of the Act is amended—

(1) by striking out "or" at the end of clause (D),

(2) by striking out the period at the end of clause (E) and inserting in lieu thereof "; or", and

(3) by inserting at the end thereof the following new clause:

"(F) for service delivery areas intending to operate or operating a program under section 254, the plan (or modification) does not include the required comprehensive plan of service (in accordance with the requirements of section 254(c)(1)).".

(d) Section 106(b) of the Act is amended—

(1) by striking out "also" in paragraph (2) of such subsection,

(2) by inserting in paragraph (2) of such subsection after "programs" the first time it appears the following: "under part A of title II",

(3) by redesignating paragraph (3) of such subsection as paragraph (4), and

(4) by inserting after paragraph (2) of such subsection the following new paragraph (3):

"(3) The Secretary shall, at such time as the Secretary deems appropriate, prescribe standards for evaluating the performance of the AFDC youth and SSI youth employment and training program under section 254. In prescribing such standards, the Secretary shall designate factors which, in addition to appropriate utilization of the factors described in paragraphs (1) and (2), may include, to the extent practicable, measures of basic education gains and reduced welfare dependency.".

(e) Section 202(b)(3)(B) of the Act is amended by inserting "under this title" after "programs" where it first appears.

(f)(1) Part B of title II of the Act is amended to read as follows:

"PART B—SUMMER AND AFDC/SSI YOUTH EMPLOYMENT AND TRAINING PROGRAMS

"SEC. 251. (a) The purpose of programs assisted under section 253 is to—

"(1) enhance the basic educational skills of youth;

"(2) encourage school completion, or enrollment in supplementary or alternative school programs; and

"(3) provide eligible youth with exposure to the world of work.

"(b) In addition to the purposes described above, the programs assisted under section 254 are intended to—

"(1) provide AFDC and SSI youth with the skills necessary for entering the labor force;

"(2) assist AFDC and SSI youth in addressing problems which prevent them from becoming productive members of society; and

"(3) reduce welfare dependency by targeting resources to help these AFDC and SSI youth, including young mothers receiving AFDC or SSI, who face multiple barriers to employment.

"AUTHORIZATION OF APPROPRIATIONS; ALLOTMENT AND ALLOCATION

"SEC. 252. (a) From the funds appropriated under section 3(b), the Secretary shall first allocate to Guam, the Virgin Islands, American Samoa, the Freely Associated States (Republic of the Marshall Islands and the Federated States of Micronesia), the Republic of Palau, the Northern Mariana Islands, and entities eligible under section 401 the same percentage of funds as were available to such areas and entities for the programs under this part in the fiscal year preceding the fiscal year for which the determination is made.

"(b) The remainder of sums appropriated pursuant to section 3(b) shall be allotted among States in accordance with section 201(b) and allocated among service delivery areas within States in accordance with section 202(a) (2), (3), and (4).

"SUMMER YOUTH EMPLOYMENT AND TRAINING PROGRAM

"SEC. 253. (a)(1) Funds available under this part may be used for—

"(A) basic and remedial education, institutional and on-the-job training, work experience programs, employment counseling, occupational training, preparation for work, outreach and enrollment activities, employability assessment, job referral and placement, job search and job club activities, and any other employment or job training activity designed to give employment to eligible individuals or prepare them for, and place them in, employment; and

"(B) supportive services necessary to enable such individuals to participate in the program.

"(2) A service delivery area shall assess the reading, writing, and mathematics skill levels of eligible participants in programs funded by this part and shall expend funds (from this Act or otherwise available to the service delivery area, or both) for basic and remedial education as described in the job training plan under section 104.

"(b)(1) Programs under this section shall be conducted during the summer months, except that a service delivery area may—

"(A) within the jurisdiction of any local educational agency that operates its schools on a year-round full-time basis, offer the programs under this section to participants during a vacation period treated as the equivalent of a summer vacation; or

"(B) use all or part of the funds under this part for conducting year round exemplary youth programs authorized under section 205 of this Act.

"(2) Except as provided in paragraph (3), individuals eligible under this section shall be economically disadvantaged youth consistent with section 4(8) of this Act.

"(3) Eligible individuals aged 14 or 15 shall, if appropriate and set forth in the job training plan, be eligible for summer youth programs under this section.

"(c)(1) Private industry councils established under title I, chief elected officials, State job coordinating councils, and Governors shall have the same authority, duties, and responsibilities with respect to planning and administration of funds available under this section as private industry councils, chief elected officials, State job training coordinating councils, and Governors have for funds available under part A of title II.

"(2) In accordance with the provisions of paragraph (1), each service delivery area shall establish written program goals and objectives which shall be used for evaluating the effectiveness of programs conducted under this section. Such goals and objectives may include—

"(A) improvement in school retention and completion;

"(B) improvement in academic performance, including reading, writing, and mathematics comprehension;

"(C) improvement in employability skills; and

"(D) demonstrated coordination with other community service organizations such as local educational agencies, law enforcement agencies, and drug and alcohol prevention and treatment programs.

"AFDC/SSI YOUTH EMPLOYMENT AND TRAINING PROGRAM

"SEC. 254. (a) In addition to or in lieu of the services for youth available in accordance with section 253, each service delivery area may elect to use funds available to it under this part for the program described in this section.

"(b)(1) The program under this section may be conducted on a year-round basis.

"(2) An individual shall be eligible to participate in the program under this section only if—

"(A) such individual is aged 16 through 21, or if appropriate and set forth in the job training plan, such individual is aged 14 through 21,

"(B) such individual is receiving payments, or such individual is an individual whose needs are considered in determining payments, made under the program of aid to families with dependent children under a State plan approved under part A of title IV of the Social Security Act or title XVI of the Social Security Act relating to supplemental security income, and

"(C) such individual is at risk of becoming a long-term welfare recipient or long-term unemployed.

"(c) A service delivery area electing to operate a program under this section shall—

"(1) describe in its job training plan a comprehensive plan of service containing—

"(A) the process for assessing the needs of each participant (including educational, training, employment, and social service needs);

"(B) the services (including supportive services necessary to enable such individuals to participate in the program) and activities to be provided, including the agencies that will provide such services, and an estimate of the length of time service will be provided to the participant; and

"(C) goals to be attained, including the intermediate success points to be pursued during the course of participation; and

"(2) provide the necessary services, where the assessment of the participant pursuant to subsection (c)(1)(A) indicates a need, including where appropriate—

"(A) basic and remedial education;

"(B) drug and alcohol abuse counseling;

"(C) child care classes; and

"(D) life skills planning classes.

"(d) Funds available for the program under this section may be used to provide, in addition to the services required under subsection (c), the following services:

"(1) classroom training, on-the-job training, work experience, job search assistance, employment counseling, world-of-work orientation, any of the activities described under section 205 of this Act, and any other educational, employment, or job training activity designed to prepare participants for, or place individuals in, employment; and

"(2) other supportive services for such individuals.

"(e) Private industry councils established under title I, chief elected officials, State job training coordinating councils, and Governors shall have the same authority, duties, and responsibilities with respect to planning and administration of funds available under this section as private industry councils, chief elected officials, State job training coordinating councils, and Governors have for funds available under part A of title II, except that private industry councils shall have the additional responsibility under this section of ensuring that the job training plan provide for coordination of service delivery areas, local welfare agencies, and local educational agencies in the planning, program design, and the provision of services to participants.

"(f) The Secretary and the Secretary of Health and Human Services shall issue regulations jointly relating to the safeguarding and sharing, between service delivery areas and agencies administering a plan under part A of title IV of the Social Security Act, of information concerning programs under this part that is necessary for carrying out the purposes of such programs, and of the State plans approved under part A of title IV of the Social Security Act.".

(2) The table of contents of the Act relating to part B of title II is amended to read as follows:

"PART B—SUMMER AND AFDC/SSI YOUTH EMPLOYMENT AND TRAINING PROGRAMS

"Sec. 251. Purposes.
"Sec. 252. Authorization of appropriation; allotment and allocation.
"Sec. 253. Summer youth employment and training program.
"Sec. 254. AFDC/SSI youth employment and training program.".

(g) The amendments made by this section shall take effect on October 1, 1987.

CONFORMING AMENDMENTS

SEC. 5. (a) Section 104(b) of the Act (as amended by subsection (b)) is further amended—

(1) by redesignating clauses (7), (8), (9), (10), and (11) as clauses (8), (9), (10), (11), and (12), respectively; and

(2) by adding after clause (6) the following new clause:

"(7) a description of the procedures and methods of carrying out the provisions of title V, relating to incentive bonus payments for employable dependent individuals;".

(b) Section 106(b) of the Act is amended by adding at the end thereof the following new paragraph:

"(5) In prescribing performance standards under this section for programs authorized by section 109 and title V, relating to the placement of certain employable dependent individuals, the Secretary shall weigh the placement of such individuals in accordance with the average cost of successful placement of such individuals compared to the average cost of successful placement of individuals eligible for services under part A of title II of this Act.".

(c) Section 121(b) of the Act is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(2) by adding after paragraph (2) the following new paragraph:

"(3) The State plan shall include a description of the manner in which the State will encourage the successful carrying out of—

"(A) training activities for employable dependent individuals whose placement is the basis for the payment to the State of the incentive bonus authorized by title V; and

"(B) the training services, outreach activities, and preemployment supportive services furnished to such individuals.".

(d) Section 164 of the Act is amended by striking out "titles II and III" and inserting in lieu thereof "titles II, III, and V".

(e) Section 3 of the Act is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following new subsection:

"(e) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of title V of this Act.".

(f)(1) Part D of title I of the Act is amended by adding at the end thereof the following:

"CONSTRUCTION

"SEC. 172. (a) Nothing in this Act shall be construed in any way to limit the right of persons to remain eligible for assistance under title XIX of the Social Security Act relating to Medicaid pursuant to section 1619(b) of such Act.

"(b) Nothing in this Act shall be construed to authorize the use of funds under this Act for the ongoing support services provided to handicapped individuals placed in supported employment, as such term is defined in section 7(18) of the Rehabilitation Act of 1973.".

(2) The table of contents of the Act is amended by inserting after item "Sec. 171." the following new item:

"Sec. 172. Construction.".

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. GORE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended so as to read: "A bill to amend the Job Training Partnership Act to establish an incentive bonus for the successful placement of certain employable dependent individuals, to add an enriched program option of employment and training for AFDC/SSI youth and to the summer youth employment and training program, and for other purposes.".

Mr. BYRD. Mr. President, I thank the managers, Senator KENNEDY, Senator MOYNIHAN, Senator HATCH, and Senator QUAYLE, and commend them on a job well done. They have demonstrated skill, knowledge, and master craftsmanship. It is a good product. It is an important piece of legislation. Again I thank them.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I do not want to get the floor and hold it while other Senators wish to speak.

The PRESIDING OFFICER. Will the Senator suspend while the Senate comes to order.

The Senator from West Virginia.

Mr. BYRD. Mr. President, I thank the Chair.

I will not detain Senators who wish to speak.

There are three joint resolutions on the calendar which under the law are entitled to 10 hours on each and any Senator may move to call up these resolutions. They are privileged resolutions.

I am hoping that a time agreement can be worked out whereby the 10 hours can be considerably reduced, and I have been discussing this matter with the Republican leader and with Senator HELMS and others. There are Senators at the moment who wish to speak out of order.

I take the floor at this moment to inform Senators that there will be other rollcall votes this afternoon.

I see the distinguished Senator from North Carolina [Mr. HELMS]. Does he have any suggestion at the moment with respect to these joint resolutions?

Mr. HELMS. Mr. President, I thank him very much. I really do not, because some Senators have indicated they want to speak at some length. I believe that as we move into this, there will be a tendency to reduce the time. But at the moment, no.

Mr. BYRD. Very well.

Mr. HELMS. We will just proceed and feel our way.

Mr. LUGAR. Mr. President, will the majority leader yield for a moment?

Mr. BYRD. Yes.

Mr. LUGAR. I appreciate the distinguished majority leader yielding.

Let me say I am one of the Senators who believes these issues are extremely important in terms of the foreign policy of the country. They are not trivial and the implications of even having the debate are very substantial.

I am not in a position to agree to a limited time. I have no idea how much time will be required, but I think many Senators would want to be heard in the event we are to get into these issues at all, which in my own judgment would be a mistake.

Mr. BYRD. I thank the distinguished Senator.

We will proceed shortly then in all likelihood to take up one of the three joint resolutions. At the moment there are Senators who wish to speak out of order, and who wish to introduce bills and resolutions.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the conduct of morning business, that Senators may speak therein for not to exceed 3 minutes each and that the period not extend beyond 9 minutes.

The PRESIDING OFFICER (Mr. DASCHLE). Without objection, it is so ordered.

COMMITTEE MEETING REQUESTS

Mr. BYRD. Mr. President, I have in my hands 14 unanimous consent requests for committees to meet. These all have been cleared on the other side of the aisle and each of these requests bears the initials of someone representing the majority leader. The distinguished Senator from North Carolina is standing in the leader's place. As the acting Republican leader, would he approve the consent of these requests en bloc with the understanding that they be spread severally in the RECORD and that we may proceed immediately to clear them?

Mr. HELMS. Mr. President, if the Senator will yield, that is thoroughly agreeable to this side.

Mr. BYRD. I thank the Senator.

The PRESIDING OFFICER (Mr. Matsunaga). Without objection, it is so ordered.

(The committee meeting requests are printed in today's Record under Routine Morning Business.)

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I believe this has been cleared with the distinguished chairman, Mr. Pell, that the Senate proceed to Senate Joint Resolution 92 first.

Mr. PELL. Yes.

Mr. BYRD. And then to Senate Joint Resolutions 90 and 91.

Before I do that, Mr. President, I ask unanimous consent that I may yield for not to exceed 3 minutes to my good friend, Mr. Daschle, for some morning business.

Mr. WALLOP. Mr. President, will the majority leader yield?

Mr. BYRD. Yes.

Mr. WALLOP. Mr. President, I saw the majority leader's announcement from upstairs that he was going to go to morning business for a period not to exceed 3 minutes. I have come down and I wonder if I could follow Mr. Daschle.

Mr. BYRD. Yes; I will be happy to yield to the Senator.

I yield to the Senator from South Dakota and then to the distinguished Senator from Wyoming for not to exceed 3 minutes each. And I ask that I may retain my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from South Dakota is recognized.

Mr. DASCHLE. I thank the majority leader and I thank the Chair for the time.

(The remarks of Mr. Daschle are printed later in the Record under Statements on Introduced Bills and Joint Resolutions.)

Mr. BYRD. Mr. President, I yield 3 minutes, without losing my right to the floor, with the same understanding, that the distinguished Senator from Wyoming may proceed as in morning business and may be permitted to speak.

The PRESIDING OFFICER (Mr. Daschle). Without objection, it is so ordered.

The Senator from Wyoming is recognized.

Mr. WALLOP. Mr. President, I thank the majority leader and I thank the Chair.

(The remarks of Mr. Wallop are printed later in today's Record under Statements on Introduced Bills and Joint Resolutions.)

DISAPPROVAL OF PRESIDENTIAL CERTIFICATION—MEXICO

Mr. BYRD. Mr. President, I believe that all parties who are closest involved with these three joint resolutions have been informed that I should move now to proceed to the consideration of one of them, and I am told by the parties that it is agreeable to proceed with Calendar Order No. 72. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 72, Senate Joint Resolution 92.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the resolution.

The assistant legislative clerk read as follows:

Calendar Order No. 72, Senate Joint Resolution 92, disapproving the certification by the President under section 481(h) of the Foreign Assistance Act of 1961.

The Senate proceeded to consider the joint resolution which had been reported from the Committee on Foreign Relations, with an amendment to strike all after the enacting clause and insert in lieu thereof, the following:

That the Congress hereby disapproves of the determination of the President with respect to Mexico as contained in the certification required by section 481(h) of the Foreign Assistance Act of 1961, received by the Congress on March 2, 1987; unless the President (1) formally notifies the appropriate committees of the Congress, in writing, within fifteen days from the date of enactment of this resolution into law, that he will reexamine the certification of March 2, 1987, with respect to Mexico; and (2) shall provide such committees in writing within ninety days following such notification with the detailed results of the reexamination, including (a) the definition of the term "full cooperation" as contained in Public Law 99-570; (b) any nondrug interdiction and eradication matters which he took into consideration in making the certification with respect to Mexico on March 2, 1987; and (c) a detailed description of the programs which the Government of Mexico has undertaken or will undertake within the next thirty days in order to correct any deficiencies in its drug interdiction and eradication efforts.

The PRESIDING OFFICER. The committee amendment is pending. The statute governing the consideration of the resolution does not permit amendments. The committee amendment falls.

Who yields time?

The Senator from Rhode Island.

RESOLUTIONS OF DISAPPROVAL FOR PAMAMA, MEXICO, AND THE BAHAMAS

Mr. PELL. Mr. President, the resolutions of disapproval as amended were approved by the Committee on Foreign Relations on March 26. The purpose of the joint resolutions is to seek additional information from the administration regarding the state of cooperation with the United States on narcotics matters by Panama, Mexico, and the Bahamas. Now we are dealing with joint resolutions that would have imposed sanctions if the deadline had not already passed.

I very well understand the intent of those Senators who believe that the three countries in question have not "cooperated fully with the United States," to use the expression in the provision of the Anti-Drug Abuse Act of 1986. I believe, however, that similar conclusions might be made if closer scrutiny is given to some of the other countries covered by the administration's certification. We should be demanding better and more complete cooperation from all the countries that are involved in narcotics production or in the narcotics trade, but I have reservations about selecting out certain countries for sanction.

From the foreign policy standpoint, I believe that it is not in the best interest of our relations with these countries, and I also include relations concerning antinarcotics activities, to allow this issue to affect our security and the kinds of cooperation we have received in many areas.

At the appropriate time, I will move to table this and the other joint resolution.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the Chair.

The three joint resolutions which will be considered including the pending one, of course, are a matter of concern in terms of the enormous amount of drugs pouring into this country. In the case of this first joint resolution on Mexico, the law specifically says that unless Mexico, in this instance, has been fully cooperative in terms of money laundering, drug trafficking, and crop eradication, then certification shall be withheld unless it is given under the special national security interest waiver which is provided in the law.

I am deeply concerned about the integrity of this process of certification. This year is the first such certification under the provisions of the Antidrug Abuse Act of 1986. This is the first year in which the new certification process has been undertaken in order to implement this legislation which was passed unanimously in the Senate last October. That legislation was guided through this Chamber by the distinguished Senator from Indiana [Mr. Lugar] who was then chairman of the Senate Committee on Foreign Relations.

In any case, now is the time for congressional action to implement this legislation to maintain its integrity, and to preserve the vital role of Congress in the certification process. We must not abdicate our responsibility in this case. Too much is at stake. Millions of people around the world and so many of them in this country are being addicted to drugs coming in from various places, with Mexico being one of the greatest offenders.

The joint resolutions of disapproval which the distinguished Senator from Massachusetts [Mr. Kerry] and I have introduced are intended to send a clear signal to the Governments of Mexico, the Bahamas, and Panama, a signal being that Congress is serious about the war on drugs. If we fail to do this, then the message we will be sending will be that we are not all that serious, that we are not intent upon following the law which the distinguished Senator from Indiana guided through this Senate.

But I think we ought to be clear from the outset. These joint resolutions will not necessarily cut off U.S. foreign aid money to these three countries. The administration can at any time submit certifications for these three countries on the alternate basis of vital national interest rather than on the basis upon which they were submitted to us a few weeks ago; that is, the basis that these countries had cooperated fully with our antidrug efforts over the past year.

Understand, Mr. President, I am quoting from the law. This is not an opinion or position of the Senator from North Carolina. It is the law that these countries and other countries shall not be certified unless they have cooperated fully. That is the provision of the law which was guided through this Senate by the distinguished Senator from Indiana.

The point, Mr. President, is that we must have an honest certification process in order for our antidrug efforts to be successful. And the State Department certification performance to me constitutes an affront to the Congress and to the American people. Rather than present an honest certification to Congress, the State Department chose instead to obfuscate its responsibilities in public trust by engaging in what amounts to a coverup of official narcotics trafficking in Mexico, Panama, and the Bahamas. I am told that our Customs Service was cut out of the certification process by the State Department in order to facilitate the certification of Mexico, Panama, and the Bahamas.

As a matter of fact, I have the transcript of testimony by the Commissioner of Customs, Mr. William Von Raab, before the Senate Appropriations Committee on March 5, of this year, in which he said in response to a question from Senator DECONCINI:

> I cannot comment on the actual progress of the eradication program within Mexico because I am not responsible for that. All I can say is that if it has taken place, its effects have not been felt at the border.

Then Commissioner von Raab went on to say:

> The threat of drugs either being produced and manufactured and/or transshipped through Mexico remains a very serious problem and has not in any way abated in the past year or so. If anything, it continues to rise at a steady rate. In terms of Mexican efforts, the State and local authorities with whom I have worked and the customs officers to whom I am responsible have not given me any information on any cooperation of any particular nature.

Later on in further response to a question from Senator DECONCINI, Commissioner von Raab said:

> In the past year, the only connection I have had with any Mexican officials apart from the newspapers has been a meeting at which the Mexican customs head was in my office. I do not really remember what we talked about, except that nothing happened.

Then Senator DECONCINI said:

> Let me read to you a section out of the International Narcotics Control Strategy Report of March 1987 from the State Department. I ask for your comments.

The portion that Senator DECONCINI read from the report was:

> While existing laws are adequate, Mexican enforcement, interdiction and sentencing is less than adequate and in many cases nonexistent. Narcotic violators still bribe their way out of prison.

Mr. President, are we really going to certify a country with that kind of situation?

The central issue before us, then, Mr. President, is not whether foreign aid—and by that I mean the money of the U.S. taxpayers—whether foreign aid will be cut off to a country as provided for in the law. The central issue before us, it seems to me, is whether or not there will be ruffled feathers on the part of the governments not certified.

My response to that is, who cares? This Senator is interested in stopping this drug trafficking. This Senator is interested in following the law. As far as I am concerned, we are going to do the best we can on both counts. The central issue before us is not the convenience of the Department of State. The central issue is whether or not the administration and Congress are serious about the war against drugs.

We make a lot of speeches and do a lot of talking, but when you get right down to it, you hear some say that we must certify every country, or run the risk of offending the Governments of Mexico or Panama, or harming our relations with them.

Well, I think we ought to do something about our relations. We ought to send a signal to them to stop trafficking narcotics. If we do less than that, I do not think we are measuring up to our responsibility.

The central issue is whether the Government of the United States is making a serious and substantive effort to halt the flow of drugs into the United States, or whether it is just a phony war against drugs. Engaging in coverups on any issue is intolerable and it is particularly intolerable in the area of narcotics interdiction and enforcement.

Owing to our deep concerns about maintaining the integrity of the certification process and about preserving the role of Congress in this process, the distinguished Senator From Massachusetts [Mr. KERRY] and I introduced joint resolutions of disapproval against the certification of Mexico, Panama, and the Bahamas. These certifications under the law purported to assert that all three were "cooperating fully" with the United States in international narcotics matters. We do not believe that the facts support such certification.

Let me just say for emphasis, the law says "cooperating fully." It does not say "except." The law does not say "unless." It says "cooperating fully."

As I read the law, which was managed when it came up in the Senate by the distinguished Senator from Indiana, that does not leave any leeway. Either we follow the law or we do not.

Under the provisions of the Antidrug Abuse Act of 1986, countries must be certified as having "cooperated fully" in three areas: Crop eradication, interdiction of traffickers, and money laundering. Unless countries have "cooperated fully" according to the law, they are subject to stiff sanctions as provided for in the Antidrug Abuse Act of 1986. Under that law, considerations of "vital national interests" may outweigh the lack of full cooperation, and certification is allowable on that basis.

I would have no quarrel with the administration had they chosen that procedure. They did not. They certified to this Congress that Mexico, Panama, and the Bahamas were cooperating fully.

Mr. President, it simply is not so. It is an insult to the Senate that such certification would be sent up here.

Laos and Lebanon have been certified this year on the basis of vital national interests even though they are not cooperating fully with our international narcotics efforts. Laos was certified owing to sensitive bilateral discussions regarding POW and MIA issues. Lebanon was certified because it is Syria which controls the Bekaa Valley and the narcotics trade there. Massive amounts of hashish and opium are produced in the Bekaa Valley and a number of observers believe this was a major factor in Syria's decision to invade and occupy this lucrative drug producing area. The Government of Lebanon exercises no control over the Bekaa Valley, which is under Syrian occupation.

I mention that simply to stress that the administration, meaning the State Department, did not need to send a false certification to the Congress. They had an alternative, which would have been honest and forthright, but they did not choose to do that. They professed that Mexico, Panama, and the Bahamas were fully cooperating, which is simply not so.

The provisions of the Anti-Drug Abuse Act with respect to certifications and to congressional action are clear. The law states that the President must certify to Congress that,

> During the previous year that country has cooperated fully with the United States, or has taken adequate steps on its own, in preventing narcotic and psychotropic drugs and other controlled substances produced or processed, in whole or in part, in such country or transported through such country, from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents or from being transported, directly or indirectly, into the United States and in preventing and punishing the laundering in that country of drug-related profits or drug-related moneys.

The law states that certification includes giving consideration "to whether the actions of the Government of the country have resulted in the maximum reductions in illicit drug production which were determined to be achievable." Consideration is to be given to whether such government "has taken the legal and law enforcement measures to enforce in its territory, to the maximum extent possible, the elimination of illicit cultivation and the suppression of illicit manufacture of and traffic in narcotic and psychotropic drugs and other controlled substances, as evidenced by seizures of such drugs and substances and of illicit laboratories and the arrest and prosecution of violaters involved in the traffic in such drugs and substances significantly affecting the United States."

The law states that consideration is to be given to whether such government "has taken the legal and law enforcement steps necessary to eliminate, to the maximum extent possible, the laundering in that country of drug-related profits or drug-related moneys."

THE NEED FOR HONEST CERTIFICATION

Now is the time to send a strong signal to those governments who are not fully cooperating with us. It is not the time to try to cover up their lack of full cooperation and sweep under the rug their glaring lack of regard for the destruction of our youth by drug abuse and addiction.

If the State Department wants to certify Mexico, the Bahamas, and Panama, then it should do it not on the basis of full cooperation but on the basis of overriding national security interests. It is not fair to the American people to give the impression that these three countries are fully cooperating with us when they are not. Any number of press reports as well as a substantial amount of information available to our Government clearly indicate the lack of cooperation of these three governments in international narcotics matters and, indeed, official corruption at the highest levels.

If the State Department wants to certify Mexico owing to overriding economic factors invovled in the debt issue, or to certify the Bahamas owing to our naval arrangements with that Government, or to certify Panama owing to the basing there of our Southern Command, then so be it. But I, for one, resent the State Department trying to pull a fast one on Congress and the American people by foisting on us the patent myth that these governments have cooperated fully with the United States.

THE CASE OF MEXICO

As for Mexico, unclassified and classified hearings were in the Senate as well as ample press coverage that have revealed gross corruption and involvement in drug trafficking at all levels of law enforcement agencies including governors of Mexican states and other high officials. The House of Representatives has carefully reviewed the situation in Mexico. Just last year, the House Select Committee on Narcotics Abuse and Control found:

> The situation along the U.S.-Mexican border totally out of control and threatening, not only to the region itself, but to the entire country.

There have been no prosecutions for the brutal murders of DEA Agent Enrique Camarena or for the torture of U.S. DEA Agent Victor Cortez. I have been informed that the Customs Service has received no cooperation from Mexico on any drug interdiction case for the past 2 years. As recently as 1 week ago, Mr. Huerta-Perez, a Mexican Customs official, was arrested by DEA agents in El Paso, TX, on charges of running Mexican produced marijuana into the United States.

The scourge of narcotics abuse is destroying American youth. It is destroying the fabric of family life. It is subverting traditional American values. It is eroding our domestic peace and tranquility by escalating violent crime across the country. Firm action is required today in order to prevent the situation from getting still further out of control. The Anti-Drug Abuse Act of 1986 was a major legislative step forward in the war against drugs. The integrity of this legislation must be maintained and the role of Congress in the certification process must be preserved in order that an effective response to the narcotics threat can be successful.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. I yield such time as he desires to the junior Senator from Arizona.

Mr. McCAIN. Mr. President, I rise in strong opposition to Senate Joint Resolution 92. I am not an apologist for Mexico nor for the many evils that beset that very unfortunate country. Nor do I have a lack of concern for the terrible drug traffic that is plaguing our Nation and causing such devastation both here and in Mexico. In fact, Mr. President, a case can be made that my State of Arizona has been affected by the drug traffic to a much greater extent than those represented by my colleagues who have a different view of this resolution than mine. It is difficult for me to imagine, Mr. President, a more counterproductive piece of legislation than that before us today. This resolution does not give any credit to the efforts that have been made by Mexico on drug eradication. In 1985, for example, seizures of cocaine in Mexico increased fivefold over the previous year. In the first 5 months of 1986, that record had already been equalled. The Mexicans have arrested and are now trying 50 individuals in connection with the tragic murder of DEA agent Enrique Camarena. It is worth mentioning that although all evidence points to the fact that drug smugglers killed our brave Drug Enforcement agent, some tried to convey the impression that the Mexican Government was responsible for his death through some kind of collusion.

No, Mr. President, we are not satisfied by the efforts that have been made to date by the Mexican Government in the drug war. No, Mr. President, we believe that there are incredibly larger measures that can be taken. Until those measures are taken, we will be unable to eradicate drug trafficking though Mexico.

My distinguished colleague and friend from North Carolina [Mr. HELMS] talked about corruption and coverup. There are, indeed, those difficulties. I also would like to point out that there are corruption and coverups on our side of the border as well. Just a few weeks ago, in the city of Douglas, AZ, for example, a car went across the border, circled around and came back through 20 minutes later. This car happened to have in its trunk 500 pounds of cocaine. It was apprehended only because there had been a random change of the agent in charge of the gate on the United States side of the border.

I think we all appreciate the enormous corrupting influence of drugs. When you live in a country that has tremendous unemployment, and economic conditions encourage a Government employee who makes $200 a month to make $20,000 for turning his head, there is an enormous corrupting influence.

The fact is however, that we the United States of America, tragically, are creating the demand. There are, according to latest reports, 5 million cocaine users in the United States. And, yes; Mexico has become a major transshipment point for drugs. One of the reasons for this, of course, is because the relative effectiveness of the war on drugs in the State of Florida has driven the drug traffic West.

If this resolution is passed, I believe it will send exactly the opposite signal from that intended to our enemies in the war on drugs. It will tell them that we are not ready to cooperate with the Mexican Government, which is the only way that we can be successful in this war on drugs. It also will lead to some confrontation between ourselves and the Mexican Government. Have no doubt that every word that is uttered on the floor of this Chamber is echoed and reechoed throughout the press and media in Mexico. The discussion held in the Committee on Foreign Relations last year is still a major topic of conversation in the Mexican Parliament, and in newspapers and coffee houses all over Mexico. It is referred to in Mexico as "Mexico-bashing". When you look back at the history of our relations between the two nations, and keep in mind the fact that we have invaded Mexico on several occasions, it is fairly easy to understand their sensitivity to United States criticism.

What are the consequences if this resolution is passed? It tells friends and foes alike that we are willing to end United States funding for joint United States-Mexican drug eradication efforts. It sends a signal that we are willing to end funding for family planning in Mexico. It indicates that we are willing to end any new loans for Mexico in the World Bank and the Inter-American Development Bank. It is worth noting that there are presently $1.2 billion in the pipeline of the Inter-American Development Bank and the World Bank. That funding is a vitally necessary component of the $7 billion loan package which is indispensable if we expect the Mexican Government to handle their massive debt.

At this very moment, vital negotiations are underway between Washington and Mexico City on the Mutual Legal Assistance Treaty. Those negotiations could be irreparably damaged by passage of this resolution. That treaty, on which, I am told by both Mexican and American officials, negotiations are close to conclusion, would provide a comprehensive legal framework for combatting drug trafficking. It would obligate the Mexicans to provide assistance that today they provide at their discretion: access to Mexican bank records that we could use in trials in the United States; and access to witnesses and other resources including the forfeitable property of convicted drug traffickers. As we all know, if we follow the money trail, we usually can find the wrongdoers. If this Mutual Legal Assistance Treaty is concluded between ourselves and Mexico, it will give us a giant leap forward in our cooperative effort in the war against drugs. It is no exaggeration to say that the passage of the resolution would only serve to guarantee increased drug trafficking through Mexico and result in an enormous increase in drugs in the United States. Why is that? Because the agreements that we have either would be abrogated or those that are about to be concluded would be short circuited.

No one, in my opinion, can surpass Attorney General Meese in fervently prosecuting the war on drugs. He has stated emphatically that the Mexicans are cooperating in our joint effort to eradicate drug trafficking. The Justice Department is very much opposed to passage of this resolution.

Let me repeat: Our Justice Department is opposed to passage of this resolution. They have told me that "passage of this contentious legislation would undermine every law enforcement activity that we currently have ongoing in Mexico." As Attorney General Meese has stated, "the Government of Mexico is doing the best they can in drug interdiction efforts given the economic conditions under which they operate." Acting to cut assistance to Mexico in this effort could only hurt our war on drugs. Again, we could quarrel with whether the Mexicans are giving it their best effort. As I stated before, there are many areas where improvement is vitally needed. But I repeat: Action to cut assistance in their effort would only hurt the war on drugs. For example, there is another vital program that we indicate would indicate we were willing to decertify by passing this resolution: a small but diplomatically significant $200,000 annual military training program we are providing to the Mexican Government.

The State Department is opposed to this resolution. They have stated that passage would damage United States-Mexican relations, including our war on drugs. According to the State Department, passage "would severally-injure, if not devastate, the entire range of deliberations that are ongoing with the Government of Mexico."

I implore my colleagues, before voting on this resolution, to consider one question: Will this resolution help or harm our effort to eradicate the plague and a disease of drugs on our Nation? The fact is that this resolution will harm our relations with Mexico; that without cooperation and assistance on the part of the Mexican Government, our job in eradicating the drug traffic is nearly impossible. Finally, if we pass this resolution it would cut off family planning and economic assistance to Mexico. It can do nothing but further damage their economy. It might interest my colleagues to know that last year, 900,000 people entered the Mexican work force, but Mexico was able to create only 250,000 jobs. In such an economic environment, it is indeed very easy for drug traffic to grow and flourish.

This resolution is, as the administration stated, a self-fulfilling prophecy. Passage would indicate confusion in distinguishing between allies and enemies in the war on drugs. It would discourage our friends and encourage our foes. It would ultimately produce a result opposite from that intended.

I fully appreciate the good intentions and the concern, in fact the alarm, of my friend and colleague from California [Mr. WILSON], who has labored hard and long on this issue, and that of the Senator from North Carolina and the Senator from Massachusetts. I applaud their motivation in trying to address this terrible issue. But I want to make it perfectly clear: Those of us who deal with this issue on a day-to-day basis, those of us who live in the States that are largely the victims of drug trafficking from Mexico, those of us who understand the Mexican people and their economy urge you not to deal this devastating blow to United States-Mexican relations. I urge my colleagues to vote against the resolution, and I yield back the floor.

The PRESIDING OFFICER. Who yields time?

Mr. WILSON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. WILSON. I yield such time as he shall desire to the senior Senator from Arizona.

Mr. DECONCINI. Mr. President, I rise today with great hesitation because of the sensitivity of the resolution that is before this body. I for one, am pleased that these resolutions have been separated and we are voting on each one individually.

Mr. President, it is an undisputed fact that our good neighbors to the south have a long way to go to bring about the type of stability necessary to have an environment where the United States and Mexico can pursue with real vigor the most despicable, the most undermining problem of our society, both in Mexico, and in this country, the trafficking of drugs. I have pondered for a long time how you do this without interfering with the sovereignty of the country of Mexico: The relationship our two countries enjoy as neighbors and trading partners. The fact Mexico's economy is turning in the right direction at this time. But it disturbs me so, after visiting there with my distinguished colleague, Senator McCAIN, and other members of the delegation from Arizona, that the attitude remains as it has in the past, that "We're working on the drug problem. We're doing our best to combat it, don't worry, we will take care of it."

After meeting with the distinguished attorney general of Mexico, I was very disappointed. Indeed, he was very congenial, and he indicated again the tremendous commitment the Mexican Government had put forth on the drug problem. The number of prosecutions and the number of soldiers that had been lost in pursuing drug traffickers. Yet, when it came to the issue I believe is really important, the Mutual Legal Assistance Treaty between our two nations—which would permit our countries to share bank deposit records when there is evidence indicating that individuals' accounts, or corporation accounts, may have been or are being used for transferring dollars, pesos, and other foreign currency in exchange for drugs, we have yet to see that treaty signed. When we pressed the Mexican Attorney General, he said, "We're working on it. We think it will be redrafted and it will then be before us."

When Attorney General Meese and the Director of the Drug Enforcement Administration were before the Judiciary Committee approximately a month ago, we asked, Chairman BIDEN and myself, how they thought it was coming along. We got the same kind of feeling from this administration: "Yes, don't worry; things are coming along. The negotiations are working well. We have it under control. We are going to soon have a treaty. It is just a matter of time, but things have broken down right now." I believe those were the words of the Attorney General and the head of DEA. If not "broken down," at least negotiations had been postponed for a little while.

So I find myself today, having waited for more than a year since President de la Madrid was here and the effort to put together an MLAT Treaty commenced, asking where are we, where is this Nation, where is our relationship with Mexico concerning their commitment to coordinate and work with United States law enforcement agencies to do something about the drug traffic problem. When I say something, I mean something. I do not just mean words that are going to placate the United States and continue to put us in the frame of mind that we have to work with Mexico on all fronts. I agree that we do. But, when it comes to drug enforcement, what is Mexico going to do?

Now, I have been accused by some of our colleagues in Mexico of offering a resolution that would interfere in the internal affairs of Mexico, particularly by appointing a committee of the United States Congress. That is the way it was reported in Mexico City. Quite the contrary. My resolution urged the Mexican Government to appoint a committee of Mexican citizens to review the political corruption of the election process within that country.

We are confronted with the failure of Mexico to permit United States law enforcement officials to fly into their country, with Mexican officials on board, in hot pursuit of identifiable or unidentifiable aircraft that have come into the United States, dropped drugs, then turned around and went back into Mexico. When we confront the Mexican officials regarding this, their answer is, "Well, we have sovereignty as a nation."

I understand that. We do, too. We do not permit anyone to invade our territory. I understand the sensitivity of that. Yet we pointed out that the Bahamas have permitted hot pursuit, with a member of their national defense forces on board. This is all we are asking the Mexican Government to do. We are asking to violate their territory at the discretion of an American law enforcement agency. We are asking that they supply the necessary personnel to be available to go on the airplanes that the U.S. law enforcement officials would fly along the border tracking narcotics traffickers.

I think we have a distinction between the three resolutions that were brought before the committee. That when dealing with Mexico it is important they realize the seriousness and the nature of our complaints about their failure to cooperate in the eradication program, and the MLAT. I do not know how else to do that. I have tried to express my views, both on the floor of the Senate, and to members of the Mexican Government, that I have deep feelings about the importance to the United States and our economic, cultural, and religious ties with Mexico. I do not wish to disrupt that relationship. Yet we need to make the point, that we have to have their cooperation. We have begged for their cooperation. We have asked them on bended knee. We have pleaded that they cooperate with us and turn over some of their bank records of drug traffickers, let us pursue aircraft into their territory, but it has not been heard.

So I am in a real quandry.

Here we have a resolution—and I ask the Senator from Connecticut or the Senator from Rhode Island if this is correct—that they are nonbinding because of the time limitation.

Is that correct?

Mr. DODD. I happen to believe it is. That is a question one might address to the Chair. But as I read the joint resolution as adopted, the clock began to run on March 1 or 2, and the time would toll as of the close of business yesterday on the 30-day provision which affects the Office of Management and Budget decisions. It does not affect the privileged status of the joint resolution. So there is a distinction.

Clearly, the joint resolution could be brought up. The question as to whether the financial impact would rest—I believe it does not. I suggest that the Senator from Arizona address that question to the Chair for clarification. If he does not, I will. But I believe that is the case.

Mr. DeCONCINI. I thank the Senator from Connecticut.

I wonder if the Senator from Rhode Island cares to comment on that. I would like to ask the Chair that question or have the chairman do it.

Mr. PELL. The Senator from Connecticut is absolutely correct. What we are doing here is all a matter of appearance. It is not going to have any impact whatsoever on the Aid Program itself, because the time has expired.

That is my understanding, and I would like reassurance from the Chair in that regard.

Several Senators addressed the Chair.

Mr. WILSON. Mr. President, I am not seeking to usurp the function or the prerogatives of the Chair. Those of us in support of these three joint resolutions are willing to stipulate that we are in the unhappy position of the clock having run, which necessitates that for these resolutions to be effective, as they should be, they must be enforced by a joint resolution in addition to the three that are before us, that joint resolution having the effect of backdating the action to the time within the required 30 days. That joint resolution will be introduced after action has been taken on these three.

Mr. DeCONCINI. Mr. President, a parliamentary inquiry: The resolution that is pending here, if it is passed, is it defective as to the restrictions and prohibitions that are stated in it relating to the Republic of Mexico?

The PRESIDING OFFICER. The Chair is advised that that would require a legal interpretation, and the Chair is not in a position to render that legal interpretation.

Mr. DeCONCINI. Then, I take it, the opinion of the chairman of the Foreign Relations Committee, the Senator from Connecticut, the Senator from California, and perhaps the Senator from North Carolina, that it is not binding if passed the way it is laid before the body at this time.

Would either of my distinguished colleagues care to comment?

Mr. WILSON. Yes. We do not disagree, as I indicated a moment ago.

Mr. DeCONCINI. And the Senator from North Carolina concurs with that?

Mr. HELMS. That is correct—until the joint resolution is adopted, which we intend to do one way or another.

I say to the Senator, with all due respect to everybody concerned, that we were snookered on this in terms of time. I felt that this was going to happen all along. But the circumstances, including unanimous consent with reference to the veto override, prevented timely consideration of these three resolutions. But that can be remedied by legislation and will be, if I have anything to do with it. I repeat, it is the intention of those supporting these resolutions to take steps to remedy the effective date issue.

Mr. DECONCINI. I thank the Senator.

Mr. President, let me explain why I asked the question. I ask the question because I am very concerned about cutting off assistance to Mexico from the international banking community, including banks here, when they are on the verge of recapturing some of their economic problems which have occurred over the last several years. The feeling in Mexico is the economy is on the move, that unemployment is going to decrease.

If we do not cut them off in a trade bill, they have some hope of revitalizing their economy. I do not know how they will do that; but, God bless them, I hope they do.

We just helped them to get into debt another $14 billion—$7 billion from the World Bank and International Monetary Funds and $7 billion from private banks. So now they have a debt of $110 billion or $112 billion. In any event, they believe they can pay it off.

That being the case, I want to make it clear that I will vote for this resolution in its present form because I realize that it is not going to damage Mexico's economy per se. If it is amended, fine and good. I will have to address that problem. But I want to send a message. I have been waiting a long time. I wish I had gotten my joint resolution up last year, in Congress, to send a message to the Republic of Mexico and the PRI Party, that its time they address the problems in their country.

I do not say that on the basis that we do not have problems in our own country. We do, and I admit to those. I told the Mexican PRI Party and several Mexican Senators, that we can take our share of criticism for the drug problem. But they cannot walk away from it, much as they would like to hide their head and say, "This is an internal problem. We don't like to deal with it and don't you bother us." I cannot do that, as a responsible elected official from the State of Arizona, dealing with the drug problem going on in my State. The quantity of cocaine coming through our State right now is the highest in our history.

For those reasons, I intend to vote for the joint resolution.

Mr. DODD. Mr. President, will the Senator yield?

Mr. DECONCINI. I yield.

Mr. DODD. I thank my colleague for yielding.

What I understand the Senator to be saying is that, were these joint resolutions to have the full force and effect of law, the Senator from Arizona would oppose the joint resolution. Because it has no effect in terms of the aid to Mexico, the Senator feels that this is merely a sort of cosmetic and symbolic vote we will be casting; and were it to have the effect of law, he would oppose it.

Mr. DECONCINI. That is exactly correct; because I am looking for a symbolic effort here to make it very clear to Government officials of Mexico, including the political leaders of the PRI Party, that we as a nation, want some responsible action on their part, and we have not yet gotten it, in this Senator's judgment. Others may debate that.

At the same time, I am not interested in causing their economy to take another nosedive by this action. Some will say: "Come on, DECONCINI; either you're for it or you're not." I am not for causing them an economic downturn, as I have indicated. But I do not think we have sent the message to Mexico clearly, except by individual Senators, that something has to be done.

Mr. DODD. Do I also understand the Senator correctly that he suggests that should a resolution be offered that would make the provisions of this joint resolution and the others retroactive, he would vehemently oppose such an effort because it would do what the Senator says he would oppose?

Mr. DECONCINI. I think it is fair to say that I would not look favorably on such a binding resolution that would cause economic damage to Mexico at this time. But I must say, that if in fact this joint resolution passes, and if in fact the legal opinions are correct, if Mexico does not respond to it in a meaningful way, this Senator is ready to join anyone else to take far more demonstrative steps toward the Republic of Mexico.

Mr. DODD. Mr. President, will the Senator yield further?

Mr. DECONCINI. I am glad to yield further.

Mr. DODD. The Senator very thoughtfully and graciously submitted to the Foreign Relations Committee for their perusal a letter which, Mr. President, I ask unanimous consent be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
SELECT COMMITTEE ON INTELLIGENCE,
Washington, DC. March 24, 1987.

Hon. CLAIBORNE PELL,
Chairman, Foreign Relations Committee, Washington, DC.

DEAR MR. CHAIRMAN: The purpose of this letter is to express to you in the strongest terms possible my opposition to Senate Joint Resolution 90—a resolution disapproving the President's certification with regard to the efforts by the Government of the Bahamas to cooperate in addressing the drug trafficking problem in that Caribbean nation. Let me outline for you and your distinguished Committee the reasons why I believe it is particularly unfortunate that this resolution has been introduced.

First, let me quickly say in no uncertain terms that I have not condoned nor will I ever condone corruption of any kind in any country, particularly corruption connected with the insidious drug trade. As one Senator who has spent the better part of his Senate career working on ways to combat narcotics trafficking throughout the world and here at home, I will take a backseat to no one on our national effort to attack this drug menace on all fronts. I also want to make it very clear, that as the primary author of the interdiction portion of the Anti-Drug Abuse Act of 1986 including the U.S.-Bahamas Drug Interdiction Task Force, I have no doubt that there may be corruption within the Bahamas and other countries that are either a source of drugs or a major transshipment country for the drug smuggler.

At the same time, as I argued during the crafting of the omnibus drug bill, I believe that when an opportunity presents itself to move into a sovereign nation, at their request, and establish joint, cooperative anti-drug efforts, we should take advantage of those opportunities and work religiously to make those efforts effective in combating drug smuggling. In the case of the Bahamas, we have made major inroads into developing such joint operations on Bahamian soil with the prospect for even greater cooperative efforts on the horizon.

Even before the Anti-Drug Abuse Act of 1986 became law, the United States had been granted permission by the Bahamian Government to establish a sophisticated aerostat radar anti-drug surveillance system at High Rock on Grand Bahama Island. The United States Customs Service has been operating that aerostat and assisting in making arrests of airborne drug smugglers through the use of the aerostat for nearly three years. Again, prior to drafting or passage of the omnibus drug bill, the Customs Service and the Government of the Bahamas had been negotiating an agreement to allow for "hot pursuit" of Customs aircraft into Bahamian airspace and territory with Bahamian law enforcement officials onboard to help make arrests of drug smugglers who sought "safe haven" in the Bahama Islands. Finally, in the Urgent Supplemental Appropriation Bill, 1986 (Public Law 99-349), a second aerostat radar system was authorized and funded for location at Georgetown in the Bahamas. I would suggest that if other countries with similar drug trafficking problems were to provide a fraction of the cooperation that has been given us by the government of the Bahamas that we would be rushing to praise them.

In addition, the Anti-Drug Abuse Act of 1986 accelerated ongoing U.S.-Bahamas cooperative anti-drug efforts through the establishment of a formal U.S.-Bahamas Drug Interdiction Task Force, featuring cooperative anti-drug operations with the U.S. Customs Service; the U.S. Coast Guard; the Drug Enforcement Administration; the National Narcotics Border Interdiction System (NNBIS); and the State Department. Among other things, the omnibus drug bill authorized a number of critical drug interdiction initiatives that would open the doors of the Bahamian people even further to U.S. drug enforcement officials, including:

(1) Funding for a possible third aerostat radar system to be located in the southernmost part of the Bahama Islands chain;

(2) Funding for a U.S. Coast Guard—Customs Service docking facility at Georgetown

in the Bahamas, to allow the Coast Guard to permanently locate its drug interdiction vessels in the Bahamas, rather than solely in south Florida;

(3) Funding for additional pursuit drug interdiction Customs helicopters to be utilized as part of the Task Force in the Bahamas and out of the south Florida Customs air branch at Homestead Air Force Base;

(4) Funding for additional marine interdiction vessels to be jointly operated by the Customs Service and the Bahamas marine drug interdiction forces;

(5) establishment of a possible command, control, communications, and intelligence (C-31) center at the Defense headquarters of the Bahamas Government Defense Ministry in Nassau to facilitate the sharing of tactical drug intelligence among the various Federal agencies participating in the Task Force; and

(6) Funding for additional fixed wing aircraft to be used by the United States in support of the Task Force and to accelerate the "hot pursuit" arrangement with the Government of the Bahamas.

In addition to these new approaches to joint U.S.-Bahamian drug interdiction operations, the Government of the Bahamas on March 6, 1987, was prepared to sign a comprehensive Mutual Legal Assistance Treaty with the United States that would allow for the sharing of information on Bahamian banking activities and other forms of bilateral sharing of information on potential drug smugglers and their organizations. This treaty has been several years in the making, and I am hopeful that the recent media attention focused on the Bahamas and the introduction of S.J. Res. 90 will not set this important bilateral treaty back in time.

In summary, Mr. Chairman, it is not my intention to defend corruption in any nation, whether it be in the Bahamas, or Mexico, or anywhere else. It is my intention to make the point that, in the case of the Bahamas, we have a golden opportunity to make significant strides in eradicating drugs that are transshipped through the Bahamas and into the United States. The Resolution that is before your Committee can only delay or perhaps permanently damage the cooperation that we are currently receiving from the Bahamas in fighting the drug trafficker in the Caribbean. Our opportunity to combat the narcotics trafficker from within a sovereign nation is one that we should not take lightly nor jeopardize through the Resolution that is pending before your Committee.

I would be happy to discuss this important matter with you or other members of your Committee in more detail should you deem it appropriate. Thank you for your thoughtful consideration of this recommendation.

With best wishes.

Sincerely,

DENNIS DECONCINI,
Member, Subcommittee on Foreign Operations, Committee on Appropriations; Chairman, Senate Drug, Enforcement Caucus.

S.J. RES. 90

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby disapproves of the determination of the President with respect to the Bahamas as contained in the certification required by section 481(h) of the Foreign Assistance Act of 1961, received by the Congress on March 2, 1987.

S.J. RES. 91

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby disapproves of the determination of the President with respect to Panama as contained in the certification required by section 481(h) of the Foreign Assistance Act of 1961, received by the Congress on March 2, 1987.

S.J. RES 92

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby disapproves of the determination of the President with respect to Mexico as contained in the certification required by section 481(h) of the Foreign Assistance Act of 1961, received by the Congress on March 2, 1987.

Mr. DODD. The Senator's feelings as expressed with regard to the joint resolution that affects the Republic of Mexico, I want to be fair to say, are the same feelings that apply to the other joint resolutions that may be offered that pertain to Panama and the Bahamas.

Mr. DECONCINI. Let me say to my colleague, who is an expert in this part of the world, that with his knowledge in the area, the Senator knows I feel very strongly that the Republic of the Bahamas has made some major efforts and strides in the area of cooperation with the United States. That is not to be interpreted by any means that they do not still have problems of corruption and problems of drug trafficking. But indeed, that nation has permitted U.S. law enforcement airplanes to penetrate their territories with Bahamian defense officials on board. They have permitted our country to build a docking facility there to the tune of $20 million for our boats to chase the drug smugglers out. They have permitted the sharing of intelligence. They are going to sign an MLAT treaty, I was recently told by the Prime Minister.

Maybe we are getting horsed around again as we have with Mexico, but I do not believe so.

So I see it very detrimental to pass such a joint resolution, even symbolically, toward the Republic of the Bahamas. That country has decided to cooperate, hopefully for their own self-best interests, but certainly for the interests of the United States.

Mexico in my judgment has not moved in that direction.

Mr. DODD. If the Senator will yield for one point further, I thank the Senator for his comments. I am expressing the views here of all of us in the Chamber. I do not believe there is anyone in the Chamber who is more knowledgeable and thoughtful when it comes to the issue of dealing with drug abuse and interdiction and the like as the Senator from Arizona. The letter and comments on this matter are extremely important.

Mr. KERRY. Will the distinguished Senator yield for a question?

Mr. DODD. I yield.

Mr. KERRY. I know the Senator and I will have a further discussion later with respect to the Bahamas and I look forward to that.

He is indeed someone who has put a lot of energy in this effort.

I think it is important for our colleagues to understand and I want a clarification if I may have it from the Senator from Arizona even if these were binding joint resolutions, even if there were a subsequent passage of a retroactive measure that said we would cut off aid, it is true, is it not, that in the law we passed last year when we said we would establish a standard of full accountability, full cooperation, we permitted the President to give aid without certifying that they were cooperating fully and there is a specific measure in the law, is there not, that says you may give the aid where the country would not otherwise qualify for it if the President deems that it is in the vital national interest of the United States?

Mr. DECONCINI. That is correct to my understanding.

Mr. KERRY. So, in point of fact, even if we were to determine as a Senate, that for the reasons stated with regard to Mexico, and later with respect to other countries that they do not deserve certification on drugs, their economies do not have to be upset because we still can give them aid because it is in the national interest of this country.

Mr. DECONCINI. If the Senator will yield, sure you can make that argument. You can go ahead and pass this.

Mr. KERRY. I want to know, is that the law, the law allows that?

Mr. DECONCINI. I do not have the law in front of me. My recollection is, it does permit the President to go ahead and bring forward a certification or a statement that our national interest is served, our national security is at stake and, therefore, we can continue.

But the point is it seems to me you are asking the President to play another role. He has played his role here. and I certainly have some reservations about some of the certifications he has made, but why go through it two times? It seems to me that now you are making it a national security problem based on what the Senator reads to me. In my judgment, what this body should do is face up and if we think the Bahamians have not complied as the President has certified, then vote to impose all those sanctions.

As I told the Senate, and I repeat to my friend from Massachusetts, I am very upset with the Mexican situation as he is. I know some of the information and some of the players down there and the lack of real persistence and aggressiveness on the part of the

Mexican judicial police. Yet I am not prepared to move so far as to cause economic damage at this time.

That is why I am pleased that the Senators from North Carolina and California have brought this before us. I am also pleased, quite frankly, that at this point it is not binding because I want to use this as an example that we are prepared, just as we are prepared to support the President in the trade tariffs that he is going to impose on Japan, that we are not happy we have not had the progress in Mexico. I say it in the spirit of friendship and realizing the sensitiveness of that great nation and the people there.

I think what we are doing today is proper and I hope we can pass this joint resolution.

I yield the floor.

Mr. KERRY. I thank my distinguished colleague and again respect enormously the work he has done on this.

I simply reiterate that binding or nonbinding, no economic dislocation has to take place, but we can do greater justice to the meaning of the law.

The Senator asked me the question a moment ago, why we should do this, and I think it is very clear because we wrote a law which said we were going to do it. We said specifically we set up a standard and we passed that standard and we make a mockery of our own efforts to now duck and bob and swerve and weave and find every excuse in the world not to uphold the very standard that we set.

Mr. President, I will have more to say on this when we get to the issue of the Bahamas, but I ask unanimous consent that with respect to Mexico an article that appeared recently, October 23, in the New York Times headlined "Narcotics Output Soars in Mexico, U.S. Report Says," from our own State Department which made it clear that in heroin, cocaine, and marijuana the crops are significantly larger than they were the year before, underscoring in addition to the many other arguments made by the distinguished Senators from California and North Carolina we ought to be sending this message today. I ask unanimous consent that this be printed in the RECORD.

There being no objection, the article ordered to be printed in the RECORD, as follows:

[From the New York Times, Oct. 23, 1986]

NARCOTICS OUTPUT SOARS IN MEXICO, U.S. REPORT SAYS—COUNTRY "THE LARGEST SOURCE" OF HEROIN AND MARIJUANA—TOUGH LAW AWAITED

(By Joel Brinkley)

WASHINGTON, Oct. 22.—A State Department report made public today says production of marijuana and opium poppy in Mexico has increased dramatically in the last year.

The report, the State Department's midyear update of its annual assessment of drug trafficking worldwide, contradicts the Mexican Government's assessment of its drug eradication program.

According to the report, marijuana production in Mexico rose by more than 25 percent in the last year while acreage planted in opium poppy, used to make heroin, grew by one-third.

MEXICO "THE LARGEST SOURCE"

The report says Mexican drug control programs are faltering despite the increasingly cooperative attitude of the Mexican Government. The statistics, it says, "indicate that Mexico is once again the largest single-country source of heroin and marijuana imported into the United States."

The report takes on added significance this year because of a tough provision in the anti-drug bill approved by Congress this month.

President Reagan is almost certain to sign the bill, Administration officials say, and as soon as he does the new law will automatically suspend half the foreign aid to every drug-producing country for the current fiscal year.

If on March 1 the President does not formally certify that a country has made significant progress in controlling the drug traffic, the suspended aid will automatically be reprogrammed for other uses. In addition, the United States will end its support for loans to the country from international development banks and will suspend preferential trade agreements.

Even if the President does certify a country has made adequate progress, Congress can override the decision with a joint resolution of disapproval under the same procedures used to approve or disapprove foreign arms sales. Any member of the Senate or the House may call for a vote on the issue anytime within 30 days after the certification is issued.

On no other issue does the United States have a tougher automatic foreign sanction law.

"It greatly raises the prominence of narcotics as a foreign policy issue," said Ann Wrobleski, Assistant Secretary of State for International Narcotics Matters. She said the State Department supported the law because "it strengthens our hand."

Other officials said the law was likely to have a dramatic effect on relations with most of the 18 major drug-producing countries.

Senator Richard G. Lugar, Republican of Indiana and chairman of the Foreign Relations Committee, said the law's objective "is to insure that the United States Government uses the full measure of its economic, military and other assistance, as well as diplomatic and political leverage, in pursuit of its international narcotics control objectives."

THE MOST SERIOUS WEAPON

The bill is a significant change from existing law, which gives the President the option to cut foreign aid to drug-producing countries that, in his view, have not made adequate progress in fighting drug trafficking. That law, enacted in 1983 but never invoked, contains provisions for ending bank loan support or for suspending trade agreements. And it does not give Congress the ability to override Presidential decisions.

Administration officials say the Congressional override is potentially the most serious weapon. Congress was openly angry with Mexico this fall, for example, and if Presidential certification were to come at a similar time "there's no doubt we would overrule it," said a Senate aide involved in drafting the new measure. "Politically it would be impossible not to overrule it."

The President could decide to provide aid despite a Congressional vote of disapproval, the bill says, if he can demonstrate that "overriding vital national interests require the provision of such assistance."

The bill includes a section that urges the President to issue a formal advisory that it is dangerous to travel in Mexico "unless substantial progress is made in the near future" in the investigation into the killing last year of a Drug Enforcement Administration agent, Enrique Camarena Salazar, and the torture of another, Victor Cortez, by Mexican policemen in August.

PLANES 'NOT USED EFFICIENTLY'

The bill also says Congress has concluded that the 80 or so planes the United States has provided Mexico for drug eradication "have not been used efficiently."

The State Department report says Mexican drug eradication was laggard in the first half of 1986, but has improved in the last few weeks because the Mexicans agreed to undertake a special eradication campaign in the fall.

Overall, Ms. Wrobleski said, "you now see higher eradication statistics, but you see higher production figures as well."

One positive change, she and others said, was that the level of cooperation by senior Mexican officials had improved markedly. John Gavin, who was United States Ambassador to Mexico until May, said today: "President de la Madrid and his entire Cabinet realize, as I do, that they confront very difficult problems fighting this cancer of drug trafficking. My dealings with him on this subject were excellent and mutually respectful."

At the Mexican Embassy, an official said the embassy had not received a copy of the report and therefore could not discuss it. But a spokesman, Leonardo Ffrench, said: "Yes, trafficking has increased. But demand in the United States has increased, and so has Mexico's efforts to combat the drugs."

Nonetheless, the report says marijuana production in Mexico has increased almost tenfold in the last four years.

In sections on other countries, the report says marijuana production in Colombia continues to decline because of Government eradication programs.

In Guatemala, it says, "there are now alarming signs of fairly extensive opium-poppy cultivation." There had been almost none.

Marijuana production has dropped dramatically in both Jamaica and Belize because of effective eradication programs, the report says, but opium production in Laos has tripled in the last year and "enforcement measures are almost nonexistent."

In Thailand the Government is devoting increased resources to marijuana control because of the "the explosive expansion of cannabis cultivation," the report says, and Pakistan has warned farmers it will now enforce a ban on opium cultivation after production tripled this spring.

The PRESIDING OFFICER (Mr. CONRAD). Who yields time?

Mr. WILSON. Mr. President, the distinguished manager for the opposition had indicated to me his intention to yield time to the Senator from Connecticut. The manager is off the floor. We have no objection, though, to Senator DODD proceeding.

The PRESIDING OFFICER. The Senator from Connecticut may use the manager's time.

Mr. DODD. I thank the Chair and I thank my colleague from California. I yield myself such time as I may consume. I will be brief because I know others have statements to make on this subject matter.

Let me, if I can, just briefly address both the procedural and substantive points here because both are important.

I disagree with our colleague from Massachusetts. I think last year's legislation, which has now led us into this mire, was a mistake. With some frequency, we have two reactions in the Congress of the United States. We either do nothing or over-react.

Last year we got caught in the frenzy of the drug question and rapidly considered one proposition after another, portraying them as tests of concern and commitment in the Oval Office and elsewhere. The result was a litany of bills adopted and passed. Frankly, I think in this particular case, despite the good intentions of some, we just went overboard.

I do not know of anyone who believes that the entire foreign policy of this country ought to be linked to a single issue, no matter how important that issue may be, and this is an important one. I do not know of anyone in this Chamber who disagrees with the importance of the issue. It is a plague in our society, infecting millions of people suffering from drug abuse and addiction.

The financial cost, putting aside the human cost, is tragic and certainly there are volumes of testimony as to that particular fact.

We need not, it seems to me, today to be engaged in lengthy debate on whether or not we have a serious problem here at home in terms of consumption, or whether or not there is a serious problem in Latin America and elsewhere in terms of production, supply, and financing of these products that find their way to our shores and contaminate the people of this society. That is a fact.

Mr. WILSON. Mr. President, will the distinguished Senator yield?

Mr. DODD. Let me complete, if I can, the point, and I will be glad to yield.

The point I am trying to make in all of this is that there are more reasonable ways of dealing with this problem with respect to our neighbors.

To cut off 50 percent of all aid to a country, a neighbor, a major trading partner, to a country with whom we share many issues in common and a frontier of some 1,500 miles; to suggest somehow that we are going to bog down our relationship with the Republic of Mexico on this issue and this issue alone in terms of the aid and the trade—I might add because these resolutions were introduced in the Finance Committee and the Ways and Means Committee with respect to the trade questions as well—I think is terribly shortsighted.

That does not mean we should not come up with a mechanism that would allow us to send a message, and also to deal with the aid question. I do not disapprove of that at all.

But it seems to me we put ourselves on a fast track, as we have done with the legislation adopted last fall, signed into law in December, where 24 countries are identified under the legislation and 50 percent aid is cut off to those countries unless the President delivers his certification by March 1 of the calendar year, and then, within 30 days, no resolutions of disapproval of that certification are introduced. If they are introduced in the Foreign Relations Committee of the United States Senate, those joint resolutions are privileged, privileged to such a degree that the Senate Foreign Relations Committee is discharged from its duties automatically and those joint resolutions come to the floor of the Senate and may be called up by any Member of the United States Senate, with a guaranteed 10 hours of debate. They take precedence over every other motion that could be offered, except a motion to adjourn.

That seems to me a rather dangerous way to proceed. You could literally have 24 joint resolutions introduced. That is 240 hours of debate that could be guaranteed.

I do not need to tell anyone here that none of these countries, or very few of them, have constituencies. They do not vote. They do not have large groups back at home. With all due respect, if you get up and offer a joint resolution on Pakistan, Panama, the Bahamas, that is not a hard thing to get a vote on. So a lot of people want to go ahead and do it. In fact, we have all, from time to time, done that.

My concern rests in the process, the process of trying to address a serious, legitimate problem that must be dealt with. When engaged in a process, in a procedure that I think shortchanges, that short circuits what ought to be a long term, intelligent, thoughtful, and engaging kind of debate, I think we do a disservice to ourselves, to our neighbors, and the issue.

So while I know my colleague from North Carolina and my colleague from Massachusetts feel strongly about it, I feel as strongly as they do on it. I would say to both of them that this is a fast track. I appreciate their concerns about what are we going to do with it. Both of them have spoken eloquently about their frustration, as have both of our colleagues from Arizona. I would like to associate myself with the comments of Senator McCAIN from Arizona in his earlier remarks. We all feel strongly about it.

But there has to be a better way in which we can set up a procedure and a framework for seeing to it that we get the message out to Mexico, Panama, and the Bahamas, and the rest of the countries, that we are dead serious about this problem, and that we can go through that process in a way in which we can make decisions about how best to deal with it without putting everything on the line, if you will, where we do not seem to have the adequate information.

That is what we have the committee structure for. We really did not even get a hearing. We got a couple of hours, only because we coincidentally had the Assistant Secretary of State for Inter-American Affairs coming before the committee 24 hours before we would have been discharged. We never would have been able to have had a hearing had that not already been set up for different reasons.

I asked at that time that the people from the Justice Department and elsewhere come before the committee and talk about why they certified in these three cases—what was the justification, what information did they use? For about an hour and a half, we went through it. Hardly adequate, I would point out to my colleagues here today, certainly not what I would consider an exhaustive hearing as to what the rationale was for the certification in these cases. But had we not done that, we would have had no hearings whatsoever.

We are here on the floor debating this matter based on a report that was filed but with little discussion of how they arrived at those conclusions.

I would respectfully suggest that what we need to do is have hearings on this. Why did the administration certify in these cases? What was the justification? What data did they rely upon? Were there extraneous circumstances that were not involved with drugs that caused them to certify? What were those reasons?

It seems to me that is the appropriate and proper way to proceed. Then you could make a decision in the committee on whether or not you ought to go forward, rather than to be discharged automatically. And we were just catching up, if you will, in the last few days before this would have to come to the floor.

I will come back to the other points later on. I hope we do not have to go on all evening and into tomorrow on this, because I do not think anyone's interest is being served by it. But my hope would be that we amend the law in the coming session so that we have the ability to have good hearings and to address this issue in the coming year, because it will come back again. It will come back in a way that meets the concerns of the Senator from Arizona, Senator DECONCINI, who talked about the ability of us to be able to send appropriate messages to countries that have us concerned about what they are doing or not doing as it affects not only this issue but other issues, as well. My hope would be that that will be the case.

I point out, as well, of course, that these resolutions could have been introduced as early as March 2. They were not introduced until March 17. Certainly, while we were confronted with the highway bill, which no one could have predicted, I say to my friend from North Carolina, but there were ways in which we could have had this matter come forward in a way I think would have been more appropriate. As he knows, I submitted an amendment in the committee which disapproved the certification and gave the administration a period of days in which they would agree to perform and notify the Congress as to why they certified these three cases in a detailed fashion so that we could learn all about it.

I would still say—of course, it is the call of our distinguished chairman—but if Senators would like further hearings on this so that we could look into this matter in greater detail, I, for one, would be prepared to do that. I know others would be, also. I think that is something we might do to serve the concerns of some of our colleagues, regardless of what happens on these votes.

But I hope we would realize how important it is, I might add particularly with Mexico. I will make the case, as well, in the other two. But in this particular case of Mexico, there are a lot of issues we have to grapple with. We have a lot of disagreements with them on a lot of things they do. They have disagreements with us, as well.

But I point out to my colleagues, there are only three examples in the world where an industrialized nation shares a common border with a Third World nation. South Africa, Israel, and the United States are the three industrialized nations. And while our relationships with Mexico could be better, they are certainly far better than the other two examples with their neighbors.

What is amazing—and I think ought to be amazing to many—is not how bad our relationships are, but how good they are in many areas. And we need to improve upon those.

My concern is that this kind of joint resolution, despite the proper intentions of its authors, jeopardizes those other issues that we have to grapple with by placing it all on this one. And that, to me, is my major, fundamental concern with this particular procedure.

Mr. President, I yield the floor at this point.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I have a number of problems with some of the comments made by my distinguished friend from Connecticut.

First of all, the message that we are sending to this administration—my administration—is to send us an honest certification. The certification they have sent is simply not honest. It is not accurate to say that Mexico, in the case of this joint resolution, has been fully cooperative. And that is what the law says.

The administration—and that means the State Department—certified something that was simply not so. That is my problem with the U.S. State Department.

Now, it is not accurate to say that foreign aid—that is to say, the American taxpayers' money—will be shut off to Mexico in the case of this joint resolution now pending. The administration could come right back with an honest certification—national interest, our national interest, whatever. That is provided for in the law.

But we are talking about cutting 50 percent. Even if the administration did not do what it ought to have done in the first place, we are still only talking about 50 percent. That is about $100,000 to the Bahamas, as I recall, $200,000 to Mexico, and $19 million to Mr. Noriega, Mr. Noriega down in Panama. If anybody wants to find out about Mr. Noriega, they ought to read the Reader's Digest of last month. There is a very fine article in there about what kind of man he is and what kind of ally he is—consorts with Castro; Panama, the number two or three banking center in this hemisphere, drug laundering, drug money laundering.

What I want from the U.S. State Department is an honest certification, in compliance with the law passed unanimously by this Senate. I also want to send a message to Mexico and to Panama and to the Bahamas.

Now, I beg to differ with my good friend—and he is my good friend—from Connecticut.

There have been plenty of hearings on this general subject. There were something like five last year on Mexico. There were three on Panama that I recall. There was one just a few weeks ago presided over by the distinguished Senator fron North Carolina, Senator SANFORD. The Senator from Connecticut was not able to be there. The Assistant Secretary for Narcotics testified about the certification process.

So we have had hearings. And we do not need any more hearings to decide that this Congress ought to do something instead of talking about it, in terms of drug trafficking pouring into the United States of America and corrupting our society. That is what this joint resolution is all about, Mr. President; honesty and certification as surely we have not only the right and duty to demand that of the U.S. State Department, and send a message to Panama and Mexico and the Bahamas. That is about all there is to it.

I understand the distinguished Senator from New York, Mr. D'AMATO, is ready to make some comments. I will yield to him as much time as he may require.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, I thank my distinguished colleague, the Senator from North Carolina, not only for yielding so that I may express my views on this most important matter, but also for rocking the boat. It is correct and it is right that we rock the boat. It is time that this country began to back up its stated policies, which we put forth and abandon with regularity, on the issue of international drug trafficking.

When we run for office we are all opposed to the scourge of drug trafficking. We say, "Oh, it must be stopped. We must beef up the law enforcement efforts. We must see to it that we have drug education and rehabilitation programs. We will get the guys and put them in prison." Why should or how can our allies have confidence in what emerges from this body or the White House when we are not consistent?

We make a sham of it. We would not treat our children the way we treat good allies by saying one thing and doing another.

I understand there are some very serious ramifications of what this resolution proposes to do to follow the law. Indeed, we are going to mystify our allies because maybe for the first time we are following up on a clearly stated policy. In fact, some of the Members here are going to be put to the test.

I remember when we got up on this floor and we talked about the scourge of drug addiction, and I also remember when we said, "Let us put up the money to build the prisons for the real pushers, the guys who should be in prison"—I am not talking about users, I am talking about dangerous criminal felons; the same group. But when it comes time to back up a program with action we say, "Oh, no, we do not have the money." Chances are that it is not going to take place here because, for whatever reasons, we find the easy and expedient way out.

Let me tell you. Do not blame the Japanese because they see that we talk one thing when passing legislation, and then when it comes time to implement the legislation, we back off. That is as it relates to trade. And let us not blame the Mexican Government either, or any other corrupt government, and they are corrupt—one of the most corrupt. The wealth and affluence accumulated by those who serve in public office is scandalous. No wonder why they hang on by their fingernails and we are worried about keeping them in power. Governors in various provinces have become multi-multi-millionaires, and every President receives a palace after he leaves. How did that come about? Then they wonder why the people are seething, they wonder why they have revolutions, and we do not have the courage to back it up.

Why pass these bills? Why pass these laws? Is it for political window-dressing so when we go home and are running for election, we can say, "I voted to cut off aid to those countries who are producing and distributing drugs, but who are not doing anything in the battle against drugs?"

It is about time that we backed up our words with some action. I am sick and tired of hearing the institutions of the State Department. And by the way, I do not care what administration is in, Republican or Democratic, it is the same cadre up and down that line, they are there whistling to the same old tunes. They go to all the embassy parties. They know the ambassador. They know the ministers. They know they are nice people. Consequently, we get the same kind of claptrap.

We wonder why when we really mean it they do not understand. We have to wait for something earthshaking to take place. They actually take our law enforcement officers, capture them, torture them, kill them, and only after a tremendous international incident, only after maybe one person has the courage, the Commissioner of Customs says, "Look, you have some corruption." We, however, make believe there is no corruption. Poor Winnie von Raab got himself into trouble, and he is supposed not to see, not to say, not to know. We have our own out of office. The Attorney General came running down, and the State Department went wild.

Well, things are not going to get better if we do not pass this joint resolution. It is going to get a lot worse. Maybe it is about time that we began to say to the State Department, "Look, when we pass laws they have meaning, and you have to implement them." We need them desperately.

Just go through the litany of the abuses—and I do not intend to because they are clear and well known. The facts have been stated here and they are correct. The facts that we get come out of the State Department. The International Narcotics Control Commission writes its reports and its surveys. I did not write them. I did not write on page 154, "While existing laws are adequate, Mexican enforcement, conviction and sentencing is less than adequate."

This is the same group, the same State Department that then sent facts to our President and said yes, certify that their policy is adequate.

I did not go out and provide the details. But I am wondering how they can say there should be certification and, in the same breath, say their report is full and replete, page after page, of their own information that shows they are doing less than nothing. This report that I have in my hand, the International Narcotics Control Strategy Report, is worth nothing, absolutely worth nothing.

My committee, the Foreign Operations Subcommittee of Appropriations, raised this matter when it was a hot political issue back in October. We asked some very telling questions. We asked, "How many people arrested in 1986 have been convicted?" The State Department's response was "That figure is unavailable."

Then we raised other questions. We have been told that the process began with an instructional cable sent to the respective U.S. embassies on October 25, 1986. At the various embassies and departments, the CIA and AID people began getting back memos on February 3. A major memo was then distributed setting forth the instructions for so-called final preparation, for the final clearances which were done on February 19.

However, the Bureau of International Narcotics did not retain all of the message clearances. When they asked the various embassies, agencies, the CIA and AID people, et cetera, for what was taking place, they in fact did get the messages, but they never retained them. Why not? Why did they not keep the responding messages? I can only conjecture, but I do not think they liked the messages that came back from Mexico with respect to drug enforcement, et cetera.

On February 26, Assistant Secretary Ann Wrobleski briefed the National Drug Enforcement Policy Board on their recommendation. The White House received this recommendation on Friday, February 27—at 6:08. February 27, that is 1 day before the President signed the certification. Do you know something? I think that is 1 day before the new Chief of Staff, Howard Baker, took office, and the same day the Chief of Staff, Donald Regan, saw the documents. I am wondering what information was given to the President, and I would suggest it certainly was not accurate information that led him to sign this certification.

We asked the State Department, "What information did you give the President?" They said, and the State Department's exact words are: "State did not retain all the phone messages, draft copies and so forth, that were generated during this process, but the presumption on final clearance, given on instructions of February 3, was and had to be that the persons communicating the clearances were authorized to do so by the heads or responsible officials in their agencies."

Mr. President, I think every American citizen has been told by some politician, Republican or Democrat, at some point in time, that, "Yes, we are fighting this menace; we are out there; and we are telling the drug-producing and drug-distributing countries that we are not going to tolerate it."

Unless you support this joint resolution, do not ever get up and talk about fighting the drug epidemic and mean it. Do not get up and say you are determined to do something about it, because if you oppose this amendment you are afraid to rock the boat.

I do not always agree with my distinguished colleague from North Carolina, but I want to commend him for rocking the boat. Do not blame our allies if they do not believe us when we say one thing and do another. We do it all the time.

We are not truthful, and we are not committed. In this case, we not only deceive our allies, but we deceive the American public.

Mr. President, I hope that we give meaning to what the Senator and we have all said here by seeing to it that this joint resolution is supported overwhelmingly.

Mr. PELL. Mr. President, I yield such time as he may desire to the Senator from Indiana.

Mr. LUGAR. I thank the distinguished chairman of the Foreign Relations Committee.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. LUGAR. I am happy to yield.

Mr. BYRD. I thank the Senator.

Mr. President, I have had discussions with the principals who are on the floor, the chairman of the Foreign Relations Committee, [Mr. PELL], and Senators DODD, KERRY, WILSON, HELMS, and LUGAR.

Mrs. KASSEBAUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Is there objection?

The majority leader has the floor.

Mr. BYRD. Mr. President, I yield to the distinguished Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I did not realize the majority leader had the floor, but I do suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time does the Senator suggest the absence of a quorum?

Mr. BYRD. Mr. President, I ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I owe the Senator from Indiana an apology. He had the floor and yielded to me and I took the floor and forgot about his rights. I am sorry.

Mr. LUGAR. There is no need for an apology, Mr. President.

Mr. BYRD. We are all working together trying to resolve the matters that are before the Senate and are going to be before it tomorrow. If the distinguished Senator will allow me just another minute, Mr. President, for the benefit of all Senators who may be listening, there are three joint resolutions on the calendar: Senate Joint Resolution 90, Senate Joint Resolution 91, and Senate Joint Resolution 92. All of these are privileged resolutions; each of them has a statutory time limit of 10 hours. These joint resolutions can be motioned up by anybody.

The debate will go into the evening for a while, as I find in making inquiry with Senators on the floor. Rather than keep Senators into the evening for a rollcall vote, I hope that we can go over and have the rollcall vote on this pending joint resolution tomorrow morning at 10 o'clock, then take up the other two joint resolutions in succession, beginning with Senate Joint Resolution 90 and then, finally, Senate Joint Resolution 91. I hope that we can also get a time agreement of not to exceed an hour and a half on each of those two joint resolutions. There will be rollcall votes on the three joint resolutions—at least one, on each.

Senators who are closest to the situation here have agreed tentatively on the proposals. I have sent an inquiry to the distinguished Republican leader and he is on his way. When he arrives, I shall put the request.

I thank the distinguished Senator from Indiana for yielding.

Mr. HELMS. Mr. President, will the distinguished Senator from Indiana yield to me just a moment?

Mr. LUGAR. I am happy to yield to the Senator.

Mr. HELMS. Was it the distinguished majority leader's understanding that Senator KERRY agreed—it was my understanding that he did. He wanted additional time, but my understanding was that he was agreeable to the hour and a half.

Mr. PELL. He was agreeable to the hour and a half.

Mr. DODD. Mr. President, my impression was that Senator KERRY wanted 2 hours on the Bahamas. He said probably he would not use all that time, but he wanted 2 hours.

I am informed otherwise, I apologize.

Mr. BYRD. I thank the Senator from Indiana for his kindness in yielding. I again apologize.

Mr. LUGAR. I thank the leader.

Mr. President, let me review the situation for a moment so that all Senators——

Mr. BYRD. If the distinguished Senator would yield, I suppose I would be safe in telling all Senators there will be no more rollcall votes this evening, because, as I understand it, the Senator from Indiana himself is prepared to speak at some length yet this evening. That may interest other Senators who want to speak on the same resolution. So, rather than keep other Senators in tonight, I shall just make the announcement now. There will be no more rollcall votes this evening.

Mr. CHAFEE. That is sweet music.

(Mr. ROCKEFELLER assumed the chair.)

Mr. LUGAR. Mr. President, let me review the situation for a moment.

Section 481 of the Foreign Assistance Act was amended last year, as has been mentioned in the debate thus far, as part of the Anti-Drug Abuse Act. The new provision in the Foreign Assistance Act provides for a 50-percent reduction in foreign aid to those countries which do not cooperate fully with the United States in stopping the flow of international drugs. This legislation also includes a provision by which Congress can pass a resolution of disapproval objecting to a Presidential certification that a given country has fully cooperated with the United States in combating international drugs.

If a joint resolution of disapproval is introduced, the law provides that Congress follow the same procedures it follows on a resolution of disapproval involving an arms sale proposal. That includes the expedited procedures we have been discussing today, in which the Senate Foreign Relations Committee has 10 days to report out such a resolution.

Mr. President, it is agreed in the debate that we have had thus far that 30 days have passed since the President sent a finding to the Congress, including the Foreign Relations Committee and the U.S. Senate. Therefore, it has been agreed—in fact, the distinguished senior Senator from Arizona stipulated that he might be inclined to vote in favor of the resolution before us on Mexico, on the basis that his action would be symbolic. By "symbolic," he means that it would not have force with respect to the rejection of foreign aid or with respect to any of the international loans in which Mexico is involved.

But, Mr. President, earlier in the debate, we heard a dialog involving the distinguished Senator from North Carolina [Mr. HELMS] and others in which it was pointed out that a resolution would be advanced in the Senate at some point which would make binding the effects of the three joint resolutions of disapproval on the three countries we are considering—namely, Mexico, Panama, and the Bahamas. We do not know, Mr. President, whether any of the three joint resolutions will be successfully advanced. It may be the pleasure of the Senate to defeat all three. In the event that the Senate should pass all three, following logic which has already been expressed in the debate that these are, after all, only symbolic actions, and then the Senate is confronted with a joint resolution making them binding, it would appear that one has the best or the worst of both worlds.

In short, we are dealing with a proposition in which we have agreed that any such resolution has no effect, yet it is being advanced for some reason on the floor of the Senate today, even with the 30-day time period having expired.

Mr. President, let me suggest respectfully to all who are involved in this debate—and there have been eloquent speeches thus far as part of a spirited debate—in my judgment what we have with this particular joint resolution is what I would term "Mexico bashing." It has been a popular sport from time to time but let us call it for what it is. I simply cite the fact, Mr. President, we are in a debate in which a deliberate attempt is being made to alter the perception of the relationship between the United States and Mexico, a debate which cannot have any effect with regard to foreign aid or with the banks, but certainly the people in Mexico or the United States or anywhere in our hemisphere—for that matter anywhere in the world—hearing this debate know that we are proceeding toward a vote of censure of a country.

I would like to quote, Mr. President, from a perceptive article written by William D. Rogers, who is now a Washington attorney, former Assistant Secretary of State for Latin Affairs, which appeared in the Washington Post last June 14, 1986. Mr. Rogers said in part:

> Mexico is in deep crisis. Oil prices have plummented; inflation and unemployment are up. The government is in the final stages of sensitive negotiations with the International Monetary Fund on further adjustment measures that can only add to the sacrifices the Mexican people have borne so courageously since the beginning of the crisis in 1982. Brutal attacks from Washington on the central institutions of the nation are particularly gratuitous just now.
>
> If the United States has one truly special relationship with another country in all the world, that country is Mexico. Standard diplomatic textbooks do not teach it. No other nation's internal developments impact so directly on us. With no other do we have such a range of concerns, from security to drugs,

migration, border industries, energy trade and finance.

Nowhere else is there such a long border dividing—but not separating—a rich nation and a poor one. No other frontier in the world is marked by such stark contrasts of history, culture, language and living standards. And with no other country is the common relationship so asymmetrical.

It is said that the United States represents three-quarters of Mexico's foreign policy. When Washington speaks, the echoes are heard instantly in Mexico City. But for the United States, Mexico is a concern to which we turn only as an afterthought or in times of crisis.

Carlos Fuentes has said that for the United States it is "the most difficult frontier of all, the strangest, because it [is] the closest and therefore the one most often forgotten, most often ignored and most feared when it is stirred from its long lethargy." And so, he suggests, when we suddenly rediscover Mexico, there is a tendency to think we need to save it, to fashion it in our image, metaphorically to occupy it once again, to assimilate it to our own national experience, to make it something it is not.

This time around, Congress has become the base for what appears to Mexicans to be an organized attack. Mexico's economy is said to be in ruins. Its officials have been accused of complicity in the drug trade and of being guilty of rampant corruption. The very nation that for decades had been the toast of the hemisphere for its stability, its avoidance of coups and its distaste for military dictatorships is now alleged to be threatened by political dissolution.

Such rhetorical excesses do not serve the management of the delicate relationship. Noisy attacks on Mexico strike back at our own national interests. They are bound to increase nationalism, unite the factions of Mexican politics, inflame the always latent distrust of gringos and dissuade the leadership of the country from staking its political future on working with the colossus of the north.

The attacks on Mexico sit even less well because there is an element of self-righteousness about them. Mexicans know that their drug problem would not exist but for the insatiable market for drugs in the United States; they regard capital flight as a function of the fact that the U.S. financial markets are driven by our deficit to suck up the savings of others; they know that no nation, and certainly not the American South, has a perfect record of electoral honesty.

And I would include at least in that description my home State of Indiana, hardly a paragon of virtue in terms of electoral honesty throughout the ages.

Solutions to the Mexican financial crisis, the drug crisis and the migration crisis can come only with growth in Mexico—more production, more ligitimate exports, more jobs. This, in turn, means bilateral development cooperation between the United States and Mexico, not unilateral confrontation.

A nation can choose its friends, but not its neighbors. We and Mexico are fated to live together. For richer or for poorer. No death can us part. We had best learn to exist side by side, with civility and understanding. What injures Mexico does damage to our own vital national interests as well.

Mr. President, it seems to me very important to note, now that we are into this debate, which I believe is unfortunate to begin with, and which need not have occurred because of an irrelevant resolution that cannot have effect—the movers of this joint resolution were determined to have a go at Mexico today, and make no mistake about it, that those who want to talk tomorrow will have a go at Panama and the Bahamas. This it is a deliberate attack, because the Presidential Determination No. 87-9 of February 28, 1987, is on the stationery of the White House, the White House, Washington, DC, the President of the United States.

Now, it has been stated a number of times in this debate that this is simply a matter of debating a State Department evaluation, some have suggested a very superficial one, of the drug problem in Mexico and the efforts that they have taken to eradicate the problem. Suggestion is made in low voices that it is State Department bureaucrats that are the problem.

Mr. President, the finding is signed by the President of the United States, Ronald Reagan. This is his finding, the President's. I think we need to get that very clear. And the memorandum says, "Memorandum for the Secretary of State." Not the other way around, but from the President to the Secretary of State. "Subject: Certification of Narcotics Source in Transit Countries under Public Law 99-570," the drug certification we have referenced earlier on. The President says:

> By virtue of the authority vested in me by Section 481(h)(2)(A)(i) of the Foreign Assistance Act of 1961, as amended by the Anti-Drug Abuse Act of 1986 (Public Law 99-570), I hereby determine and certify that the following major narcotics producing and/or major narcotics transit countries have cooperated fully with the United States, or taken adequate steps on their own, to control narcotics production, trafficking and money laundering.

Then the President lists "The Bahamas, Belize, Bolivia, Brazil, Burma, Colombia, Ecuador, Hong Kong, India, Jamaica, Malaysia, Mexico, Morocco, Nigeria, Pakistan, Panama, Paraguay, Peru, and Thailand."

Then he says:

> By virtue of the authority vested in me by Section 481(h)(2)(A)(ii) of the act, I hereby determine that it is in the vital national interests of the United States to certify the following countries.

There, the President certifies Laos and Lebanon in that category.

He says, further:

> I have determined that the following major producing and/or major transit countries do not meet the standards set forth in Section 481(h)(2)(A): Afghanistan, Iran, and Syria.
>
> In making these determinations, I have considered the factors set forth in Section 481(h)(3) of the Act, based on the information in the International Narcotics Control Strategy Report of 1987.
>
> You are hereby authorized and directed to report this determination to the Congress immediately and to publish it in the Federa Register.
>
> RONALD REAGAN.

The President took this act very seriously. It is not easy for him to do so The act was passed last October. It calls for the first report to come March 1, 1987, and each March 1 thereafter. This is a fairly short period of time.

In looking at drug control programs most of the strategies that are set out with the United States and other countries span a period of time, as I will cite in a moment, when I quote from the International Narcotics Control Strategy Report of March 1987, a report on which the President has based his finding. There are plans, and the Mexicans have agreed with Americans, and so have other countries, about how to eradicate drugs and make progress on those plans.

So this is not a trivial finding. It is not something done with a push, a shove, or a wink, as one colleague mentioned this afternoon. This, in fact, is serious business. The International Narcotics Control Strategy Report is a fairly thick record, because it covers a lot of countries and quite a few strategies.

It is important for the sake of this debate, now that we are in it, with regard to Mexico, that we take a look at the accomplishments in 1986 on page 150 of the International Narcotics Control Strategy Report. This refers to our narcotics control with respect to Mexico. I read from the strategy report:

> Mexico has made a political and financial commitment to anti-narcotics efforts and, as President de la Madrid stated in a December 19 letter to President Reagan, has recognized that an effective narcotics control program benefits Mexico as well as other countries. Meetings in 1986 between senior officials from the United States and Mexico have underlined the commitment to mutual cooperation by the Government of Mexico. Presidents Reagan and de la Madrid discussed the problem in depth in their August meeting and the Attorneys General of both countries have met frequently to discuss joint cooperation during the past twelve months. Mexico has also worked actively to bring about greater regional and international cooperation in narcotics matters. One important step was the 1986 meeting of Western Hemisphere Attorneys General in Puerto Vallarta which Mexico organized and hosted.
>
> INM was instrumental in convincing the PGR in early 1986 to reinforce the spraying strategy for the aerial eradication program, fumigating all immature opium poppy and marijuana fields immediately after detection, regardless of the stage of the growth, in order to reduce the amount of illicit crops reaching harvest. In February INM funded an aerial survey of the critical tri-state growing area of Sinaloa, Chihuahua, and Durango to provide a better estimate of total illicit hectarage. PGR navigators were then trained by U.S. instructors in photo interpretation, and plans were made to systematize these surveys.

> Other program improvements included: strengthening flight safety by establishing a training center with regularly scheduled refresher courses for PGR pilots; employing fixed-wing Turbo Thrush agricultural spray airplanes (with greater capacities for herbicides, range, and altitude) in an intensification of the campaign against opium poppy; institution of a comprehensive reporting system; and restructuring the ordering of spare parts by the aviation maintenance contractor so that all procurement is computerized. Two U.S. aviation advisors and one aviation maintenance advisor assisted Mexico in 1986.

I cite these items, Mr. President, not to take the time of my colleagues, but simply to point out that this is a serious record—the United States Department of State and Bureau of International Narcotics, matters going into detail on specific achievements with the Mexicans, working in cooperation with the United States.

The report continues:

> U.S. persists in efforts to ensure that major arrests be forthcoming in the 1985 torture/murder of DEA Special Agent Enrique Camarena. While none of the major violators still detained in connection with this investigation have yet been convicted, the GOM has indicated that verdicts will be handed down in early 1987. On November 17, 1986, Javier Barba Hernandez, presumed to have been present for the abduction and murder of Agent Camarena, was killed by Mexican Judicial Federal Police near Mazatlan in a shoot-out that followed detection of a drug trafficking operation.

Mr. President, the report also points out, in the course of detailing the problems in Mexico, a very large number of problems. This is not, as has been suggested earlier in the debate, a whitewash or a trivial pursuit. The United States of America has, I think, a very candid view, as do Mexicans, of what is occurring in that country. The report says:

> Mexico continues to be the major single source country for the production, processing and trafficking of heroin and marijuana entering the United States. Mexico's economic crisis with its concomitant falling living standards, declining government revenues, growing rural poverty and scarcity of domestic credit works to the advantage of drug traffickers while undercutting efforts directed at them. Despite Mexican and U.S. remedial measures, corruption and inefficiencies in the eradication campaign still to impede efforts to reduce the flow of drugs to the United States from Mexico.
>
> Mexico's heroin exports to the United States are surpassed only by Southwest Asia in terms of total quantities supplied to the U.S. (2-4 MT of heroin for Mexico vs 3 MT for all of Southwest Asia). The Tri-State region of Sinaloa, Chihuahua and Durango is the primary growing area.

The U.S. report goes on to say:

> Marijuana cultivation is large-scale and found throughout the country in varying stages of growth and quality. The 1986 estimate is 4,670-5,370 MT available for export to the United States from gross production of 4,990-5,645 MT.
>
> Over one-third of the cocaine consumed in the United States transits Mexico from production and refining locations in South America. The Yucatan Peninsula is a major transshipment point for cocaine. Although some refining of cocaine hydrochloride reportedly occurs within Mexico, the majority of the cocaine transits Mexico in final form via small- to medium-sized aircraft, utilizing both clandestine and registered airstrips.

Finally, Mr. President:

> Mexico's production of controlled substances has diminished and the existence of the major amphetamine laboratory which was seized in the state of Tamaulipas in July 1986 appears to have been an unusual incident. The situation is being monitored, however, in the even that controlled substance production should once again become a serious problem in Mexico. The diversion of licit drugs does occur, but on a relatively small scale and does not significantly affect the illegal market in the United States.

I make that a part of the RECORD Mr. President, because the relationship with Mexico in the eradication of drugs both in production and transit is a very serious one.

The United States has not blinked in taking a look at the facts, nor have our Mexican friends. This effort is a source of great danger to those who are involved in the administration and law enforcement in Mexico, and cooperation with our officials has subjected many public officials in Mexico to unusual stresses and difficulties. Many have exhibited great courage in working with our officials, as our DEA officials have in working with the Mexicans.

I simply point out, Mr. President, that although much will be said about the circumstances in which the Anti-Drug Abuse Act was passed last year—and it was a rush to the finish—that it is an important piece of legislation. Members on both sides of the aisle, as pointed out several times, unanimously embraced the idea that this body ought to speak to the problem of drug control and drug abuse in the United States and we did so in a multifaceted way.

This Senator joined 98 other Senators in voting for that legislation. It has been pointed out that this Senator was responsible during the chairmanship of the Foreign Relations Committee with particular parts of that legislation that are now a part of our Foreign Assistance Act.

I am just here to say, Mr. President, that I am proud that the President, those involved in drug administration, those involved in the Department of Justice, and those involved in the State Department have all taken that responsibility very seriously in a short period of time, and have compiled, I think, very good statistics about the extent of the problem.

Likewise, the plan for action is the important element, Mr. President. It seems to me that as we take a look further in this report we note that there is still no complete database for narcotics, and yet the President has certified to the best of our knowledge to all of those benchmarks so we have some idea where we are heading.

Let me just note for the benefit of the Senate that under A.3 Plans, Programs and Timetables, we get a fairly good idea what the benchmarks ought to be for the year that we are now in.

> During the first quarter of 1987, a joint USG/GOM evaluation team will undertake a study of the PGR/INM aerial eradication program, to determine need and deployment of the PGR's 89 unit air fleet. Aircraft utilization, present spraying techniques, use and composition of herbicides will be included in the study.
>
> The Operation Vanguard verification program will concentrate on ground truth intelligence during the upcoming year as the chief need in this effort.
>
> The Government of Mexico continues to expand its resource commitment to the narcotics control program with an increasingly larger share of the Attorney General's budget. The eradication campaign received 1.6 billion pesos, or 40 percent of the PGR budget, in 1983 and is projected to receive 23.6 billion pesos, or 60 percent of the PGR budget, in 1987.
>
> Steps are being taken to send a PGR aircraft to the United States for conversion to a photographic platform for future aerial surveys by the Mexicans.

I mention that point, Mr. President, because there are some sophisticated cooperative efforts that are ongoing.

The effect of raising this type of resolution as a gratuitous slap at Mexico is surely to jeopardize some of the enthusiasm and cooperation with which these ventures are being entered.

I appreciate the exasperation of colleagues who are angry about drug abuse, about that part of it that might be attributed to Mexico.

Mr. President, it is not our pleasure simply to express anger and hostility. We need to recognize that we are working cooperatively in very detailed sophisticated ways with equipment and personnel with another sovereign country in a program of mutual benefit. This is, as I pointed out earlier, a unique relationship because of our proximity, our shared boundary, and the numbers of our citizens that go back and forth across the boundary.

Mr. President, this resolution would be difficult enough if we were simply talking about the drug control effort. The point of my remarks today is simply to say that I believe we will do better to continue to work the plan. I think we have a good plan. I think that we are making progress. I think we have a very realistic idea of the enormity of the problem.

We do not have a very good idea in this country of how to dry up demand. We have tried a good number of ways to persuade people not to want cocaine or marijuana or opium, or whatever. We have not been fully successful. The demand is still there. We are working with another sovereign country to try and dry up the supply, dry up the distribution, dry up the profits, and make the law have penalties. I think we are making headway.

But, Mr. President, we have a relationship with Mexico that goes beyond work on drug abuse, important as that is. We have to consider, Mr. President, the fact that our good friends in Mexico have a very, very large political and economic relationship with our country. It is a relationship that is dynamic, has enormous possibilities, but, as we have noted during the renegotiation of the loans this year, is fraught with dangers for both of our countries.

It is not my province today to discuss the entirety of the Latin American debt situation, but I would simply say that Mexico and Brazil owe countries in the rest of the world about $100 billion each.

It is not clear how that debt can be repaid. It is not clear whether it will ever be repaid. It is not clear whether interest can be paid on that debt. In the case of Brazil, there is reticence to do this in a regular matter right now.

In the case of Mexico, as has been cited again and again, there has been extraordinary cooperation and at a grievous cost to the citizens of that country.

In the course of the last 3 years, most economists in Mexico estimate that the average wages or the real value of income for the ordinary Mexican has declined by one-third. That is a very, very severe decrease for tens of millions of persons who already were in what we would have to consider dire poverty. It is not our fault in the United States. It is not the fault of Brazil or Europe or Japan. The fault lies in many, many ways and some of the fault lies with the Government of Mexico itself. We could draw up a critique of a way the Government of Mexico has handled its macroeconomic problems. The Mexican friends could draw up quite a critique the way we handled our macroeconomic problems, the impact upon which has been very substantial.

Mr. President, we are dealing, it seems to me, in a relationship here and our Mexican friends, I think, will agree it is not only delicate, it is precarious. In the event there are defaults on loans, that there are further difficulties with regard to currency exchange and devaluation and further unemployment, there may be further possibilities of what approaches a degree of nongovernment in certain parts of the country due to the lack of infrastructure, the lack of opportunity, and even the lack of hope.

That situation will not happen in a vacuum in Mexico. The impact upon the United States will be substantial and it already is substantial so that we do not buy that argument on faith.

We try to think through in all our policies, whether it be immigration or the bank situation or trade or whatever, how to manage it.

Mr. President, it was not my choice that all of this relationship should come before us in this particular form. The President of the United States has already certified that Mexico has fully cooperated. It was not a casual assertion and it was made by the President of the United States. It was made on the basis of a detailed report from which I have cited relevant quotations both on the nature of the problem as well as the plan toward solution, the cooperative elements that are involved.

In the event that there was a situation in which the President felt that Mexico had not been fully cooperative, he could have reached that finding, and some have indicated he should have reached that finding. Some have said he should have indicated Mexico was not fully cooperating, but the national interest still is satisfied by our certifying Mexico and reducing Mexico to the second group of countries that the President cited, that is, those countries certified under a national interest waiver. He did find two in that category. That was one of his alternatives. But that was not the alternative the President chose. He said Mexico was fully cooperating.

And he listed 19 countries, as I recall, explicitly that are also in that category.

Mr. President, when all this came before the Foreign Relations Committee, the distinguished Senator from Connecticut, I believe, has stated it accurately, that it might all have simply been disposed of in one short business meeting. There had been no bill of particulars with regard to the situation, no vigorous debate, no hearings.

The suggestion has been made that the committee had hearings on Mexico last year; and, indeed, we did. But they did not deal with the finding of the President of the United States—and that is what this resolution is all about—or the specific progress entailed the U.S. Government officials. We have really not had that issue before us.

The distinguished Senator from Connecticut and others suggested, working with the distinguished chairman of the committee, Senator PELL, that it may be well for us to hear from Assistant Secretary Elliott Abrams, and from others; Assistant Attorney General Trott came before the committee as did Ms. Ann Wrobleski, who was an author, or at least a contributor to this report. So these witnesses did appear the next day and the Senators had an opportunity, within the limited timeframe, to ask questions.

And it was the resolution of the majority of the committee, with only four dissenting, that this was a situation that ought not to progress to the Senate floor in this form. It was pointed out that the law, as written, simply discharges the committee from consideration after 10 days, in any event. Whatever action we took in the committee we were told was irrelevant. Once a Senator, any Senator, raises these resolutions within a 30-day period, they become highly privileged.

In this particular instance, they were not raised within 30 days. I have not argued with the decision of the distinguished majority leader, who said, "Notwithstanding that, let us have a go at it if a Senator wants to raise these issues," and so they have been raised. And irrelevant or not or gratuitous or not or symbolic or not, here we are.

But we are talking about a foreign policy question of monumental dimensions. We are doing so on the basis that the President of the United States certified that Mexico had complied fully.

Now any one of us can dispute the President's finding, but to take on this type of monumental issue in this forum seems to me—it is clear to me it justifies our taking time to think a little bit about the relationship.

Mr. President, I would suggest that the raising of the issue jeopardizes the relationship. But I do not leave it at that. It could very well be that if this debate proceeds in a way which I hope it will, the relationship between the United States and Mexico might in fact be strengthened.

It is not a debate that this Senator sought, but now that we are in it, it seems to be important that Senators speak out for the strength of that relationship and to say that we care about Mexico. We care about all of the problems that our friends in Mexico face. We are mindful of their failings, as they are of ours. We have disagreed with many elements of their judicial system. We are outraged when Americans are murdered in Mexico or any other country and we do not take that lying down. We note the enormous amount of narcotics production in Mexico and the transit of drugs there which is horrendous.

But we note also the aircraft, the training, the meeting of the attorneys generals, and the other concerted efforts, given the supply and demand situation of hideous proportions. And we deem that that is important.

And we further note that this comes, as I stated to begin with, at a time in which Mexico-bashing sometimes is popular, but Mr. President, it is never a good idea. We live with a very important relationship that deserves better treatment.

So for these reasons, Mr. President, I am hopeful the resolution will be defeated. I hope that the vote, in terms of its defeat, will be overwhelming. I hope that if there is to be a message sent, that that will be the message: That Senators did bring this joint resolution to the floor, but other Senators spoke up, had something to say that was positive to try to treat this relationship with a great deal more care and accuracy than broad brush strokes about drug abuse, about murder, about political corruption. Those elements are there, Mr. President, but, thank goodness, the evolution of the relationship has led to something else. And it must, we all pray, lead to something a whole lot better.

We are in precarious shape. This debate might not help that. But I pray, Mr. President, that the debate will turn out to have a silver lining; that the relationship was helped; that what started as an attempt to embarrass and repudiate and censure a friendly country turned around into something else. And I make that appeal to my colleagues in hopes that the joint resolution will be defeated.

Mr. DODD. Will my colleague yield?

Mr. LUGAR. I am happy to yield to the distinguished Senator from Connecticut.

Mr. DODD. I just want to express to my colleague from Indiana that I cannot tell him and my colleagues here how much I regret that the hour is late and that I fear many of our colleagues, with the announcement there would be no further votes this evening, have probably done what most normal people do at this hour and have gone home, and probably have not had the benefit of listening to the distinguished former chairman of the Foreign Relations Committee, the Senator from Indiana, this evening.

I hope that their staffs, if they have been viewing or listening to this particular action on the floor, would encourage their respective Senators to read the comments of the Senator from Indiana. It is one of those speeches that I wish I had given. He has eloquently framed what this debate could be and could turn into, an opportunity to discuss the relationships, to discuss the shortcomings of our relationship with Mexico, and also, as he so eloquently points out, the strengths that exist, the positive relationship, and the considerable achievements we have made working in concert with our neighbors in a constructive way.

As the Senator from Indiana knows, Mexico is our third-largest trading partner with the United States, following Canada and Japan. In 1985, United States exports to Mexico totaled $13.6 billion. This is not just any other country. This is our neighbor with whom we share so much, with whom, in no small measure, the economy of this country has a certain dependency. And when we talk about the kind of issue that draws us together this evening, we ought to be able to talk about the broader context.

I say to some of my colleagues who have gotten particularly inflammatory about this subject, some of them ought to take a close look at where they come from. The Senator from Indiana was candid enough to say that his home State has not always had exactly a squeaky clean report on political activities. I would say the same is true of the State of the Senator from Connecticut, of the Senator from New York, of the Senator from California, and of others. We can all point to problems in our States over the years where our political exercises have not worked to the extent where we would be proud to have them examined as closely as we want to examine Mexico's.

I might add, certainly there is corruption, certainly there is a problem of drug production and support. But, again, as the Senator from Indiana said far more eloquently than I could, the reason there is a problem of production is that there is an awful lot of consumption up here in the various States. Many Members of this body are getting up and excoriating Mexico. I wish they would make as strong a speech about political corruption in their own States, and consumption of drugs and narcotics in their own States, and what they are doing or not doing about it back there.

So I just want to associate myself with his remarks. I am proud to serve with him. I hope my colleagues will read his remarks.

Mr. LUGAR. Mr. President, I thank the distinguished Senator. I yield the floor.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I yield to the distinguished Senator from California such time as he may require.

The PRESIDING OFFICER. The Senator from California.

Mr. HELMS. Mr. President, will the Senator yield to me for just a moment?

Mr. WILSON. By all means.

Mr. HELMS. I am indeed grateful.

My problem with the comments of my very good friends from Indiana and Connecticut respectively is that much of what they said was irrelevant, irrelevant in terms of what the law says. The law does not say, I will say to my friend from Connecticut, "cooperating fully except Mexico or except our neighbor." It says fully, cooperating fully, with all of these countries. I know the Senator has a copy of the law.

We did not walk blindly into this. The distinguished Senator from Indiana when he was serving ably as chairman of the Foreign Relations Committee introduced this bill himself. And I have here a copy of the New York Times of October 23, 1986, in which the State Department praises this law, the Antidrug Abuse Act of 1986; and in which Ann Wrobleski, Assistant Secretary of State for International Narcotic Matters said, "It greatly raises the prominence of narcotics as a foreign policy issue." And she said that the State Department supported the law because "it strengthens our hand." Then it quotes the distinguished Senator from Indiana, identifies him correctly as a Republican of Indiana, chairman of the Foreign Relations Committee, as saying that the law's objective "is to ensure that the U.S. Government uses the full measure of its economic, military, and other assistance as well as diplomatic and political leverage, in pursuit of its international narcotics control objectives."

So I do not understand where we get the implication that we are supposed to live by the law, "except"—because there is no "except" in the law. That is the reason this Senator proposed the three resolutions of disapproval of certification. And I say again that all this Senator is saying, Mr. President, is that either we are going to abide by the law or we are not. Either we are serious and sincere about doing everything possible to stop the enormous deluge of drugs into this country or we are not.

If we are going to engage in rhetoric, if we are going to say we are going to crack down on everybody except this one, and this one, and this one, because Mexico is our neighbor, or Panama. I do not know why anybody would try to defend Panama, under Mr. Noriega's leadership, down there. It baffles me that anyone has any reluctance to do whatsoever and say whatever is necessary to show up the likes of Mr. Noriega in Panama for what he is or the likes of the one-party dictatorship in Mexico. If we are going to play pat-a-cake, pat-a-cake with such dictators, let us say so, and back up and amend the law.

Mr. LUGAR. Will the Senator yield for a question?

Mr. HELMS. Certainly.

Mr. LUGAR. The distinguished Senator perhaps heard my comments about the law. I do think it is a good law. I quoted it correctly, and I pointed out—perhaps the Senator heard—that the President of the United States and all who work for him moved rapidly in the enforcement of the law. The President certifies, as a matter of fact, certain things that he is required to do with regard to the law.

Is the Senator of the judgment that I have been arguing that the law is not a good one, and it should not be enforced?

Mr. HELMS. No. I am just saying that the Senator is on both sides of the issue. One cannot pick and choose what part of the law, Senator, that one is going to enforce and debate.

Mr. LUGAR. As a single party, I have not said that I am not in favor of enforcement. I have not heard myself testify to that point.

Mr. HELMS. Yes, by the implications of what the Senator said. He does not think that in the case of Mexico that the words "cooperated fully" apply. It is absolutely clear that Mexico has not cooperated fully, yet he does not think the Senator should act to overturn a false certification.

Mr. LUGAR. Does the Senator recognize that the President of the United States has certified that Mexico has cooperated fully, that this is his certification, from the White House, Washington, DC? That is at least what we are talking about to the best of my recollection.

Mr. HELMS. I will say to the Senator that he knows, as I know, that this certification is the work of the U.S. State Department. The President of the United States has so many papers going over his desk, whoever the President may be, whatever his political affiliations may be, that he has to accept the work of the State Department. This is the work of the U.S. State Department and the Senator knows that.

Mr. LUGAR. I acknowledge they had a great part in it. I would simply say to the best of my knowledge the State Department is also in favor of enforcing the law. I have not seen any backsliding in the timeliness of the reports that are required nor in the plan that is detailed in the narcotics strategy book that I have cited. It seems to me a comprehensive account. The Senator perhaps recognizes that it offers some promise of drug eradication.

Mr. HELMS. I will say to the Senator—and then I will not impose on the time of the Senator from California anymore.

Mr. DODD. Mr. President, will the Senator yield to me for 1 second?

Mr. HELMS. I do not have the floor. The Senator from California has the floor.

Mr. DODD. Will the Senator from California yield for a second?

Mr. HELMS. I say to the Senator from California that I ask him that I may be able to complete my thought, and then he can use his own judgment about to whom he wishes to yield.

But the representation was made in the Foreign Relations Committee, and just now on the floor, that everybody in the administration involved in drug enforcement agrees that Mexico is doing a great job.

A little while ago I read into the Record, and I am going to read again, the comments by Commissioner von Raab, the U.S. Customs Commissioner. I ascertained after the committee meeting, after it was said by the witness from the State Department, that the Customs Director was consulted. I checked. And I found out that was not so. And then earlier today I read Mr. von Raab's testimony into the Record when he appeared before the Senate Appropriations Committee on March 5. He said, in answer to a question by Senator DeConcini, with reference to Mexico:

> The threat of drugs either being produced or manufactured and/or transshipped through Mexico—our neighbor—remains a very serious problem, and has not in any way abated in the past year or so. If anything—

Mr. von Raab said—

> it continues to rise at a steady rate. In terms of Mexican efforts, the State and local authorities with whom I have worked, and the Customs officers to whom I am responsible have not given me any information on any cooperation of any particular nature.

Here is the official of the U.S. Government whose people are on the front lines down there, some of them are getting killed saying that there is no "full cooperation." This is a direct contradiction, Mr. President, of what has been represented in terms of the testimony and statements that we have heard.

I alluded earlier to a New York Times story of October 23 of last year. It began:

> A State Department report made public today says production of marijuana and opium poppy in Mexico has increased dramatically in the last year.

How's that for cooperation? The report says Mexican drug control programs are faltering despite the supposedly cooperative attitude of the Mexican Government.

Mr. DODD. Will the Senator yield?

Mr. HELMS. The statistics, it says "indicate that Mexico is once again the largest single-country source of heroin and marijuana imported into the United States."

Mr. DODD. Will the Senator yield on that particular point?

Mr. HELMS. I thank the Senator from California for yielding to me. He can do as he wishes.

I thank the Chair. I thank the Senator from California.

Mr. DODD. Will the Senator yield to me for just 2 minutes to respond?

Mr. WILSON. For 2 minutes, I will be happy to yield to my friend from Connecticut.

Mr. DODD. I thank my friend for doing so.

Just to make two points to rebut the sense of what the Senator from North Carolina suggested: If we abide by his argument, then the suggestion could also be made in this country, despite I think what all of us would agree are the sincere intentions of our Governors, our State legislatures, of the President of the United States, and both Houses of Congress, that we have increased over the years our funding for drug abuse programs, drug treatment programs in this country, police, training, to try to reduce consumption in this country.

I do not think anyone would argue for a second that the political community of this country is not committed to trying to reduce the tremendous consumption. Yet, I do not think anyone is going to argue with me over the fact that our consumption despite all of those good efforts has increased in this country.

What the certification calls for is cooperation from the Government of Mexico. Yes. There is more substance growing, and, yes, there is a greater problem. The issue before us is whether or not that government is cooperating. The President of the United States has said they are. And the authors of the legislation have said that fully cooperating is not a standard that can be met 100 percent.

The testimony before us was that these countries fall in between zero and 100 percent. There is cooperation.

I think it is important to make that point, that full cooperation should not be read literally, if we listen to the authors of the legislation. That is an extremely important point.

The last thing I want to say to my colleague is if we take what the Senator wants to do and cut in half foreign assistance to Mexico, last year we gave $15.5 million to Mexico. This year we are proposing to give $16.9 million to Mexico. Let us cut it in half. What are we cutting in half? The only money we give to Mexico is for international narcotics interdiction. The irony of the Senator's joint resolution is, if adopted, we would cut in half the only assistance we are giving to Mexico and that is to interdict the problem he is addressing. That puts us in an awkward situation, to cut in half the money to try to solve the problem he raises.

I thank the Senator from California for yielding.

Mr. HELMS. Will the Senator yield for a moment?

Mr. WILSON. Yes.

Mr. HELMS. The statement was that the most that could be involved with Mexico in terms of reduction is $200,000. I think we should keep the facts straight in debate.

Mr. WILSON. Mr. President, I think that last point deserves a great deal of attention. Funding of joint United States-Mexican efforts in drug interdiction will not be threatened by the passage of this resolution. Reduction in aid would come in other areas, not in those efforts. So I think we should be clear on that point.

Mr. President, let me take you back a few months to the very end of the session when we violated all the rules of good legislation, presumably, and in a great rush, without having had committee hearings, put together what was called the Omnibus Drug Act. It eceived wide acclaim. It received enhusiastic support.

And why? Well, because, as is always rue, Mr. President, when the public eads, Congress follows, and virtually very public opinion survey in the ation had registered the dismay, the utrage, the concern of the American eople at what was happening to their outh, and a situation that seemed eyond control of their governments—ederal, State, and local.

And well they might, because what hey were reading in headlines all cross the land were headlines like his one from the New York Times on he very eve of our passage of that mnibus Drug Act.

"Narcotics Output Soars In Mexico, .S. report says."

The deck, the subhead, "Country he Largest Source of Heroin and arijuana. Tough Law Awaited."

The tough law, Mr. President, had een awaited for a long, long time, ome relief to the growing urgency of his problem that could be measured n so many ways but in no statistics ore dramatic, more compelling than n the number of deaths from drug verdose.

And, by the way, as you have been old, but let me reemphasize, the U.S. eport referred to in that headline was ne from the State Department, a tate Department report.

Quoting now from the news story hat followed that headline:

> * * * made public today says production of arijuana and opium poppy in Mexico has creased dramatically in the last year. The eport, the State Department's midyear pdate of its annual assessment of drug rafficking worldwide, contradicts the Mexian Government's assessment of its drug radication program. According to the eport marijuana production in Mexico rose y more than 25 percent in the past year hile the acreage planted in opium poppy sed to make heroin grew by one-third.

Mr. President, there is a serious redibility gap, not only on the part of he State Department issuing this and pdates to this same report that ecord additional lack of progress. here is also a very serious credibility ap on the part of the U.S. Congress. f, having enacted the tough law that as so long awaited, we now find one eason after another to address this ubject that is too sensitive, let me ust say that perhaps the time might e better spent not reiterating what as been said, the all too clear statements by Commissioner von Raab to he Senate Appropriations Committee his past month, that there has been o evidence of cooperation; that if nything the situation has grown orse.

We might cite the rather palid lanuage from this report that so outaged my colleague from New York, he International Narcotics Control trategy Report, March 1987, pubished by the U.S. Department of State, Bureau of International Narcotics Matters.

The reason for his outrage is because the report is in the diplomatic language calculated not to offend that there has been so much less than the full cooperation which this law demands, that there can be no serious contention that the weak efforts that are paraded as evidence of good faith on the part of the Mexican Government are anywhere close to being adequate, much less full cooperation.

Whether they recognize it or not, Mr. President, my colleagues on this floor and others off the floor who counsel greater patience say that we dare not base this complex set of relationships on the failure of the Mexican Government to deal adequately with these abuses, to deal with the corruption that threatens Mexicans as well as Americans, law enforcement officials as well as victims of drug abuse.

Those that counsel us to do so, whether they recognize it or not, are saying, "Ignore the law," because the law is clear. It defines in precise terms what is required, what the President must certify to.

The Senator from North Carolina is absolutely accurate when he says the State Department having provided the evidence that there has not been compliance with the law is now urging the President to certify that there has been.

Mr. President, we cannot stand that kind of credibility gap.

Last fall, we were all sporting these little buttons, "Say no to drugs." Ironically, I just found it in my desk when I opened it looking for a pad of paper.

Mr. President, there are lots of ways to say no to drugs, but they have to include interdiction of the supply.

Let me say to those who way that Indiana is not doing a good enough job, or that California is not doing a good enough job, or that New York or Rhode Island or any State is not doing a good enough job, you are right. I will remind them that last fall I said that to speak of a war on drugs and not provide the resources to fight it is worse than giving lipservice, worse than making hollow the promise that we are least implied by the passage of what was supposed to be a tough antidrug law.

If we are unable, having passed this law, to urge the action necessary for its enforcement, then we have done worse than if we had never even entertained this subject, because we have raised false expectations.

Worse than that, we will now create the expectation in those that continue to flout this law that they can get away with it, that these will be no cost, that they can continue to do so with impunity, that they can fail in efforts at eradication, that they can continue to ignore those who are battling this poisonous traffic; that they can continue the kind of conduct that literally is life-threatening, not only to American but to Mexican youth who are the victims of this vile traffic; and as well to those who lay their lives on the line, literally, daily, as Drug Enforcement Administration agents the world over but, in this instance specifically, in Mexico, which has a record of having engaged in violence against them without yet any adequate response on the part of the Mexican Government.

Mr. President, let me address another point. To say that what we are doing in urging the passage of these joint resolutions is Mexico-bashing is nonsense and I resent it. I challenge any Member on this floor, frankly, to speak to a record of greater friendship, greater efforts to promote interchange with the Mexican people and with the Republic of Mexico than my own. I am proud of that record. I suspect I may be the only Member of the Senate who, long before coming here, received the honor of honorary citizenship of Mexico City in recognition of my efforts to build bridges between our two peoples and to promote not only cultural but commercial exchange.

That desire on my part has not changed one iota. Indeed, we have not begun to explore the opportunities for mutual commercial gratification, the kind of thing that can lead to expanded economies on both sides, to the kind of jobs that are so desperately needed in the Republic of Mexico to deal with their admitted economic crisis.

But that is not what is at issue here, Mr. President. It is not Mexico-bashing to insist upon the enforcement of United States law. It is not Mexico-bashing to demand the protection of American young people from the kind of traffic that has brought about an ever-increasing statistic in terms of death by overdose.

By all means, let us address our own problems. To say that we are not without sin is to belabor the obvious. That drug law that we passed last fall contained some resources, perhaps not enough, for rehabilitation. I will tell my colleagues, having worked for many years at many levels—State, Federal, and local—with law enforcement officials that they would be the first to plead for the kind of effort that they hope can one day succeed in curbing demand and making unnecessary the expensive and dangerous efforts that they are required to make daily at interdiction of supply.

By all means, let us seek to improve what we do by way of education and otherwise to curb demand.

Yes, we are the market. That is no revelation. But, Mr. President, it is also true that there is someone supplying that demand.

Yes, we have to concentrate on curbing demand and we have to do something about starving the supply. Let me just say it is not Mexico-bashing to insist that drug agents of the United States, working in Mexico, be free from the threat of abduction and torture and murder by Mexican law enforcement officials, which was in fact the fate of Enrique Camarena, a U.S. Drug Enforcement Administration agent. Mr. President, I had the anguish of attending the funeral services for Enrique Camarena, of seeing the torment in the eyes of his mother, of his widow, his children. That is an experience I do not want ever again.

Worse than that, we are false, terribly false, on this floor if we one day say to the Drug Enforcement Administration and its agents, "We are going to give you a tough law; we are going to demand that Mexico and other drug-producing nations give use the assurance that they protect you, that they will not turn a blind eye to that kind of thing where law enforcement officials in the pay of drug traffickers abducted, tortured, and murdered an agent."

Not just one. Within the year after the Enrique Camarena incident, Agent Victor Cortez was also abducted—again by law enforcement agents. Indeed, he was found by U.S. agents and rescued from the headquarters of the Judicial Police in Guadalajara. Mr. President, that is intolerable and it is not Mexico-bashing to demand that our agents be protected.

I doubt that anyone else on this floor has as many friends on the other side of the border. I doubt that they have had the privilege of cooperation as I have. I will take pride not just on my own behalf but on behalf of the city that I served as mayor for 11 years in a relationship that I think is a model. But I will tell you as well, Mr. President, that generations of good will in my community and all across the Nation toward our historic good neighbor are threatened, understandably, by resentment of the kind that is inevitable when we see American agents dealt with by people in the pay of the traffickers and there is no response by the Government of Mexico, no adequate response.

Mr. President, what we need is not more patience in the face of corruption. When you are dealing with corruption and malfeasance caused by corruption, the answer is not more patience. The answer is to change and say we demand what we are not just entitled but under a duty to demand in order to protect the people of our Nation. This is not an internal concern of the Republic of Mexico; it is one which, unhappily, we are compelled to share with them. The failure to deal with corruption on that side of the border inevitably breeds the kinds of traffic, the sales, the street sales, the risk to the street cops, the death by overdose that has become a commonplace in our headlines every day.

Mr. President, there will be many with good intentions who, on this floor, counsel more patience, as there used to be some who counseled more patience that we not offend another good neighbor, Japan, from whom we were suffering unfair trading practices. Yet, very recently, this body, by a unanimous vote, an overwhelming vote of 93 to 0, urged the President of the United States to take retaliation against our good neighbor, our security ally, our trading partner, Japan, because they violated an agreement, an agreement on semiconductor chips. People on this floor were outraged; I was outraged. I sponsored that resolution.

Well, Mr. President, what is more important, the semiconductor industry or the lives of American young people and the lives of young American drug enforcement agents? Are not those lives of greater or equal value to semiconductor chips and the jobs that we, quite rightly, are concerned about, whether in Providence or Silicon Valley? The answer to that, obviously, is of course, they are infinitely more precious.

Mr. President, we decided on this floor very recently that further patience would not end those unfair trading practices; that turning the other cheek, turning a blind eye to the violation of that agreement would only encourage further violation, further unfair trading practices.

Mr. President, that was a good decision. It was right.

There is a time when infinite patience is folly. There is a time when infinite patience, having been rebuffed, is worse than folly; it is a dereliction of duty.

Mr. President, that time is upon us. It is not as though the United States, through the Justice Department, the State Department, and any number of other agencies, has not afforded cooperation and infinite patience to the Republic of Mexico in mutual efforts to eradicate this mutual common problems, but there has not been full cooperation.

The murderers of Enrique Camarena have not yet been prosecuted. They have not yet been prosecuted. The law requires that when the United States requests it, we be permitted hot pursuit into Mexican airspace to pursue aerial drug smugglers. We are denied that because the Mexican Government asserts it is a violation of Mexican sovereignty.

Mr. President, that is not a good enough answer. We are not in any way challenging Mexican sovereignty. We are demanding, as good neighbors have a right to do, as we as U.S. Senators are obliged to do, that the people of this Nation be protected from a peril that is threatening them and emanating from the Republic of Mexico.

I hope that we will do a much better job in all the States of the Union. There is much to do. But to say that because we are not without sin, that we have not yet done a good enough job, to say that Mexico is not the only offender, that there are other nations, misses the point. Indeed, Mexico is not singled out. There are two other resolutions pending. There are 10 other nations listed in the law as drug-producing nations requiring certification from the President of the United States that they are in compliance with the law, and apparently most have been able to find a means to satisfy that requirement, but these have not. The evidence is plain that they have not if not only Commissioner von Raab's statement, the Commissioner of the Customs Service, that service which, second only to the Drug Enforcement Agency, is on the line daily dealing with the problem, at least dealing with it internationally.

Mr. President, it is stated that the cooperation is evident because seizures have increased at the United States-Mexican border. Believe me, they have increased because the volume is increasing and cocaine and marijuana have increased dramatically in terms of the traffic coming into this country since the time that we passed this law.

Within the past 5 years we have seen a dramatic increase in Mexican production and export to the United States of this perilous but very profitable cash crop.

Good friends on this floor have stated cooperation with Mexico will be threatened if we pass these regulations. Mr. President, I beg to differ. The kind of cooperation that we must have we will not get by turning a blind eye, as we are being urged to do. There are some who say, "Well, I could vote for the resolution except the one that follows it will really make it effective, that will really make it sting." There are others who say, "Well, I could vote for this resolution if it in fact has some teeth but we have passed the deadline for action."

Mr. President, we could construct, I suppose, any manner of elaborate catch-22 situations, any number of excuses for failing to take action, but what those who are urging that we not pass these resolutions are urging, like it or not, is that we ignore the law, the law that we enacted with much fanfare and with great promise when we told the American people last fall we were going to do something finally, belatedly about drug abuse.

Mr. President, wearing these little buttons is not going to cut it. Let us not delude anybody. Let us not raise false expectations.

My good friend, whom I deeply respect, my long-time friend, the former chairman of the Senate Foreign Relations Committee, the Senator from Indiana, stated that Mexico is in crisis, economic crisis, occasioned by falling oil prices and other factors. It is, indeed. But, Mr. President, the United States is in a crisis as well, and a crisis every bit as serious at least to the parents of those youngsters dead on drug overdose. Their number increases, and it will increase unless we do something to halt the supply as well as to curb the demand. That is our responsibility. It is no good to say we have not done a good enough job on this side yet. Let us do a good enough job but let us not default, let us not engage in this dereliction of duty in the interest of not offending on a sensitive subject.

Mr. President, we could engage in symbolic action and simply pass these joint resolutions, which, having passed the legal deadline last night, will have no legal effect unless they are implemented by a subsequent joint resolution which backdates the action to give it legal effect.

That can be done and, indeed, I think that is what we must do if we are not to prove false to the promises we made and the expectations that we raised.

Let me point out, as good Senator KERRY did earlier in the day in seeking to assuage the very proper concerns of my dear friend from Arizona, Senator DECONCINI, about this Mexican economic crisis, it is real and many of us have been concerned about it. Many of us have sought to do something about it for a long time. The President of the United States has not just the ability but the express option in the law in recognition of extraordinary circumstances to take the action that is required to exempt any nation which has failed under the terms of this law to fully cooperate if he feels it is in the best interests of the United States to do so. He can, indeed, give them one more chance. In fact, he can do so annually if in his judgment the circumstances warrant it. And it may be that they will.

We do, indeed, have a special relationship with Mexico. We have more contact points with them than with any other nation. But I will tell you this, Mr. President: If we fail to pass these resolutions and if we fail to give them effect by passing a subsequent Senate joint resolution, we have defaulted, we have deceived the American people, we have played false assurances that we gave to young drug agents who risk their lives daily to protect our sons and daughters, and I want no part of that. I want to be proud of the U.S. Senate. Most of all I want us to live up to the obligation that we assumed.

Mr. President, I do not ask Senators to ignore the economic crisis in Mexico, but I demand that they not ignore the crisis that exists on the streets of every city in the United States, large or small, urban or rural. We are a nation in peril and the peril will grow. It will become more menacing if in fact we lack the guts to make good on the promises we made. Mr. President, I implore my colleagues that we not be guilty of that dereliction of duty. There is simply too much.

As to those who might be concerned about offending our Mexican friends, I say that the Mexican friends I have understand—they understand that their Government has not yet made an adequate response; that the situation there is intolerable, where corruption has permitted a government within a government, one that challenges the very authority of the legitimate government.

Mr. President, let us do our duty. If we fail to, the American people—all of them, not simply those who have suffered the tragedy of being parents of the victims of drug abuse—will rightly take us to account.

Mr. President, I yield the floor.

Mrs. KASSEBAUM. Mr. President, will the Senator from Rhode Island yield the floor?

Mr. PELL. Mr. President, I yield such time as she might desire to the Senator from Kansas.

The PRESIDING OFFICER (Mr. LAUTENBERG). The Senator from Kansas.

Mrs. KASSEBAUM. I thank the Senator from Rhode Island.

Mr. President, I greatly respect the knowledge and the understanding of the Senator from California about the Republic of Mexico. Having served as the Mayor of San Diego and serving now as a Senator from California, he has particular sensitivity to that relationship that I admire and respect.

I would also agree with him that there is not one of us on the floor of the U.S. Senate who does not share a deep concern about the tragedy of drug abuse. It touches all our homes and communities and States.

However, I say to the Senator from California that this really is not a question of ignoring the law. This really is not an issue of trying to find one other reason not to abide by tough legislation. What troubles me is really a question of how we have reached this point procedurally and a question of fairness in interpreting what indeed this vote is all about. That is why I am concerned about the particular junction we are at tonight.

The President has certified that 19 countries—and this has been stated many times very well on the floor—including the three countries in question, have cooperated fully with the United States.

In the one hearing we have had on these three countries, we were told by administration officials that the efforts of the three countries in question certainly warranted certification by the President.

These three countries have been picked out to be decertified without a full review of the entire list—a list, for example, which includes Pakistan, where opium production has more than doubled in the past year. I do not think this is a fair way to treat the three countries in question. Nor do I think it is a responsible procedure for a congressional challenge of a Presidential certification.

What I find troubling is really that we have not given enough careful consideration to how this certification is made, our role in analyzing the certification of these 19 countries, and how we interpret "fully cooperating."

If we had had a hearing in which we reviewed in a thorough fashion the certification of all 19 countries and had found wanting these three countries, rather than somehow picking them arbitrarily, then I think we would all join in full support of a decertification resolution. But that has not been done. I think that for us at this juncture to question the President's certification is not wise. It is not a question of ignoring the law. It is not a question of our deep concern about drug abuse. It really is a question of how we should responsibly proceed on an issue that is not a trivial one in the U.S. Senate.

This current debate has only indicated that we need, I think, to review more carefully the provision in the drug bill we passed last fall which has established this certification procedure—under, I might say, expedited procedures.

There does not appear to be any consensus on what the requirement for full cooperation means. We may in fact be requiring from foreign governments something that we could not even expect from the 50 States.

The expedited time period for review is also inadequate for a serious congressional challenge to a Presidential certification.

These decertifications are not fair to the countries being challenged, nor are they fair to the President. As a body, we have a responsibility to handle this issue with much more careful review. That, I suggest, is the issue at hand.

I would be happy at this juncture, without the manager of the legislation on the floor, to yield to the Senator from Washington [Mr. EVANS].

The PRESIDING OFFICER. The Senator from Washington.

Mr. EVANS. Mr. President, I ask unanimous consent that I be given as much time as I may desire, to be charged against the opposition to the joint resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EVANS. Mr. President, I sometimes despaired today whether we would ever hear a voice of reason. I, of course, along with many of my colleagues on this side of the aisle, was deeply disappointed when some of our own colleagues failed to support the President on a very important issue, but that is not the issue in front of us.

The issue in front of us is an extraordinarily important one. Unfortunately, it is unlikely to be given the kind of attention it deserves, and certainly our colleagues will not have the opportunity to listen before the vote tomorrow to all of the issue and all of the debate.

I listened quite carefully to much of the debate on this issue, part of it from my office; and, finally, a clear voice of reason did come across. Senator LUGAR, in a cogent and eloquent statement, I think, more clearly stated the case better than I could. Senator KASSEBAUM has just added to that.

I also listened carefully to some of the comments and the theatrics of some of my colleagues, which includes tearing books in half and pounding the desk and thundering. At least in one case, one of my colleagues said that this is a chance to vote on drugs, and those who fail to vote for the resolution will, in essence, be somehow weak in their opposition to drugs.

I heard my colleague from California just a few moments ago talk about those who would vote against this resolution deceiving the American people. I resent that. Colleagues ought to be a little more careful in the use of language on the floor of the Senate.

We will not deceive the American people. There is not one Senator here who does not care very much about the abuse of drugs and the best way in which to eradicate them. We may differ on how to do it and this may well be an issue on which we can have honest differences of opinion but they ought to be just that, on differences of opinion rather than the overwrought emotions that does not add much to our knowledge.

We all seek to do a job here and the Senator from Kansas has pointed out very clearly that a complete job simply has not been done. I sat in on the entire meeting of the Foreign Relations Committee when these resolutions of disapproval were brought forward. Nineteen nations were approved by the President. Out of those, three were chosen for these resolutions of disapproval. Those who were the sponsors and those who were the supporters admitted quite candidly during that committee meeting that they have not examined the other 16, they did not know whether the 3 were the worst, the best, or somewhere in between in that long list.

Mr. President, that is shabby work. We are capable of doing better than that. If we are going to really seriously look at resolutions of disapproval, then it is up to us to take the time, go through the effort of analyzing each country on that list, reading carefully what the President certified, listening carefully to those who can testify best to the cooperation between nations and the United States, and then make a carefully calculated decision as to who really has not cooperated.

If we are talking about fully cooperating and use that in its narrow sense, we might as well get back to the equivalent of the interpretation of the ABM Treaty, when we take a broad or narrow interpretation of the treaty. Ironically, some of those who would take the narrow interpretation here are the same ones who would take the broad interpretation of the ABM Treaty. So it is in how you interpret the intent of the law and how it should be carried out.

If "fully cooperate" means that every time the United States says "jump" the other nation says "how high," it seems to me that is a ludicrous interpretation of the law.

"Fully cooperate" I think must be interpreted in terms of the overall relationships between the two nations on this subject. Certainly we have to be tough in what we ask for and we have to be accurate in our interpretation of the results, and I think the administration has to give to Congress their best view as to whether each nation has, taken in the overall, met a legitimate test of fully cooperating.

I believe the administration has done that. They have clearly done it from their point of view and, while there may be some differences between some of our colleagues and the administration, if those are to be legitimate differences, then they ought to be couched in the ranking of each of these nations, looking comprehensively at all of them and then making a determination and presenting to the Senate all of those countries. There may be three, there may be six, there may be 19, or there may be none on that list who legitimately ought to be cut off from all aid.

My colleagues say it is law. I suggest to my colleagues we may very well have a chance sometime to vote on another issue and some may stand up and say it is the law. It is the law that the President must make a report, which he has just a day or two ago, to this Congress, on those nations who supply military weapons to the country of South Africa, and it is potentially possible for the President to then send to the Congress a proposal to reduce military aid to any nation who is shipping arms to South Africa and who draws military aid from the United States.

If that were to be sent to the Senate for a vote many of these same colleagues who say it is the law would desperately duck and dodge and find a way out to keep from voting on that particular provision which also it could be said is the law.

I think it is terribly important for us to attempt to understand and use more than the usual amount of understanding of our neighbor to the south. Mexico is no Nicaragua or other Central American country. It is not a nation with a population less than most of the States of the United States. It is a big nation, with population soon to cross 100 million and, in not too many years, it will be the nation more than half the size of the United States in population. It is a nation headed toward poverty, not toward economic recovery. It is a nation whose people are desperately trying to find some way to survive. And it is a nation which, I believe, is trying better than before to help us in the effort to control drug trafficking.

The real question before us is will the disapproval resolutions, if adopted, really aid us in what we are all seeking, and that is cooperation with other nations to reduce the amount of drug trafficking and the amount of drugs coming from those nations or through those nations into the United States? It seems to me the answer is clearly no.

Do you think we are going to get greater cooperation by kicking a neighbor? Do you think it is really going to make that nation suddenly fall all over themselves to be more helpful? I think not.

I have always believed that you gained far more by attempting to work together and cooperate and find better ways of working together and gradually, maybe slowly, maybe even too slowly, maybe keep working toward a positive goal.

I think the end result of a resolution of disapproval would be a deterioration in that relationship, a showdown, not a speedup, in terms of cooperation, a setback, not a forwarding of our war against drugs.

I simply believe it would be a foolish action on the part of the U.S. Senate.

Senator LUGAR did say something in the closing paragraph or so of his remarks, and I hope he is right when he said this issue would have been better not to have been brought to the floor of the Senate, but since it has, perhaps some good will come out of it, perhaps we will show some common sense, perhaps we will recognize that there are better ways to gain cooperation than by kicking a neighbor and that we will actually vote this resolution and the other two resolutions of disapproval down.

In doing so, we might send a better signal, a signal that will do more to aid us in this war against drugs than these, I believe, unwarranted and unwise resolutions which are before us.

Mr. SYMMS. Mr. President, I rise in support of Senate Joint Resolutions 90, 91, and 92, legislation to disapprove the President's certifications that Panama, Mexico, and the Bahamas have fully cooperated with the United States, or taken adequate steps on their own, to control narcotics production, trafficking, and money laundering.

Last year, Congress passed overwhelmingly legislation to control the use and abuse of illegal drugs within our Nation. I was proud to be a participant in that legislative effort. Moreover, upon my arrival in the Senate, I joined several of my colleagues in forming the U.S. Senate drug enforcement caucus. It is the caucus' responsibility to aid in the efforts to combat drug abuse and provide stricter enforcement of our narcotic laws.

Congress, parents, teachers, and other elected officials have taken a responsible role in educating our children on the facts about drugs. I sincerely believe that by putting trust in our youth, and instilling in them a sense of responsibility, they will realize the dangers of drug abuse. However, the buck does not stop here.

While it is necessary to work within the borders of our country, we must also work with the nations known for producing narcotics and the countries used for transporting illegal drugs into the United States. But, Mr. President, we need their full cooperation. Passage of Resolutions 90, 91, and 92, would demonstrate the Senate's discontent toward Mexico's, Panama's, and the Bahamas' failure to cooperate to the best of their ability.

Mr. President, it is evident that these countries have not discouraged the production and trafficking of drugs; rather, they have aided and participated in these illegal acts. In fact, several reports cite instances where Government officials in Panama have protected major drug kingpins while they held clandestine meetings in the country. Moreover, there is reported evidence that General Noriega, who is in effect the leader of Panama, attended a meeting in Peru with major drug kingpins. It is believed that at the meeting the decision was made to murder Dr. Hugo Spadafora, the former Vice Minister of Health of Panama. Prior to the meeting, Dr. Spadafora had written articles in the press with regard to his participation in the Drug Enforcement Agency's efforts to uncover the role of General Noriega and the Panama Defense Forces [PDF] in money laundering and drug trafficking. The Spadafora murder case was closed last year, without any credible investigation.

Although Panama recently passed an antidrug law, there is no indication the law has been implemented. I repeat, Mr. President, we need the full cooperation of these nations, not halfhearted attempts. The United States should not look at their attempts at face value. No law, in any country including the United States, is worth the paper it is written on without full and effective enforcement. Furthermore, certification is based on full cooperation in the past 12 months, not on what these countries say they will do next year.

While the nation of Panama has not cooperated, neither has the country of Mexico. In 1982, approximately 30 percent of the marijuana, 3 percent to 5 percent of the cocaine, and 25 percent of the heroin arrived in the United States from Mexico. Recent reports estimate that those figures have dramatically increased. Although the marijuana importation has remained relatively the same, cocaine importation has increased to 35 percent and heroin importation has increased anywhere from 35 percent to 50 percent. Much of the marijuana and heroin is actually grown in Mexico. Cocaine, however, is merely transported through the country.

Mr. President, last year, the Washington Post printed an article describing the ongoing problems with Mexican authorities in controlling the transportation of illegal drugs into the United States. The article quotes U.S. Customs Commissioner William von Raab, who calls the southwest border of the United States and Mexico, a "modern day horror story" and has asked the Reagan administration to declare it as a "crisis zone."

Commissioner von Raab cites several developments that have alarmed U.S. authorities. For example, Glenn Miles, a Customs patrol officer, was murdered on February 21, 1986 near Sells, AZ, by three drug smugglers believed to be working for Colombian traffickers. The smugglers conveniently fled back across the border into Mexico avoiding United States officials and prosecution. There also have been several firearms attacks on border patrol agents and stations in the past months. And, in Naco, AZ, Customs officers opened the trunk of a car and found 150 pounds of marijuana. As reported in the Post, the "Mexican driver assaulted the Customs inspector, who grabbed him by the jacket. The man escaped, leaving behind the jacket identifying him as a Mexican Customs officer."

The United States needs the assistance of the Mexican Government at the borders. While the U.S. border patrol agents can enforce the immigration and drug laws on the U.S. side, we need the same action taken on the other side. I want to quote an excerpt from a New York Times article that describes the lack of assistance from the Mexican Government:

> Every evening Border Patrol officers, looking down at a plan they call "the soccer field" just on the United States side of the border from Tijuana, watch while as many as 5,000 Mexicans gather, waiting for dusk. For several miles on either side of this field, hundreds of other Mexicans sit on rocks or lean against the northern side of the border fence.
>
> Observing them a few hundred yards inside the United States, lone Border Patrol officers sit in four-wheel-drive vehicles roughly every half-mile.
>
> As darkness falls, the Mexicans are joined by hundreds of others and begin pouring north in streams. Some walk behind guides in straight, tight lines as many as 100 people long, others in less organized groups, hundreds and hundreds of Mexicans, including entire families with women and children.

As I stated earlier, Mr. President, the United States needs the help and cooperation of the Mexican Government, to control the flow of aliens into the United States. But, over and above the incidents at our borders, it is most important to note the Mexican Government has not prosecuted anyone for the brutal murder of U.S. DEA agent, Enrique Camerena, and the torture of U.S. DEA agent, Victor Cortez. In my mind, these are egregious miscarriages of justice that deserve rectification before the United States allows the certification of Mexico. Last August, Newsweek magazine printed an article regarding the arrest and torture of DEA Agent Victor Cortez. The arrest occurred at a time when Mexico's President Miguel de la Madrid had just met with President Reagan to discuss growing United States-Mexican problems including the drug flow into the United States from Mexico. President Madrid's ability to handle the corruption of his own officals and police, besides controlling the drug traffickers inside Mexico, is questionable.

I urge my colleagues to review these articles. I believe they point out the distinct problems the United States faces in the efforts to control the drug trade. I ask unanimous consent that the text of the articles be printed in the CONGRESSIONAL RECORD.

We cannot halt the use and abuse of drugs within our borders, and we cannot dissolve the drug trade outside our borders without the necessary cooperation of other countries.

Finally, Mr. President, I wish to commend Senators HELMS, KERRY, MCCONNELL, D'AMATO, WILSON, and TRIBLE for introducing these resolutions in an expeditious manner, and thank the majority leader, Senator BYRD, in bringing them before the full Senate. I believe it is time to take a firm stand against these nations who have not cooperated, and I urge my colleagues to support these important measures.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

RIO GRANDE: REFUGE LINE FOR DRUG-MOVING ARMY

(By Mary Thornton)

EL PASO.—Federal agents say that just southeast of here, tons of marijuana, protected by Mexico's Federal Judicial Police and the local Chihuahua state police, regularly roll into the Mexican town of La Isla, a dusty collection of small houses built of scrap metal and adobe.

Based just across the Rio Grande River from Fabens, Tex., the drug traffickers rely on the incentive of escaping poverty to provide a small army of backpackers, eager to earn up to $200 a trip by strapping 100 pounds of marijuana to their backs and wading across the river to "stash houses" on the U.S. side. A 4,400-pound load of marijuana was seized on the nothern side of the border earlier this month.

To the east and the west, federal law enforcement officials say, the picture is much the same. Marijuana in record quantities is streaming across the border on foot and in four-wheel drive vehicles. Overhead, low-flying planes carry cocaine and heroin, landing at private airstrips, on straight stretches of highway or even on the desert floor.

U.S. Customs Commissioner William von Raab, calling the southwest border a "modern-day horror story," said he has privately asked the Reagan adminstration to declare it a "crisis zone."

In making the request, he cited runaway drug trafficking, violent attacks on federal agents, suspicious cash movements in the area, and ongoing problems with Mexican authorities.

In addition, von Raab has charged that Columbian drug traffickers have moved in along the southwest border—on both the U.S. and the Mexican sides—because it is now easier to smuggle drugs across that border than into Florida. He said the Columbian traffickers are paying Mexicans to provide protection and transport the drugs.

Sources at the federal Drug Enforcement Administration confirm that they have seen a sharp increase in Colombian involvement along the Mexican border in about the past 10 months.

"It's obvious that it's easier [for the traffickers] than Florida," von Raab said in an interview earlier this month.

"If a bad guy comes into Florida, we can chase him," he said. "But with the Mexican situation, all they have to do is step three feet over the border and thumb their noses at us—and they do . . . . The Rio Grande is the line behind which the bad guys can take refuge."

Federal officials say that as drug enforcement resources were redirected into southern Florida, smugglers began to realize that the southwest border with Mexico was left unguarded.

Horace Cavitt of the El Paso Intelligence Center, a multi-agency organization that concentrates on smugglers of narcotics, firearms and aliens, said, "It's easier to get the dope in here. Police are running all over each other in Florida and the Mexican border has been ignored. It's 2,000 miles long, and there are a million places you can cross.

Saying that the traffic is "escalating rapidly", Cavitt added, "We're knee-deep in cocaine. Seizures are up, and prices are down."

Von Raab said drug enforcement along the Mexican border has deteriorated badly since the late 1970s when Mexico authorities actively assisted U.S. agents.

He said it is "10 times worse than three or four years ago. It's a runaway operation right now. . . . It's a no-man's land."

He added that the situation is worsening as the Mexican economy deteriorates.

In his efforts to persuade the administration to redirect resources toward the southwest border, von Raab has cited several developments that he finds alarming:

Glenn Miles, a Customs patrol officer, was murdered Feb. 21 near Sells, Ariz., by three drug smugglers, believed to be working for Colombian traffickers, who fled back across the border into Mexico.

During a three-day period early this month, more than 4,200 pounds of cocaine was seized on both sides of the border from a trafficking group bringing the drug through Tijuana, Mexico, into the southern California area.

There have been about a half-dozen firearms attacks on Border Patrol agents and stations in the past several months.

Major changes in financial patterns are occurring along the southwest border. For example, von Raab said, the Chamber of Commerce for the Lower Rio Grande Valley, one of the poorest areas in the nation, has reported that, as of January 1985, deposits in local banks showed an increase of $720 million over the same period a year earlier.

The Federal Reserve Bank in El Paso, which showed a negative cash flow in 1981 and 1982 as dollars flowed away to other parts of the country, reported a $600 million cash surplus for 1984.

Barriers to smugglers attempting to cross the border are virtually nonexistent. Starting in El Paso and extending eastward, the Rio Grande is shallow enough in many areas to wade across. In the places where there are chain-link fences, there are gaping holes.

West of here, the "border" consists mostly of a waist-high, four-strand barbed wire fence. In many spots it has been cut down or simply knocked down by four-wheel-drive vehicles.

Customs agents freely admit that they are understaffed along the border and that there are stretches of as much as 150 miles between border stations.

James Wait, the Customs agent who heads enforcement for the El Paso region, adds that planes carrying drugs regularly arrive undetected from Mexico because the air radar coverage along the southwest border is the worst in the country.

Many of the planes fly low through the valleys of mountain ranges that extend south to north—flying without lights and with their identification numbers taped over. On the rare occasions when they are detected, they make a dash for the border. "They know we can't follow them," said Al Souza, a Customs agent based in Tucson.

Wait cited Customs charts of the border showing that in many areas military radar coverage starts only at 14,000 feet and above. The radar is intended to detect incoming missiles, not small drug planes.

One agent added, "I don't know what they think we're going to do if the Russians decide to fly in over Mexico at 5,000 feet."

Von Raab has been scathing in his criticism of Mexican authorities' lack of cooperation.

"Mexico is . . . a serious national security concern," he said. "If law enforcement can be so easily bought by drug smugglers, it can be just as easily bought by terrorists."

Leonardo French, a spokesman for the Mexican Embassy, has responded, "Mexico has done its best for many years and is firmly determined to continue to do so in the war against drug trafficking. But in order to have any possibility of success, it is indispensable to attack simultaneously all the links in the chain of this criminal activity . . . as well as to discourage or even finalize demand and consumption. Most of the links do not have their main bases in Mexico.

"Sometimes we think it is unfair to keep criticizing the actions of Mexican authorities. . . . Instead of strengthening the necessary cooperation between our nations, [the criticism favors] the drug traffickers who certainly take advantage of it."

Von Raab was especially critical of a recent incident in Naco, Ariz., in which an agent opened the trunk of a car and found 150 pounds of marijuana. The Mexican driver assaulted the Customs inspector, who grabbed him by the jacket. The man escaped, leaving behind the jacket identifying him as a Mexican Customs officer.

"We passed the word that we were very very happy," the customs chief said. "They first denied he was Mexican Customs. Finally, they said they would deal with him administratively. I was in Mexico [recently] and asked for a status report. All they did was ask for his jacket back. Von Raab returned the jacket.

"Their typical response is, 'Oh, we're very concerned. Give us the specifics.' But unless you can provide the name, rank and serial number, the whole thing is dropped," von Raab said.

He added that the Mexican government has refused to agree to proposals to allow Customs planes to chase smugglers into Mexico with Mexican authorities aboard.

Without more help from the Mexicans, he said, the border situation is almost hopeless.

"The first thing that has to be done is to seek the cooperation of noncorrupt Mexican officials," von Raab said.

"As long as it's a safe haven," he said, "we can put thousands of people into Customs uniforms, but we can't do anything."

DRUGS AND TORTURE IN MEXICO

(By Harry Anderson, Elaine Shannon, and Mark Miller)

Mexican police were supposed to be working with Victor Cortez in the battle against drugs. But in downtown Guadalajara last week, a group of cops arrested the 34-year-old U.S. Drug Enforcement Administration (DEA) official and hustled him into a car. Charging him with illegal possession of firearms, they drove him to the Jalisco state police headquarters. There, they tortured him for six hours. They tied him up and beat him. They goaded him with electric prods, then stuffed a cloth into his mouth and forced fizzy mineral water up his nose. All the while they peppered him with questions on other DEA agents and operations in Mexico. Only after frantic DEA agents in Guadalajara alerted the U.S. Embassy in Mexico City—and officials there lodged an urgent protest with the office of the Mexican attorney general—was Cortez finally released, bruised and badly shaken.

The incident could not have come at a more embarrassing time. Mexico's President Miguel la Madrid had just met with Ronald Reagan at the White House to discuss growing U.S.-Mexican strains over everything from drugs and economics to immigration and the war in Nicaragua. Administration officials were also preparing to unveil Operation Alliance, a program to staunch the flow of drugs across the U.S.-Mexican border. White House officials insisted the Mexicans were sincere in offering their cooperation in the fight against narcotics. But the Cortez affair sharpened the question of whether de la Madrid can control his own corrupt cops and officials. The Mexican attorney general's office even went so far as to deny that any torture had taken place. "I think it stinks," said Democratic Rep. Lawrence Smith of Florida. "What do you say when you're not sure whether the bad guys are worse . . . than the police?"

Wary of offending the Mexicans, Attorney General Edwin Meese III tried to play down the Cortez incident. Appearing before reporters to announce the border plan, he failed to report that the arrest and torture had occurred. Only when he was asked about the incident did Meese admit that a DEA agent had been "allegedly mistreated." Later on NBC's "Today" show, he cautioned that "it is important to recognize that this was done by some state policemen in Jalisco and does not represent either the approach or the commitments that we have received from the president of Mexico and the attorney general there."

Meese's hedging nearly sparked a mutiny at the DEA. Although the Justice Department instructed DEA agents not to comment to the press, many talked eagerly and in most cases unprintably. One veteran agent predicted that "to make this Operation Alliance plausible and workable and fundable and acceptable, they're going to have to find a way to excuse the Mexicans. "They're going to say, 'The guy's alive; no one has been hurt, we have to take the pressure off Mexico again, we have to show them that we're all together on this'." Thirty-six hours after Cortez was freed White House spokesman Larry Speakes did issue a tough condemnation of the incident—but the DEA was still fuming.

LUKEWARM PURSUIT

Even without the Cortez case, Congress would have given strong support to Operation Alliance. The plan calls for $266 million to beef up manpower and equipment along the 1,900-mile Mexican border. Among other things, it provides for hiring 384 new Customs Service agents and relocating 275 FBI, DEA and IRS agents to the Southwest. It would deploy sophisticated radar aircraft and five huge radar-equipped balloons to detect smugglers in low-flying planes. In a signal of their hopes for the operation, administration officials plan to hire 60 new federal prosecutors to handle the arrests it will generate. Their only complaints is with Mexico's refusal to permit U.S. planes to pursue suspected smugglers into Mexican airspace. The Mexicans have agreed to fly a small number of their own planes, but critics aren't impressed. "Best we can tell," says Rep. Glenn English of Oklahoma, "Mexico has two aircraft that could be used, and they aren't equipped to fly at night" (when most drug smuggling takes place).

The Cortez incident is also bound to lead Congress to press for a tougher U.S. stance on Mexican corruption. During de la Madrid's visit, Sen. Dennis DeConcini presented him with a letter listing drug charges against a number of Mexican officials, including the governor of Sinaloa, who has been accused by numerous DEA and Customs informants of collaborating with traffickers. Congress is pushing for an intensified investigation of the murder of Enrique Camarena Salazar, another DEA agent kidnapped in Guadalajara last year. "What does a DEA agent who puts his life on the live have to look forward to?" asks Representative Smith. "The United States government is not going to back him up? I find that intolerable." But in Mexico, there often seems to be little the United States can do to protect DEA agents against drug traffickers or even the police.

The PRESIDING OFFICER [Mr. DeConcini]. Who yields time?

Mr. BYRD. Mr. President, will the distinguished manager on this side yield to me?

Mr. PELL. I yield as much time as he may desire to the majority leader.

Mr. BYRD. Mr. President, I thank the chairman of the Foreign Relations Committee.

Mr. President, I have cleared the following request with the chairman of the Foreign Relations Committee, Mr. Pell, also with the following Senators, Mr. Helms, Mr. Dodd, Mr. Kerry, Mr. Wilson, and with the Republican leader, Mr. Dole, and with all other Senators on this side of the aisle through the cloakroom and the following request, therefore, I am advised is agreed upon.

UNANIMOUS CONSENT AGREEMENT

Mr. BYRD. Now to formally present the request: I ask unanimous consent that when the Senate completed its business today, it stand in recess until the hour of 9:20 a.m. tomorrow; provided further, that the time of the two leaders be reduced to 5 minutes each; that the Senate then at 9:30 resume consideration of Senate Joint Resolution 92, relating to Mexico; provided further, that there be 30 minutes, to be equally divided, on the joint resolution and controlled in accordance with the usual form; provided further, that no quorum call be in order, that the vote occur on or in relation to Senate Joint Resolution 92 at the hour of 10 a.m.; provided further, that following the disposition of Senate Joint Resolution 92, the Senate proceed to the consideration of Senate Joint Resolution 91, relating to Panama; that there be 40 minutes, equally divided, on Senate Joint Resolution 91; that a vote occur on or in relation to Senate Joint Resolution 91 at the hour of 11 a.m.; provided further, that no time be allowed for debate on any debatable motion or point of order or appeal; that there be no time for debate on any motion to reconsider in connection with either of these two joint resolutions; provided further, that all remaining provisions of the statutes governing consideration of these two joint resolutions remain in effect.

The PRESIDING OFFICER. Is there objection to the request of the majority leader?

Mr. DODD. Reserving the right to object. I was not clear on the last line of the unanimous consent request, I say to the majority leader.

Mr. BYRD. I must say to the distinguished Senator that I am not as deeply ensconced in knowing the contents of the statutes at this point governing the consideration of these joint resolutions as the Senator is. But, other than those elements I have mentioned in this request, any remaining provisions of the statutes governing the consideration of the joint resolutions would remain in effect. This does not mean that the status of the resolutions is as they would have been yesterday. I do not intend that to be the case. They are not to be put back into that status. I think that the Senator from Connecticut probably has that in mind.

Mr. DODD. The majority leader is correct. I appreciate his explanation.

Mr. BYRD. Would the Senator be very specific and we will just be very careful that the Record is clear on that point.

Mr. DODD. If the majority leader would yield, reserving the right to object further, Mr. President, it would be my hope—and perhaps the majority leader would care to respond—that his interpretation of that provision would be such that the effect of it would not be to retroactively apply whatever is adopted by the Senate tomorrow to an earlier date, which would make these provisions effective as if passed at an earlier date. Is that the majority leader's interpretation?

Mr. BYRD. That is my intent and I think it was the intent of everyone who participated in the discussions of the time agreement. That point was not raised, but I am sure that was generally understood on the part of everyone. That would have to be a part of this agreement.

Mr. DODD. I thank the majority leader.

Mrs. KASSEBAUM. Mr. President, it is my understanding that this agreement has been cleared on this side of the aisle.

Mr. BYRD. Yes; it has been cleared with Mr. Dole and with Mr. Helms, through Mr. Helm's aide; and with Mr. Wilson, who was present as the conversation occurred just moments ago in the Democratic cloakroom. And it was cleared with Mr. Lugar. I believe Mr. Lugar had an aide present. Can a Senator verify that for me?

Mrs. KASSEBAUM. Yes; I say to the majority leader, it was cleared. It is my understanding everybody had signed off on it.

Mr. BYRD. Incidentally, that reminds me, I did not mention Mr. Lugar's name the first time I referred to Senators by name. That was an inadvertence.

The PRESIDING OFFICER. Is there objection to the request of the majority leader? Without objection, it is so ordered.

The text of the agreement follows:

Ordered, That at 9:30 a.m. on Friday, April 3, 1987, the Senate resume consideration of S.J. Res. 92, a joint resolution disapproving the certification by the President, relating to Mexico, under section 481(h) of the Foreign Assistance Act of 1961, and that debate thereon be limited to 30 minutes, to be equally divided and controlled, with no quorum calls to be in order, and with a vote on or in relation to S.J. Res. 92 to occur at 10:00 a.m.

Ordered further, That upon disposition of S.J. Res. 92, the Senate proceed to the consideration of S.J. Res. 91, a joint resolution disapproving the certification by the President, relating to Panama, under section 481(h) of the Foreign Assistance Act of 1961, and that debate thereon be limited to 40 minutes, to be equally divided and controlled, with a vote on or in relation to S.J. Res. 91 to occur at 11:00 a.m.

Ordered further, That no debate be in order on any possible points of order, debatable motions, including a motion to reconsider, or appeals thereto.

Ordered further, That all remaining provisions of the statutes governing consideration of these joint resolutions remain in effect. (April 2, 1987)

Mr. BYRD. Mr. President, I will just proceed for another minute or so, aside from thanking all Senators.

Let me state the program now. The program will occur at the end of the day just prior to the motion to recess over.

(The statement of the program appears at the end of today's proceedings.)

Mr. BYRD. I ask unanimous consent that it be in order now to order the yeas and nays on a tabling motion on each of the two resolutions; and that those rollcall votes may be acceded to by the same show of seconds.

The PRESIDING OFFICER. Is there objection to the request of the majority leader?

Mr. DOLE. Mr. President, reserving the right to object, I do not think I will.

Mr. BYRD. I understand from Mr. PELL that he will make a motion to table each of the joint resolutions, and that if the motion to table fails, he will not ask for a rollcall vote on the joint resolutions. The request now pending is that it be in order at this time to order the yeas and nays on each of the two tabling motions, and with one show of seconds.

The PRESIDING OFFICER. Is there objection to the request of the majority leader? Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, I will shortly relinquish the floor. There may be other business tomorrow following the action on the third resolution. It should be started at this point again that the third resolution is not covered at this point by any unanimous consent cutting the time. There is a 10-hour limitation of floor debate on the third resolution. I take it in discussing the matter with the principals involved that they do not intend to require the full 10 hours be taken.

Mr. PELL. We earnestly hope not.

Mr. BYRD. Very well. I will be discussing with the Republican leader at that time what we should do for the rest of the day tomorrow.

I hope that on tomorrow we will be in a position to announce to the Senate what actions may occur on Monday and throughout the next week as far as the Republican leader and I can foresee.

I thank all Senators for their participation in the debate. I thank them for their cooperation in connection with the time agreement that has just been entered into. And whenever the Senators are ready to go out for the evening, the distinguished Republican leader and I are already.

UNITED STATES-JAPAN RELATIONS

Mr. DeCONCINI. Mr. President, the White House recently decided to impose up to $300 million in tariffs against Japan because of Tokyo's failure to live up to a joint accord on semiconductors. This response by President Reagan is the first instance for trade retaliation against Japan. This is an extraordinary action, especially in light of our long trade history with Japan and the enormous impact of Japanese imports on our economy. However, an extraordinary action was required. This impending chip war with Japan is not a pleasant event, especially with such a strategically vital partner and economic ally, but additional "extraordinary action" could be inevitable.

Semiconductors present a clear and blatant example of predatory pricing—pricing which is held below the cost of production to buy a dominant share of a market. This is an illegal practice for American companies in this country. This should be an illegal practice in international trade. In an agreement between the United States and Japan last year, the Japanese pledged greater imports of American chips into their market and promised no more dumping in third countries. We have tried to deliver this message, but the Japanese have not listened. Hopefully, they are listening now.

By itself, the U.S. decision to impose tariffs will not lead to a turnaround in the overall $170 billion U.S. trade deficit. It will probably not reform Japanese trade practices. It will probably not provide a major boost for the U.S. semiconductor industry. For this to have happened, the decision should have been made years ago.

However, Mr. President, we do not have years to wait. We can no longer afford to be patient. We can no longer afford to be passive. Tokyo's practice of one-sided trade is devastating to United States businesses. This is particularly true in the construction industry. Construction should be the next battleground for the White House's fight to win expanded market opportunities for American business. This is an obvious example of biased and one-sided trade by the Japanese.

For instance, the Japanese are currently building a state-of-the-art airport facility on a manmade island. This is called Kansai International Airport and is projected to cost almost $7 billion dollars. By mid-1986, U.S. trade policymakers projected that U.S. companies were able to win only $1.4 million worth of contracts in connection with the Kansai project. United States construction companies say they have been trying to participate in the Kansai project for 5 years. Five years and $1.4 million in contracts out of $7 billion—this seems blatantly unfair. It would seem fair to ask, "How do the Japanese do in the United States market?"

Kumagai Gumi Co., for example, jumped past the top three Japanese construction companies on the strength of overseas contracts. Of their total business, 43 percent was from projects in the United States, Australia, and Great Britain. Included in this was $574 million in U.S. work; of this amount, $336 million for the construction and renovation of luxury hotels in Hawaii; and $193 million for the construction of three high-rise buildings in Manhattan. This one company acquires over $574 million in development contracts and United States companies are restricted to $1.4 million out of $7 billion in Japan.

Mr. President, the truly outrageous part of this discrimination against U.S. construction firms is that it has only just begun. The Kansai Airport project is just one of perhaps a dozen huge Japanese public works projects scheduled for completion by the turn of the century. Let me list a few more: Expansion of four other airports—$10 billion; a bridge and tunnel project across Tokyo Bay—$7 billion; an expansion of Yokohama—$11 billion; and railway, port, and bridge projects—$25 billion. This totals $61 billion, including the Kansai Airport project. There are construction companies in Arizona as well as 49 other States that would be happy to compete for these projects.

An impartial and open-minded board of judges hearing these trade figures would probably conclude that Japan has enjoyed general access to United States markets for long enough without granting equal access for American goods and service. If Japan would remove trade barriers, United States products and services such as rice, beets, oranges, and construction services compete in the Japanese markets.

Markets which are open to American goods can help reduce the trade imbalance in America's foreign trade deficit. This will not be accomplished with a trade war in the chip industry or by opening up only the Japanese market. The Japanese are not the only violators. Moreover, added efficiency, competitiveness, and hard work are essential. The United States is finding itself in a quickly changing world economy with a host of strong partners. The central fact remains that Japan is not off the hook with the semiconductor decision. While this is a step in the right direction, along with a recent decision to give an American company a "token" contract on earth-moving machines in the construction industry, these decisions alone are not sufficient. Mr. President, Japan is reeling from this recent "extraordinary" action initiated against them, but construction contracts loom on the horizon as the next "extraordinary" action. This will remain as a flash point in bilateral relations with the Japanese. The United States will do well in competition with anybody, but it must be open and fair competition. So far, the Japanese are not willing to let this take place.

S. 466, THE HANDGUN VIOLENCE PREVENTION ACT

Mr. CHAFEE. Mr. President, I am pleased to join Senator METZENBAUM as a cosponsor of S. 466, which would require a 7-day waiting period for handgun purchases. This legislation can help to reduce the number of guns which are falling into the wrong hands in the United States.

Six years ago, an impulse buyer, John Hinckley, walked into Rocky's Pawn Shop in Dallas, purchased a handgun, and then headed for the Nation's Capital with just one thought in mind. Once he arrived here, he pulled the trigger of that gun and shot President Reagan, gravely wounded James Brady and managed to hit two law enforcement officers as well.

Currently, laws governing the sale of handguns make the purchase of guns a relatively routine act. For John Hinckley or anybody else with murder on his mind, buying a handgun is as easy as going to the store for candy. There are no delays, no address checks, no hassle and no reason to change your mind. A prospective gun purchaser must only sign a form certifying that he or she is not a convicted felon, a minor, a drug addict, or adjudicated mentally incompetent.

Handguns purchased by criminals are used in the commission of thousands of crimes every year. A major contributing factor is the lack of an effective procedure to verify the identity of gun purchasers. Three of this country's leading law enforcement organizations have come to Congress to urge support of a bill that would help resolve the problem. These groups—the International Association of Chiefs of Police, the Fraternal Order of Police and the National Association of Police Organizations—are well known for their backing of our Nation's police forces. Their support for this legislation provides strong evidence of how seriously the Nation's law enforcement agencies view the proliferation of handguns.

This legislation establishes a 7-day waiting period during which gun dealers and private individuals are required to submit to local law enforcement agencies the names, addresses, and birthdates of prospective handgun purchasers. Unless the police notifty the dealer within 7 days that the purchaser should not legally be sold a gun, the sale can proceed. In addition to permitting the police to conduct a background investigation, the delay will provide a cooling off period for those who might seek to settle heated disputes with handguns. This legislation is in the best interest of every honest and law-abiding citizen who is tired of the senseless spread of handguns to those who are using them to rob, rape, and kill.

The requirement for a waiting period was one of the recommendations of the Attorney General's Task Force on Violent Crime in 1981. And in those States and cities where waiting periods are required, the evidence indicates that fewer guns are falling into the hands of criminals.

We are all aware the dangers that handguns pose to all of us. Handguns are a major contributor to our Nation's alarmingly high rate of homicide—a rate far higher than any other industralized nation. The threat is real. I urge all of my colleagues to join in supporting this much-needed legislation.

FEDERAL-AID HIGHWAY ACT OF 1987

Mr. PELL. I intend to vote to overturn the President's unwise veto of the highway bill. This legislation is urgently needed in Rhode Island and elsewhere to get long delayed highway and mass transit projects into construction. Our State has reached the point where no new contracts can be awarded in the absence of a highway bill. Futher delay on the part of Congress and the President will delay these projects in Rhode Island until next year. Very real hardship will be experienced by the thousands of workers whose jobs are tied to the projects authorized by this bill.

This legislation also contains an amendment of mine allowing Rhode Island and 16 other States to continue receiving funding for programs cracking down on drunk drivers. A further delay in enactment of the highway bill will stall drunk driving programs in many States just at a time when spring puts so many more young people on the roads late at night. I hope that the veto will be overturned by Congress so that these vital programs can go forward.

Completion of the Capital Center project, the Woonsocket Industrial Highway, and many bridge and road safety projects are tied up in the highway bill. It took nearly a year for Congress to fashion the compromise bill just vetoed by the President, and a further delay will endanger jobs and highway safety in Rhode Island. For these reasons, I will vote to override the veto.

INAUGURATION OF DR. HARRY McKINLEY LIGHTSEY, JR. AS THE 18TH PRESIDENT OF THE COLLEGE OF CHARLESTON

Mr. THURMOND. Mr. President, on March 27, 1987, Dr. Harry Lightsey was inaugurated as president of the College of Charleston in Charleston, SC. I was scheduled to bring official greetings of the U.S. Senate at that occasion, but pressing matters pending on the floor of the Senate required my presence in Washington. I would, however, like to ask my colleagues to take a moment to recognize the new president of that institution.

Last Friday was an important day in the history of the College of Charleston—a new beginning for one of the oldest institutions in the Nation. Dr. Lightsey has been a good friend of mine for many years, and I can think of no one more qualified to become the 18th president of the College of Charleston. He is a scholar, an educator, and a man of unquestioned intellect and integrity.

Dr. Lightsey was a 1952 honor graduate of Clemson University. He received a degree in veterinary medicine from the University of Georgia. After a few years as a veterinarian, he decided to study law and enrolled in the University of South Carolina Law School, graduating summa cum laude in 1961, at the head of his class.

He quickly distinguished himself as an attorney and law professor and served as assistant attorney general for the State of South Carolina; general counsel to the South Carolina Public Service Commission; and legal advisor to the president of the South Carolina Senate. He was also chairman for the South Carolina Human Affairs Commission and the Governor's Energy Management Policy Commission.

In 1963, he became assistant professor of law at the University of South Carolina Law School and was promoted to professor of law a few years later. In 1980, he became dean of the law school and did an outstanding job during his tenure there.

He has gained national recognition through his appointment to the Commission on the Bicentennial of the United States. He has carried forth his responsibilities there capably, in a manner which has brought respect and honor to South Carolina.

Dr. Lightsey is truly a "man for all season"—a multitalented administrator and academician who is a true leader. In a short time as interim president of the College of Charleston, Dr. Lightsey has brought new stability, direction, and vision to this outstanding institution. His strong leadership has won the support and high praise of faculty, staff, and students. A true man of progress, he has already begun to reexamine the structures and long-term goals of the college and develop an agenda for change that meets the needs of students and faculty alike.

In being an effective administrator, however, Dr. Lightsey has not forgotten the importance of the human touch—knowing that a true educator is one who learns from his students. I have heard that he sits often in the park with underclassmen, searching out their perspectives and responding to their questions.

Martin Luther once said:

> The prosperity of a country depends, not on the abundance of its revenues, nor on the strength of its fortification, nor on the beauty of its public buildings, but it consists in the number of its cultivated citizens, in its men of education, enlightenment and character.

This statement captures the essense of Dr. Lightsey's vision for the College of Charleston. In its 300-year tradition of academic excellence, that college has already touched the course of this Nation by enlightening and training students to be leaders in their society. I am confident that under its new president, who believes in its purpose and is a leader himself, the college will continue to school men and women to be informed citizens and dedicated Americans. I am indeed honored to have an honorary degree from that fine institution which I have always held in such high esteem.

Mr. President, I extend my congratulations and best wishes—and those of the U.S. Senate—to Dr. Lightsey and his devoted wife Kathleen and ask that the following articles, which appeared in the Charleston News and Courier and the State be inserted in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Charleston (SC) News and Courier, Mar. 30, 1987]

LIGHTSEY INAUGURATED, PROMISES LIBERAL ARTS TO BE C OF C PRIORITY

One of the College of Charleston's top priorities will be continuing to offer a quality liberal arts education while serving the diverse needs of the community, says Dr. Harry M. Lightsey Jr.

He was inaugurated as the college's 18th president in ceremonies Friday.

"I suspect, in my mind, the most critical problem the college faces is trying to increase its emphasis on quality and still serve two very different student bodies that we have," Lightsey said following Friday's ceremony.

He said the college has one population of traditional-aged, full-time students and another of community residents—many of whom are part-time or adult students.

"We want to achieve the same quality with both those groups," he said.

Lightsey said the college is looking at offering more educational opportunities to students so they won't have to leave the Low-country to find what they want.

Priorities also include expanding graduate programs and facing the financial difficulties coming from cuts in state appropriations.

"We will stay committed to liberal arts," Lightsey said. "Obviously, we have to respond to the needs of science and professional undergraduate education, but we're committed within those programs to maintain the liberal arts core."

Edward B. Fiske, education editor of The New York Times, gave Friday's inaugural address and said colleges are rediscovering the liberal arts core curriculum.

"We have just gone through a period where vocational and pre-professional education set the tone in higher education," Fiske said, adding that many students find their skills already obsolete after graduation.

He said a well-educated person isn't measured by what he knows, but by whether or not he has the capacity to continue to learn.

"Liberal arts is the awakening of curiosity and the ability to follow through on this curiosity by asking intelligent questions," Fiske said. He said the success of an institution of higher education is determined by what effect it has on its students.

"A liberal education makes it less likely that you will get bored with life, and makes it less likely that you'll be a crushing bore to those whose company you keep."

Lightsey took over as interim president at the college in January 1986 after President Edward M. Collins Jr. resigned for personal reasons. Lightsey, a former chairman of the state Democratic Party, had been dean of the University of South Carolina School of Law.

Last September, the State College Board of Trustees announced that Lightsey would remain president of the college. The board governs the College of Charleston, Lander College in Greenwood and Francis Marion College in Florence.

Among those attending Friday's inaugural were Gov. Carroll A. Campbell Jr., Lt. Gov. Nick A. Theodore, Charleston Mayor Joseph P. Riley Jr. and U.S. Rep. Arthur Ravenel Jr., R-S.C.

[From the Columbia (SC) State, Mar. 28, 1987]

COLLEGE INSTALLS 18TH PRESIDENT

Harry M. Lightsey Jr., who resigned a dean of the University of South Carolina' law school last year to bring stability to th College of Charleston, was installed Frida as the college's 18th president.

During an inaugural ceremony that a times seemed informal, Joe E. Berry Jr chairman of the State College Board o Trustees, delivered the charge of office t Lightsey, a longtime friend.

The new president then discarded prepared remarks that outlined his vision fo the college and thanked his family, friend and about 600 well-wishers seated inside th college's gymnasium.

Later, Lightsey said the College o Charleston will remain committed to providing a solid liberal arts education but mus continue to reach out to part-time and adul students in the region.

He said the most critical problem facin the college is how to serve two differen types of students—one group of 18 to 2 year olds who live on campus and anothe that attends school part time and may b economically disadvantaged.

"We want to achieve the same quality fo both of those groups. It will take an awfu lot of effort and work on the part of the faculty and everybody else to mesh those tw groups together," he said.

Lightsey, 55, said the four-year colleg will look to expanding graduate program for professionals in the community and ma add a master's degree program in busines administration.

The president also predicted a tuition increase of up to $175 per semester next fal based on current revenue and budget projections for 1987-88, but said a fee increas could be avoided if legislators provide mor money for higher education.

During the inaugural ceremony, Charleston Mayor Joseph P. Riley Jr. said that, b the time he entered the USC law school class notes that Lightsey prepared as a student had become required reading.

"You bought your testbooks, and yo bought the Lightsey skinny if you had an sense at all," Riley said.

Gov. Carroll Campbell described Lightse as one who could appreciate the subtletie of today's complex world because of hi background as a veterinarian, lawyer, college professor and former chairman of th state Democratic Party.

Campbell also warned that the state wil shortchange its young people if South Carolina's colleges and universities are overlooked in the education improvement movement.

"I've been a little concerned over the pas few years that the state's efforts in improving education have not been fully responsiv to the needs of higher education," the governor said.

"I'm disturbed . . . about the failure t understand the process only begins in th state's elementary and secondary school and it must continue in our colleges and universities or indeed we shortchange ou young people and our state," Campbell sai to applause from the crowd.

In the inaugural address, Edward B. Fiske, education editor of *The New York Times,* said higher education in the United States i under fire from citizens and public official worried about quality.

Fiske noted South Carolina's leadership i the national education reform movement, the focus of which has shifted to what occurs in the classroom.

Other concerns facing colleges are rising costs, declining minority enrollment, the problem of introducing technology into the curriculum and the need to place more emphasis on the liberal arts.

IMPLICATIONS OF THE ABM TREATY INTERPRETATION ISSUE ON THE ARMS CONTROL PROCESS

Mr. WARNER. Mr. President, I rise to join my colleagues in providing my perspective on the issue of allowable testing under the ABM treaty. I very much respect the extensive work that my colleagues Senator NUNN, Senator HOLLINGS, Senator WILSON, Senator QUAYLE, Senator LEVIN, and other Senators have devoted to this issue. Their analysis, which has focused primarily on elements of the ABM treaty interpretation that bear both on what is allowable under the treaty, and on the prerogatives of this body in its advice and consent role, has been both thoughtful and instructive.

My purpose here this morning is not to dwell on those aspects of the issue. Many important legal and technological judgments remain to be made and this Senator does not intend to prejudge the ongoing studies requested by the President. With regard to the negotiating record, the single element on which the President has made a judgment, Ambassador Nitze, who was a principal in the ABM treaty negotiations, recalled in a speech delivered yesterday that "The Soviets agreed in a binding manner to prohibit only the deployment, not the creation; that is, the development and testing, of systems based on other physical principles and their components capable of substituting for conventional components as defined in article II, regardless of basing mode."

Mr. President, I ask unanimous consent that the full text of Ambassador Nitze's speech be entered in the RECORD at the conclusion of my remarks.

Mr. President, I would like to focus the remainder of my remarks on what I consider to be a central consideration in this entire discussion and that is the effect of actions taken by the Congress on the arms control negotiation in Geneva. Our negotiations are at a critical juncture. An opportunity for potential agreements exists now that will not again be available for at least 3 to 4 years. This administration has but a few more months to reach the basis for an agreement, given the timelines required to negotiate the details of an agreement and to secure consent to ratification. If this opportunity passes, history reminds us that it takes a new administration at least 2 years to prepare itself to the degree required for serious negotiations.

Let me review briefly the current situation. Much attention has been focused recently on the potential for an agreement in the INF negotiations. This potential was made possible when the Soviet removed the impediment they had earlier placed in the way of progress by delinking progress in INF to resolution of defense and space issues. Although serious issues still remain in these negotiations, including the treatment of shorter range INF missiles and agreement on verification procedures, an agreement is within reach if the Soviets truly desire one.

While the subject of less attention in the press, the START negotiations, aimed at 50 percent reduction to equal levels in strategic offensive arms, have also arrived at a point where there is much commonality in the positions of the two sides. This represents tremendous progress, much of it achieved at Iceland, and, with the exception of ballistic missile sublimits, sustained in the subsequent meetings.

Finally, Mr. President, there is less progress to report on negotiations on strategic defenses. While we in Washington discuss narrow and broad interpretations of the ABM treaty, the Soviets have been adhering to a position in Geneva that is even more restrictive than the narrow interpretation. One need not be a negotiator to appreciate the direct effect of congressional debate on the willingness of the Soviets to resolve these differences.

Despite the impasse in the space talks, there seems little doubt that the SDI program has brought the Soviets back to the negotiating table and continues to represent the principal source of leverage in the United States negotiating stance. In my judgment, SDI leverage is the linchpin to the success of the nuclear and space talks to arrive at equitable and verifiable arms control agreements that are in our national interest.

The Congress, and the Senate in particular, can be rightly proud of many positive contributions it has made and is making to the arms control process. Not the least of these important contributions is the strong bipartisan support provided to modernizing and improving our strategic forces over the past 6 years, and to a solid research program for the strategic defense initiative. Continuing bipartisan support for these programs, beyond its own merits in providing for our national security, provides the basis for a serious negotiation with the Soviet Union.

Beyond this important action, which speaks louder than words, congressional resolutions have clearly articulated the national consensus in favor of such important arms control objectives as equality, effective verification and compliance with existing arms control agreements. The overwhelming vote on Senate Resolution 94 emphasized bipartisan Senate support for the dismantlement of the illegal Soviet radar at Krasnoyarsk, which is a clear violation of the ABM Treaty. Such broadly supported resolutions do not go unnoticed in the Kremlin.

In addition, the Senate arms control observer group in Geneva, of which I am proud to be a member, has directly communicated to the Soviets bipartisan support for these general principles. We have also made clear to the Soviets that the Congress fully supports the United States negotiators in the NST talks. In our meetings with members of the Soviet delegation, Senators have emphasized that the Soviets must meet legitimate United States concerns if any agreement resulting from the negotiations is to obtain the advice and consent of this body. Ambassador Kampelman and his colleagues on the U.S. delegation have expressed their thanks for this support, which they believe has strengthened their hands at the negotiating table.

Every member of the Senate observer group will testify that we can be proud of our negotiating team in Geneva. They deserve our support, and I am sure that all Members of this body want to support their efforts. In seeking ways to support our negotiators, we must recognize that, just as some actions in this Congress can help strengthen their hand, other actions can make it more difficult to achieve equitable, verifiable, and stabilizing agreements, agreements which the Congress—and the American people—very much want.

In our efforts to help our negotiators achieve an equitable arms control agreement, we must remember that the Soviet Union does not answer to the United States Congress. Our legislation binds only the United States. A verifiable, equitable, and agreed treaty that imposes binding constraints on both sides can result only from the formal negotiating process. We need to think carefully about how we in the Congress can help that process before offering legislation that unilaterally restrains the United States.

I have some firsthand experience in negotiating with the Soviet Union on the incidents at sea agreement. I know that negotiating with the Soviets is a difficult and time-consuming process which involves hard choices on tradeoffs—and inevitably it culminates in the "last 20 minutes," which Mr. Gromyko once called the most important part of a negotiation. The Soviets are tough negotiators. They do not give something for nothing. Recognizing the importance of those last 20 minutes, the U.S. side must preserve its negotiating capital.

Accordingly, I call upon my colleagues, as we approach "the last 20 minutes" in Geneva, not to bind the hands of United States negotiators and deprive them of the leverage that is necessary to achieve an agreement with the Soviets. I am confident that the President and our negotiators understand how to reach an equitable and verifiable agreement in our interest with the Soviets. But they cannot bargain with leverage that has been denied them by legislation. The hands of our negotiators should be strengthened by congressional actions, and not tied by them.

Mr. President, this Senator is pleased that the consultations between the administration and the Senate on the ABM Treaty interpretation issue includes the members of the arms control observer group. It is a clear recognition that the resolution of these issues has a direct bearing on the ongoing negotiations.

In conclusion, Mr. President, I ask my colleagues that may be contemplating legislation that would substantially reduce funding for the strategic defense initiative, or that would limit SDI testing, to consider the consequences of such action as we approach the last 20 minutes of the Geneva talks. Let us do our best to support the arms control process. It would be tragic indeed, if the verdict of history were to be that the chances for the first arms control agreement leading to deep reductions in nuclear weapons were derailed by unilateral restrictions on the SDI program that denied U.S. negotiators the leverage needed to achieve an agreement in our national security interest.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

INTERPRETING THE ABM TREATY

(Paul H. Nitze, Speech to the Johns Hopkins University)

INTRODUCTION

Central to the arms control portion of today's foreign policy debate is the question of how the limitations in the ABM Treaty apply to strategic defense (SDI) development and testing activities. This debate has focussed on two alternative interpretations of Treaty obligations, the so-called broad and narrow interpretations. This issue of interpretation arises because the language of the ABM Treaty is ambiguous in its treatment of certain advanced technologies being investigated by both the US SDI program (including laser, particle beam, and kinetic energy devices, and passive sensors) and by the Soviet Union.

When the language of a treaty is ambiguous, compilations on international law say that, in interpreting the treaty, reference can be made to the treaty negotiating record and the record of subsequent practice of the parties pursuant to the treaty. The Senate proceedings leading to the treaty's ratification also bear on this matter.

An Administration analysis of the ABM Treaty negotiating record has been made available to the Senate. On the basis of that analysis, President Reagan concluded that the broad interpretation was fully justified. We continue to support that conclusion.

Six weeks ago, President Reagan directed that comprehensive analyses also be conducted of the other two bodies of evidence that may bear on the proper interpretation of the Treaty—the record of subsequent practice of the two parties and the US Treaty ratification proceedings. These studies should be completed by April 30. The Administration will consult fully with the Congress on the results of the studies and the implications of all three analyses for the future conduct of the SDI program.

As the debate on ABM Treaty interpretation continues, it is important to make clear the parameters of the issue. I will try to do so, and to clarify as well why my recollection of the ABM Treaty negotiations, reinforced by my review of the negotiating record, leads me to believe that the limits posited by the broad interpretation are all that the Soviet negotiators agreed to in a manner binding on themselves.

NATURE OF THE DISPUTE

Most of the ABM Treaty, as it bears upon the SDI program, is not in dispute. The issue between the broad and the narrow interpretation relates to the fact that, at the time the Treaty was negotiated, all ABM systems then deployed or contemplated for deployment were based upon a combination of ABM interceptor missiles, launchers for those missiles, and ABM radars. The broad versus narrow issue concerns only the development and testing of systems based upon physical principles other than those involved in such ABM interceptor missiles, launchers, and radars, and of the components of such systems.

The current debate poses no issue with respect to the deployment either of components, or of systems, based upon other physical principles; all are agreed that deployment of such components or systems is not permitted without prior consultation and amendment to the Treaty. Thus, the basic principle of the Treaty—that, without amendment to the Treaty, neither side may deploy systems or components except as provided in Article III—is not in question.

There is also no issue with respect to research; the word "research" is nowhere used in the Treaty.

With respect to testing, the issue does not apply to the testing of components of fixed, ground-based ABM systems at an agreed test site or deployment area, regardless of whether an interception occurs in space or in the atmosphere. Article IV permits such testing. The issue also does not apply to testing of systems based on other physical principles that are fixed and land-based.

The issue concerns only tests of mobile (including space-based) systems based upon other physical principles and their components able to substitute for: (1) ABM interceptor missiles, (2) ABM launchers, or (3) ABM radars.

Under the narrow interpretation such tests would not be permitted because that interpretation would require the substitute component to be fixed, land-based and at an agreed test range or deployment area. Under the broader interpretation they would generally be permitted, even if mobile (including space-based).

PROVISIONS OF THE TREATY

To aid in understanding the interpretation issue, it is useful to have in mind the pertinent provisions of the Treaty. The following is a condensation of those provisions; the full text is, of course, available to those who prefer to consult it.

Article I of the Treaty prohibits deployment of ABM systems for a territorial defense and providing a base for such a defense. It also prohibits deployment of ABM systems for defense of an individual region except as provided in Article III. Article I thus limits deployment, not testing, and limits ABM systems, not ABM components.

Article II defines an ABM system as "a system to counter strategic ballistic missiles or their elements in flight trajectory, currently consisting of:" ABM interceptor missiles, which are missiles constructed and deployed for an ABM role or of a type tested in an ABM mode; ABM launchers, which launch ABM interceptor missiles; and ABM radars, which are radars constructed and deployed for an ABM role or of a type tested in an ABM mode. These are the components essential to all ABM systems being deployed or developed in 1972.

Article III states that no ABM systems or components may be deployed other than those ABM missiles, launchers, and radars it specifically allows. The Article then specified the area in which ABM systems or their components may be deployed, and the number that may be deployed in those areas.

Article IV exempts from the limitations of Article III ABM systems or their components used for development or testing and located within agreed test ranges.

Article V prohibits the development, testing and deployment of sea-based, air-based, space-based, and mobile land-based ABM systems and ABM components.

Article VI, paragraph (a), prohibits giving non-ABM missiles, launchers, or radars an ABM capability or testing them in an ABM mode.

Agreed Statement D, to preclude any ABM system deployment except as explicitly permitted by Article III, provides that, if ABM systems based on physical principles other than those used for ABM components in 1972, including components capable of substituting for ABM interceptor missiles, ABM launchers or ABM radars, are created in the future, specific limitations on those systems and components would be subject to discussion in accordance with Article XIII and agreement in accordance with Article XIV.

The interpretation dispute centers on the question of which of these provisions apply to mobile systems based on other physical principles, including mobile components capable of substituting for ABM components.

The narrow interpretation maintains that Article V applies to all mobile ABM systems and components, even if they are not components as defined in Article II and regardless of the physical principle involved. Mobile systems based on other physical principles and their components capable of substituting for conventional ABM components would thus be captured by the Article V ban on testing and development.

The broad interpretation is that Agreed Statement D is the only part of the Treaty dealing with systems based on other physical principles and their components, and that Agreed Statement D allows both parties to create, i.e., to develop and test to the point of "creation", such systems and components but not to deploy them.

I remain convinced that, though the US negotiators, including me, attempted to achieve a ban on the development and testing of space-based and other mobile devices capable of substituting for ABM components, we failed to do so with the degree of certainty that is necessary for important international agreements. All we achieved, in a form the Soviets would consider binding on themselves, was a ban on deployment, not on the creation of such systems and components.

THE NEGOTIATING RECORD

The negotiating record of the ABM Treaty is classified, like that of other treaties. Therefore, I cannot cite it specifically in these remarks. Instead, I will describe my own recollection of the course of the Treaty negotiations, in which I was intimately involved, as refreshed by my recent review of the record.

The US unquestionably sought to regulate comprehensively not only the three components defined in Article II—that is, ABM interceptor missiles, ABM launchers, and ABM radars—but all devices that could substitute for those components. In the provision that ultimately became Article V, we sought to prohibit the development, testing, and deployment of space-based or other mobile (1) AMB missiles, (2) ABM launchers, (3) AMB radars, and (4) other devices to perform the functions of these components.

The Soviet draft treaty also contained an absolute ban on development, testing, or deployment in space, but the Soviets explicitly limited its application to missiles, launchers, and radars, and they repeatedly opposed having the Treaty cover devices other than those components. They pointed out that it was impossible to know what the components of a system based on a technology not then employed would look like, how they could be defined, and how they should be regulated.

After considerable back-and-forth on this issue, the Soviets proposed a change in Article V and assured the US negotiators that the new language would apply to any type of future component. We agreed to this change.

The Soviet assurance appeared to achieve part of the US objective, in that it included coverage of future ABM missiles, launchers, or radars. But the change we accepted in this provision resulted in the deletion, at Soviet insistence, of the US language expressly covering substitute devices for such components.

At the same time, the Soviets had on the table a draft of Article II that defined an ABM system as one that consisted of the three conventional components, i.e. ABM intercepter missiles, ABM launchers, and ABM radars. Furthermore, the Soviets continued to argue, with respect to the US effort to regulate substitute "devices," that they opposed in principle attempts to regulate the unknown.

Although this argument was repeatedly made, and remained a central issue in the negotiations, we US negotiators did not seek to confirm that the Soviets had in fact agreed to regulate unknown devices in Article V. Had we done so, it would have been entirely consistent with the Soviet position for them to have reminded us that the language concerning "devices" had been deleted from Article V, and to have stated that they had agreed to regulate only future "components", which they had defined in their draft of Article II to consist of AMB missiles, launchers, and radars. Indeed, given the subsequent events, any other outcome seems implausible.

As the negotiations continued, the Soviets accepted a US-proposed compromise on Article II that added the phrase "currently consisting of" in front of the list of ABM components. It has been argued that this revision of Article II could be considered to have expanded the Soviet commitment in Article V to encompass substitute devices. This claim is contradicted, however, by the fact that the Soviets accepted the revision only after we explicitly assured them that the coverage of substitute devices would be settled elsewhere than in Article II.

After Article II was negotiated, the Soviets still continued to oppose attempts to regulate substitute devices. They suggested that if systems or components based on other physical principles were created in the future we should discuss the matter in the Standing Consultative Commission to be created under Article XIII. We asked them what would happen if it were impossible to achieve agreement. They suggested either side could then withdraw from the Treaty. I, among others, said I believed that would be too extreme a remedy. This led to Agreed Statement D, in which the Soviets agreed, in effect, that, after such devices were "created", their deployment would be permitted, if at all, only after discussions and agreement.

Some proponents of the narrow interpretation recall that a Soviet negotiator made an oral statement in January 1972 to the effect that Agreed Statement D specifically permitted the sides to develop and test—but not to deploy—stationary futuristic systems. Assuming such an oral statement was made, it would confirm that Agreed Statement D does indeed contemplate the "creation" of components based on other physical principles and that "creation" was recognized to include development and testing. But would such an unrecorded oral statement be considered by the Soviets to be binding on them to the extent of barring them from creating non-stationary components, a point the statement did not address?

The Soviets did agree at one point to one aspect of the American position concerning future, substitute components. But their agreement followed the reading by the U.S. side of a carefully prepared position paper that proposed only that the parties agree to ban the *deployment*, not the development or testing, of such future substitute systems or components. Furthermore, nowhere did the paper mention a distinction between fixed, land-based substitutes and substitutes based in space or elsewhere. Nor does Agreed Statement D reflect such a distinction.

In the absence of a definition of what would distinguish a "component" of a system based upon other physical principles from an "element", or non-component, of such a system, a limitation on development or testing of components would be difficult, if not impossible, to apply in a rigorous, consistent, and verifiable manner. This is a problem we are beginning to face today.

Soviet scientists tell us they are planning a space probe which will have on board both a laser of some power and a particle beam device. They propose to test these devices against one of the moons of Mars, called Phoebus. They say the purpose of the test is to knock pieces off the moon's surface and thereby determine the characteristics of that surface.

It would be difficult to prove that the power, brightness, and tracking and aiming characteristics of these devices are such as to demonstrate that the devices have the capability to substitute for ABM components. A similar problem arises with mirrors capable of reflecting and focusing laser or other directed energy beams. Under what conditions would such a mirror satisfy the definition of being "capable of substituting for" an ABM interceptor, ABM launcher or ABM radar?

The Treaty language is of little help in answering such questions. Agreed Statement D does not define components capable of substituting for ABM interceptor missiles, launchers, or radars. It states only that, if such components, or systems based on them, are created in the future, they be subject to discussion in the Standing Consultative Commission and be deployed only after appropriate amendment to the Treaty.

In the case of non-ABM missiles, launchers, and radars, Article VI(a) provides that they not be given capabilities to counter strategic ballistic missiles or their elements in flight trajectory, and that they not be tested in an ABM mode. This article, of course, does not apply to devices which are not missiles, launchers, or radars.

In sum, my recollection of the negotiating process leaves me convinced that the Soviets agreed in a binding manner to prohibit only the deployment, not the creation (i.e. the development and testing), of systems based on other physical principles and their components capable of substituting for conventional components as defined in Article II, regardless of basing mode.

SOVIET INTERPRETATION OF THE TREATY

While arguing against the broad interpretation of the ABM Treaty, Soviet officials also place great emphasis on Article I of the Treaty and what they claim are that Article's implications for SDI.

The Soviets note that Article I prohibits both deploying ABM systems to defend a country's territory and providing a base for such a defense. They claim that SDI, particularly as it relates to space-based ABM systems, is providing a base for a national territorial defense and that, therefore, SDI violates Article I.

This argument is contradicted by views previously expressed by the Soviet side.

In a major statement before the Soviet Presidium in 1972, shortly after the ABM Treaty was signed, then-Soviet Defense Minister Grechko stated that the Treaty "places no limitations on the performance of research and experimental work aimed at resolving the problem of defending the country from nuclear missile strike." Grechko's view thus explicitly contemplates that the sides are free to conduct a strategic defense program like that being done by SDI and by the similar Soviet program.

Grechko's statement is not, however, an unambiguous rejection of the narrow interpretation. My conclusion that the Soviets were unwilling to agree to the narrow interpretation is based on our lack of success in securing Soviet acceptance during the negotiations of language which would have made that interpretation clear.

CONCLUSION

In October 1985, when the Executive Branch announced the results of its review of the negotiating record, we stated as well that, although we considered the broad interpretation to be fully justified, we would continue, as a matter of policy, to carry out the SDI program as originally structured, which is consistent with the narrow interpretation. The program remains so structured today.

It is also true, however, that progress in the SDI program has been such that the cost of remaining within the narrow interpretation, in terms of time and expense, is rising. The managers of the program would like to conduct it as efficiently as possible, within our treaty obligations.

We recognize, though, that all three of the pertinent bodies of evidence must be weighed. That is the process on which we are embarked.

As I stated earlier, after our analyses of the record of subsequent practice and of the ratification proceedings are completed, we will share them with the Congress, as we have our analysis of the negotiating record. We will then begin a series of consultations designed to reach a fuller understanding of the treaty interpretation question, and to establish guidelines for SDI development and testing activities that will continue to merit Congressional, Allied and public support.

WOULD CONGRESS APPROVE SDI DEPLOYMENT NOW? NO WAY

Mr. PROXMIRE. Mr. President, a few days ago a highly significant event occurred with respect to the ABM Treaty and the SDI program. It was the appearance of an article in the Washington Post by Paul Nitze. Nitze is the senior arms control adviser to President Reagan. He is the author of the principle that constitutes the prime trigger of when and whether we should stop or go the strategic defense initiative or SDI. That critical trigger is the so-called Nitze criteria. More than 2 years ago—in February of 1985—Nitze announced the principle. That principle was firmly endorsed by President Reagan. Since then, the administration has consistently reaffirmed its support for the Nitze SDI trigger. What was this guiding SDI principle? It was the assertion of Mr. Nitze on behalf of the Reagan administration that we would not deploy the strategic defense initiative until it was "cost effective at the margin." What does this mean? It means that we would not proceed with SDI until we determined that the strategic defense initiative could be produced and deployed at a lower cost than it would cost the Soviets to overcome or defeat it.

In the 2 years since Nitze announced this "cost effective" principle on behalf of the administration, the strategic defense initiative program has proceeded with several billions of dollars of research. In some areas it has made impressive progress. But has it made sufficient progress to warrant deployment in the near future? There has been a drum beat of reports that the administration intends to begin initial hardware production and deployment imminently. If so, the proponents of this near term SDI deployment will have to convince a majority of both branches of the Congress that SDI can now meet the Nitze "cost effective at the margin" requirement. Did I say SDI adherents will have to meet this criteria to the satisfaction of a majority of both Houses of the Congress? I said exactly that. This is precisely what the law now requires. The administration cannot proceed to deployment until both the House and the Senate have agreed by an act of Congress that the SDI deployment will meet the Nitze criteria.

So, Mr. President where does that leave the prospect of early SDI deployment? And why is the article on March 30, 1987, in the Washington Post by Paul Nitze, so significant? The answer comes from the context of the Nitze article. Mr. Nitze's article consisted of a vigorous and detailed response to a call from former Secretary of State Henry Kissinger for deployment of SDI now. Here's what Nitze wrote of the deploy SDI now proposal:

> I disagree strongly with Kissinger's proposal to commit now to SDI deployment. While the research program has made great progress, it has yet to determine whether prospective defenses would be survivable. Certainly there is nothing to be gained by deploying defenses that could not survive an attack; in fact such action could be seriously destabilizing.

And then Mr. Nitze adds an even more decisive argument against prompt SDI deployment. Here is what he writes:

> We also do not know yet whether defenses would be cost effective at the margin. Deploying defenses that could be overcome more cheaply by proliferating offenses would serve only to encourage the Soviets to do just that, touching off a costly and destabilizing offense-defense arms race. Waiting to ensure that these feasibility criteria can be met is not a subterfuge for attacking SDI; it is a prudent step to ensure that our programs serve the goal of enhancing stability. It is also the only step that can garner the support we need in Congress to sustain SDI funding.

Keep in mind, Mr. President, the Nitze criteria have been written into law, permanent law. The law clearly states that the administration cannot deploy the strategic defense initiative unless it explicitly meets the Nitze criteria. SDI must cost less to produce and deploy then it would cost the Soviets to produce and deploy the offensive weapons to overcome it. Can SDI meet that criteria now? Well, Mr. President, read that article from the March 30 Washington Post and you have the answer from Paul Nitze himself, the very man who first articulated the criteria that SDI should not be deployed until it is cost effective at the margin. Keep in mind that Mr. Nitze is President Reagan's senior arms control adviser. Keep in mind that the President has consistently subscribed to the Nitze criteria. Is that enough?

If it still isn't enough, consider the question asked to 469 members of the National Academy of Science. Each of these members is a distinguished world-class scientist. Each of them is either a physicist, an engineer, or a mathematician.

Here is the question:

Current administration policy on SDI holds that "we will judge defenses to be desirable only if they are survivable and cost effective at the margin." The prospects that an SDI system will be able to meet these criteria in the next 25 years are:

And the answer? 3.7 percent called the prospect good or extremely good; 80 percent called the prospect poor or extremely poor.

So there you have it, Mr. President. Paul Nitze, the administration senior arms controller who conceived and advanced the criteria that the administration itself has accepted as the basis for deciding whether or not to proceed to deploy SDI, has declared that the deployment time has not arrived. And the most distinguished and far-and-away the best qualified independent scientists in our country have told us by a ringing margin, a better than 20-to-1 margin, that SDI will not be able to meet the Nitze criteria for the next 25 years! I repeat for the next 25 years. Can any realistic person believe that a majority of both the House and Senate would find under these circumstances that SDI meets the Nitze criteria now? The answer Mr. President is absolutely not, no sir, no way, no possible way.

Mr. President, I ask unanimous consent that the article by Paul Nitze, headlined "An Arms Control Agenda That Kissinger Should Know," appearing in the March 30, 1987, Washington Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 30, 1987]

AN ARMS CONTROL AGENDA THAT KISSINGER SHOULD KNOW

(By Paul H. Nitze)

I read with interest Henry Kissinger's op-ed column of March 8, in The Post. I found myself in complete agreement with his description of Soviet negotiating behavior. I differ, however, with several of his points regarding the current Nuclear and Space Talks (NST) and the U.S. approach to those talks.

First, Kissinger noted the problem of asymmetrical negotiating attitudes, resulting in the United States' offering a stream of compromises while the Soviets remain intransigent. While I agree that this problem has plagued us in the past, I do not believe it is unavoidable.

This administration has done a remarkable job of sticking to the basic principles of its original arms control positions, while responding with tactical flexibility when the Soviets have shown flexibility of their own. We are closing in on an INF agreement that is almost identical to our original proposal. Similarly, the agreed elements in the START group keep our ingoing principles intact. And in the defense and space group, despite Mikhail Gorbachev's best efforts, we have resisted adding any new limits to the ABM treaty.

In fact, I find curious Kissinger's assertion that the Strategic Defense Initiative is a good illustration of our self-imposed handicaps. The claim is based not on anything that has happened to date but rather on his prediction that we will agree to crippling restrictions on SDI research permitted by the treaty, despite our success in resisting such restrictions thus far. The president made his firmness abundantly clear at Reykjavik.

Second, Kissinger claimed that no compromise is possible between the Soviet intention to kill SDI and the administration commitment to maintain it. To my mind, this is too absolute a generalization. (It seems that Kissinger also thinks so, since the five-point proposal he offered at the end of his piece is based on just such a compromise.)

Surely, no compromise is possible if the Soviets can accept no outcome other than the effective end of SDI, but I am not convinced that they would not settle for an outcome that provided predictability to the strategic defense area while permitting us to retain a robust research program.

Many factors bear upon such a judgment, including the possibility of a dialogue, along the lines some Soviet scientists have advanced, aimed at identifying the technologies now understood to be based upon other physical principles and the potential ABM components of systems based upon such technologies. Using such definitions, one can conceive of a regime that would allow SDI to proceed at a rapid but predictable pace. Incidentally, the testing of sensors (other than ABM radars), which Kissinger claims would be to the Soviets' advantage, is actually the one component of SDI that Gen. James Abrahamson's people say is most crucial to the progress of our program.

Third, Kissinger misstated the U.S. proposal for limits on SDI. At no time have we proposed a 10-year deployment moratorium followed by a two-year period for negotiation. In his July 25 letter to Gorbachev, the president proposed a five-year period of nonwithdrawal from the ABM treaty followed by a two-year negotiation. At Reykjavik, we proposed a 10-year nonwithdrawal period, with each side having the right to deploy immediately at the end of that period.

Fourth, I differ with Kissinger's assessment of the zero option in INF. As Sen. Sam Nunn said a couple of weeks ago, it represents a good asymmetrical reduction, with the Soviets eliminating more than 1,300 warheads and the United States eliminating about 200.

It does not eliminate the American means of retaliating from Europe. We would retain all of our nuclear-capable aircraft in Europe, including F-111s with range greater than the Pershing II, our short-range missiles and nuclear artillery and the 400 SLMB RVs we have dedicated to NATO. Given these remaining systems, as well as our extensive conventional contribution to NATO's defense, I believe talk of decoupling is unjustified.

Finally, let me turn to Kissinger's five-point proposal. I find that much of what he recommended has already been done.

Kissinger recommended a statement of overall strategy. I enunciated such a strategic concept in a speech to the Philadelphia World Affairs Council in February 1985, just before the NST negotiations began. This concept called for radical reductions in the power of offensive nuclear arms, as well as the stabilization of the offense/defense relationship, over the next 10 years, followed by a period of transition to greater reliance on defenses, should new defensive technologies prove feasible.

Kissinger recommended an offer to the Soviets to discuss quantitative restraints on SDI deployment and testing geared to the level of offensive forces. We have been trying for two years in Geneva to engage the Soviets in a discussion of the nature of a cooperative transition that would involve such restraints.

Kissinger recommended an offer to reduce strategic forces in a manner that would limit the capacity for surprise attacks by either side. It is exactly this goal that underlies our insistence that a START agreement include strict sublimits on heavy ICBM RVs, on ICBM RVs and on strategic ballistic missile RVs. Because of our determination to reduce the capacity for surprise attacks, we have held to this position despite strenuous Soviet resistance.

I disagree strongly with Kissinger's proposal to commit now to SDI deployment. While the research program has made great progress, it has yet to determine whether prospective defenses would be survivable. Certainly there is nothing to be gained by deploying defenses that could not survive an attack; in fact, such an action could be seriously destabilizing.

We also do not know yet whether defenses would be cost-effective at the margin. Deploying defenses that could be overcome more cheaply by proliferating offenses would serve only to encourage the Soviets to do just that, touching off a costly and destabilizing offense-defense arms race. Waiting to ensure that these feasibility criteria can be met is not a subterfuge for attacking SDI; it is a prudent step to ensure that our programs serve the goal of enhancing stability. It is also the only step that can garner the support we need in Congress to sustain necessary SDI funding. My extensive consultations on the Hill have indicated that a deployment decision now, or a threat to abrogate the ABM treaty, would backfire to the significant detriment of the SDI program.

In conclusion, let me dissent as well from the general point made at the beginning of Kissinger's piece: that the administration is pursuing the traditional agenda of the past two decades with only minor variations. Our arms control agenda is substantially different from that of the past. When past agreements allowed substantial buildups in offensive arsenals, we are pursuing substantial and stabilizing reductions. We are insisting on much stricter verification measures. And we will accept no agreement that does not allow us aggressively to explore the possibility of shifting to a defense-based deterrence.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Emery, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

ANNUAL REPORT OF THE ACTION AGENCY—MESSAGE FROM THE PRESIDENT—PM-31

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with Section 407 of the Domestic Volunteer Services Act of 1973, as amended (42 U.S.C. 5047), I transmit herewith the Annual Report of the ACTION Agency for Fiscal Year 1986.

RONALD REAGAN.

THE WHITE HOUSE, *April 2, 1987.*

MESSAGES FROM THE HOUSE

At 4:10 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1320. An act to amend the Land and Water Conservation Fund Act of 1965, and for other purposes.

ENROLLED JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker has signed the following enrolled joint resolutions:

S.J. Res. 18. Joint resolution to authorize and request the President to issue a proclamation designating June 1 through June 7, 1987, as "National Fishing Week";

S.J. Res. 47. Joint resolution to designate "National Former POW Recognition Day";

S.J. Res. 64. Joint resolution to designate May 1987, as "Older Americans Month";

S.J. Res. 74. Joint resolution to designate the month of May 1987, as "National Cancer Institute Month"; and

S.J. Res. 96. Joint resolution designating April 3, 1987, as "Interstate Commerce Commission Day."

The enrolled joint resolutions were subsequently signed by the President pro tempore (Mr. STENNIS).

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 184. An Act to establish the Big Cypress National Preserve Addition to the State of Florida, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 278. An Act to amend the Alaska Native Claims Settlement Act to provide Alaska Natives with certain options for the continued ownership of lands and corporate shares received pursuant to the act, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 317. An Act to amend the Wild and Scenic Rivers Act by designating a segment of the Merced River in California as a component of the National Wild and Scenic Rivers System; to the Committee on Energy and Natural Resources.

H.R. 1320. An Act to amend the Land and Water Conservation Fund Act of 1965, and for other purposes; to the Committee on Energy and Natural Resources.

The following concurrent resolutions were read; and referred as indicated:

H. Con. Res. 34. Concurrent resolution concerning the continued violations by the Soviet Union of its international human rights obligations, especially its violations of the right to emigrate; to the Committee on Foreign Relations.

H. Con. Res. 91. Concurrent resolution authorizing the 1987 Special Olympics Torch Relay to be run through the Capitol Grounds; to the Committee on Rules and Administration.

MEASURES PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 1783. An Act to make technical corrections in certain defense-related laws.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DASCHLE:

S. 899. A bill to regulate above ground storage tanks used to store regulated substances; to the Committee on Environment and Public Works.

By Mr. WALLOP (for himself and Mr. HATCH):

S. 900. A bill to establish within the Department of Defense a new department, to be known as the Department of the Defense Force, to defend the United States against all aerial threats, including ballistic missiles, and for other purposes; to the Committee on Armed Services.

By Mr. RIEGLE (for himself, Mr. BINGAMAN, and Mr. LEVIN):

S. 901. A bill to amend the National Apprenticeship Act to require minimum funding for certain outreach recruitment and training programs, to restore a national information collection system, to limit the authority to conduct reductions in force within the Bureau of Apprenticeship and Training of the Department of Labor, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. McCLURE (for himself, Mr. ADAMS, Mr. MITCHELL, Mr. DANFORTH, Mr. HEINZ, Mr. THURMOND, Mr. EVANS, and Mr. SPECTER):

S. 902. A bill to amend the Food Security Act of 1985 and the National School Lunch Act to extend to 1992 the eligibility of certain school districts to receive alternative forms of assistance for school lunch programs and to amend the Agriculture and Food Act of 1981, the Child Nutrition Amendments of 1986, and the School Lunch and Child Nutrition Amendments of 1986 to extend to 1992 the national donated commodity processing program; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. METZENBAUM (for himself, Mr. HEINZ, Mr. GLENN, Mr. SPECTER, Mr. BYRD, Mr. ROCKEFELLER, Mr. LEVIN, Mr. BOSCHWITZ, Mr. SHELBY, Mr. BUMPERS, Mr. INOUYE, Ms. MIKULSKI, Mr. SARBANES, Mr. LUGAR, Mr. RIEGLE, and Mr. DURENBERGER):

S. 903. A bill to extend certain protections under title 11 of the United States Code, the Bankruptcy Code; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BYRD (for himself and Mr. DOLE):

S. Res. 182. A resolution to direct the Senate Legal Counsel to represent Senator JESSE HELMS in the case of Tayoun v. Foglietta, et al; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DASCHLE:

S. 899. A bill to regulate above ground storage tanks used to store regulated substances; to the Committee on Environment and Public Works.

REGULATION OF CERTAIN ABOVE GROUND STORAGE TANKS

Mr. DASCHLE. Mr. President, I am introducing legislation today which will close a large and dangerous loophole in Federal hazardous waste law. This bill will amend the Solid Waste Disposal Act to establish a responsible set of regulations designed to prevent, detect, and control petroleum spills resulting from above-ground petroleum storage tanks. Current law only regulates underground petroleum storage tanks.

This adjustment in environmental regulation is long overdue. Since 1984, the Congress has mandated the careful monitoring of underground petroleum storage tanks, but has stopped short of regulating above-ground storage tanks in the same responsible manner. We have the Resource Conservation and Recovery Act [RCRA] in 1984 and again in the 1986 Superfund reauthorization bill to take steps to prevent slow leaks of petroleum from underground storage tanks into our precious groundwater sources and to establish a framework for cleaning up dangerous petroleum spills when they do occur. The flaw in that legislation is that it fails to take into account the fact that the same health and safety hazards that necessitate regulation of underground petroleum tanks are also present with regard to above-ground tanks.

My interest in correcting this oversight was heightened by a tragedy in my home State of South Dakota. Last September it was disclosed that at least 20,000 gallons of gasoline had slowly leaked from an above-ground petroleum storage tank at the Williams Pipeline Co. facility in Sioux Falls, SD. That spill was not discovered until the underground water source was completely contaminated and gasoline fumes had infiltrated the Hayward Elementary School to the point where schoolchildren were evacuated immediately and the building was permanently condemned.

A second spill of 8,000 gallons of petroleum was reported on March 11 1987. This spill immediately soaked into the ground and was floating on top of the underground water source within a day. The gasoline is reported to be moving toward a nearby housing development and may eventually force the relocation of a hundred or more families. It is not clear whether water in this aquifer can be used by Sioux Falls residents in the foreseeable future.

Local officials do not have the resources or the expertise to oversee the cleanup efforts or the capability of monitoring other tanks that are rumored to be leaking as we speak. Because this tank happened to be located above the ground, the one agency that has the expertise to prevent and control such above-ground leaks, the Environmental Protection Agency, lacks statutory authority to provide any assistance to threatened populations. In fact, the EPA has not yet determined whether it can even provide technical advice to the State of South Dakota which is faced with the mammoth task of overseeing the containment and cleanup of the spill. The fact that there is even a question over whether we can even get technical advice from the EPA in the face of such imminent danger strongly suggests that changes in existing environmental law are critically needed.

Just as slow discharges of fuel can be difficult to detect in underground tanks, it is difficult to detect when an above-ground tank has a slow leak. Again, to cite Sioux Falls as an example, gasoline fumes completely overtook our children's school and contaminated our aquifer before we had a clue that 20,000 gallons of gasoline had escaped into the ground. Had this been an underground tank regulated under RCRA, this leak may very well have been detected long before the situation had reached the crisis stage.

It is a mistake to think that the Sioux Falls spill is an isolated incident. Even in a sparsely populated, agricultural State like South Dakota, more than 307,000 gallons of petroleum have been spilled in at least 154 incidents in the last decade, and many of those spills came from unregulated above-ground petroleum storage tanks. I urge my colleagues to look in their own "backyards" and I am certain you will find that your constituents face enormous potential problems from leaking above-ground storage tanks. I simply cannot state in strong enough terms the need to take measures to minimize the occurences of future above-ground leaks and grant the EPA authority to see that cleanup of these spills is conducted quickly and correctly.

The legislation I am introducing today establishes a comprehensive approach to deal with this problem. The emphasis of the legislation is on the prevention of future petroleum spills through the establishment of vigorous performance and design standards for storage tanks and efforts to detect discharges before spills reach the crisis stage. The establishment of these safeguards will prevent most future petroleum discharges like the one we are living through in Sioux Falls. Moreover, when spills do occur this legislation requires that the responsible parties pay for the entire cleanup and the relocation of the threatened population, and that the Environmental Protection Agency [EPA] or qualified State agencies ensure that the spill is recovered swiftly and completely.

While we do know that there are problems in Sioux Falls and other places, nobody truly knows what the extent of the problem of leaking above-ground petroleum storage tanks is in other parts of the country. In addition to this bill, I am introducing separate legislation which calls for the EPA to complete a nationwide study of the state of existing storage tanks in America and make recommendations to Congress on whether or not such tanks should be subject to the provisons of this legislation. I anticipate that this report will bear out the need to take steps to prevent future spills and will pave the way for the passage of this, or similar legislation in the near future.

I acknowledge that the language of this bill may ultimately require modification. I introduce this legislation in the hope that it will stimulate debate on the issue of regulation of above-ground storage tanks in the Senate Environment and Public Works Committee. Discussion needs to begin in the committee on this issue right away.

If any of my colleagues doubt the need for regulation of above-ground storage tanks in the same manner we regulate underground tanks, I invite them to come with me to Sioux Falls. I will take you for a walk through the elementary school that now sits empty as an eery memorial to the spills that city has experienced. I will introduce you to landowners who can no longer obtain loans from the bank because the valuation of their homes has plummeted so rapidly that the bank will not accept their home as collateral to cover even the most modest loans. I will show you the place where the crews will be pumping gasoline out of the groundwater table for years to come—the same water table from which families are drawing their domestic water. I can assure my colleagues that few people living next to the tank farm or who used to send their children to Hayward School will argue with the content of this modest legislation.

Mr. President, we have been extremely lucky in South Dakota in that nobody has become seriously ill from inhaling gasoline fumes or from drinking contaminated water. Future Americans may not be so lucky. It is time we realize that whether a petroleum release comes from a tank below the ground or above the ground, the materials released are equally dangerous and ought to be controlled in an equally conscientious and effective manner. I urge my colleagues to join me in preventing the degradation of our environment and the endangerment of our people from future petroleum spills.

Mr. President, I ask unanimous consent that a summary of the legislation and an article on this subject be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STORAGE TANK SAFETY ACT OF 1987

The emphasis of Senator Daschle's legislation is on the prevention, detection, and control of discharges of regulated substances stored in above-ground storage tanks.

While underground storage tanks are regulated under the Hazardous and Solid Waste Amendments of 1984 and the Superfund Reauthorization Act of 1986, above-ground storage tanks remain largely unregulated by the Environmental Protection Agency (EPA) or other agencies of the federal government.

Senator Daschle's bill proposes to amend the Hazardous and Solid Waste Act to require the EPA or a qualified state agency to establish mechanisms to prevent future leaks of above-ground storage tanks through the establishment of performance and design standards for new storage tanks and maintenance schedules for aging tanks. The bill also requires tank owners to equip tanks with monitoring devices to detect tank leaks before they reach the crisis stage. When spills do occur as a result of an above-ground tank failure, Senator Daschle's bill requires the Administrator of the EPA to require the responsible party to pay for a thorough clean-up of the discharged material and the relocation of the threatened population.

FACILITIES COVERED UNDER THE ACT

The Legislation covers all above-ground storage tanks except:

(1) Tanks holding a hazardous waste regulated under the RCRA hazardous waste program (Subtitle C).

(2) Farm and residential tanks holding less than 1,100 gallons of fuel and used for non-commercial purposes.

(3) Tanks storing heating oil for burning on the premises where stored.

(4) Septic tanks.

(5) Pipeline facilities, to the extent regulated under existing law.

(6) Systems for collecting storm water and wastewater.

(7) Flow-through process tanks.

(8) Liquid traps or associated gathering lines related to operations in the oil and natural gas industry.

NOTIFICATION

The notification program requires actions by distributors of regulated substances, sellers of tanks, and owners of tanks taken out of operation within the past ten years as well as owners of operational tanks.

These entities must report to the EPA as to the age, size, type, location, and uses of tanks.

NEW TANKS

The EPA will be required to develop and promulgate performance standards for new tanks, including but not limited to design, construction, installation, release detection, and compatibility.

REGULATORY PROGRAM

All tank owners will be required to have methods for detecting releases, keep records of their methods, report releases, take corrective action in response to releases and cooperate fully with EPA efforts to determine financial responsibility for a discharge.

INSPECTION AND ENFORCEMENT

Federal officials are authorized to request pertinent information from tank owners, inspect and sample tanks, and monitor and test tanks and surrounding soils, air, surface water, and ground water for contamination.

Federal officials are authorized to enforce the provisions of this legislation. The EPA may issue compliance orders for any violations of this legislation or regulations promulgated pursuant to this legislation. Offenders are subject to civil penalties of up to $10,000 per tank for each day of violation.

DISCHARGE RECOVERY

The Administrator of the EPA may take, or subcontract for, whatever immediate actions are necessary to protect human health in the event of a discharge or regulated materials from a above-ground storage tank. The owner or operator of a tank releasing regulated materials is responsible for the clean-up of the discharge under the oversight of the EPA. If the EPA is forced to conduct the clean-up themselves, it must do everything it can to determine the financially responsible party and recover the cost of the clean-up from those responsible parties.

STATE PROGRAMS

Senator Daschle's bill is designed to avoid duplicating the efforts of states that have established, or plan to establish, their own state regulatory programs for above-ground tanks. A state program, to be eligible, must be approved by the Administrator of the EPA. The Administrator must judge the program to be at least as stringent as the provisions of this legislation.

PRELIMINARY STUDY

Not later than one year after enactment, the Administrator is to recommend to Congress what types of tanks (taking into account such factors as age, type of use, type of construction, location, soil conditions, and hydrogeology) should be regulated and the extent of the regulation required for each class of tank.

OFFICIALS: SPILL TAINTED WATER

(By Todd Murphy)

The gasoline from Wednesday's spill at Williams Pipe Line Co. 12th Street site likely has reached the groundwater 15 feet below the surface, state officials said Thursday.

"Unfortunately, I guess we can assume that it has," Bill Markley of the state Department of Water and Natural Resources said.

But Williams officials say workers should be able to limit the groundwater contamination to Williams property.

"There's really no immediate danger." Danny Thornburg, Williams division manager, said. "To move 50 feet, its going to take a month.

The spill, estimated at 8,000 to 10,000 gallons, occurred about 12:30 p.m. when a valve designed to relieve pressure on a pipeline was closed and the pipeline ruptured.

A company hired by Williams started drilling wells Thursday to monitor groundwater. Thornburg said wells will be drilled to recover the contaminated water. The company also may excavate contaminated soil.

Williams officials did not call city or state officials about the leak until about 4 p.m. Wednesday, more than three hours after the spill occurred. Thornburg said they were trying to determine the extent of the leak and control it.

"I guess you just have to say we were busy until then, he said.

The ruptured pipeline was leading to the gasoline tank officials have blamed for a 20,000 gallon gasoline leak discovered in September. That leak forced the evacuation of nearby Hayward Elementary School, which has not been used since. Williams officials started cleaning up that leak last week.

The company fixed the tank responsible for the Hayward contamination last fall, and it is now in use.

Curt Hansen, an environmental analyst with the Water and Natural Resources, was on the site Thursday morning.

"We'll keep a close eye on the whole thing," he said. "At this point there's not an immediate health threat to anyone in the vicinity of that tank farm." Williams should be able to control the contamination, he said.

"Since they're working on it immediately after the spill, that will be a big help," he said. He said the state can enforce cleanup of the spill if necessary. So far, it is not, he said. "They are taking some very positive steps," he said of Williams officials.

State officials were scheduled to meet with Williams officials Monday to discuss the Hayward cleanup. They now will also talk about the new leak, Hansen said.

People in the area could smell gas fumes yet Thursday. Some who live near the plant said they are becoming concerned about its safety.

"It's making me nuts," said Alice Klos of 6200 Westview Road. "Our reputation out here is going to pot.

She said she worries about possible explosions. "Especially when I'm not here, then I come home . . . and say. 'Will my house be there?' "

John Koopman, 6201 Westview Road, said Williams should drill wells near homes in the neighborhood to ensure groundwater there is not contaminated.

Said his wife, Jean, of hearing about the second spill: "I thought to myself," I don't believe this again.

"Just how long is this going to last?"

EPA OFFICIALS MAY INSPECT TANK FARM

(By Brenda Wade)

Federal environmental officials may be allowed to inspect Williams Pipe Line Co.'s tank farm in Sioux Falls, Sen. Tom Daschle, D-S.D., said Thursday.

On a previous visit by the Environmental Protection Agency, the company's division manager, Danny Thornburg, told federal officials they had no right to test Williams property for possible contamination.

The tank farm on West 12th Street is the source of a gasoline leak that closed Hayward Elementary School in September, and a second recent spill that is contained on the company's property. The state Department of Water and Natural Resources is overseeing the cleanup.

EPA officials from Denver, Daschle Mayor Jack White, city commissioners and other officials spoke together in a conference call late Thursday afternoon. At that time, the EPA told Daschle it had talked with Williams and may visit the site in 10 days.

Daschle, who was in Sioux Falls and talked to Thornburg after the conference call, said the EPA and company officials are expected to talk further today. Daschle said the conference call was a half-hour information session because he wanted to find out what EPA's role could be. He said it is limited.

"There is a huge environmental loophole when it comes to regulations at the federal government level," he said, "There is a significant lack of opportunity for involvement when it comes to petroleum problems."

Daschle said the EPA told him a letter from the South Dakota delegation in Washington may allow the agency to provide the city with technical and legal advice. Daschle said he plans to send that letter to the EPA today, after talking with Sen. Larry Pressler, R-S.D. Congressman Tim Johnson, D-S.D., said he would be willing to sign the letter.

Pressler was unavailable for comment Thursday night.

Daschle said he also would pursue legislation regarding EPA regulations. "I just felt the EPA ought to be more involved," he said. "If that's the best the EPA can do, clearly, there needs to be some rules and laws that change."

By Mr. WALLOP (for himself and Mr. HATCH):

S. 900. A bill to establish within the Department of Defense a new department, to be known as the Department of Defense Force, to defend the United States against all aerial threats, including ballistic missiles, and for other purposes; to the Committee on Armed Services.

DEPARTMENT OF DEFENSE FORCE ACT

Mr. WALLOP. Mr. President, on behalf of Senator HATCH and myself, I introduce a bill to establish within the Department of Defense a new department to be known as the Department of the Defense Force to defend the United States against all aerial threats, including ballistic missiles, and for other purposes.

Mr. President, this is a simple bill. It is brief. What it does is unmistakable. The bill starts from the fact that our families, our homes, our military forces, and our allies now have no protection against the ballistic missiles that could defeat this country in war, nor against any of the other aerial threats. It also starts from the sad fact that, despite much talk about SDI, no plans now exist to provide us, the American people, with protection.

Indeed, Mr. President, it is shocking for the American people to note that there is now nowhere in our Armed Forces the mission to defend this Nation from nuclear attack.

Let me repeat that. Despite the fact that our Constitution says that "We the people" established this Government in the first place to "provide for the common defense," no part of our Armed Forces, no branch of the armed services or any command therein, has the mission to defend us against the biggest military threat we face: ballistic missiles. Therefore, this bill imposes this mission on our Armed Forces, and creates a branch of those forces specifically to perform this protective mission. The bill also mandates the speedy production of weapons that our Pentagon has had on the drawing-boards for years, for which the technology has long existed, but which we have not had because of indecision. Finally the bill makes certain provisions to ensure that the organization created to fulfill this urgent mission is not bogged down and made prohibitively expensive by the rules, regulations, and customs that have made the Pentagon the subject of great criticism, inside this Chamber and out.

The sponsors of this bill eagerly await the arguments of any who oppose it. We believe that in the course of debate, the American people will learn much about their military, this administration, their elected representatives, and will be faced with clear choices as we approach next year's Presidential election.

There can be no denying that this bill was born out of immense frustration with the administration's handling of the SDI Program. Before March 23, 1983, many of us on this floor—Senators HOLLINGS, HEFLIN, ARMSTRONG, MCCLURE—offered and voted for legislation intended to speed the process by which the country was to be defended. But 4 years later, we appear no closer, indeed we are farther, from committing the country and its resources to the strategic defense we so vitally need.

Within the last week, Mr. President, Lt. Gen. Jim Abrahamson testified that the Nation could deploy capable, cost-effective, and survivable defenses against current and projected Soviet missiles by the middle 1990's. Yet, on the pages of the Washington Post last Monday, Special Arms Control Advisor Paul Nitze declared that we do not yet know enough to make these judgments. While I would trust General Abrahamson's technical judgment over Mr. Nitze's, I am sure that others would not. But that is not the point. These two absolutely antithetical administration views of what can be done to provide a defense for the American people are a symptom of the confusion and disarray that plagues the Nation today. That is why we are offering this legislation, to eliminate the confusion, to force clear choices, and above all, to force action.

Who will oppose the premises of this bill? Who will say that it is not the primary duty of any Government, but especially of this Government under this Constitution, to defend and protect the lives of its citizens?

Who will say that this Government is now employing all the means available—from shovels to microchips, from counterforce weapons to interceptor missiles to lasers—to protect this country from ballistic missiles?

Who will say that, despite all the talk about SDI, this Government is preparing, as quickly as single-minded human ingenuity will allow, to protect us against ballistic missiles, cruise missiles or alas even bombers. The sponsors of this bill have been proposing that we build antimissile weapons for the past 8 years! And always the Pentagon, speaking through various administrations says: Maybe tomorrow, but surely, even absolutely, not today! Whoever is tempted to hint that our Government's attitude toward ballistic missile defense has been dictated by shortages of technology, let him look at the Soviet Union's antimissile preparations and be ashamed!

Who can object to the mission this bill sets forth? To "defend the United States from all types of aerial threats, including aircraft, ballistic missiles, cruise missiles, and other types of missiles." I doubt anyone will—at least not in public.

Surely many will say that although they agree with the premises of this bill and the mission it sets forth, they do not agree that the logical consequence is the creation of a new branch of the Armed Forces to accomplish the mission. But if these objectors are in such agreement with our premises, and so committed to the mission of protecting the American people, why have they not already proposed any means, let alone a better means of accomplishing the mission? What do they propose now?

The odds are that they will propose having the Joint Chiefs study the question—the JCS, that graveyard of initiative. Goodnight!

Suppose for a moment that someone were to suggest that the current military structures could handle the mission. We sponsors would ask: The Air Force? Its leaders regard an antimissile defense as they do the plague, for both bureaucratic and doctrinal reasons. Everyone knows that! The Army? There the reticence is less marked. But the Army consists of established communities—infantry, artillery, armor, and so forth—whose presure for funds would necessarily detract from performance of this new mission.

Besides, both the Army and the Air Force are mired in the web of regulations that waste huge chunks of time and money. Why start a new organization on so wrong a foot? How about a joint command? That, clearly would combine all the inconveniences of the Army and the Air Force, adding to them one more level of bargaining and compromise. A joint command would mean more time and money wasted.

Just take for example the recently created Space Command. Although the command's motto is "Guardian's of the High Frontier," its mission has been carefully crafted to ensure that it does not encroach on any of the services perogatives and is written in the classic bureaucratic tradition:

> The space command mission is to manage and operate assigned space assets, to centralize planning, to consolidate requirements, to provide operational advocacy, and to ensure a close interface betweeen research and development activities and operational users of Air Force space programs.

It is hard to tell what they may be guardians of, except maybe Air Force turf. Moreover, Mr. President, in the unlikely event that a joint command, or the Army, were to nurture successfully an organization manning thousands of pieces of antimissile equipment on the ground, and running a hundred satellites in space, that organization would eventually be split off, as surely as the Air Force was split off from the Army in 1947. So why not save the time, trouble, and expense, and start out doing the right thing right away?

How about the bill's provision that the U.S. defense force be exempt from Pentagon regulations for at least 10 years? There is now near-universal recognition that those regulations waste human talent, time and money. It seems that everyone is proposing a plan to tinker with them at the margin. What would happen if we wiped the board clean and let someone responsible for quickly building the new force go about it in a reasonable manner? We bet that the result would be a tremendous increase in speed, and a huge drop in costs. Such drastic means have always worked in the past in the days when giants like Rickover and Schriever were allowed to use American ingenuity and enterprise. This technique is used today on a smaller scale in many of our black programs.

We expect opposition to this provision and we will find it interesting to see how so many prominent people who have styled themselves military reformers and champions of efficiency will manage to stand up for the present Pentagon system. We are also eager to see expressed in public the objection to our bill's mandate to design weapons and procedures to defend the United States against current military threats—as defined by the best intelligence available to the United States. The American people, we are certain, will wonder why we ever bother to stipulate such a requirement. It is not common sense? Don't our people in the Pentagon normally do this anyhow? Alas the answer is, yes, this provision is common sense. But no, the Pentagon normally acts precisely in opposition to this bit of common sense.

Not only in the antimissile field—although the practice is most blatant here—the Pentagon designs weapons and procedures not against what enemy weapons exist or against the weapons that U.S. intelligence can see on the horizon. Rather, it designs weapons against the mythical enemy weapons that our own weapons designers' unconstrained imagination can conjure up. In other words, they design against ever-changing phantoms of their own creation. They call this way of doing things the responsive threat. It is a symptom of the Pentagon's proclivity to gold-plate all that it touches, as many a Senator has stated on this before. No wonder our costs have been skyrocketing! One can always conjure up one last threat to prevent rescissions, to delay action.

The sponsors of this bill eagerly look forward to publicly debating this way of doing things. We now have a chance to change the way of doing things, to start over to let our best technical talent set their own pace, unhindered by echelons of Pentagon bureaucrats who exist only to make sure that their parochial interests are served by whatever weapon is under design. Perhaps the objections to this bill will be over the list of weapons that we propose to build. We look forward to anyone in the administration trying to argue that any of these weapons are unfeasible. We would only ask that, for the sake of public accountability, certain items of information relevant to the programs now ongoing in each of those fields be declassified. We are open to changes in these weapons based on technical evidence, but not on political advice.

Perhaps the opposition's quarrel will be with our timetable for testing. The sponsors are eager to admit that our schedule is unrealistic given the procedures currently in force in the Department of Defense. The very point of this bill is to establish an organization in which the accomplishment of the mission to protect the American people will be more important than the procedures. Today, things work the other way around. We look forward to debating what ought to come first!

Finally, the opponents will point out that to vote for this bill is to declare the intention to do away with the ABM Treaty. In this case, the opponents are entirely correct. We, the sponsors of this bill, are offering a choice between fulfilling the purpose of the U.S. Constitution and common sense on the one hand, and the ABM Treaty with the Soviet Union on the other. We believe that debates—and votes—on this basic choice would be as good for our politics as it will for our defense.

By Mr. RIEGLE (for himself, Mr. BINGAMAN, and Mr. LEVIN):

S. 901. A bill to amend the National Apprenticeship Act to require minimum funding for certain outreach recruitment and training programs, to restore a national information collection system, to limit the authority to conduct reductions in force within the Bureau of Apprenticeship and Training of the Department of Labor, and for other purposes; to the Committee on Labor and Human Resources.

APPRENTICESHIP IMPROVEMENT ACT

● Mr. RIEGLE. Mr. President, today, I am introducing the Apprenticeship Improvement Act to strengthen the ability of the Bureau of Apprenticeship and Training [BAT] to meet the demand for highly skilled and technically proficient workers for the remainder of this decade and beyond. I am happy to have the distinguished Senator from New Mexico, Senator BINGAMAN and my friend and colleague from Michigan, Senator LEVIN, as cosponsors of this legislation.

A properly trained and skilled work force is vital to rebuild and maintain our country's stature in an increasingly competitive world economy. The emerging low-paid, low-skilled jobs will not provide our country with the economic resources upon which America can reduce its $170 billion trade deficit and regain its position of leadership in research and development.

Since colonial times, apprenticeship training has effectively provided American workers with the skills needed for high-demand occupations. Improving apprenticeship training promotes a key objective of Federal economic policy by offering a low-cost method of maintaining and expanding the quality of our Nation's work force.

The Bureau of Apprenticeship and Training, established as an entity of the Department of Labor, is charged with the regulation and development of apprenticeship programs. Unfortunately, the staff of the Bureau has been decimated by budget cuts in recent years. During the past 5 years alone, BAT has suffered staff reductions of 43 percent. BAT offices in several major metropolitan areas have been closed and, as a result, several important services have been discontinued.

The Apprenticeship Improvement Act of 1987 will reaffirm Congress' commitment to apprenticeship and training by increasing the staff of the Bureau to an equivalent of 376 full-time employees. In addition, the bill would do the following:

Limit the authority to conduct reductions in force within the Bureau of Apprenticeship and Training by disallowing such a reduction if it would reduce the number of civilian employees within the Bureau to fewer than 376 full-time employees.

Require a set-aside of 1 percent of the funds for outreach, recruitment, and training programs to increase the participation of women, minorities, handicapped, displaced workers, and the disadvantaged.

Require the Secretary to submit to Congress within 6 months of enactment, a detailed report concerning the Department's directive to determine whether apprenticeship programs comply with regulations governing equal opportunity. The report will include a detailed description of activities carried out by the Department to ensure such compliance, a list of compliance reviews undertaken, and a report describing any sanctions imposed as a result of compliance reviews.

Require the Secretary to establish and maintain a national information collection system for apprenticeships and apprenticeship programs.

Mr. President, the future of the American work force is much too important to allow a program such as this to continue to deteriorate. The restoration of positions is moderate. It would not reach the 1981 level of 459 full-time positions, but would exceed the present level of 262 positions.

Further, it would elevate the Bureau of Apprenticeship and Training to a more important place in the Department of Labor by putting it within the Office of the Secretary, with an administrator reporting directly to the Secretary of Labor.

I urge my colleagues to support this necessary change.

I ask unanimous consent that a table of employment patterns for the Bureau of Apprenticeship and Training be printed in the RECORD.

I also ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 901

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Apprenticeship Improvement Act of 1987".

SEC. 2. ESTABLISHMENT OF INFORMATION COLLECTION SYSTEM.

Section 2 of the Act of August 16, 1937 (50 Stat. 664; 29 U.S.C. 50), popularly known as the "National Apprenticeship Act" is amended—

(1) by inserting "(a)" immediately after "Sec. 2.", and

(2) by adding at the end thereof the following new subsection:

"(b) The Secretary shall establish and maintain a national information collection system for apprenticeships and apprenticeship programs.".

SEC. 3. OUTREACH PROGRAM.

Such Act is further amended—

(1) by redesignating section 4 as section 5, and

(2) by inserting after section 3 the following new section:

"SEC. 4. The Secretary shall assure that from the amounts appropriated to carry out this Act in each fiscal year, not less than 1 percent of such amounts shall be available to establish outreach recruitment activities to increase the participation of women, minorities, handicapped individuals, displaced workers, and disadvantaged individuals in the apprenticeship programs authorized by this Act.".

SEC. 4. ESTABLISHMENT OF BUREAU OF APPRENTICESHIP AND TRAINING; APPOINTMENT OF EMPLOYEES.

(a) ESTABLISHMENT.—There is established in the Department of Labor, the Bureau of Apprenticeship and Training (hereinafter in this section referred to as the "Bureau") which shall carry out the policies and functions of this Act in behalf of the Secretary of Labor. The Bureau shall be under the direction of an administrator to be known as the Administrator of the Bureau of Apprenticeship and Training. The Administrator shall report directly to the Secretary.

(b) TRANSFER OF FUNCTIONS.—All functions of the Assistant Secretary for Employment and Training Administration of the Department of Labor with respect to the promotion of labor standards of apprenticeship, including research, information, and publications are transferred to the Bureau. All functions related to apprenticeship, including appropriate administrative and program support services, together with personnel necessary to the administration of such functions, and unexpended balances of appropriations and other funds related thereto, are transferred to the Bureau.

(c) APPOINTMENT OF EMPLOYEES; ADEQUATE STAFFING REQUIRED.—(1) The Secretary is authorized to appoint such employees as may be necessary for the administration of this Act in accordance with laws applicable to the appointment and compensation of employees and advisors of the United States.

(2) The Secretary shall assure that not less than the equivalent of 376 full-time employees are employed in the Bureau.

SEC. 5 LIMITATIONS ON REDUCTION IN FORCE.

(a) IN GENERAL.—A reduction in force may not be conducted within the Bureau of Apprenticeship and Training of the Department of Labor if—

(1) the reduction in force would reduce the total number of civilian employees within such Bureau; and

(2) such total number, after the reduction in force, would be less than the equivalent of 376 full-time employees.

(b) CONSIDERATION OF EMPLOYEES WORKING LESS THAN FULL TIME.—In the administration of subsection (a)—

(1) a part-time employee shall be counted as a fraction, the numerator of which is the number corresponding to the average number of hours in such employee's regularly scheduled workweek and the denominator of which is 40; and

(2) an individual employed on a temporary or intermittent basis shall not be counted.

SEC. 6. REPORT.

(a) In General.—The Secretary of Labor shall prepare and submit to the Congress, not later than 6 months after the date of enactment of this Act, a detailed report concerning whether the apprenticeship program conducted by the Department of Labor under the Act of August 16, 1937 (50 Stat. 664; 29 U.S.C. 50), complies with regulations governing equal opportunity.

(b) Contents of Report.—The report required by this section shall include—

(1) a detailed description of activities carried out by the Department of Labor to ensure compliance;

(2) a list of compliance reviews undertaken by the Department; and

(3) a description of any sanctions imposed as a result of the compliance reviews.

BUREAU OF APPRENTICESHIP AND TRAINING—HISTORY OF POSITIONS, APPROPRIATIONS, CEILINGS, OBLIGATIONS AND EMPLOYMENT

FYs	Positions	Appropriations	Ceilings	FTE	Obligations	Total Employment	
						EOY	Change
1973	388	$8,258	380		$8,233	384	−18
1974	388	8,575	381		8,288	380	−4
1975	463	9,961	443		9,950	426	+46
1976	463	11,877	443		11,528	436	+10
TQ						444	+18
1977	495	12,989	475		12,911	462	+18
1978	495	13,856	475		13,813	475	+13
1979	486	14,328	465		14,328	428	−47
1980	459	14,497	432		14,311	412	−46
1981	459	15,737	432		15,092	383	−29
1982	332	16,134	341		14,907	331	−72
1983	291	15,369	285		13,503	276	−35
1984	262	12,923	236		12,902	224	−52
1985	262	12,555	257		12,208	266	+42
1986 [1]	262	12,312	257	249			
1987 [1]	2—	13,029		253			

[1] Congresssional Budget Estimates.●

By Mr. McCLURE (for himself, Mr. Adams, Mr. Mitchell, Mr. Danforth, Mr. Heinz, Mr. Thurmond, Mr. Evans, and Mr. Specter):

S. 902. A bill to amend the Food Security Act of 1985 and the National School Lunch Act to extend to 1992 the eligibility of certain school districts to receive alternative forms of assistance for school lunch programs and to amend the Agricultural and Food Act of 1981, the Child Nutrition Amendments of 1986, and the Child Nutrition School Lunch and Child Nutrition Amendments of 1986 to extend to 1992 the National Donated Commodity Processing Program; to the Committee on Agriculture, Nutrition, and Forestry.

EXTENSION OF CERTAIN SCHOOL NUTRITION PROGRAMS

● Mr. McCLURE. Mr. President, today I am introducing a bill which allows school districts currently receiving cash or a commodity letter of credit to continue to do so until 1992. It is a reasonable bill which will not cost the Department of Agriculture any additional moneys beyond what they already spend on the School Lunch Program.

In 1980, Congress required the Department of Agriculture to conduct a demonstration project and associated evaluation of the National School Lunch Program. This study was to compare the effectiveness and efficiency of the commodity system of distribution to a cash and letter of credit system. The evaluation called for the provision of information on the operations and relative effectiveness of the three alternatives for meeting the dual objectives of supporting farm prices and provision of nutritious food to schoolchildren. The evaluation was to examine the effects of the three systems in the following ways:

First, the extent to which the cash and CLOC systems resulted in changes in the composition and/or quantity of food acquired by school food authorities;

Second, the benefits accruing to farmers from Commodity Donation Program and changes that might occur under the cash or CLOC systems;

Third, the effects of the cash and CLOC systems on the cost of operating school lunch programs at the local, State, and Federal levels;

Fourth, the effects of the cash and CLOC systems on students, including changes in the nutritional content of the foods available for use in school feeding programs, and the changes in student-level participation in the Lunch Program;

Fifth, the feasibility of administering and monitoring the cash and CLOC systems on a national basis, including the impact of such a change on other programs currently eligible to receive commodities.

In order to accomplish the congressional purpose, approximately 100 school districts throughout the United States agreed to participate. About 69 of these school systems changed their operating systems either to commodity letter of credit or cash programs. These schools found that using either the letter of credit or cash programs they had lower operating expenses, increased student use, and lower plate waste. Unfortunately, the USDA study, did not admit this. As a result of questions arising from the final report, Congressman Goodling and Ford and myself have requested that the General Accounting Office review the methodology and resulting conclusions of the USDA study. This review will be finished this year.

This bill will allow those school districts who participated in the program to maintain the system they are now under if they choose. Many of the participants have expressed to me their desire to maintain the cash or CLOC Program as its saves them money and provides flexibility to provide food that students will eat. The purpose of the School Lunch Program is to get kids to eat nutritious foods. If the food is thrown away, we have failed in our purpose. The cash and CLOC programs are proven as a way to reduce costs and increase student usage—without reducing the use of our commodities. Schools who are using the letter of credit or cash still use agriculture products—in fact they cannot use anything else—students eat food and food comes from farms. Letter of credit and cash only change the way the school districts receive the commodity.

I urge my colleagues to support this section of the bill.

In addition this bill extends the National Commodity Processing Program until 1992. Through this program elementary and secondary school systems, correctional facilities, nonprofit hospitals and nursing homes, as well as senior citizen foodservice operations, nonprofit summer camps, food banks, and day care centers can buy products produced with USDA commodities at a discount.

The National Donated Commodity Processing Program has the USDA entering into contracts with processors to make finished products from the nonfat dry milk, butter, cheese, and honey on which the Department is paying storage, the companies take the USDA commodity, make finished products, and discount the price of the finished products to eligible recipients by the value of the donated commodity in the end product.

I believe that this program makes sense. It reduces the amount of USDA commodity stored at Government expense at the same time provides food to those who can best utilize it at reduced prices. It should be extended to provide for stability in the program. Thus, I urge my colleagues to review this bill carefully and invite their cosponsorship.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 902

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION TO 1992 OF ELIGIBILITY OF CERTAIN SCHOOL DISTRICTS TO RECEIVE CASH OR COMMODITY LETTER OF CREDIT ASSISTANCE FOR SCHOOL LUNCH PROGRAMS.

(a) Subsection (b) of section 1581 of the Food Security Act of 1985 (Public Law 99-198, 99 Stat. 1594) is amended by striking out "June 30, 1987," and inserting in lieu thereof "June 30, 1992".

(b) Section 14 of the National School Lunch Act (42 U.S.C. 1762a) is amended in subsection (g)(2) by inserting after "the Secretary shall permit" the following: ", effective through the school year ending June 30, 1992,".

SEC. 2. EXTENSION TO 1992 OF NATIONAL DONATED COMMODITY PROCESSING PROGRAMS.

(a) Subparagraph (A) of section 1114(a)(2) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(a)(2)) is amended by striking out "June 30, 1987," and inserting in lieu thereof "June 30, 1992".

(b) Section 4404 of the Child Nutrition Amendments of 1986 (Public Law 99-661) and section 364 of the School Lunch and Child Nutrition Amendments of 1986 (Public Law 99-591) are each amended by inserting after "the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(a)(2))" the following: "and effective through June 30, 1992".●

By Mr. METZENBAUM (for himself, Mr. HEINZ, Mr. GLENN, Mr. SPECTER, Mr. BYRD, Mr. ROCKEFELLER, Mr. LEVIN, Mr. BOSCHWITZ, Mr. SHELBY, Mr. BUMPERS, Mr. INOUYE, Ms. MIKULSKI, Mr. SARBANES, Mr. LUGAR, Mr. RIEGLE, and Mr. DURENBERGER):

S. 903. A bill to extend certain protections under title 11 of the United States Code, the Bankruptcy Code; to the Committee on the Judiciary.

PROTECTION OF RETIREE HEALTH AND LIFE INSURANCE BENEFITS UNDER THE BANKRUPTCY LAWS

● Mr. METZENBAUM. Mr. President, I rise to introduce a measure to extend for 6 months the current law provisions that protect retiree health and life insurance benefits when companies are in bankruptcy. The current protections expire on May 15, 1987. An extension of these provisions will enable Congress to complete consideration of legislative proposals introduced in the House and Senate to amend the Bankruptcy Code.

I ask unanimous consent that a copy of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 903

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 608(a) of Public Law 99-591 (100 Stat. 3341-74), and section 2(a) of Public Law 99-656 (100 Stat. 3668) are amended by striking out "May 15, 1987" each place it appears and inserting in lieu thereof "November 15, 1987".●

ADDITIONAL COSPONSORS

S. 58

At the request of Mr. BREAUX, his name was added as a cosponsor of S. 58, a bill to amend the Internal Revenue Code of 1986 to make the credit for increasing research activities permanent and to increase the amount of such credit.

S. 93

At the request of Mr. INOUYE, the name of the Senator from Colorado [Mr. WIRTH] was added as a cosponsor of S. 93, a bill to provide that services furnished by a clinical psychologist in a rural health clinic need not be provided under the direct supervision of a physician in order to qualify for coverage under Medicare and Medicaid.

S. 104

At the request of Mr. INOUYE, the names of the Senator from New York [Mr. MOYNIHAN], the Senator from Massachusetts [Mr. KERRY], and the Senator from Alaska [Mr. STEVENS] were added as cosponsors of S. 104, a bill to recognize the organization known as the National Academies of Practice.

S. 123

At the request of Mr. INOUYE, the name of the Senator from Colorado [Mr. WIRTH] was added as a cosponsor of S. 123, a bill to amend title XVIII of the Social Security Act to provide that psychologist services are covered under part B of Medicare.

S. 268

At the request of Mr. HUMPHREY, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 268, a bill to amend title 5, United States Code, to provide child adoption benefits for Federal Government employees.

S. 269

At the request of Mr. HUMPHREY, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 269, a bill to amend title 10, United States Code, to provide child adoption benefits for members of the Armed Forces.

S. 270

At the request of Mr. HUMPHREY, the names of the Senator from Utah [Mr. HATCH], and the Senator from Ohio [Mr. GLENN] were added as cosponsors of S. 270, a bill to provide a transition period for the full implementation of the nonrecurring adoption expenses reimbursement program.

S. 328

At the request of Mr. BREAUX, his name was added as a cosponsor of S. 328, a bill to amend chapter 39, United States Code, to require the Federal Government to pay interest on overdue payments, and for other purposes.

S. 454

At the request of Mr. SASSER, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 454, a bill to amend title XVIII of the Social Security Act to provide for part C program to furnish comprehensive catastrophic and preventive benefits through prepaid plans.

S. 466

At the request of Mr. CHAFEE, his name was added as a cosponsor of S. 466, a bill to provide for a waiting period before the sale, delivery, or transfer of a handgun.

S. 476

At the request of Mr. DODD, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 476, a bill to provide assistance in the development of new or improved programs to help younger persons through grants to the States for community planning, services, and training; to establish within the Department of Health and Human Services an operating agency to be designated as the Administration on Children, Youth, and Families; and to provide for a White House Conference on Young Americans.

S. 514

At the request of Mr. KENNEDY, the name of the Senator from Michigan [Mr. LEVIN] was added as cosponsor of S. 514, a bill to amend the Job Training Act to establish an incentive bonus for the successful placement of certain employable dependent individuals, to provide targeting of assistance from certain carryover funds for such individuals, and for other purposes.

S. 530

At the request of Mr. HEINZ, the names of the Senator from Louisiana [Mr. JOHNSTON], and the Senator from Idaho [Mr. SYMMS] were added as cosponsors of S. 530, a bill to delay for 1 year the changes made by the Tax Reform Act of 1986 in the taxable years of certain entities, and for other purposes.

S. 541

At the request of Mr. PRYOR, the names of the Senator from Mississippi [Mr. STENNIS], the Senator from California [Mr. CRANSTON], the Senator from Maine [Mr. MITCHELL], the Senator from Iowa [Mr. GRASSLEY], the Senator from Oklahoma [Mr. BOREN], the Senator from Alabama [Mr. SHELBY], and the Senator from Indiana [Mr. LUGAR] were added as cosponsors of S. 541, a bill to amend title 39, United States Code, to extend to certain officers and employees of the U.S. Postal Service the same procedural and appeal rights with respect to certain adverse personnel actions as are afforded under title 5, United States Code, to Federal employees in the competitive services.

S. 574

At the request of Mr. HECHT, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 574, a bill entitled the "Battle Mountain Pasture Restoration Act of 1987."

S. 575

At the request of Mr. HECHT, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 575, a bill to convey public land to the Catholic Diocese of Reno/Las Vegas, NV.

S. 604

At the request of Mr. PRYOR, the name of the Senator from Louisiana [Mr. BREAUX] was added as a cosponsor of S. 604, a bill to promote and protect taxpayer rights, and for other purposes.

S. 628

At the request of Mr. GRASSLEY, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of S. 628, a bill to amend the Internal Revenue Code of 1986 to restore the deduction for interest on educational loans.

S. 709

At the request of Mr. KENNEDY, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 709, a bill to impose additional sanctions against Chile unless certain conditions are met.

S. 718

At the request of Mr. MATSUNAGA, the name of the Senator from Colorado [Mr. WIRTH] was added as a cosponsor of S. 718, a bill to eliminate discrimination with regard to mental illness under Medicare.

S. 734

At the request of Mr. BREAUX, his name was added as a cosponsor of S. 734, a bill to extend trade adjustment assistance to workers and firms in the oil and gas industry whose services or products are not directly competitive with imports.

S. 813

At the request of Mr. DOLE, the name of the Senator from Delaware [Mr. ROTH] was added as a cosponsor of S. 813, a bill to provide urgently needed assistance to protect and improve the lives and safety of the homeless.

S. 833

At the request of Mr. HECHT, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 833, a bill entitled the "Nuclear Waste Transportation Prohibition through Urbanized Areas Act of 1987."

S. 840

At the request of Mr. THURMOND, the names of the Senator from Oklahoma [Mr. NICKLES], and the Senator from Illinois [Mr. SIMON] were added as cosponsors of S. 840, a bill to recognize the organization known as the 82d Airborne Division Association, Inc.

S. 851

At the request of Mr. GRAHAM, the names of the Senator from Indiana [Mr. LUGAR], the Senator from Wisconsin [Mr. KASTEN], and the Senator from Arizona [Mr. DECONCINI] were added as cosponsors of S. 851, a bill to provide Federal financial assistance to States offering scholarships to financially needy students from certain Latin American and Caribbean countries, and for other purposes.

S. 858

At the request of Mr. BRADLEY, the names of the Senator from Georgia [Mr. FOWLER], and the Senator from Alaska [Mr. STEVENS] were added as cosponsors of S. 858, a bill to establish the title of States in certain abandoned shipwrecks, and for other purposes.

S. 887

At the request of Mr. MATSUNAGA, the names of the Senator from Michigan [Mr. RIEGLE], the Senator from Hawaii [Mr. INOUYE], the Senator from Montana [Mr. BAUCUS], and the Senator from Massachusetts [Mr. KERRY] were added as cosponsors of S. 887, a bill to extend the authorization of appropriations for and to strengthen the provisions of the Older Americans Act of 1965, and for other purposes.

S. 896

At the request of Mr. BREAUX, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 896, a bill relating to the application of the drawback provisions of section 313 of the Tariff Act of 1930 to certain imports of raw cane sugar.

SENATE JOINT RESOLUTION 11

At the request of Mr. THURMOND, the name of the Senator from California [Mr. WILSON] was added as a cosponsor of Senate Joint Resolution 11, joint resolution proposing an amendment to the Constitution relating to Federal balanced budget.

SENATE JOINT RESOLUTION 59

At the request of Mr. THURMOND, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of Senate Joint Resolution 59, joint resolution to designate the month of May 1987 as "National Foster Care Month."

SENATE JOINT RESOLUTION 75

At the request of Mr. THURMOND, the names of the Senator from Indiana [Mr. LUGAR], the Senator from Idaho [Mr. MCCLURE], and the Senator from Minnesota [Mr. BOSCHWITZ] were added as cosponsors of Senate Joint Resolution 75, joint resolution to designate the week of August 2, 1987, through August 8, 1987, as "National Podiatric Medicine Week."

SENATE CONCURRENT RESOLUTION 6

At the request of Mr. HUMPHREY, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of Senate Concurrent Resolution 6, concurrent resolution expressing the sense of the Congress with respect to the denial of health insurance coverage for disabled adopted children.

SENATE CONCURRENT RESOLUTION 9

At the request of Mr. DOLE, the names of the Senator from Indiana [Mr. QUAYLE] and the Senator from Missouri [Mr. BOND] were added as cosponsors of Senate Concurrent Resolution 9, concurrent resolution to provide for the display of the National League of Families POW/MIA flag in the Capitol Rotunda.

SENATE CONCURRENT RESOLUTION 20

At the request of Mr. GORE, the name of the Sentor from Iowa [Mr. GRASSLEY] was added as a cosponsor of Senate Concurrent Resolution 20, concurrent resolution to express the sense of Congress that funding for the vocational education program should not be eliminated.

SENATE CONCURRENT RESOLUTION 30

At the request of Mr. BAUCUS, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of Senate Concurrent Resolution 30, concurrent resolution to endorse the national certification of teachers in elementary and secondary education in the United States.

SENATE CONCURRENT RESOLUTION 35

At the request of Mr. DECONCINI, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of Senate Concurrent Resolution 35, concurrent resolution expressing the sense of the Congress regarding the imposition of charges for outpatient care provided in medical facilities of the uniformed services to retired members of the Armed Forces, dependents of retired members, and dependents of members serving on active duty.

SENATE RESOLUTION 174

At the request of Mr. DECONCINI, the names of the Senator from Nevada [Mr. HECHT] and the Senator from New Hampshire [Mr. RUDMAN] were added as cosponsors of Senate Resolution 174, resolution expressing the sense of the Senate condemning the Soviet-Cuban buildup in Angola and the severe human rights violations of the Marxist regime in Angola.

SENATE RESOLUTION 182—AUTHORIZING REPRESENTATION BY THE SENATE LEGAL COUNCIL

Mr. BYRD (for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 182

Whereas, in the case of *James J. Tayoun* v. *Thomas M. Foglietta, et al.*, No. 86-3778, pending in the United States District Court for the Eastern District of Pennsylvania, the plaintiff has caused the Clerk of the United States District Court for the District of Columbia to issue a deposition subpoena, F.S. 87-0079, to Senator Jesse Helms;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act, 2 U.S.C. §§ 288b(a) and 288c(a)(2) (1982), the Senate may direct its counsel to represent Members of the Senate with respect to subpoenas issued to them in their official or representative capacities: Now, therefore, be it

Resolved, That the Senate Legal Counsel is directed to represent Senator Helms in the case of *Tayoun* v. *Foglietta, et al.*

NOTICES OF HEARINGS

COMMITTEE ON SMALL BUSINESS

Mr. BUMPERS. Mr. President, I would like to announce that the

Senate Small Business Committee will hold a full committee hearing on Thursday, April 23, 1987, at 9:30 a.m. to examine the issues related to the cost and availability of health care benefits for small businesses and their employees as well as proposals for federally funded mandated health benefits. The hearing will be held in room 428A of the Russell Senate Office Building. For further information, please call John Ball, the committee staff director at 224-5175 or Elizabeth Goss, of Senator BUMPER's personal staff at 224-4843.

SPECIAL COMMITTEE ON AGING

Mr. MELCHER. Mr. President, I would like to announce for the public that the Special Committee on Aging has scheduled its first field hearing of the 100th Congress entitled, "The Catastrophic State of Catastrophic Health Care Coverage," for Thursday, April 16, 1987 in Birmingham, AL.

The hearing will take place in room 138—Court Room No. 2, at the U.S. Federal Court House on 5th Avenue North from 9:00 a.m. to 12 noon. The hearing will be chaired by committee member, Senator RICHARD SHELBY.

The purpose of this hearing is to highlight the current major gaps in public and private health insurance coverage of expenses associated with catastrophic illnesses and to examine possible approaches to dealing with this problem.

For further information, please contact Max Richtman, staff director at (202) 224-5364 or Leslie Ludwick or Tricia Primrose of Senator SHELBY's staff at (202) 224-5744.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Thursday, April 2, 1987, at 10 a.m. to hold an executive session for pending committee business.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON THE CONSTITUTION

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on the Constitution of the Committee on the Judiciary be authorized to meet during the session of the Senate on April 2, 1987, at 2 p.m., to hold a hearing on S. 558. Fair Housing Amendment Act of 1987.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. BYRD. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, April 2, 1987, at 2:30 p.m. to resume closed hearings on proposed legislation authorizing funds for fiscal year 1988 for the intelligence community.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on April 2, 1987, at 10 a.m. to hold a hearing on the comparison of the major trade bills.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Thursday, April 2, 1987, at 3 p.m. to mark up S. 810, a bill to authorize housing assistance for homeless individuals and families; and to vote on the nominations of: Alfred J. Fleischer, of Missouri, to be a member of the Board of Directors of the National Corporation of Housing Partnerships; and Thomas J. Healey, of New Jersey, to be a member of the Board of Directors of the Securities Investor Protection Corporation.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Thursday, April 2, 1987, at 9:30 a.m., to hold hearings on proposed legislation relating to the Government's role in economic competitiveness.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON TECHNOLOGY AND THE LAW

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Technology and the Law of the Committee on the Judiciary, be authorized to meet during the session of the Senate on April 2, 1987, at 9:45 a.m., to have a markup on S. 442, the Semiconductor Chip Protection Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PATENTS, COPYRIGHTS, AND TRADEMARKS

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Patents, Copyrights and Trademarks of the Committee on the Judiciary, be authorized to meet during the session of the Senate on April 2, 1987, at 10 a.m., to hold a hearing on copyright issues presented by digital audio tape.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ANTITRUST, MONOPOLIES, AND BUSINESS RIGHTS

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Antitrust, Monopolies, and Business Rights of the Committee on the Judiciary, be authorized to meet during the session of the Senate on April 2, 1987, at 9:30 a.m., to hold a hearing on corporate takeovers.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INTERNATIONAL FINANCE AND MONETARY POLICY

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on International Finance and Monetary Policy of the Committee on Banking, Housing, and Urban Affairs, be authorized to meet during the session of the Senate on Thursday, April 2, 1987, at 9:30 a.m., to conduct oversight hearings on Third World debt.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CONVENTIONAL FORCES AND ALLIANCE DEFENSE AND SUBCOMMITTEE ON DEFENSE INDUSTRY AND TECHNOLOGY

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Conventional Forces and Alliance Defense jointly with the Subcommittee on Defense Industry and Technology, be authorized to meet during the session of the Senate on Thursday, April 2, 1987, at 2 p.m. in open session to receive testimony on the Department's efforts to implement baselining, defense enterprise programs and milestone authorizations for major acquisition programs, in review of S. 864, the Department of Defense Authorization Act for fiscal year 1988 and fiscal year 1989.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON STRETEGIC FORCES AND NUCLEAR DETERRENCE

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Strategic Forces and Nuclear Deterrence of the Committee on Armed Services, be authorized to meet during the session of the Senate on Thursday, April 2, 1987 at 9 a.m. in closed session to receive additional testimony regarding the B-1B aircraft in review of S. 864, the fiscal years 1988 and 1989 Department of Defense Authorization Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Energy Research and Development, of the Committee on Energy and Natural Resources, be authorized to meet during the session of the Senate on Thursday, April 2, 1987, at 9 a.m. Oversight hearing to receive testimony concerning the clean coal technology program.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE NUTRITION AND INVESTIGATIONS

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Nutrition and Investigations of the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Thursday, April 2, 1987, at 2 p.m. to hold a hearing on S. 728 and S. 812, bills to improve the nutrition of the homeless.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE ALBER FAMILY

● Mr. SASSER. Mr. President, I rise today to call to the attention of my colleagues the plight of the Alber family. Solomon Alber, his wife Evangelina and their two children Mark and Ilya have been trying to emigrate from the Soviet Union for the past 13 years. Their requests continue to be denied. I have written an appeal to Soviet General Secretary Gorbachev, urging him to allow the Alber family to leave the Soviet Union. My letter is part of a nationwide effort to focus attention on the continuing problems facing refusenik families. I am very pleased to join this effort by "adopting" the Alber family. This "adoption" program is designed to continue to apply pressure on Soviet leaders to allow the Albers and thousands of Soviet refuseniks to emigrate.

Mr. President, Solomon Alber, a 55-year-old mathematician and physicist, was director of the Mathematics Lab Institute of Chemical Physics in the Academy of Science. His wife Evangelina was employed as a pathologist. When the Alber family applied for a visa to emigrate from the Soviet Union, Solomon was demoted and Evangelina lost her job.

On June 23, 1976, the New York Times reported that then 15-year-old Mark had become the target of an officially inspired campaign of threats and violence. He was beaten up by schoolmates—once into unconsciousness.

On December 23, 1986, Solomon was summoned to the Ministry of Foreign Affairs to meet with a spokesman of Foreign Minister Eduard Sheverdnaze. He told Solomon that Soviet leaders had decided not to give visas to his family. The stated reason: Although Solomon was not in contact with any "secrets," it is possible that he might have acquired some secrets during all of his life experience.

During this same time period, Mark, now 25 years old and a computer programmer, began to be harassed at his job and threatened with dismissal. The family will appeal his case in the Soviet courts. It is likely, however, that he will be dismissed. If dismissed, he will have 3 months to get a job. If he does not find work, he may be jailed on charges of parasitism.

The official anti-Semitism and the cultural and religious repression which the Albers and thousands of others like them face in the Soviet Union is a cruel and grinding challenge to the spirit. Thousands of those who try to secure their freedom by emigrating are staunchly denied that universal human right. They are routinely penalized for continuing to seek to exercise this right. Recent changes in the Soviet emigration policies which, ostensibly reflect a new openness, or glasnot, have not yet resulted in fewer restrictions on emigration for religious or humanitarian reasons.

Mr. President, we all rejoiced in the recent release of prisoners of conscience like Anatoly Shcharansky and Yuri Crlov. However, we must never forget that for every individual who is finally allowed to emigrate, there are hundreds—thousands of others who are denied permission to leave the Soviet Union. Jewish emigration from the Soviet Union fell to its lowest level during 1986 since the 1960's.

The Albers, for 13 years, have been subjected to the intimidation and persecution which, tragically, are a normal byproduct of attempting to emigrate from the Soviet Union. It is my hope that Mr. Alber and his family will soon be able to achieve the goal they have sought for 13 years: To establish a home where they can pursue their chosen careers and where they are free to practice their religion. I will continue to do what I can to secure this goal in the weeks ahead.●

SUPERCONDUCTOR TECHNOLOGY

● Mr. DURENBERGER. Mr. President, earlier this week I introduced S. 880, the Superconductivity Competition Act of 1987. My legislation is intended to encourage corporation between the Federal Government and the private sector in the research, development, and production of superconductors and their applications. As was reported in the April 6 cover story of Business Week, we are witnessing a scientific revolution in the development of superconductive materials that will affect every aspect of our future lives. I encourage my colleagues to read about this technological breakthrough; therefore, I ask to print the text of the Business Week article in the RECORD.

The article follows:

[From Business Week, Apr. 6, 1987]

"OUR LIFE HAS CHANGED": THE LIGHTBULB, THE TRANSISTOR—NOW THE SUPERCONDUCTOR REVOLUTION

With the poise of Harry Houdini, Bertram Batlogg reaches into his coat pocket. Slowly, he draws out a piece of flexible green tape and holds it aloft. There is silence. Then gasps and exclamations ripple through the crowd. "I think our life has changed," says Batlogg, who heads solid-state materials research at AT&T Bell Laboratories. The 3,500 physicists jamming the ballroom and surrounding hallways at the New York Hilton burst into shouts and applause.

The simple tape that Batlogg brandished at the annual meeting of the American Physical Society on Mar. 18 was indeed the pennant of a technological revolution. Because it can conduct electricity with no power losses to resistance, the tape material promises to have an enormous technological—and economic—impact. Such so-called superconductors could speed the way to a quantum leap in both electrical and electronic technology.

A torrent of developments is pointing to applications ranging from superfast computers to trains that float on magnetic fields, from less costly power generation and transmission to fusion energy. Although it may take 20 years before the full potential of these laboratory discoveries is realized, the economic impact could be enormous. Some scientists compare the importance of these advances in superconductors to the invention of the transistor. But to Jack S. Kilby, co-inventor of the integrated circuit, that's an understatement. "This is much broader," he says. "It could impact almost everything."

The normally staid physicists at the New York meeting apparently agreed. Like rock music fans waiting to get into a concert, the crowd began gathering for what they dubbed the "Woodstock of physics" 2½ hours ahead of time. When the doors opened for a hastily scheduled 7:30 p.m. session on superconductivity, scientists shoved and jostled each other for the 1,150 seats. The rest craned to hear from the hallways or watched on video monitors outside. "I came to see history," declared one scientist as he elbowed his way to a seat. He wasn't disappointed. More than 50 researchers reported brand-new experimental results. Several revealed information phoned in from their laboratories just hours earlier. With only five minutes allocated to each, the session ran until 3 a.m.

The advances have been a long time coming. In 1911, Dutch scientist Heike Onnes first observed that some metals became superconductive when cooled to almost absolute zero—the point at which all motion of atoms ceases. That opened tantalizing prospects for huge markets. But the only way to get near that ultra-cold temperature of −459F—or zero on the Kelvin scale that scientists prefer—was cooling with costly liquid helium.

CHASING THE GRAIL

So the search began for materials that would exhibit superconductivity at warmer temperatures. The effort, however, was slow and discouraging. In 1941, scientists discovered alloys of niobium that became superconductive at 15K. By 1973 the best superconductor operated at 23K—warm enough to make a few applications, such as magnets for medical imaging, economical. But this was far from the physicists' Holy Grail of "room temperature" superconductors. Many despaired that such materials were even possible.

In just the last four months, however, researchers in the U.S., Europe, Japan, and China churned out a stunning set of discoveries. They created a group of materials that become superconductors at temperatures that can be achieved with inexpensive liquid nitrogen. That made frigid superconductors red-hot. "It's the most exciting development in physics for decades," declares Neil W. Ashcroft, director of the Laboratory of Atomic & Solid State Physics at Cornell University. "The pace of discoveries can hardly be matched." And the dream of room-temperature materials is no longer unthinkable. "We've knocked down barriers and removed our blinders about what's possible," says Paul A. Fleury, director of the physical research lab at AT&T Bell Labs.

No one, least of all K. Alex Müller, a physicist from International Business Machines Corp.'s Zurich research laboratories, expected the barriers to higher-temperature superconductors to tumble so quickly. It was Müller who set off the current research rush a little more than a year ago with the discovery of a superconducting oxide of copper. Hunched in a chair during a lull in the New York meeting, the 59-year-old Müller seems ill at ease with the attention he is getting. "It was no unexpected," he says quietly, stroking his beard.

Müller holds the prestigious post of IBM Fellow, which frees the company's distinguished scientists to pursue projects of their own choosing. With the freedom to explore, Müller took a cue from research in the U.S. and France to examine a little-known group of oxides containing copper and nickel. Normally insulators, the materials had displayed some intriguing metallic properties. So for nearly three years, Müller and his colleague, J. Georg Bednorz, mixed humdreds of compounds and tested them for signs of superconductivity. In January, 1986, they measured superconductivity at a record-breaking 30K in an oxide containing lanthanum, barium, and copper. Müller, who expected a rise of several degrees at best, was incredulous.

Bednorz, a former student of Müller's, was so excited he wanted to report the results immediately. But Müller refused. The history of superconductor research is littered with unsubstantiated claims and the tarnished reputations of the scientists who made them. Fearful that his peers would denounce the results, he insisted on additional tests. "I didn't want to ridiculize myself," he recalls.

Only after they had confirmed their findings did Müller and Bednorz publish a paper. And then many U.S. scientists missed the paper when it was published last April because Müller chose a German journal not widely read in the U.S. Some who did read it doubted the findings. "I just couldn't take the claims seriously," says one physicist who now regrets his skepticism.

THE COLD RUSH

By fall, however, a handful of research teams was experimenting with Müller's compound. In December, reports discussed at a Boston scientific meeting created a sensation. Müller's work had been confirmed by a Tokyo University research team led by Shoji Tanaka and another group at the University of Houston headed by physics professor Ching-Wu "Paul" Chu. Immediately, scientists at more than a dozen labs, including AT&T, Argonne National Laboratory, and the University of California at Berkeley, began experiments on the substance.

It was easy to jump on the research bandwagon: The promising oxides can be whipped up in the chemistry lab of any junior college. Simply grind the chemicals with a mortar and pestle and heat them in a furnace. Regrind the result, press it into pellets, and heat it again with oxygen. So by the end of December, researchers at AT&T, the University of Tokyo, the Institute of Physics, Academia Sinica in Beijing, and the University of Houston announced they had cooked up oxides that smashed Müller's record.

The scientists have been at it ever since. Chu and his close-knit team of six pushed the temperature of Müller's oxide to 52.2K. "But I knew we wouldn't go higher unless we found a new material," Chu says.

So he decided to substitute another element, called yttrium, for the lanthanum in Müller's oxide. Working with University of Alabama scientists under Wu-Maw Kuen, the researchers soon recorded signs of superconductivity at a torrid 100K in that oxide. "But we came back the next day, and it had disappeared," recalls the 45-year-old Chu. The researchers began an intense cat-and-mouse game with the material, trying to stabilize the superconducting properties at that high temperature.

The team tested dozens of recipes with little success, but Chu's optimism never flagged. "He always looks on the bright side," says Pei-Herng Hor, one of his Taiwanese-born colleagues. By early February the team scored: The researchers found a stable compound that was superconductive at 98K, well above the temperature at which inexpensive liquid nitrogen could be used for cooling.

"SCIENCE SUPERSTAR."

Chu kept mum for two weeks, but rumors quickly lifted the veil of secrecy. Researchers at IBM, AT&T, and the University of California at Berkeley immediately set out to discover the secret ingredient. "Chu ran the four minute mile in superconductivity," declares James E. Shirber, manager of solid-state physics at Sandia National Laboratory. "He broke the barrier to liquid nitrogen." When the news got out, Chu earned the nickname "Science Superstar" from his staff.

That could prove to be an elusive title. Within weeks Tanaka, Z.X. Zhao from the Institute of Physics in Beijing, AT&T, and IBM were pacing Chu. By substituting still other elements such as calcium and lutetium, they concocted a dozen different oxides that become superconductors above 90K.

With so many teams after the ultimate superconductor and the prizes it might bring—perhaps even a Nobel—the tension among key researchers is becoming almost palpable. At the Physical Society meeting in New York, the scientists assiduously noted the dates when they observed high temperatures, developed compounds, or completed other ground-breaking work. "Everyone is writing history to make themselves look better," observes one physicist.

At a press conference during the meeting, Tanaka claimed the Japanese were first to experiment on certain compounds. Chu jumped up to add that his lab, too, was working on the same compounds at that date. Such incidents are "just the tip of the iceberg," says Chu. Although Chu and Tanaka used to compare work, the communication stopped once Chu began experiments on yttrium.

"It's frantic, mass hysteria," says Paul M. Grant, manager of magnetism and collective phenomena at IBM's Almaden Research Center in San Jose, Calif. "Everyone's exhausted." Grant, whose weeks of midnight research sessions resulted in the identification of the structure of one of the oxides, has the dark circles under his eyes to prove it. And the research is progressing so rapidly that it has outstripped the usual channels of scientific communication. At *Physical Review Letters*, the leading physics journal, more than 50 superconducting research papers await publication. "Recently' in this field now means two days ago," says M. Brian Maple, professor of physics at the University of California at San Diego.

GETTING PRACTICAL

The race to push superconducting materials out of the lab has barely begun, however. Just because a substance loses its electrical resistance when it's dipped in a cold, liquefied gas does not mean it will be much good in the real world. To be practical, superconductors have to be fashioned into wires, cores of magnets, and the thin coatings that form the foundation of computer circuits. And the materials, which are basically ceramics, are brittle—and fragile. "It is a long road between discovery and use of the devices," says Robert J. Cava, a chemist at Bell Labs.

But scientists already are pulling off the basic developments that lay the foundataion for commercial applications. One key finding is that the materials may make possible the most powerful electromagnets ever built. Tests at Westinghouse and AT&T indicate that the new superconductors can withstand magnetic fields up to 10 times greater than those possible with such materials as niobium. That could open the way to such applications as tiny but extremely powerful electrical motors and higher resolution medical imaging machines.

By March, both IBM and Stanford University had used techniques common in the semiconductor industry to produce a superconducting thin film that could be used in computers. At Stanford, Theodore H. Geballe, a professor of applied physics, fashioned a film into a prototype device that might be an ultrahighspeed data pathway between computer chips. An AT&T team that included Bertram Batlogg and ceramist David Johnson used ceramic processing technology to make its tape and small donut-shaped magnets. Japan's Fujikura Ltd. and Sumitomo Electric Industries Ltd. have made prototype superconducting wires.

The prospect of high-temperature superconductors shooting out of the laboratory has scientists lusting nearly as much after potential profits as scientific prizes. Just as semiconductor technology created Silicon Valley, the new superconductors may well create an "Oxide Valley." Already, some researchers are talking about starting companies. And Henry Kolm, who left Massachusetts Institute of Technology to found a company to develop superconductivity applications a decade ago, believes the new oxides will open the door to venture capital. "People didn't consider helium practical," he says. Liquid nitrogen cooling, however, "is not far from frozen-food technology."

But just who owns the rights to the new technology promises to be a major muddle. The U.S. Patent Office is already sifting through dozens of applications on everything from the structure of oxides to manufacturing processes and devices. IBM and

AT&T both contend they have claims for broad patent protection, but "it may be some time before we find out who has the rights," admits George Indig, a patent attorney at AT&T. Observers are predicting messy shootouts in the courts.

The rush of discoveries also leaves physicists with some loose ends. For one thing, they can't fully explain why the oxides are such superior superconductors. "It may be several years before we know what's going on, but there may be no theoretical limit to how high the temperature can go," says Robert Schreiffer, a professor at the University of California at Santa Barbara who won a Nobel for developing a theory of superconductivity. Indeed, by the time the New York meeting broke up, labs in the U.S. and Europe had reported signs of superconductivity well above 100K.

Such reports are spurring a frenzy of activity in Chu's Houston laboratory. Shoes are scattered under desks, and jackets and shirts are hung in corners, as the researchers work around the clock. The full-sized refrigerator is crammed with Chinese take-out food. "When you are No. 1, you always have to work to keep it," says Hor. "You hardly sleep." And Chu has his sights clearly on another record—125K. By mid-March rumors were circulating that he might be close. "Will history repeat itself? Who can tell," say Chu grinning.

The United States Has the Advances, But Japan May Have the Advantage

When a Houston laboratory announced a major advance in superconductivity research in February, Japan Inc. wasted no time. Its Ministry of International Trade & Industry immediately began assembling a consortium of government, industry, and university researchers. A MITI official describes the ministry's goal with missionary zeal: to exploit the "fantastic world of future industries" promised by new materials that conduct electricity with virtually no loss of power.

Both leading U.S. universities and major industrial companies such as International Business Machines Corp. and American Telephone & Telegraph Co. are playing a pioneering role in the spectacular scientific advances. But some experts fear that the Japanese ability to organize their research into a program with strong commercial goals could give them the edge in moving the research out of the laboratory.

At the moment, declaring a winner in the superconductivity race is premature. But leaders of the nation's science establishment marvel at the speed of MITI's action. "I wouldn't call what they have done ominous, but it certainly is a sign of intensifying aggressiveness," says Roland W. Schmitt, General Electric Co.'s chief scientist and chairman of the National Science Board. Adds Carl H. Rosner, president of Intermagnetics General Corp.: "The Japanese have long recognized the tremendous potential of superconductivity, whereas the people in this country have been very shortsighted."

HEAD-SCRATCHING

No one government agency coordinates U.S. attempts to exploit the new science. Nor does anyone know precisely how much the U.S. spends on superconductivity research. But the National Science Foundation, which funded much of the recent U.S. research, estimates that federal agencies are funneling at least $8 million a year to universities.

American scientists and industrialists share the assumption that, as in the past, the U.S. system doesn't need a push from the government to bring innovative technologies to market. "The discoveries have been so spectacular that the level of activity is enormous in every laboratory in the U.S. with any capability in superconductivity," argues Schmitt. And Frank Press, president of the National Academy of Sciences, notes that a surprising amount of the academic work is aimed at applications of the new knowledge, such as thin superconducting films for computer chips.

But not everyone is satisfied. Ching-Wu "Paul" Chu, the University of Houston physicist who is the leading U.S. superconductivity researcher at the moment, thinks more action is needed to meet the combined weight of Japan's governmental, financial, and industrial resources. "We cannot afford not to move the same way as the Japanese," he says. "We really have to have a coordinated effort this time." In between those standing pat and the activists, there are a lot of people just scratching their heads. "Maybe," says one official half-jokingly, "what we ought to do is have some kind of conference to see what we ought to do."

"FIRST WIDGET."

But one aggressive government science administrator is not waiting. James A. Ionson, the astrophysicist who heads the Office of Innovative Science & Technology for the Pentagon's Strategic Defense Initiative Organization, is already busy forming his own consortium. He has lined up an unnamed university, a federal research laboratory, and a handful of small companies. Ionson's consortium will have a specific target; vastly improved space-based infrared sensors for detecting enemy missiles. "My concern is that if we don't pull the science into a technology fact, we're going to be beaten to the punch," says Ionson. "I think we've got to build the first widget."

Early proof that the science can be converted into a product might, as Ionson hopes, be enough to spur vigorous development. But there are no guarantees. Even in the basic science, the international competition is fierce, and other nations are already scrambling hard for products because the potential payoffs appear to be so great. Furthermore, there are signs that the time from discovery to application may be exceptionally short.

Superconductivity is likely to be a severe test of the highly individualistic American system. Even as basic findings are still pouring out of the laboratories, the stark reality of the competitive marketplace looms. And Ionson's embryonic consortium is no match for MITI's directed Japanese effort. In this case, the U.S. may have to consider imitating Japan for a change.

The New World of Superconductivity

Inexhaustible, cheap energy from fusion, desktop computers as powerful as today's number-crunchers, trains that fly above their rails at airplane speeds—all suddenly have taken a giant step closer to reality. But while scientists developing a new breed of "warm" superconductors are planting the seeds of an almost Utopian tomorrow, it will be up to engineers to reap the harvest.

That won't happen overnight. The novel materials that researchers are churning out in laboratories still have to be transferred to the factory floor. Significant hurdles must be cleared before an experimental circuit for a superconducting computer can be turned into mass-produced chips. A small sample of wire is a long way from cables that will span the nation.

Even in the fleet-footed electronics business, it will probably be 1990 before full-fledged products show up. For electrical utilities, it could take 10 to 20 years before the revolutionary new superconductors made a meaningful impact on power distribution. The challenge of scaling up lab results "could be formidable," cautions Paul M. Grant, manager of magnetics research for International Business Machines Corp.

SCOTCH AND WATER

Until now, superconductivity has been limited to a few applications because the materials available had to be cooled to extraordinarily frigid temperatures with expensive liquid helium. "Liquid helium costs about the same as Scotch," say Walter L. Robb, senior vice-president for corporate research and development at General Electric Co. Liquid nitrogen is 10% as costly—roughly on a par with bottled water. And even with complicated and very expensive insulation systems, liquid helium escapes far more rapidly than liquid nitrogen, which can be protected with simple plastic-foam insulation.

The idea that it may soon be economically feasible to put superconductivity to work in myriad uses is sparking development projects at hundreds of companies worldwide. The payoffs would be enoromous. And if room-temperature superconductors are ultimately discovered, the world could be transformed. Such "hot" materials could provide new tools for every technology related to electricity. But just the prospect of superconductivity at liquid-nitrogen temperatures is enough to excite most industrial engineers.

Practical nitrogen-cooled superconductors could save the utilities billions—and save enough energy to put 50 or more power plants in mothballs. Copper wires may be the conductor of choice now, but they lose a lot of power. The copper soaks up 5% to 15% of the electricity flowing through long-haul transmission lines, and still more disappears in local distribution lines. For Pacific Gas & Electric Co., these losses amount to $200 million a year—"plenty of incentive to use a new conductor," says Virgil G. Rose, PG&E's vice-president for operations.

With so much at stake, there has been interest in developing transmission lines and power generators even with existing superconducting technology. Research began in the late 1960's but eventually ground to a halt as the energy crisis faded and the cost of cooling with liquid helium stayed stubbornly high. One line was actually built in the U.S., a 300-ft.-long test installation at Brookhaven National Laboratory. It showed that the technology could not compete with a conventional system unless all the power needs of a city were fed through one line to minimize cooling costs, says Carl H. Rosner, president of Intermagnetics General Corp. But because of the inherent unreliability of such a system, no city would dream of putting all of its watts into one cable. If the new superconducting carriers can be fashioned into cable that can stand up to high power loads and alternating current, 10 to 12 "feeder" lines might be affordable.

Interest in using powerful superconducting magnets to build high-speed trains that levitate above their tracks has also flagged in the U.S., because of high capital costs. That interest, too, could be reviving. But the eventual builders of these so-called maglev trains are more likely to be in either

West Germany or Japan, which have continued to fund serious research, or Canada, which still supports a modest effort.

William F. Hayes, a senior research officer wit Canada's National Research Council and a maglev believer, bubbles over with anticipation. The new superconductors will have "a tremendous impact on maglev," says Hayes. "The major problems were refrigerating units and reliability. All that's eliminated now." And trains aren't the only vehicles that could benefit. Hayes predicts that superconducting motors one-half to one-third the size of normal motors will one day power ships. They could also help eliminate urban air pollution by making electric cars practical.

America's best shot at exploiting the new technology is probably in electronics. There, superconductivity will usher in what Sadeg M. Faris calls "the third age of electronics," after vacuum tubes and transistors. Faris worked on super-conducting microchip devices known as Josephson junctions at IBM. When Big Blue decided in 1983, after 14 years of work, that the technology was a no-go, Faris left and founded Hypres Inc. In February, less than four years later, Hypres unveiled the first system based on Josephson junctions. Now, Faris asserts that Hypres will be the first to build chips using the new materials, because "no one else in the world has manufacturing line producing JJ chips."

SUPERCHIPS

That distinction isn't likely to last long. Major electronics companies, from IBM to Varian Associates, are racing to explore the new superconductors. "Guys are working like maniacs," says John K. Hulm, director of corporate research at Westinghouse Electric Corp. "I haven't seen anything like this in years." Westinghouse wants to use Josephson junctions, which are up to 1,000 times faster than conventional silicon transistors, to build radar systems it believes would outperform any now available. At Varian, a leading maker of equipment used in semiconductor fabrication, a crash effort is under way to verify the work on superconducting thin films being done at nearby Stanford University. Such films could be the starting point for tomorrow's superchips.

Health care is another area where superconductors could have an early impact. Nuclear magnetic resonance (NMR) scanners rely on powerful superconducting magnets to produce unprecedented views of the body's organs. The new materials promise magnets 10 times more powerful than those now used. And if NMR machines shed the cost and bulk associated with their present cooling systems for helium, the market for them could be a lot bigger. "You could site NMRs in smaller hospitals, even clinics," says Dr. Paul Winson, director of business development at Britain's Oxford Instruments group PLC, the leading supplier of NMR magnets. Diasonics Inc., which has sold more than 100 NMR scanners, estimates that cooling with liquid nitrogen might save $100,000 per year in operating costs per machine.

The new superconducting materials may also produce magnets that give theoretical physicists a closer look inside atomic particles. Just eliminating the helium needed to cool the 10,000 giant magnets in the proposed superconducting supercollider would lop $160 million off the projected $4.4 billion cost of the atom smasher—plus cut energy usage by 25%. Researchers argue that waiting for the ability to eliminate helium should not hold back the project, which earned a green light from the President early this year, but they say the possibility of replacing those magnets should be kept open. "We could use them to upgrade the energy of the instrument four or five-fold," says Stanley G. Wojcicki, deputy director of the project. "That would give you a tremendous increase in scientific reach."

Ultimately, physicists hope the new superconductors will hold the key to practical nuclear fusion. Such reactors need powerful magnets to contain the intense heat of the reaction, which will be even hotter than the sun. The U.S. magnetic fusion effort has been trimmed by 20% since 1985, to $345 million this year, and Princeton University's Plasma Physics Laboratory, the site of the major U.S. fusion project, is being outspent by rival projects in Europe and Japan. The new superconductors, hopes Robert M. Hill, a senior scientist at SRI International, could revive fusion's prospects.

They may even boost Star Wars. The strategic Defense Initiative Organization's Office of Innovative Science & Technology has already marked $500,000 for superconductor research this year and plans to buck it to $2 million next year. The interest is easy to fathom. After all, space-borne systems built with superconductors wouldn't have to be cooled: In space, "room temperature" is even colder than liquid nitrogen.●

RULES OF THE COMMITTEE ON THE JUDICARY

● Mr. BIDEN. Mr. President, I submit for the RECORD the Rules of the Committee on the Judiciary.

The rules follow:

RULES OF THE COMMITTEE ON THE JUDICIARY[1]

I. MEETINGS OF THE COMMITTEE

1. Meetings [1] may be called by the Chairman as he may deem necessary on three days notice or in the alternative with the consent of the Ranking Minority Member or pursuant to the provision of the Standing Rules of the Senate, as amended.

2. Each witness who is to appear before the Committee or any Subcommittee shall file with the Committee, at least 48 hours in advance of the hearing, a written statement of his testimony in as many copies as the Chairman of the Committee or Subcommittee prescribes.

3. On the request of any member, a nomination or bill on the agenda of the Committee will be held over until the next meeting of the Committee or for one week, whichever occurs later.

II. QUORUMS

1. Eight members shall constitute a quorum of the Committee when reporting a bill or nomination; provided that proxies shall not be counted in making a quorum.

2. For the purpose of taking sworn testimony, a quorum of the Committee and each Subcommittee thereof, now or hereafter appointed, shall consist of one Senator.

III. PROXIES

When a record vote is taken in the Committee on any bill, resolution, amendment, or any other question, a quorum being present, a member who is unable to attend the meeting may submit his vote by proxy, in writing or by telephone, or through personal instructions. A proxy must be specific with respect to the matters it addresses.

IV. BRINGING A MATTER TO A VOTE

The Chairman shall entertain a non-debatable motion to bring a matter before the Committee to a vote. If there is objection to bring the matter to a vote without further debate, a rollcall vote of the Committee shall be taken, and debate shall be terminated if the motion to bring the matter to a vote without further debate passes with eight votes in the affirmative, one of which must be cast by the Minority.

V.SUBCOMMITTEES

1. Any member of the Committee may sit with any Subcommittee during its hearings or any other meeting, but shall not have the authority to vote on any matter before the Subcommittee unless he is a member of such Subcommittee.

2. Subcommittees shall be considered de novo whenever there is a change in the Subcommittee chairmanship, and seniority on the particular Subcommittee shall not necessarily apply.

3. Except for matters retained at the full Committee, matters shall be referred to the appropriate Subcommittee or Subcommittees by the Chairman, except as agreed by a majority vote of the Committee or by the agreement of the Chairman and the Ranking Minority Member.●

TRADE LEGISLATION

● Mr. D'AMATO. Mr. President, I rise today to join with the distinguished Senator from Louisiana as a cosponsor of S. 896, legislation to extend the deadline for refund of U.S. Customs import duties and fees on imported raw cane sugar that is exported as refined sugar.

Under the Tariff Act of 1930, the Treasury refunds 99 percent of any duty or fee paid on imported sugar, if an equivalent quantity of sugar has to be proceeded within 3 years and exported within 5 years. The proposed legislation would waive these deadlines on sugar entered after October 31, 1977, and before April 1, 1985, provided the sugar is exported before October 1, 1991. Sugar import fees were in force from November 1977 through March 1985 which is the period covered by the extension. The new deadline, October 1, 1991, is the expiration date of the Sugar Program under the 1985 farm bill.

The imposition of quotas on imported raw cane sugar has seriously hurt the cane sugar refining industry. Since 1982, raw cane sugar imports have declined from 5 million tons to 1 million tons. Eight cane sugar refineries have shut down eliminating 7,000 jobs. In December 1986, the U.S. Department of Agriculture announced a further reduction of 850,000 tons in the amount of raw cane sugar that can be imported, establishing a quota for 1987 of only 1 million tons. The danger of additional refinery closings is imminent.

To partially compensate for the lost volume, cane sugar refiners have tried to develop their export business. Exports have grown to between 400,000 to 500,000 tons annually since 1983. This contributes favorably to the U.S. trade balance.

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[1] Reaffirmed by the Committee on the Judiciary in executive session on February 22, 1983, Printed in the CONGRESSIONAL RECORD on February 23, pursuant to the Legislative Recorganization Act of 1970.

The increase in exports of refined sugar has been possible because of drawback rights available to refiners. Drawback is necessary for U.S. cane sugar refiners to be competitive in a world market where refined sugar prices are sharply depressed by heavily subsidized exports from the European Economic Community. Refined Sugar exports will cease in late 1987 due to the expiration of suitable drawback rights, unless the law is changed.

Mr. President, this legislation will enable the domestic sugar refinery industry to become a competitor in the world market. The industry neither requests nor desires special treatment. The industry simply needs the additional time which this legislation will provide in order to further develop and improve its export business. I urge my colleagues to act expeditiously for its passage.●

AGREEING WITH GEORGE WILL—FOR A CHANGE

● Ms. MIKULSKI. Mr. President, it is not often that this Senator finds herself sharing the views of Mr. George Will. While Mr. Will is a journalist of the highest caliber and integrity, it could be said that our opinions have been known to differ.

Today, however, I rise in support and praise of Mr. Will's column of March 26, 1987, entitled "Tin Men": People Not Lovely But Loved."

This column eloquently describes a movie's capacity for bringing to life a time and a place.

The time is 1963. The place is Baltimore. But, as Mr. Will shows us, "Tin Men" portrays more than a single year, and more than a single city.

"Tin Men" is about an element of our society rarely glorified by Hollywood. It is about, Mr. Will writes:

> The slice of society least susceptible to sentimentalization: the lower—the barely—middle class.

Barry Levinson, the same writer and director who gave us the movie "Diner," spins a tale of aluminum-siding salesmen in Baltimore in the summer of 1963. These are the people whose focus is on the local diner and Pimlico Race Track, not Vietnam.

The issues of life, then, are in the immediate vicinity. Most importantly, there is a certain beauty in what is close to us.

Simply, there is beauty and grace in the ordinary. And this is what sustains people.

"Tin Men," writes Mr. Will, "teaches a sweet lesson for a continental nation of diversity and change * * * it is that people and places need not be lovely to be loved."

Such is a crucial lesson, Mr. President, in a day and age of gloss and glitter. I applaud Mr. Will for his poignant words, and for his insight into a time and mood that should always be a part of us.

I ask that the column be printed in the RECORD.

The column follows:

"TIN MEN": PEOPLE NOT LOVELY BUT LOVED

(By George Will)

WASHINGTON.—Printed words are wonderful, but they cannot whisper. That is unfortunate because, as has been said, many people will believe anything if you whisper it to them, and it would be nice to whisper in America's ear, "You should see the movie Tin Men."

To whet your appetite consider this: It is about aluminum-siding salesmen in Baltimore in the summer of 1963. That description may leave your appetite unwhetted, but the era, the setting and the subject all serve this story about an American particularity.

There are many movies about glamorous people, and many about the texture and tribulations of blue-collar existence, urban and rural. The romance of manual labor is most intense for those farthest from it, and Beverly Hills has recently discovered the romance of the family farm: Country, the River, Places in the Heart. But it is relatively rare for movies, the mass medium most given to romaniticizing reality, to notice the slice of society least susceptible to sentimentalization: the lower—the barely—middle class.

Arthur Miller's Death of a Salesman is an intellectual's recoil-in-horror from the marginality of lower-middle-class life, which Miller suggests is an approximation of death. It was, therefore, a bold act of imagination for Barry Levinson, 44, to make a movie that is unsparing yet uncondescending about the aluminum-siding salesmen who proudly called themselves "tin men." They formed a small cohort of hustlers capable of callous exploitation of customers, but also of a touching pride in their flair for salesmanship.

The movie evokes a now-distant moment and, in doing so, suggests how long a quarter-century is in this republic of change. Americans, for whom change is the only constant, seem emotionally susceptible to small material intimations of the recent yet distant past. In Hoosiers, a new movie about high-school basketball in Indiana in 1951, the coach drives a Chevy with one of those knobs people used to screw onto steering wheels. This detail is just glimpsed once—the camera does not dwell and lecture. However, this perfect accuracy (the star, Gene Hackman, grew up in Danville, Illinois, so he knows) evokes the atmosphere of an era.

Baltimore's tin men were long on brass and short on scruples about the scams, both hilarious and cruel, by which they vacuumed money from lower-middle-class home-owners hungry for the differentiation that aluminum siding might give. The tin men lost their disreputable elan when a city commission cracked down on their techniques of living by fast talk and tail fins.

The tin men flourished when tail fins were Detroit's operatic use of sheet metal. The movie is heavy on the Coupe de Ville motif. Tin men rationalized ownership of those gaudy barges on the ground that customers saw Calillacs as proof of respectability. However, several times an ominous specter putts across the horizon of the tin men. It is the Volkswagen Beetle, portent of a more sober future.

The summer of 1963 was the autumn of America's era of postwar swagger and make-up-for-lost-time consumption. White House schedulers were planning a trip to Dallas, Vietnam was a small place with a small U.S. involvement and women were in their traditional places. In Tin Men, those places are segregated from the many venues (pool halls, diners, Pimlico race track, saloons) where men went through the rituals of being male together.

Why Baltimore? Because it is the place in the heart of Barry Levinson, the writer and director who also gave us Diner. That movie was another snapshot of life styles of Baltimore's not-at-all-rich and never-going-to-be-famous. Its subject was late adolescence, which is inherently entertaining because it is universally awkward. Making tin men sympathetic subjects of a movie was a braver aim, triumphantly realized.

For those who do not know Baltimore's many charms, that city may seem a suitable symbol of urban life without urbanity, physical and spiritual hardness without softening graces. Today, Baltimore is one of America's most livable cities, and tin men are a vanished species. However, Levinson's focus on a slightly frayed side of things serves his two purposes, which are laughter with an edge and love without blinking.

Tin Men may be the most constantly funny movie ever made. It is worth the price of admission for one tin man's recurring critcism of the television hit Bonanza. It is, the critic says, "unrealistic" because (among other things) the Cartwright boys, unlike Baltimore boys, never talk about sex.

The movie is, at bottom, a love story. It expresses a deeply felt love for a time and place. It teaches a sweet lesson for a continental nation of diversity and change, a lesson Levinson, too delicate to preach, only intimates. It is that people and places need not be lovely to be loved.●

COMMENDATION OF THE PRESIDENT FOR LIMITING THE ACTIVITIES OF THE NATIONAL SECURITY COUNCIL

● Mr. PELL. Mr. President, I am grateful to President Reagan on his adoption of the recommendation of the Tower Commission to prohibit the staff of the National Security Council from engaging in covert activities.

The transformation of the National Security Adviser's role from that of manager and coordinator of the interagency national security process to not only a formulator, but an executor of foreign policy, was an unwarranted development which has had serious adverse consequences for U.S. foreign policy.

The activities of Vice Adm. John Poindexter while serving as Assistant to the President for National Security Affairs, departed from the patterns established by his predecessors.

Given the enormous task of managing a coherent foreign policy among the many powerful departments of the executive branch, and given the necessity of providing the President with coherent, digestible information, I do not dispute the need for someone in the White House to be in charge of:

Managing the flow of information and presentation of alternatives to the President;

Coordinating the recommendations and comments of the various departments;

Staffing the National Security Council, especially during crises; and

Overseeing the implementation of Presidential decisions.

However, I believe it is wrong for the National Security Council to be a separate competing source of policy advocacy, program direction, and more participation of covert operations.

Therefore, I commend the President for taking this initial step to restrict the activities of the National Security Council.●

NAUM MEIMAN

● Mr. SIMON. Mr. President, the Soviet Union has implemented a number of reforms over the past few months. Although we have seen evidence of increased openness in Soviet society, oppression of religious groups still exists. The fate of many Jews in the Soviet Union continues to be one of suffering, persecution, and waiting—an astronomical number of Jews are waiting to be given permission to emigrate to the West.

Among the hundreds of thousands of refuseniks exists a group of cancer patients for whom emigration could mean the difference between life or death. Inna Meiman was one of these victims. Unfortunately, continuous delay by the Soviet government resulted in Inna's death. Her husband Naum remains in the Soviet Union. The following article describes Inna's strength and courage, and depicts the tragic plight of Soviet Jews who wish to emigrate.

I implore the Soviet Government to grant Naum Meiman and other Soviet refuseniks permission to emigrate to the West immediately.

The article follows:

AND FORCE UNWILLING JEWS TO STAY

(By Marjorie H. Loory)

Inna Meiman arrived in Washington on Jan. 19, ill with cancer and filled with hope. Wheeled into a room at Dulles International Airport to face the inevitable press conference she said: "I have not come to die. I have come to live."

Three weeks later, this forever optimistic 54-year-old woman, who suffered the full force of Soviet repression for eight years, died in a rented apartment in a retirement home near Georgetown. Doctors at Georgetown University hospital could not treat her cancer until they stabilized her other medical problems—diabetes, a staph infection and the side effects of steroids Soviet doctors had prescribed as a last resort.

She did not die alone. But she did die without the comfort of her 75-year-old husband, Naum, who shared so much of her troubles, or of her son by an earlier marriage, Lev, and his family in Moscow.

The Meimans were refuseniks—Naum since 1975; Inna since 1979. "Refusal brought us together," Naum once told me in Moscow.

Whom do they thank for such good fortune? Naum first applied to emigrate in 1975. Jews, he said, faced only humiliation and had no future in the Soviet Union. He felt this was so even though he himself had once been an honored scientist who did work for many an institute of the prestigious Soviet Academy of Sciences. His application was refused on the grounds that he once had possessed classified information.

He worked with Andrei Sakharov, Anatoly Shcharansky, Yuri Orlov and Yelena Bonner in Moscow's Helsinki Watch Group, the little organization formed to monitor from within Soviet compliance with the Helsinki Accords of 1975. Most of the group was either jailed or exiled. Naum Meiman's punishment, intentional or not, was to watch his wife take sick and not be able to have her treated properly.

Inna was graduated from Moscow's well-known Foreign Language Institute. Her English was impeccable. In refusal, she helped others to write the letters necessary to win outside support for their cases. Together the Meimans, unable to help themselves, did what they could to help others.

Inna's cancer was first noticed as a tumor in the back of her neck in 1983. It was removed in a district hospital under a local anesthetic. Doctors told her it was benign. Two years later it was back. This time it was removed in a leading Moscow cancer hospital. Despite that best available treatment, it quickly regenerated. Soviet doctors, fearful of operating again, told her to seek treatment abroad. But Soviet authorities told her that was unnecessary.

Naum concentrated all his efforts on winning her permission to travel abroad for treatment. The couple made a painful decision to separate if travel approval was granted. Her visa alone finally came last month after pressure was exerted by politicians and scientists around the world.

Inna Meiman arrived with an agenda. She planned to get better and then work for others. At the top of her list were Anatoi Raben, former head of the Soviet National Oncological Center's information department, and his family, and Janna Sakuta.

Raben has been a refusenik since 1979. His father died in Stalin's purges before World War II as an "enemy of the people." His mother was exiled to Siberia as the wife of such an enemy. Raben returned home from the war a decorated hero, only to be imprisoned. Now he feels his children and grandchildren are imprisoned in a country they no longer consider their own.

Janna Sakuta suffers a rare eye disease that is successfuly treated only in Massachusetts Eye and Ear Hospital and in Israel. Without treatment, she faces blindness.

These are not unusual cases among the tens of thousands of Jews who have been waiting seven, 10, 15 years to emigrate.

Mikhail Gorbachev is trying to right longstanding wrongs. For Inna Meiman, his new policies were too late. But he could let Naum Meiman and Inna's family come here for her funeral, and stay. He could let Anatoli Raben and his family go. He could let Janna Sakuta and her family go. He could let any family without a future in the Soviet Union go.●

LINE ITEM VETO LEGISLATION

● Mr. HUMPHREY. Mr. President, I would like to bring to the attention of my colleagues two letters which I have received concerning S. 402, the line-item veto proposal which Senator EVANS, myself, and several other colleagues introduced on January 28. The first is from Gov. Arch A. Moore, Jr., of West Virginia. The second is from Mr. Richard A. Fink, president of Citizens for a Sound Economy.

Both Governor Moore and Mr. Fink recognize the need for budgetary reform. I think that a majority of Congress will agree with them at least on this point. As Mr. Fink put it, "the budget process has clearly deteriorated." They also agree with the 33 cosponsors of S. 402 that the line-item veto ought to be a part of this budgetary reform.

As we debate the budget process, Mr. President, I would urge my colleagues to keep in mind the comments of both Governor Moore and Mr. Fink.

Mr. President, I ask unanimous consent that the two letters to which I have referred be placed in the RECORD.

The letters follow:

STATE OF WEST VIRGINIA,
OFFICE OF THE GOVERNOR,
Charleston, WV, March 30, 1987.

Hon. GORDON J. HUMPHREY,
U.S. Senate, 531 Hart Senate Office Building, Washington, DC.

DEAR SENATOR HUMPHREY: You and Senator Evans have my wholehearted support for S. 402, which gives the President limited line-item veto authority.

Be assured that I share your concern for reducing the federal deficit and will actively support budgetary reform.

Best wishes to you on this endeavor.

Sincerely,

ARCH A. MOORE, Jr.,
Governor.

CITIZENS FOR A SOUND ECONOMY,
Washington, DC, March 30, 1987.

Hon. GORDON J. HUMPHREY,
U.S. Senate, 531 Hart Senate Office Building, Washington, DC.

DEAR SENATOR HUMPHREY: I would like to commend you for your bill to establish a line-item veto for continuing resolutions. The budget process has clearly deteriorated, and any efforts designed to rein in excessive spending are certainly welcome to the American taxpayer. We at Citizens for a Sound Economy (CSE) agree that the line-item veto is an important element in any true budget reform effort.

The members and supporters of CSE are hopeful that your bill will receive the favorable attention it deserves. Furthermore, CSE's Washington staff looks forward to working with your office on behalf of the legislation.

Hopefully, our joint efforts will meet with success.

Sincerely,

RICHARD H. FINK,
President.

PEACH BOTTOM SHUTDOWN

● Mr. BIDEN. Mr. President, 2 days ago, on March 31, the Nuclear Regulatory Commission ordered the Philadelphia Electric Co. to shut down operations at its Peach Bottom, PA, reactor within 36 hours. The cause of this unprecedented action was an incredible finding by the NRC's staff that control room operators were sleeping while on duty. This was not a one-time finding, the NRC staff's order noted that:

> One or more of the Peach Bottom operations control room staff (including licensed operators, senior licensed operators and shift supervisors) have for at least the past five months periodically slept or have otherwise been inattentive to licensed duties.

And it was not the first time operators of the Peach Bottom facility had been cited for this type of action. Again, according to the NRC order:

> On June 10, 1985, during the 11:00 p.m. to 7:00 a.m. shift, an NRC inspector was present in the Unit 3 control room and observed an on-duty Unit 3 operator in a chair at the Unit 3 reactor control panel with his eyes closed and his head tilted back, apparently asleep or otherwise inattentive to his duties. In response to this charge the licensed operator denied being asleep and indicated he was enticing the NRC inspector to believe he was asleep.

The problems at the Peach Bottom reactors go beyond control operators sleeping while on duty. In 1983 and 1984, the utility was cited three times for personnel error violations. On June 6 of last year, the NRC's yearly review of plant operations found that management and effectiveness toward improving operating activities was not evident, and that there was a complacent attitude toward procedural compliance in plant operations. Three days later the NRC fined the utility $200,000 for a series of violations that indicated a pattern of inattention to detail.

Mr. President, the history of sloppy operation at Peach Bottom is discouraging. What is also difficult to comprehend is how the utility was allowed to continue operating the facility in light of its track record. It defies common sense to believe that everything is all right at Peach Bottom, with the sole exception of some control room operators who cannot stay awake.

I fear that sleeping operators, while bad enough by itself, is just an indication of more pervasive problems in other aspects of the plant operation. This seems to be a reasonable conclusion since the NRC order also stated that plant management above the shift superintendent position either knew or should have known about the sleeping practice. I hope the NRC follows up on this initial action by carefully scrutinizing other areas of the plant operation before considering allowing the plants back on line.

While the NRC staff should be commended for responding so strongly to such flagrant behavior, there are some other questions that have to be raised. It is clear that the plant operators were extremely lackadaisical in their jobs. Would the NRC have taken such strong action if the operators had stopped short of actually sleeping on the job? Would they have taken strong action to correct other deficiencies that stem from a "negative attitude toward safety?"

A senior official in the NRC was quoted as saying, seemingly with pride, "We do have a line, and it has been crossed." Will the NRC Commissioners encourage staff to move the line forward and be less tolerable of actions or inactions that put the public's health and safety at risk?

Finally, Peach Bottom had been cited repeatedly for violations of NRC regulations, and apparently made little progress toward correcting them. Was the NRC pushing hard enough for improvement so that this extreme situation would not be reached? How were the operators able to get away with sleeping on the job for so many months?

Mr. President, for the NRC to address these latter issues will require a degree of self-criticism that it has repeatedly failed to demonstrate in order investigations. That is why I have introduced S. 14, to create an Independent Safety Board for the NRC. The Safety Board will ensure that all the contributing factors to accidents or near accidents, of which the Peach Bottom problems should surely be counted, are exposed and corrected, including those for which the NRC may share responsibility.

As I stated earlier, I am pleased the NRC staff has taken strong action in response to the situation at Peach Bottom, but the public must now look for meaningful and equally stringent followup actions on this initial step. I also intend to continue to work for passage of the Safety Board bill, so the public will have greater confidence that the NRC will take action against poorly run reactors whose operators may not have reached the point of napping on the job.●

AFGHANISTAN: LETTERS FROM THE STATE OF NEBRASKA

● Mr. HUMPHREY. Mr. President, last December the brutal Soviet occupation of Afghanistan entered its eighth year. The horrible condition of human rights in Afghanistan was recently described in a United Nations report as: "A situation approaching genocide."

As chairman of the Congressional Task Force on Afghanistan, I have received thousands of letters from Americans across the Nation who are outraged at the senseless atrocities being committed today in Afghanistan. Many of these letters are from Americans who are shocked at this Nation's relative silence about the genocide taking place in Afghanistan.

In the weeks and months ahead, I plan to share some of these letters with my colleagues. I will insert into the RECORD two letters each day from various States in the Nation. Today, I submit two letters from the State of Nebraska and ask that they be printed in the RECORD.

The letters follow:

DEAR SENATOR HUMPHREY: The Soviet atrocities in Afghanistan are becoming common knowledge, yet one sees very little being done about it and, in a sense, it has become a forgotten war. The Soviet occupation continues to provoke a deliberate neglect of the facts. This voluntary ignorance about Afghanistan, its institutions, and culture includes the fact that four and a half million Afghans have fled their country as a result of exodus and that 35% of the population is either in exile or dead. This should remind us of the Nazi slaughter of Jews in 1942. Those facts, too, were labeled as hysterical and unreliable. A million people were killed in Cambodia, yet no one was willing to believe what happened. We later claimed that nothing was known about these events until it was too late.

The killing continues in Afghanistan every day. The people are fighting for freedom and are determined to continue fighting as long as they live. Although the Afghan freedom fighters are bleeding the Soviets now, they cannot finally free their country without our help. Without our assistance they will ultimately be crushed. A free Afghanistan is vital to the strategic interest of the United States. As people who cherish freedom, we share a common bond with the Afghans who are fighting and dying for this precious right.

I think it is time to discuss Soviet atrocities in Afghanistan with your fellow congressmen and the American public in general to urge their support. I firmly believe that you could influence the administration toward support of a nation which is dying because of its people's love for freedom. Make this issue a bargaining chip in future negotiations with Soviet authorities. Your support will long be remembered by the Afghans who are in desperate need of our moral and physical support of their painstaking efforts.

Thank you for your consideration.

Sincerely,

MOQIM RAHMANZAI,
Omaha, NE.

DEAR SIR. We have just read the horrible story of what the Soviets are doing in Afghanistan as told in an article "Agony in Afghanistan" as published in the March "Reader's Digest".

It is hard to believe that any people could be so cruel and that any government could sanction such activity.

Isn't there something our government can do to help get the Soviets out of that country?

Sincerely,

KATHERYN AND WESLEY HOWE,
Fremont, NE.●

COL. BANE LYLE

● Mr. HATCH. Mr. President, Utah's version of "Top Gun" is alive and well and living in the person of Col. Bane Lyle.

Colonel Lyle is an Air Force Reserve fighter pilot with the 419th Tactical Fighter Wing at Hill Air Force Base in Utah. After 22 years of flying, Colonel Lyle is one of our most experienced and revered fighter pilots.

Today, when active duty pilots are sometimes half his age, Colonel Lyle continues to add to his string of accomplishments in the air.

Recently, Col. Bane Lyle took his F-16 to the Nevada skies and captured second place in the "Top Gun" individual competition, and helped his unit take "Gunsmoke," the top team honor. This from a fighter pilot who might be retired if he had remained in active duty.

Mr. President, Col. Bane Lyle embodies the type of spirit that our military forces should strive for. His bravery, his proficiency with the flying machine, and his patriotism place him at the top of Utah's Air Force Reserve.

The 419th Tactical Fighter Wing at Hill Air Force Base in Utah is a reserve unit that deserves recognition. They do not just maintain the necessary standards for a reserve unit, they maintain the highest standards. Years of experience, training, and teamwork make the 419th an outstanding unit.

I ask that an article on Col. Bane Lyle's accomplishments, which appeared in the Citizen Airman, be placed in the RECORD.

The article follows:

BANE LYLE: A FIGHTER PILOT, FIRST, LAST, AND ALWAYS

By all rights, G-forces should have pulled Bane Lyle's brain to his feet by now. He's been jerked around so much that his spine should look like a vine.

Lyle is a fighter pilot. An old fighter pilot. By jet standards, a 46-year-old full colonel should be supported by a padded office chair or a retirement check. Not Bane Lyle. After 22 years of flying, he's still pulling Gs and twisting and bending along with people half his age.

Why is Col Bane Lyle still in fighter jets? He's a Reservist. Because he's in the Air Force Reserve, he feels, he has been able to fly most of his career. If he had stayed on active duty, most likely he'd be holding down a management job. Or, he'd be retired. Instead, he's an air reserve technician. That means he's a full-time Reservist.

Because the Air Force Reserve is capable of keeping senior warriors in the cockpit, he's been able to continue flying. His story, although extreme, is a common one in the part-time force. It tells of a critical difference between the active-duty Air Force and the citizen airman force: experience. Reserve pilots have more flying hours under their wings and are usually senior in grade and in age.

Hollywood's idea of a "Top Gun" pilot is a young, athletic renegade who takes to the air like an irreverent teenager in an eight-barrel car on Friday night. In some instances, there may be some truth to that. But in 1985 at the World Cup for fighter Jocks, Gunsmoke Bane Lyle shot holes in that stereotype.

DIFFERENT, NOT BETTER

With a receding hariline and all, Lyle took his F-26 to the Nevada skies and competed with the best fighter pilots in the Air Force. He captured second place in the Top Gun, or individual, competition and helped his unit—the 419th Tactical Fighter Wing, Hill AFB, Utah—to the top team honor. And, he's old enough to be Tom Cruise's father.

To his dismay, Lyle's accomplishments has been a launching pad for praise about Reserve flying experience making Reserve pilots "better than the active duty."

"We're not better; we're different," he said sharply. "You've got to realize that virtually all of our pilots had a tour or two being groomed on active duty.

"We have no novice pilots," he continued. "The Air Force Reserve is an extension of the active force, in that we keep people who've received millions of dollars of training. We save that important resource, that pilot.

"It's hard to compare the two forces because we have two different systems. With our experience level, we can maintain proficiency without flying the same number of sorties. We can also accelerate training faster than the active force."

In most instances, Reserve units hire pilots who have flown the unit's aircraft. A Reserve F-4 unit, for example, hires pilots who flew F-4s on active duty. The 419th, on the other hand, had to break that standard. In 1984, the Hill unit got the Reserve's first F-16s. The unit's pilots were experienced in the F-105. When they traded airplanes, it was questionable if the "old dogs" could handle $16 million worth of "new tricks."

"BLOCKING AND TACKLING"

"Old dogs already know all the tricks," said the colonel, the 419th's deputy commander for operations. He compared the "basics of fighter flying" to the "blocking and tackling" of football.

"The hardest thing to learn was the system," he explained. "But, we had the basics, like formations, instruments, dropping bombs and that kind of stuff. You know how to drive the car, so to speak, and it's just a matter of getting used to different controls.

"Usually the experience, especially in the older, more manual aircraft, is what separates the outstanding from the good. It's the person with lots of bombing experience who can hit the same parameters every time."

The F-16 Fighting Falcon's computers make the plane superior to the older Air Force fighters and can make pilots with low to average experience very "competitive," according to Lyle.

"But, to be great, you have to be consistant and that takes practices and experience," he said. You have to go out and hit the same parameters every time.

SOME LUCK, TOO

And, he admits, to be a Top Gun takes some luck.

"I've lost quite a few quarters on the range to youngsters," he said, referring to bets he's made with other pilots. The business is competitive, and he says "the aircraft is so capable that winning has to involve luck."

"All of the top F-16 pilots have the skill and machines to win," the colonel said. "In any given two weeks of competition, any person could win it. It's so close that I would be surprised if any team could repeat (as Gunsmoke winners.)"

However, there has been much talk about combat experience. The Air Force Reserve has most of the "combat-proven" pilots who are still in the business. Colonel Lyle—having flown 195 missions in Southeast Asia—says "that's a little overblown."

"We have some young pilots in the unit who haven't been there and I'd go to war with them any day," he said. "I don't see it as the running back who takes his first hit from a defensive lineman in a game and falls apart. The exercises we have force us into a highly intense training environment.

"It's great to have combat experience, and maybe you'd be a little bit calmer than the guy on his first mission under fire, but I think that's a little overblown. Plus, the next war is going to be totally different. The threat has changed and so has our equipment."

Reserve units are also very different in the way they hire people, he said, and that makes comparison with the active force "not very realistic." As opposed to the active force, there are usually many applicants for a Reserve pilot vacancy. Especially at the Air Force Reserve's only F-16 unit.

SELECTING THE BEST

"One of the nice things about our unit is that we can select the best," he said, adding that the unit takes applications and conducts interviews. "The last pilot we picked up as an instructor pilot at the Fighter Weapons School at Nellis (AFB, in Nevada.). Through the process our experience level and capability continue to grow.

The same selection process applies to other Reserve units, "but not to this extreme," he said.

Lyle also pointed out that Reserve units, for the most part, have more stability than active units. Where people on active duty move frequently, Reservists "stay at the same unit until they retire or have a job change or something," he said.

"We can see where a person needs to improve over the long term," the colonel added.

After the 419th won the top unit award at Gunsmoke, it was said that a Reserve unit, after only a year with the high-tech fighters, "kicked the pants off everybody," lamented the colonel.

"What they didn't say was that the 388th TFW made the conversion a piece of cake," he said about the support received from the active-duty F-16 unit at Hill AFB. "We share equipment and knowledge, and it makes it all work. I can't say enough about them.

"I'll say it again: Reserve units are different than the active force," he added. "In my case, I wanted to be a fighter pilot first, last and always. The Air Force Reserve has made that possible.".—Col. Bane Lyle: "Old dogs already know all the tricks.●

THE OGDEN STANDARD-EXAMINER

● Mr. HATCH. Mr. President, most of my colleagues have probably heard of the "driving of the golden spike" at Promontory Point, about 40 miles from Ogden, UT.

We can recall the event because of newspaper coverage of the time. Newspapers have kept us informed since the beginning of this young country.

Today I pay tribute to one of America's great newspapers—the Ogden Standard-Examiner. Over 50 newspapers have come and gone since the railroads of East and West met at Promontory Point on that historic day of May 10, 1869. I am sure that if the

Standard-Examiner were running in 1869, they would have covered the driving of the spike, as they have covered every major event since their presses began to roll 100 years ago.

This newspaper is celebrating its centennial, and, Mr. President, I ask that an article be placed in the RECORD so my colleagues can learn of this newspaper's proud history.

The article follows:

100 GREAT YEARS

The Ogden Standard-Examiner keeps the 276,000 people living in its circulation area well informed about daily, local, state, national and international affairs.

But the Standard-Examiner is much more than just a disseminator of news. It has a rich tradition as an analytical community conscience and is a consistently strong voice for individual and community improvement.

That tradition of community service was established in the rough-and-tumble frontier times by William Glasmann who took over the six-year-old Ogden Standard in 1894.

What is today the Ogden Standard-Examiner, is only the surviving entity of other pioneer publications, however.

The first newspaper in the Ogden area was the Daily Telegraph, published by T.B.H. Stenhouse from Salt Lake City. Knowing that Ogden was to become an important railroad center, he published his first edition on May 11, 1869, the day after the historic driving of the golden spike.

Stenhouse's newspaper received poor support unfortunately, and after a few weeks he moved his operation back to Salt Lake City.

From that time until the present more than 50 newspapers have been established in Ogden, most of them dying soon after being launched.

Yet a few of the pioneer-era newspapers attained a degree of stability and became the ancestors of today's Standard-Examiner.

In 1870, the Ogden Junction was established as a semi-weekly and later became a daily from September, 1872 on.

In 1881, the Junction gave way to the Ogden Daily Herald, an editor of which, Charles W. Penrose, established such a splendid reputation as a capable journalist that Salt Lake City newspapers bid for his services and obtained them. He later became an LDS General Authority.

The Herald led a stormy life, one of the editors suffered a beating at the hands of a subscriber. Another was sentenced to a year in jail after a libel trial. No one was surprised when the paper ceased publication on December 21, 1887.

The business was purchased by the Standard Publishing Co. This new enterprise brought out the first issue of "The Standard" on January 1, 1888.

The first editor of The Standard was a brilliant young Utahan, Frank J. Cannon, who later was to become a United States senator when Utah entered the Union in 1896. Cannon's fine editorial style charmed his readers until his resignation in 1893 to join the U.S. House of Representatives for the Territory of Utah.

In 1892, William J. Glasmann moved to Ogden and joined Cannon on the evening Ogden Standard as business manager. When Cannon was departed for Congress, the entire enterprise was taken over by Glasmann and his wife, Evelyn and their first three children of what was to be a family of five.

As a newspaper editor in Ogden's formative years, William Glasmann was fearless, outspoken, and frequently controversial. But above all, he was an enterprising and energetic leader ever ready to promote the economic and cultural growth of his new hometown.

Glasmann, widely known in those earlier days as "The Bald Eagle of the Wasatch," was basically a supporter of the Republican party, although he left the GOP in 1912 to back the colorful Bull Moose candidate, Teddy Roosevelt, rather than the regular party nominee, William Howard Taft.

William Glasmann's own involvement in politics led to his election to three terms as mayor of Ogden and to the Utah Legislature, where he served with distinction as the Speaker of the House of Representatives. He was also Ogden's postmaster for several years. And he was well on his way toward becoming the Republican nominee for Congress when he died unexpectedly in the spring of 1916.

The other half of the Standard-Examiner's nameplate, "The Examiner," was established on January 1, 1904, as "The Morning Examiner." Frank Francis, Sr., also to become an Ogden mayor, was its editor. It has early financial support of the Glasmann family. But in 1911, it was purchased by a group of Utah businessmen headed by J.U. Eldredge Jr., who moved to Ogden from Salt Lake City to become the Examiner's general manager.

This arrangement continued until April 1, 1920, when the ownership of the two newspapers was consolidated and the Standard "hyphen" Examiner was born as a six-evening and Sunday morning publication. A.L. Glasmann, "Abe", son of William, and Mr. Eldredge were co-publishers, with Mr. Glasmann as editor and Mr. Eldredge as general manager.

The Eldredge family involvement continued until they sold their stock to the Glasmanns shortly after World War II.

The tradition of community service is carried forward by the third- and fourth-generation descendants of that pioneer newspaper publisher and community stalwart.

That small frontier publication is today flagship in a network of newspaper, radio, television and cable televison interests throughout the West and Midwest.

The parent company of that network is the Standard Corporation, now owned by two families. President of the corporation is Wilda Gene Hatch, a granddaughter of William Glasmann and daughter of Abe Glasmann. Equal partners in the enterprise are the children of Blaine V. Glasmann, one of the four sons of William Glasmann. Representing this family is Blaine V. Glasmann, Jr., who is the corporate secretary. His brother, Gordon Glasmann, is vice-president.

Other members of the two families take an active role in the management and operations of the corporation and its subsidiaries.

One of the best known of those subsidiaries is KUTV, one of four Salt Lake City-based television stations.

Another subsidiary is the Kansas State Network, which operates five television stations in Kansas and Nebraska.

In addition to the Standard-Examiner, the Standard Corporation also publishes a number of weekly newspapers. These include the Lakeside Review, which serves Davis County and the southern part of Weber, two newspapers in Colorado and a monthly publication at Nampa, Idaho.

Almost since its beginnings a century ago, the Standard-Examiner has been the dominant news medium in the Weber, Morgan, Box Elder and North Davis areas.

This is due to the well-trained staff of reporters, editors and photographers who keep Standard-Examiner readers accurately and completely informed on local affairs—whether a high school football game, a Little League tournament, a routine City Council meeting, or a hotly contested zoning hearing.

Standard-Examiner readers are also offered a varied menu of national and international news from major news services.

Progress continues to mold the spirit of the Standard-Examiner. In recent years a state-of-the-art computer system and additional equipment have been added to make the newspaper more sophisticated and more valuable to its readers. With such planning and foresight, the Standard-Examiner looks forward to the next century with anticipation.●

BILLS INDEFINITELY POSTPONED—S. 382 AND S. 387

Mr. BYRD. Mr. President, I believe there are two matters on the Calendar of Business which have been cleared for action. May I ask the very able and distinguished Senator from Kansas if it is agreeable to postpone further action on calendar orders numbered 9 and 10 on the calendar? One of these is a bill which has to do with the Mass Transportation Act and the other has to do with highways. Both of those, I think, have been rendered moot by the action today.

Mrs. KASSEBAUM. I would say, Mr. President, to the majority leader, that that has been cleared, to indefinitely postpone.

Mr. BYRD. Mr. President, I thank the distinguished Senator.

Mr. President, I ask unanimous consent that calendar orders numbered 9 and 10 on the calendar of general orders be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

BILL PLACED ON CALENDAR—H.R. 1783

Mr. BYRD. Mr. President, I ask unanimous consent to place H.R. 1783, to make technical corrections in certain defense-related laws, on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

DIRECTING THE SENATE LEGAL COUNSEL TO TAKE CERTAIN ACTION

Mr. BYRD. Mr. President, for myself and Mr. DOLE, I send to the desk a Senate resolution, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the resolution.

The legislative clerk read as follows:

A resolution (S. Res. 182) to direct the Senate legal counsel to represent Senator JESSE HELMS in the case of *Tayoun* v. *Foglietta*, et al.

Mr. BYRD. Mr. President, the losing candidate for the 1986 Democratic nomination in a Philadelphia, PA, congressional district has brought an action in the Eastern District of Pennsylvania against the successful candidate, Representative THOMAS FOGLIETTA. The plaintiff is alleging that Representative FOGLIETTA's campaign advertisements falsely stated that the plaintiff's campaign was funded by, among others, the Senator from North Carolina [Mr. HELMS].

In pursuit of his claim, the plaintiff has obtained a deposition subpoena for Senator HELMS' testimony. Senator HELMS is prepared to provide a written affidavit that he provided no support to either candidate, but otherwise wishes to avoid an unwarranted intrusion into the time he needs to devote to his Senate responsibilities. The resolution would authorize the Senate legal counsel to represent Senator HELMS in this matter.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 182) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 182

Whereas, in the case of *James J. Tayoun* v. *Thomas M. Foglietta, et al.*, No. 86-3778, pending in the United States District Court for the Eastern District of Pennsylvania, the plaintiff has caused the Clerk of the United States District Court for the District of Columbia to issue a deposition subpoena, F.S. 87-0079, to Senator Jesse Helms;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act, 2 U.S.C. §§ 288b(a) and 288c(a)(2) (1982), the Senate may direct its counsel to represent Members of the Senate with respect to subpoenas issued to them in their official or representative capacities: Now, therefore, be it

Resolved, That the Senate Legal Counsel is directed to represent Senator Helms in the case of *Tayoun* v. *Foglietta, et al.*

Mr. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mrs. KASSEBAUM. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE CALENDAR

Mr. BYRD. Mr. President, I would like to inquire of the distinguished acting Republican leader, Senator KASSEBAUM, if the following nominations have been cleared on the other side of the aisle: those nominations appearing on page 2 of the Executive Calender under Department of State and the nomination appearing on page 3 under Small Business Administration.

Mrs. KASSEBAUM. Mr. President, Calendar No. 77 and Calendar No. 80 have been cleared on this side of the aisle. Calendars Nos. 2, 78, 79, and 81, have not been cleared.

Mr. BYRD. Mr. President, I thank the able Senator.

EXECUTIVE SESSION

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider Calendar Order Nos. 77 and 80.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The clerk will state the nominations.

DEPARTMENT OF STATE

The legislative clerk read the nomination of Burton Levin of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Socialist Republic of the Union of Burma.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BYRD. I move to reconsider the vote by which the nomination was considered and confirmed.

Mrs. KASSEBAUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The clerk will state the second next nomination.

The legislative clerk read the nomination of John Cameron of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Malaysia.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the nomination was considered and confirmed.

Mrs. KASSEBAUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I ask that the President be immediately notified of the confirmation of the nominees.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BYRD. I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BYRD. Mr. President, the Senate will convene at 9:20 a.m. tomorrow.

After the prayer, the two leaders' time under the standing order will be limited to 5 minutes each.

At the conclusion of that time and precisely at the hour of 9:30 a.m., the Senate will resume consideration of Senate Joint Resolution 92, relating to Mexico. There will be 30 minutes, equally divided, on that resolution. At 10 o'clock, the Senate will vote on or in relation to that joint resolution.

Following the disposition of that joint resolution, the Senate then will proceed to the consideration of Senate Joint Resolution 91, relating to Panama. There will be 40 minutes for debate, equally divided, on that resolution.

At 11 a.m., the Senate will proceed to vote on or in relation to Senate Joint Resolution 91.

There will be no debate on any motions that otherwise might be debatable, or any points of order submitted to the Senate, or appeals. Upon the disposition of Senate Joint Resolution 91, it will be my intention to proceed to the consideration of Senate Joint Resolution 90, which relates to the Bahamas. There is no consent agreement in relation to that resolution. That resolution for the moment is still covered by the statutes which allow for 10 hours of debate thereon.

So there will be a rollcall vote at 10 o'clock tomorrow morning, and there will be a rollcall vote at 11 o'clock tomorrow morning. I might ask the question of the distinguished chairman, in the event a motion to table is made on either or both of the resolutions, and in the event that the motion to table were not agreed to, is it the intention to ask for a rollcall vote at that time then on the adoption of the resolution?

Mr. PELL. Absolutely not. If we are defeated on the tabling motion, one defeat is good enough for me.

Mr. BYRD. Very well. That means we will not run the risk of having two rollcall votes on either or each of the two resolutions.

Mr. PELL. As far as I am concerned.

Mr. BYRD. Very well. There may be rollcall votes tomorrow subsequent to those two rollcall votes. In any event the Senate will proceed to the third resolution.

Mr. President, I thank the distinguished Senator from Kansas. May I ask if she has any business she wishes to transact?

Mrs. KASSEBAUM. I thank the majority leader. There is no further business on this side.

RECESS UNTIL 9:20 A.M. TOMORROW

Mr. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the

Senate stand in recess until the hour of 9:20 a.m. tomorrow.

The motion was agreed to and, at 8:01 p.m., the Senate recessed until tomorrow, Friday, April 3, 1987, at 9:20 a.m.

NOMINATIONS

Executive nominations received by the Senate April 2, 1987:

Central Intelligence

William H. Webster, of Missouri, to be Director of Central Intelligence, vice William J. Casey, resigned.

The Judiciary

Suzanne B. Conlon, of Illinois, to be U.S. district judge for the northern district of Illinois, vice Thomas R. McMillen, retired.

Department of Justice

Frank L. McNamara, Jr., of Massachusetts, to be U.S. attorney for the district of Massachusetts for the term of 4 years, vice William F. Weld.

In the Air Force

The following-named officers for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370:

Lt. Gen. Winfield W. Scott, Jr., [redacted]FR, U.S. Air Force.

The following-named officers, under the provisions of title 10, United States Code, section 601, to be assigned to positions of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Charles R. Hamm, [redacted], U.S. Air Force.

In the Army

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be general

Lt. Gen. Frederick F. Woerner, Jr., [redacted], U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Robert M. Elton [redacted], U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. James E. Moore [redacted], U.S. Army.

The following-named officer for appointment to the grade indicated, under the provisions of title 10, United States Code, section 601(a) in conjunction with assignment to a position of importance and responsibility designated by the President under title 10, United States Code, section 601(a):

To be lieutenant general

Maj. Gen. Burton D. Patrick [redacted], U.S. Army.

The following-named officers under the provisions of title 10, United States Code, section 601, to be assigned to positions of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Allen K. Ono, [redacted], U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Robert W. RisCassi, [redacted], U.S. Army.

Lt. Gen. H. Norman Schwarzkopf, [redacted] U.S. Army.

The following-named officer for appointment to the grade indicated, under the provisions of title 10, United States Code, section 601(a) in conjunction with his assignment to a position of importance and responsibility, designated as such by the President under title 10, United States Code, section 601(a):

To be lieutenant general

Maj. Gen. William H. Harrison, [redacted] U.S. Army.

In the Air Force

The following officers, U.S. Air Force Officer Training School, for appointment as second lieutenants in the Regular Air Force, under the provisions of section 531, title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force.

Allen, Stephen B., [redacted]
Blomberg, David D., [redacted]
Bock, Kenneth G., [redacted]
Buck, David J., [redacted]
Burditt, Marty G., [redacted]
Carroll, Jeffrey L., [redacted]
Chipley, Michael T., [redacted]
Ciancetta, Mark S., [redacted]
Dauenhauer, Lori J., [redacted]
Decker, Kevin W., [redacted]
Detweiler, David M., [redacted]
Dorsey, John T., [redacted]
Dunn, Patrick A., [redacted]
Edwards, Joel D., [redacted]
Eicher, Joseph W., [redacted]
Ellis, Peter S. H., [redacted]
Enfinger, Charles W., Jr., [redacted]
Ensby, Michael H., [redacted]
Farner, Ricky D., [redacted]
Fitzgerald, Brian W., [redacted]
Foehrkolb, Louis A., [redacted]
Fortney, Michael E., [redacted]
Gathright, Robert F., [redacted]
Gaught, William L., [redacted]
Gileza, Robert M., [redacted]
Glenn, Matthew P., [redacted]
Gorhau, Frank W., Jr., [redacted]
Hammann, Jefferey T., [redacted]
Harp, Daman B., [redacted]
Hennessey, John R., [redacted]
Hoffman, Terance, [redacted]
Irving, Michael A., [redacted]
Izard, Samuel D., [redacted]
James, Jonathan E., [redacted]
Keavany, Gerald J., [redacted]
Keith, David D., [redacted]
Kell, Matthew L., [redacted]
Kelley, Jack E., Jr., [redacted]
Lasalle, David L., [redacted]
Lawson, William C., Jr., [redacted]
Leininger, Eric L., [redacted]
Lempe, Scott J., [redacted]
Lorens, Jeffrey B., [redacted]
Lynn, David F., [redacted]
Martinez, Dennis B., [redacted]
Mattingly, Jody L., [redacted]
Mayer, Steven A., [redacted]
McCullough, Brian J., [redacted]
McGuigan, Francis M., [redacted]
Middendorf, J.T, [redacted]
Moore, Donald R., [redacted]
Mora, Esequiel J., Jr., [redacted]
Murphy, Timothy J., [redacted]
Parsons, Duane E., [redacted]
Peters, Bruce D., [redacted]
Phipps, Mickie A., [redacted]
Quinton, Keith M., [redacted]
Rodriguez, Victor M., [redacted]
Royer, Charles W., [redacted]
Schindler, Ralph G., [redacted]
Sharp, Robert W., [redacted]
Sheehan, Michael J., [redacted]
Stanley, Dale A., [redacted]
Stribling, John F., [redacted]
Strickland, Ricky D., [redacted]
Sutherland, Carla E., [redacted]
Swanier, Aaron L., [redacted]
Swartz, Stephen M., [redacted]
Taylor, Dawn L., [redacted]
Tereyla, Lynmari, [redacted]
Terry, Christopher I., [redacted]
Tilly, Todd S., [redacted]
Timcik, Thresa L., [redacted]
Veverka, Donald V., [redacted]
Vinson, Robert L., III, [redacted]
Viramontes, Robert C., [redacted]
Watson, Gary G., [redacted]
Wheeler, William G., [redacted]
Wholer, Kurt W., [redacted]
Wolfe, Kirk B., [redacted]
Wright, Charles R., Jr., [redacted]
Youngblood, Douglas D., [redacted]
Zirilli, Lawrence T., [redacted]

In the Army

The following-named officers for permanent promotion in the U.S. Army in accordance with the appropriate provisions of title 10, United States Code, sections 624 and 628:

MEDICAL SERVICE CORPS

To be lieutenant colonel

Robert G. Marslender, [redacted]

ARMY NURSE CORPS

To be major

Marianne R. Bacon, [redacted]

VETERINARY CORPS

To be major

Paul C. Baird, [redacted]

The following-named officers for permanent promotion in the U.S. Army in accordance with the appropriate provisions of title 10, United States Code, sections 624 and 628:

MEDICAL SERVICE CORPS

To be major

George L. Adams III, [redacted]
Richard L. Agee, [redacted]

The following-named officer for permanent promotion in the U.S. Army in accordance with the appropriate provisions of title 10, United States Code, sections 624 and 628:

CHAPLAIN

To be major

Harvey R. Brown, Jr., [redacted]

CONFIRMATIONS

Executive nominations confirmed by the Senate April 2, 1987:

Department of State

Burton Levin, of Maryland, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the

United States of America to the Socialist Republic of the Union of Burma.

John Cameron Monjo, of Maryland, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Malaysia.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

NEW JERSEY INSURANCE PROPOSALS CITED

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1987

Mr. FLORIO. Mr. Speaker, I wish to call atention to proposals being prepared by the New Jersey Insurance Department to deal with the insurance crisis. A recent article in he Star-Ledger describes these initiatives, including proposals to tighten supervision of insurance company solvency and reinsurance and to foster compliance with safety standards.

Members of Congress will be interested in hese proposals and in the analysis of New Jersey Insurance Commissioner Kenneth Merin regarding the underlying causes of our insurance difficulties. Mr. Merin deserves to be commended for his vigorous effort to deal with the insurance crisis. The article from the Star-Ledger follows:

NEW RULES PROPOSED FOR LIABILITY INSURANCE

(By Vincent R. Zarate)

The Kean administration is proposing a "complete overhaul" of the laws regulating commercial liability insurance companies to give the state tighter controls in an effort to avoid another liability insurance crisis.

The sweeping changes being drafted are aimed at areas never before regulated by law.

In calling for the new laws, state Insurance Commissioner Kenneth Merin said the recent liability insurance crisis was caused by "financially irresponsible practices, inexperience and laxity" of many companies in the "vicious price wars" four years ago. At that time, he said, the companies wanted to get cash for high return investments.

"One of the major causes of the insurance crisis was the erosion of strict underwriting standards and a shift away from risk management," Merin said.

Another cause, he said, was that many companies hired managing general agents to handle policies and those agents went unsupervised by the companies.

His proposed laws would address these problems, the commissioner said.

Among the major proposals is one that would empower the state to require an insurance company to make the policyholder comply with certain safety standards.

The proposals also call for the department to regulate reinsurance policies, various self insurance groups and risk exchanges and to toughen the financial requirements of surplus lines companies.

They also call for updating the financial requirement laws for new insurance companies, and for easing existing law so the Insurance Department can, without court order, take steps to prevent a company in financial difficulty from going bankrupt.

The proposals, scheduled to go to the Legislature within two months, are the result of an in-depth study by the Insurance Department on the causes of the 18-month crisis.

During this crisis, many companies refused to sell liability insurance while others increased their rates by as much as 1,000 percent.

The proposals "go far beyond the question of rates," he said. "They go to the very heart of the financial operations of the industry and are aimed at preventing another crisis."

Commercial liability insurance rates are not regulated by the Insurance Department, although legislation is pending to return some controls to the state, he noted.

In discussing the proposals, the commissioner said the emphasis on laws to allow the state to supervise safety standards in policies is the "most innovative part of the legislative package we propose."

This would empower the commissioner to require insurance companies to include safety standards as part of the procedure when insuring hazardous risks.

For example, Merin said, "In insuring against fire, a company would require sprinklers be installed in the plant. By doing this the firm being insured reduces the danger of fire damage, while the insurance company reduces its exposure to any large claims.

"Before the recent price wars and practice of cash flow underwriting (getting cash to invest quickly at high interest rates), safety and risk management were vital parts of the underwriting process."

He said insurance companies were instrumental in setting safety and inspection standards for the industry in such areas as boilers and machinery and elevators.

"Unfortunately, the companies moved away from these strict standards and stressed instead collecting premiums for investments," Merin said.

The Insurance Department's position paper also states many primary companies were able to offer lower premiums because of the availability of underpriced reinsurance. The companies, the paper said, became so dependent on their reinsurers that they became "reinsurance junkies."

When the reinsurers failed, a number of primary companies, unable to collect on their losses, did not have the financial resources to survive, the paper stated. "In too many cases, the primary companies did not recognize this problem until it was too late," Merin said.

He said inexperienced companies failed to understand the full impact of the cost of claims, reinsurance, the need for sufficient surplus and other sound financial practices.

"Insurance companies ignored their official rates, offered larger discounts and discounts that exceeded 50 percent of the official rates as underwriters fought with each other to attract new business," Merin said.

When the "bubble burst," the paper states, "At least 45 property casualty and life health insurance companies went under, and many of the remaining companies found themselves in serious difficulty."

He asserted that even though there was a 63 percent average increase in the cost of a liability claim, the companies charged low rates to get ready cash for investment income.

The commissioner also wants to impose regulations on the managing general agents hired by companies to underwrite the policies and to arrange for reinsurance.

These agents, he said, must be brought under state control because many companies hired the agents to handle business but then "failed to supervise these agents."

The financial machinations were so bad, he said, that "many inexperienced insurance companies erroneously believed they were making a profit, when in fact they were suffering heavy losses."

Merin said the managing agents "can be blamed for some of the financial disaster insurance companies found themselves in, but that segment is just part of the problem.

These managing general agents, he said, often fill in the gap for companies that lack underwriting expertise in a particular area. But there are no state laws covering these insurance entrepreneurs.

His proposal calls for the state to establish minimum standards for any agent contract, clarify that the insurance company owns all premiums collected, prohibit agents from binding reinsurance, require agents to turn over to insurance companies all claims after contracts end, and require insurance companies to periodically audit agents for compliance with contractual requirements, the amount of premium collected, and that loss reserves be verified by a qualified actuary.

The new proposals also call for changes in various areas.

Reinsurance proposals—For the first time, the commissioner would be allowed to regulate reinsurance practices. A company would be limited in the amount of reinsurance it could buy from any single reinsurer. That limit would be 20 percent of the company's net assets. Anything in excess of 20 percent would have to be approved by the commissioner.

Further, to prevent reinsurers from avoiding their share of claims payments, the new regulations would limit the credit for any reinsurance contract having different standards from the insurance policy it is reinsuring, and department monitoring of any company claiming credit of more than 75 percent of its policyholders' surplus.

Merin notes that the liquidation of Integrity Insurance Co. of Paramus last week was the direct result of too much reliance on a reinsurance program. Integrity, the first property casualty company based in the state to go under in a dozen years, was unable to collect $25 million in reinsurance owned it by Mission Reinsurance Co. of California. Mission is in the red by $448.1 million and is now in liquidation. Merin said "ironically" Mission could not collect on its reinsurance with other firms.

With some state controls on how much a primary company can reinsure, Merin said New Jersey could avoid "future Integrity situations."

Financial requirements—The proposals would raise the financial requirements for companies wishing to write insurance in the state from $300,000 to $750,000. The existing law has not been updated since the 1940s. Tighter financial standards also are being proposed for self insurance groups,

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

and exchanges like the hospital, doctor and tavern owner groups which formed to insure themselves.

Suspension of financially unstable companies—The proposals would change the law to allow the Insurance Department to prevent any company in financial trouble from writing any new business for up to six months without a court order as now required.

Under this proposal, the department points out, any insurance company showing itself in serious financial difficulty could be supervised by the department to prevent insolvency. The present statute requires a court order after the department presents all documentation, including actuarial reports, on the financial health of an insurer before a company can be declared insolvent and prevented from writing new business.

Surplus lines—The proposals call for updating financial requirements for these types of companies that write special risks not normally handled in the regular market, such as insurance of Fourth of July fireworks and asbestos removal. The current law requires surplus lines carriers to have twice the capital and twice the surplus as a licensed company writing similar business in the state. The change would allow surplus lines to write insurance in the state if their combined capital and surplus is twice the combined amount required of licensed companies. By this change, the department feels there would be more companies able to do business in New Jersey.

Policy forms—Merin wants to change the law to give the department from 60 days to 180 days to act on policy changes. Now the time limit is 30 days. Further, the proposal would allow the commissioner to establish minimum standards for policy terms and conditions "to eliminate clearly inferior policies.

Special risks—The commissioner should be allowed to determine when a risk is considered large enough to be special instead of existing law where any premium over $10,000 is considered a special risk and not subject to department review. By pushing that figure upward, the department contends it will have more regulation on rates for many smaller New Jersey customers not now having that rate regulation protection.

Government entities—The proposals would permit expansion of the self-insurance pools for government entities such as municipalities, counties and school boards. The expansion would allow authorities under these entities, such as a housing, sewer or water authority, to join these groups instead of buying separate coverage.

PUBLIC PENSION PARITY ACT OF 1987

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1987

Mr. VENTO. Mr. Speaker, today I am reintroducing legislation that I previously introduced in the 98th and 99th Congresses to address a gross inequity in our tax laws.

Most public sector retirees receive a pension in lieu of Social Security benefits. In general, these benefits are the equivalent of a private sector retiree's Social Security benefits, however, they are not treated like Social Security benefits under the Internal Revenue Code. This legislation would tax public pension benefits on a parity with the preferential tax treatment of Social Security benefits.

The purpose of the legislation is simple—to treat public sector retirees in the same manner as private sector retirees for purposes of taxation. It is fundamentally unfair to tax the retirement benefits of public employees differently than the Social Security retirement benefits of private sector employees. Full taxation of public pension benefits in effect penalizes these retirees for having worked in public service rather than the private sector.

This legislation would amend the Internal Revenue Code so that a public retiree could deduct that portion of his/her governmental pension up to the maximum Social Security retirement benefit for an individual from his/her gross income.

This legislation is now even more justified because the Tax Reform Act further penalized Federal retirees by repealing the 3-year basis recovery rule.

Federal retirees had no choice as to whether their employers participated under Social Security or established a separate Government pension system. These retirees have committed their careers to public service—they deserve equitable taxation of their benefits. I urge my colleagues to join me in my efforts to correct this inequity in the tax treatment of public retirees' benefits.

I submit a copy of the bill for the RECORD:

H.R. 1938

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Public Pension Parity Act of 1987".

SEC. 2. EXCLUSION FOR CERTAIN PENSIONS AND ANNUITIES UNDER PUBLIC RETIREMENT SYSTEMS.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to items specifically excluded from income) is amended by redesignating section 135 as section 136 and by inserting after section 134 the following new section:

"SEC. 135. CERTAIN PENSIONS AND ANNUITIES UNDER PUBLIC RETIREMENT SYSTEMS.

"(a) GENERAL RULE.—Gross income does not include any amount (otherwise includable in gross income) received by an individual as a qualified governmental pension.

"(b) LIMITATIONS.—

"(1) DOLLAR LIMITATION.—The aggregate amount excluded under subsection (a) for the taxable year shall not exceed—

"(A) the maximum excludable social security benefits of the taxpayer for such year, reduced by

"(B) the social security benefits (within the meaning of section 86(d)) received by the taxpayer during such year which were excluded from gross income.

"(2) SERVICE REQUIREMENT.—Subsection (a) shall not apply to any qualified governmental pension received by the taxpayer during the taxable year unless the taxpayer (or the spouse or former spouse of the taxpayer) performed the service giving rise to such pension.

"(c) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED GOVERNMENTAL PENSION.—The term 'qualified governmental pension' means any pension or annuity received under a public retirement system to the extent such pension or annuity is not attributable to service—

"(A) which constitutes employment for purposes of chapter 21 (relating to the Federal Insurance Contributions Act), or

"(B) which is covered by an agreement made pursuant to section 218 of the Social Security Act.

"(2) MAXIMUM EXCLUDABLE SOCIAL SECURITY BENEFITS.—The term 'maximum excludable social security benefits' means an amount equal to so much of the applicable maximum benefit amount for the taxpayer for the taxable year which would be excluded from gross income if such benefit amount were treated as social security benefits (within the meaning of section 86(d)) received during the taxable year.

"(3) APPLICABLE MAXIMUM BENEFIT AMOUNT.—The term 'applicable maximum benefit amount' means—

"(A) in the case of an unmarried individual, the maximum individual social security benefit,

"(B) in the case of a joint return, 150 percent of the maximum individual social security benefit, or

"(C) in the case of a married individual filing a separate return, 75 percent of the maximum individual social security benefit.

For purposes of the preceding sentence, marital status shall be determined under section 7703.

"(4) MAXIMUM INDIVIDUAL SOCIAL SECURITY BENEFIT.—

"(A) IN GENERAL.—The term 'maximum individual social security benefit' means, with respect to any taxable year, the maximum total amount (as certified by the Secretary of Health and Human Services to the Secretary) which could be paid for all months in the calendar year ending in the taxable year as old-age insurance benefits under section 202(a) of the Social Security Act (without regard to any reduction, deduction, or offset under section 202(k) or section 203 of such Act) to any individual who attained age 65, and filed application for such benefits, on the first day of such calendar year.

"(B) PART YEARS.—In the case of an individual who receives a qualified governmental pension with respect to a period of less than a full taxable year, the maximum individual social security benefit for such individual for such year shall be reduced as provided in regulations prescribed by the Secretary to properly correspond to such period.

"(5) PUBLIC RETIREMENT SYSTEM.—The term 'public retirement system' means any pension, annuity, retirement, or similar fund or system established by the United States, a State, a possession of the United States, any political subdivision of any of the foregoing, or the District of Columbia."

(b) TECHNICAL AMENDMENT.—Subparagraph (A) of section 86(b)(2) of such Code (defining modified adjusted gross income) is amended by inserting "135," before "911".

(c) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of such Code (relating to items specifically excluded from income) is amended by redesignating the item relating to section 135 as section 136 and by inserting after the item relating to section 134 the following new item:

"Sec. 135. Certain pensions and annuities under public retirement systems."

(d) EFFECTIVE DATE.—The amendments made by this Act shall apply to taxable years beginning after the date of the enactment of this Act.

NEW CATASTROPHIC HEALTH INITIATIVE [CHI]

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1987

Mr. ROYBAL. Mr. Speaker, as my colleagues well know, I have frequently stated my fear that this year's catastrophic health care bill will fail to fill Medicare and Medicaid's real gaps or to solve the full problem of the 37 million uninsured and the 200 million underinsured. However, I also understand the desire to pass some type of limited and less costly catastrophic health care legislation quickly.

In response to those who have asked for a more limited catastrophic health package than my more comprehensive legislation, I am today introducing the following catastrophic health initiative [CHI]—the Medicare and Medicaid Catastrophic Acute and Transitional Care Act—which includes a "Federal MediGap insurance [FMI]" plan and increased Medicaid protection. Though this type of catastrophic proposal is a first step toward catastrophic protection and better protects the children, elderly, and disabled, we must be mindful of its limitations. That is, it does not fill most of the real gaps in Medicare, it does not solve the long-term care problem and it does not protect most uninsured.

Given its limitations, you might ask why I am introducing this particular package. Very simply, many members, including myself, expressed their desire to provide more protection than the package offered by the administration. However, these members also indicated that they felt they could not go as far this year as the more comprehensive proposals offered by myself and others. I believe that this package, at a price tag of about $15 billion, fills that void.

What improvements does this catastrophic health initiative [CHI] make on the administration proposal? They include the following:

MEDICARE (FEDERAL MEDIGAP INSURANCE [FMI])

Lowers the catastrophic cost limit from $2,000 down to $500 and better protects lower and middle income beneficiaries.

Adds a catastrophic prescription drug benefit with cost controls.

Strengthens Medicare's transitional care package by removing the 3-day prior-hospitalization prerequisite to nursing home care, relaxing the definition of skilled nursing home care and home health care and thus increasing access, and better defining home health intermittent and homebound requirements.

Adds a limited and flexible respite care benefit.

Uses fairer financing mechanisms that are less regressive than just a straight premium and that avoid taxing the value of current Medicare benefits.

MEDICAID

Adds coverage for more near poor women and infants.

Adds coverage for more poor children.

Improves spousal income and asset protection and raises personal needs allowance for nursing home residents.

Adds first dollar coverage for elderly and disabled's Medicare cost-sharing.

I believe that this catastrophic health initiative [CHI] provides important, limited catastrophic protection for Medicare and Medicaid beneficiaries without having to tax existing Medicare benefits or increase the deficit. This package incorporates the strengths of the administration and Stark-Gradison proposals while providing better protection, especially for lower income elderly and nonelderly. Its total cost of about $15 billion is not only affordable, but most of the costs for the new Federal MediGap insurance will be paid by the elderly and by disabled Medicare beneficiaries themselves.

Over the next few months, I strongly believe that we will also have to address another critical part—the cost of AIDS treatment—of the catastrophic health problem. Though the catastrophic health initiative I am introducing today does not address the issue of how to pay for AIDS treatment, I am giving my commitment to work with the authorizing committees to find a way to relieve this costly burden.

I ask that the attached summary of the Medicare and Medicaid Catastrophic Acute and Transitional Care Act be inserted in the RECORD at this point.

ROYBAL CATASTROPHIC HEALTH INITIATIVE [CHI], THE "MEDICARE AND MEDICAID CATASTROPHIC ACUTE AND TRANSITIONAL CARE ACT"—H.R. 1930

MEDICARE PROVISIONS (FEDERAL MEDIGAP INSURANCE)

(1) A $500 catastrophic limit is placed on beneficiary out-of-pocket costs resulting from any Medicare Part A and B coinsurance/deductibles (including prescription drugs, transitional care, and respite care) and is indexed to increases in the Medicare Part A and Part B per capita costs. (Start-up date: January 1, 1989.)

(2) Prescription drugs are added as a benefit subject to a $300 deductible and a coinsurance of $2 per prescription and subject to the above catastrophic limit. The DHHS Secretary shall design the prescription drug benefit program so that drugs are purchased from participating pharmacies only and prescription drug prices are prospectively set by Medicare. (Start-up date: January 1, 1990.)

(3) The following changes are made in hospital coinsurance and deductibles: (Start-up date: January 1, 1989.)

a. There would no longer be any hospital coinsurance except for one deductible per calendar year.

b. The hospital deductible is indexed to the percentage increase in the Social Security COLA.

(4) Transitional care is strengthened by the following changes in nursing home and home health care:

a. The skilled nursing (extended care) home benefit is redefined as follows:

The three day prior-hospitalization requirement for skilled nursing home care is dropped. (Start-up date: January 1, 1989.)

Skilled nursing facility care is increased to cover up to 150 days. (Start-up date: January 1, 1989.)

Nursing home coinsurance is reduced to ⅕th of nursing home costs (based on the national average per diem Medicare reasonable cost for SNF services) and is applied only to the first seven days. (Start-up date: January 1, 1989.)

The definition of "skilled nursing home care" is refined to allow better access to skilled nursing care by: (1) defining, as eligible, skilled nursing services required on a regular, but not necessarily daily basis, as certified by a physician; (2) making explicit that skilled nursing services include physical therapy and rehabilitative services needed on a regular basis to preserve or restore functional capabilities or to prevent further deterioration, including the training of patients and caregivers in rehabilitative techniques; (3) making explicit that, in determining eligibility for skilled nursing services, "practical matter" considerations be included regarding (a) the availability of home support and (b) the lack of Medicare coverage for home health services that are certified by a physician as being medically necessary. (Start-up date: January 1, 1990.)

b. The home health benefit is redefined as follows:

Home health care is defined as "intermittent care" including (1) up to one or more home health visits per day up to 7 days a week for up to 90 days a year and thereafter, under exceptional circumstances, as certified by a physician, and (2) home health visits at a frequency of less than 7 days per week for an unlimited period of time as certified by a physician. (Start-up date: January 1, 1989.)

"Homebound" is clarified as a situation where there is normal inability to leave home and, consequently, to leave home would require a considerable and taxing effort. Occasional absences from the home are permitted for medical or non-medical purposes. (Start-up date: January 1, 1989.)

The definition of home health care is refined to include: (1) on a physician's prescription, such personal support services as needed on a short term basis to offset problems of limited house support that would otherwise preclude beneficiaries from receiving home health services for which they are eligible; (2) on physician prescription, such short term rehabilitative services as needed on a regular basis to preserve or restore functional capabilities or to prevent further deterioration, including the training of patients and caregivers in rehabilitative techniques. (Start-up date: January 1, 1990.)

c. Plans of care are required, as condition of participation under Medicare, for all patients needing transitional care and respite services and are required of all providers (including primary care physicians, hospitals, nursing homes, HMOs, home health agencies, hospices). The plan of care is to include an assessment of patient needs, the services to be provided and the provisions for discharge. The plan of care is to be prepared, implemented and periodically reviewed and updated through consultation among appropriate providers including physicians, nurses and social workers, and are to be signed by a physician. PROs are to oversee quality and effectiveness of plans of care. (Start-up date: January 1, 1989.)

d. Demonstration projects are to be carried out on "managed care" approaches to providing transitional nursing home, home health and respite care services including (1) approaches similar to the Medicaid Home and Community Based Services Waiver Program, and (2) the full range of nursing home, home health, and respite care services as provided by this Act. (Start-up date: July 1, 1988.)

(5) The DHHS Secretary is required to develop and implement respite care as a new

benefit when prescribed by a physician. The respite care benefit shall, at the beneficiary's choice, cover up to 10 days of nursing home care per year (based on the national average per diem Medicare reimbursed cost for SNF services) or the equivalent dollar value of hospital-based respite care, adult day health care, or in-home care. A 50% co-insurance is required up to the catastrophic limit. (Start-up date: January 1, 1990.)

(6) The hospice benefit is extended beyond the current 210 day limit if the patient is recertified as terminally ill. (Start-up date: January 1, 1989.)

(7) Enrollment in the FMI package is automatic for Medicare beneficiaries enrolled in Medicare Part B.

(8) Financing for the FMI package comes from the following sources:

a. One-half of the revenues from raising the cigarette tax by 16¢ and indexing the tax to the Consumer Price Index. (Start-up date: January 1, 1989.)

b. An initial FMI premium of $10 per month which is indexed to increases in the cost of the Social Security COLA. (Start-up date: January 1, 1989.).

c. The remaining expanded benefit package is financed by the elderly through a special add-on tax on elderly income which is not a tax on the actuarial value of Medicare. The special add-on tax on people age 65 and over is applied as a percentage of taxable income and is set at a level (rounded up to the next highest one-half of one percent) actuarially sufficient to cover the cost of the FMI package less the cigarette tax and premium financing. (Start-up date: January 1, 1989.)

MEDICAID PROVISIONS

(1). States are given the option under Medicaid to (a) extend coverage for pregnant women and infants up to age one regardless of family composition with incomes up to 185 percent of the Federal poverty level and (b) accelerate coverage of children up to age 5 who are under the Federal poverty level. Continued Medicaid coverage is mandated for children who are on Medicaid but go past the age 5 limit. (This proposal was introduced by Representative Waxman as H.R. 1018.)

(2). Medicaid coverage is mandated for all children under age 18 (and 18 to 21 year olds in school, jobs, or job training) with family incomes/resources under the state proverty level.

(3). States are given the option under Medicaid to cover any child under age 21 with family income below the federal poverty level but over the AFDC level.

(4). Medicaid coverage is mandated for all children under age 5 who have family incomes below the federal poverty level.

(5). States are required to cover Medicare Part B premiums and cost-sharing on behalf of their elderly and disabled Medicaid recipients.

(6). Medicaid institutes a spousal protection plan protecting limited amounts of income and assists when one member of an elderly couple is placed in a nursing home and is covered by Medicaid. (Note: This proposal was introduced by Representative Waxman in H.R. 1711.)

(7). The Personal Needs Allowance is raised from $25 to $35 per month. Before the additional money is made available, the Secretary is required to take the necessary steps to ensure that the additional funds be used only for the personal use of the patient and not to pay for any nursing home related costs.

(8). Financing for the Medicaid package comes from the following sources:

a. Federal Medicaid savings resulting from Medicaid's buy-in to the FMI package.

b. One-half of the revenues from raising the cigarette tax by 16¢ and indexing the tax to the Consumer Price Index. Funding from the raised and indexed cigarette tax will be used to offset the added Federal costs of this Medicaid package less any Federal savings resulting from the Medicaid buy-in. Any cigarette tax funds not used to fund the Federal costs of this Medicaid package are to be made available to the States for their Medicaid programs.

TRIBUTE TO MS. ELAINE MARIOLLE

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1987

Mr. DELLUMS. Mr. Speaker, I am pleased to bring to the attention of my colleagues the outstanding achievements of Ms. Elaine Mariolle.

TRIBUTE TO MS. ELAINE MARIOLLE

Ultra marathon bicyclist Elaine Mariolle is a native Californian, a graduate of U.C. Berkeley, and a Berkeley, CA resident. In July 1986, Elaine won the Women's Division of the Bicycle Race Across America (RAAM). She had ridden the 3,107-mile race course from Huntington Beach, CA to Atlantic City, NJ in 10 days 2 hours and 4 minutes, a women's race record.

Elaine averaged nearly 13 miles per hour on a 24 hour clock. She actually rode about 20 hours each day, making her actual average speed 15.25 miles per hour. She rode 384 miles during the first 24 hours.

Elaine beat the second place woman by more than seven hours. She placed fifth overall, finishing less than three hours behind the (male) fourth place finisher and over three hours ahead of the (male) sixth place rider. Of twenty six entrants, seven including Elaine were official finishers. The women's division consisted of six starters. Elaine was one of two female official finishers.

Elaine began as an ultra marathon cyclist in 1983. She qualified for the 1984 RAAM by placing second (by 30 seconds) in the Women's Division of the 800 mile John Marino Open. She finished unofficially in the 1984 RAAM, taking last place, almost 4½ days behind the winner and over one day behind the next rider's time. She was designated "Most Inspirational Rider" for her performance. Elaine took seventh place in RAAM 1985, becoming the last official finisher and third place woman. She now trains and competes in unltra marathon events full time.

Elaine's physical condition, her endurance, her rapid improvement, and her status in the bicycling world are complemented by her personal philosophy which is focused on her commitment to the cooperative spirit. Her Note From Elaine to Friends in her post race Newsletter included these thoughts. "Our congenial crew made my job easy. They worked well together and solved the usual myriad of difficulties, in most cases without my even knowing about them . . . I'd [also] like to thank our hometown crew who have helped us . . . and generally provided good energy and support. I'd never have gone the distance without you! Over the years, I have tried to emphasize the importance of crew, friends, and the Great American Public. I hope that my win this year will result in some recognition for these unsung heroes in the adventure which is RAAM." From her initial ultra marathon experiences in 1983 to her first RAAM in 1984 where there was no one there when Elaine finished, to the 1986 RAAM where she was accompanied by a police escort, the male RAAM winner, and a crew from ABC's Wide World of Sports as she rode to the finish line in Atlantic City, NJ, Elaine has maintained a concern for people and a teamwork focus. She is special not only because she is a winner, but because she wins the Berkeley, CA way.

REPRESENTATIVE BLILEY ON TOBACCO ADVERTISING

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1987

Mr. DUNCAN. Mr. Speaker, recently, our colleague from Virginia, TOM BLILEY, pointed out an interesting facet of the debate over tobacco advertising that has gone largely unnoticed by the news media and others following the debate.

Mr. BLILEY notes the curious inconsistency that the same individuals who are leading the fight to ban all advertising and promotion of tobacco products are also leading the charge to force TV networks to accept condom advertising.

The Richmond Times-Dispatch, of Friday, March 13, 1987, called attention to this inconsistency in the editorial "Censors at Work" and I commend this cogent editorial to my colleagues.

CENSORS AT WORK

If the principles of freedom of speech and freedom of the press remain valid in this the 200th year of the signing of the U.S. Constitution, Congress has no authority to dictate advertising policies to the nation's media. This is the point Rep. Thomas J. Bliley Jr. of the 3rd Congressional District is making in arguing that Congress should neither ban all cigarette advertising nor force, by law or by pressure, television networks to accept advertisements for condoms.

He is exactly right. Advertising is a form of expression; and when it concerns legal products, such as tobacco and condoms, it should be protected by the Constitution. The media ought to be as free to decide whether to carry advertisements for this or that product as they are to decide what to publish or broadcast as news and editorials.

Of course this argument has not always prevailed. It did not prevent federal censors from banning tobacco commericals from television and radio several years ago. The government supposedly derives the authority to regulate the electronic media to such an extent from the fact that they use public "property"—airwaves—for the transmission of their messages and pictures. There is no such justification for extending the ban to the print media, but censors in Congress are at work on measures that would do precisely that.

Rep. Bliley characterizes as inconsistent those congressmen who simultaneously advocate legal restraints on cigarette advertising and seek to force television networks to advertise condoms. "If you believe in free speech," he asks "how can you take a position one way on one and the other way on the other?"

His opponents respond with that spurious old the-ends-justify-the-means argument. "Cigarettes are inherently dangerous," huffed Democratic Rep. Henry A. Waxman of California. "They are responsbile for the premature deaths of hundreds of thousands of Americans each year . . . Condoms could be life-saving."

Well, if that becomes the sole or even principal premise on which to base laws, Congress' ability to restrict freedom of expression will be limitless. After all, cigarettes are not the only potentially dangerous products that are legally sold in the marketplace.

"What about the carnage on the highways aused by the automobile? asks Shirley Hobbs Scheibla in a recent editorial on this ubject in Barron's. "Would cars be next? Or would it be alcohol?" The editorial realls the important fact that the U.S. Supreme Court has declared that speech "does not lose its First Amendment protection beause money is spent to project it, as in a paid advertisement . . ."

Leading the crusade against cigarette advertising is the American Medical Association. This organization yelps when it detects ven a faint government threat to physiians' freedom, but, curiously, it enthusiastially participates in a rape of the First Amendment. How's that for consistency?

It is quite proper for the AMA and other oes of tobacco to warn people about the hazards of smoking, as they are doing most mphatically, but converting medical advice into legal decrees that violate fundamental reedoms is not. The AMA and its political riends in Congress are going too far.

LAWMAN'S LIFE WORK LEGENDARY

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1987

Mr. PEPPER. Mr. Speaker, I had the privilege in 1938 of recommending as U.S. Marshal for the southern district of Florida, the heriff of Hardee County, FL, and my friend, Chester S. Dishong. He became recognized as one of the best U.S. Marshals ever to hold that responsible position. He was an extraordinary man, a product of an ancient and honorable family of Florida and of central Florida. He was a part of the new, yet a child of the old Florida.

The remarkable history of Mr. Dishong as a law enforcement official appeared in the Tampa Tribute of February 28. This is a stirring story of a great American, and to me, a great friend. I think his illustrious example will be interesting and an inspiration for all who read this article and I ask unanimous consent that it may appear in full in the RECORD immediately following my remarks:

LAWMAN'S LIFE WORK LEGENDARY

WAUCHULA.—The Royal Canadian Mounted Police have always had the reputation of getting their man." In the Heartland, the men hired to enforce the laws and protect this Florida frontier community are the ones who have become legendary in their outstanding devotion to duty and genius in solving a crime and catching the criminal. And all without benefit of modern-day scientific equipment.

In Margaret Stringer's history, "Watch Wauchula Win," she describes the career of one such lawman, Chester S. Dishong, a husky outdoorsman who came from a family of Florida lawmen.

His father, Owen Dishong, was the first sheriff in Old DeSoto County from 1887-1893 and from 1897-1901, and his brother, John Leslie, was DeSoto's sheriff from 1913-1921. John appointed Chester, at age 21, and another brother, Milton, as deputies.

Chester, respectfully called "Ches" by friends, became Wauchula's city marshal in 1913 and began to acquire a reputation for catching a culprit "with dispatch" and meeting justice "with a stern hand."

In one of his early cases, a Kansas visitor with a hard luck story was befriended by a local citizen who shared his room for the night.

The next morning the visitor was gone—and so was his host's money. Dishong went on the trail, apprehended the man and found the stolen money in his sock.

In 1914 a year end report listed, in part, collection of $4,967.61 in fines; 19 arrests for carrying concealed weapons; two for changing marks on hogs; seven for beating way on trains"; four for hunting on Sunday; 45 for selling liquor; and 14 for insanity.

Dishong took a year off in 1916, serving as a captain in the Second Florida Infantry in Texas during the border war with Mexico; but upon returning home, he resumed his deputy duties.

When DeSoto County was divided into five counties in 1921, Gov. Carey A. Hardee appointed John Poucher as the new Hardee County's first sheriff. But Dishong ran for sheriff in November 1925, and won, becoming the county's first elected sheriff, a post he held for the next 13 years.

During his career, Stringer relates, Dishong matched wits with bank robbers, cattle and hog thieves, and wily moonshiners. And there were a lot of moonshiners. Especially after a local ordinance was passed by the city in 1921 to regulate prohibition.

In tracking a moonshiner Dishong would park his car near the suspected "still" site, walk the rest of the way, and sometimes track his fleeing man for two or three days in swamp and thick underbush.

Perhaps Dishong's most famous case was the capture of Bernard Whidden, who slew his wife with a .22-caliber rifle in 1920 as she sat at her organ in her home, playing "Home, Sweet Home."

The relentless pursuit by the Sheriff and the eventual capture of the murderer was related in detail in a national detective magazine, among other news accounts, and Dishong's national reputation for getting his man grew rapidly.

Dishong planned to resign in 1938 but was recommended by Sen. Claude Pepper and confirmed by President Franklin D. Roosevelt as the U.S. Marshal for the southern District of Florida.

His territory included 47 counties, and in the 13 years that Dishong held this position, a prisoner never escaped his custody.

But many prisoners benefited from his well-known compassion. Tales are told of the times he posted bail for prisoners he had jailed because the man's family was suffering for lack of food, and often he would by seen passing the the hat for the needy up and down Wauchula's Main Street or bringing someone who needed a meal home to his wife, Hallie.

A legend in law enforcement, Dishong's death at 82, in 1974 brought nation-wide sorrow and, with his obituary, a eulogy was entered by Sen. Pepper into the U.S. Congressional Record.

DEVELOPMENTAL DISABILITIES AWARENESS MONTH

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1987

Mr. COELHO. Mr. Speaker, in recognition of Developmental Disabilities Awareness Month in March, I cosponsored a briefing with Senator BOB DOLE on March 16, 1987 to highlight the lives of all individuals who have a developmental disability. Together with the Consortium for Citizens with Developmental Disabilities [CCDD] a coalition of over 50 national groups advocating on behalf of individuals with developmental disabilities, we invited a consumer panel to share with us their concerns and needs for Federal programs. Dea Everett and her daughter, Chris, who has a chronic seizure disorder, Stuart Lunde, a high school senior with quadraplegia, Donald Creed, a father of a 2-year-old daughter who is developmentally disabled and Denise Holmes, a 21-year-old woman who has benefited from vocational training to help her secure competitive employment, took time from their busy lives to give us their extraordinarily valuable insight on the impact of Federal programs on their lives. Barbara Hanft of the American Occupational Therapy Association, Inc., moderated the consumer panel and the legislative overview presented by three CCDD members, Susan Aimes-Zierman of the National Association of Developmental Disabilities Councils, Liz Savage of the Epilepsy Foundation and David Capozzi of the Paralyzed Veteran's Association. The following are excerpts from that presentation, written by Susan Aimes-Zierman:

The lives of the four panelists illustrate two concepts critical to the development of public policy in the field of disability:

First. When programs are created and sustained, a great difference in the lives of people with disabilities is made by increasing their independence so that they can contribute to their community.

Second. When programs are not created and sustained, people with disabilities are thwarted in their efforts to achieve independence and potential contributions may never be realized.

Since most of us at this briefing are in the business of making public policy, let's inventory how well we've done and what is yet to be achieved. Let's look first at the lives of infants and young children with disabilities and the situations their families find themselves in. More often than any of us would like to see, programs discourage families from caring at home for their children with disabilities. This situation creates one of the most serious barriers preventing children from ever reaching their potential. When youngsters with disabilities are living at home, several critical factors ensure that parents are not forced to place their children in hospitals, foster homes or congregate facilities. The first factor in insuring maximum independence is that early identification and intervention are critical services for both children and families.

Health, developmental and family support services are essential at this initial stage. The new Early Intervention Program authorized under the Education of the Handicapped Act Amendments of 1986 is a critical program for providing these services.

For families with incomes too high to qualify for State and Federal aid, sufficient health insurance is seldom available except at exorbitant costs. Insurance risk pools and catastrophic illness insurance are two policies urgently needed and are now being debated in Congress.

For children who need sophisticated technological equipment, the tradeoff is often weeks and months of separation from the home if in-home services are unavailable.

Working parents with seriously ill children often risk losing their jobs in order to meet their parental responsibility. The Family Medical Leave Act is intended to allow parents to properly take care of their children with disabilities.

Families can also be supported to keep their children with them by in-home services such as health aides and respite care. The Community and Family Living Act would stop inappropriate institutionalization of children who have a right to grow up in their own community.

The second factor necessary in creating an environment to foster growth and independence is that public policy, from preschool through high school, must focus on the individual needs of each child with a disability. Early educational experiences for children of disabilities form the basis for future development as students, workers, and citizens.

Preschool programs authorized by Public Law 99-457, as well as the Headstart Program with it's 10 percent earmark to serve handicapped preschoolers, provide essential educational and social experiences which pave the way for children to benefit from subsequent educational experiences.

Youngsters with disabilities require a vocational assessment component early on to ensure continuity of education and training to bring them into the world of work. Vocational education must be viewed as an essential training component so that individuals with disabilities are not stuck stringing beads or watching television all day as adults. The new Supported Employment Program under the Vocational Rehabilitation Act provides an opportunity for people with disabilities to have real jobs with real incomes, and to work with nonhandicapped peers in the community.

A third factor necessary for independent functioning centers around providing an accessible home and work environment.

Housing programs such as HUD section 8 rent subsidies and loans under the 202 Program, can provide the wherewithal to have a home to live in. Personal supports such as attendant care can make the difference between living in a nursing home and living in an apartment. For someone with a severe physical disability, such things as simple as bathing, cooking and transferring from a wheelchair to a bed can be all that is standing in the way of being able to function at home.

The reform of the Medicaid Program as proposed in the Community and Family Living Amendments by Senator JOHN CHAFEE intends to provide the kinds of individual and family support that make the difference between a life of dependence and a life of independence, productivity, and integration.

Architectural and transportation barriers discourage participation in our communities. The lack of enforcement of prohibitions to such barriers is an appalling statement of unconcern not only for currently disabled citizens but for those of us who will become disabled as we age. Specialized and generic transportation systems are necessary to provide access to all aspects of our communities to enable people with disabilities to get from their homes to their jobs.

The fourth factors are indirect but critical services of prevention and planning and advocacy.

The prevention of disabilities and alleviation of the effects of disability are addressed by a variety of research efforts of the National Institutes of Health and Mental Health. While it is difficult to portray what won't occur in the future because of such research, we have seen the effects of research in the past, for example, in predictory and preventing phenylketonuria [PKU].

Planning and advocacy must occur at the State and community level to insure that the needs of people with disabilities are taken into account. The Developmental Disabilities Act has these functions as its mandate and will be reauthorized this year.

This survey of programs could not possibly give the explicit detail that you need as policy analysts, developers, and influencers. The CCDD briefing book developed for you will provide many resources to learn more about individual programs. The chairpersons of various CCDD task forces are available to work with you to provide further information about the needs of people with disabilities. We are happy to work with you to formulate public policy which will increase an individual's independence, productivity, and integration into the community.

INTRODUCTION OF H.R. 1934, A BILL TO CODIFY THE FAIRNESS DOCTRINE

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1987

Mr. DINGELL. Mr. Speaker, today, I am introducing H.R. 1934, a bill to codify the fairness doctrine, with my distinguished colleague ED MARKEY, chairman of the Telecommunications and Finance Subcommittee of the Energy and Commerce Committee, and a number our colleagues from both sides of the aisle.

The fairness doctrine requires broadcasters to provide balanced coverage of controversial issues. It was given definitive statement by the Federal Communications Commission in 1949 pursuant to the requirement in the Communications Act of 1934 that broadcasters act in the public interest.

The 1959 Amendments of the Communications Act gave statutory approval to this requirement—referring to the "obligation imposed upon broadcasters under this act to afford reasonable opportunity for the discussion of conflicting views on issues of public importance."

In its 1969 Red Lion decision, the Supreme Court held that as long as there were more people who wanted to broadcast than there were stations available, the fairness doctrine was a constitutional means of affirming the paramount right of viewers to receive differing viewpoints on essential public issues.

However, in a 1985 report the current FCC revised history by concluding that the fairness doctrine and a "chilling effect" on the first amendment rights of broadcasters. The Commission was poised to eliminate the doctrine but was constrained by congressional opposition and the apparent codification of the doctrine in the 1959 Amendments.

Instead of attacking the fairness doctrine directly, the FCC chose instead to undermine the doctrine in court.

In its September 1986 Teletext decision, the D.C. Court of Appeals concluded that the doctrine was not a binding statutory obligation. The FCC has viewed this decision as license to repeal the doctrine administratively, and in several recent actions, the Commission has demonstrated its intention to do just that.

The broadcasters' self-serving argument—repeated by the FCC—that the doctrine chills speech is not persuasive. Broadcasting differs fundamentally from other media such as newspapers. The limited availability of channels creates a technical scarcity that requires Government licensing.

Some argue that scarcity no longer exists in broadcasting. They say that the number of broadcast stations has increased, that the number of newspapers has declined, and that alternative video distribution outlets have begun to grow.

All true. But none of these developments heralds the end of broadcast scarcity. One need only look at the price of broadcast properties—which is many times the value of the physical assets involved—and the number of comparative renewal cases pending at the FCC to know that scarcity still exists in broadcasting. There continue to be more people who want to broadcast than there are available channels.

The fairness doctrine merely gives legal recognition to the ethical obligations of journalists to be balanced. Its whole purpose is to frustrate any intent to provide exclusively one side of controversial issues. For this reason, some responsible broadcasters, such as Westinghouse Broadcasting and Fisher Broadcasting, support retention of the fairness doctrine.

Without the fairness doctrine discussion of public affairs could become either one-sided or be reduced to a bland, uniform pablum as broadcasters react to economic pressure from commercial advertisers—whether real or perceived.

The public benefits from the fairness doctrine because it enables them to receive opposing sides of controversial issues. The public benefit would be even greater if the fairness doctrine were more vigorously enforced.

The legislation I am introducing today is necessary because of the continued assault on the fairness doctrine by the commission. I will be working with numerous Members of the House and Senate to see that this vital democratic protection is enshrined in statute during the 100th Congress.

The legislation unambiguously codifies the doctrine. In so doing, it restores the legal situation which many of us thought existed prior to the U.S. court of appeal's Teletext decision in September 1986.

The bill requires that the administration and application of the doctrine shall be consistent with current rules and policies. This will protect the core policies which have governed the application of the fairness doctrine from a likely administrative assault by the current FCC—but it is intended to permit any needed administrative reform and adjustments to meet new situations.

In addition, the bill contains findings concerning the scarcity of broadcast stations in relation to demand which are necessary to enable the doctrine to withstand a constitutional challenge.

The Senate has begun to act on S. 742—an identical companion bill. On March 24, the Senate Commerce Committee voted 14-4 to report S. 742 favorably to the Senate floor.

ED MARKEY, chairman of the House Subcommittee on Telecommunications, has scheduled hearings on legislation to codify the fairness doctrine for April 7.

I draw the attention of my colleagues to the wide support which this legislation enjoys. Groups from the left, right and center agree that the fairness doctrine is needed to protect the vital democratic right of the public to receive suitable access to a diverse range of views on issues of public importance.

Such wide support across the political spectrum is rare, and indicates the broad appeal of the fairness doctrine. I urge my colleagues to join this effort to further the first amendment values of presenting the public with diverse and antagonistic points of view by cosponsoring H.R. 1934.

Groups which support legislation to codify the fairness doctrine include the following:

Accuracy in Media.
Action for Children's TV.
Amalgamated Clothing and Textiles Workers.
American Baptist Churches.
American Civil Liberties Union.
American Conservative Union.
Americans for Democratic Action.
American Federation of State County and Municipal Employees.
Anti-Defamation League of B'nai B'rith.
AFL-CIO.
AFL-CIO—Dept. of Professional Employees.
American Jewish Committee.
American Lung Association.
Black Citizens for a Fair Media.
Center for Science in the Public Interest.
Center for Study of Responsive Laws.
Christ Church (Disciples of Christ).
Church Women United.
Citizens Communication Center.
Common Cause.
Communications Workers of America.
Consumer Federation of America.
Consumers Union.
Conservation Caucus.
Eagle Forum.
Environmental Action.
Environmental Policy Institute.
Episcopal Church—Office of Communication.
Friends of the Earth.
Fund for Renewable Energy and the Environment.
General Motors.
International Ladies' Garment Workers' Union.
League of Women Voters.
Media Access Project.
Mobil.
National Association of Arab Americans.
National Conservative Political Action Committee.
National Council of Churches—Communication Commission.
National Education Association.
National Federation of Local Cable Programmers.
National League of Cities.
National Organization for Women.
National Rifle Association.
People for the American Way.
Public Citizen.
Safe Energy Communication Council.
Seagram & Sons, Inc.
Sierra Club.
Union of Concerned Scientists.
United Auto Workers.
United Church of Christ—Office of Communication.
United Food and Commercial Workers International Union.
U.S. Catholic Conference—Department of Communications.
U.S. Public Interest Research Group.

BICENTENNIAL AND THE PARK SERVICE

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1987

Mr. VENTO. Mr. Speaker, the Bicentennial of the U.S. Constitution is being celebrated this year. As part of that celebration, I am introducing today a bill to enhance the National Park Service's participation in the celebration of the Bicentennial. That landmark document, signed 200 years ago this year, has long shaped our Nation's political, economic and social development, just as the events subsequent to its creation have shaped it in ways that could not have been foreseen by its authors.

The National Park System, an institution in American life hardly predicted by the Constitution, preserves much evidence of its history. Historic sites within the National Park System document both the origin and subsequent development of the Constitution. They serve to make the Constitution and its effects on American life visible to all of us. Parks within the National Park System relating directly to the U.S. Constitution include Independence National Historical Park, witness to its creation and early implementation, numerous Presidential homes that document the development of that office under article II, Civil War battlefields that show its greatest trial, as well as many other sites that preserve evidence of various articles and amendments of the Constitution. The National Park Service has extensive experience in interpreting our history to the American public, each year providing insights into our past to more than 100 million visitors to our cultural parks alone.

I am introducing a bill directing the Secretary of the Interior to celebrate the Bicentennial of the U.S. Constitution in those national parks and historic sites appropriate to such a commemoration. Specifically, my bill would direct Independence National Historical Park to include the history of the U.S. Constitution in its interpretation to the public. It would authorize the Secretary of the Interior to establish a memorial at Independence National Historical Park to the Constitution to remind future generations of its significance.

The bill also directs the Secretary to use the resources of the National Park System to educate the public about the U.S. Constitution. It directs the Secretary of the Interior to enter into cooperative agreements with owners or administrators of historic sites closely associated with the Constitution to assist in their interpretation and preservation. Finally, the bill directs the Secretary of the Interior to contract with qualified institutions of higher learning for research and other activities, such as interpretation to implement the legislation. This legislation seeks to recognize the role the national parks have long had in educating the American public about our Nation's history.

TRIBUTE TO EUGENE "GUS" NEWPORT

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1987

Mr. DELLUMS. Mr. Speaker, I rise today to pay tribute to Eugene "Gus" Newport. This Sunday, April 5, residents of Berkeley and the San Francisco Bay area will honor Gus at a testimonial.

Gus Newport has long involved himself in the struggle for civil rights, equality, economic justice, and world peace. Whether organizing voter registration drives in the black wards of his native Rochester, NY, or taking the podium at international peace conferences around the world, Gus has tirelessly and consistently advocated these noble goals.

In 1979, after living in Berkeley for several years and working in a variety of capacities in our community, Gus Newport was elected mayor. He would serve two terms. As mayor, Gus became one of the foremost critics of Federal policies that abandoned a commitment to low-cost housing—and now we see the impact in countless homeless throughout our society; of policies that failed to provide for alternative transportation development—and now we see clogged freeways in all our urban centers; of policies that failed to promote racial understanding and equality of opportunity—and now we see conflict erupting between groups in our society who have more in common than apart; of policies that failed to provide adequate funding for education and vocation programs—and now we see despair and frustration, along with prevalent drug abuse, among our children; and of policies that prompted a massive buildup of military armaments at the expense of fiscal sanity—and now we see a national debt that straps our ability to finance it and meet important policy goals.

His clarity of analysis, his articulate discussion of the issues and his unswerving loyalty to the belief that government has an obligation to help the cast out, the locked out and those who have never even entered the mainstream of American civic and economic life, elevated him to a leadership role in the U.S. Conference of Mayors.

In addition to these, perhaps more traditional roles, Gus also became one of our Nation's foremost advocates for peace and international understanding. Under his leadership, Berkeley formed important relationships with our neighbors in Central America, planting the seeds of better U.S.-Central American understanding. These seeds may allow us, someday, to overcome the bitterness and animosity that our militarism in the region generates each day. He spoke tirelessly of the threat of nuclear war—both the threat to the very survival of the planet as well as the daily horror that this massive diversion of funds creates for people throughout our society and the world.

Mr. Speaker, although Gus has passed the torch of municipal leadership on and has joined the academic community as a lecturer and researcher, he has left a legacy of commitment, perseverance, insight, and determination that will be difficult to match.

It pleases me greatly to call this celebration to the attention of my colleagues and to pay this small tribute to a giant of a man, a person of great strength and gentleness, a quiet man with a loud voice for the cause of justice and peace.

HOW SOON CAN YOU STOCK YOUR NEW STORE, MR. BASHA?

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1987

Mr. UDALL. Mr. Speaker, a new magazine has come to the State of Arizona and it is a welcome addition to our State. The new publication is the Arizona Monthly, and I have had the pleasure of looking it over and found it to be full of information and insight.

Among the articles in the premier issue was one by my old friend Don Dedera, one of the best writers of Arizona events in memory. His article, "How Soon Can You Stock Your New Store, Mr. Basha?", describes a wonderful series of events involving a great citizen of Arizona, Mr. Eddie Basha, and the good people of the Tohono O'Odham nation.

I commend all involved and suggest to my colleagues that this story is worthy of their attention.

The article follows:

[From the Arizona Monthly, February 1987]

How Soon Can You Stock Your New Store, Mr. Basha?

(By Don Dedera)

The telephone rang four years ago in the south Chandler office of supermarket mogul Eddie Basha. "Mr. Basha, I'm the chairman of the Tohono O'odham, and we'd like to you come down here [to Sells] and build a Bashas' market. My tribe needs a good store real bad."

"Oh, sure," Basha thought to himself at first. "Nice try."

Basha regards jangling phones and exotic requests from strangers the way hikers react to rattlesnakes. That's because he terrorizes so much of the universe with practical jokes, and, therefore, lives constantly in fear of reciprocation. As well he should: Wag Basha once appeared at a schoolboard meeting disguised as an elitist-minded Arab sheik, shouting "Education only for the rich!" Another time, bedecked in a priest's robes, he marched into a hospital seeking the confession of a beautiful young woman friend.

And retaliation (or perhaps just devine justice) has visited Basha on occasion. Two of his trucks were stolen last year: One, a handsome International, was discovered later in the possession of Mexican police in Agua Prieta. It took months before they'd give it up to him. Also, jokers impersonating irate customers barrage him endlessly with rotten-grocery complaints. Once, an imposter with a British accent, ostensibly representing Sotheby's of London, offered to buy Basha's vast Western art collection for $500 in junk bonds.

Except for the truck thefts, such hi-jinks are a release for the fun-loving grocer. Basha runs the 45-store, 3,000-employee (he calls them "members") family grocery chain with a train of nearly illegible notes scribbled on cocktail napkins. Oftentimes, he answers his own phone . . . very carefully.

You can imagine the suspicions, then, that ran through his mind four years ago when he picked up the receiver and heard a voice claiming to be the chairman of the Tohono O'odham Indian tribe. "We'd like you to come down here and build a Bashas' market. My tribe needs a good store real bad." Oh, sure.

But this time the call was for real. The Tohono O'odham (also known as the Papago) needed a supermarket in their southern Arizona town of Sells, and they wanted Basha to build it. If only for the sake of diplomacy, Basha reluctantly offered to consider the request.

Basha is sympathetic toward people on the rise. His own Lebanese forebears came to America the Promised Land at the turn of the century. They and the next generation worked hard, saved, opened a little Chandler store and expanded to a few more. When Basha is in a sentimental mood, he speaks of the chain's tenfold growth under his chairmanship as merely an extension of his ancestors' sacrifice and struggle.

So, as a courtsey to the tribe, Basha and his executive vice president, Wayne Manning, one day motored the 150 miles southwest to Sells, and met with tribal leaders. Sole meeting agenda: new Bashas' store for Sells.

Unlike Basha, Manning is a nuts-and-bolts, facts-and-figures man. A computer wizard, he processes the data that ensures that a trainload of turkeys and a fleet of cranberry trucks will arrive exactly on time to stock every store for Thanksgiving. A Bashas' member for 20 years, Manning knows to the hundredth of a second how long it takes the average customer to ink a check, and how many Bargain Booster stamps weigh a ton. He also can calculate what population of what income it takes to support a store in a given area.

For Manning, the meeting with the Tohono was, well . . . forgettable. Large, brown-skinned men spoke simply yet eloquently of their people's needs: better nutrition, more jobs, a social center. Basha nodded politely. Manning ran a few numbers through his pocket calculator.

"And, obviously, no way would Sells make a location," recalls Manning of that first meeting. "We had made no marketing studies, but you couldn't see enough customer traffic in Sells to justify a push cart—let alone a modern supermarket. As a rule, figure the smallest Bashas' has to gross more than $1 million annually, and our largest might gross $7 million.

"Well, we didn't want to hurt feelings. And, as sort of an afterthought, I pulled out a rumpled, rolled-up sketch of the smallest Bashas' store from the trunk of the car and gave it to one of the Indians as a souvenir. It wasn't a blueprint, just a loose rendering of one elevation. I thought maybe the tribal leaders would see for themselves that a Bashas' at Sells simply wouldn't work.

"We came back to Chandler," continues Manning. "There were a couple more noncommittal meetings. Time went by. We heard there had been a change in tribal leadership, and Eddie and I rolled our eyes out of relief. We thought, well, that was the end of that."

Actually, it was only the beginnning. Understand, of the planet Earth's family of nations, the Papago must rank among the more serene and solicitous. Only after a few centuries of lumping along under somebody else's label did the Papago (a Spanish word for "bean eater") people politely insist upon being known as the Tohono O'odham (an Indian phrase meaning "desert people"), which is what they have been quitely calling themselves right along.

They are not only gentle by nature, they draw upon centuries of marvelously resourceful adaptation to the extremes of the Sonoran Desert. To this day, they occupy their traditional sunbaked homelands of scant water north of the Mexican border.

The only grave national error of the Papago, or Tohono O'dham, would seem to be a permissive immigration policy; but they have managed to muddle through Spanish conquest, Christian conversion, Mexican silver lust, American gold rush, Arizona prohibition, Anglo range piracy, and Tucson tourism.

Now booming to a population of 12,000, the Desert People inhabit reservation lands totaling nearly 3,000,000 acres—an area nearly as large as Connecticut and second only to Navajoland in reservation size. The Tohono capital, a community of 3,500 permanent residents, is Sells, a dot on secondary State Route 86, west 58 miles from Tucson.

Sells, the physical town, is disarmingly unimpressive. One-story buildings hither-thither long a few streets, Vast vacant lots. Sleeping dogs. Pickup trucks with bumper stickers: "My Other Car is a Pickup Truck." A couple of fast-food outlets and a garage. Big hospital. Even bigger school complex. Tribal headquarters, bureaus of the Great White Father, church. One wonders how the Tohono keep their senses of humor and humanity in Sells, but they do. They also preserve an indigenous region embracing magical powers, and an old-fashioned belief that a man's word is his bond.

Last summer, the telephone rang again in Bashas' headquarters.

"Mr. Basha," another Indian voice inquired, "how soon can you stock your new store?"

"Our new *What?*" said Basha, who hadn't heard from the Tohono for more than a year. This *had* to be the expected practical joke. Probably Marty Humphrey talking through his handkerchief, goaded on by Joe Beeler, Stan Turley and Mack Dossey.

"Yeah, our construction crews had some slow months so we put them to work on the new Bashas' market," the caller continued.

And indeed they had. On the strength of what they considered a handshake agreement with Basha, the Tohono O'odham quietly raised walls around and roofed over about 18,000 square feet to make a supermarket closely resembling Manning's rendering. For good measure, they tossed in a bunch more structures to create a shopping mall.

To put Basha' mind at ease, the Tohono leaders came up to Chandler and put on a slide show of the Sells store—the future pride of the Bashas' empire. All it lacked was a loading dock (which didn't show in the sketch), and a floor.

"Actually a blessing," says Manning. "We couldn't back out now. We retrofitted a loading dock, and took the utilities in and out before the floor was poured. It actually is a very well-built structure, and through a heroic effort, we had the store stocked for the scheduled grand opening. It's taken a heroic effort to keep it stocked ever since."

The Bashas' organization, which also operates three Navajo Nation stores, has considerable experience with reservation retailing. Thus Manning and other non-Indians have kept open minds regarding female managers (some tribes abide them, some don't), religious taboos (older Navajos won't eat fish because they are important water spirits) and demographic realities (exactly one-half of the Navajo people are younger than 17, for example). Advertising also requires an Indian point of view. "If you advertise a low price," says Manning, "Indians think the merchandise must be old. They don't buy it. Sales stop."

When the Bashas' at Sells grandly opened last September, a thousand people turned out for a parking-lot party. A whole day of ceremonials, feasting, and official speechmaking followed. People drove in from Ajo, Gila Bend, San Xavier and four dozen Tohono villages.

It was a great start, but the store's continued success might be credited to store manager Alfred Mendoza. Mendoza gained experience in Bashas' original Chandler store. An Hispanic, he assumed the Tohono would want plenty of tortillas. Wrong. They buy sacks of flour and pat their own tortillas. Mendoza guessed right, however, about some favorites—such as pinto beans, lard and potatoes. As expected, the Tohono aren't very fond of strange vegetables. Frozen foods and microwave products, forget it. And in a world of table scraps, canned dog food sells not at all. Yet where home laundries are still a luxury, disposable diapers sell like sin.

Mendoza also had the good sense to stock religious items, such as votive candles for the converts of Padre Kino. And in three weeks he sold 160 floral wreaths for roadside shrines. Another winner is the deli. While an average grocery deli might account for three percent of a store's gross, the Sells deli contributes 12 percent. Tohono customers go to the store two or three times a day, whereas a Phoenix customer might go to the local Bashas' once a week.

"Did you actually build the store before you had Eddie Basha's signature on the lease?" we ask Richard Ramirez, Tohono planning director.

"We had recruited every major chain," he responds. "They all said thanks, but no thanks. We weren't even sure of our own marketing data. Our government budgets were reduced, our cattle industry was having problems and our copper-mining enterprises were suffering. So I guess we said, 'If we're gonna expect Eddie Basha to take a chance on us, maybe we ought to show that we have faith in ourselves. So we built it. Yes.' "

Ramirez, a Tohono and a product of the University of Arizona School of Business, thinks that considerable tribal pride has been transferred to the Bashas' experiment. The store is a social center and young people's recreation hall. Some evenings, it has been impossible to fry chicken fast enough to meet the demand. Ramirez also praises a Bashas' policy of hiring as many Tohono as possible: 40 Indians and 44 employees. And it seems widely appreciated that the tribe shares 25 percent of net profits.

The upshot is that the Sells supermarket, one of the smaller stores in the Bashas' chain, is perking along at a pace of $3.5 million in annual gross revenues.

That is more than twice what Manning considered break-even income. "For its size," he says, "it might turn out to be the best little store in our system."

CHANGES NEEDED IN NEW TAX LAWS

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1987

Mr. DREIER of California. Mr. Speaker, I was recently thumbing through a digest of bills introduced in the 100th Congress and was not too surprised to find that at least 189 of them seek to amend or repeal a wide range of provisions in the Tax Reform Act of 1986. This indicates to me that the new tax law is seriously flawed, and a major overhaul of tax overhaul will soon be necessary.

Two aspects of the Tax Reform Act concern me the most. In my view, the disincentives for capital formation pose a substantial threat to long-term economic growth, and restrictions of IRA contributions will impair the ability of working Americans to prepare adequately for their financial security upon retirement. As a result, today I am introducing two bills which would, if enacted, restore the important incentives for savings and investment which were unwisely discarded in last year's tax bill.

The first bill calls for the repeal of the restrictions on IRA deductions added by the Tax Reform Act of 1986 and allow up to a $2,000 deduction for IRA contributions for a nonworking spouse. The second bill would restore the preferential treatment of capital gains, eliminate the retroactivity in the repeal of the investment tax credit, and provide for the indexing of the basis of certain assets.

Mr. Speaker, the new restrictions on IRA contributions came at an unfortunate time. IRA's are about the only base of support for savings in this country. Instead of reducing IRA eligibility, we should have extended full eligibility to all Americans, including nonwage earning spouses.

The benefits of IRA participation are currently skewed heavily toward working males, and away from women who work either in the home or in lower-paying jobs. Spouses working in the home should have the same individual retirement rights as those working outside the home. My legislation would address this inequity by granting nonworking spouses the full benefits of IRA contributions. Ultimately, it will enhance retirement security, and increase incentives for long-term savings. The result would be lower interest rates and increased capital formation, productivity, and economic growth.

IRA's have proved extremely effective in channeling private resources into retirement needs. The more than $250 billion in IRA's already comprises more than 15 percent of the total assets saved in pensions. Unless the new IRA restrictions are repealed, Congress will be seriously weakening the Nation's retirement system and destroying an important incentive for Americans to save.

As evidence, one only has to look at the myriad of projections which indicate that the ratio of Social Security recipients to wage earners will increase dramatically over the next several decades. The huge amount of private resources accumulating in IRA's would substantially reduce pressure over the long run on Government spending and those Americans who must shoulder the heavy burden of maintaining the solvency of the Social Security system.

In addition to providing increased retirement security and increasing the savings rate, an expanded IRA Program will have a positive effect on our Nation's trade deficit. With a higher level of savings, the Government—which currently absorbs about one-fifth of the Nation's record low savings pool—would not have to depend as much on foreign investment to finance its structural deficits.

With regard to capital gains, elimination of their preferential treatment was a serious mistake. Changes in the capital gains rate structure in recent years show conclusively that a lower tax rate results in greater capital formation and ultimately more tax revenue to the Federal Treasury. For instance, in 1977 the capital gains rate was 49 percent, total capital gains were $23.4 billion and taxes paid were $8.1 billion. By 1982, the top rate had been reduced to 20 percent, yet capital gains totaled $38.5 billion and taxes paid increased to nearly $13 billion. At the same time, the pool of capital gains available for capital formation increased from $3.5 billion in 1978 to $16 billion in 1984.

According to a Harvard University study, a 1-percentage point increase in the capital gains tax rate produces a 6.2-percent decrease in net long-term capital gains. The study concluded that a capital gains tax rate of between 14 and 20 percent would maximize revenue to the Federal Treasury.

Not only would my legislation bring the top capital gains rate well within this revenue maximizing range, capital gains would be indexed for inflation so that only real gains would be subject to taxation. Consider, for example, what the lack of indexing means to the average homeowner. With an annual inflation rate of 5 percent—a realistic assumption—the value of a $100,000 home will increase by about $30,000 over 5 years. In real terms, the value of that home remains $100,000, yet the owner would have to pay taxes on $30,000 upon selling the home. This would also be the case with other types of assets.

Last, my legislation would eliminate the retroactive repeal of the investment tax credit and make the repeal effective January 1, 1987. The purpose of this provision is not meant to extrol the relative merits of the ITC. Rather, it is designed to restore the credibility of tax reform. We should not be penalizing taxpayers retroactively for making decisions based on current tax laws. I don't see the fairness in telling a business person that the Government will pick up 10 percent of the tab for the purchase of new equipment, and then changing the rules after those purchases have been made.

Mr. Speaker, I believe the retroactive provisions and savings and investment disincentives in the Tax Reform Act do not comprise real or lasting tax reform. It is my goal to achieve changes in the new tax law to eliminate many of its inequitable provisions, and I hope my colleagues will support these needed changes.

PROUD OF THE "HURRYING HOOSIERS" AND MARION GIANTS

HON. JIM JONTZ

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1987

Mr. JONTZ. Mr. Speaker, our entire Nation is aware of the recent success of the Indiana University "Hurrying Hoosiers" as they captured their fifth NCAA basketball championship in a thrilling 74 to 73 victory over the Orangemen of Syracuse. All of us in Indiana are very proud of our IU basketball team.

This weekend was also an exciting time for high school basketball in Indiana, as the finals of our boys basketball tourney were held Saturday at Market Square Arena in Indianapolis.

As everyone who has seen the movie "Hoosiers" knows, we take our high school basketball very seriously in Indiana. It is therefore with a great deal of pride that I rise today to commend the Marion Giants of Marion High School on their third consecutive Indiana State high school boys basketball championship.

The Marion Giants defeated a tough team from Richmond in the final game of the State tourney Saturday evening by a 69 to 56 score. This is the sixth State title for the Giants, with five of those titles in the past 13 years. The Marion Giants are the first Indiana high school team to win three straight State titles since Franklin High School did so in 1920-22.

The Giants have compiled an 84-4 record over the past three seasons; they have won three consecutive north central conference titles; and are ranked second among U.S. high schools nationwide. Two of the Giants, Jay Edwards and Lyndon Jones, are Parade All-Americans who will play in the McDonald's Capitol Classic in Washington this month.

Coach Bill Green of the Giants deserves special commendation, as this 1987 State championship is his sixth title, a record no other Indiana high school basketball coach can match.

Mr. Speaker, I want to personally recognize the tremendous accomplishments of Marion High School and the 1987 Giants boys basketball team. I ask unanimous consent to place in the RECORD the roster of this outstanding group of young men and the educators who have made their victories possible.

Superintendent, Mayer E. David; Marion High School principal, Dr. John J. Marshak; athletic director, Jim Fricke; head coach, Bill Green; assistant coaches, Ray Sims and Mel Young.

Players, Jay Edwards, Daric Keys, Eric Ewer, Lyndon Jones, Kyle Persinger, Scott Hunt, Robert Stanley, Derek Barnett, Eric Persinger, Erik Krabbe, Steve Walker, David Anderson, and Anthony Butler.

TRIBUTE TO HORACE ALBRIGHT

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1987

Mr. VENTO. Mr. Speaker, America lost a conservation-environmental visionary when Horace Albright died this past week. Horace Albright helped create the National Park System in 1916 when he assisted in the enactment of legislation establishing our National Park Service. He served as the assistant to the first Director of the National Park Service, Stephen Mather, before becoming the second Director himself in 1929. Mr. Albright's numerous accomplishments include formulation of policies for the early National Park Service, acquiring vast new and special parks and responsibilities—particularly in historic sites and historic preservation—and promoting the National Park Service. Even after he left the National Park Service, Horace Albright watched over our national parks. He remained actively interested in parks and supported conservation programs until he died Saturday, March 28, 1987, at the age of 97. For his outstanding contributions Horace Albright was awarded the Medal of Freedom. He kept—and fought for—his vision which has become the American vision of the national parks—special places set aside for all the American people. The best memorial to his efforts are the parks themselves. The 340 units now comprising the National Park System are truly places where we can grow in appreciation and understanding of the splendid natural, cultural, historic resources within our Nation's boundaries.

Over 70 years ago, Horace Albright helped pass the legislation that created the National Park System. Albright remained active for the last seven decades to keep alive, guide and weave the National Park System and conservation ethic into the fabric of 20th century America and U.S. policy, certainly leaving an indelible mark in human history and outstanding environmental values as a legacy to all Americans. The 1916 Organic Act stated clearly that the parks and their resources should be kept "unimpaired for future generations." We are the "future generations" who have inherited Horace Albright and his colleagues' legacy. We now have the same responsibilities to the generations that follow us. Let us remember Horace Albright's life and vision of the national parks as we mourn his death.

SOCIAL SECURITY NOTCH REFORM—H.R. 1917 PROVIDES BENEFIT EQUITY—FINANCIAL SOLVENCY OF TRUST FUNDS KEPT INTACT

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1987

Mr. ROYBAL. Mr. Speaker, today 123 of my colleagues and I are introducting H.R. 1917, a bill to resolve the problem known as the Social Security notch. I wish to particularly praise the ranking minority member of the Select Committee on Aging, Mr. RINALDO, for his continued support for notch reform legislation. His assistance has proved invaluable in bringing this inequity to the Nation's attention.

The 1977 amendments were designed to rectify the problems in the overindexed 1972 benefit formula and reduce benefit levels for all persons eligible for retirement after 1978. Congress wanted to phase-in the reduction over a period of years, so as not to hurt those who were already planning on a specific Social Security benefit. Incidently, Presidents Ford and Carter recommended, and the House orginally passed a 10-year transition into the new benefit formula. However, the final legislation which passed included a 5-year phase-in to the new benefit formula. Unfortunately, this transition did not work because of the unanticipated double-digit inflation of the late 1970's and the early 1980's and more importantly, because the transition formula ignored the post age 61 earnings of individuals in calculating benefits.

Instead of transition which was intended to reduce benefits over 5 years by 6 to 10 percent, the average benefit reduction for an age 65-year-old retiree born in 1917, the first year of the notch, was 10 percent. In subsequent years, discrepancies of 20 percent or more have been noted. I do not believe that we in Congress ever intended such a drastic cut in benefits over such a short period of time.

My goal has always been to press for a responsible solution to the notch that will restore faith in the system for millions of notch babies and provide maximum protection to current and future beneficiaries, without undoing the necessary reforms of 1977. My bill, from the 99th Congress, included a 30-year transition into the new benefit formula, and provided a complete resolution of the notch problem. Current estimates by Social Security

Administration actuaries for H.R. 1917 of the 99th Congress, however, are $243 billion over 10 years.

Technical corrections have been made to my notch legislation which substantially reduce the cost while still providing equity to those individuals born during the years 1917-21. This new legislation, which I am introducing today as H.R. 1917, would allow for a 10-year transition to the new benefit formula.

This amendment bill would compute benefits under the old—1972—formula and reduce them by 3 percent. In addition, benefits would be reduced an additional 3 percent for each year of birth after 1916. Under this formula, beneficiaries would be protected from abrupt reductions in benefits, as envisioned under the 1977 amendments, and would also receive retroactive benefits. Last year the Social Security actuaries estimated the cost of this particular proposal to be approximately $45 billion over 10 years. I expect more formal cost estimates from the Social Security Administration shortly.

Under this 10-year formula, average earning 65-year-old retirees born between 1917 and 1924 are projected to receive higher benefits than under current law, while 65-year-old retirees born after 1924 would receive the same level of benefits projected under current law.

The Select Committee on Aging has studied this problem for over 3 years. The committee's eight hearings include an extensive record on the effect of the notch on individuals. In addition, the American Enterprise Institute has published an extensive analysis of the notch and proposals to resolve the issue. The General Accounting Office study on the notch which was begun almost a year ago, is still not complete. But for those of my colleagues who believe that more study is needed, I urge them to review these hearings and the legislative analysis.

There are some who believe that there is a need to cut benefits or raise taxes to pay for notch reform. The Social Security trust funds are in excellent financial shape, with large annual surpluses projected over the next few decades. The 1987 Social Security Trustees Report, which is due to be released shortly, will demonstrate this health. Accordingly to last year's trustees report, under intermediate economic assumptions, total reserves will grow from about $44 billion this year, to over $540 billion by 1995. In fact, over the next 5 years, the average annual surplus is projected to be about $50 billion a year. Certainly some of these reserves could be used to correct this inequity without damaging the long-term financial solvency of Social Security.

Mr. Speaker, let me close by stating that obviously this blatant inequity should not exist. Such arbitrary discrepancies in benefit levels are unfair and undermine condidence in the Social Security system. H.R. 1917 solves the problem, responsibly and fairly. I urge my colleagues to join me and 123 other Members in pushing for resolution of this unfair inequity.

Mr. Speaker, I am submitting two charts to be printed. The first chart compares current monthly Social Security benefit amounts with H.R. 1917. The second chart compares current replacement rates with that of H.R. 1917. I urge my colleagues to review these charts which demonstrate the unintended inequity of the notch.

COMPARISON OF AVERAGE MONTHLY SOCIAL SECURITY BENEFIT AMOUNTS IN 1991 FOR AGE 65 RETIREES WITH CAREER AVERAGE EARNINGS

	Year of retirement at age 65	Current law 1977 amendments	H.R. 1917 100th Cong.
Year of birth:			
1915	1980	$675	
1916	1981	697	
1917	1982	630	$679
1918	1983	606	681
1919	1984	575	683
1920	1985	561	693
1921	1986	572	665
1922	1987	582	652
1923	1988	589	640
1924	1989	604	623
1925	1990	608	608
1926	1991	608	608

Source: Social Security Administration. Prepared for Chairman Roybal by the Subcommittee on Retirement Income and Employment.

COMPARISON OF REPLACEMENT RATES[1] UNDER CURRENT LAW AND H.R. 1917 FOR AGE 65 RETIREE WITH CAREER AVERAGE EARNINGS

	Year of retirement at age 65	Current law 1977 amendments (percent)	H.R. 1917 100th Cong. (percent)
Year of birth:			
1915	1980	51.1	
1916	1981	54.4	
1917	1982	48.7	52.4
1918	1983	45.8	51.4
1919	1984	42.9	50.9
1920	1985	40.9	49.2
1921	1986	41.4	48.1
1922	1987	41.7	46.7
1923	1988	41.8	45.4
1924	1989	42.6	43.8
1925	1990	42.1	42.1
1926	1991	41.5	41.5

[1] Replacement rate is equal to the ratio of the annual primary insurance amount to annual earnings in the year prior to retirement.

Source: Social Security Administration. Prepared for Chairman Roybal by the Subcommittee on Retirement Income and Employment.

PORTABLE PENSIONS

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1987

Mr. WOLPE. Mr. Speaker, I would like to call our colleagues' attention to an article by David Shribman which recently appeared in the Wall Street Journal. Mr. Shribman discusses an intriguing new concept on the horizon, and the man who brought the idea to light.

Mr. Pat Choate, director of Policy Analysis at TRW, Inc., has convincingly drawn attention to the need to reform the Nation's pension system to compensate for the increased mobility of today's workforce. Described as "one of the most prodigious producers and marketers of new ideas," Mr. Choate has devised a system of "portable" pensions as a means of achieving increased security for today's workforce. Later this spring, I will be cosponsoring a bill to be introduced by my esteemed colleagues Mr. FEIGHAN and Mr. MATSUI that will address the need for greater flexibility and mobility of pension funds.

I hope my colleagues will take the time to read this informative article on portable pension plans.

The article follows:

[From the Wall Street Journal, Feb. 5, 1987]

SOME WHITE HOUSE ASPIRANTS, COMBING THE MARKET OF FRESH IDEAS, EMBRACE PORTABLE PENSION PLAN

(By David Shribman)

WASHINGTON.—Here comes the next new idea.

It's called the Portable Pension Plan, and though it's been kicking around labor circles, it has yet to be transformed into a broad popular cause, the sort of issue politicians talk about in outdoor rallies and at Rotary Club luncheons. A handful of presidential candidates are poised to do just that in the next few months.

"It will be a big theme in my campaign," says former Gov. Bruce Babbitt of Arizona, who is seeking the democratic nomination. "I'm going to be talking about it," says former Gov. Pierre du Pont of Dalaware, who is seeking the Republican nomination. So will two other Democratic contenders, former Sen. Gary Hart of Colorado, who stressed the concept in a lecture at the University of Florida Law School last month, and Rep. Richard Gephardt of Missouri.

SEARCH FOR NEW IDEAS

New ideas are the coin of the realm in modern politics, and the men who are girding for the 1988 presidential campaign are already searching for them, hoping that these ideas will dress up their campaigns, burnish their image and attract large blocs of voters to their cause.

That's why the Portable Pension Plan has such great appeal. It sounds fresh, it seems fair, it has a catchy slogan: "Tie the pension to the worker, not the job." And it appeals to the majority of Americans, including the 75 million baby-boom voters who are chronic job switchers and who constitute the most receptive market for new political ideas. "These voters are motivated by self-interest, and here is a problem that no politican has addressed," say Paul Leinberger, a St. Paul, Minn., management consultant.

The evolution of the portable pension from proposal to political buzzword illuminates the process by which policy ideas germinate in Washington and then burst forth in full flower as part of the popular debate. But though presidential candidacies search for new ideas in the belief they set them apart from other political figures, make them seem creative and transform their candidates into a movement, they seldom come up with the ideas themselves.

"Every campaign needs someone from the outside to inject fresh lines of thinking," says Paul Maslin, a Democratic political consultant. "The pressure of a campaign schedule and the very act of campaigning makes it unlikely for the candidate himself to come up with a lot of new ideas."

The notion of portable pensions surfaced in a report by a commission appointed by President Kennedy. But it was given new life last year when Pat Choate, director of policy analysis at TRW Inc. and known as one of the capital's most prodigious producers and marketers of new ideas, managed to persuade the Democratic Policy Commission to include it in its blueprint for the future, "New Choices in a Changing America."

Then Mr. Choate included it as one of the 45 new ideas in "The High-Flex Society: Shaping America's Economic Future," a book he wrote with Juyne Linger, a TRW policy analyst. The book is selling briskly in Washington bookstores, particularly on Capitol Hill, even though it is receiving scant attention in the rest of the country. And he discussed it with several presidental candidates and then persuaded Mr. Hart, Mr. Babbitt, Mr. du Pont and others to make it part of their appeal in the first breath of the campaign.

IDEA "TAKES ON ITS OWN LIFE"

"Once the ideas has taken off, it takes on its own life," he says. "The candidates who seize it give it life, and then everyone else has to have a position on it."

Mr. Choate, 45 years old, grew up in Maypearl, Texas, a railroad junction of 150 people about 40 miles southwest of Dallas. He helped popularize the debate on improving America's infrastructure, claims credit for the idea of a capital budget for the federal government and provided Mr. Hart with his leading new idea of the 1984 presidential campaign, the Individual Training Account to help workers find new opportunities in a changing economy.

"This is a guy who is full of good ideas," says Mr. du Pont. "He sits around, thinks them up, offers them up and is willing to have anybody take the idea and run."

Some of the other ideas in his book—Rep. Nancy Johnson (R., Conn.) bought 80 copies of it, gave them as a gift to members of her campaign finance committee and told them it was "one of the really exciting books"—involve new approaches to child care, worker retraining, assistance to small businesses and ways to address the U.S. trade deficit.

TWO-MINUTE DESCRIPTION

"But the good thing about the portable pension, the thing that makes it perfect for politics, is that you can describe it in two minutes," say Mr. Choate.

He estimates that only a quarter of U.S. workers are entitled to a pension, and a survey by Korn-Ferry, the human-resources research firm, showed that a quarter of executives aged 30 to 47 already have worked in four or more companies. A National Bureau of Economic Research study, moreover, found that workers who change jobs once after age 31 reduce the value of their pensions by more than a quarter.

President Reagan, in his legislative message accompanying his State of the Union address, urged Labor Secretary William Brock to examine making pensions portable. The debate among the presidential candidates, however, is likely to go considerably beyond that, and will deal with assuring that every worker has a private pension.

Mr. Choate's version of the idea has generated enthusiasm among a number of White House aspirants. "It's got to happen, given the mobility of the work force," says Mr. Hart. Mr. Babbitt adds: "I want to create mobility rather than restrict it. This issue relates to two things that are central to Democrats: productivity and equity."

The Choate plan calls for the creation of a portability fund, which could be administered by the Penison Benefit Guaranty Corp., the Treasury or the Social Security Administration. Matching tax-exempt contributions would be made by workers and employers, and workers would be immediately vested. Those moving to new jobs could deposit their pension money in the central fund or have it transferred to the pension plan provided by their new employer.

"This appeals to younger people who are going to change the jobs several times in their careers and to women who aren't always as permanent in the work force," says Mr. du Pont, who knows that as a dark-horse GOP candidate he has to offer unusual ideas to attract attention and support. "But there's also an element of fundamental fairness to it: It secures for people what they have earned."

TRIBUTE TO THE DEPASQUALE BROTHERS

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1987

Mr. WELDON. Mr. Speaker, I rise to pay tribute to the dePasquale brothers who will be honored on April 5, 1987, by receiving the Man of the Year Achievement Award from the Order of the Sons of Italy in America. The brothers have been chosen for their outstanding achievement in the field of music.

Mr. Speaker, I ask my colleagues to join me in recognizing the dePasquale brothers, and I submit for the RECORD the following brief biography:

Oreste dePasquale immigrated to the United States in 1908 from Ruggiano Gravino Calabria, Italy at age 11. He started to teach himself to play violin at age 12. Rosa Lanza also came to this country from the same town in Italy as Oreste. She was 7 years old when she arrived in America in 1906.

Although Oreste and Rosa's families knew each other in Italy they met in Philadelphia and were married.

Oreste and Rosa dePasquale truly made beautiful music together as husband and wife. Besides starting his own business, the dePasquale Music School in Mt. Airy, Papa and Mama started a family of six, Joseph, Francis, Eleanor, Robert, John and William.

Papa had one ideal in life, to raise a professional string quartet. But in Philadelphia baseball was the thing and the dePasquale boys were forever tossing their baseball equipment out of the second-floor window and sneaking off to the diamond. On Sunday afternoons, however, they were held captive in the living room and made to listen to recordings by Kreisler and Casals. "That's what it should sound like," Papa would say, and then he would lead the boys through their paces. If a little extra encouragement was needed, Papa administered a smart rap on the head with his violin bow. Papa ruled with an iron fist, so stated Robert. Gradually, recalled Francis "we learned to love chamber music as much as he did." The brothers practiced 20 hours a week at their old homestead in the Germantown section of the City of Brotherly Love. "When things get too violent", explains Robert, "Mama has to come in from the kitchen to mediate." There is nothing, they say, like Mama's eggs in purgatorio (fried eggs smothered in sauteed tomatoes) and a spot of vino to cool a heated brow.

As their careers blossomed, the brothers agreed that each would go his own way. Francis was accepted by the Philadelphia Orchestra, Joseph went to the Boston Symphony and William to the New Orleans Philharmonic.

Then in 1963 William won a position with the Philadelphia Orchestra. The brothers had decided the time had come. The following year in 1964, Joseph and Robert packed up their fiddles and joined their brothers i taking up permanent residence in the Phil delphia Orchestra under the baton Eugene Ormandy. The first all-brothe quartet in musical history was born.

In 1966 the quartet made its Manhatta debut in Town Hall. Time magazine wrot of the brother's New York debut: "The tempos * * * were brisk and lively, the tone as rich and heady as a May wine. * * Their approach was marked by a warmt and intuitive sensitivity."

PRODUCT LIABILITY BILL

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1987

Mr. SHUMWAY. Mr. Speaker, today, I a introducing a product liability bill which ad dresses the major concerns of both manufac turers and consumers, eradicating the inequi ties, abuses and expenses associated wit the current system.

In the last 10 years, product liability lawsuit against manufacturers have increased nearl 700 percent. The dramatic rise in litigatio does not stem from the sale of defectiv goods. In fact, today's products are perhap the safest ever made, as American manufacturers recognize that product quality is the ke to increased domestic and international competitiveness. Instead, the major cause of thi litigation explosion lies in the structure of ou present system of product liability law. As the laws are presently written, everyone loses—manufacturers, consumers, plaintiffs and defendants.

Currently, State laws and court decisions govern product liability cases; however, these laws vary widely from State to State. Several States have enacted some form of product liability statutes, but no two of these statutes are alike. Furthermore, most of these statutes fail to address the principal issues which arise in product liability. Such a State-by-State legal framework might work if products produced in a State stayed there—but they do not. On average, 70 percent of all products produced in a State enter nationwide commerce.

This morass of contradictory State legislation does not provide effective standards for manufacturers or protect the legitimate interests of injured product users. A consumer injured in one State might have standing to sue in that State but not in another—even under the same circumstances. For manufacturers, these myriad State standards have made the task of creating a product which conforms to each increasingly difficult, if not impossible. This increased burden on manufacturers results in either increased costs of producing a product or the complete elimination of a useful product line. Either result places American manufacturers at a disadvantage with foreign competitors who are free from such excessive product liability costs in their home markets.

Uniform Federal guidelines are also needed to reverse the drift in product liability law. This drift has taken product liability law away from the traditional notions of liability toward a judicially created tort system of risk distribution and no-fault compensation. Courts frequently render judgments against manufacturers without regard to negligence on the part of the manufacturer or the consumer. Manufacturers are being held strictly liable by the mere determination that their product caused harm with no consideration of the care taken by the manufacturer to produce a safe product or any lack of care assumed by the product user.

My bill would set the framework for nationwide uniformity and stability of product liability rules so that manufacturers and sellers may understand their obligations, consumers may understand their rights and insurers may calculate product liability rates on a rational basis. The bill provides thorough construction, design, instruction and representation liability standards for product manufacturers and sellers and provides that manufacturers or product sellers cannot be held liable for injuries caused by products which conform to Federal safety standards, unless the consumer can show that those standards were unsound. The bill also incorporates the comparative fault standard under which the manufacturer and the product user are each held accountable for their negligence in either the production or the use of the product. Furthermore, my bill adjusts damage awards by other amounts received by the plaintiff, places reasonable constraints upon punitive damage awards and establishes a 2-year statute of limitations and a 10-year statute of repose.

I urge my colleagues to join me in support of this bill which restores fairness of the product liability system.

DR. JOHN WOLFE RETIRES

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1987

Mr. LAGOMARSINO. Mr. Speaker, on April 10, 1987, Dr. John Wolfe, associate superintendent of the Ventura Unified School District, will be honored at a retirement dinner at the Fairfield Harbortown Hotel in Ventura, CA.

Dr. Wolfe has held the position of associate superintendent of the Ventura Unified School District since 1975. He began his career 40 years ago in 1947 as a seventh grade teacher in the Hawthorne, CA school district. He served as a teacher and as a principal in Compton, CA, schools prior to his coming to the Ventura area in 1954. In Ventura, his first assignment was as principal at Montalvo School, he then became business manager of the San Buenaventura School District and subsequently rose through the administrative ranks as assistant superintendent, deputy superintendent, assistant superintendent of the Ventura Unified School District, and finally as associate superintendent.

The California Association of School Business Officials has also had the benefit of Dr. Wolfe's wisdom and guidance since he has served that organization as president, southern section; State librarian; State secretary; State director; vice president, State; president, State; and since 1981, as chairman, State Committee for Development of School Business Officials. In 1982, John was the recipient of the Association of California School Administrator's Region XIII Administrative Excellence Award. In addition to his academic achievements, the Ventura Downtown Rotary Club has had the benefit of John's wisdom and guidance. He served as president of the club in 1982–83.

As you can see, John has dedicated his life to assisting our young in obtaining a quality education. I ask that you join me in thanking Dr. Wolfe for his 40 years of service, congratulating him on his retirement and in wishing he and his wife Paulina, many years of happiness and health.

THE 65TH ANNIVERSARY OF THE YUGOSLAV BENEVOLENT AND PLEASURE CLUB

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1987

Mr. LIPINSKI. Mr. Speaker, it is my pleasure to bring to the attention of this body one of the civic groups of Chicago, the Yugoslav Benevolent and Pleasure Club, on the 60th anniversary of its formation. It had a humble beginning in January of 1922 when it met for the first time with the unity of Chicago's Yugoslav community its purpose. From a small initial membership of 11, it has grown to well over 300 members of Croatian, Serbian, and Slavic descent.

At a meeting on February 28, 1925, two of its members, observing the rapid growth of a Yugoslav community in the Archer Avenue-Garfield Ridge district between 51st and 59th Streets and Cicero to Harlem Avenues, urged the group to move the club to this newly developing area. With a small treasury and courage borne of Yugoslav pioneers, the club moved to its present site, 5540 South Naragansett Avenue. In 1926 lots were purchased, and by the year 1930 construction of a clubhouse and community center was begun. On the eventful day of May 17, 1931, a vast throng of Yugoslav people gathered from all parts of the Chicago metropolitan area to celebrate the opening of the new community house.

It was always the goal of the members of the club to build a community house adjoining the grove that would be a credit to the Yugoslavs of community and a worthwhile contribution to the growth of Chicago. A part of this objective was accomplished after many years of planning and effort as the new community house was begun in November 1954 and dedicated in September 1955.

Since its inception, the club has been interested in all activities that promote the growth of the community, the city of Chicago, and benefits all people of Slavic heritage in the United States in fulfill the ideals of equality, fraternity, and good will among all people. Mr. Speaker, I am sure that my colleagues join me in congratulating the Yugoslav Benevolent and Pleasure Club on its longevity and its commendable efforts in the Chicago community.

SMALL BUSINESS COMPETITIVENESS ACT OF 1987

HON. HAL DAUB

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1987

Mr. DAUB. Mr. Speaker, I rise to offer the Small Business Competitiveness Act of 1987. This is in part an effort to implement the exemplary recommendations made by the White House Conference on Small Business last year.

First, this legislation will permit more small business to file payroll taxes once a month. Currently, only businesses with monthly deposits of $3,000 or less are permitted monthly deposits, while others must file eight times a month. My bill would raise this limit from $3,000 to $5,000.

For a small business, the difference between the two payroll schedules is substantial. The accelerated eight times a month schedule imposes a paperwork nightmare and substantially increases the potential for unnecessary confrontations with the Internal Revenue Service. I think it is time that we reduce this burden and allow small business people the opportunity to channel their resources to more productive pursuits than pushing paper.

Mr. Speaker, section 102 of my legislation is a further effort to reduce the paperwork blizzard on small businesses. This provision of the bill will require the Internal Revenue Service to perform regulatory flexibility analyses on new regulations in order to ensure that this particular agency considers the potential impact of regulations on small businesses.

In 1980, the Congress responded to the problems associated with neglecting consideration of small business concerns when promulgating regulations by enacting the Regulatory Flexibility Act [RFA]. The RFA requires Federal regulatory agencies to prepare a regulatory flexibility analysis that describes the impact proposed regulations will have on small businesses and describes regulatory alternatives that could minimize such impact.

Nonetheless, some agencies have taken the position that the RFA does not apply to interpretive regulations that are exempt from section 553(b) of the Administrative Procedures Act. In effect, such an exception amounts to a blanket exemption for many IRS regulations impacting small businesses.

Again, Mr. Speaker, such exemptions—because they are relied upon significantly by courts, tax courts, accountants are IRS agents—have created onerous burdens for small business. It is time that we address this problem and further create a productive environment for small business activity.

Further, title II of my bill will allow a full deduction—the Tax Reform Act of 1986 allows a 25-percent deduction for amounts paid for health insurance—to self-employed individuals for contributions to accident or health plans for medical care. This provision would provide for a trade or business deduction on the same basis as other businesses and will prevent double-dipping by persons who are both employed and carry on a secondary business as a self-employed taxpayer.

There is no logical policy reason to assure employees necessary health benefits on one hand, and on the other to preclude the same legitimate business deduction for those businesses choosing to operate as a sole proprietorship. The question is simply one of fundamental fairness in our Tax Code.

Mr. Speaker, title III of my bill establishes a Fair Trade Advocates Office in the Office of the U.S. Trade Representative. This office will assist small businesses in preparing cases under the trade laws; obtain remedies and benefits under the trade laws by acting as a advocated in proceeding before any agency responsible for administering such trade laws; and pursuing appeals of cases undertaken by the office.

During trade debate, we must take into account the essential contributions that small businesses make to the economy. The Fair Trade advocates Office will go a long way in this regard.

Finally, Mr. Speaker, title IV of my legislation would allow those who sell their closely held business to reinvest the proceeds in either another closely held business or in an individual retirement account, and thus avoid recognition of the gain. This provision is much like the provision for the rollover of gain from the sale of a home and encourages the entrepreneurial spirit in the small business person, or rewards him/her with a retirement incentive.

THE HYPOCRISY OF GLASNOST

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1987

Mrs. COLLINS. Mr. Speaker, today, the Washington Post stated that Moscow claims thousands of refuseniks soon will be allowed to emigrate and restrictions on Jewish religious and cultural freedom will be relaxed. This action is supposed to be in keeping with General Secretary Gorbachev's new policy of glasnost or openness.

Gorbachev makes much of this openness. He leads us to believe that after years of tyranny, Moscow now respects human rights.

All I can say is, Mr. Gorbachev, talk is cheap. What I want to see is action.

The time for openness is long overdue. Soviet Jews and other minorities have suffered terrible misery and persecution for practicing their religious beliefs or applying to emigrate.

For years I have worked to free refuseniks. Several of the cases that I am currently addressing demonstrate the true realities of Gorbachev's openness.

There is the case of Abe Stolar, an American citizen born in Chicago, who's family moved with him to the Soviet Union when he was a young man. He lost both his parents and one sister in Stalin's purges.

Abe stayed in the Soviet Union, but he never gave up his American citizenship. He has been trying for years to come home to Chicago. Moscow refuses to let his family leave and Abe knows that if he goes alone, he will never see them again.

Is openness holding an American citizen against his will? I think not and I have introduced legislation calling on the Soviet Government to release Abe and his family.

Then there is Yuli Edelshtein. His persecution began when he applied to emigrate to Israel in 1978. In 1984, he was imprisoned on a trumped up charge. Since that time, Mr. Edelshtein has been severely beaten and suffered several mysterious "accidents," leaving him with a disabled leg, a damaged bladder, and injuries to both his kidneys.

Mr. Edelshtein, who's health continues to deteriorate, should be immediately released. Yet, he still languishes in prison.

This is not openness and I have written the Soviet authorities telling them so.

The situation confronting Leonid Yuzefovich and his family is another example. The Yuzefoviches applied to emigrate to Israel in 1980. Permission, of course, was refused.

Recently, in an effort to demonstrate openness, Moscow enacted a new emigration law. It specifically allows those with first degree family members living abroad to emigrate. The Yuzefovich family qualifies under this law because Leonid's wife, Ekaterina, has parents and other relatives residing in Israel. But Moscow continues to refuse the Yuzefoviches permission to leave.

Now, in a last ditch effort, Mr. Yuzefovich is risking his life in a hunger strike.

Persecuting this family is not openness and I am now circulating a congressional letter in support of the Yuzefovich family.

These examples demonstrate the hypocrisy of glasnost. Behind Gorbachev's smooth rhetoric, the iron fist of repression remains; a fist which crushes dissent and strangles hope.

As a black woman I have seen how flowery words can be used as a smokescreen to hide discrimination and repression. I want to see Mr. Gorbachev put his words into action. I want to see real openness in the Soviet Union. I want to see Moscow truly respect human rights. Then, and only then, will glasnost be more than an empty promise.

THE 175TH ANNIVERSARY OF LYCOMING COLLEGE

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1987

Mr. GEKAS. Mr. Speaker, on Saturday evening, April 4, 1987, I will have the great pleasure of participating in a special program of activities to celebrate the 175th anniversary of Lycoming College, Williamsport, PA.

The staff, students, and alumni of Lycoming College can be quite proud of this institution not simply because the college has existed for 175 years, but more importantly, because quality education and the commitment to excellence has endured for nearly two centuries.

Lycoming College, first named the Williamsport Academy at the time of its incorporation on April 2, 1811, started out on less than solid ground. Some even said that the academy was doomed to financial failure. But as we know today, 175 years later, this institution did not fail but rather grew from its shaky beginnings and placed itself, with the help of its instructors, administrators, staff, and students on a rock solid foundation.

Mr. Speaker, I would like to ask my colleagues in the U.S. Congress to join me in saluting Lycoming College as they commemorate this very special 175th anniversary.

MORE ENCOURAGING SIGNS OF SOVIET GLASNOST

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1987

Mr. LEVIN of Michigan. Mr. Speaker, like many in the Congress I have been following closely the news from the Soviet Union about its new policy of glasnost, or openness.

In the last decade we have witnessed a great swing in the pendulum with regards to Soviet Jewry, from a record high emigration in 1979, to a record low in 1986. Today we can be more optimistic than we have had reason to be in many years, though we must remain on guard to ensure that progress in Soviet Jewry and Soviet human rights is being made.

Very much is the plight of divided spouses. Twenty couples remain separated simply because the Soviets refuse to allow them to be united. Amidst the anticipation of this new openness, the Soviets have kept the divided spouses a closed case.

We admire and salute the courage and heroism of these couples; we rationally and inteligently discuss steps to reunite them, but none of us can truly understand the anguish they must experience by being denied the opportunity to share their lives together.

One of these spouses, Keith Braun, is a founder of the Divided Spouse Coalition, and lives in Southfield, MI. He met and married his Soviet wife Svetlana, while a student in Moscow. They married in August 1984. Svetlana has repeatedly been refused an exit visa, and has continued to receive confusing signals from the Soviets regarding her application.

It is imperative that we keep the plight of these couples before the American public and raise the issue during all our contacts with Soviet officials. As Soviet human rights reforms continue to unfold, let us not abandon our efforts on behalf of those who remain prisoners in their own country.

A BILL TO RAISE THE GASOLINE TAX

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1987

Mr. BEILENSON. Mr. Speaker, I am introducing a bill today to raise the Federal excise tax on gasoline by 25¢ a gallon. This legislation would help solve three of the most pressing economic problems facing us today: Our Nation's vulnerability to a new energy crisis, the enormous U.S. trade deficit, and the huge Federal budget deficit.

Our growing dependence on imported oil poses a serious threat to our economic and national security interests. Imported oil accounted for 39 percent of all the oil we used last year, compared with just 27 percent the year before. Energy experts are predicting that by the early 1990's, imports are likely to account for well over half of the oil we use—a higher proportion than that which triggered our energy crises in the 1970's and brought not just the inconvenience of long gas lines, but also two serious recessions and the worst period of inflation in American history.

Raising the Federal gasoline tax is the best way we can protect our Nation against an even more disastrous energy crisis in the 1990's. By raising the price of gasoline through a higher tax, we would reestablish the incentives Americans had just a few years ago to buy more fuel-efficient vehicles and cut back on nonessential driving. By consuming less gasoline, we would lower our demand for imported oil.

According to estimates prepared by the Congressional Reseach Service, a 25-cent-a-gallon increase in the gasoline tax would reduce oil imports by about 290,000 barrels a day, or 3.5 percent, in the short run—the first year. In the long run, the additional 25 cents tax would reduce imports by about 930,000 barrels a day, or 11.4 percent.

As we lower our oil imports, we would also reduce our record-high trade deficit. Because oil accounts for nearly one-quarter of that deficit, lowering our demand for just this one commodity will substantially reduce the total amount of money we send overseas.

And, since every penny per gollon of tax raises about $1 billion annually, this bill would increase revenues by about $25 billion, reducing the Federal budget deficit by that amount each year. Every deficit-reduction measure is a burden to the groups of people on whom it falls, but a higher gas tax, which would be spread broadly and relatively equitably, is probably the least painful way available to reduce the deficit by so large an amount. Even with a 25-cent-a-gallon increase in price, Americans would still pay a little less for gasoline than we were paying at the beginning of last year—and a lot less than we paid in 1981, when the average price of gas was $1.35 a gallon. We would also still pay much less for gasoline than drivers in Western European countries pay, where gas taxes average about $1.60 a gallon.

No one wants to pay more for gasoline, but the fact is, Americans will pay more for it whether we raise the tax or not.

If we do nothing to curb our demand for imported oil, the cost of gasoline will go up because oil supplies will decline, and OPEC will again be able to raise its prices as it gains more control over the world oil market.

On the other hand, the cost of gas will also go up if we raise the tax on it, but we will have lowered our demand for imported oil and kept OPEC from being able to raise its prices. our Nation's drivers will thus pay the entire extra cost of gasoline to the U.S. Treasury, so that it can be used for purposes here at home, instead of sending the money to foreign oil producers.

Americans will thus pay more for gasoline whether we in Congress raise the price ourselves or do nothing and thereby set the stage for OPEC to raise its prices, but if we act, we will ensure lower prices and greater supplies of oil, and reduce trade and budget deficits—and, as a result, we will enjoy the benefits of reduced inflation and interest rates, and lower unemployment. In other words, if we raise the gasoline tax, we will pay more for gasoline but our standard of living will rise; whereas, if we do nothing, we will pay more for gasoline and our standard of living will decline.

None of us in Congress wants to be blamed by our constituents for higher gasoline prices, but we will be blamed whether we raise the tax or not. If we don't act, when prices start rising again our constituents will hold us responsible for not having taken measures to decrease our dependence on imported oil and reduce OPEC's ability to raise prices. Either way we will get blamed for higher gasoline prices, so we ought to do the sensible thing and raise the price ourselves—and do it now while gasoline prices are still low:

There are, of course, other ways to decrease our dependence on foreign oil besides raising the gasoline tax. But every other major proposal for doing so creates new problems, and not one does nearly so much to help reduce the Federal budget deficit as does a higher gasoline tax.

For example, the most commonly suggested way to reduce our imports is to impose an oil import fee. Although a fee would bring in some revenues, it would also result in inexcusable windfall profits for domestic producers who would raise the price of their oil to match the higher price of imported oil. Thus, we would be raising the cost to American consumers of both domestic and imported oil, but only receiving the benefit of revenues from imports. With a gasoline tax, however, all the additional cost of gasoline would be used to reduce the deficit.

In addition, an oil import fee would cause resentment and retaliation from trading partners and would reduce incentives for our own oil industry to improve its international competitiveness. It would also raise the cost of all uses of oil, from home heating to manufacturing, whereas a gas tax would affect only transportation costs. And, an oil import fee could be difficult to administer, especially compared with the ease of administering an increase in the Federal gasoline tax. In sum, as the Department of Energy's March 1987 report on energy security states, an oil import fee "would seriously reduce the Nation's economic growth, increase inflation, and reduce U.S. competitiveness in both foreign and domestic markets."

Most of the other frequently suggested ways of reducing our oil imports involve various means of expanding domestic production of fuel, such as opening more public lands for oil development, creating synthetic fuels, or providing tax incentives for our own oil industry. But these and virtually all other means of increasing domestic production have environmental, administrative, or economic drawbacks that a gasoline tax doesn't have. Because of those drawbacks, all of these proposals would be subject to lengthy consideration before they could be implemented. Raising the gas tax, on the other hand, could be implemented—and would show results—immediately.

Unlike the existing 9-cent-a-gallon Federal tax on gasoline, whose proceeds go to the highway trust fund, this additional 25-cent-a-gallon tax would be directed to the general fund and, therefore, would be used to reduce the budget deficit. And, this tax would apply to gasohol and to diesel fuel sold at the pump, as well as gasoline. Gas which is used for noncommercial aviation, however, would be exempt in order to avoid creating an inequity in the taxation of aircraft which use gasoline rather than jet fuel.

Mr. Speaker, we paid a high price for our dependence on imported oil in the 1970's. We will pay an even higher price in the 1990's if we don't soon begin reversing our growing demand for imported oil. By asking Americans to make a relatively small sacrifice, we can take a giant step toward solving three of our most critical national problems: our vulnerability to a new oil crisis, the excessive U.S. trade deficit, and the huge Federal budget deficit. Raising the gasoline tax by 25 cents is a wise and sensible step that is long overdue. I urge our colleagues to join in support of this important legislation.

A BILL "TO IMPROVE THE ADMINISTRATION, MANAGEMENT AND LAW ENFORCEMENT CAPABILITIES OF THE COAST GUARD"

HON. ROBERT W. DAVIS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1987

Mr. DAVIS of Michigan. Mr. Speaker, the bill I am introducing today contains provisions which would allow the Coast Guard to more effectively discharge its responsibilities in a number of critical areas. Title I of the bill contains provisions related to several Coast Guard advisory committees. Section 101 would set the termination dates for the Great Lakes Pilotage Advisory Committee and the Coast Guard Academy Advisory Committee in accordance with the requirements of the Federal Advisory Committee Act. Sections 102 and 103 would establish two new advisory committees reporting to the Secretary of Transportation: a Commercial Fishing Industry Advisory Committee and an Offshore Safety Advisory Committee. These committees would provide the Secretary with valuable information from the private sector to assist the Secretary in making decisions affecting safety in the commercial fishing and offshore vessel industries.

The sections in title II of this bill contain important Coast Guard law enforcement authority. Section 201 clarifies the Coast Guard's law enforcement authority in view of its increased role in maritime air surveillance and interdiction. Section 202 would allow Coast Guard civilian criminal investigators to carry firearms while performing official law enforcement duties.

The title III provisions of this bill relate to Coast Guard personnel matters. Section 301 would allow Coast Guard personnel who are forced to relocate as a result of the Coast Guard's recent realignment initiative to be included in the Department of Defense program which compensates DOD employees, under certain circumstances, for losses they incur in selling homes following base closures. The other sections in this title would extend the military service obligation of Coast Guard Academy cadets from 5 to 8 years, in line with the service obligation of the other military service academy graduates, and assure that Coast Guard members occupying inadequate quarters be required to forfeit only the amount of their basic allowances for quarters as required of other uniformed service members under the same circumstances.

The provisions in title IV of this bill relate to the overall management and administration of the Coast Guard. Section 401 would allow the Coast Guard to give retroactive pay and allowances to enlisted members who are deprived of pay as a result of administrative errors or oversights. Section 402 would require Coast Guard contractors to employ local residents in States which have unemployment rates above the national average. Section 403 would give the Secretary of Transportation the authority to charter one or two polar icebreaking vessels for use by the Coast Guard. This section would not direct or require the Secretary to enter into a charter arrangement for icebreaking vessels, but would merely give the Secretary the authority to enter into an arrangement of this type, subject to certain conditions.

Title V contains provisions relating to maritime and boating safety. Section 501 provides technical changes regarding the costs of administration of the Recreational Boating Safety Program. Section 502 reduces the number of licensed mates required on mobile offshore drilling units on voyages of short duration. Finally, section 503 would improve recreational diving safety by ensuring that various State rules concerning the display of divers flags apply equally as well as other navigational safety rules.

I believe that enactment of these provisions is essential to provide important new management, law enforcement, and maritime safety authority to the Coast Guard.

SENATE—*Friday, April 3, 1987*

(Legislative day of Monday, March 30, 1987)

The Senate met at 9:20 a.m., on the expiration of the recess, and was called to order by the Honorable TERRY SANFORD, a Senator from the State of North Carolina.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Let us have a moment of silence for Charles Hardy, who lost his father last night.

How amiable are Thy tabernacles, O Lord of hosts! My soul longeth, yea, even fainteth for the courts of the Lord: my heart and my flesh crieth out for the living God.—Psalms 84:1-2.

Holy God of justice and truth, as food to strength—exercise to fitness—rest to the body—so is worship to the soul. There is a God-shaped vacuum in our hearts which only You can fill. Our hearts cry out for the living God. Our souls long for the courts of the Lord. Gracious God, what an awful price we pay when we will not worship. How tragically we deprive our imaginations—our thoughts—our desires—when we do not glorify You. "Thou hast made us for Thyself, O Lord, and restless are our hearts until they repose in Thee." You have set eternity in our hearts and they are never satisfied with space/time limitations.

Wise and knowing Lord, this has been a heavy, difficult, frustrating week. Our spirits have been severely tested—our emotions stretched. Lead us to renewal. Make us wise to feed our souls—to take time with our families—to "remember the Sabbath Day to keep it holy." For Thine is the kingdom and the power and the glory forever. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The **PRESIDING OFFICER.** The clerk will please read a communication to the Senate from the President pro tempore (Mr. STENNIS).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, April 3, 1987.

To the Senate:

Under the provisions of Rule I, Section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable TERRY SANFORD, a Senator from the State of North Carolina, to perform the duties of the Chair.

JOHN C. STENNIS,
President pro tempore.

Mr. SANFORD thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The **ACTING PRESIDENT** pro tempore. Under the previous order, the majority leader is recognized for not to exceed 5 minutes.

THE JOURNAL

Mr. **BYRD.** Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered.

URGENT RELIEF FOR THE HOMELESS ACT

Mr. **BYRD.** Mr. President, I ask unanimous consent that the text of an amendment formed from the combination of the legislative language reported by the four standing committees—Agriculture, Banking, Governmental Affairs, and Labor—to which portions of the omnibus Urgent Relief for the Homeless Act, S. 809, which it is my intention to offer as an amendment to S. 809 at the time when the Senate takes up consideration of that legislation, be printed in the RECORD for the information of all Senators.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Urgent Relief for the Homeless Act".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) the Nation faces an immediate and unprecedented crisis due to the lack of shelter for a growing number of individuals and families with children;

(2) the problem of homelessness has become more severe and, in the absence of more effective efforts, is expected to become dramatically worse, endangering the lives and safety of the homeless;

(3) the causes of homelessness are many and complex, and homeless individuals have diverse needs;

(4) there is no single, simple solution to the problem of homelessness because of the different subpopulations of the homeless, the different causes of and reasons for homelessness, and the different needs of homeless individuals;

(5) due to the record increase in homelessness, States, units of local government, and private voluntary organizations have been unable to meet the basic human needs of all the homeless and, in the absence of greater Federal assistance, will be unable to protect the lives and safety of all the homeless in need of assistance; and

(6) the Federal government has a responsibility and an existing capacity to fulfill a more effective and responsible role to meet the basic human needs and to engender respect for the human dignity of the homeless.

(b) PURPOSE.—It is the purpose of this Act—

(1) to establish an Interagency Council on the Homeless;

(2) to use public resources and programs in a more coordinated manner to meet the critically urgent needs of the homeless of the Nation; and

(3) to provide funds for programs to assist the homeless.

SEC. 3. DEFINITIONS.

(a) HOMELESS INDIVIDUAL.—As used in this Act, the term "homeless individual" shall include—

(1) an individual who lacks a fixed, regular, and adequate nighttime residence; and

(2) an individual who has a primary nighttime residence that is—

(A) a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);

(B) an institution that provides a temporary residence for individuals intended to be institutionalized; or

(C) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

(b) EXCLUSION.—As used in this Act, the term "homeless individual" does not include any individual imprisoned or otherwise detained pursuant to an Act of Congress or a State law.

TITLE I—INTERAGENCY COUNCIL ON THE HOMELESS

SEC. 101. SHORT TITLE.

This title may be cited as the "Interagency Council on the Homeless Act".

SEC. 102. ESTABLISHMENT.

There is established the Interagency Council on the Homeless.

SEC. 103. MEMBERSHIP.

(a) MEMBERS.—The Council shall be composed of—

(1) the Secretary of Agriculture;

(2) the Secretary of Commerce;

(3) the Secretary of Defense;

(4) the Secretary of Education;

(5) the Secretary of Energy;

(6) the Secretary of Health and Human Services;

(7) the Secretary of Housing and Urban Development;

(8) the Secretary of the Interior;

(9) the Secretary of Labor;

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

(10) the Secretary of Transportation;

(11) the Director of the ACTION Agency;

(12) the Administrator of General Services;

(13) the Director of the Federal Emergency Management Agency;

(14) the Postmaster General of the United States;

(15) the Administrator of Veterans' Affairs; and

(16) the heads of such other Federal agencies as the Council considers appropriate.

(b) CHAIR.—The Council shall elect a Chairperson and a Vice Chairperson from among its members.

(c) MEETINGS.—The Council shall meet at the call of the Chairman or a majority of its members.

SEC. 104. FUNCTIONS.

(a) FUNCTIONS.—The Council shall—

(1) review all Federal activities and programs to assist homeless individuals;

(2) take such actions as may be necessary to reduce duplication among programs and activities by Federal agencies to assist homeless individuals;

(3) monitor, evaluate, and recommend improvements in programs and activities to assist homeless individuals conducted by Federal agencies, State and local governments, and private voluntary organizations;

(4) provide professional and technical assistance, through personnel employed by the Council in each of the ten standard Federal regions, to States, local governments, and other public and private nonprofit organizations, in order to enable such governments and organizations to—

(A) effectively coordinate and maximize resources of existing programs and activities to assist homeless individuals; and

(B) develop new and innovative programs and activities to assist homeless individuals;

(5) collect and disseminate information relating to homeless individuals;

(6) establish procedures for the review and approval of comprehensive homeless assistance plans submitted to the Council under section 401; and

(7) prepare the annual reports required by subsection (c)(2).

(b) AUTHORITY.—In carrying out subsection (a), the Council may—

(1) arrange Federal, regional, State, and local conferences for the purpose of developing and coordinating effective programs and activities to assist homeless individuals; and

(2) publish a newsletter concerning Federal, State, and local programs which are effectively meeting the needs of homeless individuals.

(c) REPORTS.—(1) Within 90 days after the date of enactment of this Act, and annually thereafter, the head of each Federal agency that is a member of the Council shall prepare and transmit to the Congress and the Council a report which describes—

(A) each program to assist homeless individuals administered by such agency and the number of homeless individuals served by such program;

(B) impediments, including any statutory and regulatory restrictions, to the use by homeless individuals of each such program and to obtaining services or benefits under each such program;

(C) efforts made by such agency to increase the opportunities for homeless individuals to obtain shelter, food, and supportive services.

(2) The Council shall prepare and transmit to the President and the Congress an annual report which—

(A) assesses the nature and extent of the problems relating to homelessness and the needs of homeless individuals;

(B) provides a comprehensive and detailed description of the activities and accomplishments of the Federal Government in resolving the problems and meeting the needs assessed pursuant to subparagraph (A);

(C) describes the accomplishments and activities of the Council, in working with Federal, State, and local agencies and public and private organizations in order to provide assistance to homeless individuals;

(D) assesses the level of Federal assistance necessary to adequately resolve the problems and meet the needs assessed pursuant to subparagraph (A); and

(E) specifies any recommendations of the Council for appropriate and necessary actions to resolve such problems and meet such needs.

SEC. 105. DIRECTOR AND STAFF.

(a) DIRECTOR.—The Council shall appoint an Executive Director who shall be compensated at a rate not to exceed the rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b) ADDITIONAL PERSONNEL.—With the approval of the Council, the Executive Director may appoint and fix the compensation of such additional personnel as the Executive Director considers necessary to carry out the duties of the Council.

(c) DETAILS.—Upon request of the Council, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Council to assist the Council in carrying out its duties under this title.

(d) ADMINISTRATIVE SUPPORT.—The Secretary of Health and Human Services shall provide to the Council such administrative and support services as the Council may request.

SEC. 106. POWERS.

(a) MEETINGS.—For the purpose of carrying out this title, the Council may hold such meetings, and sit and act at such times and places, as the Council considers appropriate.

(b) DELEGATION.—Any member or employee of the Council may, if authorized by the Council, take any action which the Council is authorized to take by this title.

(c) INFORMATION.—The Council may secure directly from any Federal agency such information as may be necessary to enable the Council to carry out this title. Upon request of the Chairman of the Council, the head of such agency shall furnish such information to the Council.

SEC. 107. TERMINATION OF THE COUNCIL.

The Council shall terminate three years after the date of enactment of this Act.

SEC. 108. TRANSFER OF FUNCTIONS.

(a) TRANSFER.—The Council is the successor to the Federal Task Force on the Homeless of the Department of Health and Human Services. All functions of such Task Force are transferred to the Council.

(b) TERMINATION.—The Federal Task Force on the Homeless of the Department of Health and Human Services is terminated.

SEC. 109. DEFINITIONS.

For the purpose of this title—

(1) the term "Council" means the Interagency Council on the Homeless established by section 102; and

(2) the term "Federal agency" has the meaning given to the term "agency" in section 551(1) of title 5, United States Code.

SEC. 110. AUTHORIZATION OF APPROPRIATIONS.

To carry out this title, there are authorized to be appropriated $200,000 for fiscal year 1987 and such sums as may be necessary for fiscal year 1988.

TITLE II—CLARIFICATION OF USE OF EXCESS PROPERTY UNDER THE FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

SEC. 201. SHORT TITLE.

This title may be cited as the "Excess Property Identification Act of 1987".

SEC. 202. IDENTIFICATION OF EXCESS PROPERTY.

In carrying out section 202 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483), each executive agency shall specifically identify excess property under its control as suitable for use as a shelter for, or for use to provide services to, homeless individuals.

SEC. 203. REPORTING OF AVAILABILITY OF EXCESS PROPERTY.

Within 60 days after the date of enactment of this Act, the Administrator of General Services shall report to the Interagency Council on the Homeless the availability of excess Federal property suitable for use as a shelter for, or for use to provide services to, homeless individuals. Within 150 days after the date of enactment of this Act, and every 90 days thereafter, the Administrator shall revise such report and shall transmit such revised report to the Interagency Council.

SEC. 204. MAKING SURPLUS PERSONAL PROPERTY AVAILABLE TO NONPROFIT AGENCIES.

(a) ELIGIBILITY.—Any State or local government agency or any nonprofit organization which is eligible to receive, or which receives, payments or grants under any Federal program for the provision of food or shelter for homeless individuals shall be considered eligible to receive, in order to assist in carrying out such program, donations of personal property which is declared surplus to the needs of the Federal Government in accordance with section 203(j) of the Federal Property and Administrative Services Act of 1949 and regulations issued by the Administrator of General Services pursuant to such section.

(b) REQUIREMENT FOR NOTIFICATION.—Within 90 days after the date of enactment of this Act, the Administrator of General Services shall require each State agency administering a State plan under section 203(j) of the Federal Property and Administrative Services Act of 1949 to make generally available to nonprofit organizations a list of available surplus personal property which may be used in the provision of food, shelter, or other services to homeless individuals and families.

(c) COSTS.—(1) Surplus personal property identified pursuant to this section shall be made available to nonprofit organizations by a State agency distributing such property at no cost to such organizations.

(2) The Administrator shall enter into agreements with each State providing for the reimbursement of such State for the costs of transporting any surplus personal property donated to a nonprofit organization. The costs of such reimbursement shall be paid by the Federal agency originally holding title to such personal property, except as provided in paragraph (3).

(3) The Administrator shall not provide for the reimbursement of a State under paragraph (2) for the costs of transporting any surplus personal property donated to a nonprofit organization in any case in which such organization, the State, or a local gov-

ernment agrees to pay the costs of transporting such property.

(d) Definitions.—For purposes of this section—

(1) the term "local government" means a unit of general purpose local government;

(2) the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and any territory or possession of the United States; and

(3) the term "nonprofit organization" means an organization which—

(A) is exempt from taxation under section 501(a) of the Internal Revenue Code of 1986;

(B) has an accounting system and a voluntary board;

(C) practices nondiscrimination in the provision of assistance; and

(D) provides services to homeless individuals and families.

SEC. 205. ELIGIBILITY FOR DONATION OF SURPLUS PROPERTY.

Section 203(j)(3)(B) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(j)(3)(B)) is amended by inserting "providers of assistance to homeless individuals," after "health centers,".

TITLE III—SHELTER PROGRAM

Part A—General Provisions

SEC. 301. SHORT TITLE.

This title may be cited as the "Emergency Food and Shelter Act of 1987".

SEC. 302. DEFINITIONS.

For the purpose of this title—

(1) the term "Board" means the Emergency Food and Shelter Program National Board;

(2) the term "Director" means the Director of the Federal Emergency Management Agency;

(3) the term "emergency shelter" means a facility all or a part of which is used or designed to be used to provide temporary housing;

(4) the term "local government" means a unit of general purpose local government;

(5) the term "locality" means the geographical area within the jurisdiction of a local government;

(6) the term "private nonprofit organization" means an organization which is exempt from taxation under section 501(a) of the Internal Revenue Code of 1986 and which has an accounting system and a voluntary board, and which practices nondiscrimination in the provision of assistance; and

(7) the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, or any territory or possession of the United States.

SEC. 303. EMERGENCY FOOD AND SHELTER PROGRAM NATIONAL BOARD.

(a) Establishment of National Board.—There is established to carry out the provisions of this title the Emergency Food and Shelter Program National Board. The Director of the Federal Emergency Management Agency shall constitute the Board in accordance with subsection (b) in administering the program under this title.

(b) Board of Directors.—The Board shall consist of the Director of the Federal Emergency Management Agency and 6 members who shall be appointed by the Director not later than 30 days after the date of enactment of this Act, one from those individuals nominated by each of the following:

(1) The United Way of America.

(2) The Salvation Army.

(3) The National Council of Churches of Christ in the U.S.A.

(4) Catholic Charities U.S.A.

(5) The Council of Jewish Federations, Inc.

(6) The American Red Cross.

(c) Chairman.—The Director shall be Chairman of the Board.

(d) Other Activities of the Board.—Except as otherwise specifically provided by this title, the Board shall establish its own procedures and policies for the conduct of its affairs.

SEC. 304. LOCAL BOARDS.

(a) Establishment.—Each locality designated by the Board shall constitute a local board for the purpose of determining how program funds allotted to the locality will be distributed. The local board shall consist, to the extent practicable, of representatives of the same organizations as the national board, except that the mayor or other appropriate heads of government will replace the Federal members. The chair of the local board shall be elected by a majority of the members of the local board. Local boards are encouraged to expand participation of other private nonprofit organizations on the local board.

(b) Responsibilities.—Each local board shall—

(1) determine which private nonprofit organizations or public organizations of the local government in the individual locality shall receive grants to act as service providers;

(2) monitor recipient service providers for program compliance;

(3) reallocate funds among service providers;

(4) ensure proper reporting; and

(5) coordinate with other Federal, State, and local government assistance programs available in the locality.

SEC. 305. ROLE OF FEMA.

(a) In General.—The Director of the Emergency Management Agency shall provide the Board administrative support and act as Federal liaison to the Board.

(b) Specific Support Activities.—The Director shall—

(1) make available to the Board, upon request, the services of the Agency's legal counsel and inspector general;

(2) assign clerical personnel to the Board on a temporary basis; and

(3) conduct audits of the Board annually and at such other times as may be appropriate.

SEC. 306. RECORDS AND AUDIT OF BOARD AND RECIPIENTS OF ASSISTANCE.

(a) Annual Independent Audit of Board.—

(1) The accounts of the Board shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the Board are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Board and necessary to facilitate the audits shall be made available to the person or persons conducting the audits, and full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(2) The report of each such independent audit shall be included in the annual report required in section 307. Such report shall set forth the scope of the audit and include such statements as are necessary to present fairly the assets and liabilities of the Board, surplus or deficit, with an analysis of the changes during the year, supplemented in reasonable detail by a statement of the income and expenses of the Board during the year, and a statement of the application of funds, together with the opinion of the independent auditor of such statements.

(b) Access to Records of Recipients of Assistance.—

(1) Each recipient of assistance under this title shall keep such records as may be reasonably necessary to fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(2) The Board, or any of its duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under this title.

(c) Authority of Comptroller General.—The Comptroller General of the United States or any of his duly authorized representatives shall also have access to any books, documents, papers, and records of the Board and recipients for such purpose.

SEC. 307. ANNUAL REPORT.

The Board shall transmit to the Congress an annual report covering each year in which it conducts activities with funds made available under this title.

Part B—Emergency Food and Shelter Grants

SEC. 311. GRANTS BY THE DIRECTOR.

Not later than 30 days following the date of enactment of a law providing appropriations to carry out this part, the Director of the Federal Emergency Management Agency shall award a grant for the full amount that Congress appropriates for the program under this part to the Board for the purpose of providing emergency food and shelter to needy individuals through private nonprofit organizations and through units of local government in accordance with section 313.

SEC. 312. RETENTION OF INTEREST EARNED.

Interest accrued on the balance of any grant to the Board shall be available to the Board for reallocation, and total administrative costs shall be determined based on total amount of funds available, including interest and any private contributions which are made to the Board.

SEC. 313. PURPOSES OF GRANTS.

(a) Eligible Activities.—Grants to the Board may be used—

(1) to supplement and expand ongoing efforts to provide shelter, food, and supportive services for the homeless individuals with sensitivity to the transition from temporary shelter to permanent homes, and attention to the special needs of homeless individuals with mental and physical disabilities and illnesses, and to facilitate access for homeless individuals to other sources of services and benefits;

(2) to strengthen efforts to create more effective and innovative local programs by providing funding for them; and

(3) to conduct minimum rehabilitation of existing mass shelter or mass feeding facilities, but only to the extent necessary to make facilities safe, sanitary, and bring them into compliance with local building codes.

(b) Limitations on Activities.—The Board may only provide funding provided under this part for—

(1) programs undertaken by nonprofit organizations and units of local government; and

(2) programs that are consistent with the purposes of this title.

The Board may not carry out programs directly.

SEC. 314. LIMITATION ON CERTAIN COSTS.

Not more than 5 percent of the total appropriation for the emergency food and shelter program each year may be expended for the costs of administration.

SEC. 315. PROGRAM GUIDELINES.

(a) Guidelines.—The Board shall establish written guidelines for carrying out the program under this part, including—

(1) methods for identifying localities with the highest need for emergency food and shelter assistance;

(2) methods for determining amount and distribution to these localities;

(3) eligible program costs, including maximum flexibility in meeting currently existing needs; and

(4) guidelines specifying the responsibilities and reporting requirements of the Board, its recipients, and service providers.

(b) Publication.—Guidelines established under subsection (a) shall be published annually, and whenever modified, in the Federal Register. The Board shall not be subject to the procedural rulemaking requirements of subchapter II of chapter 5 of title 5, United States Code.

SEC. 316. PROGRAM AUTHORIZED.

(a) Authorization.—To carry out this part, there are authorized to be appropriated $50,000,000 for fiscal year 1987, including any amount provided under Public Law 100-6, and such sums as may be necessary for fiscal year 1988.

(b) Carryover.—Any appropriated funds not obligated in a fiscal year shall remain available until expended.

Part C—Case Management

SEC. 321. GRANTS BY THE DIRECTOR.

Not later than 30 days following the date of enactment of a law providing appropriations to carry out this part, the Director of the Federal Emergency Management Agency shall award a grant for the full amount that Congress appropriates for the program under this part to the Board for the purpose of grants by the Board to nonprofit private entities and units of local government receiving support under part B for shelters for homeless individuals to enable such entities and governments to provide, or arrange for the provision of, case management services for homeless individuals using such shelters.

SEC. 322. REQUIREMENT FOR THE PROVISION OF CASE MANAGEMENT SERVICES.

(a) Services Required.—Each unit of local government or nonprofit private entity which receives assistance under part B for a shelter for homeless individuals shall provide, or arrange for provision of, case management services required under subsection (b) for homeless individuals using such shelter.

(b) Types of Services.—(1) In the case of a shelter in a locality in which an agency (other than the government or entity receiving assistance under part B for such shelter) provides the services described in paragraph (2) for homeless individuals, case management services required under this part include referral of such individuals to such agency and followup services to ensure that the services described in such paragraph are provided to such individuals.

(2) In the case of a shelter in a locality in which there is no agency described in paragraph (1), case management services required under this part for homeless individuals include, to the extent needed by each such individual—

(A) the preparation, and the review at least every 3 months, of a plan specifying the needs of such individual and the services that will be provided to such individual to meet such needs;

(B) the provision of assistance in obtaining, and the coordination of, social and maintenance services for such individual, such as services relating to daily living activities, transportation services, habilitation and rehabilitation services, prevocational and vocational services, and housing services; and

(C) the provision of assistance to such individual in obtaining income support services, such as housing assistance, food stamps, and supplemental security income benefits.

(c) Preference.—If any unit of local government or nonprofit private entity operating a shelter to which subsection (b)(2) applies decides to arrange for the provision of case management services for homeless individuals, such government or entity shall, in selecting an entity to provide such services, give preference, if feasible and appropriate, to—

(1) community action agencies supported under the Community Services Block Grant Act; and

(2) any organization to which a State that applied for and received a waiver from the Secretary of Health and Human Services under Public Law 98-139 made a grant under the Community Services Block Grant Act for fiscal year 1984.

SEC. 323. AUTHORIZATION.

To carry out this part, there are authorized to be appropriated $20,000,000 for each of the fiscal years 1987 and 1988.

TITLE IV—HOUSING ASSISTANCE

SEC. 401. REQUIREMENT FOR COMPREHENSIVE HOMELESS ASSISTANCE PLAN.

(a) Plan Required.—Assistance authorized by this title may be provided to, or within the jurisdiction of, a State or a metropolitan city or urban county that is eligible to receive a grant under the emergency shelter grants program in an amount in excess of the minimum allocation requirement applicable under section 522(b) of the provisions made effective by section 101(g) of Public Law 99-500 or Public Law 99-591 only if—

(1) it submits to the Interagency Council on the Homeless a comprehensive homeless assistance plan (hereinafter referred to as the "comprehensive plan"); and

(2) the plan is approved by or in accordance with procedures established by the Council.

(b) Contents.—A comprehensive plan submitted under this section shall contain—

(1) an assessment of the size and characteristics of the homeless population within the jurisdiction of the State, city, or county submitting the plan;

(2) a description of all available service for the homeless population within that jurisdiction;

(3) a strategy (A) to match the needs o the homeless population with available services within that jurisdiction, including services such as job placement and training education, health, housing, nutrition, and income maintenance, and (B) to meet the specific needs of the various types of homeless individuals, particularly families with children, the elderly, the mentally ill, and veterans;

(4) an explanation of how the Federal assistance provided under this Act will complement and enhance the available services and

(5) such additional information as the Council may require to assure that the plan submitted provides an adequate basis for conducting the performance monitoring and evaluation under subsections (d) and (e).

(c) Review.—(1) Upon receipt of a comprehensive plan, the Interagency Council shall review the plan. Not later than 30 days after receipt, the plan shall be approved unless the Council determines that the plan plainly does not satisfy the requirements of subsection (b), in which case the Council shall not later than 15 days after its determination, inform the State, county, or city of the reasons for disapproval as well as the steps which need to be taken to make the plan acceptable. If the Council fails to inform the State, county, or city of the reasons for disapproval within such period, the plan shall be deemed to have been approved.

(2) The Council shall establish procedures for the review and approval of comprehensive plans. The procedures shall permit amendments to or the resubmission of any plan that is disapproved.

(d) Performance Monitoring.—(1) Each State and other recipient described in subsection (a) shall monitor annually the progress made by that State or recipient in carrying out its comprehensive plan.

(2) Each State and other recipient referred to in subsection (a) shall report annually to the Interagency Council the results of such monitoring. The Interagency Council shall review the reports submitted under this paragraph and shall make such recommendations as may be appropriate.

(3) Any State or other recipient which fails to monitor and report progress as required by paragraphs (1) and (2) shall not be eligible to receive further assistance under this title.

(e) Performance Evaluations.—Beginning with fiscal year 1989, the Interagency Council shall carry out performance evaluations of the administration of programs under this Act by States and other recipients referred to in subsection (a), including the adequacy of performance monitoring under subsection (d). The Interagency Council shall thereafter report its findings to the Congress.

(f) Applications.—Any application for assistance under this Act shall contain or be accompanied by a certification by the public official responsible for submitting a comprehensive plan for the jurisdiction to be served by the proposed activities that the proposed activities are consistent with the comprehensive plan.

SEC. 402. AUTHORIZATIONS FOR TRANSITIONAL HOUSING AND EMERGENCY SHELTER GRANTS PROGRAMS.

(a) Transitional Housing Demonstration Program.—In addition to other amounts authorized by law, there are authorized to be appropriated for the transitional housing demonstration program carried out by the Department of Housing and Urban Development pursuant to section 101(g) of Public Law 99-500 or Public Law 99-591, not to exceed $60,000,000 for fiscal year 1987, and such sums as may be necessary for fiscal year 1988.

(b) EMERGENCY SHELTER GRANTS PROGRAM.—In addition to other amounts authorized by law, there are authorized to be appropriated for the emergency shelter grants program carried out by the Department of Housing and Urban Development pursuant to section 101(g) of Public Law 99-500 or Public Law 99-591, not to exceed $80,000,000 for fiscal year 1987, and such sums as may be necessary for fiscal year 1988.

SEC. 403. EMERGENCY SHELTER GRANTS AMENDMENTS.

(a) MINIMUM ALLOCATION AMOUNT.—The minimum allocation established for the emergency shelter grants program by section 522(b) of the provisions made effective by section 101(g) of Public Law 99-500 or Public Law 99-591 is increased to 0.3 percent of amounts appropriated under section 402(b).

(b) REALLOCATION OF CERTAIN AMOUNTS.—If a State, city, or county eligible for a grant under the program referred to in subsection (a) fails to obtain approval of its comprehensive plan during the 90-day period following the date funds authorized by this Act first become available for allocation during any fiscal year, the amount which that State, city, or county would have received shall be reallocated to other States, counties, and cities which are identified by the Interagency Council on the Homeless as demonstrating extraordinary need or large numbers of homeless individuals.

(c) PLANNING REQUIREMENT.—The requirement contained in section 524(a) of the provisions made effective by section 101(g) of Public Law 99-500 or Public Law 99-591 shall not apply to assistance provided under the increased authority provided under section 402(b).

(d) WAIVER AUTHORITY.—The Secretary of Housing and Urban Development may waive the 15 percent limitation on the use of assistance for essential services established for the program referred to in subsection (a) pursuant to section 523(2)(B) of the provisions made effective by section 101(g) of Public Law 99-500 or 99-591, if the unit of general local government receiving the assistance demonstrates that the other eligible activities under the program are already being carried out in the unit of general local government with other resources.

SEC. 404. SECTION 8 HOUSING ASSISTANCE.

(a) SECTION 8 EXISTING HOUSING.—

(1) The budget authority available under section 5(c) of the United States Housing Act of 1937 for assistance under section 8(b)(1) of such Act is authorized to be increased by $50,000,000.

(2) The amounts made available under this subsection shall be used solely to assist homeless families with children.

(3) The amounts made available under this section shall be distributed in accordance with subsections (a) and (b) of section 522 of the provisions made effective by section 101(g) of Public Law 99-500 or Public Law 99-591.

(4) If a State, city, or county eligible for assistance under this subsection fails to obtain approval of its comprehensive plan during the 90-day period following the date funds first become available for allocation under this subsection in any fiscal year, the amount which that State, city, or county would have received shall be reallocated to other States, counties, and cities which are identified by the Interagency Council on the Homeless as demonstrating extraordinary need or large numbers of homeless individuals.

(5) Each contract for annual contributions entered into with a public housing agency to obligate the authority made available under this subsection to assist the homeless shall commit the Secretary of Housing and Urban Development to make such authority, and any amendments increasing such authority, available to the public housing agency for an aggregate period of 5 years.

(6) A contract for assistance payments under the authority provided under this subsection may be attached to the structure if the owner is a nonprofit organization that has agreed to furnish decent housing and a level of support services satisfactory to the public housing agency.

(b) SECTION 8 ASSISTANCE FOR SINGLE ROOM OCCUPANCY DWELLINGS.—

(1) The budget authority available under section 5(c) of the United States Housing Act of 1937 for assistance under section 8(e)(2) of such Act is authorized to be increased by $35,000,000.

(2) The amounts made available under this subsection shall be used only in connection with the moderate rehabilitation of housing described in section 8(n) of the United States Housing Act of 1937 for occupancy by homeless individuals.

(3) The amounts made available under this subsection shall be allocated by the Secretary on the basis of a national competition to those applicants that best demonstrate a need for the assistance under this subsection and the ability to undertake and carry out a program to be assisted under this subsection. To be considered for assistance under this subsection, an applicant shall submit to the Secretary a written proposal containing—

(A) a description of the size and characteristics of the population within the applicant's jurisdiction that would occupy single room occupancy dwellings;

(B) a listing of additional commitments from public and private sources that the applicant might be able to provide in connection with the program;

(C) an inventory of suitable housing stock to be rehabilitated with such assistance; and

(D) a description of the interest which has been expressed by builders, developers, and others (including profit and nonprofit organizations) in participating in the program.

No single city or urban county shall be eligible to receive more than 10 percent of the assistance made available under this subsection.

(4) Each contract for housing assistance payments entered into with the authority provided under this subsection shall require the installation of a sprinkler system that protects all major spaces, hard wired smoke detectors, and such other fire and safety improvements as may be required by State or local law.

(5) The total cost of rehabilitation which may be compensated for in a contract for housing assistance payments entered into with the authority provided under this subsection shall not exceed $14,000 per unit, plus the expenditures required by paragraph (4).

(6) The Secretary of Housing and Urban Development shall increase the limitation contained in paragraph (5) by an amount the Secretary determines is reasonable and necessary to accommodate special local conditions, including—

(A) high construction costs; or

(B) stringent fire or building codes.

(7) Each contract for annual contributions entered into with a public housing agency to obligate the authority made available under this subsection shall—

(A) commit the Secretary of Housing and Urban Development to make such authority available to the public housing agency for an aggregate period of 10 years, and require that any amendments increasing such authority shall be available for the remainder of such 10-year period;

(B) provide the Secretary of Housing and Urban Development with the option to renew the contract for an additional period of 10 years, subject to the availability of appropriations; and

(C) provide that, notwithstanding any other provision of law, first priority for occupancy of housing rehabilitated under this subsection shall be given to homeless individuals and families.

TITLE V—HEALTH SERVICES AND MENTAL HEALTH SERVICES FOR THE HOMELESS

SEC. 501. SHORT TITLE.

This title may be cited as the "Health Services and Mental Health Services for the Homeless Act".

PART A—HEALTH SERVICES

SEC. 511. HEALTH SERVICES FOR THE HOMELESS.

Title III of the Public Health Service Act is amended by adding at the end thereof the following new part:

"PART K—HEALTH SERVICES FOR HOMELESS INDIVIDUALS

"GRANTS FOR THE PROVISION OF HEALTH SERVICES

"SEC. 395. (a) The Secretary shall make grants to public and nonprofit private entities to support the provision of health services to homeless individuals and the provision of mental health services to homeless individuals who do not have have a chronic mental illness.

"(b) Each entity which receives a grant under subsection (a) shall—

"(1) provide outpatient health services in locations accessible to homeless individuals;

"(2) provide, or make arrangements for the provision of, 24-hour-a-day emergency health services to homeless individuals;

"(3) make referrals of homeless individuals to hospitals and other institutions for necessary inpatient services, and have a written arrangement with one or more hospitals or institutions for the acceptance of homeless individuals referred to such hospital or institution by such entity;

"(4)(A) provide assistance to homeless individuals in establishing eligibility for assistance under entitlement programs and in obtaining necessary services under such programs; and

"(B) have written arrangements to carry out subparagraph (A) with State and local social service agencies which provide services relevant to the needs of homeless individuals;

"(5) provide, or arrange for the provision of, counseling and other mental health services for homeless individuals who do not have a chronic mental illness, particularly counseling and mental health services for homeless families and children;

"(6) provide, or arrange for the provision of, alcohol abuse and drug abuse treatment services for homeless individuals; and

"(7) provide, or arrange for the provision of, any other service for homeless individuals that may be prescribed by the Secretary by regulation in order to meet the essential needs of homeless individuals for health services.

"(c) In making grants under this section, the Secretary shall give preference to community health centers supported under section 330 and other public and nonprofit private entities which have experience in providing comprehensive primary health care services to homeless individuals and medically underserved populations.

"TERMS AND CONDITIONS APPLICABLE TO GRANTS

"SEC. 396. (a) Each recipient of a grant under this part shall provide the services required under section 395 within the limits of its capacity to any homeless individual regardless of the individual's ability to pay for the provision of such services. If any recipient of a grant under this part imposes charges for services furnished under the grant, such charges—

"(1) shall be made according to a public schedule of charges;

"(2) may not be imposed with respect to individuals whose income is below the nonfarm income official poverty line defined by the Office of Management and Budget (and revised annually in accordance with section 673(2) of the Omnibus Reconciliation Act of 1981); and

"(3) shall be adjusted to reflect the income and resources of the individuals to which such services are provided.

"(b) Funds provided under any grant made under section 395 may not be used—

"(1) to provide services other than the services described in such section;

"(2) to make cash payments, without consideration, to any individual;

"(3) to purchase or improve land, to purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or to purchase major medical equipment, unless the Secretary finds, based on a showing of exceptional circumstance, that a waiver of this subparagraph is necessary in order to carry out the purposes of this part; or

"(4) to satisfy any requirement for the expenditure of non-Federal funds as a condition of Federal funds.

"(c) No grant may be approved under this part unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, be submitted in such manner, and contain or be accompanied by such information as the Secretary may by regulation specify. The Secretary shall not approve any application under this part unless the application contains assurances that the applicant—

"(1) will use the funds provided under this part only for the purposes specified in the approved application;

"(2) will establish such fiscal control and fund accounting procedures as may be necessary to ensure proper disbursement and accounting of Federal funds paid to the applicant under this part;

"(3) will establish an ongoing quality assurance program to monitor services furnished under the grant and will maintain confidentiality of patient records;

"(4) has, in the case of an applicant for a project which will serve a group of individuals a substantial proportion of which are of limited English-speaking ability—

"(A) developed a plan and made arrangements tailored to the needs of such individuals for the provisions of services, to the extent practicable, in the language and cultural context most appropriate to such individuals; and

"(B) identified an individual on its staff—

"(i) who is fluent both in English and in the language most appropriate to such individuals; and

"(ii) whose responsibilities shall include providing guidance to such individuals and to appropriate staff members with respect to cultural sensitivities and the bridging of linguistic and cultural differences; and

"(5) will report to the Secretary annually on the utilization, cost, and outcome of services furnished under this part.

"(d) Notwithstanding any other provision of this part, no entity receiving a grant under this part shall be considered to be in violation of this part if such entity, in the regular course of providing mental health services to homeless individuals who do not have a chronic mental illness, provides mental health services to homeless individuals having a chronic mental illness.

"EVALUATIONS AND REPORTS

"SEC. 397. (a) The Secretary shall conduct, or arrange for the conduct of, evaluations of services provided under grants under section 395.

"(b) Within 18 months after the date of enactment of this part, and annually thereafter, the Secretary shall prepare and transmit to the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives a report summarizing the evaluations conducted under subsection (a) during the preceding year.

"DEFINITIONS

"SEC. 398. For purposes of this part:

"(1) The term 'homeless individual' has the same meaning as in section 3 of the Urgent Relief for the Homeless Act.

"(2) The term 'medically underserved population' means a population designated by the Secretary under section 330(b)(3).

"(3) The term 'shelter' means any supervised public or private facility designed to provide temporary living accommodations.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 399. To carry out this part, there are authorized to be appropriated $30,000,000 for each of the fiscal years 1987 and 1988.".

PART B—MENTAL HEALTH SERVICES

SEC. 521. EMERGENCY MENTAL HEALTH SERVICES FOR HOMELESS INDIVIDUALS HAVING CHRONIC MENTAL ILLNESS.

Title XIX of the Public Health Service Act is amended by adding at the end thereof the following new part:

"PART D—EMERGENCY ASSISTANCE FOR HOMELESS MENTALLY ILL INDIVIDUALS BLOCK GRANT

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1931. (a) To carry out this part, there are authorized to be appropriated $55,000,000 for fiscal year 1987 and such sums as may be necessary for fiscal year 1988.

"(b) Of the total amount appropriated to carry out this part for any fiscal year, not more than 2 percent shall be used by the Secretary to pay the costs of administering this part.

"ALLOTMENTS

"SEC. 1932. (a)(1) Except as provided in subsections (b) and (c), the allotment of a State under this part for a fiscal year is the sum of the amounts determined under paragraphs (2) and (3) for the State and metropolitan cities and urban counties in the State for such fiscal year.

"(2) The Secretary shall determine the amount that would be allotted to each State from the total amount available for allotments under this section for a fiscal year (after the application of section 1931(b)) if the percentage of such total available amount that would be allotted to such State is equal to the percentage of the total amount available for grants under section 106 of the Housing and Community Development Act of 1974 for the fiscal year prior to such fiscal year that is allocated to such State.

"(3) The Secretary shall determine the amount that would be allotted to each metropolitan city and urban county in a State from the total amount available for allotments under this section for a fiscal year (after the application of section 1931(b)) if the percentage of such total available amount that would be allotted to such city or county is equal to the percentage of the total amount available for grants under section 106 of the Housing and Community Development Act of 1974 for the fiscal year prior to such fiscal year that is allocated to such city or county.

"(4) Notwithstanding paragraph (1), and except as provided in the second sentence of subsection (b), the allotment of the District of Columbia under this part for a fiscal year shall be the amount determined by the Secretary for the District of Columbia under paragraph (3) or the amount determined under subsection (b), whichever is greater.

"(b) Notwithstanding subsection (a), the allotment of a State under this section for any fiscal year shall not be less than one-half of one percent of the amount available for allotments under this section (after the application of section 1931(b)) for such fiscal year. If necessary to carry out the preceding sentence, the Secretary shall ratably reduce the amount determined for each State under paragraph (1) of subsection (a), and the amount determined for each metropolitan city and urban county (including the District of Columbia) under paragraph (2) of such subsection.

"(c)(1) For purposes of subsections (a) and (b), the allotment of each territory under this part for a fiscal year shall be determined in accordance with paragraphs (2) and (3).

"(2) In accordance with subsections (a) and (b), a total allotment under this part for all territories shall be determined for a fiscal year as if all territories were deemed to be one State.

"(3) The allotment of a territory under this part for a fiscal year shall be the amount which bears the same ratio to the amount determined under paragraph (3) for such fiscal year as the population of the territory bears to the population of all territories.

"(4) For purposes of this subsection, the term 'territory' means the Virgin Islands, American Samoa, Guam, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands.

"(d) If the total amount of funds appropriated under section 1931 for a fiscal year and available for allotment under this section for such fiscal year is not otherwise allotted to States because—

"(1) one or more States have not submitted an application or description of activities in accordance with section 1935 for such fiscal year;

"(2) one or more States have notified the Secretary that they do not intend to use the full amount of their allotment; or

"(3) some allotments of States are offset or repaid under section 1917(b)(3) (as such section applies to this part pursuant to section 1935(d)),

the amount not allotted shall be allotted among each of the remaining States in proportion to the amount otherwise allotted to such States for such fiscal year without regard to this subsection.

"PAYMENTS UNDER ALLOTMENTS

"SEC. 1933. (a) For each fiscal year, the Secretary shall make payments, as provided by section 6503(a) of title 31, United States Code, to each State from its allotment under section 1932 from amounts appropriated for that fiscal year.

"(b) Any amount paid to a State for a fiscal year and remaining unobligated at the end of such year shall remain available for the next fiscal year to such State for the purposes for which it was made.

"USE OF ALLOTMENTS

"SEC. 1934. (a)(1) Except as provided in subsection (b), amounts paid to a State under section 1933 shall be used by such State to assist in the carrying out of emergency projects for homeless individuals who have chronic mental illnesses. Such projects shall include each of the following activities:

"(A) The provision of outreach services to—

"(i) homeless individuals; and

"(ii) individuals who have chronic mental illnesses and who are at risk of becoming homeless individuals.

"(B) The provision of outpatient mental health services, partial hospitalization, diagnostic services, crisis intervention services, and habilitation and rehabilitation services to—

"(i) homeless individuals; and

"(ii) individuals who have chronic mental illnesses and who are at risk of becoming homeless individuals.

"(C) The provision of training to individuals who provide services to homeless individuals, including individuals who work in shelters, mental health clinics, and other sites where homeless individuals receive services.

"(D) The provision of case management services to homeless individuals, including, as needed by each such individual—

"(i) the preparation, and the review at least every 3 months, of a plan for the provision of mental health services to such individual;

"(ii) the provision of assistance in obtaining, and the coordination of, social and maintenance services for such individual, such as services relating to daily living activities, transportation services, habilitation and rehabilitation services, prevocational and vocational services, and housing services;

"(iii) the provision of assistance to such individual in obtaining income support services, such as housing assistance, food stamps, and supplemental security income benefits; and

"(iv) the referral of such individual to such other services as may be appropriate.

"(E) The provision of supportive and supervisory services for homeless individuals in residential settings not supported under the transitional housing demonstration program carried out by the Department of Housing and Urban Development pursuant to section 101(g) of Public Law 99-500 or Public Law 99-591.

"(2) Training required under paragraph (1)(C) shall include training to enable individuals providing services to homeless individuals to—

"(A) identify individuals with chronic mental illness;

"(B) refer homeless individuals to available services for such individuals, including job training services, literacy education, community health centers, and community mental health centers; and

"(C) identify, and assist homeless individuals to participate in, Federal and State programs providing benefits for homeless individuals.

"(b) A State may not use amounts paid to it under section 1933 to—

"(1) provide inpatient services;

"(2) make cash payments to intended recipients of services;

"(3) purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment; or

"(4) satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds.

The Secretary may waive the limitation contained in paragraph (3) upon the request of a State if the Secretary finds that there are extraordinary circumstances to justify the waiver and that granting the waiver will assist in carrying out this part.

"(c) Not more than 4 percent of the total amount paid to a State under section 1933 for a fiscal year may be used for administering the funds made available under section 1933. The State shall pay from non-Federal sources the remaining costs of administering such funds.

"(d) Notwithstanding any other provision of this part, a State shall not be considered to be in violation of this part if, during the regular course of the provision of mental health services to homeless individuals under this part, mental health services are provided to individuals who are homeless and who do not have a chronic mental illness.

"APPLICATION AND DESCRIPTION OF ACTIVITIES; REQUIREMENTS

"SEC. 1935. (a)(1) In order to receive an allotment for a fiscal year under section 1932, a State shall submit an application to the Secretary. Each such application shall be in such form as the Secretary shall require, and shall be submitted with the application required by section 1916(a) or at such other time as the Secretary shall require.

"(2) Each application required under paragraph (1) for an allotment under section 1932 for a fiscal year shall contain assurances that the State will meet the requirements of subsection (b).

"(b)(1) As part of the annual application required by subsection (a) for an allotment for any fiscal year, the chief executive officer of each State shall—

"(A) certify that the State agrees to use the funds allotted to it under section 1932 in accordance with the requirements of this part;

"(B) certify that, in the case of an allotment for fiscal year 1988, the services to be provided to homeless individuals under this part have been considered in the preparation of, have been included in, and are consistent with, the State comprehensive mental health services plan required under subpart 2 of part B;

"(C) certify that the State will ensure that homeless individuals who are alcoholics, alcohol abusers, or drug abusers will be referred to appropriate alcohol abuse and drug abuse treatment and rehabilitation services, including services available under section 1921;

"(D) certify that the State will ensure that the activities conducted under this part will be coordinated with transitional housing provided under the transitional housing demonstration program carried out by the Department of Housing and Urban Development pursuant to section 101(g) of Public Law 99-500 or Public Law 99-591;

"(E) except as provided in paragraph (3), certify that the State will expend, in each metropolitan city or urban county for which the Secretary makes a determination under section 1932(a)(3) for a fiscal year, an amount which is equal to the amount determined by the Secretary under such section for such city or county for such fiscal year, in order to assist in carrying out in such city or county of an emergency project which complies with section 1934; and

"(F) certify that the State agrees that Federal funds made available under section 1933 for any period will be so used as to supplement and increase the level of State, local, and other non-Federal funds that would in the absence of such Federal funds be made available for the programs and activities for which funds are provided under that section and will in no event supplant such State, local, and other non-Federal funds.

"(2) An application by a State under this section for an allotment for fiscal year 1988 shall include, for each metropolitan city and urban county in the State for which the Governor of the State desires a determination be made under section 1932(a)(3), a statement from the chief executive officer of such city or county which contains the certifications specified in paragraph (1) with respect to such city or county and the description of activities specified in subsection (c) with respect to such city or county.

"(3)(A) In any case in which the amount determined by the Secretary under section 1932(a)(3) for a fiscal year with respect to a metropolitan city or an urban county is less than $50,000, the State in which such city or county is located is not required to comply with paragraph (1)(E) with respect to such city or county for such fiscal year.

"(B) In any case in which the Governor of the State is unable to certify under paragraph (1)(E) that the amount required to be expended for a fiscal year under such paragraph in a metropolitan city or urban county in the State will be used to assist in the carrying out, in such city or county, of an emergency project which complies with section 1934, the Governor of the State shall include in the application required under paragraph (1) for such fiscal year a certification that such amount will be expended in another area of the State to assist in the carrying out of an emergency project which complies with such section.

"(c) The chief executive officer of a State shall, as part of the application required by subsection (a) for any fiscal year, also prepare and furnish the Secretary (in accordance with such form as the Secretary shall provide) with a description of the intended use of the payments the State will receive under section 1933 for the fiscal year for which the application is submitted, including information on the programs and activities to be supported and services to be provided. The description shall be made public within the State in such manner as to facilitate comment from any person (including any Federal or other public agency) during development of the description and after its transmittal. The description shall be revised (consistent with this section) throughout the year as may be necessary to reflect substantial changes in the programs and activities assisted by the State under this part, and any revision shall be subject to the requirements of the preceding sentence.

"(d) Except where inconsistent with the provisions of this part, the provisions of section 1914(b), section 1917(a), paragraphs (1) through (5) of section 1917(b), and sections 1918, 1919, and 1920 shall apply to payments made to a State under this part in the same manner as such provisions apply to payments made to a State under part B of this title.

"DEFINITIONS

"SEC. 1936. For purposes of this part:

"(1) The term 'homeless individual' means a homeless individual (as such term is defined in section 3 of the Urgent Relief for the Homeless Act) who has a chronic mental illness. Such term includes an individual who—

"(A) is receiving services under this part; and

"(B) is placed in permanent housing,

during the period beginning on the date on which such placement is made and ending 9 months after such date.

"(2) The term 'metropolitan city' has the same meaning as in section 102 of the Housing and Community Development Act of 1974.

"(3) The term 'urban county' has the same meaning as in section 102 of the Housing and Community Development Act of 1974.".

PART C—ALCOHOL AND DRUG ABUSE SERVICES FOR HOMELESS INDIVIDUALS

SEC. 531. SPECIAL ALLOTMENTS FOR ALCOHOL ABUSE AND DRUG ABUSE SERVICES FOR HOMELESS INDIVIDUALS.

Part B of title XIX of the Public Health Service Act is amended by adding at the end thereof the following new subpart:

"Subpart 3—Prevention, Treatment, and Rehabilitation Services for Homeless Individuals Who Are Alcoholics, Alcohol Abusers, or Drug Abusers

"SPECIAL ALLOTMENTS

"SEC. 1920F. (a) To carry out this section, there are authorized to be appropriated $20,000,000 for fiscal year 1987.

"(b) The Secretary shall allot to each State for fiscal year 1987 from amounts appropriated under subsection (a) an amount which bears the same ratio to the total amount appropriated under such subsection for such fiscal year as the allotment of the State under section 1913 for such fiscal year bears to the total amount allotted to all States under such section for such fiscal year.

"(c) Each State desiring to receive an allotment under this section shall submit a statement to the Secretary at such, time, in such manner, and containing such information as the Secretary may by regulation prescribe. Such statement shall contain a certification by the chief executive officer of the State that the State will use the amounts allotted to the State under this section for the purposes described in subsection (d).

"(d) The amount allotted to a State under this section for fiscal year 1987 shall be used by the State to provide prevention, treatment, and rehabilitation services for homeless individuals who are alcoholics, alcohol abusers, or drug abusers. For purposes of this section, the term 'homeless individual' has the same meaning as in section 3 of the Urgent Relief for the Homeless Act.

"(e)(1) Except as provided in paragraph (2), the provisions of subpart 1 of this part shall apply to this section to the extent that such provisions are not inconsistent with the provisions of this section.

"(2) Section 1915(b)(1) does not apply to services provided under this section.".

TITLE VI—ASSURING THE EDUCATION OF HOMELESS CHILDREN AND PROVIDING LITERACY AND BASIC SKILLS REMEDIATION FOR ADULT HOMELESS INDIVIDUALS

SEC. 601. STATE PLANS FOR THE EDUCATION OF HOMELESS CHILDREN.

Subpart 3 of part C of the General Education Provisions Act is amended by inserting after section 436 the following new section:

"STATE PLANS FOR THE EDUCATION OF HOMELESS CHILDREN REQUIRED

"SEC. 436A. (a) In any fiscal year after September 30, 1988, in which a State fails to comply with the provisions of this section, the Secretary shall withhold from the State an amount equal to State set aside under chapter 2 of the Education Consolidation and Improvement Act of 1981 for that year.

"(b)(1) Each State educational agency shall assure that no child of a homeless person, as defined in section 3 of this Act, is denied for that reason access to a free, appropriate public education that would be provided to the children of a resident of the State.

"(2) Each State shall adopt a plan to provide for the education of each homeless child within the State which should contain provisions designed to—

"(A) authorize the State educational agency, the local educational agency, the parent or guardian of the homeless child, or the applicable social worker to make the determinations required under this section; and

"(B) provide procedures for selecting the appropriate local educational agency within the State to be responsible for the expenses of providing for the education of the homeless child.

"(c)(1) Each plan adopted under this section shall assure, to the extent practicable under requirements relating to education established by State law, that local educational agencies within the State will comply with the requirements of paragraphs (2) through (6) of this subsection.

"(2) The local educational agency of each homeless child shall either—

"(A) continue the child's education in the school district of origin for the remainder of the school year; or

"(B) enroll the child in the school district where the child is actually living;

whichever is in the child's best interest.

"(3) The choice required by paragraph (2) shall be available regardless of whether the child is living with the homeless parents or has been temporarily placed elsewhere by the parents.

"(4) Each homeless child shall be provided adequate transportation to the school selected according to the provisions of paragraph (2).

"(5) The records of each homeless child shall be maintained—

"(A) so that the records are immediately available when a child enters a new school district; and

"(B) in a manner consistent with section 438 of this Act.

"(6) Each local educational agency shall ensure that each homeless child may participate in all educational programs and services for which the child meets the eligibility criteria, including special programs and compensatory educational programs for handicapped, disadvantaged, and for students with limited English proficiency; programs in vocational education; programs for the gifted and talented; and school meals programs.

"(d)(1) Each local educational agency or any State which is aggrieved by the withholding of State funds under subsection (a) shall be accorded the right of due process of law and shall be entitled to—

"(A) at least 30 days prior written notice of the intent to withhold such funds;

"(B) the opportunity for a hearing on the record before an administrative law judge within 60 days of the actual withholding, unless such period is extended by mutual consent of the Secretary and the appropriate State educational agency; and

"(C) a decision on the merits by the administrative law judge within 90 days of the conclusion of the hearing, unless the administrative law judge determines that such a hearing cannot be concluded or a decision on the merits cannot be made within such period, in which case the administrative law judge may extend the period for a period not to exceed 60 additional days.

"(2) The administrative remedy prescribed by this subsection shall be exclusive.

"(e) The Secretary shall prepare and submit to the Congress a report not later than January 1, 1989, on the effectiveness of the State plans required by this section.".

SEC. 602. EXEMPLARY GRANTS AND DISSEMINATION OF INFORMATION ACTIVITIES AUTHORIZED.

(a) GENERAL AUTHORITY.—(1) The Secretary shall, from funds appropriated pursuant to subsection (f), make grants for exemplary programs that successfully address the needs of homeless students in elementary and secondary schools of the applicant.

(2) The Secretary shall, in accordance with subsection (e), conduct dissemination activities of exemplary programs designed to make the special educational needs of homeless elementary and secondary school students.

(b) APPLICANTS.—The Secretary shall make grants to State and local educational agencies for the purpose described in paragraph (1) of subsection (a).

(c) ELIGIBILITY FOR GRANTS.—No applicant may receive an exemplary grant under this section unless the applicant is located in a State which has submitted a State plan in accordance with the provisions of section 436A of the General Educations Provisions Act.

(d) APPLICATION.—Each applicant which desires to receive a demonstration grant under this section shall submit an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require. Each such application shall include—

(1) a description of the exemplary program for which assistance is sought;

(2) assurances that the applicant will transmit information with respect to the conduct of the program for which assistance is sought;

(3) such additional assurances that the Secretary determines are necessary.

(e) DISSEMINATION OF INFORMATION ACTIVITIES.—The Secretary shall, from funds appropriated pursuant to subsection (f), conduct, directly or indirectly by way of grant, contract, or other arrangement, dissemination activities designed to inform State and local educational agencies of exemplary programs which successfully address the special needs of homeless students.

(f) APPROPRIATIONS AUTHORIZED.—There are authorized to be appropriated $2,500,000 for the fiscal year 1987 and $5,000,000 for the fiscal year 1988 to carry out the provisions of this section.

SEC. 603. STATEWIDE LITERACY INITIATIVES.

(a) GENERAL AUTHORITY.—The Secretary of Education shall make grants to State educational agencies to enable each such agency to develop a plan and implement a program of literacy training and basic skills remediation for adult homeless individuals within the State which shall—

(1) include a program of outreach activities, and

(2) be coordinated with existing resources such as community-based organizations, VISTA recipients, adult basic education program recipients, and nonprofit literacy-action organizations.

(b) APPLICATION.—Each State educational agency desiring to receive its allocation under this section shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may reasonably require.

(c) AUTHORIZATION OF APPROPRIATIONS; ALLOCATION.—(1) There are authorized to be appropriated $10,000,000 for each of the fiscal years 1987 and 1988, for the adult literacy and basic skills remediation programs authorized by this section.

(2) The Secretary of Education shall distribute funds to States on the basis of the assessments of the homeless population in the States made in the comprehensive plans submitted to the Interagency Council under section 401, except that no State shall receive less than $75,000 under this section.

TITLE VII—JOB TRAINING FOR THE HOMELESS DEMONSTRATION PROJECT

SEC. 701. DEMONSTRATION PROGRAM AUTHORIZED.

(a) GENERAL AUTHORITY.—The Secretary shall, from funds appropriated pursuant to section 708, make grants for the Federal share of job training demonstration projects for homeless individuals in accordance with the provisions of this title.

(b) CONTRACT AUTHORITY.—The Secretary is authorized to enter into such contracts with State and local public agencies, private nonprofit organizations, private businesses, and other appropriate entities as may be necessary to carry out the provisions of this title.

SEC. 702. STATE COORDINATION WITH DEMONSTRATION GRANT RECIPIENTS.

A State shall describe in the comprehensive plan required under section 401 of this Act how the State will coordinate projects conducted within a State under this title with other services for homeless individuals assisted under this Act.

SEC. 703. APPLICATION.

Each applicant which desires to receive a demonstration grant under this title shall submit an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require. Each such application shall include—

(1) a description of the activities for which assistance is sought;

(2) plans for the coordination and outreach activities, particularly with case managers and care providers, designed to achieve referral of homeless individuals to the demonstration projects authorized by this title;

(3) plans to offer in-shelter training activities and services, and to perform training services and activities so as to increase the participation of homeless individuals in the demonstration project;

(4) a description of the standards by which performance may be measured under the demonstration project, together with assurances that a preliminary evaluation of the project will be completed not later than the end of the first year for which assistance is sought;

(5) assurances that the recipient of demonstration grants under this title will pay the non-Federal share of the activities for which assistance is sought from non-Federal sources; and

(6) such additional assurances as the Secretary determines are necessary to insure compliance with the requirements of this title.

SEC. 704. AUTHORIZED ACTIVITIES.

Demonstration grants under this title may be used for—

(1) basic skills instruction;

(2) remedial education activities;

(3) basic literacy instruction;

(4) job search activities;

(5) job counseling;

(6) job preparatory training, including resume writing and interviewing skills; and

(7) any other activities described in section 204 of the Job Training Partnership Act which the grant recipient determines will contribute to carrying out the objectives of this title,

for homeless individuals.

SEC. 705. PAYMENTS; FEDERAL SHARE; LIMITATION.

(a) PAYMENTS.—The Secretary shall pay to each applicant having an application approved under section 703 the Federal share of the cost of activities described in the application.

(b) FEDERAL SHARE.—(1) The Federal share for each fiscal year shall be 50 percent.

(2) The non-Federal share of payments under this title may be in cash or in kind fairly evaluated, including plant equipment or services.

(c) LIMITATION.—The Secretary may not make grants in any State in an aggregate in excess of 15 percent of the amount appropriated to carry out this title in each fiscal year.

SEC. 706. EVALUATION.

(a) DEMONSTRATION PROJECT RESPONSIBILITY.—The Secretary shall evaluate each project assisted under this title at the end of the first fiscal year for which funds are appropriated under this title. The Secretary shall submit the findings of the evaluations to the Interagency Council. Not later than 6 months before the termination date specified in section 709, the Secretary shall prepare and submit a final report of the evaluations required by this subsection to the President, to the Congress, and to the Interagency Council.

(b) CONTENTS OF EVALUATIONS.—Each evaluation required by this section shall include—

(1) the number of homeless individuals served;

(2) the number of homeless individuals placed in jobs;

(3) the average length of training time under the project;

(4) the average training cost under the project; and

(5) the average retention rate of placements of homeless individuals after training with assistance made under this title.

(c) EVALUATION BY INTERAGENCY COUNCIL.—(1) The Interagency Council shall evaluate each project receiving assistance under this title.

(2) The Interagency Council shall prepare and publish a report of its findings in the annual report of the Council. The evaluation of the demonstration projects authorized by this title shall include a determination of the relative effectiveness of programs assisted under this title together with recommendations, including recommendations for legislation, to the Congress on job training programs for homeless individuals to be established on a national basis.

SEC. 707. DEFINITIONS.

As used in this title—

(1) the term "applicant" means public agencies, private nonprofit organizations, private businesses, and other appropriate entities;

(2) the term "Interagency Council" means the Interagency Council on the Homeless;

(3) the term "local public agency" means any public agency of a general purpose political subdivision of a State which has the power to levy taxes and spend funds, as well as general corporate and police powers;

(4) the term "Secretary" means the Secretary of Labor; and

(5) the term "State" means each of the several States and the District of Columbia.

SEC. 708. AUTHORIZATION OF APPROPRIATIONS; AVAILABILITY OF FUNDS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $10,000,000 for the fiscal year 1988 to carry out the provisions of this title.

(b) AVAILABILITY OF FUNDS.—Funds obligated for any fiscal year may be expended by each recipient during that fiscal year and the succeeding fiscal year.

SEC. 709. TERMINATION.

The provisions of this title shall terminate on October 1, 1990.

TITLE VIII—NUTRITION

PART A—FOOD STAMP PROGRAM

SEC. 801. DEFINITION OF HOUSEHOLD.

The first sentence of section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended—

(1) by striking out "or (2)" and inserting in lieu thereof "(2)";

(2) by inserting before the semicolon the following: "or (3) a parent of minor children and that parent's children (notwithstanding the presence in the home of any other persons, including parents and siblings, who do not customarily purchase food and prepare meals for home consumption together with the parent and children) except that the certification of a household as a separate household under this clause shall be reexamined no less frequently than once every 6 months"; and

(3) by inserting "(other than as provided in clause (3))" after "except that".

SEC 802. DEFINITION OF HOMELESS INDIVIDUAL.

Section 3 of the Food Stamp Act of 1977 (7 U.S.C. 2012) is amended by adding at the end thereof the following new subsection:

"(s) 'Homeless individual' means—

"(1) an individual who lacks a fixed, regular, and adequate nighttime residence; and

"(2) an individual who has a primary nighttime residence that is—

"(A) a supervised publicly or privately operated shelter (including a welfare hotel or congregate shelter) designed to provide temporary living accommodations;

"(B) an institution that provides a temporary residence for individuals intended to be institutionalized;

"(C) a temporary accommodation in the residence of another individual; or

"(D) a public or private place not designed for, or ordinarily used, as a regular sleeping accommodation for human beings.".

SEC. 803. FOOD STAMP INFORMATION FOR THE HOMELESS.

(a) AUTHORITY TO PROVIDE INFORMATION.—Section 11(e)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(1)(A)) is amended by inserting "except, at the option of the State agency, food stamp informational activities directed at homeless individuals" after "Act".

(b) ADMINISTRATIVE EXPENSES.—The first sentence of section 16(a) of such Act (7 U.S.C. 2025(a)) is amended by striking out ", and (4)" and inserting in lieu thereof "(4) food stamp informational activities permitted under section 11(e)(1)(A), and (5)".

SEC. 804. EXPEDITED FOOD STAMP SERVICE.

Section 11(e)(9) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(9)) is amended—

(1) by redesignating subparagraph (B) as subparagraph (D);

(2) by inserting after subparagraph (A) the following new subparagraphs:

"(B) provide coupons no later than five days after the date of application to a household in which all members are homeless individuals and which meets the income and resource criteria for coupons under this Act;

"(C) provide coupons no later than five days after the date of application to any household that has a combined gross income and liquid resources that is less than the monthly rent and utilities of the household; and"; and

(3) in subparagraph (D) (as redesignated), by striking out "the household" and inserting in lieu thereof "a household referred to in subparagraph (A), (B), or (C)".

SEC. 805. IMPLEMENTATION OF EXISTING VENDOR PAYMENT EXCLUSION.

Not later than 30 days after the date of enactment of this Act, the Secretary of Agriculture shall prescribe regulations to carry out section 5(k)(2)(E) of the Food Stamp Act of 1977 (7 U.S.C. 2014(k)(2)(E)).

PART B—TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM (TEFAP)

SEC. 811. VARIETY OF COMMODITIES UNDER TEFAP.

Section 202(d) of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is amended by inserting after "shall include" the following: "a variety of commodities and products thereof that are most useful to eligible recipient agencies, including".

SEC. 812. AUTHORIZATION OF APPROPRIATIONS FOR FOOD STORAGE AND DISTRIBUTION COSTS UNDER TEFAP.

The first sentence of section 204(c)(1) of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is amended by striking out "$50,000,000 for each of the fiscal years ending September 30, 1986, and September 30, 1987" and inserting in lieu thereof "$50,000,000 for the fiscal year ending September 30, 1986, $60,000,000 for the fiscal year ending September 30, 1987, and $70,000,000 for the fiscal year ending September 30, 1988".

SEC. 813. CONTINUATION OF TEFAP.

(a) IN GENERAL.—Section 212 of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is amended by striking out "1987" and inserting in lieu thereof "1988".

(b) CONFORMING AMENDMENT.—Section 210(c) of such Act is amended by striking out "beginning October 1, 1983, and ending September 30, 1987" and inserting in lieu thereof "ending on the date specified in section 212".

PART C—EFFECTIVE DATE

SEC. 821. EFFECTIVE DATE.

Except as provided in section 805, the amendments made by this title shall become effective and be implemented as soon as the Secretary determines is practicable after the date of enactment of this Act, but not later than 160 days after the date of enactment of this Act.

Mr. BYRD. Mr. President, I will yield my 5 minutes to Senator PROXMIRE.

SOVIET ECONOMIC PERFORMANCE GOOD FOR 1986—BUT NO CHALLENGE

Mr. PROXMIRE. Mr. President, Secretary of Defense Weinberger struggles to persuade the Congress to appropriate more and more money to build up our military power. What has been the heart of the Weinberger argument? It has been consistent. It has been simple. It has been that the Russians are coming on with massive defense spending. The spending, argues Secretary Weinberger, will give the Soviets a decisive advantage unless we respond with a matching military buildup. Is Secretary Weinberger right? Is the Soviet Union rushing ahead? Is our country in danger of facing an overwhelming Soviet power? Mr. President, there are distinct and measurable limits on the power of any country to buildup its military strength. What sets those limits? The limits are set by the productive capability of the Nation's economy. With this in mind let us consider the Soviet economy.

Last month, a subcommittee of the Joint Economic Committee, which this Senator chairs, held hearings on the Soviet economy. The Nation's two prime intelligence agencies: the Central Intelligence Agency [CIA] and the Defense Intelligence Agency [DIA], testified jointly. This was the 14th consecutive year this Senator has held these hearings. I began them in April of 1974. These hearings have always been classified but the agencies have promptly provided sanitized hearing records with classified information deleted. That record has now been made available for 1987.

The most conspicuous news out of the 1987 hearing was that the Soviet Union had a relatively strong growth year in 1986. Overall, the Soviet economic growth was 4.2 percent. That contrasts with an average overall growth for the Russian economy from 1981 through 1985 of only 1.9 percent. The year 1986, however, was not nearly as impressive an economic year for the Soviets as those figures suggest. First, much of that growth was the result of better weather and 2 preceding years of negative growth in agriculture. Soviet agriculture actually grew by a whopping 7.3 percent in 1986. Other sectors including manufacturing grew 3.2 percent, of which manufacturing was up 3.6 percent.

How does this compare with growth in the U.S. economy in 1986? First, because the United States economy is roughly twice as big as that of the Soviet Union, each percentage point of growth by the United States provides twice as much in goods and services as the same percentage point of growth for the Soviets. The United States GNP grew between 1981 and 1985 at a 2-percent annual rate or at about the same percentage rate as the Soviet GNP, 1.9 percent. Keep in mind that was for the 5 years, 1981 through 1985. But last year, that is 1986, was different. In comparison with Soviet growth, our economy did not do so well percentagewise. Overall, in 1986, the American economy grew by 2.5 percent compared to the Soviet's 4.2 percent growth. United States manufacturing grew almost precisely the same as the Soviet's—about 3 percent in both cases. The big difference was in agriculture. Their farm economy grew by 7.3 percent. Ours declined by a smashing 9.2 percent.

Now how about Soviet military spending?

In 1986 testimony of the CIA and the DIA before the Joint Economic Committee, the agencies disclosed that their previous estimates of the growth of Soviet defense spending had been too high. At that 1986 hearing the agencies informed the committee that the growth of Soviet defense spending in the preceding 10 years had been about 2 percent per year. They also testified that Soviet growth in spending on military procurement during the past decade had been only about 1 percent. Mr. President, that rate of growth contrasts with an annual compounded U.S. growth rate in military spending since 1980 of about 5 percent. That means that between 1980 and 1985 United States military spending grew twice as fast as Soviet spending.

Now, Mr. President, the 1987 testimony noted a change in Soviet military spending. For last year, 1986, there was an increase to 3 percent. The intelligence agencies concluded, however, that this growth did not represent a change in Gorbachev's defense spending policy. What caused it? It was a temporary upturn in the procurement cycle. The CIA and DIA agreed the evidence suggests that future Soviet defense spending will increase by about 2 percent, which has been the rate of growth since 1975.

There is one more complication in comparing the relative resources going into the super power arms race. During the past year, when the Soviets were increasing their defense spending by 3 percent, the United States maintained its level of military spending. It was flat.

The most startling difference between the two super power economies lies in the vast difference in their potential. The Soviets are already devoting a crushing 12 to 14 percent of their economic production to their military buildup. The United States defense burden? About half as much, or 6 percent. But, again, since our American economy is twice as productive as the Soviet economy, that means both superpowers are spending roughly the same dollar amount. Obviously, it would be far easier for our much more productive country to step up our military spending than it would be for the Soviet Union to sharply increase theirs.

Second, the United States has an idle manpower pool of about 8 million unemployed persons actually seeking work. The Soviet Union has almost none.

Third, the Soviets have pushed their industrial base to the limit of its productive capacity. The United States is idling along at less than 80 percent of capacity. In addition, as World War II showed so dramatically the United States could curtail its production of civilian goods—especially housing and automobiles and release additional enormous productive capacity.

Fourth, the United States is leading in virtually every military or nonmilitary technology. And by years. For instance, the United States has a 7- to 10-year lead in flexible manufacturing systems. Our country has a 7- to 10-year lead in computer software, an 8- to 9-year lead in microprocessors, 8 to 10 in minicomputers, 8 to 12 in both computer operated machine tools and main frames, and a 10- to 12-year lead in super computers. A 1986 report by the Under Secretary of Defense for Research and Development notified the Congress that of the 20 most important military technologies, the United States leads in 14. The two superpowers are roughly tied in six. The Soviets lead in none.

Fifth, the Soviet's industrial base is relatively antiquated. The average length of service of Soviet industrial equipment is about 20 years compared with 12 years for U.S. equipment.

Sixth, the United States military allies overwhelmingly lead the Soviet Union's allies in economic strength by an astonishing eight to one.

What does all of this mean? It means that the United States and the NATO alliance can, at will, far outproduce the Soviet Union and the Warsaw pact. Fortunately, Secretary Gorbachev must know this. On the other hand, every thoughtful American must know that a nuclear war between the two superpowers would leave only totally devastated losers. This means both sides must recognize that the end of the arms race, arms control, arms reduction makes great good sense for both sides. Sure, we could respond to Secretary Weinberger's urging for more and more military spending, but that would not significantly improve our military security, and it would worsen our already horrendous deficit and the permanent burden of our immense national debt.

Mr. President, I thank my good friend, the majority leader, for so graciously yielding me time. I yield the floor.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the Republican leader is recognized for not to exceed 5 minutes.

KANSAS TOWN CELEBRATES CENTENNIAL OF FIRST WOMAN MAYOR'S ELECTION IN THE UNITED STATES

Mr. DOLE. Mr. President, tomorrow marks the 100th anniversary of a historic occasion. It was on April 4, 1887, that the citizens of Argonia, KS, elected the first woman mayor in America.

The woman was Susanna Madora Salter, and her election came on the heels of the Kansas Legislature's approval of voting rights for women. Her election also was the result of a prank by a group of men in Argonia who did not like the idea of women being allowed to vote.

To make a long story short, Mrs. Salter and a number of other members of the local Women's Christian Temperance Union had met to put together a slate of candidates sympathetic to their cause. Their slate had not a single woman on it.

The men of Argonia, meanwhile, printed joke ballots that were identical to the WCTU's slate, except that it listed Mrs. Slater for mayor. It was the men's assumption that Mrs. Salter would not get more than 20 votes—or, in other words, the vote of every WCTU member in Argonia.

The prank backfired, however, and Mrs. Salter won election as the first woman mayor in American history. And her tenure was no less remarkable than any man who held the job before her.

Indeed, Mrs. Salter brought a great deal of pragmatism to her leadership role. For instance, when a New York reporter came to visit for a story he was writing about this historic mayor, Mrs. Salter was not about to let him make her the centerpiece of ridicule. So at the council meeting, with the reporter present, Mayor Salter waited a moment or two and then adjourned the meeting: No meeting, no story, no ridicule.

When Susan B. Anthony first met Mayor Salter, the introduction evoked the comment, "Why, you look just like any other woman, don't you?" And two Kansas newspapers, the Manhattan Nationalist and the Salina Journal, both wrote that it was fortunate for women to be so ably represented by the "capable" Mayor Salter.

So it was, 100 years ago, that a 27-year-old woman in Argonia, KS, was elected our Nation's first woman mayor. Even though history was made because of what started out to be a prank, the business of Argonia went on, and the future for women in politics took another step forward.

BICENTENNIAL MINUTE—APRIL 3, 1800: FREE POSTAGE FOR MARTHA WASHINGTON

Mr. DOLE. Mr. President, on this day, 187 years ago, in 1800, the Congress sent to the President a bill giving franking privileges to Martha Washington, widow of our first President.

It was a simple resolution of one sentence:

> *Resolved*, that all papers and packets sent to Mrs. Martha Washington, relict of the late General George Washington, shall be received and conveyed by post, free from postage, for and during her life.

Free postage was one of the few services that the Government could offer a distinguished citizen in those days. The frank was extended to Members of Congress, the President, Cabinet Secretaries, and other executive branch officers. It also went to certain private citizens. For instance, every newspaper printer could send one paper, postage free, to every other newspaper printer in the country, to encourage the exchange of news.

When George Washington died in December 1799, the Nation mourned the leader of its Revolutionary War Army, and its first President. It was natural that Congress would seek ways of aiding his widow at Mount Vernon; so in March 1800, Representative Henry Lee of Virginia introduced a resolution granting Mrs. Washington franking privileges. A veteran of the Revolution himself, Lee had delivered the eulogy for George Washington before both Houses of Congress in which he characterized Washington with those now famous words: "First in war, first in peace, and first in the hearts of his countrymen."

The House quickly passed the measure and sent it to the Senate on March 31. The next day, the Senate adopted it unanimously, and on April 3 the bill went to President John Adams. The act began a tradition that we continue today of providing assistance to the widows of our former Presidents.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, do I have any time remaining?

The ACTING PRESIDENT pro tempore. The Senator has 1 minute and 50 seconds of the leader's time.

Mr. DOLE. I yield that time to the Senator from Minnesota.

(The remarks of Mr. DURENBERGER relating to the introduction of legislation, are printed under Statements of Introduced Bills and Joint Resolutions.)

DISAPPROVAL OF PRESIDENTIAL CERTIFICATION—MEXICO

The ACTING PRESIDENT pro tempore. Under the previous order, the hour of 9:30 a.m. having arrived, the Senate will resume consideration of Senate Joint Resolution 92, which the clerk will report.

The legislative clerk read as follows:

> A joint resolution (S.J. Res. 92) disapproving the certification by the President under section 481(h) of the Foreign Assistance Act of 1961.

The Senate resumed consideration of the joint resolution.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. PELL. Mr. President, I yield 3 minutes to the junior Senator from Arizona [Mr. McCAIN].

The ACTING PRESIDENT pro tempore. The Senator from Arizona.

Mr. McCAIN. Mr. President, in a very short time, we are going to take what I believe is a very important vote so far as our present and future relations between ourselves and Mexico are concerned.

The question before this body is not whether there is corruption in Mexico, nor whether there is corruption because of the drug traffic in New York City. The question is not whether we abhor the scourge of drugs as it has affected both nations. The question is not the impact of the drug traffic on both societies, on both sides of the border.

The question that must be asked in this joint resolution, as to how we vote on it, is whether it will help or hinder efforts to cooperate, between ourselves and Mexico, in eradicating this terrible disease that has affected both societies. I can state that the answer is "no."

This morning, I received from the Administrator of the Drug Enforcement Agency, the following information:

Mexico is conducting an eradication program which has led to the destruction of 438 hectares of marijuana and 514 hectares of opium poppy—and it goes on.

Let me indicate, Mr. President, what the Administrator of the Drug Enforcement Agency—a name that has been bandied about this body—says of the difficulties they are experiencing in Mexico:

Decertification would mean a reduction in resources to support these programs and a commensurate reduction in what is actually being destroyed. This would in effect let traffickers cultivate and harvest marijuana and opium with impunity.

It would require greater actions by U.S. forces at the border, which would escalate tensions and disrupt the border economy.

It would allow the trafficking groups to gain strength and influence, making enforcement efforts that much more difficult in the future.

Edwin Meese says that passage of this contentious legislation would undermine every law enforcement activity that we currently have ongoing in Mexico.

Mr. President, Mexico is an important nation. We have taken Mexico for granted so that we can address problems throughout the rest of the world; 400,000 American citizens reside in Mexico; 85 percent of the oil that we are presently putting in our strategic petroleum reserve comes from Mexico. Mexico is our largest trading partner.

We can focus our interests on Central America, and indeed they are important. There are 25 million people in Central America, 80 million people in Mexico.

Mr. President, if we today act in such a fashion as the Mexican people and Government interpret as inflammatory and confrontational, our efforts to eradicate this terrible scourge, this disease, which has affected our society, which is indeed attacking the very fiber of this Nation, will be set back and at least to some degree defeated because of an unwise action by this body.

I urge my colleagues to reject this joint resolution overwhelmingly.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. HELMS. Mr. President, how much time remains to each side?

The ACTING PRESIDENT pro tempore. The Senator from North Carolina has 13 minutes, and the Senator from Rhode Island has 9 minutes and 33 seconds.

Mr. HELMS. Will the Senator from Rhode Island proceed? Senator WILSON was called to the telephone.

Mr. PELL. Mr. President, I yield myself 3 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island.

Mr. PELL. Mr. President, as we near the vote on this joint resolution of disapproval, I want to emphasize a few points that will be taken into consideration I trust by my colleagues. First, the action we take on this measure is completely and purely symbolic because the deadline for its implementation has passed. The symbolism if this resolution passes, however, will have far-reaching repercussions in Mexico and on our always sensitive and important relationship with our southern neighbor. Mexico is our third largest trading partner; we share a 2,000-mile undefended border; and our two nations share concern over issues such as the economic situation and narcotics. The passage of this resolution will stir Mexican nationalism which thrives on the perception that the United States is once again engaged in Mexico bashing because of Mexico's independent foreign policy, its leadership in the Contadora process, and its political and social system.

Another point is that Mexico is cooperating in the narcotics area. We all agree she could do a lot more but so could everyone of those nations covered in the State Department report. Sure there is room for more progress. More opium poppy was destroyed in 1986 than the previous year; marijuana acreage destroyed by aerial spraying was 71 percent higher than in 1985; Mexican Government and DEA cooperation resulted in over 5 metric tons of cocaine being seized in 1986; a draft text of a Mutual Legal Assistance Treaty between our countries was negotiated in 1986 and is now under review.

We should do the things we can to encourage Mexico to continue and expand these efforts, not to dissuade them through meaningless but irritating legislation which is really a gesture.

I urge my colleagues to support the tabling motion which I intend to offer.

Mr. BRADLEY. Mr. President, I share the deep concerns expressed in this debate about international drug trafficking and drug abuse. We all have much more to do, in this country and elsewhere. But the governments of countries who are major drug producing or drug transit countries and the governments of those who are major consumers are in this together. There is no escaping this fact.

Approaching common problems in a unilateral and confrontational manner will not bring the desired results. It is more likely to encourage and assist the drug producers and traffickers than to enhance cooperation in the international war against narcotics. passing Senate Joint Resolution 92 will only exacerbate the many differences that are inherent in our relations with an important neighbor. Both the United States and Mexico need to build a stronger partnership for growth and stability. Responsible leaders in both countries recognize this fact and are beginning to act upon it.

Some have suggested that passing this resolution will send a strong signal to Mexico and presumably, as a consequence, elicit better cooperation. I question whether this is the way that cooperation is elicited anywhere. It is clear that the United States and Mexico have a broad range of issues of common concern. Improved cooperation on specific issues will come through an improvement in the overall relationship. And improvement in the overall relationship will come with committed and sustained effort—not through hastey and ill-considered censure.

These resolutions disapproving the certifications on an important issue such as narcotics, carried out in this ad hoc and hasty manner are irresponsible. They do us no credit. The issue is too important to be handled in this way. Ironically, although in my view these resolutions are unwarranted and unwise, if they are voted down, some good may come of this exercise. The Senate may send a signal to the countries concerned that in fact, we do want to continue to improve our cooperation, not resort to sterile confrontation and mutual recrimination.

Finally, let us keep in mind that if we are serious about the war on drugs we have no choice but to dedicate ourselves to cooperation with other countries involved—especially with our neighbors. Our real adversaries are the drug producers and drug traffickers wherever they may be operating.

MEXICO AND DRUG CONTROL

Mr. BENTSEN. Mr. President, this joint resolution is bad drug control policy and bad foreign policy. Its passage would reject the President's certification that Mexico and several other nations are working with us and on their own to control drug traffic. It would repudiate the U.S. Attorney General, who has said that:

> The Government of Mexico is doing the best they can in drug interdiction efforts given the economic conditions under which they operate.

It would undercut our ongoing law enforcement cooperation with Mexico, according to the Justice Department.

Of course, Mexico is not doing enough to eradicate and control this insidious problem. Neither is Panama. Neither is the Bahamas. Neither is the United States. That is why we approved the comprehensive drug control bill under which these joint resolutions have come before us. But in the few short months since that legislation became law, we can be gratified that some progress has been made even though much more needs to be done. It would be wrong to single out Mexico as the only nation falling short in this desperate struggle.

Mexico has recognized the need for narcotics control and has worked closely with the United States on mutual efforts. The attorneys general of the two nations have met repeatedly in recent years to expand cooperative endeavors.

Mexico has not just followed our lead. It has committed its own limited resources to this struggle. The Mexican Attorney General has sharply increased the share of his department's budget going for drug eradication efforts in recent years, from 1.6 billion pesos in 1983 to 23.6 billion pesos last year.

As many as 50,000 Mexican military personnel have also been deployed in this war on drugs. One out of every four members of their army worked full time last year on drug eradication and interdiction efforts. In addition to destroying thousands of hectares of drug crops, they confiscated 829 vehicles and 11,228 firearms and arrested 3,734 Mexican nationals and 26 foreigners involved in drug trafficking.

Mexican drug enforcement personnel have given their lives in this effort, though their sacrifices rarely are noticed in our country.

Mr. President, let me repeat that I believe that Mexico can do more and needs to do more in this struggle against drugs. These examples are helpful to balance the record, but serious problems of enforcement remain to be addressed by Mexico.

The broader question before the Senate is whether we should respond to this record by cutting our foreign assistance in half and by requiring our representatives on the World Bank and the Inter-American Development Bank to vote against all loans, for whatever purposes, to Mexico.

That would be a tragically shortsighted policy. Ironically, the small foreign assistance program we have to Mexico is almost entirely dedicated to narcotics control programs. Yet this joint resolution, if enacted, would slash that funding in half. This resolution would also force the United States to veto the nearly $1 billion in multilateral development bank loans which Mexico needs to recover from its serious economic slump.

Narcotics control is an important goal of our foreign policy, but it is not the only issue. And it would be unfortunate to tie our entire relationship with this important neighbor to this one single issue. The United States has many important matters to work out with Mexico, for our common interests and our mutual economic progress. We should not jeopardize those many efforts by imposing the sanctions required by this legislation.

Mr. LAUTENBERG. Mr. President, I am going to vote against these resolutions. They would disapprove the President's certification that Mexico, Panama, and the Bahamas have cooperated with the United States in our effort to prevent the production and transit of illicit drugs and the laundering of drug-related money.

Mr. President, the scourge of drugs has been felt in every community and many homes across the Nation. Every Senator in this Chamber is deeply concerned about the tragedy of drug abuse, and the need to stop the flow of drugs into this country. The question is whether these resolutions are the right step to take. I do not believe that they are.

We are considering a harsh and precipitous action against countries that are allies. Our Southern Command is in Panama, and many American troops are stationed in that country. We share a border with Mexico. It is our third largest trading partner. Mexico is facing serious domestic problems, and has a huge debt. Its stability is critical to our own national security and the stability of our hemisphere. Cutting aid to Mexico, penalizing the country at this time, could exacerbate the internal problems that Mexico faces, with potentially severe national security and foreign policy consequences for the hemisphere.

Active efforts to reduce drug trafficking from Mexico are underway. Mexico has cooperated with the United States on our drug interdiction efforts by making a political and financial commitment to antinarcotics efforts. The Government of Mexico continues to expand its resource commitment to the narcotics control program, with an increasingly larger share of the attorney general's budget. The eradication campaign received 40 percent of the Mexican budget in 1983 and is projected to received 60 percent in 1987.

Mexico has worked actively to bring about greater regional and international cooperation in narcotics matters. One important step was the 1986 meeting of Western Hemisphere attorneys general, which Mexico organized and hosted. Other steps include employing airplanes with greater capacity for spraying in an intensification of the campaign against opium poppy, the institution of a comprehensive reporting system, and other steps to increase the capacity to combat drugs. We are currently negotiating further steps.

There is evidence that all three countries have made efforts to cooperate with our country on eradicating drugs. The International Narcotics Control Strategy Report of March 1987, the report on which the President has based his three findings, makes it clear what the record on these three countries is.

Active efforts to further reduce drug trafficking from Mexico are underway. This fact, and our interest in maintaining the stability of neighbors in our hemisphere, argue for continued aid to Mexico, as we move to improve bilateral efforts to reduce drugs from Mexico.

In reviewing the wisdom of these resolutions, we must also consider what effect their passage would have on our efforts to combat drug trafficking throughout the world. I am concerned that the focus on these three countries may send the wrong message to the other 16 countries the President certified. The President certified that 19 countries, including the Bahamas, Mexico, and Panama, have cooperated fully with the United States in stopping the production and shipping of drugs. Out of those, these resolutions focus on only three, when others, such as Pakistan, have seen opium production more than double in the last year.

No hearings were held to review the certification of all 19 countries to determine whether they were justified. Even the sponsors of those resolutions admit that we have not examined the other 16 countries, and did not know if the 3 were the best, the worst, or in the middle of the list. So I think that these resolutions have not been carefully considered.

Before we take the step of singling out a friend like Mexico, our third largest trading partner, and our neighbor, with whom we share significant economic interests, we ought to be certain we know why we are doing it. A resolution like this will only aggravate and impair that relationship without actually having any real impact.

The resolutions would have no real impact because, since they were not considered and acted upon within 30 days from the time the President sent up his certification, they have no binding effect. That is, although they call for a cut of 50 percent in United States foreign aid to Mexico, Panama, and the Bahamas, and require the United States executive directors of multilateral development banks to vote against loans to these countries, they do not have the force of law. But, they have a political impact. A negative impact on the very goals these resolutions attempt to address.

We must consider whether we will gain more cooperation in fighting drugs by attempting to work together and cooperate with these countries to improve their efforts than we do by passing these resolutions. I believe passage of this type of resolution may jeopardize the cooperation already going on between the United States and these other countries, and the negotiations now underway.

For these reasons, I will oppose all three of these resolutions.

RESOLUTION OF DISAPPROVAL OF MEXICAN CERTIFICATION ON NARCOTICS CONTROL

Mr. SIMPSON. Mr. President, I am very sensitive to the concerns of many of my colleagues that Mexico has not done all that we might expect a good neighbor to do in the area of narcotics control. That is a serious problem that we cannot and should not ignore. However, I have deeply serious concerns about the joint resolution before us—which we know has no real or substantive effect. The sponsors have forthrightly admitted that the resolution is to serve symbolic rather than substantive purposes. I have very grave concerns about sending symbolic messages that will serve no greater purpose other than straining sometimes fragile relations. We should also recall that our own Nation's bizarre appetite for narcotics is something that is certainly not Mexico's responsibility.

I comment on this issue from a slightly different perspective than do my colleagues on the Foreign Relations Committee. Through my activities as former chairman of the Immigration and Refugee Policy Subcommittee, I have had extensive discussions with various Mexican officials and citizens over the years and I have come to realize that our relations are indeed multifaceted and most complex. We have another dimension with our southern neighbor now with the passage of the immigration bill and we have entered into a new era of relationship with the Mexican people because of that legislation. The tensions between our two nations might be a bit more evident than in the past because of the passage of that bill on November 6, 1986.

It is very unfortunate that there are some Mexican officials who seem to feel that the United States passed the immigration legislation in a political climate, and to some it is a just another in a long list of aggressive acts against Mexico. Many simply do not believe that the United States would ever pass such legislation which would curtail the flow of undocumented workers into the United States—thereby curtailing funds that would ordinarily be returned to their home communities of Mexico. There is also real concern there about why the United States would impact itself by the elimination of cheap labor. Some in Mexico have the terribly erroneous assumption that the immigration bill is an excuse to begin a militarization of our borders with increased law enforcement efforts. They are also extremely worried that the new law will somehow result in mass deportations of Mexicans who are now living in the United States. This country has never been involved in mass deportation. Almost 1.7 million persons were apprehended last year and only 23,000 of those were deported, and most departed voluntarily.

Those of us who have been involved for many years in the legislation—both Democrats and Republicans alike—know that these fears are unfounded. However, our pronouncements and explanations have not seemed to alleviate Mexican concerns.

These are sensitive times for United States-Mexican relations. It is certainly not the time for the U.S. Congress to be sending symbolic messages to the Mexican people and their government. This would be interpreted as just another one in the growing list of irritants against Mexico. I certainly do not believe in ignoring the lack of progress in Mexico toward drug eradication and the elimination of money laundering. We are dealing with a specific law of the United States that required this certification and I fully supported that law.

But if we are going to take action—and we surely should continue to do that—it should be substantive, up front and directed right on target toward the problem. Blunt, symbolic steps such as this fail to recognize fully the very complicated, fragile and oftentimes nearly unresolvable issues that are involved in our very special relationship with our neighbor to the south. This joint resolution is not timely nor appropriate and could be indeed misread—much to our detriment.

I urge my colleagues to join me in opposing this legislation.

Mr. HELMS. Mr. President, I yield myself such time as I may require and it will not be much.

Let me us put this in perspective.

What we are talking about is whether the U.S. Senate is going to put up or shut up on this business of the enormous flow of drugs into the United States.

We have a law which is quite specific as to what we must do. And the administration has another course in this certification. They do not have to certify that Mexico, in this instance, has been fully cooperative. They can certify, for foreign aid and other purposes on the alternate basis of our vital national interests.

But what this Senator is saying is let us be honest for once and stop all of this charade.

Teddy Roosevelt said something about speaking softly and carrying a big stick. If we fail to enact this joint resolution or approve this joint resolution we are going to be speaking loudly and carrying a wet noodle. That is the size of it.

As far as this being purely symbolic, we will see about that, I say to my dear friend from Rhode Island. This Senator has some ideas about how we can approach that parliamentarily. We were snookered in terms of the 30 days. I acknowledge that. That was not my fault. But there are still remedies for that, and I intend to implement them if I possibly can.

Now I yield 6 minutes to the distinguished Senator from California.

The PRESIDING OFFICER (Mr. GRAHAM). The Senator has yielded 6 minutes to the Senator from California.

Mr. WILSON. Thank you, Mr. President. I thank the distinguished manager, the distinguished Senator from North Carolina.

Mr. President, what is at stake here is really very simple. It is true that we have a complex of relationships, points of contact with Mexico, that they are very important.

As I said last night, I do not believe there is anyone on this floor who has the personal contact either with the Republic of Mexico or with individuals working in cooperation at both the local and Federal level to secure a better relationship, greater commercial exchange, greater cultural exchange.

But, Mr. President, none of that avoids the fact that we enacted a law last year because the American people demanded that we do so. They made their outrage, their frustration clear in every public opinion survey that we saw. They registered their discontent with the failure of government at all levels to enact protections of American youth, to keep them from the peril of death by drug overdose.

So we reacted.

Now my colleague from Washington last night expressed some offense that I had said that if we did not pass these joint resolutions, we would be guilty of deceiving the American people. Indeed, he said Senators should take care with their language on the floor.

Senators should take even greater care with the language that they enact into law if they have no intention of enforcing it, because that is the ultimate insult to the American people.

If the American people, as they did so clearly in those indications of their public opinion last fall, demand action, if we then enact laws in response then we are obligated to see to it that those laws are in fact enforced.

This law at the first test apparently is not going to be enforced. That is not if those who are opposing these joint resolutions have their way. Whether they like it or not, what they are asking, what they are urging is that we not enforce the law, the law that we have just passed for the protection of American and Mexican youths and for the protection, Mr. President, of American drug enforcement agents, those who like Enrique Camarena are threatened with violence and death, and what we have asked in this legislation is simply that decent minimum that we could expect from a good neighbor.

We have asked that crimes of the kind that were perpetrated against Enrique Camarena in his abduction, torture, and murder be punished, that those guilty be arrested and prosecuted. And that has not happened. There have been arrests but there have been very, very slow and as yet inconclusive prosecutions. There have been other instances of violence against other agents.

Since the death of Enrique Camarena, Victor Cortez was abducted and would have met the same fate had he not been rescued by officers from what, from the headquarters of the judicial police in Guadalajara.

Mr. President, if we turn a blind eye to our obligations under this legislation, if we accept this pro forma certification that the State Department has offered the President, we will be defaulting on a responsibility of the importance so great that it is difficult to quantify it, difficult even to express it.

So to those who would say we must be more patient, who would counsel us to exercise greater patience, I say this: Infinite patience in the face of this conduct is worse than folly. It is dereliction of our clear duty to protect the American people.

Yes, we must do more to curb demand. Yes, we need to clean up our own act. We are not without sin. We are late in fashioning what has been called the war against drugs without adequate resources. That will be lipservice. It will be hollow indeed.

None of that, Mr. President, is particularly relevant to the fact that the law requires certification of the conduct of not just this Government but several others. We have not singled out Mexico. But we have in fact from the State Department's own report, clear, unambiguous evidence that there has been a failure on the part of the Mexican Government.

President de la Madrid has personally refused to grant the Customs Service overflight in hot pursuit of aerial drug smugglers.

The Commissioner of Customs, Commissioner von Raab, has acknowledged that there has been no increase in cooperation, that if anything the situation has grown worse since the enactment of this legislation.

The Customs Service has obtained statements from informants documenting drug-related corruption within the Federal judicial police. It is that corruption that we cannot ignore nor turn a blind eye to. It would be false to the widow of Enrique Camarena; worse, false to his children and to the other children of this Nation who remain potential victims of this supply of drugs that we are trying desperately to interdict.

Yes, let us curb the demand by education in every way that we can, but part of saying no to drugs, Mr. President, is to prevent them from entering the country. That is why we have Drug Enforcement Administration agents. At the very least we need to offer them protection.

Mr. President, let us not turn a blind eye. That would be a dereliction of duty.

How much time have I remaining, Mr. President?

The PRESIDING OFFICER. The Senator has used his 6 minutes.

There are 4 minutes and 38 seconds remaining to the Senator from North Carolina; 6 minutes and 3 seconds to the Senator from Rhode Island.

Mr. PELL. Mr. President, I yield 3 minutes to the Senator from Indiana [Mr. LUGAR].

The PRESIDING OFFICER. The Senator from Rhode Island has yielded 3 minutes to the Senator from Indiana.

Mr. LUGAR. Mr. President, I thank the distinguished chairman for yielding to me.

Mr. President, the issue today is not Mexico nor is it the lack of will to enforce drug acts. The issue is Senate Joint Resolution 92, by which the distinguished Senator from North Carolina has sought to disapprove certification by the President of the United States that several countries, Mexico included, are cooperating fully in combating international drugs.

Mr. President, despite a good bit of State Department bashing that has occurred already in this debate, the fact is that the President of the United States, Ronald Reagan, on White House stationery, certified that Mexico is fully complying. Furthermore, the President based his statement on a strategy that I introduced into the RECORD last evening that went into some detail about the extent of the problems with drugs in Mexico. They are profound. They are difficult.

Mr. President, I would simply cite for the record that Mexico has already lost 400 drug enforcement officials of its own in attempting to fight this grievous evil.

Mr. President, the question is not whether there are drugs in Mexico or difficulties in Mexico or even difficulties in cooperation. The fact is that those of us who take the law seriously—and I do—would resent the idea that there is any attempt to mitigate enforcement of that law.

Quite to the contrary, the President of the United States has pursued that vigorously. He has moved from October onward with a strategy that is detailed with the Government of Mexico. It is extensive with aircraft, with agents, with all sorts of ways in which we are interdicting supplies in an effort to dry up demand. It is a good plan. And the President has certified that Mexico is fully complying.

Now the joint resolution on which we are going to vote takes the position that the President is wrong; that he is completely wrong and now, with superior wisdom, we have judged that he is not enforcing the law, that he has missed the boat altogether in certifying Mexico.

Mr. President, the President of the United States is correct in his certification based on the facts, not the prejudices of bashing Mexico, bashing the State Department, or getting in a few licks with regard to various objections that we may all have in this debate.

Mr. President, it would be a grievous error with regard to our relations with Mexico to pass this joint resolution. It ought to be defeated. It should be defeated soundly.

What started out in this debate as a bashing of Mexico, but we ought to turn it into an understanding of cooperation between Mexico and the United States and recognize the fact that a great deal is at stake, and that a lemon has been turned into lemonade if we defeat this joint resolution.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HELMS. Mr. President, I yield 4 minutes to the Senator from Massachusetts, Mr. KERRY, with the understanding that I shall have 30 seconds at the end.

The PRESIDING OFFICER. The Senator has yielded 4 minutes to the Senator from Massachusetts.

Mr. KERRY. Thank you, Mr. President, and I thank my distinguished colleague.

I have listened with care, as I think all have, to the arguments in this debate. We have heard from the distinguished Senator from Arizona, from the former chairman of the Foreign Relations Committee and others about how this would send a bad message to Mexico. Over the last months, we have heard a great deal in this country about rule of law, about not being a government of individuals or men, but about rule of law and its meaning.

Well, Mr. President, we have a law and we sent a message last year. In 1986, in a frenzy of congressional activity, Senators and Congressmen scurried around Washington and sent a message to countries that are responsible for engaging in criminal activity against the United States. And that message was: "If you don't fully cooperate—fully cooperate—we are going to restrict aid to your countries." Now, that was the message and that is the single message that we should be concerned with here in the Senate today.

Now I am amazed at the way in which we are ducking and bobbing and weaving and struggling to find a way to say that the law we passed and the words that it means do not mean what we say it does and what the law was supposed to mean. I went back to the dictionary. The dictionary says very clearly what "cooperate" means. I do not think we have to struggle with that.

But "fully"—"fully" is the word. And "fully" says:

> To a full degree; completely; entirely; to the full; to the greatest extent possible.

Now we said to these countries:

> We are tired of a diplomatic game. We are tired of you declaring that you are against drugs, but being willing to overlook the corruption. We are tired of the pretense that you are going to prosecute, but nobody is convicted. We are tired of you telling us somehow you are going to assist, but none of the major drug dealers are extradited to this country.

The message that we ought to be sending to all of these nations is:

> Enough is enough. We are tired of having to struggle in this country with drug abuse, of the deaths in our cities, of the destruction in our communities and our schools.

And I believe that if you talk to any law enforcement official, they will tell you that there is more coming in today than there was before. There is more production in Mexico than there was before. Drug agents can be murdered and they do not do anything about it. And we are supposed to pretend that it is OK to certify them as fully cooperating? Well, I think we make a farce of our own laws and we made a farce of this process, Mr. President.

The message that we ought to be sending is the message that we wrote into law last year and that law says:

> If, during the previous year, the country has cooperated fully with the United States or has taken adequate steps on its own.

We laid out very specifically those considerations that the President could take into account in determining whether or not, they were cooperating, including the arrest and prosecution of violators involved in the trafficking, including the law enforcement steps necessary to eliminate the laundering in this country of drug-related money, including the maximum reductions in illicit drug production.

Mr. President, the drug and customs report, itself, of our own Government tells us that the drug flow is up. I urge my colleagues to vote in a manner that sends the appropriate message here, which is: Enough. We are fed up. We are tired and we demand accountability.

The PRESIDING OFFICER. The Senator from Massachusetts has yielded the floor.

The Senator from Rhode Island.

Mr. PELL. Mr. President, I yield 3 minutes to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Rhode Island has 2 minutes and 34 seconds remaining.

Mr. PELL. I yield 2 minutes and 34 seconds.

Mr. DODD. I thank the Senator from Rhode Island.

Very briefly, Mr. President, I would hope that we would listen carefully to the words of our colleagues from Indiana and Arizona who have spoken this morning about this joint resolution and the implications of it.

Four hundred Mexican police and security officers have lost their lives in this fight, lost their lives trying to reduce and cut off the supply of narcotics and drugs produced in that country. That is an effort. That is a serious effort.

To suggest somehow that they are not cooperating or trying is ludicrous. They are.

How would we react if the Mexican Congress were debating a resolution to cut off the oil supply to this country because this year we are going to cut $900 million in our drug effort in this country? That cut is part of the budget. How would we react in that kind of a situation?

We seem to think, somehow, that Mexicans are less patriotic, are less nationalistic, and less concerned about their country. We have an awful lot at stake here with a neighbor with whom we share much in common, have strong ties and strong cooperation.

I hope our colleagues today would recognize there is far more involved here than just a joint resolution to condemn Mexico. They are going to react to this. They are going to react in a way that is not going to be helpful to this contry and helpful in our fight against drug interdiction.

We are not doing enough here in many areas. And yet we would react very strongly by passing a joint resolution to condemn, despite the fact that they have lost, as I said earlier, some 400 people in that particular effort.

Mr. President, I would further point out that my colleagues are just not accurate. The authors of this legislation who provided for these joint resolutions have said "fully cooperate" does not mean 100 percent. We do not have joint resolutions today before us on Colombia, Bolivia, Jamaica, Paraguay, Pakistan, Morocco. Does it mean that those countries are doing everything? What we are suggesting is they are.

We have picked out three countries, and my colleagues say that these are the only countries for which such joint resolutions are appropiate. We had no hearings on these matters whatsoever to determine fully and accurately the facts on the countries the President certified. We picked out Mexico, Panama, and the Bahamas and, by implication, what we are saying is Colombia is doing everything it can, Brazil is doing everything it can, Paraguay is doing everything it can. No one knows that, but that is what we are doing. The approach is entirely unjust and the consequence of it unwarranted. We dicided to bash Mexico and let Paraguay go free.

Mr. President, I strongly urge that we defeat these joint resolutions.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I yield the balance of the time to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 31 seconds.

Mr. D'AMATO. Mr. President, I rise to support the joint resolution of dispproval of the certification of Mexico.

There is one question before us: Has Mexico "fully cooperated or taken adequate steps on its own" to combat drug trafficking?

How can we answer that question with other than a resounding, no? How can we unanimously pass a law at election time, refuse to enforce it 5 months later, and not be guilty of hypocrisy?

What will the other countries think if we approve of Mexico's performnce?

If Mexico has "cooperated fully or taken adequate steps on its own," then these words have no meaning.

In 1986, Mexico seized only 0.01 metric tons of heroin. Is that full cooperation?

In 1981, Mexico produced 16 metric tons of opium. Five years later, in 1986, it produced nearly twice as much: 30 metric tons. Is that full cooperation?

I refer my colleagues to specific pages in the State Department's International Narcotics Control Strategy Report:

> Page 154: "While existing laws are adequate, Mexican enforcement, conviction, and sentencing is less than adequate and, in many cases, nonexistent."

Is that full cooperation?

The DEA trained no Government of Mexico law enforcement personnel in Mexico during 1986.

A mutual legal assistance treaty negotiated in 1986 is still under Mexican review, but has not yet been approved by the Mexicans.

The United States remains frustrated by the lack of convictions in the Camarena investigation.

> Page 356: "Little has been done to halt money laundering up to now."

SERIOUS PROBLEMS WITH THE CERTIFICATION PROCESS

On March 26, members of the Foreign Operations Subcommittee joined me in asking the Department of State to explain how they decided to certify Mexico and the other drug-producing countries.

This is what we were told.

The State Department sent instructions to U.S. Embassies and agencies by cable in October and January. These cables asked for the information needed to complete "The International Narcotics Control Strategy Report."

Weekly meetings were held in January. The agencies were given a deadline of February 19 to state their positions with respect to certification.

Note: The Bureau of International Narcotics Matters [INM] did not retain all the individual responses from the agencies. Why not? What did those messages say?

On February 26, Assistant Secretary Ann Wrobleski submitted her recommendations to the National Drug Enforcement Policy Board.

The White House received these recommendations on Friday, February 27, at 6:08 p.m.—only 1 day before the President signed the certification we are considering today. How much discussion could there have been at the White House over these recommendations?

The State Department does not say. In fact, it does not know whether Chief of Staff Regan saw the document, because that was the weekend he resigned. The new Chief of Staff, Howard Baker, took office on Monday.

The State Department admits it did not retain all the phone messages, draft copies, and so forth, that were generated during this process.

It says, the "presumption" is that the agencies approved these certifications. That is guesswork, and we must not approve certifications based on presumptions and guesswork.

For all of these reasons, I believe that we must disapprove the certification of Mexico as a cooperative drug-producing and drug-transit country.

Mr. President, as I said, we have a question not of whether we are going to offend the Mexican Government and their sensitivities. They have a group of robber barons down there second to none. They beat, they steal, they kill.

The question is, Do we have political integrity? Five months ago, before an election, we unanimously passed this resolution. We said cut off aid to countries that do not cooperate. The election is over and we have forgotten.

What will other countries think about this? It is political hypocrisy.

The PRESIDING OFFICER. The Senator's time has expired. All time has expired.

Mr. HELMS. Mr. President, have the yeas and nays been requested on the joint resolution?

The PRESIDING OFFICER. They have not.

Mr. HELMS. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PELL. Mr. President, I move, all time having been yielded back, to table the joint resolution.

Mr. HELMS. I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been ordered by previous order. The question is on agreeing to the motion of the Senator from Rhode Island to lay on the table the joint resolution. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from New Mexico [Mr. DOMENICI], the Senator from Utah [Mr. GARN], the Senator from Nevada [Mr. HECHT], the Senator from Idaho [Mr. MCCLURE], the Senator from South Carolina [Mr. THURMOND], and the Senator from Connecticut [Mr. WEICKER], are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina [Mr. THURMOND], would vote nay.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from Florida [Mr. CHILES], the Senator from Hawaii [Mr. INOUYE], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Hawaii [Mr. MATSUNAGA], and the Senator from Illinois [Mr. SIMON], are necessarily absent.

The PRESIDING OFFICER. (Mr. DIXON) Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 49, nays 38, as follows:

[Rollcall Vote No. 62 Leg.]

YEAS—49

Adams
Bentsen
Bingaman
Bond
Boren
Boschwitz
Bradley
Bumpers
Burdick
Chafee
Cochran
Conrad
Cranston
Danforth
Daschle
Dodd
Durenberger
Evans
Glenn
Gore
Harkin
Hatch
Hatfield
Humphrey
Kassebaum
Lautenberg
Leahy
Levin
Lugar
McCain
McConnell
Melcher
Metzenbaum
Mitchell
Moynihan
Packwood
Pell
Pryor
Quayle
Reid
Roth
Rudman
Sanford
Sarbanes
Simpson
Stafford
Stennis
Stevens
Wirth

NAYS—38

Armstrong
Baucus
Breaux
Byrd
Cohen
D'Amato
DeConcini
Dixon
Dole
Exon
Ford
Fowler
Graham
Gramm
Grassley
Heflin
Heinz
Helms
Hollings
Karnes
Kasten
Kerry
Mikulski
Murkowski
Nickles
Nunn
Pressler
Proxmire
Riegle
Rockefeller
Sasser
Shelby
Specter
Symms
Trible
Wallop
Warner
Wilson

NOT VOTING—13

Biden
Chiles
Domenici
Garn
Hecht
Inouye
Johnston
Kennedy
Matsunaga
McClure
Simon
Thurmond
Weicker

So the motion to lay on the table Senate Joint Resolution 92 was agreed to.

Mr. PELL. I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DISAPPROVAL OF PRESIDENTIAL CERTIFICATION—PANAMA

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of Senate Joint Resolution 91, which the clerk will state by title.

The assistant legislative clerk read as follows:

> A Senate joint resolution (S.J. Res. 91) disapproving the certification by the President under section 481(h) of the Foreign Assistance Act of 1961.

The Senate proceeded to consider the joint resolution which had been reported from the Committee on Foreign Relations, with an amendment to strike all after the enacting clause and insert in lieu thereof, the following:

> That the Congress hereby disapproves of the determination of the President with respect to Panama as contained in the certification required by section 481(h) of the Foreign Assistance Act of 1961, received by the Congress on March 2, 1987; unless the President (1) formally notifies the appropriate committees of the Congress, in writing, within fifteen days from the date of enactment of this resolution into law, that he will reexamine the certification of March 2, 1987, with respect to Panama; and (2) shall provide such committees in writing within ninety days following such notification with the detailed results of the reexamination, including (a) the definition of the term "full cooperation" as contained in Public Law 99-570; (b) any nondrug interdiction and eradication matters which he took into consideration in making the certification with respect to Panama on March 2, 1987; and (c) a detailed description of the programs which the Government of Panama has undertaken or will undertake within the next sixty days in order to correct any deficiencies in its drug interdiction and eradication efforts.

The PRESIDING OFFICER. Time for debate on this joint resolution is limited to 32 minutes, to be equally divided and controlled.

The Chair announces that the statute under which this joint resolution is being considered prohibits amendments; therefore, the amendment reported by the committee is out of order and that amendment falls.

Who yields time?

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. PELL. Mr. President, I yield 1 minute to the Senator from Maine.

Mr. MITCHELL. Mr. President, may I inquire of the managers of the bill if there would be any objection to agreeing that the third vote will occur within 60 minutes after the conclusion of the second vote? That is so there would be an agreement on the third vote as well as on the first and second votes.

Mr. PELL. If that meets with the concurrence of the majority leader, I would be delighted, but I am not authorized to speak for him.

Mr. MITCHELL. Does the Senator from North Carolina agree?

Mr. HELMS. Obviously, Mr. President, I am in the same position. The minority leader is on the floor.

Mr. MITCHELL. If I may address the minority leader and, through the manager, the majority leader.

We have had the worst flooding in Maine in 120 years, and Mrs. Dole, Senator COHEN, and I are leaving for Maine shortly after noon. It would be very helpful to us if we could have the third vote at noon or shortly thereafter.

Mr. HELMS. Mr. President, the minority leader has cleared that. I thoroughly agree. I want the Senators to get to Maine.

The minority leader has cleared that, and I thoroughly agree. We want you to get to Maine.

Mr. LEAHY. Mr. President, will the Senator yield?

Mr. PELL. I yield.

Mr. LEAHY. I just notified the members of the Senate Agriculture Committee that if we could reconvene in S-146, we are going to be presenting Mrs. Zorinsky with some resolutions from our committee. I see a number of members of the committee here, and if they will join me, it will take just a few minutes.

Mr. PELL. Mr. President, when the majority leader enters the chamber, we will resume the discussion with the Senator from Maine.

Mr. President, we are now considering the joint resolution of disapproval on Panama.

Mr. STENNIS. Mr. President, may we have conditions under which the speaker can be heard?

The PRESIDING OFFICER. The Senator from Mississippi is correct. The Senate will be in order.

Mr. PELL. I thank the Senator from Mississippi, and I thank the Chair.

Mr. President, I reiterate what I said yesterday with regard to all of the joint resolutions as we began the debate.

I certainly understand what bothers those Senators who believe that Panama has not "cooperated fully" with the United States in the narcotics area. We know of some of the problems there. I have reservations, however, about selecting out specific countries for sanction because other countries could surely be added to the list if closer reading was given to the State Department report.

Furthermore, there are serious foreign policy implications in this and the other joint resolutions. The message has already been sent. We should not risk damaging our important relationship with Panama, and that includes working with them to expand their antinarcotics effort, by passing this symbolic legislation.

I urge my colleagues to vote against this joint resolution by supporting the tabling motion which I will offer.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. BYRD. Mr. President, will the distinguished Senator yield for 1 minute?

Mr. HELMS. I yield.

Mr. BYRD. Mr. President, is it agreeable to the managers and to the other Senators who are most closely involved in this subject matter if we set a vote on the third joint resolution for 12 noon?

Mr. KERRY. Mr. President, I am very amenable to trying to move the process along and would agree to a time agreement that said we would have the third vote 1 hour after the close of the preceding vote. I am hesitant to agree to a specific time, because if the preceding vote is longer or if debate has gone over, it would reduce the amount of time.

In discussions with the Senator from Maine, that was agreeable to him, I think, and I will do everything I can to guarantee that it will be as close to noon as possible.

Mr. BYRD. I must say that I am particularly impelled to try to get such an agreement, out of my concern for the two Senators from Maine. They have to go to Maine, to their home State, today because of an act of God, over which none of us could have any control. It is for that reason that I would hope strongly that we could reach the third vote by noon, and then we could say to all Senators that there would be no more rollcall votes today.

Mr. MITCHELL. In order to accommodate the Senator, who has been willing to cooperate, I suggest that we have a vote at 12:10, and we will vote and leave, and hopefully the plane will wait for us.

Mr. KERRY. I do not want it to be a situation of "hopefully." Ten minutes is not worth the struggle, if it is hopeful that the plane will wait.

Mr. MITCHELL. 12:10 will be all right.

Mr. HELMS. Make it no later than 12:10.

Mr. BYRD. The Republican leader indicated a moment ago that it would be agreeable.

Mr. President, I ask unanimous consent that the vote on the third joint resolution which will be voted on today, Senate Joint Resolution 90, occur no later than the hour of 12:10 p.m. today, that paragraph 4 of rule 12 be waived, and that no quorum call be in order prior to the vote.

The PRESIDING OFFICER. Is there objection?

Mr. DODD. Mr. President, reserving the right to object——

Mr. BYRD. I make that on or in relation to the joint resolution.

Mr. DODD. Mr. President, reserving the right to object, I wonder if the majority leader would tell us whether or not there will be any other votes on these matters today, related to these particular joint resolutions.

Mr. BYRD. I am not sure I understood the question, but once this vote occurs, disposing of the third joint resolution, there will be no more rollcall votes today.

It was my understanding yesterday that if a tabling motion is made and that fails, there will be no vote on the resolution.

Is that still the understanding?

Mr. PELL. I hope so, but I understood that there might be a joint resolution offered.

Mr. HELMS. Not today.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that it be in order to order the yeas and nays on the third joint resolution at this time.

Mr. PELL. On the motion to table.

Mr. BYRD. On or in relation to the joint resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, I thank the distinguished Senator from North Carolina, and I apologize for taking this time. Will it be agreeable that the time be equally divided?

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from North Carolina.

Mr. HELMS. Mr. President, I do need to know what time remains and how it is divided.

The PRESIDING OFFICER. This rollcall vote will take place at 11 o'clock.

Mr. HELMS. I want to know the time remaining to both sides.

The PRESIDING OFFICER. The Senator from North Carolina has 14 minutes remaining. The Senator from Rhode Island has 10 minutes.

Mr. HELMS. I thank the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I ordinarily do not serve as a promoter of magazine subscriptions, and maybe I am not even doing that when I refer to the January issue of Reader's Digest, on page 136. I hope that every Senator, after he has voted—correctly or incorrectly—on the pending joint resolution, will read about Mr. Noriega.

The title of this article is "Will This Man Control the Panama Canal?" I ask unanimous consent that the article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. Mr. President, it is an enlightening article, and it tells what we are doing when we act as a bunch of wimps in the Senate and refuse to stand up for the law that we voted for unanimously last year.

I would hate to be running for reelection and having voted to table the previous joint resolution, because it puts the Senators who voted to table in the position of saying, "I will bluster about the drug problem, but I won't do anything about it." That is what it amounts to.

Furthermore, the law specifically requires that the President of the United States certify that the countries involved in whatever resolution happens to be before us—and this one happens to be Panama—has "cooperated fully" during the past year. If anybody believes that Panama has "cooperated fully" during the past year, I want to take them out to Senator D'AMATO's State and sell them a little interest in the Brooklyn Bridge.

Furthermore, even casual observers know that the Panama Defense Forces [PDF] control the levers of power in Panama. Dozens of press accounts over the past year have pointed out the role of the PDF and General Noriega in drug trafficking, in money laundering, and all the rest of it; and it is pouring into the United States, corrupting our society. If we do not start doing something beyond talking, it is going to bring down this society. Panama, as well as Mexico and the Bahamas, is a major transshipment point for cocaine from South America into the United States.

While we are awaiting the arrival of the distinguished Senator from Massachusetts, let me just say, Mr. President, that there are more than 125 banks in Panama with more than $30 billion—that is not million, billion—in deposits. It is a situation made to order for criminals with large amounts of American cash from drug trafficking to launder.

The Panamanian banking system is high on secrecy—they will not give us any information—and low on accountability, and yet the State Department sent to this Senate, by way of a routine detour at the White House, certification that Panama has "cooperated fully" with our antidrug efforts.

In the first place, that is a falsehood. This Senator is not going to vote in favor of a certification that is a falsehood.

Bank secrecy laws in Panama protect criminals against disclosure. Both the Customs Service and the DEA confirm that the problem of drug money being laundered in Panama is increasing and not decreasing.

As an indication of the vast amount of drug money flowing through Panama, it's been reported that the National Bank of Panama transferred over $1.5 billion to the Federal Reserve Bank in Miami last year. Some estimates conclude that as much as 50 percent of these dollars were from illicit narcotics trafficking and had been laundered through Panama.

Senators should know that Panama last year broke off negotiations with the United States over a Mutual Legal Assistance Treaty which is essential to crack down on money laundering. The State Department points to the Panama drug legislation passed on December 30 of last year as cooperation and soft-pedal the lack of progress on the Mutual Legal Assistance Treaty.

The certification process means full cooperation over the preceding 12-month period not potential cooperation over the coming year. The process is retrospective not prospective. A law passed in Panama one day before the end of last year can hardly be taken as an example of full cooperation and we will have to carefully examine the effectiveness of this new law over the course of this year in order to make a determination as to its value in enforcement.

There are any number of glaring cases which reflect corruption at the highest levels of the Panamanian Government and involvement in drug trafficking. Last year, one of General Noriega's personal pilots was killed allegedly over a drug deal gone sour. Two more of his personal pilots are currently in U.S. jails serving time for involvement in drug trafficking.

The former Secretary-General of the Panamanian Defense Forces, Col. Julian Melo, who has been one of General Noriega's closest advisers, was caught smuggling large quantities of ethyl ether into Panama and from there into Colombia. This chemical is used in the production of cocaine and is considered an important indicator in cocaine investigations. Colonel Melo was discharged from the Panama Defense Forces [PDF], but he was never prosecuted for his involvement in smuggling this chemical which is so critical to cocaine manufacturing. He lives openly in comfortable retirement in Panama. In addition to his smuggling operations, the Customs Service has confirmed that he received over $2 million for protection of illegal narcotics operations in Panama and was never tried for this.

The veterinarian who takes care of the President of Panama's horses, Sebastian Gonzalez, is wanted in Costa Rica where there is a warrant for his arrest for narcotics trafficking. He lives openly in Panama and has avoided prosecution. It is obvious that Panama is officially protecting drug traffickers.

The former Vice Minister for Health of Panama, Dr. Hugo Spadafora, was brutally murdered in 1985 in Panama, allegedly by members of the Panama Defense Forces. Former National Security Council adviser, Norman Bailey, who has testified before the Foreign Relations Committee, has stated that there is evidence that Spadafora's murder was arranged at a meeting in Peru attended by top international drug traffickers and General Noriega. He was murdered and beheaded a month later. Dr. Spadafora had been engaged in an effort to awaken the Panamanian people about official corruption in drug trafficking. He had publicly accused General Noriega of being directly involved in profiting from drug trafficking. The case about Dr. Spadafora's murder was closed last year with no credible investigation or prosecution.

Just 2 weeks ago, the New York Times published a major article by its correspondent Alan Riding concerning the cocaine billionaires of Colombia. In the article, Riding points out that the top Colombian drug Mafia members meet clandestinely in Panama. This could only occur with the knowledge and protection of the Panama Defense Forces.

Mr. President, there is no doubt in the mind of this Senator that Panama has not "cooperated fully" in the fight on drugs—in fact, they have hardly cooperated at all. We can no longer defend the Panamanian regime under General Noriega.

I invite any Senator to read the law that we passed last year. It does not leave any loopholes for us to slide off and compromise and turn the other way.

It says that the country, in this case Panama, must be certified to have "cooperated fully" in stopping drug trafficking, in the eradication of crops, in stopping money laundering, and all the rest, and Panama has not.

Anybody who votes to table this joint resolution will be making a serious mistake.

EXHIBIT 1

WILL THIS MAN CONTROL THE PANAMA CANAL?

(By David Reed)

Moments after the bus halted in La Concepción, Panama, just across the border from Costa Rica, a big, handsome man of 45 was grabbed. "I'm Dr. Hugo Spadafora," he shouted to fellow passengers, "and I'm being arrested by the Guardia Nacional."

Spadafora, a physician, was a fiery idealist. In the 1970s he served as Panama's vice minister of health, then quit to join the revolution that toppled Nicaragua's dictator, Anastasio Somoza. When the Sandinistas imposed a Marxist dictatorship on Nicaragua, Spadafora broke with them and joined anti-communist forces fighting for freedom.

Now, on September 13, 1985, Spadafora was returning to his homeland. He had denounced Panama's strongman, Gen. Manuel Antonio Noriega, commander in chief of the Panama Defense Forces (formerly the Guardia Nacional), as a corrupt tyrant and a key figure in international drug trafficking. Spadafora had vowed to wage a nonviolent political struggle to restore democracy in Panama.

But Spadafora never had the chance. The PDF silenced him in a manner designed to terrorize Panama's 2.2 million population into submission. When Spadafora's body was found the next day, medical examiners reported that he had been tortured for four to six hours, sodomized and—while still alive—beheaded. Using a ballpoint pen, the killers scrawled "F8" across his back—mark of the PDF's goon squad, *fuerza ocho* (force eight), which gained infamy beating up opposition leaders during the 1984 election campaign.

The barbaric murder of Hugo Spadafora emphasized the fact that Panama has become one of the most brutal police states in the hemisphere. Panama's press, television and radio have, for the most part, been brought under the government's thumb. On many occasions, people who speak up against Noriega have been beaten or murdered. Ricardo Arias Calderón, president of the opposition Christian Democratic Party, reports that scores have been assassinated or tortured to death by the PDF, or have simply disappeared while in its custody since 1968, when the PDF overthrew a freely elected civilian president.

RAILROADED

The United States bears a share of the responsibility for Panama's plight. Even since the Panama Canal was opened in 1914, America has had an immense influence in the country. Today, 10,000 American military personnel are stationed there. Panama will get $32 million in U.S. aid this year, with nearly $8 million earmarked for the PDF as "military assistance."

Noriega has his sights set on the Panama Canal. The United States is committed to handing over the canal to Panama on December 31, 1999. If still in power, Noriega could emerge as the master of a waterway that is of enormous importance to the United States and other maritime nations. Panamanians and Americans alike fear that Noriega would plunder the canal, raising tolls exorbitantly, padding payrolls with PDF officers and their relatives, and exacting huge rakeoffs on contracts.

Panama has already had a taste of what might happen. The Panama Railroad, which parallels the canal, was turned over to Panama in 1979 in good working condition. Since then, the railroad has been run by PDF officers, who through negligence and inefficiency have allowed the railroad to deteriorate. Rotten ties have never been replaced; ballast is badly eroded in many places, leaving nothing to hold down the tracks. Locomotives sway drunkenly even at five m.p.h. U.S. military commanders and the American embassy have warned their personnel to stay off the trains.

The savage murder of Hugo Spadafora was not unique. Serafin Mitrotti, a successful businessman who had earned official enmity by deploring the rise in Panamanian corruption, was elected president of the Rotary Club last July. Four days after he was installed, his body was found in a cheap hotel. The PDF said Mitrotti had committed suicide. Both wrists were chopped to the bone, his nose was broken, and there were cuts on his shoulders, arms and fingers. Missing was a distinctive diamond ring that his wife had had specially mounted. Her jeweler promised never to make another like it.

Members of the Mitrotti family called on Maj. Nivaldo Madrinan, head of the PDF's department of investigations. They were stunned to find Madrinan at his desk smiling and flashing what appeared to be Mitrotti's ring. "My husband was murdered!" Berta Mitrotti cried. Madrinan shugged off further questions. Within days he produced a receipt from Mitrotti's jeweler indicating that he had made a similar second ring—for the Madrinan family. The case, Madrinan said, was closed.

PEAK PERFORMANCE

Noriega is a product of the G-2, the secret and violent intelligence arm of the PDF. He was appointed head of the department by Gen. Omar Torrijos, Panama's first PDF strongman, soon after Torrijos hijacked the government in 1968. Noriega's duties included harassing the opposition, spying on Americans and other foreigners, and smoking out plots among ambitious young officers. Torrijos died in a plane crash in 1981, and Noriega emerged as commander in chief two years later.

The 50-year-old Noriega is dour, suspicious and vengeful. He uses his old network of spies and informers to intimidate people. Just five feet, five inches tall, he wears outlandish military caps with huge upward-jutting peaks to create the illusion of a bit more altitude.

For a time, it looked as if Panama's nightmare might end. In 1984, under pressure from the United States, Noriega held a presidential election, the first in 16 years. Arnulfo Arias, the president deposed by Torrijos in 1968, ran as the candidate of an opposition coalition. A PDF-sponsored party put up economist Nicolas Ardito Barletta.

Impartial observers reported that, despite widespread fraud by the PDF, Arias won by at least 50,000 votes. But Noriega intervened, the count was changed, and Barletta was declared the winner by 1713 votes.

Barletta lasted less than a year. After the murder of Spadadora, he wanted a special advisory committee to investigate the crime. Barletta was summoned to the fortresslike PDF headquarters, where after 14 hours he announced his resignation.

While democratic forces have suffered under Noriega, Panama's Communist Party has never had it so good. Noriega has no particular ideology, but he has cut a deal with the Communists. He appoints them to important government positions and allows them to infiltrate labor unions and student groups. In return, he gets peace and cooperation.

CUBAN CONNECTION

Although Noriega's PDF strength is put at 15,000 to 20,000 men, the PDF is not a real defense force: it includes only two lackluster infantry battalions of fewer than 1000 men each. The PDF functions as the police force and provides customs, prison and border-patrol services. It runs the railroad, the ports and civil aviation. In doing its various jobs, the PDF has proved itself monumentally corrupt. It skims huge sums from gambling and prostitution, both of which are legal in Panama.

Officially, Noriega earns about $1200 a month as commander in chief. Yet he owns a palatial home, valued at well over $500,000. He also has a house in the mountains, a beach house, a villa in France and four BMWs.

U.S. officials and Panamanian sources regard Noriega as a key figure in the international drug trade. Panama has become a major trans-shipment point for cocaine and marijuana from South America to the United States. A reverse trade in chemicals used in cocaine laboratories moves from North America and Europe through Panama to the south. Experts say that Noriega and other PDF officers have received millions of dollars for permitting the traffic to continue. Nearly 120 international banks have opened branches in Panama, attracting over $32 billion in deposits—a fantastic sum for a country of just 2.2 million people.

Noriega, a friend of Fidel Castro's, has made several trips to Cuba. He has given Castro information about U.S. military activities, which was passed along to the Soviet KGB. Castro and Noriega are business partners of a sort. U.S. officials have compiled a list of 113 companies or individuals who act as fronts to get around the U.S. embargo on trade with Cuba and 75 of them are in Panama. Noriega is known to have a substantial interest in at least one, Servinaves. Says a U.S. customs official: "Tens of millions of dollars' worth of embargoed American goods enter Cuba from Panama each year."

COURAGEOUS DEFIANCE

Despite huge risk, many Panamanians continue to defy Noriega openly. Once each month, up to 50 women, members of an organization called Unidad, hold a prayer meeting in front of the office of Panama's attorney general as a protest against official tyranny. Sometimes the PDF sends its riot squad, "the Dobermans," to intimidate the women. The Dobermans carry cattle prods and rubber hoses. Undaunted, the women continue to pray.

One of the women, Astrid de Vasquez, writes columns denouncing Noriega in *La Prensa*. She is followed frequently by police cars and has received numerous telephone threats.

The staff of *La Prensa* shows great courage in continuing to speak out. The PDF invaded *La Prensa's* plant on one occasion and threw acid on equipment. The editorial director, Roberto Eisenmann, went into exile in the United States last year after learning of a PDF plot to assassinate him. Columnist Guillermo Sánchez Borbón fled for his life to Venezuela after publishing the names of three PDF members who arrested Hugo Spadafora.

Winston Spadafora, Hugo's borther, has not given up hope that the murderers will someday be brought to justice, and each month he sponsors a mass in his brother's memory in Panama City's Cristo Rey Church. But Winston has paid a price. The government has all but destroyed his law practice by putting pressure on his clients. And he seldom leaves his home at night, fearing an "accident."

Can anything be done about Noriega? Some American officials argue that the United States should overlook his misdeeds. Noriega, they point out, has never interfered with vital American intelligence-gathering operations in Panama.

But the real security of the canal and U.S. military and intelligence activities depends on a stable Panama, one ruled by an honestly elected government, not by a corrupt police force.

Panamanians are among the most pro-American people in the world, but many are turning sour toward the United States because of Washington's acceptance of Noriega and the status quo.

The time has come for America to exert maximum pressure to force Noriega to step down. The White House and State Department should take a strong public stance against him, something they have never done in the past, denouncing the political murders, the stealing of the presidential election and the PDF's role in drug trafficking. At the same time, Washington should provide strong political and moral support to beleaguered democratic forces in Panama. The Reagan Administration should advise Panama that if Noriega remains in power, it may have to suspend aid and military cooperation programs.

Panama's next presidential election is scheduled for 1989. The United States should urge the Organization of American States to station observers, drawn from member states, at the major polling places and all regional counting centers in an effort to assure the honest election that must precede a return to democratic rule.

That is exactly what Hugo Spadafora had in mind when he climbed aboard the bus on that awful September day in 1985.

Mrs. KASSEBAUM addressed the Chair.

Mr. HELMS. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. Mr. President, I yield 2 minutes to the Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I thank the Senator from Rhode Island.

I agree with the Senator from North Carolina. I do not think a case can be made for Panama, because the drug trafficking in and through Panama is of tragic proportions. But what concerns me, Mr. President, is the fact that there were 19 countries in the list with which the President certified they were cooperating. I think the question before us is really the definition of "fully cooperative." It has not been clearly understood. It was ambiguous when drawn.

I would like to suggest that next week, when we mark up the foreign assistance legislation, we revisit this issue at that time and perhaps the Senator from North Carolina could consider some legislation at that point which could be added to the foreign assistance language which would better help us understand how we deal with this serious question of drug trafficking through the countries that have been so designated in the drug law which we passed last fall. It has only been in operation 3 months and I think we are very clearly uncertain what our role is in the Senate and exactly how the administration does its certification.

Mr. HELMS. I will say to my good friend from Kansas that we have a Panama amendment for the foreign aid bill, and I gather from her comments that she will support an amendment, maybe not precisely that one—I would not pin her down to that.

The PRESIDING OFFICER. The 2 minutes yielded to the Senator from Kansas, I regret to say, has expired.

Mr. PELL. I yield another minute.

Mr. HELMS. Mr. President, I took up a minute of her time. Take a minute of mine. I apologize.

Mrs. KASSEBAUM. Mr. President, I would like very much to work with the Senator from North Carolina on language which I think could help perhaps to clarify a situation which concerns all of us a great deal.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. I commend the Senator from Kansas and the Senator from North Carolina because the same thought occurred to me, that when we mark up the bill next Wednesday we ought to do something to clarify this language, because the problem here is the way the law is written. I think we have to change that in some way.

Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, while we all can agree that Mr. Noriega is no great hero or individual of whom we are particularly fond, we ought to recognize the fact that the Government of Panama has adopted new narcotics laws. Positive meetings have been held between the Attorney General of the United States and Panama. Panama is using air-sprayed herbicides in aircraft supplied by the United States; it has virtually eliminated marijuana cultivation. I wish we could say that of California or any of our States, where it has become quite a cash crop.

The United States has assisted the Government of Panama in developing an improved enforcement communication system. There have been joint U.S. Coast Guard and Panamanian Navy patrols. Panama increased narcotics enforcement personnel by 35 percent. Two new narcotics units were created. United States requests for search and seizure of Panamanian vessels suspected of carrying narcotics on the high seas is granted routinely, and with no foot dragging.

It has been effective in curbing chemical trafficking, seizing 56,000 liters of acetone in 1986.

Mr. TRIBLE. Mr. President, I am a cosponsor of all three of the resolutions under consideration today. I want to talk briefly about the standard by which we are judging the antinarcotics efforts of foreign governments, and why I believe that Mexico, Panama, and the Bahamas have failed to meet that standard.

The law is this area is very clear. It calls for full cooperation by the intended recipient of U.S. aid, and it threatens a cut-off of half that nation's foreign assistance if it fails to meet U.S. expectations.

I will be the first to admit that that standard is a tough one. Full cooperation is difficult to accomplish. But we should remember that Congress toughened the standard last year because we were not satisfied with the antinarcotics efforts made by many governments in previous years.

The opponents of these resolutions have recited a number of accomplishments by the Governments of Mexico, Panama, and the Bahamas. I am encouraged by those accomplishments, and like all North Americans, hope that they continue.

But Mr. President, the question is not whether a particular government provided some cooperation. It is not whether that government performed slightly better than the previous year, or slightly better than a neighboring country. Rather, the question is very simply—is the intended recipient of U.S. aid fully cooperating with our efforts in the areas of drug interdiction, drug eradication, and drug money laundering?

I think that by any objective measure, the Governments of Mexico, Panama, and the Bahamas are not. And for proof, one need look no farther than the State Department's own narcotics control strategy report.

In Mexico, the report finds, "while existing laws are adequate, Mexican enforcement, conviction, and sentencing is less than adequate, and in many cases nonexistent. International airports there are insufficiently monitored there and are used openly by drug traffickers. And "law enforcement continues to be slow, cumbersome, and bogged down by corruption."

In Panama, the report finds, few drug traffickers are ever sentenced to significant jail terms, and some of the traffickers arrested never come to trail. And in the Bahamas, extradition of drug traffickers is slow, and extradition of one of the drug world's major kingpins—Nigel Bowe—has been held up on what the State Department admits are specious legal grounds.

Mr. President, it seems to me that these three nations were certified as "cooperating fully" in spite of the administration's findings, not because of them. For that reason, I believe that the certifications of Mexico, Panama, and the Bahamas should be overturned.

It is time to put these and other governments on notice that—absent substantially improved cooperation on their part—the nature of our bilateral relationships will fundamentally change. It is time, to act on the tough talk that we all engaged in last year when we passed the Anti-Drug Abuse Act of 1986. I urge my colleagues to support these resolutions.

Mr. D'AMATO. Mr. President, I rise today to express my support for the resolution of disapproval of the certification of Panama. This resolution says, in effect, that Panama has not fully cooperated with the United States or taken adequate steps to combat drug trafficking.

The State Department's recently released "Internationally Narcotics Control Strategy Report" contains several references to the absence of full cooperation by Panama.

I refer my colleagues to specific pages in the State Department's International Narcotics Control Strategy Report:

THE RECORD OF PANAMANIAN NON-COOPERATION

Page 167: It is generally recognized that Panama's court system is hard pressed to handle its work load. Few narcotics traffickers are sentenced to significant jail terms in Panama. There are credible reports of corruption among some judicial authorities.

Page 351: Panama, which is one of the largest offshore banking centers in the world, is a major narcodollar laundering center.

Page 352: The Panamanian government has been very reluctant to ease its bank secrecy laws and regulations. Under U.S. pressure to sign a Mutual Legal Assistance Treaty and otherwise cooperate more fully with U.S. enforcement authorities on narcotics issues, the Government of Panama promulgated a new anti-drug in December 1986. U.S. officials are prepared to test the efficacy of the law, and Panamanian intentions on enforcement of it.

Mr. President, the test of full cooperation is negotiation—and passage—of the treaty, not the enactment of a law.

Page 169: Panama signed an extradition treaty with the United States on May 25, 1904. This treaty included no provisions for drug law violators. Preliminary discussions between the U.S. and Panama on a new treaty, the proposed Mutual Legal Assistance Treaty, were carried out in June 1986. Panama has not entered into any formal discussions since then.

Mr. President, this is not full cooperation. It is now April. When will discussion on this treaty resume? When will this treaty be signed?

Page *171*: Panama continues to serve as a transit point for narcotics (mostly cocaine and marijuana) moving from South America to the United States, and for chemicals used in narcotics processing. Panama continues to be a transit country for precursor materials from Europe and the United States to South America.

Page *164*: Narcotics arrive in Panama in light planes and small coastal vessels, or overland from Colombia. They are then transferred to other aircraft or vessels for shipment to the United States. The narcotics are sometimes warehoused in Panama prior to onward shipment.

I believe that the State Department's own statements show that Panama has been less than fully cooperative in combating drug trafficking.

For all of these reasons, I believe that we must disapprove the certification of Panama as a cooperative drug-producing and drug-transit country.

Mr. PELL. How much time do I have remaining?

The PRESIDING OFFICER. The Senator is advised that he has 5 minutes and 40 seconds remaining.

Mr. HELMS. How much do we have on our side?

The PRESIDING OFFICER. The Senator from South Carolina has 8 minutes 13 seconds.

Who yields time?

Mr. HELMS. Mr. President, in one moment I am going to yield to the distinguished Senator from Alaska.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Let me say with all friendliness to my friend from Rhode Island that he is talking prospectively and the certification by law must be made on the previous 12 months; that is, retrospectively.

Now, it is all well and good to talk about what they say they are going to do or even what they may have done, but the record is very clear.

I am constrained to put in the RECORD a piece from the New York Times front page of June 12, 1986 about just what is going on in Panama during the period which was required to be considered in terms of certification, and I say again that in no way could the State Department honestly and legitimately have promoted this certification of Panama. It is a perfect outrage.

I ask unanimous consent that the article from the New York Times be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 12, 1986]

PANAMA STRONGMAN SAID TO TRADE IN DRUGS, ARMS AND ILLICIT MONEY

(By Seymour M. Hersh)

WASHINGTON, June 11—The army commander of Panama, a country vital to United States interests in Latin America, is extensively involved in illicit money laundering and drug activities and has provided a Latin American guerrilla group with arms, according to evidence collected by American intelligence agencies.

Senior State Department, White House, Pentagon and intelligence officials said the evidence also showed that the commander, Gen. Manuel Antonio Noriega, who is in effect the leader of the country, had been tied to the killing of a political opponent. They also said that for the last 15 years, he had been providing intelligence information simultaneously to Cuba and the United States.

In addition, they said, General Noriega is a secret investor in Panamanian export companies that sell restricted American technology to Cuba and Eastern European countries.

ESPIONAGE INVESTIGATION IN 70'S

In the mid-1970's, according to former officials of the National Security Agency, General Noriega was implicated in a secret espionage investigation involving the transfer of highly sensitive agency materials to Havana. These officials said General Noriega purchased the N.S.A. documents from a United States Army sergeant on duty in Panama.

A White House official, discussing General Noriega's role in what he depicted as the "Panamanian connection," said curtailing the general's activities would play an enormous role in stopping the international trafficking of drugs by organized crime.

The head of the Panamanian military, called the Panama Defense Force, is widely viewed as the politically dominant force in the country.

General Noriega is on a visit to the United States this week and presented a Panamanian medal of honor today at a private ceremony at the Inter-American Defense Board. Requests to interview the general in Washington received no response.

In Panama last weekend, General Noriega could not be interviewed to discuss the Americans' assertions despite three days of telephone calls to the army press office and attempts to reach him through other senior army officers.

SPOKESMAN DENIES ASSERTIONS

The general, said Capt. Eduardo E. Lim Yueng, the second in command of the Panama Defense Force press office, was too busy with other important business. Two days of telephone calls, including several written messages left with secretaries, brought no reply from the presidential press office.

Captain Lim Yueng, however, denied the assertions as a spokesman for the "institution of the armed forces and for General Noriega." He said General Noriega and the military were the victims of a campaign of slander that had no basis in fact.

"These are political attacks," he said. "General Noriega would answer the same way. This campaign is trying to damage our institution."

A White House official said the intelligence information about General Noriega's activities had been made available to senior officials of the White House. But this official and others said they did not know whether President Reagan was aware of the reports.

A senior Reagan Administration official would not discuss the assertions against General Noriega, who was previously head of military intelligence and became army commander when Brig. Gen. Omar Torrijos Herera was killed in a helicopter crash in 1981. The Administration official expressed concern that the intelligence information would damage relations with Panama if it was seen as reflecting the views of the White House.

Officials in the Reagan Administration and past Administrations said in interviews that they had overlooked General Noriega's illegal activities because of his cooperation with American intelligence and his willingness to permit the American military extensive leeway to operate in Panama.

They said, for example that General Noriega had been a valuable asset to Washington in countering insurgencies in Central America and was now cooperative with the Central Intelligence Agency in providing sensitive information from Nicaragua.

But many Reagan Administration officials made clear in interviews that the extent of General Noriega's activities was seen as a potential national security threat because of the strategic importance of Panama and the Panama Canal. Under treaties negotiated with General Torrijos in the 1970's, the United States has agreed to turn the canal over to Panama in the year 2000.

"It's precisely because we have long-term strategic interests in Panama, with the canal, that it's important to have reliable people we can deal with," a senior American diplomat said. In addition, Panama has become increasingly important for the United States and its monitoring of insurgencies in Central America.

GENERAL'S ACTIVITIES: 'LEGAL AND ILLEGAL'

A recent classified report by the Defense Intelligence Agency concludes that General Noriega, operating through a small band of top associates in the military, maintains tight control of drug and money-laundering activities by his associates in the Panama Defense Force, according to one American official. The study said the general was "deeply involved in legal and illegal business."

"Nothing moves in Panama without the instructions, order and consent of Noriega," the official said.

According to the State Department, White House, Pentagon and Intelligence sources, there has been long-standing evidence among intelligence officials of General Noriega's activities, including his relations with the Cuban Government and his willingness to sell arms to the M-19 rebel group in Colombia.

The goal of M-19, which is pro-Cuban, is to overthrow the democratically elected Government. Over the years, the guerrilla group has been responsible for violent attacks that have led to hundreds of deaths.

Of the assertion on the M-19 guerrillas, Captain Lim Yueng, the Panamanian Army spokesman, said: "We have no information on M-19. We do all we can to avoid Panama being used as a trampoline for terrorism."

The captain also denied any Cuban intelligence efforts in Panama or that General Noriega was involved in any shady activities with Cuba. He also denied any export of embargoed goods to Cuba. "Cuba has an embassy here and normal relations with us like many countries," the captain said.

He added, "We've captured drugs here, and are doing our best to collaborate with the United States to fight narcotraffic in Panama."

"A CRITICAL MISJUDGMENT" IN KILLING OF A CRITIC

What has come to be seen within the United States Government as the Noriega problem was heightened by recent intelligence directly tying the general and the top leadership of the Panama Defense Force to the slaying last September of Dr. Hugo Spadafora, one of the army's leading critics.

In his statement, Captain Lim Yueng said: "There is absolutely nothing in this case involving the army. Spadafora had many enemies. The institution of the armed forces absolutely denies any ties to the death of Spadafora. We criticize this crime."

A classified Defense Intelligence Agency report on General Noriega described his involvement in the killing as "a critical misjudgment" on his part. The D.I.A. is also known to have intelligence demonstrating that General Noriega ordered the killing, according to an official with first-hand information.

Dr. Spadafora's decapitated body was found stuffed in a United States mailbag in Costa Rica just across the Panamanian-Costa Rican border. The killing occurred a few weeks before General Noriega ousted the civilian President, Nicolas Ardito Barletta, who was about to name an investigating commission.

Mr. Barletta was replaced by Eric Arturo Delvalle, who is viewed by American officials as another nominal leader, with the army commander actually in control of the country.

Some senior White House officials have privately been concerned about General Noriega's activities. Late last year Vice Adm. John M. Poindexter, then the newly appointed national security adviser, visited the general and privately told him to "cut it out"—alluding to the drug and money laundering activities and his close relations with Cuba, according to a Government official.

Admiral Poindexter was later quoted as having raised questions about an alternative to the Panamanian general.

The issue is a chronic one for American policy makers: how far to overlook corruption and a lack of democratic principles in allies in order to protect secret intelligence installations.

Senior civilian officials in the Pentagon, headed by Nestor D. Sanchez, a former C.I.A. and White House aide for Latin American issues who is a Deputy Assistant Secretary of Defense for Inter-American Affairs, are known to be concerned that any successor to General Noriega might not be willing to tolerate the American military activities that now exist in Panama.

IN PANAMA, A WEB OF U.S. INTELLIGENCE

Since the early 1980's the National Security Agency, operating through its military components in the Army, the Navy and the Air Force, has vastly increased its intelligence-gathering activities in Panama. It is now capable of monitoring all of Central America and most of South America from its Panamanian installations.

The Central Intelligence Agency has also used military bases in Panama, especially Howard Air Base near Panama City, as a jumping-off point for intelligence gathering and for agents sent to Nicaragua, according to intelligence officials.

In interviews, Reagan Administration officials emphasized the nature of the evidence tying General Noriega and the top leadership of the Panama Defense Force to money-laundering and drug trafficking activities.

One official who said he had extensively reviewed the most sensitive intelligence available to the American Government on General Noriega, including reports from agents and intercepts, described most of the specifics as "having to do with gun and drug running."

He said General Noriega's name appeared "over and over" in connection with specific dates, places and contacts in money-laundering and drug activities.

Much of the information, the sources acknowledged, has been gleaned from National Security Agency intercepts, among the most highly classified information in the Government.

In interviews, intelligence officials repeatedly described General Noriega as brilliant in masking much of his direct involvement, preferring to operate through cutouts or as a secret partner in Panamanian trading companies and banks.

An American official with long experience in Panamanian affairs noted that the general seemed to have become more circumspect in his pattern of activity in the early 1980's, moderating overt support for M-19 and direct financial involvement in drug activities.

Instead, the official said, the general has invested more heavily in legitimate business ventures and become more involved in what were described as safer and more lucrative activities—money laundering, much of it, according to American law enforcement agencies, known to be drug-related. In addition, the official said, he has also become involved in the shipping of high-technology American goods, much of them on restricted lists, from duty-free zones in Panama to Cuba and countries in Eastern Europe.

COLOMBIAN REBELS AND THE PANAMANIANS

According to American intelligence officials, there is evidence tying General Noriega to longstanding arms dealing to M-19, the Colombian rebel group.

Such shipments dwindled in the last few years, officials said, apparently in response to pressure from the Reagan Administration, but have begun to flow again. General Noriega's M-19 trafficking "continues today," said an official with access to the most current intelligence.

The most specific details of General Noriega's involvement with M-19 were provided by C.I.A. officials. In one instance, carefully monitored by the agency, General Noriega and members of the Panama Defense Force were found to have armed a small M-19 band—estimates range from 60 to more than 100—before an unsuccessful attack on Colombia's west coast in early 1982.

Members of the M-19 group, which had been trained in Cuba, were tracked by American intelligence as they left Havana and flew to Panama, according to intelligence officials. They said the rebels were then armed by members of the Panama Defense Force and shipped by a boat, which had passed through the canal, from Panama Bay to two locations off the coast of Colombia.

The guerrilla bands were eventually found and attacked by Colombian officials, with heavy loss of life, according to intelligence officials. Diaries were seized in which the recruits told of their training in Havana and their stay in Panama, including an overnight stay in a safehouse that was said to have been provided by members of the Panama Defense Force.

Other American intelligence officials told of viewing reconnaissance film, believed to have been taken by a highflying U-2, depicting M-19 aircraft offloading drugs at a Panamanian Air Defense Force airstrip. Arms were said to have been loaded into the craft for its return to Colombia.

Through his legal and illegal activities, American officials, said, General Noriega has amassed an enormous personal fortune, much of which is believed to be deposited in European banks. He is reported to own at least two homes in Panama City and one in southern France. As army commander, officials said, General Noriega earns a salary of $1,200 a month.

General Noriega is also reported to have a substantial interest in a bank in the Colón, Panama, Free Zone, which American officials said is heavily involved in laundering money for the M-19 as well as for narcotics dealers.

LAUNDERING MONEY AND SHIPPING DRUGS

According to a 1985 assessment of "U.S. Narcotics Control Programs Overseas," published by the House Foreign Affairs Committee, Panama is regarded by American law enforcement officials as a "drug and chemical transshipment point and money-laundering center for drug money."

Panama's banking laws are among the most stringent in the world, permitting secret accounts by individuals and corporations that are virtually free from scrutiny by American law enforcement officials. Additionally, Panama's corporation laws allow companies to be organized with no public disclosure of principals. As a result, Panama has become a world leader in the depositing of illegal profits from drug dealing and other activities.

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A White House official said the most significant drug-running in Panama was being directed by General Noriega.

"Doing away with the Panamanian connection—in the sense that General Noriega condoned and protects such activity—would put one hell of a dent in the movement of drugs in organized crime," the White House official said.

"That's the bottom line."

In the recent interviews, Administration officials depicted General Noriega's current drug function as that of a "facilitator." The officials cited intelligence reports showing that he is a secret investor in companies controlled by a Panamanian businessman and is financially involved in a series of trading companies.

A former White House aide depicted General Noriega's role as being to "facilitate the shipments and pay the payoffs."

The former aide added: "Noriega doesn't carry the stuff around. They pay him a percentage for protection of the traffic."

General Noriega's involvement in money laundering was similarly described by American intelligence and diplomatic officials as a behind-the-scenes role, with private export companies acting as his agent.

Officials said the United States had intelligence showing that in the early 1980's General Noriega held a major financial interest in an opium-processing plant that was discovered, according to a House Foreign Affairs Committee investigation in 1985, in operation along the Panamanian-Colombian border.

The Congressional report noted that the laboratory was apparently financed by Colombians along with a senior member of the Panama Defense Force whom it identified as a Colonel Melo.

The colonel and others were arrested by the Panama Defense Force, the report noted, but "none was prosecuted due to "lack of evidence." Administration officials said that despite the officer's arrest and dismissal from the military by General Noriega, he was still living openly in Panama City.

Customs officials have filed many criminal indictments in which the role of members of the Panama Defense Force was prominent. In one case, involving a private Panamanian freight carrier, Inair Cargo Airlines, a Federal grand jury returned an indictment charging conspiracy to move "multi-million-dollar shipments" of cash to Panama.

According to American officials, there is evidence tying General Noriega and members of the Defense Force to a financial involvement in a small airline charter company that, operating out of the main airport in Panama City, flies weekly money-laundering missions in and out of the United States. The aircraft is met in Panama by an armored truck.

NORIEGA REPORTED LINKED TO A KILLING

According to American officials, the Defense Intelligence Agency has uncovered evidence linking General Noriega to the slaying of Dr. Spadafora.

General Noriega has repeated military denials of involvement in the killing.

One White House official who has access to the Government's intelligence reports said "there is no doubt" that General Noriega was directly implicated in Dr. Spadadora's death.

Another official said the intelligence "takes it up to him"—General Noriega—"as the originator of the idea and the planning of it." There is no evidence, the official added, that General Noriega was directly involved in the actual torture and slaying of Dr. Spadadora, who was beheaded.

General Noriega is known, according to highly senstive American intelligence information, to have told "several aides in prior days that 'I want that guy's head,'" the official said. American intelligence officials in Panama are known to have reviewed the Panamanian medical reports on the slaying and confirmed, the official added, that Dr. Spadafora was tortured four to six hours while alive.

Another American official, who was in Central America at the time of the slaying, similarly declared that the United States "knows"—he emphasized that word—"that the Panamanian Defense Force did him in; these are people who were working under Noriega."

This official also said, however, that "who gave the order and why it was done in the way it was, we don't know." The possibility cannot be ruled out, he added, that some of General Noriega's associates may have killed him without an express order in hopes of currying favor with their leader.

A SUPPLIER OF DATA TO CUBA AND U.S.

General Noriega's ties to Cuba have touched off a longstanding debate among intelligence agencies.

The C.I.A. has viewed General Noriega as an invaluable asset since the 1970's because of his willingness to provide intelligence on the Cubans. He later became a valuable source of inside information on the Sandinista revolution in Nicaragua and, informed officials said, has used the Panamanian Embassy in Managua to collect intelligence for the United States.

At the time, it was also known that General Noriega was supplying intelligence on the United States and its activities in Panama and elsewhere to the Cubans.

"The station chiefs loved him," a former American Ambassador to Panama recalled, referring to intelligence agents. "As far as they were concerned, the stuff that they were getting was more interesting than what the Cubans were getting from Noriega on us."

Another American official told of a briefing in Washington at which he was assured that General Noriega was "our man." After the American was posted to Panama City, one of the first National Security Agency intercepts that crossed his desk said that the D.S.G.I., the Cuban intelligence agency, had assured its operatives in Panama that General Noriega was "their man."

One former senior C.I.A. official who served in Panama when General Noriega was chief of intelligence under General Torrijos defended his agency's reliance on General Noriega.

"To me, he was under continuous attack by people who kept saying, 'Look at this with Havana.' But he was G-2," or intelligence. It was General Noriega's job, the C.I.A. official explained, to stay in close contact with Havana.

"As to who had the upper hand—and this was debated for years—the United States or Cuba, I frankly think it was the United States that came out ahead" because of General Noriega's reporting, he said.

A BREACH OF SECURITY "SINGING SERGEANTS"

The most disturbing breach of security in General Noriega's relationship with Cuba involved his recruitment of an American Army intelligence sergeant in the mid-1970's. The incident briefly came into public view in the fall of 1977, in a critical period in the Carter Administration's negotiations with Panama on the future of the canal.

Among other details, the sergeant informed General Noriega of the clandestine monitoring of senior Panamanian officials, according to intelligence officials. There were later allegations from American critics of the Panama Canal treaties that the United States had eavesdropped on Panamanian negotiations, had been caught in the process and was being threatened with exposure unless last-minute concessions were made. The Senate Intelligence Committee, after investigating the incident, concluded that there was no evidence that the Panamanians had made any blackmail threats.

The incident became known inside the Carter Administration as the case of the "singing sergeants," and the breach of security was widely considered to be limited to interceptions of personal conversations, some of them highly embarassing, by General Torrijos.

Retired N.S.A. officials, in recent interviews, depicted the breach as far more troublesome and one that directly involved General Noriega. In the officials' account, the sergeant began dealing with General Noriega. Transcripts of intercepts of General Torrijos were turned over, in return for cash payments, as well as highly sensitive technical materials, including manuals that described how various N.S.A. systems worked. "Quite detailed N.S.A. documents were given to Noriega" and ended up in Cuba, a former N.S.A. official recalled.

General Noriega enraged some American officers in the late 1970's, according to an intelligence report, when he purchased 10 new American-made automobiles while on a visit to Washington and then, upon his return, turned over the vehicles to the Cuban diplomatic delegation in Panama City.

Many American officials, despite, their hostility to General Noriega's involvement in these activities, expressed admiration for his ability to keep his various constituencies—such as the United States and Cuba—at bay. One key to his success, some officials said, was his lack of ideology.

Mr. HELMS. I yield the remainder of my time to the distinguished Senator from Alaska.

The PRESIDING OFFICER. The Senator from Alaska has 6 minutes and 55 seconds.

Mr. MURKOWSKI. I thank the Chair and I thank the distinguished ranking Republican member of the Foreign Relations Committee. I would like to emphasize to my colleagues the significance of this discussion concerning the matter of certification of cooperation against drugs. We have already reflected on the situation in Mexico and I think we have sent a very significant and meaningful message to that country. The same principle is applicable in the case of Panama. However, the specific Panamanian situation is a bit different.

Over the last decade, Panama has become a major banking center. During the 1970's, Panama probably had the highest rate of growth in commercial banking of any country in the world.

It is estimated that there are about 130 banks in Panama today. It has become the fourth or fifth largest banking center in the world.

This did not just happen, Mr. President. There is a reason for this and it is very, very clear.

The advantage of banking in Panama is very simple. United States dollars are the medium of exchange in Panama. Last year the Bank of Panama transferred over $1.5 billion into the United States Federal Reserve System—this from a country with a total gross national product of only $5 billion.

Clearly what is happening, and it is no secret to my colleagues, is that—according to many estimates—up to 50 percent of this money transferred to the Miami Federal Reserve from Panama comes from illegal drug profits—laundered through legitimate banks in Panama.

As a consequence, what we are seeing is a country that has attracted tremendous deposits of capital. But from what source? Internally, it is quite obvious, they do not have the basic economy to support this flow of funds.

I see my colleague from North Carolina indicated a reference to a series of articles that appeared in the New York Times. To be more explicit:

Laundering Money and Shipping Drugs

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Let me repeat: According to a 1985 assessment of "U.S. Narcotics Control Programs Overseas," published by the House Foreign Affairs Committee, Panama is regarded by American law officials as a "drug and chemical transshipment point and money-laundering center for drug money."

This is a very serious allegation, Mr. President. As a consequence, as we reflect on the merits of the message that is being sent to our friends in Panama, to our friends in Mexico, I think it is apparent that this body is expressing a deep concern. It is recognizing and pointing out some very obvious inconsistencies. One I neglected to mention, Mr. President, is that banking happens to be the largest employer in Panama. Panama is the largest offshore banking center now in the Western Hemisphere.

We do not have to spend a lot of time examining the economy of Panama and asking ourselves how could that possibly be legitimately explained because it has never been explained. It has never been explained to this body. It has never been explained by the Panamanian Government. And how many times do we have to pound our head on the wall before we recognize that indeed there is something less than legitimate about the attractiveness of the situation in Panama which enables money to come in from the various sources that have been identified and then to be laundered and passed on to bank accounts in Florida as untraceable clean money?

So I commend the ranking minority member of the Foreign Relations Committee, and my colleagues and the Chairman as well. He obviously has a little different opinion on exactly how this message should be sent, but I think it is good to have this debate because this message is being sent. And the message is that the United States is not going to stand by and tolerate this situation to go unabated.

Mr. President, it is interesting to note that in the assistance budget for Panama last year the figure was $60 million. This year it is $33 million.

Do you know what that is used for, Mr. President? It is used in part for ESF funds which are basically intended to support and balance the budget of Panama. That is what it is used for.

The justification for us to send our money in this form to help support the budget of Panama, which uses United States currency, is a little hard to grasp, Mr. President. If we are not getting full cooperation in controlling the problem of bank laundering of drug profits, why should we be subsidizing the Panamanian Government in this way?

I conclude and I thank the ranking member of the Foreign Relations Committee. I think the point has been well made that we are not going to stand by idly and watch this situation continue.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. I yield 1 minute to the junior Senator from Maryland.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Thank you very much. I thank the chairman of the Foreign Relations Committee.

Mr. President, I rise in support of the joint resolutions for disapproval because I do not think that the Bahamas is taking—parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Ms. MIKULSKI. Is it Panama or the Bahamas that are before us?

The PRESIDING OFFICER. We have the question of Panama before us at this time, may I say to the distinguished Senator from Maryland.

Ms. MIKULSKI. Whether it is Mexico, Panama, or the Bahamas, I support the principle of all three of these joint resolutions of disapproval because I think the fact of the record speaks that these countries have not taken sufficient demonstrable steps to eradicate drugs at the source.

The important reason for passing these joint resolutions is to send a very clear message to the drug producing states that we want them to take action to dry up the supply of drugs to the United States of America.

The reason I say this is the only way we can deal with drug problems both in the United States is to dry up the demand and dry up the supply.

When we went after yellow fever we did not do it one mosquito at a time. We went to the swamp. That is what we are doing in these joint resolutions of disapproval. We are saying——

The PRESIDING OFFICER. I regret to inform the Senator from Maryland that the time has expired.

Ms. MIKULSKI. We are saying that the swamps need to be dried up.

Thank you.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. I believe the Senator from Maryland was speaking on the other side of the issue but I yielded her a minute. The remaining time is now yielded to the distinguished Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I thank my colleague for yielding.

Mr. President, very briefly what we are talking about here basically is a resolution that will condemn one man.

None of us want to be referred to as carrying the brief for General Noriega. The brief we have is a joint resolution that we are carrying 100-to-nothing.

The real question here is: "Do we want to cut $12 million in 1987 and $15 million in 1988 money to Panama?"

We have 5,000 young Americans down in Panama. We have our southern command in Panama. We have the Panama Canal that is very important in Panama.

All are important issues.

I think it is worthwhile to note here, and the distinguished Senator from Kansas made this point, what our report says about several other countries.

On Argentina, for which the Senate has no resolution: "Argentina is becoming a major transit country for cocaine."

I turn to Brazil. "Recent reports indicate that Brazil is being used in all facets of illicit international drug trafficking."

And further: "Unofficial estimates indicate that Paraguay is becoming a major drug producing country."

And the list goes on.

The point is that we picked out three countries, and we have by doing so indirectly said all these other countries are doing fine.

Most countries, unfortunately, are not doing very well, either in the consumption battle or cutting out the supply.

All I would like to suggest to my colleagues here is that while we have much to be concerned about in dealing with Panama and other countries, there has to be a better way of handling it than by tying up all the issues with Panama on account of a single issue.

Mr. MURKOWSKI. Mr. President, will the Senator yield?

Mr. DODD. I am sorry. I cannot yield at this particular point.

The implications of tying up all our interests in Panama on this single question would be broad in scope and serious.

It seems to me there has to be a better way of dealing with this than just a joint resolution that will cut off aid and not take into consideration the implications it would have for the southern command, for the strategic importance of Panama, and for our relationship with that country.

If you want the entire relationship with that nation to be determined on this single issue, then vote against tabling this joint resolution. That is an easy vote because you will be attacking a general in that country.

If you are concerned, however, about our relationship with this country, one of the most strategically important nations in this hemisphere, then I urge you to vote to table this joint resolution and provide us a better opportunity to deal with this question, as the Senator from Kansas has pointed out, in an authorization bill, where we could confront the full range of issues related to Panama.

Mr. President, I yield.

Mr. MURKOWSKI. Mr. President, will the Senator yield for a question?

Mr. DODD. I certainly yield if I have the time.

Mr. MURKOWSKI. My concern is the manner in which these funds are basically going to help balance the Panamanian budget. My question to the distinguished Senator from Connecticut is what justification there is for aid requests to go to these levels of $60 million and $33 million if we are still not getting full cooperation on drug laundering, is it really justifiable that we provide this $33 million in aid?

Mr. DODD. Mr. President, I would say, in response to my friend from Alaska, that I am not arguing about the amount of money and so forth here. And a lot of that is military assistance money, as he knows. So it is not just economic assistance, although that is a legitimate question.

I have serious problems as to whether we ought to give any money to Panama because of the political situation in that country. But we ought to determine that issue when considering the full plate of issues, and when we can take into consideration the strategic question. This resolution does not allow us to do that.

The PRESIDING OFFICER. All time has expired.

The yeas and nays have been ordered.

Mr. PELL. The yeas and nays have been ordered on the motion to table.

The PRESIDING OFFICER. The motion to table has not been made, may I inform my colleague.

Mr. PELL. Fine. I then make the motion to table the joint resolution before us.

Mr. HELMS. I ask for yeas and nays.

The PRESIDING OFFICER. The Senator from Rhode Island has moved to table. The yeas and nays have been ordered by a previous order.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from Florida [Mr. CHILES], the Senator from Hawaii [Mr. INOUYE], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Illinois [Mr. SIMON], are necessarily absent.

Mr. SIMPSON. I announce that the Senator from New Mexico [Mr. DOMENICI], the Senator from Utah [Mr. GARN], the Senator from Nevada [Mr. HECHT], the Senator from South Carolina [Mr. THURMOND], and the Senator from Connecticut [Mr. WEICKER] are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina [Mr. THURMOND] would vote "nay."

The PRESIDING OFFICER (Mr. SHELBY]. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 31, nays 58, as follows:

[Rollcall Vote No. 63 Leg.]

YEAS—31

Adams
Bentsen
Bond
Boren
Boschwitz
Bradley
Bumpers
Chafee
Danforth
Daschle
Dodd
Durenberger
Evans
Exon
Glenn
Harkin
Hatfield
Kassebaum
Lautenberg
Leahy
Lugar
Matsunaga
Melcher
Packwood
Pell
Pryor
Reid
Sanford
Stafford
Stennis
Wirth

NAYS—58

Armstrong
Baucus
Bingaman
Breaux
Burdick
Byrd
Cochran
Cohen
Conrad
Cranston
D'Amato
DeConcini
Dixon
Dole
Ford
Fowler
Gore
Graham
Gramm
Grassley
Hatch
Heflin
Heinz
Helms
Hollings
Humphrey
Karnes
Kasten
Kerry
Levin
McCain
McClure
McConnell
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Pressler
Proxmire
Quayle
Riegle
Rockefeller
Roth
Rudman
Sarbanes
Sasser
Shelby
Simpson
Specter
Stevens
Symms
Trible
Wallop
Warner
Wilson

NOT VOTING—11

Biden
Chiles
Domenici
Garn
Hecht
Inouye
Johnston
Kennedy
Simon
Thurmond
Weicker

So the motion to lay on the table Senate Joint Resolution 91 was rejected.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the motion to lay on the table was rejected.

Mr. PELL. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HELMS. Mr. President, I would inquire of the distinguished chairman if he feels there is any point in going to a rollcall vote.

Mr. PELL. I would agree with the Senator from North Carolina. I think we should vitiate the order for a rollcall vote.

Mr. HELMS. Mr. President, I ask unanimous consent that I may be allowed to vitiate the order for the yeas and nays.

The PRESIDING OFFICER. There is no order for the yeas and nays.

Mr. HELMS. In that case, it makes it simple.

The PRESIDING OFFICER. The clerk will read the joint resolution for the third time.

The joint resolution (S.J. Res. 91) was ordered to be engrossed for a third reading, was read the third time, and passed as follows:

S.J. RES. 91

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby disapproves of the determination of the President with respect to Panama as contained in the certification required by section 481(h) of the Foreign Assistance Act of 1961, received by the Congress on March 2, 1987.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. PELL. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DISAPPROVAL OF PRESIDENTIAL CERTIFICATION—BAHAMAS

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of Senate Joint Resolution 90, which the clerk will state by title.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 90) disapproving the certification by the President under section 481(h) of the Foreign Assistance Act of 1961.

The Senate proceeded to consider the joint resolution which had been reported from the Committee on Foreign Relations, with an amendment to strike all after the enacting clause and insert in lieu thereof the following:

That the Congress hereby disapproves of the determination of the President with respect to the Bahamas as contained in the certification required by section 481(h) of the Foreign Assistance Act of 1961, received by the Congress on March 2, 1987; unless the President (1) formally notifies the appropriate committees of the Congress, in writing, within fifteen days from the date of enactment of this resolution into law, that he will reexamine the certification of March 2, 1987, with respect to the Bahamas; and (2) shall provide such committees in writing within ninety days following such notification with the detailed results of the reexamination, including (a) the definition of the term "full cooperation" as contained in Public Law 99-570; (b) any nondrug interdiction and eradication matters which he took into consideration in making the certification with respect to the Bahamas on March 2, 1987; and (c) a detailed description of the programs which the Government of the Bahamas has undertaken or will undertake within the next sixty days in order to correct any deficiencies in its drug interdiction and eradication efforts.

THE CASE OF THE BAHAMAS

Mr. HELMS. Mr. President, the certification of the Bahamas for having "cooperated fully" is another example of the State Department's obfuscation of the responsibility for an honest certification. Just 2 weeks ago, the Washington Times ran a front page story which reported that the State Department told the FBI to halt a sting operation against Prime Minister Pindling. Apparently, the Justice Department has developed sufficient evidence against Pindling to merit such an FBI effort. The assistant U.S. attorney, Richard Gregorie, who has handled many of the governments major drug cases in Miami stated that—

> I can tell you point-blank the State Department's position is far different than ours. Our position is flatly to prosecute felons. The State Department's general position is we are supposed to have good relations overseas, not upset the equilibrium.

Official corruption in the Bahamas was so serious that a Royal Commission of Inquiry was established in 1984 to investigate the situation. The Royal Commission cited a number of officials deemed to be corrupt but there have been no charges or prosecutions made yet. Our U.S. attorney in south Florida made 13 extradition requests, including a request for the extradition of Frederick Nigel Bowe, in late 1985 and none of these requests have yet been honored by the Government of the Bahamas. It is certainly no secret that Robert Vesco operated extensive drug operations out of the Bahamas and that major cocaine traffickers from Colombia and elsewhere freely operate out of the Bahamas.

Just recently, "NBC News" broadcast a special segment uncovering drug trafficking in the Bahamas. In addition to film clips from the U.S. Customs service showing cocaine drops from aircraft over the Bahamas there was an interview with a former member of the Bahamaian Parliament. The parliamentarian expressed amazement at the lack of U.S. concern for corruption in the Bahamas. Other film clips showed the notorious cocaine trafficker Carlos Lehder, who is now under detention in Florida, at Norman's Cay in the Bahamas. It is clear that such official corruption is indeed severely impeding full cooperation in halting the flow of drugs to the United States.

The scourge of narcotics abuse is destroying American youth. It is destroying the fabric of family life. It is subverting traditional American values. It is eroding our domestic peace and tranquility by escalating violent crime across the country. Firm action is required today in order to prevent the situation from getting still further out of control. The Anti-Drug Abuse Act of 1986 was a major legislative step forward in the war against drugs. The integrity of this legislation must be maintained and the role of Congress in the certification process must be preserved in order that an effective response to the narcotics threat can be successful.

Mr. President, I ask unanimous consent that an article from the Washington Times of March 9, 1987, be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Times, Mar. 9, 1987]

FBI TOLD TO HALT STING OF BAHAMAS' PREMIER

(By Michael Hedges)

The State Department stopped a sting operation in Miami aimed at snaring the prime minister of the Bahamas and his top aides on bribery charges, sources said.

The investigation, set up in December 1984, was to culminate in Sir Lynden O. Pindling's taking a cash payoff from informants posing as drug traffickers, according to James Rider, who was an organized crime investigator with the Metro Dade County police department.

"Just before it was to happen, the FBI came to us and said it was called off by the State Department," Mr. Rider said. "They said the State Department was more afraid of communists than drugs."

Mr. Rider's claim was corroborated by others familiar with the case.

The Senate Foreign Relations Committee is concerned that such policy decisions might contribute to wide-open cocaine channels into the United States, according to staff members.

After hearing an account of the allegations last June, Sen. Richard Lugar, the Indiana Republican who headed the committee, said, "The charge you have made that is probably very important, at least in my judgment, is if there is a declination to proceed into investigations or prosecutions in the Bahamas . . . because of 'foreign policy' reasons."

A high-ranking federal law enforcement official in Miami confirmed the State Department's Bahamian office stopped an investigation targeting Mr. Pindling and his top aides.

"The FBI was working the case. We had recorded conversations between [Everette] Bannister [a close friend of Mr. Pindling] and FBI informants. The [U.S.] ambassador [Len Dobriansky] told us he did not want us to take further steps. He nixed the thing."

As to whether the FBI had lured Mr. Pindling to Miami, "That was the hope," the official said. "Bannister had represented in the taped conversations that he could bring Mr. Pindling to Miami."

Mr. Rider was brought to Washington by Sen. John Kerry, Massachusetts Democrat, to tell his story before a closed session of the Foreign Relations Committee.

Mr. Kerry said he had a tape in which Len Dobriansky, former U.S. ambassador to the Bahamas, admitted stopping a drug investigation of Bahamian officials.

"He stopped a sting operation that would have netted major Bahamian figures who were running drugs into this country because he made the decision . . . that drug operations were less important than submarine base negotiations," Mr. Kerry said, according to a transcript of the meeting.

Richard Holwill, deputy assistant secretary of state for the Caribbean, declined to comment last week on State Department policy during late 1984. "I was not in an operational position," he said. "The only person who can answer that with authority would be Mr. Dobriansky."

But, he said, "[The Bahamian base] may be the most important underwater base for the U.S. Navy. It is not an inconsequential base."

Mr. Dobriansky could not be reached for comment last week.

Mr. Holwill pointed out that Mr. Pindling would be immune from prosecution under international law, but evidence against him could be turned over to the Bahamian government for action.

"Whatever our policy was then, our policy now is to let the chips fall where they may," Mr. Holwill said.

Justice Department officials in Miami who are handling major drug cases have said their efforts have been hampered by the State Department.

Richard Gregorie, the assistant U.S. attorney who has handled many of the federal government's major drug cases in Miami, said, "I can tell you point-blank, the State Department's position is far different than ours. Our position is flatly to prosecute felons. The State Department's general position is we are supposed to have good relations overseas, not upset the equilibrium.

"They look at it like, 'We can't go to tomorrow's cocktail party if we tell foreign officials we're going to kick their butt for hiding heinous drug felons'," he said.

A former congressional staff member said that, after the June meeting, Mr. Lugar ordered an inquiry into the charges.

"We went to the State Department and they confirmed the investigation of high-ranking [Bahamian] officials was stopped," said the staff member. "All they told me is there is an explanation for this but it is sensitive."

Mr. Rider said he was detailed to work with the FBI, who told him they had an informant who was going to bring Mr. Pindling to a prearranged location for a payoff from an informant he thought was a drug dealer.

The sting was to take place in mid-December 1984 at a warehouse in Hialeah, a suburb north of Miami. "We had high-band radios that could reach Colombia, and some other things around to make it authentic," Mr. Rider said. "At the rear of the warehouse there was a small hidden room where a guy did the recording. The cameras were hidden in some stereo speakers, and that's where we brought people."

Mr. Pindling has been at the center of drug investigations in recent years, according to law enforcement officials.

In 1985, a commission of inquiry in Nassau released a report charging that Mr. Pindling had received $2.8 million in "gifts" and "loans," including some money that could not be traced to a contributor.

Another person investigated by the commission was Mr. Bannister, the Pindling friend federal officials in Miami said they taped telling an FBI informant he could deliver Mr. Pindling for a payoff in Maimi.

The commision was highly critical of several business relationships involving Mr. Bannister and Mr. Pindling. It said they showed corruption in the Bahamian government.

Mr. Bannister's "political influence peddling" was "likely to bring nothing but shame, scandal and disgrace . . . and damage the reputation of the Bahamas . . . ." the report concluded. He was later charged with lying to the commission when he denied he took a bribe from a convicted cocaine dealer.

The commission also investigated Frederick Nigel Bowe, a Bahamian attorney who federal law enforcement authorities say has close ties to Mr. Pindling. The commission said of Mr. Bowe, "His consistency in denying any involvement with drug dealers is exceeded only by the frequency of allegations against him."

Mr. Bowe was indicted in Miami in the fall of 1985.

According to the indictment, "Bowe supervised the shipment of this cocaine into and out of the Bahamas and offered to provide, and did provide, protective services from [Bahamian] law enforcement agencies to persons [moving cocaine from Colombia to Miami]."

The case has stagnated. Frustrated federal law enforcement officials said that the U.S. State Department in the Bahamas is not pushing the extradition.

"As far as I'm concerned, one of the most notorious figures in international drug dealing is Nigel Bowe. He's down there thumbing his nose at us," Mr. Gregorie said.

But Mr. Holwill said, "The fact is, the State Department will do anything and everything in their power to get Mr. Bowe back here. We're frustrated too."

Drug Enforcement Administration sources said they have been pushing an investigation in the Bahamas. "We're that close to a case against Pindling," said one agent, holding thumb and forefinger an inch apart. "If we get Bowe back here, we know he'll talk. So we know Pindling will never let Bowe be extradited."

Mr. LEAHY. Mr. President, it is with great reluctance that I cast my vote today against these resolutions. Ever since my days as a prosecutor in Vermont, I have spoken out against the huge problem of drug abuse in this country. I have supported strong penalties against major drug traffickers and money launderers. I have voted for major increases in funds for drug eradication and interdiction, and to educate young people about the dangers of drugs and for treatment of drug abusers.

Nobody here disagrees that Mexico, Panama, and the Bahamas, as well as countless other countries like Columbia, Bolivia, and Burma, have not done enough to combat the production and trafficking of illegal drugs.

Corruption and involvement in the drug trade by Mexican Government officials is well known. There have been no prosecutions for the murder of DEA agent Enrique Camarena, or the torture of DEA agent Victor Cortez.

Panama, like Mexico and the Bahamas, is a major transshipment point for cocaine from South America into the United States. The role of the Panama Defense Forces, which controls the levers of power in Panama, and of General Noriega in drug trafficking and money laundering, is beyond question. The former Secretary-General of the PDF, Colonel Melo, was caught smuggling large quantities of ethyl ether used to process cocaine into Panama. He was never prosecuted. The former Vice Minister for Health of Panama, Dr. Hugo Spadafora, who accused Noriega of being directly involved in profiting from drug trafficking, was brutally murdered in 1985, allegedly by the PDF.

Official corruption and involvement in drug trafficking in the Bahamas is also clear. That country has become known as the stopping off point for boats and planes carrying cocaine into Miami.

I join the proponents of these resolutions in condemning the officials in these countries who have profited from the scourge of drug abuse in the United States. At the same time, I do not believe these resolutions are a responsible way to encourage these countries' increased cooperation.

Mexico, a country of 80 million, suffers from overwhelming economic, social and political problems. Oil prices have plummeted—inflation and unemployment are rising. The government has just completed negotiations with the INF on further economic adjustment measures which will only add to the sacrifices of the Mexican people.

Solutions to the Mexican financial crisis, the drug crisis, and the crisis of illegal migration into the United States, can come only with economic growth in Mexico. The severe sanctions which would result from these resolutions—a 50-percent cut in United States aid and a requirement that the United States oppose multilateral bank loans—expected to be $1.2 billion to Mexico this year, would only compound these problems.

The Bahamas have shared intelligence information on drug traffickers with us. They have agreed to a new docking facility for United States vessels to chase drug traffickers in Bahamian territory. They allow our Customs pilots to interdict drug traffickers in Bahamian airspace. They have recently enacted new laws making money laundering a crime, and allowing U.S. officials access to bank accounts of suspected drug traffickers. Of the $200,000 in United States aid to the Bahamas requested for next year, 50 percent of it is for drug interdiction. If we cut those funds we will only make this problem worse.

The Panamanian Legislature also, for the first time last December, made money laundering a crime and gave United States officials access to bank records of suspected drug traffickers. This is particularly important because of Panama's role as a leading banking center. Although we have no extradition treaty with Panama, since 1984 it has handed over 33 class I drug traffickers to the United States. Panama has also initiated a program to seize chemical precursors for the production of cocaine, in transit from the United States and Europe to South America. It has allowed United States authorities to board any Panamanian flag vessel suspected of transporting drugs. Last year, 93 arrests were made, and 227 kilos of cocaine seized. Finally, last year Panama conducted an eradication program which eliminated virtually all of its marijuana crop.

These actions are a beginning. The requirement that these countries "fully cooperate" to combat drugs must be interpreted in terms of the overall relationships between them and the United States. We share a myriad of common interests with these countries, and we need their cooperation in solving them. I do not believe it is in the overall best interests of the United States to take such drastic action just 4 months after imposing on them the requirement of cooperating with us.

Mr. ADAMS. Mr. President, we find ourselves in a strange situation in regard to these resolutions. By a quirk of the legislative calendar, whatever action we take on these resolutions will have no effect. In fact, some of my colleagues have indicated that they will vote for the resolutions precisely because they will have no real effect.

The question here is whether the countries involved—the Bahamas, Panama, and Mexico—have "fully cooperated" with our efforts to curtail drug shipments and drug cultivation. All of these countries have done something—they have taken some steps, they have begun to act. Is it enough? Certainly not. Yet the process is working and the President has certified to their full cooperation. The question we face now is simple: Whether only a few months after the Congress established the cooperation requirement and created these penalties, we should take action to punish these countries despite the fact that they are moving in the direction we want.

At this point in time, the President has certified compliance with the statute. This condition is subject to change next year when, by law, we will be asked to again evaluate the behavior of these countries. At that time, if we are not satisfied that these nations have "fully cooperated," each of us will have an opportunity to determine if these resolutions are warranted.

The concerns I have listed led me to support efforts in the committee to delay a final determination about compliance in order to encourage and evaluate the action by these countries in cooperating with our drug eradication programs. In terms of policy, that sort of delay seemed to me to be the best way to respond to what these nations had done and encourage them to do even more. Unfortunately, the structure of last year's law made it impossible to amend these resolutions.

Given these conditions, I believe that our best course of action is to evaluate the President's certification on a case-by-case basis. In the case of Mexico, the delicate economic conditions now prevailing there means that a decision to cut off aid could be catastrophic in terms of our economic interests and work against our desire to reduce the drug dealing now taking place there. I will reexamine these risks—as severe and as real as they are for both Mexico and our own country—next year if their behavior does not meet acceptable standards. But now, after just a few months, is not the time to take such action. A similar case-by-case analysis will guide my votes on the other resolutions which will be before us today and in the future.

I began by saying that I was tempted to vote for these resolutions for their symbolic value. I will resist that temptation but I cannot resist the temptation to say that I believe these resolutions were brought to the floor for symbolic reasons. As Senator LUGAR has pointed out, these resolutions ought not be before us now—having this debate is unfortunate. No matter how we act on them, we will have sent a mixed signal about our commitment to deal with the drug problem. We would have been better served had we simply accepted the President's certification.

We did not do that and, as a result, we are in the unfortunate position of making a judgment which we are simply not ready to make at this point. Given the inevitability of a vote, however, I will vote individually on the merits of each of these resolutions. There has been a commitment made by the Congress and the country when we adopted the Anti-Drug Abuse Act of 1986 to deal with the drug problem. We are serious about the effort to control drug abuse and we are willing to make the kind of tough decisions which will advance that goal. What I am not ready to do is to make an easy, symbolic vote which will actually work against the progress that has and can be made.

Mr. HELMS. Mr. President, at the outset let me say that the remarks I am about to make should not be interpreted as having any animus of displeasure with any Senator and certainly not with the leadership, but some things happened in the consideration of the three resolutions that we have been considering last evening and today which I thought ought to be made a matter of record.

First of all, from this Senator's viewpoint the real issue has been an attempt to preserve the integrity of Senate procedures. Now, we have been here to debate the issue of antidrug reform. We have been here to find out if this Nation really means what it says when people in public office proclaim that we are so genuinely sincere in the drug interdiction and enforcement effort. We have been here to see whether the State Department is sincere when it says that it is trying to get other nations around the world to eliminate drugs, drug trafficking, and drug money laundering. Frankly, Mr. President, we have been here to demonstrate whether the Senate itself is sincere in implementing effective reform or whether the business of the Senate is merely to pass laws with a lot of hoopla and press releases just before election and then forget about the law afterward.

Mr. President, instead of moving quickly to resolve these matters as presented in Senate Joint Resolutions 90, 91, and 92, the Senate has been confronted with a series of roadblocks and delaying tactics.

It is one thing when the legitimate rights of parliamentary procedure are involved. I believe in that. But it is something else when the rules of the Senate are ignored. There have been at least four egregious procedural errors on the part of the opponents of a tough drug crackdown, according to the requirements of the law that was passed last year by the Senate unanimously. These errors were not only condoned by the Senate but also actively encouraged. In brief, the four procedural errors were as follows:

First. The resolutions were reported out of committee—that is to say, the Foreign Relations Committee—with amendments, when the rules clearly stipulate that no amendments are in order for resolutions under expedited procedures.

Second. The 2-day rule with regard to printed reports was applied, when rule XVII, paragraph 5, specifically exempts resolutions dealing with Presidential certification.

Third. The minority was not informed that a written report was to be filed at the time of the vote to report.

Fourth. The claim was made that the motion to proceed to the resolutions in the Senate was not in order due to the pendency of the veto message, when in fact the veto message was not pending.

Mr. President, I do not claim to know a great deal about the rules. I have learned as much as I can in the 14 years and 3 months that I have been in the Senate. But I think we ought to go by the rules and not make them up as we go along.

Last October, we passed the Anti-Drug Abuse Act of 1986; and in doing so, Congress told the electorate at that time that drug interdiction and enforcement was our highest priority. I remember the ringing speeches made in this Chamber. We told the American people—and this was just before the election—that the lives and future of our children, even our children's children, would depend upon the success of our effort to eliminate international drug trafficking.

In effect, we asked the voters of this country to judge the Senate and the House of Representatives on the basis of our willingness to adopt tough laws against drug trafficking.

Mr. President, it was pretty obvious to all of us then that there would be no drug eradication unless we got the full cooperation of the nations which were the main producers and the main channels of the drugs. It was also obvious that we had close financial relationships with some of those countries, and those financial relationships included security assistance, developmental assistance, and private trade and banking interests.

Furthermore, we all realized last November that there was a basic inconsistency in the action of the United States in giving money belonging to the American taxpayers to those countries which were undermining our national integrity and security by drug trafficking. That is why the Anti-Drug Act of 1986 included a provision that required the State Department to certify that all the recipients of foreign aid had cooperated fully—and I repeat, for emphasis, cooperated fully—in the efforts toward drug eradication.

That is the standard, Mr. President: having cooperated fully. Not merely for the most part. Not cooperating in everything we asked them to do. Not cooperating on balance. The standard specified in that law, which the Senate approved last year by a unanimous vote, is "cooperated fully."

Mr. President, that standard was not proposed by the Senator from North Carolina. It was supported by this Senator, but it was not proposed by me. Indeed, it was supported, as I have indicated, by all Senators. It was passed unanimously, as I have said. The procedures were even—if you can believe this—supported by the U.S. Department of State.

The act went on to make provisions to ensure that the Senate and the House of Representatives would be directly and significantly involved in the implementation procedures; and the act said that if Members of the House or Members of the Senate were dissatisfied with the certification prepared by the State Department, any Senator or any Member of the House of Representatives could introduce resolutions of disapproval to rescind the State Department action within 30 days.

After recognizing the difficulties that Congress faces in taking action in 30 days, the act provided that the resolutions be privileged, under the provisions set forth in section 601 of the Arms Export Act, and this legislative privilege provision was established to prevent footdragging and roadblocks on issues which this body and the House of Representatives deemed of overriding importance to our national security.

Oh, the liberal rhetoric we heard last year. Right before the election, everybody was out front leading the parade, being against the drug traffic. Then we went home for the election. But, as I have already pointed out, everybody accepted this expedited procedure as urgent and necessary. Not one voice objected to this procedure.

Every Senator knew the timeframe for this certification process. Every Senator knew when the State Department was supposed to report, and every Senator knew when the certification was supposed to come to Congress. No Senator can pretend that he or she was caught by surprise. Indeed, a number of Senators, including this Senator, were keenly awaiting the certification report.

It so happened that during 1986, last year, I, as chairman of the Western Hemisphere Subcommittee of the Foreign Relations Committee, held and presided over eight hearings—eight, count them—on drug trafficking in Panama and in Mexico. These hearings—some of them were open and some of them were closed because of the nature of the testimony—established conclusively not only that these two countries were failing to give full cooperation but also that prominent members of the governments of these two countries were permitting drug trafficking to flourish and in fact were enriching themselves, at the expense of the national security of the United States of America.

Moreover, staff research into other countries, including the Bahamas, indicated that full cooperation as required by that act, unanimously approved by the Senate—full cooperation of these countries, including the Bahamas—was virtually nonexistent.

Mr. President, I expected the State Department to take a loose interpretation of the Anti-Drug Abuse Act of 1986. That is the way the U.S. State Department operates. All diplomats traditionally place more importance on good relations and diplomatic eyewash then they do on the national security of the United Staes.

And that is why I have so many problems with the U.S. State Department. Sometimes I wonder whose side they are on.

But, I thought that at least with Panama and Mexico the State Department would invoke the national security waiver. After receiving the testimony of so many experts inside our Government and outside our Government about the corruption and involvement of governmental officials in drugs, it just did not seem plausible, Mr. President, to this Senator, that a good-faith certification, an honest certification, could be given to Panama and to Mexico.

So, I was astonished when the State Department reported that Panama and Mexico had "cooperated fully."

Accordingly, along with the distinguished Senator from Massachusetts [Mr. KERRY] and the distinguished Senator form California [Mr. WILSON] and others, I introduced a resolution of disapproval under expedited procedures as stipulated by this act that we passed with such hoopla last year just before the election.

To tell the truth, Mr. President, I was naive enough to believe that these resolutions would sail through the Foreign Relations Committee without a dissenting vote. This is what ought to have happened. But it did not.

Let me say for point of emphasis I do not stand here today with any feeling of animus toward anybody. I just want the Record to be clear as to how the procedures of the U.S. Senate were mutilated and, frankly, I do not propose within the length of my table to allow this to happen again.

These resolutions seem to me to be so noncontroversial that when the Foreign Relations Committee held a hearing this March to hear the State Department testimony on the drug certification report, only the Presiding Officer, who happened to be my distinguished colleague from North Carolina, Mr. SANFORD, showed up.

I happened to have a meeting with the Agriculture Committee and I chose to go to the committee meeting because I knew the facts, but not one other Senator appeared. Mr. SANFORD sat there by himself presiding over this certification hearing.

I did not go also because I have indicated earlier we already had had so many previous hearings clearly establishing the lack of cooperation of these two countries on drug matters.

I suppose Senator SANFORD—and I am not trying to speak for him—presumed that this was sort of a pro forma hearing for the record.

Anyway, Senators did not care enough to even come. Senator SANFORD was the only one there and he had been designated to preside. This was a formality.

If it had been anything, else, if Senators had been sincerely interested in the certification process, they would have been there, but not one other Member was there.

Then came the business meeting of the Foreign Relations Committee on Tuesday, March 24. The agenda included three resolutions, all authored by this Senator and supported by others, Senate Resolution 90, Senate Resolution 91, and Senate Resolution 92.

Everyone was on notice that the resolutions would be voted on. There was even an informal agreement that the three resolutions would be voted out as a single resolution which would have been a flagrant disregard of the rule itself.

I asked the distinguished Senator from Connecticut [Mr. DODD] who is my friend, and he knows he is, and I hope I will still be his after these remarks, but I asked CHRIS DODD if he was aware that this amendment, indeed any amendment would be declared out of order on the floor.

To my utter surprise, Senator DODD replied that he was fully aware that it would be declared out of order but that he would seek to appeal the ruling of the Chair. In other words, he would seek to get the Senate to declare that when the rule says that no amendment is in order that rule can be interpreted to mean that an amendment is in order.

Mr. President, what goes on here?

In other words, the distinguished Senator, who is my friend, said he intended to ask the Senate to rule first to override the Chair when the Chair was right, and then ask the Senate to rule that black is white.

I cannot recall the time I have ever voted to overrule the Chair. I think that is an invitation to anarchy in this Senate. There have been times when I would very much have liked to turn the Chair around. But when the Chair is right, the Senate has no business even having an appeal from the ruling of the Chair. That is a bad way to legislate, no matter who does it.

I submit, Mr. President, that these tactics when you shake them all down, were clearly dilatory.

I objected that the procedures being followed were not only contrary to the Senate rules but contrary to the committee rules which declare that procedure in the committee is determined by the chairman with, and let me say this for emphasis, determined by the chairman with the concurrence of the ranking minority member, and the ranking minority member happened to be the Senator from North Carolina.

I made it clear that the ranking minority member was not concurring.

But what surprised me even more, Mr. President, was when the committee agreed to Mr. DODD's proposition and voted to propose an amendment that the committee knew full well was out of order and would be declared so.

No Senator had to even raise the question as the distinguished occupant of the chair right now knows. It was automatic and the Parliamentarian in each case advised the Chair that the proposed committee amendment was out of order, and it fell in each case.

So I have to ask with all the gentility that I can muster, What have we come to when not only the spirit of the Senate rules but the plain meaning of the Senate rules is flaunted, deliberately, knowingly, intentionally?

How can we rely on orderly procedure when the validity of the rule itself is called into question, I suppose to make up the rules or change them to a whim? You win some and you lose some in parliamentary procedure and some are rained out.

But you follow the Senate rules if you believe in the system, if you believe in the traditions of this Senate.

What is the value, Mr. President, of having agreed upon procedures when the majority of the members of a prestigious committee such as the Foreign Relations Committee vote for a procedure that is illegal under the rules?

It appears to express a contempt for the Senate itself, and I must believe that no Senator wishes to do that.

So, in my judgment, the actions of the distinguished Senator from Connecticut and the majority of the Foreign Relations Committee were dilatory. The attempt seemed to me to be, and I do not think there is any doubt about this, it seemed to be an effort to run out the clock to protect somebody, whether it was the State Department or the drug traffickers or the corrupt officials in some of these countries, take your choice.

In my experience, Mr. President, a request to file a written report was out of order at the time it was made. But then I found the morning after, the morning after the committee meeting, that the Senator from Connecticut had gone to the distinguished chairman of the committee the evening before, hours after the committee had adjourned, and asked to be allowed to file a report. Now, come on, Mr. President. What goes on? I have never known any action like this on any committee on which I have served since I have been in the Senate. A request to file a written report must be made at the time of a vote to report.

Now, this decision was made, as the saying goes, in the dead of the night, without one effort to notify the minority that such an extraordinary request was made to file a report hours after the committee had recessed. No opportunity was given to oppose such an action, which is clearly outside the Senate procedure and practice. No opportunity was proposed to the minority to file additional views. That was allowed only after I had a frank and candid discussion with the distinguished chairman of the committee. And then we had all of 3 hours to prepare our report.

In any case, Mr. President, it is difficult for this Senator to understand why a printed report was requested in the first place, unless it was a dilatory act. And I do not think there is any question about it. It was an effort to slow down the process, knowing that the deadline of midnight April 1 was coming. The only conclusion, therefore, seems to be that someone decided that, by requesting a printed report, the 2-day rule would be triggered, with the hoped for result that the resolutions would be available for action only on 1 day and that was April 1. And I am not going to comment on its being April Fools' Day.

Mr. President, the facts are that the 2-day rule does not apply, and never has, to privileged and expedited resolutions. If any Senator wants to check on that, rule 17.5, with regard to the availability of printed reports says that the requirement "Shall not apply to any executive decision, determination, or action which would become, or continue to be, effective unless disapproved or otherwise invalidated by one or both Houses of Congress."

Of course, that is precisely the applicable situation that I have described. The 2-day rule does not apply, it did not apply, and yet it was applied. And I say again that the next time I am not going to be so gentlemanly about it. I have been in the minority for most of the time I have been in the Senate, but the minority has rights. And if anybody wants to play hard ball, I know how to play that, too. The 2-day rule, I say again for the purpose of emphasis, does not apply, and it did not apply, and yet it was used.

Now, that meant contriving the 2-day rule when it was not applicable, meant that the resolutions in question were qualified for action on Monday, March 30. Now, we could have acted on them on Monday, March 30. We could have acted on them on Tuesday, March 31. But we did not do so.

And again I want to emphasize that I have no animus against anybody, but it has been reported to me that the Parliamentarian informally advised the distinguished majority leader that the 2-day rule did apply and that the majority leader relied upon that advice in not bringing the matter up. I do not know whether that is true or not. I have no way of knowing; and it is a fait accompli in any case. But I jolly well will tell you, Mr. President, that even if we have to discard civility the next time this is attempted, there is going to be a donnybrook, because I respect this Senate too much and I respect the Senate's rules too much.

But the fact remains that no consideration was given to bringing up the resolutions—which, bear in mind, had a deadline of midnight April 1—no consideration was given to bringing them up until the 2-day rule had been complied with, whether it applied or not, and it did not apply.

Moreover—and this compounds the folly of all of this—a unanimous-consent agreement was entered into which postponed action on the drug decertification resolutions as long as the veto override was the pending business. Now watch my words carefully—"as long as the veto override was the pending business."

In any case, that left April 1 and only April 1 for action on three resolutions, which we have finally done after the fact last evening and this morning.

Well, what happened on April 1? The Senate was bogged down in the veto override of the highway bill. Yet there was plenty of time, there was plenty of time to have disposed of these resolutions, because Senators will recall that most of the day was spent in quorum calls, with no action whatsoever for hours upon hours by this Senate.

But here is the strange thing, Mr. President. The veto message was not even the pending business for most of that day, so the unanimous consent did not apply to it. We disposed—"we" being the U.S. Senate—we disposed of the veto message as the pending business when the President's veto was upheld. It was disposed of and these privileged resolutions could have and should have been called up immediately.

And I tried to achieve that, and I was denied the opportunity. It would have been so easy to set aside the motion to reconsider in order to take up the drug decertification resolutions for an agreed-upon time. But it was not done.

So imagine my astonishment, Mr. President, when late Wednesday evening the assertion was made on this floor by the distinguished majority leader that the motion to proceed to the resolution was not in order due to the pendency of the veto message, but the veto message, Mr. President, was not pending. The Parliamentarian and I have had some discussion about that. I think I know who is right.

The veto message was not the pending business and there was no reason whatsoever not to take up the drug resolutions on a timely basis. Sometime maybe the Parliamentarian can find me a precedent, even one precedent, for the assertion that was made. I do not believe he can do it.

Mr. President, what I see here is a pattern of delay. And I am tempted to say deception but I am not going to do that. At a minimum we see the Senate rules being ignored and/or contradicted. We see dilatory actions being taken to overturn the spirit of the rules and we see astonishing parliamentary rulings which fly in the face of the rules themselves. I hope I can be convinced some time in the future that there was not a pattern of deliberate efforts to delay and cover up the desperate situation with regard to narcotics trafficking in this hemisphere. And in any case, whatever the facts may prove to be, those Senators who blocked timely consideration of these resolutions may have to explain their actions to their constituents. I will not have any difficulty explaining mine.

And I conclude, Mr. President, as I began; that it is only my devotion to this institution to its meaning, to its traditions, and yes, to its rules that oblige me to take the floor on this Friday afternoon to express my discontent.

I hope it never happens again. But if there is an effort to make it happen again, there will be a donnybrook.

I thank the Chair.

I yield the floor.

Mr. LEVIN. Mr. President, the votes on these resolutions of disapproval are difficult ones. We are deciding whether to disapprove the President's certification that these countries have in the past year cooperated fully with the United States in our comprehensive program to stop the flow of illicit drugs. This certification process was established as part of the antidrug legislation we adopted last fall, legislation that I supported. Now that we have had 1 year's experience with this certification process, I think we need to take a careful look at how it is working. I'm troubled by the way the process worked this year.

The President certified to Congress that 19 countries, including the three that are the subject of these resolutions—Mexico, Panama, and the Bahamas—have cooperated fully with the United States in antidrug efforts which include crop eradication, interdiction of drug shipments, and efforts to stop the laundering of drug-related profits. Yet the Foreign Relations Committee held only one brief hearing on the certifications, and it focused only on the three countries mentioned. As Senator KASSEBAUM pointed out on the Senate floor last night, these three countries have been picked out to be decertified without a full review of the entire list of 19 countries. This selectivity and lack of a comprehensive review troubles me.

By picking out Mexico, Panama, and the Bahamas for censure, would we be telling countries like Morocco, Paraguay, and Pakistan that we approve of their cooperation in the antidrug effort? I don't think that is a message we want to send to Pakistan, for example, where opium production has more than doubled in the past year. In any event, the lack of any hearings or review of the certification of the 16 other countries raises serious questions about the way we have carried out the process.

Another troubling aspect of this process is the standard of cooperate fully. This seems to me an overly arbitrary standard. The floor debate on these resolutions has made it clear that one person's full cooperation is another person's foot-dragging. To be fair, we need to examine the record of each major drug-producing or drug-trafficking country individually, and decide whether they should be denied certification on the merits. But if we set up an impossible standard, no country will measure up on the merits—and that makes it more likely that we will pick and choose from the list of countries, as we have done this year. Perhaps we need to amend the statute to make it more clear what we expect from these countries.

Because there was no comprehensive review of the Presidential certifications, I have had to base my votes on these resolutions on information brought out in the floor debate last night and this morning. And in each case, it was a close call. None of these three countries has had a perfect record in cooperating with the antidrug efforts. If fully cooperate is interpreted as having a perfect record, then none of them deserves certification.

But Mexico, for instance, has lost over 400 of its own drug agents in the war against the drug traffickers. That country is on the front lines in fighting the trade. It also appears that the level of cooperation of Mexican officials has improved significantly. The Mexicans have gotten the message that the United States considers this problem second to none in terms of our bilateral relations. Considering what they have done and what they have sacrificed in human life to combat this scourge, passing the resolution of disapproval would be a slap in the face to the Mexican Government. Sometimes a slap in the face is good if it is needed to wake someone up. But there is significant evidence that the Mexicans are awake to this problem and moving in the right direction. So, I voted to table the Mexico resolution.

The Mexican situation contrasts with that of Panama, which is why I voted not to table the Panama resolution. There is compelling evidence that Panama has been a major source for the laundering of drug profits. It is often easier for governments to regulate the flow of money through banks than it is to regulate, say, what types of crops are grown on its territory. The failure of the Panamanian Government to take steps aimed at stopping the flow of drug profit money is inexcusable and deserves censure and the threat of an aid cutoff.

The Bahamas presents another situation where cooperation is not absolute, but where a great deal has been done to deal with the problem. As Senator DeConcini has pointed out, that nation has permitted United States law enforcement airplanes to penetrate its territory with Bahamian defense officials on board. They have permitted the United States to build a major docking facility so that our boats will be in a better position to pursue drug smugglers. They have permitted the sharing of intelligence information on drug smuggling activities. And they are on the verge of signing a comprehensive Mutual Legal Assistance Treaty with the United States that would allow for the sharing of information on Bahamian banking activities and other forms of bilateral sharing of information on potential drug smugglers and their organizations. These and other positive steps indicate to me that the Bahamas has moved significantly in the direction of full cooperation. Censuring the Bahamian Government would be counterproductive, and therefore I will vote to table the resolution of disapproval for that country.

The drug trade is a tremendous threat to our national well-being, and we can't win the war against illegal drugs unless we have allies. The governments of the countries which are the source of much of the illegal drug production and trafficking will be our most important allies in this effort. That's why the Senate unanimously adopted a strong provision as part of last year's omnibus drug bill with regard to cooperation by foreign governments. I hope that we will learn from this year's experience with the certification process of that provision, and that it will operate in a less arbitrary and selective manner next year. I urge my colleagues on the Foreign Relations Committee to take the necessary steps to make this important provision work more effectively.

Mr. McCONNELL. Mr. President, last year the Anti-Drug Abuse Act amended the Foreign Assistance Act to reduce by 50 percent U.S. foreign aid to nations which do not take steps to prevent laundering of drug money or are identified as major narcotics producing or transit countries. The law also requires that the Secretary of the Treasury instructed U.S. bank directors of the various international banking institutions to vote against loans to such countries.

These restrictions apply unless the President certifies that during the past year the country has "cooperated fully with the United States or has taken steps of its own" in preventing the production and transit of drugs and the laundering of drug related money. If the Congress disagrees with the President's certification it can reimpose the penalties through a joint resolution.

Mr. President, these are tough measures, but the Nation is faced with a tough problem. Drugs have infiltrated our schools, places of work, and our homes. Drugs break up families, destroy lives, and rob our children of their futures. Studies show that at least one-third of all children between the ages of 12 and 17 are abusing drugs or alcohol. Mr. President, this is not a problem the United States can isolate to an income group or a region of the country. Drugs affect each and every American life.

The issue before the Senate today is whether the Bahamas, Mexico, and Panama are fully cooperating with United States efforts to wipe out this problem. We must ask ourselves whether these nations are exercising the maximum effort to stop drug traffickers, to eradicate drug crops, and to prevent their banks from being used to launder drug related money.

If they are not fully cooperating, the law requires that we must balance the Nation's narcotics control efforts against other compelling national interests. I believe in the case of Mexico there is a strong case to be made that our national interests will be jeopardized if we take this punitive action at this time. Mexico is our third largest trading partner and one of the five best markets in the world for United States agricultural products. It is also our single largest supplier of oil. Due to the decline in international oil prices, the Mexican economy is under severe pressure. They are currently involved in a process to restructure their debt that will require U.S. support in multilateral bank lending. We cannot afford to cut Mexico off at this critical point. As our next-door neighbor, trading partner, and major oil supplier, Mexico needs our support as it attempts to recover. It simply does not serve our purposes to stand by as Mexico collapses.

I think the case for the Bahamas and Panama is markedly different. The evidence against these nations is detailed and overwhelming. The Bahamas and Panama are not fully cooperating with United States narcotics control efforts and I can think of no compelling national interests that would to allow this failure to continue unnoticed.

My determination that these nations are not meeting the law's standard of fully cooperating is based on the report released by the State Department's Bureau of International Narcotics Matters. That report indicts these countries. That report makes an iron-clad case that these countries are not fully cooperating.

Bahamas has been characterized in the International Narcotics Report prepared by the State Department as, "a primary drug pipeline." The report goes on to state that "during 1986 there was no progress on the signature of the mutual legal assistance treaty negotiated in 1985. If signed and implemented, the treaty could provide access to Bahamian bank secrecy protected records in drug cases." Finally, the report says, "Of the thirteen extraditions of Bahamians initiated in September and October 1985 none have been successfully completed." None, Mr. President, not one. This is not a record of cooperation, full or even partial. This is a record that demands the Senate take action to decertify the Bahamas as "fully cooperating." It would be a mockery of the law to do otherwise.

The State Department is equally critical of the degree of cooperation we have received from the Panamanian Government. The report states, Panama "serves as a transit point for narcotics moving up from South America and for chemicals used in processing narcotics. * * * Of principal concern is the utilization of Panama's banking facilities by traffickers to launder narcotics-related profits."

While the report notes that we expect the situation to improve next year, the Senate has not been asked to review possible progress or prospective success, the law requires we review last year's performance. Mr. President, I must point out that last year, the Panamanian performance in cooperating with our efforts to wipe out narcotics trafficking and money laundering can only be characterized as dismal.

The State Department's report indicts Bahamas and Panama. It makes the case that these two countries are not fully cooperating. The Senate must enforce the standard we passed last year.

And it is the past year we are talking about. The law requires the State Department to certify on the past year's performance.

In the committee I cosponsored an amendment to the resolutions which would have given some of my colleagues more time to consider the issue. Some of my colleagues felt that they had not had enough time to review the evidence. However, the Parliamentarian has ruled amendments to resolutions of disapproval out of order. We tried to gain a little more time and we failed. Now we must face the fact that Congress passed the law that demands we either support or oppose the State Department's certification that these nations are fully cooperating.

The State Department makes it clear that they are not. Before turning to any other evidence, my colleagues should examine the State Department's report. I am sure each of you will reach the same conclusion that I did. The standard is full cooperation and it is obvious that Panama and the Bahamas do not meet the test.

I am prepared to work with my colleagues to extend the time allowed for the committee to address future State Department certifications. But this year, we have no choice. We gave ourselves a brief period of time in which to act. The highway bill interfered with that time, but that should not excuse us from our responsibility to address the resolutions of disapproval that have been introduced.

The State Department's evidence indicts the Bahamas and Panama. They are not fully cooperating. The Senate, must now go on record saying we meant what we said last December: We are deadly serious about the problem of international narcotics control.

Mr. HELMS. Mr. President, I know of no other Senator who wishes to speak on this. Unless I hear from a Senator, I am going to yield my time——

Mr. D'AMATO. Mr. President, I wonder if I might prevail upon my distinguished colleague so that I can take a moment to respond with my comments regarding a message from the State Department.

Mr. HELMS. How much time does the Senator desire?

Mr. D'AMATO. Five minutes.

Mr. HELMS. Mr. President, I yield 5 minutes to the distinguished Senator from New York and 5 minutes to the distinghished Senator from Massachusetts.

Mr. President, how much time does each side have?

The PRESIDING OFFICER. Twenty-two minutes.

Mr. HELMS. Very well. I have already yielded 5 minutes to the Senator from New York. Then I will yield 5 minutes to the distinguished Senator from Pennsylvania, and the remainder of the time to the distinguished Senator from Massachusetts.

The PRESIDING OFFICER. The Senator will withhold. The pending question is on the amendment reported by the committee. Under the statute, no amendments are in order. Therefore, the amendment falls.

The Senator from North Carolina.

Mr. HELMS. Mr. President, as an accommodation to the distinguished Senator from Massachusetts, I ask the two Senators to whom I have yielded time if they can do with 4 minutes each.

The PRESIDING OFFICER. The Senator from North Carolina has the time.

Mr. HELMS. I understand that, but I want the RECORD to show that they accede to the request, 4 minutes to the Senator from New York and 4 minutes to the Senator from Pennsylvania, with the remainder of the time to Senator KERRY.

Mr. SPECTER. Yes.

Mr. KERRY. Mr. President, I ask unanimous consent that the time consumed in this colloquy not be charged.

The PRESIDING OFFICER. The Chair will remind Senators that a vote is scheduled to occur at a time certain. Therefore, the time will have to be charged or the vote will have to be postponed by unanimous consent.

The Senator from North Carolina.

Mr. HELMS. I have yielded the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, during the course of the debate on this joint resolution and the two prior joint resolutions, the question has come up over how this certification took place. Mr. President, I suggest to you that the President's certification was, in my opinion, obviously based upon facts that were erroneous, or, rather, by a presentation that came by way of the State Department.

When we asked in our Subcommittee on Foreign Operations how did the State Department determine these facts, they said by making various inquiries of the various officials of the CIA and DEA, all those organizations that are part and parcel of this process.

Mr. President, I ask unanimous consent that those questions asked by the Subcommittee on Foreign Operations, pages 15, 16, and 17, to save the time of this body, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CERTIFICATION PROCESS

Senator INOUYE. What was the procedure, step-by-step, that was followed to involve all of the relevant Departments, Bureaus and Agencies in the certification process? Follow-up: Who was involved in the decision to certify Mexico, Panama & Bahamas?

ANN WROBLESKI. The process begins with instructions to U.S. Embassies and the involved Federal agencies on the information needed to produce the International Narcotics Control Strategy Report, which is the legal basis for recommendations concerning certification. The first instructional cable was sent October 25, 1986. (Note that all posts maintain hardcover copies of INCSR instructions from year to year, beginning 1983, and State issues new instructions as are needed in the fall of each year). Earlier cables had explained the new legislation, with emphasis on the certification process. A major follow-up cable was sent to the 45 countries reported on in the INCSR on January 14, 1987, in which the certification process was briefly discussed, in terms of which countries had been deemed subject to the certification criteria. Copies of all such cables were sent to CIA, Justice, DEA, Treasury, AID, Defense, OMB, NSA, USIA and others.

A series of weekly meetings to discuss general and country specific reporting and certification issues was begun the week of January 5, 1987, chaired by State's Bureau of

International Narcotics Matters. Those invited to participate include State's various bureaus, CIA, DEA, AID, DOD, Treasury, Customs, ADAMHA, DIA, and Justice. Through these meetings and by interagency mail, participating agencies were routinely sent copies of INCSR chapters and other information relating to the certification process. On February 3, a major memo was distributed by INM to ADAMHA, AID, CIA, Customs, DEA, DIA, DOD, and Justice, setting forth instructions for final preparations for the 1987 Report and certification. For example, ADAMHA, Customs, DOD, and Justice were advised they would receive the report, with emphasis on reviewing the Executive Summary which contains the crucial policy findings, on or about February 15 for final clearances with clearances due February 19.

While INM did not retain all of the individual clearance messages (many of them communicated telephonically). INM does not release the report until all such agencies are checked off. The record indicates all such clearances were received because, on February 26, INM Assistant Secretary Ann B. Wrobleski briefed the Cabinet-level National Drug Enforcement Policy Board on the status of the INCSR and INM recommendations on certification. The Assistant Secretary's conclusion, at the end of her presentation, was that none of the agencies present objected to the decisions reached, and the certification document was approved by the Secretary of State, and on March 1 by President Reagan. Agencies present at the NDEPB meeting included Justice, State, Customs, Treasury, Coast Guard, DEA, Defense, and the Vice President's office.

Therefore the certification process was in effect endorsed by and participated in by the whole of the narcotics community.

PRESENTATION OF RECOMMENDATIONS

Senator INOUYE. How soon before you presented your recommendations to the President did you show them to: The President's Chief of Staff? The Customs Service? The Justice Department? DEA? FBI? Defense Department? Other agencies? We want to know who signed off on these certifications, and on what dates.

ANN WROBLESKI. The Department of State recommendations were logged in at the White House on February 27 (6:08 p.m.), and received by Mr. Carlucci's office, and then routed to the Executive Secretariat. The draft Presidential Decision memorandum was circulated for clearance by State and various agencies the week of February 15, with a second draft receiving final clearance in the Department of State on February 25. The Presidential Determination was signed by President Reagan over that weekend and returned to the Department of State early on Monday, March 2, for submission to Congress with the INCSR report.

The National Security Council staff had received copies of the various drafts of the certification memorandum, and thus various persons in the White House knew of the decisions being made while the process was occurring.

Again, as stated in response to Question 1, we began sharing information during weekly meetings that were held throughout January and February, and began circulating memoranda during January, so that we could meet our announced target of sharing with all those agencies (see list above) during the week of February 15 when final clearances were due from outside agencies.

We do not know whether the Chief of Staff saw the document, since Mr. Regan was relieved on Friday while the document was being processed at the White House and Mr. Baker took office the following Monday. State did not retain all of the phone messages, draft copies, etc., that were generated during this process, but the presumption on final clearance, given our instructions on February 3, was and had to be that the process communicating the clearances were authorized to do so by the heads of responsible officials in their agencies.

To our knowledge, no agency disagreed with the final decisions, then or subsequently.

Mr. D'AMATO. I also ask unanimous consent, Mr. President, that my recorded statements of yesterday, April 2, starting on page S4443, from "My committee, the Foreign Operations Subcommittee" to "officials in their agencies" on page S4444, be printed in the RECORD. During the course of that dialog, I indicated that when we questioned the State Department about the international narcotics people, their response was that they did not keep the various cables, cablegrams, and so on. I referred to this as not being accurate, not being the manner in which you seek certification.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

My committee, the Foreign Operations Subcommittee of Appropriations, raised this matter when it was a hot political issue back in October. We asked some very telling questions. We asked. "How many people arrested in 1986 have been convicted?" The State Department's response was "That figure is unavailable."

Then we raised other questions. We have been told that the process began with an instructional cable sent to the respective U.S. embassies on October 25, 1986. At the various embassies and departments, the CIA and AID people began getting back memos on February 3. A major memo was then distributed setting forth the instructions for so-called final preparation, for the final clearances which were done on February 19.

However, the Bureau of International Narcotics did not retain all of the message clearances. When they asked the various embassies, agencies, the CIA and AID people, et cetera, for what was taking place, they in fact did get the messages, but they never retained them. Why not? Why did they not keep the responding messages? I can only conjecture, but I do not think they liked the messages that came back from Mexico with respect to drug enforcement, et cetera.

On February 26, Assistant Secretary Ann Wrobleski briefed the National Drug Enforcement Policy Board on their recommendation. The White House received this recommendation on Friday, February 27—at 6:08. February 27, that is 1 day before the President signed the certification. Do you know something? I think that is 1 day before the new Chief of Staff, Howard Baker, took office, and the same day the Chief of Staff, Donald Regan, saw the documents. I am wondering what information was given to the President, and I would suggest it certainly was not accurate information that led him to sign this certification.

We asked the State Department, "What information did you give the President?" They said, and the State Department's exact words are: "State did not retain all the phone messages, draft copies and so forth, that were generated during this process, but the presumption on final clearance, given on instructions of February 3, was and had to be that the persons communicating the clearances were authorized to do so by the heads of responsible officials in their agencies."

Mr. D'AMATO. Mr. President, why had I made this request? Because I regret very much that someone in the State Department sees fit to send notice to one of my staffers. It reads as follows: "Morgan"—that is Morgan Hardiman who is seated beside me here on the floor.

I was very disappointed that Senator D'Amato would accuse us of a coverup. All we said was that we didn't keep every scrap of paper. We accumulated several cartons of paper through an exhaustive drafting and certification process.

If you check the record, Mr. President, you will find out they said they did not have these papers, they did not make them. What was the answer from the various agencies? I take offense at this:

For your information—and I am trying to get a Senator to put this on the record—

Oh, ho—

our recommendations on certification were presented twice to the National Drug Enforcement Policy Board—which is Cabinet level—on February 19 and February 26. Treasury and Customs were present and no objection was recorded from anyone.

RAYBURN HESSE.

The fact of the matter is that we understand from another Senator's office that Customs was not consulted as related to the certification process. I resent the fact that Rayburn Hesse sends notes like this to my staffers and that he is going to get another Senator to bring this to our attention. Let the record speak for itself on what I said and what they testified to when they came before the foreign Operations Subcommittee. I think they have done a great disservice to this country, and to our President in particular. They did not present him with the facts. They presented him with a conclusion they wanted to reach. Barring the facts of the communiques from the Drug Enforcement Agency from the CIA, from the Customs people, I contend that they came to a conclusion because they did not want to rock the boat, whether it be Mexicans, Panamanians, or all the others.

I am not going to be held hostage by the State Department and Rayburn Hesse, who sends little notes on another Senator's stationery wanting my assistance. If you want another Senator to get up and say it, I said it for him.

I am going to make exhaustive inquiries to find out, just how does this International Narcotics section of the

State Department operate? And where do they get their facts? If it is political expedience, let us say it. But is it not based on any factual representation, and we have not seen them. We have just seen conclusions, and it is a darned shame. It is a darned shame that our President had to be given the wrong information with which to make that certification.

I yield the remainder of my time, Mr. President.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, there is not much more that can be said that has not already been said over the last couple of days on these joint resolutions. It is basically symbolic but it is a symbolism that could affect the very cooperation that we need from the Bahamian Government.

The interesting thing here is that the Bahamian Government is the only government in the area that has given us the right of hot pursuit. It is also of interest, I think that we are negotiating a Mutual Legal Assistance Treaty; signing ceremonies should take place this month. Obviously, this would be derailed if this joint resolution went through.

There is no argument that corruption is rampant in the Bahamas, but I believe that they have really sought, in the last couple of years, to crack down in the drug area. Why? Because their own young people are getting contaminated by the drug habit. You find that they are doing the best they can to eliminate drugs because of what it is doing to their own youngsters.

I recall not too long ago walking on the main street in Nassau when my wife was mugged by two young men who were out looking for money to get a fix.

I think the Government is aware of what drugs are doing, harming the young people of the Bahamas, and they are doing what they can to keep these drugs out of their hands. They are cooperating and I believe should be encouraged to do so, which would not be the case if this joint resolution passes.

I am delighted to yield at least 5 minutes to the Senator from Arizona, a fresh voice in this debate and a very experienced voice in this field.

Mr. DECONCINI. Mr. President, I thank the distinguished chairman. Let me say that I find myself in wholehearted support of the position of the Senator from Rhode Island on this particular joint resolution that is before us. Though I voted not to table the joint resolutions that relate to Mexico and Panama, and I explained that vote yesterday, I want to urge my colleagues to look at this particular joint resolution in the light of not "full cooperation" but, rather, constructive cooperation. Though I under stand the law says they must have full cooperation, many of us are lawyers; those who are not can seek legal advice and can get an interpretation as to what "full" is.

We are talking about a nation of about 200,000 people, close to 800 islands, that has had a tremendous drug problem for years. We have put pressure on them. I like to think it has been in a constructive manner. We have urged the Bahamian Government to meet with us, to meet with our law enforcement people, to assess the threat, and we have asked them to expedite a number of suspected criminals they have in their territory.

How have the Bahamians responded? First, to my disgruntlement, they have not responded favorably to extraditions and I think we have an opportunity to achieve that by an MLAT treaty they have promised to sign. But what they have done in the constructive area, is far more than any other nation, with the exception of Bolivia, that has been willing to step forward and do something positive. Let me cite some of the things the Bahamians have done.

First, they have shared on a voluntary basis, with no holds barred, the intelligence information they have on drug dealers and their locations in their country. They have allowed for the United States to place two aerostat balloons. These balloons are substantial investments. They are the most sophisticated unmanned radar weapon. The balloons are tethered on a 10,000-foot cord with a 360-degree radar attached that can see day and night. We are getting valuable information constantly from that radar today.

The intelligence gathered from that radar is not put through the Bahamian intelligence, so there can be no question of somebody messing with it. It goes directly through our Customs office air branch facility in Miami.

Second, last year, this body overwhelmingly agreed to the omnibus drug bill. That bill authorized and appropriated $20 million for construction of a docking facility in the Bahamas. This is set to be in the Georgetown area.

The head of the Coast Guard, Admiral Yost, and Mr. von Raab of Customs, have negotiated with our ambassador to the Bahamas to start the construction at this docking facility.

What is going to be at the docking facility? It is going to home for at least a dozen high-speed chase boats. They will be able to catch anything on water that is suspected of carrying drugs in Bahamian territory as well as when it gets out and is headed for the United States.

Why is this all so significant? The reason, Mr. President, is that we have not had the authority with any other country to have what is known as hot pursuit, to have our law enforcement officials inside their territory and prepared to chase those who are suspected criminals. That is what the Bahamians have granted to us.

In addition to that, out of Homestead Air Force Base in Florida, we fly our airplanes in an attempt to interdict this traffic that is coming up from Colombia, South America, Cuba, and other countries. The law enforcements airplanes fly around the perimeter of the Bahamas, covering thousand miles, usually at nighttime.

For a long time, unless you were able to head them off by knowing where they were going to land and refuel, we were stymied. We approached the Bahamians and said, "Look, this is the problem. Let us show you films of the bags of cocaine and marijuana being thrown out of these airplanes." They responded positively.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. DECONCINI. I ask my distinguished colleague if I may have a couple more minutes.

Mr. PELL. I yield another 3 minutes to the Senator from Arizona.

Mr. DECONCINI. I thank the Senator.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DECONCINI. We prevailed upon the Bahamiam Government to permit what is known as hot pursuit and they agreed. I wish we had that in Panama. I wish we had that in Mexico. We do not. Hot pursuit means American airplanes, flown by Customs pilots with radar on board that can penetrate their territory, with a Bahamian defense force member on board who can make the arrest.

Let me tell you what happened Wednesday night at 10:30.

Customs radar picked up a target south of the Bahamas and launched a Citation II aircraft out of Guantanamo Bay to pursue the suspect. Customs then launched another drug interdiction aircraft out of the Customs air branch at Homestead Air Force Base to take over for the first plane and continue tracking the suspect.

As the target headed for the Bahamas, Customs launched a Blackhawk helicopter from its air branch at Homestead with Bahamian law enforcement personnel on board and headed toward Abaco Island to pursue the target into the Bahamas. The suspect decided instead, to head for Nassau where he gave a false tail number and was given permission to land at Nassau International Airport.

So here you have the drug smuggler ready to drop his stuff off at Abaco Island; but, realizing maybe somebody is watching them, goes to Nassau International Airport and try to get lost.

At 11:05 p.m., the drug smuggler landed. At 11:06 the Customs Blackhawk helicopter landed behind the suspect. Meanwhile, the Customs Citation aircraft circled overhead using its infrared radar that picked up two individuals running from the drug smuggler aircraft. The Bahamian police on board the Blackhawk pursued the suspects and arrested them.

DEA and Customs seized the aircraft. The payload: 16 duffel bags of cocaine, totaling 1,140 pounds.

Now, my friends, this is significant cooperation. And make no bones about it, the Bahamians still have problems, they have corruption, they have plenty of drugs still coming through their country, but here we have an example of what insistence and persistence by the administration and Congress can do to get the cooperation of a nation. If we do not get that cooperation, we cannot stop the drug flow, whether it is in Mexico or the Bahamas.

We have cooperation in the Bahamas and I submit to my colleagues that this joint resolution is absolutely uncalled for, and I hope we vote to table it.

Mr. HARKIN. Will the distinguished Senator yield?

Mr. DeCONCINI. I have no more time.

Mr. PELL. I yield the Senator from Iowa 2 minutes.

Mr. HARKIN. I thank the distinguished Senator for yielding the time.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I want to follow up on what the distinguished Senator from Arizona said.

I had a personal experience within the last month and a half. I went down to Miami to fly with the Civil Patrol and U.S. Customs on some drug interdiction missions. We were out on a late afternoon, in the Cessna Citation, over the Bahamas. We got a call that there was a plane circling very slowly over some islands clear down south. We went down there. We made the intercept. We got it all on infrared tape. The plane made the drop. The Customs helicopter picked up the drop. We then tailed in behind the twin-engine Cessna that had made the drop and tracked it going into the Bahamas. It did not come to the States; it went back to the Bahamas. We got on the radio and called back to the States. They called the Bahamians. To make a long story short, the plane landed at the Georgetown airport, someplace in the Bahamas, wherever that is, and the Bahamian authorities arrested them as soon as they landed.

Mr. DeCONCINI. Will the Senator yield?

Mr. HARKIN. Yes, I yield.

Mr. DeCONCINI. That is another perfect example. I am glad the Senator was there. He told me that story. I have not been able to see an arrest. I have been able to track an airplane into the mainland and we lost them on that same Customs airplane, but this is the point we want to make. Here is a nation that has permitted us to invade their territory.

Mr. HARKIN. Exactly.

Mr. DeCONCINI. To go after the drug smugglers. Now, you tell me why Mexico does not allow this. No one can tell me that. But here we have a nation that is willing to do it. I think it is high time that we not penalize the Bahamas, but instead praise them.

Mr. HARKIN. There was great cooperation. They arrested them as soon as they landed.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. HELMS. Mr. President, under the previous unanimous consent, I yield to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. I thank the distinguished Senator from North Carolina for yielding this time.

Mr. President, for a few moments this morning, I should like to focus on some of the broader aspects involved in these resolutions which have been presented to the Senate yesterday and today, and to the very significant votes which have occurred on the floor of this body because we are putting nations around the world on notice that rely upon the United States for foreign aid we will be taking a very tough look at their efforts on narcotics control. There has been brewing for some time in the Senate great concern as to whether other nations like Mexico, like Panama, like the Bahamas, and others are doing what they ought to be doing in terms of limiting drug trafficking.

It need not be emphasized any longer what a tremendous problem drugs and narcotics are in our Nation. We have launched a massive attack, designating $1.7 billion last October in Federal funds specially appropriated, bringing the total to $3 billion in Federal moneys to demonstrate our determination to deal with the drug problem in our country. But a major aspect of the drug problem lies with the foreign governments that are not doing what they ought to be doing to stop their production and exporting of drugs which are coming to the United States.

Mr. President, it is highly significant when the United States Senate by a vote of 58 to 31, on the tabling motion and then a voice vote, has disapproved a Presidential certification on the cooperation of Panama in United States efforts to control narcotics trafficking. That should send a signal to other nations that the United States means business.

In the Foreign Operations Subcommittee of the Appropriations Committee on which I serve, we have considered reducing or cutting off aid to nations, and when 38 United States Senators vote saying that Mexico has not fully cooperated, let all the nations that deal with the United States that have drug trafficking take notice we do not intend to stand by and continue to provide foreign aid and other material assistance when other nations do not do their share in controlling the scourge of drugs which are infesting and affecting this country.

I thank the Chair and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. Mr. President, I yield to the Senator from Connecticut 4 minutes.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. I thank the Senator from Rhode Island for yielding.

Mr. President, I will be very brief because I think the experience of the Senator from Arizona and the Senator from Iowa probably makes for the best team we can have on this particular joint resolution.

Again, if we are looking for perfection, we might as well have joint resolutions adopted that would condemn every country. Read the report, the International Narcotics Control Strategy Report. Every country in this report falls short of perfection, and certainly we do as well. It is somewhat presumptuous of us to sit here and point a finger of responsibility at every country around the globe because they are not perfect when it comes to antidrug efforts. God knows, we are not perfect when it comes to trying to stop the supplies of drugs in our own country.

With due respect to the other Members of this body, the distinguished Senator from Arizona probably knows more about this issue than any other Member. His concerns have been addressed.

I understand why some countries are not interested in allowing hot pursuit. There are sovereignty issues involved.

The Senator from Arizona points out one country, maybe the only one, that allows the U.S. Government to cross its borders in pursuit of people trafficking in drugs. If we are going to condemn that country today because they have not met some theoretical standard of full cooperation, then this body should be prepared to approve joint resolutions that condemn every nation on the face of the Earth, including our own, if we have the courage of our convictions. One country that is doing something to help us deserves to be recognized for that effort.

Perhaps by soundly defeating this joint resolution, it will contribute positively by encouraging other nations to do more. That may be the best message we can send today, to soundly defeat this resolution, so that we can get other nations to cooperate better with us. I urge that the motion to table be adopted.

The Senator from Georgia [Mr. NUNN] has authorized me to say—because he is tied up as chairman of the Armed Services Committee—that it is his information that the Bahamians are requesting of our Government additional helicopters and aircraft. He is supporting that, and he asked me to mention that today.

When a nation requesting that kind of assistance comes before us, we should not condemn them for not cooperating fully.

I urge my colleagues to approve the tabling motion, if it is offered, and to reject the joint resolution if it comes to an up-or-down vote.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. KERRY. Mr. President, I believe I have time at this point.

The PRESIDING OFFICER. The Senator from Massachusetts has the remaining time.

Mr. PELL. Mr. President, I will be glad to yield 2 minutes of my time to the Senator from Massachusetts.

Mr. KERRY. I thank the distinguished Senator from Rhode Island.

Mr. President, my friend and colleague—with whom I usually agree and work closely on many issues—and I disagree with respect to the notion that what is at stake here is some theoretical standard. This is not a theoretical standard. This is a standard which we defined, which we wrote into law last year.

In order to assist the President and those who had to make certification, we even went to the length of defining for them those considerations that were to be part of the application of the certification process.

I read from the law. This is not theoretical, and I will deal with the question of even a lesser standard than fully cooperating. Here is what we said: "The President, in making this consideration, shall give foremost consideration to whether the actions of the Government of the country have resulted in the maximum reductions in illicit drug production or in trafficking." That is one standard.

"Whether or not they have taken legal and law-enforcement measures to enforce in their territory, to the maximum extent possible, the illicit trafficking." Another standard.

"Whether they have taken legal and law-enforcement steps necessary to eliminate, to the maximum extent possible, the laundering of drug money in their country." Another standard.

"Whether or not they have shown willingness to enter into mutual legal assistance agreements with the United States governing, but not limited to, money laundering and drug trafficking." Another standard.

We were specific. We said here are the things we want to consider as to whether or not a government is cooperating.

I am not going to play a game with the words "fully cooperating." The dictionary may say it means to the fullest extent, to the maximum extent, to the greatest extent possible, but let us be reasonable. Let us supply a reasonable standard under the law and make a judgment.

I tried to do that, and the State Department helped us do that; because when the President sent the certification to the U.S. Congress, the State Department sent an accompanying report, and it is their report from which I draw my comments.

I listened carefully to the distinguished Senator from Arizona. He is an expert, and indeed he has been part of this process. But everything he talked about dealt with interdiction. He admitted that they have not entered into extradition. That is one of the standards—cooperation in the law. He admits they have not signed a legal extradition treaty. That is another standard.

He says that they have airplanes flying around and they have an aerostat, balloon radar, and they have a docking facility, and we are going to have 12 high-speed boats, and that will do it.

Mr. President, I consider myself something of an expert in interdiction, because I spent months off Vietnam, in the South China Sea, where I was commander of a patrol boat interdicting the flow of weapons into South Vietnam.

We had a lineup of Coast Guard vessels as the outer perimenter and a lineup of destroyers as the perimeter outside, and we had fast gunboats, on which I served, as the inner perimeter. And the weapons still went through.

I served as an assistant district attorney in the largest county in Massachusetts, and I started a drug task force. I have been part of law enforcement.

I have talked to law-enforcement officials in Florida, and I know that interdiction can account for nothing more than about 10 percent of a reduction in the flow of drugs.

So let us talk about the fancy balloons, and let us put more airplanes down there. If you do not extradite the kingpins, if you prosecute but do not convict and send to jail, if people know it is still a haven, they are not cooperating, in my judgment.

Go through the State Department report page by page.

On page 174, it says: "Despite this, widespread narcotics corruption still exists, as was publicly revealed during the year-long commission of inquiry into drug trafficking." That was the Royal Commission.

"The Government has been slow in effectively addressing the recommendations contained in that report and the problems of narcotics-related corruption in general." That is our State Department telling us the status.

"This corruption threatens to undermine the cooperation we now enjoy, as well as the very fabric of Bahamian society."

Paragraph 5: "The Bahamas remains a primary drug pipeline."

Page 175: "Bahamians are increasingly involved in drug traffic trade."

Paragraph 6 on that page: "* * * bank secrecy laws make it difficult to track transfers of such cash deposits * * *."

Page 176, regarding the conviction of drug felons: "It must be implemented by the courts, which have been strongly criticized for leniency by the Minister of National Security and other political leaders."

Paragraph 5 on that page: "A temporary ground radar installation was not approved."

I asked the Assistant Secretary for International Narcotics Matters, Ann Wrobleski, when she appeared before our committee, what the qualities were that might wind up with decertification.

She said, "I would think that corruption, if that got in our way, that would be one." There is one example. Or she said, "If we were told we could not put in the two radar systems that are slated to go in."

Mr. President, what is the difference between one radar or another radar? That, according to her own testimony, is one of those reasons that we should be able to noncertify.

In addition to that, Mr. President, page 177 of the report, "During 1986 there was no progress on the signature of a draft mutual legal assistance treaty negotiated in August 1985."

It does not say there was some progress. It does not say we were working toward it. It says there was no progress.

In the law it says here that a mutual legal assistance treaty is one of the criteria.

The President must judge. We have a law that says that key criteria. We have the State Department says no progress.

We pretend this certification is in fact meaningful.

In addition it said that, and this is most critical, Mr. President, because it goes to this issue of what is there outside of interdiction. Of the 13 extraditions of Bahamians initiated in September and October 1986, none has been successfully completed, none, Mr. President.

Two requests were canceled and the eight cases are proceeding through the courts at a slow pace. I quote the report.

> The extradition request for Nigel Bowe has been held up on specious legal grounds.

Mr. President, Nigel Bowe, I want to quote the assistant U.S. attorney in the Southern District of Florida who said that Nigel Bowe—well, I can paraphrase. I am very familiar with it, Mr. President, According to the Miami grand jury, Nigel Bowe, and I quote them, "supervised the shipment of cocaine into and out of the Bahamas and offered to provide and did provide protective services from Bahamian law enforcement agencies to persons moving cocaine from Colombia to Miami."

Assistant U.S. Attorney Gregory is quoted as saying, "As far as I am concerned, one of the most notorious dealers in narcotic drugs is Nigel Bowe."

Nigel Bowe is down there thumbing his nose at us.

Mr. President, our own State Department says it is on specious legal grounds.

Mr. DECONCINI. Mr. President, will the Senator yield on the question?

Mr. KERRY. I will yield on the Senator's time.

Mr. DECONCINI. Will the Senator yield 30 seconds? I want to ask a question.

Mr. PELL. How much time do I have?

The PRESIDING OFFICER. The Senator from Rhode Island has 8 minutes remaining.

Mr. PELL. I yield.

Mr. DECONCINI. I wish to ask the Senator a question

Is the Senator familiar with Charles Saphos, the Chief of the Justice Department's Narcotic and Dangerous Drugs Section? Mr. Saphos recently spoke at a meeting of the International Narcotic Control Caucus and indicated that the United States, Mexico and the Bahamas are ready to sign MLAT Treaties. I have also been informed that the Government of the Bahamas just recently informed the U.S. Attorney General that they are inviting Mr. Meese to Nassau to sign the MLAT Treaty.

I wonder if the Senator from Massachusetts is aware of that. Of course, I know he is aware that the MLAT Treaty would help the extradition problems we have with the Bahamians.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. KERRY. I ask that I answer that on the Senator's time.

Mr. DECONCINI. No, not on the Senator's time.

Mr. KERRY. Let me answer it quickly.

How much do I have remaining?

The PRESIDING OFFICER. The Senator from Massachusetts has 3½ minutes remaining.

Mr. KERRY. Let me answer that quickly by saying that in the law, the law said that one of the considerations we should consider in certifying was the willingness of them to enter into the agreement.

On March 6, 18 months after the treaty was negotiated, the Government of the Bahamas has said it is ready to sign, but the certification that we were given was issued prior to that statement. So at the time that we made the evaluation with respect to whether we should certify, not only had they not signed, but they had not indicated that they are willing to sign.

Let me just finish the other comment I have.

Norman Cay is in the Bahamas. On NBC television last week, there was a picture of aircraft flying over the Bahamas dropping out bales of cocaine into the water. There was a newspaper that is shown as a so-called Mafia newspaper. In this newspaper, there were literally advertisements for the "Cocaine Islands," the Bahamas, and a specific advertisement for Norman Cay.

Norman Cay was opened by Carlos Lehder. He, as we know, was recently extradited from Colombia. The Colombians were willing to extradite a major drug dealer.

The Bahamians have known for years that Norman Cay has been Carlos Lehder's base of operations. The airport is literally littered with wrecked aircraft that crashed bringing in drugs and deserted vehicles. Norman Cay is still operating this day as we stand here and vote on this measure and the Bahamian authorities have never shutdown Norman Cay and to this day drug traffickers look on it as a haven.

Let me quote what one smuggler in that interview said on national television. The Bahamas are the most corrupt place in the world. He described how it was actually possible to rent an island for the night for between $250,000 and $300,000 in order to receive a planeload of cocaine.

Norman Solomon, a former member of the Bahamian Parliament, stated that Norman Cay was still used as a major transit point.

Mr. President, I respect what the Senator from Arizona has said about interdiction, and interdiction indeed has gone up, but it does not do you any good to arrest people if they get out of jail. It does not do any good to arrest people if they are not going to be indicted in the United States and extradited to the United States. Nigel Bowe is a classic example of noncooperation. We have heard examples of great cooperation, do not send them a message.

I think the message we ought to send them is that we expect a reasonable standard of cooperation. There are examples here of how they have not cooperated.

I hope people will therefore not certify.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PELL. Mr. President, I yield 3 minutes to the Senator from Florida, the State that is closest to the Bahamas.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. GRAHAM. Thank you, Mr. President.

Mr. President, I appreciate your generosity of time.

Our State has had very close relationships with the Bahamas throughout its history. In fact, at one point of history Great Britain had to make a choice as to whether it would keep the Bahamas or Florida after having lost the American Revolution. Great Britian decided to keep the Bahamas.

While Governor, I was closely involved with law enforcement and specifically with relationships between law enforcement agencies of our State and those of the Bahamas.

I recently in February of this year, met with representatives of Federal, State, and local law enforcement, and we talked among other items about the level of cooperation with the Bahamas. I confirmed those conversations with the telephone call this morning.

The summary is that the level of cooperation is higher today than it has ever been, that the kind of positive examples that the Senator from Arizona cited are becoming the norm in relationships in the drug issue.

Maybe the delayed but increasing willingness of the Bahamas to enter into legal treaties and other relationships to create a system of closer cooperation is also a factor which has led to a recommendation that it would be in America's interest to continue these positive efforts and to not send what could be the chilling effect of a decertification of Bahamian efforts in drug-related issues.

Mr. President, beyond what we are debating today, I think that we need to be sensitive to how important our own actions are as seen in foreign countries.

In 1979, I visited in Colombia when Colombia was ready to start a major program of destruction of marijuana at a time in which the United States had imposed what I believe was called the Percy amendment which made that very difficult, if not impossible.

We are now facing the question of are we going to fund the drug bill that was passed by this Congress less than a half-year ago? Again, that is going to send a powerful signal to the countries that we are asking to cooperate.

I believe that the proper course of action today relative to this joint resolution would be not to decertify the Bahamas and the proper role of action for this Senate over the next several months would be to send the strongest possible message of our internal resolve to be an effective force against drugs in this hemisphere and in this world.

The **PRESIDING OFFICER**. The Senator's time has expired.

The Senator from Rhode Island has 1 minute remaining.

Who yields time?

Mr. **DECONCINI**. Mr. President, I have been advised that the Senator from Rhode Island will yield me that 1 minute.

Mr. **PELL**. Mr. President, I assured the Senator from Arizona that 1 minute.

Mr. **DECONCINI**. I thank the chairman of the committee.

Mr. President, I ask unanimous consent that a letter, from the Ambassador to the Bahamas of the United States, Margaret E. McDonald, to the chairman of the Appropriations Subcommittee on Treasury, Postal Service and General Government, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EMBASSY OF THE COMMONWEALTH
OF THE BAHAMAS,
Washington, DC, March 26, 1987.

Senator DENNIS DECONCINI,
Chairman, Appropriations Committee, Subcommittee on Treasury, Postal Service and General Government, Dirksen Senate Office Bldg., Washington, DC.

DEAR SENATOR DECONCINI: I have followed with great concern the debate in the Senate Foreign Relations Committee concerning Resolution S.J. Res. 90 presented by several Senators who hold serious reservations on the President's certification of the full cooperation of The Bahamas Government with the U.S. government in the area of drug interdiction over the past year—1986.

I am given to understand that the Senators are concerned that the President's certification stands in contradiction to the recommendation of the Department of State in its 1987 International Narcotics Strategy Report.

As the Senate Foreign Relations Committee does not appear to have a complete record on the history of The Bahamas' role in drug interdiction activities I am pleased to provide in brief form and for the record the following information pertinent to the matter under discussion in the Foreign Affairs Committee.

1. The Bahamas is an archipelago of 700 islands scattered over an area of 100,000 square miles of ocean.

2. The Bahamas has a total population of 240,000 people, 130,000 of whom reside on the island of New Providence, the site of the capital city of Nassau. Another 30,000 persons reside on the island of Grand Bahama. The remaining 80,000 persons residing in The Bahamas populate in varying degrees another 21 islands of the archipelago. The vast majority of the islands and cays of The Bahamas remain unpopulated.

3. Tourism promotion of air treasure island hunts competitions in the 1950-1960 period resulted in the construction of numerous airstrips on many unpopulated Bahamian islands and cays. More than eighty airports and airstrips presently exist in the Bahamian island chain and are identified on all international navigational maps. There are over 100 small boat harbours throughout the island chain and hundreds of small sheltered natural harbours and coves throughout the archipelago.

4. The Bahamas is not a producer of any narcotic drug. Its small population determines that it is similarly not a major consumer country.

5. Narcotics transiting The Bahamas are targeted for the U.S. where the consumer market reportedly continues to grow unabated despite efforts at the local, state or federal levels to combat drug abuse.

6. The drug traffic through the Bahamas and to the United States is orchestrated by a network of powerful, international narcotic terrorists. Funds and equipment available to the network dwarf the entire Bahamas Government budget and reportedly far outdistance resources committed by the U.S. government to its war on drugs.

7. The international narcotic network has corrupted individuals of producer, transit and consumer countries.

8. The Bahamas government has responded to the crisis created by this international criminal cartel to the best of its financial ability and manpower resources as follows:

(a) The total recurrent and capital expenditure on law enforcement has more than quadrupled between 1975 (U.S. $9.9 million) and 1985 (U.S. $41.0 million). This dramatic increase, necessitated by the need to combat drug trafficking, is exacting a tremendous toll on the limited resources of The Bahamas-resources sorely needed for the development of educational and health facilities and economic and social development generally.

(b) The Royal Bahamas Defence Force was created in the mid 1970's to replace the Marine Division of the Police Force. Originally designed to address the three problems of illegal fishing, illegal immigration and drug trafficking, this force of approximately 550 members is increasingly involved in drug interdiction activity to the neglect of the other areas. Similarly, the Royal Bahamas Police Force, which consists of roughly 1,600 men and which is responsible for enforcing law and order throughout the islands has found it necessary to assign an increasing number of its officers to duties related to drug trafficking and drug related crime.

(c) A 1984 year long Commission of Inquiry into the allegation of drug corruption in The Bahamas recommended a reorganization of the Royal Bahamas Police Force. To this end a team of British experts were requested to study the existing structure and role of the Police Force. The Report of that Committee recommended procedural and administrative changes to better equip the Police Force in dealing with the demands of today's sophisticated criminal network. These administrative changes are presently being implemented at considerable cost. Even prior to the Commission's recommendations, Police officers detailed to remote island settlements were rotated on regular short term basis to prevent attempts by drug traffickers to befriend and/or bribe members of the uniform service.

(d) Concern regarding diminished Bahamian control over the legitimate economic development of Bahamian land due to speculative uncontrolled land purchases by foreign nationals resulted in the enactment of legislation which came into force in October 1983 and so predated the Commission of Inquiry. The new Act made mandatory the scrutiny of applications of all foreign nationals seeking to acquire immovable property in The Bahamas. The sale of entire islands to private individuals is no longer allowed by The Bahamas government.

(e) Scrupulous review and governance of The Bahamas' second largest industry, Banking, by the Central Bank of The Bahamas, and self-monitoring of the industry by the Association of International Banks and Trust companies, have cleared The Bahamas of questionable banking institutions. Bankers subscribing to the "Code of Conduct" of the Association seek to maintain and enhance the reputation of The Bahamas as a legitimate, international financial center and to prevent the use of banks and trust companies in The Bahamas for criminal purposes.

(f) Through a process of Letters Rogatory, the United States Government has always had recourse to obtain information on suspect bank accounts held in The Bahamas.

(g) In 1980 the Bahamas Government expressed a willingness to discuss a Mutual Legal Assistance Treaty which would conform to both the U.S. and The Bahamas' legal heritage. In March, 1983 the Bahamian Attorney General wrote to the U.S. Attorney General and reiterated the interest and willingness of The Bahamas Government to negotiate such a treaty. In 1985 a draft text was proposed for discussion by the U.S. Government. Discussions between U.S. and Bahamian Representatives in August 1985, produced a draft agreement which reflected the expectations of the U.S. Government. The Bahamian Attorney General voiced his reservations on certain provisions included in the draft, which he then took under study. In April, 1986 the Deputy Prime Minister and Minister of Foreign Affairs the Hon. Clement T. Maynard visited Washington D.C. for a meeting with officials at the Departments of Justice and State. At that time the U.S. officials were advised that the Bahamian study of the MLAT was proceeding well. In October, 1986 the Prime Minister, the Hon. Sir Lynden Pinding attended World Bank/IMF meetings in Washington D.C. He took the opportunity to meet with the U.S. Attorney General and with senior officials of the Department of State. At that time the Prime Minister advised that The Bahamas believed that it would be in a position to finalize and sign the MLAT test by the end of December 1986. In November 1986 minor amendments to the draft text were proposed to the U.S. Government with a recommendation that a final round of discussions be held once the U.S. was in a position to respond to the recommended Bahamian amendments. A team of U.S. Representatives visited The Bahamas on 5-6 March 1987 and a final text was agreed upon. The Bahamas indicated its willingness to sign the Treaty on the 6 March or at any time thereafter, as agreeable to the United States. (See text and exchange of notes attached).

(h) The Bahamas Parliament recently enacted legislation which enables legal authorities to trace the assets of persons connected with the narcotics trade, and seize that which derives from drug related activities (see legislation attached). Additionally, amendments to the Dangerous Drug Offence Act (1961) have for the first time established mandatory minimum sentences for the distribution of drugs to children.

(i) The U.S. Government has at all times enjoyed the fullest support of the Bahamian Government and of its independent Judiciary in the pursuit of criminal elements fugitive from the U.S. and resident in The Bahamas. It must be recognized that all persons charged with a crime in The Bahamas are entitled to the due process of the law. All requests for extradition must therefore be processed through Bahamian courts. The Bahamas Executive is prohibited by law from seeking to influence or to interfere in any way with proceedings before a Court of Law. (An outline of developments in an individual case of particular interest to the Committee is attached for reference).

(j) The Bahamas' record of cooperation with U.S. agencies in joint anti-drug trafficking programmes is exemplary. In 1985 the Prime Minister of The Bahamas in a letter to Admiral Murphy of Vice President Bush's staff outlined the recommendations of the Commission of Inquiry as to how the drug problem might be attacked. The Prime Minister proposed areas where U.S. assistance was needed to effect the Commission's Recommendations. (See copy of letter dated 9 January 1985 attached).

(k) Throughout 1985 and 1986 multiagency U.S./Bahamian cooperative efforts realized substantial successes against the illegal drug traffick network operating in The Bahamas. One such effort, Operation Blue Lightning, resulted in significant seizures of illicit drugs, vessels and drug smuggling suspects in April 1985. A similar, but ongoing bilateral multi-agency effort-Operation BAT continues to interdict and disrupt this illegal narcotics network. The success of these joint cooperative efforts have been attested to by senior officials of the U.S. Customs Service, Coast Guard, and DEA before several Congressional Committees investigating drug trafficking.

In early 1986 a U.S. Customs aerostat anti-drug radar was installed in Grand Bahama Island. Considerable efforts were expended during 1986 in obtaining U.S. agreement for the funding of a second aerostat, which is now expected to be deployed in the Central Bahamas by year end. The Bahamas had hoped that a third aerostat would be placed at the southern end of the Bahamas Archipelago to assist Bahamian authorities in detecting movement of traffickers into The Bahamas. While it does not now appear that a third aerostat will be deployed in The Bahamas, The Bahamas is looking to the installation of a temporary radar in the southern Bahamas to assist in closing off the island chain to drug traffickers.

(l) Technical advice received from Civil Aviation authorities on FAA regulations governing construction in the immediate vicinity of airports required that an alternative site to that originally proposed for a radar installation in Georgetown, Exuma be identified. At no time did The Bahamas Government object to the installation of a second radar in the Exuma area. Indeed, The Bahamas Government is actively engaged in assisting the U.S. Government in acquiring a site for the proposed installation.

(m) In September 1986 The Bahamas became the only country in this hemisphere to allow U.S. "Hot Pursuit" flights into its airspace and territory to facilitate the arrest of drug suspects who enter Bahamian airspace to avoid apprehension by U.S. authorities. The presence of Bahamian police officers on U.S. aircraft based in Florida facilitate these arrests.

Sir, in light of the foregoing factual information you will appreciate my Government's chagrin on learning of efforts being made to decertify The Bahamas on the basis of its failure to cooperate fully with the Government of the United States in combating "illicit drug production, trafficking and money laundering" throughout 1986.

Throughout 1986 Sir, you worked every closely with the Government of The Bahamas and U.S. Federal Law enforcement agencies to realize the establishment of a joint U.S.-Bahamian Anti Drug Task Force as mandated by the Anti-Drug Abuse Act of 1986.

Accordingly, I should be grateful if you would bring to the attention of honourable Senators the information contained in this letter. I am confident that when they are appraised of the foregoing they will not seek to hamper the progress which has been made and which continues to be made by the Government of The Bahamas in its efforts to combat what it considers to be the greatest scourge of our times.

Yours respectfully,

MARGARET E. MCDONALD,
Ambassador.

Mr. DECONCINI. Mr. President, let me just sum up my feelings on this matter. My friend from Massachusetts did not point out that the mob newspaper that was mentioned in the NBC story was printed in 1980. Now, no one disputes the Bahamas have been a haven for drugs and still are a big drug depository. But here we have a nation that has decided to cooperate with the United States by permitting our law enforcement people to penetrate their territory. Show me another nation that will do that. With the exception of Bolivia and Colombia, no other nation has stepped forward to cooperate with the United States as the Bahamas has.

I think it is time we say thank you to this nation, that we get on with the other business of this body, that we table this particular joint resolution, and that we proceed to continue to advance our cooperative effort in law enforcement with the Bahamas.

The PRESIDING OFFICER. All time has expired.

The Senator from North Carolina.

Mr. HELMS. Mr. President, I have checked with the distinguished chairman and the distinguished majority leader. Senator ROTH has been on the floor waiting for some time. I ask unanimous consent that he may be permitted to proceed for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I thank the Chair.

Mr. ROTH. Mr. President, I thank the Senator from North Carolina.

NARCOTICS CONTROL IN BAHAMAS, PANAMA, AND MEXICO

Mr. ROTH. Mr. President, I would like to take this opportunity to speak in favor of two of the joint resolutions of disapproval before the Senate.

Frankly, I do not understand, Mr. President, how the State Department ever could have certified that Panama and the Bahamas are "fully cooperating with U.S. efforts to control narcotics production, trafficking, and money laundering. The tide of reports to the contrary is overwhelming. The permanent Subcommittee on Investigations, of which I am ranking member, has discovered gross irregularities in the conduct of the Panamanian Government vis-a-vis this country.

Mr. President, I have to strain at the Department's certification of Mexico. I frankly doubt that Mexico has cooperated fully with United States efforts against the drug trade. However, I am prepared to accept that some progress has been made in bilateral antidrug efforts and, on this basis, I am prepared to allow the administration the benefit of the doubt on Mexico.

I am aware that the joint resolutions before us no longer have the force of law, since time on these joint resolutions of disapproval ran out at midnight, Wednesday. However, I trust that the senior Senator from North Carolina will be able to introduce legislation to give these joint resolutions the force of law.

Mr. President, I had heard it said, prior to midnight, Wednesday, that we could not proceed with these joint resolutions of disapproval because they are too drastic; more time was to be allowed the offending parties.

Mr. President, such arguments prompt me to ask some blunt questions.

First, if we cannot certify that the Bahamas and Panama have cooperated in our efforts now, does anyone in this body seriously believe that we will be able to make such a certification in 30 days, 90 days, or 6 months? If a national government is so corrupt as either to engage in, cooperate with, or turn a blind eye to the illegal trade in narcotics after all the U.S. pressure has been brought to bear, then that government will continue in its illegal ways, regardless of any further extension.

Furthermore, Mr. President, why did Members vote for the Antidrug Abuse Act of 1986 if they believed that these measures are, indeed, too drastic. The proposal to cut U.S. aid to countries not cooperating with U.S. antidrug efforts was continued in that bill. As I recall, the vast majority of Members were eager to prove their resolve to tackle the drug problem at that time. Now, the chickens have come home to roost and we are, in all honesty, obliged to set in motion the procedures which we, ourselves, have legislated.

I commend the senior Senator from North Carolina and the junior Senator from Massachusetts for their work on this issue and I ask the membership of the Senate to stand by the Antidrug Abuse Act which this body so very recently legislated.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HELMS. Mr. President, have the yeas and nays been ordered on the resolution?

Mr. KERRY. I ask for the yeas and nays.

Mr. PELL. I intend to move to table.

The PRESIDING OFFICER. The yeas and nays have been ordered on a motion to table, if made.

Mr. PELL. Mr. President, I move to table the resolution.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Rhode Island [Mr. PELL].

The yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from Florida [Mr. CHILES], the Senator from Hawaii [Mr. INOUYE], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Illinios [Mr. SIMON] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from New Mexico [Mr. DOMENICI], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Utah [Mr. GARN], the Senator from Nevada [Mr. HECHT], the Senator from South Carolina [Mr. THURMOND], and the Senator from Connecticut [Mr. WEICKER] are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina [Mr. THURMOND] would vote "nay."

The PRESIDING OFFICER (Mr. DODD). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 54, nays 34, as follows:

[Rollcall Vote No. 64 Leg.]

YEAS—54

Bond
Boren
Boschwitz
Bradley
Breaux
Bumpers
Burdick
Chafee
Cohen
Cranston
D'Amato
Danforth
Daschle
DeConcini
Dodd
Evans
Exon
Ford
Fowler
Glenn
Graham
Gramm
Harkin
Hatch
Hatfield
Heinz
Kassebaum
Lautenberg
Leahy
Levin
Lugar
Matsunaga
McCain
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nunn
Packwood
Pell
Pryor
Quayle
Reid
Riegle
Rudman
Sanford
Simpson
Stafford
Stennis
Stevens
Warner
Wirth

NAYS—34

Adams
Armstrong
Baucus
Bentsen
Bingaman
Byrd
Cochran
Conrad
Dixon
Dole
Gore
Grassley
Heflin
Helms
Hollings
Humphrey
Karnes
Kasten
Kerry
McClure
McConnell
Nickles
Pressler
Proxmire
Rockefeller
Roth
Sarbanes
Sasser
Shelby
Specter
Symms
Trible
Wallop
Wilson

NOT VOTING—12

Biden
Chiles
Domenici
Durenberger
Garn
Hecht
Inouye
Johnston
Kennedy
Simon
Thurmond
Weicker

So the motion to lay on the table was agreed to.

Mr. PELL. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. HELMS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader.

SCHEDULE NEXT WEEK

Mr. BYRD. Mr. President, for the information of Senators, there will be no more rollcall votes today. I will set up a period at this time that will allow Senators to introduce bills and resolutions, and to make statements.

On Monday, I anticipate rollcall votes. I hope to take up the homeless legislation on Monday. It may be that some other measure could be cleared for Monday.

Next week is the last week before the Easter recess, and I do want to get the homeless legislation passed through the Senate before the Easter recess.

I also hope that it will be possible to take up the resolution on the budget next week.

Mr. President, I would hope that we could deal with those two items next week before the Easter recess. They are both extremely important. I may have to resort simply to moving to take up the homeless legislation on Monday.

The House bill is on the calendar. There is a Senate bill on the calendar that was jointly introduced by Senator DOLE, myself, and other Senators on both sides of the aisle. I would prefer to get a time agreement, if possible, and will be working with the distinguished Republican leader in that effort.

I must say to Senators that we only have 5 working days next week. It is the last week before the Easter recess. It is my great desire to see these two pieces of legislation acted upon before the Easter recess. I hope Senators will bear with me.

I would be happy to arrange that there will be no rollcall votes before 3 o'clock on Monday, or some such, so as to accommodate Senators, but I would hope that they would not leave under the impression that there will not be rollcall votes.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that there be a period now not to exceed 1 hour during which Senators may introduce bills and resolutions as in morning business and that Senators may be permitted to speak therein out of order for not to exceed 10 minutes each. Of course, any Senator whose speech is a little longer can ask unanimous consent for additional time.

Mr. HELMS. Mr. President, reserving the right to object, would the distinguished majority leader consider excepting my remarks which are in connection with the legislation we have just considered?

Mr. BYRD. Certainly.

Mr. HELMS. And then have morning hour.

Mr. BYRD. Certainly. The Senator would like to speak longer, I take it. He would like for the record not to show an interruption between the final action on the resolution and his remarks.

Mr. HELMS. That is the way I would like it.

Mr. BYRD. I have no problem with that.

Mr. President, I ask unanimous consent that there be a period during which Senators may speak out of order, the period not to extend beyond 2 p.m. this afternoon and that Senators may introduce bills, resolutions, petitions, and memorials as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE EXTRADITION OF MOHAMMED HAMADEI

Mr. D'AMATO. Mr. President, I thank the Chair for permitting me this opportunity to make a statement on something that I think is rather significant and rather disturbing. I rise today to call to my colleagues' attention an extremely distressing situation, after having received reliable information from our own Government sources and sources abroad that the West German Government is actively considering not extraditing Mohammed Hamadei.

Who is Mohammed Hamadei? Mohammed Hamadei is the man who is charged with cold-bloodedly killing Navy diver Robert Stethem during the infamous hijacking of TWA flight 847 in 1985. If we recall that incident, the brutality of it, it should shock the conscience of all Americans and all civilized people.

Robert Stethem was executed after having endured a frightful beating—tied, beaten, ribs broken, face broken. After this, probably the most merciful thing they did was to shoot him.

Why was he executed? Because he was an American citizen. Because he was in the U.S. Navy.

Now the Germans are supposedly considering trying Hamadei for lesser offenses of transportation and possession of explosives. It is believed that they may expel him in an attempt to win the freedom of two West Germans kidnaped after his arrest.

Mr. President, Senators Dixon, DeConcini, Hatch, Dole, Trible—as a matter of fact, 46 of my colleagues will join me in submitting a concurrent resolution that contains two very reasonable provisions. No. 1, the resolution calls on the President of the United States to urge the Germans to comply with the letter and spirit of their treaty obligations by extraditing Hamadei, and No. 2, expresses the sense of the Congress that any action that directly or indirectly involves a trade of Hamadei for hostages is unacceptable.

Mr. President, these are two rather modest provisions, and I think it is the overwhelming sentiment of the people of these United States and the Congress and would be the overwhelming sentiment of the people of West Germany. My God, if we had only looked to see what we did in terms of our tragic handling of the Iranian arms for hostages. I understand the sensitivity of the domestic situation of Germany.

Mr. President, I spoke to the West German Ambassador yesterday. I told him of my intent to submit a resolution and the provisions therein, and he indicated his displeasure. He indicated that we should not attempt to become involved in the internal affairs and, particularly, the judicial affairs of West Germany. He is absolutely correct. We are not attempting to become involved in the affairs of the independent judiciary of West Germany, but the Ambassador was less than candid with this Senator when he led me to believe that the court system, the judiciary, of West Germany was dealing with this matter when in fact that is not the case. The fact is that the political establishment, the Foreign Ministry, has this case somewhere, but we are not told where. It has not been referred to that independent judiciary process. If it were, I would say, "Fine. Let the West German judiciary determine whether under the laws of West Germany and the United States Hamadei should be extradited."

I understand and sympathize with the dilemma facing the West German Government. We have exacerbated that as a result of our own unfortunate handling of the Iranian situation. But let me suggest that there is no better example as to what not to do. We cannot allow terrorists to thwart the rule of law. If we do, then what protection do the civilized people of the world have?

The rule of law is under attack. We must not and should not permit terrorists, hijackers, and kidnapers to thwart that rule. We sympathize with the plight of the West German nationals being held hostage. And we sympathize with their families. But have we already forgotten the grief and the sorrow of Mr. and Mrs. Stethem, whose son was so brutally murdered?

Hamadei was arrested by the Germans on January 13, 1987. The Germans initially indicated that they would not prosecute but would extradite him to the United States to stand trial for much more serious crimes: air piracy resulting in murder; and hostage taking. We agreed that he would not be subject to the death penalty.

Then, two German nationals were taken hostage, and everything is changed.

Now it seems that hijackers and the kidnapers may well prevail. I think it important that we should tell our allies and friends, the West Germans, now, before they make the dreadful mistake of trading Hamadei for two hostages, that this will be taken as a very serious blow by the people of the United States and by the Congress of the United States. Indeed, it will fly in the face of that mutual compact that we have had and the strength that has come to both the United States and West Germany because of our strong, mutual support. I think that the West Germans should allow the judicial process to operate.

Mr. President, I reiterate that I am not proud of our having traded arms for hostages. Whether that was the initial intent, that is how it has been interpreted. The West Germans should surely learn from our mistakes and not repeat them. It would be a grievous error to trade terrorists for hostages. I bring this to the public's attention because I hope we can head off what some might be contemplating. I do not believe that our State Department and our administration has vigorously underscored our seriousness in seeing that Hamadie be extradited for trial in the United States.

Mr. President, I ask unanimous consent that the Senate concurrent resolution be printed in the Record.

There being no objection, the concurrent resolution was ordered to be printed in the Record, as follows:

Whereas on June 14, 1985, TransWorld Airlines Flight 847 departed Athens International Airport enroute to Rome, Italy with 153 predominantly American passengers and crew on board;

Whereas two hijackers, identified by the Department of Justice as Mohammed Hamadei and Hasan 'Izz-al-din, commandeered the aircraft, and pistol whipped the flight crew;

Whereas the aircraft flew between Beirut and Algiers several times over the next two days while the hijackers retained control of the plane;

Whereas the hijackers bound Navy diver Robert Stethem with an electric cord, beat him until he was unconscious, and after the aircraft's second landing in Beirut, shot him in the head in cold blood, and dumped his body onto the tarmac in Beirut;

Whereas Mohammed Hamadei has been charged by the United States with murder, hijacking, hostage-taking, and other crimes, and was indicted on these charges in the United States District Court for the District of Columbia in November, 1985;

Whereas the United States has requested the Federal Republic of Germany to extradite Mohammed Hamadei under the extradition treaty between the United States and the Federal Republic of Germany;

Whereas the Federal Republic of Germany is bound under this extradition treaty to extradite to the United States persons charged with offenses under United States law if it is not going to prosecute such persons for the same offenses for which extradition is sought;

Whereas it takes approximately two to four months for the German Government to extradite under its treaty with the United States;

Whereas it has been almost three months since the United States requested the extradition of Mohammed Hamadei;

Whereas there have been recent reports in the German press that the Federal Republic of Germany is considering not extraditing Mohammed Hamadei to the United States; and

Whereas these reports indicate that the German Government is considering, instead, trying Mohammed Hamadei on relatively minor charges and sending him to Lebanon as part of a trade to obtain the release of two German hostages who were seized in apparent reprisal for the arrest of Mohammed Hamadei: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress—

(1) That the President should express to the Government of the Federal Republic of Germany in the strongest possible terms that the United States expects it to comply with both the letter and the spirit of its treaty obligations by extraditing Mohammed Hamadei to the United States as quickly as possible; and

(2) Any action by the Government of the Federal Republic of Germany that directly or indirectly involves the exchange of Mohammed Hamadei for German nationals being held hostage by terrorists shall be unacceptable to the Congress and will have extremely serious consequences for the relationship between our two countries.

Mr. D'AMATO. Mr. President, I also ask unanimous consent that a summary of extradition law applicable in this case be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Summary of Extradition Law Applicable to United States Request To Extradite Mohammed Hamadei From West Germany

Germany is bound under its extradition treaty signed at Bonn on June 20, 1978, which entered into force on August 29, 1980 (32 UST 1485; TJAS 9785) to extradite to the United States persons charged with an offense under U.S. law. This obligation to extradite is found in Article 1 of the treaty.

Article 2 of the bilateral treaty says that an offense is an extraditable offense if it is punishable by incarceration for more than one year in both countries.

Article 12 of the treaty, however, gives the Requested State the right to refuse extradition if the person would be subject to the death penalty if he were extradited *unless* the Requesting State gives assurances that the "death penalty shall not be imposed, or, if imposed, shall not be executed." Since those assurances have been given in this case, the obligation to extradite is mandatory.

Aside from the bilateral extradition treaty, the United States and Germany are also bound by the terms of several multilateral agreements. Among those are the Hague Convention on Aircraft Hijacking, done at The Hague on December 16, 1970, entered into force October 14, 1971 (22 UST 1641; TIAS 7192). That convention obliges the signatories to make it an offense for anyone to hijack an airplane. (Article 1) The parties are also obligated under Article 7 of the convention to extradite the hijacker to a country where he will be prosecuted or to prosecute him themselves if he is found in their territory. Article 7 also provides:

> ". . . Those authorities shall take their decision [regarding prosecution] in the same manner as in the case of any ordinary offense of a serious nature under the law of that State."

As with all treaty provisions, this article envisions a prosecution conducted in good faith.

The United States and Germany are also bound by the terms of the Montreal Convention on Aircraft Sabotage, done at Montreal on September 23, 1971, entered into force on January 26, 1973 (24 UST 564; TIAS 7570). That convention condemns, among other things, persons who perform "an act of violence against a person on board an aircraft in flight if that act is likely to endanger the safety of that aircraft . . . " Like the Hague Convention, it provides in Article 7 that the country where the offender is found must either extradite or prosecute and, further, if the decision is to prosecute, the prosecution should be "in the same manner as in the case of any ordinary offense of a serious nature under the law of that State."

Factual Summary of TWA 847 Case

On June 14, 1985, TransWorld Airlines Flight 847 departed Athens International Airport enroute to Rome, Italy with 153 predominantly American passengers and crew on board. Approximately ten minutes into the flight, two hijackers, later identified as Mohammed Hamadei and Hasan 'Izz-al-din, commandeered the aircraft, running through the plane brandishing hand grenades and a pistol, randomly hitting the seated passengers on the head, neck and shoulders with their weapons and screaming for everyone to keep heads down and hands above their head. (A third hijacker who had not boarded the aircraft with these two men, later identified as Ali Atwa, was taken into custody in Athens but subsequently was released and boarded the aircraft in exchange for the release of some hostages in Algiers.) The hijackers forced Chief Stewardess Uli Derickson to the flight deck area and gained access to the cockpit. The hijackers pistol whipped the flight crew inside the cockpit and ordered the pilot to fly the plane to Algiers. The aircraft ultimately flew between Beirut and Algiers several times over the next two days while the hijackers retained control of the plane.

Once in control of the aircraft, the hijackers ordered Derickson to collect all passports and separate from the rest the passports of U.S. citizens and military personnel. The hijackers ordered the military personnel into the first class section one at a time for questioning, beginning with Navy diver Robert Stethem. The hijackers bound his arms together with an electric cord, cutting off his circulation, and beat him until he was unconscious. Several other passengers were escorted to first class and beaten with among other things, the armrest of an aircraft seat. Robert Stethem regained consciousness, was taken to a seat in the coach section for a time and then, shortly after the aircraft's second landing in Beirut, was returned to first class and shot in the head in cold blood. The hijackers dumped his body onto the tarmac in Beirut and several more hijackers boarded the plane for its flight back to Algiers. All of the possessions of the passengers were looted before the passengers were ultimately released. Thirty-nine passengers were removed from the aircraft after this final landing in Beirut and were held hostage in various locations in Beirut for 17 additional days before they were freed on June 30, 1985.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

CAMPAIGN REFORM

Mr. DASCHLE. Mr. President, I hold the dubious distinction in the U.S. Senate this year of having won my seat in this Chamber by the most expensive Senate election in the history of the United States on a per capita basis. That was the most expensive election by far. In fact, the combined total of spending spent by Senator Jim Abdnor and myself exceeds $25 per vote. This is nearly double the previous per vote spending record set by Senator HELMS and Governor Hunt in North Carolina in 1984.

So if anybody understands how badly we need campaign reform and how much campaign spending has spiraled out of control, I guess I feel I do.

The huge amounts of money that are now involved in campaigns greatly extend their length. Raising the money steals the candidates' time away from voters, and if he or she is already an officeholder, from constituents as well.

Spending the funds creates a cottage industry of campaign consultants and blizzards of often negative campaign advertising.

Regulating the funds occupies an entire Federal commission and yet it is still very ineffective.

More than any other single factor, I am convinced that campaign spending is one of the most crucial factors with regard to the way we now see campaigns conducted. In fact, unless we can get campaign spending under control there is very little hope that we will be able to do the kinds of things necessary to encourage those who wish to run for public office to do so.

That is the reason I cosponsored S. 2, the so-called Boren-Byrd bill. I favor it because it is the core of the kind of corrective measure necessary to see that in the long term we resolve many of the difficulties that we see in campaign financing today.

It is not a bill to punish PAC's, although there needs to be some limitation. It is not a bill to prohibit bundling, even though I believe it should be stopped. It is not a bill to establish public financing to the exclusion of all other public or private kinds of funding, although I favor more affordable access to the opportunities for funding than currently exist.

Nor is it any kind of a prohibition on the opportunities candidates have now to achieve their message on the airwaves. At its core, S. 2 is nothing more than a bill to reduce campaign spending. In fact, it is currently the only constitutionally permissible way to limit campaign spending today, and it is not perfect. The distinguished authors make no such claim.

Clearly, like so many other Senators, I think that this is the time, this is the place, this is the opportunity for us to address this question a lot more effectively than we have in all the time that I have been in public life.

I have some serious reservations about the bill, and I share the view of some who view the bill as not perfect. I think we have to be careful with the way we address this subject, that we produce true reform not some reshuffling of old problems or partisan gamesmanship, that we be very careful. But we cannot just stand pat. S. 2 at least gets us to the starting line. It is at least a way in which we can begin to address the whole question of campaign reform and voter disgust. That is a race we must win.

After the big contest I endured last fall, I can tell you with absolute certainty there is an acid cynicism among all voters with what is happening in campaigns today. By the millions, people believe that the candidates who are currently seeking elections need to be changed and the way in which that whole process is brought about. Nothing is more corrosive of democracy than this very deep distrust of the basic institutions. Nothing would do more to remove this distrust than the limitation of the avalanche of money now pouring into our elections than to put some kind of campaign reform into this arena, into the concept of reality. Slowing that avalanche is the goal sought by our distinguished majority leader and our able colleague from Oklahoma. It is the goal this body and the full Congress and the President of the United States ought to address without delay.

We have a window of opportunity right now. I think we need to use that window to send a clear message to the people of this country that we do have campaign reform uppermost in our minds, especially those of us who campaigned in the last cycle; that we do believe that there is a better way; that we understand the implications of doing nothing; and that ultimately we are going to give hope to the broad base of people out there who may be candidates one day, who certainly are voters today.

We in this democracy of ours understand the importance of true democracy where elections are not bought, where the opportunities are presented to a broad base of people.

With that, all that we do within this forum can be done as a democracy should do it.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator is recognized for not to exceed 5 minutes.

INFORMED CONSENT

Mr. HUMPHREY. Mr. President, from time to time I take the floor to encourage Senators to examine and hopefully cosponsor S. 273, a bill which, as its title says, is to require certain individuals who perform abortions to obtain informed consent. What that means in plain English is that doctors who perform abortions could not do so until they had carefully explained to women the state of development of the unborn child and the method by which that child would be removed through the procedure of abortion.

I know this is a sensitive issue, Mr. President, but it is one that needs to be dealt with.

One would assume that, without exception, women seeking abortions would be told these things.

It is a long established tradition, and is required by law in many places, that physicians and other medical personnel explain medical procedures in advance and the implications of those procedures, the potential dangers, both psychological and physical, before performing medical procedures.

But for some strange reason that situation does not exist with respect to the performance of an abortion.

Many, many women report that they received very little in the way of counseling in advance of abortion, that the procedure was not explained, that the state of the development of the child was not explained, that alternatives were not carefully presented—the alternative of adoption, for example.

So I believe that the time has come in the interest of women's rights, the right to be fully informed, the right to give an informed consent to a significant medical procedure.

That is the reason I have introduced S. 272, to require physicians who perform abortions to obtain informed consent of the woman prior to abortion.

Mr. President, in recent years, now that we have worked ourselves 14 years into the abortion era—it is 14 years since the *Roe* versus *Wade* decision in 1973—in recent years, increasingly, women are coming forward and reporting what is coming to be known as postabortion trauma. That is a term encompassing many of the psychological and physical complications arising from having had an abortion.

Prior to 1973, prior to this abortion era, too few abortions were performed for this condition, postabortion trauma, to be recognized or widely recognized, but increasingly, as I have said, women are now coming forward reporting this new phenomenon in increasing numbers.

I first introduced this bill in the last Congress and, of course, because it was late in the last Congress, it was not enacted. But it was introduced and by virtue of having introduced it, I found myself receiving scores of letters from women across the country, expressing support of the bill. These letters in part, if not entirely, were coming from women who had come to regret having had an abortion, women who are led to say now that had they been informed, had they had a chance to give an informed consent, they would have withheld that consent; saying that if the development of the child had been explained to them, they would not have had an abortion. I am going to read into the RECORD a number of those letters that have come to me recently to underscore the point that, whatever Senators and citizens may feel about the fundamental issue of abortion itself, there are large numbers of women who are not being professionally and adequately counseled prior to abortion and who, therefore, submit to abortion without giving truly informed consent.

Several organizations have come into being by virtue of the growing number of women who regret having had an abortion, who believe that they were misled and misinformed prior to having these abortions. There are organizations such as WEBA. [Women Exploited By Abortions] and American Victims of Abortion. That is the other of the two primary organizations.

Before I read the letters to which I referred, let me say something further about the bill. Obviously, this is a complicated matter. We have approached very, very carefully the drafting of this bill in light of the *Thornburgh* decision, which decision invalidated a Pennsylvania law requiring informed consent, but I want to make the point and underline the point that the Thornburgh decision did not invalidate the concept of informed consent. Indeed, the Justices' minority opinion went to the extent of stating explicitly the following in that respect, reading from the opinion:

> The requirement that the woman give what is truly a voluntary and informed consent as a general proposition is, of course, proper and is surely not unconstitutional. Surely not unconstitutional.

Even in Thornburgh, the Court said by implication that laws properly constructed—and Thornburgh was not—are, as the Court said, "surely not unconstitutional."

We have drafted this Federal informed consent bill very carefully to conform to the criteria which the Court seemed to lay down in its principle—criteria which presumably, if embraced by law, the Court would find constitutional. For example, the Court implied that the following principles must be respected in order for informed consent laws to withstand Court scrutiny: First, that informed consent legislation may only require the provision of information that is relative to the consent, thus advancing a legitimate interest. The law's intent may not be to dissuade a woman from having an abortion; instead, it must further a State's legitimate interest in promoting the health of the woman.

Point two, informed consent provisions may not require that a rigid body of information be provided to the woman. The physician must have flexibility to meet the particular needs of the woman.

Point three, the informed consent statute must not make the physician an agent of the Government.

I have taken special care, Mr. President, in drafting this informed-consent legislation to ensure that it meets those three criteria.

I believe that if Congress were to enact S. 272 and it became law, it would no doubt be challenged. There is no question about that, because there are organizations in our society who are so strongly partisan with respect to abortion, so strongly in favor of it that they will challenge any law which, to any extent, they regard as an infringement upon a woman's right to have an abortion. So, no doubt, it would be challenged if it became law. That is all right; I would expect that. But I also believe that it would be upheld because it conforms to the criteria laid down in the Thornburgh decision.

Mr. President, I urge Senators and their staffs to have a look at S. 272. I think it is a sensible bill. It does not in any way infringe upon the right of a woman to have an abortion. It merely requires that where Federal funds are involved, physicians adequately inform women prior to an abortion that such women patients would be able to give truly informed consent. My contention is, and the reason for advancing this legislation, that today, many, many women—perhaps a majority—are not receiving such counsel, are not receiving adequate counsel, and that many are not giving truly informed consent. That is why increasing numbers, it would seem, are coming to have regretted submitting to an abortion in the first place.

I want to read into the Record a couple of letters that speak far more eloquently than I can on this issue. These are women who had abortions, who felt they were not adequately counseled before the abortion, who now bitterly regret having had abortions. They feel exploited, cheated, and angry while, at the same time, sad. These are women who very bravely have come forward and are willing to have their names used publicly. I am not going to read their names since the Senate's proceedings are televised, but they are on the letters and the names of the towns in which these women live will be printed in the Record.

Mr. President, now I will read into the Record letters from a number of women who have written in support of such legislation. This one is from a women in Pennsylvania. Again, the name and the town are on here and will be published in the Record, but I am not going to announce it since the proceedings are televised.

[Received August 13, 1986]

Warren Center, PA.

Dear Senator Humphrey: I am writing to you because of your interest in the abortion issue, specifically concerning "informed consent" and the recent ruling of the Supreme Court.

As a victim of abortion, I feel the need to make our lawmakers aware of the facts about the practice of the abortion providers and the treatment of their patients.

I was 19 years old when I acquired my abortion in October of 1976 at a Boston, Massachusetts women's clinic. Because of a lingering illness my mother insisted I go to see her physician in Boston. Upon an examination the doctor determined that I was 10–12 weeks pregnant. As I sat in the office with my mother he discussed with me the difficulties of being an unwed mother, the stress it would put on my boyfriend in college and the statistics of divorce based on young students with an unplanned pregnancy. Then he simply stated that abortion was a safe simple procedure and later we could plan a family. He then gave my mother the name of a local clinic and told her to call "today" for an appointment.

I never said a word, I was still in shock. My mother made the appointment for the following Saturday and I flew home to talk with my boyfriend. During those 3 days I thought of nothing other than the fact that I wanted to have this baby and no one was listening to me. I did not know that there were places that would help someone in my circumstances. If I did, I would have sought them out.

Upon arriving at the clinic that Saturday morning we discovered it was being picketed. A woman met us at the curb and asked if we had an appointment inside. She explained that they were having difficulties at this location and gave us directions to another facility. If only it had been a pro-life counselor, I would have turned around and gone home with my baby.

Since then I have had 3 miscarriages and 4 live births, 2 of which were complicated with premature labor and difficult deliveries. I have experienced guilt, regret, depression and other emotional and psychological effects from a safe, legal procedure that took my baby's life and changed mine forever. I believe if I had known about the possible complications of an abortion and subsequent pregnancies I would never have taken the chance.

Sincerely,

Suzy Dewing.

Mr. President, that letter explains better than I could why we need an informed consent law, one that would stand the test of constitutionality.

First, this woman reports that no one explained to her that there are organizations which help women in circumstances like hers. She apparently was offered no alternative. Well, there are organizations that help with troubled pregnancies, unplanned pregnancies, and that ought to be made known to women who seek an abortion. The alternatives ought to be made known.

Further, this woman, apparently as a result of the abortion, has since suffered three miscarriages, and two of her four pregnancies have since resulted in births were complicated with premature and difficult deliveries, she says.

The point needs to be made, by physicians particularly, prior to abortion, that there can be complications. Not always. I say there can be complications, physical complications.

Many of the letters I have received—indeed, the medical literature bears this out—I do not know the percentage, and I am not saying all, but many who have abortions suffer physical complications. Some of them are unable ever again to become pregnant. Others have very difficult pregnancies.

These dangers need to be known to women before they have abortions. In many cases, they are not. Obviously, in this case the dangers were not made known to this woman.

Further, she reports having experienced guilt, regret, depression, and other emotional and psychological effects. That, too, along with physical complications, is a phenomenon increasingly reported.

This is a letter from Oregon. The name and the town are included, and I will not state them.

June 23, 1986.

Dear Senator: "Quick, simple, an easy fix." No these are not the instructions for a new Betty Crocker recipe, but an overquoted statement of Planned Parenthood to frightened, vulnerable, uninformed girls.

At 17 I decided an abortion at 6 months pregnancy was an easy solution to a situation. Family Planning was the source of our lack of information. Instead, the availability of an easy fix was offered.

I sincerely was convinced that the termination of whatever was in my womb would solve all my problems, which brings me to my main grief. Why didn't anyone let me know what could happen to me emotionally and physically? Most of all, why didn't anyone tell me I had more than a non-essential lump of tissue in my womb?

I was taken into a cold room with a doctor and an attending nurse. Even though it was a spring day, I was not overwhelmed with thoughts of new life. They inserted a large needle below my navel and extract fetal fluid. "Don't worry, we do this everyday." When they were satisfied with the amount of fluid, they began to inject a solution that caused such pain I could not deny the existence of someone that was screaming within me.

I was sent home and ordered to return in 24 hours. The next day I returned, but had not gone into labor. I was put on I.V.s and labor was induced. My child did not want to leave, so they administered more morphine and began to chop my child up, extracting her piece by piece and putting her in a plastic coffin beside my bed.

To make a very long story short, I began to hemorrhage and was wheeled to emergency surgery. Safe? Simple? Easy? There are so many people who are closing their eyes in order not to be held responsible for this mass murder. So who's picking up the pieces for us uninformed women? Certainly not Planned Parenthood.

Please do something, I am

In Jesus' Care and Repair,

Nicole Henderson.

Oregon.

Mr. President, this is obviously an emotional letter, and under the circumstances one can understand it. But I think there are a couple of essential points that can not be denied.

This woman does not feel that she was adequately counseled. It appears that she was not adequately counseled. She went through a very difficult procedure and should have been warned in advance that sometimes this happens, that it is a possibility she should take into consideration before submitting to an abortion.

This woman is telling the truth, and there is no reason to suppose she is not, fundamentally. This is a case in which a woman did not give informed consent to the procedure and now regrets it sincerely. Her rights were violated.

We hear about the right to abortion. I am not contesting that right in this legislation, although I do contest it elsewhere. I am not contesting it here. What I am getting at here is the need for informed consent; and if we want to talk about women's rights we should talk about being fully informed.

The last letter is from Oklahoma:

[Letter undated]

DEAR SENATOR HUMPHREY: In July of 1973, at the age of 16, I became pregnant by a young man whom I had been dating for almost two years. My boyfriend and I went to tell my parents and their reaction was just short of hysteria.

I felt lost, confused and unloved. I lay in bed crying several nights trying to figure out what to do. All I wanted was to be loved again by my parents, the pain was so unbearable. I had heard about abortion, I hadn't really grasped the concept of what abortion really was, all I could see is that it was a way out of the situation. I called my mother into my room and told her I wanted to see about having an abortion. She seemed rather relieved and said she would contact her doctor the following morning.

The next day I went to her gynecologist who explained that it really wasn't a baby yet, it wouldn't be anything really until about the twelfth week or so. The doctor set up an appointment for me at the end of the week in Wichita, Kansas. Abortion hadn't been legalized in Oklahoma yet. I started feeling apprehensive about the whole thing, but Mom reassured me that it really wasn't anything yet and how much better my life would be this way. Because of the decision to have an abortion, I felt that my parents started to love me again.

I reconciled with my boyfriend shortly afterwards and the vicious cycle began again. No loving home life, finding love or what I knew to be love in my boyfriend. As the months passed my parents began to accept me and life got better until, believe it or not, I became pregnant again. I was underaged but borrowed a girl friend's driver's license, borrowed some money, and with a cold heart went to Statewide Clinic.

Unfortunately the story does not end here. At age 24, the results of the physical damage done by the abortions performed appeared. Infertility testing revealed that I had clogged tubes and diseased ovaries. I had exploratory surgery and they found that things were much worse than anticipated. I had the beginnings of cancer in every area. When I awoke from surgery, I had to have a complete hysterectomy. I not only had to contend with the unborn children who had died, but also those I could never have.

____ ____.

OKLAHOMA.

Mr. President, we have no way of knowing for sure that this young woman's medical problems, reproductive problems, stemmed from the two abortions. But we do know, as the medical authorities will admit, that in some cases physical complications of abortion are such that women can never bear children again.

There are serious physical complications of this procedure of abortion for some women. Yet, the thread running through these letters, and these are only some of those that I have read into the RECORD not only today but previously, is many women are not being warned in advance of the possibility of serious physical complications and serious psychological and emotional complications.

Abortion is a very tragic phenomenon for everyone involved, to the child who is destroyed, to the mother, to the father, to the family, indeed for the entire human family.

However we may feel about the fundamental issue of abortion, and my fundamental feelings are well known on the point, however we may as individual Senators feel about the fundamental issue, surely there cannot be too much if any disagreement over the concept, the contention that women undergoing this very serious and in many ways in my view every way tragic procedure, ought to be informed professionally and thoroughly in advance and ought to be able to give and be required to give truly informed consent.

That is the purpose of the bill, nothing more, nothing less.

We are not in any way infringing upon the right as found by the Supreme Court to abortion.

We simply require that where Federal funds are involved women be told of the nature of abortion, the nature of a human being destroyed and the alternatives to abortion, so that when these women finally made up their minds, the decision would be one that is truly informed.

I do not know how anyone could argue against that concept.

I would hope, Mr. President, that Senators and staffs who are listening in their offices would have a look at S. 272 and consider very seriously cosponsorship of that bill.

EXTENSION OF MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that the period for the making of statements out of order be extended to the hour of 2:30 p.m. today.

The PRESIDING OFFICER (Mr. MOYNIHAN). Without objection, it is so ordered.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BYRD. Mr. President, I ask that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SARBANES). Without objection, it is so ordered.

EXTENSION OF MORNING BUSINESS

Mr. BYRD. Mr. President, I would hope that the Senate could go out by 3 o'clock this afternoon. I ask unanimous consent that the period during which Senators may speak out of order be extended for another 30 minutes and during that period Senators may be permitted to introduce bills, resolutions, petitions, and memorials as in morning business.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. WEICKER. Mr. President, is it necessary that I be allocated time by anyone?

The PRESIDING OFFICER. No, the Senator is free to speak until 3 o'clock under the previous request that made it in order for any Member to speak during this period of time.

Mr. WEICKER. I thank the Chair.

AIDS

Mr. WEICKER. Mr. President, I just had the opportunity to speak before the National Council of University Research Administrators in Boston, MA, and the subject of my discourse with that learned group was the matter of AIDS.

I think it important, indeed far more important than highways, that this matter be brought truthfully to the attention of the American people, both as to the statistics of AIDS, in terms of loss and potential loss of life, and what will be required in terms of resources in order that such loss of life be, first, slowed down and then hopefully eliminated.

I think the public has indicated very clearly that it is willing to sacrifice in order to meet the problems posed by the AIDS epidemic. And I will not let anyone fool the people of this Nation about what needs to be done. This is without question the greatest threat to life that has been posed to this Nation in terms of disease during the lifetime of anyone living in this country and, indeed, this may be the greatest threat to life that has ever been posed by disease to the people of this Nation.

This provides, however, a great opportunity for the partnership of science and Government to come through to produce together the results that neither element of society can produce alone. But there is opportunity of another kind in this great concern and it is an opportunity not for results but for politics. It is an opportunity to twist and disguise vital facts in a manner that suggests progress where there has been only inertia; in a manner that suggests unity of purpose where, in fact, there is great disagreement that must be settled once and for all in public policy.

In a speech in Philadelphia this week, the President of the United States brought great encouragement to the AIDS debate when he said:

> We've declared AIDS public health enemy number one.

Unfortunately, encouragement does not win wars. During the Second World War, President Roosevelt's fireside chats were great morale boosters, but he matched the words with actions. It was money and manpower, not just morale that won the war and the fight against AIDS will be no exception.

Let us review some of the facts about this deadly disease. It has killed more than 19,000 Americans and the projections are that by the end of 1991, it will have killed more than 179,000 in this Nation alone. Approximately 1.5 million persons in this country are already infected with the disease, with some 270,000 full-blown cases of the disease expected by 1991. And full-blown cases invariably have terminated in death, almost without exception.

When I spoke a moment ago about progress and promise and scientific research, I was not excluding AIDS. But for perhaps the first time in the history of mankind, we have an epidemic whose cause has been identified, isolated, cloned, and its structure mapped, all in a few short years, thanks to moneys expended on basic research—basic research. That is not AIDS research or AIDS money. It is the kind of scientific research which invariably someone will make a snide joke about, such as the sex life of a fruit fly or stories which, in fact, have the American people not understanding or appreciating what basic research means.

Our jump on AIDS was due to the basic research of the past several decades, much of it done at the National Institutes of Health, whose centennial we celebrate this year.

Any scientific moneys, or commitment to research for AIDS has to be accompanied by moneys and a commitment to basic research, as indeed that basic research has to continue on behalf of all ailments in this Nation.

The President boasted in Philadelphia about how fast we have done all of the things I referred to insofar as the AIDS virus is concerned. The President should be reminded that the dollars that supported these accomplishments were basic research dollars. There was no initiative by this administration. These dollars were not even generated by this Congress or this Senator. Indeed, the dollars had come through Democratic and Republican administrations alike decades ago for basic biomedical research.

With basic scientific knowledge in hand and the initial understanding of the AIDS virus, we are now moving to test methods of blocking the spread of AIDS and from there attacking the disease itself. But if we are to continue down the difficult road for a cure, there is no room for posturing by any political leader or scientific expert.

It is one thing, for example, to boost morale in this war by proposing to add $100 million to AIDS reserch in 1988, which is what the President's budget does. But the President is proposing a $600 million cut in other basic biomedical research by the National Institutes of Health.

Let me translate that for my colleagues. Add $100 million for AIDS research, cut biomedical research by $600 million and you have cut the resources committed to AIDS by a half billion dollars. We have not added anything. There is nothing to boast about if you add $91 million for AIDS research while you are cutting biomedical research by more than $600 million.

That is a fraud and a deception, pure and simple. This is not a matter of philosophy on the point of dollar between the President and myself. It is a matter of figures. And they do not lie.

In addressing the need for public funding, the seminal report on AIDS by the National Academy of Sciences stated:

> These funds must be newly appropriated, not money taken from other research, because the nation's general health efforts as well as those directed against HIV need continuing progress in basic biomedical science on a broad front.

That was not a Republican report, a Democratic report, conservative report, or a liberal report. It was the National Academy of Sciences calling for $1 billion in research funds, with new money—new money.

The search for this new money has largely been successful, but I have to say to my colleagues it has always been difficult. And I wish the administration had been a consistent ally in this search. But it was not. In 1984 the White House asked for less than $40 million, and Congress appropriated $61 million. In 1985, the White House requested level funding of $60 million and Congress responded with $107 million. In 1986, the administration moved up to $126 million while Congress approved $244 million. This year the White House budget was set at $213 million and Congress put AIDS funding at $413 million.

These numbers are important not because Congress deserves a pat on the back but because the numbers tell the truth of national policy. When all the speeches have ended and the band instruments are put away, the budgets live on as the most unerring indicator of national priorities. There is not going to be an AIDS vaccine until well into the nineties. The various drugs being tested have shown some promise but I would expect they will require further development over another several years. So education is it. That is all we can do immediately.

The President said AIDS education "must be up to schools and parents, not Government." I want to ask everybody: would we in time of armed conflict, ship the weapons to each individual State, each neighborhood, with instructions to devise their own battle plan? Is that the way we fought world War II?

This threat of disease is as great as any threat that was posed to this Nation by the Axis. AIDS is no respecter of boundaries. There are no tollgates, tunnels, or bridges through which it cannot pass. Providing for the common defense against AIDS demands a Federal effort. This is not a time to start yelling States rights, parents' rights, school boards' rights. This has got to be a national effort. Otherwise, believe me, we will be left to individual responses because there will be only a few individuals left standing. It is the Government of the United States that has to respond to the threat posed to the United States. States rights on this matter? No, it is the Federal Government that takes the lead. I might add also that I respect the sensibilities of all individuals, whatever their beliefs, religious, nonreligious, conservative, liberal, whatever their feelings toward their children. I respect those individual decisions that have to be made in the home. But everyone should know the seriousness of this threat, and everyone should know what can be done with all of its ramifications.

I am sorry that some sensibilities are going to be hurt, but AIDS education had better be provided at the earliest possible age because failure to learn, and a resultant contracting of AIDS leads to certain death. And then there is no way to say I am sorry or I was wrong.

Even if we are to follow the President's prescription, is he proposing to provide the necessary tools for education? Again, the answer is "No." That same National Academy of Sciences report I referred to earlier recommended $1 billion for education—$1 billion by the year 1990. If you wanted to divide it up into thirds, that means we ought to be including $330 million in the 1988 budget; actually we ought to be including a lot more because the education effort ought to be accentuated at the beginning of the spectrum, and then hopefully as it gets to the end, science will take over. One billion dollars. There are places to balance the budget. But this is not one of them.

That information had best get out, and get out now. And I do not want to hear "Let's have the private sector do it; let's have volunteerism carry the message of AIDS." There ought to be the biggest ad campaign this country has ever seen frankly discussing exactly what is involved with AIDS in all of its aspects.

A responsible education budget should include at least $330 million for 1988 with increases over the following 2 years that reach the $1 billion mark. This is the recommendation of scientists, not politicians. It is a mobilization that requires tremendous increases of resources and leadership at the Federal level. Instead of mobilization the administration has proposed slightly more than $100 million in 1988. At this rate, the 3-year pace, the experts recommend, becomes a 10-year effort. The President said there is "one basic truth" in this debate, and that is, "prevention is better than cure."

Mr. President, your budget belies that truth. In fact, the President told his audience in Philadelphia Wednesday that the Federal Government is spending $766 million overall in the fight against AIDS in this fiscal year, 1987. Mark this well. Maybe you will understand why many of us are more than a little incensed at what took place in Philadelphia. I happen to believe that when the President speaks, there should be no reason for the people of this Nation to flyspeck his speech, or to come at it like 250 million lawyers. We should be able to come away with a perception, and believe that the background to the perception fulfills the goals stated.

The President said the Federal Government is spending $766 million overall in the fight against AIDS in this fiscal year, 1987—$766 million in the fight against AIDS. You say to yourself, we are going to spend $766 million in the fight against AIDS through research, finding chemotherapy, finding a vaccine, taking care of those that have the disease.

Let me break it down for you. I said a moment ago, this year's White House request for AIDS education and research was $213 million. That is for education and research. Congress increased this number by $200 million. The remaining $353 million the President refers to is actually in large part the amount spent for AIDS treatment by entitlement programs like Medicaid and Medicare.

Almost one-half of the money cited by the President is money to take care of sick people as indeed those programs take care of persons with other illnesses. It has nothing to do with AIDS.

The use of a $766 million figure is outright deception, a falsehood that has no business in the debate of AIDS. The facts are on the table. The administration's initiatives in the area of AIDS research, education, and treatment have been pitifully inadequate. Not by my opinion, but by the budget figures and by the best knowledge available from the scientific community.

In fact, with its cuts in basic biomedical research, the most notable action by the White House so far has been a cut of more than a half billion dollars in the fight against AIDS.

Now that the facts are on the table the time has come to get this administration's philosophy out there for debate as well.

The record of the White House across the broad spectrum of health issues has been to tear down block by block, year by year, the entire structure of Federal support; Federal partnership with the scientific community.

The President said Wednesday, "the limit on AIDS research today is not money or will, but the physical limit of research facilities and the number of people trained in the necessary techniques."

At the same time, the administration has moved to cut and, in some cases, eliminate funding for federally funded health professions programs.

The administration's proposal would cut all health professions programs $173 million below the amount provided this year.

How do you equate that with the limiting factors referred to by the President earlier?

The budget would eliminate all Federal funds for nurse training, limit assistance for physician training, and cut guarantees on health education assistance loans from $290 million to $100 million. Those are the facts.

Behind moves like this is a philosophy that stands at a crossroads in this country. It holds that Government is a negative force on American life and that it should be eliminated almost without exception. It is as if certain copies of the Constitution's preamble carry the words "provide for the common defense" but leave out "promote the general welfare."

The President alluded to this attitude on Wednesday when he condemned certain proposals for health benefits as steps "toward Government control of the entire medical profession." In this context, the use of the word "Government" is an expletive, an applause line to throw in while praising only private efforts.

This Nation has seen this philosophy before and addressed it before—very early in our history.

On August 4, 1818, a meeting took place at a tavern in Rockfish Gap, along the Blue Ridge Mountains of Virginia. It was an unusual meeting and not only because it included the author of the Declaration of Independence and the principal author of the Constitution of the United States. For indeed, Jefferson and Madison and the other 19 men were assembled that day as Commissioners of the University of Virginia.

The charge from the legislature was to organize a university and the report that day included the following:

> Some good men, and even of respectable information, consider the learned sciences as useless acquirements; some think . . . that education, like private and individual concerns, should be left to private individual effort; not reflecting that an establishment embracing all the sciences which may be useful and even necessary in the various vocations of life, with the buildings and apparatus belonging to each, are far beyond the reach of individual means, and must either derive existence from public patronage, or not exist at all.

They posed that problem back in 1818. Should Government and individuals and the private sector come together?

Their answer was clearcut. It was the establishment of one of the great places of learning in this Nation. They could hardly have imagined the pace of science within not only their university but throughout our country. Yet then as today, there was a debate about the proper relationship between the people, through their representatives, and the goal of improving the quality of life through education.

Many of those same men had helped the United States define that relationship 21 years earlier in the convention in the same town where the President spoke this week. That constitutional convention is 200 years old this year. It coincides with the 100th anniversary of the National Institutes of Health.

They believed in the power of individuals that the Revolution had confirmed, but more than that, they desperately wanted to believe in the power of Government to accomplish what individuals could not.

Today, the fashion is to denigrate government. It is a cheap and easy shot both for those who forget that with government this Nation is mobilized to win wars of arms and those who remain ignorant of its power to help win wars against disease. Now, Mr. President, we have posed to us a threat, and it is not a philosophical threat, it is not a partisan threat. It is a very real one, as real in terms of its results as that which occurs when a gun is pointed at any one of us.

I am a cosponsor of one proposal to establish an AIDS Commission, a proposal, in fact, which would involve the National Academy of Sciences reporting to the Congress. I am sure there will be other suggestions for commissions. And I am sure there will be other speeches, as there were in Philadelphia.

But what it comes down to is money, commitment and people. Unless all three of those ingredients are there, a lot of Americans are going to die, and die needlessly.

Fortunately, the history of this Nation is that we have always responded when posed with such threats, be they from a virus or be they from some other land. And I have no doubt we are going to succeed in this fight.

The only question is, how many are going to die needlessly?

This is not a problem, I might add, that affects some weirdo down the street. This is a problem for every American family.

Yes, it has part of its origins in sexual habits. It has part of its origins in the drug problem which envelops this Nation. It has part of its origins in medicine, insofar as blood transfusions are concerned. Most of that fear has been eliminated by enormous strides in diagnostic equipment and blood screening techniques.

The fact is we are dealing with something as complex as man has ever seen under the microscope and we do not have the answers. We need the education of the American people on this point. We need the best of our people in the laboratories. This is a different kind of war. We have become so used to thinking that national security is best described in terms of a defense budget.

Right now, the greatest security force of this Nation sits a few miles from here at the National Institutes of Health. That best describes, that is most charged with, at this point, our national security.

Mr. President, I am going to conclude. I felt it necessary to say these things because we are in the process of putting together a budget for the year 1988 and there is going to be an awful lot of sleight-of-hand around here—not just the sleight-of-hand which I described coming from the administration, but the same thing is going to happen both in the Senate and over on the House side. I think it absolutely necessary that the American people have their voice heard on this matter. A Presidential speech is not going to protect their sons and daughters. A political approach, Democrat or Republican, will not save their loved ones from this disease. If the budget is to be balanced, it should not be balanced in this area, because the balancing will occur not with dollars but with lives.

For too long, people have not involved themselves in this debate on "national priorities" because it was somebody else's priority. The business of life, all of a sudden, should now be the priority of every American home. What is needed is a lot of money for education and for research. And what is clearly needed is that this Nation state that the priority is now the business of life rather than the business of death.

I yield the floor, Mr. President.

Mr. BYRD. Mr. President, does the distinguished Senator need some more time?

Mr. WEICKER. No, Mr. President; I thank my distinguished friend from West Virginia. I do not need more time. I thank him for his courtesy.

EXTENSION OF MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that the time for speeches out of order be extended for an additional 30 minutes under the same conditions as heretofore.

The PRESIDING OFFICER (Mr. DASCHLE). Without objection, it is so ordered.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE PRESIDENT'S VETO OF THE HIGHWAY BILL

Mr. BYRD. Mr. President, yesterday, the Senate voted to override the President's veto of the highway bill. This vote was a vote for an active and functioning Government. This is what the American people want. It was a vote for a measure that was of great importance to this Nation; vital to the jobs of 800,000 of our citizens; important to the economies of our States, urban and rural areas; involving bridges, highways; and the safety of our citizens. It was a vote for getting the job done; for keeping America moving forward.

America will not move forward if we are stuck in veto gridlock every time the Congress passes a bill. The President has over 20 months left in his term. The people want an active, functioning Government and their message to us last November was that they wanted change and they wanted the checks and balances to work. And they wanted the legislative branch and the executive branch to work together, to deal with the problems that confront this country; not work at odds, but work together.

Congress wants a President who is back in the saddle. We do not want a lame-duck President. That does not do any of us any good. America does not need a weak President. We need a strong President and we need to cooperate with the President, and the President needs to cooperate with Congress.

On March 4, in the President's televised address to this Nation, he stated that with the help of the new Chief of Staff, Howard Baker, in the White House, he, the President, looked forward to fashioning a new partnership with Congress. That was a month ago tomorrow. Soon thereafter, in a news conference, the President, right up front at the news conference, started making war with the Congress. Here, less than a month after the President stated a desire to forge a new partnership with Congress, he picked the wrong bill over which to fight with Congress.

Mr. President, the President of the United States has the constitutional veto. That is a power and authority given to him by our forefathers when they wrote that great document. We, this year, celebrate the 200th anniversary of that great document. But I hope that the President will use that power sparingly. When I say sparingly, I mean that it should be used selectively and prudently. I would not presume to tell the President when he can use it and when he cannot use it. He obviously will make that judgment himself.

But here was a bill which had been fashioned, constructed, crafted by both parties over a period of many, many months, going back into last year, reported out of a committee in the Senate last year chaired by Republicans, passed by a Republican Senate. It died in a conference between the two Houses.

Then, this year, Members on both sides went to work and we passed the bill all over again by a vote of 79 to 17, with 4 Senators not voting.

Seventy-nine to seventeen tells you something. It tells you that this bill had bipartisan support. Only 17 votes were cast against the bill.

The President was advised by Senators in his own party not to veto the bill, and he was advised that it would be difficult to sustain that veto. These were Senators in the President's own party who have to stand here, who have to cast the votes, who have to go back to their constituencies every weekend or every little while and answer to those constituencies.

Their constituencies for the most part throughout the country were supportive of this legislation. Yet, the President put his own troops through a meat grinder, needlessly through a meat grinder, and he put the 800,000 jobs out there in the country at risk.

Mr. President, I hope we will not have to look forward now to a summer of discontent and confrontation. We Democrats want to work with the President. I want to work with the President. There will always be some confrontation. That is one of the dynamics that is built into our constitutional system. There will always be some tensions between the legislative branch and the executive branch. That is as it was meant to be. But I hope we will not have needless confrontation. This country cannot move forward if we are going to have government by veto. We want that partnership with the President.

And so I urge the President not to go down the bumpy road of trying to run the Government by veto. That is not forward looking. It does not build new trust and confidence.

The President made a strong fight for his position yesterday, and we Democrats respect the Presidency and respect the President for standing up for what he believes. But I hope that he will be willing to take the advice and counsel, if not of the opposite party, then that of people in his own party. After all, the final decision in this instance was going to be made here.

It seems to me that the leaders of his own party of both Houses, the Members of his own party in both Houses should be listened to. And if what I read is correct, he was advised that such a veto might not be sustained, probably would not be sustained. And he had Senators in his own party, he had Members of the other House in his own party who voted for the legislation, who believed in it, who felt they were representing their constituencies in doing so. And it put them in a difficult position to be asked to turn around and sustain a veto.

Of course, nobody in here is unused to being put into a difficult position now and then, but always we have to remember, too, the country itself and hope that the country does not suffer as a result.

We have very difficult problems ahead. We have to try to keep the budget deficits under control and on a decline. We have difficult trade legislation, trade problems, a trade crisis, triple digit trade deficits, triple digit budget deficits.

We need to work together if we hope to deal with these problems effectively. I only ask the President to respect the desire of the American people for change and new direction that is reflected by the Congress. We have many challenges ahead and these are going to affect our country for the next several years—the trade policy, for example, to which I have referred. It has to be a competitive trade policy, and the Congress must be involved. Congress also must be involved in the development of our arms control policy. There is much wisdom in these two Houses and much wisdom within the President's own party in these two Houses, and he ought to tap into it and he ought to listen to it. Some of the Members were here long before he arrived in Washington, and they will be here long after he leaves Washington. He should listen to them.

I do not say listen to me. But the better advice that he received on this veto came from some of the people right in this Chamber on the other side of the aisle.

For our country to move forward, the Congress and the President must work together and we must pull together. This is what the people want, real solutions to real problems.

So it is my sincere hope, Mr. President, that in the weeks ahead a spirit of mutuality and cooperation and partnership will prevail between the Congress and the White House.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRESIDENTIAL COMMISSION ON AIDS

Mr. DOLE. Mr. President, today along with a number of my colleagues, I am submitting Senate Resolution 184, which expresses the sense of the Senate on the need for the establishment of a Presidential Commission on acquired immune deficiency syndrome.

Two days ago, the President expressed his concern and proclaimed that AIDS is public health enemy No. 1. He pledged an all-out war on this disease and noted that the Federal Government would spent at least $1 billion a year in the near future. He also stated that the Federal Government's role was to provide accurate information and to speed the regulatory process regarding AIDS drugs. It is clear from his remarks that the administration has placed a high priority on addressing the myriad of issues surrounding the problems of AIDS.

There have been other bills introduced in the Senate which establish a commission, notably by my distinquished colleagues, Senator WILSON and Senator STEVENS, and in fact, there are companion bills in the House, notably the bill introduced by Mr. LEWIS. All of these bills have merit, and the submission of this resolution does not detract from them. In fact, Senator STEVENS and Senator WILSON have joined me in sponsoring this resolution. It is our view that the Commission should be at the Presidential level as the National Academy of Science recommended, and that it should be in place and operational as soon as possible.

NOT JUST A FEDERAL CONCERN

Because of the breadth of issues that must be addressed, it is clear that there will need to be full cooperation of all involved parties. This is especially true for the private sector, whose involvement is critical. Dealing with AIDS is not just a matter of Federal funding of health sciences or health sciences research. There are questions about education, labor relations, employee benefits, and confidentiality which should be resolved, and for this to occur, it is our sense that the commission must be organized at the highest level, where all can play a role and have an impact.

Our intention is to leave the President with some flexibility. But, this resolution clearly states our interest in having a broad-based commission in place as soon as possible. We cannot afford any delays, as AIDS has no respect for time.

COMMISSION NOT THE ONLY ANSWER

The need for additional legislation is clear. Our intention is not to simply pass off responsibility to the commission for the foreseeable future—we can make some progress now with respect to resource allocation and the development of educational tools. We know, for example, that CDC has done an excellent job of trying to provide the public with information through the use of a telephone hotline. We need to increase our support for these efforts now, and provide for better coordination with State and local officials.

In addition, we need to consider targeting increased funding to areas where it will do the most good. But the issues are greater than simply short-term budget increases. The commission's role will be to help us prioritize our spending and help answer some of the tougher questions that must be dealt with before we can do any long-term planning.

We simply do not have the answer to everything. That is why the role of a Presidential Commission is so critical, and why its members must be able to fairly and adequately address all sides of the questions before us.

AN EPIDEMIC IS HERE

AIDS is now the 10th leading cause of death in the country, and is rapidly becoming the leading cause of death for males between the ages of 20 and 40. These individuals are in their most productive years. Additionally alarming, our children are being infected; and this, above all else, has the potential to affect our Nation's future.

At the present time, there is no known cure, and our scientific experts advise us that it may be 5 to 10 years before a vaccine is developed. The only current method of protection is prevention from exposure to the virus. Although AZT is a drug that has been approved for treating the disease, it is not a cure.

I point out, in that regard, that our distinguished colleague from Connecticut, Senator WEICKER, was instrumental in pushing that drug to the forefront.

NEED FOR INTERNATIONAL COOPERATION

This is not only a national crisis, but is an international crisis, and should be treated as such. We need to develop lines of communication between other nations and make recommendations which foster cooperation and coordination of international efforts. At a recent conference of national and international experts, it became clear to all that AIDS has the potential to threaten the existence of all peoples.

AIDS affects all segments of our society. The difficulties in devising a public policy are enormous. We need the best minds available from all sectors to help coordinate our efforts and maximize the utilization of our resources. The Administration's financial commitment has been demonstrated, by providing over $500 million this year for AIDS research and related activities, which is a 28-percent increase over last year.

However, as I indicated, these moneys are only part of the solution.

The matter of testing and confidentiality of test results is of paramount importance. What are the duties and responsibilities of infected individuals and health care providers? Should we take a look at the Federal and State laws, the rules and regulations regarding infectious diseases, immigration, discrimination and liability? Are they appropriate for this situation? How do we strike a balance between the individual's rights and the needs and rights of society as a whole? These are just a few of the questions that must be addressed.

CONCLUSION

There are no easy answers to the questions regarding morality or those regarding financing, education, discrimination, and confidentiality. However, until either a vaccine or cure is found, we must realize that AIDS is a serious threat to the entire Nation, as well as to the world. We cannot and must not turn our heads as it has the potential to affect our children.

A commission organized at the highest level is a first step, and a critical first step. The legislation that we plan to introduce in the days to come will be an essential second step. We are committed to taking as many steps as necessary to provide the support that is needed. We must all work together. I am confident that this Congress will demonstrate to the Nation that we are willing to tackle this difficult issue.

I indicate that the cosponsors of the resolution are Senators STEVENS, WILSON, HATCH, MURKOWSKI, DANFORTH, NICKLES, HUMPHREY, D'AMATO, BOND, KASTEN, HOLLINGS, ARMSTRONG, COCHRAN, CHAFEE, REID, and SIMPSON.

Mr. President, I ask unanimous consent that the text of the resolution be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I ask unanimous consent that the resolution may be held at the desk until the close of business on Monday, so that additional cosponsors may be added.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. RES. 184

Whereas, AIDS is the Nation's number one public health problem;

Whereas, AIDS affects all segments of society;

Whereas, more than 33,000 cases of AIDS have been reported in the United States and over 19,000 have died from the disease since it was first recognized in 1981;

Whereas, at least 1.5 million Americans have already been infected with the AIDS virus;

Whereas, AIDS is now the tenth leading cause of death in this country and is rapidly becoming the leading cause of death for males ages 20 to 39;

Whereas, 30 to 50 percent of the infected Americans will develop the disease of AIDS within the next 5 years and all infected individuals may eventually develop the disease;

Whereas, there is currently no medical cure or vaccine and there is unlikely to be any available cure or vaccine within the foreseeable future;

Whereas, there are many complex moral, ethical, and legal questions which must be addressed;

Whereas, AIDS poses a serious threat to the health, welfare and productivity of our Nation: Therefore, be it

Resolved, That it is the sense of the Senate that a Presidential Commission be created to assist the President and Congress in establishing priorities in dealing with the problem of AIDS domestically as well as to assist with the organization of a plan to deal with AIDS on an international basis.

SEC. 2. That said Commission shall have represented: Health Care Providers; Business Community; Labor; Insurance Industry; Pharmaceutical Industry; Governors and State and Local Officials; International Red Cross; Foundations involved in financing domestic and international health efforts; Scientific Experts; and Religious Leaders.

In addition, ex officio members shall include representatives of: Department of Health and Human Services; Department of Education; Department of Justice; Veterans' Administration; Department of State; Department of Defense; Department of Labor; and National Academy of Science.

SEC. 3. That said Commission shall make recommendations to the President and Congress and have as its charge the following:

1. Make recommendations regarding the financing of health care service needs of those with Acquired Immune Deficiency Syndrome. There should be a careful review of private and public financing, including the roles of the insurance industry and the states. If possible a consensus plan should be developed which includes recommendations on the development and use of alternate delivery systems, such as hospice care.

2. Make recommendations regarding dissemination of information which is essential in the prevention of the spread of AIDS, recognizing the important role the family will play, particularly with respect to education. Efforts should be made to develop methods which actually result in the necessary life style changes taking into consideration the multiple moral, ethical and legal concerns that have been raised.

3. Make recommendations regarding how financial resources can best be allocated to various federal departments and agencies or state and local governments.

4. Make recommendations regarding testing and confidentially.

5. Study and evaluate federal and state laws with special attention to the rules and regulations regarding infectious diseases, particularly with respect to those relating to immigration, discrimination and liability.

6. Make recommendations to foster international coordination and cooperation with respect to data collection, treatment modalities, and research.

Mr. STEVENS. Mr. President, today I join the distinguished Republican leader and several of my colleagues on both sides of the aisle in sponsoring a resolution to urge the President to establish a Presidential Commission on AIDS. In a recent speech before the college of physicians in Philadelphia President Reagan declared AIDS to be "public health enemy number 1." He pledged an all out war on this disease

I salute the President for his deep concern over the rapidly spreading AIDS virus. Passage of this resolution will put Congress on record in support of the President's pledge to mobilize our Nation's resources against this deadly disease.

The spread of the highly lethal HTLV-III virus has now reached epidemic proportions. AIDS is now the 10th leading cause of death in this country and is rapidly becoming the leading cause of death for males ages 20 to 39. The Surgeon General has predicted that by 1991, 270,000 individuals will have contracted AIDS and 179,000 will have died from the disease—other predictions by distinguished scientists are much higher. No vaccine is currently available, and fundamental characteristics of the virus and its pathology remain to be discovered.

A constantly increasing population of AIDS patients could strain our health care system to the breaking point and cripple our Armed Forces One of the greatest areas of risk is that of our service men and women who are deployed throughout the world and I feel we must do all we can to reduce that risk. At my request, $40 million was added in fiscal year 1986 and $21.8 million in fiscal year 1987 to the Department of Defense appropriations bill for research on the diagnosis, natural history, and epidemiology of this disease, and for vaccine development. The Army, as lead agency for the Department of Defense's AIDS research, is coordinating its efforts with other Federal agencies, including the National Institutes of Health. Despite these cooperative efforts, there is a lack of coordinated strategic planning with respect to AIDS.

Our resolution urges the President to establish a commission to help us coordinate the nationwide response to AIDS. The Commission proposed would include representatives from all levels of government, health care providers, labor, the academic and religious community, the insurance and pharmaceutical industry, and other concerned groups. The Commission is charged with comprehensively examining the AIDS issue—everything from health care to moral, ethical and legal issues—and making recommendations to Congress and the President on how we can set our priorities in dealing with the problem of AIDS—both domestically and internationally.

We need to make tough decisions, tempered with a large measure of compassion, in order to fight this disease. A Presidential Commission will help us move in the most effective direction. Mr. President, I urge the Members of the Senate to support this resolution.

PRESIDENT REAGAN'S VISIT TO THE CAPITOL

Mr. DOLE. Mr. President, earlier, I listened to the distinguished majority leader, and I certainly share many of his concerns with reference to the highway bill and the fact that it was a rather intense struggle. I believe that the struggle showed that even when we have strong differing views, we eventually come to a judgment in this Chamber.

I, for one, wish to commend the President of the United States for coming up here.

He did not change any votes. He was advised before he came he probably would not change any votes. I think I told him the odds were 10 to 1 or maybe even 100 to 1.

But, I also believe that the President, by leaving the White House and coming to Capitol Hill, demonstrated a willingness to make his case in our backyard. And he made an excellent case. We have 46 Republicans. There were 45 Republicans present in the first session. Then he met with 13 of the Republicans, who eventually did not vote with him. But in each meeting, in my view, he demonstrated a willingness to listen and showed a command of the subject matter. He knew it was a very sensitive issues. He knew, as the majority leader has pointed out, that the construction period was getting away from us.

The President was under the impression, which I shared, that if the veto had been sustained, we could have passed another bill rather quickly.

But I think from the standpoint of the President, at least on this side of the aisle—and I hope no one was offended on the other side of the aisle—that he demonstrated the willingness to fight for what he believed in. One does not always win around this place. If you do not make the fight, you always wonder if you had, maybe you would have won.

In the final analysis it was the President's choice to do that. He knew the odds were against him. He knew that Members were dug in on their positions, and they were not about to change.

I thank the President again for coming to the Capitol. Only the President can make a judgment on whether he should veto legislation. If we are on the other side, of the issue, we may not want him to because we have to sort of back into the buzz saw from time to time, and that is politically painful. But only the President can make the judgment on whether or not a bill should be vetoed. Sometimes I assume mistakes in judgment are made at the White House level and sometimes mistakes may be made at this level.

I certainly share the view expressed by the majority leader. We have a lot of work to do. A lot of it we can do together. I do not believe that the President has drawn any line in the sand. In my view, the President, when he feels strongly about an issue, will do what he has to do to try to sustain his point of view. If that means a veto, there probably will be a veto. He did not say anything to us that indicated he can hardly wait for the next bill.

I believe that he will be alert to any measure that might violate the budget, that might violate his pledge on new revenues, that might violate his efforts to keep America strong by spending an adequate amount of money—as much as we are reluctant to do so—on our defense.

There are certain areas where I think the President feels very strongly. But I believe in those areas, as well as others, that the President will always be willing to negotiate in good faith if those of us in the Congress, leadership positions in both parties, in both the House and the Senate, are willing to negotiate in good faith.

This issue is behind us. As the majority leader said yesterday morning, things do go on, we will continue, and we will.

THE SENATE SCHEDULE

Mr. DOLE. Again I reiterate to the distinguished majority leader that I want to be helpful. I want to push as hard as we can. I would like to see a clean calendar every day. And I certainly want to commend the majority leader for trying to do that.

I have just taken a look at the calendar. If you take off the things that were accomplished today, and if there is some duplication, there is very little on that calendar. That is to the credit of the majority leader, who has been given us fair notice, telling us Mondays and Fridays are no longer days off, that there will be work on the floor because the committees have done their work.

I hope that we can keep that October 1 adjournment date and keep that pledge.

I would just do one other thing if I could.

Mr. BYRD. Yes.

If the distinguished Republican leader would yield on that point, I am still hopeful we can do the October 1 adjournment but I am not too sanguine about it.

I have problems right now in getting something up on Monday, and may I say that the distinguished Republican leader has been most cooperative with me and he has at all times tried to help me to keep business before the Senate so that I have not been left without something to do.

If many Senators who have important amendments or who have important other parts to play with respect to bills that are on the calendar are not in town on Monday, it is difficult to go forward without them.

I have to say the Republican leader certainly has bent over backward and has done what he can do, as far as he can do. He somewhat has some chains on him as well from his membership.

But I do hope that we can get some legislation up on this coming Monday.

We have, for example, the FTC bill on the calendar, the FTC Act to provide authorization appropriations. We have a bill to amend the Power Plant and Industrial Fuel Use Act on the calendar. We have a House bill on the calendar to give relief to the homeless. We have a Senate bill on the calendar that has been cosponsored by the Democrats and Republicans. It is a bipartisan bill on the calendar that is a homeless relief bill.

There are several measures on the calendar, and there is the dairy legislation on the calendar. The Republican leader has tried on his side to help get an agreement on that. I have tried on this side. But it seems just one thing after another happens to the agreement when we think we have it put in place.

I think to make a long story short, I have no complaint certainly with the cooperation of the Republican leader in these matters. I am constrained to believe that the only thing we can do on this coming Monday is just to come in and see.

Mr. DOLE. Mr. President, will the majority leader yield?

Mr. BYRD. I yield.

Mr. DOLE. I understand we may be able to begin work on the FTC authorization now at 3 o'clock. We have no problem with that bill. We will have someone here to manage it.

I also understand the distinguished Senator from South Carolina will be available, the chairman of the committee. That is one we might get done.

Mr. BYRD. Yes, we are attempting to call now to see if we can bring that bill up.

Mr. DOLE. We are clear on that.

Mr. BYRD. I think, Mr. President, what we will have to do on this coming Monday is simply come in and hope that by Monday we can have something that we can work on. We will certainly be in touch with Senators, hopefully, over the weekend and most Senators will be back in town on Monday by 3 o'clock and, with the understanding and help of the Republican leader, perhaps we can have some legislation up.

We have only 1 week now to the Easter recess and next week is pretty valuble in the context of the calendar and getting the work done that is on the calendar.

I had hoped that next week perhaps we could get the budget resolution early. I have discussed this with the able Republican leader and I hope that on Monday we can get our leadership on the committee on both sides to see if we can find some way to get that resolution up by Tuesday on the floor and dispose of it before we recess.

ORDERS FOR MONDAY, APRIL 6, 1987

RECESS UNTIL 2 P.M.

Mr. BYRD. Mr. President, if it is agreeable with the Republican leader, I ask unanimous consent when the Senate completes its business today it stand in recess until 2 o'clock on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, will the majority leader yield?

Mr. BYRD. I yield.

Mr. DOLE. We have no objection, if the majority leader wants to get unanimous consent to go to that measure at his discretion.

Mr. BYRD. That would help. I thank the leader.

ORDER OF BUSINESS

PROCEED TO CONSIDERATION OF S. 677

Mr. BYRD. Mr. President, I ask unanimous consent that the majority leader be authorized to proceed to the consideration of Calendar No. 74, S. 677, a bill to amend the Federal Trade Commission Act to provide authorization of appropriations, at any time after consultation with the Republican leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. That will help some, and if the distinguished leader on the other side of the aisle can see any other measures on the calendar that I could get the same authority on, at least that might be helpful at a given point.

Mr. DOLE. We could do it on dairy.

Mr. BYRD. The leader already authorized me to do that and we got an order with respect to S. 410. We did not get that same authority with respect to H.R. 1123, which is the House bill having to do with dairy products.

Mr. DOLE. We could do that.

Mr. BYRD. All right. I thank my friend.

AUTHORITY TO PROCEED TO H.R. 1123

Mr. BYRD. Mr. President, I ask unanimous consent that I may be authorized to proceed at any time to the consideration of H.R. 1123, after consultation with the distinguished Republican leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I think that is about the best I can hope for this afternoon.

Mr. DOLE. Will the majority leader yield?

Mr. BYRD. Yes.

HOMELESS BILLS

Mr. DOLE. With reference to the homeless bills, it is my hope that on Monday we can accommodate you for an early Tuesday start. I know there are some serious questions with reference to the section from the Banking Committee. I am not certain about the other committees. But we will try to work that out on Monday.

Mr. BYRD. Very well.

Mr. President, the two leaders on Monday will try to work out some approach to taking up the homeless relief legislation very early in the week, Monday or Tuesday, hopefully, and also if the leader would work with me on Monday in an effort to find a way to get the budget resolution at least out of committee and to the floor by Tuesday, I would be most appreciative.

BUDGET RESOLUTION

I have discussed that matter with Mr. CHILES, the chairman of the Budget Committee, on yesterday afternoon, and he indicated it was still his hope he could get that budget resolution out of committee on Monday and hopefully we could reach some agreement with respect to the amended committee report which would allow us still to take up the budget resolution by Tuesday.

If the leader and I could talk with our respective members on that committee on Monday, possibly, hoping that we could get the legislation up early in the week, we can dispose of it before the weekend.

IN HONOR OF THE LATE SENATOR EDWARD ZORINSKY

Mr. MOYNIHAN. Mr. President, it saddens me that I must rise to deliver a farewell to our colleague, Senator Ed Zorinsky of Nebraska.

He and I entered this body together as Members of the Senate class of 1976. We had occasion to work together on not a few occasions over the last 10 years. Recently, I was appointed a member of the Foreign Relations Committee's Subcommittee on Terrorism, Narcotics and International Communications, a subcommittee chaired by Ed Zorinsky. This subcommittee was largely of Ed's creation. It still reflects his commitment to these problems. Though his tenure as chairman of the subcommittee was short, it will survive him, and its future accomplishments will be to his credit.

But Ed's most enduring contributions were without doubt those to maintain the quality of rural life. He served his constituents unfailingly on this score. Though most would think of New York as an urbanized State, it has quite a rural population—the largest in the Northeast. Ed Zorinsky was an unfailing champion of all farmers—in Nebraska, New York, and the whole country. I respected him for the strong stands he took, and farmers in every State benefited from the dedication he brought to the problem of rural America.

Ed was an uncompromisingly principled man—we all knew him to be such. Among his strongly held beliefs was Government's responsibility to spend according to its resources. The State of Nebraska is required by law to have a balanced budget, and Ed brought with him to this body a commitment to that ideal. It led us sometimes to opposite sides of an issue, but never were these disagreements acrimonious. For a true-hearted dedication to what he believed right, I could not fail to hold him in high regard.

I join my fellow Senators in offering condolences to Cece and his entire family.

JOE PUBLIC: WAKE UP

Mr. HATCH. Mr. President, Col. John J. Closner is commander of the 419th Tactical Fighter Wing at Hill Air Force Base, UT. He has a fine record, logging more than 4,000 hours as a fighter pilot. Colonel Closner has been at Hill with the Air Force Reserve's first F-16 fighter jet unit since 1983. President Reagan has recently nominated him to the rank of brigadier general.

Colonel Closner is a fine American, a patriot, and has written an article for the base's newspaper, the Hill Top Times, entitled "Joe Public: Wake Up." I submit the article for reading by my colleagues; and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JOE PUBLIC: WAKE UP

(By Col. John J. Closner)

Since we're flying the high-tech, electronic jets of tomorrow, let's home in on some of the amazing technological advances since the days of World War II. Often critics of our modern force will cite the rise in the cost of weapon systems. What is all too frequently ignored is the fact that capability has grown in a similar fashion.

It is a myth that the Air Force is buying overly sophisticated weapons at the expense of the taxpayer. For example, precision-guided munitions have made an awesome improvement for fighters in the attack role.

In Vietnam, 872 sorties were flown against Thanh Hoa Bridge in North Vietnam using iron bombs. Eleven aircraft were lost and the bridge remained standing.

Then eight F-4s with laser-guided bombs dropped the bridge without a single aircraft loss.

Let's lean on history some more. Consider the famous Schweinfurt Raid of 1943—291 B-17s plus fighter-escorts participated in eliminating a massive German ball bearing factory. Sixty bombers and 600 crewmembers were lost. Mission time was approximately six hours, while only 13 percent of the bombs dropped actually hit the target.

Today, a single F-16 carries more than twice the bomb load of a B-17. It could complete the mission in two hours and 15 minutes. Additionally, considering the demonstrated bombing accuracy of the F-16, it has been projected that between 75-90 percent of the bombs would hit the target.

Consequently, if we were going to perform the same mission today, we would probably employ eight F-16s to do the job which required 291 bombers in World War II.

The Air Force Vice Chief of Staff, Gen. John Piotrowski, recently spoke some powerful facts on the improved capabilities of our fighting forces. He said in 1970, primarily because of a lack of spare parts, only half of our fighter planes were operationally ready.

Today, more than 80 percent of our fighters are operationally ready—up 30 percent from five years ago. And he points out that the bomber-ready rates are up from 37 percent to 70 percent. Studies show the combat capability of fighters in the air-to-air role is half again as good as it was in 1980, while air-to-ground capability has almost doubled.

However, the last Gunsmoke competition said it all for improved capability. The Top Gun had five out of six bombs inside an area the size of a manhole cover. Our Col. Bone Lyle, ranked number two gun at Gunsmoke, had 22 out of 26 bombs that didn't even hit the ground; they hit the turret on the tank.

After the '85 competition, the last place F-16 team would have won the competition in 1981. For our newcomers, the F-16 has won two out of three Gunsmoke competitions. And in the air-to-ground role, today's new F-16C is three times as effective as the F-4E was in 1980.

For balance, let's address what the Soviets are doing. Just for openers, if we had the Soviet rate of fighter production, we could replace the active Air Force fighter inventory every year and a half, not to mention that they have arrived as builders of high-quality, high-tech fighters.

Edward C. "Pete" Aldridge, Jr., secretary of the Air Force, points out that the Air Force fiscal 1986 budget was reduced 7 percent from the 1985 budget. And the Air Force budget just approved by Congress—at slightly more than $93 billion—represents an additional 6 percent reduction from '86. Leaders are concerned that defense problems created in the '70s will be repeated if defense dollars continue to decline.

Readiness suffered during those days. The horror stories of the time were of airplanes that couldn't fly and weapons that didn't work . . . It culminated in the ill-fated rescue attempt in the desert of Iran.

And then there are the people who claim that the threat of the deficit outweighs all other concerns—that the defense rebuilding effort is responsible for the deficit and cutting defense wil reduce the deficit. If it were true; then the magnitude of the cuts, totaling $440 billion, would have wiped an equal amount from our deficit projections in the next five years.

Unhappily, that didn't happen. Rather, historically Congress has simply used reduction in defense spending to pay for increases in domestic programs and to cover the miscalculation of the past. This surprises most Americans because they have been led to believe that defense accounts for huge portions of the federal budget and of our gross national product.

As the deficit dialogue swells, I see a national attitude emerging that reminds me of the saying, "Life is a hospital in which each patient believes he would recover, if only he could be moved to another bed."

Money questions are national security issues. Simply put: Less security, more risks. Affordability is a two-edged sword. We have to have technological advantage over projected Soviet threats to fight outnumbered and win. That costs money.

The challenge is to sharpen both edges at the same time. America, wake up!

A TRIBUTE TO THE LATE HONORABLE W. STERLING COLE

Mr. COCHRAN. Mr. President, I bring to the attention of the Senate the death of W. Sterling Cole, a Member of Congress from 1935 to 1957, the first Director General of the International Atomic Energy Agency [IAEA], and a leader in the international effort to develop nuclear energy for peaceful purposes.

In his time, Sterling Cole was one of the foremost congressional experts on atomic energy. He was a strong supporter of the need to understand nuclear power and to control the proliferation of nuclear weapons. While he opposed Government centralization at home and kept a watchful eye on Federal spending, he was a classic example of a domestic conservative who was not afraid to see the United States take the lead in efforts to promote international understanding.

As a leader in the nuclear field, he served as chairman of the Joint Committee on Atomic Energy in 1953 and 1954. In 1957, he resigned his seat in the House of Representatives to become the first IAEA Director General when the Agency was established in Vienna as part of President Eisenhower's "Atoms for Peace" initiative.

Under Mr. Cole's leadership, the infant IAEA encouraged the international supervision of programs that would promote nuclear power in all nations for peaceful purposes. The Agency now has 113 member states and is the essential international agency for the peaceful development of nuclear energy throughout the world.

It is encouraging to note that every year we see a strengthening of public attitudes, agreements, safeguards, and technical requirements which retard weapons proliferation, promote nuclear plant safety, and sustain the growing effectiveness of the International Atomic Energy Agency. Such progress is in the spirit of Sterling Cole, and no better tribute could be paid to his memory.

I ask unanimous consent that a copy of the New York Times article of March 17, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 17, 1987]

W. STERLING COLE, 82, DIES OF CANCER—SERVED 22 YEARS IN CONGRESS AND ADVOCATED PEACEFUL USE OF NUCLEAR ENERGY

(By Thomas W. Ennis)

W. Sterling Cole, who represented an upstate New York district in the United States House of Representatives from 1935 to 1957 and was the first director general of the International Atomic Energy Agency, died of cancer Sunday at the George Washington University Hospital in Washington. He was 82 years old and lived in Arlington, Va.

Mr. Cole was a leading Republican spokesman on atomic energy issues. In 1953 and 1954, he was the chairman of the Joint Atomic Energy Committee. He also supported private participation in the development of atomic energy for peaceful purposes.

Mr. Cole served the 37th District, comprising Broome, Chemung, Tioga and Steuben Counties. When he first went to Washington in 1935 Mr. Cole was, at age 31, the youngest Republican member of the House. In the House, the served on the Naval Affairs and Armed Services Committees.

LEFT CONGRESS IN 1957

In 1957, Mr. Cole, resigned from Congress to serve four years as the director general of the energy agency, which was established in Vienna to execute President Eisenhower's "atoms for peace" proposals.

The agency encouraged the international supervision of programs that would bring nuclear power to all nations for peaceful purposes. The United States and the Soviet Union were to provide expertise, training and raw fuels, and an international agency was to supervise the construction and operation of nuclear reactors.

As the director general, Mr. Cole reportedly expressed disappointment because the United States and the Soviet Union discussed nuclear issues with other nations individually rather than through his agency.

In Congress, Mr. Cole opposed Government centralization and kept a stern eye on spending. In 1954, about 350 colleagues signed a petition asking President Eisenhower to make him the Comptroller General, who is the chief watchdog over Federal spending.

SIGNATURES IN RED INK

For several years during the Truman Administration, Representative Cole signed his official correspondence in red ink, followed by the notation: "Red is a symbol of and warning against our twin dangers: Socialism and bankruptcy,"

Mr. Cole, who practiced law in Washington until about two years ago, was born in Painted Post, N.Y. His father, Dr. Ernest E. Cole, was an educator, a member of the State Legislature and the State Commissioner of Education.

The younger Cole graduated from Colgate University and the Albany Law School of Union University in Schenectady. In the mid-1920's, Mr. Cole was a public school teacher in Corning, N.Y. In 1930, he established a law practice in Bath, N.Y.

Mr. Cole is survived by his wife, Mary Elizabeth Thomas; two sons, Thomas E., of Potomac, Md., and David A., of Arlington; a brother, James P., of Buffalo, 10 grandchildren and five great-grandchildren.

A funeral service is scheduled for 2 P.M. Thursday at the Presbyterian Church in Bath.

MESSAGES FROM THE HOUSE

At 12:39 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House had passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 200. Joint resolution to designate April 10, 1987, as "Education Day U.S.A."

ENROLLED JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that on today, April 3, 1987, he had presented to the President of the United States the following enrolled joint resolutions:

S.J. Res. 18. Joint resolution to authorize and request the President to issue a proclamation designating June 1 through June 7, 1987, as "National Fishing Week";

S.J. Res. 47. Joint resolution to designate "National Former POW Recognition Day";

S.J. Res. 64. Joint resolution to designate May 1987, as "Older Americans Month";

S.J. Res. 74. Joint resolution to designate the month of May 1987, as "National Cancer Institute Month"; and

S.J. Res. 96. Joint resolution designating April 3, 1987, as "Interstate Commerce Commission Day."

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-915. A communication from the Acting Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Land and Water Conservation Fund Act of 1965, as amended, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

EC-916. A communication from the Deputy Assistant Secretary of Defense, transmitting, pursuant to law, notice that the Department of the Navy intends to exercise the provision of law for exclusion of the clause concerning examination of records by the Comptroller General; to the Committee on Armed Services.

EC-917. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Army's proposed letter of offer to Saudi Arabia for defense articles estimated to cost in excess of $50 million; to the Committee on Armed Services.

EC-918. A communication from the Chairman of the Federal Trade Commission, transmitting, pursuant to law, the ninth annual report on the administration of the Fair Debt Collection Practices Act; to the Committee on Banking, Housing, and Urban Affairs.

EC-919. A communication from the Chairman of the Federal Financial Institutions Examination Council, transmitting, pursuant to law, the annual report of the Council for calendar year 1986; to the Committee on Banking, Housing, and Urban Affairs.

EC-920. A communication from the Administrator of the Federal Aviation Administration, transmitting, pursuant to law, copies of the summary report for the update of the master plan for Washington Dulles International Airport and the Facility Concept Technical Report for Washington National Airport; to the Committee on Commerce, Science, and Transportation.

EC-921. A communication from the Deputy Associate Director for Royalty Management, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain excess oil and gas lease royalty payments; to the Committee on Energy and Natural Resources.

EC-922. A communication from the Deputy Associate Director for Royalty Management, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain excess oil and gas lease royalty payments; to the Committee on Energy and Natural Resources.

EC-923. A communication from the Deputy Associate Director for Royalty Management, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain excess oil and gas lease royalty payments; to the Committee on Energy and Natural Resources.

EC-924. A communication from the Chairman and a Member of the Board of Directors of the Tennessee Valley Authority, transmitting, pursuant to law, the annual report on the TVA for fiscal year 1986; to the Committee on Environment and Public Works.

EC-925. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the sixty day period prior to March 26, 1987; to the Committee on Foreign Relations.

EC-926. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-927. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-928. A communication from the Director of the Office of Personnel Management, transmitting, pursuant to law, the annual report on the financial status of the U.S. Civil Service Retirement System as of September 30, 1985; to the Committee on Governmental Affairs.

EC-929. A communication from the General Counsel of the Department of the Treasury, transmitting a draft of proposed legislation to raise the authorized pay level of the Treasurer of the United States to Executive Level IV; to the Committee on Governmental Affairs.

EC-930. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the annual report of the Board under the Government in the Sunshine Act for calendar year 1986; to the Committee on Governmental Affairs.

EC-931. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled "Review of D.C. Randolph-Sheppard Program"; to the Committee on Governmental Affairs.

EC-932. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 7-12 adopted by the Council on March 17, 1987; to the Committee on Governmental Affairs.

EC-933. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 7-13 adopted by the Council on March 17, 1987; to the Committee on Governmental Affairs.

EC-934. A communication from the Assistant Secretary of Housing and Urban Development (Administration), transmitting, pursuant to law, a report on proposed amendments to a Privacy Act system of records; to the Committee on Governmental Affairs.

EC-935. A communication from the Chief Justice of the United States, transmitting, pursuant to law, various amendments to the Bankruptcy Rules; to the Committee on the Judiciary.

EC-936. A communication from the Secretary of Education, transmitting a draft of proposed legislation to amend the Adult Education Act in order to improve the effectiveness of programs under that Act, and for other purposes; to the Committee on Labor and Human Resources.

EC-937. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations—Congressional Teacher Scholarship Programs; to the Committee on Labor and Human Resources.

EC-938. A communication from the Chairman of the Board of the Student Loan Marketing Association (Sallie Mae), transmitting, pursuant to law, the annual report of the Association for calendar year 1986; to the Committee on Labor and Human Resources.

EC-939. A communication from the Presiding Officer of the Advisory Council on Education Statistics, transmitting, pursuant to law, the annual report of the Council for fiscal year 1986; to the Committee on Labor and Human Resources.

EC-940. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the 1986 edition of the report entitled "Health, United States"; to the Committee on Labor and Human Resources.

EC-941. A communication from the Chairman of the Railroad Retirement Board, transmitting a draft of proposed legislation to ensure that future cost-of-living adjustments are consistently applied to all indexed rail industry pensions and eliminate the December 1987 rail pension cost-of-living-adjustment; to the Committee on Labor and Human Resources.

EC-942. A communication from the Acting Assistant Secretary of Education for Civil Rights, transmitting, pursuant to law, the annual report of the Office of Civil Rights for fiscal year 1986; to the Committee on Labor and Human Resources.

EC-943. A communication from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize the Chief Medical Director to waive State licensure requirements for registered, practical or vocational nurses and physical therapists not being employed in patient care, and for licensed or vocational nurses and physical therapists to be employed in a foreign country; to the Committee on Veterans' Affairs.

EC-944. A communication from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to repeal provisions relating to setting the interest rate on guaranteed or insured housing loans to veterans, to increase the VA loan fee, to authorize the direct appropriations to the loan guaranty revolving fund, and for other purposes; to the Committee on Veterans' Affairs.

EC-945. A communication from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize the Administrator to assist Members of Congress in providing title 38 benefit information to their constituents, and to conduct authorized field examinations and investigations; to the Committee on Veterans' Affairs.

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
William H. Winsemann:									
Belgium	Franc	10,385	234.00	23,565	531.00			33,950	765.00
Total			234.00		531.00				765.00

JESSE HELMS,
Chairman, Committee on Agriculture, Nutrition, and Forestry, Nov. 19, 1986.

AMENDED CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR TRAVEL FROM JAN. 1 TO MAR. 30, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
James D. Bond:									
El Salvador	Dollar		225.00						225.00
Costa Rica	Dollar		225.00						225.00
Guatemala	Dollar		320.00						320.00
United States	Dollar				1,165.00				1,165.00
Total			770.00		1,165.00				1,935.00

MARK O. HATFIELD,
Chairman, Committee on Appropriations, Oct. 3, 1986.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR TRAVEL FROM JULY 1, TO SEPT. 30, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Francis Sullivan:									
Norway	Krone	5,995.90	819.00					5,995.90	819.00
United States	Dollar				2,706.00				2,706.00
Senator J. Bennett Johnston:									
United Kingdom	Pound	475.90	704.00					475.90	704.00
United States	Dollar				1,932.64				1,932.64
J. Keith Kennedy:									
United Kingdom	Pound	713.86	1,056.00					713.86	1,056.00
Charles Houy:									
United Kingdom	Pound	713.86	1,056.00					713.86	1,056.00
Gail Macaulay:									
United Kingdom	Pound	713.86	1,056.00					713.86	1,056.00
Sean O'Keefe:									
United Kingdom	Pound	713.86	1,056.00					713.86	1,056.00
Richard Collins:									
El Salvador	Dollar		225.00						225.00
Panama	Dollar		194.00						194.00
Honduras	Dollar		312.00						312.00
United States	Dollar		75.00						75.00
R. Michael Walker:									
Israel	Dollar		550.00						550.00
United States	Dollar				4,549.00				4,549.00
Senator James Sasser:									
Israel	Dollar		330.00						330.00
United States	Dollar				4,546.00				4,546.00
Total			7,433.00		13,733.64				21,166.64

MARK O. HATFIELD,
Chairman, Committee on Appropriations, Oct. 3, 1986.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Barry Goldwater:									
United Kingdom	Pound	713.86	1,057.58					713.86	1,057.58
James F. McGovern:									
United Kingdom	Pound	713.86	1,057.58					713.86	1,057.58
Carl M. Smith:									
United Kingdom	Pound	713.86	1,057.58					713.86	1,057.58
Gerald J. Smith:									
United Kingdom	Pound	713.86	1,057.58					713.86	1,057.58
Senator John Warner:									
United Kingdom	Pound	356.93	528.00					356.93	528.00
Russel E. Milnes:									
Japan	Yen	128,128	832.00					128,128	832.00
Korea	Won	370,240	416.00					370,240	416.00
Philippines	Dollar		80.00						80.00
Senator Gary Hart:									
Jordan	Dinar	52.46	151.50					52.46	151.50
Egypt	Pound	39.5	75.00					39.5	75.00
Israel	Shekel	440	660.00					440	660.00
France	Franc	1,029.6	144.00					1,029.6	144.00
Douglas Wilson:									
Jordan	Dinar	69.95	202.00					69.95	202.00
Egypt	Pound	39.5	75.00					39.5	75.00
Israel	Shekel	440	660.00					440	660.00
France	Franc	1,029.6	144.00					1,029.6	144.00
Elsie Vance:									
Jordan	Dinar	69.95	202.00					69.95	202.00
Egypt	Pound	39.5	75.00					39.5	75.00
Israel	Shekel	440	660.00					440	660.00
France	Franc	1,029.6	144.00					1,029.6	144.00
Total			9,278.82						9,278.82

BARRY GOLDWATER,
Chairman, Committee on Armed Services.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON THE BUDGET, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Douglas Olin:									
Soviet Union	Dollar		450.00						450.00
United States	Dollar				2,668.00				2,668.00
Total			450.00		2,668.00				3,118.00

PETE DOMENICI,
Chairman, Committee on the Budget, Oct. 14, 1986.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON THE BUDGET, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Charles O. Flickner:									
Ecuador	Dollar		250.00						250.00
Guatemala	Dollar		250.00						250.00
United States	Dollar				1,405.70				1,405.70
Pakistan	Rupee	12,424	724.00					12,434	724.00
United States	Dollar				2,676.00				2,676.00
Total			1,224.00		4,081.70				5,305.70

PETE DOMENICI,
Chairman, Committee on the Budget, Dec. 18, 1986.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON ENERGY AND NATURAL RESOURCES, FOR TRAVEL FROM JULY 1 TO SEPT. 31, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Rita W. Scott:									
Austria	Dollar		1,026.00						1,026.00
United States	Dollar				2,126.00				2,126.00
Total			1,026.00		2,126.00				3,152.00

JAMES A. McCLURE,
Chairman, Committee on Energy and Natural Resources, Dec. 18, 1986.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Curtis A. Moore:									
Austria	Schilling	10,353.53	671.00					10,353.53	671.00
United States	Dollar				2,121.00				2,121.00
Steven Shimberg:									
Austria	Schilling	15,032.67	974.25					15,032.67	974.25
United States	Dollar				2,675.00				2,675.00
Total			1,645.25		4,796.00				6,441.25

ROBERT T. STAFFORD,
Chairman, Committee on Environment and Public Works, Oct. 6, 1986.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Claiborne Pell:									
Austria	Schilling	4,527.13	290.85					4,527.13	290.85
Switzerland	Franc	570.10	330.00					570.10	330.00
Belgium	Franc	6,736	160.00					6,736	160.00
England	Pound	126.06	180.00					126.06	180.00
United States	Dollar				947.00				947.00
Geryld B. Christianson:									
Austria	Schilling	4,567.13	314.00					4,567.13	314.00
Switzerland	Franc	570.10	330.00					570.10	330.00
Belgium	Franc	13,472	320.00					13,472.00	320.00
England	Pound	412.57	588.00					412.57	588.00
United States	Dollar				814.00				814.00
Andrew W. Semmel:									
Pakistan	Rupee	14,705.28	864.00					14,705.24	864.00
Senator Paul Sarbanes:									
Austria	Schilling	3,839.88	264.00					3,839.88	264.00
Switzerland	Franc	570.10	330.00					570.10	330.00
Belgium	Franc	13,472	320.00					13,472	320.00
England	Pound	223.19	318.09					223.19	318.09
United States	Dollar				814.00				814.00
Amendments to second quarter of 1986:									
Senator John F. Kerry:									
Israel	Dollar		660.00						660.00
William C. Triplett:									
China	Renminbi	1,570.96	489.00					1,570.96	489.00
Hong Kong	Dollar	973.75	125.00					973.75	125.00
Thailand	Baht	6,100.75	231.00					6,100.75	231.00
Taiwan	Dollar	107.60	291.00					107.60	291.00
United States	Dollar				2,511.00				2,511.00
Andrew K. Semmel:									
China	Renminbi	1,570.96	489.00					1,570.96	489.00
Hong Kong	Dollar	973.75	125.00					973.75	125.00
Thailand	Baht	6,100.75	231.00					6,100.75	231.00
Taiwan	Dollar	107.60	291.00					107.60	291.00
United States	Dollar				2,588.00				2,588.00
Amendments to third quarter of 1986:									
Senator John F. Kerry:									
Switzerland	Franc	1,048.40	630.00					1,048.40	630.00
David Keaney:									
Russia	Dollar		400.00						400.00
United States	Dollar				2,419.00				2,419.00
Total			8,570.94		10,093.00				18,663.94

DICK LUGAR,
Chairman, Committee on Foreign Relations, Jan. 1987.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Brad Gordon:									
Israel	Shekel	1,011.16	680.00					1,011.16	680.00
Andrew Semmel:									
Israel	Shekel	1,011.16	680.00					1,011.16	680.00
John Ziolkowski:									
Soviet Union	Dollar		450.00						450.00
United States	Dollar				2,419.00				2,419.00
Amendments to second quarter of 1986:									
Senator Alan Cranston:									
Taiwan	Dollar	3,755.80	97.00					3,755.80	97.00
United States	Dollar				2,948.00				2,948.00
Ken Ludden:									
Morocco	Dirham	3,452.29	375.00					3,452.29	375.00
Ivory Coast	Franc	79,200.00	220.00					79,200.00	220.00
Cameroon	Franc	45,788	123.75					45,788	123.75
France	Franc	1,110.00	148.00					1,110.00	148.00
United States	Dollar				2,607.00				2,607.00
Gerald F. Warburg:									
Taiwan	Dollar	6,511.60	194.00					6,511.60	194.00
United States	Dollar				2,863.00				2,863.00
John J. Ziolkowski:									
Kenya	Shilling	7,050.3	430.00					7050.3	430.00
Somalia	Dollar		225.00						225.00
United States	Dollar				3,050.00				3,050.00
Total			3,622.75		13,887.00				17,509.75

DICK LUGAR,
Chairman, Committee on Foreign Relations, Oct. 15, 1986.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, FOR TRAVEL AUG. 16-31, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Richard G. Lugar:									
Japan	Yen	31,416	204.00			5,986	38.62	37,402	242.62
Philippines	Peso					750	36.50	750	36.50
Taiwan	Dollar	4,635	125.00					4,635	125.00
Indonesia	Rupiah	169,915	150.50					169,915	150.50
Australia	Dollar	409.60	256.00					409.60	256.00
New Zealand	Dollar	370.38	182.00					370.38	182.00
United States	Dollar				13.58				13.58
Fiji	Dollar	216.20	188.00					216.20	188.00
Charles Andreae:									
Japan	Yen	31,416	204.00			5,986	38.62	37,402	242.62
Philippines	Peso					750	36.50	750	36.50
Taiwan	Dollar	4,635	125.00					4,635	125.00
Indonesia	Rupiah	339,830	301.00					339,830	301.00
Australia	Dollar	409.60	256.00					409.60	256.00
New Zealand	Dollar	370.38	182.00					370.38	182.00
United States	Dollar				13.58				13.58
Fiji	Dollar	216.20	188.00					216.20	188.00
Frederick Brown:									
Japan	Yen	31,416	204.00			5,986	38.62	37,402	242.62
Philippines	Peso					750	36.50	750	36.50
Taiwan	Dollar	4,635	125.00					4,635	125.00
Indonesia	Rupiah	339,830	301.00					339,830	301.00
Australia	Dollar	409.60	256.00					490.60	256.00
New Zealand	Dollar	370.38	182.00					370.38	182.00
United States	Dollar				13.58				13.58
Fiji	Dollar	216.20	188.00					216.20	188.00
Mark Helmke:									
Japan	Yen	31,416	204.00			5,986	38.62	37,402	242.62
Philippines	Peso					750	36.50	750	36.50
Taiwan	Dollar	4,635	125.00					4,635	125.00
Indonesia	Rupiah	339,830	301.00					339,830	301.00
Australia	Dollar	409.60	256.00					409.60	256.00
New Zealand	Dollar	370.38	182.00					370.38	182.00
United States	Dollar				13.58				13.58
Fiji	Dollar	216.20	188.00					216.20	188.00
Delegation expenses:									
Japan							313.01		313.01
Philippines							944.52		944.52
Taiwan							1,392.88		1,392.88
Indonesia							492.77		492.77
Australia							212.87		212.87
Fiji							158.53		158.53
Total			4,873.50		54.32		3,815.06		8,742.88

Delegation expenses include direct payments and reimbursements to the State Department and the Defense Department under authority of Sec. 502(b) of the Mutual Security Act of 1954, as amended by Sec. 22 of P.L. 95-384, and S. Res. 179, agreed to May 25, 1977.

DICK LUGAR,
Chairman, Committee on Foreign Relations, Jan. 3, 1987.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON GOVERNMENTAL AFFAIRS, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Daniel Rinzel:									
Panama	Dollar		679.00						679.00
United States	Dollar				476.00				476.00
Mary Vinson:									
Panama	Dollar		583.00						583.00
United States	Dollar				507.00				507.00
Robert McArthur:									
Austria	Schilling	9,860	684.00					9,860	684.00
United States	Dollar				2,126.00				2,126.00
Senator Thad Cochran:									
Austria	Schilling	9,860	684.00					9,860	684.00
United States	Dollar				2,126.00				2,126
Total			2,630.00		5,235.00				7,865.00

WILLIAM V. ROTH, JR.,
Chairman, Committee on Governmental Affairs, Jan. 1987.

AMENDED CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON THE JUDICIARY, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Cecilia Swensen:									
Sweden	Krona	1,342.70	187.00					1,342.70	187.00
Switzerland	Franc	789.60	420.00					789.60	420.00
United States	Dollar				6,213.92				6,213.92
Total			607.00		6,213.92				6,820.92

STROM THURMOND,
Chairman, Committee on the Judiciary, Sept. 30, 1986.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON THE JUDICIARY, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Alice Milder:									
United States	Dollar				2,288.00				2,288.00
Austria	Schilling	1,660	785.00					1,660	785.00
Hungary	Forint	1,200	216.00					1,200	216.00
Turkey	Lira	55,600	734.00					55,600	734.00
Jan Kovarick:									
United States	Dollar				2,288.00				2,288.00
Austria	Schilling	1,660	785.00					1,660	785.00
Hungary	Forint	1,200	216.00					1,200	216.00
Turkey	Lira	55,600	734.00					55,600	734.00
Total			3,470.00		4,576.00				8,046.00

STROM THURMOND,
Chairman, Committee on the Judiciary, Jan. 2, 1987.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22, U.S.C. 1754(b), COMMITTEE ON RULES AND ADMINISTRATION, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Charles McC. Mathias, Jr.:									
Canada	Dollar		513.00						513.00
United States	Dollar				610.93				610.93
Robert M. Brown:									
Canada	Dollar		513.00						513.00
United States	Dollar				610.93				610.93
Total			1,026.00		1,221.86				2,247.86

CHARLES McC. MATHIAS, JR.,
Chairman, Committee on Rules and Administration, Oct. 22, 1986.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON RULES AND ADMINISTRATION, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Charles McC. Mathias, Jr.:									
France	Franc	3,008.55	465.00					3,008.55	465.00
United States	Dollar				2,510.00				2,510.00
Robert M. Brown, Jr.:									
France	Franc	3,008.55	465.00					3,008.55	465.00
United States	Dollar				2,510.00				2,510.00
Senator Charles McC. Mathias, Jr.:									
France	Franc	4,275.75	642.00					4,275.75	642.00
United States	Dollar				1,301.00				1,301.00
Robert M. Brown, Jr.:									
France	Franc	3,563.10	535.00					3,563.10	535.00
Christine M. Sarcone:									
France	Franc	2,850.48	428.00					2,850.48	428.00
United States	Dollar				577.00				577.00
Total			2,535.00		6,898.00				9,433.00

CHARLES McC. MATHIAS,
Chairman, Committee on Rules and Administration, Dec. 29, 1986.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), SELECT COMMITTEE ON INTELLIGENCE, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Bernard McMahon			1,690.00		2,256.00				3,946.00
John Despres			93.00		346.52				439.52
Michael Mattingly			2,164.00		1,162.00				3,326.00
Steve Ockenden			2,164.00		1,162.00				3,326.00
Joseph Mayer			699.00		2,054.92				2,753.92
Bernard McMahon			690.00		1,027.00				1,717.00
Larry Kettlewell			305.00		414.00				719.00
George Tenet			305.00		414.00				719.00
James Currie			305.00		414.00				719.00
Anne Greene			384.65		529.00				913.65
Total			8,799.65		9,779.44				18,579.09

DAVE DURENBERGER,
Chairman, Select Committee on Intelligence, Jan. 1987.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), SELECT COMMITTEE ON INTELLIGENCE, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Bernard McMahon			849.00		2,199.00				3,048.00
John Elliff			416.91		2,126.00				2,542.91
Daniel Finn			623.00		2,184.00				2,807.00
Senator Bill Bradley			1,029.53						1,029.53
John Despres			939.00						939.00
Senator Mitch McConnell			735.00		3,591.00				4,326.00
Robin Cleveland			735.00		5,075.00				5,810.00
Larry Kettlewell			1,920.48		1,597.00				3,517.48
David Holliday			1,595.99		1,597.00				3,192.99
Total			8,843.91		18,369.00				27,212.91

DAVE DURENBERGER,
Chairman, Select Committee on Intelligence, Jan. 1987.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), SELECT COMMITTEE ON INTELLIGENCE, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Chic Hecht					347.00				347.00
Robin Cleveland			456.00		1,977.00				2,433.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), SELECT COMMITTEE ON INTELLIGENCE, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1986—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Marvin Ott			456.00		2,151.28				2,607.28
Bernard McMahon			2,134.00		2,894.00				5,028.00
David Holliday			975.00		1,872.00				2,847.00
Natalie Bocock			975.00		1,753.00				2,728.00
Robin Cleveland			825.00		1,872.00				2,697.00
Daniel Finn			1,339.00		4,288.86				5,627.86
Marvin Ott			1,339.00		4,288.86				5,627.86
Keith Hall			243.00		3,899.01				4,142.01
James Martin			241.00		3,899.01				4,140.01
James Dykstra			975.00		1,872.00				2,847.00
Total			9,958.00		31,114.02				41,072.02

DAVE DURENBERGER,
Chairman, Select Committee on Intelligence, Jan. 1987.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), SELECT COMMITTEE ON INTELLIGENCE, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Charles Battaglia			905.75		2,503.42				3,409.17
Michael Mattingly			1,053.00		4,248.16				5,301.16
Edward Levine			1,292.00		2,779.00		115.40		4,186.40
Bernard McMahon			781.00		2,716.00				3,497.00
Charlene Packard			648.20		1,943.00				2,591.20
John Elliff			428.00		1,898.00				2,326.00
Daniel Finn			608.50		2,916.00				3,524.50
John Despres			300.00		735.00				1,035.00
John Despres			939.00		3,136.00				4,075.00
Total			6,955.45		22,874.58		115.40		29,945.43

DAVE DURENBERGER,
Chairman, Select Committee on Intelligence, Jan. 1987.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), JOINT ECONOMIC COMMITTEE, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Joe Cobb:									
United States	Dollar				398.00				398.00
Richard Kaufman:									
United States	Dollar				1,990.00				1,990.00
Belgium	Franc	16,164	381.00					16,164	381.00
Italy	Lira	1,089,800	792.00	55,040	40.00			1,144,840	832.00
Total			1,173.00		2,428.00				3,601.00

DAVID R. OBEY,
Chairman, Joint Economic Committee, Oct. 23, 1986.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMISSION ON SECURITY AND COOPERATION IN EUROPE, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Robert Hand:									
Belgium	Franc	10,385	234.00					10,385	234.00
United States	Dollar				1,823.00				1,823.00
Ronald McNamara:									
Sweden	Krona	6,556.70	924.00					6,556.70	924.00
United States	Dollar				1,748.00				1,748.00
Sweden	Krona	6,684.70	966.00					6,684.70	966.00
United States	Dollar				1,748.00				1,748.00
Total			2,124.00		5,319.00				7,443.00

ALFONSE M. D'AMATO,
Chairman, Commission on Security and Cooperation in Europe,
Oct. 20, 1986.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), UNITED SENATE CAUCUS ON INTERNATIONAL NARCOTICS CONTROL, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
David G. Shoultz:									
Morocco	Dirham	4,111.96	450.00					4,111.96	450.00
United Kingdom	Dollar		143.00						143.00
United States	Dollar				2,082.05				2,082.05
John Dudinsky, Jr.:									
Austria	Dollar		199.50						199.50
Italy	Lira	719,708	484.00					719,708	484.00
United States	Dollar				2,403.00				2,403.00
James T. Schollaert:									
Austria	Dollar		299.25						299.25
Italy	Lira	719,708	484.00					719,708	484.00
France	Franc	2,010.24	288.00					2,010.24	288.00
United States	Dollar				2,442.00				2,442.00
Scott Green:									
Austria	Dollar		299.25						299.25
Italy	Lira	544,708	366.31					544,708	366.31
Joseph Clayton:									
Thailand	Baht	6,006	231.00					6,006	231.00
United Kingdom	Pound	380.96	572.00					380.96	572.00
United States	Dollar				2,781.00				2,781.00
Scott Green:									
United States	Dollar				2,403.00				2,403.00
John Dudinsky, Jr.:									
Thailand	Baht	6,006	231.00					6,006	231.00
United Kingdom	Pound	380.96	572.00					380.96	572.00
United States	Dollar				2,727.00				2,727.00
Total			4,619.31		14,838.05				19,457.36

PAULA HAWKINS,
Chairman, United Senate Caucus on International Narcotics Control,
Dec. 19, 1986.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1745(b), UNITED SENATE CAUCUS ON INTERNATIONAL NARCOTICS CONTROL, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
John Dudinsky, Jr.:									
South Korea	Won	198,820	228.00					198,820	228.00
Kenya	Dollar		516.00						516.00
Zimbabwe	Dollar		225.00						225.00
South Africa	Dollar		225.00						225.00
United States	Dollar				3,537.00				3,537.00
David G. Shoultz:									
Nigeria	Dollar		124.00						124.00
Kenya	Dollar		516.00						516.00
Zimbabwe	Dollar		225.00						225.00
South Africa	Rand	504	225.00					504	225.00
United States	Dollar				4,016.50				4,016.50
Charles C. Smith:									
Panama	Dollar		97.00						97.00
Colombia	Peso	37,776.65	166.00					37,776.65	166.00
Bolivia	Dollar		150.00						150.00
Brazil	Cruzeiro	6,433.38	347.75					6,433.75	347.75
Mexico	Dollar		300.00						300.00
United States	Dollar				2,543.00				2,543.00
Joseph Clayton:									
Panama	Dollar		97.00						97.00
Colombia	Peso	37,776.65	166.00					37,776.65	166.00
Bolivia	Dollar		150.00						150.00
Brazil	Cruzeiro	6,433.38	347.75					6,433.38	347.75
Mexico	Dollar		300.00						300.00
United States	Dollar				2,543.00				2,543.00
Total			4,405.50		12,639.50				17,045.00

PAULA HAWKINS,
Chairman, United Senate Caucus on International Narcotics Control,
Dec. 22, 1986.

AMENDED CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE DEMOCRATIC LEADER FOR THE PERIOD FROM JAN. 1 TO MAR. 31, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Edward M. Kennedy:									
Brazil	Dollar		379.20				362.50		741.70
Argentina	Peso	219,340	246.90	50,394	56.75	2,228,860	2,509.95	2,498,594	2,813.60
Peru	Dollar		150.00		85.12		17.96		253.08
Chile	Dollar					85,207.50	458.01	85,207.50	458.01
United States	Dollar				483.00				483.00
Gregory Craig:									
Brazil	Dollar		379.20				362.50		741.70
Argentina	Peso	219,340	246.90	50,394	56.75	2,228,860	2,509.95	2,498,594	2,813.60
Peru	Dollar		150.00		85.12		17.96		253.08
Chile	Dollar					85,207.50	458.01	85,027.50	458.01
United States	Dollar				617.00				617.00
Chris Doherty:									
Brazil	Dollar		834.24		96.00		362.50		1,292.74
Peru	Dollar		375.00		85.12		17.96		478.08
Nancy Soderberg:									
Brazil	Dollar		834.24		538.00		362.50		1,734.74
Peru	Dollar		375.00		85.12		17.96		478.08
Total			3,970.68		2,187.98		7,457.76		13,616.42

ROBERT C. BYRD,
Democratic Leader, Sept. 9, 1986.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY LEADER FOR THE PERIOD FROM AUG. 30 TO SEPT. 5, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Ted Stevens:									
United Kingdom	Pound	713.86	1,056.00					713.86	1,056.00
United States	Dollar				1,384.26				1,384.26
Howard O. Greene, Jr.:									
United Kingdom	Pound	713.86	1,056.00					713.86	1,056.00
Kathie Bridenbaugh:									
United Kingdom	Pound	713.86	1,056.00					713.86	1,056.00
Greg Chapados									
United Kingdom	Pound	713.86	1,056.00					713.86	1,056.00
United States	Dollar				1,384.26				1,384.26
Elizabeth Greene:									
United Kingdom	Pound	713.86	1,056.00					713.86	1,056.00
Yvonne Hopkins:									
United Kingdom	Pound	713.86	1,056.00					713.86	1,056.00
Bill Phillips:									
United Kingdom	Pound	646.25	956.00					646.25	956.00
Delegation Expenses:									
United Kingdom							9,177.24		9,177.24
Total			7,292.00		2,768.52		9,177.24		19,237.76

Delegation expenses include direct payments and reimbursements to the Department of State and the Department of Defense under authority of Sec. 502(b) of the Mutual Security Act of 1954, as amended by Sec. 22 of P.L. 95-384, and S. Res. 179, agreed to May 25, 1977.

The following individuals traveled with the Delegation under authorizations as noted: Senator J. Bennett Johnston, Committee on Appropriations; Senator John Warner, Committee on Armed Services; Charlie Houy, Keith Kennedy, Gail Macauley, and Sean O'Keefe, Committee on Appropriations.

ROBERT DOLE,
Republican Leader, Jan. 5, 1987.

AMENDED CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY LEADER FOR THE PERIOD FROM JAN. 1, TO MAR. 31, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Phil Gramm:									
Mexico	Peso	50,197	99.41					50,197	99.41
United States	Dollar				561.00				561.00
Bill Burrow:									
Mexico	Peso	50,197	99.40					50,197	99.40
United States	Dollar				561.00				561.00
Total			198.81		1,122.00				1,320.81

ROBERT DOLE,
Republican Leader, Jan. 27, 1987.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LEAHY, from the Committee on Agriculture, Nutrition, and Forestry, with an amendment in the nature of a substitute:

S. 659. A bill to establish agricultural aid and trade missions to assist foreign countries to participate in United States agricultural aid and trade programs, and for other purposes (Rept. No. 100-33).

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 742. A bill to clarify the congressional intent concerning, and to codify, certain requirements of the Communications Act of 1934 that ensure that broadcasters afford reasonable opportunity for the discussion of conflicting views on issues of public importance (Rept. No. 100-34).

By Mr. LEAHY, from the Committee on Agriculture, Nutrition, and Forestry, with an amendment in the nature of a substitute:

S. 728. A bill to improve the nutrition of the homeless, and for other purposes.

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs, with an amendment in the nature of a substitute:

S. 810. A bill to authorize housing assistance for homeless individuals and families.

By Mr. KENNEDY, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute:

S. 811. A bill to provide health services, mental health services, and job training for homeless individuals and education for homeless children.

By Mr. GLENN, from the Committee on Governmental Affairs, with an amendment in the nature of a substitute:

S. 813. A bill to provide urgently needed assistance to protect and improve the lives and safety of the homeless.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

Thomas J. Healey, of New Jersey, to be a member of the Board of Directors of the Securities Investor Protection Corporation for a term expiring December 31, 1988; and

Alfred J. Fleisher, Sr., of Missouri, to be a member of the Board of Directors of the National Corporation for Housing Partnerships for the term expiring October 27, 1988.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GRASSLEY (for himself and Mr. Cochran):

S. 904. A bill to amend the Job Training Partnership Act to establish a Literacy Training Program to serve individuals most in need of literary skills who are not presently being served; to the Committee on Labor and Human Resources.

By Mr. GRASSLEY (for himself and Mr. Armstrong):

S. 905. A bill to establish a Presidential Advisory Panel for Coordination of Government Debt Collection and Delinquency Prevention Activities; to the Committee on Governmental Affairs.

By Mr. DANFORTH:

S. 906. A bill to suspend for a 9-month period the duty on certain mixtures of cross-linked sodium polyacrylate polymers; to the Committee on Finance.

By Mr. HOLLINGS (for himself and Mr. Riegle):

S. 907. A bill to further United States technological leadership by providing for support by the Department of Commerce of cooperative centers for the transfer of research in manufacturing, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. GLENN (for himself, Mr. Roth, Mr. Chiles, Mr. Pryor, Mr. Sasser, Mr. Heinz, Mr. Levin, Mr. Rudman, Mr. Bingaman, Mr. Mitchell, Mr. Stevens, Mr. Nunn, Mr. Trible, and Mr. Cohen):

S. 908. A bill to amend the Inspector General Act of 1978; to the Committee on Governmental Affairs.

By Mr. REID (for himself, Mr. Sarbanes, and Mr. Pryor):

S. 909. A bill to require that all amounts saved as a result of Federal Government contracting pursuant to Office of Management and Budget Circular A-76 be returned to the Treasury, that manpower savings resulting from such contracting be made permanent, and that employees of an executive agency be consulted before contracting determinations by the head of that executive agency are made pursuant to that circular; to the Committee on Governmental Affairs.

By Mr. STEVENS (for himself and Mr. Murkowski):

S. 910. A bill to provide that the Secretary of Transportation may make available special housing assistance to Coast Guard employees adversely affected by the closures of certain installations; to the Committee on Commerce, Science, and Transportation.

By Mr. DURENBERGER (for himself and Mr. Mitchell):

S. 911. A bill to implement the recommendations of the Special Envoys, to authorize a program deploying clean technologies, to reduce transboundary air pollution, and for other purposes; to the Committee on Environment and Public Works.

By Mr. EXON (for himself, Mr. Leahy, Mr. Heflin, Mr. Burdick, Mr. Breaux, Mr. Boren, Mr. Thurmond, Mr. Conrad, Mr. Dixon, Mr. Pressler, Mr. Sanford, Mr. Sasser, Mr. Harkin, Mr. Stennis, Mr. Ford, Mr. Shelby, Mr. Hollings, Mr. DeConcini, Mr. Daschle, Mr. Gore, Mr. Durenberger, Mr. Fowler, Mr. Baucus, Mr. Melcher, Mr. Simon, Mr. Wirth, Mr. Bumpers, Mr. Graham, Mr. Reid, Mr. Murkowski, Mr. Grassley, Ms. Mikulski, Mr. Nunn, Mr. Sarbanes, Mr. Karnes, Mr. Stevens, Mr. Danforth, and Mr. Cochran):

S. 912. A bill to amend the Rural Electrification Act of 1936 to permit the prepayment of Federal financing bank loans made to rural electrification and telephone systems, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. PELL:

S. 913. A bill to promote excellence in education, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. CRANSTON (by request):

S. 914. A bill to amend title 38, United States Code, to revise and clarify Veterans' Administration authority to furnish certain health care benefits, and for other purposes; to the Committee on Veterans' Affairs.

S. 915. A bill to amend title 38, United States Code, to authorize the Chief Medical Director to waive State licensure requirements for registered, practical or vocational nurses and physical therapists not to be employed in patient care, and for licensed or vocational nurses and physical therapists to be employed in a foreign country; to the Committee on Veterans' Affairs.

S. 916. A bill to amend title 38, United States Code, to authorize the Administrator to assist Members of Congress in providing title 38 information to their constituents, and to conduct authorized field examinations and investigations; to the Committee on Veterans' Affairs.

S. 917. A bill to amend title 38, United States Code, to authorize a headstone allowance for prepurchased grave markers and to modify eligibility requirements to the plot allowance, and for other purposes; to the Committee on Veterans' Affairs.

S. 918. A bill to amend title 38, United States Code, to make certain improvements in the educational assistance programs for veterans and eligible persons; to repeal the education loan program; and for other purposes; to the Committee on Veterans' Affairs.

S. 919. A bill to amend title 38, United States Code, to authorize the Administrator to make contributions for construction projects on land adjacent to national cemeteries in order to facilitate safe ingress or egress; to the Committee on Veterans' Affairs.

S. 920. A bill to amend title 38, United States Code, to repeal provisions relating to setting the interest rate on guaranteed or insured housing loans to veterans and inspecting manufactured homes purchased by veterans, to increase the VA loan fee, to authorize direct appropriations to the loan guaranty revolving fund, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. SPECTER (for himself, Mr. Chafee, Mr. Heinz, Mr. Inouye, Mr. Levin, Mr. Matsunaga, Mr. Mitchell, Mr. Riegle, Mr. Sarbanes, Mr. Stafford, and Mr. Wilson):

S.J. Res. 107. Joint resolution to designate April 1987, as "Fair Housing Month"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTION

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BYRD (for Mr. Inouye):

S. Res. 183. Resolution to waive the rules and orders of the Senate to allow for the designation of a Vice Chairman of the Select Committee on Indian Affairs and to allow the Vice Chairman to preside at a meeting of such committee in the absence of the chairman; to the Committee on Rules and Administration.

By Mr. DOLE (for himself, Mr. Stevens, Mr. Wilson, Mr. Hatch, Mr.

MURKOWSKI, Mr. DANFORTH, Mr. NICKLES, Mr. HUMPHREY, Mr. D'AMATO, Mr. BOND, Mr. KASTEN, Mr. HOLLINGS, Mr. ARMSTRONG, Mr. COCHRAN, Mr. CHAFEE, Mr. REID, and Mr. SIMPSON):

S. Res. 184. Resolution expressing the sense of the Senate on AIDS; ordered held at the desk.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GRASSLEY (for himself and Mr. COCHRAN):

S. 904. A bill to amend the Job Training Partnership Act to establish a Literacy Training Program to serve individuals most in need of literacy skills who are not presently being served; to the Committee on Labor and Human Resources.

LITERACY TRAINING ACT

● Mr. GRASSLEY. Mr. President, throughout the course of the last Congress and the beginning of this one, hearings have been held to gather information on America's illiteracy problem. This problem is a critical one affecting our country in many ways. We've heard from testimony that American industries need a supply of skilled workers to remain competitive in the global market. A reoccurring concern has been the need to address training opportunities for the unemployed and retraining for displaced workers in industries that have been adversely affected by unfavorable international trade conditions.

At a previous hearing on productivity and competitiveness, Dr. Norwood from the Bureau of Labor Statistics emphasized that, while many displaced workers will find new jobs on their own, there are many other unemployed adults and displaced workers who are illiterate. They cannot read a newspaper help-wanted ad or fill out a job application. They will not find a job on their own. They need help.

I think most of us have heard at least once some of the staggering statistics: 25 million American adults are considered functionally illiterate—they lack the reading, writing, comprehension, and simple math skills necessary to function in society beyond the most minimal level—fourth grade. Another equally large number of Americans are considered only marginally literate—their basic skills fall in the range of the fifth- through eighth-grade levels.

Yet a more staggering statistic is the cost. A direct correlation has been established between the number of illiterate adults unable to perform at the standard necessary for available employment and the money allocated to child welfare cost and unemployment compensation. The total cost of illiteracy to society has been estimated to exceed $200 billion a year, when calculated in terms of welfare payments, crime, job incompetence, industrial and military accidents, prison programs, lost taxes and remedial education programs administered both publicly and by private industry.

Currently, the Adult Basic Education Program administered under the Department of Education, does provide remedial education services to approximately 2.6 million adults across the country. Another 1.4 million adults are receiving services in a variety of smaller literacy programs, both public and private. But this totals only 4 million. The majority of the functionally illiterate population is not being served. This is a tragic loss to the individual and a drain on our Nation's productivity.

We must do something to rectify this loss. However, we need to realize that the task of improving basic skills for an adult who did not achieve success in school as a youth, is not easy. Often the individual must first overcome the embarrassment associated with the stigma of being illiterate, recognize the advantages of literacy training, and then make the personal decision to invest the time for self-improvement. To move from a fourth-grade level to an eighth-grade level may well require 2 years of hard work. In the best of scenarios under current programs, less than one-half of the 4 million in remedial education programs will move out of the pool of illiterates in any given year. And even more bleak are the estimates that 1.5 to 2.3 million new illiterates are being added to the pool each year, chiefly from school dropouts and foreign immigrants.

The Job Training Partnership Act programs, administered by the Department of Labor, have shown success in providing some basic education skills, training, and job placement services for unemployed or displaced workers. But JTPA does not address the needs of the functionally illiterate adult population. JTPA's remedial education component is of too short a duration to adequately prepare an illiterate adult for its job-training component. Most of the occupants for which JTPA training programs have been developed require at least a seventh-grade reading level and a working knowledge of fractions, decimals, and often some algebra and geometry. It's a catch-22 situation for the illiterate adult who wants to obtain training through JTPA programs. Requirements for success in the training programs and on the job exceeds his or her abilities.

Mr. President, I believe that Congress must act to bridge the existing gaps in the Nation's literacy and job training programs. Our current efforts are just not sufficiently addressing the scope of the adult illiteracy problem. This bill will expand opportunities for individuals who want to gain entry into our Nation's work force, but are lacking the basic skills needed to participate in job training programs such as JTPA.

My initiative will establish community-based programs to provide one-to-one tutorial service to any individual seeking help. It would involve the participation of postsecondary institutions who are eligible providers of JTPA programs, employment service agencies, local social service agencies, the local PIC's—private industry councils—and local volunteer service organizations. It calls for the delivery of free tutoring services and flexible hours at a variety of locations in communities so that individuals can get help near where they live. It also encourages optional use of computer-assisted instruction in appropriate situations, so individuals will gain the additional benefit of becoming familiar with new technology, once they have progressed in skill development and self-esteem in the nurturing environment of a one-to-one tutor.

The problem of illiteracy cannot be resolved overnight. It is a problem that many individuals and our great country, as a nation, must face. It is a problem equal in importance to the problem's facing the other groups that the Job Training Placement Act serves; therefore, it is my hope that my colleagues will join me in cosponsoring this important legislation and that we will see the legislation enacted into law this Congress.●

● Mr. COCHRAN. Mr. President, I am joining the distinguished Senator from Iowa [Mr. GRASSLEY] in the introduction of the Literacy Training Act of 1987.

This legislation seems to address the needs of adults across the Nation who are illiterate. Thousands of them are unable to work because they cannot fill out an application.

This bill would establish community based programs with one-to-one tutoring for any individual willing to learn basic reading skills.

Private industry, volunteer service organizations, providers under the Job Training Partnership Act, and employment service agencies would all join together to administer the program. Funds would be made available for the training of professional and volunteer teachers, the purchase of curriculum materials, and for client outreach.

Passage of this bill would be an important step in the effort to reduce the high numbers of illiterate adults in our country.

I am happy to be a sponsor of this bill and hope we can get prompt consideration of it by the Senate.●

By Mr. GRASSLEY (for himself and Mr. ARMSTRONG):

S. 905. A bill to establish a Presidential Advisory Panel for Coordination of Government Debt Collection and Delinquency Prevention Activities; to the Committee on Governmental Affairs.

PRESIDENTIAL ADVISORY COMMISSION ON FEDERAL DEBT COLLECTION

● Mr. GRASSLEY. Mr. President, I rise today to introduce a bill to establish a Presidential Advisory Panel for Coordination of Government Debt Collection and Delinquency Activities. My colleague from Colorado, Senator Armstrong, is joining me as a cosponsor.

It is obvious that the U.S. Government must improve its debt collection procedures. Time and time again, studies by numerous Federal agencies have pointed out the shortcomings and poor record of current government debt collection procedures. The General Accounting Office reports that over 20 Government agencies have failed to rigorously collect the billions of dollars owed them.

According to the GAO, the total debt owed to the Federal Government at the close of fiscal year 1986 was over $363 billion. Of that amount, $68 billion was at least 30 days past due, much of that $68 billion was significantly delinquent. This massive figure includes at least $42 billion owed to the Treasury, most of which is delinquent taxes.

With annual deficits remaining at roughly $200 billion, it is totally unacceptable for the Government to continue to ignore or write off these debts when the American people expect, deserve, and demand fiscal responsibility and sound business practices from their Government officials.

My proposal would create a panel of experts from the private sector to evaluate Federal policies and procedures on debt collection and delinquency prevention. The panel would develop training manuals to increase the effectiveness of employees involved in collection activities.

The panel would be temporary, submitting a final report to the President and to the Congress within 18 months after its first meeting and terminate 30 days after submission of its report.

With the annual deficit and national debt getting larger day by day, it is absolutely vital that we do a better job of collecting what is owed to the American people. There is a large pool of talent available in the private sector for advising the Government on better ways to collect these debts and prevent future delinquency. We should take advantage of this expertise at the Federal level. This bill merits the support of my colleagues because of the potential for making a very positive contribution for Federal debt collection activities.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 905

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Presidential Advisory Panel for Coordination of Government Debt Collection and Delinquency Prevention Activities Act of 1985".

ESTABLISHMENT; COMPOSITION

Sec. 2. (a) There is established a Presidential Advisory Panel for Coordination of Government Debt Collection and Delinquency Prevention Activities (hereafter in this Act referred to as the "Panel") composed of fifteen members appointed by the President. The Panel shall consist of—

(1) seven representatives of various-sized debt collection agencies,

(2) seven attorneys experienced in the field of debt collection, and

(3) an official of the Federal Government. No person shall be appointed who is, or is a member of a company or organization which is, retained to perform debt collection services for the Federal Government.

(b) The President shall make such appointments within sixty days after the enactment of this Act. Such members appointed shall take office upon such date of appointment.

(c) The President shall designate from among the members a Chairman and Vice Chairman. Vacancies in the membership of the Panel shall not affect the power of the remaining members to execute the functions of the Panel and shall be filled in the same manner as the original appointments.

PURPOSES AND FUNCTIONS OF THE PANEL

Sec. 3. The Panel shall—

(1) review and evaluate Federal Policies on debt collection and delinquency prevention;

(2) recommend uniform policies, procedures, and guidelines for the collection of debts owed to the United States Government;

(3) develop, after consulting with the Office of Management and Budget and other appropriate Federal agencies, the priority and manner of delinquent debt collections and procedures for the prevention of delinquencies;

(4) establish training manuals to increase the effectiveness of employees involved in collection activities; and

(5) undertake additional related tasks and make interim reports of its activities and recommendations as the President may determine necessary.

ADMINISTRATION

Sec. 4. (a) The Panel may make appropriate rules respecting its organization and procedures, except that no recommendation shall be reported from the Panel unless a majority of the Panel assents.

(b) The Panel may appoint and compensate staff personnel, without regard to the provisions of title 5, United States Code, governing appointments in the competitive services, and the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classifications and the General Schedule pay rates.

(c)(1) Subject to paragraph (2), the members of the Panel may be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out the functions of the Panel.

(2) Any member may decline the reimbursement of expenses.

REPORT; TERMINATION

Sec. 5. (a) The Panel shall submit a final report to the President and to the Congress not later than eighteen months from the date of the first meeting of the Panel, containing the findings and recommendations of the Panel with respect to matters described in section 3.

(b) The panel shall terminate within thirty days following the submission of the final report.

AUTHORIZATION OF APPROPRIATIONS

Sec. 6. There are authorized to be appropriated in any fiscal year such sums as may be necessary to carry out the provisions of this Act.

FEDERAL ADVISORY COMMITTEE ACT

Sec. 7. Except as inconsistent with this Act, the provisions of the Federal Advisory Committee Act, appendix I of title 5, United States Code, shall apply.●

By Mr. DANFORTH:

S. 906. A bill to suspend for a 9-month period the duty on certain mixtures of cross-linked sodium polyacrylate polymers; to the Committee on Finance.

TEMPORARY SUSPENSION OF DUTY ON CROSS-LINKED SODIUM POLYACRYLATE POLYMERS

● Mr. DANFORTH. Mr. President, today I am introducing legislation which would suspend for a 9-month period the duty on certain mixtures of cross-linked sodium polyacrylate polymers.

I ask unanimous consent that the text of the legislation be printed in the Congressional Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 906

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart B of part 1 of the Appendix to the Tariff Schedules of the United States is amended by inserting in numerical sequence the following item:

"907.72	Mixtures of two or more organic compounds containing one or more cross-linked sodium polyacrylate polymers (provided for in item 430.20, part 2D, Schedule 4).	Free............	No change...	On or before 10/31/87".

SEC. 2. EFFECTIVE DATE.

(a) In General.—The amendment made by this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after the date that is 15 days after the date of enactment of this Act.

(b) Reliquidation.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, upon a request filed with the appropriate customs officer before the date that is 90 days after the date of enactment of this Act, any entry of an article described in item 907.72 of the Appendix to the Tariff Schedules of the United States (as amended by this Act) that was made—

(1) after June 30, 1985, and

(2) on or before the date that is 15 days after the date enactment of this Act,

shall be liquidated or reliquidated as though such entry occurred on the day after the date that is 15 days after the date of enactment of this Act.●

By Mr. HOLLINGS (for himself and Mr. RIEGLE):

S. 907. A bill to further U.S. technological leadership by providing for support by the Department of Commerce of cooperative centers for the transfer of research in manufacturing, and for other purposes; to the Committee on Commerce, Science, and Transportation.

TECHNOLOGY COMPETITIVENESS ACT

Mr. HOLLINGS. Mr. President, today I am introducing a comprehensive bill to strengthen American technology, manufacturing, and industrial competitiveness. Its purpose is straightforward and urgent: to provide the technical information and basic engineering research that industry needs to make American manufacturing and products once again the best in the world.

U.S. problems in manufacturing and the commercialization of new products continue to grow more serious each month, affecting not only traditional industries such as steel and autos but also high-technology sectors such as semiconductors. Now we also run the risk of losing our best new industries, including biotechnology, advanced ceramics, and fiber optics.

Research and new manufacturing technologies alone will not solve these problems. We also need better corporate management. We need new Government policies, starting with lower Federal deficits and stronger enforcement of our trade rules. But a vigorous technology policy is vital. As the 1985 report of the President's Commission on Industrial Competitiveness said, "Technology propels our economy forward. Without doubt, it has been our strongest competitive advantage." Without Government and industry working together to create first-rate technology, we will lose the world economic race. And it is high time that the Federal Government bring its technology policy into line with this urgent new reality.

The legislation I am introducing today is an important step toward making Federal technology policy better serve the needs of American industry. Rather than create a large new Federal bureaucracy, this bill builds upon existing and proven models. It addresses five specific, critical needs in U.S. technology policy by strengthening the technology programs of the Department of Commerce [DOC].

To provide the quality control techniques and much of the generic engineering research that American industry needs to improve manufacturing and rapidly commercialize new scientific discoveries, the bill upgrades the existing National Bureau of Standards—the one Federal laboratory with a mission to assist industry—into a full-fledged National Institute of Technology.

To transfer the basic manufacturing technology and expertise already developed at the Bureau's "factory of the future" to American companies that need that expertise, the bill provides for regional Federal-State-industry centers to demonstrate and refine automated manufacturing technologies.

To further assist the rapid commercialization of new scientific discoveries of great economic significance, the bill provides for a number of research awards to both small businesses and joint research ventures.

To make it possible for small, capital-poor manufacturing firms to acquire advanced manufacturing equipment, the bill creates a special fund to purchase and then lease flexible manufacturing systems to small firms. This provision is modeled on a successful Japanese program.

Finally, to improve the management of Commerce Department technology programs and to improve the Department's ability to monitor and analyze worldwide trends in technology, the bill pulls these technology programs together into a new Productivity and Technology Administration, headed by an Under Secretary for Productivity and Technology.

THE PROBLEM: AMERICAN DIFFICULTIES IN MANUFACTURING AND COMMERCIALIZATION

The stark fact is that today the United States leads the world in scientific discoveries but not in manufacturing and new products.

To be sure, American research universities remain the best in the world, and we still receive the most Nobel Prizes in science. We must continue to support basic scientific research; it is a vital long-term investment in our economic future. But we must recognize that pure scientific research per se is not this country's weak point. Our weaknesses in science and technology lie elsewhere.

While Americans make the great scientific discoveries and start entire new industries, the Japanese and others all too often prove: First, that they are better at manufacturing; and second, that they are faster at turning new discoveries into successful commercial products. We perform the pure science, only to see other nations often put that taxpayer-supported research to better use.

MANUFACTURING PROBLEMS

The manufacturing problem was best stated by the President's Commission on Industrial Competitiveness:

> Manufacturing technology needs more emphasis. Perhaps the most glaring deficiency in America's technological capabilities has been our failure to devote enough attention to manufacturing or "process" technology. It does us little good to design state-of-the-art products, if within a short time our foreign competitors can manufacture them more cheaply.

New manufacturing technology can help solve these problems. In particular, the whole field of "computer-integrated manufacturing" promises great benefits in flexibility, quality, and cost reduction, but we need research and precise technical data in order to make it a reality. The recent report from the National Academies of Sciences and Engineering, "Towards a New Era in U.S. Manufacturing," summed up that need:

> Manufacturing is becoming increasingly science-based; that is, scientific knowledge is virtually a prerequisite to the effective design and implementation of advanced process technologies. . . . As these developments unfold, federal support of basic research in both government laboratories and universities will be increasingly important to the health of U.S. manufacturing.

LAGGING COMMERCIALIZATION

In product commercialization, the Japanese have used their superior design techniques and production processes to take the lead in putting new products in mass production. They have done this in basic manufacturing and in much of the semiconductor industry, and they have launched intensive research projects to aid product commercialization in important emerging fields, including advanced ceramics, biotechnology products, and fiber optics. Last year alone, the Japanese started 25 new government-industry research projects aimed at capturing world leadership in these fields.

The weakness of America's research strategy is dramatic. A recent Office of Technology Assessment report on biotechnology contrasts low U.S. investment in what we call "basic engineering research" or "generic research" versus the high priority the Japanese put on these efforts to aid commercialization.

> The relatively low level of U.S. Government funding for generic applied research in biotechnology may cause a bottleneck in this country's biotechnology commercialization efforts. . . . [Japan's] strategy worked well in the semiconductor industry, and Japan may very well attain a larger market share for biotechnology products than the United States because of its ability to rapidly apply results for basic research available from other countries.

Recently we have seen a startling example of how quickly the Japanese can organize to exploit a new scientific discovery. American researchers in Houston and Alabama have discovered an entirely new kind of superconducting material. Because superconductors transmit electricity with no resistance or energy loss, they potentially have applications in everything from magnets to computers. According to the Wall Street Journal, one of the earliest applications could be superconducting computer chips that would make possible shoe box-sized supercomputers.

My point is that 4 days after University of Houston researchers announced their dramatic progress, the Japanese Government announced its intention to form a research consortium of Japanese companies, universities, and government laboratories to exploit the discovery. A week later, the consortium was in place. A Japanese newspaper article, quoted in the Journal, sums up their intent: "The objective is to organize industry to get the jump on the West in applications and commercialization for a huge new market." In this field of technology, as in so many others, we face formidable competitors.

THE AMERICAN RESPONSE

American industry can and will do more fundamental research in both manufacturing and product commercialization. Companies have formed research consortia in a range of areas, and a new $10 million per year consortium for research in manufacturing may soon form. I applaud these initiatives. But by themselves, they are not enough. No one company or group of companies has the incentive or the means to fund the needed level of long-term basic engineering research, particularly in this new era of government-to-government economic competition.

And what has been the response of the U.S. Government to this rapidly deteriorating situation? That response has been virtually nothing. Federal civilian science agencies spend $15 billion a year on research and development. The National Science Foundation alone will spend $1.6 billion this year. Yet the total amount that all civilian agencies spend on fundamental research in manufacturing totals less than $50 million per year; research to eliminate technical barriers in product commercialization is at a similar level. The levels would be even lower if not for a few far-sighted officials.

Indeed, at a time when we should move forward with Federal support for research in manufacturing and commercialization, this administration has taken giant steps backard. It has consistently blocked efforts in this direction. In 1981, it rescinded Commerce Department funds that the Carter administration had requested to support university-based research centers in industrially-relevant technology. In 1984, the President pocket-vetoed a modest but valuable bill calling for the Commerce Department to support research centers in manufacturing. The White House allowed the National Science Foundation to create several much-needed engineering research centers, but today we have only 11 of these centers instead of the 50 that one of the President's own science advisors, Dr. George Keyworth, said were urgently needed.

At the same time, technical programs at our most important Federal laboratory—the National Bureau of Standards—have been starved, hindering corporate efforts to improve quality control and process technology. The Bureau's new engineering research in economically-important emerging technologies remains puny. The total fiscal year 1987 appropriation for the Bureau is $122 million, scarcely above the fiscal year 1982 level of $120.3 million. Technology has changed a great deal during those 5 years, and worldwide competition has skyrocketed. To its credit, the administration has requested increased fiscal year 1988 funds for the Bureau. Yet net program increases in that budget total only $2.9 million, and the President's 1,600-page "competitiveness initiative" does not even mention the Bureau or research to aid manufacturing.

I want to work with this administration and hope that cooperation is possible, but I cannot agree with the administration's current priorities. While it spends only peanuts on research to help our struggling manufacturers meet the Japanese challenge, the President has proposed that the country build a $4.5 billion "atom-smasher," the so-called superconducting super collider. This project will have no practical benefits. I support pure scientific research, but this administration has its priorities skewed. We need some balance here. With these current policies, we'll be left with a great American atom-smasher and with the Japanese controlling every manufacturing industry in the country.

FIVE NATIONAL NEEDS AND THE BILL'S PROVISIONS

Mr. President, our Nation's problems with manufacturing and the commercialization will not magically solve themselves. American industry should and will do more to address these problems, but companies alone do not have the incentive or sometimes the means to conduct fundamental research or develop new generic technology. The Federal Government can and must play a role to assist American industry. And, whenever possible, it should work not only with the companies themselves but also with our universities, State technology programs, and Federal laboratories.

The bill I am introducing today addresses five specific, critical problems that stand in the way of our efforts to improve manufacturing technology and speed the commercialization of new scientific discoveries.

Research, technical services, and the need for a National Institute of Technology:

Today, American industry lacks many of the quality control techniques and much of the generic technology it needs to improve manufacturing and commercialization. For that reason, this country needs a National Institute of Technology, a laboratory that will work with American industry to create those techniques and basic, generic technology.

I'm not talking about a huge new bureaucracy or Government subsidies. I'm talking about well-targeted generic research and technical services—especially quality control techniques—in critical fields of technology. The aim is to help American industry as a whole perform better. These are research projects and services that all companies need but which no one company or group has an incentive to provide. They help industry solve the technical problems—technical barriers—associated with designing and making products.

We need a National Institute of Technology to help industry, just as we need the National Institutes of Health to provide the research and information needed to turn biomedical discoveries into usable medical therapies.

My bill would create that Institute. It would start with a proven agency, the current National Bureau of Standards. That Bureau has made an important start in providing industry with the engineering research and precise technical information it needs. Examples include small but valuable programs in industrial process control and quality assurance, automated manufacturing, methods to link different types of computers into networks, and reliability and production techniques for emerging technologies.

My bill would upgrade this agency's responsibilities and name; strengthen its traditional mission to provide technical services to industry, including measurement and calibration services to improve quality control and product reliability; formally give it a second mission to work with industry to perform needed "generic" engineering research in manufacturing, computer networking, and new emerging technologies; authorize and encourage the Institute to work with industry, both directly and through the National Academies of Engineering and Sciences, to identify significant national needs and opportunities in manufacturing and emerging technologies; and provide well-targeted funding increases to give this Federal laboratory the resources it needs.

The need for technology transfer centers. We also need a series of centers—cofunded by the Federal Government, industry, and the States—to transfer Federal research in manufacturing to the companies that need it, especially medium and small firms. The Bureau of Standards—what I would rename as the National Institute of Technology—is in a unique position to manage this type of centers program.

The Bureau currently has an "Automated Manufacturing Research Facility" [AMRF], a "factory of the future" in which government and industry engineers are perfecting computer-controlled flexible manufacturing systems that could revolutionize the American factory and restore American competitiveness in manufacturing. That research is already producing results. In my home city of Charleston, SC, the Bureau and the Navy are creating a new automated facility that will enable the Navy to make spare parts rapidly for the fleet. Specifications for all types of parts will be stored in a computer. When a specific ship part breaks, engineers will pull the necessary specifications out of the computer and transmit them directly to automated machines that can produce the needed spare quickly. Costs and time delays will be cut dramatically.

This technology could greatly benefit civilian industry as well. But improved technology is useless unless it gets to the people who need it. The companies that supply robots play a large role. What the United States lacks, however, is a way to show the new technology to businesss executives and to help them adapt the technology to their particular industries. We need to transfer this Federal research to users.

The need for technology transfer is great. Understanding of the new technology is weak even among those companies that have tried it. A recent study by Professor Jaikumar of the Harvard Business School compared American and Japanese use of new flexible manufacturing systems [FMS's]. He compared 35 systems in the United States and 60 in Japan. His conclusion:

> With few exceptions, the flexible manufacturing systems installed in the United States show an astonishing lack of flexibility. In many cases, they perform worse than the conventional technology they replace. * * * Unless U.S. managers understand the implications of Japan's mastery of FMS technology, their companies will fall further behind.

Then there is the problem of the thousands of companies which have not yet begun to modernize their plants. According to Business Week, 100,000 small "job shops"—machine tool shops—form the backbone of American manufacturing. They supply 75 percent of all the machined metal parts used in products made by their bigger brethren. They employ the bulk of all blue-collar workers.

These small shops are interested in automating, but often lack credible objective information and help. The Automated Manufacturing Research Facility at the Bureau of Standards is valuable, but it is not a complete answer. It currently serves as a research laboratory performing state-of-the-art work with major corporations. But if we could make its technology and insights available to medium and small companies, that single step would significantly boost American industrial competitiveness.

My bill would direct the Secretary of Commerce, through the National Institute of Technology, to provide support for the establishment of regional "Cooperative Centers for the Transfer of Research in Manufacturing." These centers—cofunded by the Commerce Department, industry, and the States—would build and operate small model flexible manufacturing systems, based on the advanced technology developed at the Institute. State agencies or universities interested in sponsoring centers would apply through a competitive process. The Secretary of Commerce would make final selections on the bases of proposal merit, proper cost-sharing, and geographical diversity.

The centers would serve several functions: demonstrating the new technology, training students and executives in its operation, and when appropriate conducting additional basic research to tailor flexible manufacturing technology to the needs of particular types of industries. The centers would not emphasize any one company's products or actually advise companies what to buy. Instead, they would offer local business people a chance to see, understand, and test the new equipment.

To the greatest degree possible, this program would build upon what State agencies and universities already are doing to help companies modernize. The objective is to work with existing State and university groups to transfer Federal research findings to industry.

Assisting commercialization efforts in industry. We also need a well-focused program to help American companies—using their ideas and the tools provided by the Institute of Technology—to rapidly commercialize the most economically significant new scientific discoveries. In an age when the Japanese move so quickly to exploit new scientific discoveries, we can no longer afford to sit on the sidelines.

I am not proposing an "American MITI." Our economy and system of government differ from Japan's, and no one wants to graft centralized planning onto our system.

Instead, my bill uses proven models to create a two-part commercialization assistance program. The first part focuses on small business. The Pentagon's Strategic Defense Initiative unit has a small Innovative Science and Technology Office which can quickly give awards to companies with promising new ideas. We should have something similar for critical areas of civilian technology—particularly a program that can assist small, low capital companies. My bill contains such a provision. To make sure that it operates well, I have followed the model used by the highly successful Small Business Innovation Research [SBIR] program. As in the SBIR Program, my bill would provide for two types of Commerce Department awards: small "phase one" awards to allow firms to explore important ideas, followed by larger "phase two" awards to the phase one projects which show the most promise. During phase two, special consideration would be given to applicants who have received commitments for non-Federal matching funds.

The second part of the commercialization assistance program authorizes the Secretary of Commerce to encourage and financially assist the creation of multicompany joint research ventures. The National Cooperative Research Act of 1984 allows American companies to form such joint ventures. We have nearly 50 of them, most without Federal funding. Joint ventures work well, but often are slow to form. In situations where a new technology is of high economic importance and speed is necessary, my bill would allow the Secretary to provide "seed money" to help form a joint venture. The new discovery of "superconducting materials" is an example. The bill would limit Federal contribution to 5 years and one-third of the venture's cost.

The need for a small business lease-back program. As I mentioned earlier, the bulk of American manufacturing is performed by small firms facing stiff foreign competition. One problem these firms face is a lack of technical information about new automated equipment, especially flexible manufacturing systems. The manufacturing technology transfer centers in my bill would address this difficulty. However, these firms often face a second problem, as well. Because they are small and struggling, many of them cannot afford the high up-front cost of buying new equipment, even though the new technology will improve their productivity and profits. They also often find loans difficult to obtain.

Small Japanese manufacturers face similar problems, and the Japanese have developed an innovative and highly successful response. In 1980 Japanese companies and the government created the Japan Robot Lease Co. The company purchases robots and other advanced manufacturing machines and then leases them to small firms. The company gets its money back in the end, and the small firms avoid high up-front capital costs.

My bill creates a similar program. A one-time appropriation of $50 million is authorized to create a special Federal fund. The Commerce Department would then draw upon that fund to purchase robots, flexible manufacturing systems, and other equipment and then lease that equipment to qualified small manufacturers. I would prefer a private sector leasing program of this type, but in the absence of one I favor a Federal effort.

Strengthening Commerce Department management and analytic capabilities. Finally, the Federal Government needs to get its own house in order. In the case of the Commerce Department, we find that management and analytic capabilities are weaker than what we need. The Department's technology programs include not only the National Bureau of Standards—to become the National Institute of Technology—but also a set of offices to monitor worldwide trends in technology and to disseminate technical information. The latter include the Office of Productivity, Technology, and Innovation [OPTI]; the National Technical Information Service [NTIS]; and the new program created by the Japanese Technical Literature Act of 1986.

Currently, these programs are not well-linked, nor do they have a single high-level manager except for the Secretary and Deputy Secretary themselves.

My bill would pull them together, along with any other technology office the Secretary of Commerce may designate, into a new "Productivity and Technology Administration" run by a new Under Secretary of Commerce for Productivity and Technology. Existing OPTI and NTIS operations would be kept, but the bill clarifies the duties of the OPTI group to ensure that the Congress and executive branch get timely information and advice regarding worldwide technology trends and U.S. strengths and weaknesses in technology. The Secretary of Commerce, through the new Under Secretary would administer commercialization assistance programs and the small business leaseback program.

PROGRAM INCREASES

My bill would authorize $180 million in new fiscal year 1988 money to help carry out the purposes of the act.

Ninety million in new money would go to the National Institute of Technology, the manufacturing centers, and the new Productivity and Technology Administration; $44 million of that would be authorized for increases at the National Institute of Technology. The new funds would be in addition to the fiscal year 1987 NBS level of $122 million. The increases would go to areas critical to U.S. competitiveness, including quality control, manufacturing, biotechnology, fiber optics, and semiconductor technology (including the use of new superconducting materials):

Process and quality control methods ($6.5 million, bringing total work in this area to $9.0 million).

Reliability techniques for fiber optics and related lightwave technology ($2.5 million, bringing the total to $3.5 million).

Bioprocess engineering ($2.5 million).

Advanced composite materials ($3.5 million).

Quality control techniques for new semiconductor materials and processing technologies, including necessary equipment ($6.0 million).

Work to adapt the Automated Research Manufacturing Facility for small business and other industrial sectors, including non-durable goods and construction ($2.0 million).

Putting technical data into computer-readable form ($1.5 million).

Microwave communications work ($1.0 million).

Technical data for advanced computer information systems ($1.5 million).

Restoration of cuts in pilot research projects and new personnel ($3.3 million).

Adjustments to base and remedial building improvements, both already requested by the administration ($13.7 million).

The bill does not authorize NBS/NIT appropriations for fiscal years beyond 1988, but Congress should consider doubling the Agency's budget over the next 5 years, just as the administration has proposed doubling the budget of the National Science Foundation [NSF]. Giving American industry the tools to commercialize and manufacture new scientific discoveries is as important as funding the science itself.

The manufacturing centers program would cost $40 million in fiscal year 1988. Each center would cost about $7 million the first year—$4 million for one-time equipment costs and $3 million for annual operating costs. Under the terms of my bill, the Federal share would be no more than 50 percent. During the first year, the $40 million of Federal money would support the creation of about 10 centers around the country, as well as cover central administrative costs at the Institute.

The bill authorizes an additional $6 million for Commerce Department technology management and analysis programs, over and above the fiscal year 1987 level of only $2 million. The funds would be distributed as follows: $1 million for Office of Under Secretary, $4 million for OPTI, and $3 million for implementation of the Japanese Technical Literature Act. The Japanese and others spend millions to monitor our technology and provide their companies with detailed information on worldwide technology trends. We no longer can afford not to monitor theirs.

Of the remaining $90 million in new fiscal year 1988 money, $40 million would go for the new commercialization assistance program (which includes awards for both small business and joint ventures) and $50 million for a one-time appropriation to capitalize the leaseback program.

CONCLUSION: GOVERNMENT-INDUSTRY-STATE COOPERATION TO CREATE A NEW ERA IN AMERICAN MANUFACTURING

Mr. President, we are at an historic juncture in the history of our Nation and our economy.

We have become part of an international economy, and a highly competitive one. Our manufacturing industries face stiff foreign competition. Yet Americans, both in government and in industry, have neglected basic manufacturing and the development of new processes to commercialize and produce new kinds of products. We do so at our peril. The Japanese have worked hard, developed superb manufacturing technology, and applied it brilliantly.

Additional basic research to help manufacturing and commercialization is not a panacea. But unless we ensure that American industry gets the advanced tools it needs, we will continue to lose one industry after another to our foreign competitors. That would be a sad fate for a country with the greatest scientific and technological resources in history.

For all of these reasons, I am today introducing the Technology Competitiveness Act of 1987. I urge my colleagues to study it, and I invite them to cosponsor it. I hope that others will consider it as well.

Mr. President, I ask unanimous consent that a fact sheet on the bill and the text of the bill itself appear in the RECORD following these remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 907

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Technology Competitiveness Act of 1987".

TITLE I—NATIONAL INSTITUTE OF TECHNOLOGY

SEC. 101. Section 1 of the Act of March 3, 1901 (15 U.S.C. 271) is amended to read as follows:

"FINDINGS AND PURPOSES

"SEC. 1. (a) The Congress finds and declares that—

"(1) United States economic growth and industrial competitiveness require continual improvements in manufacturing technology, quality control, and techniques for ensuring product reliability and cost-effectiveness;

"(2) improvements in manufacturing and product technology depend on fundamental scientific and engineering research, in cooperation with industry, to develop (A) the precise and accurate measurement methods and measurement standards needed to improve quality and reliability, and (B) new technological processes by which such improved methods may be used in practice to improve manufacturing and to assist industry to transfer important laboratory discoveries into commercial products;

"(3) interstate commerce, scientific progress, public safety, and product compatibility and standardization also depend on the development of precise measurement methods, standards, and related basic technologies;

"(4) because no one manufacturer or group of manufacturers is able to provide these essential technical services, the Federal Government should maintain a national science and technology laboratory which is able to provide methods, measurement standards, and associated technologies and which is able to work with United States companies to use new techniques to improve products and manufacturing processes; and

"(5) the Federal Government's measurement and technology laboratory also can and should serve as a clearinghouse to assist trade associations, State technology programs, labor organizations, and universities to disseminate information on new basic technologies, including automated manufacturing processes, to interested large and small industrial companies which face strong competition from foreign sources.

"(b) It is the purpose of this Act to establish a National Institute of Technology to serve as a national laboratory which will provide the measurement and technological services essential for scientific and engineering progress, interstate commerce, improved product reliability and manufacturing processes, and guaranteeing that products protect public safety.".

SEC. 102. Section 2 of the Act of March 3, 1901 (15 U.S.C. 272) is amended to read as follows:

"ESTABLISHMENT, FUNCTIONS, AND ACTIVITIES

"SEC. 2. (a) There is established within the Department of Commerce a science and technology laboratory to be known as the National Institute of Technology (hereinafter referred to as the 'Institute'.)

"(b) The Secretary of Commerce (hereinafter referred to as the 'Secretary') is authorized to—

"(1) develop, maintain, and retain custody of the national standards of measurement, and provide the means and methods for making measurements consistent with those standards, including comparing standards used in scientific investigations, engineering, industry, commerce, and educational institutions with the standards adopted or recognized by the Federal Government;

"(2) contribute to United States industrial capacity by conducting research and cooperating with industry to develop the measurements, measurement methods, and basic technology needed to improve quality control, to modernize manufacturing processes, to ensure product reliability, manufacturability, functionality, and cost-effectiveness, and to facilitate the more rapid commercialization of products based on new scientific discoveries in fields such as automation, advanced materials, biotechnology, and optical technologies;

"(3) determine, compile, and evaluate physical constants and the properties and performance of conventional and advanced materials when they are important to science, engineering, education, commerce, and industry and are not available with sufficient accuracy elsewhere;

"(4) develop a fundamental basis and methods for testing materials, mechanisms, structures, equipment, and systems, including those purchased for the use of the Federal Government;

"(5) assure the compatibility of United States national standards with those of other nations;

"(6) cooperate with other departments and agencies of the Federal Government, industry, and private organizations in establishing standard practices, incorporated in codes, specifications, and voluntary consensus standards;

"(7) advise government and industry on scientific and technical problems;

"(8) invent, develop, and (when appropriate) promote transfer to the private sector of devices to serve special national needs; and

"(9) assist interested trade associations, State technology agencies, labor organizations, and universities to disseminate information on new basic product and process technologies, particularly automated manufacturing technologies, to interested medium-sized and small companies throughout the United States.

"(c) In carrying out the functions specified in subsection (b) of this section, the Secretary may—

"(1) construct physical standards;

"(2) test, calibrate, and certify standards and standard measuring apparatus;

"(3) study and improve instruments, measurement methods, and industrial quality control and quality assurance techniques;

"(4) cooperate with the States in securing uniformity in weights and measures laws and methods of inspection;

"(5) prepare, certify, and sell standard reference materials for use in ensuring the accuracy of chemical analyses and measurements of physical and other properties of materials;

"(6) accept research associates and donated equipment from industry and also engage with industry in research to develop new basic and generic technologies for traditional and new products and for improved production and manufacturing;

"(7) study and develop fundamental scientific understanding and improved measurement methods for chemical substances and compounds, traditional and advanced materials, ionizing and nonionizing radiation, radio waves and signals, and electromagnetic signals;

"(8) develop and test standard interfaces, communication protocols, and data structures for computer, automation, and telecommunications systems;

"(9) perform research to develop standards and test methods to advance the effective use of computers and related systems and to protect the information stored, processed, and transmitted by such systems;

"(10) determine properties of building materials and structural elements, and encourage their standardization and most effective use, including investigation of fire-resisting properties of building materials and conditions under which they may be most efficiently used, and the standardization of types of appliances for fire prevention;

"(11) undertake such research in engineering, mathematics, computer science, materials science, and the physical sciences as may be necessary to carry out and support the functions specified in this section;

"(12) compile, evaluate, publish and otherwise disseminate general scientific and technical data resulting from the performance of the functions specified in this section or from other sources when such data are important to science, engineering, or industry, or to the general public, and are not available elsewhere;

"(13) demonstrate the results of the Institute's activities by exhibits or otherwise as may be deemed most effective, and including the use of scientific or technical personnel of the Institute for part-time or intermittent teaching and training activities at educational institutions of higher learning as part of and incidental to their official duties; and

"(14) undertake such other functions similar to those specified in this subsection as the Secretary determines appropriate.".

SEC. 103. The first section of the Act of July 16, 1914 (15 U.S.C. 280), the first section of the Act of March 4, 1913 (15 U.S.C. 281), and the first section of the Act of May 14, 1930 (15 U.S.C. 282) are repealed.

SEC. 104. The Act of March 3, 1901 (15 U.S.C. 271 et seq.) is amended by adding at the end the following:

"STUDIES BY THE NATIONAL ACADEMIES OF ENGINEERING AND SCIENCES

"SEC. 19. The Director shall, to the extent appropriations are available, periodically contract with the National Academy of Engineering and the National Academy of Sciences for advice and studies to assist the Institute to serve United States industry and science. The advice and studies may include—

"(1) significant national needs and opportunities in manufacturing and emerging technologies; and

"(2) potential activities of the Institute, in cooperation with industry and the States, to assist in the transfer and dissemination of new technologies for manufacturing and quality assurance.".

SEC. 105. The Act of March 3, 1901 (15 U.S.C. 271 et seq.) is amended by striking "National Bureau of Standards", "Bureau" and "bureau" wherever they appear and inserting in lieu thereof "Institute".

TITLE II—COOPERATIVE CENTERS FOR THE TRANSFER OF RESEARCH IN MANUFACTURING

SEC. 201. The Act of March 3, 1901 (15 U.S.C. 271 et seq.), as amended by this Act, is further amended by adding at the end the following:

"SEC. 20. (a) The Secretary, through the Director, shall provide assistance for the creation and support of regional Cooperative Centers for the Transfer of Research in Manufacturing. Such Centers shall be affiliated with any university, or other nonprofit institution, or group thereof, that applies for and is awarded a grant or enters into a cooperative agreement under this section. Individual awards shall be decided on the basis of merit review, peer review, or similar mechanism. The objective of the Centers is to enhance productivity and technological performance in United States manufacturing through—

"(1) the transfer of new basic manufacturing technology and techniques developed at the Institute to Centers and, through them, to manufacturing companies throughout the United States;

"(2) the participation of individuals from industry, universities, State governments, and, when appropriate, the Institute in cooperative research and technology transfer and research activities;

"(3) the training, education and participation of individuals in the use of new manufacturing and production technologies;

"(4) the further development of a generic research base in manufacturing technology, with special attention to economically significant activities in which individual companies have little incentive to perform themselves, to state-of-the-art manufacturing issues, and to efforts to make new manufacturing technology and processes usable by small- and medium-sized companies in the United States;

"(5) the dissemination of scientific, engineering, and technical information about manufacturing to other researchers and to industrial firms, including small- and medium-sized manufacturing companies;

"(6) the utilization, when appropriate, of the expertise and capability that exists in Federal laboratories other than the Institute; and

"(7) the development of continuing financial support from other mission agencies, from State and local governments, and from industry and universities through, among other means, fees, licenses, and royalties.

"(b) The activities of the Centers shall include—

"(1) the establishment of experimental automated manufacturing systems, based on research by the Institute, for the purpose of demonstrations, technology transfer, and research;

"(2) the transfer and dissemination of research findings and Center expertise to a wide range of companies and enterprises, including, whenever possible, small- and medium-sized manufacturers; and

"(3) basic research supportive of technological and industrial innovation in manufacturing processes, including the adaptation of robotics, computer-integrated manufacturing, and systems integration to meet the generic needs of specific types of manufacturing industries.

"(c)(1) The Secretary may provide financial support to any Center created under subsection (a) of this section for a period not to exceed ten years. The Secretary may not provide to a Center more than 50 percent of the capital and annual operating and maintenance funds required to create and maintain such Center.

"(2) A person may submit to the Secretary an application for financial support under this subsection. In order to receive assistance under this section, an applicant shall provide information considered adequate by the Secretary that private, university, State, or other non-Federal sources have furnished adequate assurances of contributions of funds equal to or greater than 50 percent of the proposed Center's capital and annual operating and maintenance costs. Each applicant shall also submit, as part of such applicant's proposal, a plan for the allocation of the legal rights associated with any invention which may result from the proposed Center's research and technology transfer activities.

"(3) The Secretary shall subject each such application to merit review, peer review, or other similar process. In making a decision whether to approve such application and provide financial support under this subsection, the Secretary shall consider (A) the merits of the application, particularly those portions of the application regarding technology transfer, training and education, and research to adapt manufacturing technologies to the needs of particular industrial sectors, and (B) geographical diversity.

"(4) The provisions of chapter 18 of title 35, United States Code, shall (to the extent not inconsistent with this section) apply to the promotion of technology from research by Centers under this section.

"(d) There are authorized to be appropriated for the purposes of carrying out this section not to exceed $40,000,000 for fiscal year 1988, not to exceed $40,000,000 for fiscal year 1989, and not to exceed $40,000,000 for fiscal year 1990.".

TITLE III—PRODUCTIVITY AND TECHNOLOGY ADMINISTRATION

Sec. 301. (a) Section 5(a) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3704(a)) is amended to read as follows:

"(a) In General.—There is established in the Department of Commerce a Productivity and Technology Administration, which shall operate in accordance with the provisions, findings, and purposes of this Act. The Administration shall include—

"(1) the National Institute of Technology, whose Director shall report directly to the Under Secretary;

"(2) a policy analysis and information office, which shall be known as the Office of Productivity, Technology, and Innovation;

"(3) the National Technical Information Service; and

"(4) such other agencies, programs, and activities of the Department of Commerce as the Secretary determines should be included within the Administration.".

(b) Section 5(b) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3704(b)) is amended to read as follows:

"(b) Under Secretary and Assistant Secretary.—The President shall appoint, by and with the advice and consent of the Senate—

"(1) an Under Secretary for Productivity and Technology, who shall be compensated at the rate provided for level III of the Executive Schedule in section 5314 of title 5, United States Code; and

"(2) an Assistant Secretary for Productivity, Technology, and Innovation, who shall be compensated at the rate provided for level IV of the Executive Schedule in section 5315 of title 5, United States Code.".

(c) Section 5(c) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3704(c)) is amended to read as follows:

"(c) Duties.—The Secretary, through the Under Secretary and on a continuing basis, shall—

"(1) supervise and manage the Administration and its agencies, programs, and activities; and

"(2) consistent with the provisions, findings, and purposes of this Act and the Act of March 3, 1901 (15 U.S.C. 271 et seq.), cooperate with United States industry to formulate and carry out policies and activities to assist industry to improve its productivity, technology, and ability to compete successfully in world markets.".

(d) Section 5 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3704) is amended—

(1) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively; and

(2) by inserting immediately after subsection (c), as amended by this Act, the following:

"(d) Further Duties.—The Secretary, through the Under Secretary and Assistant Secretary and on a continuing basis, shall conduct policy analyses and propose public and private actions to improve United States industrial productivity, technology, and innovation. As part of such responsibilities, the Secretary, through the Assistant Secretary, shall—

"(1) determine the relationship between technological developments in and international technology transfers and the productivity, employment, and performance of United States and foreign industries;

"(2) monitor and analyze the efforts of other nations to target industries and markets within the United States;

"(3) identify technological needs, problems, and opportunities within and across industrial sectors which, if addressed, could make a signficant contribution to the economy of the United States; and

"(4) propose and publicize public and private actions which may improve industrial productivity and technologies in the United States, including policies which make the results of Federally-funded research and development more useful to United States industry;

"(5) propose and support studies and policy experiments, in cooperation with other Federal departments and agencies, to determine the effectiveness of measures with the potential of advancing United States technological innovation;

"(6) provide that cooperative efforts to stimulate industrial innovation be undertaken between the Assistant Secretary and other officials in the Department of Commerce responsible for such areas as trade and economic assistance;

"(7) encourage and assist the creation of centers and other joint initiatives by State or local governments, regional organizations, private businesses, institutions of higher education, nonprofit organizations, or Federal laboratories to encourage technology transfer, to stimulate innovation, and to promote an appropriate climate for investment in technology-related industries;

"(8) propose and encourage cooperative research involving appropriate Federal entities, State or local governments, regional organizations, colleges or universities, nonprofit organizations, or private industry to promote the common use of resources, to improve training programs and curricula, to stimulate interest in high technology careers, and to encourage the effective dissemination of technology skills within the wider community;

"(9) consider government measures with the potential of advancing United States technological innovation and exploiting innovations of foreign origin; and

"(10) publish the results of studies and policy experiments.".

TITLE IV—ASSISTANCE OF COMMERCIALIZATION AND MANUFACTURING

Sec. 401. The Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.) is amended—

(1) by redesignating sections 6 through 18 as sections 7 through 19, respectively; and

(2) by inserting after section 5 the following:

"PROGRAMS TO ASSIST COMMERCIALIZATION AND MANUFACTURING

"Sec. 6. (a) Commercialization Awards to Small Businesses.—(1) The Secretary, through the Under Secretary, shall establish a program for the purpose of making awards to United States businesses with less than 500 employees in order to assist such businesses to commercialize new scientific discoveries of great potential economic and competitive value. The awards program shall have—

"(A) a first phase for determining, to the extent possible, the scientific and technical merit and feasibility of proposals submitted pursuant to program solicitations; and

"(B) a second phase to develop further proposals which have shown particular technical merit and feasibility during such first phase.

Where two or more proposals specified in subparagraph (B) of this paragraph are evaluated as being of approximately equal technical merit and feasibility, special consideration shall be given to those applicants who show evidence of funding commitments from non-Federal sources of capital.

"(2) An award made under the first phase specified in paragraph (1)(A) of this subsection shall not exceed $100,000. An award made under the second phase specified in paragraph (1)(B) of this subsection shall not exceed $1,000,000.

"(b) Commercialization Awards to Joint Research Ventures.—(1) The Secretary, through the Under Secretary, shall encourage United States companies to form joint research and development ventures for the purpose of rapidly creating the generic technology necessary to commercialize new scientific discoveries of great economic and competitive potential value. In addition, the Secretary may provide financial awards to assist in the establishment and operation of such joint ventures.

"(2) No award made under paragraph (1) of this subsection shall be made for more than one-third of the total cost of the joint venture over its lifetime or its first five years, whichever occurs first. No award shall be made for more than five years.

"(3) In determining whether to make an award to a particular joint research and development venture, the Secretary shall consider whether the corporate members of the joint venture have made provisions for the participation of small United States businesses in such joint venture.

"(4) The Secretary may, as appropriate, authorize the participation of the National Institute of Technology in any joint research and development venture created under paragraph (1) of this subsection.

"(5) As used in this subsection, the term 'joint research and development venture' has the meaning given to such term in section 2(6) of the National Cooperative Research Act of 1984 (15 U.S.C. 4301(6)).

"(c) Small Business Technology Leaseback Program.—(1) There is established in the Treasury of the United States a Small Business Technology Leaseback Fund (hereafter in this section referred to as the 'Fund').

"(2) Effective October 1, 1987, there is authorized to be appropriated $50,000,000 for the purpose of providing capital to the Fund.

"(3) The Secretary, through the Under Secretary, is authorized and directed to—

"(A) use capital from the Fund, with the approval of the Secretary of the Treasury, to purchase advanced automated manufacturing equipment made in the United States, particularly flexible manufacturing systems, suitable for use by small manufacturing firms in the United States;

"(B) solicit proposals from United States manufacturing firms with less than 250 employees which wish to lease such manufacturing equipment; and

"(C) lease such equipment to those applicants who demonstrate an ability to use such equipment to improve manufacturing productivity and quality and who demonstrate a willingness to share the expertise they develop through the use of such equipment with other small manufacturing firms and with the Cooperative Centers for the Transfer of Research in Manufacturing created under section 20 of the Act of March 3, 1901.

"(4) The Secretary shall promulgate regulations to carry out the provisions of this subsection, including provisions regarding lease periods and financial and legal aspects of such leases.".

TITLE V—AUTHORIZATION OF APPROPRIATIONS

Sec. 501. The Act of March 3, 1901 (15 U.S.C. 271 et seq.), as amended by this Act, if further amended by adding at the end the following:

"Sec. 21. (a) There are authorized to be appropriated for fiscal year 1988 to the Secretary of Commerce to carry out activities performed by the Institute (other than activities performed under section 20 of this Act) the sums set forth in the following line items:

"(1) Measurement Research and Technology: $48,202,000.

"(2) Engineering Measurements and Manufacturing: $50,615,000.

"(3) Materials Science and Engineering: $26,846,000.

"(4) Computer Science and Technology: $9,727,000.

"(5) Research Support Activities: $21,110,000.

"(6) Research Facilities: $9,500,000.

"(b) Notwithstanding any other provision of this or any other Act—

"(1) of the amount authorized under paragraph (1) of subsection (a) of this section, $9,000,000 is authorized only for the purpose of research in process and quality control and $1,500,000 is authorized only for the purpose of computerized data bases;

"(2) of the amount authorized under paragraph (2) of subsection (a) of this section, $5,000,000 is authorized only for research in automated manufacturing, $2,000,000 is authorized only to adapt Institute automated manufacturing technology to meet the needs of small business and various industrial sectors, $3,700,000 is authorized only for the Center for Building Technology, $5,800,000 is authorized only for the Center for Fire Research, $3,500,000 is authorized only for research to improve lightwave communication systems and related technologies, $3,000,000 is authorized only for the purpose of research to improve bioprocess engineering, $1,000,000 is authorized only for new microwave measurements, and $3,000,000 is authorized only for new research on semiconductor materials, devices, and manufacturing processes;

"(3) of the amount authorized under paragraph (3) of subsection (a) of this section $3,500,000 is authorized only for the purpose of research to improve high-performance composites;

"(4) of the amount authorized under paragraph (4) of subsection (a) of this section, $1,500,000 is authorized only for the purpose of research in advanced information systems;

"(5) of the amount authorized under paragraph (5) of subsection (a) of this section, $9,213,000 is authorized only for technical competence fund projects in new areas of high technical importance, and $2,610,000 is authorized only for the Postdoctoral Research Associates Program and related new personnel; and

"(6) of the amount authorized under paragraph (6) of subsection (a) of this section, $6,500,000 is authorized only for the cold neutron research facility, and $3,000,000 is authorized only for semiconductor research facilities.

"(c) Appropriations made under the authority provided in this section shall remain available for obligation, for expenditure, or for obligations and expenditure for periods specified in the Acts making such appropriations.".

Sec. 502. Section 18 (a) and (b) of the Stevenson-Wydler Technology Innovation Act of 1980, as so redesignated by section 401 of this Act, is amended to read as follows:

"(a)(1) There is authorized to be appropriated to the Secretary for the purposes of carrying out sections 5, 11(g), and 16 of this Act not to exceed $8,000,000 for the fiscal year ending September 30, 1988.

"(2) Of the amount authorized under paragraph (1) of this subsection, $1,000,000 is authorized only for the Office of the Under Secretary for Productivity and Technology: $4,000,000 is authorized only for the Office of Productivity, Technology, and Innovation; and $3,000,000 is authorized only for the purpose of carrying out the requirements of the Japanese technical literature program established under section 5(e) of this Act.

"(b) In addition to the authorizations of appropriations made under subsection (a) of this section and section 6(c)(2) of this Act, there is authorized to be appropriated to the Secretary for the purposes of carrying out section 6 (a) and (b) of this Act not to exceed $40,000,000 for the fiscal year ending September 30, 1987.".

TITLE VI—MISCELLANEOUS AND CONFORMING AMENDMENTS

Sec. 601. (a) Section 4 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3703) is amended by adding at the end the following:

"(13) 'Administration' means the Productivity and Technology Administration established in section 5(a) of this Act.

"(14) 'Under Secretary' means the Under Secretary for Productivity and Technology appointed under section 5(b) of this Act.".

(b) Section 8(b) of the Stevenson-Wydler Technology Innovation Act of 1980, as so redesignated by section 401 of this Act, is amended by striking "Director" and inserting in lieu thereof "Assistant Secretary".

(c)(1) Section 5314 of title 5, United States Code, is amended by adding at the end the following: "Under Secretary for Productivity and Technology, Department of Commerce.".

(2) Section 5315 of title 5, United States Code, is amended by adding at the end the following: "Assistant Secretary for Productivity, Technology, and Innovation, Department of Commerce.".

Factsheet on Senator Hollings' "Technology Competitiveness Act of 1987"

The bill would strengthen U.S. industrial competitiveness by making five major improvements in Commerce Department technology programs. Each improvement addresses a critical national need.

(1) National Institute of Technology. The bill would upgrade the existing National Bureau of Standards (NBS) into a National Institute of Technology (NIT), with clear responsibility to create the quality control techniques and perform much of the "generic" research needed to improve manufacturing and product technologies. The Institute would address two chronic American weaknesses: our manufacturing technology is worse than Japan's and we are slow to commercialize new inventions.

(2) Manufacturing centers. The bill also would address a second American problem—insufficient "transfer" of the new manufacturing technologies we do have from the laboratory to industry. It would do so through Commerce Department financial support of new regional "Cooperative Centers for the Transfer of Research in Manufacturing." The National Institute of Technology (currently NBS) would administer

the program, with costs being shared between the federal government and states and industries. In effect, the centers would transfer NBS' current "factory of the future" technology to small- and medium-sized manufacturers facing stiff foreign competition. The NBS technology already is being used by the U.S. Navy.

(3) Commercialization assistance awards. The bill would create a two-part program to further assist American companies to commercialize economically strategic scientific discoveries. The first part would provide Commerce Department awards to small businesses developing important civilian technologies; this effort would be modelled on the highly successful Small Business Innovation Research (SBIR) program. The second part would allow the Secretary of Commerce to provide "seed money" to encourage the formation of multi-company joint research ventures in key technical areas. Such ventures are permitted under the National Cooperative Research Act of 1984.

(4) Technology leaseback program. The National Institute of Technology and the new manufacturing centers will help small U.S. manufacturing companies by giving them the technical tools and expertise they need to modernize. But the new automated manufacturing equipment itself is expensive and often beyond the reach of small struggling firms. The bill authorizes a one-time appropriation to fund a new leaseback program. The program would purchase robots, flexible manufacturing systems, and other equipment and then lease them to qualified small firms. The program is modelled on the Japan Robot Lease Company.

(5) Commerce Department organization. Finally, the bill would strengthen the management of DOC's technology programs by creating a new "Productivity and Technology Administration," under a new Under Secretary for Productivity and Technology. The new Administration would include the Institute of Technology; an improved Office of Productivity, Technology, and Innovation (DOC's technology policy office); new DOC efforts under last year's Japanese Technical Literature Act; and the new programs created under the Act.

The new FY 1988 money in this bill is $180 million—$44 million in targeted increases for the Institute of Technology; $40 million for the technology transfer centers; $6 million to bolster Commerce Department policy and technology monitoring programs; $40 million for the two-part commercialization assistance program; and $50 million in one-time funds to capitalize the small business leaseback program. The new money would be in addition to current funding for the National Bureau of Standards ($122 million) and the Office of Productivity, Technology, and Innovation ($2 million).

By Mr. GLENN (for himself, Mr. ROTH, Mr. CHILES, Mr. PRYOR, Mr. SASSER, Mr. HEINZ, Mr. LEVIN, Mr. RUDMAN, Mr. BINGAMAN, Mr. MITCHELL, Mr. STEVENS, Mr. NUNN, Mr. TRIBLE, and Mr. COHEN):

S. 908. A bill to amend the Inspector General Act of 1978; to the Committee on Governmental Affairs.

INSPECTOR GENERAL ACT AMENDMENTS

Mr. GLENN. Mr. President, I rise to introduce a bill, the Inspector General Act Amendments of 1987, to improve the ability of the executive branch to fight waste, fraud and mismanagement and to aid Congress' oversight function. The bill will establish new statutory offices of inspector general in several Federal establishments with important missions and potentially vulnerable programs. These are the Department of the Treasury, the Federal Emergency Management Agency, the Office of Personnel Management, and the Nuclear Regulatory Commission.

In addition to creating these new statutory inspectors general, the bill will strengthen the internal audit capability in the numerous other Federal agencies that make up the executive branch.

I am pleased to report that every one of my distinguished colleagues on the Governmental Affairs Committee has joined me in sponsoring this legislation.

In 1978, the Committee on Governmental Affairs, which I now chair, secured the enactment of the Inspector General Act. This legislation established offices of inspector general in most of the Federal Cabinet-level departments and some of the larger agencies. The purpose of this act was to create a more independent atmosphere for audit and investigative activities and to achieve more efficient and effective management operations in key Federal establishments. The act required consolidation of the various audit and investigative units in affected agencies under the leadership of an inspector general. This person reports to the agency head and Congress concerning significant abuses or deficiencies and makes recommendations for corrective action. At the time the original law was enacted, we in Congress believed that the inspector general concept was sound, but we were not sure how well the program would work. Indeed, Congress passed the original legislation in the face of opposition from every department and agency affected.

Today, it is widely recognized that the statutory inspectors general—who now number 19—have had outstanding success in improving the operations of their respective Federal establishments. According to a recent report from the council that coordinates IG activities, these offices have saved more than $71 billion of the taxpayers' money over the past 5 years alone. During the same period, they have been responsible for obtaining over 16,000 successful prosecutions and 15,000 administrative actions. GAO recently reported that the inspectors general have been "a key factor in correcting deficiencies and strengthening Federal internal audit and investigative activities."

The success of these offices calls for continued bipartisan congressional support of the inspector general concept. To this end, one of the first hearings of the Governmental Affairs Committee in this Congress focused on the operations and needs of the inspectors general. The representatives of the IG community endorsed legislation which would standardize inspector general authorizing legislation and provide uniform protections and authorities for all the statutory inspectors general. The bill I am introducing includes such provisions.

Moreover, the bill incorporates GAO's recommendation for establishing new statutory offices of inspector general in the Treasury Department, FEMA, OPM, and the NRC. These are major Federal establishments, with important missions and programs that require strict controls against fraud and abuse. A statutory, independent inspector general is needed at all these agencies.

Specifically with regard to the NRC, the bill also provides certain statutory protections for the agency's existing Office of Investigations. This office is responsible for investigating potential wrongdoing by NRC licensees and applicants for licenses. In my view, this bill will enhance public trust in the regulation of commercial nuclear power. The committee has scheduled a hearing on April 9 to address the concerns raised about current NRC operations. In the near future, the committee will hold additional hearings on the operations of the Treasury Department, FEMA, and OPM, and on the status of the internal audit and investigative units now administratively established in the Justice Department.

The bill responds to the concerns raised by GAO and the current inspectors general about the need to improve internal audits and investigations in the numerous smaller agencies, regulatory boards and commissions, and Government corporations that make up the executive branch. Many of these entities have organized their audit units in a way that compromises their independence and restricts their authority to audit all of the agency's programs. The remaining agencies are completely without audit capability, in violation of the Accounting and Auditing Act of 1950 and OMB Circular A-73.

The bill addresses these problems by extending to these entities the consolidation, reporting and other requirements found in the 1978 act, without creating additional statutory IG positions. If those entities remain without audit capability, they must periodically inform GAO and OMB of their situation so that appropriate oversight and corrective action is possible.

The bill makes changes in the reporting requirements to ensure that Congress receives accurate and reliable information concerning the audit resolution process. The 1978 IG Act requires inspectors general to report on their audit results to their agency heads and Congress. It is clear that further steps must be taken to ensure that the inspectors general avoid overstating the actual savings that can be attributed to their work, a problem GAO has identified in the past. The bill requires more detailed statistical analysis from the inspectors general and requires periodic reporting to Congress by the agency heads on their implementation of recommended corrective action. This means savings will be realized and reported when such action is completed.

This bill represents another important step in improving management and reducing fraud and abuse in Federal programs and activities, and I encourage my colleagues to give it their support.

I would also like to take this opportunity to request that the administration act immediately on a related but important issue. It is obvious that the offices of inspector general will not remain "our first line of defense in attacking fraud, waste, and abuse"—in the words of President Reagan—if the offices remain vacant. In fact, one inspector general testified that the "thing that suffers during such extended vacancies, naturally, is leadership."

Let me give you an example. President Reagan gave his praise of inspectors general in 1983 on the swearing in of Mr. Joseph Sherick as inspector general of the Department of Defense. Mr. Sherick ably performed his job and then, 11 months ago, he announced that he would soon be quitting the post. In fact, he vacated that position in June 1986, but today, 9 months later, no person has been nominated to replace Mr. Sherick. Early this year the Secretary of Defense promised that a nomination would soon be forthcoming. His promise has not been fufilled thus far. It is a disservice to the American public to leave such an important position vacant for so long.

I ask unanimous consent that the text of this bill and a section-by-section analysis be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 908

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Inspector General Act Amendments of 1987".

CONFORMATION OF AUTHORITIES OF EXISTING OFFICES OF INSPECTORS GENERAL

Sec. 2. (a) Section 2(1) of the Inspector General Act of 1978 is amended to read as follows:

"(1) to conduct and supervise audits and investigations relating to the programs and operations of the establishments listed in section 11(2);".

(b) Section 9(a)(1) of such Act is amended—

(1) by striking out subparagraph (I);

(2) by redesignating subparagraphs (M) and (N) as subparagraphs (O) and (P), respectively;

(3) by redesignating subparagraphs (J) through (L) as subparagraphs (K) through (M), respectively;

(4) by redesignating subparagraphs (E) through (H) as subparagraphs (G) through (J), respectively;

(5) by inserting after subparagraph (D) the following new subparagraphs:

"(E) of the Department of Energy, the Office of Inspector General (as established by section 208 of the Department of Energy Organization Act);

"(F) of the Department of Health and Human Services, the Office of Inspector General (as established by title II of Public Law 94-505);"; and

(6) by inserting after subparagraph (M) (as redesignated by paragraph (3) of this subsection) the following new subparagraph:

"(N) of the Railroad Retirement Board, the Office of Inspector General (as established by section 23 of the Railroad Retirement Act of 1974);".

(c) Section 11 of such Act is amended—

(1) by inserting "Energy, Health and Human Services," after "Education," each place it appears in paragraphs (1) and (2);

(2) by striking out "Community Services," in paragraph (1);

(3) by striking out "the Community Services Administration," in paragraph (2);

(4) by inserting "or the Chairman of the Railroad Retirement Board;" before "as the case may be" in paragraph (1); and

(5) by inserting "the Railroad Retirement Board," after "National Aeronautics and Space Administration," in paragraph (2).

(d)(1)(A) Section 208 of the Department of Energy Organization Act is repealed.

(B) The table of contents in the first section of such Act is amended by striking out the item relating to section 208.

(2) Title II of Public Law 94-505 is repealed.

(3) Section 23 of the Railroad Retirement Act of 1974 is repealed.

(e) The transfer of functions under the amendments made by subsection (b) shall not affect any individual, who on the date of enactment of this Act, is serving as the Inspector General of the Department of Energy, the Department of Health and Human Services, or the Railroad Retirement Board. Any such individual shall continue to serve in such position until such individual dies, resigns, or is removed from office in accordance with the Inspector General Act of 1978.

UNIFORM SALARIES FOR INSPECTORS GENERAL

Sec. 3. (a) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new paragraphs:

"Inspector General, Department of Commerce.

"Inspector General, Department of the Interior.

"Inspector General, Agency for International Development.

"Inspector General, Environmental Protection Agency.

"Inspector General, General Services Administration.

"Inspector General, National Aeronautics and Space Administration.

"Inspector General, Railroad Retirement Board.

"Inspector General, Small Business Administration.".

(b) Section 5316 of such title is amended by striking out the paragraphs relating to—

(1) the Inspector General of the Department of Commerce;

(2) the Inspector General of the Department of the Interior;

(3) the Inspector General of the Agency for International Development;

(4) the Inspector General of the Community Services Administration;

(5) the Inspector General of the Environmental Protection Agency;

(6) the Inspector General of the General Services Administration;

(7) the Inspector General of the National Aeronautics and Space Administration; and

(8) the Inspector General of the Small Business Administration.

ESTABLISHING AN OFFICE OF INSPECTOR GENERAL IN THE DEPARTMENT OF THE TREASURY, THE FEDERAL EMERGENCY MANAGEMENT AGENCY, THE NUCLEAR REGULATORY COMMISSION, AND THE OFFICE OF PERSONNEL MANAGEMENT

Sec. 4. (a) Section 9(a)(1) of the Inspector General Act of 1978 (as amended by section 2(b) of this Act) is further amended—

(1) by redesignating subparagraphs (O) and (P) (as redesignated by paragraph (2) of section 2(b) of this Act) as subparagraphs (S) and (T), respectively;

(2) by redesignating subparagraph (N) (as added by paragraph (6) of section 2(b) of this Act) as subparagraph (R);

(3) by redesignating subparagraphs (K), (L), and (M) (as redesignated by paragraph (3) of section 2(b) of this Act) as subparagraphs (L), (N), and (O), respectively;

(4) by inserting after subparagraph (J) (as redesignated by paragraph (4) of section 2(b) of this Act) the following new subparagraph:

"(K) of the Department of the Treasury, the office of that department referred to as the 'Office of Inspector General', and that portion of each of the offices of that department referred to as the 'Office of Internal Affairs, Bureau of Alcohol, Tobacco, and Firearms', the 'Office of Internal Affairs, United States Customs Service', the 'Office of Inspections, Internal Revenue Service', and the 'Office of Inspections, United States Secret Service' which is engaged in internal audit activities;";

(5) by inserting after subparagraph (L) (as redesignated by paragraph (3) of this subsection) the following new subparagraph:

"(M) of the Federal Emergency Management Agency, the office of that agency referred to as the 'Office of Inspector General';"; and

(6) by inserting after subparagraph (O) (as redesignated by paragraph (3) of this subsection) the following new subparagraphs:

"(P) of the Nuclear Regulatory Commission, the office of that commission referred to as the 'Office of Inspector and Auditor';

"(Q) of the Office of Personnel Management, the offices of that agency referred to as the 'Office of Inspector General', the 'Insurance Audits Unit, Retirement and Insurance Group', and the 'Program Integrity Section of the Retirement Inspection Branch, Retirement and Insurance Group';".

(b)(1) Section 11(1) of such Act (as amended by section 2(c) of this Act) is further amended—

(A) by striking out "or Transportation or" and inserting in lieu thereof "Transportation, or the Treasury,";

(B) by striking out ", or the Director of the United States Information Agency" and inserting in lieu thereof a semicolon and "the Director of the Federal Emergency Management Agency, the Office of Personnel Management, or the United States Information Agency;"; and

(C) by inserting "the Nuclear Regulatory Commission or" before "the Railroad Retirement Board" (as added by section 2(c)(4) of this Act).

(2) Section 11(2) of such Act (as amended by section 2(c) of this Act) is further amended—

(A) by striking out "or Transportation" and inserting in lieu thereof "Transportation, or the Treasury;";

(B) by inserting "the Federal Emergency Management Agency," after "the Environmental Protection Agency,"; and

(C) by inserting "the Nuclear Regulatory Commission, the Office of Personnel Management," after "the National Aeronautics and Space Administration,".

(c) The Inspector General Act of 1978 is amended by inserting after section 8A the following new sections:

"SPECIFIC PROVISIONS CONCERNING THE NUCLEAR REGULATORY COMMISSION

"SEC. 8B. (a) The Chairman of the Commission may delegate the authority specified in the second sentence of section 3(a) to another member of the Nuclear Regulatory Commission, and shall not delegate such authority to any other officer or employee of the Commission.

"(b) Whenever the Inspector General of the Commission has reasonable grounds to believe there has been a violation of Federal criminal law, the Inspector General shall report to the Attorney General in accordance with section 4(d), and neither the Chairman nor any other member of the Commission shall prevent or prohibit the Inspector General from initiating, carrying out, or completing any such report.

"(c) In addition to the other duties and responsibilities specified in this Act, the Inspector General of the Commission shall have the authority to perform audits and internal investigations of the activities of the Office of Investigations of the Commission.

"(d) The Director of the Office of Investigations of the Commission shall report to and be under the general supervision of the Chairman and other members of the Commission, but shall not report to, or be subject to supervision by, any other officer or employee of the Commission, except as provided in subsection (c). Neither the Chairman nor any other member of the Commission may prevent or prohibit the Director of the Office of Investigations from initiating, carrying out, or completing any investigation.

"(e) Whenever the Director of the Office of Investigations of the Commission has reasonable grounds to believe there has been a violation of Federal criminal law, the Director shall report such violation to the Attorney General. Neither the Chairman nor any other member of the Commission shall prevent or prohibit the Director from initiating, carrying out, or completing any such report.

"SPECIAL PROVISIONS REGARDING THE DEPARTMENT OF THE TREASURY

"SEC. 8C. (a) In carrying out the duties and responsibilities specified in this Act, the Inspector General of the Department of the Treasury shall have general oversight responsibility for the internal investigations performed by the Office of Internal Affairs of the Bureau of Alcohol, Tobacco and Firearms, the Office of Internal Affairs of the United States Customs Service, the Office of Inspections of the Internal Revenue Service, and the Office of Inspections of the United States Secret Service. The head of each such office shall periodically report to the Inspector General the significant investigative activities currently being carried out by such office.

"(b) Notwithstanding subsection (a), the Inspector General of the Department of the Treasury may conduct the investigation of any officer or employee of such Department if—

"(1) the Secretary of the Treasury or the Deputy Secretary of the Treasury directs the Inspector General to conduct an investigation;

"(2) the investigation concerns senior officers or employees of the Department of the Treasury, including officers appointed by the President, members of the Senior Executive Service, and individuals in positions classified at grade GS-15 of the General Schedule or above; or

"(3) the investigation involves alleged notorious conduct or any other matter which, in the opinion of the Inspector General, is especially sensitive or of departmental significance.

"(c) If the Inspector General of the Department of the Treasury initiates an investigation under subsection (b), and the officer or employee of the Department of the Treasury subject to investigation is employed by or attached to a bureau or service referred to in subsection (a), the Inspector General shall provide the Secretary of the Treasury or the Deputy Secretary of the Treasury and the head of the office of such bureau or service referred to in subsection (a) with written notice that the Inspector General has initiated such an investigation. If the Inspector General issues a notice under the preceding sentence concerning the investigation of an officer or employee, no other investigation shall be initiated into the matter under investigation by the Inspector General and any other investigation of such matter shall cease.".

(d) Section 5315 of title 5, United States Code (as amended by section 3(a) of this Act), is further amended by adding at the end thereof the following new items:

"Inspector General, Department of the Treasury.

"Inspector General, Federal Emergency Management Agency.

"Inspector General, Nuclear Regulatory Commission.

"Inspector General, Office of Personnel Management.".

REQUIREMENTS AND PROTECTIONS FOR AUDIT AND INVESTIGATION UNITS

SEC. 5. (a) The Inspector General Act of 1978 (as amended by section 4(c) of this Act) is further amended by inserting after section 8C the following new section:

"PROTECTIONS AND REQUIREMENTS FOR AUDIT AND INVESTIGATION UNITS AT FEDERAL ENTITIES

"SEC. 8D. (a) An internal audit unit established in a Federal entity shall be responsible for the conduct of audits and investigations of the programs and operations of such entity in accordance with the requirements of this section.

"(b)(1) After the date which is 180 days after the date of enactment of this section, there shall be no more than one internal audit unit in any Federal entity. The head of the Federal entity shall transfer to the internal audit unit established in such entity the offices, units, or other components, or functions, powers or duties thereof, that the head of the Federal entity determines are properly related to the functions of the internal audit unit and would, if so transferred, further the purposes of this section. There shall not be transferred to an internal audit unit any program operating responsibilities.

"(2) If, after the date which is 180 days after the date of enactment of this section, there is a Federal entity in which there is no internal audit unit, the head of the Federal entity shall prepare and transmit to the Comptroller General of the United States and the Director of the Office of Management and Budget a notice which—

"(A) states that such an internal audit unit does not exist in such entity; and

"(B) specifies the action being taken by the head of such entity to ensure that adequate audits are conducted of the programs and operations of such entity.

"(3) If, on October 31 of the year after the year in which the head of a Federal entity transmits a notice required under paragraph (2), or on October 31 of any subsequent year, an internal audit unit does not exist in such entity, the head of such entity shall, on such October 31, transmit to the Comptroller General of the United States and the Director of the Office of Management and Budget a notice which contains the information described in subparagraphs (A) and (B) of such paragraph.

"(c)(1) The internal audit unit director shall be appointed by the head the Federal entity in accordance with the applicable laws and regulations governing appointments within the Federal entity.

"(2) Each internal audit unit director shall report to and be under the general supervision of the head of the Federal entity or, to the extent such authority is delegated, the officer next in rank below such head, but shall not report to, or be subject to supervision by, any other officer of such Federal entity. Neither the head of the Federal entity nor the officer next in rank below such head shall prevent or prohibit the internal audit unit director from initiating, carrying out, or completing any audit or investigation, or from issuing any subpena during the course of any audit or investigation.

"(d) If an internal audit unit director is removed from office or is involuntarily transferred to another position or location, the head of the Federal entity shall promptly communicate the reasons for any such removal or involuntary transfer to both Houses of Congress.

"(e)(1) The Chief Postal Inspector of the United States Postal Service shall be the internal audit unit director of the United States Postal Service, and shall be appointed by, report to, and be under the general supervision of the Postmaster General. The Chief Postal Inspector may be removed from office or involuntarily transferred to another position or location if the Postmaster General issues a written order stating the reason for such action and such order is ratified by a two-thirds vote of the Governors of the United States Postal Service. If the Chief Postal Inspector is removed or transferred in accordance with this subsection, the Postmaster General shall promptly notify both Houses of Congress of the reasons for such removal or transfer.

"(2) For purposes of paragraph (1), the term 'Governors' has the same meaning as in section 102(3) of title 39, United States Code.

"(f) Sections 4, 5, 6, and 7 of this Act shall be applied to each internal audit unit, internal audit unit director, Federal entity, and head of the Federal entity (as such terms are defined in subsection (g)) by substituting—

"(1) 'internal audit unit director' for 'Inspector General';

"(2) 'Federal entity' for 'establishment';

"(3) 'internal audit unit' for 'Office'; and

"(4) 'head of the Federal entity' for 'head of the establishment'.

"(g) As used in this section—

"(1) the term 'Federal entity' means an agency (as defined in section 552(e) of title 5, United States Code), other than (A) an establishment (as defined in section 11(2) of this Act) or part of an establishment, (B) the Executive Office of the President, (C) the agency referred to in section 5102(a)(1)(v) of title 5, United States Code, (D) the General Accounting Office, (E) the Department of Justice, or (F) any entity in the judicial or legislative branches of the Government (including the Administrative Office of the United States Courts and the Architect of the Capitol and any activities under the direction of the Architect of the Capitol);

"(2) the term 'head of the Federal entity' means the chief executive officer of a Federal entity;

"(3) the term 'internal audit unit' means a component of a Federal entity which carries out audits or investigations, or both, of the programs and operations of such entity, but does not include a component that carries out audits or investigations as an integral part of the conduct of the programs and operations of such entity; and

"(4) the term 'internal audit unit director' means the head of an internal audit unit.".

(b) Section 410(b) of title 39, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (6);

(2) by striking out the period at the end of paragraph (7) and inserting in lieu thereof a semicolon;

(3) by striking out "The" in paragraph (8) and inserting in lieu thereof "the";

(4) by striking out the period at the end of paragraph (8) and inserting in lieu thereof a semicolon and "and"; and

(5) by adding at the end thereof the following new paragraph:

"(9) the provisions of section 8D of the Inspector General Act of 1978.".

PROVISIONS TO ENSURE UNIFORMITY AND RELIABILITY OF INSPECTOR GENERAL REPORTS

SEC. 6. (a) Section 5(a) of the Inspector General Act of 1978 is amended—

(1) by striking out "and" at the end of paragraph (5); and

(2) by striking out paragraph (6) and inserting in lieu thereof the following:

"(6) a listing of each audit report issued by the Office during the reporting period and the amounts of ineligible and unsupported costs in each such report, together with a summary of the significant reports;

"(7) a detailed statistical analysis of audit reports, depicting in tables arranged by audit status information concerning—

"(A) the number of audit reports in each audit status;

"(B) the number of such reports for which an audit determination was not made within 6 months of the date of issuance of such reports; and

"(C) the amounts of ineligible costs, ineligible costs that were disallowed, unsupported costs, and unsupported costs that were disallowed;

"(8) a summary of each significant audit report for which a determination was not made within 6 months after the date of issuance of such report and an explanation of the reason such determination was not made;

"(9) a description of, and explanation of the reasons for, any significant revised audit determinations made during the reporting period; and

"(10) information concerning any significant audit determination with which the Inspector General is in disagreement.".

(b) Section 5 of such Act is further amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e)(1) The head of each establishment shall, not later than April 30 and October 31 of each year, prepare semiannual reports listing each audit report made by that establishment's Office of Inspector General which was not resolved within one year after the date on which an audit determination was made on such report. Such reports shall include—

"(A) an explanation of the reason such audit was not resolved; and

"(B) the amount of disallowed costs that are under administrative or judicial appeal and the amount of disallowed costs returned or offset by the government.

"(2) The semiannual reports of the head of each establishment under this subsection shall be transmitted by such head to the appropriate committees and subcommittees of Congress not later than April 30 and October 31 of each year, together with a report by the Office of Inspector General of the establishment containing any comments such Office deems appropriate.

"(3) Within sixty days after the transmission of the semiannual reports of each establishment head under this subsection to the Congress, the head of each establishment shall make copies of such report available to the public upon request and at a reasonable cost.".

(c) Section 5 of such Act is further amended by adding at the end thereof the following new subsection:

"(g) As used in this section—

"(1) the term 'ineligible cost' means an incurred cost that is questioned by the Office of Inspector General because of an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds;

"(2) the term 'unsupported cost' means an incurred cost that is questioned by the Office of Inspector General because the Office found that, at the time of the audit, such cost was not supported by adequate documentation;

"(3) the term 'disallowed cost' means an ineligible cost or unsupported cost that the management of an establishment has concluded, in an audit determination, should not be charged to the Federal Government;

"(4) the term 'audit determination' means the evaluation by the management of an establishment of the findings and recommendations included in an audit report and the issuance of a written final decision by management concerning its response, including corrective actions concluded to be necessary, to such findings and recommendations;

"(5) the term 'audit resolution' means the completion of all corrective actions that the management of an establishment has concluded, in an audit determination, are necessary with respect to the findings and recommendations included in an audit report, and, in the event that the management of an establishment concludes no corrective action is necessary, 'audit resolution' occurs when an audit determination has been reached; and

"(6) the term 'audit status' includes the following four categories:

"(A) audits for which the audit report was issued before the reporting period and for which—

"(i) the audit determination was made before or during such period; and

"(ii) the audit determination was not made by the end of such period; and

"(B) audits for which the audit report was issued during the reporting period and for which—

"(i) the audit determination was made during such period; and

"(ii) the audit determination was not made by the end of such period.".

(d) Section 3512(b)(2) of title 31, United States Code, is amended by adding at the end thereof the following: "Such standards shall include (A) a definition of audit resolution consistent with section 5(g)(5) of the Inspector General Act of 1978, and (B) a standard to ensure that an audit determination will be made on each audit report within 6 months after the issuance of such report, in the case of an audit performed by a Federal auditor, and within 6 months after receipt by the executive agency responsible for the program concerned, in the case of each audit performed by a non-Federal auditor. No order, circular, or directive prescribed by the Director of the Office of Management and Budget shall include an inconsistent definition or standard with respect to audit resolution.".

OATH ADMINISTRATION AUTHORITY

SEC. 7. Section 6(a) of the Inspector General Act of 1978 is amended—

(1) by redesignating paragraphs (5) through (8) as paragraphs (6) through (9), respectively, and

(2) by inserting after paragraph (4) the following new paragraph:

"(5) to administer to or take from any person an oath, affirmation, or affidavit, whenever necessary in the performance of the functions assigned by this Act, which oath, affirmation, or affidavit when administered or taken by or before an investigator or such other employee of an Office of Inspector General designated by the Inspector General shall have the same force and effect as if administered or taken by or before an officer having a seal;".

APPROPRIATION ACCOUNTS

SEC. 8. Section 1105(a)(25) of title 31, United States Code, is amended to read as follows:

"(25) a separate appropriation account for appropriations for each Office of Inspector General established by the Inspector General Act of 1978.".

SECTION-BY-SECTION ANALYSIS

SHORT TITLE

The opening section states the title of this bill as the "Inspector General Act Amendments of 1987".

CONFORMATION OF AUTHORITIES OF EXISTING OFFICES OF INSPECTORS GENERAL

Section 2(a) is a technical amendment.

Sections 2 (b) and (c) bring the statutory Offices of Inspector General in the Departments of Energy and Health and Human Services and in the Railroad Retirement

Board under the Inspector General Act of 1978, conforming their authorities and responsibilities to those of the other IG offices established under that Act. Sections (d) and (e) repeal existing laws establishing these three statutory offices, but also provide that the persons occupying such Inspector General positions on the date of enactment shall not be affected. References to the Community Services Administration are deleted because that agency was abolished.

UNIFORM SALARIES FOR INSPECTORS GENERAL

Section 3 provides that all statutory Inspectors General will be compensated at the Executive Level IV rate, regardless of the establishment in which they serve. Under present laws, statutory IGs are compensated at different rates even though their duties are the same.

ESTABLISHING AN OFFICE OF INSPECTOR GENERAL IN THE TREASURY DEPARTMENT, FEMA, NRC AND OPM

Sections 4 (a) and (b) establish new statutory Offices of Inspector General in the Department of the Treasury, the Federal Emergency Management Agency, the Nuclear Regulatory Commission, and the Office of Personnel Management, and mandate the transfer of certain existing audit and investigative units in these establishments to the newly-created statutory IG offices.

Section 4(c) adds specific provisions to the IG Act of 1978 (in new Section 8B) concerning the authorities and responsibilities of the NRC's statutory Inspector General, and the NRC's existing separate Office of Investigations, responsible for investigating potential wrongdoing by NRC licensees and applicants for licenses. Further, it sets forth special provisions (in new Section 8C) regarding the authorities of the Inspector General established in the Treasury Department.

Section 4(d) amends section 5315 of title 5 (as previously amended by section 3 of this bill) to provide the uniform rate of pay for the newly-created Inspectors General.

REQUIREMENTS AND PROTECTIONS FOR AUDIT AND INVESTIGATION UNITS

Section 5 amends the Inspector General Act of 1978 by inserting a new Section 8D establishing requirements for the internal audit units in certain Federal organizations not now covered by the Act.

Subsection (a) provides that an "internal audit unit" in a "Federal entity" (both terms defined in the bill) shall be responsible for conducting audits and investigations of the entity's programs and operations in accordance with the requirements of Section 5. This makes the internal audit unit solely responsible for such audits and investigations.

Subsection (b) provides for the consolidation of existing audit and investigative units in Federal entities into a single unit within 180 days after the date of enactment of Section 5. No program operating responsibilities may be transferred to such a unit. Any entity now having audit, or audit and investigative staff would be covered. Any entity which later establishes audit, or audit and investigative capability of its own would also be covered.

It also provides that in the event a Federal entity remains without an internal audit unit, such entity shall report that fact to the Comptroller General and OMB on an annual basis, along with information concerning the steps such entity has taken to provide adequate audit coverage of its programs.

Subsection (c) requires the internal audit unit director to be appointed by the Federal entity head in accordance with the applicable laws and regulations governing appointments within the Federal entity. Further, it provides that the internal audit unit director is to report to the Federal entity head, or to the extent such authority is delegated, to the deputy head. Neither of these officials shall prevent or prohibit the internal audit unit director from initiating, carrying out, or completing any audit or investigation.

Subsection (d) provides that if an internal audit unit director is removed or involuntarily transferred, the Federal entity head shall promptly communicate to both Houses of Congress the reasons for such action.

Subsection (e) provides additional protection against unilateral removal of the Chief Postal Inspector of the United States Postal Service, who is deemed to be the "internal audit unit director" at that Federal entity.

Subsections (f) and (g) extends to the internal audit units certain provisions of the Inspector General Act of 1978 (in sections 4-7) and provides definitions for (1) "Federal entity," (2) "head of the Federal entity," (3) "internal audit unit," and (4) "internal audit unit director".

Section 5(b) is a technical amendment.

PROVISIONS TO ENSURE UNIFORMITY AND RELIABILITY OF INSPECTOR GENERAL REPORTS

Section 6 amends section 5(a) of the Inspector General Act of 1978 to require more uniform and statistically reliable reports.

Section 6(a) sets forth the information to be provided in reports issued by Inspectors General on their audit findings.

Section 6(b) sets forth the information to be provided in reports on audit resolution to be issued by the heads of federal entities and the reporting dates.

Section 6(c) defines: (1) "ineligible cost," (2) "unsupported cost," (3) "disallowed cost," (4) "audit determination," (5) "audit resolution," and (6) "audit status".

Section 6(d) amends section 3512(b)(2) of title 31 to establish a standard definition for the term "audit resolution".

OATH ADMINISTRATION AUTHORITY

Section 7 amends section 6(a) of the Inspector General Act of 1978 to authorize all Inspectors General to administer oaths, affirmations and affidavits in the performance of their assigned duties. During the conduct of investigations, it is often necessary for IG personnel to take voluntary sworn statements. Most IG offices now have authority to administer oaths for this purpose but a few do not. This amendment makes the authority uniform for all IG offices.

APPROPRIATIONS ACCOUNTS

Section 8(a) amends section 1205(a)(2) of title 31 to require the President to include in his budget submission a "separate appropriation account" for appropriations for each Office of Inspector General. At present, many, but not all, of the statutory Offices of Inspector General receive their appropriations through separate appropriation accounts. The others have their funds commingled in accounts which include funds for other agency activities. The first method prevents agency heads from transferring funds into or out of the IGs' account without statutory authority. This methods is preferable because it enhances the independence of the Inspector General offices from the agency's program offices.

Mr. ROTH. Mr. President, I am pleased to join Chairman GLENN and all of our colleagues on the Governmental Affairs Committee in introducing the Inspector General Act Amendments of 1987.

The introduction of this bill is a continuation of efforts since the enactment of the Inspector General Act of 1978 to expand and improve the inspector general concept throughout the Government. The bill is comprised in large part of provisions from bills passed in the last Congress by the House (H.R. 3077) and the Senate (S. 2005). Given the broad bipartisan and bicameral support for the ideas contained in this legislation, I am confident that we can enact constructive improvements to the inspector general offices and processes.

Inspectors general have clearly proven their worth, since the first Office of Inspector General [OIG] was created at the Department of Health and Human Services in 1976. According to the President's recently issued management message, we have avoided $84 billion in expenditures due to the efforts of our inspectors general since 1981. The President's Council on Integrity and Efficiency [PCIE] recently reported to our committee that, just in the last 6 months of fiscal 1986, our inspectors general were able to recover $1 billion and avoid unnecessary expenditures of $6.3 billion. Their work included: 2,363 successful prosecutions; 1,145 debarments and suspensions of persons or firms doing business with the Government; and, 580 administrative sanctions against Federal and contractor employees.

Following on the establishment of 12 OIG's in the Inspector General Act of 1978, I am pleased to say that during my tenure as chairman of the Committee on Governmental Affairs, an OIG was established in 1982 at the Defense Department. But, several large and many small agencies do not have the elements which have enabled our existing inspectors general to be successful in rooting out fraud and abuse in Federal programs. Those elements are: Consolidation into one office of all of the internal audit and investigative functions of the agency; protection of the integrity of the audit and investigative functions through independence from program functions and program supervisors, with the audit chief reporting directly to the agency head; and, the audit and investigative authorities of the Inspector General Act of 1978.

The need to bring the concepts embodied in the Inspector General Act of 1978 to smaller agencies of Government has been thoroughly documented. In May 1984, the General Accounting Office [GAO] issued a report (AFMD 84-45) on the audit capability of agencies not subject to the Inspector General Act. GAO found that some agencies were not complying with Office of Management and Budget [OMB] circulars on Federal program audits and audit followup or with GAO's audit standards; some agencies had no audit coverage; in some agencies, the internal auditor did not report to the agency head or deputy, instead reporting in some instances to the program people whose programs they were to audit; and, at several agencies that had more than one audit or investigative unit, there were no procedures for coordination.

A followup study issued by GAO last year (AFMD 86-11) found that, at 41 agencies without statutory IG's, problems similar to those reported in 1984 continued to exist. Demonstrating the importance of this issue is the fact that these 41 agencies had a combined total budget authority of over $100 billion and employed more than a quarter of a million people.

I asked the PCIE to conduct a study of the extent and effectiveness of internal audit and investigative activities at Federal entities, particularly those which would not have internal audit units in conformity with the provisions of S. 2005. The preliminary findings of that study were recently provided to our committee, and they are similar to those of GAO.

Given the success of the Inspector General Act in consolidating and strengthening the audit and investigative units in cabinet departments and other executive agencies, its provisions should be extended to other smaller Federal agencies.

In hearings before our committee in 1986, OMB Director James C. Miller expressed the administration's support for the efforts of the committee to extend the IG concept to smaller agencies.

The administration also recommended several improvements to the functions of inspectors general, specifically: Elimination of the disparity of salary levels of the statutory IG's; provision of the authority of the IG's to administer oaths; and, conformation of the separate statutory IG's at the Departments of Energy and HHS with the provisions of the Inspector General Act.

Those provisions to improve the audit and investigative functions at the smaller agencies and the three provisions recommended by the administration formed the heart of S. 2005, which I introduced on January 22, 1986, and which passed the Senate on October 18, 1986. I am pleased that the provisions of S. 2005 have been carried over into the bill we introduce today.

This bill contains other provisions which I believe the time has come to enact:

First, the bill would amend the Inspector General Act to establish Offices of Inspector General at the Treasury Department, the Federal Emergency Management Agency [FEMA], the Nuclear Regulatory Commission [NRC], and the Office of Personnel Management [OPM].

Next, the bill contains provisions intended to ensure the uniformity and reliability of IG reports.

Finally, the bill would provide separate appropriation accounts for the statutory Offices of Inspector General.

I wish to comment in more detail about each of these matters.

First, with respect to separate appropriation accounts, several OIG's already receive their funds through separately indentified appropriation accounts rather than having their funds commingled with other agency accounts. James Richards, inspector general at the Department of the Interior and Chairman of the President's Council on Integrity and Efficiency, recently reported to our committee that most IG's would prefer to have the separate line item, feeling that it assures independence and management control over resources.

I believe that there are additional advantages: It fosters accountability for the IG's management of resources, and thereby fosters Congress' oversight of the economy and efficiency of the OIG's.

Next, with respect to the need for uniformity and reliability of IG reports, consistency in format and in the terminology used in IG reports would aid the Congress in performing its oversight functions and would seem to be useful to OMB in carrying out its management oversight functions.

With respect to reporting requirements generally, I am sensitive to concerns that have been raised about imposing the full panoply of reporting requirements in the Inspector General act on the smaller agencies. Accordingly, I also asked the PCIE to study the most appropriate and efficient methods of assuring effective audits and investigations at Federal entities, and the extent to which additional authorities, duties, and responsibilities specified in sections 4 through 7 of the Inspector General Act should be provided to all of the Federal entities covered by S. 2005. I believe that my colleagues share the same sensitivity and, with the help to be provided by the final report of the PCIE, which we expect to receive shortly and in advance of our hearings on this bill, I am confident that we can craft reasonable reporting provisions.

Finally, with respect to creating statutory OIG's at Treasury, FEMA, NRC, and OPM, careful consideration has gone into the decision to recommend the creation of OIG's at these agencies and further consideration will be given to the particular functions of these agencies and the role of the IG in them as we proceed through the hearings and markup of this bill.

Creation of a statutory OIG at the Treasury Department was recommended by GAO last year in response to my request for its assessment of the need for a statutory IG at Treasury (AFMD 86-3). I believe that we will adequately respond to the concerns of Treasury Department officials who, like their colleagues in other agencies prior to creation of OIG's in those agencies, feel that the Department's functions militate against the creation of a statutory IG.

The same devotion exists on the committee with respect to the creation of OIG's at FEMA, NRC, and OPM. The committee is giving particular attention to both the internal and external investigative functions of the Nuclear Regulatory Commission. In 1981, GAO issued a report (EMD 81-72) in which it concluded that the independence of the Office of Inspector and Auditor—which would become the OIG under the terms of this bill—needed to be strengthened. GAO suggested that Congress consider establishing a statutory inspector general office at the NRC stating that—

> Such an office could help ensure that the Congress and the Commissioners receive objective information on problems within the Commission and enhance public trust in the regulation of commercial nuclear power.

Evidence developed by the committee in recent weeks suggests that while the Office of Inspector and Auditor has been conforming its procedures to those of the statutory OIG's, it lacks the insurance that only statutory independence can provide.

In the course of the committee's investigation of the audit and investigative functions of the NRC, a number of questions have arisen over the organization and operation of those units and their relationship to the Commissioners and the Commission staff. Some of those questions go to the very organization of the Commission, a multimember rather than single-administrator agency. As a move to create a statutory OIG at the NRC, we must exercise great care to avoid stepping over into organizational questions which pertain to the conduct of the substantive responsibilities of the NRC. Our focus should be directed toward the assurance that the NRC has an inspector general who is independent and in charge of a consolidated internal audit and investigative unit and separated from program responsibilities.

I commend the chairman for his leadership in continuing this issue. I am pleased by the cosponsorship of all of our committee colleagues and would welcome other Senators to cosponsor this bill.

Mr. SASSER. Mr. President, I am pleased to join as an original cosponsor of this important piece of legislation. Throughout my service in the

Senate, I have made the war against Federal waste and abuse a top priority. Our legislation makes great strides in this effort.

Today, we proposed to amend the Inspector General Act of 1978 to create inspector general positions in several new areas. We provide for these Government watchdogs at the Nuclear Regulatory Commission, the Department of the Treasury, the Federal Emergency Management Agency and the Office of Personnel Management.

Mr. President, creating an inspector general at the NRC is particularly important. Proper oversight of this Nation's nuclear utilities is an enormous responsibility. As the Chernobyl disaster vividly displayed to the world, mishaps at nuclear facilities threaten entire regions of our planet. We are still learning the horrible dimensions of that tragedy. We must take every step possible to safeguard against just this type of disaster in our country.

Guaranteeing that the NRC will take a tough stance when examining the safety of nuclear facilities in America is central to this effort. And placing and inspector general at the NRC will insure that we have an objective check on the performance of our only nuclear regulator.

Mr. President, an inspector general will also help ensure equal application of absolutely necessary safety standards. We must be certain that safety regulations are rigorously enforced and uniformly enforced. Mr. President, I fear that we have entered a period of unequal enforcement of critical nuclear safety standards.

Let me cite a few examples of what I mean, Mr. President. After the Three Mile incident, the NRC was brought in to investigate the plant's operations. One of the employees at the plant brought to the NRC's attention allegations of falsified leak rates at the plant. Yet, the NRC failed to investigate these allegations for over 18 months.

In California, we have the Diablo Canyon Nuclear Plant constructed precariously on a fault line. In addition to the questionable judgment that permitted this site decision, the NRC failed to catch other problems in the construction of this plant. It seems that the blueprints for the plant were reversed during construction and this problem went unnoticed by the NRC.

The Zimmer Plant in Midland, MI, was constructed so poorly that it will likely never operate. The NRC failed to catch these problems.

At the D.C. Cook Plant, the NRC delayed for an inordinate amount of time the investigation of material false statements made by the management of the plant. Officials at this plant were ultimately indicted by other Government bodies, despite the inaction by the NRC.

At the same time we see the NRC taking to task Steven White of the Tennessee Valley Authority for making material false statements. We see many of TVA's nuclear operations examined with a fine tooth comb by the NRC.

Mr. President, I don't want to leave the wrong impression here. TVA, like all other nuclear facilities, should be scrupulously and diligently regulated. TVA should indeed be held to exacting safety standards. That is the law of the land and it should be enforced.

However, just as TVA is closely and carefully examined in its nuclear operations, so should all other nuclear power facilities be vigorously overseen. I am not convinced that this has been the case for the past few years. The standard for private facilities must be the same as the standard for public utilities. All nuclear plants should be required to live up to a uniformly high standard of safety practices.

I believe the residents of the Tennessee Valley will benefit from stringent oversight by the NRC. Yet, I also believe that the safety of other regions of our country is being called into question by recent NRC policy. It is my hope that establishing an inspector general at the NRC will help rectify this situation.

We need a policy of evenhanded application of nuclear safety standards. Only through such an evenhanded approach can we guarantee the safety of all regions of our country which utilize nuclear power.

Our legislation will help return us to such a policy. I urge my colleagues to join in our effort.

By Mr. REID (for himself, Mr. Sarbanes, and Mr. Pryor):

S. 909. A bill to require that all amounts saved as a result of Federal Government contracting pursuant to Office of Management and Budget Circular A-76 be returned to the Treasury, that manpower savings resulting from such contracting be made permanent, and that employees of an executive agency be consulted before contracting determinations by the head of the executive agency are made pursuant to that circular; to the Committee on Governmental Affairs.

COMMERCIAL ACTIVITIES CONTRACTING ACT

● Mr. REID. Mr. President, today, Senators Sarbanes, Pryor, and I are introducing the Commercial Activities Contracting Act of 1987, legislation that will help cut our huge budget deficits without reducing the level of services provided. This legislation mandates savings realized by contracting out to private industry services normally performed by Federal employees must be returned to the Treasury.

At a time when our national debt exceeds $2 trillion and we continue to face annual budget deficits of as much as $200 billion a year, the Federal Government is looking more and more to private industry to help them improve efficiency and save money. We believe that we must insure that such cost-cutting efforts really result in savings to the taxpayer.

This sounds like a basic idea, but all too often what really happens is money that is saved by such efficiency measures simply gets spent by Federal agencies for something else, often without congressional approval.

Let us look at a typical example. An agency decides money can be saved by contracting with a private company under the OMB A-76 Program for services currently being done by inhouse personnel. The first thing that the agency does is perform a study of what is needed in services. Then they put out a contract for bid and the lowest bidder gets the work. It might be the Federal employees that formally did the work or it might be an outside contractor. In either case, there is normally a saving to the agency. One would expect the saving to be returned to the Treasury, but what often, if not always, happens is that the agency uses the money that is saved for other purposes. Sometimes, the agency even retains some of the displaced Federal workers for other duties.

In short, the practice of contracting out has led to "triple dipping": The agency gets the contracted work, keeps the money saved, and uses all or part of it for other agency activities, and also retains some of the Federal workers to do other jobs.

I ask, Mr. President, where is the saving to the taxpayer?

Our bill requires any savings in the budgets of Government agencies, as a result of OMB A-76 contracting out actions, must be returned to the General Treasury. It is estimated that this simple change in the law could save $150 million a year at an absolute minimum without cutting back on the services provided.

Our bill will also help check the growth of Federal manpower by prohibiting the creation of new unneeded positions as part of A-76 efficiency studies. This closes a loophole some agencies have used to avoid congressionally imposed manpower ceilings. If the agency contracts out the work previously done by Federal employees, it should not be allowed to keep both the industry workers and the displaced Federal workers.

Finally, our legislation requires all Federal agencies to actively involve Federal employees in creating the most cost-efficient Government bid to compete with industry bids. Including employees, who have jobs at stake, will help insure a lean yet fair competitive bid process.

We are going to see severe budget cuts this year in the name of reducing the deficit. The legislation that Senators PRYOR, SARBANES, and I are introducing today can save hundreds of millions of dollars each year without cutting services further.

Mr. President, I ask unanimous consent that our bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 909

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Commercial Activities Contracting Act of 1987".

SEC. 2. ACCOUNTING FOR SAVINGS RESULTING FROM FEDERAL GOVERNMENT CONTRACTING UNDER OMB CIRCULAR A-76.

(a) SAVINGS TO BE RETURNED TO THE TREASURY.—(1) Not more than 60 days after the beginning of each fiscal year, the head of each executive agency shall pay into the General Fund of the Treasury the amount determined under paragraph (2).

(2) At the beginning of each fiscal year, the head of each executive agency shall determine the total amount saved by that executive agency as a result of converting during the preceding fiscal year to contractor performance any commercial activity which, during the preceding fiscal year—

(A) was previously performed by civilian employees of that executive agency; or

(B) was previously performed for or on behalf of that executive agency by members of the uniformed services.

(b) CIVILIAN EMPLOYEE SAVINGS.—(1) Whenever an executive agency converts to contractor performance any commercial activity, the total number of civilian employees authorized for that executive agency in the fiscal year in which the conversion takes place shall be reduced by the number of civilian employees of that executive agency required to perform that commercial activity on a full-time basis (including the full-time equivalent of the number of civilian employees of that executive agency required to perform such activity on less than a full-time basis).

(2) The Director of the Office of Management and Budget, after consulting with the head of the executive agency concerned, shall determine the amount of any reduction in the authorized number of civilian employees of that executive agency pursuant to paragraph (1).

(c) UNIFORMED SERVICES END STRENGTHS.—(1) Whenever an executive agency converts to contractor performance any commercial activity previously performed for or on behalf of that executive agency by members of a uniformed service, the end strength authorized for that uniformed service at the end of the fiscal year in which the conversion takes place shall be reduced by the number of members of that uniformed service required to perform that commercial activity on a full-time basis (including the full-time equivalent of the number of members of that uniformed service required to perform such activity on less than a full-time basis).

(2) The Secretary concerned shall determine the amount of any reduction in the authorized end strength of a uniformed service pursuant to paragraph (1).

SEC. 3. PARTICIPATION OF FEDERAL EMPLOYEES IN DETERMINATIONS UNDER OMB A-76.

(a) IN GENERAL.—Each officer or employee of an executive agency responsible for determining under Office of Management and Budget Circular A-76 whether to convert to contractor performance any commercial activity of that executive agency—

(1) shall, at least monthly during the development and preparation of the performance work statement and the management efficiency study used in making that determination, consult with civilian employees of the executive agency who will be affected by that determination and consider the views of such employees on the development and preparation of that statement and that study; and

(2) may consult with such employees on other matters relating to that determination.

(b) CONSULTATION PROCEDURES.—(1) In the case of employees of an executive agency represented by a labor organization accorded exclusive recognition under section 7111 of title 5, United States Code, consultation with representatives of that labor organization shall satisfy the consultation requirement in subsection (a).

(2) In the case of employees of an executive agency other than employees referred to in paragraph (1), consultation with appropriate representatives of those employees shall satisfy the consultation requirement in subsection (a).

(c) REGULATIONS.—The Administrator of the Office of Federal Procurement Policy shall issue regulations to carry out this section. The regulations shall include provisions for the selection or designation of appropriate representatives of employees referred to in subsection (b)(2) for purposes of consultation required by subsection (a).

SEC. 4. DEFINITIONS.

In this Act:

(1) The term "executive agency" has the same meaning as is provided in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403).

(2) The term "Secretary concerned" has the same meaning as is provided in section 101 of title 37, United States Code.

(3) The term "uniformed service" means any of the uniformed services named in section 101 of title 37, United States Code.

COMMERCIAL ACTIVITIES CONTRACTING ACT OF 1987 (CACAL)

SECTION 1. SHORT TITLE.

Provides that the bill shall be referred to as "Commercial Activities Contracting Act of 1987" legislation.

THE ACRONYM TO IDENTIFY THIS BILL WILL BE "CACAL"

SECTION 2. ACCOUNTING FOR SAVINGS RESULTING FROM FEDERAL GOVERNMENT CONTRACTING UNDER OMB CIRCULAR A-76.

Requires that all money savings as a result of OMB A-76 actions (jobs currently done by federal employees are evaluated for potential transfer to contractors for performance based on cost savings) be returned to the Treasury. Also, any manpower positions saved will result in equivalent federal civilian and uniformed employee end strength reductions.

Some executive agencies do not turn back any money or manning positions saved after an A-76 action. Over the last five years, these contracting-out savings have amounted to over $500 million. Multiplying the yearly manpower savings (since a savings in manning is also a savings in the out-years) the actual projected savings would be closer to $1.5 billion. The President's budget has never identified these additional dollars available for his agencies' use. This bill, by now requiring the monies and manning positions be returned, never technically affects the President's budget. Additionally, a loophole the executive branch has been using to avoid meeting Congressionally imposed caps on manning will be eliminated.

SECTION 3. PARTICIPATION OF FEDERAL EMPLOYEES IN DETERMINATIONS UNDER OMB A-76.

Employee participation in creating the government bid in any proposed contracting-out action is mandated. Employees are placed in a position to ensure the government's bid is the most cost-efficient and therefore, the most competitive that government can create.

OMB Circular A-76 allows minimal employee participation in the creation of the government's bid. However, as A-76 is currently applied, employees are realistically excluded from the process of creating the most efficient organization to compete with the contractors' bids. Government management often uses A-76 actions to fill their manning shortfalls rather than to try to create an efficient organization. They have no natural "advocacy", as industry does, to design a bid that will be the lowest and win. However, employees are "natural" advocates of a low and competitive bid. Their motivations are similar to contractors, since both are competing for their jobs. The bill, as written, includes employees in the process as far as possible without interfering with the strict rules of federal procurement.

SECTION 4. DEFINITIONS.

"Executive agency", "secretary concerned" and "uniformed service" are defined in common legal terms.

By Mr. STEVENS (for himself and Mr. MURKOWSKI):

S. 910. A bill to provide that the Secretary of Transportation may make available special housing assistance to Coast Guard employees adversely affected by the closures of certain installations; to the Committee on Commerce, Science, and Transportation.

SPECIAL HOUSING ASSISTANCE FOR CERTAIN COAST GUARD PERSONNEL

● Mr. STEVENS. Mr. President, the Coast Guard has recently initiated a plan to realign its support structure nationwide. Under the agency's plan, certain support functions currently being performed in the 12 Coast Guard districts will be consolidated into 2 regional support centers.

The designated functions include naval, civil, and electronics engineering. The Coast Guard believes that these activities can be performed in centralized locations with lower costs to the Federal Government. The agency maintains that the consolidation will not impact the operational capabilities of each district, but instead would free up resources necessary to improve operations.

I have many doubts about the consolidation. It was initiated in response to an internal report entitled "Realignment of Management and Support Functions of the United States Coast Guard." The Congress was not given an opportunity to scrutinize the report before the Coast Guard began implementing the realignment. The shift will entail moving over 500 people from the districts to the central locations. The 17th District located in Juneau, AK, will experience a net loss of over 80 people who currently engage in support activities. I am not yet convinced that maintenance in the 17th District will not suffer from the realignment. The agency concedes that the initial realignment will cost over $7 million. This will be compounded by increased costs of transportation to haul support personnel back to the districts on a periodic basis.

We had hoped that the Coast Guard would delay implementation of the consolidation until the Congress has an opportunity to address its manpower needs in the fiscal year 1988 funding cycle. This has not happened, and Coast Guard employees have been given extremely short notice of their reassignment. Many of these employees are homeowners who will be forced to put their homes up for sale. In areas with depressed housing markets, the consolidation will further aggravate problems faced by all homeowners.

The Coast Guard should bear a portion of the costs of such a massive relocation. The Department of Defense currently has a program to assist civilian and military employees who are reassigned as part of any complete or partial closing of a military installation. Under the program, the Secretary of Defense is authorized to acquire title to, hold, manage, and dispose of property when there is no present market for the sale of such property at reasonable terms.

The legislation I am introducing today provides the Secretary of Transportation with similar authority. The Secretary would be guided by the same guidelines and standards applicable to the Secretary of Defense pursuant to the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3374). The Coast Guard would bear any costs associated with the housing assistance.

The purpose of the bill is two fold. First, it is designed to help Coast Guard employees make the sudden transition without the fear of large financial losses. Second, the legislation will permit the Secretary to acquire title to the property and take it off the market until the housing markets reach an equilibrium. This will take the burden off other members of the various communities who are also suffering from the depressed housing market.●

By Mr. DURENBERGER (for himself and Mr. MITCHELL):

S. 911. A bill to implement the recommendations of the special envoys, to authorize a program deploying clean coal technologies, to reduce transboundary air pollution, and for other purposes; to the Committee on Environment and Public Works.

CLEAN COAL TECHNOLOGIES ACT

Mr. DURENBERGER. Mr. President, I introduce today a piece of legislation that I trust will be helpful to the economic policy of this country.

As both the majority leader and the Republican leader said yesterday, yesterday was yesterday, today is today, tomorrow will be tomorrow. The significance of our actions yesterday and the way in which that reflected on our President and ourselves takes on an entirely different light today.

This weekend, the President of the United States will turn his attention from the highway bill and from spending and the deficit to our relations with perhaps our best friends in the world, the people with whom we have a very long border which is unattended by Army, Navy, Air Force, or other sort of military personnel—our friends in Canada.

The President will spend, as he has in the past, a fair amount of time with the Canadian people, to demonstrate our continued friendship and our concern for our mutual future.

As he goes, I have sent along several suggestions. One is that the President deal with the matter of the trade war that is going on and the impact that currently is having on corn growers in this country.

I have sent along some other advice as it relates to some other matters of contention.

I have also sent along today a Clean Coal Technology Act.

Mr. President, I am today joining Senator GEORGE MITCHELL of Maine to introduce the Clean Coal Technologies Act of 1987. The purpose of this legislation is to fully implement the recommendations of the special envoys appointed by the United States and Canada to consider the problem of acid rain and transboundary air pollution.

This bill authorizes a 5-year, $5 billion program to deploy clean coal technologies which will significantly reduce emissions of sulfur dioxide and oxides of nitrogen from American powerplants. Half of this investment is to come from Federal appropriations and half from the private sector. The projects which will be funded under this program will meet each of the criteria developed by the special envoys.

Mr. President, although we introduce this authorization as a freestanding piece of legislation, it is our intention that any Clean Coal Program only be acted upon as part of a comprehensive Acid Rain Control Program. Senator MITCHELL will today be introducing comparable language as an amendment to S. 321, his comprehensive acid rain control bill. I am a cosponsor of that bill and will be cosponsoring his amendment.

In 1985, President Reagan traveled to Canada for his first summit with the recently elected Prime Minister, Brian Mulroney. That summit became known as the Shamrock Summit. High on the Canadian agenda for that summit was the problem of acid rain. The two leaders agreed to appoint special envoys to further explore the problem of acid rain and transboundary air pollution. The United States envoy was Mr. Drew Lewis, former Secretary of Transportation. Canada selected Mr. William Davis, formerly the Premier of Ontario as its envoy.

After many months of meetings and deliberations, the special envoys issued a joint report including findings and recommendations in January 1986. Among the findings of the special envoys were these two very important statements:

> Acid rain is a serious environmental problem in both the United States and Canada. Acidic emissions transported through the atmosphere undoubtedly are contributing to the acidification of sensitive areas in both countries.

and

> Acid rain is a serious transboundary problem. Air pollutants emitted by sources in both countries cross their mutual border, thus causing a diplomatic as well as environmental problem.

In addition to these findings the report included an assessment of the acid rain problem from the perspective of each nation. And the report analyzed the available means to control the air emissions which are the precursors of acid rain and came to the conclusion that the potential control strategies available were not adequate to foster a consensus for action within the American community.

Sulfur dioxide emissions, the principal pollutant of concern, can be reduced in a variety of ways. Three control strategies were examined closely by the envoys. The sulfur can be washed from the coal before it is burned. The utility can switch to coals having a very low sulfur content. Or so-called scrubbers can be added which remove sulfur dioxide from the flue gas resulting from combustion.

The envoys found fault with each of these three strategies. Coal washing produces only modest reductions in emissions. Switching to low-sulfur coal would take jobs from the miners in high-sulfur coal fields. Scrubbers are an expensive technology and would likely lead to electricity rate increases in the Midwest.

There are, however, other pollution control strategies—not widely used at commercial scale in the United States which the envoys believed might provide substantial reductions at the lesser cost than scrubbing without disruption in the markets for high-sulfur coal.

To take full advantage of these technologies and to encourage the development of a policy consensus in the United States, the envoys recommended a 5-year, $5 billion program to deploy these technologies at powerplants in the United States.

The heart of the Envoys' report is the following recommendation which sets forth a series of criteria which are to be applied to clean coal projects:

> Therefore the U.S. government should implement a five-year, five billion dollar control technology commercial demonstration program. The federal government should provide half the funding—2.5 billion dollars—for projects which industry recommends, and for which industry is prepared to contribute the other half of the funding.
>
> Because this technology demonstration program is meant to be part of a long-term response to the transboundary acid rain problem, prospective projects should be evaluated according to several specific criteria. The federal government should co-fund those projects that have the potential for the largest emissions reductions, measured as a percentage of SO_2 and/or NO_x removed. Among projects with similar potential, government funding should go to those that reduce emissions at the cheapest cost per ton. More consideration should be given to projects that demonstrate retrofit technologies applicable to the largest number of existing sources, especially existing sources that, because of their size and location, contribute to transboundary air pollution. In short, although the primary purpose of this research program is to demonstrate the kinds of technologies that would be needed for any future acid rain control program, it should also result in some near-term reductions in U.S. air emissions that affect Canadian ecosystems.
>
> Furthermore, special consideration should be given to those technologies that can be applied to facilities currently dependent on the use of high-sulfur coal.

On March 19, 1986, and in response to the report, President Reagan stated, "I fully endorse the report and will shortly issue a press statement to that effect." Eventually a press release was issued which summarized all of the coal research being conducted in the United States and concluded that the envoys' recommendations could be satisfied by the existing research effort including the modest clean Coal Technology Program which was being conducted by the U.S. Department of Energy.

The DOE Clean Coal Program had been established by the Congress in late 1985 when the Synthetic Fuels Corporation was terminated. $400 million had been made immediately available to fund clean coal projects with $350 million held in reserve. According to congressional directives DOE had solicited proposals for clean coal projects in the spring of 1986.

It must be said, however, that the Clean Coals Program was not created in anticipation of the envoys' report nor as an answer, even in part, to the domestic acid rain problem. The purpose of the DOE program is to demonstrate the whole range of innovative technologies which would encourage the use of large domestic coal reserves.

In August 1986, DOE tentatively selected nine projects for funding under the Clean Coal Program. Because of the Administration's assertion that the DOE program would satisfy the commitment made in the envoys' report, these nine projects have been closely examined to determine whether they do, in fact, meet the criteria for projects which were established by the envoys. Most analysts came to the same conclusion, the projects make only minor contributions to the commitment which this Nation made to Canada when the President endorsed the envoys' report.

In March of this year, the Ambassador to the United States from Canada wrote to Senator MITCHELL in his capacity as chairman of the Environmental Protection Subcommittee offering the following analysis of these nine projects:

> Because of the seriousness with which my Government views the Envoy process and the importance to Canada of its ultimate success, Environment Canada undertook extensive analysis of two issues—the DOE claim that the nine CCT projects satisfy the Envoys' recommendation and the Administration's suggestion in the FY 1988 budget proposal that current programs fulfill President Reagan's commitment to implement the Envoys' Report. Environment Canada's findings sharply contrast with DOE's and the budget proposal's conclusion. With respect to the particular projects selected in the first round of the CCT program, Environment Canada found:
>
> The nine projects selected might, if they displace production from existing plants, reduce U.S. SO_2 emissions by up to 65,000 metric tonnes. (In 1984 total U.S. SO_2 emissions were 21.4 million tonnes.)
>
> The projects will make no significant near term contribution to reducing transboundary emissions.
>
> The projects have very limited early retrofit potential; the impact of the new technologies on electric utility emissions will be negligible until after the year 2005.
>
> Only two of the nine selected projects come close to meeting the Special Envoys' recommendation and criteria.
>
> It is worth noting that a recent Congressional Research Service (CRS) analysis of the CCT Program concurs with the conclusions of Environment Canada's studies. Specifically, it found that only three of the nine projects selected possibly meet the Envoys' Report criteria, and one of those three is so small that no emissions reductions can be expected from it. The total cost of the three projects is only $52 million. According to the CRS, "To achieve the goals of the Envoys' Report would require an integrated approach to clean coal technology demonstrations focussed on the Envoys' recommendation and its goals. Such a program does not currently exist."
>
> Environment Canada also assessed the various clean coal initiatives mentioned in President Reagan's recent budget proposal, based on information provided by DOE. It concluded:
>
> Only $1.7 billion of the proposed $5 billion in federal, state, and private expenditures appear to meet most of the Special Envoys' technical criteria.
>
> The potential reduction in transboundary pollution resulting from this spending is insignificant and will not alleviate the damage currently being caused in Canada by U.S. emissions of SO_2.
>
> In the absence of an acid rain control program, significant emissions reductions resulting from the currently planned clean coal technology initiatives or existing air pollution control programs are at least 25 years away.
>
> Based on these findings, it is our view that the current U.S. clean coal technology program does not meet the objectives of the Envoys' Report or still Canadian concerns about acid rain. However, bearing in mind the full endorsement of the Lewis/Davis Report by the President and pursuant to the Vice President's recent visit to Ottawa, it remains the hope and expectation of the Canadian Government that the Administration will take steps to fulfill Mr. Reagan's commitment.

In a few days President Reagan will be returning to Canada for the 1987 summit with Prime Minister Mulroney. Discussions leading up to that meeting have indicated that Canada remains concerned that the United States is not making an adequate effort to fulfill the envoys' recommendations. After a recent trip to Ottawa by Vice President Bush, the administration has issued a new statement on this matter.

In that statement President Reagan indicated that the U.S. Government will commit $2.5 billion in funds, to be matched by an equal amount from the private sector, over the next 5 years to fulfill the recommendations of the envoys.

Mr. President, the bill we are introducing today is an authorization for a Clean Coal Program which would in every respect fulfill the recommendations in the Envoys' report. We are proposing this effort as one part of a comprehensive program to control the air pollutants which are the precursors of acid rain. This is not a stand alone measure. It is only the early phase of the larger effort which will be necessary to protect sensitive aquatic and other ecosystems in the United States and Canada from acidification caused by the deposition of air pollutants.

Some of our colleagues have announced their intention to oppose any further funding for a Clean Coal Technology Program until such time as the administration and the Congress have made a statutory commitment to a long-term Acid Rain Control Program. Their determination to insist that clean coal and a complete Acid Rain Program move together has my wholehearted support. The point of this bill is to provide the appropriate legislative vehicle for the clean coal technology portion of that larger package, not to suggest that further research on control technologies is necessary before a control strategy is enacted.

Mr. President, solutions for the national—continental—acid rain problem are available now. The technologies which will be deployed under this legislation have been demonstrated and are available to the utility industry today. This is not a research bill. We do not need additional years of research to study solutions to the acid rain problem. We can achieve near-term reductions in SO_2 and NO_x emissions and the movement of these pollutants across the boundary into Canada with cost effective technologies which are now available.

We have an obligation to our neighbor and most important partner in the community of nations to take all steps necessary to fulfill the recommendations of the Envoys' report.

Mr. President, I would ask that a copy of the envoys' report and a text of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 911

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Clean Coal Technologies Act of 1987".

CLEAN COAL PROGRAM

SEC. 2. Title I of the Clean Air Act is amended by adding the following new part at the end thereof—

"PART F—CLEAN COAL TECHNOLOGIES

"FINDINGS

"SEC. 190. The Congress finds that—

"(a) acid deposition is a serious environmental problem in both the United States and Canada;

"(b) air emissions from sources in both the United States and Canada are causing significant deposition of sulfates, nitrates and other acidic compounds on ecosystems in both nations;

"(c) acid deposition is a serious transboundary problem as air pollutants emitted by sources in both nations cross their mutual border causing diplomatic as well as environmental problems;

"(d) both the United States and Canada have a responsibility to ensure that activities within their jurisdiction or control do not cause damage to the environment of other States;

"(e) the United States and Canada have a long tradition of successfully resolving transboundary environmental problems, both through the International Joint Commission and on a government-to-government basis;

"(f) the recommendations of the Special Envoys with respect to acid deposition build upon that tradition and, in combination with a long-term control program, constitute and appropriate near-term effort to address the transboundary acid deposition problem;

"(g) control strategies and clean coal technologies necessary to carry out the recommendations of the Special Envoys exist now and can be deployed on a cost effective basis to reduce transboundary air pollution.

"STATEMENT OF POLICY

"SEC. 191. It is the purpose of this part to fully implement the recommendations of the Special Envoys with respect to acid deposition and transboundary air pollution problems and to improve relations between the United States and Canada by securing near-term reductions in the movement of air pollutants which may be precursors of acid deposition from areas within the United States to areas within Canada. To that purpose—

"(a) the Secretary of the Department of Energy is directed to promote the rapid deployment of existing clean coal technologies so as to reduce total atmospheric loadings of air pollutants which may be precursors of acid deposition and the transboundary movement of such pollutants;

"(b) the Administrator of the Environmental Protection Agency is directed to promote the vigorous enforcement of existing laws and regulations with respect to air pollution in a manner which is responsive to the problems of transboundary air pollution; and

"(c) the Secretary of State is directed to seek establishment of a bilateral advisory and consultative group on transboundary air pollution comprising both diplomatic and environmental management officials from the United States and Canada to provide a forum for consultations on issues related to transboundary air pollution and to advise the directors of each nation's environmental program.

"DEFINITIONS

"SEC. 192. For purposes of this part—

"(a) the term "clean coal technology" means any technology, including technologies applied at the precombustion, combustion or post-combustion stage, deployed at a new or existing facility which will achieve significant reductions in air emissions of sulfur dioxide or oxides of nitrogen associated with the utilization of coal in the generation of electricity or industrial process steam which is not in widespread use at commercial scale as of the date of enactment of this part;

"(b) the term "coal" means anthracite, bituminous or subituminous coal, lignite, or any fuel derivative thereof;

"(c) the term "conventional technology" means any technology, including technologies applied at the precombustion, combustion, or post-combustion stage, which achieves a significant reduction in air emissions of sulfur dioxide or oxides of nitrogen associated with the utilization of coal in the generation of electricity or industrial process steam which is in widespread use at commercial scale on the date of enactment of this part;

"(d) the term "high-sulfur coal" means coal with a heat value of 10 million Btu per ton which has a sulfur content greater than 1 per centum sulfur by weight or coal with an equivalent or greater sulfur content after adjustment for the heat value of the coal;

"(e) the term "precursors of acid deposition" means air pollutants including sulfur dioxide, sulfates, oxides of nitrogen and nitrates and their transformation products which may be deposited in a wet or dry form and which when deposited contribute to the acidification of aquatic and other ecosystems; and

"(f) the term "Secretary" means the Secretary of the United States Department of Energy.

"PROGRAM

"SEC. 193. (a) GENERAL AUTHORITY.—The Secretary, pursuant to authority provided by the Federal Nonnuclear Energy Research and Development Act of 1974 (Public Law 93-577), acting jointly with the Administrator is authorized and directed to carry out a program for the construction and operation of facilities to acquire further experience with respect to the commercial deployment of clean coal technologies which significantly reduce air emissions of sulfur dioxide or oxides of nitrogen resulting from the utilization of coal in the generation of electricity or industrial process steam. The Secretary and the Administrator may enter into contracts or cooperative agreements with, or provide financial assistance in the form of grants to, the owner or operator of any such facility to assure the deployment of clean coal technologies. The program established by this section shall include—

"(1) solicitations for proposed projects to deploy such technologies;

"(2) selection of suitable projects from among those proposed;

"(3) supervision of the construction and operation of such projects;

"(4) monitoring and evaluation of the results of the projects which are conducted; and

"(5) dissemination of information on the effectiveness and feasibility of the clean coal technologies which are operated.

Not later than 180 days after the date of enactment of this part, the Secretary acting jointly with the Administrator shall publish regulations to assure the satisfactory implementation of each element of the program authorized by this part.

"(b) SOLICITATION.—Not later than 210 days after the date of enactment of this part, the Secretary acting jointly with the Administrator shall publish a solicitation for proposals to deploy clean coal technologies which will significantly reduce air emissions of sulfur dioxide or oxides of nitrogen resulting from the utilization of coal in the generation of electricity or industrial process steam. The solicitation notice shall provide for a 30-day application period and shall prescribe the information to be included in the proposal, including technical and economic information sufficient to permit the Secretary and the Administrator to assess the potential effectiveness and feasibility of the technology to be deployed and the reductions in air emissions of sulfur dioxide or oxides of nitrogen which can be expected to be achieved through deployment of the technology. A second solicitation shall be conducted not later than 21 months after the date of enactment of this part.

"(c) APPLICATIONS.—Any person or any public or private entity which is the owner or operator of a major source of air emissions as defined in this Act may submit an application to the Secretary and the Administrator in response to the solicitations required by subsection (c) of this section. The application shall contain a proposed deployment plan setting forth the various phases of the project and such other information as the Secretary and the Administrator may require. Such plan shall provide that the technology to be deployed will be installed and operational as expeditiously as practicable, but in no case later than 36 months after the date on which the project is selected for assistance by the Secretary.

"(d) SELECTION CRITERIA.—The Secretary acting jointly with the Administrator may provide assistance under this part to a roject which utilizes a clean coal technoloy, if the Secretary and the Administrator etermine that the project will provide exerience with respect to the operation of uch technology at commercial scale and nly if the project satisfies each of the folowing criteria—

"(1) the project will utilize technology which would be appropriate for retrofit on a ignificant number of existing coal-fired sources of air emissions of sulfur dioxide or xides of nitrogen;

"(2) the project will contribute to a reducion in the transboundary movement of air ollutants which are precursors of acid depsition from areas within the United States o areas within Canada;

"(3) the technology to be deployed will ignificantly reduce air emissions of sulfur ioxide or oxides or nitrogen (measured as a ercentage removed) associated with coal tilization or, if providing less than signifiant reductions (measured as a percentage emoved), the technology deployed will chieve reductions at a cost per ton of reuctions which is substantially less than the ost associated with conventional technoloy;

"(4) the technology to be deployed will esult in a reduction of emissions of sulfur ioxide or oxides of nitrogen at a cost which s equal to or less than the cost of achieving omparable emission reductions with conentional technology; and

"(5) the project will utilize as a feedstock oal mined in the United States and the loation of the facility will be in the United States.

n selecting among projects for assistance which have similar reduction potential, both with respect to the rate of emissions and the transboundary movement of air polutants which may be the precursors of acid deposition, the Secretary acting jointly with he Administrator shall give priority to hose projects which achieve reductions at he least cost per ton of reductions achieved and which would be appropriate for retrofit at existing sources of air emissions which utilize high-sulfur coal.

"(e) REVIEW BY THE ADMINISTRATOR.—The Secretary shall not select any project for assistance under this part unless the Administrator shall first have made a determination that the proposed project satisfies each of the criteria established by subsection (d) of this section.

"(f) PROHIBITIONS.—The Secretary or the Administrator shall not select for assistance any project which incorporates reductions n air emissions of sulfur dioxide or oxides of nitrogen which are required according to a State implementation plan developed and approved pursuant to subsection 110 of this Act. No reductions in air emissions of sulfur dioxide or oxides of nitrogen which are achieved by a source through the deployment of clean coal technology in a project assisted under this part shall be available for banking or trading to achieve compliance with a State implementation plan by any other source of such emissions.

"(g) NOTIFICATION.—The Secretary and the Administrator shall select or refuse to select a project for assistance under this section within 90 days of receiving the completed application. In the case of a refusal to select a project for assistance, the Secretary and the Administrator shall notify the applicant within such 90-day period of the reasons for refusal.

"(h) COST-SHARING.—In providing financial assistance under this part to a clean coal technology project, the Secretary acting jointly with the Administrator shall endeavor to enter into agreements and make other arrangements for maximum possible cost-sharing with State and local agencies, utility companies, technology vendors and other persons. Total Federal funds for any project shall not exceed 50 per centum of the cost of the project (including the entire capital cost and operating costs over a two-year period beginning on the date on which operation of the technology commences) estimated at the time of the award of such assistance. The owner or operator of the facility (or any other project sponsor) shall not be required to reimburse the United States from future revenues of the project.

"(i) FURTHER PROVISIONS.—

"(1) The Secretary may vest fee title or other property interests acquired through assistance of any clean coal technology project in any entity including the United States.

"(2) Cost-sharing by the owner or operator of the facility (or other project sponsor) is required in each of the design, construction and operating phases of the project.

"(3) Financial assistance for costs in excess of those estimated as of the date of the award of original financial assistance may not be provided in excess of the proportion of costs borne by the Government in the original agreement and only up to 25 per centum of the original financial assistance.

"(4) Other appropriated Federal funds may not be used for cost-sharing by the owner or operator of the facility (or other project sponsor).

"(5) Existing facilities, equipment and supplies or previously expended research and development funds are not cost-sharing for purposes of this part except as amortized, depreciated, or expensed in normal business practice.

"(j) RECONSTRUCTION.—No project which receives financial assistance under this part shall be deemed to be a significant modification or reconstruction which would require compliance with a new source performance standard promulgated pursuant to section 111 of this Act by the source at which the project is carrier out.

"ADVISORY COMMITTEE

"SEC. 194. (a) Not later than 90 days after the date of enactment of this part, the Secretary acting jointly with the Administrator shall establish, according to the provisions of the Federal Advisory Committee Act (5 U.S.C. app 1, et seq.), a Clean Coal Technologies Advisory Committee composed of the Secretary and the Administrator, or the Secretary's or Administrator's designees, who shall be co-chairs, and ten members appointed by the Secretary and the Administrator who shall be selected from representatives of State and local governmental agencies or interstate or regional planning organizations with air pollution control responsibilities and who by their experience or technical expertise can advise, consult with, and make recommendations to the Secretary or the Administrator on matters of policy relating to the control of air emissions which may be precursors of acid deposition and the selection of clean coal technology projects which satisfy the criteria of section 193(d) of this Act. Five members shall be selected by the Secretary and five members shall be selected by the Administrator. The Committee shall also include three representatives of Canada who shall be nominated by the Minister of Environment Canada for service on the Committee.

"(b) TERMS.—Each member of the Committee (with the exception of the Chair) shall hold office for a term of three years and members shall be eligible for reappointment.

"(c) SUPPORT.—Such clerical and technical assistance as may be necessary to discharge the duties of the Committee shall be provided from personnel of the Department of Energy.

"(d) COMPENSATION.—Members of the Committee (with the exception of the Chair) shall, while attending meetings or conferences of the Committee or otherwise engaged in business of the Committee, receive compensation and allowances at a rate to be fixed by the Secretary, but not exceeding the daily equivalent of the annual rate of base pay in effect for Grade GS-18 of the General Schedule under section 5332 of title 5, United States Code, for each day (including travel time) during which they are engaged in the actual performance of duties vested in the Committee. While away from their homes or regular places of business in the performance of services for the Committee, members shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code.

"(e) EXCEPTION.—Section 14(a) of the Federal Advisory Committee Act (5 U.S.C. app 14), relating to termination, shall not apply to the Committee established by this section.

"AUTHORIZATIONS

"SEC. 195. (a) There are authorized to be appropriated to carry out the provisions of this part $500,000,000 in each of the fiscal years ending September 30, 1988, 1989, 1990, 1991 and 1992.

"(b) The sums authorized by this section shall be in addition to the amounts available from the Clean Coal Technology Reserve established pursuant to Public Law 98-473.".

ECONOMIC REGULATION

SEC. 3. (a) For purposes of determining whether the rates and charges of any public utility, as defined in section 201(e) of the Federal Power Act, are just and reasonable under sections 205 and 206(a) of such Act, the Federal Energy Regulatory Commission shall apply the following criteria—

(1) any expenditure for the design and engineering of a clean coal technology project which receives financial assistance under this Act by such utility shall be allowed as an operating expense;

(2) any capital cost incurred to retrofit, repower or modernize an existing facility with a clean coal technology as part of a project assisted under this Act shall be included in the rate base when incurred, except to the extent such cost is allowed as an expense under paragraph (1) of this subsection.

(3) on application of the public utility, the Federal Energy Regulatory Commission shall allow any captial cost of the utility incurred to retrofit, repower or modernize an existing facility with clean coal technology as a part of a project assisted under this Act (to the extent not allowed as an operating expense under paragraph (1)) to be amortized over a 5-year period beginning with the calendar year in which facility or clean coal technology is placed in service and a return shall be allowed on the unamortized amount.

(4) there is a rebuttable presumption that any expenditure or capital cost incurred by

a utility for a clean coal technology project assisted under this Act is prudent.

(b) The Secretary of the Department of Energy, by rule after concurrence by the Administrator of the Environmental Protection Agency, may designate one or more clean coal technologies as eligible, in whole or in part, for the regulatory treatment provided in subsection (a) of this section. Projects using such designated technology, including projects which have not received assistance under part F of the Clean Air Act, shall only be granted such treatment to the extent that they satisfy the criteria established by section 193(d) of such Act.

(c) The Federal Energy Regulatory Commission may exempt any person from any provision of the Public Utility Holding Company Act and parts II and III of the Federal Power Act to the extent—

(1) either Act applies by reason of ownership or operation of any federally assisted clean coal technology project or any project using designated clean coal technology;

(2) the Commission determines such an exemption is necessary to permit such person to participate in such project.

FUEL USE ACT

SEC. 4. Notwithstanding any provision of the Powerplant and Industrial Fuel Use Act of 1978 (— U.S.C. —) or any other law, natural gas may be used in a major fuel burning installation which is coal-fired (as defined in such Act), whether existing or new, to the extent that such gas is used as part of a clean coal technology, such as reburning, which achieves cost effective reductions in air emissions of sulfur dioxide or oxides of nitrogen. This section shall not be construed, interpreted or applied to allow the use of natural gas as the primary fuel in any such installation and the Secretary may by regulation require that any person using natural gas in such installation obtain a temporary or permanent exemption from the prohibitions of such Act before the clean coal technology is put into operation.

JOINT REPORT OF THE SPECIAL ENVOYS ON ACID RAIN—DREW LEWIS, UNITED STATES; WILLIAM DAVIS, CANADA—JANUARY 1986

I. BACKGROUND

The United States and Canada share a long tradition of mutural friendship and cooperation and share similar points of view on many international issues. We are also each other's largest trading partners, an economic relationship involving billions of dollars worth of manufactured goods, services, and raw materials. These common bonds between close neighbors and good friends are valued aspects of a shared history on which both countries continue to build.

Over the past two decades, scientists and government officials on both sides of our border have become aware of the serious environmental problems associated with airborne pollutants transported long distances. The most serious of these problems is acid rain. Although we do not understand all the mechanisms of acid rain's formation and transport or the full extent of its effects, it is clear that those causes and effects are shared by both countries. Air emissions from sources in both the United States and Canada have significantly increased the deposition of sulfates and nitrates on both U.S. and Canadian ecosystems.

On March 17 and 18, 1985, Prime Minister Brian Mulroney and President Ronald Reagan met in Quebec City to discuss a wide range of bilateral issues such as mutual defense, trade, and the environment. That meeting, later referred to as the "Shamrock Summit," was viewed as a unique opportunity to reinforce ties between the two countries. At that meeting acid rain was recognized by both leaders as a serious concern affecting bilateral relations.

Noting the 75-year history of environmental cooperation between the two countries, the President and the Prime Minister expressed their determination to address current U.S./Canadian environmental issues, including acid rain, in the same spirit of responsibility and cooperation. Consequently, each agreed to appoint a personal Special Envoy to examine the acid rain issue and report back before their next meeting, scheduled for the spring of 1986. For the first time, Special Envoys appointed by both the U.S. and Canadian governments were to review jointly this serious environmental issue affecting both nations. These special appointments emphasized the need for both countries to work together to resolve a share transboundary problem.

II. U.S./CANADIAN ENVIRONMENTAL RELATIONS

While of relatively recent orgin, Canadian and U.S. efforts to address problems associated with the long-range transboundary transport of airborne pollutants have occurred within the context of a 75-year tradition of environmental cooperation.

The cornerstone of our bilateral environmental relationship is Article IV of the Boundary Waters Treaty of 1909, wherein each country agreed not to pollute boundary waters to the injury of health or property in the other country. With the Article IV obligation as a foundation, both countries have built a long tradition of generally successful resolution of a wide variety of transboundary environmental problems, both through the International Joint Commission and on a government-to-government basis. Notable among recent achievements have been the Great Lakes Water Quality Agreements of 1972 and 1978, which were ambitious joint efforts to improve Great Lakes water quality through the adoption and general refinement of water quality objectives, both general and specific.

Bilateral efforts to protect transboundary air quality date to the Trail Smelter case in 1949. An arbitration panel established to resolve an air pollution problem caused by the Trail Smelter held that "no State has the right to use or permit to use of its territory in such a manner as to cause injury by fumes in or to the territory of another."

Both Canada and the United States also subscribe to Principle 21 of the 1972 Stockholm Declaration which, like Article IV and the Trail Smelter case, provided that States have the responsibility "to ensure that activities within their jurisdiction or control do not cause damage to the environment of other States." Additionally, both countries are parties to the 1979 Convention on Long-Range Transboundary Air Pollution, under which signatory States from the Economic Commission for Europe (ECE) expressed a determination to "endeavour to limit and, as far as possible, gradually reduce and prevent air pollution including long-range transboundary air pollution."

Acid rain became recognized as an important bilateral environmental problem in the mid-1970s. The first response of both the U.S. and Canadian governments was to establish in 1978 the Bilateral Research Consultation Group to report on the extent and significance of long-range air pollution problems, including acid rain, with special reference to the overall transboundary pollutant flux.

In 1978, the U.S. Congress passed a forma resolution which called upon the Presiden to "make every effort to negotiate a cooperative agreement with the Government o Canada aimed at preserving the mutua airshed of the United States and Canada." Subsequent to this Resolution, representatives from the two governments mapped ou a comprehensive strategy designed to lead in a step by step manner to the goal of a bilateral air quality agreement.

On July 16, 1979, both governments issued a Joint Statement on Transboundary Air Quality in which they recognized "the importance and urgency" of transboundary air pollution problems, including acid rain, and pledged to work toward "a cooperative bilateral agreement on air quality" in accordance with certain declared principles and practices. Then, on August 5, 1960, a Memorandum of Intent (MOI) was signed, in which both governments explicitly recognized the seriousness of the acid rain problem, and committed themselves to work toward a bilateral air quality agreement "as soon as possible." They further agreed to set up a framework for negotiations. Five bilateral working groups were established to provide expert scientific and technical advice to a Coordinating Committee, which was to commence formal negotiations not later than June 1, 1981. Pending conclusion of the agreement, both countries agreed to take appropriate interim actions to "promote the vigorous enforcement of existing laws and regulations . . . in a way which is responsive to the problems of transboundary air pollution."

Although a bilateral air quality agreement was not reached, considerable scientific and diplomatic activity took place subsequent to the MOI. For example, bilateral cooperation continued at the level of coordination of scientific research. The executive committee of the U.S. National Acid Precipitation Assessment Program (NAPAP) and the Canadian Research and Monitoring Coordination Committee have met annually to exchange information, coordinate research, and plan cooperative research activities.

The new initiative resulting from the appointment of the Special Envoys significantly furthers the development of a bilateral response to the North American transboundary air pollution problem. The foundations of that response—the Joint Statement and the Memorandum of Intent—are already in place. A precedent for that response already exists in the Great Lakes Water Quality Agreements. What remains is to borrow from that precedent and build upon those foundations a bilateral accord which will jointly address a common problem in the best tradition of U.S./Canadian environmental relations.

III. THE SPECIAL ENVOYS

On March 17, 1985, President Reagan appointed Drew Lewis, former Secretary of Transportation, to be U.S. Special Envoy on Acid Rain. Prime Minister Mulroney appointed William Davis, former Premier of Ontario. As Special Envoys, our overall responsibility was very clear: we were to assess the international environmental problems associated with transboundary air pollution, and then recommend actions that would help solve them. Even though domestic acid rain is causing widespread concern in both countries, we were committed to working together to address the problem expressly in terms of its international implications.

In order to support this overall responsibility, we were assigned four specific tasks:

1. To pursue consultation on laws and regulations related to pollutants thought to be linked to acid rain;
2. To enhance cooperation in research efforts, including research on clean fuel technology and smelter controls;
3. To pursue means to increase exchange of relevant scientific information; and
4. To identify efforts to improve the U.S. and Canadian environments.

Soon after our appointments, we began an intensive educational effort designed to provide us with a quick but comprehensive overview of this scientifically complex issue. We were afforded access to the foremost authorities on acid rain, and all principal research findings were made available to us. We reviewed data and conclusions and attended a variety of briefings and presentations. To date, we and/or our staffs have met, either individually or jointly, with key people from government, industry, labor, academia, and the environmental and scientific communities. The individuals and groups we have met with include:

Senior officials in Washington and Ottawa;

U.S. cabinet members and Canadian cabinet ministers;

U.S. and Canadian environmental officials;

Members of Congress and Parliament;

U.S. governors and Canadian premiers;

Scientists and researchers in the United States and Canada;

Industrial leaders, notably those in the utility, coal mining, and ore smelting sectors;

Representatives of organized labor, unions, and concerned groups of citizens; and

Leaders of environmental organizations.

We have also made site visits to a power plant in western Pennsylvania and to a research facility in Muskoka, Canada. We have responded to requests for dozens of statements and interviews; we have corresponded with various interest groups and private citizens in both countries.

In short, since March 1985 we have immersed ourselves in the scientific, economic, and political aspects of the acid rain issue. We have not emerged from that experience as experts on all aspects of acid rain. However, we have gained a clearer understanding of the major issue involved and are now in a position to make recommendations for appropriate future activities.

The two most important things we learned can be stated simply:

Acid rain is a serious environmental problem in both the United States and Canada. Acidic emissions transported through the atmosphere undoubtedly are contributing to the acidification of sensitive areas in both countries. The potential for long-term socioeconomic costs is high.

Acid rain is a serious transboundary problem. Air pollutants emitted by sources in both countries cross their mutual border, thus causing a diplomatic as well as an environmental problem.

At the same time, we also learned something very important abut potential solutions to the acid rain problem:

At the present time, there are only a limited number of potential avenues for achieving major reductions in acidic air emissions, and they all carry with them high socioeconomic costs.

Thus acid rain is not only an environmental and technical problem, but also one with far-ranging socioeconomic and political implications which are different in the United States and Canada.

IV. U.S./CANADIAN EXPERIENCE WITH ACID RAIN

There is no question that acid rain is an environmental problem shared by both the United States and Canada. Emissions sources in both countries contribute to acid deposition in both countries.

Yet the shared nature of this problem should not obscure the fact that each of the two countries contributes to this problem in different ways, is affected by it in different ways, and therefore must respond to it in different ways. In fact, one of the most positive benefits of the Special Envoy process has been the insight it has given us regarding both the similarities and the differences of the U.S. and Canadian experience with acid rain.

It is not the intent of the Special Envoy process to hide or gloss over the differences in the perceptions and policies of our two countries with respect to acid rain. Quite the contrary. We believe it is important that both the similarities and differences in these perspectives and policies be openly acknowledged and understood. It was not until we each had an understanding of the other country's point of view that we were in a position to formulate findings and recommendations. For this reason we have chosen to include in this report the following summaries of the U.S. and Canadian perspectives on acid rain.

A. U.S. perspective on acid rain

Acid rain is a popular term used to describe a very complex chemical and atmospheric phenomenon that is more properly called acid deposition. It occurs when emissions of sulfur and nitrogen compounds are transported through the atmosphere, transformed by atmospheric chemical processes, and then deposited back again on earth in either a wet or a dry form. The interactions among these four factors—emissions, transport, transformation, and deposition—determine how much acidity is deposited in any particular area. The form and amount of this deposition, interacting with the unique sensitivities of specific receptor areas, together determine the nature and extent of environmental damage. In other words, the extent and magnitude of any damage caused by acid deposition are a function of all the steps of a very complex environmental process.

1. Emissions

Some of the sulfur and nitrogen compounds that are the precursors of acid rain are emitted by natural sources. Sulfur and nitrogen are natural components of the sea, soils, and organic matter; consequently, both sulfur and nitrogen compounds are regularly released to the atmosphere through organic and inorganic processes.

However, in the United States natural emissions of sulfur and nitrogen compounds are relatively insignificant contributors to acid rain. It has been estimated that in the eastern United States natural emissions of sulfur compounds are approximately three percent as large as man-made emissions. In the west they are probably somewhat larger, but still much less than 25 percent of man-made sulfur emissions. Even a major natural disaster such as the volcanic eruptions at Mount St. Helens emits relatively little sulfur compared to human activities. The total sulfur emitted by Mount St. Helens between March 1980 and March 1981, the period of greatest volcanic activity, was approximately the same as the annual sulfur emissions from two large coal-fired powerplants.

Clearly, man-made emissions of sulfur and nitrogen compounds contribute far more to acid rain in the United States than natural sources. They are emitted in much larger quantities and from a variety of widely distributed sources. Sulfur compounds are emitted into the air whenever the sulfur naturally present in fossil fuels and some ores is burned. The major sources of U.S. sulfur emissions are coal-fired electric powerplants, industrial boilers and processes, and ore smelting. Nitrogen oxides, on the other hand, are formed and released into the air when any kind of fuel is burned, because nitrogen and oxygen present in the air combine at high combustion temperatures. The major sources of U.S. NO_x emissions are transportation vehicles and industrial fuel combustion.

In 1983, U.S. SO_2 emissions were dominated by electric utility boilers, which emitted 14 million tons, over 67 percent of the total 20.8 million tons emitted nationwide. Industrial boilers and processes emitted another 5.2 million tons (25 percent of total national emissions, of which 1.1 million tons were emitted by non-ferrous smelters. All other sources contributed the remaining eight percent of total national SO_2 emissions.

The amount of SO_2 emitted in 1983 represents a 28 percent decline from the peak level—28.7 million tons—emitted in 1973. Electric utility SO_2 emissions declined by 19 percent between 1973 and 1983, and industrial emissions declined by 46 percent.

U.S. SO_2 emissions are concentrated along the Ohio River Valley in Illinois, Indiana, Ohio, Kentucky, West Virginia, and Pennsylvania. Those six states are among only ten in the country that emit more than one million tons of SO_2 annually. In 1980, 51 powerplants in those states emitted 25 percent of total U.S. SO_2. Two other high-emitting states, Missouri and Tennessee, are adjacent to the other six, and together those eight states emit 46 percent of all U.S. SO_2.

Recent trend data indicate that the nationwide pattern of SO_2 emissions has shifted. Between 1970 and 1980, virtually all increases in SO_2 emissions occurred in southeastern states. All but one of the states south of Missouri and Tennessee experienced increases in annual SO_2 emissions, while SO_2 emissions from all states northeast of Ohio and West Virginia decreased. Despite this gradual shift in emissions density toward the southeast, U.S. SO_2 emissions are still concentrated in the Ohio River Valley.

Total U.S. NO_x emissions peaked during the 1970s and then declined slightly. In 1979, U.S. NO_x emissions totalled 21.1 million tons; by 1983 they had fallen to 19.4 million tons. Between 1970 and 1983 transportation NO_x rose by 16 percent, and utility NO_x rose by 40 percent. Overall, U.S. NO_x emissions increased by only seven percent, from 18.1 to 19.4 million tons, between 1970 and 1983.

Although NO_x emissions tend to be more evenly distributed over the United States than SO_2 emissions, the states along the Ohio River are especially high emitters of NO_x as well as SO_2. Three of the five highest NO_x-emitting states—Illinois, Ohio, and Pennsylvania—are also among the highest SO_2-emitting states. Thus national emissions of both SO_2 and NO_x are concentrated in the Ohio River Valley and the immediately adjacent states. Ten states in the central and upper midwestern section of the United States—that is, Missouri, Illinois, Indiana, Tennessee, Kentucky, Michigan, Ohio, Pennsylvania, New York, and West Virginia—emit 53 percent of total U.S. SO_2 and 30 percent of total U.S. NO_x.

2. Transport and transformation

Our understanding of the transportation of these pollutants in the atmosphere is a function of our general understanding of meteorological processes, supplemented by mathematical modelling. Under many meteorological conditions pollutants can be carried for hundreds of kilometers before they are deposited. Because of the high variability of both horizontal and vertical transport under different meteorological conditions, any given source can contribute to acid deposition over a very wide area.

As these pollutants move through the atmosphere, they can undergo significant chemical change. There can be dozens of different chemical reactions, some occurring simultaneously and others sequentially, which convert SO_2 and NO_x to their acidic forms. The variability of the reactants involved in this chemical process, the presence or absence of clouds and water, and the availability of sunlight all contribute to the variability of atmospheric transformation.

3. Deposition

The process by which sulfates and nitrates are deposited out of the atmosphere back to earth is most commonly called "acid rain." Although rainfall is, in fact, one major way by which acidic compounds are removed from the atmosphere, they are also deposited by snow, sleet, and fog. All these forms of deposition are collectively called acid precipitation. In addition to these various kinds of wet deposition, sulfur and nitrogen compounds can also be deposited in a dry form as either particulates or gases. The relative contribution of wet and dry deposition to acid rain is uncertain, but it is thought to vary significantly from location to location. Both wet deposition and dry deposition are believed to contribute to environmental damage, but their relative significance may vary from one kind of environmental effect to another.

Reliably quantifying the amount of acid deposited is a difficult task, especially if levels of acid deposition are to be compared at different times or at different places. Several different chemical species—for example, sulphate ions, nitrate ions, and hydrogen ions—can be measured as an indicator of deposition, but they are not directly comparable. Because acid compounds are deposited in both wet and dry forms, an accurate quantification of acid deposition at any location would have to include both forms. Yet dry deposition is much more difficult to measure than wet deposition. Whereas a fairly good wet deposition monitoring system is in place (170 locations in the National Atmospheric Deposition Program (NADP) system), dry deposition data are much less precise, and there is yet to be deployed a national dry deposition monitoring network.

Furthermore, the levels of deposition measured at any given site are not easily comparable to levels of deposition at another site. Deposition patterns at a single site often show marked variations over time, depending on rainfall patterns and meterological conditions. Acid deposition rates can vary widely within the same region; monitors only a few miles apart can measure markedly different rates of acid deposition over the same time period. These different problems, together with the fact that there was little interest in measuring deposited acidity until the 1970s, has limited current understanding of the patterns of acid deposition, especially insofar as those patterns can be compared from time to time and from place to place.

Despite all these limitations and uncertainties, it is possible to draw some general conclusions about acid deposition patterns in the United States. Based on the data collected by several different monitoring networks, it is possible to compare the total wet deposition in 1980 of sulfate, nitrate, and hydrogen ions across the United States. The deposition patterns for all three are strikingly similar; the rates of highest deposition are found along a line stretching from the upper Ohio River Valley to northern New York. Areas of high acid deposition extend northeast and southwest from this core area, which encompasses parts of Indiana, Ohio, Pennsylvania, West Virginia, and New York. This area of highest acid deposition also coincides with the U.S. area receiving rainfall with the lowest pH.

For the United States as a whole, the total amount of sulfate wet-deposited in the eastern half of the country over one year is approximately five times greater than the amount of sulfate wet-deposited in the western United States. Approximately three times as much nitrate is wet-deposited in the east than in the west. The pH of rainfall is also lower in the east than in the west.

Beyond these generalities, however, it is very clear that there is a solid link between acidic emissions and acid deposition in the United States. The areas of highest acid deposition coincide with or are downwind and to the northeast of the areas of highest emissions.

4. Effects

The adverse effects of acid rain have been most clearly demonstrated in aquatic ecosystems. After acidifying compounds have been deposited in a watershed, they can be transported by surface runoff or through ground water aquifers to lakes or streams in the area. If the soils in these watersheds have only a limited natural ability to assimilate acidity, then prolonged acid deposition can result in surface water acidification. Such acidification can damage aquatic ecosystems, and in some circumstances it can result in the complete loss of game fish and other aquatic species.

For the last several years U.S. scientific attention has been focused on a number of acidified clear water lakes in New York and New England. These lakes are found in areas with both high levels of acid deposition and little natural capacity to neutralize acidity. Until recently, there was no scientifically sound basis for determining whether these lakes were an isolated and unique phenomenon, or whether they are indicative of more widespread surface water acidity in the United States.

The U.S. government, through the Environmental Protection Agency and the National Acid Precipitation Assessment Program, has initiated a national surface water survey to project the population and distribution of lakes and streams at different levels of pH and acid neutralizing capacity. The final results of Phase I of the eastern lake survey are expected early in 1986. However, some preliminary results are now available.

The survey results are based upon 1,620 statistically selected lakes found in potentially sensitive areas in the eastern United States. For sensitive areas in the New England area, the survey estimates that 260 lakes (four percent of the total) have a pH lower than 5.0, with a 95 percent confidenc that this number does not exceed 343. Approximately 1360 lakes (19 percent of th total) are estimated to have acid neutralizing capacities below 50 microequivalents pe liter (uel). The 95 percent upper bound confidence level is 1533 lakes. The population of lakes with a uel level below 200 is estimated to be 60 percent of the total numbe of lakes. These data indicate that although the current number of acidic lakes is relatively small, the number of potentially sensitive lakes is relatively large. On the basi of this survey data alone it cannot be predicted what future acidification, if any would occur if current levels of deposition were to continue. However, major research efforts are underway to address this issue.

Other areas covered by the survey include the upper midwest and the Florida peninsula. Survey data from the upper midwes reveal no acidic lakes. However, data from Florida study area show a substantia number of lakes with a pH below 5.5 (20 percent of lakes surveyed) and below 5.0 (1 percent of lakes surveyed). The significance of the Florida data is still under review.

The extent to which acid deposition contributes to forest damage is must less wel understood. In fact, it is not certain in what circumstances acid deposition may have significant detrimental effects on forest resources. However, forest damage is an area of major concern, and intensive research is being carried out by both U.S. and Canadian scientists. This concern is reinforced by unexplained but unprecedented decline observed in some European forests. Scientists have developed several hypotheses to explain the observed symptoms, and many of these hypothesis involve acid deposition and related air pollutants.

Some changes in U.S. forests have been documented. For example, red spruce growing at higher altitudes in the Appalachian Mountains of New England and the Carolinas have been observed to lose their needles, and some have died prematurely. Some southern pine forests growing at lower elevations in the southeast appear to have experienced growth decline over the last decade. It may be the result of a single factor, or a combination of factors. Air pollution—including acid rain—may be involved either directly or indirectly. Field surveys and mechanisms research are now being initiated that will help to better understand this problem, but at this time the relationship between acid rain and forest damage in the United States is only conjectural.

The potential for acid deposition to degrade building materials is well recognized. Carbonate stone like marble and limestone, carbonate-based paints, and metals like galvanized steel all can be eroded and weakened in the presence of dilute acids like those found in acid deposition. The damage thus caused not only can result in economic loss, but the loss of cultural and historic resources as well. However, the extent of such damage in the United States is not known. Until materials inventories, acid deposition patterns, and the damage functions of specific materials are better understood, it will not be possible to accurately quantify the effects of acid rain on building materials in the United States. Without this quantification, it is difficult to determine the significance of acid deposition damage to building materials.

Finally, acid rain is not known to cause direct human health effects. However, indirect effects resulting from human ingestion of heavy metals dissolved by acids are of ome concern. The theoretical mechanisms y which acid deposition could expose eople to heavy metals are generally undertood; however, to date the available data do ot indicate any general occurrence of eleated exposures.

Acidic water can dissolve lead of lead pipe nd soldered joints, thus increasing the mount of lead in drinking water. A survey f New England water systems serving more han 25 people each does not indicate that eavy metals concentrations in the drinking ater exceed health standards. Less is nown about private water supply systems, nd further investigations is warranted.

It is also thought that acidified lake and tream water can contribute to higher levels f dissolved mercury in the water, which in urn can increase mercury concentrations in sh. Although elevated mercury levels have een observed in some fish caught in certain ew York lakes, it is not known whether ercury was naturally present in those aters or was primarily the result of acid eposition. In any event, no incidents of uman health problems associated with eavy metals dissolved by acid deposition ave been reported in the United States.

5. Current U.S. Response

The United States passed major legislaon to protect air quality 15 years ago. The lean Air Act of 1970 and the major amendents passed in 1977 have resulted in an air ollution control effort that has served as a odel for many other industrialized naions, and has led to significant, measurable mprovements in air quality in many parts f the United States.

Probably the single most important feaure of the Clean Air Act is the establishent of National Ambient Act Quality tandards (NAAQS) for the most common ir pollutants. The NAAQS require that amient concentrations of those pollutants be mited to a level that protects public health nd welfare. NAAQS for both SO_2 and NO_x ave been in effect for over ten years.

The individual states are responsible for nsuring that the NAAQS are met within heir borders. In order to attain the federal tandards locally, the states set emissions imits on existing facilities. At this time, bout 98 percent of the counties in the nited States are in compliance with the ational standards for SO_2 and NO_x.

Another part of the Clean Air Act sets missions limits for different classes of new tationary sources. The Congress included his provision in the belief that emissions rom new sources could be controlled at uch lower costs than emissions from existng sources, and that the requirement to ontrol new sources would encourage the evelopment of more efficient and cost-efective control technologies. Furthermore, he control of new sources could lead to leaner air as old facilities are replaced by ew ones. To date, the United States has set ew Source Performance Standards to conrol the emissions of SO_2 and/or NO_x from oal-fired power plants, large industrial boilrs, smelters, nitric acid plants, sulfuric acid lants, stationary gas turbines, and petroleum refineries.

Besides controlling several kinds of staionary sources, the Clean Air Act also imits air emissions from new mobile ources. Standards to limit the emissions of NO_x from new cars and light-duty trucks ere first implemented in 1973, and they ave been tightened since then.

These federal and state actions undoubtdly have helped preserve and protect air uality in the United States, an especially remarkable accomplishment considering the strength of the U.S. economy and the extent of U.S. industrialization. Total national emissions of SO_2 and NO_x are well below what they would have been without controls. Total U.S. SO_2 emissions increased by about 56 percent between 1940 and 1970. After reaching their peak in 1973, total U.S. SO_2 emissions declined by about 28 percent between 1973 and 1983, despite the fact that electric utility coal consumption increased by about 60 percent during the same period. Flue-gas-scrubbing systems are now operating on over 47,000 megawatts of coal-fired electricity-generating capacity.

Between 1940 and 1970, total U.S. NO_x emissions increased by over 200 percent, Since 1970, however, total U.S. NO_x emissions have remained fairly constant. Emissions from U.S. cars and trucks actually declined by nine percent between 1978 and 1983, despite a five percent increase in the number of vehicle miles driven.

Yet during the same decade that the United States was making these advances in the control of SO_2 and NO_x emissions, scientists, government officials, the Congress, and the American public became increasingly aware of acid rain, an environmental problem clearly linked to emissions of SO_2 and NO_x. At the same time, the international aspect of acid rain was causing more and more concern. The attainment of national standards for SO_2 and NO_x, and the installation of SO_2 and NO_x controls on new emissions sources, were not enough to prevent transboundary air pollution from contributing to environmental degradation in Canada.

There are several reasons why the Clean Air Act, as presently written, is not an especially good tool for controlling transboundary air polution. For example, the NAAQS control ambient concentrations, not total loadings, but transboundary pollution is a total loadings problem. In fact, some of the techniques used in the past to attain ambient standards actually may increase total loadings. Tall smokestacks sometimes have been constructed to disperse emitted pollutants over wider areas and thus attain ambient standards locally. These tall smokestacks cause two problems: they allow more total pollutants to be emitted under applicable law; and they allow those pollutants to be transported further.

The New Source Performance Standards have been only marginally effective in reducing the total amount of acidic air emissions, because older facilities are not being replaced by new ones as quickly as once assumed. For example, most coal-fired powerplants once were believed to have useful lives of 35 to 40 years. It now appears that many old coal-fired powerplants may continue to operate for up to 60 or more years.

The fact that the Clean Air Act may not provide adequate protection for acid-sensitive ecosystems in both the United States and Canada has led several members of the U.S. Congress to propose new acid rain legislation. Several proposed bills have been debated in the Senate and the House of Representatives. None of them has been enacted into law, because none of them has been able to overcome the formidable barriers presented by conflicting economic and political interests.

In the United States the acid rain issue has been as politically divisive as any environmental issue the country has faced. The proposed solutions have pitted one region of the country against another; they have threatened the livelihood of coal miners in the east; they have raised the possibility of further increases in electricity rates in the industrial portions of the United States hardest hit by the recent recession.

The acid rain issue has been especially difficult to resolve precisely because proposed solutions must choose from a limited menu of control options. At this time, only three emissions control techniques are proven and available for reducing SO_2 emissions from coal-fired powerplants: coal-washing, coal-switching, and flue-gas-scrubbing. However, one of these techniques could not be used to achieve substantial SO_2 reductions, and the other two impose different kinds of socioeconomic costs, all of which are very high.

Coal-washing is a physical cleaning process by which inorganic sulfur is removed from high-sulfur coal, usually at or near the mine. This process is already being applied to some U.S. coal, because the costs of cleaning can be offset by lower transportation costs, higher combustion efficiencies, and lower boiler maintenance costs. However, coal-washing removes less than half the sulfur in high-sulfur coal; it is not used at all to clean low-sulfur coal. So its usefulness as an acid rain control technique is very limited.

Pound for pound of SO_2 removed, switching from high-sulfur to low-sulfur coal is usually the cheapest control option for coal-fired boilers. However, low-sulfur coal is much more plentiful in the western half of the United States; thus even though some low-sulfur coal is mined in the east, coal-switching would cause markets for western coal to increase, and markets for eastern high-sulfur coal to decrease. Eastern coal miners could be thrown out of work, and the communities in which they live—communities that were especially hard hit during the recent recession—would suffer even more.

Flue-gas-scrubbing is a process by which sulfur is scrubbed out of the exhaust gases emitted by coal-fired boilers. Although the process is very expensive, especially when retrofitted on existing smokestacks, it allows the relatively clean combustion of high-sulfur coal. Thus the use of scrubbers to control SO_2 would not cost high-sulfur coal miners their jobs. However, it would raise the electricity rates of the businesses and families served by the utilities that install scrubbers.

Clearly, none of these control options provides a simple solution to the acid rain problem. Coal-washing can't eliminate enough SO_2 to achieve a major reduction; coal-switching would cost high-sulfur coal miners their jobs; flue-gas scrubbing would raise utility rates sharply. The availability of cheaper, more efficient control technologies would improve our ability to formulate a national response that is politically and economically acceptable.

The long-term value of control technology research has already been recognized by the U.S. government. Both the U.S. Department of Energy and the Environmental Protection Agency are managing research programs that are investigating a wide range of different control technologies. Taken together, this research offers the best hope for a long-term solution to the acid rain problem.

In the summer and fall of 1983, the U.S. government carried out a thorough review of the current status of acid rain knowledge and the options available for its management. From that review, the United States concluded that, although it was clear that acid rain was a serious concern both in the

United States and Canada, it lacked the information needed to make a prudent decision on the need for or design of additional emissions controls.

This policy was not a decision either for or against additional controls, but instead a choice to defer such a decision until a more adequate scientific and technical base was established. It is not U.S. policy to wait for definitive answers on all major acid rain uncertainties before making a decision to act. Decisions on acid rain, like other environmental decisions, will always have to be made in the face of some scientific uncertainty. The United States is committed to act to control acid rain once it is reasonably certain that that action will achieve its intended results, and those results will justify the social and economic costs entailed.

B. Canadian perspective on acid rain

1. Scientific Consensus

The Canadian public and governmental response to acid rain has been driven by the evidence of cumulative damage, the huge long-term socioeconomic costs of allowing the damage to continue, and the views of the problem as presented by the community of international scientists. While recognizing that there are gaps in scientific knowledge, and that research should continue, Canadians generally have found very persuasive both the scientific findings and the urgent calls for action by many of these scientists.

In the past several years, thousands of scientific studies have been carried out and reports written on all aspects of the issue of acid rain. In addition, a number of syntheses and analyses of that work have been conducted. A careful review of the scientific literature indicates that there is a broad consensus within the knowledgeable, scientific community on certain components of the acid deposition phenomenon. There follows a brief synthesis of the main areas of consensus. This is not intended to provide a complete picture of acid rain, much less the broader issue of pollutants transported long distances. Instead it seeks to lay out a basis of existing scientific consensus on which policy decisions may confidently be based.

Acid rain is not a natural phenomenon. About 90 percent of atmospheric SO_2 and NOx comes from man-made sources. Sulphur compounds are responsible for about two-thirds of the acidity in precipitation but produce most of the long-term acidity in sensitive water bodies.

While not part of the man-made problem, it should be noted that there are some locations where buildup of organic acids causes acidity of water and soil. Such acidification is different chemically from the man-made variety, and usually builds up very slowly. As a result, biological changes are also very gradual and are an integral part of the natural aging of such regions.

Man-made emissions of sulfur and nitrogen oxides move with major weather systems and are often transported many hundreds of kilometers. Transit time in the atmosphere increases the likelihood of chemical transformation from oxides to acid-producing sulfates and nitrates. Acid deposition is the result of these acidifying compounds coming out of the air through rain, snow, or dry deposition.

Large areas of North America—in particular, eastern North America—are underlain by rocks and soils that make these areas vulnerable to acidification. In these areas, deposition of acidic pollutants over time acidifies streams, lakes, and soils.

As acid rain changes the chemistry of those ecosystems, it also alters their biology. Specifically, many important species that depend on the water become extinct as it turns acid. Some are of economic and cultural importance.

Over many years, deposition of man-made acids has increased the acid content of surface waters in vulnerable parts of industrialized countries. In some of those areas, highly acidified lakes can no longer support some species of fish and other life forms. There is a clear and direct relationship between increasing acidification and the largely deleterious changes in biological populations.

Acid rain also is acidifying some soils in these vulnerable regions. In the process, it may leach away nutrients and bring about change to biological organisms that help maintain the productivity of the soil. In exceptional circumstances, acid rain can leach nutrients directly from tree foliage.

Recently, widespread damage to forests has been observed in eastern North America and in Europe (where it is much more advanced). This decline phenomenon is spreading rapidly. It is incompletely explained, but the damage is spatially linked with major pollution emission regions. The contribution of acidic pollutants to this problem has not been satisfactorily determined but is generally perceived in the scientific community to be a contributing factor, together with other pollutants, notably ozone. There is mounting evidence that this tree "dieback," as well as serious growth retardation, are beginning to increase dramatically in some species.

Toxic heavy metals emitted and deposited more or less in conjunction with acidic pollutants, or mobilized from soils and rocks by the heightened acidity of circulating water, have a variety of toxic effects on plant and animal life. There is evidence of increased concentrations of certain heavy metals in acidifying water.

The pollutants that cause acid rain, while suspended in the atmosphere, reduce the amount of sunlight and so contribute to slower growth of crops and forests. They also reduce visibility, a fact of special importance in tourist regions.

Corrosion of materials is accelerated by fallout from the atmosphere of sulfur dioxide gas and other pollutants.

Because of day-to-day variability in weather patterns, atmospheric modelling and direct observation do not usually enable precise linkages to be made between individual emission sources with individual deposition-receptors. But on a broader scale, and over time, fairly accurate links can be made. Also, on a continental, multi-year scale, the relationship between total emissions and total deposition is almost linear. Thus, a major, generalized reduction in emissions of sulfur and nitrogen oxides in eastern North America over several years would bring about a commensurate reduction in deposition of acidifying compounds.

At current rates of emission of acid-forming pollutants, acidification of sensitive environments will continue even if there is no increase in total emissions. Consequently, acid rain and its environmental, biological, and economic consequences will similarly continue. Indeed, damaging acidification of many ecosystems would continue even with some decreases in total emissions, although any significant reduction would slow the rate of acidification.

Observation of acid sensitive surface waters offers guidance on acceptable levels of acid rain. By and large, moderately sensitive systems in eastern North America tend not to exhibit increased acidity if the total annual deposition of wet sulfate is below 2 kilograms per hectare. Thus, although the dry fraction of acid deposition is not yet being measured effectively, empirical data show that, in linking total acid loadings to acidification of sensitive waters, the wet sulfate fraction generally is an acceptable yardstick.

There is consensus in the independent scientific community that the scientific data base is adequate to assess the immediate as well as the long-term implications of continuing, high-volume emissions of acid-causing pollutants and resulting acidification of sensitive ecosystems. The scientific data base is similarly adequate for the selection of effective emissions reduction strategies to reduce substantially the effects of acid deposition.

2. Sources

The Special Envoys have been directed to examine the problem of acid rain in its international, transboundary context. A Canadian analysis of the sources of acid rain similarly must encompass the transboundary and the domestic components. After all, of the acid rain affecting eastern Canada, about one-half originates in the United States and one-half in Canada. In the regions of particular concern in Canada, such as the Muskoka-Haliburton tourist and recreation area in Ontario, two-thirds of the acid rain originates in the United States. Overall, the United States exports about four times as much SO_2 as it imports from Canada each year.

Air pollution became a major public concern in Canada, as it did in many industrialized countries, in the period of high industrial growth following the second world war. By the 1970s, many countries, Canada included, had passed clean air laws, which addressed in the main the most serious air pollution problem of the day: poor air quality, chiefly in urban centers, and its impact on human health. One of the ways of doing so, and often the cheapest, was the erection of tall stacks, so as to enable air currents to disperse pollutants more widely.

As a result, any progress in reducing acid precursor emissions has come almost entirely from attempts to meet local air quality standards. These attempts have met with a measure of success: in central and eastern Canada, for example, total SO_2 emissions dropped from 5,640 kilotonnes in 1970 to 4,516 kilotonnes in 1980. Fewer than one percent of Canadian regions currently fail to meet air quality objectives (including, in most acid-sensitive regions, a strict one-hour SO_2 standard).

But this downward trend may not continue. If additional steps are not taken, Canada estimates that the total of SO_2 emissions potentially affecting its acid-sensitive regions will rise by about 10 percent by the year 2000.

There are three main reasons for this:

1. Since local air quality is generally quite good in most localities, the principal legal imperative to bring down emissions has largely been satisfied;

2. Economic growth and other factors are resulting in expansion of some of the major sources of acid gas emissions; and

3. Some old and heavily polluting facilities, chiefly high-sulfur coal-burning power plants, are not being replaced as quickly as anticipated by new, cleaner facilities.

Another way of looking at the total loading of acidic pollutants in Canada is by industrial sector. Thus, about one-half of the acid rain falling on Canada results from emissions from coal-burning power plants, another quarter from smelters, and the remainder from other industrial sources and transportation.

Although in recent years there has been a reduction in total SO_2 emissions affecting Canada, what is significant is that they remain near their historical peak. The emissions of the other main acid-causing gas, NO_x, are continuing to rise significantly. Total emissions will need to be cut sharply if the adverse effects of acid deposition are to be reversed.

Another factor in the increasing acidity of rainfall is a change in the way in which coal is burned. Although total usage of the coal that contributes to the Canadian acid rain problem has not increased significantly, seasonal use has changed dramatically. Summertime coal consumption is now much greater than it was several decades ago, due to increased use of air conditioning. Summertime heat and humidity hasten the transformation of SO_2 and NO_x emissions into acid rain. And the construction of tall stacks means that the pollutants travel greater distances, damaging previously pristine regions. Thus, even though overall coal consumption has not changed greatly, the sulfates and nitrates that cause acidity have increased significantly.

In summary, between 1940 and 1970 man-made emissions of SO_2 impacting on Canada rose by about two-thirds. Implementation of clean air laws produced a generalized reduction over the past 15 years. It is the Canadian perception that, unless additional measures such as the new Canadian reduction program are implemented, the total emissions of SO_2 affecting Canada will increase into the next century. NO_x emissions will increase at an even higher rate.

3. Impacts

The various economic and ecological consequences of acid rain are discussed elsewhere in this report. What makes transported air pollutants, and especially acid rain, such a vexing issue in Canada is the fear of long-term, essentially irreversible, harm to sensitive environments, and consequent disruption of communities and lifestyles.

The long term socioeconomic impacts of acid rain in Canada should be viewed in the following terms:

Over four-fifths of Canadians live in areas of high acid deposition. Many of those live, work, or spend leisure time in acid-sensitive regions.

The fishery, tourism, and forestry resources potentially at risk due to acid rain sustain about eight percent of Canada's gross national product.

Of the two million lakes in Quebec and Ontario, 43 percent are vulnerable to acidification.

About 90,000 jobs are at risk in the eastern Canadian commercial fisheries.

Of the 16,000 fishing camps and lodges in Ontario, 600 may be closed because of acid rain by the year 2000.

Over 175 million acres (or about half) of Canada's productive forests are in areas receiving high levels of acid rain. These forests generated $14 billion worth of forest products in 1982.

Such gross statistics do not begin to adequately reflect the current frustration and potential long-term harm in affected communities.

In general, acid-sensitive regions are relatively sparsely populated, not highly industrialized, and they are heavily dependent for their economy and lifestyles on a healthy and productive environment. Canadians living there perceive that their future is being put at risk because areas of high industrial activity are keeping their production costs down by exporting pollution. This perception of inequity and increasing long-term harm, especially when some of the pollution crosses the international border, is at the root of the Canadian view that emissions of acid gases impacting on Canadian territory must be reduced to levels that the environment can accommodate.

4. Cooperative Actions

Acid rain has become a politically sensitive issue in both the United States and Canada. Because of the large costs of substantially reducing the emissions of pollutants that produce acid rain, the much less easily quantified, but also very large economic, social, and aesthetic costs of inaction, and both the perception and the reality of incomplete scientific understanding, effective policy responses have not been easy to come by.

In Canada, for a number of reasons, it has been easier to move toward major reductions of the pollutants primarily responsible for excess acidity in precipitation. Canada has now embarked on such a program.

In the United States, many factors have combined to make a national response more difficult to achieve. Canada recognizes these difficulties, particularly when proposals involve legislative initiatives. At the same time, Canada believes the U.S. Clean Air Act affords opportunities, through implemented or as yet unused regulatory mechanisms, to take significant steps toward reducing emissions of acid gases.

5. Current Canadian Response

Air pollution control in Canada is a shared, concurrent responsibility of the federal and provincial governments. The provinces are primarily responsible for controlling emissions which impact within their borders, while the federal government is responsible for international air pollution. Both levels of government play a role in interprovincial air pollution.

Except for pollutants dangerous to human health, Canadian air pollution control programs are generally designed to achieve specified environmental quality objectives rather than prescribing the use of specific technologies. Air quality objectives for SO_2 have been published by the federal government for the guidance of the provinces. The Canadian acceptable levels result in air quality that is at least as healthy as that in most industrialized countries, while the Canadian desirable levels are among the most stringent anywhere. In addition, the one-hour (rather than 24-hour) standard helps deal with total loadings by reducing opportunities for exessively high emissions.

SELECTED CANADIAN SO_2 AMBIENT AIR QUALITY REQUIREMENTS

[Values in Micrograms Per Cubic Meter]

Averaging period	Canadian objectives		Ontario requirements
	Desirable	Acceptable	
Annual	30	60	55
24 hours	150	300	275
1 hour	450	900	690

Most provinces base their control programs on the acceptable level; two use the desirable level.

Sulfur dioxide, as a local air quality problem, has thus been successfully controlled in Canada. This was achieved through a variety of actions including emission containment, use of tall stacks, use of low-sulfur fuels, intermittent control procedures, and fuel regulations.

Canadian non-ferrous smelters have used selective mining and mineral separation preparation practices, sulfur containment, and changes in process technology to reduce emissions. Regulations limiting the sulfur content of fuels have reduced non-utility fuel use emissions. Canadian utilities have used natural gas, low sulfur coal, coal-blending, coal-washing, nuclear and hydraulic generation, and loan management to limit increases in emissions.

The above summarizes the Canadian response to the problems of local air quality. While this is not a response to the problem of acid rain (and indeed exacerbated that problem by use of dispersion techniques), it serves as a foundation on which current acid rain mitigation programs are being erected.

The reductions of air pollutants that have occurred in Canada since 1970 have not alleviated the long-range transport and long-term loading problems of which acid rain is part. Canada has therefore determined that substantial further emissions reductions must take place to stem the damage being caused by acid rain. Accordingly, a Canadian acid rain abatement program is being put in place.

The scale of the Canadian program is based on the scientific evidence that most moderately sensitive regions can be adequately protected if annual loading of wet sulfate is kept below 20 kilograms per hectare. Reducing loadings to that level for most eastern Canadian acid-sensitive regions requires a reduction in impacting SO_2 emissions of close to 50 percent from 1980 levels. The scale of reductions agreed for central and eastern Canada has been set on that basis, and as the Canadian component of an adequate abatement program.

In March 1985, the Environment Ministers of the governments of Canada, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland agreed to reduce SO_2 emissions from the the 1980 base by approximately 50 percent by 1994. At the same time, they agreed to an initial interprovincial allocation of reductions.

A tabular summary of past and projected changes in total central and eastern Canadian SO_2 emissions by sector follows:

SULFUR DIOXIDE EMISSIONS

[Thousands of tonnes/year]

	1970	1980	1990	1994
Smelters	3,810	2,270	2,000	1,150
Utilities	470	730	450	450
Nonutility fuel use	950	580	400	300
Other	410	490	400	400
Total	5,640	4,520	3,250	2,300

The provinces are in the process of enacting regulations to implement the new program. The two largest provincial emitters of acid gases, Quebec and Ontario, have now done so. Together they account for three-fourths of eastern Canadian SO_2 emmissions.

The main elements of the Quebec and Ontario programs are summarized in the following tables.

QUEBEC.—QUEBEC'S SO_2 EMISSION CONTROLS, LEGAL LIMITS AND EFFECTIVE DATES

[Thousands of metric tonnes per year]

	1980	1990
Noranda	552	275
Murdochville	91	65
Other industrial sources	135	116
Fuel combustion	258	102
Transportation	49	39
Total	1,085	597

ONTARIO—ONTARIO'S NEW PACKAGE OF SO_2 EMISSION CONTROLS, LEGAL LIMITS AND EFFECTIVE DATES

[Thousands of metric tonnes per year]

	1980	1994
Ontario Hydro	452	175
Inco	1,155	[1] 265
Falconbridge	154	100
Algoma (Wawa)	161	125
Other Sources	272	220
Total	2,194	885

[1] In addition, an even tighter objective has been set at 175 kt/year by 1994. Inco's December 1968 report must describe in detail the technology and design which could be used to meet this lower objective and its cost.

In addition, the Ontario government is preparing a regulation to control new or modified boilers. It will place a 1-percent sulfur content constraint on the fuel or will require that an equivalent amount of SO_2 be removed from the flue gas.

As part of this abatement program, the Federal Government is taking several steps in cooperation with provinces and the private sector:

Limits have been set for new motor vehicles emissions to bring them to U.S. standards by September 1987;

The sum of $25 million has been allocated to cost share with industry the development and demonstration of new process and pollution control techniques for non-ferrous smelters;

The sum of $150 million has been allocated to cost share, with provinces and industry, the implementation of these new techniques;

A $30 million federal/provincial scientific research program is continuing, and is aimed in part at monitoring the efficacy of the Canadian abatement program.

These planned reductions are significant not only for their size, but also for the policy judgments on which they are based. They go beyond traditional concerns with improving local air quality, and address specifically the total pollution loading issue which is the cause of acid rain.

V. RECOMMENDATIONS

In preparing our recommendations to both governments, we have been conscious of the wide differences between our two countries on this issue, differences that are based not just on perception but also on certain underlying political, social, economic, and geographic realities. We have also kept in mind that our mandate was not to find a final solution to this bilateral problem, but to find ways in which our two countries can begin to move together to deal effectively with this vexing issue.

Both nations want to see progress on acid rain. For such progress to be possible, and if it is to result in part from the work of the Special Envoys, then our recommendations must be realistic. They must not ask either country to make a sudden, revolutionary change in its position. They must not call for immediate abandonment of major policy stands. They must instead point the way to a resumption of fruitful bilateral dialogue and constructive action that will help us relieve the stress that this issue has created, and reduce the flow of airborne pollutants across our common border.

A. Innovative control technologies

A significant impediment to the development of a U.S. consensus on acid rain is the high cost of the available control options. Because the impacts of different options fall on different interest groups, political positions have become polarized, and it has become increasingly difficult to find a common ground for action. If the menu of control options were expanded, and if the new options were significantly cheaper yet highly efficient, it would be easier to formulate an acid rain control plan that would have broader public appeal.

Recommendation

Therefore, the U.S. government should implement a five-year, five billion dollar control technology commercial demonstration program. The federal government should provide half the funding—2.5 billion dollars—for projects which industry recommends, and for which industry is prepared to contribute the other half of the funding.

Because this technology demonstration program is meant to be part of a long-term response to the transboundary acid rain problem, prospective projects should be evaluated according to several specific criteria. The federal government should co-fund those projects that have the potential for the largest emissions reductions, measured as a percentage of SO_2 and/or NOx removed. Among projects with similar potential, government funding should go to those that reduce emissions at the cheapest cost per ton. More consideration should be given to projects that demonstrate retrofit technologies applicable to the largest number of existing sources, especially existing sources that, because of their size and location, contribute to transboundary air pollution. In short, although the primary purpose of this research program is to demonstrate the kinds of technologies that would be needed for any future acid rain control program, it should also result in some near-term reductions in U.S. air emissions that affect Canadian ecosystems.

Furthermore, special consideration should be given to those technologies that can be applied to facilities currently dependent on the use of high-sulfur coal. Because the scrubbers currently available to clean high-sulfur coal are very expensive, there is an economic incentive for sources to switch to low-sulfur coal as a method of reducing emissions. However, coal-switching imposes significant socioeconomic costs on high-sulfur coal miners, their families, and their communities. The commercial demonstration of innovative technologies that clean high-sulfur coal will help to reduce the economic consequences of any future acid rain control program.

We further recommend that a panel, headed by a senior cabinet official, be established to oversee this research demonstration program and select the projects to be co-funded by the federal government. The U.S. Environmental Protection Agency and Department of Energy should provide the technical expertise necessary to select demonstration projects. Other members of the panel should be drawn from the Depar ment of State and state government Canada also should be invited to send a representative to sit on this panel.

In this connection, we note a somewha similar approach being taken in Canad There, the major industrial sources of acidi emissions are smelters. As part of the Canadian acid rain mitigation program, federa and provincial governments are cooperatin financially with industry to develop and implement advanced technologies designed t improve smelter efficiency and reduce pollution.

Recommendation

The results of the Canadian technolog development program should be share with the United States.

B. Cooperative activities

The Special Envoys have recognized th need to put in place mechanisms to hel both governments deal with this issue i such a way that differences are not exaggerated and opportunities for cooperation an agreement seized.

1. Domestic Legislation and Regulations

The U.S. and Canadian Clean Air Acts and other legislation and regulations tha delimit the emissions of airborne pollutants were designed and are being implemente primarily to respond to air quality need within each country. But both Acts recognize that special controls might be require to deal with pollutants that cross the international boundary.

Various scientific experiments, measurements, and observations demonstrate the reality of the transboundary flow of airborn pollutants. As a consequence, the interpretation by regulatory agencies of relevant domestic legislation can have an impact, albei unintended, on the nature and quantity o pollutants that cross that border.

Recommendation

Both the United States and Canad should review their existing air pollutio programs and legislation to identify opportunities, consistent with existing law, for addressing environmental concerns related t transboundary air pollution. The results o these reviews should be made available t the chief environmental officials of both countries for their consideration in the management of their respective programs.

In implementing air pollution legislation agencies in both countries have tended t focus on local, domestic parameters. But clean air regulations obviously can have a transboundary effect. Therefore prior notice and consultation on such rulemaking is essential.

Recommendation

Agencies contemplating changes to laws or regulations that may alter the flow of transboundary pollutants should give timely notice of their intent to agencies of the other country through diplomatic channels.

2. Bilateral Consultation and Information Exchange

Acid rain, and other forms of long-range, transboundary air pollution, comprise a complex phenomenon with important political, economic, social, and environmental implications for both countries. Both domestically and as a bilateral issue, therefore, acid rain is not susceptible to a quick fix response. It must be assumed that it will remain on the bilateral agenda for some time, and that its intrinsic importance will dictate that it be handled at the highest levels.

Additionally, the Parliament of Canada and the U.S. Congress have maintained a keen interest in this issue. While their principal focus has been on legislation in response to perceived domestic problems, both bodies have shown an awareness of the transboundary flow of airborne pollutants and its political and diplomatic ramifications. Both bodies have passed amendments to the Clean Air Acts explicitly recognizing the potential for damage by pollutants crossing the international boundary and setting out means for reciprocal action designed to control pollutants deemed to cause such damage.

Recommendation

Acid rain should remain high on the agenda of meetings between the President and Prime Minister. They should be prepared to intercede personally from time to time to resolve difficulties and ensure progress. The U.S. cabinet official heading the technology development panel and a Canadian cabinet official would jointly advise the President and Prime Minister.

Heretofore preparations and briefings of Cabinet officers on acid rain have been separate and unilateral; henceforth, at least some of those briefings should be prepared on a cooperative basis. Moving in this way toward common perspectives for political level discussions is a way to broaden the areas of accord.

Recommendation

Our two governments should establish a bilateral advisory and consultative group on transboundary air pollution. Such a group, comprised of both diplomatic and environmental management officials, should provide the forum for discussions on first-level consultations on issues related to transboundary pollution. It should also provide advice to the directors of each country's environmental programs and to the Secretary of State and Secretary of State for External Affairs.

C. Research

Scientific information provides a basis for determining the most effective actions to address the damage caused by acid rain and other long-range, transboundary air pollutants. There are several areas where research would be of special value to decision makers in guiding the development of environmental policies.

The following research recommendations are not listed in priority order. The decisions on which areas are of greatest concern are a matter of public policy to be determined by each nation. However, through the combined efforts of our two countries, active research efforts should be pursued in each of the areas listed.

1. Deposition Monitoring

Although methods for monitoring wet deposition are well established and extensive standardized networks are in place across North America, total deposition is not being measured adequately. Dry deposition has been measured at specific sites using a variety of techniques, but no comprehensive monitoring network for dry deposition is currently in place. Measurements of dry deposition would permit more accurate evaluation of the total impact of acid deposition.

Recommendation

Standard, accurate methods to measure dry deposition should be developed and monitoring networks deployed. The networks should be of sufficient size and adequate statistical design and implemented with adequate quality assurance and quality control procedures, in order to enable researchers to measure total acid deposition for sensitive areas across North America.

2. Rates of Aquatic Change

Concern over the effects of acid deposition first began with the observation that atmospheric deposition is causing the acidification of surface waters and subsequent adverse effects on aquatic biota. Although much research has been conducted during the last decade, our understanding of what changes in water quality would result from a change in acid deposition in a variety of watershed types is still incomplete. The rates of watershed processes are also not well known. Information on dynamic watershed processes would improve our ability to predict changes in water quality from current and future deposition levels.

Recommendation

Process-level data from different watershed types would be of help for determining current and potential future effects of acid deposition on surface waters. Models for predicting wateshed response to acid deposition should be developed and empirically tested. Additionally, an adequate acid deposition data base on watershed characteristics should be developed to exercise the models for selected North American sensitive areas.

3. Aquatic Biology

Concern over the change in surface water chemistry due to acid rain stems from the subsequent potential for effects on aquatic biota, particularly fish. Effects of specific pH levels have been investigated, but the effects of chronic or slow acidification, and the relationships between trace metals and fish species, have not been adequately determined. The loss of fish in acidified surface waters may be one of the last effects to be observed. Effects on biota other than fish should also be considered.

Recommendation

The environmental damage of surface water acidification should be understood in terms of biological changes. This would help to more clearly quantify the relationship between changes in surface water chemistry and changes in aquatic biota. Special attention should be focused on both rates and types of biological change.

4. Forest Effects

Forest and tree declines in North America and in Europe have been documented in areas that receive high levels of atmospheric deposition. The concern about the possible effects of acid rain on forests is prompted by some provocative, albeit largely circumstantial, evidence. Despite the existence of observed changes in forest growth in certain areas, it is unknown to what degree, if any, current levels of acid rain are affecting the growth and productivity of forests in North America.

Recommendation

Research should be accelerated to investigate the potential link between forest and tree decline and acid rain as a causal or contributing factor.

5. Materials Damage

Materials damage is one of the few effects of air pollution that has the potential to be quantified economically. Fewer resources have been expended in this area of research than in biological effects of atmospheric research; estimates of damage have varied widely, but some have gone as high as several billion dollars annually. Equally of concern is the possibility that irreplaceable cultural resources may be damaged or destroyed.

Recommendation

The effects of acid rain on materials should receive increased attention in order to better quantify the extent of current damage, the resources at risk, and the prognosis for future damage.

6. Role of Heavy Metals

Heavy metals such as lead, mercury, cadmium, and arsenic become more soluable in solution at lower pH. All of these metals can be toxic to both aquatic biota and humans. The increased corrosivity of acidic water on water storage and distribution systems may also pose a potential health risk. The extreme toxicity of these metals warrants concern.

Recommendation

The mobilization, transport, and flux of heavy metals in acidified surface waters should be investigated to determine their environmental toxicity. Special emphasis should be placed on potential effects on human health and on possible mitigation strategies. The role of these metals in aquatic and forest damages also needs more attention.

By Mr. EXON (for himself, Mr. LEAHY, Mr. HEFLIN, Mr. BURDICK, Mr. BREAUX, Mr. THURMOND, Mr. CONRAD, Mr. DIXON, Mr. PRESSLER, Mr. SANFORD, Mr. SASSER, Mr. HARKIN, Mr. STENNIS, Mr. FORD, Mr. SHELBY, Mr. HOLLINGS, Mr. DECONCINI, Mr. DASCHLE, Mr. GORE, Mr. DURENBERGER, Mr. FOWLER, Mr. BAUCUS, Mr. MELCHER, Mr. SIMON, Mr. WIRTH, Mr. BUMPERS, Mr. GRAHAM, Mr. REID, Mr. MURKOWSKI, Mr. GRASSLEY, Ms. MIKULSKI, Mr. NUNN, Mr. SARBANES, Mr. KARNES, Mr. COCHRAN, Mr. STEVENS, and Mr. DANFORTH):

S. 912. A bill to amend the Rural Electrification Act of 1936 to permit the prepayment of Federal financing bank loans made to rural electrification and telephone systems, and for other purposes.

RURAL ELECTRIC LOAN REFINANCING ACT

Mr. EXON. Mr. President, I rise to introduce legislation which will allow rural electric and telephone borrowers to prepay and refinance their long-term high interest loans held by the Federal financing bank with private capital at 100 cents on the dollar. I am pleased to have Senators LEAHY, HEFLIN, BURDICK, BREAUX, BOREN, THURMOND, CONRAD, DIXON, PRESSLER, SANFORD, SASSER, HARKIN, STENNIS, FORD, SHELBY, HOLLINGS, DECONCINI, DASCHLE, GORE, DURENBERGER, FOWLER, BAUCUS, MELCHER, SIMON, WIRTH, BUMPERS, GRAHAM, REID, MURKOWSKI, GRASSLEY, MIKULSKI, NUNN, SARBANES, KARNES, and COCHRAN as original cosponsors.

The Rural Electric Administration was established in 1936 to bring power to rural America. Today there are more than 1,000 rural electric systems located in 46 States with 10.5 million customers.

The delivery of electricity to rural areas has been a difficult task. Rural electric systems serve over 25 million citizens but average only 5 customers per mile of line. Rural electric systems have not only brought electric power and telephone service to rural areas, they have brought economic power to rural areas. Electric power and phone service have been key elements in the economic development of rural America. Our Nation can be proud that the Rural Electric Administration loans have allowed small communities to enjoy electric and telephone services comparable with similar services available in large urban areas.

As you know, Mr. President, rural America faces a continuing economic crisis. Supply-side economics and the farm policies of the last 6 years have dealt a cruel blow to agriculture. Commodity prices have fallen to dramatic lows and production costs continue to be high.

One way to assist is to assure that electricity costs in rural America remain stable and competitive. Rural electric and telephone systems operate on loans from the Federal financing bank. About $10 billion of those loans are locked into long-term interest rates ranging from 8.5 percent to over 15 percent. The U.S. Congress has repeatedly expressed its support for a policy which would allow these facilities to prepay and refinance their high interest loans without penalty.

The Omnibus Budget Reconciliation Act of 1986 allowed a minimum of $2.0175 billion of high interest loans to be refinanced without penalty. The administration has interpreted the congressional refinancing floor as a ceiling and has acted to discourage REA refinancing.

Not only does REA loan refinancing make sense in terms of policy, it has a positive effect on the 1988 Federal budget. Anytime we can find anything that would positively affect the 1988 budget, I suggest that most would agree this is the time to do it. Loan repayments bring a dollar-for-dollar outlay reduction. In addition, by lowering the debt burden on REA generation and transmission facilities, the Federal Government lowers the risk of possible future nonpayment of loans. Unlike loan asset sales, the Federal Government receives 100 cents on the dollar on every prepaid loan.

Mr. President, the Congress has repeatedly endorsed the policy of the Rural Electric Refinancing Act. The benefits of low interest rates should be passed along to rural America. I urge my colleagues to study and support this legislation. It is indeed rare that the Congress has an opportunity to assist rural America and reduce the 1988 budget deficit.

Mr. EXON. Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 912

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PREPAYMENT OF FEDERAL FINANCING BANK LOANS MADE TO RURAL ELECTRIFICATION AND TELEPHONE SYSTEMS.

(a) IN GENERAL.—Section 306A of the Rural Electrification Act of 1936 (7 U.S.C. 936A) (as added by section 1011(a) of the Omnibus Budget Reconciliation Act of 1986 (Public Law 99-509)) is amended to read as follows:

"SEC. 306A. PREPAYMENT OF FEDERAL FINANCING BANK LOANS.

"(a) IN GENERAL.—If on the date of enactment of this section a borrower has an outstanding loan made by the Federal Financing Bank and guaranteed by the Administrator of the Rural Electrification Administration under section 306, the borrower may prepay such loan (or any loan advance made thereunder) by paying the outstanding principal balance due on such loan (or advance), if—

"(1) private capital, with the existing loan guarantee, is used to replace the loan; and

"(2) the borrower certifies that any savings from such prepayment will be—

"(A) passed on to its customers;

"(B) in a case of financial hardship, used to improve the the financial strength of the borrower; or

"(C) used to avoid future rate increases.

"(b) NO ADDITIONAL CHARGES.—If prepayment on a loan (or advance) is made under subsection (a), no sums in addition to the payment of the outstanding principal balance of the loan (or advance) shall be charged as the result of such prepayment against—

"(1) the borrower;

"(2) the Rural Electrification and Telephone Revolving Fund; or

"(3) the Rural Electrification Administration.

"(c) ASSIGNABILITY.—Any guarantee of a loan prepaid under this section with private capital under repayment terms agreeable to the borrower shall be fully assignable and transferable without condition and shall remain available for the remainder of the term originally agreed to by the Administrator.".

(b) REGULATIONS.—

(1) IN GENERAL.—Not later than the effective date prescribed in subsection (c), the Secretary of Agriculture only shall issue regulations to carry out the amendment made by subsection (a).

(2) PREPAYMENT FACILITATION.—In issuing such regulations, the Secretary shall—

(A) facilitate prepayment of loan advances;

(B) provide for full processing of each payment request within 30 days of its submission to the Rural Electrification Administration; and

(C) except as provided in section 306A of the Rural Electrification Act of 1936, impose no restriction that increases the cost to borrowers of obtaining private financing for prepayment or inhibits the ability of the borrower to enter into prepayment arrangements pursuant to such section.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective October 1, 1987, or 30 days after the date of enactment of this Act, whichever is later.

● Mr. LEAHY. Mr. President, today I am pleased to cosponsor an amendment to the Rural Electrification Act of 1936. This amendment will permit the prepayment of Federal Financing Bank [FFB] loans made to rural electrification and telephone systems by use of private capital. This will result in a net reduction in government outlays and be beneficial to cooperatives and their member consumers by reducing their interest costs. The cooperatives could reduce their interest costs by $200 million per year by using private capital to prepay without penalty $10 billion borrowed from the Federal Financing Bank.

The Omnibus Budget Reconciliation Act (Public Law 99-509) mandated $2 billion in prepayments in fiscal year 1987 with the benefits of prepayment "directed to those cooperative borrowers in the greatest need of the benefits associated with prepayment". This amendment expands that policy by allowing all REA borrowers of REA guaranteed FFB loans to prepay without penalty using private capital. An additional $8 billion in budget outlay saving can be obtained by this means. The Government wins by receiving 100 cents on the dollar for the face value of the loan and rural America wins by reducing costs to its rural electric cooperatives and their members.●

● Mr. GORE. Mr. President, I am pleased to join my distinguished colleague, the senior Senator from Nebraska [Mr. EXON] as a cosponsor of the Rural Electrification and Telephone Refinancing Act, This bill will help rural America—already in an economic crisis—by ensuring stable and competitive electricity costs. It will permit rural electric and telephone borrowers to prepay and refinance without penalty their long-term higher interest loans held by the Federal Financing Bank with private capital at 100 cents on the dollar.

Last year, the Rural Electrification Administration celebrated its 50th year of existence. With REA's assistance, rural electric utilities have obtained financing to construct electric generating plants, and transmission and distribution lines, to provide initial and continued adequate electric service to the people of rural America. In 1949, REA was authorized to make loans to improve and extend telephone service in rural areas. Congress directed at that time that the rural telephone program be conducted to "assure the availability of adequate telephone service to the widest practicable number of users."

No one should underestimate the magnitude of the impact of REA on this Nation. America is a huge country, but electricity and telephone service are available to just about everyone, thanks to REA. More than 1,000 rural electric utilities and as many rural telephone systems have received assistance from REA. The development of the United States into a major economic power was greatly assisted by the expansion of electric and telephone service across the country.

Mr. President, the misguided farm policies of the past 6 years, coupled with economic policies which seem to ignore the needs of rural America, have compounded the continuing economic crisis of those areas. It is essential that electric and telephone rates and services remain within reasonable limits. Yet, more than 75 percent of the rural electric systems have higher rates than their neighboring utilities. REA borrowers are paying, in some instances, more than 15 percent on their Federal Financing Bank loans. These systems should be able to refinance their debt and pass the benefits of refinancing along to consumers, either with lower rates or improved services.

So refinancing would be good policy because it would protect the Nation's investment in rural utilities and stimulate badly needed economic growth. And Mr. President, this would be good budget policy as well. Loan prepayments bring an immediate dollar-for-dollar outlay reduction. By lowering the debt burden on the borrowers, the possibility of future defaults diminishes greatly.

This administration has waged war on REA, just as it has on so many other worthwhile programs. In the Omnibus Budget Reconciliation Act of 1986, Congress put a floor on the refinancing of high-interest REA loans of somewhat more than $2 billion; but that floor has been cynically and wrongly interpreted at USDA as a ceiling, and that Agency has acted to discourage REA financing.

I compliment my friend from Nebraska for putting together this badly needed, commonsense legislation. I encourage my colleagues to study the Rural Electrification and Telephone Refinancing Act and act quickly to extend a helping hand to rural America.●

By Mr. PELL:

S. 913. A bill to promote excellence in education, and for other purposes; to the Committee on Labor and Human Resources.

QUALITY IN EDUCATION

● Mr. PELL. Mr. President, over 20 years ago Senator John Sherman Cooper of Kentucky and I joined forces to introduce the Quality in Education Act of 1967. The purpose of that legislation was to propose a method by which we might be able to compare the quality of secondary school education on a district-by-district basis throughout the Nation.

I recalled this legislation when I read with great interest of the proposal set forth in "The Nation's Report Card." That report, which came out of a study group chaired by former Tennessee Gov. Lamar Alexander, urged the development of a national student test. This test would provide a vastly improved method of assessing student progress, and would provide crucial State-by-State information on student strengths and weaknesses.

It is with this report in mind that I resurrected, dusted off, revised and am introducing a modified version of the Pell-Cooper legislation. It is proof that it simply takes time for some ideas to catch hold.

The bill I am introducing today would authorize the Secretary of Education to formulate the "Optional Test of Academic Excellence." The national secondary education test would be administered, on a voluntary basis, by local education agencies throughout the country.

The results of such a voluntary test would, I believe, give each local education agency that chose to participate an indication of how its students compared with those in other areas. It would point out both strengths and weaknesses in the educational attainment of students on a district-by-district basis.

The Secretary of Education would also have the authority to issue a certificate to those students who passed the examination. This certificate would, I believe, help identify talented students who might otherwise not be recognized.

When I introduced similar legislation 20 years ago, I noted that our willingness to enact legislation of this nature could well result in an improved educational system that could accommodate a fast-moving, space-age society. I said then that our unwillingness could result only in greater problems of uneducation and undereducation, and the loss of opportunities for many of our young citizens.

Over the past 20 years, we have made significant progress in education. We have, for example, a chapter I program of compensatory education for disadvantaged children that is widely recognized to be very successful. Yet, it is a program that reaches less than half of the children eligible for these services, and it is a program that all too rarely reaches secondary school students.

We know also that our students do not fare well when compared with the achievements of students from Japan, West Germany, the Soviet Union, and France in areas such as mathematics, science, and foreign languages. We know further that one-third of our high schools require more than a year of math or science, and that less than one-half of our high school graduates have had even 1 year of a foreign language.

If we are to remain competitive with foreign nations, we must revitalize our efforts in such critically important areas as math, science, and foreign language instruction. We must also have a better measurement of our students' achievements in these and other important areas, such as literature, history and the arts. For if we do not know how our students are progressing on a district-by-district basis, it makes it very difficult to know where and what kind of changes are needed.

The legislation I am submitting would give us the mechanism to achieve a comparative measurement of student achievement. In one sense, it would not require or mandate going as far as the testing recommended in the Alexander report. In another, however, it could actually be much more expansive if most of the local education agencies with secondary schools were to participate in the "Optional Test of Academic Excellence" authorized in this legislation.

Mr. President, the release of the Alexander report has added much to the dialog on the need for more and better information about the achievements of American students, and it is in that vein that I am introducing the Quality in Education Act of 1987. For the better the information we have on our students' achievements, the better we will be able to chart the changes necessary to keep this Nation in the forefront of the world economy.

I ask unanimous consent that the text of the legislation be printed in full in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 913

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Quality in Education Act of 1987".

DECLARATION OF POLICY; PURPOSE

SEC. 2. (a)(1) The Congress declares that education of the highest quality is essential to the security and economic strength of the Nation, as well as to the full realization of the individual capacities of its citizens.

(2) The Congress recognizes that the quality and extent of education must keep pace with the needs of the future.

(3) The Congress finds that recent actions by States and localities have been designed to provide higher standards of scholarship, increased minimum requirements for graduation, upgraded teacher training and preparation, and a greater emphasis on curriculum content and quality of education.

(4) The Congress reaffirms the principle that the States and local communities have the primary responsibility for public education. It is consistent with this principle to provide means for the States and local com-

munities to test the academic achievement of secondary school students.

(b) It is, therefore, the purpose of this Act to promote excellence in education by establishing the Optional Test of Academic Excellence.

ACADEMIC EXCELLENCE TEST

SEC. 3. (a) The Secretary of Education (hereafter in this Act referred to as the "Secretary") is authorized and directed, after consultation with appropriate State and local educational agencies, to prepare or approve a comprehensive test of academic excellence designed to identify students with outstanding aptitude and ability who are in the twelfth grade of secondary schools. The Secretary shall prescribe a passing grade for such test.

(b) The Secretary shall establish a program through arrangements with appropriate State educational agencies, local educational agencies, and secondary schools throughout the Nation, under which the test of academic excellence prepared or approved under this Act may be given by such agencies or schools, on a voluntary basis, to students described in this section. Such students may file applications for the test at such time and in such manner as the Secretary may prescribe. Upon application by any appropriate agency or school by such time and in such manner as the Secretary may determine, the Secretary shall pay to such agency or school the cost of the administrative expenses it has incurred pursuant to an arrangement made under this section.

(c) (1) The Secretary is authorized and directed to prepare a certificate, of such appropriate design as the Secretary shall prescribe, and in such numbers as are necessary, for issuance to students who have successfully passed the test of academic excellence prepared or approved under this Act and given in accordance with arrangements made under this Act. Each student who has so passed the test shall be awarded a certificate within sixty days following the date on which the student was given the test.

(2) Each certificate awarded pursuant to this Act shall be signed by the Secretary.●

By Mr. CRANSTON (By request):

S. 914. A bill to amend title 38, United States Code, to revise and clarify VA authority to furnish certain health care benefits, and for other purposes; to the Committee on Veterans' Affairs.

VA HEALTH CARE AMENDMENTS ACT

Mr. CRANSTON. Mr. President, as chairman of the Veterans' Affairs Committee, I have today introduced, by request, S. 914, the proposed "VA Health Care Amendments Act of 1987." The Administrator of Veterans' Affairs submitted this legislation by letter dated March 31, 1987, to the President of the Senate.

My introduction of this measure is in keeping with the policy which I have adopted of generally introducing—so that there will be specific bills to which my colleagues and others may direct their attention and comments—all administration-proposed draft legislation referred to the Veterans' Affairs Committee. Thus, I reserve the right to support or oppose the provisions of, as well as any amendment to, this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point, together with the March 31, 1987, transmittal letter and enclosed analysis of the proposed bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 914

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That

(a) this Act may be cited as the "VA Health Care Amendments Act of 1987."

(b) Section 101 (28) is amended to read as follows:

"(28) The term 'nursing home care' means the accommodation of convalescents or other persons who are not acutely ill and not in need of hospital care, but who require nursing and health related services, if such nursing care and health related services are prescribed by, or are performed under the general direction of, persons duly licensed to provide such services. The term includes services delivered in skilled, intermediate care, and combined facilities. It does not include domiciliary or residential care.".

(c) Section 601(4) is amended by deleting the word "and" in paragraph (A), inserting "; and" in place of the period in paragraph (B), and adding the following new paragraph at the end:

"(C) public or private facilities at which the Administrator provides recreational activities for patients who are receiving care under section 610 of this title."

(d) Section 610(b) is amended to read as follows:

"The Administrator, within the limits of Veterans' Administration facilities, may furnish domiciliary care to a veteran who is in need of domiciliary care if such veteran is unable to defray the expenses of necessary care.".

(e) Section 612(a)(1) is amended:

(1) by deleting the word "and" at the end of clause (A);

(2) by deleting the period at the end of clause (B) and inserting "; and" in its place; and

(3) by inserting a new clause (C) as follows:

"(C) to any person (i) for a disability for which the person is in receipt of compensation under section 351 of this title or, (ii) for a disability for which the person would be entitled to compensation under section 351 of this title, but for a suspension pursuant to that section, but only to the extent that such person's continuing eligibility for medical services is provided for in the judgment or settlement described in such section."

ANALYSIS OF PROPOSED BILL

Subsection (b) would amend 38 U.S.C. § 101(28) to broaden the definition of the term "nursing home care" to include skilled, intermediate, and combined care facilities. This change would resolve confusion which has arisen as a result of varying standards and definitions of "nursing care" both in title 38, and in the nursing home care industry.

With establishment of the Medicare and Medicaid programs, the terms "skilled care" and "intermediate care" came into widespread usage as a means of defining varying levels of nursing home care. The VA definition of "nursing home care," contained in 38 U.S.C. § 101(28), was adopted prior to establishment of the Medicare and Medicaid programs. It defines the term "nursing home care" as meaning care of persons requiring "skilled nursing care," but makes no reference to "intermediate nursing care." A question arose as to whether a veteran must be in need of skilled care in order to be admitted to a VA nursing home care unit, a requirement which would be inconsistent with longstanding VA practice of caring for patients needing so called "intermediate care" as well as skilled care. The proposed amendment would clarify that VA is authorized to furnish intermediate nursing care in VA nursing homes.

The proposed amendment would also resolve an issue regarding VA per diem payments under 38 U.S.C. § 641 to States providing nursing home care. Section 641 contains a single per diem rate for payment of nursing home care furnished eligible veterans in State veterans homes. Some States with State veterans homes recognized by the VA for nursing home care have obtained Medicare certification as a skilled nursing facility, Medicaid certification as a skilled or intermediate care facility, or both. A question could be raised whether payments for care in both types of facilities should be at the rate for nursing home care since the general definition in 38 U.S.C. § 101(28) of nursing home care refers to patients who require skilled nursing care. The two terms, skilled nursing facility and skilled nursing care, are not synonymous. The VA has, therefore, paid the existing nursing home rate, rather than the clearly inappropriate domiciliary care rate, for care provided in State nursing homes which meet VA standards of care, regardless of the designation of that facility as skilled or intermediate.

Finally, 38 U.S.C. § 620(e), applicable to the VA's Community Nursing Home Program, defines nursing home care as including both intermediate and skilled care. That subsection is thus inconsistent with the definition of the term in section 101(28). The proposed amendment would clarify that matter and make the definition consistent for all VA nursing home programs. If enacted, the proposal would not result in additional costs to the VA.

Subsection (c) would amend 38 U.S.C. § 601(4) by adding a new paragraph (C) to specifically authorize the Administrator to provide therapeutic, recreational activities outside VA facilities for patients receiving VA hospital care. The VA is charged in 38 U.S.C. § 4101 with providing patients with a complete health care system. In meeting that requirement, VA provides patients with recreational facilities, supplies, and equipment. Additionally, VA has long provided patients, particularly extended care patients, with field trips and similar recreational activities away from actual VA facilities. However, a question could arise as to whether VA can continue to provide such services due to the lack of specific authority for it. Subsection (c) would eliminate any ambiguity. If enacted, it would result in no additional cost to the VA.

Subsection (d) would first amend 38 U.S.C. § 610(b) to revise and clarify VA domiciliary care eligibility requirements. The proposal would modify the existing stringent requirements for veterans with service-connected disabilities, and align them with the requirements for nonservice-connected veterans. Under existing law, to be eligible for domiciliary care, the service-connected veteran must have a permanent disability, tuberculosis, or a neuropsychiatric ailment; be incapacitated from earning a living; and have no adequate means of support. Section 610(b)(2), which establishes an alternative basis of eligibility for domiciliary care, imposes what may be less demanding requirements. Thus, to be eligible for domiciliary care under section 610(b)(2), a nonservice-connected veteran, for example, must only be in need of such care and be unable to defray its expenses. Thus, the law appears to impose stricter eligibility requirements on service-connected veterans than on all others. In effect, however, service-connected veterans needing such care would appear to be eligible for domiciliary care under 610(b)(2). Although this proposal would establish a single eligibility for all veterans in need of domiciliary care, it does not intend to place the nonservice-connected veteran on an entirely equal footing with the service-connected veteran. The VA contemplates that implementing regulations would give the service-connected veteran priority over the nonservice-connected veteran.

The domiciliary program fulfills an important role in meeting the Veterans Administration's responsibility to provide complete medical and hospital service for the care and treatment of veterans. This provision would, therefore, enhance the VA's ability to direct this program to those veterans truly in need of domiciliary care due to their disabilities. Enactment of this subsection would not result in an increase in cost to the VA. Amendment of eligibility criteria may cause an increase in the percentage of service-connected veterans receiving domiciliary care, but no increase in the number of domiciliary beds is contemplated.

Subsection (e) would amend 38 U.S.C. § 612(a) to authorize the provision of outpatient care, whenever needed, for a disability for which a person is receiving disability compensation under 38 U.S.C. § 351, because the person was disabled as a result of VA medical treatment. Under section 351, a veteran who is found to have suffered an injury resulting in additional disability as a result of VA care will be awarded compensation as though that disability was service-connected. Under current law, any person receiving disability compensation, under section 351, is eligible for hospital care by virtue of the provisions of 38 U.S.C. § 610(a)(1)(C). Thus, for purposes of inpatient hospital care eligibility, that person has the same status as a service-connected veteran. However, that person is not eligible for outpatient care in the same manner as the service-connected veteran. Such a person is eligible for only limited outpatient care for the disability for which compensation was awarded under section 351—primarily to obviate the need for hospital care or to complete hospital care. The service-connected veteran, on the other hand, is eligible, under 38 U.S.C. § 612(a), for needed outpatient care at any time for the service-connected disability. This proposal would make persons disabled by VA treatment, examination, or vocational rehabilitation eligible for outpatient care at any time, to the same degree as service-connected veterans under section 612(a). The outpatient care could be furnished, or course, only for the disability for which the person is receiving compensation under 38 U.S.C. § 351.

Subsection (e) would also authorize any needed outpatient care for a disability for which a person would be entitled to compensation under 38 U.S.C. § 351, but for a suspension of the compensation under that section. However, such outpatient care could be provided only to the extent that the person's eligibility for such care is specifically provided for in the judgment or settlement described in section 351. This part of the proposal is consistent with 38 U.S.C. § 610(a)(1)(C), which authorizes hospital care to these individuals with the same limitations regarding the need for the judgment or settlement to provide for continuing eligibility for the hospital care.

Subsection (e) would expand eligibility slightly by authorizing some additional outpatient care for those relatively few individuals in receipt of compensation under section 351. However, enactment of the proposal would not result in any significant new costs for the VA.

OFFICE OF THE
ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, DC, March 31, 1987.

Hon. GEORGE BUSH,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: There is transmitted herewith a draft bill "To amend title 38, United States Code, to revise and clarify VA authority to furnish certain health care benefits, and for other purposes" with the request that it be referred to the appropriate committee for prompt consideration and enactment.

The health care needs of veterans are continually changing. In its efforts to care for veterans in this changing environment, VA operates in accordance with laws often drafted decades earlier to address different circumstances. As a result, VA to occasionally confronted with ambiguous or anachronistic provisions of law which impede the Agency's ability to effectively and efficiently furnish health care benefits. To overcome these problems, we are proposing a draft bill with several provisions designed primarily to clarify existing legal authority, and to eliminate impediments to the smooth functioning of the VA health care system. None of its provisions would impose significant new costs.

VA nursing home care units have been a fundamental component of the VA health care system for many years, providing services to veterans with a wide array of needs ranging from the highest level of skilled nursing care to a less intensive level of services often referred to as intermediate care. When the Medicare and Medicaid programs were created in 1972, the terms "skilled care" and "intermediate care" came into wide usage throughout the health care industry as a method of identifying the levels of care provided in nursing homes. However, the statutory definition of the term "nursing home care" used by the VA, which was adopted prior to the Medicare/Medicaid programs, uses only the words "skilled nursing care" in identifying the services provided by VA nursing homes. A question has arisen as to whether those words mean that a veteran must need a "skilled" level of care, as that term is used in the Medicare/Medicaid programs, as a prerequisite to admission to a VA nursing home care unit. The ambiguity in the existing definition is magnified by the fact that other provisions in title 38, United States Code, related to the VA's Community Nursing Home Program, use the term "intermediate care" as well as the term "skilled care." To clarify the ambiguity, we propose to amend the statutory definition of the term "nursing home care" to include both skilled and intermediate levels of care, types of care which have always been provided in VA nursing home facilities.

Also in the area of longer term VA care, the draft bill would clarify and correct a disparity between service-connected and nonservice-connected veterans with respect to domiciliary care eligibility requirements. Under existing law, the service-connected veteran, to be eligible for domiciliary care, must have a permanent disability, tuberculosis, or a neuropsychiatric ailment; be incapacitated from earning a living; and have no adequate means of support. In contrast, a second provision, which could be construed to apply to nonservice-connected veterans only, authorizes VA to furnish domiciliary care to a veteran if that individual has a need for such care and is unable—to defray the expenses of such care. The requirements for service-connected veterans are an anachronistic remnant of a period when VA domiciliaries served primarily as long term residential facilities. The more recently enacted, and less stringent requirement appears to be more consistent with the present day reality of the VA domiciliary care program which has a mission of serving as the least intensive form of inpatient VA medical care. The goal of the domiciliary program today is not to provide residential support, but to treat and rehabilitate patients so they may return to and live independently in the community. Enactment of this bill would make domiciliary care eligibility requirements the same for all veterans, thereby fostering the use of domiciliaries as one form of VA medical treatment.

Another matter needing clarification is VA's authority to furnish veterans receiving VA care with therapeutic, recreational activities outside the confines of a VA facility. VA, in meeting its statutory mandate to provide patients with a complete medical and hospital service, has long provided patients with recreational facilities, and other therapeutic, recreational services. Such recreation programs have long included field trips and similar supervised outings which permit patients to participate in community activities. However, VA's authority to provide such activities is ambiguous. Accordingly, we propose enactment of a provision to establish specific legal authority for such off-station recreational activities.

Finally, the draft bill would clarify the eligibility of persons injured by VA care to receive all needed outpatient care for conditions resulting from the injury. Although eligible for VA hospital and nursing home care as if service-connected, such persons have only limited outpatient care eligibility. This proposal would make persons disabled by VA treatment, examination, or vocational rehabilitation eligible for outpatient care to the same degree as service-connected veterans. The outpatient care could be furnished, of course, only for the disability for which the person is receiving compensation under 38 U.S.C. § 351.

A detailed analysis of the separate provisions in this proposal is enclosed.

The Office of Management and Budget has advised that there is no objection to the submission of this draft bill to the Congress from the standpoint of the Administration's program.

Sincerely,

THOMAS K. TURNAGE,
Administrator.

By Mr. CRANSTON (by request):

S. 915. A bill to amend title 38, United States Code, to authorize the Chief Medical Director to waive State

licensure requirements for registered, practical or vocational nurses and physical therapists not to be employed in patient care, and for licensed or vocational nurses and physical therapists to be employed in a foreign country; to the Committee on Veterans' Affairs.

WAIVER OF STATE LICENSURE REQUIREMENTS

Mr. CRANSTON. Mr. President, as chairman of the Veterans' Affairs Committee, I have today introduced, by request, a bill to amend title 38, United States Code, to authorize the Chief Medical Director to waive State licensure requirements for registered, practical or vocational nurses and physical therapists not to be employed in patient care, and for licensed or vocational nurses and physical therapists to be employed in a foreign country. The Administrator of Veterans' Affairs submitted this legislation by letter dated March 24, 1987, to the President of the Senate.

My introduction of this measure is in keeping with the policy which I have adopted of generally introducing—so that there will be specific bills to which my colleagues and others may direct their attention and comments—all administration-proposed draft legislation referred to the Veterans' Affairs Committee. Thus, I reserve the right to support or oppose the provisions of, as well as any amendment to, this legislation.

Mr. President, I ask unanimous consent that the text of the bill and a March 24, 1987, transmittal letter from the Administrator be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 915

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That subsection (d) of section 4114 of title 38 is amended to read:

"The Chief Medical Director may waive for the purpose of appointments under this section the requirements of section 4105(a) of this title that the licensure or registration, as appropriate, of a physician, dentist, podiatrist, psychologist, optometrist, registered nurse, practical or vocational nurse, or physical therapist must be in a 'State', if the person is to—

(1) be used in a research or an academic post or where there is no direct responsibility for the care of patients; or

(2) serve in a country other than the United States and such person's licensure or registration is in the country in which the person is to serve."

VETERANS' ADMINISTRATION,
Washington, DC, March 24, 1987.

Hon. GEORGE BUSH,
President of the Senate,
Washington, DC.

DEAR MR. SPEAKER: There is transmitted herewith a draft bill "To amend title 38, United States Code, to authorize the Chief Medical Director to waive State licensure requirements for registered, practical or vocational nurses and physical therapists not to be employed in patient care, and for licensed or vocational nurses and physical therapists to be employed in a foreign country." We request that it be referred to the appropriate committee for prompt consideration and favorable action.

Under section 4105 of title 38, United States Code, registered nurses, practical or vocational nurses, and physical therapists, like other health care professionals including physicians and dentists, must be licensed or registered in a State in order to be eligible for appointment in the VA Department of Medicine and Surgery. While no authority now exists for waiver of licensure or registration for permanent employees appointed pursuant to 38 U.S.C. § 4104, subsection (d) of section 4114 now authorizes the Chief Medical Director, the head of the Department of Medicine and Surgery, to waive the state licensure or registration requirements as to physicians, dentists, podiatrists, psychologists, or optometrists, where those professionals are being appointed on a temporary full or part-time basis to research or academic posts or where there is no direct patient care responsibility. As to the same five professions and as to registered nurses as well, the Chief Medical Director may waive the requirement for state licensure or registration where the person is to serve VA on a temporary full or part-time basis in a foreign country and where the person has licensure or registration in the country where he or she is to serve.

The current waiver authority, though rarely exercised, has proved useful in staffing VA research and academic activities and in maintaining quality health care in the only foreign country VA health care installation at Manila, the Philippines. In those few cases, however, where VA needs a registered nurse, a practical or vocational nurse, or a physical therapist in a purely academic or research temporary full or part-time role, the appointee must still meet the requirement for licensure, even though he or she will not engage in patient care. Moreover, in Manila, the requirement for licensure in a State still applies to licensed or vocational nurses, and physical therapists. Thus, even though the temporary full or part-time appointee will not be practicing his or her profession in any State and even if he or she does have licensure or registration in the Philippines, he or she under current law must still be licensed in a State.

The major purpose for this draft bill is to promote the VA's medical research and education programs by providing the Chief Medical Director, with additional flexibility to appoint nonlicensed practical or vocational nurses, physical therapists and registered nurses to research or academic assignments. The waiver authority embodied in the draft bill is not intended for, and would not be used in connection with, any person who would have any responsibility for any patient. The draft bill would also assist the VA outpatient clinic in Manila to provide quality health-care to veterans by permitting the appointment of temporary full or part-time practical or vocational nurses or physical therapists who are licensed only in the Philippines to serve in that facility.

We estimate that enactment of this measure would result in no significant costs.

The Office of Management and Budget has advised that there is no objection to the submission of this draft bill to the Congress from the standpoint of the Administration's program.

Sincerely,
THOMAS K. TURNAGE,
Administrator.

By Mr. CRANSTON (by request):

S. 916. A bill to amend title 38, United States Code, to authorize the Administrator to assist Members of Congress in providing title 38 benefit information to their constituents, and to conduct authorized field examinations and investigations; to the Committee on Veterans' Affairs.

DISCLOSURE OF CERTAIN INFORMATION FROM VETERANS' ADMINISTRATION RECORDS

Mr. CRANSTON. Mr. President, as chairman of the Veterans' Affairs Committee, I have today introduced, by request, S. 916, a bill to amend title 38, United States Code, to authorize the Administrator to assist Members of Congress in providing title 38 benefit information to their constituents, and to conduct authorized field examinations and investigations. The Administrator of Veterans' Affairs submitted this legislation by letter dated March 23, 1987, to the President of the Senate.

My introduction of this measure is in keeping with the policy which I have adopted of generally introducing—so that there will be specific bills to which my colleagues and others may direct their attention and comments—all administration-proposed draft legislation referred to the Veterans' Affairs Committee. Thus, I reserve the right to support or oppose the provisions of, as well as any amendment to, this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point, together with the March 23, 1987, transmittal letter from the Administrator.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 916

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (f) of section 3301 of title 38 United States Code is amended to read as follows:

(f)(1) The Administrator may, pursuant to regulations the Administrator shall prescribe, release the name or address, or both, of any present or former member of the Armed Forces, or a dependent of a present or former member of the Armed Forces, to:

(A) any nonprofit organization if the release is directly connected with the conduct of programs and the utilization of benefits under the title; or

(B) any Member of Congress for the purpose of providing information to constituents on legislative matters, provided that a substantial portion of the information is directly connected with the conduct of programs and utilization of benefits under title 38, United States Code; or

(C) any criminal or civil law enforcement governmental agency or instrumentality charged under applicable law with the protection of the public health or safety if a qualified representative of such agency or instrumentality has made a written request that such name or address be provided for a purpose authorized by law.

(2) Any Member of Congress or organization or member thereof or other person who, knowing that the use of any name or address released by the Administrator pursuant to the preceding sentence is limited to the purpose specified above, willfully uses such name or address for a purpose other than those so specified, shall be guilty of a misdemeanor and be fined not more than $5,000 in the case of a first offense and not more than $20,000 in the case of any subsequent offense.

That section 3301 is further amended by redesignating subsection (j) as subsection (k) and by inserting after subsection (i) the following new subsection (j):

(j) The Administrator may release the name or address, or both, of any present or former member of the Armed Forces, or a dependent of a present or former member of the Armed Forces, if the release is necessary to conduct a field examination, investigation or other inquiry for title 38 benefits programs, as authorized by this title, or if the release is necessary to enable the Inspector General to perform his duties as authorized by title 5, United States Code, Appendix—Inspector General Act of 1978.

OFFICE OF THE ADMINISTRATOR
OF VETERANS' AFFAIRS,
Washington, DC, March 23, 1987.

Hon. GEORGE BUSH,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: Enclosed for referral to the appropriate committee and consideration for enactment is a draft bill proposing two amendments to title 38, United States Code, section 3301. Such amendments would:

a. provide the Administrator with clear statutory authority to disclose the names and addresses of veterans to individual Members of Congress for title 38 benefits purposes, and

b. clarify the authority of the Administrator to approve the disclosure of names and addresses from Veterans' Administration (VA) records for the purposes of conducting field examination, investigations or other inquiries authorized for title 38 benefit programs, or under title 5, U.S.C., Appendix-Inspector General Act of 1978 (hereinafter the IG Act).

Section 3301 of title 38 provides for the confidential treatment of the names and address of present or former members of the Armed Forces, and their dependents, subject to limited authority to disclose such information. Subsection (f)(1) of 38 U.S.C. § 3301, authorizes disclosure to any nonprofit organization if the release is directly connected with the conduct of programs and utilization of benefits under title 38. The principal categories of requesters are veterans service organizations, nonprofit educational institutions, and individual Members of Congress.

Prior to the enactment of section 412 of Pub. L. No. 92-540, on October 24, 1972, the VA, through its discretionary authority provided name and address information to Congressional Members seeking such information. Passage of the aforementioned statute in 1972 sharply narrowed the VA's discretionary authority, replacing it with authority to disclose name and address information only under certain specified circumstances; specifically, to nonprofit organizations whose members would use this information to advise veterans and their dependents of their entitlement to VA benefits, and who would directly assist veterans and their dependents in applying for those benefits. Under that provision, which is now section 3301 of title 38, U.S.C., the authority for the continued release of such information to Members of Congress became more uncertain. However, the legislative history for that provision contained no language to indicate that Members should be barred from obtaining such information.

The VA has continued to provide name and address information to Members of Congress whose proposed use reflected the aforementioned "direct connection." This policy of name and address disclosure to individual Members of Congress, who wish to advise their veteran constituency of title 38 legislation, has become an integral and effective part of our efforts to keep veterans informed of title 38 legislation which affects VA benefits and programs. We are submitting a proposed change to section 3301 of title 38, U.S.C., to clarify the authority whereby the Administrator may continue these disclosures to Members of Congress, and to set forth applicable standards under which such disclosures may be made.

Concerning VA authority to release name and address information in the conduct of its title 38 and title 5 examinations and investigations, generally, the VA is restricted in the release of the names and addresses of veterans to three situations: (1) as briefly discussed above, to nonprofit organizations where such disclosure is directly connected to veterans benefits purposes; (2) to criminal and civil law enforcement governmental agencies for the protection of the public health or safety; and (3) to consumer reporting agencies and others for debt collection or VA loan purposes. 38 U.S.C. § 3301(f), (g), and (h).

While the first authorized disclosure authority may be applicable in some situations, there are other circumstances where only questionable authority exists to disclose a veteran's name and address during field examinations, investigations or other inquiries performed under the authority of 38 U.S.C. §§ 210(c), or 3311, or under the IG Act.

The Administrator's general authority to conduct investigations stems from 38 U.S.C. § 210(c). The specific statutory authority for conducting field examinations, or other inquiries, and to examine witnesses in any matter under the jurisdiction of the VA is expressed in 38 U.S.C. § 3311. For investigations that would be conducted by the VA Inspector General, authority for such investigations is found in the IG Act.

Under the authority of section 3311, VA personnel conduct field examinations involving title 38 benefits programs. For example, in the VA's fiduciary program, VA personnel conduct field examinations and inquiries to ascertain whether beneficiaries are competent to handle title 38 benefit payments. If a beneficiary is not, the VA is authorized to conduct further inquiries to select, appoint or recommend for appointment a person or legal entity best suited to receive the VA benefit payments in a fiduciary capacity. 38 U.S.C. § 3202(a).

Often, such field examinations in the fiduciary program result when some concerned individual reports that a beneficiary is squandering or improperly managing the money sent to the beneficiary by the VA.

Similarly, in other long-standing title 38 benefits programs VA personnel conduct field examinations and inquiries to solicit information about a veteran or beneficiary in order to determine whether that person is eligible for a particular benefit. For example, in the Compensation and Pension program, the VA must, at times, ascertain the marital status of the veteran. In the VA's insurance programs, questions arise as to whether a veteran is alive or whether the proper beneficiary is receiving life insurance proceeds. In loan guaranty, education, and medical benefits programs, investigations are also conducted to verify information or to determine individual eligibility for a particular program.

When making a field examination, investigation or other inquiry, VA personnel must, by necessity, reveal the name and sometimes the address of the involved veteran or beneficiary to various individuals such as neighbors, merchants, relatives, and others who are familiar with the veteran, or are directly associated with the title 38 program involved.

Under the Inspector General Act of 1978, authority is set forth requiring the Inspector Generals of the various Federal agencies to "conduct, supervise, and coordinate audits and investigations relating to the programs and operations of each [agency.]" 5 U.S.C. App. IG Act of 1978, § 4(a)(1).

Audits and investigations conducted pursuant to the aforementioned authority involve the review of potential acts of fraud, misuse, and waste of government resources. Where such acts are found, and when the Inspector General has reasonable grounds upon which to believe that those acts violate Federal criminal laws, it becomes his or her duty to so inform the Attorney General. Id. subsection 4(d).

As with investigations conducted under title 38 authority, Investigators with our Inspector General's Office would find it necessary, on occasion, to release the names and addresses of VA beneficiaries in the course of their activities. Such releases are necessitated by the facts and circumstances discovered and developed in each investigation.

As stated above, section 3301 of title 38, does not contain clear authority to disclose a veteran's name and address for title 38, or for title 5, investigations. To correct this situation, a technical amendment to the statute is necessary. Accordingly, we propose to amend 38 U.S.C. § 3301 to specifically permit the disclosure of the name and address of a veteran to third parties for the specific purpose of conducting field examinations, investigations or other inquiries in accordance with 38 U.S.C. § 3311, for the fiduciary program, and for other title 38, benefits programs, as well as for the investigations required of our Inspector General under title 5.

We believe that the effect of this draft bill will be to resolve the issue of name and address disclosures under the aforementioned circumstances and will reinforce Congress' intent to permit the Administrator to oversee and properly manage VA programs.

It is estimated that there will be no additional cost to the VA if the aforementioned two provisions, amending title 38, U.S.C., section 3301, are enacted.

The Office of Management and Budget advises that there is no objection to the submission of the draft bill to the Congress from the standpoint of the Administration's program.

Sincerely,

THOMAS K. TURNAGE,
Administrator.

By Mr. CRANSTON (by request):

S. 917. A bill to amend title 38, United States Code, to authorize a headstone allowance for prepurchased grave markers and to modify eligibility requirements for the plot allowance, and for other purposes; to the Committee on Veterans' Affairs.

VETERANS' BURIAL BENEFITS

Mr. CRANSTON. Mr. President, as chairman of the Veterans' Affairs Committee, I have today introduced, by request, S. 917, a bill to amend title 38, United States Code, to authorize a headstone allowance for prepurchased grave markers and to modify eligibility requirements for the plot allowance; and for other purposes. The Administrator of Veterans' Affairs submitted this legislation by letter dated March 9, 1987, to the President of the Senate.

My introduction of this measure is in keeping with the policy which I have adopted of generally introducing—so that there will be specific bills to which my colleagues and others may direct their attention and comments—all administration-proposed draft legislation referred to the Veterans' Affairs Committee. Thus, I reserve the right to support or oppose the provisions of, as well as any amendment to, this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point, together with the March 9, 1987, transmittal letter from the Administrator.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 917

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (d) of section 906 of title 38, United States Code, is amended by inserting after "by or on behalf of such person" a comma and "or, in cases where the veteran has prepaid the cost of the veteran's own headstone or marker, by the veteran,".

SEC. 2. Subsection (b) of section 903 of title 38, United States Code, is amended by—

(1) striking out the comma after "such subsection" and inserting in lieu thereof "or"; and

(2) striking out after "line of duty" the comma and "or who is a veteran of any war".

SEC. 3. Subsection (b) of section 1008 of title 38, United States Code, is amended—

(1) by striking out clause (1); and

(2) by redesignating clauses (2), (3), and (4) as clauses (1), (2), and (3), respectively.

SEC. 4. Notwithstanding subsection 1004(c)(2) of title 38, United States Code, the Administrator may provide for flat grave markers in the case of land transferred to the Department of Memorial Affairs from the Department of Medicine and Surgery for expansion of the national cemetery at Wood, Wisconsin.

SEC. 5. The amendments made by sections 1 and 2 of this Act shall take effect with respect to deaths occurring after September 30, 1987. Sections 3 and 4 of this Act shall take effect on the date of enactment of this Act.

VETERANS' ADMINISTRATION,
March 9, 1987.

Hon. GEORGE BUSH,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: It is my pleasure to submit a draft bill to authorize a headstone allowance for prepurchase grave markers, amend eligibility standards for the plot allowance, repeal certain provisions pertaining to the State cemetery grant program, and exempt certain national cemetery land at Wood, Wisconsin, from the upright grave markers requirement. I respectfully request that this bill be referred to the appropriate committee for prompt and favorable action.

Section 101 of our proposal would amend current section 906(d) of title 38, United States Code, to permit payment of the headstone or marker allowance to the estate of a deceased veteran who purchased the headstone or grave marker prior to his or her death. It would also permit us to reimburse an estate for engraving the prepaid memorial after the veteran's death within the limits of the statutory maximum for the allowance.

Section 906(d) of title 38, United States Code, provides for the payment of a monetary allowance in lieu of a Government-furnished headstone or grave marker under certain circumstances. The allowance is intended to reimburse an individual, at least in part, for the actual costs of acquiring a suitable memorial, and is not payable prior to the death of the veteran. Therefore, if the veteran purchases his or her memorial prior to death, the headstone or marker allowance cannot be claimed at the time of the purchase. Moreover, the allowance is not payable to any person after the veteran's demise, to the extent the costs of the memorial were prepaid (borne) by the veteran.

Prepaid funeral arrangements are gaining in popularity, and serve as a thoughtful means of sparing survivors the need to make difficult decisions during a period of emotional stress. Under existing law, the Veterans Administration (VA) is authorized to pay burial and plot allowances to reimburse for prepayment of such funeral expenses. Our proposal would extend that approach to the acquisition of headstones or grave markers, thereby removing the disincentive to prepurchase memorials and relieving survivors of a financial burden. Further, the proposed amendment would reconcile the different criteria for reimbursement applied to prepayment of funeral expenses and prepurchase of memorials.

Our proposal, if enacted, would result in less than $1 million in benefit costs and $100,000 in administrative costs.

Section 201 of our proposal would amend the eligibility criteria contained in section 903(b) of title 38, United States Code, pertaining to the plot allowance. In effect, the amendment would adopt the same criteria as are embodied in the statutes providing burial allowance benefits.

Under current section 903(b), which provides a plot allowance for the purchase of a burial plot or for interment of a veteran's remains, the benefit is payable on behalf of any veteran not buried in a national cemetery who was a veteran of wartime service, was discharged from service for disability incurred or aggravated in line of duty, was entitled to VA compensation or pension, or died while institutionalized in a VA facility or at VA expense. The plot allowance is a corollary to the burial allowance under sections 902 and 903(a), which provide benefits to assist in the payment of a veteran's burial and funeral expenses.

As originally conceived, the plot and burial allowances were to facilitate honorable burials for veterans who died in service or lacked sufficient funds to cover burial expenses. In 1981, however, Congress recognized that Federal burial-assistance programs had expanded well beyond their original purposes and benefits were being paid on behalf of persons who possessed ample resources to pay such expenses. Section 2001(b) of Public Law 97-35 was enacted to restrict eligibility for the burial allowance to veterans entitled to disability compensation or pension at the time of death. A subsequent amendment added eligibility for certain veterans who had neither next of kin or sufficient resources to cover funeral and burial expenses. Burial awards on behalf of institutionalized veterans under section 903(a) were retained. In essence, burial benefits were directed primarily to those veterans who suffered diminished earning capacity by reason of active service and those who demonstrated financial need.

Enactment of our proposal would continue the reforms begun in 1981 by limiting eligibility for the plot allowance to veterans entitled to disability compensation or pension or to certain institutionalized veterans. Wartime service alone would no longer be qualifying for the plot allowance. The proposed legislation would more effectively realize the original purposes of the program and direct Federal assistance to those genuinely in need. Further, it would reconcile the different criteria that have developed in the burial allowance and plot allowance programs.

If enacted, our proposal would entail no administrative costs, and would achieve savings of approximately $164.3 million over five years, as reflected in the President's fiscal year 1988 budget.

Section 301 of our proposed bill would repeal section 1008(b)(1) of title 38, United States Code, which limits the amount of Federal funds that may be received under the State cemetery grant program.

At present, section 1008(b)(1) provides that no State may receive grants in any fiscal year in total amount in excess of 20 percent of the total amount appropriated program-wide for the fiscal year. The purpose of the statute is to prevent any State from receiving a disproportionate share of Federal funds through the cemetery grant program.

In practice, however, the statute may lead to unintended results. For example, if $3 million were available in the third year of an appropriation and three States each requested $1 million in Federal assistance, no grant could be made because of the 20-percent limitation in the statute; i.e., each State would be requesting more than 20 percent of the total amount appropriated program-wide. Moreover, the entire $3 million would then lapse despite the seeming adequacy of the appropriation to fund all three requests.

In our view, the present provision should be repealed in order to avoid these unintended results. Our proposals would enhance program flexibility and more efficiently and equitably deal with carry-over funds, while faithfully maintaining the goals of the program.

Enactment of this proposal would result in no administrative costs.

Section 401 of the draft bill would exempt a newly acquired portion of the Wood National Cemetery from the statute which mandates erection of upright grave markers.

In June 1985, the VA transferred approximately 12 acres of land from its medical center in Wood, Wisconsin, to the Department of Memorial Affairs for expansion of the national cemetery. The land transfer contemplated that only flat grave markers be used in the new burial section. The transfer agreement predated Public Law 99-576, enacted in October 1986, which now requires upright markers in national cemeteries. The agency is concerned that upright grave markers would be more conspicuous from the nearby medical facility, and could adversely affect patient care. The parcel of land is very close to the Wood domiciliary, and forms an integral part of the medical center complex.

Our proposal would permit the VA to proceed with the use of flat markers in the similarly situated expansion sections of the Wood National Cemetery, which would better suit the unique location of the burial sites. If enacted, it would involve no significant benefit savings or administrative costs. Upright markers would continue to be used in other sections of the cemetery, pursuant to Public Law 99-576, to the extent patient care would not be detrimentally affected.

Section 501 of our proposal would make the changes respecting prepaid grave markers and the plot allowance effective as to deaths occurring after September 30, 1987. The repeal of section 1008(b)(1) of title 38 and the partial exemption of Wood Cemetery from the upright grave markers requirement would become effective on the date of enactment of the Act.

Advice has been received from the Office of Management and Budget that there is no objection to the submission of the draft legislation and that its enactment would be in accord with the program of the President.

Sincerely,

Thomas K. Turnage,
Administrator.

By Mr. CRANSTON (by request):

S. 918. A bill to amend title 38, United States Code, to make certain improvements in the educational assistance programs for veterans and eligible persons; to repeal the education loan program; and for other purposes; to the Committee on Veterans' Affairs.

VETERANS' EDUCATIONAL ASSISTANCE IMPROVEMENTS ACT

Mr. CRANSTON. Mr. President, as chairman of the Veterans' Affairs Committee, I have today introduced, by request, S. 918, the proposed "Veterans' Educational Assistance Improvements Act of 1987," legislation which the Administrator of Veterans' Affairs submitted by letter dated March 17, 1987, to the President of the Senate.

My introduction of this measure is in keeping with the policy which I have adopted of generally introducing—so that there will be specific bills to which my colleagues and others may direct their attention and comments—all administration-proposed draft legislation referred to the Veterans' Affairs Committee. Thus, I reserve the right to support or oppose the provisions of, as well as any amendment to, this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record at this point, together with the March 24, 1987, transmittal letter from the Administrator and section-by-section analysis.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 918

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE

Section 1. (a) This Act may be cited as the "Veterans' Educational Assistance Improvements Act of 1987".

(b) Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—EDUCATIONAL ASSISTANCE PROGRAM IMPROVEMENTS

Sec. 101. (a) Section 1411(c)(1) is amended by striking out "at the time" and inserting in lieu thereof "within 14 days after the date".

(b) Section 1412(d)(1) is amended by striking out "at the time" and inserting in lieu thereof "within 14 days after the date".

Sec. 102. (a) Section 1508 is amended by striking out subsection (i) in its entirety.

(b) Section 1780 is amended by—

(1) striking out in subsection (d)(1) "or subsistence";

(2) striking out in subsection (d)(2) "or subsistence allowance, as appropriate,"; and

(3) striking out in subsection (e) "subsistence or".

Sec. 103. Section 1685(a) is amended by striking out the last sentence thereof.

Sec. 104. (a) Section 1788 is amended by—

(1) inserting in clause (B) of the first sentence of the matter following clause (6) of subsection (a) "(or two fifty-minute periods)" after "two hours"; and

(2) inserting in subsection (c) "(or two fifty-minute periods)" after "two hours".

(b) The amendments made by subsection (a) shall apply to any enrollment or reenrollment commencing on or after the date of enactment of this Act.

Sec. 105. Section 1793 is amended to read as follows:

"The Administrator may conduct a compliance survey of any institution offering one or more courses approved under the provisions of this chapter for the enrollment of eligible veterans or persons. Such compliance survey may be made whenever deemed by the Administrator to be appropriate and in the best interests of the United States Government to assure that the institution and approved courses are in compliance with applicable provisions of laws administered by the Veterans' Administration providing educational or vocational rehabilitation benefits.".

Sec. 106. Section 3013 is amended by inserting "32," after "31,".

TITLE II—REPEAL OF EDUCATION LOAN PROGRAM; TECHNICAL AMENDMENTS

Sec. 201. (a) Section 1662(a) is amended by—

(1) striking out paragraph (2) in its entirety; and

(2) redesignating paragraph (3) as paragraph (2).

(b) Section 1682A is repealed.

(c) Section 1686 is repealed.

(d) Section 1712 is amended by—

(1) striking out subsection (f); and

(2) redesignating subsection (g) as subsection (f).

(e) Section 1737 is repealed.

(f) Section 1738 is repealed.

(g) Subchapter III of chapter 36 is repealed in its entirety.

Sec. 202. (a) The table of sections at the beginning of chapter 32 is amended by striking out "1631. Entitlement; loan eligibility." and inserting in lieu thereof "1631. Entitlement; payment of benefits.".

(b) The catch line at the beginning of section 1631 is amended by striking out "loan eligibility" and inserting in lieu thereof "payment of benefits".

(c) The table of sections at the beginning of chapter 34 is amended by striking out the following items:

"1682A. Accelerated payment of educational assistance allowance.
"1686. Education loans.".

(d) The table of sections at the beginning of chapter 35 is amended by striking out the following items:

"1737. Education loans.
"1738. Accelerated payment of educational assistance allowances.".

(e) The table of sections at the beginning of chapter 36 is amended by striking out:

"Subchapter III—Education Loans to Eligible Veterans and Eligible Persons

"1798. Eligibility for loans; amount and conditions of loans; interest rate on loans.
"1799. Revolving Fund; insurance.".

TITLE III—SAVINGS PROVISION

Sec. 301. Notwithstanding the provisions of section 201(g) of this Act—

(1) the Administrator is authorized, with respect to education loans made prior to the effective date of this Act, to continue to collect loan principal and interest due, and to declare and recover (or discharge) overpayments, pursuant to the provisions of section 1798, as such section was in effect on the day before the effective date of this Act; and

(2) the Veterans' Administration Education Loan Fund, established by former section 1799(a), shall continue to be maintained in the Treasury of the United States for deposit of the collections referred to in clause (1) of this section, and the Administrator is authorized to transfer all or any part of the monies contained therein to the appropriation for readjustment benefits, from time to time, to be used for the purposes of that appropriation.

Veterans' Administration,
March 17, 1987.

Hon. George Bush,
President of the Senate, Washington, DC.

Dear Mr. President: Enclosed is a draft bill entitled the "Veterans' Educational Assistance Improvement Act of 1987." I request that this measure be referred to the appropriate committee and receive favorable consideration by the Congress.

This measure is designed to amend or repeal various provisions of title 38, United States Code, which relate to providing educational benefits to eligible veterans and other eligible persons.

Title I of the draft measure contains a number of changes in our education programs; title II repeals the Veterans Administration's authority to make education loans to veterans and other eligible persons; and title III contains a savings provision relating to the repeal of the education loan program. A section-by-section analysis of the draft bill, setting forth the basis for each recommended change, is also enclosed.

The cost or savings implications of these proposals is insignificant.

Advice has been received from the Office of Management and Budget that there is no objection to the submission of the draft legislation and that its enactment would be in accord with the program of the President.

Sincerely,

THOMAS K. TURNAGE,
Administrator.

SECTION-BY-SECTION ANALYSIS

SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE

SECTION 1

Subsection (a) provides that the draft proposal may be cited as the "Veterans' Educational Assistance Improvements Act of 1987."

Subsection (b) provides that, unless otherwise specified, whenever in the proposal an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—EDUCATIONAL ASSISTANCE PROGRAM IMPROVEMENTS

SECTION 101

Under the provisions of chapter 30 to title 38, United States Code (the New GI Bill), an individual first entering the Armed Forces of first entering on active duty during the period beginning on July 1, 1985, and ending on June 30, 1988, automatically becomes a participant in the New GI Bill educational assistance program unless he or she makes an affirmative election not to participate. Sections 1411(c)(1) (eligibility based solely on active duty) and 1412(d)(1) (eligibility based on a combination of active duty and reserve service) of title 38 permit an individual to elect, at the time of his or her initial entry on active duty, not to receive assistance under the program. However, these provisions do not contain a clear statement as to how much time an individual actually has after entry on active duty to make the requisite election.

In order to establish a uniform period for all of the Armed Forces and to clarify a somewhat ambiguous provision in the current law, this section would amend sections 1411(c)(1) and 1412(d)(1) to authorize a period of 2 weeks after the date of the individual's initial entry on active duty within which the individual may exercise his or her right to elect not to participate in the New GI Bill.

SECTION 102

Under current law, certain veterans who are eligible to receive educational assistance allowances under various VA programs, or subsistence allowances under chapter 31 of title 38, United States Code, may, upon request, be provided an advance payment equal to as much as 2 months' educational assistance allowance or subsistence allowance, respectively, prior to actual entry into a program of education or vocational rehabilitation. These advance payments are intended to assist veterans in paying a portion of tuition and fees which many schools require prior to the commencement of training and to meet living expenses during initial periods of training.

This section would amend provisions of sections 1508 and 1780 of title 38 to eliminate the Administrator's authority to make advance payments of subsistence allowances under chapter 31. In view of the fact that the VA pays all chapter 31 participants' training costs, advance payment of subsistence allowances is not warranted. In addition, since chapter 31 participants are also eligible to receive advances from the Revolving Fund under section 1512 of title 38, there is little need for the current statutory authorization for advance payments.

SECTION 103

This section would amend section 1685 of title 38, United States Code, by eliminating a provision in subsection (a) which requires the advance payment of a portion of the work-study allowance payable to an individual participating in the veteran-student services program authorized under that section.

Under current law, in return for a veteran's promise to perform a specified number of hours of work under a work-study agreement, an amount equal to 40 percent of the total payable under the agreement is paid to the veteran-student prior to the performance of any services. Remaining amounts become payable on an incremental basis once the individual has completed performance of the number of hours of work which formed the basis for the advance payment.

Overpayments in the work-study program totaled $637,129 during Fiscal Year 1986 alone, creating liability for some 3,156 new debtors. In many of these cases, the debtor dropped out of school, so that administrative collection by offset is not feasible. Moreover, since the average work-study overpayment is relatively small, recovery through enforced collection generally is not cost-effective.

Enactment of this proposal would virtually eliminate accounts receivable in this program and would result in limited administrative cost savings for the Agency; i.e., less than $100,000 in any fiscal year.

SECTION 104

Section 1788(c) of title 38, United States Code, provides that the term "standard class session" means 1 hour (or 50-minute period) of academic instruction, 2 hours laboratory instruction, or 3 hours of workshop training. This section would amend section 1788(c) to consider two "fifty-minute periods" of laboratory instruction as a standard class session. As section 1788(c) is currently worded, the 2 hours of laboratory instruction is interpreted by the VA as meaning two "sixty-minute" sessions. The change in section 1788(c) is needed because institutions of higher learning no longer conduct 60 minutes of laboratory instruction. Recent practice provides for 50-minute laboratory sessions. Thus, if a school conducts 50-minute laboratory sessions, the VA is required, under current law, to pay for less than full-time training even though the veteran is a full-time student, which can result in the establishment of an overpayment. The amendment proposed would eliminate this problem.

A reference to measurement of the laboratory portions of certain non-college degree courses in the matter following clause (6) of section 1788(a) is also amended to conform with the above-described amendment to section 1788(c).

SECTION 105

At present, section 1793 of title 38, United States Code, provides that the Administrator shall conduct an annual compliance survey of each educational institution that offers one or more approved courses in which 300 or more veterans are enrolled, or which offers courses which do not lead to a standard college degree. The purpose of such survey is to assure that the institution and its approved courses are in compliance with applicable provisions of title 38. Section 1793 further provides that the Administrator must assign at least one compliance specialist to work on the required surveys for each 40 surveys to be made.

This section would amend section 1793 to delete each of the above-mentioned numerical guidelines and to authorize the Administrator to conduct compliance surveys at any institution offering courses approved for the enrollment of veterans and eligible persons under education or vocational rehabilitation benefits programs administered by the VA whenever appropriate and in the best interests of the Government. Our experience shows that the VA can maintain active and effective enforcement of the law and regulations without the need for annual compliance surveys of every institution covered by current law. We believe VA personnel could be used more effectively in those cases where the need is more apparent.

SECTION 106

Section 3013 of title 38, United States Code, provides that effective dates relating to awards under chapters 30, 31, 34, and 35 of title 38 should, to the extent feasible, correspond to effective dates relating to awards of disability compensation. This section would make a technical amendment to section 3013 to require that awards under chapter 32 of title 38 (the Post-Vietnam Era Educational Assistance Program (VEAP)) correspond, to the extent feasible, with such effective dates, as well.

TITLE II—REPEAL OF EDUCATION LOAN PROGRAM

SECTION 201

This section would amend or repeal various sections of title 38, United State Code, which authorize the Veterans Administration to make education loans (including "accelerated payments") to veterans and eligible persons.

Subchapter III of chapter 36, title 38, currently permits the VA to make direct education loans to veterans and eligible persons for up to 2 years after their eligibility would otherwise expire, provided that they (1) pursue their program full time; (2) continue in the same program; and (3) have remaining entitlement. Loans also may be made to veterans in flight training who are paid at the 60 percent reimbursement level and who have remained continuously enrolled since prior to August 31, 1981.

The VA education loan program has experienced an excessively high default rate. In recent years, Congress has acted to strictly limit eligibility for these loans. In the enactment of Public Law 97-35, the Omnibus Reconciliation Act of 1981, the number of education loans which could be made was drastically reduced. It is recommended that the final step be taken to remove all authority of the VA to make education loans.

Additionally, title 38 contains two provisions, section 1682A and section 1738, authorizing eligible veterans and eligible persons, respectively, to receive education loans in accordance with subchapter III of chapter 36 in the form of accelerated payments of educational assistance allowances. Accelerated payment under these sections was made contingent upon establishment, before November 24, 1982, of programs by States to pay the VA amounts which would match the accelerated payments authorized by the Administrator. Although one State timely enacted a law establishing such a program, it did not thereafter provide necessary funding. Consequently, since no State complied with the statutory matching fund requirement, the program was never utilized, and has now expired. This section would repeal these inoperative accelerated payment provisions.

SECTION 202

This section would make technical amendments deleting all title 38 references to education loans, consistent with the repeal of the education loan program by section 201 of this bill.

TITLE III—SAVINGS PROVISION

SECTION 301

This section provides that, notwithstanding the repeal of the education loan authority presently contained in title 38, the Administrator shall continue to collect the principal and interest on those loans which are outstanding, together with any overpayments which are established under the program. It further provides that the "Veterans' Administration Education Loan Fund," established by section 1799(a) of title 38, which would be repealed by section 201(g) of this bill, will continue to be maintained in the United States Treasury. This would allow continued use of the education loan program's existing accounting system, with no cost to the Government, as opposed to the establishment of a new accounting structure within the readjustment benefits appropriation. The Administrator would be authorized to periodically transfer amounts from the Fund to the readjustment benefits account to be used for the purpose of the latter.

By Mr. CRANSTON (by request):

S. 919. A bill to amend title 38, United States Code, to authorize the Administrator to make contributions to construction projects on land adjacent to national cemeteries in order to facilitate safe ingress or egress; to the Committee on Veterans' Affairs.

SAFE INGRESS TO OR EGRESS FROM NATIONAL CEMETERIES

Mr. CRANSTON. Mr. President, as chairman of the Veterans' Affairs Committee, I have today introduced, by request, S. 919, a bill to amend title 38, United States Code, to authorize the Administrator to make contributions for construction projects on land adjacent to national cemeteries in order to facilitate safe ingress or egress. The Administrator of Veterans' Affairs submitted this legislation by letter dated March 24, 1987, to the President of the Senate.

My introduction of this measure is in keeping with the policy which I have adopted of generally introducing—so that there will be specific bills to which my colleagues and others may direct their attention and comments—all administration-proposed draft legislation referred to the Veterans' Affairs Committee. Thus, I reserve the right to support or oppose the provisions of, as well as any amendment to, this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD, together with the March 24, 1987, transmittal letter from the Administrator.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 919

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Chapter 24 of title 38, United States Code, is amended by—

(a) adding at the end thereof the following new section:

"§ 1009. Contributions to local authorities."

"The Administrator may make contributions to local authorities toward, or for, the construction of traffic controls, road improvements, or other devices adjacent to a national cemetery if considered necessary for safe ingress or egress; and

(b) inserting at the end of the table of sections at the beginning of such chapter—

"1009. Contributions to local authorities."

SEC. 2. This Act shall become effective on the date of enactment.

VETERANS ADMINISTRATION,
Washington, DC, March 24, 1987.

Hon. GEORGE BUSH,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: There is transmitted herewith a draft bill, "To amend title 38, United States Code, to authorize the Administrator to make contributions for construction projects on land adjacent to national cemeteries in order to facilitate safe ingress or egress." It is requested that the bill be referred to the appropriate committee and that it be favorably considered for enactment.

The draft measure, which would amend title 38 by adding section 1009 to chapter 24, would authorize the Veterans Administration to make contributions to local authorities for the construction of traffic controls, road improvements or other devices adjacent to a national cemetery if considered necessary to facilitate safe ingress or egress.

It has become evident, in administering the national cemetery system, that specific statutory authorization is required in order to undertake the type of construction projects deemed necessary to improve safety conditions at the entrance to national cemeteries. Under current law, in the absence of express statutory authority, such requisite construction projects are generally prohibited as a result of the well-established rule which prohibits the Government's expenditure of appropriated funds for the permanent improvement of private property. Although exceptions to that rule have been recognized by the Comptroller General and have been applied by the Veterans Administration to justify a limited number of improvements to private property adjacent to national cemeteries, we believe a specific statutory authorization under which this Agency could assist localities in constructing such needed improvements would be a more satisfactory means of achieving these results. The proposed legislation, in our opinion, addresses and resolves these concerns.

It should be noted that section 5008 of title 38, United States Code, with language identical to that proposed here, currently authorizes the Administrator to make contributions to local authorities for construction projects adjacent to Veterans Administration medical facilities if considered necessary for safe ingress or egress.

We believe it is incumbent upon the Veterans Administration to provide and maintain the safest conditions at our national cemeteries and, where necessary, to take reasonable steps to minimize or, if possible, eliminate dangers to visitors and cemetery employees. It is with this object in mind that we submit this legislation.

The enactment of the draft bill will result in an estimated cost of $1 million over the first 5 fiscal years. A summary of the cost estimate by fiscal year follows:

Fiscal year	*Costs*
1988	200,000
1989	200,000
1990	200,000
1991	200,000
1992	200,000
Total	1,000,000

The Office of Management and Budget advises that there is no objection to the submission of the draft bill to the Congress from the standpoint of the Administration's program.

Sincerely,

THOMAS K., TURNAGE,
Administrator.

By Mr. CRANSTON (by request):

S. 920. A bill to amend title 38, United States Code, to repeal provisions relating to setting the interest rate on guaranteed or manufactured homes purchased by veterans, to increase the VA loan fee, to authorize direct appropriations to the loan guaranty revolving fund, and for other purposes; to the Committee on Veterans' Affairs.

VETERANS' HOUSING AMENDMENTS ACT

Mr. CRANSTON. Mr. President, as chairman of the Veterans' Affairs Committee, I have today introduced, by request, S. 920, the proposed "Veterans' Housing Amendments Act of 1987," legislation which the administrator of Veterans' Affairs submitted by letter dated March 24, 1987, to the President of the Senate.

My introduction of this measure is in keeping with the policy which I have adopted of generally introducing—so that there will be specific bills to which my colleagues and others may direct their attention and comments—all administration-proposed draft legislation referred to the Veterans' Affairs Committee. Thus, I reserve the right to support or oppose the provisions of, as well as any amendment to, this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD, together with the March 24, 1987, transmittal letter from the administrator.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 920

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Veterans' Housing Amendments Act of 1987".

NEGOTIATED INTEREST RATES

SEC. 2. Chapter 37 of title 38, United States Code, is amended by—

(a) Striking out section 1803(c) in its entirety and inserting in lieu thereof:

"(c) Loan guaranteed or insured under this chapter shall be payable on such terms and conditions as may be agreed upon by the parties thereto, subject to the provisions of this chapter and regulations of the Administrator issued pursuant to this chapter. These loans shall bear interest at such rate as may be agreed upon by the veteran and the lender provided, however, that such loans shall bear the same interest rate for the life of the loan.";

(b) Striking out in section 1810(e)(1)(C) "permitted pursuant to section 1803(c)(3)(A) of this title";

(c) Striking out in section 1811(c)(1) "area, at an interest rate not in excess of the rate authorized for guaranteed home loans or manufactured home loans, as appropriate," and inserting in lieu thereof "area";

(d) Striking out in section 1811(d)(1) "not to exceed the rate authorized for guaranteed home loans or manufactured home loans, as appropriate,";

(e) Striking out in section 1819(a)(4)(A)(iii) "permitted pursuant to section 1803(c)(3)(A) of this title';

(f) Inserting "and" immediately after the semicolon at the end of section 1819(e)(5);

(g) Striking out in section 1819(e)(6) "regulation; and" and inserting in lieu thereof "regulation.";

(h) Striking out in section 1819(e)(7) in its entirety; and

(i) Striking out in section 1819(f) in its entirety, and inserting in lieu thereof:

(f) Loans guaranteed under this section shall bear interest at such rate as may be agreed upon by the veteran and the lender provided, however, that such loans shall bear the same interest rate for the life of the loan.".

AMENDMENTS RELATING TO VA LOAN FEE

SEC. 3. (a) Section 1829 of title 38, United States Code, is amended by—

(1) striking out in subsection (a) "one percent" and inserting in lieu thereof "2½ percent"; and

(2) striking out subsection (c) in its entirety.

(b) Section 1810(c) of title 38, United States Code, is amended by—

(1) striking out "The" and inserting in lieu thereof "(1) Except as provided in paragraph (2) of this subsection, the"; and

(2) adding at the end thereof the following new paragraph:

"(2) If a veteran pays the full amount of the fee required by section 1829 of this title from the proceeds of the loan, then the amount of guaranty entitlement available to that veteran under this section shall be $27,915, less such entitlement as may have been used previously under this chapter. A veteran may not use any entitlement under this paragraph unless the veteran has entitlement under paragraph (1) of this subsection available for use.".

(c) Section 1811(d)(2)(A) is amended by striking out "1810" and inserting in lieu thereof "1810(c)(1)".

AUTHORIZE DIRECT APPROPRIATION

SEC. 4. Section 1824 of title 38, United States Code, is amended by—

(a) striking out in clause (1) of subsection (c) "such amounts as may be necessary" and inserting in lieu thereof "not to exceed $75,000,000 per fiscal year";

(b) striking out in subsection (c) "and (3)" and inserting in lieu thereof "(3) amounts specified in appropriation acts, and (4)";

(c) adding at the end of subsection (c) "Any amounts transferred pursuant to clause (1) of this subsection shall be repaid to the appropriation account for readjustment benefits from amounts available, including appropriations to the Fund, no later than the time the Fund's appropriation is available for the succeeding fiscal year."; and

(d) adding at the end thereof the following new subsection:

"(e) There are authorized to be appropriated from time to time such amounts as may be necessary to provide capital for the Fund.".

REPEAL CERTAIN MANUFACTURED HOME LOAN REQUIREMENTS

SEC. 5. (a) Section 1819(h) of title 38, United States Code, is amended by—

(i) striking out the last sentence of paragraph (1); and

(ii) striking out paragraph (2) in its entirety, and inserting in lieu thereof:

"(2) Any manufactured housing unit properly displaying a certification of conformity to all applicable Federal manufactured home construction and safety standards pursuant to section 616 of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. § 5415) shall be deemed to meet the standards required by paragraph (1) of this subsection.".

(b) Section 1819(j) of title 38, United States Code, is amended by—

(1) striking out "refuses to permit the inspections provided for in subsection (h) of this section; or in the case of manufactured homes which are determined by the Administrator not to conform to the aforesaid standards; or where the manufacturer of manufactured homes"; and

(2) striking out "warranty." and inserting in lieu thereof "warranty; or in the case of manufactured homes which are determined by the Administrator not to conform to the standards provided for in subsection (h) of this section; or in the case of a manufacturer who has engaged in procedures or practices determined by the Administrator to be unfair or prejudicial to veterans or to the Government.".

(c) Section 1819(l) of title 38, United States Code, is amended by striking out "the results of inspections required by subsection (h) of this section,".

PUBLIC AND COMMUNITY WATER AND SEWERAGE SYSTEMS

SEC. 6. Section 1804 of title 38, United States Code, is amended by striking out section (e) in its entirety.

LENDER REVIEW OF APPRAISALS

SEC. 7. (a) Section 1831 of title 38, United States Code, is amended by—

(i) striking out in subsection (c) "The administrator shall, upon request," and inserting in lieu thereof, "Except as provided in subsection (f) of this section, the appraiser shall forward an appraisal report to the Administrator for review. The Administrator shall then determine the reasonable value of the property for purposes of this chapter, and notify the veteran of such determination. Upon request, the Administrator shall";

(ii) striking out in subsection (d) "lender—" and inserting in lieu thereof, "lender (other than a lender described by subsection (f) of this section)—"; and

(iii) Inserting at the end thereof the following new subsection:

"(f) The Administrator may, in accordance with standards and procedures established by the Administrator, authorize certain lenders to determine the reasonable value of the property. In such a case, the appraiser selected by the Administrator pursuant to subsection (b) of this section shall forward the appraisal report directly to the lender for review.".

(b) Section 1810(b) of title 38, United States Code, is amended by—

(i) striking out in paragraph (5) "by the Administrator;" and inserting in lieu thereof, "pursuant to section 1831 of this title;"; and

(ii) striking out the final sentence thereof.

CLAIM PAYMENT AND ACQUIRED PROPERTIES PROCEDURES

SEC. 8. (a) Section 2512(c) of the Deficit Reduction Act of 1984 (Public Law 98-369) is amended by striking out paragraph (2) in its entirely, and inserting in lieu thereof:

"(2) [Reserved].".

(b) Section 1816(d)(1) of title 38, United States Code, is amended by striking out "75 percent, nor less than 60 percent," and inserting in lieu thereof, "60 percent, nor less than 40 percent,".

EFFECTIVE DATES

SEC. 9. (a) The amendments made by sections 2, 5, 6, 7, and 8 of this Act shall take effect October 1, 1987.

(b) The amendments made by section 3 of this Act shall apply only to loans closed on or after June 1, 1987.

(c) The amendments made by section 4 of this Act shall take effect upon enactment of this Act.

VETERANS ADMINISTRATION,
Washington, DC, March 24, 1987.

Hon. GEORGE BUSH,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: Enclosed is a draft bill "To amend title 38, United States Code, to repeal provisions relating to setting the interest rate on guaranteed or insured housing loans to veterans and inspecting manufactured homes purchased by veterans, to increase the VA loan fee, to authorize direct appropriations to the loan guaranty revolving fund, and for other purposes." I request that this measure be referred to the appropriate committee and promptly enacted.

This omnibus measure, entitled the "Veterans' Housing Amendments Act of 1987," would make a number of amendments to the Veterans Administration Housing Loan Guaranty Program to reduce administrative regulation and enhance revenues.

Section 2 of the draft bill would allow the veteran and the lender to agree upon an interest rate for the home loan so the veteran can benefit from the best combination of interest rate and points. This would be accomplished by repealing the authority of the Administrator to set the maximum interest rate which veterans may pay on VA guaranteed home loans currently contained in 38 U.S.C. § 1803(c) and manufactured home loans contained in 38 U.S.C. § 1819(f). Section 2 of the draft bill also makes additional perfecting amendments.

Prior to 1966, the law contained a statutory interest ceiling on VA guaranteed housing loans. Public Law 89-358, enacted March 3, 1966, removed an exact percentage limitation on the VA interest rate, and provided instead that interest on such loans may not exceed the rate in effect for loans insured by the Secretary of Housing and Urban Development under section 203(b)(5) of the National Housing Act. In 1973, the Congress enacted Public Law 93-75 which removed the requirement that the interest on VA home loans not exceed the HUD interest rate. The 1973 amendment, which remains in effect, requires that in setting the VA interest rate "the Administrator shall consult with the Secretary of Housing and Urban Development . . . and, to the maximum extent practicable, carry out a coordinated policy on interest rates on loans insured under . . . section 203(b) [of the National Housing Act] and on loans guaranteed or insured under . . . chapter [37 of title 38, United States Code]."

The Housing and Urban-Rural Recovery Act of 1983, Pub. L. No. 98-181, § 404, enacted November 30, 1983, repealed the authority of the Secretary of Housing and Urban Development to set interest rates on loans insured by the Secretary. Such loans may now bear interest at any rate agreed upon by the borrower and lender.

Although VA makes every effort to reflect the loan market in setting interest rates on guaranteed home loans, it is not always possible for such rates to keep exact pace with money market demands. When the cost of money is not adequately reflected by the VA interest rate, lenders are required to charge points to bring their yield into line with secondary market demand. One "point" equals 1 percent of the loan amount. The points must be paid in cash at loan closing. VA has interpreted the law as not permitting veterans to pay points, except under certain limited circumstances spelled out in 38 U.S.C. § 1803(c)(3); e.g., refinancing and home improvement loans. This is because if the veteran paid this amount he or she would, in effect, be paying an interest rate above the permitted maximum. Thus, the seller will normally absorb these costs.

Sellers who are reluctant to pay points often either refuse to sell with VA financing, or increase the selling price of their home to reflect the anticipated points. In neither instance is the veteran being benefited.

Under the draft bill, the veteran buyer, the seller, and the lender can negotiate on whether the rate, and thus the monthly payment, will be lowered in exchange for a certain number of points, and, if it is, who will pay some or all of such points. Thus, the transaction can be tailored to fit the needs and circumstances of the parties involved.

This change would be consistent with the Administration's goal of reducing Federal regulation and permitting market forces to operate.

Section 2 of the draft bill, consistent with present policy, would not authorize adjustable rate mortgages. The bill requires that the loan bear the same interest rate for the life of the loan. Nothing in the draft bill would preclude lenders from waiving collection of a portion of the interest.

This would permit "buy downs" where a builder or developer arranges for a lower interest rate for the first few years of the loan. VA currently permits buy downs.

VA estimates that enactment of section 2 of the draft bill would result in administrative cost savings of less than $100,000 in any fiscal year.

Section 3 of the draft bill would amend section 1829 of title 38, United States Code, relating to the VA loan fee.

Presently, section 1829 imposes a fee of 1 percent of the loan amount upon veterans who obtain housing loans guaranteed, insured, or made by the Administrator under chapter 37 of title 38, United States Code, and upon persons who receive vendee loans from the Administrator in connection with the purchase of real property from the Administrator. Disabled veterans receiving compensation, or who would be entitled to compensation but for the receipt of retirement pay, and surviving spouses of veterans who died from a service-connected disability are exempt from paying this fee.

The fee is collected at the time of loan closing, and may be financed with the loan. Proceeds from the fee are deposited into the Loan Guaranty Revolving Fund (LGRF).

Pub. L. No. 89-358, which originally granted VA home loan benefits to post-Korean conflict veterans, required collection of such a fee. That provision was repealed by Pub. L. No. 91-506 in 1970. The Omnibus Budget Reconciliation Act of 1982, Pub. L. No. 97-253, § 406, reimposed a fee of one-half of 1 percent for loans to veterans closed after September 30, 1982. Authority to collect this fee was to expire September 30, 1985. The Deficit Reduction Act of 1984, Pub. L. No. 98-369, § 2511, increased the fee to 1 percent, required collection of the fee on vendee loans, and extended the fee until September 30, 1987.

Under the draft bill, on loans closed on or after June 1, 1987, the fee would be increased to 2½ percent. The draft bill would also make the loan fee permanent. Vendee loan purchasers would be subject to the same fee.

Since 1978 the LGRF, which provides moneys for all loan guaranty operations except administrative expenses, has required nearly $2 billion in additional funds through transfers (totaling $1.3 billion) or appropriations (totaling $0.6 billion) in order to remain solvent.

To date in Fiscal Year 1987, $80 million has been transferred from the Direct Loan Revolving Fund. Budget projections show that the LGRF will need another transfer of $45 million in the latter part of the current fiscal year, and an appropriation of $389.8 million in Fiscal Year 1988. Current estimates indicate that, if the 2½ percent fee were enacted, an appropriation in Fiscal Year 1988 would not be necessary.

The VA home loan program has been and continues to be of great importance to present and former members of the Nation's Armed Forces who seek to become homeowners. We are mindful that the costs to the taxpayers of operating the program and paying claims on loans resulting in foreclosure are significant. Since the Loan Guaranty program provides a unique benefit (i.e. no down payment terms) for a select group of beneficiaries, we believe that this group should bear a portion of the cost of providing the benefit through a modest, one-time fee. This fee, if financed, would increase the average veteran's monthly mortgage payment by less than $9.

In view of the increasing costs to the taxpayers of this program in recent years and the depletion of the LGRF, we believe increasing the fee at this time is necessary.

Section 3(c) of the draft bill increases the guaranty amount from the present $27,500 only with respect to loans where the veteran is paying the fee in full with the proceeds of the loan. Although the law does not limit the amount a veteran may borrow, experience shows that the secondary market normally demands 25 percent protection on Government-backed home loans. Thus, the current $27,500 guaranty would support a loan of $110,000. Since the draft bill is increasing the loan fee by 1.5 percentage points, we are proposing to increase the guaranty to $27,915 in order to permit a 1.5 percent increase in the effective maximum loan.

Fairness requires that purchasers of VA acquired properties who obtain financing from VA (vendee loans) be required to bear costs which are comparable to those imposed upon vendee loans are higher than losses associated with guaranteed loans because: (a) default rates are significantly greater; and (b) vendee loans are not a veteran's benefit (they are available to veterans and nonveterans alike).

Enactment of section 3 of the draft bill would produce the following savings:

[In thousand of dollars]

Fiscal year:	*Savings*
1987	91,000
1988	629,900
1989	592,800
1990	534,000
1991	456,500
1992	412,500
Total	2,716,700

Section 4 of the draft bill would authorize direct appropriations to the Loan Guaranty Revolving Fund.

As explained above, the LGRF is available to the Administrator for all loan guaranty operations under chapter 37 of title 38, United States Code, except administrative expenses. Until recently, direct appropriations to the LGRF have not been necessary. Although enactment of the loan fee increase proposed in section 3 of the draft bill should virtually eliminate the need for further appropriations, such action may nonetheless be necessary in the future.

Section 1824(c) of title 38, United States Code, provides three sources of money for the LGRF; i.e., transfer of appropriations from readjustment benefits, proceeds from the loan fee (38 U.S.C. § 1829), and collections from the operations of the program. Such collections include cash sales of real property, the proceeds from vendee loan sales, and principal and interest payments on unsold vendee loans. A fourth source, provided by 38 U.S.C. § 1823(d), is transfers from the Direct Loan Revolving Fund. If these sources are not able to provide sufficient funds for the needs of the LGRF, an appropriation becomes necessary for the Government to be able to honor its commitments to loan holders under the guaranty.

The two-step appropriation procedure currently in the law; i.e., appropriation to the readjustment benefits account, then transfer of the funds into the LGRF, is unnecessarily complicated and tends to obscure the real financial requirements of operating the LGRF. Since appropriations may again be needed in the future, we believe section 1824 should be amended to authorize direct appropriations into the LGRF.

To permit flexibility in managing the needs of the LGRF, the bill would retain in the law the authority to transfer readjustment benefits appropriations to the LGRF.

VA would only use this transfer authority to alleviate temporary short-falls in the fund, enabling the Administrator to continue to pay guaranty obligations. Since the transfer authority is intended only as a backup, with proceeds of the loan fee, revenues from operations, and direct appropriations being the primary sources of funding for the LGRF, the draft bill is limiting such transfers to $75 million in any fiscal year. Any amounts transferred would have to be repaid to the appropriation account for readjustment benefits not later than the time the LGRF received its appropriations for the succeeding fiscal year.

Enacting section 4 of the draft bill would not involve any additional cost.

Section 5 of the draft bill would repeal certain requirements of the VA manufactured home loan program that VA believes to be no longer necessary.

Section 5(a)(i) of the draft bill would delete the requirement that VA standards for manufactured home sites include requirements to encourage the development of attractive residential areas which will be free from and not substantially contribute to adverse scenic or environmental conditions.

Currently, 38 U.S.C. § 1819(h)(1) requires that, as part of the standards established in approving manufactured home sites, VA take into consideration scenic or environmental conditions. Since these provisions were enacted, many beneficial changes have taken place with respect to planning and construction standards for manufactured home parks and subdivisions. State and local regulatory agencies generally have standards for licensing, occupancy, and use which prevent overcrowding and other adverse conditions, including those which affect the scenic and environmental state of the manufactured home sites. VA's standards only serve to duplicate existing local requirements and complicate the application process. Accordingly, VA recommends eliminating these requirements.

Section 5(a)(11) of the draft bill would repeal the requirement that VA inspect the manufacturing process of manufactured homes and conduct on-site inspections of such units purchased with VA financing. The bill would further provide that any manufactured home unit that properly displays a certificate of conformity with all applicable Federal manufactured home construction and safety standards would be eligible for purchase with VA guaranteed loans.

Currently, 38 U.S.C. § 1819(h)(2)(A) requires the VA to make inspections of the manufacturing process of manufactured homes and to perform random on-site inspections of manufactured homes purchased with a VA guaranteed loan. The purpose of the inspections of manufacturing plants is to insure that manufacturers comply with the standards for planning, construction, and general acceptability of manufactured homes required to be prescribed by the Administrator under 38 U.S.C. § 1819(h)(1). The on-site inspections were mainly required to judge the effectiveness of the manufactured home loan program.

In 1970 when the Congress enacted the VA manufactured home loan program, there were no comprehensive regulations insuring the safety and fitness of manufactured housing. Four years later, however, the Congress enacted the National Manufactured Housing Construction and Safety Standards Act of 1974, 42 U.S.C. §§ 5401-5426. That statute requires the Secretary of Housing and Urban Development, in consultation with the Consumer Product Safety Commission, to establish Federal manufactured home construction and safety standards. Generally, all new manufactured homes sold in interstate or foreign commerce must comply with these Federal standards. Units are required to have permanently affixed to them a tag or label certifying their compliance with such standards. The Secretary of HUD is authorized to conduct necessary inspections to enforce the Federal standards.

VA believes that the comprehensive scheme established under the National Manufactured Housing Construction and Safety Standards Act of 1974 is sufficient to insure that new manufactured homes purchased by veterans with VA guaranteed loans will be properly built and suitable for occupancy and use.

Section 1819(h)(2)(B) of title 38, enacted as part of Pub. L. No. 95-476 in 1978, permits VA to delegate to HUD the responsibility for conducting manufacturing plant inspections. VA has entered into an agreement with HUD under this provision of the law, and has made such a delegation. VA believes it is unnecessary to retain the provision in the law for VA to conduct inspections and the provisions should be eliminated.

VA further believes on-site inspections are likewise unnecessary. Such inspections might have been useful when the law was first enacted to aid in evaluation of this program. Over 15 years of experience with the manufactured home loan program has demonstrated the viability of the program. Each of the states where VA has guaranteed manufactured housing loans have and enforce planning and zoning laws which adequately address our concerns. Additionally, VA's procedures require lenders to certify that the unit has been properly installed on an approved site, and that the veteran receives everything for which he or she has paid. As these inspections are no longer necessary, they should be eliminated.

The draft bill also makes perfecting amendments consistent with the elimination of such inspection.

In addition, the draft bill proposes one technical amendment to the maunfactured home loan program. Section 1819(j) permits VA to suspend from participation in the VA program a manufacturer of manufactured homes who refuses to permit inspections, is unwilling or unable to comply with its warranty obligations, or if the units fail to conform to VA standards. This section does not specifically contain the additional "catch all" grounds for suspension of engaging in practices prejudicial to veterans or to the Government. Provisions of the law applicable to suspending other loan guaranty program participants authorize suspension for such prejudicial practices. See 38 U.S.C. §§ 1804(b) and (d) and 1819(k). In addition to removing reference to the inspections which the draft bill proposes to eliminate, engaging in actions unfair or prejudicial to veterans or the Government would be added as a basis for suspension. We believe this technical correction is desirable to make clear that VA has the authority to suspend manufacturers who engage in such practices.

Section 6 of the draft bill would repeal the requirement for a statement of local officials regarding the feasibility of public or community water and sewerage systems as a condition to the VA guaranty of loans for the purchase of newly constructed homes.

Currently, under 38 U.S.C. § 1804(e), the VA may not guarantee loans for newly constructed residences in areas where local officials certify that the establishment of public or community water and sewerage systems is economically feasible unless the dwellings are served by such systems. Since enactment of this section in 1965, conditions have changed significantly. Federal, State, and local laws now adequately address the subject of individual water and sewerage systems as an alternative to public and community water systems. These certification requirements, place an additional burden on local officials and program participants without materially benefiting the veteran.

Enactment of this proposal would result in administrative savings of less than $100,000 in any fiscal year.

Section 7 of the draft bill would specifically authorize the Administrator of Veterans' Affairs to establish an appraisal system whereby appraisal reports completed by VA designated fee appraisers would be received and reviewed by approved lenders without VA staff involvement. Presently, 38 U.S.C § 1810(b)(5) provides that the loan amount may not exceed the reasonable value of the property as determind by the Administrator. This proposal would amend 38 U.S.C. § 1831 to permit the Administrator to establish a system whereby approved lenders would review the appraisal reports and notify the veterans of the value determination. This system would be similar to the HUD direct endorsement program which has been satisfactory since its inception in 1983. Under the proposed system, fee appraisers would continue to be randomly selected by VA. The appraisers' reports would then be provided directly to approved lenders rather than VA. The lender would independently review the appraisals and determine the maximum permissible loan on the basis of that review. Prior to being included in this system, lenders would have to apply and be required to meet criteria established by the Administrator, as they presently do, in order to process loans on the automatic basis. This system would provide more timely service to veterans and would allow field stations to operate more effectively under current staffing constraints.

Section 8(a) of the draft bill would eliminate the sunset for the claim payment and acquired properties provisions in subsections (c) and (d) of section 1816 of title 38, United States Code. These provisions, which were added by section 2512(a)(2) of the Deficit Reduction Act of 1984 (DRA), Pub. L. No. 98-369, determine the VA's claim liability under a home loan guaranty, when the VA may acquire the property which secured the loan, and how many properties the VA may sell with vendee financing. Currently, section 2515(c)(2) of the DRA provides that subsections (c) and (d) of 38 U.S.C. § 1816 cease to be effective on October 1, 1987.

Section 1816(c) of title 38 requires the VA to establish a net value for the security property. "Net value" is the fair market value minus costs the VA would incur, if it acquired the property, to acquire, manage, and dispose of such property. Generally, the VA may acquire the property if the net value exceeds the unguaranteed portion of the loan, and the loan holder acquires the property for the lesser of net value or the veteran's total indebtedness. In such cases, net value also represents a minimum amount the loan holder must credit to the veteran's indebtedness in determining the VA's guaranty liability. This provision has provided a useful framework to determine when it is cost-effective either to acquire a VA guaranteed property at foreclosure or to pay the guaranty amount.

Under section 1816(d) of title 38, the VA must sell at least 60 percent, but not more than 75 percent of acquired property with vendee financing. These limits would be reduced by section 8(b) of the draft bill so that VA must sell at least 40 percent, but not more than 60 percent of acquired properties with vendee financing.

The DRA amendments were enacted to (1) reduce the Government's losses on foreclosure of VA guaranteed loans and the subsequent resale of VA acquired properties; (2) enable the VA to convert loan and property assets into liquid assets for the Loan Guaranty Revolving Fund; and (3) insure that that VA home loan program would continue to provide a viable benefit for veterans and lenders. Experience has shown that these procedures have worked well. The basic framework created by the DRA is sound and should be continued to reduce VA's future contingent liability on vendee loans.

Enactment of section 8 of the draft bill would result in administrative savings of less than $100,000 in any fiscal year, and would result in the following benefits savings:

[In thousands of dollars]

Fiscal year:	*Savings*
1988	29,000
1989	59,325
1990	67,200
1991	69,300
1992	66,500
Total	291,325

Section 9 of the draft bill provides that all amendments will take effect October 1, 1987, except for the increased loan fee which, as noted above, applies to loans closed on or after June 1, 1987, and the authority to transfer funds to the Loan Guaranty Revolving Fund, which would take effect upon enactment.

The Office of Management and Budget advises that it has not objection to the submission of the draft legislation and that its enactment would be in accord with the program of the President.

Sincerely,

THOMAS K. TURNAGE,
Administrator.

By Mr. SPECTER (for himself, Mr. CHAFEE, Mr. HEINZ, Mr. INOUYE, Mr. LEVIN, Mr. MATSUNAGA, Mr. MITCHELL, Mr. RIEGLE, Mr. SARBANES, Mr. STAFFORD, and Mr. WILSON):

S.J. Res. 107. Joint resolution to designate April 1987, as "Fair Housing Month"; to the Committee on the Judiciary.

FAIR HOUSING MONTH

● Mr. SPECTER. Mr. President, today, along with 10 of our colleagues, I am introducing a joint resolution to designate April 1987 as "Fair Housing Month." This month marks the 19th anniversary of the Congress' historic passage of title VIII of the Civil Rights Act of 1968, which is commonly referred to as the Fair Housing Act.

The Fair Housing Act was passed at a time of great turmoil in our Nation. We had just experienced the shock of the assassination of Martin Luther King and the ensuing violent expressions of frustration and outrage in our cities. Congress responded to this turmoil by passing landmark legislation, which announced a national policy of nondiscrimination in housing. That policy lives on today.

Since passage of the Fair Housing Act in 1968, there has been an ongoing debate about whether the act's provisions need strengthening and, if so, how best to strengthen them. People of goodwill have reached different conclusions about how we should strengthen the Fair Housing Act, but no one questions the basic premise that this Nation is, and must remain, committed to fair housing for all of its citizens.

The joint resolution we are introducing today, in commemorating the historic passage of the Fair Housing Act, reaffirms our commitment to a national policy of fair housing for all Americans.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 107

Whereas the year 1987 marks the nineteenth anniversary of the passage of title VIII of the Civil Rights Act of 1968, commonly referred to as the "Federal Fair Housing Act", declaring a national policy to provide fair housing throughout the United States;

Whereas the Federal Fair Housing Act prohibits discrimination in housing on the basis of race, color, religion, sex, or national origin;

Whereas fairness is the foundation of our way of life and reflects the best of our traditional American values;

Whereas invidious discriminatory housing practices undermine the strength and vitality of America and the American people; and

Whereas in this nineteenth year since the passage of the Fair Housing Act, all Americans must work to continue to improve the Fair Housing Act by strengthening enforcement provisions, by extending the protections of the Act to all our citizens, by assuring there are no victims of discriminatory housing practices, and by making the ideal of fair housing a reality: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating April as "Fair Housing Month" and to invite the Governors of the several States, the chief officials of local governments, and the people of the United States to observe the month with appropriate ceremonies and activities.●

ADDITIONAL COSPONSORS

S. 12

At the request of Mr. CRANSTON, the names of the Senator from Minnesota [Mr. DURENBERGER], the Senator from Colorado [Mr. WIRTH], and the Senator from Vermont [Mr. LEAHY] were added as cosponsors of S. 12, a bill to amend title 38, United States Code, to remove the expiration date for eligibility for the educational assistance programs for veterans of the All Volunteer Force; and for other purposes.

S. 249

At the request of Mr. SPECTER, the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of S. 249, a bill to grant employees parental and temporary medical leave under certain circumstances, and for other purposes.

S. 310

At the request of Mr. BAUCUS, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 310, a bill to amend the Export Administration Act of 1979 to promote the export of U.S. agricultural commodities and the products thereof, and for other purposes.

S. 333

At the request of Mr. CHILES, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 333, a bill for the relief of Anne Brusselmans.

S. 347

At the request of Mr. SASSER, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of S. 347, a bill to amend chapter 171 of title 28, United States Code, to allow members of the Armed Forces to sue the United States for damages for certain injuries caused by improper medical care provided during peacetime.

S. 368

At the request of Mr. MATSUNAGA, the names of the Senator from Maine [Mr. MITCHELL] and the Senator from Pennsylvania [Mr. HEINZ] were added as cosponsors of S. 368, a bill to amend the Federal Food, Drug, and Cosmetic Act to ban the reimportation of drugs in the United States, to place restrictions on drug samples, to ban certain resales of drugs purchased by hospitals and other health care facilities, and for other purposes.

S. 369

At the request of Mr. HUMPHREY, the name of the Senator from Delaware [Mr. ROTH] was added as a cosponsor of S. 369, a bill to amend the Atomic Energy Act of 1954 to require an emergency planning and preparedness plan for an emergency planning zone of at least 10 miles in radius for each nuclear facility.

S. 465

At the request of Mr. METZENBAUM, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of S. 465, a bill to amend chapter 44, title 18, United States Code, to prohibit the manufacture, importation, sale or possession of firearms, not detectable by metal detection and x-ray systems commonly used at airports in the United States.

S. 466

At the request of Mr. Metzenbaum, the name of the Senator from Kansas [Mrs. Kassebaum] was added as a cosponsor of S. 466, a bill to provide for a waiting period before the sale, delivery, or transfer of a handgun.

S. 548

At the request of Mr. Metzenbaum, the name of the Senator from Maryland [Ms. Mikulski] was added as a cosponsor of S. 548, a bill to amend title 11, United States Code, the Bankruptcy Code, regarding benefits of certain retired employees.

S. 560

At the request of Mr. Chafee, the name of the Senator from Delaware [Mr. Roth] was added as a cosponsor of S. 560, a bill to implement the provisions of annex V to the International Convention for the Prevention of Pollution from Ships, as modified by the Protocol of 1978.

S. 625

At the request of Mr. Domenici, the name of the Senator from Mississippi [Mr. Cochran] was added as a cosponsor of S. 625, a bill to amend the Federal Election Campaign Act of 1971 to limit candidate expenditures of personal funds.

S. 662

At the request of Mr. Baucus, the name of the Senator from North Dakota [Mr. Conrad] was added as a cosponsor of S. 662, a bill to amend the Agricultural Act of 1949 to mandate marketing loans for the 1987 through 1990 crops of wheat and feed grains, and for other purposes.

S. 728

At the request of Mr. Leahy, the name of the Senator from Kansas [Mr. Dole] was added as a cosponsor of S. 728, a bill to improve the nutrition of the homeless, and for other purposes.

S. 742

At the request of Mr. Hollings, the name of the Senator from Colorado [Mr. Wirth] was added as a cosponsor of S. 742, a bill to clarify the congressional intent concerning, and to codify, certain requirements of the Communications Act of 1934 that ensure that broadcasters afford reasonable opportunity for the discussion of conflicting views on issues of public importance.

S. 752

At the request of Mr. Bentsen, the names of the Senator from Florida [Mr. Chiles], and the Senator from Maryland [Ms. Mikulski] were added as cosponsors of S. 752, a bill to establish a National Space Grant College and Fellowship Program.

S. 778

At the request of Mr. Kennedy, the names of the Senator from Montana [Mr. Baucus], and the Senator from Ohio [Mr. Metzenbaum] were added as cosponsors of S. 778, a bill to authorize a star schools program under which grants are made to educational telecommunications partnerships to develop, construct, and acquire telecommunications facilities and equipment in order to improve the instruction of mathematics, science, and foreign languages, and for other purposes.

S. 809

At the request of Mr. Byrd, the name of the Senator from Illinois [Mr. Simon] was added as a cosponsor of S. 809, a bill to provide urgently needed assistance to protect and improve the lives and safety of the homeless.

S. 818

At the request of Mr. Domenici, the name of the Senator from Missouri [Mr. Danforth] was added as a cosponsor of S. 818, a bill to provide permanent authorization for White House Conferences on Small Business.

S. 846

At the request of Mr. Nickles, the name of the Senator from Wyoming [Mr. Wallop] was added as a cosponsor of S. 846, a bill to promote the energy security of the United States by amending the Internal Revenue Code of 1986 to encourage the continued exploration for and production of domestic oil and natural gas resources.

S. 856

At the request of Mr. Nickles, the name of the Senator from Kansas [Mrs. Kassebaum] was added as a cosponsor of S. 856, a bill to amend the Food Security Act of 1985 to clarify that certain persons should not be denied status as separate persons under such Act, and for other purposes.

S. 877

At the request of Mr. Cochran, the name of the Senator from Indiana [Mr. Lugar] was added as a cosponsor of S. 877, a bill to establish a National Commission on International Competitiveness.

S. 889

At the request of Mr. Gore, the name of the Senator from South Dakota [Mr. Daschle] was added as a cosponsor of S. 889, a bill to amend the Communications Act of 1934 to provide for fair marketing practices for certain encrypted satellite communications.

SENATE JOINT RESOLUTION 26

At the request of Mr. Pell, the name of the Senator from Florida [Mr. Chiles] was added as a cosponsor of Senate Joint Resolution 26, a joint resolution to authorize and request the President to call a White House Conference on Library and Information Services to be held not later than 1989, and for other purposes.

SENATE JOINT RESOLUTION 74

At the request of Mr. Kennedy, the name of the Senator from Utah [Mr. Hatch] was added as a cosponsor of Senate Joint Resolution 74, a joint resolution to designate the month of May 1987 as "National Cancer Institute Month."

SENATE JOINT RESOLUTION 102

At the request of Mr. Cranston, the names of the Senator from Massachusetts [Mr. Kerry], the Senator from South Carolina [Mr. Hollings], the Senator from Arkansas [Mr. Pryor], the Senator from Michigan [Mr. Levin], the Senator from New Jersey [Mr. Lautenberg], and the Senator from Georgia [Mr. Nunn] were added as cosponsors of Senate Joint Resolution 102, a joint resolution to designate the week beginning April 11, 1987, as "National Community Development Week."

SENATE CONCURRENT RESOLUTION 41—CALLING FOR PUBLIC ACCESS TO THE UNITED NATIONS WAR CRIME COMMISSION FILES

Mr. MOYNIHAN (for himself and Mr. D'Amato) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. Con. Res. 41

Whereas with the passing of time, it is important to fully document Nazi war crimes and crimes against humanity, lest the enormity of those crimes be forgotten;

Whereas the files of the United Nations War Crimes Commission deposited in the archives of the United Nations contain information invaluable to our knowledge of the genocidal actions of the Nazis: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring)

(1) that United States policy should be to support access by interested individuals and organizations to the files of the United Nations War Crimes Commission deposited in the archives of the United Nations;

(2) that the Permanent Representative of the United States to the United Nations should advise the Secretary General of the United Nations of such policy; and

(3) that all appropriate steps should be taken to persuade the former member states of the United Nations War Crimes Commission to adopt such policy.

● Mr. MOYNIHAN. Mr. President, with the passing of time it becomes ever more important to document Nazi war crimes and crimes against humanity, lest the enormity of those crimes be lost to history. The files of the U.N. War Crimes Commission contain information vital for such work; yet, the files are closed to the very individuals and organizations seeking to provide this documentation.

The resolution I offer today calls for access by interested individuals and organizations to the files of the U.N. War Crimes Commission, which are held in the Archives of the United Nations in New York City.

The U.N. War Crimes Commission was established on October 20, 1943, to collect, investigate, and record evidence of war crimes. By the time this Commission disbanded in 1948, it had collected nearly 37,000 files dealing with suspected war criminals. And the Commission recognized the importance of the information it has collected, not only for criminal investigations but also for the remembrance and documentation of an unparalleled tragedy. The Commission noted that its lists concerning war criminals "will be a valuable record for future historians." ("History of the United Nations War Crimes Commission," London, 1946, p. 6.) Accordingly, on November 6, 1946, the Commission decided to remove these lists from the "secret" category.

Upon disbanding in 1948, the Commission turned its files over to the United Nations. The following year, the U.N. Secretariat decided that these files should be locked away from the public, open only to governments on a confidential basis. As a result, a valuable source of information dropped from view.

But the existence of the files—and their import—again became known last year, when the World Jewish Congress disclosed that there was a Commission file on Kurt Waldheim. The Commission had decided in 1948 that sufficient evidence existed to prosecute Kurt Waldheim for war crimes. Yet, although the United States had access to the Commission's files, this information about Waldheim remained hidden for almost four decades as he rose to the position of Secretary General of the United Nations.

Last year, I introduced legislation calling on the U.S. Permanent Representative to the United Nations to move to eliminate Waldheim's retirement allowance for having served as U.N. Secretary General. But we should have known about Waldheim long ago—and would have, had the Commission files been open to the public.

Nevertheless, in response to a request by Israel for public access to the files, the United States joined on March 19, 1987, with 15 other former members of the Commission to recommend against such access. Only Australia supported public access to the files. And the Secretary General has since cited this recommendation against public access in rejecting Israel's request.

But a master list of individuals who were included in the Commission's files has already become public, having been discovered on an open shelf in a U.S. archive in Maryland. Now, the time has come to make those files public and fulfill a crucial objective of the U.N. War Crimes Commission: to do justice to history, as well as to individuals.

The House Foreign Affairs Committee has already adopted an amendment offered by Representative SOLARZ to the fiscal year 1988 State Department authorization bill calling for public access to these files. Let the Congress as a whole declare its commitment to the same policy, and thereby assist the remembrance of that which must never be forgotten.●

● Mr. D'AMATO. Mr. President, I rise to cosponsor the concurrent resolution offered by my distinguished friend, the senior Senator from New York, calling for public access to the U.N. War Crimes Commission Files.

U.N. General Secretary Perez de Cuellar's decision to deny unlimited access to the U.N. Crimes Commission files is outrageous and absurd. Even more absurd, however, is the appalling U.S. decision, as an original member of the Commission to oppose public access to the war crimes files. There is no valid reason why these files cannot be open for interested individuals and organizations.

Somewhere in the bowels of the United Nations is the most comprehensively gathered information on Nazi war criminals. Unfortunately, U.N. policy, astonishingly supported by our Government, restricts access to these files which contain evidence on some of the most heinous war criminals of all time. In 1948, the War Crime Commission finished its mission and transferred its records to the care of the United Nations. Since that time, Mr. President, only four files have been publicly opened: Adolf Eichmann, Claus Barbie, Josef Mengele, and, most recently, Kurt Waldheim. Although any U.N. member nation may request a file, its information cannot be made public. This situation is plainly unacceptable.

For nearly 5 years, the War Crime Commission gathered information on suspected war criminals, amassing 36,810 files. Of this number, 24,500 were given an "A" rating, meaning that the Commission believed that there was enough evidence for prosecution and conviction on the charge of war crimes against humanity. Because the U.N. War Crimes Commission has been disbanded, it no longer has control over the war crimes files. Although the General Secretary has sought the consent of former Commission member nations on the issue of access, the General Secretary himself has the power to allow access to the files.

Obviously, Mr. President, before criticizing the United Nations, we must put our own house in order. This resolution achieves this purpose by declaring that unlimited access to the war crimes files for interested individuals and organizations should be U.S. policy, and that all appropriate steps should be taken to persuade the former member states of the Commission to adopt such policy. I have no doubts, Mr. President, that if the United States were to change its position on access, many other former Commission members would follow suit. Out of 17 Commission members, only Australia voted for public access to the files.

As one of the member nations of the War Crimes Commission, the United States must lead the fight to make these war crimes files more accessible. The master list of names is available, and any nation may request a particular file. It is unconscionable that these files are not made public. It is a miscarriage of justice to continue to shield these files from proper inspection. The files themselves may not be enough to indict a suspected war criminal, but they would prove to be invaluable supporting evidence. We would be seriously derelict in our duty to the civilized world to continue to neglect a major source of possible evidence to assist in bringing any Nazi war criminal to justice.

By ignoring these files, Mr. President, we ignore the past. We have heard many times that "we must never forget the Holocaust." But that is what we are doing by continuing to restrict access to the war crimes files. If there is information in those files that will aid in the apprehension and the bringing to justice of Nazi murderers who now walk free, then such information must be made readily available.

Mr. President, I strongly urge my colleagues to support this important concurrent resolution.●

SENATE RESOLUTION 183—TO WAIVE THE RULES AND ORDERS OF THE SENATE TO ALLOW FOR THE DESIGNATION OF A VICE CHAIRMAN OF THE SELECT COMMITTEE ON INDIAN AFFAIRS AND TO ALLOW THE VICE CHAIRMAN TO PRESIDE AT A MEETING OF SUCH COMMITTEE IN THE ABSENCE OF THE CHAIRMAN

Mr. BYRD (for Mr. INOUYE) submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 183

Resolved, That (a) notwithstanding any other rule or order of the Senate, the Select Committee on Indian Affairs is authorized to amend the rules of such committee—

(1) to provide for the designation of the ranking minority member of the committee as vice-chairman of the committee; and

(2) to allow the vice-chairman of the committee to preside at business meetings of the committee in the absence of the chairman.

(b) The authority granted by this resolution shall expire at the end of the 100th Congress.

● Mr. INOUYE. Mr. President, I am today filing a Senate resolution to waive the rules and orders of the Senate to authorize the Select Committee on Indian Affairs to amend the rules of the committee to provide for the designation of a vice chairman of the Select Committee on Indian Affairs and to allow the vice chairman to preside at meetings of the committee in the absence of the chairman. This resolution was considered by the select committee at our first business meeting on January 23, 1987, and was unanimously agreed to for purposes of organization for the 100th Congress.

Mr. President, from 1819 to 1947, the 16th Congress through the 79th Congress, there was a permanent standing Committee on Indian Affairs in the U.S. Senate. The Legislative Reorganization Act of 1946 which revised the committee structure of Congress, abolished the Senate Indian Affairs Committee at the beginning of the 80th Congress and established a Subcommittee on Indian Affairs under the Committee on Public Lands. The Committee on Public Lands was renamed the Committee on Interior and Insular Affairs, and Indian Affairs continued as a subcommittee of that committee until 1977 when the Select Committee on Indian Affairs was formed.

The Select Committee on Indian Affairs was established in the 95th Congress to receive the final report of the American Indian Policy Review Commission and consider the many recommendations contained in that report. The committee was formed as a temporary committee expected to expire at the conclusion of the 95th Congress. As the committee grappled with the report of the American Indian Policy Review Commission and the many other issues presented to it during the 95th Congress, it became increasingly evident that if the Congress was to meet its historic constitutional, legal, and moral responsibilities in the area of Indian affairs, an ongoing legislative committee with adequate expertise and resources was necessary.

The select committee was extended an additional 2 years through the 96th Congress, and again extended 2 years through the 97th Congress. It was not until the 98th Congress that the select committee was again made a permanent committee of the Senate, as it had been from the early 1800's until 1947.

Mr. President, the Select Committee on Indian Affairs has enjoyed a remarkable record of bipartisan support and cooperation throughout its 10-year history. The resolution I am introducing today is intended to continue this spirit of cooperation and I believe it will also enhance the ability of the committee to conduct its business in an expeditious fashion.●

SENATE RESOLUTION 184—EXPRESSING THE SENSE OF THE SENATE ON AIDS

Mr. DOLE (for himself, Mr. Stevens, Mr. Wilson, Mr. Hatch, Mr. Murkowski, Mr. Danforth, Mr. Nickles, Mr. Humphrey, Mr. D'Amato, Mr. Bond, Mr. Kasten, Mr. Hollings, Mr. Armstrong, Mr. Cochran, Mr. Chafee, Mr. Reid, and Mr. Simpson) submitted the following resolution; which was ordered held at the desk by unanimous consent until the close of business on Monday, April 6, 1987:

S. Res. 184

Whereas, AIDS is the Nation's number one public health problem;

Whereas, AIDS affects all segments of society;

Whereas, more than 33,000 cases of AIDS have been reported in the United States and over 19,000 have died from the disease since it was first recognized in 1981;

Whereas, at least 1.5 million Americans have already been infected with the AIDS virus;

Whereas, AIDS is now the tenth leading cause of death in this country and is rapidly becoming the leading cause of death for males ages 20 to 39;

Whereas, 30 to 50 percent of the infected Americans will develop the disease of AIDS within the next 5 years and all infected individuals may eventually develop the disease;

Whereas, there is currently no medical cure or vaccine and there is unlikely to be any available cure or vaccine within the foreseeable future;

Whereas, there are many complex moral, ethical, and legal questions which must be addressed;

Whereas, AIDS poses a serious threat to the health, welfare and productivity of our Nation: Therefore, be it

Resolved, That it is the sense of the Senate that a Presidential Commission be created to assist the President and Congress in establishing priorities in dealing with the problem of AIDS domestically as well as to assist with the organization of a plan to deal with AIDS on an international basis.

Sec. 2. That said Commission shall have represented: Health Care Providers; Business Community; Labor; Insurance Industry; Pharmaceutical Industry; Governors and State and Local Officials; International Red Cross; Foundations involved in financing domestic and international health efforts; Scientific Experts; Religious Leaders.

In addition, ex officio members shall include representatives of: Department of Health and Human Services; Department of Education; Department of Justice; Veterans Administration; Department of State; Department of Defense; Department of Labor; National Academy of Science.

Sec. 3. That said Commission shall make recommendations to the President and Congress and have as its charge the following:

1. Make recommendations regarding the financing of health care service needs of those with Acquired Immune Deficiency Syndrome. There should be a careful review of private and public financing, including the roles of the insurance industry and the states. If possible a consensus plan should be developed which includes recommendations on the development and use of alternate delivery systems, such as hospice care.

2. Make recommendations regarding dissemination of information which is essential in the prevention of the spread of AIDS, recognizing the important role the family will play, particularly with respect to education. Efforts should be made to develop methods which actually result in the necessary life style changes taking into consideration the multiple moral, ethical and legal concerns that have been raised.

3. Make recommendations regarding how financial resources can best be allocated to various federal departments and agencies or state and local governments.

4. Make recommendations regarding testing and confidentially.

5. Study and evaluate federal and state laws with special attention to the rules and regulations regarding infectious diseases, particularly with respect to those relating to immigration, discrimination and liability.

6. Make recommendations to foster international coordination and cooperation with respect to data collection, treatment modalities, and research.

AMENDMENTS SUBMITTED

REDUCTION OF TRANSBOUNDARY AIR POLLUTION

MITCHELL (AND DURENBERGER) AMENDMENT NO. 78

(Ordered referred to the Committee on Environment and Public Works.)

Mr. MITCHELL (for himself and Mr. Durenberger) submitted an amendment intended to be proposed by them to the bill (S. 321) to amend the Clean Air Act to better protect against interstate transport of air pollutants, to control existing and new sources of acid deposition, and for other purposes; as follows:

On page 11, after line 21, insert the following new text:

"Part F—Clean Coal Technologies

"findings

"Sec. 190. The Congress finds that—

"(a) acid deposition is a serious environmental problem in both the United States and Canada;

"(b) air emissions from sources in both the United States and Canada are causing significant deposition of sulfates, nitrates and other acidic compounds on ecosystems in both nations;

"(c) acid deposition is a serious transboundary problem as air pollutants emitted by sources in both nations cross their mutual border causing diplomatic as well as environmental problems;

"(d) both the United States and Canada have a responsibility to assure that activities within their jurisdiction or control do not cause damage to the environment of other States;

"(e) the United States and Canada have a long tradition of successfully resolving transboundary environmental problems, both through the International Joint Commission and on a government-to-government basis;

"(f) the recommendations of the Special Envoys with respect to acid deposition build upon that tradition and, in combination with the long-term control program required under Part E of this title, constitute an appropriate near-term effort to address the transboundary acid deposition problem; and "(g) control strategies and clean coal technologies necessary to carry out the recommendations of the Special Envoys exist now and can be deployed on a cost effective basis to reduce transboundary air pollution.

"STATEMENT OF POLICY

"SEC. 191. It is the purpose of this part to fully implement the recommendations of the Special Envoys with respect to acid deposition and transboundary air pollution problems and to improve relations between the United States and Canada by securing near-term reductions in the movement of air pollutants which may be precursors of acid deposition from areas within the United States to areas within Canada. To that purpose—

"(a) The Secretary of the Department of Energy is directed to promote the rapid deployment of existing clean coal technologies so as to reduce total atmospheric loadings of air pollutants which may be precursors of acid deposition and the transboundary movement of such pollutants.

"(b) The Administrator of the Environmental Protection Agency is directed to promote the vigorous enforcement of existing laws and regulations with respect to air pollution in a manner which is responsive to the problems of transboundary air pollution.

"(c) The Secretary of State is directed to seek establishment of a bilateral advisory and consultative group on transboundary air pollution comprising both diplomatic and environmental management officials from the United States and Canada to provide a forum for consultations on issues related to transboundary air pollution and to advise the directors of each nation's environmental program.

"DEFINITIONS

"SEC. 192. For purposes of this part—

"(a) the term 'clean coal technology' means any technology, including technologies applied at the precombustion, combustion or post-combustion stage, deployed at a new or existing facility which will achieve significant reductions in air emissions of sulfur dioxide or oxides of nitrogen associate with the utilization of coal in the generation of electricity or industrial process steam which is not in widespread use at commercial scale as of the date of enactment of this part;

"(b) the term 'coal' means anthracite, bituminous or subbituminous coal, lignite, or any fuel derivative thereof;

"(c) the term 'conventional technology' means any technology, including technologies applied at the precombustion, combustion, or post-combustion stage, which achieves a significant reduction in air emissions of sulfur dioxide or oxides of nitrogen associated with the utilization of coal in the generation of electricity or industrial process steam which is in widespread use at commercial scale on the date of enactment of this part;

"(d) the term 'high-sulfur coal' means coal with a heat value of 10 million Btu per ton which has a sulfur content greater than 1 per centum sulfur by weight or coal with an equivalent or greater sulfur content after adjustment for the heat value of the coal;

"(e) the term 'precursors of acid deposition' means air pollutants including sulfur dioxide, sulfates, oxides of nitrogen and nitrates and their transformation products which may be deposited in a wet or dry form and which when deposited contribute to the acidification of aquatic and other ecosystem; and

"(f) the term 'Secretary' means the Secretary of the United States Department of Energy.

"PROGRAM

"SEC. 193. (a) GENERAL AUTHORITY.—The Secretary, pursuant to authority provided by the Federal Nonnuclear Energy Research and Development Act of 1974 (Public Law 93-577), acting jointly with the administrator is authorized and directed to carry out a program for the construction and operation of facilities to acquire further experience with respect to the commercial deployment of clean coal technologies which significantly reduce air emissions of sulfur dioxide or oxides of nitrogen resulting from the utilization of coal in the generation of electricity or industrial process steam. The Secretary and the Administrator may enter into contracts or cooperative agreements with, or provide financial assistance in the form of grants to, the owner or operator of any such facility to assure the deployment of clean coal technologies. The program established by this section shall include—

"(1) solicitations for proposed projects to deploy such technologies;

"(2) selection of suitable projects from among those proposed;

"(3) supervision of the construction and operation of such projects;

"(4) monitoring and evaluation of the results of the projects which are conducted; and

"(5) dissemination of information on the effectiveness and feasibility of the clean coal technologies which are operated.

Not later than 180 days after the date of enactment of this part, the Secretary acting jointly with the administrator shall publish regulations to assure the satisfactory implementation of each element of the program authorized by this part.

"(b) SOLICITATION.—Not later than 210 days after the date of enactment of this part, the Secretary acting jointly with the Administrator shall publish a solicitation for proposals to deploy clean coal technologies which will significantly reduce air emissions of sulfur dioxide or oxides of nitrogen resulting from the utilization of coal in the generation of electricity or industrial process steam. The solicitation notice shall provide for a 30-day application period and shall prescribe the information to be included in the proposal, including technical and economic information sufficient to permit the Secretary and the Administrator to assess the potential effectiveness and feasibility of the technology to be deployed and the reductions in air emissions of sulfur dioxide or oxides of nitrogen which can be expected to be achieved through deployment of the technology. A second solicitation shall be conducted not later than 21 months after the date of enactment of this part.

"(c) APPLICATIONS.—Any person or any public or private entity which is the owner or operator of a major source of air emissions as defined in this Act may submit an application to the Secretary and the Administrator in response to the solicitations required by subsection (c) of this section. The application shall contain a proposed deployment plan setting forth the various phases of the project and such other information as the Secretary and the Administrator may require. Such plan shall provide that the technology to be deployed will be installed and operational as expeditiously as practicable, but in no case later than 36 months after the date on which the project is selected for assistance by the Secretary.

"(d) SELECTION CRITERIA.—The Secretary acting jointly with the Administrator may provide assistance under this part to a project which utilizes a clean coal technology, if the Secretary and the Administrator determine that the project will provide experience with respect to the operation of such technology at commercial scale and only if the project satisfies each of the followng criteria—

"(1) the project will utilize technology which would be appropriate for retrofit on a significant number of existing coal-fired sources of air emissions of sulfur dioxide or oxides of nitrogen;

"(2) the project will contribute to a reduction in the transboundary movement of air pollutants which are precursors of acid deposition from areas within the United States to areas within Canada;

"(3) the technology to be deployed will significantly reduce air emissions of sulfur dioxide or oxides or nitrogen (measured as a percentage removed) associated with coal utilization or, if providing less than significant reductions (measured as a percentage removed), the technology deployed will achieve reductions at a cost per ton of reductions which is substantially less than the cost associated with conventional technology;

"(4) the technology to be deployed will result in a reduction of emissions of sulfur dioxide or oxides of nitrogen at a cost which is equal to or less than the cost of achieving comparable emission reductions with conventional technology; and

"(5) the project will utilize as a feedstock coal mined in the United States and the location of the facility will be in the United States.

In selecting among projects for assistance which have similar reduction potential, both with respect to the rate of emissions and the transboundary movement of air pollutants which may be the precursors of acid deposition, the Secretary acting jointly with the Administrator shall give priority to those projects which achieve reductions at the least cost per ton of reductions achieved and which would be appropriate for retrofit at existing sources of air emissions which utilize high-sulfur coal.

"(e) REVIEW BY THE ADMINISTRATOR.—The Secretary shall not select any project for assistance under this part unless the Administrator shall first have made a determination that the proposed project satisfies each of the criteria established by subsection (d) of this section.

"(f) PROHIBITIONS.—The Secretary or the Administrator shall not select for assistance any project which incorporates reductions in air emissions of sulfur dioxide or oxides of nitrogen which are required according to a State implementation plan developed and approved pursuant to subsection 110 of this Act. No reduction in air emissions of sulfur dioxide or oxides of nitrogen which is achieved by a source through the deployment of clean coal technology in a project assisted under this part shall be available for banking or trading to achieve compliance with a State implementation plan by any other source of such emissions.

"(g) NOTIFICATION.—The Secretary and the Administrator shall select or refuse to select a project for assistance under this section within 90 days of receiving the completed application. In the case of a refusal to select a project for assistance, the Secretary and the Administrator shall notify the applicant within such 90-day period of the reasons for refusal.

"(h) COST-SHARING.—In providing financial assistance under this part to a clean coal technology project, the Secretary acting jointly with the Administrator shall endeavor to enter into agreements and make other arrangements for maximum possible cost-sharing with State and local agencies, utility companies, technology vendors and other persons. Total Federal funds for any project shall not exceed 50 per centum of the cost of the project (including the entire capital cost and operating costs over a two-year period beginning on the date on which operation of the technology commences) estimated at the time of the award of such assistance. The owner or operator of the facility (or any other project sponsor) shall not be required to reimburse the United States from future revenues of the project.

"(i) FURTHER PROVISIONS.—

"(1) The Secretary may vest fee title or other property interest acquired through assistance of any clean coal technology project in any entity including the United States.

"(2) Cost-sharing by the owner or operator of the facility (or other project sponsor) is required in each of the design, construction and operating phases of the project.

"(3) Financial assistance for costs in excess of those estimated as of the date of the award of original financial assistance may not be provided in excess of the proportion of costs borne by the Government in the original agreement and only up to 25 per centum of the original financial assistance.

"(4) Other appropriated Federal funds may not be used for cost-sharing by the owner or operator of the facility (or other project sponsor).

"(5) Existing facilities, equipment and supplies or previously expended research and development funds are not cost-sharing for purposes of this part except as amortized, depreciated, or expended in normal business practice.

"(j) RECONSTRUCTION.—No project which receives financial assistance under this part shall be deemed to be a significant modification or reconstruction which would require compliance with a new source performance standard promulgated pursuant to section 111 of this Act by the source at which the project is carried out.

"ADVISORY COMMITTEE

"SEC. 194. (a) Not later than 90 days after the date of enactment of this part, the Secretary acting jointly with the Administrator shall establish, according to the provisions of the Federal Advisory Committee Act (5 U.S.C. app 1, et seq.), a Clean Coal Technologies Advisory Committee composed of the Secretary and the Administrator, or the Secretary's or Administrator's designees, who shall be co-chairs, and ten members appointed by the Secretary and the Administrator who shall be selected from representatives of State and local governmental agencies or interstate or regional planning organizations with air pollution control responsibilities and who by their experience or technical expertise can advise, consult with, and make recommendations to the Secretary or the Administrator on matters of policy relating to the control of air emissions which may be precursors of acid deposition and the selection of clean coal technology projects which satisfy the criteria of section 193(d) of this Act. Five members shall be selected by the Secretary and five members shall be selected by the Administrator. The Committee shall also include three representatives of Canada who shall be nominated by the Minister of Environment Canada for service on the Committee.

"(b) TERMS.—Each member of the Committee (with the exception of the Chair) shall hold office for a term of three years and members shall be eligible for reappointment.

"(c) SUPPORT.—Such clerical and technical assistance as may be necessary to discharge the duties of the Committee shall be provided from personnel of the Department of Energy.

"(d) COMPENSATION.—Members of the Committee (with the exception of the Chair) shall, while attending meetings or conferences of the Committee or otherwise engaged in business of the Committee, receive compensation and allowances at a rate to be fixed by the Secretary, but not exceeding the daily equivalent of the annual rate of base pay in effect for Grade GS-18 of the General Schedule under section 5332 of title 5, United States Code, for each day (including travel time) during which they are engaged in the actual performance of duties vested in the Committee. While away from their homes or regular places of business in the performance of services for the Committee, members shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code.

"(e) EXCEPTION.—Section 14(a) of the Federal Advisory Committee Act (5 U.S.C. app 14), relating to termination, shall not apply to the Committee established by this section.

"AUTHORIZATIONS

"SEC. 195. (a) There are authorized to be appropriated to carry out the provisions of this part $500,000,000 in each of the fiscal years 1988, 1989, 1990, 1991, and 1992.

"(b) The sums authorized by this section shall be in addition to the amounts available from the Clean Coal Technology Reserve established pursuant to Public Law 98-473.

"ECONOMIC REGULATION

"SEC. 196. (a) For purposes of determining whether the rates and charges of any public utility, as defined in section 210(e) of the Federal Power Act, are just and reasonable under sections 205 and 206(a) of such Act, the Federal Energy Regulatory Commission shall apply the following criteria—

"(1) any expenditure for the design and engineering of a clean coal technology project which receives financial assistance under this Part by such utility shall be allowed as an operating expense.

"(2) any capital cost incurred to retrofit, repower or modernize an existing facility with a clean coal technology as part of a project assisted under this Part shall be included in the rate base when incurred, except to the extent such cost is allowed as an expense under paragraph (1) of this subsection.

"(3) on application of the public utility, the Federal Energy Regulatory Commission shall allow any capital cost of the utility incurred to retrofit, repower or modernize an existing facility with clean coal technology as a part of a project assisted under this Part (to the extent not allowed as an operating expense under paragraph (1)) to be amortized over a 5-year period beginning with the calendar year in which facility or clean coal technology is placed in service and a return shall be allowed on the unamortized amount.

"(4) there is a rebuttable presumption that any expenditure or capital cost incurred by a utility for a clean coal technology project assisted under this Part is prudent.

"(b) The Secretary of the Department of Energy, by rule after concurrence by the Administrator of the Environmental Protection Agency, may designate one or more clean coal technologies as eligible, in whole or in part, for the regulatory treatment provided in subsection (a) of this section. Projects using such designated technology, including projects which have not received assistance under part F of this Act, shall only be granted such treatment to the extent that they satisfy the criteria established by section 193(d) of this Act.

"(c) The Federal Energy Regulatory Commission may exempt any person from any provision of the Public Utility Holding Company Act and parts II and III of the Federal Power Act to the extent—

"(1) either Act applies by reason of ownership or operation of any federally assisted clean coal technology project or any project using designated clean coal technology; and

"(2) the Commission determines such an exemption is necessary to permit such person to participate in such project.

"EFFECT OF FUEL USE ACT

"SEC. 197. Notwithstanding any provision of the Powerplant and Industrial Fuel Use Act of 1978 or any other law, natural gas may be used in a major fuel burning installation which is coal-fired (as defined in such Act), whether existing or new, to the extent that such gas is used as part of a clean coal technology, such as reburning, which achieves cost effective reductions in air emissions of sulfur dioxide or oxides of nitrogen. This section shall not be construed, interpreted or applied to allow the use of natural gas as the primary fuel in any such installation and the Secretary may by regulation require that any person using natural gas in such installation obtain a temporary or permanent exemption from the prohibitions of such Act before the clean coal technology is put into operation.".

● **Mr. MITCHELL.** Mr. President, today I am submitting an amendment to encourage the development of new clean coal technologies.

A major stumbling block to acid rain legislation has been its expected cost. Acid rain controls are currently available at a reasonable price, but critics of acid rain legislation advise that we await development of newer and more cost-effective controls. I provide necessary flexibility in S. 321, the Acid Deposition Control Act of 1987, to allow for these newer technologies. This legislation provides additional incentives for their development.

The United States-Canada Joint Report of the Special Envoys on Acid Rain, released in January 1985, recommended a 5-year, $2.5 billion program to demonstrate less expensive ways to control air pollution. Under this report, the U.S. Federal Government would provide 50 percent of the funding or $500 million per year.

The President endorsed this recommendation of the Envoys' report, and his spokesman stated that the President would seek funding for this program. The President made no such budget recommendation last year, nor did the administration seek any legislation to fully implement these recommendations.

In anticipation of another Reagan-Mulroney summit this month, the President last month restated his interest in seeking this funding to implement the Envoys' report. There has been no budget recommendation or legislation sent to Congress that would implement this program.

In order to fully implement the Envoys' report, I am joining with Senator DURENBERGER to submit legislation to encourage the development of new clean coal technologies. The legislation would implement the January 1985 recommendations of the Joint Report of the Special Envoys on Acid Rain by authorizing an annual appropriation of $500 million from 1998 through 1992. Last year as well as last month, President Reagan indicated that he would support such a proposal.

The amendment would require that projects selected by EPA and DOE achieve significant near-term reductions of transboundary air pollution and be capable of being utilized as a retrofit technology.

However, such a clean coal technology program is not a replacement for acid rain controls. Without acid rain controls, it is unlikely that these technologies will ever be fully developed or used. This legislation will provide the incentive for industries to build an economically sound and environmentally safe energy source as we move into the next century.

I am hopeful that the administration will endorse this legislation and fulfill its bargain with Canada and the American people. We were promised in March 1986 that such a program would be implemented. We were promised this program again in March 1987. This legislation is action, not promises. Combined with enactment of an acid rain control bill such as S. 321, necessary cost effective reductions in sulfur dioxide and nitrogen oxide emissions will be achieved.●

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for the information of the Senate and the public that the Committee on Energy and Natural Resources has scheduled hearings to address issues in the Department of Energy's Civilian Nuclear Waste Program.

These hearings will take place on Tuesday, April 28, 1987 at 9:30 a.m. and April 29, 1987 at 9:30 and 2 p.m. in room SD-366 in the Senate Dirksen Office Building in Washington, DC.

The hearing on April 28 will address technical issues related to the siting of a geologic repository. On April 29 at 9:30 testimony will be received on pending legislation S. 839, to authorize the Secretary of Energy to enter into incentive agreements with certain States and affected Indian tribes concerning the storage and disposal of high-level radioactive waste and spent nuclear fuel, and for other purposes. On April 29 at 2 p.m. the committee will receive testimony on the Department of Energy's proposal to Congress for a monitored retrievable storage facility.

Those wishing to submit written testimony should address it to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510.

For further information, please contact Mary Louise Wagner at (202) 224-7569.

Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled to consider proposed legislation to expand the Clean Coal Technology Program.

This hearing is scheduled to take place on May 18, 1987 at 2 p.m. in room SD-366 in the Senate Dirksen Office Building in Washington, DC.

Those wishing to submit written testimony should address it to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC. 20510.

For further information, please contact Cheryl Moss at (202) 224-7569.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. FORD. Mr. President, I would like to announce for the information of the Senate and the public that hearings have been scheduled to consider proposals to restructure the Department of Energy's Uranium Enrichment Program.

These hearings will take place on Monday, May 4, 1987 at 2 p.m. and on Friday, May 8, 1987 at 9:30 a.m. in room SD-366 in the Senate Dirksen Office Building in Washington, DC.

Those wishing to submit written testimony should address it to the Committee on Energy and Natural Resources, Subcommittee on Energy Research and Development, U.S. Senate, Washington, DC 20510.

For further information, please contact Cheryl Moss at (202) 224-7569.

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

Mr. BUMPERS. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Public Lands, National Parks and Forests.

The hearing will take place Monday, April 27, 1987, 10 a.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on H.R. 1320, National Park Service entrance fee legislation.

Those wishing information about testifying at the hearing or submitting written statements should write to the Subcommittee on Public Lands, National Parks and Forests, U.S. Senate, room SD-364, Dirksen Senate Office Building, Washington, DC 20510, on or before April 23. For further information, please contact Tom Williams at (202) 224-7145.

Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Public Lands, National Parks and Forests.

The hearing will take place Thursday, April 30, 1987, 10 a.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on:

H.R. 568/S. 252 bills to establish a San Pedro Riparian National Conservation Area; and

S. 575, a bill to convey public land to the Catholic Diocese of Reno/Las Vegas, NV.

Those wishing information about testifying at the hearing or submitting written statements should write to the Subcommittee on Public Lands, National Parks and Forests, U.S. Senate, room SD-364, Dirksen Senate Office Building, Washington, DC 20510 on or before April 24. For further information, please contact Beth Norcross at 224-7933.

Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Public Lands, National Parks and Forests.

The hearing will take place Thursday, May 7, 1987, 10 a.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on the following measures currently pending before the subcommittee:

H.R. 191/S. 261, bills to authorize the establishment of a Peace Garden on a site to be selected by the Secretary of the Interior; and

S. 451, a bill to require the Secretary of the Interior to conduct a study to determine the appropriate minimum altitude for aircraft flying over national park system units.

Those wishing information about testifying at the hearing or submitting written statements should write to the Subcommittee on Public Lands, National Parks and Forests, U.S. Senate, room SD-364, Dirksen Senate Office Building, Washington, DC 20510 on or before May 4. For further information, please contact Tom Williams at 224-7145.

Mr. President, I would like to announce for the public that hearings have been scheduled before the Subcommittee on Public Lands, National Parks and Forests.

The hearings will take place Tuesday, May 12, 1987, at 2 p.m. and Thursday, May 14, 1987 at 10 a.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of these hearings is to receive testimony on two measures currently pending before the subcommittee. The measures are:

S. 84 and S. 735, bills to amend the Land and Water Conservation Fund Act of 1965.

Those wishing information about testifying at the hearing or submitting written statements should write to the Subcommittee on Public Lands, National Parks and Forests, U.S. Senate, room SD-364, Dirksen Senate Office Building, Washington, DC 20510 on or before May 7. For further information, please contact Tom Williams at 224-7145.

AUTHORITY FOR COMMITTEES TO MEET

SELECT COMMITTEE ON INTELLIGENCE

Mr. BYRD. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Friday, April 3, 1987, to hold hearings to discuss intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Friday, April 3, 1987, in open session to receive testimony on U.S. national security strategy, especially the President's recent report National Security Strategy of the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON EDUCATION, ARTS, AND THE HUMANITIES

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Education, Arts, and the Humanities, Committee on Labor and Human Resources, be authorized to meet during the session of the Senate on Friday, April 3, 1987, to hold a hearing on "The White House Conference on Library and Information Services", Senate Joint Resolution 26.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Taxation and Debt Management of the Committee on Finance be authorized to meet during the session of the Senate on Friday, April 3, 1987, to hold a hearing on tax incentives for research and development.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

MEDICAL NEEDS OF THE ELDERLY

● Mr. DURENBERGER. Mr. President, there is no responsibility more important for Congress and the Senate Finance Committee than its oversight of the program—the utilization and quality control peer review organizations [PRO] which Congress set up to ensure that Medicare beneficiaries are given high quality medical care. The PROs make certain that the Government purchases quality care, not mediocre or bad care, and appropriate care, not inappropriate or less than appropriate care. Finally the PRO Program helps Congress keep faith with the taxpayers of America, who finance roughly 92 percent of Medicare—most of it through payroll taxes on working Americans—by guaranteeing that the Medicare Program is a wise and prudent purchaser. But with the economic incentives turned around, which Congress did in 1983 when it created the prospective payment system for hospitals, the role of the PROs became paramount in making certain that beneficiaries are given the best quality care and that there is no underservice.

The PROs have a tough job but their job is more important today than ever before. We count on them to help us see what midcourse corrections are needed as we all undergo this revolution in health care. As we undertake to add services, encourage better use of outpatient care and live with changes in clinical practice that affect all of us, we must look out for the frail elderly.

I have been holding special meetings throughout Minnesota and heard from hundreds of seniors, disabled beneficiaries, physicians, nurses, allied health personnel, administrators and citizen groups. The best summary that I heard from many people was given in very impressive testimony by Dr. Ann Vogel of New Ulm, MN, which I am submitting today. It is not only an excellent description of what she and her colleagues are experiencing but it brings together so articulately and humanely what many are experiencing throughout the country. I hope you all will have a chance to read her testimony from the head and the heart of this impressive physician in rural America.

The testimony follows:

CONCERNS REGARDING THE MEDICAL NEEDS OF THE ELDERLY IN BROWN COUNTY AND SURROUNDING AREA

(Ann C. Vogel, M.D.)

I have been involved in the Minnesota PRO (PSRO before these) for the past 10+ years. Presently, I am a physician reviewer and board member of the Foundation for Health Care Evaluation located in Minneapolis and Burnsville.

The comments which follow come from my listening to a wide range of providers (health care) and particularly physicians in the state of Minnesota, as well as physicians who are members of the American Medical Directors Association (AMDA)—which is a national organization of over 600 physician Medical Directors of LTC facilities in this country, as well as my personal experience taking care of Medicare patients before and after the 1984 change in the reimbursement mechanism and introduction of the new rules and regulations and policy implementation regarding the review of admission criteria, length of stay, etc.

Let me preface my comments by saying: The new PRO review process initiated in 1984 has helped to cut down unnecessary medical expenses in many areas and I welcome that. However, there are some vulnerable Medicare patients who are definitely being harmed by it. Most often those frail elderly and acutely ill who have had, for example—strokes, terminal cancer, or developed slow organ failure (heart, lung, kidney), and eventual shutdown—and who may not be able to receive optimal or even reasonably compassionate care in a nursing home or home care setting. These are the individuals I will largely be referring to in the comments that follow.

The walking well, and fairly mentally alert elderly in this country—who become acutely ill, often have a good chance of a reasonable recovery and they fare much better under our present Medicare system.

REHABILITATION REIMBURSEMENT (LEVEL II)

We need to allow Medicare coverage for stroke patients who require more intensive rehabilitative therapy than they often receive before being transferred to a nursing home. Right now some stroke patients who have feeding difficulties or bladder/bowel problems are having feeding tubes and catheters inserted to facilitate their transfer to a nursing home—when under some of those circumstances, a transfer to a Medicare covered rehabilitation bed would have very possibly prevented using either in the first place.

The present metro versus rural reimbursement rate is not equitable and places rural providers at financial disadvantage. Care often can involve use of the more expensive medical technology.

Admission criteria (hospital) for Medicare patients need to be modified for the frail elderly. Examples of modifiers which would work include: psycho social, medical, functional.

Social: The widowed or others living alone with no immediate relatives or friends available—who could serve as a temporary primary care giver for the patient—usually these individuals live in a very small community or outside city limits and have no transportation.

Psychological: Psychological impairment that is due most often to some degree of cognitive impairment (i.e. dementia) which prevents an individual from following directions accurately or prevents them from understanding directions aimed at self care. Reportedly, this was vetoed by HCFA's Chicago office.

Medical: The frail elderly who become acutely ill are often those who were chronically ill. They have multiple and often complex medical problems which cause a minor acute illness to become a major acute illness—to manage. And this often requires hospitalization in order not to place them at medical risk in recommending their treatment plan. If it was attempted to carry out treatment outside the hospital—other preventable medical complications would be likely to occur. Example: an elderly individual with early pneumonia who also has heart disease, diabetes and kidney failure (if it were a younger patient without other medical problems—outpatient treatment would work).

Functional: An individual who can not ambulate safely without ambulatory aids or who has perceptual deficits. Example: a wheelchair confined elderly individual falls and sprains an arm and thus can no longer transfer from wheelchair to bed safely or an individual with flu and poor vision can't read the syringe to make exchanges in an insulin dose. Perceptual deficits such as loss of hearing, vision, or sensation (seen with deafness associated with aging, or cataracts) and loss of manual dexterity (often arthritis in the elderly)—causes elderly who are acutely ill to lose their ability to look after themselves and attend to their personal hygiene and nutrition needs especially where ill or injured. Bladder/bowel incontinence of varying degrees makes outpatient treatment of an acutely ill and frail elderly patient much more problematic and often impossible to do outside the hospital.

More Medicare covered transitional care or swing beds are needed in the patients "home" hospitals. Presently hospitals with bed capacities of 50 or more can not provide this necessary and less expensive care for the frail, acutely injured or ill patients they admit and treat.

For example, presently Sioux Valley Hospital (SVH) is faced with moving "stabilized" acutely ill patients to a nursing home for this care even if it is for a relatively brief period. There is only 1 Medicare approved nursing home in Brown County, which is outside New Ulm. And designated Medicare nursing home beds in Sleepy Eye—west of New Ulm, are almost always filled. Meeting the criteria for admission to these few Medicare nursing home beds in the county can be a headache, impractical, and at times too rigid an interpretation of "allowable reimbursable services."

Stabilized elderly acutely ill, but recovering, patients in SVH must be admitted frequently to a nursing home without Medicare coverage—this results in cost shifting for the patient—i.e. the Medicare age patient must then find the money to pay for his/her own care in these nursing homes. These people were relying on having some Medicare insurance available to take care of their medical expenses in their "hours of need" and are distressed when they find their needed extended care at the nursing home won't be covered. This problem will only increase in years to come—as the demographer's predictions of the rise in frail elderly population comes true.

Smaller community hospitals can only do so much "charity work" and continue to care for the "prolonged recovery or prolonged death" of Medicare patients—before their cash flow suffers and ability to serve suffers.

The criteria which needs to be met for home health care (Medicare) eligibility is too rigid at times—especially as it pertains to the patient who has terminal cancer. One can't predict then, that these patients will die—and sometimes it takes longer than "Medicare coverage will allow". Thus the frail elderly patient, again with very limited resources, must agonize over whether he/she has enough money to pay for the care they need while struggling on with a hopeless (often it is cancerous) illness. I use the latter as an example because it can be the most emotionally and physically draining on all concerned.

The last example of the present cost shifting from Medicare payment to out-of-pocket payment which is occurring, lies in the arena of Home Health Care (HHC). Here "special category" patients such as the terminally ill (again, expecially cancer patients) for eligibility of covered services is often too restrictive. Example: Oxygen use, tube feeding use or nutritional supplements, IV tubing, IV medications and extra supplies such as section equipment—under many circumstances is not covered. Often, around the clock nursing in the home may become necessary if no nursing home bed was available and home care was then a consideration for the terminal care and these services are also not reimburseable. The result of this scenario? The remaining survivors—i.e. the elderly spouse, or elderly relatives or responsible family members, if there are any—are faced with potential financial ruin at times if asked to reimburse the providers for that costly labor intensive and at times rather long term—terminal care.

I hope some of these comments help the congressional LTC committee in gaining a clearer, truer picture of the effects of the present cut backs in our Medicare program and the need to protect the beneficiaries. If you wish any further information or have additional questions or comments I would be happy to attempt to help in suggesting perhaps other physicians who could add more light on our present dilemma of trying to give needed care to the elderly—especially the vulnerable, frail, ill or injured in this country.●

SOVIET REFUSENIK CANCER PATIENTS

● Mr. DURENBERGER. Mr. President, I rise today to speak out on an issue that should concern all Americans: The Soviet delays and refusal to allow seriously ill Soviet citizens emigrate to the West for medical treatment.

We are all aware of Mikhail Gorbachev's glasnost or openness campaign. Last month 470 Soviet Jews were granted permission to emigrate, equal to about half of the entire emigration allowance for 1986. Newspaper accounts suggest that a "mass exodus" of 10,000 or more will soon be permitted by Soviet authorities. I sincerely hope these stories prove to be accurate. I would like nothing more than to see thousands of Soviet refuseniks gain their freedom after so many years of hardship, persecution, and harassment.

My concern for the brave Soviet Jews who desire to emigrate has not and will not diminish. Allowing 10,000 refuseniks to leave would be a very concrete sign that Gorbachev is willing to follow his words with deeds. But the issue of Jewish emigration from the Soviet Union involves far more than the estimated 10,000 to 11,000 Jews who have applied to emigrate and been refused more than once.

Since 1968 there have been a total of 643,765 requests for emigration by Soviet Jews. Only 266,899 requests have been granted. Thus simple math leads me to conclude that over 370,000 Jewish refuseniks remain in the Soviet Union against their will. And due to Soviet policy, applying for permission to emigrate creates dangers for the applicant. Jobs are lost, homes are lost, harassment is a regular occurrence, and lives are ruined. If Soviet emigration policy ever underwent a true change that fully opened Soviet borders, we know that far more than 370,000 people would sieze the opportunity and leave for freedom.

Those of us who have long championed the cause of Soviet Jewry recognize that glasnots has, thus far, delivered much more style than substance. There is one particular area that I would like to see Secretary Gorbachev take serious action: Allowing seriously ill refuseniks to emigrate. We do not know how many refuseniks are sick and in need of treatment that is only available outside the confines of the Soviet Union. We do know that Gorbachev has allowed several refuseniks related to cancer cases to emigrate. Unfortunately, in both these cases permission was granted too late to aid the cancer patients.

Both Inna Meiman and Michael Shirman died before their disease could be effectively treated. In both cases the delays were due to Soviet roadblocks that unnecessarily prolonged the emigration process. Inna died 21 days after arriving in the United States after she had sought to emigrate for months. Michael died a few days after his sister was allowed to emigrate to give him a bone marrow transplant in Israel, also after long-seeking to emigrate. There can be no excuse for letting superpower politics enter the operating room. We in the Congress must do all we can to ensure that the cancer patients we know of are granted permission to leave.

We know the names of eight cancer patients who need permission to leave as early as possible if there is to be any hope for treating their illness. These patients are diverse, ranging from 8-year-old Edward Erlikh to 71-year-old Fayina Kogan. Benjamin Charny's brother, who is fortunate enough to enjoy the freedoms that we so often take for granted, has begun a vigil outside the Soviet Embassy to protest Gorbachev's refusal to allow Benjamin to come to the West for treatment.

Leon Charny's vigil began March 23 on Sakharov Plaza in Northwest Washington, DC. I have shown my support for his cause by signing a letter asking Secretary Gorbachev to release Benjamin Charny. I have also asked that the Soviet leader put aside whatever compels him to keep Soviet borders closed and release Sophia Bravve, Elizaveta Geishis, Fayina Kogan, David Zolotnisky, Sheina Schwarz, Mariana Simontova, and Edward Erlikh.

We cannot stand idly by while people die because they are not allowed access to treatment that could save their lives. The disease of cancer is debilitating and tragic enough for the thousands who die because their cases cannot be treated. It is inexcusable for cancer patients to die in 1987 simply because a political leader does not care enough to let them leave. I think the entire Congress, and the entire country, would appreciate action by Secretary Gorbachev on a matter of simple humanitarian decency.

It may be too soon to tell just what glasnost will mean for the future of relations between the Soviet Union and the United States. But let us hope and pray that at the very least glasnost will mean that these unfortunate human beings can be given the full benefit of the best medical personnel and the most advanced technology available in the world. Let us hope these eight Soviet citizens are released before tragedy strikes again.

Mr. President, I ask that the following five items relating to these Soviet cancer patients be printed in the RECORD.

The items follow:

[From the Washington Post, Apr. 2, 1987]

SOVIET EMIGRE TRIES TO FREE ILL BROTHER

(By Eric Pianin)

To Leon Charny, it is "incomprehensible" and the height of cruelty: His 49-year-old brother Benjamin is suffering from a deadly skin cancer in Moscow, but Soviet authorities won't let him emigrate to the West to receive treatment that might prolong his life.

"It's despicable that they allow this affair to drag on," said Charny, who has maintained a vigil near the Soviet Embassy on Sakharov Plaza NW since March 23.". . . It's completely inconsistent with what they are trying to achieve through *glasnost,*" Soviet leader Mikhail Gorbachev's call for openness.

Charny, 34, a mathematician from Needham, Mass., is in a race against time to persuade the Soviet Union to release his ailing brother, who suffers from malignant melanoma and a serious heart ailment.

Four other Refusenik cancer patients were allowed to leave the Soviet Union since a group of U.S. senators called attention to their situation in September.

One of those patients, Inna Meiman, died 21 days after arriving in Washington. Michael Shirman, a Soviet emigre, died in Israel a few days after he received a bone marrow transplant from his sister, whose efforts to get out of the Soviet Union had been delayed.

"My brother has been trying to rejoin me . . . for over seven years," Charny said. "His health has now deteriorated to a critical point, yet he is denied permission to leave the Soviet Union. How much longer does my brother have to fight for his exit visa?"

Sixteen senators, including Pete Wilson (R-Calif.), Robert J. Dole (R-Kan.), Barbara A. Mikulski (D-Md.) and Edward M. Kennedy (D-Mass.), met with Leon Charny on Capitol Hill Tuesday to support his effort to gain his brother's release.

"There has been much talk lately of a new Soviet openness," Wilson said. "I invite General Secretary Gorbachev to apply a little *glasnost* to the plight of this painfully sick man, whose only offense has been to seek emigration to the West."

Kennedy has drafted a letter to Gorbachev—signed by 72 members of the Senate—urging the release of Charny and seven other cancer victims who are seeking to leave the Soviet Union.

Benjamin Charny worked as a mathematician for the Soviet government, inventing new methods for doing calculations on computers, until 1979, when his attempts to emigrate with his family cost him his job. Charny lives in Moscow with his wife Yadviga, 51, an industrial engineer, their daughter, Anna, 26, a mathematician, and son-in-law Yuri Blank, 29, an electrical engineer.

Yadviga Charny and Yuri Blank began a hunger strike this week.

Soviet immigration officials said they have based denials on Charny's previous security clearance, although, according to his brother, all of his work was completed 15 years ago and has been published.

Leon Charny, who was allowed to emigrate to the United States in December 1979, said his brother reared him after their parents died in the late 1960s.

"My brother took charge of everything," Charny said yesterday. "He was a brother and father and also a best friend. I have very warm memories of those days, of course. It's been an extremely painful separation for all of us. And in his condition, it's doubly painful."

Charny last spoke to his brother by telephone Monday evening. His brother received a letter this week from the Soviet minister of health informing Benjamin Charny that the minister had no jurisdiction over immigration matters.

Leon Charny visited the Soviet Embassy yesterday afternoon, urging the vice consul to intervene.

"He was extremely polite, very well-mannered," Charny said. "He suggested me writing letters to various authorities in the Soviet Union. I think he had human compassion, but unfortunately he was not in a position to exercise any authority. . . ."

SOVIET CANCER PATIENT IN CRITICAL CONDITION DENIED EXIT VISA

(By Leon Charny)

MARCH 23, 1987.

Today I start a vigil at the Embassy of the Soviet Union in Washington. At the same time, Rita Levin, a daughter of another cancer patient Yuri Shpeizman, starts a similar vigil at the U.S. Embassy in Israel. On March 25, Benjamin Charny's wife in Moscow begins a hunger strike. I ask all peace-loving people of the world to help and support us.

I am forced to do this because of the deteriorating health of my brother, Benjamin Charny, and the recent tragic deaths of two cancer patients Inna Meiman and Michael Shirman.

Inna Meiman was denied permission for more than three years to come to the West for a life saving treatment of her cancer. When she finally received that permission and came here to Washington in January 1987, it was too late—she died three weeks later.

Michael Shirman lived in Israel. His life could have been saved only by a bone marrow transplant from his sister who lived in Moscow. It took over nine months of a highly publicized struggle before Michael's sister was allowed to go to Israel. When she got there, it was too late—Michael died of cancer two weeks ago.

My brother, Benjamin Charny, has been trying to rejoin me, his only living blood relative, for over seven years. His health has now deteriorated to a critical point—yet he is still denied permission to leave the USSR. How much longer does my brother have to fight for his exit visa? How much time does he have left to carry on this fight?

I knew Inna and Michael. I do not want my brother to be the next victim in this ongoing tragedy of the Soviet cancer patients. I ask the whole world to view the plight of my brother and other dying cancer patients as a test of the humanity of the Soviet Government. The treatment of my brother and other cancer patients, the most frail and defenseless individuals, shows the true face of this country.

I ask the Soviet authorities to stop this unparalleled suffering of my brother and the other cancer patients who are separated from their loved ones. I ask the Soviet authorities to act immediately, before it is too late. Tragedies like those of Inna Meiman and Michael Shirman must not be repeated.

Please help!

[From the New York Times, Mar. 20, 1987]

WHAT IS THE POINT?

(By Anthony Lewis)

Benjamin Charny is a Soviet mathematician, 49 years old, who is desperately ill with cancer. He wants to join his brother, Leon, in the United States. Soviet officials, have denied him permission to leave.

As the human rights problems of the world go, the Charny case is of modest dimensions. It can set no great precedents, shake no institutions. So far as one can tell, the only stakes are the human longings of one family.

But that is what makes the case so puzzling: it and a handful of others like it. Benjamin Charny is one of nine advanced cancer patients in the Soviet Union who are known to have asked permission to join relatives abroad—and been told they cannot. Why? What imaginable official interest can there be in those denials? What interest could outweigh the damaging impression of casual inhumanity?

Leon Charny, who is at the Massachusetts Institute of Technology, is convinced that there is no logic in the treatment of these cancer victims: no high-level Soviet policy. "I think it just bureaucratic," he said. "Somebody has to stick his neck out, and bureaucrats don't like to do that."

Leon is 15 years younger than his brother, and Benjamin brought him up, after their parents died. The two tried to leave the Soviet Union in 1979, but only Leon got an exit visa. Benjamin was told that he could not go because he had done secret work. Leon says that was 15 years ago, and the work has all been published in the Soviet Union. Someone just needs to correct the file, he believes.

"If the people at the top had their attention drawn to these cases," Leon Charny said, "I think they would act. It goes against the new Gorbachev image.

"The cancer cases do raise questions about Mikhail Gorbachev: not humanitarian questions so much as political ones. They really go to his understanding of the United States. As he works to improve relations with this country, does he appreciate how Americans react to individual tragedies of this kind? Does he understand what damage they do to the prospect of better relations?

It has been Soviet practice in the past to use individual human rights cases for diplomatic ends. At the time of a summit meeting, for example, some imprisoned dissidents would be released, refuseniks allowed to emigrate, wives allowed to join husbands abroad.

The idea apparently was that those gestures would improve the atmosphere at important diplomatic moments. But surely the negative impact on opinion in the West was cumulatively far greater.

Mr. Gorbachev has seemed to understand that. He has released a significant number of political prisoners, including men as important as Anatoly Koryagin and Iosif Begun. A respected correspondent in Moscow, Patrick Cockburn of The Financial Times of London, wrote last month that "Mr. Gorbachev and his advisers, unlike their predecessors, are very conscious" of the effect in the West of "dramatic individual cases."

But the cancer patients, small in number, have been dealt with in a way that might have been calculated to offend: slowly, reluctantly, with no sign of understanding.

Last year five cancer victims applied to leave the U.S.S.R. Protest built up on their behalf. Finally four, all but Benjamin Charny, were allowed to leave. The best known of these, Inna Melman, died three weeks after reaching this country in January.

A patient in Israel, Michael Shirman, needed a bone marrow transplant from his sister, who was in the Soviet Union. She and her family were only given permission to leave after so much delay that the operation was too late and her brother died.

Now Benjamin Charny and eight others are waiting. They range from 71-year-old Fayina Kogan to 8-year-old Edward Erlikh. How can the Soviet Union benefit by holding up the human resolution of those cases, by letting attention and outrage build?

There are other human rights matters in which the logic of Soviet policy is hard to grasp. For example, about a dozen Soviet-American couples, married and engaged, are still kept apart because the U.S.S.R. will not grant exit visas. But if anything is inexplicable in its embarrassment to the Soviet Union, it is not letting cancer victims spend what may be their last days with their families abroad.

Secretary of State Shultz is due to go to Moscow on April 13. He will no doubt have with him the usual list of human rights cases that we want resolved. But how much better it would be if the Soviet leadership understood that its interest would be served not by dealing with such cases as the cancer victims one by one, anguishingly, but by just letting them go.

[From the Christian Science Monitor, Dec. 19, 1986]

BROTHER PRESSES ON TO GET ILL SIBLING OUT OF RUSSIA

(By Debra Ann Hatten)

Leon Charny is a reserved man.

Yet he bares his soul to strangers, over and over again, in hopes that someone, somewhere, can help him get his brother, who has been diagnosed by the Soviet doctors as terminally ill, out of the Soviet Union.

"My brother was just like a father to me," says Mr. Charny, his voice catching with emotion. He would like to see him again.

His brother Benjamin is one of five Jewish cancer patients who have been petitioning for years to leave the Soviet Union. Benjamin has been asking to leave since 1979, when Leon left. "He desperately needs treatment available in the West," says Leonard Zakim, executive director of the New England office of the Anti-Defamation League in Boston.

Of the other four patients, two, Tatyana Bogomolny and Rimma Bravve, were allowed to leave, but the others have had no word.

Ms. Bogomolny left the Soviet Union in October. Ms. Bravve is to fly into New York today.

Bravve and the other patients have been guaranteed free treatment by the US and Canada. But a strong factor in treatment, and one that is missing for the patients left in the Soviet Union, is the "supportive atmosphere" of being with their families in the West, says Gerald Batist, a Canadian specialist who visited them. "It has a direct bearing on their medical condition."

Because the patients have asked to leave the Soviet Union, Leon Charny says, they lose their jobs, are harassed by Soviet officials, and become ostracized by their neighbors. The Soviets do not like it when you want to leave their "paradise," he says.

These are not the only people who have asked to leave the Soviet Union, temporarily or permanently, for humanitarian reasons. For instance, Yelena Bonner left the Soviet Union last year for medical treatment in the United States; and Inessa Flerov, who wanted to contribute bone marrow to her brother in Israel, was allowed to leave in August.

Dr. Batist says a high-ranking US official has told him the Soviets are using these patients as bargaining chips.

"With all the craziness going on in the world," Mr. Zakim says, "people tend to forget that these are real people."

"Their best hope lies," he says, "in a persistant, sensitive, vigorous campaign to hold the Soviet Union accountable for the way they treat individuals."

[From the Washington Jewish Week, Apr. 2, 1987]

RELATIVES SEEK SUPPORT FOR SOVIET CANCER PATIENTS

(By Jon Greene)

As Capitol Hill becomes a forum for the issue of Soviet Jewish cancer patients who need medical treatment in the West, the patients' American relatives have begun to appeal to political and activist leaders for assistance in seeking their imminent release.

Silver Spring resident Adir Aranovich has been lobbying for the release of his refusenik aunt, Sheina-Lea Swartz, who has undergone three major surgeries in Moscow since her cancer was initially diagnosed in 1979. Aranovich has appealed for help to Sens. Barbara Mikulski (D-Md.) and Paul Sarbanes (D-Md.), as well as Rep. Constance Morella (R-Md.), who met with the Soviet counsel at his embassy last week to discuss the case.

The Soviet embassy has also been besieged this week by Leon Charny, whose brother, Benjamin, has been refused permission to seek medical treatment in the West for malignant skin cancer and a critical heart condition. Charny has manned the corner at 16th and K Sts. in Northwest Washington since last Tuesday, strategically placing himself between the embassy and an office of the official Soviet airline, Aeroflot. Charny said that he was prevented from protesting his brother's case closer to the embassy, since the sign he has erected at the corner is forbidden under D.C. law to be shown within 500 feet of the embassy.

Both cases have been recognized by Sen. Edward Kennedy (D-Mass.), who petitioned congressional leaders last week to urge Soviet Secretary General Mikhail Gorbachev to "grant immediate exit visas to Soviet cancer patients in critical need of medical treatment in the West." Kennedy also detailed the cases of six other patients who need urgent care available only in the West.

Aranovich's aunt has been refused permission to seek overseas medical treatment since she first started applying for exit visas in 1982. Three-quarters of her stomach and both breasts have been removed during her three surgeries. Last month Swartz was diagnosed as having a lung tumor and possible brain tumor.

Aranovich said that his aunt is in a great deal of physical pain and is experiencing emotional trauma. "She had undergone three major operations," he explained, "She feels now . . . if another one . . . she can't survive," he said, choking back his emotion. "I'm very much afraid she would die."

The 65-year-old Swartz joined the International Cancer Patient Solidarity Committee, an informal group of Soviet Jewish cancer victims who had been refused permission to seek medical treatment in the West. The group, which was formed by five people last June, included the now-deceased Inna Meiman and Michael Shirman, refuseniks who died before they could receive the Western treatment that might have saved their lives.

Benjamin Charny is also one of the original founders of the cancer patients' committee, and is the only remaining member of the original five still awaiting Western treatment. The 49-year-old Charny has been refused permission to emigrate since 1979, and has had two heart attacks and two tumors since he was diagnosed with malignant skin cancer and a heart condition eight years ago. Charny spent three weeks in a Soviet hospital in February.

"If he gets out soon, there is a very good chance he would be stabilized," said Leon Charny of his brother. Charny's embassy protest has occasionally been joined by students and legislators who come to wish him well.

Charny, who at 34 is 15 years younger than his refusenik brother, emigrated from the Soviet Union in 1979 and currently resides in Massachusetts with his wife, who he met in this country. He said that his brother often acted as a father for him, and he desperately wants to help him. "I want him out tomorrow," he said.

Aranovich, 39, emigrated from the Soviet Union less than five years ago, after spending more than two years as a refusenik. He said that he spent several months living with Swartz's daughter when they were growing up in Estonia, and she and her husband are hoping to support Swartz in the West during the hoped-for medical treatment. The two are protesting Swartz's situation through a hunger strike of indefinite length, and a possible demonstration at an office of OVIR, the Soviet department of emigration.

Aranovich has received messages of support from the World Jewish Congress, former senator and presidential hopeful Gary Hart (D-Colo.), and the Jewish Community Council of Greater Washington. Sen. Mikulski has sent a telegram to Gorbachev and Rep. Hoyer has written to the Soviet ambassador. Rep. Morella, in addition to meeting with Soviet First Secretary and Consul Oleg Diachenko at the embassy to appeal the Swartz case, arranged for about 30 representatives to speak in Congress during a Special Order in the House of Representatives Tuesday.

"Now more than ever it is crucial that we have events such as this to show the Soviets that we care," said Morella to the assembled legislators, "that we care about Sheina-Lea Swartz, an elderly woman who is dying of cancer, yet is denied permission to come to the West for treatment.

"I have personally heard across the miles the tearful voice of Sheina-Lea Swartz's daughter in Moscow and have spoken face to face at the Soviet embassy with those who represent here the system which has kept ill Mrs. Swartz from treatment in America."●

UNITED STATES-CANADA RELATIONS

● Mr. DURENBERGER. Mr. President, this weekend President Reagan will be traveling to Ottawa to visit with Canadian Prime Minister Brian Mulroney. The meeting is a genuine effort on the part of the United States to improve our relations with Canada. And in anticipation of this event, I have sent a letter to President Reagan outlining some of the issues and concerns I would like to see raised.

I would like to share this letter with my colleagues; therefore, I ask that the text of my letter be printed in the RECORD.

The letter follows:

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, DC, April 3, 1987.

Hon. RONALD REAGAN,
President of the United States,
The White House, Washington, DC.

DEAR MR. PRESIDENT: I am taking this opportunity to express my strong support for your efforts to improve United States-Canada relations during your meetings in Ottawa this weekend with Canadian Prime Minister Brian Mulroney.

During the last eleven months, there has been a deterioration in Canadian-American trade relations. Just recently, on March 6, the Canadian Import Tribunal rendered a decision which seriously hurts America's hard-pressed corn farmers. As a result of the Import Tribunal's decision, American corn exports to Canada are likely to cease because Canada will impose an 84.9 cents per bushel tariff on American corn.

In response to the Import Tribunal's decision, the United States Senate last week voted 99-0 to adopt Senate Con. Res. 27, expressing the sense of the Congress that the United States Trade Representative should immediately commence an investigation of the Import Tribunal's decision to determine whether the decision comports with Canada's obligations under existing bilateral and multilateral trade agreements.

It is my hope that in your meetings with Prime Minister Mulroney this weekend, you will emphasize the importance of immediate action by the Canadian government to remove this unfair and unwarranted tariff on American corn.

Air pollution issues, especially the problem of cross-border acid rain, have also been a source of dispute between the United States and Canada. Today, I have introduced the Clean Coal Technologies Act of 1987 in the Senate. This legislation would promote the rapid deployment of clean coal technologies in the United States so as to reduce total atmospheric loadings of air pollutants which may be precursors of transborder acid rain. In addition, the legislation seeks establishment of a United States-Canadian bilateral advisory and consultative group on transborder air pollution to provide a forum for consultations on issues relating to transborder air pollution.

It is my hope that in your meetings with Prime Minister Mulroney this weekend, you will emphasize the importance of seeking bilateral consultations on achieving solutions to the acid rain problem as reflected in my legislation.

Finally, I would note that last year the United States enacted the Water Resource Development Act of 1986 (P.L. 99-662), Section 1405 of which provides for the rebate of tolls paid for the use of the United States' portion of the Saint Lawrence Seaway. This provision was adopted with the intent of placing the Great Lakes shipping community on the same footing as our coast port users.

Section 1406 also called for the initiation of discussions between the government of the United States and the government of Canada with the objective of "reducing or eliminating all tolls on the international Great Lakes and the Saint Lawrence Seaway." It is my hope that you will take the opportunity of your meetings with Prime Minister Mulroney to lay the groundwork for future consultations and negotiations aimed at eliminating all tolls on these waterways.

I wish you great success this weekend in your meetings with Prime Minister Mulroney.

Sincerely,
DAVE DURENBERGER.●

NATIONAL SCIENCE AND TECHNOLOGY WEEK

● Mr. LUGAR. Mr. President, it is a disturbing fact that every year Japan graduates 50 percent more electrical engineers than the United States. It is disturbing because it is a serious warning that we have grown complacent about our own technological progress. Only 7 of every 1,000 American students receive degrees in engineering, whereas in Japan the figure is almost six times higher.

Since World War II, new technology has been responsible for nearly half of all productivity increases—more than increases in capital, more than education, and more than any other single factor. While productivity in the United States remains higher than anywhere else, in relative terms it has declined rapidly. For example, Japan's rate of gain in productivity since 1973 has been nine times higher than ours, and Korea's was 15 times higher than the United States rate.

In all this, Americans have not been moved to give up. Instead, we are seeing cooperation across the United States to meet the challenges of an ever more competitive world.

This year, April 5-11 has been designated National Science and Technology Week [NSTW] by the National Science Foundation. NSTW is a grassroots effort coordinated with business and education groups to increase public understanding of science and technology. Through programs featuring the various disciplines of science and engineering, the hope is to spotlight the role science and technology plays in our lives. Young people need to be encouraged to study science and to pursue whatever interests that could lead to careers in these areas. The importance of this week's more than 2,000 activities nationwide cannot be overvalued. It is a time for us all to become more aware of what we can do as Americans to promote our most competitive spirit.

In Indiana, a number of groups are now working together to make our State more innovative. We place great hope in our children. Abraham Lincoln said:

> A child is a person who is going to carry on what you have started * * * he will assume control of our cities, states and nations * * * the fate of humanity is in a child's hands.

One of the driving forces for our efforts at home is the Indianapolis Children's Museum. Funded privately, the museum conducts a project called "think tank" for kids interested in the sciences. The museum puts the kids together with people in various fields who serve as instructors and mentors. And later this month the museum will hold a State science fair. It will be the first time all the young scientists around our State will have the opportunity to meet and exchange ideas.

Last year the Indian Creek Elementary School opened its doors to students in Lawrence Township of Marion County. The only requirement was an interest in science. Almost through its first year, the demand has been overwhelming for enrollment in the school. To kick off National Science and Technology Week, they will hold a weather balloon launch in association with National Geological Survey. The school was selected as a national data analysis test site; 1,000 balloons will be launched by the children and they will participate in the analysis which follows.

The Corporation of Science and Technology serves as a focal point for many fledgling organizations. Presently they are promoting "Invent America" to encourage innovation through conventions and further interaction.

Invention has always been the backbone of American progress. From the cotton gin to the first computer it is the single most important element to set us apart from other traders on the world market. If we lose that distinction, we lose our edge. Hoosiers are not prepared to let that happen. Join us in our celebration of National Science and Technology Week and take part in the investment in our future.●

AFGHANISTAN: LETTERS FROM THE STATE OF NEVADA

● Mr. HUMPHREY. Mr. President, last December the brutal Soviet occupation of Afghanistan entered its eighth year. The horrible condition of human rights in Afghanistan was recently described in a United Nations report as: "A situation approaching genocide."

As chairman of the Congressional Task Force on Afghanistan, I have received thousands of letters from Americans across the Nation who are outraged at the senseless atrocities being committed today in Afghanistan. Many of these letters are from Americans who are shocked at this Nation's relative silence about the genocide taking place in Afghanistan.

In the weeks and months ahead, I plan to share some of these letters with my colleagues. I will insert into the RECORD two letters each day from various States in the Nation. Today, I submit two letters from the State of Nevada and ask that they be printed in the RECORD.

[The letters follow:]

DEAR SENATOR HUMPHREY: I am writing in response to an article in the Reader's Digest concerning the plight in Afghanistan. I was appalled to read about the atrocities being committed in that country.

I am not only concerned about the horrors of the torture and death being committed there, but I am concerned about the "cover-up" the media is obviously condoning. If we are willing to look the other way in a situation like this, I wonder what other heinous crimes are taking place in the world without our knowledge.

Obviously, the plight has been building up for years, why the sudden killings and tortures? Why are we holding peaceful summit talks with officials from Russia when this horrid pillaging is taking place right under our noses?

I am concerned as a citizen about the "Agony in Afghanistan". I urge you to bring this horror to the public attention, and to do all in your power to help deter any intention of a Russian takeover in Afghanistan.

Thank you for your time and efforts.

Sincerely,

SHERRIN BENSON,
Panaca, NV.

DEAR SIR: You have the support of all America in your efforts to bring to light the tragedy of Afghanistan. World opinion must be awakened and focused on these Soviet terrorists' crimes against humanity.

I can't understand why the American news media has chosen to ignore this horror story. This situation cannot be allowed to continue without penalty to the Soviet Union.

I believe an informed world conscience could not allow this genocide to continue. The world must be forced to face the reality of the horrors being inflicted upon the Afghan people.

Please continue your efforts in this cause. May God bless you.

LARRY SIMMONS,
Antioch, NV.●

EXTENSION OF MORNING BUSINESS

Mr. BYRD. Mr. President, the minority leader has the floor. I ask unanimous consent that the period for speaking out of order be extended another 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I thank the leader for yielding to me.

Mr. DOLE. Mr. President, I thank the distinguished majority leader.

HUMAN RIGHTS IN EL SALVADOR

WHY AMERICANS ARE IN EL SALVADOR

Mr. DOLE. Mr. President, earlier this week, I spoke briefly about the tragic death of S. Sgt. Gregory Fronius, the American military adviser who was victim of an attack by Marxist guerrillas aiming to overthrow the democratic government of President Duarte. Our prayers go out today to Sergeant Fronius' grieving family.

And, today, I also want to say another brief word about what is going on in El Salvador—on a subject that, in a real sense, is directly related to the death of Sergeant Fronius.

American military and civilian personnel are in El Salvador, in the first place, because we want to see a stronger, better society evolve there. We want El Salvador to have the chance to develop in security and peace—free from aggression from its neighbors; and free from violence perpetrated by terrorist Marxist elements inside the country.

U.N. FINDS DUARTE GOVERNMENT PASSING HUMAN RIGHTS TEST

One critical measure of the way El Salvador is evolving under the democratically elected Duarte government—one critical measure of the success of our own policies there—is the record on human rights in that country. Happily, the record is good. And it is getting better—at least as far as the Duarte government's activities are concerned.

I want to bring to the Senate's attention today a letter I received from Assistant Secretary of State for Legislative Affairs, Ed Fox. The letter summarizes the 1986 report on human rights in El Salvador done by the United Nations. The authors of the study has been monitoring human rights in El Salvador for the United Nations since 1981. He has seen the direction and pace of developments. He knows what he is talking about.

And, as Mr. Fox's letter indicates, his basic conclusion is that the Duarte government is doing an excellent job on human rights—and doing it better every year. Let me quote one brief excerpt from the U.S. report, cited in Mr. Fox's letter:

"Respect for human rights," the U.N. report says, "continues to be an important element of the current policy of the constitutional government of President Duarte, a policy which, within the process of democratic normalization, is achieving increasingly significant and commendable results in the crucial area of respect for the life of persons."

BUT MARXIST INSURGENTS FLUNK

By contrast, the U.N. report finds that the Marxist guerrillas—guerrillas inspired and supported by Managua, Havana, and Moscow—continue to undertake activities directly undermining fundamental human rights—indeed, directly threatening innocent life. Again quoting from Mr. Fox's letter:

> [A] large and disturbing number of noncombatants [are] killed or seriously wounded by the explosion of contact mines * * * most such mines were placed by the "FMLN" [i.e., the Marxist] guerrillas.

Further, the report states:

> The systematic attacks carried out by the "FMLN" * * * seriously threaten the present and future enjoyment by Salvadoran citizens of important economic, social, and cultural rights.

Mr. President, these observations speak for themselves. We are on the right side in El Salvador—the side of democracy, human rights, and progress for the people of El Salvador. I think almost everyone in the Senate now agrees with this proposition.

FALSE TRUMPETS

But let me remind you: 5 or 6 years ago, that was not the case. Five or six years ago, the question of helping El Salvador resist a Marxist takeover was a highly contentious issue in the Congress. Five or six years ago, the predictions of what would happen if we did provide aid to El Salvador—the Vietnam allusions, the references to "starting down a slippery slope"—those kinds of shrill warnings were heard all over Capitol Hill.

Those warnings were off-base. They were wrong. They were aimed at stopping us from doing something—helping establish democracy and foster human rights—that is at the core of what our country is all about. That is vital if we are to remain the leader of the free world.

Our strategy, our assistance, worked in El Salvador. It can work other places, too. If we give it the chance, and the time, to work.

THE PRICE WE HAVE TO BE WILLING TO PAY

Fighting for freedom, trying to eliminate oppression, is a risky, long-term proposition. It can cost us a great deal, even the blood of American soldiers and civilians—a tragic fact we have seen again in El Salvador this week.

But it is a struggle we must undertake, a price we must be willing to pay, wherever freedom is at stake: El Salvador, Nicaragua, Angola, Mozambique, Afghanistan, Kampuchea. The list goes on and on; and the struggle for freedom goes on and on.

America must play a leading part in that struggle. That is the lesson of our history; the responsibility of our position in the world; and the hope for our future and the future of the principles we espouse.

Mr. President, I ask unanimous consent that the full text of Mr. Fox's letter be printed in the RECORD, and I encourage all Senators to read both it, and the U.N. report on which it is based.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF STATE,
Washington, DC.

Hon. ROBERT DOLE,
U.S. Senate.

DEAR SENATOR DOLE: Knowing of your interest in U.S. policy toward El Salvador and events occurring there, I thought we would pass on to you the U.N. Special Rapporteur's 1986 report on the human rights situation in El Salvador.

As you know, improving the human rights situation in El Salvador has long been one of the cornerstones of U.S. policy toward that country. Beginning with the resumption of U.S. assistance during the Carter administration, the U.S. government has recognized that for El Salvador's democratic experiment to succeed human rights abuses had to be brought under control. Congressional support for that policy has been clear and unequivocal. On innumerable occasions during the past six years, our representatives in El Salvador have emphasized this point to their Salvadoran counterparts—both civilian and military. At times—as with the December 1983 visit of Vice President Bush—we have demanded immediate improvements as a condition of our assistance.

The U.N. Special Rapporteur for Human Rights in El Salvador, Jose Antonio Pastor Ridruejo, has monitored the human rights situation in El Salvador since 1981. His reports, submitted yearly to the U.N. General Assembly and the U.N. Human Rights Commission, have by and large accurately reflected the human rights situation in that country.

I commend to you Pastor Ridruejo's 1986 report, which clearly documents the continued progress in human rights observance of the Salvadoran government and, concomitantly, the increase in abuses committed by the Marxist-Leninist guerrillas of the Farabundo Marti National Liberation Front (FMLN). Among the Rapporteur's findings are the following:

"On the basis of article 17 of Protocol II Additional to the Geneva conventions of 1949, the Special Representative had taken the view that forced evacuations of the civilian population from the combat zone were permissible to the extent that they were required to guarantee the safety of the civilians concerned. He had added that, given the reality of the war, the suffering which such transfers inflicted on the civilian population was less than that population would experience if it continued to live in the combat zone. The Special Representative reaffirms his conviction in this regard and notes that it is shared by at least one high-ranking member of the Salvadoran Church." (Paragraph 79.)

". . . The land and air forces of the Salvadoran Army caused incidental damage to private property and occasional civilian casualties, primarily among the so-called *masas,* although the number was quite low and certainly lower than in the previous year." (paragraph 97) (Note: *Masas* are civilians who actively support the guerrillas by being cooks, couriers, porters, or by performing other support functions.)

". . . The Salvadoran regular army is now conducting the war in a much more humanitarian manner than in the past and has been able to reduce the number of civilian casualties drastically." (Paragraph 100.)

"The Special Representative reiterates his opinion that the judicial reform project is a serious one and notes the progress made in its components, although he points out once again that its effects will be felt in Salvadorean society only in the medium and long terms since, in the final analysis, civic attitudes and habits will also have to be changed and these changes cannot be made overnight." (Paragraph 119.)

". . . The constitutional authorities of the Republic of El Salvador are persisting in their efforts to improve the human rights situation as part of the country's political normalization. These efforts, it must be pointed out, are increasingly reflected in everyday life, particularly in the critical area of respect for civilian life both outside the context of the fighting and in connection with or as a result of it." (Paragraph 121.)

". . . The systematic attacks carried out by the FMLN against the country's economic infrastructure seriously threaten the present and future enjoyment by Salvadorean citizens of important economic, social and cultural rights." (Paragraph 122.)

"The Special Representative also takes note of the large and disturbing number of non-combatants killed or seriously wounded by the explosion of contact mines and wishes to place on record that the general view, which he shares, is that most such mines were planted by FMLN guerrilla forces." (Paragraph 127.)

". . . Respect for human rights continues to be an important element of the current policy of the constitutional Government of President Duarte, a policy which, within the process of democratic normalization, is achieved increasingly significant and commendable results in the crucial area of respect for the life or persons both in non-combat situations and in or as a result of combat." (Paragraph 129.)

Of course, the Special Rapporteur recognizes that the human rights situation in El Salvador is by no means perfect. He discusses at length the shortcomings that continue to exist. The U.S. is working closely with the Salvadoran authorities to rectify these human rights inadequacies.

To further your understanding of events occurring in El Salvador, I hope you will find the time to read the report. What I wanted to highlight in this letter is that the findings of an experienced and impartial U.N. observer show that the democratic Government of El Salvador continues to make steady improvements in its human rights record.

With best wishes,

Sincerely,

J. EDWARD FOX,
Assistant Secretary, Legislative and Intergovernmental Affairs.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. DASCHLE). The Chair, on behalf of the Vice President, in accordance with 22 U.S.C. 1928a–1928e, as amended, appoints the Senator from Delaware [Mr. ROTH] as vice chairman of the Senate delegation to the North Atlantic Assembly during the 100th Congress.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR RECORD TO REMAIN OPEN

Mr. BYRD. Mr. President, I ask unanimous consent that the RECORD remain open until 5 o'clock p.m. today in order that Senators may submit statements, introduce bills, resolutions, petitions, and memorials as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR COMMITTEE REPORTS

Mr. BYRD. Mr. President, I ask unanimous consent that committees may have until 6 o'clock p.m. today to file committee reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BYRD. Mr. President, there could be rollcall votes on Monday afternoon. I am not in a position to say that there definitely will be nor am I in a position to say there will not be. I can say to the Republican leader that if there are rollcall votes, barring any procedural rollcall votes, I would certainly work with him in seeing to it that such rollcall votes do not occur before, say, 4 o'clock on Monday. All right.

Mr. President, I think we had a good week. I again thank the Republican leader. I thank all Senators. With that, I hope we have a good rest over the weekend, and I hope the weatherman's predictions prove to be untrue and wrong as sometimes they are.

RECESS UNITL 2 P.M., MONDAY, APRIL 6, 1987

Mr. BYRD. Mr. President, I move in accordance with the order previously entered that the Senate now stand in recess until the hour of 2 o'clock p.m. on Monday next.

The motion was agreed to; and at 3:54 p.m., the Senate recessed until Monday, April 6, 1987, at 2 p.m.

HOUSE OF REPRESENTATIVES—*Monday, April 6, 1987*

The House met at 12 noon, and was called to order by the Speaker pro tempore (Mr. FOLEY).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker.

WASHINGTON, DC,
April 3, 1987.

I hereby designate the Honorable THOMAS S. FOLEY to act as Speaker pro tempore on Monday, April 6, and on Tuesday, April 7, 1987.

JIM WRIGHT,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Teach us, O God, to praise You and give You thanks for it is right and just so to do. Help us to use our faith without so much regard as to the benefit to our feelings or to our personal advantage in life, but to honestly acknowledge You as the Author and Maker of heaven and Earth. We are aware of our abilities and our responsibilities to do good works and serve others, and yet above all else we offer our thanksgivings for the gracious gift of life and the wonder and awe and majesty we can experience in Your world. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PERMISSION FOR COMMITTEE ON MERCHANT MARINE AND FISHERIES TO FILE REPORT ON H.R. 1290

Mr. BENNETT. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries have until 6 p.m., today, April 6, 1987, to file its report on H.R. 1290.

This has been cleared with the minority.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

ACID RAIN

(Mr. SIKORSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SIKORSKI. Mr. Speaker, the President's spokesman said yesterday in Canada that the President "share(s) the Canadians' view of the environmental costs of acid rain." Well, here is just part of the view of the costs from the American side of the fence: 3,000 American lakes and 23,000 miles of American streams killed by acid rain; $3.5 to $6 billion annually in damage to historical monuments; and $5.8 billion per year in damage to human health, visibility, and housing in the Eastern United States alone.

Billions more to hunting, fishing, parks, forests, and farms; 50,000 premature deaths annually due to the chemical precursors of acid rain,

Yes, it costs us daily for the administration to join hands with big coal, the auto companies and power monopolies to deny, delay, say no, and go slow.

They're cynics. And as Oscar Wilde said, "They know the price of everything and the value of nothing."

ESTABLISHMENT OF HIGHWAY RESEARCH AND DEVELOPMENT PROGRAM

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, it is easy for us to play Monday morning quarterback but the fact is that people are dead today as a result of the tragic collapse of the bridge near Amsterdam, NY. Perhaps even more tragic is that despite enormous expenditures on maintenance and reconstruction, the National Research Council has estimated that nearly 40 percent of our Nation's bridges are nearing the end of their 50-year design life, and over 20 percent have already been identified as structurally deficient. By 1995, an estimated 26,000 miles or 56 percent of our interstate highways will need resurfacing or major repair work.

A few weeks ago I introduced legislation to direct the Secretary of Transportation, in consultation with the National Research Council, the National Academy of Sciences, and the National Academy of Engineers, to establish a highway research and development program focused on increasing the quality and durability of high-cost highway materials. It has been estimated that relatively small technological improvements made in such materials can save billions of dollars and more importantly, lives. I encourage my colleagues to cosponsor this legislation and help avert future tragedies such as the one we witnessed yesterday.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
April 2, 1987.

Hon. JIM WRIGHT,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House at 4:39 p.m. on Thursday, April 2, 1987 and said to contain a message from the President whereby he transmits the annual report of the ACTION Agency for Fiscal Year 1986.

With great respect, I am,
Sincerely yours,
DONNALD K. ANDERSON,
Clerk, House of Representatives.

ANNUAL REPORT OF ACTION AGENCY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor:

(For message, see proceedings of the Senate of Thursday, April 2, 1987, at page S4465.)

□ 1210

IMPEACHMENT OF RONALD REAGAN—NO. 4

The SPEAKER pro tempore (Mr. FOLEY). Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, I rise to fill in some of the related bills of particulars in pursuance of the resolution of impeachment with respect to the violation of our statutes and the usurpation of the Constitution by President Ronald Reagan.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

I have introduced resolutions of this nature at a time when it was obvious that our laws had either been violated or the Constitution usurped. I will note for the record that I was not one of those that introduced a resolution of impeachment in 1974 with respect to then President Richard Nixon. The reason was that the committees charged with this very awesome responsibility did not have to have any of the nonmembers pushing resolutions of impeachment. But since that day and time, and particularly since the advent of President Ronald Reagan, it has been very disturbing to me to see the Congress of the United States abdicate its rightful protection of its prerogatives as a coequal, independent and separate branch of Government under the Constitution.

It has been easy to applaud and cheer the President when he violated the law and the Constitution since the actions involved seemed to merit and receive the popular approval of the populace. So the Congress was loath to say anything critical of what was ostensibly a very respected and highly popular President.

However, when an action taken by the President and a series of events were reported that have clearly revealed gross incompetence, dereliction of duty, and violation of our statutes, all the way from the 1974 War Powers Limitation Act, which the Congress passed, to a series of violations of our neutrality acts, all three of them, it has, therefore, been incumbent on some of us to raise this issue.

Of course, when that happens, in the context of our activities and in the environment in which we work, it seems as if it is a flamboyant or a bombastic type of action, and immediately the suspicion is that perhaps this is a publicity seeking venture. But the fact is that I have been through that time and time again since I had the privilege of serving as a local representative on the city council of the city of San Antonio. At that time I was a lone voice in 1954 resisting what now appears as one of the most foolhardy things of all, the city council's insistence on passing belatedly, after 139 years of municipal life, segregative ordinances. I was alone in that, and nobody could say that that was a particularly attractive publicity seeking venture, for it was considered political suicide in my stretch of the country.

But I survived and was the only member of that council that was reelected in 1955. I was even confronted in the first announcements of the lone vote against these ordinances by a police sergeant who was denouncing me and was the self-proclaimed founder and head of the local White Citizens' Council and was organizing members of the San Antonio Police Department into a unit of that group. He denounced me in bitter terms. But it so happens he was also denouncing other groups of fellow Americans, the blacks, the Mexican-Americans, and the Jews, and when he did that, he brought upon himself something he had not quite expected. It was one thing to jump on a lonely councilman with no backing from either economic, social, or political strength, and it was another thing to take on some of the pillars of the community.

The fact is that by 1 year's time he was out and I was reelected and in fact had the glory and the honor of introducing the resolution to do away with all segregation based on race, color, or creed from all municipal tax-supported facilities in the city of San Antonio. That was in 1956, on April 19. Even though the council had been divided in our private sessions, I was able to persuade those who did not think the time had come for change, although the mayor then said the day had not come when the black was going to be swimming in the same swimming pool with the whites, except he did not use the word "black."

However, reason prevailed, and I was able to offer that motion and have that resolution and ordinance passed unanimously, and the result was fantastic. The mayor had telegrams from Geneva, Switzerland, and from all over the world proclaiming San Antonio as one of the most progressive cities in the country. It was recorded that San Antonio was the first and only city of any size south of the Mason-Dixon line to desegregate.

When that was accomplished, I resigned from the city council and announced my candidacy for the State senate, that then being considered as an act of kamikaze. It was supposed to be as hopeless to expect, without any type of resources, to win election to the State senate of Texas from Bexar County as it would be if I were to tell you that I would be running for Vice President now and would get elected in 1988. But it happened, and after three recounts I was declared the winner by 309 votes.

I did it with minimal resources. As a matter of fact, I did not even have the filing fee, which at that time was $100. But some of the members of the council said, "Well, one way to make sure he is definitely off the city council is that we will chip in and raise the money," and they did. They raised the $100 filing fee. This is the reason, by way of parentheses, when I did serve in the senate, I resisted stoutly all during the time I was in the State senate the attempt that was made to raise the filing fees for candidates to these various positions. I am glad I succeeded, but I am sorry to say that no sooner had I come to the Congress when, in that first month, the legislature increased by 500 percent those filing fees, which I thought was antithetical and was counterproductive to the participatory representative form of government that we all enjoy, whose heritage and legacy makes it possible for the likes of myself to serve in these capacities.

Nevertheless I went to the State senate and in my freshman year filibustered for 30 hours the race bills, the massive kit or package of resistance that had emanated, that had been initiated in Virginia and gone through all the 11 Confederate States. The Texas Senate was the only legislative body in any of the 11 Confederate States that even so much as debated, much less defeated, 14 of the 16 acts, and the reason was that we filibustered. But that was in May 1957, and it was looked upon as a lark. The thing that was noted was one of those things that attract popular fancy, that I could stand on my feet without cessation and speak for 30 hours without any aid. So we were able to hold fast, with the help of a fellow senator from Laredo, later my colleague here in the Congress. And the fact is that I stuck to the issue. I did not digress; I did not read recipes or anything; I stuck to the issue.

□ 1220

Then, in September, after Little Rock, the Governor of Texas decided he did not want, in his words, "Bayonets on Texas students' necks." So he called a special session in order to entertain two pieces of legislation that would have imposed, in effect, and reimposed another and different type of segregation in the name of protecting schoolchildren from bayonets as it was said in Texas had happened in Little Rock, AR.

I took the floor on that occasion in the first session and filibustered that for 22 hours and prevented its passage. The Governor was compelled to call a second session, special session. I will never forget as long as I live that as I filibustered that one, and the Governor, as in the case in San Antonio when an attempt was made to scare me off the city council by trying to frame me up, it boomeranged on them. The Governor was so incensed that I had caused, as he said, "The needless expenditure of a quarter of a million dollars in a second call session," that he got on State television in Dallas, TX, and denounced me by name. Well, actually, he did not know it, but he made me. I had senior senators, some who had been there 15 or 20 years, lined up on the Senate floor to shake my hand. Some saying, "We have been here 15, 20 years and we have never been able to get a Governor to mention our name on statewide TV hookup."

So, these are the ways, these are the unreported incidents that fill in a more descriptive picture of our processes which are still sound; that sap in our Democratic tree still there. The people are all right, it is the leaders, the very agents like myself who have been named by the people to act in their representation that have let them down.

The people are there, and I am living proof of it. I would not be here as an elected Congressman much less would have been as a State senator and a city councilman if it had not been for the fact that the people came out despite overwhelming odds. All the money that could be mustered at that time against.

In the first race for the Congress, former President Eisenhower went down in San Antonio 3 days in a row to campaign for my opponent. Both newspapers were for my opponent. So I had to face Eisenhower with my opponent, his arm around him, 3 days in a row on the front page in color.

The people came through. So who am I to say otherwise than to stand witness to the fact that the inherent wisdom of the people, if only relied upon by our leaders, if only our leaders would realize that no matter how unpleasant, no matter how dangerous politically it is to tell them the truth, that the people in the long run will more appreciate that than to find later that they had been fooled and galled and flumuxed.

This, I think, is what is not happening simply because I charge that the Congress, collectively, has abdicated these great trusts of standing up. We take an oath to faithfully support the Constitution against all enemies, domestic and foreign. Not just a foreign enemy, but the domestic enemies to the Constitution. I say that when a President like Ronald Reagan, time and time again, disallows and considers the Constitution as an impediment and overlooks it and willfully violates it, and violates statute after statute that the Congress has enacted into law and which he, under his oath, is sworn to faithfully execute, I say that is an impeachable President. If ever there was one, certainly Ronald Reagan is an impeachable President.

I do not do this because it is exactly a pleasant thing, but because, like I have on other occasions in the absence of those that have the direct responsibility doing it, I feel I have got to stand up. I have a whole flock of grandchildren and I do not want them later on to say, "Well, you know, Grandpa was there, and he never said a word."

The reason I am impelled to speak and the reason I was impelled to introduce the resolution of impeachment as I did just a few weeks ago, known House Resolution 111, is that I am as sure as I am standing here, and God in Heaven knows that I pray I am dead wrong, as I have on other occasions, that if we do not, if the President continues to feel that he can get away, it will not be more than 2 months you will have your children and your soldiers dying in the jungles, not of Southeast Asia, but to the south of us, in our front porch and back porch.

I say this is the time when we have got to restrain a runaway President. The President has indeed been conducting war in Central America. What else? Do we call putting 50,000 men in Central America a training exercise? Do we call the expenditure of more than $5 billion in 6 years a training exercise expenditure, where we have surrounded the isthmus for 6 years with 30,000 of our men constantly in the air, on the sea, on both sides of the isthmus and on the land with forces in violation of the War Powers Limitation Act.

When has the Congress said, "Mr. President, the Constitution gives the exclusive right to declare war to the Congress. So you stop making war until you come before us and get that permission." That has not happened.

Now, because of the reaction to my introduction of this resolution, I have not made releases, I have not gone out to make releases, even to my own hometown paper. However, the press, as much as it is villified, is on record as having taken note the day I introduced that resolution and made a 5-minute address to explain it. After I finished, I had the wire services reporters buttonhole me here in the corridor, and I met several of them and explained further my reasons and gave a more detailed reasoning which, since then, I have placed into the RECORD.

They did put it on the wire, whatever newspaper that services or is serviced by the UP or the AP did not see fit to report it. That was their judgment. But it is not because a responsible, national news-gathering agency did not do it.

I did not go out and flood my colleagues with "dear colleague" letters asking them to get on this resolution with me for the main and simple reason that I think that the introduction of this resolution in good faith and setting forth seven articles of impeachment, all specifics, and I will modify this to add about three more before this tale is told, that I at least deserve the proper subcommittee to look it over. I am willing to stand that test; I am willing to appear before the subcommittee and argue the point, and then stand by that judgment of my peers.

All I ask is that it not be cast in indifference because we are dealing with life and death issues, though it is not apparent at this time. The headlines are not there; they soon will be.

Also, in the meanwhile, serious, sober, responsible, widely known and established observers, writers, reporters have taken note. I would like to refer to the last issue of the New Yorker, March 30, 1987, that I received at least in the mail as a subscriber, in which one of the most incisive and observant writers and reporters, I rank her higher than any other, even including James Reston, who has the notoriety and properly so; he has been a great reporter.

□ 1230

I am speaking of Elizabeth Drew and in her Letter From Washington dated March 22 she makes some incisive, some perceptive remarks. I consider Miss Drew as one of the most objective and one of the most straightforward and dispassionate observers and reporters of events anywhere, at any time. She has quite a bit of experience over the course of a few Presidents and administrations.

Madam Speaker, I include the text of this article for the RECORD:

The text of the article is as follows:

LETTER FROM WASHINGTON

(By Elizabeth Drew)

MARCH 22.—This is one of the strangest times here in memory. The President's advisers are trying to restart the Reagan Presidency—the fourth such attempt since, on the same day (November 4th), the President suffered a political humiliation in the 1986 elections and the news first broke that the United States had been engaged in swapping arms to Iran for hostages. Each time the show doctors are brought in, they seem to offer the same prescription: have the President look busy (a snippet on the television networks of one appearance a day can do the trick), have him make a speech, send him on the road. But none of these efforts have been very successful: in part because they are so obvious (the President's advisers not only have him do these things but they talk about having him do these things, thus undermining the exercise): in part because the story of arms for hostages and all the rest not only won't go away but keeps growing; and in part because the lead player is the same. His hitting the road for last fall's elections did him no good, largely because he had so little to say. And the President's recent speech on the Iran-Contra affair was only partly successful, mainly serving the purpose of buying him some time. That's usually about all that speeches can do for Presidents in trouble. In the current circumstances, a buck-and-wing won't suffice. His press conference last week was widely considered a success, simply because it wasn't a disaster—but he said a number of things that will not stand up to scrutiny.

The arrival of some new and popular figures in the Administration and the departure of some old and disastrous ones certainly helped; though Washington does tend to fixate on personnel changes, with a President as passive as Reagan changes of personnel can mean changes in substance. In fact, without the context of Donald Regan's having departed (characteristically stormily) as chief of staff and having been replaced by Howard Baker, the speech would have had far less effect. And the way in which the change in chiefs of staff was done—by the President's wife and some of his associates—made the President appear even more hapless than before, threw him into bolder relief as a bystander at his own Presidency. Baker was cooked up by others and served to him—just as Regan had been.

For now, and perhaps for a few more weeks, Baker and the other new arrivals will be given generous, even glowing, treatment by the politicians and the press here, but such treatment can be of limited duration. Moreover, some of Reagan's new team have been appalled at the mess they have found throughout the Administration, and it is far from certain that they can glue a government together.

Many people here—in fact, a much larger number of people than ever before—are aware that the Reagan Administration is in the grip of events beyond its control, and that at any time something new and shattering could come out. The word around town is that Rear Admiral John Poindexter or Lieutenant Colonel Oliver North may well testify that Reagan did know about the diversion of profits from the arms sales to military assistance for the Contras—which a small but growing number of people say could get him impeached, or force him to leave office—but even if that is so (it's not always clear how these rumors get started), it's not the only danger Reagan faces. If it becomes clear that Reagan knew about the systematic efforts by members of his National Security Council staff to get military assistance to the Contras at a time when such aid was prohibited by Congress—not just from North but perhaps also from Poindexter or Robert McFarlane, who were North's supervisors—then he could be in serious trouble as well. If a White House can decide that a law passed by Congress is inconvenient, and simply set out to circumvent it, then our constitutional system is finished. Other Administrations have found Congress a pain (in fact, most do), but Reagan and some of the people surrounding him have frequently showed a strong contempt for Congress—an attitude that may have led them to contempt of Congress. Of late, I have heard very calm and sensible people—who know a lot about the Iran-Contra issue—talk about the possibility of Reagan's "forced retirement."

Such are the problems with Reagan himself that his handlers, including his wife, make it obvious that they are most reluctant to let him out on his own and say anything that has not been carefully scripted. They held off his press conference for as long as they thought they could get away with it. And his answers during the press conference were obviously carefully rehearsed. The President's recent device of feigning laryngitis whenever the press got near was a supposed joke that was nonetheless disconcerting. (Other devices employed for keeping the President safe from himself are to have the rotors of the helicopter that is to take the Reagans to Camp David turning, thus drowning out the shouted questions of the press, and to have the President use his deafness as a convenience.) When the President of the United States can't be allowed to speak spontaneously, something is wrong. This is not a new problem: throughout Reagan's Presidency there have been episodes that caused the President's advisers to clap their hands to their foreheads; in the 1984 election, he was carefully cocooned from the press, and his performance in his first debate with Walter Mondale, in which he was especially hesitant and forgetful, caused a severe attack of angst within the Reagan camp. It was clear that his people were trying to hide something from us.

One of the many forms of luck that Reagan enjoys is that the standards to which he has been held have been so low that the fact that he got through his latest speech (a very brief one) on the Iran-Contra affair was considered something of a triumph. So was the press conference, in that Reagan simply got through it without too much faltering and mental wandering (though there was some). He turned in a relatively good performance as Ronald Reagan, but it was obviously a performance. Fortunately for him, he has succeeded in getting many people to judge him on that standard alone—that is, on his own terms. His earlier televised speech was held to thirteen minutes by his advisers because they feared there was no way that Reagan could go on for longer without appearing defensive. This confirms the impression one had from watching the speech (and the press conference) that Reagan really hadn't come to terms with what had gone on, that he still didn't get it. What some observers saw in the speech as an act of contrition seemed to be more a case of Reagan's grudging acceptance that he had to admit that something had gone wrong but a resistance to saying any more than he felt he absolutely had to.

Years of watching Reagan make it not too difficult to tell when he doesn't believe what he is saying—in part because he is so good at conveying what he does believe. But even now, after all the practice, his acting abilities are limited. In his speech, he admitted that there had been an arms-for-hostages policy, because by then he had no choice, but he still insisted that it had grown out of what had begun as a noble geopolitical effort. And he did the same thing in the press conference. Though in the course of the speech Reagan said, "It was a mistake," figuring out the antecedent of "it" presented a daunting challenge. The most likely candidate was "What began as a strategic opening to Iran deteriorated in its implementation into trading arms for hostages"—how the "deterioration" happened was left unexplained. (He used the same formulation in the press conference, though the Tower Commission report shows that the opening to Iran and the trading of arms for hostages began simultaneously.) The President, in the speech, seemed to hold the word "mistake" as far from him as possible—as if it were a worm. And one problem was that in November Reagan had said, "I'm not going to lie about that, I did not make a mistake." So which, does he really believe? In the speech, he engaged in a number of circumlocutions, and (as in the press conference) was not always at one with the facts, or the findings of the Tower Commission, about which he said, "Its findings are honest, convincing, and highly critical, and I accept them." In both appearances, he offered not one bit of new information and made no mention of the fact that there had been a coverup. He continued to maintain that he had tried all along to get the story out—an obvious untruth. And in both appearances his delivery was energetic—and seemed deliberately so, in order to have us conclude that thirteen minutes of a forceful delivery or a half-hour news conference in which he struck and held a commanding pose means that we have a forceful President, one who is in command. But after each of Reagan's reluctant pronouncements that something or other went wrong he seems to lapse into recidivism, and in private conversation has continued to defend what went on.

We know now, of course, that almost everything the President said in the days after the story broke last November—in a speech and in a press conference—was untrue. Reagan's advisers try to explain this away by saying that he was poorly briefed by advisers who are no longer with him. But there is a difficulty with this explanation: how, for example, could a President who (as the Tower Commission report shows) sat through a number of meetings on the question of cooperating with Israel in sending arms to Iran, and who approved such an action, not remember that Israel was involved—as he maintained, four times, in his November press conference, it was not? (A correction was quickly issued by the White House, in Reagan's name, saying, "There may be some misunderstanding of one of my answers tonight." At last week's press conference, Reagan said, "It was just a misstatement that I didn't realize that I had made," but when he gave his version of how the Iran policy got under way he once again left Israel out.) Moreover, Reagan told the Tower Commission that he had thought the Israelis would be involved. There is also the problem of Reagan's saying that he doesn't remember when he approved the Israeli shipment (a decision with legal implications)—and his changing his story on this twice, ending with a rather pathetic letter to the Tower Commission. ("Try as I might, I cannot recall anything whatsoever about whether I approved an Israel sale in advance or whether I approved replenishment of Israeli stocks around August of 1985. My answer therefore and the simple truth is 'I don't remember—period.' ") In the press conference, the President again changed some of what he told the Tower Commission but continued to maintain that he couldn't remember when he approved the Israeli shipment.

There were other things the President told the Tower Commission he had forgotten. Among the more alarming lapses of memory was whether in early January, 1986, he had signed a "finding" permitting the C.I.A. to become involved in getting arms to Iran (though it already had been). The law requires a President to sign a "finding" in order to authorize any covert action, denying him deniability. Donald Regan told the commission that the President may have signed it "in error." If the President can mistakenly sign a document to set in motion a covert activity, there is a problem. (The commission also says it is unclear whether the President signed a different proposed finding in November, 1985.) A slightly altered version of the finding, the official one, was signed by the President later in the month.

This gets to rather basic questions about the President—questions raised by some in earlier years but that number of people had preferred not to face. There is no good explanation for "forgetting" when a key decision was made, just as there is no good answer to the question of whether or not he knew about the diversion of funds to the Contras. (Reagan has claimed a faulty memory before.) But there is one possibility that could explain not only Reagan's but also his advisers' various versions of when the decision was made to let Israel send American-made arms to Iran (with us later replacing the arms) in order to get some hostages back: that the decision was deliberately made in an opaque manner so as to give the Administration deniability if the gambit didn't work. (Thus, this operation was launched without a finding.) In fact, the chronology of events and the testimony and memos published in the Tower Commission report show that a deliberate decision was made to let the Israelis handle the job so as to provide the Administration with deniability. There is reason to think that the explanation often put forth for why certain things happen—that Reagan is "disengaged"—might be overdone.

Even the Tower Commission suggested, delicately, that the Administration attempted a coverup after the arms-for-hostages story broke. (It exempted the President, saying that it was "convinced that the President does indeed want the full story to be told.") And though it touched only lightly (it had run out of time) on the Contra-support operation run out of the White House during the congressional ban, it did make it clear, through the publishing of certain documents, that North had been engaged in an elaborate exercise in getting this done. This was not—or should not have been—news, but the combined effect of the documents and the commission's authority gave the subject new weight. The documents also show that North kept Poindexter and McFarlane fully informed about what he was doing. Yet because of the commission's lack of time and of subpoena powers there remain a number of questions that it did not get into to any great extent: among other things, where the money from the arms sales went, how the exercise in getting military equipment to the Contras worked. Those are among the reasons so many people here feel that the story is far from over.

The strong impact that the Tower Commission report had stemmed from the fact that it did force people to face some fundamental things about the President: that he is so deficient at governing—and in understanding what governing means (even relaxed governing)—that he cannot be left to function without very strong and smart advisers to make up for his deficiencies. ("President Reagan's personal management style places as especially heavy responsibility on his key advisers.") The clear implication was that Reagan is not up to the job of being President. But the commission elected not to say this, for fear of the consequences of doing so. The commission members—former Republican Senator John Tower, former Democratic Senator and Secretary of State Edmund Muskie, and former national-security adviser Lieutenant General Brent Scowcroft (Ret.)—set about with the deliberate aim of trying to shake up the President while at the same time fulfilling the necessity, as they saw it, of preserving the Presidency. Since Reagan presumably would be around for the next two years, they did not want to render him completely ineffective. These three men are king's-party men, not rebels, but they wanted to tell the President some things that he could not avoid. They did it in a way that caused a national thunderclap.

But the fact that the President is a great delegator, and often appears to be disengaged, does not mean that he is always ignorant of what is going on. His is at times what might be termed deliberate disengagement—a calculated removal of himself from the picture when it seems better that he not be in it. His "disengagement" provides a convenient excuse. Reagan is not the simpleton that so many portraits of him suggest: he is wily, and quite capable of guile. (Several of his answers at the recent press conference were clever—perhaps too clever.) And, after all, he does attend meetings and make decisions. In addition, he creates a certain atmosphere within his Administration that leads people to think, not accidentally, that there are certain things he would like to see happen. Therefore, the idea that Reagan is "disengaged" does not necessarily mean that, among other things, the arms-for-hostages plan was foisted on him.) The Tower Commission report shows that Reagan wanted to keep the arms-for-hostages plan going when even some of its proponents wanted to shut it down.) It also does not necessarily mean that he was unaware of the fact that his aides, in probable violation of the law (the Boland amendment) prohibiting the Administration from providing military assistance to the Contras—directly or indirectly—were engaged in systematic effort to get arms to the Contras.

In fact, it would seem impossible that Reagan was unaware of the Contra-support program; that the Contras were receiving military aid from somewhere and that North was involved was being reported in the press, with some prominence, and the President himself was involved in meeting and thanking contributors of what was said to be "humanitarian" aid. The President said at his press conference that he was thanking them for raising money for television ads urging Congress to support Contra aid; the Tower Commission report contains a memorandum by North to Poindexter saying, "The President obviously knows why he has been meeting with several select people to thank them for their 'support for Democracy' in CentAM." It was an open secret that North was coordinating the getting of military assistance from "private" souces and from third countries to the Contras. Congress looked into the matter but didn't pursue it: Reagan was very popular then, and the tentative congressional inquiries that were made were easily foiled by the White House. (After one session in which North misled some members of Congress on this point, Poindexter wrote him a memo saying, "(Well done.") The Senate Intelligence Committee report, which was issued in late January, showed the President to have participated in certain meetings where getting military assistance to the Contras, and the diversion of funds, may have been discussed, and both the Committee and the Tower Commission showed that—perhaps not coincidentally—a memo by North talking about McFarlane's forthcoming trip to Iran and also suggesting the diversion of some of the profits to the Contras was attached to a memo about McFarlane's instructions. The commission (which was subject to fewer security restrictions than the committee was) published North's memo, showing that it was addressed to Poindexter, who was to forward it to the President, and also showing that it requested the President's approval or disapproval of the proposed steps for getting arms to Iran in connection with McFarlane's trip and of McFarlane's instructions. The commission said it had "obtained no evidence that Poindexter showed this memorandum to the President."

Perhaps the President believed, or was led to believe, that in providing "private" and third-country military aid to the Contras no law was being violated, but there is no sign that he made a point of finding out. It is not in his nature to ask a lot of questions at meetings, or to call in aides and demand to know what the hell is going on. This is what the Tower Commission referred to, in its business-school-textbook prose, as Reagan's "management style." In the press conference, the President defended his "management style" at the same time that he appeared to be laying off on his aides the responsibility for the Iran program having "deteriorated" into arms for hostages, and said frequently that he still doesn't know the answers to some important questions about what happened. At times, the commission seemed too kind; for example, it seemed to accept the President's word that he didn't even know that Iranian operations were being run by the National Security Council staff, rather than the C.I.A.—which seem preposterous. As for the President's contention that he had no knowledge of the diversion before Attorney General Edwin Meese told him about it (and shortly after that told the public), the commission's saying that "no evidence has come to light to suggest otherwise" doesn't put an end to the matter.

The very fact that the Tower Commission, made up of three unflamboyant figures, gave the President the benefit of the doubt on this and so many other questions, and wrote a sombre, colorless report, and employed a number of euphemisms, lent what it said all the more impact. The commission also deliberately skirted the question of whether illegalities were committed, but even on the basis of what we know thus far several seem to have been. And it also deliberately refrained from making proposals for structural changes in the National Security Council or for new laws governing it—so as to avoid letting Reagan slide off the hook by announcing that he has solved everything by moving someone's office four doors down the hall. (Anyway, Frank Carlucci, who took over as national-security adviser early this year, had already made extensive changes in the N.S.C.'s procedures and personnel.) Rather, in saying, "The N.S.C. process did not fail, it simply was largely ignored," the commission laid the problem at the President's door. By also placing blame on Donald Regan ("He must bear primary responsibility for the chaos that descended upon the White House") and Secretary of State George Shultz and Defense Secretary Caspar Weinberger (saying that they had "distanced" themselves from the arms-for-hostages policy, and had not tried hard enough to talk the President out of it), and a number of others, the commission did (perhaps intentionally) leaven the charge against the President. But this in itself gets back to Reagan's incompetence in governing.

The importance of the Tower Commission report was that it gave an official stamp—if these guys said it, it had to be true—to some things that a number of people had been saying about Reagan for some time. Moreover, now the audience was readier: there had been a long trail of foreign-policy disasters within only five weeks' time (the "non-swap" of Nicholas Daniloff for a Soviet spy, the downing of Eugene Hasenfus's plane over Nicaragua, the "disinformation" campaign, Reykjavik). Looking back, the downing of Hasenfus's plane was an omen—and a metaphor.

With the departure of Regan and the retirement of C.I.A. director William Casey, a number of Administration officials feel vastly relieved. Regan's ruinous corporate-style management of the White House shut almost everyone else out—and when Regan did allow anyone to see the President he almost always was in attendance. And Regan, it became disastrously clear, had absolutely no political feel. He was a walking example of the hazards of having businessmen in politics. With Casey gone, other officials feel not only that a malevolent influence on the President has departed (Casey did have direct access to the President) but also that they are no longer in so much danger if they have incorrect thoughts. The thought police who have patrolled, if not controlled, this Administration are not entirely gone, but one of their most powerful officers has left the scene.

Howard Baker will have no easy time of it as the President's new chief of staff. He has an equable temperament, a conciliatory manner, and is at ease with himself—all qualities that are most welcome, especially after Regan. (Regan, among other things, had a violent temper.) That Baker is a likable man and that he has very good relations with Capitol Hill (on both sides of the aisle) and with the press were seen by the Reagan advisers who installed him in the job as prime assets. Reagan had run against "Washington" and, especially in the second term, governed against Washington, but when he was in very deep trouble his advisers turned to a quintessential Washington insider. (Richard Nixon did the same thing, and so—though he was in less trouble than the other two—did Jimmy Carter.) That Baker has ended up not only as chief of staff but almost as a prime minister—at least, this is how many Republicans hope it will work—is full of ironies. Regan was critized for trying to act like a prime minister. And Baker has hankered for a long time to be President or Vice-President, only to be barred by the very wing of the Republican Party that has now reached out to him for salvation. An associate of Baker's says that he had become bored with practicing law, and was most interested of late in becoming Secretary of State—but that job (at least as of now—is filled. I'm also told that Baker would have accepted the rule of director of the C.I.A. but that he hadn't been asked right: Donald Regan asked him, and Baker was not interested in being Regan's C.I.A. director. Baker was apparently quite ambivalent about whether to run for President this time, so the invitation to come in and save Reagan was attractive.

However, so many of Reagan's supporters are still so suspicious of Baker that Meese (another watchdog for the right) has had to provide him with political protection, and conservatives have set about providing checks on him. Former Nevada Senator Paul Laxalt, perhaps the President's closest pal, will head a committee of prominent conservatives—his co-chairman will be Edwin Feulner, the head of the right wing Heritage Foundation, which sometimes seems to be running this Administration—to keep an eye on Baker. (Actually, Reagan doesn't seem to have strong friendships in the sense that he reaches out to people—they try to figure out how to get to him, and usually do so through Nancy Reagan.) Reagan's "kitchen cabinet"—the wealthy Californians who have backed him for a long time—is to be brought in for a White House meeting. Important Republican Party figures will be called in Laxalt, who figured large in bringing Howard Baker in, told me recently, "I think they're all going to watch Howard very carefully. They'll be assessing the situation and seeing to it that Howard adheres to the President's agenda." By "the President's agenda" the conservatives have in mind meeting the targets of the Gramm-Rudman law (a virtual impossibility without a substantial increase in taxes, if it is done honestly), not trading away the Strategic Defense Initiative, and continuing aid to the Contras. (Military assistance has once again been made legal, but the entire program is in jeopardy on Capitol Hill—though perhaps not as much jeopardy as many people seem to assume. It is not yet clear that the Democratic Congress wants to be held politically responsbile for completely cutting off aid to the Contras.) Laxalt told me that the purpose of these exercises in Baker-watching is, "to some degree, pacification" of the right.

But there as a number of questions about Baker in his new position, among them what his philosophy really is. People tend to think of him as a moderate, in part because he is so reasonable, but even some people close to him say that he doesn't have a political philosophy. During the first Reagan term, when Baker was the Senate Majority Leader, he was essentially a broker. People who admire Baker and know him well worry about some other things about him in his new job: he has never run a large staff he has never had to make executive decisions of the kind called for in the White House, and his history is one of conciliating rather than of knocking heads together—but if he is to bring order to the Administration, knocking heads together may be essential. Baker does bring something to the White House that it desperately needs—some common sense. If the President listens to him—a big question—Baker can help do the one thing that Reagan obviously needs: give him more protection against himself. But Baker is working for a man with deeply ingrained habits of thought.

For all the impact the Tower Commission report had, there still has not been a thorough investigation of what happened. The investigations now under way by the independent counsel, Lawrence Walsh, and by the newly established Senate and House Select Committees will tell us a great deal more than we already know—probably none of it good for the Administration. It is possible that several indictments will take place, and that some dramatic—and possibly explosive—testimony will be given. And the committees and the independent counsel are proceeding in an unprecedentedly cooperative manner—which also bodes ill for the Administration. They have gone a long way toward resolving, through negotiations, their potentially conflicting aims: the counsel to get indictments, the committees to get testimony—which can require giving witnesses partial (limited) immunity, from prosecution based on what they say before the committees. The fact that the two committees have agreed to hold joint hearings and to pool their resources and investigations—so as to avert charges that they are doing overlapping work, solely for the glory of it, and to keep them from tripping over each other—is a near-miracle.

The two committee chairmen, Senator Daniel Inouye, Democrat of Hawaii, and Representative Lee Hamilton, Democrat of Indiana, want the hearings to get to the point as quickly as possible and want to avoid trivializing what the issue is all about. While showing on television some of the shady, even shabby, figures that the Administration got involved with would be entertaining, and telling tales of money trails and Swiss bank accounts and ripoffs could be riveting, the chairmen want to avoid an atmosphere of low comedy. Both men also want to avoid the atmosphere of the Ervin Watergate committee, which, though entertaining and productive, devolved into partisanship and certain instances of showboating. And both chairmen want to know where the public testimony is headed before it is begun—thus the agreements with the independent counsel that the committees can, under tight security, begin to interview key figures in private, giving Walsh time to build his cases against them in the meantime. Therefore, the next couple of months could be the crucial ones. (Public hearings are not scheduled to start until May.)

In making judgments about whom to call and when to call them, the committees and their own counsel are deliberately trying to avoid foreclosing the prosecution of certain people: among them might be Richard Secord, the former Pentagon official who, along with old friends from the Pentagon and the C.I.A., was involved in both the Iranian and the Contra operations. (Some of the most important people in our government entrusted some of the most sensitive and secret—at least, from us—policies to people who came from the world of Edwin Wilson, who is serving a jail sentence for selling arms to Libya, and to Middle East arms dealers, one of whom flunked a C.I.A. lie-detector test.) Albert Hakim, Secord's business partner, has been granted limited immunity, because the congressional investigators are having trouble getting access to information about the Swiss accounts. (Switzerland protects its clients.) And the Senate committee has begun civil contempt proceedings against Secord to get his bank records.

The reason Poindexter will be given limited immunity in early May and will be called to testify in mid-June, pursuant to an agreement between the committee and the independent counsel last week, is that he is now considered the key figure in the case. North, after all, reported to him, and Poindexter briefed the President every day. North won't be given limited immunity until mid-June, thus giving the prosecutor more time, and will be called to testify after that. What the congressional investigators want to know is whether Poindexter told the President not only about the diversion of funds but also about the extensive program run out of the White House to get military assistance to the Contras—in defiance of the law. And if Poindexter did not tell the President about the Contra-support program, they want to know why not—who told him not to. (The investigators will also look into McFarlane's involvement in the Contra-supply effort while he was national-security adviser.) Poindexter, after all, is a military man, and a rigid one at that, used to working in a chain of command. Most people here think it highly unlikely that Poindexter took it upon himself to have the N.S.C. staff carry out these or other operations.

Whatever Poindexter has to say about whether he told the President about the diversion and about the program to provide the Contras with military support at a time when this was banned—and if not why not—could be very explosive. An issue that is gaining high priority in the congressional investigations is that in undertaking the Contra-support program the executive branch defied the law established by Congress. In the current context, members of Congress are taking this more seriously than they did before. This is really why the Select Committees plan to begin their hearings with the Contra-support program—and not just, as spokesmen said publicly last week, because they want to take up the issues in chronological order. (The Contra-support program preceded the arms-for-hostages dealings, and they were both essentially carried out by the same people—in and out of government.) And this is why the committees want to interview Poindexter, and then have him testify publicly, as soon as possible. There is a growing feeling within the Hill investigations that if Reagan did know about the Contra-support program this has serious implications. An important member of the Senate Select Committee has told me that the part of the strategy is that if anyone testifies that Reagan knew about the diversion, proof that he had also known about the Contra-support program would give weight to that charge, but the Contra-support program is now considered important on its own. This theory goes that Reagan had ample opportunity to tell the country whether he was aware of the White House activities to get military assistance to the Contras, but even in his latest speech he said nothing about this and in the press conference he denied that he had known about it. The moral distinction between lying and withholding the truth is a narrow one. In both appearances, he also said that he did not know about the diversion. (Some Senators close to the investigation say they are surprised that Reagan was so absolute about this at the press conference—that he left himself no room.) Thus, the idea is quietly taking root on Capitol Hill that if it turns out the Reagan was lying on either of these points, or blatantly failed to level with the country, then Congress, as well as the country, could be so enraged that he might not be able to finish his second term.

Meanwhile, the President's advisers are trying to get the Administration back on track, and get the public's attention focussed on other subjects. But even some of Reagan's closest aides and strongest supporters in Congress know that it will be very difficult to keep public attention focussed on other matters—and Reagan himself is not much help. Not long ago, in what was then a rare public appearance, he said, "We've spent enough time the last few months on inside-Washington politics—who's up and who's down, who's in and out." This is in line with a comment he made last fall—"This is a Beltway bloodletting." If Reagan really believes these things, he is not only seriously out of touch but also will not be of much help to himself: straightening out a problem has to begin with understanding what it is. That is, if it's not too late. And the term "inside the Beltway" is a mindless one—one that should have long since been retired. It overlooks such things as television, newspapers, and magazines that convey information "outside the Beltway;" it demonstrates a total lack of understanding of how opinion travels, and grows; and it is an insult to the American public. There is a direct correlation between people's using the term and their wishing that a certain subject not be discussed.

Reagan, of course, only undermined himself by bowing recently to the wishes of Weinberger and Shultz that he defend them against what the Tower Commission report said about them; in doing so, in a recent Saturday radio talk (to the consternation of Howard Baker and several other advisers and allies), he gave the subject a new lease—and completely scrambled the signal about his acceptance of the report. We already knew that Shultz and Weinberger were more aware of what was going on in the course of the arms-for-hostages policy than they have let on, and that they could have tried harder to stop it. Their insistence that Reagan exonerate them is symptomatic of a problem that has dogged the Reagan Administration for some time and is far from solved—that it is made up of a bunch of people who proceed on the theory of every man for himself. Reagan's preference for "cabinet government" has been a deterrent to coherent policy all along but at least in the first term he had some people around him—James Baker, Michael Deaver, and Meese—who helped hold things together, if only to a degree. (Deaver, of course, has since been indicted for perjury in connection with his lobbying activities after he left the White House.) After the first term, whatever center of gravity there had been was gone. The fact that Reagan has had five national-security advisers in six years has been a symptom, as well as a cause, of the Administration's chaotic foreign-policy-making. The recent behavior of Weinberger and Shultz—and the President—is an example, but not the only example, of the fact that the centrifugal forces in the Administration are still dominant. And the Iran-Contra affair—contrary to what Tower said when the commission released its report—was not "an aberration" but only an extreme example of what was going on all the time. One foreign-policy official said to me recently, "The barons still want to rule their own roost." He continued, "The State Department and the Defense Department would still prefer not to have the N.S.C. coordinate things; they don't like the idea of reaching bureaucratic decisions, because it is more difficult and less likely to reflect their own positions. And they have bureaucratic allies, and friends on Capitol Hill and in the media. The Administration resembles the Congress—with continuing battles among the special interests." Howard Baker and Carlucci are trying to put the Administration back together, this person said, but he added, "After six years, and especially the last two, it is very difficult to restore some central control over what is really anarchy."

Representative Dick Cheney, of Wyoming, one of the most powerful Republicans in Congress, and also usually a strong supporter of the Administration (something that recent events have made it increasingly hard to be), said to me the other day, "I didn't like that Saturday radio talk. It seems to me the President hasn't solved all his problems until he manages the Shultz-Weinberger relationship. As long as they think they can get him to work for them, that's a problem. And it has substantive consequences, because as long as there is the apparent drift within the Administration on major foreign-policy issues—arms control, the A.B.M. treaty, Central America—there's a sense of a lack of decisiveness in the foreign-policy arena that encourages the Congress to move in." Cheney added, "The President's going off to defend the Secretaries is proof that he hasn't conquered that problem."

William Webster, Reagan's new nominee to replace Casey, will, if he is confirmed, face some real challenges. Webster gets generally high marks for his recent role as F.B.I. director, though some members of the Senate Intelligence Committee, which must approve his nomination, have a few questions they want to raise—among them some about Webster's own handling of certain aspects of the Iran-Contra affair. Still, Webster is well liked here, and gets around, so he starts with a line of credit. But it is clear to people who know a lot about Casey's C.I.A. that Webster will have to not only reorient the agency (away from trying to relive the days of the O.S.S.) but also, as one qualified observer puts it, "clean out" the agency's operations directorate (the one that does covert action). Casey, in thinking that the glory days of the O.S.S. could be revived, set the agency loose on many questionable ventures, gave a number of C.I.A. officials who were all too ready to go back to the good old times their head, and proceeded as if the laws enacted in the last couple of decades (in the wake of certain disclosures), including requirements to report certain things to the congressional Intelligence Committees, were not meant for him. Thus, Casey reflected, and encouraged, an attitude that was not uncommon in the Reagan Administration—which in several instances was no less than lawless. This fits in with the case that the Select Committees on the Iran-Contra affair are building. Further, Webster could have another problem; he has no background in the area of foreign policy, and thus will be dependent upon the C.I.A. bureaucracy. And some informed observers think that the truth has not come out about the C.I.A.'s full role in the affair. Also, C.I.A. officials have a history of running rings around directors who are unfamiliar with the place.

Reagan could, of course, be blessed again with his famous luck. He has already had the good fortune to have Soviet leader Mikhail Gorbachev make it somewhat more likely that the two men might be able to agree on a treaty reducing intermediate-range nuclear missiles. All Gorbachev did was revert to his pre-Reykjavik position that such an agreement could be reached apart from agreements on long-range weapons and S.D.I. For Reagan, this was a great gift, presenting him with the possibility of both an I.N.F. agreement and a summit meeting, and perhaps even the outline of an agreement on the larger questions. But, given the situation within the Administration, with those who don't want Reagan to bargain on S.D.I. still trying to checkmate those who do, the chances of a full, if any, agreement on the big questions do not as of now seem very great. It is the very fact that the I.N.F. issue is not so important that makes an agreement on it more possible. The historical irony is that Reagan and Gorbachev seem to have parallel needs: each, for his own reason, needs an arms-control agreement. Reagan, of course, needs one to improve his political situation and for what is referred to as "his place in history"—which is a bit shaky just now. Gorbachev needs one in order to affirm his primacy within the Soviet leadership and to lessen the drain on the Soviet economy of the arms race.

But whether even an I.N.F. agreement can be reached is far from certain at this point. Among other things, the United States may be asking for verification procedures that will make an agreement impossible. Carlucci is said by an associate to be "slowly, slowly" trying to get some decisions made; up till now, arms control has been a continual free-for-all within the Administration. If Reagan does seem to be on his way to arms-control agreement, the pressure to "get off his back" on the Iran-Contra affair could get intense. But Nixon staged some foreign-policy spectaculars when he was in trouble, and the inquiry into his Administration's activities went on inexorably.

Reagan may, in the end, succeed in changing the subject. He might have some successes with Congress on other issues. He also might somehow escape further heavy weather on the Iran-Contra affair. His inherent resilience and fighting nature might restore him as an important force—despite the fact that he is in the last two years of his Presidency and, in effect, lost the No-

> vember elections. He has seemed, of late, to have had some of the wind knocked out of him, to have lost some of his confidence—which had been an important source of his strength. The apparent (if illusory) success of his press conference, plus the conformatory applause by his staff afterward, seems to have cheered him up—at least for the moment. Reagan has bounced back before—albeit from less dire political circumstances. He will never be more intelligent than he is, and it is unrealistic to expect that, as Laxalt predicted recently, "the days of hands-off policy in connection with serious policy matters are over for Ronald Reagan." But he is better protected now than he has been for the past two years. Thus, it is possible that the Reagan Administration could coast along for the next two years—not doing wonderfully, perhaps, but not doing terribly. And then again it is also possible that, at any moment, it could get blown away.

"If a White House"—and I like this. Everybody falls over himself or herself to keep from naming the President, so they say the White House, as if the White House had done it—"can decide that a law passed by Congress is inconvenient and simply set out to circumvent it, then our constitutional system is finished."

This is not me talking. I have said that time and time again. This is Elizabeth Drew saying:

> Look, if you in America have reached the point where you want to accept the Caesars, fine, but don't complain if at the same time you have undone the Constitution which is the basis of all our freedom, and nothing else.

I continue:

> But Reagan and some of the people surrounding him have frequently showed a strong contempt for Congress, an attitude that may have led them to a contempt of Congress. Of late I have heard very calm and sensible people who know a lot about the Iran-Contra issue talk about the possibility of Reagan's "forced retirement." Such are the problems with Reagan himself that his handlers, including his wife, make it obvious that they are most reluctant to let him out on his own and say anything that has not been carefully scripted.

Then she discusses the devices, which obviously the President thinks are very cute, feigning deafness so as not to answer inquiring reporters' questions. She points out in great detail the inconsistencies, the obvious fact that even publicly, as I have alleged in my resolution, the President had admitted to violations of the law.

There are quotations from her article that this in itself gets back to Reagan's incompetence in governing.

The Tower Commission report shows that Reagan wanted to keep the arms for hostages plan going when even some of its proponents wanted to shut it down.

The President, though, it should not be surprising to any one of us, any who have studied diligently his role over the course of more than 30 years should not be surprised, since the reason why as in the case of Mr. Nixon, I make it a point to try to study the record.

I think the only thing I hold my fellow citizens responsible for; that is, the non-office-holders, the electorate, in an educated electorate, is to judge candidates on the basis of whatever record the candidate may have.

Now, naturally, where candidates present themselves and have no record of holding power, you cannot expect the people to be the wisest on all occasions. They do what you and I do and what you and I did when we were just plain ordinary manila citizens; but when a man has a record, I do not care what kind of record, of holding some kind of power, a school board member, some offices that people consider inconsequential, but which represent power, and see what he did or she did when they had that power; not what they promised, not what they say they would like to do, but what did they do when they had power? That is the best thing.

What did Mr. Reagan say in 1977, belatedly attempting to defend the late President Nixon? I am going to quote his words:

> When the Commander in Chief of a nation finds it necessary to order employees of the government or agencies of the government to do things that would technically break the law, he has to be able to declare it legal for them to do that.

That is Ronald Reagan, 1977.

Now, that is all fine. Let us say that even if we were to attribute it to the basest of possible motives, partisan politics, I want the record to show that when a neighbor and a fellow Texan was President, Lyndon Johnson, I took this floor the same way. The only difference was there was no TV coverage and there were not too many people paying attention to lonely figures. At that time most of my colleagues who wanted to have in print in the RECORD something would just merely submit it in writing and under the rules it was possible to do that without having to come on the floor to speak it, but I always felt that if I were going to summon forth this great privilege, I consider this the greatest privilege a Member of a numerous body, such as the U.S. House of Representatives could possibly have, because all we have is one voice, one vote, so that when you have 435 Members, you cannot extend yourself as say we could in the State senate with 31 members. Therefore, these special orders give us a chance not only to get on the record, but to enlarge on points that agitate our minds, that impel us to speak in more detail and with a fuller sense of knowledge and understanding; so that I did.

The very first week after I was sworn into this great body, I used special orders and I have ever since. The reason was that I not only wanted it to be on the record, it was the best way I had to communicate with those colleagues who would be reading the RECORD.

Now, during the Presidency of Lyndon Johnson, I supported enthusiastically and more than 100 percent his domestic programs. Why not?

Here I had been on the city council. I had made suggestions that years later would be called part of the war against poverty. I was ridiculed, criticized by the local officials.

Noting in 1953 that San Antonio had one of the highest rates of illiteracy, adult illiteracy, I proposed that with the good faith and credit of the city of San Antonio that we join together with the San Antonio independent school district, and then if that worked, with the remaining school districts in the city, and work out a use of these idle plants known as our schools, because in our community there is one institution that you can find in every single locale or community or area or region in the city, and that is a public school.

The idea was that we would have evening classes. San Antonio had become the attractive place of retirement for hundreds of highly prepared competent leaders in the service, in the armed services, in the civil service of our Government, and I said why not use that reservoir of talent, summon them forth, bring them in as teachers and then provide those evening classes in the poorest districts, in any district where the incidence of illiteracy is so high.

I was denounced. The president of the school board said I was trying to mix the school district in politics. If there was any more politically influenced school board, I cannot think of any; but I was laughed at.

Then I conceived of the youth who were not in school. I thought and proposed what later in the war against poverty we had in the Job Corps where we had our pushouts, I would not call them dropouts. Our system pushes out a lot of our young, and that is a loss to our country.

□ 1340

So I proposed again through the full faith and credit of the city, with minimal allocation of funds, that we invite private enterprise and that we embark on a course of public employment for the youth and training at the same time and reschooling. After all, manpower retraining is just another form of education.

Well, I went to the State senate, and I introduced what I called the Texas Youth Conservation Commission, and there I proposed that we have the great State of Texas and its full faith and credit, which it then boasted mightily, and using the State park system, one of the most beautiful in the country—but which was starved to death.

When I went to the senate in 1957, the State of Texas was allocating $250,000 for the maintenance of all of its State park services. In the city of San Antonio, where I had been a city councilman, and one of the strongest advocates for a park system, and had pushed through increases in budgetary allocations, the city of San Antonio alone was allocating over $2 million for the maintenance and upkeep of its city park system, and here is the State of Texas, $250,000.

So I had the powerful chairman of the Finance Committee look down his nose at me and say, "What are you talking about? Get out of that dream world. Who's going to pay for all of this?" I could not get a hearing.

So then I came to the Congress, and that was the big difference, and had been the big difference until about 12 years ago, when we got the so-called reform here in this body, which has led to what I consider to be the erosion of institutional integrity in the legislative processes. But before that, when I got here, it was a privilege to find out that there were Senators—Hubert Humphery had S. 1, and that was the National Youth Conservation Commission. I went over and got his permission to introduce it in the House, and I did so, the first House Member to do that.

I had the great honor, 2 years later, in the Economic Opportunity Act of 1964, together with Mr. Humphrey, to make that one title of that war against poverty.

So, naturally, a President who was as much for education as Lyndon Johnson did not have to call me for my vote—I was volunteering to give it. But the troubling thing was Vietnam. What do you do there, that agonizing period of the sixties?

I did not want to join the strident forces that did not come until after a few years, but I was the first and only one to raise the issue of the unconstitutionality of a President impressing and conscripting an unwilling American and sending him outside of the continental United States into an undeclared war.

Why did I say that? Because that was the integral provision that was placed in the first peacetime draft, and in fact it was not until that proviso was put in that they finally got the vote to pass it in peacetime.

What did it say? It said, "Mr. President, you're not going to ship out an unwilling American, you're not going to draft him and send him outside of the continental United States into a Presidential or an undeclared or a twilight war." But then came World War II. The proviso in that Draft Act said unless a declaration of war or expressly provided so by the Congress.

The Congress never did; it was all by indirection. So that here in the midst of this big crisis in Southeast Asia I raised that issue. Nobody paid any attention, but it is in the RECORD, when I got up, what I said. It is not what I am saying now in retrospect.

So I rise again under similar circumstances, though during the height of the Vietnam conflict, as will be the case soon with Central America, what was the choice that you were reduced to? Nobody was willing to debate the issue on the House floor. The issue was debated inferentially on somebody questioning the appropriation for defense.

You could not make a forum on the propriety or impropriety of the war in Vietnam on a defense appropriation or authorization, and yet this was about all that was done. In 1967 we had the discussion on the first 4-year extension of the Draft Act. I got up on the House floor, made remarks, offered an amendment. I could not get the necessary number to stand up and get a vote.

But 4 years later, in 1971, when it was up again for extension, I made the same speech, entered the same amendment, and I got 151 votes, meaning then that the question was beginning to be perceived. As I pointed out time and time again, no country in the history of the world had done what we did. Even the Romans did not conscript slaves to go fight their wars. The British empire at the height of its glory never impressed a cockney worker on the streets in Manchester or wherever and sent him to India. They had the professional soldier. France in Vietnam never did send one conscript, because French law prohibited it, so they used mercenaries and pros, they had the Foreign Legion. Those were the ones who were fighting at Dien Bien Phu when the French surrendered. They did not have conscripts; they did not have draftees. They would have had the dissidence, the divisiveness that we suffered, the great toll and price.

It still is, and the question has not been confronted, any more now than it was then. And if not here, then where?

I think that the people have every right to say, "Well, if our leaders won't lead, then we've got to push." But do we wait for that? When the push comes, it tends to be disorderly, it tends to be passionate and divisive, and it becomes the prelude to civil strife. We do not want that. America does not need it, and America deserves better.

But certainly the course that the President has selected in Central America is inexorable. It is unchangeable. And what is the cost of this? Look at the mess that he is in now. Why? Because of this obsession with insisting on using military solutions to those problems that are not inherently or ever will be solved militarily, not even if we were to use every available manpower of this Nation, drafted and otherwise. We do not have the manpower, nor should we.

It is foolish. This President has never once opted for a diplomatic approach.

The first time that I spoke on this, even though I was an observer chosen by the Organization of American States, on July 1, 1966, to oversee and observe the Dominican elections, in Santo Domingo, I never considered myself an expert, and did not get up and speak. I do not belong to the Committee on Foreign Affairs, so I do not second-guess my colleagues who do.

□ 1250

But it was obvious in September 1979 after I had a visit of constituents who were down there, both in Nicaragua and El Salvador, that we were headed for trouble. Our President, then it was not Ronald Reagan—who accuses me of being partisan? I waited 6 months, and not having had any more success in reaching those levels of authority than have been had with this President, in fact Ronald Reagan I might say, by way of parenthesis, is the first of six Presidents that does not acknowledge a Congressman's letter. At least Nixon did. But in any event, I then felt compelled on April 1, 1980—Mr. Jimmy Carter was the President—to make the first address on the floor on the subject of Latin America. And I pointed out, and I implored him, I implored the President, please, please, you have very limited time. I do not think you will have more than 90 days, Mr. President. Do not go down the primrose path of military observers or military advisers. Use you moral suasive power. The United States still has a residue of that with our nations that share and will share the future and the destiny with us in this new world. Go through them. Do it collectively. Eisenhower did in 1957. You had conflict between Nicaragua and Honduras.

There has been a traditional conflict there, a border question. Alexander Haig and President Reagan, and mostly guided by what I consider to be a malevolence, even though she is a female, Jeane Kirkpatrick, thinking they could feed on these ancient animosities and divide and conquer. Well, that day is gone. Maybe Calvin Coolidge could do it in 1929, but nothing is going to do it in the 1980's. Those days are gone forever. The masses down there, now 80 or 85 million more of them than we have total population here, are not going to continue to take the subjugation, the tyranny, the despotism, some of which we have been responsible for and imposed on them. Not any more, that is gone.

If the Pope had made the visit to Chile 30 years ago, 10 years ago, 15 or even 20 years ago, it would have been unthinkable he would have confronted what he did this last week. That world has changed forever.

And so I got up on April 1, 1980, and said, please, Mr. President, use this, use our wit and will, summon forth upon competent officials. Why have a State Department? We can win.

In 1957 what happened? It looked like there was going to be a war between Nicaragua and Honduras. The same countries almost except one that today we call the Contadora countries, called upon the United States and said, join us, let us mediate this, and we did. Eisenhower sent the Secretary of State, and what happened? Did they resent us? No; they made us the leader. And what did we do? We went to the World Court and resolved the problem. And it stayed resolved until we introduced Argentine troops in 1981 on the request of Alexander Haig to try to do what? Destabilize the Sandinista junta at that time.

So it did not do any good in 1980 by the time that those 90 days were up, and in fact, to be exact, 123 days later the events got out of hand. Just last week you had the violence erupting in El Salvador where we had been told for about a year or two that everything was under control, we have got the man we imposed, we are taking care of everything. But again, foolishly, by also aiding and abetting the extermination, wholesale, of these impoverished people up in the mountain provinces, with our attack Huey helicopters, doing no different than what we are accusing the Russians of doing in Afghanistan. Where is the moral difference? In fact, we use meaner attack helicopters hovering over innocent peasants, men, women, grandfathers, 6-month-old children. These are not Marixst-Leninist. These are not part of the rebels.

The rebels, if they had been done away with as we were told up to last week, 100 men would not have been able to successfully attack the biggest army camp in El Salvador. And by the way, leading to the death, unhappily, of one of our American advisers.

But who remembers the five American nuns that were slaughtered? Who remembers the Archbishop Romero? Who killed him? The very people that are going to knock out Mr. Duarte pretty soon.

What are we going to do then? Invade Salvador? What about Guatemala? When that blows up, what are we going to do, send our troops into Guatemala?

Where is the other cause showing up? Well, for the first time the Soviet leader, Gorbachev, is coming to pay a visit to Latin America. He is coming to Mexico and then he is going down. That is the first time. Why? Well, maybe it is because it is obvious even to the Russian geopoliticians that Ronald Reagan's actions or so-called policy, which I will not dignify by calling it that, is bankrupt and counterproductive to the United States, and very unfavorable. Gorbachev is being invited; he is not intruding.

I will place in the RECORD at this point an article on page 16 of the Christian Science Monitor for Monday, March 30, 1987, by Carl J. Migdail entitled "Gorbachev: He Sees Opportunity in Latin America."

The article referred to follows:

[From the Christian Science Monitor, Mar. 30, 1987]

GORBACHEV: HE SEES OPPORTUNITY IN LATIN AMERICA

(By Carl J. Migdail)

Mikhail Gorbachev's decision to tour Latin America later this year should worry the United States. It means that the Politburo realizes that a major change to the advantage of the Soviet Union has taken place in US relations with its neighbors in this hemisphere.

Yet US officials shrug off the importance of the Gorbachev trip. There is little recognition among Washington policymakers that since 1959, when Fidel Castro came to power in Cuba, US influence in Latin America has declined steadily.

If there were not clear prospects for vast gains to be made in Latin America, Communist Party General Secretary Gorbachev, now locked in a modernization struggle with his entrenched party bureaucracy, would not be willing to risk leaving his homeland and venture into what was once the acknowledged sphere of influence of the US.

A senior Soviet expert in Latin American affairs once told me that analysts at the foreign office in Moscow frequently concluded that Washington's policies toward Latin America contradicted US interests in the region. He and other Soviet specialists in Latin America tried for years, unsuccessfully until now, to convince their bosses in the Politburo that US failures in Latin America opened wide the possibility for Moscow to gain influence.

General Secretary Leonid Brezhnev visited Cuba in 1974. But that was a special case. Cuba was already a dedicated member of the Communist bloc and there was no risk to Soviet prestige in a trip to Havana by the head of the Soviet Communist Party. The Gorbachev swing through mainland Latin America is, however, very different. The Soviet leader is due to visit Mexico, Brazil, and Argentina—none an ally of Moscow.

Castro's victory in Cuba was a strategic defeat for the US. Through Cuba, the USSR pierced the security barrier around the home waters of the US. Way back in the first half of the 19th century, US policymakers had recognized that Cuba in the hands of a strong enemy could become a major danger to the US. While weak Spain owned Cuba, the US felt safe.

But when Castro declared himself a communist, and negotiated an alliance with the USSR, Washington proved unable to neutralize the challenge to its security. Latin America's leaders are very aware that in the long confrontation with the superpower US, it was tiny Cuba, backed by the Soviet Union, that won.

At the end of the 1960s, the US made the disastrous error of misinterpreting the results of the Alliance for Progress, the massive, cooperative hemispheric effort to bring development to Latin America. Then national security adviser Henry Kissinger, with little experience in Latin American affairs, decided that "the Alliance for Progress dramatizes the inability of the US to act as an international social engineer." But despite its failure, the Alliance had, however, proven convincingly the ability of the United States to act as an international social engineer.

Misreading the results of its own policies, the US adopted an approach toward Latin America during the 1970s of no more grandiose slogans and no more big multilateral projects. The US, deliberately, tried to pull back from its deep, traditional involvement in Latin America at a time when the region's presidents were searching for continued US leadership and even more cooperation.

When Latin America plunged into the ongoing crisis of huge foreign debts, political will was lacking in Washington, and still is today, to look for a hemispheric solution to the problem.

US policymakers in 1982 did not understand the consequences for its Western hemisphere policy of the decision during the Falklands war to side with Britain against Argentina, instead of continuing to remain neutral. But Latin America has not forgotten nor forgiven. The US decision to back Britain is still regarded in Latin America as betrayal.

Washington's reapplication of failed invasion tactics used against Castro's Cuba to try now to overthrow Nicaragua's Sandinista government has finally converted Latin America into a fertile region for a visit by the foremost leader of the USSR.

Most leaders of Latin America oppose Sandinista efforts to construct a Marxist dictatorship in Nicaragua, but they cannot support a US military intervention, either with US troops or "covertly," through support for contras to overthrow an existing government. Still resented in Latin America are US military interventions in Mexico and Central America during the first half of this century which brushed aside the sovereignty and independence of smaller countries.

Differences between the US and the larger countries of Latin America over how to cope with the challenge of Sandinista Nicaragua—and the conviction that the US-backed contras will continue to fail to overthrow the Nicaraguan government—have led eight governments of the region to a concerted effort to work out an accommodation with Managua on terms unacceptable to Washington.

But even more ominous for future US-Latin American relations, and more attractive for Gorbachev, is the recently announced determination of the eight, "within the context of growing Latin American unity", to stimulate cooperative development in consultation "with groups of countries within and outside the region." The intent clearly is a move politically, and where possible economically, away from the US.

The options for the US now in its policies toward Latin America are remarkably clear: Washington can either recognize that US interests should be defended by rebuilding traditional alliances in Latin America, or it can continue to push ahead aggressively on its own, risking new failures and making the region even more susceptible to Soviet influence.

(Carl J. Migdail is a former Latin American correspondent for US News & World Report.)

This is what I was talking about on April 1, 1980; the very thing that our President says he wants to stop is the very thing that he is foisting on us. He, more than any other force, is bringing about whatever it is you want to attribute to success to so-called Communist or Marxist-Leninist. And the reason is that if we compel a desperate people, who have bled and fought in a revolutionary struggle, indigenous civil war, not imposed by Castro or anybody else, and the President's attitude toward this Government of Nicaragua has been not one of approach through our Ambassador, because we have an Ambassador. While the President announced on May 1 or thereabouts, 1985. an embargo on Nicaragua, he has a full-time, full-fledged Ambassador with credentials saying that we recognize that regime as a legitimate regime. But in the meanwhile, the President is saying that is the biggest danger we have to our national interests. He had to say this in order to trigger off that part of the Espionage Act of 1917. And before he could impose an embargo he has to tell us that Nicaragua poses a clear, present and immediate danger to our interests and our safety, our security.

How many newspapers reported it that way, because these are the technicalities Mr. Reagan talks about. And the fact is that they are counterproductive to the national interests of our country. It is not fair to our people to make us be those convicted in a tribunal of justice in the World Court as guilty of state terrorism against Nicaragua. We have been charged and found guilty.

And what was the President's reaction to that? We walked out of the World Court which we had helped create to begin with, the one to which in 1957 Mr. Eisenhower did not mind going as the leader of this group of nations that brought about a peaceful solution.

So I think that the tragedy there is reflected in these two articles, and for that reason I asked that they be placed in the RECORD, because I believe that with calmness and in retrospect my colleagues will have a chance to see this in the RECORD and read it for themselves and conclude for themselves. I know that when the headlines hit, and I predict it will not be long, we will all be saying, well, we have got to support the President in this great hour of need. We cannot allow our men to be killed over there.

□ 1300

Then that will be the ruling passion of the moment and the die will have been cast. For generations to come, we will compel our children, grandchildren, and great grandchildren, rather than living in an environment of neighborliness, cooperation, and even economic advancement for our own country, we will be living in a reconstructed old world, an old European world filled with hatreds, ancient of origin, having led to the bloodiest wars in mankind's history, to the great detriment and the best interests of all of those peoples.

As has been predicted by the great historian, Arnold Toynbee, the reason why, in due course of time, the West will be superseded by the East, he gives these long-range projections based on these long, long dissertations of history.

I think that is not right for America. The American people are greater. They deserve better, and they ought to, but they have the choice. They elect us.

The question is, will we have the fortitude and the moral courage that the decision to uphold the clear delegated and sworn oath of office to uphold the Constitution against all foreign and domestic enemies? I hope that soon, not too much later, there will be some serious oversight of this resolution.

I have offered it because I feel it is absolutely imperative that the Congress exercise its constitutional duties, no matter how distasteful, no matter how politically dangerous it might be. After all, unless we are willing to worship these offices and proscribe ourselves and genuflect before them and be willing to pay the price of compromise of integrity just to hold the office, then that is something else.

I think that if we sit and let the Constitution be suspended, we will follow, as one article I placed in the RECORD last Thursday, quoted in a Brazilian journal, that then the United States will have a Constitution like so many other countries where it is best known because it is most ignored.

LEGISLATION TO COUNTER SOVIET ELECTRONIC SURVEILLANCE OF UNITED STATES EMBASSY IN MOSCOW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. BROOMFIELD] is recognized for 5 minutes.

Mr. BROOMFIELD. Madam Speaker, Soviet espionage efforts directed at the United States Embassy in Moscow have caused catastrophic damage to our ability to carry out effective diplomatic activities from this facility. Soviet clandestine electronic spying from Soviet diplomatic premises in the United States have always constituted a substantial threat to United States security. However, the most recent revelations from the State Department, our intelligence community, the Marine Corps, and our Moscow Embassy indicate that the Soviet KGB has made unprecedented efforts to compromise the integrity of our diplomatic mission in the Soviet Union. It is clear from the review of problems already identified at the U.S. Embassy in Moscow, and other embassy facilities elsewhere, that we are facing a security, diplomatic, and intelligence disaster that is unparalleled in recent history.

During the last two administrations there have been numerous studies of the increased Soviet espionage threat and a lack of sound security practices. Recommendations resulting from these studies have yet to be fully embraced. The bureaucratic tendency to resist change and improvement in this critical area has been appalling. Recommendations to improve physical and technical security have been buried in the bureaucratic maze of the State Department to languish in obscurity. We are now paying the price of our apathetic response to the immediate security threat.

For this reason, I have today introduced legislation to counter the Soviet electronic surveillance of the United States Embassy in Moscow and to reverse the unsettling and flippant attitude of the bureaucracy to the threat of the Soviet espionage to our United States Embassy in Moscow. My legislation directs the Secretary of State to notify the Soviet Union, within 5 days of enactment, of the United States withdrawal from the relevant portions of the agreement between the Government of the United States and the Government of the Soviet Union, the Reciprocal Allocation for Use Free of Charge of Plots of Land in Moscow and Washington signed in Moscow May 16, 1969, and other relevant agreements thereto. The effect of my legislation is to wipe the slate clean, to start anew and ensure the United States and Soviet facilities and the respective countries is based on a fair sense of reciprocity.

If Gorbachev is truly committed to the concept of glasnost then he should welcome an opportunity to demonstrate his commitment in a tangible manner.

I ask my colleagues to join me in sponsoring this resolution in the hope that we can add this important legislation to the State Department authorization bill when it comes before the House in the days ahead.

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO U.S. MERCHANT MARINE ACADEMY

The SPEAKER pro tempore laid before the House the following communication from the chairman of the Committee on Merchant Marine and Fisheries:

COMMITTEE ON
MERCHANT MARINE AND FISHERIES,
Washington, DC, April 3, 1987.

Hon. JIM WRIGHT,
Speaker of the House, House of Representatives, H-209, The Capitol, Washington, DC.

DEAR MR. SPEAKER: Pursuant to Public Law 453 of the 96th Congress, as amended, I have appointed the following Members of the Committee on Merchant Marine and Fisheries to serve as Members of the Board of Visitors to the United States Merchant Marine Academy for the year 1987:

The Honorable Mario Biaggi of New York.

The Honorable Roy Dyson of Maryland.

The Honorable Norman F. Lent of New York.

As Chairman of the Committee on Merchant Marine and Fisheries, I am authorized to serve as an ex officio member of the Board.

With warmest personal regards, I am,

Sincerely,

WALTER B. JONES,
Chairman.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. BROOMFIELD, for 5 minutes today.

(The following Member (at the request of Mrs. SAIKI) to revise and extend their remarks and include extraneous material:)

Mr. LUNGREN, for 60 minutes, on April 7, 8, and 9.

(The following Members (at the request of Mrs. SCHROEDER) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. FRANK, for 60 minutes, today.

Mr. PENNY, for 60 minutes, today.

Mr. JONTZ, for 10 minutes, on April 8.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mrs. SAIKI) and to include extraneous matter:)

Mr. YOUNG of Alaska.

Mr. JEFFORDS in three instances.

Mr. KEMP.

Mr. BATEMAN.

(The following Members (at the request of Mrs. SCHROEDER) and to include extraneous matter:)

Mr. MARKEY.

Mr. LELAND.

Mr. LAFALCE.

Mr. GUARINI.

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mrs. LLOYD in five instances.

Mr. HAMILTON in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. DE LA GARZA in 10 instances.

Mr. TORRICELLI.

Mrs. SCHROEDER.

Mr. BENNETT.

Mr. LOWRY of Washington.

Mr. FLORIO.

ADJOURNMENT

Mr. GONZALEZ. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 9 minutes p.m.), the House adjourned until tomorrow, Tuesday, April 7, 1987, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1088. A communication from the President of the United States, transmitting amendments to the request for appropriations for fiscal years 1988 through 1992 for the Department of Agriculture, the Department of Energy, and the Environmental Protection Agency, pursuant to 31 U.S.C. 1107 (H. Doc. No. 100-59); to the Committee on Appropriations and ordered to be printed.

1089. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a copy of the supplemental contract award report for the period May 1, 1987 to June 30, 1987, pursuant to 10 U.S.C. 2431(b); to the Committee on Armed Services.

1090. A communication from the President of the United States, transmitting a report of his determination that, including his request for a $100 million decrease in direct lending authority, the authority available to the Export-Import Bank for fiscal year 1987 is sufficient for direct loans, pursuant to 12 U.S.C. 635e(a)(2)(A)(ii) (97 Stat. 1257) (July 31, 1945, chapter 341, section 7(a)(2)(A)(ii); to the Committee on Banking, Finance and Urban Affairs.

1091. A letter from the Chairman, National Credit Union Administration, transmitting the Administration's 1986 annual report, including the activities of the central liquidity facility, pursuant to 12 U.S.C. 1752a(d); 12 U.S.C. 1795i; to the Committee on Banking, Finance and Urban Affairs.

1092. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 7-6, "D.C. Statehood Constitutional Convention Initiative of 1979 Temporary Amendment Act of 1987," pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1093. A letter from the Chairman, President's Cancer Panel, transmitting a copy of the panel's 1986 annual report to the President, pursuant to 42 U.S.C. 285a-4(b); to the Committee on Energy and Commerce.

1094. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report that on March 31, 1987, a guerrilla unit launched a surprise attack on the El Salvadoran Fourth Brigade Headquarters at El Paraiso, Chalatenango Department, El Salvador, pursuant to 22 U.S.C. 2761(c)(2); to the Committee on Foreign Affairs.

1095. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a copy of the Department of Army's proposed lease of defense articles to Norway (Transmittal No. 3-87), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

1096. A letter from the Administrator, Agency for International Development, transmitting a report on tropical forestry, pursuant to Public Law 99-529, section 301(f); to the Committee on Foreign Affairs.

1097. A letter from the FOIA Director, Federal Home Loan Mortgage Corporation, transmitting the Board's annual report of its activities for calendar year 1986 under the Freedom of Information Act, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1098. A letter from the Director, Bureau of Justice Statistics, Department of Justice, transmitting a report on the activities of the Bureau of Justice Statistics during fiscal year 1986, pursuant to 42 U.S.C. 3789e; to the Committee on the Judiciary.

1099. A letter from the Secretary, The Foundation of the Federal Bar Association, transmitting a copy of the foundation's audit report for the fiscal year ending September 30, 1986, pursuant to 36 U.S.C. 1101(22), 1103; to the Committee on the Judiciary.

1100. A letter from the Director, Office of Environmental Quality, transmitting a draft of proposed legislation to authorize appropriations for the Office of Environmental Quality for fiscal years, 1988 and 1989, pursuant to 31 U.S.C. 1110; to the Committee on Merchant Marine and Fisheries.

1101. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a draft of proposed legislation to amend section 123 of the River and Harbor Act of 1970 to clarify the authority of the Secretary of the Army to continue to fill confined disposal facilities, and for other purposes; to the Committee on Public Works and Transportation.

1102. A letter from the Administrator of Veterans' Affairs, Veterans' Administration, transmitting a report of cases recommended for equitable relief, pursuant to 38 U.S.C. 210(c)(3)(B); to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HAWKINS: Committee on Education and Labor. H.R. 1728. A bill to amend the National School Lunch Act to provide for limited extension of alternative means of providing assistance under the school lunch program (Rept. 100-37). Referred to the Committee of the Whole House on the State of the Union.

Mr. LAFALCE: Committee on Small Business. H.R. 1854. A bill to amend the Small Business Act, and for other purposes; with an amendment (Rept. 100-38). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 1290. A bill to counter unfair ocean transportation practices, and for other purposes; with an amendment (Rept. 100-39). Referred to the Committee of the Whole House on the State of the Union.

[Pursuant to the order of the House on April 2, 1987, the following reports were filed on April 6, 1987]

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 3. A Bill to enhance the competitiveness of American industry, and for other purposes; with amendments (Rept. 100-40, Pt. 1). Ordered to be printed.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 3. A bill to enhance the competitiveness of American industry, and for other purposes; with amendments (Rept. 100-40, Pt. 2). Ordered to be printed.

Mr. BONKER: Committee on Foreign Affairs. H.R. 3. A bill to enhance the competitiveness of American industry, and for other purposes; with an amendment (Rept. 100-40, Pt. 3). Ordered to be printed.

Mr. ST GERMAIN: Committee on Banking, Finance and Urban Affairs. H.R. 3. A bill to enhance the competitiveness of American industry, and for other purposes; with amendments (Rept. 100-40, Pt. 4). Ordered to be printed.

Mr. HAWKINS: Committee on Education and Labor. H.R. 3. A bill to enhance the competitiveness of American industry, and for other purposes; with amendments (Rept. 100-40, Pt 5). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ATKINS (for himself, Mr. Lowry of Washington, Mr. Penny, Mr. Moakley, Mr. Sabo, Mr. Gejdenson, Mr. Gunderson, and Mr. Vento):

H.R. 1940. A bill to facilitate the resettlement of Indochinese refugees and to provide for the protection of Indochinese refugees along the border of Thailand from cross-border attacks, and for other purposes; jointly, to the Committees on the Judiciary, and Foreign Affairs.

By Mr. TAUZIN (for himself, Mr. Bryant, Mr. Bruce, Mr. Synar, Mr. Leland, Mr. Slattery, Mr. Richardson, Mr. Coats, Mr. Hall of Texas, Mr. Dowdy of Mississippi, Mrs. Boggs, Mr. Hayes of Louisiana, Mr. Holloway, Mr. Wilson, Mr. Coleman of Texas, Mr. Petri, Mr. McCurdy, Mr. Montgomery, Mr. Chapman, Mr. Bustamante, Mr. MacKay, Mr. Eckart, Mr. Armey, Mr. Inhofe, Mr. Watkins, Mr. Weber, Mr. Livingston, and Mr. Roemer):

H.R. 1941. A bill to repeal and amend certain sections of the Powerplant and Industrial Fuel Use Act of 1978; to the Committee on Energy and Commerce.

By Mr. ROYBAL:

H.R. 1942. A bill to amend the Employee Retirement Income Security Act of 1974 to prohibit reversions to employers of residual assets upon termination of single-employer pension plans and to provide for the applicability of rules relating to fiduciary duties in relation to plan terminations; to the Committee on Education and Labor.

By Mr. DORNAN of California:

H.R. 1943. A bill to establish a program of block grants to the States for the purpose of providing to the public information with respect to acquired immune deficiency syndrome; to the Committee on Energy and Commerce.

H.R. 1944. A bill to require an annual report on the strategic defense initiative program, and for other purposes; jointly, to the Committees on Armed Services and Foreign Affairs.

By Mr. DOWNEY of New York:

H.R. 1945. A bill to amend title XVIII of the Social Security Act to eliminate discrimination with regard to mental illness under the Medicare Program; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. FAUNTROY:

H.R. 1946. A bill to assist in reducing crime and the danger of recidivism in the District of Columbia by requiring speedy trials in criminal cases in the District of Columbia courts, and for other purposes; to the Committee on the District of Columbia.

By Mr. FORD of Michigan by request:

H.R. 1947. A bill to amend title 5, United States Code, to provide enhanced retirement credit for United States magistrates; to the Committee on Post Office and Civil Service.

By Mr. GARCIA:

H.R. 1948. A bill to designate the U.S. Post Office Building located at 153 East 110th Street in New York, NY, as the "Oscar Garcia Rivera Post Office Building"; to the Committee on Post Office and Civil Service.

By Mr. JEFFORDS:

H.R. 1949. A bill to amend the Education Consolidation and Improvement Act of 1981, and for other purposes; to the Committee on Education and Labor.

By Mr. EDWARDS of California (for himself, Mr. Ackerman, Mr. Bates, Mr. Berman, Mr. Bryant, Mr. Clay, Mrs. Collins, Mr. Gephardt, Mr. Gray of Illinois, Mr. Hawkins, Mr. Leland, Ms. Oakar, Mr. Oberstar, Mrs. Schroeder, Mr. Swift, Mr. Vento, and Mr. Weiss):

H.R. 1950. A bill to amend title 18, United States Code, to require that telephone monitoring by employers be accompanied by a regular audible warning tone; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. Moorhead, Mr. Edwards of California, and Mr. Mineta):

H.R. 1951. A bill to amend section 914 of title 17, United States Code, regarding certain protective orders for semiconductor chip products; to the Committee on the Judiciary.

By Mr. KEMP:

H.R. 1952. A bill to establish within the Department of Defense a new department, to be known as the Department of the Defense Force, to defend the United States against all aerial threats, including ballistic missiles, and for other purposes; to the Committee on Armed Services.

By Mr. KONNYU (for himself, Mr. Porter, and Mr. Lantos):

H.R. 1953. A bill to deny certain trade benefits to Romania unless that country recognizes and protects the fundamental human rights and freedoms of all citizens of that country, particularly Hungarian speaking and other ethnic minorities, and for other purposes; to the Committee on Ways and Means.

By Mr. LELAND:

H.R. 1954. A bill to amend title 39, United States Code, to provide that the U.S. Postal Service shall be subject to certain provisions of the Occupational Safety and Health Act of 1970; to the Committee on Post Office and Civil Service.

By Mr. LENT (for himself, Mr. Swindall and Mr. Latta):

H.R. 1955. A bill to improve the system for resolving medical professional liability actions, to refine the method of determining and awarding damages in such actions, to eliminate the excessive costs associated with the present liability resolution system and thereby reduce overall health care costs, to provide for prompt and equitable payment of valid professional liability claims, to support and strengthen State efforts in the area of professional competency review and discipline, and to maintain the availability of quality health care services in the United States; to the Committee on Energy and Commerce.

By Mr. LOWRY of Washington (for himself and Mr. Miller of Washington):

H.R. 1956. A bill to amend the definition of "vessel of the United States" in the Magnuson Fishery Conservation and Management Act; to the Committee on Merchant Marine and Fisheries.

By Mr. PICKLE (for himself, Mr. Frenzel, Mr. Downey of New York, Mr. Matsui, Mr. Duncan and Mr. Archer):

H.R. 1957. A bill to amend the Internal Revenue Code of 1986 to make permanent the credit for increases in research expenses and for basic research payments; to the Committee on Ways and Means.

By Mr. SAWYER (for himself and Mr. Hawkins):

H.R. 1958. A bill to strengthen the economic competitiveness and national security of the United States by improving elementary and secondary school education in mathematics and science; to the Committee on Education and Labor.

By Mr. TAUKE:

H.R. 1959. A bill to amend the Internal Revenue Code of 1986 to provide that certain payments under the Conservation Reserve Program shall not be treated as self-employment income for purposes of the social security tax on such income; to the Committee on Ways and Means.

By Mr. BROOMFIELD:

H.J. Res. 230. Joint resolution to counter Soviet electronic surveillance of U.S. Embassy activities in Moscow, and for other purposes; to the Committee on Foreign Affairs.

By Mr. MARKEY (for himself, Mr. Gaphardt, Mr. Miller of California, Mr. Waxman, Mr. Florio, Mr. Gray of Pennsylvania, Mr. Fazio, Mr. Mavroules, Mr. Atkins, Mr. Downey of New York, Mr. Mrazek, Mr. Hochbrueckner, Mr. Eckart, Mr. Jeffords, Miss Schneider, Mr. Gekas, Mr. Scheuer, Mr. Walgren, Mr. Swift, Mr. Leland, Mrs. Collins, Mr. Synar, Mr. Wyden, Mr. Slattery, Mr. Sikorski, Mr. Bates, Mr. Boucher, Mr. Ackerman, Mr. Akaka, Mr. AuCoin, Mr. Berman, Mr. Bonior of Michigan, Mr. Bosco, Mrs. Boxer, Mr. Brennan, Mr. Campbell, Mr. Carper, Mr. Clarke, Mr. Clay, Mr. Conyers, Mr. Daniel, Mr. DeFazio, Mr. Dellums, Mr. de Lugo, Mr. Donnelly, Mr. Durbin, Mr. Dwyer of New Jersey, Mr. Dymally, Mr. Edwards of California, Mr. Espy, Mr. Evans, Mr. Fauntroy, Mr. Feighan, Mr. Foglietta, Mr. Frank, Mr. Garcia, Mr. Gilman, Mr. Glickman, Mr. Gordon, Mr. Gray of Illinois, Mr. Hawkins, Mr. Howard, Mr. Hoyer, Mr. Jacobs, Ms. Kaptur, Mr. Kastenmeier, Mr. Kennedy, Mrs. Kennelly, Mr. Kildee, Mr. Kleczka, Mr. Kostmayer, Mr. LaFalce, Mr. Lehman of California, Mr. Lewis of Georgia, Mr. Levine of California, Mr. Lipinski, Mr. Lowry of Washington, Mr. McKinney, Mr. Martinez, Mr. Matsui, Mr. Mfume, Mr. Mineta, Mr. Moakley, Mr. Moody, Mr. Morrison of Connecticut, Ms. Oakar, Mr. Oberstar, Mr. Owens of New York, Mr. Panetta, Mr. Rahall, Mr. Rangel, Mr. Sabo, Mr. Sawyer, Mrs. Schroeder, Mr. Schumer, Ms. Snowe, Mr. Solarz, Mr. Stark, Mr. Studds, Mr. Sunia, Mr. Torricelli, Mr. Towns, Mr. Traficant, Mr. Visclosky, Mr. Weiss, Mr. Wolpe, and Mr. Yates):

H. Res. 138. Resolution to express the sense of the House of Representatives that the Nuclear Regulatory Commission should preserve the role of State and local government in radiological emergency planning in the nuclear licensing process; to the Committee on Interior and Insular Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 3: Mrs. Bentley, Mr. Flake, Mr. Scheuer, and Mr. Hayes of Louisiana.

H.R. 42: Mrs. Vucanovich.

H.R. 52: Mr. Kanjorski.

H.R. 62: Mrs. Bentley.

H.R. 74: Mr. Parris and Mrs. Morella.

H.R. 117: Mr. Young of Florida.

H.R. 118: Mr. Shaw.

H.R. 338: Mr. McCollum and Mr. Inhofe.

H.R. 339: Mr. McCollum and Mr. Inhofe.

H.R. 344: Mr. McCollum and Mr. Inhofe.

H.R. 345: Mr. Inhofe.

H.R. 379: Mr. DioGuardi, Mr. Upton and Mr. Shumway.

H.R. 551: Mrs. Roukema and Mr. Gejdenson.

H.R. 628: Mr. Waxman and Mr. Rahall.

H.R. 631: Mr. Saxton, Mr. Horton, Mr. Lagomarsino, Mr. Rinaldo, Mr. Lantos, Mr. Fish, Mr. Donnelly, Mr. Lewis of Georgia, Mr. Kolter, Mr. Dyson, Mr. Borski, Mr. Traficant, Mr. Weiss, Mr. Shumway, Mrs. Martin of Illinois, Mr. Hatcher, and Mr. Kennedy.

H.R. 632: Mr. Coelho, Mr. Horton, Mr. Ridge, Mr. Borski, Mr. Young of Alaska, and Mr. Kolbe.

H.R. 637: Mr. Hawkins and Mr. Garcia.

H.R. 738: Mr. Jontz and Mr. Vento.

H.R. 758: Mr. Harris, Mr. Fuster, Mr. Craig, Mrs. Boggs, Mr. Fauntroy, Mr. Konnyu, and Mr. Sunia.

H.R. 919: Mr. Hughes.

H.R. 954: Mr. Fazio and Ms. Oakar.

H.R. 956: Mr. Moody, Mr. Stokes, Mr. Lantos, and Ms. Slaughter of New York.

H.R. 972: Mr. Anderson, Mr. Badham, Mr. Bateman, Mr. Bennett, Mr. Bonior of Michigan, Mr. Bustamante, Mr. Chapman, Mr. Coleman of Missouri, Mrs. Collins, Mr. Conyers, Mr. de Lugo, Mr. Dornan of California, Mr. Dymally, Mr. Emerson, Mr. Edwards of Oklahoma, Mr. Espy, Mr. Fazio, Mr. Fish, Mr. Gordon, Mr. Hatcher, Mr. Howard, Mr. Hutto, Mr. Kasich, Mr. Kostmayer, Mr. Lagomarsino, Mr. Lipinski, Mr. McCloskey, Mr. McGrath, Mr. Mfume, Mr. Parris, Mr. Pepper, Mr. Ravenel, Mr. Richardson, Mr. Ritter, Mr. Roe, Mr. Sabo, Mr. Saxton, Mr. Solarz, Mr. Spence, Mr. Stokes, Mr. Stump, Mr. Sunia, Mr. Traxler, Mr. Applegate, and Mr. McMillen of Maryland.

H.R. 1013: Mr. Sawyer, Mr. Howard, Mr. Levine of California, Mr. Clarke, Mr. Brooks, Mr. Gonzalez, and Mr. Solarz.

H.R. 1018: Mr. Thomas of Georgia.

H.R. 1030: Mr. Fish and Mr. McCollum.

H.R. 1049: Ms. Kaptur, Mr. Hayes of Illinois, Miss Schneider, Mr. Williams, Mr. Perkins, Mr. Dellums, and Mr. Markey.

H.R. 1067: Mr. Leland, Mr. Boland, Mr. Smith of Florida, Mr. Frank, Mr. Gray of Illinois, Mr. Weiss, Mr. Berman, Mr. Rodino, Mr. Rowland of Georgia, Mr. Bates, Mr. Solarz, Mr. Sikorski, Mr. Evans, Mr. Garcia, Mr. Frost, Mr. Markey, Mrs. Kennelly, Mr. Kolter, Mr. Dorgan of North Dakota, Mr. Towns, Mr. Roe, Mr. Feighan, Mr. Biaggi, Mr. Cardin, Mr. Walgren, Mr. Lehman of Florida, Mr. Moakley, Mr. Dowdy of Mississippi, Mr. Mrazek, Mr. Rangel, Mr. Howard, Mr. Ackerman, Mr. Panetta, Mr. McHugh, Mr. Dellums, Mr. Martinez, Mr. Rahall, Mr. Ford of Tennessee, Mr. McGrath, Mr. Morrison of Connecticut, Mr. St Germain, and Mr. Gilman.

H.R. 1103: Mr. Thomas A. Luken.

H.R. 1106: Mr. Matsui, Mr. Brown of Colorado, Mr. Volkmer, Mr. Fish, Mr. Chandler, Mr. Erdreich, Mr. Slattery, Mr. Donnelly, and Mr. Conte.

H.R. 1117: Mr. Craig.

H.R. 1200: Mr. Jacobs, Mr. Hamilton, Mr. Lungren, Mr. Smith of Florida, Mr. Mineta, Mr. Bennett, Mr. Lipinski, Mr. McGrath, and Mrs. Lloyd.

H.R. 1290: Mr. Brennan, Mr. Hayes of Louisiana, and Mr. Thomas of Georgia.

H.R. 1327: Mr. Pepper.

H.R. 1371: Mr. Edwards of California, Mr. Traficant, Mr. Fauntroy, Mr. Morrison of Connecticut, Mr. DeFazio, Mrs. Boxer, Mr. Bustamante, and Mr. Bonior of Michigan.

H.R. 1396: Mr. Inhofe.

H.R. 1425: Mr. Perkins, Mr. Mfume, and Mr. Lewis of Georgia.

H.R. 1480: Mr. Young of Alaska, Mr. Pepper, Mr. Hyde, Mr. Ford of Tennessee, Mr. Biaggi, and Mr. Yatron.

H.R. 1524: Mr. Fascell.

H.R. 1550: Mr. Biaggi, Mr. Ridge, Mr. Owens of New York, Mr. Mavroules, Mr. Fawell, Mr. Levin of Michigan, Mr. Owens of Utah, Ms. Kaptur, Mr. Hughes, Mr. Edwards of California, Mr. Barnard, Mr. Garcia, Mr. Green, and Mr. Rangel.

H.R. 1572: Mr. Dreier of California, Mr. DioGuardi, and Mr. McEwen.

H.R. 1609: Mr. Morrison of Connecticut.

H.R. 1614: Mr. Badham and Mr. Stenholm.

H.R. 1711: Mr. Solarz, Mr. Vento, and Mr. Lagomarsino.

H.R. 1752: Ms. Oakar, Mr. Lagomarsino, Mr. Akaka, Mr. Pepper, Mr. Young of Florida, Mr. Garcia, Mr. Sunia, Mr. de Lugo, Mr. Smith of Florida, Mr. Oxley, Mr. Wortley, Mr. Fascell, and Mr. de la Garza.

H.R. 1760: Mr. Matsui.

H.R. 1761: Mr. Matsui.

H.R. 1762: Mr. Matsui.

H.R. 1766: Mr. Hughes.

H.R. 1829: Mr. Hamilton and Mr. Sunia.

H.R. 1830: Mr. Hamilton and Mr. Sunia.

H.R. 1854: Mr. Smith of Iowa, Mr. Gonzalez, Mr. Thomas A. Luken, Mr. Mazzoli, Mr. Mavroules, Mr. Hatcher, Mr. Wyden, Mr. Eckart, Mr. Savage, Mr. Roemer, Mr. Sisisky, Mr. Torres, Mr. Cooper, Mr. Olin, Mr. Ray, Mr. Hayes of Illinois, Mr. Conyers, Mr. Bilbray, Mr. Mfume, Mr. Flake, Mr. Lancaster, Mr. Campbell, Mr. DeFazio, Mr. Price of North Carolina, Mr. Martinez, Mr. Conte, Mr. Slaughter of Virginia, Mrs. Meyers of Kansas, Mr. Gallo, Mr. McMillan of North Carolina, Mr. McKinney, Mr. Rhodes, Mr. Upton, Mr. Owens of Utah, Mr. Ridge, Miss Schneider, and Mrs. Johnson of Connecticut.

H.R. 1935: Mr. Robert F. Smith and Mr. Stallings.

H.J. Res. 16: Mr. McCollum.

H.J. Res. 90: Mr. Clarke, Mr. Alexander, Mr. Lott, Mr. Kolter, Mrs. Byron, Mr. Schumer, and Mr. Vento.

H.J. Res. 100: Mr. Wylie, Mr. Saxton, Mr. Levin of Michigan, and Mr. Kanjorski.

H.J. Res. 125: Mr. Lagomarsino, Mr. Donnelly, Mr. Gordon, Mr. Foley, Mr. Valentine, Mr. de la Garza, Mr. Atkins, Mr. Yates, Mr. Aspin, Mr. Hughes, Mr. Hatcher, Mr. Conte, Mr. Neal, Mr. Andrews, Ms. Kaptur, Mr. Lewis of Georgia, Mr. Daub, Ms. Slaughter of New York, Mr. Kennedy, Mr. Smith of New Jersey, Mr. Mineta, Mr. Coleman of Missouri, Mr. Mavroules, Mr. Pepper, and Mr. Nichols.

H.J. Res. 128: Mr. Lancaster.

H.J. Res. 151: Mr. Nielson of Utah, Mr. McEwen, Mr. Stratton, Mr. Panetta, Mr. Shumway, Mr. Hughes, and Mr. Young of Florida.

H.J. Res. 152: Mr. McCollum, Mr. Green, and Mr. DeWine.

H.J. Res. 189: Mr. Bilirakis, Mr. Bonior of Michigan, Mr. DeWine, Mr. Garcia, Mr. Lewis of Georgia, Mr. McMillan of North Carolina, Ms. Oakar, Mr. Pashayan, Mr. Saxton, Mr. Skaggs, and Mr. Slaughter of Virginia.

H.J. Res. 201: Mr. Wortley, Mr. Horton, Mr. Kostmayer, Mr. Daub, Mr. Chandler, Mr. Mrazek, Mrs. Boxer, Mr. Young of Florida, Mr. Sisisky, Mr. Oberstar, Mr. Conte, Mr. Dymally, Mr. Hawkins, Mr. Coelho, Mr. Fazio, Mr. Lewis of California, Mr. Young of Alaska, Mrs. Morella, Mr. Moorhead, Mr. Torres, Mr. Leach of Iowa, Mrs. Lloyd, Mr. Hoyer, Mr. Rowland of Connecticut, Mr. Synar, Mr. Biaggi, Mr. Martin of New York, Mr. Gray of Illinois, Mr. Solomon, Mr. Stratton, Mr. Vander Jagt, Mr. Michel, Mr. Torricelli, Mr. Rostenkowski, Mr. Pashayan, and Mr. Carper.

H. Con. Res. 8: Mr. Inhofe.

H. Con. Res. 28: Mr. Bilirakis, Mr. Lantos, Mr. Yatron, Mr. Smith of New Hampshire, Mr. Young of Alaska, Mr. Valentine, Mr. McHugh, and Mr. English.

H. Con. Res. 39: Mr. Anderson, Mr. Annunzio, Mr. Barnard, Mr. Bateman, Mr. Bennett, Mr. Bonior of Michigan, Mr. Bustamante, Mr. Chapman, Mrs. Collins, Mr. Conyers, Mr. Crockett, Mr. de la Garza, Mr. Dornan of California, Mr. Dymally, Mr. Emerson, Mr. Espy, Mr. Fascell, Mr. Fazio, Mr. Fish, Mr. Gordon, Mr. Gunderson, Mr. Howard, Mr. Hutto, Mr. Kasich, Mr. Kolter, Mr. Kostmayer, Mr. Lagomarsino, Mr. Lancaster, Mr. Lipinski, Mr. McCloskey, Mr. McGrath, Mr. Mfume, Mr. Parris, Mr. Pepper, Mr. Ravenel, Mr. Richardson, Mr. Ritter, Mr. Roe, Mr. Rogers, Mr. Sabo, Mr. Saxton, Mr. Schaefer, Mr. Solarz, Mr. Stokes, Mr. Stump, Mr. Sunia, Mr. Traxler, Mr. Volkmer, Mr. Walgren, Mr. Smith of New Hampshire, Mr. Lowery of California, Mr. Campbell, Mr. Applegate, Mr. McMillen of Maryland, Mr. Packard, Mr. Inhofe, and Mr. Spence.

H. Con. Res. 62: Mr. Thomas A. Luken.

H. Con. Res. 63: Mr. Conte, Mr. Valentine, Mr. Kanjorski, Mr. Dicks, Mr. MacKay, Mr. Gunderson, Mr. Penny, Mr. Bates, Mrs. Johnson of Connecticut, Mr. Fuster, Mr. Stallings, and Mr. Dymally.

H. Con. Res. 68: Mr. Ackerman, Mr. Bonker, Mrs. Boxer, Mr. Dwyer of New

Jersey, Mr. LANTOS, Mr. LEVINE of California, Mr. LOWERY of California, Mr. LOWRY of Washington, Mr. MCCOLLUM, Mr. SMITH of Florida, and Mr. VENTO.

H. Con. Res. 70: Mr. DELLUMS.

H. Res. 16: Mr. RINALDO, Mr. MCKINNEY, and Mr. WORTLEY.

H. Res. 110: Mr. PERKINS, Mr. DANIEL, Mr JONES of North Carolina, Mr. HEFNER, Mr VALENTINE, and Mr. ROGERS.

SENATE—*Monday, April 6, 1987*

(Legislative day of Monday, March 30, 1987)

The Senate met at 2 p.m., on the expiration of the recess, and was called to order by the Honorable RICHARD SHELBY, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Lord, who shall abide in Thy tabernacle? Who shall dwell in Thy holy hill? He that walketh uprightly, and worketh righteousness, and speaketh the truth in his heart. He that backbiteth not with his tongue, nor doeth evil to his neighbor, nor taketh up a reproach against his neighbor. In whose eyes a vile person is condemned; but he honoreth them that fear the Lord. He that sweareth to his own hurt, and changeth not. He that putteth not out his money to usury, nor taketh reward against the innocent. He that doeth these things shall never be moved.—Psalms 15:1-5.

Worthy art Thou, O Lord, to receive honor and glory and majesty. Worthy art Thou to be worshipped and adored, loved, feared, and served, We give Thee our hearts, think Thy thoughts in us and lead us in Thy ways. For Thine is the kingdom and the power and the glory. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. STENNIS).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, April 6, 1987.

To the Senate:

Under the provisions of Rule I, Section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable RICHARD SHELBY, a Senator from the State of Alabama, to perform the duties of the Chair.

JOHN C. STENNIS,
President pro tempore.

Mr. SHELBY thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized for not to exceed 10 minutes.

Mr. BYRD. Mr. President, I thank the Chair.

THE SECURITY APPARATUS OF THE UNITED STATES

Mr. BYRD. Mr. President, the mounting series of scandalous revelations concerning the integrity of our security system, our security apparatus, including our Embassies, particularly the most sensitive post we maintain in the world—in Moscow—demands our full and renewed attention. Something is very wrong with this system.

How many more security breaches are we going to find? How many more so-called secure communications chambers will we find have been compromised? How deep and how wide do the problems range? The impact of such compromises of intelligence information, which amounts to treasonous behavior, on our weapons programs, such as the ability of our submarines to operate effectively, is not trivial. The impact of this behavior on the morale of our young men in the Armed Forces is unknown—but it cannot be positive. The impact on our ability to recruit agents, to evaluate intelligence, to protect our intelligence methods is cause for concern.

Mr. President, we started construction of a new Embassy in Moscow 10 years ago. The administration has asked the distinguished former Secretary of Defense and Director of the CIA, Dr. James Schlesinger, to head an inquiry to determine whether the construction is so compromised that, perhaps, we ought to bulldoze what has gone up so far and start all over.

The Moscow Embassy fiasco is a textbook case in incompetence. A report by the staff of the Senate Foreign Relations Committee, of October 20, 1986, highlights the problem. The report concludes that the Department of State waited far too long to address the "overall construction and security problems in Moscow." The bureaucracy was involved in a classic pass-the-buck syndrome when problems arose, and this was encouraged by "lack of strong management by senior officials" during the "planning and execution of various phases of the project."

Of particular note, according to the committee report, many of the contractor personnel who were involved in the construction of our Embassy in Moscow arrived in Moscow without security clearances. Who were these people? "Lax security standards," continued the committee report, "allowed the American architects to employ a Soviet national, a structural engineer who was residing in the United States, to work on the U.S. Embassy design for approximately 5 months. The Soviet engineer completed his work on the design and returned immediately to the Soviet Union. Several attempts have been made to contact this person in regard to the project and, according to the Department of State, Soviet officials have said that he has died of a heart attack.

The fact is that the terms agreed to by the U.S. Government on the construction requirements of our Embassy in Moscow seemed to have guaranteed subsequent problems. The construction agreement apparently permitted a Soviet company to fabricate our Embassy's "building components off site without any U.S. supervision," according to the Foreign Relations Committee report. How, one might ask, could one expect anything except security compromises under such circumstances in such a city, in such a country? Let us hope that the Schlesinger report will point us quickly in the right direction.

I am told that we are planning new Embassies over the next 2 years in six Communist-bloc nations, including East Germany, Hungary, Bulgaria, Czechoslovakia, Yugoslavia, and the People's Republic of China. I would want some assurances about the security of the construction arrangements before any further progress is made on the funding of those new buildings.

Who is minding the intelligence store? Who is really taking care that the security of our Nation is being protected, in the nitty-gritty details worldwide that really count? While the administration talks tough about combating communism, about pouring our efforts into supporting freedom fighters, American security is being compromised from the docks of Norfolk to the inner sanctums of our Embassy in Moscow.

The New York Times of Friday, April 3, 1987, carried a story, on page 1, that a report by the prestigious Foreign Intelligence Advisory Board 2 years ago flagged many of the security concerns regarding our Embassy in Moscow. Apparently its recommendations were generally not implemented. Why? What is being done today to implement them? What is planned to be done tomorrow to implement them?

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

The Chicago Tribune of last Friday, April 3, 1987, carried a story that President Reagan and other top officials of his administration are now outraged and surprised over the cumulative impact of these compromises. They have ordered another study. I would certainly hope so, but is that all? How long is this delayed reaction to go on? Let us hope that this study, just as the one to which I have just alluded, will not be ignored, and that effective actions will be taken and taken quickly.

Mr. President, the Intelligence Committee is planning extensive hearings on these matters later this month. We shall look forward to the committee's investigation, and hope that the administration will now pay attention to the alarming security sieve over which it has been presiding.

It does seem obvious to me, Mr. President, that plain commonsense rules in the construction and operation of our complexes in highly vulnerable situations have been handled in an incompetent and neglectful manner which amounts, in my opinion, to gross negligence. The security of the United States is at stake here. It is clear that the Senate will have to spend a considerable amount of precious time investigating, overseeing, and legislating standards and requirements which should not be necessary. The administration often complains that Congress interferes in its conduct of foreign policy. Here is one situation that the Congress should not have to micromanage. We would certainly prefer to spend our time on other things. Yet Congress is being forced to get involved. I hope very much that the administration will really take the bull by the horns now on this matter, so that we may be assured that our security system is swiftly on the way to being fully repaired.

Mr. President, I ask unanimous consent that the two articles to which I earlier alluded be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

REAGAN SAID TO ORDER SPY-DAMAGE APPRAISAL

WASHINGTON.—President Reagan has ordered a sweeping assessment of damage to U.S. national security from the Marine espionage case, Jonathan Jay Pollard's disclosures to Israel and the Walker family's Soviet spy ring, according to well-placed sources.

Sources in the U.S. intelligence community said the assessment was expected to be one of the harshest reappraisals of U.S. communications and intelligence security since Mr. Reagan took office.

It comes after an astounding series of U.S. security breaches. In less than two years, the United States has seen its embassy in Moscow penetrated, its naval secrets compromised by a spy ring, a defection by a Central Intelligence Agency man trained to work in Moscow and considerable top-secret material turned over to Israel by a spy in naval intelligence.

After each major recent espionage case was disclosed, damage assessments were made, government sources confirmed. But Mr. Reagan now has ordered that a cumulative look be taken.

According to administration sources, Mr. Reagan was first briefed on the Moscow embassy espionage case March 26 after investigators had received information from Marine Corps Cpl. Arnold Bracy that suggested the damage to U.S. security had been far more serious than first realized.

The meeting included "all the obvious people," such as Frank C. Carlucci, the national security adviser; Robert Gates, acting director of the CIA; and Vice President George Bush, a former CIA director, a source said.

At this meeting, a source said, Mr. Reagan and Mr. Bush reacted angrily to an account of the ease with which Soviet agents had been able to enter key communications and intelligence rooms at the embassy. They learned that all State Department communications between Washington and Moscow apparently had been compromised, a source said.

Mr. Bush called for a top-to-bottom inquiry, but the decision was withheld until a second meeting Monday, involving the same people, in which new details of the extent of the damage in Moscow were reported to Mr. Reagan. At that meeting, Mr. Reagan instructed that the major inquiry be conducted and a report be prepared for him.

"The president is personally concerned over what he heard," one source said.

Mr. Reagan has said nothing publicly about the matter. But Wednesday, Mr. Carlucci said the condition of U.S. security in the wake of the Marine episode was "not very good."

An expert said communications security is at serious risk because one of Walker's accomplices disclosed naval communications data and Pollard disclosed naval cable material that could give foreign agents better understanding of secret U.S. contacts.

At Quantico, Va., Col. Carmine Del Grosso, commander of the unit that trains and assigns the 1,500 embassy guards worldwide, said that government investigators "are looking at potential leads of people that may have been mentioned by . . . [the Marine] in custody." During a briefing for reporters, he would not rule out the possibility that other Marines might face charges.

Meanwhile, the House Armed Services Committee, headed by Representative Les Aspin, D-Wis., has opened an investigation of Marine security. A task force of intelligence experts from key agencies has been reviewing the growing evidence about the Soviet penetration of the Moscow embassy.

REAGAN WAS TOLD IN '85 OF PROBLEM IN MOSCOW EMBASSY

ADVISORY PANEL TOLD HIM THAT SOVIET EMPLOYEES POSED SERIOUS SECURITY RISK

(By Stephen Engelberg)

WASHINGTON, April 2.—A secret report sent to President Reagan by his advisory panel on intelligence two years ago warned that the United States Embassy in Moscow was vulnerable to Soviet espionage, Government officials said today.

The officials, some of whom have been critical of the State Department, said that the report helped persuade Mr. Reagan to approve a plan to reduce the number of Soviet employees in the embassy, but that it prompted few appreciable changes in security procedures.

The report was prepared by the President's Foreign Intelligence Advisory Board, a group of private citizens who conduct independent reviews of intelligence issues.

ROSS PEROT REPORTEDLY RESIGNED

A person familiar with the board's work said today that H. Ross Perot, the Texas billionaire, resigned from the panel in disgust in the spring of 1985 because the Government had failed to heed the recommendations about the embassy in Moscow.

The source said that at one of the board's hearings, a State Department official said it would be too expensive to replace the Soviet employees of the embassy with Americans. Mr. Perot replied that he would be willing to pay for it out of his own pocket, the source said. Mr. Perot declined to comment today.

The report by the advisory board said the 200 Soviet nationals then employed at the embassy were a security threat. It said they could pickup information by contacts with Americans or by entering sensitive areas, according to people familiar with its content. The document did not single out the Marine guards as a security risk, these people said.

Last year, the entire issue of Soviet employees became moot when the Soviet Government ordered all of them out of the embassy in retaliation for a United States order to reduce Soviet diplomatic personnel in the United States.

In the continuing inquiry into possible security breaches by two Marine embassy guards in Moscow, the State Department announced today that all embassy employees would be questioned. Charles E. Redman, the State Department spokesman, said the security officer at the embassy, Frederick Merke, was being recalled to assist in the inquiry.

After the intelligence advisory board completed its report, another advisory commission, on embassy security, headed by Adm. Bobby R. Inman, former Deputy Director of Central Intelligence, reached the same conclusions. Its report prompted Secretary of State George P. Shultz to order changes in the Moscow embassy.

DEPARTMENT CALLED RESISTANT

But officials outside the State Department contend that it was still resistant, particularly when it came to reducing the number of Soviet employees. The two Marine guards have acknowledged to investigators that their espionage activities began after they were seduced by Soviet women working in the embassy.

A spate of espionage cases in the United States also led to demands by members of Congress to eliminate the practice of having Soviet citizens working in the embassy and to cut back on the size of the Soviet diplomatic presence in the United States.

In Congressional testimony and in private conversations, State Department officials argued that the Soviet employees helped the diplomats cope with the Soviet bureaucracy on such issues as arranging travel and expediting imports through customs.

They said Americans who would have to be recruited to replace them would be susceptible to enticement by Soviet agents. Members of Congress and Administration officials said that Arthur A. Hartman, the departing Ambassador, was one of the strongest opponents of the plans to reduce or eliminate the Soviet employees.

"They were nonchalant about security," said Senator Patrick J. Leahy, the Vermont

Democrat and former vice chairman of the Senate Intelligence Committee. "They let the Soviets have free run of the embassy. They don't seem to realize that the Moscow embassy was the candy store for the K.G.B."

Senator Leahy said a secret version of the committee's 1986 report on counterintelligence had called the State Department lax in the embassy.

Robert E. Lamb, the head of the State Department's Bureau of Diplomatic Security, acknowledged in a recent interview that the various reports had essentially called on the Foreign Service to change long-held views about security.

"It is a question of time," he said. The Foreign Service has gone through when other embassies in Moscow reported having discovered such devices. In 1978, an antenna was found in the chimney of the embassy, and officials now believe that it was probably moved up and down to pick up signals from the devices in typewriters on various floors.

A team of investigators sent to Moscow in 1979 found nothing, according to the officials, who theorize that the Russians had been alerted.

The devices were finally uncovered in 1984, but later, Soviet agents were able to introduce a new technology, in which the signals from the electric typewriters were carried out of the embassy building through the typewriter power cords.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the distinguished Republican leader, under the previous order, for not to exceed 10 minutes.

Mr. DOLE. I thank the Presiding Officer.

DAVE ABSHIRE LEAVES WHITE HOUSE

Mr. DOLE. Mr. President, today, Ambassador David Abshire will be leaving the White House, after serving for 3 months as the President's special counselor on the Iran-Contra affair.

It would be hard to imagine a hot seat any hotter than the one Dave Abshire took over. And it would be hard to imagine anyone who did a better job for the President and for the country than Dave has done.

The Iran-Contra affair is not totally behind us, yet. Indeed, the Senate select committee is only now approaching the beginning of its hearings, and the special prosecutor is still doing his own investigation.

But, certainly, Dave Abshire's work—under the President's strong direction—has speeded up the day when we can finally close the book on this matter and get on with the other critical work of government.

Dave will be returning to the Center for Strategic and International Studies [CSIS], the prestigious think tank which he helped found a quarter of a century ago. He will serve CSIS as chancellor at an important time in the development of that organization as it moves from its formal association with Georgetown University into a fully independent status. I know that Dave will serve with distinction in this new capacity, as he has served at the White House, as Ambassador to NATO, and in his other previous government service.

I wish him well. I am happy he will still be here in town where we can frequently call on his assistance and advice. And, on behalf of all of us—I am certain I speak for all of us—I offer our appreciation for a job well done.

ESTABLISHMENT OF PRESIDENTIAL COMMISSION ON AIDS

Mr. DOLE. Mr. President, on Friday, April 3, along with several of my colleagues I submitted a Senate resolution which expresses the sense of the Senate on the need for the establishment of a Presidential Commission on Acquired Immune Deficiency Syndrome.

I hoped we might be able to consider this resolution today; if not, I hope I may be able to get consent to hold it at the desk for an additional 24 hours and then put it on the calendar. There have been bills introduced in the Senate which establish a commission, most notably by my distinguished colleagues, Senators WILSON and STEVENS. Both of these bills have merit and the submission of this resolution does not detract from them. In fact, both Senator WILSON and Senator STEVENS have joined me in sponsoring the resolution now held at the desk. It is our sense that this resolution simply underscores the need for rapid consideration of this important issue.

It is also clear that we are in the early stages of a major epidemic. It shows no sign of abating and there is no cure in sight. Although Federal agencies, especially our research institutions, have worked diligently to develop a vaccine or a cure, and in fact have identified the cause of this dread disease, but we are still a long way from solving the problem. Because of the many complex questions that are evolving on a daily basis, and because we lack answers to many of these serious issues, it is absolutely essential that we move as rapidly as possible to organize and prioritize our efforts.

It is a credit to my colleagues that they, too, recognize the need for a central body which can think about, and make recommendations with respect to such serious and sensitive issues as confidentiality, discrimination, information dissemination, resource allocation, and the health care needs of those with AIDS.

Given that such a prestigious body as the National Academy of Sciences recommended the establishment of a commission at the Presidential level, it appears that we are on the right track. It is important for us to follow the advice of these experts and make every effort to expedite the process. To do any less would be to ignore our responsibilities. I believe there is a great deal of value in urging the President to move with all haste to establish a commission at the highest level, composed of the best minds. It is also our shared responsibility to assure that the commission is broadly based and fairly balanced. Most of all, it is our responsibility to move rapidly to demonstrate to the American public that we can and will address the issue of AIDS.

Mr. President, again, I would hope that we might consider the resolution today, as I know the White House is hoping to make a decision in the very near future as to their role.

I was encouraged last week when the President spoke out on this issue. It seems to be a natural follow-on to have a Presidential commission to indicate that at the highest level of our Government, we are concerned about what could become a severe epidemic, not only in this country but internationally. I know others have other ideas about different groups, different commissions. Some would suggest that we turn it over to the National Academy of Sciences. But it does seem to me that the President has a stake in all this.

I would say that obviously, before I submitted the resolution, I made contact with the White House. I think they are in support of the resolution and hopefully, with or without the resolution, if we cannot pass the resolution—though I hope we can. But if for some reason we cannot then I hope the President would move ahead on his own initiative to establish a Presidential commission.

BICENTENNIAL MINUTE

APRIL 6, 1789: FIRST SENATORS PRESENT ELECTION CREDENTIALS

Mr. DOLE. Mr. President, 198 years ago today, on April 6, 1789, 12 Senators, constituting the quorum necessary to do business, presented their election credentials at the Senate Chamber in New York City's Federal Hall. With that action, the first Senate began operation. The process of selecting these new Senators, most of whom strongly supported the newly ratified Constitution, proved crucial to the success of the embryonic government.

Unlike elections for President and House Members, Senate selections in 1788 stimulated little popular interest, as the public had no direct role in the process. As provided in the Constitution, Senators were to be elected by State legislatures; that document's framers had left the details of the selection process to the individual States. Most legislatures decided that Senators should be elected in joint sessions of both Houses—a practice then common for selecting key State officials. Only New Hampshire, Massachusetts, and New York believed that the selection of Senators should be handled, like any other legislative act, by proceeding concurrently. This latter method gave equal weight to the State senates, unlike the joint voting arrangement in which these bodies were overwhelmed by the larger lower houses. The drawback with the concurrent method, as future deadlocks would demonstrate, was that both Houses had to agree independently on the same candidate.

In choosing their Senators, many States openly recognized existing economic and geographical divisions. Some elected one Senator from candidates favorable to their more aristocratically inclined upper houses, and the other suitable to their popularly elected lower chambers. The Maryland Assembly divided its Senate representation according to geography, stipulating that one Senator was to be chosen from the State's Eastern Shore, and the other from the larger region west of the Chesapeake Bay. New York, Pennsylvania, and Georgia followed similar regional divisions.

Mr. President, I reserve the remainder of my time.

Mr. PROXMIRE addressed the Chair.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of morning business, that Senators may speak therein for not to exceed 5 minutes each, and that the period extend no later than 3 o'clock.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ARE WE OUT OF AMMUNITION COME THE NEXT RECESSION?

Mr. PROXMIRE. Mr. President, this administration has pushed the Federal Government into the terrible spot in which a policeman finds himself when he is being pursued by a gang of gunmen. The policeman, as a veteran of gun battles, knows that he has a fighting chance to shoot his way out of trouble as long as he has the ammunition. But once he fires his last shot, he is a dead duck. The gang can and will execute him at will.

The Government in this or any other free enterprise country is armed with two guns to shoot its economy out of a recession. We know periodic recessions are part and parcel of every free enterprise economy. They are the price we pay for economic freedom. If Government fails to act when recessions hit, the economy can suffer savage reversals that can deepen into a depression. It has been 50 years since the last depression. Few of us are old enough to remember it. A depression does more than throw millions out of work. It is even worse than broad scale bankruptcy. A full fledged depression leaves scars on a country. It enfeebles a country's national security. It promotes crime. It can even destroy the Nation's confidence in its basic democratic political institutions and push the Nation into the political extremism of fascism or communism. Many Americans—especially young Americans think it cannot happen here. And yet we know that this is precisely what has happened in countries in Europe from which many of our ancestors have come. Yes, it can happen here. If it does, it will be sparked by economic desperation.

How can we prevent this terrible prospect from becoming a reality? How can we be sure that we keep enough ammunition in the policeman's guns so he can shoot his way out? The answer is to keep our antidepression ammunition dry and ready until we need it.

So what does this analogy have to do with Government economic policy today? What does it have to do with the threat of recession deepening into full-fledged depression? Is our Government out of antidepression ammunition now? Think about it. This Senator believes that is exactly what is happening to this Government's economic policy. Ask yourself. What are the two antidepression guns available to the Government to shoot its way out of recession? They are two six shooters: compensatory fiscal policy and expansive monetary policy. Why isn't the Federal Government ready, willing, and able to fire these guns this year or next year, if we have to do so, to fight our way out of recession and back to recovery? Answer—the Federal Government has just plain used up its ammunition. Both guns at this very time are virtually empty.

Think of it. For 5 successive years this Government has run one enormous deficit after another. This year we may fire our last huge deficit bullet in our fiscal six shooter. In the first 3 months of this 1987 fiscal year, we have already sunk the country another $63 billion deeper into deficit. Another three quarters like the first one and we will break another record with a $250 billion deficit. And we have done this with Gramm-Rudman in full effect, sequestration and all. Why does that make our dilemma so terrible? It's because we have used up this shoot-your-way-out of recession ammuntion in a period of recovery.

Come a recession, what do we do? Oh, sure we could run a $400 billion or a half trillion deficit. Wouldn't that stimulate the economy? Of course, it would. It would also utterly destroy business confidence. Think of it. The national debt would be soaring into the trillions. The cost of servicing that debt would quickly become the biggest cost of Government. It would be a conspicuous burden saddled on the economy in perpetuity, destroying business and consumer confidence and sinking this country into deeper depression. That vital fiscal six shooter is empty.

Oh, but how about our other six shooter? Couldn't the Federal Reserve Board lift this country out of the recession by flooding the Nation with cheap and easy credit that would make interest rates such a bargain that home buyers, auto buyers and industrial corporations could not resist borrowing and spending their way and ours right out of recession and depression?

Well, again, I have news for you. The Federal Reserve has already fired just about every round out of that antidepression gun. For nearly 2 years now, the Federal Reserve Board has been printing money at the fastest rate in its long 73-year history. How fast has the Fed increased the money supply? Consider: the measure of the need for money is the growth in the nominal gross national product. That is the GNP plus the rate of inflation. When the Fed prints money at the same rate the nominal GNP is growing, that money growth tends to stabilize interest rates and the economy. When the Fed prints money more slowly than the growth in the GNP it tends to limit credit. That drives up interest rates and slows the economy.

When the Fed prints money faster than the nominal growth of the GNP, interest rates fall. Credit expands more swiftly than the demand for credit. The economy grows faster. So what was the relationship of the money supply increase to GNP last year? Was the stimulus 25 percent? No. Was it 50 percent? No. Maybe 100 percent? No. Mr. President it was a record 200 percent. The nominal GNP grew at a 5.2-percent rate. The money supply grew at an astonishing, super stimulative rate of more than 17 percent. The Fed literally flooded this country in a sea of money. So what happened to interest rates? Of course. They fell. They fell spectacularly. The Fed Board in effect has pulled out the old six gun and ripped off all six shots in rapid fire order. That together with the enormous stimulus from Federal deficits kept the recovery moving along. But now what can the Fed do when this aging recovery eventually follows the free enterprise script and falls into recession? Answer: nothing. The ammunition is gone. As former Fed Chairman William McChesney Martin said about monetary policy: "You can't push a string."

So this country is like the policeman, armed with two six guns. We have just fired every bullet out of every gun, and the recession gang has not even been in range. Next stop—the coroner, and then a nice quiet trip to the cemetery.

INSURANCE FRAUD

Mr. WILSON. Mr. President, old age, it has been said, is a state of mind. Unfortunately, the state of mind of millions of elderly Americans today is one of deep and understandable concern over economic as well as physical vulnerability. Worried over the cost of staying healthy, still more worried over the ruinous expenses of falling ill, senior citizens fall prey to unscrupulous insurance companies that claim to sell peace of mind but too many instances are instead selling a bill of goods.

More than 20 years have passed since the Federal Government first assumed responsibility for providing Medicare health insurance. And, of course, Medicare has never supplied complete financial coverage. This year it will pay about 48 percent of the typical senior's health care bills. That fact has given rise to a whole new branch of the private insurance industry. I refer to what is called Medicare supplemental health insurance, or as it seems termed "MediGap" insurance, a $13 billion investment by 21 million senior citizens. That figures out to about $600 apiece, Mr. President; yet much of that substantial investment, as much as perhaps $3 billion a year, according to the estimate of the House Committee on Aging, will go to purchase policies which do not in fact give the protection that is sought. Those $3 billion are spent upon policies that in many cases are duplicative, deceptive, policies that are in many cases sold through misleading practices on the part of insurance agents.

Now, it is not hard to understand why. If they are anything like most people, seniors can easily get lost in the paper jungle of conflicting claims, contingencies, and outright misrepresentations that unhappily characterize some, certainly not all but some, insurance pitch men. Indeed, the vast majority are ethical representatives, but for those who are not, the peril to the public is very great. Some agents sell overlapping policies. Some present themselves falsely as being from a governmental organization or from some legitimate independent senior organization. Still others fail to disclose the gaps in the policies they are selling. They do not cover or draw attention to the limits, to the exceptions that very much hedge the coverage of the companies they represent. Indeed, some pose as representatives from legitimate organizations which are in fact mail drops, mere fronts for an insurance company.

What most seniors do not know can cost them dearly. And I am not talking just about the $3 billion that they have invested in policies which do not give them protection. But given the fact that these policies are not standardized, it is very difficult to compare one package with another. In fact, the type of coverage desired by most older people is long-term custodial care, which is to say care in a nursing home. But most "MediGap" insurance does not provide this kind of coverage. Only rarely does it pay for nursing home care, for routine physical examination, or dental care, dentures, eye care, foot care or out-of-hospital prescription drugs. That is the sad, expensive truth. Too often seniors buy policies thinking exactly the reverse, thinking that those things are contained in the coverage they are buying. One very sad case illustrates the point.

A Maryland citizen, whose wife fell victim to both Alzheimer's and Parkinson's diseases, one day, while caring for her at home for many years, had to leave here briefly unattended. He came back to find she had fallen to the floor of her bedroom and suffered fractures of the shoulder and hip. At that time it was clear to him that she could only receive the kind of care she needed from a nursing home.

For 10 years, on five different policies, he had paid over $12,000 in premiums, with the clear understanding on his part that it would provide for the sort of nursing home care that was now necessary, but it did not. It was his tragic revelation that he was not covered.

That example is typical of the experience of hundreds and thousands of elderly Americans. Yet, seniors get a very different impression when they turn on a TV set and hear a familiar, popular celebrity talking in earnest, sympathetic tones about the high cost of hospital and nursing home care, or commiserating with them over cuts in Medicare.

Or they open their mail to find similar appeals from familiar faces, often from the entertainment world, stressing the dire consequences of not buying the supplemental insurance which is sold in these solicitations. I am sure that these spokespersons are personally sincere and have no intention to mislead—nor any awareness that the copy they are reading may in fact mislead. But regrettably, in some instances, however unintended it may be, there is more con than artistry in such performances.

The purchase of insurance policies ought to be based on fact—not on fear, fantasy, or blind trust in a well-paid celebrity salesperson. It may be that the spokesperson, as well as the unintended victims, is lulled into paying for insurance policies that hide their limitations and minimize their exclusions in fine print or obscure, legalistic language.

As a caring society, one that venerates rather than victimizes our elderly, we must do more to protect seniors from insurance ripoffs.

To combat this problem, I am proposing legislation to require a warning label on all direct mail solicitations, electronic and print media advertisements for MediGap policies, and on the pages of insurance contracts. Such a label would inform consumers that all health insurance policies contain gaps in coverage, and urge them to seek independent counsel from qualified government officials prior to purchase. And it would do so in print that can be read without the use of a magnifying glass.

By all means, I urge seniors to get a second opinion, much as any reputable doctor would advise them to seek additional counsel before proceeding with an important medical procedure. There are plenty of places they can go for such assistance, beginning with their State insurance department or their local agency on aging office.

With this bill, I hope we can take a major step toward ending the abuse of elderly consumers.

There are, of course, a great many reputable and ethical insurance companies that do a good job at disclosing what their policies cover and what they do not. Both they and the insurance-purchasing public will be benefited by this legislation. Hopefully, it will stimulate the insurance industry as a whole to undertake the high standards of disclosure now practiced by the best companies, which will in turn lead to a competition demanded by informed consumers to offer more comprehensive coverage.

At least, we can hope to ease the doubts and calm the fears of seniors who deserve our gratitude and deserve honest information from an independent source. The ultimate test of any society is how it treats its most vulnerable members. It is time for Congress and the insurance industry to pass that test.

PASQUE PETALS

Mr. PRESSLER. Mr. President, today I would like to take a few minutes to recognize the efforts of a very special group of people in my home State of South Dakota.

On February 24, 1987, I was honored to be able to arrange a special ceremony for the presentation of a gift to the Library of Congress from the South Dakota State Poetry Society. Dr. Daniel Boorstin, distinguished historian and the Librarian of Congress, was there to accept a bound set of the complete 60-year collection of the society's official publication, "Pasque

Petals," from members of the South Dakota State Poetry Society. The presentation was conducted rather informally, devoid of unusual fanfare or pomp. Kind words were exchanged about poetry and a mutual appreciation of the art was expressed by those who participated. The volumes were presented, and within hours the members of the Poetry Society were winging their way back to South Dakota. However, I wish to share with my colleagues the history of this unique group and publication, and how the Pasque Petals gift was made possible.

Pasque Petals is the oldest continuously published poetry magazine in the United States. It was first published in May 1926 at Aberdeen, SD, by Dr. James C. Lindberg, who went on to establish the South Dakota State Poetry Society in 1927. Dr. Lindberg and his student, Rudolph Ruste, constituted the first and only founding members of the South Dakota State Poetry Society in Huron, SD, that year. Since those humble beginnings, the society's membership has flourished, including lovers of verse from every corner of the State. Fulfilling its stated purpose of stimulating the writing and appreciation of poetry, the State Poetry Society has contributed much to the cultural growth of South Dakotans.

The presentation of the entire collection of Pasque Petals to the Library of Congress was the culmination of over 300 volunteer hours by members and friends of the Poetry Society. First, copies of some of the earliest Pasque Petals publications which the society lacked or were misplaced were donated to ensure a complete set. Then the time-consuming task of readying the magazines for binding into hard-cover volumes was undertaken—a real labor of love. The lovely lavender volumes, much like the color of South Dakota's State flower—the pasque flower—were sent to the Library of Congress in October 1986 to be recorded and cataloged.

I am very proud of the efforts of the South Dakota State Poetry Society. It has given me much pleasure to play a small role in the presentation of a slice of South Dakota, which is so aptly represented by Pasque Petals, to the Library of Congress.

Mr. President, I ask that a list of names of the South Dakota volunteers be printed at this point in the RECORD, in recognition of their efforts and their devotion to poetry.

There being no objection, the names were ordered to be printed in the RECORD, as follows:

Lois Bogue, Carmen Christensen, Dorothy Davie, Dorothy Dempsey, Emma Dimit, Polly Farmer, Gleandae Jungemann, Gladys Dorsey Larson, Janet Lieh, Jeannie Lesinski, Walt Morgan, Barbara Stevens, and LaVerle Stevens.

Mr. President, despite the society members' diversity, with interests and occupations ranging from farmer to professor of literature, a love for the beauty of the South Dakota landscape and the lifestyle of her people are frequent topics of poems published in Pasque Petals. Every time I return to my home State, I am overcome by the refreshing tranquillity of South Dakota. This sentiment is very eloquently expressed by a poem which appeared in the May 1986, 60th anniversary issue of Pasque Petals. To close this tribute to the South Dakota State Poetry Society I would like to recite "Dakota's Prairie Peace" by Carol P. Farmer regarding the wonders of South Dakota's vast expanse of prairie.

I sit upon a prairie hill
Where gently speaks the wind.
It whispers of sweet days gone by
And fills my head with dreams.
Dakota sun spreads peaceful warmth
That lingers in my heart,
While frayed but tender memories
Nudge gently at my mind.
My thoughts, like scattered leaves, are free
To roam the prairie hills.
They wander aimlessly, or pause
To play with rascal winds.
At last, with heart and soul refreshed,
Now filled with prairie peace,
I go to face my world again,
Within familiar walls.

ORDER OF BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that I may speak beyond the 5-minute limitation with the understanding that I will yield the floor at any time another Senator comes to the floor and wishes recognition. I will probably need about 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE UNITED STATES SENATE

THE FIRST SENATE'S FIRST DAYS

Mr. BYRD. Mr. President, today we mark a highly significant milestone in the Senate's nearly two centuries of existence. April 6, 1987, is the 198th anniversary of the date on which the Senate achieved its first quorum. On two previous occasions in my series of addresses on the Senate's history, I have discussed the precedent-setting First Congress.[1] Today, I shall add to those observations by focusing on the period that ended on April 6, 1789, with the quorum-producing arrival of Virginia's Senator Richard Henry Lee.

As one of its final acts, the old Congress under the Articles of Confederation set March 4, 1789, as the day the new Constitution would take effect. On March 4, the new federal Congress was to have met so that the Senate and House could jointly count the electoral votes for president and vice president. To do so, however, both houses needed to establish a quorum of their eligible membership. For the Senate, this meant that twelve members would have to present themselves to the new seat of government in New York City's Federal Hall. This number constituted a majority of the twenty-two Senate seats that then existed. As of that date, only eleven of the thirteen states had ratified the Constitution. North Carolina would not ratify until November, and Rhode Island waited until May 1790. New York, the eleventh state to ratify, would not be able to agree on the selection of its senators until July. Thus, although there were twenty-two authorized Senate seats, as of March 4, only twenty senators had been elected by the respective state legislatures.

The Congress under the Articles of Confederation had been plagued by absenteeism. In its final months, that legislature remained virtually paralyzed by its inability to muster a quorum of members. Thus when only eight of the twenty elected senators presented themselves on March 4, many feared a continuation of the old difficulty. As Charlene N. Bickford, an authority on the First Congress, has written, "These men hoped that the new government could begin its work promptly, conveying an impression of the seriousness of their attention to duty to the public . . ."[2] When a quorum failed to materialize over the next few days, those who had arrived wrote to their tardy colleagues: "We apprehend that no arguments are necessary to evince to you the indispensable necessity of putting the Government into immediate operation, and, therefore, earnestly request, that you will be so obliging as to attend as soon as possible."[3]

Connecticut's Governor Samuel Huntington wrote on March 30 to that state's two senators, who were present in the capital, expressing generally held fears that further delay would undermine national and world confidence in the new government. He explained: "I know not but that particular embarrassments in some states may be sufficient excuse for delay to this time; but did those states duly consider the consequences? That at this important crisis earnest expectations may grow into impatience and finally change to loss of confidence, and distrust by long disappointment, I am sure procrastination must create anxiety in the friends to the Constitution . . ."[4]

Many of those present directed their frustration at Delaware's absent George Read. His arrival, at that time, would have created the necessary quorum. These members requested Charles Thomson, secretary of the

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[1] Footnotes at end of article.

Confederation Congress, to write Senator Read. Secretary Thomson began by expressing his irritation with Read for sending a letter by way of Richard Bassett, Delaware's other senator:

> . . . I am extremely mortified that you did not come with him. Those who feel for the honor and are solicitous for the happiness of this country are pained to the heart at the dilatory attendance of members appointed to form the two houses while those who are averse to the new constitution and those who are unfriendly to the liberty and consequently to the happiness and prosperity of this country, exult at our langour and inattention to public concerns . . . . What must the world think of us? But what in particular mortifies me in respect to you is that there is every reason to believe your absence alone will on Monday next prevent the senators from forming a house and at the same time there is reason to believe there will be a sufficient number to form the House of Representatives so that the eyes of the continent will be turned on you, and all the great and important business of the Union be at a stand because you are not here.[5]

This was plain talk. I feel like using it sometimes myself.

Despite this plea, Read did not arrive until April 13, one week after the Senate finally obtained its quorum.

Mr. President, perhaps we can capture a sense of the excitement and commitment with which these first senators approached their new duties by looking in on a ceremony held in southern New Jersey to mark the departure of Senator Jonathan Elmer. The March 26 event began, as was customary in the late eighteenth century, with a series of toasts. On this occasion, the spirited assemblage drank eleven toasts. For those today who might wish to stage a commemorative Constitution bicentennial toast, I shall read them in the order in which they were given:

The new Federal Constitution, may it be speedily put into execution;

His Excellency George Washington;

The Honorable John Adams;

The Senate of the United States;

The federal House of Representatives;

The Governor of the State of New Jersey;

The promoters of public happiness;

May the liberties of the people be the principal object of their rulers;

Success to Agriculture, Manufactures and Commerce;

Honor, Virtue and Patriotism;

A speedy reformation to Rhode Island and North Carolina.

We are advised that these toasts were executed with "the greatest order and decorum." Following that ceremony the new senator listened to a farewell address in which he was praised for: "your literary achievements, the early and active part you took in the cause of liberty and your country in the late revolution, your knowledge and experience in the Science of Government . . ."

Elmer responded with suitable humility. He said: "To make a fair experiment of the new federal Constitution by putting it into execution immediately, is an object which I have much at heart. The success of the experiment will depend, greatly, upon the manner in which this grand machine is first put in motion." He closed with a promise—one that his modern successors, in this age of instantaneous news coverage, might not have been so bold as to venture. He said: "And while I endeavor faithfully to serve my Country in general, I have made it my constant duty to promote the honor and interests of the State to which I belong, and that part of it, in particular, with which I am more immediately committed." [6]

Mr. President, although the Senate was delayed nearly five weeks for lack of a quorum, those members who had arrived in New York City were far from idle. First, there was an active social life. Wealthy New York City residents, eager to convince Congress to make that city its permanent home, hosted a succession of dinners and ceremonies. These entertainments served the very useful purpose of allowing members from differing regions to get to know one another.

There were also job seekers. Senator Tristram Dalton of Massachusetts earlier wrote Caleb Strong, that state's other senator, as follows:

> . . . you may expect applications in favor of a number of persons who want places in the federal revenue and some will be so modest as to insist on an absolute promise to favor them—perhaps adding that I have promised—for they have already said you have, in a case where I suppose no application has been made to you. . . . Be assured, Dear Sir, that I have not promised my interest to any man—neither will I until at Congress. Applications to me have been so many and some of them so curious I thought it friendly . . . to hand you this intelligence in season lest by false report of my conduct you be embarrassed.[7]

The waiting senators informally discussed selection of a Secretary of the Senate and procedures for conducting the Senate's internal business. They gave a great deal of attention to questions of separation of powers and checks and balances between the Senate, the House, and the president. Senators also pondered whether they should act as equals or as superiors to House members.

Some shared New Hampshire Senator Paine Wingate's concerns that the Senate, as a body, might not be up to public expectations. Wingate wrote to a friend as follows:

> I fear that your expectation, and that of the public in general, will be raised too high respecting that new government. You will remember that Congress is but a collective body of men, men of like passions, subject to local prejudices and those biases which in some measure are inseparable from human nature. I say this not to lessen their true merit, for I esteem them in general as very worthy characters, but not without considerable imperfections. . . . And tho I would not attribute a base design to any, yet I may be justified in supposing that partiality and jealousy will blind and mislead some, and it will be next to impossible to harmonize the sentiments of all. The best we can hope for is an accommodating disposition in that which will be tolerably right.[8]

Mr. President, I shall conclude these remarks with a discussion of the first Senate chamber, in which members finally achieved their quorum. I am most grateful to Dr. Kenneth Bowling of George Washington University's First Federal Congress Project for much of the information presented here. The original Senate chamber was located on the second floor of New York's Federal Hall. Located in lower Manhattan at Wall and Nassau Streets, the building was originally constructed between 1699 and 1704. It had been remodeled in 1763. Although the structure had previously served primarily as New York's City Hall, it had been used to other official bodies, including the court that tried John Peter Zenger in 1735, the Stamp Act Congress in 1765, and the Confederation Congress from 1785 to 1789.

Immediately after the Confederation Congress' decision on September 18, 1788 that the First Congress would convene at New York, the city's Common Council chose Pierre L'Enfant to oversee conversion of the building into an elegant meeting place for Congress. He made rapid progress, although he was not quite finished by April 6. During the Senate's first days, members had to accommodate themselves to the inconvenience of last minute clean-up work. Financed by lotteries and a special local tax, the conversion cost about $65,000, excluding interest on private loans.

As reconstructed, Federal Hall measured 95 feet in width and 145 feet at its deepest point. From the front hall, one entered a central three-story vestibule, which had a marble floor and an ornamented skylight under a cupola. Off this vestibule stood the House of Representatives chamber, a two-story richly decorated room. Access to the upper floors was gained by two stairways in the vestibule, one of them reserved for members. The Wall Street side of the second floor consisted of a richly carpeted forty-by-thirty-foot, two story Senate chamber and several smaller rooms connected to it.

The Senate chamber's most striking features were its high arched ceiling, tall windows curtained in crimson damask, fireplaces mantels in handsomely polished marble, and a presiding officer's chair elevated three feet from the floor and placed under a crimson canopy. The ceiling was adorened in the center with a sun and—expressing optimism that North Carolina and Rhode Island would soon join the Union—thirteen stars. Noticeably absent from this ornate chamber was a spectators' gallery, as there was no intention that Senate proceedings would be open to the public.

The smaller adjacent rooms included the "machinery room," used to display models of inventions, the Secretary of the Senate's office, and Senate committee rooms. Also on this side of the second floor was the balcony on which George Washington would take this oath of office on April 30, 1789. At the back of the second floor were the two public galleries overhanging the House chamber. Little is known about the third floor, except that it contained several small rooms, one of which housed the New York Society Library. Federal Hall was torn down in 1812. In 1842 the U.S. government constructed on that site the Greek Revival building, which is today known as the Federal Hall National Memorial.

Mr. President, thus began, 198 years ago today, the Senate's rich history. Since that first quorum of twelve members, a total of 1,782 men and women have taken their oaths as United States senators.

And we witnessed the taking of the oath of a new Senator from Nebraska only a few days ago. Senator KARNES is the 1,782d Senator to have served in the U.S. Senate in these 198 years since April 6, 1789. Incidentially, I was the 1,579th Senator to serve.

As we approach our third century, we might consider Senator Jonathan Elmer's pledge to his constituents. "I conceive it to be my duty," he said, "to sacrifice personal and private considerations to the public good. In making these sacrifices, I feel myself actuated by a sense of the obligation I am under to my fellow citizens, for the honor they have conferred on me, and an earnest desire to promote the general welfare and interest of my Country."

Mr. President, I am going to place in the RECORD the names and short biographies of the following Senators who have served in the first Senate, and a list of all Senate bills for that historic first Congress. The names of those Senators are as follows:

Richard Bassett, Delaware; Pierce Butler, South Carolina; Charles Carroll, Maryland; Tristram Dalton, Massachusetts; Philemon Dickinson, New Jersey; Oliver Ellsworth, Connecticut; Jonathan Elmer, New Jersey; William Few, Georgia; Theodore Foster, Rhode Island; William Grayson, Virginia; James Gunn, Georgia; Benjamin Hawkins, North Carolina; John Henry, Maryland; Ralph Izard, South Carolina; William Samuel Johnson, Connecticut; Samuel Johnston, North Carlina; Rufus King, New York; John Langdon, New Hampshire; Richard Henry Lee, Virginia; William Maclay, Pennsylvania; James Monroe, Virginia; Robert Morris, Pennsylvania; William Paterson, New Jersey; George Read, Delaware; Philip John Schuyler, New York; Joseph Stanton, Jr., Rhode Island; Caleb Strong, Massachusetts; John Walker, Virginia; Paine Wingate, New Hampshire.

Mr. President, the Senate bills that were passed in that Congress, of course, do not include the House bills that were passed in the Senate. The first Senate bill to pass the Senate and to become law was an Act to establish the judicial courts of the United States. It became law on September 24, 1789.

Mr. President, there were three sessions in that first Congress. The first session extended from March 4, although the quorum did not assemble until April 6, as I have already indicated, to September 29.

The second session began on January 4, 1790, and went until August 12, 1790.

The third session was from December 6, 1790, to March 3, 1791.

Mr. President, I ask unanimous consent, first of all, that the notes to the first Senate's first days be included in the RECORD; that the compilation of Senate bills, showing the short title, the long title, the date introduced, and the date signed by the President, be included in the RECORD; and that the biographies of Senators who served in that Congress be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NOTES TO "THE FIRST SENATE'S FIRST DAYS"

[1] *"Congressional Record,"* May 4, 1981, pp. 8240-46; May 19, 1981, pp. 10135-42.

[2] Charlene N. Bickford, " 'Public attention is very much fixed on the proceedings of the new Congress:' The First Federal Congress Begins its work," this "Constitution" (Winter 1984): 26.

[3] Documentary History of the First Federal Congress. Senate "Journal" (Baltimore, 1972), p. 4.

[4] Bickford, p. 28.

[5] Bickford, pp. 28-29.

[6] Cumberland County, New Jersey, March 26, 1789," from the collections of the First Federal Congress Project, George Washington University.

[7] Tristram Dalton to Caleb Strong, January 1, 1789, Caleb Strong Papers, Massachusetts Historical Society, Boston.

[8] From notes courtesy of Kenneth Bowling, First Congress Project.

SENATE BILLS

No. and Short title	Long title	Date introduced	Date signed by President
First Session: March 4, 1789–September 29, 1789:			
1 Judiciary	An Act to establish the Judicial Courts of the United States	June 12	Sept. 24.
2 Punishment of Crimes	An Act for the punishment of certain crimes against the United States	July 28	Postponed—H.R.—.
3 Post Office	An Act for the temporary establishment of the Post-Office	Sept. 11	Sept. 22.
4 Courts	An Act to regulate Processes in the Courts of the United States	Sept. 17	Sept. 29.
5 Glaubeck	An Act to allow the Baron de Glaubeck the Pay of a Captain in the Army of the United States.	Sept. 24	Sept. 29.
Second Session: January 4, 1790–August 12, 1770:			
6 Punishment of crimes	A Bill defining the crimes and offences that shall be cognizable under the authority of the United States, and their punishment.	Jan. 26	Apr. 30.
	An Act for the punishment of certain crimes against the United States		
7 North Carolina Cession	An Act to accept a cession of the claims of the State of North-Carolina, to a certain district of western territory.	Mar. 3	Apr. 2.
8 Southern Territory	An Act for the government of the territory of the United States south of the River Ohio	Apr. 9	May 26.
9 Courts	An Act to continue in force an Act passed at the last session of Congress, entitled, "An Act to regulate processes in the courts of the United States.	Apr. 23	May 26.
10 North Carolina Judiciary	An Act for giving effect to the Acts therein mentioned, in respect to the State of North-Carolina, and to amend the said Act.	Apr. 29	Not passed. See [H.R.–68].
11 Rhode Island Trade	An Act to prevent bringing goods, wares, and merchandizes from the State of Rhode-Island and Providence Plantations, into the United States, and to authorize a demand of money.	May 13	Not passed.
12 Residence	A Bill to determine the permanent seat of Congress, and the government of the United States.	May 31	July 16.
	An Act for establishing the temporary and permanent seat of the Government of the United States.		
13 Circuit Courts	A Bill for altering the time of holding the courts in South Carolina and Georgia	Aug. 7	Aug. 11.
	An Act to alter the times for holding the Circuit Courts of the United States in the districts of South-Carolina and Georgia, and providing that the District Court of Pennsylvania shall in future be held in the city of Philadelphia only.		
Third Session: December 6, 1790–March 3, 1791:			
14 Ways and Means	An Act supplementary to the Act, entitled, "An Act making further provision for the payment of the debts of the United States".	Dec. 16	Dec. 27.
15 Bank	An Act to incorporate the subscribers to the bank of the United States	Jan. 3	Feb. 25.
16 Kentucky Statehood	An Act providing that the district of Kentucky should become an independent State, and be admitted as a member of the United States of America.	Jan. 4	Feb. 4.

SENATE BILLS—Continued

No. and Short title	Long title	Date introduced	Date signed by President
	An Act declaring the consent of Congress that a new State be formed within the jurisdiction of the Commonwealth of Virginia, and admitted into this union by the name of the State of Kentucky.		
17 Northwest Territory	An Act for granting lands to the inhabitants and settlers at Vincennes and the Illinois country, in the territory northwest of the Ohio, and for confirming them in their possessions.	Jan. 7	Mar. 3.
18 Consuls and Vice Consuls	An Act concerning Consuls and Vice Consuls	Jan. 7	Not passed.
19 Vermont Statehood	An Act for the admission of the State of Vermont into this union	Feb. 10	Feb. 18.
20 Kentucky and Vermont Representatives	An Act regulating the number of Representatives to be chosen by the States of Kentucky and Vermont.	Feb. 11	Feb. 25.
21 Residence	An Act to amend an Act, entitled, "An Act for establishing the temporary and permanent seat of government of the United States".	Feb. 17	Mar. 3.
22 Payment of Balances	An Act concerning the payment of balances due to the United States in certain cases	Feb. 26	Postponed—S.—.
23 Moroccan Treaty	An Act making an appropriation for the purposes therein mentioned [effecting a recognition of the treaty of the United States with the new Emperor of Morocco].	Mar. 1	Mar. 3.
24 Mitigation of Forfeitures	An Act to continue in force the Act therein mentioned [to provide for mitigating . . . forfeitures], and to make further provision for the payment of pensions to invalids, and for the support of lighthouses, beacons, buoys, and public piers.	Mar. 2	Mar. 3.

Source: Documentary History of the First Federal Congress of the United States of America. "Legislative Histories." Volume IV. Baltimore, 1986.

UNITED STATES SENATORS OF THE FIRST CONGRESS

(Biographical Sketches)

RICHARD BASSETT, DELAWARE

Richard Bassett was born on April 2, 1745, in Cecil County, Maryland. He studied law, was admitted to the bar, and practiced in Delaware, where he maintained a large estate. During the Revolutionary War, Bassett served with the Delaware militia. Between 1776 and 1786, he was a member of the council of safety and the state constitutional convention and served in both houses of the state legislature. He was a delegate to the Annapolis Convention, and to the Constitutional Convention in Philadelphia in 1787, and a leading member of the Delaware ratifying convention. Bassett was elected to the United States Senate and served from March 4, 1789, to March 3, 1793. In succeeding years, he was chief justice of the Court of Common Pleas, a presidential elector, and, from 1799 to 1801, Governor of Delaware. Richard Bassett died at his estate, "Bohemia Manor," on August 15, 1815.

PIERCE BUTLER, SOUTH CAROLINA

Pierce Butler, the son of a member of the British Parliament, was born on July 11, 1744, in County Carlow, Ireland. He was a major in the British Army and came to North America in 1758 to participate in the French and Indian Wars. By 1770, he was an officer in British units charged with suppressing the growing colonial resistence. Upon his marriage to the daughter of Thomas Middleton, a wealthy Southern planter, Butler left the British army and settled onto a plantation in South Carolina. When war broke out in 1775, he cast his lot with the American cause. He lost his considerable estates and fortune during the British occupation of South Carolina. In 1776, Butler was elected to the South Carolina legislature, a position he held for over a decade. He was a delegate to the Continental Congress and to the Constitutional Convention in Philadelphia. He was elected to the United States Senate and served from March 4, 1789, until he resigned on October 25, 1796. In 1802, he was again elected to the Senate to fill an unexpired term and served from November 4, 1802, until he resigned on November 21, 1804. Pierce Butler died in Philadelphia on February 15, 1822.

CHARLES CARROLL, MARYLAND

Born in Annapolis, Maryland, on September 19, 1737, Charles Carroll was educated chiefly in France. He returned to Maryland in 1765 and became a planter. After 1765, he consistently signed his name as Charles Carroll of Carrollton to distinguish himself from his father, cousins, and other Charles Carrolls in the colony. In 1774 and 1775, Carroll was successively a member of the Annapolis committee of correspondence, the first Maryland convention, the provincial committee of correspondence, and the committee of safety. Elected a delegate to the Continental Congress in 1776, Carroll was a signer of the Declaration of Independence. For the next several years, Carroll was both a member of the Continental Congress and the Maryland assembly. He was elected to the United States Senate and served from March 4, 1789, to November 30, 1792, when, preferring to remain a state senator, he resigned to comply with a new Maryland law which forbade simultaneous service in the state and national bodies. He served in the Maryland senate until 1800, when he retired to manage his estate. When Charles Carroll died on November 14, 1832, he was revered as the last surviving signer of the Declaration of Independence.

TRISTRAM DALTON, MASSACHUSETTS

Tristram Dalton was born in Newburyport, Massachusetts on May 28, 1738. After graduating from Harvard College in 1755, he studied law and was admitted to the bar, but did not practice, becoming instead a very prosperous merchant. He played only a minor role in the American Revolution. Dalton was a member of the lower house of the State legislature from 1782 to 1785, serving as speaker in 1784. In 1785, he became a member of the state senate and served until 1788. He was a member of the Massachusetts convention that ratified the federal Constitution. He was elected to the United States Senate and served from March 4, 1789, to March 3, 1791, when he was an unsuccessful candidate for reelection. Dalton was surveyor of the port of Boston from 1814 until his death in Boston on May 30, 1817.

PHILEMON DICKINSON, NEW JERSEY

Born in Crosia-dore, in Talbot County, Maryland, on April 5, 1739, Philemon Dickinson was privately tutored, graduated from the College of Philadelphia (now the University of Pennsylvania) in 1759, studied law in Philadelphia, and was admitted to the bar. In the 1760's, Dickinson moved to New Jersey and became a member of the provincial congress. Dickinson was an officer with the New Jersey militia throughout the Revolutionary War. In 1782 and 1783, he represented the State of Delaware in the Continental Congress. In 1783 and 1784, he was a member of the council of New Jersey. Dickinson was elected to the United States Senate from New Jersey in 1790 to fill the unexpired term of William Paterson and served from November 23, 1790, to March 3, 1793. He retired to his estate "The Hermitage" near Trenton, where he died on February 4, 1809.

OLIVER ELLSWORTH, CONNECTICUT

Oliver Ellsworth was born in Windsor, Connecticut, on April 29, 1745. After studying under private tutors, he attended Yale for two years, graduated from Princeton in 1766, studied for the ministry but changed to law, was admitted to the bar in 1771, and began practicing in Windsor. From 1773 through 1775, he represented Windsor in the State general assembly, and, in 1775, after he moved to Hartford, he represented that city in the assembly from 1775 to 1776. From 1777 until 1785, he was state's attorney for Hartford County. Ellsworth represented Connecticut in the Continental Congress from 1777 through 1783. From 1780 through 1784, he was a member of the Governor's council. From 1785 until 1789, he was a judge on the state superior court. He was an active member of the Constitutional Convention in Philadelphia in 1787. Ellsworth was elected to the United States Senate in 1789, was reelected, and served from March 4, 1789, to March 8, 1796, when he resigned, having been appointed Chief Justice of the United States Supreme Court. Ellsworth retired from the bench in 1800 and was appointed Minister to France. He returned to the United States in 1801 and was again a member of the Governor's council from 1801 to 1807. He died in Windsor, Connecticut on November 26, 1807.

JONATHAN ELMER, NEW JERSEY

Born in Cedarville, New Jersey, on November 29, 1745, Jonathan Elmer was privately tutored and graduated with the first medical class from the University of Pennsylvania in 1768. He began to practice medicine in Bridgeton, New Jersey. Elmer served as sheriff of Cumberland County, represented the county in the provincial congress, and held a variety of other state and local offices. While an active member of the New Jersey militia, Elmer saw no active duty during the American Revolution. He was three separate times a member of the Continental Congress, from 1776 to 1778, from 1781 to 1784, and again from 1787 to 1788. Elmer was elected to the United States Senate and drew the two year term, serving from March 4, 1789, to March 3, 1791. Returning to New Jersey, he served as a surrogate judge and as presiding judge of the county court until 1814. Jonathan Elmer died at Bridgeton, New Jersey on September 3, 1817.

WILLIAM FEW, GEORGIA

William Few was born in Baltimore County, Maryland, on June 8, 1748, and moved to North Carolina in 1758 with his family. Almost entirely self-educated, Few studied law, was admittted to the bar and began practicing in Augusta, Georgia. He was a member of the Georgia house of representatives, state surveyor general, a member of the executive council, and he represented Georgia in negotiations with the Indians on the frontier. Few and his brothers were ardently anti-British, and he actively participated in the Georgia militia during the Revolutionary War. He was a delegate to the Continental Congress, a member of the Constitutional Convention in Philadelphia, and later a member of the state convention to ratify the Constitution, which he supported. Few was elected to the United States Senate and served from March 4, 1789, until March 3, 1793. He returned to Georgia to become judge of the circuit court, and later moved to New York City, where he again became involved in politics. He was a member of the New York general assembly, a prison inspector, and city alderman. He ended his career as president of the City Bank of New York City. William Few died at Fishkill-on-the-Hudson, New York on July 16, 1828.

THEODORE FOSTER, RHODE ISLAND

Born in Brookfield, Massachusetts, on April 29, 1752, Theodore Foster graduated from Rhode Island College (now Brown University) in 1770. He studied law and began to practice in Providence, Rhode Island, in 1771. He served in the State general assembly from 1776 to 1782 and was appointed a judge of the court of admiralty in 1785, when Rhode Island finally ratified the Constitution, Foster was elected to the United States Senate. Reelected in 1791, and again in 1797, he served from June 7, 1790, to March 3, 1803. In 1800, his brother, Dwight Foster, became his Senate colleague from Massachusetts and the two served together for nearly three years. Theodore Foster retired from public life in 1803 to write a history of Rhode Island, but returned in 1812 to represent the town of Foster, which had been named for him, in the state general assembly until 1816. Theodore Foster died in Providence, Rhode Island on January 13, 1828.

WILLIAM GRAYSON, VIRGINIA

William Grayson was born in Prince William County, Virginia, in either 1736 or 1740. He attended the College of Philadelphia, now the University of Pennsylvania, and is said to have studied at Oxford College in England and at the Inns of Court in London. The outbreak of the American Revolution found him practicing law in Dumfries, Virginia. In 1776, he was commissioned lieutenant-colonel and aide-de-camp to General George Washington. He was promoted to colonel and took part in many of the major battles of the war. After the war, Grayson resumed the practice of law in Virginia and served in the Virginia house of delegates in 1784–1785 and 1788. He served in the Continental Congress from 1785 to 1787, and was a member of the Virginia convention to ratify the Constitution, which he opposed. He was elected to the United States Senate and served from March 4, 1789, until his death in Dumfries, Virginia on March 12, 1790.

JAMES GUNN, GEORGIA

James Gunn was born in Virginia on March 13, 1753. After attending the common schools, he studied law and was admitted to the bar. During the Revolutionary War, he served as a captain of a regiment of Virginia dragoons that saw action in Georgia and, after the war, he remained in Georgia to practice law in Savannah. In 1784, Gunn represented Chatham County in the state assembly and was elected justice of the peace of Chatham County. In 1787, he was elected to the Continental Congress, but he never attended its sessions. Elected to the United States Senate, and reelected in 1795, Gunn served from March 4, 1789, until March 3, 1801. He died in Louisville, Georgia on July 30, 1801.

BENJAMIN HAWKINS, NORTH CAROLINA

Benjamin Hawkins was born on August 15, 1754, in Warren County, North Carolina. At the outbreak of the American Revolution, he was a student at Princeton. Learning that General George Washington needed an interpreter to converse with his many French officers, Hawkins, who spoke French fluently, volunteered. He returned to North Carolina around 1778 and served the state in various capacities as a member of the legislature and commissioner to procure arms and munitions. Hawkins was a member of the Continental Congress from 1781 to 1784 and from 1786 to 1787. In 1785, he was appointed by the Congress to negotiate treaties with the Creek and Cherokee Indians. He was a member of the North Carolina ratifying convention, and upon that state's ratification of the Constitution, he was elected to the United States Senate and served from November 27, 1789, to March 3, 1795. He was appointed Indian agent for the Southern tribes by President Washington in 1796 and held the position until his death in Crawford County, Georgia on June 6, 1818.

JOHN HENRY, MARYLAND

Born at "Weston," on the Nanticoke River in Dorchester County, Maryland, in November, 1750, John Henry attended private schools and graduated from Princeton in 1769. After studying law at Middle Temple in London, he returned to Maryland and practiced law in Dorchester County. He was a member of the Maryland general assembly, a member of the state senate, and a member of the Continental Congress from 1778 to 1781 and from 1784 to 1787. He was elected to the United States Senate in 1789, reelected in 1795, and served from March 4, 1789, to December 10, 1797, when he resigned, having been elected Governor of Maryland. Henry retired from public life in 1798 and died on December 16 of that year at "Weston."

RALPH IZARD, SOUTH CAROLINA

Ralph Izard was born on his family's estate of "The Elms" on Goose Creek, near Charleston, South Carolina, on January 23, 1741, or 1742. As a boy, he was sent to England for his education, graduating from Christ College, Cambridge. After a short residence in the colonies, he returned to live in London in 1771 and then Paris in 1776. In 1777, he was appointed by the Continental Congress as commissioner to the Court of Tuscany and served until his recall in 1779. Izard returned to America and was a member of the Continental Congress from South Carolina in 1782 and 1783. In 1788, he was a member of the State convention to ratify the Constitution and, in 1788 and 1789, he was a member of the state house of representatives. Izard was elected to the United States Senate and served from March 4, 1789, to March 3, 1795. He served as President pro tempore during part of 1794 and 1795. He retired from public life and died near Charleston on May 30, 1804.

WILLIAM SAMUEL JOHNSON, CONNECTICUT

William Samuel Johnson was born in Stratford, Connecticut on October 7, 1727 was tutored by his father, graduated from Yale in 1744 and from Harvard in 1747 Abandoning plans to study for the ministry he studied law, was admitted to the bar, and began practice in Stratford. A member of the colonial Connecticut house of representatives in the early 1760's, he was also a delegate to the Stamp Act Congress in 1766. He was a member of the Connecticut upper house and the Governor's council and judge of the state supreme court. Johnson was elected a member of the Continental Congress in 1774 but declined to serve. He was not in sympathy with the revolutionary movement and his political career did not resume until the end of the war. Johnson served in the Continental Congress from 1784 to 1787, when he was named a delegate to the Constitutional Covention in Philadelphia. Johnson was elected to the United States Senate and served from March 4, 1789, to March 4, 1791, when he resigned to devote his full time to the presidency of Columbia College in New York City. He served as the college's first president from 1787 until 1800. William Johnson died in Stratford Connecticut on November 14, 1819.

SAMUEL JOHNSTON, NORTH CAROLINA

Born in Dundee, Scotland, on December 15, 1733, Samuel Johnston immigrated to America with his parents around 1736 and settled in Chowan County, North Carolina. He attended school in New England, studied law, was admitted to the bar, and practiced in Edenton, North Carolina. He was a member of the provincial assembly and served as clerk of the courts of Edenton district. Johnston held a variety of colonial posts and became a senator in the new state legislature. He was a member of the Continental Congress from 1780 to 1782. In 1787 he was elected Governor and was twice reelected, but in 1789 he resigned to become a United States Senator. He served in the Senate from November 27, 1789, to March 3, 1793. Returning to North Carolina, Johnston was judge of the superior court from 1800 to 1803. He died near Edenton, North Carolina on August 17, 1816.

RUFUS KING, NEW YORK

Born in Scarboro, Maine, on March 24, 1755, Rufus King attended a private academy and graduated from Harvard in 1777. He began to study law in Newburyport, Massachusetts, but interrupted his studies to fight briefly in the American Revolution. When King completed his law studies and was admitted to the bar, he began practice in Newburyport. He represented Newburyport in the Massachusetts general court from 1783 to 1785, and in 1784 he was elected to the Continental Congress, where he served until 1786. In 1787, King represented Massachusetts at the Constitutional Convention in Philadelphia and later was a member of the Massachusetts ratifying convention. In 1789, he moved to New York and won election to the state assembly. King was elected to the United States Senate in 1789, reelected in 1795, and served from July 16, 1789, until May 23, 1796, when he resigned. From 1796 to 1803, he was Minister to Great Britian. King was an unsuccessful Federalist candidate for Vice President in 1804 and 1808. In 1813, he was again elected to the United States Senate, reelected in 1819, and served from March 4, 1813 to March 3, 1825. He was an unsuccessful Federalist candidate for Governor of New York in 1815 and for

resident of the United States in 1816. He
as again Minister to Great Britain from
lay 1825 until June 1826. Rufus King died
n April 29, 1827, in Jamaica, Long Island,
ew York.

JOHN LANGDON, NEW HAMPSHIRE

John Langdon was born in Portsmouth,
ew Hampshire, on June 22, 1741. While
ill a boy, he went to sea, first as super-
argo, then as captain of his own ship. In
775, he was elected to the first of several
rms in the New Hampshire general court,
nd was chosen speaker of the lower house
uring several times. Langdon was a dele-
ate to the Continental Congress in 1775
nd 1776, he resigned to superintend the
onstruction of several ships of war. He
aked his fortune to fund the infant Ameri-
an navy and participated in several sea bat-
es. Langdon was again a member of the
ontinental Congress in 1783 and was Presi-
ent of New Hampshire in 1785. He was a
elegate to the Constitutional Convention
1787 and again a delegate to the Conti-
ental Congress. He was several more times
overnor of New Hampshire. Elected to the
nited States Senate in 1789, he served
om March 4, 1789, to March 3, 1801, and
as elected the first president pro tempore
the Senate on April 6, 1789. Langdon re-
sed both the portfolio of Secretary of the
avy and the nomination for Vice President
1812. He died in Portsmouth, New Hamp-
hire on September 18, 1819.

RICHARD HENRY LEE, VIRGINIA

Richard Henry Lee was born at "Strat-
rd," in Westmoreland County, Virginia, on
anuary 20, 1732. Educated by private
tors and at an academy in England, he re-
rned to Virginia around 1751 and became
stice of the peace for Westmoreland
ounty. He was a member of the Virginia
ouse of burgesses from 1758 to 1775, and of
e state house of delegates, and a member
the Continental Congress from 1774 to
780, and again from 1784 to 1787, serving
President of the Congress in 1784. A
ajor participant in the debates leading up
the proclamation of the Declaration of
dependence, Lee was a signer of the Dec-
ration and the author of the first national
hanksgiving Day proclamation issued by
ongress in October 1777. During the Revo-
tionary War, he served with the state mili-
a. He was a member of the Virginia ratify-
g convention, where he opposed adoption
the Constitution. Elected to the United
tates Senate, Lee served from March 4,
789, until his resignation on October 8,
792, due to ill health. He retired from
ublic life and died at "Chantilly," West-
oreland County, Virginia on June 19, 1794.

WILLIAM MACLAY, PENNSYLVANIA

Born on July 20, 1737, in New Garden,
ennsylvania, William Maclay was privately
tored, studied law, and was admitted to
e bar in 1768. He served in the French
nd Indian Wars and later took up survey-
g. He held various local offices prior to
776, served in the State militia during the
evolutionary War, and became a member
the state legislature at the close of the
ghting. Maclay was also a member of the
ate supreme executive council, judge of
e court of common pleas, deputy-survey-
r, and a member of commissions to exam-
e the navigation of the Susquehanna
iver and to treat with the Indians. He was
ected to the United States Senate in 1789
nd drew a two year term. He served from
larch 4, 1789, to March 3, 1791, when he
etired to his farm. Again holding a variety
f state and local offices, including the state house of representatives, presidential elector in 1796, and county judge, William Maclay died in Harrisburg, Pennsylvania on April 16, 1804.

JAMES MONROE, VIRGINIA

A distant cousin of William Grayson, whom he succeeded in the Senate in 1791, James Monroe was born in Westmoreland County, Virginia on April 28, 1758. He enrolled at the College of William and Mary but left after two years to serve as a lieutenant in the Virginia militia during the American Revolution. During one of the many battles in which he fought, he was seriously wounded. After the war, Monroe returned to Virginia to study law with Thomas Jefferson, and he served as aide to Jefferson when he was Governor of Virginia. He went on to become a member of the state assembly, of the executive council, and of the Continental Congress. He was a member of the Virginia ratifying convention, where he opposed ratification of the federal Constitution. He campaigned unsuccessfully against James Madison for election to the first United States House of Representatives. Monroe was elected to the United States Senate seat vacated by the death of William Grayson and served for November 9, 1790, until his resignation May 27, 1794. He served as Minister to France from 1794 to 1796, Governor of Virginia from 1799 to 1802, again as Minister to France in 1803, and as Minister to England from 1803 to 1807. Upon returning home, he was again elected to the state assembly and Governor and served as Secretary of State in the Cabinet of President Madison. Monroe was elected fifth President of the United States, reelected, and served from 1817 to 1825. His last act in public life was as president of the Virginia constitutional convention in 1829. James Monroe died in New York City, where he had moved, on July 3, 1831.

ROBERT MORRIS, PENNSYLVANIA

Born in Liverpool, England, on January 31, 1734, Robert Morris immigrated to America in 1747 and settled in Oxford, Maryland, where he became a tobacco importer. He moved to Philadelphia, where he was a signer of the nonimportation agreement of 1765 and a member of the committee of safety. Very active in the Revolutionary cause, which he aided with his considerable fortune, Morris was known as the "financier of the Revolution." Morris was elected to the state assembly and the Continental Congress, and was a signer of the Declaration of Independence. He served as superintendent of finance for the new national government from 1781 to 1784, and was a delegate to the 1787 Constitutional Convention in Philadelphia. Morris was elected to the United States Senate and served from March 4, 1789, to March 3, 1795. He declined the position of Secretary of the Treasury in President Washington's Cabinet. Becoming financially involved in unsuccessful land speculations, Morris lost his fortune and was imprisoned for debt from 1798 to 1801. He died in Philadelphia on May 8, 1806.

WILLIAM PATERSON, NEW JERSEY

The Paterson family immigrated to America from County Antrim, Ireland, where William Paterson was born on December 24, 1745. The family moved from Pennsylvania to Connecticut, and then to New Jersey, where they finally settled. Paterson graduated from Princeton, studied law, was admitted to the bar, and began practice in New Jersey. He was a member of the New Jersey provincial congress, of the state senate, a delegate to the state constitutional convention, and attorney general of New Jersey. Though he was elected to the Continental Congress in 1780 and again in 1787, he declined to serve. Paterson was a delegate to the 1787 Constitutional Convention in Philadelphia. Elected to the United States Senate, he served from March 4, 1798, to November 13, 1790, when he resigned, having been elected Governor of New Jersey. He seved as Governor until 1793, when he resigned to become an associate justice of the United States Supreme Court, on which he served until his death in Albany, New York on September 9, 1806.

GEORGE READ, DELAWARE

George Read was born in Cecil County, Maryland on September 18, 1733. After preparatory studies, he studied law, was admitted to the bar and began practice in New Castle, Delaware. He was a member of the Continental Congress from 1774 to 1777, a signer of the Declaration of Independence, president of the state constitutional convention, and vice president of Delaware. Read was a delegate to the Constitutional Convention in Philadelphia in 1787. After service in the state house of representatives and as a judge of the United States Court of Appeals, Read was elected to the United States Senate and served from March 4, 1789, to September 18, 1793, when he resigned, having been appointed chief justice of Delaware. He served as chief justice until his death in New Castle, Delaware, September 21, 1798.

PHILIP JOHN SCHUYLER

Born in Albany, New York, on November 20, 1733, Philip John Schuyler was privately tutored. He served in the British Army during the last stage of the French and Indian Wars. Inheriting property from his father, Schuyler became a very prosperous land owner and developed saw mills, grist mills, and flax mills on his holdings. In sympathy with the Revolutionary cause, Schuyler was a member of the Continental Congress from 1775 to 1777, and again from 1778 to 1781, and was appointed a major general in the Continental Army in 1775. He served as state senator from 1780 to 1784, from 1786 to 1790, and from 1792 to 1797. Schulyer was elected to the United States Senate and served from March 4, 1789, to March 3, 1791, when he was an unsuccessful candidate for reelection. He was again elected to the United States Senate and served from March 4, 1797, to January 3, 1798, when he resigned due to ill health. Schuyler died in Albany, New York on November 18, 1804.

JOSEPH STANTON, JR., RHODE ISLAND

Joseph Stanton, Jr. was born in Charlestown, Rhode Island, on July 19, 1739, and privately tutored. He served in the British Army during the French and Indian Wars. From 1768 to 1774, he was a member of the Rhode Island house of representatives. During the Revolutionary War, Stanton served as a colonel in the Rhode Island militia. He was a delegate to the State constitutional convention in 1790. Elected to the United States Senate, he served from June 7, 1790, to March 3, 1793. He was again a member of the state house of representatives. In 1801, he was elected to the first of three terms in the United States Congress, serving from March 4, 1801, to March 3, 1807. He died in Charlestown, Rhode Island in 1807.

CALEB STRONG, MASSACHUSETTS

Born in Northampton, Massachusetts, on January 9, 1745, Caleb Strong studied under private tutors, graduated from Harvard in 1764, studied law, was admitted to the bar, and commenced practice in 1772. Chosen a Northampton selectman in 1772, he served from 1774 throughout the Revolution on the town's committee of safety. He sat in the state general court in 1776 and was for twenty-four years county attorney. He was a delegate to the Massachusetts constitutional convention in 1779. In 1780, he declined a seat in the Continental Congress, becoming instead a state senator and serving until 1789. Strong was a member of the Constitutional Convention in 1787, and of the state ratifying convention. He was elected to the United States Senate in 1787, reelected in 1793, and served from March 4, 1789, until June 1, 1796, when he resigned. Strong was Governor of Massachusetts from 1800 to 1807 and again from 1812 to 1816. He died in Northampton, Massachusetts on November 7, 1819.

JOHN WALKER, VIRGINIA

Appointed to fill the Senate seat left vacant by the death of William Grayson, John Walker was born at "Castle Hill," in Albemarle County, Virginia, on February 13, 1744. He was privately tutored, and graduated from the College of William and Mary in 1764. A wealthy planter, Grayson served during the Revolutionary War as a colonel on the staff of General George Washington. Apparently, he held no public office prior to his appointment to the United States Senate, where he served from March 31 to November 9, 1790. He was not a candidate for the vacancy. Walker resumed his agricultural pursuits and died near Madison Mills, Orange County, Virginia on December 2, 1809.

PAINE WINGATE, NEW HAMPSHIRE

Born in Amesbury, Massachusetts, on May 14, 1739, Paine Wingate was a Harvard graduate and a congregational minister. In 1776, Wingate resigned from his New Hampshire congregation and became a farmer. He was a member of the state constitutional convention in 1781, and served in the state house of representatives in 1783. He was a member of the Continental Congress in 1787 and 1788. Elected to the United States Senate, he served from March 4, 1789, to March 3, 1793. He was elected to the Third Congress and served from March 3, 1793, to March 3, 1795. Wingate returned to New Hampshire to become a member of the state house of representatives in 1795 and a judge of the superior court of the state from 1798 to 1809. He died in Stratham, New Hampshire on March 7, 1838, at the age of ninety-nine.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I have contacted the distinguished Republican leader. Under the order that was entered some few days ago, it was agreed that the majority leader would be authorized to call up at any time, after consultation with the Republican leader, S. 677, a bill to amend the Federal Trade Commission Act to provide authorization of appropriations, and for other purposes.

The Republican leader has authorized me to proceed to make that bill the pending order of business at 4 p.m. today.

FEDERAL TRADE COMMISSION AUTHORIZATION

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. 677 today at the hour of 4 p.m., and that, until then, the Senate stand in recess.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS UNTIL 4 P.M.

There being no objection, the Senate, at 3:16 p.m., recessed until 4:01 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. LEVIN).

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. LEVIN). If there is no further morning business, morning business is closed.

FEDERAL TRADE COMMISSION ACT AMENDMENTS OF 1987

The PRESIDING OFFICER. Under the previous order, the clerk will report Senate bill 677.

The assistant legislative clerk read as follows:

A bill (S. 677) to amend the Federal Trade Commission Act to provide authorization of appropriations, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are printed in italic.)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Trade Commission Act Amendments of 1987".

UNFAIR METHODS OF COMPETITION

SEC. 2. Section 5 of the Federal Trade Commission Act (15 U.S.C. 45) is amended by adding at the end thereof the following:

"(n) The Commission shall not have any authority to find a method of competition to be an unfair method of competition under subsection (a)(1) if, in any action under the Sherman Act, such method of competition would be held to constitute State action.".

AGRICULTURAL COOPERATIVES

SEC. 3. The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended by redesignating section 24 and section 25 as section 26 and 27, respectively, and by inserting after section 23 the following new section:

"SEC. 24. (a) The Commission shall not have any authority to conduct any study, investigation, or prosecution of any agricultural cooperative for any conduct which, because of the provisions of the Act entitled 'An Act to authorize association of producers of agricultural products', approved February 18, 1922 (7 U.S.C. 291 et seq., commonly known as the Capper-Volstead Act), is not a violation of any of the antitrust Acts or this Act.

"(b) The Commission shall not have any authority to conduct any study or investigation of any agricultural marketing orders."

COMPENSATION IN PROCEEDINGS

SEC. 4. (a) Section 18(h) of the Federal Trade Commission Act (15 U.S.C. 57a(h)) is repealed, and subsections (i), (j), and (k) of section 18 are redesignated as subsections (h), (i), and (j), respectively.

(b) Section 18(a)(1) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)) is amended by striking "subsection (i)" and inserting in lieu thereof "subsection (h)".

KNOWING VIOLATIONS OF ORDERS

SEC. 5. (a) Section 5(m)(1)(B) of the Federal Trade Commission Act (15 U.S.C 45(m)(1)(B)) is amended by inserting " other than a consent order," immediately after "order" the first time it appears therein.

(b) Section 5(m)(2) of the Federal Trade Commission Act (15 U.S.C. 45(m)(2)) is amended by adding at the end thereof the following: "Upon request of any party to such an action against such defendant, the court shall also review the determination of law made by the Commission in the proceeding under subsection (b) that the act or practice which was the subject of such proceeding constituted an unfair or deceptive act or practice in violation of subsection (a).".

PREVALENCE OF UNLAWFUL ACTS OR PRACTICES

SEC. 6. Section 18(b) of the Federal Trade Commission Act (15 U.S.C. 57a(b)) is amended by adding at the end thereof the following:

"(3) The Commission shall issue a notice of proposed rulemaking pursuant to paragraph (1)(A) only where it has reason to believe that the unfair or deceptive acts or practices which are the subject of the proposed rulemaking are prevalent. The Commission shall make a determination that unfair or deceptive acts or practices are prevalent under this paragraph only if it has issued cease and desist orders regarding such acts or practices, or any other information available to the Commission indicates a pattern of unfair or deceptive acts or practices.".

EFFECTIVE DATE OF ORDERS

SEC. 7. (a) Section 5(g)(2) of the Federal Trade Commission Act (15 U.S.C. 45(g)(2)) is amended to read as follows:

"(2) Upon the sixtieth day after such order is served, if a petition for review has been duly filed, except that any such order may be stayed, in whole or in part and subject to such conditions as may be appropriate, by—

"(A) the Commission;

"(B) an appropriate court of appeals of the United States, if (i) a petition for review of such order is pending in such court, and (ii) an application for such a stay was previously submitted to the Commission and the Commission, within the thirty-day period beginning on the date the application was received by the Commission, either denied the application or did not grant or deny the application; or

"(C) the Supreme Court, if an applicable petition for certiorari is pending; or".

(b) Section 5(g)(3) of the Federal Trade Commission Act (15 U.S.C. 45(g)(3)) is amended to read as follows:

"(3) For purposes of section 19(a)(2) and section 5(m)(1)(B), if a petition for review of the order of the Commission has been filed—

"(A) upon the expiration of the time allowed for filing a petition for certiorari, if the order of the Commission has been affirmed or the petition for review has been dismissed by the court of appeals and no petition for certiorari has been duly filed;

"(B) upon the denial of a petition for certiorari, if the order of the Commission has been affirmed or the petition for review has been dismissed by the court of appeals; or

"(C) upon the expiration of thirty days from the date of issuance of a mandate of the Supreme Court directing that the order of the Commission be affirmed or the petition for review be dismissed; or".

(c) Section 5(g)(4) of the Federal Trade Commission Act (15 U.S.C. 45(g)(4)) is amended to read as follows:

"(4) In the case of an order requiring a person, partnership, or corporation to divest itself of stock, other share capital, or assets, if a petition for review of such order of the Commission has been filed—

"(A) upon the expiration of the time allowed for filing a petition for certiorari, if the order of the Commission has been affirmed or the petition for review has been dismissed by the court of appeals and no petition for certiorari has been duly filed;

"(B) upon the denial of a petition for certiorari, if the order of the Commission has been affirmed or the petition for review has been dismissed by the court of appeals; or

"(C) upon the expiration of thirty days from the date of issuance of a mandate of the Supreme Court directing that the order of the Commission be affirmed or the petition for review be dismissed.".

CIVIL INVESTIGATIVE DEMANDS

SEC. 8. (a) Section 20(a) of the Federal Trade Commission Act (15 U.S.C. 57b-1(a)) is amended—

(1) in paragraph (2), by striking "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "act or practice or method of competition declared unlawful by a law administered by the Commission";

(2) in paragraph (3), by striking "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "acts or practices or methods of competition declared unlawful by a law administered by the Commission"; and

(3) in paragraph (7), by striking "unfair or deceptive act or practice in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "act or practice or method of competition declared unlawful by a law administered by the Commission".

(b) Section 20(b) of the Federal Trade Commission Act (15 U.S.C. 57b-1(b)) is amended by striking "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "any act or practice or method of competition declared unlawful by a law administered by the Commission".

(c) Section 20(c)(1) of the Federal Trade Commission Act (15 U.S.C. 57b-1(c)) is amended by striking "unfair or deceptive Acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "any act or practice or method of competition declared unlawful by a law administered by the Commission".

(d) Section 20(j) of the Federal Trade Commission Act (15 U.S.C. 57b-1(j)) is amended by inserting immediately before the semicolon the following: ", any proceeding under section 11(b) of the Clayton Act, or any adjudicative proceeding under any other provision of law".

DEFINITION OF UNFAIR ACTS OR PRACTICES

SEC. 9. Section 5 of the Federal Trade Commission Act (15 U.S.C. 45), as amended by section 2 of this Act, is further amended by adding at the end thereof the following:

[(o)] *"(o)* The Commission shall have no authority under this section or section 18 to declare unlawful an act or practice on the grounds that such act or practice is unfair unless the act or practice causes or is likely to cause substantial injury to consumers which is not reasonably avoidable by consumers themselves and not outweighed by countervailing benefits to consumers or to competition.".

CREDIT UNIONS

SEC. 10. (a) Sections 5(a)(2), 6(a), and 6(b) of the Federal Trade Commission Act (15 U.S.C. 45 (a)(2), 46(a), and 46(b)) are amended by inserting immediately after "section 18(f)(3)," the following: "Federal credit unions described in section 18 (f)(4),".

(b) The second proviso in section 6 of the Federal Trade Commission Act (15 U.S.C. 46) is amended—

(1) by inserting immediately after "section 18(f)(3)," the following: "Federal credit unions described in section 18(f)(4),"; and

(2) by inserting immediately after "in business as a savings and loan [institution"] *institution,"* the following: ", in business as a Federal credit union,".

(c)(1) The second sentence of section 18(f)(1) of the Federal Trade Commission Act (15 U.S.C. 57a(f)(1)) is amended by inserting immediately after "paragraph (3))" the following: "and the National Credit Union Administration Board (with respect to Federal credit unions described in paragraph (4))".

(2) The last sentence of section 18(f)(1) of the Federal Trade Commission Act (15 U.S.C. 57a(f)(1)) is amended—

(A) by striking "either such" and inserting in lieu thereof "any such";

(B) by inserting "or Federal credit unions described in paragraph (4)," immediately after "paragraph (3)," each place it appears therein; and

(C) by inserting immediately after "with respect to banks" the following: ", savings and loan institutions or Federal credit unions".

(3) Section 18(f) of the Federal Trade Commission Act (15 U.S.C. 57a(f)) is amended by redesignating paragraphs (4), (5), and (6) as paragraphs (5), (6), and (7), respectively, and by inserting immediately after paragraph (3) the following:

"(4) Compliance with regulations prescribed under this subsection shall be enforced with respect to Federal credit unions under sections 120 and 206 of the Federal Credit Union Act (12 U.S.C. 1766 and 1786).".

COMMERCIAL ADVERTISING

SEC. 11. Section 18(h) of the Federal Trade Commission Act (15 U.S.C. 57a(h)), as so redesignated in section 4(a) of this Act, is amended by adding at the end thereof the following: "The Commission shall have no authority under this section to initiate any new rulemaking proceeding which is intended to or may result in the promulgation of any rule by the Commission which prohibits or otherwise regulates any commercial advertising on the basis of a determination by the Commission that such commercial advertising constitutes an unfair act or practice in or affecting commerce.".

REPORT

SEC. 12. (a) The Federal Trade Commission shall submit to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Energy and Commerce of the House of Representatives the information specified in subsection (b) of this section every six months during each of the fiscal years 1988, 1989, and 1990. Each such report shall contain such information for the period since the last submission under this section.

(b) Each such report shall list and describe, with respect to instances in which resale price maintenance has been suspected or alleged—

(1) each complaint made, orally or in writing, to the offices of the Commission;

(2) each preliminary investigation opened or closed at the Commission;

(3) each formal investigation opened or closed at the Commission;

(4) each recommendation for the issuance of a complaint forwarded by the staff to the Commission;

(5) each complaint issued by the Commission pursuant to section 5 of the Federal Trade Commission Act (15 U.S.C. 45);

(6) each opinion and order entered by the Commission;

(7) each consent agreement accepted provisionally or finally by the Commission;

(8) each request for modification of an outstanding Commission order filed with the Commission;

(9) each recommendation by staff pertaining to a request for modification of an outstanding Commission order; and

(10) each disposition by the Commission of a request for modification of an outstanding Commission order.

Such report shall include the sum total of matters in each category specified in paragraphs (1) through (10) of this subsection, and copies of all such consent agreements and complaints executed by the Commission. Where a matter has been closed or terminated, the report shall include a statement of the reasons for that disposition. The description required under this subsection shall be as complete as possible but shall not reveal the identity of persons or companies making the complaint or those complained about or those subject to investigation that have not otherwise been made public.

CONGRESSIONAL REVIEW OF RULES

SEC. 13. (a) The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended by inserting after section 24, as added by section 3 of this Act, the following new section:

"SEC. 25. (a) For purposes of this section, the term—

"(1) 'joint resolution' means a joint resolution the matter after the resolving clause of which is as follows: 'That the final rule promulgated by the Federal Trade Commission dealing with the matter of , which final rule was submitted to Congress on is disapproved.', the first blank being filled with the subject of the rule and such further description as may be necessary to identify it, and the second blank being filled with the date of submittal of the rule to the Congress; and

"(2) 'rule' means any rule promulgated by the Commission pursuant to this Act other than a rule promulgated under section 18(a)(1)(A).

"(b) The Commission, after promulgating a final rule, shall submit such final rule to the Congress for review in accordance with this section. Such final rule shall be delivered to each House of the Congress on the same day and to each House of Congress while it is in session.

"(c) Any final rule of the Commission shall become effective in accordance with its terms unless before the end of the period of ninety days of continuous session of Congress after the date such final rule is submitted to the Congress a joint resolution disapproving such final rule is enacted into law.

"(d)(1) If a final rule of the Commission is disapproved in accordance with this section, the Commission may promulgate another final rule which relates to the same acts or practices as the rule which was disapproved. Such other final rule—

"(A) shall be based upon—

"(i) the rulemaking record of the disapproved final rule; or

"(ii) such rulemaking record and any record established in supplemental rulemaking proceedings conducted by the Commission; and

"(B) may contain such changes as the Commission considers necessary or appropriate.

Supplemental rulemaking proceedings referred to in subparagraph (A)(ii) of this paragraph may be conducted in accordance with section 553 of title 5, United States Code, if the Commission determines that it is necessary to supplement the existing rulemaking record.

"(2) The Commission, after promulgating a final rule under this subsection, shall submit the final rule to Congress in accordance with subsection (a) of this section.

"(e) Congressional inaction on a joint resolution disapproving a final rule of the Commission shall not be construed—

"(1) as an expression of approval of such rule, or

"(2) as creating any presumption of validity with respect to such rule.

"(f)(1)(A) For purposes of subsection (c) of this section, continuity of session is broken only by an adjournment sine die at the end of the second regular session of a Congress.

"(B) The days on which either House of Congress is not in session because of an adjournment of more than five days to a day certain are excluded in the computation of the period specified in subsection (c) of this section.

"(2)(A) In any case in which a final rule of the Commission is prevented from becoming effective by an adjournment sine die at the end of the second regular session of the Congress before the expiration of the period specified in subsection (c) of this section, the Commission shall resubmit such rule at the beginning of the first regular session of the next Congress.

"(B) The period specified in subsection (c) of this section shall begin on the date of a resubmission under subparagraph (A) of this paragraph.".

(b) Section 21 of the Federal Trade Commission Improvements Act of 1980 (15 U.S.C. 57a-1) is repealed.

REPORT ON PREDATORY PRICING PRACTICES

SEC. 14. (a) The Federal Trade Commission shall submit to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Energy and Commerce of the House of Representatives the information specified in subsection (b) of this section every six months during each of the fiscal years 1988, 1989 and 1990. Each such report shall contain such information for the period since the last submission under this section.

(b) Each such report shall list and describe, with respect to instances in which predatory pricing practices have been suspected or alleged—

(1) each complaint made, orally or in writing, to the offices of the Commission;

(2) each preliminary investigation opened or closed at the Commission;

(3) each [normal] *formal* investigation opened or closed at the Commission;

(4) each recommendation for the issuance of a complaint forwarded by the staff to the Commission;

(5) each complaint issued by the Commission;

(6) each opinion and order entered by the Commission;

(7) each consent agreement accepted provisionally or finally by the Commission;

(8) each request for modification of an outstanding Commission order filed with the Commission;

(9) each recommendation by staff pertaining to a request for modification of an outstanding Commission order; and

(10) each disposition by the Commission of a request for modification of an outstanding Commission order.

Such report shall include copies of all such consent agreements and complaints executed by the Commission referred to in such report. Where a matter has been closed or terminated, the report shall include a statement of the reasons for that disposition. The descriptions required under this subsection shall be as complete as possible but shall not reveal the identity of persons or companies making the complaint or those complained about or those subject to investigation that have not otherwise been made public. The report shall include any evaluation by the Commission of the potential impacts of predatory pricing upon businesses (including small businesses).

INTERVENTION BY COMMISSION IN CERTAIN PROCEEDINGS

SEC. 15. (a) The Federal Trade Commission shall not have any authority to use any funds which are authorized to be appropriated to carry out the Federal Trade Commission Act (15 U.S.C. 41 et seq.) for fiscal year 1988, 1989, or 1990, for the purpose of submitting statements to, appearing before, or intervening in the proceedings of, any Federal or State agency unless the Commission advises the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives, at least sixty days before any such proposed action, or, if such advance notice is not practicable, as far in advance of such proposed action as is practicable.

(b) The notice required in subsection (a) of this section shall include the name of the agency involved, the date upon which the Federal Trade Commission will first appear, intervene, or submit comments, a concise statement regarding the nature and purpose of the proposed action of the Commission, and, in any case in which advance notice of sixty days is not practicable, a concise statement of the reasons such notice is not practicable.

NATIVE AMERICAN ARTS AND CRAFTS

SEC. 16. The Federal Trade Commission shall investigate the marketing of imitation Native American arts, crafts, and jewelry. The Commission shall, upon the expiration of eighteen months after the date of enactment of this Act, report to the Committee on Commerce, Science, and Transportation of the Senate and Committee on Energy and Commerce of the House of Representatives on the investigation made under this section.

REGIONAL OFFICES

SEC. 17. The [Chairman of the] Federal Trade Commission shall, from funds appropriated pursuant to the authorization contained in section 13 of this Act, redirect not less than $858,000 in each of the fiscal years 1988, 1989 and 1990 to support of activities undertaken by the regional offices of the Federal Trade Commission. Not less than $500,000 of such amount shall be redirected from amounts made available for activities undertaken within the Economic Activities Mission and the Office of Policy Development, and the remainder of such amount shall not be redirected from amounts made available for law enforcement activities. [The] *In addition to the funds specified in this section, the* Federal Trade Commission shall in fiscal years 1988, 1989 and 1990 maintain such regional offices at the locations, and at not less than the funding level, which existed for such offices on the date of enactment of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 18. Section 26 of the Federal Trade Commission Act, as so redesignated by section 3 of this Act, is amended—

(1) by striking "and" after "1981,"; and

(2) by inserting immediately before the period at the end thereof the following: "; not to exceed [$70,850,000] *$69,850,000* for the fiscal year ending September 30, 1988; not to exceed [$71,850,000] *$70,850,000* for the fiscal year ending September 30, 1989; and not to exceed [$72,850,000] *$71,850,000* for the fiscal year ending September 30, 1990, and such additional sums for the fiscal years ending September 30, 1989 and September 30, 1990, as may be necessary for increases in salary, pay, and other employee benefits as authorized by law".

EFFECTIVE DATE

SEC. 19. (a) Except as provided in subsections (b), (c) [and (d)], *(d) and (e)* of this section, the provisions of this Act shall take effect on the date of enactment of this Act.

(b) The amendment made by section 2 of this Act shall apply only with respect to proceedings under section 5 of the Federal Trade Commission Act after the date of enactment of this Act. This amendment shall not be construed to affect in any manner a cease and desist order which was issued, or a rule which was promulgated, before the date of enactment of this Act. This amendment shall not be construed to affect in any manner a cease and desist order issued after the date of enactment of this Act, if such order was issued pursuant to remand from a court of appeals or the Supreme Court of an order issued by the Federal Trade Commission before the date of enactment of this Act.

(c) The amendments made by sections 7 and 9 of this Act shall apply only with respect to cease and desist orders issued under section 5 of the Federal Trade Commission Act (15 U.S.C. 45), or to rules promulgated under section 18 of the Federal Trade Commission Act (15 U.S.C. 57a), after the date of enactment of this Act. These amendments shall not be construed to affect in any manner a cease and desist order which was issued, or a rule which was promulgated, before the date of enactment of this Act. These amendments shall not be construed to affect in any manner a cease and desist order issued after the date of enactment of this Act, if such order was issued pursuant o remand from a court of appeals or the Supreme Court of an order issued by the Federal Trade Commission before the date of enactment of this Act.

(d) The amendments made by sections 6 and 11 of this Act shall apply only to rulemaking proceedings initiated after the date of enactment of this Act. These amendments shall not be construed to affect in any manner a rulemaking proceeding which was initiated before the date of enactment of this Act.

(e) The amendments made by section 8 of his Act shall apply only with respect to compulsory process issued after the date of enactment of this Act.

(Mr. BREAUX assumed the chair.)

Mr. GORE. Mr. President, I am pleased to speak in support of S. 677, the Federal Trade Commission [FTC] Act Amendments of 1987, which I originally introduced with a number of cosponsors. This legislation will reauthorize the FTC and make certain important changes in its authority.

I wish to urge my colleagues on both sides of the aisle to support this legisation. We will be turning to a few amendments shortly.

This legislation was introduced on March 6, 1987, following 2 days of hearings in early February. The bill was overwhelmingly approved by the Senate Commerce Committee during an executive session on March 10, 1987.

I am pleased to count as cosponsors, the distinguished chairman of the Senate Commerce Committee, the Senator from South Carolina [Mr. HOLLINGS], as well as the ranking Republican on the committee, the distinguished Senator from Missouri [Mr. DANFORTH]. In addition, this important legislation is cosponsored by the members of the Commerce Committee Consumer Subcommittee. Two former chairmen of the Consumer Subcommittee, the Senator from Kentucky [Mr. FORD] and the Senator from Wisconsin [Mr. KASTEN], are members of the Consumer Subcommittee; their leadership over the years on these issues has left its mark in many ways, not the least of which may be found in the framework of this legislation. I am also pleased to have the cosponsorship of the Consumer Subcommittee's two new members, the Senator from Louisiana [Mr. BREAUX], and the Senator from Arizona [Mr. MCCAIN], the new ranking member of the subcommittee.

Mr. President, the FTC's mission—to protect consumers and businesses from unfair competition and unfair or deceptive acts or practices—is a mission whose importance has not diminished over the history of the Commission. The FTC prevents anticompetitive conduct by businesses through the Commission's unfair or deceptive acts or practices authority and exercises enforcement authority through case-by-case adjudication and through industrywide trade rules to prohibit "unfair or deceptive" practices.

Since the last FTC authorization, the Improvement Act of 1980 expired at the end of fiscal year 1982, the Commerce Committee has held numerous authorization hearings and reported three authorization bills to the full Senate. Despite these efforts, however, the FTC has been without a formal authorization since 1982.

Mr. President, I think it particularly important to avoid loading this legislation with additional issues of controversy. My goal is for a law to be enacted as soon as possible. Our subcommittee intends to hold oversight hearings on the agency later in the year, at which time other issues will be addressed in some detail.

Due principally to dissatisfaction with the FTC's exercise of its section 18 consumer protection rulemaking authority, Congress modified some of the Commission's procedures in the FTC Improvement Act of 1980. Some of these congressional limitations on the FTC's authority were designed to carry with them a limited lifespan; they were enacted for the life of the 1980 authorization bill, which expired in 1982. Yet the FTC, as I mentioned, has been without an authorization since that time and amendments have been added during the FTC appropriations process maintaining the 1980 act's limitations.

The bill reported by the committee in the 99th Congress, S. 1078, gained the overwhelming approval of the full Senate. However, issues concerning the extent of the agency's substantive authority could not be resolved in the conference, and the legislation unfortunately failed to become law. In Consumer Subcommittee hearings in February 1987, witnesses addressed these and other issues. The additional issues included the scope of FTC authority to regulate advertising, and the Commission's authority to investigate agricultural cooperatives and the insurance industry.

S. 1078, the FTC authorization legislation approved by the Senate in the 99th Congress, contained a number of FTC authority and procedural reforms. S. 677, the bill we are considering today is similar to the legislation approved in the 99th Congress. This bill provides new FTC funding authority for fiscal year 1988 in the amount of the administration's request. Modest increases are included for fiscal years 1989 and 1990.

Our bill also contains all the provisions concerning FTC authority and procedure that were included in S. 1078 as it passed the Senate during the 99th Congress, except for S. 1078's prohibition on FTC authority to challenge trademark validity under the Lanham Act and S. 1078's requirement that the FTC consult the Department of Agriculture prior to suing an agricultural cooperative.

This bill contains a new statutory limitation on the Commission's authority to invalidate certain State laws. This provision is prompted by the "State action" doctrine, a judicially developed antitrust exemption for anticompetitive conduct when that conduct is in accord with clearly articulated State policy and is actively supervised by the State. The new provision would add language to section 5 of the FTC Act precluding the exercise of FTC authority to find an unfair method of competition if that method would constitute "State action."

In addition, this bill would add a new section to the FTC Act to make permanent the temporary prohibition of FTC studies, investigations or prosecutions of agricultural cooperatives for conduct falling within the limited antitrust immunity established by the Capper-Volstead Act. Commission studies or investigations of marketing orders would also be prohibited.

As included in previous FTC authorization legislation approved by the Senate, this bill would repeal FTC authority under section 18(h) of the FTC Act to compensate public participants in Commission rulemaking proceedings. Similarly, this bill retains earlier Senate language amending section 5(m)(1)(B) of the FTC Act with regard to the FTC's authority to pursue civil penalty action in Federal court against one company for a penalty actions in Federal court against one company for a knowing violation of an order entered against a different company. The new language would permit the defendant to challenge in court the legal basis for the Commission's prior order, thereby codifying the U.S. district court decision in United States versus Braswell, Inc.

This bill would further amend the FTC Act by changing section 18(b) of the act to permit the Commission to issue a notice of proposed rulemaking only where it has reason to believe that the challenged conduct is prevalent in the industry. In order to conform Commission practice to that of other Federal agencies, this bill would also amend section 5(g) of the FTC Act to eliminate the requirement for an automatic stay of Commission cease and desist orders pending appeal, and, with some exceptions, provide instead that Commission orders may be stayed by the Commission or by the courts during the appeal process.

In an effort to require the Commission to conduct antitrust investigations in the same fashion that it conducts consumer protection investigations, this bill would extend the "civil investigative demand" document procedures contained in section 20 of the FTC Act to investigations concerning any act or practice or method of competition declared unlawful under a law administered by the Commission.

This bill also adds a new provision to section 5 of the FTC Act in order to circumscribe the Commission's consumer unfairness authority for both rulemaking and case-by-case adjudications. The new provision would limit unlawful "unfair acts or practices" to acts or practices that have caused or are likely to cause substantial injury to consumers which may not be reasonably avoided by consumers themselves and is not outweighed by countervailing benefits to consumers or to competition.

As provided for in previous Senate FTC authorization legislation, this bill would amend sections 5, 6, and 18 of the FTC Act to exempt Federal credit unions from Commission jurisdiction on the same basis that banks and savings and loans are now exempt. Federal credit unions are regulated by the National Credit Union Administration.

An additional provision of this bill would amend section 18 of the FTC Act to make permanent the temporary provision prohibiting the Commission from initiating any new rulemaking proceeding prohibiting or otherwise regulating commercial advertising on the basis that such advertising is an unfair act or practice. The bill would also require the Commission to report semiannually to the House and Senate Commerce Committees on FTC enforcement activities in the areas of resale price maintenance and predatory pricing. Similarly, this bill would prohibit funding for FTC intervention in Federal or State agency proceedings absent notification of the Senate and House Commerce Committees.

The bill contains a 90-day report-and-wait provision providing for congressional disapproval of FTC rules through the adoption of a joint resolution. This bill would also require the FTC to investigate and report to Congress on the marketing of imitation native American arts, crafts, and jewelry.

Finally, because the regional offices are of fundamental importance in carrying out law enforcement activities, this bill would require the FTC to redirect $858,000 to activities of the regional offices, with at least $500,000 of those redirected funds to come from activities within the economic activities mission and the Office of Policy Development. Keeping in mind that the focus of this provision is FTC enforcement, this bill further requires that the remainder cannot be redirected from amounts made available for law enforcement activities. The bill requires that for fiscal years 1988, 1989, and 1990, regional offices must be maintained at the locations, and at not less than the proposed regional office budget submission to Congress for fiscal year 1988, in addition to the $858,000 provided for in the bill.

During former Chairman James Miller's tenure at the FTC, an agreement was reached with members of the House and Senate Appropriations Committees to maintain the size of each regional office at 18 work-years, on an annualized basis or the existing level, whichever is less. Since 1981, both funding resources and work-year allocations for the regional offices have decreased appreciably. Work-year reductions by operational unit from fiscal year 1981 through fiscal year 1987, reflect a disproportionate reduction of 57 percent incurred by the regional offices, as compared to a 29-percent reduction for the rest of the agency. FTC regional offices have consistently performed law enforcement activities at highly productive levels even with reduced funding and work-year allocations.

The regional offices are fundamentally important to the FTC's law enforcement mission and to its ability to maintain an effective presence with both the business community, consumers, and other Federal, State, and local agencies. I believe that law enforcement activity in times of limited resources is a more appropriate funding priority than non-law-enforcement research, a view that is supported by the 1983 Grace Commission's report—to limit costs in Government. This legislation is intended to assure the continued viability of the regional offices to continue to effectively carry out the law enforcement mission of the agency.

Mr. President, in conclusion let me express my strong view that this authorization is essential. I want to again urge my colleagues on both sides of the aisle to support this legislation and reaffirm the Senate's commitment to the FTC and its mission.

Mr. President, I ask unanimous consent that during the consideration of S. 677, the Federal Trade Commission Act Amendments of 1987, the following staff be permitted on the Senate floor. Amy Bondurant, Kevin Curtin, Thurgood Marshall, Jr., Linda Morgan, Steve Palmer, and David St. John.

I yield the floor, Mr. President.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arizona.

Mr. McCAIN. Mr. President, the bill before the Senate, S. 677 reauthorizes the Federal Trade Commission for fiscal years 1988, 1989, and 1990 and makes important changes in the Federal Trade Commission Act.

The FTC has an important function—to protect consumers from unfair methods of competition and unfair or deceptive acts or practices. There are few areas of commerce in which consumers are not, in some way, affected by the activities of the Federal Trade Commission. Among the acts under which the Commission enforces its regulatory and administrative authority are the Federal Trade Commission Act, the Clayton Act, th Hart-Scott-Rodino Act, the Federa Cigarette Labeling and Advertisin Act of 1966, and the Consumer Credi Protection Act. During the 1986 fisca year, the Commission initiated proceedings to block or modify mergers i various industries; eliminate anticompetitive commercial practices; an police advertising, marketing, an credit practices.

Unfortunately, the FTC has no been authorized since 1982. As man of my colleagues know better than I the FTC has been unauthorized sinc that time, largely because of a serie of controversies concerning the area in which the FTC should be permitte to regulate and the form that suc regulation should take. Most of thes controversies date from a time whe the FTC was referred to as the "national nanny" and a "rogue agency.' Some of the controversies have bee resolved temporarily, pending passag of this legislation, and some will be resolved when this legislation is finally enacted into law. But Mr. President, i order to put these controversies to restfully, passage of this bill is a necessity.

This bill before the Senate today is a balanced bill. It will streamline the FTC's operations and ensure that it can efficiently and expeditiously enforce the law. For instance, it eliminates automatic stays of Commission orders, a frequent cause of unnecessary delay in Commission law enforcement proceedings. At the same time the bill contains important modifications to clarify the scope of the Commission's regulatory authority. The bill provides, for example, that the FTC may initiate a rulemaking regarding a practice only when the Commission has reason to believe that the practice is prevalent in the industry.

Also included in S. 677 are provisions to recognize the application of the state action antitrust doctrine to a portion of the FTC's authority, define the meaning of unfair as it relates to the Commission's unfair acts and practices authority, and direct that a larger portion of the FTC's budget be allocated to its regional offices.

Enactment of this legislation will put to rest a great many controversies concerning the FTC, but it will not mean that Congress can simply forget about the FTC for the next 3 years. Instead, S. 677 ensures that Congress will continue to play an active role with regard to the consumer protection and antitrust activities of the FTC. Too often, Congress has delegated its authority in these areas to bureaucrats and then complained about the results when the laws are not enforced as they were intended to be. This legislation, however, imposes extensive congressional reporting requirements on the FTC with regard to ome of its law unforcement and advi-ory activities. In addition, the bill provided for a 90-day congressional eview period with regard to new FTC ules. It also requires the FTC to initiate an investigation of counterfeit native American arts and crafts and eport back to Congress on its findngs.

I would like to express my special appreciation to my colleague from Tennessee, Senator GORE, for his inerest in that issue which is a very important one to all of our native Americans across this country.

Mr. President, passage of this auhorization will reaffirm congressional upport for the FTC and restore order o the legislative process. The bill before the Senate today is the product of 13 days of hearings during the hree preceding Congresses and the current Congress. It is similar to legisation approved by the Senate during he last Congress by a vote of 84 to 5. n light of the prolonged consideration of this legislation, its broad support, and its importance, I would hope, Mr. President, that it can be acted on expeditiously.

I yield the floor.

The PRESIDING OFFICER. The ime of the Senator has expired.

Mr. HOLLINGS. Mr. President, the Senate is today considering S. 677, the Federal Trade Commission Act Amendments of 1987. This measure, which provides a 3-year authorization for the agency, makes important changes in the agency's authority and procedures.

The last formal authorization of the FTC was the FTC Improvements Act of 1980 lelgislation, which expired in 1982. The Agency has been without an authorization since that time. Two years ago, in hearings held by the Committee on Commerce, Science, and Transportation, a witness testified as to the "climate of uncertainty and confusion with respect to the jurisdiction of the FTC" due to the lack of an authorization. Certainly, the passage of time has made this concern even greater. Therefore, the Senate Commerce Committee has made passage of this legislation a priority.

Under the original FTC Act, the Commission seeks to prevent anticompetitive conduct through its authority over "unfair methods of competition," and to protect consumers through its "unfair or deceptive acts or practices" authority. In 1975, Congress acted to provide the agency explicit authority and detailed new procedures for promulgating trade rules to prohibit "unfair or deceptive acts or practices." And in 1980, out of dissatisfaction with the Commission's exercise of its consumer protection rulemaking authority, Congress redirected some of the agency's rulemaking and added additional rulemaking procedures. Unfortunately, key provisions of the 1980 act were tied to the time period of the authorization and expired with the authorization. However, through the appropriations process, my colleagues and I have been able to secure continuation of these important provisions through fiscal year 1987.

The bill we are considering today contains a 3-year authorization of appropriations for the Federal Trade Commission. It provides funding for fiscal year 1988 at the level of the administration's request, $69.9 million, and it provides for modest increases for fiscal years 1989 and 1990.

In addition, this bill contains most of the provisions that were contained in S. 1078, the FTC reauthorization bill of the 99th Congress. That bill was reported by the Commerce Committee and passed the Senate but died in conference. It contained a number of important reforms in FTC authority and procedure that were adopted by the committee after hearings in the 97th, 98th, and 99th Congresses.

The bill we are considering today contains provisions addressing the scope of FTC authority with respect to agricultural cooperatives and the agency's treatment of unfair advertising. The bill also includes a statutory definition of "unfair acts or practices," the requirement of a showing that challenged conduct is prevalent in an industry as a prerequisite for FTC rulemaking, and codification of the so-called Braswell standard of review for knowing violations of FTC orders.

In addition, the bill contains: a report and wait provision providing for congressional review of rules; a reporting requirement on enforcement activities in the area of predatory pricing; a notification requirement if the FTC intervenes in other State or Federal proceedings; and a requirement that the FTC investigate the marketing of imitation native American arts, crafts and jewelry, and report to the Congress.

Finally, the bill redirects funding to the regional offices. This moves in the direction of the agreement reached between the former chairman of the Agency and members of the Appropriations Committee in 1982 regarding the minimum level of funding for the regional offices. The regional offices are fundamentally important to the law enforcement mission of the agency.

Mr. President, this legislation reflects years of work by the Commerce Committee. It authorizes an agency with an extremely important mission to fulfill—the protection of consumers and businesses from unfair or deceptive acts or practices. I encourage my colleagues to vote favorably for this important legislation.

Mr. GORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEVIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Michigan is recognized.

Mr. LEVIN. I thank the Chair.

AMENDMENT NO. 79

(Purpose: To provide for congressional review of the rules promulgated by the Federal Trade Commission)

Mr. LEVIN. Mr. President, I send an amendment to the desk in behalf of myself, Senator GRASSLEY, Senator BOREN, Senator DECONCINI, and Senator SIMPSON.

The PRESIDING OFFICER. The Chair states that currently pending are committee amendments to the bill which have to be dispensed with prior to the consideration of other amendments.

Mr. LEVIN. Mr. President, I ask unanimous consent that the pending committee amendments be temporarily set aside.

Mr. GORE. Reserving the right to object, Mr. President, with the indulgence of the Senator from Michigan, I wish to move adoption of the committee amendments. I do not believe there is any objection to that if this is an appropriate time to do that. I ask unanimous consent that they be considered en bloc and I move their adoption.

COMMITTEE AMENDMENTS AGREED TO

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

Without objection, the question is on agreeing to the committee amendments en bloc.

The committee amendments were agreed to en bloc.

Mr. LEVIN. I thank the Chair. I ask for immediate consideration of my amendment.

The PRESIDING OFFICER. The amendment will be stated. The assistant legislative clerk read as follows:

The Senator from Michigan [Mr. LEVIN] for himself, Mr. GRASSLEY, Mr. BOREN, Mr. DECONCINI, and Mr. SIMPSON, proposes an amendment numbered 79.

On page 12, beginning with line 18, strike out through line 14 on page 15 and insert in lieu thereof the following:

CONGRESSIONAL REVIEW OF RULES

SEC. 13. (a) The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended by inserting after section 24, as added by section 3 of this Act, the following new section.

"SEC. 25. (a) For purposes of this section, the term—

"(1) 'appropriate committee' means either the Committee on Commerce, Science, and Transportation of the Senate or the Committee on Energy and Commerce of the House of Representatives, as the case may be;

"(2) 'joint resolution' means a joint resolution which does not contain a preamble and the matter after the resolving clause of which is as follows: 'That the Senate and the House of Representatives disapprove the rule entitled ————, transmitted to the Congress by the Federal Trade Commission on ———, 19—.', the blank spaces being filled with the appropriate title of the rule and the date of transmittal of the rule to the Congress, respectively; and

"(3) 'rule' means any rule promulgated by the Commission pursuant to this Act, other than any rule promulgated under section 18(a)(1)(A) and any interpretive or procedural rule.

"(b)(1) Except as provided in subsection (g)(1), on the day the Commission forwards to the Federal Register for publication a recommended rule, the Commission shall transmit a copy of such rule to the Secretary of the Senate and the Clerk of the House of Representatives. The Secretary of the Senate and the Clerk of the House of Representatives are authorized to receive a recommended rule under this subsection whether the appropriate House is in session, stands in adjournment, or is in recess.

"(2) On the day on which the Secretary of the Senate and the Clerk of the House of Representatives receive a recommended rule, the Secretary and the Clerk shall transmit a copy of such rule to the appropriate committees.

"(c)(1) Notwithstanding any other provision of law, no recommended rule may become effective until the expiration of a period of ninety days after the date on which such rule is received by the Secretary of the Senate and the Clerk of the House of Representatives, except that such rule may not become effective under this paragraph if within such ninety-day period a joint resolution with respect to such rule has become law.

"(2) for purposes of this section—

"(A) the term 'days' means only days of continuous session of Congress;

"(B) continuity of session is broken only by an adjournment sine die at the end of a Congress; and

"(C) the days on which either House is not in session because of an adjournment or recess to a day certain shall be excluded in the computation of days of continuous session of Congress for the ninety-day period referred to in this subsection if the adjournment is for more than five days.

"(d) Notwithstanding any other provision of law, any rule subject to this section shall be considered a recommendation of the Commission to the Congress and shall have no force and effect as a rule unless such rule has become effective in accordance with this section.

"(e) Whenever an appropriate committee reports a joint resolution pursuant to this section, the resolution shall be accompanied by a committee report specifying the reasons for the committee's action.

"(f) Congressional inaction on, or rejection of, any joint resolution shall not be deemed an expression of approval of the rule involved. The compliance of the Commission with the requirements of this section, including any determination by the Commission under this section, shall not be subject to judicial review of any kind.

"(g)(1) If a recommended rule of the Commission does not become effective because of the adjournment of Congress sine die before the expiration of the period specified in subsection (c)(1), the Commission may resubmit the recommended rule at the beginning of the next regular session of Congress. The ninety-day-period specified in the first sentence of subsection (c)(1) shall begin on the date of such resubmission, and such rule may only become effective in accordance with this section. The Commission shall not be required to forward such rule to the Federal Register for publication if such rule is identical to the rule transmitted during the previous session of Congress.

"(2) If a recommended rule of the Commission is disapproved under this section, the Commission may issue a recommended rule which relates to the same acts or practices as the disapproved rule. Such recommended rule—

"(A) shall be based upon—

"(i) the rulemaking record of the recommended rule disapproved by the Congress; or

"(ii) such rulemaking record and the record established in supplemental rulemaking procceedings conducted by the commission, in accordance with section 553 of title 5, United States Code, in any case in which the Commission determines that it is necessary to supplement the existing rulemaking record; and

"(B) may reflect such changes as the Commission considers necessary or appropriate, including such changes as may be appropriate in light of congressional debate and consideration of the joint resolution with respect to the rule.

"(3) After issuing a recommended rule under this subsection, the Commission shall transmit such rule to the Secretary of the Senate and the Clerk of the House of Representatives, in accordance with subsection (b)(1), and such rule shall only become effective in accordance with this section.

"(h) The provisions of this subsection, paragraphs (1) and (2) of subsection (a), subsection (e), and subsections (i) through (l) are enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of joint resolutions, and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(i) Except as provided in subsection (1), joint resolutions shall, upon introduction or receipt from the other House of Congress, be immediately referred by the presiding officer of the Senate or the House of Representatives to the appropriate committee of the Senate or the House of Representatives, as the case may be.

"(j)(1)(A) Except as provided in subparagraph (B), if the committee to which a joint resolution has been referred does not report such resolution within 30 days after the date of transmittal to the Congress of the recommended rule to which such joint resolution relates, it shall be in order to move to discharge the committee from further consideration of such resolution.

"(B) If the committee to which a joint resolution transmitted from the other House has been referred does not report such resolution within 30 days after the date of transmittal of such resolution from the other House, it shall be in order to move to discharge such committee from further consideration of such resolution.

"(2 Any motion to discharge under paragraph (1) must be supported in the House in writing by one-fifth of the Members, dul chosen and sworn, and in the Senate b motion of the majority leader supported b the minority leader, and is highly privilege in the House and privileged in the Senat (except that it may not be made after joint resolution has been reported with respect to the same rule), and debate thereo shall be limited to not more than one hour the time to be divided in the House of Representatives equally between those favorin and those opposing the motion to discharg and to be divided in the Senate equally between, and controlled by, the majorit leader and the minority leader, or their designees.

"(k)(1) Except as provided in paragraph (2) and (3), consideration of a joint resolution shall be in accord with the rules of th Senate and of the House of Representatives respectively.

"(2) When a committee has reported o has been discharged from further consideration of a joint resolution, or when the companion joint resolution from the othe House has been placed on the calendar o the first House, it shall be in order, notwithstanding any rule of the Standing Rules o the Senate (except rule XXII) or any rul of the House of Representatives at any tim thereafter (even though a previous motio to the same effect has been discharged to to move to proceed to the immediate consideration of either such joint resolution. Th motion is highly privileged in the House an privileged in the Senate and is not debatable.

"(3) Debate on a joint resolution shall b limited to not more than ten hours (except that when one House has debated the joint resolution of that House, the companion joint resolution of the other House shall not be debatable), which shall be divided in the House of Representatives equally between those favoring and those opposing the resolution and which shall be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees. An amendment to, or motion to recommit, the joint resolution is not in order. Any other motions shall be decided without debate, except that no motion to proceed to the consideration of any other matter shall be in order.

"(l) If a joint resolution has been reported or discharged from the committee of the House to which it was referred, and that House receives a joint resolution with respect to the same rule from the other House, the resolution of disapproval of the other House shall be placed on the appropriate calendar of the first House. If, prior to the disposition of a joint resolution of one House, that House receives a joint resolution with respect to the same rule from the other House, the vote in the first House shall occur on the joint resolution of the other House.".

(b)(1) This subsection is adopted as an exercise of the power of each House of Congress to determine the rules of its proceedings. The Congress specifically finds that the provisions of this subsection are essential to the Congress in exercising its constitutional responsibility to monitor and to review exercises by the executive of delegated powers of a legislative character.

(2)(A) After the Senate and the House of Representatives adopt a joint resolution with respect to a rule pursuant to section 25 of the Federal Trade Commission Act, it shall be in order in the Senate or the House of Representatives, notwithstanding any provision of the Standing Rules of the

Senate (except rule XXII) or the Rules of the House of Representatives, to consider an amendment described in subparagraph (B) to a bill or resolution making appropriations for the Federal Trade Commission.

(B) An amendment referred to in subparagraph (A) is an amendment which only contains provisions to prohibit the use of funds appropriated in the bill or resolution described in such subparagraph for the issuing, promulgating, enforcing, or otherwise carrying out a rule with respect to which a joint resolution has been adopted pursuant to section 25 of the Federal Trade Commission Act.

(3) Debate on an amendment described in paragraph (2)(B) shall be limited to not more than four hours, which shall be divided in the House of Representatives equally between those favoring and those opposing the amendment and which shall be divided in the Senate equally between, and controlled, by the majority leader and the minority leader or their designees. An amendment to, or motion to recommit, the amendment is not in order. Any other motions shall be decided without debate, except that no motion to proceed to the consideration of any other matter shall be in order.

(C) The amendments made by this section shall cease, to have any force and effect on or after the date which is five years after the date of enactment of this Act.

On page 15, line 15, strike out "(b)" and insert in lieu thereof "(d)".

Mr. LEVIN. Mr. President, this is the same amendment which was proposed in the 99th Congress. The bill that was before the 99th Congress does go part way. There is a period of time before an FTC rule can become effective, during which time Congress can pass a resolution of disapproval. What it omits and lacks is an expedited procedure for consideration of a joint resolution of disapproval.

We need that guarantee that there can be a vote on a resolution of disapproval during that 90-day timeframe. That is what this amendment provides.

Again, it is the same amendment which the Senate overwhelmingly approved a few years ago. It makes sure that the legislative veto provision is not an empty promise, that the legislative veto provision is a real one. It gives Congress, by the expression of a majority, a real opportunity to make sure that a rule is not enforced once the Congress, by a majority vote of both Houses, has disapproved that FTC rule.

It provides for 4 hours' debate and keeps the protection that the majority and minority leaders had in the language we adopted 2 years ago. Again, it is cosponsored by Senators GRASSLEY, BOREN, DECONCINI, and SIMPSON.

Senator GRASSLEY, along with other cosponsors, has been a driving force in this area for as long as he has been in the Senate. He has been tireless in seeking to establish congressional accountability over regulations of the bureaucracy.

Mr. GRASSLEY. Mr. President, as we consider a new authorization for the FTC and mull over the future of regulatory reform efforts, it is important to look back at the late 1970's and remember.

The FTC was so activist back in those years that the Cincinnati Enquirer editorialized that "if the FTC * * * had had its way, not a sparrow would have fallen to earth anywhere in America without FTC's sanction."

In 1980, our former colleague, Jack Schmitt, pointed out that the FTC was simultaneously considering rulemaking in more than 20 areas. These proposed regulations literally ranged from the cradle—children's television advertising—to the grave—funeral homes. And Senator Schmitt, if anything, understated the case; he left out the FTC's interference into insurance, agricultural cooperatives, and trademarks.

It seemed the FTC thought its mission was, to paraphrase Star Trek's Captain Kirk, to boldly regulate where no Federal agency has ever regulated before.

But even worse than the FTC's half-cocked, scattershot activism was the Agency's employment of methods that would offend advertising investigation, the Agency stretched its mandate by investigating practices that were not really unfair—merely unpopular with its staff of social engineers.

The Agency in many cases conducted fishing expeditions in which they harassed legitimate businesses with subpoenas for volumes of information without discussion or an explanation of the purpose. They often acted in secret, off the record, and without a full investigation of the effects of the proposed regulation on the industry involved.

And worst of all, the staff was described as "arrogant" and "indifferent." And the reason for that arrogance is that the staff of the FTC in the 1970's, and to some extent the Commission members, had no regard for the market, for our system of federalism, for the people of our Nation.

Their only regard was for their own sense of justice and order, and for the imposition of that order on society.

Thankfully, some truly tenacious Members of Congress—including our former colleagues Jack Schmitt, Elliott Levitas, and Jim Broyhill—saw what was happening.

They stood up to the FTC and its entrenched supporters, fighting to control that agency to the extent that, at one point, the FTC actually closed down for lack of money. Finally, Mr. President, they, along with my distinguished colleagues, Senators LEVIN and BOREN, pulled in the reins on this runaway agency in 1980.

They limited substantive activity in several areas of proposed regulation. But even more important, they established for the first time a congressional veto over FTC rulemaking.

This authority has been exercised to review regulations involving games of chance and the funeral industry. And it has been used to veto proposed FTC regulations involving the used-car industry.

The activities of the legislators I mentioned and many others paved the way for later regulatory reform efforts. The FTC legislative veto provided the model for the Schmitt-Grassley-Levin-Boren legislative veto provision that was passed by the Senate as part of a comprehensive regulatory reform bill in 1982, and many of the other provisions of the comprehensive legislation found their genesis in the 1980 FTC amendments.

But our efforts to expand Congress' reaffirmation of its prerogatives to other agencies suffered a setback in 1983, when the Supreme Court—in a supreme overreaction—declared all legislative veto provisions unconstitutional in the Chadha decision.

However, Senator LEVIN and I have devised a congressional veto provision which meets the requirements of Chadha—passage of both Houses of Congress plus approval of the President—with a twist.

The twist is as follows: The passage of the joint resolution by both Houses of Congress triggers expedited procedures for an amendment to an appropriations bill which would limit the use of government funds to implement the disapproved rule.

This proposal was adopted last Congress as part of S. 1078, the FTC authorization bill, by a vote of 56 to 34, and established this veto authority over FTC and CPSC rulemaking. The only reason we are revisiting this issue today is because S. 1078 died in conference.

The Congress has resolved the issue of whether these agencies' rules should be subjected to a legislative veto. Our amendment merely conforms the existing veto in this law to the Supreme Court mandated laws in Chadha.

Allow me to also point out that many of the specific problems I referred to earlier have been corrected under the able leadership of the former Commission chairman, Jim Miller. Under his leadership, the FTC regained the perspective and sense of justice sorely lacking in prior years.

However, this atmosphere will not last forever. The potential for abuse remains, and it is important that we maintain the precedent of congressional review in anticipation of the day in which it will be needed.

Finally, I would note that the National Federation of Independent Business and the U.S. Chamber of Commerce strongly support this proposal and I would urge all my colleagues to support the amendment.

I ask unanimous consent that the letter from the National Federation of Independent Business be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL FEDERATION OF
INDEPENDENT BUSINESS,
Washington, DC, April 6, 1987.

Hon. CHARLES E. GRASSLEY,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR GRASSLEY: On behalf of the more than half million small business owners who belong to NFIB, we would like to express our support for the Grassley-Levin legislative veto amendment to S. 677, the Federal Trade Commission Reauthorization bill.

For the small business owner, legislative veto offers an avenue of appeal against burdensome and unfair government regulation which does not now exist. Small business owners cannot afford to hire a team of lawyers to fight unwarranted government regulation, but they can appeal to their representatives in Congress. The legislative veto mechanism embodied in your amendment provides an effective and constitutional means of assuring that the Congress, the elected Representatives of the people, have the final say over rules and regulations issued by unelected officials in the administrative agencies.

NFIB believes the Grassley-Levin approach is a good alternative in establishing better congressional control over the bureaucracy. This amendment was accepted by the Senate in the last Congress. It is a good compromise which could break the stalemate which has existed over legislative veto since the 1983 Supreme Court decision.

Sincerely,
JOHN J. MOTLEY III,
Director,
Federal Governmental Relations.

The PRESIDING OFFICER. Is there further discussion of the amendment?

Mr. GORE. Mr. President, I note that S. 677 already contains a provision requiring the FTC to report any rules to the Commerce Committee and then requiring the FTC to wait for 90 days before issuing a final rule.

I also note that some of the wisest and most experienced members of the Commerce Committee have serious reservations, indeed, have some strongly felt opposition to some of the concepts embodied in this amendment. However, they have argued the merits on a prior occasion. The Senate spoke on this issue rather decisively in the 99th Congress. In spite of their misgivings about some elements of the amendment, they are willing to see the Senate express its will on this in an expedited manner.

I also note that the amendment as it passed the Senate in 1985 contained modifications which were constructed at the behest of the then minority leader, now majority leader, the Senator from West Virginia [Mr. BYRD].

Those modifications are still a part of the amendment that is being presented to the Senate on this occasion. So, as chairman of the subcommittee, I express a willingness to accept the amendment as it is offered.

I also want to say a word of congratulations to the Senator from Michigan for leading an effort to introduce greater accountability of the FTC and its rulemaking functions to the American people. The elected representatives of the American people will, under this amendment, have an opportunity to review and vote if the sentiment is strongly felt when a new rule is issued. The desire for that kind of accountability has been gaining strength in Congress for quite some time now and, through the careful craftsmanship of the Senator from Michigan, we see that desire now embodied in a well-thought-out amendment which will provide the kind of accountability that many have long sought. I have some reservations about how the balance is struck, but I also have substantial sympathy with the goals that my colleague from Michigan is seeking. I support his efforts and say that the committee will accept the amendment.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, although there are also reservations expressed by some Members on this side, I also express my appreciation to the Senator from Michigan for his efforts to indeed enforce accountability in this very crucial area that is important to consumers across America in a variety of ways. We have no objection to the amendment.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I thank my friends for their acceptance of this amendment and for their kind remarks. Indeed, this is a way of constitutionally assuring that there will be some accountability over the regulations and rules of the FTC and keeping that accountability where it ultimately belongs, which is in elected officials.

I understand there may have to be a technical correction to the amendment. I ask unanimous consent that if that is in fact needed, such amendment be allowed after it is adopted if it is a technical amendment.

I understand the Parliamentarian has noted there is a problem with it. I ask unanimous consent that we be allowed to correct that.

Mr. GORE. Reserving the right to object, Mr. President, we would like to review the change before it is made. I suggest that we go ahead and adopt the amendment, then come back with the unanimous-consent request later.

The PRESIDING OFFICER. Does the Senator withdraw his request?

Mr. LEVIN. That will be fine, Mr. President. I withdraw the unanimous-consent request.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan.

The amendment (No. 79) was agreed to.

Mr. LEVIN. I move to reconsider the vote by which the amendment was agreed to.

Mr. GORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, the two managers are on the floor and have been conducting business for the Senate and have already disposed of some matters in relation to S. 677, a bill to amend the Federal Trade Commission Act to provide authorization of appropriations, and for other purposes. Now they are stymied because other Senators who have amendments are not here and are out of town. This bill, therefore, will have to be carried over until tomorrow morning, when the Senators with amendments will be here.

I thank Mr. GORE and Mr. MCCAIN for being at their desks and ready to do business. As I have said, they have already transacted some business in connection with this bill.

Therefore, having conferred with them and the Republican leader and the assistant leader on the other side of the aisle, I am prepared to ask, and do ask, unanimous consent that the Senate resume consideration of this measure on tomorrow morning at 10 o'clock.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BYRD. Mr. President, I wish action could have been completed on this bill, but it is no fault of the two managers that this bill cannot be finished today.

MEASURES REFERRED

The following resolution, which was being held at the desk by unanimous consent, was read and referred as indicated:

S. Res. 184. A resolution expressing the sense of the Senate on AIDS; to the Committee on Governmental Affairs.

The following concurrent resolution, previously received from the House of Representatives, was read and referred as indicated:

H. Con. Res. 86. A concurrent resolution expressing the sense of the Congress congratulating the people of Berlin on the occasion of the city's 750th anniversary in the year 1987, commending the people of Berlin for the centuries of great tradition and continuing courage in the face of historical adversity, and recognizing the deep and lasting relations they have with the people of the United States of America; to the Committee on Foreign Relations.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. WILSON:

S. 921. A bill to warn certain consumers in connection with the purchase of a Medicare supplemental policy; to the Committee on Commerce, Science, and Transportation.

By Mr. MITCHELL (for himself and Mr. GORE):

S. 922. A bill to amend the Public Health Service Act with respect to the establishment of protocols for the identification and assistance of organ and tissue donors; to the Committee on Labor and Human Resources.

By Mrs. KASSEBAUM:

S. 923. A bill to amend the Foreign Assistance Act of 1961 to improve management of economic assistance, and for other purposes; to the Committee on Foreign Relations.

By Mr. BENTSEN (for himself and Mr. PROXMIRE):

S. 924. A bill to revise the allotment formula for the Alcohol, Drug Abuse, and Mental Health Services Block Grant under part B of title XIX of the Public Health Service Act; to the Committee on Labor and Human Resources.

By Mr. HATFIELD:

S. 925. A bill for the relief of Elliott Roosevelt; to the Committee on Veterans' Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WILSON:

S. 921. A bill to warn certain consumers in connection with the purchase of a Medicare supplement policy; to the Committee on Commerce, Science, and Transportation.

(The remarks of Mr. WILSON on this legislation appear earlier in today's RECORD.)

By Mr. MITCHELL (for himself and Mr. GORE):

S. 922. A bill to amend the Public Health Service Act with respect to the establishment of protocols for the identification and assistance of organ and tissue donors; to the Committee on Labor and Human Resources.

NATIONAL ORGAN AND TISSUE DONOR ACT

Mr. MITCHELL. Mr. President, for myself and Senator GORE, today I am reintroducing the National Organ and Tissue Donor Act. Enactment of this legislation will assist the States in their efforts to increase the number of organs and tissues available for transplantation by enacting and implementing State laws establishing routine inquiry procedures.

State-passed required request legislation will assure that someone in a hospital who is specially trained, talk to families about organ donation when their loved ones suffer brain death. While there is understandable reluctance on the part of hospitals to intrude upon families in mourning, it is vital that health care professionals discuss the subject of organ donation, since the vast majority of families would consent to donate organs of a loved one if given the opportunity to do so.

The bill sets minimum standards and requires the Secretary to report back to Congress in a year on the activities of the department and of the States.

Since first introducing this legislation on May 22, 1986, an additional 10 States have passed routine inquiry statutes and legislation is pending in another eight States. Enactment of State routine inquiry laws has resulted in a significant increase in the number of organs available for transplantation.

Last year my home State of Maine passed required request legislation which went into effect on January 1, 1987. Since its passage, the Maine Medical Center has held a day-long symposium to work with hospital personnel to discuss the implementation of the new law.

The Maine Medical Center is the only hospital in Maine performing transplants and is the third busiest kidney transplant center in New England, performing between 30 and 40 kidney transplants per year. Despite this impressive record, there are some 30 or 40 Maine residents still waiting on any given day for kidney transplants to restore their health.

Transplantation can save thousands of lives and restore vision for thousands more, but only if sufficient organs and tissues are donated. Hearts, livers, kidneys, and other organs for transplantation must come from young victims who have been declared brain dead but are maintained mechanically.

There are approximately 20,000 such deaths each year, usually from auto accidents or cerebral hemorrhages, but fewer than 25 percent of these deaths result in organ donation. Reports indicate that since the passage of routine inquiry laws on the State level there has been a tripling of organs available for transplantation.

While this is indeed encouraging, at any given time there are still approximately 10,000 Americans waiting for organ transplants. Too many still wait in vain because too few organs are available, and far too many die before an organ becomes available.

During the 99th Congress Senator GORE introduced legislation, which I cosponsored, which requires hospitals participating in the Medicare and Medicaid programs to establish written protocols for organ procurement, and also establishes standards for organ procurement agencies. I am pleased that the hospital protocols for organ procurement bill was included as a provision in the Omnibus Budget Reconciliation Act of 1986.

I am reintroducing the National Organ and Tissue Donor Act because I share the view of the National Kidney Foundation and the American Council on Transplantation that we must continue to encourage each State to pass its own required request law so as to create greater awareness among the public while at the same time complimenting and supporting the new Federal legislation.

The National Organ and Tissue Donor Act of 1987 will encourage States to pass State required request legislation which is complementary with the newly passed Federal legislation, and requires hospitals to have a written protocol insuring that families are informed of the option of organ donation and that a certified organ procurement agency is notified.

I urge my colleagues to support routine inquiry legislation in their own States and to join me in supporting this national initiative.

By Mrs. KASSEBAUM:

S. 923. A bill to amend the Foreign Assistance Act of 1961 to improve management of economic assistance, and for other purposes; to the Committee on Foreign Relations.

ECONOMIC ASSISTANCE REFORM ACT

Mrs. KASSEBAUM. Mr. President, there has been much talk recently about a crisis in foreign aid. For the second year in a row, under the Gramm-Rudman-Hollings Act, it looks like Congress is going to strike a severe blow to the foreign assistance accounts.

The international affairs budget is only 2 percent of the overall Federal budget. Nevertheless, last year it was cut 20 percent from the President's request—more than any other major area of the budget. And these disproportionate cuts may well be repeated again this year. Unfortunately, it is easy to hit the foreign affairs accounts because there is not a strong domestic constituency.

The overall cuts in foreign assistance are threatening our ability to meet our foreign policy objectives of peace, stability, worldwide economic growth and the alleviation of human suffering. It is for this reason that I am supporting an overall increase in the international affairs budget this year. We should not be blithely making cuts in those areas where it is politically easy when we know it hurts our national interests.

But, Mr. President, in my judgment the funding level for foreign assistance is only part of the problem. The shrinking pool of foreign aid funds is creating a greater need than ever before for us to make sure that the money is being managed effectively and efficiently. These are important issues even under ideal budget conditions. They become even more critical at a time when we are facing a funding "crisis" in foreign aid.

As a member of the Foreign Relations Committee, I have been concerned for some time about development efforts. Last spring, I held a series of hearings to review U.S. development programs in order to gain information about how our assistance activities can be improved. These hearings addressed the question of whether there are concrete steps we could take to make delivery of our foreign aid more efficient.

What I found, Mr. President, is that the procedure both here in Congress and in the executive branch can be improved. In response to this problem, I am introducing legislation today which will reform the Foreign Assistance Act and streamline our economic aid process.

We have spent years in Congress piling new problems and new priorities on the Foreign Assistance Act without ever stepping back to look at what we have created. Our assistance programs include an amazing array of earmarks and setasides. Superimposed upon this are specific functional accounts which may or may not coincide with development priorities.

Perhaps the most important change in the bill I am introducing is that it will no longer allow congressional earmarks on the foreign aid account. Every year Congress not only determines the overall levels that are to be spent on development and economic support funds, but it adds earmarks on an ad hoc basis for specific countries and special projects.

In current law, for example, there are 45 earmarks governing the development aid and economic support funds accounts in both the authorization and appropriation acts. These yearly earmarks severely compound the effect of overall budget cuts.

A dramatic example of the results of this process is what happens with the country earmarks on the economic support funds account. Last year, Congress appropriated $3.5 billion in economic funds. Over 80 percent of that money was earmarked for just a handful of countries. Israel and Egypt alone received $2 billion, almost 60 percent of that money. The result of this earmarking was that most of our friends and allies who were not protected by congressional earmarks had to absorb the full impact of overall reductions.

Since 1985, for example, our total aid to Africa has been reduced 45 percent and our aid to Spain has been reduced by almost 75 percent, while overall foreign assistance has been reduced by about 20 percent. Although this uneven distribution of the effect of overall cuts was for the most part an unintended consequence of congressional action, it underscores the need for a reform of our foreign aid budget process. Congress should be involved in directing priorities. But it should be done in a more systematic and streamlined way.

Along with ending earmarks, my bill includes several other changes which attempt to replace the current ad hoc system of budgeting.

These changes include shifting to a regional approach in budgeting, so that we are not just earmarking for only a few countries. Congress would also be shifting to a budget process which parallels the administration budgeting process. This would make it easier for Congress and the executive branch to reconcile their differences on priorities more easily. Hopefully this shift will also result in our directly relating development programs to the needs of the specific regions we are assisting. Under the reform bill, Congress would authorize and appropriate development assistance and economic support assistance by region.

The bill also streamlines the number of areas where we direct our development aid. The bill sets out just four areas for development projects—health, education, agriculture, and infrastructure. The intent of this streamlining is to avoid overcommitting ourselves to projects. It would also allow more flexibility within these congressional guidelines for the administration to match development programs more closely to the development needs of those we are assisting. Under the reform bill these areas are no longer budgeted by Congress, but they do remain mandatory guidelines.

The bill also outlines that it is the sense of the Congress that foreign assistance should be funded on a 2-year cycle and that the appropriations and authorization committees should coordinate their efforts more closely.

The executive branch is also required by the bill to make a number of management reforms. Without reforms which require reducing costs, keeping budgets lean, and maximizing efficiency, our development efforts will only continue to be frustrated. Improving the congressional process is only one part of the equation.

In many countries we may not need more foreign assistance, we may simply need to have that assistance used more wisely. One significant problem with our development effort is that all of the work is being done in a bewildering maze of bilateral and multilateral programs and private voluntary efforts. At best, there appear to be only cursory coordination amon all of these programs. Too often, on effort actually undercuts or even cancels out the benefits of another.

The West as a whole seems to be following a strategy of trying to solve al problems in all places—all at once This is in fact not a strategy. It is a prescription for efforts like the Sahe project in Africa, where the Wes spent over $15 billion over 8 years and produced little real progress. Foremos among the reforms that the bill requires, is improved coordination with other donors. It also requires greate coordination within our own Government in the process of establishing foreign aid priorities.

The reforms also include streamlining the project development process increasing their sustainability, decreasing recurring costs, and streamlining mid-level management. The President is required to report on these efforts within a year.

The United States, as the largest bilateral donor, has a responsibility, in my view, to set the pace on efficiency cost-effectiveness, and coordination Also, we here in Congress also have an important responsibility in meeting our foreign policy commitments despite the budget constraints. It is for these reasons, I hope the introduction of my bill will spark an open debate and review of how we run our foreign assistance programs.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 923

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION. 1. This Act may be cited as the "Economic Assistance Reform Act of 1987".

ELIMINATION OF EARMARKS IN EXISTING LAW

SEC. 2. (a)(1) The Congress finds that excessive earmarking of funds by the Congress has imposed severe constraints on the management of the foreign assistance program.

(2) The Congress hereby expresses its intention to eliminate in the future any further earmarks imposed on the funding of economic assistance.

(b)(1) Section 123(f) of the Foreign Assistance Act of 1961 is repealed.

(2) Section 904 of the International Security and Development Cooperation Act of 1985 is repealed.

PROVISION OF INFRASTRUCTURE ASSISTANCE; CONSOLIDATION OF ECONOMIC ASSISTANCE ACCOUNTS

SEC. 3. (a)(1) Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 129. INFRASTRUCTURE ASSISTANCE.—(a) The Congress finds that infrastructure development is a vital element in the development process. Without the basic, underlying framework of communication and transportation facilities, the development process is severely limited. The Congress is concerned that unless a focus is given to infrastructure development, other development efforts to promote human welfare and economic growth will be undermined. Investments to increase the supply of food and to improve education and health facilities as well as economic growth will not be effective without the development of an infrastructure which will enhance market accessibility and development of an effective communications network. Improving the infrastructure in developing countries will help to improve the sustainability of overall development efforts.

"(b) The President is authorized to furnish assistance to develop, rehabilitate, expand, and maintain communications, marketing, and transportation networks in order to stimulate production, make food distribution easier, enhance health and education efforts, and improve overall economic growth by making market accessibility and trade easier and more affordable.

"(c) The President is authorized to furnish assistance, on such terms and conditions as he may determine, for the following activities, to the extent that such activities are not authorized by sections 103, 104, and 105 of this Act:

"(1) assistance to enable developing countries to prepare for an undertake development of their energy resources and to encourage private investment in energy infrastructure;

"(2) programs of reconstruction following natural or manmade disasters and programs of disaster preparedness, including the prediction of and contingency planning for natural disasters abroad; and

"(3) programs designed to help solve special development problems in the poorest countries and to make possible proper utilization of infrastructure and related projects funded with earlier United States assistance.".

(2) Section 102(b)(5) of such Act is amended by inserting "infrastructure development;" after "human resources development;".

(b)(1) Section 105 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(c)(1) The President is authorized to furnish assistance, on such terms and conditions as he may specify, to schools and libraries outside the United States founded or sponsored by United States citizens and serving as study and demonstration centers for ideas and practices of the United States.

"(2) The President is authorized, notwithstanding the provisions of the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611 et seq.) to furnish assistance, on such terms and conditions as he may specify, to institutions referred to in paragraph (1), and to hospital centers for medical education and research outside the United States, founded or sponsored by United States citizens.

"(3) Notwithstanding the provisions of paragraph (2), funds available under this section may be used for assistance to centers for pediatric plastic and reconstructive surgery established by Children's Medical Relief International, except that assistance may not be furnished for the domestic operations of any such center located in the United States, its territories or possessions.".

(2) Section 214 of such Act is repealed.

(c) Section 104(c)(2) of such Act is amended—

(1) by striking out "(A)" after "(2)"; and

(2) by striking out subparagraphs (B) and (C).

AUTHORIZATION OF APPROPRIATIONS FOR ECONOMIC ASSISTANCE BY REGIONS OF THE WORLD

SEC. 4. (a) Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 130. AUTHORIZATION OF APPROPRIATIONS.—(a)(1) There are authorized to be appropriated to the President to carry out the following activities with respect to the following regions of the world:

"(A) Africa—

"(i) to carry out this chapter (relating to economic development assistance), $__________ for the fiscal year 1988 and $__________ for the fiscal year 1989, and

"(ii) to carry out chapter 4 of part II (relating to economic support assistance), $__________ for the fiscal year 1988 and $__________ for the fiscal year 1989,

"(B) Asia—

"(i) to carry out this chapter (relating to economic development assistance), $__________ for the fiscal year 1988 and $__________ for the fiscal year 1989, and

"(ii) to carry out chapter 4 of part II (relating to economic support assistance), $__________ for the fiscal year 1988 and $__________ for the fiscal year 1989,

"(C) Central America—

"(i) to carry out this chapter (relating to economic development assistance), $__________ for the fiscal year 1988 and $__________ for the fiscal year 1989, and

"(ii) to carry out chapter 4 of part II (relating to economic support assistance), $__________ for the fiscal year 1988 and $__________ for the fiscal year 1989,

"(D) Europe—

"(i) to carry out this chapter (relating to economic development assistance), $__________ for the fiscal year 1988 and $__________ for the fiscal year 1989, and

"(ii) to carry out chapter 4 of part II (relating to economic support assistance), $__________ for the fiscal year 1988 and $__________ for the fiscal year 1989,

"(E) Latin America and the Caribbean—

"(i) to carry out this chapter (relating to economic development assistance), $__________ for the fiscal year 1988 and $__________ for the fiscal year 1989, and

"(ii) to carry out chapter 4 of part II (relating to economic support assistance), $__________ for the fiscal year 1988 and $__________ for the fiscal year 1989, and

"(F) the Near East—

"(i) to carry out this chapter (relating to economic development assistance), $__________ for the fiscal year 1988 and $__________ for the fiscal year 1989, and

"(ii) to carry out chapter 4 of part II (relating to economic support assistance), $__________ for the fiscal year 1988 and $__________ for the fiscal year 1989.

"(2) Amounts appropriated under this section are authorized to remain available until expended.

"(b) Subject to the foreign policy guidance of the Secretary of State, the Administrator of the Agency for International Development, or of any successor agency, shall administer the programs, projects, and activities for which funds are appropriated under this section.

"(c) Appropriations pursuant to this section may be referred to as 'Economic Assistance'."

(b)(1) On or after October 1, 1987 any reference to an authorization of appropriations contained in chapter 1 of part I of such Act or contained in chapter 4 of part II of such Act, or to appropriations made pursuant to any such chapter, shall be deemed to be a reference to an authorization of appropriations contained in section 130 of the Foreign Assistance Act of 1961 or appropriations made pursuant to such section, as the case may be.

(2) On or after October 1, 1987—

(A) assistance provided under chapter 1 of part I of such Act may be referred to as "Economic Development Assistance"; and

(B) assistance provided under chapter 4 of part II of such Act may be referred to as "Economic Support Assistance".

(c) The amendment made by subsection (a) shall take effect on October 1, 1987.

TECHNICAL AMENDMENTS

SEC. 5. (a) Section 103(a)(2) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out the first sentence; and

(2) in the second sentence, by striking out "Of these amounts" and inserting in lieu thereof "Of the assistance provided under this section".

(b) Section 104(g) of such Act is repealed.

(c) Section 105(a) of such Act is amended by striking out the second sentence thereof.

(d) Section 106 of such Act is repealed.

(e) Sections 120 and 121 of such Act are repealed.

(f)(1) The heading for chapter 4 of part II of the Foreign Assistance Act of 1961 is amended to read as follows:

"CHAPTER 4—ECONOMIC SUPPORT ASSISTANCE".

(2) Section 531 of such Act is amended—

(A) by redesignating subsection (c) as subsection (c)(1);

(B) in the second sentence of subsection (c)(1), as redesignated by this paragraph, by striking out "transfers," and all that follows through "chapter" and inserting in lieu thereof "transfers and the amounts and kinds of budgetary and balance-of-payments support provided with funds made available under this chapter"; and

(C) by adding at the end of subsection (c)(1), as redesignated by this paragraph the following new paragraph:

"(2) The authorities of this chapter shall not be available for the furnishing of project assistance.".

(3) Section 532 of such Act is repealed.

POLICY ON FURTHER MANAGEMENT REFORM

SEC. 6. (a) The Congress hereby expresses its intention, with respect to the foreign assistance program, to minimize the number of reporting requirements, changes in policy direction, and other attempts to micromanage the program.

(b) It is the sense of the Congress that the President should continue to make efforts to improve the management of the foreign assistance program, including efforts—

(1) to streamline the project development process and shorten the time from project conception to implementation;

(2) to increase decentralization of field missions;

(3) to reduce the number of projects and to increase the duration, and to increase the sustainability, of projects which are funded;

(4) to decrease recurring costs;

(5) to prepare a more detailed analysis of the impact of Agency for International Development projects for inclusion in the annual congressional presentation materials, together with a more thorough economic justification for the program for the next fiscal year;

(6) to expand overseas tours for personnel and streamline mid-level management;

(7) to streamline the contract process; and

(8) to coordinate the United States economic assistance effort, including examination of the adequacy of the existing interagency coordinating mechanism, the need to reinvigorate the Development Coordination Committee, and the need and importance of multidonor coordination in Washington, D.C., and in field missions.

(c) Not later than February 1, 1988, the Administrator of the Agency for International Development shall prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report—

(1) describing whatever recommendations and actions have been taken by the Agency with respect to paragraphs (1) through (6) of subsection (b) and any other proposals to improve management of the foreign assistance program; and

(2) setting forth the findings of the study described in subsection (d).

(d) The President shall conduct a study on the feasibility and impact of reducing the number of countries receiving economic assistance and also the feasibility of incorporating the Agency for International Development into the Department of State.

(e) It is further the sense of the Congress that—

(1) the foreign assistance program should be funded on a two-year cycle;

(2) the President should begin preparing a foreign assistance budget for the fiscal years 1990 and 1991;

(3) funds appropriated for foreign assistance should remain available for expenditure without fiscal year limitations; and

(4) the appropriations and authorization committees of each House of Congress should hold joint hearings on the foreign assistance program and should otherwise coordinate their duties with the Committee on the Budget of each House of Congress.

REOBLIGATION AUTHORITY

SEC. 7. Chapter 2 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 640D. REOBLIGATION AUTHORITY.—(a) Subject to subsection (b), in any fiscal year amounts certified pursuant to section 1311 of the Supplemental Appropriations Act, 1955, as having been obligated against appropriations theretofore made under the authority of the Foreign Assistance Act of 1961 for the same general purpose as any of the paragraphs under the heading "Agency for International Development" are, if deobligated, hereby continued available for the same period as the respective appropriations in such paragraphs or until the end of such fiscal year, whichever is later, and for the same general purpose, and for countries within the same region as originally obligated.

"(b) At least 15 days in advance of any deobligation and reobligation of funds under subsection (a), the Committee on Appropriations and the Committee on Foreign Affairs of the House of Representatives and the Committee on Appropriations and the Committee on Foreign Relations of the Senate shall be notified of any such proposed deobligation and reobligation of funds.".

REPEAL

SEC. 8. Section 502 of the Foreign Assistance and Related Programs Appropriations Act, 1987 (as contained in Public Law 99-591) is repealed.

ASSISTANCE FOR DEBTOR COUNTRIES

SEC. 9. Section 620(q) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "(q) No" and inserting in lieu thereof "(q)(1) Subject to paragraph (2), no"; and

(2) by adding at the end thereof the following new paragraph:

"(2) The prohibition contained in paragraph (1) shall not apply to a country for a period of 3 years after a default of one calendar year by such country if the President certifies that the likelihood of repayment by such country would be increased thereby.".

By Mr. BENTSEN (for himself and Mr. PROXMIRE):

S. 924. A bill to revise the allotment formula for the Alcohol, Drug Abuse, and Mental Health Services block grant under part B of title XIX of the Public Health Service Act; to the Committee on Labor and Human Resources.

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH SERVICES BLOCK GRANT AMENDMENTS

Mr. BENTSEN. Mr. President, together with my distinguished colleague from Wisconsin [Mr. PROXMIRE], I am today introducing a bill to reauthorize and restructure the Alcohol, Drug Abuse and Mental Health block grant [ADAMH].

The Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35) consolidated various health and social services into block grants. Among the new authorities is ADAMH, which includes six formerly categorical programs whose purposes range from reducing the incidence of substance abuse to supporting the States in their efforts to provide comprehensive mental health services.

When ADAMH was reauthorized in 1984, the Alcohol, Drug Abuse and Mental Health Amendments (Public Law 98-509) contained a provision directing the Secretary of Health and Human Services to undertake a study of the formula used to distribute funds to the States, the District of Columbia, and the territories. Those of us who worked toward inclusion of the study in the 1984 amendments were convinced that the existing allocation formula was antiquated. In addition, we believed that a new distribution formula based on each State's demographic profile, including the estimated number of substance abusers, would improve the Federal Government's ability to target resources to those communities where they are most needed.

The study, which was conducted by the Institute of Health and Aging at the University of California, is now complete. As we expected, the research team found that, while the block grant allocation averaged $2.21 per capita nationally, expenditures per person varied from as little as $1.01 in Iowa to as much as $6.48 in Vermont. In my own State of Texas, Federal support of alcohol, drug abuse, and mental health programs is $1.51 per capita—or nearly 45 percent below what it should be when the pertinent demographics of the at-risk population are considered.

The authors of the California study conclude that although population may not correspond perfectly to need, the "extreme per capita variation present in the existing allocation likely was not desired at the initial passage of the * * * legislation."

These findings comport with the 1984 General Accounting Office report which found significant inequities rooted in historical accident. By failing to take into account demonstrable need for funds and giving undue weight to prior years' spending, the current formula tends to disadvantage States that made early commitments to cost effective community based care while overcompensating those States that have given little attention to containing program costs. In short, by allocating funds under the current formula, the Federal Government is rewarding excessive expenditures and penalizing cost efficiency without properly considering actual need.

Mr. President, the legislation we are introducing today draws heavily from the University of California study. In keeping with the research findings, the formula for distributing State block grant funds is revised to account for the population at greatest need with respect to substance abuse. Allotments are also adjusted according to need as a way of ensuring access to care for those individuals who live in States where Federal funds are critical to the availability of substance abuse programs and mental health services. Formula changes are phased in over a 5-year transition period to permit States to adjust to new funding levels. Finally, this bill includes a 5-year reauthorization of the Alcohol, Drug Abuse and Mental Health block grant at a funding level of $515 million in fiscal year 1988 with the flexibility to authorize such sums as may be needed in future years.

Mr. President, all available evidence points to the fact that the ADAMH block grant is in need of significant reform. I urge my colleagues to join me in this effort to provide for a more just and equitable distribution of the ADAMH block grant funds.

I ask unanimous consent that the text of S. 924 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 924

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this

Act may be cited as the "Alcohol, Drug Abuse, and Mental Health Services Block Grant Amendments of 1987".

EXTENSION OF AUTHORIZATION

SEC. 2. Section 1911 of the Public Health Service Act is amended—

(1) by striking out "and" after "1986,"; and

(2) by inserting before the period a comma and "$515,000,000 for fiscal year 1988, and such sums as may be necessary for each of the fiscal years 1989 through 1992".

REVISION OF ALLOTMENT FORMULA

SEC. 3. (a) Section 1913(a) of the Public Health Service Act is amended—

(1) by redesignating paragraph (4) as paragraph (5); and

(2) by striking out paragraphs (1) through (3) and inserting in lieu thereof the following:

"(1)(A) The Secretary shall reserve 1.5 percent of the amount available for allotments under this section for each fiscal year for allotments to territories and possessions under this paragraph.

"(B) From the amount reserved under subparagraph (A) for a fiscal year, the Secretary shall allot to each territory or possession an amount which bears the same ratio to such reserved amount as the population of such territory or possession bears to the population of all territories and possessions.

"(C) For purposes of this paragraph, the term 'territory or possession' means the Commonwealth of Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

"(2)(A) From the amount available for allotments under this paragraph for a fiscal year (after the application of section 1912 and paragraph (1) of this subsection), the Secretary shall allot to each State an amount equal to the product of such available amount and the State share.

"(B) Except as provided in paragraph (3), for purposes of this subsection, the State share of a State is the percentage equal to the quotient of—

"(i) the amount equal to the product of the at-risk population of the State multiplied by the allotment percentage of State, divided by

"(ii) the sum of the amounts determined pursuant to clause (i) of this subparagraph for all States.

"(C) For purposes of this paragraph, the allotment percentage of a State is the percentage equal to the difference between—

"(i) one, minus

"(ii) the percentage equal to the product of 50 percent multiplied by the amount equal to the quotient of—

"(I) the income per person at-risk for the State, divided by

"(II) the income per person at-risk for all States.

"(D) For purposes of subparagraph (C)(ii)(I), the income per person at-risk for a State is an amount equal to the quotient of—

"(i) the average total personal income for a State for the period of three most recently completed calendar years ending before the date on which an application is submitted under section 1916, divided by

"(ii) the at-risk population of the State.

"(E) For purposes of subparagraph (C)(ii)(II), the income per person at-risk for all States is an amount equal to the quotient of—

"(i) the sum of the amounts determined under subparagraph (D)(i) for all States, divided by

"(ii) the sum of the at-risk populations for all States.

"(F) For purposes of this paragraph, the at-risk population of a State is an amount equal to the sum of—

"(i) the amount equal to the product of 0.25 multiplied by the amount equal to the sum of—

"(I) the amount equal to the product of 0.6 multiplied by the male population of the State between the ages of 18 and 24 years, plus

"(II) the amount equal to the product of 0.4 multiplied by the female population of the State between the ages of 18 and 24 years; plus

"(ii) the amount equal to the product of 0.25 multiplied by the sum of—

"(I) the amount equal to the product of .85 multiplied by the male population of the State between the ages of 25 and 64 years, plus

"(II) the amount equal to the product of .15 multiplied by the female population of the State between the ages of 25 and 64 years; plus

"(iii) the amount equal to the product of .5 multiplied by the total population of the State between the ages of 25 and 44 years.

"(3)(A) If, pursuant to paragraph (2), the State share of any State for any fiscal year—

"(i) exceeds the State share of such State for the previous fiscal year by more than 20 percent; or

"(ii) is less than 80 percent of the State share of the State for the previous fiscal year,

the Secretary shall adjust proportionately the State share of all States for the fiscal year in order that the State share of each State under this subsection for the fiscal year does not exceed by 20 percent, or is not less than 80 percent of, the State share of such State for the preceding fiscal year.

"(B) For purposes of subparagraph (A), the State share of a State for fiscal year 1987 is the amount equal to the quotient of the total amount paid to the State under section 1913 for such fiscal year divided by the total amount paid to all States under such section for such fiscal year.

"(4) For purposes of paragraphs (2) and (3), the term 'State' means of each the 50 States and the District of Columbia."

"(b) The amendment made by subsection (a) shall apply to fiscal year 1988 and each of the succeeding fiscal years.

Mr. PROXMIRE. Mr. President, the legislation which Senator BENTSEN and I are introducing today will at long last bring meaningful reform to the Alcohol, Drug Abuse, and Mental Health [ADAMHA] block grant.

Following the creation of ADAMHA block grant in 1981, it quickly became apparent that the allocation formula for the distribution of these funds was fatally flawed. During the debate on reauthorization of this block grant in 1984, the Senate adopted an amendment of mine to begin to move the allocation formula toward greater equity. But that was just a small step in the right direction.

At that time there was legitimate concern, on both sides of the Hill, that we did not have sufficient information on which to base a comprehensive restructuring of the distribution formula. As a result, the Senate-passed bill incorporated a proposal of mine for an independent advisory committee to review the existing formula, conduct a review of the available literature regarding the indicators of need as well as alternative formulas that would give such State a fair share of these block grant funds.

The bill which we are introducing today incorporates the principal recommendations of that advisory committee report and, when enacted, will finally assure that each State is treated fairly.

BACKGROUND OF THE ADAMHA BLOCK GRANT

Mr. President, the ADAMHA block grant was created in 1981 out of 10 separate, categorical programs providing funds to the States for alcohol and drug abuse programs as well as grants to local community mental health centers. At that time it was determined that each State would receive the same percentage of the consolidated block grant funds that they had received from each of the separate, categorical programs in 1981.

For the categorical programs where funds were distributed to the States under allocation formulas, this approach was both reasonable and, for the most part, equitable.

But not all of these programs provided funds based upon State-by-State allocation formulas. The community mental health center program proved a major exception.

These funds had never been distributed based upon any notion of equity between the States. Individual community mental health centers applied directly to the Federal Government for financial assistance and received their grants directly.

Therefore, the total mental health funding which any State received in 1981 was a product of two factors: first, the initiative of individual community mental health centers in making application for Federal assistance; second, was the stage of development of the individual mental health centers. Assistance was provided on an 8-year sliding scale: substantial funding in the early years for development costs, followed by a gradual decline in financial assistance as the centers attained self-sufficiency.

Thus, States receiving significant community mental health dollars in 1981 would receive a high percentage of the total block grant funds in perpetuity. Conversely, States receiving few community mental health center dollars that year were locked into a very low percentage of the total block grant funds in perpetuity.

That is simply wrong. But it is important that any revision of the allocation formula not be developed on a parochial or political basis. That would simply shift the inequity from some States to others.

That is why I proposed the independent advisory committee approach for a fair and thorough review of the allocation formula. And that is why our bill incorporates its recommendations for reform.

THE BENTSEN-PROXMIRE APPROACH

Mr. President, the advisory committee's report outlines a series of alternative formulations for allocating these funds, considering such issues as age, gender, income, race/ethnicity, education, marital status, and community type in an effort to identify the factors most associated with alcohol, drug abuse, and mental health disorders. After considering the various alternatives, the report concludes that a formula based upon age, gender and program-weighted measures, taking into account State fiscal capacity, reflects the best approach.

Our bill accepts their judgment. We believe that this approach has the advantage of being fair, relies upon readily available data, and does not require heroic assumptions regarding the prevalence of disease. We intend to press for its early enactment and urge our colleagues and their staff to carefully review this proposal.

ADDITIONAL COSPONSORS

S. 12

At the request of Mr. CRANSTON, the name of the Senator from Washington [Mr. EVANS] was added as a cosponsor of S. 12, a bill to amend title 38, United States Code, to remove the expiration date for eligibility for the educational assistance programs for veterans of the All-Volunteer Force; and for other purposes.

S. 63

At the request of Mr. STEVENS, the name of the Senator from Kansas [Mr. DOLE] was added as a cosponsor of S. 63, a bill to establish a National Commission on Acquired Immune Deficiency Syndrome.

S. 250

At the request of Mr. HUMPHREY, the name of the Senator from Virginia [Mr. TRIBLE] was added as a cosponsor of S. 250, a bill to prevent fraud and abuse in HUD programs.

S. 324

At the request of Mr. DOLE, the name of the Senator from Nebraska [Mr. KARNES] was added as a cosponsor of S. 324, a bill to revise the basis for computation of emergency compensation under the 1986 feed grains programs.

S. 476

At the request of Mr. DODD, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 476, a bill to provide assistance in the development of new or improved programs to help younger persons through grants to the States for community planning, services, and training; to establish within the Department of Health and Human Services an operating agency to be designated as the Administration on Children, Youth, and Families; and to provide for a White House Conference on Young Americans.

S. 592

At the request of Mr. DOLE, the names of the Senator from Pennsylvania [Mr. HEINZ] and the Senator from Arizona [Mr. DECONCINI] were added as cosponsors of S. 592, a bill to provide for Medicare catastrophic illness coverage, and for other purposes.

S. 598

At the request of Mr. MITCHELL, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 598, a bill to amend title XIX of the Social Security Act to protect the welfare of spouses of institutionalized individuals under the Medicaid Programs.

S. 703

At the request of Mr. SPECTER, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 703, a bill to amend title 18, United States Code, including the Child Protection Act, to create remedies for children and other victims of pornography, and for other purposes.

S. 713

At the request of Mr. MURKOWSKI, the name of the Senator from Kansas [Mr. DOLE] was added as a cosponsor of S. 713, a bill to amend title 38, United States Code, to facilitate the recruitment of registered nurses by the Veterans' Administration.

S. 809

At the request of Mr. BYRD, the name of the Senator from Tennessee [Mr. SASSER] was added as a cosponsor of S. 809, a bill to provide urgently needed assistance to protect and improve the lives and safety of the homeless.

S. 861

At the request of Mr. DANFORTH, the name of the Senator from California [Mr. WILSON] was added as a cosponsor of S. 861, a bill to require certain actions by the Secretary of Transportation regarding certain drivers of motor vehicles and motor carriers.

SENATE JOINT RESOLUTION 104

At the request of Mr. BOREN, the name of the Senator from Illinois [Mr. DIXON] was added as a cosponsor of Senate Joint Resolution 104, a joint resolution to designate the week of May 31, 1987, through June 6, 1987, as "National Intelligence Community Week."

SENATE CONCURRENT RESOLUTION 15

At the request of Mr. HEFLIN, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of Senate Concurrent Resolution 15, a concurrent resolution expressing the sense of the Congress that no major change in the payment methodology for physicians' services, including services furnished to hospital inpatients, under the Medicare Program should be made until reports required by the 99th Congress have been received and evaluated.

SENATE CONCURRENT RESOLUTION 20

At the request of Mr. GORE, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of Senate Concurrent Resolution 20, a concurrent resolution to express the sense of the Congress that funding for the vocational education program should not be eliminated.

SENATE CONCURRENT RESOLUTION 35

At the request of Mr. DECONCINI, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of Senate Concurrent Resolution 35, a concurrent resolution expressing the sense of the Congress regarding the imposition of charges for outpatient care provided in medical facilities of the uniformed services to retired members of the Armed Forces, dependents of retired members, and dependents of members serving on active duty.

SENATE RESOLUTION 174

At the request of Mr. DECONCINI, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of Senate Resolution 174, a resolution expressing the sense of the Senate condemning the Soviet-Cuban buildup in Angola and the severe human rights violations of the Marxist regime in Angola.

SENATE RESOLUTION 184

At the request of Mr. DOLE, the names of the Senator from Arizona [Mr. DECONCINI], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Wyoming [Mr. WALLOP], the Senator from South Carolina [Mr. THURMOND], the Senator from Maine [Mr. COHEN], and the Senator from Delaware [Mr. ROTH] were added as cosponsors of Senate Resolution 184, a resolution expressing the sense of the Senate on AIDS.

AMENDMENTS SUBMITTED

FEDERAL TRADE COMMISSION ACT AMENDMENTS

LEVIN AMENDMENT NO. 79

Mr. LEVIN proposed an amendment to the bill (S. 677) to amend the Federal Trade Commission Act to provide authorizations of appropriations, and for other purposes; as follows:

On page 12, beginning with line 18, strike out through line 14 on page 15 and insert in lieu thereof the following:

CONGRESSIONAL REVIEW OF RULES

SEC. 13. (a) The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended by inserting after section 24, as added as section 3 of this Act, the following new section:

"SEC. 25. (a) For purposes of this section, the term—

"(1) 'appropriate committee' means either the Committee on Commerce, Science, and Transportation of the Senate or the Committee on Energy and Commerce of the House of Representatives, as the case may be;

"(2) 'joint resolution' means a joint resolution which does not contain a preamble and the matter after the resolving clause of which is as follows: 'That the Senate and the House of Representatives disapprove the rule entitled , transmitted to the Congress by the Federal Trade Commission on , 19 .', the blank spaces being filled with the appropriate title of the rule and the date of transmittal of the rule to the Congress, respectively; and

"(3) 'rule' means any rule promulgated by the Commission pursuant to this Act, other than any rule promulgated under section 18(a)(1)(A) and any interpretive or procedural rule.

"(b)(1) Except as provided in subsection (g)(1), on the day the Commission forwards to the Federal Register for publication a recommend rule, the Commission shall transmit a copy of such rule to the Secretary of the Senate and the Clerk of the House of Representatives. The Secretary of the Senate and the Clerk of the House of Representatives are authorized to receive a recommended rule under this subsection whether the appropriated House is in session, stands in adjournment, or is in recess.

"(2) On the day on which the Secretary of the Senate and the Clerk of the House of Representatives receive a recommended rule, the Secretary and the Clerk shall transmit a copy of such rule to the appropriate committees.

"(c)(1) Notwithstanding any other provision of law, no recommended rule may become effective until the expiration of a period of ninety days after the date on which such rule is received by the Secretary of the Senate and the clerk of the House of Representatives, except that such rule may not become effective under this paragraph if within such ninety-day period a joint resolution with respect to such rule has become law.

"(2) For purposes of this section—

"(A) the term 'days' means only days of continuous session of Congress;

"(B) continuity of session is broken only by an adjournment sine die at the end of a Congress; and

"(C) the days on which either House is not in session because of an adjournment or recess to a day certain shall be excluded in the computation of days of continuous session of Congress for the ninety-day period referred to in this subsection if the adjournment is for more than five days.

"(d) Notwithstanding any other provision of law, any rule subject to this section shall be considered a recommendation of the Commission to the Congress and shall have no force and effect as a rule unless such rule has become effective in accordance with this section.

"(e) Whenever an appropriate committee reports a joint resolution pursuant to this section, the resolution shall be accompanied by a committee report specifying the reasons for the committee's action.

"(f) Congressional inaction on, or rejection of, any joint resolution shall not be deemed an expression of approval of the rule involved. The compliance of the Commission with the requirements of this section, including any determination by the Commission under this section, shall not be subject to judicial review of any kind.

"(g)(1) If a recommended rule of the Commission does not become effective because of an adjournment of Congress sine die before the expiration of the period specified in subsection (c)(1), the Commission may resubmit the recommended rule at the beginning of the next regular session of Congress. The ninety-day period specified in the first sentence of subsection (c)(1) shall begin on the date of such resubmission, and such rule may only become effective in accordance with this section. The Commission shall not be required to forward such rule to the Federal Register for publication if such rule is identical to the rule transmitted during the previous session of Congress.

"(2) If a recommended rule of the Commission is disapproved under this section, the Commission may issue a recommended rule which relates to the same acts or practices as the disapproved rule. Such recommended rule—

"(A) shall be based upon—

"(i) the rulemaking record of the recommended rule disapproved by the Congress; or

"(ii) such rulemaking record and the record established in supplemental rulemaking proceedings conducted by the Commission, in accordance with section 553 of title 5, United States Code, in any case in which the Commission determines that it is necessary to supplement the existing rulemaking record; and

"(B) may reflect such changes as the Commission considers necessary or appropriate, including such changes as may be appropriate in light of congressional debate and consideration of the joint resolution with respect to the rule.

"(3) After issuing a recommended rule under this subsection, the Commission shall transmit such rule to the Secretary of the Senate and the Clerk of the House of Representatives, in accordance with subsection (b)(1), and such rule shall only become effective in accordance with this section.

"(h) The provisions of this subsection, paragraphs (1) and (2) of subsection (a), subsection (e), and subsections (i) through (l) are enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of joint resolutions, and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(i) Except as provided in subsection (l), joint resolutions shall, upon introduction or receipt from the other House of Congress, be immediately referred by the presiding officer of the Senate or the House of Representatives to the appropriate committee of the Senate or the House of Representatives, as the case may be.

"(j)(1)(A) Except as provided in subparagraph (B), if the committee to which a joint resolution has been referred does not report such resolution within 30 days after the date of transmittal to the Congress of the recommended rule to which such joint resolution relates, it shall be in order to move to discharge the committee from further consideration of such resolution.

"(B) If the committee to which a joint resolution transmitted from the other House has been referred does not report such resolution within 30 days after the date of transmittal of such resolution from the other House, it shall be in order to move to discharge such committee from further consideration of such resolution.

"(2) Any motion to discharge under paragraph (1) must be supported in the House in writing by one-fifth of the Members, duly chosen and sworn, and in the Senate by motion of the majority leader supported by the minority leader, and is highly privileged in the House and privileged in the Senate (except that it may not be made after a joint resolution has been reported with respect to the same rule), and debate thereon shall be limited to not more than one hour, the time to be divided in the House of Representatives equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees.

"(k)(1) Except as provided in paragraphs (2) and (3), consideration of a joint resolution shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(2) When a committee has reported or has been discharged from further consideration of a joint resolution, or when the companion joint resolution from the other House has been placed on the calendar of the first House, it shall be in order, notwithstanding any rule of the Standing Rules of the Senate (except rule XXII) or any rule of the House of Representatives at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of either such joint resolution. The motion is highly privileged in the House and privileged in the Senate and is not debatable.

"(3) Debate on a joint resolution shall be limited to not more than ten hours (except that when one House has debated the joint resolution of that House, the companion joint resolution of the other House shall not be debatable), which shall be divided in the House of Representatives equally between those favoring and those opposing the resolution and which shall be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees. An amendment to, or motion to recommit, the joint resolution is not in order. Any other motions shall be decided without debate, except that no motion to proceed to the consideration of any other matter shall be in order.

"(l) If a joint resolution has been reported or discharged from the committee of the House to which it was referred, and that House receives a joint resolution with respect to the same rule from the other House, the resolution of disapproval of the other House shall be placed on the appropriate calendar of the first House. If, prior to the disposition of a joint resolution of one House, that House receives a joint resolution with respect to the same rule from the other House, the vote in the first House shall occur on the joint resolution of the other House.".

(b)(1) This subsection is adopted as an exercise of the power of each House of Congress to determine the rules of its proceedings. The Congress specifically finds that the provisions of this subsection are essential to the Congress in exercising its constitutional responsibility to monitor and to review exercises by the executive of delegated powers of a legislative character.

(2)(A) After the Senate and the House of Representatives adopt a joint resolution with respect to a rule pursuant to section 25 of the Federal Trade Commission Act, it shall be in order in the Senate or the House of Representatives, notwithstanding any provision of the Standing Rules of the Senate (except rule XXII) or the Rules of the House of Representatives, to consider an amendment described in subparagraph (B) to a bill or resolution making appropriations for the Federal Trade Commission.

(B) An amendment referred to in subparagraph (A) is an amendment which only contains provisions to prohibit the use of funds appropriated in the bill or resolution described in such subparagraph for the issuing, promulgating, enforcing, or otherwise carrying out a rule with respect to which a joint resolution has been adopted pursuant to section 25 of the Federal Trade Commission Act.

(3) Debate on an amendment described in paragraph (2)(B) shall be limited to not more than four hours, which shall be divided in the House of Representatives equally those favoring and those opposing the amendment and which shall be divided in the Senate equally between, and controlled, by the majority leader and the minority leader or their designees. An amendment to, or motion to recommit, the amendment is not in order. Any other motions shall be decided without debate, except that no motion to proceed to the consideration of any other matter shall be in order.

(C) The amendments made by this section shall cease, to have any force and effect on or after the date which is five years after the date of enactment of this Act.

On page 15, line 15, strike out "(b)" and insert in lieu thereof "(d)".

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Armed Services, be authorized to meet during the session of the Senate on Monday, April 6, 1987, at 4:30 p.m. in open session to consider and act on the nomination of James H. Webb, Jr., to be Secretary of the Navy.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INVESTIGATIONS

Mr. BYRD. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Monday, April 6, 1987, at 2 p.m. to hold hearings on the exploitation of young adults in door-to-door sales.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

LADY RAZORBACKS

● Mr. PRYOR. Mr. President, recently the University of Arkansas Lady Razorbacks won the National Invitational Basketball Tournment in Amarillo, TX. In doing so, the Lady Razorbacks defeated the fourth, second, and first-seeded teams. They set tournament records for total points—305—and points in a single game—112.

I join the people of my State in paying tribute to Coach John Sutherland and his fine team for their excellent performance in this tournament and ask that a resolution passed recently by the Arkansas State Senate be printed in the RECORD.

The resolution follows:

Whereas, the University of Arkansas Lady Razorbacks Basketball Team has won the 1987 Women's National Invitational Tournament, defeating Montana, Providence, and California university teams by an average margin of 20 points per game; and

Whereas, the U of A Lady Razorbacks have set an NIT record for total points scored, with 305 points in three games, breaking another NIT record by scoring 112 to 80 against the University of California at Berkeley and becoming the first Southwest Conference team to win the Women's NIT; and

Whereas, these victories were broadcast on national television, heightening public awareness and appreciation of our great state; and

Whereas, Lady Razorbacks Coach John Sutherland has distinguished himself by his selection as 1986 Southwest Conference Coach of the Year; and

Whereas, the Women's Athletic Program at the University of Arkansas has given young women opportunities to advance their educational goals while expanding their athletic abilities, with the Lady Razorbacks including young women student athletes from across the state and showing a 100 percent graduation rate among its four-year seniors; and

Whereas, this team has established a distinguished record of good sportsmanship, practicing exemplary behavior in each game; and

Whereas, the Lady Razorback games have presented hours of wholesome entertainment for the public and set an exceptional example for girls throughout Arkansas who aspire to athletic and academic greatness: Therefore, be it

Resolved, That the 1986-87 University of Arkansas Lady Razorbacks Basketball Team is recognized by the Arkansas Senate as a harbinger of the contribution of women's sports to the future of our young people in Arkansas.●

OPPOSITION TO REDUCED FUNDING FOR VETERANS' ADMINISTRATION MEDICAL CARE

● Mr. MURKOWSKI. Mr. President, I rise today, as ranking minority member of the Committee on Veterans' Affairs, to join with the distinguished chairman of the Senate Veterans' Affairs Committee, Senator ALAN CRANSTON, in support of a concurrent resolution relating to medical care for our Nation's veterans. Specifically, this measure rejects the administration's proposal that funding be eliminated for the care of certain veterans and expresses strong congressional opposition to a proposal to exclude any category of eligible veterans from receiving VA hospital, nursing home, or other care through a reduction in current funding or program levels.

On January 14, 1987, I, along with all other members of the Veterans' Affairs Committee, introduced Senate Concurrent Resolution 7 relating to proposed reductions in VA medical care funding levels. This resolution was referred to the Veterans' Affairs Committee. I regret, however, that although all committee members supported this measure, Senate Concurrent Resolution 7 was not considered by the committee during its February 26, 1987, executive meeting. During that meeting, the committee, pursuant to section 301(c) of the Congressional Budget Act of 1974, unanimously approved the committee's views and estimates with respect to the VA's fiscal year 1988 budget. Relative to the VA's medical care account, consistent with our views to generally maintain a current services budget, the committee recommended funding to maintain the fiscal year 1987 authorized staffing level in addition to staffing for activation of new VA facilities and staff for special programs.

In title XIX of Public Law 99-272, the Consolidated Omnibus Budget Reconciliation Act of 1985, the Congress established three categories of veterans' health-care eligibility. The law provides that the VA shall furnish needed hospital care and may furnish needed nursing home care to eligible veterans in category A. Veterans in category A include veterans who have service-connected disabilities, certain special categories of veterans, and veterans who have non-service-connected disabilities and who have annual incomes not greater than $15,195 for veterans with no dependents. The VA may furnish needed hospital and nursing home care to veterans in category B, to the extent that resources and facilities are available. Veterans in category B include veterans who have non-service-connected disabilities and who have annual incomes not greater than $20,260 for veterans with no dependents. The VA may also furnish needed hospital and nursing home care to veterans in category C, to the extent that resources and facilities are otherwise available, if the veteran agrees to pay a modest copayment. Veterans in category C include veterans who have non-service-connected disabilities and who have annual incomes above $20,260 for veterans with no dependents.

This legislation was intended to provide that all categories of eligible veterans could continue to receive VA hospital and nursing home care if existing resources and space are available. By taking this approach, the Congress intended to provide hospital and nursing home care, to the extent possible without expanding the current size of the VA medical care system, for veterans in category C.

The administration's proposal contained in the VA's fiscal year 1988 budget request, as well as the administration's proposed recission for fiscal year 1987, which would eliminate funding for health care to category C veterans, is totally unacceptable.

If the administration's proposed funding reductions are enacted, the VA's medical care budget would be reduced by 3 percent, the approximate percentage of category C veterans that were furnished VA health care since July 1986. I do not believe it is reasonable to expect that only category C veterans would be affected by implementing such a funding reduction. For all practical purposes, reductions would have to be made in a manner which would affect all eligible veterans seeking VA health care. So, not only would the availability of VA health care be essentially eliminated for category C veterans, but category A and B veterans would certainly find a reduction in their access to health care as well.

Mr. President, I urge my colleagues to consider carefully the impact of a 3-percent reduction in funding for VA medical care for our Nation's veterans, and to join with me in assuring Senate passage of this concurrent resolution which will send a message of strong congressional opposition to such a proposal.●

RURAL ELECTRIC AND RURAL TELEPHONE COOPERATIVES

● Mr. MELCHER. Mr. President, this administration has preached from every pulpit they could find that privatization, like cleanliness, is next to godliness. Privatization, when it is in the public interest, is a good idea. But, when the rural electric and rural telephone cooperatives proposed that they prepay some loans held by the Federal Government under the Federal Financing Bank, the Treasury Department objected.

Congress had determined that it would be in the public interest that these loans could be prepaid. What makes it in the public interests is that the rural electric and rural telephone cooperatives could then refinance privately, at lower interest rates, and pass the savings on to their customers. That is privatization and is in the public interest. The bill that I have sponsored along with Senator EXON and others, the Rural Electric Refinancing Act, will certainly establish that fact, the Treasury Department's objections notwithstanding.

Steps must be taken for revitalizing rural America. One of the first steps is to help nonprofit rural electric and rural telephone cooperatives to hold down their costs to rural Americans. These cooperatives have been, and continue to be, the lifeblood for rural America. They provide the electric power and means of communication which are essential for people living in rural America and which are basic to the rural economy.

In the last Congress we felt that congressional intention was clearly spelled out for the Treasury Department regarding the handling of prepayment of rural electric and telephone cooperative loans. However, the regulations that were developed by Treasury obstinately hinder refinancing. The Rural Electric Refinancing Act will remove the power of the Treasury Department to block prepayment and refinancing in the private sector that the rural electric and rural telephone cooperatives are capable of obtaining to benefit their customers. Paying off debts early, saving money and stimulating the private sector makes sense and that is why this bill, the Rural Electric Refinancing Act, is good legislation worthy of support from all of our colleagues. I urge its prompt passage.●

HERBERT H. McADAMS II

● Mr. PRYOR. Mr. President, later this month, Fifty for the Future, a civic organization of business and industrial leaders in Pulaski County in my State will honor Herbert H. McAdams II as winner of the William F. Rector Award.

Herbert McAdams has a wide range of interests in his community and our State and is certainly deserving of this award made in memory of William F. Rector, a real estate developer and civic leader in Little Rock.

His achievements are best stated in a recent article in an Arkansas Gazette announcement which I submit for the RECORD.

I join Fifty for the Future in recognizing Herbert for this well-deserved honor.

The article follows:

[From the Arkansas Gazette, Apr. 1, 1987]

LR BANKER TO RECEIVE RECTOR AWARD

Herbert H. McAdams II of Little Rock, chairman of the board and chief executive officer of Union National Bank, has been named winner of the William F. Rector Memorial Award by Fifty for the Future.

The award will be presented to McAdams at a dinner April 28.

The announcement was made Tuesday by Noland Blass, Jr., president of Fifty for the Future, a civic organization of business and industrial leaders in Pulaski County. The memorial is named for a real estate developer and civil leader.

LEADERSHIP PRAISED

McAdams received the award for outstanding leadership and contributions to the development of the city and state, Blass said. McAdams was an early member of the Arkansas Industrial Development Commission and was chairman for five years. He has served on the boards of the Baptist Medical System and Arkansas Children's Hosptial and was co-chairman of the campaign fund for expansion of St. Vincent Infirmary.

He was chairman of the fundraising committee for the Winthrop Rockfeller Memorial Gallery while a member of the board of the Arkansas Arts Center. In the mid-1970s, McAdams donated funds to the Arkansas Symphony Orchestra for the purchase of an orchestra shell.

ON CONFERENCE BOARDS

He has served on the boards of the Arkansas and National Conferences of Christians and Jews. He was one of the founders and first chairman of the board of the Metrocentre Improvement District.

McAdams has been chairman of the board and president of the Home Federal Savings and Loan Association at Jonesboro and director of the Little Rock branch of the Federal Reserve Bank at St. Louis. He is a member of both state and national banking associations and is former president of the Craighead County Bar Association.

HOLD HONORARY DOCTORATE

McAdams, a Jonesboro native, is a graduate of Northwestern University and attended Harvard and Loyola University before receiving his law degree from the University of Arkansas at Fayetteville in 1940. He received an honorary doctor of laws degree from Arkansas State University at Jonesboro in 1984.

McAdams received the Purple Heart while in the Navy during World War II.●

CLINTON, ARKANSAS, DAY

● Mr. PRYOR. Mr. President, the city of Clinton, AR, in Van Buren County, AR, will soon honor two of its own who have distinguished themselves in the military.

Maj. Gen. Bill Lefler of the U.S. Army Dental Corps and Maj. Gen. Hugh R. Overholt, Judge Advocate General of the Army will be honored in "Clinton, Arkansas, Day" festivities.

I add my congratulations to those that the people of Clinton will be giving these two deserving men who have given so much in the defense of our country. All Arkansans join the people of Clinton in recognizing these men and their dedication.

I ask that the following sketches of their service records be printed in the RECORD.

The records follow:

BIOGRAPHY OF MAJ. GEN. BILL B. LEFLER

Major General Bill B. Lefler received his commission in March 1956 and has served throughout the broad spectrum of the Army Dental Corps. His career as an Army dentist has earned him recognition as one of the service's most noted prosthodontists and administrators.

Born in Rawlins, Wyoming, he grew up in Clinton, Arkansas, and attended Hendrix College from 1951-1953. He is a December

1956 graduate of the University of Tennessee School of Dentistry and completed his specialty residency in fixed prosthodontics at Fort Bragg, North Carolina, in 1968.

He has held a wide variety of important command and staff positions culminating in his current assignment as Assistant Surgeon General for Dental Services/Chief, Army Dental Corps.

Key assignments held recently include:

Senior Dental Corps Staff Officer, Office of The Surgeon General; Deputy Commander, USA Health Services Command, and Deputy Commander/Assistant Chief Surgeon, 7th Medical Command, Europe.

Major General Lefler served in a variety of progressive assignments preparatory to his most recent duties. These have included:

Army Senior Dental Program, 1956-1957, Un of Tennessee, School of Dentistry.

Chief, Prosthodontics, 1957-1959, Dental Clinic #1, Ft. Chaffee, Arkansas.

Dental Surgeon, 1959-1960, 2nd Battle Group, 1st Cav Div, Korea.

Asst. Chief, Fixed Prosthodontics, 1960-1963, Ft. Benning, GA.

Chief, Fixed Prosthodontics, 1963-1966, 196th Station Hosptial, Paris, France.

Resident and Asst Chief, Fixed Prosthodontics, 1966-1968, Fort Bragg, N. Carolina.

Chief, Fixed Prosthodontics and Resident Advisor and Coordinator Gen Dentistry Resident and Dental Interns, 1968-1972, Fort Knox, Kentucky.

Chief, Fixed Prosthodontics Service, Dept of Dentistry Walter Reed AMC, WASH, DC, 1972-1976 Walter Reed AMC, Washington, D.C.

Chief, Restorative Dentistry Service, WRAMC.

Co-Director, Prosthodontic Residency Program, WRAMC.

Co-Director, "Current Concepts of Restorative Dentistry" (one-week post-graduate course), USA Institute of Dental Research, WRAMC, Washington, D.C.

Consultant in Fixed Prosthodontics to the Army Surgeon General, the VA, the National Naval Dental Center and numerous Army Dental Activities, National Capital area.

Resident Coordinator in Fixed Prosthodontics, Army Dental Corps, Washington, D.C.

Chief, Department of Dentistry, 1975-1976, Walter Reed AMC, Washington, D.C.

Commander, 1976-1979, Dental Activities, Fort Jackson, SC.

Sr. Dental Corps Staff Officer, Feb 79-Aug 79, The Pentagon, Washington, D.C.

Deputy Commander, Aug 79-Oct 80, Dental Services, USA Health Services Cmd, Fort Sam Houston, TX.

Director of Dental Services, Aug 79-Jun 1984, USA Health Services Cmd, Ft Sam Houston, TX.

Deputy Commander, Oct 80-Jun 1984, USA Health Services Cmd, Ft Sam Houston, TX.

Deputy Command/Assistant Chief Surg, USAREUR, Jun 84-30 Nov 86, 7th Medical Command, APO New York 09102.

General Lefler is a recipient of the Army Surgeon General's "A" Prefix, the highest award that can be made in recognition of professional attainment within the Army Medical Department.

He is a Diplomate of the American Board of Prosthodontics, a Charter Fellow of the American College of Prosthodontics, Fellow of the American College of Dentists, Fellow of the International College of Dentists, a member of the American Academy of Crown and Bridge Prosthodontics, the Pierre Fauchard Academy, the Amercian Association of Dental Schools, and the American Dental Association. He is also a member of the Association of Military Surgeons of the United States and the Association of the United States Army.

Among General Lefler's military awards are the Distinguished Service Medal, the Legion of Merit, the Meritorious Service Medal, the Army Commendation Medal, and the Expert Field Medical Badge.

He and his wife, Carolyn, have three children, Tracey Salter, Thomas, also an Army Dental Officer, and Mark.

BIOGRAPHY OF MAJ. GEN. HUGH R. OVERHOLT

On 31 July 1985, Major General Overholt was appointed the 32nd Judge Advocate General of the Army.

General Overholt was born in Beebe, Arkansas. He was awarded a Bachelor of Arts degree and his law degree from the University of Arkansas where he served on the Editorial Board of the Law Review. Upon completion of his law studies, he received a direct appointment as a first lieutenant in the Judge Advocate General's Corps. General Overholt's military schooling includes the JAGC Basic and Advanced Courses, Airborne School, Command and General Staff College, and the Industrial College of the Armed Forces.

General Overholt has served in a variety of assignments. He was an Assistant Staff Judge Advocate at the United States Army Field Artillery Training Center, Fort Chaffee, Arkansas; at the United States Army Aviation Center, Fort Rucker, Alabama; at Seventh United States Army Support Command, Europe; and Deputy Staff Judge Advocate, 101st Airborne Division, Fort Campbell, Kentucky. He was the Staff Judge Advocate of the 7th Infantry Division in Korea; and served as Chief of Military Justice Division, Director of the Academic Department, and then Chief of the Criminal Law Division of The Judge Advocate General's School, Charlottesville, Virginia. In the Office of The Judge Advocate General, Headquarters Department of the Army, Washington, D.C., he served as Chief of the Personnel, Plans and Training Office. As a colonel, General Overholt served as Staff Judge Advocate, XVIII Airborne Corps at Fort Bragg, Fort Bragg, North Carolina; and as Special Assistant for Legal and Selected Policy Matters, Office of the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), Washington, D.C. Following his promotion to brigadier general, General Overholt served as Assistant Judge Advocate General for Military Law. His most recent assignment has been as The Assistant Judge Advocate General.

General Overholt has been awarded the Legion of Merit, the Defense Meritorious Service Medal, the Meritorious Service Medal (with Oak Leaf Cluster), and the Army Commendation Medal (with two Oak Leaf Clusters).

He is married to the former Laura Annell (Ann) Arnold. They have two children: Sharon Lea and Hugh Scott.

RESUME OF SERVICE CAREER OF HUGH ROBERT OVERHOLT, MAJOR GENERAL

Date and place of birth: 29 October 1933, Beebe, Arkansas.

Years of active commissioned service: 29.

Present assignment: The Judge Advocate General, United States Army, Washington, DC 20310, since August 1985.

Military schools attended: The Judge Advocate General's School—Basic and Advanced Courses United States Army Command and General Staff College Industrial College of the Armed Forces.

Educational degrees: University of Arkansas, BA Degree; University of Arkansas, LLB Degree, Law.

RECENT MAJOR DUTY ASSIGNMENTS

From	To	Assignment
July 1969	January 1971	Chief, military, justice division, the Judge Advocate General's School, Charlottesville, VA.
January 1971	June 1973	Director, academic department and chief, criminal law division, the Judge Advocate General's School, Charlottesville, VA.
July 1973	June 1975	Chief, personnel, plans, and training office, Office of the Judge Advocate General, U.S. Army, Washington, DC.
August 1975	June 1976	Student, Industrial College of the Armed Forces, Fort Leslie J. McNair, Washington, DC.
July 1976	June 1978	Staff judge advocate, XVIII Airborne Corps and Fort Bragg, NC.
June 1978	June 1979	Special Assistant for Legal and Selected Policy Matters, Office, Deputy Assistant Secretary of Defense (Military Personnel Policy), Office, Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), Washington, DC.
June 1979	July 1981	Assistant Judge Advocate General for Military Law, Office of the Judge Advocate General, U.S. Army, Washington, DC.
August 1981	July 1985	The Assistant Judge Advocate General, Washington, DC.
August 1985		The Judge Advocate General, Washington, DC.

Promotions	Dates of appointment	
	Temporary	Permanent
1st lieutenant	Sept. 25, 1957	Sept. 25, 1957.
Captain	Nov. 29, 1960	Oct. 9, 1961.
Major	Sept. 29, 1965	Nov. 12. 1968.
Lieutenant colonel	Nov. 27, 1968	Sept. 25, 1975.
Colonel	May 1, 1976	Sept. 25, 1978.
Brigadier general	Sept. 1, 1979	
Major general	Aug. 1, 1981	Aug. 1, 1981.

U.S. decorations and badges: Legion of Merit, Meritorious Service Medal (with Oak Leaf Cluster), Army Commendation Medal (with 2 Oak Leaf Clusters), Parachutist Badge.

Source of commission: Direct Appointment.●

CHRIS ANNA McKENZIE

● Mr. PRYOR. Mr. President, last month in Fort Smith, AR, the Sertoma Club honored an extraordinary young woman for her achievements in working with visually impaired children and their parents.

Twenty-eight-year-old Chris Anna McKenzie was cited for her work for the Arkansas Division of Services for the Blind and was awarded the Sertoma's annual Service to Mankind Award.

Having been born blind herself, Chris is an inspiration to all of us and I salute her, her dedication and her parents.

I ask that the following article from the Southwest Times Record about this award be printed in the RECORD.

The article follows:

"SHE GIVES A LOT OF HERSELF"

FORT SMITH.—Chris Anna McKenzie's chin quivered as she stood before the Downtown Sertoma Club Friday, shocked to learn she had just received the group's annual Service to Mankind Award.

In the crowd stood Bill and Pearl McKenzie of Little Rock. Their faces beamed as they applauded their daughter. Chris McKenzie, 28, mustered a grin, spoke a simple "thank you" and reached for the back of her chair.

"I was really surprised," she later told a reporter. "I was here two years ago to speak, and I thought that was why I was here today."

Club spokesman Jim Selig said McKenzie was selected to receive the award because of her work with some 100 visually impaired children and their parents. As an employee of the state Division of Services for the Blind, McKenzie travels an 18-county area from Benton and Marion Counties in the north to Polk in the southwest, helping people apply for state and federal assistance and teaching them skills to cope in a seeing world.

"She's an exceptional person," Selig said. "She gives a lot of herself, her time and her money to help the blind."

McKenzie, who lives at Fort Smith, said she preferred working with children because she could relate to their problems, having been born blind.

As a student at Harding College, McKenzie was named to the dean's list while earning a bachelor of arts degree in three years. She also maintained a 3.60 grade point average while earning a master's degree in counseling at the University of Arkansas at Fayetteville. Neither school at that time had special programs for the blind.

McKenzie attended high school at the Arkansas School for the Blind at Little Rock.

Although she has proved to be an inspiration to hundreds of people throughout the state, McKenzie is quick to give credit for her successes. "I was fortunate because I've had exceptional parents."—Rodney Bowers.●

CONSTITUTION SIGNER HAS AN ARKANSAS CONNECTION

● Mr. PRYOR. Mr. President, as we celebrate the Bicentennial of our Constitution, I wanted to bring to the attention of my colleagues the fact that one of the signers has an Arkansas connection.

Though we tend to think of the Thirteen Original Colonies in existence at the time of the signing of the Constitution, David Brearly of New Jersey has a grandson who was instrumental in the founding of Dardanelle, AR.

The Yell County Historical and Genealogical Association and the Arkansas River Valley Regional Library recently sent me material about this ancestor of one of the original signers and I wanted to share this information with my colleagues. I ask that this material be printed in the RECORD.

The material follows:

ARKANSAS RIVER VALLEY
REGIONAL LIBRARY SYSTEM,
Dardanelle, AR, March 30, 1987.

Hon. DAVID PRYOR,
U.S. Senate,
Washington, DC

DEAR SENATOR PRYOR: In this year when we are celebrating the signing of the U.S. Constitution, I thought that you might appreciate having the enclosed information for your files.

Many times we associate the Constitution with the 13 colonies and we forget that Arkansas has a direct link to this important document.

The David Brearly who signed the Constitution of the United States is the grandfather of Dr. Joseph Bearly who gave the land for the town of Dardanelle. Complete information is in the material enclosed which is provided to you courtesy of the Yell County Historical and Genealogical Association and the Arkansas River Valley Regional Library.

I realize that usually when I write to you I am asking for your help. It is a pleasure to be able to write you about something which I believe will help you.

Sincerely yours,

TWYLA FERGUSON,
Chairman, Yell County Library Board.

TO PROVIDE FOR THE COMMON DEFENSE

(By David Brearly)

INTRODUCTION

In September 1987 the United States commemorates the bicentennial of the signing of the Constitution. Twenty-two of the thirty-nine signers of the Constitution were veterans of the Revolutionary War. Their experiences in that conflict made them deeply conscious of the need for a strong central government that would prevail against its enemies, yet one that would safeguard the individual liberties and the republican form of government for which they had fought. Their solution is enshrined in the Constitution. The President of the United States is the Commander in Chief of the nation's military forces. But it is the Congress that has the power to raise and support those forces, and to declare war. The Founding Fathers established for all time the precedent that the military, subordinated to the Congress, would remain the servant of the Republic. The concept is the underpinning of the American military officer. These twenty-two men were patriots and leaders in every sense of the word: they fought the war, they signed the Constitution, and they forged the new government. They all went on to careers of distinguished public service in the new Republic. Their accomplishments should not be forgotten by those who enjoy the fruits of their labors. Nor should we forget the fortieth man whose name appears on the Constitution. The secretary was the twenty-third Revolutionary veteran in the Convention, who continued his service to the nation as one of its first civil servants.

This pamphlet was prepared by the U.S. Army Center of Military History with the hope that it will provide you with the background of a great American; stimulate you to learn more about him; and help you enjoy and appreciate the bicentennial.

JOHN O. MARSH, Jr.,
Secretary of the Army.

DAVID BREARLY, NEW JERSEY

David Brearly, who represented New Jersey at the Constitutional Convention, was an important spokesman for the proposition that law has primacy over governments and social institutions. A student of the Enlightenment philosophers and English jurists, he adopted their idea that a contract existed between the individual and the state. He held that the citizens possessed basic rights that had been encapsulated in the Common Law and customs of England, and that neither the will of Parliament nor the immediate needs of local society should take precedence over these fundamental rights. He defended these beliefs on the battlefield during the Revolution and later, as an eminent American jurist, from the bench. Brearly then helped frame the Constitution, with its careful definition of the rights of citizens and the obligations of government and became one of the first federal judges to serve under this new supreme law of the land.

Brearly's experiences during the Revolution did much to clarify his attitudes toward government. He came to realize in the tumult of the civil war that raged through his home state that without the protection of a strong government the individual citizen's rights would always be hostage to the whims of popular prejudice. A soldier with ties to both militia and regulars, he concluded that only a constitutionally based government could guarantee that the nation's military forces would remain properly subordinated to its elected civilan leaders. From his wartime experience, he also recalled the confusion and chaos that had accompanied a government that was only a weak confederation of the states. A future under such a confederation seemed especially dangerous for small states like New Jersey. He sought a stronger government that would recognize and protect the rights of all the states under a rule of law.

THE PATRIOT

The Brearly family emigrated from Yorkshire in the north of England in 1680, settling in "West Jersey," an area of the colony that looked toward Philadelphia rather than New York for leadership. Brearly grew up near Trenton and attended the College of New Jersey (now Princeton University). He left college before graduating (Princeton would later award its eminent son an honorary degree) to take up the study of the law. He was eventually accepted by the bar and opened a practice in Allentown, a flourishing community at the western end of Monmouth County near Trenton.

Brearly's student years set the course of his subsequent political interests. Princeton's curriculum exposed him to the intellectual ferment of the Enlightenment, expecially its notions of individual rights, while his legal training required a thorough grounding in treatises on the Common Law. Brearly's studies formed him into a young Patriot, one of Monmouth County's outspoken opponents of Parliamentary absolutism. His biting criticism of the government provoked the ire of Royal Governor William Franklin, who threatened to arrest the popular lawyer for high treason.

Brearly's career took a new turn in the summer of 1776 when New Jersey openly supported the call for independence. His neighbors had elected him to serve as a colonel in the county militia. During this period the Patriots used the militia as the vehicle to implement the decisions of the as yet unofficial government of New Jersey and to prevent opponents from obstructing the move toward independence. Working under the supervision of the local Committee of Safety and the legislature, Brearly recruited, organized, and trained his unit and used it to disarm local Loyalists. Brearly would later come to realize the risk inherent in this kind of extralegal action, but at the time his efforts contributed directly to smoothing the transition to the new state government.

THE SOLDIER

While New Jersey was taking its final steps toward independence, a massive British armada appeared off New York harbor. These forces clearly outnumbered Washington's continentals, and Congress called on nearby states to mobilize their citizen-soldiers to resist the coming assault. Included in New Jersey's 3,300-man quota was Colonel Philip Van Cortlandt's regiment, in which Brearly was second in command. The regiment spent part of its active duty guarding New Jersey's shoreline before transferring to Manhattan for the closing phases of the fight for New York City.

Despite the efforts of Washington's regulars and the massed militia, New York and its strategic harbor fell to the enemy in September 1776. The defeat provided an important lesson that Washington and his senior officers pressed on the Continental Congress: it would take full-time soldiers to engage British and Hessian regiments successfully in open battle. While militia units could play an important role in local defense and flank security, the Continental Army required men who could serve long enough to learn the complex tactics involved in eighteenth century linear warfare. Congress accepted this argument, authorizing a large increase in the Army and directing that it serve for the duration of the war instead of one year at a time.

New Jersey's quota of Continental regiments under the new legislation increased by one, and the state's political and military leaders conferred over the choice of the additional senior officers required to form it. Brearly's militia record attracted their attention, and they commissioned him as lieutenant colonel of the 4th New Jersey Regiment, although resignations and promotions almost immediately led to his transfer to the state's senior unit, the 1st, which had just returned to the state from a year of duty on the Canadian front.

Brearly assisted the regiment's commander, Colonel Matthias Ogden, in reenlisting the men, replacing losses, and reequipping the unit. At the same time, the regiment had to help defend the northern part of the state in the aftermath of the battles of Trenton and Princeton. This latter activity involved constant patrols and frequent skirmishes with Boston troops based around New Brunswick and Amboy. Beginning in May 1777, the New Jersey Brigade under Brigadier General William Maxwell joined the main army in a series of marches and countermarches across the middle of the state while Washington puzzled over whether Philadelphia or Albany would be the enemy's next target.

General Sir William Howe's Redcoats eventually boarded ships and, sailing by way of Chesapeake Bay, attacked Philadelphia from the rear. Washington hastily redeployed his units to face the new danger, eventually establishing a defensive line along Brandywine Creek. On the morning of 11 September Hessians and some British light troops appeared before Chad's Ford and immediately engaged the New Jersey Brigade. Hard skirmishing lasted all morning as the outnumbered continentals appeared to be holding their own; in the afternoon Howe's main force, which had crossed far upstream at an unguarded ford, appeared on Washington's flank and eventually forced the Americans to retreat. Brearly and the rest of Maxwell's men helped cover the withdrawal as Philadelphia fell to the enemy. When the Americans counterattacked at Germantown three weeks later, the New Jersey Brigade formed the reserve of one of the two assault columns. The American units were engaged in hard fighting when fog and confusion forced Washington to break off the battle.

Although participating in these two defeats, Brearly's regiment remained highly motivated. During the following winter the men's confidence increased when they were trained by Frederick von Stuben at Valley Forge. In June 1778 the regiment joined in a pursuit of British forces across New Jersey, forming part of the American advance guard and acquitting itself with honor at the battle of Monmouth.

Unable to mass the strength required to take on Washington's full force, the British adopted a new strategy in 1778, concentrating their military effort on the conquest of southern states. With operations drawing down in the northern theater, and facing a reorganization caused by reduced strength, New Jersey surveyed the senior officers of the state line to determine which were willing to retire. Brearly volunteered, retiring in August 1779 to resume his legal career. In his three years with the militia and continentals, Brearly had gained valuable insights into the political dimension of the age-old issue of civilian control over the military. He remained in touch with military affairs by resuming his old milita command in Monmouth County's 2d Regiment, and later serving as a vice president of the Society of the Cincinnati, the famous veteran's organization.

THE STATESMAN

In the summer of 1779 New Jersey appointed Brearly to succeed Robert Morris as the state's chief justice. Despite his relative youth, he immediately made his mark in American legal history when his court decided the famous case of *Holmes vs. Walton.* The case evolved out of the state's effort to curb contraband trade with the British. Trading with the enemy was popular since the British could buy food and supplies with hard cash or scarce imported items while the American forces most often depended on depreciated paper money or promissory notes. In 1778 New Jersey passed a law that allowed Patriots to seize goods being brought into the state by Loyalists or enemy troops. Suspects were to be tried in a civilian court before juries of six men, instead of the customary twelve dictated by Common Law.

Caught smuggling goods to the British, John Holmes and a companion were duly tried and convicted by a six-man jury. They appealed the conviction to the state Supreme Court, and after lengthy deliberation, Judge Brearly overturned the conviction, declaring the law null and void because it violated the state's Constitution that guaranteed trial by jury under customary English Common Law. For the first time in American history a court asserted the concept of judicial review, including the right to declare laws passed by a legislature unconstitutional. The decision provoked a public outrage. Although Brearly, a famous veteran, clearly sympathized with the intent of the legislature, he decided in favor of the higher principle involved. His decision was cited in courts in other states and was incorporated into the Constitution of the United States.

In 1787 the New Jersey legislature appointed Brearly to represent the state at the Constitutional Convention in Philadelphia. Although no orator, Brearly quickly won the respect of his fellow delegates for his legal wisdom and his willingness to work for essential compromises. In addition to his labor on the judicial provisions of the new instrument of government, he served as a spokesman for a group that sought to defend the rights of the small states. He also presided over the important Committee on Postponed Matters that developed many of the compromises needed to achieve final agreement. After signing the Constitution, he returned to New Jersey to preside over the state's ratification convention.

Brearly served as a member of the first Electoral College, which chose his old commander, George Washington, President. At the start of his first administration, Washington nominated Brearly as federal district judge for New Jersey, but the noted jurist lived to serve just one year before his death shortly after his forty-fifth birthday.

Brearly was willing to risk his life and reputation in the cause of the rule of law. He donned uniform, first as a citizen-soldier and later as a regular, because he sought to defend fundamental individual rights. This same dedication to the idea of basic rights continued in his career when as a jurist he took a very unpopular stand so that the citizen's basic freedoms could be preserved, even when they carried short-term costs in efficiency to the state. His dedication to the concept of a supreme law to which all other laws must comply found its most noted expression in the Constitution he helped devise.

The Congress shall have Power . . .

To raise and support Armies . . .;

To provide and maintain a Navy;

To provide for organizing, arming, and disciplining, the Militia . . .; Article I, Section 8.

PERSONAL DATA

Birth: 11 June 1745, at Spring Grove, New Jersey.[1]

Occupation: Lawyer.

Military Service: Continential Army—3 years; Highest Rank—Lieutenant Colonel; New Jersey Militia—2 years; Highest Rank Colonel.

Public Service: Chief Justice, New Jersey Supreme Court—10 years; Federal District Judge—2 years.

Death: 16 August 1790, at Trenton, New Jersey.

Place of Interment: St. Michael's Episcopal Church Cemetery, Trenton, New Jersey.

FURTHER READINGS

No full-length biography of David Brearly exists, but details of his life can be found in the following sources: American Historical Society Cyclopedia of New Jersey Biography (3 vols., 1916); William Brearly , Genealogical Chart of the Brearly (sic) Family (1886); Andrew McLaughlin, The Courts, the Constitution, and Parties (1912); Hamilton Schuyler, History of St. Michael's Church, Trenton (1926); and Austin Scott, "Holmes vs. Walton: The New Jrsey Precedent," American Historical Review, 4 (1899): 456-59. Information on his military career is contained in William Stryker's Official Register of the Officers and Men of New Jersey in the Revolutionary War (1872) and general Maxwell's Brigade of the New Jersey Continental Line (1985). Other books which shed light on the creation of the Constitution and the role of the military in the early history of the nation include Sol Bloom, The Story of the Constitution (1937); Don Higginbotham, The War of American Independence (1971); Merrill Jensen, Making of the Constitution (1979; Richard Kohn, Eagle and Sword (1975); Clinton Rossiter, 1787: The Grand Convention (1966); Gordon Wood, The Creation of the American Republic (1969); and Robert K. Wright, Jr., The Continental Army (1983).

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[1] In 1752 the English-speaking world adopted the Gregorian calendar, thereby adding 11 days to the date. Thus Brearley's date of birth was recorded in 1745 as 30 May.

FOUNDERS OF DARDANELLE

(By Marguerite Turner)

[Taken from the Arkansas Democrat, January 13, 1963]

Unaware of the historical significance of the ancient obelisk in her own back yard, tiny Carolyn Lindsey plays about the base of the last standing monument marking the private burial grounds of the illustrious sons of an even more illustrious father.

The name of David Brearly is vividly written on the pages of American history. This brilliant statesman, who was a chief justice in New Jersey, was one of the 54 men who met in Philadelphia in 1789, and formed and signed the Constitution of the United States.

The fame of his son, Col. David Brearly (sometimes written Brearley) is mentioned often in the annals that record the history of the early development of the vast wilderness of Arkansas Territory.

The legacy of Col. David Brearly carries across a century and a half. The deeds and accomplishments of this, young man who strode onto a frontier peopled almost entirely by Indians, coupled with his personal charm and magnetism, swept him to power, causing his name to assume a singular significance which made him legendary.

His mortal remains lie in the Brearley private cemetery in Dardanelle, a city he founded on the southern bank of the Arkansas River in the center of the Arkansas Valley between the sprawling Ozarks on the north and rugged Ouachitas on the south.

The cemetery with its fourteen lots wherein are buried the bodies of the colonel, his brothers, Charles and Pearson, their wives and their descendants, is almost within the shadows of two other landmarks, signally important in the Brearley legancy.

One of these is Dardanelle Rock, so named by Brearley when he first beheld the bizarre fashion in which the treacherous waters of the Arkansas swirled about the bases of the twin rocks, standing high above the city.

The other landmark is Council Oaks. This famous Indian camp site and assembly ground is now a park, centered by two giant oaks, their massive trunks and gnarled branches presenting an imposing memorial to important historical events which took place beneath their shade.

These three spots, the cemetery wherein rests his body, the spectacular rock that he named, and the majestic oaks under which he witnessed the signing of the Treaty of Council Oaks in 1820, are synonymous with the Legend of Brearley.

In the early 19th century the Cherokee Indians were removed from their homelands in Georgia, Alabama, Tennessee and the Carolinas, and by treaty they were given land in wild, unsettled territory west of the Mississippi River with an "outlet to the setting sun."

These homeless natives with their meager possessions plodded across the wilderness, settling between the White and the Arkansas Rivers in Arkansas Territory, and at one time held about 3 million acres of land in the rich section.

In 1812 the Cherokee Nation West was formed, and a reservation established at the place where the Illinois Bayou empties into the Arkansas River. The southern boundary of the reservation bordered the river, and the southermost corner lay about one-half mile upstream, and across the Dardanelle Rock.

The sojourn of the Cherokee in the valley of the Arkansas was brief, lasting only a few years, for this period was but a link in the chain of events known as the "Trail of Tears."

The oppressed ones tried as best they could to fashion a new life in the strange valley of the Arkansas, beset by marauding Osage Indian tribes on the north and crowded by white squatters dotting the valley in increasing numbers.

And so, in 1816, by special order of President Monroe, Col. David Brearley came into Arkansas Territory as agent to the Cherokee. Sired by a statesman of English birth from the noble House of Kent who had chosen to seek fulfillment of his dreams on the broad horizons of the New World; nurtured in boyhood by a mother of gentle birth, and backed by an impressive military career, the stalwart young man came well equipped for his task.

One of his first official acts was to take a census of the Cherokee Indians in the territory. Together with Territorial Gov. James Miller, he tracked across the Cherokee Nation. He was solicitous of the needs of the people and sought their confidence.

In the meantime other things were occurring which wrought change in the valley. With Cephas Washburn as the missionary, the Presbyterians founded Dwight Mission, the first Christian school for the Indians west of the Mississippi, at the edge of the reservation. By the early 1820's, white settlers from the east began to arrive. These men were sturdy, lean and land hungry. They were generally ready for a feast or a brawl, and they had little or no regard for the red man.

There was much unrest, and at length the situation became intolerable. At the insistence of the government, a tribal meeting was called by Brearley. The pow-wow was held at the council grounds under the twin oaks, and was attended by all the chiefs of the Cherokee tribes in Arkansas Territory.

Here it was, in 1823, that the Treaty of Council Oaks was signed, whereby the Cherokee Indians relinquished all claim to lands they held south of the Arkansas River.

A description of the day was recorded by Joseph H. Brearley, a son of the colonel. He related that his father had some trees felled to provide seats for Robert Crittenden, acting governor, and the more than 100 chiefs and tribesmen. Chief Black Fox of the Cherokee Nation sat next to Crittenden, and asked the visiting white official several times to move over to make a litle more room. At length Crittenden reached the end of the log and he remarked that there was no room left.

"That is just the way with us," the Indian replied. "Our white brother has moved us from place to place until we can go no farther."

Later, the mad scramble for land began in earnest. About this time David Brearley bought a Spanish land grant belonging to Joe Peran, who was domiciled near the point of rocks. This transaction made the colonel the largest landowner in the territory, and gave him title to Dardanelle Rock and the land where Dardanelle was later to be built.

It was not until after Brearley's death in 1837, however, that his son, Joseph H. Brearley, by this time a doctor, platted the town of Dardanelle, and deeded vast properties to the city for schools, parks, public cemeteries and other beneficial uses.

The marker erected to this grave of Dr. Joseph H. Brearley, who died December 12, 1882, is the lone one standing in the center of Brearley Courts, a recently developed housing project which partially covers the burial grounds.

Time, wind, sun and rain have worn down the hand-hewn stones marking the graves of the men who helped to carve a civilization from out of the wilderness.

Of the stones which have fallen, some are stacked about the obelisk, and others have been carted away.

On All Saints Day and other religious holidays, a figure visits the cemetery and drapes the marker in red, blue and black cloth.

To the south of Council Oaks and the little cemetery, a stream of traffic moves along busy Highway No. 22.

After the Treaty was signed, Jefferson Davis, who was later to become the president of the Confederacy, surveyed and built a road which later was called the Jefferson Davis Highway.

The sound of traffic mingles with the heavy grind of machinery as the multimillion-dollar Dardanelle Dam nears completion on the Arkansas River.

A passing motorist may see a little child, busy with her spade at the base of a strange-looking monolith draped by a cemetery visitor Edith Elizabeth Linker, whose mother, Julia Brearley Sullivan, many years ago told her little girl of the things which her father had told her concerning his father resting there beneath the sod.

And this little girl, grown and aging now, veils her face and drapes the monument with colors representing nobility, valor and sorrow in memory of her Brearley forebears.●

COSPONSORING S. 592, THE MEDICARE CATASTROPHIC ILLNESS COVERAGE ACT

● Mr. HEINZ. Mr. President, today I am adding my name to the list of cosponsors of S. 592, the Medicare Catastrophic Illness Coverage Act. This bill, introduced by Senator DOLE, is the administration's catastrophic health insurance proposal.

I have decided to cosponsor this bill not because I think it is the perfect bill—it is not. There are major gaps in health insurance protection that remain uncovered under this plan. But I believe it is nonetheless a forward looking initiative. It also fills an invaluable role as a backboard off which to bounce more comprehensive solutions. I commend Secretary Bowen for his leadership and hard work in his advocacy of the issue and securing an important place for this proposal on the administration's agenda.

Mr. President, as a member of the Senate Finance Committee, I will be working with my colleagues to develop what I hope will prove to be a more comprehensive catastrophic illness coverage proposal. It is my expectation that we can craft a plan that responds not only to the acute care needs of the elderly but also to their much greater chronic care needs. I am also concerned that we provide catastrophic coverage for the pre-65 population.

It is my premise that any such comprehensive proposal for acute and chronic care coverage must meet four critical criteria: First, it must rely on a joint public/private approach for financing. Second, it must provide for a full range of services, from community-based to institutional, from catastrophic acute to long-term chronic. Third, it must make coverage accessible and affordable for all Americans. And finally, it must be cost-effective, without threatening quality, and contain safeguards to avoid touching off any additional health care cost inflation.

Compared against these criteria, there are obviously several areas where S. 592 falls short. For example, it does almost nothing to help the elderly with the catastrophic costs of long-term care. For those older Americans who experience more than $2,000 in out-of-pocket health care costs, 80 percent of those costs are attributable to nursing home care. The only relief from this staggering out-of-pocket burden under S. 592 is the elimination of the copayment on extended stays in skilled nursing homes. Given the restricted nature of the Medicare skilled nursing facility benefit, the provision is unlikely to help many people.

Another obvious problem, one not addressed by the administration's plan, is that the coverage for acute care services is inadequate. For example, the plan's $2,000 cap on coinsurance and deductibles would hardly protect an elderly person of modest means from financial catastrophe. It is also unlikely to persuade Medigap policy owners to drop their supplemental plans and self-insure for the first $2,000 in copayments and deductibles. In addition, under S. 592, out-of-pocket costs for many basic health care services would not count toward the $2,000 cap, services such as long-term nursing home care, outpatient prescription drugs, and balance billing by "nonassigned physicians." Additionally, the fact that all beneficiaries electing part B Medicare would have to pay the same premium for this coverage, regardless of their income, is troublesome. I believe we should try to find some way of making this coverage more affordable for the low-income elderly.

Mr. President, I do not mean by this analysis to diminish the significance of the administration's proposal. It marks a beginning. I know that I share with my colleagues who have cosponsored this bill a dedication to building on its foundation and at long last producing a bill that will truly protect our Nation's elderly against the costs of a catastrophic illness.●

NAUM MEIMAN

● Mr. SIMON. Mr. President, I encourage the Soviet Government to enact the promises of higher emigration figures that we have heard from high ranking Soviet officials. In particular, I urge them to release Naum Meiman to the West. Naum has suffered needlessly for the past 10 years. As an active member of the Helsinki Watch Commission, Naum was persecuted by the Soviet Government for his political activism.

In addition, Naum's wife Inna passed away here in Washington, DC, in February. Inna was a victim of cancer, and she required medical attention available in the United States. The Soviets did not permit Inna to receive this treatment when it could have saved her life. Rather, they continually delayed issuing Inna Meiman an exit visa until her illness progressed to a stage where it could no longer be treated. Naum was not allowed to join his wife in the United States or to attend her funeral.

Soviet action can no longer help Inna Meiman. Naum, however, still wishes to live in the West. I implore the Soviet Government to give Naum Meiman permission to emigrate immediately.●

AFGHANISTAN: LETTERS FROM THE STATE OF NORTH DAKOTA

● Mr. HUMPHREY. Mr. President, last December the brutal Soviet occupation of Afghanistan entered its 8th year. The horrible condition of human rights in Afghanistan was recently described in a United Nations report as: "A situation approaching genocide."

As chairman of the Congressional Task Force on Afghanistan, I have received thousands of letters from Americans across the Nation who are outraged at the senseless atrocities being committed today in Afghanistan. Many of these letters are from Americans who are shocked at this Nation's relative silence about the genocide taking place in Afghanistan.

In the weeks and months ahead, I plan to share some of these letters with my colleagues. I will insert into the RECORD two letters each day from various States in the Nation. Today, I submit two letters from the State of North Dakota and ask that they be printed in the RECORD.

The letters follow:

DEAR SIR: Do you realize that most people in America feel that the Soviets have stopped fighting in Afghanistan—and there are no longer any atrocities being committed against the native people?

There must be some way people can be informed. Why aren't there more newspaper articles written on this subject. The Soviets aren't our friends—much less friends of the Afghanistan people. Mr. Gorbachev is all sweet smiles for the United States—while coldly giving approval to blow off the arms and legs of little children with rigged toys.

Please help the Afghanistan people.

With respect,

CAROLE A. TURCHIN.

CASSELTON, ND.

DEAR SENATOR HUMPHREY: I am appalled at the atrocities being carried out in Afghanistan and wonder at the seeming reticence of American newspapers to even mention what is going on there. Certainly this is more of a heinous crime against an innocent people than the situation in South Africa, of which the news media keep us fully informed.

There needs to be as much public outrage over Afghanistan as over South Africa so that the Soviets know the American people are aware of Soviet actions there and are incensed over their actions.

I thank you and commend you for your efforts in behalf of these people.

Sincerely,

RALPH BEESON.

WAHPETON, ND.●

PRESIDENTIAL COMMISSION ON AIDS

Mr. McCAIN. Mr. President, I have a request on behalf of Senator DOLE.

I inquire of the majority leader if he is in a position to grant unanimous consent to continue holding for 1 additional day Senate Resolution 184, which deals with a Presidential Commission on AIDS.

Mr. BYRD. Mr. President, I regret that I have been asked by Senators on my side to object to that request. I am sorry to do that, with the Republican leader not on the floor. I understand that he is tied up at the moment. I regret that I will not be able to accommodate the request in this instance.

Mr. McCAIN. I thank the majority leader.

EXECUTIVE SESSION

Mr. BYRD. Mr. President, I ask the able acting Republican leader, Mr. McCAIN, about the following nominations on the executive calendar which have been cleared on this side of the aisle: All nominations on page 2 under "Department of State" and "Small Business Administration." On page 3, the two nominations under "Securities Investor Protection Corporation" and "National Corporation for Housing Partnerships."

Mr. McCAIN. Mr. President, the only one that I have on this side that has been approved is that of the Small Business Administration, Mr. Gillum of Virginia.

Mr. BYRD. I thank the Senator.

Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of Mr. Charles R. Gillum, of Virginia, to be Inspector General, Small Business Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate proceeded to the consideration of executive business.

SMALL BUSINESS ADMINISTRATION

The legislative clerk read the nomination of Charles R. Gillum, of Virginia, to be Inspector General, Small Business Administration.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. McCAIN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

EDUCATION DAY U.S.A.

Mr. BYRD. Mr. President, let me ask the acting Republican leader if he is prepared to give consent to proceed to House Joint Resolution 200 now at the desk. This is a resolution that will designate April 10 as "Education Day U.S.A."

Mr. McCAIN. Mr. President, I say to the distinguished majority leader that we are certainly prepared to call up and pass House Joint Resolution 200 at this time.

Mr. BYRD. I thank the Senator.

Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House Joint Resolution 200.

The PRESIDING OFFICER. The joint resolution will be stated.

The legislative clerk read as follows:

A resolution (H.J. Res. 200) to designate April 10, 1987, as "Education Day U.S.A."

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. D'AMATO. Mr. President, I rise today to lend my whole-hearted support to House Joint Resolution 200, legislation designating April 10, 1987, as "Education Day U.S.A."

Mr. President, to state the obvious, our Nation has prospered as a result of the high quality of our educational system. Americans tend to take for granted the important role our educational system plays in perpetuating our political heritage and basic freedoms. For this reason, it is important to recognize the role education plays in our Nation by designating April 10, 1987, as "Education Day U.S.A."

Most national governments fear ideas or philosophies that run counter to the prevailing form of government. Americans support their Government because they are presented with, and are allowed to choose from, a wide array of ideas and competing philosophies. This is the bedrock of our political freedom.

And so it is, Mr. President, that I am proud to add my name as a cosponsor of House Joint Resolution 200. The symbolism of designating April 10 as "Education Day U.S.A." is particularly noteworthy. This day marks the birth of Rabbi Menachem Mendall Scheerson. The rabbi is leader of the Lubavitch, the largest branch of the Hasidic movement, and has dedicated himself to promoting education throughout the Nation. The Lubavitch sponsors educational programs in 40 States through 120 privately operated centers.

Mr. President, it is only appropriate that "Education Day U.S.A." falls on Rabbi Scheerson's birthday. A man who has done so much to assist young people throughout the Nation deserves this recognition.

Mr. President, I urge swift passage of House Joint Resolution 200.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BYRD. Mr. President, I ask unanimous consent that the joint resolution be considered as having been read twice, that it proceed to third reading and pass, and the motion to reconsider be laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The preamble was agreed to.

The PRESIDING OFFICER. The majority leader.

Mr. BYRD. Mr. President, I thank my friend, Mr. McCAIN.

ORDER FOR RECESS UNTIL 9:30 A.M. TOMORROW

Mr. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9:30 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR MORNING BUSINESS TOMORROW

Mr. BYRD. Mr. President, I ask unanimous consent that after the two leaders are recognized under the standing order tomorrow morning, there be a period for the transaction of morning business, not to extend beyond 10 o'clock a.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BYRD. Mr. President, I fully anticipate rollcall votes tomorrow; and I would hope and I would expect that the Senate would complete action on S. 677 tomorrow.

I also hope that it will be possible, upon the disposition of S. 677 on tomorrow, for the Senate to then proceed to the homeless relief legislation.

The distinguished Republican leader and I have joined in cosponsoring that legislation. There is a bill on the calendar that came over from the House, dealing with homeless relief legislation, and it may be possible to work out some agreements in regard thereto. Also, it may be possible to work out some time agreements on the amendments that remain to be offered to S. 677.

ORDER FOR RECESS TOMORROW FROM 12 NOON UNTIL 2 P.M.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess tomorrow from 12 noon until 2 p.m., to accommodate the two party conferences.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. BYRD. Mr. President, if the acting Republican leader, Mr. McCAIN, has no other business to transact, I am informed that the Republican leader has no other requests for today, and, therefore, I move, if there be no further business to come before the Senate, that the Senate stand in recess until the hour of 9:30 tomorrow morning.

The motion was agreed to, and, at 5:02 p.m., the Senate recessed until tomorrow, Tuesday, April 7, 1987, at 9:30 a.m.

CONFIRMATION

Executive nomination confirmed by the Senate April 6, 1987:

SMALL BUSINESS ADMINISTRATION

Charles R. Gillum, of Virginia, to be inspector general, Small Business Administration.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

SOS FOR THE MERCHANT MARINE

HON. HERBERT H. BATEMAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1987

Mr. BATEMAN. Mr. Speaker, I want to share with my colleagues today a series of articles published recently in the Journal of Commerce concerning the importance of maintaining strong Federal cargo preference laws. These articles were written by Frank J. Costello, a partner with the Washington, DC law firm, Zuckert, Scoutt, Rasenbuerger and Johnson, and Nathan J. Bayer, a partner with the New York law firm, Freehill, Hogan and Mahar.

I urge my colleagues to read these articles so that they can understand the importance of cargo preference statutes as a means of helping to save our ailing U.S.-flag merchant marine.

SOS FOR THE MERCHANT MARINE

(By Frank J. Costello and Nathan J. Bayer)

Can a nation call itself a superpower if it does not have a merchant marine? The United States seems bent on answering this question the hard way.

The inventory of U.S.-flag ships is rapidly decreasing, the supply of qualified U.S. mariners is aging and diminishing and U.S. shipyards are fighting just to stay open.

At the same time, actions of the U.S. government have virtually ended traditional direct subsidy programs for the U.S. maritime industry and have threatened the continued viability and integrity of the cargo preference, a policy that has been the firm foundation of the U.S. Merchant Marine for nearly two hundred years.

The ultimate question of national interest will not be resolved if the present course is followed. Instead, we should today be addressing the following issues: do we need a merchant marine; if we do, can that need be quantified in terms of capacity and employment levels; and if we can set precise goals, how can those goals best be met? These issues can be resolved quickly. They must be resolved quickly or it will be too late.

The principle of a cargo preference for U.S.-flag vessels is almost as old as this country. The Tariff Act of 1789, the second statute enacted by the new Congress, provided for an additional duty of 10% on products carried on vessels "not of the United States."

The U.S.-flag dominated the foreign trade routes in and out of the United States for the next half century, and a strong U.S. maritime industry was created. The preference ended with the Walker Tariff Act of 1846, and the industry began a slow decline.

By the outbreak of the Spanish-American War in 1898, the decline of the U.S. Marchant Marine had reached its nadir. Only 69 U.S.-flag commercial vessels could be assembled into a support fleet, and the U.S. government was forced to purchase 51 foreign vessels, many in disrepair and all suffering from a lack of skilled crew.

The final straw came in 1903 when a British shipping company was awarded the contract to carry all of the military cargo between the United States and the Philippines. The military had been subject to a low bid requirement for approximately 60 years but the award of the Philippines contract—which constituted the vast majority of military shipments to and from the United States—to a foreign flag brought attention to the fact that the very existence of the U.S. Merchant Marine was threatened.

In the early part of 1904, the Congress considered a bill that would require a U.S. military supplies to be transported on U.S.-flag vessels. The House Report left no doubt as to the purpose of that bill:

The effect of reserving the transportation of U.S. naval and military stores by U.S. ships would be far-reaching and beneficial to the nation itself and the interests of general commerce, of the national merchant marine and of the shipbuilding and wage working classes of this country.

This cannot be assured unless some such measure as this can be enacted to help the struggling merchant steamship lines in their competition, on the one side, with cheaply built and operated tramp vessels, and, on the other side, with the heavily subsidized French, German, British and Japanese lines.

This would assure part cargoes at least to keep the ships moving across the ocean. The employment of U.S. ships instead of foreign ships would greatly aid our vessels now out of employment, continue officers, engineers, and seamen on the ocean instead of employing an equal number of foreigners.

That really said it all, and when the Cargo Preference Act of 1904 was enacted on April 28 of that year, the unequivocal purpose was to foster the growth of the U.S. Merchant Marine even if it resulted in greater transportation costs to the government. This purpose has since been reaffirmed in numerous judicial decisions.

A U.S.-flag preference over all U.S. government cargoes appeared in the Merchant Marine Acts of 1920, 1928 and 1936, but it was quantified beyond the requirement that it be "substantial."

Following World War II, a number of foreign aid programs specifically required that at least 50% of the cargo be shipped on U.S.-flag vessels. These were subsumed into the Cargo Preference Act of 1954 which extended the 50% U.S.-flag preference to all U.S. government cargo.

With the 1904 and 1954 acts in place, there was every reason to believe that the viability of the U.S. Merchant Marine was assured. Instead, the last three decades have seen a decline in the U.S. maritime industry similar to that occurring in the second half of the 19th century.

CARGO PREFERENCE MISSING THE BOAT

(By Frank J. Costello and Nathan J. Bayer)

Preference cargo is today vitally important to the U.S. Merchant Marine. In 1985, Military Sealift Command procurement of commercial U.S.-flag shipping capacity, primarily under the 1904 Act, exceeded $1 billion in transportation revenues.

With non-Department of Defense shipments under the 1954 Act generating approximately $500 million in yearly transportation revenues, the preference laws are accounting for at least 25% of all U.S.-flag revenues.

The magnitude of these numbers, however, obscures the severity of the problems underneath because the preference laws are not achieving their goal of maintaining and encouraging the U.S. maritime industry.

The strategic sea-lift capacity of the United States has declined, in relative terms, to the low point last seen around the turn of the century. From 5,000 U.S.-flag ships at the end of World War II, the U.S.-flag fleet decreased to 537 ships at the end of 1985.

For the first time in the history of this nation, the United States has more combatant ships than commercial vessels. Focusing just on freighter capacity, as of July 1, 1985, there were only 216 U.S.-flag freighters with a combined capacity of 4.3 million deadweight tons. To put this in perspective, the Soviet Bloc nations flew their flags on 2,315 freighters with a combined capacity of 15.4 million deadweight tons.

This strategic gap exists even if other, less certain, assets are added to the U.S.-flag inventory, assets such as the reserve fleet (205 ships/2.3 million deadweight tons, approximately two-thirds of which are 40 or more years old) and the "Effective U.S. Controlled" fleet (60 foreign-flag ships—one-half million deadweight tons owned by U.S. companies but controlled by the flagging nations and manned by foreign crews).

This gap appears at every level of the industry. The U.S. shipyard mobilization base is rapidly deteriorating and few, if any, U.S.-flag commercial vessels are being constructed. The strategic manpower shortfall is perhaps the most telling statistic.

The recently released Navy Merchant Marine Manpower Study found that the supply of U.S. mariners is presently more than 12% below the level required during a mobilization and by 1992 that gap will increase to 32%. As the study pointed out, by 1992 one-half of U.S. mariners will have reached their 65th birthday.

As alarming as these statistics are, they do not reach the intangible value of the U.S. Merchant Marine as both a national defense and economic assets. Although as a nation we are rapidly making a transition to a service-based economy, we are simultaneously surrendering our role in one of the oldest and most vital service industries in the world, ocean transportation.

Wars have been waged in part to preserve the U.S.-flag presence in the ocean trades. That presence is now being lost to the vicissitudes of a peacetime economy and the indifference, at best, of our political leaders.

The administration of the preference acts is not the whole story of the decline of the U.S. Merchant Marine, but it is the heart of it. With the virtual disappearance of operating and construction differential subsidies and Title II financing, and with other ideas such as the "build and charter" program clearly on budgetary hold, the preference laws are the court of last resort for the U.S. flag.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

For a U.S.-flag operator, however, there are two problems with preference cargo—the business you get and the business you do not get.

The vast majority of preference cargoes are awarded on the basis of competitive bidding, and the rates are often noncompensatory. Noncompensatory rates are not only inconsistent with the purpose of the cargo preference laws, they are inconsistent with the economic rationale underlying a competitive bidding requirement, i.e. through competitive bidding the government is meant to realize the fairest price, not just the lowest price.

That is particularly true when the government is procuring goods or services from an industry for which it is the dominant buyer. It is ironic that at the time the 1904 Act was passed, there was considerable fear that the economic power of the U.S.-flag shipowners would force the government to pay exorbitant rates, leading to the requirement that military rates be no higher than comparable commercial rates. With hindsight, a floor, not a ceiling, on rates was necessary to prevent the abuse of economic power.

Preference cargo is not only often carried below cost, it is cargo that is often hard to find. There is a surprising amount of governmental energy devoted to avoidance of the cargo preference laws and use of foreign-flag carriers for reasons that are otherwise commendable, namely to cut costs.

This conflict between budgetary demands and the law sometimes surfaces in congressional hearings or the courts, but it exists with every shipment of U.S. government or U.S. government-sponsored cargo.

The combination of inadequate rates and what can best be described as friction in the procurement of preference cargo has created a situation that is the worst of both worlds. On the one hand, there is no question that the preference laws result in higher transportation costs to the government when compared to costs of foreign-flag capacity.

On the other hand, the premium paid by the government is not guaranteeing the U.S. Merchant Marine capacity and employment necessary for our national interests. Neither side is getting what it really wants, and it is the nation as a whole that will suffer the consequences.

CARGO PREFERENCE LAWS NECESSARY

(By Frank J. Costello and Nathan J. Bayer)

In a sense, the cargo preference laws have never been stronger. The decisions of the U.S. District Court and Court of Appeals in the Rainbow Navigation litigation, the latter authored by Justice Antonin Scalia, reaffirmed the purpose of those laws and sharply limited the ability of the executive branch to evade that purpose.

While the extraordinary treaty entered into between the United States and Iceland last October overrides, to some extent, the effect of the 1904 Cargo Preference Act in the Iceland trade, the report for the Senate Foreign Relations Committee recommending ratification made clear its limited application and restated the overreaching need for a U.S.-flag cargo preference:

"While unique circumstances have created a need for the treaty, the need for continued enforcement of the 1904 Cargo Preference Act is just as great. Our merchant marine, the nation's fourth arm of defense, is essential to achieving the sea-power capability our nation must have at its disposal. The 1904 act is critical to the development and maintenance of a strong U.S.-flag merchant marine comprised of U.S.-flag ships and crewed by U.S. citizens.

". . . The committee is convinced that the precedent, if any, created by the treaty is a positive one for the U.S. merchant marine. First, it reconfirms that the 1904 act can only be revised by congressional action. Second, it confirms that if the act is revised by congressional action to address special circumstances, steps must be taken to assure there is no adverse impact on U.S.-flag service. Third, the circumstances underlying the treaty are so unique that the committee cannot envision them arising in any other trade."

As part of the Icelandic accord, the administration also stated that: (1) it would withdraw the proposed revisions to the Department of Defense acquisition regulations which would have given the secretary of the Navy broad discretion to waive the 1904 act in any trade; and (2) the Iceland treaty would be implemented in such a way that the U.S.-flag service in the trade would not be disadvantaged as a result of the treaty.

All of the above notwithstanding, the fact is that the long-term prospects are not good for a statutory program that can only be enforced at the point of an injunction and that fails to produce adequate revenues for its intended beneficiaries even when it is enforced.

This is not a result of the Rainbow dispute or of any of the dozens of other similar disputes that preceded it. The problem, plainly and simply, is a lack of conviction in the executive branch that the cargo preference is sound policy.

Although every presidential candidate for at least the last three decades has voiced support for the U.S. Merchant Marine, the actions or inactions of each succeeding administration have resulted in a further deterioration of the U.S.-flag fleet. In fact, the basic question may not be whether the cargo preference policy is sound but rather whether the government is truly committed to the existence of a private U.S.-flag fleet at all.

Assuming it is, and presently this assumption cannot be made, then the question becomes how best to achieve that goal. It is obvious that the system of direct subsidies is comatose if not dead. Absent some other mechanism, such as adoption of the cargo sharing provisions of the United Nations Conference on Trade and Development (UNCTAD) Code, the cargo preference laws are the last line of support for the U.S.-flag industry.

Once the problem is recognized, it can be dealt with. First, the government and the U.S. maritime industry must jointly quantify the levels of U.S. Merchant Marine capacity and employment necessary to meet our national defense and foreign policy objectives. Secondly, there must be an agreement on the means for achieving that goal, a unified, national commitment that recognizes the real long-term savings to the United States if our merchant marine is preserved.

The cargo preference, if properly administered, can resume its role as an effective and efficient impetus for a strong merchant marine. The United States has long recognized the wisdom of stockpiling strategic materials. Strategic services can also be stockpiled through the use of a preference that embraces guaranteed, cost-based procurement directed to actual requirements.

The Military Airlift Command has used such a preference for 2 years to build up its commercial augmentation airlift, with great success and with an overall program cost that is viewed as a bargain. While there are obvious differences between air and ocean transportation, the basics of a MAC-type program are readily transferable awards based on commitments of dedicated and reserve capacity to the national defense, and rates based on the average costs of the participating carriers.

These are not new ideas. Indeed many have been advanced in the past and some, such as the Federal Maritime Commission's experiment with the setting of military rates have been attempted in the past, But they have never been considered or attempted as part of a coordinated plan.

In the final analysis, the U.S. government and the U.S. maritime industry have to stop confronting each other and begin to jointly confront their common problem—the threat to the continued existence of a U.S. Merchant Marine. Cargo preference should not be an adversarial issue. It should be a means to an end.

MEDICAID COMMUNITY SPOUSE PROTECTION AMENDMENTS OF 1987; H.R. 1711

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1987

Mr. WAXMAN. Mr. Speaker, on March 18, Mr. SCHUMER and I introduced the Medicaid Community Spouse Protection Amendments of 1987, H.R. 1711. We were joined by 30 cosponsors, including Mr. ROYBAL, chairman of the Select Committee on Aging, Mr. PEPPER, chairman of the Aging Committee's Health and Long-Term Care Subcommittee, and Mr. STARK, chairman of the Ways and Means Health Subcommittee.

This bill will eliminate one of the most indefensible inequities in the Medicaid Program, through which the Federal and State governments pay for basic health services for eligible poor people. It will protect elderly spouses—mostly women—from impoverishment when their husbands are too ill to stay at home and must be placed in a nursing home at Medicaid expense.

There is a great deal of interest right now in catastrophic health care coverage. One of the main causes of financial catastrophe among the elderly is the need for nursing home care, which can easily cost $2,000 to $3,000 per month. A report prepared for the House Select Committee on Aging (Pub. No. 99-508) concluded, based on 2 case studies of a total of 900 elderly in Massachusetts in 1984, that one out of three married couples 66 years or older will be impoverished within 13 weeks after one spouse enters a nursing home. After a year, one out of two elderly married couples will be impoverished. After 2 years, four out of five will be impoverished.

Of course, private insurance coverage against this expense is not generally available. And Medicare will not protect the elderly against the cost of an extended nursing home stay. Medicaid does offer coverage for long-term nursing home care in every State but Arizona. Yet very few elderly realize that if the husband enters a nursing home, and the couple's income is coming to him, Medicaid may pay for his nursing home care, but only by pauperizing the wife.

Under current Medicaid law, if the couple's pension and other income is paid to the spouse in the nursing home—generally the husband—then the wife is permitted only a monthly allowance, established by the State, to meet basic maintenance needs, such as food, utilities, medical care, and so forth. The maintenance needs allowance for the community spouse in most States is in the neighborhood of $340 per month, although in one State it is as low as $150 per month. In addition, the couple's liquid resources—that is, savings accounts, money market funds, and so forth—must be applied to the cost of the care of the husband in the nursing home until the assets are reduced to $2,700—in the first month of institutionalization—and $1,800 thereafter.

That leaves the community spouse—generally the wife—in an untenable financial position. If the couple owns a home, she is allowed to keep that, but her monthly income is completely insufficient to maintain the home, pay the taxes and heating and cooling bills, feed herself, pay her medical expenses, and meet her other basic needs. Moreover, she has no cushion of savings on which to draw, since any jointly held liquid resources have been drawn down to pay for the husband's nursing home care until he is resource eligible. It is macabre, but in some cases, she will be better off economically if her husband dies, freeing up the pension income for her sole use.

One has to look long and hard before finding another public policy as sick as this.

A number of States have tried to adopt their own approaches for easing the hardship on the community spouse. But the Health Care Financing Administration [HCFA], citing its own regulations, has adamantly opposed these efforts. For example, my own State of California, a community property jurisdiction, has adopted a rule which, in the case where the couple's income is going to the spouse in the nursing home, basically splits the income in half, reserving half for the spouse in the community and applying most of the rest to the cost of nursing home care. Last November, HCFA formally disapproved these policies, and the matter is pending in Federal court. Similarly, Ohio, which is not a community property jurisdiction, allows the community spouse to retain $324 if she has no income, and, if she has income, to receive a contribution from the community spouse to bring the total up to $377 per month. HCFA has also disapproved this State Medicaid policy, and the matter is before the Federal courts.

In New York, some community spouses have been placed in such desparate financial straits by the HCFA regulations that they have taken the drastic step of suing their own husbands for support. Some courts have ordered the institutionalized spouses, in effect, to increase the maintenance needs allowances to their spouses at home. HCFA is taking the position that, notwithstanding any local court order for support, the institutionalized spouse may not make any greater contribution to the community spouse than allowed under its regulations.

I find it highly ironic that the same agency which speaks so fondly of State flexibility in the administration of the Medicaid Program is so insistent upon a uniform national policy in this context. It is clear that, until the Federal Medicaid statute is changed, there will be no relief for community spouses.

H.R. 1711 would put an end to pauperization of the community spouse. It will benefit about 110,000 elderly couples. This, according to the Congressional Budget Office, is the approximate number of individuals with spouses in the community that will be institutionalized at Medicaid expense in fiscal year 1988. Of these, about 28,000 will be newly institutionalized next year, and therefore will benefit from the new resource protections as well as the new income allowance; the remaining 82,000 or so who are already institutionalized, and have already spent down their resources, will benefit only from the new maintenance needs allowance.

In brief, under this bill:

All States would be required to allow community spouses to keep a monthly income of 150 percent of the Federal poverty level for a two-person family—$925, plus an adjustment for excess shelter costs—if any—plus half of the remaining income, if any, of the institutionalized spouse, up to a total of $1,500 per month.

States would be required to allow the community spouse to retain liquid assets of $12,000.

Beneficiaries would be allowed to appeal the adequacy of the monthly needs allowances for their community spouse.

States would have to recognize support orders for higher maintenance needs allowances or asset levels issued by State or local courts.

Community spouses currently receiving higher maintenance needs allowances or having more protected resources than provided under this bill would be held harmless against any loss.

This bill has the support of the American Association of Retired Persons, the National Council of Senior Citizens, the Older Women's League, and Villers Advocacy Associates. These organizations have made a major contribution in bringing this issue to the attention of the Congress.

The Congressional Budget Office has not yet had an opportunity to provide a cost estimate on H.R. 1711. However, based on preliminary, unofficial estimates that CBO has done of other proposals with similar features, I believe that this proposal will increase Federal Medicaid outlays in the first year by roughly $350 million. Again I stress that this is not even a preliminary CBO estimate; it is my best judgment of what the CBO estimate is likely to be.

Whatever the final CBO estimate proves to be, this number will represent the subsidy that community spouses, most of whom are elderly women, now pay to the State and Federal governments for the nursing home care for their Medicaid-eligible husbands. Medicaid does—and properly should—insist that the persons on whose behalf it pays for health care be poor. Medicaid should not, however, drag the community spouse down into poverty as well.

THE CHALLENGE OF AMERICAN CITIZENSHIP

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1987

Mr. MURPHY. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its ladies auxiliary conduct the voice of democracy broadcast scriptwriting contest. This year more than 300,000 secondary school students participated in the contest, competing for the seven national scholarships which are awarded as top prizes.

The winning contestant from each State came to Washington, DC, for the final judging. The Veterans of Foreign Wars brought these students to our Capital as their guests. The contest theme this year was "The Challenge of American Citizenship."

I am proud to announce that Joseph Andrew Smydo, from my congressional district won third place honors in this year's scriptwriting contest. For his achievement of third place, Joseph will receive a $4,500 scholarship. Joe Smydo is the son of Andrew and Kristy Smydo of Scenery Hill, PA. He is a senior at Bentworth High School and he is still 5 months shy of his 18th birthday. It is indeed a proud feeling his parents must share with young Joe over this accomplishment. It is also gratifying to me to know that the youth of today do take note of the responsibilities that go along with the freedom we all have and enjoy.

Mr. Speaker, I would like to insert the text of Joe's winning script into the RECORD in order that my colleagues might have the opportunity of sharing this young man's wisdom.

THE CHALLENGE OF AMERICAN CITIZENSHIP

(By Joseph Smydo)

Ever since Paul Revere roused New England farmers from their beds to fight the British at the Battle of Lexington, Americans have been called upon to defend their citizenship.

Thumbing through the pages of American history will yield a crop of heroes whose contributions to the development and security of this nation were enormous, and whose memory is timeless. Americans have reiterated again and again Patrick Henry's passionate utterance: "Give me liberty or give me death".

Our eagerness to defend the shores of this great country is hardly surprising when one considers the tremendous opportunities afforded to those who call America their home. Americans are the only people on earth who truly realize the concept of freedom.

But to enjoy the liberty we inherited from our forefathers, to appreciate with a truly aesthetic eye the delicate superstructure called democracy they created, we must carry on the challenge of American citizenship.

Across the globe, right now, Americans are being challenged because of their citizenship. Among a rash of terrorist incidents, a dozen Americans have been abducted by the warring factions in Lebanon's civil war. They were kidnapped not for any personal transgression, but because the United States refuses to call for the release of political prisoners in Israel. These hostages are facing the ultimate challenge of citizenship. They are heroes just as much as the minutemen who defied the British infantry.

The Americans who survived terrorist torture have returned home with nothing but respect for the land, its leaders, and principles. To be used as a political pawn in an international contest and then come home with unshaken pride is a true test of faith.

Said David Jacobsen after 17 months of captivity in an Islamic Jihad safehouse, "The best things in life are free. I'm darned proud to be an American".

There is a type of terrorism to be fought at home, too. Hunger, homelessness, and illiteracy have taken hostage the potentially productive lives of many Americans. The public, government, and a plethora of social agencies must challenge these evils together, or they will grow in intensity. Our challenge to deliver them from the jaws of despair must fuse with their challenge to succeed. The result would manifest the destiny of democracy; a government of all people, by all people, for all people.

Another responsibility shared by all citizens is to make the United States a better place. Every year, the boundless imagination, ceaseless toil, and unsurpassed brilliance of United States citizens lead to startling scientific discoveries. Some hypotheses are proved, others are disproved. We probe deeper and deeper into the ocean's once impenetrable realm, and even the vastness of the Milky Way decreases with advancements in space technology.

The seven astronauts aboarad the Space Shuttle Challenger's tenth and final voyage are perfect examples of men and women who would do anything for their country. Well aware of the dangers of unperfected space flight, they ignored personal concerns and concentrated on contributing to America as a whole, on heightening her world opinion. Like these seven, this country has been blessed with a multitude of heroes willing to accept the challenge of citizenship.

Said Newsweek's Jerry Adler of the shuttle disaster, "As long as there are frontiers to cross, there will be men and women to whom the challenge is worth the risk of their lives."

This country has been built on a foundation of hard work by determined people. Every President from George Washington to Ronald Reagan has left the indelible stamp of progress on these 50 states. Out of Plymouth Rock we have hewn a great democracy. Lest anyone forget, however, there is still work to be done. There still exists the challenge of American citizenship.

ASIAN AND PACIFIC AMERICANS CIVIL RIGHTS ALLIANCE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1987

Mr. MICHEL. Mr. Speaker, the Asian and Pacific Americans Civil Rights Alliance [APACRA] has submitted a petition to me, outlining the origins, goals, and major concerns of this newly formed civil rights group. Of particular concern to APACRA is the "informal quota system that works against Asian-American applicants for admission in educational institutions, especially in Ivy League colleges."

At this time I wish to insert into the RECORD the petition of the Asian and Pacific American Civil Rights Alliance, including an article that appeared in Newsweek magazine:

PETITION OF ASIAN AND PACIFIC AMERICANS CIVIL RIGHTS ALLIANCE

The Asian and Pacific Americans Civil Rights Alliance (APACRA) is an advocacy organization of U.S. citizens who trace their origin to India, the Philippines, China, Pakistan, Cambodia, Korea, Vietnam, Malaysia, Sir Lanka, Indonesia and the Pacific Islands. The Asian American community of about seven million people has been adversely affected by lack of representation in high level decision-making in the federal government, uneven enforcement of the civil rights laws, and selective discrimination in education and employment. Our community members are subjected to unnecessary prejudice and bigotry by those who may be jealous of our drive for excellence in education, business, and the professions.

The Asian American community makes a greater than proportional contribution to the economic, educational and cultural life of this nation. Even though we are not overly active in partisan politics, our participation in federal and state elections in recent years has been increasingly significant. Being a highly informed segment of the public, Asian Americans are increasingly becoming a political factor to be reckoned with in all future elections. We are organizing ourselves as a major force in the 1988 Presidential and State elections.

As of now, we are totally neglected by both political parties. No Asian has ever been appointed as the head of any federal agency. We are excluded from membership in the Civil Rights Commission and Equal Employment Opportunity Commission. We have no significant and meaningful voice in administering and enforcing the various minority programs of the federal government. We want to change this existing status of second-class citizenship. We want to participate in the process of decision-making which affects our lives and future. And we need the strong support and initiative of decent leaders of our country. We want the support of Congressman Robert Michel.

One of our immediate concerns is the existence of an informal quota system that works against Asian American applicants for admission in educational instutitions, especially in the Ivy League Colleges. The system is designed to prevent "overrepresentation" of ethnic Asian Americans in professional schools and institutions of higher learning. The existence of such a system is well publicized by the newspapers and electronic media in recent months. A copy of an article which appeared on February 9, 1987 of the Newsweek is attached. It describes the quota system that is being established at MIT, Harvard and Princeton. It is deplorable, to say the least, that these world reknowned institutions which are symbols of democracy, human rights and free competition pursue an admission policy based on consideration other than the merits of the applicants. Such a policy suppresses the human potential and aspiration for excellence.

It is clear that the discriminatory quota system denies Asian Americans equal protection of the laws guaranteed by the U.S. Constitution. (*Regents of University of California* v. *Bakke*, 98 S.Ct. 2733; 438 U.S. 26). Furthermore, these institutions, being participants in the various federally assisted programs, violate the federal civil rights laws. (*Grove City College* v. *Bell*, 104 S.Ct. 1211; 465 U.S. 555). Title 42, Section 2000d admonishes that, "[N]o person in the United States shall, on grounds of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance." Denial of admission to Asian American students under the quota system is an outright discriminatory act solely based on national origin or race.

The federal government has the right and obligation to take legal and administrative action against the institutions which continue the quota system. We request that the Education Department and the Department of Justice take appropriate enforcement action before the beginning of the next admission season. The Education Department should also initiate an investigation into the policies of the Ivy League and other major educational institutions as they relate to admissions in the medical, legal, and other professional colleges. The result of such investigation should be reported to the U.S. Congress.

[From Newsweek Magazine, Feb. 9, 1987]

DO COLLEGES SET ASIAN QUOTAS?—ENROLLMENTS ARE UP, BUT THEY COULD BE HIGHER STILL

With a mix of awe and animosity, students in the Boston area joke that MIT stands for Made in Taiwan. Like many of the nation's most competitive schools, the Massachusetts Institute of Technology has experienced huge increases in Asian-American enrollments. Across the Ivy League, Asian-Americans, who make up only 2 percent of the nation's college-age population, account for 11 percent of this year's freshman class. Proud of their high grades and test scores, Asian-Americans say they should be doing even better—and have accused top colleges of imposing ceilings to keep them out. "Asians are being discriminated against," charges Arthur Hu, an MIT alum who has studied Ivy League admissions patterns. "Unwritten quotas are making it more and more difficult to get into selective schools."

Recent admissions patterns do raise troubling questions. The nation's toughest institutions began admitting large numbers of Asian-Americans in the mid-1970s. But as their applications increased—by as much as 1,000 percent—the acceptance rate dropped; at Yale, the "admit" rate for Asian-Americans fell from 39 percent to 17 percent in the last decade. The timing was no coincidence, charges University of California, Berkeley, Prof. Ling-chi Wang. He claims that when worried schools realized what was happening, they began to curb the numbers.

Colleges deny setting ceilings, but they have taken the charges seriously. A Stanford University subcommittee concluded that "unconscious biases" might be responsible for the discrepancy in admission rates; subcommittee member Daniel Okimoto, a political-science professor, found that Asian-American applicants were often stereotyped as driven and narrowly focused. Princeton and Harvey have concluded that Asian-Americans are admitted at a lower rate only because they are under-represented in two important applicant pools—alumni children and athletes.

Some critics accuse schools of deliberately adjusting admission criteria to keep Asian-American numbers down. Berkeley revised its procedures in 1983 to give greater weight to essays and extracurricular activities, areas in which Asian-American students traditionally fare less well. The university says Asian-Americans were irrelevant to the decision; they make up 26 percent of the freshman class this year, up from 22 percent in 1978. Brown University, meanwhile, keeps a log of minority admits during admissions season, reportedly to achieve a total of 20 percent. "Asian-Americans should be concerned," says a Brown admissions officer. "We call them enrollment goals, but it works out about the same as a quota."

Assembling a freshman class has always been more than a numbers game at prestigious colleges, based not only on grades but on alumni connections, interviews and a vague sense of who will "fit in." The emphasis on leadership and participation has sometimes hurt Asians, who have the reputation of "being somewhat isolated unto themselves," says Richard Moll, author of "The Public Ivys." Schools also succumb to social and political pressures. "The concept universities love beyond all others is diversity," says Marvin Bressler, chairman of the Princeton sociology department. "But it's a highly flexible word." Before World War II, for example, "regional diversity" was a way of keeping out Jews, who tended not to live in Montana.

Schools opened the way to previously excluded ethnic groups in the 1960's. Now Asian-Americans have turned affirmative action on its head by outperforming not only other minorities but the majority as well. As a result, educators are asking themselves whether it is legitimate to try to preserve the traditional, largely WASP culture of most prestigious schools. "Stanford could become 40 percent Jewish, 40 percent Asian-American and 10 percent requisite black," says emeritus Harvard sociologist David Riesman. "You'd have a pure meritocracy, and that would create problems for diversity and alumini." Ironically, even their academic competence has sometimes worked against Asians in a milieu that fondly remembers the gentleman's C. Clearly, Asian-Americans have earned a secure place for themselves at America's finest schools, but those institutions are still coming to terms with their changing identity.

"THE ODD VOLUMES" LITERARY GROUP CELEBRATES ITS CENTENNIAL YEAR

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1987

Mr. GUARINI. Mr. Speaker, I would like my colleagues in the House of Representatives to know of the 100th anniversary of "the Odd Volumes," a literary study group in my district.

According to Mrs. Jacqueline Connors, a social and community leader in our area, and the wife of Judge Richard T. Connors, Judge of the Superior Court of New Jersey, the following is a history of the group from 1887 to 1987:

Hudson County's oldest federated club, the Old Volumes, began in 1887 when the late Miss Cecilia Gaines, later Mrs. John A. Holland, returned from Europe and invited seven young friends to her home to have lunch. Miss Gaines, feeling a need for cultural motivation, decided to form a study club.

The idea of a woman's study club was not looked upon favorably by the older generation and was thought to be an almost dangerous experiment.

They called themselves the Odd Volumes in the imitation of two societies known by that name; one a group of distinguished writers in London, who after their books were printed, destroyed the plates, making the editions rare and hard to obtain. The other was in Boston, a group who collected rare manuscripts.

Friends were asked to join but membership was limited to 35 since they met in homes. Many others who could not join formed the Jersey City Woman's Club in 1894, with the same Mrs. Holland as vice president. In 1896 she became president of the State Federation. The Odd Volumes was a charter member of the federation.

It is in honor of Mrs. Holland that the federation at its annual convention each year chooses a woman who is outstanding in community service as the winner of the Cecilia Gaines Holland Award.

The club had started meeting before Jersey City had a public library. Club members bought books, took them to meetings and exchanged them. The club is still interested in books and libraries. It has a memorial book shelf at the Five Corners branch of the Public Library at Summit and Newark Avenues. Whenever a member dies, the club gives a book in her memory. There are 65 books in the collection which contain classic, rare, and contemporary books on a variety of subjects. The books are available to the public for research purposes.

The club is purely literary and cultural in nature. The members meet from October to May on the second Thursday of the month in members' homes. The program committee selects the topic in the early spring for the following year. Members are assigned certain months and after considerable research, write a paper which is then discussed at the meeting. A brief summary of the paper is recorded in the minutes as a permanent record. These minutes, containing almost 100 years of Jersey City history, have been placed on the shelves of New Jersey Room at the main branch of the Jersey City Library. This was done last April on the 99th anniversary.

Papers written by members embrace a varied and timely list of subject matter. This year's Centennial Program is entitled "Movers and Shakers: Six Who Helped Shape the Future." The members will hear papers on six important women who have contributed to our country during these 100 years: Susan B. Anthony by Mrs. E. McFarland; Jane Addams by Miss Florence Voorhees; Frances Perkins by Mrs. Francis Morley; Amelia Earhart by Miss Eleanor McGlynn; Martha Graham by Mrs. Lawrence Caruso; Sandra Day O'Connor by Mrs. Richard F. Connors.

On April 9, 1987, the group will celebrate its 100th birthday at the Jersey City Woman's Club. The theme of the day will be "A Glimpse Into Our Past." The chairpersons are Mrs. John Muccia and Mrs. Ronald Dinsmore. The program chairman for the year is Mrs. Paul J. Duffy. The president is Miss Adelaide Dear.

The club has not changed its original purpose which is to provide an opportunity for women to study and discuss worthwhile ideas and achievements as recorded in literature.

The Fine Arts Branch of the Jersey City Public Library is holding an exhibit for 2 weeks in April displaying the Odd Volume Bookshelf mentioned above.

Imagine a world without books, which have shown the history of mankind, its knowledge, its trials, tribulations, and progress and accordingly, has nourished the world.

It was Henry David Thoreau who said:

> Books are the treasured wealth of the world and the fit inheritance of generations and nations. Their authors are a natural and irresistible aristocracy in every society, and more than kings or emperors, exert an influence on mankind.

I wish to commend this literary group for spotlighting this year, six outstanding women who have indeed helped shape the world:

Susan B. Anthony, who dedicated her life to organizing women in their fight for voting rights, beginning in 1869, formed the National Women's Suffrage Association;

Jane Addams, the reformer who helped immigrants by founding the Hull Settlement House and helping individual families find housing, jobs, health care, and cultural activities and recreation. She described how much better it would be if all the children should be taught to use equally and to honor equally both their head and their hands. It would then be of little importance to themselves or to others whether the child finally served the commonwealth in the factory or in the legislature.

Frances Perkins, who served as Secretary of Labor under President Franklin D. Roosevelt, was the first woman to hold a Cabinet post.

Martha Graham, 92, is an American dancer, teacher, and choreographer. Born in Pittsburgh in 1895, she first appeared in vaudeville and in 1926 made her solo debut in Manhattan, dancing to classical and early modern music in her own free and interpretive style. Her innovative technique inspired many dancers including Isadora Duncan.

Amelia Earhart (1897-1937), American airwoman, born in Atcheson, KS was the first woman to fly the Atlantic from Newfoundland to Blurry Point, Wales on July 17, 1928. Her plane was lost over the Pacific in July 1937.

Sandra Day O'Connor made further history on September 25, 1981, when she became the first woman Justice appointed to the U.S. Supreme Court.

Their foresight and determination resulted in great progress in the areas of social significance and equal opportunity for all Americans. Progress we all enjoy today.

I also wish to take this occasion to salute the founder of the Odd Volumes, the late Mrs. Cecilia Gaines and the dedicated members of the group who will celebrate their centennial on April 9.

The composition of our society is held together because they work hard along common lines in a common spirit with reference to common aims, developing a growing interchange of thought and unity. The printed word—our books—the pages made from blocks of wood produced in China in 853; cast in bronze in Korea in 1215, and made with movable type in 1445 in Germany; and now produced with computers, have provided a spirit of free communication, the interlacing of ideas, suggestions and results, both successes and failures, of previous experience, have played a dominating role in our existence.

I am sure that the Members of this body wish to salute the Odd Volumes on their 100th anniversary.

MAJORITY LEADER FOLEY: BRAKE ON PARTISANSHIP

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1987

Mr. LEVINE of California. Mr. Speaker, last week the Washington Post ran an article about the new majority leader, TOM FOLEY. It presented a compelling portrait of one of the House of Representatives' most accomplished legislators.

The Post article uses the crucial role Representative FOLEY played in easing the impact of the draconian Gramm-Rudman legislation and his efforts to find a compromise between the House and the White House on arms control to illustrate his ability to get things done.

My own experience with the majority leader has been in the fight to end the administration's disastrous policies in Central America. TOM FOLEY, perhaps more than any other Member of Congress, deserves the credit for frustrating the Reagan administration's efforts to expand the war in Central America. He has been a thoughtful, articulate, and effective leader for a more rational, reasonable, and effective policy in that crucial region.

The House of Representatives is a better institution because TOM FOLEY is the majority leader. I am honored to serve with him.

I ask unanimous consent that the text of the Washington Post article be printed in the RECORD.

[From the Washington Post, Mar. 30, 1987]

MAJORITY LEADER FOLEY: BRAKE ON PARTISANSHIP

(By Tom Kenworthy)

When Rep. Thomas S. Foley went home to Washington state during last month's congressional recess, he quickly ran into the type of issue that makes Democrats salivate in a year when fair trade is one of their battle cries.

Meeting with several dozen farmers at the Spokane fairgrounds, Foley was asked whether Congress will impose the herbicide restrictions on imported Canadian lentils that the Environmental Protection Agency places on the domestic crop.

House Majority Leader Foley easily could have trashed the Reagan administration's handling of the issue. But he passed up taking what could have been an easy shot for quick political points.

Instead, Foley launched into a lengthy and erudite explanation of the sometimes obscure pitfalls of protectionism. "It's a two-edged sword," Foley said, reminding the farmers, many of whom grow winter wheat for export, that European nations use similar tactics to keep out U.S. agricultural products.

That performance was typical of someone who was once called "worst-case Foley" by a Washington state colleague. It was the kind of judicious, long view he regularly serves up to his 256 Democratic colleagues who last December unanimously elected him to the No. 2 House leadership post.

Whether in his conservative district in eastern Washington—home to some of the country's most productive wheat-growing counties—or in the halls of Congress, where he has spent the last 23 years, Foley has made a career of telling people things they don't want to hear.

And while that quality has not always been appreciated, over time it has made Foley one of the most respected members of Congress and helped him carve a safe seat out of a district that hasn't supported a Democratic presidential nominee since 1964.

Among House Democrats, particularly during the early Reagan years when the House was the focal point of opposition to the president's agenda, Foley has been criticized for being too cautious, too slow to wave the partisan banner and too moderate.

His sometimes exasperating habit of endlessly dissecting the merits of an issue instead of hewing to the party line once led then-Speaker Thomas P. (Tip) O'Neill Jr. (D-Mass.) to say, "Tom Foley can argue three sides of every issue."

Yet even many of the most liberal members of the House have credited Foley as being an important brake on an institution that has a tendency to be reflexively partisan.

"It's essential for good public policy to have a Foley," Rep. Leon E. Panetta (D-Calif.) said. "The House needs someone who says, 'Wait a minute.' There's a natural inclination of leadership to try and slam dunk issues . . . . If you always let your gut instincts control the issues and the institution, it would not take much to walk off a cliff."

It was Foley, for example, who played a key role in persuading the House to accept a compromise with the Reagan administration that prevented a divisive clash over arms control immediately before the president met with Soviet leader Mikhail Gorbachev in Iceland last October.

In the days leading up to the talks, Reagan sharply criticized House Democrats for trying to tie his hands at the summit by insisting in a defense authorization bill that the United States halt most nuclear testing and continue compliance with provisions of the unratified SALT II strategic arms limitation treaty.

Foley was instrumental in getting the House to back off in exchange for a promise from the president to seek Senate approval of two nuclear test treaties and then to resume negotiations for a comprehensive test ban.

Foley, said Rep. Thomas J. Downey (D-N.Y.), believed that some House Democrats might lose their seats in last November's elections if the Reykjavik summit were unsuccessful and Reagan returned blaming the Democratic-controlled House for the failure.

A year earlier, Foley played a similar role in fashioning the Democratic response to the Gramm-Rudman-Hollings deficit-reduction legislation when the Senate attached it to a bill raising the debt ceiling.

The legislation, with its provision for automatic spending cuts, horrified may Democrats in the House, including many committee chairmen. Spoiling for a showdown with the Senate, the chairmen urged the leadership to strip off Gramm-Rudman-Hollings and ship the debt-ceiling increase back across the Capitol.

"The chairmen wanted to tell the Senate to take it and stuff it," said one House member who attended the meeting. "[Foley] compared them to regular Army sergeants who want to charge the enemy's tanks and rip the treads off with their bare hands." Foley, understanding there were enough votes to pass it, asked the key question: "Where are your troops?"

Foley and another legislator who shared his pragmatic approach, Rep. Richard A. Gephardt (D-Mo.), formed the nucleus of a working group convened to make Gramm-Rudman-Hollings easier for the Democratic Caucus to swallow. Over three weeks and 160 meetings, they modified the bill to exempt many entitlement programs from the automatic cuts and require that any spending reductions be equally shared by defense and domestic programs. They also made sure its impact would be felt before the 1986 congressional elections so that Republicans might be held accountable for their handiwork.

Foley's response to Gramm-Rudman-Hollings illustrates what many of his Democratic colleagues cite as the majority leader's most valuable trait, his ability to anticipate how an issue will play, how the opposition will react and how it will affect the political fortunes of the Democratic Party. It is a kind of political over-the-horizon radar that allows Foley to detect ambushes where other members see clear sailing.

Foley, Downey said, "is like a counselor for the House. If you're trying to figure a game plan of what will happen, no one is better than Tom. He'll figure the upside and the downside better than anyone."

"It's a psychological and mental habit of looking at things." said Foley, suggesting he inherited the trait from his father who spent 35 years on the Superior Court bench in Spokane. "I was raised with the suggestion that it's a good quality to see how others see things . . . . I'm accused of being bloodless, but Congress is collegial. You need all kinds of people in the institution. You need chargers and people who say which way."

Others, however, attribute Foley's political antennas—and his innate caution—to the fact that he's always represented a heavily Republican congressional district, one that Reagan carried with 60 percent of the vote in 1984.

In Depression-era Spokane, the Foley household was a lonely Democratic outpost. The neighbors regarded the Foleys as "nice people, but odd, like we belonged to a very strange religion," Foley said.

Foley's boyhood companions would shovel furiously in the neighbood sandbox, chanting "free enterprise," and then lean on their shovels and say "WPA, WPA." Rising to the defense of President Franklin D. Roosevelt's Works Progress Administration, Foley would shout "WPA" as he shoveled and "free enterprise" as he slacked off.

But if the district's voters have been unkind to Democratic presidential candidates, they are noted for ticket-splitting. As an elected judge, Foley's father always led the ticket. And Foley discovered early in his first campaign for Congress in 1964 that deep roots can overcome party affiliation.

Returning to Spokane after serving as an assistant attorney general and aide to the then-Sen. Henry M. (Scoop) Jackson, Foley filed at the last moment for the congressional seat held for 23 years by Walt Horan (R-Wash.).

Early in that campaign, Foley traveled to nearby Lincoln County—one of the district's

Republican bastions—for the annual agricultural fair in the town of Davenport. With an Irishman's gift for story telling, Foley recalls how the county Democratic chairman introduced him:

"He gathered a group of about 10 farmers around in front of one of the exhibition buildings and proceeded to introduce me. He gave a little speech in which he said I was, as he put it, 'out of Spokane,' like you'd introduce a fighter. Well, Spokane was the place a lot of people went to shop but we are not talking Lincoln County now, we are talking about the big city. And he said that my father was a judge there. You could see a little uneasiness about that. There'd been a couple of farm foreclosure sales somebody may have remembered.

The next thing he said is that I was an honored graduate of the University of Washington. Well, the U of W was in Seattle. Seattle was considered in every way an unreliable place for anyone to go or be from, and the University of Washington had the slight aura of a Marxist-Leninist institute. And he said I'd been a deputy prosecutor in Spokane and an assistant attorney general. The attorney general's office had just put out some revisions in land valuation that were very unpopular. I thought, you know, this cannot be any worse. He told them about my working for Scoop, which wasn't bad because Scoop was pretty popular in the area. But that was about the only positive note in the entire recitation.

"But then he paused and said, 'Tom's mother was born right here in Davenport.' And someone said, 'The hell she was!' And I said, 'Yes sir,' He said, 'What was her name?' I said 'Helen Higgins.' And he said, 'Helen Higgins was your mother?' I said 'Yes sir.' He said, 'Is Shorty Higgins your uncle?' I said, 'Yes sir.' He said, 'Steve and Annie Higgins were your grandfolks?' I said, 'Yes sir.' He said, 'You come with me.'

"Two minutes later I was on a platform with a microphone. And this man who I'd never known till a couple of minutes before said, 'All right, folks, I want you to meet Tom Foley, he's running for Congress. Now he's the wrong party; he's a Democrat. But he's the grandson of Steve and Annie Higgins who homesteaded here. He's Shorty Higgins' nephew and Helen Higgins' son.' "

That November, Foley almost carried Lincoln County, and he hasn't lost it since.

Family ties notwithstanding, Foley has been vulnerable at home to the charge that he represents the values and folkways of Washington, D.C., more than he does those of Washington state.

Urbane and well-schooled, with a taste for modern art, opera and expensive stereo equipment, Foley does not exactly blend in with the crowd at the grain elevator. As former O'Neill aide Christopher Matthews noted, "He reads books with hard covers."

But if Foley talks the language of the learned—quoting, for example, from Samuel Johnson and verbatim from the 1930 congressional debate over the Smoot-Hawley tariff legislation on a recent day in his district—he also knows the intricate vocabulary of farm policy that needs no translation around Spokane.

His leadership on agricultural issues probably accounts for his political survival, including a narrow escape in the 1980 election, when he won with 52 percent of the vote. Foley has served as chairman of the House Agriculture Committee. He retained the chairmanship of its wheat, soybeans and feed grains subcommittee during his years as majority whip.

Now, as the No. 2 Democrat in the House leadership and in line to be the next speaker, it is unlikely that Foley's constituents—who gave him 75 percent of their vote last fall—will turn him out.

SOVIET JEWRY

HON. JON L. KYL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1987

Mr. KYL. Mr. Speaker, I would like to take this opportunity to include in the RECORD, an article written by Pamela B. Cohen, national president, and Micah H. Naftalin, Washington representative, of the Union of Councils for Soviet Jews. Titled, "If Jews Are for Sale, What Are Our Terms," it makes for important and timely reading.

IF JEWS ARE FOR SALE, WHAT ARE OUR TERMS?

(By Pamela B. Cohen)

According to Moscow sources available to the Union of Councils for Soviet Jews, a new super court under Andrei Gromyko will have sweeping new powers over the fate of Refuseniks by dispensing final "political" judgments as to whether they can emigrate in spite of so-called "security risk" considerations. Under the Presidium of the Supreme Soviet, the new decision making body will have final and irreversible jurisidiction over such cases. This is a major new development because it constitutes an unprecedented formal, Soviet admission at the highest level of government that these decisions, which have long been defended as a juridical, internal problem are in fact political and thus subject to international pressure and bargaining. If such is the case, and recent events suggest it is, it is now time to set the terms.

This week, for the first time to our knowledge, we have direct, first hand confirmation, straight from Deputy Chairman Makarov of the Consular Department in Shevarnadze's Foreign Ministry, that "the problems of secrecy, as applied to Jewish emigration, must now be decided politically." To the Union of Councils for Soviet Jews, this means only one thing: While the Ministry of Interior formerly handled all refusals, and now continues jurisdiction for all but security cases, it is the Foreign Ministry, on behalf of the Presidium, announcing that security decisions by the review body under Gromyko are henceforth political. Thus, the Soviets are putting the approximately 11,000 long-term Refuseniks (about 20 percent of the total) up for sale, and hoping that, in these days of eagerness to believe that the propaganda of Glasnost is really liberalization, the United States will be seduced into paying the ransom too cheaply with trade concessions in exchange for promises or continued token emigration. All recent signs point to the assessment, in our view.

Although emigration by Soviet Jews has, in recent years, been reduced to a trickle since the high point, in 1979, when approximately 50,000 Jews were permitted to leave, Soviet law calls for open emigration based on the Soviet's adoption of the covenant on Civil and Political Rights ratified, in 1976, by the Presidium. According to Article 12, parts 1 and 2, any citizens is entitled to leave his country and to return back home. In addition to this binding provision, the Third Basket of the Helsinki Accords, a solemn though non-binding agreement, signed by the Soviets in 1975 with 34 other nations, provides for the reunification of divided families. So far, while they simply ignore the law, the Soviets also play games such as restricting the relatives to "spouses and children only" when defining family, to prevent greater numbers from even applying, thus creating a vast backlog of people wishing to leave. The more straightforward exception is the case of refusing emigration on the grounds of national security—that is, that the individual of family member (here, family is broadly defined) allegedly possesses military or state secrets. By virtue of the fraudulent application of the secrecy exception, thousands of Jews have been denied permission to emigrate, and unknown numbers more denied the right to even apply.

For instance, in the mid-1970's, those Soviet Jews who were justifiably denied the right to emigrate because they held valid security clearances were regularly informed that there was a five year wait for security cases. For this reason, many Jews quite their security jobs and waited for the time limit before applying. And, in practice, the security limitations were imposed even on individuals performing no classified work if any secret work was going on anywhere on their post or plant. Lev Elbert, for example, has been denied on security grounds for building an Officers' Club swimming pool! In any event, such terms were never observed.

Just as Refuseniks generally do not necessarily receive the otherwise routine and prompt answer from the Ministry of Interior's OVIR (visas) department to their applications to emigrate, so too here, the stated expiration dates were ignored to the case of Jews. Long-term, pre-Afghanistan invasion Refuseniks, such as Vladimir Slepak, Naum Meiman, Lev Elbert, Yakov Rakhlenko, and Natasha Khassina, have been refused emigration on national security grounds for up to 17 years. And, in a mad, catch-22 situation, many, like Yuli Koshorovsky, were told when the secrecy period expired, that while they were no longer denied for security reasons, the Ministry of Interior denied exit because they had no family members abroad. Now, to compound the matter, we are told that secrecy reasons are now being revived as the current basis for refusal even though the time limit has lasped.

It has been reported widely that while Gorbachev, in 1985, publicly stated, in Paris, that the normal ceiling for such restrictions is 5 years—10 at most for expecially sensitive information—Gennady Gerasimov, speaking for the Soviet Foreign Ministry, recently said some security categories are indefinite or unlimited and that some, such as the above named, will never be permitted to leave. Up until now, the affected Ministry made the determination, according to Edward Shevardnadze's Deputy, Makarov, at the Foreign Ministry. What makes the new, Gromyko authority of major importance and interest to Soviet Jewry activists is the acknowledgement of a change of venue from domestic-bound Ministries to the international political arena of the Presidium itself.

The recent signs involve the orchestration of a carefully staged propaganda campaign masquerading as Glasnost, or openness, the elements of which, insofar as Jews are concerned, include the release from jail of almost all of the Jewish Prisoners-of-Conscience; the approval of emigration for a very small number of highly visible Refuseniks; the release, albeit too late to save them, of a few cancer patients ballyhooded as humanitarianism; vague promises of significantly increased levels of emigration; a rise in March emigration approaching the 500 per month rate, compared to an average of only 75 in all of 1986, and, now, a rash of meetings with Jewish leaders. This entire campaign is designed to reach a crescendo coinciding with the current Vienna meetings of the conference on Security and Cooperation in Europe, the visit to Moscow of Margaret Thatcher, the upcoming visit of 20 Congressman led by the Speaker of the House, and culminating with the visit of Secretary of State George Shultz. This is by no means the first time the Soviets have orchestrated the appearance of liberalization to influence major meetings or negotiations. Even in the Brezhnev era, the two visits by President Nixon, in 1972 and 1974, were preceded by the release of highly prominent Refuseniks. It bespeaks a recognition that the Soviets take seriously the high priority we give to progress in the area of Human Rights. Lacking such progress, they had had to resort to manufacturing the illusion.

What is of concern to the Union Councils is the apparent widespread willingness, by the public and press, to take some hope from these "signals" when, in fact, they are insignificant as of the moment and absent the acid test of time. One month of emigration at the 500 level clearly does not constitute a trend or a shift in policy to an appropriate level. What's more, despite generally strong Administration statements linking the need for human rights improvements to progress on other fronts, we are uneasy about certain decisions that suggest that this subject matter interferes with business as usual. For instance, where we had a policy that cultural exchanges should result from human rights progress, they were agreed to at Geneva without such a quid pro quo. The same can be said for the recent decontrol of oil and gas drilling equipment in exchange for what the Commerce Department found to be one of the worst anti-human rights years. If these concessions were indeed signals to the Soviets, their response will have to be subtantially larger than the token 11,000 Refuseniks commonly discussed if we are to support a temporary lifting of Jackson-Vanik.

Here, then, are our requirements:

1. The minimum appropriate level of permitted emigration for which serious concessions, even of a temporary and provisional nature, should be comtemplated is a return to the 1979 mark of over 4,000 per month for a full year, with priority given to long-term Refuseniks and those refused for "security" reasons, together with concrete evidence of a commitment by the Soviets to continue to increase the rate. We are today serving notice on all concerned that the UCSJ will actively oppose and protest the granting of any economic concessions in exchange for anything substantially less.

2. We continue to be alarmed that the list of 11,000 Refuseniks, presented to Secretary Shultz at the time of the Reykjavik summit meeting by the National Conference on Soviet Jewry, and presented to the Soviets this week, gives the impression that this list represents all Refuseniks when, in fact, it represents no more than 10-20 percent of the total. The Union of Councils for Soviet Jews, however, remains committed to the rescue of all of the at least 50,000 Refuseniks as the baseline for considering economic concessions.

3. Beyond that, we are committed to the remaining 350,000 Soviet Jews who, everyone but the Soviets concedes, have expressed a desire to emigrate to the West. These are the Jews who are not technically Refuseniks primarily because the Soviet rules for accepting applications exclude them and thus they have not been allowed even to apply and be formally refused permission. Thus, to the Union of Councils, proper evidence of Soviet good faith beyond the emigration of the first 50,000—i.e., presumably, the presently certified Refuseniks—must include a lowering of barriers to application such as by broadening the definition of family to include any relative, and the elimination of false security claims so that the balance of the 400,000 and subsequent applicants can apply, be processed and actually emigrate. Once this happens, incidentally, we will see how the remaining one and one half million Soviet Jews, that CBS 60 Minutes' reporter Mike Wallace says are "living more or less satisfying lives", read and react to the more welcoming signals. Moreover, we believe that any Jew must be accorded the legal right he already has to emigrate freely to Israel without reference to the present or absence of relatives in Israel.

4. What's more, while we are waiting for progress in emigration, we will continue to vigilantly demand:

Humane treatment for all Soviet Jews.

An end to the beatings and bullying of defenseless protestors.

An end to the practice of commiting Human Rights activists to mental hospitals, and the release of those so condemned because of political activism.

The establishment of decent labor and health care conditions in the Gulag.

Permission to emigrate for all former Prisoners-of-Conscience, and the release and emigration of current POC's.

An end to state-sponsored anti-Semitism, including acknowledgement of the right to study and teach the Hebrew language and culture and to practice their religion.

An end to the blackmail of requiring emigres to pay the debts of family members for whom they are not financially responsible.

An end to the coercive practice of conscripting the children of Refuseniks into military service for the self-evident purpose of intimidation, since such service automatically adds at least several years to their interminable wait to emigrate because of the secrecy loophole.

A requirement that refusals be in written form, stating exactly the reasons, terms of expiration of the proposed restrictions, and permitting Refuseniks to defend themselves in person at the newly established commission.

Finally, the Union of Councils applauds the outstanding rhetoric of the President of the United States and Secretary of State, who have up until now made it clear that significant progress in human rights is the sine qua non of progress on all other fronts in our dealings with the Soviet Union. This is a lesson America learned to its peril 50 years ago: (i) so long as a nation is dedicated to making war on its own innocent citizens, and to enslaving its neighbors, it cannot be credited with genuine peaceful intentions towards its free and competitive opponents; and (ii) the bystanders to atrocities, who want to conduct business as usual with such nations, and who can be manipulated into accepting propaganda in place of deeds, are already walking the path to ruin.

The UCSJ allies itself with the position of Yuri Orlov, Natan Scharanksy, and Vladimir Bukovsky. The Soviet overture, in recent days, to the American Jewish Community is a clear and welcome indication that our policy of hanging tough on human rights has been effective, that the message has been received, and that the Soviets understand its seriousness. This is not the time to compromise principle by accepting a level far below the standard set by Brezhnev. We call on President Reagan and Secretary Shultz to continue to stand fast.

The 77,000-member rescue organization, the Union of Councils for Soviet Jews, is the oldest and largest independent organization in America dealing exclusively with the cause of Soviet Jewry.

SPOUSAL IMPOVERISHMENT: A DETAILED EXPLANATION

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1987

Mr. WAXMAN. Mr. Speaker, I have received a number of inquiries on the issue of Medicaid spousal impoverishment. I have prepared the following detailed explanation of how current Medicaid law can pauperize older women whose husbands must enter a nursing home, and how the bill that Mr. Schumer and I have introduced, H.R. 1711, would solve this problem.

Current law. Medicaid is a means-tested entitlement program for the poor. Eligibility for coverage, including payment for nursing home care, is tied to an individual's categorical status (aged, blind, disabled, or family with dependent children), an individual's income, and an individual's resources. The income and resource standards which States apply in determining eligibility—that is, the amount of income and resources that an individual may have and be considered poor enough to qualify for Medicaid—vary considerably.

In most States, elderly people receiving cash assistance under the Supplemental Security Income [SSI] Program are automatically eligible for Medicaid. In some States, known as "209(b)" States, eligibility rules more restrictive than those under SSI are applied to the elderly. In about 30 States, elderly individuals who are not poor enough to qualify for SSI, but who have large, recurring medical expenses (i.e., nursing home bills), qualify for Medicaid as "medically needy." Finally, about 30 States also offer coverage, on an "optional categorically needy" basis, to nursing home residents whose incomes fall below a State-established level no higher than 300 percent of the basic SSI benefit level ($1,020 per month in 1987). SSI income and resources standards vary from "209(b)" income and resource standards, which in turn vary from "medically needy" and "optional categorically needy" income and resource standards from State to State.

Regardless of whether a State is an "SSI" or a "209(b)" State, whether it covers the "medically needy," or whether it covers the "optional categorically needy," certain rules apply for determining how much in the way of income or resources an individual has. These rules derive primarily from the SSI program and are set forth in Medicaid regulations rather than the Medicaid statute.

Attribution of income and resources. When one spouse enters a nursing home (or other institution) and applies for Medicaid, the following rule is applied for determining what that spouse's income and resources are for eligibility purposes. After the first full month of institutionalization, each spouse is treated as a separate household. Thus, what happens to the community spouse depends on which spouse is institutionalized, who receives the income, and how the resources are held.

Income is considered to belong to the spouse whose name is on the check. Thus, if the couple's Social Security and pension checks are made out to the husband, and if the husband enters a nursing home, after the first month all of the income is considered his, and the wife receives only a maintenance needs allowance. If the wife enters the nursing home, however, none of the income is considered hers after the first month, and the husband has no obligation to make any contribution to the wife's cost of care. (Any contribution the husband might choose to make will simply be applied to reduce, dollar for dollar, the amount that the Medicaid Program pays for the wife's nursing home care).

The same rule applies to countable resources, which are basically liquid assets like savings accounts, mutual fund investments, certificates of deposit, etc. (The couple's home, regardless of its value, is not counted in determining eligibility, nor is it subject to liens imposed by the State for recovery of Medicaid costs, so long as the community spouse lives in it.) If the liquid assets are jointly held, they are considered to belong entirely to the institutionalized spouse, on the theory that he or she has an unrestricted right to use them. If the assets are held by the community spouse, however, they are considered, after the first month, to belong to him or her, and there is no obligation on the part of the community spouse to contribute any amounts to the care of the institutionalized spouse.

Maintenance needs allowance for the community spouse. Once the institutionalized spouse has established that he is both resource—and income—eligible for Medicaid, usually by "spending down" his countable resources to a level of $1,800, the following rules govern the disposition of his income each month. The beneficiary is allowed a personal needs allowance (generally $25), an allowance for certain medical expenses not covered by Medicaid, and, what is at issue here, an amount of the maintenance needs of the community spouse. This amount, combined with the community spouse's income, if any, allow the community spouse a certain level of income. This maintenance needs level may not exceed the highest of the SSI, State supplementation, or "medically needy" income standard in the State. As the following table, based on a March 1987, analysis conducted by the American Association of Retired Persons, indicates, these community spouse maintenance needs levels vary greatly from State to State:

State:	*Maintenance needs level*
Alabama	$340
Alaska	632
Arizona	(1)
Arkansas	188
California	534
Colorado	229
Connecticut	375-450
Delaware	164
Dictrict of Columbia	362
Florida	340
Georgia	340
Hawaii	300
Idaho	(2)
Illinois	267
Indiana	(3)
Iowa	340
Kansas	341
Kentucky	192
Louisiana	187
Maine	350
Maryland	325
Massachusetts	354
Michigan	358-370
Minnesota	397
Mississippi	340
Missouri	340
Montana	340
Nebraska	375
Nevada	173
New Hampshire	354
New Jersey	372
New Mexico	340
New York	417
North Carolina	233
North Dakota	345
Ohio	(4)
Oklahoma	(5)
Oregon	342
Pennsylvania	373
Rhode Island	475
South Carolina	340
South Dakota	257
Tennessee	150
Texas	340
Utah	289
Vermont	398
Virginia	217-325
Washington	368
West Virginia	200
Wisconsin	442
Wyoming	195

[1] Arizona operates, under demonstration authority, a Medicaid program that does not cover nursing home or other long-term care benefits.

[2] Up to $393.

[3] Up to $340.

[4] Up to $258.

[5] None.

After the amounts for the personal needs allowance, maintenance needs allowance, and uncovered medical expenses have been deducted from the monthly income of the institutionalized spouse, the remainder is applied to the cost of the nursing home care. The difference between the institutionalized spouse's contribution and the nursing home's allowed rate is paid by the State, with Federal Medicaid matching funds. Thus, the greater the maintenance needs allowance for the community spouse, the smaller the institutionalized spouse's contribution to the cost of his care, and the greater the State and Federal Medicaid outlays for the cost of his care.

Resources. The amounts of countable resources that a person may have and qualify for Medicaid vary from State to State, and by basis for eligibility. Most States follow the SSI levels, which in 1987 are $1,800 for an individual and $2,700 for a couple. To prevent people from giving away assets in order to qualify for Medicaid, States are authorized to look back 2 years from the date of application for eligibility, and if a person transferred an asset for less than fair market value, to deny eligibility for a specified period of time. The length of the eligibility delay depends on the amount of the assets given away, but it can be more than 2 years.

The effect of these resource rules is that, in order to qualify for Medicaid coverage, the institutionalized spouse must "spend down" all of his countable resources but $1,800 by paying for his nursing home care. If all of the couple's liquid assets are jointly held, then they are considered available to him and must be spent before he qualifies, leaving the community spouse with access to only $1,800 in savings and other liquid assets. The only way for the couple to avoid this result in most States is to transfer the assets from the husband to the wife at least 2 years before the husband enters the nursing home and applies for Medicaid.

Court-ordered support. In some cases, courts have issued orders against institutionalized spouses requiring them to make monthly support payments in certain amounts to their spouses in the community. The policy of the Health Care Financing Administration [HCFA] is that, notwithstanding such an order, the income of the institutionalized spouse is to be considered available to him for purposes of determining the amount of his contribution toward the cost of nursing home care. The only part of his income which HCFA policy acknowledges as available to the community spouse is the specified maintenance needs allowance.

H.R. 1711. The bill adds a new section to the Medicaid statute which establishes rules for the treatment of the income and resources of a couple where one spouse is institutionalized at Medicaid expense. The bill does not alter income and resource standards for eligibility; the levels established by States, whether "SSI," "209(b)," "medically needy," and/or "optional categorically needy," would not be altered. Similarly, current law as to what income and which resources are "exempt" and which are "non-exempt," and how that income and those resources are valued, remain unchanged. The rules in this new section apply only to couples with one spouse in an institution; no other class of applicants or beneficiaries would receive comparable treatment.

The spousal protection rules in this bill set a uniform national policy that applies in all States, whether or not they are community property jurisdictions, and whether or not they automatically make Medicaid available to SSI recipients. States have discretion within the parameters set by the bill, but the parameters are the same in all States.

The spousal protection rules in this bill apply regardless of the basis of eligibility: categorically needy, optional categorically needy, or medically needy.

Hold harmless. To assure that no beneficiary would be inadvertently disadvantaged by these new rules, the bill allows an institutionalized individual to elect to be governed by the eligibility and post-eligibility rules in effect on March 1, 1987, rather than the rules provided under this bill.

Attribution of income and resources. The bill establishes uniform rules for attributing income and resources for purposes of determining eligibility. The 1-month waiting period in current law is eliminated, and the following attribution rules apply immediately upon entering the nursing home, hospital, or other medical institution. No income or resources of the community spouse are considered available to the institutionalized spouse. In the case of both income and resources, if the income and resources are jointly held, half is considered available to the community spouse. Otherwise, the income or resource is considered available to the person who holds it (or in whose name it is held). The same principles apply to income and resources held in trust, unless the trust specifically provides otherwise.

Maintenance needs allowance for community spouse. After an institutionalized spouse has met the resource and income criteria for eligibility, the income attributed to that spouse is applied as follows each month. First, at least $25 is deducted for that spouse's personal needs allowance. Then, a community spouse monthly income allowance is deducted. Then a family allowance, for each family member, if any, residing with the community spouse, is deducted. Finally, uncovered amounts for incurred expenses for medical care are deducted. The remainder of the institutionalized spouse's income is applied to the cost of his or her nursing home care.

The community spouse monthly income allowance is the amount needed to bring the community spouse's monthly income, including any income otherwise available to her, up to a minimum level. This minimum level is defined as the sum of (1) an amount equal to 150 percent of the two-person Federal poverty level—$925 per month in 1987—plus (2) an excess shelter allowance (the amount by which mortgage expenses or rent plus utility costs exceed 30 percent of the amount in (1)), plus half of the institutionalized spouse's remaining income.

In no case can the contribution from the institutionalized spouse raise the level of income available to the community spouse to more than $1,500 per month, adjusted annually by the rate of increase in the Consumer Price Index. This $1,500 cap does not apply if the community spouse's income equals or exceeds $1,500.

The bill entitles institutionalized spouses to notice of these rules and to a fair hearing if the community spouse allowance, as determined by the State, is inadequate.

Resources. The bill creates an exception to the current prohibition against transferring assets for less than fair market value within 2 years of applying for Medicaid. An institutionalized spouse may, at any time, transfer resources attributed to him to the community spouse in an amount which will raise the level of resources available to the community spouse (counting any that she already has) $12,000. This was approximately the median income for all over-65 households in 1985, and would give the community spouse about 1 year's financial protection should her spouse die shortly upon being placed in a nursing home.

Court orders. With respect to both income and resources, if a court has entered an order against an institutionalized spouse requiring the contribution of income or resources to the institutionalized spouse, the income and resources cannot be considered available to apply to the cost of nursing home care, subject to the $1,500 income and $12,000 resource ceilings.

Effective date. The provisions are effective October 1, 1987, unless a State requires legislative action to amend its State Medicaid plan.

Example. Assume an elderly couple who own a home assessed at $90,000, a 5-year-old car worth less than $4,500, and have personal and household effects worth less than $2,000. They also have a joint savings account with a balance of $20,000. The husband's monthly income, from his Social Security and his pension, is $750. The wife worked in the home all her life, and her only income is a Social Security check in the amount of $150. The husband develops Alzheimer's disease and his wife, no longer able to care for him at home, must place him in a nursing home. The State covers the "optional categorically needy" nursing home residents under Medicaid, and sets its income standard for nursing home coverage at $1,020 per month, and its resource standard at $1,800 in nonexempt assets.

Current law. Assume the couple lives in a State which sets its maintenance needs allowance at $340, and which prohibits transfers of assets. The couple's home, car, and personal effects are exempt resources, and are not considered in determining Medicaid eligibility. However, the joint savings account is attributed to the husband, who will not qualify for Medicaid until he spends $17,200 on his nursing home care. At a cost of $2,000 per month, this will take about 9 months. (If he were to tranfer the joint account to his wife, the State could deny him eligibility for more than 2 years).

Once he is resource-eligible, the husband's income is applied as follows: An allowance of $25 for personal needs, an allowance of $190 for the maintenance needs of the community spouse ($340 minus $150), and $75 for uncovered medical costs. The remaining $460 of the husband's income applies to the cost of nursing home care, reducing the total Federal and State Medicaid payment by $460.

The wife in the community is left with a monthly income of $340 (her $150 Social Security check plus her husband's $190 contribution) and access to the $1,800 remaining in their joint account. Before her husband entered the nursing home, their income as a couple ($900 per month) was about 146 percent of the Federal poverty level; after institutionalization, her income is 75 percent of the Federal poverty level.

H.R. 1711. As under current law, the couple's home, car, and personal effects are exempt resources, and are not considered in determining Medicaid eligibility. At the time the husband enters the nursing home, half of the joint savings account balance ($10,000) is attributed to him, the other half to his wife. Since the wife still has only $10,000 in liquid assets, he may transfer up to $20,000 more to her. The husband must then apply all but $1,800 of his $10,000 to the cost of care. At $2,000 per month, this will take less than 5 months.

Once he is resource-eligible, the husband's income is applied as follows: At least $25 for personal needs and $725 for the maintenance needs of the community spouse. (The community spouse is allowed a minimum of $925, including her income; since her income is only $150, she can receive at least $775 from the husband, which in this case exceeds the husband's entire income, other than his personal needs allowance). Nothing remains to apply to the husband's medical costs that are not covered by Medicaid, and nothing remains to reduce the cost of the husband's nursing home care to the Medicaid Program.

The wife in the community is left with a monthly income of $875 (her Social Security check plus the maintenance needs allowance), or 190 percent of the Federal poverty level for a single individual. She also has $12,000 in liquid assets. Relative to current law, Medicaid coverge would begin roughly 4 months earlier, and the total Federal and State Medicaid payment to the nursing home would go up by $535 per month (the difference between the husband's $190 contribution under current law and $725 contribution under the bill).

EAGLE SCOUT EDWARD ROBERT SIGNORINO

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1987

Mr. MURPHY. Mr. Speaker, I rise at this time to recognize an outstanding achievement attained by my constituent, Edward Robert Signorino, of Uniontown, PA. He was recently awarded the highest rank in Scouting—that of Eagle Scout. Scouting is an activity that symbolizes the highest ideals of our great country, and Edward is to be commended for this achievement. I believe it speaks highly of his talent, dedication, and character.

Mr. Signorino has gone on to serve this country in the Armed Forces and I am confident he will continue to uphold the high standards of the Eagle Scout rank.

CORRECTIONS TO H.R. 1067

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1987

Mr. DOWNEY of New York. Mr. Speaker, I am introducing legislation today that corrects technical problems in earlier legislation I introduced, H.R. 1067, regarding mental health benefits under the Medicare Program. The intent and goals of this new legislation are no different than those associated with H.R. 1067. In order to provide the widest possible opportunity for my colleagues to note the technical changes in the new legislation, I insert it here:

H.R. 1945

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be citied as the "Medicare Mental Illness Non-Discrimination Act".

SEC. 2. ELIMINATING DISCRIMINATION WITH REGARD TO MENTAL ILLNESS UNDER PART A OF THE MEDICARE PROGRAM.

(a) IN GENERAL.—Section 1812 of the Social Security Act (42 U.S.C. 1395d) is amended—

(1) in subsection (b)—

(A) by striking "(subject to subsection (c))" in the matter before paragraph (1);

(B) by inserting "or" at the end of paragraph (1);

(C) by striking "; or" at the end of paragraph (2) and inserting a period; and

(D) by striking paragraph (3);

(2) by striking subsection (c); and

(3) in subsection (e), by striking "subsections (b) and (c)" and inserting "subsection (b)".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to services furnished on or after January 1, 1988.

SEC. 3. ELIMINATING DISCRIMINATION WITH REGARD TO MENTAL ILLNESS UNDER PART B OF THE MEDICARE PROGRAM.

(a) IN GENERAL.—Section 1833 of the Social Security Act (42 U.S.C. 13951) is amended by striking subsection (c).

(b) CONFORMING AMENDMENT.—Section 1866(a)(2)(A) of such Act (42 U.S.C. 1395cc(a)(2)(A)) is amended by striking the second sentence.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to costs incurred on or after January 1, 1988.

LOUDENSLAGER SCHOOL COMMEMORATES FORT BILLINGS

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1987

Mr. FLORIO. Mr. Speaker, recently, the staff and students of Loudenslager Elementary School in Paulsboro, NJ, prepared a report on Fort Billings, the first piece of land ever owned by the Government of the United States.

In the 18th century, Fort Billings served a vital purpose. It was the staging ground for what was to become the independence of the Thirteen Colonies from their mother country, England.

The students of the school have done an excellent job in documenting the history of Fort Billings and the contribution that it made to the creation of the United States. Below, I am including an excerpt of their report:

FORT BILLINGS—A SUMMARY

During the Revolutionary War, there were three forts along the Delaware to protect Philadelphia. In our research we found the three forts were planned, built, and run by several groups in Philadelphia. These were the Council of Safety, the Committee of Safety, the Board of War, and the Supreme Executive Council. These groups from Pennsylvania were in charge because the three forts protected the city of Philadelphia from the British during the Revolutionary War.

Two of the forts, Mifflin and Red Bank(Mercer), are well taken care of and remembered today. The third fort, Fort Billings, is little but a hole in the ground, forgotten by most people. Here is a brief summary of what we have found as we researched Fort Billings.

In January of 1776, the Committee of Safety sent one of their members, David Rittenhouse, to inspect the Jersey shore. He decided that it was not a good idea to build forts at Billingsport or Red Bank since they were too far from the chevaux de frise and the enemy could land above or below it and capture the fort without any trouble.

In spite of Mr. Rittenhouse's report, the Committee of Safety sent Washington a letter stating that they were going to sink the chevaux de frise and build a fort at Billingsport. They hired Robert Smith to supervise the work.

On July 4, 1776, after the Declaration of Independence was signed, the Continental Congress ordered that 96 acres of land at Billingsport be purchased from Benjamin Weatherby. On July 5th, the Thirteen United Colonies paid 600 pounds to Margaret Paul and her son, Benjamin Weatherby.

Construction of the fort began. On February 11, 1777, Robert Smith died at Billingsport. John Bull was hired to replace Smith and the work continued.

On March 13, 1777, for the first time, the Council of Safety asked Governor Livingston of New Jersey, to send men to help build the fort. Livingston agreed to help.

In the summer of 1777, five men wrote reports on the forts guarding the Delaware River. Phillipe Du Coudray wrote 4 reports, and he recommended Billingsport because it was high and at the narrowest part of the river.

On August 1, 1777, Washington inspected the three forts. Washington thought Fort Island (Fort Mifflin) was the best fort and Billingsport should be a secondary fort.

Washington asked three of his officers to report on these forts also. All three officers liked Fort Island. They didn't like Billingsport because it could be attacked easily from the rear.

Lord Cornwallis took over Philadelphia by land on September 26, 1777. The next day, after learning that the British were sending men to attack Billingsport, General Washington decided to attack the British at Germantown. Washington told Colonel Bradford to take command of Fort Billings and to evacuate it.

British Colonel, Thomas Stirling, was ordered to attack Billingsport. He landed all his men near Raccoon Creek by October 1, 1777. On the morning of October 2, 1777, General Newcomb met with Col. Bradford at Billingsport. He took his militia from the fort and marched south along the main road (Kings Highway) to meet the British. Newcomb met the British near Mantua Creek, but the British had 1500 men and Newcomb could not stop them. Col. Bradford ordered Fort Billings evacuated, spiked the cannons, and set fire to the barracks. About 12 o'clock, the British were so close that Bradford completed the evacuation. One man was wounded. The evacuation was carried out by boats from the Continental brig, Andrew Doria, and the Continental Marines. The marine officers who carried out the evacuation were Lieutenants Dennis Leary and William Barney.

For the next 2 weeks, the British tried to clear the chevaux de frise. By October 13, 1777, the British had moved enough of the chevaux de frise to get their ships by.

From November 17th to 19th, Lord Cornwallis and General Wilson landed over 5,000 men at Billingsport. These men were to march up the road to attack Red Bank. On November 21, 1777, the British took over Red Bank after the Americans evacuated it.

The British held control of Fort Billings until June 1778. During this time, the British rebuilt part of the fort. The British used the fort to protect their ships using the Delaware and to protect their men looking for supplies.

The next record we have of Billingsport is September of 1778 when the Supreme Executive Council inspected the fort. They ordered Col. John Bull to rebuild it.

In the spring of 1779, another French designer, Duportail, was asked to look at the forts of the Delaware. He recommended forts at Billingsport and Fort Island, but left out Red Bank.

The rebuilding continued at Billingsport but only a few soldiers were kept there until the Revolutionary War was over. After the war, the land was rented to a farmer.

During the War of 1812, Billingsport was again used by the United States to guard the Delaware River. It was also used as a place to train soldiers.

By an act of Congress in 1819, the Secretary of War was told to sell any military site that couldn't be used for fighting. In 1834, the Secretary of War, Louis Cass, sold the land at Fort Billings to John Ford and Joseph Gill for $2,000. At this time, the first piece of land ever owned by the United States passed back into private hands.

I applaud the achievement of the Fifth Grade Fort Billings Committee of the Loudenslager School. The committee, including James Amato, Tynaya Espy, Amaris Gaines, Candido Muriel, Anastasia Venable, Tanya Cutler, Michael Frisby, Alvia Lee, T'Mara Pollard, and Kelli Blue, was given a lot of advice from Mr. James Crawford and Mrs. Christine Smith of their school.

Thanks to a number of groups, including the New Jersey Historical Commission, Dr. Robert Harper of Glassboro State College, the Mobil Oil Corp., and the Exxon Oil Corp., the students were able to put together a fine piece of work. Their research will serve to stimulate the interest of their fellow students. The accomplishments of these students commemorate not only the importance of Fort Billings to the revolutionary cause of 1776 but also the importance of education in our children's lives.

In the course of their education, the Fort Billings Committee has demonstrated a talent and a determination to strive for excellence. Just as they commemorate the contribution of Fort Billings to the birth of a nation, I thank them for their contribution to our heritage.

FINDERS KEEPERS FOR HISTORIC SHIPWRECKS

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1987

Mr. BENNETT. Mr. Speaker, abandoned historic shipwrecks should be protected from unnecessary destructive exploitation if possible. The House passed legislation in the 98th Congress that would have allowed States to manage abandoned historic shipwrecks in their waters. Currently, shipwrecks in State waters are subject to numerous conflicting laws and, ultimately, to admiralty courts and antique admiralty laws.

I submit for the RECORD a copy of an article on this subject, which appeared in the March 27, 1987, Washington Times. I have again introduced legislation in this Congress to give States the right to manage abandoned historic shipwrecks (H.R. 74). Senator BILL BRADLEY just introduced a companion bill (S. 858) in the Senate, and hopefully the Senate will join the House so that we can get this legislation enacted, as it should be:

FINDERS KEEPERS FOR HISTORIC SHIPWRECKS?

Suzanne Fields' Feb. 19 column, "The booty hunters: Plunderers or preservationists?" contained a disputable point.

Mrs. Fields wrote: "The law of the sea is on his [the salvor's] side. Shipwrecks *more than* three miles from the shore are finders-keepers. The salvors can have the goods, but they must provide acceptable archaeological controls. Naturally, that doesn't keep divers from tearing into a profitable site like plundering pirates, attending to the record only after they've destroyed and exploited a good part of the watery lode." [Emphasis added.]

The difficulty with that statement is that it seems to say that shipwrecks *within three miles of a state shore* (roughly state waters) are adequately protected and are not "finders keepers." This is not true. Historic shipwrecks within state waters are no more likely to be protected than historic shipwrecks outside of state waters.

There is today an increased awareness that ancient archaeological sites buried beneath the sea deserve as much respect as those buried on dry land. In fact, shipwrecks under the ocean are in some way even more historically valuable than landsites. Considering the missions of these ships—exploratory, military, cargo—and the duration of their voyages to the New World, which required that they function to some extent as self-contained communities, the potential for historical gems to be mined from the vessels is considerable.

The safety net of laws—the administrative regulations and advisory councils developed over the years—has made the commercial exploitation of important American historical sites unthinkable.

States have sought to work with recreational, cultural, scientific and commercial interests to develop policies of granting access while preserving these resources. Unfortunately, conflicting federal court decisions have cast considerable doubt on the states' authority to apply these policies to historical shipwrecks. In 1981, a federal district court ruled that, in absence of explicit legislation on the subject, the law of salvage applies to historic shipwrecks. Consequently, there is no appropriate law that applies to historic shipwrecks that are in state waters or outside state waters.

For the past several years, federal legislative proposals have been considered and refined. Such efforts have ranged from the establishment of guidelines to the shifting of historic wrecks into the control of the states, which I favor. I have authored legislation in this vein for the past several Congresses and in fact was able to get it through the House during the session of the 98th Congress. However, the bill bogged down in the Senate. On the first day of the 100th Congress, I reintroduced this legislation (HR 74) which I believe is much improved over past efforts. Previous legislation needlessly worried sports divers. Divers have now agreed on the language of my new bill. This legislation, while balancing competing interests, continues to provide states with the clear authority they need to oversee historic shipwrecks within their waters.

The scope of the bill is limited. If applies only to vessels listed in the National Register of Historic Places or embedded in ocean floor or coral formations (and therefore quite old) in state waters. The narrow range of the bill would allow for significant private sector activity. It would allow entrepreneurs to make money but the states could require protection of historical assets by valid contracts with the treasure hunters.

The purpose of HR 74 is to allow states to manage cultural resources on their lands without involving additional federal regulatory authority. The Reagan administration and the National Governors' Association have endorsed the concept presented in the bill, and numerous archaeological and sport diving groups, as well as salvors with a particularly strong dedication to the integrity of historical research, also support the bill.

Clearly, time is running out to protect historic shipwrecks. W.A. Cockrell, former head of Florida's underwater archaeology program said, "In this decade, you're going to see the destruction of all shipwrecks in the state waters."

The bottom line is that ships in state waters are not adequately protected. The Washington Times is to be commended for dealing with this issue in a fair and responsible way. What we are talking about is protecting historical shipwrecks and allowing states the basic right to manage their own waters. What we are not talking about here is detracting from free enterprise or the right of the entrepreneur. We know that people who find historic shipwrecks capture the nation's imagination. But once that fascination is gone, what is left? If the answer to this question is only a ransacked piece of junk and expanded billfolds—the answer is wrong. Winston Churchill said, "The longer you can look back, the farther you can look forward." Let's act now to guarantee that we can look back at those who sailed the coasts of our American states—before there was an America.—CHARLES E. BENNETT.

FAMILY AND MEDICAL LEAVE ACT, H.R. 925

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1987

Mrs. SCHROEDER. Mr. Speaker, as one of the sponsors of the Family and Medical Leave Act, H.R. 925, I want to enter the following into the RECORD.

Representative BILL CLAY'S fine article, called Helping Families Weather Tough Times, demonstrates the best reasons for enacting the most important piece of family legislation in the 100th Congress.

As my colleague from Missouri has said so well in the article for the St. Louis Post-Dispatch: Providing the kind of leave required by H.R. 925 makes good business sense. This bill is preventive legislation that builds a bridge between the family and work.

[From the St. Louis Post-Dispatch, Mar. 3, 1987]

HELPING FAMILIES WEATHER TOUGH TIMES—FAMILY AND MEDICAL LEAVE ACT ENSURES THAT WORKERS CAN CARE FOR FAMILIES, KEEP JOBS

(By William L. Clay, Sr.)

Families in this country are clearly struggling. An underlying reason for this fact is the new economic reality that requires all adult members of the vast majority of families to work outside the home. This was not true when today's adults were growing up. It is a relatively new phenomenon that is causing parents and children to feel an increasing strain. The Family and Medical Leave Act, or H.R. 925, a bill I have recently introduced in Congress, is an attempt to come to terms with this new reality.

The bill entitles an employee to 18 weeks of unpaid family leave over a 24-month period for the birth or adoption of a child or the serious illness of a child or parent. It also provides for up to 26 weeks of unpaid medical leave over a 12-month period if an employee is unable to work because of a serious health condition.

The bill applies to employers with 15 or more employees, and the only direct cost to employers is the requirement that pre-existing health coverage be continued during the period of leave. It requires employees, whenever possible, to give notice of impending leave and that leave be scheduled to accommodate the employer.

There is no shortage of rhetoric about how important it is to "restore the family." The fragility of families is blamed for everything from rising crime rates, to illiteracy, to teen-age pregnancy to homelessness. What has been lacking is a clear understanding of what is causing families to struggle and a willingness to act on it.

Let me cite a few statistics. First, between 1950 and 1981, the participation rate of mothers in the work force tripled. Second, nearly 50 percent of all mothers with children under 1 year of age are now working outside the home and, finally, 96 percent of all fathers work and 60 percent of mothers work. Each of these figures has grown significantly in recent years.

We know something about picking up the pieces when families fall apart. We know that it is expensive. We know it is difficult. We know that a lot of what we have tried has not worked. The Family and Medical Leave Act is a new approach. It is preventive medicine. It addresses the cause of the problem and not its symptoms.

If the family is straining because nobody is left at home to care for the newborn or seriously ill child or parent, then a labor standard that can substantially relieve that stress is good and necessary public policy. Giving employees the security of knowing that at times of great family need they can take up to 18 weeks of family leave or up to 26 weeks of medical leave when suffering from a serious health condition goes to the heart of what is causing families to struggle.

Contrary to the contention that the Family and Medical Leave Act is a new departure, it is consistent with a long tradition of labor law. In the past, our labor laws have reflected the view that disregarding important social values should not benefit an employer. Thus, for example, our labor laws mandate a minimum wage, prevent the abuse of child labor and mandate standards for the health and safety of workers. Each of these standards arose when unscrupulous employers were gaining a competitive advantage over employers who were acting responsibly. Labor standard laws have been proven to cost little compared to what they accomplish.

It is true that many employers today provide the kind of family and medical leave required by H.R. 925. They do so because it makes good business sense. Granting adequate leave helps assure the loyalty of a work force and promotes productivity. The large number of employers who have adequate leave policies demonstrates that it is possible to accommodate such leave. We should support these employers by not allowing their competitors to benefit from policies that deny employees leave in times of great need.

We plan on moving this legislation. In the previous Congress, the bill progressed through committee and was ready for a vote in the House when Congress adjourned. In this Congress, we began the process earlier with a Senate that is likely to be more sympathic. We are hopeful that, with strong bipartisan support, the Family and Medical Leave Act will pass in the current Congress.

INTRODUCTION OF THE SMALL BUSINESS TRADE COMPETITIVENESS AND INNOVATION ACT

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1987

Mr. LAFALCE. Mr. Speaker, on April 1, the Committee on Small Business took a critical first step in addressing the competitive problems confronting U.S. small businesses by approving, on a bipartisan basis, the Small Business Trade Competitiveness and Innovation Act. I would like to particularly thank Congressman JOE McDADE, ranking minority member of the committee, and Congressman IKE SKELTON and Congressman ANDY IRELAND, chairman and ranking minority member of the Export Subcommittee, respectively, for their assistance and support. We are particularly pleased that the House leadership has indicated its intention to include this bill as part of this year's House omnibus trade bill.

Up to this point, there has been a serious gap in the trade debate, an important sector of the economy whose problems have been virtually ignored. Our small and midsize companies are key sources of economic growth and adjustment, yet their unique concerns have remained largely unaddressed. Therefore, it is very important that attention and focus be given to these issues in the trade bill.

Small and midsize companies account for half of our private work force, produce half of our gross domestic product, and have created nearly two-thirds of the new jobs of the last decade. These companies are the driving forces behind many of our advances in technology. Three-quarters of America's great corporations rely on small firms as suppliers, manufacturers, distributors, and customers. Entrepreneurs have spawned new businesses, indeed whole industries, while bigger firms have all too often been mired in outdated business practices. The success of many of our midsize growth companies establishes that U.S. industries—whether manufacturing, services, or high technology—can meet the challenge of international competition.

The world economy is now undergoing nothing less than a revolution. As we face the prospect of dramatic changes in the international economic structure, our small business sector is one of this country's hidden productive assets. Small business can spur the economic restructuring necessary to produce desperately needed growth in productivity, which ultimately translates into higher living standards. It can also minimize the vulnerability of the major industrial corporations to disruptions in unstable times and make them even more efficient in healthier periods.

But the potential of small and midsize companies to continue to contribute to the growth of the American economy and the overall international competitiveness of the United States is increasingly at risk.

Small firms which try to export face bewildering bureaucracies and byzantine regulations. Difficulties in acquiring and applying new technologies inhibit growth and revitalization. Capital formation is inadequate. Few mechanisms foster investment in smaller firms and these firms are largely ignored by the institutions that dominate banking and finance. Smaller manufacturing firms are disappearing as U.S. multinationals rely increasingly on a foreign subcontractor base.

The legislation reported by the Committee on Small Business provides for the creation of innovative export promotion and technology transfer programs directed at small business at the State and local level. It will also increase the access of smaller firms to the long-term capital necessary for the investment in new plant and equipment that is key to our meeting foreign competition at home and abroad.

Specifically, the legislation substantially strengthens the export promotion program of the Office of International Trade within the Small Business Administration; encourages greater emphasis on export promotion and technology transfer within the Small Business Development Center program and provides limited additional funding for those purposes; and makes available loan guarantees up to $1 million, as opposed to the $500,000 limit under existing law, for loans for the purchase of plant and equipment to be used in the production of goods and services involved in international trade where such loans are sold off into the secondary market. Not only would such a program help our small businesses to improve their competitiveness, but it would also serve to improve operation of a secondary market which links small businesses to large institutional investors.

In much of the trade bill, we are working largely to prevent further erosion of our trade position. But it is also time now to look forward and take positive steps to provide the environment in which U.S. companies can flourish; to rethink the potential of entrepreneurs and small and midsize companies as forces for economic growth; and to help provide the competitive environment in which that growth can occur.

The policy initiatives that focus on our larger corporations, however important, often do not deal with many of the legitimate concerns of our small and midsize companies. If we are to have a competitive small business sector, public policy must address its needs as well. We must expand export opportunities; minimize impediments to the growth of smaller, innovative firms; facilitate technology transfer; increase access to long-term capital; and, generally, create the conditions that foster innovation and business development. I believe that this bill marks an important beginning in addressing these issues. On behalf of Congressman McDADE, Congressman SKELTON, Congressman IRELAND, and the other cosponsors of the bill, I ask for the support of my colleagues in this important effort.

THE SEMICONDUCTOR CHIP PROTECTION ACT OF 1984

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1987

Mr. KASTENMEIER. Mr. Speaker, less than 3 years ago, the Congress passed and the President signed the Semiconductor Chip Protection Act of 1984. The Chip Act, as it has come to be known, broke new ground in the field of intellectual property law and established a form of legal protection tailored to the unique needs of the semiconductor industry. Drawing on the richness of both our copyright and patent laws, the act struck a balance between the proprietary interests of the semiconductor industry and the public interest in assuring access to benefits of technology. The act was the result of several years of work by my subcommittee—the Subcommittee on Courts, Civil Liberties, and the Administration of Justice. Much credit for the act should also go to three colleagues from the State of California: Congressman DON EDWARDS, Congressman NORM MINETA, and Congressman CARLOS MOORHEAD. The leadership in the other body of Senators PATRICK LEAHY and Charles McC. Mathias, Jr., now retired, should also be recognized.

Realizing that the semiconductor industry is international, and cognizant that the act fell neither under the Universal Copyright Convention nor the Paris Convention for the Protection of Industrial Property, we—my subcommittee and our counterpart Senate Judiciary Subcommittee—decided to conduct an experiment by providing transition provisions intended to encourage the rapid development of a new worldwide regime for the protection of semiconductor chips.

I am proud to say that the experiment—incorporated in section 914 of the act—has been a success. It may provide us with a model which can be replicated elsewhere, especially where bilateralism is to be emphasized and a multilateral treaty does not exist.

Section 914 of the act provides that the Secretary of Commerce may issue orders that make foreign nationals, domiciliaries and sovereign authorities eligible to obtain protection if certain criteria are met. First, the Secretary must find that the foreign nation is making good faith efforts and reasonable progress toward entering into a treaty with the United States; or that the foreign government protects, or is in the process of enacting legislation which will protect, U.S. mask works on the same basis as domestic mask works, or at a level similar to that provided under the act. Second, the Secretary must also find that nationals, domiciliaries, and secretary must also find that nationals, domiciliaries, and sovereign authorities of the foreign nation are not engaged in the misappropriation, unauthorized distribution, or commercial exploitation of mask works. Finally, the Secretary must determine that an order would promote the purposes of the act and international comity with respect to the protection of mask works. The Secretary delegated this section 914 authority to the Assistant Secretary and Commissioner of Patents and Trademarks; the Commissioner deserves credit for its implementation and administration.

After enactment of the Chip Act, the Commissioner published guidelines for the submission of requests for interim orders and began the consideration of a request from the Electronic Industry Association of Japan [EIAJ]. Following some initial problems concerning the sufficiency of the materials submitted by the EIAJ, the Commissioner published the EIAJ request in the Federal Register, solicited public comments, and convened a hearing. Shortly after the hearing, an interim order was issued for Japan extending protection for 1 year, but backdating the order, as permitted by section 914, to its date of receipt: In this case, only to the effective date of the act—November 7, 1984—since the EIAJ request was actually submitted on November 5, 1984.

Additional requests followed and were processed so that, today, interim orders are in place with respect to 16 countries: Japan, Sweden, Australia, the United Kingdom, the Netherlands, Canada, and the member states of the European Economic Community—France, the Federal Republic of Germany, Italy, Belgium, Spain, Portugal, Denmark, Greece, Ireland, and Luxembourg. In addition, a request from Switzerland is currently being processed.

But more importantly, this process is promoting the protection of U.S. mask works abroad. Japan has enacted a law that protects United States and Japanese mask works in a manner that is quite similar to our law. Sweden has just passed a chip protection law that will come into force on April 1, 1987. Protection under that law will immediately be extended to U.S. works. Several other countries have asserted that their existing copyright laws arguably protect chips, including the United Kingdom, Australia, and the Netherlands. Nevertheless, these three countries are actively considering whether this is a legitimate and appropriate long-term solution for chip protection.

In all of the countries to which orders have been issued, except Japan and Sweden where laws have been enacted, the Commissioner has received evidence, and the private sector agrees, that they are all making good faith efforts and reasonable progress toward enacting chip protection laws. There is no evidence, that U.S. mask works are subject to misappropriation in those countries, and all of those countries have been actively working, along with the United States, for a new treaty to protect semiconductor chips in the World Intellectual Property Organization. All of these facts bear testimony to the success of section 914 and its effective administration by the Patent and Trademark Office.

Also, soon after enactment of the Chip Act, the President issued an Executive Order No. 125041, relating to the protection of semiconductor chip products. The President delegated authority to the Secretary of Commerce—in accordance with such regulations as the Secretary may, after consultation with the Secretary of State, promulgate—to recommend issuance of proclamations under section 902 of the act. Section 902—which is derived from a parallel provision in copyright law—confers authority on the President to proclaim bilateral copyright relatives with foreign countries. Such orders are clearly revocable should the nature and level of protection afforded in a foreign country change substantially.

The success of section 914—the transitional provisions—has an effect on section 902—the more permanent section. This effect can easily be shown in the 16 interim orders under section 914, and the lack of a single proclamation under section 902.

Several questions nonetheless need to be asked and ultimately answered. Why hasn't the Secretary of Commerce issued regulations for section 902 proclamations, as is contemplated in the President's Executive order? Should section 902 be placed in limbo while section 914 is in effect? Should a formal hearing and comment period be a necessary part of the 902 process?

More importantly, there is a "fly in the ointment" that requires immediate legislative attention. The section 914 authority is scheduled to expire on November 7, 1987, 3 years after the effective date of the Chip Act. Because of the value of this provision in encouraging the development of international comity in mask work protection, I am today introducing a bill to extend the Secretary's authority for 4 more years, until November 8, 1991. I am pleased to be joined by three respected colleagues: Mr. MOORHEAD, Mr. EDWARDS of California, and Mr. MINETA. By providing this extension of authority, we will use a bilateral process to provide a continued incentive for foreign nations to move expeditiously to enact chip protection legislation in a way that will lay a sound basis for the development of a new mutilateral treaty in the World Intellectual Property Organization.

By providing for a temporary extension, we will preserve the efficacy of congressional oversight, contributing to an honest and open working relationship between the legislative and executive branches. Under this arrangement, the Department of Commerce will continue its close cooperation with and reporting to the House and Senate Judiciary Committees.

My bill—in its findings section—makes note of the positive bilateral developments just mentioned. In addition, the bill makes specific reference to efforts by the World Intellectual Property Organization to draft an international convention regarding the protection of integrated electronic circuits. These bilateral and multilateral developments, especially the development of a treaty, are extremely encouraging steps toward improving protection worldwide for mask works in a consistent and harmonious manner.

The purpose of the proposed legislation, in a nutshell, is to continue an important incentive in current law so as to stimulate further bilateral and multilateral developments.

By way of conclusion, in a "Report on the Operation of the International Transitional Provisions of the Semiconductor Chip Protection Act of 1984" submitted by the Assistant Secretary and Commissioner of Patents and Trademarks in consultation with the Register of Copyrights on November 7, 1986, it is observed that ". . . progress toward the development of a new international regime for the protection of mask works has been unusually rapid." The speedy enactment of laws in Japan and Sweden, patterned after American law, is not only a sign of progress but a great compliment to the U.S. Congress. Hopefully, more progress lies ahead. Section 914 of the Semiconductor Ship Protection Act of 1984 has been an effective tool in promoting international comity in the protection of mask works; its extension for another 4 years would serve both the interests of the United States and the interests of the world community.

I urge your support for this important legislation.

LEGISLATION REQUIRING THAT CERTAIN FISHING VESSELS BE BUILT IN THE UNITED STATES

HON. MIKE LOWRY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1987

Mr. LOWRY of Washington. Mr. Speaker, today I am introducing legislation to reduce the uncertainty surrounding a provision in existing law that could jeopardize the gradual Americanization of the fishing industry within the U.S. Exclusive Economic Zone [EEZ].

The United States maintains a three-tier system in allocating the number of fish that ships are allowed to catch and/or process within the EEZ. The first priority goes to U.S.-caught and U.S.-processed fish. The second priority is U.S.-caught and foreign-processed fish. The lowest priority is foreign-caught and foreign-processed fish.

The uncertainty that this legislation would address is whether foreign vessels can be reflagged as a U.S. vessel, and as a result, can enhance its fish allocation priority. U.S. laws prohibit the transfer of many types of foreign ships including vessels that catch fish. However, based on some interpretations, that prohibition doesn't clearly extend to fish-processing vessels.

Foreign built factory vessels have significant advantages because of construction and labor costs. There are only a few U.S.-flag factory vessels because of the enormous capital costs. In addition, many of the foreign vessels that could be reflagged have been completely amortized.

This legislation will require that all vessels that will be considered as a vessel of the United States under the Magnuson Act, after April 6, 1987, will be built in the United States. This legislation will help to stabilize the investment regime for the construction of U.S. processing capacity which will achieve the long-term goals of the Magnuson Act and result in the full utilization of the valuable fish resource within the EEZ.

I look forward to working with the gentleman from Alaska [Mr. YOUNG] and other members of the Merchant Marine and Fisheries Committee as we consider this legislation.

UNITED STATES DEFENSE FORCE ACT OF 1987

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1987

Mr. KEMP. Mr. Speaker, today I am joining with my friend Congressman JIM COURTER to introduce a bill, which has been sponsored in the other body by our distinguished colleague Senator MALCOLM WALLOP, to lay the foundations for deploying strategic defenses.

I believe that the time for business as usual is long past:

While Congress threatens severe cuts in the President's $5.8 billion SDI request, the Soviets are spending $20 billion a year on strategic defenses.

While the State Department is negotiating with some in Congress over how far we might unilaterally constrain ourselves, the Soviets are continuing an offensive military buildup unprecedented in history.

While some of our colleagues are debating narrow questions of ABM Treaty terminology, the Soviets are deploying strategic defenses.

All the while, the pace of technology and Soviet violations have combined to render the ABM Treaty truly "A.B.M."—all but meaningless.

The question is not, will strategic defenses be developed? The question is, Will the Soviet Union be the only country to possess them?

I have repeatedly said that the Strategic Defense Initiative Office needs a new mission: To deploy SDI. But General Abrahamson hasn't been given the resources to that job. SDIO was created not for the purpose of deploying strategic defenses, but only for managing SDI research.

The good news is that in 4 short years we have made tremendous progress, thanks in no small part to the dedication and talents of General Abrahamson. Today, we have the knowledge and the technology to deploy a layered system to defend this country and our allies against ballistic missile attack. But the bad news is that no one in the military has been assigned to do that.

Isn't that extraordinary? The U.S. Constitution charges Congress with providing for the common defense. In my view, defending against the most destructive weapons of our era falls squarely within that mandate. And yet, we have no such defense—even though the technology is available.

My bill would change that. It would create a new military service, with the sole responsibility of performing the mission of defending our country from ballistic missile attack. With that mission clearly established, we can get on with the decisions and the programs necessary to accomplish the mission. And SDI can become a reality.

Now, the approach outlined in this bill may not be the only or even the best solution. We may find that there are more efficient ways of accomplishing the mission of protecting the United States against ballistic missile attack. I would welcome any and all suggestions of how we might do that.

But the purpose of my bill is to trigger that critical debate. As a nation, we must address this problem with all the urgency, intensity, and serious attention to detail it requires. We must erect the legal and organizational infrastructure necessary for SDI deployment. We must turn our determination to protect America into tangible results.

This will never happen if SDI remains confined to the research laboratory. To refrain from building what antimissile devices we can to defend against Soviet missiles that exist or are on the horizon is as politically untenable as it is militarily senseless. In a time of Gramm-Rudman, an SDI program with no definite consequences for defending America and our allies for the next 10 years will not be politicaly sustainable.

This year, the ABM Treaty by its terms is up for review. We have the opportunity, indeed the obligation, to review how that treaty has been observed or broken. We need to ask whether it continues to serve our national security interests, or poses an obstacle to ensuring stability and protecting our Nation.

As I see it, the ABM Treaty—whether interpreted narrowly, broadly, or somewhere in between—has been violated by the Soviet Union; and it must not be allowed to stand above our Nation's vital security requirements.

I am introducing this bill in the hope that it will serve as a catalyst for a real program to build and deploy strategic defenses, to make President Reagan's magnificent vision a reality. I believe this is a practical first step toward enhancing deterrence, protecting our citizens and our allies, and ensuring the peace.

TRIBUTE TO JOSEPH DioGUARDI

HON. JOSEPH J. DioGUARDI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1987

Mr. DIOGUARDI. Mr. Speaker, I rise today to pay tribute to my father, Joseph DioGuardi, whom we tragically lost yesterday.

Like thousands of Italian immigrants before him, my dad arrived in New York City with his family from Naples in 1929—armed only with the desire to work hard and the determination to succeed in this new land of opportunity and freedom.

He was then 16, and, as the Great Depression occurred, he walked the streets of New York's upper east side looking for a way to support himself and to help provide for his family.

Joseph DioGuardi found it difficult to find work, yet managed to survive by shining shoes and taking other odd jobs just to get by.

Yet, Mr. Speaker, my dad managed to do more than just survive. He started a grocery business, worked very hard, and moved to the Westchester County, NY suburb of Greenburgh to raise his family.

No, this is not an uncommon story, for the promise of America offered my dad the opportunities he sought to build a better life for his children and grandchildren. He left a lasting monument of spiritual and temporal values—especially love.

From my father's first glimpse of the Statue of Liberty to his final days with us, he exemplified the qualities we admire in a father and will forever provide the inspiration to me, my brother and sister, and his grandchildren to always do our best at whatever we decide to do in life.

Mr. Speaker, I must admit that I am prouder of the achievements of my father than I am of my own modest success. He had the drive, determination, and vision to make the best of every situation and to forge a path of hope and opportunity for his children. I thank the Lord for allowing me and my family to have had such a great and admirable man for a father, and can only hope that I ultimately bestow upon my children as much love and devotion as he bestowed upon me.

INTRODUCTORY STATEMENT ON LEGISLATION TO REAUTHORIZATION CHAPTER 1 OF ECIA

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1987

Mr. JEFFORDS. Mr. Speaker, I am pleased to introduce legislation to reauthorize and extend chapter 1 of the Education Consolidation and Improvement Act. This proposal was developed by the Department of Education and, I believe, contains many ideas worth consideration by this Congress.

The administration agrees with many Members of Congress that chapter 1 is an important Federal program and has requested a $200-million increase in appropriations for fiscal year 1988 in order to maintain the program at its current strength. Further, the Department of Education spent a great deal of time and effort seeking advice on how chapter 1 programs might be improved. It is reassuring to see that many features of their proposal parallel provisions in H.R. 950, the bill developed by the Education and Labor Committee to reauthorize this program.

Some of the major themes of this legislation are: Rewarding successful chapter 1 programs by making increased funding available to outstanding programs; improving the targeting of chapter 1 so that funds are concentrated in the areas of highest need; encouraging innovation and effective practices; and strengthening the parental involvement that already exists in the chapter 1 statute. While the goals of H.R. 950 and this proposal are very similar, the Department of Education and the Education and Labor Committee have proposed different approaches to achieve those goals. For example with respect to targeting, H.R. 950 would fund "concentration grants" with the first $400 million of appropriations over fiscal year 1987 levels while the Department would fund the grants with 5 percent of the total chapter 1 appropriation.

I am pleased to have the opportunity to introduce this legislation. Although I do not completely agree with every segment of the proposal I am introducing today, I believe that all serious proposals and valid ideas should be considered during this reauthorization process. While I share the Department's concern for providing services to eligible students in private schools for example, I do not agree that providing "compensatory education certificates" to parents is the best means to achieve that end. However, the committee is prepared to examine the ideas in this bill, and adopt those elements which would improve the operation of this already successful program.

The hard work that went into developing this proposal is readily apparent. I would like to thank those persons in the Department of Education for their efforts and offer to continue to work together to see how the best parts of this legislation can be incorporated into the committee's bill.

TRIBUTE TO DR. J. JOHN KRISTAL

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1987

Mr. TORRICELLI. Mr. Speaker, it is with great pleasure that I rise today in tribute to Dr. J. John Kristal of Hackensack, NJ. Dr. Kristal is an exemplary and dedicated professional who has consistently demonstrated great caring, compassion, and concern in the many roles he has undertaken throughout his life and career.

Dr. Kristal joined the Army in 1941, retiring in 1946 as a major, after having served his country in the Medical Corps. He is not only licensed to practice in the States of New Jersey and New York, but also is licensed to practice in England, Scotland, and Wales. Dr. Kristal's extensive medical training has added another dimension to his ability not to lose sight of the human element that underlies the concerns to which he applies so much of his energy and time.

As an attending physician on staff at Hackensack Medical Center, Bergen Pines, and Fair Lawn General, he has also devoted much time and acted as a spokesman for the treatment and care of diabetes.

His concern for his community led to his trusteeship on the Hackensack Board of Education from 1963 to 1968. He has been active in Jewish causes most of his lifetime, and has held many posts in committees dealing with the needs of the Jewish community.

It would take many pages to recreate the extensive contribution Dr. Kristal has made to the quality of life in Bergen County. His sense of dignity, depth of commitment and vision are qualities that we have all come to admire and respect. We honor him today.

FLORIDA SHOULD HAVE A MAJOR LEAGUE BASEBALL TEAM

HON. CONNIE MACK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1987

Mr. MACK. Mr. Speaker, nearly 65 years ago, my grandfather, who owned and managed the then-Philadelphia Athletics, brought his team to southwest Florida's Fort Myers for spring training. Cornelius McGillicuddy, better known as Connie Mack. liked the idea of baseball in Florida. So do I!

Florida was a very youthful State in the mid-1920's when the Athletics made the journey South. Its population was only about 1 million, representing 1 percent of the country. Our cities, by today's standards, were relatively small. So while spring training in Florida made sense back then, a permanent major league franchise did not. My how times have changed.

It's a shame that America's favorite sport does not have a major league team in our State. The evidence that Florida deserves a franchise is overwhelming. Here are six of the most compelling reasons why:

First, we are now the fifth largest State. By the turn of the century, projections place us third. Our big cities are among the fastest growing in the Nation.

Second, of the eight most populated States, Florida is the only one without a major league baseball team. Six of the other seven have at least two. And no existing franchise is close enough for Floridians to attend games.

Third, Florida boasts 3 of the top 30 TV markets in the country. According to the Nielsen rankings of metropolitan areas, both the Tampa/St. Petersburg and Miami/Fort Lauderdale TV markets are larger than the markets of seven current major league cities, and Orlando's market is larger than three.

Fourth, our climate is terrific for the sport. It's no surprise that 18 of the 26 existing franchises apparently agree with my grandfather's 65-year-old decision to maintain spring training facilities in our State.

Fifth, Florida's home-grown baseball talent is impressive. Many current major league baseball players honed their skills here either at the high school or collegiate levels of the sport. Moreover, Florida's college teams invariably rank among the best in the Nation.

Sixth, Florida's cities have demonstrated organization and formal interest in expansion for over 6 years. In fact, Miami, St. Petersburg, and Tampa were among the dozen cities that presented bids to baseball officials in November 1985. And Orlando has also expressed interest in a franchise.

Baseball team owners and Commissioner Peter Ueberroth have been sounding out the idea of new expansion teams for some time. Now, however, the expansion issue seems to have drifted from the front burner to the back burner. Decisions about the number of new franchises, when they will be awarded, and to which cities, all remain unanswered. The timetable for these decisions, at best, is indefinite.

Baseball advocates in Florida have shown that they are ready! Clearly, the combination of the demographic evidence, our State's fine baseball tradition, and our baseball-perfect weather place Florida at a distinct competitive advantage for a franchise whenever the expansion decision is reached. The time for that decision is now.

NOW IS THE TIME FOR JAPAN TO LIVE UP TO ITS AGREEMENTS

HON. ARLAN STANGELAND

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1987

Mr. STANGELAND. Mr. Speaker, I rise today to voice my full support for President Reagan's decision to retaliate against Japan for unfair trade practices. It is essential that the President act when one of our trading partners refuses to abide by negotiated agreements.

On September 2, 1986, the United States and Japan signed an agreement designed to govern trade in semiconductor products. The purpose of this agreement was to enhance free trade in semiconductors by eliminating Japan's practice of dumping this product on American markets. Japanese producers were attempting to drive American semiconductor producers out of business. In addition to this practice, Japan was limiting the access of American semiconductors to Japanese markets.

Japan agreed to stop this dumping practice by monitoring costs and export prices of semiconductor products exported by Japanese firms. Japan also agreed to open its own markets to American-made semiconductors. This would be accomplished through the establishment of a sales assistance organization and the promotion of stable relationships between Japanese purchasers and American-made semiconductor producers.

To date, Japan has failed to fulfill these obligations which has adversely affected the sales of American-based semiconductor firms. In fact, the administration has calculated that Japan's failure to adhere to the semiconductor agreement has cost American semiconductor producers approximately $300 million.

The President has therefore decided to retaliate by placing duties on certain Japanese-made goods. Steep new duties will be placed on air-conditioners, radio-tape players, and communication satellite parts. This action will protect American industry that is suffering from Japan's unfair trade practices and will demonstrate our resolve to give our industry a fair chance to compete. It is now time for Japan to alter its' policy and live up to its' agreements.

FAIRNESS DOCTRINE

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1987

Mr. MARKEY. Mr. Speaker, today I am proud to introduce, along with the distinguished chairman of the Energy and Commerce Committee, Mr. DINGELL, the Fairness in Broadcasting Act of 1987. This bill will reaffirm the commitment of Congress to complete and balanced broadcasting.

The fairness doctrine requires merely that broadcasters provide coverage of issues of importance to the local community and allow those with opposing views an opportunity to respond. The doctrine ensures that the public will be provided with enough information to make informed choices about important social and political issues. It is grounded in our Nation's commitment to broadcasters service to the local community.

For more than 50 years, the fairness doctrine has been a cornerstone of our Nation's broadcast policy. It is as important today as it was in 1934. Despite technological changes resulting in more electronic media outlets, our Nation's broadcast spectrum still is limited. Many more people seek access to the airwaves than the limited availability of broadcast spectrum allows. As a result, broadcast licensees are considered public trustees of our Nation's airwaves, charged with service in the public interest. The fairness doctrine ensures that service to the public by broadcasters is balanced and equitable.

In the absence of the fairness doctrine, broadcasters could refuse to air controversial issues. The doctrine ensures that those with unpopular opinions also will have outlets to air their views. It is important to note, however, that the Federal Communications Commission, which is charged with administering the fairness doctrine, is not empowered to tell broadcasters what issues to address.

Increasingly, the fairness doctrine is coming under attack at the Commission and in the courts. The bill we are introducing today reaffirms congressional support for this very important policy.

The fairness doctrine is vital to the public interest. It guarantees that the public has full and balanced information about important issues of the day and is essential protection to ensure an informed populace.

I urge all my colleagues to join as cosponsors and support this bill.

TRUCK-MOUNTED ATTENUATOR LANGUAGE

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1987

Mr. HOWARD. Mr. Speaker, the conference report to H.R. 2 includes language that increases to 100 percent the Federal share of the cost of a limited category of safety equipment, including impact attenuators. Impact attenuators are both stationary and mobile. It is my understanding that the FHWA has approved specific hardware and systems for stationary impact attenuators, but has not as yet approved any for mobile attenuators.

As noted in the House committee report to accompany H.R. 2, the increase in the Federal share is designed to be limited to those safety products that have demonstrated their high cost effectiveness and have been accepted by the Federal Highway Administration. The conferees, as well, intended that the increased Federal share be applied only to such items. We certainly do not want to open the door for 100 percent Federal funding to products that have not demonstrated their cost effectiveness, but which are simply characterized as, an attempt to fall under the general definition of, impact attenuator.

FHWA has not yet undertaken an approval procedure for truck-mounted attenuators. However, the prestigious National Council of Highway Research Programs [NCHRP] has established evaluation criteria for these mobile attenuators. Therefore, I wish to clarify that the definition of impact attenuators in this legislation shall only include those mobile truck-mounted attenuators that would perform according to NCHRP No. 230 evaluation criteria for the widest known weight range of automobiles that can be met.

THE CHALLENGE OF AMERICAN CITIZENSHIP

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1987

Mr. YOUNG of Alaska. Mr. Speaker, each year the Veterans of Foreign Wars conducts a Voice of Democracy Contest in which high school students are invited to participate. The program began 40 years ago with a single scholarship award of $1,500 for the first place national winner. It has grown to a contest consisting of seven annual scholarships totaling $33,500 with the first place winner receiving a $14,000 scholarship to the school of his choice. Student participation has tripled and school participation has doubled since its inception.

I am proud to present the winning essay from my State of Alaska. It is entitled "The Challenge of American Citizenship" and was written by Rewa C. Hintz of Eagle River, AK. Rewa attends Chugiak High School and plans to pursue a career as a flight surgeon. She maintains a 4.0 grade point average and has received several awards during her high school career.

Her essay follows:

THE CHALLENGE OF AMERICAN CITIZENSHIP

What is it to be an American? To be what you want to be, with the freedom and courage to go get it. To many it is being an American citizen.

The other day, surrounded on all sides by friends and classmates, I felt small and insignificant, though a part of the whole. A microphone screamed in frustration, we fell silent, looking expectantly towards the doors. The speaker could barely be heard above our restless movements, as we stood for the presentation of the colors. A spine-chilling second passed, as the room was quiet for the proud entrance of the red, white, and blue symbol of all America. We stalled time in our busy lives in silence as the grandeur of the years and lives spent to make that flag everything it is hung suspended in the air. Then, as a whole, as one, our voices came together in the Pledge of Allegiance. It was not just your memorized speech, but a heart-felt pledge to the country that rose from the room that day.

In the wake of the departing flag, smattering claps bloomed into cheers. Goose bumps popped up on my arms as I joined in, realizing just how lucky I was to be an American citizen.

I did not walk away that day from the room the same. I thought of all the times I enjoyed the freedoms offered to me as an American citizen. What did I do in return for the right to speak and print what I thought? We sang songs in school, sure. We even argued her ideas, but what did I really do? What had ever happened to the ideas, like the Frenchman Sallust's, "for country, children, hearth, and home," the country was first. There were ways out there, there are ways out there, ways for everyone to show their support. After all, America was built on a belief in the common man.

Being a citizen means being able to stick it out at school when times seem tough, at least to me, to others it may mean offering her the stability of a family, working nine to five, keeping America clean, and her people safe and healthy. She holds a call for every person strong enough in heart and mind to hear it.

With the flag as a signal to wave us on, why shouldn't we all "go for the gold" with the same enthusiasm as our olympic heroes and heroines? Yet, amazingly enough so many of us don't choose to accept America's great challenge. Her rights are lost on them, and yet there are those who can hear her beckoning. They are the ones with the courage to face America. Her successes as well as her faults, to succeed, and to fail along with her. They feel the chills down their backs at the sight of the flying colors, the soaring eagle. America makes them strong. She praises and she reprimands, she blesses and takes away, but it's there for all. She gives us the challenge. Isn't it worth the try?

I've heard that call and I only hope I'm strong enough to answer it. America has it all, the opportunities abound, as a citizen I believe everyone owes her the effort of the strife. Do not get me wrong, it's not on a silver platter. No one ever said it would be easy. But those rocks in the road, the triump of overcoming them is the ultimate challenge of the American citizen, for some the "gold" from their view may never be reached, but, oh, for that fight!

USPS MUST COMPLY WITH OSHA REGULATIONS

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1987

Mr. LELAND. Mr. Speaker, today I am introducing legislation which would make the U.S. Postal Service [USPS] subject to certain provisions of the Occupational Safety and Health Act of 1970.

As chairman of the Subcommittee on Postal Operations and Services, of the House Committee on Post Office and Civil Service, I have become acutely aware of the need for legislation which would mandate that the USPS comply with OSHA regulations and that OSHA be given enforcement powers to ensure USPS's compliance. These enforcement powers would be the same as those which OSHA currently has to ensure compliance by the private sector.

During a recent joint hearing with the Subcommittee on Postal Personnel and Modernization conducted to review the tragic death of 14 USPS employees at the Edmond Post Office last August, it was learned that the Edmond facility was not in compliance with either OSHA or USPS safety regulations. Whether or not USPS' failure to comply with safety regulations added to an already tragic situation, it is inexcusable that the USPA would allow postal facilities to operate in noncompliance with both its own safety regulations, and that of OSHA's.

During the 1970's, legislation similar to that which I am introducing today, was considered. The USPS asserted then, and continues to assert today, that granting enforcement powers to OSHA is not needed. They contend that they are addressing and correcting any safety violations which exist in their facilities. Unfortunately, these assertions can no longer be accepted. The USPS may have made some strides in correcting what has clearly been documented to be very serious safety problems in postal facilities across the country, however, it is apparent that the USPS has not been vigilant enough in these efforts.

The Edmond facility is just the latest example of the USPS's apparent lack of conviction in addressing their safety problems. The Government Accounting Office [GAO], in a report issued late last year to the Committee on Post Office and Civil Service in response to our request to review the Los Angeles Bulk Mail Center, also documented various safety violations at that facility.

This lack of effort by the USPS to correct continuing safety problems is unacceptable. Providing OSHA enforcement to authorize that the USPS comply with safety regulations is both a positive and a necessary step to guarantee the safety and health of USPS employees and the public who utilizes these facilities. I urge my colleages to join me in this effort.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, April 7, 1987, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 8

9:00 a.m.

Appropriations

Agriculture, Rural Development and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Agriculture, rural development, and related agencies.

SD-138

Energy and Natural Resources

Business meeting, to mark up S. 748, to establish a comprehensive, equitable, reliable, and efficient mechanism for full compensation of the public in the event of an accident resulting from activities undertaken under contract with the Department of Energy, and S. 643, to permit States to set aside in a special trust fund up to 10 percent of the annual State allocation from the abandoned mine land reclamation fund for expenditure in the future for purposes of abandoned mine reclamation.

SD-366

Finance

To continue hearings on certain trade issues, including provisions of H.R. 3, Trade and International Economic Policy Reform Act, S. 490, Omnibus Trade Act, and Title II of S. 636, International Economic Environment Improvement Act.

SD-215

9:30 a.m.

Armed Services

Closed business meeting, to consider S. 864, authorizing funds for fiscal years 1988 and 1989 for the Department of Defense.

SR-222

Commerce, Science, and Transportation

Aviation Subcommittee

To hold hearings to review the national airspace system plan.

SR-253

10:00 a.m.

Appropriations

Commerce, Justice, State, and Judiciary, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Securities and Exchange Commission and the Civil Rights Commission.

S-146, Capitol

Banking, Housing, and Urban Affairs

To resume oversight hearings on corporate takeovers.

SD-538

Foreign Relations

Business meeting, to mark up proposed legislation authorizing funds for development and security assistance programs.

SD-419

Labor and Human Resources

To hold hearings on catastrophic health insurance for Medicare beneficiaries.

SD-430

Select on Intelligence

To hold hearings on the nomination of William H. Webster, of Missouri, to be Director of Central Intelligence.

SD-106

10:30 a.m.

Appropriations

Military Construction Subcommittee

To resume hearings in open and closed sessions on proposed budget estimates for fiscal year 1988 for military construction programs, focusing on Navy and Navy Reserve components.

SD-124

1:00 p.m.

Appropriations

Agriculture, Rural Development and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Agriculture, rural development, and related agencies.

SD-138

2:00 p.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the U.S. Fish and Wildlife Service, Department of the Interior.

SD-192

Armed Services

Conventional Forces and Alliance Defense Subcommittee

Defense Industry and Technology Subcommittee

To hold joint hearings to review balanced technology initiative projects within the Department of Defense.

SR-222

2:30 p.m.

Labor and Human Resources

Handicapped Subcommittee

To hold hearings on proposed legislation to reauthorize the Developmental Disabilities Act.

SD-430

3:30 p.m.

Judiciary

Business meeting, to consider pending calendar business.

SD-226

4:30 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To hold a closed meeting.

S-407, Capitol

APRIL 9

9:00 a.m.

Governmental Affairs

To hold hearings to review the need for an Inspector General at the Nuclear Regulatory Commission.

SD-342

9:30 a.m.

Commerce, Science, and Transportation

To hold hearings in conjunction with the National Ocean Policy Study on proposed legislation authorizing funds for fiscal year 1988 for the U.S. Coast Guard, Department of Transportation, and related matters.

SR-253

Energy and Natural Resources

Research and Development Subcommittee

To resume oversight hearings on the status of the Clean Coal Technology Program, and on S. 879, to provide financial and regulatory incentives to the electric utility industry to construct commercial-sized clean coal technology projects.

SD-366

Environment and Public Works

Environmental Protection Subcommittee

To hold hearings potential additional controls on mobile sources under the Clean Air Act.

SD-406

Judiciary
Constitution Subcommittee
To resume hearings on S. 558, to revise the procedures for the enforcement of fair housing under title VII of the Civil Rights Act of 1968.
SD-226

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Defense, focusing on Navy and Marine Corps programs.
SD-192

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the National Aeronautics and Space Administration.
SD-124

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Interstate Commerce Commission, and the Research and Special Programs Administration of the Department of Transportation.
SD-138

Labor and Human Resources
Labor Subcommittee
Business meeting, to mark up S. 79, to notify workers who are at risk of occupational disease in order to establish a system for identifying and preventing illness and death of such workers.
SD-430

1:45 p.m.
Select on Indian Affairs
Business meeting, to mark up S. 727, to clarify Indian treaties and executive orders with respect to fishing rights, and S. 795, to provide for the settlement of water rights claims of the La Jolla, Rincon, San Pasqual, Pauma, and Pala Bands of Mission Indians in San Diego County, California.
SD-628

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the National Capital Planning Commission, Energy Conservation, Energy Information Administration, and the Economic Regulatory Administration.
SD-192

Judiciary
To hold hearings to review drug testing issues.
SD-226

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for the National Science Foundation.
SD-430

Select on Indian Affairs
To hold oversight hearings on Indian economic development issues.
SD-628

Select on Intelligence
To resume closed hearings on proposed legislation authorizing funds for fiscal year 1988 for the intelligence community.
SH-219

Joint on Printing
To hold an organizational business meeting.
H-328, Capitol

2:30 p.m.
Armed Services
Defense Industry and Technology Subcommittee
To resume hearings to review Department of Defense implementation of recent changes in acquisition policy.
SR-253

APRIL 10

9:30 a.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of the Treasury, U.S. Postal Service, and general government.
SD-192

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the National Aeronautics and Space Administration.
SD-124

Finance
Private Retirement Plans and Oversight of the Internal Revenue Service Subcommittee
To hold hearings on proposed legislation providing a taxpayer's bill of rights.
SD-215

Judiciary
Immigration and Refugee Affairs Subcommittee
To hold oversight hearings on the implementation of the Immigration Reform and Control Act.
SD-226

APRIL 21

10:00 a.m.
Environment and Public Works
Environmental Protection Subcommittee
Hazardous Wastes and Toxic Substances Subcommittee
To hold joint hearings on substitutes for stratospheric ozone depleting chemicals.
SD-406

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Bureau of Indian Affairs, Department of the Interior.
SD-192

2:30 p.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal years 1988 and 1989 for the Federal Communications Commission.
SR-253

APRIL 22

9:00 a.m.
Governmental Affairs
Federal Services, Post Office, and Civil Service Subcommittee
To hold hearings on S. 552, to improve the efficiency of the Federal classification system and to promote equitable pay practices within the Federal Government.
SD-342

Rules and Administration
To hold hearings on proposed authorizations for fiscal year 1988 for the Federal Election Commission.
SR-301

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Education, focusing on the Office of the Secretary, and salaries and expenses.
SD-192

Energy and Natural Resources
To hold hearings on the recent Department of Energy report to the President entitled Energy Security.
SD-366

Environment and Public Works
Environmental Protection Subcommittee
To hold hearings on the Environmental Protection Agency views on acid rain controls and post-1987 attainment strategies.
SD-406

Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold hearings on S. 568 and S. 573, bills to protect patent owners from importation into the United States of goods made overseas by use of a United States patented process, and S. 635, Omnibus Intellectual Property Rights Improvement Act.
SD-226

Rules and Administration
To resume hearings on S. 2, S. 50, S. 179, S. 207, S. 615, S. 625, S. 725, and Amendment No. 36 to S. 2, measures to provide for spending limits and public financing for Senate general elections.
SR-301

10:00 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimate for fiscal year 1988 for the Small Business Administration, and the Federal Trade Commission.
S-146, Capitol

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Geological Survey, Department of the Interior.
SD-192

Appropriations
Energy and Water Development Subcommittee
To hold closed hearings on proposed budget estimates for fiscal year 1988 for energy and water development programs, focusing on the Department of Energy national laboratories.
SD-116

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed legislation authorizing funds for the Hazardous Materials Transportation Act.
SR-253

Select on Indian Affairs
To hold oversight hearings on the implementation of the Indian Self-Determination and Education Assistance Act (P.L. 93-638).
SR-485

APRIL 23

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Education, focusing on compensatory education for the disadvantaged, special programs, impact aid, bilingual education, immigrant and refugee education, education for the handicapped, rehabilitation services and handicapped research, special institutions (includes American Printing House for the Blind, National Technical Institute for the Deaf, and Gallaudet College), and vocational and adult education.
SD-192

Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 724, to advance the scheduled termination date of the Essential Air Service Program.
SD-628

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for programs of the Earthquake Hazards Reduction Act (P.L. 95-124).
SR-253

Rules and Administration
To continue hearings on S. 2, S. 50, S. 179, S. 207, S. 615, S. 625, S. 725, and Amendment No. 36 to S. 2, measures to provide for spending limits and public financing for Senate general elections.
SR-301

Small Business
To hold hearings on issues related to the cost and availability of health care benefits for small businesses and their employees and on proposals for federally funded mandated health benefits.
SR-428A

10:00 a.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1988 for military construction programs, focusing on Army and Army Reserve Components.
SD-124

Appropriations
Energy and Water Development Subcommittee
To hold closed hearings on proposed budget estimates for fiscal year 1988 for energy and water development programs, focusing on Atomic Energy Defense activities.
SD-116

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the U.S. Coast Guard, Department of Transportation.
SD-138

Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on S. 247, to designate the Kern River in California as a National Wild and Scenic River, and S. 275, to designate the Merced River in California as a National Wild and Scenic River.
SD-366

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of the Interior, focusing on the Office of the Secretary and the Office of the Solicitor.
SD-192

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To hold a closed meeting.
S-407, Capitol

2:30 p.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Education, focusing on student financial assistance, guaranteed student loans, higher education, higher education facilities loans and insurance, college housing loans, Howard University, education research and statistics, and libraries.
SD-138

Labor and Human Resources
Aging Subcommittee
To resume hearings on S. 887, authorizing funds for fiscal years 1988-1992 for programs of the Older Americans Act, and to review the changing needs of the elderly.
SD-430

APRIL 24

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume hearings on proposed legislation authorizing funds for the Hazardous Materials Transportation Act.
SR-253

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Federal Home Loan Bank Board, Neighborhood Reinvestment Corporation, and the National Institute of Building Sciences.
SD-124

Judiciary
Courts and Administrative Practice Subcommittee
To resume hearings on S. 548, Retiree Benefits Security Act.
SD-106

APRIL 27

10:00 a.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for energy and water development, focusing on certain activities of the Department of Energy.
SD-192

Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on H.R. 1320, Land and Water Conservation Fund Act Amendments of 1987, focusing on provisions relating to National Park System entrance fees.
SD-366

Governmental Affairs
Federal Services, Post Office, and Civil Service Subcommittee
To hold hearings on S. 541, to extend to certain officers and employees of the United States Postal Service the same procedural and appeal rights with respect to certain adverse personnel actions as are afforded under title 5, U.S. Code, to Federal employees in the competitive services.
SD-342

APRIL 28

9:30 a.m.
Energy and Natural Resources
To hold hearings to review technical issues related to the siting of a geologic repository.
SD-366

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for security assistance programs.
S-126, Capitol

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of the Interior, focusing on the Bureau of Mines, and the Office of Surface Mining, Reclamation and Enforcement.
SD-192

APRIL 29

9:30 a.m.
Energy and Natural Resources
To hold hearings on S. 839, to authorize the Secretary of Energy to enter into incentive agreements with certain States and affected Indian tribes concerning the storage and disposal of high-level radioactive waste and spent nuclear fuel.
SD-366

2:00 p.m.
Energy and Natural Resources
To hold hearings to review the Department of Energy's proposed establishment of a Monitored Retrievable Storage (MRS) facility.
SD-366

Select on Indian Affairs
To hold oversight hearings on the Indian Financing Act and the Buy Indian Act.
SR-485

APRIL 30

9:30 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the De-

partment of the Interior, focusing on territorial governments.

SD-124

Appropriations

Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Justice, focusing on the Office of Justice Programs, Immigration and Naturalization Service, and the Federal Prison System.

S-146, Capitol

Commerce, Science, and Transportation

To hold hearings on the nomination of James L. Kolstad, of Colorado, to be a Member of the National Transportation Safety Board.

SR-253

Environment and Public Works

Nuclear Regulation Subcommittee

To hold hearings on S. 44 and S. 843, bills to extend and improve the procedures for the protection of the public from nuclear incidents.

SD-406

10:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for defense security assistance programs.

S-126, Capitol

Appropriations

Transportation and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Urban Mass Transit Administration of the Department of Transportation, and the Washington Metropolitan Transit Authority.

SD-138

Energy and Natural Resources

Public Lands, National Parks and Forests Subcommittee

To hold hearings on H.R. 568 and S. 252, bills to establish the San Pedro Riparian National Conservation Area, Arizona, and S. 575, to convey public land to the Catholic Diocese of Reno/Las Vegas, Nevada.

SD-366

2:00 p.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of the Interior, focusing on territorial affairs.

SD-192

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To hold a closed meeting.

S-407, Capitol

2:30 p.m.

Labor and Human Resources

Aging Subcommittee

To resume hearings on S. 887, authorizing funds for fiscal years 1988-1992 for programs of the Older Americans Act, and to review the changing needs of the elderly.

SD-430

MAY 1

9:00 a.m.

Select on Indian Affairs

To hold hearings on S. 721, to provide for and promote the economic development of Indian tribes.

SR-485

MAY 4

9:30 a.m.

Appropriations

Labor, Health and Human Services, Education, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Departments of Labor, Health and Human Services, Education, and related agencies.

SD-192

2:00 p.m.

Energy and Natural Resources

Research and Development Subcommittee

To hold hearings on proposals to restructure the Department of Energy's uranium enrichment program.

SD-366

MAY 5

9:30 a.m.

Appropriations

Labor, Health and Human Services, Education, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Departments of Labor, Health and Human Services, Education, and related agencies.

SD-138

2:00 p.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Smithsonian Institution, Woodrow Wilson International Center for Scholars, and the Holocaust Memorial Council.

SD-138

MAY 6

9:30 a.m.

Appropriations

Labor, Health and Human Services, Education, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Departments of Labor, Health and Human Services, Education, and related agencies.

SD-116

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

10:00 a.m.

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1988 for military construction programs, focusing on defense agencies.

SD-192

Appropriations

Commerce, Justice, State, the Judiciary, the Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the U.S. Supreme Court, and for the Department of Justice, focusing on the Federal Bureau of Investigation, Drug Enforcement Administration, and the U.S. Marshals Service.

S-146, Capitol

2:00 p.m.

Commerce, Science, and Transportation

Foreign Commerce and Tourism Subcommittee

To hold hearings on proposed legislation authorizing funds for the U.S. Travel and Tourism Administration, Department of Commerce.

SR-253

2:30 p.m.

Appropriations

Labor, Health and Human Services, Education, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Departments of Labor, Health and Human Services, Education, and related agencies.

SD-116

MAY 7

9:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for fossil energy, and clean coal technology programs.

SD-192

9:30 a.m.

Appropriations

Labor, Health and Human Services, Education, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Departments of Labor, Health and Human Services, Education, and related agencies.

SD-116

10:00 a.m.

Appropriations

Transportation and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Federal Aviation Administration, and the General Accounting Office (FAA operations).

SD-138

Energy and Natural Resources

Public Lands, National Parks and Forests Subcommittee

To hold hearings on H.R. 191 and S. 261, bills to authorize the establishment of a Peace Garden on a site to be selected by the Secretary of the Interior, and S. 451, to authorize a study to determine the appropriate minimum altitude for aircraft flying over national park system units.

SD-366

2:00 p.m.

Energy and Natural Resources

Research and Development Subcommittee

To hold closed hearings to review the status of the Department of Energy's defense materials production facilities.

S-407, Capitol

2:30 p.m.

Appropriations

Labor, Health and Human Services, Education, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Departments of Labor, Health and Human Services, Education, and related agencies.

SD-116

MAY 8

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-192

Energy and Natural Resources
Research and Development Subcommittee
To resume hearings on proposals to restructure the Department of Energy's uranium enrichment program.
SD-366

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Housing and Urban Development, and independent agencies.
SD-124

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Federal Aviation Administration of the Department of Transportation, and the General Accounting Office (R, E & D, F & E, Airport Grants).
SD-138

2:30 p.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-192

MAY 12

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for certain export financing programs.
S-126, Capitol

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Legal Services Corporation, and the Equal Employment Opportunity Commission.
S-146, Capitol

2:00 p.m.
Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on S. 84, authorizing funds for the Land and Water Conservation Fund, and S. 735, relating to the distribution of revenues received under the Land and Water Conservation Fund Act.
SD-366

MAY 13

9:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for foreign assistance programs.
S-126, Capitol

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988, to receive public testimony on certain programs of the Departments of Commerce, Justice, State, the Judiciary, and related agencies.
S-146, Capitol

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Transportation and related agencies.
SD-138

MAY 14

9:00 a.m.
Governmental Affairs
Federal Services, Post Office, and Civil Service Subcommittee
To hold joint hearings with the House Committee on the Post Office and Civil Service's Subcommittee on Census and Population to review the 1990 census questionnaire.
S-342

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Transportation and related agencies.
SD-138

Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To resume hearings on S. 84, authorizing funds for the Land and Water Conservation fund, and S. 735, relating to the distribution of revenues received under the Land and Water Conservation Fund Act.
SD-366

MAY 15

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Housing and Urban Development, and independent agencies.
SD-124

MAY 18

2:00 p.m.
Energy and Natural Resources
To hold hearings on proposed legislation to expand the clean coal technology program.
SD-366

MAY 20

10:00 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Judicial Conference, Commission on the Bicentennial of the Constitution, U.S. Sentencing Commission, and the State Justice Institute.
S-146, Capitol

JUNE 13

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings to review proposed budget estimates for fiscal year 1988 for the Department of State.
SD-192

CANCELLATIONS

APRIL 7

9:30 a.m.
Armed Services
Conventional Forces and Alliance Defense Subcommittee
To hold hearings on armaments cooperation within the NATO alliance.
SR-232A

APRIL 9

1:00 p.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Agriculture, rural development, and related agencies.
SD-138

APRIL 23

2:00 p.m.
Select on Indian Affairs
To hold hearings on proposed legislation to revise certain provisions of the Indian Self-Determination and Education Assistance Act (P.L. 93-638).
SR-485

HOUSE OF REPRESENTATIVES—*Tuesday, April 7, 1987*

The House met at 12 noon, and was called to order by the Speaker pro tempore (Mr. FOLEY).

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Help us, O God, not to use our prayers for our own benefit so that we may appear righteous or to practice our faith for the admiration of others or to make a show of our piety. May our prayers be open and honest and natural, and in communication with You, O God, for You have promised that when we earnestly seek to speak with You, You will hear our prayers and bless us in the depths of our hearts. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY COMMITTEE ON THE JUDICIARY

Mr. GAYDOS. Mr. Speaker, I ask unanimous consent that the Committee on House Administration be discharged from further consideration of the resolution (H. Res. 134) providing amounts from the contingent fund of the House for further expenses of investigations and studies by the Committee on the Judiciary in the 1st session of the 100th Congress, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 134

Resolved, That for further expenses of investigations and studies by the Committee on the Judiciary with respect to the certificate of the Chief Justice of the United States (dated March 17, 1987, and referred to the Committee on the Judiciary on the same date) that consideration of a certain impeachment may be warranted, there shall be paid out of the contingent fund of the House not more than $300,000 for the period beginning on April 1, 1987, and ending immediately before noon on January 3, 1988.

SEC. 2. Any of the amount specified in the first section may be used for expenses for procurement of consultant services under section 202(i) of the Legislative Reorganization Act of 1946.

SEC. 3. Payments under this resolution shall be made on vouchers authorized by the Committee on the Judiciary, signed by the Chairman of that Committee, and approved by the Committee on House Administration.

SEC. 4. Amounts made available under this resolution shall be expended in accordance with regulations prescribed by the Committee on House Administration.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. GAYDOS

Mr. GAYDOS. Mr. Speaker, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. GAYDOS: Strike out all after the resolving clause and insert in lieu thereof the following:

That for further expenses of investigations and studies by the Committee on the Judiciary with respect to judicial impeachment, there shall be paid out of the contingent fund of the House not more than $300,000 for the period beginning on April 1, 1987, and ending immediately before noon on January 3, 1988.

SEC. 2. Any of the amount specified in the first section may be used for expenses for procurement of consultant services under section 202(i) of the Legislative Reorganization Act of 1946.

SEC. 3. Payments under this resolution shall be made on vouchers authorized by the Committee on the Judiciary, signed by the Chairman of that Committee, and approved by the Committee on House Administration.

SEC. 4. Amounts made available under this resolution shall be expended in accordance with regulations prescribed by the Committee on House Administration.

Mr. GAYDOS (during the reading). Mr. Speaker, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER pro tempore. The gentleman from Pennsylvania [Mr. GAYDOS] is recognized for 1 hour.

Mr. GAYDOS. Mr. Speaker, I yield the customary 30 minutes to the gentleman from California [Mr. BADHAM], the ranking minority member of the Accounts Subcommittee, for purposes of debate only, pending which I yield myself such time as I may consume, with the understanding that any additional time I may yield will be subject to the specific limitation for debate purposes only.

The amendment in the nature of a substitute to House Resolution 134 authorizes $300,000 to be provided to the Committee on the Judiciary for further expenses of investigations and studies with respect to judicial impeachment for the period beginning on April 1, 1987, and ending immediately before noon on January 3, 1988. By the terms of the amendment, the provided amount will be available to the Committee on the Judiciary only for studies and investigations respecting judicial impeachment. The provided amount should not be used for other purposes.

On April 1, 1987, the Subcommittee on Accounts held a hearing on this resolution and reviewed in detail the justification provided by Chairman RODINO. The resolution as submitted would have authorized funds for studies and investigations involving one specific impeachment matter pending before the Committee on the Judiciary. That pending matter is an inquiry into the question or whether Judge Alcee L. Hastings of the southern district of Florida has engaged in conduct which might constitute grounds for impeachment. Since available information indicated the possibility of a second impeachment inquiry involving another Federal judge, the subcommittee determined that $300,000 should be sufficient to cover the expenses of all studies and investigations respecting judicial impeachment that could reasonably be foreseen to be necessary and possible for the remainder of the first session. Accordingly, the subcommittee unanimously adopted the amendment in the nature of a substitute, now pending before the House, to accomplish this purpose.

Regarding the inquiry on the Hastings matter pending before the Committee on the Judiciary, the funds provided by this amendment will enable that committee to use temporary staff to perform the duties associated with this pending inquiry. The committee proposes to obtain two counsels, one counsel-investigator, one investigator, and two clericals on a full-time basis to work exclusively on this matter. The chairman of the committee has argued strongly that it is not possible to assign regular staff to the inquiry for any appreciable amount of time without impairing the committee's heavy agenda of legislative and oversight activities. It should be noted that the Claiborne impeachment last year involved a criminal conviction, and, as a result, minimal investigative work by the Judiciary Committee. The Hastings matter, however, involves an acquittal and this situation will demand detailed legal research and investigatory activities, and there are no direct

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

precedents to guide this type of inquiry.

For example, both criminal proceedings and the disciplinary hearings turned, in large part, on circumstantial evidence and the credibility of witnesses. As a result, the committee will need to conduct independently both extensive interviews and hearings involving individuals with personal knowledge of information germane to the inquiry. Additionally, the committee will need to collect and independently analyze a large amount of documentary evidence and to prepare a substantial number of legal memoranda and other documents. The additional temporary staff is essential to the conduct of an indepth and responsible investigation.

The amendment, also, provides sufficient funds for travel and witness expenses, the cost of leased equipment, telephone charges, and necessary supplies.

Finally, during the past 6 years, the Subcommittee on Accounts has generally not approved requests for supplemental funds. However, it has made an exception for requests from the Committee on Standards of Official Conduct in order that this committee may have sufficient funds to discharge the important institutional responsibilities assigned to it by the House rules and statutory law in an effective manner and on a timely basis. The same strong institutional concerns are present in the matter pending before the House. The Constitution in article I, section 2, provides that the House shall have the sole power of impeachment. In the House, impeachment of a sitting Federal judge is a matter of high privilege. Accordingly, special funds should be provided for impeachment inquiries in order that such inquiry may be conducted thoroughly, responsibly, and with reasonable diligence. The proper discharge of this constitutional duty requires no less.

I urge my colleagues to support the amendment and the resolution.

Mr. BADHAM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, on behalf of the minority on the Subcommittee on Accounts, I rise in support of this unanimous-consent request and the resolution.

It is an unusual situation; it is unusual in the way we got to this moment on the floor, rather than by a reservation to the unanimous-consent request.

Our chairman, the gentleman from Pennsylvania [Mr. GAYDOS], has explained the situation well and adequately. It is necessary that we expedite this matter because it will enable the Committee on the Judiciary to proceed quickly with a possible, if not probable, impeachment inquiry.

That committee has an enormous task before them because this situation differs from other kinds of impeachment inquiries. We do not want to stand in the way of that process, and so we must expedite the situation as it occurs today.

The Subcommittee on Accounts of the Committee on House Administration has reviewed this situation very carefully, hence the amendment in the nature of a substitute.

At that point, I can say that the minority has no objection.

Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Mr. Speaker, as both the speakers have enunciated here, this is a very serious problem that has confronted the Committee on the Judiciary, and I am personally grateful and speak for the committee that you were able to bring it to the floor as quickly as possible.

It is an enormous task to accumulate all the requirements of an impeachment inquiry and to have delayed it any further would have jeopardized our ability to do so properly.

Mr. Speaker, I thank both gentleman.

□ 1210

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. BADHAM. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Speaker, I would like to note the fact and invite the attention of the last speaker to the fact that this was not an easy resolution to dislodge from the committee. The committee believes that for standing committees that have vast staffs there should be an obligation to take care of emergencies as well as routine business, and in the end the majority of the committee prevailed and this is the committee consensus bill to which no one objects.

Nevertheless I do not want to let anyone on the Committee on the Judiciary carry away the conclusion that this was an easy thing for us to do, and we will be monitoring the expenses of the committee as closely as possible.

Mr. BADHAM. Mr. Speaker, I thank the gentleman for his contribution.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. FOLEY). The question is on the amendment in the nature of a substitute offered by the gentleman from Pennsylvania [Mr. GAYDOS].

The amendment in the nature of a substitute was agreed to.

The resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GAYDOS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just adopted.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate having proceeded to reconsider the bill (H.R. 2) "An act to authorize funds for construction of highways, for highway safety programs, and for mass transportation programs, to expand and improve the relocation assistance program, and for other purposes," returned by the President of the United States with his objections, to the House of Representatives, in which it originated, and passed by the House of Representatives on reconsideration of the same.

The message also announced that the said bill was passed, two-thirds of the Senators present having voted in the affirmative.

The message also announced that the Senate had passed without amendments in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H.J. Res. 200. Joint Resolution to designate April 10, 1987, as "Education Day U.S.A."

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 514. An act to amend the Job Training Partnership Act to establish an incentive bonus for the successful placement of certain employable dependent individuals, to add an enriched program option of employment and training for AFDC/SSI youth and to the summer youth employment and training program, and for other purposes;

S. 825. An act to amend and extend certain laws relating to housing, and for other purposes; and

S.J. Res. 91. Joint resolution disapproving the certification by the President under section 481(h) of the Foreign Assistance Act of 1961.

The message also announced that pursuant to sections 1928a–1928e of title 22, United States Code, the Chair on behalf of the Vice President, appointed Mr. ROTH as vice chairman of the Senate delegation to the North Atlantic Assembly during the 100th Congress.

RESIGNATION AS MEMBER OF COMMITTEE ON GOVERNMENT OPERATIONS

The SPEAKER pro tempore laid before the House the following resignation as a member of the Committee on Government Operations:

HOUSE OF REPRESENTATIVES,
Washington, DC, April 2, 1987.

Hon. JIM WRIGHT,
The Speaker, House of Representatives, The Capitol, H-204, Washington, DC.

DEAR MR. SPEAKER: I hereby formally resign from the Committee on Government Operations in order to assume the seat to which I have been appointed on the Committee on Science, Space, and Technology.

I would appreciate your making this resignation a matter of record for the House.

Sincerely yours,

DAVID E. SKAGGS.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

CONSENT CALENDAR

The SPEAKER pro tempore. This is the day for the call of the Consent Calendar. The Clerk will call the eligible bill on the Consent Calendar.

PROPOSED CONSIDERATION OF H.R. 318, PROVIDING FOR RESTORATION OF FEDERAL RECOGNITION TO CERTAIN INDIAN TRIBES OF TEXAS

The Clerk called the bill (H.R. 318) to provide for the restoration of Federal recognition to the Ysleta del Sur Pueblo and the Alabama and Coushatta Indian Tribes of Texas, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WALKER. Reserving the right to object, Mr. Speaker, I wonder if there is some Member here from the appropriate committee on the bill. I am not certain I have a problem with the bill, but the process that we are using differs from the process in the last Congress, and I am concerned about why we are changing from a Suspension Calendar to a Consent Calendar on the bill.

The SPEAKER pro tempore. Without objection, the call of the Consent Calendar is suspended and will follow the 1-minute business of the House.

There was no objection.

The SPEAKER pro tempore. The Chair will receive 1-minute statements from the Members.

SUGAR RAY LEONARD'S VICTORY SUPERSEDES—AT LEAST MOMENTARILY—DISCUSSION OF BUDGET CONSIDERATION

(Mr. HOYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOYER. Mr. Speaker, it was my intent today to rise to discuss in this 1 minute the alternative budgets that would be presented to the House later this week.

Other of my colleagues will follow me to discuss specific areas where we believe that the House committee's budget proposal is far superior to the budget presented by the President, which appears to be without significant sponsorship in this House and we therefore refer to it as brand X.

However, in the flow of history there are transcendent events which take precedence even over an issue as important as the annual budget. Such an event occurred last night and I believe it important that we stop to celebrate a great triumph of the human spirit and the human will.

Mr. Speaker, Prince Georges County, with all the world, is celebrating today the feat of our own Ray Leonard, who has shown again his championship style, heart, and talent.

For those of us who have followed Ray Leonard's career every step of the way, from before his Olympic victory in Montreal in 1976, through his victories over Duran and Hearns, and through his retirements, today we are as proud as we have ever been.

More than virtually any athlete alive today, Ray Leonard is a hometown hero—Prince Georges County's favorite son. Not only is he the best in his field of boxing, but he is in a class by himself as a person. That is why we are so proud today: We admire Ray for his boxing skill, and even more we admire his personal qualities of hard work, intelligence, integrity, dignity, quiet self-confidence, and commitment to family.

Mr. Speaker, there is a feeling that Ray Leonard has turned back time. The naysayers and the pundits have all said that he was too old and had been out of the ring too long to regain his skills. With great strategic thinking and athletic ability, he proved them wrong.

This morning we say congratulations to you Ray Leonard, and thank you for giving us the chance once again, as you have so many times, to feel such great pride in your achievements.

PENSION PORTABILITY ACT OF 1987

(Mr. JEFFORDS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JEFFORDS. Mr. Speaker, today, on behalf of myself and several of my colleagues, I am introducing legislation concerning an idea whose time absolutely has come, pension portability.

Pension portability basically means the ability to preserve investment in a private retirement plan. A portability system allows employees to remain vested in a retirement plan even if they move from job to job. In addition this bill gives employers—particularly small businesses—access to affordable plans they can offer their workers, without the redtape that has hindered them from offering these benefits before.

The concept of pension portability is not new. It was at the heart of a "Retirement USA" bill I offered in the last Congress, and it has been central to most pension reform debate for some time.

The problem is, we can no longer afford to debate the idea. The greying of our baby boom work force and the burdens increasingly being placed on Social Security make pension portability and reform a must now. Roughly half of our nonfarm workers currently have no private pension coverage at all, largely because costs and cumbersome procedures prohibit employers from offering coverage. If this situation is not corrected, we will be facing a major retirement crisis very, very soon.

The Pension Portability Act introduced today specifically addresses these problems, and I would urge my colleagues to study and support it.

ELIMINATE THE SOCIAL SECURITY "NOTCH"

(Mr. CLARKE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLARKE. Mr. Speaker, I am pleased to join with 123 Members of Congress in addressing a very important issue to Older Americans—the Social Security "notch." The bill introduced April 2 by Congressman ROYBAL, H.R. 1917, is a good alternative to the notch legislation introduced in the 99th Congress. This bill offers a fair way to remedy the unfairness created by the 1977 Social Security legislation.

This problem began in 1972 when benefit adjustments were made for cost-of-living increases. In 1977 further adjustments were made to remedy the overindexing of benefits which resulted in overpayments. However, Congress never intended the 1977 amendments to result in such severe reductions as those suffered by persons born between 1917 and 1921.

The Roybal bill remedies the notch problem through a 10-year phase in to the current benefit formula. Retirees born between 1917 and 1924 will receive higher benefits than under present law. The new benefits for this group will eventually merge at the current level for retirees born after 1924.

The Social Security surplus now building up can cover the cost of this phase in program. Mr. Speaker, I am glad to support this legislation which will remedy unfairness and provide needed help to some 8 million older Americans.

WARRANTED SANCTIONS IMPOSED ON JAPANESE IMPORTS

(Mr. SCHULZE asked and was given permission to address the House for 1 minute.)

Mr. SCHULZE. Mr. Speaker, with this mornings headlines which state that the Prime Minister of Japan will ask the administration to cancel the sanctions scheduled to take effect next week, I rise today to commend the administration's action on March 27 to impose sanctions against the Japanese due to their violation of the semiconductor trade agreement. It's about time we demonstrate that we will take retaliatory action when clearly warranted. We negotiated in good faith with Japan and concluded an agreement to end the dumping of Japanese semiconductors worldwide and gain improved market access in Japan for United States semiconductors. The Japanese, however, have failed to honor their commitments.

Our patience with the Japanese is wearing thin and this action is only a harbinger of things to come. Perhaps imposing sanctions will wake them up to the current realities of our woefully unbalanced bilateral trade relationship. The message is clear—the United States will no longer tolerate the status quo.

BUDGET RESOLUTION PROTECTS DRUG PROGRAMS

(Mr. RANGEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RANGEL. Mr. Speaker, tomorrow the House will begin debate on the first concurrent resolution on the budget for fiscal year 1988. As chairman of the Select Committee on Narcotics Abuse and Control, I want to commend the House Budget Committee for doing what the President's 1988 budget fails to do—protecting the integrity of the expanded drug programs authorized in the Anti-Drug Abuse Act of 1986.

Last year, Congress passed overwhelming and sent to the President a truly historic, omnibus package of antidrug legislation. This bill, the result of a strong bipartisan effort in the Congress, added approximately $1.7 billion to Federal drug abuse prevention and control efforts and raised the total Federal anti-drug effort to about $4 billion in 1987.

This legislation addressed all aspects of the drug problem—international narcotics control, interdiction, enforcement, treatment, prevention and education. Congress recognized, however, that this measure, as important as it was, was only a first step, and that much more needed to be done.

When the President signed the Anti-Drug Act into law on October 27, 1986, at an elaborate White House ceremony, many of us in Congress thought we would be able to work with the administration to sustain this renewed commitment to fighting drug trafficking and abuse. This hope was shattered just 2 months later when the President submitted his 1988 budget proposals to the Congress.

The President's budget would have cut approximately $950 million from Federal anti-drug abuse efforts. Among the harshest cuts were those for programs authorized in the omnibus drug bill for hard pressed State and local governments that have borne the brunt of increased drug trafficking and abuse. The President's proposals would have eliminated $225 million for drug law enforcement grants to States and localities, cut funds for drug abuse enducation in half from $200 million to $100 million and provided no additional funds for the expanded drug abuse treatment and prevention initiatives authorized in the Anti-Drug Abuse Act.

In addition, the President's budget would have cut Customs personnel by 2,000 positions, reduced the Customs air interdiction program by half, cut funds for international narcotics control efforts by $20 million, and slashed funds for purchases of drug interdiction equipment far below 1987 levels.

The Budget Committee's resolution rejects the drastic cuts in drug programs proposed by the President. It includes approximately $4.1 billion for all Federal drug programs in 1988, a slight increase from 1987. I am particularly pleased that the resolution preserves and protects Federal assistance for State and local governments in the areas of drug enforcement, drug abuse treatment and education.

When Congress passed the Anti-Drug Abuse Act of 1986, we made a commitment to the American people to raise the battle against drugs to a much higher Federal budgetary priority. We owe it to the citizens of our country not to renege on this important commitment. The funding levels included in the Budget Committee's blueprint provide ample flexibility to continue the anti-drug initiatives begun last year. I urge the House to support the Budget Committee's work.

□ 1220

HOUSE CONCURRENT RESOLUTION 95, CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1988

Mr. GRAY of Pennsylvania, from the Committee on the Budget, submitted a privileged report (Rept. No. 100-41) on the concurrent resolution (H. Con. Res. 95) setting forth the congressional budget for the U.S. Government for the fiscal years 1988, 1989, and 1990, which was referred to the Union Calendar and ordered to be printed.

THE LIES THAT ARE THE BUDGET RESOLUTION

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, the Budget Democrats describe their resolution as a balance between defense and domestic cuts. That's not true. Their budget is defense cuts, unspecified taxes, and increased domestic spending.

Their budget doesn't take $8.5 billion out of defense and the same from domestic. At best it takes $1 billion from domestic and $9 billion from defense and foreign affairs. Domestic spending increases are intentionally underestimated and hundreds of millions in domestic cuts are really user fees—new revenues.

Does the majority really believe that we will take $300 million out of agriculture discretionaries; that the Federal worker's pay raise will be "absorbed"; that we can save $2 billion in energy programs without selling REA loans; that transportation spending will be lowered after last week's override? These are some of the assumptions that won't come true. They are lies. And the biggest lie of all is the assumption that this Congress will pass, and the President will sign, a $20 billion revenue hike that doesn't include any asset sales.

Appropriators and authorizers will drill even more holes in this joke budget in the coming months, and the debt burden we pass on to our children will continue to soar.

WELCOME HOME, SUGAR RAY

(Mrs. BYRON asked and was given permission to address the House for 1 minute.)

Mrs. BYRON. Mr. Speaker, I usually have very nice things to say about my staff. As all of us know, our staffs are an integral part of each and every one of us. But I must tell you that mine blew it this morning.

They told me that during the 1-minute speeches I should get up and congratulate Sugar Ray Leonard on becoming the middleweight champion last night in Las Vegas. My reply was, "We should have sent the letter of congratulations last week because I am on record saying that I knew he would win."

I was keenly interested in the fight because Mr. Leonard is one of my constituents. I have inherited him from Mr. HOYER in the other district on the other side of Maryland. He is now a resident of Potomac, MD.

Potomac is not exactly the boxing capital of the world, but we do now have the middleweight crown. My congratulations go to Sugar Ray; he took the challenge to come back; he claimed the middleweight title, even though it was said it could not be done. It just goes to show you that with a little determination and the good right-left combination we can do it.

We have talked this morning about the budget issues. I think if we keep Sugar Ray in the ring for a while we will be able to look at the budget, look at the deficit, and move forward on our deficit reduction.

Today, in Boston, the home of the former champ, they will be going back to the dreaming of the World Series victory and thinking of things that should have been. In Maryland, we will be welcoming back Sugar Ray, the new middleweight boxing champion. Welcome home.

ACID RAIN: IT IS EVERYWHERE

(Mr. MARLENEE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARLENEE. Mr. Speaker, acid rain, it is everywhere, it is everywhere. But today, the Canadian bells of jubilation and celebration and triumph are ringing over the accommodation given them by the President on acid rain.

I hope they realize that there are a number of us citizens who would not, and I emphasize "would not" have been so generous. If they think their smoke does not stink, they have got another thought coming. Before we shoot ourselves in the foot again, before we begin another round of "Aren't we terrible," self-incrimination, we had better look at the Canadian plants built upwind and upstream some 20 miles, some as close as 3 miles, with a heck of a lot less pollution control than our own.

As the old smoking ad used to say, "You've come a long way, baby." To our friends to the north, I say let us cut smoke screen and have cooperation all along the border.

ACID RAIN—IT IS TIME TO ACT ON THE KNOWLEDGE WE HAVE

(Mr. VENTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VENTO. Mr. Speaker, the question is, "Who is going to stop the acid rain? When are we going to stop playing games hiding behind research and study. When are we going to get on with the program that faces up to the issue of stopping the acid deposition that is going on across this country?"

Little did I expect 8 years ago when I, along with other Members of this House, put in place an acid deposition study program. A national study with a 10-year timeframe so that we could look at the cyclic effect of acid deposition. That this study would serve as an excuse for inaction, as an excuse for not acting on what we know to be the factual effect and consequence of acid deposition.

Acid deposition is destroying fragile parts of our ecosystem; it is destroying that of the Canadians; it is destroying that of northern Minnesota and the Northeast part of this country. It is time to put aside the rhetoric, to put aside the shamrock conference, to put aside the good feelings and good will-type of activities and to get on with the real work and real questions that we face with regards to the environment.

I would suggest that we do that in this Congress, Mr. Speaker, and that we, in spite of the fact the President has said he only wants to continue a research program. We have had enough research. It is time to act on the knowledge that we have.

OUR NEW MOSCOW EMBASSY: THE WORLD'S LARGEST MICROPHONE

(Mr. ARMEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARMEY. Mr. Speaker, we expect the Soviets to try to spy on the American Government, but we do not expect the State Department to help them get away with it. Unfortunately, through unbelievable negligence, that is exactly what State has done.

The marine sex-for-secrets scandal is nothing compared to the security hemorrhage that will begin if we occupy the new Embassy that State had built for us in Moscow. That Embassy building—which was built by Soviet labor according to plans drawn up by Soviet architects—is crawling with KGB bugs from top to bottom. There are bugs in the floor boards, bugs in the walls, bugs in the ceiling tiles, bugs in the steel beams. The fact is that our new Embassy in Moscow is nothing but an eight-story microphone plugged into the Politburo.

After we spent $190 million to build the thing, the KGB has rendered it useless. Unless we want our diplomats doing business in CIA-sanitized Winebagos for the next 20 years, the only thing we can do is to tear the Embassy down and rebuild it.

That's why I think we should take action. As I informed the House last week, I will be offering an amendment to the State Department authorization bill which will tell the State Department to scrap the current Embassy agreement and negotiate a new one on American terms. Today I am introducing a resolution with similar language. I urge my colleagues to say no to Soviet diplomatic espionage and support this legislation.

□ 1230

YOU CAN'T HAVE IT ALL

(Mr. BERMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BERMAN. Mr. Speaker, over the past 2 years the foreign assistance budget has been decimated. In our struggle to reduce the deficit, many good programs have suffered, but no program has sacrificed more in absolute dollar terms than foreign aid.

Foreign assistance is not only a vital tool of national security, it gives us the means to fight poverty, illiteracy, and disease in the poorest of the developing countries.

President Reagan is correct to vehemently oppose further cuts in foreign aid; but the President is not willing to do what it takes to protect foreign aid.

Mr. President, you cannot have it all. You cannot ask for increased foreign aid without scaling back your enormous defense spending. You cannot declare that foreign aid is vital to national defense and yet be unwilling to raise revenues to pay for it. You cannot protect foreign aid and at the same time insist on blind adherence to the arbitrary levels of Gramm-Rudman.

Mr. President, it is not what you say, it is what you do that matters. What you say about increased funding for foreign aid I support. What you do is a different story. By abdicating your responsibility and by indulging yourself in irresponsible rhetoric, you are giving aid and comfort to those who would dismantle our Nation's foreign aid programs.

We need less rhetoric and more statesmanship.

CONGRESS SHOULD NOT GO BACK ON ITS PROMISE OF LOWERED INDIVIDUAL TAX RATES

(Mr. LIGHTFOOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LIGHTFOOT. Mr. Speaker, last year we enacted historic tax reform legislation reducing individual tax rates and simplifying the Tax Code.

In exchange for lower individual tax rates, that legislation eliminated a number of exemptions and deductions. Therefore, I pledged to oppose any attempt to raise individual tax rates above the levels contained in the Tax Reform Act of 1986.

This year, I have joined a number of my colleagues in cosponsoring House Concurrent Resolution 7 to reaffirm that pledge. House Concurrent Resolution 7 says to the American people that Congress will not go back on its promise to reduce individual tax rates because increased taxes are not the answer to reducing budget deficits.

Congress should not go back on its word. Individual tax rates should be reduced as promised by enactment of the Tax Reform Act of 1986.

BETTER THAN BRAND X

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, American consumers know that a smart shopper is a comparison shopper.

In considering which budget plan to adopt, Members of this House should shop around.

Compare the Democratic plan with the President's budget. Don't be fooled by false advertising from the White House.

Study the contents.

In every category, the Democratic plan is a better product than brand X.

In education. In veterans. In health care. In the drug war. In low-income programs. And in cutting the deficit.

Nobody's trying to sell the President's brand X budget for one simple reason: Nobody's willing to buy it.

I ask my colleagues to compare. The Democratic plan is better than brand X. The choice is clear.

The American people should support the Democratic plan because, after all, it's your money.

A NEW FILM—MOSCOW IN THE EMBASSY

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, A couple years ago, there was a movie called Moscow on the Hudson. It was a comedy. Until recently, I had been unaware the State Department was remaking the film as Moscow in the Embassy.

Unlike its predecessor, this isn't a comedy; it's a tragedy. It has the classic elements, including hubris—or overweening arrogance of the principal players.

This overweening arrogance in our State Department is institutionalized to the extent that anything American or American made is considered inferior.

Two years ago, Ross Perot reported security lapses in Moscow. How did State respond? Fire the 50 Russians on the payroll? Use Americans to build the new Embassy complex? No—we might offend the Soviets. We can trust them—they are our friends. Besides, it's cheaper over there.

And what about reciprocity? Do the Russians use Americans to oversee construction of their new Embassy atop the highest hill in Washington, DC. You know the building—the one with all the cute antennas aimed at the Pentagon and the White House. They don't need one aimed at State; it's probably already bugged.

The State Department should get out of the movie business and should take up the business of representing the American people. Our Ambassadors worry more about offending our allies and enemies than offending the American public.

Send the State Department officials responsible for this episode to Capistrano with the Russian swallows. They deserve each other.

REAGAN PROPOSALS CUT VETERANS PROGRAMS

(Mr. PENNY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PENNY. Mr. Speaker, the Veterans' Administration has recently been promoting the slogan: "America is No. 1 thanks to its veterans." Unfortunately, over the past 6 years and past six budgets, the Reagan administration has never seen fit to confirm this slogan with adequate dollars for veterans' programs.

Again this year, the Reagan budget sought to eliminate VA medical care for lower priority veterans. The administration proposal left the VA medical care budget—a high priority item—$288 million short of a current services requirement. Other well-worn Reagan proposals included cutting veterans' burial plot allowances by over $30 million and increasing the VA home loan user fee from 1 percent to 2.5 percent. The user fee increase would have meant an additional cost to the average veteran home buyer of $2,000 and reduced the number of vetrans receiving home loans by 22,500 in 1988.

The House Budget Committee rejected these ill-conceived ideas and provided veterans' programs $27.9 billion in budget authority and $27.40 billion in outlays for fiscal 1988. This is an additional $250 million in budget authority and $650 million more in outlays than the President's budget. The House Budget Committee plan provides full inflation increases for VA medical care, research, and construction, as well as full COLA's for 2.5 million veterans with service-connected disabilities and their survivors, and $1.2 million for those poor and elderly veterans receiving VA pensions.

Unlike the President—the House Budget Committee has made sure that our commitment to our Nation's veterans has again been met.

NO SECRETS

(Mr. McEWEN asked and was given permission to address the House for 1 minute.)

Mr. McEWEN. Mr. Speaker, in Moscow there are no secrets—at least not from the KGB. It is becoming increasingly apparent that American operations in the Soviet Union are conducted in a hornets' nest of spies, wiretaps and espionage. Always ready to gain even the slightest advantage for itself, the Kremlin has proven time and time again that it will stoop to any level.

By working to subject the United States and its employees, the Soviet Union has proven that Moscow is no place to conduct foreign policy. It is not the place for sensitive negotiations. It is not the place "to talk and have a meeting of the minds."

It is for these reasons that I call upon Secretary of State George Shultz to move his upcoming meeting with the Soviet Foreign Minister to a neutral site such as Helsinki or Geneva. I feel strongly that under no circumstances should Secretary Shultz allow himself to be led into the lion's den next week for these critical talks which are expected to include discussions on arms control, human rights, Embassy security, and the Soviet occupation of Afghanistan. These issues are too important to the security of our Nation and our allies to be played out in an unfriendly arena.

Mr. Speaker, "home field advantage" is one thing, but when your adversary uses that edge to undermine the very foundation of our security—and in this case, we're talking about a life and death situation—then the "visiting team" ought to either insist on a neutral site or refuse to particiapte.

COMPARING HOUSE BUDGET COMMITTEE PLAN TO PRESIDENT'S BUDGET (BRAND X) REGARDING LOW-INCOME PROGRAMS

(Mr. ESPY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ESPY. Mr. Speaker, I thank the Chair for the opportunity of addressing my colleagues for 1 minute to compare the House Budget Committee plan to the President's budget, which is shown here as brand X. I would like to do that with regard to emphasis on low-income programs.

The House budget plan provides for full benefits for the AFDC 3.8 million family caseload in fiscal year 1988. Brand X, on the other hand, proposed restrictions on eligibility and punitive enforcement of error rate assumptions.

The House budget plan provides for full funding of the child nutrition programs. Brand X would have eliminated 5 to 8 million children from the programs through restricting eligibility.

The House budget plan provides for full funding of WIC at the CBO baseline, plus an additional $100 million for expanded coverage. Brand X, on the other hand, proposed a decrease of $50 million below the CBO baseline.

The House budget plan provides for full funding of the Low-Income Home Energy Assistance Program. Brand X, on the other hand, proposed to reduce this program by 33 percent, which could have eliminated 3 million program participants.

The House budget plan provides for full funding of low-income housing assistance programs. Brand X, Mr. Speaker, proposed the reduction of funding for assisted housing programs by 50 percent and would change the program to rely completely on vouchers.

Mr. Speaker, I am proud to have been a member of the House Budget Committee which in my opinion has met its task of proposing real and permanent deficit reduction while continuing to address some of the serious domestic needs and problems within our country.

□ 1240

THE DEMOCRATIC BUDGET—TAX AND SPEND, SPEND AND TAX

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, we have heard from a number of the Budget Committee Democrats today talking about how much more money they are going to spend in various areas. I think that the American people also ought to understand that in order to spend all of this additional money, they have also raised taxes, and that is the way in which they are going to come up with all the increased spending, and that is the way that they are going to reduce deficits—they are going to do it with taxes.

That is what we do best around here in Congress: We tax and we spend; we spend and we tax; we tax and we spend; we spend and we tax. That is the only thing we do around here. That is the only thing that the Democratic budget does—it taxes and spends, and the American people pay the bills.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. GRAY of Illinois). Pursuant to the provision of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4, rule XV.

Such rollcall votes, if postponed, will be taken on Wednesday, April 8, 1987.

RE-REFERRAL OF MESSAGE FROM THE PRESIDENT CONCERNING STEPS TAKEN TO IMPLEMENT RECOMMENDATIONS OF THE SPECIAL REVIEW BOARD

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that the message from the President of the United States concerning steps taken to implement recommendations of the Special Review Board, chaired by former Senator John Tower, which was laid before the House and orderd to be printed on March 31, 1987, be additionally referrred to the Committee on Government Operations.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONSENT CALENDAR

The SPEAKER pro tempore. This is the day for the call of the Consent Calendar.

The Clerk will call the eligible bill on the Consent Calendar.

PROVIDING FOR RESTORATION OF FEDERAL RECOGNITION TO CERTAIN INDIAN TRIBES OF TEXAS

The Clerk called the bill (H.R. 318) to provide for the restoration of Federal recognition to the Ysleta del Sur Pueblo and the Alabama and Coushatta Indian Tribes of Texas, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WALKER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER pro tempore. This concludes the call of the Consent Calendar.

MICHIGAN WILDERNESS HERITAGE ACT OF 1987

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 148) to designate certain public lands in the State of Michigan as wilderness, and for other purposes, as amended.

The Clerk read as follows:

H.R. 148

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Michigan Wilderness Heritage Act of 1987".

SEC. 2. In furtherance of the purposes of the Wilderness Act of 1964 (16 U.S.C. 1131), the following lands in the State of Michigan are hereby designated as wilderness, and therefore as components of the National Wilderness Preservation System—

(a) subject to valid existing rights and reasonable access to exercise such rights, certain lands in the Manistee National Forest, comprising approximately three thousand four hundred and fifty acres as generally depicted on a map entitled "Nordhouse Dunes Wilderness—Proposed", dated January 1987, and which shall be known as the Nordhouse Dunes Wilderness;

(b) certain lands in the Ottawa National Forest, comprising approximately eighteen thousand three hundred and twenty five acres as generally depicted on a map entitled "Sylvania Wilderness—Proposed", dated January 1987, and which shall be known as the Sylvania Wilderness;

(c) certain lands in the Ottawa National Forest, comprising approximately fourteen thousand eight hundred and fifty acres as generally depicted on a map entitled "Sturgeon River Gorge Wilderness—Proposed", dated January 1987, and which shall be known as the Sturgeon River Gorge Wilderness;

(d) certain lands in the Hiawatha National Forest, comprising approximately four thousand six hundred and forty acres as generally depicted on a map entitled "Rock River Canyon Wilderness—Proposed", dated January 1987, and which shall be known as the Rock River Canyon Wilderness;

(e) certain lands in the Hiawatha National Forest, comprising approximately five thousand four hundred and sixty acres as generally depicted on a map entitled "Big Island Lake Wilderness—Proposed", dated January 1987, and which shall be known as the Big Island Lake Wilderness;

(f) certain lands in the Hiawatha National Forest, comprising approximately twelve thousand two hundred and thirty acres as generally depicted on a map entitled "Mackinac Wilderness—Proposed", dated January 1987, and which shall be known as the Mackinac Wilderness;

(g) certain lands in the Hiawatha National Forest, comprising approximately three thousand seven hundred and ninety acres as generally depicted on a map entitled "Horseshoe Bay Wilderness—Proposed", dated January 1987, and shall be known as the Horseshoe Bay Wilderness;

(h) certain lands in the Hiawatha National Forest, comprising approximately eleven thousand eight hundred and seventy acres as generally depicted on a map entitled "Delirium Wilderness—Proposed", dated January 1987, and which shall be known as the Delirium Wilderness;

(i) certain lands in the Hiawatha National Forest, comprising approximately two hundred and fourteen acres as generally depicted on a map entitled "Les Cheneaux Wilderness—Proposed", dated January 1987, and which shall be known as the Les Cheneaux Wilderness;

(j) certain lands in the Hiawatha National Forest, comprising approximately three hundred and seventy-seven acres as generally depicted on a map entitled "Round Island Wilderness—Proposed", dated January 1987, and which shall be known as the Round Island Wilderness;

(k) certain lands in the Ottawa National Forest, comprising approximately sixteen thousand eight hundred and fifty acres as generally depicted on a map entitled "McCormick Wilderness—Proposed", dated January 1987, and which shall be known as the McCormick Wilderness.

SEC. 3. As soon as practicable after this Act takes effect, the Secretary of Agriculture shall file maps and legal descriptions of each wilderness area designated by this Act with the Committee on Energy and Natural Resources, United States Senate, and the Committee on Interior and Insular Affairs, House of Representatives, and each such map and legal description shall have the same force and effect as if included in this Act: *Provided, however,* That correction of clerical and typographical errors in such legal descriptions and maps may be made. Each such map and legal description shall be on file and available for public inspection in the office of the Chief of the Forest Service, Department of Agriculture.

SEC. 4. Subject to valid existing rights, each wilderness area designated by this Act shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act of 1964 governing areas designated by that Act as wilderness areas except that with respect to any area designated in this Act, any reference in such provisions to the effective date of the Wilderness Act of 1964 shall be deemed to be a reference to the effective date of this Act.

SEC. 5. (a) The Congress finds that—

(1) the Department of Agriculture has completed the second roadless area review and evaluation program (RARE II); and

(2) the Congress has made its own review and examination of National Forest System roadless areas in the State of Michigan and of the environmental impacts associated with alternative allocations of such areas.

(b) On the basis of such review, the Congress hereby determines and directs that—

(1) without passing on the question of the legal and factual sufficiency of the RARE II final environmental statement (dated January 1979) with respect to National Forest System lands in the State of Michigan; such statement shall not be be subject to judicial review with respect to National Forest System lands in the State of Michigan;

(2) with respect to the National Forest System lands in the State of Michigan which were reviewed by the Department of Agriculture in the second roadless area review and evaluation (RARE II) and those lands referred to in subsection (d), that review and evaluation or reference shall be deemed for the purposes of the initial land management plans required for such lands by the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, to be an adequate consideration of the suitability of such lands for inclusion in the National Wilderness Preservation System and the Department of Agriculture shall not be required to review the wilderness option prior to the revisions of the plans, but shall review the wilderness option when the plans are revised, which revisions will ordinarily occur on a ten-year cycle, or at least every fifteen years, unless, prior to such time, the Secretary of Agriculture finds that conditions in a unit have significantly changed;

(3) areas in the State of Michigan reviewed in such final environmental statement or references in subsection (d) and not designated wilderness upon enactment of this Act shall be managed for multiple enactment of this Act shall be managed for multiple use in accordance with land management plans pursuant to section 9 of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976: *Provided,* That such areas need not be managed for the purpose of protecting their suitability for wilderness designation prior to or during revision of the initial land management plans;

(4) in the event that revised land management plans in the State of Michigan are implemented pursuant to section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, and other applicable law, areas not recommended for wilderness designation need not be managed for the purpose of protecting their suitability for wilderness designation prior to or during revision of such plans, and areas recommended for wilderness designation shall be managed for the purpose of protecting their suitability for wilderness designation as may be required by the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, and other applicable law; and

(5) unless expressly authorized by Congress, the Department of Agriculture shall not conduct any further statewide roadless area review and evaluation of National Forest System lands in the State of Michigan for the purpose of determining their suitability for inclusion in the National Wilderness Preservation System.

(c) As used in this section, and as provided in section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, the term "revision" shall not include an "amendment" to a plan.

(d) The provisions of this section shall also apply to National Forest System roadless lands in the State of Michigan which are less than five thousand acres in size.

SEC. 6. Congress does not intend that designation of wilderness areas in the State of Michigan lead to the creation of protective perimeters or buffer zones around each wilderness area. The fact that nonwilderness activities or uses can be seen or heard from areas within the wilderness shall not, of itself, preclude such activities or uses up to the boundary of the wilderness.

SEC. 7. As provided in section 4(d)(7) of the Wilderness Act, nothing in this Act shall be construed as affecting the jurisdiction or responsibilities of the State of Michigan with respect to wildlife and fish in the national forests in Michigan.

The SPEAKER pro tempore. Is a second demanded?

Mr. MARLENEE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes and the gentleman from Montana [Mr. MARLENEE] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this measure, H.R. 148, is essentially identical to a bill which passed the House in the last Congress, but upon which the Senate was unable to complete action. The bill will designate 11 wilderness areas in the national forests of Michigan totaling some 92,000 acres. It would complete the RARE II process for Michigan, and would release over 21,000 acres of national forest land for other than wilderness designation, which were reviewed as part of the RARE II process.

After its enactment only about 3.4 percent of all of Michigan's national forest land would be designated as wilderness, and the remaining 96.6 percent would be nonwilderness.

The areas dealt with in the bill are diverse, and contain a multitude of natural, scenic, historic, and other resources and values. They are without exception well-deserving of the wilderness designation and the protection that goes with it.

They include one of the last remaining undeveloped stretches of land on Lake Michigan's eastern shore, and dozens of major lakes, often connected with canoe portage trails, spectacular waterfalls and canyon areas, forests and swamps, and rapid-flowing streams and islands. Together they represent a priceless part of the natural heritage of the upper Midwest.

Mr. Speaker, I am very pleased with the work that our National Parks and Public Lands Subcommittee has achieved with this measure's consideration. The gentleman from Michigan [Mr. KILDEE] has been a member of the Interior and Insular Affairs Committee for the past 10 years, in which we both have had the privilege to serve and work on such wilderness issues. He has done yeoman service in putting this measure together with extreme patience, and I think a great deal of sensitivity to this natural-resource base and process.

These areas have been studied extensively by the Forest Service under the RARE II plan, and have at one time or another been recommended by the Forest Service for such designation that we bring before the House today.

Indeed, it represents really the last chance to take areas that are often close to densely populated areas in the State of Michigan, and to in fact designate them as wilderness to preserve and to provide an adequate degree of protection to these resources.

Mr. KILDEE is a very valued member for his service on the committee, not just with regards to this issue, but surely with regards to all of the work that he does on the Interior Committee, and our subcommittee. This legislation the Michigan Wilderness is an especially important area, because it affects Mr. KILDEE's State, and he has put together a coalition of Members on a bipartisan basis which in fact appeared before the committee in support of this measure and serve as sponsors as well on H.R. 148. He has surely earned my praise and thanks for his diligent work.

Mr. Speaker, I reserve the balance of my time.

Mr. MARLENEE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the subcommittee chairman Mr. VENTO has pointed out, H.R. 148 would designate 11 Forest Service areas in Michigan as wilderness. This will add another 92,000 acreas of wilderness to the national wilderness system which has already grown to over 80 million acres, an area bigger than the country of England. Three areas covering 22,000 acres will be released from further consideration as wilderness.

Mr. Speaker, although no votes were cast against H.R. 148 at full committee or subcommittee, there were objections raised by the Forest Service when we held hearings on the bill. The Forest Service was primarily concerned with the Nordhouse Dunes area which is underlain with private minerals. The Forest Service pointed out that there are 1,985 acres of privately owned mineral rights and 675 acres of State owned mineral rights. Another 684 acres of Federal mineral rights are currently under lease. The Forest Service objects, and I believe rightfully so, to placing private minerals in wilderness because it creates a legal and political tug of war. On the one hand the Forest Service is charged with protecting the wilderness character of the area and on the other hand the Forest Service is supposed to allow the owners of the private minerals their right to reasonable access to exercise their private property rights.

I still believe that it is bad public policy to place privately held minerals into wilderness areas. Nevertheless, I must commend my colleague from Michigan, Mr. KILDEE for making every effort to accommodate my concerns. Mr. KILDEE assured the subcommittee and the full committee that the Congress in conjunction with the State is diligently working with the mineral owners to provide reasonable access where possible and reasonable alternatives where access is not possible. Members should be aware that H.R. 148 provides that the Nordhouse Dunes Wilderness Area is subject to valid existing rights and reasonable access to exercise those rights. Furthermore, the committee has prepared extensive report language directing the Forest Service to work out an equitable solution with the owners of the private minerals.

Finally Mr. Speaker, I would like to stress that the area designated as the Sylvania Wilderness contains several lakes on which motorboats are currently used. The committee recognizes in the report accompanying this bill that such preexisting use may be permitted to continue under section 4(d)(1) of the Wilderness Act.

□ 1250

Mr. VENTO. Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri [Mr. VOLKMER], chairman of the Subcommittee on Forests, Family Farms, and Energy.

Mr. VOLKMER. Mr. Speaker, I rise in support of H.R. 148, the Michigan Wilderness Heritage Act.

This bill was referred jointly to the Committees on Agriculture and Interior and Insular Affairs. The Agriculture Committee's Forests, Family Farms, and Energy Subcommittee, which I chair, held a public hearing on H.R. 148 on March 18, 1987, and approved the bill on March 24 by voice vote. The full Agriculture Committee ordered the bill reported on April 1, again by voice vote.

In testimony before our subcommittee, the Department of Agriculture's Forest Service representative endorsed the designation of 8 of the 11 areas proposed for wilderness by this bill. Because we often concentrate on points of contention, I want to highlight the fact that Sylvania, Sturgeon River Gorge, McCormick, Rock River Canyon, Big Island Lakes, Mackinaw, Horseshoe Bay, and Round Island are all supported for wilderness designation by the sponsors of H.R. 148, the Forest Service, the State of Michigan, and all others who appeared before our subcommittee.

The three areas which the Forest Service oppose for wilderness designation are Nordhouse Dunes, Government Island, and Delirium. Of these areas, the one which seems to generate the most concern is Nordhouse Dunes.

Although the Nordhouse Dunes area does contain some privately held mineral rights, the Forest Service noted that the area's physical characteristics qualify for wilderness designation.

In fact, the Forest Service has recommended Nordhouse Dunes for wilderness designation on two separate occasions. In its second roadless area review and evaluation, and again in the forest management plan for the Huron-Manistee National Forests, the Forest Service recommended inclusion of Nordhouse Dunes in the National Wilderness Preservation System.

Notwithstanding the concerns expressed by the Forest Service, our subcommittee heard recommendations for the enactment of H.R. 148, in its entirety, from cosponsors on both sides of the aisle, from the Governor of Michigan and the State's department of natural resources, and from local environmental and citizens' groups.

In addition, we are told that this bill is supported by the Michigan forest products industry development council, marking the first time that any wilderness bill has been endorsed by such an organization.

In total, H.R. 148 would give wilderness designation to 11 of the 14 roadless areas inventoried by the Forest Service in Michigan, amounting to just over 92,000 acres. The three roadless areas which remain, totaling over 21,500 acres, would be released for multiple-use management under the so-called release/sufficiency provision of the bill, which states that the Forest Service will not be required to review the lands further prior to a revision of the forest management plan.

Mr. Speaker, in closing I want to commend the gentleman from Michigan [Mr. KILDEE], the chief sponsor of this bill, for his diligent work in crafting a most reasonable bill. Our subcommittee was impressed by the statements of support we received from cosponsors on both sides of the aisle.

This measure has bipartisan support and it is endorsed by environmentalists and industry. I believe it deserves our support as well.

Mr. MARLENEE. Mr. Speaker, I yield such time as he may consume to my esteemed colleague, the gentleman from Michigan [Mr. DAVIS].

Mr. DAVIS of Michigan. Mr. Speaker, I rise in opposition to H.R. 148, the Michigan Wilderness Heritage Act. H.R. 148 would add approximately 92,000 acres of national forest land to the wilderness system. Ten of the 11 tracts of land are in Michigan's Upper Peninsula which is part of my district. This designation is not the best way to manage our natural resources in the Upper Peninsula of Michigan. The wilderness designation is far too restrictive for an area whose economy is so heavily dependent on its natural resources. Permanently restricting these areas with the wilderness designation will mean that the Forest Service will not have any discretionary powers to manage the forest as they see fit. The Forest Service employs forest management professionals who are better able to recommend management techniques for these areas. Wilderness designation takes away the ability of the local foresters to make changes as the areas change.

My definition of conservation is the wise use of our natural resources, not the nonuse. I do not feel this bill is a wise use of these areas. Last year almost 12 percent of the people of Michigan's Upper Peninsula were unemployed. Although I do not believe this designation will increase unemployment, any further restrictions placed on the ability of our people to use their natural resources will have a negative impact on future investment and expansion of our forest products industries. In our area the forest products industry creates numerous jobs and contributes significantly to our local economy. Supporters of this bill say that there is no wilderness in Michigan. They also contend the bill will dramatically increase the number of tourists drawn to the area. I do not agree with either of these arguments. It is true there are no Federal wilderness areas, however there are several areas that offer the same wilderness experience.

These areas include Isle Royale, the Porcupine Mountain State Park, Tahquamenon Falls Park, Pictured Rocks National Lakeshore and the Seney Wildlife Refuge. In summary, I oppose H.R. 148 because of the permanent restrictive designation it places on our local economy. As the Detroit News said in a recent editorial, the bill is "neither useful nor helpful in the management of Michigan's forest, deer herds, and other natural resources, and it would be a hindrance to the State's second largest industry, tourism." There is one other issue I would like to address, Mr. Speaker. By passing this legislation, we are saying, in effect, that a land-use decision such as this is better made in Washington than in northern Michigan. The message it sends to the people in northern Michigan is, "we don't trust you to make wise decisions with your resources and we need to protect those resources from you." I disagree. We who live in northern Michigan know how lucky we are to be surrounded by such beauty. That's why we live there. It is neither fair nor justified to presume that we are unable to strike the necessary balance between resource development and preservation at the local level.

Mr. MARLENEE. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Michigan. I yield to the gentleman from Montana.

Mr. MARLENEE. Mr. Speaker, I congratulate the gentleman on his wise evaluation of wilderness legislation. Of course, he represents an area most dramatically affected by this, and of course the gentleman realizes, I am sure, that wilderness designation is quite restrictive with regard to recreation. Just because we have wilderness designation does not mean that the area will be cared for any more or less than it would have been had it not been under the Forest Service management, but simply the fact that we are restricting it dramatically with the types and forms of recreation that may take place within those wilderness designations.

Mr. DAVIS of Michigan. The gentleman is absolutely correct. It is the most restrictive way that we can designate land. It means you can do practically nothing in it. And believe me, I have lived my whole life in this area and spent a great deal of time flying over the area. If you want a wilderness experience, you can go anyplace in my congressional district and find areas that are not specifically designated as wilderness areas, but believe me, they are wilderness.

When one depends upon the forest products industry for their livelihood, and with an unemployment rate, as indicated, that last year was 12 percent, and right now it is probably 15 or 16 percent, you have to do things to be able to protect the economy, to be able to make sure that in the future you will be able to have the wise use of those natural resources, as I indicated, not be nonuse.

Mr. MARLENEE. Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore (Mr. Gray of Illinois). The gentleman from Michigan [Mr. Davis] has consumed 6 minutes.

Mr. VENTO. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan [Mr. Kildee], a member of the committee and the chief sponsor of this legislation.

Mr. KILDEE. Mr. Speaker, H.R. 148, the Michigan Wilderness Heritage Act of 1987 will designate as wilderness some 92,000 acres, about two-tenths of 1 percent of the commercial forest land in Michigan.

H.R. 148 is virtually identical to the bill which this House passed overwhelmingly in September 1985.

The only changes to the bill from the last Congress are minor border adjustments to reflect some concerns by the Forest Service.

The 11 proposed wilderness areas in the bill include unique examples of Michigan's varied flora, fauna and geography.

Some of the last remaining stands of Virgin Forest in Michigan and the many rare and threatened plant species found in these areas provide habitat for bald eagles, moose, black bear, white-tailed deer, sandhill cranes, great blue herons and many other varieties of wildlife.

The areas contain river canyons hundreds of feet deep filled with wild rivers, waterfalls and wetlands; lakeshore sand dunes and beaches; winter ice caves and chains of granite-rimmed lakes.

The bill retains the language worked out with the minority in last Congress which reiterates the protection of valid existing rights, in particular those of the private subsurface owners in the nordhouse dunes area.

I am particularly grateful to the gentleman from Montana, [Mr. Marlenee] for his sensitive concern in this matter.

Moreover, I am pleased that Chairman Udall has agreed to keep the committee report language of the last Congress which laid out guidelines for the Forest Service regarding its mandate to preserve the wilderness characteristics of the area while protecting the rights of the subsurface owners.

Under the State of Michigan law, the Michigan Department of Natural Resources has the authority to issue or deny drilling permits in Michigan. A representative of the DNR who testified before the Interior and Agriculture Committees, has informed me of private discussions between the DNR, the Forest Service and the private subsurface owners.

He assured me that the three parties are attempting to work out a mutually agreeable compromise which will protect the subsurface owners' rights and the environment of the Nordhouse dunes area.

Mr. Speaker, I would like to express my deep appreciation to my colleagues in the Michigan delegation who have given their continued support to my efforts to move this bill through the House.

I would also like to thank Chairmen Udall, de la Garza, Vento, and Volkmer for expediting the hearings and markups on H.R. 148 in the committees and subcommittees which have jurisdiction over the bill.

Mr. Speaker, I feel that H.R. 148 strikes a good balance between the development and preservation of the last remaining vestiges of wilderness left in Michigan.

The tremendous support for H.R. 148 from 11 of my colleagues in the Michigan delegation; from Gov. Jim Blanchard; from national and local environmental groups; and from the timber industry in Michigan are ample proof that we have succeeded in achieving that balance.

Mr. Speaker, some people have questioned the need for wilderness designation for these 11 unique areas in Michigan.

They cite the authority the Forest Service has to administer the areas in a manner similar to wilderness. However, as you and I both know, Congress is the board of directors for the Nation.

We must set policy for the executive agencies to implement.

By approving H.R. 148, the Congress will permanently set aside these 11 areas to be preserved much as they came from the hand of God.

They will be protected not only from man-made disturbances but also from changes in the bureaucratic whims of each new administration here in Washington.

□ 1300

Mr. BONIOR of Michigan. Mr. Speaker, will the gentleman yield?

Mr. KILDEE. I yield to the gentleman from Michigan.

Mr. BONIOR of Michigan. Mr. Speaker, I thank my colleague, the gentleman from Michigan [Mr. Kildee], and would like to take this opportunity to extend my appreciation for his shepherding and love of this bill and what it stands for and his help in bring this to the floor of the House again in this Congress. The gentleman has done a marvelous job in dealing with 93,000 acres of unique Michigan wilderness lands. I commend him for it.

I might also add that the previous speaker mentioned the Detroit News and alluded to the fact that they have some difficulties with this bill. They have always had very little difficulty in spelling Mr. KILDEE's name right, or especially my name, but they seem to have misspelled Nordhouse Dunes. I would suggest to them that you do not spell dunes, d-o-o-n-s; it is d-u-n-e-s. To the extent that they can recognize that, I think we are going to be further ahead in terms of being able to discuss this issue with them.

Mr. Speaker, I rise today in support of H.R. 148, the Michigan Wilderness Heritage Act of 1987. This bill passed the House in the 99th Congress, but unfortunately was not considered by the Senate. This bill will designate Federal lands in my State, currently part of the National Forest System, as wilderness, preserving it from certain development activities. Wilderness is one of the multiple uses of forest lands defined by the National Forest Management Act of 1976. But even before this, Congress recognized the value of wilderness by establishing the Wilderness Act of 1964, mandating the Forest Service to inventory their lands and recommend additions to the National Wilderness System, established by the act.

Mr. Speaker, H.R. 148 includes approximately 92,000 acres of national forest land in Michigan. This represents roughly 3 percent of the 2.7 million acres of national forest land in the State, and a very small fraction of the Michigan Department of Natural Resources' estimate of 17.5 million acres of forested lands in the State.

Yet within these confines are some of Michigan's finest remaining wildlands. Sylvania is a popular summer and winter vacation spot which draws extensively from the urban recreationalist crowd of Milwaukee and Chicago. Sylvania is teeming with eagles and waterfowl, otters, and within it stands Michigan's largest red pine.

The McCormick tract, Mr. Speaker, is a recent addition to the National Forest System and has been managed as de facto wilderness since the late 1970's. It is one of the few remaining stands of virgin hemlock and white pine in the State. It is also the site of ongoing integrative forest studies by many of the State's acclaimed ecologists.

It is my understanding that forest industrialists and environmentalists in the State have agreed to support this legislation. I think that this is vital because although the wilderness designation will prohibit road construction, off-road vehicles and logging, it is still a multiuse philosophy which restricts as little as possible, while maintaining a primary goal to preserve a unique ecosystem intact.

These 11 Michigan areas are deserving of this special stewardship and will bring new examples of unique ecosystems into the National Wilderness Preservation System. Among them are Great Lakes sand dunes, north country riparian systems and inland lake complexes.

What will be permitted in the wilderness? I think this is a useful question. Hunting, fishing, trapping, backpacking—and other nonmotorized recreation activities; U.S. Forest Service fire control, insect and disease control and medical evacuations; mineral and oil and gas exploration for companies with subsurface rights, if they agree to proceed in a manner compatible with the preservation of wilderness.

Clearly, Mr. Speaker, this land will not be locked up. On the contrary, it will be available for generations to come.

Henry David Thoreau said "We can never have enough nature." I couldn't agree more. Today we seek to preserve one-quarter of 1 percent of my State. I would urge my colleagues to support this legislation which is here before us because of the hard work of our colleague DALE KILDEE.

H.R. 148 will further my State's effort to preserve its natural beauty for future generations. I ask that the House match the efforts of my State by passing this fair and farsighted legislation.

Mr. VENTO. Mr. Speaker, I reserve the balance of my time.

Mr. MARLENEE. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore (Mr. GRAY of Illinois). The gentleman from Montana [Mr. MARLENEE] has 11 minutes remaining.

Mr. MARLENEE. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. HENRY].

Mr. HENRY. Mr. Speaker, I want to begin, first of all, by commending the gentleman from Michigan [Mr. KILDEE] for the leadership he has shown on this issue.

I also acknowledge with appreciation the chairman's role, the gentleman from Missouri, as well as the ranking Republican from Montana, for their having facilitated and expedited bringing this wilderness designation bill to the floor in a very quick manner.

This is, as has already been pointed out, very substantially the same as legislation which we passed on this floor in the 99th Congress. I want to indicate, Mr. Speaker, that support for this legislation within the Michigan delegation is, indeed, broad. A clear majority of the delegation does support the legislation. Republicans and Democrats have, in fact, been very active in seeking to secure its enactment.

We came within a whisker in the 99th Congress of seeing this legislation passed into law, and with some modest disagreements between this body and the other body, we failed in last-minute attempts to successfully resolve the issue.

Mr. Speaker, I believe this year we can do that. I believe that this bill does, in fact, strike a balance between the preservation of surface areas of beauty and natural uniqueness which will never be replaced if we lose them and the private property rights of those who own the subsurface mineral rights.

Mr. Speaker, I want to commend, again, the gentleman from Michigan [Mr. KILDEE] for his leadership and to urge a strong and forceful vote in support of this legislation.

Mr. MARLENEE. Mr. Speaker, I yield 2 minutes to the gentleman from Washington [Mr. MORRISON].

Mr. MORRISON of Washington. Mr. Speaker, there will be controversy with this bill, as there always is in almost every wilderness measure we consider.

My purpose in making a statement during the consideration of this measure is to assure all Members of the House that this bill has been subjected to the appropriate process. As has been mentioned, it was similar to the bill passed in 1985. It passed then under suspension. The difference perhaps this time is that the gentleman from Missouri [Mr. VOLKMER] and myself and our Subcommittee on Forests, Family Farms and Energy in the Committee on Agriculture intend to review these rather thoroughly.

We have had an appropriate hearing on this measure. We find, indeed, it is well-balanced and it came out of our subcommittee and out of the Committee on Agriculture with endorsement.

We notice, in looking at the balance, on Federal forest lands within the State of Michigan that 3.4 percent of that forest land would be set aside under this wilderness designation. There is currently no land under that designation and we seem to have fairly broad support from the delegation from that State for this particular set-aside.

There is appropriate release language, and it is compatible with the U.S. Forest Service obligation to manage our precious forest resources.

I intend to support this measure on final passage.

Mr. MARLENEE. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. PURSELL].

Mr. PURSELL. Mr. Speaker, I rise today in support of H.R. 148, the Michigan Wilderness bill, and to encourage my colleagues to vote for its passage. I want to congratulate Congressman KILDEE on his leadership on this excellent piece legislation.

This is an important piece of legislation for Michigan. According to the Sierra Club, there currently is not a single acre of Michigan's vast national forest tracts which is part of the National Wilderness Preservation System, a system that gives the necessary strong protection to wilderness areas. And those wilderness areas which are in the bill that are outside of the national forests are overused. For instance, the fragile ecosystem of

Isle Royal National Park, of the Keweenaw Peninsula in Lake Superior, recurrently has had to compete with overuse, despite being rather remote. Not only is it a Great Lake island, but it is far removed from any population center on the mainland as well. This is clear testimony to the genuine necessity for more wilderness area in Michigan.

We are not talking here about a lot of land. The total acreage is just over 90,000. That represents under one-third of 1 percent of Michigan's total land base. The great majority of the proposed wilderness areas are in the UP, the Upper Peninsula. The proposed wilderness is less than 1 percent of the UP's land base, just under 3 percent of the State's national forest land, and just one-fifth of 1 percent of all Michigan's commercial forest land.

Economic impact is one of the determinants of whether areas should be designated as wilderness. The statistics I've just cited, vis-a-vis the size of the proposed wilderness area in relation to total land base and forest land, indicate the small amount of land and forest the areas contained in the legislation include, both in relation to the entire land base of the State and the Upper Peninsula. In addition, the wilderness designation will not have any impact on air quality permitting of new industrial sites because of clean air regulations. Most of the acreage has a class II PSD—prevention of significant deterioration—designation under the Federal Clean Air Act. Two of the areas, Isle Royal National Park and the Seney National Wildlife Area, are class I. Siting of powerplants, for instance, has occurred in other regions of the country close to PSD class I areas. Michigan's economy clearly will benefit from the designation of additional wilderness areas. A reasonable increase in wilderness areas, as this bill calls for, clearly will enhance the attractiveness of the parts of the State where these areas are located and the State as a whole as places to visit. This can only produce added economic advantage from enhanced tourist business.

Another determinant of wilderness designation is the effect it will have on people in the area. It should be pointed out that perimeters of the proposed areas have been established so that private property therein is excluded as much as possible.

What we are talking about here, Mr. Speaker, is establishing a wilderness component of a land use program that is a balance of environmental protection and sensible development. Autos, snowmobiles, powerboats and other vehicles provide the means for many people to enjoy Michigan's natural resources. Extensive efforts are made to assure such opportunities. But there also should be areas where the canoe, snowshoe, and hiking boot prevail as the primary means of travel. It is important to preserve some wild areas where we can enjoy a nonmechanized nature experience and safeguard significant natural areas and wildlife habitats. Just as we encourage careful development in some areas, we should set aside other areas for preservation.

Mr. Speaker, I have long been a proponent of sound environmental policy—throughout my public career. Legislation I previously have supported includes the major Alaska Wilderness and Redwood Park expansion bills. While a member of the Michigan Senate, I authored the State's Resource Recovery Act and led a cleanup of dying Michigan recreational lakes.

The Roman lawyer and satirist Juvenal once said: "Nature and wisdom always say the same." Mr. Speaker, I consider approval of the Michigan wilderness bill a wise investment in our future. I urge my colleagues to give their full support to this bill.

Mr. LEVIN of Michigan. Mr. Speaker, I am very pleased to express my strong support for H.R. 148, the Michigan Wilderness Heritage Act of 1987. I am proud to be a cosponsor of this important and needed legislation, and I extend my thanks to my colleague from Michigan [Mr. Kildee], for his tireless efforts in helping preserve Michigan's wilderness lands.

My support for this bill is rooted in my belief that there is a clear and growing danger to wilderness lands throughout the United States. Each year the pace of development claims a greater share of our wilderness lands. In Michigan, which possesses more Forest Service land than any other State east of the Mississippi River, the land is gradually losing its wilderness character. If we do not stop this despoilment, our legacy to our grandchildren could be a State without wilderness lands. H.R. 148 provides us with an opportunity to preserve the land for present and future generations.

H.R. 148 would designate 92,000 acres of northern Michigan as wilderness. Wilderness status means no construction of roads or building, no mining, logging, or other activities that would alter the land's natural character.

The proposed wilderness areas to be designated as components of the National Wilderness Preservation System include the Nordhouse Dunes Wilderness in the Manistee National Forest; the Sylvania Wilderness in the Ottawa National Forest; the Sturgeon River Gorge Wilderness in the Ottawa National Forest; the Rock River Canyon Wilderness in the Hiawatha National Forest; the Big Island Lake Wilderness in the Hiawatha National Forest; the Mackinac Wilderness in the Hiawatha National Forest; the Horseshoe Bay Wilderness in the Hiawatha National Forest; the Delirium Wilderness in the Hiawatha National Forest; the Les Cheneaux Wilderness in the Hiawatha National Forest; the Round Island Wilderness in the Hiawatha National Forest; and the McCormick Wilderness in the Ottawa National Forest.

I also want to add that while H.R. 148 protects these 92,000 acres, at the same time it provides for the rights of sportsmen, hikers, and researchers, to name a few, to enjoy and study the land. Indeed, this is the whole purpose of the legislation: to maintain these wilderness areas for present and future generations to enjoy.

Again, I am grateful to Representative Kildee for his hard work on this legislation. I urge passage of H.R. 148.

Mr. FORD of Michigan. Mr. Speaker, I rise today in support of H.R. 148, the Michigan Wilderness Heritage Act of 1987. I was also a cosponsor of this legislation when it was overwhelmingly approved in the 99th Congress. Unfortunately, a similar Senate bill never came to a vote in that Chamber.

H.R. 148 designates 92,000 acres, less than 3.3 percent of Michigan's three national forests, as national forest wilderness. Michigan, with more Forest Service land than any other State east of the Mississippi, currently has no national forest land with the coveted "protected wilderness" designation.

The 11 areas to be designated wilderness include unique examples of Michigan's varied plants, wildlife and geography. The areas contain river canyons, waterfalls, wild rivers, lakeshore sand dunes and beaches, winter ice caves and chains of granite-rimmed lakes. In addition to the phenomenal geography, these areas provide habitat for bald eagles, moose, black bear, white-tailed deer, sandhill cranes, Great Blue herons and many other varieties of wildlife.

H.R. 148 is an excellent balance between the development and the conservation of Michigan's forests. Proof of that balance is the endorsement of H.R. 148 by a bipartisan group of 12 Michigan Representatives, Michigan Gov. James Blanchard, the Sierra Club and Wilderness Society, and the Michigan Forest Products Industry Development Council.

As a result of hearings held in Washington and Michigan's Upper Peninsula, the Interior Committee has added several amendments to H.R. 148. The amendments reiterate the sportsmen's right to hunt, fish, and trap in the proposed areas, emphasize the ability of owners of gas or oil leases to exercise their rights, and prevents the establishment of "buffer zones" around the areas. Language was added that will release 22,000 acres currently in wilderness study areas for future timber harvest—these acres are not designated as wilderness in H.R. 148. The boundaries of the proposed wilderness areas have been carefully drawn to exclude private property wherever possible while improving the Forest Service's ability to preserve several of the State's unique ecosystems.

Accordingly, Mr. Speaker, I urge my colleagues to support passage of H.R. 148, the Michigan Wilderness Heritage Act of 1987. I enjoy the beauty the State of Michigan offers and hope it can be preserved for future generations.

Mr. MARLENEE. Mr. Speaker, I have no further requests for time, but let me say in closing that I want to congratulate the chairman of the subcommittee, the gentleman from Minnesota [Mr. Vento], for the work and attempt he has made to moderate all of the concerns that all of us have had about wilderness legislation.

I would also like to congratulate my colleague, the gentleman from Michigan [Mr. KILDEE]. He made every attempt to ally those concerns that we had about mineral rights, access to private holdings, those sorts of things.

I think that we can revisit this issue should problems arise with the Forest Service management of that wilderness area.

I commend those who were involved in the passage of this legislation.

Mr. Speaker, I yield back the balance of my time.

□ 1310

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill presently under consideration.

The SPEAKER pro tempore (Mr. GRAY of Illinois). Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to thank the gentleman from Montana [Mr. MARLENEE] for his cooperation during the Michigan Wilderness hearings, and I thank him for the questions he raised during the hearings. Because of that we will have additional information forthcoming providing a better insight into the wilderness designations and the forest lands east of the Mississippi, along with the types of problems that have occurred in terms of purchase of inholdings and other types of rights in those areas which often have been portrayed as costly. In fact, we think there have been very few instances when that practice has been followed, and the cost of it, considering the overall designation of eastern wilderness designations in the eastern forests, has been truly modest.

Mr. Speaker, this is a very important issue. As has been outlined before, my colleague, the gentleman from Michigan [Mr. KILDEE] has done an outstanding job in terms of presenting this to the committee and working out the compromises which are an inherent part of this Michigan wilderness measure which we bring to the floor today. I would ask that every Member support this measure because of its inherent merit it deserves our support.

With that, Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the bill, H.R. 148, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

AMENDING SECTION 18 OF THE NATIONAL SCHOOL LUNCH ACT

Mr. FORD of Michigan. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1728) to amend the National School Lunch Act to provide for limited extension of alternative means of providing assistance under the School Lunch Program.

The Clerk read as follows:

H.R. 1728

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 18 of the National School Lunch Act (42 U.S.C. 1769) is amended by adding at the end the following new subsection:

"(e)(1) Upon request to the Secretary, any school district that on January 1, 1987, was receiving all cash payments or all letters of credit in lieu of entitlement commodities for its school lunch program shall receive all cash payments or all letters of credit in lieu of entitlement commodities for its school lunch program for each school year ending before July 1, 1992.

"(2) Any school district that elects under paragraph (1) to receive all cash payments or all letters of credit in lieu of entitlement commodities for its school lunch program shall receive bonus commodities in the same manner as if such school district was receiving all entitlement commodities for its school lunch program.".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Michigan [Mr. FORD] will be recognized for 20 minutes and the gentleman from Pennsylvania [Mr. GOODLING] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan [Mr. FORD].

Mr. FORD of Michigan. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, on April 1, 1987, the Committee on Education and Labor reported by unanimous vote, an original bill, H.R. 1728, to amend the National School Lunch Act to provide for a limited extension of alternative means of providing assistance under the School Lunch Program.

This limited extension is necessary because current authority for 64 school districts, which were participating in a congressionally mandated alternative program, using either a cash or commodity letter of credit as of January 1, of this year, will expire on June 30, 1987, without this extension.

In view of the fact that the Congress is actively considering major improvements in the traditional commodity distribution program, as well as the relative merits of cash and commodity letters of credit, the Committee on Education and Labor believes that this limited extension provision in H.R. 1728 will prevent unnecessary and costly disruptions in these School Lunch Program operations.

The Congressional Budget Office has provided estimates on the costs involved in implementing this legislation. In reporting H.R. 1728, it was the committee's belief that there should be no significant costs associated with the extension of an existing program of cash and commodity letters of credit programs. Such costs, in our view, should be paid for out of existing audit and evaluation funds or unobligated State administrative expense moneys, as they have done for the past several years. Hearings were held last May 15, during the 99th Congress, and this year on March 19.

Mr. GOODLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, first of all, I would like to indicate that apparently we were too late to get the list of cosigners of the bill in, and I would like to read the names of those cosigners: Mr. BORSKI, Mr. FOGLIETTA, Mr. SAXTON, Mr. DELLUMS, Mr. DUNCAN, Mr. DERRICK, Mr. GUNDERSON, Mr. WALKER, Mr. STALLINGS, Mr. SCHAEFER, and Ms. SNOWE.

Mr. Speaker, I rise in support of the motion to suspend the rules and consider H.R. 1728, a bill to amend the National School Lunch Act to extend the authority of a limited number of school districts to continue to operate either cash or commodity letter of credit programs, as alternatives to the traditional commodity donation program.

I do this primarily because of the feedback we received from the districts that are participating. These are the things they tell us: first of all, they have increased acceptability and a variety of school lunch menus, and particularly on the secondary level, if you are going to keep them coming to the lunchroom, you certainly had better have acceptability and variety.

They have increased student participation and reduced local labor, transportation, and food storage costs.

Someday I think we will discover that as a matter of fact it is not very smart to buy on the Federal level, store on the Federal level, ship by the Federal Government, store on the State level, ship by the State level, store on the local level if you have any room to store, and if you do not, you then send it out and pay to store it, and then you also send it back out to have it processed because you cannot use what has been sent there in the first place. My hope is, as I said, that someday maybe we will be as lucky as Kansas. Is it not amazing that we have 50 States and one of those 50 States has cash only? They get bonus commodities as everybody else does, but somehow or other, before I came to the Congress of the United States, they were out there all by themselves with cash only, and they love it; they are doing well, and the children apparently love it, too, because they participate well.

So I would hope that these other 64 districts, none of which, I might say, are in my district, will be able to continue to participate until we get a real specific report using the kinds of suggestions and data and raising the kinds of questions that Chairman Ford and I have indicated we think they should use when they are making this kind of an evaluation. So it is my hope that they would continue this program.

According to the provisions incorporated in the bill, only those school districts that were participating in an alternative program as of January 1 of this year will be given the option to continue with the alternative they are currently operating. Some 64 school districts are involved and the bill before us this afternoon applies to only these districts.

Mr. Speaker, under unanimous consent to include extraneous matter, I will include at the end of my remarks a listing of the specific school districts in question.

Thirty-one projects are so-called cash sites which have received cash in lieu of entitlement commodities; and 28 projects are so-called CLOC sites which have received commodity letters of credit [CLOC's] in lieu of entitlement commodities. Five cash projects which participated in earlier congressionally mandated studies are also included.

All of these pilot school districts will continue to receive "bonus" commodities, largely dairy products, in the form of bonus commodities—not bonus cash or bonus commodity letters of credit.

Mr. Speaker, I would note that those school districts which have been operating either a cash or commodity letter of credit alternative program have reported some very positive results. These include:

Increased acceptability of and variety in school lunch menus;

Increased student participation; and

Reduced local labor, transportation, and food storage costs.

H.R. 1728 would allow these school districts, at their option, to continue to participate in either cash or commodity letter of credit alternative programs, until June 30, 1992. Current statutory providing for alternative programs expires June 30, 1987.

Mr. Speaker, there should, at best, be minimum costs associated with this limited extension—costs which can be absorbed out of existing evaluation or State administrative expense accounts.

I would urge my colleagues to join me in adopting the motion to suspend the rules and approve H.R. 1728.

Mr. Speaker, the cash in lieu sites, CLOC sites, and commodity sites are as follows:

CASH IN LIEU SITES

Adams Co. Sch. Dist. No. 50, Mary Gumm, School Food Director, 4476 West 68th Avenue, Westminister, CO 80030 (303) 426-0556.

Amarillo Indep. Sch. District, Sheila Taylor, Food Director, 910 West 8th Street, Amarillo, TX 79101, (806) 376-5531.

Archdiocese of Philadelphia, Bonnie Baehr, School Food Director, 222 N. 17th Street, Philadelphia, PA 19103, (215) 587-3767.

Bremerton Public Schools, Jackie Love, Food Service Coordinator, 300 N. Montgomery, Bremerton, WA 98310 (206) 478-5106.

Brodhead School District, Debbie Anderson Bookkeeper 406 10th Street, Brodhead, WI 53520 (608) 897-8249.

Caddo Parrish School District, Paula Rhodes, P.O. Box 32000, Shreveport, LA 71130 (318) 636-0210.

Converse Co. Sch. Dist. No. 2, Jim Hoyt, Superintendent, 212 South 3rd. Box 1300, Glenrock, WY 82637 (307) 436-5331.

Edgefield County Sch. Dist., Mary Tuten, Supervisor, Food Service P.O. Box 178, Edgefield, SC 29824, (803) 275-4601.

Egyptian Community Unit, JoAnna Adams, R.R. No. 1, Tamms, IL 62988, (618) 776-5251.

Elba Central School, Mrs. Viola Stokes School Food Director, 57 South Main, Elba, NY 14058 (716) 757-9967.

Esmeralda Co. School District, Jim Bullock Superintendent, Box 546, Goldfield, NV 89013, (702) 485-6382.

Fredericksburg City Schools, Willie Conyers, Director of Federal Projects, 817 Princess Ann Street, Fredericksburg, VA 22401 (703) 371-0430.

Grace Joint No. 148, Gay Panter, School Food Director, P.O. Box 328, Grace, ID 83241, (208) 425-3920.

Grant Co. Schools, Betty Groves, 204 Jefferson Avenue, Petersburg, WV 26847 (304) 257-1011.

Greenwich Public Schools, Toni West, Food Service Supervisor, 290 Greenwich Avenue, Greenwich, CT 06830 (203) 625-7400.

Humphreys Co. School District, Rebecca Smith, Food Service Coordinator, P.O. Box 766, 1035 Church, Waverly, TN 37185 (615) 296-2568.

Huntington Beach City S.D., Joyce Lareau, School Food Director, P.O. Box 71, Huntington Beach, CA 92648, (714) 964-8888.

Iberville Parrish School Dist., Emmajo Williamson, School Food Supervisor, P.O. Box 151, Plaquemine, LA 70764, (504) 687-7629.

Menahga School District #821, Linda West, Bookkeeper, Menahga, MN 56464, (281) 564-4141.

Monroe County Sch. Dist., Sue Cummins, School Food Director, 242 White Street, P.O. Box 1430, Key West, FL 33040, (305) 296-6523.

Morristown School District, Linda Magoon, Hot Lunch Agent, Morrisville, VT 05661, (802) 888-4541.

Northwestern Local Sch. Distr., Virginia Mitchell, School Food Director, 5610 Troy Road, Springfield, OH 45502, (513) 964-1318.

Norton City Schools, Vic Cardenzana, Business Manager, 4128 Cleveland-Massillon Rd., Norton, OH 44203, (216) 825-0863.

Page Unified Sch. Dist. No. 8, Sue Bender, P.O. Box 1927, Page, AZ 86040, (602) 645-8801.

Reading School District, Murphy Hines, School Food Director, 8th and Washington, Reading, PA 19601, (215) 371-5735.

School Adminis. Dist. No. 6, Judith Percival, School Food Admin. Director, Box 38, Bar Mills, ME 04004, (207) 839-4017.

School District of Lancaster, Gene Miller, School Food Director, 225 W. Orange Street, Lancaster PA 17604 (717) 291-6235.

Shamong Township School Dist., Marilyn Prado, School Board Secretary, Indian Mills School, R.D. 2, Vincentown, NJ 08088, (609) 268-0440.

Tyler Independent Sch. Dist., Judy Richter, School Food Director, P.O. Box 2035, Tyler, TX 75710, (214) 595-3481.

Woodhaven School District, Toni Makarewicz, ARA Representative, 24787 Van Horn Rd., Flat Rock, MI 48134, (313) 782-4700.

Worth County Public Schools, Peggy Harris, School Food Director, 204 East Franklin, P.O. Box 359, Sylvester, GA 31791, (912) 776-6943.

CASH SITES*

Boise School District, Judy Stanton, 1207 Fort, Boise, Idaho 83702.

Doris M. Layman, St. Louis Public Schools, Division of Food Services, 3020 Lexington, St. Louis, Missouri 63115.

Jonesboro Public Schools, Joan Holiday, 1307 S. Flynt, Jonesboro, Arkansas 72401.

Oakland Unified School District, Frances E. McGlone, 900 High Street, Oakland, California 94601.

Dayton Public Schools, Betty Bender, 348 W. First Street, Dayton, Ohio 45402.

*The above five cash site schools have participated in earlier congressionally mandated pilot studies.

CLOC SITES

Alleghany County Sch. Dist., Sam Cook, Administrative Assistant, 330 N. Court Avenue, Covington, VA 24426, (703) 962-3969.

Community School District No. 4, Verne Bear, Superintendent, U.S. Highway 150 & Sulphur Springs Rd., P.O. Box 160, Paris, IL 61944, (217) 465-5391.

Elk Point S.D. #61-3, Dawn Heaton, Kitchen Manager, P.O. Box 578, Elk Point, SD 57025, (605) 356-2606.

Fairfax County Public Schools, Dorothy Vanegmond-Pannell, Director, Food Services, 6707 Electronic Drive, Springfield, VA 22151, (703) 941-1665.

Flowing Wells Schools, Elsie Fuller, School Food Director, 4545 N. Lacholia Blvd., Tucson, AZ 85705, (602) 887-1100.

Fruitland Idaho Pub. Schools, Ben Kerfoot, Superintendent, P.O. Box 387, Fruitland, ID 83619, (208) 452-3360.

Gilroy Unified School District, Janet McCown, Supervisor, 7663 Church Street, Gilroy, CA 95020, (408) 842-8374.

Gonvick-Trail Community School, Don Danielson, Superintendent, 1st at Elm Street, Gonvick, MN 56644, (218) 487-5262.

Green Forest School District, James Johnston, Superintendent, P.O. Drawer AO, Green Forest, AR 72630, (501) 438-5223.

Hernando Co. School District, June Mathews, Food Service Director, 919 Highway 41 North, Brooksville, FL 33512, (94) 796-6761.

Indiana Area School District, Ralph Hegner, School Food Director, 501 East Pike, Indiana, PA 15701, (412) 463-8713.

Knox Co. School District, W.P. Clear, School Food Authority, P.O. Box 2188, Knoxville, TN, 37901, (615) 521-2426.

Lexington School District No. 3, Patricia Holstein, School Food Director, 707 E. Columbia Avenue, Batesburg, SC 29006, (803) 532-5867.

Longview S.D. No. 122, Terri Anderson, Food Service Manager, 28th and Lilac Streets, Longview, WA 98632, (206) 577-2728.

Loudon County School District, Jean McCall, Food Service Supervisor, P.O. Drawer D, Loudon, TN 37774, (615) 458-6138.

Lyndon Town School District, Sue Montague, Cafeteria Manager, Lyndonville, Elemetary School, Lyndonville, VT 05851, (802) 748-4262.

Merrill School District, Robert Opsahl, District Administrative Assistant, 1111 N. Sales Street, Merrill, WI 54452, (715) 536-4581.

Parkersburg Community Schools, Mrs. Camilla Coy, Elementary Secretary, Parkersburg Elementary School, 602 Lincoln, Parkersburg, IA 50665, (319) 346-2446.

Pendleton Co. School Dist., Virgil Puffenburger, Asst. Superintendent, P.O. Box 938, Franklin, WV 26807, (304) 358-2207.

Portland Public Schools, William Verrill, Food Service Director, 28 Homestead Avenue, Portland, ME 04103, (207) 797-5076.

River Falls School District, Carolyn Camp, School Food Administrator, 104 East Locust Street, River Falls, WI 54022, (715) 425-6771.

Shoreline Public Schools No. 412, Connie Hevly, Food Service Supervisor, 17077 Meridian Ave. North, Seattle, WA 98133, (206) 361-4207.

Troy School District, Gayle Moran, Supervisor of Food Services, 4400 Livernois, Troy, MI 48098, (313) 689-7495.

Victoria Indep. Sch. District, Dolores Barnabei, Food Service Director, 102 Profit Drive, Victoria, TX 77901, (512) 576-3131.

Washakie Comm. Con. Sch. Dis. 2, Holly Smothers, Head Cook, Box 115, Ten Sleep, WY 82442, (307) 366-2233.

Waterford Township SD, Ruth Albertson, Cafeteria Manager, Thomas Richards School, 925 Lincoln Ave., Atco, NJ 08004, (609) 768-1473.

Weld Co. Sch. District, Ralph Randel, Supervisor, Food Service, 811 Fifteenth Street, Greeley, CO 80631, (303) 352-1543.

Windsor Public Schools, Rita K. Heimann, School Food Coordinator, 150 Bloomfield Avenue, Windsor, CT 06095, (203) 688-0003.

COMMODITY SITES

Adams Co. Sch. Dist. No. 12, Eunice Anderson, School Food Director, 11285 Highland Drive, North Glen, CO 80233, (303) 451-1561.

Broward County School District, Jane Wynn, Director, School Food Service, 1320 S.W. 4th Street, Ft. Lauderdale, FL 33312, (305) 765-6242.

Buckeye Local School District, Theresa Besece, School Food Director, P.O. Box 300, Rayland, OH 43943, (614) 598-4160.

Burlington Township SD, Rita Giampetro, Business Manager, Box 428, Burlington, NJ 08016, (609) 387-3955.

Castro Valley Unified S.D., Charlie Gibson, Business Director, P.O. Box 2146, Castro Valley, CA 24546, (415) 537-3000.

Dublin Independent Sch. Dist., Jessie Barbee, School Food Service Director, Box 1444, Dublin, GA 31021, (912) 272-3440.

Enfield Public School, Eleanor McDaniel, Director, School Food Service, 27 Shaker Road, Enfield, CT 06082, (203) 745-2609.

Galway Central School District, Margaretha Smith, School Food Director, Galway, NY 12074, (518) 882-1222.

Granite Falls Public Schools, Marie Anderson, School Food Service Director, 450 9th Avenue, Granite Falls, MN 56241, (612) 546-4081.

Hampshire County Schools, Dave C. Trimmer, Director, Federal Programs, Court House Annex, Romney, WV 26757, (304) 822-3098.

Harrisonburg City Schools, Marianne Hinkle, Food Service Director, P.O. Box 551, Harrisonburg, VA 22801, (703) 436-9916.

Hot Springs County No. 1, Doris Ready, School Food Director, 441 Park Street, Thermopolis, WY 82443, (307) 864-2479.

Jefferson Co. School Dist., Faye Grant, School Food Director, 1490 West Washington, Monticello, FL 32344, (904) 997-5852.

Lexington School District No. 4, Jeanette Stabler, School Food Director, Rt. 1, Box 638, North, SC 29112, (803) 779-7373.

Marshall Co. Sch. District, Joy Lewter, Supervisor of Food Service, Lewisburg, TN 37091, (615) 359-6283.

Medical Lake S.D. No. 326, Marion Fisher, Food Service Supervisor, Box 128, Medical Lake, WA 99022, (509) 299-3156.

Mifflin County Public Schs., Maria Griffiths, School Food Director, 514 West 4th Street, Lewiston, PA 10744, (717) 248-0148.

Nogales Unified Sch. Dist. No. 1, Hector Franco, Food Service Manager, 222 Plum Street, Nogales, AZ 85621, (602) 287-5998.

Nye County School District, Mary Taylor, School Food Director, P.O. Box 113, Tonopah, NV 89049, (702) 482-6258.

Parma School District No. 137, Marie Hopkins, Food Service Manager, Box 246, Parma, ID 83660, (208) 722-5115.

Pharr-San Juan Alamo, Manuel Perez, Business Manager, Independent School District, Pharr, TX 78577, (512) 787-6551.

Pleasant Hill Comm. Unit No. 3, Gordon Sansom, Superintendent, Pleasant Hill, IL 62366, (217) 734-2311.

San Diego Unified, Jane M. Boehrer, School Food Director, San Diego Unified, 4100 Normal Street, San Diego, CA 92103, (714) 293-8091.

School Adminis. Dist. No. 54, June Bichard, Food Service Supervisor, P.O. Box 69, Skowhegan, ME 04976, (207) 474-2497.

Smackover School District, Bob Hood, Superintendent, Route 1, Box 123-B, Smackover, AR 71762, (501) 725-3132.

St. Bernard Parrish Sch. Dist., Les Scharfenstein, School Food Director, Chalmette Circle and LaCaste, Chalmette, LA 70043, (504) 279-9451.

Sully Buttes S.D. No. 58-2, Dennis R. Sharp, Business Manager, General Delivery, Onida, SD 57564, (605) 258-2619.

Twinfield Union No. 33, Raeleen Wright, Lunch Program Director, Plainfield, VT 05667, (802) 426-3245.

Union City School District, Ruth Matson, School Food Director, 430 St. Joseph Street, Union City, MI 49094, (517) 741-8091.

Urbana Community School, Bev Kisling, Secretary to the Superintendent, Box 246, Urbana, IA 52345, (319) 443-2426.

Washoe County School District, Frank Towers, Director, Food Service, 425 East Ninth Street, Reno, NV 89520, (702) 322-7041.

Westby Public Schools, Dan Wiegan, Administrator, 206 W. Avenue South, Westby, WI 54667, (608) 634-3101.

Mr. Speaker, I reserve the balance of my time.

Mr. FORD of Michigan. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. PANETTA].

Mr. PANETTA. Mr. Speaker, I rise to make a few comments on H.R. 1728, a bill to amend the National School Lunch Act to provide for limited extension of alternative means of providing assistance under the School Lunch Program.

H.R. 1728 would extend through fiscal year 1992 pilot projects in 64 school districts across the country. These pilot projects allow schools to receive either cash payments or commodity letters of credit [CLOC] instead of the surplus commodities from the Commodity Credit Corporation.

While I will vote for final passage of this bill, I am concerned about extending these pilot projects through fiscal year 1992. These projects were first authorized in the 1981 agriculture appropriations bill. Then in 1985, the Food Security Act—Public Law 99-198—extended these pilot projects through June 30, 1987. After a decade, it seems to me that a pilot project becomes an ongoing program. On the other hand, a precipitous cancellation of these projects would disrupt the ongoing food service operations in these school districts.

Furthermore, I understand why these pilot projects came into existence. Last month, the Agriculture Committee's Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition, which I have the honor to chair, held a hearing on a bill, H.R. 1340. This bill would improve the distribution of surplus commodities acquired by the Department of Agriculture. Three statutes under the jurisdiction of the Committee on Agriculture authorize the distribution of surplus commodities to schools and other nonprofit organizations. These authorities are section 416 of the Agricultural Act of 1949, section 32 amendments to the Agricultural Adjustment Act of 1935, and section 404 of the Agricultural Act of 1949.

The testimony from representatives of institutions that receive the surplus commodities made it clear that the commodity distribution program is badly in need of repair. Too often, the commodities are received late by recipient agencies and in forms which are difficult to use. We heard about cheese that doesn't melt and beef shipments which come so late in the academic year that schools have to store hamburger over the summer.

The subcommittee intends to mark up H.R. 1340 tomorrow so that we can insure that the commodity distribution program fulfills its two statutory objectives:

Removal of surplus agricultural commodities from the market.

Nutrition assistance to schools and senior citizens centers.

H.R. 1340 incorporates a series of recommendations forwarded to the Department of Agriculture on March 26, 1986, by the American School Food Service Association and the American

Frozen Food Association. H.R. 1340 embodies these recommendations and has been endorsed by a coalition of more than 25 general farm and commodity organizations.

I am confident that enactment of H.R. 1340 this year will insure that we will not have to perpetuate these pilot projects beyond the period established in H.R. 1728 which we are considering today because the Commodity Distribution Program will be improved to serve both the agricultural sector and our schools and other recipient institutions.

Mr. JEFFORDS. Mr. Speaker, I rise in support of the motion to suspend the rules and pass H.R. 1728, a bill to extend the existing cash and commodity letter of credit school unch projects, through June 30, 1992.

Basically, this legislation maintains the status quo for those 64 school districts who are currently operating either a cash or commodity letter of credit alternative program. I am pleased that two school districts in my State of Vermont, the Lyndon Town School District and the Morristown School District, were chosen to participate in this demonstraion of alternatives to commodities.

H.R. 1728 does not extend the cash or commodity letter of credit option to any addiional school districts.

I believe that we should extend the authority of these 64 pilot sites to continue their programs for a reasonable time period and I think hat the bill under consideration today provides for such an extension. This will enable he various congressional committees which have a strong interest in both our federally assisted feeding and commodity programs to ake a long hard look at how we can best improve the current commodity donation program. Moreover, it gives us adequate time to eview the cash and commodity letter of credit experiences.

Mr. Speaker, I urge my colleagues to join me in moving to suspend the rules and approve this modest amendment to the National School Lunch Act.

Mr. MILLER of Washington. Mr. Speaker, oday the House is considering H.R. 1728, which extends the Alternatives to Commodies Program established by Congress in 1981 or 5 years. I am pleased to be able to report o my colleagues that this program, which has been used in 66 school districts across the Nation—including the Shoreline Public School District in my own district of Washington State—has resulted in higher quality school unches and more variety in student meals at educed cost.

The program provides vouchers, known as ommodity letters of credit [CLOC's], or cash which are used to buy food supplies locally. This permits greater flexibility in managing chool lunch programs and provides students with fresher foods while reducing storage and ransportation costs.

This measure extends the program through 992, which will provide additional experience with the alternate programs, as well as time to onsider changes in the traditional Commodity Donation Program to increase the support it rovides for the School Lunch Program, as we ontinue to search for ways to improve the commodities program and make it more cost effective.

Mr. Speaker, I strongly urge my colleagues to lend their support to H.R. 1728. The alternatives are good programs, the school lunch managers find them effective, and the students receive better meals because they are available.

Mr. Speaker, I ask that I may include the text of an article concerning the Commodity Letter of Credit Program in the RECORD following my remarks.

FOOD SERVICE—AN ALTERNATIVE TO COMMODITIES

(By Constance Hevly, R.D.)

At a time when the National School Lunch program continues to face a severe challenge to its federal support, school districts must take advantage of every way possible to economize. Sixty-four school districts which tested two different alternatives to the current system concluded that the USDA Commodity Program, established in 1936, has become outdated and overly costly to school districts. They have found that there is a better way that still fulfills the purpose of the Commodity Donation Program to support farm prices and to safeguard the health and well-being of the nation's children by meeting their nutritional needs.

The two alternatives to commodities that have been tried are cash and Commodity Letter of Credit (CLOC). There were two previous pilot programs using cash. In total, 40 districts plus the entire state of Kansas receive cash (35 of those districts were involved in this study) and 31 districts receive CLOC funds.

Those districts receiving cash can use it whenever and for whatever food they want to buy for the school lunch program. Those districts receiving CLOCs (vouchers given for a specific amount of money designated for generic types of food, e.g. beef, chicken, turkey, potatoes, grains and oil products) must spend them at the same time the USDA is making these purchases.

The cash sites definitely preferred receiving cash to commodities, but this option did not relieve surpluses of specific farm products or meet price support goals, which CLOCs did. Cash sites agreed that if there was to be any hope for a nationwide local option of an alternative to commodities, it would have to incorporate a price support mechanism. They could certainly "live with" the CLOC option and would do so rather than return to commodities.

For the last four years, the CLOC sites in this pilot study have demonstrated that the CLOC program has worked in every size school district (from very small to very large) and in every region of the United States. Approximately 70 percent of the food used by the school lunch program is purchased locally. They demonstrated that the remaining 30 percent received in the form of commodities can also be purchased locally.

By far, the greatest savings can be made by the local purchase of all bonus commodities. (I could have used 1½ times more dairy products by using my dairy money to buy cottage cheese, cream cheese, swiss cheese, yogurt, jack cheese, sour cream, ice cream and milk for the students, as well as the butter, cheese and dried milk that the government sends.) Bonus commodities are available in whatever amount can be used without wasting them. However, at this time, those of us participating in the study are only asking that we receive CLOC funds for entitlement commodities.

We took our plea to the U.S. House of Representative's Subcommittee on Elementary, Secondary and Vocational Education on May 15, 1986. We reported that the study report and news release issued by the USDA was misleading and did not fully describe the results of the findings.

The USDA said that the commodity program now in place works better than the alternatives. It may work better for the USDA, but the CLOC alternative still met all of the farm support objectives and worked much better for the school districts.

Test sites found that CLOC districts:

Saved the cost of frozen food storage;

Saved freight expense for commodities;

Saved warehouse labor costs;

Saved kitchen labor costs—used less labor-intensive foods;

Increased patronage because food was purchased in a form the children prefer;

Reduced plate waste—if they don't eat it, it doesn't meet their nutritional needs;

Were able to coordinate deliveries with menus;

Had food costs as low as or lower than the value shown by the USDA;

Contributed to the local economy;

Relieved the federal government of the cost and responsibility to purchase, store and distribute surplus food;

Were able to utilize more fresh fruits and vegetables;

Eliminated money tied up in food products in a warehouse until it can be used—local vendors deliver to the door in specified quantities on a predictable schedule at competitive prices;

Stimulated local competition among vendors;

Had the ability to trade CLOCs over the phone nationwide before purchases were made, thus allowing for local preferences;

Received more usable commodities;

Were able to serve food purchased with CLOC funds before commodity schools were even notified they were going to receive it in some cases.

The USDA stated that the present commodity program provides significantly more food to the School Lunch Program. This is not an advantage to the district if it sits in the warehouse because the kids won't eat it; or participation drops because the kids won't buy it and the children on free and reduced-paying lunches throw it in the garbage can.

The USDA stated that the present commodity program provides foods that tend to have less salt. Study sites were not required to record sodium added to recipes in any form (salt, soup bases, etc.).

The American School Food Service Association and the National Frozen Food Association Ad Hoc Commodity Program Study Group entered into a joint resolution that stated that both organizations would continue to support the USDA Commodity Distribution Program until July 1987, but to eliminate further erosion of this support, a concerted effort must be made to correct the deficiencies and seek improvements of the current commodity distribution program. A list of 20 deficiencies and improvements was recommended. If, at the end of this period, USDA has not implemented these recommendations satisfactorily, legislation should be introduced to offer a workable CLOC option to all states.

The study sites do not intend to wait until June 1987, to see if the USDA has answered these 20 issues. We have organized an Association of Schools for an Alternative to Commodities. Our short-term goal is to make CLOC a permanent option for entitlement commodities for CLOC and cash sites. (As long as we are on the option, we keep it an open issue.) Our long-term goal is to make CLOC an option nationwide at the local level (not at the state level).

Any school district employee interested in furthering the goals of this group can request information from: Janet McGowan, Membership Chairman, Association of Schools for an Alternative to Commodities, Gilroy Unified School District, Gilroy, CA 95020.

We truly care about the future of the Child Nutrition program. The CLOC option works and it particularly benefits schools at the district level. We believe it can help prevent pricing ourselves out of business.

Mr. FORD of Michigan. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. GOODLING. Mr. Speaker, I yield back the balance of my time.

Mr. SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. FORD] that the House suspend the rules and pass the bill, H.R. 1728.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

□ 1320

GENERAL LEAVE

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore (Mr. GRAY of Illinois). Is there objection to the request of the gentleman from Michigan?

There was no objection.

GENERAL LEAVE

Mr. WELDON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the subject of the special order today by the gentleman from California [Mr. MOORHEAD].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

THE CONGRESS SHOULD BE PREPARED TO USE JACKSON-VANIK AMENDMENT TO OPEN TRADE WITH THE SOVIET UNION AND ENCOURAGE MORE EMIGRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. STARK] is recognized for 5 minutes.

Mr. STARK. Mr. Speaker, change seems to be underway in the Soviet Union in their treatment of dissidents, refusniks, and Jewish people seeking to leave Russia. Whether this change is lasting—or just a brief spring thaw—remains to be seen.

But the limited news to date is very encouraging.

I would like to commend the National Conference on Soviet Jewry and Mr. Morris B. Abram for their statement of April 1, commenting on the new developments—and for listing some of the improvements they expect to see in coming months. The statement notes:

> After further consultation within the Jewish community, and with members of Congress and government leaders, Mr. Bronfman and Mr. Abram would be prepared to suggest incremental responses based on measured progress on the above-mentioned points. Under consideration would be support for a change in the Stevenson Amendment, as well as annual waivers of the trade restrictions in the Jackson-Vanik Amendment, based on very substantial and sustained emigration. Only annual waivers will be considered until the problem of Soviet Jewish emigration has been completely resolved.

I would just like to state, Mr. Speaker, as one member of the Ways and Means Committee that I would welcome the day when we could use the Jackson-Vanik amendment to respond to "substantial and sustained emigration."

I also note that the Atlantic Council has just urged most-favored-nation status for the U.S.S.R. without the emigration "linkage" of the Jackson-Vanik amendment. I disagree. Trade with even our allies is not very popular these days. Trade with a persistent adversary has even less support. Use of Jackson-Vanik—the quid pro quo—is absolutely essential for the development of support for trade relations with the Soviets. Those who seek to improve relations with the Soviets should try to use Jackson-Vanik, not repeal it.

We also need to signal to the Soviets what "substantial and sustained emigration" means. The Soviets must feel like the greyhound in the racetrack chasing the mechanical rabbit. The rabbit is always beyond reach and in the end is snatched away. Twice before, emigration levels soared, and the United States did not extend MFN. If they soar again, it would be wise to be serious about the carrot of MFN.

The Reagan administration has failed woefully to negotiate with the Soviets. If we can't even negotiate with them on trade issues, how can we hope for agreements on security and arms? I hope, I pray that the small thaw on human rights cases which has occurred in recent days will be the beginning of a chance to negotiate trade agreements with the Soviets—and these agreements can point the way to overall better relations.

THE GULF OF MEXICO MARINE AND COASTAL RESOURCES PROTECTION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Louisiana [Mr. LIVINGSTON] is recognized for 5 minutes.

Mr. LIVINGSTON. Mr. Speaker, today I am introducing legislation to address the serious problem of coastal wetland erosion in Louisiana and to protect our Gulf of Mexico marine and coastal resources.

While broad legislation, which I support, has already been introduced in an attempt to address the loss of our Nation's coastal wetlands, I believe the legislation I am introducing today is critical to the national debate on this issue if Congress is to develop a final bill that represents a fair and realistic solution to this entire issue.

The specific legislative solution that I am proposing is necessary because the loss of Louisiana coastal wetlands represents approximately 80 percent of the total national coastal wetlands loss.

Louisiana's coastal wetlands are eroding at a rate estimated to be 60 square miles per year.

Since 1900, Louisiana has lost over 1,700 square miles of coastal wetlands, an area one and one-third times the size of Rhode Island! Unless these losses are reversed, the remaining Louisiana coastal wetlands will disappear in our lifetime!

If this is allowed to occur, this Nation will lose one of the most productive ecosystems, in the world that produces 27 percent of our Nation's annual commercial seafood harvest. At least 98 percent of the entire Gulf of Mexico's commercial fisheries species and 75 percent of the volume of the commercial seafood harvest spend part of their life cycle in Louisiana's coastal wetlands. These wetlands also produce 40 percent of the animals supporting our Nation's fur industry, and they represent the southern end of the national Mississippi flyway, which constitutes a vital habitat for the breeding, wintering and migration of wild birds and waterfowl.

Mr. Speaker, the legislation I have introduced addresses the Louisiana coastal wetlands loss problem; and it protects our Gulf of Mexico marine and coastal resources at the site of the highest concentration of damage. Indeed, it is a very real national emergency. Just as Congress has recognized and begun to address the unique regional problems of the Chesapeake Bay and its impact on the Atlantic coast, it is likewise imperative that we do not ignore the Louisiana coastal wetlands problem and its significant impact on the Gulf of Mexico region and this Nation.

This legislation, the Gulf of Mexico Marine and Coastal Resources Protection Act, authorizes the creation of a commission consisting of key Federal State, and local representatives who will provide directly to Congress within 2 years a specific and compre hensive action plan to reduce the loss of Louisiana coastal wetlands and return these wetlands to a natural and productive state. In doing so we will also protect the marine resources of the entire Gulf of Mexico.

This commission will provide, for the first time, a coordinated policy and action plan for dealing with wetlands loss. The commission's existence is authorized for 15 years to monitor the implementation of the action plan once it is developed. Such sums as necessary are authorized for fiscal years 1987 through 1989 for the commission to develop the action plan and conduct its duties. Funding for projects to be recommended in the action plan has not been authorized in this bill. While it is certain that the protection of our wetlands will not come cheaply, it would be premature to set funding authorization levels that could be inaccurate for projects for which technical and engineering requirements and cost estimates will not be available until the action plan is submitted to Congress. However, this legislation does authorize cost sharing levels for these future projects. The costs of implementing projects included in the final action plan would be funded on a cost sharing basis, with the Federal Government paying 75 percent of the costs and non-Federal interests paying 25 percent.

Commission members include: two cochairmen, the Secretary of the Army for Civil Works and the Administrator of the Environmental Protection Agency; the Secretaries of Interior and Commerce; the chairman of the Gulf of Mexico Marine Fisheries Council; State of Louisiana department leaders with jurisdiction over wetlands; representatives from the commercial and sports fisheries industries, hunters' associations, landowners' associations, and environmental groups in Louisiana; and, as an advisory committee to the commission, the Governors of Gulf of Mexico coastal States. The commission's broad representation at the Federal, State, and local levels is the only way to develop an effective policy for dealing with wetlands erosion along the Louisiana coastline, and, ultimately, the rest of the Nation.

Mr. Speaker, this legislation also directs the commission to analyze and consider some specific but controversial solutions in developing a final action plan to revitalize our coastal wetlands. The magnitude of the wetlands erosion problem demands that we seriously consider all of these solutions and more. However, the commission's broad representation as well as a public comment period on the action plan will ensure that every possible solution, from freshwater/sediment diversion to water control structures, will be developed and addressed in an equitable manner.

Finally, this legislation also specifically addresses the national policies that have caused our coastal wetlands loss. By including such specifics in the bill, I merely want to emphasize to my colleagues that these important national policies and activities, which many in Congress—including myself—have supported in the best interest of our citizens, are also responsible for most of our wetlands erosion.

Therefore, it is only equitable that we take further and more specific action on the Federal level and in Congress to address the serious problem of wetlands erosion. Though our efforts have increased over the years, there is still no coordination at all levels of government, nor is there a coordinated and comprehensive policy to address this wetlands issue. With this legislation, Congress can take immediate action to set as well as coordinate wetlands policy for our Nation's largest and most severely impacted area and subsequently apply this policy to the remainder of the Nation's coastal wetland areas.

I urge my colleagues in Congress to support this legislation in concert with other initiatives that address our Nation's serious wetlands erosion problem.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF HOUSE CONCURRENT RESOLUTION 93, CONCURRENT RESOLUTION ON THE BUDGET, FISCAL 1988

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 100-42) on the resolution (H. Res. 139) providing for the consideration of the concurrent resolution (H. Con. Res. 93) setting forth the congressional budget for the U.S. Government for the fiscal years 1988, 1989, and 1990, which was referred to the House Calendar and ordered to be printed.

THE BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts [Mr. FRANK] is recognized for 60 minutes.

Mr. FRANK. Mr. Speaker, we will begin this week to discuss the budget. But the discussion may be a little one-sided because we will have before us a budget that the majority of the Budget Committee has put forward. That will be a budget that reflects the views of the Democratic members of the Budget Committee because the Republican members voted against it.

We will also have before us a budget submitted by the President of the United States. That budget, apparently, has not yet come to the attention of the Republican Members. At least to my knowledge, as of today, no Republican Member had come forward urging that he or she be allowed to offer that budget as a document which this House would adopt.

So we have the majority budget that came forward. We have the "orphan budget," sent up here by the President and promptly abandoned by the President's party. Then we have, or we thought we would have, the budget that represents the viewpoint of the Republican Members.

My understanding is that the budget does not exist. Perhaps I am wrong, and I would hope I would be wrong because I would like to see the budget process go forward in a reasonable way in which we would choose among the President's budget, the budget put forward by the Budget Committee, and the budget representing the wishes of the minority.

The minority has apparently up to now decided, at least they did not present anything in the Budget Committee and I am told they had not yet presented anything to the Rules Committee, and if I am wrong, I will be glad to stipulate to that; but my understanding is that we will have no Republican budget. That what we are basically being told by their actions is that since they are in the minority and they have no responsibility for producing the budget, they will appropriately act irresponsibly.

I will congratulate my Republicans colleagues because they are showing themselves to be very well equipped to discharge the function of a minority. I assume by this performance it will further pursuade people that minority status is very much something for them to continue with.

Mr. LUNGREN. Mr. Speaker, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from California.

Mr. LUNGREN. I thank the gentleman.

Mr. Speaker, is the gentleman aware of the fact that the ranking Republican on the Budget Committee, Mr. LATTA, requested the Rules Committee to allow him to offer a package of amendments to the underlying budget, including the requirement that whatever numbers are adopted by the House be in fact numbers that will be accepted or actually work in the House. That is, they will be automatic reconciliation numbers, but on a party-line vote was denied the opportunity to even offer those amendments to the floor?

Mr. FRANK. I am aware that the gentleman had some amendments to the rules that he wanted to offer which I had been advised were of dubious germaneness, but I am not aware that the gentleman wanted to present an alternative budget. If he had wanted to present an alternative budget, there would not have been any objection.

He wanted to include in that a series of changes in the rules. Now, we voted on the rules once, we could vote on the rules again, but I think what the gentleman wanted to do was to avoid having to come forward with a budget because we do have this problem. We have a budget that the President sent. No Republican Member of the House, to my knowledge, has said, "Let us have a vote on the President's budget." We will have a vote on the President's budget, over, I think, the implicit objection of Members on the other side because they do not want to touch the President's budget. Then we ask for a budget on the other side. What we got, I am told, from the gentleman from Ohio were a series of amendments that dealt with the budget process. That is not what we are dealing with here today.

Mr. LUNGREN. If the gentleman will yield, the part of the budget process, as you refer to it, is a requirement that if we adopt the Democratic budget on the floor of the House, the numbers contained in the Democratic budget will in fact be binding on this House. They will, in fact, act as an automatic reconciliation.

What his amendment said is if we are serious about the budget process, if those on your side of the aisle want to bring forward a budget and claim that that is going to be the business of this House, then we should accept it at the end and say, "We will be driven by those numbers." That is what you call a change in the process.

That is what we call trying to be honest with the process and we were denied the opportunity to allow that even to be considered on the floor of the House.

Mr. FRANK. As the gentleman knows, there were opportunities to consider those things in the rules when we adopted the rules. Yes, it is a change in the process because we have the process of reconciliation. That is a statute; it gets voted on by both Houses and the President gets to sign it.

What the gentleman is trying to do here is what the Republican Party has been trying to do for the past month; Avoid having to come up with a budget. Where is your budget? What we are talking about now is the absence of a Republican budget. When we had the meeting of the Budget Committee originally and the chairman said,"Look, we are just going to start with a freeze and we will amend from there because none of us really want a straight freeze," the Republicans said, "We cannot participate; there is no Democratic budget." They refused to participate. They sent a letter like SDS: Here are our demands.

When that did not happen, then the Democrats voted on the budget and the Republicans having said, "We are upset because you have not produced one," then they were upset because they had produced one. There will be talk about procedures; issues that were voted on before. There will be talk about a whole lot of things. The Republican Party will neither embrace the President's budget, and I do not blame them for that; it is a dog, and the Republicans' unwillingness to support their own President's budget shows some survival instinct, which I applaud.

But neither will they give us their budget.

Mr. LUNGREN. If the gentleman will yield, the gentleman has described a scenario which, to those listening, would sound to be a reasonable scenario, but in point of fact as the gentleman knows, Members on our side of the aisle were kept in the dark with respect to the preparation of the budget that came out of the committee.

Mr. FRANK. Was the gentleman also kept in the dark about the budget that came out of the Office of Management and Budget signed Ronald Reagan? A budget came from the President of the United States in January. You have got at your disposal, you on the Republican side, the executive branch apparatus. You have OMB. Why were you not able to come up with a budget working with them?

□ 1330

Were you kept in the dark by OMB? Why will you not support the President's budget?

Mr. LUNGREN. Mr. Speaker, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from California.

Mr. LUNGREN. The gentleman said why have we not come out with a budget, working with them? The House of Representatives means we work with one another; supposedly, it means Members on both sides of the aisle.

Members on our side of the aisle were denied the opportunity to work with Members on the gentleman's side of the aisle in coming up with a budget for the House of Representatives.

We wanted to act in concert, as the chairman of the Budget Committee claimed he wanted to; yet Members on this side of the aisle were frozen out of the process considering the President's budget or any budget whatsoever. For months we were frozen out of the process, not only as to the numbers, but everything.

Mr. FRANK. I have to take back my time, because that is simply flatly inaccurate.

Mr. LUNGREN. No; it is not.

Mr. FRANK. Does the gentleman remember reading in the paper, I was not there, but no one denied it, the chairman of the Budget Committee opened up the budget process and said, "OK, any amendments? Do you want to make any changes?"

The Republican Party refused to participate. They voted "present."

The fact is that when asked to participate, they said, "no."

Mr. LUNGREN. Mr. Speaker, will the gentleman yield?

Mr. FRANK. I will yield in a minute to the gentleman, and I am glad to yield. In a minute I will yield to the gentleman; but I also want to point out the extraordinary remark the gentleman from California just made.

I said, understand the scenario. We have no House Republican budget. They did not come up with one. They came up with some rules changes, but no budget, because it is a difficult time we are in now, meeting Gramm-Rudman targets, trying to reduce the deficit; those are difficult things to do.

The President tried. I do not think he was very successful, but he tried. The House Budget Committee tried.

The minority party, using the prerogatives of the minority to be literally irresponsible, not responsible for what happened, will not even come up with a budget at all.

Now, what are their excuses? "Well, the Democrats wouldn't share with us."

You have got OMB that would have supplied the information.

The gentleman from California says, "Oh, no, we can't cooperate with the administration in coming up with legislation. We must cooperate with our fellow Members of the House."

I do not think that is a serious statement.

Mr. LUNGREN. Mr. Speaker, will the gentleman yield?

Mr. FRANK. Not yet, not yet.

The fact is that in the 6-plus years that I have been here it is frequent for Members of the Republican side to work with their administration in coming up with legislation. The notion that because the House Budget Committee chairman did not throw open his books to them, they could not work with their own OMB in coming up with a budget, shows how unserious they are.

The fact is that they did not want to try to come up with a budget because it would be too tough.

Now I yield to the gentleman from Florida, who had asked me first.

Mr. MACK. Mr. Speaker, I thank the gentleman for yielding.

I would like to make a comment relative to the gentleman's statement about being offered the opportunity to offer amendments.

I would say to the gentleman that there was one page in front of us indicating a series of numbers, no backup material whatsoever, no indication about what their plan was. There was no ability really to make a serious fer about what an amendment would e.

Mr. FRANK. Oh, I regard that as mply an evasion of responsibility. he Republican Party has the vastest idget apparatus available that any- dy has, the executive branch, OMB. ney have avoided scrupulously put- ng forward a budget because they nnot come up with one.

Mr. DURBIN. Mr. Speaker, will the ntleman yield?

Mr. FRANK. I yield to the gentle- an from Illinois.

Mr. DURBIN. Mr. Speaker, the gen- eman from Florida, I think, knows tter. When we started the debate in e Budget Committee, the gentleman t right next to me and offered an tlay freeze, for example, in the de- nse function 050.

Mr. MACK. That was not a serious fer on the budget.

Mr. FRANK. Mr. Speaker, I have elded to the gentleman from Illinois, vould like to point out.

Mr. Speaker, I ask for regular order. vill do this in an orderly process.

The SPEAKER pro tempore (Mr. RAY of Illinois). Regular order will be aintained. The gentleman from Mas- chusetts has the time. He has yield- to the gentleman from Illinois.

Mr. FRANK. Mr. Speaker, I yield to e gentleman from Illinois.

Mr. DURBIN. Mr. Speaker, I thank e gentleman from Massachusetts.

A series of amendments were of- red. The gentleman from Florida d his colleagues on the Republican le had ample opportunity to either crease or to decrease the amount of oney on defense spending. I think at the people listen and all those in e Chamber should be aware of the ct that in every single instance, thout fail, every Member of the Re- blican side voted "present," not to crease by a penny, not to decrease a penny, any defense spending.

You cannot really take it both ways, ntlemen. You have to really take a sition and stand by it.

When it came time for the Demo- tic budget proposal, your ranking ember, the gentleman from Ohio r. LATTA] was again asked whether had amendments to offer to the mocratic budget resolution, and ne were offered; so to suggest that u were not allowed to be part of the ocess I do not believe is accurate.

Mr. FRANK. Mr. Speaker, I thank e gentleman from Illinois. I just nt to stress again what the Republi- n Party is doing. They are trying ery sort of smoke screen to cover up e fact that they do not have a dget. We will meet tomorrow and ere will not be a budget that they t forward.

The President had a budget. They not like it and they will not come with one themselves. They would her criticize others.

Mr. PANETTA. Mr. Speaker, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from California.

Mr. PANETTA. Mr. Speaker, the budget resolution process to work effectively has to be a process where we make choices, very tough choices. We are at the point in the budget resolution dealing with a deficit where there are only so many choices left to be made, whether we do it through defense or whether we do it on the domestic side or whether we do it through taxes or whether we do a combination of all three of them; but you have got to make a choice. Which way are you going to go in order to reduce the deficit? It is not going to go away by magic. It is not going to go away by putting your heads in the sand.

The problem is that you have not made a choice. What is being presented here in the resolution is a choice. They are tough ones. They are not easy, but at least it is a choice to try to deal with the deficit issue.

What you are choosing to do is not make a choice and to try to run and hide from that.

You cannot use the argument about the committee. We all know that the budget is out there. The President presents a budget. You have members of the Budget Committee who are very familiar with the budget resolution process and can develop a budget resolution. We have had alternatives presented here in the past, so that is the point. The point is, are you willing to make some tough choices? Now is the time to do it.

On the budget process issue, let me say that I agree with many Members who have raised issues regarding the budget process. There are some changes that need to be made, whether it is going to a 2-year budget or trying to modify Gramm-Rudman or tighten up on the various rules that we have to make it enforceable; but you also know this is not the place to do it. We have never in the debates over the budget resolution changed the process at the same time we were dealing with the budget resolution, never.

Now, if you want to deal with budget process reforms, there is a time to do that and I am willing to sit down with Members from the other side to try to develop that kind of approach at the appropriate time; but the time this week is to debate the choices in the budget resolution and that is what we ought to target.

Mr. SUNDQUIST. Mr. Speaker, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from Tennessee.

Mr. SUNDQUIST. Mr. Speaker, I thank the gentleman from Massachusetts for yielding.

I understand why perhaps what the gentleman has said, there may be some confusion, because my understanding is the gentleman is not on the Budget Committee and the gentleman is going by written reports that he has seen.

The fact is that the President did submit a budget and it met the $108 billion Gramm-Rudman requirement.

The fact is that we do not always agree with the President on everything. That has been evident in the past.

The interesting thing to me, though, is that after beating up on the President's budget for all these months, lo and behold, the economic assumptions of the President's budget have been incorporated in the majority proposal.

Mr. FRANK. Mr. Speaker, I take back my time just to ask the gentleman, does the gentleman agree or disagree with those economic assumptions?

Mr. SUNDQUIST. Pardon me?

Mr. FRANK. Does the gentleman agree or disagree with the President's economic assumptions?

Mr. SUNDQUIST. Well, I think they are accurate, but after hearing the other side beat up on the President for all these weeks, it is interesting to me that they would suddenly adopt them.

The point I want to make is that the budget that was submitted by the majority is not a budget. It is a couple sheets of paper. It has no detail. If the President had submitted a budget like that, he would have been chased out of town. It is no budget. It does nothing; but we wanted to work with it.

There is a 2-to-1 majority in the Budget Committee, but we cannot put together a budget under these circumstances.

Mr. FRANK. Mr. Speaker, I have to take back my time because we are being told something now that I think is literally incredible, that the Republican Party, with its own staff resources and with the willing cooperation of the executive branch, the Office of Management and Budget and all the agencies, cannot come up with a budget on its own. If the Democratic Budget Committee does not adopt the procedures it likes, then the Republican minority in this House will not come up with a budget. That is not the reason they did not come up with a budget. They did not come up with a budget because, as the gentleman from California has said, it is too hard. They do not want to come up and confront the reality of the defense problem, of the revenue estimates, of the cuts.

The President's budget, I understand why the Republican Members are not for it, it cuts far too deeply. Older people get hurt in medical care. Students get hurt in the area of education.

The Democratic budget does this a different way. It mitigates those cuts. It makes greater cuts elsewhere.

The President's budget is at least there, however.

The gentleman says, well, the Democratic budget is only two pages. That is two pages longer than the Republican budget.

The fact is that the minority—I have been here when the minority has brought out bills that differed with the majority. Gramm-Latta that every Republican Member who was here at the time, but two, voted for; they did not need the Democratic Budget Committee for Gramm-Latta. They did not need it for other packages they put forward.

The notion that the minority cannot prepare a budget because the majority would not let them is nonsense. They did not want to prepare a budget because it would have imposed on them choices that were too difficult.

Mr. DURBIN. Mr. Speaker, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Speaker, I think there is another element that should be brought out here and that is the fact that the minority party had the opportunity of choosing between a press release and the process. They chose the press release.

The Republican conference adopted a resolution by the gentleman from Florida [Mr. MACK] who was on the floor earlier which literally painted the gentlemans party into an impossible position. They were in a corner they could not escape from. Once they said they would hit the $108 billion Gramm-Rudman target and not touch taxes, they found themselves in an impossible position. At that point they bailed out. At that point their party really did not involve itself in the budget process, either within the Budget Committee or on its own outside of that committee.

I agree with my colleague, the gentleman from Massachusetts. You have all the resources at your disposal. You do not need to be given facts by the Democrats on the Budget Committee to construct your own priorities, your own standards, and your own spending levels. In fact, you have decided to opt out of the process. I think that is rather transparent and in the coming days as we debate that budget resolution, we have a budget. In fact, the minority party, the Republicans, have none.

Mr. LUNGREN. Mr. Speaker, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from California.

Mr. LUNGREN. Mr. Speaker, I hope the gentleman yields sufficient time to me to reply to all these things so we can have some sort of dialog instead of just one statement on this side.

Mr. FRANK. Well, I have yielded about five times already on the gentleman's side and I will continue to do that.

Mr. LUNGREN. I would just say that we have to recognize where we are coming from on this. First of all, as someone said, although it was belittled on that side of the aisle, the numbers on the Budget Committee suggest very, very clearly, that the other side dominates and can get whatever they want out of it.

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At the beginning of this year there was the suggestion made by the chairman of the Budget Committee that he wanted to work on a bipartisan basis to come up with a bipartisan budget. Some of us took him at his word on that and thought that that was going to be the case.

Unfortunately, when I contacted the Budget Committee, when they announced that they were going to have hearings, to suggest a small thing, but nonetheless one that might mean up to a billion dollars or several billion dollars in a couple of years—indexing of bonds as a way to look at how we finance the debt that we do have—I was told by the Budget Committee staff that the hearings were not for that. The hearings around the country were to find out what the criticisms were of the President's budget. I was never given an opportunity to present that particular idea, first.

Second, in speaking to some of my colleagues on my side of the aisle who are on the Budget Committee, they were frozen out of the action. They were not given an opportunity to participate in the development of a budget.

The gentleman is correct—we can bring up any budget that we want. But if we want a budget that is going to pass on this floor and really actually make law here, we have to work on the gentleman's side of the aisle. When we were told basically that there is not going to be any spirit of cooperation, we are going to be frozen out of it, you know, that sends a different signal.

The other thing that I would say is that the gentleman keeps talking about all the resources at our disposal, but he never likes to talk about the tremendous disparity between the resources at our disposal here in the House vis-a-vis the Democrats. Maybe that is not significant.

Mr. FRANK. Mr. Speaker, reclaiming my time just to correct a misstatement, because I anticipated the misstatements, I said that you had access to the Office of Management and Budget, as the gentleman well knows. It is his party's administration there.

Yes, there are more Democratic budget staffers than Republican budget staffers in the House, but there is the Office of Management
and Budget and the budget appar
tuses of all of the Departments, whic
I thought were at your disposal.

Maybe the President said, "Eith
you'll support my budget," which nor
of you want to do, and I understar
that, or he would not help you. But
that is the problem, OK. But I did n
say that there was an evenness of r
sources here. I said that given the a
ministration, you could if you want
to avail yourselves of that, have th
resources.

You did not want to come up with
budget. The notion that it had to
bipartisan or you could not do it beli
what has happened in this House on
number of occasions. When there a
differences of opinion, sometimes w
can work together when there a
agreements. Sometimes there are di
ferences of opinion and both sid
have a responsibility to present to th
American people, "Here's our versio
here's their version, which is the or
that people prefer?"

The budget got too tough this yea
and the Republicans did not want
make a choice.

Mr. LUNGREN. Mr. Speaker, wi
the gentleman yield?

Mr. FRANK. I yield to the gentl
man from California.

Mr. LUNGREN. Mr. Speaker, one
the points that I tried to make is,
was trying to make a meaningful,
thought, suggestion on how we can
least bring down the deficit with r
spect to the financing of the debt th
we do have. I was told that the Budg
Committee was not interested in tha
and they were never interested in tha

If the gentleman suggests that w
opted out of the budget process whe
we were told by the committee sta
that it was not even of interest
them to take a look at something th
might save us over a billion dollars
year, I realize that we are talkin
about tens of billions, it does not su
gest that there was a spirit of cooper
tion on the gentleman's side of th
aisle, and to blame us for opting o
after we were denied an opportuni
to participate frankly I do not think
fair.

Mr. FRANK. Mr. Speaker, I want
correct the record. I do not blame th
Republicans for opting out, I blan
them for chickening out, because wh
they did was to chicken out on the
responsibility to say, "Here's o
budget."

Yes, the Democrats said, "We've g
the majority, and we're going to vo
our side, and you can vote your side.'
am not saying that the Democra
agreed to let you write the budge
What I am saying is that you refus
the opportunity, I think the oblig
tion, to say, "We disagree with th
President's budget"—which you all d
most of you. Maybe you have thr
votes over there; we will see. "I d

gree with the Democratic budget, and ur budget, we're for none of the bove." Because that is what you are utting forward.

You are using all of this procedural ust to avoid the responsibility to resent a budget.

Mr. MacKAY. Mr. Speaker, will the entleman yield.

Mr. FRANK. I yield to the gentle- an from Florida.

Mr. MacKAY. I thank the gentle- an for yielding.

Mr. Speaker, I would just like to ake the point that when my col- eagues on the minority side says that his process was not bipartisan, there re some days when that was absolute- y correct, and when our side says that t was partisan, there are some days hen that was correct.

My perspective is slightly different, n that some of my priorities in the udget would have been closer to the riorities on the minority side, and I ent to the leadership of the Budget ommittee and said, "Now I want to ake it clear, when we go out there on he day when we are going to try to do t bipartisan, I want to make it clear. s this a straight deal, or do we have to ake a party-line vote?"

I was told, "Absolutely not, you can ote any way you want to."

The day we were to do it bipartisan I as there prepared to make amend- ents and prepared to vote with Re- ublicans on amendments, and that as the day the Republican Party oted "present."

So if we are all going to start talking bout, "The process didn't work ight," I think that we ought to ac- nowledge that every one of us was to lame, and the day we could have one it was the day that, for reasons nbeknownst to me, and which I con- ider to be legitimate, and I am not riticizing, was the day that the minor- y and their colleagues voted present."

Unfortunately that was the day hen I had negotiated to get my mendments, which I think would ave been better and would have been upported by the minority, and I never ot a chance to offer them.

Mr. SUNDQUIST. Mr. Speaker, will he gentleman yield?

Mr. FRANK. I yield to the gentle- an from Tennessee. I apologize for isplacing him geographically. It is nly a couple of States; from Massa- husetts they kind of blur.

Mr. SUNDQUIST. It is a long ways— ennessee.

I thank the gentleman for yielding.

Mr. Speaker, let me just set it traight, and I think that the gentle- an from Florida came into this udget process with good intentions, nd unfortunately I do not believe hat he was in a majority on his side.

Mr. FRANK. I wonder, was the gen- leman corrupted, do you think?

Mr. SUNDQUIST. Do I what?

Mr. FRANK. I mean, you said that the gentleman came in with good intentions. I was wondering if he was corrupted somehow.

Mr. SUNDQUIST. He was just outvoted.

Mr. Speaker, if I could ask my question, you know, we talk about profiles in squishiness. In terms of the budget that we are going to be operating on in this House tomorrow, it is not really a budget.

Would the gentleman answer this question: The proposal, the chairman's mark, as I understand it, the first mark that the chairman proposed, was a freeze. If that freeze had been adopted, it is my understanding that Social Security would not have had a COLA increase, veterans would not have received a COLA increase, but was that the starting point? Is that what the Democrats——

Mr. FRANK. I want to respond to that, because I frankly do not think that it rises to the level of seriousness that we ought to have here.

No one that I know of was for a freeze. What the chairman said, as the gentleman well knows, and I think frankly the effort to cover up the fact that there is no Republican budget is deteriorating a little, the chairman said that we will start from here and amend that.

No one was ever for freezing Social Security in that Budget Committee process. The proposal was, "We will start so we will see what it would have looked like if you had a freeze, and we will add or subtract from there.

Mr. MacKAY. Mr. Speaker, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from Florida.

Mr. MacKAY. Mr. Speaker, I can clear up that specific point. I am part of a group which is a moderate-to-conservative group, and I think has a counterpart in the Republican Party that has advocated freeze and pay as you go. In order to do that, you have to start from a freeze, and then you start putting in what you want, and as you put it in, you decide how you are going to pay for it.

Mr. FRANK. I would like to take back my time to stress again what is being talked about. The chairman talked about a freeze as one way, about a month ago, of beginning the process, in the absence of a Republican budget that is now wholly inaccurately being attributed to the chairman as a position that he accepted.

We go back to the point. There are tough choices to be made. The President's budget is terribly tough on old people in the medical area. It is very tough on students. It makes a joke out of his talk about competitiveness as it dismantles some of the very programs that he pretends to be for. It cuts money that we said we were going to use to fight drugs.

The Democratic budget restores some of them by making some cuts elsewhere. The Republicans have no budget. What they are saying is, "Meeting the $108 billion of Gramm-Rudman, while maintaining our commitment to a defense-spending increase, is so difficult that we are not going to try. We are not even going to put one forward."

The Congressional Black Caucus, I am told, has once again come up with a budget. Presumably they have even fewer staff people at their command than does the Republican Party.

□ 1350

The Republican Party will not have a budget, and I stress this because as we face debate on this budget this week, people should be clear that we have the President's budget and the Democratic budget, and we have the irresponsible refusal by the Republican Party to put forth a budget at all.

Mr. OBEY. Mr. Speaker, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I have to say that I am somewhat amused by some of the comments I have heard on this side of the aisle today, and I would simply like to take a few moments to recite in fact what the history has been on this whole problem.

We are told that the Republicans did not have any opportunity to participate in the process. I find that ironic, given the fact that the chairman of the Budget Committee tried to begin a process which would have provided for an open markup to be equally participated in by both Republican and Democratic members of the committee. It was not the chairman who declined to allow Republicans to vote. It was the Republicans who declined to allow themselves to vote, which I thought was a quaint exercise in phony self discipline if ever I had seen one.

But let us really talk about what the problem is, because in my opinion the problem does not really lie here or there. I think the real problem lies in the fact that this administration is the first administration that I have ever served under which has abdicated its responsibilities under the Budget Act to provide true leadership in terms of national budgeting. The Budget and Accounting Act of 1921 gave the administration, whichever party, it gave the administration the right and the obligation to begin the process, to define the debate by sending down to the Congress their own budget.

I have served here for 18 years as of last Wednesday, and every previous administration under which I have served took that responsibility seriously. They submitted budgets, which you might have disagreed with the priorities, but the fact is that they submitted budgets which were put together with seriousness, and they were taken seriously by the Congress and dealt with that way. This is the first administration I have ever served under where for 2 years in a row their budgets have arrived on Capitol Hill with everybody understanding that they are dead on arrival, not because the Congress is being obstreperous, but because the White House has prepared those budgets using such phony assumptions that from the beginning everybody recognizes that those budgets are not real documents. They are essentially political documents and not budgets.

Last year we had 12 Republican votes on this floor cast for the President's budget. I think that tells you how seriously it was taken on the Republican side of the aisle. And this year I do not know how many we are going to have actually vote for the President's budget, but we are evidently not going to have many Republicans voting for any other Republican budget either. I find that unfortunate. I had hoped that this would be the year in which we would finally see both sides of the Capitol, both parties, working together to take the document which everybody understood was a phony and try to put it back together in a way that made sense for the country.

The problem that I have is that people are writing in and asking questions about what is the problem with the budget process. The problem with the budget process is when the administration has 90 percent of the resources in the Government from OMB to every department of Government on down, and when they have 90 percent of the resources of Government and they put together a document which defines the debate to begin with, and that document is phony, that document is unrealistic, it screws up the process from word one, and it makes it impossible for any player, Republican or Democrat, to make sense out of it, therefore, and so that is why we are in this goofy position we are in today. I would suggest we have a real problem until the administration faces up to its responsiblity.

The other thing I would simply say about the Gray budget is that that budget, in contrast to the administation's budget, is one which is balanced in terms of our economy. It is far more balanced in terms of meeting our international obligations and our obligations to our own people. It does not say, as the administration budget says, for instance, that we are going to spend $5.5 billion on star wars and pay for that by a $5.5 billion cut in the education budget, including the total elimination of Federal support for vocational education. It tries to balance our obligations. It is a much more judicious approach, much more frank and much more honest a presentation, and on those grounds alone it ought to be passed.

Mr. FRANK. I thank the gentleman and want to stress again what we are talking about, because we have a Democratic budget and we have a Republican budget, which is the President's budget. The Republican Party in the House has decided to present no other alternative.

The gentleman talked about cuts in education in the President's budget versus the Democratic budget, cuts in health, a substantial amount less; more increase in defense, some phony revenues in the President's budget. He claims that he is going to make money from asset sales, and privatization initiatives that are very, very unlikely to yield those kinds of revenues.

The revenue estimates in the Democratic budget, we are not talking now about projections from the economy where we have taken the same estimates, but where we are talking about ways of adding revenue, the President talks about increasing fees, and in some cases he talks about asset sales, and they do not seem to make a great deal of sense.

But again, I want to stress we have this difficult problem. Meeting the $108 billion Gramm-Rudman deficit reduction figure is very difficult, largely because the economy has performed so poorly in the past year and a half. When Gramm-Rudman was passed, the President was predicting a rate of economic growth that we have not come close to. At the time Gramm-Rudman was passing, it was passed on unrealistically optimistic assumptions about the economy. The economy has performed in a mediocre, lackluster fashion. The lack of revenue growth has meant that the amount you have to cut in spending to reach the Gramm-Rudman target goes way up.

Now that is painful, and the way that the President came up with as an effort to meet that I do not agree with, but the Democratic Budget Committee came up with about as good a job as you can do. But I can see why it causes pain. The Republican Party took the politically short term, advantageous, expedient, and they said it is going to be tough to come up with a deficit of $108 billion. The President did not do it right, the Democratic one is subject to political criticism, let us not put one forward. And the reason, Members have heard it today, oh, the Republican Party could not come up with a budget because the Democrats froze them out. The poor Republicans are apparently unable to come up with any policy initiatives on their own. If
the Democratic budget staff would n
help them, they cannot do it.

Nonsense. They have OMB ready t
cooperate with them. They have ever
Federal department. The Congressio
al Black Caucus has a budget; othe
in the past have had budgets with n
greater resources available than thos
available to the Republican Part
They do not have a budget because p
litically they hope they can beat som
thing with nothing. They hope polit
cally to take the position of gloriou
total irresponsibility. They can crit
cize our budget, they can vote agains
the President's budget, and what
their alternative? They do not hav
one. Perfection. Utopia. Never-neve
land, because they do not get specifi

It is not persuasive to any adult i
this room or any other that the R
publican members of the Hous
Budget Committee, with the OMB an
every Federal department, as the ge
tleman from Wisconsin talked abou
that they can technically not come u
with a budget. They do not want to b
cause it would be too tough politicall

Mr. SUNDQUIST. Mr. Speaker, wi
the gentleman yield?

Mr. FRANK. I yield to the gentl
man from Tennessee.

Mr. SUNDQUIST. I thank the ge
tleman for yielding, and I thank hi
for yielding regularly today in thi
debate.

I think it is important, though, t
correct a couple of things.

The President did meet his obliga
tions and submitted a budget, and i
was in detail. I did not agree with al
of it. I do not agree with all of it, and
will not agree with all of your budget
But he did do it.

The majority, as has been custom
ary, did not submit the chairman'
mark, they did not make a proposal.

But I would like to get to what th
gentleman from Wisconsin said just
moment ago about what is the rea
problem that we face today. The rea
problem, apart from the budget pro
ess, is that you are telling me what w
have to do, that we have to go to th
OMB instead of sharing in the budge
staff that is available, and that tell
me that we are shut out right there.

But the real problem today is spend
ing and in violating the Budget Act
After the budget has been accepte
we violate the Budget Act. And th
problem is too much spending. Th
fact is that your side has been in con
trol of this House for so many year
The deficit we are facing, that you ar
having to fight with this budget an
the cuts that we are all going to hav
to make, falls in your lap.

Mr. FRANK. I will reclaim my time
Do the words "United States Senate
mean anything to the gentleman fro
Tennessee? Is he familiar with that in
stitution, because for the last 6 year
they were controlled by the Republ

can Party. And it is my understanding that every spending bill that went out of this building to be signed by the President was passed by the House and the Senate. So how it would be solely the responsibility of the House, when the bills were passed by both parties, including the Senate Republican majority, somehow escapes me.

Mr. SUNDQUIST. If the gentleman will continue to yield, sure, I am familiar with the Senate, and I am familiar that the gentleman's party controls both bodies, and for the party that——

Mr. FRANK. Let me reclaim my time because the gentleman is misstating the facts. The gentleman is misstating. What the gentleman said he was talking about was the spending, because we have not spent anything yet this year, and for the past 6 years of the Reagan administration the budgets that came out of here, and every program that came out of here was a 50-50 proposition, House and Senate. So to talk about this as if the Democratic House is responsible for everything that happened in the last 6 years, Republican Senate and Republican President, is not the facts.

Mr. OBEY. Mr. Speaker, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from Wisconsin.

□ 1400

Mr. OBEY. I would like to point out a couple of facts in response to the gentleman's statement. No. 1, if you take a look at the pattern of spending, you note that actual spending rates for entitlements are basically determined by performance in the economy. Ronald Reagan can wave a magic wand, so can we and so can you, but in the end we cannot do a blessed thing about what the actual spending rates would be for those programs. We do have direct control over discretionary spending. The fact is that for every year but one under Ronald Reagan's administration, discretionary spending as provided by the Appropriations Committee has been less rather than more than the President of the United States has asked for. That is fact No. 1.

Mr. FRANK. Will the gentleman yield, if I may just take back my time?

If I am correct, the only time when our discretionary spending was more was during that terrible recession of 1982. It is not only that it was 1 year but it was also during a year when in 1982 we felt a little more spending was appropriate to the recession. In every other year we were lower.

Mr. OBEY. The second point; I happen to chair the Appropriations Subcommittee on Foreign Operations. Last year I think I was the first Appropriations Subcommittee chairman in history to receive a letter from OMB, which is the President's budget arm, receive a letter from OMB which said in effect that the President was going to veto the bill we were presenting out of our Foreign Aid Subcommittee because we did not spend enough money. We were asked under Gramm-Rudman to get down last year by 16-percent below the previous year's level, which we did. Then we also had to cut an additional $700 million in outlays to get down to the outlay ceiling prescribed by Gramm-Rudman, and when we did that, OMB sent us a letter that said, "Boys and girls, you are not spending enough money, the President is going to veto the bill." He also said, "What are you doing, messing around with an outlay cap" which we were required to impose by Gramm-Rudman, which the administration supported and rammed down our throats. I did not vote for Gramm-Rudman, but the President certainly insisted on it. So when I bring out a bill last year and the President says, "I am going to veto it because it does not spend enough money" and then when I bring out a foreign aid supplemental again this year, every dollar in that supplemental will be a dollar which was requested by the administration and when again we are told by Mr. Miller, the OMB Director, that they are going to advise a veto because we are not giving them enough money, I think there is a serious question involved as to whether or not the administration is seriously concerned with budget control or spending control.

Mr. FRANK. I thank the gentleman and I will yield to the gentleman from Tennessee again, but again the point is clear. How much we should spend on foreign aid is a real difficult question. There are real demands there, people who are starving, allies of the United States who need help, there are fiscal constraints. The President has opted for one level. The Democrats in the House have adopted another level. The Republicans refuse to choose. And the notion—the gentleman said, "I have proven they were frozen out because they could not get the Democratic staff to help them." They had to use OMB.

The notion that the Republican Party cannot work with its own administration in formulating but has to come to our staff, no one believes it. Find a better excuse. I understand why it is hard to come up with a budget, but no one is going to believe, because we have all seen times, it will happen dozens of times every year when a Democratic package will come out of a committee, the Committees on the Judiciary, Education and Labor, Banking, and the Republicans, working with the staff of the administration they support, they will come up with an alternative. That is a legitimate process. And to whine because the Democrats decided to vote for their position and that is an excuse for not coming up with your own, we understand the point. The choices are too difficult. The President has made some which I think are too harsh on the needy, and we have made some which I do not like but I think are the best possible and the Republicans will not choose a budget. We will get nothing from them.

I yield to the gentleman from Tennessee.

Mr. SUNDQUIST. I thank the gentleman.

I have done some rough calculations here, and I figure that we probably controlled the House maybe 14 or 16 years out of the cumulatively 50 in each body, 100, so we will take responsibility for 15 percent of the $2 trillion deficit if you will take responsibility for the 85 percent of the $2 trillion deficit.

Mr. FRANK. The gentleman's argument deteriorates here. The President of the United States has signed virtually every one. Again, let us be clear what is happening. I will be glad to discuss this point but this effort to talk about past spending—and I thank the gentleman for reintroducing the U.S. Senate into the Constitution—but it is all in an effort to cover up their refusal to come up with a budget they have not got politically the courage to come and say, "Here is what we are for." I will give my Republican friends credit; they know the President's budget is unsupportable, they know their priorities are not popular with the American people; they know that if they came up with a budget which reaffected their heart of hearts, it would be politically unattractive. So if they thought they could score politically by coming up with an alternative budget to ours, of course we would see it, as they have a right to do. But they recognize they will be better off without one.

I yield to the gentleman.

Mr. SUNDQUIST. Let us talk about something maybe we can agree on. One of the ways we can reduce this deficit is perhaps by giving the President, maybe a Democratic President the next time, Republican President this time, line-item veto. Then we could trim some of the excess spending. Would the gentleman agree to that?

Mr. FRANK. No, because do you know what he is doing with that? He would defeat our efforts to stop him from going into Nicaragua and elsewhere.

Governors have line-item veto but Governors do not make wars except when Melvin Thompson was Governor of New Hampshire, he had a little itch for that every so often. But other Governors do not make wars. The President would just use that. Appropriations restrictions are one of the few ways we can control a group in the

White House and elsewhere that is shown to be somewhat irresponsible.

I yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding.

What needs to be understood is that item vetos have absolutely nothing to do with spending control, they have a lot to do with uncontrolled power. The fact is that item vetos would not save a dime because, as I previously indicated, if you take a look at all appropriations bills in every year that Ronald Reagan has been President except one, the appropriation bills brought out of this House have spent less money, not more money, than the President asked for. That means that what is at issue in the item veto is not giving the President the authority to control spending because he has already been higher than we are on appropriations; what it does do is to prevent the Congress from having any impact whatsoever on policy. If you want to go back all the way to 1948, I think you will find—it is unlikely that you will find any budget in which the Congress has changed any Presidential budget by more than 3 percent.

Now I think we elect Presidents to be Presidents, not kings.

It seems to me if they have 97 percent of the say on what kind of money we spend, they are doing pretty doggone well. It would also seem to me that the gentleman is correct: Can you imagine any votes ever being cast in this House against the Vietnam war if Lyndon Johnson had had the item veto? Old LBJ would have gone up to anybody in this House, he would say, "Now, fellows, I know you are interested in that Head Start Program" or "I know you are interested in the vocational education program" or "I know you are interested in that hospital construction program in your district and, by golly, I would like to help you. But you know, you know how much I need your vote on that Vietnam war." Do you think any of us would have had a chance of a snowball in you know where of stopping that war or casting votes against that war if we had turned over the power of the purse to the President? The power of the purse is the only constitutional power that we have that stands between us and the absolute domination by the President of any party. And I would suggest we remember that and quit pretending that it has something to do with budget control because it does not mean beanbag when you are talking about budget control. It has nothing to do with it.

Mr. FRANK. I yield to the gentleman from Illinois, and then I will yield to the other gentleman.

Mr. DURBIN. The position of the House Republicans on the budget for fiscal year 1988 brings to mind a famous speech by Winston Churchill on the floor of the House of Commons in the 1920's. In that speech Mr. Churchill referred to his opposition as the boneless wonder. He referred to them as likened to the circus attraction of the rubbery individual who has no spine, no bones, cannot stand up, more or less sits there languid on the floor while the troops came by paying the price of admission.

I think in this situation the President has not only pulled the rug out from under the Republican Members, he has put them in a position where they need a spinal transplant.

During the last 6 weeks, the President has visited Capitol Hill twice to meet with Republican legislators. It is well publicized that last week he had little or no success on the highway authorization bill. But several weeks back, I would imagine my colleague from Tennessee and others went to the Cannon Caucus Room and heard the President say in strident tones that in this year's budget debate when the Democrats say tax, tax, tax, we say no, no, no. Invigorated by that speech, the Republicans came to the floor of this House and in their conference passed a resolution which made it virtually impossible for the Republican Party to participate in the budget debate this year.

Your resolution passed by your conference offered by Mr. MACK of Florida suggested we can hit the $108 billion deficit reduction target without raising taxes. I think the gentleman from Tennessee knows and the President certainly knows by virtue of his own budget that is literally impossible. In this situation today we have got to face the reality. The reality of the situation is that the gentleman from Tennessee can stand and say all he wants about spending cuts as the way to hit the target; that gentleman had every opportunity to fashion a budget in that image, to make the spending cuts and to stand before his colleagues and the American people and defend them. He chose not to. As the gentleman from Massachusetts has said, whether it is Mr. DANNEMEYER of California, the Congressional Black Caucus, several years ago a freshman Democratic group, we have had the wherewithal and the resources to fashion a budget. We brought it to the membership on the floor for their approval.

As we stand here today, the Republicans have fashioned no budget. There is no image that is being portrayed, there is no message to be sent to the American people other than the fact that you are vacating yourselves from the process. Like the boneless wonder, you are going to sit languidly and let this process pass you by.

Now, that does not solve the problems facing our country; it cannot be any surprise to the gentleman from Tennessee or any of his Republican colleagues that we have to pass budget resolution. We have know that for quite a while. But for som reason both in the Budget Committe and on the floor, your party has opte out of the process. To stand durin the next several days and criticize th Democrats for their offering, for thei alternative, for their proposal is disingenuous.

If you wanted to be part of the process, you had every opportunity. Bu the fact that your party has not pu forth a document suggests that you cannot come to the American people and present a message or a proposa that is going to lead us out of the fiscal chaos that has been created during the last 6 years of this President.

☐ 1410

Mr. SUNDQUIST. Mr. Speaker, wil the gentleman yield?

Mr. FRANK. I yield to the gentleman from Tennessee.

Mr. SUNDQUIST. Mr. Speaker, it is interesting to me that 43 Governors have line-item veto. I do not know if the Governor from the gentleman's State has line-item veto, or that he would mistrust either a Democrat or Republican President having that power.

As a matter of fact, I do not recall that not having line-item veto slowed Lyndon Johnson's Vietnam war down, either. But the fact is that we were opted out of this process. We did not have an opportunity. What we really need is some bipartisanship where we sit down together, where we can work together and solve this Nation's problems.

We were not given that opportunity. I submit to the gentleman that the budget process this year in the House has been, on your side of the aisle, profiles of squishiness because in all the past, we have had a document that came out of the committee on the majority side. This is the first time because it was hard to do.

It was the majority side that backed down from putting out a document.

Mr. FRANK. Mr. Speaker, I have seen accusations coming from people whose hands are not entirely clean, but we have just heard Wilt Chamberlain accuse BILL BRADLEY of being too tall.

The gentleman says that the Democratic budget was not sufficiently detailed. Compared to the Republican budget, it is infinitely detailed. The Republicans refused to have a budget.

They want to talk about the item veto; they want to talk about who came to which meeting and what. I do not think we ought to allow this to be reduced to the level of a junior high school feud, who made what motion where. Some things are undeniable.

The Republican Party, with access o the administration's expertise, ould have come up with a budget. In he past, they have come up with udgets. The budget process this year s not substantially different than in ast years. There is one difference: here is no Republican budget.

You know why? Because the last ime they came up with a budget, they ould barely get about two-thirds of heir party to vote for it. They are plit among themselves, and they now their priorities are unpopular.

Do you know what their implicit udget is? It would cut Medicare, peraps, to raise military spending. The resident has some tax increases in here; we have some. They say, "None hatsoever."

I am not prepared to rule out, for intance, the possibility of raising cigaette taxes so we can give more into edicare. Apparently people on your ide are. They say, "No new taxes hatsoever."

I am for raising the cigarette tax, nd I hope we have the votes to do hat, and using that to help old eople. I would rather tax the things hat cause cancer than put stress on he people who have it.

The Republican Party says that is iscal irresponsibility. They apparently elieve, and I do not know what planet hey were on last year, that we passed perfect tax bill last year; that there re no loopholes left to close, because hat we have said is—maybe we will aise cigarette taxes, and I apologize to my friend, the gentleman from Kenucky, if I have caused him distress—maybe we will raise a few of those oopholes we will close. Maybe people should not be able to do what they have been doing with the employees stock option plans.

There is a possibility in this vast budget to find some loopholes. The Republican Party says "no." The only way to maintain that, if you want to do what they want to do, no possibility of closing loopholes or raising cigarette taxes, no, we must spend more for defense, than you have to cut education.

You have got to burden America's college students even greater if they want to go to school or keep working class children out of school. You have to cut Medicare. You have to cut back on job retraining and drug programs.

Now the President's budget does that. The Republican Party knows that the President's budget is unpopular; that their priorities are unpopular and that trying to come up with a budget is difficult.

So we have, by the Republicans, a new maxim when the budget process comes: "When the going gets tough, the Republicans quit." That is what they did. They do not want to have a budget. They want to criticize everybody else's.

We will proceed to the budget debate and the Democrats will make hard choices. They will be better hard choices than the President, and the Republicans will simply do nothing because they understand that their philosophy—do not close a tax loophole, increase military spending, cut medical care, cut education—apparently most of them believe that that is so unpopular they do not even want to put it forward.

□ 1420

A TRIBUTE TO THE LATE HONORABLE TIM LEE CARTER

The SPEAKER pro tempore (Mr. GRAY of Illinois). Under a previous order of the House, the gentleman from Kentucky [Mr. ROGERS] is recognized for 60 minutes.

Mr. ROGERS. Mr. Speaker, I have asked for this special time today so that we may honor the memory of a great statesman who served in this body as the Representative from the Fifth District of Kentucky from 1964 until 1980, the gentleman that I had the honor to succeed in the Congress of the United States, Dr. Tim Lee Carter, who, as the Members know, passed away on March 27 of this year and was laid to rest the following Sunday in his native Monroe County, in Tompkinsville, KY.

We have asked for this special time so that the Members of this body may pay their respects to the man who walked these Halls and held these hands and helped pass legislation which was so beneficial to millions of Americans then and even now, especially in the health fields.

Of course, as the Members know, Dr. Carter, a native of Monroe County in Kentucky, served here 16 years. Before that he was a practicing physician in his home county, practicing there as a rural doctor for all those years, visiting the families in that part of Kentucky as a home physician, going night and day, treating those who needed help.

When he came to the Congress, he did not forget his experience as a physician and his calling in life, that being as a healer of men. Not only did he maintain on the weekends much of his medical practice back home, treating those who were ill, but he worked also here in the Halls of Congress, helping to pass legislation which has affected millions of people and continues to do so today in the field of health.

He served in his later years in Congress as the ranking Republican on the Health Subcommittee, a subcommittee of what was then called the Interstate and Foreign Commerce Committee and now called the Committee on Energy and Commerce, and with his colleagues he helped to pass landmark legislation in the 1970's to change America's methods of addressing the health needs of the people of the country, especially those who were underprivileged economically.

His mark remains with us. We had the honor of attending Dr. Carter's funeral, of course, as did our colleague, the gentleman from Kentucky, Mr. CARROLL HUBBARD, and, of course, many hundreds of people were there. They were there out of a spirit of love, and there was a spirit there of comradeship and of renewed friendships, because this was such a kind and compassionate man, this man who held this seat that I now hold.

When Dr. Carter chose to retire in 1980, a number of us ran for the office, but it was my slogan that I think sort of said a lot, and that was this: "I will attempt to walk in his footsteps, but no one can fill his shoes." After being here almost 7 years, I can say that more emphatically now than I did then, that I may be able to try to walk in his footsteps, but I do not think anyone can ever fill Dr. Carter's shoes.

Those footsteps were very large. He made a great impact on the Nation's legislation, especially in health. He made a heavy impact on his colleagues here. People say to me almost daily, "What a wonderful, kind, and compassionate, caring person Dr. Carter was." They say that whether it be one of the Capitol Hill police or whether it be one of the aides here on the floor or whether it be the Speaker of this body or any Member of this body.

He truly had an impact on the people here in Washington, just as he did, of course, back home. And I can tell the Members that in his district, a very poor district in southern Kentucky, where people have been struggling always to establish a better way of life for the people, Dr. Carter enlisted in that battle, and he fought it long and hard, traveling untold miles, sleeping hardly any during those times when he was able to go back home and visit those counties, 27 counties in all.

He felt such a need to help the people who needed it most that many times he did so to the detriment of his own health. I have seen many a time in my county or perhaps one of those times when I happened to be where he was when I realized that here was a man who was traveling many miles, staying up long hours, a man who was so tired as he would make his small talks to the small gatherings, and then, after the speeches were made, welcoming the dozens of people who would come forward one at a time so he could minister to them with aid that would come from the Federal Government that he was able to command for them.

So we talk of a statesman, a man who was a leader in these Halls; we talk of a kind and compassionate human being who daily cared for the people around him; and we talk of an effective statesman, an effective legislator who was able to work in a bipartisan fashion both in this body and with the other body in effecting and molding legislation that would be helpful not only to his people but to the Nation's people and indeed the world's people.

Even after Dr. Carter retired from this body, the President appointed him to head the American Cancer Advisory Group, a research organization to help fund and help pass along the research dollars to help in the fight against this deadly disease. And I suspect that Dr. Carter in taking on that responsibility felt an even higher calling than had been his before because, as many of the Members know, Dr. and Kathleen Carter's only son, Starr Carter, passed away from leukemia at a very young age. He was 21, a beautiful young man, all you would want in a son. He contracted this very deadly disease, and, of course, all the treatments were to no avail. And I think for a physician, for Dr. Tim Lee Carter, the inability of medical science to save his only son, a son whom he loved so much, contributed heavily to his decision to leave this body and go back to his home.

Mr. Speaker, it is a sad occasion that we have today in talking of this great man. We could talk of the contribution he made to medicine or in the legislative Halls in dealing with humanity, but I think those of us who knew him well prefer to talk of him more as a person who loved people and who was caring enough to send the very best, so to speak.

So I welcome those who are here to join in this tribute to Dr. Carter. It is with a sad note that we note his passing, and it is with a happy note that we come here today to tell of his accomplishments in this body and in this city and in this Nation, and indeed in the world.

Mr. HOPKINS. Mr. Speaker, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from the Sixth District of Kentucky.

☐ 1430

Mr. HOPKINS. I thank the gentleman for yielding to me.

Mr. Speaker, when I came to this institution as a freshman, Tim Lee Carter was the senior Republican from Kentucky.

In listening to the words of deserved tribute and fond rememberance spoken here today for our friend and distinguished former colleague, the Honorable Tim Lee Carter of the Fifth District of Kentucky, it becomes clear that this man of passionate competence left an imposing mark on this institution and those he touched in passing this way.

Kentuckians, particularly those reared in the small towns and rural sections of our commonwealth, as I was, reserve a special respect and willingly invest their trust in members of the medical profession—the country doctors, if you will.

It was natural, then, that as a freshman Member of Congress, I routinely turned to Dr. Carter for advice and counsel. He responded willingly, generously, and with great good sense on every occasion.

I knew Tim Lee Carter as a man of strong conviction and clear purpose. He was a dedicated public servant who spent his entire adult life unselfishly serving his fellow man. As a combat veteran of World War II, as a skilled physician, and as a beloved representative of the people of southeast Kentucky, Dr. Carter forever was his brother's keeper.

He was proudly a partisan Republican, yet he never failed to understand the proper bounds of partisanship. His country, his people, then his party were the priorities that earned Congressman Tim Lee Carter a special place in the U.S. House of Representatives and in the memories of all of those who had the privilege of serving with him. We are a better country, and this is a better institution for his having passed our way.

Mr. ROGERS. I thank the gentleman from Kentucky for his comments that are very well placed. We appreciate your thoughts.

Mr. Speaker, I yield to the gentleman from Kentucky [Mr. HUBBARD].

Mr. HUBBARD. I thank the gentleman for yielding to me.

Mr. Speaker, we appreciate the gentleman from Kentucky [Mr. ROGERS] taking this special order to honor our beloved friend and former colleague, the Honorable Tim Lee Carter.

Mr. Speaker, I appreciate this opportunity to pay tribute to a longtime friend of mine and our former colleague, Congressman Tim Lee Carter of Kentucky, who passed away on March 27 at the age of 76.

Dr. Tim Lee Carter was a distinguished statesman and physician from Tompkinsville, KY, who was elected to the U.S. House of Representatives in 1964. Congressman Tim Lee Carter served eight terms before retiring in 1980.

It is interesting to note that for much of that time, Dr. Carter was the only practicing physician in the Congress and was a major contributor to health and hospital legislation. It was Congressman Tim Lee Carter who was the first Republican in the House of Representatives to seek withdrawal of United States troops from Vietnam.

Dr. Tim Lee Carter was a dear friend of mine. Although he was a Republican, he was especially helpful to me when I was elected to Congress in 1974 and when I was a freshman here in 1975. Certainly, his friendship and a sistance were most meaningful to m and I appreciated his efforts to be all possible help when I was new elected to Congress.

Dr. Tim Lee Carter was a compa sionate man and one who made gre contributions to his State and h Nation.

I know I speak for many of my co leagues when I state that Congres man Tim Lee Carter was one of th most kind individuals I knew. H almost always had a special word two for the Capitol Hill Police, for th clerks, for his colleagues, and th many others with whom he came int contact.

On Sunday afternoon, March 29, was unique and meaningful that at th funeral of Dr. Tim Lee Carter not onl was there a large number of State Federal, and local government official but also about 500 of the people of hi hometown of Tompkinsville, KY.

In remarks I gave at the burial cere mony I mentioned that in leaving thi life, Tim Lee Carter joins his onl child—a son named Stars Carter i Heaven.

My wife Carol joins me in extendin our sympathy to the survivors of thi outstanding Kentuckian and Ameri can. Survivors include his lovely wife Kathleen Carter of Tompkinsville KY; his brother, Judge James C Carter, Jr., of Tompkinsville; hi sister, Mrs. Vivian Hayes of Louisville KY; his nieces Sue H. Evans and Becky Nevius, both of Louisville; and his nephew Ray M. Evans, Jr., of Jack sonville, FL.

I am proud to have this opportunity to pay tribute to the memory of Con gressman Tim Lee Carter.

Mr. ROGERS. I thank our colleague from Kentucky, CARROLL HUBBARD, for those kind words and compliment him too on the words that he spoke at the burial site at the funeral.

Let me also, at this juncture, mention that I spoke a couple of days ago by phone with Kathleen, the widow of Dr. Carter, and told her of this special order and she was so thankful to those of you who are speaking today, that you would take the time and come and say these words about her beloved, departed husband.

Mr. Speaker, I yield to the gentleman from Kentucky [Mr. PERKINS].

☐ 1440

Mr. PERKINS. Mr. Speaker, I thank the distinguished gentleman, my friend and colleague, the Congressman from the Fifth District, Mr. HAL ROGERS, for giving us the opportunity today to come and say a few words about Tim Lee Carter.

You know, institutional memory is something that sometimes means a great deal, but we do not always take enough time perhaps to do all the remembering that we should.

I come from a background, as my colleagues know, where I was literally raised in the Halls of this Congress. I was born as my father served as a sitting Member of Congress before I was elected. I was raised watching the process. I think during that time period you begin to get perhaps an inside feeling for who actually works in the Halls of Congress, for the other Members and for their families. From that perspective I had the great honor of knowing Dr. Tim Lee Carter under a variety of social conditions. A lot of situations stand out in my own mind.

I remember going to his house as a young boy being raised and spending the night with him, because his son who died of leukemia was my age. We shared many moments. I remember his son coming to our house and spending the night, as you would when you were getting older.

One thing from that perspective, not as a colleague, not as a peer, but as a child growing up, you can tell who are real people, who are kind people and who have real human characteristics from those who are fake.

Dr. Tim Lee Carter was a man of great compassion. He was a man who cared about his fellow people. This was obvious to me as I was growing up, as I watched the workings of Congress in the mid-sixties and early seventies. It was obvious to me when I reviewed his legislative history and looked at him, at his own words, the program he was most fond of and happiest to see that got passed was a program of health care, of preventive medicine for poor children and the families of poor children.

When you come from a rural district, when you come from a poor district and you see the suffering and the anguish and the pain and you see the lack of recourse for people who are good people, they just do not have a lot of money. Somebody has got to stand up for them. Somebody has got to take their side.

Well, as part of the institutional memory that we have here in this House that makes this country great, we have got to remember the Tim Lee Carters who came along and gave something of themselves for other people, who stood up and gave just a little spark of that human compassion that separates this country and its greatness from others that we have seen across this world today. I think Tim Lee Carter is a man who deserves that type of recognition.

There is a quotation that I think is probably appropriate from Alexander Pope, who said:

> Statesman, yet friend of truth, of souls sincere and actions faithful and an honor clear, who broke no promise and served no private end, who gained no title and who lost no friend.

I think somehow that quotation goes well with the memory of Tim Lee Carter.

I think we would all do well to pattern our actions and our lives upon that compassion that he had for all people.

Mr. Speaker, I would thank my distinguished colleague and friend from the Fifth District for allowing me this opportunity to address my colleagues and his family and tell them exactly how wonderful a gentleman he was and how joyous we are that we had him with us.

Mr. ROGERS. Mr. Speaker, I thank our colleague, the gentleman from Kentucky, for those kind words.

I must say, of course, the gentleman's father served in this body for, lo, those many years along with Dr. Carter for a number of them. He was also a giant, Carl Perkins, of course, who served in this body through its history and whom his son has succeeded in that seat from eastern Kentucky. I thank the gentleman for those kind words.

Mr. Speaker, I yield to the gentleman from Illinois [Mr. GRAY].

Mr. GRAY of Illinois. Mr. Speaker, I thank my distinguished friend from Kentucky for taking this time and yielding to me.

Mr. Speaker, I was here sometime prior to the coming of this great man we are eulogizing today, Dr. Tim Lee Carter. I shall never forget standing out in the hall on his first day in 1964. He said to me, "You're the fellow that represents that district across the Ohio River in Illinois." And from that day forward, Tim Lee Carter always called me his neighbor.

If there ever was the epitome of the words, "Still waters run deep," it certainly fits Dr. Tim Lee Carter, because he was a kind, gentle, quiet man, but tremendously effective.

I can always recall when he would take the well to make a speech, whether it was on a health subject or any other matter. You could hear a pin drop in this Chamber because he had that kind of respect in this body.

It is a great loss when a man like that not only leaves this legislative body, but leaves this world, because everyone in his community in Kentucky and in Washington who came in contact with him, and it has been alluded to here by the Capitol Police and others, he always had time to stop and to talk and just exude that friendship. When he started talking to you, you knew right away that you had made a new friend.

We all miss Dr. Carter. I want to congratulate all the Members of the Kentucky delegation for the fine things they have said about Tim Lee Carter and as one who served with him for many years, I subscribe to every word that has been uttered here on the floor today and extend to his family my deepest sympathy.

I thank the gentleman so much for yielding.

Mr. ROGERS. Mr. Speaker, I thank the gentleman from Illinois for his kind remarks. The gentleman is correct, I say to my colleague, that Dr. Carter was quiet and soft spoken and compassionate; but as we know, when he believed something, he believed it so deeply that he was immovable and showed fierce determination above anything I have ever seen when he felt he was on the right path. Shame on you if you tried to move him, because you could not.

Mr. Speaker, I yield to our colleague, the gentleman from Minnesota.

Mr. STANGELAND. Mr. Speaker, I want to thank my colleague, the gentleman from Kentucky [Mr. ROGERS] for taking this time to recognize our dear departed colleague, former Congressman Dr. Tim Lee Carter.

Just let me say that when I came here as a freshman in 1977, Dr. Carter was one of the senior Members who befriended me.

I want to say to the family, to his wife and surviving children, we remember your father as a very kind and compassionate man and probably one of the more courtly gentlemen in this whole body. He was just a very compassionate, sincere person; however, based on what my colleague, the gentleman from Kentucky has just said, I saw times when legislation seemed not to favor the doctor's good constituents, and let me tell you, that kind, compassionate man, turned into a tiger. He was a real fighter, but as my good friend, the gentleman from Illinois just said, he was always well respected and always listened to.

So I just want to remember him and pay him a great debt of gratitude for his friendship to me. I think this Congress owes him a great debt of gratitude. The country owes him a debt of gratitude.

All I can say is, "Thank you so much, oh kind and faithful servant." He will be missed, but he will be forever remembered, and that is really the measure that we judge great people by.

I thank the gentleman for yielding.

☐ 1450

Mr. ROGERS. I thank our colleague for those wonderful words.

We are running short of time here, but I wanted to mention before we closed that we have had notes and messages from various other Members of Congress who are in various committee hearings at the moment and cannot make it to the floor who wanted to be remembered with their words, and I am going to take a few minutes here to share some of those.

One gentleman who served with Dr. Carter all of the time that he served here from Kentucky was our colleague from the Fifth District, the Honorable BILL NATCHER, who has served for so many years in this Congress, and is perhaps one of its most respected Members, who has written these words for the record that I want to share very briefly, because he could not be here because he is chairing his committee hearing even as we speak, and could not make it to the floor.

Representative NATCHER says:

Mr. Speaker, one of the giants of our Congress, Tim Lee Carter of Kentucky, will be remembered by his colleagues, not only for his excellent service to the people of the Fifth Congressional District, but also because of his strong leadership and dedication to health and education.

According to my information, 11,137 Members have served in both Houses of the Congress since March 4, 1789. This, Mr. Speaker, includes the present new Members in both Houses and of this number, 590 have served in both Houses. I sincerely believe that I have served with nearly 2,000 Members since I have been a Member of Congress and one of the nicest things that has happened to me is the opportunity I had to serve with my friend Tim Lee Carter. He was an outstanding doctor and an excellent legislator. He established a record that will long be remembered, not only in Kentucky, but throughout this country.

I will remember him as a friend, an outstanding legislative leader, a symbol of strength and an example of the character and accomplishment that our Legislative Branch of the Government should always stand for. Few public servants have held such a warm and well-loved place in the hearts of their constituents.

He was a man of high integrity, a man of compassion, a man with determination and fairness, a man with sure knowledge, a man who cherished and protected the prerogatives of the House, and a man endowed with the qualities of greatness. He was a practical man. He was a gifted man and he possessed the necessary kind of courage that made him an outstanding Member of Congress.

Tim Lee Carter served with distinction and honor and, Mr. Speaker, I deemed it a great pleasure and a high honor to have been the friend of Tim Lee Carter. I have lost a true friend and this country has lost an outstanding patriot. To his lovely wife, Kathleen, and to the other members of his family, I extend my deepest sympathy in their bereavement.

Mr. MAZZOLI. Mr. Speaker, will the gentleman yield?

Mr. ROGERS. I am happy to yield to the gentleman from the Third District of Kentucky.

Mr. MAZZOLI. I thank the gentleman for yielding.

Mr. Speaker, I thank my friend from the Fifth District for having taken this special order in behalf of the dear and departed colleague of ours, Congressman and Dr. Tim Lee Carter.

As the gentleman has said, Dr. Carter was a very exemplary Member of Congress. He was an outstanding legislator is his field of health care. He was outstanding in his concern for the least among us, the people who hurt, the people who have pain, and Tim Lee always came to their rescue by trying to minister to them in his role as doctor, and also to minister to them in his role as Member of Congress. He was just a superb Member of this body.

I think as my friend from the Fifth District has illustrated in his statements and we from Kentucky have said earlier, there was something unique about "Doc" Carter, and that was his humanity. The humanness in Dr. Carter came out every single moment of every day of his life, whether he was sitting on the floor in the midst of a difficult debate about some national health care initiative, or whether it was in the Speaker's lobby as we passed casually to say hello, or whether it was back in our office or back in Kentucky.

Dr. Carter was a wonderful person, a good, decent, thoughtful, nice man, and so probably in my judgment he bound together the two roles that we play in this general assembly, and that is the role as lawmaker and the role as human being, trying to help people.

So when the word came to Helen and me this weekend that Dr. Carter had died, it was as if a member of our own family had died. Helen and I have had a chance to be with "Doc" Carter and Kathleen officially and socially, and in both roles they were delightful people. So I thank my friend for having given this body and this country a chance to join with his colleagues from Kentucky in expressing our fondness and affection and undying devotion to this gentleman whom we knew as the Congressman from the Fifth District of Kentucky.

We, all of us, join in sending to Kathleen and to the family our condolences and deep sympathies, and I think that my friend from the Fifth District does a superb job. We are delighted to have him. He has done excellently for the Commonwealth, but I think that he would be the first one to say that it will be a long, long time before this Chamber sees the likes of "Doc" Carter again.

I thank my friend.

Mr. ROGERS. I thank my colleague for those very wonderful remarks, and he is exactly correct, it will be a long time before we see anyone of the stature of Dr. Carter.

We also have similar messages from gentlemen who were unable to be with us but sent along written messages that I will file with the RECORD from our friend, our colleague from New Jersey, "MATT" RINALDO, from our colleague from Mississippi, "SONNY" MONTGOMERY, and our colleague and neighbor from Tennessee, Congressman JAMES QUILLEN, and from our colleague from California, GLENN ANDERSON, all of whom served with Dr. Carter in this body, and we will be sure that these are filed in the RECORD.

Mr. BEVILL. Mr. Speaker, I rise today to pay tribute to one of my former colleagues, Dr. Tim Lee Carter, who passed away on March 27.

Dr. Carter was an outstanding Member of Congress who served his rural Kentucky district for 16 years. He was very bright and highly respected, both as a country doctor and as a Member of Congress.

I always admired him as a dedicated public servant.

Dr. Carter worked hard, not only to help the people he represented, but also to help people everywhere.

I remember working with him on black lung legislation. He was very concerned about the health of our Nation's coal miners. He knew the problems faced by those miners who suffered with black lung and he wanted to do everything possible to help them.

Dr. Carter became known as a leading spokesman on health issues because he cared so much about people.

Those of us who served with him in Congress will miss him, but we will never forget his good deeds.

Mr. CONTE. Mr. Speaker, I rise today with my colleagues from Kentucky to pay tribute to Dr. Tim Lee Carter, a close personal friend. I join the people of the Fifth District in mourning the loss of this Kentucky thoroughbred.

Elected to the 89th Congress from a predominantly rural district, Tim came to us as a country doctor. As the only practicing physician in the 89th Congress, he brought a unique perspective to health issues and social programs.

His leadership, as the ranking minority member of the Subcommittee on Health and Environment of the Interstate and Foreign Commerce Committee, was instrumental in passing legislation to provide preventive medical care for disadvantaged children. By aiding these children, Tim hoped someday they too, would be able to lead healthy and successful lives. As an early advocate of catastrophic health insurance, he showed foresight that 20 years later would prove to be visionary.

While we benefited from his expertise, his constituents were by far the true beneficiaries of his efforts. He worked to improve the district he was sent to represent, and saw to it that programs were put through to improve the quality of life. When he left us here in Washington, he continued to serve the people of his district by resuming his medical practice to help his friends and neighbors.

Tim was a dear friend, I often remember the times he would stop by my office to share some of his favorite Makers Mark Bourbon and talk about the days proceedings. He will be sorely missed by those of us who had the honor to serve with him.

Mr. WAXMAN. Mr. Speaker for 16 years, Tim Lee Carter served his Kentucky constituents, and all the people of the United States, extraordinarily well as a Member of Congress. His death is a great loss and saddens us all.

For 6 years, I had the privilege of working with him as a member of the House Subcommittee on Health and the Environment. I was even more fortunate that Dr. Carter was the subcommittee's senior Republican when I became chairman. I will never forget the enormous cooperation and experience he shared with me.

No colleague has been more honorable, more decent, or more compassionate than Tim Lee Carter. Representative Carter was, above all else, the quintessential gentleman. Like all of us, he had a party allegiance, a regional commitment, and strong views on legislative issues. What he lacked was even the slightest capacity for personal pettiness. He had opponents, but no enemies. Though he was both articulate and eloquent, he had neither taste nor talent for distortion or misrepresentation.

Tim Lee Carter spent virtually all of his adult life as a legislator, yet, at every turn, he displayed the gentleness, practicality, and philosophical vision of the country doctor he once had been.

As the ranking member of the House Subcommittee on Health and the Environment, Representative Carter showed a passionate interest in Federal support for biomedical research. His chief focus was on the effort to find a cure for cancer. His interest reflected not only his medical background, but a personal tragedy that could never be completely assuaged. In 1977, his beloved son, Billy Starr Carter, died of luekemia, having barely entered manhood.

This House and our country will never stop needing men and women of Dr. Carter's dedication and sensitivity. I am grateful that I had the great honor to serve with him and—more importantly—to count Tim Lee Carter as a friend. I learned much from his legislative skills and his profound appreciation of the ultimate responsibilities of legislators in a free society. As long as there are Members who served with Tim Lee Carter, all he taught, by instruction and by example, will continue to leave a mark on our work.

Mr. DUNCAN. Mr. Speaker, in the death of former Congressman Tim Lee Carter we have experienced the loss of a good friend and legislator. Tim Lee and I were both elected to Congress in 1964, and served together until 1980 when he retired.

Not only has the Congress lost a good friend, but residents of Kentucky's Fifth District have lost a loyal Representative, physician and friend. A man of independent convictions, Tim Lee represented his strong views on health issues as ranking minority of the Subcommittee on Health and Environment.

Tim Lee stood for the conservative viewpoint of the Cumberland Plateau region, an area of strong Republican convictions. I will certainly remember him well as a good friend and trusted colleague.

Mr. QUILLEN. Mr. Speaker, I commend the gentleman from Kentucky [Mr. ROGERS] for providing Members this opportunity to pay tribute to the memory of Dr. Tim Lee Carter who died late last month.

I was truly saddened to learn of Dr. Carter's passing. I was priviledged to serve with him here in the House from 1965 through 1980. Let me say that Congressman Carter was one of the finest gentlemen I have met in this life. He was a courtly gentle man who was courteous and decent to all and whose heart was full of kindness and compassion for all. By virtue of his knowledge as a physician, his intelligence and his great heart, Congressman Carter had a major impact on the Nation's health policies. This is probably his most lasting legacy to the Nation arising out of his congressional service.

He was a great credit to our Republican Party and served with distinction for many years as the ranking Republican on the Health Subcommittee of the Interstate and Foreign Commerce Committee, as it was then called. And always he was a man of the people—the country doctor from Tompkinsville, in Monroe County, KY.

I want to express my condolences to Dr. Carter's wife, Kathleen, and his brother, Judge James Carter, his sister, Mrs. Vivian Hayes, and other members of the family in this time of sorrow. We who were fortunate to know him will miss Tim Lee Carter.

Mr. ANDERSON. Mr. Speaker, it is a sad occasion for me to take note of the recent passing of Dr. Tim Lee Carter with whom I served in Congress for 11 years. Congressman Carter was a fine and decent man whose concern for the interests of rural America were reflected in all of his activities. His record on behalf of the less fortunate is a memorial in itself. I join with my colleagues in commemorating his life and mourning his passing.

Mr. RINALDO. Mr. Speaker, I join with my colleagues in expressing profound regret at the recent death of our former colleague, Dr. Tim Lee Carter.

Dr. Carter enjoyed the admiration and respect of all of us who had the honor to serve with him. A country doctor, he brought to this body a sense of decency and compassion which touched us all. I had the privilege of serving with Tim on the Energy and Commerce Committee and was deeply moved by his concern for the health care needs not only of his constituents in rural Kentucky but of all Americans. Years ago he recognized the need for a catastrophic health insurance plan. It would be a great tribute to his memory if this Congress would enact legislation to provide for individuals in danger of being impoverished by a catastrophic illness.

I extend my heartfelt sympathy to Tim's widow, Kathleen on her great loss. I hope she may gain some comfort in the knowledge that her grief is shared by all of us.

Mr. MONTGOMERY. Mr. Speaker, I want to join with my colleague from Kentucky, Representative HAL ROGERS, in paying tribute to the late Dr. Tim Lee Carter. I had the privilege of serving with him. I remember that he was almost always on the floor of this Chamber and always very involved in legislation that affected his beloved State of Kentucky.

As a physician, Dr. Carter was most helpful to me and to other Members in this House on health issues. We benefited from his knowledge and his understanding of those issues.

He was a dedicated public servant. The people of Kentucky's Fifth District were fortunate to have had a man of his convictions and experience as their Representative here in Washington for 16 years.

He will be missed.

Mr. ROGERS. Mr. Speaker, Dr. Carter in his lifetime in the hundreds of speeches and thousands of speeches that he gave to his home district at the courthouse meetings that he attended to each year in every one of the 27½ counties that he represented would always close those meetings with a quotation from an Irish prayer that I am sure many of the Members have heard. I do not intend to quote the prayer, but I thought it appropriate that as we close these proceedings in paying tribute to our beloved and late friend and colleague, Dr. Carter, that we ought to quote the closing line of that Irish prayer.

After quoting the entire poem, Dr. Carter would say to the folks gathered before him, as we say to him today, "Until we meet again, may God hold you in the hollow of his hand."

GENERAL LEAVE

Mr. ROGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the subject of our special order today.

The SPEAKER pro tempore (Mr. PENNY). Is there objection to the request of the gentleman from Kentucky?

There was no objection.

FEDERAL CAVE RESOURCES PROTECTION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia [Mr. BOUCHER] is recognized for 10 minutes.

Mr. BOUCHER. Mr. Speaker, today I am pleased to be joined by the gentleman from South Dakota [Mr. JOHNSON] and the gentleman from Idaho [Mr. CRAIG] in introducing the Federal Cave Resources Protection Act. A companion measure is this day also being introduced in the other body by the Senator from South Dakota, Mr. DASCHLE.

The purpose of this legislation is to strengthen the ability of Federal agencies to protect and manage these unique and fragile resources when they are situated on Federal lands. The act enjoys the support of the National Speleological Society, the American Cave Conservation Association, and Defenders of Wildlife.

As nonrenewable resources, once caves are destroyed they are gone forever. Exacerbating this situation is the fact that cave ecosystems are delicately balanced and easily damaged.

Caves are home to a rich variety of species, and many as-yet-undiscovered species are thought to dwell there as well. These abundant and diverse species provide a gene pool which is valuable for scientific study and advancement. Caves are also an important conduit for underground rivers which serve as water supplies for many rural communities. Equally important, caves are a favored recreation site for visitors enjoying both their pristine and unusual beauty and the adventure of cave exploration.

Despite the value of cave resources on Federal lands, there is no Federal law which specifically protects these resources. Many existing laws such as the National Forest Management Act and the Federal Land Policy and Management Act could be interpreted to include cave management under their purview; however, they do not specifically mention caves. A report by the Congressional Research Service on cave protection stated this problem succinctly:

> It appears that the existing land management laws are broad enough to permit management of cave resources, but they do not expressly address that goal or compel that result.

In the absence of such direction, management of caves on Federal lands is inconsistent and inadequate. In several New Mexico caves, for example, colonies of Mexican Free Tail bats have been decimated by vandals. In Idaho, toxic waste was abandoned in a cave and leaked into its soil. Throughout the United States, graffiti and litter in and removal of stalactite and stalagmite formations from caves on Federal lands have increased.

The Federal Cave Resources Protection Act addresses these concerns by both empowering and directing the Secretaries of Agriculture and Interior to include cave resources in land management plans.

The act also authorizes the Secretaries of Agriculture and Interior to withhold information on the nature and location of a cave on Federal land when disclosure of such information would create a substantial risk of harm to it. Although the caving community has more extensive files on the location and nature of caves on Federal lands than do Federal agencies, it is hesitant to share these files with the Federal Government out of concern that wide distribution of the information would result in vandalism and looting of unprotected caves.

The enactment of this provision will, therefore, increase the amount of information available to Federal land managers by encouraging the cave community to share their extensive maps with them.

Federal land managers have repeatedly stated to me that a law providing comprehensive authority expressly to protect cave resources would assist them in their management duties. The Federal Cave Resources Protection Act responds to this need by affirming that it is the policy of the United States to protect cave resources on Federal lands and providing the specific authority to do so.

A summary of the Federal Cave Resources Protection Act follows:

SUMMARY OF THE FEDERAL CAVE RESOURCES PROTECTION ACT

The purpose of the Federal Cave Resources Protection Act is to affirm the importance of the nation's federal cave resources and to provide the federal government with the specific authority to manage this valuable resource.

The Act:

I. (a) Provides the Secretaries of Interior and Agriculture with the specific authority to manage Federal cave resources.

(b) Directs that caves be considered in land management planning.

II. Provides the Secretaries with the authority to withhold information on the nature and location of a cave when disclosure of such information would create a substantial risk of harm to it.

(a) A Governor of the state can obtain withheld information on a cave in that state upon written request and with a commitment to protect the confidentiality of the information and ensure the cave's protection; and

(b) any bona fide research institution meeting the aforementioned requirements may receive the withheld information.

III. Allows any person to apply for a permit to collect or remove any natural resource from caves. If a substantial risk is involved to the cave, the Secretary shall require the posting of a bond to offset any potential damage.

IV. Establishes a penalty for disturbing cave life, interfering with the free movement of any cave resource into or out of any cave, removing any natural resource without a permit, or soliciting any person to commit the aforementioned violations.

V. Establishes a cave management fund from the monies collected from a cave permit fees, bond forefeitures, and fines.

LET US NOT FORGET "BUY AMERICAN" PROVISIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 60 minutes.

Mrs. BENTLEY. Mr. Speaker, now that the Congress has voted to override the President's veto of the surface transportation reauthorization bill and the highway bill has became law, I wish to address this body on the Buy American provisions of the legislation. It was this Chamber that voted overwhelmingly to strengthen the Buy American language of the bill. However, the finished highway bill failed to include cement in this important provision.

It was stated by Members of the other body that any strengthening of the Buy American provisions would invite a veto by the administration. The other body chose not to include the strengthening language, conferees reaffirmed the will of the other body, and the administration vetoed the bill regardless of any strengthening Buy American language.

Does this not suggest that our colleagues who opposed the Buy American provisions used the threat of a Presidential veto as a scare tactic to kill any proposed strengthening language to purchase American-made highway materials? Their scare tactics became all too real when the President chose to veto the highway bill because the legislation included far too many demonstration projects which provided unnecessary budget expenditures to the American taxpayer.

During the opening months of the 100th Congress, the House voted overwhelmingly to agree with the conference report accompanying the Surface Transportation and Uniform Relocation Assistance Act of 1987. It was in the 99th Congress, that the House and the other body voted and passed the highway legislation but Congress was unable to send the bill to the White House for approval because they could not agree.

☐ 1500

The conferees were unable to reach an agreement or chose not to in the 99th Congress.

This was important unfinished business that we were pleased to resolve so that highway construction could begin as soon as possible. So conferees finally came to an agreement on a much delayed highway reauthorization, and without that reauthorization our Nation's highway system would have been at a standstill. Thousands of jobs would have been jeopardized, and further delays of this legislation would have only meant higher costs to the American taxpayer.

Chairman JAMES HOWARD and Mr. JOHN PAUL HAMMERSCHMIDT, the ranking Republican on the Committee on Public Works and Transportation, and Chairman GLENN ANDERSON, and Mr. BUD SHUSTER of the Subcommittee on Surface Transportation, are to be commended for working to bring this reauthorization before the 100th Congress for timely consideration.

During the 99th and now in the 100th Congress, as a member of the Public Works and Transportation Committee, I also worked to help prepare the highway reauthorization legislation for committee markup for House passage, for enactment, and it was when the highway bill was first before the 99th Congress that I offered amending language to the legislation designed to strengthen that Buy American provision. Steel was already in there.

The House overwhelmingly approved, 300 to 102, the Bentley amendment which would prohibit the use of all foreign cement for construction of projects under the federally funded highway bill. And it is certainly encouraging to have so many of my colleagues in the House take a stand against unfair trading practices of foreign nations. And it is my hope that those of us in the 100th Congress who supported the Bentley amendment will continue to support measures designed to build a strong industrial base resulting in jobs for American labor. A stronger national economy will be achieved with the passage of legislation written to promote American industry.

I am very strongly of the opinion that U.S. taxpayers' money should be spent only on purchases in the United States, not overseas, and we in the Congress should be making laws that foster jobs and development in America. The erosion of the industrial base in this Nation must be reversed. Buy American provisions are necessary to achieve a stronger domestic industrial base, and it was with that in mind that I pushed on the Buy American provision for cement.

When the other body considered the Buy American language, a number of inaccurate statements were asserted, and it was as a result of those inaccuracies that the strengthened Buy American language was defeated. I am trying today to try to straighten out some of that language, and I want people to think along the lines that there were inaccuracies then. And because the pressures were so strong, the House conferees were not able to overcome the pressures from the other body.

At that time, one of the inaccuracies stated by Members of the other body was that the United States would be unable to meet the needs of domestic consumption of cement for Federal highway construction. This is a false accusation, because according to the U.S. Department of Commerce in a study that was made on the domestic cement industry, the United States would be capable of meeting cement demand in the United States, and this was corroborated by another study from the Bureau of Mines. The Bureau of Mines, after all, are responsible for our natural resources.

What has happened is that, as foreign imports have increased in this country, the number of operating plants for cement decreased. So if one took into consideration the amount of cement actually being produced at this moment, no, that would not be adequate. But they did not take into consideration the fact that production of cement could be stepped up very quickly, and plants put in production, and we would have had adequate supplies.

And despite the fact that the House had overwhelmingly voted to include the strengthening amending language for cement, the conference report to H.R. 2 included no provision nor any form of compromise, and the conference language appears as if no vote was ever made in the House to let us use American cement. This is another blow for another American industry.

When we take into consideration the increasing trade deficit, we have to wonder what is going to happen to our domestic industries. And we have to think about the fact that our domestic industries are forced to compete unfairly with foreign markets.

Our steel, cement, asphalt, lumber, maritime, and other vital industries are forced to compete abroad in highly subsidized foreign competition, nontariff failures and restrictive foreign policies. Thousands of American jobs have been lost or are in jeopardy as a result, and many of these are tied into the Federal highway program, a program, ironically, that was kicked off in 1982 to provide for jobs for Americans.

I remember very well the salesmanship that went into adding that 5 cents a gallon to the gasoline tax, and the whole thrust of it was we can rebuild American highways and American bridges, and we will be putting some 350,000 Americans back to work. Well, not if we keep buying all of the supplies from overseas.

We should not forget that the trade deficit with foreign nations is at an all time high, and that is why I say that domestic policies must be written to reduce this problem. Japan and Canada happen to be two of the leading nations contributing to that trade deficit, and these two are involved in selling many of the components used in highway construction.

In 1985, Japan sold 3 billion dollars' worth of steel to the United States and the total United States trade deficit with Japan today is $46.6 billion. That was 3 billion dollars' worth of steel that they sold here.

Even though we say today that the United States has the world's strongest economy, it is fragile and, therefore, the question that we in Congress must be prepared to answer is where will that economy be tomorrow, not just where do we stand today. Since 1960, our productivity growth has been outstripped by almost all of our trading partners. Japanese productivity growth has been five times greater than our own, and Japan's productivity now exceeds that of the United States in steel, in transportation equipment, electrical, general and precision machinery.

I am delighted, as a matter of fact, that the one Buy American provision that remained in the Surface Transportation Act dealt with steel, and that at least the steel products used in highway construction will be American, and that that remained in the bill all the way through and now is law.

For other products used in highway construction, like lumber and asphalt, the story is interesting. The principal supplier of lumber to the United States in 1985 was Canada. Nearly $3 billion of lumber was sold to the United States by Canada in that same year. The total United States trade deficit with Canada is $22 billion. Where is our lumber in this picture?

And then on the other, asphalt, Venezuela was the major supplier of asphalt. The United States purchased $200 million worth of asphalt from Venezuela in 1985. Our total trade deficit with Venezuela is in excess of $3 billion. Do we not produce asphalt in this country?

I think these are rather startling statistics, and the list goes on and on. If we are to reduce the trade deficit and achieve fair trading practices, then this Congress must begin passing legislation that looks after our American-made products, and American industry and labor.

□ 1510

The thrust of failing to include amending language to strengthen the Buy American provision is proof that yet another American industry is going under to foreign competition. Foreign industries everyday will continue to violate fair trading practices by illegal dumping on the shores of the United States.

Let us talk about that illegal dumping in the area of cement. For instance, Taiwan and Korea sell cement for $65 a ton at home and $30 a ton in the United States. Japan has the same comparison.

Spain sells cement for $71 a ton in Spain and $39 a ton in the United States. Mexico sells cement for $56 a ton in Mexico and $29 a ton in the United States.

Now let us see how they do this: Each of these countries which produce the cement at home does not allow any foreign cement to enter their borders whatsoever. As you can see their production costs are rather low and their selling price at home is quite substantial. There is a large margin of profit in there, anywhere from $25 to $35 a ton at home. Eighty percent of the cement that each of these countries produces at home is consumed right there. They make that big profit, the $25 to $35 a ton on that 80 percent. The 20 percent is what they ship into the United States and they send it in here at dumped prices. Now when the cement industry appealed to the International Trade Commission for help on this, the International Trade Commission finally determined that "Well, you are making a profit now and therefore you are not harmed."

The fact that the profit by the U.S. producers was negligible, was very small, was not taken into consideration. The American producers had to mark their prices way down to meet the foreign prices in this country.

Now because of the foreign industry at home making such a substantial profit, they will be able to maintain and replace their plants. as they become obsolete. Right today the U.S. plants that are still operating are state of the art, as are those abroad, and we do have the same sources of natural resources, the same amount of natural resources in this country as they have abroad. So therefore, as for productivity and state of the art equipment, we can do it. But we cannot do it at those prices and earn enough profit, our industries cannot do it, in order to replace the equipment as it becomes obsolete in this country. And that is the key. As those plants wear down, I am told by the cement industry they will not be able to replace them and therefore this whole industry will go under and we will be totally dependent on foreign sources for all of our cement.

Looking at the figures, from 1984 to 1987, foreign cement imports have increased 300 percent, from 4.2 million tons in 1983 to 8.9 million tons in 1984 to 14.5 million tons in 1985 and an estimated 17.5 to 18 million tons last year. The simple fact of the matter is that the U.S. cement industry cannot compete with imports subsidized by foreign governments. If the conference report had included strengthen Buy American language, then foreign producers would have been encouraged to operate in the United States creating U.S. jobs and increasing the U.S. tax base.

No serious foreign trade repercussions would result because this action is taken in response to the unfair dumping practices of foreign competitors. And can you see any U.S. cement producers being as free or have any freedom at all to act in foreign countries as do those foreign producers in our country?

In the 1985 to 1986 period the United States became the world's largest cement importing country for the first time in history and it is going up. Use of domestic cement would improve the U.S. trade deficit, reverse the trend rapidly, increasing imports and encourage foreign producers to operate in the United States rather than off our shores. The long-term benefits of using U.S. cement would outweigh any cost increases because nearly 50 percent of the price of U.S. products is recaptured through Federal, State, and local taxes.

I might point out, Mr. Speaker, that since the conference report and all the action that was taken on this surface transportation bill, OMB, the Office of Management and Budget in the White House, has even adopted a position that the imported cement which will be used on Federal highways does not have to move on U.S.-flag ships, as specified by the Cargo Preference Act of 1954.

That position, fortunately, is being opposed by the Department of Transportation, the Maritime Administration and the Merchant Marine and Fisheries Committee here on Capitol Hill. But I suppose my question is why do we always have to fight for something to help America, Americans at work rather than just abide by the law and the will of the Congress? All of these laws set a precedent for including the Buy American provisions for cement in the Federal aid highway reauthorization highway legislation, H.R. 2, but it was not done and I am here today to remind my colleagues that there will be future authorizing legislation considered by Congress and I am prepared to work to reduce the trade deficit and promote the purchase of American made products by the U.S. Government for federally funded projects. We must be in a position to act responsibliy to the growing trade deficit and be prepared to pass legislation designed to promote American industry and labor. It is high time, Mr. Speaker, to stop selling off American industry.

Every Member must have the courage to stand up and fight unfair trading policies and help save jobs for Americans.

I thank the Speaker.

DEALING WITH TAX INCREASES

The SPEAKER pro tempore (Mr. PENNY). Under a previous order of the House, the gentleman from California [Mr. LUNGREN] will be recognized for 60 minutes.

Mr. LUNGREN. Mr. Speaker, when the Speaker of this House confided to Democratic colleagues last year that he was willing to "break the ice" and "float some ideas," he was not kidding. Upon his election last December as the new Speaker, Mr. WRIGHT, floated one such idea, suggesting to House Democrats that a modification could easily be made to the new tax reform bill. Feeling the need to be "honest with the American people" over the budget deficit, the Speaker's December proposal would delay for many so-called wealthy Americans the effective date of the bill's lower tax rates.

And less than 3 months later, Speaker WRIGHT did it again. This time, as a so-called positive step toward deficit reduction, he concluded that we ought to impose a transfer tax on the value of publicly traded stocks. The Speaker claimed that such a tax would produce about $17 billion in revenues. Needless to say, that proposal was promptly orphaned as the White House and congressional Republicans denounced it and many Democrats in this body ran away from it.

Admittedly, the Speaker of the House displays some boldness just to utter the words "tax increase." When Walter Mondale did it in 1984, President Reagan laughed all the way to a 49-State victory. But now, he has dared to assert that because the President is strongly opposed to that infamous "T" word, the Congress will have to take the initiative.

Mr. Speaker, I would suggest that before we get too carried away with any proposal to increase taxes, we ought to realize what effects such an increase would portend for the millions of Americans who would be forced to bear its greatest burden. With that in mind, I chaired a hearing last week of the Republican Study Committee on this very question—the question of whether or not Americans are, in fact, lining sufficiently the pockets of Uncle Sam.

It is interesting to note that since the November elections the debate over the issues of taxes and deficits have been nearly completely one-sided. What we continue to hear and read is that the other party has this remarkable vision of achieving a prosperous America through a little tax hike here and a tiny tax hike there. From reading these accounts, one would think that the only reasonable, courageous, and statesmanlike persons in Washington are those who are willing to bite the tax increase bullet.

Additionally, whether the story is reported in the Wall Street Journal, the Washington Post, or the New York Times, several basic themes are heard time and again—that Americans need to pay more for the cost of government; that the Congress cannot possibly meet the Gramm-Rudman deficit reduction target; and, that our large Federal deficit was somehow caused single-handedly by President Reagan.

It should come as no surprise to many of my colleagues on both sides of the aisle that not everyone subscribes to such misguided thinking.

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Rather, our hearing confirmed the belief that a tax increase would severely undermine productivity, economic growth and our competitiveness in the world marketplace.

Moreover, it would adversely affect the inflation rate, negatively impact on employment, and generally speaking, lower the standard of living for the vast majority of Americans.

Again, our reason for holding such a hearing should be clear. We figured that if the Democratic leadership in this House was willing to advocate the need for a tax hike, then it was incumbent on us, as responsible policymakers, to discuss what effects such a tax increase would have on society. I have taken this opportunity today to discuss in detail what our witnesses shared with us last week.

The first glimpse of the Speaker's taxation philosophy, as I mentioned previously, took form last December when he suggested that we delay the individual rate reductions promised through last year's massive overhaul of our Nation's tax code. As OMB Director Jim Miller noted last week, that proposal would have denied the promised 28 percent rate in 1988 to single taxpayers with incomes as low as $27,000 and to all married taxpayers with incomes of more than $45,000. Further, even though only about 11 percent of taxpayers will be immediately affected by 1988's extra 10-percent cut in the highest rate, that reduction has enormous indirect importance on all of us. Richard Rahn, chief economist of the U.S. Chamber of Commerce, pointed out to our committee that upper income taxpayers obviously have a good deal more economic flexibility than do middle-or lower-income taxpayers. He maintains that if tax rates are raised on upper income groups, then those taxpayers will likely substitute out of taxable activities. They will tend to consume their income rather than invest or save because the higher taxes will reduce the cost of consumption in terms of income foregone.

Additionally, Mr. Speaker, those who aspire to rise to the top bracket in the future would surely be less likely to make the necessary efforts. Simply stated, governments cannot punish people for earning added income without also punishing the added production that creates that income.

In general, we must remember that the Tax Reform Act of 1986, although a great victory for the President, could not have passed without broad, bipartisan support in the Congress. Both parties signed on to this legislation early and pledged their support for it. We must not break that historic compact with the American public.

Mr. Speaker, I don't suppose there are many of us in the Congress or elsewhere who have much admiration for those on Wall Street who illegally buy and sell stocks. Indeed, it is easy to seize the politically attractive issue of bashing such inside-traders. That fact, coupled with the notion that taxation should be based on one's ability to pay, perhaps led to the proposal that America's rich stockholders should be the "lucky" recipients of the Speaker's new stock transfer tax. Yet contrary to the claim that the burden will fall on the wealthy, statistics reveal that there are over 40 million shareholders in the United States. Those shareholders cover a broad range of economic classes, including the very people the Speaker is so intent on helping.

OMB Director Miller cited some astonishing figures last week that we really ought to keep in mind when contemplating such an onerous tax. According to the New York Stock Exchange in 1985, some 74 percent of all shareholders had annual incomes below $50,000, and 24 percent had annual incomes below $25,000. And Mr. Miller reminds us that those figures do not even address the fact that millions of Americans own stock indirectly through their pension funds, the Nation's leading non-Federal safety net. According to Richard Vedder, professor of economics at Ohio University, the private pension system is a major actor in the equity markets. As of 1983, 50 million working Americans received pensions, and 26 million of those—over half—earned less than $15,000 a year in 1982.

Collaborating with these figures in an April 6 Washington Times article, economics columnist Warren Brookes noted that between pension funds and insurance policies—the two comprising more than 50 percent of all stock transactions—nearly $1 trillion has been added to their value under President Reagan.

Mr. Speaker, all security holders—no matter what their economic status—benefit from reduced rates and healthy stock market contributions. In February, for instance, Michigan taxpayers learned that the State's huge pension funds were nearly fully funded and at least 12 years ahead of schedule. This means that Michigan taxpayers could save as much as $10 billion to $12 billion in contributions between now and the year 2000. Still, Michigan's experience is not an aberration. It is happening to public and private pensions all over America, with estimates that by 1990 such pensions could produce an annual taxpayer windfall of $15 billion to $20 billion.

Turning back to the issue of the actual stock transfer tax, Mr. Miller used as an example the stock market's daily volume of trading. He correctly noted that a tax of one-half percent on buyers of stock and the same tax on the sellers would force investors to earn 1 percent more on their investments to realize the same after-tax return, since they would be taxed both when they bought and when they sold. Such a scenario would discourage all but the most profitable short-term transactions. He reminded us that most investors would have to hold their stock longer to realize a profit, which would seriously impede legitimate buying and selling.

Picking up on this same general theme was Paul Craig Roberts, the William E. Simon Chair in Political Economy at Georgetown University's Center for Strategic and International Studies. Dr. Roberts said such a securities stock would fly in the face of fairness—the centerpiece of last year's tax reform bill. He suggested to the committee that a person who bought and sold the same stock several times would be taxed many times more than a different person who only conducted one sale, even if their capital gains were the same.

Dr. Roberts suggested further that it would not be difficult to predict what the response of investors and corporations would be to a stock transfer tax. Investors, argued Dr. Roberts, would hold their assets longer than is justified economically to avoid the tax, resulting in an inefficient investment mix. Professor Vedder concurred with that assessment by noting that the stock transfer proposal is particularly harmful since it is a tax on the mobility of resources. He admonished our committee that the movement of resources is what drives the economy, providing it with vitality and providing the means to meet changing wants of American consumers and investors.

In general, while higher taxes can come out of the pockets of stockholders in the short term, over a longer period higher business tax costs must be tacked on to the prices charged for goods and services. As a result, higher business taxes become taxes on consumption and are not—as Speaker WRIGHT believes—based on one's ability to pay.

Mr. Speaker, I think it is appropriate at this time to discuss the relationship between taxes and the Federal budget deficit. Before that, however, I would like to quote three Democratic leaders who have suggested that a tax increase is a necessary requisite for reducing the deficit. The first is from Speaker JIM WRIGHT, who was quoted in the March 6, 1987, Washington Times. He said:

> In my judgement, there isn't any way to achieve the commanded reductions in the deficit without any revenues.

The second is a statement by Representative DAN ROSTENKOWSKI, chairman of the House Ways and Means Committee. Quoted in the October 23, 1986, Wall Street Journal, Representative ROSTENKOWSKI said:

> Everyone knows we will eventually need a tax increase to reduce the deficit. But the increase in revenue should come through higher, progressive rates on income, not by a low, regressive tax on need.

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And finally, Representative VIC FAZIO said the following in the Democrat's weekly radio address on March 21, 1987:

> The honest fact is we need to continue spending restraint and we need to raise taxes if we want to cut the deficit over time and reestablish a firm economic foundation.

Mr. Speaker, both in 1982 and 1984, the Congress passed two exceedingly large tax increase bills designed to specifically reduce the deficit. According to their protagonists, these two bills should have reduced the deficit by $68 billion in 1986. Yet the deficit is almost exactly the same as the CBO projected would be the case before the tax increases were passed in 1982.

Mr. Speaker, let us look at a comparison between congressional spending and tax collections. I would rather call it tax collections instead of revenues because the American people seem to accept the concept of revenues as something Government should have. When we say it is not revenues but tax collections, they understand it is coming from them.

Let us refer to this chart. In the 6-year period from fiscal year 1981 to fiscal year 1987 the receipts of the Federal Government rose 41 percent, or by $243 billion. That means we are taking in $243 billion at the end of that 5-year period additionally per year than we were at the beginning. What is the problem? Well, outlays rose by more. Outlays rose by 50 percent or by $337 billion. So even though the trend is obviously up in terms of the blue line, which are revenues or, as we would like to call them, tax collections, spending is up even faster. Both of these numbers represent substantial increases, even allowing for inflation, and outlays increased faster than GNP during the same period of time. Outlays increased faster than tax collections. Outlays increased faster than the GNP grew during that some period of time. For every dollar in new revenues obtained Government spending rose by 1.39 percent, and the deficit has risen by $94 billion.

Generally, speaking, it is infinitely more preferable to reduce the rate of growth in Federal spending and allow the deficit to fall as receipts increase with economic expansion than it is to raise taxes. Why do I say that? Increased taxation crowds out private activity just as borrowing does, but probably far more completely, quickly and effectively. A vote for higher taxes is a vote for bigger Government and a vote for shrinking the size and vitality of the private sector.

To sum up the issue of taxes and the deficit, I would like to quote from testimony our committee heard last week. Dr. Robert Tollison, professor of economics at George Mason University, said the following:

> It is amazing that some Members of Congress still haven't figured out that the 1984 elections demonstrated conclusively that the taxpayers are totally fed up with the cycle of tax, tax, spend, spend, and tax some more. Representatives of both parties need to show some insight and imagination in dealing with the economic problems confronting us. Maybe politicians should begin thinking and acting like real people.

Mr. Speaker, perhaps the biggest reason the Congress cannot effectively deal with the whole question of the budget deficit is its lack of institutional constraints. James Buchanan, the 1986 Nobel Prize laureate and professor at the public choice school of economics at George Mason University, has suggested that it is natural for Government to grow. It is because politicians are just like everybody else—they respond to incentives and for most of them the incentive is to increase funding, to increase the number of bureaucrats under them, to increase their power. Unlike the private sector, which has a bottom line and, therefore, incentives to reduce costs and please customers, Congress generally finds itself with no such market discipline and often in a monopoly situation.

This fact brings me to the final issue which I would like to address.

Although the Gramm-Rudman deficit reduction plan was a step in the right direction, the Congress is clearly without the necessary incentives to effectively address the budget deficit. What we have as a result of no institutional incentives is a Congress without credibility and unfortunately a Congress without accountability, without accountability either to the executive branch or to the American people.

For starters, I would argue that, contrary to some statements made on the floor today that we should fear it, we need to provide the President with the real executive authority to exercise a line-item veto to reduce spending. Unlike most Governors, the President is placed in the untenable position of having to veto massive, all-inclusive appropriation bills which would, in many instances, endanger vital Government services. Such a change in the law would also enable the President to blue-pencil unnecessary or low-priority items. In that context, the President simply must have the ability to eliminate the excess waste and mismanagement that often results from congressional inaction or partisan squabbling.

Another key institutional tool that should be available to the legislative branch of Government in our quest to eliminate the Federal deficit is an amendment to the Constitution to balance the budget. Such a tool could very well alter the Government's addictive habit of easy credit card spending with no eye toward the day when the bills must be paid.

In the final analysis, most of the excuses raised for not enacting a constitutional mandate to balance the Federal budget seem to rest on a stated or implied preference for solving our deficit dilemma through what is called the political process—that is, through responsible action by the Congress. Yet that has been tried and found wanting, time and again. The last attempt to establish guidelines for such a political process, if we exclude the Gramm-Rudman bill, was the 1974 Budget Reform Act. Unfortunately, that act gave us nothing but mounting deficits and further discredit to the legislative process.

Mr. Speaker, we owe it to the American people to restore accountability to the budget process. I have mentioned line-item veto legislation and the balanced budget amendment as positive steps in that direction. But perhaps Alexander Hamilton provided the best solution in the Federalist Papers. He said: "It is essential to the idea of a law that it be attended with a sanction; or, in other words, a penalty or punishment for disobedience." Unfortunately, few effective incentives currently confront Members of Congress.

To give Representatives and Senators a personal stake in the budget process, I have introduced H.R. 1038, the Congressional Pay for Performance Act. My bill would provide that, if all the appropriation bills for a given fiscal year are not approved by the start of that year, the permanent appropriation for congressional salary would be waived for that year. In addition, before the appropriation measure for the legislative branch could be considered, all of the other appropriation bills would have to be approved and sent to the President. The legislation would therefore mandate that Congress accomplish its task before it receives its salary.

This would extend to Members of Congress and their staffs. It would say that, if we do not do the bare minimum of what is required in our job, getting the essential spending bills passed and sent to the President before the fiscal year begins, we would not get paid.

Mr. Speaker, the Congress needs a reminder that it depends on the public, not the public on the Congress. Pay-for-performance legislation will place such a reminder in a location that Senators and Representatives cannot forget. It is a place that most Americans cannot forget—their pocketbooks.

Mr. Speaker, I think as we begin this week's debate on the budget and we begin to hear the early siren songs—for instance, "let us just absolutely slam defense" or "let us just increase taxes on the American people"—it is good for us to remember that over the last 5 years we have increased taxes on the American people or—and this is another way of saying it—we have received taxes from the American people at an increasing rate of $77 billion per year. The projections by OMB and virtually every other responsible organization are that we will, without increasing tax rates one bit, have an increase in tax collections by the Federal Government of approximately $77 billion a year. We will have almost $400 billion in additional tax collections by the 5th year on an annual basis over what we have right now.

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Yet some will say we cannot live within our means. We not only cannot live within our present budget, we cannot live within our present budget, our present tax collections, plus $400 billion additional by the end of 5 years.

I think that is nonsense. This chart clearly shows that revenues are up. They can talk about President Reagan's tax cut in 1981, yet revenues are up ever since he cut rates. Revenues are going to be up this year. We are going to take more money out of the pockets of the American people than has ever been taken before and yet we will still have a deficit.

Why? Because the red line continues to go up faster than the blue line. We do not have a deficit because the American people are fundamentally undertaxed, we have a deficit because the Congress that they elected to represent them continues to spend and spend and spend.

Mr. Speaker, I would suggest that as we begin our journey down the road to a solution to the present deficit problem, we look very, very carefully at your easy proposal to increase taxes. I am afraid that we are caught in the syndrome where now it is a "tax-a-month club." The Speaker brings out a tax one month, and if we do not like that, he talks about another tax the next month. I was wondering what we were going to hear on the first of April this year. I guess we are going to wait until later in the month to hear the newest proposal for tax increases.

We have a budget that we are going to debate this week. The Democrats have presented a budget through the Budget Committee after denying cooperation to Republican members of that Budget Committee, and it has got about $18 billion in new revenues, taxes. It does not tell us how those taxes are going to come about, but it seems to me encumbent upon Members of Congress to analyze those taxes and see what they are going to do for us.

Last year, we convinced the American people that we should have major tax reform in this country. We passed major tax reform and we promised the American people that we would do a few things for them. We would make it a little fairer. We tried to make it a little simpler. We probably did not achieve that. We would make it a little more equitable, and we would establish some certainty in the system. Here we are with the ink barely dry on the particular bill and we have already got the leadership on the other side of the aisle suggesting to us that what we have got to do is increase those rates.

I thought we had somewhat of a social compact with the American people last year when we voted for tax reform. We basically said we would make these changes on a massive scale in a comprehensive bill, and we promised not to do anything about it for some period of time. It seems to me we lose the credibility that we have with the American people if we were to alter that.

The other thing I would say is this: If you analyze this chart, it suggests that spending continues to go up no matter how much tax receipts or tax collections go up. It suggests one thing. Dealing with the Federal deficit is like dealing with the unfortunate problem of alcoholism in your family. If someone is suffering from alcoholism, you do not get them off alcohol by just offering them more. You are not going to get Congress off deficit spending by just offering them more tax revenues.

I think we ought to think about that as we begin this year in our discussion on the budget. Tax revenues have gone up the last 5 years; tax revenues will continue to go up the next 5 years by substantial amounts. It is up to Congress to try to deal with that challenge. It is up to Congress to try and work out a budget that makes sense that does not continue to add deficit upon deficit on the backs of the American people, their children, and our grandchildren.

Mr. BARTON of Texas. Mr. Speaker, I am pleased to be able to address the issue of the growing Federal deficit and excessive Federal spending. I want to make two main points: First, the deficit is caused by too much spending; not by low taxes; and second, the process that produces these deficits is flawed.

The simple fact is that the reason we have a deficit is because of excessive Federal spending. The government does not need to raise new revenues. Under current law, revenues will rise an average of $77 billion per year over the next 5 fiscal years. The amount of money available to be spent by the Federal Government will rise by over $400 billion by 1992. Yet, this is not enough to the big spenders.

The President's budget plans do not drastically cut Government programs. The Federal Government would continue to spend billions of dollars on health, education, research, law enforcement, welfare, and other social programs. The big spenders are upset because the President's budget does not include tremendous increases in all of these areas. The Budget Committee budget includes the increases demanded by special interests, and plans for new taxes on the American people to pay for the programs that benefit only a few.

The American people are not undertaxed. The working men and women of our country should be able to keep more of what they earn. They should be able to decide how to spend or save or invest their hard-earned dollars. Of course, the people are willing to pay for our Nation's defense and many other programs, but the Government's appetite for tax revenues cannot always be fed. The people are not clamoring for more and new programs designed and run by the Federal Government, and paid for with higher taxes. They want the Government to use its existing tax revenue more wisely.

As we have all heard, "you can fool some of the people some of the time, but you cannot fool all of the people all of the time." The people are concerned when they hear accusations that the President wants to "cut" education or health or environmental spending. But, the people wise up when those making the charges then call for tax increases to pay for new programs. The American people are not taxed too much; the U.S. Congress spends too much.

Having said this, it is worthwhile to step back and look at the process under which Congress operates. We have the Budget Committee, Appropriations Committee, and Authorizing Committees. We debate and pass supplemental appropriations bills, "Emergency" supplementals, and run the Government by passing a continuing resolution.

As we discuss the Budget Committee budget, I must ask what role this will really play in the eventual spending decisions of our Government. Do the layers of committees, hearings, and special procedures make sense? Would the average American working family survive if they followed our policies? Obviously not. Average Americans do not have the power to raise taxes.

We must reform the budget process. We should implement a 2-year budget cycle. We ought to give the President the line-item veto. Our Constitution should be amended to require a balanced budget. The committee structure should be revised.

Mr. Speaker, the American people are not taxed too much; the Government spends too much. Congress needs to act now to stop the growth of new spending, and to reform the budget process.

DOMESTIC ENERGY SUPPLY ACT OF 1987

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. MOORHEAD] is recognized for 60 minutes.

Mr. MOORHEAD. Mr. Speaker, I am very pleased to join with many of my colleagues, including the distinguished gentleman from Illinois, Republican Leader ROBERT MICHEL, and the distinguished gentleman from Mississippi, Republican whip TRENT LOTT, and the distinguished gentleman from New York and ranking minority member of the Committee on Energy and Commerce, NORMAN F. LENT, in cosponsoring the Domestic Energy Supply Act of 1987.

This Nation is blessed with an abundance of natural resources, including resources which can meet the energy needs of business and consumers. We are the world's second largest producer of crude oil. Although our known, economically recoverable reserves are a relatively modest 28 billion barrels, we have potentially significant but as yet untapped reserves underlying the Outer Continental Shelf and in the Arctic National Wildlife Refuge. There may be as much as 12 billion barrels of recoverable crude oil in the OCS and another 9 billion barrels in ANWR. Further, 300 billion barrels remain in the ground in areas already explored, and could be produced through enhanced recovery techniques.

Natural gas reserves in this country are plentiful and compare favorably with other producing nations' reserves. At the close of 1985, this Nation had as estimated 193 trillion cubic feet of proved reserves, with another 593 trillion cubic feet remaining to be discovered. In comparison, Canadian gas reserves are estimated at 100 trillion cubic feet and Mexican reserves are estimated to be 77 trillion cubic feet.

We are all aware of our vast reserves of coal. Domestic production of coal has increased steadily from over 400 million short tons in 1960, to nearly 1,000 million short tons in 1985 and may be expected to increase throughout this century.

Mr. Speaker, it is unfortunate that the production of these vast energy resources is artifically constrained by Government. The Federal Government does not allow exploration for new reserves off of much of the coast of California. The Federal Government does not permit exploration and production of new reserves located in the Arctic National Wildlife Reserve. The Federal Government does not allow those who produce natural gas from so-called old gas wells to obtain market value for their product, and thus the Government encourages them not to produce such gas. The Federal Government, however, does allow interstate natural gas pipelines to deny producers and consumers access on nondiscriminatory terms to transportation services—access which is necessary to creating a true marketplace in gas. The Federal Government does not lease Federal lands for oil and gas production in an orderly and efficient manner—so that the energy potential of these reserves can be realized without harm to the environment.

Mr. Speaker, the result of this governmental interference is that this Nation, which is second to none in the depth and diversity of its natural resources and in its technological expertise to develop these resources consistently with the preservation and, indeed, the enhancement of environmental values, must rely to an increasing extent on imported supplies of energy. The United States was heavily dependent on crude oil imports during the seventies—we imported 46 percent of our crude oil needs in 1977. This dependency was reduced dramatically during the early years of the Reagan Presidency due to the decontrol of domestic oil prices and the natural market reaction to high prices—reduced consumption, increased production. Recently, however, our reliance on imported crude supplies has increased, from 25 percent of total consumption in 1985 to 38 percent in 1986. Many experts predict that a continuation of low oil prices throughout this decade would cause the crude import level to reach 50 percent by 1990.

Reasonable people may differ as to the ramifications of increased crude oil imports. Some view this as a serious threat to our Nation's security, while others are more sanguine about the short and long-term consequences of increased imports. Experts of the latter view point to the diversity of sources of imported crude oil and the presence of the strategic petroleum reserve as a safguard against an import curtailment.

One point seems clear, however—the increase in imports which is due to declining domestic production is an increase in dependency which need not happen. And domestic production is definitely declining. In 1986, total U.S. production of crude oil declined by almost 800,000 barrels per day from the average in 1985. Much of this decline was no doubt due to the precipitous drop in oil prices last year. It is clear, however, that production of crude oil in this country has been in decline for a long time, with the discovery and production of the huge Prudhoe Bay reserve off the Alaskan North Slope only temporarily masking the long-term downward trend.

Mr. Speaker, what this Nation needs is an energy policy which will encourage, rather than deter, the development of our diverse and vast energy resources—and do so in a manner that protects and enhances our important environmental values.

Mr. Speaker, the Domestic Energy Supply Act constitutes such a policy. This legislation is intended to stimulate the productive forces in our economy by removing unwise and unnecessary governmental restraints and regulation. This approach rests on the premise that unleashing the genius and determination of American energy entrepreneurs is the key to ensuring over the short, and over the long term, a balance between the supply, demand and price of energy.

Mr. Speaker, allow me to cite one example of how the Domestic Energy Supply Act will accomplish this purpose. Title I of the bill provides for the removal of remaining Federal controls on the price of natural gas at the wellhead. These controls would be removed from gas as the underlying contracts expired—so no legitimate, contractual rights and responsibilities would be disturbed. Price controls on natural gas, Mr. Speaker, have been proved to accomplish nothing other than to prevent producers, and consumers, from realizing the true market value of this valuable commodity. The Energy Information Administration estimates that continuation of Federal price ceilings on gas from wells drilled before the adoption of the Natural Gas Policy Act of 1978 would cause the premature abandonment of those wells and a permanent loss of up to 34 trillion cubic feet of otherwise economically recoverable natural gas. This is enough gas to meet the total consumption of the United States for 2 years!

Mr. Speaker, it would be a true national tragedy for the Federal Government to be responsible for the waste of 34 trillion cubic feet of natural gas. Natural gas is an environmentally clean, domestic energy resource—precisely the kind of resource this Nation should be developing and using, not wasting. Enactment of the Domestic Energy Supply Act of 1987 would prevent this huge waste from occurring.

There are several other titles to this legislation which are in the same spirit of title I. For brevity's sake, I have attached a summary of these titles for the RECORD.

Mr. Speaker, there has been a great deal of rhetoric in the last few years about the coming "energy crisis." Many of my friends on the other side of the aisle have argued that the Republican Party does not care about the energy security of our Nation, or that we are complacent about it. They claim that we Republicans lack an energy policy.

Mr. Speaker, nothing could be further from the truth. There are many significant, innovative and environmentally sensitive measures that can be undertaken to stimulate domestic energy production and ensure adequate supplies of energy at reasonable cost for consumers. Many of these ideas have been pushed tirelessly for several years by Republicans and even by a few Democrats. The problem has been that not enough of our friends in the majority party have supported these proposals to allow them to be enacted into law. In toto, these proposals would amount to a superb and effective national energy policy. The Domestic Energy Policy Act of 1987 constitutes that policy, and I commend it to my colleagues.

TITLE-BY-TITLE SUMMARY OF DOMESTIC ENERGY SUPPLY ACT OF 1987

TITLE I—NATURAL GAS

This title would immediately decontrol all wellhead prices covered in new and renegotiated contracts. Other wellhead prices would be decontrolled as the underlying contracts expired. Thus, this is a phased out decontrol of prices.

The title would compel interstate pipelines to transport gas on a nondiscriminatory basis for any person. Bypass of local distribution companies would be prohibited if such companies offered transportation services on terms comparable to those of the interstate pipeline.

TITLE II—ARCTIC NATIONAL WILDLIFE REFUGE

These provisions draw on Mr. Young's bill, H.R. 1082, and would authorize exploration and development of oil and gas reserves in the Arctic National Wildlife Refuge ("ANWR").

TITLE III—WINDFALL PROFITS TAX

This title would repeal the Windfall Profits Tax.

TITLE IV—ONSHORE OIL AND GAS LEASING

These provisions draw on the bill introduced last Congress by Senator Bumpers. A two-tier leasing system would be instituted, with an initial round of competitive bidding followed, if necessary, by a lottery.

There are two differences between the language in this title and that contained in the Bumpers' legislation. First, the flat royalty rate of 12½ percent, contained in the Bumpers' bill, is reduced to 10 percent in title IV. Second, unlike the Bumpers' bill, there is no minimum bid requirement.

TITLE V—LIMITED ANTITRUST IMMUNITY FOR SMALL NATURAL GAS PRODUCERS

These sections would allow independent gas producers to enter into cooperatives, to enhance their ability to compete in the market, without incurring antitrust liability. To qualify for this limited antitrust protection, the cooperative must not be for the purpose of fixing prices.

TITLE VI—OIL PIPELINE DEREGULATION

This title would deregulate the rates of common carrier pipelines that transport oil and oil products. If a petitioner could show that the pipeline possesses market power to control prices, the Federal Energy Regulatory Commission could reimpose rate regulation.

TITLE VII—ENHANCEMENT OF COAL EXPORTS TO JAPAN

This title directs the President to enter into negotiations with the Japanese Government to implement the 1983 Reagan-Nakasone "Joint Statement on Energy Cooperation", in which the Japanese agreed to expand their use of competitively priced U.S. coal. The President would be directed to report to Congress on the progress of these negotiations and recommend legislative solutions, if necessary.

TITLE VIII—METHANOL PROGRAM

This title is based on the bill from last year—H.R. 3355 ("Methanol Energy Policy Act)—which was cosponsored by Congressmen Moorhead, Dannemeyer, Sharp, Markey and others. It would direct the Energy Secretary to ensure that the government use methanol powered vehicles. It would also provide for demonstration of methanol trucks and buses. Credits against CAFE requirements would be given to auto manufacterers that make methanol vehicles.

TITLE IX—PROHIBITION OF MORATORIA ON LEASING OF OUTER CONTINENTAL SHELF

This title is intended to preclude any absolute moratorium on leasing tracts for oil and gas development on the Outer Continental Shelf.

Mr. SCHAEFER. Mr. Speaker, over the past year, many Members have spent a significant amount of time in this body stating their concern over the depressed state of our oil and gas industry. While I'm sure that the producers appreciate our sympathetic words, little is being done to encourage development of our valuable resources. It is clearly time for action.

Today, I have joined a number of my colleagues in introducing legislation which would prove that the concern we've expressed for the oil and gas industry is not merely political rhetoric. Deregulation of natural gas, repeal of the windfall profits tax and opening up vital reserves for exploration and development are just a few ways the Domestic Energy Supply Act of 1987 will substantively address the problems of the producer. More importantly, it would do so without creating market distortions holding many dangerous economic implications.

The health of our oil and gas industry is not a regional concern—its impact on the security of this Nation affects each of us. While we may currently be reaping the benefits of lower oil and gas prices, they won't last forever. Experts estimate that, given current trends, we will be dependent on foreign sources for more than 50 percent of our oil by the turn of the century. With this in mind, I would urge all of my colleagues to carefully consider this legislation and support its passage.

Mr. BARTON of Texas. Mr. Speaker, today I cosponsored the Domestic Energy Supply Act of 1987. The bill has been authored by the Republican members of the House Energy and Commerce Committee, and is endorsed by the Republican leadership in both the House and the Senate.

This legislation contains a number of provisions which are designed to remove unnecessary Government regulation on our domestic energy producers. These provisions include the deregulation of natural gas, exploration in the Arctic National Wildlife Refuge, repeal of the windfall profit tax, and the prohibition of a moratoria on leasing of the Outer Continental Shelf.

I fully support the deregulation of all natural gas. This legislation provides us with a responsible compromise toward this goal by allowing us to decontrol natural gas as contracts expire or are renegotiated.

I also support the provision authorizing exploration in the Arctic National Wildlife Refuge. If we are really serious about this country's energy security, we must explore what may be the last giant oil field in the United States.

I also call for the repeal of the windfall profit tax. This tax has imposed a $45 billion burden on the American energy industry over the past 7 years. Now that no one is making a "windfall" this tax should be immediately repealed. This tax still imposes substantial regulatory burdens on American oil companies.

The bill also demonstrates strong support for offshore oil and gas leasing and development. It is about time that we took a strong stand against dilatory tactics that inhibit development of needed oil and gas reserves off the California coast.

Although this bill does not solve all the problems confronting the energy industry, it is a strong first step.

THE ALTERNATIVE BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DANNEMEYER] is recognized for 60 minutes.

Mr. DANNEMEYER. Mr. Speaker, I have taken this special order this afternoon for the purpose of briefly describing to my colleagues the budget that this Member from California will be offering probably on Thursday of this week. I will just take a few moments to show how the budget proposal that some of us put together, that I will have the privilege of offering, differs from the work product of the Democrat majority in the House because I think that contrast should be made.

We have heard a lot of talk in the last year or so about the Gramm-Rudman-Hollings target for the deficit. For example, in 1986, the target deficit was supposed to have been reduced to $172 billion. Well, if anybody wants to read the publication of the OMB for 1988 fiscal year, on page 97 you will find the Truth in Debt Act published there very clearly.

Our target for the deficit in that fiscal year 1986, was $172 billion. In fact, we borrowed $285 billion that year and added it to the national debt. In this fiscal year, 1987, our target under Gramm-Rudman is $144 billion. We are scheduled to borrow an additional $208 billion and add to the national debt. In fiscal year 1988, which will be the budget proposal we will take up the day after tomorrow and also tomorrow perhaps, the Gramm-Rudman target is $108 billion. In fact, we are scheduled to borrow $189 billion.

What this means is that we will have borrowed in just these 3 fiscal years, 1986, 1987, and 1988, better than two-thirds of a trillion dollars which we have added to our national debt. The national debt, as of the end of this fiscal year, will be about $2.3 trillion.

We have added over a trillion dollars to the national debt in the last 5 years. It took us from the beginning of the history of our Republic in 1789 until 1980 to get a trillion dollars, and it does not take someone with a Ph.D. in economics to realize that something is fundamentally wrong with the budget process or the Federal policy on monetary policy that causes these deficits to just grow and grow and grow and exist. Seemingly, the political process is unable to do anything about them.

That is the unique aspect of this budget because there is reconciliation language in it which makes very clear that we will seek to adopt certain options in the budget proposal that will reduce the deficit the most that any of them have proposed. That is, of the budget proposals that have been made. It is, I think, obvious to all of us that there are two ways that you can reduce the deficit. One is by cutting spending and the other is by increasing taxes.

My colleague from California, Mr. LUNGREN, talked about the option of increasing taxes which I think is the wrong way to go because we are taxing at the rate of about 19 percent of our GNP and the problem is we are spending too much at about 24 percent of the GNP.

There are four differences in the budget that I will talk about that will reduce the deficit the most and will actually get us to the projected target of $108 billion for fiscal year 1988. The first one is it will implement recommendations of the Congressional Budget Office totaling some $10.2 billion. This is not in the Democrat version of the budget. In other words, it is a proposal to cut spending by that amount and Members will have an opportunity of voting up or down on whether they want to implement recommendations of the Congressional Budget Office to achieve savings in that amount, specifically $10.2 billion.

The second area deals with implementing recommendations of the Grace Commission, some of them totaling $11.9 billion. These are not found in the Democrat version of the budget. In other words, again reducing the budget by cutting spending, not by increasing taxes.

The third feature deals with what the National Bureau of Economic Research recommends for us that we can increase revenues by approximately $15 billion in fiscal year 1988 by tax amnesty. Now, anybody in this country that has been paying their taxes every year says, "Why in the world should you give amnesty to somebody who has not paid their taxes?" That is a good question, but we realize that there is a large underground economy in this country, and some of us believe that if we had a 3-month window, say, from July to September, of this coming fiscal year, that would be next year in the calendar year, persons would have an opportunity on a one-time basis of paying up their taxes without civil or criminal fraud penalties.

The estimates vary all over the place as to what revenue this would bring in. They range from $17 to $47 billion in one fiscal year. Most of the estimates range between $10 and $20 billion, and that is why, for the purpose of this budget proposal, I have adopted the recommendations of $15 billion, which is mid-point in that range.

The fourth area of substantial difference I think deals with an area that it is time we discuss, namely monetary reform of the basic structure of the Federal Government itself. Of the projected trillion-dollar budget-plus that is planned for fiscal year 1988, about 20 percent, or just a little less than

$200 billion is projected in interest on the national debt.

□ 1550

Today 43 percent of all general revenue funds collected from the existing tax system goes to pay interest on the national debt. Just 4 or 5 years ago that percentage was just 23 percent.

The percentage of revenue that is undesignated Federal funds falling into the general fund going to interests on the national debt is growing more and more each year. If we continue on the course for the balance of the next 10 years the way we have gone the last 5 years, we may get to the point where all of the income to the general fund will be required to pay interest on the outstanding debt. At that point we would have to admit there is nothing available for any other purpose except to pay interest on the debt and we would have the choice of national bankruptcy or trying to continue to live the fiction that we can go on on that basis on some purpose insofar as the future is concerned.

When I talk about monetary reform, I am talking about recognizing that we are not using in the international monetary system of the Western World a vital important resource that is currently lying around doing nothing in terms of being involved in the budget process of the country; namely, the gold supply of the world.

We estimate that there are 100,000 tons of gold held in this world. About 40,000 tons are in Government hands, around 60,000 tons in private hands around the world. Each of those owners of gold in the private sector have to pay about a half a point a year to have that gold stored. That is a negative impact on their assets because they have to pay somebody to store it and they have to pay insurance on keeping it safely.

Under the proposal that we are talking about, the U.S. Treasury would say to the world that we will take your gold and we will pay interest on those gold holdings or gold ingots that come to the Treasury of the United States at 1 percent a year.

We believe that this is a magnet of attraction to the holders of gold in the world whereby currently they have to pay about half a point to own the gold. If the U.S. Government with the integrity it has in international commerce promises to the world that we will pay the holders of gold 1 point a year to bring us their gold and for that we will give them a bond, a 40-year bond, payable in gold each year, that is the annual interest cost of 1 percent would be payable in gold each year. We would take that gold that is brought to the shores of this country and we would turn it into gold coins and we would sell those coins in the international monetary markets of the world for cash and use that cash to retire the short-term indebtedness as it accrues.

The data indicates that today we have roughly $1.1 trillion of our national debt coming due in the next year; that is, within the next 12 months we will have $1.1 trillion of our national debt come due that has to be refinanced by some means. About $561 billion of that debt is in private hands. It will have to be refinanced. About $617 billion is held by trust accounts of the Federal Government.

We have calculated on the proposal that I have made that if we refinance the debt that exists by issuing gold backed bonds of 1 percent a year, and by the way the effective rate on this $625 billion of debt in private hands is now about 7 percent as the average rate for that portion of the debt and if we refinance that at 1 percent we are driving an average cost out of the interest cost expense for their financing of that debt for fiscal year 1988 of some $19 billion.

Over the course of the next 10 years through the issuance of these gold-backed bonds that I have described, we would have the alternative of refinancing the national debt where the average interest expense is about 9½ percent, about $200 billion on $2.3 trillion of outstanding national debt, and we calculated that the interest cost reduction for 1988 would be $19 billion; for 1989 it would be $47 billion, and for 1990 it would be $61 billion. This is the reduction in the interest cost expense of maintaining the national debt.

It is my feeling that the Nation is ready for a debate at the Presidential level certainly in the upcoming Presidential election next year. Certainly it is timely that we in the House of Representatives begin to understand what it means to all of us in this country, what it means to people in the Western World where we continue on the policy of having our dollars backed by nothing.

Back in 1968 this Nation severed the link between the dollar and gold and for the ensuing 19 years we have been experiencing what that means to all of us, ups and downs, recessions, growth periods, inflationary periods, spikes in the interest rate, traumatic events in the monetary system of the world, witnessing today the Secretary of the Treasury wandering around the world with a box of Band-Aids attempting to shore up the hemorrhaging international banking situation, a major debt crisis in Mexico and Brazil and Argentina, a trade war existing between this Nation and Japan; these are symptoms of the underlying cause of monetary instability. These are symptoms of nothing more than a dollar backed by nothing.

This Nation had better understand that if we are to have monetary stability, if we are going to reduce this trade war rather than exacerbate it, if we are going to solve the overburdened problem of this world, we are going to have to drive down the cost of interest, and you drive down the cost of interest and again we use the resource that over time has proved the means of assuring lenders of capital that when they get their money back at the expiration of the loan, that money will buy what it bought when it was lent. That is the definition of honest money. This country has not had that recourse of honest money since 1968 for the 19 years that ensued, and we citizens know today what this means to us.

Any Member in this House today will want to know what this means to him or her, if you are paying 9 percent, which is the current fixed term 15 or 30 year mortgage rate quoted by most lenders today, that is about 4 points more than your parents paid when they bought their homes and participated in the family dream of America. Why is that 4 percentage point premium in the lending rate? Because the lenders of capital are fearful of a resumption of inflation. That is what restoring honest money in this country means to anyone; namely, driving down interest rates, whether you have a college student loan, whether you want to start a business, whether you are a home owner or whether you are the U.S. Government.

The major option of the budget that I will propose is reducing the interest cost and maintaining the national debt. As I say, the figure for 1988 is $19 billion and the other figures that I have quoted. I think it is an option that needs to be argued and discussed.

I frankly can say that I suspect there will be less tears in the political sense shed for sending less money to the bankers in New York City in interest on the national debt than will be shed in this place by having to vote to reduce numerous spending proposals that sooner or later we will be facing as Members of Congress if we ever are to achieve the goal of a balanced budget in the U.S. Government.

THE STATE DEPARTMENT, THE MARINES, AND THE SOVIET EMPIRE

The SPEAKER pro tempore (Mr. PENNY). Under a previous order of the House, the gentleman from Georgia [Mr. GINGRICH] is recognized for 60 minutes.

Mr. GINGRICH. Mr. Speaker, I want to talk today on the State Department, the Marines, and the Soviet empire.

I want to focus on basic lessons to be re-learned once again about the nature of the Soviet empire, the dangers to

American security and survival, and the nature of our State Department.

I think it is very good that President Reagan announced today that we will not occupy the new Embassy in Moscow until he is sure that it is secure from Soviet spying and that he also said the Russians would not be allowed to move into their new office tower until we have a facility in Moscow; but I thought it was ironic that in the very Associated Press wire page that included the Reagan story, they also had in the day book a luncheon speech on "The Peace Process: Recent Developments and Future Prospects," citing a senior advisor in the State Department as the speaker, because I think it has been precisely the misunderstanding of the Soviet concept of peace which has led the United States into the mess we now find ourselves in. That mess is at least in part a public relations problem, although it is entitled, for example, in one Newsweek article, "The Worst Security Breach in Embassy History."

It should never have occurred. A number of people have come up to me and said, "How could it be marines?" They had lost faith because there were marines involved, as though somehow marines were invulnerable to human temptation.

Others have said, how could we be so unwise in the way we supervise them?

But what is happening as this particular scandal starts to unfold is that people who focus first on the marine part, which is the human interest involving sex and young men and therefore fits the soap opera style of much of modern television news, they then expand into the Embassy story, which has been going on now for several years and which is itself an example of almost unbelievable naivete, and then finally having first blamed the marines and then blamed the State Department, they focus on the Soviets.

□ 1600

I think that it is this sequence of starting by blaming our young men rather than asking the question: What is it we can learn about the Soviet empire from the intensity of their effort to spy on America? What does it tell us that we have had spy scandal after spy scandal, that, for example, the French are in the process of expelling Soviet spies right now? What does this tell us about the Soviet empire, about Gorbachev's dictatorship, and about the distinction between propaganda and reality?

Jeane Kirkpatrick talked several years ago about "Blame America First" Democrats when she talked about the San Francisco Democrats in her speech on foreign policy. She said that there are some people who have a tendency to always blame America first.

Let me suggest that by focusing too narrowly on the marines that we engage in that very process. The Soviets work very, very hard to penetrate American secrets. It should not surprise us that in their own national capital they would work very, very hard to penetrate our Embassy.

What should surprise us is how systematically naive the State Department has been, and to some extent this has been a bipartisan naivete going back to the Nixon-Kissinger agreements on détente when we gave the Soviets an absurd deal on Embassy sites.

Let me explain. In order to appease Brezhnev in the 1970's, the Nixon administration agreed that we would let the Soviets have a hilltop in Washington for their Embassy, a site which technically allows them to look at the Foreign Service Institute, the White House, and the CIA electronically, while we would accept a swamp in Moscow, a site which was basically protected by its geography from being able to look at anything.

So in effect we were giving the Soviets a very high-value site to spy on America, and we were accepting from the Soviets a very low-value site which would prevent us from learning much about the Soviet Union.

That was accepted in the early 1970's, in the interest of somehow being more reasonable and being nice to the Russians, because if only we are nice to them, they will be nice to us.

Now we should have learned that this kind of behavior simply does not pay off, that in fact when the Russians see weakness, they pressure us and they assume that we are just frankly foolish.

Let me give an example of this from a superb new book called "The Bear in the Back Yard—Moscow's Caribbean Strategy" by Timothy Ashby. I am quoting from pages 69 and 70, where he says:

> In May 1972, shortly before the summit meeting between Nixon and Brezhnev the same month, a Soviet Golf-II—nuclear submarine—was deployed to Cuba along with a submarine tender. The deployment was timed to make a U.S. response as difficult as possible, taking place during the final sessions of the bilateral negotiations to prevent unintentional confrontations between warships at sea.

He goes on to say on page 70:

> Four months after the signing of SALT I—amid renewed Western enthusiasm for détente as well as Richard Nixon's 1972 presidential campaign as the "Peace President"—the Kremlin took its next step of incremental power projection in the Caribbean. In September, Soviet Tu-95 Bear D reconnaissance flights off the U.S. eastern seaboard began regular use of Cuban airfields. Again, the U.S. government failed to make any protest to the Soviet Union, saying that "only the movement of large numbers of such planes into Cuba on a permanent basis would be a problem." By the following year, twelve Tu-95 deployments to Cuba had been made, while Soviet submarines had completed twenty-two port calls to the island—the largest number of such visits to any country outside the USSR.

Or again, because this has been a bipartisan blindness to Soviet strategies:

> The SALT II negotiations during the early part of 1979 as well as preparations for President Carter's summit meeting with Leonid Brezhnev that June must have appeared to the Kremlin as a suitable atmosphere in which to accelerate Soviet influence in the Caribbean region. Grenada fell to a [Cuban]-assisted Marxist coup d'état in March 1979 and Nicaragua was taken over by another Cuban-supported, pro-Soviet revolutionary movement in July. While Carter and Brezhnev were meeting at Vienna in June, the Soviet Union was delivering two squadrons of twenty-four An-26 Curl transport aircraft to Cuba. The An-26 is a tactical transport capable of carrying thirty-eight combat troops or five tons of cargo for a distance of six hundred miles. These aircraft were almost immediately put to use ferrying military supplies to Costa Rica for delivery to the Sandinistas during their final offensive, demonstrating the direct application of military support to "epicenters" of the global struggle as an element of Soviet Caribbean strategy.

Now why am I citing developments in the Caribbean as they relate to today's spy scandal? For this reason: When we talk détente, we mean it. When we say, "Let's have good relations," we mean it. When the Soviets talk détente, it is in their own system a strategy for getting the West to relax while they go ahead and do whatever they want to.

Here we have, for example, Gorbachev saying, "Oh, I really want to have a more open society, and by the way my open society wants to seduce your marines, spy on your Embassy, and in order to make things easier in the future, why don't we just build our spy microphones into the wall of your Embassy rather than try to do it from the outside?"

Then we are shocked. Again and again for the last 20 years we pretend, we convince ourselves, we deceive ourselves into believing that the Soviet empire is going to be reasonable. We then are surprised when the Soviet empire turns out to be unreasonable, and we get shocked.

It is as though you were living next door to an alligator which had a tendency to bite your hand if you put it next to the alligator's mouth, but every couple of years you convinced yourself that it was not really an alligator, it was really a pet teddy bear, and so every couple of years you would reach over to pet the teddy bear, and it would take off your hand. Then you would get resurprised because it acted like an alligator.

The Soviet empire is a dictatorship committed to undermining and isolating the United States and committed to setting up a situation in which ultimately the Soviets have absolute power and we are helpless. That has been said by them. Lenin said it, Stalin said it, Khrushchev said it, Brezhnev said it, Kosygin said it. It is consistent.

Now, if you knew that you were competing with a dictatorship which wanted to spy on you, probably you would start out and say, "What will happen if we send young men by themselves to live in Moscow?" Now you do not have to be very sophisticated to come to the conclusion that whether they are marines or they are sailors or they are Army or Air Force, 19-, 20-, and 21-year-old young men are going to at least be potentially interested in young ladies. And if you send them there by themselves in an isolated society, you are establishing temptation.

Let us go a step further. What if we start having the State Department talk about this wonderful new opening up of the Soviet Union and how we should get to know each other better, and let us say you are a private or a corporal in the Marine Corps and you read this stuff. You say to yourself, "Oh, maybe I should get to know Russians better, too."

The Russians as part of the new friendship happen to have available young ladies who are attractive who are willing to get to know young Americans.

□ 1610

Now, are you as a marine supposed to reject your country's new openness, or should you indicate your willingness to have détente at a personal level?

Let us go a step further. Let us look at the fact that it is the State Department that supervises the Marines, not the Marine Corps. So instead of having a relatively tough military discipline, you now have a State Department diplomat who says, gosh, I am not sure that is wise. And those of us who have served in the Marines or the Army know that is probably not how it would have been described to you by your commanding officer.

Then suddenly we are shocked because we discover that 3 or 4 young men or 5 or 10 young men have succumbed to human weakness. Now we do not stop and say to ourselves how angry should we be with the Russians for systematically setting up efforts to entrap young Americans. How angry should we be with our indoctrination that we do not make clear to our sentries that this is a dangerous society, that every person is a potential spy, that every person who talks to Americans is a potential KGB agent. How angry should we be with the State Department for not focusing intelligently on managing these young men? It is far too easy to focus on the young men.

But now comes the second phase because now we start paying attention to the Embassy, and the Embassy is an absolute disgrace. First of all, it is a disgrace because we were dumb in the early 1970's, and we accepted a trade that makes no sense. Frankly, we now have an excuse to get out of the trade.

I agree with Congressman BROOMFIELD of Michigan who has suggested that we ought to basically buy back the Russian Embassy from them in Washington, because it is on a very good hill and we can sell it or use it as a Government building. And we should give them back or sell back to them the American Embassy in Moscow, which is in a swamp, which was built with Russian prefabricated components which include in them spy devices. And we ought to say let us start over. We are not going to give you the best facility for spying in Washington. You are just not going to get it. And we expect to get at least as good a site in Moscow as you get in Washington.

Let me go a stage further. The notion of having to be secure in the Soviet Union goes back a very long way. Anyone who reads "The Wise Men" will recognize that all through the 1930's, 1940's, and 1950's there was an assumption that the Soviets were trying to spy on us. There was an assumption that of course they would listen in to the conversations and, of course, they would try to find out what we were doing.

I think what is surprising is the degree to which the American State Department systematically rejects reality when it comes to the Soviet empire. The fact is that by Soviet doctrine they are in a state of war with us or in a state of nonpeace. From their standpoint, anything goes, any trick is legitimate, and whether it is spying electronically or spying with a human being, that is totally appropriate behavior.

I think we should relax and accept that is the way the Soviet empire is. We should then act accordingly.

Now I would suggest that if you look at the negotiations by which the United States allowed the Soviets to build parts of the Embassy, you have to ask yourself who was in charge and what were they thinking about. How could we possibly say to our leading enemy on the planet, how would you like a chance to plant all of the microphones and bugging devices you would like, how would you like a chance to know all the blueprints of the Embassy, how would you like a chance to plant your spies in our building, and then be shocked that they took all of the chances we gave them?

Furthermore, notice the language coming out of Russia right now, because we have been naive and innocent in dealing with the Soviet empire. We now are being laughed at by the Soviet Foreign Ministry spokesman. He was making jokes last week about our marines. He is making jokes about our Ambassador and our Secretary of State, and frankly, I cannot blame the Soviets for being arrogant. After all, how could you sit in a room with Gorbachev and explain an American competitor that gives you the best site in Washington and accepts a dumb site in Moscow, that allows you to build their Embassy, and then allows you to send your spies to work so that the United States was, in effect, paying the Soviet Union to spy on the United States. Think about this. We were accepting, to work in the Embassy, people we now concede were spies.

Who was paying them? The American taxpayer. So thanks to our State Department, we now have American tax-paid Russian spies working in our Embassy to seduce our marines, and then we get mad at the marines. Is it any wonder the Soviet press spokesman makes fun of America? Do we not look a little like the Keystone Cops? Can you imagine a spy movie in which the United States was paying the Russian spy to work in the American Embassy to spy on the Americans? We cannot believe it. We would think Woody Allen had done it, but instead George Shultz did, and I think we have to confront this.

The United States State Department is currently incapable of dealing seriously with the Soviet Union, because the culture of the American State Department rejects the reality of the Soviet empire. The State Department is not tough enough, it is not firm enough, it is not realistic enough about the nature of Leninism, the nature of the Communist dictatorship, and the nature of the Soviet empire, whether it is in the Caribbean, in Central America, or it is in Moscow. Clearly we should learn some lessons about the marines, and I think the biggest lesson we need to learn is that in dangerous posts in terms of spying you should always send married couples, and you should have facilities for those couples. So when we renegotiate the Embassy site, it seems to me, we should insist on an Embassy large enough that our marines can live onsite with their spouses. But that also means, by the way, we need an Embassy large enough that the Americans who work in the Embassy have adequate facilities, and it should mean that we would insist on an American-staffed Embassy with no Soviet nationals so that there are no American-paid Soviet spies.

In addition, there are lessons we should learn about the State Department. We should learn that the State Department needs to be fundamentally reformed, that we need to overhaul it from top to bottom, that the weaknesses that keep cropping up, whether they are weaknesses in negotiating in Central America, or weaknesses in negotiating on international trade, or weaknesses in protecting our marines, or weaknesses in negotiating with the Soviet empire, goes to the very heart of how the State Department professional staff views the world.

Let me suggest to you that a State Department incapable of negotiating a safe Embassy is probably a State Department incapable of negotiating a safe arms treaty. It frankly frightens me to think that the same mentality and same mind set which gave away the store over where to site the Embassy, gave away the store over allowing Russian spies to work in the Embassy, and gave away the store over allowing the Russians to build the Embassy, is now going to be in Geneva negotiating with the Soviet Union on arms control. Why would we assume if they were incompetent on little things they are going to be competent on big things? I would suggest anybody who knows much about life knows just the opposite is true. If in fact they misunderstand the Soviet empire that they made this big an error, then it is very likely that on more important matters they would make an even bigger error.

But let me go finally to lessons to learn about the Soviet system. I think this has to be at the heart of our news coverage, of our response as politicians and of the Government's response. The real lesson to be learned about the spying scandal and the Embassy scandal is that the world is dangerous. The real lesson to be learned is that the Soviet empire really does not like the United States and intends to do something about it. The real lesson to learn is that there is no trust between a dictatorship and a democracy, and by definition there cannot be any trust because a dictatorship's values and goals are the exact opposite of a democracy's values and goals. The real lesson to learn is that the Gorbachev who appears on television smiling is the same man who assigns the spies to seduce our marines.

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The Gorbachev who talks about opening up is the same man whose secret police planted bugs in the Embassy walls; the Gorbachev who attempts to appear to be reasonable employs the foreign ministry spokesman who last week was ridiculing the United States and making fun of the weaknesses of the American people and the American Nation; that there is an arrogance to the deliberate systematic Soviet deception of the West. And when you back off and you say to yourself, "What does this lesson teach us?" I would suggest it teaches us first of all that any agreement we ever make with the Russians we had better be able to verify onsite because they will systematically deceive us. It should teach us, second, that the great value of the strategic defense initiative is it relies on American technology, not Russian good will and American technology is a much safer, much safer thing to rely on than Russian good will.

Let me suggest to the Reagan administration: This scandal, this page one story is an opportunity, it is an opportunity to remind the American people about the dangers of the Soviet empire, it is an opportunity to tighten up on our management of the State Department, it is an opportunity to create some more realism in the U.S. Congress about the importance of security and the importance of stopping spies.

But it is also a danger. If the State Department convinces Secretary Shultz that business as usual is more important than solving these problems, then we have a very grave problem and the Reagan administration will bear the burden.

I would suggest to Secretary Shultz, if he is determined to go to Moscow next week, he should on April 13 say to the Soviets, "We want a new site for our Embassy. We want a new building we are going to build ourselves. We want enough facilities that we can house all of the Americans that work there and we will not accept any Soviet nationals in our Embassy as workers."

I think he should also say to the Soviets, "We are not going to let you have the Embassy on the hill, it is too good a spy center for you to spy on the Central Intelligence Agency, on the State Department, and on the White House. We are going to buy back that building at cost and we are going to give you a new site that is not a location for spying." And he should be very, very firm for this reason: I do not think dictatorships are impressed by weakness. I think that weakness leads to arrogance and arrogance leads to mistakes.

The greatest danger in Gorbachev's current game plan would be for him to come to believe that we are so weak and we are so foolish that he can take very large risks and we will do nothing. Those of us old enough to remember the Cuban missile crisis which was a point in American history when we came closest to nuclear war, will remember that it was Khrushchev's underestimation of John F. Kennedy, Khrushchev's belief that Kennedy was weak which led to that crisis.

Gorbachev is still a relatively new dictator. He is still learning about the United States.

In the next few months, we are going to teach him that we are so foolish we will accept a bad Embassy on a bad site with Soviet spying and call that business as usual. He will learn that we are so foolish that when we learn that the State Department is totally incapable of protecting our secrets, we do nothing to reform it. He will learn that we are so foolish that we want a treaty so badly, we want arms control so desperately that no matter what the Russians do to insult us, we will keep crawling back to Moscow asking them to be nice to us.

And if that happens, we are then in a very, very dangerous situation because then we will have a young, aggressive Soviet dictator who may decide that big risks are reasonable because the Americans are very foolish and very short-sighted and very weak.

On the other hand, if we stand up to him on little things, and this Embassy is on the scale of great powers a very little thing, if we say to him that while we are angry with our Marines, we are much angrier with his KGB secret police; if we say to him that while we are irritated with our State Department's incompetence, we are not going to accept it anymore and we must have a new Embassy; if we say to him, "Your KGB made the mess when you planted the bugs in the Embassy. We are not going to accept the consequences of your mess. You are going to have to clean it up." Then Gorbachev will learn, I think, that he has to deal with a very firm and very serious United States indeed and then he will be much more cautious and much more careful.

The choice is President Reagan's. If President Reagan cleans up the State Department, moves to new toughness with the Soviet empire and requires it to clean up the Embassy mess it has made, then I think he will have the country strongly behind him.

If, on the other hand, President Reagan allows Secretary Shultz and the State Department to convince him that nice words with Gorbachev are more important than reality, then I think he will find the country very dissatisfied and very unhappy and very determined to force those changes.

GENERAL LEAVE

Mr. GINGRICH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the subject of the special order today by the gentleman from California [Mr. LUNGREN].

The SPEAKER pro tempore (Mr. PENNY). Is there objection to the request of the gentleman from Georgia?

There was no objection.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. WELDON) to revise and extend their remarks and include extraneous material:)

Mr. MOORHEAD, for 60 minutes, today.

Mr. MCEWEN, for 5 minutes, today.

Mr. DANNEMEYER, for 60 minutes, today.

Mr. LIVINGSTON, for 5 minutes, today.

(The following Members (at the request of Mr. FRANK) to revise and extend their remarks and include extraneous material:)

Mr. STARK, for 5 minutes, today.

Mr. BOUCHER, for 10 minutes, today.

Mr. PEASE, for 60 minutes, today.

Mr. PEASE, for 60 minutes, on April 8.

Mr. PEASE, for 60 minutes, on April 9.

Mr. PENNY, for 30 minutes, on April 10.

(The following Member (at the request of Mr. ROGERS) to revise and extend his remarks and include extraneous material:)

Mr. GINGRICH, for 60 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. VENTO, and to include extraneous matter, notwithstanding the fact that it exceeds 2 pages of the RECORD and is estimated by the Public Printer to cost $1,964.

(The following Members (at the request of Mr. WELDON) and to include extraneous matter:)

Mr. PORTER.

Mr. COURTER.

Mr. HOUGTON.

Mr. JEFFORDS.

Mr. SHUMWAY.

Mr. GILMAN in two instances.

Mr. GALLO in two instances.

Mr. RITTER.

Mr. LATTA.

Mr. HAMMERSCHMIDT.

Mr. SMITH of New Jersey.

Mr. CONTE.

Mr. DUNCAN.

Mr. COBLE.

Mr. LOTT in two instances.

(The following Members (at the request of Mr. FRANK) and to include extraneous matter:)

Mr. LANTOS in two instances.

Mr. STARK in three instances.

Mr. FLORIO.

Mr. ACKERMAN.

Mr. UDALL.

Mr. WYDEN.

Mr. HOCHBRUECKNER.

Mr. MILLER of California.

Mr. MATSUI.

Mr. BERMAN in two instances.

Mr. LIPINSKI.

Mr. DORGAN of North Dakota.

Mr. BUSTAMANTE.

Mr. TALLON.

Mr. ROYBAL.

Mr. GUARINI.

Mr. MAVROULES.

Mr. ASPIN.

SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 514. An act to amend the Job Training Partnership Act to establish an incentive bonus for the successful placement of certain employable dependent individuals, to add an enriched program option of employment and training for AFDC/SSI youth and to the summer youth employment and training program, and for other purposes; to the Committee on Education and Labor.

S. 825. An act to amend and extend certain laws relating to housing, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

S.J. Res. 91. Joint resolution disapproving the certification by the President under section 481(h) of the Foreign Assistance Act of 1961; to the Committees on Foreign Affairs and Banking, Finance and Urban Affairs.

ADJOURNMENT

Mr. GINGRICH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 26 minutes p.m.) under its previous order, the House adjourned until tomorrow, Wednesday, April 8, 1987, at 10 a.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees concerning the foreign currencies and U.S. dollars utilized by them during the fourth quarter of calendar year 1986 and the first quarter of calendar year 1987 in connection with foreign travel pursuant to Public Law 95-384 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERIOR AND INSULAR AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1986

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Jeffrey Farrow, staff	11/1	11/8	French Polynesia		707.00				270.10		977.10
	11/8	11/10	Fiji		188.00				8.86		196.86
	11/14	11/15	Western Samoa		75.00		3,670.56		9.01		3,754.57
Manase Mansur, staff	10/31	11/4	French Polynesia		404.00						404.00
	11/4	11/7	Cook Islands		231.00						231.00
	11/14	11/15	Western Samoa		75.00		1,975.00				2,050.00
Committee total					1,680.00		5,645.56		287.97		7,613.53

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

MORRIS K. UDALL, Chairman, Mar. 31, 1987.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SELECT COMMITTEE ON HUNGER, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1987

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Mickey Leland	1/9	1/9	London		147.00						147.00
	1/10	1/11	Zambia		300.00						300.00
	1/11	1/13	Botswana		500.00						500.00
Round trip transportation							5,200.34				5,200.34
	2/11	2/12	Italy		72.00						72.00
	2/12	2/16	Ethiopia		644.00						644.00
	2/17	2/20	Kenya		426.00						426.00
Round trip transportation							4,029				4,029.00
Jeffrey Clark	2/11	2/12	Italy		72.00						72.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SELECT COMMITTEE ON HUNGER, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1987—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
	2/12	2/16	Ethiopia		644.00						644.00
	2/17	2/17	Kenya		426.00						426.00
Round trip transportation							4,029				4,029.00
Committee total					3,231.00		13,258.34				16,489.34

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

MICKEY LELAND, Chairman, Mar. 18, 1987.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of the rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1103. A letter from the Comptroller General of the United States, transmitting a review of the 73 rescission proposals, three new deferrals and three revised deferrals reported in the President's third special message for fiscal year 1987, pursuant to 2 U.S.C. (H. Doc. No. 100-60); to the Committee on Appropriations and ordered to be printed.

1104. A letter from the Comptroller General of the United States, transmitting a review of the 25 new deferrals, and one revised deferral reported in the President's fourth special message for fiscal year 1987; revised information with respect to seven rescission proposals made in the third special message, pursuant to 2 U.S.C. 685 (H. Doc. No. 100-61); to the Committee on Appropriations and ordered to be printed.

1105. A letter from the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), transmitting the Secretary's annual report on adequacy of pay and allowances for members of the uniformed services, pursuant to 37 U.S.C. 1008(a), 1009(f); to the Committe on Armed Services.

1106. A letter from the Secretary of the Navy, transmitting the Secretary's determination that it is in the public interest to use other than competitive procedures for housing units at the U.S. Naval Base, Subic Bay, the Philippines, pursuant to 10 U.S.C. 2304(c)(7); to the Committee on Armed Services.

1107. A letter from the Secretary of Education, transmitting Notice of Final Procedures for the Robert C. Byrd Honors Scholarship Program, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

1108. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting the quarterly report on coal imports for the period October-December 1986, pursuant to 42 U.S.C. 7277(a); to the Committee on Energy and Commerce.

1109. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting notice of a proposed license for the export of major defense equipment sold commercially to the Government of the United Kingdom, pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

1110. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting notice of a proposed license for the export of defense articles or defense services sold commercially to the Government of Australia, pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

1111. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting notice of a proposed license for the export of major defense equipment sold commercially to the Government of Spain, pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

1112. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting the second notification of proposed antiterrorism assistance for Kuwait and Saudi Arabia, pursuant to FAA, section 574(a)(1) (97 Stat. 972); to the Committee on Foreign Affairs.

1113. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting notification of terrorism related travel advisories for U.S. citizens traveling or residing in Peru, pursuant to 22 U.S.C. 2656e; to the Committee on Foreign Affairs.

1114. A letter from the Secretary, Federal Maritime Commission, transmitting notification of a new Federal records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Governmental Operations.

1115. A letter from the Assistant Comptroller General, General Accounting Office, transmitting a report on the need for legislation to clarify Federal agencies' statutory authority to support the quadrennial Presidential inauguration; jointly, to the Committee on Government Operations and House Administration.

1116. A letter from the Vice President, Farm Credit Banks of Columbia; transmitting the farm credit retirement plan, Columbia District, report and audited financial statement as of August 31, 1985, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Operations.

1117. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to repeal the National Sea Grant College Program Act as amended; to the Committee on Merchant Marine and Fisheries.

1118. A letter from the Secretary of Transportation, transmitting the seventh annual report on collision avoidance systems, pursuant to 49 U.S.C. app. 1348 nt.; to the Committee on Public Works and Transportation.

1119. A letter from the Administrator, General Services Administration, transmitting an informational copy of a lease prospectus which proposes leaseback of a municipally funded building in Oakland, CA, pursuant to 40 U.S.C. 606(a); to the Committee on Public Works and Transportation.

1120. A letter from the Administrator of Veterans Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to improve the State Veterans' Home Grant Program; to the Committee on Veterans' Affairs.

1121. A letter from the Secretary of Health and Human Services, transmitting his report to the Congress on the applicable percentage increase for the Medicare prospective payment system for fiscal year 1988; to the Committee on Ways and Means.

1122. A letter from the Under Secretary for International Affairs and Commodity Programs, Department of Agriculture, transmitting the third quarterly commodity and country allocation table showing current programming plans for food assistance for fiscal year 1987, pursuant to 7 U.S.C. 1736b(a); jointly, to the Committees on Agriculture and Foreign Affairs.

1123. A letter from the Secretary of Energy, transmitting a copy of the final report on the effectiveness of including electric vehicles in the calculation of average fuel economy standards, pursuant to 15 U.S.C. 2512(c)(3); jointly, to the Committees on Banking, Finance and Urban Affairs and Energy and Commerce.

1124. A letter from the Secretary of State, transmitting a "Report on the Situation in El Salvador" which encompasses four key areas: dialog between the government and the insurgents, civilian control of the military, judicial reform and agrarian reform, pursuant to Public Law 99-83, section 702(c) (99 Stat. 238); jointly, to the Committees on Foreign Affairs and Appropriations.

1125. A letter from the Executive Director, Pension Benefit Guaranty Corporation, transmitting a draft of proposed legislation to amend the Employee Retirement Income Security Act of 1974 to increase premium revenue of the single-employer pension plan termination insurance program and to provide a more equitable distribution of single-employer pension plan premium costs; jointly, to the Committees on Ways and Means and Education and Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk of printing and reference to the proper calendar, as follows:

Mr. DE LA GARZA: Committee on Agriculture. H.R. 148. A bill to designate certain public lands in the State of Michigan as wilderness, and for other purposes; with an amendment (Rept. No. 100-29, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. DE LA GARZA: Committee on Agriculture. H.R. 3. A bill to enhance the competitiveness of American industry, and for other purposes; with an amendment (Rept. 100-40, Pt. 6). Referred to the Committee of the Whole House on the State of the Union.

Mr. GRAY of Pennsylvania: Committee on the Budget. House Concurrent Resolution 95. Concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal years 1988, 1989, and 1990; (Rept. 100-41). Referred to the Committee of the Whole House on the State of the Union.

Mr. DERRICK: Committee on Rules. House Resolution 139. Resolution providing for the consideration of H. Con. Res. 93, concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal years 1988, 1989, and 1990 (Rept. 100-42). Referred to the House Calendar.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 1039. A bill to amend section 37 of the Mineral Lands Leasing Act of 1920 relating to oil shale claims, and for other purposes; with an amendment (Rept. 100-43). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAWKINS: Committee on Education and Labor. H.R. 1846. A bill to make certain technical and conforming amendments in the Higher Education Act of 1965, and for other purposes; with an amendment (Rept. 100-44). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MOORHEAD (for himself, Mr. Michel, Mr. Lott, Mr. Lent, Mr. Dannemeyer, Mr. Whittaker, Mr. Ritter, Mr. Bliley, Mr. Fields, Mr. Oxley, Mr. Nielson of Utah, Mr. Schaefer, Mr. Barton of Texas, Mr. Callahan, Mr. Gingrich, and Mr. Boulter):

H.R. 1960. A bill to provide for the energy security of the United States; jointly, to the Committee on Energy and Commerce, Ways and Means, Interior and Insular Affairs, the Judiciary, Public Works and Transportation, Merchant Marine and Fisheries, and Foreign Affairs.

By Mr. JEFFORDS (for himself, Mr. Hawkins, Mr. Clay, and Mrs. Roukema):

H.R. 1961. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 to improve the efficiency and adequacy of the current retirement income system (consisting of employer and individual retirement plans) in carrying out its supplemental role to Social Security in providing benefits upon death, disability, and retirement by simplifying and clarifying applicable statutory requirements relating to simplified employee pensions, and by providing for portable pension plans which will expand pension coverage, provide for a form of pension portability, and preserve pension asset accumulations for payment in retirement income form, and for other purposes; jointly, to the Committees on Education and Labor, and Ways and Means.

H.R. 1962. A bill to amend the Employee Retirement Income Security Act of 1974 to improve the efficiency and adequacy of the current retirement income system (consisting of employer and individual retirement plans) in carrying out its supplemental role to Social Security in providing benefits upon death, disability, and retirement by simplifying and clarifying applicable statutory requirements relating to simplified employee pensions, and by providing for portable pension plans which will expand pension coverage, provide for a form of pension portability, and preserve pension asset accumulations for payment in retirement income form, and for other purposes; to the Committee on Education and Labor.

By Mr. UDALL (for himself, Mr. Cheney, Mr. Rahall, and Mr. Marlenee):

H.R. 1963. A bill to amend the Surface Mining Control and Reclamation Act of 1977 to permit States to set aside in a special trust fund up to 10 per centum of the annual State funds from the abandoned mine land reclamation fund for expenditure in the future for purposes of abandoned mine reclamation, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BROWN of California (for himself and Mr. Ritter):

H.R. 1964. A bill to amend the Metric Conversion Act of 1975 to increase the use of the metric system in Government programs; to the Committee on Science, Space and Technology.

By Mr. DORGAN of North Dakota:

H.R. 1965. A bill to freeze all spending in the budget of the U.S. Government at fiscal year 1987 levels and to amend the Congressional Budget and Impoundment Control Act of 1974 to exclude social security trust funds from the definition of deficit; jointly, to the Committees on Government Operations, and Rules.

By Mr. DYMALLY:

H.R. 1966. A bill to provide that positions held by civilian technicians of the National Guard be made part of the competitive service; jointly, to the Committees on Post Office and Civil Service, and Armed Services.

By Mr. FRANK (for himself and Mr. Berman):

H.R. 1967. A bill to amend the Foreign Agents Registration Act of 1938, as amended, to encourage the free flow of information, and for other purposes; to the Committee on the Judiciary.

By Mr. FRANK (by request):

H.R. 1968. A bill to amend the Contract Disputes Act of 1978 to require that a competitive examination process be used for the selection of members of boards of contract appeals of Federal Government agencies; and to provide that the members of such boards shall be treated in the same manner as administrative law judges of the Federal Government for certain administrative purposes; to the Committee on the Judiciary.

By Mr. GUARINI (for himself, Mr. Rangel, Mr. Roe, Mr. Schumer, Mr. Torricelli, Mr. Scheuer, Mr. Florio, and Mr. Biaggi):

H.R. 1969. A bill to direct the Secretary of Transportation to conduct a study of the need for additional transportation facilities and services between northern New Jersey and New York City, NY; to the Committee on Public Works and Transportation.

By Mr. LIVINGSTON:

H.R. 1970. A bill to conserve the marine and coastal resources of the Gulf of Mexico; jointly, to the Committees on Public Works and Transportation, and Merchant Marine and Fisheries.

By Mr. McMILLAN of North Carolina (for himself, Mr. Coble, Mr. Ballenger, Mr. Dyson, Mrs. Bentley, Mr. Dymally, Mr. Wortley, Mr. Jones of North Carolina, Mr. McKinney, Mr. DeLay, Mr. Rahall, Mr. Neal, Mr. Smith of Florida, Mr. Shumway, Mr. Crockett, Mr. Daub, Mr. Savage, Mr. Garcia, Mr. Towns, Mr. Atkins, Ms. Kaptur, Mr. Lewis of Georgia, Mr. Oberstar, Mr. Wolpe, Mr. Kolbe, Mr. Bartlett, Mr. Fish, Mr. Fauntroy, Mr. Barton of Texas, Mr. Hayes of Illinois, Mr. Vander Jagt, Mr. Lewis of California, Mr. Gregg, Mr. Thomas A. Luken, Mr. Ritter, and Mr. Ridge):

H.R. 1971. A bill to amend title XVIII of the Social Security Act to permit certain individuals with physical or mental impairments to continue medicare coverage at their own expense; jointly to the Committees on Ways and Means, and Energy and Commerce.

By Mr. OBERSTAR (for himself, Mr. Howard, Mr. Hammerschmidt, Mr. Mineta, Mr. Gingrich, and Mr. Clinger):

H.R. 1972. A bill to amend the International Air Transportation Fair Competitive Practices Act of 1974; to the Committee on Public Works and Transportation.

By Mr. STANGELAND (for himself, Mr. Lagomarsino, Mr. Davis of Illinois, Mr. Combest, Mr. McEwen, Mr. Weber, Mr. Schuette, and Mr. Marlenee):

H.R. 1973. A bill to stimulate employment through the creation of rural enterprise zones designated by the Secretary of Agriculture, and for other purposes; jointly, to the Committees on Ways and Means, the Judiciary, and Banking, Finance and Urban Affairs.

By Mr. SUNDQUIST:

H.R. 1974. A bill to deny funds for projects using products or services of foreign countries that deny fair market opportunities; to the Committee on Public Works and Transportation.

By Mr. BOUCHER (for himself, Mr. Craig, and Mr. Johnson of South Dakota):

H.R. 1975. A bill to protect caves resources on Federal lands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WEISS:

H.R. 1976. A bill to amend title II of the Social Security Act to restore child's insurance benefits for postsecondary school students; to the Committee on Ways and Means.

H.R. 1977. A bill to amend title II of the Social Security Act to restore the pre-1981 provisions for determining the order of payment of lump-sum death benefits, to the Committee on Ways and Means.

H.R. 1978. A bill to amend title II of the Social Security Act to restore from age 16 to age 18 the age of a child at which certain benefits under such title are terminated; to the Committee on Ways and Means.

By Mr. WYDEN:

H.R. 1979. A bill to amend the Merchant Marine Act, 1920; to the Committee on Merchant Marine and Fisheries.

By Mr. BRYANT (for himself and Mr. Frenzel):

H.J. Res. 231. Joint resolution to designate the week beginning October 4, 1987, as "National School Yearbook Week"; to the Committee on Post Office and Civil Service.

By Mr. HAYES of Louisiana:

H.J. Res. 232. Joint resolution proposing an amendment to the Constitution of the United States to protect cultural and linguistic rights; to the Committee on the Judiciary.

By Mr. ARMEY (for himself, Mr. Hunter, Mr. Courter, Mr. Crane, Mrs. Bentley, and Mr. Walker):

H. Con. Res. 96. Concurrent resolution expressing the sense of the Congress that the President should renegotiate the 1969 and 1972 agreements concerning a new Soviet Embassy in Washington, DC, and a new United States Embassy in Moscow; and that the new agreement should require the Soviets to move their partially completed new embassy from its current Mount Alto site to another suitable site not more than 150 feet above mean sea level; to the Committee on Foreign Affairs.

By Mrs. BYRON (for herself, Mr. Lipinski, Mr. Valentine, Mr. Vento, Mr. Mavroules, Mr. Hochbrueckner, Mr. Penny, Mr. Fawell, Mrs. Johnson of Connecticut, Mr. Moakley, Mr. Lehman of Florida, Mr. Lewis of Georgia, Mr. Perkins, Mr. Fuster, Mr. Montgomery, Mrs. Bentley, Mr. Garcia, Mr. Traficant, Mr. Dymally, Mrs. Boxer, Mr. Daniel, Ms. Kaptur, Mr. Akaka, Mr. Gejdenson, Mr. Murphy, Mr. Fauntroy, Mr. Wolf, Mr. Sunia, Mr. Fazio, Mr. McDade, Mr. McMillen of Maryland, Mr. Towns, Mr. McGrath, Mr. DeWine, Mr. Lagomarsino, Mr. Espy, and Mr. Levin of Michigan):

H. Con. Res. 97. Concurrent resolution to encourage State and local governments and local educational agencies to provide high quality daily physical education programs for all children in kindergarten through grade 12; to the Committee on Education and Labor.

By Mr. FRENZEL (for himself, Mr. Porter, and Mr. Brown of Colorado):

H. Con. Res. 98. Concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal years 1988, 1989, and 1990; to the Committee on the Budget.

By Mr. MICHEL (for himself and Mr. Lewis of California):

H. Res. 140. Resolution expressing the sense of the House that the President should establish a Commission on AIDS; to the Committee on Energy and Commerce.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

19. By the SPEAKER: Memorial of the general assembly of the Commonwealth of Virginia, relative to the real estate appraisal profession; to the Committee on Banking, Finance and Urban Affairs.

20. Also, memorial of the general assembly of the Commonwealth of Virginia, relative to certain property in Fairfax County, VA; to the Committee on the District of Columbia.

21. Also, memorial of the general assembly of the Commonwealth of Virginia, relative to the insurance industry's exemption from Federal antitrust laws; to the Committee on the Judiciary.

22. Also, memorial of the general assembly of the Commonwealth of Virginia, relative to the use of TBT; to the Committee on Merchant Marine and Fisheries.

23. Also, memorial of the general assembly of the Commonwealth of Virginia, relative to the treatment of certain aliens by the Bureau of the Census; to the Committee on Post Office and Civil Service.

24. Also, memorial of the general assembly of the Commonwealth of Virginia, relative to maximum highway speed limits, enactment of a Federal aid highway bill; to the Committee on Public Works and Transportation.

25. Also, memorial of the general assembly of the Commonwealth of Virginia, relative to the insurance industry; jointly, to the Committees on the Judiciary and Energy and Commerce.

26. Also, memorial of the general assembly of the Commonwealth of Virginia, relative to care for multiple trauma victims; jointly, to the Committees on Ways and Means and Energy and Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. SHAW introduced a bill (H.R. 1980) for the relief of Michael Christopher Kinsella, which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 67: Ms. Slaughter of New York, Mr. Johnson of South Dakota, Mr. Foglietta, and Mr. Conyers.

H.R. 90: Mrs. Collins, Mr. Fauntroy, Mr. Hochbrueckner, Mr. Stokes, Mr. Traxler, and Mr. Visclosky.

H.R. 162: Mr. Dicks, Mr. Lewis of Georgia, Mr. Foglietta, Mr. Udall, Mrs. Saiki, Mr. Owens of Utah, and Mr. Gilman.

H.R. 182: Mr. Mica, and Mr. Garcia.

H.R. 280: Mr. Foglietta, Mr. Lewis of Georgia, and Mr. Garcia.

H.R. 283: Mr. Stallings.

H.R. 379: Mr. Campbell.

H.R. 390: Mr. Aspin, Mr. Boner of Tennessee, Mr. Bonior of Michigan, Mr. Bonker, Mr. Campbell, Mr. Clay, Mr. Gibbons, Mr. Guarini, Mr. Hayes of Illinois, Mr. Hochbrueckner, Mr. Hughes, Mr. Hyde, Mr. Jontz, Ms. Kaptur, Mr. Kennedy, Mr. Kolter, Mr. Lewis of Georgia, Mr. McKinney, Mr. McMillen of Maryland, Mr. Manton, Mr. Moody, Mr. Neal, Mr. Nielson of Utah, Mr. Shaw, Mr. Sikorski, Mr. Sisisky, Mr. Skelton, Ms. Slaughter of New York, Mr. Spence, Mr. Staggers, Mr. Swift, Mr. Traxler, Mr. Visclosky, Mrs. Vucanovich, Mr. Weber, Mr. Williams, and Mr. Wyden.

H.R. 457: Mr. Owens of Utah, Ms. Oakar, and Mr. Vento.

H.R. 462: Mr. Pepper, Mr. Grant, Mr. Smith of Florida, and Mr. Fascell.

H.R. 543: Mr. DeWine, Mr. Kostmayer, Mr. McGrath, Mr. Campbell, Mr. Huckaby, and Mrs. Collins.

H.R. 573: Mr. Pease.

H.R. 603: Mr. DioGuardi, Mr. Nielson of Utah, and Mr. Neal.

H.R. 612: Mr. Badham, Mr. Bateman, Mr. McCollum, Mr. Edwards of California, Mr. Lancaster, Mr. Hughes, Ms. Kaptur, Mrs. Boxer, Mr. Flippo, Mr. Kolter, Mr. Garcia, Mrs. Vucanovich, and Mr. Crockett.

H.R. 618: Mr. Coelho, Mr. Yates, Mr. Owens of Utah, Mr. Dorgan of North Dakota, and Mr. Carr.

H.R. 726: Mr. Boehlert.

H.R. 727: Mr. Sikorski.

H.R. 755: Mr. Borski.

H.R. 778: Mr. Lewis of Georgia and Mr. Yatron.

H.R. 779: Mr. Wolpe and Mr. Thomas A. Luken.

H.R. 781: Mr. Pickle, Mr. Coleman of Texas, Mr. Wilson, Mr. Leland, Mr. Chapman, Mr. Bustamante, Mr. Archer, Mr. de la Garza, Mr. Fields, Mr. Frost, Mr. Hall of Texas, Mr. Stenholm, and Mr. Bryant.

H.R. 950: Mr. Tauzin, Mr. McMillen of Maryland, Mr. Neal, Mr. Hughes, Mr. Berman, Mr. Garcia, Mr. Evans, Mr. Scheuer, Mr. Boehlert, Mr. Walgren, Mr. Dixon, Mr. Yates, Mr. Weiss, Mr. Morrison of Connecticut, Mr. Moody, Mr. Kleczka, Mr. Cooper, Mr. Savage, Mr. Bereuter, Mr. McKinney, Mr. Towns, Mr. Kastenmeier, Mr. Wortley, Mr. Davis of Illinois, Mr. Mrazek, Mr. Kanjorski, Mr. Miller of Washington, Mrs. Bentley, Mr. Tallon, Mr. Fish, Mr. Lewis of Georgia, and Mr. Schuette.

H.R. 954: Mr. Hoyer.

H.R. 1003: Mr. Boland, Mrs. Boxer, Mr. Dicks, Mr. Hochbrueckner, Mr. Howard, Mr. Miller of California, Mr. Pease, Mr. Perkins, Mr. Sabo, Mr. Stratton, Mr. Traxler, and Mr. Wyden.

H.R. 1049: Mr. Jacobs and Mr. Studds.

H.R. 1119: Mr. Bates.

H.R. 1120: Mr. Dellums, Mr. DeFazio, Mr. Bonior of Michigan, Mr. Garcia, and Mr. Kolter.

H.R. 1122: Mr. McCloskey, Mr. Ackerman, Mr. Applegate, Mr. Aspin, Mr. Biaggi, Mr. DeFazio, Mr. Dicks, Mr. Downey of New York, Mr. Fascell, Mr. Gaydos, Mr. Gilman, Mr. Guarini, Mr. Hayes of Illinois, Mr. Howard, Mr. Leland, Mr. Manton, Mr. Markey, Mr. Mavroules, Mr. Murphy, Mr. Nowak, Mr. Sabo, Mr. St Germain, Mr. Savage, Mr. Sikorski, Mr. Staggers, Mr. Stokes, Mr. Walgren, Mr. Wolpe, and Ms. Oakar.

H.R. 1196: Mr. Dornan of California, Mr. Conyers, Mr. Ackerman, Mr. Mrazek, Mr. Smith of Florida, Mr. Owens of New York, Mr. Rangel, and Mr. Vento.

H.R. 1202: Mr. Sunia, Mr. Lagomarsino, and Mr. Pease.

H.R. 1280: Mr. Hoyer, Mr. Edwards of California, Mr. Sabo, Mr. Chapman, Mr. Cardin, Mr. Garcia, Mr. Solomon, Mr. Frost, Mr. Fish, Mr. Hughes, Mr. Martinez, and Mr. Biaggi.

H.R. 1281: Mr. Hoyer, Mr. Edwards of California, Mr. Sabo, Mr. Chapman, Mr. Cardin, Mr. Garcia, Mr. Solomon, Mr. Frost, Mr. Fish, Mr. Hughes, Mr. Martinez, and Mr. Biaggi.

H.R. 1293: Mr. DeFazio and Mr. Barnard.

H.R. 1346: Mr. Lehman of California, Mr. Hayes of Illinois, Mr. Espy, Mr. Gray of Illinois, Mr. Williams, and Mr. Savage.

H.R. 1395: Mr. Kildee and Mr. McCollum.

H.R. 1398: Mr. Mfume.

H.R. 1413: Mr. Bryant, Mr. McEwen, Mr. McCurdy, Mr. Sweeney, Mr. Mollohan, Mr. Weber, Mr. Campbell, and Mr. Williams.

H.R. 1488: Mr. Gray of Illinois, Mr. Conyers, Mr. Scheuer, Mr. Hochbrueckner, Mrs. Collins, and Mr. Brooks.

H.R. 1495: Mr. Beilenson, Mr. Coelho, Mr. Gordon, Mr. Mrazek, Mr. Neal, Mr. Olin, Mr. Price of North Carolina, Mr. Price of Illinois, Mr. Quillen, and Mr. Smith of Florida.

H.R. 1509: Mr. Moorhead, Mr. Berman, Mr. Cardin, Mr. Slaughter of Virginia, and Mr. Coble.

H.R. 1524: Mr. Smith of New Hampshire.

H.R. 1546: Mr. Rahall, Mr. Towns, Mr. Rangel, Ms. Oakar, Mr. Gray of Pennsylvania, and Mr. Vento.

H.R. 1559: Mr. Tauke.

H.R. 1566: Mr. Olin, Mr. Boucher, Mr. Ritter, Mr. Robinson, Mrs. Byron, Mr. Nielson of Utah, Ms. Kaptur, Mr. Daub, Mr. Levin of Michigan, Mr. Ballenger, Mr. Owens of New York, Mr. Ray, Mr. Wortley, and Mr. Green.

H.R. 1568: Mr. Martin of New York.

H.R. 1601: Mr. Rose and Mr. Latta.

H.R. 1621: Mr. Tauke.

H.R. 1644: Mr. Stangeland.

H.R. 1678: Mr. Martin of New York, Mr. Nowak, Mr. Manton, Mr. Ackerman, Ms. Slaughter of New York, Mr. Gilman, Mr. Biaggi, Mr. Owens of New York, Mrs. Johnson of Connecticut, Mr. Lipinski, Mr. Frank, Mr. Ridge, Mr. Wilson, Mr. Henry, Mr. Lagomarsino, Mr. Miller of Washington, and Mrs. Bentley.

H.R. 1770: Mr. Studds, Mr. Ackerman, Mr. Kostmayer, and Mr. Wilson.

H.R. 1829: Mr. Rangel, Mr. Huckaby, Mr. Craig, Mr. Fazio, and Mr. Espy.

H.R. 1830: Mr. Rangel, Mr. Huckaby, Mr. Craig, Mr. Espy, and Mr. Fazio.

H.R. 1832: Mr. Petri, and Mr. Lagomarsino.

H.R. 1914: Mr. Pease.

H.R. 1935: Mr. Jones of North Carolina.

H.J. Res. 62: Mr. DeFazio.

H.J. Res. 111: Mr. Saxton.

H.J. Res. 119: Mr. LaFalce, Mr. Hefner, Mr. Synar, Mr. Gordon, Mr. DeFazio, and Mr. Valentine.

H.J. Res. 150: Mr. Archer, Mr. Cardin, Mr. Donnelly, Mr. Foglietta, Mr. Frenzel, Mr. Gradison, Mr. Hoyer, Mr. Hughes, Mr. Jeffords, Mr. Kostmayer, Mrs. Lloyd, Mr. McEwen, Mr. McGrath, Mr. Martin of New York, Mr. Matsui, Mr. Miller of Washington, Mr. Moorhead, Mr. Murphy, Mr. Nichols, Mr. Perkins, Mr. Porter, Mr. Pursell, Mr. Rangel, Mr. Rinaldo, Mr. Rodino, Mr. Sabo, Mr. Savage, Mr. Saxton, Mr. Smith of Florida, Mr. Smith of Iowa, Mr. Spratt, Mr. Stump, Mr. Sunia, Mr. Traficant, Mr. Traxler, and Mr. Waxman.

H.J. Res. 158: Mrs. Bentley, Mr. Berman, Mr. Broomfield, Mr. Coelho, Mr. Dellums, Mr. Flippo, Mr. Hall of Texas, Mr. Hefner, Mr. Henry, Mr. Hoyer, Mr. Jones of Tennessee, Mr. Livingston, Mr. McCloskey, Mr. McDade, Mr. Manton, Mr. Miller of Washington, Mr. Moorhead, Mr. Morrison of Connecticut, Mr. Murtha, Ms. Oakar, Mr. Porter, Mr. Rinaldo, Mr. Schumer, Mr. Tallon, Mr. Torricelli, Mr. Towns, Mr. Vento, Mr. Walgren, Mr. Whittaker, and Mr. Wyden.

H.J. Res. 160: Mr. Smith of New Jersey, Mr. Weiss, Mr. Conte, Mr. Garcia, and Mr. Crockett.

H.J. Res. 178: Mr. Alexander, Mr. Chapman, Mr. Bates, Mr. Bateman, Mr. Bartlett, Mr. Buechner, Mr. Baker, Mrs. Bentley, Mr. Carr, Mr. Coleman of Texas, Mr. Dellums, Mr. Emerson, Mr. Erdreich, Mr. Gingrich, Mr. Gejdenson, Mr. Grant, Mr. Gunderson, Mr. Hall of Texas, Mr. Harris, Mr. Hayes of Louisiana, Mr. Holloway, Mr. Kleczka, Mr. Konnyu, Mr. Kemp, Mr. Livingston, Mr. Donald E. Lukens, Mr. Manton, Mr. McMillen of Maryland, Mr. Mack, Mr. Moody, Mr. Madigan, Mr. McCollum, Mr. Quillen, Mr. Roberts, Mr. Rhodes, Mr. Robert F. Smith, Mr. Smith of Florida, Mr. Scheuer, Mr. Shumway, Mr. Sisisky, Ms. Slaughter of New York, Mr. St Germain, Mr. Synar, Mr. Stenholm, Mr. Thomas of Georgia, Mr. Tallon, Mr. Walgren, Mr. Bosco, Mr. Waxman, Mr. Wolf, Mr. Weiss, and Mr. Levin of Michigan.

H.J. Res. 197: Mr. Stump, Mr. Gregg, Mr. Inhofe, Mr. McCollum, Mr. Badham, Mr. Nielson of Utah, and Mr. Darden.

H. Con. Res. 32: Mr. Stump.

H. Con. Res. 67: Mr. Horton and Mr. Barton of Texas.

H. Res. 19: Mr. Combest, Mr. Bateman, Mr. Bilirakis, Mr. Stump, and Mr. Lungren.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. Con. Res. 93 or 95

By Mr. DANNEMEYER:

(Amendment in the nature of a substitute.)

—Strike everything after the resolving clause and insert in lieu thereof the following:

That the Congress hereby determines and declares that the concurrent resolution on the budget for fiscal year 1988 is hereby established and the appropriate budgetary levels for fiscal years 1989 and 1990 are hereby set forth:

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1987, October 1, 1988, and October 1, 1989:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1988: $677,300,000,000.
Fiscal year 1989: $722,700,000,000.
Fiscal year 1990: $792,900,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1988: $18,900,000,000.
Fiscal year 1989: $24,100,000,000.
Fiscal year 1990: $28,500,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1988: $883,159,000,000.
Fiscal year 1989: $904,840,000,000.
Fiscal year 1990: $940,359,000,000.

(3) The appropriate levels of total new budget outlays are as follows:

Fiscal year 1988: $811,134,000,000.
Fiscal year 1989: $822,882,000,000.
Fiscal year 1990: $855,870,000,000.

(4)(A) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1988: $133,834,000,000.
Fiscal year 1989: $100,182,000,000.
Fiscal year 1990: $62,970,000,000.

(B) For purposes of the maximum deficit amount mandated by the Balanced Budget and Emergency Deficit Control Act of 1985 and section 301(i) of the Congressional Budget Act of 1974 only, the appropriate levels of total new budget authority, budget outlays, Federal revenues, and deficits, including receipts and disbursements of the Federal Old-Age and Survivors Trust Fund and the Federal Disability Trust Fund, are as follows:

New budget authority:
Fiscal year 1988: $1,135,210,000,000.
Fiscal year 1989: $1,181,010,000,000.
Fiscal year 1990: $1,245,560,000,000.
Outlays:
Fiscal year 1988: $1,027,380,000,000.
Fiscal year 1989: $1,053,200,000,000.
Fiscal year 1990: $1,102,720,000,000.
Revenues:
Fiscal year 1988: $929,400,000,000.
Fiscal year 1989: $986,100,000,000.
Fiscal year 1990: $1,079,500,000,000.
Deficit:
Fiscal year 1988: $107,980,00,000.
Fiscal year 1989: $67,100,000,000.
Fiscal year 1990: $23,220,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1988: $2,565,100,000,000.
Fiscal year 1989: $2,776,400,000,000.
Fiscal year 1990: $2.966,300,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1987, October 1, 1988, and October 1, 1989, are as follows:

Fiscal year 1988:

(A) New direct loan obligations, $29,650,000,000.

(B) New primary loan guarantee commitments, $129,360,000,000.

(C) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New direct loan obligations, $27,780,000,000.

(B) New primary loan guarantee commitments, $129,760,000,000.

(C) New secondary loan guarantee commitments, $0.

Fiscal year 1990:

(A) New direct loan obligations, $26,910,000,000.

(B) New primary loan guarantee commitments, $130,430,000,000.

(C) New secondary loan guarantee commitments, $0.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations and new loan guarantee commitments for fiscal years 1988 through 1989 for each major functional category are:

(1) National Defense (050):

Fiscal year 1988:

(A) New budget authority, $304,280,000,000.

(B) Outlays, $291,910,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $319,520,000,000.

(B) Outlays, $306,690,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1990:

(A) New budget authority, $335,860,000,000.

(B) Outlays, $322,220,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1988:

(A) New budget authority, $15,260,000,000.

(B) Outlays, $13,790,000,000.

(C) New direct loan obligations, $7,120,000,000.

(D) New primary loan guarantee commitments, $10,250,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $15,870,000,000.

(B) Outlays, $14,340,000,000.

(C) New direct loan obligations, $6,640,000,000.

(D) New primary loan guarantee commitments, $10,250,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal Year 1990:

(A) New budget authority, $16,480,000,000.

(B) Outlays, $14,890,000,000.

(C) New direct loan obligations, $6,740,000,000.

(D) New primary loan guarantee commitments, $10,250,000,000.

(E) New secondary loan guarantee commitments, $0.

(3) General Science, Space, and Technology (250):

Fiscal year 1988:

(A) New budget authority, $10,570,000,000.

(B) Outlays, $10,680,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $11,050,000,000.

(B) Outlays, $11,470,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1990:

(A) New budget authority, $11,570,000,000.

(B) Outlays, $11,890,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal Year 1988:

(A) New budget authority, $3,170,000,000.

(B) Outlays, $4,030,000,000.

(C) New direct loan obligations, $1,580,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $3,540,000,000.

(B) Outlays, $2,670,000,000.

(C) New direct loan obligations, $1,640,000,000.

(D) New Primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal Year 1990:

(A) New budget authority, $3,420,000,000.

(B) Outlays, $2,380,000,000.

(C) New direct loan obligations, $1,650,000,000.

(D) New Primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1988:

(A) New budget authority, $15,550,000,000.

(B) Outlays, $14,950,000,000.

(C) New direct loan obligations, $30,000,000.

(D) New Primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $16,360,000,000.

(B) Outlays, $16,220,000,000.

(C) New direct loan obligations, $20,000,000.

(D) New Primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1990:

(A) New budget authority, $16,990,000,000.

(B) Outlays, $17,610,000,000.

(C) New direct loan obligations, $20,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1988:

(A) New budget authority, $28,720,000,000.

(B) Outlays, $27,820,000,000.

(C) New direct loan obligations, $16,100,000,000.

(D) New primary loan guarantee commitments, $6,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $27,990,000,000.

(B) Outlays, $24,090,000,000.

(C) New direct loan obligations, $14,300,000,000.

(D) New primary loan guarantee commitments, $7,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1990:

(A) New budget authority, $24,700,000,000.

(B) Outlays, $21,400,000,000.

(C) New direct loan obligations, $13,200,000,000.

(D) New primary loan guarantee commitments, $7,100,000,000.

(E) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

Fiscal year 1988:

(A) New budget authority, $10,870,000,000.

(B) Outlays, $6,120,000,000.

(C) New direct loan obligations, $1,920,000,000.

(D) New primary loan guarantee commitments, $75,210,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $10,000,000,000.

(B) Outlays, $2,840,000,000.

(C) New direct loan obligations, $1,820,000,000.

(D) New primary loan guarantee commitments, $73,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal Year 1990:

(A) New budget authority, $13,030,000,000.

(B) Outlays, $4,280,000,000.

(C) New direct loan obligations, $1,860,000,000.

(D) New primary loan guarantee commitments, $76,280,000,000.

(E) New secondary loan guarantee commitments, $0.

(8) Transportation (400):

Fiscal Year 1988:

(A) New Budget authority, $28,690,000,000.

(B) Outlays, $27,580,000,000.

(C) New direct loan obligations, $150,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal Year 1989:

(A) New Budget authority, $29,280,000,000.

(B) Outlays, $27,980,000,000.

(C) New direct loan obligations, $150,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New Secondary loan guarantee commitments, $0.

Fiscal Year 1990:

(A) New Budget authority, $30,330,000,000.

(B) Outlays, $28,610,000,000.

(C) New direct loan obligations, $150,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal Year 1988:

(A) New budget authority, $6,970,000,000.

(B) Outlays, $6,730,000,000.

(C) New direct loan obligations, $480,000,000.

(D) New primary loan guarantee commitments, $500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $7,090,000.000.

(B) Outlays, $6,330,000,000.

(C) New direct loan obligations, $430,000,000.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1990:

(A) New budget authority, $7,230,000,000.

(B) Outlays, $6,340,000,000.

(C) New direct loan obligations, $430,000,000.

(D) New primary loan guarantee commitments, $40,000,000.

(E) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1988:

(A) New budget authority, $32,940,000,000.

(B) Outlays, $31,910,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $9,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $34,660,000,000.

(B) Outlays, $33,460,000,000.

(C) New direct loan obligations, $1,810,000,000.

(D) New primary loan guarantee commitments, $10,710,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1990:

(A) New budget authority, $35,880,000,000.

(B) Outlays, $34,900,000,000.

(C) New direct loan obligations, $1,840,000,000.

(D) New primary loan guarantee commitments, $11,860,000,000.

(E) New secondary loan guarantee commitments, $0.

(11) Health (550):

Fiscal year 1988:

(A) New budget authority, $42,620,000,000.

(B) Outlays, $42,250,000,000.

(C) New direct loan obligations, $30,000,000.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $46,320,000,000.

(B) Outlays, $45,870,000,000.

(C) New direct loan obligations, $40,000,000.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1990:

(A) New budget authority, $50,370,000,000.

(B) Outlays, $49,540,000,000.

(C) New direct loan obligations, $40,000,000.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

(12) Medical Insurance (570):

Fiscal year 1988:

(A) New budget authority, $93,380,000,000.

(B) Outlays, $79,650,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $103,170,000,000.

(B) Outlays, $88,440,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1990:

(A) New budget authority, $114,230,000,000.

(B) Outlays, $99,570,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(13) Income Security (600):

Fiscal year 1988:

(A) New budget authority, $165,980,000,000.

(B) Outlays, $130,700,000,000.

(C) New direct loan obligations, $10,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $173,880,000,000.

(B) Outlays, $137,370,000,000.

(C) New direct loan obligations, $10,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1990:

(A) New budget authority, $180,390,000,000.

(B) Outlays, $142,880,000,000.

(C) New direct loan obligations, $10,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(14) Social Security (650):

Fiscal year 1988:

(A) New budget authority, $4,740,000,000.

(B) Outlays, $4,740,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $5,305,000,000.

(B) Outlays, $5,305,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1990:

(A) New budget authority, $5,376,000,000.

(B) Outlays, $5,376,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(15) Veterans Benefits and Services (700):

Fiscal year 1988:

(A) New budget authority, $27,900,000,000.

(B) Outlays, $27,380,000,000.

(C) New direct loan obligations, $830,000,000.

(D) New primary loan guarantee commitments, $27,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $28,200,000,000.

(B) Outlays, $27,610,000,000.

(C) New direct loan obligations, $920,000,000.

(D) New primary loan guarantee commitments, $27,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1990:

(A) New budget authority, $28,430,000,000.

(B) Outlays, $28,050,000,000.

(C) New direct loan obligations, $970,000,000.

(D) New primary loan guarantee commitments, $24,800,000,000.

(E) New secondary loan guarantee commitments, $0.

(16) Administration of Justice (750):

Fiscal year 1988:

(A) New budget authority, $8,940,000,000.

(B) Outlays, $8,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $9,110,000,000.

(B) Outlays, $9,050,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1990:

(A) New budget authority, $9,220,000,000.

(B) Outlays, $9,220,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(17) General Government (800):

Fiscal year 1988:

(A) New budget authority, $7,200,000,000.

(B) Outlays, $6,780,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $7,330,000,000.

(B) Outlays, $6,780,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1990:

(A) New budget authority, $7,610,000,000.

(B) Outlays, $7,070,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(18) General Purpose Fiscal Assistance (850):

Fiscal year 1988:

(A) New budget authority, $1,870,000,000.

(B) Outlays, $1,860,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $1,910,000,000.

(B) Outlays, $1,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1990:

(A) New budget authority, $1,970,000,000.

(B) Outlays, $1,970,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(19) Net Interest (900):

Fiscal year 1988:

(A) New budget authority, $121,410,000,000.

(B) Outlays, $121,410,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $99,650,000,000.

(B) Outlays, $99,650,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1990:

(A) New budget authority, $90,420,000,000.

(B) Outlays, $90,420,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(20) Allowances (920):

Fiscal year 1988:

(A) New Budget authority, −$2,950,000,000.

(B) Outlays, −$2,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New Budget authority, −$180,000,000.

(B) Outlays, −$30,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1990:

(A) New Budget authority, $3,620,000,000.

(B) Outlays, $4,010,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(21) Undistributed Offsetting Receipts (950):

Fiscal year 1988:

(A) New Budget authority, −$44,960,000,000.

(B) Outlays, −$44,960,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New Budget authority, −$45,210,000,000.

(B) Outlays, −$45,210,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1990:

(A) New Budget authority, −$46,760,000,000.

(B) Outlays, −$46,760,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

RECONCILIATION

SEC. 2. (a) Not later than June 5, 1987, the committees named in subsections (b) through (cc) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

HOUSE COMMITTEES

(b) The House Committee on Agriculture shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in law within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $2,447,000,000 and outlays by $2,435,000,000 in fiscal year 1988; decrease budget authority by $4,326,000,000 and outlays by $4,346,000,000 in fiscal year 1989; and decrease budget authority by $4,424,000,000 and outlays by $4,494,000,000 in fiscal year 1990.

(c) The House Committee on Armed Services shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $4,170,000,000 and outlays by $5,009,000,000 in fiscal year 1988; decrease budget authority by $5,900,000,000 and outlays by $6,568,000,000 in fiscal year 1989; and decrease budget authority by $7,460,000,000 and outlays by $8,265,000,000 in fiscal year 1990.

(d) The House Committee on Banking, Finance and Urban Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in law within its jurisdiction other than those which provide spending authority as defined in section 401(c)(23)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $4,031,000,000 and outlays by $1,836,000,000 in fiscal year 1988; decrease budget authority by $4,605,000,000 and outlays by $2,675,000,000 in fiscal year 1989; and decrease budget authority by $4,915,000,000 and outlays by $3,375,000,000 in fiscal year 1990.

(e) The House Committee on Education and Labor shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section (401)(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $1,712,000,000 and outlays by $1,085,000,000 in fiscal year 1988; decrease budget authority by $1,799,000,000 and outlays by $2,224,000,000 in fiscal year 1989; and decrease budget authority by $1,817,000,000 and outlays by $2,422,000,000 in fiscal year 1990.

(f) The House Committee on Energy and Commerce shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section (401)(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $4,631,000,000 and outlays by $3,444,000,000 in fiscal year 1988; decrease budget authority by $5,390,000,000 and outlays by $5,098,000,000 in fiscal year 1989; and decrease budget authority by $5,951,000,000 and outlays by $5,941,000,000 in fiscal year 1990.

(g) The House Committee on Foreign Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section (401)(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $2,246,000,000 and outlays by $2,977,000,000 in fiscal year 1988; decrease budget authority by $7,378,000,000 and outlays by $2,014,000,000 in fiscal year 1989; and decrease budget authority by $3,532,000,000 and outlays by $1,624,000,000 in fiscal year 1990.

(h) The House Committee on Government Operations shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $8,461,000,000 and outlays by $8,445,000,000 in fiscal year 1988; decrease budget authority by $5,697,000,000 and outlays by $5,673,000,000 in fiscal year 1989; and decrease budget authority by $3,225,000,000 and outlays by $3,205,000,000 in fiscal year 1990.

(i) The House Committee on Interior and Insular Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $175,000,000 and outlays by $172,000,000 in fiscal year 1988; decrease budget authority by $195,000,000 and outlays by $195,000,000 in fiscal year 1989; and decrease budget authority by $205,000,000 and outlays by $205,000,000 in fiscal year 1990.

(j) The House Committee on the Judiciary shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) and combination thereof, as follows: decrease budget authority by $420,000,000 and outlays by $420,000,000 in fiscal year 1988; decrease budget authority by $440,000,000 and outlays by $440,000,000 in fiscal year 1989; and decrease budget authority by $460,000,000 and outlays by $460,000,000 in fiscal year 1990.

(k) The House Committee in Merchant Marine and Fisheries shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $806,000,000 and outlays by $1,016,000,000 in fiscal year 1988; decrease budget authority by $963,000,000 and outlays by $1,223,000,000 in fiscal year 1989; and decrease budget authority by $970,000,000 and outlays by $1,240,000,000 in fiscal year 1990.

(l) The House Committee on Post Office and Civil Service shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section

401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $88,000,000 and outlays by $88,000,000 in fiscal year 1988; decrease budget authority by $338,000,000 and outlays by $338,000,000 in fiscal year 1989; and decrease budget authority by $353,000,000 and outlays by $353,000,000 in fiscal year 1990.

(m) The House Committee on Public Works and Transportation shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $442,000,000 and outlays by $332,000,000 in fiscal year 1988; decrease budget authority by $464,000,000 and outlays by $439,000,000 in fiscal year 1989; and decreases budget authority by $472,000,000 and outlays by $472,000,000 in fiscal year 1990.

(n) The House Committee on Science, Space and Technology shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $2,000,000 and outlays by $2,000,000 in fiscal year 1988; decrease budget authority by $11,000,000 and outlays by $11,000,000 in fiscal year 1989; and decrease budget authority by $18,000,000 and outlays by $18,000,000 in fiscal year 1990.

(o) The House Committee on Small Business shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $83,000,000 and outlays by $83,000,000 in fiscal year 1988; decrease budget authority by $125,000,000 and outlays by $125,000,000 in fiscal year 1989; and decrease budget authority by $122,000,000 and outlays by $122,000,000 in fiscal year 1990.

(p) The House Committee on Veterans Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $5,000,000 and outlays by $18,000,000 in fiscal year 1988; decrease budget authority by $60,000,000 and outlays by $55,000,000 in fiscal year 1989; and decrease budget authority by $90,000,000 and outlays by $85,000,000 in fiscal year 1990.

(q) The House Committee on Ways and Means shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $374,000,000 and outlays by $3,859,000,000 in fiscal year 1988; decrease budget authority by $389,000,000 and outlays by $4,509,000,000 in fiscal year 1989; and decrease budget authority by $399,000,000 and outlays by $5,189,000,000 in fiscal year 1990.

SENATE COMMITTEES

(r) The Senate Committee on Agriculture, Nutrition and Forestry shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $2,515,000,000 and outlays by $2,503,000,000 in fiscal year 1988; decrease budget authority by $4,397,000,000 and outlays by $4,417,000,000 in fiscal year 1989; and decrease budget authority by $4,497,000,000 and outlays by $4,567,000,000 in fiscal year 1990.

(s) The Senate Committee on Armed Services shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $4,170,000,000 and outlays by $5,009,000,000 in fiscal year 1988; decrease budget authority by $5,900,000,000 and outlays by $6,568,000,000 in fiscal year 1989; and decrease budget authority by $7,460,000,000 and outlays by $8,265,000,000 in fiscal year 1990.

(t) The Senate Committee on Banking, Housing and Urban Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $4,483,000,000 and outlays by $2,178,000,000 in fiscal year 1988; decrease budget authority by $5,059,000,000 and outlays by $3,104,000,000 in fiscal year 1989; and decrease budget authority by $5,373,000,000 and outlays by $3,833,000,000 in fiscal year 1990.

(u) The Senate Committee on Energy and Natural Resources shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $2,288,000,000 and outlays by $1,485,000,000 in fiscal year 1988; decrease budget authority by $2,745,000,000 and outlays by $2,610,000,000 in fiscal year 1989; and decrease budget authority by $2,908,000,000 and outlays by $3,033,000,000 in fiscal year 1990.

(v) The Senate Committee on Environment and Public Works shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $286,000,000 and outlays by $29,000,000 in fiscal year 1988; decrease budget authority by $407,000,000 and outlays by $60,000,000 in fiscal year 1989; and decrease budget authority by $628,000,000 and outlays by $153,000,000 in fiscal year 1990.

(w) The Senate Committee on Commerce, Science and Transportation shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $1,091,000,000 and outlays by $1,201,000,000 in fiscal year 1988; decrease budget authority by $1,320,000,000 and outlays by $1,534,000,000 in fiscal year 1989; and decrease budget authority by $1,334,000,000 and outlays by $1,604,000,000 in fiscal year 1990.

(x) The Senate Committee on Governmental Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $7,349,000,000 and outlays by $7,333,000,000 in fiscal year 1988; decrease budget authority by $4,835,000,000 and outlays by $4,811,000,000 in fiscal year 1989; and decrease budget authority by $2,378,000,000 and outlays by $2,358,000,000 in fiscal year 1990.

(y) The Senate Committee on Labor and Human Resources shall report (1) changes in laws within its jurisdiction which provide

ending authority, as defined in section
1(c)(2)(C) of the Congressional Budget
ct of 1974, sufficient to reduce budget au-
ority and outlays; (2) changes in laws
ithin its jurisdiction other than those
hich provide spending authority as defined
section 401(c)(2)(C) of the Act, sufficient
achieve savings in budget authority and
tlays; or (3) any combination thereof, as
llows: decrease budget authority by
,910,000,000 and outlays by $3,253,000,000
fiscal year 1988; decrease budget author-
y by $4,155,000,000 and outlays by
,820,000,000 in fiscal year 1989; and de-
ease budget authority by $4,365,000,000
d outlays by $5,310,000,000 in fiscal year
90.

(z) The Senate Committee on Finance
all report (1) changes in laws within its
risdiction which provide spending author-
y, as defined in section 401(c)(2)(C) of the
ongressional Budget Act of 1974, sufficient
reduce budget authority and outlays; (2)
anges in laws within its jurisdiction other
an those which provide spending author-
y as defined in section 401(c)(2)(C) of the
ct, sufficient to achieve savings in budget
thority and outlays; or (3) any combina-
on thereof, as follows: decrease budget au-
ority by $81,000,000 and outlays by
,566,000,000 in fiscal year 1988; decrease
dget authority by $85,000,000 and outlays
y $4,205,000,000 in fiscal year 1989; and de-
ease budget authority by $85,000,000 and
tlays by $4,875,000,000 in fiscal year 1990.

(aa) The Senate Committee on Veterans
ffairs shall report (1) changes in laws
ithin its jurisdiction which provide spend-
g authority, as defined in section
1(c)(2)(C) of the Congressional Budget
ct of 1974, sufficient to reduce budget au-
ority and outlays; (2) changes in laws
ithin its jurisdiction other than those
hich provide spending authority as defined
section 401(c)(2)(C) of the Act, sufficient
achieve savings in budget authority and
utlays; or (3) any combination thereof, as
llows: decrease budget authority by
5,000,000 and outlays by $18,000,000 in
scal year 1988; decrease budget authority
y $60,000,000 and outlays by $55,000,000 in
scal year 1989; and decrease budget au-
ority by $90,000,000 and outlays by
85,000,000 in fiscal year 1990.

(bb) The Senate Committee on the Judici-
ry shall report (1) changes in laws within
s jurisdiction which provide spending au-
hority, as defined in section 401(c)(2)(C) of
he Congressional Budget Act of 1974, suffi-
ient to reduce budget authority and out-
ys; (2) changes in laws within its jurisdic-
ion other than those which provide spend-
g authority as defined in section
01(c)(2)(C) of the Act, sufficient to achieve
avings in budget authority and outlays; or
3) any combination thereof, as follows: de-
rease budget authority by $420,000,000 and
utlays by $420,000,000 in fiscal year 1988;
ecrease budget authority by $440,000,000
nd outlays by $440,000,000 in fiscal year
989; and decrease budget authority by
460,000,000 and outlays by $460,000,000 in
iscal year 1990.

(cc) The Senate Committee on Small Busi-
ess shall report (1) changes in laws within
ts jurisdiction which provide spending au-
hority, as defined in section 401(c)(2)(C) of
he Congressional Budget Act of 1974, suffi-
ient to reduce budget authority and out-
ays; (2) changes in laws within its jurisdic-
ion other than those which provide spend-
ng authority as defined in section
01(c)(2)(C) of the Act, sufficient to achieve
avings in budget authority and outlays; or
(3) any combination thereof, as follows: decrease budget authority by $83,000,000 and outlays by $83,000,000 in fiscal year 1988; decrease budget authority by $125,000,000 and outlays by $125,000,000 in fiscal year 1989; and decrease budget authority by $122,000,000 and outlays by $122,000,000 in fiscal year 1990.

TAX AMNESTY

SEC. 3. (a) The Congress shall report legislation establishing a Federal tax amnesty program, that—

(1) authorizes a one-time amnesty from criminal and civil tax penalties for taxpayers who notify the Internal Revenue Service of previous underpayments of Federal tax and pay such underpayments in full;

(2) shall be in effect for a three month period beginning July 1, 1988;

(3) applies to all payments relating to tax years ending on or before December 31, 1986.

(b) Revenues collected pursuant to this program shall be used solely for the purpose of reducing the Federal deficit.

GOLD BONDS

SEC. 4. (a) The Congress shall report legislation authorizing the issuance of Treasury obligations redeemable in gold, that—

(1) are known as Eagle bonds;

(2) have an annual investment yield not exceeding 1.75%;

(3) have a initial maturity of forty years, and may not be issued for less than twenty-five years;

(4) have principal and interest redeemable at maturity in gold;

(5) are intended to replace high-interest, short-term debt.

(b) The issuance of gold bonds in intended to achieve—

(1) a permanent reduction in the rate of interest on the public debt;

(2) a permanent reduction of the rate of interest on the private debt;

(3) a significant reduction of the Federal budget deficit;

(4) the elimination of the U.S. trade deficit.

FEDERAL DEBT COLLECTION REFORM

SEC. 5. (a) The Congress finds that—

(1) the Federal government is a major lender and allocator of capital through direct loan and loan guarantee programs. By the end of 1986, the Federal government was directly and indirectly involved in $1.2 trillion in lending activity;

(2) the Federal Financing Bank serves in a major capacity to coordinate the financing of these programs;

(3) despite improvements in funding achieved by the Federal Financing Bank, serious shortcomings still exist in allocating and managing Federal credit programs, and current Federal credit program controls provide little incentive for sound management practices and timely debt collection;

(4) since 1981, delinquent debt owed the Federal government has increased from $29.8 billion to $68.3 billion, or 129 percent, and needed reforms in credit management and debt collection deserve immediate consideration by Congress and the Administration.

(b) It is therefore the sense of Congress that the appropriate committees of the Congress should review programs to improve the processes of granting credit assistance and timely collection of delinquent debt, including such proposals as—

(1) the appointment of a "debt czar" who would be ultimately responsible for credit management and debt collection throughout the Federal government;

(2) mandating all Federal agencies to establish specific management systems to ensure proper and timely administration of credit assistance and debt collection;

(3) require the use of private collection agencies to collect delinquent accounts and private credit bureaus to assist in maintaining accurate records of recipients of Federal credit assistance;

(4) providing the Department of Justice and other Federal agencies with additional means to enhance debt collection through appropriate litigation efforts;

(5) enacting statutes that prohibit delinquent debtors from continuing to receive additional Federal credit assistance;

(6) providing budgetary incentives for Federal agencies to improve debt collection; and

(7) facilitating the sharing of debt-related information among Federal agencies to ensure proper credit management and timely debt collection.

By Mr. LATTA:

—Designate the preceding text and sections as Title I, and sections 101-103, respectively, and add the following new titles:

TITLE II—BUDGET PROCESS REFORM AMENDMENTS

SEC. 201. PROHIBITION AGAINST EXTRANEOUS MATTERS IN RECONCILIATION MEASURES.

In Rule XXI of the Rules of the House of Representatives, add the following new clause:

"8. (a) No provision shall be reported in the House in any reconciliation bill pursuant to the most recently agreed to concurrent resolution on the budget, or be in order as an amendment thereto in the House or Committee of the Whole, which is not related to achieving the purposes of the directives to House committees contained in such concurrent resolution.

"(b) Nothing in this clause shall be construed to prevent the consideration of any provision in a reconciliation bill, or any amendment thereto, which achieves savings greater than those directed of a committee and which conforms to paragraph (c) of this clause, or to prevent the consideration of motions to strike made in order by the Committee on Rules to achieve the purposes of the directives.

"(c) For the purposes of this clause, a provision shall be considered related to achieving the purposes of directives contained in the most recently agreed to concurrent resolution on the budget if it is estimated by the House Committee on the Budget, in consultation with the Congressional Budget Office, to effectuate or implement a reduction in budget authority or in new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act, or to raise revenues, or both, and, in the case of an amendment, if it is within (in whole or in part) the jurisdiction of any committee instructed in the concurrent resolution.

"(d) The point of order provided for by this clause shall not apply to Senate amendments or to conference reports.

"(e) For the purposes of this clause, all points of order shall be considered as having been reserved against a reconciliation bill at the time it was reported.".

SEC. 202. ENFORCEMENT OF COMMITTEE OUTLAY SUBALLOCATIONS IN THE HOUSE.

In section 302(f)(1) of the Congressional Budget Act of 1974 (Public Law 99-344), the final clause is amended to read as follows:

"would cause the appropriate allocation made pursuant to subsection (b) for such fiscal year of new discretionary budget authority, new entitlement authority, new credit authority, or budget outlays to be exceeded.".

SEC. 203. SPENDING CEILING IN HOUSE: REPEAL OF EXCEPTION AND STRENGTHENING OF ENFORCEMENT.

Section 311 of the Congressional Budget Act of 1974 (Public Law 93-344) is amended by striking subsection (b) in its present form and inserting in lieu thereof the following:

"(b) It shall not be on order in the House of Representatives to consider any rule, resolution, or motion which directly or indirectly waives or suspends of the provisions of subsection (a) except by an affirmative vote of three-fifths of the Members of the House, duly chosen and sworn."

SEC. 204. REQUIRED REPORTING OF ALL APPROPRIATIONS BILLS BEFORE ANY CAN BE CONSIDERED.

Section 307 of the Congressional Budget Act of 1974 (Public Law 93-344) is amended by inserting at the beginning thereof the subsection designation "(a)", and by adding the following new subsection:

"(b) It shall not be in order in either the House or the Senate to consider any regular appropriation bill for a fiscal year until the Committee on Appropriations of that House has reported to its House all of the regular appropriations bills for such fiscal year.".

SEC. 205. SHORT-TERM CONTINUING APPROPRIATIONS FORMULA.

House Rule XXI, clause 2, is amended by inserting after subparagraph (d) the following new subparagraph:

"(e) It shall not be in order in the House to consider any bill or joint resolution making continuing appropriations for a period of thirty-days or less (hereinafter referred to as a "short-term continuing appropriations measure") unless such measure only provides appropriations in the lesser amount and under the more restrictive authority of the pertinent appropriations measure which follows: (1) as reported by the House; (2) as passed by the House; (2) as passed by the Senate; (3) as agreed to by a committee of conference; or, (4) as enacted for the preceding fiscal year.".

SEC. 206. LIMITATIONS ON LONG-TERM CONTINUING APPROPRIATIONS.

(a) In House Rule XXI, clause 2 is amended by striking the second sentence of paragraph (c) and paragraph (d) in its entirety, and by inserting the following new paragraph (d):

"(d)(1) For the purpose of House Rules, a 'general appropriation bill' shall include not only regular and multi-purpose supplemental appropriation measures, but shall also include any bill or joint resolution making continuing appropriations for the Federal Government in a fiscal year for a period in excess of thirty-days (elsewhere referred to as a "long-term continuing appropriations measure"), and any such measure shall include the full text of the language proposed to be enacted (as opposed to mere references to other bills which have been reported or passed by either House, or agreed to by a committee of conference).

"(2) The provisions of clause 2(l)(3)(B) of rule XI shall apply to any 'general appropriation bill' as defined in subparagraph (1).

"(3) For the purposes of this clause, all points of order shall be considered as having been reserved against any general appropriation bill at the time it was reported.".

(b) In House Rule XXI, clause 3 is amended by striking the period at the end thereof a comma, and adding the following: "and shall contain a list of all appropriations contained in the bill for any expenditure not previously authorized by law.".

(c) In House Rule XI, clause 2(l)(3)(B) is amended by striking "(other than continuing appropriations)" and inserting in lieu thereof "(other than continuing appropriations, except long-term continuing appropriations measures as defined in clause 2(d) of Rule XXI)".

(d) In House Rule XI, clause 4(b) is amended by adding at the end thereof the following: "It shall not be in order, except by a vote of not less than three-fifths of the Members of the House duly chosen and sworn, to consider any rule or order from the Committee on Rules which waives the provisions of clause 2(e) of Rule XXI against the consideration of any short-term continuing appropriations measure as defined therein; or which waives the provisions of clause 2 of Rule XXI against, or denies amendment to, any provision of a long-term continuing appropriations measure as defined therein if said provision has not been previously considered and agreed to by the House.".

SEC. 207. SPECIAL RESCISSION AUTHORITY OVER LONG-TERM CONTINUING APPROPRIATIONS MEASURES.

The Impoundment Control Act of 1974 (Public Law 93-344) is amended by adding at the end thereof the following new section:

"SPECIAL RESCISSION AUTHORITY"

"SEC. 1018. (a) TRANSMITTAL OF SPECIAL MESSAGE.

Whenever there is enacted a long-term continung appropriations measure (effective for a period in excess of 30-days) providing sums for the operations of the several departments, agencies, corporations and other organizational units of the Government which are normally provided for under two or more regular appropriations bills, the President may transmit to Congress, within three calendar days after the enactment of such measure, one or more special messages proposing to rescind all or part of any budget authority provided for in such measure: *Provided* That the total amount proposed to be rescinded in all such special messages shall not exceed ten percentum of the projected deficit for such fiscal year as contained in the most recent joint report of the Directors of the Office of Management and Budget and the Congressional Budget Office submitted pursuant to section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177). Such report shall conform to the provisions of section 1012(a) to the extent applicable.

"(b) REQUIREMENT TO MAKE AVAILABLE FOR OBLIGATION.—Any amount of budget authority proposed to be rescinded by a special message transmitted pursuant to subsection (a) shall be made available for obligation if Congress enacts a joint resolution disapproving the rescission of such amount within 20 calendar days of continuous session of the Congress after the date on which the President's message is received (not counting those days on which the joint resolution is pending the President's approval or disapproval or those days on which a veto message of the President is pending consideration by the Congress).

"(c) EFFECT OF ADJOURNMENT ON RESCISSION.—If the Congress adjourns sine die prior to the expiration of the 20 calendar day period referred to in subsection (b) (or pending the President's decision to approve or disapprove a joint resolution; or pending the disposition by the Congress of a presidential veto message relating to any such
joint resolution), the budget authority pr
posed to be rescinded shall continue to
withheld from obligation until the succee
ing session of Congress convenes. On t
first day of such succeeding session of Co
gress, the President may resubmit a resc
sion message for any such proposed resc
sion which was not subject to the full co
gressional review process in the preceedi
session, and the period for congression
consideration shall begin de novo, subject
the provisions of this section.

"(d) PROCEDURES IN THE HOUSE A
SENATE.—Joint resolutions disapproving
proposed rescission shall be introduced, r
ferred and considered in accordance wi
the provisions applicable to "rescissi
bills" under section 1017 except that—

"(1) the provisions of this subsection sh
not apply to more than one identical joi
resolution of disapproval with respect to th
same rescission message, and shall on
apply to joint resolutions introduced with
three calendar days of continuous session
Congress after receipt of such message;

"(2) if any such joint resolution is not r
ported from committee within 10 calend
days of continuous session of Congress aft
receipt of the rescission message, the com
mittee shall be deemed to be discharge
from its further consideration, and the joi
resolution shall be placed on the appropr
ate calendar of that House;

"(3) a vote on final passage of such joi
resolution shall occur not later than the 1
calendar days of continuous session after r
ceipt of the rescission message.".

SEC. 208. EXERCISE OF RULEMAKING POWERS.

The provisions of this title (insofar as a
plicable), are enacted by the Congress—

(a) as an exercise of the rulemaking powe
of the House of Representatives and th
Senate, respectively, and as such they sha
be considered as part of the rules of eac
House, respectively, or of that House t
which they specifically apply, and suc
rules shall supersede other rules only to th
extent that they are inconsistent there
with.

(b) with full recognition of the constitu
tional right of either House to change suc
rules (so far as relating to such House) a
any time, in the same manner and to th
same extent as in the case of any other rul
of such House.

SEC. 209. EFFECTIVE DATE.

The provisions of this title having th
status of rules of the House or Senate sha
take effect upon the final adoption by tha
House of this concurrent resolution. Thos
provisions not having the status of House o
Senate rules shall take effect upon the en
actment of the joint resolution containin
such provisions as provided for in sectio
210.

SEC. 210. SPECIAL PROCEDURES.

Any provisions of Title II or Title III (o
any compromise thereon) which are con
tained in the concurrent resolution on th
budget as finally agreed to, shall be includ
ed by the enrolling clerk of the House in th
joint resolution prepared pursuant to Hous
Rule XLIX.

TITLE III—RESTORATION OF AUTOMATIC SEQUESTRATION

SEC. 301. SHORT TITLE.

This title may be cited as the "Deficit Re
duction Commission Act of 1987".

Subtitle A—Commission on Deficit Reduction

SEC. 311. COMMISSION ON DEFICIT REDUCTION.

The Balanced Budget and Emergency Deficit Control Act of 1985 is amended by inserting at the end thereof the following new part:

"Part F—Commission on Deficit Reduction

"SEC. 281. ESTABLISHMENT.

"There is established the Commission on Deficit Reduction (hereinafter in this part referred to as the 'Commission').

"SEC. 282. PURPOSE OF COMMISSION.

"The Commission shall—

"(1) review and consider the reports issued by the Director of the Office of Management and Budget and the Director of the Congressional Budget Office under section 251;

"(2) issue reports to the President and Congress estimating the budget base levels of total revenues and total budget outlays for each fiscal year;

"(3) state whether there is a deficit for each fiscal year in excess of the permissible maximum deficit amount;

"(4) specify the amounts by which the deficit must be reduced to eliminate such excess deficit, if any, for each fiscal year; and

"(5) perform such other responsibilities as are required of the Commission under section 251 of this Act.

"SEC. 283. MEMBERSHIP.

"(a) Number and Appointment.—The Commission shall be composed of six members, appointed by the President, by and with the advice and consent of the Senate, not more than three of whom shall be affiliated with the same political party, as follows:

"(1) Two individuals, not affiliated with the same political party, for terms ending on July 31, 1989, and successors whose terms shall end on September 30, 1991.

"(2) Two individuals, not affiliated with the same political party, after the consideration by the President of a list of prospective nominees submitted by the Speaker of the House of Representatives (in consultation with the minority leader of the House of Representatives), for terms ending September 30, 1991.

"(3) Two individuals, not affiliated with the same political party, after the consideration by the President of a list of prospective nominees submitted by the President pro tempore of the Senate (in consultation with the minority leader of the Senate), for terms ending September 30, 1991.

Appointments may be made under this subsection without regard to section 5311(b) of title 5, United States Code.

"(b) Qualifications.—Individuals appointed by the President shall not be officers or employees of any government at the time of their appointment and shall be individuals who are specially qualified to serve on the Commission by virtue of their education, training, or experience.

"(c) Vacancies.—(1) A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

"(2) Any member appointed to fill a vancy occurring before the expiration of the term for which that member's predecessor was appointed shall be appointed only for the remainder of such term. Except as provided by paragraph (3), a member may serve after the expiration of that member's term until a successor has taken office.

"(3) If any member of the Commission becomes an officer or employee of any other department or agency of any government, that member may continue as a member of the Commission for not longer than the 30-day period beginning on the date such member becomes such an officer or employee.

"(d) Basic Pay.—Members of the Commission may each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for level IV of the Executive Schedule (5 U.S.C. 5315) for each day (including travel time) during which they are engaged in the actual performace of the duties of the Commission.

"(e) Quorum.—Four members of the Commission shall constitute a quorum but a lesser number may hold hearings.

"(f) Chairman.—The Chairman and Vice Chairman of the Commission shall be elected by the members of the Commission.

"(g) Meeting.—The Commission shall meet at the call of the Chairman or a majority of its members.

"SEC. 284. DIRECTOR AND STAFF OF COMMISSION.

"(a) Director.—The Commission shall, without regard to section 5311(b) of title 5, United States Code, have a Director who shall be appointed by the Commission and who may be paid at a rate not to exceed the rate of basic pay payable for level IV of the Executive Schedule.

"(b) Staff.—With the approval of the Commission, the Director may appoint and fix the pay of such additional personnel as the Director considers appropriate.

"(c) Applicability of Certain Civil Service Laws.—The Director and staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service.

"(d) Staff of Federal Agencies.—Upon request of the Commission, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties under this Act.

"SEC. 285. POWERS OF COMMISSION.

"(a) Hearings and Sessions.—The Commission may, for the purpose of carrying out its duties under this Act, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission considers appropriate.

"(b) Obtaining Official Data.—The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out its duties under this Act. Upon request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

"SEC. 286. TERMINATION.

"The Commission shall cease to exist on September 30, 1991.

"SEC. 287. EFFECTIVE DATE.

"This part of this title shall take effect on January 1, 1987.".

SEC. 312. CONFORMING AMENDMENT TO TABLE OF CONTENTS.

The table of contents set forth in subsection (b) of section 200 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by inserting at the end thereof the following:

"Part F—Commission on Deficit Reduction

"Sec. 281. Establishment.
"Sec. 282. Purpose of Commission.
"Sec. 283. Membership.
"Sec. 284. Director and staff of Commission.
"Sec. 285. Powers of Commission.
"Sec. 286. Termination.
"Sec. 287. Effective date.".

Subtitle B—Substitution of Commission on Deficit Reduction for Comptroller General in the Deficit Reduction Process

SEC. 321. REPORTING OF EXCESS DEFICITS.

(a) Initial Estimates, Determinations, and Report by OMB and CBO.—Subsection (a)(2) of section 251 of part C of the Balanced Budget and Emergency Deficit Control Act of 1985 (hereinafter referred to as the "Act") is amended by striking out "shall report to the Comptroller General" and by inserting in lieu thereof "shall report to the Commission on Deficit Reduction (hereinafter in this part referred to as the 'Commission')".

(b) Report to President and Congress by Commission.—Subsection (b) of section 251 of part C of the Act is amended—

(1) by striking out "Comptroller General" in its side heading and by inserting in lieu thereof "Commission"; and

(2) by striking out "Comptroller General" and by inserting in lieu thereof "Commission" each place it appears therein.

(c) Revised Estimates, Determinations, and Reports.—Subsection (c) of section 251 of part C of the Act is amended—

(1) by striking out "Comptroller General" each place it appears in paragraphs (1) and (2) and by inserting in lieu thereof "Commission"; and

(2) by inserting at the end thereof the following new paragraph:

"(3) Report to commission by comptroller general.—

"(A) Two calendar days after the issuance of any report by the Directors under section 251(a)(2) or the issuance of any revised report under paragraph (1) of this subsection, the Comptroller General shall submit a report to the Commission commenting on the contents of such report or revised report.

"(B) On the same day the Directors submit to the Commission their report under section 251(a)(2) or their revised report under paragraph (1) of this subsection, they shall submit such report or revised report to the Comptroller General.".

(d) Dates for Submission of Reports and Issuance of Orders.—Subsection (e) of section 251 of part C of the Act is amended by inserting ", Commission," before "Comptroller General".

(e) Printing of Reports.—Subsection (f) of section 251 of part C of the Act is amended by striking out "Comptroller General" and by inserting in lieu thereof "Commission".

SEC. 322. PRESIDENTIAL ORDER.

(a) Issuance of Initial Order.—Subsection (a) of section 252 of part C of the Act is amended in paragraph (1) by striking out "Comptroller General" each place it appears and by inserting in lieu thereof "Commission"; and

(b) Issuance of Final Order.—Subsection (b) of section 252 of part C of the Act is amended by striking out "Comptroller General" each place it appears in paragraphs (1) and (2) and by inserting in lieu thereof "Commission".

SEC. 323. CONGRESSIONAL ACTION.

Subsection (b)(1)(A) of section 254 of part C of the Act is amended by striking out

"Comptroller General" and by inserting in lieu thereof "Commission".

SEC. 324. JUDICIAL REVIEW.

(a) ALTERNATIVE PROCEDURES FOR THE JOINT REPORTS OF THE DIRECTORS.—Subsection (f) of section 274 of part E of the Act is repealed.

(b) ECONOMIC DATA, ASSUMPTIONS, AND METHODOLOGIES.—Subsections (g) and (h) of section 274 of part E of the Act are redesignated as subsections (f) and (g) respectively, and such subsection (g) (as redesignated) is amended by striking out "Comptroller General" both times it appears therein and b inserting in lieu thereof "Commission".

SEC. 325. EFFECTIVE DATE.

The amendments made by this title shal become effective on the date of enactmen of this title.

SENATE—*Tuesday, April 7, 1987*

(Legislative day of Monday, March 30, 1987)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the Honorable William Proxmire, a Senator from the State of Wisconsin.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Not by might, nor by power, but by my Spirit, saith the Lord of hosts.—Zechariah 4:6.

Eternal God, we are grateful for a government which You have ordained to secure order and justice. We are profoundly grateful for the political legacy inherited from our forebears—for 200 years of unprecedented achievement under our constitutional democracy.

But all wise and all powerful God, we know, it is delusion to assume that our most basic problems will yield to political solutions. Political power has its limitations. It cannot change the human heart. It cannot eliminate sin. It cannot legislate evil out of existence. Political power is helpless to deal with greed, avarice, lust, covetousness, and deceit. When the Senate, with all its power, has done the most and best of which it is capable, the ugliest problems remain to haunt and taunt and destroy.

It is "not by might, nor by power, but by my Spirit, saith the Lord of Hosts."

Forgive Your church, Lord, for behaving as though politics is a cure-all for eveything and can bring in the millenium. In these treacherous, demonic days give us grace to see how desperately we need the Spirit of God. In Jesus' name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Stennis).

The legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, DC, April 7, 1987.

To the Senate:

Under the provisions of Rule I, Section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable William Proxmire, a Senator from the State of Wisconsin, to perform the duties of the Chair.

John C. Stennis,
President pro tempore.

Mr. PROXMIRE thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

SCHEDULE

Mr. BYRD. Mr. President, it was the order that the Senate resume consideration this morning of the FTC authorization. However, Senators who have amendments are not ready to call them up. I understand they will not be prepared to call them up until this afternoon. So I hope, Mr. President, that the Senate can proceed to the consideration of the dairy bill, H.R. 1123, this morning. We simply cannot continue to just mark time and wait.

The Senate was in yesterday, conducted very little business, and proceeded to consider the FTC bill. Most Senators with amendments were not in town. I understand they are not going to be here until afternoon or until noon today.

The Senate will recess at noon today until 2 o'clock p.m. for the regular party conferences. In the meantime, I hope the Senate could proceed to one of the dairy bills. We have the homeless relief bill waiting in the wings. The Republican leader and I and other Senators on both sides of the aisle have cosponsored legislation to give relief to the homeless. I hope that the Senate will be prepared to move to that legislation quickly, even today. Then there is the Fuel Use Act, which I hope also to dispose of this week.

The Senate will go out at the close of business on Friday and will be out for the Easter recess. Upon coming back from the Easter recess, I hope that the Senate will be prepared to move to the budget resolution.

So we have work to do this week and I trust we will be able to move expeditiously. I do not want to be in any evenings. It would seem to me that we have enough time during the day to apply our energies to the legislation. If we seize time by the forelock, we ought to be able to dispose of our business this week without staying into the late evenings.

Mr. SYMMS. Mr. President, will the majority leader yield?

Mr. BYRD. Yes.

Mr. SYMMS. Did I understand the majority leader to say that the first bill up today would be the dairy bill and that we might vote on that before noon?

Mr. BYRD. Well, we might vote on it or on an amendment. I would hope we would have action in the Senate.

Mr. SYMMS. But it will be the dairy bill?

Mr. BYRD. I am exploring that possibility now. Rather than just mark time and have quorums and see time slip away like a thief in the night, I think we ought to try to take advantage of that time this morning. If we cannot make further progress on the FTC bill this morning, I hope that we can move to the dairy bill. The able Republican leader and I discussed the dairy bill the other day and he indicated that he would be willing for me to move on that after consultation with him. And we have the consent of the Senate that the majority leader might proceed to the consideration of H.R. 1123 at any time after consultation with the Republican leader. So I hope that we can get on to that this morning.

There is also the homeless relief legislation, and perhaps, we could get to that before the day is over.

So that is about all I can say to the distinguished Senator.

Mr. SYMMS. I thank the majority leader.

Mr. BYRD. I yield the floor.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting Republican leader is recognized.

Mr. SYMMS. Mr. President, I yield myself such time as I might use from the Republican leader's time.

THE SUPERCONDUCTING SUPER COLLIDER

Mr. SYMMS. Mr. President, this afternoon, the Senate Energy and Natural Resources Committee will hold a hearing on the administration's proposal to construct the superconducting super collider. This is a high energy physics accelerator facility of unbelieveable scale and cost that will allow us to study the very basics of matter.

This $4½ billion facility has the potential to alter the course of many sciences. There is a great deal of excitement about the possible spinoffs from

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

the SSC that will affect the areas of nuclear medicine, electronics, computer chips, and endless other industrial and technological ventures.

But most important is the impact the SSC will have on our Nation's businesses and business community. It makes a great contribution to our national economic health and our competitiveness in the industrial world.

Engineering and operating demands of a project on the scale of the SSC will stretch and enhance our technological competence in many areas besides high energy physics. And, innovations derived from these efforts will not only spur new industries but will revive old ones.

The return of the American people's investment at Fermilab, Brookhaven, and Stanford are the tremendous technological advances made at these accelerator facilities. The knowledge we have acquired was made available to industry where it has been adapted and applied to various related and unrelated products and processes. The discoveries we will obtain from this new accelerator project will be a major component in strengthening our educational systems, and in training the scientists and engineers who are essential to sustain our industrial competitiveness.

The project will provide about 3,000 jobs, and there are a number of States competing for it. Every one of these States' proposals has strong points and weak ones. Interestingly, every State in the competition is claiming it will win.

My State of Idaho is in this competition, and we welcome all the other States that think they will win. But I must tell you that if you put all the pluses of every State in one clump and Idaho's in another, Idaho will win—for one big reason. We can offer big savings to the taxpayers of the United States of America and get better results.

The savings that will come from putting the SSC in Idaho means Idaho can cut the cost on every level: from the people in Idaho who are pursuing this project—to the American taxpayers who are financing this project.

In Idaho we have nearly 900 square miles of Federal land available, at INEL which means property would not need to be purchased at an additional expense. But the ultimate draw in Idaho is the self-supporting site at the Idaho National Engineering Laboratory.

INEL offers a number of services already in place which would be a real plus for this type of project. There is a fully operational transportation system that includes trains and buses that connect the INEL to nearby communities. There is a computer system, fire department, medical facility, excellent technical capability, an abundant water supply, plenty of low cost energy, cafeteria services, a guard force, roads and fences, and more than $2 billion in existing facilities already invested at the site.

In addition, INEL is located near one of Idaho's State supported universities, Idaho State University in Pocatello, which would develop in conjunction with the needs of the SSC facility.

Besides all of this, the INEL site has already been environmentally characterized, and there is a management system in place to oversee all of its resources.

Idaho has a well trained labor force, and the INEL labor relations are excellent. Wages and the cost-of-living in Idaho are even somewhat less than in Eastern States. We have an existing technological base of technicians, scientists, and engineers with 35 years of experience at handling large projects. In short, selecting Idaho for the SSC could mean a possible savings of nearly $1 billion to the SSC budget.

The first reactor to generate electricity was built at INEL, and the prototype for the first nuclear submarine was developed at INEL. Idahoans have a long and strong commitment to science and technology.

Mr. President, I ask unanimous consent that the Idaho brochure promoting INEL as the site selection for the SSC be printed in the Record.

There being no objection, the brochure ordered to be printed in the Record, as follows:

Idaho and the SSC—Pioneers in Progress

The proposed Superconducting Super Collider (SSC) will be the world's largest particle accelerator, a "microscope" capable of examining the smallest particles in the universe. Scientists from around the world will seek the opportunity to use the SSC's unique capability. It will enable them to try to identify the elusive elementary building blocks of matter and the nature of the forces through which matter interacts. The SSC will be a one-of-a-kind facility in the world. Its location will become the center for generations of research scientists and for spinoff high technology industries as well.

OVERVIEW OF THE SSC

Twenty feet underground in a tunnel 10 feet in diameter, the SSC will extend in a circle 60 miles around. Inside the tunnel, beams of proton particles will travel in opposite directions at the speed of light through two small pipes—like miniature subway trains passing one another on parallel tracks.

Electromagnets surrounding the pipes will guide the proton beams in their circular orbit. These beams of protons were injected into the pipes by small accelerator injection systems. Cooling the magnets to very low temperatures causes them to super-conduct electricity, creating high magnetic fields and low power consumption.

While circling in their opposite orbits, the protons will repeatedly pass through a Radio Frequency accelerating system where they are boosted to 20 trillion electron volts. The beams of high-energy protons are then focused to collide at one of the six experiment halls. The colliding beams will release the combined energy into a shower of subatomic particles, creating new particles in th process. Electronic detectors, aided by computers, will sense and record the particle trajectories and other properties.

Physicists will analyze these data at thei laboratories or universities to determine th ultimate structure of matter and the natur of the forces that determine that structure Mankind will use this increased understanding of nature and turn the technology o high energy physics into new business, new jobs, and new tax revenue.

ENVIRONMENTAL ISSUES

Despite its size, the SSC will not adversely impact the environment. The collider buried 20 feet under the ground, will have only an occasional surface building to mark its presence. The central laboratory facilities will be located near the proton injection system. Each of the six experiment hall will be located above each interaction region. No animal migration will be inhibited around the main ring.

The SSC will not affect the quality or quantity of the water supply in the surrounding areas. The rate of water use approximates that of a typical center pivot sprinkler system as it irrigates a 160-acre tract of land.

Since 1928, worldwide accelerator operations have established an excellent safety record. By adhering to stringent industrial and safety standards, the SSC will sustain this record. Continuous monitoring both inside and outside the tunnel will ensure the safety of SSC personnel and the surrounding population.

In normal operation, the small amount of radiation generated will be shielded by either the magnets or the giant detectors inside the experiment halls. In the event of an accidental beam loss, the natural earth cover will protect the environment from any radiation produced. This radiation is equivalent to a dental x-ray.

THE SSC IN IDAHO

The U.S. Department of Energy is expected to seek proposals for siting the SSC in 1987. Idaho has formed a committee of key government, business, industry, and university leaders to prepare the proposal for the State of Idaho. This committee selected the Idaho National Engineering Laboratory (INEL) in southeast Idaho as the location for the SSC based upon the numerous existing features available.

Idaho's choice offers many additional key advantages which set it apart from the other states bidding for the SSC. The most important of these are:

890 square miles of already-dedicated suitably-flat federal land

Inexpensive, year-round availability of power and water

An existing technological base composed of 1900 scientists and engineers (9500 employees overall) with 35 years experience in handling large projects

More than $2 billion in existing facilities including laboratories, office space, machine shops, assembly bays, computer centers, and other support services

Exisiting road, rail, and bus transportation systems connecting the site to nearby communities

A highly-trained local labor force along with major construction, and architectural/engineering firms throughout the state which can meet the construction demands of the SSC

Future expansion of the SSC can be accommodated on already-dedicated land and at minimal costs

A major jet airport convenient to the labo- tory for use by visiting scientists, and ca- able of receiving heavy equipment via umbo cargo aircaft

The existing University of Idaho/Idaho tate University Graduate School at INEL roduces certified technologists and M.S. nd Ph.D. scientists and engineers in every chnical area in which INEL is involved

Proximity to outstanding world-class creation facilities (skiing, climbing, raft- g, fishing, camping, hiking, hunting) in- uding Yellowstone-Teton National Parks, awtooth Mountain Range, pristine alpine kes and Sun Valley.

If Idaho is selected for the SSC, construc- on will begin by 1990 with operations com- encing in the mid-1990's.

BENEFITS TO IDAHO

Choice of Idaho as the SSC location would ean the following:

Construction costs estimated at $4-7 bil- on over seven-year period, of which about 2 billion will be spent in Idaho

Strong economic growth resulting from a ng-term, stable $200 million per year pro- ram

3,000 new jobs including technicians, cus- odians, secretaries, electricians, construc- on workers, administrators, and scientists

The opportunity for growth of high tech- ology industry in Idaho

An increased state tax base both from new obs and from new high technology indus- ries attracted to Idaho

Enhancement of the prestige and visibility f the state by making Idaho the world's enter for high energy physics research

Enhancement of the Idaho university ystem through involvement with SSC re- earch projects and the attraction of resi- ent scientists

Training opportunities for students and oung professionals through SSC-associated o-Tech and university programs.

BENEFITS TO MANKIND

Fundamental research has historically roduced such marked advances to our soci- ty as electricity, space travel, lasers, com- uters, advanced medical technology, and he whole chemical industry. Accelerator re- earch today is spawning new applications n medical research, i.e., experimental pion ancer therapy, and energy research involv- ng muon catalyzed fusion. The future dis- overies that may evolve from SSC research re unknown. What is certain, is that socie- y will benefit from the discoveries made at his new center for high energy research.

WHAT CAN I DO?

The state of Idaho would like you to par- icipate in the coordinated effort to bring he SSC to Idaho. If you are interested, lease contact: Mr. Rick Tremblay, SSC Co- rdinator, Department of Commerce, Cap- tol Building, Boise, Idaho 83720, Phone: 208) 334-4721.

SOVIET STRATEGY IN CENTRAL AMERICA

Mr. SYMMS. Mr. President, I would like to call to the attention of my colleagues this morning an article in the Washington Times on page 2D written by Victor H. Krulak, author and retired Marine Corps lieutenant general, who has written about military affairs and other issues for more than a decade. Victor Krulak is well known to many in this Chamber. As a matter of fact, his son, Chuck, is now stationed at the Pentagon as a full colonel in the U.S. Marine Corps, and is one of our outstanding young officers. But Mr. Krulak's article is entitled "Soviet Strategy in Central America." I would like to highlight a couple of points that General Krulak made in his article.

I ask unanimous consent that the entire article be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit No. 1)

Mr. SYMMS. I would like to highlight the article. I quote from the first sentence in the first paragraph:

> While we worry about the formidable Soviet intercontinental missiles bristling in their silos, we will be wise also to reflect on another problem—a threat to what, in Winston Churchill's terms, can be called our "soft underbelly," the part of our continent to the south.

General Krulak goes on and talks about the massive investment the Soviet Union is making in Central America in arms, equipment, and educational scholarships to bring about a Soviet prototype government, another puppet government that they would have in Nicaragua.

He goes on to point out that:

> As far back as 1962 President John F. Kennedy foresaw the hazardous results should such a Soviet program be allowed to flourish unchecked. It caused him to tell Nikita Khrushchev and the world: "The United States is determined to prevent, by whatever means, including the use of arms, the Marxist-Leninist regime in Cuba from extending its aggressive or subversive activities to any part of this hemisphere. . . ."

I think it is well to note, Mr. President, that the 97th, the 98th, and the 99th Congresses voted on that very language on more than one occasion stating clearly that we would use force if necessary to stop the expansionism of the Soviet and Cuban empires into the mainland of the Americas. Yet, we seem to have a difficult time supporting this. General Krulak goes on to point out that:

> Unfortunately, President Reagan does not enjoy the luxury of the military advantage possessed by Mr. Kennedy, but there is no tiny reason why he cannot be accorded the same measure of bipartisan political support, given the reality that our security is more severely threatened today than it was in 1962.

Then he goes on to make two recommendations: one would be to have a full-scale Marshall plan in Central America; and the second, to provide military aid in the form of hardware and advice to those forces throughout the area who are opposing the efforts to impose tyranny on a populace that wants to be free.

EXHIBIT NO. 1

SOVIET STRATEGY IN CENTRAL AMERICA

(By V.H. Krulak)

While we worry about the formidable Soviet intercontinental missiles bristling in their silos, we will be wise also to reflect on another problem—a threat to what, in Winston Churchill's terms, can be called our "soft underbelly," the part of our continent to the south.

The entire area from the Rio Grande to the Panama Canal is a prime target of the Soviet Union, and has been for more than a decade.

Russia's strategy, as reflected in authoritative writings and speeches of Soviet officials, is clear. The purpose is to sever the Americas by establishing Soviet-dominated governments in Central America. They aim to deny us effective use of the Panama Canal, to establish bases from which our essential traffic in the Caribbean—commercial or military—can be interdicted, bases from which the United States proper may be threatened by Soviet weapons.

And that is precisely what is going on now. In the past few years there have been intensive Soviet efforts to broaden their influence in Central America. Russia has established large diplomatic and cultural missions in the various capitals, to serve as convenient bases for espionage.

Russia is giving 7,500 scholarships a year to Central American students for study in bloc countries while, at the same time, nourishing and encouraging local communist parties to cause unrest and disruption. And Russia is making progress on every front.

Concurrently, the Russians are pursuing a program of economic warfare to weaken the struggling little countries, using the guerrilla energies of their Cuban and Nicaraguan surrogates.

The economic offensive has been successful. The entire Central American area is now depressed. Its economic growth has dropped from 8 percent per year, a decade ago, to zero.

Unemployment as high as 50 percent and inflation at more than 100 percent have created exactly the atmosphere for revolution sought by the Russians. It is refugees from this condition that we are seeing in such great numbers at our border today.

The Soviet economic initiative has been accompanied by an intense effort to build up the military strength of their Cuban and Nicaraguan client states. Soviet arms, $1.5 billion worth per year, have made Cuba a formidable military power, second only to the United States in the hemisphere. Its major air and submarine bases, coupled with its nuclear-capable Soviet jet fighters, cast a long shadow over our continent.

A parallel Soviet investment is visible in Nicaragua—an army grown from 5,000 to 75,000, more than 100 modern combat aircraft, 350 tanks, two airfields capable of hosting Soviet heavy bombers.

It is a formidable array when compared to the forces of the neighboring republics, who are all convinced that, sooner or later, the Nicaraguan power will be used against them.

The intensive subversion masterminded by the Soviet Union is a powerful impediment to the growth of democracy in Colombia, Panama and, particularly, Honduras, El Salvador and Guatemala, and we may as well accept the fact that if we do not take positive action to stop it we will see those countries topple, one by one, into the Soviet orbit.

And then there will be only Mexico remaining, a land already beset by inflation, unemployment and reduced productivity, a land already cursed with a deeply entrenched communist movement.

As far back as 1962 President John F. Kennedy foresaw the hazardous results should such a Soviet program be allowed to flourish unchecked. It caused him to tell Nikita Khrushchev and the world: "The United States is determined to prevent, by whatever means, including the use of arms, the Marxist-Leninist regime in Cuba from extending its aggressive or subversive activities to any part of this hemisphere. . . ."

In making this cold-turkey pronouncement, Mr. Kennedy was benefiting both from bipartisan political support and substantial military superiority over the Soviets. Nikita Khrushchev knew he meant business, and backed off.

Then, in the following decades, taking advantage of our preoccupation with Vietnam, the Soviets brazenly flouted the Kennedy-Khrushchev agreement, built their formidable base in Cuba and launched their widespread program of subversion. We did nothing about it. As a result, today we have a full-blown crisis in our hemisphere.

Unfortunately, President Reagan does not enjoy the luxury of the military advantage possessed by Mr. Kennedy, but there is no tiny reason why he cannot be accorded the same measure of bipartisan political support, given the reality that our security is more severely threatened today than it was in 1962.

With that support we can do two things:

First, we can develop a Marshall Plan for the democratic governments of Central America to strengthen and buttress them against Soviet subversion; education, health, business development, public works, loans to stimulate land reform.

Second, we can provide military aid, in the form of hardware and advice, to those forces throughout the area who are opposing the efforts to impose tyranny on a populace that wants only to be free.

This applies most of all to Nicaragua where, as we stand and watch and debate, the aspirations of the people are rapidly being submerged in a Soviet-Cuban drive to create a major staging area for mischief in the hemisphere.

Here, far more than in 1962, is a case where our fundamental national interests are in jeopardy. It is time for all of our lawmakers—Republican and Democratic alike—to recognize the fact, and to unite in action that befits their responsibility.

SUPPRESSION OF HUMAN RIGHTS IN CUBA

Mr. DOLE. Mr. President, I rise today to introduce a concurrent resolution condemning human rights violations in Cuba, and expressing deep regret that the U.N. Human Rights Commission—by a one-vote margin—has decided not to put the issue of human rights in Cuba on its agenda.

I welcome Senators HELMS, CHILES, BOSCHWITZ, GRASSLEY, PRESSLER, ROTH, LUGAR, SYMMS, COHEN, MURKOWSKI, GRAMM, TRIBLE, and KASSEBAUM—and I hope other cosponsors throughout the day—as original cosponsors of this resolution.

CASTRO PRIZE PUPIL OF SOVIETS

Mr. President, the Cuban regime of Fidel Castro is the most repressive in this hemisphere, and one of the most repressive in the world. Castro has learned a great many lessons from his Soviet mentors, and he has learned them well.

Cuba denies fundamental democratic rights to its entire population—just as the Soviet Union does.

Cuba imprisons thousands for their political beliefs—the current, conservative estimate is about 15,000—just as the Soviet Union does.

It practices systematic, widespread torture of political prisoners—just as the Soviet Union does.

And it denies to many of its citizens their right to emigrate—just as the Soviet Union does.

CUBAN SUPPRESSION OF HUMAN RIGHTS IGNORED

And, sadly, Cuba generally gets away with it—with very little international attention or condemnation—just as the Soviet Union does.

We hear a great deal about human rights violations in places like South Africa and Chile. And we should.

But we hear almost nothing about what is going on in Cuba. And that is very, very wrong.

U.N. HUMAN RIGHTS COMMISSION VOTE

Recently, the U.N. Human Rights Commission had an opportunity to do something about this sorry state of affairs. The United States drafted and introduced a resolution focusing on Castro's human rights violations, and asked the Commission to put the resolution on its agenda.

But the Commission lacked the guts to take this simple step. By a one-vote margin—19 to 18—the Commission voted against putting the resolution on the agenda. And let me stress: That vote was not to actually criticize Cuba; it was just to put the United States resolution on the agenda.

Certainly, those nations which had the courage and fairness to vote for the U.S. resolution deserve credit and thanks. And as for those which voted against us—well, at least you can say that many of their votes were not surprising: The Soviet Union itself; some of its satellites, such as Bulgaria and East Germany; and other Soviet friends around the world, such as Ethiopia, Mozambique, Algeria, India, and—of course—our old "friends" in Nicaragua, the Sandinistas.

SHAMEFUL VOTE BY HEMISPHERIC NATIONS

One of the saddest notes in this particular episode is that the margin of victory for Cuba in this vote was provided by four nations of this hemisphere: The democratic countries of Argentina, Colombia, and Venezuela; and our nearest neighbor to the south, Mexico. Those four nations chose to turn their backs on our requests for support; put themselves on the side of Castro; and close their eyes to Cuba oppression.

It was a shameful performance, M President, and one not worthy of th great countries involved.

Mr. President, I ask unanimous co sent that a column written on th subject by our former Ambassador t the United Nations, Jeane Kirkpa rick, be printed in the RECORD.

There being no objection, the articl was ordered to be printed in th RECORD, as follows:

CUBA'S CRIMES—EVEN THE U.N. COULD NOT IGNORE THEM FOREVER

(By Jeane Kirkpatrick)

Something important happened at th United Nations Human Rights Commissio meeting in Geneva a short time ago. By vote of 19 to 18 with six abstentions, com mission delegates voted not to express the concern about Cuba's human rights viola tions and not to put Cuban human right practices on the agenda. But the mutilate hands, blinded eyes, deep scars and elo quent, wrenching accounts of former prison ers could not be avoided by the diplomats.

Although the Cuban government called i a "crushing defeat" for the United States, i was in fact a victory. It exposed the struc ture of politics inside the United Nations, il lustrated why U.N. bodies are unable to con sider political and moral questions on thei merits, and dramatized what might be ac complished if such U.N. institutions as th Human Rights Commission were made t function as they were intended.

"Just the fact that we made them see an hear the human rights violations with thei own eyes is a victory," a former Cuban polit ical prisoner said. He is surely right. For 2½ decades, evidence of savage repression an barbaric prison conditions in Cuba has accu mulated, but no U.N. body had taken note of Cuba's continuing serious violations o the Universal Declaration of Human Rights

Until now, Cuba had been wholly protected against the censure of U.N. bodies while driving more than a million of its citizens into exile and imprisoning countless others for purely political offenses. More than any other country in the Americas, Cuba has repressed freedom of speech, religion, assembly, press and denied its citizens the right to emigrate.

Cuba's record has never come to the attention of U.N. human rights bodies because those institutions are "wired." They have long been controlled by blocs of nations that operate like an international protection racket. Cuba is a member of both the Soviet and the nonaligned blocs—whose members protect one another against negative political actions in the U.N. Cuba is, in addition, very active among the Latins and, with Mexico and Nicaragua, has worked hard to forge South America countries into a "progressive" Latin bloc that would support the regressive practices of Marxist states.

Inside the U.N., it is understood that human rights complaints cannot succeed against members of blocs. So no human rights complaints are brought against members of the African, ASEAN, Soviet or Islamic groups, or members of the nonaligned nations. This is why U.N. bodies remained silent while the Ethiopian government murdered 100,000 of its own citizens with a brutal forced relocation program, while Libya invaded Chad, while Nicaragua destroyed the Miskito, Suma and Rama Indian communities. Like Ethiopia, Libya and Nicaragua, Cuba enjoys the protection of the overlapping Soviet and nonaligned blocs.

The practice of using human rights as a political weapon is so entrenched it has come to be accepted as part of the nature of things in the U.N. It is very rarely challenged, and challenges, when they occur, are unwelcome and disturbing. Twice before, regarding Poland and Afghanistan, Reagan administration human rights representatives successfully challenged the system. But the effort to make Cuban human rights violations the focus of attention this year was a more fundamental and more dramatic challenge. It focused on established patterns of human rights deprivations by a government extremely active and influential in U.N. politics.

"Why now?" journalists and other delegates inquired when the U.S. representatives began their efforts to focus attention on Cuban human rights abuses. After all, they said, information on the institutionalized repression and torture has been available for decades. Recently, however, three new factors were added.

First has been the accumulation of evidence on Cuba's political prisons gathered from long-term prisoners who have recently been released. This evidence has received growing public attention through the efforts of the Cuban American Foundation and has been dramatized through the brilliant memoir of Armando Valladares ("Against All Hope").

A second factor has been the determination, persistence and skill of U.S. permanent representative to the United Nations, Ambassador Vernon Walters, and Assistant Secretary of State Alan L. Keyes in forcing international attention on Cuba's human rights violations. Walters delivered a powerful speech in Geneva, citing case after case of Cuba's criminal abuse of dissidents. In Washington, Keyes mounted a worldwide lobbying effort to secure support for the Geneva effort.

With rare imagination, the new U.S. human rights commissioner, San Francisco trial lawyer E. Robert Wallach, treated the U.N. Human Rights Commission as a court into which he brought compelling witnesses and testimony on the repression of freedom and the incidents of torture and abuse in Cuba's prisons. The final vote demonstrated how persuasive this effort was.

Some of those who stood with Cuba—Bulgaria, Byelorussia, Ethiopia, East Germany, Mozambique, Nicaragua, the Soviet Union—are Cuba's fellow members in the Soviet "world system." They always vote together. There was also no surprise in the votes of Algeria, Congo, India, Mexico, Yugoslavia and China. These independent countries almost always align themselves with the Soviet bloc.

But the saddest votes cast to protect Cuban practices against U.N. scrutiny were those of three Latin democracies—Venezuela, Colombia and Argentina. Each knows a lot about Castro's prisons and political prisoners and also about his support for guerrillas and violence in the hemisphere. It is said that Castro himself telephoned the leaders of these Latin governments with appeals for solidarity. It is also said that Cuban representatives were vaguely intimidating in their appeals to fellow Latins. But unlike Costa Rica, which stood with the other democracies, or Brazil, which abstained, Argentina, Colombia and Venezuela succumbed to Castro's appeals for Latin solidarity.

Otherwise, the democracies stood together. Still, the whole pattern of alignment on this issue tells us things about the world that our government would rather not think about.

RESOLUTION DESERVES SPEEDY PASSAGE

Mr. DOLE. Mr. President, it had been my hope that we might bring this resolution up immediately and vote on it, so that we could send a clear and unanimous message from the Senate to Fidel Castro; and to those hemispheric governments which cast these deeply regrettable votes. Unfortunately, I understand that it was not possible to clear this resolution on the other side of the aisle.

I now send to the desk the resolution and ask for its appropriate committee referral. I hope that we have Republican and Democratic cosponsors. In the final analysis, I hope we will have a great majority of Members on each side who will cosponsor the resolution. If we cannot get an agreement to bring it up independently, perhaps we can offer it on some bill starting through the Senate this week or soon thereafter.

The PRESIDING OFFICER. The measure will be received and appropriately referred.

ORDER OF BUSINESS

Mr. SYMMS. Mr. President, if there is still time on the leader's time I ask unanimous consent that I may yield 5 minutes from the leader's time to the distinguished Senator from Mississippi.

The ACTING PRESIDENT pro tempore. Only 2 minutes remain on the leader's time. The Senator from Mississippi is recognized for 2 minutes.

Mr. COCHRAN. Mr. President, let me yield to the distinguished Senator from South Carolina. He has asked because of another commitment that he be permitted to speak at this time. I have no objection to that.

Mr. THURMOND. Mr. President, I wish to thank the able Senator from Mississippi.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to extend beyond the hour of 10 o'clock with Senators permitted to speak therein for 5 minutes.

The Senator from South Carolina is recognized.

Mr. BYRD. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The majority leader has 6 minutes remaining.

Mr. BYRD. Mr. President, I ask unanimous consent that I may reserve my time for use later in the day.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from South Carolina is recognized.

THE ABM TREATY AND THE SDI PROGRAM

Mr. THURMOND. Mr. President, we have heard a great deal in recent weeks about the correct interpretation of the ABM Treaty, and whether the development and testing of advanced strategic defense technologies are permitted by this treaty. We have also heard a great deal about the constitutional role of the Senate in giving its advice and consent. We have heard too little, in my judgment, about what course of action best serves our national security interests. What effect will the outcome of this debate have on the Strategic Defense Initiative [SDI] Program?

We should all be able to agree with the opening comment in the legal analysis of my friend and colleague from Georgia [Mr. NUNN] when he said:

> The American public and our allies need to understand that if we cannot solve current strategic vulnerabilities through arms control or our own strategic programs, we may have no recourse but to consider deploying some form of strategic defense.

I think it is already clear that strategic defenses must be an essential and permanent element of the strategic balance. I thought so 15 years ago, when I noted during the ABM Treaty ratification debate that the treaty "effectively prevents us from ever having the means to protect our population from a Soviet first strike."

When the ABM Treaty was signed in 1972, Ambassador Gerard Smith asserted on behalf of the United States that the limitations on ballistic missile defenses contained in the treaty would not serve our strategic interests unless strategic offensive arms were significantly reduced within 5 years. It is now 15 years later, and we all know that the promised followon reductions in offensive forces have not been realized. Instead, Soviet strategic offensive capabilities have multiplied, not decreased, as has the threat these systems pose to our own deterrent capability. In view of the failure of the SALT I/ABM Treaty formula to provide adequately for our security, we must now reconsider the contribution that strategic defenses can make in our deterrent posture.

There is another compelling reason for us to reconsider the role of strategic defenses in our security posture—that is the vast Soviet strategic defense research, development, and deployment program. Again, during the ABM Treaty ratification debate, I noted that the "treaty overlooks the fact that present ABM deployment in the United States and the U.S.S.R. is not symmetrical." The situation is far worse today. In the past 10 years, the Soviets have spent an estimated $150 billion on strategic defense—15 times as much as the United States has spent. The Soviets have the world's only operational ABM system around Moscow, which they have been modernizing and expanding. They have also violated a central provision of the ABM Treaty with the Krasnoyarsk radar. Taken altogether, Soviet strategic defense activities raise the concern that they may be preparing an ABM defense of their national territory—the very thing the ABM Treaty was designed to prevent.

If we fail to respond to the threat posed by Soviet strategic offensive and defensive programs, the implications for our security will be very grave. To respond, we must be able to explore and develop our own strategic defense technologies in the most expeditious and effective manner possible. In the current budget environment, we should insist on no lesser standard of performance from the SDI Program. It is in this regard that the interpretation of the ABM Treaty limitations on advanced strategic defense technologies becomes very important.

Under the restrictive interpretation of the ABM Treaty, we cannot test realistically and in the most efficient way the technologies essential to an effective defense against ballistic missiles. We are currently forced to conduct compromise SDI experiments that are not capable of fully demonstrating a specific technology or ABM System capability. We cannot, for example, test in space the ability of a space-based laser or space-based kinetic energy weapon to destroy hostile missiles or warheads. Nor can we develop and deploy space-based sensors that are compatible with ABM systems.

Without adequate development and testing, it is more difficult, more time-consuming, and more expensive to gain confidence in the technical feasibility of critical strategic defense systems. In a time of severe constraints on the defense budget, this penalty cannot be justified.

I would like to highlight two specific examples of how the restrictive interpretation of the ABM Treaty impacts the SDI Program.

The boost surveillance and tracking system, known as BSTS, is a satellite that will provide early warning of enemy ballistic missile launches, and develop trajectory information on the attacking missiles. In this function, it operates just like early warning satellites that are so critical to strategic force survivability today. This information can then be passed along to other elements of the defense system, and used to target and destroy the attacking missiles with kinetic kill vehicles or directed energy weapons.

Under the restrictive interpretation of the ABM Treaty, we cannot test a fully capable prototype of the BSTS system. We are not allowed to provide it with the real-time data processing capability the system will require as an element of a strategic defense system. Instead, we can only build—at considerable cost—a flight experiment version with degraded capability to test improved early warning technologies. Once we have completed this limited experiment, and assuming we made the decision to withdraw from the ABM Treaty, we would still have to develop and deploy a fully capable BSTS satellite. Under the broad interpretation, we could build and test a fully capable prototype now and forego the flight experiment. This would save an estimated $1 billion, and provide a fully capable BSTS prototype 1 to 2 years earlier than it would otherwise be available.

A second example is the Delta 181 experiment, which is a followon to the highly successful Delta 180 experiment conducted last summer. Delta 180 was designed to collect sensor data on the plumes created in space by rocket motors. It demonstrated that the problem of acquiring these plume signatures was less difficult than our computer models has suggested. The information collected on the Delta 180 experiment increased our confidence in the feasibility of space-based kinetic kill vehicles.

Structured in accordance with the narrow interpretation of the ABM Treaty, the upcoming Delta 181 experiment is currently designed to collect information on what boosting rockets and other test objects look like in space. Under the broad interpretation of the ABM Treaty, we could restructure this experiment to collect the same information and also conduct an actual intercept of one of these test objects. This would make for a much more effective and complete experiment, providing us with increased confidence in our ability to use kinetic kill vehicles to intercept a target in space. Adding this to the Delta 181 experiment would preclude the need for an expensive followon experiment, thus saving time and resources in the SDI Program.

President Reagan has asked for a thorough study of an SDI Program restructured to take advantage of the less restrictive interpretation of the ABM Treaty. It is not my intent to prejudge the outcome of that study. However, as these examples, which have been presented in briefings and testimony to the Subcommittee on Strategic Forces and Nuclear Deterrence, make clear, restructuring the SDI Program to take advantage of the broad interpretation of the ABM Treaty provides advantages from the point of view of cost, schedule, and confidence in the results of our SDI Program. While we debate these legal technicalities, there can be little doubt that the Soviets are pursuing their own version of the SDI Program unimpeded by such internal debate.

Mr. President, in the end, SDI testing is not primarily a legal or constitutional question but a political one. Should the United States pursue the development of strategic defenses for deployment as quickly and as efficiently as possible, or should we be unilaterally bound to an interpretation of the ABM Treaty that costs us time and money? I think the answer to this question is clear—we should enhance our security through strategic defenses as quickly as we can.

Mr. President, I thank the distinguished Senator for his courtesy.

EXTENSION OF TIME FOR MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that the period for morning business be extended 15 minutes under the same conditions as previously ordered.

The PRESIDING OFFICER (Mr. SANFORD). Without objection, it is so ordered.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

THE ABM TREATY AND THE SDI PROGRAM

Mr. COCHRAN. Mr. President, on the same subject on which the distinguished Senator from South Carolina addressed the Senate, we had interesting testimony last week in the Subcommittee on Defense Appropriations from Ambassador Nitze, who, Senators will remember, was part of the negotiating team when the ABM Treaty was negotiated with the Soviets in 1971. Because there has arisen some debate on the subject of whether or not we should adhere to a broad or a narrow interpretation of the ABM Treaty provisions, it certainly is important now for the Senate to look to those who were a part of the negotiating effort to try to determine from them what their recollections are and what their view of this issue is.

We were told by the Ambassador that the administration is not going to adopt one interpretation or the other without full consultation with the Senate. It will not embark upon a deployment of any kind of strategic weapons system in outer space, or on land, whether fixed or mobile, for the purpose of trying to defend against an ICBM attack without full consultation with the Congress.

Of course, no program can go forward without the appropriation of dollars to fund those activities, whether we are talking about research, testing, or deployment.

But I think there are some overriding concerns, Mr. President, that the Senate ought to recognize as we continue to discuss this issue. First of all, the issue is on the table in Geneva. Our negotiators are in the process of discussing with the Soviet Union a possible agreement about the interpretation of the ABM Treaty—what it does permit, what it does not permit. This is a matter of negotiation. There is no doubt, Mr. President, that there is no issue of greater or more critical importance to the security of our country, to our American citizens, than this issue. No issue is as important or as critical.

So while we engage in this discussion, which I do not criticize, we ought to refrain from making a decision which unilaterally decides this issue for our Government. We ought to refrain from having a vote on the issue as a part of a budget debate or any other legislative activity in advance of a full discussion with the Soviets.

Would it not be a tragedy, Mr. President, for the Senate to tie the hands of our negotiators by imposing upon them a decision as to the interpretation of a treaty that we are in the process of discussing and negotiating with the Soviet Union? I think that there are some practical aspects of this issue we ought to consider: Which interpretation would serve the interests of the Soviet Union? Which interpreation would result in possible wasteful use of taxpayer dollars?

Think about this. If we are limiting by our own interpretation of this treaty our activities to simply laboratory research, with no testing of some of these systems that are being explored in the research process, then we will not know, whether some of these research principles or theories will work. But with testing, we can determine at an early date how to target and channel available resources for the best possible return on our investment.

I am suggesting that it could be the broad interpretation of the treaty serves our economic interests as well as our strategic and defense interests.

These are big questions, Mr. President. I hope we do not rush to a judgment in the Senate, forcing all of the Senators to make a decision and choose from among the arguments from some of our more respected Members of this body who are experts in the defense area. This is an interesting debate. I am hoping that it is a healthy debate. It could be if it serves to advise the administration of the differing points of view which exist in the Senate. But if the purpose of this discussion is to lead up to a vote that ties the hands of our negotiators, that puts the Senate on record in opposition to the administration on this critical issue, then I think it would be a tragedy, indeed, Mr. President.

TIME TO APPLY FREEDOM OF THE PRESS TO TV AND RADIO

Mr. PROXMIRE. Mr. President, some time in the next few weeks, we will have before us a proposal to vote to codify the continued Government regulation of TV and radio in the name of the so-called fairness doctrine. That sounds like an easy "aye" vote. It is not. In fact, it is an easy "no" vote. The issue is really simple. If you believe the Federal Government should regulate the news, vote for the so-called fairness doctrine. If you believe the first amendment to the Constitution should not apply to the media through which about 80 percent of the American people receive most of their news and commentary, then vote for the fairness doctrine. How can this be? Well, the fairness doctrine does not apply to the printed media. It does not apply to newspapers. It does not aply to magazines. It does not apply to books. But it does apply to television. It does apply to radio.

Where do the American people in this year—1987—get their news, their interpretation of their news, their knowledge and understanding of what is going on in the world? Well, a minority get their news primarily from newspapers. A small percentage rely mostly on news magazines. A very small number derive their principal knowledge of world and national and local affairs from books. All of this is protected from Government regulation by the freedom of the press clause in the first amendment to our Constitution. But the great majority of the American people learn what is going on today by listening to radio and especially by watching and listening to television. This may or may not be true for any particular member of the Congress but it is emphatically true of the American people as a whole.

Now, Mr. President, if most Americans were asked what is the most critical part of our great Constitution from the standpoint of the freedom that is our country's great hallmark, they would answer: The Bill of Rights. Would they be right? You betcha. We have a great Constitution. But the heart of the great free system the Constitution has provided is the first 10 amendments to our Constitution. The heart of those first 10 amendments is the first amendment that specifies the crux of our freedoms. And, Mr. President, the freedom on which all our other freedoms most clearly depends is the freedom of expression. In this era of mass communication, the freedom that makes our democracy a truly free and functioning democracy is the freedom of the press. Freedom of the press has been the, I repeat, the essential freedom ever since man communicated his thoughts to others primarily through the written word. Is this still true? Think about that for a minute. Actually it is no longer true. It is no longer true because today we do not communicate to most of our fellow citizens through the written word. We now live in the electronic age. We communicate to our fellow citizens through radio and through television. Can anyone deny that? If radio and television had been the common means of communication by candidates for public office and by elected officials in the late 18th century, when our Founding Fathers adopted the Constitution, can there be any doubt that they would have included freedom of the electronic media as well as freedom of direct speech and freedom of the press as essential first amendment freedoms? Of course not.

So what argument can there be to support Government regulation of free speech on television and radio? How did we ever slip into the present situation? Do we really want the Government to continue to tell radio stations and television stations what they can say and what they cannot say? Do we want Government to decide who can speak and who cannot speak on radio and television? What arguments do those who would deny freedom of the press to radio and TV make? The first argument is that radio and television should be fair to all. Who can argue with that proposition? I can.

What is my answer? My answer is that precisely the same argument could have been used in 1789 against freedom of the press. It could have been argued that not everyone can own a newspaper so the newspapers must comply with a fairness doctrine. Why didn't our Founding Fathers at least discuss this? Because they knew that the only power that could determine "fairness" was the Government. Now, of course, the fairness doctrine applied to newspapers would mean Government control of the news. It is true that in 1789, as today, newspaper publishers are often unfair, frequently more unfair than the Government would be. So why not apply the fairness doctrine to newspapers? Answer: there are many newspaper publishers. There is only one Federal Government. In each of our cities there is only one city government. So the Founding Fathers decided that imperfect as the unfairness of newspapers might be, it was better to give them the freedom to be unfair and rely on free and full competition to bring a balance of views.

Was that a good decision? Has this worked to the country's benefit? Of course it has. Almost every American will agree that freedom of the press is a critical, a vital part of our free country. Have our newspapers abused this freedom? In some cases of course they have. But over the years that abuse has diminished; newspapers have become increasingly more balanced and fair.

This has been true in spite of the diminution in the number of papers in our largest cities in recent years. In many of our big cities there is only a single newspaper ownership. On the other hand, in most cities there are many television and literally scores of competing radio stations. In the famous Red Lion decision, the Supreme Court upheld the fairness doctrine because of the so-called scarcity of broadcast frequencies. They did say they would be willing to take another look at it down the road.

Today electronic technology has brought on an increased number of competing TV and radio stations not to mention the increase in other information sources available in modern America. Whatever argument there may have been against applying freedom of the press to television and radio has disappeared in the explosion of television and radio stations which has occurred in the past few years. It is time to free our electronic media from Government regulation and restraint. It is time to give freedom a chance.

Mr. President, I suggest the absence of a quorum. I yield the floor.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 10:30 A.M.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 10:30 a.m. today.

There being no objection, the Senate recessed at 10:14 a.m. until 10:30 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. SANFORD).

FOOD SECURITY ACT AMENDMENTS

Mr. BYRD. Mr. President, I have discussed this with the able Republican leader and Mr. LEAHY, the chairman of the Committee on Agriculture.

I ask unanimous consent that the Senate proceed to the consideration of H.R. 1123.

The PRESIDING OFFICER. Without objection, the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 1123) to amend the Food Security Act of 1985 to extend the date for submitting the report required by the National Commission on Dairy Policy.

There being no objection, the Senate proceeded to consider the bill.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ARMSTRONG. Mr. President, at the suggestion of the majority leader, I think I will take a moment just to explain an aspect of the bill just to save time, although I note the arrival on the floor of the distinguished manager and perhaps I will defer my remarks until he has had a chance to make his opening statement.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, the Senator may continue.

Mr. ARMSTRONG. Mr. President, I will be happy to continue, but let me just explain to the manager that I was going to lay out some background about the amendment which may arise on the sodbuster, and also to explain that there is in progress at this moment a meeting in my office which we hope will produce an agreed-upon solution. I have discussed with the leader the possibility that we may need to defer the bill for a couple of hours while that is worked out.

Mr. President, let me just take a moment to explain what I understand of the situation, just for the information of all Senators. The underlying bill concerns itself with the reconstitution and the extension of a Dairy Commission. And I know nothing about that matter whatsoever. There was attached to the measure an unrelated amendment by the Agriculture Committee which has the effect of opening a loophole in the sodbuster provision of the farm bill. Senators and others will recall that the sodbuster provision simply is a concept that says if you are plowing up native sod, you cannot get a subsidy for the crops which are grown thereon.

We found ourselves in, really, a very peculiar situation in which the Federal Government was offering crop subsidies and, thereby, tempting people into a most unwise conservation practice. This came to my attention as a result of serious erosion problems to fragile lands in my own State of Colorado. In fact, literally what transpired was that one night in Limon, CO, I was meeting with an old friend of mine and he was just bemoaning the fact that thousands and thousands and thousands of acres of this fragile land had been plowed up and then began to blow and there were up against the fencerows literally drifts of dust, reminiscent of the Dust Bowl era of the 1930's. So we tried to think of some way to discourage this, and that is when this sodbuster concept came into existence.

Well, after hearings in both the House and Senate over a period of 3 or 4 years, there was a general agreement to the legislation which was passed in 1985. And, again, the effect is very simple. It just says, if you are plowing up new land, you cannot get a subsidy for the crop which is grown on that land. A very commonsense approach.

Well, the Agriculture Committee, without any hearings and, really, I think, without adequate and careful thought, did adopt an amendment which would open a loophole in the sodbuster provision. And then, in reaction to that, Senators KASTEN and BOREN and some others came up with a further amendment, the effect of which was to narrow somewhat the loophole suggested by the Agriculture Committee.

It was at that point that I got into the act. Though I am not a member of the committee, I remain very much interested in the sodbuster provision and I was alarmed by the thought that we might be opening a loophole of some kind. Even though the Kasten-Boren amendment loophole would only be a modest kind of change, it set a precedent that I was not entirely comfortable with, particularly since it would occur without the benefit of any hearings, without, really, any notice to the people involved, and because it did not seem to me that there was any great urgency to do so; that if this was a necessary change, the essence of it being to permit people who are growing alfalfa for 4 or 5 or 6 years to have 1 year of wheat in their rotation, that if this really became necessary, there would be plenty of time to do it later in the year.

I might also point out that people who are in that situation—that is, who are growing alfalfa, with a year of wheat or corn or something in rotation—could qualify even under the present law without any change if they submit a conservation plan. And we have met with the Department and the Department is disposed to be quite generous in allowing various administrative leniencies so that nobody is inconvenienced, at least not unduly.

So I was prepared, and others were, particularly, Senator NUNN and I were going to come to the floor with an amendment in which we would be joined, I think, by Senator BUMPERS, Senator McCAIN, Senator CHAFEE, Senator DANFORTH, Senator WILSON, and several others, the effect of which would simply be to table the whole thing and take down the Kasten amendment which, in turn, was a substitute for the committee amendment. In other words, what we would suggest under those circumstances would be to leave the law as it is, leave to the committee the opportunity to hold hearings at a later time. My expectation, Mr. President, was that that was the course of events and that, either under a time agreement or just by taking things up as they come, we would have a vote on that issue. And, indeed, we may have such a vote. If we do, I would encourage my colleagues to look very seriously at the amendment which Senator NUNN and I will offer and to vote with us and, thereby, defer the change and leave to later deliberations whether or not changes are necessary.

However, at the request of Senator BOREN, Senator NUNN and I did sit down and meet with him, and members of his staff yesterday. And he has asked if it might be possible for us to settle this thing now by a very narrowly drawn amendment which would affect relatively speaking small acreage, and which would put the issue to rest once and for all.

Indeed, we met yesterday and again this morning at 10, and at this moment a meeting is occurring in my office I think, or perhaps it has moved over to Senator BOREN's office, where we are going to try to work out such a compromise amendment thereby avoiding the necessity to have any extensive debate or rollcall vote on this issue.

Mr. President, and my colleagues, that is the status of it. My hope is that we could move on and handle any other issues that are presented in the bill. I do not know that there are any honestly, and then simply defer final action on the committee amendment, on the Kasten amendment, and on the Armstrong-Nunn amendment until we have been able to determine hopefully in the next couple of hours whether or not we are able to reach an agreement.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, the Senator from Colorado has correctly outlined what has happened throughout this piece of legislation. I would point out that the one we have before us, H.R. 1123, which was placed on the calendar at the time it came over from the other body, is simply to extend the date in which to submit the report of the National Commission on Dairy Policy.

We think of H.R. 1123 as one of those simple and noncontroversial housekeeping bills.

S. 410, which was brought out of the Senate Agriculture Committee, again was one of those simple, noncontroversial, housekeeping bills in regards to the Dairy Commission. In fact, it was supported unanimously by the Senate Agriculture Committee. Twixt and between that part of S. 410, there were some additions made. Again, on a unanimous vote, our distinguished former colleague from Nebraska, Mr. Zorinsky, added an amendment to S. 410, without hearings, as the Senator from Colorado noted, but with the understanding, I might add, in the committee and the understanding given to us at the time that the amendment was agreed to by the Department of Agriculture.

Subsequent to that, further questions arose, and I agreed along with everybody else that we perhaps should hold up S. 410. And as the Senator from Colorado knows, I tried working with him, the Senator from Oklahoma, Mr. BOREN; the Senator from Wisconsin, Mr. KASTEN; and others in trying to reach some kind of compromise.

Of course, I would be perfectly willing to take H.R. 1123, and pass it through. It has none of the conservation amendments on it. It would then go down to the President for signature, and would not require any committee conference. As I understand it, this would also be treated as a routine matter by the White House, and the President would sign it.

I do not, though, in any way want to foreclose the concerns of the Senator from Oklahoma, the Senator from Colorado or others. If there is an amendment that can be agreed upon, I would be happy to look at it. I know Senator LUGAR, the ranking member of this committee, would want to, too.

But, I should note for my colleagues, at some point we have to get going with this thing. The reason we were extending the date for submitting the report was that the report was due on March 31, 1987, and we have gone a tad beyond March 31. So we would like to get this thing wrapped up.

My suggestion, I say to my colleagues, is to do one of two things. Certainly everybody has dealt in good faith. Everybody has worked very hard in trying to do this. In fact, I discussed this with the Senator from Oklahoma last night who told me that he and the Senator from Colorado and others were trying to get an agreement, and thought if there was going to be a possibility of one, we would know by the end of this day.

I also understand the distinguished majority leader is concerned. We are facing a time for the Senate to be going out of session. We have a number of other bills on our plate to get through or work through this week before we go out for the Easter recess.

I am in a quandry. If there is no objection, I would be happy to go forward with H.R. 1123. If not, the other suggestion I would make is to go forward with H.R. 1123, and if people want to add on amendments similar to the one offered by Senator Zorinsky, we could do that, or bring up something similar to the compromise amendment, and let them do that.

The Senator from Colorado, of course, is free, along with the Senator from Georgia, Mr. NUNN, and others, to move to strike any of those parts. All I am saying is I am perfectly willing to do it any way anybody wants. I would like to get it up. If we have some conservation matters to be added on here, I suspect we could probably debate them quickly. The number of Senators who would be knowledgeable in that area—all Senators, of course, are knowledgeable, but some are more knowledgeable than others—those Senators who are more knowledgeable than others in this area represent an enlightened small group.

I mention that only because they would probably be able to confine their discussions to a relatively short period of time, and vote it up or vote it down.

I do not know if the Senator from Colorado wants to add anything. The Senator from Colorado, I am sure, would be delighted to see H.R. 1123 just go through the way it is because it solves all of his problems. I am also trying to protect the interests of others here too.

Mr. ARMSTRONG. Mr. President, if the Senator will yield, I would like to first acknowledge the Senator for his courtesy, not only this morning but over the last several days. He has been patient. I regret that the practical effect of the difference of opinion between the Senator from Oklahoma, the Senator from Wisconsin, and myself has been to delay the passage of the bill which would otherwise really have no controversy attached to it.

It is not my desire nor I think other Senators involved to delay this further—indeed, not to delay it at even this point. But the chairman has been patient. We will try to respond in time.

I also want to acknowledge this: That in explaining that the Senator from Oklahoma and the Senator from Wisconsin, Mr. KASTEN, and I have a difference of opinion about the sodbuster provision, I do not want to overemphasize this. It is a disagreement among friends.

The loophole which is suggested by these Senators is a modest one. It is not the kind of thing which would be earthshaking other than the fact it sets a precedent of opening up the sodbuster bill which we are reluctant to do. Nonetheless, Mr. President, my own belief is that the chairman would be well justified and correct in waiting at least a little time to see if we can work something out even though as the Senator points out my own interest would be perfectly well served by just passing this bill and avoiding the issue. But we are going to face the issue sometime.

It appears to me we are very close to having a position that everybody would be very well satisfied with, and we will not have to come back to it and debate it on some other bill. So while I would be at least temporarily satisfied to have this pass and avoid the issue, we are going to take it up soon. Since it is on the stove, we might as well finish it today.

Mr. LEAHY. Mr. President, I am delighted. I will put in a quorum call in just a moment, but I just wanted to note so everybody will be clear, because I have been involved with each of the Senators in here—the Senator from Colorado, Mr. ARMSTRONG, the Senator from Oklahoma, Mr. BOREN, the Senator from Wisconsin, Mr. KASTEN, and other Senators involved in this who have been dealing with absolute total good faith. Those who suggested a change have not been trying to put together some massive gutting of the sodbuster legislation as some accounts have suggested, but has been trying to craft a very, very specific modest change to reflect realities that some feel were overlooked at the time.

The Senator from Colorado has stated a long-term concern about sodbuster, and so there we stand.

Mr. President, I would suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ADAMS). Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, Senators are working on an amendment or amendments to this measure, and I think they are making progress. I understand that it would be advantageous to them if the Senate stood in recess for a few minutes so that they would not be interrupted and distracted.

RECESS UNTIL 11:40 A.M.

Mr. BYRD. Mr. President, I ask unimous consent that the Senate stand in recess for 20 minutes.

There being no objection, the Senate, at 11:20 a.m., recessed until 11:40 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. ADAMS).

Mr. McCLURE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. Mr. President, I ask unanimous consent to speak out of order on another subject.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

THE NEED FOR NOXIOUS WEED CONTROL AND THE ATTITUDE OF THOSE WHO WOULD STOP IT

Mr. McCLURE. Mr. President, noxious weeds are costing agriculture in this country millions of dollars every year. The University of Idaho estimates that noxious weeds in just Idaho alone are causing taxpayers almost $500 million each year in agricultural losses and control costs. When these noxious weeds, the majority of which are nonnative species of foreign origin, invade our agricultural lands, our already strapped farmers and ranchers suffer a loss of productivity, land value, and income. In turn, the economy of our agricultural based communities suffer.

Noxious weed problems many times begin on our Federal lands. It is unfortunate that there are some who are showing blatant disregard for the plight of our farmers by filing lawsuits against Federal agencies trying to use the most effective means available against these weed species. I find it quite ironic that lawsuits are being filed against Federal noxious weed control programs to "protect" the environment when these are the same nonnative weeds that are outcompeting desirable native vegetation. These noxious weeds are spreading through some of our western wilderness areas, and both Glacier and Yellowstone National Parks and lawsuits by so-called environmentalists are blocking control efforts.

I recently came across an article on the noxious weed threat to Yellowstone National Park. The problem there is one with which I am familiar because it is the same one that concerns me in Idaho—the threat of complete takeover by knapweed. There is a species of knapweed invading desirable elk range in a portion of Yellowstone National Park. Park officials predict its continued spread will result in a 50-percent reduction in the northern Yellowstone elk population. In the article, park supervisor/forestry technician stated, "We need to use herbicides—carefully—wherever they fit and only when necessary. But we would be derelict in protecting these natural resources if we didn't use them." I contend that everyone who has a noxious weed problem is derelict if they do not take steps to remove them.

Another recent article caught my attention because it shows the absolute disregard for the needs of public land management agencies and private landowners in the Western States. It is an article in the journal of an Oregon based organization that has filed lawsuits against Federal land management agencies. The article dealt with how to use the National Environmental Policy Act [NEPA] and the Federal Insecticide, Fungicide, and Rodenticide Act [FIFRA] to block the use of pesticides by Federal agencies. Such programs could include the control of forest pests, noxious weeds, grasshoppers, or even illegally grown plants on Federal lands.

The article calls the process "a game and should be fun." It also claims that people who play this game are doing others a service. I certainly do not consider the challenging of Federal land management agencies environmental impact statements a fun game or a service. These documents cost the Federal Government money. That means the taxpayer eventually pays for the hundreds of thousands of dollars which it takes to complete an EIS and defend it against frivolous lawsuits brought for no other reason but to forestall Federal control actions.

I doubt if Congress or the Federal budget needs any more of this service, and I wonder if the average farmer or taxpayer consider this service very funny, considering the fact that they eventually foot the bill for having to defend NEPA documents. It is very unfortunate that Federal agencies of the Department of the Interior and the Department of Agriculture must spend their already short budgets fighting lawsuits instead of managing the land mandated to their care. What is even more ironic, is that EPA has already reviewed the research on, and registered these pesticides for use. These lawsuits are forcing Federal land management agencies to shut down their spray programs, regardless of the consequences to others, until they spend additional taxpayer dollars to duplicate research and analysis already done by EPA under FIFRA.

Most of the pesticides used by Federal land management agencies, such as the Bureau of Land Management and the Forest Service, can be bought "over the counter" in any metropolitan Washington, DC, farm and garden store. Yet, recent judicial interpretations of NEPA and FIFRA has forced the Government to spend thousands of taxdollars to explain the use of compounds in the most unpopulated portion of this Nation.

To deal with this problem we need to clarify the law by amending FIFRA. Senator STEVE SYMMS and I introduced a bill, S. 398, earlier this year which would allow Federal agencies to use chemicals which were tested and approved by EPA. It is time to get the use authorization and approval of a chemical back into the hands of the Federal agency which is equipped to handle it—the EPA. This is where Congress intended the responsibility to be—not in the hands of the Departments of Agriculture or Interior. By amending FIFRA to take in the needs of NEPA in the registration process, we can clarify testing and registration responsibility to assure the charge for review and analysis of pesticides remains in the EPA.

I urge my colleagues to join me in moving this legislation. The Committee on Agriculture has jurisdiction and I urge my friends on that committee to hold hearings on this matter in order that they may fully understand the need and impact of this legislation. I stand ready to testify and to provide for you others who must deal with the current situation under current inadequate law.

FOOD SECURITY ACT AMENDMENTS

The Senate continued with the consideration of the bill.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I think it is possible that we are near to reaching agreement to do something which would actually have the effect of disposing of both H.R. 1123 and S. 410 where they reach the point of being distinguished by being among the oldest and most venerable of items on the calendar.

I know Senator BOSCHWITZ has some comments he will want to make. Senator BOREN, Senator ARMSTRONG, Senator LUGAR, myself, and others who are concerned with this have been working on it. I think within the next few minutes we will be able to present to the Senate, I hope, an agreed amendment.

In the meantime, if nobody else is seeking recognition, I am going to suggest the absense of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LUGAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, I support the provisions of S. 410 which will delay the reporting deadline for the National Dairy Policy Commission to March 31, 1988, from March 31, 1987, and make certain changes in the application of the sodbuster provisions of the 1985 Food Security Act.

Mr. President, when the Food Security Act of 1985 was approved in December 1985, we anticipated that the Dairy Policy Commission would have approximately 15 months to complete its work. Unfortunately, there was a significant delay in the appointment of the members of the Commission which make it impossible for the Commission to complete its analysis by the March 31, 1987, deadline. It is my understanding that this 1-year delay will provide sufficient time for the Commission to complete its work and issue its report.

I believe the delay will prove beneficial for the Congress, the Secretary of Agriculture, and the dairy industry, because it will permit the Dairy Commission to do a more thorough review of current dairy policy. The later deadline will provide the Commission the opportunity to observe longer term results of the 1985 dairy legislation. By next March, the Commission will be able to provide a better assessment of the effects of the whole-herd buyout on the U.S. supply and demand situation for milk and milk products.

For these reasons, Mr. President, it is a modest piece of legislation. I offer it my full support.

Mr. LEAHY. Mr. President, what I am going to do, so Members will understand, is propound a unanimous-consent request. We have before us H.R. 1123. What I am going to propound—I do not do this yet, but so everybody will know—I am going to ask unanimous consent to lay aside H.R. 1123 and call up S. 410, Calendar No. 24, on the same subject, with, of course, the Zorinsky amendment; then to set aside the committee amendment; send the amendment to the desk to seek its adoption, which will then conform it; then send an amendment to the desk by Senator BOREN. He has been negotiating with Senator ARMSTRONG.

That would not get us any further ahead than we are now, except it would get it into the form we want. It does not finish this matter, but I think all Senators' rights will be protected.

Now I shall make the unanimous-consent requests. Mr. President, I ask unanimous consent that we be allowed to lay aside H.R. 1123 and call up S. 410, Calendar No. 24; to set aside the committee amendment; to adopt a committee amendment of a technical nature; and then that it be in order to consider an amendment by Senator BOREN.

Mr. McCLURE. Mr. President, reserving the right to object.

The PRESIDING OFFICER. Will the Senator state, is the amendment by Senator BOREN an amendment to the committee amendment?

Mr. LEAHY. Yes.

The PRESIDING OFFICER. Or is it a separate, freestanding amendment?

Mr. LEAHY. No, Mr. President, I ask unanimous consent that we adopt by unanimous consent the technical amendment I shall send to the desk. Then I shall send an amendment to the desk by Senator BOREN to the amendment.

The PRESIDING OFFICER. So the unanimous-consent request is that the first amendment will be presented. If it is then adopted, there would be a second amendment sent to the desk which would be an amendment to the bill itself—and the bill itself is a committee amendment. Is that correct?

Mr. LEAHY. That is correct.

The PRESIDING OFFICER. The unanimous-consent request has been propounded. Do other Senators seek recognition?

Mr. McCLURE. Yes, Mr. President, reserving the right to object; I want to understand this.

Does this set aside the committee action which was the Zorinsky amendment?

Mr. LEAHY. No, Mr. President. The technical amendment I shall send is purely that; it is a technical change. It is purely technical. We would then have before us an amendment by Senator BOREN, which, as I understand it, would be to amend the so-called Zorinsky amendment.

Mr. BOREN. Mr. President, if the Senator will yield, the Senator is correct. The same language passed by the committee would be put before us first. Then the amendment which I shall offer with Senator ARMSTRONG will become a substitute for the original Zorinsky language.

Mr. McCLURE. Further reserving my right to object, so the Zorinsky amendment would then be the language before the Senate for disposition. And it is not affected by the unanimous-consent request but would be affected by the Boren amendment to be offered?

Mr. LEAHY. That is correct. And if the Boren amendment was accepted, it would in effect replace the Zorinsky amendment.

Mr. McCLURE. I have no objection to the unanimous-consent request.

Mr. BOSCHWITZ. I object.

The PRESIDING OFFICER. Objection is heard. The Senator from Minnesota.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed for not to exceed 10 minutes before it recesses.

The PRESIDING OFFICER. Without objection, it is so ordered.

Does the Senator from Vermont seek recognition?

Mr. LEAHY. Mr. President, as we said early this morning, we have gone round and round in trying to accommodate each Senator on the matters before us, including the so-called sodbuster amendment. Now we have two possibilities, and if I could get the attention of my colleagues just for a moment——

The PRESIDING OFFICER. The Senate will be in order. The Senator will suspend. The Senate will be in order. The Senator from Vermont.

Mr. LEAHY. If I could get the attention of my colleagues for just a moment, because this would affect them, we could do a number of things. One, I could repropound the unanimous-consent agreement. If it was accepted, we would then go on to vote on the Boren amendment. We could move to H.R. 1123, which is before us, and anybody of course can move to amend it. Or what we could do—and I must tell you I find this awfully appealing—is to say OK, if these are going to become so overweighted, and knowing the Senate has a great deal of other things to do, we could go on to something else, like the homeless bill or FTC, and maybe start earlier next year on these, like in January, to get to these questions of sodbuster, alfalfa, and everything else.

Now, what I would strongly suggest is that we try something similar to what I suggested before. Or I would just go and seek amendments to what is before the body, H.R. 1123, and either vote them up or down. If people have other matters which go way beyond the scope of this bill—and I understand a number of Senators have matters of great importance—that we bring those up on the next piece of farm legislation, since one will be considered very soon.

The PRESIDING OFFICER. Does the Senator from Vermont yield the floor? Does a Senator seek recognition?

Mr. LEAHY. I yield to the Senator from Kansas, who I think did have a question on this.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I certainly do not have any quarrel. I think there has been an agreement reached here. I do not want to stand in the way of that agreement, except there is another bill in which the same players have an interest. As I understand, if there is some commitment that that bill be brought up—and I am not certain if we could get consent to go to that bill in consultation with the majority and minority managers—then I think that would resolve some of the problems we have. I know Senator GRASSLEY has an amendment he would like to offer and I have an interest in that amendment. I know Senator BOREN had an amendment on cotton quality, as well as Senator BOSCHWITZ, Senator DANFORTH, Senator PRESSLER, Senators LEVIN and RIEGLE, Senator METZENBAUM, Senator SYMMS, and I think another one by Senators METZENBAUM and HEINZ. I know how difficult it is whenever you bring a farm bill up, it attracts a lot of interest.

Mr. LEAHY. Will the Senator from Kansas yield for just a moment?

Mr. DOLE. Yes.

Mr. LEAHY. I discussed this, as the Senator from Kansas knows, with him and with others. I am perfectly willing to see that come up. I think, because of the number of amendments, there is no way in God's green Earth we are going to bring it up this week, unless we had a unanimous-consent agreement—this Dairy Commission bill tells you how difficult that is to do on a routine thing. It would probably be impossible, but I say to the distinguished majority leader, who has the responsibility of trying to keep this calendar going—he is on the floor—I am perfectly willing to go with it at any time after the recess that Members would like. Senator LUGAR, the distinguished ranking member, is ready. I would note, however, and I urge Senators—and I hope Senators understand I am very, very serious about this—if we end up with a huge farm bill with costs skyrocketing, I am going to be constrained to vote against it, and I suspect a lot of Members from farm States or not from farm States will, too.

Now, I am perfectly willing to spend all the time needed—I will spend time on weekends, evenings, mornings, whatever—with Senators in trying to work out a roadmap, unanimous-consent agreements, anything they want, but we have a matter now where the Senator from Oklahoma [Mr. BOREN] and the Senator from Colorado [Mr. ARMSTRONG] have come from really initially what I think were opposing views, worked very, very hard, very diligently, their staffs have worked very diligently to work out an agreement. The Senator from Iowa—excuse me, the Senator from Idaho—we just had the Governor of Iowa testifying before the Agriculture Committee, I apologize to the Senator from Idaho—and others have worked very hard on this. We ought to get that part out because we have agreed. Senator LUGAR and I have agreed. Let that part go through. Let us set up an approximate time, or an exact time—it is all right with me—to bring up the other piece of legislation.

Mr. DOLE. Obviously, I think the Senator is right. There is a little bill called H.R. 1157. It provides for an acreage diversion program for 1987 producers of winter wheat and extends assistance to farmers adversely affected by natural disasters in 1986 who could not plant. That is all the bill did. But, again, it is a farm bill. It has now attracted a number of amendments. But I understand after I checked with the distinguished Senator from Indiana [Mr. LUGAR] and staff that on this bill, with amendments, an agreement could be cleared on this side. We could reach the agreement, then leave it up to the majority leader to call it up.

Does the Senator from Vermont know of any objection on his side to the proposed agreement?

Mr. LEAHY. Each time I look at it there are a couple of odds and ends tacked on. If it gets too long I may have a couple myself.

Mr. BYRD. Mr. President, who has the floor?

Mr. DOLE. The Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont has the floor.

Mr. BYRD. Mr. President, if the distinguished Senator from Vermont will yield, I understand that this measure has not yet been cleared with the Budget Committee. If the chairman of the committee, Mr. LEAHY, wishes me to commit to try to call up—and I will make every effort to do so if that is the agreement—H.R. 1157 at an early date, I will make that commitment, if that will help other Senators to come to a conclusion on the issue that is now pending.

Mr. LEAHY. Mr. President, the distinguished Senator from West Virginia has made a generous offer. I certainly would concur in it. I might suggest to the distinguished Sentor from Kansas that that might be the best way, bring the bill up. We all know how this happens. The distinguished Senator from West Virginia said he will attempt to bring it up at an early date. Let us go by that. I have a feeling once it was on the floor and we started we would probably find ourselves very quickly working out an agreement because I think every Senator understands. The Senator from Indiana and I feel very strongly in our responsibility. If this suddenly became a bill that was so overloaded with things that went way beyond the budget, we are going to have to vote against it. I do not know how else you do it. And so there is going to be that impetus to keep it within reason.

The Senator from West Virginia said he is going to attempt to bring up the bill, and that is good enough for me.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate may proceed for an additional 5 minutes before it recesses under the order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. LEAHY. I yield.

Mr. DOLE. Mr. President, the distinguished majority leader has indicated that he is prepared to try to help us. It affects Members on both sides. It is not a Republican or a Democratic bill. I think there are an equal number of amendments on each side of the aisle. Some are important and some will disappear. There are a couple that I know will not go anywhere.

That would give everybody a right, if we could get the bill up, to offer what they wanted. If we cannot get an agreement, let them offer the amendments. It might take a day, and I think that would be all.

I believe that would protect Senator GRASSLEY, who has an amendment or two, as well as Senator BOSCHWITZ, who has an amendment he wants to offer on H.R. 1157. All we need to do is get the bill up. We are not trying to get a time agreement now, because there are some budget problems. We may not be able to get a budget waiver.

We have had the assurance from the distinguished majority leader, and I think that would satisfy everyone on this side, if it satisfies the distinguished Senator from Indiana [Mr. LUGAR].

Mr. BOSCHWITZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont has the floor.

Mr. LEAHY. I yield to the Senator from Minnesota, if he wishes to make a statement.

Mr. BOSCHWITZ. Mr. President, does the Senator from Minnesota have the floor? The Senator from Minnesota does not have a question of the Senator.

The PRESIDING OFFICER. The Senator from Vermont has yielded to the Senator from Minnesota.

Mr. LEAHY. I yield to the Senator from Minnesota.

The PRESIDING OFFICER. For a question.

Mr. BOSCHWITZ. The Senator from Minnesota is seeking recognition. The Senator from Minnesota does not have a question.

Mr. LEAHY. Then, I ask that I may yield to the Senator from Minnesota without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOSCHWITZ. Mr. President, the Senator from Minnesota would like to point out that it is not our side that is holding up H.R. 1157. It is indeed an objection from the other side. We do not wish to be obstreperous about this bill, which is a bill that should go through rapidly, with an amendment by Senator BOREN and Senator ARMSTRONG.

This bill deals with a dairy board that has technically expired, and therefore it should go forward.

We would like to have assurances, and I believe that the minority leader is satisfied with the assurances, and so am I, that we would be able to proceed expeditiously with H.R. 1157. I see that my friend the majority leader is shaking his head.

Then we would offer the amendment I have, which has much more application to that bill than this bill.

So I would join with the majority leader and say that we are satisfied to go ahead, and I would not object if the Senator from Vermont should propound his unanimous-consent request at this time.

S. 410

Mr. LEAHY. I thank my friend from Minnesota.

Mr. President, I once again ask unanimous consent that we be able to lay aside H.R. 1123, call up S. 410, Calendar No. 24, and set aside the committee amendment, send a technical amendment to the desk and adopt the technical amendment, and then it be in order to send to the desk an amendment by Senator BOREN.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. LEAHY. Mr. President, I understand by that that the technical amendment has been adopted and that we are now on S. 410.

The PRESIDING OFFICER. The clerk will report S. 410.

The assistant legislative clerk read as follows:

A bill (S. 410) to amend the Food Security Act of 1985 to extend the date for submitting the report required by the National Commission on Dairy Policy.

The Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture, Nutrition, and Forestry, with an amendment:

On page 2, after line 5, insert the following:

SEC. 2. EQUITABLE TREATMENT OF PRODUCERS PLANTING ALFALFA IN ROTATION

Section 1212(a)(1) of the Food Security Act of 1985 (16 U.S.C. 3812(a)(1)) is amended—

(1) by striking out "or" at the end of subparagraph (A);

(2) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof "; or"; and

(3) by adding at the end thereof the following new subparagraph:

"(C) planted to alfalfa or another multiyear grass or legume during each of the 1981 through 1985 crop years as part of a rotation practice approved by the Secretary.".

SEC. 3. CONSERVATION PLAN FOR HIGHLY ERODIBLE LAND.

Section 1212(a)(2) of the Food Security Act of 1985 (16 U.S.C. 3812(a)(2)) is amended—

(1) by inserting after "conservation plan" the following: "that documents the decisions of the person with respect to location, land use, tillage systems, and conservation treatment measures and schedule and that is"; and

(2) by adding at the end thereof the following new sentence: "In carrying out this subsection, the Secretary, Soil Conservation Service, and local soil conservation districts shall minimize the quantity of documentation a person must submit to comply with this paragraph.".

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF DATE FOR REPORT OF NATIONAL COMMISSION ON DAIRY POLICY.

Section 143(c) of the Food Security Act of 1985 (7 U.S.C. 1446 note) is amended by striking out "1987" and inserting in lieu thereof "1988".

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(2) by adding at the end thereof the following new sentence: "In carrying out this subsection, the Secretary, Soil Conservation Service, and local soil conservation districts shall minimize the quantity of documentation a person must submit to comply with this paragraph.".

THE PRESIDING OFFICER. The committee amendments are set aside.

AMENDMENT NO. 80

(Purpose: To authorize the National Commission on Dairy Policy to lease office space in the District of Columbia and to enter into contracts for necessary supplies and services)

The PRESIDING OFFICER. The clerk will report the technical amendment.

The bill clerk read as follows:

The Senator from Vermont [Mr. LEAHY] proposes an amendment numbered 80.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, strike out lines 1 through 5 and insert in lieu thereof the following new section:

SECTION 1. NATIONAL COMMISSION ON DAIRY POLICY.

(a) EXTENSION OF REPORTING DATE.—Section 143(c) of the Food Security Act of 1985 (7 U.S.C. 1446 note) is amended by striking out "1987" and inserting in lieu thereof "1988".

(b) LEASING AND CONTRACTING AUTHORITY.—Section 144 of such Act (7 U.S.C. 1446 note) is amended by adding at the end thereof the following new subsection:

"(g) Notwithstanding any other provision of law, to the extent there are sufficient funds available to the Commission under section 145 and subject to such rules as may be adopted by the Commission, the Commission may—

"(1) lease office space in the District of Columbia; and

"(2) procure temporary or intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code.".

The PRESIDING OFFICER. There is no further debate.

The question is on agreeing to the amendment as submitted.

The amendment (No. 80) was agreed to.

Mr. ARMSTRONG. Mr. President, if the Senator will withhold the tabling motion, I wish to make an inquiry.

Did the technical amendment which has just been adopted have anything to do with title III of the bill?

Mr. LEAHY. It gives authority to the dairy commission to rent space and enter into contracts.

Mr. ARMSTRONG. My concern is whether inadvertently we may have wiped out the so-called McConnell amendment, which was part of the committee amendment. Were we amending the committee amendment?

Mr. LEAHY. No.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed for an additional 5 minutes before recessing.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Vermont.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agree to.

COMMITTEE AMENDMENT

The PRESIDING OFFICER. The question occurs on the committee amendment.

Mr. BOSCHWITZ. Mr. President, I say to the distinguished chairman of the committee that I would like to speak about the dairy bill, if we can continue for awhile. I would like to speak now, before lunch, rather than after lunch. The Budget Committee will meet at that time.

Mr. LEAHY. I wonder if the distinguished Senator from Minnesota would let us get the Boren amendment adopted and then ask for time to speak.

Mr. BOSCHWITZ. After that I will speak.

The PRESIDING OFFICER. Under the unanimous-consent agreement, the Boren amendment is in order at this time, and the Senator from Oklahoma is recognized, and the rights of the Senator from Minnesota will be protected.

AMENDMENT NO. 81

Mr. BOREN. Mr. President, on behalf of myself and the Senator from Colorado [Mr. ARMSTRONG], Mr. EXON, Mr. CONRAD, and Mr. KARNES I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oklahoma [Mr. BOREN], for himself, Mr. ARMSTRONG, Mr. EXON, Mr. CONRAD, and Mr. KARNES, proposes an amendment numbered 81.

Mr. BOREN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, strike out lines 6 through 19 and insert in lieu thereto the following:

SEC. 2. PHASE IN OF CONSERVATION PLANNING PROCESS FOR PRODUCERS PLANTING ALFALFA.

Section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812) is amended by striking the period at the end of subsection (b) and inserting in lieu thereof "; or" and adding the following new paragraph:

"(5) on highly erodible land planted to alfalfa during each of the 1981 through 1985 crop years as part of a rotation practice approved by the Secretary, if the person has submitted a conservation plan based on the local Soil Conservation service technical guide and approved by the local soil conservation district, in consultation with the local committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) and the Secretary, such person shall have until June 1, 1988, to comply with the plan without being subject to program ineligibility under section 1211.".

Mr. BOREN. Mr. President, at this time I express my appreciation to the Senator from Colorado [Mr. ARMSTRONG], the Senator from Georgia [Mr. NUNN], and others who have worked with us. I also express my appreciation to those who are active in the conservation movement and who have participated in what I think is a constructive solution to a very serious problem.

All of us feel very strongly that we should stop the breaking out of highly erodible land in this country and that we should stop the practice of encouraging the farming of highly erodible land by paying Government subsidies to those who do break it out.

Last year when we acted on the farm legislation and when the sodbuster legislation, which we have all supported, was finally enacted into law, there were some inadvertent problems created. One of these problems had drawn the attention of our late colleague, Senator Ed Zorinsky of Nebraska.

He had noted that what we are attempting to try to do in this legislation was to make sure that no new land was broken out. For those who were farming land over the past 5-year period, from 1981 through 1985, additional time was given to those farmers to come up with a conservation plan and then additional time to fully implement this plan. In fact, time was extended all the way through 1995 in some cases for full implementation.

On the other hand, there were farmers who were following the normal and I might say laudable practice of crop rotation. They put their land in alfalfa for 4 or 5 or 6 years and then planted it in another crop only for 1 year, for example, wheat, and then they put it back in alfalfa again as a cover. This way the land was put to conserving use.

Inadvertently when the language was drafted, the definition of "agricultural commodity," when we determined who was farming that land previously did not include alfalfa, so ironically those farmers who had had their land in a cover crop under a sound rotation conservation practice for the 5-year period and those who were getting ready to have their 1 year in which they planted another crop, like wheat, were to have to immediately comply with the conservation plan and in some cases that would be quite expensive, while those farmers who had been farming a different commodity, like wheat, every single year during that 5-year period would be allowed the additional time.

What we have wanted to do is work out a very carefully crafted amendment that would not set any precedent of weakening the sodbuster legislation at all, one that would not create any loophole, one that would not create a precedent for further exemptions in the future or for any delay in the full implementation of the sodbuster concept for which all of us involved in these negotiations have very strong feelings and strongly support.

This amendment as we have now presented it would simply do one thing. It would give those who have been following sound crop rotation conservation practices, who have had alfalfa on their land during this previous period from 1981 to 1985 as a part of crop rotation, it would give them——

The PRESIDING OFFICER. The hour of 12:20 has arrived. It will require unanimous consent to proceed further.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate may proceed for not to exceed an additional 5 minutes before recessing and then, Mr. President, I ask unanimous consent that Mr. BOSCHWITZ be recognized.

Does the Senator wish to be recognized after the Senator from Oklahoma has concluded?

Mr. BOREN. I know Senator ARMSTRONG wishes to speak and then act on the amendment, and then Senator BOSCHWITZ and Senator MCCLURE also.

Mr. BYRD. The amendment will be disposed of?

Mr. BOREN. The amendment will be disposed of. I say to the leader with those wishing to speak it will take 10 or 15 minutes. It will not require a rollcall vote. It would take 10 or 15 minutes in total time. We could perhaps complete the remarks of these and action on the amendment, those who wish to speak on that amendment with a period of time for Senator BOSCHWITZ.

Mr. BYRD. Mr. President, I ask unanimous consent for the Senate to proceed for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOREN. Mr. President, I will complete my remarks very, very speedily here.

Let me say all this amendment does now is it just only covers those who have been using sound crop rotation practices who have been involved with using alfalfa as a cover crop. It simply gives them until June 1, 1988, to actually bring their conservation plan into full implementation and compliance.

This is very carefully drawn and will not allow a single acre not now in cultivation broken out. It would not require any exemption except those using alfalfa under crop rotation practices.

I express appreciation to Senator ARMSTRONG and others involved.

Let me again renew my own personal pledge to do everything that I can to see to it that the sodbuster legislation is enacted fully and completely, implemented fully and completely, and there be no possibility of it being watered down in the future or exemptions being attempted to be carved out of it because that has not been the desire or intention of anyone involved in these negotiations.

Again I thank my colleague from Colorado.

I would also like to thank Senator EXON for his help on this matter and Senator MCCLURE and Senator CONRAD as well.

Mr. ARMSTRONG. Mr. President, the Senator from Oklahoma [Mr. BOREN] has long been known as one of the most skillful legislators to come into this Chamber. What he suggested is we make one last attempt to see if we could compose our differences of opinion. I was eager to comply, particularly because our fundamental interests in preserving the sodbuster concept of soil conservation and at the same time doing so without injuring any farmers and without inconveniencing anyone were the same.

The result is exactly the compromise that Senator BOREN has described. It does not create a limited exemption from the sodbuster bill. What it says is people who are in alfalfa and who now wish to plant a subsidy crop may do so and get a 1-year phasein period for the adoption of their conservation plan.

And it really is a statesmanlike compromise which will avoid any injury to the farmers involved and also avoid any injury to the principle and implementation of the sodbuster bill. So I am very thankful for that.

I also want to join my colleague in acknowledging with great appreciation the contribution to this compromise and to the thought which has gone into it of the Senator from Wisconsin, Mr. KASTEN, of our friend JIM MCCLURE from Idaho, of JIM EXON and also of a number of others who are not here on short notice to speak but who have been very much interested in this matter: My colleague from Colorado, Mr. WIRTH; Senators NUNN, BUMPERS, DANFORTH, CHAFEE, WILSON, and MCCAIN; and the Department of Agriculture, particularly Pete Myers, and a number of conservation groups who, behind the scenes, have been working the last several days and even up until the last hour to develop the language of this compromise, which we really think is important.

Even though the original proposal did not create a huge loophole, many of us were concerned, particularly the conservation groups, that a precedent might be set. By avoiding that, we think this is a very worthwhile compromise to achieve.

This could not have been possible were it not for the thoughtful participation of the Conservation Foundation, the Soil Conservation Society of America, the National Association of State Foresters, the American Farmland Trust, the National Resources Defense Council, the Izaak Walton League, the Audubon Society, the Wildlife Management Institute, and the International Association of Fish and Wildlife Agencies. I especially want to thank the Senator from Georgia, Mr. NUNN, who was prepared to join with me in resisting, at length, if necessary, an unwise amendment. He has agreed, as have the others I have mentioned, to the form of this compromise.

I thank all who have participated and I urge the adoption of the amendment.

Mr. LUGAR. Will the Senator yield for a question?

Mr. ARMSTRONG. Yes; of course.

Mr. LUGAR. The distinguished Senator from Colorado has worked carefully, as has been noted, with conservation groups and he has presented a distinguished list.

Could the Senator inform us whether he has consulted with these groups that he has mentioned within the last hour on the specific wording of the Boren amendment? I believe that many Americans who are deeply interested in conservation, as is the Senator from Colorado and this Senator, would want reassurance that this language has been examined and found to be valuable for this legislation.

Mr. ARMSTRONG. Mr. President, I appreciate the Senator from Indiana raising this question. In mentioning all of the conservation groups that I did, I intended to single them out for praise for their participation and particularly for their willingness to stand up and be counted when it looked like we were going to have a showdown over the issue of a loophole. I cannot honestly represent that every one of the groups which I mentioned earlier have signed off on this legislation. But representatives of conservation interests, particularly under the leadership of the Conservation Foundation, actually participated in the drafting of this language, and I believe that it broadly meets their approval.

But I would not want to mislead the Senator. We have not had a chance to have a referendum on it, but I think there will be no objection from conservation interests. And in that spirit, I would represent that it has been cleared by them.

Mr. LUGAR. I thank the Chair.

Mr. McCLURE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. Mr. President, I reluctantly rise to oppose the Boren amendment. I do so only because it deletes the Zorinsky amendment. The Zorinsky amendment, I think the Senator from Oklahoma would agree with me, was an attempt to accomplish equity for a group of farm producers who were, I believe, inadvertently hurt by the provisions of current law.

Now, it does preserve some small degree of help for one group of commodity producers, but does so at the expense of abandoning help for others. Therefore, I cannot support it.

I do know, however, that I can count the votes and I think it is going to happen, and I am not going to delay the deliberations of the Senate in bringing about that end.

Mr. President, I do want to take time to at least point out an inequity that has occurred, I hope unwittingly. All the Zorinsky amendment was trying to do was say that if you were practicing good soil conservation in a rotation of crops that included alfalfa, grasses, and legumes, you would not be penalized because you have been a good steward. And here we are, in the name of good soil conservation, penalizing those who have been the best practitioners of good conservation practices and utilizing these crops in rotation.

Now, that, to me, is unjust. It, to me, is a perversion of any kind of logic or sense or equity that ought to pervade this kind of legislation.

Why should we take the one group that has been doing the best job and say to that one group: "You are going to be penalized because you just happen to fit the rubric of trying to do better?" Why should we penalize those who are not sodbusters?

I am amazed that my friend from Colorado keeps talking about loopholes in the sodbuster bill. That is sheer nonsense, my friend. The sodbuster bill deals with taking virgin lands out of grasses and putting them into production. I fully support that provision.

But what this bill has done, what the law has now done, is said if you have ever had that land out of production but put it back into conservation with a legume, alfalfa or grass, you are going to be treated differently than those who have not done that at all and have it in other commodities.

So these crops, and they are commodities in the broad term if not the words of art of the statute, alfalfa, grass, and legumes are commodities cultivated by farmers just as they cultivate cotton, wheat, and any other crop.

But if they happen to cultivate those particular crops at this particular time on those particularly erodible acres, they are going to be penalized.

Let us make no mistake about it, they are penalized.

The Boren amendment preserves for one of those groups a delay of 1 year. It does nothing with respect to the rest of the years, and does nothing with respect to the other crops. If that is justice and equity, I will eat it, and if that is sodbuster, I will eat it, because sodbuster deals with conservation of virgin lands and we should not subsidize that conservation of lands which at all times in the past have been in grasses, and I agree. But we have farmers out there who simply do not have the capacity at this particular time to deal with the cost of conversion in a rotation practice, which they have followed for years, many of them, because they are good managers, and now they are going to be told they have to eat it.

Mr. President, I do not believe they ought to have to eat it.

Second, I think there will be a lot more discussion between now and 1990 as these provisions that now will be alone applied to those who happen to have grass or legumes, and after 1 year's delay will be applied to alfalfa, and will later be applied to all other commodities and suddenly the farmers are going to find out what the costs of the plans are going to be.

I have some extensive remarks which I will not take the time to deliver in full at this time about the cost of farming and the typical margins that farmers in my State now do not enjoy, and the additional cost that will be imposed by these conservation practices which this Congress, in my judgment, without sufficient analysis, has voted, and how many of those farmers, without the denial of their farm programs——

The PRESIDING OFFICER. The time of the Senate has arrived for recess.

The majority leader.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senator may proceed for not to exceed an additional 5 minutes.

I ask unanimous consent that the Senate proceed further for not to exceed 5 minutes on the measure.

I also ask unanimous consent that Mr. BOSCHWITZ, the Senator from Minnesota, be permitted to speak for not to exceed 10 minutes before the recess, and that the Chair then recess the Senate without any further amendments or any further action on the measure at this time.

The Senate will be resuming consideration of the measure at 2 o'clock, at which time further action can be taken.

The PRESIDING OFFICER. Is there objection? The Chair hears none. It is so ordered.

The Senator from Idaho.

Mr. McCLURE. Mr. President, I thank the distinguished Democratic leader.

Mr. President, I will be brief. I do know that the handwriting is on the wall. The votes have been counted. The Boren amendment will be adopted. I will not object to that consideration or that vote. I will not demand a rollcall vote because I know what the votes are. But I do want people to understand that we have not solved the problem of the soil conservation title to the so-called sodbuster bill.

We are going to visit that again as those costs come up and are more fully recognized and other commodities than the ones now being talked about—legumes, alfalfa, and grass. As other commodity growers begin to face the costs which, in my judgment, are going to exceed the current estimates—and the current estimate is that they will cost $13 per acre per year—I ask my colleagues, go home and talk to your farmers and find out how many farmers believe they can accept, on their erodible acres as defined by the SCS, an additional cost of $13 per acre per year. In my judgment, the cost will exceed that, but we do not know that yet.

I just want to go on record as saying today that this Congress has done a witless and foolish thing without adequately analyzing what its costs will be. We have been induced to do it under the rubric of being for a sodbuster bill when it has nothing to do with the sodbuster bill; it has to do with soil conservation. That is an important subject and ought not to be hidden in the basis of a bill to which it has very little or no relation.

Mr. President, I rise today to discuss a needed technical amendment to the farm bill, the original committee amendment to S. 410 was an amendment added by my friend, the late Senator Zorinsky. This amendment addresses a serious problem which has been troubling me for some months. The issue was brought to the forefront by recent actions in the Senate and House Agriculture Committees. This issue is the intent and implementation of subtitle B—the highly erodible land conservation section of title XII, of the Food Security Act of 1985.

I must state that I voted for the sodbuster section of the farm bill and was in favor of this program until I realized that it was not what it at first appeared to be. I voted for this title because I believed that it would put an end to the breaking out of virgin lands solely for the purpose of placing this land into production under Government payment programs. This was happening with increasing frequency in States like Colorado, where thousands of acres of land were being brought under the plow, planted to commodity program crops for the Federal subsidies with little or no regard for the erosion it was causing on these fragile lands.

What I did not fully appreciate was the scope and the real intent of this title to deal with all lands that were determined to be "highly erodible" under the land classification system of the soil conservation service. In dealing with these lands, this title will, in effect, cause farmers to modify their farming practices to conform to Government edict or to become ineligible for Federal Government payments. In better times on the farm, this would bother me less, but in today's hard pressed times on the farm, we cannot expect the farmer to pay the entire expense of clean water and soil conservation which will benefit all.

My concern is varied. I supported Senator Zorinsky's bill, S. 515, which would have modified subtitle B of the conservation title to include alfalfa, multiyear grasses and legumes under the exemptions of section 1212 in a manner consistent with other commodities. It would have allowed the alfalfa, legume, and bluegrass growers of Idaho the same exemption enjoyed by corn, cotton, wheat, and other commodities. The exemption allows these producers until 1990 to complete their conservation plans and until 1995 to implement them. As the law is now written and being interpreted, the alfalfa growers and bluegrass growers who, in their normal course of rotation, take alfalfa or bluegrass out of one field and move it onto another will be in violation of the sodbuster provision because alfalfa and bluegrass do not fit the USDA definition of cultivated crops or commodities.

I find this extremely unfair. In my State, bluegrass growers produce a valuable commodity—bluegrass seed. Alfalfa growers raise both seed and hay crops which are very valuable to our State. These are commodities, just not commodities under a USDA definition of commodities. For openers, this needs to be changed. At a minimum, these producers should be allowed the exemption to allow them time to plan and change.

If alfalfa and other multiyear grasses and legumes in an approved rotation are considered agricultural commodities for the sodbuster or are considered cultivated crops for the sodbuster, it will only allow those fields to be exempt from sodbuster until 1990 like all other commodity crops. If an agricultural commodity is grown on that land, and if it is determined highly erodible, an approved conservation plan still must be approved by 1990 to remain eligible for USDA program benefits.

The sodbuster provisions, as presently written, do not allow fair consideration to those producers who have an alfalfa or bluegrass rotation. If the established rotation resulted in planting a cultivated crop in one of the years between 1981 and 1985, that field is grandfathered. If the established rotation existed in the years 1981-85 as the years when the field was in alfalfa or bluegrass, that results in a sodbuster situation which requires a conservation plan before an agricultural commodity can be produced while receiving Government payments.

The original committee language included in S. 410 makes a technical change which will allow fair consideration to alfalfa, legume, and grassgrowers. Senator Zorinsky saw the need for this technical change and attached the language in committee. If the committee had published a report of this markup, we would not have spent the many hours we have spent with this bill. It would have been very clear from the report that this is not a gutting of the sodbuster but merely a technical change needed to allow equality under the law.

In any case, this is only the issue of the moment. My longrun concerns are for the farmers who must try to conform to this title. There are lands in north Idaho and southeast Idaho which have been farmed for generations. Some of these farms have lands which will never meet the current standards for soil loss. It may be that they should never have been broken out of sod and farmed, but in past years, it was done and even encouraged. These farmers have capitalized costs in these farms which were established based upon the productive capability of crops such as wheat, barley, oats, alfalfa, bluegrass, and potatoes. If these farmers cannot meet the soil loss tolerance levels established under the sodbuster provisions they will lose all Federal program payments and, in effect, the Federal Government will force them into bankruptcy.

I say this in all honesty. Some have challenged this statement but I have a spread sheet which is done every year for me by the Bank to Troy in Troy, ID. It shows the expenses and income of 24 farm operations in 1986-87, preserving the anonymity of the individual farmers. It goes on to show the total income from crops after expenses less the Government payments received by those farmers. Of the 24 farmers listed, only 3 showed a net profit after Government payments are withdrawn. If farmers have to choose between conservation practices which they cannot afford or which lessens the value of their farm and continuing to receive Government payments which keep them solvent, Congress will in effect have blackmailed them.

Many people would say that this is good incentive, reduce soil loss from your farm or get out of business. I do not. Farmers as a whole believe in conservation measures and voluntarily have spent billions to put in terraces, grass waterways, tree shelter belts, using minimum till and no till practices, long before it was a popular environmentally sexy thing to do. Farmers have always known that if they did not treat the soil well it would wash or blow away and be gone, leaving them with no way to earn a living.

I content that most farmers are more concerned about the soil than anyone. That is why they are now so upset. They are being told that by following accepted soil conservation measures of the past, they are now criminal sodbusters. If I were in their place I would be mad too.

Soil conservation plans are necessary for farmers to have on their farms. Some farmers need more eduction on the benefits of soil conservation measures, some need encouragement to implement conservation plans. I encourage both. What disturbs me is the heavyhanded way in which Congress is now educating farmers. Change or go broke is not incentive in its finest form.

We used to encourage farmers to implement good conservation measures by cost-sharing programs on major soil conservation projects like dams, terraces, shelter belts, and grass waterways. The funds are being cut not just for these programs but for the technical assistance from the Soil Conservation Service. The SCS technicians' time is all being utilized to implement the sodbuster provision, CRP and cross-compliance. We have turned from the carrot to the stick approach under the conservation title.

I am not, as some will suggest, against soil conservation. My family has an interest in a farming operation. I am concerned that the land be productive for the next generation of farmers in my family. I hope that they will be able to keep the farm in production under these provisions. I am in favor of providing flexibility under the conservation title. However, if the needed flexibility is not attained administratively, I will not hesitate coming to Congress to change the statute.

I approached the administration last October with the bluegrass problem but saw no change either in implementation or regulation. Currently the administration states and has written letters stating that this problem can be taken care of administratively through waivers of the law. Despite assurances, there is no guarantee that all affected farmers will receive waivers. There is no statutory authority for these proposed waivers. Legal action brought against the USDA could reverse the waivers at any time, thereby subjecting farmers to the loss of all program benefits. There is no guarantee that farmers who incurred planting expenses in 1987 will be protected by administrative actions. The loss of waivers would result in severe financial difficulty if farmers were required to repay program benefits and interest which would accrue.

I do not believe that this amendment will gut the sodbuster provision of the farm bill. I am amazed at the reaction of my friends in the environmental community who appear to be against any changes to the conservation title, even if they are to be done in an attempt to be fair to all farmers involved. The legislative process is a process of change. Congress creates laws and changes them if they are not equitable or if they do not work as intended. This is one area which is not fair and needs to be changed.

I do not intend to sit by as farmers are blackmailed into changes which they cannot afford or are unreasonable to expect in a short timeframe. Farming is a long-term effort. Farmers make conservation changes to enhance the long term viability of their lands. These do not come at no cost. If all the Nation wants to continue to receive the benefits of low cost food and and have clean water too, they had better expect to foot the bill in one way or another.

Some will point to the Conservation Reserve Program, and say that the average American is paying a share of the demands for clean water. Unfortunately, the Conservation Reserve Program is not the answer for all farmers. It will be the answer for some. Do we then ask the balance of the farmers who are not in the CRP and cannot meet the tolerance levels of the conservation title to just leave agriculture? I do not and will not accept this.

I propose to look closely at the provisions of the conservation title. I would like to see hearings held on this so that the farmers who are being asked to conform to this law are able to tell the committee first hand what they have to do to meet the tolerance levels. The costs of implementing these soil conservation measures will be great. The American people, especially my friends in the environmental community, need to know that the money for these changes will have to come from the pockets of those very farmers. I hope that the committee will hold a series of State hearings and I offer my State of Idaho as an excellent place to start.

I urge my colleagues to vote against the Boren/Armstrong amendment, which would delete the original committee amendment. An inclusion of alfalfa, other legume, and multiyear grass grower producing in rotation is needed to provide equity and fairness to the sodbuster provisions of the farm bill.

ALFALFA TREATMENT UNDER SODBUSTER

Mr. **EXON**. Mr. President, I rise today to lend my support for this effort to inject a little common sense into the 1985 farm bill. As I have stated so many times before, the 1985 farm bill was seriously lacking in common sense.

At the outset, let me state categorically that the alfalfa provision we are considering will not gut the sodbuster law. I support the basic sodbuster provisions.

Under sodbuster, any farmer who wishes to grow cultivated crops on highly erodible farmland must develop and implement a conservation plan in order to remain eligible for farm program benefits. If that land has a recent history of cultivated crop production, the farmer has more time to develop and implement his conservation plan. If a cultivated crop was not produced between 1981 and 1985 and a farmer wishes to do so now, a conservation plan must be implemented immediately.

A single planting of alfalfa often remains viable for 5 years or more. Because it does not require annual cultivation and because it helps rebuild soil nutrients, it is often used in rotation with other crops in Nebraska and elsewhere across the country. This practice is very sound from a conservation point of view. Unfortunately, it is those desirable characteristics which have caused problems for many farmers.

In a nutshell, Mr. President, this legislation would afford farmers who grew alfalfa on erodible land more equitable consideration than they are now receiving. Common sense tells me that giving more equitable treatment to these farmers, who have been conservation-minded for years, is the only fair thing to do.

This legislation is very important to me because Nebraska is one of the Nation's leading alfalfa producing States. That is why I joined my friend and colleague Ed Zorinsky in introducing legislation to address this inequity some time ago.

Mr. President, the conservation title of the 1985 farm bill was intended to further the Nation's conservation goals. It was not intended to punish those farmers who have been conscientious stewards of the land. It was not intended to drive them out of business—but that is what could happen if responsible farmers lose farm program benefits. I urge the adoption of this much-needed change to the 1985 farm bill.

STATEMENT BY SENATOR ALAN J. DIXON BOREN-ARMSTRONG AMENDMENT TO S. 410 APRIL 7, 1987

Mr. **DIXON**. Mr. President, I rise today to support my distinguished colleagues, Senators BOREN and ARMSTRONG, in their efforts to preserve the conservation gains achieved by the Food Security Act of 1985.

The sodbuster provisions were originally introduced in 1981. Following 4 years of extensive hearings and thoughtful debate, they were finally enacted in the farm bill of 1985. At that time, both Houses of Congress realized that it was imperative that something meaningful be done to address the serious problems caused by soil erosion across the Nation. Soil erosion results in the sedimentation of our streams, rivers and lakes, while at the same time gravely endangering our precious natural resources. With the passage of the sodbuster law, we have developed, for the first time in history, a responsible program that integrates all phases of agricultural production in a system which will protect our natural resources. And it does so in a manner which does not inhibit production potential.

The conditions which set the backdrop for the introduction of sodbuster legislation back in 1981 have not abated: The protection of fragile farmland and rangeland is still of great importance. It is my belief that any easement of sodbuster penalties would seriously undermine the commitment made to soil conservation in the 1985 bill. The sodbuster provisions provide the essential incentive for compliance. There is currently a high price tag associated with placing highly erodible land in row crop production. Any retreat or weakening of these provisions would reduce the cost of noncompliance.

These are difficult times for American agriculture. I am sympathetic to the concerns of alfalfa and legumes producers. However, we need to develop the type of long-term conservation policy which can provide the stability needed by farmers and agribusiness. A well-established, long-term rotation should satisfy the conservation requirements set forth in the law for these types of crops. I strongly believe we should maintain the requirement to develop and adhere to conservation plans to ensure continued compliance. However, as a bipartisan compromise, I rise in support of the Boren-Armstrong amendment. This amendment provides a 1-year phase-in which will allow alfalfa growers to bring their conservation plan into compliance.

I oppose any attempt to weaken or retreat from the conservation achievements gained in the farm bill. The Boren-Armstrong compromise, however, appears to redress a problem without providing loopholes, exemptions, or diluting the original intent of the sodbuster provisions. I urge my colleagues to support the amendment.

Mr. **KARNES**. Mr. President, I rise today as a cosponsor of an amendment offered by Senator BOREN to extend until June 1, 1988 application of the Sodbuster section of the highly erodible land provision of the Food Security Act of 1985 to highly erodible land planted to alfalfa. This amendment would apply to alfalfa produced as part of proven crop rotation.

This amendment is of great importance to an estimated 9,000 alfalfa producers in my State of Nebraska who for years have been growing alfalfa as a soil conserving, soil building conservation practice. Many alfalfa producers, who have been viewed as using sound conservation farming techniques, are now cast in the negative shadow of being Sodbusters simply because they had land in alfalfa during all of the 1981 through 1985 crop years, and from what I am sure is an unintended consequence of defining a commodity as an annually tilled crop.

I strongly support the concepts contained in the highly erodible land provision of the conservation title of the Food Security Act of 1985 and I compliment the creators of this provision. I believe it will provide to be a historic landmark in U.S. agricultural policy. I agree that producers who do break out native sod for production of annually tilled commodities should assure protection of the soil and water resources if they want to participate in the USDA programs. However, I do not believe the drafters of this legislation intended or envisioned this provision applying to producers using the recommended conservation practice of growing alfalfa in a crop rotation system.

It is important to point out that adoption of this amendment will not exempt these producers from the conservation compliance section of the highly erodible land provision. Land which is highly erodible will still be required to have a conservation plan developed by 1990, and the conservation measures contained in that plan installed on the land by 1995 to assure protection of the resource base as a prerequisite to participation in USDA programs. This amendment simply has the effect of distinguishing good conservation farmers growing alfalfa as a part of a crop rotation from people who are indeed breaking sod without assuring protection of the soil and water resources.

Mr. President, this amendment is of great importance to good conservation farmers producing alfalfa in my State. I urge the support of my colleagues in the adoption of this amendment.

Mr. **LEAHY**. Mr. President, I understand we now have before us the Boren amendment.

The **PRESIDING OFFICER**. The Senator is correct.

Mr. LEAHY. If no one else wishes to speak on that, the distinguished Senator from Oklahoma is here. I wonder if we might dispose of his amendment.

The PRESIDING OFFICER. Under the previous order, the Senator from Minnesota [Mr. BOSCHWITZ] is recognized for 10 minutes and thereafter, the Senate will stand in recess.

The Senator from Minnesota is entitled to the floor under the order. Does the Senator yield to the Senator from Vermont?

Mr. BOSCHWITZ. For passage of the amendment, surely.

Mr. LEAHY. I thank the Senator from Minnesota. If there are no further statements on the amendment of the Senator from Oklahoma, Mr. President, I have a number of technical things which we cannot do until 2 o'clock, but I wonder if we might move the amendment.

The PRESIDING OFFICER. Is there objection? Is there further debate on the amendment? There being no further debate on the amendment of the Senator from Oklahoma, the question is on agreeing to the amendment.

The amendment (No. 81) was agreed to.

Mr. BOREN. I move to reconsider the vote by which the amendment was agreed to.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Minnesota [Mr. BOSCHWITZ] is recognized, under the previous order, for 10 minutes.

Mr. BOSCHWITZ. Mr. President, I rise in support of S. 410, a bill that would extend the life of the National Commission on Dairy Policy.

Dairy is a little different from other agricultural items, Mr. President, because dairy indeed has great opportunities. It has an "upside" as it is often termed, because the consumption of dairy products in the United States not only is on the rise but can continue to rise and thereby solve some of the problems that dairy producers have in this country. That distinguishes dairy from other agricultural products that we now find in surplus—the commodities of feedgrains, wheat, and others—because with those commodities, it is difficult to increase consumption, although in dairy, that is not the case. Dairy, indeed, does have an upside. The Dairy Commission is an integral part of creating that upside and making it come to pass.

In the recent few years, for the first time, there have been back-to-back growth rates in the consumption of dairy. Some years ago, dairy consumption was at the rate of about 740 pounds per year per capita in the United States, which was about the equivalent of a quart of milk a day—a quart of milk being 2 pounds. That consumption rate went all the way down to around 400 pounds per capita several years ago. It is that falloff of consumption that really caused the surpluses and hurt dairy producers in this country so badly. Now we see consumption turned around and consumption approaching, perhaps even being at a rate of perhaps 600 pounds per capita. So it is that growth that is creating an even more optimistic appraisal of dairy production in this country.

Dairy producers are also advantaged in recent months by having lower input costs. So that, despite the fact that dairy prices have, by and large, gone down over the last 5 years, nevertheless, dairy producers are making it in the midst of a very difficult environment.

Dairy had problems in earlier years, Mr. President, in my judgment, because the Federal Government was the buyer of the last resort.

If I were a member of a board of a large dairy cooperative and I had suggested that we make a great sales effort, or that we spend money for promotion, spend money for research that has now been provided for in the National Commission on Dairy Policy, the board probably would not have gone along, because they would have said to me, "Do not suggest these increased costs; at the end of the day, in the event we have any surplus, that surplus is purchased at the market price by the granddaddy of all buyers, the Federal Government. So why should we spend our money and reduce our margins and increase our overhead by seeking new markets, when we have that market of last resort, that market that is at the price set by the marketplace without any effort whatsover?"

Finally, in a dairy bill several years ago, at my introduction and also supported by a number of Senators, we had a provision that would require each dairy producer to have 15 cents per hundredweight taken out of his check and put into a fund for dairy promotion and also for dairy research.

Last Friday, I was slated to go to Chicago to look at the dairy research and see the direction that they are taking. They are, indeed, taking some very fruitful directions, but unfortunately, a death in my family prevented me from going. But I shall go in the near future.

Furthermore, promotion of dairy products has resulted in increased consumption, I think now 4 years running. That certainly is a record in recent times. So I look upon dairy as having some opportunity, and the passage of this bill and the continuation of the National Commission on Dairy Policy is indeed part of the elements of continuing this upward trend. One of the members of the majority staff on the Committee on Agriculture, Dave Dyer, recently was appointed to the head of this Commission, very much with my support, a very competent agricultural economist, a very competent young man, who, indeed, should give good and sound leadership to this Commission.

So the overriding problem in dairy of having the Government as the buyer of last resort, and just stacking it up and stacking it up in the caves or other places, indeed, is being reversed by this Dairy Commission, by a more aggressive outlook by dairy producers in this country.

As this bill promotes that end, indeed it is very worthwhile, and I am fully in support of it.

I wanted, Mr. President, to state my reasons for supporting it at this time. I yield the floor.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. The Senator has yielded the floor, and under the previous order, the Senate will stand in recess until 2 o'clock.

Thereupon, at 12:44 p.m., the Senate recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BRADLEY).

The PRESIDING OFFICER. The Chair, in its capacity as a Senator of New Jersey, suggests the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOOD SECURITY ACT AMENDMENTS

The Senate continued with the consideration of the bill (S. 410).

Mr. LEAHY. Mr. President, what is the parliamentary situation now?

The PRESIDING OFFICER. The pending question is the committee amendment, as amended, to S. 410.

Mr. LEAHY. If the committee amendment is adopted, does that preclude any Senator from bringing up further amendments?

The PRESIDING OFFICER. The adoption of the committee amendment does not preclude other amendments from being offered.

Mr. LEAHY. Mr. President, I move the committee amendment as amended.

The PRESIDING OFFICER. Is there further debate on the committee amendment? If not, the question is on agreeing to the amendment.

The committee amendment was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, I understand that there are no further agricultural amendments. I understand that the Senator from North Carolina [Mr. HELMS] has an amendment, and I will yield to him in just a moment.

I note that the so-called sodbuster amendment—for those of my colleagues who were not here this morning—has been dispensed with. The technical amendments to the bill have been dispensed with. The Dairy Commission amendments have been dispensed with.

I will eventually move to call up H.R. 1123 and will move to substitute for the House language the text of S. 410, as amended.

I yield the floor.

The **PRESIDING OFFICER.** The Senator from North Carolina.

AMENDMENT NO. 82

(Purpose: Clarifying the disapproval of the certification with regard to Panama under section 481(h) of the Foreign Assistance Act of 1961)

Mr. HELMS. Mr. President, I send an amendment to the desk and ask that it be stated.

The **PRESIDING OFFICER.** The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 82:

At the end of the bill, add:

"SEC. . Decertification Under Sec. 481(h) of the Foreign Assistance Act of 1961.

(a). The Congress hereby disapproves of the determination with respect to Panama as contained in the certification required by section 481(h) of the Foreign Assistance Act of 1961.

(b). This section will be deemed to have been enacted prior to midnight April 1, 1987.

(c). This section is deemed to be a resolution of disapproval pursuant to section 481(h) of the Foreign Assistance Act of 1961."

Mr. HELMS. Mr. President, I thank the clerk for reading the entire amendment. I have made copies available to the distinguished managers on both sides.

Let me explain why this amendment is absolutely essential.

This past Friday 3, the Senate passed Senate Joint Resolution 91. That was a joint resolution disapproving the certification by the State Department which permit the taxpayer's money being given to Panama under the pretext that Panama has been fully cooperative in terms of drug trafficking, money laundering and, eradication of crops.

Anyone who thinks that Panama has been fully cooperative in our efforts to stem the drug trade perhaps needs a seeing-eye dog. It simply is not so. And the very idea of sending the American taxpayers' money to Panama in the form of foreign aid so that they can balance their budget is repugnant to this Senator.

The joint resolution, let me repeat for the purposes of emphasis, which was adopted by the Senate following a vote not to table of 58 to 31 this past Friday, disapproved the State Department's conclusion that Panama has fully cooperated in our efforts to combat illicit drug trade.

Now, then, Mr. President, if the Senate is serious about sending a message to those governments wherever they may be which support the trade of illicit drugs we must assure that the action taken by the Senate this past Friday has an effect. There is a little bit to explain about the vote on Friday. The joint resolution of disapproval should have been and would have been considered and acted upon by the Senate before midnight of last Wednesday, April 1. But there was some highjinks going on in clear violation of the Senate rules with respect to expedited procedures on resolutions of this type.

First of all, the Senate Foreign Relations Committee proposed an amendment to the joint resolution knowing full well that such an amendment was out of order. As a matter of fact, Mr. President, the Senator from North Carolina did not even have to raise a point of order because the Chair automatically ruled that proposed amendment out of order.

I ask the Chair if that is not correct.

The **PRESIDING OFFICER.** The Senator from North Carolina is correct.

Mr. HELMS. I thank the Chair.

Would the Chair bear with me just a minute?

Mr. LEAHY. Mr. President, will the Senator from North Carolina yield for a question?

Mr. HELMS. I am delighted to yield to my distinguished friend.

Mr. LEAHY. I wonder if the Senator from North Carolina would agree to a time agreement on this matter, say, a half hour evenly divided under the control of the Senator from North Carolina and the distinguished Senator from Rhode Island?

Mr. HELMS. I certainly will agree to that.

Mr. LEAHY. Mr. President, I ask unanimous consent that there be a half hour on this matter evenly divided under the control of the Senator from North Carolina and the Senator from Rhode Island.

Mr. DODD. Mr. President, reserving the right to object, since I was deeply involved with this issue, as the distinguished Senator from North Carolina knows, my feeling is a half hour may not be adequate. I would suggest we proceed a little bit longer and go as far as we can. I am constrained that we have more than a half hour.

Mr. LEAHY. How about an hour?

Mr. DODD. Let it run a few minutes and we see where we are going.

Mr. LEAHY. I withdraw the request.

The **PRESIDING OFFICER.** The request is withdrawn.

Mr. LEAHY. I thank the Chair.

The **PRESIDING OFFICER.** The request of the Senator from Vermont is withdrawn.

Mr. HELMS. Let the RECORD show this Senator is perfectly willing to enter into whatever time agreement is satisfactory to other Senators.

Mr. BYRD. Mr. President, will the distinguished Senator yield to me?

Mr. HELMS. I certainly will.

Mr. BYRD. Mr. President, I hope if Senators attempt to get any time agreement on this amendment or any other agreement and I am off the floor that they also include in the consent request that no amendment to the amendment be in order. I would hope that the Chair will protect me in that or put in a quorum until I can get on the floor.

The distinguished Senator from North Carolina knows the reason for this and he and I have discussed this whether it is on this amendment or any other amendment.

Mr. HELMS. I thoroughly agree with the distinguished majority leader, as he knows.

Mr. BYRD. I thank the Senator and I thank the Chair.

The **PRESIDING OFFICER.** The Senator from North Carolina.

Mr. HELMS. I thank the Chair.

I shall say no more about the legislative process which I think was abused, whether intentionally or not, except to say that an unusual occurrence happened. Hours after the Senate Foreign Relations Committee had amended and reported the joint resolutions—there were three of them, this being only one of them, the other two were defeated by a small margin—hours after the committee had acted there was a sort of private arrangement whereby a report was ordered. As the distinguished occupant of the Chair knows, the purpose of a report many times around this place is not for the edification of Senators but to trigger a 2-day delay in the Senate's consideration of whatever measure is involved in the report.

The funny thing about that, Mr. President, is that under the Senate rules, expedited procedures preclude the requirement of a committee report. Moreover, this Senator, as the ranking minority member of the Foreign Relations Committee was not even consulted.

So it is for all of those reasons that it was impossible to consider the joint resolution in a timely fashion, such that the Senate could act upon it by midnight on April 1. So, therefore, we found ourselves on April 3, 2 days late, acting upon a joint resolution, and there was some glee among some Senators who opposed the joint resolution of disapproval of certification. They suggested, as they put it, that Friday's action was merely symbolic.

Now, the pending amendment, Mr. President, would simply make retroactive the action of the Senate this past Friday. As the amendment says in section (b); "this section will be deemed to have been enacted prior to midnight April 1, 1987."

Someone raised a question awhile ago that this was unusual procedure. Not at all. It has been done frequently since I have been in the Senate in various respects where there was a deadline. So, it is not without precedent and certainly it is not without justification for the Senate now to put some teeth into what it did Friday—that is to make it retroactive prior to midnight of April 1.

So specifically this amendment restates, and that is all it does, what the Senate has already done. A disapproval of the State Department's determination with respect to Panama and General Noriega, the dictator who runs Panama.

This amendment also provides, as I say, this disapproval be deemed to have been enacted prior to midnight of April 1.

This amendment is necessary, Mr. President, if we are to carry out the mandate of the Senate that Panama does fall under the actions provided in the Antidrug Abuse Act of 1986. It is necessary because the Senate failed to pass this joint resolution within the 30 days mandated by the statute.

Now last fall, we passed the Antidrug Abuse Act of 1986. As the Chair will recall, it was right before election time and everybody waved his hands and said, "Oh, I hate drugs. I want to do everything I can to eliminate the scourge." Then we went home for elections and all the Senators said, "I really stood up and was counted on this drug business." And that is the last we have heard of it.

Now, I discussed various errors here in the committee on Friday. I think, if the Senate were to consider their errors, the Senate will agree that this amendment is necessary and fair.

The Senate now has an opportunity to put the tough words of the Antidrug Abuse Act of 1986 in action. The Senate has an opportunity to say, "we really meant it this past Friday when we passed that joint resolution of disapproval of the certification." We have an opportunity to put up and to show where we stand.

Fifty-eight Senators—I repeat—65 percent of those present, agreed last Friday that Panama is not fully cooperating in efforts to combat the illicit drug trade. And the language of the Antidrug Abuse Act of 1986 is very clear, very precise, very specific that a country, in order to receive the money of the American taxpayers in foreign aid, must have been fully cooperative for the 12 months prior to the certification by the State Department.

If we are serious about what we say about stopping the drug trade, we must pass this amendment, and thereby help assure that our actions of this past Friday were sincere and are effective.

Mr. President, I yield the floor. Before I do, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I would like to take a couple of minutes, if I could, and address the issues raised by the Senator from North Carolina with regard to the procedure so that my colleagues here are well informed as to what the background of this amendment is. I would hope that my colleague from North Carolina would stay on the floor so that if I make a mistake anywhere he can correct me immediately, because I made one the other day and I apologize for that.

Mr. President, this statute, of course, is about 3 months old. It was enacted into law last December. What the statute does, in very clear terms, is that it identifies 24 countries which we believe have been involved, to one degree or another, in the narcotics business, either as growing narcotics, trafficking in them, or financing in them in one way or another. We have identified those 24 countries.

Furthermore, last December, when this bill was signed into law, we said that, as far as these countries go, 50 percent of their foreign aid, among other things, will be cut off or terminated until March 1 of any given calendar year. On March 1, the President of the United States must certify that these countries are cooperating fully with the United States in the effort to eradicate the drug problem. If the President fails to certify or rather refuses to certify any given country—and there are a number of provisions in which he can do that in a modified form—then, of course, 50 percent of the foreign aid to that country is terminated, among other things. That is not the only problem that country would face but, for the purpose of discussion here, let me just limit it to that.

If the President certifies, as he did in this case, that the nations that we discussed last week were cooperating fully, then we in the Congress have the opportunity to respond. Joint resolutions of disapproval of those certifications can be introduced as of March 2 of any given calendar year. The Congress, the Senate in this case, has then 30 days in which to consider those joint resolutions under an extradited procedure in the case of the Senate Foreign Relations Committee.

Joint resolutions can be introduced in the Senate Finance Committee, the Senate Foreign Relations Committee, and I understand, as well, in the two corresponding House committees. The Senate Foreign Relations Committee is the only committee of the four that can be discharged from its responsibilities at the expiration of 10 days from the time the joint resolution of disapproval is introduced. The other committees, the Senate Finance Committee and the two other House committees, if they fail to act as committees on these joint resolutions or refuse or defeat these joint resolutions, then that is the end of the matter. Only in the Senate Foreign Relations Committee are we discharged from our responsibility on the motion of any Senator to call up the joint resolution from the Chair.

These joint resolutions—and my colleague from North Carolina can correct me if I am wrong—these joint resolutions were introduced on March 17, 2 weeks after the certification by the President of the United States that these three countries were cooperating fully with the United States. March 17—and I urge you to keep that date in mind.

Of course, the expedited process expires as of April 2. And, of course, the committee considered these matters, as the distinguished Senator from North Carolina has pointed out. We offered some amendments to these joint resolutions in order to leave open the possibility of appealing the ruling of the Chair, because those amendments would have been ruled out of order, in order to debate what we thought was a broader discussion here than just a question of the certification.

Because of the way in which the highway bill was considered, the April 2 date, the 30-day period, came and went prior to the Senate of the United States acting.

Mr. HELMS. Mr. President, may I ask the Senator one question?

Mr. DODD. Certainly.

Mr. HELMS. Does he wish for me to take exception—that is probably a little strong—does he want me to wait until he is through or when he makes a point?

Mr. DODD. Whenever the Senator from North Carolina feels comfortable.

Mr. HELMS. Since the date of March 17 seems to be of some importance to the Senator, I would point out that, on March 1, I made inquiry of you and my staff made inquiry of your staff personally about what you wished to do about these joint resolutions and we received no answer. Now, we waited until March 17, in large part, as a courtesy to the Senator from Connecticut.

Mr. DODD. I would say to my good friend from North Carolina, I appreciate that. Obviously, the best way to proceed in these cases when time is important is to introduce resolutions and we can always deal with them accordingly.

Mr. HELMS. Fourteen days still remained, I would point to the Senator.

Mr. DODD. I will not disagree with that. But the issue is whether or not that time frame ought to be disregarded and the Senate be given an additional amount of time so that we can consider these joint resolutions where the effect of these resolutions go beyond the 30-day period that is provided in the law.

My only point, without going into the substance, because I cannot argue over the question of General Noriega—I would join my colleague in relation to doing something with that individual—my concern here, as he knows, is that Panama houses almost 10,000 United States troops. It is one of the most important strategic points for the United States in this hemisphere. And it is the headquarters, obviously, of the Southern Command for this country.

There are a lot of other issues we have to grapple with in dealing with Panama. I would hope, in the process of trying to deal with this one, we do not jeopardize those interests, which I know the Senator from North Carolina feels as I do are extremely important.

So today, I am urging my colleagues, with all due respect, to either vote to table this amendment or vote against this amendment. We have passed the 30-day period. I appreciate what the Senator from North Carolina has suggested. Matters beyond his control and mine toward the end of that made it impossible to deal with this, no matter how we wanted to do so, because of the highway bill. But, furthermore, there was the opportunity, as I suggested, and I appreciate the explanation of the Senator from North Carolina on why those joint resolutions were not introduced during that two-week period, but, nonetheless the opportunity was there, it seems to me, to introduce the joint resolutions.

Frankly, as I said at the outset, I think it is somewhat discriminatory to have only one committee out of the four not be able to act as we expect committees to act and if we found these joint resolutions meritorious, to send them to the floor. I think the vote of the committee was something like 12 or 14 to 4, which indicated that the committee itself did not believe these resolutions were the right course of action for the U.S. Government to follow.

But, nonetheless, that vote was virtually meaningless because, of course, we could be discharged on the 11th day. So my hope would be today that, even though I know the Senate voted overwhelmingly to send a strong message to Panama last week when the joint resolution was brought up by the Senator from North Carolina, I think we have sent, in effect, a message. As I said, I opposed that particular joint resolution but, nonetheless, that was a strong vote against the Government of Panama.

I think now to go a step further, as the Senator properly points out, and put teeth into it at this juncture in our first year in this legislation goes further than I would like to see us go. As a result of those arguments, Mr. President, I would respectfully urge the defeat of the amendment or support for the tabling of the amendment, if the tabling motion is made.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, lest anybody forget, and this debate is illuminating and enlightening, lest anybody forget, the bill before us is a bill to extend the life of the Dairy Commission.

I do not know if they have dairy farms in Panama, but nobody on the Senate Agriculture Committee is declaring jurisdiction over it, if they do.

I understand that vehicles are vehicles, but I would hope that nobody feels that this bill is a major foreign policy piece of legislation. It is a piece of housekeeping legislation. It has a slight change in the sodbuster provision in it.

As I explained last week when I reluctantly voted against the resolution to disapprove the President's certification of Panama, I share many of the concerns of the Senator from North Carolina about the drug problem down there. Panama, like Mexico and the Bahamas, is a major transhipment point for cocaine from South America to the United States.

There have been numerous allegations that the Panamanian defense forces, which controls the levers of power in Panama, and General Noriega, are involved in drug trafficking and money laundering.

Just about every week you can pick the newspaper and read the allegations.

I am traveling to Panama later this week, as the first stop on a trip to three countries in Central America. My staff and I have had briefings from the United States Ambassador to Panama, the Chief of the Panamanian desk in the State Department, and DEA officials. I intend to discuss the drug problem further with United States and Panamanian officials, and when I return I will report my findings to the Senate. At that time, if the facts warrant it, I may want to revisit this issue. But I am not ready now to single out Panama for a 50-percent cut in United States aid just 4 months after enactment of the law requiring "full cooperation" to combat drugs.

Give the law a little chance to work. But even if people feel we have had enough time for the law to work, this really is not the time or the vehicle for the Senate to take up this amendment. It is an agriculture bill to extend the deadline for the National Commission on Dairy Policy.

I know the Senator from North Carolina is very concerned about this. He, like any Senator, has a right to bring up any amendment he wants. I feel like saying, "Why me, Lord; why on my bill?"

I would be delighted to see it on something else. I do not want to preclude anyone who wants to speak on it, but I notify the Senator from North Carolina, as I have told him privately, that I will move at the appropriate time to table this amendment.

If this amendment carries and looks like it will gain favor in a committee of conference, at that point we will kind of wait around and next year bring up the sodbuster issue again, because this bill will not go anywhere if this amendment is part of it.

Mr. PELL. Mr. President, I understand the motives of the Senator in bringing forward this amendment, a desire to crack down more on the drug traffic; doing what all of us want to do, greatly reduce the flow of illegal narcotics.

However, I do not believe that this dairy measure is the vehicle to which this amendment should be attached. For that reason, I support my colleague, the Senator from Vermont, the chairman of the Agriculture Committee, and the ranking member, the Senator from Indiana, in the belief that this should be tabled and not be part of the bill.

Finally, the issue, I thought was decided last week, and the fact that it is now revisited is not a good idea. We will be examining certification language of last year's Anti-Drug Abuse Act; I think it is a poorly written law. We will be examining it in the markup on the foreign aid bill which will commence at 10 o'clock tomorrow morning.

So I will support the chairman of the Agriculture Committee in his tabling motion when it is offered.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, my distinguished colleague, the chairman of the Agriculture Committee, has mentioned the fact that we are dealing with a small dairy bill and that really is in jeopardy, that bill, as the chairman has pointed out, in the event that additional amendments occur.

Mr. President, it occurs to me that an additional amendment might occur if the Senator from North Carolina prevails.

As ranking member of the Agriculture Committee, I would like to see the initial legislation occur. Furthermore, I think arguments will have to be presented at this point so that Senators who may have voted one way a couple of days ago may vote another way today.

Mr. President, I shall attempt to do that in these remarks, to try to review again where we stand with regard to the certification of Panama and the cooperation of that country with our country in battling drugs.

Mr. President, the basic document from which we begin work comes from the White House, Washington, DC, February 28, 1987, Presidential Determination No. 87-9.

The President sent a memorandum to the Secretary of State. The subject: Certifications for narcotics source and transit countries under Public Law 99-570, the drug abuse bill passed by the Congress last October.

In this certification, the President of the United States certified that a number of countries that are mentioned by name are cooperating fully in working with the United States or are taking adequate steps on their own to control narcotics production, trafficking, and money laundering. I shall not list all the countries, Mr. President, but the President of the United States did certify that among the countries that was cooperating fully with the United States is Panama. The President certified this.

As others have pointed out, Senators may come to the floor and suggest that the President of the United States was wrong. That has occurred. The distinguished Senator from North Carolina has made that suggestion.

The other day we had a debate in which many Senators were advised that because we were beyond the 30 days following that certification, we were involved in so-called symbolic action with regard to Panama. Senators may have voted on the basis of firing a shot across the bow and warning Panama. Senators may have been moved by the fact that certain leaders in Panama are not to our liking. There could have been a number of reasons.

But I am here to say, Mr. President, that the President of the United States certified, fully cognizant of the law we passed last year, that Panama was cooperating fully.

Mr. President, why would the President of the United States come to that kind of conclusion? I would suggest that Panamanian cooperation with our Coast Guard and with our Navy ship interdictions has been outstanding. The United States' requests to search and seize suspicious Panaman flag vessels on the high seas have been granted routinely and quickly. Panamanian authorities have cooperated with the United States Customs and the Department of Justice in the apprehension of numerous international drug traffickers and the seizure of large quantities of drugs and precursor chemicals.

In 1985 a sizable area of marijuana cultivation was discovered in some islands in the Gulf of Panama. A series of Panaman defense forces eradication operations, supported by United States spray planes, virtually eliminated the cultivation of marijuana in the area. Panama has not become a major producer of any narcotic.

But what about drug money laundering activities in Panama?

That question has been raised, Mr. President, during the course of the debate we had a few days ago. Let me say quite frankly from my evaluation, the weakness in Panama's antidrug efforts heretofore has been in the money laundering area. Panama's international banking center has been protected by a strict business secrecy law, and money laundering unitl recently was not a crime. I heard a report this began to change with passage of a new Panamanian Narcotics Control Law at the end of December, perhaps as a consequence of efforts on this floor and in the other body during the month of October.

All bank transactions with narcotics-derived funds are now punishable by 2 to 8 years' imprisonment in Panama.

The penalties for narcotics possession have been stiffened, and possession of more than a small amount of drugs is no longer a bailable offense.

Panama's Attorney General has the power to investigate and prosecute persons for narcotics offenses committed abroad as if the crime had been committed in Panama, and he has access to bank records for this purpose.

But will the Panamanian authorities really enforce this law?

That question has been raised, Mr. President. I think the response is, of course, everything depends, of course, on enforcement. Our Justice Department is now testing Panamanian enforcement of the new law and exploring the implications for cooperation, especially against money laundering.

We have had just a few months, Mr. President, since we passed this monumental antidrug legislation, and so far we have been impressed by Panamanian assurances, from all levels of Government, that they are resolved to strickly enforce the new drug legislation.

I should note that there are a number of DEA-sensitive operations which are presently being conducted in the United States and Panama, but which cannot be discussed in an open hearing, but which have been available to Senators through briefings by the Department of Justice.

It would be tragic for international narcotics control if the United States spurned this Panamanian initiative without trying it out in practice.

Now, Mr. President, to come to the nub of our problem today, would the decertification hurt the U.S. interests, leaving aside the expeditious treatment of drug enforcement?

Well, Mr. President, my judgment is that decertification would set up a strong and angry reaction which would be understandable in Panama. One can speculate as to who would be assisted, but I would speculate that the left wing of the political spectrum would be assisted at the expense of moderate, pro-United States persons in Panama.

Panama's civilian constitutional president is under mounting criticism from leftist elements who charge that his cooperation with the United States has been unproductive.

Indeed, decertification right after passage of the new narcotics law will give potent ammunition to advocates of a foreign policy in Panama based on confronting and pressuring the United States.

Mr. President, it seems to me to be obvious and I do not understand why persons, at least in our Government, would stimulate deliberately that type of reaction as opposed to supporting moderate forces and the constitutional force of democracy in Panama.

There is widespread suspicion in Panama that the United States is seeking an excuse not to turn over the canal to Panama in 1999 in accordance with the 1977 treaty not to engage, at least, in the obligations in 1999 that this country has undertaken as a part of the 1977 treaty. United States criticisms of this nature of the Panama Government are often portrayed by Panamanian leftists and ultranationalists as part of a campaign to undermine the treaty.

Last summer, after a series of U.S. press attacks on General Noriega, even many moderate nationalists rallied to his defense, and he emerged stronger than before.

The political fallout from decertification would likely affect the use of our military bases in Panama and our prospects for a post-2000 military presence in Panama.

Mr. President, let us simply review, while we are in the midst of discussing, on a dairy bill, an agriculture bill, when suddenly we are hurled into a very vital foreign policy problem, let us simply take time for a moment to reflect that Panama is the site of our only military base in Latin America outside of Puerto Rico and Guantanamo Bay.

We have approximately 10,000 military personnel stationed in Army, Navy and Air Force bases in Panama, including the headquarters of our Southern Command. The bases are little troubled by hostile demonstrations or terrorism, and personnel and dependents move freely and securely outside base areas.

The 1977 treaties give us the right to use these bases for defense of the canal until the end of 1999. However, if we are to seek Panamanian agreement to an extension of base rights, the souring of relations attending a decertification, in my judgment, would complicate efforts and lessen the likelihood of success.

Mr. President, our national interest is in the uninterrupted use of the canal. The political storms accompanying decertification would unavoidably disrupt the businesslike, cooperative atmosphere on which smooth opertion and successful transition depend.

Last year, after a spate of United States press stories sourced to United States officials attacked the Panamanian Government, the July board meeting was the most acrimonious and least productive one in years.

What will the effect of an aid cut-off if Panama is decertified?

The proposed fiscal obligation in the United States is $19,334,000. Some $1.8 million of that, about 10 percent, has been obligated to date. In the event that this motion were to pass today and this legislation were to proceed, the projects affected would be, among others, Central American scholarships of $4,225,000; scholarships in the United States for approximately 84 long-term economically and socially deprived students of Panama who will come to our country, learn about our democracy and our economy. It is ironic, Mr. President, that a major cutoff factor would be these 84 students, whom, I would submit, it is in our best interests to have as guests of our country, be a part of our ethic.

Among other scholarships, the Panajuru Zamorano scholarships would be cut off. Also, private sector export finance, $2.5 million. This includes financing of private-sector export activities; support of the reestablished private-sector Export Finance Institution of Panama.

Private-sector housing would be cut off to the tune of $675,000, including the ties with advisers that we have with Panama attempting to carry out short- and long-term projects to make housing more affordable to low-income groups in Panama. In small business development, $500,000 would be snuffed out. In natural resources management, $5,859,000 would be snuffed out.

Mr. President, one could make a case that somehow, the interests of the United States are advanced by eliminating scholarships; eliminating modest assistance to small business in Panama, to a small degree, low-income housing; to ways in which there is a manifestation of a hands-on effort in a country that we have been led, heretofore, to believe was very important to our country and which, I still believe, is very important to our country.

Let me say, Mr. President, one can argue a long time over the parliamentary situation or whether the Senator from North Carolina was deprived of his rights within 30 days and somehow, a whole series of blocks came to interfere with his offering of his motion.

He offered the motion in due course, even if late, and Senators, perhaps thinking they had a free vote—after all, there were no consequences the other day when this came up, assurances that nobody's aid would be cut off, but rather, you could file a blow against General Noriega or anybody else in sight as a malefactor in the hemisphere. But now, Mr. President, the issue recurs. It turns out there are consequences. It turns out that the President's certification of Panama is to be overturned and the consequence of that is that 50 percent of the foreign assistance is to be terminated. That is for real.

If Senators, when they voted 58 to 31, thought they had a free shot at it, so be it. But today is for real. There are consequences to this. It comes up at a strange time, but we cannot always choose the time and place when severe issues come to the U.S. Senate.

I simply submit, Mr. President, that in terms of the Panama Canal, our relationship to that country, our future in terms of politics in that situation, a vote taken deliberately—and now Senators must know it is for real—to cut in half the foreign aid of Panama, to overturn the certification by the President of the United States, to second-guess all the foreign policy implications, would not be a good vote, in my judgment.

Each Senator will have to make up his or her mind. We all really have to take some responsibility at some point. But I hope, Mr. President, that as Senators survey the potential wreckage of what came as an interesting but final record, perhaps, to a small dairy bill, they will look at this very soberly and vote to support a tabling motion, which I shall certainly support when it is offered.

(Mr. MATSUNAGA assumed the chair.)

DISAPPROVAL FOR PANAMA

Mr. CHILES. Mr. President, I will vote today to make the date of approval retroactive for the resolution which disapproves the certification of Panama for certain foreign assistance from the United States.

I do this with reservations even though I believe the Panamanian Government has a long way to go in controlling the transshipment of drugs and precursor chemicals throughout their country and in cooperating with the United States Government in eliminating the laundering of drug-related profits in the Panamanian banking system.

I have reservations because I would have preferred to reject the entire certification process submitted by the President in determining whether drug producing and drug transit countries were cooperating fully in controlling narcotics. In my opinion, the President and his State Department have made a sham of the certification process intended by Congress in the Anti-Drug Abuse Act to give clout—at long last—to our international narcotics policy.

I have reservations because I feel strongly that Panama should not be the only country cited here today as not cooperating fully in controlling narcotics. There are at least eight other nations who are at least as negligent as the Panamanians in eradicating drug crops, honoring mutual legal assistance treaties, controlling transshipment of drugs and precursors and eliminating the laundering of huge profits in drug moneys.

In my view, the Bahamian Government has not cooperated fully in controlling narcotics as documented by the 1987 International Narcotics Control Strategy Report.

Likewise, the Government of Bolivia has not cooperated fully in controlling narcotics as documented by the 1987 International Narcotics Control Strategy Report; and,

The Government of Jamaica has not cooperated fully in controlling narcotics as documented by the 1987 International Narcotics Control Strategy Report; and,

The Government of Mexico has not cooperated fully in controlling narcotics as documented by the 1987 International Narcotics Control Strategy Report; and,

The Government of Pakistan has not cooperated fully in controlling narcotics as documented by the 1987 International Narcotics Control Strategy Report; and,

The Government of Peru has not cooperated fully in controlling narcotics as documented by the 1987 International Narcotics Control Strategy Report.

Mr. President, the list of deliquent countries could—and probably should—be longer. I am hopeful that this body will revisit this issue to insure that this certification process is given the consideration it rightly deserves. In fact, I would like to go on record today to say that this Senator is prepared to propose legislation to condition United States foreign assistance to a roster of governments including the Governments of the Bahamas, Bolivia, Jamaica, Mexico, Pakistan, Panama, and Peru if these governments do not work to remedy their deficiencies in the eradication of drug crops and stopping drug transshipments in their respective countries as documented by the 1987 International Narcotics Control Strategy Report.

Mr. LEVIN. Mr. President, I will vote to table the Helms amendment with respect to the Presidential certification of Panama's cooperation in combating the drug trade. I do this, however, not because I disagree with the substance of the Helms amendment. As I indicated by my vote last Friday, I disapprove of the administration's certification that Panama is fully cooperating with our antidrug efforts. However, it is clear that the dairy legislation to which Senator HELMS is seeking to have this amendment attached to may well bog down if this amendment is added. I will, therefore, vote to table this amendment at this time. However, I will continue to support the principles which underlie it.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the Chair. I had not intended to say anything much further, but I feel obliged to observe that any Senator has a right and perhaps duty, if he feels strongly about it, not to support what is going on in Panama. And we are talking about General Noriega. Now, nobody who knows anything about Panama has any doubt about who is in charge there and who can cover up and all the rest of it. It is General Noriega, probably one of the most brutal dictators ever to hold office in the Western Hemisphere. Now, leave it to the State Department—and I insist that the certification process was done by the State Department, the U.S. State Department down in Foggy Bottom. They are the ones who tried to circumvent the law, which is very clear.

The distinguished Senator from Indiana mentioned that Panama had eradicated all of its marijuana. That was simple to do: They did not have any in the first place.

The problem with Panama is twofold. One is the laundering of money and the other is transshipment of drugs. Also, the statement was made, incorrectly, that the Customs Service had signed off on this. It is not so. The Customs Service was not even consulted. And I read into the RECORD Friday testimony by Commissioner William Raab, who, in response to questions put to him before the Appropriations Committee by Senator DECONCINI, said that there has been no noticeable improvement.

Then, Mr. President, let us consider the money laundering in Panama. Elliott Abrams testified that there are over 125 banks in Panama with over $30 billion in assests. Now, If that does not tell us something about what is going on in terms of money laundering, I simply cannot imagine what would be persuasive.

If the State Department is hell-bent to certify Panama, they do not have to do it by contravening the law, misrepresenting the law. All they have to do is certify on the basis of vital national interest of the United States. I would have no problem with that. I would not like it. But as least it would be honest. But it is dishonest, Mr. President, for anybody to suggest that Panama is fully cooperating as the Drug Act of 1986 requires in terms of certification.

Mr. President, it baffles me why anybody would object to sending this very clear message, particularly in the light of what went on parliamentarily and in abuse of the rules last week.

Now, I hope Senators who voted Friday send a message to Panama will not vote to cut off the foreign aid money going out of the pockets of the taxpayers of the United States, to Panama or at least part of it.

Mr. President, I ask unanimous consent that there be printed in the RECORD how Senators voted last Friday on the joint resolution of disapproval.

There being no objection, the vote was ordered to be printed in the RECORD, as follows:

YEAS (31)

REPUBLICANS (11 OR 27 PERCENT)

Bond, Boschwitz, Chafee, Danforth, Durenberger, Evans, Hatfield, Kassebaum, Lugar, Packwood, and Stafford.

DEMOCRATS (20 OR 42 PERCENT)

Adams, Bentsen, Boren, Bradley, Bumpers, Daschle, Dodd, Exon, Glenn, Harkin, Lautenberg, Leahy, Matsunaga, Melcher, Pell, Pryor, Reid, Sanford, Stennis, and Wirth.

NAYS (58)

REPUBLICANS (30 OR 73 PERCENT)

Armstrong, Cochran, Cohen, D'Amato, Dole, Gramm, Grassley, Hatch, Heinz, Helms, Humphrey, Karnes, Kasten, McCain, McClure, McConnell, Murkowski, Nickles, Pressler, Quayle, Roth, Rudman, Simpson, Specter, Stevens, Symms, Trible, Wallop, Warner, and Wilson.

DEMOCRATS (28 OR 58 PERCENT)

Baucus, Bingaman, Breaux, Burdick, Byrd, Conrad, Cranston, DeConcini, Dixon, Ford, Fowler, Gore, Graham, Heflin, Hollings, Kerry, Levin, Metzenbaum, Mikulski, Mitchell, Moynihan, Nunn, Proxmire, Riegle, Rockefeller, Sarbanes, Sasser, and Shelby.

NOT VOTING (11)

REPUBLICANS (5)

Domenici, Garn, Hecht, Thurmond, and Weicker.

DEMOCRATS (6)

Biden, Chiles, Inouye, Johnston, Kennedy, and Simon.

Mr. HELMS. I thank the Chair. I yield the floor.

Mr. LEAHY addressed the Chair.

Mr. McCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I am going to soon move to table. Aside from any questions of the foreign policy consideration, the bill still is a routine extension of the Dairy Commission bill which really does not have an awful lot to do with Panama. But I know the distinguished Senator from Kentucky wishes to speak. I told both he and the distinguished Senator from North Carolina that I am not going to move to cut off debate while anybody wants to speak, and I will yield at this point to the distinguished Senator from Kentucky.

Mr. McCONNELL. I thank the distinguished Senator from Vermont, the chairman of the Agriculture Committee. I will be very brief.

I rise as a person who supported the sense-of-the-Senate resolution of the Senator from North Carolina last week. I also rise as one who has just listened to the Senator from Indiana spell out the consequences of enacting this measure. I might say to both my friend from Indiana and my friend from North Carolina that on a different occasion and on a different bill, in spite of the consequences, I might well be voting for the amendment offered by my friend from North Carolina, even with the consequences that the Senator from Indiana points out. But on this occasion on this bill I cannot support the amendment of the Senator from North Carolina.

As the distinguished chairman of our Agriculture Committee knows, we have labored for some time to get this dairy bill out. It also includes some other measures that are important to farmers across America. I join his concern and the concern of our ranking member of the committee, Senator LUGAR, that if this bill becomes ensnarled with matters beyond the jurisdiction of the Agriculture Committee, it may never make it. And so I urge my colleagues who are in my category, that is, those who supported the Helms amendment last Friday, and I urge my colleagues who might also be in the category that I find myself, as inclined to support the amendment the Senator from North Carolina offers today, to please not vote for it on this occasion. Let us deal with it on another day on another measure.

I thank my friend from Vermont for yielding.

Mr. LEAHY addressed the Chair.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, does the Senator from North Carolina need further time?

Mr. HELMS. If the Senator will withhold his tabling motion, I am obliged to respond to my dear friend from Kentucky.

Mr. LEAHY. Mr. President, I withhold certainly for that purpose.

Mr. HELMS. I thank the distinguished chairman.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, I have a little bit of experience around this place, having been chairman of the Agriculture Committee. Had it not been for the election of last November, I probably still would be, so I know precisely the situation of the Senator from Vermont. I have made the same speech, I say this in all honesty, "Senator, please don't put this amendment on my bill, please don't put it on my bill." Most of the time the amendment went on anyhow, or at least an attempt was made. So I say to the Senator, do, consider that you have the ranking minority member sitting there opposed to taking any action against Panama because of consequences he describes—and I do not agree with him—and we have the chairman, who is opposed. I would think it would be no trouble at all to deal with this amendment in conference, assuming it might pass.

Now, I do not know how many Senators will do as the distinguished Senator from Kentucky has said he will do; that is to change his vote. That is his judgment, that is his choice, and I do not fault him for it. But let us not operate under the pretext that there is anything harmful about adding an amendment to a piece of legislation, whether it be big or little, because it can be taken care of in conference, and it generally is. But I am saying that the Senate of the United States ought to speak forthrightly on this question regardless of the consequences as described by some. I can describe my own set of consequences. But it is illusory, I say to my dear friend from Vermont, to say that this will fracture this bill, because it will not do it.

Mr. LEAHY. Will the Senator yield at that point?

Mr. HELMS. Yes.

Mr. LEAHY. I might point out if this amendment passes, there are certain time urgencies on this bill. The Commission of course expired March 31. I am told by the distinguished Senator from Oklahoma and others who joined with him on the alfalfa amendment that they, too, are under enormous time constraints.

Should this be added. I think we go way beyond the kind of pro forma conference that we might have without it. Without it, I suspect that we could have a pro forma conference and have this matter back here this week, on the Unanimous Consent Calendar. With it, I do not know when we will get to it.

I will, of course, make an attempt to do it this week, but it may get into a roadblock. But if it looks as though it will stay in conference, we will complete this issue next week. In any event, I think everybody understands the issues.

I am certainly not going to move to table if Senators want to speak. I would like to move to table, but I do not want to cut the Senator off.

Mr. HELMS. I have had my say.

Mr. LEAHY. Mr. President, I do not see anyone else seeking recognition. I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Ther is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Washington [Mr. ADAMS], the Senator from Delaware [Mr. BIDEN], the Senator from Georgia [Mr. FOWLER] are necessarily absent.

THE PRESIDING OFFICER (Mr. REID). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 49, nays 48, as follows:

[Rollcall Vote No. 65 Leg.]

YEAS—49

Baucus
Bentsen
Bond
Boren
Bradley
Breaux
Burdick
Byrd
Chafee
Conrad
Cranston
Danforth
Daschle
Dodd
Domenici
Durenberger
Evans
Ford
Glenn
Gore
Harkin
Hatfield
Inouye
Johnston
Kassebaum
Kennedy
Lautenberg
Leahy
Levin
Lugar
Matsunaga
McConnell
Melcher
Metzenbaum
Mikulski
Moynihan
Nunn
Packwood
Pell
Quayle
Reid
Riegle
Sanford
Sarbanes
Simon
Stafford
Stennis
Weicker
Wirth

NAYS—48

Armstrong
Bingaman
Boschwitz
Bumpers
Chiles
Cochran
Cohen
D'Amato
DeConcini
Dixon
Dole
Exon
Garn
Graham
Gramm
Grassley
Hatch
Hecht
Heflin
Heinz
Helms
Hollings
Humphrey
Karnes
Kasten
Kerry
McCain
McClure
Mitchell
Murkowski
Nickles
Pressler
Proxmire
Pryor
Rockefeller
Roth
Rudman
Sasser
Shelby
Simpson
Specter
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Wilson

NOT VOTING—3

Adams
Biden
Fowler

So the motion to table the amendment (No. 82) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, the bill before us, S. 410, addresses three small but pressing problems—one related to the National Commission on Dairy Policy established by the Food Security Act of 1985 (P.L. 99-198), and two involving the conservation title of that same act. I am pleased to be joined in sponsoring this legislation by my distinguished colleague from Indiana, the ranking member of the Agriculture Committee, Senator LUGAR, and by my colleagues on the Agriculture Committee, Senators MELCHER and BOSCHWITZ.

The 1985 farm bill established a National Commission on Dairy Policy, to be composed of 18 members who are commercial milk producers, to study and make recommendations concerning the future operation of the Federal Milk Price Support Program. The law requires that a report containing the results of the study and recommendations based on those results be submitted to the Secretary of Agriculture and the Congress by March 31, 1987.

Needless to say, March 31, 1987 has come and gone—and no report has been submitted. Due to a long delay in the appointment of the Commission members, the Commission has only recently begun its work, and is many months away from making recommendations.

Mr. President, the intent of the Food Security Act was to provide the Commission with 1 full year to conduct its business. The purpose of S. 410 is simply to extend the date for submission of the report to March 31, 1988, in order to give the Commission, as Congress intended, 1 full year to complete its work.

In addition, Mr. President, the modification to the committee amendment that was agreed to clears up a technical problem with the original Commission authorizing legislation. When Congress established the Commission, Congress expected that the Commission would operate under the same guidelines as applied to a predecessor Commission. However, an omission of certain text in the drafting of the legislative language creating the Commission prevents the Commission from carrying out certain administrative functions to contract and to lease. My modifying amendment simply clarifies the Commission's authority to carry out those functions as Congress expected.

Mr. President, I ask unanimous consent that an opinion on this matter from the Office of the General Counsel of the Department of Agriculture be printed in the RECORD to provide a clear record of this matter.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF AGRICULTURE,
OFFICE OF GENERAL COUNSEL,
Washington, DC.

To: David Dyer, Executive Director, National Commission on Dairy Policy.

From: Kenneth E. Cohen, Assistant General Counsel, Research and Operations Division.

Subject: Authority of the National Commission on Dairy Policy to Lease Space.

This is in reply to your note of March 9, 1987, wherein you requested this office to take a look at the proposed lease for space in a commercial building in Washington, D.C., to be entered into by the National Commission on Dairy Policy. For the reasons set forth below, I conclude that the Commission lacks authority to execute the lease.

The Food Security Act of 1985, Pub. L. No. 99-198, established a National Commission on Dairy Policy (Commission) for the purpose of reviewing and reporting on the future operation of the Federal price support program for milk. Sections 142 and 143 of the Food Security Act. The members of the Commission were to be appointed by the Secretary of Agriculture. Section 142(b). The Commission was to report to the Secretary of Agriculture and to Congress not later than March 31, 1987, and then cease to exist 30 days thereafter. Section 143(c) and 146.

For the purposes of providing office space for the Executive Director and staff of the Commission, it is proposed that the Commission execute a lease with the Cooperative League of the USA, d/b/a National Cooperative Business Association, for the use of up to three offices or work stations and, beginning April 1, 1987, two window offices, one interior office, and two secretarial stations. This lease is to expire on April 30, 1988, with a right being reserved in the tenant to terminate the lease without penalty on April 30, 1987, so long as notice to that effect is given by April 15, 1987.

The first question to be considered is whether the Commission is an advisory committee subject generally to the Federal Advisory Committee Act (FACA), Pub. L. No. 92-463, 86 Stat. 770 (1972), as amended, 5 U.S.C. App. I.

Because of the proliferation of committees, commissions, panels, and boards created for giving advice to the Federal government, Congress, in 1972, enacted FACA to establish general requirements for most Federal advisory committees. In section 3 of FACA, Congress defined the term "advisory committee" to mean any "commission . . . which is—(A) established by statute . . . in the interest of obtaining advice or recommendations for the President or one or more agencies or officers of the Federal Government." In Section 4, Congress provided: "The provisions of this Act or of any rule, order, or regulation promulgated under this Act shall apply to each advisory committee except to the extent that any Act of Congress establishing any such advisory committee specifically provides otherwise." Because the Commission fits within the definition of an advisory committee in that it was created to provide advice or recommendations to the Secretary of Agriculture and to Congress, it is subject to FACA and appropriate regulations issued thereunder, except to the extent that Congress expressly provided differently in the statute. See Section 144(e) of the Food Security Act which expressly exempts the Commission from sections 7(d), 10(e), 10(f), and 14 of FACA.

The next issue is whether the Commission, as an advisory committee, is authorized to enter into leases. The FACA provides that unless authorized by statute, or Presidential directive, advisory committees shall be utilized solely for advisory functions. Section 9(b). While the Food Security Act does authorize the Commission to perform personnel functions, section 144(c), no similar provision exists regarding contract and leasing functions. This suggests that an operational function such as leasing is not available to the Commission as an advisory committee.

On the other hand, under FACA, support services for advisory committees may be provided by the responsible agency. Section 12(b) of FACA provides: "Each agency shall be responsible for providing support services for each advisory committee established by or reporting to it unless the establishing authority provides otherwise." Thus, Congress expressly has provided a mechanism for meeting the needs of advisory committees, that is, the responsible agency must provide the necessary support services for each committee.

The above provision of FACA became the subject of a discussion by the Comptroller General in United States Advisory Commission on Public Diplomacy (USACPD), 61 Comp. Gen. 69 (1981). The USACPD, which reported to the International Communication Agency (ICA), had entered into a contract with a private law firm for certain legal services. A question arose as to whether the resulting bill could be paid. In considering this question, the Comptroller General first reviewed the legal history of the USACPD, uncovering the fact that in 1979 the USACPD had been given express authority by Congress to procure temporary and intermittent services by section 203(f) of Pub. L. No. 96-60, 22 U.S.C. § 1469. The Comptroller General next considered the question of whether the contract for legal services was a prohibited personal services contract and concluded that it was not. The Comptroller General then turned to the question of whether the USACPD had authority to enter into the contract for legal services.

The ICA highlighted the FACA requirement that the "parent agency provide support services (including, presumably, legal services) to its advisory committees." In considering this issue, the Comptroller General stated:

Ordinarily, we would agree that an advisory committee lacking its own appropriated funds and having no authority to hire staff or contract for services would be required, under Section 12(b) of the Federal Advisory Committee Act, to obtain services of the type involved here from the parent agency. In fact, it is our view that the Advisory Commission would not have had the authority to enter into this contract prior to enactment of Pub. L. 96-60. However, the contract in question was entered into after enactment of Pub. L. 96-60, which granted the Advisory Commission specific authority to "appoint" additional personnel for the staff of the Commission and to "procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of Title 5, of the United States Code * * *."

Id. at 74 (emphasis added). The Comptroller General then went on to state:

"[A]s recognized by ICA, section 12(b) of the Federal Advisory Committee Act specifically provides that the parent agency is responsible for providing support services to its advisory committee (thereby implying that the advisory committee does not have authority to obtain such services directly) unless the establishing authority provides otherwise. Thus, since 22 U.S.C. § 1469(b) does provide otherwise, it supersedes the requirement in the Federal Advisory Committee Act that the Advisory Commission receive all necessary support services from the ICA."

Id. at 75 (emphasis added). Accordingly, it is the view of the Comptroller General that because Congress specifically has provided that agencies should provide "support services for each advisory committee established by or reporting to it unless the establishing authority provides otherwise," in the absence of provisions providing otherwise, all support services needed by advisory committees must be provided by the responsible agencies.

As noted previously, Congress expressly has provided the Commission with appointment authority, but did not provide the Commission with contract or leasing authority. In contrast, Congress has provided for the furnishing of such needs through the heads of executive agencies, the General Accounting Office, and the Office of Technology Assessment. Section 144(d) of the Food Security Act. Because Congress apparently was aware of the general requirement that support services were to be provided by the responsible agency, unless provided otherwise by Congress; because Congress expressly provided otherwise with respect to the appointment of personnel; because Congress expressly provided for support services through other Executive and Legislative agencies; and because Congress did not expressly or implicitly provide authority to the Commission to contract or lease space, I conclude that the Commission lacks authority to enter into the proposed lease of office space. Instead, if office space is needed, that space should be obtained for the Commission by the responsible agency in the Department of Agriculture or through consultation with the heads of other executive agencies, the General Accounting Office, or the Office of Technology Assessment. Section 144(d) of the Food Security Act.

Mr. LEAHY. Mr. President, S. 410 addresses as well two problems associated with the sodbuster provision of the 1985 farm bill.

As reported from the Committee on Agriculture, Nutrition, and Forestry, S. 410 contains a provision amending the 1985 sodbuster provisions for growers of alfalfa and other multiyear grasses and legumes. Specifically, section 2 of the bill exempts from the sodbuster provision alfalfa and other multiyear grasses and legumes that have been planted in an approved rotation practice with cultivated row crops.

The intent of this provision—offered by my distinguished colleague on the committee, the late Senator Zorinsky—was one of fairness. The sodbuster provision was designed to discourage farmers from bringing into production newly cultivated, highly erodible land. As the late Senator from Nebraska argued, the unintended consequence of the sodbuster provision has been to penalize farmers who grow alfalfa and other cultivated grasses in a rotation system with other annually tilled agricultural commodities—farmers who are not bringing newly cultivated land into production, but rather are engaging in soil-conserving crop rotation practices. The intent of the Zorinsky amendment was to correct that inequity by treating growers of alfalfa and multiyear grasses similarly to producers of other agricultural commodities.

Let me briefly explain how this discrepancy came to be. Under existing law, highly erodible land that was planted to an agricultural commodity—that is, any crop that requires annual tillage—between 1981 and 1985 is exempt from the sodbuster provision until 1990. Highly erodible land that was not in cultivation between 1981 and 1985, however, is subject to the sodbuster provision.

Alfalfa and other legumes and cultivated grasses are not considered agricultural commodities under the conservation provisions of the 1985 farm bill, as they do not require annual tillage. Their normal life expectancy is approximately 4 to 8 years. At the end of that period, farmers growing these crops normally rotate them with a 1- to 4-year interval of cultivated row crops—usually corn or sorghum or oats. The land is then returned to legumes or grass for another 4 to 8 years.

Farmers with highly erodible land in such a long-term crop rotation who had their land in alfalfa or grass in years 1981 through 1985 are hence subject to sodbuster this year and may lose their farm program benefits if they produce a row crop on that land without establishing an approved conservation system. Yet farmers with an identical rotation practice, who planted a row crop in 1 of those 5 years are exempt from the sodbuster provision.

Certainly the issue is a legitimate one. Crop rotation is considered one of the best conservation systems for highly erodible land, and farmers growing legumes and grasses on highly erodible land are, on the whole, practicing sound soil stewardship. It clearly makes little sense to penalize these farmers, when farmers growing more erosive row crops on highly erodible land are summarily exempt from the sodbuster provision.

Let me make one quick point here. When we speak of exemptions to the sodbuster provision, they are only temporary exemptions. By 1990, all farmers cultivating highly erodible land will be required to be applying an approved conservation plan for that land in order to continue to receive farm program benefits. Therefore, in regard to this bill, as reported by the committee, an exemption for growers of alfalfa and multiyear grasses and legumes would only apply for a 3-year period—1987, 1988, and 1989. By 1990, these farmers—as all other farmers with highly erodible land—will need to be applying an approved conservation plan in order to continue to receive farm program benefits.

Unfortunately, section 2 of the bill as reported by the committee appears to have possible consequences beyond the scope of what was intended. The Department of Agriculture has indicated that the inclusion of multiyear grasses in the bill could create a potential loophole for producers who may wish to convert native grassland to cropland—precisely the type of conversion that the sodbuster provision was designed to prevent. While the Department has recognized that producers of certain cultivated grasses have equally legitimate concerns as those producers of alfalfa and other legumes, the Department has stated that there appears to be no method by which it could clearly differentiate between grass types that would not jeopardize the integrity of the sodbuster provision.

In addition, the Department has also indicated its concern with the inclusion in the bill of lands classified as classes VI, VII, and VIII under the Land Capability Classification System. Some of these lands are either so steep or so erosive that, when cultivated, it may be difficult to apply conservation practices that would reduce erosion to acceptable levels. The Department has recommended that soil conservation plans be immediately implemented for these lands.

The committee was unfortunately unaware of the Department's concerns about this section during consideration of S. 410. However, since the committee has become aware of the concerns of the Department and of the Conservation Community, I have worked with the Department and with many of my colleagues to come up with an acceptable alternative to the original language in section 2.

Let me first commend the many of my colleagues who have expressed a strong interest in the sodbuster provision, particularly the Senator from Colorado, Senator ARMSTRONG. I share their concerns about the precedent that this bill as reported by the committee appears to be setting in regards to the future integrity of the sodbuster provision and the conservation title as a whole.

Let me make a few points about that concern. As a strong advocate of the conservation title of the 1985 farm bill, I am committed to its success. And I intend, as chairman of the Agriculture Committee, to carry out that commitment. I would put my colleagues on notice now that I do not intend to let this bill be an opening for attacks on the conservation title of the farm bill. Fine tuning of any major legislation is often necessary—and that is what this bill, with the amendment proposed by the Senator from Oklahoma—is. But make no mistake; any adjustment that would weaken the intent of the conservation title will be met with strong opposition from the chairman of the Agriculture Committee.

The Senator from Colorado has stated to me that he would prefer to see this issue discussed in hearings before it was brought to the floor. The Senator has also indicated that he believes the Department of Agriculture has the authority to handle this issue administratively.

I had indicated to the Senator that I would have been pleased to postpone action on this matter until the committee had an opportunity to examine this issue in a hearing. The committee agreed, however, to expedite consideration of this legislation in early March, without a hearing, because of the need to address this issue before the April 1 commodity program signup deadline. Because of this deadline, and the need for farmers to know their eligibility or ineligibility for various farm programs, several of my colleagues have objected to postponing action on this matter.

In regards to whether the Department can handle this matter administratively, the answer lies somewhere between a clear yes and a clear no—depending on how one defines handle.

In two separate letters, the Department has made its position clear on the Zorinsky amendment. Mr. President, I ask unanimous consent that these two letters from Deputy Secretary Myers, one dated March 11, and the other dated March 27, 1987, be inserted in the RECORD at this time.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, March 1, 1987.

HON. PATRICK LEAHY,
Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: In reference to S. 410 as reported by the Committee, concerning exempting alfalfa, other legumes, and multiyear grasses from the "sodbuster" part of the Highly Erodible Land provision of the Food Security Act, we are concerned that the inclusion of grasses in this legislation would seriously weaken the sodbuster provision.

We support the provision in the amendment to exclude alfalfa and other legumes in a rotation approved by the Secretary with the exception of those acreages that are on land capability classes VI, VII, and

III. Alfalfa and other legumes grown in a
tation provide erosion control benefits
d are normally planted on cropland.
any successful conversation farmers use
ch rotations as a major part of their con-
rvation systems. We believe that to
empt alfalfa and other legumes in rota-
on would remove the potential inequity of
plying the sodbuster provision to these
nversation farmers.

We also understand the concern of grass
ed producers who normally produce grass
ed as a part of an established rotation. We
ow that an overwhelming majority of
ese producers can develop a satisfactory
nservation plan with this rotation that
uld not interfere with their normal cul-
ral practices. In most cases, and we esti-
ate that the percentage would exceed 90
rcent, the producer would simply docu-
ent the rotation and current cultural oper-
ions, including conservation tillage in
me cases to the local conservation district
order to meet the requirement that such
nd be farmed in accordance with an ap-
oved conservation system.

In summary, USDA supports an amend-
ent that would exempt alfalfa and other
gumes except those planted on land capa-
lity classes VI, VII, and VIII and will give
e highest priority to assist producers of
ass seed to develop and document conser-
tion systems that would not unduly alter
eir current normal farming operations in
der to be in compliance with the sodbust-
provision.

If we can be of further assistance, please
us know.

Sincerely,

PETER C. MYERS,
Deputy Secretary.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE DEPUTY SECRETARY,
Washington, DC, March 27, 1987.

on. WILLIAM L. ARMSTRONG,
art Senate Office Building,
S. Senate, Washington DC.

DEAR SENATOR ARMSTRONG: In response to
ncerns that many conservation plans
uld not be completed by the Soil Conser-
tion Service by the end of the farm pro-
am sign-up period, the Department decid-
to allow a very narrow waiver to sodbust-
requirements for a limited number of
oducers in 1987.

Sodbuster requirements would be waived
1987 for those producers of alfalfa, other
gumes, and cultivated grasses grown for
ed production in a rotation approved by
e Secretary of Agriculture, who in good
ith requested a conservation plan and
ere unable to get a completed plan from
e Soil Conservation Service (SCS) by the
d of the 1987 commodity program sign-up,
arch 30, 1987. These producers would
ve to be in compliance with their conser-
tion plan before planting the 1988 crop to
alify for Federal farm programs.

This administration action does not in any
ay change the sodbuster requirement
der the 1985 Food Security Act. Only leg-
lation enacted by Congress can do that.
his action provides some relief to some
oducers who may have learned of the sod-
ster requirements for the first time when
ey signed up for the 1987 commodity pro-
ams. Since SCS will not have all of the
ans completed by the end of the sign-up
riod, some of these producers would not
ow whether they are eligible for commod-
y program payments in 1987. Nor would
ey know what conservation practices they
ould need to apply, if any, in order to become eligible for government programs. It may be impossible for some of these producers to secure credit for 1987 production without knowing whether they are eligible for government programs. It is unfair to force farmers who are farming land normally considered to be cultivated land who reasonably did not know they were subject to sodbuster requirements to operate with this uncertainty due to the failure of the Department to have plans completed by the end of the sign-up period.

Producers of alfalfa, other legumes and cultivated grasses grown for seed production who have had a plan completed by SCS by March 30, 1987, will have to farm the sodbuster land in accordance with their conservation plan during 1987 in order to meet the sodbuster requirements under the 1985 Food Security Act. Producers breaking grassland that is not in alfalfa, other legumes or cultivated grasses grown for seed production in a rotation approved by the Secretary must meet sodbuster requirements in 1987 under the 1985 Food Security Act.

The Department's action in granting a limited waiver for 1987 does not change the Department's position on legislation which would weaken the sodbuster requirements of the Food Security Act. The Department's position, as explained in an earlier letter to Senator Leahy, is that alfalfa and other legumes in a rotation approved by the Secretary should be excluded from sodbuster requirements except for those grown on land classes VI, VII, and VIII. The Department feels that legislation excluding "multiyear grasses", or "cultivated grasses grown for seed" from the sodbuster requirements goes to far and seriously threatens the sodbuster concept of the Food Security Act.

Sincerely,

PETER C. MYERS,
Deputy Secretary.

Mr. LEAHY. The Department's position on this issue is supportive of a narrow amendment to the sodbuster provision for alfalfa and other legumes only, except for those planted on land capability classes VI, VII, and VIII—the most highly erodible lands.

Mr. President, I believe that the Department could attempt to handle this issue administratively. I am not sure, however, that it can be done in a way that is both timely and within the confines of existing law.

The problem we face at the moment is partly one of perception. The Department of Agriculture has not done a good job of reassuring alfalfa and cultivated grass producers who may be subject to sodbusting that compliance with the provision may not be difficult. In fact, the Department estimates that most of these producers would need only to document their established crop rotation and current cultural operations in order to meet the requirements for an approved conservation plan.

The issue, though, is also a question of timing. According to the Department, there are approximately 1 million acres of alfalfa—excluding alfalfa planted on class VI, VII, and VIII land—that are likely to be rotated out of alfalfa and into a row crop this crop year. In order to ensure that these producers will not lose their program benefits, conservation plans for these acres will need to be approved by the time that the land is planted—depending on the part of the country, some time in the next month or two. Needless to say, this is a heavy workload for local soil conservation service [SCS] and agricultural stabilization and conservation service [ASCS] offices in those parts of the country where alfalfa is prevalent.

The Department has recognized this problem of timing, and has attempted to use its administrative authority to address the sodbuster requirement for the 1987 crop year only for certain producers of alfalfa, other legumes, and cultivated grasses grown for seed production in an approved rotation pattern. This action is outlined in the Department's letter of March 27. The administrative action is further limited to those producers who requested and were unable to get a conservation plan from SCS before the end of the 1987 Commodity Program sign-up on March 30.

The Department's action would ensure that few producers of alfalfa, other legumes, or cultivated grass seed will lose their benefits this crop year if they do not have an approved conservation plan. It is a very lenient action. In fact, it is the leniency of the action that makes me concerned about it. The Department has acknowledged that its action could be seen as bending its administrative authority. It is entirely possible that the action could elicit legal challenges, and I know that several of my colleagues are nervous about the implications for alfalfa producers should such a challenge be upheld.

Mr. President, I wish that we could have agreed on the Senator from Colorado's suggestion to postpone action on this matter until we could address the question of administrative remedies in hearings. I also wish that the Department's administrative fix was clearly sufficient to completely resolve the matter. But I am not completely confident that it is.

The amendment offered by my distinguished colleague on the Agriculture Committee, Senator BOREN, is clearly a narrow fix to the problem. The amendment allows a phase-in of compliance to the sodbuster provision for producers of alfalfa only. It strikes any reference to multiyear grasses from section two of the bill, thereby addressing only alfalfa in an approved rotation pattern. An approved rotation pattern is to be determined under terms and conditions defined by the Secretary of Agriculture. It has been the understanding of the committee that an acceptable rotation pattern will be one that is long-term in duration, and predominantly devoted to alfalfa.

I would like to commend the Senator for his amendment, for I believe it provides a narrow solution to the problem that was addressed by the original bill, yet clearly preserves the integrity of the sodbuster provision. I am pleased to have worked with the Senator on his amendment to incorporate the concerns of the Department, members of the Agriculture Committee, and representatives of various conservation organizations.

It is clear that this issue can be handled administratively by the Department only by bending the rules somewhat. I believe, therefore, that this amendment which gives producers of alfalfa who have an approved conservation plan, until June 1, 1988, to comply with that plan—is a good one.

Mr. President, section 3 of this bill also relates to the conservation title of the Food Security Act. This section is intended to streamline the process that farmers must go through to document compliance with the sodbuster provision. This section of the bill does not exempt any producer from complying with the sodbuster provision. Rather, it simply provides SCS and ASCS the latitude to determine the extent of documentation required by a producer in order to comply with the provisions.

During debate on this provision in Committee, Senator McConnell, the sponsor of this amendment, indicated that, in tobacco-producing States such as Kentucky, there are thousands of tobacco growers with tobacco bases of 2 acres or less who are subject to the sodbuster provision this year as a result of their normal crop rotations. Their problem is not one of complying with the provision; rather, it is a problem of having an approved conservation plan before they can plant their 1987 tobacco crop.

By allowing SCS and ASCS to accept a small producer's statement of intentions regarding future plantings, tillage systems, and conservation practices, among other things, as sufficient documentation that the producer is applying and will continue to apply the producer's approved conservation plan, the section will permit SCS and ASCS to expedite determinations of eligibility for Farm Program benefits for these tobacco growers with small bases of 2 acres or less. The provision, however, is not intended to exempt any producer from compliance. Nor is it intended to prevent local conservation officials from revising conservation plans to require further conservation measures if the conservation practices are deemed insufficient to meet acceptable erosion levels.

Mr. President, the conservation title of the 1985 farm bill has been widely acclaimed as one of the most important and successful titles of the 1985 farm bill—and any farm bill. As I indicated earlier, as chairman of the Agriculture Committee, I intend to ensure that the title remains strong and successful.

I am concerned, however, as I know many of my colleagues are, about the degree of confusion and misinformation that is circulating throughout the Farm Belt regarding the conservation title. We simply cannot afford to let that confusion reign—for the sake of our farmers, and for the sake of local conservation officials faced with the day-to-day implementation of these provisions. Therefore, I intend to hold oversight hearings on the implementation of the conservation provisions. I am hopeful that, by pinpointing existing and potential problems and shortcomings with the implementation process now, we may be able to address these issues through the administrative process, ensure that our commitment to a strong conservation title becomes a reality, and avoid future legislative change.

As evidenced by the controversy over this bill, any changes to the conservation title are likely to be met with strong opposition. I am therefore hopeful that, with the help of my colleagues on the committee, we can work together to prevent future problems and to protect this important and historic conservation title.

Mr. President, I urge my colleagues to join with me in support for S. 410.

Mr. McCONNELL. Mr. President, I came before the Senate 3 weeks ago to alert my colleagues to a serious problem in the implementation of the 1985 farm bill. I introduced legislation to rectify the situation and I am delighted to report that the Senate Agriculture Committee has recognized this critical problem and included the language of my bill in the pending legislation.

The situation to which I am referring relates to title 12 of the Food Security Act of 1985 which mandated that farmers, as a condition for price support eligibility for program and nonprogram crops, must execute a farm conservation plan for their farm by 1990. In addition, any farmer who is bringing farmland into production for the first time since 1981, must complete his farm conservation plan prior to planting a crop in 1987 in order to receive price support for the 1987 crop year.

Many small family farmers, including thousands in my State, may be forced to submit themselves to an unreasonable bureaucratic burden to maintain their price support eligibility on the 1987 tobacco crop unless the farm bill's conservation title is clarified. Unless changed, many small farms will be required to document planted acreage of tobacco, corn, soybeans, and so forth for every year since 1981, before a farm conservation plan can be completed. Should the farmer be unable to furnish this documentation, ASCS considers that th farmer is sodbusting. The Soil Conse vation Service would then be require to write a farm conservation plan f that farm.

Mr. President, I submit that it wi be impossible for SCS, under its cu rent guidelines, to write a farm pla for every small tobacco farm whic needs such a plan before the tobacco planted later on this year. In a count like Shelby County, KY, for exampl with 2,500 to 3,000 farms growing t bacco, I think my colleagues can begi to see why SCS probably can't con plete its mandate timely and wh farmers are becoming very uneas This provision has created a virtu hysteria among many Kentucky toba co growers.

The legislation I introduced woul clarify and simplify the process for e tablishing a farm conservation plan b providing SCS and ASCS with explic authority to allow a producer certific tion, with the approval of an SCS re resentative and the chairman of th local soil and water conservation di tict, to suffice as a farm plan. Enac ment would not preclude SCS from e ercising some reasonable judgment i approving these plans. If the farmer certification of conservation intention do not meet the conservation need then SCS would be more than fair t require the farmer to install addition conservation measures. Simply pu Mr. President, my legislation exempt no one from complying with the so buster law. It only makes complianc easier.

Mr. President, there are counties i Illinois where farmers will plant mor corn than will all of the tobacco farmers in Kentucky combined. This is fu ther evidence that the sodbuster prov sions—when strictly interpreted- present an unfair bureaucratic burde on small farmers. I might remind m colleagues that report language of th farm bill specifically states that "It i not the intent of the conferees t cause undue hardship on producers t comply with these provisions." submit, Mr. President, that forcin farmers to spend 2 hours in the ASC Office to report a total of 20 acres o corn planted over a period of 6 years i an undue hardship.

I thank my colleagues for their hel in providing me the opportunity t rectify a situation of extreme impo tance to many small farmers.

Mr. BUMPERS. Mr. President, whe the 1985 farm bill was signed into law it included the strongest conservatio legislation passed in 50 years. Afte several years of debate, Congress as body recognized what many of us ha known for many years—our countr could no longer stand idly by an watch our valuable soil and water resources be destroyed by questionabl agricultural practices. The sodbuste swampbuster and, conservation reserve programs included in the farm bill stand as evidence of our Nation's commitment to conservation. The overwhelming support for the conservation titles of the farm bill was testimony to the work of Senator ARMSTRONG and other Senators who are deeply concerned about the loss of top soil and wetlands in this country. The issue is now no different than it was in 1985—we must ensure that the Nation our children and grandchildren inherit is worthy of inheritance while also ensuring the future productivity of America's greatest natural resource—our agricultural lands.

It is unfortunate that soil erosion is not a front page issue because the statistics of the threat would stun most Americans. Estimates are that we have already irretrievably lost one-third of all the top soil on our cropland in use today. Throughout the United States, the annual rate of erosion on the 413 million acres of cropland averages 4.7 million tons per acre.

In my State of Arkansas, cropland erosion is a serious problem. Of our total area of 34 million acres, 23 percent or nearly 8 million acres is in cropland. On the average, this cropland acreage loses 50 million tons of topsoil to sheet and rill erosion. It is estimated that if all the sheet and rill erosion losses of our cropland in Arkansas over a year's time were stacked on 1 acre, it would form a column of soil 5.5 miles high. These statistics reflect the serious problems caused by our intensive agricultural practices. The sodbuster provisions of the farm bill were included to address these very problems.

The bill before us, the Dairy Extension Act, includes a provision exempting farmers who plant alfalfa, legumes, and cultivated grasses from the sodbuster penalties included in the 1985 farm bill. The intent of the provision was to provide the fair and equitable treatment under the sodbuster policy for farmers who practice long-term rotations of alfalfa, other legumes, and cultivated grasses. The Senators who cosponsored the original amendment to the dairy bill have largely achieved the goal they sought.

Producers of alfalfa no longer face an emergency situation because of the compromise amendment worked out by Senator BOREN and Senator ARMSTRONG. This amendment gives conservation-minded farmers of alfalfa until June 1, 1988, to prepare and fully implement conservation plans with the help of their local SCS experts and conservation district officials.

In short, the Senators have avoided an emergency this year. They have gained for their alfalfa producers the immediate relief they sought. And they have done so in a manner that preserves the administrative process and local planning efforts that will be critical to the overall integrity and success of the entire conservation title of the 1985 farm bill.

For these reasons, and the reasons suggested by my colleagues, I strongly support the Boren/Armstrong compromise amendment. While providing necessary help to alfalfa farmers, this amendment protects the purpose and spirit of the conservation titles of the 1985 farm bill.

DAIRY POLICY COMMISSION EXTENSION

Mr. DOLE. Mr. President, several attempts have been made to get a time agreement on S. 410, the dairy policy commission extension bill which also contains language to provide an exemption from sodbuster provisions for producers who have established rotations. I understand we have arrived at a compromise on the legislation.

The administration supports extension of the deadline for the report of the National Commission on Dairy Policy to March 31, 1988, as contained in section 1 of S. 410.

SODBUSTER LANGUAGE

The stumbling block in this bill has been the sodbuster language in section 2. There has been a difference of opinion as to whether the changes sought by several of my colleagues can be done administratively. It is fair to say that there is considerable confusion among many farmers who feel threatened by the sodbuster provisions denying them Government payments for following approved conservation practices.

BACKGROUND

The sodbuster provisions incorporated into the 1985 farm bill prohibit USDA program benefits to any person who produces an agricultural commodity on highly erodible land without the use of conservation practices appropriated for that land. If a producer wants to plant a price-supported crop as part of his normal crop rotation practice on land that has been planted to alfalfa he faces denial of Government benefits.

There are many producers in Kansas, Nebraska, South Dakota, and other States who now need to switch from alfalfa to a program crop.

DIFFERENCES

The opinion of Senator ARMSTRONG and others is that farmers can continue their rotation practices without a legislative change. Discussions with the Department indicate the Department will expedite consideration of conservation plans for farmers in a rotation. In addition, the conservation coalition is concerned with setting a precedent for what could be perceived to be "weakening" the sodbuster requirements.

Several of my other colleagues are concerned that without a legislative change, USDA will not have the manpower and time to expedite consideration of conservation plans. There is some concern that farmers will not be able to obtain financing for spring planting if commerical lenders suspect that potential borrowers may not be eligible for price support benefits. There is further concern that without a legislative remedy, many farmers will decide not to make needed rotations because a costly conservation plan may be immediately required. Finally, there is a question as to why some farmers must meet requirements of a conservation plan in 1987, others in 1988, and still others in 1990.

CONCLUSION

Mr. President, the compromise would allow producers who have planted alfalfa on highly erodible land during each of the 1981-85 crop years as part of an approved rotation and who have submitted a plan to their local offices to have a 1-year phase-in period to meet the plan's requirements or until June 1, 1988.

I have also discussed with Chairman LEAHY our desire to bring up H.R. 1157. It is my hope we could dispose of S. 410 today and bring H.R. 1157 to the floor within the next few days.

Mr. LEAHY. Mr. President, I know of no other amendments, so I would ask the Chair to bring the bill to third reading.

The PRESIDING OFFICER. Are there further amendments? If not, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. LEAHY. Mr. President, I ask unanimous consent to lay the bill aside and to bring up H.R. 1123, Calendar Order No. 25.

The PRESIDING OFFICER. Is there objection? Hearing none, that is the order. The clerk will report.

The bill clerk read as follows:

A bill (H.R. 1123) to amend the Food Security Act of 1985 to extend the date for submitting the report required by the National Commission on Dairy Policy.

The Senate proceeded to consider the bill.

Mr. LEAHY. Mr. President, I ask unanimous consent to substitute for the House language the text of S. 410, as amended.

The PRESIDING OFFICER. Is there objection? Hearing none, that is the order.

Mr. LEAHY. Mr. President, I know of no further amendment and I ask for third reading on H.R. 1123.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (H.R. 1123), as amended, was passed, as follows:

H.R. 1123

SECTION 1. NATIONAL COMMISSION ON DAIRY POLICY.

(a) EXTENSION OF REPORTING DATE.—Section 143(c) of the Food Security Act of 1985 (7 U.S.C. 1446 note) is amended by striking out "1987" and inserting in lieu thereof "1988".

(b) LEASING AND CONTRACTING AUTHORITY.—Section 144 of such Act (7 U.S.C. 1446 note) is amended by adding at the end thereof the following new subsection:

"(g) Notwithstanding any other provision of law, to the extent there are sufficient funds available to the Commission under section 145 and subject to such rules as may be adopted by the Commission, the Commission may—

"(1) lease office space in the District of Columbia; and

"(2) procure temporary or intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code.".

SEC. 2. PHASE IN OF CONSERVATION PLANNING PROCESS FOR PRODUCERS PLANTING ALFALFA.

(a) Section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812(b)) is amended by striking the period at the end of subsection (b) and inserting in lieu thereof "; or" and (b) by adding the following new paragraph:

"(5) on highly erodible land planted to alfalfa during each of the 1981 through 1985 crop years as part of a rotation practice approved by the Secretary if the person has submitted a conservation plan based on the local Soil Conservation Service technical guide and approved by the local soil conservation district, in consultation with the local committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) and the Secretary, such person shall have until June 1, 1988, to comply with the plan without being subject to program ineligibility under section 1211.".

SEC. 3. CONSERVATION PLAN FOR HIGHLY ERODIBLE LAND.

Section 1212(a)(2) of the Food Security Act of 1985 (16 U.S.C. 3812(a)(2)) is amended—

(1) by inserting after "conservation plan" the following: "that documents the decisions of the person with respect to location, land use, tillage systems, and conservation treatment measures and schedule and that is"; and

(2) by adding at the end thereof the following new sentence: "In carrying out this subsection, the Secretary, Soil Conservation Service, and local soil conservation districts shall minimize the quantity of documentation a person must submit to comply with his paragraph.".

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, I ask unanimous consent to return S. 410 to the calendar.

The PRESIDING OFFICER. Without objection, that is the order.

Mr. LUGAR. Mr. President, I would note for Members who wonder what just went on, I know that a number of Senators, on the motion to table, joined with the distinguished ranking member, Senator LUGAR, and myself in that. I should note that Senators have various reasons for doing that, but one major reason of a lot of Senators was not on the foreign policy issue, but, rather, that this is a bill that has some real time constraints involved in it, partly because of the alfalfa matters raised by Senator BOREN and others and the Dairy Commission which technically expired on March 31 of this year, and that by keeping the bill the way we did and by tabling the amendment by the Senator from North Carolina it makes it possible not to go very, very quickly back to the House and hopefully they will accept the bill as it is. It is my understanding they would not have accepted it with the Panama matter.

I thank all Senators for their consideration. I also thank all Senators who were willing to hold off on amendments on this. As always, I thank my distinguished friend from Indiana, the ranking Member, for his help and consideration as we kept bringing this closer, and for the forebearance of the distinguished majority leader because I did tell him at least on five different occasions over the last 2 weeks we were ready to go and it turned out we were not.

Mr. BYRD. Will the Senator yield?

Mr. LEAHY. I yield.

Mr. BYRD. I thank the distinguished manager of the bill and the distinguished ranking manager of the bill. They both worked hard. They demonstrated a great deal of skill and a lot of patience. I want to commend them for the work they have done.

After the ranking manager addresses himself to the matter, I would like to get some understanding, if I might, as to what is meant by the statement that I will call up H.R. 1157 at an "early date." I promised the Republican leader I would do that. I promised the distinguished chairman of the Committee on Agriculture and Forestry I would do that. I want to know how we will interpret those words "early date" so that I will be prepared to so move and can arrange the rest of the schedule accordingly.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. I do not want to delay the distinguished majority leader from that interpretation, but that is important, obviously, to our leaders and all of us on the committee.

I do want to congratulate the chairman of our committee, Senator LEAHY, on handling a difficult bill, made more difficult, perhaps, than anticipated. But all agriculture bills have difficulties.

This was an excellent piece of work. I congratulate, as I know he congratulates, the majority and minority staff.

I now turn this back to the majorit leader.

ORDER OF PROCEDURE—H.R. 1157

Mr. LEAHY. Mr. President, I than my good friend from Indiana for hi kind words. I would tell my goo friend from West Virginia, who ha the most difficult job on the Agriculture Committee, even though he is no a member but he has to schedule ou agriculture bills, we would be ready t go right after the recess on H.R. 1157 We would be ready to go right afte the recess. I understand that when w come back there may be a couple o things that have to be considered, bu we would be ready to go just abou any time. In fact, that time during recesss could be well spent on behalf o myself, Senator LUGAR, Senator DOL and others in, among things, trying t pare down the number of potentia amendment so that bill does no become a Christmas tree.

Again I would advise my colleagues if it does, if it gets overweight, financially or otherwise, then I am going t have to vote against it.

Mr. BYRD. Very well. It is agreeable with the distinguished Senators that I be given consent by the Senate, if the Republican leader is in agreement, that I may proceed to that measure at that time after consultation with the Republican leader and with the manager of the bill.

Mr. LUGAR. That is agreed, and we would encourage a time earlier rather than later. We will be ready right after the recess.

Mr. BYRD. I would not want to run this bill ahead of the budget resolution, which I think will be ready upon our return following the recess. I would like it to be understood by all that that resolution should have the green light. Following that, if possible, I would like to call up this measure. If it is agreeable, and I can get the Republican leader to agree to that when he comes to the Chamber, I will proceed to try to get an order of the Senate to that end.

FEDERAL TRADE COMMISSION ACT AMENDMENTS OF 1987

Mr. BYRD. Mr. President, the pending matter, I believe, before the Senate, which was temporarily set aside, is the FTC authorization. Am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. BYRD. Mr. President, I hope that the managers of that measure would be prepared to proceed in the event there are amendments thereto.

Does the clerk have to restate the title of the bill?

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 677) to amend the Federal Trade Commission Act to provide authorization for appropriations, and for other purposes.

The Senate resumed consideration of the bill.

Mr. BYRD. Mr. President, I suggest the absence of a quorum, pending the arrival of other Senators to complete action on the Federal Trade Commission authorization.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—H.R. 1157

Mr. BYRD. Mr. President, I have now cleared with the Republican leader the consent that I discussed briefly a moment ago. I therefore will restate it.

Mr. President, I ask unanimous consent that the majority leader may proceed at any time following consultation with the Republican leader and the chairman of the Agriculture Committee and the ranking member thereof to take up H.R. 1157.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BYRD. Mr. President, it will not be my intention to take up the bill today. I will not call it up until after the budget resolution has been called up following the recess.

It will be my intent to consult with the Republican leader, the chairman, and the ranking member of the Agriculture Committee following the recess with the proposal in mind that as soon as the Senate has disposed of the budget resolution, or very soon thereafter, I shall proceed to call up H.R. 1157, an act to provide for an acreage diversion program applicable to producers of the crop of winter wheat harvested in 1987, and otherwise to extend to farmers adversely affected by national disaster in 1986.

I will therefore have kept my commitment.

FEDERAL TRADE COMMISSION ACT AMENDMENTS OF 1987

The Senate continued with the consideration of the bill.

Mr. BYRD. Mr. President, the Senate is awaiting the Senators who will continue the debate and action on the Federal Trade Commission authorization bill. Senators who have amendments thereto should come to the floor and call up those amendments. It is now 20 minutes to 4 o'clock in the afternoon. It is my hope that action can be completed on this bill today. We have been on it now for 2 days. Mr. GORE is here, the manager of the bill, at his post of duty. Mr. McCAIN is here at his post of duty. I do not want to stay in at length this evening. I hope we do not have to carry this bill over for another day.

I urge that the offices of Senators who have amendments notify their Senators to come to the floor. Otherwise, I am going to go to another bill.

If I do not hear something within 5 minutes I am going to take up another bill.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NUCLEAR TESTING ISSUES

Mr. PELL. Mr. President, I was very encouraged by press reports today indicating that the Soviets are willing to discuss with the United States action on two unratified nuclear testing treaties and the placement of additional limits on the number and size of tests.

If both sides are serious, this could lead to the ratification of the 1974 Threshold Test Ban Treaty [TTBT] and the 1976 Peaceful Nuclear Explosions Treaties [PNET]. At the same time, it could open the way to a substantial reduction in testing limits from the present ceiling of 150 kilotons, as well as the imposition of strict quotas on the number of tests. Such steps could remove the heretofore insurmountable obstacles to a complete ban on nuclear explosions.

Mr. President, I hope very much that the reported change in attitude by the Soviets will prove to be correct, and that there can now be serious negotiations. I urge the Secretary of State most strongly to do his best in Moscow to take advantage of this opportunity.

For several years, the two sides have been at a virtual impasse on nuclear testing. In recent months, there has been considerable interest in finding a way to break through that impasse. Last fall, the President indicated that he would make ratification of the TTBT and PNET, with an "appropriate reservation" on verification, a "first order of business" for the new Congress. Pursuant to this commitment, the Committee on Foreign Relations, which I chair, held hearings in January and reported out the TTBT and PNET in February with a reservation which incorporates the very language proposed by the administration. Unfortunately, the administration has remained adamant in pressing for an unworkable dual ratification scheme which was unacceptable to the committee and would be, I believe, unacceptable to most Senators. Consequently, the administration has failed to give the support the President earlier gave us cause to expect.

The committee's hearings made it clear that the TTBT and PNET as negotiated have strong verification provisions. I am not convinced anything more is needed. However, the administration wants additional provisions. If the administration is willing to settle for certain additional steps which could provide reassurance, I hope that the Soviets will see the value of a compromise which could lead to ratification of the TTBT and PNET.

For this to happen, the administration must restrain those who use verification as a shield against agreements, and the Soviets must be willing to recognize reality and deal seriously. Both sides must recognize that real progress to control nuclear testing is an opportunity waiting to be seized. Small steps like those I propose can set up a momentum toward bigger steps and these should be seized upon and taken. So far, our response in bringing about any arms control agreement in the last 6 years is a big fat zero.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE IMPORTANCE OF PROTECTING FARM CREDIT SYSTEM BORROWER STOCK AND ALLOCATED EQUITIES AND PROVIDING INTEREST RATE RELIEF

RESOLUTION PLACED ON CALENDAR

Mr. McCLURE. Mr. President, I am being joined by several Senators in submitting a sense of the Senate resolution regarding the importance of protecting Farm Credit System borrowers; stock and allocated equities, and to provide interest rate relief. I urge my colleagues to review this resolution and not only cosponsor this measure but work with me toward its passage.

As many Members of Congress know, the Nation's largest agricultural lender, the Farm Credit System, is in serious financial trouble. The system of Federal land banks and production credit associations reported a loss of

$1.9 billion in 1986, the second straight year of losses.

In 1985 and again in 1986, Congress amended the Farm Credit Act of 1971 to provide the System with avenues to work out of its problems. The 1985 amendments were designed to maintain the integrity of borrower stock and the 1986 amendments were intended to reduce borrower interest rates through the use of regulatory accounting procedures. Regretfully, actions taken by the Farm Credit Administration and some System institutions have prevented the realization of the objectives of these amendments.

Farm bankruptcies, loan delinquencies, and foreclosures have increased annually increasing the stress on agricultural lenders. Because the Farm Credit System is the Nation's largest agricultural lender and by statute must lend only to agriculture, its fortunes have followed the farmer downhill. Production credit associations and Federal land banks are in more serious trouble because they do not have consumer lending and nonagricultural commercial business to offset their agricultural portfolio.

System banks fortunes mirror the distress in our farming areas today. For instance, in the 12th district, bankruptcies of Federal land bank borrowers increased districtwide from 66 in 1982 to 385 in 1986. Federal land bank delinquencies increased from 1,766 or 4.2 percent of total loans in 1982 to 3,759 or 11.1 percent of total loans in 1986. Loans called for foreclosure increased from 141 to 454 during the same time period.

Another measure of declining repayment capacity is the increase in adversely classified loans. Spokane's Federal land bank adversely classified loans increased over 350 percent from December 31, 1983 to December 31, 1986.

Not all of the problem is confined to the Federal land banks. Production credit associations have had their problems also. The Spokane Federal Intermediate Credit Bank received $135 million in financial assistance in 1985 through the sale of nonperforming loans to the Farm Credit Capital Corp. This assistance was in the form of a loan participation and nearly $90 million has been repaid to the contributing banks.

Even with this assistance, the Spokane Federal Intermediate Credit Bank continues to show signs of financial stress. Decline in loan volume and the total number of loans continues unchecked. The 12th district also shows a serious decline in loan quality. Since 1982, short-term PCA loan volume declined from a high of $1.8 billion loaned to 18,000 farmers down to the current level of $500 million loaned to 7,000 borrowers.

I do not believe that the 12th district is operating in a vacuum. Systemwide losses are similar in all but perhaps two or three districts. The System's problems are the same as the 12th district's: Large amounts of nonearning assets, excessive administrative expenses, outstanding high-priced debt, and an inability to deal well with its problems.

Congress must again face the situation of declining assets in the Farm Credit System. It is time for the Farm Credit System and the Farm Credit Administration to realize that the financial condition of the entire System is in too grave a shape to continue to fight against each other. We must work together to deal with the continued problems in the System. This resolution is to express the urgency of finding a solution to the current crisis within the Farm Credit System. I believe it is time for the Farm Credit Administration to take the steps available to it to certify the need for financial assistance if borrower stock would be impaired in the absence of this assistance.

Continued threat of stock impairment will do nothing to stem the tide of farmers leaving the System. If all viable borrowers leave the System, leaving only the marginal borrowers or nonaccruing loans, the System will continue to slide downward toward total insolvency. The longer we wait, the more it will cost in the long run to rescue the System. I encourage my colleagues to look seriously at this resolution and at the financial condition of the Farm Credit System and add their names to the list of those who want to take action to deal with this problem.

I thank the Chair.

I send the resolution to the desk which is sponsored by myself, Mr. Boren, Mr. Boschwitz, Mr. Pryor, Mr. Danforth, Mr. Dole, Mr. Bumpers, Mr. Nickles, Mr. Bentsen, Mr. Durenberger, Mr. Matsunaga, Mr. Hatch, Mr. Conrad, Mr. Symms, Mr. Heflin, Mr. Lugar, Mr. Shelby, Mr. Leahy, Mr. Bond, and Mr. Karnes. I understand that this request has been cleared on both sides of the aisle. I ask unanimous consent that the resolution be placed on the calendar.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, for this side, may I say the matter has been cleared. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOREN. Mr. President, I am very proud to join my colleague in sponsoring this resolution. At this time, I have the responsibility of chairing the Subcommittee on Agricultural Credit of the Committee on Agriculture. That is the subcommittee with jurisdiction over the problems that we are now facing with the Farm Credit System.

As the Senator from Idaho has said, it is absolutely imperative that we move as soon as possible to deal with this problem. We face the possible collapse and destruction of the Farm Credit System as we know it now, as i has served this Nation so well ove many decades, if we continue to delay action. We are caught in a viciou cycle. At the current moment, we are losing approximately $1 billion of business each month out of the System The System is shrinking by $1 billion each month.

Why is it shrinking? Interest rates within the System are so high. Some borrowers fear that the borrower-owned stock is jeopardized, the security of it. Therefore, if they can move to private financing sources, they leave the System and go to other lenders.

What happens when those who are most secure, most able to meet their note payments on time, leave the System? The System is left in a weakened condition with borrowers who have to struggle to meet those payments. Many of them cannot meet their payments on time. The System suffers further losses. As a result, the System then tries to raise the interest rate in order to extend those losses When they raise the interest rates they again drive out more of the borrowers who have the option of going out and borrowing elsewhere.

So this vicious cycle goes on. And every month that we wait, every month that we allow another $1 billion worth of business to go out of the System, particularly because it represents those most able to pay, we create a deeper and deeper hole, we create a greater and greater problem. Every week, every month that we wait to act, we are going to end up costing the taxpayers more in the long run to solve the problem.

So time is of the essence, Mr. President. I am very, very proud to join the Senator from Idaho in calling for passage of this resolution, turning the attention of the Senate to the solution of this problem and also to basic reforms that need to be made in the System.

I certainly would not feel that we can afford to give a blank check to the Farm Credit System. Reforms must be put in place. Mistakes of the past must be remedied so that we can make certain that the funds that we are investing now will not have to be reinvested in the future.

So I am very proud to join with my colleague, who is a leader in this fight. He has testified before our subcommittee. He has given us many, many good suggestions for improving the Farm Credit System. We are going to be moving to markup on suggested changes in the System very shortly after the Easter break, and I hope it is a matter that will gain the attention of all of our colleagues, I say to the Senator from Idaho, in this Chamber because it is absolutely and fundamentally important. The high interest rates are killing the agricultural sector. The question marks that hang over the Farm Credit System are causing a degree of uncertainty that is disrupting investment decisions and casting a cloud on the future of the System. We have to deal with it as soon as possible. I thank him very much for bringing this particular resolution to the floor, and I am proud to join with him in that effort.

I also ask unanimous consent that Senator EXON be added as a cosponsor.

The PRESIDING OFFICER. That will be the order.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. BOREN. I will be happy to yield.

Mr. McCLURE. Mr. President, I thank the Senator for his remarks. I certainly express my deep appreciation for the work he has been going in the Agriculture Committee and also for joining as a principal cosponsor of this resolution. It is important we understand this is not a problem that is going to go away. It is a problem that is getting worse every day. I have seen estimates which I believe to be accurate that the exposure to the taxpayers, who ultimately will be called upon to do something about it, is increasing by $6 million a day. That certainly ought to tell us we ought to move, we ought to do something now rather than waiting until later when it is going to cost more.

I also ask unanimous consent, Mr. President, that Mr. COCHRAN be added as a cosponsor.

The PRESIDING OFFICER. Hearing no objection, that will be the order.

Mr. McCLURE. I thank the Chair.

Mr. LEAHY Mr. President, the Senate Committee on Agriculture, Nutrition, and Forestry will be submitting legislation to resolve the long term problems of the Farm Credit System this session. There have been concerns raised about the future of the System without such legislation. As chairman of the Agriculture Committee, I am pleased to cosponsor this resolution affirming the intent of Congress to address the problems of the Farm Credit System.

I am especially concerned that credit should be made available on reasonable and competitive terms. When the 1985 and 1986 Farm Credit Amendments Acts were passed I felt it was clear that it was the intent of Congress to keep the Farm Credit System viable as a source of credit for farmers and ranchers. I also held the belief that the mechanisms set up would insure that the systems self help would not result in unreasonable and uncompetitive rates and terms for the contributing associations and districts. I believe that this resolution reaffirms the sense of the Senate on these issues. And it demonstrates to the members of the Farm Credit System our resolve to protect their investment in that system.

FEDERAL TRADE COMMISSION ACT AMENDMENTS OF 1987

The Senate continued with consideration of the bill.

Mr. BYRD. Mr. President, I had hoped we might be able to get a time limitation on the bill which would limit the number of amendments that might be called up, but that time agreement is still awaiting clearance. I, therefore, urge in the interest of time that Senators who have amendments proceed to call them up, debate them, and let the Senate act.

AMENDMENT NO. 83

(Purpose: To provide the Federal Trade Commission with authority to regulate the advertising of commercial airlines, and for other purposes)

Mr. LAUTENBERG. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from New Jersey [Mr. LAUTENBERG] proposes an amendment numbered 83.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 19, between lines 8 and 9, insert the following:

AIRLINE ADVERTISING

SEC. 8. (a) Section 5(a)(2) of the Federal Trade Commission Act (15 U.S.C. 45(a)(2) is amended by adding at the end thereof the following: "Nothing in this subsection shall be contrued to limit the power and authority of the Commission to regulate the advertising of common air carriers.".

(b) The Federal Trade Commission shall, within 180 days after the date of enactment of this Act, promulgate a rule to prevent deceptive advertising by air carriers. Such rule shall require air carriers to—

(1) disclose limitations, if any, on the availability of seats at advertised fares;

(2) disclose the policy of the carrier with respect to the nonrefundability, if any, of unused tickets;

(3) disclose the policy of the carrier with respect to minimun stay requirements and advance purchase requirements, if any; and

(4) disclose the on-time performance record of the carrier with respect to any flights for which scheduled times of departure or arrival of flights are included in the advertisement.

On page 19, line 10, strike out "18" and insert in lieu thereof "19".

On page 20, line 2, strike out "19" and insert in lieu thereof "20".

Mr. LAUTENBERG. Mr. President, this amendment addresses a problem of growing concern among the traveling public—airline advertising.

Over the last several months, problems with airline service have grown. Newspapers and magazines have run stories and editorials about the decline in service provided to American consumers. Constituent complaints coming into my office have increased dramatically. I know that many of my colleagues share this experience.

The problems facing the air traveler today are numerous. Delayed and canceled flights have become far too common. Lost baggage is commonplace. Mergers have provided certain carriers with virtual monopolies in some markets. These are problems that must be addressed. I, along with several of my colleagues, have introduced legislation relating to these issues. More is certain to come in the future.

My amendment deals with another aspect of the problems associated with airline service. My amendment deals with airline advertising.

The amendment is a simple one. It would provide the Federal Trade Commission with concurrent jurisdiction over airline advertising. It would not strip responsibilities from the Department of Transportation, which was given jurisdiction when the Civil Aeronautics Board was phased out.

The amendment would require the FTC to issue, within 180 days, a rule to prevent deceptive advertising by air carriers. That rule would require airlines to disclose limitations on the availability of seats at advertised fares. It would require the disclosure of the carrier's policy with regard to refunds for unused tickets, as well as minimum stay and advance purchase requirements. Finally, the on-time performance record for flights must be provided when the airline advertises scheduled departures and arrivals.

Mr. President, I propose this amendment because airline advertising all too often misleads instead of informing.

Mr. President, perhaps the most basic information a traveler wants to know is when the plane leaves and when it arrives. Airlines tout their schedules in their advertisements. They may say that planes leave every hour on the hour. All too often, they do not.

Airlines are promising more than they can deliver. They are promising schedules they know they cannot keep. Last year, there were 417,644 airline delays. That was up 25 percent from the year before. In 1986, almost one out of every seven flights at Newark Airport was delayed 15 minutes or more.

With records like that, schedules are bait for the unsuspecting. Riding through a hub city is like rolling the ball against a spin of the roulette wheel. That is great if you're a gambler. But not if you are trying to get to a meeting out of town.

That is why my amendment would substitute some truth for the false hopes of airline schedules. The FTC would require airlines to tell consumers their on-time records whenever they publish their scheduled times of departure and arrival.

But, schedules are not the only problem, Mr. President. Air travelers are lured by low advertised fares that simly aren't available. It is a source of frustration for travelers, especially pleasure travelers. They call; they hang on the line through repeated renditions of a prerecorded message preaching patience; they finally get a sales agent on the line, and they are told no, there are no more seats available for the $155 fare to Kansas City, but they could book you on a seat for one costing $100 more. It's the old bait and switch.

Let us look at two recent ads, clipped from the New York Times. Braniff offers a $155 fare from New York to Kansas City. But, read the fine print. It says: "Seats are limited." How limited? Five seats on each flight? Twenty? No one knows. No one knows what the chances of getting a seat are.

Here is another airline. It offers a $59 fare from New York to Chicago. When my staff called the airline, the agent first disclaimed any knowledge of the fare. Then she responded that we must be referring to their $118 round trip. That is the first restriction not in the ad. You have to book round trip. Then we were told you cannot fly on Friday or Sunday. That is another fact not in the ad. Of course, seats are limited. How limited? Who knows? But the agent was quick to offer their higher fare.

Mr. President, just to make a point, I want to cite another ad, also from the New York Times. It is not from an airline. It is from Crazy Eddie—one of a host of cut-throat electronics discounters in New Jersey and New York. Crazy Eddie's Blowout Blitz offers items below cost, it says. Half pint microwave ovens at $47. But, Mr. President, the ad says only eight ovens per store. It advertises a stereo cassette recorder at $17. But, it says only 10 per store.

Mr. President, it is ironic that Crazy Eddie tells consumers more than the airlines. Crazy Eddie discloses the limited quantity of a sale item; but airlines don't do the same for super low fares.

That has to change.

Airlines should be required to disclose the requirements on length of stay and advance purchase. Let me cite just two more ads—one by American, the other by Pan Am. They both appeared in the Times on the same day. American Airlines offers a roundtrip fare to Paris, $381 each way. But, what does the ad say? It says you have to buy the tickets 3 weeks ahead of time. You have to stay over 7 days. You cannot fly on weekends.

Now, Pan Am offers a round trip to Paris, $272 each way. That is over $100 below the American fare. But, what does the fine print say in the Pan Am ad? It says, "Advance purchase, varying effective dates, min/max stay requirements, weekend surcharges and cancellation penalties apply." What does that tell the consumer? Not a lot.

But, the bold print seems to tell the consumer that Pan Am has the better deal. Maybe it does. Maybe it does not. Maybe if Pan Am disclosed the same information American did, the consumer would see that it did not offer a better deal. But, the consumer cannot tell. Basic information is missing.

Mr. President, my amendment would change that. It would require the FTC to set some rules, and make all the airlines play by them.

Mr. President, why is this so important? Because knowledge is power. Armed with the right information, consumers can make informed decisions about which airline to fly. Informed consumer will make an airline that serves consumers, and break an airline that does not.

Misleading or deceptive advertising undermines the benefits of a competitive marketplace. Without accurate information, choices are distorted. Competition falters. And consumers suffer.

I would like to quote from an op-ed piece by Alfred Kahn, the father of deregulation, which appeared in Sunday's Los Angeles Times. I ask unanimous consent that the entire text of Professor Kahn's article be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. Daschle). Without objection, it is so ordered.

(See exhibit 1.)

Mr. LAUTENBERG. Mr. President, Professor Kahn made the following statement:

> Finally, even the strongest believers in free markets—that includes me—have always recognized the necessity of protecting consumers against deceit, fraud and violation of implicit contracts.

He goes on:

> Nothing is going to discredit deregulation more quickly than government's failure to fulfill its proper responsibilities. As with all other industries, that clearly includes enforcing antitrust laws and consumer protection laws.

Mr. President, consumers are not protected. The time has come to make sure they are.

Mr. President, from 1938 until 1978, the airline industry was regulated. It's fair to say that it was heavily regulated. During that time, the Civil Aeronautics Board had jurisdiction over virtually all aspects of the industry, from route and fare structure to consumer protection. Airlines were speci
ically exempted from FTC oversight.

When the CAB was phased out
1984, its remaining responsibilities fe
to the Department of Transportatio
However, DOT has not met those r
sponsibilities. There are no regulation
on the books to set standards for a
vertising of special fares. A carrier ca
advertise a fare of $78 from New Yor
to Los Angeles, and only have 10 sea
available. And there's very little a co
sumer can do about it.

They can do little more than com
plain. Consumers can file complaint
with the Department of Transport
tion. In 1985, 3,493 complaints regar
ing fares, advertising, refunds an
oversales were lodged with DOT. I
1986, there were 3,620.

But without some sort of regulatio
of advertising, those complaints yiel
little result.

With a regulated industry, it ma
have made sense to concentrate activ
ties within the CAB. But today, tha
same rationale does not apply. DO
does not have the will or the expertis
to adequately deal with the problem
FTC does. And the FTC should b
looking at airline advertising.

That is the intent of this amend
ment. It would put the agency bes
suited to regulate advertising in th
position of overseeing airline advertis
ing. It would provide our Nation's ai
travelers with the protection the
need, and the ability to make in
formed, rational decisions. And i
would help make the airline industr
truly competitive.

Mr. President, this morning I re
ceived a letter from Professor Kahn i
support of my amendment. As my col
leagues know, Alfred Kahn was Chair
man of the CAB when the airline in
dustry was deregulated, and as I note
earlier, is widely recognized as th
father of deregulation.

In his letter, Mr. Kahn states:

> I understand that you are contemplatin
> introducing a bill that gives the FTC join
> responsibility with the Department o
> Transportation to protect airline traveler
> against misleading advertising. I would en
> thusiastically support any such move o
> your part; it is a change that I have been ad
> vocating for years, and with increasing in
> tensity recently, in consideration of the in
> creasing delays and passenger complaint
> about air service.

I ask unanimous consent that th
text of Alfred Kahn's letter be printe
in the Record following my statement

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. LAUTENBERG. Mr. President
I also ask unanimous consent to insert
in the Record as well an article from
Sunday's Washington Post, along with
that paper's editorial on the need to
set some basic standards for the industry.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. LAUTENBERG. Mr. President, the need for oversight of airline advertising is also supported by the Aviation Consumer Action project.

This is a simple amendment, and an important one. I urge my colleagues to support it.

EXHIBIT 1

[From the Los Angeles Times, Sunday Apr. 5, 1987]

BLAME UNCLE SAM WHERE DEREGULATION OF AIRLINES HAS CREATED A BIG MESS

(By Alfred E. Kahn)

The deregulation of the airlines has done almost everything we expected. It has provided air travelers the benefits of price competition: Between 1976 and 1986, the average fare per mile rose 28.5 percent less rapidly than the consumer price index.

It also brought travelers a wider range of price and quality options, forced the airlines to achieve striking improvements in efficiency and exerted very healthy downward pressure on grossly inflated wages.

Even the popular supposition that the quality of service has deteriorated is probably more wrong than right.

Thanks to the Essential Air Services program, not one community that enjoyed licensed airline service when the deregulation act was passed in 1978 lacks it today.

Communities of all sizes generally have gotten more, not less, air service. And accident rates are down at least 35 percent.

At the same time, congestion and delays have clearly increased. Travelers' complaints are on the rise. And it may well be that the margin of safety has narrowed.

Increasing congestion and inconvenience are not in themselves signs of failure.

After deregulation, aggressive airlines offered the public low fares with, necessarily, less expensive service: narrower seating, longer lines and fewer amenities. The enormous response to these new options is a vindication, rather than a condemnation, of deregulation.

These annoyances, however, are largely the result of major failures of government policy.

To begin with, the government has failed to expand airport and air traffic control capacity adequately.

Travelers pay an 8 percent tax on every ticket they buy; it is supposed to pay for maintaining and expanding airports. But more than $5 billion of that revenue has accumulated in the Airport and Airways Trust Fund.

You might call it a kind of reverse user fee—users pay for government services but don't receive them; instead, the $5 billion helps reduce the federal budget deficit.

Meanwhile, the Reagan Administration periodically assures us that there are plenty of air traffic controllers; then they hasten to add that they have a program to train hundreds more.

Most Americans supported the President's vigorous response to the controllers' strike in 1981. But it appears that the controllers' working conditions were, in fact, abominable and that the Federal Aviation Administration had for years been unresponsive to their complaints.

Considering that we apparently need these controllers, the unwillingness of the government to hire any of them back after more than five years is sheer vindictiveness, a triumph of ideology over humanity and the interests of the flying public.

The FAA blames the airlines for bunching too many flights at busy times and at congested airports. For the second time in two years, it is telling them to get together, under exemption from the antitrust laws, and divide the scarce slots among themselves.

By doing so, the FAA is reimposing a cartel far more comprehensive than the Civil Aeronautics Board ever administered: It was prohibited from controlling scheduling.

But the fault does not lie with the airlines. They are behaving exactly the way we want and expect under competitive pressure, trying to give the public what it wants. The failure instead lies with the FAA and the airports for not pricing the scarce slots and air channels correctly.

There are two ways to handle the congestion problem, and neither involves telling the airlines to get together and divide up the market. One would be for airports to charge landing fees that vary by time and by place, to encourage a more even flow of traffic.

Another would be to limit the supply of available slots to the number of flights that airports actually can handle and then auction them off to the highest bidders.

The market does not solve all our problems, but it takes a special kind of idiocy to refuse to let it do jobs that it obviously could do with far greater efficiency and equity than a market-sharing cartel of carriers or a bunch of bureaucrats itching to run the whole system themselves.

The willingness of the FAA, in effect, to force antitrust exemptions and cartelization upon a reluctant industry is only one manifestation of its failure to appreciate the purposes and importance of antitrust laws.

Deregulation makes enforcement of the antitrust laws more important, not less. The reason we abolished economic regulation of the airlines, as it was practiced from 1938 to 1978, was that it systematically suppressed competition. The goal of deregulation was a competitive airline industry; the goal of antitrust is to keep it that way.

Nowhere is the complacency of this Administration about the need for antitrust enforcement clearer than in the blanket approvals that the Department of Transportation has given to the mergers rapidly transforming this industry, in several instances over the objections of the Justice Department's antitrust division.

Not all mergers are bad, by any means. But some of the recent ones have directly suppressed competition and left travelers on many routes with only one or two airlines, when previously they had two or three.

The result, in several glaring cases, has been higher fares and poorer service. The Transportation Department's dismissal of some Justice Department complaints against the Northwest-Republic and TWA-Ozark mergers was a serious mistake.

If we are to judge by its past behavior, Transportation will probably rubber-stamp the proposed combination of USAir and Piedmont, even though they dominate traffic in New York, Pennsylvania and Ohio, and compete directly against one another—and often with no one else—on many routes.

Finally, even the strongest believers in free markets—that includes me—have always recognized the necessity of protecting consumers against deceit, fraud and violation of implicit contracts.

When an airline says you have a confirmed reservation and then proposes to bump you because it has overbooked its seats, it has engaged in misrepresentation; that's why, when I was chairman of the CAB, we imposed the rule requiring airlines to offer large enough bribes to get volunteers to give up their seats. The rule has been something close to a complete success.

The same thing is certainly true when an airline advertises that a flight will leave at 8 a.m. from a crowded airport and reach its destination at, say, 9:20 a.m., when it knows it cannot possibly do so because of overscheduling.

Nothing is going to discredit deregulation more quickly than government's failure to fulfill its proper responsibilities. As with all other industries, that clearly includes enforcing antitrust laws and consumer protection laws.

The greatest danger of reregulation is posed by the laissez-faire zealots who don't understand the difference between government actions to preserve competition and the restrictions on competiton that we did so well to abandon.

EXHIBIT 2

DEPARTMENT OF ECONOMICS,
COLLEGE OF ARTS AND SCIENCES,
Ithaca, NY, April 7, 1987.

Senator FRANK LAUTENBERG,
U.S. Senate,
Washington, DC.

DEAR SENATOR LAUTENBERG: I understand that you are contemplating introducing a bill that gives the FTC joint responsibility with the Department of Transportation to protect airline travelers against misleading advertising. I would enthusiastically support any such move on your part; it is a change that I have been advocating for years, and with increasing intensity recently, in consideration of the increasing delays and passenger complaints about air service.

I must say, in candor, that I don't particularly care about retaining the authority of the Department of Transportation; as I pointed out in my testimony before the Senate Antitrust and Monopoly Subcommittee recently, the basic assumption underlying airline deregulation was that this industry could, like all others, be turned over to forces of competition, subject to the same antitrust laws and consumer protections as apply to all those others. To me that has always meant antitrust and consumer protection jurisdiction should reside in the regular agencies; I believe that the way in which the Department of Transportation has acquitted its responsibilities in these areas in recent years proves that I was right.

In any event, when airlines advertise flights as taking off at 8:00 and arriving at some destination at, say, 9:00, knowing full well that they cannot possibly meet that schedule, that is deceptive advertising, and calls for intervention. Similarly, if an airline tells a passenger he or she has a confirmed reservation on a flight which it then cancels for economic reasons, that, again, constitutes deceptive advertising. The same would be true of cases of bumping because of overbooking; but that problem is, I believe, adequately handled by the bumping rules that I had the pleasure of introducing when I was the Chairman of the Civil Aeronautics Board. I mention the bumping situation, however, because, once again, those rules were quite properly adopted in order to remedy what would otherwise clearly have been deceptive advertising.

Nothing is going to discredit airline deregulation more quickly than the failure of government to fulfill its proper responsibilities—among others, to ensure safety, to expand airport and air traffic control capacity, to price scarce airport slots efficiently, and to enforce the antitrust and consumer protection laws. In all these respects the Federal Government has failed badly in recent years.

I was delighted to hear of your intiative, and offer you my congratulations.

Sincerely,

ALFRED E. KAHN,
Robert Julius Thorne
Professor of Political Economy.

EXHIBIT 3

[From the Washington Post, Apr. 5, 1987]

DOING THE AIRLINE SHUFFLE—UNDER DEREGULATION, FLIGHT DELAYS GROW

(By Laura Parker)

ATLANTA.—It was the second-busiest day in the history of American aviation. Five hundred miles to the north, harried air traffic controllers directed two pairs of commercial jetliners perilously close together in the crowded sky over Chicago. Here at the Hartsfield International Airport, a low fog obscured the ends of the runways, meaning that the usual flow of Thursday morning traffic would be late.

In the Eastern Airlines flight tower far above the crowd of passengers jamming Concourse C, Eastern's man in charge of delayed flights pieced together the jigsaw puzzle of arrivals and departures that made up the airline's 11 a.m. rush.

As 35 jets nosed up to the gates, Steve Piel glanced over the log on his desk. Flight 632 from Miami: 25 minutes late. Flight 678 from Charlotte: 22 minutes late. Which planes should he hold for connecting passengers? Which passengers should be rerouted onto other flights?

American Airlines telephones Eastern with equipment problems. Can Eastern take any American passengers to Dallas? Eastern can take 41, Piel says. A DC9 breaks down and now there is a piece missing from Eastern's puzzle. A plane is taken off a Houston flight to fly 100 people to Birmingham, and the 34 Houston passengers are shuffled to a later flight.

"You can only rob Peter to pay Paul so often, and then you have to start canceling flights," Piel says.

When Piel picks up the phone call to Eastern's headquarters in Miami, that means trouble for Eastern's passengers. And the trouble these days usually means delays. By the airline industry's count, the number of delayed flights around the country has mushroomed by 25 percent since 1985. The U.S. Department of Transportation, which tallies only some types of delays, counted more than 417,000 delayed domestic flights last year, including more than 1,100 every day at the country's 10 busiest airports.

CUTTHROAT FARE WARS

The unfettered world of airline deregulation has bred huge corporate cat fights, of which, according to industry observers, there are likely to be only three or four survivors. Before deregulation, the now-defunct Civil Aeronautics Board assigned routes; now airlines are largely free to establish their own domestic routes. Cutthroat fare wars, scheduling wars and route wars rule the day. If reality does not, then imagery demands that to stay in the game, every airline have a 4 p.m. flight to Chicago.

The Transportation Department, which receives more consumer complaints about late or canceled flights than about any other airline problem, has targeted the scheduling wars. There are too many of those 4 p.m. flights to Chicago. With so many scheduled at once, they have no chance of leaving on time.

The department zeroed in on Atlanta, were Eastern and Delta Air Lines dominate operations, and began an investigation of scheduling practices to determine whether airline schedules are overly optimistic about departure or arrival times.

At the urging of Transportation Secretary Elizabeth Hanford Dole, the Federal Aviation Administration convened a scheduling meeting in Washington, D.C., last month and attempted to persuade rival airlines operating at Atlanta, Chicago, Philadelphia, Dallas and Newark to adjust flight times voluntarily.

The airlines, countering that the issue is too complicated to be solved by fixing schedules, went to the meetings reluctantly, gave up some flight times at some airports and then left town after four days with the snarls at the two busiest airports—Atlanta and Chicago—still to be unraveled.

No moves were made at Dallas-Fort Worth, where 21 departures are scheduled for 8:40 a.m., and 52 departures—34 of them belonging to American Airlines—are scheduled in an 11-minute stretch around 1 p.m.

"It was a brilliant move on Mrs. Dole's part. We are at fault," grumbled Russ Crawford, who coordinates flights at Delta. "She has successfully transferred the blame from the FAA."

Airlines uniformly fault the FAA for not hiring and training new air traffic controllers quickly enough since President Reagan fired 11,400 controllers six years ago during an illegal strike.

"The strike was the largest disaster ever visited on any industry," said Clark Onstad, vice president of the Texas Air Corp., which has absorbed Eastern, Continental, People's Express and Frontier airlines. "A pledge was made to rebuild the air traffic control system, and that pledge has not been kept."

In January and February, Onstad said, Eastern experienced 5,984 delays from air traffic control, compared with 3,280 in the same period in 1986.

The airlines also blame the FAA for not pushing hard enough to spend the Aviation Trust Fund, an airport improvement fund financed, in part, by an 8 percent tax on domestic airline tickets. The fund, with a surplus of $4 billion, sits unspent. The airlines charge that the fund's major purpose is to help the Reagan administration reduce—on paper, at least—the federal deficit.

"LOUSY BUS SERVICE"

William F. Bolger, president of the Air Transport Association, has called the failure to spend the money "a shameful failure of the government."

While the airlines fiddle with their schedules, Congress has done a slow burn. Senator J. James Exon (D-Neb.) complains that airline service has "deteriorated into lousy bus service." Senator Frank R. Lautenberg (D-N.J.) is so regularly delayed flying between Washington and Newark that he said he is thinking of starting the "Frequent Losers Club." Senator John C. Danforth (Mo.), ranking Republican on the Senate Commerce Committee, has flown so many delayed flights back home that he introduced a bill to require airlines to disclose on-time performance statistics. Senator Howard M. Metzenbaum (D-Ohio) called hearings to take another look at deregulation.

Both Delta and Eastern opposed deregulation in 1978, when it was championed as a populist cause.

"Our late president told them they'd end up with lousy bus service," said Jim Ewing, a spokesman for Delta, who said he can't resist the urge to write Exon a "we-told-you-so" letter. Now that Delta, which this month absorbed Western Airlines and became the fourth-largest airline in the country, has learned how to play the game, Ewing adds, Congress shouldn't change the rules.

James M. Stogner, Atlanta's airport operations director, likes to tell an old aiport joke when he describes how the "hub" system works:

"When people die, they don't know whether they are going to heaven or hell," Stogner said. "The only thing they know for sure is they have to go through Atlanta."

Atlanta was one of the few airports that worked as a hub even before deregulation forced airlines to cluster their operations around a major airport. Today, no airline can survive without a hub, a fact so familiar to the industry that the noun "hub" is now used as a verb.

"Hubbing" geometrically increases the number of flights an airline can operate, which increases the number of passengers it can carry and reduces its costs.

Take Delta's 3:30 p.m. push. Just after 2:15, 35 Delta jets begin homing into Atlanta. One after another, they land and lumber off the taxiways and, within 40 minutes, are lined up at the gates.

Delta's and Eastern's jetliners each make up to a dozen stops a day, including two or three trips through Atlanta.

"An airplane on the ground makes no money," said Ron Forbes, Eastern's passenger services manager.

But tight scheduling means that an airplane delayed in the morning has little chance of making up the time all day.

Flight 644 from Pensacola is carrying 68 passengers. Fifty-one of them will change planes. In this case, the morning fog here has slowed arrivals into Atlanta and Flight 644 is 30 minutes late. The flight is late because it left Pensacola late, and before that, it left Atlanta late, and before that, it left Chattanooga late—all because it started late in Tallahassee because of fog. Now, at 3:30 p.m., a dozen other Delta flights could be delayed because Flight 644 is carrying so many passengers with connections to make.

SPREADING FLIGHTS EXPENSIVE

The airlines say it is not as easy to spread out flights as the FAA would have the public believe. An airport hub, with planes coming and going in sequences, is timed as delicately as a ballet.

"Passengers would not tolerate getting in at 7 o'clock and leaving at 9. A passenger wants to get off the plane, go next door and get on the plane and leave," Forbes said.

Spreading out schedules is also expensive, as Piedmont Airlines discovered last year when it adjusted its schedules to reduce delays. Piedmont found that to fly a spread-out schedule, it needed four more planes, each costing $30 million.

Eastern and Delta operate more than 90 percent of Atlanta's flights. Eastern controls 47 gates; Delta controls 51. For more than a decade, they have been locked in one of the industry's fiercest battles for control of the South.

In 1984, Eastern and Delta declared a temporary truce to adjust their overlapping schedules when their waves of arrivals and waves of departures nearly brought the airport to a standstill. Now, their "pushes," as the airlines call them, occur in alternating hours.

Both airlines say they solved Atlanta's traffic jam in 1984.

"I still would like somebody to tell me that the problem is," Forbes said. "Atlanta, for Eastern, has never been better. Our on-time performance has never been better. Then I read in the paper, we're being investigated for delays."

Actually, this day will turn out to be one of Atlanta's better days. There will be only 844 delays in the entire country, by the FAA's count, 584 of them in the Southeast because of the bad weather. On an average, according to the FAA, Atlanta has 130 delays for every 2,000 flights, and it operates almost 2,400 flights a day.

It is useful to understand what counts as a "delay." As a lawyer for the FAA once observed, trying to analyze delay statistics with the airlines is like entering the "Twilight Zone." The airlines have not been required to report their on-time performance since deregulation began and are reluctant to release their own delay statistics. And the FAA counts delays differently from the way most passengers do. By the FAA's measure, a flight is delayed if more than 15 minutes pass between the time a plane is ready to leave the gate and the time it leaves the ground.

This does not take into account delays caused by mechanical problems, late-arriving passengers, late-arriving food service, late-arriving crew or late-arriving previous flights that were held at an airport by the FAA earlier in the day.

In other words, an Eastern flight that pulled away from the gate at Washington National Airport at 9:47 p.m. and left the ground at 9:59 p.m. was not delayed. Unless you happened to be one of the passengers. The flight was scheduled to leave at 8:44 p.m.

"A lot of people are flying for particular purposes," Stogner said. "When they find out they're not going to get someplace until after the wedding is over, obviously, they're going to get a little emotional."

Stogner is proud of the Atlanta airport, its simple, modern architecture, its efficiency. At the end of the day, he sometimes drives out to the runways to watch the blue and green and red runway lights flicker on as the sun sets. As the planes roll past his car to get in line for the evening rush, Stogner said, it gives him a different perspective on airline scheduling.

Stogner said he has seen 25 planes—all the taxiway will hold—backed up. He said he has seen taxiways so crowded that planes were within 200 feet of the runway's edge. He said he has seen his airport turned into a virtual parking lot for airplanes.

"If there are so many airlines backed up, it is possible to get gridlock," Stogner said. "Sometimes the crew is on the inbound flight, and the outbound flight can't leave because the crew can't get to the gate."

148 PLANES IN 60 MINUTES

Four days a week, Hartsfield International is the busiest airport in the world. On Friday, Saturday and Sunday it drops to second place behind Chicago's O'Hare International Airport. Last year, 45 million passengers passed through Atlanta. Two-thirds of them changed planes.

Harry McIntyre, the chief of the FAA's Atlanta air traffic control tower, said the airport can accommodate, every hour, an average of 148 jetliners landing or taking off.

The FAA has further refined this statistic to mean that the airport can average 37 flights every 15 minutes, no more than 20 of them arrivals or 21 departures.

After the scheduling meetings broke off in Washington, McIntyre looked over the proposed summer schedules and drew a little chart to illustrate the problem he could face in Atlanta.

"Between 10:45 and 11, we have 25 scheduled arrivals. We can handle 20," he begins. "Five will not get in. At 11 o'clock, I have 24 scheduled. I can run 20, so I carry over nine until the next 15 minutes."

At 11:15 a.m. there are 26 scheduled, so McIntyre would "carry over" 15 flights.

"At 11:30, I have 20 flights scheduled," he continues. "So I still carry over 15, until 11:45, when there are two flights. Then I can take the two and the 15."

The rush would be over by noon.

McIntyre said he is already effectively spreading out the flights bunched together at certain times of the day. If airline schedules reflected that reality, he said, there would not be as many of them backed up waiting to take off during the peak periods.

Delta and Eastern said the statistics used to determine the airport's capacity are to low. They said the airport routinely handles more than 37 flights every 15 minutes. In clear weather, the airport has handled as many as 162 flights in an hour.

Worse, Delta and Eastern said, statistics on which the decision to investigate Atlanta for delays was based did not, at first, include the airport's fourth runway, which opened in 1984. The statistics were later corrected, but Delta complains that the spotlight is still focused unfairly on Atlanta.

"The DOT put the airlines in a box. It's like asking. 'Do you still beat your wife?'" said Robert W. Coggin, a Delta vice president for marketing.

FAA Administrator Donald D. Engen counters that the airlines are writing their schedules based on ideal weather conditions. Weather is formally the culprit in two-thirds of all delays, but Engen adds that airlines compound those delays by scheduling for optimal weather. He said Atlanta's hourly capacity of 148 is based on an average. While the airport can handle more flights in clear weather, in bad weather it handles fewer.

"Nobody is going to be able to do away with weather. Nobody is going to be able to do away with mechanical problems," said Ed Faberman, the FAA's chief deputy counsel. "Scheduling is one element that is within control right now."

Delta compares the current snarls in airline traffic to the snarls in automobile traffic a town experiences after a population boom. First, the town puts up a stoplight. Then it puts up 15.

"People trying to drive through the town are victims of the traffic until someone says, "We have to time the stoplights' to allow for a smooth flow through town," said Crawford, who manages Delta's traffic flow.

The FAA, Delta contends, needs to time its stoplights.

After the air traffic controllers' strike in 1981, the FAA changed the way it directed flights. The new controllers were inexperienced; there were too few of them working to safely use old methods, such as airborne holding over airports.

Instead, the FAA began metering the flights, holding them at the gate at their airport of origin and spacing them out en route until there was room at the destination. The FAA, cautious about handling air traffic safely, also increased the separation between planes as they flew.

NEW "LANES" CREATED

From the airlines' point of view, these new methods only made delays worse.

In time, the airlines learned that by manipulating their schedules, they could avoid getting held at the gate. In one instance, Delta discovered that its Baton Rouge-to-Dallas flight, scheduled to leave a minute earlier than the American Airlines flight on the same route, was being held at the gate. Then Delta discovered that the American flight was scheduled to arrive in Dallas earlier than the Delta flight. When Delta changed its arrival schedule, the flight stopped getting held at the gate.

FAA chief Engen, who acknowledges that the air traffic controllers are still playing catchup to the prestrike days, points out that the system under his guidance is safe.

Delta further complains of bottlenecks at various points throughout the country. Flights are no longer routed on the shortest routes between two cities. Lowell Eggers, in charge of Delta's flight control, said it takes 9 minutes longer to fly between Altanta and Kansas City than it did in 1983 and 14 minutes longer to fly between Fort Lauderdale and Boston than it did three years ago.

The FAA said its new East Coast plan, a series of new "lanes" created to smooth the heavy flow of air traffic in the New York area, dramatically reduced delays in and out of Newark, La Guardia and John F Kennedy airports. But from Delta's point of view, the New York plan only added to the time it takes to fly between New York and Cincinnati because Delta jets no longer fly the most direct route.

"The flying times are steadily increasing," Eggers said, shaking his head at this irony of this highspeed, modern world. "It's just like the planes are flying slower year after year after year."

To Whom It May Concern—Letters Received in January and February by the Department of Transportation

"I don't want to waste your time with the details of how I arrived home at 3:00 a.m. when scheduled for 10 p.m. However, I do feel that Eastern Airlines has an obvious disregard for schedules, connecting and passenger needs, which merits attention by your office, and at the very least an answer to me by Eastern Airlines."

"I was a passenger on Delta flight 419, from Atlanta to Tampa on January 30, 1987. This flight did not depart Atlanta until it was otherwise due to arrive in Tampa," * * *

"We again boarded another 747 finally, and as we were on the runway ready to take off, when the captain announced to full capacity passengers that a component had malfunctioned and we would be towed to a hangar and that it would only take about seven to ten minutes to replace the componet."

"I am very, very sorry to say if it was 10 minutes that wouldn't be so bad, but it actually took seven hours, that still wouldn't be so bad, because we were advised by the stewardess that we were to receive lunch, which we never received and the drinking water was so hot you couldn't drink it."

"There are really no words which could describe our sufferings during those long hours and days. We felt our rights and our respect as human beings had been barefacedly abused by this airline. And worse, there was no responsible person to turn to, since EAL's personnel there ignored our just complaints."

ONE LITTLE BREAKDOWN * * *

A true flyng story: When Eastern Airline's red-eye flight from Los Angeles to Atlanta developed mechanical difficulties and landed in Memphis, it was only the first in a chain of events that delayed hundreds of passengers and fouled up flights for a whole day.

The passengers on the Los Angeles flight eventually reached Atlanta on three separate Delta Air Lines flights from Memphis, but the broken-down aircraft remained in Memphis. That was the plane that was scheduled to fly 272 people from Atlanta to Miami at 11 a.m.

To make up for the missing plane, some of those 272 Miami-bound passengers were put on a morning Delta flight. About a third of them were put on a noon Eastern flight. The rest were supposed to get Eastern's afternoon Miami flight on a plane that was coming in from Toronto.

But that would have been too easy. The Toronto plane, with 380 passengers aboard, broke down before it took off.

Back in Atlanta, Eastern decided to pull a Boeing 727 bound for West Palm Beach off its flight when it stopped in Atlanta. The West Palm Beach passengers were shuffled to a smaller aircraft, and a new crew was called in to fly the 727 to Miami in midafternoon.

The last 50 of the Miami-bound passengers finally left Atlanta, more than five hours late, on a 4:15 p.m. flight.

But what happened to the 380 passengers in Toronto? Well, that's another story.—LAURA PARKER

[From the Washington Post, Apr. 5, 1987]

GAMES AIRLINES PLAY

Air travel may be cheaper than it used to be, but anyone who tries to rely on it these days knows only too well how unreliable it can be. Overbooking is no longer an occasional event—it's a nasty habit of airlines, accompanied by little games that are supposed to distract from the deception. Ticket-holding travelers arriving well in advance of alleged takeoff times are told that, sorry, they lose—but they also are eligible for another flight at some point or maybe even a free flight to somewhere else some other day. With luck—and perhaps an in-cabin, on-the-ground auction/raffle up and down the standing-room-only aisles—enough carefree travelers may go for the bait and make room for those who really have an appointment to keep.

The other side of overbooking—and it's difficult to document—is the undersold flight that somehow gets delayed or canceled for some less-than-obvious reason. Add to these delays those that stem from totally unrealistic flight scheduling at airports that can't possibly handle such volume, and you have the making of unreliable, unacceptable service that screams for better oversight.

Is this a consequence of airline deregulation? Yes. But the answer isn't a return to the old days of minimal competition and artifical fare structures. The competition that drove many fares downward on the more heavily traveled routes has created a new market for standby passengers willing to entertain bonuses and seats on later flights; and in some instances lower fares may have tightened airlines' budgets enough to inspire some "cancellations" due to nothing more than a rash of empty seats.

But deregulation is not and should not be absolute. Just as it does not mean the dropping of safety regulations, it should not mean a hands-off policy when it comes to passenger service, flight schedules and computer reservation service. In a column on the op-ed page today, Transportation Secretary Elizabeth Hanford Dole outlines some of the investigations and changes in air traffic procedures that are now under way; still others are called for, including more facilities, more air controllers and more sophisticated equipment. But the country's airlines—whatever their names and routes turn out to be from day to day—should be on notice that an increasingly angry traveling public is looking to government for standards of service and enforcement to make the rules stick.

Mr. HUMPHREY. Mr. President, is the Senator yielding the floor? If not, will he yield to me?

Mr. LAUTENBERG. I yield.

VISIT TO THE SENATE BY MEMBERS OF THE PAKISTAN NATIONAL ASSEMBLY

Mr. HUMPHREY. Mr. President, we are honored to have today on the floor of the Senate Members of one of the Houses of Parliament of the Pakistan National Assembly.

This is an historic visit, as these elected parliamentarians are testament to the important strides that Pakistan is taking to restore democracy and elected government.

Mr. President, 1985 was an important year for the people of Pakistan. In January 1985, Pakistan's President Zia Ul-Haq announced that parliamentary and provincial elections would be held the following month. In those elections, more than 1,200 candidates contested for the more than 200 seats in the National Assembly. Although the elections were formally boycotted by some, an article by Prof. William Richter that appeared in the February 1986 edition of Asian Survey states: "The February elections were widely regarded as relatively clean and fair. * * *"

In connection with fairness, it is significant to note that the voters defeated several of President Zia's own cabinet officers.

Following the elections, the provincial assemblies moved quickly to elect members of the upper house, the National Senate. President Zia designated Mr. Muhammed Khan Junejo as Prime Minister, and by April 1985, a 13-member cabinet was announced. In keeping with the Prime Minister's promises, on December 30, 1985, martial law was formally abolished and civilian government was once again restored.

Mr. President, these are very significant developments. We are encouraged by the progress that Pakistan continues to make. During a visit to Washington last summer, Prime Minister Junejo discussed with President Reagan Pakistan's progress toward the restoration of democracy. A joint statement released at the conclusion of that visit states:

> The President lauded the return of representative democracy to Pakistan, praising Prime Minister Junejo and President Zia for the steps taken to end martial law and restore to the Pakistan people the full liberties granted by the 1973 Constitution.

Earlier this year, the State Department formally reported to Congress that, "Democracy and respect for human rights advanced significantly in 1986."

My introduction would be incomplete without paying tribute also to Pakistan's courage and principle in standing as a bulwark against Soviet imperialism and for her compassion toward the 3 million refugees in Pakistan who have fled the Soviet war in Afghanistan. It is a simple fact, that were it not for Pakistan's courage, by now Afghanistan would have been dragged bleeding into the Soviet Empire and the security of all of South Central Asia imperiled. For her stand Pakistan suffers daily aerial attacks and KGB-inspired terrorism. She is bearing a heavy burden today and richly deserves American commitment to her security and economic well-being.

Mr. President, I urge each of my colleagues to take a few moments to greet our distinguished visitors, whose names are Mr. Sahibzada Noor Hassan, Dr. Attiya Inayatullah, Mr. Abdullah Gazi, Mr. Liaquat Baloch, and Mr. Fatem Mohammed Khan.

[Applause.]

RECESS

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 3 minutes so that Senators may greet our distinguished visitors, members of the National Assembly of Pakistan.

There being no objection, the Senate at 4:16 p.m. recessed until 4:20 p.m., whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. DASCHLE).

The PRESIDING OFFICER. The Chair recognizes the Senator from Tennessee.

Mr. GORE. Mr. President, I too want to join in the statement made earlier about how honored the Senate is to have a visit from this distinguished delegation from Pakistan. The friendship between the United States and Pakistan is very deep and very genuine and very sincere. In spite of the difficulties in the relationship from time to time, the enduring quality of our friendship is something quite special and certainly very substantial.

Indeed, all Americans have an enormous admiration for the courage of the Pakistani people in the face of this invasion—and, literally, it is an invasion—of their territory by Soviet warplanes. Many throughout the world have the impression that the bombings which now take place are only taking place in Afghanistan. But the Soviet Union's warplanes have repeatedly flown across that border—it is bad enough for them to bomb villages in Afghanistan, just one of the horrid acts of this century—but they continue across that border and bomb villages in Pakistan, killing innocent men, women, and children, and they have done it repeatedly.

The entire world should be outraged by what has gone on in Pakistan and the bloodshed which is the responsibility of the Soviet Union. The courage displaced by the Pakistani people in the teeth of this act of violence and aggression is something that has aroused the admiration of all free peoples throughout the world.

So, again, all of us, I know, stand united in our friendship and support and admiration for the people of Pakistan. This visit today is a most appropriate and timely one.

FEDERAL TRADE COMMISSION ACT AMENDMENTS OF 1987

The Senate resumed consideration of the bill.

Mr. GORE. Mr. President, if I could turn to the amendment now before the Senate, the amendment to the Federal Trade Commission authorization bill which has been proposed by my friend, the distinguished Senator from New Jersey, Senator LAUTENBERG, let me say that most of us in this Chamber on both sides of the aisle have been keenly and personally aware of the problems now so evident in commercial aviation. And I dare say, if there were a referendum today on whether or not the problems are at the outrageous level requiring immediate action, that would pass unanimously without dissent.

There are other questions relevant to this amendment, however, and one of them is procedural. The Aviation Subcommittee of the Commerce Committee has already scheduled hearings on this very problem. Indeed, those hearings are now slated to begin on April 23. That is just 2 weeks from now. And during those hearings, the chairman of that subcommittee—who will wish to be heard on this amendment if we proceed toward a vote on this amendment—the distinguished Senator from Kentucky, Senator FORD, has in mind an indepth exploration of all of the problems that properly come under this particular heading.

And I can assure my colleague from New Jersey that there is strong support on the Commerce Committee for coming out of the committee with a piece of legislation that deals with not only the problem that is dealt with in this amendment, but several related problems as well. We would welcome the participation of the Senator from New Jersey in those proceedings and here on the floor when we address this issue in a comprehensive manner.

Now, pending the holding of those hearings and the indepth exploration of exactly what needs to be done, it would, of course, be the preference of members of the committee to at least temporarily put on hold formal action here on the floor of the Senate of the kind proposed by the Senator from New Jersey and embodied in this amendment. I do not know whether the Senator might entertain a request to withdraw the amendment with a pledge of very strong support from members of the committee when we revisit this issue and deal with the Senator's proposal along with others. If he would be willing to entertain such a request, it would certainly be a way that we would like to proceed.

In the event that that is not possible, then we will just continue with the consideration of it. And I know that the Senator from Kentucky has some strong feelings about this and will be making his way to the floor. But I know for a fact that there is very strong support for action of this sort in the event that we could work together in a timely way following these hearings scheduled just 2 weeks from now.

Mr. LAUTENBERG. Mr. President, I commend the distinguished Senator from Tennessee for taking a forthright view of this and his declaration that the subcommittee will be holding hearings and be exploring the whole problem, because it is a very complicated one and one certainly that needs attention.

However, in the interim, people call my office; the Senator from Tennessee, as he described his support for the intent of the amendment offered, indicated that he too has experienced some of the problems associated with what we are trying to deal with. I know that people throughout the country have experienced delays, do not know what they are getting into when they plan a trip, do not know whether or not the ticket they bought will endure if there is a mixup in the routine, whether or not a connection is missed, whether the low fare that they were promised initially will continue. These are problems of a current and urgent nature. We have more complaints, more distressed people.

When a family waits, saves their money to take a vacation and brings along a fishing rod or a pair of skis, a set of golf clubs, something the family has talked about over the dinner table. They saved their pennies for a year and finally they get out there and find none of the equipment that they planned to use on their vacation arrived with them. The inconvenience, the distress, the broken plans are very serious problems for the recreational traveler, for the vacation traveler.

The business traveler? Whether it is a set for drawings, a set of slides, or plans for a development, if that material that is supposed to arrive with the passenger does not make it, all the best plans can go awry. These are current problems. It is something that we are experiencing daily across this country at the busiest airports.

I flew up this morning from Atlanta, GA. We arrived 25 minutes late and we all congratulated ourselves that we arrived on time—25 minutes late. If we had another connection that was close, we probably would have missed it.

But, in response to the Senator from Tennessee, who is always very thoughtful and I know wants to work with me and with all of the Senators interested in this issue in solving the problem, I would say the problem is too urgent; it is too current. This does not in any way prevent the appropriate subcommittee in the Commerce Committee from holding hearings, from considering comprehensive legislation.

What we are looking at now is a very simply amendment. I says:

> Disclose limitations, if any, on the availability of seats at advertised fares;
>
> Disclose the policy of the carrier with respect to the nonrefundability, if any, of unused tickets;
>
> Disclose the policy of the carrier with respect to the minimum stay requirements and advance purchase requirements, if any.

These are very basic things. What we want is simple language that the average consumer understands, that they are not confused by, that does not upset their plans. It is the kind of thing that we could go ahead with promptly and not in any way discourage thoughtful legislation, thoughtful review, and hearings.

So I would hope that we could give this amendment a hearing, a review now, take a vote on it, and let us see what the sentiment of the Senate is.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, I would like to share with my distinguished colleague from New Jersey his anger and frustration, which, I am sure, is shared also by millions of Americans who have experienced delays, cancellations, lost luggage, and have become the victims, to some degree, of what could be I think appropriately described as deceptive advertising.

In the Washington Post last Sunday, there was mention that domestic airline flight delays are up 25 percent since 1985. On the average, the Nation's 10 busiest airports experience 1,100 delayed flights every single day.

At the Dallas-Fort Worth Airport, which I, being from a Western State, pass through quite frequently, and which is just one example, 21 departures are scheduled for 8:40 a.m. During an 11-minute stretch near 1 p.m., 52 flights were scheduled to depart. I think this is a clear example of what most Americans would interpret as deceptive advertising.

It might also be worthy of note, Mr. President, that the near-misses, those near collisions between airliners, have nearly doubled within the last 2 years also. We have a safety factor involved here. When pilots experience delays in leaving the gates, when pilots experience delays in leaving the runways, they also become frustrated. There is a famous anecdote of a year or so ago where the airline captain announced to the passengers that he was quitting, and walked off the airplane. This is certainly an extreme example but I am sure that many airline pilots feel the same way. The passengers themselves, if they could somehow do the same, if they were not captives on board those airliners, would take the same course of action in all probability.

As I mentioned, Mr. President, I come from a Western State and have to change airplanes because there is no direct flight between Washington, DC, and Arizona. I believe those of us from Western States not only share the frustration of the Senator from New Jersey but experience it perhaps more often.

Last year, the Department of Transportation received 30 percent more complaints and inquiries about airline service as compared to 1985. The No. 1 complaint concerned delayed and canceled flights.

I think it is clear that the airline industry has done little through its marketing practices to alert passengers to potential problems.

Another example: An airline will sell you a ticket for a flight to O'Hare, Chicago O'Hare Airport, scheduled to land at 9:15 a.m., but it probably will not tell you that there are 36 flights scheduled to land at Chicago O'Hare Airport at 9:15 a.m. At best only two of those flights could possibly land at that time.

My colleague from New Jersey mentioned marketing practices of tickets sometimes called max savers. While prominently advertising cheap fares, the airlines are allocating a limited number of such seats on each flight and impose severe cancellation practices. In some cases, these practices may be little better than the old bait-and-switch schemes.

I think it is important to know that more and more flights are overbooked. I personally have experienced at some points the airline representative getting on the public address system and making offers to airline passengers if they will agree to delay their flight and leave the airplane.

This, of course, adds more to the delay and frustration.

I would like to point out that our chairman of the Aviation Subcommittee of which I am a member, Senator FORD, is deeply concerned about this issue. I know he is scheduled to come to the Chamber and speak on this issue.

He has scheduled hearings for later this month. I believe that those hearings will be very important and will certainly be well attended.

I have a great deal of optimism that the work of that subcommittee and the full Commerce Committee will result in meaningful important legislation designed to insure the American people receive the kind of airline service that they are entitled to and which they have every right to expect when they purchase an airline ticket.

I am hopeful, despite the frustrations that my colleague from New Jersey feels and I feel, and millions of Americans feel on a daily basis, that we would be able to get this issue fully ventilated. We should allow the airlines to tell their side of the story. I am sure they have a story to tell as well. We should allow the FAA to relate to us the changes being made so that there will be less of these kinds of inconveniences. Also, we should include information from Secretary Dole, who is meeting with representatives of the airline industry to discuss the schedules at two airports. I believe they are Chicago O'Hare and Dallas/Fort Worth.

I think a case could be made that they should be discussing those schedules at almost every major airport in America.

I am totally sympathetic to the goals of this amendment. I fully agree with what my distinguished colleague from New Jersey is attempting here. However, I would urge him to consider a requirement for full hearings and ventilation of this issue before we rush to enact legislation, which may not accomplish what we seek to do.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Not wishing to prolong the debate, Mr. President, but being compelled to support my amendment, I thought carefully about it before it was offered. The Senator from Arizona was very supportive of its intent. As I listened to his recitation of the problems that he and travelers from his part of the country experience, I was pleased to note the confirmation of my view.

We are not dealing with a lot of the problems that the Senator from Arizona so clearly articulated. We are not going to discuss what the Department of Transportation has endeavored to do in calling together the management of the airlines to try to resolve their scheduling competition.

Unfortunately, the first attempt at that broke up in disarray without any accomplishment.

What we are saying fairly simply, if I may persist for a moment, is to say to the traveler, "Before you buy, at least have the knowledge."

It is one thing when you go to an airport and you know that airline A has a better on-time schedule than airline B and you make a free choice. That is the marketplace. We all like to see that. But we have seen a reversal of that because there is a tendency by some airlines that have an enviable position of slots, gates, and opportunities to get into the air, to change prices. But we are not even dealing with that. What we are saying is that when that consumer makes a decision to call up the airline, their travel agent, or goes to the counter and says, "Book me a trip from here to Phoenix," they should know if there is more than one airliner serving that route. They have a choice of airlines, not simply the one that offers a low fare—maybe not an abundance of those—but one that says, "We are going to get you there on time 75 percent of the time" whereas the other airline may only get you there on time 50 percent of the time.

It is frustrating and painful, and despite the personal frustration that each of us feel, it goes way beyond what we individually experience. It goes to the constituents whom we serve.

My area, the New Jersey-New York region, with its heavy dependence on airline travel, cannot exist, cannot continue to flourish economically, if people cannot rely on their ability to get places and do business on time.

So our amendment, once again, is very simple. It talks about disclosing limitations on the availability of seats at advertised fares; it talks about nonrefundability policies; it asks for a disclosure. These are all disclosure items; the policy of the carrier with respect to minimum stay requirements; days of travel; and on time performance.

With all due respect to my two distinguished colleagues, this does not need a lot of hearings—not in this session. Yes, comprehensive legislation does. The time is opportune. We are talking about a reauthorization of the FTC. We are talking about a moment, and an appointed time when we can get something under way that helps relieve the problem for travelers.

There cannot be a Senator in this body who has not heard from a constituent about the delays, about lost opportunities, about frustrations, about lost money, and about confusion when it comes to airline travel.

I am asking my colleagues indulgence on this to say, look, let us get the ball rolling now. Let us get the program started. Let us tell the American people that we are looking into this, that we share their frustration, and that we share their concerns. And we in this Senate are saying to the airlines, "Brothers, shape up." That is what you have to do. You have to tell the public exactly what you are about. You have to tell the public whether you mean it when you say you are on time. You have to tell the public you mean it if you say a fare is $79, $59, or $39 of if it's just another come on?

So these few items contained in this amendment are reasonable attempts to help the public deal with the problems that we have been experiencing. Imagine over 417,000 delays last year, 35,000 delays out of Newark Airport alone, one flight out of seven not leaving on time. Not leaving on time may mean more than a 15-minute delay. That could be a 1-hour or 3-hour delay. This is a chance to get at this problem.

I would urge once again the support of my colleagues on this, and at the same time I encourage the Subcommittee on Aviation and the distinguished chairman from Kentucky to proceed with its hearings, proceed with the development of comprehensive legislation that really examines this problem thoroughly, and meanwhile have on the record a piece of legislation that accommodates the needs of the traveling public.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, the distinguished Senator from New Jersey pleads an eloquent case, but he has yet to tell us how much his amendment is going to cost; he has yet to tell us what the end result will be. We have a committee system here that works very well. We are not asking the distinguished Senator to wait months. We are asking him only to wait a few days so that we in the committee of jurisdiction can hold hearings, understand the background, understand the costs, and be sure that when we move forward, that we move forward in the right direction.

We have the statement: Let us go ahead and have the hearings, but let this go on down the track. We have the hearings after the fact. I think it is important that we hold hearings before the fact.

I am trying my best to chair the Aviation Subcommittee of the Committee on Commerce, Science and Transportation. We are currently holding hearings on the aviation reauthorization bill. We understand about the delays. We understand more about the delays across the country than I imagine the Senator from New Jersey does about just one location. He tells us about all of the delays. We understand that.

What percentage of delays are based on the weather? What is the percentage of delays on mechanical problems? We get into all of these things.

So it develops, Mr. President, that the situation needs a great deal of study. And we on the Aviation Subcommittee are on the verge of doing that.

This year the number of complaints about airline delays, lost baggage, canceled flights, unattainable fares, have made the front page of every paper in the country. We understand that it is out there. We are trying to work with it within the system.

As a frequent flier, I have had my share of personal experiences, as the Senator from New Jersey has, I am sure.

So I do not think any of us are Lone Rangers, as it relates to the problems that have developed. Clearly something needs to be done. I think the Senator from New Jersey as well as the Senator from Ohio should be commended for introducing legislation to address these problems.

I think it is incumbent upon them to allow those of us who are charged with the responsibility to come back to the floor with legislation, and, if at that time it is not adequate and we have not done our job properly, we have not satisfied other Senators as it relates to their problem, and if we have not put together the legislation in a manner that is satisfactory, then at that time I think it would be important for us to debate what we have left out.

But just to say that the significant impact on both the air carriers and air travelers requires the collection and dissemination of information of millions of people, there is so much at stake here.

Mr. President, I would be hopeful that my friend from New Jersey would at least give us an opportunity to consider this more carefully. We are only talking about shortly after the recess. We are going to be out a week. So, really, you are only delaying about 6 or 7 legislative days. I understand that he would prefer to go ahead and have a vote today. If he does, I am placed in the position of having to table my friend's amendment. And I do not want to do that.

I just feel it would be important for us to have the opportunity to look at it. I will give it as close scrutiny as I possibly can. We have no idea of what the impact would be as relates to this amendment, how much it would cost, who it would affect, or how it would be implemented. We have all of those questions that are not stated.

Once you put an amendment on, you expect it to be carried out. Then you come back and say why you did it. And you have no explanation for it.

We all have a problem with air travel. I have experienced it just this weekend. I experienced it the weekend before. And I think all of us understand it very well.

So I urge my good friend to allow us to study his request, give it expedited hearing, and get it on the floor as quickly as possible.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. One of the often unpleasant tasks here on the floor of the Senate is to disagree with someone who has jurisdiction, and so much knowledge about a subject. But I would further like to plead my case by telling my colleague from Kentucky that I am not really a Lone Ranger. We do not have a lot of those in New Jersey.

In this case I come here not simply as a Senator from New Jersey, but as chairman of the Transportation Subcommittee on Appropriations. And we hear a lot about people's complaints with air travel and other forms of travel in this country.

In response to the concern of the Senator from Kentucky about costs, the amendment reads "The Federal Trade Commission shall within 180 days after the date of enactment of this Act promulgate a rule to prevent deceptive advertising by air carriers. Such rule shall require carriers to"—and it lists the requirements.

Very frankly, I would have to say the costs, if any, associated with this have to be de minimis. We are not talking about anything that is going to cost the Federal Government something significant while at the same time it is very obvious that the consumer may gain substantially.

So I honestly believe that the cost factor is not of significant proportion here that it should hold up this amendment.

The other thing is that the subcommittee and the full Committee on Commerce, I believe, hold hearings to get the FTC authorization to this point.

If the Senator from Tennessee would respond to that question, I would be grateful.

Has the committee held hearings on the FTC authorization before it was brought to the floor here and passed through the committee?

Mr. GORE. Yes, we did. We had hearings on the proposal. We had 2 days of hearings on this measure before it come to the floor. At no time was there any mention of this subject by any of the witnesses.

Mr. LAUTENBERG. I would then have to say that there was an opportunity for hearings for the full scope of the FTC authorization. I assume, as you review the legislation necessary to get this authorization up to the floor, that you covered the scope of things.

This is not at all to criticize the work of the subcommittee.

Mr. GORE. Would the Senator yield?

Mr. LAUTENBERG. For a question. I will be finished in just a couple of minutes if the Senator would permit me.

Mr. GORE. I will withhold.

Mr. LAUTENBERG. So the hearings were held on the jurisdiction, the mission, and the agenda for FTC. Otherwise I know my distinguished colleagues could never have approved it through the committee and brought it to the floor.

I would also have to say that, personal experience notwithstanding, because that is not the thing that ought to force us to quick, hasty, impulsive response on legislation; this amendment is necessary.

Mr. FORD. Will the Senator yield to me for just a moment?

Mr. LAUTENBERG. Certainly, Mr. President.

Mr. FORD. The Senator talked about the Federal Trade Commission reauthorization bill on the floor now, that we had an opportunity to bring this up at that time and we did not. Let me quote that currently, "section 5 (a)(2) of the FTC Act bars FTC jurisdiction over unfair methods of competition and unfair or deceptive acts by common carriers regulated by DOT under the Federal Aviation Act of 1958."

So, the Senator is criticizing us for not bringing this up when we had an opportunity to do it, but under current law, we are not allowed to do it. This is an aviation question and not a Federal Trade Commission question. Under the rules, it should come under the Aviation Subcommittee.

With those facts out there, I do not understand how the committee can be criticized for not bringing it up on this bill when it is a fact that the rules prevent us from doing it and the rules say it is under the jurisdiction of the Aviation Committee. So the FTC reauthorization bill did not consider it.

Mr. LAUTENBERG. I thank the Senator from Kentucky.

It is my understanding that when the CAB sunsetted, this fell to the jurisdiction of the Department of Transportation.

Mr. FORD. That is correct. And that is not the Federal Trade Commission.

Mr. LAUTENBERG. When we look at the record and look at the results, what we see is a fairly insignificant accomplishment in terms of the convenience to the traveler. Things have gotten much worse. It looks like nobody is in charge at DOT. That is one of the reasons that we want it to be in an agency that has jurisdiction over advertising, that is concerned with deceptive advertising, that is concerned with the consumers' knowing the truth about what it is they are buying.

I hope that my colleagues will continue the process that has begun in the Commerce Committee, to have a thorough understanding of what this whole problem is about. Meanwhile, I would like us to close a loophole through which many consumers' goods, baggage, and money falls.

The Senator from Kentucky suggested that I was drawing my experience from just traveling in my region. As he knows, all of us have opportunities and commitments to travel across the country. I would like to make certain that it is understood that this experience is not limited to the New York-New Jersey region. This experience has been so general that I started a club that contrasts with the Frequent Flyers Club. We call it the Frequent Losers Club. We use the penguin as a symbol, because the penguin is one of the few birds that does not fly. If you join the Frequent Losers Club, you are entitled to all of the penalties—lost baggage, lost connections, lost business, and so on. You are entitled to all of those. All you have to do is sign your name.

I will tell the Senator something, Mr. President: We have started a groundswell. A lot of people want to join that club. We have open membership if any of my colleagues would like to join.

What I say in response to my colleagues, in all respect to their commitment to getting comprehensive legislation underway and reviewed; is that it is going to take some time, a few months, before it turns into legislation that is considered on the floor. I hope that my colleagues in the Senate who have heard from their constituents, as well as people from other States that they meet at airports and so forth, who complain bitterly about things that have taken place, will join me in saying let us consider this legislation to get this part of the problem taken care of.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

The Senator from Tennessee.

Mr. GORE. Mr. President, I support the comments of my colleague, the Senator from Kentucky [Mr. FORD]. First, I had asked the Senator from New Jersey earlier to yield briefly simply to make the point that was later made by my colleague, the Senator from Kentucky. That is to defend the subcommittee's hearings by saying that, indeed, the law does explicitly carve out an exception which was just read a moment ago, and give this particular matter to the Aviation Subcommittee. When the statement was later made that it is not an inconsequential matter, I agree with that. Indeed, that is the reason that subcommittee of the Commerce Committee has scheduled extensive hearings on this particular practice.

I would say that those Americans who have been inconvenienced by the airlines—and I count myself among them—have not been inconvenienced merely by advertising practices of the airlines. In fact, the vast majority of Americans who have experienced inconvenience have experienced problems that have absolutely nothing to do with advertising. Most of them are probably like me and like many of the rest of us; that is, you do not really look that much at the advertising. You look at the schedules, you see a competitive rate, but you want to get from point A to point B at a particular time. You go to the airport and you encounter all manner of inconvenience.

What the Senator from Kentucky is planning with these hearings is an extensive examination of all the problems that Americans are now experiencing during this period in commercial aviation, not limited to advertising. It would be unusual for the Senate to take just a very tiny portion of this problem and deal with it definitively on the floor just 2 weeks before the appropriate committee of jurisdiction is undertaking a comprehensive look at the problems that Americans are most concerned about with respect to commercial aviation.

Mr. LAUTENBERG. Will the Senator yield for a question?

Mr. GORE. I would be delighted to yield either for a question or a statement.

Mr. LAUTENBERG. Just a question, Mr. President.

How long is it likely to take before legislation works its way through the subcommittee to the committee and then to the floor? Is that likely to be in 2 weeks?

Mr. GORE. Since the hearings begin in 16 days—I would not expect legislation on the day of the hearing, but I would expect an expeditious drafting of legislation. It is not for me to say, but I can tell the Senator that the sentiment on the Commerce Committee is very similar to the sentiments so eloquently expressed by the Senator from New Jersey. I have no doubt whatsoever that there will be legislation forthcoming.

I shall allow the chairman of the appropriate subcommittee to respond if I may yield for that purpose.

Mr. FORD. I thank my distinguished colleague.

Mr. President, we are seeing the problem that is being created here now, that we are on the FTC, reauthorization, I guess, for the first time since 1980. If we get too much baggage on it, it may never see the light of day. We were hoping that we could finally authorize a Federal Trade Commission bill, which has been very, very difficult to do.

I believe the distinguished Senator from New Jersey has already requested an opportunity to testify on the 23rd. He understands that this is a proper place for his question to be raised, I believe, because he wants to testify. It is my judgment that we will have a markup, either the last week of April or the first week of May, in that general area, as it relates to this airport reauthorization bill. So we are getting very, very close to trying to do something.

I understand the urgency of the Senator from New Jersey, but the Senator from Tennessee has made, I think, a proper statement. This is just a piece of the comprehensive, overall piece of legislation that we are going to have to put together. If we are going to start seeing this legislation disintegrate by amendments on FTC, and we were not even able to bring it up under FTC authorization, a lot of things are going to happen as it relates to the Department of Transportation and the Senator from New Jersey is chairman of that subcommittee on appropriations.

So, you can see, Mr. President, we begin to whittle away at the authority of committees and pretty soon we are going to do away with hearings and start holding hearings on the Senate floor. We are looking at something in the neighborhood of the first week of May. The Senator from New Jersey realizes we cannot fix a precise date, but I will do whatever I can to get the measure on the floor as quickly as possible.

Mr. LAUTENBERG. Mr. President, I asked for the yeas and nays and apparently lacked a sufficient second. I ask if we could have a quorum call for a moment.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WIRTH). Without objection, it is so ordered.

Mr. LAUTENBERG. Mr. President, we have discussed at length this amendment. I am persuaded now, as I was then, that this course of action is right. I am pleased to see my colleagues, the distinguished Senator from Kentucky, the chairman of Aviation Subcommittee on Commerce, the chairman of the Commerce Committee, and the managers of the bill on the majority and minority side agree with the intent of my amendment.

I am willing at this point to withdraw the amendment despite the fact that I think it clearly belongs in the law and I clearly believe that it belongs as part of the FTC jurisdiction. I am persuaded by the serious and good intentions of my colleague from Kentucky that the matter will be given full and serious consideration when it is up for review by his subcommittee and that hearings will include a review of this amendment.

Without sacrificing the ability to bring this back, Mr. President, as a freestanding bill—and hopefully I will have the consent of my colleagues that they will in no way inhibit the debate or discussion of that—then I am willing to withdraw the amendment that I have proposed.

The PRESIDING OFFICER. Does the Senator withdraw the amendment?

Mr. LAUTENBERG. I do.

The PRESIDING OFFICER. The Senator has that right. The amendment is withdrawn.

The Senator from Kentucky.

Mr. FORD. Mr. President, I thank the distinguished Senator from New Jersey. I appreciate what he has just done. I know he feels very strongly about his position and I am inclined to agree with him.

This is an area where we will hold hearings. It will not be postponed. It will be on the 23d of April. The distinguished Senator from New Jersey will be there to testify. We are going to take what he has proposed here today under serious consideration. I look forward to it being a part of the bill.

But, once we have done that, then the Senator has the right to make it a freestanding amendment or a freestanding bill, whatever he wants to do at that point. I support what his intentions are completely, because that is the right of every Senator.

What he has done here now is given the committee system an opportunity to study, given us an opportunity to have hearings, given us an opportunity to look in depth and then hopefully come to the floor with a piece of legislation that will satisfy all of those concerned. I do thank him for his cooperation.

Mr. HOLLINGS. Mr. President, as the chairman of the committee, let me express the gratitude of the committee to our distinguished colleague from New Jersey. He has done a very understanding and tolerant thing this afternoon, because it could well be that we end up exactly where his proposed amendment would have taken us. What we have, in essence, is the prohibition against the Federal Trade Commission from getting into this technical field. We had a rather litigious FTC at one time. We found that they were trying Federal Communications Commission functions and Department of Transportation at the Federal Trade Commission.

In light of the need that the Senator from New Jersey is recognizing, our distinguished subcommittee chairman, Senator FORD of Kentucky, has already set a hearing on this particular point. We are not going to hear the Senator from New Jersey at that particular point, but we could well include his amendment, and certainly it would be in order when we bring the airport and airways trust fund bill to the floor, which should be reported out by no later than the first part of May. We will hear him and I would probably go along with him, because something must be done.

And the distinguished Senator from New Jersey knows this subject extremely well, as the chairman of our Transportation Subcommittee in Appropriations. As the chairman with the jurisdiction over the Federal Trade Commission, both authorization and appropriations, I stand to win either way. But I do think the distinguished Senator from New Jersey has gone along with orderly procedure and perhaps in a visionary way a result can be obtained. Because our Federal Trade Commission has been held up on the other side in these conferences.

Let me commend the distinguished Senator from Tennessee, who has been handling this bill. He is doing an outstanding job.

We are going to make a good faith effort for the first time now in 7 years to get a Federal Trade Commission authorization bill through. But, within it all, I think we have had a good discussion. The problem is real. The Senator from New Jersey has recognized it. His amendment is ordinarily well in order, save for the fact that we want to hear him and others to see if there is a new turn in presenting this to the Senate. I am sure it will be done. We are not forestalling. We are not compromising the Senator from New Jersey's position and his right to either put an amendment in, and persuade us at the Commerce, Science, and Transportation Committee level. So he has not foregone any rights whatsoever, and we clearly understand it. For that, we express our appreciation to him.

Once again, let me commend both the Senator from Kentucky, the chairman of the subcommittee, and particularly the Senator from Tennessee, who has been doing an outstanding job in handling this Federal Trade authorization, which is always a royal headache.

I thank the Chair.

Mr. GORE. Mr. President, I wish to thank the chairman of our full committee for his kind and, I might say, understanding words. I wish to express my deep gratitude to the Senator from New Jersey for allowing the committee——

Mr. HOLLINGS. Would the Senator from Tennessee yield?

Mr. GORE. Yes.

Mr. HOLLINGS. I meant to include our good friend, the Senator from Arizona, on the minority side. You both have been doing an outstanding job handling a tough measure.

Mr. GORE. I wish to express gratitude on behalf of both of us for those kind words and also to the Senator from New Jersey for allowing the committee system to operate expeditiously. His leadership, along with the leadership of the Senator from Kentucky, Senator FORD, should be well recognized by every single American who has suffered inconvenience during this unusual period in commercial aviation history.

Mr. President, I anticipate very shortly that we will be turning to the Metzenbaum amendment. It will be my intention, if there is not another Senator desiring to speak at this point, to put in a short quorum call, but I will withhold that.

Mr. McCAIN. Will the Senator yield?

Mr. GORE. I am glad to yield.

Mr. McCAIN. Mr. President, I would like to thank the distinguished chairman of the full Commerce Committee and the distinguished chairman of the Aviation Subcommittee for their effort here. I would also like to express my appreciation to the Senator from New Jersey, because, by offering this amendment, the Senator from New Jersey has added an extra dimension to the serious problem which is affecting millions of Americans across this country. I think his contribution here today has been very important. I look forward to him playing a key role in shaping legislation as it comes before the Aviation Subcommittee and the full committee. I very much appreciate his efforts by which he has so well articulated the frustration that millions of Americans feel about the state of the industry today.

Mr. GORE. Mr. President, the need for section 15(a) is particularly illustrated by the recent intervention of the FTC Bureau of Competition in proceedings traditionally reserved for the States involving the Georgia State Board of Pharmacy. These proceedings involved the practice of physicians dispensing prescription drugs for profit. While the FTC and the Justice Department in 1970 supported Federal legislation to prohibit physician dispensing for profit, the current FTC's Bureau of Competition had endorsed this practice. This intervention has been characterized as a surprise attack on the State's prerogative to regulate the practice of pharmacy.

Section 15(a) prohibits the FTC from using any funds for submitting statements to, appearing before, or intervening in the proceedings of a State agency without at least 60 days notice before any such proposed action.

I certainly understand why the independent retail pharmacists recommend a moratorium on interventions in State activities by the FTC, but my purpose now is to make it clearly understood by the FTC, States, and any other interested parties that "State agency" as used in section 15(a) includes the activities of agents of the State such as boards of pharmacy or other entities that regulate the practice of pharmacy.

Mr. President, I ask unanimous consent that a letter stressing the need for such clarification from the National Association of Retail Druggists be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD as follows:

THE NATIONAL ASSOCIATION OF
RETAIL DRUGGISTS,
Alexandria, VA, April 6, 1987.

Hon. ALBERT GORE, Jr.,
Chairman, Consumer Subcommittee, Senate Committee on Commerce, Science and Transportation, Washington, DC.

DEAR MR. CHAIRMAN: The purpose of this correspondence is to support your overall efforts regarding the Federal Trade Commission Act Amendments of 1987, S. 677, which was ordered reported by the Senate Commerce Committee on March 10; and in particular to assist you on the clarification of Section 15 addressing the intervention by the Federal Trade Commission (FTC) in "state agency" proceedings.

In recent months, bureaus of the FTC, particularly the Bureau of Competition (BC), intervened in regulatory matters, traditionally reserved to the states and to their professional certification boards, including boards of pharmacy and other bodies which regulate the practice of pharmacy in their respective states. In several instances the BC provided little more notice of its intention to intervene than an armed robber provides a victim preceding a mugging.

We are aware of no better examples than letters in November and December 1986 from BC Director Zuckerman to the Georgia and Maryland State Examining Boards in which the BC gratuitously expressed the view that the long-reputiated practice of physicians dispensing for profit is pro-competitive instead of anti-competitive. Needless to say, this radical departure from earlier bipartisan assessments which found such practices to be anticompetitive and unethical has created concern amongst consumer and health organizations.

The American Medical Association (AMA) House of Delegates, for example, in December 1986 adopted the following recommendation from its council on Judicial and Ethical Affairs: "Although there are circumstances in which physicians may ethically engage in the dispensing of drugs, devices or other products, physicians are urged to avoid regular dispensing and retail sale of drugs, devices, or other products when the needs of patients can be met adequately by local ethical pharmacies or suppliers." Additionally the NARD, AMA, National Association of Chain Drug Stores (NACDS), and the members of the Joint Commission of Pharmacy Practitioners (JCPP) have concurred in a joint statement supporting the traditional checks and balances assured when physicians prescribe and pharmacists dispense prescription drugs.

The notion of physicians profiteering from both the prescribing and dispensing of prescription drugs has been well-documented in the 50's, 60's, and 70's as inherently unethical in leading to predictable anti-competitive effects, including unnecessary prescribing, loss of freedom of choice of prescription drugs, limited choice of prescription drugs, higher prices to the consumer, and health consequences related to the elimination of pharmacists from the dispensing of prescription drugs.

Beyond the total breach with all earlier substantial assessments, only achievable by detached ideologues, the BC letters are inflammatory generally regarding the efficacy of the profession of pharmacy. Retail pharmacists, druggists, have earned a position of trust and respect in the minds of the American public annually reflected by surveys such as the Gallup Poll which have found repeatedly that our members are the most highly regarded of the non-secular professions. Understandably, our members are personally and professionally outraged by the BC pronouncements.

In addition, these gratuitously expressed views have had a chilling effect upon state legislators and regulators, far beyond Georgia and Maryland. We have had reports from Oklahoma, Indiana, California, Nevada, and Virginia, to mention a few, where bonafide efforts by state boards addressing the subject of physician dispensing for profit have been put on the back burner because individuals have been intimidated by the views expressed by the BC. In fact, the NARD and NACDS (3-20-87), which represent virtually every retail pharmacy in the United States, have widely distributed a legal memorandum to the states and to the U.S. Congress so that public policy makers can objectively consider the anticompetitive implications of physician dispensing and related public health and safety concerns. Additionally, NARD since early December has attempted to obtain, through the Freedom of Information Act, and other means, the true story behind these inflammatory letters. To date, the FTC is resisting our efforts.

Given the manner in which the FTC has addressed the matter of physician dispensing and given their failure to act in so many areas required by law and acknowledging the unfortunate, but essential need for micro-oversight, we believe that the term "state agency", in Section 15(a), which would normally be interpreted to include state professional boards such as boards of pharmacy and other state entities that regulate pharmacies, needs, under these unfortunate circumstances, special clarification by its Senate authors.

Had Section 15(a) been law in 1986, states such as Georgia would have at least been on notice as to the potential FTC meddling and perhaps FTC could have been dissuaded or stopped from meddling.

Given the particularly outrageous aspect of the intervention on the subject of physician dispensing for profit, retail pharmacy certainly would be justified in supporting a new Section 15(c) which would establish a temporary moratorium on such FTC intervention for fiscal years 1988, 1989, and 1990.

In addition to section 15, we strongly endorse S. 677, especially as it addresses predatory pricing. What gall this FTC has. It's operating as if it's above the law or more exactly, in a lawless manner. Where are the cases on predatory pricing? On questionable commercial activities of nonprofits? On the legions of Robinson-Patman violations? On multi-tier pricing practices in the pharmaceutical market, and especially resales by health care institutions?

When your Committee asked about such matters, in particular, predatory pricing, this FTC responded by claiming that such instances were as rare as unicorn sightings. In our view, such arrogance by federal officials is without peer and what is truly as rare as a unicorn sighting are the acts taken by the FTC to protect small business and the consumer from unfair competition.

In commenting on the recent sentence imposed on Mr. Pollard, his defense attorney noted that idealogues rarely recognize the consequences of their actions. After witnessing Mr. Zuckerman's presentation to the NARD Conference on National Legislation and Public Affairs on March 24, 1987, where his notions were greeted by howls of independent retail pharmacists—democrats, independents, republicans, conservative, moderate, and liberal—from across the country, the defense counsel's observation seemed appropriate to this circumstance. It would be in understatement of the 100th Congress to note that this FTC certainly does not appreciate the importance of the observation by the U.S. Supreme Court case *Ferguson v. Skrupa*, 372 U.S. 726, where in interpreting a Kansas statute the Court observed, "Whether this legislation takes for its textbook Adams Smith, Herbert Spencer, Lord Keynes, or some other is no concern of ours."

On behalf of the 30,000 independent pharmacies where 75,000 pharmacists practice their profession, NARD expresses its support for S. 677, especially the predatory pricing section and Section 15.

With warm regards,

JOHN RECTOR, Esq.,
General Counsel and Vice President, Government Affairs.

Mr. HOLLINGS. Mr. President, we have certainly had an opportunity to review the problems raised by my colleague from Tennessee. I, too, am concerned about FTC intervention in State proceedings such as those involving the issue of physicians dispensing for profit. The FTC is espousing a reputiated view on the subject. I also want to note that section 15(a) of this legislation does in fact apply to the activities of the boards of pharmacy in the States.

AMENDMENT NO. 84

(Purpose: To provide that the Federal Trade Commission can study and report on the business of insurance)

Mr. METZENBAUM. Mr. President, I send an amendment to the desk on behalf of Senators SIMON, ROCKEFELLER, and myself, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM], for himself, Mr. SIMON, and Mr. ROCKEFELLER, proposes an amendment numbered 84.

On page 19, between lines 8 and 9, insert the following:

INSURANCE

SEC. 8. The last undesignated paragraph of section 6 of the Federal Trade Commission Act is amended to read as follows:

"The Commission shall have the authority to conduct studies and prepare reports relating to the business of insurance."

On page 19, line 10, strike out "18" and insert in lieu thereof "19".

On page 20, line 2, strike out "19" and insert in lieu thereof "20".

Mr. METZENBAUM. Mr. President, this amendment is a very simple amendment. It allows the Federal Trade Commission to study insurance. It does not allow them to do anything more than study. I am proud to stand on the floor and say that the head of the Federal Trade Commission supports the amendment.

Back in 1980 there was a lot of hullabaloo about the Federal Trade Commission investigating the area of insurance, and a Congress that seemed to be confused on the issue took away from the Federal Trade Commission the right to study matters pertaining to insurance.

My amendment would not authorize the Federal Trade Commission to bring any cases. It would not enact any rules. It would not even force any standards. And it does not address the McCarran-Ferguson issue. On the McCarran-Ferguson issue, those within range of my voice should know that the McCarran-Ferguson provision provided that there was an exemption from the antitrust laws for the insurance industry.

That is an issue about which this Senator has concern, but it is an issue for another day.

I want to make it clear that there are some from the insurance lobbies who have attempted to tie this issue together with the McCarran-Ferguson issue. That is false advertising. That is false advertising because this issue does not have to do with McCarran-Ferguson.

Let us face it. The insurance business is one of the most important national industries in this country. It is the most powerful industry of all of America. The fact is, the Federal Trade Commission is prohibited by law from studying it without a directive from Congress, unless the House or the Senate Commerce Committees gives them that directive.

They have not given them that directive since 1980.

Prior to 1980, the Federal Trade Commission did study the insurance industry. They looked at problems having to do with deceptive advertising to the elderly—deceptive advertising to the elderly. Turn on your TV set—morning, noon, night, middle of the night—and read about and listen to the ads about MediGap insurance. Some may be accurate and some may not be accurate. Some may be misleading the aged citizens of this country. And why? What logical reason can there be to deny the Federal Trade Commission to investigate the activities of the insurance industry whether or not, indeed, there is truth in advertising?

The Federal Trade Commission in the past looked at marketing practices of low-income persons.

I remember so well how one company in this country was selling insurance, cancer insurance, and the president of the company had a special kind of contract. He was becoming the highest paid executive in the country because his contract was tied into the volume of sales. It did not matter whether you really had any protection or not, whether the value was there or not.

No, the Federal Trade Commission cannot investigate that anymore.

The Federal Trade Commission cannot investigate the issue of discrimination in insurance. Some years ago I conducted some hearings in the U.S. Senate and I found that in the books telling the insurance agents how to handle their matters, they said if a man is sitting on the porch in his shirt-sleeves drinking a beer, he probably would not be a good risk. They said certain people could not be good risks.

But we do not have anybody in this country, either at the Federal or the State level, in a position to investigate this all-powerful industry. The consumers of this country do not understand what they are buying.

I submit to the best lawyer in the U.S. Senate, the best lawyer in the United States, you tell me what the gobbledygook is in those insurance policies that you get containing 4, 5, and 6 pages of exclusions and exemptions and conditions and provisions.

I have talked to others who are lawyers, as am I, and I have said, "Can you understand those policies? Do you really understand what is in those policies? Do you understand what you are getting and what you are not getting?"

No, the general answer is, "No, I cannot."

You take the word of the insurance agent—and I am not suggesting in any way that the word is not a good one because I have tremendous respect for the insurance agents of this country—but how can they understand all that fine print that is in the policy?

The consumers of this country do not understand what they are buying, do not know what they are buying, and have no way of finding out what they are buying.

There can be, there should be, and with this amendment there would be, useful, significant studies of the insurance industry.

The fact is that in 1980 the Federal Trade Commission stepped on some toes. They issued a report on life insurance and they found that the rate of return on whole life was around 1.3 percent—1.3 percent.

The fact is they did not regulate anybody at that point. They did not bring any cases at that point. They only issued a report. And they recommended that the States take action.

Some would say, "If we were to do this it is an indication that the Federal Government is moving into the insurance industry." To that I would say, "That is unadulterated hogwash."

Nobody is saying we ought to move into the insurance industry. All we are saying is that the one body in this country that has the right to be concerned about trade practices, to be concerned about consumers' rights, to be concerned about separating the facts from the fiction, the Federal Trade Commission, does not have any right because the Congress of the United States denied them the right to check just the facts.

There used to be a TV program in which the police officers on that program would indicate when they were checking into the facts. They said, "Just the facts. Just the facts."

That is all I am saying here today.

All that we are talking about is permitting the Federal Trade Commission to just get the facts.

In 1980 the insurance industry, and a powerful lobby it is—and watch the votes today and you will see how powerful they are; you will see what impact they have on this body—they came along and they said, "Gag the Federal Trade Commission. Keep the facts from coming out."

And they prevailed.

The 1980 authorization bill said there should be no study of the insurance industry unless the House or the Senate Commerce Committee requested it. The result has been that the FTC has done next to nothing.

The leading consumer agency in the United States cannot even study one of the biggest consumer issues in this country.

The House Commerce Committee has since 1980 passed a number of minor noncontroversial resolutions authorizing studies but they are clear of any political controversy and they would have been barred under those circumstances.

This year the chairman of the FTC testified before our committee, and he said "A principal reason for the FTC's creation was to serve as a body of experts on important issues of commerce that affect American consumers. To discharge that duty, the Commission has over the years assembled a highly trained staff of economists, accountants, lawyers, and other professionals." Said he, "No one can deny that the insurance industry is a vital one for virtually all Americans and yet Congress has by law imposed sharp limits on our ability to analyze that industry. The Commission is not so restricted with respect to other industries." I am repeating what he said. "The Commission is not so restricted with respect to other industries."

He went on to say, "We see no reason for continuing it with respect to the business of insurance. We therefore urge the subcommittee to report out a bill that deletes the anticonsumer limitation."

I want to say to my colleagues across the aisle the Reagan administration through the FTC has spoken on this issue. They are asking that you give them the authority that my amendment would provide. If you are willing to have the Federal Trade Commission stand up for consumers, if you agree with the position of the FTC in standing up for consumers, and seeing to it that the information is available, then every single Member of this Senate has an obligation not to yield to the entreaties of the insurance industry but to stand up and have the guts to give back to the Federal Trade Commission the authority which they had prior to 1980.

It is obvious that when Congress has to approve certain studies, controversial studies will not get done. The industry will come in a lobbying effort to stop it. We do not require the FTC to get permission to study the automobile industry, doctors, the medical profession, the chemical industry, the oil industry, and it is obvious what would happen if we did. There are lots of facts that we do not know about the insurance industry today. The industry has taken ads all over the country. They have cried poor mouth. They have talked about how they are being hurt so badly economically.

While they have been doing that, I might say the whole picture has changed, and the insurance industry is as strong as it possibly could be at the moment. The liability crisis they talk about, the denial of the opportunity to buy insurance by doctors, nursing homes, small business people, and daycare centers today cannot afford insurance because the rates have gone up. The malpractice rates have gone up in an unbelievable pace, so much so that some doctors have left the field.

But I submit to anyone who rises to oppose this amendment today to tell us the facts, tell us what the loss ratio has been for the insurance industry, and why they had to go up so high with respect to malpractice insurance. Tell us what the losses have been. Tell us what the gains have been on the investments. We cannot get that information. It is secret. Even if you own a policy in a mutual insurance company which means that you own a part of the company, you cannot get the information.

Why have rates gone up? Are the poor and the minorities and the aged well served? What are the facts? How can this industry become more competitive? We are talking about just finding out why these rates have gone so high and why so many have been denied the opportunity to buy insurance.

Take the issue of sales of insurance to the elderly. The FTC did a study of this prior to 1980. But it has not done another study since that time. Senior citizens by the hundreds, by the thousands, are falling victim to misleading television ads which tell them what great advantages there are to buying a certain kind of health insurance. You can hardly turn your TV on without seeing one of those ads.

Senior Citizens have a desire for independence. They have a fear of catastrophic health care costs. Those fears, and those desires can very easily be manipulated by very able TV producers who put out ads that make it sound so wonderful that, if you do not take the ad, somehow you are missing a part of the fulfillment of life.

Currently, there are a host of TV celebrities, Michael Landon, Monty Hall, Bob Barker, Ed McMahon, who are selling health insurance policies for seniors on television. I have respect for all of those persons. I take no issue with them as individuals. But I am not so certain that they have been able to check the facts as to what they are really selling. They are part of a drama. They are part of an act. They are actors. I respect them for that. But I am not so sure that the policies they are selling are equally as respectable as are their reputations.

(Mr. BREAUX assumed the chair.)

Mr. METZENBAUM. Policies all have different names. And they all appear to offer different types of coverage. The senior citizen trying to struggle with all the information and the fine print faces a difficult, if not impossible, choice.

A recent investigative report by channel 8 in Cleveland revealed the extent to which seniors are being misled by these advertisements. The report showed that Medigap policies are confusing, they are impossible to compare, and many have severe limitations on coverage. The ads for these policies neglect to inform seniors that they apply only to Medicare covered services, and thus exclude prescriptions, nursing home care, and a number of other commonly incurred medical expenses. There is no attempt to inform the elderly that the purchase of duplicate policy provides no additional coverage. The investigative report by channel 8 in Cleveland revealed the case of one senior citizen who had purchased nine—nine of these policies at a cost of $2,000 a year. Most of these policies simply duplicated the coverage for medical expenses.

Another elderly consumer purchased 12 of these Medigap policies at a cost of over $2,600 a year. Hearings in the House have revealed that seniors may be spending over $1 billion on these policies without getting anything in return. A number of these policies have loss ratios of less than 50 percent. Clearly, senior citizens are not getting a reasonable rate of return on their insurance dollars.

The FTC in the past did useful studies in these areas but now by congressional proscription they are not in a position to do so.

It is not just the senior citizens who have the problem. It is as though everybody who buys an insurance policy wants to know what he or she is buying, and cannot decipher, cannot comprehend, and does not know what is actually being purchased.

Then if you try to compare the costs of one policy against another, whether it is a life policy, or a casualty policy, I challenge anyone to be able to do that and to do it well, because all the life policies are of different kinds. Some are straight life, some are term life, some are 10-pay life, some are extended term, some are renewable term. And you try to compare the rates and it is almost impossible to do. When you want to know in a life policy what the rate of return is, what they are giving you for the money that is on deposit in addition to the coverage for your possible death, you cannot find that out. The FTC can find it out; you cannot find it out.

You see, Mr. President, when you buy a life policy, you are getting two things. One, you are paying so much for the possibility of your death during that particular period of time—1 year, your policy, 1 month, whatever the case may be; and you are also providing a certain amount of additional dollars that provide for the cash value of the policy.

The question is, What kind of return are you getting on that cash value? Millions of dollars every year, millions of dollars every year are spent on TV advertising, but almost no facts are available to the buyers of insurance.

Let me make it clear, Mr. President, I believe that the overwhelming majority of insurance companies in this country are very ethical, they are very proper, they are very legitimate parts of our economy. I am not here attacking the insurance industry. I am just saying we want to know more about how the insurance industry conducts its business. And I want to say to those who are insurance agents:

"We take no issue with you. As a matter of fact, you would be in a better position to be an insurance agent if you were able to know more about what is in the policy, if you were able to find out the facts and if the FTC could obtain those facts for you. But it is not enough just to tell the buyers of insurance, 'We are friendly, we are your neighbor, get a piece of the rock.' There is more to buying insurance than that.

"How about a piece of the facts? Or maybe even better than that, how about all of the facts?"

This amendment is very simple. It repeals the restrictions placed on the FTC and says that it can study insurance. The FTC will still be subject to congressional oversight and Presidential appointees will continue to run it, but the FTC needs some independence in order that it may operate and do that which it wants to do. In this instance, it wants to study the insurance industry.

Let me tell you, Mr. President, we have a considerable body of support for this amendment. Let me share with my colleagues some of those organizations that support this amendment. In addition to the Reagan administration, we have the American Association of Retired Persons and their 24 million, I think it is, members. We have the Consumers Union of America that supports it. The National Federation of Business and Professional Women's Clubs supports this amendment. The National Insurance Consumers Organization supports this amendment. The Consumer Federation of America supports this amendment. The American Nurses Association supports this amendment. The United States Public Interest Research Group supports this amendment. The National Women's Health Networks supports this amendment. The National Consumers League supports this amendment. An organization known as Public Citizen supports the amendment. And I am proud to say that the Small Business Legislative Council supports this amendment.

So, if you look at the kind of support there is—small business people, nurses, American Association of Retired People, consumers groups, women's health groups—let me read my colleagues a quote from a letter from the Small Business Legislative Council.

> The business of insurance is global in nature and in order for small business to understand the problem and identify solutions we must have independent sources of information such as the FTC.

This is not a big step, Mr. President. This is a very modest step for protecting the consumer so that the consumer can find out more information. I believe that the Senate should today say that it is prepared to support the average person, the average individual, to make more information available and to say no to the insurance lobby.

I know I am going to hear some conversation like the following: "This hasn't gone through the committee process." "We haven't heard it at our committee." "Why don't you submit it to our committee?"

There is nothing complicated to submit to the committee. Either you are for the FTC having the authority to investigate and get the facts out with respect to the insurance industry, or you are not.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. METZENBAUM. Not at this moment, Mr. President.

The answer to the question really is we do not need to go to the committee. There is not anything that complicated. We send matters to the committee when there is something we have to explore, we have to get into, we have to dig into. In this instance, it is a yes or no position: Do you or do you not agree that the FTC ought to have authority to investigate and make the facts available with respect to the insurance industry? If you think they do, then you will support the amendment that Senators SIMON, ROCKEFELLER, and I have offered. If you do not, you will vote no. I believe that if you are on the side of the people on this issue, there can only be one vote and that is an aye vote.

Mr. President, I yield the floor. If my colleague from Alaska has a question, I have no objection to yielding to him at this point.

Mr. STEVENS. Mr. President, I am delighted that the Senator has yielded to me. I ask him, why has he not brought it to the committee? There is nothing in the law that prevents the FTC from investigating everything he has talked about. A simple request to the committee would bring this before the Commerce Committee. To my knowledge, the Senator has not brought it before them. The FTC has not sought this authority. So why are we arguing about this today if it is so simple?

The Senator himself says it is a very simple matter. I ask, why has he not brought it to the Commerce Committee? How long has the Senator been in the Senate; 6 or 7 years? He has certainly been here since 1980, that is for sure. Why has he not brought it before the committee?

Mr. METZENBAUM. I have no problem in answering that question. I am pleased to respond. Because I was convinced beyond a shadow of a doubt that under the chairmanship of the committee in the past, I would not have had any chance whatsoever of being able to get any action on the subject. It seems to me if the committee felt that some action would be taken, then it was entirely appropriate that they act on their own. But it was that very committee that was the one that denied the FTC the opportunity to investigate the insurance industry.

Now the committee is under different leadership and I am aware of that, and I am very proud to stand up and say that the chairman of that committee will vote for this amendment today.

Now, we have the chairman of the Commerce Committee voting for it.

We have the FTC asking for it. We have the Reagan administration on our side. The only one we do not have on our side is the insurance industry.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. The former chairman of the Commerce Committee is here and can speak for himself, but as a member of the Commerce Committee the amendment the Senator from Ohio addresses was passed in 1980 when my good friend, Senator Magnuson, was chairman of this committee. So he is wrong——

Mr. FORD. Senator Cannon.

Mr. STEVENS. Senator Cannon. That is right. Senator Magnuson had gone over to Appropriations and Senator Cannon at that time was chairman of the committee. This is not a question to be addressed to the immediate past chairman of the committee. But for 7 years, for 7 years the Senator from Ohio sat here apparently with this thing brooding inside of him, just bursting, and somehow or other he wants to protect the consumers from people who are doing them wrong.

I think perhaps some of the things the Senator has mentioned—I particularly am concerned about the "Medigap" policies, and they are under investigation, by the way—some of the things he mentions are items that need concern. But what does the FTC do about it other than give advice to the States?

Now, unless the Senator wants to admit that this is the first step in trying to put the FTC in charge of the national insurance industry and to reverse the McCarran Act and take the States out of the whole concept of the regulation of insurance, then he has no case today because he has not filed even the simple request or made a telephone call to any one of the three chairmen of the Commerce Committee who have served in this Senate since this amendment was passed.

I have served on that committee and no one has ever brought to my attention that the Senator from Ohio raised the subject at all until now. I think it is an untimely request. I hope it is dealt with in a timely fashion.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arizona.

Mr. McCAIN. Mr. President, I will be very brief regarding my comments on this amendment. I congratulate the Senator from Ohio because he is focusing our attention on an area of concern to all Americans. I do not think there is any doubt that the insurance crisis which faces this country is, indeed, real and needs attention. To that extent, I applaud the Senator for bringing this issue to the attention of the Senate.

However, I oppose this amendment. I know the provisions in the law the Metzenbaum amendment seeks to address has a long history, and I will let others more familiar, including my colleague from Utah, Mr. HATCH, speak on that. I speak as one relatively new to the issue as well as this body. But regulation of the insurance industry has been left to the States through the McCarran-Ferguson Act. If we want to repeal that act, Mr. President, I suggest we address that issue. I believe the Metzenbaum amendment would add a great deal of bureaucracy and perhaps address the issue in a piecemeal fashion.

If the Federal Government is going to involve itself in the insurance field in a major way, let us get them totally involved. The ability to study an issue without the ability or the power to do something about the information which that investigation reveals I think is a half measure at best.

This should be done only in the context of a thorough review of the industry and the McCarran-Ferguson Act. I believe that this amendment is the subject of a process currently ongoing in the subcommittee the author chairs. I know Senator GORE has indicated his intention to hold oversight hearings in the Consumer Subcommittee which he chairs and of which I am a member.

The Commerce Committee did not examine the insurance issue in the context of its work on the reauthorization of the FTC, and I suggest this is not an appropriate time to do so. I believe it is is much more appropriate, Mr. President, to allow the process to work as it was intended. The committees currently working on this issue should complete their work before we start changing how the insurance industry is regulated. The subject of the amendment is not ripe for consideration at this time. So I would oppose this amendment.

I yield to my distinguished colleague from Utah, Mr. HATCH.

Mr. HATCH. I thank my dear friend from Arizona. I appreciate the good remarks he has made. This is an important issue. The issue is one that has come before the Congress on numerous occasions.

The PRESIDING OFFICER. The Senator from Utah is recognized in his own right.

Mr. HATCH. It really involves one thing and that is, Are we going to inject the Federal Government into the insurance industry, which has been governed primarily by the States in this country for almost all of its lifetime pursuant to a bipartisan act that was enacted years ago called the McCarran-Ferguson Act?

Now, that act has proven itself to be an efficacious and workable act. Frankly, the States do a terrific job with regard to the regulation and review and overseership of the insurance industry.

Furthermore, if there is an industry that is studied to death, it has to be the insurance industry. To now saddle the FTC with the obligation to make economic studies of the insurance industry it seems to me is just another camel's nose under the tent, trying to repeal McCarran-Ferguson, which I think almost everybody has to admit has worked rather well in the interest of the insurance industry and the interest of the consumer and the interest of our country and certainly in the interest of the States.

There are not many items left for the States to manage and take care of and there are not many that you can point to that have been done and handled as well as the insurance industry under the McCarran-Ferguson Act.

I do oppose this amendment. I really believe all we are doing is injecting another layer of bureaucracy in an area that is studied to death, where it is well managed by the States, where they do a terrific job, and I think for no other purpose than to basically start to erode and weaken an act which is bipartisan, which I think has done a good job for the consumers of this country and certainly for the States and for the insurance industry itself, which is one of the most highly competitive industries in the country today. I think we ought to take that into consideration as we consider the Metzenbaum amendment.

I do believe the Senator from Ohio has good intentions. His goal is to try to have the insurance industry studied, to see if there are ways we can benefit the consumers more. You can always point to some problem here or some problem there, but by and large there is hardly an industry in this country as competitive as the independent insurance industry. One reason it is competitive is because there are so many insurance companies in this country which have to compete in order to stay in business.

I hope our colleagues will consider voting against the Metzenbaum amendment. I hope they will consider the fact that if you vote for the Metzenbaum amendment, it will be viewed as an attempt to repeal or certainly erode the power and the effect and the efficacy of the McCarran-Ferguson Act which I think many of us want to uphold.

I thank the Senator for yielding the time to me and with that I yield the floor.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, my colleague from Utah just talked about the insurance industry being the most highly competitive of any industry in the country. There are 99 other Members of this body besides myself. I ask them whether they have ever tried to go out and find some competition when buying fire or theft or bodily injury, casualty insurance. You just cannot do it. There is no competition. The reality of life is that there is no competition in the insurance industry. When you are trying to buy a life policy, it is almost impossible to make a comparison of two or three policies because they all have different terms and exceptions and conditions. So the fact is you cannot find the facts.

Now, I want to make this unequivocally clear. There is no effort in this amendment to repeal the McCarran-Ferguson Act. The McCarran-Ferguson Act provides that the insurance industry shall be the only industry in this country which is exempt from the antitrust laws. The Senator from Ohio knows where that legislation stands. The proposal to repeal the McCarran-Ferguson Act, which I support, is in my bill which is sitting in my committee, the Antitrust Subcommittee of the Judiciary Committee.

That is a different issue. You can be for it or against it. But we are not talking about repealing the McCarran-Ferguson Act. We are talking about giving the Federal Trade Commission, appointees of which are President Reagan's, appointees of which have come before the Congress and said we support the Metzenbaum amendment, the authority to investigate the facts. We are not talking at all about providing for taking away from the States the right to regulate the insurance industry. Neither in my bill repealing the McCarran-Ferguson Act nor in this amendment is there any effort to deny the States the right to regulate the industry.

I hereby state unequivocally that the States will continue to have the right to regulate the insurance industry whether or not this amendment is adopted or whether the proposal to repeal the McCarran-Ferguson Act—which is not before us today—is passed. In either or both events, the States will retain the right to regulate the insurance industry.

All we are talking about here is giving a Federal agency the authority to do this—an agency that can go into the steel industry and find the facts, can go into the auto industry and find the facts, can go into the siding industry and find the facts, can go into the waterproofing industry and find the facts, can go into any other industry in the country and find the facts. But the insurance industry is exempt from the antitrust law, an issue that is not before us, and is exempt from the Federal Trade Commission's having any right to investigate and find out what the facts are.

I do not understand how any Member of this body—whether or not it went through a committee, whether or not it had hearings, or whatever—can refuse to give the Federal Trade Commission the right to find out the facts about the insurance industry and continue to say that they are concerned about the consumers of this country, the people of this country.

A vote against this amendment is purely and simply a vote for the insurance industry, and a vote for this amendment is a vote to say that the people perhaps can get a little more information or a little more facts about this industry than they presently have.

Mr. DANFORTH. Mr. President, with all due respect, I do not believe that the Senator from Ohio has accurately characterized the issue that is before the Senate. I do not think that the issue is whether the insurance industry is going to be regulated, whether the insurance industry is going to be analyzed, whether it is going to be investigated, but by whom it will be regulated, analyzed, or investigated. That is the real question.

The question goes back for some 42 years. Forty-two years ago, Congress enacted the McCarran-Ferguson Act. The McCarran-Ferguson Act left the business of regulating insurance to the State governments; and pursuant to that statute, the States have been engaged in the business of regulating insurance.

The history of the provision that the Senator from Ohio wishes to strike is that back in 1980, or before 1980, the then Chairman of the Federal Trade Commission was a man named Michael Pertschuk—a very able, very bright, very aggressive Chairman of the FTC. He was also a very controversial Chairman of the FTC. He was a man who wanted very much to expand the jurisdiction of his Commission, to get into new and innovative areas; and one of the areas that Chairman Pertschuk wanted to launch the Federal Trade Commission in was the investigation of the insurance industry.

At that time, the issue was raised in the Senate Commerce Committee as to whether it was appropriate for the FTC to get into an investigation in the business of insurance. There was considerable debate at that time. Some people took a very pristine view of the McCarran-Ferguson Act. They took the position that the FTC should keep its hands off insurance, that insurance should be left to the States, not to any Federal agency, that this was one area where, under a principle of federalism, the States should be given an absolutely free hand. Other people believed, as the Senator from Ohio believes, that the insurance industry is a national industry and it should be investigated by the FTC. That debate, which we have heard repeated somewhat this afternoon, was exactly the debate that was conducted within the Commerce Committee back in 1980.

After considerable discussion in 1980, we arrived at a compromise. We thought it was a fair compromise. We thought it was a compromise that did not totally satisfy either extremes but did a fair job of coming out with a good result. That compromise was to say that, yes, the Federal Trade Commission will be able to investigate the business of insurance, but if, and only if, it is instructed to do so by one of the two committees with jurisdiction over the FTC—that is, the Senate Commerce Committee and the House Energy and Commerce Committee. That was the compromise.

Mr. President, to my knowledge, nobody has even tried to compromise. To my knowledge, it has not been given a fair test, because, so far as I know, no one has asked, no one has raised the question of whether or not the FTC should conduct such an investigation. At least in my recollection, such a request was not made during the 2 years I was chairman of the Senate Commerce Committee.

In any event, the compromise still remains, and the compromise is that Congress should have some input in deciding whether or not the investigation goes forward.

My hope is that the Senate will defeat the Metzenbaum amendment. My hope is that we will stick with the deal we worked out carefully in 1980 and will continue with the law that now exists.

Mr. FORD. Mr. President, the distinguished Senator from Missouri [Mr. DANFORTH] is absolutely correct in the statements he has made as to how we pursued this agreement in 1980. As he said, Chairman Pertschuk was bright, intelligent, but very aggressive. He would go beyond the interpretation of the rules; and if the courts made him withdraw, he would come to Congress to get broader authority.

I came here some 12 years ago, and the theme at that time was: "Get them off our back and out of our pocket." Off our back as it relates to regulation, and out of our pocket as it relates to taxes. I think we have done a reasonable job in trying to balance the amount of Government interference.

The legislation that was passed in 1980 originated with the States themselves. The State insurance commissioners passed a resolution. They came here and asked for help; and Congress, in its wisdom, arrived at a compromise, and it has worked well for almost 7 years.

Now, if you would listen to the arguments in favor of this amendment, you would think this was the only industry that was exempt. That is not true. Also the Supreme Court has narrowly defined "the business of insurance" as used in the McCarran-Ferguson Act. Further, the FTC has the ability to regulate against coercion, intimidation, and boycotts of the business of insurance.

Now, if you get the impression or seem to get the impression that the insurance industry is the only group that is exempt from FTC jurisdiction, let us talk about some of the others. Similar status is also afforded the banking industry, the savings and loan, the securities industry, the communications industry, common carriers, and public utilities.

I will get some bark from that, but it is there.

And, Mr. President, I think that when we begin to look, sure, there needs to be some correction. Sure there needs to be some investigation. But, as I understand it, now there is some investigation. Maybe the Justice Department has an opportunity here.

But the States are doing a good job. Let me just tell you about my State. Over the weekend the insurance commission put out a comparison chart, explained the insurance, explained the coverage, and gave the various companies and the type of coverage in that region and area in which you might live and then gave the comparison of premiums from the various companies in that particular area.

If you want me to explain that a little bit deeper, I will be glad to try to do it. But take a homeowners' policy, for instance. What does a homeowners' policy cover? So they describe the basic qualities in a homeowners' policy, the basic coverages and then they say if you have an x amount it would cover Y and A company and B company and C company would each charge a certain premium. That is a State Insurance Commission doing that not the Feds. They are not involved.

Pretty soon they will be setting the rates and when you get the bureaucrats up here investigating or setting the rates, they have a lifetime job.

Now, this legislation that we compromised in 1980 I think has been working. How many times has the Federal Trade Commission asked Congress for this ability? How many times have they written to the chairman of the Commerce Committee or the House committee and said, "We would like to enter this field"?

Mr. STEVENS. Mr. President, will the Senator yield just a moment?

Mr. FORD. I am glad to yield.

Mr. STEVENS. I am pleased the senator mentioned the House, because it is both. It is not only the Commerce Committee of the Senate, but there is a committee in the House that also has jurisdiction to grant this waiver for the FTC; is that not correct?

Mr. FORD. That is correct, and the House Commerce Committee has asked for, I believe, at least a half dozen studies for the Federal Trade Commission to make some investigations and report back to them, and that has been carried out.

Mr. STEVENS. Mr. President, just one more question. I ask my friend from Kentucky, if the FTC came to the Commerce Committee on which we both serve and asked for authority to make an investigation in the field of insurance, I would welcome such a request. Would the Senator also?

Mr. FORD. I say to my distinguished friend from Alaska I have no problem with it. When you just paint with a broad brush you do not know exactly where they are going. You do not know exactly what they are going to do.

Mr. STEVENS. That is my next question. If they did we could define the parameters of the investigation, could we not?

Mr. FORD. Yes, we could and we could get a quicker response because they would know what was expected of them. We would have an understanding with the Federal Trade Commission and they could proceed and do their job and do it expeditiously.

(Mr. ROCKEFELLER assumed the chair.)

Mr. STEVENS. It was the unlimited scope of the proposal in 1980 that led to this compromise; was it not?

Mr. FORD. The Senator is absolutely correct.

Mr. STEVENS. I thank the Senator.

Mr. METZENBAUM. Mr. President, will the Senator from Kentucky yield?

Mr. FORD. I will do the best I can.

Mr. METZENBAUM. Is the Senator from Kentucky and the Senator from Alaska aware of the fact that indeed the Federal Trade Commission came to the Commerce Committee, just very recently, as a matter of fact, April 6, 1987, and addressed themselves to this very issue, and went on in the testimony of the speaker for the FTC, whose name slips me at the moment, but——

Mr. FORD. The chairman is Daniel Oliver.

Mr. METZENBAUM. The chairman.

Mr. FORD. He testified before the Consumer Subcommittee. That was not requesting of the committee the jurisdiction or the right to go for the Commerce Committee approval of a specific study. They were testifying as it related to this amendment.

Mr. METZENBAUM. But they were testifying before the Senator's committee. As the Senator from Alaska previously said, there had been no hearings and they had not been before the committee. At that point, I was not aware of the fact that the chairman of the FTC had actually come before the Senator's committee and said, "We see no reason for continuing it with respect to the business of insurance"; that is, the restriction as far as the insurance investigation is concerned. They went on to say, "We, therefore, urge the subcommittee to report out a bill that deletes this anticonsumer legislation."

So they have come before the committee. They have asked for this authority and we are here today just trying to conform with what they have asked the Commerce Committee to do. Would the chairman of the committee not agree that that is indeed the fact as to what has occurred?

Mr. FORD. I say to my distinguished friend I am not the chairman of the committee. The chairman of the committee is off the floor. I am caught here to try to defend his position as best I can, and being only armed with a silver tongue of the truth I will just do the best I can.

Mr. METZENBAUM. We know the chairman of the committee does support my amendment. I think the Senator from Kentucky is aware of that. At least he has advised me of that.

Mr. FORD. That is well and good.

But it seems to me they were caught in the same position that we were caught in the last amendment.

We held hearings. It was not possible for the committee to get out its authorization and look into this, too. We should have looked into the banking industry.

Do you have any interest in exempting or allowing the Federal Trade Commission to get into the banking industry? Do you want them to get into the savings and loan and securities industries?

Mr. METZENBAUM. No, there is no reason for that, because each of those industries is already regulated by the Federal Government, and I am opposed to having Federal regulation of the insurance industry as I am sure my colleague is. But in those three industries he mentioned, banking, savings and loan, and securities, there is an exemption from the antitrust laws. The fact is that those businesses are all presently fully regulated by the Federal Government. I am not advocating that.

Mr. FORD. When you get down to it, the public utilities, for instance, are excluded but they are basically regulated by the States.

Mr. METZENBAUM. Correct.

Mr. FORD. And the insurance industry is basically regulated by the States. It has been that way for a long time.

I think basically it is the insurance commissioners in the States and the experience I had was very good. There is extensive regulation by the State. I think we should not usurp their authority. I think the Senator is getting into the States rights situation here that in taking this authority away from them. It is the first step in that direction.

I see the chairman of the subcommittee is here, Mr. President. I will yield the floor.

Mr. STEVENS. Before he does, may I ask the Senator one question. Will the Senator yield for one question?

Mr. FORD. Yes, I am delighted to yield.

Mr. STEVENS. The Senator from Ohio has mentioned the fact that repeal was asked on two occasions. Once the FTC asked and once another party asked for the repeal of the compromise of 1980. No one has asked yet to exercise the authority that was granted by the amendment in 1980 to either the House or the Senate committee to authorize an investigation and to set the parameters for it.

Mr. FORD. The Senator is absolutely correct. To the best of my knowledge, the language, and the legalese that goes on here that this proposal that the Senator from Ohio was discussing was an FTC statement before the committee to eliminate the law or to change the law to give them the authority.

As I recall or as I understand what the Senator from Alaska is asking, they have not asked for the authority to make a specific study. As the Senator asked me earlier and I agreed with him, if they would come before the Commerce Committee and ask for that authority, I am sure that they would receive that authority based on certain parameters. However, not with the broad brush approach, but to allow us to work with the FTC and come up with something that could be done adequately and in a short period of time.

Mr. STEVENS. Would the Senator not agree that if the Congress now starts in the direction that the Senator from Ohio suggests to break the compromise that was entered in 1980, we will have been unfair to the other side of the compromise, to those people who are the State regulators, the State insurance commissioners, who sat and helped work out this compromise and defined it in 1980 so we settled it and made peace at that time?

Would the Senator not agree it is a problem here that if the Senate acts in response to the request of the Senator from Ohio, it is certainly going to have to respond in response to the demands of the State insurance commissioners to put some limits back on the FTC? We would be right back where we started in 1980 if the Senate passes the Metzenbaum amendment. Does the Senator agree?

Mr. FORD. The Senator is absolutely correct. He states the position very well.

I have a concern, based on what the Senator has just said, that we have not authorized—and I say to my distinguished friend from Ohio—we have not authorized the Federal Trade Commission since 1980. It has been almost 5 full years since the Federal Trade Commission has had an authorization. It has been existing on continuing resolutions.

In 1980, the distinguished Senator from Missouri and I worked closely together in order to see that that piece of legislation got through. That was the last time. And now I can see the avalanche that is coming—and it will not be on this side; maybe it will be on the other side—and if this amendment is attached to the authorization bill of the Federal Trade Commission, I think we would be right back where we have been, no authorization bill, and we will not be able to get it passed. We will be back under a continuing resolution and the strengthening of the FTC will not happen. It will be a weakening of Federal Trade Commission instead of keeping it as strong as it is.

Mr. DANFORTH. Would the Senator yield for another question?

Mr. FORD. I will do my best. I would like for the chairman to get in on this.

Mr. DANFORTH. Let me first make an observation. We have been talking a lot about the relative roles of State regulatory authorities versus Federal regulatory authorities, and that certainly is the history of McCarran-Ferguson Act. There is another balancing that is involved also, and that is the role of Congress on one hand and the role of regulatory commissions on the other.

What we attempted to do in 1980, as I understand it, and as I recall it, was to put in place a mechanism so that the Federal Trade Commission would not have unbridled authority; so the Congress would be able to step in and say, "Here are the parameters for an investigation into the insurance industry. You do not have absolute authority. You can't go into it like a bull in a china shop, but we are going to have a system whereby we can determine what are the limits of an investigation to be conducted into the insurance industry by the FTC."

Now, my question to the Senator from Kentucky is this: is it surprising to the Senator from Kentucky that the chairman of a Federal regulatory commission would want to remove the restrictions of Congress in any way hedging his authority? Is the position of Mr. Oliver at all unusual for somebody who is in the administrative part of the Federal Government? Is not the position of Commissioner Oliver, a conservative chairman, essentially the same as the position of Commissioner Pertschuk; namely, "Don't bother us. Don't get in our way, Congress. Don't get in our way, committees of Congress. We are the bureaucrats. We are the administrators. We want unbridled authority to do whatever we want to do without having you in Congress try to tell us what to do."

Does that position surprise the Senator from Kentucky?

Mr. FORD. I say to my distinguished friend from Missouri, it does not surprise me at all, because that is the very position we were in in 1980. That is the very position that we had to work out a compromise on in 1980 between the Congress and the States. The compromise has worked very well. But now we find: We want to interfere in everybody's business. We want to take the control away from the States. We want to take the control away from the Congress and move on our merry way.

So you come in beating your chest and we are not going to be like the others, but with 900 lawyers over there or more, you have to find something for them to do. So you have unbridled authority; "You leave us along. Let us charge into everybody's business." That is the Federal Trade Commission.

I do not think you have to be there very long, those that have made a living working out of the Federal Trade Commission, they stay there year in, year out, administration in, administration out, and they are now back again saying, "We want it and we want to paint with a broad brush."

Mr. DANFORTH. If the Senator would allow me to pursue this line of questions: Is this not exactly what we were trying to guard against back in 1980 when we created the system that the Senator from Ohio now wants to repeal? Is this not exactly what we were concerned about?

We were concerned about the absolute authority of administrators, regulators, to do their own thing. The FTC at that time was viewed by many, many people as being a kind of rogue elephant of the Federal Government; having its own way, doing its own thing, not listening to Congress, not listening to anybody. And is that not precisely the problem we attempted to solve with these provisions in the law which the Senator from Ohio now seeks to repeal?

Mr. FORD. The Senator is absolutely correct. And let me just say that if we pass this amendment—and I hope we do not—but if this amendment is passed, we have broken our word with those State insurance commissioners who sat here and worked out the compromise as it relates to the Federal Trade Commission.

And so, I am very reluctant to even consider this amendment tonight. I have learned some lessons since I have been here about parliamentary procedure and I might see if my education can be used a little bit. I want to talk to my State insurance commissioners. I am not sure they know that this amendment is on the floor. I am not sure that they know that the States' rights are being taken away from them. I want them to know that the agreement made with them 7 years ago is not being broken by me and is not being broken by you. I want them to understand where we are coming from and I want them to understand fully.

Mr. DANFORTH. Could I ask the Senator from Kentucky if he knows whether this amendment was raised in the Commerce Committee before it came to the floor? Was this a matter that was discussed? I do not know. It was not in my presence.

Mr. FORD. It was discussed in the hearings, but it was not considered by the full committee when the authorization bill came up.

Mr. DANFORTH. And when we passed the authorization bill, I was present when we reported it out.

Mr. FORD. So was I.

Mr. DANFORTH. I do not remember this issue being raised at all or discussed by the members who were present.

Mr. FORD. Well, my memory is not too good, but I do not remember us discussing that being brought up in the committee.

Mr. DANFORTH. One final question: If the Members of Congress are no longer going to be in the position of watching Federal regulatory commissions, who is? Who is? If we are going to say, "Henceforth, regulators, do your own thing. Just have a field day," if that is going to be the position of those of us in the Congress of the United States, if we are too busy to watch the regulators, then I would ask the Senator from Kentucky if he has any idea of who around here is going to be watching the regulators.

Mr. FORD. No one will be, I say to the Senator. We will get back to what we heard time and time again—that local entrepreneurs, local business people, small business people, large business people were being harassed by the regulators. And that was the reason for the compromise in 1980. We hit a good balance. And now if we begin to tear down the agreement we had and we lose that balance we are going to go back to the days when the regulators were crawling all over businesses, crawling over the communities. We will be back where we were several years ago when we finally were able to work our way out of that morass and have a steady and, what I think, has been a good compromise.

I want to emphasize here that we have not been asked, to my knowledge, in the Commerce Committee, to allow the Federal Trade Commission to make an insurance study. They testified on an amendment to change the law, but they have never asked us. So they can never say, as best I can determine, that they were ever turned down as it related to a request to make a study.

Mr. President, I yield the floor.

Mr. McCLURE. Mr. President, I rise to oppose the Metzenbaum amendment. The FTC currently has "authority to conduct studies and prepare reports relating to the business of insurance." However, this authority has a safeguard which allows the FTC to exercise such authority only upon receiving a request which is agreed to by a majority of the members of the Committee on Commerce, Science, and Transportation of the Senate or the Committee on Interstate and Foreign Commerce of the House of Representatives. In addition, the authority to conduct any such study shall expire at the end of the Congress during which the request for such study was made.

Mr. President, the amendment before us would give the FTC authority to conduct insurance studies without a congressional request.

I find it difficult to understand why a Senator would want to remove a safeguard that allows this body to have oversight over the activities of a regulatory agency. In fact, the reason this safeguard was imposed is in response to the problems which existed in the 1970's when the Federal Trade Commission sought to extend its jurisdiction over the insurance industry in spite of the plan language of the McCarran-Ferguson Act. During that period the Commission initiated a number of separate insurance investigative proceedings costing millions of taxpayer dollars. It was subsequently determined by Congress that the Commission had clearly overstepped its statutory authority and there imposed this limitation.

Mr. President, McCarran-Ferguson gives the States the authority to regulate "the business of insurance" free of FTC interference. This industry is granted a shield from full FTC scrutiny because they are subject to extensive regulation by the States. To allow the FTC blanket authority to conduct studies and prepare reports relating to the business of insurance would be a major step backward. The Cannon amendment adopted in 1980 to prevent the FTC from overstepping its bounds is just as important today as it was then.

Mr. President, on March 20 of this year I introduced the Antitrust Damages Clarification Act of 1987. My bill is the direct result of an enforcement action begun by the Federal Trade Commission against six national title insurance companies. This was the result of the FTC's effort to narrow the scope of the McCarran-Ferguson Act. In recent testimony before the Senate Judiciary Committee, FTC Chairman Dan Oliver admitted that the FTC had done all it could through litigation to narrow the act. This flies in the face of the congressional intent in the 1980 amendment.

This action taken by the FTC is just one example of why this body must retain some control over the FTC's efforts to scrutinize the area of insurance. I strongly oppose the efforts by the Senator from Ohio to further erode our ability to control the Commission in an area left to the States.

Mr. President, I ask unanimous consent that a copy of my statement and bill (S. 808) as introduced on March 20, 1987, appear in the RECORD following a copy of my remarks.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

By Mr. McCLURE (for himself, Mr. KASTEN, and Mr. SYMMS):

S. 808. A bill to clarify the application of the Clayton Act with respect to rates, charges, or premiums filed by a title insurance company with State insurance departments or agencies; to the Committee on the Judiciary.

ANTITRUST DAMAGES CLARIFICATION ACT

Mr. McCLURE. Mr. President, today I am introducing the Antitrust Damages Clarification Act of 1987 with several of my colleagues. The bill is the direct result of an enforcement action begun by the Federal Trade Commission in 1985 against six national title insurance companies. This action, and the treble damage private suits which immediately followed, have harassed the title insurance industry without justification, cost this small industry over $6 million in legal and related expenses, and threatened the very foundation of our system of State regulation of insurance. All of this has transpired as a result of the FTC's effort to narrow the scope of the McCarran-Ferguson Act. In recent testimony before the Senate Judiciary Committee, FTC Chairman Dan Oliver admitted that the FTC had done all it could through litigation to narrow the act. This flies in the face of congressional instruction in the FTC Act of 1980.

Mr. President, insurance has been the subject of State regulation for well over 100 years. State regulatory programs developed according to each State's needs, and were diverse. Thirteen States, including my own State of Idaho, permitted title insurance companies to jointly satisfy State regulatory requirements for filing and approval of proposed rates through participation in licensed rating bureaus. As of 1984, title insurance rating bureaus were authorized in the following States: Arizona, Connecticut, Idaho, Louisiana, Montana, New Jersey, New Mexico, New York, Ohio, Oregon, Pennsylvania, Wisconsin, and Wyoming.

Idaho's Legislature adopted a new title insurance code in 1973 which established a procedure for State licensing of a rating bureau for the industry. The State scheme for the title insurance industry is a comprehensive one which permits the industry to utilize the rating bureau mechansim, and finds that "the public welfare is served," as long as "reasonable competition continues in title insurance." However, once the State insurance department finds competition no longer exists, the department is required to disband the rating bureau.

Is the use of rating bureau good public policy? The U.S. Supreme Court said it was in its 1985 Southern Motor Carriers decision. The Court discussed the use of State authorized rating bureaus in a transportation setting: "By reducing the number of proposals, collective ratemaking permits the agency to consider more carefully each submission. In fact, some public service commissioners have stated that without collective ratemaking they would be unable to function effectively as rate-setting bodies."

But whether or not you agree with the use of rating bureaus, the important point is that for insurance it is a State decision. If a State authorizes it, that should be the end of it.

For the title insurance industry, it has not been the end. The FTC charged in its section 5 action that title search and examination, the process under which a title company determined the risk involved in insuring a title, is not part of "the business of insurance" under the McCarran-Ferguson Act, was not accorded Federal immunity, and therefore the setting of rates for this service by rating bureaus violated Federal antitrust laws.

The FTC's view of title search and examination came in the face of a string of Federal and State court cases, including a U.S. court of appeals decision, declaring that search and examination is the business of insurance. Indeed, no court has ever found to the contrary.

As a result of the FTC action, and resulting private suits, the title insurance industry is facing settlement costs and legal expenses in excess of $6 million, including $500,000 just to create a computerized index of the hundreds of thousands of documents for which the FTC issued subpoenas. In an industry like insurance, these costs are inevitably passed on to consumers. The industry's only offense was to accept the McCarran-Ferguson Act on its face that insurance was a State matter, and follow the letter and spirit of State insurance law, with an eye to existing judicial cases interpreting the scope of the Federal exemption.

The Antitrust Damages Clarification Act of 1987 is a carefully limited solution to this injustice. Section 1 of the bill provides that no antitrust damages or other costs shall be awarded with respect of the establishment or use of any title insurance rate, or premium that has been approved or permitted to become effective by a State insurance agency, pursuant to the provisions of State law. Section 2 would make clear that the bill is not intended to alter the right of any person, including the Federal Government, to obtain injunctive relief for an alleged antitrust violation. Once such an injunction is granted, the section 1 protections vanish.

The proposed legislation follows the principle of the "field-tariff doctrine," announced by the Supreme Court in *Keogh* v. *Chicago & Northwestern Railway*, 260 U.S. 156 (1922). In an opinion written by Justice Brandeis, the Court acknowledged that an antitrust plaintiff has suffered no injury if he has paid for goods and services at the only legal rate authorized under a system of government regulation. The doctrine is based on the view that antitrust damages should not be imposed in connection with rates approved by a regulatory body.

I authored, similar legislation last year, and in a short time, S. 2103 attracted 12 cosponsors. That legislation has been altered in two very important ways. First, the new bill applies only to the title insurance industry, rather that the insurance industry in general. And most important, the provision in S. 2103 which made the bill applicable to pending cases has been dropped. I know that some Members oppose the application of new laws to pending cases, and this impediment has been removed.

With these changes, I encourage my colleagues to support the Antitrust Damages Clarification Act of 1987, and urge rapid action in the Judiciary Committee.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 808

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be entitled the "Antitrust Damages Clarification Act of 1987".

SECTION 1. No damages, costs, or attorney's fees shall be awarded under section 15, 15A, or 15C of title 15, United States Code, with respect to the establishment or use of any rate, charge, or premium filed by a title insurance company with a State insurance department or agency; or authorized, approved, or permitted to become effective pursuant to the insurance laws of that State.

SEC. 2. Nothing contained in section 1 of this Act is intended to alter or affect the ability of any person or any governmental agency to obtain injunctive relief, with respect to the establishment or use of any such rate, charge, or premium. Section 1 shall not apply to any activity or conduct undertaken subsequent to and in violation of a final judgment or order by a court or administrative agency granting such injunctive relief.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I rise in support of the amendment of the Senator from Ohio, principally as chairman of the Small Business Committee. I want to say first of all that in our hearings in the Small Business Committee last year we found the No. 1 item on everybody's agenda was insurance. We found that small businesses in this country, which is what really make the mare go, were falling by the thousands, particularly those businesses which were hit by product liability insurance increases.

And the White House Conference on Small Business listed a study of the insurance industry along with tort reform as its No. 1 priority.

The National Federation of Independent Businesses, which has a half-million members, and the Small Business Legislative Council, which represents 4 million small businesses, all support this amendment.

This is not one of those consumer issues that divide liberals and conservatives.

I have just heard the Chairman of the Federal Trade Commission's name bandied about quite a bit. Someone even said he was a very conservative chairman. Yet he testified that he strongly supported their right to do studies of the insurance industry.

I really regret that the word investigation has been used here constantly during the debate on this amendment. Investigations, I think, conjure up the concept that somebody has been guilty of wrongdoing, maybe even criminal wrongdoing. Nowhere in the amendment nor anyplace else can I find the word investigation. The amendment does not even mandate that the Federal Trade Commission do a study. It authorizes the Federal Trade Commission to do a study. It does not mandate a study. It never mentions the word investigations. It simply says that a study of the insurance industry could be undertaken by the Federal Trade Commission it they so chose.

But the point that seems to be missed here is that this study, should it be undertaken by them and reported back to the committees as provided for in the Metzenbaum amendment, does not bind Congress to do one single thing. If that commission reports back that the insurance companies have been notoriously involved in a conspiracy to fix prices, that does not bind Congress to do one thing. They remain exempt under the McCarran-Ferguson Act from the antitrust laws.

And Congress may find that the report deserves no attention, some attention, a lot of attention, or whatever.

But I find the Metzenbaum amendment to be fairly innocuous, and I do not quite understand why there is as much opposition to it as there is.

Last year, there were a lot of people, even the insurance industry, who wanted tort reform. Well, it is a contradiction to say, "I want States rights where insurance regulation is concerned," and I happen to agree with that. We passed the McCarran-Ferguson Act in 1945 saying, "We hereby, at the Federal level, wash our hands of insurance regulation. States, you take it. It is yours. It is a State prerogative."

When I was Governor of my State, we had a very fine insurance commissioner, totally fair, and we found some fly-by-night operators, we found some abuses that you will find in any State. But by and large the legitimate insurance industry in my State did and always has done very well under aggressive regulation and monitoring.

But you cannot on the one hand say, "I want States' rights for this kind of regulation but we want Congress to get involved in tort reform."

That is a contradiction, too.

So my only interest in this is to try to make sure that small business in this country is getting a fair shake, both on the issue of tort reform and insurance rates. Incidentally, a lot of States in this country are moving out in the field of tort reform and aggressively changing their laws so that people, for example, who only contributed 2 percent of the negligence to an accident do not have to pay 100 percent of the cost. I find that offensive myself, Mr. President, and I am a trial lawyer.

But in any event, another point that needs to be made here is that we are not debating a repeal of the McCarran-Ferguson Act, which exempts the insurance industry from the antitrust laws of this Nation. That will be a real donnybrook if that ever comes up. I do not know that I would support a repeal of that. But that is not in question here, so nobody should vote against the Metzenbaum amendment because it deals with that issue. It does not.

It is sort of tragic around here that we cannot debate issues like this without people choosing up sides as being for or against something like the insurance industry.

The insurance industry has been a very good friend of mine from a political standpoint, and I have always tried to honor their wishes. I have steadfastly voted against allowing the big banks in this country to get involved in the insurance business. That is how protective I have been. Maybe that is anticonsumer. If it is, I plead guilty.

We grandfathered little banks like the one in my home town years ago and allowed them to sell insurance, but we cut it off and said, "If you have a bank in a town above a certain population, you may not sell insurance."

There are probably more mom and pop insurance agencies in the country than anything else I can think of, with the possible exception of the food industry.

So they are my friends and I want them to prosper, and most of them qualify as small businesses, which I feel sworn to defend and help all I can.

But I must say this is not an investigation, it is not a witch hunt, it is simply to ask the FTC, "If you choose to, go out and see how this industry is operating and report back to us."

My guess is that they are operating in a very legitimate way and that the report will come back saying so. But I would like to be fortified in that so that I can say to others, including the small business people who come and testify before my committee, I would like to be able to hold up an FTC report and say, "This is not your problem. We have had an extensive study done of the insurance industry. Not only are they clean, they are very competitive."

Nobody understands competitiveness better than small business, because they fall like tenpins every day they cannot compete. But they want other people to have to compete, too.

So this is not an anti-insurance amendment. It is not anti-anything.

You know, we have a law that takes care of the Ivan Boesky's. They say, "What are you going to do about those insider trader deals in New York?"

"We are not going to do anything. They violated the law and that is why they are in trouble. If people want to take the chance and violate the law, then they take the chance of getting caught just like Ivan Boesky."

In this particular case, we are not saying they have violated the law, not even suggesting that anybody has violated the law. We are just saying that we would like to know that insurance rates in this country, which have caused so many business failures, were legitimately charged.

I want to say again to the Senator from Missouri who said a while ago that the reason this provision was put into the law in 1980 was because regulators had run amok; and who is going to watch the regulators if Congress does not? It does not take any time to watch the regulators in this case, because they do not regulate. They cannot even study.

So I do not see anything wrong with this. I want to be careful to say again to all of my colleagues, this is not pro-insurance or anti-insurance. It is not pro-big business or pro-small business. It is simply Congress discharging a legitimate responsibility to say to the small business people especially of this country: Why do you think the conservative chairman of the Federal Trade Commission is for this? Why do you think the National Federation of Independent Businesses, probably one of the most conservative organizations in America, are for it? Why do you think the Small Business Legislative Council is for it? Because they want to know. And they have a right to know, and Congress has a right to tell them.

So for all of those reasons, Mr. President, I will support the Metzenbaum amendment.

Mr. President, I ask unanimous consent that an editorial from the president of the National Federation of Independent Business be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MAKING INSURANCE COMPANIES COMPETE COULD MAKE INSURANCE EASIER TO FIND, PAY FOR

(By John Sloan)

A small-business owner in California shopped around for liability insurance recently only to find prices pretty much the same wherever he looked. He wonders if there is some form of price-fixing taking place.

In at least 40 states insurance companies use what they call "administered pricing" to set rates for workers' compensation insurance because those states do not have a provision for competitive rating of such policies.

The two examples suggest an absence of competition in the insurance industry and more than a few people are wondering if the lack of competitive pricing is one reason for the high cost of liability insurance.

The National Federation of Independent Business, joined by consumer groups, the Justice Department and the Chairman of the Federal Trade Commission, called recently for repeal of a legal exemption in the McCarran-Ferguson Act which shields insurance companies from anti-trust laws and from free-market forces which might otherwise drive insurance costs down.

Last year, it was argued that if state and federal governments would reform the civil justice system (tort reform), the problems of cost and availability of liability insurance would be alleviated. Some states have passed tort reform legislation, and while it is too early to measure the effect of that action, there is enough evidence to suggest that at best, tort reform is only part of the solution.

Meanwhile, the liability insurance crisis continues. An aircraft corporation in Waco, Texas, paid $25,000 for $2 million in coverages in 1983, $50,000 in 1984 and $200,00 in 1985.

The maker of food processing machinery in Marblehead, Ohio, paid $50,000 for coverage in 1984 on a policy that contained a $2,500 deductible provision. In 1986, that same company paid $150,000 for the same coverage, the deductible was increased to $50,000, the manufacturer was required to furnish a $300,000 letter of credit to the insurer and pay legal expenses for settling claims.

Small firms, faced with rising insurance costs and limited availability of coverage must make critical choices: pay the price and cut costs someplace else or go out of business.

Those firms, like almost every other segment of American business, live and die through competition in the market place. Insurance companies should too.

The Supreme Court has called anti-trust laws "the Magna Carta of free enterprise," saying that they guarantee to every business, no matter how small, the freedom to compete—"to assert with vigor, imagination, devotion, and ingenuity whatever economic muscle it can muster."

Tampering with anti-trust laws to protect one industry from competition causes economic hardship to other businesses, particularly the smaller ones. Repeal of the anti-trust exemption within McCarran-Ferguson will not, by itself, solve the liability insurance crisis. But a combination of tort reform, closer scrutiny of the insurance industry by the states and application of anti-trust laws will help make liability insurance more available and affordable.

Mr. ROCKEFELLER. Mr. President, I rise as a cosponsor of the Senator from Ohio's amendment which would give the Federal Trade Commission the authority to examine the insurance industry. This amendment is also supported by Senator HOLLINGS, the chairman of the Senate Commerce Committee; and Daniel Oliver, the Chairman of the Federal Trade Commission.

The amendment is very clear in its intent. It would not take away State regulation of the insurance industry. It would not authorize the FTC to enforce antitrust laws or consumer protection laws against the insurance industry. It would not amend or repeal the McCarran-Ferguson Act.

It would simply allow the FTC to conduct studies and prepare reports on the insurance business. It would also require the FTC to report its insurance activities to the authorizing committees at the outset of each fiscal year. In short, it would give Congress and State regulators the information so that they could be effective policymakers in this area.

During February's FTC reauthorization hearing, the Chairman of the FTC testified:

> A principal reason for the FTC's creation was to serve as a body of experts on important issues of commerce that affect American consumers. To discharge that duty, the Commission has over the years assembled a highly trained staff of accountants, lawyers, and other professionals. No one can deny that the insurance industry is a vital one for virtually all Americans. And yet Congress has by law imposed sharp limits on our ability to analyze that industry. The Commission is not restricted with respect to other industries. We see no reason for continuing it with respect to the business of insurance. We therefore urge the subcommittee to report out a bill that deletes this anti-consumer limitation.

Mr. President, last year this Nation was gripped by an insurance crisis that threatened every facet of American life. My own State, West Virginia, was particularly hard hit.

West Virginia's insurance crisis reached its peak in April of last year when five of the major malpractice providers issued cancellation notices to 6,500 doctors, dentists, nurses, and other health professionals, as well as 58 hospitals and rural health care clinics. They were told that their policies were being canceled as the result of an insurance/tort reform bill that had recently passed in the State legislature. They were also informed that they had less than 4 weeks to find a new source of insurance coverage.

The insurance industry's action, in a State which is already medically underserved, threw the State into turmoil. Scores of West Virginians called my office after being told by their doctors that their hospital, health clinic, dialysis center, or doctor's office would be closed.

Ultimately, the insurers decided against cancellation of these policies. However, this came only after they had wrought havoc on my State's already strained health care system and forced West Virginia's taxpayers to spend thousands of dollars for a special legislative session. During this special session, the legislators eliminated the offending provisions of the tort reform/insurance bill. In short, West Virginia was held hostage by some insurers and the insurers won because the crisis provided us with no other alternative.

While West Virginia provided a dramatic worst-case example of the impact of the insurance crisis, this crisis reached each and every State. Day care centers, municipalities, parks, small businesses, and professionals were mired in a liability situation that threatened to curtail our everyday lives.

Mr. President, when last year's insurance crisis hit West Virginia and the rest of the Nation, I had many questions. The main question being, how did we get into this insurance crisis? I requested hearings on the insurance crisis—and the Commerce Committee held hearings. I met with groups on all sides of the issue. I talked to State regulators. However, my efforts and the efforts of my colleagues to understand the causes of the insurance crisis were extremely curtailed by a lack of Federal expertise in this area.

I understand that the insurance industry is regulated at the State level and I have no desire to change that. Let me repeat that: I believe that the States should continue to regulate the insurance industry. However, the insurance crisis was not just a West Virginia crisis—it was a national crisis. Some alleged that the insurance crisis was caused by a civil justice system run amok; others alleged that it was caused by the underwriting practices of the industry during the early 1980's. No one alleged that the cause of the insurance crisis rested within the boundaries of one State.

In order to understand the causes of West Virginia's insurance dilemma, I needed to know about more than just West Virginia's insurance practices. However, I had nowhere to turn. I find almost no sources of independent expertise on this issue. I even contacted several academic institutions but found few sources of help in the property-casualty area.

Ironically, even the insurance industry—which is now fighting this amendment—recognized the national scope of the crisis. Last year, insurers came to Congress and asked that the product liability laws be reformed in order to alleviate the insurance crisis. I supported the product liability bill last year and cosponsored Senator KASTEN's tort reform bill this year. However, I don't think that the insurers can honestly say that the solution lies at the national level, but we can't examine the industry from a national perspective.

If there is a national problem, we need some expertise at this level. As Daniel Oliver said and I quoted above, the FTC has assembled a group of experts on commerce issues. There is no reason why the FTC shouldn't be able to analyze the insurance industry—just as it does with other industries.

Mr. President, policymakers at the State and Federal level need the FTC's help to understand the insurance crisis and the causes of that crisis. While the crisis has been alleviated in many areas, certain lines of insurance such as medical malpractice insurance are still unavailable in many parts of the country. Furthermore, insurance is a cyclical industry. While the availability crisis has eased for now, experts predict that we will face another crisis 5 to 7 years from today.

I hope that the next time we face such a crisis that policymakers at the State and Federal level will be better prepared and that we will have more information and expertise available to us. State and Federal policymakers should not be compelled, by the strength of an industry, to legislate in the dark.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER (Mr. DODD). The Senator from Illinois.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, would the distinguished Senator from Illinois yield to me without losing his right to the floor?

Mr. SIMON. I am pleased to yield.

Mr. BYRD. Mr. President, I would like to have some indication here that Senators might depend on as to where we go from here.

I wonder if we can get an agreement to put the amendment over until tomorrow and schedule a vote on or in relation to the amendment at say 11 o'clock tomorrow morning.

Mr. SIMON. If the majority leader will yield, I have no objection to putting it over. I would like to take 5 minutes or so right now to express my opinion on the amendment.

Mr. BYRD. Would the distinguished Senator let me see if I can get a response to this?

Mr. METZENBAUM. May I respond to the majority leader? The Senator from Ohio is prepared to vote tonight. I am willing to vote tonight on my amendment, and I am willing to vote tonight on final passage of the bill, whatever the leadership and managers want. If we go over until tomorrow, I am not exactly certain. I know I am not prepared this evening to agree to any time certain because I would like to take some stock of what has transpired overnight. But if there is any willingness on the part of the managers to vote tonight, I am willing to vote tonight. If we go over until tomorrow, I am willing to agree with respect to the bill, but I am not willing at this point to agree to a time certain. But that is not to say I would not be willing to do so tomorrow.

Mr. BYRD. Mr. President, if the Senator will continue to yield, may I have any input that other Senators may wish to make on this matter? It would be well if we could get an agreement on the remaining amendments so there would be some understanding as to what amendments will be called up and hopefully a time limit thereon.

Mr. GORE. Mr. President, if the Senator will yield to me as well, I would consult the ranking Republican member of the subcommittee, and in doing so advise the distinguishd majority leader that I believe we know of only four amendments. There is in addition to the pending amendment a possible second-degree amendment which I may offer to the pending amendment. There is an amendment which may be offered by the Senator from Texas, Senator GRAMM, relating to the funding levels. There is an amendment which may be offered by the Senator from New Mexico, Senator DOMENICI, relating to Native American craft or counterfeit Native American craft imported into this country, and there is an amendment which may be offered by the Senator from Minnesota, Senator BOSCHWITZ, relating to another section of the bill having to do with a restriction on the FTC's ability to investigate agricultural marketing orders. I know of no other amendments which Senators have noticed to the committee.

It might be possible, I express the hope that it is possible to get a unanimous consent agreement that those would be the only amendments allowable for consideration when we come back in. Have I accurately described the situation?

Mr. McCAIN. I believe the Senator from Tennessee has accurately described the situation. I know of no other amendments, and I believe other Senators have had ample opportunity to make their wishes known on amendments on this bill, I say to the distinguished leader.

Mr. BYRD. Earlier the staff on this side of the aisle had cleared over the telephones an agreement which would limit amendments to those amendments which have been named here. If it is agreeable with Senators, I would like to propound the request limiting amendments to those amendments. If ther would be no objection, at least we could then tomorrow proceed with that understanding.

Mr. GORE. If the Senator from Illinois would continue to yield, I should say—so the record is clear—the list which I just enumerated includes at least two amendments that are in addition to the list which was cleared on the telephone earlier. The thrust of the majority leader's remarks earlier still hold; that is, Senators on both sides have had ample opportunity. At least two Senators in response to those calls expressed an inclination to introduce these other amendments. But I do not believe it would be a breach of comity to say these amendments are the ones that are on the list, and there are no others to our knowledge.

Mr. BYRD, Mr. President, if the distinguished Senator will indulge me briefly, may I ask the manager and the ranking manager once more to name the authors of amendments that we know about?

Mr. GORE. In addition to the pending amendment there is a second-degree amendment which I may offer in my own behalf to the pending amendment. And it would, if offered, serve as an effort to reach a compromise on the matters under discussion.

Second, we have been made aware of a possible amendment by the Senator from Texas, Senator GRAMM, which would have the effect of reducing the authorized funding level.

Third, we have been made aware of an amendment which may be offered by the Senator from New Mexico, Senator DOMENICI, which would classify as an unfair trade practice the importation of counterfeit Native American arts and crafts if they are not appropriately labeled as to their country of origin.

Then we have been made aware of an amendment which may be offered by the Senator from Minnesota, Senator BOSCHWITZ, which would have the effect of removing a restriction currently in the bill, which has been in the bill before this Congress, that currently prevents the FTC from investigating the effect of marketing orders.

Mr. McCAIN. Will the Senator yield?

Mr. GORE. Yes

Mr. McCAIN. I have been informed there is also a possibility of a Danforth-Ford possible second-degree amendment to Metzenbaum, depending on the course of events as the votes take place on the amendment. So I have been asked to protect that as well.

Mr. GORE. That would be five amendments, I say to the majority leader.

Mr. BYRD. Very well. I am inquiring of the Republican leader if we might proceed to propound this request.

Mr. METZENBAUM. Mr. President, I ask the indulgence of my colleague. I first heard about the Domenici amendment and I heard about the Gore second-degree amendment, and I have no problem with that. Now hearing about some more, including a Danforth-Ford amendment, I do not even know what that is. I want to say the Senator from Ohio has concerns. I do not agree to something until I at least know what it is. I am not saying I am opposed to it nor would I be opposed to such an agreement. But I am frank to say to you that the additional amendments that have been forthcoming do give me some cause for concern.

Mr. GORE. If the Senator from Illinois will yield further, I believe the Senator from Ohio was familiar with the substance of the possible second-degree amendment which I would offer. I express the hope that while the distinguished Republican leader is consulted on the rest of the agreement, it might be possible to give the Senator from Ohio some indication of the substance of the other possible second-degree amendment.

Would that satisfy the Senator's concern?

Mr. METZENBAUM. Mr. President, it is not the Senator's second-degree amendment that concerns me. I thought I heard of a Danforth-Ford amendment, undescribed.

Mr. GORE. That is correct.

Mr. METZENBAUM. I am always interested in undescribed amendments. When it is so described, I may not be——

Mr. GORE. Mr. President, if the Senator will continue to yield, let me say if we do not have a unanimous-consent agreement, this undescribed amendment will be perfectly in order, and several others will be as well.

As the manager of the bill and chairman of the subcommittee which produced the bill, I have one very strong priority. That is to try to get an authorization bill passed, because one has not been passed since 1980. We have an opportunity to do that if we can demonstrate progress and limit the number of amendments so that the distinguished majority leader is not tempted to pull the bill down because there is no realistic hope that we would not consume such an enormous amount of time on it.

Mr. METZENBAUM. Mr. President, why not permit the Senator from Illinois [Mr. SIMON] to be heard and, in the interim, perhaps we can all take a look at what these amendments are.

Mr. BYRD. Mr. President, the Senator from Illinois has been very patient and very courteous and I would not impose on his time longer.

May I say to my friend from Ohio that I think there is an indisposition here to have any votes further this evening.

Mr. METZENBAUM. I am not rushing that. I want to be cooperative.

Mr. BYRD. So our colleagues may know that, there will be no more rollcall votes tonight.

Mr. SIMON. Mr. President, I rise in support of the Metzenbaum amendment. Illinois ranks second only to the State of Connecticut, the State of the Presiding Officer, in terms of insurance. I want a healthy insurance industry. That industry not only protects this country and her people; it also is one of the few ways we save.

An insurance sales person comes around, knocks on our door, and in a moment of weakness or imprudence, we are not sure which, we agree to pay so much a month or so much a quarter for insurance. That ends up being one of the few ways we as a people save money. But, the insurance industry has, I think, gone too far.

The Senator from Arkansas mentioned small business. Their No. 1 concern is insurance. I just received a bulletin from a friend of mine in Anna, IL, Jack Lewis, who is in the bakery business. He enclosed a bulletin from the Illinois Manufacturers Association. It listed the 10 major points of concern for the Illinois Manufacturers

Association. The No. 1 concern in that list is insurance.

We have to make sure the pendulum does not swing too far, that we keep a middle ground. If the insurance industry continues to have its antitrust exemption under McCarran-Ferguson, it continues to be the only industry to my knowledge, and I would be pleased to be corrected by the Senator from Ohio if I am wrong, but I believe it is the only industry that is exempt from FTC.

Am I correct?

Mr. METZENBAUM. The Senator is correct.

Mr. SIMON. I remember a few years ago, we also exempted the funeral industry, but that is now removed. Now it is only the insurance industry. The reality is, that is not a rational kind of thing. We are the only nation not to have national control of insurance. I do not suggest that that is what we ought to have, but I do think we ought to know what is going on and we do not know what is going on.

I heard my friend, the distinguished Senator from Kentucky [Mr. FORD], who does a superb job as chairman of the Rules Committee, say just a little while ago, "I wonder if the State commissioners of insurance know what is happening, that their authority is going to be taken away?"

The reality is we are not taking away the authority from any State commissioner, but we are making it possible for the FTC to protect the American public a little better. The reality is, and let us be candid, too many State insurance commissioners are in the hip pocket of the insurance industry rather than protecting the American public. That is the reality. And we know it.

I do not want to do anything that does harm to the insurance industry; I want to protect the insurance industry. But I also want to protect the American consumer and I see too many television ads about cancer insurance or if you are over 65, you can get this insurance and it is going to cost you a few pennies. I just know instinctively that some of that is not sound, is not solid. I would like to see the FTC able to take a look at that kind of thing. So I urge my friends in this body to accept the Metzenbaum amendment.

I would add candidly that I am not optimistic it is going to be accepted. I understand the power of the insurance industry in this body, but if you ask what is in the public interest, I think very clearly, passage of this amendment is in the public interest.

I see my friend from Kentucky on the floor here and I gather he may differ with me. Does he wish me to yield to him?

Mr. FORD. No, Mr. President, I would like the floor in my own right. After the statement the Senator made mentioning my name, I would like the floor in my own right.

Mr. SIMON. I have nothing more to say, Mr. President. I think the Metzenbaum amendment is a good amendment. I hope it is supported by the Members of this body.

Mr. FORD. Mr. President, the distinguished Senator from Illinois mentioned my name a few moments ago. He was complimentary. But when I said I wonder if the insurance industry knows about this amendment, we made an agreement with them. We made a compromise with them. The Senator was in the House at the time. We had a conference and we made an agreement with them. Now we are breaking that agreement. Now I think the insurance commissioners, if we are breaking an agreement with them, we ought to have them in and they ought to know what is coming down the pike.

The distinguished Senator from Illinois said the insurance commissioners are in the pocket of the insurance industry. He said that. All I want him to do is start naming them. If we are going to accuse people of being in the pockets of certain big industries, then we ought to start naming them and saying, this insurance commissioner is in the pocket of the insurance company; then we will start going from there.

We get up here and hear allegations of how big the industry is; we are fighting Mr. Big and we are trying for the little people. Let me just say, Mr. President, I do not want to get into the merits of the amendment.

I do want to get into the merits of my word. My word was made in 1980 and we made a compromise. Today, we are breaking that if we pass the so-called Metzenbaum amendment. I understand the problems that are coming down. I understand them very well. But let us be careful about the accusations that we are making and the statements that we are making as they relate to other Members of this body.

I just wanted to clear up those two points and be sure that when we make a judgment, we are not making a judgment as it relates to how big and how powerful that industry is in this Chamber. I hope we will make a judgment based on what is right, make a judgment based on what regulations this Congress should pass. I think we ought to make a judgment as it relates to what is in the best interest of our consumers. And at that point then, Mr. President, we will do the thing that is right. So I hope that when we do come back tomorrow—and I will reserve the right until tomorrow, Senator DANFORTH and I, to have an amendment. I have listened to other Senators on the Senate floor. When we start listing amendments, they say, "X Senator's amendment." It does not describe the content of that amendment. They are just protecting their right. I intend to protect my right, because my word is on the line, with a compromise that Senator DANFORTH and others worked out in 1980.

Mr. SIMON. Will my colleague yield?

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I have been listening with interest to the debate. I suspect it would be appropriate to say at this time this whole effort is one more attempt by amendment this time on the FTC legislation—to get the Federal Government further involved in regulation. This amendment also bypasses the legitimate activity and right of the Commerce Committee and the subcommittees thereof. We have trouble in the insurance industry today, and indeed I say that we do have it in some instances. That does not justify, in the opinion of this Senator, the move that is being attempted to rush in and start regulating the insurance industry, one of the industries which has never been regulated from the Federal level. This is being done, Mr. President, at a time when there is a rush to deregulation. Deregulation is the magical word. We deregulated the trucking industry. We deregulated the airline industry. We deregulated the telephone industry, with some rather dire consequences, I might say. And here we have at best a camel's nose under the tent to regulate the insurance industry in America.

Now, I did hear a statement on the floor from one of my colleagues that the insurance directors of the States were in the hip pocket of the insurance industry.

Mr. SIMON. Will my colleague yield?

Mr. EXON. I see my friend from Illinois. If I could yield to him for a question, without losing my right to the floor, I would be pleased to do so.

Mr. SIMON. I thank the Senator. I do not want to be misunderstood and my friend from Kentucky did quote me accurately. I said too many are. I did not say all of them are. But from the experience I have had in the State of Illinois—and I am pleased to say we have gradually improved and I think it is true in many States—I do not think there is any question that too often insurance commissioners serve the industry rather than the public. That is the reality we have to face. I thank my colleague for yielding.

Mr. EXON. I appreciate very much my very forthright and honest colleague from the State of Illinois, who is a great Member of this body. I serve with him with him great honor.

I suppose there are and there have been some insurance directors of the States who may have been under the influence or, if not, in the hip pocket of the insurance industry. There have also been those who do not fit that category. I remember, when I was Governor, we had a great deal of difficulty with an individual by the name of, I believe, Dennenberg, from the State of Pennsylvania, who was anything but in the hip pocket of the insurance industry. And so I do not agree with my friend from Illinois that there are very many, if any. There may be some. Most of the insurance directors are high-class professionals who do an excellent job. I will agree with my friend from Illinois on some of the criticism he has made against some of the insurance directors.

I remember, back those 8 years when I served as Governor of Nebraska, we had a particularly strong National Association of State Insurance Directors that did an excellent job at policing the industry. I suspect that over the years, for reasons that I do not fully know, and perhaps do not appreciate, there has been somewhat of a lack of attention to that vigorous action we once had under the direction of the insurance act of the Federal Government that has kept the Federal Government out of the insurance regulation business known as the McCarran-Ferguson Act. Possibly—and I have suspected it might be—it is a fact that that strong State insurance association, with strong ties between the insurance directors through their national association, may not be as effective as it once was. I agree very much with my friend from Illinois and, although I did not hear him address it, very likely my good friend and colleague from the State of Ohio.

I watch some of the advertising on television today that I would call misleading at best and phony at the worst. Now, I am not sure of all of the insurance laws of all of the States, but I would say it is very likely that some insurance director in some State, isolated or otherwise, had to OK, give his stamp of approval to that type of advertising. I am particularly offended by the ad that appears on cable television frequently and regularly that is directed to veterans: "Attention veterans, a special deal for you." They even use a replica of an eagle, which would certainly lead everyone to believe, unless they were a very careful listener, that indeed this was a GI insurance policy. There is a disclaimer, Mr. President, that says, "Not connected with any agency of the Federal Government," or some such words.

In any industry we must realize that we are not going to have everybody always living up to what is generally considered to be honest and proper, and I suspect that very likely some of those people got on television with those deceiving ads that for the most part and to a large extent are designed to fleece the public—I am not suggesting that any one ad does that, but I have seen some that I would think were suspect—but I do not believe, because there have been some letdowns in the attention that was once directed to the insurance industry, that justifies, Mr. President, our taking action to protect everyone.

If we had a simple sense-of-the-Senate resolution which brought out some of the legitimate complaints that my colleague from Illinois and my colleague from Ohio and probably others have, calling attention of the insurance industry in general and the insurance directors of the States and the Governors of those States in particular to the concerns that we have, if there are some shortcomings in the present regulation system of the insurance industry, it would likely be very effectively and efficiently corrected without Uncle Sam starting up a brand new bureaucracy or an even larger bureaucracy than we presently have to be watchdogs of the insurance industry. By and large I think most objective analysts conclude that the McCarran-Ferguson Act has been a good one for keeping the Federal Government out of the insurance business in the United States, and I would like to see it remain in that fashion.

So, for the first reason, I believe that whatever is done in this area, if anything, it first should be referred to the Commerce Committee and the subcommittee of jurisdiction, to look at any suggested changes that might or might not be in order on a matter as important as this.

I suggest, Mr. President, that it is not wise to come up with something of this nature and put it on as an amendment and bypass the normal process. That is the first reason why I am against this proposal and anything like it.

Second, I strongly am opposed, during this era of deregulation, to even consider the thought of regulating the insurance industry, when we do not have, obviously, the wherewithal to do that at the Federal level.

So I certainly reserve my right to vote against this measure if it is called to a rollcall vote. I simply say that should the amendment prevail, I would not be surprised if that might not be the abrupt end to the FTC legislation that is presently before us, which is being amended in a fashion to disrupt the historic arrangement between the Federal Government and the insurance industry.

Should that amendment be adopted, I think it is only proper that I serve some warning now that very likely extended debate would follow on the floor of the U.S. Senate.

I yield the floor.

Mr. BYRD. Mr. President, the distinguished managers of the bill have indicated that they will be ready to resume consideration of the measure tomorrow morning at 10 o'clock. I therefore ask unanimous consent that on tomorrow, the Senate resume consideration of the pending bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROHIBITION ON ENTRANCE FEE AT THE STATUE OF LIBERTY NATIONAL MONUMENT

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 75, S. 626, for not to exceed 10 minutes, the time to be equally divided between Mr. BRADLEY and Mr. D'AMATO.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

> A bill (S. 626) to prohibit the imposition of an entrance fee at the Statue of Liberty National Monument, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. BRADLEY. Mr. President, immigrants no longer pass through the Great Hall on Ellis Island or witness firsthand from steamer decks the Statue of Liberty's light of freedom and welcome. But for all Americans, immigrants, and visitors, Lady Liberty remains the preeminent symbol of the promise of American life. The statue represents hope and opportunity, racial harmony and compassion. The base of the statue appropriately houses the American Museum of Immigration, a museum which celebrates and commemorates the presence of immigrants in our society.

The statue belongs to all of us, and Americans have demonstrated their powerful feelings toward her in the outpouring of $300 million of public donations which financed Lady Liberty's dramatic renovation. Until February of this year, most visitors to the statue had to pay $3.25 per person to ride the ferry to Liberty Island. If they wanted to ride the elevator to the statue's observation deck, they might have paid an additional quarter. But access to the statue itself and to the American Museum of Immigration was appropriately free.

Starting in February, however, an entrance fee of $1 per person has been levied on each visitor to the statue or the museum of immigration.

Mr. President, this new entrance fee, small though it is, is inappropriate and ill-conceived. It is an insult to the country and to the American people who have already contributed $300 million to refurbish the statue, and today I am happy to see that the Senate agrees. Frankly, I believe that, given sufficient opportunity, the public will give freely to maintain the atue, as they have so generously in e past.

The legislation before the Senate at is time has one purpose. That purose is to remove the new $1 entrance e at the Statue of Liberty.

The Statue of Liberty was never innded as a revenue source for the .S. Government. In light of its high urpose and message as the preemient symbol of the promise of Amerian life, people should be encouraged, ot discouraged from preserving the atue.

Lady Liberty says at her base: "Give e your tired, your poor, your hudled masses yearning to breathe free * *" She does not say "and give me a ollar."

Mr. President, it has been just over 1 onth since I introduced this legislaon, with cosponsorship from both arties, from regions across the couny; key cosponsors are on the floor at is moment—Senator MOYNIHAN and enator D'AMATO, as well as my colague Senator LAUTENBERG. Less than weeks ago, the Energy Committee nanimously reported it, and today e whole Senate is likewise voicing its rong approval.

I urge my colleagues in the House of epresentatives to act swiftly and desively, as I believe we will. This enance fee simply has to go.

Mr. D'AMATO. Mr. President, I rise day in support of the legislation proosed by my distinguished colleague om New Jersey, and cosponsored by yself and other Senators on both des of the aisle—and of the Hudson iver.

I refer, of course, to his bill regardg the Statue of Liberty. Mr. Present, this is not just a New York or a ew Jersey issue. It is a national atter, touching all Americans who ew the statue as a symbol of the romise and opportunity we offer to e world.

I do not think any one in this Chamer will ever forget the national outouring of private sector support rough which the Lady was restored nd refurbished so that generations to me could enjoy her beauty, and be minded of the dream she represents.

The Statue of Liberty Foundation ised and spent over $300 million on storing the statue. In fiscal year 986 it provided $6 million directly to e Park Service to cover the Park ervice's own share of the restoration sts. While I realize that this body as authorized the Park Service to harge entrance fees to national parks, is is not an appropriate place for at authority to be exercised. Clearly e public has—voluntarily—paid more an its share. As far as I am conerned, the people have already paid eir way.

Mr. President, like so many Amerians, I am the grandson of immirants. My family first came to this country under that "lamp lifted beside the golden door," the sight of which never fails to fill me with emotion. We should not be so petty and penurious as to charge a fee to feel that pride and gratitude. The symbol of the dream of freedom should itself be free. I urge my colleagues to support this bill.

Mr. President, I think it is unfortunate that we have to pass legislation to do this, which should have been done, and commonsense would have had the U.S. Department of the Interior and the National Park Service in particular respond to this.

Senator MOYNIHAN, Senator BRADLEY, and others wrote to the Park Service. We said to them that it was never the intent to place a tax on urban parks, and certainly not the Statue of Liberty. Unfortunately, we got back a response dated March 13, 1987, which is filled with some of the most inane excuses and interpretations of the law. I say inane and excuses. Certainly, no lawyer would want to establish this as legal precedence for the establishment of this fee.

I think sometimes that some of our bureaucrats should really wake up. In this case, it was William Penn Mott, Jr., the Director. I ask unanimous consent that the letter we submitted when this matter came to our attention and the response from Mr. Mott, dated March 13, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, February 3, 1987.

MR. WILLIAM P. MOTT,
Director, National Park Service, Department of the Interior, Washington, DC.

DEAR MR. MOTT: We are writing to express our concerns regarding the $1 entrance fee recently initiated by the National Park Service at the Statue of Liberty. We feel very strongly that the Statue of Liberty should be exempt from any such fee.

Although the fiscal year 1987 continuing appropriations bill gave the Park Service the legal authority to charge such a fee during fiscal year 1987, it exempted urban parks from this authority. We believe that the Statue of Liberty should be exempted under the same authority given to exempt urban parks.

Also, the Statue of Liberty is clearly a special case because of the volume of private sector support it has already received. The Statue of Liberty Foundation spent over $70 million on the restoration of the Statue, as well as providing $6 million in fiscal year 1986 directly to the Park Service to cover the Park Service's share of the restoration. To ask the public, which has already provided tremendous support for the Statue on a voluntary basis, to turn around and pay an entrance fee to visit the Statute, clearly ignores this contribution.

We appreciate your attention to this matter and urge expeditious action on this request.

Sincerely,

DANIEL PATRICK
MOYNIHAN,
ALFONSE D'AMATO,
U.S. Senators.

U.S. DEPARTMENT OF THE INTERIOR,
NATIONAL PARK SERVICE,
Washington, DC, March 13, 1987.

Hon. ALFONSE D'AMATO,
U.S. Senate, Washington, DC.

DEAR SENATOR D'AMATO: Thank you for your inquiry concerning the proposed entrance fees at Statue of Liberty National Monument.

The FY 1987 Appropriations Bill authorized a 1-year entrance fee program to further the purposes of the National Park System. We have conducted an extensive fee program review, using criteria listed in the Land and Water Conservation Fund Act (LWCF) of 1965, as amended, and have identified 134 entrance fee parks. This figure represents an increase of 72 fee areas over the number of parks where fees were collected in 1986.

We feel that we have developed a program that is fair, equitable and uniform, with benefits for both the visitor and the National Park System. In authorizing the 1965 LWCF recreation fee program, Congress did not distinguish between charging fees for the opportunities available for visitors in national parks versus those found in national monuments or other types of park areas. Based primarily on the criteria in the LWCF, fees have been established on a Servicewide basis that range from $1 to $5. An entrance permit will be valid for 7 days. There is no charge for children under age 13, eduational groups, persons over 62 years of age and persons who are permanently blind or disabled.

The appropriation language says "no admission fee may be charged at any unit of the National Park System which provides significant outdoor recreation opportunities in an urban environment and to which access is publicly available at multiple locations." While the Statue of Liberty National Monument is located in an urban area, its visitors are primarily from outside the city. We feel the provision listed above was intended for recreation areas such as Gateway and Golden Gate National Recreation Areas.

We are aware of the tremendous effort by the American public toward the restoration of the Statue of Liberty and the entrance fee is not a duplication of that effort but rather an opportunity for the user to support its continued operation at an enhanced level. The revenue collected from the fee program will be returned to the National Park System to enhance park operations. The Statue of Liberty National Monument is expected to receive an estimated $355,300 in FY 1987 as a result of collecting entrance fees. These funds will be used for resource management, research and interpretation. We believe that $1 per person or $3 maximum for families, will not deter the first time visitor from visiting the site. We have made provisions for the frequent visitor by developing an annual park pass to the Statue of Liberty for $10 per year that will allow an individual and the immediate family unlimited access to the park.

We hope that the information we have provided has been helpful in understanding this general entrance fee program and specific details that apply to the program at the Statue of Liberty National Monument. Visitor reaction to the $1 fee since it was begun on February 2 at the Monument has generally been quite favorable.

An identical response has been sent to Senator Daniel Patrick Moynihan. We very much appreciate the opportunity to be of assistance to you.

Sincerely,

William Penn Mott, Jr.,
Director.

Mr. MOYNIHAN. Mr. President, I join my able colleagues, Senator D'Amato and Senator Bradley.

There ought not be a dollar sign on the Statue of Liberty. There is no more to be said, except that Senator D'Amato made the point.

He and I on February 3, 1987, wrote the Director of the National Park Service and we received back and, I am sorry to say, a letter that is a little disturbing. There is one sentence I ask to read into the Record. This is a very able and dedicated man but even so you get into a bureaucracy and the next thing you know you are writing sentences like this.

> We have made provisions for the frequent visitor by developing an annual park pass to the Statue of Liberty for $10 per year that will allow an individual and the immediate family unlimited access to the park.

Mr. President, this is not Central Park and it is not Yellowstone National Park. It is the Statue of Liberty. Good Americans take their families there once in their lifetime. The notion that the frequent visitor is shuttling back and forth from Lower Manhattan to Bedloe's Island, I guess now Liberty Island, back and forth, cannot let a week go by that you do not visit the Statue of Liberty, help.

The last we wrote we asked that this not be done. It was done anyway.

The only recourse is the legislation which the alert Senator from New Jersey did not fail to recognize as necessary. I urge adoption of the measure.

Only for the Record, and the day may come these things are of interest to the archivists, I ask unanimous consent to print in the Record the letter that my friend, Senator D'Amato and I sent to Mr. Mott and the response we got about the frequent visitor plan.

There being no objection, the letters were ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, DC, February 3, 1987.

Mr. William P. Mott,
Director, National Park Service, Department of the Interior, Washington, DC.

Dear Mr. Mott: We are writing to express our concerns regarding the $1 entrance fee recently initiated by the National Park Service at the Statue of Liberty. We feel very strongly that the Statue of Liberty should be exempt from any such fee.

Although the fiscal year 1987 continuing appropriations bill gave the Park Service the legal authority to charge such a fee during fiscal year 1987, it exempted urban parks from this authority. We believe that the Statue of Liberty should be exempted under the same authority given to exempt urban parks.

Also, the Statue of Liberty is clearly a special case because of the volume of private sector support it has already received. The Statue of Liberty Foundation spent over $70 million on the restoration of the Statue, as well as providing $6 million in fiscal year 1986 directly to the Park Service to cover the Park Service's share of the restoration. To ask the public, which has already provided tremendous support for the Statue on a voluntary basis, to turn around and pay an entrance fee to visit the Statue, clearly ignores this contribution.

We appreciate your attention to this matter and urge expeditious action on this request.

Sincerely,

Daniel Patrick Moynihan,
Alfonse D'Amato,
U.S. Senators.

U.S. Department of the Interior,
National Park Service,
Washington, DC, March 13, 1987.

Hon. Daniel Patrick Moynihan,
U.S. Senate,
Washington, DC.

Dear Senator Moynihan: Thank you for your inquiry concerning the proposed entrance fees at Statue of Liberty National Monument.

The fiscal year Appropriations Bill authorized a 1-year entrance fee program to further the purposes of the National Park System. We have conducted an extensive fee program review, using criteria listed in the Land and Water Conservation Fund Act [LWCF] of 1965, as amended, and have identified 134 entrance fee parks. This figure represents an increase of 72 fee areas over the number of parks where fees were collected in 1986.

We feel that we have developed a program that is fair, equitable and uniform, with benefits for both the visitor and the National Park System. In authorizing the 1965 LWCF recreation fee program, Congress did not distinguish between charging fees for the opportunities available for visitors in national parks versus those found in national monuments or other types of park areas. Based primarily on the criteria in the LWCF, fees have been established on a Servicewide basis that range from $1 to $5. An entrance permit will be valid for 7 days. There is no charge for children under age 13, educational groups, persons over 62 years of age and persons who are permanently blind or disabled.

The appropriation language says "no admission fee may be charged at any unit of the National Park System which provides significant outdoor recreation opportunities in an urban environment and to which access is publicly available at multiple locations." While the Statue of Liberty National Monument is located in an urban area, its visitors are primarily from outside the city. We feel the provision listed above was intended for recreation areas such as Gateway and Golden Gate National Recreation Areas.

We are aware of the tremendous effort by the American public toward the restoration of the Statue of Liberty and the entrance fee is not a duplication of that effort but rather an opportunity for the user to support its continued operation at an enhanced level. The revenue collected from the fee program will be returned to the National Park System to enhance park operations. The Statue of Liberty National Monument is expected to receive an estimated $335,300 in fiscal year 1987 as a result of collecting entrance fees. These funds will be used for resource management, research and interpretation. We believe that $1 person or $ maximum for families, will not deter the first time visitor from visiting the site. We have made provisions for the frequent visitor by developing an annual park pass to the Statue of Liberty for $10 per year that will allow an individual and the immediate family unlimited access to the park.

We hope that the information we have provided has been helpful in understanding this general entrance fee program and specific details that apply to the program at the Statue of Liberty National Monument. Visitor reaction to the $1 fee since it was begun on February 2 at the Monument has generally been quite favorable.

An identical response has been sent to Senator Alfonse D'Amato. We very much appreciate the opportunity to be of assistance to you.

Sincerely,

William Penn Mott, Jr.,
Director.

Mr. MOYNIHAN. I yield the floor.

Mr. LAUTENBERG. Mr. President, I rise in strong support of S. 626, the legislation introduced by my good friend, Senator Bradley. I was pleased to join as an original cosponsor of this bill.

When Congress approved the fiscal year 1987 continuing appropriations bill, authority was granted for the Natinal Park Service to offset the budget deficit by charging entrance fees at certain national parks. However, this legislation specifically excluded urban parks from fee collection. Mr. President, when the Park Service decided to levy a fee on visitors to the Statue of Liberty, they were clearly unaware that this monument rests in one of the most densely populated urban areas of the country.

The legislation which we are considering today makes it abundantly clear that the Park Service shall not charge a fee to Americans and visitors from foreign countries at the Statue of Liberty National Monument. With this legislation, Congress reaffirms the need to keep our American treasures accessible to all. I urge my colleagues to support this legislation so that the Statue of Liberty, perhaps our greatest symbol of freedom, can continue to remain free.

Mr. BRADLEY. Mr. President, I am aware of no further amendments to the bill and I think we are ready for third reading if the distinguished majority leader would like to proceed to third reading.

The PRESIDING OFFICER. All time has expired.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 626

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, after the date of enactment of this Act, the Secretary of the Interior shall not charge any entrance or admission fee at the Statue of Liberty National Monument, New Jersey and New York.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

S. 795 REFERRAL

Mr. BYRD. Mr. President, I ask unanimous consent that when the Indian Affairs Committee reports S. 795, a bill dealing with Indian water rights, that it be referred to the Committee on Energy and Natural Resources for a period not to exceed 30 calendar days, not including periods of 7 or more days that the Senate is not in session.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 942 PLACED ON CALENDAR

Mr. BYRD. Mr. President, I ask unanimous consent that S. 942 introduced earlier today by Senator DE CONCINI be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

USE OF HART ATRIUM

Mr. BYRD. Mr. President, I ask unanimous consent that the Atrium of the Hart Building may be used for ceremonies on May 5, 1987, for the acceptance of the Calder sculpture, and on May 20, 1987, for the dedication of the Hart Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

VETERANS' HEALTH CARE

Mr. BYRD. Mr. President, I believe this has been cleared on the other side.

Mr. McCAIN. Yes.

Mr. BYRD. Mr. President, I ask unanimous consent to discharge the Veterans' Affairs Committee from further consideration of Senate Concurrent Resolution 7, the concurrent resolution relating to veterans' health care, and that the Senate proceed to the immediate consideration of Senate Concurrent Resolution 7.

The PRESIDING OFFICER. The clerk will state the concurrent resolution.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 7) to express the sense of the Congress regarding its opposition to reductions in Veterans' Administration funding levels to pay for health care for certain categories of eligible veterans.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. CRANSTON. Mr. President, as the chairman of the Committee on Veterans' Affairs, I am delighted to join with my friend from Alaska [Mr. MURKOWSKI], the committee's ranking minority member, in urging our colleagues support for the pending measure, Senate Concurrent Resolution 7, expressing the opposition of the Congress to certain administration-proposed reductions in appropriations for the Veterans' Administration's medical care account for fiscal years 1987 and 1988. Senator MURKOWSKI and I introduced this measure on January 14, with the cosponsorship of all of our colleagues on the Veterans' Affairs Committee, Senators SIMPSON, THURMOND, STAFFORD, SPECTER, MATSUNAGA, DECONCINI, MITCHELL, ROCKEFELLER and GRAHAM. Since introduction, we have been joined by Senators DASCHLE, SIMON, BINGAMAN, BURDICK, LUGAR, ADAMS, and MCCAIN. The measure as it comes before the Senate today will be amended by an amendment—which I will describe in a moment—that I developed with Senator MURKOWSKI so as to clarify the scope of the resolution.

The Administration's fiscal year 1988 budget proposes reductions of approximately 4,000 full-time employee equvalents [FTEE's] and approximately $220 million in associated funding for fiscal year 1988. These reductions are described in the budget as being based on the elimination of funding for care for certain category of veterans—so-called category C veterans—generally those who have no service-connected disabilities and who have annual incomes above $20,260 in the case of those with no dependents. For fiscal year 1987, the Administration has proposed a rescission of $75 million in the VA's medical care account in order to achieve a proportionate decrease in staffing—1,400 FTEE—and services in the last 5 months of this fiscal year.

In the Consolidated Omnibus Budget Reconciliation Act of 1985 (Public Law 99-272) the Congress established three categories of veterans for the purpose of determining entitlement/eligibility for VA hospital care. Category A veterans—those with service-connected conditions, those in certain special categories, and those with no service-connected conditions with limited incomes, below $15,195 for veterans with no dependents—are entitled to receive VA hospital care. Category B veterans—those with no service-connected conditions and with incomes below $20,260—are eligible, but not entitled, to receive such care to the extent that resources are available. Category C veterans, whom I earlier described, are also eligible to receive such care if VA resources are otherwise available and if they agree to make a modest copayment to the VA in connection with their care.

Mr. President, the proposal in the budget on which the cutbacks are premised, that is, the reduction of staff and other costs of care in connection with the treatment of one category of veteran-patients, is unrealistic. Any reductions in staff and funding for the VA health-care system will affect all veterans seeking VA care, including those with service-conected disabilities as well as those who are eligible for such care on the basis of their incomes. The proposed cuts are simply that—cutbacks in the available resources to treat veteran patients in the guise of a targeting that is not feasible in practice. As is set forth explicitly in the pending resolution, the Congress, in enacting Public Law 99-272, did not intend to eliminate care to category C veterans.

Mr. President, as the chairman of the Veterans' Affairs Committee, I worked very closely with our ranking minority member, Mr. MURKOWSKI and other members of our committee to ensure that our committee went on record—in our budget views and estimates for veterans programs for fiscal year 1988 which we submitted to the Budget Committee on February 27—in opposition to the proposed cutbacks, including both the fiscal year 1987 proposed rescission and the fiscal year 1988 cutbacks. Indeed, our committee not only expressed the view that should the current staffing level—194,140 FTEE—for the VA health-care system be maintained but we recommended that staffing be increased by 1,981 FTEE in order both to maintain current staffing and to provide personnel for new activations which are scheduled to come on line in fiscal year 1988.

It is my strongly held view that maintaining reliable, consistent support for the VA Medical Program is essential if the agency is to continue to fulfill its mission of providing quality care to our Nation's veterans.

Mr. President, the demand for VA health-care services continues to rise as large numbers of World War II veterans encounter ever greater health-care needs associated with their advancing years and turn to the VA for care. Although it is true that productivity gains in recent years have enabled the VA to provide health care for increasing numbers of veterans within its limited resources, the already-increasing demand for services by the rapidly aging veteran population coupled with decreased staffing resources could cause undue hardship for many eligible veterans. Even at the approximately 194,000 FTEE level in fiscal year 1985, a VA Department of Medicine and Surgery survey reported that approximately 9,000 veterans in need of care were turned away by the VA during the survey week in April 1985. That situation factors out to more than 36,000 veterans turned away per month.

Our committee has worked very closely with the appropriations Committee over the years in an effort to achieve and maintain a stable staffing level within the VA's Department of Medicine and Surgery. In the current fiscal year, as in each of the prior 2 years, we have been successful in that effort, maintaining health-care staffing across the VA system at the level of approximately 194,000 FTEE. I am confident that the Congress will continue to provide such support through the remainder of fiscal year 1987 and in the coming fiscal year and, in this regard, am very pleased to note that the House Appropriations Committee, in its report accompanying H.R. 1827, the Supplemental Appropriations Act for fiscal year 1987—House Report 100-28—expressly rejected the proposed rescission and recommended $150 million in additional appropriations to provide funding for 100 percent of the cost of the January 1987 3-percent Federal pay raise and thereby ensure the maintenance of the 194,140 FTEE level throughout the current fiscal year.

Earlier this year, on February 17, Senator MURKOWSKI and I wrote to the chairman and ranking minority member of the Senate Appropriations Subcommittee on HUD-Independent Agencies, Senators PROXMIRE and GARN, urging that their committee reject the proposed rescission, a step that I have every reason to believe that committee will take.

Mr. President, I ask unanimous consent that a copy of that letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, February 17, 1987.

Hon. WILLIAM PROXMIRE,
Chairman,
Hon. JAKE GARN,
Ranking Minority Member, Subcommittee on HUD-Independent Agencies, Committee on Appropriations, U.S. Senate, Washington, DC.

DEAR BILL AND JAKE: We are writing as the Chairman and Ranking Minority Member of the Committee on Veterans' Affairs to express our opposition to the Administration's proposed FY 1987 rescission (R87-70, submitted on January 5, 1987) of $75 million in the Veterans' Administration's medical care account in order to decrease staffing—by 1,400 FTEE—and health-care services for certain eligible veterans during the last 5 months of this fiscal year. The stated basis for the proposed rescission is the elimination of funding for medical care for a certain category of veterans—so-called "category C" veterans—who have no service-connected disabilities and who have annual incomes above $20,260 in the case of those with no dependents.

On January 14 all of the members of the Veterans' Affairs Committee joined together in introducing S. Con. Res. 7 (copy enclosed), a resolution expressing the opposition of the Congress to the proposed elimination of funding for the care of veterans in category C and to any policy of excluding any category of eligible veterans from receiving VA hospital and nursing home care through a reduction in current funding levels. Our Committee is committed to maintaining VA health-care staffing in FY 1987 at not less than the level—approximately 194,000 FTEE—for which Congress has provided funding in the current fiscal year as well as in the prior two fiscal years.

The premise of the Administration's proposal for the FY 1987 rescission—that is, the assertion that the reduction in funds and staffing is based on not funding the treatment of one particular category of veteran-patients—is unrealistic and would be extremely difficult, if not impossible, to carry out administratively. The proposed staffing and funding reductions could reduce the availability of care for veterans in all categories, including some with service-connected disabilities (category A) and some who are eligible based on their incomes (category A or B, depending on their income levels).

We appreciate the Appropriations Committee's past efforts at maintaining adequate funding and staffing levels within the VA's Department of Medicine and Surgery and look forward to working closely with you and the other members of your Subcommittee and the full Committee in ensuring that the proposed FY 1987 funding and staffing cutbacks for the VA health-care system are rejected.

With warm regards,

Cordially,

ALAN CRANSTON,
Chairman.
FRANK MURKOWSKI,
Ranking Minority Member.

Mr. CRANSTON. Mr. President, as I noted a moment ago, I am offering an amendment to the pending resolution, which I have developed with Senator MURKOWSKI, to clarify the scope of the resolution as introduced. As introduced, the "Resolved" clause expressed the Congress' opposition to any policy of excluding "any category of eligible veterans from receiving Veterans' Administration hospital and nursing home care through a reduction in current funding levels." The amendment would revise that clause so as to include in the types of VA care covered other forms of care, such as outpatient care, and would also extend the Congress' opposition to encompass exclusions of care resulting from a reduction in program levels. Maintaining a dollar level of support from one fiscal year to the next will not enable the VA to maintain the existing program levels. Indeed, the converse is true. Without providing additional funding support to counter the effects of inflation, a program level existing in one fiscal year would be reduced as a result of erosion in the value of the funding level caused by inflation—in terms both of maintaining the staffing level and of purchasing necessary replacement supplies and equipment.

Mr. President, the administration proposed fiscal year 1987 rescission and fiscal year 1988 reduction and the philosophy underlying those cutbacks should be soundly rejected, and I strongly urge my colleagues' unanimous support for the pending resolution which puts the Congress on record in this regard.

AMENDMENT NO. 86

(Purpose: To express Congress' opposition to excluding any category of veterans from Veterans' Administration health care through reductions in funding or program levels)

Mr. BYRD. Mr. President, on behalf of Messrs. CRANSTON and MURKOWSKI, I send to the desk an amendment.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD], for Messrs. CRANSTON and MURKOWSKI, proposes an amendment numbered 86.

Mr. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, strike out all on lines 2 and 3 and insert in lieu thereof "hospital, nursing home, or other care through reductions in current funding or program levels.".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 86) was agreed to.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House Concurrent Resolution 27, Calendar Order No. 26.

The PRESIDING OFFICER. The concurrent resolution will be stated by title.

The legislative clerk read as follows:

A current resolution (H. Con. Res. 27) expressing the opposition of Congress to proposals in the Budget to reduce the capacity of the Veterans' Administration to provide health care to eligible veterans.

Mr. BYRD. Mr. President, I ask unanimous consent that the text of House Concurrent Resolution 27 be stricken and in lieu thereof the text and the preamble of Senate Concurrent Resolution 7, as amended, be inserted.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MURKOWSKI. Mr. President, I rise today, as ranking minority member of the Committee on Veterans' Affairs, to join with the distinguished chairman of the Senate Veterans' Affairs Committee, Senator ALAN CRANSTON, in support of a concurrent resolution relating to medical care for our Nation's veterans. Specifically, this measure rejects the administration's proposal that funding be eliminated for the care of certain veterans and expresses strong congressional opposition to a proposal to exclude any category of eligible veterans from receiving VA hospital, nursing home, or other care through a reduction in current funding or program levels.

On January 14, 1987, I, along with all other members of the Veterans' Affairs Committee, introduced Senate Concurrent Resolution 7, relating to proposed reductions in VA medical care funding levels. This resolution was referred to the Veterans' Affairs Committee. I regret, however, that although all committee members supported this measure, Senate Concurrent Resolution 7 was not considered by the committee during its February 26, 1987, executive meeting. During that meeting, the committee, pursuant to section 301(c) of the Congressional Budget Act of 1974, unanimously approved the committee's views and estimates with respect to the VA's fiscal year 1988 budget. Relative to the VA's medical care account, consistent with our views to generally maintain a current services budget, the committee recommended funding to maintain the fiscal year 1987 authorized staffing level in addition to staffing for activation of new VA facilities and staff for special programs.

In title XIX of Public Law 99-272, the Consolidated Omnibus Budget Reconciliation Act of 1985, the Congress established three categories of veterans' health-care eligibility. The law provides that the VA shall furnish needed hospital care and may furnish needed nursing home care to eligible veterans in category A. Veterans in category A include veterans who have service-connected disabilities, certain special categories of veterans, and veterans who have non-service-connected disabilities and who have annual incomes not greater than $15,195 for veterans with no dependents. The VA may furnish needed hospital and nursing home care to veterans in category B, to the extent that resources and facilities are available. Veterans in category B include veterans who have non-service-connected disabilities and who have annual incomes not greater than $20,260 for veterans with no dependents. The VA may also furnish needed hospital and nursing home care to veterans in category C, to the extent that resources and facilities are otherwise available, if the veteran agrees to pay a modest copayment. Veterans in category C include veterans who have non-service-connected disabilities and who have annual incomes above $20,260 for veterans with no dependents.

This legislation was intended to provide that all categories of eligible veterans could continue to receive VA hospital and nursing home care if existing resources and space are available. By taking this approach, the Congress intended to provide hospital and nursing home care, to the extent possible without expanding the current size of the VA medical care system, for veterans in category C.

The administration's proposal contained in the VA's fiscal year 1988 budget request, as well as the administration's proposed rescission for fiscal year 1987, which would eliminate funding for health care to category C veterans, is totally unacceptable.

If the administration's proposed funding reductions are enacted, the VA's medical care budget would be reduced by 3 percent, the approximate percentage of category C veterans that were furnished VA health care since July 1986. I do not believe it is reasonable to expect that only category C veterans would be affected by implementing such a funding reduction. For all practical purposes, reductions would have to be made in a manner which would affect all eligible veterans seeking VA health care. So, not only would the availability of VA health care be essentially eliminated for category C veterans, but category A and B veterans would certainly find a reduction in their access to health care as well.

Mr. President, I urge my colleagues to consider carefully the impact of a 3-percent reduction in funding for VA medical care for our Nation's veterans, and to join with me in assuring Senate passage of this concurrent resolution which will send a message of strong congressional opposition to such a proposal.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution (H. Con. Res. 27), as amended.

The concurrent resolution (H. Con. Res. 27), as amended, was agreed to as follows:

H. CON. RES. 27

Whereas in title XIX of Public Law 99-272, the Consolidated Omnibus Budget Reconciliation Act of 1985, the Congress established three categories of veterans' hospital-care and nursing-home-care eligibility;

Whereas under the above law, the Veterans' Administration is required to furnish needed hospital care and may furnish needed nursing home care to veterans in category A for service-connected disabilities, for certain special categories of veterans, and for non-service-connected veterans who have incomes not greater than $15,195 (as adjusted on January 1 of each year) for veterans with no dependents;

Whereas the Veterans' Administration may furnish needed hospital and nursing home care to veterans in category B, who are veterans with non-service-connected disabilities who have incomes not greater than $20,260 (as adjusted on January 1 of each year) for veterans with no dependents, to the extent that resources and facilities are available;

Whereas the Veterans' Administration may furnish needed hospital and nursing home care to veterans in category C, who are veterans with non-service-connected disabilities who have incomes above $20,260 (as adjusted on January 1 of each year) for veterans with no dependents, and who agree to pay a modest copayment, to the extent that resources and facilities are otherwise available;

Whereas the Veterans' Administration budget request for fiscal year 1988 proposes that funding be eliminated for the care of those veterans in category C for the last five months of fiscal year 1987 and for the entire fiscal year 1988;

Whereas the Congress, in enacting Public Law 99-272, did not intend to eliminate care to category C eligible veterans; and

Whereas even if a policy were adopted to eliminate care for category C veterans, its implementation would be extremely difficult and would result in a general reduction of hospital and nursing home care for veterans in all three eligibility categories: Now, therefore, be it

Mr. BYRD. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. McCAIN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I send to the desk an amendment to the title on behalf of Senators CRANSTON and MURKOWSKI.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

Amend the title so as to read: "To express the sense of the Congress in opposition to excluding any category of veterans from Veterans' Administration health care through reductions in funding or program levels."

The PRESIDING OFFICER. Without objection, the amendment to the title is agreed to.

Mr. BYRD. Mr. President, I ask unanimous consent that Senate Concurrent Resolution 7 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

CAREER AND SCHOLARSHIP HANDBOOK

Mr. STEVENS. Mr. President, as part of its effort to help the young people of this country, the American Legion has published its 36th edition of "Need a Lift?" It is one of the best career and scholarship informational handbooks available.

The information in this book can be used by students, parents, and school counselors, and is presented in clear and concise terms. It is available for general distribution through the American Legion National Emblem Sales, P.O. Box 1050, Indianapolis, IN 46206, for the nominal fee of $1.

It is important for students to have as much information as is available about scholarships and educational and career opportunities. I ask unanimous consent that section IV of this excellent publication be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SECTION IV.—SOURCES OF SCHOLARSHIPS AND OTHER FORMS OF FINANCIAL AID AVAILABLE TO ALL STUDENTS

A. FEDERAL PROGRAMS (SUBJECT TO CHANGE BECAUSE OF PENDING LEGISLATION)

1. U.S. Department of Education provides the largest source of funding for financial aid programs. These programs are listed in the following paragraphs. Applications are available at postsecondary schools and high schools. The "Student Guide: Five Federal Financial Aid Programs, 1986-87" may be obtained by writing to Federal Student Aid Programs, Department DEA-86, Pueblo, Colorado 81009.

a. College Work-Study Program (CWSP). This program provides employment to students enrolled in colleges and eligible postsecondary institutions who need financial aid to meet college expenses. The financial aid administrator sets the student's work schedule. In arranging a job and assigning a work schedule, the aid administrator takes into account the student's health, class schedule and academic progress.

b. Guaranteed Student Loan Program. (GSL) This program provides loans to students for educational expenses and is available from eligible lenders such as banks, credit unions, savings and loan associations, State agencies and schools. Students must be enrolled on at least a half-time basis in participating postsecondary institutions, ranging from vocational and technical schools to degree-granting institutions. The family income must be less than $30,000 or if over $30,000 the student must demonstrate financial need. Students are eligible for Federal payment of interest charges of 8 percent on their loans during school years, during a 6-month grace period, and during authorized periods of deferment. A 5 percent origination fee is required at the time of disbursement of the funds.

Loans must be repaid. Repayment normally is over a 5-10 year period. The amount of the student's repayment depends on the size of his or her debt. The more the student borrows, the higher the payments will be. Failure to repay on a timely basis can damage a person's credit rating and may lead to legal action to recover the debt.

Deferment of payment may be granted during any period in which the borrower is attending a participating institution on a full-time basis, is engaged in approved graduate fellowship study or a course of study under a rehabilitation training program for disabled individuals, up to 3 years if temporarily totally disabled, up to 3 years while serving in the U.S. Armed Forces, the Commissioned Corps of the Public Health Service, Peace Corps, VISTA, or a comparable organization; or for a single period not exceeding 12 months if seeking and unable to find full-time employment, or up to 2 years while serving an intership required for professional practice.

Undergraduate students may borrow up to $2,500 per year, to a total of $12,500. Graduate students may borrow up to $5,000 per year to a total of $25,000 (including loans made at the undergraduate level). See Table II for the address of your state's agency.

c. National Direct Student Loan Program (NDSL). These loans are available to students enrolled at least half time in a regular program of study at a participating school, and have need of financial assistance to continue. Aggregate loans may not exceed $12,000 for a graduate student including undergraduate loans; $6,000 for students who have not completed their bachelor's but have completed 2 years leading to a bachelor's degree; $3,000 for any other student. Repayment of the loan begins six months after a borrower ceases to carry at least one half the normal academic work load and is to be repaid within 10 years. Interest of 5% will begin at the time the repayment period begins. Thereafter, should a borrower teach in a designated school located in a poverty area, or in a Headstart Program, or in a public or other non-profit elementary or secondary school for handicapped children, cancellation of the loan up to 100% is possible. Also for a member of the Armed Forces of the U.S. who serves in an area of hostilities, cancellation of up to 50% is possible. Rates of cancellation may be obtained from the institution's financial aid office.

d. Parent Loans for Undergraduate Students (PLUS). PLUS loans are available to provide additional funds at 12 percent interest. Like GSL's, they are made by a lender such as a bank, credit union, or savings and loan association. Parents of dependent undergraduates or graduates may borrow $3,000 per year. Independent undergraduates may borrow $2,500 per year. All borrowers must begin repaying a PLUS loan within 60 days, unless the borrower is entitled to a deferment. All borrowers must begin paying the interest within 60 days. The negotiation of each loan is between the student and the lending institution. Students who desire more information or wish to initiate a loan should discuss the matter with their lender and the financial aid administrator at their school. (See Table II).

e. Pell Grant Program. Formerly called the Basic Grant Program, this program makes funds available to eligible students attending participating colleges, community/junior colleges, vocational schools, technical institutions, hospital schools of nursing, correspondence schools and other participating postsecondary institutions. To be eligible, an applicant must be an undergraduate student enrolled on at least a half-time basis. For the 1986-87 award period, individual awards will depend on program funding. The maximum award for the 1985-86 academic year was $2,100. To apply for a Pell Grant, a student must complete the Federal form called "Application for Federal Student Aid" or one of several private or State need analysis applications which are used to determine eligibility for other sources of student aid: the Financial Aid Form (FAF), the Family Financial Statement (FFS), the Pennsylvania Higher Education Assistance Agency (PHEAA) form or the Student Aid Application for California (SAAC). Only one application is required. Further information may be obtained from the Office of Student Financial Aid at the institution or a high school guidance counselor.

f. Supplemental Educational Opportunity Grant (SEOG) Program. This grant program is for students with financial need and does not have to be paid back. Students must be enrolled at least half-time as an undergraduate or vocational student in a regular program of study at an educational institution participating in the program. Graduate students are not eligible. The amount of the award varies from $200 to $2,000 per year.

2. U.S. Department of Health and Human Services also administers programs of assistance for students enrolled in health professions programs.

Information on these programs may be obtained from the Health Resources and Services Administration, Bureau of Health Professions, 5600 Fishers Lane, Rockville MD 20857 or the Office of Financial Aid at the school you plan to attend.

a. Exceptional Financial Need Scholarship Program for First-Year Students is for students with exceptional financial need. Purpose of the program is to encourage students to pursue careers in medicine, osteopathy, dentistry, optometry, pharmacy, podiatry or veterinary medicine. Citizens or Nationals of the United States may apply as well as lawful permanent residents of Puerto Rico, Virgin Islands, Guam, the trust territory, or the Northern Mariana Islands. Scholarships will cover (1) cost of tuition for school year and other reasonable educational expenses plus a stipend for 12 consecutive months; (2) no service obligation accompanies the scholarship.

b. The Health Education Assistance Loan (HEAL) Program is similar to the Guaranteed Student Loan Program of the U.S. Department of Education. Students of medicine, osteopathy, dentistry, podiatry, veterinary medicine and optometry, may borrow up to $20,000 a year, not to exceed a total of $80,000. Pharmacy, chiropractic, health administration, clinical psychology or public health students may borrow up to $12,500 per year, not to exceed a total of $50,000. For students to take part in the program, their school must have an agreement with the Secretary.

The maximum interest is the average of the bond equivalent rates of the 91-day Treasury Bills auctioned for the previous quarter plus 3.5 percentage points, rounded to next higher ⅛ of 1%. The loan principal is repayable over a 10-25 year period starting 9-12 months after completion of training. However, payments of principal are not required during periods of up to 4 years of internship and residency training or up to 3 years of service in the Armed Forces, National Health Service Corps, Peace Corps or Volunteers in Service to America (VISTA). Deferments are also made during periods of full-time study. At HHS's discretion, borrowers may enter into agreement with HHS for repayment of loans, plus interest, at a rate of not more than $10,000 a year for each year of service of NHSC or in private practice in a health manpower shortage area. Minimum service period is 2 years.

c. The Health Professions Student Loan Program. Under this program, Federally supported loans are available at participating schools of medicine, dentistry, osteopathy, optometry, pharmacy, podiatry and veterinary medicine for students who need assistance to pursue a full-time course of study at the school. The amount of the loan depends upon the student's need as determined by the school; however, the maximum amount per academic year is the cost of tuition plus $2,500 or the amount of the financial need of the student, whichever is less. The loan is repayable over a 10-year period beginning one year after the student ceases to pursue a full-time course of study at a health professions school. During the repayment period, interest accrues on the total loan at the rate of 9%. Repayment on a loan may be deferred during periods of active military duty and service in the Peace Corps (up to three years each). Repayment may also be deferred during periods of advanced professional training, including internships and residencies. Obligation to repay the loan will be cancelled in the event of death, or permanent and total disability.

d. National Health Service Corps (NHSC) Scholarships are awarded to U.S. citizens enrolled or accepted for enrollment as full-time students in accredited U.S. schools of allopathic or osteopathic medicine, dentistry, and other health disciplines needed for the mission of NHSC. These scholarships include a monthly living stipend and payment of school tuition. Each year of scholarship support incurs a year of Federal service obligation. The minimum service obligation is 2 years.

The NHSC places full-time primary health care practitioners in selected federally-designated Health Manpower Shortage Areas of the United States. Virtually all of these practitioners owe service obligations of 2 to 4 years due to their participation in the NHSC Scholarship Program.

Due to the limited appropriated funds which may be available, first-time scholarship awards for 1986-87 academic year will be restricted to students of allopathic or osteopathic medicine and dentistry who have been participants at their health professions schools of the Federal "Scholarship Program for First-Year Students of Exceptional Financial Need." No first-time awards will be available for pre-medical or pre-dental undergraduate education, or for students of medicine or dentistry entering their first year in 1986-87.

The scholarship program is administered by the Bureau of Health Care Delivery and Assistance, Division of Health Services Scholarships. For further information address: NHSC Scholarships, Parklawn Building, Room 7-16, 5600 Fishers Lane, Rockville, Maryland 20857. Telephone (301) 443-1650, or for toll-free message tape, call 1-800-638-0824 (except Maryland).

e. Minority Access to Research Careers Program (MARC) Honors Undergraduate Research Training Awards. The Minority Access to Research Careers Program's Honors Undergraduate Research Training Program is designed to increase the number of well prepared minority students who can compete successfully for entry into graduate programs leading to the Ph.D. in biomedical research. Its goal is also to help develop a strong science curricula and research opportunities to prepare students for careers in biomedical research. A formal research experience for the recipient is an important feature of the program. Summer study and research should be part of the overall training program at outstanding institutions or laboratories selected to enhance and supplement the trainee's formal course work and research training experience. The criteria for selection of trainees includes evidence that the candidate has clear potential to perform at a high level in the biomedical sciences and that the candidate demonstrates a determination to subsequently enter graduate programs leading to the Ph.D. degree. Applicants must be honor students in their third or fourth year of college. The college or university must have an enrollment drawn substantially from ethnic minority groups such as American Indians, Blacks, Hispanics, and Pacific Islanders.

Each school will make awards for stipend and tuition support for five to ten students. The award may include travel expenses to one national meeting closely related to a project.

Applications may be filed by January 10, May 10 or September 10. Apply for information or application to: United States Department of Health and Human Services, National Institutes of Health, National Institute of General Medical Sciences, Westwood Building, Bethesda, Maryland 20205.

3. Other U.S. Department of Health and Human Service Programs are:

a. COSTEP is a recruiting device for the Commissioned Corps of the Public Health Service (PHS) which offers excellent opportunities for studies in health-related fields to get maximum benefit during free periods (31-120 days) of the academic year. Students may apply for assignments at any time during this year; however, the majority of students are hired for the summer period. To be eligible a student must have completed a minimum of one year of study in a medical, dental, or veterinary school; or have completed a minimum of two years of a professionally accredited baccalaurate program in the following course of study; dietetics, engineering, nursing, pharmacy, therapy, sanitary science, or medical record administration; or be enrolled in a masters or doctoral program in a health related field other than those mentioned above. The student must expect to return to college as a full-time student in an accredited field of study following completion of the COSTEP assignment. Students must be free of any obligation that would conflict with extended duty in the PHS Commissioned Corps, may not be a member of another uniformed service nor owe a service obligation to another uniformed service, and must meet the qualifications for appointment in the Commission Corps. These include being a citizen of the United States, meeting the physical standards of the corps, and being under 44 years of age. Transportation is paid to and from the location of the assignment. For applications contact: Commissioned Personnel Operations Division, ATTN: COSTEP, Parklawn Building, Room 4-35 5600 Fishers Lane, Rockville, MD 20857. Deadline for applications: October 1 for assignments from January through April, February 1 for May through August, and May 1 for September through December. COSTEPs are commissioned as junior assistant health service officers in the Commissioned Corps of the PHS. The pay of a single COSTEP officer is $1224.30 salary, $245.70 quarters allowance, $109.37 substance for a total of $1,579.37 per month. For COSTEP officer with dependents, the quarters allowance is $333.30 for a total of $1,666.97 per month. The quarters and subsistence allowances are not taxable. COSTEPs are eligible for medical and dental care while on duty and receive many of the benefits of commissioned officers. For additional information you may call the COSTEP office at (301) 443-6324.

b. Professional Nurse Traineeship Program. Professional nurse traineeships are available through participating training institutions to help registered nurses prepare to teach in the various fields of nurse training, to serve in administrative or supervisory capacities, to serve as nurse practitioners, or to serve in other professional nursing specialities requiring advanced training. Traineeships provide a living stipend and tution and fees as set by the participating training institution not to exceed $6,552. Trainees are selected by the training institutions. Further information and a list of participating institutions are avilable from the: Division of Nursing, Bureau of Health Professions, Health Resources and Services Administration, Room 5C-26, Parklawn Bldg., 5600 Fishers Lane, Rockville, MD 20857. Students should request information through the Dean of Nursing at their institution. NOTE: This assistance is only for students studying at the master's or doctoral level.

c. Nursing Student Loan Program. Federally supported loans are available through participating schools of professional nursing for students who need assistance to pursue full-time or half-time courses of study. Amount of an individual loan depends on the general availability of student aid funds and on need as determined by the student's school; however, no loan may exceed $2,500 per academic year, and no student may receive more than a total of $10,000 for all years in loan assistance. The total loan is repayable over a 10-year period beginning nine months after the borower completes or discontinues nursing studies. During the repayment period, interest accrues on the total loan at the rate of 6%. Repayment on a loan may be deferred during periods of active military duty and service in the Peace Corps and also during periods of advanced professional training in nursing. Obligation to repay the loan will be cancelled in the event of death or permanent and total disability. Contact the Director of Student Financial Aid at the school the student is attending or plans to attend.

4. The U.S. Department of the Interior Administrates a Program of Indian Tribal Grants and Loans. Over 45 Indian tribes have established their own Grant and Loan Programs to promote higher education for their members. Contacts for tribal assistance should be made through the U.S. Dept. of the Interior, Bureau of Indian Affairs, Washington, D.C. 20245, or through the Tribal Headquarters.

5. Indians Higher Education Grant Program is a program for students who are ¼ or more degree Indian, Eskimo, or Aleut of a tribal group being served by the Bureau and who are enrolled in accredited institutions of their choice in pursuit of an undergraduate or graduate degree. Must demonstrate financial need by the institution they are or will be attending. For information, write the U.S. Dept. of the Interior at the address above.

6. The U.S. Information Agency Sponsors: The Fulbright Teacher Exchange Program. Under the Mutual Educational and Cultural Exchange for qualified American educators to work in elementary and secondary schools abroad and in some instances, institutions of higher education in the United Kingdom, Canada, Denmark, Switzerland, Italy, Germany, France, Norway and Colombia. As the program expands, new countries may be added. To be eligible, an applicant must be teaching currently as an elementary or secondary school teacher, college instructor, assistant, associate or full professor. Candidates must have at least a bachelor's degree, be a U.S. citizen at the time of application and have at least three years of successful full-time teaching experience. Two years are required for participation in summer seminars held in Italy and the Netherlands. Evidence of good health and emotional maturity and stability also is required. The Government provides roundtrip transportation to some countries for those selected to participate but no transportation is provided for dependents or for teachers going to Canada, Great Britain or Switzerland. A maintenance allowance, paid in the currency of the host country is based upon that country's cost of living. For teachers participating in the Exchange Program, the successful applicant's U.S. salary is continued by the participant's own school Seminar grants may include round-trip transportation, tuition costs, but for some, the participants are responsible for their own maintenance expenses. Regional interviewing committees conduct preliminary screening of applicants. Annual recruitment date is October 15. Application forms can be obtained

from and then submitted to the Teachers Exchange Branch, E-ASX, Room 248, U.S. Information Agency, 301 4th Street, S.W., Washington, D.C. 20547.

B. ASSISTANCE FOR UNDERGRADUATES ONLY

The AFL-CIO Department of Education—The AFL-CIO offers a scholarship guide with a wide variety of scholarships to post-secondary institutions including, two and four-year colleges and universities, graduate schools, culinary institutes, musicians training institutes, vocational, technical and nursing schools. Though most scholarships listed in the guide are available to union members and their families, some are available to the general public. Single copies are available without charge for union members only. Copies are $3.00 apiece for all others. Checks should be made payable to the Secretary-Treasurer AFL-CIO and sent to the AFL-CIO Department of Education, 815 16th Street, N.W., Washington, D.C. 20006.

Aid Association for Lutherans (AAL) awards at least 400 all-college scholarships annually, 200 of which are renewable and 200 nonrenewable scholarships. AAL also awards at least 25 renewable nursing scholarships annually through the Competitive Nursing Scholarship Program. Each applicant must be a high school senior owning an AAL certificate of membership and insurance in his or her own name. The CEEB SAT must be taken no later than December of the high school senior year. The American College Test (ACT) will also be accepted. Individual stipends for the renewable scholarships, range from $500 to $1750 and are renewable for three additional years or until requirements for a baccalaureate degree are met, whichever is earlier. The 200 nonrenewable awards are for $500. Financial need is not considered until winners have definitely been selected. Competitive Nursing Scholarships are renewable for three additional years or until a Registered Nurse (RN) Certificate is obtained, whichever is earlier. Renewal is based on satisfactory academic progress and continuing AAL membership. Completed AAL applications must be submitted to College Scholarship Service/Sponsored Scholarship Programs before November 30. Applications may be secured by writing: Scholarships, Aid Association for Lutherans, Appleton, WI 54919. AAL scholarship assistance is also available to AAL members at Lutheran colleges, universities and seminaries participating in other AAL scholarship programs. For more details, contact the institution's financial aid office.

Aid Association for Lutherans (AAL) will be awarding up to 100 Vocational Technical School Scholarships annually. Up to 50 scholarships will be awarded to persons who graduated from high school in previous years, and up to 50 scholarships will be awarded to graduating seniors each year. Applicants must own an AAL certificate of membership and insurance in their own name. Persons of any age may apply for their scholarships provided they will have completed high school or have a GED, and have a well-defined course of study. They must be enrolled or planning to enroll in an accredited vocational/technical institute or community college on either a full or half-time basis with the intent of completing requirements for a vocational diploma or an associate degree. Individual award amounts are $500 for full-time attendance and $250 for half-time attendance. Awards will be renewable for up to one year for full-time studies after the initial year and up to three half years after the initial half year, or until a degree/diploma is earned, whichever is earlier. Applications must be requested by November 30. Applications may be obtained by writing: Scholarships, Aid Association for Lutherans, Appleton, WI 54919.

American Medical Technologists' Scholarship Program offers five scholarships of $250 each to high school graduates interested in pursuing medical technology or medical assisting studies. Awards are based primarily on need, with consideration given to goals, school grades, activities, experience and personal references. Applicants must be enrolled, or contemplate enrolling in a school accredited by the Accrediting Bureau of Health Education Schools (list available by contacting the ABHES, 29089 U.S. 20 West, Elkhart, Indiana 46514), or enrolled or contemplate enrolling in a college, university or junior college medical technology or medical assisting program. May 1 is the filing deadline for applications and supporting documents from AMT, 710 Higgins Road, Park Ridge, IL 60068. Telephone: (312) 823-5169.

The American Society for Metals Foundation for Education and Research sponsors $500 undergraduate scholarships for students in metallurgy that are attending colleges or universities and are citizens of the United States, Canada or Mexico. Selection is based on interest in metallurgy, motivation, achievement, potential and scholarship. In addition, some individual A.S.M. chapters sponsor programs on a local or regional basis. ASMFER also supports scholarships through the National Merit Scholarship Program. For further information, write: American Society for Metals, Metals Park, OH 44073. Telephone: (216) 338-5151.

The Business and Professional Women's Foundation: Career Advancement Scholarships and the Clairol Scholarships are awarded to mature women. Scholarships are awarded for full-time or part-time programs of study. They may cover academic or vocational/paraprofessional/ office skills training. Awards must be used for classes beginning after the date of the Selection Committee meeting at which they are granted; scholarships cannot be applied to payment for classes already in progress. Scholarships range from $100 to $1,000 for one year. The average award is between $400 and $700. Application forms are available between February 1 and April 1; July 1 and September 1. The Foundation does not have a mailing list nor does it keep requests for application forms on hand. The applicant must be a woman 25 years of age or older and a citizen of the United States; be graduating within 24 months from July 1 if applying for the April 15 deadline, or January 1 if applying for the September 15 deadline; be officially accepted into an accredited program or course of study at a United States institution; demonstrate need for financial assistance to upgrade skills or complete education for career advancement; and have a definite plan to use the desired training to improve chances for advancement, to train for a new career field, or to enter or re-enter the job market. These scholarship programs do NOT cover: study at the doctoral level (this does not apply to law or medical students); correspondence courses; or post-doctoral studies. Information is available by writing: Business and Professional Women's Foundation, 2012 Massachusetts Avenue, NW, Washington, DC 20036. Loan programs are available. Telephone: (202) 293-1200.

Club Managers Association of America maintains undergraduate scholarships for students enrolled at colleges and universities offering courses in Hotel, Restaura and Institutional Management. These scho arships, normally made available to st dents who have completed at least one yea of undergraduate work at a four-yea school, are awarded on the basis of schola tic ability, financial need and interest in pr vate club management. Information on hig school, college or university training i preparation for a club industry position ca be obtained by writing: the Club Manage Association of America, 7615 Winterberr Place, Bethesda, MD 20817.

The Education Council of the Graph Arts Industry, Inc., Council's Nation Scholarship Trust Fund has awarded scho arships during the past 25 years for studie in printing management, printing technol gy and graphic arts education. Approx mately 75 scholarships awarded each yea Applications must be filed by January 1 Inquiries for summary of scholarships mad available by the Graphic Arts Industry ma be requested by writing: 4615 Forbe Avenue, Pittsburgh, PA 15213 ATT NSTF. Telephone: (412) 621-6941.

Educational Communications Scholarsh Foundation provides a minimum of 6 awards annually of $1,000 each. Approx mately 500 semi-finalists are selected on th basis of aptitude test scores, grade poin averages and leadership activities. Semi-f nalists are required to write an essay whic is evaluated by committee. Some conside ation is given for need for financial aid, bu this is not a major factor. Applications mus be submitted by June 1 and may be obtained in most high school guidance office or write direct to: Educational Communications Scholarship Foundation, 721 N McKinley Road, Lake Forest, IL 6004 Telephone: (312) 295-6650. Please stat name, address, grade point average and clas year.

The Elks Foundation is offering 1,657 co lege scholarships ranging from $1,000,000 t $60,000,00 and totaling $2,675,000.00 for th academic year 1986-87. The 1986 Schedul of Awards includes 500 "Most Valuable Student" Scholarships awarded in nationwid competition, and 1,157 each for $1,000.00 allocated on a state-quota basis. "150" four year scholarships are to be awarded to th highest-rated boys and girls in the 196 competition. Applications may be made b students in the graduating class of hig school, or its equivalent, who are citizens o the United States of America and resident within the jurisdiction of the B.P.O. Elks o the U.S.A. Scholarship, leadership and financial need are the criteria by which applicants are judged. Application must be mad on an official form furnished by the Elk National Foundation, which will be available at Elks lodges after November 1. Applications, properly executed must be filed no later than January 20 with the Scholarshi Chairman or Exalted Ruler or Secretary o the Elks lodge in whose jurisdiction the applicant resides. Requests for additional information should be addressed to the Scholarship Chairman of the State Elks Association of the state in which the applicant i resident.

Entomological Society of America annually awards one $1,000 undergraduate scholarship sponsored by BioQuip Corporation Portions of the award are paid at the beginning of each semester or term. Student from Mexico, Canada or the United State must be an undergraduate pursuing a cours of study in Entomological or a related fiel (Biology, Zoology, etc.) and show an interes in the Science of Entomology. Applicatio deadline is July 1 each year. For further information, write: Entomological Society of America, 4603 Calvert Road, College Park, MD 20740. Telephone (301) 864-1334. Additional scholarships are available.

The Foundation of the National Student Nurses' Association offers a number of scholarships each year for Registered Nurses, Scholarships are awarded to Nurses for undergraduate studies and are based on financial need, academic achievement and a demonstrated commitment to nursing through involvement in nursing student organization and/or school and community activities. Requests for application must be received before January 15 each year, with a completed application deadline of February 1. Awards are made in April. For further information and application, send a self-addressed, stamped envelope with 44¢ postage to: Foundation of the National Student Nurses' Association, 555 West 57th Street, Suit 1325, New York, NY 10019. Telephone: (212) 512-8820.

The Harry S Truman Memorial Scholarship Program, enacted by Public Law 93-642, is authorized to award scholarships, through nationwide competition to persons who demonstrated outstanding potential for and who plan to pursue a career in public service. Scholarships awarded under this Act shall not exceed four academic years neither shall they exceed the cost of tuition, fees, books, room and board, or $7,000 whichever is less for each year of study. Recipients must be college juniors in the initial year of the award. Each state shall be assured at least one recipient each year and the scholarships may apply to any institution of higher education offering courses of study or training to prepare persons for a career in government. The institution's nominations must be forwarded to the Foundation by December 1. Truman Scholarship Foundation, 712 Jackson Place, N.W., Washington, DC. 20006.

Horatio Alger Scholarship Program offers one $5,000 scholarship to a graduating senior from each high school hosting a Horatio Alger Day. Eligibility requirements for the scholarship include; must be a Senior in high school, have a significant financial need and must participate in the Horatio Alger Day at his/her school. Grades, character, college entrance scores, school activities, community involvement and part-time/summer work record will also be considered in the final decision. Preliminary screening is accomplished by a committee of local school officials/staff. Final selection is made by the Horatio Alger Association of Distinguished Americans, Inc. A requirement for hosting a Horatio Alger Day is that the host school must provide an audience of at least 1,000 Junior/Senior students for the keynote speaker provided by the Association.

Schools not having a Junior/Senior population sufficient to meet the requirement, will be required to extend invitations to neighboring schools to provide a minimum audience. Only one scholarship, however, will be awarded to the hosting school. For more information about the Horatio Alger Day and Horatio Alger Scholarship, contact the Horatio Alger Association for Distinguished Americans, Inc., One Rockefeller Plaza, Suite 1609, New York, NY 10020.

Knights of Columbus "Pro Deo and Pro Patria Scholarship Trust" is for undergraduate scholarships. The Knights of Columbus has an established trust fund which will provide annually $1,000 scholarships to members, to sons and daughters of living or decreased members. The fund will also annually provide two $1,000 scholarships to Columbian Squires. Awards will be made on the basis of academic excellence regardless of need and may be renewed annually subject to satisfactory academic performance. Five of these scholarships, and one for the Columbian Squire, are placed at The Catholic University of America. Students admitted to the freshman class may apply for these scholarships through the Director of Financial Aid, Catholic University of America, Washington, DC 20064. Final filing date of applications is February 1. Five of these scholarships and one for the Columbian Squire, may be used at a Catholic college of student's choice. Final filing date for these applications is March 1. Applications for these scholarships may be obtained from the Director of Scholarship Aid, Knights of Columbus, Supreme Council, Columbus Plaza, P.O. Drawer 1670, New Haven, CT 06507.

National Achievement Scholarship Program for Outstanding Negro Students, a compensatory activity, created in 1964, is conducted by National Merit Scholarship Corporation (NMSC) which also administers the National Merit Scholarship Program (as described in the following paragraphs). All grants to the Achievement Program are specified for the purposes of honoring academically able black students and awarding them college undergraduate scholarships. Currently, some 700 Achievement Scholarships worth over $2 million are awarded in each annual competition.

To enter the Achievement Program, black high school students must take the PSAT/NMSQT (which simultaneously makes them participants in the Merit Program), mark a space on their answer sheets requesting consideration in the Achievement Program and meet NMSC eligibility requirements.

About 1,500 of the highest scoring eligible black students are designated Semifinalists in each Achievement Program. To ensure nationwide representation, semifinalists are named in each of several U.S. geographic regions, proportionate to each region's Negro population.

Semifinalists must meet further requirements and advance to Finalist standing in order to continue in the Achievement Scholarship competition. All winners are chosen from the Achievement Program Finalist group. The selection of winners includes an evaluation of each Finalist's academic record and test scores, extracurricular activities and attainments, and the endorsement and recommendation of the student's school.

About 350 of the annual awards are National Achievement $2,000 Scholarships that are single-payment awards. Every Finalist is considered for one of these awards. About 225 are corporate-sponsored four-year Achievement Scholarships for which winners must meet preferential criteria specified by the grantor organization, and are worth between $500 and $4,000 for each of the four college years. About 125 are college-sponsored Achievement Scholarships that provide between $250 and $2,000 during each of the winner's four undergraduate years of attendance at the sponsor college or university.

The PSAF/NMSQT Student Bulletin gives requirements students must meet to be eligible to participate in the Achievement Program and also lists sponsor organizations that currently provide support for Achievement Scholarships. A copy can often be obtained from the student's high school. Questions should be directed to: National Achievement Scholarship Program for Outstanding Negro Students, One American Plaza, Evanston, IL 60201 (312) 866-5100.

National Merit Scholarship Program is a nationwide competition for college undergraduate scholarships. The Merit Program is conducted by National Merit Scholarship Corporation (NMSC), an independent nonprofit organization, established in 1955 to administer this annual competition. Over 6,000 Merit Scholarships, valued at about $21 million, have been awarded each year in recent programs. Secondary school students throughout the U.S. enter the competition by taking the Preliminary Scholastic Aptitude Test/National Merit Scholarship Qualifying Test (PSAT/NMSQT) given by their schools in October. To participate, students must meet published eligibility requirements.

About 15,000 top-scoring students are designated in each Merit Program. The highest scorers in each state are named Semifinalists in numbers proportionate to the state's percentage of the National total of graduating high school seniors.

Semifinalists must meet further requirements and advance to Finalist standing in order to continue in the Merit Scholarship competition. All Merit Scholars are chosen from the group of approximately 13,500 Finalists. The selection of winners includes an evaluation of each Finalist's test scores, academic and extracurricular achievements and the endorsement and recommendation of the student's school.

At least 1,800 of the annual awards are National Merit $2,000 Scholarships that are single-payment awards allocated to winners on a state representational basis, and every Finalist is considered for one of these awards. Over 1,400 are corporate-sponsored Merit Scholarships for which winners must meet preferential criteria specified by the grantor organization providing funding for the award, and that are worth between $500 and $4,000 annually. About 2,800 are college-sponsored, four-year Merit Scholarship that provide between $250 and $2,000 during each of the winner's four undergraduate years of attendance at the sponsor college or university.

Details concerning eligibility and the Merit Scholarships offered are published annually in the PSAT/NMSQT Student Bulletin, sent to high schools. Questions and requests for additional information should be sent to: NMSC, One American Plaza, Evanston, IL 60201 (312) 866-5100.

The National Association of Secondary School Principals sponsors the Century III Leaders Program which provides 102 $1,500 scholarships and 102 $500 awards (2 each per state and D.C.) and one $10,000 national award to high school seniors who are selected by their schools. For information, contact the school principal in September (in advance of the October 10 deadline).

National Federation of the Blind offers over twenty scholarships ranging from $1,800 to $10,000 for legally blind students pursuing or planning to pursue a full-time postsecondary course of training or study. All scholarships awarded by the Federation are awarded on the basis of academic excellence, service to the community, and financial need. Applicants need not be members of the National Federation of the Blind. Applicants must be completed and submitted by March 31 of the year in which the scholarship is awarded. Recipients will be notified of their award by June 1 and brought to the National Federation of the Blind

Convention in July at Federation expense. Applications may be obtained from local and state Federation officers or by writing: National Center for the Blind, 1800 Johnson Street, Baltimore, MD 21230.

National Presbyterian College Scholarships are offered by the Presbyterian Church (U.S.A.) to qualified Presbyterian young people entering as college freshmen any of the participating Presbyterian church-related colleges in the fall of each year. There are approximately 250 awards ranging from $100 to $1,400. There are honorary awards with no stipend where no need is shown. To qualify, applicants must be members of the United Presbyterian Church (U.S.A.). Applications are available after mid-August and the filing deadline is December 1. Information may be secured by writing: National Presbyterian College Scholarships, Vocation Agency, Presbyterian Church (U.S.A.), 475 Riverside Drive, New York, NY 10115. Telephone: (212) 870-2618.

National 4-H Council, through 60 business corporations and foundations, offers more than 2704-H college scholarships with total value of more than $250,000 and range from $500-$1,500. The majority are open only to current 4-H members who have won state honors in specific 4-H projects. (Other college scholarships ranging in value from $500 to $1,000, are available to present or former 4-H members who either are in, or plan to attend, college. Applicants for the latter should have an interest in one of the following fields: (1) animal science; (2) veterinary medicine; (3) forestry; or, (4) agricultural, home economics or closely related career fields.) For further information on eligibility requirements, write to State 4-H Leader at the State-Grant University. A list of these leaders may be obtained from the National 4-H Council, 7100 Connecticut Avenue, Chevy Chase, MD 20815.

Samuel Robinson Scholarships are for undergraduate students enrolled in one of the Presbyterian-related colleges. No one may receive the scholarship more than once. Applicants must successfully recite the answers of the Westminster Shorter Catechism, and write a 2,000-word original essay on an assigned topic related to the shorter Catechism. Amount of Award: $500. Deadline: April 1. For futher information, contact the financial aid officers at the Presbyterian-related colleges or Presbyterian Church (U.S.A.), 475 Riverside Drive, New York, New York 10115.

Science Talent Search, conducted by Science Service and sponsored by the Westinghouse Electric Corporation and the Westinghouse Educational Foudation, annually offers scholarships for boys and girls in their last year of high school. Awards are based on high school records, national test scores, recommendations of high school teachers, a thousand-word report on an independent science research project by the student and interviews by judges of the forty finalists at the Science Talent Institute in Washington, D.C. Awards include 10 scholarships: one $20,000, two $15,000, three $10,000 and four $7,500. The remaining 30 finalists each receive Westinghouse Science Awards of $1,000. State Science Talent Searches are conducted currently with the National Competition in 36 states and the District of Columbia. Entry deadline date is December 15. Detailed information is available from Science Service, 1719 N Street, N.W., Washington, D.C. 20036. Telephone: (202) 785-2255.

Soroptimist International of the Americas Youth Citizenship Award of $1,250 per Soroptimist region and a finalist award of $2,000 offered to high school seniors demonstrating good citizenship qualities. Citizenship qualities include integrity, worth and ability, and encourage youth to develop the highest concepts of patriotism and effective cooperation in home and community affairs. Deadline is December 15. For further information, contact Soroptimist International of the Americas, 1616 Walnut Street, Philadelphia, PA 19103. Telephone: (215) 732-0512.

Student Opportunity Scholarships. These scholarships are for young persons of limited opportunities, members of racial/ethnic groups who are related to the Presbyterian Church (U.S.A.). Must be entering college as an incoming freshman and apply to the college for financial aid. Amount of Award: $100 to $1,400. Those eligible should write between January 15 and March 15 to: Student Opportunity Scholarships, Presbyterian Church (U.S.A.), 475 Riverside Drive, Room 430, New York, NY 10115. Telephone: (212) 870-2618.

The Ted and Peg Serrill Journalism Scholarship is offered annually by the National Newspaper Foundation to a college Junior enrolled full-time in an accredited sequence of journalism. The scholarship program is designed to encourage study in the print media field. The scholarships, in the sums of $1,000, $500 and $250, are payable during the Junior year. The student must have at least a B average and a recommendation by the Dean, Director or Department Head of the school in which he/she is enrolled. Deadline is June 13. Write for an application to: Selection Committee, Serrill Scholarhip, National Newspaper Foundation, 1627 K Street, N.W., Suite 400, Washington, DC 20006. Telephone: (202) 466-7200.

The Westinghouse Educational Foundation sponsors the following awards annually:

1. The Westinghouse Family Scholarship—ten $12,000 and sixty-five $3,000 scholarships. Information on the Westinghouse Family Scholarship may be obtained from the Personnel Relations Office where the student's parent is or was (if deceased, retired or permanently disabled) employed.

2. The Science Talent Search—forty awards. The student should request his science teacher to write to Science Talent Service, 1719 N Street, N.W., Washington, DC 20036 to obtain information and application forms.

3. 4-H Electric Program—4-H Club members should contact their local 4-H leader or County Extension Agent for information and application.

4. Bertha Lamme Scholarship—these scholarships are awarded to young women entering engineering as freshman. For information write: Society of Women Engineers, United Engineering Center, Room 305, 345 East 47th Street, New York, NY 10017. Telephone: (212) 705-7855.

5. National Achievement Scholarship Program for Outstanding Negro Students—five $2,000 scholarships. Information may be obtained through the National Merit Scholarship Corp., 990 Grove Street, Evanston, IL 60201.

Eligibility for each of these scholarships is limited to studehnts residing in the United States. The Family Scholarship, The Science Talent Search and, The Bertha Lamme require that the applicant be in his or her last year of high school and applications must be submitted during the Fall months of their Senior year. Students aged 14 through 19 are eligible for the 4-H Electric Program.

Western Golf Association sponsors the Evans Scholars Foundation, which annually awards approximately 200 four-year scholarships to qualified caddies. Eligibility for Evans Scholarship: (1) Candidates must have completed junior year in high school and rank in upper 25% of class; (2) must have caddied for a minimum of two years; and (3) must require financial assistance to attend college. Applications are available by writing to Western Golf Association, Golf, IL 60029. Telephone: (312) 724-4600.

C. ASSISTANCE FOR GRADUATES AND UNDERGRADUATES

The American Dental Hygienists' Association foundation offers the following scholarships: (1) Certificate Scholarship Program to students who are in a certificate/associate degree or bachelor's degree dental hygiene program, have completed at least one year in dental hygiene curriculum and have a minimum grade point average of 3.00 (on a 4.00 scale); (2) Baccalaureate Dental Hygiene Scholarship Program to students who have a minimum grade point average of 3.00 (on a 4.00 scale) and can provide evidence of acceptance as a full-time bachelor's degree candidate in an accredited four-year college or university; if a Baccalaureate Degree sought is not in Dental Hygiene, evidene of a Dental Hygiene Certificate or qualification for the Dental Hygiene Certificate within the current academic year must be provided. (3) Graduate Dental Hygiene Fellowship Program to students who can provide evidence of acceptance as a full-time Master's or Doctoral degree candidate in a university program, are graduates of a certified associate dental hygiene program or baccalaureate program, and are licensed Dental Hygienists or will receive a bachelor's degree at the end of the current academic year. While being enrolled in a dental hygiene curriculum, must maintain a minimum grade point average of 3.00 (on a 4.00 scale). The maximum scholarship is $1,500, depending on need. Deadline for applications is May 1. Information and application may be obtained by writing: American Dental Hygienists' Association, 444 North Michigan Avenue, Suite 3400, Chicago, IL 60611.

The American Dental Hygienists' Association Foundation Research Grant Program makes research grant funds available for licensed dental hygienists or students pursuing a dental hygiene degree who submit a completed research grant application according to the specified guidelines. The purpose is to provide financial assistance to asociate baccalaureate, master's, doctoral candidates and practicing dental hygienists to implement research. All proposals and applications due by June 1; awards in usual amounts up to $1,500 are made approximately two to four months after the established deadline. Further information and application may be obtained by writing: American Dental Hygienists' Association Foundation, 444 Michigan Avenue, Suite 3400, Chicago, IL 60611.

The American Institute of Architects. Scholarships are available for the first professional degree candidate, and for a graduate student in architecture. Graduate scholarships available for one academic year to study health facility design. Finally, a scholarship program is available for students from minority or disadvantaged backgrounds. For further information write Director, Education Programs, The American

Institute of Architects, 1735 New York Avenue, N.W., Washington, D.C. 20006.

ASMT Education & Research Fund, Inc. Medical technology students, who have completed the first semester of their sophomore year, may apply for a $3,000 Fisher Scientific Company Undergraduate scholarship. This scholarship will be paid in equal installments to one recipient for the junior and senior year in college. The Specialty Scholarship is available for graduate students. Scholarships are also offered by the Fund for interested students continuing their advanced education in certain specialty fields. Applications are available in October of each year. No application is sent between March 1 and October 1. The application deadline is March 1. The Fisher and the Graduate Specialty Scholarship applications are available from the ASMT Education & Research Fund, 330 Meadow Fern Dr., Houston, TX 77067.

The American Society of Heating, Refrigeration, Air Conditioning Engineers, Inc. offers grants-in-aid to full-time graduate students of ASHRAE-related technologies to encourage students to continue preparation for service in the industry. An application is made on the student's behalf by a faculty adviser. Up to $6,000 may be awarded during a calendar year. Applications are available from the Director of Research, American Society of Heating, Refrigeration and Air Conditioning Engineers, Inc., 1791 Tullie Circle, N.E., Atlanta, GA 30329.

The Dow Jones Newspaper Fund, Inc. is an organization to encourage talented young people to consider careers in journalism. The Journalism Career and Scholarship Guide, published by the Fund, provides information on what to study in college, where to study journalism/mass communications, general information on where jobs are and how to find them. It also lists more than $3 million in financial aid from universities and colleges, newspapers, professional societies and journalism-related organizations for students majoring in journalism/mass communications. Single copies of the Guide are available at no charge to interested individuals. Bulk orders are also available at $2.00 per copy. The Fund operates three editing internship programs: the Newspaper Editing Intern Program for College Juniors, the Minority Editing Intern Program for College Seniors, and Minority Reporting Program for College Sophomores.

The internships offer students the opportunity to earn scholarships after successfully completing a summer of paid employment as copy editors or reporters on daily newspapers. The Fund also sponsors: High School Journalism Workshops for Minorities that are designed to identify minority high school students; the Teacher Fellowship Program for inexperienced high school journalism teachers to attend summer publications workshops; and the Special Awards Program which ends in the naming of the High School Journalism Teacher of the Year. For information of these programs, as well as a copy of the Journalism Career and Scholarship Guide, write the Dow Jones Newspaper Fund, P. O. Box 300, Princeton, N.J. 08540-0300. Telephone: (609) 452-2820.

Institute of Food Technologists administers fellowships and scholarships to students pursuing a program leading to a degree in the general field of Food Technology or Food Science. During the tenure of a scholarship, winners must be enrolled in an IFT approved U.S. or Canadian educational institution. Graduate fellowship winners may be enrolled in any U.S. or Canadian educational institution that is conducting fundamental research in food science or technology. Awards include 25 freshman and sophomore, and 57 junior and senior scholarships of $500 to $2,000; and 17 graduate Fellowships up to $6,000. Deadline: Graduate Fellowships—February 1; Junior and Senior Scholarships—February 1; Sophomore Scholarships—March 1; Freshman Scholarships—February 15. A booklet on IFT Scholarship/Fellowship Programs and applications are available after September 15 from IFT Scholarship Department, 221 N. LaSalle St., Suite 300, Chicago, IL 60601, or, from Department Head of approved institution. Telephone: (312) 782-8424.

The International Chiropractors Association has two scholarship programs, the Womens' Auxiliary and King Koil scholarship programs, which provide funds to student ICA chapters for distribution to student ICA members, ICA also furnishes career information to interested individuals. Upon request, ICA will send a list of chiropractic colleges. Write to the International Chiropractors Association, Career/Scholarship Information, 1901 L. St., N.W., Suite 800, Washington, D.C. 20036.

Kappa Kappa Gamma Fraternity Scholarship Award. Undergraduate and graduate scholarships are available to members of Kappa Kappa Gamma and to any woman student who is a citizen of the United States or Canada who has completed two years of study on a campus with a chapter of Kappa Kappa Gamma or who will be a graduate student on a campus with a chapter of Kappa Kappa Gamma. Application forms are on file with your scholarship chairman, or may be obtained by writing to Fraternity Headquarters, P.O. Box 2079, Columbus, Ohio 43216. (Please send a self-addressed, stamped envelope). Address your questions regarding scholarships to the chairman or director of philanthropies: Mrs. H. W. Netherton, Jr., 3933 Balcones Drive, Austin, Texas 78731.

The Material Handling Education Foundation, Inc. awards scholarships to students enrolled in programs of study pre-qualified by the Foundation. Majors in Industrial Electrical, and Mechanical Engineering; Computer Science; and Marketing and Sales may qualify. The program should include an emphasis in material handling through direct and related courses, or through independent study. To be eligible, students must be: beyond their second year of a Bachelor's program, or beginning graduate study; U.S. citizens and maintaining at least a "B" average. The application deadline is early February; the forms are available from faculty members at approved institutions. For general information, you may write: The Material Handling Institute, 1326 Freeport Road, Pittsburg, PA 15238. Telephone: (412) 782-1624.

The National Board of Civil Air Patrol has authorized scholarships to be awarded to Civil Air Patrol members each year in the following categories: Undergraduate, Advanced Undergraduate, Graduate and Technical/Vocational Scholarships. Deadline date is April 1. Information and forms may be secured from: Civil Air Patrol Unit Commanders or from National Headquarters, Civil Air Patrol/TT, Maxwell AFB, AL 36112.

National Congress of Parents and Teachers does not have a scholarship and loan program at a national level. A large number of state congresses have such programs and others are encouraging scholarship grants at council and local levels. Awards are made possible by dues received for memberships, memorial gifts and/or voluntary contributions from PTA's. Most are for teacher training education, but some are for family life education, guidance and counseling instruction, librarianship, teachers of exceptional children and in-service teachers' summer term work. Special fellowships offered. Inquiries should be sent to inquirer's state congress.

National Institute for the Foodservice Industry: Foodservice Management Scholarships—available for students of foodservice management (Hotel-Restaurant Management, Institutional Management, Dietetics, Culinary Arts and other foodservice-related curricula). Must have FULL-TIME STATUS for full academic year beginning with fall term. Judged on basis of motivation toward an industry career, academic records, and financial need.

Heinz—NIFI Scholarships—Supported by the H.J. Heinz Company Foundation—offers seven Senior College Awards of $2,600 each over two years and three Junior/Community College Awards of $1,900 each over two years.

Gold Plate Scholarships—Supported by the International Foodservice Manufacturers Associations Educational Foundation—offers 100 awards of $750 for one year to Junior-Community College, Senior College, and Graduate students.

Griffith Laboratories Scholarships offers one Culinary Arts Award of $3,000 over two years to a Junior-Community College student majoring in Culinary Arts, and a Food Technology Award of $3,000 over two years to a student entering his/her Junior year in a Food Technology/Science major.

The Nestle Company Scholarships, two awards of $1,500 each for one year to Junior/Community College and Senior College Students earning an associate degree in Culinary Arts.

Heinz—NIFI Graduate Degree Fellowships are available to teachers and administrators of foodservice career education programs and awarded on a competitive basis to teachers and administrators enrolled in academic programs leading to a master's or doctor's degree to improve skills in teaching foodservice courses or administering foodservice career education. One Fellowship of $2,000; one Fellowship of $1,200; five Fellowships of $1,000 each. Applications for fellowships are available on request directly from NIFI. Applications and supporting documents must be postmarked no later than April 1.

NRA/NIFI Teacher Work/Study Grants up to 25 grants of $2,000 each are awarded on a competitive basis to teachers and administrators who wish to update their knowledge of the foodservice industry by obtaining 8 weeks of "hands on" experience in the industry. Applications for grants available on request directly from NIFI. Applications and supporting documents must be postmarked no later than December 31.

Applications for the scholarship awards will be available after November 1. Request applications from Department Chairman or Director of Financial Aid, or write directly to NIFI. All applications and supporting documents must be received by NIFI postmarked no later than April 1. NIFI, 20 North Wacker Drive, Suite 2620, Chicago, Illinois 60606. Telephone: (312) 782-1703.

Nurses' Education Funds is an organization which grants scholarships to registered nurses pursuing further full-time study through degree programs. Men and women who are members of the American Nurses

Association and who qualify for these awards study in nursing programs accredited by the National League for Nursing in colleges and universities of their choice. Funds are contributed by nurses, business and industrial firms, organizations and individuals. The Board of Directors determines the amount and number of awards each year on the basis of availability of funds and the nature of applications. Deadline for applications is February 15 preceding the academic year for which award is made. Write for application forms or additional information to Nurses' Educational Funds, 555 West 57th Street, New York, NY 10019. Telephone: (212) 582-8820.

The Rotary Foundation Scholarships are available to graduate or undergraduate students, journalists or teachers of the handicapped. Vocational scholarships are also available for artisans, technicians and professionals who have been employed in a technical or professional field for at least 2 years. Freedom From Hunger Scholarships will be granted to students from developing country districts working toward advanced degrees in agricultural studies. Age limit requirements vary with each scholarship. All scholarships are for one academic year in a country other than the recipient's own and provide for school fees, room and board, round trip airfare between home city and place of study and expenses for limited travel during the year. Applications are due October 1. Contact your local Rotary Club for details.

The Society of Exploration Geophysicists Foundation offers numerous scholarship opportunities to students who intend to pursue a college course directed toward a career in Geophysics. Scholarships ranging from $750 to $1,000 annually are available to students wishing to enter college, already in college and at the graduate level. Applications must be filed prior to March 1. Applications and further information may be secured from the Society's Scholarship Committee, P.O. Box 702740, Tulsa, OK 74170.

The Society of Naval Architects and Marine Engineers annually award both undergraduate and graduate scholarships to encourage study in naval architecture and marine engineering or closely related fields. All applicants must be a citizen of either the United States or Canada:

1. Undergraduate Awards, normally $1,000 each, are to be applied for by contacting one or more of the following schools directly: University of California (Berkeley); University of Michigan (Ann Arbor); Massachusetts Institute of Technology (Cambridge); State University of New York Maritime College (Fort Schuyler) and/or Florida Atlantic University (Boca Raton, FL). These are the only five schools where undergraduate awards are available.

2. Graduate Awards are in amounts varying from $1,000 and up. File with the society no later than February 1. Applications for graduate awards and information can be obtained by writing to: Mr. Robert G. Mende, Secretary and Executive Director, The Society of Naval Architects and Marine Engineers, One World Trade Center, Suite 1369, New York, New York 10048. Telephone: (212) 432-0310.

D. ASSISTANCE FOR GRADUATES ONLY

The American Association of University Women Educational Foundation awards approximately 80 fellows annually, ranging up to $10,000 for pre-doctoral; and up to $20,000 for postdoctoral fellowships. These awards are for women of the United States who have completed all requirements for the doctorate except the writing of the dissertation. Awards are also made to women for the final year of study in the fields of law, final year of MBA, dentistry, medicine, osteopathic medicine, veterinary medicine and architecture. These "selected professions" awards are between $3,500 and $9,000. Applications are available after August 1 of each year. Deadline for application is December 15, except for MBA which is February 1. For further information, write to: Director of Educational Foundations Programs, AAUW, 2401 Virginia Avenue, N.W., Washington, D.C. 20037.

The American Congress on Surveying and Mapping offers the following student aid programs for graduate students:

1. Wild Heerbrugg Geodetic Fellowship, a $4,000 award for use in the study of geodesy.

2. Wild Heerbrugg Photogrammetric Fellowship, a $4,000 award for use in photogrammetry.

3. American Association for Geodetic Surveying Fellowship, a $2,000 award for use in a program with a significant focus upon geodetic surveying or geodesy.

4. The William A. Fischer Memorial Scholarship, a $1,000 scholarship for study in remote sensing.

5. The Robert E. Altenhofen Memorial Scholarship, a $500 award for study in photogrammetry.

Application and information can be obtained from: Assistant Education Director, 210 Little Falls Street, Falls Church, VA 22046. Application deadline: January 15 except for the Robert E. Altenhofen Memorial Scholarship which has a deadline of January 1.

The American Osteopathic Association, through the Auxiliary to the American Osteopathic Association, annually awards one National Osteopathic College Scholarship of $4,000 and additional scholarships of $2,000. These scholarships cover the sophomore year of medical training. Awards are based on scholarship (top 20% of class), financial need, good moral character, freshman attendance at a college of osteopathic medicine, motivation and aptitude for the osteopathic medical profession and citizenship in the U.S. or Canada. Deadline June 1 for receipt of applications. The National Osteopathic Foundation, individual Colleges of Osteopathic Medicine and other osteopathic state organizations administer loan funds. For information write: American Osteopathic Association, 212 East Ohio Street, Chicago, IL 60611.

The Daniel and Florence Guggenheim Foundation offers Fellowships each year to approximately 10 young scientists and engineers for graduate study in energy conversion, transportation, jet propulsion, space flight and flight structures. The fellowships provide stipends ranging up to $5,000 depending on the level of advancement of the student, plus tuition. They are open to qualified science and engineering students who are residents of the United States or Canada. Students graduating in aerodynamics, fluid mechanics, engineering sciences, physics, physical chemistry, applied physics, applied mathematics, or, aeronautical, mechanical, chemical or civil engineering are sought. (The Fellowships are open to women as well as men.) The Fellowships will be used for study at The Daniel and Florence Guggenheim Laboratories at Princeton University, the Daniel and Florence Guggenheim Jet Propulsion Center at California Institute of Technology and the Daniel and Florence Guggenheim Institute of Flight Structures at Columbia University. Applications and additional information should be obtained directly from Princeton, California Institute of Technology or Columbia.

Dental Laboratory Technology Scholarships are available upon complete information on application to the American Fund for Dental Health. These are one-year scholarships, ranging from $500 to $600. Upon reapplication, a scholarship may be renewed for a second year by the Selection Committee if the student satisfactory completes the first year and funding is available. Deadline date is June 1. For full information, write to: American Fund for Dental Health, Attn: Director of Programs, 211 East Chicago Avenue, Chicago, IL 60611.

Dental Scholarships for Minority Students are available through the American Fund for Dental Health. Students selected under this program may receive up to $2,000 for their first year of dental school. Upon re-application and report of satisfactory progress, a grant for $2,000 may be renewed for the second year of dental studies. A maximum of $4,000 may be paid over a two-year period. To be eligible, students must be U.S. citizens from the following minority groups under-represented in the dental profession—American Indians, Blacks, Mexican-Americans and Puerto Ricans. They must be entering their first year of dental school and application deadline is May 1. Applications are available from the Student Affairs or Financial Aid Office of the dental school they plan to attend. Write: American Fund for Dental Health, Attn: Director of Programs, 211 E. Chicago, Avenue, Chicago, IL 60611.

Eisenhower Memorial Scholarship Foundation, Inc., awards several graduate scholarships, ranging from $1,000 to $3,000 at the discretion of the Board of Trustees and upon the recommendation of the Graduate Scholarship Committee. Applicants must be U.S. citizens having an academic degree equivalent to a Bachelor's Degree from an accredited college or university. Students interested should also have a plan of study or research which will advance the applicant's professional competence and have intentions of devoting full-time graduate study during the scholarship year. Financial need will not be a consideration. Awards will be based on those applicants who appear most likely to make the greatest contributions and of becoming thought leaders in the area of advancing the principles of individual freedom, patriotism, limited government and free-market economics. The award is for one academic year and is not renewable. For further information and application write: Eisenhower Memorial Scholarship Foundation, Inc., 303 North Curry Pike, Bloomington, IN 47401, or call Mr. E.M. Sears, Executive Director by phone (812) 332-2257.

Foreign Area Programs of the Social Science Research Council and the American Council of Learned Societies offer fellowships for doctoral dissertation research in social science and humanistic fields related to many foreign areas. Since the programs reflect the distinctive needs and character of the area, a general account of terms and conditions cannot be offered here. Inquiries should be directed to Social Science Research Council, Fellowships and Grants, 605 Third Avenue, New York, NY 10158.

The Foundation of the American College of Health-Care Executives offers a limited number of loans to assist worthy students to continue their professional education and training towards careers in hospital administration. Loans are available to students in graduate programs in hospital or health services administration, accredited by the Accrediting Commission Education for Health Services Administration, and acceptable to the American College of Healthcare Executives. Applicants must be student associates of ACHE, and demonstrate financial need. Applications must be endorsed by the University Program Course Director prior to submission to ACHA's Student Loan Committee. For further information, contact the American College of Health care Executives, 840 North Lake Shore Drive, Chicago, IL 60611.

The Institute of International Education offers American college graduates over 700 scholarships for study in foreign countries, about 500 of which are provided under the Fulbright Program. Over two hundred of the scholarships are financed by various foreign governments, foreign universities and private donors. In most cases, the scholarships provide travel expenses and partial or complete tuition and maintenance for a full academic year. Students now enrolled in colleges or universities should first consult with their campus Fulbright Program Advisers. Deadline is October 31. Further information and application forms are available from the Institute of International Education, U.S. Student Programs Division, 809 United Nations Plaza, New York, N.Y. 10017, or from any of the Institute's regional offices in Chicago, Denver, Atlanta, Houston and San Francisco. Telephone: (212) 984-5330.

The Knights of Columbus Graduate Fellowships are established at the Catholic University of America, Washington, D.C., for work in the fields offered in the Graduate School. The fellowships cover room, board and tuition, and may be renewed annually up to three years.

For these awards, preference is given to members of the Knights of Columbus, to the wife, son, daughter or sister of a member. The member must be in good standing in the Order; if deceased, he must have been in good standing at the time of his death.

These Fellowships are administered by the Graduate School of the Catholic University for applicants who have been accepted for graduate work there. Applications forms may be obtained from the Director of Financial Aid, Catholic University of America, Washington, D.C. 20064.

The Knights of Columbus-Bishop-Charles P. Greco Graduate Fellowships were established in 1973 for members, their wives, sons and daughters, and for the widow and children of a deceased member. These fellowships are for full-time graduate study leading to a Master's degree in a program designed for the preparation of classroom teachers of mentally retarded children. The fellowship is granted to a candidate at the beginning of the program of study and offers financial assistance for the educational costs at the graduate school up to a maximum of $500 a semester. The grant is renewable each succeeding semester of the program to a maximum of four semesters upon evidence of satisfactory performance. The deadline is May 1. Application forms may be obtained from the Committee on Fellowships, Knights of Columbus, P.O. Drawer 1670, New Haven, CT 06507.

National Medical Fellowships, Inc., awards scholarships to members of the four underrepresented minority groups, (Native Americans, American Blacks, Mexican Americans and Mainland Puerto Ricans) who have been accepted by or are attending accredited schools of allopathic and osteopathic accredited schools of medicine in the U.S. Applicants must be U.S. citizens.

NMF General Scholarship awards are based on financial need and are awarded to first and second-year medical students. Special merit awards are granted to outstanding juniors and seniors.

Applications should be requested from The Scholarship Program, National Medical Fellowships, 254 West 31st Street, 7th Floor, New York, NY 10001. All NMF applications are available in March. The deadline for entering medical students is August 29 and for renewal applicants is April 26.

The National Wildlife Federation annually awards a limited number of graduate fellowships of up to $4,000 for study at an accredited college or university in the field of natural resources conservation. Research which is carried out as part of a research program, may be considered within this fellowship program. The deadline is November 30. Write to: The Executive Vice President, National Wildlife Federation, Confidential #8, 1412 Sixteenth St., N.W., Washington, DC 20036.

Woodrow Wilson National Fellowship Foundation conducts the following programs in higher education:

(1) Mellon Fellowships for Graduate Studies in the Humanities for beginning graduate students who plan careers in college teaching. (For more information on Mellon write: P.O. Box 288, Princeton, NJ 08542) (2) Charlotte W. Newcombe Dissertation Fellowships for Ph.D. candidates writing on topics of religious and ethical values in all fields. Application Request Deadline—December of each year. (3) Women's Studies Research Grants for Ph.D. candidates writing their dissertations on a topic concerning women. Application Request Deadline—November of each year. (4) Administrative Internships which place holders of M.B.A. and other professional degrees in management positions at developing colleges. (5) Visiting Fellows Program which sends professionals to college campuses for a week at a time. (6) J. Paul Getty Postdoctoral Fellowships in the History of Art and the Humanities for scholars within six years from the receipt of the Ph.D. degree. Application deadline—January of each year. No fellowships for undergraduate study are available.

Applicants interested in the above programs should write for further information to: Woodrow Wilson National Fellowship Foundation, Box 642, Princeton, New Jersey 08540.

BICENTENNIAL MINUTE

APRIL 7, 1789: SENATE APPOINTS FIRST COMMITTEES

Mr. DOLE. Mr. President, 198 years ago today, on April 7, 1789, just 1 day after the Senate established its first quorum and began its work, it appointed its first two committees. Eight Members were selected to "bring in a bill for organizing the Judiciary of the United States." Five Senators were appointed "to be a committee to prepare a system of rules to govern the two Houses in cases of conference, and to take under consideration the manner of electing chaplains." The latter committee was also authorized "to prepare a system of rules for conducting business of the Senate."

This was in the days before the Senate operated through standing committees. Instead, these first two committees were "special" committees, designed to go out of existence when they had completed their specific assignments.

The first committee produced the most important legislation of the First Congress, the Judiciary Act of 1789. This act set up the Federal court system that still operates today. It provided for the organization of a six-member Supreme Court, thirteen district and three circuit courts, and established the Office of Attorney General.

The second committee created the first rules of the Senate. Again, a reading of these first 20 rules shows them to be remarkably similar to the rules under which the Senate continues to operate.

Today, I think it is safe to say that U.S. Senators spend more time in committee work than in any other legislative activity. There, more than on the Senate floor, legislation is shaped, compromises are forged, and consensus is reached. Only through committees could the Senate handle a workload that has grown so phenomenally over the past 200 years.

ABM TREATY INTERPRETATION

Mr. McCAIN. Mr. President, I rise in company with a number of my colleagues to stress that the ABM Treaty interpretation debate is not over. In considering differing interpretations of the ABM Treaty, close examination of its implementation, and practice by both sides, is warranted.

While we legalistically debate the nuances of the ABM Treaty, it is instructive to note that Moscow has violated not the narrow, nor even the broad interpretation, but the treaty's very words. In continuing work on a phased array radar at Krasnoyarsk, the Soviets are violating the terms of article 6 of the accord, which states, quite plainly, "* * * each party undertakes * * * not to deploy in the future radars for early warning of strategic ballistic missile attack except at locations along the periphery of its national territory and oriented outwards." The Krasnoyarsk radar is located neither on the Soviet periphery, nor is it oriented outwards, as the treaty requires. It is almost 500 miles from the nearest border, Mongolia, and is oriented not toward that Asian nation, but toward the northeastern Soviet Union.

This is perhaps the most egregious violation of the ABM Treaty. There have been others, all worthy of mention, but it has always been recognized that phased array radars were the long lead items necessary for a breakout from the ABM Treaty.

Belief that the radar violates the ABM Treaty is nearly unanimous. The violation is so clear that a number of my former House colleagues, including some of the most strident advocates of the narrow interpretation, felt compelled to write to Secretary Gorbachev on the issue. In their letter, they stated that: "If this problem is not resolved, it will have serious consequences * * * not only will additional efforts to strengthen the ABM Treaty, regarding space based or other systems, become much more difficult, but continued substantive and political support for the ABM Treaty itself in Congress and among the American people will be eroded."

In an oral response to the letter, the Soviets repeated their stale contention that the radar is to be used to track space objects. My House colleagues, in turn, said they were "not content" with the Soviet reply, and that "further elucidation" regarding the Soviet violation "will be necessary." Two years later, the Soviets continue their work at Krasnoyarsk.

Leaving aside, for the moment, the argument over differing interpretations, does it really make sense to forbid research and development that is, in part, intended as a hedge against a complete Soviet breakout from the treaty? For years, we have been watching in fascination as the Soviets continued construction on the Krasnoyarsk radar. We have wrung our hands, tried to persuade the Soviets through the Standing Consultative Commission, even resorted to personal letters, in an effort to persuade Moscow of our concern on this issue.

If we are determined to respond to such a clear cut, continuing violation, a number of courses could be pursued. In considering the current strategic situation, including the proliferation of extremely accurate MIRVed Soviet missiles, and continued Soviet violations, the President could exercise our rights to withdraw from the treaty. I am not personally advocating such action, and judging from the reaction when President Reagan abrogated an unratified treaty that would have expired, I would not recommend that he do so as a response to Soviet violations.

What is the sense in signing agreements Moscow is sure to violate, if, in response, we only wring our hands and further restrict our ability to reply? What is the sense of not responding, in an unprovocative, legally justifiable fashion, to clear Soviet violations? As Congressman LES ASPIN has stated: "The issue of violations has to be addressed before we sign another agreement with the Soviet Union, in the sense that the agreement itself has got to lay out what the recourse is if one country violates it." Is restricting research and development on a strategic defense appropriate recourse to Soviet violations? I think not, and I urge my colleagues to reject any attempts to do so.

AGENDA FOR COMPETITIVENESS

Mr. BUMPERS. Mr. President, today I am presenting a comprehensive and innovative legislative agenda to enhance the competitiveness of America. My staff and I have worked diligently for 1 year in developing this package to improve America's competitive position in world trade.

The agenda I am presenting is not simply rhetorical. I am introducing three bills to be considered separately or possibly as amendments to any trade and competitiveness legislation considered by the Senate. These bills relate to one another and they are being introduced as a package. They can stand on their own, but they share certain fundamental characteristics.

Let me describe each of these three bills in the context of a broader agenda on competitiveness.

OUTLINE OF COMPETITIVENESS AGENDA

The competitiveness agenda focuses on the need for the following: First, sounder macroeconomic policy; second, more constructive government/business/labor partnerships to promote competitiveness; third, more capital investment, particularly in innovative startup small businesses; and fourth, more employee/management cooperation to promote productivity and profitability.

On the first of these issues—macroeconomic policy—I am not proposing a new initiative here. Many times on the floor of the Senate I have stated that if other Members had voted as I did on the 1981 "supply-side" tax cut and the budget cuts, we never would have had the appreciation in the dollar which has damaged so many U.S. firms in international competition. Nothing has hurt the competitiveness of our country more in the past 5 years than the disastrous macroeconomic policy of this administration.

On the second issue—constructive government/business/labor partnerships—I am introducing a bill, S. 930, which would establish in the Commerce Department a Federal clearinghouse to monitor, evaluate, and spread the word on innovative initiatives by State and local government to establish such partnerships. State and local government are showing vastly more creativity than is the Federal Government in promoting productivity and innovation. They are not bound by the Reagan administration's ideological aversion to Government partnerships with business and labor and their responsible budget policies permit them to expend funds to promote these partnerships. Given the current political and budget climate at the Federal level, establishing a clearinghouse is a good substitute for launching new Federal, top-down programs, which cost too much and are politically stale. By learning from the State and local governments, we in the Federal Government can develop a consensus on an appropriate Federal role.

On the third issue—need for capital investment in innovative small businesses—I am introducing a bill, S. 931, which would provide a modest tax incentive for direct investments in startup and other small businesses. The incentive would be available only where the investment is held for a minimum of 4 years. The tax incentive is modeled on the capital gains exclusion but it is more modest, reducing the marginal tax rate on gains from 28 percent to 21 percent. The income excluded would be included in the minimum tax to prevent the exclusion from undermining the progressivity of the tax system. I am convinced that small businesses will take the lead in regaining competitiveness for this country and this bill would help to ensure that they will have the capital they need to grow.

Finally, on the fourth issue—need for employee/management cooperation for productivity—I am introducing a bill, S. 932, which would create a modest tax incentive for employers and employees who agree to tie their pay in part to the profitability of the firm through profit-sharing agreements. The incentive would exclude a portion of the compensation received from profit sharing and the amount of the exclusion is identical to that which is given for capital gains on investments in small businesses. The minimum tax applies to it as well. The rationale for this is that workers who take the risk that their firm will not have profits are taking a risk that is comparable to that of investors who take the risk that their investments will not pay off. When pay is conditioned on the firm's profitability, productivity rises and the firm is more likely, in fact, to be profitable.

COMMON THEMES

These three bills, S. 930, S. 931, and S. 932, all challenge Americans to take risks. The State and local government initiatives are bold experiments and some will fail. Some startup small businesses will fail even if they have enough capital. Some firms will not become profitable no matter how hard the employees work. The Government needs to work with the private sector to encourage this risk taking and the Government itself needs to take risks in the programs it sponsors. Our Nation must take these risks to avoid becoming economically stale. We need to try new approaches, even if we must learn from some mistakes along the way.

All of these proposals say "we're all in this together" and we must cooperate to compete successfully. Competitiveness is a challenge that requires a unified response among the public and private sector as well as wealthy investors and assembly line workers. We all need to meet the challenge together. All three proposals bring people together. On March 17 I introduced two bills, S. 759 and S. 760, which encourage students to devote up to 3 years of their lives to public and community service and these bills have much in common with the competitiveness agenda I am introducing today. We need to challenge government, businesses, labor, and our future generation of leaders to rise to the challenge, to lead, to take risks, and to work as a team.

Most important, we need to focus on the future and to make long-term investments. We need to work as partners for the long haul. The long holding period for the capital gains bill is part of this. The profit-sharing bill also includes a holding period. When we focus on fundamentals, productivity, and profitability, we may not see immediate returns. Partnerships between government and the private sector, labor and management take time to nurture and to adjust.

MACROECONOMICS OF PROFIT SHARING

The profit-sharing bill goes beyond the issue of competitiveness because it may improve the macroeconomic performance of the country. It has been argued by a number of prominent economists that if enough businesses in the United States tied enough of their compensation to profits, we could see substantial increases in employment in good times and substantial reductions in unemployment in bad times.

Profit sharing may improve our total economic performance because workers in cash profit-sharing plans have, in effect, agreed automatically to take a pay cut if the firm is not profitable. This means that the firm's overhead for worker wages automatically declines when the firm's profits decline. This makes the firm much less likely to lay off workers when profits decline. The reverse is true when profits rise. When wages are fixed, the firm has little alternative but to fire workers when profits decline.

The economics of profit sharing have been explained in detail by Prof. Martin Weitzman of MIT in his widely acclaimed book, "The Share Economy." The New York Times hailed the profit-sharing thesis of this book as the "best idea since Keynes." Professor Weitzman has worked closely with my staff in fashioning this bill and I look forward to working with him in the debate which will follow. This bill on profit sharing is the first one introduced in the Congress which would encourage cash profit sharing and I am sure it will generate much discussion. My bill represents the first effort to incorporate Professor Weitzman's proposal in legislation in this country. Interestingly, the Thatcher government in England has just proposed a similar tax incentive for cash profit sharing in its own program for the Parliament.

FINANCIAL AND HUMAN CAPITAL

The profit-sharing bill and the capital gains bill are parallel in concept and in their terms. Both bills provide for a 25-percent exclusion from income for the gains or profit-sharing distribution, both include this excluded income in the alternative minimum tax, and both require that the investor or worker maintain their investment in the firm for a substantial period of time.

This parallel treatment is quite intentional. I am making the point that the Tax Code should treat workers and capitalists equally, not giving a special preference to investor capital over human capital. I feel strongly that investments in human capital are just as important as capital investments. Workers are just as deserving of a reward when they take risks with a profit-sharing plan as are wealthy investors when they take risks.

CONFIDENCE COMES FIRST

We will never take the necessary risks to regain our competitive edge unless we have confidence in our destiny as Americans. If we pursue a "hunker down" and defensive posture, we cannot hope to meet the competition we face in the international marketplace. We have to start with confidence in ourselves, in our ability to find approaches to our problems together, to learn from our mistakes and our successes, and to fashion imaginative partnerships. We can take risks when we have confidence in America and this legislative package expresses my confidence in America.

Mr. President, I am not requesting that the three bills be printed in order to shorten the RECORD. Instead, I will forward copies to each of my colleagues or others who request them.

SHULTZ REAFFIRMS ADMINISTRATION SUPPORT FOR UNITA

SHULTZ REPLIES TO LETTER

Mr. DOLE. Mr. President, on March 25, I spoke on the floor of the need for consistency in American policies toward Angola, and continued United States *support* for "UNITA", the democratic resistance in Angola led by Jonas Savimbi. On that occasion, I informed the Senate of a letter I had just written to Secretary of State Shultz on Angola and UNITA. In that letter, I expressed deep concern about reports I had received that State Department officials were pushing proposals to terminate United States assistance to UNITA.

REAFFIRMATION OF SUPPORT FOR UNITA

Today I am pleased to inform the Senate that I have received a response from Secretary Shultz, which categorically reaffirms the administration's support for UNITA. Let me quote one section of the Secretary's letter:

> "Our support for UNITA is clear," the Secretary writes, ". . . in our continuing policy deliberations with regard to Angola, we have focused on how best to sustain and improve that support."

Mr. President, I welcome this reaffirmation of the President's policy in Angola—a policy which I believe has strong support in the Congress. I will continue to monitor events in Angola—and in Washington, relating to Angola—very closely, to ensure that we continue to provide needed aid to UNITA and, more generally, pursue consistent and effective policies aimed at our real goals: The end to the Soviet and Cuban military presence in southern Africa; and political solutions to the problems there, reflecting the will of the people of that region.

Mr. President, I ask unanimous consent to include in the RECORD the full text of my letter to Secretary Shultz and his reply.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, March 23, 1987.

Hon. GEORGE P. SHULTZ,
Secretary of State, Department of State, Washington, DC.

DEAR MR. SECRETARY: I am deeply concerned by reports that State Department representatives in recent interagency policy meetings have urged an end to American support for UNITA, the democratic resistance forces in Angola under the leadership of Jonas Savimbi.

Continued support for UNITA is essential if we are to have any chance to achieve our goals in Angola: the withdrawal of Cuban and Soviet forces; a negotiated political settlement, encompassing all political elements in Angola and reflecting the will of the Angolan people; and peace in that country. Termination of support for UNITA will be a major victory for the Soviet Union and will spell the end of any hope for meaningful negotiations to end the war.

Of course, I have no desire to impede or interfere with a free and open discussion of policy options, in the State Department or anywhere in the Administration. But I am sure you will agree with me that it is essential that no Administration official do anything to undermine a sound policy, already established by the President and strongly supported by the Congress.

Sincerely yours,

BOB DOLE,
U.S. Senate.

THE SECRETARY OF STATE,
Washington, DC, April 4, 1987.

Hon. BOB DOLE,
U.S. Senate.

DEAR BOB: I am writing in response to your letter of March 23 concerning reports that the State Department urged an end to U.S. support for UNITA in a recent interagency discussion of Angola policy.

As you must know, I too would be concerned if there were any basis to the reports to which you refer. Let me assure you, however, that they are in error. At no time has any representative of the State Department, nor as far as I know of any other element of the Administration, suggested that U.S. support for UNITA and Jonas Savimbi should end.

On the contrary, our support for UNITA is clear. UNITA is a legitimate nationalist movement whose interests must be taken into account if there is to be peace and national reconciliation in Angola. I have met Jonas Savimbi and was deeply impressed. I share the widespread admiration for the struggle he has waged for over 10 years against Soviet and Cuban imperialism. We are supporting that struggle in what we believe to be an appropriate and effective manner. In our continuing policy deliberations with regard to Angola, we have focused on how best to sustain and improve that support.

With warm personal regards,

Sincerely yours,

George P. Shultz.

CONTINUING STATEMENTS ON ABM

Mr. DOLE. Mr. President, last Thursday I kicked off a series of floor statements by my Republican colleagues on one of the most crucial national security issues—the President's right to interpret the ABM Treaty. Today, and for the rest of the week, Senators will continue to discuss the ABM Treaty in this context. I salute two of my colleagues—Strom Thurmond and Thad Cochran—for their fine statements and welcome their input.

THE DEATH OF HENRY R. LABOUISSE

Mr. MOYNIHAN. Mr. President, there is a rank of great men and women whose lives and work are a testament to the idea of philanthropy. The generation that came to maturity to guide this Nation through World War II and the events of the next three decades gave us an exceptional number of such people. Last Wednesday, their numbers were diminished with the death of Henry R. Labouisse.

Henry Labouisse had a long and distinguished career in international and economic affairs, culminating in his leadership of UNICEF [the United Nations Children's Fund] from 1965 to 1979. During his period as executive director, UNICEF underwent major growth, evolving from a humanitarian junior partner in the U.N. system of organizations to a fully fledged member of the international development community, stressing the importance of investment in children as a prerequisite for human, social, and economic development.

Mr. President, children victimized by disease, hunger, ignorance, and poverty do not command much attention in the world's political corridors. They have no constituency, no purchasing power. Hope for an improved life rests largely on the initiative of men such as Henry Labouisse, who recognize that political tensions often overwhelm humanitarian initiatives.

Perhaps he himself said it best in 1965, when accepting the Nobel Peace Prize on behalf of UNICEF:

> To me, the great, the most important meaning of this Nobel award is the solemn recognition that the welfare of today's children is inseparably linked with the peace of tomorrow's world. The sufferings and privations to which I have referred do not ennoble: they frustrate and embitter. The longer the world tolerates the slow war of attrition which poverty and ignorance now wage against 800 million children in the developing countries, the more likely it becomes that our hope for lasting peace will be the ultimate casualty.

Henry Labouisse knew firsthand the trials of war. It was he who prevailed upon both factions of the 1968 Nigerian civil war to accept aid for children without regard to the politics of their parents. Earlier, as director of the U.N. Relief and Works Agency for Palestine Refugees, he helped provide food, shelter, health services, and education to some 900,000 Palestine refugees in five countries or territories of the Near East. Later he directed UNICEF's relief efforts in Cambodia when famine, malaria, dysentery and other diseases decimated hundreds of thousands already weakened by the strains of war.

In 1961, President Kennedy named the director of the U.S. International Cooperation Administration, where he played a key role in developing its successor, the Agency for International Development. His State Department career, which lasted from November 1941 until mid 1954, involved setting up Marshall plan operations in postwar Europe and serving as the State Department's coordinator of foreign aid and assistance.

One of Henry's greatest joys was the American Farm School in Thessaloniki, a vocational training school for Greek rural youth. As Ambassador to Greece from 1962 and 1965, his diplomatic skills facilitated American efforts to persuade Greek leaders to exercise caution during a 1964 crisis on Cyprus.

Mr. President, the achievements of Henry Labouisse are truly extraordinary. How many lives he touched. The world owes him a debt of love and respect for providing us with a tradition of improving the lives of the uncherished. Men of his ilk are entirely too rare, and our hearts go out to his family, who surely feel the pride of his magnificent sympathy.

I ask that the statements delivered at a memorial service held Thursday at the Church of the Holy Trinity in New York City be made part of the Record, as well as a piece from the New York Times.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the New York Times, Mar. 27, 1987]

HENRY R. LABOUISSE DIES; FORMER CHIEF OF UNICEF

(By Eric Pace)

Henry R. Labouisse, a State Department and United Nations official who headed UNICEF, the United Nations Children's Fund, from 1965 to 1979, died of cancer Wednesday at Memorial Hospital in Manhattan. He was 83 years old and lived in Manhattan.

Mr. Labouisse, a native of New Orleans, was trained as a lawyer and also served as director of the United Nations Relief and Works Agency for Palestine Refugees from 1954 to 1958.

In 1961 President Kennedy named him director of the International Cooperation Administration, the United States foreign aid organization that was a forerunner of the Agency for International Development. He was Ambassador to Greece from 1962 to 1965.

In accepting the 1965 Nobel Peace Prize, which was awarded to UNICEF, Mr. Labouisse declared that the prize had "reinforced our profound belief that, each time UNICEF contributes, however modestly, to giving today's children a chance to grow into useful and happier citizens, it contributes to removing some of the seeds of world tension and future conflicts."

A TRIBUTE FROM UNICEF'S CHIEF

Yesterday, upon hearing of his death, James P. Grant, UNICEF's present executive director and a deputy under Mr. Labouisse in the creation of A.I.D., said, "Harry Labouisse contributed so much towards making the world a better place for all of us, especially for our children."

Mr. Labouisse, who traveled widely on behalf of UNICEF, was a deft diplomat and administrator whom his daughter once called "a Northernized Southern gentleman" who was "not of the mint-julep-and-magnolia school."

He once said UNICEF's "clients are children, and children know no political barriers." In August 1968, after both sides in the Nigerian civil war had barred the movement of relief supplies to sites where they were most needed, he declared at a news conference:

"With strong and affirmative cooperative action on the part of all concerned, a great many lives can be saved. Without it, untold thousands of innocent people will die."

Under his direction, UNICEF managed to provide aid on both sides of the Nigerian battlefronts, and in the chaotic aftermath of the 30-month war.

RELIEF EFFORTS IN CAMBODIA

In 1979 Mr. Labouisse oversaw UNICEF's relief efforts in Cambodia, then afflicted by famine, where he said that 700,000 children and sick people were "in extreme need," and that malaria, dysentery and other diseases were decimating those who had been weakened by hunger.

Mr. Labouisse's time as head of the United Nations Relief and Works Agency, aiding Palestinian refugees, repeatedly exposed him to controversy. Annual United Nations debates about that agency included exchanges of accusations by Arab and Israeli speakers, with the two sides blaming each other for the 1948 Arab-Israeli war and for the plight of Arab refugees.

But he tried to stay out of such exchanges, and he also preferred brief statements at sessions of UNICEF's board. He once observed that "too many speeches are made in this world."

Henry Richardson Labouisse was born on Feb. 11, 1904. He received a bachelor's degree from Princeton in 1926 and a law degree from harvard in 1929. He practiced law in Manhattan until 1941, when he joined the State Department, beginning 13 years in a variety of Government foreign-affairs posts.

He played a key role in setting up Marshall Plan operations in postwar Europe and served in 1948 and 1949 as the State Department's coordinator of foreign aid and assistance.

After heading the Relief and Works Agency, Mr. Labouisse became a consultant to the World Band and was a special adviser to Dag Hammarskjold, then Secretary General of the United Nations during the Congo crisis in 1960.

When Mr. Labouisse became director of the International Cooperation Administration in 1961, President Kennedy also made him the head of a group that mapped a reorganization of foreign aid.

In his next appointment, as Ambassador in Athens, Mr. Labouisse played a key role, in August 1964, in an American effort to get Greek leaders to exercise caution during a crisis on Cyprus.

Mr. Labouisse resigned from the Athens post after Secretary General U Thant and the UNICEF board asked him to become that organization's executive director, succeeding Maurice Pate, who had recently died.

Mr. Labouisse married Elizabeth Scriven Clark, a granddaughter of Alfred Corning Clark, founder of the Singer Manufacturing Company, in 1935. She died in 1945. In 1954 he married Eve Curie, an author and journalist who was the youngest daughter of the scientists Pierre and Marie Curie.

He is survived by his second wife; by a daughter by his first marriage, Anne Peretz of Cambridge, Mass., and by four grandchildren.

REMARKS BY E.J.R. HEYWARD, FORMER SENIOR DEPUTY EXECUTIVE DIRECTOR OF THE UNITED NATIONS CHILDREN'S FUND [UNICEF] AT THE MEMORIAL SERVICE FOR HENRY RICHARDSON LABOUISSE

"The longer the world tolerates the slow war of attrition which poverty and ignorance now wage against 800 million children in developing countries, the more likely it becomes that our hope for lasting peace will be the ultimate casualty." Those words, spoken by Harry Labourisse in his acceptance speech at the presentation of the Nobel Peace Prize to UNICEF in 1965, offer a key to his whole life.

INDIVIDUAL HUMAN RELATIONS

He was born in New Orleans in 1904 into an open and tolerant family, where, he said, "I am brought up to try to do things of a civic nature." He always practiced a gentlemanly courtesy, and his sense of individual human relations went far deeper than courtesy. "My family really had no racial hangups" he said, linking them to a "different philosophy" held by many people in the South. His training in the law in Harvard probably reinforced his sense of objectivity, justice and fairness. "I liked legal processes of thought", he said.

LENOX HILL NEIGHBORHOOD ASSOCIATION

His social concerns were first of all expressed close to home. While he was practicing law here in New York in the 1930's, he became interested in the Greer School and the Lenox Hill Neighborhood Association, which still thrives not far from this Church. It was there that he met his first wife, Elizabeth Scriven Clark, a woman who shared his social conscience. A sense of injustice that he felt in a disagreement that developed between the Board and then Director of the Association led him, together with his wife, to take over virtual responsibility for ensuring for a time its financing and management. With typical modesty, he became the vice-chairman rather than the chairman of the Board. This week the Association has said "We shall always remember and be grateful for the critical role he played in rescuing the Lenox Hill Neighborhood Association, and ensuring its survival".

10 YEARS FOR EUROPE

World War II took him to the State Department in Washington, where his first wife died in 1945, leaving him with a small daughter Anne. During his work from 1944 to 1954 on American support to the recovery of Europe, he was mostly based in Paris as the main liaison with the European Ministers who were shaping the Organization of European Economic Cooperation (OEEC), and implementing the Marshall Plan. This was obviously a position of great power, but what people appreciated and found effective were his gift for listening, his modesty, and his quiet advice.

EVE CURIE

In November 1954, Harry Labouisse and Eve Curie married in this Church. She is the daughter of one of France's great scientific families, and a distinguished musician, writer and journalist. Her biography of her mother, Madame Curie, is known throughout the world. From that time on she worked with him, also sharing his field travels, which incidentally included an automobile accident. When he came to UNICEF he recalled "I was old enough not to want to be separated from my wife by wandering around all the time, so I was going to take Eve with me on field trips, but at my own expense."

GOING TO BEIRUT

Dag Hammarskjöld got to know him during his European Recovery work and Hammarskjöld later on as Secretary-General of the United Nations, obtained Harry's release from the service of the United States, to become Director of the Relief and Works Agency for Palestine Refugees (UNRWA), with headquarters in Beirut, Lebanon, and some 900,000 refugees registered on its rolls. This was regarded as a thankless as well as a dangerous job because of the deep bitterness of the refugees, and the scanty resources provided to meet their needs.

GAZA STRIP

Going to Beirut with Eve, he set out first of all to learn the situation on the ground by visiting the 57 camps; one was so tough that he could not get into it for some months. In the words of Robert Dillon, presently Acting Commissioner of UNRWA, "He will be remembered for his quick action and great risk to himself in establishing and leading an emergency team to go into the Gaza Strip to resume UNRWA operations in the autumn of 1956 while military operations continued".

BROADENING UNRWA

He broadened the UNRWA programme from the distribution of "dry rations" of foodstuffs, to include some health care, some improvement of shelter, and some schooling and vocational training. The latter "has led to the rise of generations of educated Palestine refugees", says Mr. Dillon. All that he had to do for $27 a person a year. While not hiding his sympathy with the refugees, he was honest with them, and as he recalled in a typical understatement, "I think finally they accepted me". He finished his Directorship of UNRWA at the end of 1958.

WORLD BANK

In 1959-60, as consultant for the World Bank, he again broke new "social" ground. As leader of an economic survey mission to Venezuela, he introduced discussion of education and health, and the use of the country's funds to make services widely available to all classes of people, including those in remote rural areas, rather than for the construction of one or more new sophisticated hospitals.

COMING TO UNICEF

He came to UNICEF in 1965 as only its second Executive Director. As in the case of UNRWA, his first concern was to see the operation in the field. As he recalled later, "It was important to see UNICEF—what it did in the field, who the people were and where their hearts were".

EVOLUTION OF UNICEF

During his 15 years, as Jim Grant has said, he moved UNICEF further from being a relief organization to one concerned with children in the development of the Third World. In this process, its scope was greatly widened, and its cooperation with countries doubled in amount, in terms of dollars of constant value. I will refer only to three among many important developments:

Country approach.—Firstly, introduction of what was called "the country approach", which meant an analysis of the main problems of children and the possibilities of action in each country concerned.

Basic services.—Secondly, advocacy of and support for "basic services", which meant those that the country could try to deliver to all children, including those of families who were outside the main centres, or in lower socio-economic groups. Communities would take some responsibility for these services. These principles were articulated most fully in "Primary Health Care", which was accepted by 140 countries in an international conference sponsored by WHO and UNICEF, held in Alma-Ata in the Soviet Union in 1978.

IYC.—Thirdly, responsibility was given to UNICEF by the United Nations General Assembly for the International Year of the Child, celebrated in 1979. It succeeded in raising consciousness about children in national policies and programmes. Typically of Harry, this was done in each country, without the large international conference that forms part of many international "years".

A POLITICAL COURAGE

Finally I would like to refer to one principle that Harry held to very strongly in his diplomatic guidance of both UNRWA and UNICEF—to keep his organization so far as possible "out of politics". It was not to take sides, not to let itself be used, not to trade political support, nor permit itself to express its own perferences outside its mandate to cooperate with countries in improving the situation of their children. Within that mandate he showed great political courage. The General Assembly resolution establishing UNICEF in 1946 provided that UNICEF aid would be used or distributed "without discrimination because of race, creed, nationality status or political belief". Again I shall give only three examples of Harry's very active adherence to this principle. He spent five weeks in Lagos in 1968 in order to make possible relief for children on both sides of the civil war, the only United Nations organization to succeed in doing this, and the only one accepted by Nigeria immediately at the end of the war to bring in by land more substantial relief and rehabilitation to the devastated eastern provinces. Secondly, his persistence, supported by a number of members of the Executive Board, finally persuaded North Vietnam in 1973 that international cooperation could help their children. Thirdly, after the Pol Pot regime was ousted from Cambodia in 1979, UNICEF became the lead agency for relief of the famine there, whilst maintaining its position that it would also aid refugees from the new government on the border of Thailand, even though the government felt that UNICEF in so doing was aiding its enemies.

PERSONAL QUALITIES

The messages that have poured in after Harry's death stress his personal warmth, his openness, his leadership and his integrity. His integrity appeared not only in personal relations, but in his work as an international civil servant, which earned him the respect of all Board members and all countries across the political spectrum. I can quote here only one tribute from a Board member, which has to stand for many. It was made by Nils Thedin of Sweden at Harry's last Executive Board session. "I wish to convey to you, Mr. Labouisse, the gratitude of the Swedish Government and people for your efficient, far-sighted, and, in so many ways, innovative leadership of UNICEF over these years."

All who have worked with him are grateful for these qualities, and for his concern for individual staff members and their families. We who mourn him also want to celebrate his very rich and fruitful life. We will continue to draw inspiration from it. We also express our gratitude to Eve, our admiration for her strength, and our affectionate wishes to her for the future. We hope that Eve and Anne and other members of the family will draw some comfort from the warm feelings of their friends gathered here, and the many others too far away to be able to join us.

REMARKS BY MR. JAMES P. GRANT, EXECUTIVE DIRECTOR OF THE UNITED NATIONS CHILDREN'S FUND (UNICEF) AT THE MEMORIAL SERVICE FOR HENRY RICHARDSON LABOUISSE, CHURCH OF THE HOLY TRINITY, NEW YORK, APRIL 2, 1987

Most of us who have gathered here today are here to remember an Executive Director of UNICEF. Some are here to remember a United States diplomat and Ambassador. And some are here simply to remember a friend

I would like to remember a pioneer.

Harry Labouisse was one of the originals . . . one of the first conceivers and practitioners of the art we call "development assistance". One of those who gave it life . . . gave it purpose . . . and gave it common sense. (He also, I might add, gave it two characteristics which we too-infrequently encounter in this business: good management, and personal grace.)

He began by helping in United States assistance to France as the War drew to a close, and later through the Marshall Plan. His first work in the still fledgling multilateral system came as director of the United Nations Relief and Works Agency for Palestinian refugees. That assignment, surely, tested not only his good planning and management in helping people, but his diplomacy and resolve. He proved himself. He turned UNRWA into an agency that all parties accepted and trusted, despite their many disagreements. And in that, he helped to prove the tenet that is at the foundation of United Nations' efforts in humanitarian service: that people in need must be helped, regardless of politics.

Those of us who have worked over the years in United States foreign assistance can easily see the mark that Harry Labouisse left upon that process. The U.N. system is often spoken about as an "alphabet soup" of agencies. U.S. foreign assistance, too—before Harry. In the decade and one-half between 1946 and 1961, the United States had the ECA and then the MSA and the off-shoot TCA of the Point 4 Programme, and then we had the FOA followed by the ICA and its off-shoot, the DLF. Then came Harry . . . and the task force he led to give an enduring shape and a long-term development emphasis to U.S. economic assistance. His mark stands: last year, the United States Agency for International Development, which he designed, celebrated its 25th anniversary.

He served in Greece, and then he came to UNICEF as its second Executive Director. He came to a UNICEF which had done well for children in its first two decades, but a UNICEF still widely regarded merely, if incorrectly, as "the do-gooders"—"those people who give milk to kids". If you will, a charity.

It was no longer "a charity" when Harry left it. It was a full-fledged active partner in development. And, again pioneering, it was an agency that had helped change the evolution of the art—from development "assistance" to development cooperation.

And throughout his service here, Harry Labouisse remained steadfast to that principle he helped pioneer in UNRWA: that politics are one thing, people in need, another. And children have no politics.

Those of us who knew him and worked with him over the years—as I have since 1961—knew that he had very special gifts. Harry was a gentleman, and aristocrat, a humanitarian, a democrat and an egalitarian, all in the best sense of these terms. This combination of qualities may seem, at first glance, to be incompatible. But that was precisely Harry's gift to the world and to all of us. He did combine all these qualities. And he brought them to bear with a lifelong purpose—in the case of human development.

And if some may marvel and find it exceptional that such characteristics might have been blended together in one person, how special it is to rejoin that there has been not just one such person, but two—for Eve was always at his side, and always with equal strength and grace. The debt we owe to Harry is also a debt to Eve, for she shared him with us and added her own gifts as well.

There is a bit of prose which is known as the oath of the Athenians. It ends with the pledge that ". . . in all these ways, we will transmit this nation not only not less but greater, better, and more beautiful than it was transmitted to us." Harry Labouisse fulfilled that oath. But his nation was humanity.

HARRY LABOUISSE, THE GREEK DIMENSION—SOME THOUGHTS AT HIS MEMORIAL SERVICE, APRIL 2, 1987

Possibly there is another aspect of Harry Labouisse's life than that expressed by Jim Grant and Dick Heyward. For lack of a better term, I have chosen to refer to it as "The Greek Dimension"—not because it started 26 years ago when he and Eve first went to Greece, for it was a part of him from his earliest years.

Greek friends were surprised when I wore a bow tie to his Memorial Service in Thessaloniki last Sunday. There were really two reasons: Harry would not want this to be a mournful occasion, but a continuation of his life in which his love for people and delight in little things made his life a constant celebration.

Secondly, the tie which I wear is his gift to me on one of the many birthdays we celebrated on February 11, whether together or an ocean apart, celebrations which I am sure we will continue to share regardless of time and space and other oceans which might separate us.

What then, are the Greek Dimensions of Harry Labouisse's life?

The first was expressed by Sister Lia, a Greek 'Mother Teresa' who went to work with lepers from all parts of India. When asked after one year if she had 'learned the language of the natives' by a visiting Anglican Bishop she replied, "Oh yes, Your Grace, I have learned five of them—the languages of smiling, weeping, touching, listening and loving."

Truly these were the languages of Harry Labouisse.

He had such a special smile—who can forget it, even now as I speak of it—one that combined humility with his lovely sense of humor. Right now he must be saying "Now why do you have to make such a fuss about me today?" He always wanted to bring joy in people's life, especially the lives of young people. It was this which led him to want us to build a gymnasium and youth center at the American Farm School in Thessaloniki, a building which we started in his honor last spring. Eve said to me three weeks ago—"I am afraid he is never going to see his building completed." But who knows, maybe he has a different view of it now!

The language of weeping—More than anything, Harry pained for his fellow man, especially the young in every corner of the world. He was a truly compassionate human being as you can clearly understand from both Jim Grant's and Dick Heyward's comments about his life of service through UNICEF and his total involvement in helping children and young people around the World.

Touching was a very unusual quality of Harry's. There is a Greek word, 'angalia'—to hold close, embrace, squeeze, press tight—Harry did it with his whole manner, his eyes, his smile, his whole being. You couldn't be with him without feeling he had embraced you and with the embracing given you courage to become a better human being.

Concerned listening was another unbelievable quality of Harry's. In a discussion with our children about 'being a saint' when they were young they spoke of a favorite eighty year old friend who really reminded them of being a saint. When asked 'why?' they replied "Because she listened when you talked." Harry was truly a saintly listener.

You can't cure without caring, and listening is the beginning of caring which is why Harry was so great about curing this world's ills.

More than anything, Harry was a man of love. Ask Eve, ask Anne, ask those great grandchildren of his—Lisa, David, Jesse or Bobo. They'll tell you what I mean. It wasn't a grasping love, but a love that gave you wings to fly. He had a way of taking you to the precipice of your life and then encouraging you to go on beyond.

"Come to the edge." Harry would say. "But we are afraid" we would reply.

"Come to the edge." Harry would say. "But we are afraid" we would reply.

"Come to the edge." Harry would say. We came. He pushed us—and we flew!

Sister Lia later said there was another language—the language of praying. I am not sure that Harry was a religious man in the traditional church going sense, but he was a highly spiritual human being, as close to God as any man I have known. Maybe his relationship to God is best described by the 'man in the forest.'

When the tongue is silent, you can hear the
silence of the forest.
When the mind is silent, you can hear the
voice of God in the forest.
When the heart is silent, the whole forest
comes alive and ablaze with the presence of the Almighty.

Harry Labouisse created his own forests and brought them alive and ablaze with the presence of his Almighty!

The second Greek Dimension was most appreciated by the Greeks themselves. Harry and Eve were among the great philhellenes of our time.

"Our Friend Has Departed" was the title of an article last Friday written by Eleni Vlachou, Greece's leading publisher. There was a picture of Harry and Eve on a boat waving to friends on the distant rocky landscape. A few quotes from the article are indicative of her affection. "Their lives were devoted to public service." "The Farm School in Thessaloniki, a work in which he took much pride and maintained a lively interest." "Labouisse was an American with European customs." "He was inclined to the simple life of the intellectual and less toward the formality of protocol."

Many foreigners have fallen in love with Greece. Few have been so beloved by Greece as Harry and Eve. But it was never just Harry. It is always the couple. Maybe that is why we weep today even as we rejoice in his life—for Eve, for Greece, for ourselves. Listen to the words of Seferis which define all three of these relationships:

"You were coming into the dream
As I was coming out of the dream
And so our lives became one
And it will be difficult for them to separate
again."

The final element of Harry's Greek Dimension grows out of the flame he carried, a flame which he brought into all of our lives. This is probably best expressed by the experience in the Greek Orthodox Church on Saturday night before Easter when all the lights and candles are extinguished in the church except for a wick alight over the Holy Table. At midnight the priest lights his candle from the burning wick and transfers the flame to those at the front of the church who pass it on to others until the whole Church is brighter than by day. Each of the faithful then carries the light to their home to light a wick to keep alive the flame throughout the year.

Harry held that candle in the darkness. He spread his flame of love for mankind to the far corners of this earth, a flame which will go on spreading long after Harry left this earth and its people whom he so loved.

"Let your light so shine before men that they may see your good works and glorify your Father which is in Heaven."

Thank you, Harry, for that flame, for letting your light shine so that we might ever see your good works and glorify your Father which is in heaven.

We thank you too, for making your life such a constant celebration.

"Eonia sou mnimi" is what your Greek friends are saying, "May your memory be eternal!"

Bruce M. Lansdale,
Director, American Farm School,
Thessaloniki, Greece.

MESSAGES FROM THE HOUSE

At 10:41 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that pursuant to the provisions of Public Law 453 of the 96th Congress, as amended, the chairman of the Committee on Merchant Marine and Fisheries appoints the following members of that committee to serve as members of the Board of Visitors to the U.S. Merchant Marine Academy for the year 1987: Mr. Biaggi, Mr. Dyson, Mr. Lent, and Mr. Jones of North Carolina, ex officio.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. THURMOND:

S. 926. A bill to amend the Developmental Disabilities Assistance and Bill of Rights Act to provide grants for the operation of the National Information System for Health Related Services; to the Committee on Labor and Human Resources.

By Mr. DASCHLE:

S. 927. A bill to protect caves resources on Federal lands, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. GLENN:

S. 928. A bill to amend the Tariff Act of 1930 to make changes in the countervailing and antidumping duty provisions, and for other purposes; to the Committee on Finance.

By Mr. MELCHER:

S. 929. A bill entitled the "Volunteer Protection Act of 1987"; to the Committee on the Judiciary.

By Mr. BUMPERS:

S. 930. A bill to amend the Stevenson-Wydler Technology Innovation Act of 1980 to establish a Center on State and Local Initiatives on Productivity, Technology, and Innovation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

S. 931. A bill to amend the Internal Revenue Code of 1986 to provide preferential treatment for capital gains on small business stock held for more than 4 years, and for other purposes; to the Committee on Finance.

S. 932. A bill to amend the Internal Revenue Code of 1986 to exclude from gross income 25 percent of the nondeferred cash distributions received by an employee under a profit-sharing plan; to the Committee on Finance.

By Mr. FORD:

S. 933. A bill to amend the Congressional Budget Act of 1974 to minimize the impact on State and local governments of unexpected provisions of legislation proposing the imposition of large unfunded costs on such governments, and for other purposes; to the Committee on Rules and Administration.

By Mr. CRANSTON (for himself, Mr. Dodd, Mr. Kennedy, Mr. DeConcini, Mr. Gore, Mr. Hollings, Mr. Kerry, Mr. Moynihan, and Mr. Riegle):

S. 934. A bill to authorize payments to States to assist in improving the quality of child-care services; to the Committee on Labor and Human Resources.

By Mr. WARNER (for himself and Mr. Trible):

S. 935. A bill to require the Secretary of Energy to carry out activities relating to the first and second nuclear waste repositories, the monitored retrievable storage facility, and for other purposes in accordance with The Mission Plan for the Civilian Radioactive Waste Management Program, and the proposed amendment to the Mission Plan dated January, 1987; to the Committee on Energy and Natural Resources.

By Mr. DURENBERGER:

S. 936. A bill to amend title XVIII of the Social Security Act to permit certain individuals with physical or mental impairments to continue medicare coverage at their own expense; to the Committee on Finance.

S. 937. A bill to extend the existing suspension of duty on flecainide acetate to January 1, 1992; to the Committee on Finance.

By Mr. BIDEN (for himself and Mr. Thurmond):

S. 938. A bill to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal years 1988 and 1989, and for other purposes; to the Committee on the Judiciary.

By Mr. CRANSTON (by request):

S. 939. A bill to amend title 38, United States Code, to improve the administration of veterans' health-care benefits, and for other purposes; to the Committee on Veterans' Affairs.

S. 940. A bill to amend title 38, United States Code, to index rates of veterans' disability compensation and surviving spouses' and children's dependency and indemnity compensation to automatically increase to keep pace with the cost of living, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. D'AMATO:

S. 941. A bill to amend the Small Business Investment Act of 1958; to the Committee on Small Business.

By Mr. DeCONCINI:

S. 942. A bill to amend title 5, United States Code, to extend the pay retention provisions of such title to certain prevailing rate employees in the Tucson wage area whose basic pay would otherwise be subject to reduction pursuant to a wage survey.

By Mr. ADAMS (for himself, Mr. Ford, Mr. Riegle, Mr. Kerry, and Mr. Packwood):

S. 943. A bill to amend the Federal Aviation Act of 1958 to ensure the fair treatment of airline employees in airline mergers and similar transactions; to the Committee on Commerce, Science, and Transportation.

By Mr. QUAYLE:

S. 944. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 to improve the efficiency and adequacy of the current retirement income system (consisting of employer and individual retirement plans) in carrying out its supplemental role to Social Security in providing benefits upon death, disability, and retirement by simplifying and clarifying applicable statutory requirements relating to simplified employee pensions, and providing for portable pension plans which will expand pension coverage, provide for a form of pension portability, and preserve pension asset accumulations for payment in retirement income form, and for other purposes; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. McCLURE (for himself, Mr. BOREN, Mr. BOSCHWITZ, Mr. PRYOR, Mr. DANFORTH, Mr. DOLE, Mr. BUMPERS, Mr. NICKLES, Mr. BENTSEN, Mr. DURENBERGER, Mr. MATSUNAGA, Mr. HATCH, Mr. CONRAD, Mr. SYMMS, Mr. HEFLIN, Mr. LUGAR, Mr. SHELBY, Mr. LEAHY, Mr. COCHRAN, Mr. BOND, Mr. KARNES, and Mr. EXON):

S. Res. 185. A resolution expressing the sense of the Senate regarding the importance of protecting Farm Credit System borrower stock and allocated equities and providing the opportunity for reasonable interest rates.

By Mr. DOLE (for himself, Mr. HELMS, Mr. CHILES, Mr. BOSCHWITZ, Mr. GRASSLEY, Mr. PRESSLER, Mr. ROTH, Mr. LUGAR, Mr. SYMMS, Mr. COHEN, Mr. MURKOWSKI, Mr. GRAMM, Mr. TRIBLE, and Mrs. KASSEBAUM):

S. Con. Res. 42. A concurrent resolution to condemn human rights violations; to the Committee on Foreign Relations.

By Mr. STEVENS:

S. Con. Res. 43. A concurrent resolution to encourage State and local governments and local educational agencies to provide quality daily physical education programs for all children from kindergarten through grade 12; to the Committee on Labor and Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. THURMOND:

S. 926. A bill to amend the Developmental Disabilities Assistance and Bill of Rights Act to provide grants for the operation of the National Information System for Health Related Services; to the Committee on Labor and Human Resources.

NATIONAL INFORMATION SYSTEM FOR HEALTH RELATED SERVICES ACT

Mr. THURMOND. Mr. President, today I am introducing legislation to authorize the establishment of a National Information System for Health Related Services [NIS] through the Department of Health and Human Services.

The system envisioned by this measure would involve a national computer-based information and referral service that provides information regarding specialized services available to developmentally disabled and chronically ill children. Contained in the computer's data bank would be a wide range of information and services available from State agencies, hospitals, private associations, voluntary organizations, parent support groups, and more.

By calling a free access 1-800 number, anyone could find the organization providing the specialized service they need within their State. If the service is not offered in that State, the computer would expand its search into neighboring States, and if necessary throughout the country. A trained counselor would work with an individual to determine specific needs, and, using the computer, to indentify the closest agency or organization capable of meeting those specific needs.

Mr. President, establishment and implementation of a centralized National Information System offers a cost effective partial solution to a variety of the current concerns of parents of handicapped children and professionals in the health field. Foremost is the direct benefit the NIS provides by linking these children with the services they need. The ease with which this linkage can occur would result in reduced family frustration, reduced caseworker time required to search for client services, and reduced cost to the family and professional who would have spent valuable time and money searching.

Similarly, in a period of dwindling resources and increasing health care costs, the National Information System can highlight and direct attention to community-based services that make maximum use of private, voluntary and public resources. In this way, the system can bring the public and private sectors closer together in achieving a common objective in human health services.

The system proposed here expands the geographic area of search for those services not commonly available in close vicinity, and extends the search across State lines to all resource areas. It also would bring into the medical profession a complete, up-to-date inventory of services available to the patient, by coordinating and facilitating service delivery. Simplifying and unifying access to information about services will greatly increase awareness and knowledge of what exists, resulting in greater utilization of those services. This in turn could contribute toward preventing or minimizing child health problems. Most importantly, the National Information System provides families everywhere cost-free access to information that can make a vital difference in the care and lifestyle they can offer their chronically ill or disabled child.

Other benefits would be achieved through the analysis of agency data stored on the NIS and analysis of consumer requests. Simple comparisons between the two can identify gaps in service delivery from region to region. Routine followup of people referred can also provide deeper insight into the quality, quantity and adequacy of various service programs. The NIS, therefore, provides a unique tool for human services policymakers to use to improve resources available to the medical profession as they treat physical and mental health problems.

Mr. President, there are several reasons why such a system should be set up as a national center rather than proceeding on a State-by-State basis.

First, with the technology of today, all the necessary information can be contained in one computer. It would be duplicative and unreasonably costly for each State to set up such a system on its own.

Second, the kind of specialized services available in each State vary greatly. In many cases a parent of a handicapped child must travel to another State to obtain necessary specialized services. A national system would search, if necessary, beyond State borders to find the needed service provider, which a parent might otherwise never know about.

Third, as our society becomes more and more mobile, a national system is better able to respond. For example, we call upon members of the Armed Services to make a great sacrifice when they are frequently transferred. Those in the military, with a development disabled or handicapped child, would have a great deal of anxiety relieved by being able to locate parent support groups and available agency assistance before they move. This could be done with one phone call to NIS.

Fourth, a national system, with a centralized collection of services available and requests made, can provide a unique tool for human service policymakers in better allocating Federal resources to the health field.

Mr. President, with the technology available today, the National Information System is within our grasp. We have only to reach for it. I urge my colleagues to support this measure.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 926

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Information System for Health Related Services Act of 1987".

SEC. 2. (a) Part E of the Developmental Disabilities Assistance and Bill of Rights Act is amended—

(1) by redesignating section 163 as section 164; and

(2) by inserting after section 162 the following new section:

"NATIONAL INFORMATION SYSTEM FOR HEALTH RELATED SERVICES

"SEC. 163. (a) The Secretary shall make grants to an academic institution for the operation of a National Information System for Health Related Services (hereafter in this section referred to as the 'System'). The System shall—

"(1) provide information concerning, and referrals to, health services, social services, and related services available from public and private entities for persons with developmental disabilities, persons with chronic illnesses, and their families, particularly services available in the localities in which such persons and families reside;

"(2) carry out paragraph (1) through the use of a central computer system which is accessible to all Americans through the use of a toll-free telephone number;

"(3) provide training to individuals who will receive and answer requests for information and referrals from the System; and

"(4) conduct periodic followup on referrals made through the System in order to ensure that such referrals result in the provision of appropriate services to persons with developmental disabilities, persons with chronic illnesses, and their families.

"(b) No grant may be approved under this section unless an application thereof has been submitted to, and approved by, the Secretary. Such application shall be in such form, be submitted in such manner, and contain or be accompanied by such information as the Secretary may by regulation specify.

"(c) The provisions of section 162(c) apply to grants made under this section.".

(b) Section 164 of such Act (as redesignated by subsection (a) of this section) is amended—

(1) by inserting "(other than section 163)" after "this part";

(2) by inserting "(a)" before "To carry"; and

(3) by adding at the end thereof the following new subsection:

"(b) To carry out section 163, there are authorized to be appropriated $750,000 for each of the fiscal years 1988, 1989, 1990, 1991, and 1992.".

By Mr. DASCHLE:

S. 927. A bill to protect cave resources on Federal lands, and for other purposes; to the Committee on Energy and Natural Resources.

FEDERAL CAVE RESOURCES PROTECTION ACT

Mr. DASCHLE. Mr. President, today I am introducing legislation which will affirm the national importance of caves located on Federal lands and provide the Federal Government with the specific authority to manage this valuable resource.

This bill, entitled the Federal Cave Resources Protection Act, directs that caves on Federal lands be considered in land management planning. It also provides the Secretaries of Interior and Agriculture with the specific authority to make these caves available to the public and to protect significant caves from destruction, pollution, and vandalism.

Over the past several years I have had the opportunity to visit several of our national parks. Some of the those parks contain caves which hold many of nature's most unique secrets and long held lessons of Earth's creation. Two of these parks are located in my State: Wind Cave National Park and Jewel Cave National Monument. I invite my colleagues, and indeed all Americans, to visit these remarkable areas and witness their remarkable formations. Caves are not only extremely beautiful, filled with delicate formations, they are truly a national treasure. A treasure to be protected and maintained.

While the caves in our national parks are well maintained by the National Park Service, there are many caves on Federal lands which are not. These caves may be just as beautiful and perhaps even as important as those in our national parks. Many are the home of endangered species and some contain rare archeological sites. Often the caves carry underground streams that provide water for our communities.

While each may appear to be solid and indestructible, they are actually very delicate and contain intricate ecosystems that must be carefully protected. A careless vandal can destroy in seconds delicate crystal formations that took centuries to create. The indiscriminate use of pesticides in cave areas can endanger municipal water supplies and eliminate overnight life forms unique to the cave environment.

We are entrusted with the responsibility to protect and preserve these resources for future generations. There are 40,000 known caves in the United States. More than 4,000 caves lie beneath Federal lands making the Federal Government the single largest cave owner in the United States.

The majority of the federally owned caves lie beneath lands managed by the National Forest Service and Bureau of Land Management. Broad and nonspecific regulations within these departments prevent consistent interpretations among the many district land managers. In some districts, no regulations or controls exist; allowing vandalism and pollution to erode, decay, and destroy these precious resources.

The legislation I am introducing today does not adversely affect the lumber or mining industries, nor does it propose increased funding to any department of our Government. It simply promotes cooperation with individuals and organizations who are willing to volunteer their assistance and expertise to help in managing our caves.

Mr. President, caves are a national resource we should consciously consider when managing our Federal lands to assure they are not destroyed through neglect. I hope the Senate will give timely consideration to the Federal Cave Resources Protection Act.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 927

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Cave Resources Protection Act of 1987".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds and declares that—

(1) cave resources on Federal lands are an invaluable and irreplaceable part of the Nation's natural heritage; and

(2) these resources are threatened due to improper use, increased recreational demand, urban spread, and a lack of specific statutory protection.

(b) PURPOSES.—The purposes of this Act are—

(1) to secure, protect, and preserve cave resources on Federal lands for the perpetual use, enjoyment, and benefit of all people, and

(2) to foster increased cooperation and exchange of information between governmental authorities and those who utilize cave resources located on Federal lands for scientific, educational, or recreational purposes.

SEC. 3. DEFINITIONS.

For purposes of this Act the following definitions apply:

(1) FEDERAL CAVE RESOURCE.—The term "Federal cave resource" means a cave located on Federal lands, together with associated topographic and hydrological features.

(2) CAVE.—The term "cave" means any naturally occurring void, cavity, recess, or system of interconnected passages which occurs beneath the surface of the earth or within a cliff or ledge (including any natural resource therein, and natural subsurface water and drainage systems, but not including any vug, mine, tunnel, aqueduct, or other man-made excavation) and which is large enough to permit an individual to enter, whether or not the entrance is naturally formed or man-made. Such term shall include any natural pit, sinkhole, or other feature which is an extension of the entrance.

(3) FEDERAL LANDS.—The term "Federal lands" means lands which are—

(A) owned by the United States (including surface, subsurface, water, minerals, and interests therein), and

(B) administered by the Secretary of Agriculture or the Secretary of the Interior,

other than Indian lands which are either held in trust by the United States for the benefit of an Indian tribe or subject to a restriction against alienation imposed by the United States.

(4) INDIAN TRIBE.—The term "Indian tribe" means any Indian tribe, band, nation, or other organized group or community of Indians, including any Alaska Native village or regional or village corporation as defined in, or established pursuant to, the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.).

(5) NATURAL RESOURCE.—The term "natural resource" includes any material occurring naturally in caves, such as animal life, plant life, paleontological deposits, sediments, minerals, speleogens, speleothems, and water.

(6) SECRETARY.—The term "Secretary" means the Secretary of Agriculture or the Secretary of the Interior, as appropriate.

(7) SPELEOTHEM.—The term "speleothem" means any natural mineral formation or deposit occurring in a cave, including any stalactite, stalagmite, helictite, gypsum flower, soda straw, lavacicle, anthodite, flowstone, tufa dam, clay or mud formation, concretion, drapery, and rimstone dam.

(8) SPELEOGEN.—The term "speleogen" means the walls, ceiling, and floor of any cave and associated relief features which are part of the surrounding bedrock, including anastomoses, scallops, meander niches, and bedrock pendants in solution caves and lava bubbles, flow grooves, encased tubes, tide marks, and extrusion spires in volcanic caves.

SEC 4. SPECIAL MANAGEMENT ACTIONS.

(a) IN GENERAL.—The Secretary shall take such actions as may be necessary to further the purposes of this Act. Those actions may include (but are not limited to)—

(1) regulation and restriction of use of Federal cave resources;

(2) entering into volunteer management agreements with persons of the scientific and recreational caving community; and

(3) appointment of advisory committees.

(b) PLANNING AND PUBLIC PARTICIPATION.—The Secretary shall—

(1) ensure that Federal cave resources are considered in land management planning; and

(2) foster communication, cooperation, and exchange of information between land managers, those who utilize cave resources, and the public.

(c) DISTURBANCE OF FEDERAL CAVE RESOURCES FOR MANAGEMENT PURPOSES.—The Secretary may disturb Federal cave resources where the Secretary finds that such a disturbance is necessary for the management or interpretation of a Federal cave resource.

SEC. 5. CONFIDENTIALITY OF INFORMATION CONCERNING NATURE AND LOCATION OF FEDERAL CAVE RESOURCES.

(a) IN GENERAL.—Information concerning the nature or location of any Federal cave resource may not be made available to the public under section 552 of title 5, United States Code, unless the Secretary determines that disclosure of such information would further the purposes of this Act and would not create a substantial risk of harm, theft, or destruction of such resources.

(b) EXCEPTIONS.—(1) Notwithstanding subsection (a), upon the written request of the Governor of the State in which a cave resource is located, which includes in such request—

(A) the specific site or area for which information is sought,

(B) the purpose for which such information is sought, and

(C) a commitment by the Governor to adequately protect the confidentiality of such information to ensure the protection of the cave resource from destruction by vandalism and unauthorized use,

the Secretary shall provide to the Governor information concerning the nature and location of Federal cave resources located within such site or area.

(2) Notwithstanding subsection (a), upon the written request of any bona fide research institution, which includes in such request—

(A) the specific site or area for which information is sought,

(B) the purpose for which such information is sought,

(C) a commitment by such institution to adequately protect the confidentiality of such information to ensure the protection of the cave resource from vandalism and unauthorized use,

the Secretary may, after considering the purpose for which such information is sought and the value of the proposed use and activities in terms of enhancing our understanding of the cave resource, furnish the requesting institution with information concerning the nature and location of caves and natural resources located in caves upon lands located within such site or area.

SEC. 6. COLLECTION AND REMOVAL FROM FEDERAL CAVES.

(a) PERMIT.—(1) Any person may apply to the Secretary for a permit to collect or remove any natural resource from caves located on Federal lands and to carry out activities associated with such collection or removal. The application shall contain such information as the Secretary deems necessary, including information concerning the time, scope, location, specific purpose of the proposed collection or removal and associated activity, and the manner in which such collection or removal and associated activity is to be performed.

(2) Unless the Secretary determines that such collection or removal and associated activity will not pose a substantial risk of harm to the cave resource, the Secretary shall require the permittee to post a bond or cash deposit in an amount sufficient to—

(A) ensure compliance with this Act and regulations issued pursuant to this Act; and

(B) offset any potential damage sustained by the cave resource as a result of the actions of the permittee.

(3) The Secretary may approve a permit under this subsection if the Secretary determines that the proposed collection or removal activities are consistent with the purposes of this Act.

(b) REVOCATION OF PERMIT.—Any permit issued under this section shall be revoked by the Secretary upon a determination by the Secretary that the permittee has violated any provision of subsection (a) or (b) of section 7, or has failed to comply with any other condition upon which the permit was issued. Any such permit shall be revoked by the Secretary upon assessment of a civil penalty under section 8 against the permittee or upon the permittee's conviction under section 7.

(c) TRANSFERABILITY OF PERMITS.—Permits issued under this Act are not transferable.

(d) FEDERAL CAVE RESOURCES LOCATED WITHIN THE NATIONAL PARK SYSTEM.—This section shall not apply to Federal cave resources administered by the National Park Service or located within units of the National Park System. Collection or removal of natural resources from caves within units of section shall not apply to Federal cave resources administered by the National Park Service, located within any unit of the National Park System, or located within any unit of the National Wildlife Refuge System. Collection or removal of natural resources from caves—

(1) within units of the National Park System shall be carried out in accordance with the provisions of law generally applicable to units of the National Park System; and

(2) within units of the National Wildlife Refuge System shall be carried out in accordance with the provisions of the National Wildlife Refuge System Administration Act of 1966 (16 USC 668dd et seq.).

SEC. 7. PROHIBITED ACTS AND CRIMINAL PENALTIES.

(a) PROHIBITED ACTS.—Except for disturbances which are specifically authorized under section 4(c) or 6 of this Act or which normally occur as a result of careful visitation,

(1) Whoever—

(A) in any manner destroys, disturbs, defaces, mars, alters, or harms any cave resource located oin Federal lands, or

(B) enters a cave resource with the intention of committing any act described in subparagraph (A),

shall be punished in accordance with subsection (b).

(2) Whoever—

(A) kills, injures, or otherwise interferes with any cave life located in a cave on Federal lands,

(B) interferes or obstructs the free movement of any cave resource into or out of any cave located on Federal lands, or

(C) enters any cave located on Federal lands with the intention of committing any act described in subparagraphs (A) or (B), shall be punished in accordance with subsection (b).

(3) Whoever collects or removes any natural resource found within any cave located on Federal lands, except pursuant to a valid permit issued under section 6, shall be punished in accordance with subsection (b).

(4) Whoever possesses, consumes, sells, barters or exchanges, or offers for sale, barter or exchange, any natural resource removed from any cave located on Federal lands, except pursuant to a valid permit issued under section 6, shall be punished in accordance with subsection (b).

(5) Whoever counsels, procures, solicits, or employs any other person to violate any provisions of this subsection shall be punished in accordance with section (b).

(b) PUNISHMENT.—The punishment for violating any provision of subsection (a) shall be imprisonment of not more than one year or a fine in accordance with title 18, United States Code, or both. In the case of a second or subsequent such violation, the punishment shall be imprisonment not more than three years or a fine in accordance with title 18, United States Code, or both.

(c) EXCEPTION.—This section shall not apply with respect to any Federal cave resource administered by the National Park Service or located within units of the National Park System.

SEC. 8. CIVIL PENALTIES.

(a) ASSESSMENT.—(1) Any person who violates any prohibition contained in this Act, any regulation promulgated pursuant to this Act, or any permit issued under this Act may be assessed a civil penalty. No penalty may be assessed under this section unless such person is given notice and opportunity for a hearing with respect to such violation. Each violation shall be a separate offense, even if such violations occurred at the same time.

(2) The amount of such penalty shall be determined under regulations promulgated pursuant to this Act.

(b) JUDICIAL REVIEW.—Any person aggrieved by an assessment of a civil penalty under subsection (a) may file a petition for judicial review of such assessment with the United States District Court for the District of Columbia or for the district in which the violation took place. Such a petition must be filed within the 30-day period beginning on the date such assessment was made.

SEC. 9. AUTHORIZATION OF APPROPRIATIONS, SPECIAL FUND FOR FEDERAL CAVE RESOURCES.

(a) AUTHORIZATION.—There is authorized to be appropriated such sums as may be necessary to carry out this Act.

(b) FUND.—Any monies—

(1) collected by the United States as permit fees for use of Federal cave resources,

(2) received by the United States as a result of the forfeiture of a bond or other security by a permittee who does not comply with the requirements of such permit issued under section 7, or

(3) collected by the United States by way of civil penalties or criminal fines for violations of this Act,

shall be placed in a special fund in the Treasury and expended (to the extent provided for in advance in appropriation Acts) as the Secretary shall determine for the improved management, benefit, repair, or restoration of the particular Federal cave resource affected or damaged.

SEC. 10. REGULATIONS.

The Secretary of Agriculture and the Secretary of the Interior shall issue joint regulations implementing the provisions of this Act.

By Mr. GLENN:

S. 928. A bill to amend the Tariff Act of 1930 to make changes in the countervailing and antidumping duty provisions, and for other purposes; to the Committee on Finance.

TARIFF ACT AMENDMENTS

● Mr. GLENN. Mr. President, I am introducing legislation today to improve the antidumping and countervailing duty title of U.S. trade laws. I urge my colleagues to support this bill and include it in this year's trade reform legislation.

This legislation makes important changes in our trade laws to ensure that imported goods do not enjoy an unfair advantage over domestically-produced goods. As my colleagues know, our trade laws provide for the imposition of antidumping duties when foreign merchandise is sold in the United States at prices which are lower than the prices charged in the home market or in other export markets, and when this practice injures U.S. industry. Antidumping duties equal to the margin of dumping are imposed on all imports which cause material injury due to the sales at less than fair value. The trade laws also provide for the imposition of countervailing duties on a product imported into the United States if the product's manufacture or production for export is subsidized by a foreign country. Countervailing duties equal to the net amount of the subsidies are imposed when the subsidized product is imported into the United States.

The first section of my bill states that the U.S. Government shall not be exempt from paying applicable dumping or countervailing duties on merchandise it imports. Such duties would also be taken into account in making determinations to award procurement contracts. The policy of this provision is that the U.S. Government should not be exempt from the unfair trade laws that it enforces against everyone else.

This provision is needed to prevent a repeat of an outrageous situation that occurred recently regarding a U.S. Government purchase of titanium sponge. In 1983, the U.S. General Services Administration awarded large contracts to supply titanium sponge for the national stockpile, and one of these contracts was awarded to Japanese producers. A domestic titanium sponge producer brought a dumping case against Japanese titanium sponge imports. The Department of Commerce made affirmative dumping determinations and the International Trade Commission found that the U.S. industry was being materially injured by the dumped imports. If the imports had been priced at fair value, the contract would have been awarded to U.S. producers. Not only did U.S. producers lose the contract award to a company engaged in an unfair trade practice, but even after the domestic producers proved their dumping case, the U.S. Government ruled that the dumping duties would not apply to future stockpile purchases.

In effect, the Government bought dumped goods and then waived the dumping duties against itself. Mr. President, this case was outrageous and unacceptable—and neither from a legal standpoint nor from a policy standpoint is such a waiver justified. We must prevent this from happening again.

You might well ask how the U.S. Government justifies this practice. The Tariff Schedules of the United States—TSUS items 832, 833, 834—allow Federal agencies to waive the duties on certain materials imported by the Government for national defense purposes. The Government has administratively interpreted this waiver to apply to all duties—both regular customs duties and antidumping and countervailing duties. The Government has decided to treat all duties alike for purposes of the permissible waiver.

However, this rationale is flawed and is contrary to legislative intent. The antidumping and countervailing duty statutes are unambiguous and comprehensive in their coverage. The statutes apply to a "class or kind" of merchandise. The identity of the importer or the tariff classification of the imports is irrelevant. All imported merchandise, whether dutiable or free of duty, is reached by the antidumping and countervailing duty laws. The statute and legislative history contain no exceptions to indicate that national defense-related imports are exempt from antidumping or countervailing duties. Antidumping and countervailing duties are extraordinary duties levied in addition to any regular customs duties, and serve a purpose wholly different from that of regular customs duties. Rather than serving as a source of revenue, which is the chief purpose of regular customs duties, antidumping and countervailing duties are designed to offset injurious unfair pricing, and to encourage fair competition between domestic and foreign producers.

From a policy perspective, the current practice of waiving these duties sanctions an unfair trade practice, favors unfair foreign producers in the supply of national defense equipment, and sends a conflicting signal to our trading partners. In effect, we are saying to the world: "Dumping and subsidization are unfair, and we will vigorously enforce the antidumping and countervailing duty law, unless the U.S. Government is the buyer of dumped or subsidized goods—then you can dump and subsidize all you want."

In addition, any waiver frustrates the purpose of the Strategic and Critical Materials Stockpiling Act, which is to strengthen domestic supplies of critical and strategic materials. Foreign companies can underbid domestic producers solely due to unfair trade tactics rather than through legitimate competition. Waiver of these duties condones unfair dumping and subsidization and frustrates the competitive bidding process that is intended by the Government procurement laws. In fact, it encourages foreign producers to unfairly capture a larger share of U.S. Government procurement. By diverting Government procurement from domestic to foreign producers in this manner, the waiver practice undermines the ability of U.S. industries to meet this country's defense and national security needs.

I want to note that after the titanium sponge dumping case, the Department of Commerce conducted a separate review of this waiver policy. The Department concluded that the waiver policy represents poor and inconsistent trade policy and that the legal reasoning is erroneous. However, the Department concluded that the waiver procedure should continue because Congress has acquiesced in the practice. Therefore, the Department has invited Congress to overturn this practice legislatively.

The second section of my bill would streamline the procedures for providing fair and timely access to information considered by the Department of Commerce in antidumping and countervailing duty proceedings.

During a dumping or countervailing case, the Department of Commerce submits questionnaires to the parties regarding their business practices in order to learn more about the merchandise under investigation. The Department then verifies these responses by collecting documentary evidence from the company's books and other records—known as verification exhibits. Currently, the Department allows lawyers to review most information submitted as part of the questionnaires, but does not allow disclosure of the verification evidence.

Under the proposed amendment, all confidential information obtained by the Department, whether part of the questionnaires or verification process, could be released under administrative protective order, except privileged or classified information and information that the Department determines should not be released. Exceptions might include trade secrets, customer names, and names of consulting firms conducting market research. A protective order allows restricted access for a limited number of persons involved in the case.

The third section of the bill requires any person providing factual information to the Department of Commerce or the International Trade Commission in an antidumping or countervailing proceeding to certify that, to the best of his or her knowledge, such information is accurate and complete. Under current practice, submissions in trade law cases are not signed or certified as true. Other Government agencies, such as the IRS, the FTC, and the SEC, routinely require certifications of the accuracy of documents submitted to them. This proposal is designed to encourage the accuracy and completeness of all submissions.

Section 4 of my bill provides a private cause of action for the criminal offense of customs fraud. Companies which are injured due to customs fraud could bring a civil action in the Federal District Court for the District of Columbia or in the Court of International Trade. Plaintiffs could seek actual damages for injuries sustained, equitable relief as appropriate, which may include an injunction against further importation of the fraudulently entered merchandise, and reasonable attorney's fees. The U.S. Government could intervene as a party to ensure that national trade and foreign policy objectives are presented to the court.

The Federal Government admits that customs fraud is rampant with regard to textiles, steel, apparel, computer software, hand tools, sugar, and products in the electronics, automotive, chemicals, petrochemicals, agricultural, and pharmaceutical industries. Common schemes are country-of-origin fraud, where a country which has reached its permissible quota for a given item or product circumvents the quota by transshipping additional imports through another country which has not yet reached its quota. In addition, imports are often fraudulently mislabeled. Given the sheer volume of imports and the limited resources of the Customs Service, many imports are simply declared to be something else or underdisclosed in number in order to evade quotas.

A private right of action would help supplement administrative action by the Customs Service in enforcing the customs fraud statute.

I urge my colleagues to support this legislation. Mr. President, I ask unanimous consent that the text of the bill be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 928

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. APPLICATION OF COUNTERVAILING AND ANTIDUMPING DUTIES TO GOVERNMENTAL IMPORTATIONS.

Section 771 of the Tariff Act of 1930 (19 U.S.C. 1677) is amended by adding at the end thereof the following new paragraph:

"(18) Application to Governmental Importations.—Merchandise imported by, or for the use of, an agency of the United States Government is not exempt from the imposition of countervailing duties or antidumping duties under this title and such duties shall be taken into account by each agency of the United States Government in making determinations to award procurement contracts.".

SEC. 2. ACCESS TO INFORMATION.

(a) In General.—Clause (ii) of section 777(b)(1)(B) of the Tariff Act of 1930 (19 U.S.C. 1677f(b)(1)(B)) is amended to read as follows:

"(ii) a statement to the administering authority that certain types of business proprietary, privileged, or classified information should not be released under administrative protective order, or a statement to the Commission that information should not be released under administrative protective order.".

(b) Disclosure.—Subparagraph (A) of section 777(c)(1) of the Tariff Act of 1930 is amended to read as follows:

"(A) In general.—Upon receipt of an application (before or after receipt of the information requested) which describes in general terms the information requested and sets forth the reasons for the request, the administering authority shall make all confidential information presented to, or obtained by, the administering authority during a proceeding (except privileged information, classified information, and information of a type which the administering authority determines should not be released under administrative protective order) available under a protective order described in subparagraph (B), regardless of when the information is submitted during a proceeding. The Commission may make confidential information submitted by any other party to the investigation available under a protective order described in subparagraph (B).".

(c) Additional Provisions.—Section 777 of the Tariff Act of 1930 is amended—

(1) by adding at the end of subsection (c)(1) the following new subparagraphs:

"(C) Time limitation.—The administering authority shall determine whether to make information available under this paragraph not later than 14 days (or 21 days if a statement described in subsection (b)(1)(B)(ii) is submitted with such information) after the date on which an application for disclosure is submitted under subparagraph (A). If the determination is affirmative, confidential information already submitted to the administering authority shall be made available, subject to the terms and conditions of the protective order, on the date such determination occurs. Confidential information submitted to the administering authority after such determination shall be served as required by subsection (d).

"(D) Failure to disclose.—If a person submitting information refuses to disclose confidential information (except privileged information, classified information, or information of a type which the administering authority determines should not be released under protective order) pursuant to a protective order described in subparagraph (B), the administering authority shall return the information, and any nonconfidential summary thereof, to the person submitting it and shall not consider the information or summary."; and

(2) by adding at the end of such section the following new subsections:

"(d) Service.—Any party submitting information to the administering authority during a proceeding shall, at the same time, serve the information upon all other parties to the proceeding. The administering authority shall not accept any such information that is not accompanied by a certificate of service. Confidential information shall only be served upon parties that are subject to protective order; however, a nonconfidential summary thereof shall be served upon all other parties.

"(e) Notification.—The administering authority shall, within 14 days of receipt, notify all parties of the submission of information relevant to the proceeding by a person who is not a party to the proceeding.

"(f) Timely Submissions.—Information shall be submitted to the administering authority during the course of a proceeding on a timely basis and shall be subject to comment by other parties within such reasonable time as the administering authority shall provide. If information is submitted without an adequate opportunity for other parties to comment thereon, the administering authority shall return the information to the party submitting it and shall not consider the information.".

SEC. 3. CERTIFICATION OF SUBMISSIONS IN COUNTERVAILING AND ANTIDUMPING PROCEEDINGS.

(a) Subtitle D of title VII of the Tariff Act of 1930 (19 U.S.C. 1677, et seqq.) is amended by adding at the end thereof the following new section:

"SEC. 780. CERTIFICATION OF SUBMISSIONS.

"Any person providing factual information to the administering authority or the Commission in connection with a proceeding under this title on behalf of the petitioner or any other interested party shall certify that such information is accurate and complete to the best of that person's knowledge.".

(b) Conforming Amendment.—The table of contents for title VII of the Tariff Act of 1930 is amended by adding at the end thereof the following:

"Sec. 780. Certification of submissions.".

SEC. 4. PRIVATE CAUSE OF ACTION FOR CUSTOMS FRAUD.

Part V of title IV of the Tariff Act of 1930 (19 U.S.C. 1581, et seqq.) is amended by inserting after section 592 the following new section:

"**SEC. 592A. PRIVATE ENFORCEMENT ACTION.**

"(a) IN GENERAL.—Any interested party who is injured in his business or property by any act of fraud or gross negligence that is prohibited under section 592(a) may bring a civil action in the United States District Court of the District of Columbia or in the Court of International Trade, without respect to the amount in controversy, against any person who—

"(1) has committed such act,

"(2) has conspired to commit such act, or

"(3) knowingly participated (directly or indirectly) in committing such act.

"(b) RELIEF.—

"(1) Upon proof in any action brought under subsection (a) that the plaintiff has been injured by any act of fraud or gross negligence that is prohibited under section 592(a), the plaintiff shall—

"(A) recover actual damages for the injuries sustained and be granted such equitable relief as may be appropriate, which may include an injunction against further importation into the United States of the articles or products in question, as appropriate, and

"(B) recover the costs of suit, including reasonable attorney's fees.

"(2) Damages recoverable under paragraph (1)(A) shall include, but are not limited to—

"(A) the gross margin on sales lost by the plaintiff by reason of the act of fraud or gross negligence prohibited under section 592(a), and

"(B) damages suffered by the plaintiff by reason of the impact such prohibited act has had on the market price of like or competing products produced or sold by the plaintiff.

"(3) Upon proof in any action brought under subsection (a) that the plaintiff has been injured by any act of fraud or gross negligence that is prohibited under section 592(a), a rebuttable presumption shall exist that the amount of lost sales described in paragraph (2)(A) equals the amount of those products imported into the United States with respect to which such act was committed.

"(4) For purposes of paragraph (2)(A), gross margin on sales of a product shall be calculated by deducting the variable costs of producing the product from the sales price of the product.

"(c) DEFINITIONS.—For purposes of this section—

"(1) The term 'interested party' means—

"(A) a manufacturer, producer, or wholesaler in the United States of a like or competing product, or

"(B) a trade or business association a majority of whose members manufacture, produce, or wholesale a like product or a competing product in the United States.

"(2) The term 'like product' means a product which is like, or in the absence of like, most similar in characteristics and uses with products imported into the United States in violation of section 592(a).

"(3) The term 'competing product' means a product which competes with or is a substitute for products being imported into the United States in violation of section 592(a).

"(d) INTERVENTION.—The court in which an action is brought under subsection (a) shall permit the United States to intervene in the action as a matter of right. The United States shall have all the rights of a party to the action if such an intervention is made.".●

By Mr. MELCHER.

S. 929. A bill entitled the "Voluntary Protection Act of 1987"; to the Committee on the Judiciary.

VOLUNTEER PROTECTION ACT

● Mr. MELCHER. Mr. President, today I am introducing legislation to encourage States to grant volunteers of tax-exempt organizations immunity from personal civil authority for actions which they take in good faith and which are within the scope of their official functions.

Our country depends on volunteers to make things work: Town councils, libraries, school boards, fire departments, hospital boards, Scout troops and little league teams.

Yet, volunteers are getting harder to find. Why? Because volunteers are increasingly wary of being exposed to lawsuits—that is, being sued by someone who is injured, lost their job, or somehow damaged. If they are sued, the board members or other volunteers might lose their homes, farms or other assets.

Now this problem may be more one of perception as there have been successful suits against such volunteers. But we need people to keep on volunteering, and this bill is a simple way to help see that they are not scared off.

The second problem is that, when organizations do find volunteers, they find themselves forced to pay ever-higher insurance premiums—even if they've never been sued.

Let me give one example. As chairman of the Select Committee on Aging, I am concerned with the network of services being provided older Americans. Part of that network is the Volusia County Council on Aging in Florida. This nonprofit organization puchased liability insurance protection so, if it is sued, the insurance will cover any costs. In 1986, it paid $695 for a liability policy to protect them up to a half million dollars; In 1987, it paid $2,703—nearly four times that amount—for the same amount of coverage. Although there is little reason to think the council will ever have a liability lawsuit filed against them, there is not one of the council members that could afford to pay damages. So, it is a "catch 22"—they still have to buy the insurance yet, as a group, they never can afford it.

This isn't an isolated instance. A study by Peat, Marwick, Mitchell & Co. shows that 58 percent of insured nonprofit groups in this country said their most recent premiums had increased by one-half or more.

To Congress, the cost of an insurance premium might sound like a small sum. But for most nonprofit organizations, small sums make a vital difference in the services they can provide. If they have to pay more for insurance, they have less for actual services. And we need these services.

So let's encourage States to pass legislation to exempt unpaid volunteers from personal civil liability. Already 24 State legislatures have passed some legal immunity for volunteers. These States are Alaska, Colorado, Connecticut, Delaware, Georgia, Hawaii, Idaho, Illinois, Indiana, Louisiana, Maryland, Minnesota, Montana, North Dakota, New Hampshire, New York, Ohio, Oklahoma, Pennsylvania, Tennessee, Utah, Virginia, Washington, and Wyoming. The legislation I am introducing today would encourage the other States to do so by 1988. If they fail to do so, this legislation would reduce their social service block grants by 1 percent and redistribute these Federal funds to States which have acted.

This bill is identical to H.R. 911, introduced in the House of Representatives by Congressman JOHN EDWARD PORTER of Illinois with some 60 cosponsors.

This bill, the Volunteer Protection Act, simply protects individual volunteers who are acting in good faith and within the scope of their duties as a volunteer. It would not reduce the rights of those who have been harmed to obtain redress through civil suits. Individuals who have abused their positions of trust with volunteer organizations would still face criminal penalties and civil suits for willful and wanton misconduct. And the organizations could still be sued.

But our volunteers—those people who donate their time and talents without compensation to serve our communities—would not have to fear losing their homes and farms if they want to help make their communities a better place to live.●

By Mr. BUMPERS:

S. 930. A bill to amend the Stevenson-Wydler Technology Innovation Act of 1980 to establish a Center on State and Local Initiatives on Productivity, Technology, and Innovation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

LEARNING FROM THE STATES ON COMPETITIVENESS

● Mr. BUMPERS. Mr. President, in the current debate on how to assist our industries and businesses to regain their competitive edge in the international marketplace, there is very little consensus here in Washington on how to proceed and the massive Federal Government budget deficits severely constrict our options.

The debate on competitiveness is laced with ideological issues about the proper role of the Federal Government. Unfortunately, the debate often focuses on the extremes, with advocates on the one side arguing that the

Federal Government should do nothing and advocates on the other arguing that the Federal Government should intervene actively in the marketplace. I believe firmly that there is a pragmatic middle ground in this debate which has not been fully explored.

We can, for example, take a positive and constructive step which does not involve establishing any new Federal policy or which drains the Treasury. We at the Federal level of government can play a constructive role which does not impose a top-down national industrial policy. The Federal Government need not become a lender of last resort to every business which is adversely affected by international competition.

Specifically, the legislation I am introducing would establish a national center in the Commerce Department to serve as a clearinghouse to monitor and assist State and local governments with their initiatives to stimulate productivity, technology, and innovation.

The Center on State and Local Initiatives on Productivity, Technology, and Innovation will help all of us to enhance the competitiveness of our country in international trade without erecting new trade barriers to imports or launching massive and untried Federal Government programs.

This modest proposal will help all of us to learn from the practical programs that State and local government agencies are undertaking to assist our industries and businesses to regain their competitive edge. The center's service as a clearinghouse will help the State and local governments to learn from one another about which of their initiatives are the most effective and most cost-effective and it will be valuable to those at the Federal level who are seeking to develop a concensus on how to proceed on this critical issue.

We have choices other than doing nothing and doing too much. We need not ignore the issue, as this administration has done. We can pursue a multifaceted, bottom-up competitiveness strategy. We can avoid centralizing the strategy-making process. We can be pragmatic, we can avoid ideology, and we can come together as a nation to do what makes sense and what is necessary to advance our national self-interest.

We do not have to wait until there is a consensus at the Federal level about how we can be helpful in enhancing competitiveness. The State and local governments are not waiting for the Federal Government to address the challenge of competitiveness. They know not to expect action from this administration.

STATE AND LOCAL GOVERNMENT INITIATIVES

On the issue of competitiveness, State and local governments are demonstrating much more creativity than is the Federal Government. They are showing that they understand how serious the competitiveness challenge is for America and they are acting boldly and pragmatically to bring the public and private sector together in a constructive partnership to meet this challenge.

The range of these initiatives is too broad, the programs are changing too quickly, and the Federal Government has too little interest in monitoring these developments for us to have even a complete list, let alone an understanding, of what is happening now at the State and local government level.

We do know enough, however, about these initiatives to know that something exciting is happening at the State and local government level. We know they are experimenting with new approaches to the responsibilities of government, we know they are taking risks, and we know that they are challenging the traditional notions about the relationship between the public and private sector. Clearly, we need to know more and a national clearinghouse is the logical first step in educating ourselves about what already is happening.

RANGE OF STATE AND LOCAL INITIATIVES

The range of State and local initiatives to stimulate productivity, technology and innovation is broad and growing. With all 50 States interested in the issue, many novel programs have been launched and even more are being considered. The absence of Federal Government interest has challenged State and local governments to fill the void and they have done so with little hesitation.

There are programs where the State and local government itself is a partner in developing a new production process, a new technology or a new invention. Some State and local governments have establishing laboratories, experimental manufacturing facilities or education institutions which conduct basic or applied research. Some States have established incubators which provide low-cost physical space, equipment, and technical service to start up businesses. These initiatives are of great interest to the other States and to the Federal Government itself.

One of the best examples of State technology efforts can be found in Arkansas. The Arkansas Science and Technology Authority plays a leading role in Arkansas in identification, development, and application of advanced technologies. It provides funding for basic research and applied research partnerships with industry, which industries in turn are eligible for State research and development tax credits. It stimulates a home-grown economy through the establishment of five business incubators which provide support to new technology-based businesses in Arkansas. Its seed capital investment fund provides the critical initial capitalization for these new ventures. Supplementing the work of ASTA is the Center for Technology Transfer at the University of Arkansas, the quality-productivity task force of the Arkansas Industrial Development Commission, and the Industrial Services Association at Southern Arkansas University all of which are working with existing industries in Arkansas to find ways to increase productivity and promote the concept of quality management.

Many States are establishing programs which integrate universities in the search for more productive processes, new technology, and greater economic growth. Universities no longer are the ivory towers that some have thought they should be. ("The Higher Education—Economic Development Connection: Emerging Roles for Public Colleges and Universities in a Changing Economy," American Association of Colleges and Universities and SRI International, 1986.) Georgia Institute of Technology, the University of Alabama at Tuscaloosa, George Mason University, Michigan State University, and Oregon State University have been leaders in fashioning innovative university/private sector programs. Many other States are involved in similar efforts.

There are at least 10 States which are working on programs to assist small- and medium-sized companies in financing export sales. In California a government agency will guarantee 85 percent repayment on loans which banks give to businesses to finance working capital or receivables related to exports. ("States Launch Efforts to Make Small Firms Better Exporters," the Wall Street Journal, February 2, 1987.)

STATES ARE MORE PRAGMATIC

It should not be suprising that State and local governments are taking the lead on the competitiveness issue. State and local governments have intimate knowledge of what the decline in competitiveness means to the workers and managers in their region. They know what happens when a firm cannot compete in the international marketplace or when it determines it must relocate its firm overseas to take advantage of lower wage costs. They can see businesses struggling to adjust to changed markets and new technology. They see entrepreneurs with an idea who cannot obtain capital or who need assistance in commercializing an invention.

State and local governments know that under the current administration and with the huge Federal budget deficits, they cannot wait for Washington to formulate or implement a competitiveness strategy for the country. They know that their only alternative is to act on their own, using their own resources and relying on their own good judgment about what role government can play.

State and local governments are in much healthier fiscal shape than is the Federal Government. State and local governments taken as a whole are running a budget surplus, which contrasts starkly with the abysmal deficits we are running at the Federal level. Because of the irresponsible fiscal policies of this administration, at the Federal level we simply do not have the funds to appropriate for new initiatives, or even to provide adequate funding for existing programs in the areas of education, trade adjustment assistance, and export promotion. Our national economic well-being is threatened and we have been left with insufficient resources to make the investments which are necessary to meet this threat.

Most important, State and local governments are finding that they can play a constructive role in stimulating productivity, technology, and innovation. They do not have a rigid ideological suspicion of everything that comes from government as does the administration in Washington. They're not concerned about ideological purity; they're just trying to solve problems. They don't throw around slogans about "Government Being the Problem." They see a problem and they go to work.

State and local governments know that it is simplistic and counterproductive to assert that government "Is the Problem." Government certainly can create problems just as can a private business when it is poorly managed. We at the Federal level have made major mistakes in setting macroeconomic policy. But for good or bad, governments are here to stay and the issue is how well they are managed and how constructive the role is that they play. Government can be a partner or a meddler, but it is always a factor.

State and local governments are taking risks with these innovative programs. They are conducting experiments and we must understand that some of these experiments will fail. Some public money may not be invested wisely in searching for effective ways to stimulate productivity, technology, and innovation. Some of these programs already are subject to controversy and there is always controversy when taxpayers' funds are not invested with a maximum return. But, Government institutions need to take risks just as do corporations. New products introduced into the marketplace by corporations fail, indeed most new product introductions fail. This doesn't lead corporations to stop introducing new products. If Government refuses to take risks and refuses to try innovative approaches to pressing national problems, it may well become more of the problem than the solution.

With a national clearinghouse we all can learn more from experiments which others already are willing to undertake. The clearinghouse itself is itself a modest experiment given the willingness of State and local governments to fund and conduct—and take the heat for—experiments in enhancing competitiveness. In seeking to determine which experiments are succeeding and which are not, hopefully we all can avoid repeatedly making the same mistakes.

With a clearinghouse we are acknowledging that the Federal Government is not the only, and indeed it is not even the major, actor in enhancing the competitiveness of our business sector. There are 50 State governments, thousands of city and county governments, thousands of universities, thousands of foundations, thousands of nonprofit institutions, and thousands of private corporations which can take the lead. We need all of them to play a constructive role and we at the Federal level need to do all that we can to stimulate diverse approaches to the competitiveness challenge. It would be folly and unwise to pursue one single, national, and federally mandated strategy.

NEED FOR A CLEARINGHOUSE

What my legislation would do is create a center on State and local initiatives on productivity, technology, and innovation. The center would be located in the Commerce Department and its principle function is to serve as a clearinghouse on the competitiveness initiatives of State and local governments, regional organizations, university and private sector cooperation, and joint public-private sector partnerships.

The President's Commission on Industrial Competitiveness studied the efforts of State and local governments to boost competitiveness. In a report to the Commission prepared for the Task Force on State and Local Initiatives by SRI International and the Chemical Bank, it is recommended that "A national resource center should be established to identify State innovations, assess their effectiveness and promote action by States and industry." "Innovations in Industrial Competitiveness at the State level," report to the President's Commission, SRI International, December 1984, at 70.

This report found that "States, industry, and the Federal Government all need better information on which of the strategies attempting to promote industrial competitiveness at the State level are working." It found that only a "limited amount of systematic effort" had been made to "document and assess what has been happening." The recommended "National Resource Center" could "serve as a national clearinghouse, a neutral forum for discussions among sectors and a resource for technical assistance for States or industry interested in developing new strategies."

Similarly, the Congressional Office of Technology Assessment found that to provide direct or indirect assistance to State or regional high technology development, it would be helpful for the Federal Government to establish an information clearinghouse "containing a comprehensive and up-to-date list of State and local initiatives" that support high technology development. "Technology, Innovation, and Regional Economic Development," Office of Technology Assessment, July 1984. The report found that the most helpful type of information the clearinghouse could assemble would be a "project bank" such as that established by the White House Task Force on Private Sector Initiatives.

COMPETITION AMONG THE STATES

We all know that States and local communities compete among themselves to entice firms to locate or relocate their plants and headquarters. In this competition, one town may offer tax incentives, it may upgrade the local infrastructure or it may lease available land at a below-market rate.

Obviously, this type of competition has an impact on the economics of the firms which benefit from these incentives. Tax breaks, improved infrastructure and below-market rate leases will lower the firm's costs and that improves the firm's productivity.

But, this type of government assistance is more like a government grant than a bold experiment. It is not directed at changing the management approach of the firm, the manufacturing process, or the employee training at the firm. It is not directed at stimulating the development of new technology or the creativity of the firm's scientists. It does not encourage basic or applied research by the firm or investments in new equipment. And, as a result, it should be of much less interest to the center.

Let me be clear. The economic development efforts of State and local governments are valuable and important. They lead to economic growth and increased employment, but in many cases the result of these efforts is more to shift the growth and employment from one city or town to another, not to stimulate a net increase in the Nation's growth or employment. These efforts may amount to a zero sum game for the Nation's economy even though they provide valuable benefits to individual businesses.

It is not clear that the competition among the States always is healthy or fair. It is certainly difficult for a rural or economically disadvantaged community to compete with a relatively well-to-do town. Often the rich get richer and the poor get poorer in this competition. Poor States are forced to compete by offering more special tax breaks or other incentives, which they can ill afford to provide. One recent study by corporation for enterprise development found that "many Sun Belt States that cut taxes and services to attract industry are paying the price with lackluster economies * * *" ("Study Finds Sun Belt Suffers From Steps to Draw Industry," Washington Post, March 19, 1987).

This competition among State and local jurisdictions, however, is a fixture in our market economy. States are part of that market and the Federal Government should not attempt to arbitrate this competition. It certainly has no way to prevent it. At best we can try to shift this competition to more constructive approaches, approaches which stimulate productivity of firms which already are located in the area or which stimulate the creation of new firms there and the center may help in this respect to reduce the type of competition among the States which has not proven to be constructive.

To ensure that the center does not become enbroiled in the intense competition among State and local governments, the clearinghouse I propose here is specifically prohibited from assisting one State or local government in encouraging a private business to relocate any facility from one State or local jurisdiction to another or to locate any new facility in one State or local jurisdiction rather than another. (Section 5A. (i)(1)(C).) The Federal Government has no legitimate role to play in favoring one State over another when a private firm is determining whether or not to relocate or where to relocate. The center could never establish a relationship of confidence with State and local governments if it became a partisan in disputes among the States.

Similarly, the bill would bar the center from providing any financial assistance to support a State and local government to stimulate economic development through the conduct of public works or the repair or replacement of infrastructure. (Section 5A. (i)(1)(B).) Again, these activities are important functions of Government and private businesses need the assistance of Government on these initiatives. But, these initiatives are routine functions of government, not bold experiments of interest to the Federal Government and other State and local governments.

Similarly, the center is barred from providing direct financial assistance to fund State and local development initiatives. (Section 5A. (i)(1)(A).) Funding for these initiatives might well be available from other Federal agencies and the center may perform a service by compiling inventories on Federal funds which might be available. But, the center must not become involved in providing the funding itself or intervening as partisan in the competition for scarce Federal resources.

Finally, the center is barred from considering any issued "included in a specific labor-management agreement without the consent and cooperation of all parties to the agreement." (Section 5A (i)(1)(D).) This prohibition has a similar intent to those just described. The center should not serve as an arbitrator of disputes. It should provide information and monitor developments. Once it becomes a player in these disputes, it will lose credibility with any parties with an adverse economic or political interest.

STATE INITIATIVES OF NATIONAL INTEREST

The purpose of the clearinghouse is to focus on State and local initiatives which provide a benefit to the Nation as a whole, which stimulate productivity for an entire industry, which develop a new technology which creates a new industry, and which lead to new discoveries about materials, products or processes. It is these initiatives which are of greatest interest to other State and local governments and to the Federal Government.

It is relatively easy for a State or local government to build a new road to service a new factory. However, State and local government initiatives which target productivity, technology, and innovation require much more sophistication. These initiatives are much more difficult to fashion and they are much more controversial. The success of these initiatives is much harder to measure. Initiatives of this type are experiments. When they succeed, however, these initiatives are the ones which are the most significant in our effort to enhance the competitiveness of the Nation as a whole.

The lessons about productivity which are learned by a firm in one State or city can be helpful to a firm in another State or city. One cannot pick up a new road and transfer it somewhere else, but we can easily transport an idea, a new process, or a new material from one State to another.

Under my legislation, the clearinghouse is directed to focus its efforts on those initiatives which are directed at enhancing productivity, technology and innovation. It is these initiatives which are most important to the Nation as a whole and it is these initiatives which are of greatest value to the efforts of the other States. There is great value in learning about how firms increase productivity, how they develop technology and how they enhance the inventiveness of a firm's employees.

COMPETITION FOR PRODUCTIVITY

What we want to encourage is competition among the States to increase the productivity of the firms in their area, not to compete with other States in offering economic incentives to firms to relocate. When States undertake experiments in government-private partnerships, they may do so partly to compete with other States which have launched similar programs. But, this type of competition is healthy; it's precisely the type of competition we want to encourage.

Indeed, if we find that State and local governments can help to stimulate productivity of the firms already located in their area, they may find it much less necessary to entice other firms to choose their town as the location for a new facility. The center can help the States find other basis for competition than forgoing the collection of taxes or providing special and costly services that are not normally available. If States have no ways to compete other than ways that may be shortsighted, they may nonetheless feel compelled to compete.

Some argue than the State and local governments need to be saved from themselves in this competition. Proposals have been circulated that the States agree among themselves to compete in a more positive, less self-destructive way. Such an agreement might take the form of a "disarmament" treaty in which States agree, for example, not to provide special reductions in property or other taxes to entice firms to locate or relocate their facilities in a State. But, until State and local governments voluntarily limit the competition among themselves, the best we can do may be to encourage competition on the basis of constructive partnerships in enhancing productivity, technology and innovation.

EVALUATING STATE AND LOCAL INITIATIVES

One area where State and local governments may need direct financial assistance is in evaluating the initiatives they have undertaken. Typically, evaluation is the hardest and most underfunded aspect of a program.

In some cases, there may be a reluctance to evaluate a program for fear that it will be found wanting. I say this knowing that this same reluctance is common in private businesses, especially for programs where success and failure is not measured simply by a reference to profit and loss.

To be fair, however, it is very hard to determine when an initiative of a Government agency has made the difference in increasing the productivity of a firm. Productivity itself is a concept that is hard to pin down. It is hard to know why some firms are more inventive than others. It is hard to say why one scientist discovers a new technology and another does not. There is controversy about how to evaluate a program just as there is in designing a program in the first place.

In addition to serving as a clearinghouse, therefore, the legislation I am here introducing authorizes the center to provide grants to help State and local governments evaluate their initiatives. (Section 5A.(C)(2).) These grants could be given to the local agency or to a third party, whichever is most appropriate. The legislation bars the center from providing financial assistance for the initiative itself, but it is quite appropriate for the center to provide such assistance for evaluation because only with proper evaluation can the center determine the effectiveness of the initiative.

The issue of evaluations is sure to be a sensitive one as well as an important one. State and local governments which are undertaking experimental programs have no interest whatever in the Federal Government—which has shown little willingness to undertake any initiatives on competitiveness—criticizing their efforts. If the Federal Governments chooses to be inactive on competitiveness issues, it has no right to make life more difficult for State and local governments which are taking up the slack. This is an issue of sovereignty as well as tact. But, the center will find that it cannot hope to establish a relationship of trust with State and local governments if it simply criticizes their efforts from "on high."

To ensure that the center does not trample on the prerogatives of State and local governments, the bill explicitly provides that the center may not evaluate a State or local initiative or disseminate information regarding such evaluations unless the State or local government carrying out the initiative "consents to and cooperates with such evaluation." (Section 5A (C)(2).) This limitation will ensure that when the center does conduct an evaluation, it will be fully informed of the nature and terms of the local initiative. It cannot hope to have all the information it needs if the State and local government is unwilling to provide it. But, it needs more than access to data. It needs to discuss the initiative with the State and local government officials involved to learn from their views and their experience.

There is a need for the center to fund generic research in how any governmental agency can measure the effectiveness of its competitiveness initiatives. The bill I am introducing permits the center to award some grants for this purpose. (Section 5A.(F).) While the center may fund this research, it must be very careful in commissioning such research.

The interest of the center in assisting State and local governments to evaluate their initiatives is, in part, a selfish interest. The center is just as interested in the results of these evaluations as are those involved in the initiative. The center is interested in disseminating information on the most successful initiatives and in disseminating information on how each initiative compares to others and it needs as much data as it can assemble on the impact of these programs.

COMMERCE DEPARTMENT AND OPTI

In my bill, the new center is to be located in the Office of Productivity, Technology and Innovation (OPTI) in the Department of Commerce. OPTI is an agency that I have long supported and on several occasions I have made sure that the administration's efforts to slash its budget have not been successful. Indeed, at one point the administration argued that OPTI should be abolished because its mission had been "completed." In fact, OPTI is a bright light in this administration as an agency which is trying to make government work, not simply to avoid dealing with real problems.

To a very limited extent, the functions of the center are performed already by the OPTI. Because OPTI does monitor developments at the State and local level and serve to a limited extent as a clearinghouse, the bill places the center within OPTI. By establishing the center by statute, however, we can give it visibility, ensure it has enough resources, and lend it the credibility of the Congress.

The center belongs in OPTI and its existence will enhance everything that OPTI already does to stimulate the competitiveness of the country. OPTI is one of the only current Federal agencies which can understand and appreciate the initiatives of State and local governments.

THE CHALLENGE WE FACE

It may be said that this proposal is not dramatic enough or massive enough. Some would argue that we need to spend huge new sums on some programs on competitiveness. Others would argue that we need to erect barriers to the imports which are flooding our markets. But I think the competitiveness problem is more complex than that and that we need to undertake many different initiatives to have an impact.

We cannot pursue any single strategy. Our economy and the world economy are too complex for any level of government—Federal, State, or local—to have a major impact on the competitiveness of the private sector. The resources of government can help but the private sector has many times the resources available to it.

Indeed, in many ways government cannot affect the competitiveness of private business. The competitiveness of a firm depends in large part to the foresight of its management and the creativity of its technical people. These are qualities that cannot be legislated.

But, the Government may be able to serve as a partner. The State or local government may be a more sensitive and more constructive partner than can be the Federal Government. The Government can provide some leadership. It can encourage risk taking and it can provide information.

What this proposal says is that we need a decentralized strategy which draws on the creativity and innovation of many sectors, public and private, nonprofit and commercial, education and training.

By pursuing a broad-based and multifaceted strategy, we are more likely to enjoy success. Vast new Federal programs have a potential for doing harm as well as good, especially if they impede our efforts to control the budget deficit.

Given the constraints on funding any new Federal Government programs, the Federal Government can start by working constructively with State and local agencies which are taking the lead in stimulating productivity, technology, and innovation. It can at least help us all to learn about the complex challenge we face from international competition.

We can all benefit from the initiatives of State and local governments if we share information about their successes and failures. The clearinghouse can bring us together with information, which can help to bring us together for action.

The center speaks of risk taking, partnerships, and long-term efforts. It is not a panacea. It does not overpromise. It does not underestimate the complexities of the challenge. It's a modest proposal but therein lies its virtue. It will help, it is constructive, it is pragmatic, and it is something we can come together to do now while we debate grander and more controversial proposals.

This bill is not printed here but will be forwarded to members and any interested parties upon request.●

By Mr. BUMPERS:

S. 931. A bill to amend the Internal Revenue Code of 1986 to provide preferential treatment for capital gains on small business stock held for more than 4 years, and for other purposes; to the Committee on Finance.

INCENTIVES FOR LONG-TERM INVESTMENTS IN AMERICA

● Mr. BUMPERS. Mr. President, I am introducing a bill to encourage investors to make long-term investments in growth-oriented small business ventures. By encouraging these investments, we encourage investments in the future prosperity and competitiveness of America. Indeed, without these investments, our Nation's economic strength is sure to decline.

The bill I am introducing would provide a modest tax incentive to encourage investors to provide long-term capital to growth-oriented, small businesses. This incentive is available to entrepreneurs who risk their own capital in establishing these business ventures, to outside investors who buy stock issued by the entrepreneur, and to employees who purchase stock in the company under incentive stock options or similar plans.

It is crucial to the prosperity of our capitalist economic system that entrepreneurs, investors, and employees take risks by founding, investing in, and working for startup small businesses. These startup ventures are the hope for both economic growth and competitiveness for our country. However, these ventures desperately need capital to grow and often are unable to attract capital because there are safer investment options available.

ECONOMIC IMPACT OF SMALL BUSINESS

The tax incentive I propose is targeted at startup ventures and other small businesses because we know that they have the greatest potential for creating jobs, for innovation in products and services, and for enabling the United States to remain competitive in international markets. Despite this fact, these businesses have the greatest difficulty in obtaining the capital needed to become larger businesses because so many of these ventures fail.

Employment growth in small business-dominated industries, at 5.1 percent, far outpaced that of large business-dominated industries, at 0.7 percent. "The State of Small Business," report of the President, 1986, at XIII. Small firms generated most of the net new jobs during the economic downturns from 1979 to 1983 and they continue to be the major employer of younger and older workers, women and veterans.

It is quite clear that the small firms which thrive on venture capital investments make a major contribution to the economic growth of the country. In one study of 72 firms in which venture capitalists had invested only $209 million during the 1970's, the firms had combined annual sales in 1979 of $6 billion and had created 130,000 jobs. "Government-Industry Cooperation Can Enhance the Venture Capital Process," General Accounting Office, August 1982, appendix II, page 9.

CAPITAL NEEDS OF SMALL BUSINESS

What these startup ventures and other small businesses need most is patient capital, capital which is invested for a substantial period of time while the firm grows, innovates, and penetrates or creates new markets. Unfortunately, small businesses have difficulty in obtaining sufficient capital because it is much less risky for investors to make short-term investments, to seek returns based on next quarter's profit-and-loss statement, or to rely on a steady stream of dividend income.

The reason why small businesses have difficulty in obtaining capital is that they may never generate any profits and dividends for the investor. A study of 10 venture capital funds through 1983 found that roughly 26 percent of the investments lost money and consumed 34 percent of the capital invested. Another 25 percent of the investments produced only a return of the original capital after many years of waiting for a return. Almost another 40 percent returned less than 5 times the original investment and only 5 percent returned more than 10 times the original investment. Unpublished study of Horsley, Keogh & Associates, cited in "Tax Policy Influence on Venture Capital," Burton J. McMurtrey, Technology Venture Investors, 1985.

When a small venture does become profitable, this may occur only many years after the firm is founded. One study of firms founded between 1968 and 1980 reported that the average company in year 3 was still in a cumulative loss position, retaining its earnings to invest in future growth. "Study of the Economic Impact of Venture Capital-Backed Companies," Venture Economics, 1985.

It has been found that "a startup firm usually pays a higher price and is more likely to find it difficult to obtain financing than an established firm." "State of Small Business," 1986, at 46. Firms must pay 1 to 2 percent more to borrow funds from commercial banks and lending institutions as compared to the rate paid by large businesses. Id. at 51. These premiums are paid to compensate the investor for the comparative risk which he takes in providing capital to a small firm.

As a result, for most startup businesses, owner's own capital is the "most important source of financing." Id at 48. Informal investors, including family and friends, also play an important role for small businesses, which do not have ready access to venture capital funding or to the equity market.

Small firms are able to obtain capital in the private equity market, but historically they have not participated in the public equity market. However, some small firms do actively participate in the public equity market and, as one would expect, most initial public offerings of stock are from small firms. Overall, total registered offerings of stocks and bonds increased 31.5 percent during the first 10 months of 1985, after declining in both 1984 and 1983. Id. at 55-56. Of this amount, initial public offerings of stock by first-time small business issuers accounted for 67.5 percent of the IPO's in 1984 and 66.4 percent in 1985. Of these IPO's, a typical issue had a median value of $2 million, with the size in 1985 averaging $6.6 million.

Venture capital funds have been an important source of capital for entrepreneurs, but typically venture capital investments are made in private purchases of stock, not through purchase of stock in a public offering. Venture capital funds committed $4.2 billion in 1984 to entrepreneurs, only slightly lower than it contributed in 1983. Id at 57.

Of course, small firms seek to enter the public and private equity markets for the same reason as do larger business, namely because they require more outside capital investment as they grow. Indeed, one study found that growth companies required almost twice as much equity financing between its third and sixth year as they required during its first 3 years. McMurtry, supra. at 3.

With a modest tax incentive more entrepreneurs, outside investors, and employees of the firm will be encouraged to invest in the equity of these small businesses, permitting the business to avoid the Hobson's choice of becoming burdened by debt or starved for capital.

IMPACT OF TAX REFORM LEGISLATION

Unfortunately, the tax reform bill we enacted in the last Congress exacerbates the difficulty which small startup ventures have in competing for capital.

The tax reform legislation reduces the tax penalty on ordinary income by drastically lowering tax rates. This may be wonderful for money market investments and salaried employees, but it will discourage investments in the equity of risky startup firms, which do not tend to generate immediate income for investors.

Furthermore, by effectively eliminating the significance of the holding period for sales or exchanges of capital assets—which had been only 6 months—the Tax Reform Act reduces the tax penalty on rapid shifts in investment strategy. Investors no longer have any reason to give a priority to long-term investments. Under the capital gains law in effect prior to the tax reform legislation, there was at least an incentive to hold investments for a minimum of 6 months.

Both of these effects of the tax reform legislation will make it more difficult for small startup ventures and small businesses to attract the patient capital they need to launch and nurture their ventures. Entrepreneurs will be less likely to risk their own capital in starting a firm, the ability of startup ventures to attract capital in the equity market is likely to decline, and employees are less likely to find incentive stock options in risky ventures attractive as compensation. The result will be that entrepreneurs will be forced to proceed with insufficient capital and they will be unable to compete for personnel with larger firms.

The tax reform legislation only recently went into effect so it is not possible as yet to document precisely how much it will adversely affect the availability of capital for small businesses, but there already are indications that venture capital funds are shifting their focus to "more mundane investments that have little to do with technological innovation or creating new jobs." "Venture Capitalists Shifting Focus From High Technology," New York Times, February 6, 1987.

TARGETED INCENTIVES FOR INVESTMENTS IN SMALL BUSINESS

The tax incentive proposed here is intended to offset this bias against long-term investments in startup ventures. As I have indicated, this incentive is carefully targeted to ensure that it provides an incentive for direct investments in a startup venture or other small business and to ensure that the revenue loss from the legislation is manageable.

The tax benefit which I propose is an exclusion from income of 25 percent of the gain on an investment in the stock of a qualified small business. Among the taxpayers which could acquire such stock are the entrepreneurs who found startup firms, outside investors who acquire stock through private placements and initial public offerings of startup firms, outside investors who acquire stock subsequently issued small businesses where the outstanding stock of the firm is less than $10 million and employees who purchase of stock of the firm under incentive stock option and similar plans. The incentive is available for investors who file as individual or corporate taxpayers.

The incentive is targeted at generating new capital for the use of the firm itself, not just to enrich the stock traders and speculators in the securities after they have been offered. The bill is limited to stock in a small business which stock is first acquired—whether directly or through an underwriter—by the taxpayer. Section 1202(b)(2)(A). Any sale of the stock by someone other than the original purchaser would not qualify for the tax incentive.

The tax incentive I propose is modest. The bill would set a slight tax rate differential between capital gains and ordinary income. This tax rate differential arises by excluding a portion of the investor's return on investment. The bill would exclude 25 percent of this income from taxation.

This 25 percent exclusion effectively reduces the top marginal tax rate on this income by one quarter, from 28 to 21 percent for individual taxpayers and from 34 to 25.5 percent for corporate taxpayers. For individual and corporate taxpayers in the 15 percent tax bracket, the exclusion will lower the marginal tax rate on long-term investments to 11.25 percent.

The bill specifically limits the top marginal tax rate on these investments to 21 percent for individual taxpayers and 25.5 percent for corporation taxpayers, ensuring that the recapture provisions of the tax reform bill for high income taxpayers do not undermine the tax benefit that is provided. New section 1(j)(2) of the Tax Reform Act. If the taxpayer is not in the 28 percent tax bracket, the exclusion can reduce the rate well below 21 percent, but for taxpayers in the recapture bracket, the rate on the capital gains income cannot exceed 21 percent.

The recapture provisions of the tax reform bill are perhaps the least understood of any of the many provisions of that bill. Under the recapture provisions, the maximum marginal tax rate is not 28 percent, as so many have been led to believe, but 33 percent or even higher. For corporate taxpayers, the recapture provisions raise the maximum marginal tax rate to 39 percent, not 34 percent as so many people have been led to believe. My proposal would set the maximum marginal tax rate on capital gains for individual taxpayers at 21 percent and for corporate taxpayers at 25.5 percent. These two rates are the rates which result from the 25 percent exclusion before the recapture provisions are taken into account.

The size of this exclusion is modest by comparison to the capital gains exclusion in effect prior to the tax reform legislation. The exclusion then was 60 percent. If we adopted a 60-percent exclusion with the lower tax reform tax rates, the top marginal tax rate would be only 11.2 percent and the rate for taxpayers in the 15 percent bracket would be only 6 percent.

By way of contrast, the 25-percent exclusion I Propose is 41 percent as large as a 60-percent exclusion and the marginal tax rate is 1 percent higher than that for capital gains was for individual taxpayers in the 50 percent bracket. The effect of the exclusion in my bill is to lower the top marginal tax rate on capital gains to roughly what it was prior to the tax reform bill, which was 20 percent for individual taxpayers.

In order to quality for the tax benefit the investments must be held for a minimum of 4 years. Section 1202(b). This 4-year holding period is based on the fact that there is much more risk involved in long-term investments. With short-term investments, as soon as a venture begins to look less promising, a short-term investor can back out and reinvest his or her capital in another more promising venture. This is precisely what the tax reform bill encourages. Indeed, the 6-month holding period in effect prior to tax reform—which itself was entirely too short—now has been reduced, in effect, to zero.

The incentive is available only for investments in the stock of a corporation, which includes both small corporations and a small firm organized as a subchapter S corporation. The shareholders of a subchapter S corporation pay tax as individuals but the subchapter S corporation itself does not pay any tax. For purpose of this legislation, however, S corps are considered to be corporations and the stock they issue is given the favorable capital gains preference if it otherwise complies with the terms of the legislation. It is important to include S corps within the terms of the bill because the tax reform law sets much lower tax rates for unincorporated small businesses and many small firms will reorganize to become S corps to take advantage of these lower tax rates.

The investment must be made in a small business which is carrying on an active trade or business. This requirement prevents this capital gains preference from being used for investments in tax shelter entities which are not operating companies.

To avoid this tax preference from adversely affecting the progressivity of the tax system, the income which is exempted from taxation is listed as a tax preference item in the alternate minimum tax. Section 163(d)(4)(F). Prior to the tax reform legislation, capital gains income was included as a preference item in the minimum tax so including capital gains as a preference item again is not a change in policy. Indeed, under the tax reform legislation capital gains is subject to the minimum tax because all of the income from a capital gains transaction is taxable income and all taxable income is included in the minimum tax. In calculating the minimum tax under the tax reform legislation one starts by including all taxable income and then add back various income which was excluded or deducted from taxable income. So, capital gains is not listed as a separate tax preference item under the tax reform legislation because there is no tax preference for capital gains. By reconstituting a slight differential in favor of capital gains, it becomes necessary in this legislation to list capital gains as a separate preference item. By doing so, capital gains is subject to the minimum tax in the same way it has been subject to the minimum tax prior to and subsequent to the tax reform legislation.

With the maximum marginal tax rate on capital gains set in my bill at 21 percent and the minimum tax rate also set at 21 percent for individual taxpayers, for most individual taxpayers 21 percent would be the marginal tax rate on capital gains. For taxpayers in the 15 percent bracket, the tax rate on capital gains would be somewhere between 11.25 percent and the 21 percent, depending on their tax situation. For corporate taxpayers, the minimum tax rate is 20 percent and the maximum rate under my legislation is 25.5 percent, so the minimum tax rate should be a minor consideration.

There are additional issues which require further analysis. As it is drafted, this bill does not cover sales or exchanges of convertible debentures. When a convertible debenture is converted into stock, there is an issue about whether the holding period on the debenture would count toward the 4-year holding period required under the bill. As drafted, the holding period on the debenture is not counted but perhaps it should be counted. In addition, the bill does not count cover investments in research and development limited partnerships. Investors in these partnerships do receive deductions when they make their investment, which reduces the need for a capital gains differential but it may be desirable to cover these investments as well as investments in corporate stock.

CONSISTENCY WITH TAX REFORM

It is important that this tax incentive be modest so that it will not undermine the benefits of the tax reform legislation. Providing for a larger exclusion would be counterproductive because it would encourage investors to take risks largely for the purpose of reducing their tax liability. This bill is directed at rewarding risk the primary purpose of which is to generate profits and long-term growth in the marketplace. It would be inconsistent to provide an incentive for risk taking when the incentive is so large that it takes much of the risk out of the venture. It is entirely appropriate to provide an incentive for ture risk taking, however, and this does not create a tax shelter where the risk is borne more by the Government, than by the investor.

One of the virtues of the tax reform legislation is that it reduces the distortions which were caused by high marginal tax rates and multiple deductions, credits and exclusions. The differential in tax rates which is created by this bill provides some incentive for long-term investing but not so much as to undermine the principal benefits of lowering tax rates and reducing the distortions introduced by high marginal rates and generous tax preferences.

HEATED ARGUMENTS ON CAPITAL GAINS

In proposing to recreate a capital gains differential, I am well aware that there have been heated arguments over the effect of tax incentives like the old capital gains exclusion. It is important that those of us who support a tax incentive such as the capital gains differential not to oversell our arguments.

With respect to the first question, there are some who believe that even the 21-percent reduction in the capital gains rate in 1978 was ineffective in increasing venture capital. They argue that the dramatic growth of the venture capital industry in the late 1970's and early 1980's had nothing to do with this dramatic reduction in tax rates, but instead simply coincided with a sharp increase in the demand for high-technology products.

It is clear that the growth in the venture capital industry was dramatic, rising from only $39 million in 1977 to $600 million in 1978. The rise continued until today the net new private capital committed to venture capital firms has grown to $3.3 billion annually, with the total pool of funds now totaling nearly $20 billion.

Given this dramatic growth in venture capital, it is simply implausible to argue that the 21-percent reduction in the tax rate on capital gains in 1978 and the additional reduction in 1981 had nothing to do with it.

While it is implausible to argue that the capital gain boom has not been stimulated, at least in part, by the dramatic reduction in capital gains tax rates over the past 9 years, there does remain much controversy about the extent to which the tax reduction for capital gains accounts for the growth in the availability of venture capital. The shortening of the holding period on capital gains from 1 year to 6 months undoubtedly has had an impact. The reduction in tax rates and in the top marginal tax rate in 1981-83 also may have had an impact.

There are, of course, many factors which influence the decisions of citizens in choosing how much to invest and how much to spend. Ultimately, it is not possible to determine precisely how important the tax rate on capital gains has been in the economic decisonmaking of taxpayers. As a result, the empirical evidence on the impact of the capital gains differential is, in fact, mixed.

When Congress voted to lower the capital gains tax rate in 1978 it directed the Treasury Department to conduct a study on the effect of the rate reduction on investment, economic growth, economic efficiency, income distribution, and Federal tax revenue. This study concludes that the 1978 rate reductions will:

> Over time cause the rate of investment, the capital stock, national income, labor productivity, and the overall standard of living to be higher than if the tax treatment of capital gains had remained unchanged. (Report to Congress on the Capital Gains Tax Reductions of 1978, September 1985, Office of the Secretary of the Treasury, at I.)

The report, however, concluded that these effects were modest, averaging less than 1-percent of the amount of each economic indicator.

The tax reform legislation of 1986 drastically increases the marginal tax rate on capital gains. Instead of paying a maximum marginal tax rate of 20 percent, many taxpayers now will have to pay a 33-percent rate. This amounts to a 65-percent increase in the tax rate on capital gains.

The approach taken in this legislation to reward economic risk taking is consistent with the legitimate arguments in favor of a capital gains differential. I do not claim that the world will change if only a certain tax incentive is in place. The marketplace is much too complicated to be manipulated solely by various tax incentives. But, in my view, there is a need for the Government to send a clear message to entrepreneurs and venture capital investors that it recognizes the risks they are taking and that the Tax Code should not discourage them from taking these risks. In many ways, the message that a capital gains exclusion sends is as important as the tax benefits that are provided.

REVENUE IMPACT OF LEGISLATION

The tax benefit I propose is targeted and modest for another important reason, because a broader proposal with fewer limitations would create a huge potential drain on the revenues of the Federal Government. There is no issue more important to the long-term economic health of the country than controlling the Federal Government budget deficit. Without the limitations in the bill I am introducing, the Joint Committee on Taxation would undoubtedly estimate that the revenue drain would run into the tens of billions of dollars, which obviously would be intolerable.

I am convinced that the 1981 tax cuts are the primary cause of our current budget deficit. Indeed, the President's own budget submitted to us in January formally estimates that the 1981 tax cut reduces Government revenue this year by $238.5 billion, which is more than the entire budget deficit for this year. "The Budget of the United States Government, Fiscal Year 1988: Supplement," Executive Office of the President, at 4-24.

Even though the tax benefit provided by this proposal is modest by comparison to the capital gains exclusion in effective prior to the tax reform legislation, this bill could reduce Government revenue by some amount. The 4-year holding period, the 25-percent exclusion, and the minimum tax all will reduce this revenue drain and I am sure it can be argued that the investments in these small firms will generate substantial economic growth which will offset all or most of any loss in tax receipts from the investors. I will request that the Joint Committee on Taxation prepare an estimate on the revenue impact of my proposal.

I will abide by the estimate of the Joint Committee although its revenue estimates in the area of capital gains are subject to great controversy. The Joint Committee has, for example, estimated that the repeal of the capital gains exclusion would generate $21.8 billion in additional revenue over the next 5 years. Of course, the proposal I ave outlined here is vastly more lim-ted in scope than was the old capital ains exclusion and, with the 4-year olding period, my proposal can have o adverse revenue impact for at least years after it has been enacted.

Whatever the final estimate is with espect to my proposal, I will not press or adoption of it until there is a con-ensus on how this drain on revenue an be offset by other changes in the ax laws or by reduction in Govern-ment spending. I am in complete greement with the requirement that o tax or spending proposal be in rder in the Senate unless it is "deficit eutral" and does not add to the defi-it.

SHORT-TERM INVESTING

This legislative proposal is designed o change the focus of America's inves-ors from the short term to the long erm. In my view there is nothing hich will contribute more to the abil-ty of our businesses to compete in nternational marketplace than chang-ng the time horizon of our investors nd entrepreneurs. In a very real sense e have become a "casino society," a erm coined by Warren Buffett, a leg-ndary investment adviser.

Rather than make long-term invest-ments in research and marketing, we ow see corporate raiders committing obbery on vulnerable corporations. It called "greenmail" but it is green nly for the raider. Our MBA's are all eading for Wall Street investment ouses, where they can imitate the ex-loits of the legendary deal makers. Ve have eliminated the holding period n stock and other investments. The renzy of speculation in the stock market is becoming increasingly de-ached from reality. The tax reform ill and current ERISA requirements may intensify pressures on U.S. busi-esses to generate short-term profits nd to distribute large dividends ather than make investments to nsure the firm's long-term competi-veness.

Mr. Buffett has proposed a radical olution to this wave of speculation, mposing a 100-percent tax on any rofits derived from the sale of stocks r derivative instruments that the older has owned for less than 1 year. How to Tame the Casino Society," Vashington Post, December 4, 1986, at 23. He argues that this tax would orce all investors to seek long-term rowth rather than short term, specu-ative profits.

This proposed tax on speculation is, ndeed, a radical solution and I think goes too far, but the point Mr. uffet makes definitely has some merit. We need to focus on the long-erm growth in productivity and com-etitiveness, not just next quarter's rofit statement and tomorrow's turn n the stock market. My bill is directed t changing the climate of investing.

To a large extent, our failure as a society to save and to invest in the future may arise from the rampant inflation of the 1970's. In a time of inflation, there is a premium on consumption and on spending because to delay a purchase means that the price will be higher when the purchase finally is made. There may not be much inflation occurring at this time, but the psychology of inflation remains. In our economic policy and outlook we are self-indulgent, hedonistic and impatient, and very short-sighted.

By providing an exclusion for capital gains we may partially neutralize the influence of inflation on our investment strategy. One of the legitimate purposes of the capital gains exclusion is to offset the erosion of the value of an investment which occurs with inflation. If an investor holds an investment for 10 years, at least some of his or her gains are a result of inflation, not real growth. In the past few years, the rate of inflation has been low, so there has been less need for the exclusion to offset inflation.

By providing an exclusion, however, investors may feel less pressure to cash in their investments to avoid the impact of inflation. The insurance policy against inflation which is provided by the exclusion may encourage investors to hold their investments for even longer periods of time, well beyond the 4-year holding period.

RELATIONSHIP TO PROFITSHARING PROPOSAL

I have also introduced a separate bill providing for a modest incentive in favor of cash profitsharing plans. As I have explained in some detail in my statement explaining that proposal, these proposals have much in common.

Pairing these two proposals meets one important objective of the tax reform legislation, reducing the distortions which the Tax Code creates for one type of investment over another. Prior to the adoption of the tax reform bill, there was a strong big in favor of capital investment and a bias against investment in human capital. This bias was due to the capital gains exclusion, the investment tax credit and the accelerated depreciation schedules. One of the rationales for eliminating the capital gains exclusion, repealing the investment tax credit, and cutting back on the depreciation schedules was to reduce this bias in favor of capital investment. It is not clear to me that this rationale makes economic sense but with respect to the bill I am introducing the tax incentives given for investments of capital and investments in human capital are identical.

TAKING RISKS

It is natural to any country to become cautious when it is under attack and this country is under attack now from well organized, innovative and energetic competitors in the international marketplace. But if we become cautious, the attack is even more likely to succeed. What we need is to take risks again, to pursue new ideas, to venture into new markets, to investigate new technologies, and even to put some of our capital at risk in the venture as well.

If we pursue a "hunker down" mentality, we are sure to lose in this competition. If, however, we are still able to take risks, and make long-term investments which may not show any short-term return, then we can have confidence in our ability to compete. The mere fact of taking these risks and making these investments demonstrates our confidence in ourselves. My proposal here will encourage to invest in the long-term future of America.

Tax incentives are only one part of the system of incentives which lead individuals to take action. In this case, the tax incentive I propose is modest and it is not so large that it can be expected to dramatically alter the inclination of investors to take risks and make investments. But, by providing this modest tax incentive, we can make an important statement of policy: Long-term risk taking by investors in startup ventures is valuable to our country and it is important enough to be rewarded. This statement, taken together with many other factors which are encouraging workers and investors to focus on productivity and economic growth, can be part of a return to competitiveness for our country.

Mr. President, this bill is not printed here but will be forwarded to each Member. It will also be available to any interested party upon request.●

By Mr. BUMPERS:

S. 932. A bill to amend the Internal Revenue Code of 1986 to exclude from gross income 25 percent of the nondeferred cash distributions received by an employee under a profit-sharing plan; to the Committee on Finance.

INCENTIVE FOR CASH PROFIT SHARING

● Mr. BUMPERS. Mr. President, our country must take risks if we are to regain our competitive edge in the international marketplace. Our business managers, white collar and blue collar workers and the Government itself all need to take risks and a bill I am introducing here today will challenge them to do so.

It is natural for a country to become cautious when it is under attack and this country is under attack now from well organized, innovative and energetic competitors in the international marketplace. But if we become cautious, the attack is even more likely to succeed.

What I am proposing here is that we in Government show leadership in encouraging private businesses and their employees to take risks together to meet intense foreign competition.

The bill I am introducing today will encourage both managers and employees to show that they have confidence in one another and in the future by adopting cash profit-sharing plans as a major element of the compensation arrangement for the business for which they both work.

PRODUCTIVITY AND EMPLOYMENT

Cash profit-sharing plans enhance competitiveness in two ways: They lead to increases in the productivity of our Nation's business sector and, at the same time, they maximize the number of workers which are hired by firms during economic recoveries and during recessions.

These cash profit-sharing arrangements do involve risk, both for the managers and for the employees of a firm, but, by enhancing productivity and maximizing employment, we avoid an even greater risk—that of becoming uncompetitive.

In terms of productivity, when employees tie their compensation in part to the profitability of the firm for which they work, we see their loyalty to the firm, their willingness to work cooperatively with management and their productivity increase. Similarly, when the managers of a firm see that its profits will be shared with employees, they may see more clearly how much these profits, in fact, depend on the efforts of the employees. In order to increase profits, they risk sharing these profits with the employees whose work made them possible.

In terms of employment, prominent economists believe that when many businesses in the economy operate under cash profit-sharing plans the level of employment is likely to rise more during times of economic growth and the level of employment is likely to remain more stable during recessions. This occurs because under a profit-sharing plan a firm's payroll costs automatically decline as its profits decline. This automatic adjustment in payroll costs reduces the incentive of a firm to pare its costs by laying off or firing workers. Conversely, under a fixed-wage system, when a firm's compensation costs reamin constant as profits decline, the most direct way—and in most cases the only way—for the firm to reduce these costs is to lay off or fire workers.

The bill I am introducing today would have the Government take a leadership role in the search for competitiveness by providing a modest tax incentive to encourage employers and employees to enter into these cash profit-sharing agreements. This modest tax incentive will demonstrate Government's interest in cash profit sharing as a system of compensation, but managers and employees will remain free to negotiate whatever system of compensation they feel is in their own best interests. I am proposing an incentive, not a penalty.

This tax incentive would challenge the private sector to take a risk with cash profit sharing, a risk that ultimately is in all of our interest to take. The decision of the Government to provide this tax incentive itself involves risk, but this is appropriate given the call of Government for the private sector to take greater risks.

PRODUCTIVITY WITH PROFIT SHARING

The slow growth in productivity for the United States is one of the most worrisome facts of our current economic problem. Without strong productivity growth, our country cannot expect to remain competitive in world markets or even to retain our current standard of living. Profit-sharing arrangements can have a positive impact on the productivity of a firm.

Labor productivity in the United States grew a scant 0.7 percent in all of 1986, after having grown only 0.5 percent in all of 1985. Indeed, in the fourth quarter of 1986, productivity actually declined 2.3 percent in seasonally adjusted terms.

Productivity gains also slowed for manufacturing firms, which had performed better in recent years than service firms. Productivity in manufacturing grew 2.7 percent in 1986, after having grown by 4.4 percent in 1985.

By way of contrast, Japan's productivity has grown by an average of 8 percent from 1960 to 1985. It's productivity has grown by 45 percent more in the last 8 years than productivity has grown in the United States. The level of productivity in Japan has reached that in the United States and the growth of Japan's productivity has continued unabated. We have almost been overtaken and Japan can now pull ahead in productivity.

One factor in productivity growth is cooperation between labor and management in adopting new technologies which enhance productivity. The willingness of employees to work more efficiently and to offer constructive suggestions on ways to improve productivity also is important. Labor and management must work as partners for the benefit of the firm and of each other.

Unfortunately, there is a long history of sour relations between management and labor in this country, particularly between management and labor unions. This history accounts for some of the distrust which too often characterizes the attitudes of workers toward management. Indeed, a recent poll by Boston University researchers found that fully 78 percent of American workers are suspicious of management, developing an "us-against-them" syndrome that interferes with their performance. (Wall Street Journal, Feb. 10, 1987, front page.) According to this poll, these workers "spurn innovation and create unrest. Their first loyalty is to themselves, not the firm. (Id.) The employees who were th most cynical were those under 25, th less educated employees and membe of minority groups.

There seems to be a growing unde standing on the part of employee that they have an important stake i the economic health of the firm fo which they work. A recent poll foun that 58.8 percent of the employee surveyed would "prefer to see (thei paychecks more closely tied to" th "company's annual performance. "Compensation System Calle Unfair," Industry Week, January 2 1987, at 17-18; 78 percent of thos polled "would like more of (their) compensation tied to achieving long-rang goals." (Id.) In the poll, however, 75. percent of those surveyed felt tha their company did not "truly gran merit increases" in pay. Id.

Similarly, surveys of American an Japanese workers find quite differen attitudes about the relationship between the prosperity of the firm an the benefits received by workers. Typ cally Japanese workers state—in overwhelming numbers—that they do we when their firm does well. Only small minority of American worker have the same viewpoint.

Under a profit-sharing plan the employees of a firm have a direct interes in the bottom-line profitability of th firm for which they work. Their tak home pay is directly pegged in part t the profitability of the firm. Whe profits rise, pay rises with it, and vis versa.

There are many types of compensation schemes which are referred to a profit-sharing plans, but the term her refers to compensation arrangement where part of the employees pay is se by a predetermined formula and distributed to the workers on a pro rat or per capita basis. Payments unde this type of compensation plan are no discretionary and the size of th profit-sharing payment itself is no discretionary. A profit-sharing plan i not like a bonus or a reward. It is a entitlement to an individual worke based on the overall economic performance of the firm.

Employees under a profit-sharin plan receive clear and unambiguou notice of the existence and extent o the firm's profits. If the firm is profitable, the employees share in thes profits. The greater the firm's profits the greater is the distribution of pro its to the firm's employees. If the firm is not profitable, the employees shar in nothing and their take home wage may actually decline from one year t another.

There are many types of incentiv compensation systems: bonuses, "gain sharing," awards. Under my proposa however, cash profit sharing is selected as the type of compensatio scheme to be given a preference for one important reason: Profitability goes to the bottom line. Profitability is not a means to another end as in the case with improvements in productivity. Indeed, firms with dramatic increases in productivity, such as the semiconductor industry, may experience disastrous declines in profitability. If a firm is not profitable, it will not survive and those who work for it will not prosper for very long.

The ability of a firm to generate retained earnings, to obtain capital in the debt and equity market, and to withstand vigorous competition in the international marketplace depend on its profitability. Profits are the best single measure of the firm's health. In the longrun there is no other measure of a firm's competitiveness is as important as profitability.

And dividing the amount of profits on a pro rata basis among the employees of the firm is the best rough measure of the contributions of those employees in generating those profits. We want the employees of a firm to feel some responsibility for the profitability of a firm, and it is that sense which can arise with profit sharing.

This is why my proposal focuses on profit sharing.

UNEMPLOYMENT WITH PROFIT SHARING

The implications of cash profit sharing on the employment level of an individual firm, and potentially of the Nation's business sector as a whole, is potentially even more important than its impact on the productivity and profitability of the firm.

Interestingly, there seems not to be much controversy about the positive macroeconomic impact of cash profit-sharing arrangements in discouraging a firm from laying off or firing employees during a recession and in encouraging the firm to hire additonal employees during times of economic growth.

The business cycle appears to be an immutable fact of economic life. The current economic recovery continues, albeit at an anemic rate, but no economist would argue that we will not suffer a recession at some point. The question we inevitably will face is how we can ameliorate the economic pain associated with a recession, principally the rise in unemployment. That is a challenge to which we have not found an answer, as was shown dramatically during the last recession.

Many believe that our next recession will be especially severe because of the macroeconomic policies of the current administration. Never before in history have we run huge Government budget deficits at this point in the business cycle. Should the economy slide into a recession, it will be almost impossible to apply traditional Keynesian economics to stimulate ourselves out of it. ("Next Congress Will Have a Limited Arsenal Against a Recession," Washington Post, Nov. 4, 1986, at A-3.) Even without adjusting fiscal policy to stimulate the economy, we would be facing $300 or $400 billion annual budget deficits, with compound interest and a skyrocketing national debt. ("Whither the Deficit When Recession Arrives," Wall Street Journal, Sept. 20, 1986, at 6.) Unemployment levels would rise dramatically, perhaps disastrously.

A number of prominent economists, led by MIT economist Martin Weitzman, have argued, however, that unemployment which typically accompanies a recession would be far less if the compensation paid to employees automatically fluctuated with the firm's profits.

The microeconomics of Professor Weitzman's observation are straightforward. From the perspective of a business executive, there are only a few options available when a firm becomes unprofitable. He can raise prices, which may worsen the situation, or he can cut costs. In cutting costs the firm can increase productivity or simply lay off or fire a sufficient number of workers.

The incentive of a firm to reduce its payroll costs by laying off or firing workers arises directly from a system of fixed wages. With fixed wages, the firm is forced to pay the same wage to an employee whether or not the firm is profitable. When the firm's profits rise, there is no difficulty in paying the wages, but when a firm's profits evaporate, the firm is stuck with high and fixed overhead costs. Unfortunately, laying off or firing workers is the most direct and immediate way to reduce these fixed compensation costs. Pressuring employees to take a cut in pay—which is such a common feature of the current labor and management scene—takes time and it generates great animosity between labor and management.

With a cash profit-sharing plan, however, the firm's payroll costs automatically decline when the firm's profits decline. The more of the employees wages that are paid out in the form of distributed profits, the more the firm's costs will decline when profits decline. From the firm's perspective, the total cost of retaining each worker on the payroll declines and the firm, therefore, has less incentive to lay off or fire that worker. If the total cost of each worker remains constant despite a decline in profitability for the firm, the firm may see no way to pare costs other than to lay off or fire employees.

This description of the incentives for an individual firm are magnified when many firms have the same incentives. If most major U.S. employers had cash profit-sharing plans, the combined incentives for these firms to retain workers or hire new ones might have an impact on the level of unemployment in the country. This is the ultimate benefit of profit-sharing plans, an increase in the level of employment both during recessions and recoveries.

The cost of unemployment to the economy is huge. It has been estimated that reducing the Nation's unemployment from 7 percent to 4 percent would generate an additional quarter of a trillion dollars in economic growth for the Nation. The impact of such a surge in the gross national product on the Government budget deficit is obvious. Such a reduction in unemployment would help us to contain the human damage caused by unemployment and to prevent unemployment from becoming entrenched. With unemployment "an ounce of microeconomic prevention is worth a pound of microeconomic cure," argues Professor Weitzman. ("Lessons To Be Learnt From Japan," Financial Times, Jan. 21, 1987, at 17.)

To the extent that cash profit-sharing plans have a positive impact on the level of employment of a firm, these plans will improve the relationship between the employer and the employee. Nothing antagonizes employees more than layoffs or firing when a firm's profitability declines. If a firm is much less likely to lay off or fire a worker, that worker will feel more loyalty to the firm. The firm may not agree to retain the employee on a lifetime contract, but the cash profit-sharing plan may implicitly serve that end.

Similarly, if the payroll costs of the firm automatically decline when the firm's profits decline, the firm will be much less likely to ask the employees for onerous givebacks on fixed wages. These demands often lead to bitter strikes and negotiations between the management and employees of a firm. Under a profit-sharing plan, however, the employees agree that they will receive less profits when there are less profits to distribute. This adjustment is agreed to in advance, not separately negotiated each time the firm determines it must reduce its fixed payroll costs. Profit sharing is a compact between the employers and the employess to share both the good and bad times with the firm.

NEED FOR AN INCENTIVE

It can be argued that there is no need for Government to provide any incentive for a private business firm to enter into a profit-sharing arrangement with its employees. If there are benefits to a cash profit-sharing scheme valuable enough to a firm and its employees, they will readily agree to one. In my view, however, it is both logical and necessary that an incentive be provided to offset a failure in the incentives which exist in the marketplace with respect to profit sharing.

To begin with, the society and the Government have interests in cash profits sharing that are distinct from those of the employers or employees. If a firm becomes more profitable through the efforts of its employees, the firm will pay more taxes to the Government. If more persons are employed, there will be more taxpayers. If the employees of a firm are more productive, the firm is more likely to remain competitive in the international marketplace, to contribute to a more positive trade balance, and to hire more workers. Competitive firms introduce new products, develop new technologies and generate economic growth. New employees of such a firm also pay taxes, both on their base wage and on that portion of a profit-sharing distribution that remains fully taxable.

Conversely, should a firm's fortunes decline, it is in the interest of the society and the Government that the firm layoff or fire as few employees as possible. When unemployment rises, Government expenses for unemployment insurance and other social programs rise. In this respect, cash profit-sharing plans work to ameleorate the adverse impact of the business cycle.

These interests of society, however, are not fully shared by employees or employers with respect to profit sharing. The society's interest in productivity growth and the business cycle may be less immediate to an employee and an employer than other concerns about wages, hours or working conditions. But, most important, employees and employers have very different perspectives on the issue of profit sharing.

From an employees' perspective, for example, it may appear to be less risky to be paid a fixed wage rather than to have their compensation fluctuate in part with with the profitability of the firm. This is particularly true when the profitability of the firm is in doubt or for senior employees who are not likely to be layed off or fired should the firm's profitability decline. However, if the firm generates substantial profits, the employees would be happy to share in them on an equal basis with the owners and shareholders.

From an employer's perspective, it may appear that sharing profits means that the owners or the shareholders risk receiving less return on their investment. When the firm is doing well, the owners and shareholders would be happy to take all the firm's profits for themselves. This is true, however, only when the firm is generating profits. Firms are happy to share profits with employees if there are no profits to share.

So, there is a sharp difference in perspective between employees and employers on profit sharing. The employees tend to favor profits sharing when there are profits and the employer favors it when there are no profits to share. The availability of a tax incentive may help employees and employers to reconcile these different perspective and come together to take the risks associated with a cash profit-sharing plan.

I am convinced that both employees and employers have an interest in profit sharing both when a firm is prospering and when it is not. I believe this because both have an interest in the productivity and profitability of the firm and because both have an interest in avoiding layoffs and firings. It is my judgment, however, that employees and employers will not often recognize this common interest unless we in Government take some steps to encourage employees and employers to enter into profit-sharing agreements.

Part of the rationale for providing an incentive for a cash profit-sharing plan is that employees ar taking risks under a profit-sharing plan. Senior workers, who are the least likely to be laid off or fired by the firm, take more risks with a profit-sharing plan than do less senior workers. By providing an incentive, the risk to the employee in profit sharing is somewhat reduced. By taking greater risks, the senior employee increases the likelihood that the junior employee will retain his or her job and that the unemployed may be hired.

Similarly, an incentive for profit sharing will reward senior employees, who are not likely to be laid off when a firm's profits decline, for taking risks when the primary beneficiary may be a junior employee, who can avoid being laid off when the firm's profits decline. To the extent to which profit-sharing firms are more likely hire new workers in good times, both the tenured and the junior workers are taking risks which benefit the unemployed worker.

There are reasons why currently employed workers, particularly the senior worker, have less interest in profit sharing. They are not the primary beneficiaries of a shared profit system. But, the society as a whole benefits under a shared profit system and that is why there is a need for providing a modest incentive in favor of profit sharing.

NEED FOR A TAX INCENTIVE

There are, of course, many ways in which Government can encourage one form of economic behavior over another. In the case of cash profit sharing, the Government could provide information to the employers and employees about how it works and what its benefits may be, it could provide direct cash incentives to employers or employees to agree to share profits and it could provide a modest tax incentive, as I am proposing here.

Utimately, the choice of the type of incentive most appropriate to the task is a matter of judgment. The principal reasons why I have determined that a tax incentive is the appropriate approach is that we already have adopted a tax incentive in favor or deferred profit sharing plans. This tax incentive is the same as that which is provided for many types of retirement savings plans, namely that the inside build-up in value of the investment is not taxed until it is distributed upon retirement.

The current tax incentive for deferred profit sharing was modified in the 1986 tax reform legislation. Under prior law, the tax deferral on deferred profit-sharing plan was available only when the "profits of the employer's trade or business" which are contributed to the plan was based on a "definite predetermined formula for allocating" these profits to each of the individuals participating in the plan. For example, the formula would qualify if it "provides for an allocation in proportion to the basic compensation of each participant" in the retirement plan. (I.R.S. regulations section 1.401(B)(1)(ii).)

Under the tax reform legislation, however, a deferred profit-sharing plan may qualify for favorable tax treatment "without regard to current or accumulated profits of the employer." (Section 1136.) in short, the plan may not be based on "profits" at all, but rather on any contribution by the employer to the plan from any account of the firm. The firm need not generate any profits or it may make contributions which exceed its profits. It is no longer accurate to assume that a deferred profit-sharing plan is based on the profitability of the firm.

There are some profit-sharing plans which permit the employee to take his or her distribution as cash or to invest it in a retirement fund. With these so-called combination profit-sharing plans, employees are given a tax incentive for investing the profit sharing in the retirement plan, and a disincentive for taking it as a cash distribution.

By providing a slight tax incentive in favor of cash profit-sharing plans, my proposal will simply balance this incentive against that which already exists for deferred profit-sharing plans. No approach on cash profit sharing other than a tax incentive would provide this balance.

The incentive I have proposed for cash profit-sharing plans is modest so that it will not overshadow that which already exists for deferred profit-sharing plans. It is hard to compare a tax exclusion with a tax deferral, but in my judgment the two incentives are roughly equal in value to the employee.

The objective of this incentive for cash profit sharing is to encourage more firms to consider and experiment with cash profit-sharing plans. If no incentive is offered which balances the current tax incentive in favor of deferred profit-sharing plans, it will continue to be the case that little consideration will be given to cash plans.

With an incentive, however, more employers and employees will agree to share profits on a cash basis and other firms and other employees can learn more about the impact of these plans on productivity and on the employment levels of the firm. In short, by providing a modest incentive in this field, both the private and public sector can become much more familiar with the impact of cash profit-sharing plans.

INCENTIVE, NOT PENALTY

It is important to emphasize the distinction between an incentive and a penalty. In this case my proposal is to provide a modest tax incentive in favor of cash profit sharing. This is a positive approach to the issue, one that permits and encourages experimentation with cash profit-sharing plans, but does not require any employer or any employee to agree to participate in any profit-sharing plan.

I am not proposing that there be any penalty on firms or employees which do not participate in a profit-sharing plan. Those firms and employees who participate will receive a modest tax benefit and those who do not will not receive it.

Undoubtedly, the existence of a modest tax incentive in favor of one activity encourages taxpayers to engage in that activity. Employers or employees may discuss cash profit sharing in a new light and this is precisely what is intended. Firms may pressure employees to participate in profit-sharing plans or employees may pressure their employers to do so, depending on the profitability of the firm and the tone of the labor-management relationship.

Those employers or employees who are not interested in cash profit sharing have no reason to support or oppose this proposal. They are not affected and they are not required to take any action in order to qualify for any tax benefit they currently enjoy. They are only affected to the extent to which the productivity and profitability of their competitors is enhanced and the level of employment rises.

A TARGETED INCENTIVE IS NEEDED

My proposal is to provide a modest and targeted tax incentive for workers to take part of their compensation in the form of cash profit sharing instead of as a fixed wage. My proposal is carefully crafted but, being the first proposal advanced on this subject, it undoubtedly can be further refined.

This tax incentive takes the form of an exclusion of a portion of the employee's salary which reflects a cash profit-sharing distribution. The exclusion applies only to the cash profit-sharing distribution, not to the taxpayers base wage or other nonprofit-sharing compensation.

The exclusion from taxation for the cash profit-sharing distribution is modest, 25 percent. (New section 135(A)(1).) This exclusion effectively reduces the top marginal tax rate on this income by one quarter, from 28 percent to 21 percent. This reduction in the marginal tax rate only applies to that income which comes from the profit-sharing distribution; it does not affect the marginal tax rate on the taxpayers other income.

The incentive accomplishes its objectives not by cushioning the shock when a firm has no profits to distribute, but by increasing the rewards when profits are distributed. The tax incentive rewards employees when their efforts lead the firm to profitability, rather than subsidizes them when their efforts do not. The incentive is a positive one which magnifies the benefits of a profit-sharing plan when it has profits to distribute.

The incentive is available only when it is profits which are distributed. Under the bill, the distribution must be of the "current or accumulated earnings and profits of the employer . . ." (Section 135(C)(1).) In order to qualify for this tax benefit, the plan must be a profit-sharing plan in fact and not just in name. This distinguishes it from the so-called deferred profit-sharing plans, which now need not be based on a distribution of profits.

The bill permits the firm to arrange its accounting system to reflect more than one profit center within the firm and to distribute profits to the employees of a number of divisions in the company based on the profits of that division. It will, of course, require less effort for most firms to base the distribution on the profits of the entire firm or at least it's U.S. profits. It may be that the bill should not permit this flexibility to an employer because it would provide too many opportunities for manipulation by the firm, but this is a matter that we can study and debate further.

The incentive is available only to the extent to which an employees profit-sharing distribution exceeds a specified minimum level. The incentive is available only for those distributions which exceed an amount which is 5 percent of the wages received during the plan year from the employer maintaining the plan. (Section 135 (b)(1).) This incentive begins only when the amount of profits which are distributed exceed this amount and it is not available with respect to the first dollars of profits distributed to the employee.

This floor under the tax exclusion provides a more powerful incentive for the employers and employees to agree to an ambitious plan and to generate more profits. This limitation also will substantially limit the cost of the incentive in Government revenue. Unless the profit-sharing plan is a significant feature of the firms' compensation package, it is not likely to have much effect either on the productivity of the worker or the number of employees the firm employs.

To ensure that firms and their employees do not manipulate their compensation systems to take advantage of this tax incentive, the bill requires that the profit sharing distribution be "only in accordance with a fixed formula set forth in the plan." (Section 135(d)(1).) Furthermore, the bill provides that any change in the formula "not take effect until the second year following the plan year in which the change is adopted by the plan." (Section 135(d)(2).)

These two limitations prevent a firm from characterizing discretionary distributions as profit sharing and from adjusting the formula at the last minute. Without these limitations there might be a temptation for a firm to recharacterizing wages as profit sharing to take advantage of the tax preference and this temptation would be especially strong as soon as it becomes apparent that there will be ample profits to share. By requiring that there be ample lead-time in fixing the formula and preventing last-minute changes in it, a firm and its employees will have to agree to share profits when it is not clear that there will, in fact, be profits to share. This is precisely the kind of risk that will lead them to greater productivity.

Time is an important element of risk in the case of any investment and an employee's willingness to tie his or her pay to the firm's profits is just as much an investment as that of an outside investor. It is relatively easy for an employee to have confidence in an investment if he or she only has to hold the investment for only a few months. In a few months one is not likely to be surprised by the course of the economy, the impact of competition on the firm, the impact of changes in technology. There is safety in liquidity. It is more risky to hold that same investment for several years, during which time there may be dramatic changes in the economy, changes in the market, changes in technology and changes in the firm's profitability.

It is the long-term investment that we now need in our businesses and it is failure of our workers, our manager and our investors to make these long-term investments which explains much of our current competitive problems in the international marketplace. Improvements in productivity and competitiveness do not occur overnight. Employers and employees must work together both in the good times and in the bad times to remain competitive. This long-term, cooperative relationship is crucial and that is what this 2 year requirement is intended to encourage.

The limitation on changes in the profit-sharing formula will, in effect, require that a formula be set at least 2 years before the level of profits for a given year are determined. If, for example, a change in the plan is approved on December 31, of 1986, it could go into effect for profits that are earned starting in January 1, 1988. The determination of how much in profits are earned in that year probably would not be known until early 1989, after the books are closed on 1988. So, the impact of any change in the formula on the amount of a profit-sharing distribution would not be known for at least 24 months after the change is made.

Indeed, it may be that it is not necessary to require the full 2-year holding period because even a 1-year holding period would tend to be at least several months longer than 1 year. It may well be that a 16 month time horizon is long enough to prevent any manipulation of the plan and to encourage employers and employees to make long-term investments in productivity. I would be happy to explore this issue further.

This modest tax incentive is not intended to be a tax shelter for highly compensated employees. To avoid this result, the legislation provides this tax incentive only where the profit-sharing plan is fair to the low income workers at the firm. (Section 135 (e).) Any plan which discriminates in favor of highly compensated employees would not qualify for the tax incentive. This antidiscrimination requirement is common to all tax-favored pension plans.

On the other hand, the plan formula may distribute profits on the basis of the employee's prorate share of the wages paid by the firm. The bill states that "a plan shall not be considered discriminatory merely because the benefits under the plan bear a uniform relationship to the compensation * * * of the employees." (Section 135 (e)(3).) Firms would not need to distribute profits equally on a per capita basis to all employees covered by the plan.

In addition, to ensure that highly compensated employees do not receive a disproportionate tax benefit, there is a cap on the amount of income which may be excluded from taxation of $3,000. (Section 135(a)(2).) This means that the size of the profit sharing distribution may be at least four times this amount, $12,000, because the exclusion is for only 25 percent of the profit sharing distribution. This does not take into account the 5-percent floor.

To avoid this tax preference from adversely affecting the progressivity of the tax system, the income which is excluded from taxation is included as a tax preference item in the alternate minimum tax. (Section 2(b).) Under the new tax reform legislation the minimum tax rate for individuals is set at 21 percent, the same marginal tax rate as is set in my proposal.

Finally, to ensure that all of these limitations are complied with in full, the bill specifies that the profit sharing plan must be approved in advance by the Secretary of the Treasury. (Section 135(f).)

The choice of a 25-percent exclusion can be debated. In my view, providing for an exclusion larger than 25 percent might be counterproductive because it could encourage employees to agree to a cash profit sharing plan largely for the purpose of reducing their tax liability. My bill would reward risk the primary purpose of which is to generate profits and long-term growth in the marketplace. It would be inconsistent to provide an incentive for risk taking when the incentive is so large that it takes the risk out of the venture.

With this proposal on cash profit sharing, I do not claim that the systems of compensation in this country will change if only a certain tax incentive is in place. The marketplace is much too complicated to be manipulated solely by various tax incentives. While I believe that profit sharing plans can increase the productivity of a firm, firms have many reasons for increasing productivity other than to increase the amount of any profit sharing distributions and they adopt profit sharing plans for reasons other than increasing productivity.

DEFICIT REDUCTION

Each of these limitations on the size and availability of the tax incentive targets the tax incentive to achieve the maximum effect. Just as important, however, these limitations reduce the drain on Federal tax revenue from enacting the incentive into law.

The 25 percent exclusion, 5 percent floor and the $3,000 limitation on the exclusion each serve to limit the amount of tax revenue which will be lost. If it is found that the revenue loss is still excessive, further limitations may have to be adopted.

In introducing this proposal I am well aware that standing alone this bill would probably lose revenue, at least under the type of analysis performed by the joint committee on taxation. I could argue that this proposal would easily pay for itself if it increases productivity or reduces unemployment, as it probably would.

I completely agree with the current requirement of the Gramm-Rudman-Hollings legislation that anyone advancing a proposal which loses revenue must suggest a way to pick up that same amount of revenue—or cut spending in that same amount—in order to finance the proposal.

At this point, I am introducing the proposal to stimulate debate. I would not seek to legislative action on the proposal until there is an agreement on how to offset the revenue loss which would occur.

CURRENT TREND TOWARDS PROFIT SHARING

The relationship between profit sharing and employment and the need for a tax incentive to encourage the use of profit sharing are new issues for debate. But, in the labor market in the United States and in the Parliament in England the trend in favor of profit sharing and in favor of tax incentives for profit sharing are evident.

Many labor contracts negotiated in recent years substitute lump-sum payments for increases in the base wage. According to the Bureau of Labor Statistics, one-third of the major collective bargaining agreements in 1986 provided for lump-sum payments. The relationship between these lump-sum payments and profitability is not precise, but from the employer's perspective the lump-sum payment bears a definite relationship to profitability. When the firm prospers, the employers will agree to lump-sum payments and presumably if the firm does not prosper the employers will resist them. The size of the lump-sum payment is not based on a precise formula related to profits, but the payments are similar in concept to profit sharing.

Employees tend to view lump-sum payments with great suspicion. They understand that increasing the base wage is a more direct way to ensure that their wages will continue to grow year by year. They feel uncomfortable with lump-sum payments which may be made this year but not made in some subsequent year. They tend to oppose lump-sum payments for the same reason they may oppose profit sharing arrangements; namely, that both introduce an element of uncertainty into their compensation.

With the increased use of lump-sum payments, however, the debate on profit sharing plans will be more focused. It may be that profit sharing arrangements will appear less risky than lump-sum payments because profit sharing is based on a formula and lump-sum payments are not. But, my point is that the trend in the marketplace already is in the direction of compensation arrangements similar to profit sharing. What is needed is a nudge from government policy to encourage this trend.

The Parliament of Great Britain recently has taken the step to provide a tax incentive in favor of cash profit sharing which is quite similar to that which I propose here. On March 17, 1987, the Parliament adopted a budget which includes a tax preference for cash profit sharing. Specifically, the budget provides that half of an employee's profit-related pay will be tax free up to the point where this pay is 20 percent of the employee's pay or 3,000 pounds (roughly $4,800), whichever is lower. ("tax relief on profit-related pay doubles to 50 percent of linked earnings," Financial Times, March 18, 1987.) In his statement presenting the budget, Mr. Nigel Lawson, Chancellor of the Exchequer, argued that with profit-related pay "the workforce would have a more direct personal interest in the profits earned by the firm or unit for which they work" and "there would be a greater degree of flexibility in the face of changing market conditions." (Id.) this proposal is projected to reduce government revenue by 50 million pounds (roughly $80 million in 1988-1989).

In order to quality, the profit sharing plan must "establish a clear relationship between the share distribution and the audited profits generated by the firm. New recruits of the firm and part-time workers may be excluded, but at least 80 percent of the other employees of the firm must be covered by the plan. The amount of the distribution must be at least 5 percent of the total pay of the participating employees. The plan must remain in effect for at least 1 year. The profits may be related to a unit of a firm, not just to the profits of the whole firm. This plan in England was proposed by the Chancellor, in part, on the basis of consultations with Professor Weitzman.

RELATIONSHIP TO CAPITAL GAINS

This bill on cash profit sharing bears a strong relationship to another bill I have introduced today to reinstate a modest tax differential for capital gains. With respect to both profit sharing and capital gains, the employees and investors are taking a similar kind of risk; namely, that the firm for which they work or in which they invest will not prosper and that as a result they will not receive as much pay or return on their investment.

Indeed, in the case of cash profit sharing and venture capital investments, the worker and investor may receive nothing at all in return for the risk and investments they have taken.

This is precisely the kind of risk taking and investing we should be encouraging them to take. It is in the interest of the competitiveness of our country that they take these risks and make these investments.

In both cases the workers and investors are investing in the firm, the worker with his labor and the investor with his capital. Their involvement is personal and long-term.

In both cases the workers and investors are working with the enterprise over a long period of time to ensure its economic success. Under most profit sharing plans the workers must work for the firm for at least for 1 full year to participate in the distribution of profits and the investors must hold his investment in the firm for a minimum of four years.

In both cases, the workers and investors cannot walk away from the firm and receive any tax benefits.

I feel very strongly that workers and investors should be considered on a par with one another. Both have something to offer to an enterprise and neither is more important than the other. Far too often our economic system and our business managers place a higher premium on investment capital than on human capital. The tax system should give workers and investors the same incentives to take risks and it should reward the risk taking by workers and investors similarly. It is vital that capital and labor be treated symmetrically, and, just as important, that this be the perception of both investors and employees.

It is important that workers and investors support one another in taking risks and making investments. If workers can themselves receive a reward for risk taking, they are much more likely to support providing a reward to investors who take risks. The absence of such support had something to do with the demise of the capital gains exclusion in the 1986 tax reform legislation.

If the risks that investors and workers take are comparable and if the rewards are comparable, we can help to forge an alliance between workers and investors for the common good of the enterprise. We need to form these alliances instead of providing special treatment to only one type of risk taker. We need to break down the class distinction between workers and investors. Workers are just as important as investors in increasing the productivity and competitiveness of a firm.

Indeed, in a very real sense workers who participate in profit sharing plans should be seen as investors in the firm for which they work.

These two proposals could interact in another important way when a firm determines to create both a cash profit sharing plan and offers incentive stock options in the firm to its employees and if these employees hold the stock for a substantial period of time while they work for the firm. Both profit sharing plans and stock option plans give the employees a strong interest in the profitability of the firm. These two bills may lead firms to establish both profit sharing and stock options plans, which will double the incentives for productivity. The stock option plan, however, would have to involve initial public offerings or secondary offerings of stock by the firm, which is the type of equity holding which is given a tax preference under my capital gains proposal.

The synergism between these proposals will enhance the two most important inputs in stimulating productivity, sufficient capital and employee cooperation. Firms need both more capital to use the latest technologies and they need workers who are interested in productivity improvements. If workers will not cooperate when the firm wants to utilize new technologies, it does not make any difference that the firm has the capital to obtain these new technologies. We need venture workers as much as we need venture capital and providing an incentive for both is mutually reinforcing.

If the firm is less inclined to lay off workers, the workers will have more loyalty to the firm. One reason why workers have little loyalty to their firm now is that they are the first to suffer when the firm's profitability declines. If the employees are willing to share in the belt-tightening which comes when profits decline, this willingness should and will be rewarded by the firm by retaining workers on the payroll during the lean years.

If a firm which has suffered lean times becomes profitable again, its workers should be rewarded. They undoubtedly were an important part of the reason why the firm regained its profitability. If the firm's profitability grows dramatically, workers should see their rewards rise. Employees should be interested in maximizing the firm's profitability, not simply in whether the firm manages to generate a minimum level of profits.

Pairing these two proposals meets another important objective, reducing the distortions which the Tax Code creates for one type of investment over another. Prior to the adoption of the tax reform bill, there was a strong bias in favor of capital investment and a bias against investment in human capital. This bias was due to the capital gains exclusion, the investment tax credit and the accelerated depreciation schedules. One of the rationales for eliminating the capital gains exclusion, repealing the investment tax credit, and cutting back on the depreciation schedules was to reduce this bias in favor of capital investment. It is not clear to me that this rationale makes economic sense but with respect to the bill I introduce today the tax incentives given for investments of capital and investments in human capital are identical.

A MODEST PROPOSAL

Tax incentives are a small part of the system of incentives which lead individuals to take action. In this case, the tax incentives are modest and they are not so large that they can be expected to dramatically alter the inclination of workers or investors to take risks and make investments. But, by providing these modest tax incentives, we can make an important statement of policy: risk taking by workers and investors is valuable to our country and it is important enough to be rewarded. This statement, taken together with many other factors which are encouraging workers and investors to focus on productivity and economic growth, can be part of a return to competitiveness for our country.

The Government needs to take risks if it is to have any credibility in calling on the private sector to do so as well. We should look to our Government to provide constructive leadership and to use the resources available to it to encourage economic behavior that benefits the society and the economy. Here I would have the Government say that the risks associated with cash profits sharing arrangements are valuable enough to the society as a whole that they should be encouraged and rewarded.

This is a modest proposal. It leans in the right direction. It will stimulate discussion in the Congress. If enacted it will stimulate discussions between employers and employees. It should encourage more firms to implement cash profit sharing plans. Then we all can see whether these plans have the positive effect that we expect that they will have.

Mr. President, I have compiled a technical memorandum on this proposal, which I will share with my colleagues, and anyone else upon request. In the interest of not being too lengthy in the RECORD, I am not inserting it here. I hope my colleagues or their staffs will take the time to carefully study this important document.

The bill will also be forwarded to Members and other interested parties upon request.●

By Mr. FORD:

S. 933. A bill to amend the Congressional Budget Act of 1974 to minimize the impact on State and local governments of unexpected provisions of legislation proposing the imposition of large unfunded costs on such governments, and for other purposes; to the Committee on Rules and Administration.

MINIMIZING THE IMPACT OF LEGISLATION PROPOSING LARGE UNFUNDED EXPENSES TO STATE AND LOCAL GOVERNMENTS

● Mr. FORD. Mr. President, I rise today to introduce legislation to create a procedural safeguard against congressional measures that impose major new costs on State and local governments. This bill is a Senate companion bill to legislation introduced in the House, H.R. 1278, by Congressman BARNARD of Georgia.

As a former Governor of the Commonwealth of Kentucky, I am concerned that the Federal Government sometimes asks State and local governments to assume responsibilities and deliver services without any consideration of how such mandates will affect our constituents as State and local taxpayers. In these times of Federal budgetary restraint, the tendency to shift the costs of providing services from the Federal Government to State and local governments is creating unfunded mandates.

The legislation I introduce today does not prohibit Congress from imposing unfunded mandates upon State and local governments. It simply establishes a procedural red flag to ensure that we are fully aware of the true fiscal impact of the requirements Congress imposes upon these governments. This bill would create a point of order against legislation which imposes a net cost of $50 million or more on States and localities. However, action taken pursuant to a sequester order under Gramm-Rudman-Hollings would not be subject to such a point of order.

The bill would also expand existing provisions of the Congressional Budget Act of 1974 to provide that the House and Senate Budget Committees, in conjunction with the report on the budget resolution, conduct an analysis of the impact of budgetary decisions on State and local governments. This provision will ensure that we in Congress are aware of the fiscal impact of our actions on not just the Federal deficit but on our State and local governments as well.

I continue to be concerned about the abrupt termination of the General Revenue Sharing Program and the impact continuing Federal cuts in other programs have had on our State and local governments. Revenue sharing provided one of the most efficient and effective means of financial assistance to our States and localities in meeting the costs of unfunded Federal mandates such as environmental protection. This bill will not replace those dollars, nor will it guarantee that further cuts in Federal programs will not be made. But it will ensure that we in Congress do not act to terminate programs or mandate new services without knowing the costs we are imposing on State and local governments.

This legislation is a small gesture on the part of Congress in recognition of the important role our partners in State and local governments play in providing necessary services to our constituents. As we continue to reduce Federal assistance to State and local governments for responsibilities and services we demand from them, the very least we can do is to carefully understand and recognize the costs we impose upon them.

This bill is supported by the National Governors' Association and the National Conference of State Legislatures. I urge my colleagues to join with me in cosponsoring this legislation and send a message to our constituents back home that we will carefully weigh our actions before we shift financial burdens on to State and local governments, and ultimately the tax payers.●

By Mr. CRANSTON (for him self, Mr. DODD, Mr. KENNEDY Mr. DECONCINI, Mr. GORE, M HOLLINGS, Mr. KERRY, M MOYNIHAN, and Mr. RIEGLE):

S. 934. A bill to authorize payment to States to assist in improving th quality of child care services; to th Committee on Labor and Human Resources.

CHILD-CARE STANDARDS IMPROVEMENT ACT

Mr. CRANSTON. Mr. President, am introducing today, S. 934, the proposed Child Care Standards Improvement Act of 1987. This measure i based upon legislation I first introduced during the 99th Congress as S 810. Portions of S. 810 were approve by the Senate as part of the fiscal yea 1986 continuing resolution. Unfortunately, we were able to complet action on these provisions during th last Congress.

This bill is intended to stimulat State efforts to review and upgrad State child care licensing and regulation systems and procedures, thereby providing better protections and quality of care for children. Joining with me as cosponsors are the chairman o the Subcommittee on Children Family, Drugs and Alcoholism, the Senator from Connecticut [Mr. DODD] the chairman of the Committee on Labor and Human Resources, the Senator from Massachusetts [Mr. KENNEDY], the Senator from Arizona [Mr DECONCINI], the Senator from Tennessee [Mr. GORE], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Massachusetts [Mr KERRY], the Senator from New York [Mr. MOYNIHAN], and the Senator from Michigan [Mr. RIEGLE]. I am pleased to cosponsor legislation aimed at improving the quality of family day care programs which the Senator from Connecticut [Mr. DODD] is also introducing today. It is my hope that these two measures will be acted upon swiftly in this Congress.

NEED FOR IMPROVEMENTS

Mr. President, I would like to share with my colleagues some of the history behind my efforts in this area. In 1984, Congress enacted legislation as part of the fiscal year 1985 continuing resolution, section 401 of Public Law 98-473, aimed at encouraging States to require national criminal records checks for child care workers and others who work with young children. That legislation also provided funding for training programs, including training in the prevention of child abuse in child care settings for child care workers and others. The 1984 legislation, which was the result of efforts in the Senate by the Senator from Arizona [Mr. DECONCINI], and in the House by my colleague from California, Representative George Miller, added $25 million to the $2.7 billion appropriation for social services block grants to the States under title XX of the Social Security Act.

Although the 1984 legislation represented an important first step toward helping protect the well-being of young children in child care settings, it is clear that there are many more complex issues that relate to the quality of care provided to children in these programs that must be addressed. Simply running the names of child care workers through FBI computers cannot alone guarantee that children are adequately protected and served in child care programs. The qualifications of child care workers, their training and supervision, the ratio of adults to children, health and safety standards, and parental access and participation are some of the critical factors which affects the quality of care that a child is likely to receive.

I first introduced S. 810 on March 28, 1985, to build upon the 1-year provision in the legislation passed in the fall of 1984 on the fiscal year 1985 continuing resolution and to expand those efforts in order to confront many issues that affect the quality of child care. As I indicated earlier, in December 1985 the Senate Appropriations Committee agreed to include in the fiscal year 1986 continuing resolution an amendment in which the distinguished Senator from Arizona [Mr. DeConcini] and I proposed to continue to make available to the States the $25 million for child care training activities which was authorized and provided for under Public Law 98-473. Unfortunately, we were unable to persuade the House conferees to retain these provisions in the final fiscal year 1986 continuing resolution. I am very hopeful that, with strong support of the Senator from Connecticut [Mr. Dodd] and the Senator from Massachusetts [Mr. Kennedy], the chairmen, respectively, of the subcommittee and full committee with jurisdiction over this bill, we will complete action on this proposal in this Congress.

RELATIONSHIP TO S. 4

The bill I am introducing today derives from provisions of S. 4, the proposed Child Care Assistance Act of 1987, which I first introduced in 1979 in the 96th Congress and which I introduced again as S. 4 in a revised form in this Congress on January 6, 1987. S. 4 is a comprehensive child care proposal which includes similar provisions to improve child care licensing and monitoring procedures. My support for this new bill being introduced today does not represent any lessening of conviction on my part that the comprehensive approach represented by S. 4 is much needed. Regarding that approach, I refer interested Senators to my introductory remarks at S168 of the Congressional Record of January 7, 1987. Rather, I am proceeding with smaller initiatives in recognition of the reality of the budget problem confronting us and in order to help widen the base of support for legislation dealing with child care issues. I am also actively involved in supporting the efforts of the new alliance for better child care [ABC] a coalition of organizations working on addressing the national child care crisis in a comprehensive fashion. My statement on this exciting new child care effort appears in the Congressional Record of February 26, 1987 at S2423.

WIDE VARIATIONS IN STATE STANDARDS FOR CHILD CARE PROGRAMS

Mr. President, the need to improve standards and monitoring procedures for child care programs has become a matter of increasing urgency in the past several years. The sexual abuse cases which have attracted media attention are only a small part of the problem. In many States, regulation of child care programs is totally insufficient. A document issued by the Department of Health and Human Services in January 1985 in response to certain provisions of Public Law 98-473 demonstrates in a dramatic way the tremendous range in States' standards for child care programs. Although all States require child care centers to meet some licensing requirements and most regulate family day care homes in some fashion, these requirements vary tremendously.

ADULT CHILD STAFF RATIOS

For example, limitations on the number of children cared for by each adult is a critical factor in assuring the quality of care provided. Although a number of States, including my own State of California, limit to three or four the number of children below age 1 that can be cared for by one adult, other States allow one adult to care for as many as eight infants. The National Fire Protection Association has recommended a staff-child ratio of one adult for every three children under the age of 2. As Edward Zigler, former head of the Children's Bureau in the Department of Health, Education, and Welfare during the Nixon administration, has been quoted as saying, "How could one caregiver get eight babies out of a burning building?"

With regard to older children, the HHS document indicates that, as of October 1981, while States like Idaho, Illinois, Kansas, Massachusetts, Minnesota, Nebraska, North Dakota, Oregon, Pennsylvania, Rhode Island, Vermont, and Virginia require 1 adult for every 10 4-year olds, States like Arizona, Delaware, Hawaii, North Carolina, South Carolina, and Texas allow 1 adult to care for twice that number—that is 20 children supervised by 1 adult.

STAFF QUALIFICATIONS AND TRAINING

Similarly, although it is generally recognized that the qualifications and training of child care workers and those who operate child care centers are critical to the quality of the care provided to the children, States vary widely in these requirements for these individuals. For example, although 18 States require directors of child care centers to be 21 years or older, 15 States have no requirements regarding the age of center directors. Although 23 States requires that these center directors be at least high school graduates or hold GED certificates, 11 States have no educational requirements for center directors. Eighteen States require at least 2 years of relevant experience for center directors, but eight States have no requirements regarding the experience of center directors.

As to child care workers, the disparities are just as great. Although 21 States require that child care workers in child care centers have a high school diploma or GED, 5 States require only that they be able to read and write, and 13 States have no requirements at all regarding the educational background of workers in centers.

According to the HHS document, 36 States do have some requirements regarding participation by child care center staff in inservice training programs. These requirements, however, range from very general directives that staff be provided appropriate inservice training to very specific requirements, including designating the subject areas to be covered. For example, HHS cited Nevada as requiring that all new center employees must be given training with respect to the center's policies, procedures, and program and, requiring new staff, within 6 months of employment, to participate in an intitial course in child care and thereafter participate in 3 hours of training each year through workshops, conferences, or formal training. North Dakota requires an initial 2-day orientation for new staff and 5 hours of training annually. New Mexico requires 12 hours of training per year.

Inservice training requirements for family day care providers appear to be much more sparse but equally as varied. HHS found 15 States mandating some type of inservice training and 7 requiring orientation sessions for new providers. For example, Tennessee requires that family day care providers attend 2 hours of workshops or conferences on early childhood development.

PARENTAL PARTICIPATION AND ACCESS

Mr. President, another area of concern has been parental access to child care facilities and parental involvement. As HHS noted in its January 1985 document, the right of parents to have access to programs is particularly important since "State and local staff who enforce child care requirements are limited in number and cannot frequently visit each facility." According to the HHS review, although 34 States have parental involvement requirements in their State standards, there is considerable variation among the States as to the type and extent of that involvement. Only five States require that parents have unlimited access to child care centers. Others provide for parental involvement in such ways as requiring periodic progress reports to parents. The model standards of the National Association for the Education of Young Children explicitly recommend that parents should be free to visit a center unannounced at any time. In one of the very few recommendations made in the HHS document, it was stated that parents searching for child care should be sure that they have the right to drop in and visit the program, unannounced and at any time, once the child has been enrolled. I find it difficult to believe that there is any valid reason for such a standard not being universally applicable.

HEALTH AND SAFETY STANDARDS

The HHS documents released in January 1985 did not address any issues relating to health and safety standards utilized by the States. However, the 1981 comparative licensing study prepared under contract for HHS—which was relied upon heavily for much of the data presented in the January 1985 document—provides some information regarding State regulation of child care programs in these areas.

That report found that less than half of the States have regulations which specify that centers have at least two exits—a requirement which could be a life or death matter in the case of a fire or other emergency requiring the rapid removal of large numbers of small children. Although local fire and safety codes might also require such exits, the omission of this important safety standard in so many States' child care regulations is troublesome and potentially lethal.

Similarly, the 1981 report noted that six States—Hawaii, Idaho, Kentucky, Louisiana, Missouri, and Wyoming—had no requirements that children in child care programs be immunized.

RECENT DETERIORATION IN STATE STANDARDS

Mr. President, as I indicated earlier, much of the data presented in the document released by HHS in January 1985 was derived from the 1981 comparative licensing study. That report was based to a significant extent upon data collected prior to the Federal Government's suspension of the Federal minimum day care standards. Indeed, the 1981 report was originally commissioned by the Administration on Children, Youth and Families within HHS in order to determine what influence the existence of Federal minimum standards had had on revisions and improvements in State child care licensing laws.

Mr. President, there is evidence indicating that substantial deterioration has taken place in State laws and procedures relating to child care programs since the Federal standards were suspended in 1980 and States were subjected to massive reductions in title XX funding as a result of the 1981 budget cuts.

In 1983, the Children's Defense Fund did a State-by-State survey of the impact of those cutbacks in the title XX program. The results of their survey indicated 33 States had lowered their child care standards for title XX funded programs and 24 had reduced funds for training of child care workers.

LICENSING AND MONITORING ACTIVITIES

Mr. President, many States have also been forced to cut back carrying out child care licensing and monitoring activites. For example, the CDF report provides the following very disturbing data: Arizona in 1980-81 provided for four monitoring visits per year to child care centers. In 1981-82, it cut the number of visits to two per year. In 1982-83, monitoring visits were eliminated altogether, except for an annual visit conducted by the State health department. Idaho cut its regional child care licensing staff from 12 positions down to 5. The State of Washington shifted from a 2- to 3-year license for child care programs. It eliminated routine monitoring of facilities which had previously occurred every 6 months.

Mr. President, it is clear that State efforts at monitoring child care programs have simply not kept up with the growth of their programs. For example, testimony presented to the House Select Committee on Children, Youth, and Families indicated that in Texas, while the number of regulated facilities increased by 53 percent between 1978 and 1983, the number of child care licensing staff decreased by 43 percent.

Evidence of inadequate State monitoring of child care programs are numerous. For example, the Ohio Children's Defense Fund recently issued an excellent report reviewing the status of child care in that State. This report, entitled "Day Care: Investing in Ohio's Children," noted that the Ohio Department of Agriculture employed 180 meat inspectors who made unannounced inspections of nearly 600 meat and poultry plants once a month but that the State employed only one inspector for every 100 child care centers. Ohio also employed over 50 inspectors for roughly 2,000 health care facilities, including nursing homes, and required, by law, that inspections of nursing homes be unannounced.

A report on child care in the State of Massachusetts, entitled "Final Report of the Governor's Day Care Partnership Project," issued by Governor Dukakis in January 1985 also concluded that licnesing staff had not kept up with the increases in the number of centers and homes. That report noted that one-third of the State's child care center licenses had expired, that family day care homes must wait months before they are registered—the waiting list for registration was over 2,500—and that the State's regulations had not been reviewed for 8 years. The report concluded that "maintaining the level of day care quality or expanding the supply will be impossible without adequately expanding—the State's—licensing capacity" and specifically recommended that all existing child care regulations be reviewed and revised, giving special attention to the need to improve staff-qualification requirements.

Mr. President, my own State of California, which has in many areas some of the better child care standards in the country, in 1984 had only 78 evaluators to handle licensing of child care programs. This represented a case load of 150 for center evaluators and 250 for family day care home evaluators. A 1978 report by the California Governor's Advisory Committee on Child Development Programs strongly recommended that the State institute a maximum case load of 75 facilities per licensing workers for centers and 125 facilities per worker for family day care homes. As a result of legislation passed in 1984, 19 more employees have been added to the State's center licensing program, reducing the caseload for center evaluators from 150 to 114.

The impact of limited licensing staffs can be dramatically illustrated at the local level. A report by Coleman Children and Youth Services issued in January 1983 on children's services in San Francisco noted that San Francisco had at that time only one licensing worker for family day care homes, resulting in a backlog of over 300 applications awaiting approval.

Until 1985, California required visits to centers and family day care homes only once every 3 years. These centers and homes are visited when they are first licensed, and upon request for renewal. As a result of the new law which went into effect in January 1985, the licensing period for centers was reduced from 3 years to 1 year, thereby requiring at least an annual contact. Family day care homes continue to have a required visit only once every 3 years.

Mr. President, one of my constituents, Marcy Whitebrook, director of the Berkeley Child Care Employee project, pointed out in testimony to the House Select Committee the failure or inability of law enforcement and licensing agencies to respond quickly and decisively to reports of violations of State laws and regulations deters child care workers from reporting unsafe or abusive situations when they feel that their reports will have no impact. Incidentally, California enacted in 1984 legislation to protect against employer retaliations those child care workers who report licensing law violations. This whistleblowing protection can be of great value in encouraging child care workers to report problems to appropriate authorities. Additionally, California has launched a major child care consumer awareness program as part of its overall child care strategy.

Although my own State has helped lead the Nation in developing high quality child care standards, monitoring and enforcement still remain a problem, along with a need for sufficient resources to provide adequate training programs for child care staff—a critical component in any effort to upgrade the quality of child care.

SUMMARY OF LEGISLATION

Mr. President, the legislation I am introducing today has two principal components.

First, it would provide for the establishment of a national advisory committee to help develop recommended standards for child care programs, differentiating between those appropriate for child care centers and those for family day care homes and differentiating as well on the basis of the age of the children involved.

Mr. President, it is clearly appropriate for the Federal Government to provide some guidance to State and local governmental entities on the basic standards which should be applied to child care programs. In the 1984 amendments to the continuing resolution, provisions were included directing HHS to prepare and distribute to the States a Model Child Care Standards Act containing minimum licensing or registration standards for day care centers, family day care homes, and group day care homes. The legislation specified that the HHS model standards cover six specific areas including, first, training, development, supervision, and evaluation of staff; second, staff qualification requirements, by job classification; third, staff-child ratios; fourth, probation periods for new staff; fifth, employment history checks for staff, and sixth, parent visitation. In January 1985, in response to this legislative mandate, HHS released a document entitled "Model Child Care Standards Act." Unfortunately, however, HHS declined to provide in this document any specific guidance to the States in the six areas delineated in the statutory provision or in other areas. Instead, the document produced by HHS simply reviews the types of requirements that various States have adopted in these areas. It does, however, include in the appendix two model child care standards developed by two private organizations. One is the "accreditation criteria and procedures" developed by the National Academy of Early Childhood Programs, a division of the National Association for the Education of Young Children. The other is "standards for day care service" by the Child Welfare League of America.

Mr. President, since HHS has failed to provide any guidance in this area, I have included provisions in the legislation that I am introducing to convene a panel of individuals representing parents, experts in the field of child development, and persons with experience in operating child care programs for the purpose of developing a set of recommended standards for child care programs, covering the areas of demonstrated impact on the quality of child care. The legislation directs that the standards deal separately with those appropriate for child care centers and for family day care homes, taking into consideration in both cases the age and number of children involved. The legislation does not mandate that States adopt these recommended standards; it merely provides that the standards will be developed so that the States will have some guidance in reviewing their own standards and licensing procedures.

Mr. President, prior to 1981, the Federal Government did have a set of Federal minimum standards for federally funded day care. These standards, originally entitled Federal Interagency Day Care Regulations [FIDCR], had been in effect since 1968. In 1978, Congress was provided with the results of a comprehensive HEW report supporting the appropriateness of Federal minimum standards for federally funded day care programs. Between 1979 and 1980, much effort went into updating and revising the 1968 standards along the lines suggested in the 1978 report. The new standards, which were published in the Federal Register on June 15, 1979, were subjected to intense scrutiny and public hearings throughout the country. Ten regional hearings were held where over 1,000 witnesses testified and over 4,000 submitted written testimony. These standards enjoyed wide and strong support. They represented a realistic and sound approach to dealing with very basic issues in child care. The final regulations were published in the Federal Register in March 1980.

Unfortunately, however, this body voted in June 1980 to suspend entirely any Federal standards for federally funded child care programs. I led the fight on the Senate floor against this total abdication of responsibility for ensuring the safety and well-being of children enrolled in federally funded child care programs. Although those efforts were not successful, time has clearly shown support for those standards was fully justified.

The tragic consequences of the withdrawal of Federal leadership in the area of child care are readily apparent from the lowering of State standards and diminishment of protections I described earlier. Now 7 years later, many public officials have come to recognize the need for Federal guidance in this area. That was the impetus that led to the provisions included in the fiscal year 1985 continuing resolution, 98-473. The legislation that I am introducing today is designed to facilitate the development of such model or recommended child care standards. The National Advisory Committee which would be created under this legislation would be charged with the task of reviewing all of the various options for child care standards and devising a set of recommended standards.

Second, Mr. President, in order to continue the efforts begun in 1984 to provide States with fiscal incentives to make improvements in their licensing and monitoring programs, this legislation would authorize the appropriation of $25 million for each of fiscal years 1988, 1989, and 1990 to be used by the Secretary for making grants to States to carry out plans for improving State licensing and monitoring procedures. In effect, my proposal would continue the availability of the additional $25 million added to the fiscal year 1985 continuing resolution but would broaden the purposes for which such funds could be used to encompass other factors affecting the quality of child care services. In order to be eligible to apply for these funds, the Governor of the State would be required to establish or designate a State advisory committee on child care standards. These committees, patterned somewhat on the child-support commissions included in the title IV-D child-support enforcement legislation enacted in 1984 as part of Public Law 98-378, would be charged with the responsibility of reviewing the State's laws, regulations, and procedures for licensing, regulating, and monitoring child care services and programs within the State and identifying any deficiencies or areas for improvements in the laws or regulating systems.

Under the legislation, these committees would include not less than 15 members, of whom not less than one-third would be parents and not less than one-third would be either representatives of different types of child care programs or individuals who are professionals in the field of child development. The Governor could designate an existing body to carry out these functions so long as it had the requisite representation of parents and child-development professionals or child care providers.

These committees would be responsible for preparing a report, by not later than June 1, 1988, on the results of their review for the Governor. This report would be required to be transmitted along with any comment by the Governor to the Secretary of HHS not later than September 30, 1988. In carrying out their reviews, the State advisory committees would be directed to take into consideration various models of appropriate standards for child care programs, including the 1980 HEW standards, the child care standards developed by the National Association for the Education of Young Children, and those developed by the Child Welfare League, which appear in the appendices to the material published by HHS in January 1985, pursuant to Public Law 98-473, as well as to consider the various options described in that material. The legislation provides for the National Advisory Committee to provide information and advice to State advisory committees in carrying out these reviews.

Mr. President, as a result of the 1984 legislation, many State legislatures have considered legislation to require criminal background checks of child care workers. It would be tragic if this new interest at the State level in the protection of children in child care settings stopped there. The purpose of the bill being introduced today is to create an incentive for States to undertake reviews of their entire system of monitoring the quality of care of children in child care programs. By involving parents and child-development professionals in this type of review, we hope to encourage a thorough and careful reexamination of these issues at the State level.

Mr. President, I believe that this legislation provides a much needed, but realistic approach to dealing with the problems of quality and protection of children in child care programs. It would establish a mechanism for encouraging State governments to review and upgrade their own systems for ensuring the quality of child care programs within the State. It would provide for Federal leadership and guidance through the development of recommended standards which the States can utilize in carrying out their own self-assessments and development of plans for improvement. In sum, the measure is designed to provided a balanced approach to dealing with the troubling problems relating to the care and protection of young children by respecting the particular needs of individual States while restoring the appropriate role of Federal leadership and guidance.

CONCLUSION

Mr. President, there is no question that Government entities at all levels need to be concerned about the care and well-being of young children in child care settings. More than 54 percent of the mothers of children under the age of 6 are now in the work force, and the vast majority are working full time. Child care is a necessity for most of these families.

Parents need to know that the facilities and homes that are caring for their children while they are at work are safe and adequate places for young children. Government licensing and monitoring programs cannot, alone, guarantee the safety and security of these children, but they can contribute significantly to ensuring that these goals of safety and adequacy are met. I strongly believe that the legislation I am introducing today can contribute to achieving that goal.

Every Member of this body is aware of the deep and growing concern among our constituents that adequate safeguards be provided for young children in child care settings. Fortunately, we do have the opportunity to do something constructive to help resolve these problems.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 934

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Child-Care Standards Improvement Act of 1987".

GRANTS FOR IMPROVING STATE CHILD-CARE LICENSING AND REGULATORY SYSTEMS

Sec. 2. (a)(1) In order to further the activities begun with funds appropriated for fiscal year 1985 by section 401(a)(2) of Public Law 98-473, making continuing appropriations for the fiscal year 1985, there are authorized to be appropriated $25,000,000 for each of fiscal years 1988, 1989, and 1990 for the purpose of making grants to the States as provided for in subsection (b).

(2) Funds appropriated under this subsection shall remain available for expenditure until the end of the fiscal year following the fiscal year in which such funds became available.

(b)(1) From the funds made available under subsection (a), the Secretary of Health and Human Services (hereafter in this Act referred to as the "Secretary") shall make grants, upon application and submission by a State of a plan which meets the requirements of subsection (b)(2), for the purpose of assisting the State in carrying out such plan.

(2)(A) Except as provided in subparagraph (B), any State desiring to receive a grant under this section shall submit to the Secretary a plan to carry out the recommendations, for correcting the deficiencies in or improving the State's licensing, regulating, or monitoring of child-care programs, contained in the report submitted under section 3.

(B) A State's plan submitted under this paragraph may include carrying out less than all of such recommendations, but in the event that a plan omits carrying out any recommendation the plan shall include a detailed explanation of the reasons for the State not planning to carry out any such omitted recommendation.

(3) No grant may be made under this section unless the State submits an application to the Secretary therefor at such time, in such manner, and containing or accompanied by such information as the Secretary considers necessary.

(c) In making grants under this section, the Secretary shall initially allocate funds among the States in the same proportions as their regular allotments as determined under title XX of the Social Security Act, except that if any part of the amount made available under this section remains after all grants have been made in accordance with the preceding provisions of this sentence, the Secretary shall use the remaining part for making further grants to States which require additional assistance to carry out their plans submitted under subsection (b), but for years after fiscal year 1988 priority shall be given in distributing such additional funds to those States which have developed a plan which will lead to such States meeting or exceeding the recommended standards established by the National Advisory Committee pursuant to this Act.

(d) Each State which submits an application for a grant under this section must provide satisfactory assurances that the funds therefrom will be used solely for improving the State's licensing, regulating, or monitoring of child-care programs or otherwise improving the quality of child-care programs within the State.

STATE REVIEW OF CHILD-CARE LICENSING AND REGULATORY SYSTEMS

Sec. 3. (a) As a condition of the State's eligibility for receiving Federal payments under this Act, the Governor of each State shall establish or designate a State Advisory Committee on Child-Care Standards (hereinafter referred to as the "State Advisory Committee") which shall be composed of not less than fifteen members, of which not less than one-third shall be parents of children who are currently enrolled in child-care programs (including both center-based and family day care home programs) and not less than one-third shall be either representatives of different types of child-care programs (including both center-based and family day care home programs) or individuals who are professionals in the field of child development.

(b)(1) It shall be the function of each such State Advisory Committee to examine, investigate, and study the State's laws, regulations, and procedures for licensing, regulating, and monitoring child-care services and programs within the State, to prepare the report described in paragraph (2), and, if requested by the Governor, to monitor such licensing, regulating, and monitoring activities on a regular basis.

(2) Each State Advisory Committee shall prepare a report outlining the committee's findings and recommendations resulting from its examination, investigation, and study under this section, including a description of the current status of child-care licensing, regulating, or monitoring within the State, the deficiencies, if any, in the existing licensing, regulating, or monitoring programs (including an assessment of the

adequacy of staff to carry out effectively the State program), and recommendations to correct such deficiencies, if any, or to improve such licensing, regulating, or monitoring programs. The report shall set forth separately such information and recommendations with respect to center-based programs and family day care programs. The committee shall submit the report to the Governor not later than June 1, 1988, and the Governor of each State shall, not later than September 30, 1988, transmit it to the Secretary along with the Governor's comments and the State's plan, as provided for under section 2, for correcting deficiencies in or improving its licensing, regulating, or monitoring programs.

(c) In carrying out its activities under subsection (b), each State Advisory Committee shall review and take into consideration the final 1980 HEW Day Care Regulations, volume 45, page 17870 of the Federal Register (March 19, 1980), and the options for child-care standards published by the Department of Health and Human Services in January 1985 pursuant to Public Law 98-473, including the standards set forth in the appendices to that document.

NATIONAL ADVISORY COMMITTEE ON CHILD-CARE STANDARDS

SEC. 4. (a)(1) In order to assist and provide guidance to the States in improving the quality of child-care services, there is established a National Advisory Committee on Child-Care Standards (hereinafter referred to as the "National Advisory Committee").

(2) The National Advisory Committee shall be composed of fifteen members who shall be individuals with expertise in the area of child-care services selected from among persons who are representatives of child-care providers, professionals in the field of child development, or parents who have been actively involved in community child-care programs. The members shall be appointed as follows:

(A) Seven by the President of the United States;

(B) Two by the majority leader of the Senate;

(C) Two by the minority leader of the Senate;

(D) Two by the Speaker of the House of Representatives; and

(E) Two by the minority leader of the House of Representatives.

Not more than four of the members described in clause (A) shall be members of the same political party.

(3) All appointments under this subsection shall be made not later than sixty days after the date of the enactment of this section.

(4) A vacancy in the membership of the National Advisory Committee shall be filled in the same manner in which the original appointment was made. Any such vacancy shall not affect the powers of the National Advisory Committee except with respect to satisfaction of the quorum requirements specified in paragraph (7).

(5) The President shall designate a Chairman of the National Advisory Committee.

(6) The National Advisory Committee shall adopt such rules and regulations as it considers necessary to establish its procedures and to govern the manner of its operations, its organization, and its personnel.

(7) Eight members of the National Advisory Committee shall constitute a quorum.

(b)(1) The National Advisory Committee shall review the options for child-care standards published by the Department of Health and Human Services in January 1985 pursuant to Public Law 98-473, including the standards set forth in the appendices to that document, the standards set forth in the final 1980 HEW Day Care Regulations, volume 45, page 17870 of the Federal Register (March 19, 1980), and such other materials as the National Advisory Committee may deem appropriate and shall, not later than fourteen months after the date of the enactment of this section, submit to the Secretary proposed recommended standards for child-care programs (setting forth separate recommended standards for center-based programs and for family day care programs). Such recommended standards shall cover factors having a demonstrated impact on the quality of child care including, but not limited to—

(A) group size and composition in terms of the number of teachers and the number and age of children;

(B) qualifications, training, and background of child-care personnel, including provision for background checks;

(C) health and safety requirements;

(D) parental rights and opportunities for involvement; and

(E) necessary support services (including, but not limited to, health, nutrition, and social services).

(2) The National Advisory Committee may submit to the Secretary and to the Congress such additional comments on the final recommended standards published pursuant to subsection (c) as the National Advisory Committee considers appropriate and may provide to a State Advisory Committee (established or designated pursuant to section 3), upon its request, such information and advice as the National Advisory Committee considers appropriate.

(c) Not later than thirty days after the National Advisory Committee submits such proposed recommended standards, the Secretary shall publish them in the Federal Register, along with any comments or modifications proposed by the Secretary and, not later than one hundred and eighty days after such publication and, after completion of a process of not less than sixty days for notice and opportunity for public comment and after consulting further with the National Advisory Committee, shall issue final recommended standards and publish them in the Federal Register along with any additional comments that the National Advisory Committee considers appropriate.

(d) The National Advisory Committee shall cease to exist ninety days after the date of publication by the Secretary of the final recommended standards.

(e) Each member of the National Advisory Committee who is not an officer or employee of the United States Government shall be paid compensation at a rate equal to the daily equivalent of the rate of basic pay in effect for level IV of the Executive Schedule for each day the member is engaged in the performance of the duties of such Committee and, while so serving away from his or her home or regular place of business, be paid per diem, travel, and transportation expenses in the same manner as provided for under subchapter I of chapter 57 of title 5, United States Code.

(f) The Secretary shall make available to the National Advisory Committee such personnel, technical assistance, and funds as are necessary for it to carry out effectively its functions under this section.

ADMINISTRATION

SEC. 5. The Secretary is authorized to—

(1) establish such regulations as may be necessary to carry out the provisions of this Act; and

(2) make payments in installments, and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments, as the Secretary may determine.

By Mr. WARNER (for himself and Mr. TRIBLE):

S. 935. A bill to require the Secretary of Energy to carry out activities relating to the first and second nuclear waste repositories, the monitored retrievable storage facility, and for other purposes in accordance with the mission plan for the Civilian Radioactive Waste Management Program, and the proposed amendment to the mission plan dated January, 1987; to the Committee on Energy and Natural Resources.

CIVILIAN RADIOACTIVE WASTE MANAGEMENT MISSION PLAN AMENDMENT ACT

Mr. WARNER. Mr. President, I rise today to introduce legislation that addresses one of the most serious challenges facing our Nation: The safe disposal of high-level radioactive waste.

Responsible disposal of this waste is vital if U.S. utilities are to continue to provide low-cost electricity to the American consumer.

It is a fact that we have reached a critical point in our Nation's nuclear waste program. Unless Congress takes positive action to give new direction to the Department of Energy, I believe we will create a threat to public safety.

With each passing day, utilities are storing waste at reactor sites. Congress and responsible Federal agencies recognized that the storage capacities at utilities would reach intolerable levels by the end of this century. To respond to this problem, the Congress passed the Nuclear Waste Policy Act of 1982, which requires the Federal Government to begin easing this burden and removing waste from reactor sites by 1998.

The legislation I am introducing today establishes a coordinated Federal policy to ensure that unsafe levels of radioactive waste is removed from reactors and stored safely.

This legislation embodies the Department of Energy's decisions contained in the January 1987 draft amendment to the mission plan for the Civilian Radioactive Waste Management Program.

The amendment establishes a realistic schedule to bring the first high-level radioactive repository and a monitored retrievable storage, or MRS, facility into operation.

Further, the amendment revises the schedule for the second high-level waste repository to reflect the additional information that has become available since the program started.

The draft amendment allows the Department to continue with generic work and a reevaluation of potential host rock formations for the second repository.

The justification for this decision was based on several factors, including: declining projections of the volume of spent fuel and defense waste to be generated; advances in technical planning; the necessity for more detailed consultation and interaction with States and Indian tribes; and, much more information required on the site-selection process and the preparation of license applications.

Because waste projections and information will likely continue to fluctuate, my legislation provides the Secretary of Energy with further discretionary authority in the siting process. The legislation relieves the Secretary of the obligation to renew specific siting work on the second repository if he provides information to Congress supporting his decision.

The monitored retrievable storage facility remains a key element in an effective waste management program. Although the operation of the first repository is stretched out until the year 2003, the MRS would fulfill the Department of Energy's commitment to accept nuclear waste by 1998.

And to ensure that the MRS does not serve as a substitute for a permanent repository, there will be a 15,000-metric-ton limit on the storage capacity of the MRS.

Last week the Supreme Court ended the dispute that prevented the Department of Energy from transmitting its site recommendation for the MRS to the Congress. The Department sent to the Senate the request for an MRS facility to be constructed at the former Clinch River Breeder Reactor site near Oak Ridge, TN.

So, it is time that we move forward with this facility to meet the 1998 deadlines for the Federal Government to store waste. This draft amendment to the mission plan will enable the Department of Energy to move forward in a responsible manner with implementing the provisions for a repository and an MRS consistent with the Nuclear Waste Policy Act.

In recognizing the long leadtime that is required to work with host States, this legislation ensures that States will have greater participation with the Federal Government in this very complex process.

By providing additional time to implement the repository we will ensure the technical excellence of the site chosen for the repository and the MRS.

Mr. President, as a former member of the Energy and Natural Resources Committee, I well remember the long hours of negotiation that went into the delicate balance that we reached to pass the Nuclear Waste Policy Act.

It is with that clear memory that I introduce this legislation. However, the program is at a critical impasse. We have a duty to review the Nuclear Waste Policy Act to modify some provisions to make the program more workable. It is therefore imperative that we move forward.

My bill is based on the Department's recommendations. I am also pleased to cosponsor S. 839, an innovative proposal authored by Senators JOHNSTON and McCLURE. I believe that combining these two concepts provides a reasonable starting point to begin serious debate on the direction the Congress should give to the Department of Energy.

I hope that both the Environment and Public Works Committee, on which I serve, and the Energy and Natural Resources Committee are ready to address the serious situation we have reached in this program. I believe this legislation is a good, and vital first step.

Mr. President, I ask unanimous consent that the full text of this bill be printed in the RECORD following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 935

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

(a) the Secretary of Energy shall carry out activities relating to the first and second repositories for disposal of high-level radioactive waste and spent nuclear fuel, and the monitored retrievable storage facility, in accordance with The Mission Plan for the Civilian Radioactive Waste Management Program, and the proposed amendment to the Mission Plan dated January, 1987.

(b) If the Secretary determines that site-specific activities for a second repository should be delayed beyond the recommendations of The Mission Plan for the Civilian Radioactive Waste Management Program, and the proposed amendment to the Mission Plan dated January, 1987, the Secretary may delay site-specific activities if the Secretary submits his determination, and the reasons for it, to Congress.

(c) To the extent that a provision of The Mission Plan for the Civilian Radioactive Waste Management Program and the proposed amendment to the Mission Plan dated January, 1987, is inconsistent with a provision of the Nuclear Waste Policy Act of 1982, the provision of the Mission Plan and the amendment is controlling.

By Mr. DURENBERGER:

S. 936. A bill to amend title XVIII of the Social Security Act to permit certain individuals with physical or mental impairments to continue medicare coverage at their own expense; to the Committee on Finance.

DISABLED AMERICANS WORK INCENTIVE ACT

● Mr. DURENBERGER. Mr. President, I rise today to introduce the Disbled Americans Work Incentive Act. This bill was inspired by a woman named Deborah Crouch McKeithan, who despite multiple disabilities, has worked effortlessly and tirelessly so that disabled Americans will be given a fair chance to make it on their own. Her courage, dedication, and perseverance are awe-inspiring. She has taught us about the valuable contributions that disabled Americans can make in our society if we make certain that our laws ensure that disabled Americans have the same chances that everyone else has.

The Disabled Americans Work Incentive Act will do just that. It will remove the disincentives in Medicare law which hang like a black cloud over the dreams of disabled Americans to become independent, self-sufficient, and fulfilled members of our society.

Under current law, a disabled American can work for a 2-year trial period and still be eligible for Medicare. However, after that period he or she faces a choice: quit work and go back on disability insurance or continue to work but without health insurance coverage. For an individual suffering from a chronic disability, health insurance coverage is essential but private providers will usually not insure the disabled. Thus, there really is no choice. The disabled individual is almost forced to quit work. The potential loss of Medicare poses such a threat to disabled individuals that it prevents many from seeking jobs at all.

This is a tragic loss for the individual who sees his or her dreams for independence and self-sufficiency beaten down by the system. It is a loss to society because we deprive ourselves of the contributions that so many disabled individuals are able and willing to make.

If the current law remains unchanged, we will not fully benefit from the work of Clint Schultz, a young quadraplegic in Minnesota who has a masters degree in rehabilitation counseling. Clint would like to be employed full-time, working for the rights of the handicapped at the State level in Minnesota but the risk of going uninsured would be so devastating that full-time employment is out of the question.

Nor will Don Bania, another quadraplegic from Minnesota, be able to fulfill his dream. Building on his own efforts to overcome terrible adversity, Don would like to work full-time, conducting seminars on positive self esteem and positive attitudes for grade schools and high schools throughout the Midwest.

The bill we are introducing today will enable people like Clint and Don and Deborah to continue Medicare coverage after they have been employed for 2 years. They will be able to purchase continued Medicare coverage at a reasonable premium which is capped at a percentage of their income. Premiums for part A of Medicare (hospital insurance) would be set at the amount currently established for voluntary enrollment by the elderly. The premium for part B (supplemental medical insurance) would equal four times the premium that would be paid by enrollees covered under current law. However, total premiums for any individual could not exceed 8 percent of a monthly adjusted gross income standard established by the Secretary of Health and Human Services.

The bill will also remove the "5 year rule," which says that if a person quits work after 5 years—even if it's due to his disability—he would not be entitled to receive SSDI for another 2 years. This provision prevents many disabled individuals from working more than 5 years.

The Disabled Americans Work Incentive Act is being introduced in the House by Congressman ALEX MCMILLAN of North Carolina. I urge all of my colleagues to join Congressman MCMILLAN and myself in securing passage of this important legislation.

Mr. President, I ask unanimous consent that a summary and the text of the bill be placed in the CONGRESSIONAL RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 936

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Disabled Americans Work Incentive Act".

SEC. 2. PERMITTING CONTINUATION OF MEDICARE COVERAGE BY PAYMENT BY INDIVIDUALS WITH CERTAIN PHYSICAL OR MENTAL IMPAIRMENTS.

Part A of title XVIII of the Social Security Act is amended by adding at the end the following new section:

"CONTINUED HOSPITAL INSURANCE BENEFITS FOR UNINSURED INDIVIDUALS WITH PHYSICAL OR MENTAL IMPAIRMENTS.

"SEC. 1819. (a) Every individual who—

"(1) has not attained the age of 65,

"(2) was entitled to benefits under this part under section 226(b), but such entitlement was terminated because the individual engaged in substantial gainful activity,

"(3) is determined, on an annual basis, to continue to have the physical or mental impairment upon which the benefits described in section 226(b)(2) were based,

"(4) has been entitled to or enrolled for benefits under this part for each month (other than a month in which the individual is enrolled in a group health plan described in section 1862(b)(3)(A)(iv) by reason of the individual's or the individual's spouse's current employment) since the first month in which the individual was entitled to benefits under this part, and

"(5) is not otherwise entitled to benefits under this part,

shall be entitled to enroll in the insurance program established by this part.

"(b) An individual may enroll under this section only in such manner and form as may be prescribed in regulations, and only during an enrollment period prescribed in or under this section.

"(c)(1) An individual's initial enrollment period shall begin on the first day of the third month before the month in which the individual first satisfies the requirements of subsection (a) and shall end 7 months later.

"(2) In any case where the Secretary finds that an individual's enrollment or nonenrollment under this section is unintentional, inadvertent, or erroneous and is the result of the error, misrepresentation, or inaction of an officer, employee, or agent of the Federal Government, or its instrumentalities, the Secretary may take such action (including the designation for such individual of a special initial or subsequent enrollment period, with a coverage period determined on the basis thereof and with appropriate adjustments of premiums) as may be necessary to correct or eliminate the effects of such error, misrepresentation, or inaction.

"(3)(A) In the case of an individual who—

"(i) at the time the individual first satisfies subsection (a) is enrolled in a group health plan described in section 1862(b)(3)(A)(iv) by reason of the individual's (or the individual's spouse's) current employment, and

"(ii) has not elected to enroll under this section during the individual's initial enrollment period.

there shall be a special enrollment period described in subparagraph (C).

"(B) in the case of an individual who—

"(i) has enrolled in the program under this part during the individual's initial enrollment period or is described in subparagraph (A)(i),

"(ii) has enrolled in this program during any subsequent special enrollment period under this paragraph during which the individual was not enrolled in a group health plan described in section 1862(b)(3)(A)(iv) by reason of the individual's (or individual's spouse's) current employment, and

"(iii) has not terminated enrollment under this section at any time at which the individual is not enrolled in such a group health plan by reason of the individual's (or individual's spouse's) current employment,

there shall be a special enrollment period described in subparagraph (C).

"(C) The special enrollment period referred to in subparagraphs (A) and (B) is the period beginning with the first day of the first month in which the individual is no longer enrolled in a group health plan described in section 1862(b)(3)(A)(iv) by reason of current employment and ending 7 months later.

"(d)(1) The period during which an individual is entitled to benefits under this part by reason of this section (in this section referred to the individual's 'coverage period') shall begin on whichever of the following is the latest:

"(A) In the case of an individual who enrolls pursuant to subsection (c)(1)—

"(i) before the month in which the individual first satisfies subsection (a), the first day of such month,

"(ii) in the month in which the individual first satisfies subsection (a), the first day of the month following the month in which the individual so enrolls,

"(iii) in the month following the month in which the individual first satisfies subsection (a), the first day of the second month following the month in which the individual so enrolls, or

"(iv) more than one month following the month in which the individual first satisfies subsection (a), the first day of the third month following the month in which the individual so enrolls; or

"(B) In the case of an individual who enrolls during a special enrollment period pursuant to subsection (c)(3)—

"(i) in the first month of the special enrollment period, on the first day of such month, or

"(ii) in a month after the individual's first month of the special enrollment period, the first day of the month following the month in which the individual so enrolls.

"(2) An individual's coverage period shall continue until the individual's enrollment has been terminated—

"(A) at the close of the month following the month in which the individual files notice that the individual no longer wishes to participate in the insurance program established by this part,

"(B) at the end of a grace period (described in the third sentence of section 1838(b)) for nonpayment of premiums, or

"(C) as of the close of the last month for which the individual meets the requirements of subsection (a) for enrollment under this section.

"(3) No payments may be made under this part with respect to expenses of an individual enrolled under this section unless such expenses were incurred by the individual during a period which, with respect to the individual, is a coverage period.

"(e)(1) Except as provided in paragraph (2), the monthly premium of each individual under this section is the monthly premium determined under section 1818(d).

"(2)(A) Subject to subparagraph (B), in the case of an individual with respect to whom the monthly premium under this subsection (and, if applicable, the monthly premium under section 1839(g)) exceeds 8 percent of 1/12th of the adjusted gross income of the individual (as defined by the Secretary), the Secretary shall provide for a proportional reduction in the amount of each such monthly premium so that the sum of such monthly premiums does not exceed 8 percent of 1/12th of such adjusted gross income.

"(B) In no case shall a monthly premium be reduced under subparagraph (A) so it is less than 25 percent of the monthly premium otherwise determined.

"(f) Payment of the monthly premiums on behalf of any individual who meets the conditions of subsection (a) may be made by any public or private agency or organization under a contract or other arrangement entered into between it and the Secretary if the Secretary determines that payment of such premiums under such contract or arrangement is administratively feasible.

"(g) Amounts paid to the Secretary for coverage under this section shall be deposited in the Treasury to the credit of the Federal Hospital Insurance Trust Fund.".

SEC. 3. BUY-IN TO PART B COVERAGE.

(a) ENROLLMENT.—Section 1837 of the Social Security Act (42 U.S.C. 1395p) is amended by adding at the end the following new subsection:

"(j) Notwithstanding any other provision of this section, the enrollment periods for an individual who is eligible to enroll for benefits under this part only because of enrollment for benefits under section 1819 are the enrollment periods provided under that section.".

(b) COVERAGE PERIOD.—Section 1838 of such Act (42 U.S.C. 1395q) is amended by adding at the end the following new subsection:

"(f) Notwithstanding subsection (a), in the case of an individual who is eligible to enroll for benefits under this part only because of enrollment for benefits under section 1819, the coverage period shall be the coverage period described in that section.".

(c) AMOUNT OF PREMIUM.—Section 1839 of such Act (42 U.S.C. 1395r) is amended by adding at the end the following new subsection:

"(g) In the case of an individual who is eligible to enroll for benefits under this part only because of enrollment for benefits under section 1819, notwithstanding any other provision of this section, but subject to section 1819(e)(2), the monthly premium is 4 times the monthly premium established under subsection (e) or (b) (as the case may be) for that month.".

SEC. 4. BENEFITS SECONDARY TO OTHER EMPLOYER BENEFITS.

Section 1862(b)(3)(A)(iii) of the Social Security Act (42 U.S.C. 1395y(b)(3)(A)(iii)) is amended by adding at the end the following new sentence: "Such provisions also shall apply to an individual during any period in which the individual is eligible for benefits under this title only because of an enrollment under section 1819.".

SEC. 5. PERMITTING DISABLED INDIVIDUALS TO RENEW ENTITLEMENT TO MEDICARE AFTER GAINFUL EMPLOYMENT WITHOUT A 2-YEAR WAITING PERIOD.

Section 226(f) of the Social Security Act (42 U.S.C. 426(f)) is amended by inserting before the period at the end the following: ", unless the physical or mental impairment which is the basis for disability is the same as (or directly related to) the physical or mental impairment which served as the basis for disability in such previous period".

SEC. 6. EFFECTIVE DATES.

(a) IN GENERAL.—The amendments made by this act shall apply to months beginning after the end of the 60-day period beginning on the date of the enactment of this Act, and the amendments made by sections 2 through 4 of this Act shall apply to individuals whose entitlement of benefits under part A of title XVIII of the Social Security Act by virtue of section 226(b) of such Act is terminated after the end of such period.

(b) ELIMINATION OF WAITING PERIOD.—The amendment made by section 5 shall not apply so as to include (for the purposes described in section 226(f) of the Social Security Act) monthly benefits paid for any month in a previous period (described in that section) that terminated before the end of the 60-day period described in subsection (a).

DISABLED AMERICANS WORK INCENTIVE BILL—FACT SHEET

The Disabled Americans Work Incentive Bill provides incentives for the disabled to return to work. This legislation will be introduced in the House today by Congressman Alex McMillan (R-NC) and in the Senate by Senator David Durenberger (R-MN). The idea was originated by Deborah McKeithan, President of Handicapped Organized Women.

Deborah is able to work under the two year trial work period established in 1979. She is legally blind, is partially paralyzed from a stroke, is epileptic and has cerebral multiple sclerosis. Until recently, Deborah was confined to a wheelchair and unable to walk. But now she is walking. Her doctor claims that the only reason Deborah is walking is because she is working in a productive, fulfilling job.

There are thousands more disabled Americans who want to work too but are fearful of losing their Medicare health benefits without being able to rely on a private health benefit plan. Most private group insurance plans declare the disabled "uninsurable."

This bill will:

provide incentives for disabled Americans to return to the workplace by allowing them to continue being covered under Medicare health benefits by paying a higher premium. (This program is currently available on a two-year trial basis. After two years, the participant must either return to non-productive life on SSDI, or be declared "eligible to work" with no means of obtaining health insurance.)

abolish the "five year rule" for persons that are forced out of the workplace because of, or directly related to, their previous disability. The five year rule says that a disabled individual may forgo their SSDI benefits for up to five years and be able to return to the program without additional tests or any waiting period. After five years, however, the disabled individual is subjected to a 24 month waiting period before their health benefits can be reinstated, which is an obvious disincentive for returning to work for more than five years.

generated income tax revenue from the newly re-employed workers.

create savings to the Medicare Trust funds because of changes in behavior resulting from a more positive mental attitude. Studies have shown that when a disabled individual goes back to work, the person has a better outlook and visits to the doctor and hospital are less frequent.

By Mr. DURENBERGER:

S. 937. A bill to extend the existing suspension of duty on flecainide acetate to January 1, 1992; to the Committee on Finance.

SUSPENSION OF DUTY

● Mr. DURENBERGER. Mr. President, today I am introducing legislation to extend the existing duty-free treatment of flecainide acetate until January 1, 1992. The present suspension will expire on December 31, 1987.

Flecainide acetate is a drug used to treat patients who have suffered minor heart attacks. And because there are no domestic producers, I believe that duty-free treatment should be continued.●

By Mr. CRANSTON (by request):

S. 939. A bill to amend title 38, United States Code, to improve the administration of veterans' health-care benefits, and for other purposes; to the Committee on Veterans' Affairs.

VETERANS' HEALTH CARE BENEFITS ADMINISTRATION ACT

Mr. CRANSTON. Mr. President, as chairman of the Veterans' Affairs Committee, I have today introduced, by request, S. 939, the proposed "Veterans' Health Care Benefits Administration Act of 1987." The Administrator of Veterans' Affairs submitted this legislation by letter dated March 31, 1987, to the President of the Senate.

My introduction of this measure is in keeping with the policy which I have adopted to generally introducing—so that there will be specific bills to which my colleagues and others may direct their attention and comments—all administration-proposed draft legislation referred to the Veterans' Affairs Committee. Thus, I reserve the right to support or oppose the provisions of, as well as any amendment to, this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point, together with the March 31, 1987, transmittal letter and enclosed analysis of the proposed bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 939

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Veterans' Health Care Benefits Administration Act of 1987".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

(c) Section 603(a) is amended:

(1) by inserting the words "receiving nursing home care in a public or private nursing home in the community under section 620 of this title or" after the word "veteran" the first time it appears in paragraph (3);

(2) by striking the word "or" at the end of paragraph (6);

(3) by inserting "; or" in lieu of the period at the end of paragraph (7); and

(4) by adding at the end a new paragraph as follows:

"(8) hospitalization of a person for observation and examination to determine eligibility for a benefit under a program administered by the Veterans' Administration".

(d) Section 620(a)(2) is amended:

(1) by inserting the words "in the state in which such institution is located" after the word "Administrator" the first time it appears in clause (A);

(2) by striking the period at the end of clause (B) and inserting "; or" in its place; and

(3) by inserting a new clause (C) as follows:

"(C) the amount equal to 50 percent of the cost of care furnished by a community general hospital under contract with the Veterans' Administration (as such cost may be determined annually by the Administrator) in Alaska or Hawaii".

(e) Section 624(b) is amended to read as follows:

"(b) The Administrator may furnish necessary hospital care and medical services to any otherwise eligible veteran who is sojourning or residing abroad (A) for a service-connected disability, or (B) when care or services are needed to enable continued participation in a rehabilitation program under chapter 31 of this title".

(f) Section 201 of the Veterans' Health Care Amendments of 1979 (Public Law 96-22, 93 Stat. 54; 38 U.S.C. § 601, note 1) is amended by striking subsection (b).

VETERANS' ADMINISTRATION,
Washington, DC, March 21, 1987.
Hon. GEORGE BUSH,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: There is transmitted herewith a draft bill "To amend title 38, United States Code, to improve the administration of veteran's health care benefits, and for other purposes." We request that it be referred to the appropriate committee for prompt consideration and enactment.

An important element in the public's confidence in the Veterans' Administration (VA) health-care system lies in the effectiveness of its administration. To help achieve this purpose, we are proposing a draft bill to improve the administration of key medical programs and to facilitate more equitable access to VA care. While enactment of the bill would meet important VA needs, particularly in connection with VA contract care programs, none of its provisions would impose significant new costs.

Significantly, the bill would help resolve a potentially acute problem in the administration of VA's nursing home care program. Under existing law, VA lacks the authority to pay for emergency hospital care for veterans who have been placed in community nursing homes at VA expense. This limitation raises serious concerns regarding veterans with limited incomes who must be placed in community nursing homes located a great distance from a VA hospital. With VA's aging veteran population, some nursing homes may become unwilling to accept VA patients who have no means of financing hospital care in the event of a medical emergency. Enactment of this bill would rectify this problem by sanctioning VA payment for emergency care needed by VA patients in private nursing homes. VA would pay for this emergency care in the same manner that it now pays for such care for its patients in VA or other Government facilities.

This proposal would also resolve what we believe may become a serious problem in those States without a general hospital (Alaska & Hawaii). Under existing law, the maximum per diem rate VA may pay for contract nursing home care is 45 percent of the cost of care in a VA general hospital or, where deemed necessary, 50 percent of that cost. With the increasing cost of nursing home care in Alaska, for example, the current formula threatens to limit VA's capability to obtain such needed care. We recommend that Congress amend the law to set maximum per diem rates in Alaska and Hawaii to a level pegged to rates in community general hospitals, as provided in our draft bill. With enactment of a higher general hospital index rate for Alaska and Hawaii, VA will be able to obtain the care needed for veterans in those States.

A second major purpose of this bill is to eliminate inequities in the law which bar certain veterans from receiving VA health-care benefits abroad. Existing law limits VA's authority to provide health care to service-connected veterans living or travelling abroad to those persons who are United States citizens or who reside in the Philippines. Because they have disabilities incurred in a war in which their country did not participate, some of these veterans can only obtain medical care at their own expense or by travelling to the United States to seek care in a VA facility. Service-connected veterans who are U.S. citizens and who reside overseas face no such obstacles. In effect, then, the citizenship requirement bars provision of care to a dedicated group of foreign nationals who were disabled while serving as members of U.S. Armed Forces. This bill would simply remove the citizenship requirement from the law, allowing equal treatment of all disabled U.S. veterans. The change would primarily benefit a group of approximately 1,200 Canadian citizens who were disabled while serving with U.S. forces in Vietnam.

As a related amendment, this proposal would also clarify VA's authority to provide medical services to veterans participating in a vocational rehabilitation program outside the United States. While VA has authority to provide vocational rehabilitation programs to service-connected veterans overseas, those veterans are not eligible for all hospital care or medical services which may be needed to continue participation in the program. Veterans participating in this program in the United States, however, are eligible for all necessary care. The bill would eliminate this disparity.

Other areas of program administration face troublesome statutory limitations or uncertainty regarding the scope of their authority. The bill would remedy these problems. It would provide needed authority for VA to contract for hospitalization of any person for observation and examination for determinations of eligibility for any of VA's benefits programs, as requested by VA's Department of Veterans Benefits (DVB). There is no ready mechanism for dealing with the isolated case of a veteran who is suffering from a disease or disability requiring a period of evaluation by a medical specialist for the purpose of determining the veteran's eligibility for compensation or pension when the local VA medical center is unable to provide the requested services. Authorizing contract hospital admission for observation and examination for compensation, pension, or for other purposes requested by DVB would obviate those infrequent situations when we cannot provide that capability in a VA or other Government medical center.

Finally, our proposal calls for the elimination of the annual report required by section 201(b) of Public Law 96-22. Section 201(b) requires a detailed report on the provision of fee-basis and contract health care by VA, including a breakdown of the numbers of veterans provided contract treatment, together with the average cost and duration in each State, territory, possession, the Commonwealth of Puerto Rico, and the District of Columbia in the various categories described in title 38 provisions relating to contract care and treatment. The system required to collect this data is complex and requires data processing resources which are just not available to VA. Because of difficulties, and to avoid costly expenditures which would still not assure fully reliable data, VA medical facilities ceased their attempts to collect such information. In our view, the benefit of having these data are far outweighed by the cost of collecting the information. For these reasons, we urge the repeal of this reporting requirement. A detailed analysis of this proposal is enclosed.

The Office of Management and Budget has advised that there is no objection to the submission of this draft bill to the Congress from the standpoint of the Administration's program.

Sincerely,

THOMAS K. TURNAGE,
Administrator.

ANALYSIS OF PROPOSED BILL

Section (a) of the bill would designate this proposal as the "Veterans' Health Care Benefits Administration Act of 1987."

Section (b) would provide that amendments or repeal of a law in the bill shall be considered to be made to a section or provision of title 38, United States Code.

Section (c)(1) would amend section 603(a)(3) of title 38, which now authorizes VA to furnish private hospital or medical care for treating a medical emergency of a veteran receiving medical services in a VA health-care facility. A VA regulation promulgated pursuant to the VA's general statutory authority, 38 C.F.R. § 17.50(h), long provided that such emergency care may also be provided to a veteran receiving authorized nursing home care in a community facility. When Public Law 94-581 was enacted providing specific statutory authority for emergency care in private facilities in certain situations, and in further amending the law with the enactment of Public Laws 96-151 and 99-272, Congress unintentionally narrowed the Agency's basis for authorizing such care in connection with emergencies arising in a community nursing home.

The lack of authority to provide emergency hospital care in private facilities for veterans receiving VA-sponsored nursing home care in facilities distant from VA medical centers could disrupt the community nursing home care program. This statutory gap could pose a problem for veterans with limited incomes who may have to be placed in community nursing homes under these circumstances. Some nursing homes may become unwilling to accept VA patients who have no means of financing hospital care in the event of an emergency. This proposal, accordingly, would provide a statutory basis for the VA regulation which long purported to authorize such care. Enactment of this section would not result in any significant new costs to the Government.

Section (c)(4) would amend section 603(a) to authorize VA to contract for the hospitalization of any person for observation and examination for determinations of eligibility for compensation, pension, or any other benefit program, as requested by the VA Department of Veterans Benefits (DVB). Currently, there is no ready mechanism for dealing with the isolated case of a veteran who is suffering from a disease or disability requiring the evaluation of a medical specialist for the purpose of determining the veteran's eligibility for compensation, pension, or other VA benefit program when the local VA medical center is unable to provide the requested services. Authorizing contract hospital admission for observation and examination for eligibility for a VA benefit program, as requested by DVB, would obviate those infrequent situations when a medical specialist for the disability is unavailable at the nearby VA medical center. VA anticipates that enactment of this section would not result in any additional costs because the services have continued to be provided under extant VA regulatory provisions.

Section (d) would amend section 620 to provide that in Alaska and Hawaii, those states without a VA general hospital, the per diem cost of community nursing home care purchased by VA will not exceed 50 percent of the cost of care purchased by VA in a community general hospital in that State. Currently, the per diem rate is limited to "45 percent of the cost of care furnished by the Veterans' Administration in a general hospital . . . or . . . 50 percent of such cost, if such higher amount is determined necessary by the Administrator." This has been interpreted to allow the 45 or 50 percent factor to be applied to a VA medical district average or a VA index hospital, if necessary, to purchase adequate care for veterans. The proposed amendment would rectify a problem in Alaska where, in light of increasing costs, the current formula threatens to limit VA's capability to obtain the care needed.

This provision would allow a higher general hospital index rate for Alaska and Hawaii, which would permit VA to establish a higher maximum community nursing home rate in those States and enable the Agency to purchase needed care. Enactment of section (d) would have an insignificant cost impact.

Section (e) would amend section 624(b) to permit VA to provide or pay for hospital care and medical services in foreign countries for the service-connected disabilities of any veteran, regardless of citizenship. Current law limits VA's authority to furnish care to service disabled veterans residing or traveling abroad to those who are U.S. citizens or who reside in the Philippines. This citizenship requirement effectively bars the provision of care to many foreign nationals who were disabled during service in U.S. Armed Forces. To receive care for a service-connected disability, such a veteran must travel to the United States to seek care in a VA facility. The proposed amendment would remove this inequity in the law by simply deleting the citizenship requirement in section 624. The measure would have its greatest impact on a group of approximately 1,200 Canadian citizens who served in U.S. forces in Vietnam, allowing VA to pay for needed care in Canada. Other similarly disabled foreign nationals would, of course, also be eligible.

The proposed amendment to section 624 would permit those veterans to receive care from any physician or health-care facility, and then individually seek reimbursement from VA, as is now the case in the fee-care medical program. The impact of this change is minor because of the relatively few veterans involved. Because this proposal would authorize care regardless of country or other location, there is no longer any need to specify authorization for care in the Philippines. Therefore, the proposal would delete specific reference in section 624(b) to the Philippines.

Section (e) would also amend section 624(b) to clarify VA's authority to provide medical services to veterans participating in a vocational rehabilitation program outside the United States. Under section 1514 of title 38, VA is authorized to provide vocational rehabilitation programs overseas similar to those provided to eligible veterans in the United States. In the United States, a participant in such a rehabilitation program is also eligible to receive any hospital care or medical services needed for continued participation in the program. That is not the case with respect to veterans residing or travelling abroad. Section 624 of title 38 provides that VA may furnish hospital care and medical services overseas only for service-connected disabilities. This limitation works to prevent VA from furnishing veterans in vocational rehabilitation programs outside the United States with all medical care and services needed for continuation in the rehabilitation program. The proposed amendment would correct this inequitable differentiation between service-connected veterans living in the United States, and those living overseas. Enactment of section (e) would not result in any significant new costs.

Section (f) would amend section 201 of Public Law 96-22 by striking subsection (b) which requires the submission of an annual report by the Chief Medical Director, through the Administrator, to the Senate and House Veterans' Affairs Committees on VA's use of its contract care and fee-basis medical services authority. This report must include, in detail, the number of veterans provided fee-basis and contract health care under each of the statutory eligibility categories and types of medical care, the cost for each of these categories, and the average length of care.

Only one report has been submitted (April 28, 1980), and it involved data for only the period from October 1, 1979, to December 31, 1979. A survey on a sampling basis in May 1980 indicated that an unreasonably high amount of money in personnel costs was spent to collect the data. The annual cost to VA at the time of the survey was approximately $1.17 million. It was determined that the system required to collect this data would be too complex and would require automated data processing (ADP) resources which were just not available to VA. Because of the high cost and doubtful accuracy of the data, VA requested waivers in 1981 and 1982 of the reporting requirement from the Senate and House Committees on Veterans' Affairs. Because of the complexity of the data and the unavailability of ADP resources, the data are no longer being collected from VA medical facilities.

By Mr. CRANSTON (by request):

S. 940. A bill to amend title 38, United States Code, to index rates of veterans' disability compensation and surviving spouses' and children's dependency and indemnity compensation to automatically increase to keep pace with the cost of living, and for other purposes; to the Committee on Veterans' Affairs.

VETERANS' COMPENSATION AND BENEFITS IMPROVEMENT ACT

Mr. CRANSTON. Mr. President, as chairman of the Veterans' Affairs Committee, I have today introduced, by request, S. 940, the proposed "Veterans' Compensation and Benefits Improvement Act of 1987." The Administrator of Veterans' Affairs submitted this legislation by letter dated March 31, 1987, to the President of the Senate.

My introduction of this measure is in keeping with the policy which I have adopted of generally introducing—so that there will be specific bills to which my colleagues and others may direct their attention and comments—all administration-proposed draft legislation referred to the Veterans' Affairs Committee. Thus, I reserve the right to support or oppose the provisions of, as well as any amendment to, this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point, together with the March 31, 1987, transmittal letter.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 940

Be it enacted by the Senate and House of Representatives of the United States of America in Congress Assembled,

SHORT TITLE AND REFERENCES

SECTION 1. (a) This Act may be cited as the "Veterans' Compensation and Benefits Improvement Act of 1987."

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—DISABILITY COMPENSATION AND DEPENDENCY AND INDEMNITY COMPENSATION RATE INCREASES

SEC. 101. Section 3112 is amended by redesignating subsection (c) as subsection (d) and inserting the following new subsection:

(c)(1) Effective December 1 of each year, each rate of disability compensation under sections 314 and 315, dependency and indemnity compensation under sections 411, 413, and 414, and the clothing allowance under section 362 shall be increased by the percent change in the price index for the base quarter of such year over the price index for the base quarter of the immediately preceding year, adjusted to the nearest 1/10 of 1 percent.

(2) For the purpose of this section—

(A) "price index" means the Consumer Price Index published monthly by the Bureau of Labor Statistics;

(B) the term "base quarter," as used with respect to a year, means the calendar quarter ending on September 30 of such year; and

(C) the price index for a base quarter is the arithmetical mean of such index for the 3 months comprising such quarter.

SEC. 102. The redesignated subsection (d) of section 3112 is amended by redesignating paragraph (2) as paragraph (3) and inserting the following new paragraph:

"(2) Whenever disability compensation, dependency and indemnity compensation, and clothing allowance rates are increased under subsection (c) of this section, the Administrator shall publish such new rates in the Federal Register as soon as practicable."

SEC. 103. The Administrator may, consistent with the increases authorized by this title, administratively adjust the rates of disability compensation payable to persons within the purview of section 10 of Public Law No. 85-857 who are not in receipt of compensation payable under chapter 11 of title 38, United States Code. Notice of any adjustments made under this section will be published in accordance with section 102, above.

TITLE II—ADOPTED CHILD AND INCOME EXCLUSION AMENDMENTS

ADOPTION UNDER FOREIGN LAW

SEC. 201. Section 101(4)(B) is amended by—

(1) striking out "and" at the end of subclause (i)(III);

(2) inserting after subclause (i)(IV) the following new subclause:

"(i)(V) prior to the time of adoption, was orphaned by the death of both parents, or was properly committed to and recommended for the adoption by a government-operated child-welfare agency or a duly-licensed child-placement agency; and"

(3) striking out the period at the end of subclause (ii) and inserting in lieu thereof "; and"; and

(4) inserting after subclause (ii) the following new subclause:

"(iii) a person shall not be considered the stepchild of a veteran during the lifetime of such veteran or as of the date of the veteran's death or thereafter on the basis of the adoption of the person by the veteran's spouse on or after July 1, 1987, unless, prior to the time of adoption, the person—

"(I) was orphaned by the death of both parents; or

"(II) was properly committed to and recommended for the adoption by a government-operated child-welfare agency or a duly-licensed child-placement agency."

INCOME EXCLUSION, CASUALTY LOSS REIMBURSEMENT

SEC. 202. Sections 415(f)(1)(I) and 503(a)(5) are each amended to read as follows: "reimbursement of any kind for any casualty loss, as defined by the Administrator, provided that in no event shall the amount to be excluded exceed the fair market value of the property involved immediately preceding the loss;".

TITLE III—MISCELLANEOUS AMENDMENTS

REINSTATED ENTITLEMENT PROGRAM FOR SURVIVORS (REPS)

SEC. 301(a). Section 156(a)(1)(B) of Public Law No. 97-377, 96 Stat. 1830, 1920 (1982) is amended by inserting after the word "month" the following clause: "or who meets the requirements for entitlement to the equivalent of such benefit provided under section 412(a) of title 38, United States Code".

(b) Section 156(a)(1)(C) of Public Law No. 97-377, 96 Stat. 1830, 1920 (1982) is amended by inserting after "(42 U.S.C. 402(g))" a comma and the following clause: "or to the equivalent of such benefit based on meeting the requirements of section 412(a) of title 38, United States Code,".

INDEBTEDNESS OFFSETS BY OTHER FEDERAL AGENCIES

SEC. 302. Section 3114 is amended—

(1) by redesignating subsection (d) as subsection (e) and inserting the following new subsection:

"(d)(1)(A) In the event a person becomes indebted to the Veterans Administration by reason of an overpayment of benefits under chapter 11 or chapter 15 of this title, the Administrator, after complying with the procedures provided in subsection (b) of this section, may request that the Secretary of the uniformed service concerned collect any portion of the indebtedness not waived under section 3102 of this title from retired or retainer pay due such person by such uniformed service.

"(B) Such Secretary, upon receiving a request under subparagraph (A) of this paragraph, shall determine whether any retired or retainer pay is payable by such uniformed service to the person named in the request and, if so, shall deduct the amount of any portion of the indebtedness not waived under section 3102 of this title from future payments of retired or retainer pay made to such person by such uniformed service.

"(2)(A) A collection authorized by paragraph (1) of this subsection shall be conducted in accordance with the procedures prescribed in section 3716 of title 31 for administrative offset collections.

"(B) For purposes of subparagraph (A) of this paragraph, as used in the second sentence of section 3716(a) of title 31—

"(i) the term records of the agency' shall be considered to refer to the records of the Veterans Administration; and

"(ii) the term 'agency' in clauses (3) and (4) shall be considered to refer to the Veterans Administration.

"(3) Funds collected pursuant to a request made under this subsection shall be credited to the Veterans Administration appropriation account from which the overpayment was made."

ADMINISTRATIVE DEBT COLLECTION BY OFFSET FROM VETERANS' BENEFITS

SEC. 303. Section 3101(c)(1) is amended by—

(1) inserting ": (A)" following "the amount of";

(2) striking out the period at the end thereof and inserting in lieu of the period a semicolon; and

(3) inserting at the end thereof the following: "and (B) any overpayments of retired or retainer pay (for service in a uniformed service named in section 101(3) of title 37) made to the veteran."

DISCLOSURE OF SOCIAL SECURITY NUMBERS

SEC. 304. Section 3001 is amended by adding the following new subsection:

(c) Any person who applies for or is in receipt of any compensation or pension benefits under this title is required, as a condition precedent to receipt or continued receipt of such benefits, where a social security number has been assigned, to provide to the Administrator upon request his or her social security number, and the social security number of any dependent or beneficiary on whose behalf, or based upon whom, such person applies for or is in receipt of any such benefits."

VETERANS ADMINISTRATION, OFFICE
OF THE ADMINISTRATOR OF VETERANS AFFAIRS,
Washington, DC, March 31, 1987.

Hon. GEORGE BUSH,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: I am pleased to forward a draft bill to provide automatic increases in the rates of disability compensation to veterans and dependency and indemnity compensation (DIC) to surviving spouses and children, and for other purposes. As you are aware, such automatic adjustments have, since 1979, been provided under 38 U.S.C. § 3112 for disability and death pension, and DIC for dependent parents. I respectfully request that the draft bill be referred to the appropriate committee and enacted promptly.

Title I would authorize automatic annual increases in the rates of disability compensation for veterans, and DIC for surviving spouses and children, based upon changes in the consumer price index (CPI).

Disability compensation benefits are payable under chapter 11 of title 38 to provide monetary relief from impairments in earning capacity suffered by veterans disabled during, or as a result of, military service. Rates of compensation vary with the degrees of disability demonstrated, and additional compensation is payable for dependents if the veterans' disability is rated 30 percent or more disabling.

Dependency and indemnity compensation benefits are payable under chapter 13 of title 38 to the surviving spouses and children of veterans whose deaths were service connected. Payments at DIC rates may also be made if a veteran's death was not service connected but the veteran was rated totally disabled for a specified period prior to death. Surviving spouses' DIC rates are based on the veterans' military pay grades. A surviving spouse may receive additional payments for the veteran's children under the age of 18, or if the surviving spouse is disabled. Children over the age of 18 who become helpless before reaching that age may receive DIC, as may those ages 18 to 23 attending approved educational institutions. If there is no surviving spouse, a child under the age of 18 may also receive DIC in the child's own right.

The administration of the disability compensation and DIC programs is one of the VA's most important missions. We recognize a duty to recommend periodic adjustments in monthly rates as economic conditions change. In recent years, compensation adjustments have generally been keyed to indexed COLA's in Social Security and VA pension. However, these adjustments have not been automatic. Rather, they have been accomplished by the enactment of separate public laws designed for that purpose, the last being Pub. L. No. 99-576 (1986). Since 1973, legislation has been enacted every year but one (1983) granting increases in these benefits to compensate for increases in the cost of living. This Administration has consistently supported these adjustments.

Tying compensation and DIC rates to the CPI would remove the issue of rate increases from the political arena and shield the determinations from pressures of the annual budget process. It would also save Congress the difficulty of regularly considering new veterans' COLA legislation, as it has been required to do virtually every year for over a decade and twice in the same year in one instance.

Based on the 3.5 percent COLA estimated for fiscal year 1988, and the projected changes in the CPI for fiscal years 1989 through 1992, and taking into consideration the 1.5 percent compensation/DIC increase effective December 1, 1986, it is estimated that automatic increases in compensation and DIC rates under this proposal would result in the following additional costs, which are included in the President's 1988 Budget.

	Cost
Fiscal year:	
1988	$301,000,000
1989	670,500,000
1990	1,050,800,000
1991	1,392,500,000
1992	1,694,100,000
Total (5 years)	5,108,900,000

There would be no significant administrative costs associated with the proposal.

Title II of the draft bill contains two amendments designed to assure equity in benefit eligibility determinations.

Recognition of a child as the legally-adopted child or stepchild of a veteran under current law may give rise to additional benefits, including increased compensation or pension payments to the veteran, and dependency and indemnity compensation and educational-benefit entitlement for the child. Proposed section 201 would amend criteria for recognition of foreign adoptions, set forth in 38 U.S.C. § 101(4)(B), to provide additional safeguards against sham adoptions procured solely for the purpose of obtaining such benefits.

Specifically, the amendment would provide that a person adopted by a veteran or a veteran's spouse may be recognized as the veteran's child or stepchild for veterans' benefit purposes only if (1) prior to the adoption, the child was orphaned by the death of both parents, or (2) the child was properly committed to and recommended for adoption by a government child-welfare agency or a duly-licensed child-placement agency. The amendment would apply only to an adoption under the laws of a jurisdiction other than a State, territory, or possession of the United States, the District of Columbia, Puerto Rico, or the Northern Mariana Islands.

This amendment is necessary because foreign courts in some cases grant adoptions without observance of standards comparble to those applied in courts of this country. In a number of instances aged, infirm veterans have been permitted to adopt young relatives over whom they have no intention of assuming a true parental relationship. The sole motivation for these adoptions appears to be a desire to obtain increased veterans' benefits or to assure benefits entitlement for the adoptee upon the veteran's death.

The high value of United States veterans' benefits in some foreign economies creates a substantial incentive for contrived adoptions. For example, in the Philippines, the additional pension payable to a veteran for an adopted child has been reported to be comparable to the salary of a rural schoolteacher. Adoption of a child will in many cases result in a substantial economic gain to a veteran residing abroad. While economic conditions in the Philippines and the large number of veterans residing there make that country a primary source of concern, the VA has also received claims based on questionable adoptions granted in other foreign jurisdictions.

In recognition of the threat to the integrity of the veterans' benefit programs posed by contrived adoptions, Congress in 1979 enacted standards for recognition of foreign adoptions. Section 401 of Public Law No. 96-22, 93 Stat. 47 (F1979), added a new section 101(4)(B) to title 38, providing that a person residing outside the United States adopted under the laws of a foreign jurisdiction shall not be considered the legally-adopted child of a veteran unless stated criteria relating to age at the time of adoption, support from the veteran, residence with the veteran, and absence of custody by a natural parent, are met.

In the case of a deceased veteran, the adopted child must have met the requirements for at least one year prior to the veteran's death or the veteran must have received benefits for the child during the year preceding death.

Although the 1979 amendment has been of considerable benefit in combating adoption abuses, the criteria provided by that statute have proven burdensome to administer. Development of evidence in foreign adoption claims is difficult, and adjudication of these claims is often complex and time consuming. Custody and residence criteria in particular have proven difficult to apply. Even under the amended statute, the VA continues in some cases to recognize foreign adoptions of grandchildren by aged veterans despite the fact that natural parents remain in close proximity and maintain personal contact with the children.

The proposed amendment would greatly reduce the potential for abuse, simplify claim development, and improve uniformity of application by permitting in many cases reference to objective criteria, using information easily verifiable from official records. existing standards would remain as a further safeguard against contrived claims. Also, the amendment, by adding criteria applicable to an adoption by the spouse of a veteran, would greatly reduce the potential for sham adoptions intended to qualify a child as the stepchild of a veteran for purposes of 38 U.S.C. § 101(4)(A). In these ways, the proposed amendment would further Congress' objective, in enacting Public Law No. 96-22, to preclude entitlement based on adoptions entered for the sole purpose of securing veterans' benefits.

The proposed amendment is expected to result in annual cost savings of less than one million dollars. Savings would be realized both by limiting inappropriate benefit payments and through improved administrative efficiency.

At present sections 415(f)(1)(I) and 503(a)(5) of title 38 exclude the proceeds of "fire insurance" policies for parents' DIC and pension income computation purposes. Section 202 would amend these sections to expand the current "fire insurance" exclusion to cover comparable payments from any source received by a parent's DIC recipient or a VA pensioner to replace or restore the value of real or personal property damaged, destroyed, or lost due to any cause. The amount to be excluded from income would be limited to the fair market value of the property involved as of the date of the loss. The present exclusion is too limiting. There is no valid reason to exclude reimbursement for loss due to fire and, at the same time, not exclude reimbursement for other casualty losses, or to limit the exclusion to reimbursement by insurance and not take into account reimbursement from another source.

Costs cannot be estimated since no data area is available to show the number of cases that would be affected or the dollar amount of the proposed excluded payments. No additional administrative costs would arise because the adjudication of cases would remain the same.

Title III of the draft bill proposes four amendments to existing law, one to extend certain survivors' benefits to a small, overlooked group, and three to facilitate the proper administration and recovery of Government benefit funds.

Section 412 of title 38, United States Code, provides for payment by the VA of a special monthly allowance to the surviving dependents of a veteran who dies from service-connected causes and who is not fully and currently insured under title II of the Social Security Act. The monthly allowance is equal to the amount which would have been paid to the survivors under the Social Security Act had the veteran been fully and currently insured at the time of death. Section 412 benefits are intended to place total benefits for survivors of veterans without full social security coverage on a par with those of survivors of fully-covered veterans.

Public Law No. 97-35 amended the Social Security Act to terminate mother's insurance benefits for a surviving spouse when the last child of the insured individual reaches age 16, rather than age 18, and to eliminate child's insurance benefits for post-secondary-school students and for secondary-school students over the age of 19. Subsequently, section 156 of Pub. L. No. 97-377 essentially restored benefits eliminated by Pub. L. No. 97-35 for survivors of veterans who died of service-connected causes incurred or aggravated prior to August 13, 1981. However, these benefits, furnished under the Reinstated Entitlement Program for Survivors (REPS), are payable only to those parents and students who have basic eligibility for social security benefits. Those who are receiving the equivalent of social security benefits under 38 U.S.C. § 412 are not entitled to REPS benefits.

Our proposal in section 301 would amend the free-standing provisions of Pub. L. No. 97-377, § 156, to include not only those survivors eligible for social security benefits, but also those entitled to benefits under 38 U.S.C. § 412 in lieu of social security benefits. This would further congressional intent in enacting 38 U.S.C. § 412, to assure that the survivors of a veteran receive the same level of benefits regardless of whether the veteran was fully insured under the social security system. The proposed amendment would achieve equity by extending REPS coverage to survivors of veterans deemed to have been fully insured pursuant to section 412, thereby placing them on the same status with regard to such benefits as survivors whose work history actually met the tests for basic social security eligibility.

In 1986, there were only 221 outstanding awards of section 412 benefits, resulting in an annual benefit cost of $818,000. The population covered by this proposal would be a small portion of those receiving section 412 benefits in any given year. Therefore, the benefit cost would be insignificant, i.e., less than $100,000 per year.

Sections 302 and 303 deal with collection of indebtedness by administrative offset. Section 302 would amend 38 U.S.C. § 3114 to authorize the Administrator to request that a uniformed service paying retired or retainer pay to a person collect such person's indebtedness to the VA by offset of such retired or retainer pay. The provision would apply where the indebtedness resulted from such person's participation in the compensation or pension program.

Conversely, section 303 would amend 38 U.S.C. § 3101 to authorize offset from veterans' disability compensation and pension to collect overpayments of military retired pay and retainer pay.

Last year, Congress enacted an amendment to 38 U.S.C. § 3101 authorizing offset of vetarans' compensation and pension to collect indebtedness associated with such veterans' participation in the Survivor Benefit Plan (SBP) and Retired Serviceman's Family Protection Plan (RSFPP). (Section 504 of the Veterans' Benefits Improvement and Health-Care Authorization Act of 1986). The explanatory statement accompanying that legislation indicated Congress would consider allowing collection of retired and retainer pay overpayments from veterans' benefits if reciprocal authority were provided for collection by the Department of Defense (DoD) of debts owed to the VA. The proposed amendment to section 3114 would provide such reciprocity by specifically authorizing the Administrator to request collection by offset from payments made by uniformed services and directing the heads of such services to act upon such requests.

The amendment to section 3101 would address a problem created by the eligibility of many veterans under both military retired pay and veterans' benefit programs. Concurrent receipt of military retired pay and veterans' disability compensation or pension is prohibited by 38 U.S.C. § 3104. However, through errors in reporting or coding of information, the service department concerned may not be informed that an applicant for VA benefits has waived military retired pay. Thus, an overpayment of retired pay may occur. While administrative measures, such as a computerized interagency data exchange program, are helping to identify and correct instances of erroneous concurrent payments, initial clerical errors and deliberate misreporting by recipients will continue to cause overpayments in some cases.

In many instances, outstanding balances can be offset against future entitlements by the agency making the overpayment. Sometimes, however, disbursements by the overpaying agency are discontinued upon discovery of dual eligibility and election of benefits. In such cases, collection through judicial proceedings is generally not cost-effective, and the only remaining recourse is to future entitlements owing from another agency. However, withholding of veterans' benefits to satisfy the claims of creditors has long been barred by 38 U.S.C. § 3101(a). The VA has consistently interpreted that provision as prohibiting, except on a voluntary basis, offset of veterans' benefits to satisfy indebtedness arising out of programs administered by other Federal agencies. Authorization for collection of military retirement overpayments from veterans' benefits is necessary if overpayments are to be effectively recovered.

These offset proposals are tailored to assure protection of the rights of VA beneficiaries. For example, the provisions would continue the policy of Congress, the VA, and the Comptroller General that the debts of one individual should not be collected through offset of benefits payable to another person. Collections authorized by these amendments would be conducted in accordance with the procedural requirements of 31 U.S.C. § 3716, and applicable waiver rights under the veterans' benefit statutes would be preserved.

The savings which would result from enactment of these provisions are undetermined, although the provisions would clearly improve the efficiency of recovery of the targeted overpayments.

Section 304 of our proposal would amend section 3001 of title 38 to authorize the VA to require mandatory disclosure of claimants' and dependents' social security numbers in all claims for disability and death benefits.

Section 7(a) of the Privacy Act of 1974, Pub. L. No. 93-579, prohibits any Federal, State, or local government agency from denying to any individual any right, benefit, or privilege provided by law because of such individual's refusal to disclose his or her social security number.

However, this prohibition does not apply to any disclosure required by Federal statute, or for any agency maintaining a system of records in existence and operating before January 1, 1975, if disclosure was required under statute or regulation adopted prior to such date to verify the identity of an individual. It further requires that any Federal agency which requests such a number shall inform that individual whether that disclosure is mandatory or voluntary.

Currently, limited authority exists for mandatory disclosure of claimants' and dependents' social security numbers for pension claims and for compensation claims specifically affected by "outside income," as described in 38 C.F.R. §1.575. Section 304 of our proposal would, in accordance with the Privacy Act, expand this authority to require mandatory disclosure of claimants' and dependents' social security numbers (where such number has been assigned) for all claims for disability and death benefits. This section would not require persons to obtain social security numbers, but would simply require them to report to the VA social security numbers which have been issued by the Social Security Administration.

The current requirement of mandatory submission of social security numbers in claims for VA benefits affected by "outside income" was intended to assist VA in verifying reported income so as to detect and eliminate fraud and abuse. Subsequently, as the Administration's and private sector's focus on prevention of fraud, waste, and abuse has intensified, additional areas which require monitoring have become apparent. Benefits which may not be contingent upon income also require monitoring to protect against fraud. For example, dependency and indemnity compensation may not be paid concurrently with Survivor Benefit Program payments made by the Department of Defense. Compensation may not be paid concurrently with military retired pay or drill pay for reserve duty. To control effectively against such unwarranted dual payments, cross checking to verify information establishing the right to benefits is required.

Some identifying information (such as names and birth dates, which are frequently used in verification) may not conclusively establish identities, due to the frequency with which individuals have common names and birth dates. As each individual's social security number is unique, it is the most reliable identifier available.

Costs to gather and maintain SSN's would be insignificant, although revision of some VA forms would be needed in order to obtain the information in routine fashion.

Advice has been received from the Office of Management and Budget that there is no objection to the submission of the draft legislation and that its enactment would be in accord with the program of the President.

Sincerely,

THOMAS K. TURNAGE,
Administrator.

By Mr. D'AMATO:

S. 941. A bill to amend the Small Business Investment Act of 1958; to the Committee on Small Business.

SMALL BUSINESS INVESTMENT ACT AMENDMENTS

● Mr. D'AMATO. Mr. President, I rise today to introduce legislation to encourage State and local government investment in small business investment companies [SBIC's].

An SBIC must have $1 million of paid-in-capital to be licensed by the SBA. Once licensed an SBIC can receive capital infusions from the Federal Government. Unfortunately, under current SBA regulations, equity contributions to SBIC's by State and local governments cannot be counted in determining the threshold capital requirement for licensing.

Why is this important? SBIC's make loans and equity contributions to growing small businesses. SBIC's have one major need: Capital. As a matter of policy, the Federal Government should encourage State and local governments to provide needed capital to SBIC's in order to promote economic development. The legislation I am introducing would allow equity contributions to SBIC's by State and local governments to be counted in meeting the minimum paid-in-capital requirements. Thus, in effect SBIC's could be wholly owned by municipalities.

As a former local official, I understand the central importance of State and local government in promoting economic development. In the past, localities issued so-called "small issue" tax-exempt bonds to promote economic development. The proceeds of these low interest rate bonds were used to expand the operations of local businesses.

The Tax Reform Act of 1986 terminated the use of "small issue" bonds to finance commercial enterprises. Small issue bonds still may be used to finance manufacturing facilities. However, even those bonds now must be included in a very limited State-by-State volume cap restricting many tax-exempt bond issues, including those issued for housing, student loans, and resource recovery. Because they must compete with these other vital money-raising tools within the volume cap, small issue bonds are much less likely to be issued to finance manufacturing facilities.

Thus, at a time when Federal programs encouraging local development have been frozen or cut, State and local officials have lost a major tool to encourage economic development.

The legislation I am introducing today creates a new avenue of municipal participation in economic development without increasing Federal funding. My bill will encourage State and local governments to infuse capital into SBIC's. In turn, this should lead to the availability of more capital for economic development.

Mr. President, my bill creates a synthesis between Federal, local, and private interests to provide a greater pool of resources for the growth of small businesses.

Mr. President, I ask unanimous consent that my legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 941

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 301(a) of the Small Business Investment Act of 1958 (15 U.S.C. 682(a)) is amended by adding at the end thereof the following: "As used in this subsection, the term 'private paid-in capital and paid-in surplus' includes equity investment by a State or unit of local government.".●

By Mr. DECONCINI:

S. 942. A bill to amend title 5, United States Code, to extend the pay retention provisions of such title to certain prevailing rate employees in the

Tucson area whose basic pay would otherwise be subject to reduction pursuant to a wage survey; placed on the calendar by unanimous consent.

RETENTION OF PAY FOR CERTAIN FEDERAL WORKERS IN THE TUCSON AREA

Mr. DECONCINI. Mr. President, I am introducing today a bill authorizing pay retention under section 5363 of title 5, United States Code to those Federal wage grade employees in the Tucson wage area whose pay was reduced as a result of a wage survey conducted during 1985 commencing on the date such reduction took place.

Mr. President, in the wake of a severe local economic recession in the Tucson, AZ, wage area, a salary review and adjustment was conducted pursuant to subchapter IV of Chapter 53 of Title 5, United States Code. Copper mines had historically been included in prior Tucson wage surveys. Due to the collapse of the copper industry and the closure of mines in Arizona, that industry was not included in the most recent wage survey which dramatically influenced the prevailing wage results.

The fall in prevailing wages had an disproportionate effect upon survey results for the lower grade levels 1 through 8, otherwise commonly referred to as the "blue-collar" employees. The present salary adjustments based upon the survey cannot humanly be supported. Mr. President, while I continue to support wage grade surveys, their intent is one of cost-control. The intent of Congress when it passed this legislation in 1972 was not to take advantage of market anomalies and return a windfall to the Federal Government at the expense of those who can least afford such a reduction. Effective March 1, 1987, 224 lower end wage employees, grades 1-8, at Fort Huachuca will see their yearly salaries cut as much as $2,600. The overall salary reduction—before taxes—will total over $216,000, or an average of nearly $1,000 per employee. In the lowest five grades, the result is a startling pay cut of almost $1,500.

Mr. President, most of these employees who are facing a pay reduction have made long-term financial commitments, like mortgages, are striving to send their children to college, or are attempting to save for their retirement years, after devoting their best efforts over many years in service to their Federal Government. I do not believe our current Federal statutes should require the blind application of the wage review laws. Workers are being faced with a significant pay reduction due to the collapse of the area's prime industry, copper mining. I believe this harsh application of the wage review laws is manifestly unfair. I believe Federal wage grade employees in the Tucson wage area whose pay would be reduced as a result of the 1985 survey should be entitled to pay retention.

Mr. President, the same tragedy will occur at other civilian and military installations in Cochise, Graham, Greenlee, Pima and Santa Cruz counties. Thousands of devoted lower grade wage employees will be affected, and the surrounding communities will suffer yet another economic crisis as a direct result of the blind application of the wage review laws.

The wage reductions would also unfairly impose hardship upon other wage grade Federal employees in grades 9 through 14 in the Tucson wage area. While these higher wage grade workers may find it easier to absorb a pay cut or reduction in modest salary increase, the same rationale for pay retention applies.

Mr. President, language was included in the reconciliation bill (Public Law 99-272) to require pay retention for the Tucson wage area. The 99th Congress recognized the need to exempt this wage grade area from the application of the wage grade review laws. This bill would make the pay retention permanent for current employees.

It would not, however, affect new hires who would be subject to the lower wage scales resulting from the survey. The regional Administrator of the General Services Administration has just, in this last week, advised me that the pay reductions will be reflected in the March paychecks of these affected Federal employees. I am urging that the 100th Congress apply the same wisdom and compassion this session to prevent the imposition of economic hardship upon these same employees by expeditiously passing this bill to authorize pay retention for these certain Federal wage grade employees.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 942

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding section 536.104(a)(3) of Title 5, Code of Federal Regulations, Federal wage employees in the Tucson, Arizona wage area whose pay has been reduced as a result of a wage survey conducted during fiscal year 1986 shall be entitled to pay retention under 5363 of title 5, United States Code, commencing on the date such reduction took effect.

By Mr. ADAMS (for himself, Mr. FORD, Mr. RIEGLE, Mr. KERRY, and Mr. PACKWOOD):

S. 943. A bill to amend the Federal Aviation Act of 1958 to ensure the fair treatment of airline employees in airline mergers and similar transactions; to the Committee on Commerce, Science, and Transportation.

FAIR TREATMENT OF AIRLINE EMPLOYEES IN CERTAIN MERGERS AND TRANSACTIONS

● Mr. ADAMS. Mr. President, in 1979 when I was serving as Secretary of Transportation, the Congress deregulated the airline industry. While I was not totally happy with the bill, I was pleased by the fact that it contained provisions designed to assure that airline employees would not be asked to carry a disproportionate share of the burden of deregulation. That was only fair. After all, we knew that deregulation would impose penalties on companies which were managed inefficiently or which misjudged the market. We did not believe that the employees of such companies ought to be required to pay too great a price for mistakes made by management.

Specifically, the 1978 Deregulation Act provided that is the Civil Aeronautics Board, and since its elimination the Department of Transportation, determined that employees had lost their jobs as a result of deregulation, then those employees were entitled to certain financial benefits. We also set into the law provisions designed to guarantee that dislocated airline employees had a right of "first hire" at other airlines.

Those were, in my mind, modest mandates. They represented a reasonable response to the sort of conduct which we anticipated under deregulation.

Well, the conduct we anticipated has taken place. But the protection we thought we were providing to employees has never been offered. The Reagan administration's Department of Labor has never adopted implementing regulations. And even worse, they have withdrawn those regulations which had been developed after the Deregulation Act was adopted.

Prior to the Airline Deregulation Act in 1978, when the CAB approved airline mergers and similar transactions it routinely imposed labor protective provisions [LPP's] such as integration of seniority lists and financial protections against job and wage loss. Following economic deregulation the CAB announced it would be reluctant to continue to impose LPP's in mergers. The CAB claimed LPP's were no longer appropriate in the new deregulated environment.

When the DOT was given responsibility for merger activity, they ignored a clear congressional directive that they follow the pre-1978 CAB precedent. Instead they announced the LPP's of the sort envisioned by Congress would not be imposed "unless it is necessary to prevent labor strife that could disrupt the national air transportation system." Clearly such disruption is not likely to take place in a deregulated environment; but even more importantly, such disruption was not included in the criteria the Congress established for the imposition of LPP relief.

Despite the failure of the administration to follow clear statements of congressional intent, this legislation is loosely drawn in an effort to preserve a reasonable degree of discretion which I know the executive branch needs. While the bill requires DOT to consider LPP's when it approves airline mergers, it does not dictate the precise nature of those protections. Beyond that, this bill requires the imposition of LPP's only when the merger would tend to cause reductions in employment or adversely affect working conditions including seniority. And, finally, the legislation gives DOT the power to deny LPP's if it is determined that their cost would outweigh the benefits.

Mr. President, this is a modest bill. It simply requires the administration to follow the clear congressional intent expressed in 1978 and reaffirmed several times since then. It is a reasonable response to the hardships created by deregulation, a simple attempt to create some economic equity in an environment in which management is protected and employees are punished.

I am pleased that several of my colleagues on the Commerce Committee—Senators FORD, RIEGLE, KERRY and PACKWOOD—have agreed to join me as cosponsors of this legislation. I ask unanimous consent that the text of the bill appear at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 943

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 408 of the Federal Aviation Act of 1958 (49 App. U.S.C. 1378) is amended by adding at the end the following:

"FAIR TREATMENT OF EMPLOYEES

"(g) In any case in which the Secretary determines that the transaction which is the subject of the application would tend to cause reduction in employment, or to adversely affect the wages and working conditions, including the seniority, of any air carrier employees, labor protective provisions calculated to mitigate such adverse consequences, including procedures culminating in binding arbitration, if necessary, shall be imposed by the Secretary as a condition of approval, unless the Secretary finds that the projected costs of protection would exceed the anticipated financial benefits of the transaction. The proponents of the transaction shall bear the burden of proving there will be no adverse employment consequences or that projected costs of protection would be excessive.".

(b) The item relating to section 408 in the table of contents of the Federal Aviation Act of 1958 is amended by adding at the end the following:

"(g) Fair treatment of employees.".●

By Mr. QUAYLE:

S. 944. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 to improve the efficiency and adequacy of the current retirement income system—consisting of employer and individual retirement plans—in carrying out its supplemental role to Social Security in providing benefits upon death, disability, and retirement by simplifying and clarifying applicable statutory requirements relating to simplified employee pensions, and by providing for portable pension plans which will expand pension coverage, provide for a form of pension portability, and preserve pension asset accumulations for payment in retirement income form, and for other purposes; to the Committee on Finance.

PENSION PORTABILITY ACT

● Mr. QUAYLE. Mr. President, I am today introducing legislation which will simultaneously, make pensions more portable, and encourage the use of pension assets for retirement, rather than for current consumption.

This bill has been introduced in the House by Mr. JEFFORDS, Mr. CLAY, Mr. HAWKINS, Mrs. ROUKEMA, and others. I hope that my colleagues in the Senate will join me and cosponsor this bill. Our purpose in introducing this legislation is to help workers retain their pension rights when changing employers, to protect pension benefits for retirement use rather than for current consumption, and to reduce the strain on the Social Security System, and thus reduce suffering and needless worry of our retired citizens.

A worker's ability to retain pension rights when changing employers can have a considerable impact on the adequacy of his or her income upon retirement. If the pension is not portable, or if it is only partially portable, the ratio of retirement income to preretirement income may be substantially decreased. This ratio is referred to as the "replacement rate" by pension experts and it refers to the percent of preretirement income that an annuity will supplant. In general, the more frequent job changes occur and the greater the increase in growth of wages, the lower the replacement rate upon retirement.

Many plans either permit or require a worker who leaves one job for another to "cash-out" his pension benefit, if he is vested. Data show that 81 percent of single-employer, primary, defined-contribution plans permit full cash-outs, and 39 percent of single-employer primary defined-benefit plans permit some kind of cash-out upon termination of employment. In the past, many preretirement distributions received by workers from employer-sponsored plans have been for $5,000 or less and have been spent for current needs rather than saved for retirement.

Portability of credited service under a pension plan is most common among multiemployer pension plans, or within large corporations. Recent studies show, however, that no single-employer plans credit service with employers that are not part of the same corporation for either participation or vesting. While some proposals have been made to deal with the portability problem, they have usually been in the form of mandatory rollovers of preretirement lump-sum distributions or for new Federal agencies to serve as pension clearinghouses.

My proposal is quite different. It is built on the model of the simplified employee pension, SEP or SEP-IRA which is authorized under section 408(k)(1) of the Internal Revenue Code. Simplified employee pensions are exactly what their name says—they are easy to set up, easy to make contributions to and easy to administer. Under a SEP arrangement, an employer can establish and finance an IRA for each of his eligible employees. This type of plan is especially appealing to small employers who usually cannot afford the expense of a traditional plan or the administrative burden of developing plan documents, obtaining IRS approval and preparing summary plan descriptions, annual reports for regulatory agencies, and summary annual reports to participants.

The portable pension plan-SEP will give employees and employers an alternative to a cash-out when termination of employment occurs. Employees would be encouraged to transfer their qualified plan distributions into a portable pension plan to avoid the Tax Reform Act's 10-percent penalty for early withdrawal. Employers would benefit because they could transfer the cash value of a terminated employee's vested benefit to a portable pension plan. The amount transferred may be below the $3,500 limit set by the Retirement Equity Act of 1984, or above that amount, with spousal consent. This feature will alleviate the administrative burden of maintaining pension accounts of terminated employees. At the same time, it will place the pension contributions of terminated employees in interest-bearing accounts, where those contributions will continue to increase in value. The historic decline in replacement rates of pensions will thus be reversed.

Employers and employees would be permitted to transfer pension assets or cashed-out benefits into the portable pension plan. Portable pension plans will be managed by the people who manage pension assets now—by banks, trust companies, and fund managers who are expert in directing plan investments and who are held to high standards of accountability pursuant to ERISA.

Teachers and other public and private sector employees would be eligible to participate in the portable pension plan when they receive distributions from contributory pension plans.

Under current law, an employer who uses a simplified employee pension need not commit himself to contribute to the plan every year, nor must he commit himself in advance to contribute a specified percentage of compensation. Overall maximum limits on contributions to SEP's which are a part of current law, are retained in my bill. In addition, a simplified alternative salary reduction formula will permit employees to match on a dollar-for-dollar basis, the amount of the employer contributions made to the portable pension plan-SEP on their behalf.

Finally, new distribution rules would replace the current joint and survivor rules to which SEP's are subject. The spouse would be the required beneficiary unless written consent indicates otherwise. Spousal consent would also be required to change the payment form from an annuity, or a "stream of income" to some other form of payment.

In conclusion, pension portability is a much-neglected area of public policy. Many recommendations have been made, but there have been no solutions. Pension assets must be preserved, not used for current consumption. My proposal, which is twin to the one introduced in the House, will go a long way to preserving pension assets for use in retirement, and to assuring that the portable plan assets will be dedicated to the benefit of the individual who earned them. If the Portable Pension Plan Act accomplishes these two goals, then we will have helped to make the retirement years of millions of Americans who change jobs, more secure. I think this is a worthy aim and I hope that my colleagues will join with me in cosponsoring this important proposal.

Mr. President, I ask unanimous consent that a synopsis of the Portable Pension Plan Act and a copy of the bill be placed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 944

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

This Act may be cited as the "Pension Portability Act of 1987".

TABLE OF CONTENTS

Sec. 1. Short title and table of contents.
Sec. 2. Findings and declaration of policy.
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TITLE II—PORTABLE PENSION PLANS
Sec. 201. Utilization of simplified employee pensions as portable pension plans.
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Sec. 204. Preservation of 5-year averaging treatment for lump sum distributions from portable pension plans only with respect to prior plan transfers.
Sec. 205. Portability from qualified plans to portable pension plans of nondeductible employee contributions.
Sec. 206. Safe harbor for portable pension plans under title I of ERISA.
Sec. 207. Requirements relating to distributions from pension plans constituting transfers to portable pension plans.
Sec. 208. Effective dates.

SEC. 2. FINDINGS AND DECLARATION OF POLICY.

(a) FINDINGS.—The Congress finds—

(1) that the pension plan asset accumulations under existing pension plans—

(A) are increasingly being distributed at job termination or otherwise used for current consumption, thus removing a major source of national savings necessary for capital formation; and

(B) because of the increasingly mobile nature of the Nation's labor force and because of the lack of an effective pension portability mechanism, are not being efficiently utilized to pay monthly benefits for death, disability, and retirement; and

(2) that it is therefore desirable and in the interests of employees and their employers that employees and the pension plans under which they are covered be encouraged to retain accrued benefits for payment in the form of retirement income by making available a more efficient portability plan arrangement.

(b) DECLARATION OF POLICY.—It is hereby declared to be the policy of this Act to further national retirement income policies by providing for portable pension plans—

(1) which will encourage the expansion of employer funded pension coverage and result in a more efficient and equitable tax and retirement income delivery system; and

(2) which will provide a more efficient mechanism for pension portability and the preservation of pension plan assets to be distributed in monthly benefit form to meet death, disability, and retirement needs.

TITLE I—RULES GENERALLY APPLICABLE TO SIMPLIFIED EMPLOYEE PENSIONS

SEC. 101. DEFINITION OF SIMPLIFIED EMPLOYEE PENSION PLAN FOR PURPOSES OF TITLE I OF ERISA.

Section 3 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002) is amended by adding at the end the following:

"(41) The term 'simplified employee pension plan' means a pension plan consisting of one or more simplified employee pensions within the meaning of section 408(k)(1) of the Internal Revenue Code of 1986.".

SEC. 102. APPLICATION OF REPORTING AND DISCLOSURE REQUIREMENTS TO SIMPLIFIED EMPLOYEE PENSION PLANS.

(a) IN GENERAL.—Section 110 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1030) is amended by adding at the end the following new subsection:

"(c) The Secretary shall by regulation prescribe an alternative method of compliance with the requirements of this part for simplified employee pension plans. In prescribing regulations pursuant to this subsection, the Secretary shall specifically take into account those attributes which are peculiar to simplified employee pension plans.".

(b) ISSUANCE OF REGULATIONS.—The Secretary of Labor shall issue the regulations required under section 110(c) of the Employee Retirement Income Security Act of 1974 (as added by subsection (a)) not later than the effective date specified in section 108.

SEC. 103. APPLICATION OF PARTICIPATION AND VESTING REQUIREMENTS TO SIMPLIFIED EMPLOYEE PENSION PLANS.

(a) PARTICIPATION REQUIREMENTS.—Section 202(a)(1)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1052(a)(1)(B)) is amended—

(1) by redesignating clause (ii) as clause (iii); and

(2) by inserting after clause (i) the following new clause:

"(ii) Subparagraph (A) does not apply with respect to a simplified employee pension plan. No such plan may require, for treatment of any individual by the plan as an individual on behalf of whom contributions may be made to the plan for any year in compliance with section 408 of the Internal Revenue Code of 1986, that such individual—

"(I) have attained any age that is greater than 21, or

"(II) have performed service for the employer during more than 3 years of the immediately preceding 5 years.".

(b) VESTING REQUIREMENTS.—Section 203(a) of such Act (29 U.S.C. 1053(a)) is amended—

(1) in paragraph (1), by adding at the end the following: "A simplified employee pension plan does not satisfy the requirements of this paragraph unless it further provides that an employee's rights in his accrued benefit derived from the employer's contributions are nonforfeitable."; and

(2) in paragraph (2), by inserting "(other than a simplified employee pension plan)" after "A plan" the first place it appears.

SEC. 104. DISTRIBUTION REQUIREMENTS FOR SIMPLIFIED EMPLOYEE PENSION PLANS.

(a) AMENDMENTS TO ERISA.—

(1) IN GENERAL.—Part 1 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 is amended—

(A) by redesignating section 211 (29 U.S.C. 1061) as section 212; and

(B) by inserting after section 210 (29 U.S.C. 1060) the following new section:

"DISTRIBUTIONS OF ACCRUED BENEFIT UNDER SIMPLIFIED EMPLOYEE PENSION PLANS

"SEC. 211. (a) IN GENERAL.—Each simplified employee pension plan and portable pension plan shall provide that—

"(1) the distribution of the accrued benefit with respect to each participant will be only in a permitted retirement income form in accordance with this section,

"(2) no distribution may be made without the consent of the participant (or the beneficiary in the case of the participant's death), and

"(3) upon timely written application by the participant (or the beneficiary in the case of the participant's death) in accordance with the terms of the plan—

"(A) requesting distribution of the accrued benefit,

"(B) designating for such distribution a standard retirement income form provided under the plan or another form elected in accordance with subsection (c)(2), and

"(C) designating the date on which such distribution is to commence,

the accrued benefit with respect to the participant will be distributed in accordance with such application.

"(b) DISTRIBUTIONS IN STANDARD RETIREMENT INCOME FORM.—Except as otherwise provided in subsection (c), distribution of the accrued benefit under a simplified employee of the accrued benefit under a simplified employee pension plan is made in a permitted retirement income form if it is made in one or more of the standard retirement income forms. The standard retirement income forms are as follows:

"(1) A qualified joint and survivor annuity (within the meaning of section 204(d)).

"(2) Any other joint life annuity (including a cash refund annuity).

"(3) A single life annuity (including a refund annuity).

"(4) Any series of substantially equal periodic payments described in section 72(t)(2)(A)(iv) of the Internal Revenue Code of 1986 other than a form described in paragraph (1), (2), or (3).

"(c) ELECTIONS WITH RESPECT TO FORMS OF DISTRIBUTION.—

"(1) RULE WHERE PLAN ALLOWS FORM OTHER THAN DISTRIBUTION OVER LIFE EXPECTANCY.—In any case in which a simplified employee pension plan allows the form described in paragraph (1), (2), or (3) of subsection (b) as a means of distribution of the accrued benefit with respect to a participant, the plan does not provide a permitted retirement income form unless the plan provides that the standard retirement income form described in paragraph (1) of subsection (b) (or paragraph (3) of subsection (b), in the case of a participant with no spouse) is the only means of distribution under the plan except to the extent another standard retirement income form described in subsection (b) is elected by the participant in accordance with the spousal consent requirements of paragraph (3) of this subsection.

"(2) ELECTION OF FORMS OTHER THAN STANDARD RETIREMENT INCOME FORMS.—The distribution of the accrued benefit under a simplified employee pension plan in other than a standard retirement income form described in subsection (b) shall not be treated as made in other than a permitted retirement income form to the extent that—

"(A) the distribution in such other form is expressly elected in writing in accordance with the terms of the plan, and

"(B) the spousal consent requirements of paragraph (3) are met.

"(3) SPOUSAL CONSENT REQUIREMENTS.—The spousal consent requirements of this paragraph are met if—

"(A)(i) the spouse of the participant consents in writing to the election under paragraph (1) or (2), (ii) such elected form may not be changed without spousal consent (or the consent of the spouse expressly permits changes in the form without any requirement of further consent by the spouse), and (iii) the spouse's consent acknowledges the effect of such consent and is witnessed by a representative of the plan or a notary public, or

"(B) it is established to the satisfaction of a representative of the plan that the consent required under subparagraph (A) may not be obtained because there is no spouse, because the spouse cannot be located, or because of such other circumstances as may be prescribed in regulations referred to in section 205(c)(2)(B).

Any consent by a spouse (or establishment that the consent of a spouse may not be obtained) under the preceding sentence shall be effective only with respect to such spouse.

"(d) WRITTEN EXPLANATION TO RECIPIENTS OF DISTRIBUTIONS.—The administrator of a simplified employee pension plan shall, immediately before making a distribution pursuant to this section, provide to the individual who is to be the recipient of the distribution a written explanation of—

"(1) the provisions under which the distribution may or may not be subject to tax or penalty under the Internal Revenue Code of 1986, and

"(2) the terms and conditions of the applicable permitted retirement income form, the participant's right to make an election under subsection (c)(2), and the rights of the participant's spouse under subsection (c)(3).".

(2) SPECIAL DEFINITION OF BENEFICIARY FOR SIMPLIFIED EMPLOYEE PENSION PLANS.—Paragraph (8) of section 3 (29 U.S.C. 1002(8)) is amended—

(A) by striking "The term" and inserting "(A) Subject subparagraph (B), the term"; and

(B) by adding at the end the following new subparagraph:

"(B)(i) In the case of a simplified employee pension plan, the term 'beneficiary', when used in connection with a participant, means—

"(I) the spouse of the participant, or

"(II) if the spousal consent requirements of clause (ii) are met, any other person designated by the participant, or by the terms of the plan, who is or may become eligible under the plan to receive some or all of the accrued benefit.

"(ii) The spousal consent requirements of this clause are met if—

"(I) the spouse of the participant consents in writing to the designation under subparagraph (A)(ii) of the other person referred to in subparagraph (A)(ii) as a beneficiary, (II) such designation is of a beneficiary which may not be changed without spousal consent (or the consent of the spouse expressly permits designations by the participant without any requirement of further consent by the spouse), and (III) the spouse's consent acknowledges the effect of such consent and is witnessed by a representative of the plan or a notary public, or

"(II) it is established to the satisfaction of a representative of the plan that the consent required under subclause (I) may not be obtained because there is no spouse, because the spouse cannot be located, or because of such other circumstances as may be prescribed in regulations referred to in section 205(c)(2)(B).".

(3) CONFORMING AMENDMENTS.—

(A) Section 203(e)(1) of such Act (29 U.S.C. 1053(e)(1)) is amended by inserting "(other than a simplified employee pension plan)" after "pension plan".

(B) Section 205(b) of such Act (29 U.S.C. 1055(b)) is amended by adding at the end the following new paragraph:

"(4) This section shall not apply to a simplified employee pension plan.".

(C) The table of contents in section 1 of such Act is amended by striking the item relating to section 211 and inserting the following:

"Sec. 211. Distributions of accrued benefit under simplified employee pension plans.
"Sec. 212. Effective dates.".

(b) AMENDMENTS TO INTERNAL REVENUE CODE.—

(1) IN GENERAL.—Paragraph (4) of section 408(k) of the Internal Revenue Code of 1986 (relating to withdrawals from simplified employee pensions must be permitted) is amended to read as follows:

"(4) DISTRIBUTIONS OF ACCOUNT BALANCE.—

(A) IN GENERAL.—Subject to subsection (a)(6), a simplified employee pension meets the requirements of this paragraph only if the pension provides that—

"(i) the distribution of the account balance with respect to each employee will be only in a permitted retirement income form in accordance with this paragraph,

"(ii) no distribution may be made without the consent of the employee (or the beneficiary in the case of the employee's death) and the advance written explanation required under subparagraph (D), and

"(iii) upon timely written application by the employee (or the beneficiary in the case of the employee's death) in accordance with the terms of the pension—

"(I) requesting distribution of the account balance,

"(II) designating for such distribution a standard retirement income form provided under the pension or another form elected in accordance with subparagraph (C)(ii), and

"(III) designating the date on which such distribution is to commence,

the account balance with respect to the employee will be distributed in accordance with such application.

"(B) DISTRIBUTIONS IN STANDARD RETIREMENT INCOME FORM.—Except as otherwise provided in subparagraph (C), distribution of the account balance under a simplified employee pension is made in a permitted retirement income form if it is made in one or more of the standard retirement income forms. The standard retirement income forms are as follows:

"(i) A qualified joint and survivor annuity (within the meaning of section 417(b)).

"(ii) Any other joint life annuity (including a cash refund annuity).

"(iii) A single life annuity (including a refund annuity).

"(iv) Any series of substantially equal periodic payments described in section 72(t)(2)(A)(iv) other than a form described in clause (i), (ii), or (iii).

"(C) ELECTIONS WITH RESPECT TO FORMS OF DISTRIBUTION.—

"(i) RULE WHERE PENSION ALLOWS FORM OTHER THAN DISTRIBUTION OVER LIFE EXPECT-

ANCY.—In any case in which a simplified employee pension allows the form described in clause (i), (ii), or (iii) of subparagraph (B) as a means of distribution of the account balance with respect to an employee, the pension does not provide a permitted retirement income form unless the pension provides that the standard retirement income form described in clause (i) of subparagraph (B) (or clause (iii) of subparagraph (B), in the case of an employee with no spouse) is the only means of distribution under the pension except to the extent another standard retirement income form described in subparagraph (B) is elected by the employee in accordance with the spousal consent requirements of clause (iii) of this subparagraph.

"(i) Election of forms other than standard retirement income forms.—The distribution of the account balance under a simplified employee pension in other than a standard retirement income form described in subparagraph (B) shall not be treated as made in other than a permitted retirement income form to the extent that—

"(I) the distribution in such other form is expressly elected in writing in accordance with the terms of the pension, and

"(II) the spousal consent requirements of clause (iii) are met.

"(iii) Spousal consent requirements.—The spousal consent requirements of this clause are met if—

"(I) the spouse of the employee consents in writing to the election under clause (i) or (ii), such elected form may not be changed without spousal consent (or the consent of the spouse expressly permits changes in the form without any requirement of further consent by the spouse), and the spouse's consent acknowledges the effect of such consent and is witnessed by a representative of the pension or a notary public, or

"(II) it is established to the satisfaction of a representative of the pension that the consent required under subclause (I) may not be obtained because there is no spouse, because the spouse cannot be located, or because of such other circumstances as may be prescribed in regulations referred to in section 417(a)(2)(B).

Any consent by a spouse (or establishment that the consent of a spouse may not be obtained) under the preceding sentence shall be effective only with respect to such spouse.

"(D) Written explanation to recipients of distributions.—An advance written explanation is provided as required by this subparagraph if, immediately before making a distribution pursuant to this paragraph, a representative of the pension provides to the individual who is to be recipient of the distribution a written explanation of—

"(i) the provisions under which the distribution may or may not be subject to tax or penalty under this title, and

"(ii) the terms and conditions of the applicable permitted retirement income form, the participant's right to make an election under subparagraph (C)(ii), and the rights of the participant's spouse under subparagraph (C)(iii).".

(2) Special definition of beneficiary for simplified employee pensions.—Paragraph (7) of section 408(k) of such Code (relating to definitions) is amended by adding at the end the following new subparagraph:

"(B) Beneficiary.—

"(i) In general.—The term 'beneficiary', when used in connection with an employee, means—

"(I) the spouse of the employee, or

"(II) if the spousal consent requirements of clause (ii) are met, any other person designated by the employee, or by the terms of the plan, who is or may become eligible under the plan to receive some or all of the account balance.

"(ii) Spousal consent requirements.—The spousal consent requirements of this subparagraph are met if—

"(I) the spouse of the employee consents in writing to the designation under subparagraph (A)(ii) of the other person referred to in subparagraph (A)(ii) as a beneficiary, (II) such designation is of a beneficiary which may not be changed without spousal consent (or the consent of the spouse expressly permits designations by the employee without any requirement of further consent by the spouse), and (III) the spouse's consent acknowledges the effect of such consent and is witnessed by a representative of the plan or a notary public, or

"(II) it is established to the satisfaction of a representative of the plan that the consent required under subclause (I) may not be obtained because there is no spouse, because the spouse cannot be located, or because of such other circumstances as may be prescribed in regulations referred to in section 417(a)(2)(B).".

SEC. 105. INAPPLICABILITY OF FUNDING REQUIREMENTS TO SIMPLIFIED EMPLOYEE PENSION PLANS.

Paragraph (8) of section 301(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1081(a)(8)) is amended by inserting ", a simplified employee pension plan," after "plan)" the first place it appears.

SEC. 106. SIMPLIFIED ALTERNATIVE SALARY REDUCTION ARRANGEMENTS UNDER SIMPLIFIED EMPLOYEE PENSIONS.

(a) In General.—Subsection (k) of section 408 of the Internal Revenue Code of 1986 (relating to simplified employee pensions defined) is amended—

(1) by redesignating paragraphs (7), (8), and (9) as paragraphs (8), (9), and (10), respectively; and

(2) by inserting after paragraph (6) the following new paragraph:

"(7) Employee may elect simplified alternative salary reduction arrangement under a uniform simplified employee pension.—

"(A) In general.—A simplified employee pension meeting the requirements of subparagraph (B) shall not fail to meet the requirements of this subsection for a year solely because such pension provides that an employee may elect to have the employer make payments for such year—

"(i) as elective employer contributions to the pension on behalf of the employee, or

"(ii) to the employee directly in cash.

"(B) Requirements.—The requirements of this subparagraph are met for any year with respect to a simplified employee pension to which an employer makes payments under this subsection for such year if—

"(i) each employee with respect to whom payments are made by the employer to a simplified employee pension for such year is eligible to make the election described in subparagraph (A)(i),

"(ii) the simplified employee pension provides that it will not accept contributions for such year which are in excess of the maximum salary reduction amount for such year, and

"(iii) the requirements of subparagraph (D) are met with respect to employer contributions under the simplified employee pension (other than payments made by the employer to the pension pursuant to an election described in subparagraph (A)(i)).

"(C) Maximum salary reduction amount.—For purposes of subparagraph (B)(ii), the term 'maximum salary reduction amount' for a year means an amount equal to the product derived by multiplying—

"(i) the lesser of—

"(I) $50,000, or

"(II) the greater of $12,500 or 25 percent of the employee's total compensation for such year (including payments made by the employer to the simplified employee pension pursuant to an election described in subparagraph (A)(i)),

by

"(ii) a fraction—

"(I) the numerator of which is the total amount of the contributions made by the employer to simplified employee pensions with respect to such employee for such year (determined without regard to payments made by the employer to simplified employee pensions pursuant to an election described in subparagraph (A)(i)), and

"(II) the denominator of which is the amount of such employee's total compensation (as determined under clause (i)(II)) for such year.

"(D) Rules governing employer contributions.—

"(i) In general.—The requirements of this subparagraph are met with respect to employer contributions to a simplified employee pension if, under the pension—

"(I) a contribution may be made to the pension by an employer for any year only if the participation requirements of clause (ii) are met for such year, and

"(II) the total amount of such contributions for any year to the pension is determined in accordance with the requirements of clause (iii).

"(ii) Participation requirements.—

"(I) In general.—The participation requirements of this clause are met for any year if contributions are made by the employer for such year to simplified employee pensions referred to in subparagraph (B) with respect to all employees described in paragraph (2).

"(II) Employment at end of year may be required.—The participation requirements of this clause and paragraph (2) shall not be considered as not met solely because the employer does not make contributions for any year with respect to all employees who were not employed by the employer as of the last day of the year. The preceding sentence shall not apply with respect to any employee who rendered any service to the employer during such year and with respect to whom the employer made a contribution for the immediately preceding year.

"(iii) Requirements relating to amount and payment of contribution.—

"(I) In general.—The total amount of employer contributions to a simplified employee pension for any year with respect to an employee (determined without regard to payments made by the employer to the pension pursuant to an employee's election described in subparagraph (A)(i)) is determined in accordance with the requirements of this clause if such amount equals the declared annual contribution of such employer for such employee for such year.

"(II) Declared annual contribution.—Except as provided in subclause (V), for purposes of this clause, the declared annual contribution of an employer for an employee for any year equals the product derived from multiplying the compensation amount described in subclause (III) by the percentage described in subclause (IV).

"(III) COMPENSATION AMOUNT.—The compensation amount described in this subclause is an amount equal to the lesser of the total compensation paid to the employee during the year (including payments made by the employer to the simplified employee pension pursuant to an election described in subparagraph (A)(i)), or the dollar amount in effect for such year under paragraph (3)(C).

"(IV) PERCENTAGE.—The percentage described in this subclause is a uniform percentage which, for purposes of this subclause, is fixed for such year by the employer with respect to all simplified employee pensions for all employees with respect to whom employer contributions are made for such year.

"(V) SUPPLEMENTAL CONTRIBUTIONS.—The declared annual contribution of an employer for an employee for any year may be increased by a uniform monetary amount which is fixed for such year by the employer with respect to all simplified employee pensions, and declared by the employer under subclause (VI), for all employees with respect to whom employer contributions are made for such year.

"(VI) REPORTING OF TAXABLE YEAR, MONETARY AMOUNT, AND PERCENTAGE TO THE SIMPLIFIED EMPLOYEE PENSION.—The requirements of this subparagraph are not met with respect to employer contributions under a simplified employee pension unless the pension provides that the employer's taxable year, the uniform percentage fixed by the employer with respect to employees pursuant to subclause (IV) for such taxable year, and the uniform monetary amount fixed by an employer with respect to employees pursuant to subclause (V) for such taxable year must be declared by the employer to the pension together with the employer's first contributions to the pension with respect to an employee for such year.".

(b) TECHNICAL AND CONFORMING AMENDMENT.—Subsection (c) of section 4979 of such Code (relating to definition of excess contribution for purposes of tax on certain excess contributions) is amended by striking "408(k)(8)(B)," and inserting "408(k)(6)(C)(ii), 408(k)(7)(E)(iii),".

SEC. 107. APPLICATION OF REQUIREMENTS FOR SIMPLIFIED EMPLOYEE PENSIONS WITH RESPECT TO SEPARATE LINES OF BUSINESS.

(a) IN GENERAL.—Subsection (k) of section 408 of the Internal Revenue Code of 1986 (relating to simplified employee pensions) is amended—

(1) by redesignating paragraph (10) (as redesignated by section 106) as paragraph (11); and

(2) by inserting after paragraph (9) (as redesignated by section 106) the following new paragraph:

"(10) APPLICATION OF REQUIREMENTS WITH RESPECT TO SEPARATE LINES OF BUSINESS.—The Secretary may, by regulation, provide that the requirements of this subsection may be met by application separately with respect to separate lines of business.".

(b) CONFORMING AMENDMENT.—Paragraph (1) of section 414(r) of such Code (relating to special rules for separate lines of business) is amended by striking "89 and 410(b)" and inserting "89, 408(k)(7)(10), and 410(b)".

SEC. 108. EFFECTIVE DATE.

The amendments made by this title shall apply with respect to taxable years beginning after December 31, 1988.

TITLE II—PORTABLE PENSION PLANS

SEC. 201. UTILIZATION OF SIMPLIFIED EMPLOYEE PENSIONS AS PORTABLE PENSION PLANS.

(a) AMENDMENT TO INTERNAL REVENUE CODE OF 1986.—Section 408 of the Internal Revenue Code of 1986 is amended—

(1) by redesignating subsection (p) as subsection (q); and

(2) by inserting after subsection (o) the following new subsection:

"(p) PORTABLE PENSION PLAN DEFINED.—

"(1) IN GENERAL.—For purposes of this title, the term 'portable pension plan' means an arrangement consisting of one or more individual retirement accounts or annuities which—

(A) meets the requirements of subsection (k) with respect to amounts contributed by employers on behalf of employees in the manner provided in such subsection, and

(B) meets the portability requirements of paragraph (2).

"(2) PORTABILITY REQUIREMENTS.—An arrangement meets the portability requirements of this paragraph if the arrangement provides—

"(A) that, pursuant to a written election by any individual who has an account balance under the arrangement (or the individual's beneficiary in the event of the individual's death) and spousal consent as provided in subsection (k)(4)(C)(iii)—

"(i) all or part of the account balance with respect to such individual may be distributed in the form of a direct transfer from the arrangement to a portable pension plan, and

"(ii) distributions from the arrangement, only to the extent described in section 402(a)(10) or 402(e)(7)(B), may be made in the form of a direct transfer from the arrangement to a plan described in section 401(a) which includes a trust exempt from tax under section 501(a), and

"(B) that it accepts with respect to any individual each of the following:

"(i) any transfer to the arrangement of a plan distribution which is not includible in gross income under subsection (d)(3) or section 402(a)(5)(A), 402(a)(7), 402(a)(10), 403(a)(4)(A), or 403(b)(8),

"(ii) any plan distribution to such arrangement described in subparagraph (B) or (C) of section 411(a)(11) or paragraph (3) or (4) of section 417(e), and

"(iii) any direct transfer to such arrangement—

"(I) from any simplified employee pension,

"(II) from any portable pension plan, or

"(III) from any plan described in section 401(a) which includes a trust exempt from tax under section 501(a).".

(b) AMENDMENT TO EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—Section 3 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002) is amended by adding at the end the following new paragraph:

"(42)(A) The term 'portable pension plan' means a pension plan consisting of one or more simplified employee pensions, individual retirement accounts, or individual retirement annuities (within the meaning of section 408 of the Internal Revenue Code of 1986) which—

(i) meets the requirements of section 408(k) of the Internal Revenue Code of 1986 with respect to amounts contributed by employers on behalf of employees in the manner provided in such section 408(k), and

(ii) meets the portability requirements of subparagraph (B).

"(B) A pension plan meets the portability requirements of this subparagraph if the plan provides—

"(i) that, pursuant to a written election by any individual who has an accrued benefit under the plan (or the individual's beneficiary in the event of the individual's death) and spousal consent as provided in section 211(c)(3)—

"(I) all or part of the accrued benefit with respect to such individual may be distributed in the form of a direct transfer from the plan to a portable pension plan, and

"(II) distributions from the plan, only to the extent described in section 402(a)(10) or 402(e)(7)(B) of the Internal Revenue Code of 1986, may be made in the form of a direct transfer from the plan to a pension plan described in section 401(a) of such Code which includes a trust exempt from tax under section 501(a) of such Code, and

"(ii) that it accepts with respect to any individual each of the following:

"(I) any transfer to the plan of a plan distribution which is not includible in gross income under section 402(a)(5)(A), 402(a)(7), 402(a)(10), 403(a)(4)(A), 403(b)(8), or 408(d)(3) of the Internal Revenue Code of 1986,

"(II) any plan distribution to such plan described in paragraph (2) or (3) of section 203(e) or paragraph (3) or (4) of section 205(g), and

"(III) any direct transfer to such plan from any simplified employee pension plan, from any portable pension plan, or from any plan described in section 401(a) of the Internal Revenue Code of 1986 which includes a trust exempt from tax under section 501(a) of such Code.".

SEC. 202. TREATMENT OF PORTABLE PENSION PLANS AS QUALIFIED PLANS.

Section 401 of the Internal Revenue Code of 1986 (relating to qualified pension, profit-sharing, and stock bonus plans) is amended—

(1) by redesignating subsection (o) as subsection (p); and

(2) by inserting after subsection (n) the following new subsection:

"(o) TREATMENT OF PORTABLE PENSION PLANS AS QUALIFIED PLANS.—For purposes of this title and any other provision of law, a portable pension plan—

"(1) shall be deemed a trust described in, or which meets the requirements for qualification applicable to trusts under, subsection (a), and

"(2) shall be deemed a plan which is described in subsection (a) or with respect to which the requirements for qualification under subsection (a) have been met.".

SEC. 203. DENIAL OF ROLLOVER TREATMENT FOR DISTRIBUTIONS FROM PORTABLE PENSION PLANS.

"(a) INAPPLICABILITY OF FAVORABLE TAX TREATMENT OF CASH DISTRIBUTIONS IN ROLLOVERS FROM PORTABLE PENSION PLANS.—Clause (iii) of section 402(a)(5)(E) of the Internal Revenue Code of 1986 (relating to definition of qualified trust) is amended by inserting "(other than a portable pension plan deemed as such a qualified plan under section 401(o))" after "section 501(a)".

(b) INAPPLICABILITY OF ROLLOVER RULES RELATING TO INDIVIDUAL RETIREMENT ACCOUNTS AND ANNUITIES.—Paragraph (3) of section 408(d) of such Code (relating to rollover contribution) is amended by adding at the end the following new subparagraph:

"(G) DENIAL OF ROLLOVER TREATMENT FOR DISTRIBUTIONS FROM PORTABLE PENSION PLANS.—This paragraph does not apply to any amount paid or distributed from a portable pension plan.".

SEC. 204. PRESERVATION OF 5-YEAR AVERAGING TREATMENT FOR LUMP SUM DISTRIBUTIONS FROM PORTABLE PENSION PLANS ONLY WITH RESPECT TO PRIOR PLAN TRANSFERS.

Section 402(e) of the Internal Revenue Code of 1986 (relating to tax on lump sum distributions) is amended by adding at the end the following new paragraph:

"(7) SPECIAL RULES RELATING TO DISTRIBUTIONS FROM PORTABLE PENSION PLANS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the preceding paragraphs of this subsection shall not apply with respect to distributions from a portable pension plan.

"(B) EXCEPTION.—Subparagraph (A) does not apply with respect to—

"(i) rollover amounts (as described in subsection (a)(5)),

"(ii) direct plan transfers (described in clause (ii) or (iii)(II) of section 408(p)(2)(B)), and

"(iii) rollover contributions (as described in section 408(d)(3)(A)(ii)),

to which the preceding paragraphs of this subsection would apply without regard to this paragraph and which are separately accounted for under the portable pension plan from which the distribution is made.".

SEC. 205. PORTABILITY FROM QUALIFIED PLANS TO PORTABLE PENSION PLANS OF NONDEDUCTIBLE EMPLOYEE CONTRIBUTIONS.

(a) IN GENERAL.—Section 402(a) of the Internal Revenue Code of 1986 (relating to taxability of beneficiary of exempt trust) is amended by adding at the end of the following:

"(10) PORTABILITY OF EMPLOYEE CONTRIBUTIONS.—For purposes of paragraph (5), the maximum amount which may be rolled over shall not be considered to have been exceeded solely because the amount of any employee contributions distributed which are not includible in gross income by reason of such distribution are transferred to a portable pension plan—

"(A) in a direct trustee-to-trustee transfer, or

"(B) within 60 days after the date on which the employee received the distribution of such employee contributions.".

(b) CONFORMING AMENDMENTS.—

(1) SECTION 403(A) PLANS.—Subparagraph (B) of section 403(a)(4) of such Code (relating to certain rules made applicable in the case of rollovers from qualified annuity plans) is amended by inserting ", section 402(a)(10)," after "section 402(a)(5)".

(2) SECTION 403(B) ANNUITIES.—Subparagraph (C) of section 403(b)(8) of such Code (relating to certain rules made applicable in the case of rollovers from annuities purchased by section 501(c)(3) organization or public school) is amended by inserting ", section 402(a)(10)," after "section 402(a)(5)".

SEC. 206. SAFE HARBOR FOR PORTABLE PENSION PLANS UNDER TITLE I OF ERISA.

(a) IN GENERAL.—Part 5 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 is amended—

(1) by redesignating section 414 as section 415; and

(2) by inserting after section 413 the following new section:

"SPECIAL RULES FOR PROTABLE PENSION PLANS

SEC. 414. (A) IN GENERAL.—In the case of any portable pension plan which meets the requirements of subsection (b)—

"(1) CLARIFICATION OF FIDUCIARY REQUIREMENTS.—Such pension plan shall be treated as a pension plan referred to in section 404(c).

"(2) ACTIONS TAKEN BASED ON MISINFORMATION NOT GROUNDS FOR FAILURE TO MEET REQUIREMENTS OF TITLE.—Such pension plan shall not be treated as a plan failing to meet any requirement of this title solely by reason of any act or failure to act in the administration of such plan in good faith reliance on any information provided by an employer, participant, or beneficiary with respect to such plan which constitutes a misrepresentation or mistake of fact.

"(3) RESPONSIBILITIES OF PLAN SPONSOR, ADMINISTRATOR, AND EMPLOYER.—

"(A) PLAN SPONSOR.—Except with respect to duties enforceable under subparagraph (C), any reference in the other provisions or this title to the 'plan sponsor' shall be construed to be a reference (as applicable) to the custodian of the custodial account referred to in section 403(b)(3)(ii) or the insurance company referred to in paragraph (1) or (2) of section 403(b).

"(B) ADMINISTRATOR.—Any reference in the other provisions of this title to the 'administrator' shall be construed to be a reference to the custodian or insurance company referred to in subparagraph (A), except that, if such custodian or insurance company designates any other person to serve as administrator (within the meaning of section 3(16)(A)(i)), such reference shall be construed to be a reference to such other person.

"(C) EMPLOYEE'S RIGHT OF ACTION AGAINST EMPLOYER PRESERVED.—The preceding provisions of this paragraph shall not be construed to preclude an employee's right of action under section 502 against an employer—

"(i) to enjoin compliance by the employer with any obligations relating to contributions made pursuant to section 408 of the Internal Revenue Code of 1986, or

"(ii) to enforce such requirements of this title relating to employers as the Secretary determines appropriate by regulation pursuant to subsection (c)(1).

"(b) REQUIREMENTS.—A portable pension plan meets the requirements of this subsection if such plan meets the requirements of the following paragraphs:

"(1) CONFORMANCE WITH REQUIREMENTS AS APPLICABLE UNDER REGULATIONS.—A portable pension plan meets the requirements of this paragraph if such plan meets the requirements of section 404(c), subject to such regulations (consistent with this section) as may be prescribed by the Secretary under section 404(c) for the purpose of specifically taking into account attributes peculiar to portable pension plans.

"(2) DESIGNATION OF FIDUCIARY.—A portable pension plan meets the requirements of this paragraph if such plan designates in writing the plan sponsor (as defined in subsection (a)(3)(A)) as the named fiduciary referred to in the second sentence of section 402(a)(1).

"(3) INVESTMENT OPTIONS.—

"(A) IN GENERAL.—A portable pension plan meets the requirements of this paragraph if the plan provides, as at least one means of investment of contributions (including accumulated earnings), investment (in individual or pooled arrangements) in United States Government securities or securities which are insured by the United States or any agency thereof (which may include temporary investments in other forms of insubstantial amounts).

"(B) DEFAULT OPTION FOR CERTAIN TRANSFERS.—A portable pension plan does not meet the requirements of this paragraph unless the plan provides that any amount transferred to the plan as described in section 3(42)(B)(ii) may, as one of the means of investment under the plan, be invested or reinvested under the plan only in securities described in subparagraph (A). The requirements of the preceding sentence shall not apply if the participant (or the participant's beneficiary in the event of the participant's death) elects otherwise in accordance with the terms of the plan and applicable regulations under section 404(c).

"(c) REGULATIONS.—

"(1) IN GENERAL.—The Secretary shall prescribe such regulations as are necessary to carry out the provisions of this section.

"(2) PROTOTYPE PORTABLE PENSION PLANS.—The Secretary and the Secretary of the Treasury shall jointly prescribe by regulation one or more prototype portable pension plans which would, upon adoption by any plan sponsor, constitute a portable pension plan meeting the requirements of subsection (b).".

SEC. 207. REQUIREMENTS RELATING TO DISTRIBUTIONS FROM PENSION PLANS CONSTITUTING TRANSFERS TO PORTABLE PENSION PLANS.

(a) AMENDMENTS TO EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—

(1) AMENDMENTS TO DISTRIBUTION LIMITATION.—

(A) IN GENERAL.—Section 203(e) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(e)) is amended—

(i) by redesignating paragraphs (2) and (3) as paragraphs (4) and (5), respectively; and

(ii) by inserting after paragraph (1) the following:

"(2)(A) A direct transfer to a portable pension plan from any other pension plan of the entire nonforfeitable benefit of a participant under such other pension plan shall not be treated as a distribution in violation of paragraph (1), to the extent such transfer meets the requirements of section 208(b).

"(B) For purposes of subparagraph (A), a transfer of less than the entire nonforfeitable benefit (determined subject to paragraph (2)(B)) shall be treated as a transfer of the entire nonforfeitable benefit if the excluded portion of the benefit consists solely of distributed employee contributions which are not includible in gross income for purposes of the Internal Revenue Code of 1986 by reason of the distribution.

"(3)(A) So much of any distribution of the entire nonforfeitable benefit of a participant, beneficiary, or alternate payee (within the meaning of section 206(d)(3)(K)) (other than a distribution of a benefit in the form of stock issued by the employer) as would be subject to additional tax under section 72(t) of the Internal Revenue Code of 1986 if such benefit were distributed other than in a direct transfer to a portable pension plan shall be treated as a distribution in violation of paragraph (1) unless it is made as such a direct transfer to a portable pension plan, irrespective of any consent to a distribution made in any other manner.

"(B) In any case in which a portable pension plan does not accept deposits of less than the dollar amount specified in section 408(k)(2)(C) of the Internal Revenue Code of 1986 (determined with the application of section 408(k)(8) of such Code) for any year with respect to a participant, and the entire nonforfeitable benefit of each participant under any other pension plan is directly transferred to such portable pension plan, excluding from such transfer only such benefits with actuarial present values of less than such amount, subparagraph (A) shall not apply with respect to the distribution of each such excluded benefit.".

(B) CONFORMING AMENDMENT.—Section 203(e)(4)(A) of such Act (as redesignated) is amended by striking "paragraph (1)" and inserting "this subsection".

(2) JOINT AND SURVIVOR ANNUITY AND PRERETIREMENT SURVIVOR ANNUITY REQUIREMENTS.—

(A) IN GENERAL.—Section 205(g) of such Act (29 U.S.C. 1055(g)) is amended—

(i) by redesignating paragraph (3) as paragraph (5); and

(ii) by inserting after paragraph (1) the following:

"(3)(A) A direct transfer to a portable pension plan from any other pension plan of the entire nonforfeitable benefit of a participant under such other pension plan shall not be treated as a distribution in violation of paragraphs (1) and (2), to the extent such transfer meets the requirements of section 208(b).

"(B) For purposes of subparagraph (A), a transfer of less than the entire nonforfeitable benefit shall be treated as a transfer of the entire nonforfeitable benefit if the excluded portion of the benefit consists solely of distributed employee contributions which are not includible in gross income for purposes of the Internal Revenue Code of 1986 by reason of the distribution.

"(4)(A) So much of any distribution of the entire nonforfeitable benefit of a participant, beneficiary, or alternate payee (within the meaning of section 206(d)(3)(K)) (other than a distribution of a benefit in the form of stock issued by the employer) as would be subject to additional tax under section 72(t) of the Internal Revenue Code of 1986 if such benefit were distributed other than in a direct transfer to a portable pension plan shall be treated as a distribution in violation of paragraph (2) unless it is made as such a direct transfer to a portable pension plan, irrespective of any consent to a distribution made in any other manner.

"(B) In any case in which a portable pension plan does not accept deposits of less than the dollar amount specified in section 408(k)(2)(C) of the Internal Revenue Code of 1986 (determined with the application of section 408(k)(8) of such Code) for any year with respect to a participant, and the entire nonforfeitable benefit (determined subject to paragraph (3)(B)) of each participant under any other pension plan is directly transferred to such portable pension plan, excluding from such transfer only such benefits with actuarial present values of less than such amount, subparagraph (A) shall not apply with respect to the distribution of each such excluded benefit.".

(B) CONFORMING AMENDMENT.—Section 205(g)(5) (as redesignated) is amended by striking "paragraphs (1) and (2)" and inserting "this subsection".

(3) LIMITATION ON APPLICATION OF RESTRICTIONS ON TRANSFERS OF PLAN ASSETS.—Section 208 (29 U.S.C. 1058) is amended—

(A) by inserting "(a)" after "Sec. 208."; and

(B) by adding at the end of the following:

"(b) A direct transfer to a portable pension plan from any other pension plan of the present value (determined as provided in section 203(e)(4)) of the entire nonforfeitable benefit of a participant under such other pension plan shall not be treated as a transfer in violation of subsection (a) if and only if the requirements of paragraph (1) or (2) are met with respect to the transfer, as follows:

"(1) The requirements of this paragraph are met with respect to the transfer if—

"(A) the entire nonforfeitable benefit is, under regulations of the Secretary of the Treasury, distributable under such other pension plan in conformity with the requirements of this part, and

"(B) in any case in which such present value is in excess of $3,500—

"(i) the participant (or alternate payee (within the meaning of section 206(d)(3)(K))) consents in writing to the transfer, and

"(ii) in any case in which section 205 applies to the participant under section 205(b)(1)(C), the participant's spouse consents in writing to the transfer.

"(2) The requirements of this paragraph are met with respect to the transfer if—

"(A) the amount transferred with respect to the participant and any investment gains and losses under such portable pension plan with respect to the amount transferred are separately accounted for under such portable pension plan,

"(B) the rules set forth in such portable pension plan with respect to benefits attributable to amounts described in subparagraph (A) which provide for optional forms of benefits and otherwise govern the distribution of benefits are identical to the rules set forth in such other pension plan which provide for optional forms of benefits and otherwise govern the distribution of benefits, and

"(C) any election in effect under such other pension plan as provided in the rules described in subparagraph (B) shall remain in effect under such portable pension plan as provided in such rules.".

(4) SERVICE DISREGARDED WHERE DISTRIBUTION IS PERMITTED.—Section 204(d) of such Act (29 U.S.C. 1054(d)) is amended—

(A) in paragraph (1), by striking "or";

(B) in paragraph (2), by striking "receive." and inserting "receive, or";

(C) by inserting after paragraph (2) the following:

"(3) a distribution meeting the requirements of paragraphs (2) and (3) of section 203(e) or paragraphs (3) and (4) of section 205(g)."; and

(D) in the last sentence, by striking "Paragraph (2)" and inserting "Paragraphs (2) and (3)".

(5) CONFORMING AMENDMENT TO TITLE IV.—Section 4044 of such Act (29 U.S.C. 1344) is amended by adding at the end the following new subsection:

"(e) So much of any distribution from a terminated plan as would be subject to additional tax on the income of a participant or beneficiary under section 72(t) of the Internal Revenue Code of 1986 if such distribution were made other than as a direct transfer to a portable pension plan (as defined in section 3(42)) shall be made as such a direct transfer to such a portable pension plan.".

(b) AMENDMENTS TO INTERNAL REVENUE CODE OF 1986.—

(1) AMENDMENTS TO DISTRIBUTION LIMITATION.—

(A) IN GENERAL.—Paragraph (11) of section 411(a) of the Internal Revenue Code of 1986 (relating to restrictions on certain mandatory distributions) is amended—

(i) by redesignating subparagraphs (B) and (C) as subparagraphs (D) and (E), respectively; and

(ii) by inserting after subparagraph (A) the following:

"(B) EXCEPTION FOR DIRECT TRANSFERS TO PORTABLE PENSION PLANS.—

"(i) IN GENERAL.—A direct transfer to a portable pension plan from any other plan described in section 401(a) of the entire nonforfeitable benefit of a participant under such other plan shall not be treated as a distribution in violation of subparagraph (A), to the extent such transfer meets the requirements of section 414(1)(2).

"(ii) EXCLUSION OF EMPLOYEE CONTRIBUTIONS.—For purposes of clause (i), a transfer of less than the entire nonforfeitable benefit shall be treated as a transfer of the entire nonforfeitable benefit if the excluded portion of the benefit consists solely of distributed employee contributions which are not includible in gross income by reason of the distribution.

"(C) REQUIRED TREATMENT FOR DISTRIBUTIONS SUBJECT TO 10 PERCENT ADDITIONAL TAX.—

"(i) IN GENERAL.—So much of any distribution of the entire nonforfeitable benefit of a participant, beneficiary, or alternate payee (within the meaning of section 414(p)(8)) (other than a distribution of a benefit in the form of stock issued by the employer) as would be subject to additional tax under section 72(t) if such benefit were distributed other than in a direct transfer to a portable pension plan shall be treated as a distribution in violation of subparagraph (A) unless it is made as such a direct transfer to a portable pension plan, irrespective of any consent to a distribution made in any other manner.

"(ii) EXCEPTION WHERE PORTABLE PENSION PLAN REJECTS SMALL DEPOSITS.—In any case in which a portable pension plan does not accept deposits of less than the dollar amount specified in section 408(k)(2)(C) (determined with the application of section 408(k)(8)) in any contribution base year with respect to a participant, and the entire nonforfeitable benefit (determined subject to subparagraph (B)(ii)) of each participant under any other pension plan is directly transferred to such portable pension plan, excluding from such transfer only such benefits with actuarial present values of less than such amount, subparagraph (A) shall not apply with respect to the distribution of each such excluded benefit."

(B) CONFORMING AMENDMENT.—Section 411(a)(11)(D)(i) (as redesignated) is amended by striking "subparagraph (A)" and inserting "this paragraph".

(2) JOINT AND SURVIVOR ANNUITY AND PRERETIREMENT SURVIVOR ANNUITY REQUIREMENTS.—

(A) IN GENERAL.—Subsection (e) of section 417 of such Code (relating to restrictions on cash-outs) is amended—

(i) by redesignating paragraph (3) as paragraph (5); and

(ii) by inserting after paragraph (1) the following:

"(3) EXCEPTION FOR DIRECT TRANSFERS TO PORTABLE PENSION PLANS.—

"(A) IN GENERAL.—A direct transfer to a portable pension plan from any other plan described in section 401(a) of the entire nonforfeitable benefit of a participant under such other plan shall not be treated as a distribution in violation of paragraphs (1) and (2), to the extent such transfer meets the requirements of section 414(l)(2).

"(B) EXCLUSION OF EMPLOYEE CONTRIBUTIONS.—For purposes of subparagraph (A), a tranfer of less than the entire nonforfeitable benefit shall be treated as a transfer of the entire nonforfeitable benefit if the excluded portion of the benefit consists solely of distributed employee contributions which are not includible in gross income by reason of the distribution.

"(4) REQUIRED TREATMENT FOR DISTRIBUTIONS SUBJECT TO 10 PERCENT ADDITIONAL TAX.—

"(A) IN GENERAL.—So much of any distribution of the entire nonforfeitable benefit of a participant, beneficiary, or alternate payee (within the meaning of section 414(p)) (other than a distribution of a benefit in the form of stock issued by the employer) as would be subject to additional tax under section 72(t) if such benefit were distributed other than in a direct transfer to a portable pension plan shall be treated as a distribution in violation of paragraph (2) unless it is made as such a direct transfer to a portable pension plan, irrespective of any consent to a distribution made in any other manner.

"(B) EXCEPTION WHERE PORTABLE PENSION PLAN REJECTS SMALL DEPOSITS.—In any case in which a portable pension plan does not accept deposits of less than the dollar amount specified in section 408(k)(2)(C) (determined with the application of section 408(k)(8) for any year with respect to a participant, and the entire nonforfeitable benefit (determined subject to paragraph (3)(B)) of each participant under any other pension plan is directly transferred to such portable pension plan, excluding from such transfer only such benefits with actuarial present values of less than such amount, subparagraph (A) shall not apply with respect to the distribution of each such excluded benefit.".

(B) CONFORMING AMENDMENT.—Section 417(e)(5) of such Code (as redesignated) is amended by striking "paragraphs (1) and (2)" and inserting "this subsection".

(3) LIMITATION ON APPLICATION OF RESTRICTIONS ON TRANSFERS OF PLAN ASSETS.—Section 414(l) of such Code (relating to mergers and consolidations of plans or transfers of plan assets) is amended—

(A) by striking "A trust which forms a part of a plan shall not constitute a qualified trust under section 401" and inserting the following:

"(1) IN GENERAL.—A trust which forms a part of a plan shall not constitute a qualified trust under section 401"; and

(B) by adding at the end the following:

"(2) EXCEPTION FOR DIRECT TRANSFERS TO PORTABLE PENSION PLANS.—A direct transfer to a portable pension plan from any other plan described in section 401(a) of the present value (determined as provided in section 411(a)(11)(D)) of the entire nonforfeitable benefits of a participant under such other plan shall not be treated as a transfer in violation of paragraph (1) if and only if the requirements of subparagraph (A) or (B) are met, as follows:

"(A) BENEFIT DISTRIBUTABLE.—The requirements of this subparagraph are met if—

"(i) the entire nonforfeitable benefits is, under regulations of the Secretary, distributable under such other plan in conformity with the requirements of this part, and

"(ii) in any case in which such present value is in excess of $3,500—

"(I) the participant (or alternate payee (within the meaning of subsection (p)(8))) consents in writing to the transfer, and

"(II) in any case in which section 401(a)(11) applies to the participant under section 401(a)(11)(B)(iii), the participant's spouse consents in writing to the transfer.

(B) ADOPTION OF PLAN RULES.—The requirements of this subparagraph are met with respect to the transfer if—

"(i) the amount transferred with respect to the participant and any investment gains and losses under such portable pension plan with respect to the amount transferred are separately accounted for under such portable pension plan,

"(ii) the rules set forth in such portable pension plan with respect to benefits attributable to amounts described in clause (i) which provide for optional forms of benefits and otherwise govern the distribution of benefits are identical to the rules set forth in such other plan which provide for optional forms of benefits and otherwise govern the distribution of benefits, and

(iii) any election in effect under such other plan as provided in the rules described in clause (ii) shall remain effective (with respect to the amount described in clause (i)) under such portable pension plan as provided in such rules.".

(4) SERVICE DISREGARDED WHERE DISTRIBUTION IS PERMITTED.—Subparagraph (B) of section 411(a)(7) of such Code (relating to effect of certain distributions) is amended—

(A) in clause (i), by striking "or";

(B) in clause (ii), by striking "receive." and inserting "receive, or";

(C) by inserting after clause (ii) the following:

"(iii) a distribution meeting the requirements of subparagraphs (B) and (C) of paragraph (11) or paragraphs (3) and (4) of section 417(e)."; and

(D) in the last sentence, by striking "Clause (ii)" and inserting "Clauses (ii) and (iii)".

SEC. 208. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this title shall apply with respect to taxable years beginning after December 31, 1988.

(b) SPECIAL RULES FOR SECTION 207.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the amendments made by section 207 shall apply with respect to plan years beginning on or after January 1, 1989.

(2) PLAN AMENDMENTS.—If any amendment made by section 207 requires an amendment to any plan, such plan amendment shall not be required to be made before the first plan year beginning on or after January 1, 1991, if—

(A) during the period after such amendment made by section 207 takes effect and before such first plan year, the plan is operated in accordance with the requirements of such amendment made by section 207, and

(B) such plan amendment applies retroactively to the period after such amendment made by section 207 takes effect and before such first plan year.

A plan shall not be treated as failing to provide definitely determinable benefits or contributions, or to be operated in accordance with the provisions of the plan, merely because it operates in accordance with this subsection.

(3) SPECIAL RULE FOR COLLECTIVELY BARGAINED PLANS.—In the case of a plan maintained pursuant to one or more collective bargaining agreements between employee representatives and one or more employers ratified before the date of the enactment of this Act, the amendments made by section 207 shall not apply to employees covered by any such agreement in plan years beginning before the earlier of—

(1) the later of—

(A) January 1, 1989, or

(B) the date on which the last of such collective bargaining agreements terminates (determined without regard to any extension thereof on or after the date of the enactment of this Act), or (2) January 1, 1991.

SYNOPSIS OF THE PENSION PORTABILITY ACT

Section 2 provides the following "Findings and Declaration of Policy."

(a) The Congress finds—

(1) that the pension plan asset accumulations under existing plans—

(A) are increasingly being distributed at job termination or otherwise used for current consumption, thus removing a major source of national savings necessary for capital formation;

(B) because of the increasingly mobile nature of the Nation's labor force and because of the lack of an effective pension portability mechanism, are not being efficiently utilized to pay monthly benefits for death, disability, and retirement; and

(2) that it is therefore desirable and in the interests of employees and their employers that employees and the pension plans under which they are covered be encouraged to retain accrued benefits for payment in the form of retirement income by making available a more efficient portability plan arrangement.

(b) Declaration of Policy—

It is hereby declared to be the policy of this Act to further national retirement income policies by providing for portable pension plans—

(1) which will encourage the expansion of employer funded pension coverage and result in a more efficient and equitable tax and retirement income delivery system; and

(2) which will provide a more efficient mechanism for pension portability and the preservation of pension plan assets to be distributed in monthly benefit form to meet death, disability, and retirement needs.

In general, Title I of the Act includes provisions designed to meet the first goal to encourage the expansion of employer funded pension coverage which will result in a more efficient and equitable retirement income delivery system. Towards this end, Simplified Employee Pensions, (SEP's), which meet the definition of a "pension plan" under ERISA (e.g. because of employer contributions to such arrangements) are provided remedial relief under ERISA with respect to reporting, disclosure, participation, fiduciary standards, etc. It is expected that the application of simplified and more appropriate standards under ERISA and the clarification of employer and plan sponsor duties will make SEP plans more attractive to employers who have not previously established pension plans. In addition, a simplified alternative salary reduction formula allows employees to "match" on a dollar-for-dollar basis the amount of employer contributions made to a SEP on their behalf. The expansion of pension coverage could also be expected to improve as a result of the permitted application of SEP requirements to separate-lines-of-business as defined under the Tax Reform Act.

Under Title II of the Act the concept of a "Portable Pension Plan" is defined as an "IRA-related or a SEP-like" plan which provides for the receipt and investment of distributions from qualified pension plans and provides for the transfer of plan investment accumulations to other tax-qualified plans, including other portable pension plans. The transfer from qualified plans to portable pension plans of nondeductible employee contributions would also be permitted, thus extending a portability option to teachers and other public and private sector employees who receive distributions from their contributory pension plans. Qualified plan distributions that would otherwise be subject to the Tax Reform Act's 10 percent early withdrawal penalty would be encouraged to be invested and retained for retirement purposes by means of their transfer to portable pension plans. Employer and plan sponsor obligations under portable pension plans would be clarified, and certainty restored, by means of a fiduciary safe-harbor rule under Title I of ERISA.

TITLE I—RULES GENERALLY APPLICABLE TO SIMPLIFIED EMPLOYEE PENSIONS

Section 101. Defines "simplified employee pension plan" under ERISA as a "pension plan" consisting of one or more simplified employee pensions. This merely provides a "handle" for Title I purposes and does not change current law.

Section 102. Requires the Department of Labor to provide simplified reporting and disclosure for all SEP plans (currently DOL regulations only provide for simplified reporting and disclosure for model SEP's).

Section 103. Provides that SEP plans will meet ERISA participation and vesting rules if they meet current SEP participation and vesting rules as defined under the Internal Revenue Code (currently SEP plans violate ERISA participation rules if they use the 3 out of 5 year rule).

Section 104. New distribution rules for SEP's which are also applicable to portable pension plans replace the joint and survivor rules to which SEP "plans" are currently subject. The rules would require that the spouse be the beneficiary, unless spousal consent indicates otherwise.

Spousal consent would also have to be obtained to elect out of a "standard retirement income form." Standard retirement income forms include a qualified joint and survivor annuity, other joint and single life annuity forms, and a recomputed annuity-like distribution over life expectancy. The distribution rules under section 408(a)(6) of the Internal Revenue Code also apply. If annuity forms are provided under the plan, then the automatic form is a joint and survivor annuity for married participants and a single life annuity for single participants. In addition, information on the effect (including possible tax consequences) of electing out of the automatic option must be supplied to participants.

Section 105. Exempts SEP plans from ERISA Part 3 funding requirements (to the extent such plans might be structured as money purchase pension plans).

Section 106. Provides a simplified alternative to the salary reduction provision included under the Tax Reform Act. The formula allows an employee to contribute on a salary reduction basis in an amount up to the employer's contribution (which must be on a percent-of-compensation and/or flat dollar basis). The overall limits under SEP's on employer and employee contributions are retained.

Section 107. Allows employers to establish SEP's under "separate lines of business" as defined under the Tax Reform Act of 1986.

Section 108. The amendments under Title I apply with respect to taxable years beginning after December 31, 1988.

TITLE II—PORTABLE PENSION PLANS

Section 201. ERISA and the Internal Revenue Code are amended to define "Portable Pension Plan" to be an "IRA related or SEP-like" plan that contains the following provisions permitting receipt of distributions and direct transfers from qualified pension plans (including 403(b) plans) and transfers to other qualified plans, including portable pension plans. The term "Portable Pension Plan" means a pension plan covered under ERISA which consits of one or more simplified employee pensions, individual retirement accounts, or individual retirement annuities which—

(i) meets the requirements of section 408(k) of the Internal Revenue Code of 1986 with respect to amounts contributed by employers on behalf of employees in the manner provided in such section 408(k), and

(ii) meets the portability requirements of subparagraph (B).

"(B) A pension plan meets the portability requirements of this subparagraph if the plan provides—

"(i) that, pursuant to a written election by any individual who has an accrued benefit under the plan (or the individual's beneficiary in the event of the individual's death) and spousal consent as provided in section 211(c)(3)—

"(I) all or part of the accrued benefit with respect to such individual may be distributed in the form of a direct transfer from the plan to a portable pension plan, and

"(II) distributions from the plan, only to the extent described in section 402(a) of such Code which includes a trust exempt from tax under section 501(a) of such Code, and

"(ii) that it accepts with respect to any individual each of the following:

"(I) any transfer to the plan of a plan distribution which is not includible in gross income under section 402(a)(5)(A), 402(a)(7), 402(a)(10), 403(a)(4)(A), 403(b)(8), or 408(d)(3) of the Internal Revenue Code of 1986,

"(II) any plan distribution to such plan described in paragraph (2) or (3) of section 203(e) or paragraph (3) or (4) of section 205(g), and

"(III) any direct transfer to such plan from any simplified employee pension plan, from any portable pension plan, or from any plan described in section 401(a) of the Internal Revenue Code of 1986 which includes a trust exempt from tax under section 501(a) of such Code."

Sections 202-205. These sections provide that portable pension plans meeting the distribution, portability, and other simplified employee pension plan requirements shall be considered to be qualified pension plans under section 401(a) of the Internal Revenue Code for the following purposes.

First, five year income averaging would be retained with respect to qualified plan amounts transferred to portable pension plans and separately accounted for.

Second, nondeductible (after-tax) employee contributions from private, federal, state and local qualified pension plans would be allowed to be transferred to portable pension plans on a tax-free basis. This is accomplished under a new paragraph (10) to Internal Revenue Code section 402(a) providing that such a transfer does not disqualify the deductible and nondeductible portions of such a distribution from being considered an eligible rollover amount.

Finally, Portable Pension Plans must provide for direct trustee to trustee transfers, and "cashouts" could not be rolled-over (thus encouraging funds to be kept in such portable pension plans rather than to be cashed-out and used for current consumption).

Section 206. A fiduciary safe-harbor under ERISA Title I, Part 4, is established in order to clarify the extent of the duties of a "plan sponsor" and to provide certainty to contributing employers and plan offerors with respect to their duties under the law. Under this safe-harbor a portable pension plan would be treated as a plan to which ERISA section 404(c) applies (i.e. meets the employee self-directed account regulations under such section), thus relieving employers and offerors of much of the fiduciary liability that has to date served as one of the significant barriers to employer establishment of pension plans (e.g see Chapter 5 of the "State of Small Business: A Report of the President", May 1985). At least one of the individual or pooled investment options under the safe-harbor would have to be principally backed by U.S. Treasury obligations—to serve as an investment safe-harbor for employees and as the default option in the case another option is not chosen by the participant.

Section 207. This provision amends ERISA and the Internal Revenue Code to allow for the transfer to a Portable Pension Plan from a tax qualified plan of the present value of the entire nonforfeitable benefit of a participant—or the participant's spouse in the case of the death of a participant—without such transfer being a violation of the restrictions under ERISA sections 203(e) and (g) of IRC sections 411(a) and 417(e). This provision allows employers an option to relieve their administrative burdens in connection with the benefits of terminated employees—employers may choose one or more Portable Pension Plans to make such transfers; at the employer's option employees may also be given a choice—while also extending to such employees the opportunity to have their benefits paid in a retirement income form. The amount transferred may optionally exclude that portion of the vested benefit attributable to non-deductible employee contributions. Such transfers would be subject to any applicable spousal consent requirements under the transferring plan. In addition, such transfers may be made to the extent the Portable Pension Plan makes special provision to separately account for such beneficiaries optional benefit forms and distribution restrictions identical to the optional forms and restriction applicable under the transferring plan.

To the extent a plan sponsor would voluntarily choose to make a lump-sum cash-out which would be subject to the 10% additional tax early withdrawal penalty (added by the Tax Reform Act of 1986), the plan would have to provide that such distribution be directly transferred to a Portable Pension Plan. Of course, a plan sponsor would not be required to make such a distribution or transfer except by choice.

Section 208. Generally, the effective date for Title II is with respect to taxable years beginning after December 31, 1988; the provisions of section 207 apply on January 1, 1989, except that plan amendments need not be made before collectively-bargained plans.●

ADDITIONAL COSPONSORS

S. 33

At the request of Mr. MOYNIHAN, the name of the Senator from Virginia [Mr. TRIBLE] was added as a cosponsor of S. 33, a bill entitled the "Social Security Trust Funds Management Act of 1987."

S. 85

At the request of Mr. Johnston, the name of the Senator from Florida [Mr. Chiles] was added as a cosponsor of S. 85, a bill to amend the Powerplant and Industrial Fuel Use Act of 1978 to repeal the end use constraints on natural gas, and to amend the Natural Gas Policy Act of 1978 to repeal the incremental pricing requirements.

S. 268

At the request of Mr. Humphrey, the name of the Senator from Rhode Island [Mr. Chafee] was added as a cosponsor of S. 268, a bill to amend title 5, United States Code, to provide child adoption benefits for Federal Government employees.

S. 269

At the request of Mr. Humphrey, the name of the Senator from Rhode Island [Mr. Chafee] was added as a cosponsor of S. 269, a bill to amend title 10, United States Code, to provide child adoption benefits for members of the Armed Forces.

S. 303

At the request of Mr. Bradley, the names of the Senator from Maine [Mr. Mitchell], the Senator from New Jersey [Mr. Lautenberg], and the Senator from New York [Mr. Moynihan] were added as cosponsors of S. 303, a bill to establish a Federal program to strengthen and improve the capability of State and local educational agencies and private nonprofit schools to identify gifted and talented children and youth and to provide those children and youth with appropriate educational opportunities, and for other purposes.

S. 332

At the request of Mr. DeConcini, the name of the Senator from New York [Mr. Moynihan] was added as a cosponsor of S. 332, a bill to provide for a General Accounting Office investigation and report on conditions of displaced Salvadorans, to provide certain rules of the House of Representatives and of the Senate with respect to review of the report, to provide for the temporary stay of detention and deportation of certain Salvadorans, and for other purposes.

S. 383

At the request of Mr. Quayle, the name of the Senator from Iowa [Mr. Grassley] was added as a cosponsor of S. 383, a bill to amend the Bilingual Education Act to make Federal financial assistance available for children of limited English proficiency without mandating a specific method of instruction, to encourage innovation at the State and local level through greater administrative flexibility, to improve program operations at the Federal level, and for other purposes.

S. 422

At the request of Mr. Bradley, the names of the Senator from Arkansas [Mr. Bumpers], the Senator from Florida [Mr. Chiles], the Senator from Iowa [Mr. Harkin], the Senator from Colorado [Mr. Wirth], and the Senator from Maryland [Ms. Mikulski] were added as cosponsors of S. 422, a bill to amend title XIX of the Social Security Act to permit States to provide Medicaid benefits to additional poor children and pregnant women.

S. 442

At the request of Mr. Leahy, the name of the Senator from Utah [Mr. Hatch] was added as a cosponsor of S. 442, a bill to amend section 914 of title 17, United States Code, regarding certain protective orders.

S. 498

At the request of Mr. Riegle, the name of the Senator from Maryland [Ms. Mikulski] was added as a cosponsor of S. 498, a bill to amend the Trade Act of 1974, to define as an unfair trade practice, the denial of internationally recognized worker rights, and for other purposes.

S. 499

At the request of Mr. Riegle, the name of the Senator from Maryland [Ms. Mikulski] was added as a cosponsor of S. 499, a bill to establish a procedure to reduce the bilateral trade deficits between the United States and major trading partners determined to have excessive trade surpluses and found to engage in unfair trading practices which threaten the economic security of the United States, and for other purposes.

S. 506

At the request of Mr. Danforth, his name was withdrawn as a cosponsor of S. 506, a bill to require the inclusion of copy-code scanners in digital recording devices.

S. 613

At the request of Mr. Wilson, the name of the Senator from Kansas [Mr. Dole] was added as a cosponsor of S. 613, a bill to require the Secretary of Health and Human Services to make grants for the development, establishment, and operation of a congressional advisory panel on acquired immune deficiency syndrome.

S. 691

At the request of Mr. Kerry, the names of the Senator from North Dakota [Mr. Conrad], and the Senator from Maryland [Ms. Mikulski] were added as cosponsors of S. 691, a bill to limit the testing of antisatellite weapons.

S. 764

At the request of Mr. Murkowski, the name of the Senator from Rhode Island [Mr. Pell] was added as a cosponsor of S. 764, a bill to deny funds for projects using products or services of foreign countries that deny fair market opportunities.

S. 769

At the request of Mr. Johnston, the names of the Senator from Michigan [Mr. Levin], the Senator from North Carolina [Mr. Sanford], the Senator from New York [Mr. Moynihan], and the Senator from Mississippi [Mr. Stennis] were added as cosponsors of S. 769, a bill to amend the Public Health Service Act to authorize assistance for centers for minority medical education, minority pharmacy education, minority veterinary medicine education, and minority dentistry education.

S. 809

At the request of Mr. Byrd, the names of the Senator from Hawaii [Mr. Matsunaga], and the Senator from Arkansas [Mr. Pryor] were added as cosponsors of S. 809, a bill to provide urgently needed assistance to protect and improve the lives and safety of the homeless.

S. 861

At the request of Mr. Danforth, the names of the Senator from Vermont [Mr. Stafford], and the Senator from Kansas [Mrs. Kassebaum] were added as cosponsors of S. 861, a bill to require certain actions by the Secretary of Transportation regarding certain drivers of motor vehicles and motor carriers.

S. 880

At the request of Mr. Durenberger, the names of the Senator from Utah [Mr. Garn], and the Senator from Maine [Mr. Mitchell] were added as cosponsors of S. 880, a bill entitled the "Superconductivity Competition Act of 1987."

S. 887

At the request of Mr. Matsunaga, the name of the Senator from Nevada [Mr. Reid] was added as a cosponsor of S. 887, a bill to extend the authorization of appropriations for and to strengthen the provisions of the Older Americans Act of 1965, and for other purposes.

S. 889

At the request of Mr. Gore, the name of the Senator from North Dakota [Mr. Conrad] was added as a cosponsor of S. 889, a bill to amend the Communications Act of 1934 to provide for fair marketing practices for certain encrypted satellite communications.

SENATE JOINT RESOLUTION 14

At the request of Mr. Helms, the name of the Senator from Maryland [Ms. Mikulski], was added as a cosponsor of Senate Joint Resolution 14, a joint resolution to designate the third week of June of each year as "National Dairy Goat Awareness Week."

SENATE JOINT RESOLUTION 15

At the request of Mr. Pressler, the names of the Senator from Louisiana [Mr. Breaux], the Senator from Arizona [Mr. DECONCINI], and the Senator from Tennessee [Mr. SASSER] were added as cosponsors of Senate Joint Resolution 15, a joint resolution designating the month of November 1987 as "National Alzheimer's Disease Month."

SENATE JOINT RESOLUTION 44

At the request of Mr. DURENBERGER, the name of the Senator from Kansas [Mrs. KASSENBAUM] was added as a cosponsor of Senate Joint Resolution 44, a joint resolution to designate November 1987, as "National Diabetes Month."

SENATE JOINT RESOLUTION 88

At the request of Mr. BRADLEY, the names of the Senator from Massachusetts [Mr. KENNEDY], the Senator from Connecticut [Mr. DODD], the Senator from Mississippi [Mr. COCHRAN], the Senator from Maine [Mr. MITCHELL], the Senator from Vermont [Mr. LEAHY], and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of Senate Joint Resolution 88, a joint resolution to designate the period commencing November 15, 1987, and ending November 21, 1987, as "Geography Awareness Week."

SENATE JOINT RESOLUTION 99

At the request of Mr. DECONCINI, the names of the Senator from Kentucky [Mr. FORD], the Senator from Washington [Mr. ADAMS], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Michigan [Mr. RIEGLE], the Senator from Ohio [Mr. METZENBAUM], the Senator from New Jersey [Mr. BRADLEY], the Senator from Arkansas [Mr. PRYOR], the Senator from Texas [Mr. BENTSEN], and the Senator from Nevada [Mr. REID] were added as cosponsors of Senate Joint Resolution 99, a joint resolution to express the sense of the Congress that the Special Supplemental Food Program for Women, Infants, and Children should receive increasing amounts of appropriations in fiscal year 1988 and succeeding fiscal years.

SENATE CONCURRENT RESOLUTION 15

At the request of Mr. HEFLIN, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of Senate Concurrent Resolution 15, a concurrent resolution expressing the sense of the Congress that no major change in the payment methodology for physicians' services, including services furnished to hospital inpatients, under the Medicare Program should be made until reports required by the 99th Congress have been received and evaluated.

SENATE CONCURRENT RESOLUTION 35

At the request of Mr. DECONCINI, the names of the Senator from Virginia [Mr. TRIBLE], the Senator from Mississippi [Mr. COCHRAN], the Senator from Washington [Mr. ADAMS], and the Senator from Maryland [Mr. SARBANES] were added as cosponsors of Senate Concurrent Resolution 35, a concurrent resolution expressing the sense of the Congress regarding the imposition of charges for outpatient care provided in medical facilities of the uniformed services to retired members of the Armed Forces, dependents of retired members, and dependents of members serving on active duty.

SENATE CONCURRENT RESOLUTION 36

At the request of Mr. PRESSLER, the name of the Senator from Delaware [Mr. ROTH] was added as a cosponsor of Senate Concurrent Resolution 36, a concurrent resolution expressing the sense of the Congress with respect to the use of ethanol and methanol in reducing air pollution, and for other purposes.

SENATE RESOLUTION 174

At the request of Mr. DECONCINI, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of Senate Resolution 174, a resolution expressing the sense of the Senate condemning the Soviet-Cuban buildup in Angola and the severe human rights violations of the Marxist regime in Angola.

SENATE CONCURRENT RESOLUTION 42—CONDEMNING HUMAN RIGHTS VIOLATIONS

Mr. DOLE (for himself, Mr. HELMS, Mr. CHILES, Mr. BOSCHWITZ, Mr. GRASSLEY, Mr. PRESSLER, Mr. ROTH, Mr. LUGAR, Mr. SYMMS, Mr. COHEN, Mr. MURKOWSKI, Mr. GRAMM, Mr. TRIBLE, and Mrs. KASSEBAUM), submitted a concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 42

Whereas the Fidel Castro Government in Cuba is an authoritarian and repressive regime, denying to its citizens many of their most basic human rights;

Whereas the Castro Government has forced more than one million Cubans into exile, imprisoned thousands of others on political grounds and engaged in countless other human rights violations;

Whereas the United Nations Human Rights Commission has recently debated the question of putting the human rights performance of the Castro Government on its agenda, ultimately voting nineteen to eighteen, with six abstentions, against that action;

Whereas included among those voting against putting the issue on the Commission's agenda were four nations of the Western Hemisphere: Mexico, Venezuela, Colombia and Argentina.

Now therefore be it resolved by the Senate (the House of Representatives concurring), That the Congress of the United States:

1. Condemns the systematic, widespread and serious violations of human rights engaged in by the Castro Government.

2. Urges all appropriate international bodies to fulfill their obligations by paying attention to the human rights record of the Castro Government and using all appropriate means to pressure that Government to live up to internationally accepted human rights standards.

3. Welcomes the fact that eighteen members of the United Nations Human Rights Commission voted to put the question of Cuban human rights performance on the Commission's agenda, and commends the governments of those eighteen members for their forthright and courageous stance.

4. Deeply regrets that the Commission, by a one vote margin, decided not to put this issue on its agenda.

5. Especially regrets that the democracies of the Western Hemisphere failed to vote unanimously to put this question on the agenda.

SENATE CONCURRENT RESOLUTION 43—TO ENCOURAGE STATE AND LOCAL GOVERNMENTS AND LOCAL EDUCATIONAL AGENCIES TO PROVIDE QUALITY DAILY PHYSICAL EDUCATION PROGRAMS FOR ALL CHILDREN FROM KINDERGARTEN THROUGH GRADE 12

Mr. STEVENS submitted the following concurrent resolution; which was referred to the Committee on Labor and Human Resources:

S. CON. RES. 43

Whereas physical education is essential to the physical development of the growing child;

Whereas physical education helps improve the overall health of children by increasing cardiovascular endurance, muscular strength and power, flexibility, weight regulation, improved bone development, improved posture, skillful moving, increased mental alertness, active lifestyle habits, and constructive use of leisure time;

Whereas physical education helps improve the mental alertness, academic performance, readiness to learn, and enthusiasm for learning of children;

Whereas physical education helps improve the self-esteem, interpersonal relationships, responsible behavior, and independence of children;

Whereas children who participate in quality daily physical education programs tend to be more healthy and physically fit;

Whereas physically fit adults have significantly reduced risk factors for heart attacks and strokes;

Whereas the Surgeon General, in *Objectives for the Nation,* recommends increasing the number of school mandated physical education programs that focus on health-related physical fitness;

Whereas the Secretary of Education, in *First Lessons—A Report on Elementary Education in America,* recognized that elementary schools have a special mandate to provide elementary school children with the knowledge, habits, and attitudes that will equip the children for a fit and healthy life; and

Whereas a quality daily physical education program for all children from kindergarten through grade 12 is an essential part of a comprehensive education: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress encourages State and local governments and local educational agencies to provide quality daily physical education programs for all children from kindergarten through grade 12.

Mr. STEVENS. Mr. President, public health practices have virtually eradicated infectious diseases as a major cause of death and disability in the United States. Now major killers are chronic diseases, many of which are preventable by a change in behavior—especially exercise.

We know that 42 percent of adults over 18 exercise or play sports regularly. This represents an increase of 7 percent, from roughly 5 years ago. The number of adults who engage in regular exercise has resulted in a 25 percent decline in the incidence of stroke and heart disease. Medical authorities attribute this decline to exercise, improved diet, and early detection and treatment of high blood pressure.

In contrast, the physical fitness of American public school children has shown virtually no improvement in the last 10 years. A 1986 study of 19,000 children age 6 to 17 by the President's Council on Fitness and Sports found that children are increasingly unable to measure up to standard levels in tests of physical fitness. Today's youngsters are flabbier. They are likely to grow up as obese adults, tending to be plagued by high blood pressure, diabetes, and heart disease.

This is of great concern to me. I think most parents would be shocked to learn their children were not being given the daily exercise necessary to make them healthy and happy adults. In truth, 40 percent of boys ages 6 through 12 and 70 percent of all girls cannot do a single pull-up, according to the survey conducted by the President's Council on Physical Fitness and Sports. A third of school age boys and girls cannot run a mile in less than 10 minutes. And in a simple flexibility sit-test, 40 percent of boys ages 6 through 14 and 55 percent of all girls cannot reach beyond their toes. Kids appear to have very little endurance, no strength and very little flexibility.

In the past 15 years, the proportion of children who are obese has risen by more than 40 percent. At least 5 percent of youngsters have unhealthy blood cholesterol levels. In fact, 40 percent of children ages 5 to 8 have elevated blood pressure or blood-cholesterol levels or do not exercise at all. Any of these factors will likely increase the risk of developing heart disease. What's happening to our kids now will reap adverse effects in the future—the gains we've made against heart disease in the last 20 years will be wiped out in the next 20 years.

American affluence cannot buy good health, nor can we afford to pay for health care at its current prices. Physical exercise represents a cost effective means of promoting good health and enhancing the quality of life, especially when it is available to the Nation's youth.

The ideal vehicle for incorporating exercise into daily lifestyles is the Nation's schools. In order to acquire the maximum benefits of exercise, participation must begin at an early age and extend throughout the life span. However, while heeding the call for a return to the basics in science, mathematics, and reading, many schools have simultaneously reduced or eliminated the time devoted to physical education. Today, only 36 percent of American youngsters have daily physical education in their schools.

This is why I am introducing the concurrent resolution before you today. My bill is intended to encourage State and local governments and local educational agencies to provide sound daily physical education programs for our Nation's children. I hope this bill will help parents, educators, and communities look at school programs and implement the changes needed. Schools must once again shift their priorities and teach their students the fitness skills needed for life's activities and to achieve good health. I hope you will join me in this effort.

I indicate that the cosponsors of the concurrent resolution are Senators Pressler, Stafford, Pryor, Weicker, Inouye, Hatch, Glenn, Cochran, Dole, Adams, Boren, Cohen, Durenberger, Ford, Grassley, Mitchell, Wilson, Murkowski, and Shelby.

SENATE RESOLUTION 185—SENSE OF THE SENATE ON FARM CREDIT SYSTEM BORROWERS

Mr. McCLURE (for himself, Mr. Boren, Mr. Boschwitz, Mr. Pryor, Mr. Danforth, Mr. Dole, Mr. Bumpers, Mr. Nickles, Mr. Bentsen, Mr. Durenberger, Mr. Matsunaga, Mr. Hatch, Mr. Conrad, Mr. Symms, Mr. Heflin, Mr. Lugar, Mr. Shelby, Mr. Leahy, Mr. Cochran, Mr. Bond, Mr. Karnes, and Mr. Exon), submitted the following resolution; which was placed on the calendar:

S. Res. 185

Whereas the cooperative Farm Credit System is today the single largest agricultural lender in the United States and provides essential financial services to many thousands of farmers, ranchers and their cooperatives through Production Credit Associations, Federal Land Bank associations and Banks for Cooperatives;

Whereas it was the intent of Congress in enacting the Farm Credit Amendments Act of 1985 and the Farm Credit Amendments Act of 1986 that the stock and allocated equities of borrowers of institutions of the Farm Credit System not be impaired and that borrowers would receive interest rate relief;

Whereas the possibility of stock impairment and the continued high interest rates encourage farmers and ranchers to leave the Farm Credit System thereby deepening its financial problems and increasing the burden on the remaining borrowers; and

Whereas the Farm Credit System has depleted its assets to the point of capital impairment in some districts: Now, therefore, be it

Resolved, That it is the sense of th Senate that the Farm Credit Administratio and the Farm Credit System should mak full use of the authorities in the Farm Credit Act of 1971, as amended, to ensure-

(1) that the stock or allocated equities o the borrowers of institutions of the Farm Credit System not be impaired; and

(2) the availability of credit on reasonabl rates and terms.

Sec. 2. It is further the sense of th Senate that the Farm Credit Administration should certify the Farm Credit System' need for financial assistance in accordanc with the Farm Credit Act of 1971, as amended, if borrower stock or allocated equitie would, in the absence of such assistance, b impaired.

AMENDMENTS SUBMITTED

EXTENSION OF TIME FOR REPORT OF THE NATIONAL COMMISSION ON DAIRY POLICY

LEAHY AMENDMENT NO. 80

Mr. LEAHY proposed an amendment to the bill (S. 410) to amend the Food Security Act of 1985 to extend the date for submitting the report required by the National Commission on Dairy Policy; as follows:

On page 2, strike out lines 1 through 5 and insert in lieu thereof the following new section:

SECTION 1. NATIONAL COMMISSION ON DAIRY POLICY.

(a) Extension of Reporting Date.—Section 143(c) of the Food Security Act of 1985 (7 U.S.C. 1446 note) is amended by striking out "1987" and inserting in lieu thereof "1988".

(b) Leasing and Contracting Authority.—Section 144 of such Act (7 U.S.C. 1446 note) is amended by adding at the end thereof the following new subsection:

"(g) Notwithstanding any other provision of law, to the extent there are sufficient funds available to the Commission under section 145 and subject to such rules as may be adopted by the Commission, the Commission may—

"(1) lease office space in the District of Columbia; and

"(2) procure temporary or intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code.".

BOREN (AND OTHERS) AMENDMENT NO. 81

Mr. BOREN (for himself, Mr. Armstrong, Mr. Exon, Mr. Conrad, and Mr. Karnes) proposed an amendment to the bill S. 410, supra, as follows:

On page 2, strike out lines 6 through 19 and insert in lieu thereof the following:

Sec. 2. Phase in of conservation planning process for producers planting alfalfa. Section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812) is amended by striking the period at the end of subsection (b) and inserting in lieu thereof "; or" and adding the following new paragraph:

"(5) on highly erodible land planted to alfalfa during each of the 1981 through 1985 crop years as part of a rotation practice approved by the Secretary, if the person has submitted a conservation plan based on the local Soil Conservation Service technical guide and approved by the local soil conservation district, in consultation with the local committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) and the Secretary, such person shall have until June ., 1988, to comply with the plan without being subject to program ineligibility under section 1211.".

HELMS AMENDMENT NO. 82

Mr. HELMS proposed an amendment to the bill S. 410, supra, as follows:

At the end of the bill, add:

"Sec. Decertification under Sec. 481(h) of the Foreign Assistance Act of 1961.

(a). The Congress hereby disapproves of the determination with respect to Panama as contained in the certification required by section 481(h) of the Foreign Assistance Act of 1961.

(b). This section will be deemed to have been enacted prior to midnight April 1, 1987.

(c). This section is deemed to be a resolution of disapproval pursuant to section 481(h) of the Foreign Assistance Act of 1961."

FEDERAL TRADE COMMISSION AUTHORIZATION ACT

LAUTENBERG AMENDMENT NO. 83

Mr. LAUTENBERG proposed an amendment to the bill (S. 677) to amend the Federal Trade Commission Act to provide authorization of appropriations, and for other purposes; as follows:

On page 19, between lines 8 and 9, insert the following:

AIRLINE ADVERTISING

Sec. 8. (a) Section 5(a)(2) of the Federal Trade Commission Act (15 U.S.C. 45(a)(2)) is amended by adding at the end thereof the following: "Nothing in this subsection shall be construed to limit the power and authority of the Commission to regulate the advertising of common air carriers.".

(b) The Federal Trade Commission shall, within 180 days after the date of enactment of this Act, promulgate a rule to prevent deceptive advertising by air carriers. Such rule shall require air carriers to—

(1) disclose limitation, if any, on the availability of seats at advertised fares;

(2) disclose the policy of the carrier with respect to the nonrefundability, if any, of unused tickets;

(3) disclose the policy of the carrier with respect to minimum stay requirements and advance purchase requirements, if any; and

(4) disclose the on-time performance record of the carrier with respect to any flights for which scheduled times of departure or arrival of flights are included in the advertisement.

On page 19, line 10, strike out "18" and insert in lieu thereof "19".

On page 20, line 2, strike out "19" and insert in lieu thereof "20".

METZENBAUM (AND OTHERS) AMENDMENT NO. 84

Mr. METZENBAUM (for himself, Mr. SIMON, and Mr. ROCKEFELLER) proposed an amendment to the bill S. 677, supra, as follows:

On page 19, between lines 8 and 9, insert the following:

INSURANCE

Sec. 8. The last undesignated paragraph of section 6 of the Federal Trade Commission Act is amended to read as follows:

"The Commission shall have the authority to conduct studies and prepare reports relating to the business of insurance.

On page 19, line 10, strike out "18" and insert in lieu thereof "19".

On page 20, line 2, strike out "19" and insert in lieu thereof "20".

TRADE LAW ENFORCEMENT

HOLLINGS AMENDMENT NO. 85

(Ordered referred to the Committee on Finance.)

Mr. HOLLINGS submitted an amendment intended to be proposed by him to the bill (S. 891) to improve the enforcement of the trade laws of the United States, and for other purposes; as follows:

In section 122, strike all from "Sec. 122." through "consider—" and insert in lieu thereof the following:

"Sec. 122. (a) Section 202 of the Trade Act of 1974 (19 U.S.C. 2252) is amended to read as follows:

"SEC. 202. CONSIDERATIONS TO BE TAKEN INTO ACCOUNT IN DETERMINING IMPORT RELIEF.

"In determining what type or types of relief are appropriate under this chapter, the Commission shall consider—".

At the end of section 122, add the following:

"(b) The table of contents of the Trade Act of 1974 is amended by amending the item relating to section 202 to read as follows:

"Sec. 202. Considerations to be taken into account in determining import relief.".

In section 124, strike subsection (b) and redesignate subsections (c) and (d) as subsections (b) and (c), respectively.

In section 125, at the end of proposed section 301(a)(2), insert the following: "Such recommendation may be made on a nondiscriminatory basis or solely against the foreign country or instrumentality involved, and without regard to whether such goods or sector were involved in such act, policy or practice."

In section 131, strike all from "Sec. 131." through CONCESSIONS." and insert in lieu thereof the following:

"Sec. 131. (a) Chapter 5 of title I of the Trade Act of 1974 (19 U.S.C. 2191 et seq.) is amended by adding at the end the following:

"SEC. 155. CONGRESSIONAL REVIEW OF TARIFF CONCESSIONS."

Amend section 131(b) to read as follows:

"(b) The table of contents of the Trade Act of 1974 is amended by inserting immediately after the item relating to section 154 the following:

"Sec. 155. Congressional review of tariff concessions."

OPPOSING REDUCTIONS IN VETERANS' BENEFITS

CRANSTON (AND MURKOWSKI) AMENDMENT NO. 86

Mr. BYRD (for Mr. CRANSTON, for himself and Mr. MURKOWSKI) proposed an amendment to the concurrent resolution (S. Con. Res. 7) to express the sense of the Congress regarding its opposition to reductions in Veterans' Administration funding levels to pay for health care for certain categories of eligible veterans; as follows:

On page 3, strike out all on lines 2 and 3 and insert in lieu thereof "hospital, nursing home, or other care through reductions in current funding or program levels.".

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON THE JUDICIARY

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on April 7, 1987, to hold a hearing on judicial nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON THE CONSTITUTION

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on the Constitution of the Committee on the Judiciary, be authorized to meet during the session of the Senate on April 7, 1987, to hold a hearing on S. 558, Fair Housing Amendment Act of 1987.

The PRESIDING OFFICER. Without objection it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Tuesday, April 7, 1987, to hold hearings on proposed legislation relating to the Government's role in economic competitiveness.

The PRESIDING OFFICER. Without objection it is so ordered.

SUBCOMMITTEE ON CONVENTIONAL FORCES AND ALLIANCE DEFENSE AND SUBCOMMITTEE ON PROJECTION FORCES AND REGIONAL DEFENSE

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittees on Conventional Forces and Alliance Defense and Projection Forces and Regional Defense of the Committee on Armed Services, be authorized to meet during the session of the Senate on Tuesday, April 7, 1987, in open session to receive testimony on costs of the aircraft carrier replacement program in review of the Department of Defense authorization request for fiscal years 1988 and 1989.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AVIATION

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Aviation, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on April 7, 1987, to resume hearings on proposed legislation authorizing funds for the Airport and Airway Improvement Act, focusing on airport improvement programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on April 7, 1987 to hold a hearing on Medicare hospital payments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on April 7, 1987, to hold a hearing on the comparison of the major trade bills.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON RESEARCH AND DEVELOPMENT

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Research and Development of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Tuesday, April 7, 1987, to hear testimony concerning the administration's proposal to construct the superconducting super collider.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INTERNATIONAL FINANCE AND MONETARY POLICY

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on International Finance and Monetary Policy of the Committee on Banking, Housing, and Urban Affairs, be authorized to meet during the session of the Senate Tuesday, April 7, 1987, to conduct oversight hearings on Third World debt.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INNOVATION, TECHNOLOGY, AND PRODUCTIVITY

Mr. BYRD. Mr. President, I ask unanimous consent that the Small Business Committee's Subcommittee on Innovation, Technology and Productivity be authorized to meet during the session of the Senate on Tuesday, April 7, 1987. The subcommittee will examine the issue of whether Federally Funded Research and Development Centers [FFRDC's] are receiving Federal funds for work that could otherwise be awarded as contracts to small business.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENVIRONMENTAL PROTECTION

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Environmental Protection, Committee on Environment and Public Works, be authorized to meet during the session of the Senate on April 7, 1987, to hold a hearing on S. 675, a bill to authorize appropriations to carry out the Endangered Species Act of 1973 during fiscal years 1988, 1989, 1990, 1991, and 1992.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

SOUTHERN GOVERNORS' ASSOCIATION REPORT ON INFANT MORTALITY

● Mr. CHILES. Mr. President, the fact that the United States continues to fall far short of other developed nations in terms of the number of infants who die before their first birthday is a disgrace. But the bigger disgrace is that we continue to fail to solve a problem that could be solved.

Today the Southern Governors' Association released a new report on infant mortality. The Southern Governors' Association has been a leader in dealing with this program and proposing innovative solutions. I encourage each and every one of you to read the Southern Governors' Association's new report "Boardrooms and Babies: The Critical Connection."

The infant mortality crisis affects far more than just the extreme poor of the South. There are expanding numbers of underinsured women and families all over the country who cannot afford the $1,500 or more necessary for prenatal care and thus go without any medical care. At a recent hearing on this issue we heard from a young married woman who lost her first child because she could not afford the doctor's fees, she did not qualify for Medicaid, and the closest community health center was 50 miles away. Her first baby was delivered stillborn. Fortunately her second pregnancy resulted in a healthy baby because when she began to experience problems during her sixth month of pregnancy she was receiving care at a community health center.

As the Southern Governors' Association's report illustrates, infant mortality is a problem that can be solved if we put our minds to it. Obviously the business community must be involved if we are to see widespread adoption of sensible policies. The report's recommendations are an important beginning.

Mr. President, as the National Commission to Prevent Infant Mortality commences its work, I fully anticipate that we will look at the Southern Governors' Association's recommendations to the corporate community encouraging their involvement in solving this most tragic problem.●

FORCED ABORTIONS IN CHINA

● Mr. HUMPHREY. Mr. President, the People's Republic of China has pursued an aggressive population control policy over the last 10 years that climaxed with the institution in 1979 of the now infamous "one-child" policy, under which a Chinese couple may only have one child borne at the time prescribed by the state.

Enforcement of the national one-child policy has been implemented by local cadres using a variety of methods—minimum-age requirements for marriage, tracking of menstrual periods, economic incentives and disincentives, compulsory birth control and IUD insertion, and forced abortion—to keep within the birth quotas set by the Communist Party.

Local enforcement of the policy, and indeed national pronouncements regarding population control, have tended to be cyclical: periods of great coercion and human rights violations are followed by periods where coercion continues less systematically.

In 1979, the one-child policy was unembarrassedly proclaimed by the party and aggressively enforced by local cadres. Following a substantial decline in births, the policy was relaxed, only to be enforced with new vigor and unheard of coercion in 1983 when births appeared to rise. Again, births dropped in response to the coercive program and again friends of the Chinese, including groups associated with the United Nations Fund for Population Activities [UNFPA] and the International Planned Parenthood Federation [IPPF], proclaimed a new policy in China of openness, volunteerism, and respect for human rights.

All well and good. But once again, the cycle continues. A relatively "relaxed" period—and I emphasize that the evidence over the past 2 years shows only relatively less coercion in the Chinese program—is once again followed by heightening coercion and stridency in an effort to decrease the birth rate.

The enclosed article appearing recently in the Washington Post, provides striking evidence that the Communist Government in China shows no inclination to seriously back away from its coercive family planning program.

I ask that the article be printed in the RECORD.

The article follows:

THE RAPE OF TIBET

(By John F. Avedon)

On February 18, two Tibetans were executed in Lhasa for "serious economic sabotage." Three more have been sentenced to die and 30 given terms at hard labor. Similar crimes, last mentioned in the spiritual pollution campaign of 1983, were the pretext for executing dozens of Tibetan dissidents and imprisoning thousands more. Tuesday is the 28th anniversary of the Dalai Lama's arrival in India, a refugee from his revolt-torn land. While he and the 100,000 compatriots who followed him into exile continue to voice Tibet's desire for freedom, their time, like that of all Tibetans, may be running out.

Under the cloak of liberalization, Beijing has adopted a final solution for Tibet: the rapid Sinocization of the country via widescale immigation. The fact that there are now at least 1 million more Chinese in Tibet than Tibetans has produced massive unemployment, a 300 percent inflation rate and a two-class society, sharply divided along racial lines.

The average Tibetan earns $100 a year. He is among China's and the world's poorest citizens. He lives in a dilapidated house often lacking running water, heat or electricity. His life expectancy is 40 years; one in six of his children dies in infancy. Of the five survivors, only one completes primary school; the rest must labor in the fields.

In contrast, the recently arrived Chinese settler lives in a modern "new town," earns triple a Tibetan's salary, receives sufficient medical care and diet to render his life expectancy 25 years longer and has a guaranteed place for his children in Tibet's schools, up to two-thirds of which are reserved for Chinese only.

But the new Chinese society is not merely displacing Tibet's ancient culture. It is actively destroying it. The harsh face of Chinese rule includes thousands of forced abortions and sterilizations of Tibetan women each year. The common method for both procedures, recounted from all across the country, is by injection, in Chamdo, Tibet's third-largest city, there have been numerous reports of fetuses thrown out in the storm drains and garbage bins of the People's Hospital. In Lhasa, many Tibetan women have heard their newborns cry, only to be told later that the infants died at birth. In Tibet's case, unlike China, the population is thin. These acts clearly have a political motive.

They come, however, within a well-worn context. As a direct result of the Chinese invasion, 1.2 million Tibetans—one-seventh of the population—have died, 6,254 monasteries have been destroyed and an estimated $80 billion in precious metals, religious art and statuary extracted. To secure its dominion, China still keep roughly 20,000 Tibetans in the region's 84 prisons. Given current conditions, an argument could be made for considering all of them political prisoners. Those arrested for "antistate activity," though, number 3,000 to 4,000. Of these, Amnesty International has publicly adopted three, including Tibet's most famous dissident, the Buddhist monk Geshe Lobsang Wangchuk. Perhaps a simple comparison best describes Tibet today. Inside Tibetan prisons there is one guard to every four prisoners. Outside, in the country at large, these is one Chinese soldier for every 10 Tibetans. Is Tibet itself one great prison?

China's population transfer has been adopted in large measure to relieve the People's Liberation Army of its police duties in Tibet. But the problem has arisen: How will the new Chinese community support itself on the barren plateau? The answer is: us.

In 1986, almost 30,000 tourists visited Tibet, well on the way to China's projected 100,000 tourists a year. They exulted in the most rarified air on earth, marveled at the Potala, seat of the exiled Dalai Lama, and enjoyed Tibetans' native kindness beside their nervous Chinese overlords. What most people failed to recognize is that the money they paid to see the 160 rebuilt monasteries did not go to Tibetans. Instead, it directly subsidized the purveyors of Tibet's destruction, 32,000 of whom are already working in Lhasa's service sector.

One irony is a communist regime's selling the supposedly antique society that its creed has pledged it to erase. Another is Beijing's use of Tibetans to sponsor, through the tourist trade, their own demise. But perhaps the greatest question is this: Given the three wishes of our China policy—a less than optimal counter to the Soviets, checkered democratization and an ambivalent opening of its marketplace—why do we remain so soft on human rights in the People's Republic of China? Is it something in China or ourselves that we still refuse to see?●

AFGHANISTAN: LETTERS FROM THE STATE OF NEW MEXICO

● Mr. HUMPHREY. Mr. President, last December the brutal Soviet occupation of Afghanistan entered its eighth year. The horrible condition of human rights in Afghanistan was recently described in a United Nations report as: "A Situation Approaching Genocide."

As chairman of the Congressional Task Force on Afghanistan, I have received thousands of letters from Americans across the Nation who are outraged at the senseless atrocities being committed today in Afghanistan. Many of these letters are from Americans who are shocked at this Nation's relative silence about the genocide taking place in Afghanistan.

In the weeks and months ahead, I plan to share some of these letters with my colleagues. I will insert into the RECORD two letters each day from various States in the Nation. Today, I submit two letters from the State of New Mexico and ask that they be printed in the RECORD.

The letters follow:

DEAR SIR: I would like to ask anyone with a conscience to please read "Agony in Afghanistan," in the March, 1986 issue of Reader's Digest. The article, condensed from the October 4, 1985, National Review, describes much more effectively than I could the savagery with which rural Afghans are being systematically massacred by Soviet occupation troops.

Just how hopeless is the situation for the Afghans? Soviet reporters are not going to wire stories back home on how Soviet soldiers are behaving in the Afghan countryside. There will be no graphic television coverage of carnage in the mountains and valleys of southwest Asia, no public demonstrations in the streets of Moscow, no embarrassed government trying to reshuffle foreign policy as a result. From the world at large, the reaction will continue to be studied indifference, since the plight of Afghanistan is not among the popular causes, nor its people among the "favored" victims of oppression.

Is anyone else out there getting tired of the hypocritical stand that outrage ought to be directed at oppression only when it occurs under right-wing, US-supported regimes?

Putting selective indifference aside might mean hope for the people of Afghanistan now, while the murder is going on. Continuing to turn our heads away will put us, yet again, in horror and regret that nothing was done to stop it.

ELIZABETH V. PADILLA,
Santa Fe, NM.

DEAR SENATOR HUMPHREY: I am horrified at the treatment of the people of Afghanistan at the hands of Soviet military. The reason for such inhumane treatment being that the Afghanistan people simply want to be a free people.

Is there anything the United States can do to help? It's hard to believe the incredible courage, strength and determination of the wonderful Afghanistan people to keep the Soviets at bay for so long. But for how long?

Please remind all people, especially in Washington and the White House that as committed Americans to freedom, we must help Afghanistan! God bless you and guide you.

MRS. MERCY G. TORRES,
Mesilla, NM.●

BUDGET REPORT

● Mr. CHILES. Mr. President, I hereby submit to the Senate the budget scorekeeping report for this week, prepared by the Congressional Budget Office in response to section 308(b) of the Congressional Budget Act of 1974, as amended. This report was prepared consistent with standard scorekeeping conventions. This report also serves as the scorekeeping report for the purposes of section 311 of the Budget Act.

This report shows that current level spending is under the budget resolution by $3.9 billion in budget authority, but over in outlays by $13.3 billion.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 6, 1987.

Hon. LAWTON CHILES,
Chairman, Committee on the Budget,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of congressional action on the budget for fiscal year 1987. The estimated totals of budget authority, outlays, and revenues are compared to the appropriate or recommended levels contained in the most recent budget resolution, Senate Concurrent Resolution 120. This report meets the requirements for Senate scorekeeping of section 5 of Senate Concurrent Resolution 32 and is current through April 3, 1987. The report is submitted under section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended. At your request this report incorporates the CBO economic and technical estimating assumptions issued on January 2, 1987.

No changes have occurred since the last CBO report.

With best wishes,

Sincerely,

EDWARD M. GRAMLICH,
Acting Director.

CBO WEEKLY SCOREKEEPING REPORT FOR THE U.S. SENATE, 100th CONGRESS, 1ST SESSION, AS OF APRIL 3, 1987

[Fiscal year 1987—in billions of dollars]

	Current level[1]	Budget resolution S. Con. Res. 120	Current level +/− resolution
Budget authority	1,089.5	1,093.4	−3.9
Outlays	1,008.3	995.0	13.3
Revenues	833.9	852.4	−18.5
Debt subject to limit	2,263.7	[2] 2,322.8	−59.1
Direct loan obligations	42.5	34.6	8.0
Guaranteed loan commitments	140.5	100.8	39.8

[1] The current level represents the estimated revenue and direct spending effects (budget authority and outlays) of all legislation that Congress has enacted in this or previous sessions or sent to the President for his approval. In addition, estimates are included of the direct spending effects for all entitlement or other programs requiring annual appropriations under current law even though the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[2] The current statutory debt limit is $2,300 billion (Public Law 99–509).

FISCAL YEAR 1987 SUPPORTING DETAIL FOR CBO WEEKLY SCOREKEEPING REPORT, U.S. SENATE, 100th CONGRESS, 1ST SESSION, AS OF APRIL 3, 1987

[In millions of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			833,855
Permanent appropriations and trust fund	720,451	638,771	
Other appropriations	542,890	554,239	
Offsetting receipts	−185,071	−185,071	
Total enacted in previous sessions	1,078,269	1,007,938	833,855
II. Enacted this session:			
Water Quality Act of 1987 (Pulbic Law 100–4)	−4	−4	
Emergency Supplemental for the Homeless (Public Law 100–6)	−7	−1	
Surface Transportation and Relocation Act, (Public Law 100–17)	10,466	−80	2
Total enacted this session	10,455	−85	2
III. Continuing resolution authority			
IV. Conference agreements ratified by both Houses: Technical Corrections to FERS Act (H.R. 1505)	1	1	
V. Entitlement authority and other mandatory items requiring further appropriation action:			
Special milk	6	3	
Veterans compensation	173		
Readjustment benefits	9		
Federal unemployment benefits and allowances	33	33	
Advances to the unemployment trust fund[1]	(3)	(3)	
Payments to health care trust fund[1]	(224)	(224)	
Family social services	110		
Medical facilities guarantee and loan fund	5	4	
Payment to civil service retirement and disability fund[1]	(33)	(33)	
Coast Guard retired pay	3	3	
Civilian agency pay raises	358	373	
Replenishment of disaster relief funds[2]	57	50	
Total entitlements	754	467	
Total current level as of Apr. 3, 1987	1,089,479	1,008,321	833,857
1987 budget resolution (S. Con. Res. 120)	1,093,350	995,000	852,400
Amount remaining:			
Over budget resolution		13,321	
Under budget resolution	3,871		18,543

[1] Interfund transactions do not add to budget totals.

[2] Included at request of Senate Budget Committee.

Note.—Numbers may not add due to rounding.●

CALIFORNIA DESERT PROTECTION ACT

● Mr. CRANSTON. Mr. President, on January 6 I introduced S. 7, the California Desert Protection Act. The bill would designate 82 BLM wilderness areas, upgrade Death Valley and Joshua Tree National Monuments to National Parks and expand their boundaries, and create a new Mojave National Park. These desert lands possess outstanding scenic and natural values and fully qualify for inclusion in the national wilderness and national park systems.

I am pleased to say there has been considerable interest in the legislation, not only from Californians but also from outdoor lovers across the Nation. As many have inquired about the bill's impact on various activities in the desert, I should like to share with my colleagues my responses to the most frequently asked questions.

Question 1. Why is wilderness so important? Aren't there other ways we could protect these lands and still have multiple use managment?

Answer. Congress declared in 1964, after years of debate, that wilderness is an important part of our national heritage and important to the survival of many species. Congress set very high standards of protection while still allowing some multiple uses to continue. Those standards were established as the minimum necessary to protect the wilderness character of an area for present and future generations. Simple BLM land use classes do not meet the stringent requirements for wilderness and would not protect the wildernesses fof future generations. Present BLM standards have not been adequate within the limited use guidelines for Class C (controlled) and L (limited).

Question 2. Will the public have an opportunity to comment on the California Desert Protection Act?

Answer. I encourage all members of the public to begin now to analyze the bill and send their questions and comments to my office. The California Desert Protection Act, like most legislation, arises as the result of a perceived need for change. I believe there is a need for change in the protection afforded the desert under current law. Initially I asked for the opinions of the environmentalists. S. 7 reflects their proposal for the California Desert. Since the bill's introduction I have repeatedly invited additional public comment. Also the legislation will receive extensive scrutiny and thorough review during Senate hearings before a single vote is taken.

Question 3. Have adequate studies been done on the millions of acres designated as wilderness under S. 7?

Answer. The California Desert Protection Act was developed using the same information available to the BLM in its review process. An extensive inventory of the California Desert was done as part of the planning process for the California Desert Conservation Area, and volumes of detailed information were collected, including extensive public input. My bill differs only in its cor clusions from the BLM. The BLM is waitin for detailed mineral studies on about 30% o the areas. So far these additional studie have developed very little informatio

Question 4. If the BLM has spent years o effort and millions of dollars studying th California Desert and developing its Deser Plan, why is this legislation necessary?

Answer. The desert study process was jus one step in a continuing process. The Cali fornia Desert Protection Act is the next ste to manage the California Desert effectively Congress must act to designate BLM wilder ness areas or release the study areas to mul tiple use. Because current managemen practices are threatening the wildernes values of many of these lands, it is impera tive that Congress acts expeditiously.

Question 5. How does S. 7 affect privat property?

Answer. Only the proposed Mojave Na tional Park includes a substantial number o private acres. Section 414 of the bill pro vides that private land may be acquired onl with the consent of the owner unless th property is being developed in a manner det rimental to the park. State lands may be ac quired only by donation or exchange. Sec tion 607 of the bill directs the BLM to giv priority to consolidating ownership withi the park and wilderness units.

Question 6. What will happen to stat lands? Aren't they used for the State Teacher's Retirement Fund?

Answer. Only a very small percentage o the income of the State Teacher's Retirement Fund comes from desert lands owne by the State of California. I have consulte with the State Lands Commission and, as a result of our discussions, have modified the bill to allow for the trade of state lands within the proposed park and wilderness areas for other BLM lands with development potential. The State Lands Commission is very supportive of this approach t consolidating state holdings for more efficient management.

Question 7. What effect will the California Desert Protection Act have on boating and other uses along the Colorado River?

Answer. The bill will not affect navigation on the main channel of the Colorado River. It will protect some of the reedbeds and other riverside habitat in the side bays in two National Wildlife Refuges along the river. Canoeing and other non-motorized recreation may continue in these areas. Camping, hunting, and fishing are now regulated in the refuges and this will not change.

Question 8. The California Desert is used extensively by the military for aircraft training and weapon testing. Would this be changed? What will be the impact on general aviation?

Answer. Current military regulations governing flights over national parks would present some conflicts for low level flights. The exact nature of these flights, applicable regulations and their impacts on park expansions and wilderness areas are being investigated. Under current regulations, general aviation would continue unchanged. These regulations are being analyzed in light of the recent Grand Canyon National Park accident.

Question 9. What will be the impact of S. 7 on rock-hounding?

Answer. While some rock-hounding opportunities will no longer be available in those areas being added to the national park system, wilderness areas remain available for collectors of mineral specimens. Areas being placed in wilderness are by definition without roads, and very little loss of access will occur under the California Desert Protection Act.

Question 10. What will the impact of the California Desert Protection Act be on hunting by the public?

Answer. Hunting is allowed in wilderness areas, and serious hunters will no doubt welcome the additional protection given to wildlife by wilderness management. Hunting will not be permitted in the new national parks.

Question 11. Will the thousands of ORV users still have a place to ride?

Answer. Over four and a half million acres will remain open for current BLM multiple use management practice, including open areas. Over $8 million in State Off-Highway Vehicle funds from user fees and gas taxes have been used in the last few years to provide additional OHV areas in and out of the desert. All designated ORV open areas including Johnson Valley, Glamis, Imperial Sand Dunes, and Jawbone Canyon-Dove Springs are unaffected by the bill.

Question 12. Will the dirt roads in the California Desert be closed by the bill?

Answer. The law defines a road as route of travel that has been constructed and maintained. No roads meeting this definition, either dirt or paved, would be closed by this bill. A way is a route of travel established by the passage of vehicles. Only a small portion of the unmaintained dirt ways are within the proposed wilderness areas. Tens of thousands of miles of roads and ways remain open under the California Desert Protection Act. In many cases, wilderness boundaries have been drawn specifically to allow vehicle access on existing routes.

Question 13. How will S. 7 affect the long distance point-to-point motorcycle races in the California Desert, including the Barstow-to-Vegas race?

Answer. The legislation does not prohibit any of the point-to-point motorcycle races in the desert. However, there will need to be a slight change in the current course used for the Barstow-to-Vegas race.

Question 14. What happens to grazing under this bill?

Answer. Grazing may continue in wilderness areas. Section 410 of the bill provides that grazing in the proposed Mojave National Park will be phased out as current permits expire.

Question 15. I have heard that there are millions of dollars of minerals, including critical strategic minerals, in the California Desert. Would these be lost to development under the bill?

Answer. The major mineral commodities now being produced in the California Desert are sand and gravel. The California Desert has been intensively prospected for over a hundred years. Most studies show that there is little remaining commercially developable mineralization in the California Desert.

Question 16. What will happen to current mining under the California Desert Protection Act?

Answer. All active commercial mining will be allowed to continue under the bill. However, before approving plans of operation for mining on unpatented claims within the new park areas, the Secretary of Interior is required to determine the validity of the mining claim.

Question 17. Do the proposed additions to Joshua Tree National Monument include areas of enormous mineral values?

Answer. No. The Joshua Tree National Monument boundary was changed in 1951 to allow mining in support of the Korean War effort. The only area developed was around the now closed Kaiser Iron Mine at Eagle Mountain. The boundaries of the proposed additions have been drawn to exclude the developed area.

Question 18. Will archaeologists and other scientists be able to continue to study the California Desert under S. 7?

Answer. Yes.

Question 19. Is access by the handicapped changed by the California Desert Protection Act?

Answer. No, access would remain essentially unchanged. Tens of thousands of miles of roads remain open under the bill. In many cases, wilderness boundaries have been drawn specifically to allow vehicle access on existing routes.

Question 20. Will the new parks and wilderness areas change the way other parts of the California Desert may be used because of the Clean Air Act?

Answer. The legislation does not change air classifications. This remains under state control. Changes to the existing classes can be made only by an act of the California State Legislature and signed by the Governor.

Question 21. Are all of these proposed wilderness areas free of roads and do they have those qualities required for wilderness designation?

Answer. Absolutely. With a few exceptions, the areas proposed for wilderness have been identified in the BLM's own inventory as areas meeting the criteria of the Wilderness Act. The exceptions have been thoroughly reviewd also.

Question 22. Will the entrance fees be charged in these new national parks?

Answer. The California Desert Protection Act does not propose any fees for use of the new national parks. Current regulations permit the National Park Service to charge fees at the existing Death Valley and Joshua Tree National Monuments, and the Park Service has not chosen to do so. The usual practice has been to charge fees on cross-park highways only if they were constructed after the park was established, or if the road was constructed with park funds.

Question 23. Will the National Park Service block off most dirt roads in the desert and pave all the rest?

Answer. The bill leaves these decisions to the National Park Service as the land management agency. Current practice has been for few road improvements in the parks in the California Desert. Any road closures would occur only with full public review and comment.

Question 24. If the new national parks attract thousands of visitors, can the Park Service keep the parks from being overrun and destroying the very values they are supposed to protect?

Answer. I would anticipate an increase in visitation to these parks areas. However, the National Park Service has decades of experience in providing a quality experience for the visitor while at the same time protecting the outstanding natural resources. Leaving the areas without park status would not protect them from the inevitable increase in visitors.

Question 25. Will the National Park Service restrict camping to a few overcrowded and overdeveloped camping areas?

Answer. Not necessarily. Death Valley National Monument currently permits extensive dispersed back road camping opportunities.

Question 26. Will the California Desert Protection Act close the Saline Valley hot spring to public use?

Answer. No. The bill does not address this issue.

Question 27. What is the impact of the bill on the federal budget? Will it be costly to implement the requirements of the California Desert protection Act?

Answer. The greatest cost associated with establishing a new national park is purchasing private land. The bill does not require purchase of any lands for the new parks and wilderness areas established under the bill. The National Park Service estimates it will cost $2.5 million annually to manage a new Mojave National Park and increase management costs for Death Valley by $900,000 a year. The BLM's California Desert Plan itself calls for spending more money to manage the desert. In sum, protection of the desert resource, whether under BLM or the National Park Service, is going to require some increased cost. This is a small price to pay for the protection of these valuable natural resources.

Question 28. Will the California Desert Protection Act have any effect on county tax bases?

Answer. In one desert county, the property tax revenues from grazing leases and mining claims in the proposed wilderness areas are less than 1 percent of the total county budget. This minor loss of income will undoubtedly be offset by increased sales tax, bed tax, and property taxes resulting from increased tourism in the new national parks.

Question 29. One of the problems today in the California Desert is ORV entry into areas closed to vehicles. How will S. 7 stop this from happening? How will the park and wilderness designations be enforced?

Answer. Most people obey the law and will comply with the regulations governing management of the wildernesses and parks established under the bill. Boundaries generally have been drawn along geographical features and roads to facilitate boundary identification and patrol. Additionally, the National park Service has an outstanding record of preventing misuse of park resources and enforcing the law when violations occur.

Question 30. Does the bill affect the proposal to establish a low-level radioactive waste site in the California Desert?

Answer. US Ecology has identified three sites in the California Deseert as possible locations for California's low-level radioactive waste dump. All three sites are outside the boundaries of parks and wilderness area designated by the bill.●

SENATOR McCAIN COMMENTS ON CENTRAL AMERICAN POLICY

● Mr. BOSCHWITZ. Mr. President, I rise to submit into the Record an article that appeared recently in the Washington Times written by or colleague, Senator McCain. Senator McCain was amazed, as was I, that during the recent Contra debate those who opposed our assistance demanded that the administration come up with an alternate policy for Central America.

As Senator McCain notes, "Chutzpah is the only word that adequately describes such statements. If Contra opponents succeed in destroying existing Central American policy, they, not the administration are obligated to come up with a new one." So far, "they have failed miserably to do so."

Senator McCain argues forcefully that relying only on the diplomatic route will in the end not solve the problem in Central America. Ultimately, we must keep the pressure on the Sandinista regime to live up to its own promises and to allow free, open elections in Nicaragua. His point is cogently and logically argued and well worth the attention of my colleagues.

Mr. President, I ask that the article be printed in the Record.

The article follows:

[From the Washington Times, Mar. 25, 1987]

Where Is Their Alternative Policy?

(By John McCain)

During the most recent Contra aid debate, the walls of Congress again reverberated with astonishing statements. Perhaps most incredible were the assertions of Contra opponents, led by House Majority Leader Jim Wright, that the administration must come up with an alternate Central American policy.

Chutzpah is the only word that adequately describes such statements. If Contra opponents succeed in destroying existing Central American policy, they, not the administration, are obligated to come up with a new one. To date, except for platitudes, including one suggestion that we send the Peace Corps to Nicaragua, they have failed miserably to do so.

The ill-conceived options about "Contadora" and "regional settlements" offered by Contra opponents will not solve the problems of Central America. The incredibly expensive option of "containment" of the Sandinistas can only result in the destruction of the accomplishments of American policy in Guatemala, El Salvador, and Honduras. It would guarantee years of continued conflict, including the remilitarization of those newly democratic nations. Attempting a "diplomatic solution" without accompanying pressure on the Sandinistas is also doomed to failure. Removing military pressure on a Marxist, expansionist state without a permanent settlement would inevitably force the United States to send young men to fight and die in the jungles of Central America, clearly an unacceptable alternative.

It is becoming increasingly apparent, however, that the administration's present policies cannot be sustained. While most Americans favor continued aid to those fighting for freedom in Central America, they oppose the overthrow of the Nicaraguan government. If a lasting consensus is to be built on this issue, the administration must shift its focus from "overthrowing a regime" to emphasizing basic human rights in Nicaragua. Free, fair, and open elections as the object of U.S. policy would achieve our goals. Such elections can only take place if Nicaraguans are guaranteed freedom of assembly, unimpeded access to the media, and the unrestricted exercise of other basic rights.

No Marxist government has ever allowed such elections; it seems highly doubtful that the Sandinistas would survive one. The U.S. government must, however, be willing to take the small risk of a Sandinista victory in such an election. The electoral defeat of the Sandinistas would guarantee an end to Soviet expansionism in Central America.

Although we should state in advance our willingness to abide by the Nicaraguans' choice, some will ask what right we have to demand that a sovereign nation hold elections. Every other nation in the region has taken such action, largely at or insistance. A free election is obviously far preferable to continued civil war in Nicaragua. Finally, the United States has a right to ask for free elections and respect for basic human rights in the face of a Soviet-Cuban client that poses a serious threat to U.S. national security interests.

Aiding the Contras is not, as one senator claimed, "a sleazy policy." Rather, it is "sleazy" to propose terminating one foreign policy without offering a viable alternative. It would certainly be "sleazy" to abandon again those who have been promised our assistance in their fight for freedom. If the advocates of a non-existent "alternative" are successful, they must bear full responsibility for the tragedy that will inevitably ensue.●

SOVIET INHUMANE ACTIONS

● Mr. SIMON. Mr. President, I would like to congratulate my congressional colleagues, Senators Levin, Specter, and Boschwitz, and Congressmen Gilman, Kemp, Lantos, Green, and Biaggi, on the press conference they held this afternoon with the Jewish War veterans on behalf of Soviet Jewry. Religious freedom is a fundamental human right. The Soviets' ban on religious literature clearly violates this belief.

As the Jewish holiday of Passover approaches, I wish my colleagues success with the symbolic effort they are undertaking during the holiday. Hopefully the Matzoh and Haggadahs—the books telling the story of Passover—that are being delivered to the Soviet Embassy and to Soviet officials will demonstrate the United States strong opposition to the Soviets' inhumane actions.

Naum Meiman is one of the refuseniks who has been waiting for years to emigrate in order to freely practice his religion. He has fought against Soviet harassment of Jews and prohibition of the Jewish religion for over 10 years, and is an original founder of the Helsinki Watch Commission.

In addition to the discrimination Naum has been subjected to as a refusenik, he is trying to adjust to the loss of his dear wife Inna. Inna Meiman was a Soviet cancer patient who was denied permission to receive treatment in the West. When she was finally released to the United States, it was too late. Her cancer had progressed too far, and Inna passed away in February. Not only was Naum forced to stay in the Soviet Union while Inna went through this difficult period alone, but he was cruelly denied permission to attend her funeral.

Naum is in his seventies. Most likely, he does not have many years left to live. He deserves an opportunity to live the final years of his life in happiness.

I implore the Soviet Union to grant Naum Meiman and exit visa immediately.●

ORDERS FOR WEDNESDAY, APRIL 8, 1987

RECESS UNTIL 9:30 A.M.

Mr. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that, after the two leaders or their designees have been recognized under the standing order on tomorrow, there be a period for the transaction of morning business not to extend beyond the hour of 10 o'clock a.m. and that Senators be permitted to speak during that period for not to exceed 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BYRD. Mr. President, the Senate will come in at 9:30 tomorrow morning. After the two leaders or their designees have been recognized under the standing order, there will be a period for the transaction of morning business not to extend beyond the hour of 10 a.m. and, during that brief period for the transaction of morning business, Senators will be permitted to speak for not to exceed 5 minutes each.

At the hour of 10 o'clock a.m., the Senate will resume consideration of the FTC bill, and the pending question at that time will be on the adoption of the amendment by Mr. Metzenbaum. Rollcall votes will occur on tomorrow.

I hope that the Senate will complete action on the FTC authorization bill at a reasonably early hour on tomorrow, because it is necessary and important, I think, that the Senate proceed to the consideration of the homeless relief legislation, which is supported on both sides of the aisle, legislation having been introduced by the Republican leader and myself and other Senators on both sides of the aisle. So, rollcall votes are in store for tomorrow and for Thursday and for Friday.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 9:30 tomorrow morning.

The motion was agreed to; and, at 7:50 p.m., the Senate recessed until Wednesday, April 8, 1987, at 9:30 a.m.

EXTENSIONS OF REMARKS

BOB MICHEL AT FEDERAL HALL "A NATION OF COMMUNITIES"

HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. HOUGHTON. Mr. Speaker, on Thursday, March 26, 1987, Republican Members of the House, with their spouses and children and many friends, journeyed to Federal Hall in New York City, home of the First Congress in 1787.

Gathered for 3 days of reflection and renewal and to celebrate the 100th Congress and the 200th anniversary of the Constitution, House Republicans discussed the future of our party and our country.

The keynote address to this gathering, delivered in historic Federal Hall by House Republican Leader BOB MICHEL, was an inspiring and eloquent reminder that this is a "nation of communities" whose strength comes from the diversity and creativity of American communities.

At this point I wish to insert in the RECORD, "A Nation of Communities," a speech delivered by House Republican Leader BOB MICHEL at Federal Hall in New York City, April 26, 1987.

CONGRESSMAN BOB MICHEL, FEDERAL HALL SPEECH, "A NATION OF COMMUNITIES," MARCH 26, 1987

Jack, thank you. My colleagues, friends and benefactors of the Congressional Institute, to set the stage for my remarks I have to tell you that this is an emotional moment for me knowing that this railing in front of this podium was part of the railing of the original Federal Hall where George Washington gave his inaugural address. What an extraordinary experience for all of us this evening to be here amidst the architectural splendor and the historic memories associated with this great hall.

It symbolizes for us the great success of the American experiment.

But for the members of the First Congress who met here in 1789 this hall was a place where the great expectations of the Constitution would first be tested.

What was it like to have been here, in the First Congress, to have participated in helping this infant nation take its first tottering, but confident, steps?

The United States in 1789 had a population of only 4 million. In contrast, France had a population of 25 million, the Great Britain, 15 million and Spain 10 million.

We were a new, relatively poor nation on the outskirts of civilization and dwarfed in terms of wealth and military might by the European powers.

And at the very heart of our fight to survive and endure was a brand new institution called the United States Congress.

Members of the first Congress were not all that dissimilar to those of us who serve today in this Hall. The average age of a House member in the First Congress was 43.5 years; today, in the 100th Congress, it is 50.7.

I'm not sure if this is a tribute to medical advances or that we just take longer these days to understand the issues.

One big difference is the assistance we require today to shine our images and egoes these days. The House then had a Clerk of the House with two assistants, a chaplain, a doorkeeper, an assistant doorkeeper and a Sergeant at Arms—a total of 7 staff members.

And here we are in 1987 with 11,000 staff members!

In both Houses of the First Congress, 38% were lawyers and in our 100th, the figure is 42% in the House and 62% in the Senate.

It can be said that we remain a nation of laws and a Congress of lawyers.

And, after a long wait for a quorum, as Jack made mention of only moments ago, the First Congress finally assembled in this building in April, 1789. Of course now, thanks to Bob Walker, we have quorums all the time.

The city of New York in which they met was many communities within a community, much like the young nation. It was English, French, German, Scotch, Irish, and even some Welsh, Poles, Portuguese, and West Indians. Jews first arrived as early as 1654 and one out of every 10 New Yorkers was Black.

One historian has captured the sounds that might have greeted our illustrious predecessors as they walked the streets, some of which incidentally were even paved in those days:

"(One could hear) . . . Barking dogs chasing squealing pigs dodging between bleating goats. Then the knife grinders, lamp menders, orange girls, Yankee notion hawkers, ragmen, and wood vendors swelled the chorus."

The noise got so bad frankly down here on Wall Street that "the oratory of Congress was drowned" out—perhaps the first instance of a direct beneficial public influence on the legislative process.

Yet, somehow the work got done.

Out of their debates emerged the Bill of Rights, a tariff act and the passage of the Judiciary Act which created the 3rd branch of government.

There was one difference between the First and the 100th Congress. The First Congress had no traditions, no customs, almost no experience as a Congress. It had to begin from the beginning.

What they had were the noble sacrifices of the soldiers of the revolution, the words and ideas of the Declaration of Independence and the Preamble to their new Constitution. And while it was beautifully recited just a few minutes ago, it might bear repeating:

"We the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America."

And, we, meeting here as Republican Members of the 100th Congress, will emulate their example and use those sacred words as the inspiration for our deliberations.

We face the same challenge they did: Making the Federal Government work so that it meets national needs but does not crush the real heart of America, the local governments, voluntary associations and various communities from which so much of our national strength comes.

If one theme has dominated my time in the Congress, now 30 years, and survived all our 99 Congresses, it has been that of community, our sense of ourselves as a people.

This idea of community, this spirit of community is central to our society and it is ribboned throughout our Constitution.

We have to feel expecially close to that spirit, because it was, and is, the spirit of what has come to be called the great Reagan Revolution.

And that revolution was but a vision of America in which individual initiative, family and community values, and peace and security based on strength would once again inspire America?

We see America, in the phrase of scholar William A. Schambra, as a nation of communities with different political, social, economic, religious, philanthropic, regional, ethnic, and professional uniqueness, all giving each other something special.

Yes, Americans since those days in New York 200 years ago, have wanted a Federal government strong enough to provide for their national security to protect their civil rights and to help form "a more perfect Union."

And furthermore we Republicans believe that Americans should not look to Washington as a substitute for the community strengths from which American creativity, innovation and progress have emerged and flourished.

The Reagan Revolution revived that great vision which inspired the revolution 210 years ago.

That vision is opposed by the national leadership of the Democratic Party. Notice that I didn't say Democrats themselves, because we found, and are still finding, that many Democrats share our vision.

No, it is the national leadership of the Democratic Party which offers a vision diametrically opposed to ours. They see this country in terms not as a nation of communities, but of one "national community". Theirs is a vision in which Washington is the first, last and best hope for us all, in which needs are identified and met by Washington according to standards set in Washington.

As I said, in one sense we all gladly see ourselves as part of one, great national community. We are always proud to be Americans, proud of our national unity, particularly when we face a foreign threat. But part of this national pride is the belief that there are many ways to express love of our nation, as many ways as there are different groups and communities in the United States.

E. Pluribus Unum is not just a motto, it is the very source of our national strength and purpose, and blueprint for progress and growth.

The challenge we face is to have a federal government effective enough to meet its le-

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

gitimate ends, but not dominant enough to control.

National pride, strength, and unity; community pride, strength, and diversity—this is the difficult, but absolutely necessary balence that must be achieved if the American experiment is to succeed.

But after 50 years of almost uninterrupted Democratic dominance of the Congress, we had reached a point where the national government was playing a dominating rather than a helpful role in our lives.

The Reagan Revolution said: "Enough". We were inspired by a vision of America as a nation of communities, bound together by common values, not chained together by central government.

The Reagan Revolution fulfilled the desires of millions of Americans who wanted to feel proud again, proud of themselves and proud of their country.

Free again, free of the chains of heavy-handed government, free to try and free to succeed.

Ronald Reagan has done more than communicate. Believe me, he has produced. He has brought us back to basics, in everything from reading skills in our schools to backbone in our foreign policy.

Now it is time to build on the basics, to make good on what our leader has begun.

We are entering a new decade, and soon a new century. We are entering a whole new era in political, social and economic thought.

Change isn't coming my friends, it's here now, on our doorstep.

Will we in this room continue to be advocates of that change for the next decade, and into the next century?

This nation is facing unprecedented long-range problems, going beyond any one administration, problems ranging from drugs to foreign competition, from AIDS to farm problems, from the struggle to protect our people and our allies through a strategic defense initiative to serious problems in education at every level, from the communist threat in Central America to the need for welfare reform at home.

In order to meet these challenges, our nation needs a vision that embraces the twin strengths that made this country great: strength and unity when confronting international threats, and the use of community resources and creativity in solving our domestic problems.

The political party that embraces such a vision and effectively communicates it to the people is going to lead this country tomorrow and into the 21st century.

There's no question in my mind that our Republican party is the one party capable of doing that.

Now it is time for renewal, a period of renewal in which we grow and develop from the experience of the Reagan years.

That's why we are here in New York, and not at some mountaintop retreat teaching ourselves the value of good diction.

We came here to absorb a little history and strengthen that bond between us and those who preceded us in the First Congress.

We must go forth from this hall tonight prepared to map a course for the 100th Congress and beyond.

Presidential politics will soon consume us all. The cameras will turn from policy to politics, following campaign balloons as they float into the air. The Sam Donaldsons of the world will be taxing themselves to find some significance in how high the balloons will fly. We must not allow our goals or our energies to be lost in the stampede to the evening news.

Tonight, we begin that quest for answers, for ideas, for a new vision. It will continue after we leave this historic site and this city, as we seek to inspire Americans of diverse persuasion in every region of our country.

If we can in the coming months communicate our vision above the clatter in the House and later on the campaign trail, then we can lead the American people into the next decade and the next century.

I'd like to believe that we can rekindle the flame that so inspired our Founders at this site.

I'd like to believe that in spirit, they are among us tonight.

Fisher Ames of Massachusetts and Daniel Carroll of Maryland . . . Frederick Muhlenbert of Pennsylvania and James Madison of Virginia . . . and all the rest . . . they are here, in spirit, welcoming us.

If we but listen attentively enough, we can almost hear their voices as they rise from this hallowed ground, voices filled with confidence, faith and hope, voices that began an on-going conversation of free people about their freedom and their destiny.

And we say to them tonight:

We have been able to come here as free people because of what you began. We will be true to your trust. We will be faithful to the values that inspired you.

We recongize that we have an obligation as House Republicans to see to it that those same values inspire and guide our party and our nation, tomorrow and for years to come.

I can think of no better place to begin than here, where it all began—and no better time than now!

SHORING UP U.S. HEALTH CARE

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. STARK. Mr. Speaker, I would like to include in the RECORD at this point a very thoughtful editorial which appeared in the April 1, 1987, Los Angeles Times, entitled "Shoring Up U.S. Health Care."

The article well describes the four major health initiatives moving forward in the Congress.

There is only one error in the editorial: it should have been noted that the Los Angeles area is fortunate to have among its representatives two of the greatest leaders in the fight for better health care in America, our colleagues HENRY WAXMAN and ED ROYBAL:

SHORING UP U.S. HEALTH CARE

An agenda of four major health-care programs is taking shape in Congress, with good prospects for passage this year. Each would make a major and significant contribution to cost-effective approaches to serious problems.

Two legislative proposals would improve Medicare protections for those 65 and older, providing catastrophic protection for in-hospital care—although not for the more devastating costs associated with long-term nursing-home care—and some protection against spousal impoverishment associated with the costs of nursing-home care.

A third proposal would mandate that all employers provide minimum-standard health insurance, offering protection to a majority of the 37 million Americans now without any form of public or private health insurance.

The fourth proposal would provide increased federal funding for prenatal, maternal and child care, increasing the availability of these essential services to reduce the costly consequences of neglect. There probably is no more cost-effective investment in health care than adequate services to pregnant women and to their children in their first months.

The four proposals together represent a major step with which the United States can catch up with the basic health services already available in other industrialized nations.

Congressional leaders are confident of early action to approve the improvement of Medicare to protect older Americans from the high costs of extended acute care in a hospital. President Reagan is on record supporting the proposal, which grew out of a task-force study under the leadership of Dr. Otis R. Bowen, secretary of health and human services. There remain two disputes to be resolved, however. Bowen and the President proposed a $2,000 ceiling on annual hospital expenses, but most congressional leaders are working on formulas that would lower that ceiling. That seems a wise idea.

There are also differences concerning how to fund the new protection. The Administration favors self-funding by charging a premium, beginning at $4.92 a month. Some in Congress are weighing the option of a higher premium that would cover other expenses as well—such as out-patient prescription drugs, psychiatric and dental care. Within the House Ways and Means Committee, some leaders are advocating funding through taxing the value of the insurance as income—in effect funding the entire program by increased taxing of the more affluent Medicare recipients.

There appears little likelihood of action this year on the more serious Medicare gap—the absence of protection for long-term nursing care that can cost as much as $22,000 a year and is required at one time or another by 20% of those covered by Medicare. But a helpful move is under way to limit the problem of so-called spousal impoverishment. Under present law, thousands of older Americans have had to exhaust their life savings, when faced with long-term care, before they were eligible for the Medicaid (Medi-Cal in California) nursing-home care that is available only to the poor. Legislation that is now before Congress would protect at least the savings of the spouse of the Medicare patient, changing the eligibility standards for Medicaid.

The most controversial and the most important legislation that will come before Congress at this session deals with access to health insurance. It is proposed to require all employers to provide health insurance for all their workers. The proposal is being strongly resisted by the small businesses of the nation, which argue that it would be devastating to them at a time when the nation critically needs their contribution to the economy. This is an argument that cannot be ignored. It must be kept in mind as the program is designed. Of particular importance will be the provision for health insurance for small businesses at prices competitive with what large enterprises pay through state or regional pools. The plan must respect both the special problems faced by small businesses in today's economic climate and the critical need to assure millions of American workers, now unable to obtain affordable health insurance, this basic protection.

Improved financing of prenatal, maternal and child care would raise direct budget challenges, but sponsors of the legislation are confident that funds can be found as the budget is reconciled. It would be shortsighted to postpone the new funding, because there is conclusive evidence that each dollar spent in prenatal care saves many more dollars by avoiding the extreme costs associated with premature births, underweight babies and neglect of health in early childhood.

Vigorous leadership in both the Senate and the House, and strong Administration backing on acute-care protections under Medicare, are moving these important proposals ahead, raising the likelihood that at least some of the more flagrant failures of the U.S. health-care system will be remedied this year. Everyone would benefit, directly or indirectly.

RESTORING FHA LOAN PROGRAM TO PERMANENT STATUS

HON. DEAN A. GALLO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. GALLO. Mr. Speaker, I urge the House to take timely action on H.R. 1228, a bill to give permanent Federal authority to issue insured FHA home mortgages.

H.R. 1228 was introduced on February 24 and has been referred to the Subcommittee on Housing and Community Development of the Committee on Banking, Finance and Urban Affairs.

In the 6 weeks since its introduction, it has gained the support of 83 cosponsors.

As one of those cosponsors, I feel strongly that this is an idea whose time has come.

Since the 1930's when Congress first acted to create the Federal Housing Administration to authorize the issuance of federally insured home mortgages, this program has become an increasingly important avenue for millions of families to achieve the American dream of home ownership.

The rising cost of housing hits families with moderate incomes the hardest, and the ability to qualify for a mortgage is often the deciding factor for many potential home buyers.

Placing this dream out of the reach of millions of Americans would be a tragedy.

Last year alone, stop-gap budget extensions caused the FHA's authority to issue insured loans to expire six times for a total of 51 days during fiscal year 1986.

A family's dreamhouse, on the market at a reasonable price, will not wait while Congress plays games with the budget.

In its original form, the FHA program operated under permanent status, not requiring congressional reauthorization.

This bill will return the Federal Housing Administration to full permanent status under the Department of Housing and Urban Development. Let's prevent the American dream of home ownership from being held hostage to the political process.

I urge my colleagues to cosponsor this legislation and I hope the Banking Committee will see fit to report the bill to us for action in the near future.

CAL/OSHA MUST CONTINUE TO PROTECT OUR STATE'S WORKERS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. LANTOS. Mr. Speaker, the budget submitted by Gov. George Deukmejian to the California Legislature proposes the elimination of the California Occupational Safety and Health Administration [CAL/OSHA] and the transfer of its jurisdiction over workplace health and safety to the Federal Government.

As a result of reductions in the Federal budget, the Federal OSHA already faces severe problems in providing the necessary level of protection for workers. Furthermore, several hazardous occupations that are extensively regulated by CAL/OSHA are subject to little or no regulation under the Federal Government. Also CAL/OSHA has established workplace exposure limits on 170 toxic substances that are completely unregulated by the Federal Government. Federal inspections are less frequent and penalties are weaker.

The savings of $8 million out of a total State budget of $39 billion is hardly worth the increase in deaths, serious injuries, and illnesses that will result if this proposal is implemented. I recently wrote to Governor Deukmejian strongly urging that he restore full funding for CAL/OSHA.

Mr. Speaker, Michael Luckoff of KGO Radio in San Francisco delivered an excellent editorial on this topic. I ask that it be placed in the RECORD for the benefit of my colleagues in the House.

The editiorial follows:

A PLEA FOR PROTECTION

Governor Deukmejian is planning to kill the State agency that protects the health and safety of 13 million California workers on their jobs. It is the California Occupational Safety and Health Administration known as "CAL-OSHA", the biggest, and perhaps best such watchdog agency in the nation.

This move might save $8 million a year. But it could exert disastrous effects on families of working men and women who help to comprise the basis of the State's economy.

The Governor's dangerous surprise proposal would transfer authority for their protection to the Federal Labor Department. Its regulations and enforcement are far weaker than California's—and barely cover all hazardous occupations, like fire-fighters, high-voltage linesmen, crane operators and oil drillers.

Washington's deficit has further cut back operations to only eight field inspectors for all of California, against a State staff of 300.

The Governor insists Federal laws are adequate. KGO Radio disagrees. We call on the Legislature to show, in upcoming hearings, that while budget economies are desirable, this one is far more costly than it is wise. We ask for prompt and positive reversal of the plan.

BIAGGI SUPPORTS MATH AND SCIENCE EDUCATION AS KEY IN INCREASING OUR NATION'S COMPETITIVENESS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. BIAGGI. Mr. Speaker, I rise today in support of H.R. 1958, the Education for Economic Security Amendments of 1987. This important legislation, which I proudly cosponsor, has a fitting alternate title—the Critical Skills Act—for it seeks to strengthen our national security and increase our competitiveness by improving the skills of teachers and the quality of instruction in mathematics and science in our Nation's elementary and secondary schools.

This legislation would authorize State grants for the purposes including teacher training activities; improvement of State licensing and certification procedures; recruitment of minorities and women into math and science teaching; curriculum evaluation, development or modernization; training and inservice use of computers; intensive academic programs and counseling to prepare students—especially females, minorities, limited English proficient, economically disadvantaged and handicapped—to enter careers in math and science; and startup funding for magnet schools in math and science. Teacher training activities under this legislation include: inservice programs for teachers who are teaching out of their major or minor fields; subject matter course work for teachers who have not had college credits in the subject matter they are teaching; and recertification programs for teachers certified in another field.

New York City is currently involved in a teacher recertification program, which offers university courses free-of-charge to already certified teachers who wish to be recertified in mathematics or science. I would like to submit for the RECORD an article written by Prof. Bruce S. Cooper of Fordham University, entitled "Retooling Teachers: The New York Experience." This article appeared in the April 1987 edition of Phi Delta Kappan. It illustrates an example of how H.R. 1958 could improve our competitiveness and our children's mathematics and science skills.

RETOOLING TEACHERS: THE NEW YORK EXPERIENCE

(By Bruce S. Cooper)

Urban schools are facing a teacher shortage and then some. Wealthier, whiter suburban schools provide calmer, more attractive environments for newcomers to the profession; city schools often threaten first-year teachers with chaotic classrooms, overcrowding, and dangerous neighborhoods. Thus the prediction that some 26 percent of all U.S. teachers must be replaced in the next decade should probably be doubled for urban school districts.

The staffs of urban schools are typically older than their suburban counterparts. They are the survivors of layoffs and the victims of "last in/first out" excessing policies. It is not uncommon to see the mean age of an urban teaching staff as high as 46; young teachers (those under 30) are rare indeed. The coming wave of retirements will mean severe shortages for urban schools.

Furthermore, most cities cannot now fill their openings in the most difficult-to-staff disciplines: mathematics, the sciences, and special education. Schools in New York City are no exception. When school opened last September, some 2,500 more teachers were needed to cover classrooms, and the most desperate shortages were, not surprisingly, in mathematics and the sciences. Moreover, urban districts will have trouble hiring qualified math and science teachers from among the new crop of college graduates, since stories of poor pay, sorry working conditions, and slim chances of advancement in urban districts discourage new teachers.

But necessity is the mother of invention. Nearly three years ago, the New York City Board of Education created the Mathematics and Science Re-Licensing Program, which takes a new approach to replenishing the supply of science and math teachers. The approach is simple and direct and could easily be transplanted to other large-city districts (or even smaller systems in a regional consortium). Rather than seek mathematics and science teachers only from outside the system, the board decided to retrain some of the teachers already working within the system: to retool teachers from such overstocked fields as English, history, and elementary education.

Not only is this method more direct, but it also overcomes the high cost of initiating new teachers into a system that they might soon leave. The program has already begun to pay off; nearly 400 new licenses have been awarded to members of the veteran teaching force who want and need the challenge of a new field and feel that earning a second license will make them more mobile and less likely to be laid off. Many of these retooled teachers are minorities and women, who were scared off from the more technical, "difficult" subjects, such as calculus and physics, when they were undergraduates but who now feel confident enough to take the plunge.

The New York City schools obtained funding to sponsor mathematics and science classes at nearby universities and colleges from the city council and the city controller, Harrison Golden. The courses were offered at the university campuses after hours and during the summer and were taught by professors in the disciplines. The courses were offered free of charge (with books and materials also free) to any interested teacher in the school system. These courses were open only to teachers; the universities were not allowed to include their regular undergraduates. This stipulation was designed to prevent pre-medicine or pre-pharmacy students from being in the same chemistry class as adult teachers, some of whom might be returning to school for the first time in more than 20 years and studying subjects that they had found hard going the first time around.

The board paid a fee for each teacher who enrolled. Costs ran between $45 and $70 per credit, depending on the course (science courses were more costly because of laboratory equipment and smaller class size) and the university (private universities charged more since their costs were not covered by the state). The payoff for the teacher-trainees was a new license, free. For the board of education, the incentive was the retraining of a pool of veteran teachers to help fill vacancies in the key fields of mathematics and science. New York City felt proud to contribute to the staff development of teachers in a tangible way, and the participating universities and colleges had a chance to involve themselves with the schools that prepared many of their incoming students.

The program was not unlike an undergraduate major in mathematics or science. There were no "methods" courses, no philosophy or history of education courses, and no educational psychology courses, because these "students" were already graduates of teacher training programs and had proved themselves in the classroom. The credits required for certification by both the city and the state (in the disciplines only) were:

Junior high mathematics, 18 credits;
Senior high mathematics, 24 credits;
Junior high general science, 36 credits;
Senior high general science, 36 credits;
Senior high biology, chemistry, or physics, 36 credits.

Moreover, it was possible to seek licenses for both junior and senior high school in the same subject area at the same time. Thus a candidate might use the first 18 credits in mathematics toward a junior high mathematics license and then add another six credits in calculus for a senior high license. Teachers who planned carefully could complete the requirements for the general science license by taking a range of subjects (chemistry, biology, physics, and earth science) and at the same time apply the credits in a field such as physics toward certification as a high school physics teacher.

Once the college credits were completed, two additional steps were required to achieve full certification. First, candidates had to pass a citywide examination, given by the New York City Board of Examiners. Second, each candidate who passed the exam took a probationary position as a teacher in the new field. After two years, these veterans-on-probation came up for tenure in their new subjects. If tenure was granted, they had two certificates: their original one and a new one in math or science. And they were free to choose which certificate to use. If, for some reason, they failed to obtain tenure in their new field, they still maintained their previous license. In addition, during the probationary period, the teachers continued to receive credit toward retirement and did not lost seniority in their previous field (though they did lost building seniority once they started teaching in their new field).

This model is the only one in the United States that brings together so many different institutions and groups with an interest in staffing city classrooms with qualified teachers. Funds came from New York City; the program required the full cooperation of the United Federation of Teachers and the UFT Teacher Center, which helped advertise the program to prospective retrainees; the board of education approved the program; the district's Division of Curriculum and Instruction, headed by Charlotte Frank, established and managed the program; and 11 universities and colleges in the metropolitan area agreed to take part. The range of participating universities was broad, including the City University of New York (with Bronx Community College, Brooklyn College, City College, College of Staten Island, LaGuardia Community College, Kingsborough Community College, and Queensborough Community College), and four private universities (Fordham University, Manhattan College, St. John's University, and Hofstra University). These schools were selected for their willingness to work with the board, for their programs in the sciences and mathematics, and for their locations—convenient to the worksites and homes of the teacher-trainees.

To provide the kind of diversity that the teachers wanted, classes were offered in a range of subjects. In the sciences, for example, the universities offered such courses as principles of science, genetics, gross anatomy, physics, ecology, physical geology, meteorology, astronomy, vulcanology, plant biology, chemistry, and biological conservation. In mathematics, the classes included fundamentals of mathematics, college algebra, number systems and theory, basic and advanced geometry, analytic geometry, and basic and advanced calculus. In addition, the teachers were offered a series of seminars and tutoring sessions to prepare them to teach the new subjects and to pass the all-important board examinations.

Now in its third full year, the Mathematics and Science Re-Licensing Program has shown the advantages of close cooperation among a wide variety of institutions in combating a serious shortage of teachers and in engaging in the midcareer development of practicing professionals. Much has been learned about the retraining of teachers and about innovations in teacher education.

During the 1985-86 school year, this model of teacher relicensing was evaluated by the board of education.[1] The evaluation showed that, during that year, 100 university-based, credit-bearing courses had been offered to teachers in the program. Sixty-two courses had been offered in mathematics and 38 in the sciences. A school district by itself would be unable to provide that kind of staff development free of charge, even if teachers had to volunteer their time and effort outside of regular school hours.

The colleges cooperated with one another to insure that classes were available in the various subjects. If one school filled its classes, it automatically sent any extra applications to another participating college, so that as many teachers as possible had the chance to be recertified. Furthermore, the subject specialists from the school district met regularly with the department chairs of the universities to insure that the courses were consistent with the demands of the board of education and those of the board of examiners.

What kind of teachers have been taking advantage of the chance to gain a second license in mathematics or science? We presumed—and other research indicated—that women and minorities would shy away from most programs in mathematics and science. In the past, female and minority high school students had few role models in mathematics or science. Thus one of the stated goals of the Math/Science Re-Licensing Program was to give minorities and women a "second chance" in these fields. Data from 1985 show that of the 626 teachers who participated in the program, some 61 percent were women and 45 percent were black or Hispanic. These figures were considerably higher than those for the teaching force of the New York City public schools as a whole. Only 17 percent of all high school teachers and only 28 percent of all junior high school teachers in the New York City public schools were members of minority groups. Females made up 52 percent of all junior high teachers and 46 percent of all high school teachers.

No figures are available on the sex of mathematics and science teachers in the public schools in New York City, but the percentages of females are no doubt considerably lower than the corresponding figures for female teachers of all subjects. Barbara Hummel-Rossi found that 35 percent of the participants in the Math/Science Re-Licensing Program were black, while only 10 percent of the teachers employed in New York City academic high schools were black. Whites were underrepresented: only 55 percent of the participants in the Re-Licensing Program were white, while 84 percent of the academic high school teaching staff was white.[2]

Thus women and minorities appear to be taking advantage of this "second chance" program in large numbers. With some 1,000 participants, the Re-Licensing Program is perhaps the largest math and science program in the nation, and it is also the largest program to help women and minorities break into technical fields. Perhaps the next generation of female and minority students will be less frightened of math, chemistry, physics, and meteorology when they see women and members of minority groups teaching these subjects.

Retooling to teach mathematics and science—especially while working full-time—is not without its difficulties. Many of the participants in the Re-Licensing Program were middle-aged (the average age was 42). Some had not studied these subjects since their own high school years. Although most of these teachers had master's degrees in their first teaching area, very few had studied math or science since their undergraduate days. Furthermore, the program did not screen students for background or ability in the subject matter. Each candidate voluntarily enrolled and took the chance of failing.

The schedules kept by many of these teachers exacerbated the problems caused by their rustiness in the subjects. After teaching all day, they had to travel by car, subway, or bus to a university campus where they attended classes from 4:15 p.m. until 9 p.m., two or three nights a week. Then they had to find time to do their homework assignments, as well as to grade the homework assignments and tests that they gave their pupils. A fair number of participants in the program were already teaching mathematics or one of the sciences "out of license," because the state allows a supervisor to assign teachers to fields for which they are not certified for a few periods per day, if the school cannot find licensed teachers in those disciplines.

It was no surprise that the teachers found these university classes difficult and time-consuming. One-third dropped out or failed to complete their first mathematics course; half of those entering the sciences did not finish their first course successfully, though the numbers and percentages improved as teachers who survived the first course took additional classes.

Instead of any prescreening of applicants, the program depended on a kind of natural attrition to keep numbers small while still allowing any teacher a chance to try the program. Moreover, if the program had been advertised with pretests, standardized admissions tests, and so on, many of the participants (especially the women and minorities for whom the program was in part designed) would never have "risked" taking the classes. And many who later succeeded would never have realized their own potential. After the first few weeks, one college did give its own test, to be used for counseling and placement in classes. And perhaps some diagnostic or placement test might have been useful throughout the program, though many participants felt threatened by even this limited testing.

A key indicator of the success of the program is the number of teachers who completed the course credits required for certification, took and passed the licensing examination, and then filed for a second license in mathematics or science. Comparisons between the application and pass rates on the citywide examination for those who participated in the Re-Licensing Program and those who did not are very revealing. Only 19 percent of those who were not in the Re-Licensing Program passed the exam, while 32 percent of those who had been in the program passed. Thus taking part in the program nearly doubled a candidate's chance of passing the exam.

When the two tests given in 1985-86 are considered together, 88 newly licensed mathematics teachers were added to New York City classrooms. A total of more than 1,000 teachers have participated in the Math/Science Re-Licensing Program during its three years of operation; if only one-third to one-half of them actually become licensed in science or mathematics, up to 500 certified teachers of these subjects could be added to the city's schools. This would make the program the largest source of certified science and mathematics teachers in the U.S.

Relicensing offers several immediate advantages as a form of midcareer development. First, it avoids the pitfalls of other job-enhancement schemes, since it avoids "promotion out of teaching" and other problems of the career ladders that are so often used to reform the teaching profession.

In addition, relicensing both enhances the skills of the participants and provides opportunities to recognize them for their efforts. When the school board, the city controller, and the Division of Curriculum and Instruction invited all participants to a "recognition meeting," where they were to meet Controller Golden and to receive certificates of participation, 300 teachers and many of their supervisors showed up. The teachers beamed with pride as they were praised and thanked for trying to improve the instruction of children. This was a far cry from the promotion out of teaching that is so often used as a means to improve teachers' jobs.

Furthermore, relicensing does not set narrow limits on the number of teachers who can participate. Relicensing is open to all who are interested, and it gives them a way to reorient their teaching careers without losing benefits or taking great professional risks.

The teacher union also helped make the program a success by running advertisements and spreading the word. The UFT appreciated a program that did not mean that participants would be promoted into administration—and out of the union.

The Math/Science Re-Licensing Program can be adapted for use in other districts. It does require the cooperation of funders, employers, and universities, but in return it offers a number of distinct advantages to districts that must cover shortages of teachers.

Enhancement of choice. Relicensing allows teachers to take control over their own careers, as teachers, rather than to seek ways out of the classroom. It is an open door for all who want to try, giving teachers the sense of being in command of their careers and lives.

Public reimbursement. New York City recognizes the importance of good instruction in mathematics and science, conducted by appropriately licensed staff members. Perhaps other towns, counties, states, and even the federal government could provide something like a G.I. Bill for teachers, focusing on midcareer teachers as well as on new staff members. Whatever the course of study, the Re-Licensing Program could not have functioned in New York City without over $3 million in aid from the city.

Institutional cooperation. Boards of education are often inclined to run their own programs of staff development. In the case of the Re-Licensing Program, cooperating with the universities had the great advantage of providing graduate credits and of allowing professors to work in "neutral" settings, rather than at a high school or at the central administration building. Such cooperation—among universities, boards of education, government funders, and teacher unions—is absolutely essential to a good staff development program.

Adult development. Finally, the Re-Licensing Program fits nicely with modern concepts of career development. It avoids the pitfalls of career ladders, which typically lead away from pedagogy and into administration. Rather than a leap up the ladder, the program emphasizes continuous professional growth.

For women and minorities, a program such as this one is a true second chance. It enhances their job options and job security, and at the same time it gives them a new field of interest. It means that children in school will be taught mathematics and science by licensed, trained teachers, It is a step toward solving the immediate shortage of teachers, and it could be a model for preservice education.

Why can't schools, cities, universities, and unions cooperate in recruiting new teacher candidates, putting them through an external university- and school-based experience? After all, schools, universities, communities, and governments must recognize that the teaching and learning of mathematics and science are central to the development of the nation. Why not begin our response to the shortage of math and science teachers by making use of those teachers already in the classroom? Relicensing is only a model, a first step on the road to wider preparation and greater adult development.

PENSION PORTABILITY ACT OF 1987

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. JEFFORDS. Mr. Speaker, today I and my colleagues on the Committee on Education and Labor—Mr. CLAY, Chairman HAWKINS, and Mrs. ROUKEMA—are introducing a new legislative concept, portable pension plan, which is designed to improve pension coverage, to institute a form of pension portability, and to better preserve current pension plan asset accumulations for the payment of retirement benefits.

Our legislation, the Pension Portability Act of 1987 (H.R. 1961) which is the successor to the Retirement Universal Security Arrangements Act legislation I introduced in the last Congress, amends ERISA, the Employees Retirement Income Security Act of 1974, and the Internal Revenue Code to address those retirement issues which ERISA did not address or did not address well.

Take the issue of pension coverage. Experts agree that the widespread lack of pension coverage is the most serious problem remaining to be addressed by ERISA. Critics of the current tax structure also charge that by leaving out half of the Nation's work force, the system is inefficient and inequitable; they demand more from the $56 billion in retirement plan related tax expenditures. Far too many of our Nation's workers rely on Social Security alone for their retirement security. About half of recent retirees must meet their retirement security without the benefit of employer-sponsored or other individual retirement savings. The portable pension plan concept meets head-on this challenge to expand pension coverage. It offers employers an attractive incentive to contribute on behalf of their employees to meet retirement, death, and disability needs; and it removes the significant barriers currently hindering employers from making pension contributions, as outlined in the May 1985 President's Report on the State of Small Business.

Pension asset managers would maintain portable pension plans thus removing the employer's burden to do so—thus for example, eliminating employer startup costs. The pension asset manager of the portable pension plan relieves the employer's burden by assuming certain of the ERISA reporting, disclosure, and fiduciary obligations. The employer and employee are under no obligation to continue to make contributions to a portable pension plan and, therefore, have no plan termination costs either. Employers would contribute on a simple formula percentage of compensation basis while employees could match employer contributions on a salary reduction, 401(k)-like basis, up to the revised limit as included in the recent tax reforms legislation. We believe that employees are more likely to save if the amounts do not show up in their W-2 wages. Finally, portable pension plans are group plans offering employees the freedom of choice of self-directed investments and availability of annuity, survivor, and other retirement income options.

A recent NBC news program labeled our Nation's nearly $2 trillion in pension assets, "The Biggest Lump of Money in the World." A second pension policy challenge is to improve the efficiency with which this "Biggest Lump" delivers retirement income to supplement Social Security. Today too much of this sum is being cashed out and used for current consumption. This trend, magnified by the rise in the prevalence of defined contribution plans making distributions at job termination, will, if not properly channeled, have a negative effect on our national savings pool—pension assets being a primary source for new capital formation. On the other side of the coin, our increasingly mobile labor force, while generating a more frequent turnover of pension assets, is demanding a more attractive pension portability vehicle than currently exists.

The Pension Portability Act steps up to meet these challenges to preserve pension assets for retirement purposes. Portable pension plans are group plans that, unlike IRA's allow employees to "rollover" their nondeductible "after-tax" employee contributions as well as their pre-tax pension plan distributions. Teachers and other public and private employees who contribute to their pension plans stand to benefit from this rule change. Portable pension plans give employers a new incentive and means to deliver retirement benefits rather than lump-sum cash-outs. Portable pension plans, as group plans, can offer spousal annuity and other retirement options at a lower cost. To emphasize the role of portable pension plans as a supplement to Social Security, all distributions would be made in a stream-of-income form unless spousal consent is otherwise obtained. Consistent with the Tax Reform Act, if premature pension distributions are made subject to the 10 percent early withdrawal tax, then certain of such distributions from employer plans would be required to be transferred to a portable pension plan, thus keeping such funds in the national savings column and lessening the future burden on Social Security.

The pension portability legislation explicitly recognizes as a cornerstone of our national retirement income policy the so-called three-legged stool consisting of Social Security, employee provided pensions, and individual retirement savings.

By strengthening the second leg of the pension stool—the employer provided portion—the portable pension plan concept builds on the Social Security floor of protection to the extent that the private pension system is made more efficient in delivering retirement income. This result is also consistent with the tax policy goals—to achieve greater horizontal tax equity—embodied in the Tax Reform Act. We have worked cooperatively with the Department of the Treasury to achieve this result.

In brief, the goals of the portable pension plan concept are—first, to preserve preretirement pension plan distributions in the form of retirement savings for their ultimate payout in monthly benefit form to meet death, disability, and retirement needs; second, to provide voluntary pension portability for our increasingly mobile work force by allowing employers to transfer to portable pension plan's of their choice both after-tax and before-tax employee and employer pension accumulations for their terminated workers; and third, to improve tax equity for those employees not now covered under employer sponsored plans by removing ERISA burdens on employers, by providing a low-administrative-cost incentive for such employers to contribute for their employees on an immediately vested and nonintegrated basis, and by allowing matching tax-excludable employee contributions to portable pension plans.

The portable pension plan concept can be likened to a statutory prototype tax-qualified defined-contribution pension plan. The arrangement is established and maintained by pension assets managers, in other words, those insurance companies, banks, mutual funds, and other managers now serving the pension investment community. Under the arrangement the employee-participants would self-direct their accumulated investments and each portable pension plan would, consistent with ERISA section 404(c), have to provide several investment options—one of which would have to be principally backed by Treasury obligations—to serve both as an employee investment safe-haven and as a new source of Treasury financing to help lower interest costs. To emphasize the role of portable pension plans as a supplement to Social Security death, disability, and retirement benefits, all distributions would be made in a stream-of-income form unless spousal consent is otherwise obtained.

Besides offering the employers of uncovered workers new incentives and a no-frills mechanism to make pension contributions, portable pension plans would provide employers who already have pension plans with a more meaningful option—a pension portability option—which contrasts with today's practice of cashing-out the vested benefits of terminated employees. Instead of retaining the accounts of terminated employees, an employer could transfer the cash-value of vested amounts to a portable pension plan. The amount transferred could be below the $3,500 limit under the Retirement Equity Act or above such limit with spousal consent, thus relieving employers of the administrative burden of maintaining terminated employee accounts. It is intended that the proposal achieve the goal of retaining capital in the private sector for economic development while lessening the pressure for future increases in income transfer programs.

In summary the portable pension plan concept was developed to take a long-term view with respect to retirement income policy: to address the fairness and horizontal tax equity issue in the retirement context; to address the challenges of a changing work force (increasing mobility and multiple careers, shifting of employment from heavy industry to service sector, need for employment of older workers, and so forth); to increase the efficiency of the private pension system in providing retirement income supplemental to Social Security; to address the growing demands for retirement flexibility and individual investment choice; and to improve on the capital formation and efficient market capabilities of the private pension system.

By way of background, in developing the portable pension plan concept, it has been the view of not only my colleagues and I, but also the consensus of several Presidential commissions and other private and governmental study groups on retirement that a long-term approach should be fashioned in this most critical area of domestic policy. Trends in demographic, economic, employment, and other social factors give clear warning that shortsighted policy changes today could serve up to future generations a retirement crisis of major proportions.

As a reflection of these concerns extensive hearings on retirement income policy were held in the last Congress. There were several themes, as follows, stemming from those hearings in which there appeared to be a rather broad consensus.

First, witnesses stated that retirement and pension policy should be developed to take into account not only tax policy but social-labor policy as well. It follows that our national goal should be to explicitly recognize the so-called three-legged stool consisting of Social Security, employer provided pensions, and individual retirement savings as the basis for achieving adequate levels of retirement income.

It was also stated that Social Security must be recognized for what it was intended—as a basic floor of protection for every worker. Today all but a minority of workers retire from their full-time jobs at age 65 or younger. Under the 1983 Social Security Amendments, future workers who voluntarily or involuntarily, because of health reasons, choose to retire at age 65 or under will have to adjust to retirement income levels up to 15 percent lower than is the case for today's retirees relying on Social Security alone. Not all future workers will have the opportunity to delay retirement until full Social Security benefits are available at age 67 or later. This is to emphasize the point that in the future the other two legs of the three-legged stool—that is, employer provided pensions and individual retirement savings—will have to be relied on even more heavily than at present, if the relative retirement income levels of future retirees are to keep pace with today's levels.

Therefore, it is our conclusion that this is not the time for reducing incentives—tax incentives or otherwise—for employers and individuals to make contributions to pension arrangements providing more adequate supplements to Social Security. Even today too many workers, and as shown in the Social Security New Beneficiary Survey roughly one-half of new retirees, rely almost exclusively on Social Security. Rather than viewing current tax expenditures related to employer and individual retirement plans as a source to meet short-term budget and revenue needs, the policy focus should be a long-term one centered on making these expenditures a more efficient supplement to Social Security.

While a variety of ERISA changes for making the private pension system more efficient were suggested during the course of the committee hearings on national retirement income policy, the themes most often repeated by, business, labor, and employee groups fell into three general categories—briefly stated they are coverage, portability, and pension preservation.

In his testimony Senator JOHN HEINZ stated that "coverage is the most serious problem." Dr. Emily Andrews of the Employee Benefit Research Institute [EBRI] reported on a disturbing finding from her research on pension coverage. She found that the coverage rate among nonfarm workers fell from 61 percent in 1979 to 56 percent in 1983. Stating that few are forecasting the robust growth in pension coverage experienced before 1979, she suggested the decline may have been caused by the 1982 recession and by post-ERISA legislation such as ERTA, Economic Recovery Tax Act of 1981, and TEFRA, the Tax Equity and Fiscal Responsibility Act of 1982. Citing these and other examples of the effect of the frequent tax law changes to pension plans, the pension plan community seems to be speaking with one voice when as one proponent stated it "for the private employee benefit system to prosper, Government must follow a consistent and coherent long-term approach and not continually shift policies."

The individual retirement account [IRA] was the concept devised at the time ERISA, the Employee Retirement Income Security Act of 1974, was enacted to address the coverage and tax equity concerns at that time. Between 1975, the first year of IRA availability, and 1981, the last year the IRA was limited to the uncovered worker, utilization increased from 2.5 percent of those eligible to only 7 percent of the nearly 50 million uncoverd work force. Even though the institution of the universal IRA in 1982 expanded IRA coverage, principally for those who are already covered under pension plans, the fact remains that standing alone the IRA has not proven adequate as a pension savings vehicle for the vast numbers in the uncovered work force.

Given this fact as well as the current stagnation, if not retreat, in the percentage of workers covered by employer-pensions, we, as a nation, must consider the remarks of Dr. Andrews who concluded that "the challenge is to devise policies to encourage expanded coverage without producing adverse indirect effects on workers or firms." The portable pension plan is the concept my colleagues and I have developed to meet this challenge.

The second general issue category suggested to us by business, labor, and employee groups as being ripe for policy development is along the lines of what some have labeled "pension portability." This term is not a well defined one, but one business organization suggested that "it may be that portability's time has come" if the following advantages would accrue to employees and employers—if it would help to protect the purchasing power of an employee's vested benefits, and if it would remove from the employer's cost of administration those amounts attributable to maintaining the funds and records of vested terminated employees."

Additionally, it was suggested that any proposal for portability address, among other things, the treatment of cash-outs, whether participation should be optional, and the potential for a private sector solution. Advocates for multiemployer and single employer pension plans have expressed concerns that any portability scheme not mandate cash-outs lest it lead to the underfunding of defined benefit plans. The portable pension plan concept is designed to take all of these policy considerations into account, including the need for the portability of nondeductible employee contributions previously made to both private and public pension plans which are now precluded from IRA rollover treatment.

The third pension policy area in which there is a strong current for bipartisan agreement relates to what can be labeled "pension preservation." In the words of House Subcommittee on Labor-Management Relations chairman, BILL CLAY, "we ought to do more to insure that retirement plans are used to pay retirement benefits." The leading spokesman for multiemployer plans has also stated that the "practice of prematurely cashing out retirement benefits for consumption purposes ought to be discouraged." The explanation that accompanied the President's tax reform initiative suggested that the additional 10-percent tax on premature pension distributions is designed to encourage retirement savings and discourage early and lump-sum withdrawals. The portable pension plan vehicle is consistent with this policy concept. By adopting this concept to preserve current benefits and stem the considerable leakage from the pension system, it is clear that not only will the private pension system be made more efficient, but that national savings and capital formation will also be enhanced.

The question has been asked, "What is the role Federal tax policy plays in retirement income security?" Clearly, up to this point it has played an obvious and instrumental one in encouraging the growth of the private pension system—a true success story for the one-half of the work force covered by private pensions. The three policy topics described above—coverage, portability, and pension preservation—are choice candidates for inclusion in any revised retirement policy structure which seeks to improve on the efficiency of the current supplemental employer plan and individual retirement savings framework. That framework is essentially a voluntary one, and we in the Congress must be careful to recognize that element as we fashion our intended improvements.

Pension plans provide the largest single source of new investment funds to our capital markets. To err in our policy judgment by reducing pension growth which has already led to the accumulation of nearly $2 trillion under private and public plans, would result in a crippling of our national savings rate—already low at just above 6 percent—and place enormous upward pressure on interest rates. Increased efficiency both in retirement benefit delivery and in tax equity should be our bywords in the retirement policy arena.

These principles form the basis on which the following features of the pension portability legislation have been developed. It should be noted that I will also be introducing a companion bill having the same short title, but which contains only the features described as being amendments to ERISA (H.R. 1962).

Section 2 provides the following "Findings and Declaration of Policy." The Congress finds first, that the pension plan asset accumulations under existing plans are increasingly being distributed at job termination or otherwise used for current consumption, thus removing a major source of national savings necessary for capital formation; and because of the increasingly mobile nature of the Nation's labor force and because of the lack of an effective pension portability mechanism, are not being efficiently utilized to pay monthly benefits for death, disability, and retirement; and second that it is therefore desirable and in the interests of employees and their employers that employees and the pension plans under which they are covered be encouraged to retain accrued benefits for payment in the form of retirement income by making available a more efficient portability plan arrangement.

The Delcaration of Policy states that—it is hereby declared to be the policy of this Act to further national retirement income policies by providing for portable pension plans—first, which will encourage the expansion of employer funded pension coverage and result in a more efficient and equitable tax and retirement income delivery system; and secondly, which will provide a more efficient mechanism for pension portability and the preservation of pension plan assets to be distributed in monthly benefit form to meet death, disability, and retirement needs.

In general, title I of the act includes provisions designed to meet the first goal to encourage the expansion of employer funded pension coverage which will result in a more efficient and equitable retirement income delivery system. Towards this end, Simplified Employee Pensions, [SEP's], which meet the definition of a "pension plan" under ERISA (e.g. because of employer contributions to such arrangements) are provided remedial relief under ERISA with respect to reporting, disclosure, participation, fiduciary standards, etc. It is expected that the application of simplified and more appropriate standards under ERISA and the clarification of employer and plan sponsor duties will make SEP plans more attractive to employers who have not previously established pension plans. In addition, a simplified alternative salary reduction formula allows employees to "match" on a dollar-for-dollar basis the amount of employer contributions made to a SEP on their behalf. The expansion of pension coverage could also be expected to improve as a result of the permitted application of SEP requirements to separate-lines-of-business as defined under the Tax Reform Act.

Title I provides rules generally applicable to Simplified Employee Pensions. Section 101 defines "simplified employee pension plan" under ERISA as a "pension plan" consisting of one or more simplified employee pensions. This merely provides a "handle" for title I purposes and does not change current law.

Section 102 requires the Department of Labor to provide simplified reporting and disclosure for all SEP plans (currently DOL regulations only provide for simplified reporting and disclosure for model SEP's).

Section 103 provides that SEP plans will meet ERISA participation and vesting rules if they meet current SEP participation and vesting rules as defined under the Internal Revenue Code (currently SEP plans violate ERISA participation rules if they use the 3 out of 5 year rule).

Under section 104, new distribution rules for SEP's replace the joint and survivor rules to which SEP "plans" are currently subject. The rules would require that the spouse be the beneficiary, unless spousal consent indicates otherwise. Spousal consent would also have to be obtained to elect out of a "standard retirement income form." Standard retirement income forms include a qualified joint and survivor annuity, other joint and single life annuity forms, and a recomputed annuity-like distribution over life expectancy. The distribution rules under section 408(a)(6) of the Internal Revenue Code also apply. If annuity forms are provided under the plan, then the automatic form is a joint and survivor annuity for married participants and a single life annuity for single participants. In addition, information on the effect (including possible tax consequences) of electing out of the automatic option must be supplied to participants.

Section 105 exempts SEP plans for ERISA part 3 funding requirements (to the extent such plans might be structured as money purchase pension plans).

Section 106 provides a simplified alternative to the salary reduction provision included under the Tax Reform Act. The formula allows an employee to contribute on a salary reduction basis in an amount up to the employer's contribution (which must be on a percent-of-compensation and/or flat dollar basis). The overall limits under SEP's on employer and employee contributions are retained.

Section 107 allows employers to establish SEP's under "separate lines of business" as defined under the Tax Reform Act of 1986.

Under Section 108, the amendments under Title I apply with respect to taxable years beginning after December 31, 1988.

Under title II of the act the concept of a portable pension plan is defined as a SEP plan which provides for the receipt and investment of distributions from qualified pension plans and provides for the transfer of plan investment accumulations to other tax-qualified plans, including other portable pension plans. The transfer from qualified plans to portable pension plans of nondeductible employee contributions would also be permitted, thus extending a portability option to teachers and other public and private sector employees who receive distributions from their contributory pension plans. Qualified plan distributions that would otherwise be subject to the Tax Reform Act's 10-percent early withdrawal penalty would be encouraged to be invested and retained for retirement purposes by means of their transfer to portable pension plans. Employer and plan sponsor obligations under portable pension plans would be clarified, and certainty restored, by means of a fiduciary safe-harbor rule under title I of ERISA.

Title II provides for portable pension plans. Under section 201, ERISA and the Internal Revenue Code are amended to define "Portable Pension Plan" to be a SEP plan that contains the following provisions permitting receipt of distributions and direct transfers from qualified pension plans (including 403(b) plans) and transfers to other qualified plans, including portable pension plans. The term "Portable Pension Plan" means a simplified employee pension plan which provides—first, that, pursuant to a written election by any individual who has an accrued benefit under the plan (or the individual's beneficiary in the event of the individual's death) and spousal consent is provided—that "all or part of the accrued benefit with respect to such an individual may be distributed in the form of a direct transfer from the plan to a portable pension plan meeting the portability requirements, and that distributions from the plan, only to the extent of a "rollover amount" described in new section 402(e)(7)(B) of the Internal Revenue Code of 1986, may be made in the form of a direct transfer from the portable pension plan to a qualified pension plan described in section 401(a) of the Internal Revenue Code, and secondly," that it accepts with respect to any individual each of the following—first, any transfer to the portable pension plan of a plan distribution which is not includible in gross income under section 402(a)(5)(A), 402(a)(7), 402(a)(10) (relating to nondeductible employee contributions); 403(a)(4)(A), 403(b)(8), or 408(d)(3) of the Internal Revenue Code of 1986, second, any plan distribution to such plan described in paragraph (2) or (3) of section 203(e) or paragraph (3) or (4) of section 205(g) (i.e. transfers of amounts subject to the 10 percent early withdrawal penalty), and third, any direct transfer to such plan from any other simplified employee pension plan or from any qualified plan described in section 401(a) of the Internal Revenue Code.

Sections 202 thru 205 provide that portable pension plans meeting the distribution, portability, and other simplified employee pension plan requirements shall be considered to be qualified pension plans under section 401(a) of the Internal Revenue Code for the following purposes. Five year income averaging would be retained with respect to qualified plan amounts transferred to portable pension plans and separately accounted for. Nondeductible (after-tax) employee contributions would be from private, federal, state and local qualified pension plans would be allowed to be transferred to portable pension plans on a tax-free basis. This is accomplished under a new paragraph (10) to Internal Revenue Code section 402(a) providing that such a transfer does not disqualify the deductible and nondeductible portions of such a distribution from being considered an eligible rollover amount. Finally, portable pension plans must provide for direct trustee-to-trustee transfers, and "cashouts" could not be rolled over (thus encouraging funds to be kept in such portable pension plans rather than to be cashed out and used for current consumption).

Under section 206, a fiduciary safe-harbor under ERISA Title I, Part 4, is established in order to clarify the extent of the duties of a "plan sponsor" and to provide certainty to contributing employers and plan offerors with respect to their duties under the law. Under this safe-habor a portable pension plan would be treated as a plan to which ERISA section 404(c) applies, that is, meets the employee self-directed account regulations under such section), thus relieving employers and offerors of much of the fiduciary liability that has to date served as one of the significant barriers to employer establishment of pension plans (e.g. see Chapter 5 of the "State of Small Business: A Report of the President", May 1985). At least one of the individual or pooled investment options under the safe-harbor would have to be principally backed by U.S. Treasury obligations—to serve as an investment safe-habor for employees and has the default option in the case another option is not chosen by the participant.

The provision under section 207 amends ERISA and the Internal Revenue Code to allow for the transfer to a portable pension plan from a tax qualfied plan of the present value of the entire nonforfeitable benefit of a participant—or the participant's spouse in the case of the death of a participant—without such transfer being a violation of the restrictions under ERISA sections 203(e) and (g) or IRC sections 411(a) and 417(e). This provision allows employers an option to relieve their administrative burdens in connection with the benefits of terminated employees—employers may choose one or more portable pension plans to make such transfers; at the employer's option employees may also be given a choice—while also extending to such employees the opportunity to have their benefits paid in a retirement income form. The amount transferred may optionally exclude that portion of the vested benefit attributable to non-deductible employee contributions. Such transfers would be subject to any applicable spousal consent requirements under the transferring plan. In addition, such transfers may be made to the extent the portable pension plan makes special provision to separately account for such beneficiaries optional benefit forms and distributon restrictions identical to the optional forms and restriction applicable under the transferring plan.

To the extent a plan sponsor would voluntarily choose to make a lump-sum cash-out which would be subject to the 10 percent additional tax early withdrawal penalty (added by the Tax Reform Act of 1986), the plan would have to provide that such distribution be directly transferred to a portable pension plan. Of course, a plan sponsor would not be required to make such a distribution or transfer except by choice.

Under section 208, generally, the effective date for title II is with respect to taxable years beginning after December 31, 1988; the provisions of section 207 apply on January 1, 1989, except that plan amendments need not be made before January 1, 1991.

THE CHALLENGE OF AMERICAN CITIZENSHIP

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. LOTT. Mr. Speaker, I want to take this opportunity to bring to my colleagues' attention the script of a speech written by Mr. Kenneth Howard Wong for the Voice of Democracy broadcast scriptwriting contest sponsored by the Veterans of Foreign Wars of the United States and its ladies auxiliary. Mr. Wong, a 16-year-old senior at Gulfport (MS) High School, was selected as the Mississippi winner for this contest and competed on the national level for scholarship money. I am very proud to have such an outstanding young man as Mr. Wong living in my district and representing my State. This year's contest theme was "The Challenge of American Citizenship," and I believe my colleagues would benefit from reading Mr. Wong's perceptions on this theme.

THE CHALLENGE OF AMERICAN CITIZENSHIP

(By Kenneth Howard Wong)

It is unlike anything else in the world—unique in a myriad of ways. It sounds like a goal but is more of a journey. It is old, well over 200 years, yet its fire has not dimmed. Wavered, perhaps, but it always returns with the same brilliant light as when it began. It is a difficult path, but the rewards are as rich as any you could ever find. It is a path of freedom and security, darkness and light, sadness and mirth. But most of all, it belongs to everyone; the path allows any who choose it to attempt it. Some fail, but many more succeed, and find that they make both themselves and their nation better as they face The Challenge of American Citizenship.

One definition of challenge is; the demand of a soldier on sentry. I think this is an excellent metaphor in describing this idea of American Citizenship. It is the nation America that calls us to step forward, to advance and be recognized, to face our challenge. When we accept American citizenship, our allegiance is owed to one nation and no other power has claim to it. While it may seem harsh, this concept is a cornerstone of our strength. Its singularity demands clearness of purpose, for extraneous concerns always exist to distract the unwary. Singularity creates love of country, for the American must renounce the rest of the calls and embrace the one he or she most wants—America's. Singularity means strength, for all Americans follow the same shining beacon, and are united in their unique challenge. The Challenge of American Citizenship.

The person challenged by the sentry might have been sent to relieve the guard from duty. This is the key facet of our task, the task of service. We as Americans must be prepared to emulate the new guard. When the relief takes up watch, all is quiet. The camp is safe. The people are protected. The relief crew is charged with maintaining the security of that outpost—a duty very similar to the one of all Americans.

The forging of our nation was bathed in the fires of war and the blood of patriots. From that fire came a united people and new ideas. A nation was born where all men were created equal, where the government and the people shared mutual rights and responsibilities, where every person had worth, and where the rights of man were preserved. America wrote in its Constitution a document never to be repeated or matched. It was an idea, a superstructure which 200 years of time have failed to mar. The Constitution embodied the virtues that the founding fathers wanted our nation to have.

As new sentries, we must preserve our homeland. We must face the rigors and trials of the world with strength and courage. It is not enough to rest on the fine work of the last guard. Everyone of us must match the first guards ability. The virtues, the ideas, the strengths of our nation must remain safe. And we are the ones! Each one of us has a duty. That duty is to safeguard our nation. The enemy may be a fiery warmonger or may be a slow, subtle corrosive force. But regardless of its form, we as sentries must repel it. We must keep away those forces that seek to wound our nation for decades, the foundation of our nation has remained free and pure. Noble men have died in its service. As the new watch, can we do any less?

The road is not easy to walk. Our stay as sentries may be long and difficult. But we cannot falter in our guard, for everyone of us must be strong so that the nation is strong. The challenge of American citizenship belongs not to a select group of defenders, but rather, the task falls at everyone's feet. Our challenge is to be the sentry. When the nation calls us to step forward, when the previous generation steps down and hands to us the mantle of responsibility, we must be ready to face our challenge. With steely gaze and iron resolve, we must stand firm and accept that mantle, saying in our hearts, minds and spirits the deep conviction of the American citizen.

My forefathers have keep you safe,
Through trail and tribulation, and now,
America, I accept your challenge, to defend my beloved nation.

DUTY SUSPENSION BILL FOR MAGNETIC VIDEO TAPE

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. MATSUI. Mr. Speaker, I rise to introduce a duty suspension bill for magnetic video tape on which pictures or pictures and sound have been recorded, commonly referred to as video cassettes. These tapes have in the past been imported duty free under the Nairobi protocol to the Florence agreement, which was first implemented in the United States by the Educational, Scientific, and Cultural Materials Importation Act of 1982.

Duty-free status for such video cassettes expired on August 11, 1985. Many of the video cassettes imported into the United States are produced in beneficiary developing countries utilizing component materials of United States and third country origin. These materials are used to produce blank video cassettes. Thereafter, motion pictures are duplicated on these blank cassettes, and the resulting programmed cassettes are then imported into the United States.

It is my understanding that under existing law such video cassettes are entitled to duty-free treatment under the generalized system of preferences. However, there is some disagreement on this point. This legislation is intended to clarify that such video cassettes are entitled to duty-free treatment.

The duty-free treatment provided under this bill would extend from August 11, 1985, to December 31, 1990.

H.R. _

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1 MAGNETIC VIDEO TAPE.

Subpart B of part 1 of the Appendix to the Tariff Schedules of the United States is amended by inserting in numerical sequence the following new item:

"913.00	Magnetic video tape on which pictures or pictures and sound have been recorded (provided for in item 724.12, part 2G, schedule 7)	Free.........	No Change	On or before 12/31/90".

SECTION 2. EEFECTIVE DATE.

(a) IN GENERAL.—Except as provided in paragraph (b), the amendment made by this Act shall apply with respect to articles entered or withdrawn from warehouse, for consumption after the date that is 15 days after the date of enactment of this Act.

(b) RELIQUIDATION.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, upon a request filed with the appropriate customs officer before the date that is 90 days after the date of enactment of this Act, any entry of an article described in item 913.00 of the Appendix to the Tariff Schedules of the United States (as amended by this Act) that was made—

(1) after August 11, 1985, and

(2) on or before the date that is 15 days after the date of enactment of this Act,

shall be liquidated or reliquidated as though such entry occurred on the day after the date that is 15 days after the date of enactment of this Act.

INSURANCE COMPANY WEAKNESSES ANALYZED

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. FLORIO. Mr. Speaker, in recent months there have been increasing reports of financially troubled property-casualty insurance companies. The Subcommittee on Commerce, Consumer Protection and Competitiveness is studying this situation closely. Since all Members of Congress may be called upon to address this problem, I am inserting in the RECORD an article from the Journal of Commerce that explains the tests used to ascertain the financial condition of insurers. The article describes omnious indications of a worsening situation that cannot be ignored:

MORE P/C INSURERS SHOW WEAKNESSES IN TEST

(By James Nolan)

NEW YORK.—Based on their 1985 financial statements, 37 percent of the nation's major property/casualty insurance companies failed four or more crucial financial tests of their solvency, according to a new report.

That percentage is up from 28 percent the year before.

A company failing, four or more of 11 such tests is put on a so-called early-warning watch list by the National Association of Insurance Commissioners. A company on the list is singled out for special audit by regulators in its home state.

The private study was published by Conning & Co., Hartford-based insurance actuaries and consultants, and circulated to subscribers in February. The financial statements portrayed the results of operations for 1985.

David A. Schupp, a Conning vice president said the firm's report is an objective application of the NAIC test formula and not a separate evaluation of the companies.

The tests are ratios drawn between separate financial statement items. For example, the overall test is the premium written to surplus.

"A company's surplus provides a cushion for absorbing above average losses," the NAIC says. "The ratio measures the adequacy of this cushion. The higher the ratio, the more risk the company bears. . . ."

Conning applied the tests to financial statements of 300 of the major insurers who write 75 percent of the commercial property/casualty business. On the average, the companies failed only one test.

But the consolidated accounts for some substantial insurers has lifted eyebrows.

American International Group, a major force in insurance worldwide, failed four of the tests. National Union Fire Insurance Co. of Pittsburgh, Pa., AIG's primary casualty underwriter, failed nine tests.

Chubb's Corp.'s consolidated figures show six tests failed.

Cigna Corp. failed seven. Insurance Co. of North America, Cigna's property/casualty subsidiary, failed six tests.

General Feinsurance Corp., the nation's largest reinsurer, failed six.

Hartford Fire Consoldiated failed five.

Transamerica Consolidated failed five.

Finally, USF&G failed six.

All of the companies were furnished copies of the preceding test result observations and asked for comment. None chose to do so.

The companies filed statements for 1986 results with the regulators early this month. Privately, the major brokers are putting those statements through the test process as fast as they obtain duplicates of the reports.

But industry-wide assessments of the results must await this year's work by actuarial firms such as Conning.

The tests were devised by the National Association of Insurance Commissioners in the mid-1970s. They have been the focus of a great deal of argument since.

Independent insurance agents who sell to small businesses and home and auto owners have been begging the NAIC for years for access to the test results.

The NAIC has refused, fearing a "run-on-the-bank" reaction by agents who will pull their business away from a company failing four or more tests.

In addition, NAIC says, the agents could take the measure of the companies themselves with nothing more sophisticated than a pocket calculator. The reports are public documents and the NAIC publishes a how-to-do-it guide to make the calculations.

But the task would be substantial. There are some 3,461 companies writing property/casualty insurance. All file annual reports. However, the bulk of the business is written by some 900 companies licensed in most of the 50 states.

Privately, state officers of the Independent Insurance Agents of America say they want the states to past laws making the text data public.

Meanwhile the agents cast about to take the measure of an insurance company's financial well being. Will the claims get paid?

For a store front insurance agent, the best bet is to join a country club. Especially a club where insurance brokers golf.

Never mind poring over insurance company annual financial statements. Never mind reading the reports from the A.M. Best Co., Standard & Poors or a host of other diligent actuarial number crunchers. Just take the questions to the first tee Sunday morning. And, of course, be in a foursome with a major insurance broker.

That's the best off-the-record advice from state regulators and actuaries who work everyday on the question of insurance company financial solvency.

Right now, the major insurance brokers are getting annual reports from the companies themselves, reports in which the companies confess their financial shortcomings. These appear in their failure to pass financial ratio tests devised by the National Association of Insurance Commissioners. The reports, public documents, were filed with the states March 1.

The major brokers which sell commercial insurance to corporate America get the data through their reinsurance "intermediaries," as they are called. There is no law telling the insurance companies to file copies of their statements with the brokers, but there is a higher demand. Dollars. The reinsurance brokers tell the insurers that if they want to do business, they must put their financial statements on the line.

But the store front agents—some 300,000 of them—who sell auto and homeowners insurance haven't got the clout. They're not rich enough to hire analysts to slog through the numbers. And they're not at all happy with the situation.

They think they have reason. For one thing, the agents are much more important to the volume of the industry. They outsell the big brokers by far.

Of the $144 billion American spends on property/casualty insurance every year, the corporations spend only $11 billion in premiums for liability insurance.

A much bigger slice goes for the automobile. Motorists who buy policies from the store fronts spend $28 billion for liability insurance and $21 billion for auto damage, the Insurance Information Institute says.

Throw in the commercial auto buyers, and you get a $61 billion outlay for auto insurance. Then add the $14 billion in homeowners insurance and you get quite a flow of cash in and out of those store fronts.

What would the agents get if they were given access to the NAIC test results for all companies? Would they then learn to pick out the lemons, the companies avoided as shaky?

Hardly, says an actuary at one of the national consulting firms.

"The true measure of a company is: would you buy it? You are not going to answer that question unless you go in there and look at the books. No agent or broker for that matter, can afford that, " he said.

NAIC EARLY WARNING TESTS—1980–85

[Percentage of companies failing the indicated number of tests]

	1980	1981	1982	1983	1984	1985
Number of tests failed:						
0	53	48	47	34	21	13
1	24	29	24	27	15	12
2	13	13	15	19	21	21
3	5	6	7	8	15	17
4 or more	5	4	7	12	28	37

Note: This table presents Conning & Co.'s summary of the NAIC Early Warning System result for 252 property/casualty companies and 52 consolidated insurance groups. The figures reflect the general deterioration in results over the past 5 years for the industry. This is evident in the increasing percentage of companies that failed 4 or more tests. It should be noted that companies that fail four or more tests are placed on NAIC's "watch list." In 1980 only 5 percent fell into that category, in 1987 37 percent did.

INDIVIDUAL TEST SUMMARY

[Percentage outside normal range]

	1980	1981	1982	1983	1984	1985
Premiums to surplus	5	3	3	5	13	12
Change in writings	10	11	9	15	19	42
Surplus aid to surplus	4	3	3	3	8	8
2-yr operating ratio	4	11	19	37	58	63
Investment yield	5	2	3	3	8	6
Change in surplus	8	13	12	16	38	26
Liabilities to liquid assets	12	16	21	22	32	27
Agents' balances to surplus	11	14	14	19	25	21
1-yr reserve change to surplus	5	4	6	6	13	29
2-yr reserve change to surplus	16	14	10	11	17	33
Est. current reserve deficiency	7	6	8	15	21	40

Note: This table summarizes the percentage of companies that failed (or were outside the normal range) each test since 1980. As can be seen, deterioration in the results from 1984 to 1985 as a group was limited to 5 tests change in writings, 2-yr operating ratio and the three reserve development tests. The other tests improved when compared with 1984, but were still worse than the results prior to 1984.

TRIBUTE TO KNIGHTS AND LADIES OF MACLAY JUNIOR HIGH SCHOOL

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. BERMAN. Mr. Speaker, I rise today to pay tribute to a truly outstanding group of students, the Knights and Ladies of Charles

Maclay Junior High School. The Knights and Ladies are a group of 30 honor students from Pacoima, CA dedicated to serving their school and community. This year the students have joined the fight against drugs and have worked to mobilize their community toward the dream of a drug free society.

As a symbol of their efforts to branch out to their community, the students have created a "Dream Tree." This 4-foot copper tree bears over 5,000 foil leaves, each inscribed with the name of a student who has pledged not to let drugs destroy his or her dream.

The Knights and Ladies have traveled throughout the State of California presenting their program, "Don't Let Drugs Destroy Your Dreams" which includes a student-made slideshow, a stage presentation, songs and contests. Everywhere they go, the Maclay students collect signatures for their "Dream Tree" and convince other students to take a stand against drugs. By bringing their program to elementary schools, the Knights and Ladies have become positive role models for younger students.

This week the Knights and Ladies are visiting Washington, DC. By working after school and on weekends, this determined group has earned the money to travel to the Nation's Capital. The students will present their anti-drug program at Beall Elementary School in Rockville, MD. They will also take the opportunity to learn firsthand about our Nation's Government and history by watching Congress in session and touring the Supreme Court, the FBI and the National Archives.

It is my distinct pleasure and honor to join with my colleagues to pay tribute to these fine students of Maclay Junior High School who, through dedication and hard work, are leading their community in saying no to drugs.

SCHOOL-BASED ADOLESCENT HEALTH SERVICES

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. MILLER of California. Mr. Speaker, last year, I was privileged to introduce with my colleagues Mr. WAXMAN and Mr. ATKINS, the School-Based Adolescent Health Amendments of 1986. Unfortunately, Congress did not act on the bill. I am pleased to be an original cosponsor of H.R. 1609, the School-Based Adolescent Amendments of 1987, with my colleagues Mr. WAXMAN, Mr. DINGELL, and Mr. SCHEUER. Our legislation would provide funds on a demonstration basis to public and private entities to deliver comprehensive health services to adolescents within or adjacent to schools.

This legislation addresses the special health and social service needs of adolescents, especially those in low-income communities, by providing a range of services including acute general medicine, chronic general medicine, immunizations, first aid and hygiene, sports physicals, drug and alcohol abuse programs, family planning counseling and services, prenatal care, and referrals for special care. This assistance would be provided only to those communities that agreed that the adolescent population would benefit from these services, as evidenced by its contribution of a portion of the necessary funding.

Mr. Speaker, the need for these services is even greater today than it was 1 year ago.

American teenagers, especially low-income teens, are the most underserved and medically neglected segment of our population. Teens have higher rates of acute medical conditions than any other age group, but the lowest physician visit rate.

We know more now than we did a year ago about students' and communities' interest in developing these services and the benefits students have derived from their use.

We confidently can state that: First, adolescent health services programs are opening across the country, and States and communities are demonstrating an increased interest; second, students are using the services in large numbers; third, services are effective in reducing students' health problems, alcohol and drug use, teen pregnancy, and dropping out of school; and fourth, adolescent health services are cost-effective and prevent more serious health and social problems.

Adolescent health services programs are opening across the country, and States and communities are demonstrating an increased interest.

Acceptance of these programs is demonstrated by the rapid growth in their numbers. In 1984, there were 23 school-based health services centers for adolescents; today, there are 76 in full operation in 22 States, and another 100 are in the planning stages.

In 1986 alone, 14 State task forces in Colorado, Connecticut, Delaware, Florida, Louisiana, Maine, Michigan, New York, New Mexico, Ohio, Oklahoma, South Carolina, Texas, and Virginia recommended consideration of comprehensive health services in school settings.

Missouri's Maternal and Child Health Department will create a regional administration for school-based adolescent health services. Michigan's Public Health Department has issued a 5-year plan calling for establishment of 100 comprehensive adolescent health service centers in schools. To begin implementing this plan, the Governor's budget this year calls for $1.2 million in support of existing and new sites.

Students are using the services in large numbers.

Between 70 and 85 percent of students enrolled in schools which provide these services in Kansas City, MO; Dallas, TX; St. Paul, MN; and Chicago, IL, use the clinics. The clinic in West Dallas served more than 3,200 teenagers during 11,000 clinic visits. The DuSable Clinic in Chicago reports that, in its first year of operation, there were 12,800 clinic visits.

In fact, for some students, clinics located in or near schools may be their only source of health care. At the school-based clinic in a Kansas City high school, nearly 63 percent of the students using the clinic indicated they would not have gone elsewhere for treatment of their problem. A Fulton, GA, sophomore at Carver High School who used the near-school clinic for a cheerleading physical was recently quoted in the Atlanta Constitution: "I came here because it's close and my school is close. It makes it more comfortable to me because a lot of my friends come here. It's the only place they can afford."

Services provided are effective in reducing student's health problems, alcohol and drug use, teen pregnancy, and dropping out of school.

Since near or in-school health services are the primary or sole health care provider for a substantial proportion of the students, clinics in major cities report diagnosing extremely large numbers of significantly, yet previously undetected health problems, including hypertension, diabetes, asthma, heart murmurs, vision problems, and sexually transmitted diseases.

School-based health services have also proven effective in reducing the high rate of alcohol and drug abuse among teens. Not one of the students who completed Kansas City's clinic treatment programs for alcohol and drug abuse was cited again for disciplinary action. A similar program serving native American teenagers in New Mexico offers an effective peer prevention program to reverse the tragic increase of injuries and deaths related to drinking and driving on the reservation.

While the proportion of visits to most school-based health programs for general medicine is four to five times higher than for visits for prenatal care or family planning, and controversy has indisputably surrounded these programs. The results, however, are impressive: reduced rates of teen births, low birthweight babies born to teens, repeat pregnancies, and school dropout of teen mothers.

Since 1976, clinics in St. Paul high schools show that birth rates to teenage girls dropped by almost 40 percent. In addition, 80 percent of those teenage girls who delivered and kept their babies completed high school.

The DuSable clinic reports that there were no repeat pregnancies among the teen girls who received prenatal care at the clinic and that, 9 out of the 10 girls who gave birth delivered normal birthweight babies.

The teen clinic in Fulton, GA, opened on the Carver High School campus in 1980. Statistics show the rate of babies born to young girls in the Carver High School area dropped by 35 percent between 1980 and 1985. Fulton County school officials estimate as well, a 35-percent reduction in pregnancies among all teenagers in the Carver area.

Adolescent health services are cost-effective and prevent more serious health and social problems.

Schools and communities are already realizing cost savings as a result of assuring affordable and accessible health services to teenagers at or near their schools. We know that students are absent from school much less frequently as a result of illness or seeking care elsewhere. And many communities already are reporting declines in the hospitalization rates for adolescents served by school-based clinics, resulting in decreased costs for the communities, hospitals, and families as well.

Other important improvements in teenage well-being, as well as savings to taxpayers, are also evident from these pioneering services. Reduction of teen pregnancies is not only beneficial to the teenager and her family but, is also major cost savings to Federal, State, and local governments in health, social service, and later costs.

Teens are at highest risk for delivering a low birthweight infant. We know that for every $1 invested in prenatal care high risk women, more than $3 is saved in expensive medical care for low birthweight infants. Teenage girls served by clinics are delivering children after appropriate early prenatal care, resulting in few low birthweight infants.

Mr. Speaker, I am well aware that there is some opposition to the notion of providing health services to teenagers near or at their schools—a concern that they encourage sexual promiscuity and effect an increase in the number of abortions among teenagers. However, none of this opposition is grounded in sound data. In fact, evidence demonstrates that the opposite is true. In Baltimore, MD, when such services were provided in close proximity to two schools, teens who received medical services and health education services actually delayed sexual activity significantly. The rate of pregnancy among users also decreased by over 30 percent over a 2-year period, thereby precluding a need for abortion or alternatives to abortion. By comparison, the pregnancy rate among teens in the community who did not use the health services increased 58 percent.

In addition, preliminary findings of a 3-year study of 10 high school-based health service programs indicate that they do not cause an increase in teen sexual activity.

Some have also been concerned that this legislation would take decisionmaking authority away from communities, schools, and parents. This is simply not true. This legislation provides demonstration funds to schools or other community-based organizations that voluntarily apply for funds. Decisions concerning the establishment of near-school or school-based health services for teenagers rest completely with local communities and their school systems which desire to provide such services.

It is important to note as well that support for this approach to assuring that teens have affordable and accessible health services is mounting from both the private and public sectors. The Robert Wood Johnson Foundation has initiated support for community and school-based adolescent health service projects. Chicago's DuSable clinic is supported by a public/private partnership between the Harris Foundation and the State of Illinois.

But the private sector cannot continue to meet all the health needs of the medically underserved adolescent population. The demand is too great, especially in light of Federal cutbacks in Medicaid and maternal and child health programs directed toward adolescents.

Mr. Speaker, the need to improve health services for adolescents, and the promise of the school-based approach which this legislation would foster, has most recently been corroborated by the prestigious National Academy of Sciences. In its 1987 report "Risking the Future," the NAS Panel on Adolescent Pregnancy and Childbearing recommended looking to school-based clinics for answers to the problem of teenage pregnancy. The panel concluded that "School systems, in cooperation with various health care and youth-serving agencies, should further develop and refine comprehensive school-based clinic models for implementation and evaluation in schools with large, high-risk populations."

As chairman of the Select Committee on Children, Youth, and Families, I have been impressed by the increasing body of expert research and evidence indicating the promise of these programs for improving teenagers well-being. I have been inspired as well by the select committee's visits to several school programs, including those in St. Paul, MN, and Laguna Pueblo, NM. Students using these programs, as well as teens who participated in a related Kennedy Foundation sponsored conference last year, overwhelmingly support school-based health services.

We should heed the experts, we should heed the students, and we should pay attention to the facts. This legislation gives us the opportunity to build on the most promising, cost-effective programs currently available to reverse the trends in teen health, teen pregnancy, and teen dropout rates. I urge my colleagues to make a modest, commonsense investment in America's teenagers by supporting the Adolescent Health Services Act of 1987.

YESTERDAY'S HEADLINES BORE THE NEWS OF THREE DEATHS DUE TO MID-AIR COLLISION

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. STARK. Mr. Speaker, I am submitting a press release for the benefit of Members:

WASHINGTON.—Today Congressman Fortney H. (Pete) Stark (D-CA) expressed extreme outrage and frustration over the mid-air collision near the East end of Alameda and the Nimitz Freeway.

For some time now I have expressed my concern over the increased number of near misses, airplane crashes and the tragic deaths that are the result, Stark said. Last Congress I introduced legislation to deal with this issue but unfortunately no action was taken on it. More recently I've tried to work with the FAA and the Port of Oakland to get flight patterns changed so that planes won't fly over Alameda homes. To date no action has been taken. Two days ago my worst fears were realized.

Today I am again introducing legislation which calls upon the Department of Transportation to investigate and identify the possible causes of the frequent midair collisions, near misses and crashes and report to the Speaker of the House and the President of the Senate within 60 days on ways to improve air traffic safety.

I will push this bill and I will continue to push the FAA and the Port of Oakland to get the flight patterns changed at Oakland International Airport. This tragic accident claimed 3 young lives yet we were lucky it didn't happen over any homes. I hate to think of the disaster that could have occurred.

H.J. RES. —

Whereas the United States has had a tradition of safe and efficient air travel;

Whereas although statistics convey that aircraft collisions and crashes have dropped in recent years, these accidents continue to be a too frequent and devastating part of our Nation's air travel;

Whereas the number of collisions have decreased, there have been numerous reports of potentially catastrophic near misses, and the number of recent deaths and injuries attributed to aircraft collisions and crashes have been critically high;

Whereas these collisions, near misses, and crashes endanger the communities over which they occur;

Whereas the guaranteed safety of the pilots and passengers of general aviation and commercial aircraft must be protected; and

Whereas new and better technical devices may be available to reduce the incidence of aircraft collisions, regardless of the size of the aircraft: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Department of Transportation report to the Speaker of the House and the President of the Senate within sixty days of enactment of this resolution on ways to improve air traffic safety. Such study shall include, but not be limited to—

(1) the need for additional radar and warning equipment in aircraft of various sizes;

(2) the need to adjust the minimum and maximum altitude requirements at which radar transponders must be used;

(3) the need to ensure that large airports follow existing regulations and requirements associated with small planes;

(4) the correction of inadequacies in the computer and radar equipment in the control towers;

(5) the safety and practicality of visual flight rules (VFR) as the number of flights and airplanes increase, and our Nation's airports become more crowded;

(6) the need for enforced penalties against airlines for violating safety regulations; and

(7) the need for stringent training and testing of flight crews.

HONORS TO LIVINGSTON HIGH SCHOOL KEY CLUB

HON. DEAN A. GALLO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. GALLO. Mr. Speaker, I rise today to offer my congratulations and praise to the Livingston High School Key Club in Livingston, NJ, which has recently been named the No. 1 key club in the State of New Jersey.

The Livingston High School Key Club has distinguished itself as a hardworking and respected organization, donating thousands of hours of volunteer time to the township of Livingston. With one of the largest clubs in New Jersey, the Livingston Key Club's 183 members have served the elderly, the handicapped, underprivileged children, and many, many other worthwhile community projects. Every Saturday morning, key club members volunteer their time at the Livingston Recycling Center.

At the 41st annual convention of the New Jersey District of Key Club International, held last weekend at the Mount Airy Lodge in the Poconos, the Livingston High School Key Club was selected as the best club in New Jersey for 1987. I am pleased to say that the Livingston club has lived up to the fine tradition set forth in the past: Livingston High School has won the best club award for 16 of the last 17 years.

The members of the Livingston High School Key Club were further honored by receiving a first place award for the best scrapbook, and as recipients of the distinguished secretary award, public relations award, and early payment of dues award. The Livingston Club won a third place award for the best single service project: a pizza eating contest which raised over $1,400 for the make-a-wish foundation, which grants wishes to terminally ill children.

Capping off the many honors earned by the Livingston High School Key Club was the election of one of its members, Jennifer Levy of Livingston, as New Jersey District Governor of Key Club International. Livingston is becoming known as the town of Governors: named after the State's first Governor, William Livingston, the community is the home of New Jersey Governor Thomas Kean, New Jersey Kiwanis Governor George Clarkson, and New Jersey Key Club Governor Jennifer Levy. I extend my congratulations and best wishes to Jennifer and her family on this high honor, and am confident that she will serve the organization well.

I also extend my congratulations to the officers of the Livingston High School Key Club, whose leadership has resulted in numerous awards and substantial community service: President Matthew Dermer; Vice President Jill Rubenstein; Treasurer Jennifer Goodman; Secretary Frank Gialanella; Senior Director Abby Levine; Junior Director Allison Hoffman; Sophomore Director Hazel Raymondo; and Freshman Director Debbie Goldklang.

Also deserving special recognition are the Livingston High School Key Club advisers: Mrs. Adele Bernstein, Mrs. Fraida Yavelberg, and Mr. Edward Pack; and the key club sponsor, the Livingston Kiwanis Club.

I am proud of the achievements of the Livingston High School Key Club. Their efforts have certainly made Livingston a better place in which to live and raise a family. The members of the club are a special group of young men and women, whom I am confident will continue to serve their communities in the future.

SOVIET REFUSENIK BENJAMIN CHARNY NEEDS MEDICAL ATTENTION IN THE WEST

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. LANTOS. Mr. Speaker, today I would like to call the attention of this House again to flagrant violation of human rights of Dr. Benjamin Charny by the Soviet Union. My distinguished colleague and fellow cochairman of the Congressional Human Rights Caucus, JOHN PORTER of Illinois, has previously brought this case to the attention of the House.

Dr. Charny's story is frustrating and sad. For 8 years now he and his family have tried unsuccessfully to emigrate from the Soviet Union. To further exacerbate matters, Benjamin suffers from malignant melanoma, and in the past suffered a heart attack. He was recently diagnosed as having two new tumors in his thyroid gland and on his neck. Benjamin's only hope is to undergo experimental medical procedures in the West.

Mr. Speaker, Dr. Charny's case is very similar to the situation of Soviet refusenik Inna Meiman. Inna also suffered from cancer and could have benefited from treatment by Western doctors. Inna was at first refused permission to emigrate, but after intense pressure from the individuals and Government officials in the United States and Western Europe, she was allowed to leave for treatment here. The delay, however, was fatal. The medical attention Inna Meiman received was too late, and she died just 2 months ago. Soviet officials delayed granting her permission for too long, and potentially lifesaving treatment came too late.

Soviet insensitivity contributed to the death of Inna Meiman. We must not let the same thing happen to Dr. Benjamin Charny. I urge my fellow colleagues to join in writing letters and in calling attention to the plight of Dr. Charny and of all others in the Soviet Union who are denied their fundamental human rights.

RESULTS: A COMMITMENT TO END WORLD HUNGER

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. BIAGGI. Mr. Speaker, recently I had the pleasure to meet with a group of concerned constituents—Meta Plotnick, Bob Arthurs, and Denis Heller—representing an organization called RESULTS. This is a national organization with 60 groups in 34 States. Their work is vitally important to millions of people throughout the world. Their goal is to end hunger, and their methods are based on the noble premise that one person can make a difference, especially when functioning as part of a national grassroots lobbying network.

One of the main topics of our conversation was a bill, H.R. 910, the Self-Sufficiency for the Poor Act of 1987. This bill would provide loans to the poorest of the poor in underdeveloped foreign countries. It is a bill that deserves our prompt and favorable action. As a cosponsor and strong supporter of this measure, I am encouraged by reports that this legislation is on a fast track.

This legislation addresses what I feel is an important and urgent issue, that of helping the poor in underdeveloped nations. H.R. 910 would give small loans to the poorest of the poor, classified as those whose per capita family income is $250 or less a year. These loans are intended to help the poor start small businesses, increase food production, help cottage industries, and increase self-sufficience.

Other programs already existing have tested this premise and have been extremely successful. The Grameen (Rural) Bank in Bangladesh gave loans averaging $60 each to 200,000 people, many of them women and others who had no previous bank experience. Incredibly, 99 percent of the loans were repaid, and often borrowers came back for even larger loans to help prospering businesses that were started with the help of the bank.

This bill will not add to the foreign aid budget, nor will it increase U.S. aid to developing nations. Rather, it would make existing programs work better. Under this legislation, 10 percent of economic assistance given to foreign countries, or $400 million, whichever amounts to more, will be converted to loans repayable in local currencies. The governments of the beneficiary countries have a 1-year grace period on repayment of principle, and 10 years to repay at 1 percent interest. This provision would put as little financial burden as possible on governments already under enormous domestic and international debts and pressures. The loans would be paid back by the recipients in local currency, and then be recycled to provide more funds for loans, instead of being paid back to the United States.

The loans and grants would be administered through U.S.-based and local private voluntary organizations [PVO's], the Peace Corps, and international organizations such as UNICEF and the International Fund for Agricultural Development [IFAD].

There is definitely a strong need for this legislation, and strong support in Congress for it, with 103 cosponsors on this bill. In the last Congress, a bipartisan majority of the House Foreign Affairs Committee concluded that some of the world's best loan risks make less than $250 a year. A program similar to the one proposed by H.R. 910 was run in Egypt by the Agency for International Development—the Small Farmer Production Project [SFPP]. This program made small amounts of short- and medium-term credit available to those previously considered nonbankable. These loans led to increased food production, and were repaid at a rate of 100 percent. A return rate of 97 percent was achieved in a similar program in Latin America.

To those whose family income is $250 or less, a loan of $50 is equivalent to one of $15,000 to the average American family. This desperate condition, combined with the fact that the Presidential Commission on World Hunger concluded that "as many as 800 million of the Earth's poorest people do not get enough to eat each day," stresses how serious this situation is. We need to take immediate steps to begin alleviating this problem. Nothing is going to work immediately, but this is a necessary step in the right direction.

My support of this legislation can be traced back to a long-standing concern with issues of world hunger and poverty. In 1984, I was a leader in the successful effort to establish the House Select Committee on Hunger. This committee has a mandate to conduct a continuing comprehensive study and review of the problems of domestic and international hunger and malnutrition. Also in 1986, I cosponsored H.R. 4894, the Micro-Enterprise Protection Act. This act called for requiring some of the Food and Peace funds to finance small-scale, local credit organizations in Third World countries.

The severity of this situation cannot be ignored. Severe food shortages exist in regions of 11 African nations and affect an estimated 16 million people, with children comprising half of that figure. Toward this problem, the United States has recognized its responsibility to combat hunger and malnutrition around the world by providing more food assistance to developing countries than all other nations combined. We should further this concern and aid by providing funds for those poverty-stricken people to help get them on their feet and become as self-sufficient as possible. I believe that H.R. 910 is the step that we need to take, and I strongly urge that it be passed.

In closing, I would like to remind my colleagues that in addition to the world hunger problem, we must not forget the severe hunger and homeless problem that we face in the United States today. Two measures, House Joint Resolution 102 and H.R. 558, which I cosponsored, have passed the House to provide emergency relief to our Nation's estimated 3 million homeless.

The help that has been provided is only the beginning to solving a problem that will not go away overnight. Most distrurbing, when considering this situation, is that those most vulnerable to hunger and poverty are very young children and the elderly. Continued support for measures designed to alleviate this problem is not only necessary but essential. I pledge to continue to help in this fight and urge all of my colleagues to do the same.

WORLD POPULATION AWARENESS WEEK

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. JEFFORDS. Mr. Speaker, population growth is one of the greatest threats to Third World development and a leading cause of the widening gulf between the "north" and "south" nations, the "have" and the "have-not" nations.

House Joint Resolution 148 would designate the week of April 20–25 as World Population Awareness Week, focusing attention on the effects of the population explosion and the need to control this growth.

In particular, this resolution points out that 92 percent of this growth exacerbating their health, education, economic, and environmental problems. Unless population growth is addressed simultaneously with other development issues, any development progress will be swallowed up by the sheer increase in persons. Because of the importance of the issue, I urge other Members to join me in cosponsoring this resolution.

My colleagues might be interested to learn that the State of Vermont has joined the members of the Vermont congressional delegation in supporting World Population Awareness Week. Gov. Madeleine Kunin has recognized April 20–25 as World Population Awareness Week. Vermonters will gather to suggest possible solutions to populaton problems in meetings at the University of Vermont, Castleton College, and a number of other Vermont locations. Their efforts will coincide with similar gatherings in hundreds of other towns across the country. I ask that Governor Kunin's proclamation be printed in the RECORD.

PROCLAMATION

Whereas the world's population has reached five billion and is growing at the unprecedented rate of 87 million a year; and

Whereas rapid population growth causes or intensifies a wide range of grave problems in the developing world including environmental degradation, urban deterioration, unemployment, malnutrition, hunger, resource depletion, and economic stagnation; and

Whereas 50 percent of the 10 million infant deaths and 25 percent of the 500,000 maternal deaths that occur each year in the developing world could be prevented if voluntary child spacing and maternal health programs could be substantially expanded; and

Whereas some 500 million people in the developing world want and need family planning but do not have access or means to such services; and

Whereas the United States has been the leading advocate of the universally recognized basic human rights of couples to determine the size and spacing of their families;

Now, therefore, I, Madeleine M. Kunin, Governor of the State of Vermont, do hereby recognize the week of April 20-25, 1987 as World Population Awareness Week in Vermont, and I call upon all citizens to reflect upon the consequences of overpopulation.

FOR EVIL TO FLOURISH, GOOD MEN MUST ONLY DO NOTHING

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. LOTT. Mr. Speaker, I want to take this opportunity to bring to my colleagues' attention the article, "For Evil to Flourish, Good Men Must Only Do Nothing," recently published in the April 1987 issue of the American Legion. I believe that this article will be beneficial and enlightening to Members of the House of Representatives.

FOR EVIL TO FLOURISH, GOOD MEN MUST ONLY DO NOTHING

(By National Commander James P. Dean)

Everywhere I went during my recent visit to Central America convinced me more than ever that we can stop the Sandinistas in their tracks if we provide adequate support to the Contras. I was convinced of that by the people of Costa Rica, El Salvador, Honduras and Guatemala.

They are not hoodwinked like some of us in the United States about the true colors of the Sandinistas. Whomever I talked to—the leaders, the army privates or the shop owners—made it perfectly clear that the Sandinistas' revolution is not confined to Nicaraguan borders. They've heard the litany of lies before. The Sandinistas came to power promising free speech, religious tolerance and economic parity. Instead they have turned Nicaragua into a Marxist-Leninist state of external aggression, internal oppression and economic centralization.

Apparently, those in this country who oppose the Contras need to be reminded of the Sandinistas' intentions, as reflected in their own words and deeds: "Marxism-Leninism is the scientific doctrine that guides our revolution . . . We cannot be Marxist-Leninist without Sandinism, and without Marxism-Leninism, Sandinism cannot be revolutionary." Those words uttered by Daniel Ortega's own brother, Humberto, who is Nicaragua's minister of defense. That quote provides us with one of the few revelations about the political aims of Sandinism since the Sandinista take-over in 1979.

But, if actions really do speak louder than words, then they have convicted themselves twice over.

The Sandinistas claim they control their destiny, and their only allegiance is to their people. So why do their postage stamps pay homage to the founders and practitioners of communism? To the best of my knowledge, Marx, Lenin and Castro were never Nicaraguan citizens.

We must view Sandinism for what it is—a foothold for communist revolution in the Western hemisphere; a Soviet presence in our own backyard. The deep-water port under construction on Nicaragua's eastern shore could provide an excellent base of operations for submarines—and a cozy home-away-from-home for Soviet sailors.

We also should consider the likelihood of Soviet expansion beyond Nicaragua, reminiscent of the domino theory, which contended that if one vulnerable nation, such as Nicaragua, were to come under communist domination, neighboring nations would naturally follow, as a row of dominoes set end on end would topple if the first one were knocked over.

Communist expansion to the south would engulf the democratic nation of Costa Rica, neighbor to the Panama Canal. U.S. control of the canal will be relinquished in a decade, and there are serious doubts that Panama could adequately maintain and protect this vital waterway from external aggression.

A Sandinista thrust to the north would jeopardize the free nations of El Salvador, Honduras and Guatemala. Sandinista guerrillas currently venture back and forth across these borders harassing the people. Coupled with the repressive practices within Nicaragua, these raids are creating a growing refugee problem. None of the countries has sufficient resources to care for the displaced people.

My tour of the region assured me that we must vigorously support the Contras so they keep the Sandinistas busy at home, with no time to meddle in the affairs of their neighboring nations. Meanwhile, with U.S. economic, military and humanitarian aid from the Jackson Plan, the emerging democracies will have time to grow and nurture without intervention.

I was impressed also with the pride of the people and their deep religious beliefs that make them natural enemies of totalitarianism. They resent the analogy of Vietnam that has been used on more than one occasion to describe U.S. involvement there.

Central Americans don't want us to fight their battles; they don't want one ounce of American blood spilled there. All they want us to do is provide them with the weapons, the tools and the technology to do the job.

It seems like a simple, reasonable request to ensure the right of Central Americans to pursue a free way of life. But we still have many in this nation who want us to do nothing—let the people of Central America fend for themselves. To those who advocate this, I remind them of the counsel of an old sage: "For evil to flourish, good men must only do nothing."

TEN MYTHS ABOUT THE REPUBLIC OF CHINA ON TAIWAN

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. LELAND. Mr. Speaker, In the weeks to come Congress will face the issue of trade sanctions against the Pacific Rim. The following article displaces 10 myths that could spell trouble for the Republic of China on Taiwan. These myths pose a serious threat to the well-being of this island nation, both economically and politically. I commend the following article in hopes of enlightening my colleagues:

TEN MYTHS ABOUT THE REPUBLIC OF CHINA ON TAIWAN

SUDDEN SHARP REVALUATION OF THE TAIWAN DOLLAR WILL PERMANENTLY DESTROY TAIWAN'S ECONOMY

(By Nathan Mao, Ph.D)

In the March 22, 1987 issue of The New York Times Magazine, author William Safire dispelled the ten myths about the Reagan debacle. Coincidentally, existing myths about the Republic of China on Taiwan are such that they threaten Taiwan's economic well-being and political stability. Such myths should be corrected lest they destroy Taiwan totally.

MYTH 1: TAIWAN HAS MADE SO MUCH MONEY OFF THE U.S.

In 1986 the U.S. trade deficit with Taiwan reached 15 billion U.S. dollars. The common misconception is that Taiwan's trade surplus means that Taiwan walked away with money from America. A trade surplus simply means that Taiwan's exports have exceeded its imports. It does not necessarily mean profits for Taiwan. Real profits are total export revenue minus costs. A 15 billion U.S. dollar surplus could mean profit as little as a billion dollars or so. It should be remembered that Taiwan's medium priced products exported to the U.S. are not as lucrative as U.S. exported items to Taiwan: agricultural and high-tech products.

MYTH 2: TAIWAN HAS NOT DONE MUCH TO IMPROVE ITS TRADE IMBALANCE WITH THE U.S.

The truth is that Taiwan, since 1978, has dispatched 12 special procurement missions to the U.S. to purchase more than $8.14 billion of agricultural and industrial products from U.S. suppliers.

Furthermore, Taiwan is the 7th largest overseas markets for U.S. agricultural products (the largest for apples; the third largest for corn, soybeans and barley). A long term grain agreement with the U.S. was renewed in 1986 to commit Taiwan to purchase more than 18 million tons of American grain over the next five years. Agreement was also reached in December 1986 to open the Taiwan market to U.S. cigarette, beer and wine products. U.S. Trade Representative Ambassador Clayton Yeutter hailed the agreement as "extremely satisfactory".

Other positive steps taken by Taiwan included crackdown on product counterfeiting and piracy protection of intellectual property rights, reduction of tariffs and opening of markets to U.S. service industries.

In fact, the government has actively encouraged state enterprises, which account for 20 percent of industrial production, to make purchases in the U.S. Import controls are being lifted every week. For example, during the week of February 26, 1987, the Council for Economic Planning and Development announced the lifting of import controls on 175 agricultural items which include fishery products and farm machinery.

MYTH 3: TAIWAN DOES NOT BUY AMERICAN PRODUCTS

1985 statistics show that each Taiwanese citizen spent $247.00 or roughly 7% of his income buying American goods, whereas his counterpart, a typical American consumer, spent $64.00 or less than 0.5 percent of his income on Taiwanese goods. It is a well-known fact that a majority of the Taiwanese people prefer U.S. consumer goods including big ticket items such as autos, washing machines and television sets.

MYTH 4: U.S. CANNOT INCREASE ITS EXPORTS TO TAIWAN

Trade figures show an entirely different picture. In 1976 U.S. exports to Taiwan were $1.6 billion U.S. dollars and in 1986 exports to Taiwan increased to more than $8 billion, making Taiwan one of the fastest growing export markets for the United States. The U.S. can sell even more to Taiwan if it allows Taiwan to purchase Alaskan oil and U.S. munitions and if U.S. manufacturers would become more aggressive in competing against the Japanese manufacturers for the Taiwan market.

MYTH 5: TAIWAN HASN'T REALLY ALLOWED ITS CURRENCY TO APPRECIATE AGAINST THE U.S. DOLLAR

To help balance its trade disparity with the U.S., Taiwan has allowed its New Taiwan (NT) dollar to continually appreciate against the U.S. dollar. Although the NT has not appreciated as fast as the Japanese Yen, its pace is at least comparable to that of the currencies of West Germany, France and Italy, while rising much faster than the currencies of Great Britain and Canada. In the past fifteen months, the NT has already risen 14 percent against the dollar. On the other hand, the Korean Won has appreciated 3.9 percent, and both the Hong Kong dollar and Singapore dollar have appreciated less than one percent against the U.S. dollar.

MYTH 6: TO REALLY BALANCE TRADE WITH TAIWAN, THE NT DOLLAR MUST APPRECIATE SHARPLY UPWARD AT NT 24 TO 1 U.S. DOLLAR.

Even at the present rate of NT 34.5 to 1 U.S. dollar, Taiwan's stock market is jittery, factories are being closed and businessmen pessimistic about 1987 and beyond. "We can no longer be competitive if the NT is pegged at 32 to 1; at 30 to 1, we'll lose seventy percent of our current export business to South Korea, Hong Kong and Singapore; at 28 to 1, 90% of our factories will close immediately; at 24 to 1, the total economy will collapse, leading to economic chaos and political ruin," a Taiwan official commented to a U.S. legislator last week.

MYTH 7: TAIWAN HAS 50 BILLION DOLLARS IN RESERVE. IT LIKES TO CRY WOLF.

It is true that Taiwan has accumulated an impressive amount of foreign reserve and that Taiwan is prosperous. However, it is important to point out that Taiwan's prosperity will evaporate overnight if its currency is forced sharply upward. Why? Taiwan's prosperity is based on its exports of textiles, footware, sporting goods and other low-tech items, manufactured by small companies employing fewer than 50 workers with annual sales of less than $1.4 million U.S. dollars and fixed assets of less than $300,000.00. These companies already experience heady competition from low-wage nations in Asia and elsewhere. If Taiwan products are made 40% more expensive than comparable items from other countries, Taiwanese businessmen will lose their export market, close their factories, dismiss their workers and agitate for social and political changes.

MYTH 8: BY FORCING TAIWAN'S CURRENCY TO APPRECIATE SHARPLY UPWARD THE U.S. WILL IMPROVE ITS TRADE DEFICIT FIGURES.

Forcing Taiwan's currency to appreciate sharply upward will destroy Taiwan but it will not help the U.S. trade deficit. Taiwan's traditional share of low-priced goods will simply be taken over by South Korea, Hong Kong and Singapore, whose continuing prosperity will be at the expense of the 19 million Taiwanese.

MYTH 9: TAIWAN IS POLITICALLY STRONGER THAN SOUTH KOREA AND THEREFORE CAN BETTER AFFORD U.S. RETALIATORY ACTIONS.

It's certainly true that the Republic of China, under the leadership of President Chiang Ching-kuo, is a model of Asian democracy. However, unlike South Korea which has a defense treaty with the U.S., Taiwan is militarily alone and faces the constant threat of Mainland China. Any economic dislocation will lead to social unrest and will tempt Mainland China to use force to overtake Taiwan.

MYTH 10: TAIWAN IS SACRIFICEABLE.

Taiwan's present success depends by and large on U.S. aid during the 1950's and 1960's. Taiwans prosperity is a striking demonstration of the superiority of the private enterprise system. It is a living proof of how the capitalistic system is infinitely preferable to the socialist or communist system. In other words, Taiwans economic prosperity and political stability are a direct result of U.S. generosity and guidance in the past. By needlessly sacrificing Taiwan's economic interests without improving the U.S. trade picture is counterproductive. It is certainly repugnant to American people's traditional sense of fair play and justice.

We trust that the Republic of China and her ally, the United States of America, will work out their differences. We sincerely hope that the Republic of China will not be singled out for punitive actions by the U.S. Congress.

The Republic of China stands ready to correct its trade disparity problem with the U.S. A sharp and sudden appreciation of its currency will wreck Taiwan's economy one and forever.

"We will continue to demonstrate our willingness to be a responsible trading partner. We well understand the stakes involved and we place a premium on our close and friendly relationship with the United States," so said Dr. Fredrick Chien, Taiwan's envoy in Washington. What he said, in short, represents the will and wish of all the Taiwan people.

FREEZE FEDERAL SPENDING

HON. BRYON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. DORGAN of North Dakota. Mr. Speaker, I am introducing today a bill to freeze all Federal spending with the exception of Social Security, whose expenditures and revenues would no longer be counted in computing Federal deficit.

A budget freeze for fiscal year 1988 at the fiscal year 1987 level will take a big bite out of the Federal deficit. Insulating Social Security from reckoning the deficit will remove the temptation to use the growing surplus in the Social Security trust funds as a resource for covering deficit spending in other Federal accounts.

Similarly, implementing a budget freeze for fiscal year 1988 at last year's spending levels would save about $60 billion next fiscal year by holding outlays to $1.010 trillion instead allowing growth to $1.071 trillion. A freeze extended to fiscal year 1989 would cut the deficit by another $116 billion. Hence, an across-the-board freeze would make a big dent in the deficit and, incidentally, keep the budget in compliance with Gramm-Rudman targets—without resorting to phoney assumptions, assets sales, or camouflaged tax increases.

PROTECTING SOCIAL SECURITY FUNDS

A freeze would also spare us from applying the surplus in Social Security trust funds to pay for big spenders at the Pentagon and other agencies who can't seem to balance spending against revenues. President Reagan was right 2 years ago when he said that Social Security has "nothing to do with balancing a budget or erasing or lowering the deficit."

The $33 billion trust fund surplus in 1988 should be husbanded for future retirement needs, not used as an offset to pay for general government programs. Funding for general government should derive from general revenues, not from the Social Security trust funds.

Unfortunately, the President was dead wrong when he sent up his own carbon copy budget to Congress earlier this year. Again, we see the same, sad, duplicative program: borrow and spend. At least that's true when you cut through the rosy economic assumptions, the disguised tax increases, and the insistence that defense spending and genuine revenues have no place in the budget debate. For the seventh year running we have been sung the same sweet refrain: balance the budget by increasing defense, lowering taxes, and cutting domestic spending. It simply doesn't add up.

President Reagan seems to be looking for a fantasy budget solution. Perhaps like Woody Allen's: "If only God would give me a clear sign! Like making a large deposit in my name at a Swiss bank." In any case, Col. Oliver North has shown us that's not a foolproof answer either.

A freeze puts the brakes on spending. But it offers a fair, effective, and winning way to start reining in our runaway deficits. It subjects all budget accounts to the same standard. At the same time it is flexible since it allows for desired spending increases, if offset totally by other spending reductions or revenue increases. Yet it is not flexible enough to let defense spending off scot-free. Since $300 billion defense bills account for almost 30 percent of the budget (and over 40 percent with Social Security off-budget), it is absolutely necessary to freeze the Pentagon's checkbook along with every other agency's.

I would also suggest some variations on the freeze theme. One is that we should recognize where $200 billion a year deficits come from. They stem directly from the doubling of defense spending over the past 6 years and the sharp reduction in Federal revenues. If the President wants a $300 billion defense budget, then let's say, "You can have it—provided you agree to revenue increases of $40 billion to pay for everything above $260 billion." We need a strong defense—so let's pay for it!

SOLVING THE TAX GAP

And that extra $40 billion need not come from higher taxes. I have been working with a high-level Tax Gap Task Force for several weeks. The working group includes two former Internal Revenue Service Commissioners and several other tax experts. We have determined that a tough, fair program can reduce the current tax gap (the mismatch between revenues owed and those actually paid) by up to $50 billion a year. Naturally, we will have to spend a dollar on enforcement to garner an extra $10 in revenue, but the job can be done.

President Abraham Lincoln once remarked that "if the only tool you have is a hammer, you tend to see every problem as a nail." And so it is with revenues. If we only see tax increases—as the President is accustomed to doing—we will never get to use all of the budget tools needed to raze the deficit.

Alternatively, we must resist the temptation to balance the budget with Social Security trust funds. Those dedicated revenues represent the employee and matching contributions of future retirees—not general revenue for any other Federal program running short of cash. We must not break the Government's contract with working people and senior citizens.

A change that I successfully included in the Social Security Amendments of 1983 already mandated that Social Security be removed from the unified Federal budget by fiscal year 1993. Gramm-Rudman accelerated the off-budget treatment for all purposes except deficit computation. I suggest that we complete the job by determining the fiscal year 1988 and subsequent deficits without regard to the surplus in the Social Security trust funds. This approach would yield a more honest assessment of how much we need to cut the deficit.

In sum, we need to tear up the Government's credit card without breaking our promises to the holders of Social Security cards.

A budget freeze offers a sensible starting point for blotting out the red ink in the Federal budget. It's fair, since all spending is held accountable. It's effective, since it in itself cuts the deficit to the much-touted Gramm-Rudman levels. It's flexible, since it allows for an offsetting mix of spending cuts or revenue increases whenever Congress determines growth in certain programs is needed.

I urge my colleagues to join me in this effort to put the Federal budget back in the black and to put Social Security out of budget harm's way.

The text of the bill is included at this point.

H.R. 1965

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FREEZE OF UNIFIED BUDGET.

The Congress shall freeze all spending in the budget of the United States Government at fiscal year 1987 levels beginning with fiscal year 1988 and only permit increased spending in any program if such spending is wholly offset by equivalent increases in revenue or reductions in spending in other programs.

SEC. 2. EXCLUSION OF SOCIAL SECURITY TRUST FUNDS FROM THE DEFINITION OF DEFICIT.

The second sentence of paragraph (6) of section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting "not" after "shall" both places it appears therein.

PAUL BLOCK—PUBLISHER AND SCIENTIST

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. PANETTA. Mr. Speaker, it is with great sadness that I report to my colleagues the death of a unique man who excelled in two distinct fields—journalism and science. His name was Paul Block, and when he died on March 15, he left a rich legacy.

Mr. Block was chairman of the board of the Monterey Peninsula Herald and copublisher of The Blade, of Toledo, OH, and the Pittsburgh Post-Gazette. The Block family purchased the Herald, my hometown newspaper, in 1967. In part due to the leadership of Paul Block, who spent much of his time in his home on the Monterey Peninsula, an already good newspaper became even better. It continues to provide an outstanding example of local journalism.

In addition, Mr. Block was an outstanding research scientist, specializing in the field of endocrinology. He invented, and was the world's only source of, certain synthetic analogs of natural thyroid hormones which were essential in thyroid research as well as in treating infants' respiratory distress syndrome. Mr. Block's interest in science was the primary reason that the Block newspapers have taken an unusual and very instructive interest in scientific and technological developments.

I could say a great deal more about Paul Block's life. However, I think the best way to ensure that his life and the principles for which he stood are put on record is to have placed in this RECORD the text of two articles from the Monterey Peninsula Herald. The first is Mr. Block's obituary from the March 16 Herald. The second is a March 22 Herald article focusing on his scientific work.

Mr. Speaker, it is rare that an individual has the kind of success Paul Block had even in one field, let alone two. Paul Block was a remarkable man, and he will be greatly missed. I am sure my colleagues join me in expressing sympathy to the Block family. I think the following articles will show readers of this Record why he was so respected in life and is mourned so deeply in death.

[From The Herald, Mar. 16, 1987]

Paul Block Dies in Local Hospital

Paul Block, 75, chairman of the board of the Monterey Peninsula Herald Co., and co-publisher of The Blade, of Toledo, Ohio, and the Pittsburgh Post-Gazette, Pittsburgh, PA, died Sunday at Community Hospital of the Monterey Peninsula.

Mr. Block's interests were extensive, stemming from his formal educational training as a chemist, his lifelong relationship with journalism, and a research scientist's bent for inquiry.

Despite the heavy demands that publishing and other pursuits placed on his time, he performed significant scientific research. He was the author or co-author of more than 20 scientific papers published in esteemed journals such as Endocrinology and the journals of the American Chemical Society and of Medicinal Chemistry.

For years, Mr. Block was the world's sole source of certain synthetic analogs of natural thyroid hormones that he had sythesized. His research led to development of a compound with potential in the treatment of respiratory distress syndrome, the lung disorder that kills thousands of premature infants each year. Even the New England Journal of Medicine took note of the compound, both in a lead article and in an editorial on the topic.

One of the accomplishments he was most proud of was originating a series of articles by Ray Bruner, The Blade's science editor at that time, that led to Toledo's becoming one of the first major U.S. cities to fluoridate public water supplies.

Fluoridation, which saved the public enormous amounts of money in dental care, was extremely controversial, regarded by some at the time as a Communist plot. But Mr. Block believed that the facts of controversial situations must be presented to the public.

Mr. Block was, of course, better known as a newspaper man, but his two professional pursuits, underscored by a quick mind attuned to the scientific method, gave him an uncanny ability to spot flaws and gaps in news stories.

He became a reporter for The Blade in 1935 and received a thorough grounding in all phases of newspaper production from writing to daily delivery.

In the late 1930s, he was a correspondent in The Blade's Washington Bureau, and he retained a keen interest in politics throughout his life.

As a publisher, during years of a marked decline in family-owned and controlled newspapers, Mr. Block maintained an abiding and demanding interest in the quality of the Block newspapers, including The Herald, which the company acquired from the late Allen Griffin in 1967.

Because Mr. Block was such a private man, he was not well-known by many Peninsulans, although he spent a good deal of time at his Pebble Beach home.

One of the few times he appeared in public, in fact, was for an address to the Monterey Kiwanis Club in 1973, in which he explained changes made in The Herald that followed its purchase by the Blocks.

The talk also gave him an opportunity to explain the newspaper's editorial opposition to the construction of a large hotel-convention center complex in downtown Monterey. It was probably the single most controversial issue identified with the years in which he was active here.

In large part through that opposition, a conference center of less height and more modest design was ultimately approved and built.

One of the changes he was most proud of was the creation of the Sunday Herald in 1974, and especially the Weekend Magazine, which has remained a vital part of the Sunday edition ever since.

His belief in an independent newspaper and an independent editorial voice made it difficult to pigeonhole him or The Herald into neat philosophical or political categories.

While he supported the notion of reasonable growth, he reacted strongly and negatively to what he perceived as efforts to turn the Monterey waterfront into a concrete jungle lined with high-rise buildings. Such a trend, he said, would cast a shadow, figuratively and literally, over historic Monterey and forever compromise its heritage and character.

Throughout his publishing career, Mr. Block was intensely sensitive to the "one-newspaper town" issue, and he believed that the situation placed a particular responsiblity on such newspapers and their staffs to exercise fairness and responsible judgment.

In a 1955 article for Harvard University's Nieman Reports, "Facing up to the 'Monopoly' Charge," Mr. Block wrote:

"Where it is the only voice, a newspaper must be independent of any civic faction, any social set, any economic interest, just as it must be independent of any political party or philosophy. . . ."

Whatever Mr. Block's responses to given issues, either in print or in conversation, they were not trite.

It 1950, Mr. Block was named chairman of an American Society of Newspaper Editors committee formed to study public information policies of the former Atomic Energy Commission.

During the five-year chairmanship, he wrote, "The Fetish of Atomic Secrecy," a widely acclaimed article published in Harper's magazine in 1953. Mr. Block's position was that much of the atomic information classified as secret should be released to end public confusion.

Secrecy of itself was an impediment to scientific progress, he asserted.

He was a staunch editorial defender of Dr. J. Robert Oppenheimer, who directed government laboratory development of the atomic bomb. The AEC later denied Oppenheimer security clearance because of some association with Communist Party members.

Mr. Block's independence and streak of unpredictability helped make an intriguing personality. He had a keen memory and a finely tuned mind, and if he angered some people, he never left them unimpressed.

He could be difficult at times, and short on patience. He also was witty and engaging. The scientist in him did not like to leap to conclusions; the pessimist did.

He once confided that he was more comfortable working with chemicals than with people because he knew how chemicals would react.

Mr. Block was not known to be intimidated by anyone. In 1968, he walked out on an appointment in a hotel suite with Vice President Hubert Humphrey because Humphrey, campaigning in Toledo for the presidency, had kept him waiting.

Mr. Block was said to have commented, "only the Pope holds audiences."

Humphrey thought the publisher's action was an insult to the dignity of the vice presidency; Mr. Block considered the visitor a candidate seeking the newspaper's endorsement.

If there was a topic on which Mr. Block suspended his skepticism, it was France and the French people, who he believed thought and did everything well, with precision, and with an unerring sense of aesthetics.

He loved both leisurely travel in Europe with his family and the extensive fact-finding trips that he took until his later years, to study political and economic conditions.

Although Mr. Block and his brother, were listed in The Blade and The Pittsburgh Post-Gazette as co-publishers, Paul Block Jr. directed Blade operations and William headed the Post Gazette's.

Mr. Block was co-chairman with his brother of Blade Communications, Inc. The firm owns the Toledo and Pittsburgh newspapers and The Herald, in Monterey; three cable television stations. Toledo's Buckeye Cablevision, Inc., and operations in Sandusky, Ohio, and Monroe, Mich.; and television stations in Nampa-Boise, Idaho, Louisville, Ky., Lafayette/Kokomo, Ind., and Lima, Ohio.

Mr. Block was born May 11, 1911, in New York City, the son of Paul and Dina Wallach Block.

His father was the publisher of several newspapers and founder of a firm of national advertising representatives for newspapers across the country.

The Block brothers attended the Hotchkiss School and Yale University. Mr. Block became very interested in chemistry, and after graduation from Yale with a bachelor of arts degree in 1933, he pursued advanced work in that subject at Harvard University in 1934 and 1935.

He received a doctoral degree in organic chemistry from Columbia University in 1943, he served as a research fellow at the Mellon Institute of Industrial Research in Pittsburgh in 1943 and 1944.

At that time, he was already co-publisher of The Blade, named to that position with his brother in 1942, after their father's death in June, 1941.

He also was named associate editor of the Pittsburgh paper in 1941, and became co-publisher of the Post Gazette in 1944.

But his love of research continued. He was a visiting research fellow in the Yale medical school's department of pharmacology and toxicology in 1948 and 1949. He also was a visiting research fellow at the University of California medical center's department of pharmaceutical chemistry in the summers of 1963 and 1964.

Mr. Block did cooperative research with scientists from the National Institutes of Health, the University of California at San Francisco, the University of Alabama, Ohio State University, and other institutions in the United States and in countries as distant as India.

He worked with Dr. Melvin S. Newman, of Ohio State University's chemistry department, regarded among the nation's top chemists.

In 1978, President Carter appointed Mr. Block to the U.S. Metric Board, on which he served until mid-1980. He was a firm advocate of the nation's gradual transition to the metric system, having worked with it all his adult life.

Mr. Block was married three times. His first marriage, to Eleana Barnes Conley, of Carmel Valley, in 1940, ended in divorce in 1947. A son, Cyrus P., a cinematographer who lives in Vancouver, B.C., was born of that union.

On May 26, 1948, he married Marjorie McNab Main, a Blade reporter. Allan James Block, director of marketing for Buckeye Cablevision, Inc., and John Robinson Block, assistant managing editor-features, of The Blade, who are twins, are the children of that marriage. She died in September 1960.

His third marriage was to Mary Gall Petok, in April 1965, in Charlottesville, Va. She has three children, Gary, Alexander, and Mrs. Sandra Zimmerman.

Their home is at 4059 River Rd., in Toledo.

His memberships include the American Chemical Society, the American Institute of Chemists, the Academy of Sciences, the American Association for the Advancement of Science, the American Society of Newspaper Editors, the American Newspaper Publishers Association, Sigma Xi, Phi Lambda Upsilon, the Society of Professional Journalists, the Yale Club of New York, the National Press Club in Washington, and the Toledo chapter of the Columbia University Association (which he once served as president).

He was a member of the executive board of the International Press Institute from 1958 to 1961 and was chairman of the IPI's American Committee from 1958 to 1960.

Plans are pending for a memorial service in Toledo. The family suggests contributions to the local chapter of the Alzheimer's Disease and Related Disorders Association.

[From the Sunday Herald, Mar. 22, 1987]

PAUL BLOCK: A MAN OF MANY INTERESTS AND DUAL CAREERS

(By Michael Woods)

Paul Block had a secret life.

He deliberately concealed it from the public. At first there were practical considerations. In the days when politicians were a rough-hewn lot who struck deals in smoke-filled rooms, talking about his second life could have lessened his effectiveness and made some regard him as an eccentric.

Later, he kept quiet out of an old-fashioned sense of modesty.

Paul Block was not only a newspaper publisher and shaper of events in the civic and political arenas.

He also was a scientists, an organic chemist who had a Ph.D. degree, research grants from the National Institutes of Health, a faculty position in the chemistry department at the University of Toledo (Ohio), graduate students, reports published in respected scientific journals, collaborators at institutions around the world, and all the other trappings of a researcher.

AUTHORITY

In fact, scientific associates regarded Dr. Block as perhaps the world's foremost authority in a sharply defined area of research on chemical compounds of the thyroid gland.

And they say that his dual career and the kind of achievements it involved may have been unique in chemistry, if not in all of science.

The focus of Dr. Block's secret life was the thyroid, a butterfly-shaped gland that is draped over the windpipe at the front of the neck, where it can be felt with the fingers. It produces hormones—thyroxine and thyronine—that have powerful influences on many kinds of biological processes throughout the body.

Too much throxine causes nervousness, excitability, elevated blood pressure, weight loss and other problems. Too little results in lack of energy in adults and, in infants, in impaired development of brain and other cells that can lead to permanent mental deficiency and dwarfism.

Dr. Block, often working from a small laboratory built in the backyard of his home, devoted his career in science to synthesis of new forms or "analogs" of naturally occurring thyroid compounds.

"If you wanted samples of these thyroid analogs for your own research, there was only one place in the world to go," Dr. Hans J. Cahnmann, an organic chemist with the National Institutes of Health, recalled in 1985. "Why, it was Dr. Block in Toledo."

"Paul pioneered a specific area of thyroid hormone chemistry," Dr. Douglas C. Neckers, chairman of the chemistry department at Bowling Green State University, said. "Then he became the world expert. For years he represented the world's only expertise on some of the topics."

WORLD ATTENTION

Indeed, in 1972, Dr. Block attracted international attention from fellow researchers with an acheivement that set this small and esoteric area of thyroid research on its ear. For decades a central dogma of thyroid chemistry stated that iodine was absolutely essential for thyroid compounds to exert their effects in the body. That is why iodine is considered an essential component of the human diet and is added to table salt to ensure adequate consumption.

Each molecule of thyroxine, the principal thyroid hormone, contains four atoms of iodine. Each molecule of thyronine contains three atoms of iodine. Thyroid chemists long asscribed a unique functional role to such "halogen" atoms. Halogens are simply a group of related chemical elements that includes iodine.

A noted German chemist, H.J. Bielig, reinforced the revered status of halogen atoms in 1957 by synthesizing a thyronine analog that lacked halogen atoms and, not surprisingly, had no biological activity.

DISPROVED THEORY

But Dr. Block's research, published in 1973 in the Journal of Medicinal Chemistry, proved Bielig and generations of other thyroid chemists wrong.

Dr. Block synthesized a form of thyronine that had no iodine or other halogen, yet was biologically active. It is known as 3,5,3'-trimethyl-L-thyronine. Dr. Eugene C. Jorgensen, of the department of pharmaceutical chemistry at the University of California at San Francisco, tested the compound on laboratory rats to establish its biological activity. Dr. Jorgensen described Dr. Block's synthesis of the compound as an "elegant" piece of laboratory work.

"It was his single most important achievement," Dr. Cahnmann said late in 1985, after spending days reviewing Dr. Block's published scientific papers.

"This was a revolutionary finding. It established that iodine really was not so important to the function of thyroid hormones, that it was the configuration, the structure, of the hormone molecule that caused the biological effects."

The achievement established that other chemical "groups" of the appropriate size could be substituted for iodine without total loss of biological activity, Dr. Cahnmann said.

Dr. Block synthesized and developed techniques for synthesizing other nonhalogenated thyroid compounds. Some of these compounds proved to have potential practical applications in medicine.

Not only were they biologically active, but also they could cross the so-called placental barrier and induce thyroid hormone effects in a developing fetus. The placenta, which permits exchange of material between the mother's and the fetus' bloodstreams, is selective, permitting some substances—such as oxygen—to pass freely, but acting as a barrier to others, such as thyroid hormones.

Scientists have indications that some developing fetuses might benefit if thyroid hormones, administered to the mothers, could reach the fetuses. For example, scientists have found an association between low thyroid activity in the fetus and development after birth of respiratory distress syndrome, which affects an estimated one of every seven newborns and takes the lives of more than 10,000 annually in the United States alone.

Infants with the syndrome have serious difficulty with breathing because their lungs lack a lubricating material that permits easy expansion.

Dr. Block supplied the synthetic pathway—the specific series of chemical reactions—that resulted in production of a thyroid analog cited for its potential in treating fetal disorders related to low thyroid activity. The specific thyroid analog is 3,5,dimethyl'-3-isopropyl-L-thyronine, which thyroid chemists refer to by the acronym DIMIT.

For example, Dr. L.K. Bachrach and a group of associates at the renowned Banting and Best Institute and the Hospital for Sick Children in Toronto, have studied its potential in treating fetal growth retardation.

FETAL GOITER

Dr. Jorgensen and his associates evaluated use of the compound in treatment of fetal goiter.

DIMIT has been the topic of reports in Endocrinology, Clinical Research, and other scientific journals. The New England Journal of Medicine even ran an editorial citing DIMIT's potential for treating respiratory distress syndrome. Dr. Jorgensen's research team at the University of California-San Francisco studied DIMIT's effects in animals.

Dr. Jorgensen's death in the 1970s left Dr. Block deeply concerned about the future of research in the area. Scientists from around the world continued to appeal to Dr. Block for even small quantities—minute fractions of an ounce—of the compounds for their own research.

COLLABORATOR

Dr. Block had limited stocks of the precious compounds on hand. Failing health prevented him from synthesizing more. As stocks dwindled, he turned to Dr. Max Funk, associate professor of chemistry at TU, who had collaborated with Dr. Block on some previous research projects.

In what Dr. Block hoped would be an initial step toward development of a thyroid research institute in northwestern Ohio, the TU graduate school established a graduate assistantship in which students will synthesize the compounds to ensure their availability to the biomedical community.

NIH's Dr. Cahnmann said that Dr. Block made an almost incalculable contribution to thyroid research by developing new methods for synthesizing thyroid analogs and then making the compounds freely available to a great many scientists around the world.

"He always downgraded his own contributions and importance," Dr. Cahnmann added. "Yet everyone was so impressed by his honesty and his openness. He never concealed data, and always was willing to share his findings with other scientists."

Dr. Block contributed some of the last quantities of his compounds to the National Institutes of Health.

Dr. Funk, reflecting on Dr. Block's career in science, emphasized an aspect mentioned almost universally by other researchers who worked with Dr. Block. "Certainly he made some very important contributions to biomedical organic chemistry," Dr Funk said. "But what impressed me most, the almost unprecedented aspect, is how he did it, with two careers. It is a situation practically unique in all of science, and certainly in organic chemistry."

IMPRESSED

Dr. Block's laboratory skills and ability to plan and perform complicated synthetic reactions also impressed his scientific associates.

"His work was extremely well done from the laboratory point of view," Dr. Melvin Newman said Dr. Block often consulted with Dr. Newman, who was regents professor of chemistry at Ohio State University and now is emeritus professor. "He worked with compounds that were extremely difficult to synthesize and purify, and did an A-1 job from the technical standpoint," Dr. Newman added.

Dr. Cahnmann, who is with the clinical endocrinology branch at NIH's National Institute of Arthritis, Diabetes, and Digestive and Kidney Diseases, had similar recollections of Dr. Block's passion for exacting standards in the laboratory.

"What really impressed me was Block's meticulous work on all details of a reaction. He never was satisfied until every pathway had been explored. I sent him a compound synthesized in my laboratory, and he detected minute quantities of an impurity I had missed."

Just as Paul Block kept his scientific life veiled from acquaintances in the business and political worlds, he gave scientific associates little hint of his position of power and influence in the mass media.

Dr. Funk recalled that for years he knew Dr. Block only as an organic chemist, and later marveled at the stories he heard about "The Publisher" and his influence on public affairs.

TWO WORLDS

One rare occasion when Dr. Block discussed his two lives was in 1981 in Atlanta, when he participated in a symposium on academic standards given as part of a national meeting of the American Chemical Society. "I offer you . . . the perspective of someone who . . . has managed to maintain a toe-hold in two different worlds," Dr. Block said to the assembled chemists.

"One is your world, the realm of chemistry and chemical research, a place that for me is littered with problems of the diphenyl ether bond, thyroid activity assays, ACS journals and occasional encounters with undergraduate chemistry majors.

ETHEREAL PROBLEMS

"The other is a place alien to most chemists and chemical engineers, a realm of newspaper city rooms, deadlines, news stories, editorials, high-speed presses, phototypesetting machines, cable and commercial television. Here the problems are more ethereal than any to be found in a chemistry laboratory. They involve . . . the public's right to know, public interest, social responsibility and the vagaries of public opinion."

After the talk, Dr. Block was sought out as a guest on a television network's morning news program, as the topic of a cover story in a national popular science magazine, as a lecturer on science education and participant in news conferences. He declined them all, wary of further publicity about his dual life. He did permit the American Chemical Society to publish the lecture in its Journal of Chemical Education, circulated to educators.

Dr. Block traced his lifelong interest in chemistry to a gift that his father's secretary presented on his 10th birthday—a toy chemistry set. He became fascinated with the test tubes, vials of chemicals and other instruments, and with the primitive but almost magical reactions that the set could produce.

Although his fascination persisted, his decision to pursue a career in chemistry was solidified because of student research he did during his senior year at Yale University. The project—to find an alternative method for synthesizing thyroxine—also was the basis for his interest in thyroid chemistry.

Dr. Block tended to be extremely vague about his reasons for choosing Columbia University to study for a doctoral degree in chemistry. Late in life, he acknowledged the circumstances:

"I had a girl friend," he recalled, with a twinkle in his eye. "She moved to New York City, and I went with her and enrolled at Columbia. Then within two weeks she dropped me!"

PUBLISHER

The publisher portion of Dr. Block's dual career began in 1942, when he was named co-publisher of The Blade in Toledo after his father's death in 1941. Friends and associates said he never seemed happier than when dressed in a long white laboratory robe covered with the indelible stains and burn holes that were silent testimony to years of contact with organic chemicals.

In the 1970s, over dinner at an American Chemical Society meeting, Dr. Jorgensen remembered his first impression of Dr. Block. It was of "really an eccentric genius" who loved chemistry, had vast knowledge about the history and status of thyroid chemistry, was making important scientific contributions, yet spent most of his time "doing something with newspapers."

CHARLIE McWHORTER RETIRES FROM AT&T

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. HAMMERSCHMIDT. Mr. Speaker, tonight, some of the friends of Charlie McWhorter are gathering at the Omni Shoreham Hotel in Washington, to wish him well in his retirement from AT&T and to celebrate his 65th birthday in February.

For the benefit of my colleagues, an article is being included in the RECORD, by the nationally-known Washington columnist David Broder, who serves on the Salute to Charlie McWhorter Committee.

I too want to add my own warm regards and personal best wishes to Charlie McWhorter as he takes on whatever new challenges his future might bring.

CHARLIE McWHORTER: A TRIPLE LIFE

(By David S. Broder)

At long last, there is a "salute" coming up in Washington this week for Charles K. McWhorter, a man who has played a unique, unheralded role as a catalyst in American politics for more than 30 years.

McWhorter has lived a triple life. The first, as a lawyer for AT&T, is the one the rest of us know least. Talking with a number of his political friends last week, I found none who had been lobbied by him and few with whom he had ever discussed telecommunications issues. They presume—as I do—that his encyclopedic knowledge of the players in American politics and his shrewd judgment were useful to the heavily regulated company from which he has just retired at age 65 and will continue to serve as a consultant.

His second life is as an enthusiastic amateur piano player, love of music and patron of the arts. He has served on boards of ballet companies and jazz festivals from Newport to Monterey but, most enthusiastically, of the Arts Academy and National Music Camp at Interlochen, Mich., where he spent summers as a youth.

Music—not politics—may be McWhorter's main passion. He served for several years on Richard Nixon's vice-presidential staff in the late 1950s but refused a White House job with Nixon a decade later, because he could not fathom living without his almost-daily treat of opera, jazz or other music in New York.

But what we in Washington treasure about this amiable man is his role as his longtime friend, Commerce Department official Mary Ann Knauss, calls "the greatest switching station" in American politics.

For more than three decades, McWhorter has known everyone who counts from the national level down to the state legisltures and county-chairmen ranks in Republican politics—and a remarkable number of their democratic counterparts as well. He has introduced more of them to each other—and journalists to them—than any other person alive.

McWhorter came out of Lewisburg, W.Va., and the University of West Virginia, a Republican in a deeply Democratic state. After winning a Bronze Star as a lieutenant in Patton's Third Army, he went to Harvard Law, where a classmate was William A. Rusher, now publisher of National Review.

"I founded the Harvard Republican Open Forum," Rusher recalled, "and our first event featured a talk by Rep. Christian Herter [later secretary of state]. There might have been 25 people there, and at the end, I asked if any of them were interested in more such meetings. I heard the West Virginia twang behind me, saying, 'Sign me up. My name's McWhorter, and Republican is my religion.' "

As a young New York lawyer, McWhorter fell in with F. Clifton White—later the architect of the Goldwater nomination—and others in the Tom Dewey organization. He plunged into Young Republican activities, becoming national chairman of that group in 1955. Two years of constant travel in that job, follwed by three equally itinerant years on the Nixon staff, gave him the start on his vast catalog of personal contacts.

What sustained and enlarged it during the subsequent quarter-century was simply McWhorter's endless enthusiasm for people. Once you knew him, he was your friend for life. Rusher says, "If you want to get in touch with someone you haven't seen for 20 years, call Charlie, and it will turn out he had lunch with him last week."

Joyce Bovik Peyton, his national Young Republican co-chairman 30 years ago, adds, "Charlie has been a living link for many of us to new acquaintances and to old friends and memories. Everyone knows Charlie!"

Symbolic of his role is his Christmas card-always the first to arrive each year, right after Thanksgiving always the same cobalt blue, with the unchanging wish for Peace and a personal message.

I can't remember who said it, but one Republican leader remarked that there have been times—after the Goldwater defeat and after Watergate—when "the largest remaining asset in the Republican Party was Charlie McWhorter's Christmas card list."

Valued by many politicians and journalists for his electoral judgment, McWhorter is notable also for his foresight. Long before it became fashionable in either party, he was encouraging greater power and opportunities for women politicians. He began nurturing the hopes of Republicans in the South when the region was still a Democratic bastion.

Unlike the rest of us, as he has grown older, he has managed to remember that the newcomers to politics are the most important resources. I expect his work in helping develop young musical talent at Interlochen reinforces that habit. But whatever the cause, it was as true in 1986 as in 1956 that if you were going to Tacoma or Tuscaloosa, a phone call to McWhorter would tell you who was the sharp new councilwoman or district chairman you should be sure to meet.

This summer, when the National Governors Association meets in Traverse City, just a few miles from Interlochen, McWhorter will see two of his favorite institutions join hands. There ought to be a moment of recognition for what he has brought to both the arts and politics.

Meantime, a few hundred of his "best friends" will toast him in Washington, joining William D. Ruckelshaus, who says, "Charlie, somehow you have brought humanity to politics. Tell us how."

INTRODUCTION OF H.R. 1760, H.R. 1761, AND H.R. 1762

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. STARK. Mr. Speaker, Mr. WAXMAN and I have introduced the Medicaid Catastrophic Protection Amendments of 1987 (H.R. 1760), the Low-Income Elderly and Disabled Medicaid Amendments of 1987 (H.R. 1761), and the Low-Income Elderly Medicaid Drug Coverage Amendments of 1987 (H.R. 1762). These three bills provide needed additional protection to our low-income elderly.

The Medicare Part A Catastrophic Protection Act of 1987 (H.R. 1280) and the Medicare Part B Catastrophic Protection Act of 1987 (H.R. 1281) introduced by Mr. GRADISON and myself would limit out-of-pocket expenses to $520 under Part A and to $1,000 under Part B 1988.

The Medicare catastrophic bills do not address the greater needs of the 3.3 million elderly who have incomes below the Federal poverty level. As a result of Medicaid policies, many of our poorest elderly receive no protection against Medicare cost-sharing expenses.

Medicaid now covers only about 1.1 million of low-income Medicare beneficiaries. The other two-thirds of beneficiaries with incomes below the Federal poverty level must pay the costs of the Part A and Part B deductibles, premiums, and coinsurance.

H.R. 1760 will remedy the problem of Medicare cost-sharing expenses for low-income elderly by requiring State Medicaid Programs to pay the Medicare premium, deductibles, and coinsurance for all Medicare beneficiaries with incomes below the Federal poverty level. About 3.3 million elderly will benefit from this improvement to the Medicaid Program.

H.R. 1761 will allow States to pay the Medicare premium, deductibles, and coinsurance for all elderly and disabled beneficiaries with incomes between 100 and 150 percent of the Federal poverty level. Of the 4.3 million elderly with incomes between 100 and 150 percent of the Federal poverty level, 75 percent do not have Medicaid coverage to assist them with the Medicare cost-sharing expenses.

H.R. 1762 will allow States to extend their regular Medicaid prescription drug benefits to the elderly and disabled who are not eligible for regular Medicaid benefits but whose income is below 150 percent of the Federal poverty level.

These bills are important and necessary additions to the catastrophic illness initiatives introduced in Congress this session. I am pleased to join with my colleague, Mr. WAXMAN, in introducing these three bills.

CUBA: CASTRO HOLDS THE KEY

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. SHUMWAY. Mr. Speaker, over the past 10 weeks Fidel Castro has allowed 20 former long-term political prisoners and their families to emigrate to the United States at a rate of 2 per week. Even this apparently humanitarian gesture in fact demonstrates Castro's inhumane treatment of political prisoners.

As political prisoners, they were guilty of acts which would only be considered a crime by a repressive regime such as Castro's.

As long-term prisoners, they have endured at least 10 years, and in many cases more than 20 years, in Castro's prisons.

As former political prisoners released last May, they were not entitled to employment or ration cards.

Their survival is nothing less than a triumph of the hope, faith, and courage of these individuals over the torture, the repression, and the inhuman and degrading treatment of the Castro regime. Even Castro's elaborate system of prisons and concentration camps cannot imprison the spirit of the Cuban people or their desire for fundamental freedoms.

There are some 60 other political prisoners, also freed last May, who together with 111 family members await Castro's personal decision about their future. All of these persons were cleared for immigration by the United States last December. There are also thousands of less fortunate political prisoners who remain in Castro's prisons.

I invite you to join with over 60 Members of the House in a resolution condemning Castro's atrocities and calling upon the United Nations to place Cuba among the highest priorities of its human rights agenda.

I would also like to submit for the RECORD an article concerning the release of the political prisoners which I commend to my colleagues' attention.

CUBA LETS 20 PRISONERS COME TO UNITED STATES

(By George Gedda)

Cuba has allowed 20 former long-term political prisoners to emigrate to the United States in the past 10 weeks, sending them at the rate of two per week in an apparent attempt to avoid publicity, according to U.S. officials.

The officials said the piecemeal approach appeared aimed at eliminating the tumultuous receptions that have accompanied large-scale prisoner releases in the past and have received extensive media attention.

The Cuban government also may have been intent on keeping the prisoner issue out of the spotlight at a time when the United States was trying to use the U.N. Human Rights Commission to call attention to rights abuses in Cuba, according to the officials.

All 20 Cubans were released from prison last May following a personal appeal to President Fidel Castro by French undersea explorer Jacques Cousteau, who visited Cuba in late 1985.

The last two released prisoners arrived Wednesday aboard a weekly charter flight that operates between Miami and Havana. The other 18 had arrived on earlier charter flights.

The officials, who asked not to be identified, said an additional 59 former prisoners have been authorized by the United States to emigrate and are awaiting permission from their government to leave with close relatives. Cuban authorities have indicated that the group will be permitted to emigrate.

In the past, mass arrivals in Miami of former Cuban prisoners have generated widespread attention. When a group of 75 arrived last September, thousands gathered at the airport for the occasion, including high-ranking city officials and Assistant Secretary of State Elliott Abrams.

The State Department had expected the 20 Cubans and members of their families to imigrate last December, but Cuban authorities postponed their departure until the new year without explanation.

THE BUDGET RULE

HON. DELBERT L. LATTA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. LATTA. Mr. Speaker, tomorrow when the House takes up the rule on the budget resolution, I intend to ask for a defeat of the previous question so that I can offer a substitute rule making in order an amendment to whatever budget is finally adopted in the Committee of the Whole. My amendment contains a series of budget process reforms and a restoration of automatic sequestration, all of which are summarized in the materials I will be inserting with these remarks.

Second, my amendment would make a major change in the existing rule. The rule reported by the Rules Committee yesterday makes in order as the base resolution for purposes of amendment House Concurrent Resolution 93, the so-called Sequestration Budget, or what would presumably occur if the House does not come within $10-billion of the $108 billion deficit target for fiscal 1988 by the beginning of the fiscal year in October. This to me is an irresponsible approach to take at this early stage in the budget process. The Congress should be concentrating now on achieving its own budget with its own priorities and not be throwing in the towel if the initially reported committee budget is not accepted by the House. My substitute rule would therefore make the committee-reported budget in order as the base for purposes of amendment. I urge my colleagues to vote for this more sensible substitute procedure which will also give us a vote on some badly needed budget process reforms. A summary of my amendment follows:

TOWARDS A MORE WORKABLE, EFFECTIVE AND DEFICIT-REDUCING CONGRESSIONAL BUDGET AND APPROPRIATIONS PROCESS

(A Rationale for the Latta "Budget Process Reform Amendments" to the Concurrent Resolution on the Budget for Fiscal Year 1988)

The Current Budget/Appropriations Crisis: There is a widespread perception, both inside and outside the Congress, that our fiscal policy machinery is broken and drastically in need of repair (some would even urge that it be junked). Put another way, the American people just don't think they are getting their money's worth for the government they are paying to prudently manage and allocate their tax dollars.

The list of defects in the congressional budget machinery is all too familiar and incontrovertible:

Budget deadlines are routinely missed;

Budget rules are routinely waived, ignored and violated;

Budget spending ceilings are routinely breached;

Deficits continue to mount;

Spending add-ons and other extraneous matters are attached to deficit reduction (reconciliation) legislation;

Appropriations bills are not enacted on time;

Government is funded by omnibus, continuing spending bills not subject to adequate scrutiny or debate by Congress;

Regular authorization bills are not considered, forcing legislative provisions onto unrelated, omnibus bills.

The Republican Package of Budget Reform Proposals: Rep. Latta will offer an amendment to the budget resolution adding two new titles; Title II-Budget Process Reform Amendments; and Title III-Restoration of Automatic Sequestration. The proposal would—

Prohibit extraneous matters (including spending add-ons) in reconciliation (deficit reduction) legislation;

Provide strict enforcement of committee and aggregate spending (outlay) ceilings;

Establish a formula for short-term continuing appropriations bills (CRs) and subject long-term CRs to the same rules as general appropriations bills, e.g., prohibiting legislative and unauthorized provisions, requiring cost estimates, requiring the full text of matters to be enacted;

Give the President special rescission authority over long-term CRs, requiring disapproval (rather than approval) by Congress through enactment of a joint resolution;

Replace the Comptroller General with a six-member Commission on Deficit Reduction in the automatic sequestration process of the Gramm-Rudman-Hollings Deficit Control Act;

Provide for the incorporation of the texts of the Latta titles in the joint resolution enacting the statutory debt limit upon final adoption of the budget resolution (pursuant to procedures in House Rule 49).

Procedural Situation: Representative Latta will ask the Rules Committee to make in order a single Republican amendment consisting of two new titles to the budget resolution: Title II-Budget Process Reform Amendments; and Title III-Restoration of Automatic Sequestration".

It will be further requested that the rule also provide that, if either or both titles are adopted in the final budget resolution, their texts be included in the joint resolution now prepared by the House enrolling clerk for the purpose of transferring the debt limit figure from the budget resolution so that it can be signed by the President (the budget resolution is a concurrent resolution and not subject to presidential approval). (Such a provision is also included in the text of the Latta amendment as noted above.)

While such a debt limit joint resolution is not now subject to amendment in the House (under procedures in House Rule 49), and its passage is automatic with the final vote on the budget resolution, the Senate is not bound by similar rules. It has consequently used the debt limit resolution in the past as a vehicle for other matters, such as the Gramm-Rudman-Hollings "Balanced Budget and Emergency Deficit Control Act in 1985." And, the Senate is again expected to use the debt limit resolution this year to "fix" the unconstitutional portion of Gramm-Rudman-Hollings, and propose other budget process changes.

Mr. Latta is asking that the House utilize this unusual and special procedure because (a) the budget and appropriations processes are in dire need of overhaul now; and (b) it is better for the House to formulate, deliberate and act on reforms of its own choosing now than to be forced to react to Senate budget reform amendments under the gun of a debt limit expiration in mid-May.

Conclusion; One way or another, the House will have to deal with the issue. The Latta proposal offers a more rational, deliberative, and House-oriented approach to budget reform than the last-minute, pressure-cooker decision-making associated with reacting to Senate amendments under a deadline/crisis situation.

SUMMARY OF PROPOSED NEW TITLES TO THE BUDGET RESOLUTION

(An amendment proposed by Mr. Latta of Ohio)

Purpose: The purpose of the amendment is to improve the budget and appropriations process and restore automatic sequestration.

TITLE II—BUDGET PROCESS REFORM AMENDMENTS

SEC. 201. Prohibition on Extraneous Provisions in Reconciliation. House rules would be amended to prohibit the reporting of any provision in a reconciliation bill, or amendment thereto, which is not related to a committee's reconciliation directives, i.e., which is not related to a provision which reduces spending or raises revenues, as determined by the Committee on the Budget. Note: The Senate already has a similar prohibition.

SEC. 202. Enforcement of Outlay Suballocations in House. The current ban on bills and amendments which exceed a committee's subdivisions of new discretionary budget authority, new entitlement authority, and new credit authority would be extended to any breach of outlay suballocations as well. Note: Such a rule already applies in the Senate.

SEC. 203. Enforcement of Spending Ceiling in House. The socalled "Fazio exception" would be repealed. That exception protects bills against points of order for exceeding the spending (outlay) ceiling in the budget resolution so long as the reporting committee is still within its allocation for budget authority. Moreover, any waiver of the spending ceiling would require a three-fifths vote of the House membership. Note: Such a rule and waiver requirement already applies in the Senate.

SEC. 204. Required Reporting of All Appropriations Bills. No regular appropriation bill could be considered in either House until all appropriations bills had been reported by that House.

SEC. 205. Short-Term Continuing Appropriations Formula. House rules would be amended to provide that any short-term continuing appropriations resolution (effective for 30-days or less) contain only the lower levels of appropriations and more restrictive provisions of the House-reported, House-passed, Senate-passed of conference agreement for that year, or the previous year's appropriations act. A three-fifths House vote would be required to waive the formula or add extraneous matters.

SEC. 206. Long-Term Continuing Appropriations Limitations. House rules would be amended to provide that any long-term continuing appropriations bill (more than 320-days) contain the full-text of matters to be enacted (rather than mere references to other bills), be subject to House rules now applicable to general appropriations, i.e. the prohibition against unauthorized and legislative provisions, and requirement of cost estimates in the committee report. A three-fifths vote would be required waive points of order or deny amendments to provisions not previously adopted by the House. The present restrictions on limitation amendments would be abolished.

SEC. 207. Special Rescission Authority Over Long-Term Continuing Appropriations. Any long-term continuing appropriations measure would be subject to special presidential rescission messages if submitted within 3-days of enactment of a CR. The total of all such special rescissions could not exceed 10 percent of the most recently projected deficit as estimated by the joint OMB/CBO report. Such rescissions would take effect unless disapproved by enactment of a joint resolution. (Note: under current law rescissions may only take effect if approved by enactment of a joint resolution.) Congress would have 20 days of continuous session to consider a rescission message under special, expedited procedures. If Congress adjourns sine die before completing action on a rescission message, the budget authority would be withheld until the next session of Congress at which time the President could resubmit a message.

SEC. 208. Exercise of Rulemaking Powers. The applicable provisions of the title are enacted as an exercise of the rulemaking powers of the House and Senate, are to be considered as rules of the respective Houses, and as such may be changed by either House at any time.

SEC. 209. Effective Date. The provisions of the title having the status of House and Senate rules shall take effect on the final adoption by each House of the concurrent resolution. Those provisions not having the status of House or Senate rules shall take effect upon the enactment of legislation pursuant to sec. 210.

SEC. 210. Special Procedures. Titles II and III, if finally agreed to, shall be incorporated in a joint resolution by the House enrolling clerk together with the statutory debt limit figure from the budget resolution (as now provided for by the procedures in House Rule 49).

TITLE III—RESTORATION OF AUTOMATIC SEQUESTRATION

The Gramm-Rudman-Hollings "Balanced Budget and Emergency Deficit Control Act of 1985" would be amended to substitute a Commission on Deficit Reduction for the sequestration role of the Comptroller General which was found unconstitutional by the Supreme Court.

The Commission would be comprised of six members appointed by the President, not more than three of whom from the same party. Four of the six members would be nominated after consideration by the President of a list of prospective nominees submitted by the Speaker of the House and the President pro tempore of the Senate (both after consultation with their minority leaders). Commission members could not be officers or employees of the government at the time of their nomination, and must be especially qualified for the Commission's work by virtue of their education, training and experience. The Commission would expire on September 30, 1991. The existing fallback procedures in G-R-H would be repealed.

H. RES. 139

(Rule providing for consideration of the budget resolution)

AN AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. LATTA

Strike all after the resolving clause and insert in lieu thereof:

"That immediately after the adoption of this resolution the House shall resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 95) setting forth the congressional budget for the United States Government for the fiscal years 1988, 1989, and 1990, and the first reading of the resolution shall be dispensed with. After general debate, which shall be confined to the resolution and shall continue not to exceed six hours, with not to exceed four hours to be equally divided and controlled as provided in section 305(a)(2) of the Congressional Budget Act of 1974, as amended by Public Law 99-177), and not to exceed two hours to be equally divided and controlled as provided in section 305(a)(3) of the Congressional Budget Act of 1974, as amended, the resolution shall be considered as having been read for amendment under the five-minute rule. No amendment to the resolution shall be in order except the amendments printed in the report of the Committee on Rules accompanying this resolution, said amendments shall be considered in the order designated and shall be considered as having been read, and each of said amendments shall be debatable for not to exceed one hour, to be equally divided and controlled by the Member offering said amendment and a Member opposed thereto, said amendments shall not be subject to amendment, and each of said amendments shall be in order even if a previous amendment in the nature of a substitute has been adopted, and all points of order against said amendments for failure to comply with the provisions of the third sentence of clause 8 of rule XXIII are hereby waived. If more than one of the amendments in the nature of a substitute has been adopted, only the last such amendment which has been adopted shall be considered as having been finally adopted in the Committee of the Whole and reported back to the House. Prior to reporting the resolution back to the House with any such amendment in the nature of a substitute which may have been finally adopted in the Committee of the Whole (in accordance with the provisions of the preceding sentence), it shall be in order, any rule of the House to the contrary notwithstanding, to consider the amendment printed in the Congressional Record of April 7, 1987, by, and if offered by Representative Latta of Ohio, said amendment shall be considered as having been read, shall not be subject to amendment or to a demand for a division of the question in the House or in the Committee of the Whole, but shall be debatable for not to exceed one hour to be equally divided and controlled by Representative Latta and a Member opposed thereto. Any provisions of said amendment (or any compromise language thereon) which are contained in the concurrent resolution on the budget as finally agreed to by the House shall be included by the enrolling clerk of the House in the joint resolution prepared pursuant to House Rule XLIX. It shall also be in order to consider the amendment or amendments provided in section 305(a)(5) of the Congressional Budget Act of 1974, as amended, necessary to achieve mathematical consistency. At the conclusion of the consideration of the concurrent resolution for amendment, the Committee shall rise and report the concurrent resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the concurrent resolution to final adoption without intervening motion.".

NUCLEAR NONPLUSED

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. MAVROULES. Mr. Speaker, last week over 60 of my constituents came to Washington to deliver hundreds of petitions to the Nuclear Regulatory Commission. These petitions were signed by thousands of people from both New Hampshire and Massachusetts who are vehemently opposed to the licensing and operation of the Seabrook Nuclear Powerplant under the current conditions. They came to Washington to protest the recent proposal by the NRC to exempt States from licensing process.

At present, the Governor of the State must approve the emergency evacuation plans, before an operating license will be granted. However, in the case of Seabrook, Governor Dukakis refuses to approve the emergency plans. As Governor, he knows full well that the infrastructure system in the area surrounding Seabrook could never sustain a quick and efficient evacuation of the public, particularly during the summer months.

However, the NRC, in a move to simply expedite the process, appears to have chosen to ignore his response—a response motivated by his concern for the health and welfare of the people he was elected to represent—and will now exempt him and others like him from the licensing process. The wisdom of this proposal escapes me.

Today in the Washington Post, Mary McGrory's column entitled "Nuclear Nonplused" illustrates my point quite graphically. It draws a parallel between the NRC's proposal and FEMA's insistence that States take part in emergency plants in preparation for a nuclear war. On both of these fronts the administration has lost sight of its original goal—the protection of the American people.

I have enclosed a copy of this column for my colleagues information. Article attached.

[From the Washington Post, April 7, 1987]

NUCLEAR NONPLUSED

(By Mary McGrory)

Sometimes it's a little hard to follow your Uncle Sam. An example: Our uncle, speaking through FEMA (Federal Emergency Management Agency), says that states must take part in drills for a nuclear attack—or else. On the other hand, through the NRC (Nuclear Regulatory Commission), he says states have no say in making plans against nuclear plant accidents.

FEMA, baring its teeth, has warned Washington and Oregon, which refuse to go through the motions of saving their citizens from nuclear bombs, that they will not get the money they need to cope with catastrophes not made in Moscow—fires, floods, hurricanes, volcanoes and such.

Although President Reagan has learned to say that "a nuclear war could never be won and should never be fought," FEMA is listening to a different drummer. FEMA Director Julius W. Becton Jr., testifying before the House subcommittee on military installations and facilities, says that his charter requires him to respond to "all hazards, not all-but-one hazard."

Brock Adams, Washington's new Democratic Senator, said he thinks "a Hanford accident is far more likely than FEMA's nuclear war scenario."

Hanford has a nuclear reactor, with a graphite core and no concrete containment vessel—like Chernobyl. It is 23 years old, and it is the same distance from Portland as Chernobyl is from Kiev. (Spokane, Wash., is only slightly farther away from Hanford, but not to worry). Hanford is currently shut down for repairs—a commission has recommended 228 changes to bring it up to snuff—but the Department of Energy plans to reopen it without so much as an environmental impact statement.

The NRC is nonchalant about the likelihood of nuclear plant accidents. It trusts the utilities that own them to make acceptable emergency plans. No sauce is needed from local and state authorities. In the case of Seabrook, a plant within sight of Hampton Beach, N.H., which attracts as many as 150,000 people on a fine summer Sunday, NRC is proposing that whatever Public Service of New Hampshire draws up in the way of emergency response be regarded as adequate. Further, NRC is considering a utility proposal to reduce the radius of the evacuation area from 10 miles to one.

The motive for the shrinkage is simple. Massachusetts lies two miles and 359 yards across the border and its governor, Michael Dukakis, has rejected all safety schemes so far presented. Zapping the Bay State would mean a go-ahead for Seabrook; New Hampshire Gov. John Sununu is all-out for nuclear energy.

On the nuclear war front, Brock Adams has introduced a bill that forbids FEMA to cut most of Washington's $1.5 million in disaster funds if it skips rehearsals for a mock response to the dropping of 48 nuclear bombs.

"I can save everyone a lot of trouble and money," Adams says. "I'll tell them how we would respond; we would die."

Jack Geiger, president of Physicians for Social Responsibility, says, "FEMA is trying to perpetuate the fantasy that the public can be protected against the effects of nuclear war."

FEMA is nonetheless proceeding with its plans for 656 Emergency Operating Centers, fallout shelters for the exclusive use of state and local office-holders and for real-estate records. From inside, the office-holders would encourage "self-help" among the masses outside—with pamphlets on how to construct shelters and how to provide their own medical care.

At the House hearing, Rep. Les AuCoin (D-Ore.) asked FEMA's David McLoughlin, "How about wives, children, relatives of the officials going into the Emergency Operating Centers?"

McLoughlin replied, "I know of no instance of that. The federal government can't police local jurisdictions. We have to rely on rational, logical decison-makers."

Rational, logical? FEMA's Crisis Relocation Plan (CRP) of 1981 occasioned more more mordant merriment than any government madness except "Star Wars." It called for the decanting of whole states into other states, like New York into Vermont, when the bombs start falling. CRP was killed by laughter.

But New Yorkers are expected to be lighthearted about trouble at Long Island's Shoreham plant. More than half the people trying to get off the east end of the island would have to pass the plant as they fled the death rays. Shoreham is closed because Gov. Mario M. Cuomo (D) says no to the emergency plans, which is another reason for NRC's telling states to mind their own business.

Maybe Uncle Sam is being consistent after all, saying that nuclear power is not dangerous and nuclear war is survivable. With him, bad ideas never die, they just come back with brass knuckles.

WEISS REINTRODUCES BILLS TO RESTORE SOCIAL SECURITY BENEFITS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. WEISS. Mr. Speaker, in 1981, the President and the Congress broke a longstanding contract with the American people. In the wake of a tax bonanza for the wealthy and an unprecedented, destabilizing military buildup, Social Security benefits were reduced, and in many cases eliminated. Through this action, the Reagan administration and its supporters in Congress exhibited a complete disregard for the well-being of our Nation's elderly, the disabled and their families, and the widowed and orphaned.

In 1983, Congress agreed to a package of Social Security changes meant to ensure the solvency of the system well into the next century. While many provisions of this agreement were commendable, the agreement once again called upon our Nation's elderly and disabled citizens to make further sacrifices to support the Reagan administration's misguided budget policies. Moreover, the 1983 Social Security changes failed to address many of the inequities that had been forced on the American people 2 years earlier.

Six years have passed since the administration began to steamroll massive cuts in Social Security. Unfortunately, with the passage of time, some of the initial outrage over the 1981 cuts has faded. Many people have resigned themselves to accepting these policies—inequitable as they are—because the administration has created a climate vehemently hostile to social programs. Consequently, the prospect for reinstituting benefits, recklessly slashed in 1981, was not good.

Now that the 100th Congress is underway, it is clear that the political climate is changing. It is time to redress the damage wrought upon this Nation's Social Security programs. It is never too late to do what is fair. Today I am reintroducing legislation to restore three of the most important benefits that were cut in 1981. Specifically, these bills would restore student benefits, the lump-sum death benefit for all beneficiaries, and the mother's and father's benefit for those caring for children under age 18.

In past years, the Social Security student benefit compensated dependent students attending college or vocational school for loss of income due to the death, retirement, or disability of their parents. This important benefit helped to equalize educational opportunities for those students who could not rely on their parents for support during those critical few years. Workers who earned this insurance recognized and appreciated its value in safeguarding the educational and employment future of their children.

Following the 1981 cuts, these benefits were progressively phased out until 1985, when they were completely eliminated. The elimination of the student benefit has inflicted incalculable hardships on those students who are least able to overcome them. Prior to the enacted cuts, approximately 800,000 student beneficiaries received an average of $3,000 per year in benefits. 80 percent of student beneficiaries were eligible because one or both parents were deceased or disabled. In 1977, 70 percent of the recipients of this program came from families whose income was less than $15,000. The cuts have imperiled the opportunity that these children have to advance and to succeed in adulthood by impeding, and in some cases destroying, their ability to pursue higher education.

The President claimed that these students would be adequately compensated for this loss of income security by other student aid programs. However, the administration conveniently failed to explain that in recent years other student assistance programs have also suffered tremendous cuts at the President's insistence. The hard truth is that other programs can not substitute for the critically depleted resources that have resulted from this cut. For the sake of these children, our greatest hope for the future, I urge that Congress take action on this bill to restore the Social Security Student Benefit.

The second bill I am reintroducing would restore benefits paid either to a mother or a father caring for an entitled child up to age 18. As a result of the 1981 reconciliation act, this important benefit only applies through a child's 16th birthday. It is no secret that most children between the ages of 16 and 18 are completing their high school education and depend on their parents to support them. In light of this fact, it is difficult to fathom the Reagan administration's rationale for slashing away at this program.

This cut is but another example of the whittling away of Social Security's protection for families of disabled, retired, or deceased workers raising dependent children. Once again I call upon my colleagues to reassert the priorities which existed before the 1981 cuts and support my effort to reinstate this critical benefit.

The third, and final bill I am reintroducing would restore the lump-sum death benefit in all cases. Following the 1981 cuts, this $255 benefit was restricted to death cases where there is a surviving spouse or dependent child. This benefit is no longer payable to other family members such as a sister, aunt, grandparent, or independent child, who may very well be the ones who assume responsibility for burial expenses. Estimates made when this cut was first enacted suggest that as many as 4.8 million people have been denied benefits as a result of this change.

The lump-sum death benefit is a small, but integral, part of the Social Security Program. Implemented in 1935, it has helped to ease the burden of the high costs of funerals, and has given peace of mind to the older Americans who view this sum as critical to financing a dignified burial. This cut was a shameful way to penalize workers and their families. Full funding for the lump-sum death benefit should be promptly restored.

Across the country, older Americans, workers, and their families have expressed outrage that the Congress and the President have repeatedly ignored the Social Security compact and deprived thousands of families of the benefits they have earned. Poll after poll indicated that the American people are close to unanimity in their beliefs that the Social Security benefits must be protected at all costs.

The Social Security system does not survive on the tax receipts of American workers alone. It also relies on the continuing support and confidence of workers and their families. By drastically cutting benefits against the public will, the administration and its supporters jeopardize public trust in the Social Security system and in the Government as well. We can not continue to gamble with the hopes and aspirations of millions of Americans. It is essential for the sake of these people and for the sake of the Social Security system as a whole that we act immediately.

Mr. Speaker, it is never too late to correct grave mistakes. I urge my colleagues to join with me to restore these Social Security benefits to the people who earned them and are entitled to them.

Following are the three bills which I am reintroducing.

H.R. 1978

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Social Security Children's Benefits Act of 1987".

SEC. 2. RESTORATION FROM AGE 16 TO AGE 18 THE AGE OF A CHILD AT WHICH CERTAIN BENEFITS ARE TERMINATED.

(a) IN GENERAL.—Section 202(s)(1) of the Social Security Act is amended by striking out "the age of 16" and inserting in lieu thereof "the age of 18".

(b) CONFORMING AMENDMENT.—The heading of section 202(s) of such Act is amended by striking out "Over Specified Age" and inserting in lieu thereof "Aged 18 or Over".

SEC. 3. EFFECTIVE DATE.

The amendments made by the first section of this Act shall apply with respect to benefits for months after the month in which this Act is enacted.

H.R. 1977

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Social Security Lump-Sum Death Benefits Act of 1987".

SEC. 2. RESTORATION OF 1981 PROVISIONS FOR DETERMINING ORDER OF PAYMENT OF LUMP-SUM DEATH BENEFITS.

(a) IN GENERAL.—Section 202(i) of the Social Security Act is amended—

(1) in the second sentence, by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

"(1) if all or part of the burial expenses of such insured individual which are incurred by or through a funeral home or funeral homes remains unpaid, to such funeral home or funeral homes to the extent of such unpaid expenses, but only if (A) any person who assumed the responsibility for the payment of all or any part of such burial expenses files an application, prior to the expiration of 2 years after the date of death of such insured individual, requesting that such payment be made to such funeral home or funeral homes, or (B) at least 90 days have elapsed after the date of death of such insured individual and prior to the expiration of such 90 days no person has assumed responsibility for the payment of any such burial expenses;

"(2) if all of the burial expenses of such insured individual which were incurred by or through a funeral home or funeral homes have been paid (including payments made under paragraph (1)), to any person or persons, equitably entitled thereto, to the extent and in the proportions that he or they shall have paid such burial expenses;

"(3) if the body of such insured individual is not available for burial but expenses were incurred with respect to such individual in connection with a memorial service, a memorial marker, a site for the marker, or any other item of a kind for which expenses are customarily incurred in connection with a death and such expenses have been paid, to any person or persons, equitably entitled thereto, to the extent and in the proportions that he or they shall have paid such expenses; or

"(4) if any part of the amount payable under this subsection remains after payments have been made pursuant to paragraphs (1), (2), and (3) to any person or persons, equitably entitled thereto, to the extent and in the proportions that he or they shall have paid other expenses in connection with the burial of such insured individual, in the following order of priority: (A) expenses of opening and closing the grave of such insured individual, (B) expenses of providing the burial plot of such insured individual, and (C) any remaining expenses in connection with the burial of such insured individual."; and

(2) in the third sentence, by inserting after "No payment" the following: "(except a payment authorized pursuant to paragraph (1)(A) of the preceding sentence)".

(b) CONFORMING AMENDMENTS.—Section 216 of such Act is amended—

(1) in subsection (c), by striking out "(except when used in the first sentence of section 202(i))" and inserting in lieu thereof "(except when used in section 202(i))"; and

(2) in subsection (g), by striking out "(except when used in the first sentence of section 202(i))" and inserting in lieu thereof "(except when used in section 202(i))".

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall apply with respect to deaths occurring after the month in which this Act is enacted.

H.R. 1976

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 202(d) of the Social Security Act is amended, in paragraphs (1)(B), (1)(E)(ii), (1)(F)(i), (1)(G(ii), (6)(D)(i), (6)(E)(i), (7)(A) (in four places), (7)(B), and (7)(D), by striking out "full-time elementary or secondary school student" each place it appears and inserting in lieu thereof "fulltime student".

(b)(1) Section 202(d) of such Act is further amended, in paragraphs (7)(A) (in two places), (7)(B) (in three places), and (7)(D), by striking out "elementary or secondary school" each place it appears and inserting in lieu thereof "educational institution".

(2) Section 202(d)(7)(A) of such Act is further amended by striking out "schools involved" and inserting in lieu thereof "institutions involved".

(c) Subparagraph (C) of section 202(d)(7) of such Act is amended to read as follows:

"(C) An "educational institution' is (i) a school or college or university operated or directly supported by the United States, or by any State or local government or political subdivision thereof, or (ii) a school or college or university which has been approved by a State or accredited by a State-recognized or nationally recognized accrediting agency or body, or (ii) a non-accredited school or college or university whose credits are accepted, on transfer, by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited."

(d) Section 202(d)(7)(D) of such Act is further amended by striking out "diploma or equivalent certificate from a secondary school (as defined in subparagraph (C)(i))" and inserting in lieu thereof "degree from a four-year college or university".

(e)(1) Section 202(d) of such Act is further amended, in paragraphs (1)(B)(i), (1)(F)(ii), (1)(G)(iii), (6)(D)(ii), (6)(E)(ii), and (7)(D), by striking out "19" each place it appears in each of those paragraphs and inserting in lieu thereof "22".

(2) Section 202(d)(6)(A) of such Act is amended to read as follows:

"(A)(i) is a full-time student or is under a disability (as defined in section 223(d)), and (ii) has not attained the age of 22, or".

SEC. 2. The amendments made by the first section of this Act shall apply to child's insurance benefits under section 202(d) of the Social Security Act for months ending on or after the date of the enactment of this Act.

INTRODUCTION OF THE PENSION PLAN ASSETS PROTECTION ACT OF 1987

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. ROYBAL. Mr. Speaker, beginning in 1982, the Select Committee on Aging conducted a series of hearings exploring the detrimental impact on pension plan participants of defined benefit pension plan terminations. In particular, the committee has focused the attention of Congress and the public on the practices of certain pension plan sponsors: Those that terminate their plans in order to recapture plan assets remaining after accrued benefits are paid.

I am reintroducing legislation to remedy these unwarranted "terminations for reversion," which are of so much concern to millions of older Americans. When enacted, H.R. 1942 will promote responsible pension practices by requiring that, following any defined pension plan termination, all residual assets be distributed to plan participants and beneficiaries.

BACKGROUND

Why would a company terminate a healthy, well-funded pension plan? A large and still growing number of defined benefit pension plan sponsors do it for the money.

Historically high interest rates in the 1980's, together with the continuing stock market boom, have resulted in the rapid, unprecedented growth of assets held by private employer-funded pension trusts. Therefore, a number of companies now find themselves with more assets in their pension plans than are needed to pay current accrued benefits.

The Employee Retirement Income Security Act of 1974 [ERISA], the Federal law which regulates private pension and welfare benefit plans, strictly prohibits the use of pension plan assets for anything other than the sole purpose of providing benefits to plan participation and beneficiaries. This "exclusive benefit rule," together with additional provisions proscribing a range of prohibited transactions by plan fiduciaries, were designed to prevent pension plan assets—held by the trust to pay for future retirement benefits—from ever inuring to the benefit of the employer. So, for example, companies are generally not even allowed to borrow surplus assets from their pension plans.

However, employers have discovered a loophole in these rules which renders them ineffective in completely protecting plan participants' retirement income security: ERISA does not prohibit employers from terminating a pension plan and recapturing the assets remaining after accrued benefits are paid—usually referred to as a reversion of plan assets to the employer. This has created an irresistible temptation for some employers to sacrifice the long-term retirement income security of their plan participants for short-term economic gain.

Prior to the sudden change in the funded status of many private pension plans during the 1980's, Federal policy concentrated on the problem of underfunded pension plans—those that terminated, principally due to economic distress or business necessity, with insufficient assets to pay accrued pension obligations. While this underfunding problem not only persists, but has in fact worsened, the complementary dangers of terminations for reversion have also resulted in tangible benefit losses for thousands of employees and retirees, and shaken public confidence in the long-term viability of the private pension system.

GROWTH OF THE TERMINATION/REVERSION TREND

According to statistics compiled by the administration, defined benefit pension plan terminations resulting in asset reversions in excess of $1 million remain at levels significantly higher than in years prior to 1980:

Number of terminations:

1980	9
1981	35
1982	83
1983	162
1984	330
1985	525

From 1979 to the present, pending and completed terminations account for 1,144 plans, resulting in the recapture of more than $11.85 billion. Over 1.4 million workers have had their pension benefits affected by these terminations and more will be affected in the future unless Congress takes action.

The Select Committee on Aging has scrutinized the continued growth and detrimental impact of this trend since its inception. Hearings held in June 7, 1982, and September 28, 1983, as well as a joint hearing with the House Subcommittee on Labor-Management Relations June 12, 1985, provide an extensive record of the economic, legal, and social implications of this problem. My personal response has been to introduce a series of bills to put the issue squarely before Congress: H.R. 6404 in the 98th Congress; H.R. 2701, H.R. 3121, and H.R. 3202 in the 99th Congress. Together, those hearing records, CONGRESSIONAL RECORD statements of October 5, 1984, June 6, 1985, and July 30, 1985, present a comprehensive developmental analysis on the trend and the Federal policy response of Congress and the administration.

IMPACT ON PLAN PARTICIPANTS

Although the precise effect of plan termination on plan participants and beneficiaries can only be assessed on an individual basis, several studies of such terminations for reversion have drawn general conclusions about the detrimental impact of these activities.

Among several analyses of available data, a Department of Labor study concluded that the difference to workers between an expected real benefit—had the plan continued until the worker reached retirement age—and a terminated nominal benefit—benefits accrued only up until the termination date and unadjusted for inflation up to retirement age—where there is no replacement retirement plan, could represent a benefit loss of approximately 45 percent of the expected benefit. Workers age 45 through 65 are especially at risk of losing a substantial portion of their expected retirement benefit due to termination for reversion because their benefit accruals during these years are extremely valuable under certain pension benefit formulas.

A December 1986 research report published by the AARP Public Policy Institute titled, "The Impact of 'Overfunded' Pension Terminations on Workers," supplements available data with a computer model of the impact of different termination scenarios on workers of various ages. In particular, the report draws attention to the differential impact on employees of terminations where a defined benefit plan is replaced by a defined contribution "profit-sharing" or "capital accumulation" plan. It found, for example, that older workers were likely to suffer greater long-term losses than younger workers, especially during periods of high interest rates and investment returns.

The conclusion I draw from this research, and the committee's own fact gathering, is that terminations for reversion can have a devastating impact on the retirement security of a worker and his or her family. Moreover, current retirees may suffer too, losing cost-of-living adjustments typically provided through the accumulation of "excess" plan assets—money that instead goes to the employer upon termination of the plan.

PURPOSE OF THE BILL

There is an obvious need to establish a Federal policy which will ensure that workers and retirees are effectively protected from the loss of their pension benefits due to plan terminations which are initiated so that empoyers recover residual plan assets. Such a Federal policy should make clear that the principal intent in providing a Federal tax incentive for the maintenance of a tax qualified pension plan is to provide an appropriate and permanent vehicle through which the receipt of employees' wages are deferred for retirement purposes.

The Pension Plan Asset Protection Act does nothing more than recognize that the favorable tax treatment accorded defined benefit pension plans can only be justified from a policy perspective if they are treated as irrevocable trusts. Workers forgo current wages in exchange for plan contributions eventually repaid in the form of pension annuities. This bill would simply prohibit employers from reclaiming funds otherwise contributed to fund current and future pension benefits.

By introducing a bill which is comparatively uncomplicated compared to its predecessors, I am not suggesting that this issue is without its own complexities. I recognize that additional provisions may be necessary to accommodate the pragmatic needs of pension plans sponsors. However, in my opinion the starting point for any legislative remedy must be the recognition of the expectation interests of plan participants and beneficiaries.

DISCUSSION OF THE BILL'S EFFECT

Critics of this approach argue that treating pension plans as irrevocable trusts would cause employers to underfund their pension plans, terminate them completely, or fail to adopt new defined benefit retirement plans. These arguments grossly overstate the probable impact of the bill's provisions.

First, employers reluctant to relinquish the windfall from ERISA's loophole permitting terminations for reversion suggest they will underfund their plans if such legislation were enacted. However, such critics seem to ignore the fact that ERISA subjects pension plan sponsors to strict minimum funding rules which would prevent plan sponsors from intentionally underfunding their plans.

Second, plan sponsors adopt and maintain pension plans for a broad variety of reasons, principally as a means of managing their work forces and encouraging worker loyalty. In exchange for this powerfuly work force management tool employers voluntarily assume financial commitments to the pension trust. The potential to terminate a plan for a reversion is not a significant economic incentive to adopt a plan. Therefore, the elimination of reversions is a substantial disincentive to the formation and maintenance of defined benefit pension plans.

CONCLUSION

To summarize, the Pension Plan Assets Protection Act is my response to the continuing trend of terminations for reversion undermining the retirement income security of an ever-increasing number of workers and retirees. I invite my colleagues to join me as cosponsors of this seminal legislation.

WORLD POPULATION AWARENESS WEEK

HON. MARTIN OLAV SABO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. SABO. Mr. Speaker, the population of the world—already more than 5 billion people—is growing by 87 million people each year. Nine out of ten of those new babies will be born in the developing world and, sad to say, many are born into communities and villages whose populations are already too large to be supported by local food supplies and natural resources. The consequences of this growth are painfully apparent.

It is encouraging, however, that many Americans are working to change these statistics and to heal the human misery the figures do not reveal. I am proud that the citizens of my own State of Minnesota are among those searching for solutions.

Gov. Rudy Perpich has declared the week of April 20–25 as "World Population Awareness Week" in Minnesota, a designation in recognition of the many conferences and forums that will take place that week at Mankato State University, the University of Minnesota at Crookston, and across the State.

Minnesota's efforts will be mirrored in States across the country. And, in recognition of the national character of the event, I am pleased to have joined in cosponsoring House Joint Resolution 148 to grant World Population Awareness Week official designation nationally.

In addition, I ask that Governor Perpich's proclamation be printed in the RECORD.

PROCLAMATION

Whereas: The current world population is 5 billion and is growing at the rate of 87 million a year; and

Whereas: 90 percent of this increase is expected to occur in the poorest, least developed countries of the world, that are already struggling to provide their people with adequate food, housing, sanitation, employment, health care and other basic human services; and

Whereas: World overpopulation is a major cause of the problems of malnourishment and hunger, resource shortages, environmental deterioration and ecological degradation that lead to social unrest, rebellion and war;

Now, therefore, I, Rudy Perpich, Governor of the State of Minnesota, do hereby proclaim April 20th through April 25, 1987, to be World Population Awareness Week in Minnesota.

TRIBUTE TO ARTHUR HERNANDEZ

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. TORRES. Mr. Speaker, I would like to bring to the attention of my colleagues an individual that has worked tirelessly on behalf of veterans. On May 2, 1987, Mr. Arthur Hernandez will be installed as commander of the Military Order of the Purple Heart, West Covina Chapter No. 392.

Arthur Hernandez served in the U.S. Army during World War II, and was assigned to the 184th Infantry Regiment, attached to the 7th Infantry Division. Pfc. Hernandez earned the Military Occupational Specialty of Rifleman No. 745, and in combat, was assigned the duty of First Scout; on many occasions he infiltrated enemy territory on reconnaissance patrols ahead of the front lines, and although twice wounded in the battle of Okinawa, he remained in frontline action until the island had been secured.

A distinct honor to him is the Military Qualification of the Combat Infantry Badge. He was awarded the Bronze Star Medal, the Purple Heart Medal with one Oak Leaf Cluster, World War II Victory Medal, American Campaign Medal, and the Army Occupational Medal. He was honorably discharged from active duty on June 27, 1946.

Among his many activities is serving as adjutant, and commander in the West Covina Chapter No. 392 Military Order of the Purple Heart, which he considers one of our country's most exclusive veterans organizations.

For many years he has been an enthusiastic participant in the Masonic fraternity, and is now an inspector for the Grand Lodge of Free and Accepted Masons of California and Hawaii.

Mr. Hernandez is married to Anita Hernandez, they have two sons and seven grandchildren. His sons, Bill E. Hernandez and Fred A. Hernandez both served in the Armed Forces of the United States of America.

Mr. Hernandez recently retired after many years of dedicated service with the Los Angeles Unified School District.

Mr. Speaker, I ask that my colleagues join me in commending Arthur Hernandez on his outstanding contributions to advancing the rights of veterans and extend him best wishes for continued success in future endeavors.

HUDSON RIVER CROSSINGS FEASIBILITY STUDY

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. GUARINI. Mr. Speaker, I am introducing legislation today which would set aside funds to study the transportation facilities, services and needs for cross-Hudson travel between New York and northern New Jersey.

The principal arteries which serve the New York/New Jersey metropolitan area are seriously overcrowed, and no longer adequately serve the needs of the bistate community. There are two tunnels and a bridge which were built when the traffic between the two States was manageable. Urban growth and suburban expansion have put pressure on all forms of transportation within the region. While additional and widened roads, increased mass transit facilities and larger carpools have helped speed travel for a greater number of commuters, the structures which carry them across the Hudson River remain unchanged.

In recent years extraordinary congestion at the entrances of the Lincoln Tunnel, Holland Tunnel, and the George Washington Bridge has become common during the rush hours. Between the hours of 7 and 10 a.m. the Lincoln Tunnel, built in 1937, is used by 65,000 bus riders and 16,800 automobile passengers. Eighty-seven percent of these people are bound for New York City's central business district. The Holland Tunnel, opened in 1927, transports an average of 8,200 motorists and 2,700 bus passengers at peak hours, with 70 percent of its traffic headed for downtown Manhattan. The George Washington Bridge, completed in 1931, carries nearly 40,700 motorists and 5,700 bus passengers. Thirty percent of these commuters travel to the Wall Street area.

The number of all trans-Hudson commuters is expected to increase by 50,000 between now and the year 1990. This will bring the total amount of people moving across the river to 265,000 during the daily rush hour. As renewed economic prosperity benefits New York/New Jersey, the amount of vehicles traveling between the two States will continue to grow. The rise in trans-Hudson travel has actually outpaced Manhattan job growth in recent years. Between 1979 and 1982, the number of commuters from the New Jersey suburbs increased by 11.6 percent, while new employment in New York City rose by only 1 percent. The congestion which now plagues the entrances to our bridges and tunnels will become an impediment to successful development in our area. It is important the quality of transportation facilities improve with the increasing number of people who depend upon them.

My bill would require the Secretary of Transportation to study tangible solutions to this problem. This study will look into the appropriate facility to serve travelers. It does not limit the Secretary to consider conventional modes of travel, and encouraged the exploration of innovative methods for dealing with this critical situation.

Mr. Speaker, as the present structures serving transportation between New York and New Jersey are operating beyond normal capacity, it is essential that we prepare to meet the future needs of the area. Our commitment to expand and improve access between the two States is the only way to accommodate continued regional economic growth. A study would determine the appropriate design standards for facilities to unburden the already overcrowded arteries into the city. It is time to plan for their fullest potential development of this great metropolitan area. I respectfully urge my colleagues' fullest support for this timely legislation.

EASTERN HIGH SCHOOL WINS CHAMPIONSHIP

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mrs. JOHNSON of Connecticut. Mr. Speaker, I rise to extend my warmest congratulations to the Bristol Eastern High School girls basketball team on their magnificent 1986–87 season. Earlier this year, the team capped an outstanding season by winning the Connecticut Class L State Championship.

Under the leadership of Coach Anthony Floyd, the Eastern girls team withstood the pressures that come with a national ranking and went on to complete a fabulously successful year. Losing only one game on its schedule—to a New York City school ranked in the top 10 in the Nation—the Eastern High girls have every reason to be proud of their accomplishment.

As in every team sport, a leader often stands out because of special qualities and talents that create success for the entire team. Special recognition is due Eastern's senior team leader, Laura Lishness, who led her teammates through a victorious season and who lived up to her All America reputation by being selected player of the year.

Mr. Speaker, I am very pleased to join in saluting the Eastern High School girls basketball team members, their families, friends, and coaching staff for achieving this honor. I look forward to congratulating them again next year.

THE FOREST PRODUCTS AND PORT RENEWAL ACT OF 1987

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. WYDEN. Mr. Speaker, I rise today to introduce legislation that will pump new life into west coast ports and timber mills. And it will do so without costing U.S. jobs in other sectors of our economy or in other regions of the country.

My bill, the Forest Products and Port Renewal Act of 1987, would allow foreign-flag vessels to transport wood products from the west coast to the gulf coast and the east coast. Currently foreign-flag vessels are prohibited from serving these routes under what is known as the Jones Act.

I am a strong supporter of the Jones Act, and have resisted, on every occasion, previous attempts in the Congress to amend this important law. The Jones Act is a critical component of our national defense policy and helps ensure we have a viable ship building and ship repair industry. I know the value of these industries because I have a major ship repair facility located in the heart of my district.

Yet, allowing west coast forest products to be shipped to the Atlantic coast on foreign vessels will not cost any U.S. jobs because, quite simply, there are virtually no U.S. ships carrying forest products from the west coast to the Atlantic coast. But there are foreign vessels carrying wood products from British Columbia to the Atlantic coast—more than 1.5 billion board feet in 1986 alone.

The simple fact is that shipping wood products from the west coast to the Atlantic coast by water is a nonexistent option for west coast timber operators. U.S. ship operators cannot cost-effectively move lumber from the west coast to the Atlantic coast so they don't do it. Foreign vessels, under U.S. law, can't do it. As a result, we are needlessly exporting jobs in the United States timber and port industries to Canada.

Mr. Speaker, we have heard much discussion in recent months about the number of jobs leaving the United States and the detrimental effect these job losses have on U.S. workers, consumers and the communities in which they live. We now have the opportunity to gain some of these jobs back—and to do so without resorting to a protectionist solution. We're not proposing to limit imports coming into this country—by tariffs, quotas or any other means. All my legislation does is give back the option of waterborne shipments of forest products to west coast port and timber operators.

Restoring this option will do wonders for the Pacific Northwest's still-ailing economy. It is estimated that if Oregon timber operators could sell just half the amount of lumber now moving from British Columbia to the Atantic coast by ship, western Oregon alone would see a direct infusion of 6,375 jobs. Trade and service jobs could add up to three times that number.

Such an opportunity would be a godsend for an economy that has really never recovered from the recession of the early eighties and where in some timber dependent communities in Oregon, unemployment exceeds 20 percent.

Mr. Speaker, in 1962, this Congress passed legislation that allowed foreign ships to carry lumber from the United States to Puerto Rico because "there is no domestic vessel reasonably available * * *." Similarly, my legislation would require the Secretary of Commerce to determine that there are no domestic vessels reasonably available to transport forest products before foreign vessels would be allowed to serve these routes.

My bill specifically states that foreign vessels would only be allowed to ship forest products from the west coast to the gulf and east coasts. Forest products shipments from one west coast port to another or from the west coast to Hawaii would still be required to travel on U.S. ships.

Mr. Speaker, what we have here is an opportunity. An opportunity to create thousands of new jobs without resorting to protectionist solutions, and an opportunity to create thousands of new jobs without pitting one industry against another or one region against another. It is a winner all the way around.

AMENDMENT TO STATE DEPARTMENT AUTHORIZATION BILL

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. RICHARDSON. Mr. Speaker, I will be introducing an amendment to the State Department authorization bill directing the Secretary of State to work with the Secretary of Commerce and submit a report, within 1 year after the date of enactment, to Congress on bilateral economic issues between the United States-Mexico. The Secretary of State shall identify problems in United States-Mexico economic relations which could be alleviated by the forming of a free trade and coproduction zone along the United States-Mexican border, and identify and analyze the potential effects on bilateral trade of the United States-Mexico Bilateral Commission.

The report required by this amendment may result in innovative approaches to resolving a number of difficult problems facing the two countries. First, both countries need to improve their international competitiveness. This is particularly important for the United States in light of our huge trade deficit. Second, both countries need to improve their border economies. This study, by calling its attention to the free trade zone concept, could create jobs in the border area. But let me stress that this would also have positive effects on companies throughout this country because of increased trade. Third, this study could develop a better strategy for dealing with the influx of illegal aliens. Addressing the current immigration problem by addressing the economic situation between the United States and Mexico is crucial if we really want to solve the immigration dilemma.

For too long, the United States and Mexico have addressed primarily the problems in our relations. In my considered judgment, the time has come to address potential opportunities. I urge my colleagues to support this amendment.

TRIBUTE TO THREE FALLEN FIREMEN: LARRY McDONALD, JR., LT. DAVID LAU, AND LT. PAUL SCHIMECK

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. HERTEL. Mr. Speaker, I rise today to pay tribute to three fallen firemen from the great city of Detroit.

Larry McDonald, Jr., Lt. David Lau, and Lt. Paul Schimeck each gave their lives while helping others by battling a fire in an abandoned warehouse in downtown Detroit on March 12. They were courageous men who spent their lives serving our city and its citizens by fearlessly facing these life threatening catastrophes.

Paul Schimeck joined the fire department in 1961 and his devotion to his work earned him three commendations; one for his performance during the 1967 riots and two for rescue operations in 1979 and 1983. Mr. Schimeck was a veteran of 26 years and was promoted to sergeant in 1978 and lieutenant in 1982. His dedication to the community extended beyond firefighting, as was evident when Mr. Schimeck devoted three of his personal days off to paint a field house on Belle Isle for a fire fighters charity softball tournment. He also often took fellow firefighters out on his boat for a day of fishing on the Detroit River. He will be sorely missed by his wife Karen, and sons David, Steven, and Mathew.

Larry McDonald came from a long family line of firefighters. His grandfather John retired as a fire inspector in 1963; his father Larry is a fire engine operator at Engine No. 44, his uncle Allan is a sergeant at Engine No. 59, and his uncle John served the fire department for 10 years before retiring in 1972. Larry McDonald was remembered by his fellow firefighters as a man who wanted to do it all because he had a heritage to follow. He was also just 2 days from receiving badge No. 465, which belonged to his uncle Allan McDonald. After securing his job, he planned to marry his girlfriend of 3 years, Melody Baldinelli. He was also a loving son who cared very much for his parents Larry Sr. and Shirley, and for his sister Julie and grandfather Ione Stratton.

David Lau joined the department in 1955 and by 1961 was promoted to firefighter driver. By 1977 he was a fire inspector and a fire training lieutenant at the academy. In 1979 he was promoted to sergeant and in 1985 became a lieutenant in the firefighting division. He won a commendation for action in the 1967 riot. David and his wife Isabelle would have celebrated their 10th wedding anniversary next month and were planning to begin work on a retirement home next week.

I salute these three great Americans. I feel their commitment, dedication, and devotion to public service epitomizes what a public servant should strive to achieve. The city of Detroit is forever grateful and indebted to these three heroes, and they will always be remembered in our prayers.

A true to life example for the need to update the Public Safety Officers Death Benefit Act is the tragedy felt in Detroit on March 12. I urge my colleagues to support the new Public Safety Officers Death Benefit Amendment which would increase the death benefit for police officers, corrections officers, and firefighters killed in the line of duty to $100,000. The amendment would also provide a cost of living adjustment at the start of each fiscal year to avoid further erosion of death benefits.

LEGISLATION TO ENCOURAGE DAILY PHYSICAL EDUCATION PROGRAMS FOR CHILDREN

HON. BEVERLY B. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mrs. BYRON. Mr. Speaker, today I would like to introduce legislation to encourage State and local governments and local educational agencies to provide high quality daily physical education programs for all children in kindergarten through grade 12. Senator TED STEVENS has presented a concurrent proposal in the other body.

During the 99th Congress, I introduced House Concurrent Resolution 344 which would have served the same purpose as that which I propose today. As a result of the wide ranging support that was shown on behalf of the resolution, I have chosen to reintroduce this important measure.

As I am sure you know, physical education helps improve a child's overall health by increasing cardiovascular endurance, muscular strength and power, mental alertness, bone development and posture. Statistics on overall physical fitness of children are somewhat alarming at present. Approximately 40 percent of boys ages 6 to 12 cannot do more than one pull up. One out of four cannot do any. Of the girls tested, 70 percent could not do more than one pull up, and 55 percent could not do any.

Studies have shown that physical education has a positive impact on a child's academic performance and self-esteem. However, physical fitness is not always a part of a child's education. In light of current budgetary strains, physical education has become an expendable part of our school systems. Presently, only 17 States have mandatory physical education. Only a third of all students participate in physical education classes daily—many get as little as 1 hour of such activity a week.

Unfortunately these cut backs are coming at a time when the overall physical fitness of kids is decreasing. Over the last decade, the prevalence of obesity, high blood pressure and elevated blood cholesterol levels has grown among young Americans. If not taught to take care of themselves and control these problems as youngsters, how can we expect them to effectively cope with health maintenance as adults.

Today, the temptations of television, junk food and computer games present formidable obstacles to the physical fitness of our children. For the sake of our Nation's health, we need to insure that kids today understand the importance of health and fitness. I strongly urge my colleagues to support this resolution and show their commitment to the development of a strong and healthy America.

CULTURAL RIGHTS AMENDMENT

HON. JAMES A. HAYES

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. HAYES of Louisiana. Mr. Speaker, I am pleased to introduce today a proposed amendment to the Constitution of the United States known as the cultural rights amendment. Its provisions are simply worded as follows:

Section I. The right of the people to preserve, foster, and promote their respective historic, linguistic, and cultural origins is recognized. No person shall be denied the equal protection of the laws because of culture or language.

Section II. The Congress shall have the power to enforce this article by appropriate legislation.

Sixty years ago, Cajuns in Louisiana were punished for speaking French on school playgrounds. The French language and French culture in Louisiana were regarded as inferior and deserving of suppression.

Twenty years ago, we reversed that policy with the establishment of CODOFIL, the Council for the Development of French in Louisiana.

In 1971, the first French-speaking Cajun in over a century was elected Governor of Louisiana. In 1974, our new Louisiana Constitution prohibited discrimination on the basis of culture (article I, section 3) and recognized "the right of the people to preserve, foster, and promote their respective historic linguistic, and cultural origins" (article XII, section 4).

All Louisianians are proud of their respective linguistic, and cultural heritages. Today Cajun food is popular throughout the country. Cajun music competes with rock and country western music, and Cajun painters hold art exhibits around the world enriching us all.

Ours was the first country in the world to stand foursquare for the principles of domestic freedom and democracy. America's role in the world is to be powerful and strong so that we can remain a beacon of light for expanding the ideals of freedom and democracy throughout the world.

We stand for expanding freedom. Our original Constitution prohibited aristocratic class distinctions. The first amendment insured freedom of religion. The 14th amendment prohibited race discrimination and the work of great men like Dr. Martin Luther King, Jr., gave reality to the words. The work of great women like Susan B. Anthony have led to laws prohibiting discrimination on the basis of sex. It is now time for our great country to follow the lead of my State and other great States and move toward greater freedom in the area of culture and language.

It is of the highest interest for our country, as the leader of a world of expanding freedoms, to respect cultural pluralism in our own country and around the world. How can we lead if in our land we seek to suppress French and other languages spoken around the world. Americans of all cultures can be a mighty force for world understanding, to say nothing of increasing our ability to export American goods and enhance American prosperity.

Many Louisianians are concerned about proposed English only amendments to the Constitution which have been introduced in recent years in the Congress. I offer the cultural right amendment as an alternative. Let the question of which amendment, if any, is in the best interest be freely debated and decided in the great American traditions of freedom and democracy.

ATB AND B-1: CONTINUED

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. ASPIN. Mr. Speaker, I rise today to raise an issue addressed earlier by SAM STRATTON and myself. Last week, after a lengthy investigation, SAM and I issued on behalf of a special Armed Services Committee panel a detailed report on the Air Force's B-1 bomber program.

What we found was disturbing.

We found an aircraft with limited capabilities because of problems including defensive electronics and flight controls.

We found an Air Force management structure that failed to advise senior Pentagon officials and the Congress of problems in the program.

And we found at least 4 years of delay before full operational capability of the B-1 bomber may be reached.

These problems raise some important questions that the House must consider as it reviews the defense authorization bill.

First, how much should we pay to fix the B-1. If we leave it to the Air Force, it could be very expensive—about $3 billion. I am not sure that is money well spent.

Second, it is important that the lessons learned from the B-1 be applied to the advanced technology bomber. The ATB is one of the Nation's highest priority strategic programs, and exercising our responsibility of oversight is critical if the ATB or stealth bomber is to avoid becoming another B-1.

The same panel that investigated the B-1—the Research and Development and the Procurement subcommittees—is now looking at all the critical elements of the ATB. That review should be finished later this month.

On fixing the B-1, however, we must be careful.

For example, what will it cost to fix all the B-1's problems? Since we don't have solutions to all the known problems, we cannot be sure of the costs.

And, there is the question of fixing the problems we do not yet know about. The test program is scheduled to run until May 1989—2 years from now—and more problems may yet crop up. That adds more uncertainty.

Finally, the Air Force has already proposed $2.5 billion in so-called program enhancements. In the Air Force budget and management structure it is sometimes hard to separate the fix from the enhancement. The Air Force wants to add a series of enhancements that—they contend—shouldn't be charged against the baseline system. But that is an accounting word game. Whether fixed in the baseline, or funded as an enhancement, the dollars are real.

In all this confusion, Sam and I agree on one thing. The days of the Congress giving the Air Force a free hand on the B-1 are over.

The support of any budget requests for B-1 enhancements is premature until the baseline performance of the aircraft is clearly established and stabilized. Until that capability is demonstrated we should hold to a philosophy that supports required developmental and operational testing, but also, reserves judgment and provides no funds for the so-called B-1 enhancements.

Without a clear demonstration of B-1 performance, it will be impossible for Congress to evaluate the need for potential enhancements and determine whether such enhancements are worth the cost.

In the Procurement Subcommittee, chaired by SAM STRATTON, we have cut $150 million of the $425 million requested for B-1 replenishment spares. The spares cut are all those requested for the ALQ-161A defensive avionics system that isn't now working. The approved spares are for such things as engines that are not on the laundry list of problems.

With at least three intermediate fixes required before the ALQ-161A meets its original baseline, it makes sense to hold off on buying spare parts until those spare parts and the total system work.

In the research and development accounts, $416 million was requested mainly to extend the flight test program. The additional time and money is necessary to further diagnose problems in all the systems.

The R&D subcommittee recommendation is fourfold.

One, we recommend authorization of $375.0 million to conduct the necessary flight tests in fiscal year 1988.

Two, we prohibit the Air Force from undertaking any fixes, enhancements or modifications to the B-1B until specific congressional approval is obtained, including the reprogramming of funds.

Three, the Air Force is directed to study the feasibility of bringing on a systems integrator to complete the necessary work on the defensive avionics system and report its findings to the committee by February 1, 1988.

And, four, the Director of Operational Test and Evaluation is required to submit quarterly reports to the Committees on Armed Services and Appropriations on the progress of the flight test program.

The administration submitted a 2-year budget request. For fiscal year 1989, it requested B-1 R&D money totaling $387 million and procurement funds totaling $664 million. The subcommittees have approved no funds at all for the B-1 for 1989. We felt we needed to keep this program on a short leash.

Until more substantial data is back from the testers, until the Air Force demonstrates that it can manage the program and meet basic system specifications, Congress should limit B-1 expenditures to only those absolutely necessary for the test program.

BUDGET REQUEST: FISCAL YEAR 1987

[In millions of dollars]

	Procurement	Research and development
Air Force request	425	416
Subcommittee cut	(150)	(41)
Recommended authorization	275	375

KILDEE HONORS BAKER COLLEGE

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. KILDEE. Mr. Speaker, I rise today before my colleagues to pay tribute to one of the finest institutions of higher learning in our great State of Michigan, Baker College of Flint, MI. For more than three-quarters of a century, Baker College has been a leader in the educational field in Michigan, and it has been amazingly successful at training students for employment. Last year, less than 2 percent of Baker's available graduates were unemployed, a figure which reflects the college's high academic standards.

The fine reputation Baker College has built has attracted students from throughout the country. Enrollment has soared from 158 students in 1968 to 2,600 students today. Baker College recently became regionally accredited by the North Central Association of Colleges and Schools, making the college eligible to grant bachelor degrees in its three areas of study—secretarial, business administration, and applied science. With employers and consultants lending their expertise through hands-on instruction, Baker College is uniquely qualified to train students to enter the work force with experience and ability.

Baker College was the first school of higher education in the Flint area, founded in 1911 by the legendary Eldon E. Baker, a business educator who came to this bustling timber region to train workers for the fledgling automotive industry. He developed his school with the idea that every graduate should have the opportunity to acquire the skills to find quality jobs. More than 2,000 of his students found employment during the first 10 years of the school. Area businesses benefited from the trained Baker graduates for nearly 60 years before Robert Jewell, an innovative educator, expanded the college's horizons and curriculum into new areas of study. With this growth, enrollment soared.

To handle the increased number of students, the campus was expanded in the 1970's. Much of the expansion can be credited to a visionary team in place for almost 20 years, comprised of Mr. Edward T. Kurtz, president; Mr. John T. Brown, vice president for academic affairs; and Mr. Joseph Gasper, vice president for student services. Under the direction of these three leaders, Baker College has built or added a building to the campus every other year since 1971. New classroom and apartment buildings and a sparkling new student center were constructed. In the past 3 years, the college added a branch in Owosso and merged with Muskegon Business College. These expansions have swelled the Baker College enrollment to more than 4,000, making it one of the largest private colleges in Michigan and placing the school in the top 5 percent nationwide.

The faculty, the backbone of Baker College's success, is made up almost entirely of master's and doctorate degree holders with practical experience who constantly pursue education and training. Using state of the art equipment and innovative instruction methods, the faculty members are able to maintain excellent one-on-one educational relationships with their students. The educational experience is often extended beyond the walls of the school, with regular field trips to all parts of the United States as well as to Europe.

Mr. Speaker, I rise today to congratulate the faculty, staff, and students of Baker College of Flint, MI, for their service to the community during the past three-quarters of a century. I rise today for thousands of Americans who have received the training from this fine institution to find quality jobs and build the thriving community of Flint. The dedication and hard work of the people of Baker College is a credit to the field of education and to the people of Flint.

EAGLE SCOUT THOMAS JOHN STERBA II

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. LIPINSKI. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues the achievements of a fine young man from my district, Thomas John Sterba II. Tom will be honored for achieving the highest rank in scouting, that of "Eagle Scout," at a private ceremony on May 3, 1987.

The path to Eagle Scout is truly a long and difficult one. It requires an extraordinary amount of dedication and determination not usually seen in youths of this age. The tasks which must be completed to become an Eagle Scout cover virtually every realm of human experience. Some require intellectual and creative abilities while others call for physical agility and strength. Some tasks help integrate the young man into society through community action that benefits his neighborhood and world. Still other acts are performed alone to assist his growth and maturity as a person. The central challenge is, however, to set and strive for goals through initiative and dilligence.

Young men like Tom are leaders. The achievement of Eagle Scout is likely to be only the beginning of a future full of accomplishments, for this young man has shown that he can perform exceptionally well without a compelling hand of authority over him. I say this not to downplay the importance of the encouragement he received from his family and scout leaders but, rather, to assert the independence and self-motivation he has already shown.

Tom, your achievement of becoming an Eagle Scout is praised and applauded. It is with sincere pleasure that I commend you, Thomas John Sterba II, before my fellow Members of Congress.

GIL EVANS: MASTER COMPOSER-ARRANGER-PIANIST

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. DELLUMS. Mr. Speaker, I rise to honor one of the world's most original and provocative composer-arranger-pianists in jazz history, Mr. Gil Evans. Tonight, I will have the privilege of presenting this great genius with the Ronald V. Dellums Award for Lifetime Achievements in Jazz at the 13th annual Pacific Coast Collegiate Jazz Festival at Zellerbach Auditorium on the campus of the University of California, Berkeley.

Gil Evans will be performing with this 14-piece orchestra tonight as part of a series of national and international celebrations of his 75th birthday. This will mark his first bay area appearance in almost 15 years and his only west coast engagement on this tour.

Mr. Evans first gained national and international recognition as composer and arranger of the landmark albums by Miles Davis in the forties, fifties, and sixties, which are now legendary in jazz. He earned a Grammy Award in 1960 for "Sketches of Spain", the Miles Davis album which includes Evans' memorable arrangement of Rodrigo's "Concierto de Aranjuez."

Besides his many accomplishments in music, which I am about to enumerate, it is noteworthy that Gil Evans spent some of his formative early years in California, attending school in Stockton, Hollywood, and Burbank, and as well as attending Berkeley High school in my own congressional district. He attended Modesto College and led his first band in Stockton, from 1933 to 1938.

Consistently voted Composer-Arranger of the Year in Down Beat magazine critics's polls, Gil Evans is celebrating the release of two current albums, "Live at Sweet Basil," on Gramavision, and the two-volume set, "Live at the Public Theatre,"on Blackhawk, a record company headquartered in San Francisco.

Gil Evans' busy musical career includes weekly performances by his orchestra at Sweet Basil in Greenwich Village and writing film scores and touring Europe. His recent film credits include the score for the Paul Newman movie, the Color of Money, and scoring Absolute Beginners, a British import starring David Bowie, among others.

The Evans band tours Europe several times a year. Their 1986 schedule included concert in Italy, France, Germany, Austria, Holland, Switzerland, and Denmark. Gil Evans was commissioned to write a waltz for the inauguration of the Orchestre National du Jazz of France, which has recorded his work in its first album.

The 1987 touring schedule includes a performance by the orchestra in London on his 75th birthday, May 13, as part of a BBC special. Performances are also scheduled in France, Belgium, and Italy, along with publication of his biography by an Austrian music writer.

Gil Evans' musical career begin in the forties, when he worked with the innovative Claude Thornhill band, producing cool, elegant arrangements of bop hits such as Charlie Parker's "Anthropology" and "Yardbird Suite." He wrote moody counter-melodies to Thornhill's sparse piano "Lover Man," showed himself adept at orchestrating up-tempo bop tunes like "Donna Lee," and demonstrated his swinging side on "Buster's Last Stand."

His arrangement employed French horns as well as the conventional brass, reed, and rhythm sections, and reportedly showed more originality in their variety of tonal textures than almost anything else being created in the dance band or jazz fields at that time. However, Evans was largely ignored by the music critics and was therefore unknown to the public.

Toward the end of the forties, he became involved with a group of musicians in an informal workshop experimenting with newer forms for small groups. The instrumentation was unique—trombone, tuba, and French horn added to the usual rhythm section. In 1948 and 1950, these sessions, which included Miles Davis, Gerry Mulligan, and John Lewis, produced the "Birth of the Cool" album, for which Evans scored "Moonbeams" and "Duplicity." This collaboration at last brought Gil Evans to national attention.

Evans never played any instrument professionally until 1952; at that time, he took up piano. During that period, he also wrote arrangements for Benny Goodman, the Dorsey brothers, Pearl Bailey, Peggy Lee, Tony Bennett, and Johnny Mathis. By 1958, he was a recorded bandleader in his own right.

Toward the end of the fifties he was reunited with Miles Davis. Their collaboration produced such historic albums as "Sketches of Spain," Evans' 1960 Grammy Award winner, and "Quiet Nights," on which he introduced several bossa nova numbers, including "Corcovado," before that Brazilian form had become established here. Also, there were "Porgy and Bess" and "Miles Ahead," with the memorable Gil Evans composition, "Blues for Pablo."

In the sixties, Gil Evans made recordings of his own which included "New Bottle, Old Wine," World Pacific, which contains his classic modern version of "Davenport Blues"; "the Gil Evans Orchestra;" "Out of the Cool," often remembered for its rendition of "La Nevada"; "Individualism of Gil Evans"; "Great Jazz Standards," World Pacific; and "Big Stuff," New Jazz. He also wrote and arranged for Helen Merrill on "Dream of You," Emarcy; Don Elliott on "Jamaica Jazz" ABC Paramount; Hal McKusick's "Jazz Workshop"; and "Teddy Charles' Tentet."

In 1969, he made an entirely new recording, "Gil Evans," which represented a total and highly contemporary departure from earlier work. His music had now opened up to influences of rock, free jazz, and electronics. New York Times critic Robert Palmer wrote of his RCA album, "the Gil Evans Orchestra Plays the Music of Jimi Hendrix": "This is the masterpiece of Gil Evans's electronic period and one of the Fall's unalloyed delights."

Album releases of the 1970's included "Blues in Orbit," Inner City, containing complete 1969 big band sessions and part of 1971 sessions; "Where Flamingos Fly," Artists House, containing the remainder of the 1971 sessions; "Little Wing," Inner City, a live recording made in Germany in 1978 by a nine-piece band; "At the Royal Festival Hall," RCA, a complete concert recorded in 1978; "the Best of Gil Evans Live," Mole, also covering that concert; and "There Comes a Time," RCA.

His 1980's releases include "Svengali," Atlantic, and "Gil Evans: Priestess," Antilles, which was nominated for a Grammy Award in 1983.

Gil Evans has been the recipient of many awards. In 1968 he received a Guggenheim Fellowship for composition, becoming the first American artist to be awarded both a Grammy and a Guggenheim. In 1985, he was awarded an honorary doctor of music degree from the New England Conservatory of Music and in that same year won an American Jazz Masters Fellowship from the National Endowment for the Arts.

Other honors include the National Music Award for contributions to America's musical heritage, 1976; the Silver Award of the Japanese Swing Journal Critics Poll, 1982; the BMI Jazz Pioneer Award, 1985; and the Eubie Award of the Governors New York Chapter of the National Association of Recording Arts and Sciences, 1985. He performed at the White House during the Carter administration, 1978.

This concert is part of the 13th annual Pacific Coast Collegiate Jazz Festival, Friday and Saturday, April 10–11, at UC Berkeley, which will draw student musicians and music faculty from 150 colleges in a nine-State region for workshops, clinics, seminars, competitions, and concerts. Two winning collegiate combos from the festival's competition will open tonight's concert, followed by the Gil Evans Orchestra.

The Pacific Coast Collegiate Jazz Festival is administered by the Jazz Ensembles Program of UC Berkeley, which is directed by bay area pianist and recording artist Susan Muscarella. Student coordinator for the festival is John Yi.

The Gil Evans Orchestra is appearing in association with Sharlene Hirsch Enterprises, which is serving as consultant on talent coordination, fundraising, and public relations to the festival.

A TRIBUTE TO F. ALEXIS H. ROBERSON

HON. WALTER E. FAUNTROY

OF DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. FAUNTROY. Mr. Speaker, I rise today on behalf of F. Alexis H. Roberson, a constituent of the District of Columbia, who deserves to be recognized for her more than 25 years of distinguished public service to our community.

Mrs. Roberson, as a member of Mayor Marion Barry, Jr.'s cabinet, is the director of the D.C. Department of Employment Services, the city agency charged with helping district residents to prepare for, find, and maintain gainful employment. She is the first woman to hold this key post.

Under her leadership, the Department of Employment Services is working to ensure the quality of employment conditions for wage earners by protecting their health, safety, rights and benefits, and to increase economic growth and social stability in the District by generating a comprehensive and diversified approach to promoting jobs and attracting new employers to Washington.

She is also the former director of the D.C. Department of Recreation from 1983 to 1986. She was the driving force behind moving that agency to the center stage in community life, and for successfully intergrating the traditional recreation concept with new leisure programs and services aimed at coping with social changes and cultural diversity throughout the Nations Capital. She also has devoted much leadership to District of Columbia civic institutions such as the Shaw Community Center Food Committee, the Urban Planning Organization and the United States Youth Games. She is a former member of the board of trustees of the John F. Kennedy Center for the Performing Arts.

For more than 14 years, Mrs. Roberson served with the Washington branch of the Opportunities Industrialization Center [OIC], an organization respected nationally for its work in employment training and job placement.

On Friday, April 10, 1987, at the Capital Hilton, the citizens of the District of Columbia and of the United States will honor Mrs. Roberson at an awards dinner. It is an honor well deserved and one given to an individual who has dedicated her life to public service.

As a resident of the District of Columbia, I am pleased to salute F. Alexis H. Roberson for her many contributions to the Washington community and to the Nation.

THE SSC AND AMERICA'S FUTURE

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. UDALL. Mr. Speaker, I wish to call to the attention of my colleagues the need for adequate funding for the proposed superconducting supercollider. I support congressional funding of the supercollider because it would give mankind a better understanding of the world we live in and the universe which surrounds us.

On the pragmatic side, employment and advanced technology industries would come to life in the next 10 years. The economics of the supercollider are not all that concern me, I feel that it represents the desire of Americans to pursue the frontiers of human knowledge. No boundaries are too tall or too wide for American ingenuity and persistence to overcome. We have lead the world to the bottom of the ocean and to the surface of the Moon, now we must lead the world to the frontier of particle physics.

By understanding properties and characteristics of high-energy subatomic particles we further our knowledge of the basic composition of the universe. The more we probe into the mysteries of the subatomic world the more we learn about the stars. Tests can be conducted today to recreate what happened at the beginning of time. The supercollider would take the world farther back through time than is possible by any current cyclotron. The SSC would run at 40 trillion electron volts, nearly 10 times the power of the world's present most powerful collider. We can probe hundreds of times deeper into the atom with this much power.

This opportunity to move into the future would provide U.S. researchers with the facilities to be on the cutting edge of physics. America prospers because of our willingness to probe the frontiers of humanity and science. The SCC is our chance, let's not pass it up.

DOMESTIC ENERGY SUPPLY ACT OF 1987

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. DANNEMEYER. Mr. Speaker, the "Domestic Energy Supply Act of 1987" represents a package of energy sound and environmentally sensitive measures which can be taken to stimulate domestic energy production and ensure adequate supplies of energy at reasonable cost to consumers. This bill is intended to stimulate productive forces by removing unnecessary governmental restraints and regulation. This bill presents an effective alternative to the over-regulated, understimulated industry which exists under current regulation. The nine titles in the bill would:

First, phase out decontrol of natural gas prices, nondiscriminatory pipeline carriage;

Second, authorize exploration and development of the Arctic National Wildlife Refuge [ANWR];

Third, repeal the windfall profit tax;

Fourth, institute a two-tier leasing system with an initial round of competitive bidding followed by a lottery if necessary;

Fifth, permit independent gas producers to enter into cooperatives without incurring antitrust liability. The cooperative must not be for the purpose of fixing prices;

Sixth, deregulate the rates of common carrier pipelines that transport oil and oil products. FERC could reimpose rate regulation upon a showing of market control;

Seventh, direct the President to enter into negotiations with the Japanese Government to implement the 1983 Reagan-Nakasone "Joint Statement on Energy Cooperation" in which the Japanese agreed to expand their use of competitively priced United States coal. The President would report to Congress on progress of negotiations and recommend legislative solutions if needed;

Eighth, direct the Secretary of Energy to ensure Government use of methanol powered vehicles. This title provides for demonstration of methanol trucks and buses. Credits against CAFE requirements would be given to auto manufacturers that make methanol vehicles; and

Ninth, preclude any absolute moratorium on leasing tracts for oil and gas development on the Outer Continental Shelf.

Natural gas is a clean-burning domestically abundant fuel that accounts for approximately one quarter of all U.S. energy consumption. At the close of 1985, the United States had an estimated 193 trillion cubic feet of proven reserves with another 593 trillion cubic feet to be discovered—reserves which are plentiful and compare favorably with other nations.

Title I of the Domestic Energy Supply Act of 1987 will stimulate the economy by removing governmental controls on natural gas. Current Government policy prohibits natural gas producers from obtaining market value from their old wells and thus discourages production of this vast resource. These conditions encourage the United States to depend on oil imports more than it needs to.

Decontrol of all wellhead gas prices would increase the proportion of old gas in the market and lower average prices. Elimination of restrictions on gas use would allow gas to compete with other fuels and allow freedom of fuel choice. In addition, opening up pipeline transportation will allow buyers to shop for least-cost gas supplies and encourage competition.

The Energy Information Administration estimates that continuation of Federal price ceilings on gas from wells drilled before the adoption of the Natural Gas Policy Act of 1978 will cause the premature abandonment of those wells and a permanent loss of up to 34 trillion cubic feet of otherwise economically recoverable natural gas. This is enough gas to meet the total consumption of the United States for 2 years.

The recent energy security report to the President which was issued by the Department of Energy estimates that the United States would experience a net gain of $16 to $24 billion in revenue between 1988 and 1995 due to increased efficiency in the use of natural gas. Residential consumers could save as much as $25 to $45 on each annual gas bill. In addition, the United States would need to import 300,000 to 350,000 barrels less per day between 1988 and 1995.

The President's energy security report suggests that the United States is capable of increasing the use of coal while reducing combustion emissions. One means of expanding the use of coal is to pursue a vigorous trade policy to increase U.S. exports of coal and coal technology. Title VII of the Domestic Energy Act directs the President to encourage expanded coal exports with the Japanese by entering negotiations to implement the 1983 Reagan-Nakasone "Joint Statement on Energy Cooperation".

This Nation has more coal than any other fossil fuel resource. Since the late 1970's the use of coal has increased due to higher oil and gas prices and improved air quality. In 1985, the United States used approximately one quarter of a billion tons more coal than it did in 1974. The electricity sector increased its utilization of coal by 70 percent in the past decade and cut its use of oil by more than two-thirds. Broader use of coal tempered with clean coal technology can boost U.S. employment and improve the U.S. balance of payments without adversely affecting the environment.

Title VIII of the Domestic Energy Supply Act of 1987 directs the Energy Secretary to ensure that the Government use methanol powered vehicles. It would also provide for demonstration of methanol trucks and buses. A Federal fleet demonstration could begin to break the "chicken and egg" cycle by assuring a limited market for both vehicles and fuel. The California Energy Commission indicates there is sufficient methanol available on the world market to support the introduction of methanol vehicles. In fact, current excess capacity is at least 1 billion gallons per year—enough to operate 1 million cars.

Additional capacity is coming on line and it is expected that 40-50 billion gallons of methanol per year could be produced at relatively low price from remote flare natural gas. This supply could meet the demands of 40 million cars—twice the current vehicle population in California. Beyond that, methanol can be produced from our huge domestic supply—at a higher price.

The Environmental Protection Agency has found that methanol may reduce NO_x emissions by 50 percent and increase efficiency by 25 to 30 percent when used in optimized automobiles as compared to gasoline vehicles. In methanol-powered buses, testing suggests that NO_x emissions could be reduced by 50 percent and smoke and particulates could be almost entirely eliminated. Efficiency in methanol-powered buses could be increased by 5 to 10 percent.

Titles II, IV and IX address the need to continue exploration and development of our Nation's oil resources in order to ensure energy security and independence. U.S. domestic oil production is declining at an alarming rate, with production off by almost 4 percent in late 1986 from a comparable period in late 1985 and with, for example, the Congressional Research Service estimating that total U.S. proven reserves could drop by 18 percent by 1995. In 1986, total U.S. production of crude oil declined by almost 880,000 barrels per day from the average in 1985. It is estimated that by the end of the year the United States will have lost up to 1.5 million barrels a day in oil production. While it is true that much of this decline is due to last year's precipitous drop in oil prices, it is clear that production of crude oil in the United States has been in decline for long time.

Despite being the second-largest oil producer, the United States contains only about 4 percent of the world's known oil reserves. U.S. oil reserves of about 28 billion barrels equal only about 9 years of its current production. As of 1986, about 80 percent of all the wells ever drilled worldwide—2.9 million—had been drilled in the United States. Because the United States has been explored so extensively already, most of the very large oil fields here have probably already been discovered. As a result, the finding rate in the United States—amount of crude oil found per foot of well drilled—has been declining.

As crude oil prices approach the average cost of U.S. oil production, an increasing amount of U.S. production becomes uneconomic. For instance, marginal or stripper wells that produce small quantities of oil but represent 15 percent of U.S. production are shut in and eventually plugged and abandoned. Lower prices retard capital formation and result in fewer reserve additions. The lack of drilling activity then increases import dependence and weakness the domestic industry. As a result, the United States is once again becoming increasingly dependent of foreign sources of oil. Net imports have risen from 27 percent of domestic consumption in 1985 to approximately 38 percent today. Furthermore, it is estimated that imports will account for 47 to 65 percent of U.S. consumption by 1995.

The onshore region of the lower 48 States has been so completely explored that there is very little likelihood of discovering any more big oil fields equal to even half the size of Prudoe Bay, which added 10 billion barrels to U.S. oil reserves—the largest oil field ever discovered in the United States. The next largest oil field, east Texas, added 6 billion barrels to domestic reserves.

Offshore regions and Alaska's Arctic National Wildlife Refuge [ANWR] now offer the highest likelihood of finding really new oil fields. ANWR is probably the most promising region of the United States with approximately 9 billion barrels of undiscovered crude. There may be as much as 28 billion barrels of recoverable crude oil in the Outer Continental Shelf areas, with about 4 billion barrels of recoverable undiscovered oil resources estimated to be off the California coast.

Given the long lead time for discovering and developing oil resources, about 10 years, there is a clear need to begin leasing Federal lands now so that domestic sources of oil will be available when we need them most. The Domestic Energy Supply Act of 1987 encourages increased exploration and development by: First, authorizing exploration and development of oil and gas reserves in ANWR, (title II); second, providing for a two-tiered leasing system for onshore oil and gas, (title IV); and third, precluding any moratorium on leasing tracts for oil and gas development on the OCS, (title IX).

The need to ensure U.S. energy independence is apparent. The Domestic Energy Supply Act of 1987 will give our energy industry the incentive to explore for our energy resources. I urge my colleagues to loosen the Government control to provide incentive to the private sector to expand our energy resources and guarantee our energy independence.

FINALLY, A PROGROWTH TRADE BILL THAT CREATES JOBS

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. COURTER. Mr. Speaker, it gives me great pleasure to finally see a trade bill that will help American trade while at the same time increase growth and employment. I am referring to the American Trade, Growth and Employment Promotion Act of 1987 recently introduced by Senator GRAMM and Representative JACK KEMP.

H.R. 1282 would require the President to initiate negotiations to establish a North American free trade zone; authorize the President to pursue and establish expanded trade areas with other countries; and require the Congressional Budget Office to develop a consumer impact statement for any reported trade bill so that Congress and the American people understand the costs associated with a specific piece of trade legislation. Additionally, the bill seeks to provide Presidential authority to agree on reciprocal expanded trade areas with competitors of countries which consistently engage in unfair trade practices, to encourage them to reduce those barriers in order to receive more favorable treatment by the United States; to extend fast-track authority for an agreement reached during the Uruguay round of GATT negotiations; and to direct U.S. representatives to multilateral development banks to vote against any loans to borrowing countries that refuse to lower identified trade barriers.

So many of the trade bills currently circulating in Congress are clearly protectionist. Others, while providing short-term solutions, have the potential for devastating long-term effects. This growth-oriented bill achieves sound economic policy amid politically sensitive areas. It is imperative that America keep her own markets open while at the same time expand access to foreign markets. Trade is the key to jobs and an increased standard of living while still allowing consumers to chose from a wider variety of goods and services at competitive prices.

I commend Senator GRAMM and Representative KEMP for providing clear insight into the trade problem. Enactment of this protrade, progrowth bill will enhance our economic future without building walls around free trade, just the ticket America needs.

NEW JERSEY SCHOLARS AMONG WINNERS IN YOUNG WRITER'S CONTEST

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. SMITH of New Jersey. Mr. Speaker, last year I joined many of my colleagues in support of the National Young Writer's Week to recognize the vital importance of outstanding and creative writing skills among young scholars.

Being able to express oneself through the written word is an invaluable tool for every American citizen and every leader. The best time to nurture these skills is early in life and I believe, Mr. Speaker, we must provide every encouragment to our young students to develop this aspect of their educational experience.

In addition to the oustanding work being done by teachers in our schools, one of the nationwide opportunities available to youngsters is the National Young Writer's Contest. Students in grades one through eight may submit poems, short stories or fables for review and the 100 best stories are then published in the anthology, "Rainbow Collections: Stories and Poetry by Young People."

With over 5,000 entries from 35 States and Guam submitted in this year's contest, I was pleased to learn that 3 of the approximately 100 winners are from schools in my congressional district. Mr. Speaker, at this time I wish to congratulate Jason Engleka and Eric Han, students at West Windsor/Plainsboro High School, and Bryan Gmitner, an eighth grader at Grice Middle School, for their superbly written entries. It is my hope that this honor will further encourage these young scholars and their peers to strive for excellence in their writing.

GOLDEN ANNIVERSARY OF THE TAMBURITZANS

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. RITTER. Mr. Speaker, the Tamburitzans are marking their 50th year as folk performers in North America. From their inauspicious beginning in 1937, a handful of students at Duquesne University in Pittsburgh, PA, they have grown to a major ensemble of 40 performers. The Tamburitzans attract students from all parts of America, including the Lehigh Valley of Congressional District 15, and from a variety of ethnic and religious backgrounds.

The Tamburitzans, the major performing folk ensemble of North America, are comprised of students who are all on scholarships and most are on Dean's List throughout their college careers. These performers combine significant attention to academic life with a diverse medley of all the East European cultures. Such a bright and varied mosaic of cultural influences can hardly be encountered anywhere else. The showpiece of the Tamburitzans is the tambura, the musical instrument from which the group takes its name.

The U.S. Congress has every good reason to celebrate with the Tamburitzans their Golden Anniversary. These students and their leaders are ambassadors of good will and the highest ideals of peace and freedom not only throughout the continent but in the 26 nations they have already toured.

The Tamburitzans folk ensemble present us with an image of people with differences and various outlooks who can come together in a unity of great beauty and harmony without submerging those individual distinctions. A hearty congratulations and sincere gratitude from an admiring Representatives.

THE 40TH ANNIVERSARY OF THE CHARLEMONT LIONS CLUB

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. CONTE. Mr. Speaker, it is my distinct pleasure to announce the 40th anniversary of a local chapter of Lions International, the Charlemont Lions Club of Charlemont, MA. It has been a worthy and vital part of my district through its contributions of time, effort, and resources to not only help those who need basic care for sight and hearing problems, but to aid the people of its community in a variety of other ways.

The Lions International, which was founded in Chicago in 1917 by Melvin Jones, was challenged by famous American Helen Keller to help the blind and the deaf. Since then, Lions Clubs have been dedicated to helping those with eye and ear impairments, and the Charlemont chapter has, since its inception, been an outstanding example of this ideal through the effort and generosity it has shown.

The club has several specific concerns to which it donates funds, including health, education, disaster relief, aid for the elderly, and patriotic projects, as well as grants to local related organizations. The main focus of the Charlemont Lions Club is the youth and elderly, who may not be able to afford the services they need. It provides eye glasses for those in need of them, and sponsors health education classes. Other money goes to an emergency sight and hearing fund, as well as a relief fund for fire victims. The Charlemont Lion Club also supports several local youth programs, including the 4-H capon project, and Boy and Girl Scout posts.

Other grants go to fund two scholarships to help defray costs for local college freshmen, and to sponsor youths to go to the All-State Band and the "American Soccer Ambassador" team. In addition, the club helps support the Clarke School for the Deaf and the Hearing Ear Dog Program, and aids in the town of Charlemont's Children's Christmas Party, the Memorial Day Parade, and the Charlemont Policemen's and Firemen's Associations.

On May 2, 1987, Mr. Speaker, the Charlemont Lions Club will be celebrating its 40th anniversary of public service. Its members have worked hard over the years to benefit the people around them. The initiative and community spirit they have shown is highly admirable, and their consistent effort over the past four decades is an inspiration and challenge to us all.

INPUT AND INSIGHT

HON. PATRICK L. SWINDALL

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. SWINDALL. Mr. Speaker, recently I met with my six local advisory councils in Georgia. I formed these councils to give citizens in my district a direct opportunity to share their input and insight with me. These groups include citizens interested in agriculture, the environment, education, senior citizen issues, veterans affairs, and the Federal budget.

I found these meetings very valuable. They gave me an excellent opportunity to hear directly from many of the people I represent in the House. Hearing directly from people outside Washington is important for all of us in Congress.

Because the opinions aired at the advisory council meetings affect legislation we're considering here in Congress, I am making available here a summary of the major topics discussed at these council meetings.

AGRICULTURE

Members of my agriculture advisory council expressed concern for the financial crisis in rural areas and agreed generally that the government should reduce its role in farming.

All the advisory council members at the meeting expressed genuine concern for those farm families who are faced with lower prices, decreased exports, and possible bankruptcy. They emphasized that people in urban areas, such as Atlanta, should understand that there is tremendous difficulty in those areas.

The people felt the Federal Government should support agricultural research and take action against trading partners who subsidize their farm exports. One gentleman stated that the farm programs begun during the FDR era were meant to be temporary, but that they have now become a grand "vote-buying scheme."

People expressed the belief that farmers would face a more stable situation if farm programs were based more on the free market and less on politics.

ENVIRONMENT

The vast majority of the constituents supported a smoking ban on airline flights and in Federal buildings. Two people, however, did speak up for smokers' rights.

Several citizens were concerned about the growth of billboard advertisements. One person suggested that the signs be near major intersections rather than in the rural areas.

A lengthy discussion took place regarding the State's safe asbestos certification law and why it applies to contractors but not to architectural and engineering firms. The person who brought this up said the Superfund has a specific section dealing with this and asked what the Federal Government could do to control the use of asbestos.

Other topics of interest were acid rain, nuclear waste disposal, clean water, landfills, and air pollution. Many other issues came up but these are under State and local jurisdiction.

EDUCATION

The education advisory council meeting was very well attended and included many teachers, administrators, parents, and grandparents.

One of the main concerns that was shared, was the need for self motivation and reponsibility to be emphasized in the classroom—especially in the primary years.

Many individuals expressed their concern that values, integrity, and self discipline were not being instilled in our young people. These basics provide the crucial foundation of educating our youth and enabling them to develop into responsible citizens. This belief was further expressed in the advisory council questionnaire I sent out a month before the meeting, where 90 percent of the respondents signified the need for more discipline as the No. 1 problem facing our education system today. Along this same line, several indicated the need for teacher training programs in the areas of classroom management and discipline.

In addition, several suggested giving tax incentives to businesses who provide support for high school vocational training programs. This action would not only serve to improve these programs, but also better train our citizens in technical trade areas, enabling our country to become more competitive against foreign nations.

The participants stressed parental and local involvement in schools, and opposed increasing Federal control of education. In Congress I represent this position by supporting measures which would improve and strengthen our education system by giving greater control to local school districts and increasing parental choice.

VETERANS

Many veterans expressed the need to protect benefits that the Federal Government promised them years ago. I agreed with them that Congress should not forget the commitments made to our veterans at a time when they were willing to serve our country in its time of need. They agreed that benefits are eroding at a time when costs, especially medical costs for the elderly, are increasing. There was also strong opposition to any proposal to reduce the annual cost of living adjustment [COLA].

Medical care was also a major concern of the veterans. Many shared frustrations they experienced at the Veterans Medical Center in Decatur. The lack of parking and crowded conditions were the main complaints. There was unanimous support for the proposed clinical addition and parking deck that has been proposed. As a result of this meeting, I testified before the House Veterans Affairs Subcommittee on Hospitals and Health Care on March 11 to express the great need for this expanding services at the Decatur hospital in order to provide quality care for our veterans.

The veterans expressed overwhelming support for continued attempts to locate prisoners of war and missing in action [POW/MIA] soldiers. A majority of the members of the council supported continued funding of the strategic defensive initiative [SDI] and also support for the freedom fighters in Nicaragua.

SENIOR CITIZENS

The need for better health insurance was an overwhelming concern raised during the senior citizen advisory council's well-attended meeting. A program to better educate the general public about risks, costs and financing options available for long term health care, was suggested because of the general confusion over what insurance options are available to senior citizens. Several council members called for better savings incentives for all citizens, so that they can be better prepared for any future health needs.

Many were also concerned about the high medical costs and the lack of information available about which doctors participate in the Medicare system. One person suggested that cost-of-living-adjustments [COLA's] should be based on the rise in medical costs, instead of just the Consumer Price Index [CPI].

Everyone agreed that Social Security should be taken off-budget. They were afraid that Congress will be tempted to spend the funds for other purposes.

BUDGET

The overwhelming concensus of the budget advisory council was that Congress needs to balance the budget. Most agreed that the best way to reduce the budget deficit is to reduce spending instead of raising taxes. Some of the suggestions for reducing spending included implementing more of the ideas from the Grace Commission which call for the elimination of waste and fraud in government programs; reducing the amount of financial support for former Presidents; relying more on local resources to meet needs instead of the Federal Government; and privatizing some of the Federal Government programs.

As a result of the meeting I introduced a resolution, House Joint Resolution 184, which proposes an amendment to the Constitution requiring Congress to balance the Federal budget.

CHAMPION YELLOW JACKETS OF LEXINGTON HIGH SCHOOL

HON. HOWARD COBLE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. COBLE. Mr. Speaker, an old sports adage reminds us that one of the toughest goals to accomplish is to repeat as champion. It is one thing to win a championship; it is quite another to repeat that task. If you don't think so, then ask the Chicago Bears, the Kansas City Royals or Australia's entry in the America's Cup competition.

Repeating as champions requires determination and perseverance toward a difficult goal. That is why I would like to take this opportunity, Mr. Speaker, to congratulate a high school in my district that, not only won a statewide football championship, but successfully defended the title it had captured a year earlier.

I am referring to the Yellow Jackets of Lexington High School. On December 12, 1986, Lexington defeated Ahoskie High School 35-7 to become the North Carolina 2-A conference champions for the second year in a row.

I would like to extend my congratulations to Lexington's principal, Dr. Benjamin Brooks, its football coach, Gary Whitman, the faculty and staff, and the students on this outstanding achievement.

As someone who was reelected to a second term by only 79 votes, I can certainly appreciate what it takes to repeat. Congratulations to the Lexington Yellow Jackets on a job well done.

FOREIGN COMPETITION: GIVE THEM AN INCH, BUT THEY PREFER A METER

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. BROWN of California. Mr. Speaker, the United States is the only developed country, in fact only one of two countries in the world which is not committed to going metric. The other country? Burma.

For years, opponents of the metric system have insisted that this is America, if other countries want to do business with us, they can use our measurement system. In essence, love it or leave it.

Mr. Speaker, our $170 billion trade deficit indicates that the international marketplace is more than willing to leave our products on the shelf. Clearly, if we are to participate, even thrive, in the changing international marketplace, we are going to have to produce quality, affordable, and desirable products. Mr. Speaker, the message is becoming increasingly clear. Our international trading partners prefer metric products.

Today, Congressman RITTER and I have introduced legislation that would help our businesses increase their use of the metric system of measurement. In short, it would require the Federal Government to use and report in metric measurements (where practicable) by 1992, as well as set up educational programs to assist our industries, especially small businesses, to begin producing their products in metric.

I am not going to claim that this simple bill will solve our competitiveness problem—our competitiveness problem is the result of our inability to adjust to a host of changes in the international marketplace. The increased usage of the metric system by our international buyers is just one of these changes. However, I will claim that if we don't begin to support our businesses by giving them the assistance they need to produce products in metric, our refusal to use the metric system could make our trade balance even worse.

Already, we are finding that U.S. products are being rejected because they are not produced or packaged in metric measurements. The strawberry industry found that its products were not purchased in some countries, such as West Germany, because they were packaged in pint and quart containers, and they had to be repackaged in metric containers. The simple change of containers, from quart to liter, won back a portion of these lost markets.

Further, as the strawberry industry learned, conversion to the metric system does not have to be expensive. The conversion of containers, as well as a simplification from a wide variety of container sizes to a limited number of container sizes, not only won back the foreign buyers, but saved the strawberry industry packaging costs in the process.

Other industries, which have coupled measurement conversion with standardization of measurements have also experienced savings. For instance, General Motors reported that when it decided to use metric-sized wire, it also reduced the number of wire sizes. By using a smaller variety of wire sizes, it reduced cost for wire by $1.6 million annually. General Motors' entire corporate cost for going metric was $9.5 million, which means that the savings from standardization of wire alone, covered the cost of conversion of the whole company in less than 6 years.

Caterpillar Tractor saved between $900,000 and $1 million annually by eliminating redesign and overseas plants (needed to convert products into metric), reduction in number of steel sizes they stocked and, consequently, inventory space.

Many companies have found that using the metric measurement system, which is based on a decimal point system, is easier and quicker to use, and increases efficiency of engineers. Paul M. Woesfner, vice president of engineering, Butler Service Corp., Montvale, NJ, in 1986 said, "It is easier to develop and train a drafter in metric than in inch/pound." This company analyzed its drafters' output and found that they produced a greater volume of drawings more accurately using metric.

James W. Poirot, chairman of the board of CH2M Hill, Inc., Denver, CO (which specializes in water resource engineering and does all its international work in metric), states that the use of the inch/pound system in the United States "is a continuing nuisance."

Tom Anderson, senior technical manager at Fluor Engineers, Inc., Irvine, CA (which specializes in hydrocarbon processing and energy engineering), states that his firm's designs supervisors agree that by using metric, "they could see greater productivity." The drawings are easier to do, "and more accurate."

David S. Gedney, president of Harland Bartholomew and Associates, Memphis, TN, a subsidiary of the Parsons Corp., Pasadena, CA (which specializes in surface transportation), states that firms which practice abroad or desire international practice, "produce in metric or they just don't compete." He states that his own firm has "unquestionably"expanded its practice because it is willing to compete in metric.

Francis R. Dugan, chief executive officer of Dugan & Meyers Interests, Cincinnati, OH, (a contracting firm), says that metric makes pricing and estimating easier and more accurate because metric is a multiple of 10.

Mr. Speaker, the bipartisan legislation we are introducing today would help provide our industries the tools they need to adapt to the changing market demands. It would also provide for the Federal Government to begin using the metric system of measurement. This is for two reasons. One, because if our industries are going to use the metric system, they will need compatable information from their government. Two, because in many instances the use of the metric measurement system is much more efficient, and thus it is good business.

This legislation is not a threat to our society. It does not outlaw the use of the inch/pound system for all Americans, nor does it mandate what we do behind closed doors. We can all still gage our diets by our bathroom scales, build book shelves using our American wrenches, and cook with our mother's recipes if we like.

In the past, some have argued that converting to metric will require the purchase of all new tools, that it will be too expensive, that it will be too confusing.

But the truth is that we have already begun the process, we are already in a state of transition. The United States is currently approximately 10 percent metric. Most of our cars, even American made cars, have at least one part that is metric—many are produced using both systems. Our mechanics have already been forced to buy metric tools or had companies provide these tools for them. As a matter of fact, we are surrounded by goods produced using the metric system. Most imported products—small appliances, computers, copier machines—medicine, alcohol and other products are produced or packaged using the metric system. In the Federal Government, the Department of Defense has already set a target date of 1990 by when specifications and standards should be available in metric. Every one of the United States allies uses metric.

Learning to use metric may be a small nuisance, but the benefits—increasing the desirability of our products overseas, thus creating more jobs, increased efficiency and accuracy—far outweight the detriments.

Mr. Speaker, it is time we stop letting naysayers who are afraid of change scare us into clinging to an archaic and inefficient measurement system which, in the international marketplace, will continue to serve as a barrier to our industries.

As Thomas Jefferson noted in a letter to Kercheveal:

> I am not an advocate for frequent changes in laws and constitutions, but laws and institutions must go hand in hand with the progress of the human mind. As that becomes more developed more enlightened, as new discoveries are made, new truths discovered and manners and opinions change, with the change of circumstances, institutions must advance also to keep pace with the times. We might as well require a man to wear still the coat which fitted him when a boy as civilized society to remain ever under the regimen of their barbarous ancestors.

AFFIRMATIVE ACTION DEFENDED BY THE SUPREME COURT

HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. HOCHBRUECKNER. Mr. Speaker, I take this opportunity to applaud the Supreme Court decision in Johnson versus Transportation Agency, Santa Clara County, CA. The March 25 Supreme Court ruling effectively sanctions voluntary affirmative action plans designed to improve the representation of women in today's work force.

The Supreme Court ruling, the first involving affirmative action geared to benefit women, is a clear indication of our Nation's determination to remedy effects of past discrimination in the work force. The 6 to 3 decision upholding Santa Clara County's Transportation Agency's voluntary affirmative action plan is a major victory in our fight to improve the rights of women as it will effectively increase the percentage of women in jobs traditionally held by men.

In addition to improving employment opportunities for women, the March 25 ruling successfully protects the interests of employers who have implemented voluntary affirmative action plans from costly reverse discrimination suits, and will undoubtedly encourage those businesses without affirmative action plans to adopt such plans in the interest of equality.

RETIREMENT CELEBRATION FOR DONALD H. SCHERWAT, NORTH CHICAGO, IL

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. PORTER. Mr. Speaker, it is a privilege for me today to pay tribute to Mr. Donald H. Scherwat, director of business affairs for the North Chicago Public Schools, on the occasion of his retirement.

Mr. Scherwat is retiring after 37 years of distinguished service to the 10th District in general and the North Chicago Public Schools in particular.

A Chicago native, Mr. Scherwat attended Senn High School and the University of Illinois, where he received both his B.S. and M.S. degrees.

In 1950, Mr. Scherwat began his exemplary term of service for the community of North Chicago as a eighth-grade teacher. He was called to military service in 1951, returned to north Chicago in 1953 and taught physical education from 1953–61 before moving on to the post of business manager for the district.

During his 26 years as business manager, Mr. Scherwat made his greatest contribution to the district, demonstrating high professionalism and integrity. His skill and experience will certainly be missed, but his contribution will endure in the minds of his colleagues.

In addition to his role as a top-level administrator, Mr. Scherwat is a dedicated family man, with two daughters and two grandsons. Once again, I salute a job well-done by Mr. Scherwat and wish him and his family the best of luck over the coming years.

ARCHBISHOP MOLLOY HIGH SCHOOL DEDICATES NEW ARTS AND SCIENCE CENTER

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. ACKERMAN. Mr. Speaker, I want to take this occasion to congratulate and honor one of the finest secondary schools in the New York City area and, I daresay, in the Nation. Archbishop Molloy High School has established a record of excellence that few can surpass. For example, 98 percent of its graduates go on to full college programs, and the results of the New York State Regents Scholarships show that Molloy placed among the top 1 percent of all schools in the State with regard to scholarships awarded.

I rise today, however, to talk not only about the past record but the promise of tomorrow embodied in the new arts and science center to be dedicated on Saturday, May 16. The center will include new computer labs, life science labs, a new showpiece theater, and an addition to the library that will expand its capacity by 30 percent.

Thus, in a time when the quality of our children's education is rightly becoming a central national issue, Archbishop Molloy High School offers us the reassuring example that attention and commitment to excellence will be supported by parents, students, and communities. The continuing success of Molloy and its noted alumni should make all New Yorkers and Americans proud.

Mr. Speaker, I call now on all of my colleagues in the House of Representatives to join me in extending our warmest congratulations and best wishes to Archbishop Molloy High School and its principal, Brother John Klein, as they dedicate the school's new arts and science center, and in extending our best wishes for the school's continued success.

GLASNOST: OPENNESS?

HON. ROBIN TALLON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. TALLON. Mr. Speaker, time and again, we Americans are sadly reminded of our inability to look past the medium to the message. We are a media age and our dependence and trust in television has made us gullible. We are, as a nation, easily taken in by a skillful media blitz, which is about what General Secretary Gorbechev's policy of glasnost, or openness for Soviet Jews, has amounted to. Secretary Gorbechev has allowed some very important individuals to leave the Soviet Union, and has received much favorable publicity as a result.

Thus far, unfortunately, the reality has not caught up with the rhetoric. We must ask, what has glasnost meant for the majority of Soviet Jews? Regrettably, not much. Outside from the few highly publicized releases of Soviet dissidents, glasnost has been an empty promise. In the first 2 months of 1987, with talk of glasnost in the air and after the implementation of the new emigration law on January 1, only 244 Soviet Jews were allowed to leave. This is not a significant improvement over the rates for 1985 and 1986. The grim facts are that nearly 400,000 Jews are still waiting to emigrate. And this number is even larger when you add those who want desperately to emigrate but are afraid to risk dangers of applying for emigration.

Although we suffer and sympathize with these refuseniks, we cannot begin to understand their sense of suffering, deprivation, and loss. They suffer because they are brave, idealistic, and loyal to their heritage and people. They refuse to renounce their faith, their fellow Jews, or the language of their people. They refuse to accept dictatorship, discrimination, and anti-Semitism. Yet they suffer because they live in a nation where religious faith, idealism, and bravery are rewarded by repression and persecution. They have been beaten, fired, deprived, imprisoned, tortured, but never defeated.

Theirs has been a long struggle and the end is not in sight. Nevertheless, they will continue to struggle as long as we, to the best of our ability, struggle with them, listen to them and reach out to them.

It is only through our letters, our calls, demonstrations and support that a light at the end of the tunnel will emerge for the thousands of refuseniks. We must maintain a ceaseless demand that the Soviets live up to their obligation to release these martyred captives. It is a vigil we cannot afford to forsake.

HOUSE OF REPRESENTATIVES—*Wednesday, April 8, 1987*

The House met at 10 a.m., and was called to order by the Speaker pro tempore (Mr. FOLEY).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

> WASHINGTON, DC,
> *April 7, 1987.*
>
> I hereby designate the Honorable THOMAS S. FOLEY to act as Speaker pro tempore on Wednesday, April 8, 1987.
>
> JIM WRIGHT,
> *Speaker of the House of Representatives.*

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Give us an appreciation, O God, of our responsibilities to be ambassadors of peace and stewards of justice in our lives and in the world. And give us also, O God, a deep sense of spiritual humility, for by so doing, we can see more clearly our own limitations and also the majesty of Your world. May Your providence allow us to recognize our dependence upon You and also what we can do with a new dedication for justice and for peace.

In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. KOLBE. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Chair's approval of the Journal.

The SPEAKER pro tempore. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. KOLBE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 282, nays 92, answered "present" 1, not voting 58, as follows:

[Roll No. 45]

YEAS—282

Ackerman
Akaka
Alexander
Anderson
Andrews
Anthony
Archer
Atkins
AuCoin
Baker
Ballenger
Barnard
Bartlett
Bateman
Bates
Beilenson
Bennett
Bereuter
Berman
Biaggi
Bilbray
Bilirakis
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Bruce
Bryant
Bustamante
Callahan
Campbell
Cardin
Carper
Chappell
Clarke
Clinger
Coleman (TX)
Collins
Combest
Conte
Cooper
Darden
Davis (MI)
DeFazio
Derrick
DeWine
Donnelly
Dorgan (ND)
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
English
Erdreich
Evans
Fascell
Fawell
Fazio
Feighan
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frenzel
Frost
Gallo
Gejdenson
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hawkins
Hayes (LA)
Hefner
Herger
Hertel
Hiler
Hochbrueckner
Holloway
Horton
Houghton
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kostmayer
LaFalce
Lagomarsino
Lancaster
Lantos
Leath (TX)
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (FL)
Lewis (GA)
Livingston
Lowry (WA)
Lujan
Lungren
MacKay
Manton
Markey
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McEwen
McHugh
McKinney
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Miller (CA)
Miller (WA)
Mineta
Moakley
Mollohan
Montgomery
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
Oakar
Oberstar
Olin
Ortiz
Owens (UT)
Oxley
Packard
Panetta
Pease
Perkins
Petri
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Ray
Regula
Richardson
Rinaldo
Ritter
Robinson
Rodino
Roe
Rose
Rostenkowski
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Schulze
Schumer
Sharp
Shaw
Shumway
Shuster
Sisisky
Skaggs
Skelton
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Solarz
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stark
Stenholm
Stokes
Stratton
Studds
Sweeney
Swift
Synar
Tallon
Tauzin
Taylor
Thomas (GA)
Torricelli
Traficant
Traxler
Udall
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weiss
Weldon
Whitten
Williams
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron

NAYS—92

Armey
Badham
Barton
Bentley
Bliley
Boehlert
Boulter
Brown (CO)
Buechner
Bunning
Burton
Chandler
Coats
Coble
Coleman (MO)
Courter
Craig
Crane
Dannemeyer
Daub
Davis (IL)
DeLay
Dickinson
Dornan (CA)
Dreier
Edwards (OK)
Emerson
Fields
Gallegly
Gekas
Gingrich
Goodling
Gradison
Hastert
Hefley
Henry
Hopkins
Hunter
Inhofe
Jacobs
Kolbe
Konnyu
Kyl
Latta
Lewis (CA)
Lightfoot
Lott
Lowery (CA)
Lukens, Donald
Mack
Madigan
Marlenee
Martin (IL)
McCandless
McCollum
McGrath
Michel
Miller (OH)
Molinari
Moorhead
Parris
Pashayan
Penny
Ravenel
Rhodes
Roberts
Rogers
Roth
Roukema
Rowland (CT)
Schaefer
Schroeder
Sensenbrenner
Sikorski
Skeen
Slaughter (VA)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Stump
Sundquist
Swindall
Tauke
Thomas (CA)
Upton
Vucanovich
Walker
Weber
Whittaker
Wolf
Young (AK)
Young (FL)

ANSWERED "PRESENT"—1

Obey

NOT VOTING—58

Annunzio
Applegate
Aspin
Bevill
Brown (CA)
Byron
Carr
Chapman
Cheney
Clay
Coelho
Conyers
Coughlin
Coyne
Crockett
Daniel
de la Garza
Dellums
Dicks
Dingell
DioGuardi
Dixon
Espy
Garcia
Gaydos
Gregg
Hatcher
Hayes (IL)
Howard
Hoyer
Kaptur
Kemp
Kleczka
Kolter
Leach (IA)
Leland
Lipinski
Lloyd
Luken, Thomas
Mica
Moody
Owens (NY)
Patterson
Pepper
Rangel
Ridge
Roemer
Scheuer
Schneider
Schuette
Slattery
Snowe
Solomon
Torres
Towns
Wheat
Wilson
Wise

□ 1020

Mr. INHOFE changed his vote from "yea" to "nay."

So the Journal was approved.

The result of the vote was announced as above recorded.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

PERMISSION FOR SUBCOMMITTEE ON ENVIRONMENT, ENERGY, AND NATURAL RESOURCES OF COMMITTEE ON GOVERNMENT OPERATIONS TO SIT TOMORROW DURING THE 5-MINUTE RULE

Mr. SYNAR. Mr. Speaker, I ask unanimous consent that the Subcommittee on Environment, Energy, and Natural Resources be allowed to meet tomorrow during the 5-minute rule. This request has been cleared with the minority.

The **SPEAKER** pro tempore (Mr. GRAY of Illinois). Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

PERMISSION FOR THE FULL COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION AND THE SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS OF THAT COMMITTEE TO SIT TODAY DURING THE 5-MINUTE RULE

Mr. SYNAR. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation and the Subcommittee on Public Buildings and Grounds of that committee be permitted to sit today. This request has been cleared with the minority.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

ASSISTANCE FOR FEDERAL EMPLOYEE RICHARD COLE, JR.

(Mr. DYMALLY asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. DYMALLY. Mr. Speaker, today I am introducing a private relief bill for Mr. Richard Cole, Jr., of California.

Mr. Cole is an employee of the Internal Revenue Service. He was completely paralyzed after being injured off-the-job last month.

Mr. Cole's physicians expect that, following 6 to 8 months of intensive therapy in the hospital, he will be able to return to work.

However, Mr. Cole, who has four small children, has run out of sick and annual leave to carry him through this difficult situation.

My bill would permit Mr. Cole's coworkers, at the LaGuna Niguel IRS Office, to transfer leave time to Mr. Cole. The donated leave would, of course, be subtracted from the lending employee's account.

Mr. Speaker, when a Federal employee is in need of help, and his coworkers want to assist, the least we can do in Congress is to permit this leave sharing through legislation.

I hope my colleagues will support this effort.

LEGISLATION INTRODUCED TO LIMIT LIABILITY IN SPORTS-RELATED LAWSUITS

(Mr. GEKAS asked and was given permission to address the House for 1 minute.)

Mr. GEKAS. Mr. Speaker, spring is here and that means that baseball is here and that means that there will be thousands of youngsters engaging in Little League contests across the Nation in the next several months.

Also, thousands of our constituents, volunteer coaches and managers will be subjected to frivolous lawsuits as we have seen in the last few years and we want to do something about it. We have got to encourage, not discourage, this component of American life.

As a result, I am introducing legislation today, as we did in the last session, which will limit the liability of volunteers in the sports field and in many other endeavors across the Nation. We need this kind of legislation to make sure that the volunteers will keep coming in our country. Our entire Nation is based on voluntarism.

TEXAS EASTERN GAS PIPELINE

(Mr. YATRON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YATRON. Mr. Speaker, 2 months ago we all heard news reports regarding the illegal dumping of PCB's along the Texas eastern pipeline. This serious environmental pollution threatens countless Americans—including many of my constituents near the Bechtelsville, PA site on the Texas eastern pipeline. EPA has known of the dumping since 1981, but we saw little action until the release of these news reports. Inaction on EPA's part is a cause for concern and I for one would like to see a better explanation for their failure to act. Finally, since the release of this information, a number of remedial steps have been taken by EPA and various State agencies. Nonetheless, further action is necessary. Improved and more indepth information should be released and cleanup efforts should begin immediately. Steps must be taken to ensure that these abuses will not be repeated in the future. We must spare no effort in eliminating the sources of this contamination and in providing security for those Americans affected by this grave environmental threat.

THE ULTIMATE IN TAXATION WITHOUT REPRESENTATION

(Mr. INHOFE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. INHOFE. Mr. Speaker, I rise today to express my opposition to House Concurrent Resolution 93, the first 1988 budget resolution to be considered this year.

The recommendations contained in the pending budget resolution offer no new initiatives to cut the deficit or trim excessive Federal spending. Instead, the democratic leaders who drafted the resolution simply offer a return to their previous practices of raising taxes and rejecting necessary spending reform put forth by the President. Not only does the House Budget Committee resolution fail to meet the deficit targets established by the Gramm-Rudman law, it also fails to hold the line on taxes. According to estimates, House Concurrent Resolution 92, would cost taxpayer's an additional $30 billion in new taxes in 1988.

There are many false claims being made about the impossibility of reducing Federal spending to cut the deficit to $108 billion in 1988. In fact, many so-called experts have told Congress that such a task requires either tax increases or draconian cuts in vital Federal programs. I disagree with such statements and believe that real progress can be made if Congress reevaluates some of the reforms that President Reagan recommended back in January of this year when he submitted his fiscal year 1988 budget.

The complexity of the Federal budget process makes it difficult for many Americans to decipher fact from fiction. Recent newspaper articles report that large spending cuts contained in the President's budget would drastically reduce services to many groups across the country. But the supposed "cuts" refer to "what would have been spent" based on last year's actual spending levels. In reality, the President's budget would increase total outlays by $7.5 billion, including an $11.5 billion rise in Social Security spending over 1987 levels.

The budget resolution also fails in the area of national defense. If Congress adopts this resolution, funding for America's defense would be cut by $9 billion; about $7 billion below what is needed to keep up with inflation. This comes at a time when the Soviet Union defense buildup continues unchecked. Last week, Secretary Weinberger highlighted advances made by the Soviet Union in their quest for world domination. The Soviet Union spends more than 15 percent of their gross national product [GNP] on defense while only 6 percent of the United States budget is allocated for national defense. Moreover, the Soviet

Union's arsenal continues to out pace ours in most areas and poses a serious threat to our security.

The President's defense budget requests a 3-percent real growth for fiscal years 1988 and 1989. This modest increase over the amount approved for fiscal year 1987 will not recover the ground lost by a 7-percent real decrease in defense spending Congress has imposed in the last 2 years. However, the President's budget will regain the momentum of our modernization program, and protect the investments we have already made in our future security.

I believe the highest priority of the Federal Government is to provide for a sound national defense to protect the American people. The resolution being considered today fails to provide the necessary funding for a strong national security and for that reason, I will vote against it. I urge my colleagues to support the amendments being offered by the Republican leadership to produce a more responsible budget.

Mr. Speaker, over 20 years ago in one of the great speeches of recent history, a rendezvous with destiny, Ronald Reagan told us "there is nothing closer to immortality on the face of the earth than a government program once installed."

For many years, three terms, I served as mayor of one of America's great cities, Tulsa, OK. I found out what Ronald Reagan meant when he made that statement. But difficult as it was, and unpopular at the time, we did it. We operated a major city on essentially the same budget for 6 years without sacrificing services. It wasn't easy, but nobody said it would be easy. What is easy is to spend and tax, spend and tax and let future generations pay for it.

But, Mr. Speaker, I am not going to be a party to placing this unbearable burden on the shoulders of future generations—the ultimate in taxation without representation. We have an opportunity to reverse the fiscal insanity that has brought us this unconscionable deficit. I urge my colleagues to join me in this effort.

□ 1030

A BUDGET BILL WE CAN ALL SUPPORT

(Mr. CARDIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARDIN. Mr. Speaker, I want to use this opportunity to congratulate Chairman BILL GRAY of the Budget Committee for bringing forward to this House a budget that we all can support. Compared to the President's budget, the committee budget provides for more real deficit reduction. But just as importantly, it sets the right priorities.

If you are interested in health care, and the people of my Third District of Maryland are certainly interested in health care, the President's budget reduces the Medicaid budget by $1.3 billion. Baltimore has 180,000 recipients of Medicaid.

The committee budget would increase by $1.2 billion the programs in health care for Medicaid recipients, as well as AIDS victims and the homeless. If you are interested in education, and the people in my district are interested in education, the President's budget would reduce Pell grants and campus-based aid programs by 50 percent.

The committee budget continues these very important programs.

If you are interested in community development, and the people of my district are interested in community development, the President's budget would reduce CDBG programs by 16 percent and eliminate the UDAG programs.

Mr. Speaker, those programs have been very successful in Baltimore. The UDAG program alone has leveraged for one-half of a billion dollars in private investment, creating 7,500 permanent jobs for the people of my city.

By any yardstick, when you compare the President's budget to the committee budget, the President's budget comes up short.

RESOLUTION IN SUPPORT OF NEW DÉTENTE CENTER IN MOSCOW

(Mr. DREIER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER of California. Mr. Speaker, we seem to have a problem in Moscow. Apparently, the KGB has loaded our new Embassy with more hi-fi equipment than a college dormitory. In fact, it is so bad that the President and several of my colleagues have suggested bulldozing the whole structure into the swamp where it is built.

Frankly, while demolition sounds like a good idea, it might be considered a bit primitive and threatening to the warm relations we are now experiencing with the Kremlin. America prides itself on creativity. Certainly we can think of something better than just tearing down 19 million dollars' worth of construction. If nothing else, we might donate it to the Soviet rock'n'roll industry as a recording studio.

Personally, I think we should not abandon the Embassy. Rather I think we should donate it to the neighboring Moscow University as a graduate studies center dedicated to the achievements of détente. I can already see a required course curriculum including classes on human rights, the Helsinki agreement, Afghanistan, arms control, and Jewish immigration not to mention a special course in electronic engineering. We could also have endowed chairs with names such as Shakarov, Shcharansky, and Wallenberg to name a few.

Mr. Speaker, I will be introducing a resolution in support of the new détente center and urge my colleagues cosponsorship.

SHARING RESOURCES FOR BETTER LIBRARY SERVICES

(Mr. RAVENEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RAVENEL. Mr. Speaker, the Library Services and Construction Act was enacted to encourage libraries to develop cooperative programs for sharing resources among all libraries. The South Carolina State library system has developed the South Carolina library network this year to give libraries throughout our State immediate access to the collection in the State library through this online automated system. Requests for books and information by local libraries can be made using an electronic mail feature.

The South Carolina library network, which will eventually link other libraries, is mostly funded by LSCA, title III. For other libraries to create machine readable files for participation in this network, additional funding is needed. Hopefully, this will provide a sharing of resources for better library services at lower costs to the individual.

DEMOCRACY WITH A BIG "D" AND WITH A SMALL "d"

(Mr. SAVAGE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAVAGE. Mr. Speaker, I just rise to mention that democracy was on trial in my good city of Chicago, IL, on yesterday, democracy with a big "D" and with a small "d." It was on trial because on the big "D," meaning the Democratic Party, there had come a division within our party where some of its leaders wanted to deny the reelection of a Democratic mayor, not because of his record, but because of his race. That also affects democracy with a small "d" because the way to eliminate race as a major factor in the plight of so many of our Americans is not to count it when the time comes for us to take a position.

I want to say that Paul Kirk, chairman of the Democratic National Committee, came in along with the leaders of his party to stand for democracy with both a big "D" and a small "d," and as a consquence I am feeling good this morning because both won by a substantial margin in the reelection of Harold Washington, former Member of this body, as mayor of Chicago.

On the way to the airport this morning I discovered to my great pleasure that the Sears Tower is still standing, the rapid transit systems were still running, the streetlights were on, the curbs were being paved, garbage was being collected.

Chicago is still doing well on the lake, on the side of Lake Michigan, under the second and great administration of Harold Washington, the mayor.

SUPPORT WHO EFFORTS TO CONTROL AIDS

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, over the last few years, we have heard many alarming reports on the continuing spread of AIDS. While the United States leads the world in the number of officially reported AIDS cases, experts agree that millions of cases have gone unreported in the Third World.

Best estimates show that more than 50,000 people have died from the disease with another 5 to 10 million already infected in more than 95 countries. Projections show that between 50 to 100 million people will be infected by 1990. Clearly, AIDS poses one of the greatest threats to public health in all history.

Many countries are inadequately prepared to respond to the need for preventive measures, such as public education and blood screening, which are the best ways to help stop the spread of the virus.

The World Health Organization [WHO] has taken the lead in coordinating international efforts to combat the spread of this disease through their special program on AIDS. U.S. support for their efforts today can help to save millions of lives including those of Americans tomorrow.

□ 1040

A BUDGET WE CAN SUPPORT

(Mr. MacKAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MacKAY. Mr. Speaker, the House will begin debate today on the 1988 budget. I rise as a member of the Budget Committee, a moderate Democrat, urging moderate and conservative members of both parties to take a close look at this budget. I believe if they do they will see that it is a budget that they can support.

It carries out the thrust of Gramm-Rudman in the sense that it continues the effort toward deficit reduction. It does it with real cuts. It does it without asset sales.

One of the main issues that was debated, and debated very heatedly, was the question of whether under Gramm-Rudman we can set priorities, whether we can set spending priorities, and if so, whether we can do that without incurring additional taxes to fund those priorities. That was a very difficult issue debated at great length in committee. In fact, we have set new priorities, $1.4 billion of new priorities, and that money was taken by additional cuts out of lower priority programs, not additional taxes.

I think that that is an important precedent, and a precedent that is important to moderates and conservatives on both sides.

I hope that this budget will be looked at carefully. The timeframe is very compressed this year. I believe that if we look at it carefully and consider the alternatives, we will realize that this is a budget that we can support that keeps us going in the direction that Gramm-Rudman has pointed us.

WE MUST PASS LEGISLATION TO CONTROL THE SPREAD OF AIDS

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, in Boston, MA, last week, at 2 o'clock in the morning in the red-light district, two policemen picked up a lady of the evening getting into a Mercedes Benz. They pulled her out of the car and they took her down to the police department and booked her, and on her wrist they noticed a plastic band. They asked her what the plastic band was for, and she said, "I was in the hospital. I just left."

They said, "What were you in the hospital for?" She said, "AIDS."

They said, "My God, do you realize that you may be out there affecting somebody, maybe killing somebody?"

She retorted, "I don't care."

She was a junkie who wanted a fix, and she went out on the street to ply her trade to get $30 or $50 so she could get another shot of heroin.

This woman, while she was being booked, rolled down her socks, and there were open sores oozing because she was in terminal AIDS, and had other diseases related to that. This woman was booked, kept overnight, and the next morning she was released on bond and went right back out on the street and infected other human beings in the United States of America, and probably will kill some of them.

We have legislation before this body to deal with this, the gentleman from California [Mr. DANNEMEYER] and I, and we must pass this legislation. This epidemic is spreading at a very rapid rate, 5,000 to 10,000 people a day are getting it, and it is going to kill at least 50 percent of them.

We have no time to dillydally. We need to get on with the business of passing these bills.

HOW TO DEAL WITH THE EMBASSY PROBLEM

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, there was an eloquent speech here by a gentleman from Chicago which talked about Mayor Washington's victory as being symbolic and representing those comments by referring to the big "D" for democracy.

I want to talk today about the big "S" for stupidity. The President said yesterday, "I haven't changed my position on the Soviet Union since 10 years ago. I'm not surprised about the bugging over there at the Embassy by the Soviets in Moscow, and certainly I've been telling everybody this for years."

Let us get serious. This is the same President who said that we should spend a trillion dollars on star wars, then after we develop it, we should give it to the Soviets for the sake of world peace.

This is the same administration that allows 200 Soviet workers in our Embassy, but we can only have 3 workers in their Embassy.

These dumb foreigners built their Embassy on the highest site in Georgetown so they could look down and eavesdrop right in his House today, and they have us build ours in a hole.

I think that it is not time now for five more investigations. I think that it is time for action.

Here is what Congress should do. No. 1, the Soviet Union should compensate us for that Embassy if we can prove beyond a reasonable doubt that they bugged it, and, No. 2, give us a new site. Failing to do that, get out of town, Russia, and maybe we will start a program that will show some foreign relations that have not just gone to the dogs, just has a few bugs on it.

DEMAND ACTION FROM SOVIETS ON EMBASSY SITUATION

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, I want to commend my colleague from Ohio and also my colleague from California who earlier recommended that we turn over our Embassy that is under construction now in Moscow to the Soviets as a détente center.

Mr. Speaker, this morning driving in we were talking about the fact that the defense budget of this country has been running in the arena of some $300 billion annually in recent years, and that the target and the reason that we have always been given is the Soviet threat, the threat of a Communist world.

I have always supported strong defense, 100-percent voting, and will always do so. However, when we learn all that we have in recent days about what is happening regarding the wiring of what was to have been our new Embassy in Moscow, and that the Soviets are already living in the quarters of their new facility on the highest hill in the District of Columbia, and have been so since 1979, and since then have had surveillance on our defense and executive installations, I ask myself, "Why are we spending so much money for defense, when we are giving it all away?"

I hope that President Reagan will demand that the Soviets move out of those living quarters of the new facility immediately and we are given the opportunity to remove all of that surveillance equipment there, and that we either bulldoze this disgracefully wired edifice in Moscow or contribute it, as the gentleman from California [Mr. Dreier] recommended, to the U.S.S.R. as a détente center, or we will have to reconsider our entire defense budget and posture.

WHY DO DEMOCRATS DEMAND A REPUBLICAN ALTERNATIVE BUDGET?

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, if you recall, last year the House Democratic leadership forced a vote on the Reagan fiscal year 1987 budget without offering an alternative of their own. The Democrats knew the Reagan budget would be defeated but could not resist the opportunity to demagog the President.

Did any of my Democratic colleagues speak out against such a blatantly political tactic? Not that I can recall. Yet now, even though they are the majority party and can thus pass whatever budget they want, the Democrats are outraged that Republicans would use a similar tactic to put the majority budget in the hot seat.

Just yesterday, for example, one of my colleagues from Massachusetts was unrestrained in his condemnation of House Republicans, saying we were abrogating our responsibility by not offering a substitute.

But Mr. Speaker, why is it necessary that Republicans offer an alternative budget? We didn't offer one in fiscal year 1983. Why this Democratic preoccupation with a Republican alternative, an alternative they never vote for? Is it so the Democrats have something besides the administration budget to demagog?

The only use the Democrats have previously had for Republican alternatives is a a foil to hide the gross inadequacies in their own budgets. Let's face facts, Mr. Speaker, in this body a Republican budget has about as much change of passage as an administration budget. Do the Democrats really want our participation? No. Do they really want to consider our ideas? Of course not. What they do want, however—especially this year—is someone to share the blame for their absurd, two-page budget.

But Republicans aren't going to play that game anymore. We have refused to become a party to Democratic efforts to raise taxes and gut defense. That is something the Democrats will have to do all by themselves.

Even if Republicans were to offer an alternative, only one budget will pass the House this year, Mr. Speaker, and it will be the committee budget. So instead of railing at Republicans for some imaginary abrogation of responsibility, the Democrats should begin publicizing which taxes they plan to raise.

NATIONAL MINORITY CANCER AWARENESS WEEK

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 119) designating the week of April 19, 1987, through April 25, 1987, as "National Minority Cancer Awareness Week," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore (Mr. Gray of Illinois). Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Reserving the right to object, Mr. Speaker, I do not object, but simply would like to inform the House that the minority has no objections to the legislation now being considered.

Mr. DYMALLY. Mr. Speaker, will the gentlewoman yield?

Mrs. MORELLA. Mr. Speaker, under my reservation of objection, I yield to the gentleman from California [Mr. Dymally], who is the chief sponsor of House Joint Resolution 119, designating the week of April 19, 1987, through April 25, 1987, as "National Minority Cancer Awareness Week."

Mr. DYMALLY. I thank the gentlewoman for yielding.

Mr. Speaker, I am aware of the time constraints that we have today, and I normally would enter this statement in the Record, but some questions have been raised about whether we want to focus attention on minority cancer week, and I think that it would be appropriate for me to respond to those questions.

□ 1050

Mr. Speaker, as the sponsor of House Joint Resolution 119, and the chairman of the Subcommittee on Census and Population, I am pleased to bring this bill before the House under unanimous consent.

House Joint Resolution 119 designates the week of April 19 through April 25 as "National Minority Cancer Awareness Week."

This resolution draws attention to an unfortunate, but extremely important, fact about cancer. While cancer affects men and women of every age, race, ethnic background, and economic class, the disease has a disproportionately severe impact on minorities and the economically disadvantaged.

For example, the incidence of cancer, overall, among blacks, Hispanics, and the poor, is higher in comparison to the general population. And while the overall cancer survival rate is improving steadily, the survival rate among blacks and Hispanics has declined.

Accurate data does not exist for cancer rates among other minority groups, but it is likely that groups such as native Americans also suffer disproportionately from this deadly disease.

The National Cancer Institute has established a goal to reduce the cancer mortality rate in the United States to 50 percent by the end of this century. While this is an ambitious goal, it is certainly achievable if we apply present technology and research to all communities on an equal basis.

The designation of "National Minority Cancer Awareness Week" will promote increased awareness of prevention and treatment among those segments of the population which are at higher risk of contracting cancer.

It will also give physicians, nurses, other health care professionals, and researchers an opportunity to focus on the populations at risk, and to develop creative approaches to attacking cancer problems unique to these communities.

In fact, the National Medical Association, the American Medical Association, and the American Cancer Society have both endorsed this resolution as a means of drawing attention to the problem of cancer among minorities and the poor.

I am pleased to note that, during the third week of April, the University of Texas System Cancer Center M.D. Anderson Hospital and Tumor Institute, located in Houston, will sponsor a national symposium on cancer and minorities.

The largest undertaking of its kind, this conference will bring together leading cancer specialists, health care professionals, and lay people, to address a public health problem of major importance.

As we continue to assess our progress in preventing and treating cancer, let us take 1 week to focus on the impact of cancer among people at greater risk—minorities and the economically disadvantaged.

If we successfully fight the battle on this most dangerous front, we will go a long way toward winning the war against cancer.

Mr. Speaker, in conclusion, I hope that my explanation here answers the questions about whether we should focus specifically on minorities in this week, in this month, when we are looking at the whole question of cancer. I think the arguments given by the American Medical Association, the National Medical Association, and the Cancer Society address this problem.

Mr. Speaker, I thank the gentlewoman from Maryland [Mrs. Morella] and the Chair for his courtesy in permitting me this opportunity to present this important resolution.

Mrs. MORELLA. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. Gray of Illinois). Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. Res. 119

Whereas the month of April each year is designated as National Cancer Month for the purpose of promoting increased awareness of the causes, types, and treatments of cancer;

Whereas the National Cancer Institute has recognized that significant differences exist in the incidence of cancer and survival rates for cancer patients between minority and economically disadvantaged communities in the United States and the population in general;

Whereas increased awareness of the causes of cancer and available treatments will help reduce cancer rates among minorities and the economically disadvantaged through preventive measures and will improve survival rates for cancer patients through early diagnosis;

Whereas a comprehensive national approach is needed to increase awareness about cancer among minorities and economically disadvantaged persons, and to encourage health care professionals, researchers, and policy makers to develop solutions to the cancer-related problems unique to these communities; and

Whereas focusing public attention on cancer in minority and economically disadvantaged communities during one week so designated will have a positive impact on preventive health care and treatment in these communities; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of April 19, 1987, through April 25, 1987, is designated as "National Minority Cancer Awareness Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States and all Federal, State, and local government officials to observe the week with appropriate programs and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Joint Resolution 119, the joint resolution just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

PROVIDING FOR CONSIDERATION OF HOUSE CONCURRENT RESOLUTION 93, CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1988

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 139 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 139

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 93) setting forth the congressional budget for the United States Government for the fiscal year 1988, 1989, and 1990, and the first reading of the resolution shall be dispensed with. After general debate, which shall be confined to the concurrent resolution and shall continue not to exceed six hours, with not to exceed four hours to be equally divided and controlled as provided in section 305(a)(2) of the Congressional Budget Act of 1974, as amended (Public Law 93-344, as amended by Public Law 99-177), and not to exceed two hours to be equally divided and controlled as provided in section 305(a)(3) of the Congressional Budget Act of 1974, as amended, the concurrent resolution shall be considered as having been read for amendment under the five-minute rule. No amendment to the concurrent resolution shall be in order except the amendments printed in the report of the Committee on Rules accompanying this resolution, said amendments shall be considered in the order designated and shall be considered as having been read, and each of said amendments shall be debatable for not to exceed one hour, to be equally divided and controlled by the Member offering said amendment and a Member opposed thereto, said amendments shall not be subject to amendment, and each said amendments shall be in order even if a previous amendment in the nature of a substitute has been adopted, and all points of order against said amendments for failure to comply with the provisions of the third sentence of clause 8 of rule XXIII are hereby waived. If more than one of the amendments in the nature of a substitute made in order by this resolution has been adopted, only the last such amendment which has been adopted shall be considered as having been finally adopted in the Committee of the Whole and reported back to the House. It shall also be in order to consider the amendment or amendments provided in section 305(a)(5) of the Congressional Budget Act of 1974, as amended, necessary to achieve mathematical consistency. At the conclusion of the consideration of the concurrent resolution for amendment, the Committee shall rise and report the concurrent resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the concurrent resolution to final adoption without intervening motion.

The SPEAKER pro tempore. The gentleman from South Carolina [Mr. Derrick] is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, I yield the customary 30 minutes, for purposes of debate only, to the gentleman from Ohio [Mr. Latta], and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 139 is a modified closed rule providing for consideration of House Concurrent Resolution 93, the concurrent resolution on the budget for fiscal year 1988. The rule provides 4 hours of general debate which shall be divided equally between the majority and minority parties. General debate will be followed by up to an additional 2 hours of debate which will be devoted to economic goals and policies pursuant to section 305(a)(3) of the Budget Act.

I would like to stress, Mr. Speaker, that the budget this rule makes in order, House Concurrent Resolution 93, is the fiscal year 1988 budget which would result if we are unable to reach agreement on a budget and sequestration were to take place. This resolution was chosen as the base vehicle for the budget debate because it vividly portrays where we will be if we fail to act responsibly on the budget. All of the budget substitutes I will next discuss, including the recommendations of the House Budget Committee will, therefore, be offered as amendments to the sequestration-level budget.

The rule makes in order four amendments in the nature of substitutes to House Concurrent Resolution 93. The four substitutes are as follows:

An amendment in the nature of a substitute consisting of the text of House Concurrent Resolution 92, the President's budget proposal, to be offered by any Member;

An amendment in the nature of a substitute to be offered by Representative Dannemeyer of California, or his designee;

An amendment in the nature of a substitute consisting of the recommendations of the Congressional Black Caucus, to be offered by Representative DYMALLY of California, or his designee; and

An amendment in the nature of a substitute consisting of the text of House Concurrent Resolution 95, the budget recommended by the House Committee on the Budget, to be offered by Representative GRAY of Pennsylvania, or his designee.

Mr. Speaker, the amendments are not subject to amendment, and each is debatable for up to 1 hour, with the time being equally divided and controlled by the Member offering the amendment and a Member opposed thereto. Each substitute will be in order notwithstanding the prior disposition of any one of them. The amendments will be considered under the so-called king-of-the-mountain procedure whereby the last amendment adopted will be the amendment in the nature of a substitute which will be considered to have been finally adopted in the Committee of the Whole and reported back to the House.

The rule also waives the third sentence of clause 8 of rule XXIII against the amendments. This part of rule XXIII prohibits consideration of amendments that change the level of public debt contained in the budget as reported by the Budget Committee. Mr. Speaker, this waiver is necessitated due to the fact that the base resolution made in order under this rule is the sequestration level budget. Therefore, in order for the other substitutes to be offered, which will contain a public debt limit figure, this rule must be waived against the substitutes.

Finally, Mr. Speaker, the rule also provides for a technical amendment or amendments to the budget resolution, as provided for under section 305(a)(5) of the Budget Act, to achieve mathematical consistency in the resolution.

Mr. Speaker, this is a very fair and straightforward rule. I would point out that the Rules Committee made in order every substitute budget offered for consideration. The four substitutes will be the President's budget; a budget proposed by Representative DANNEMEYER of California; a budget proposed by the Congressional Black Caucus; and a budget recommended by the House Committee on the Budget. The last amendment adopted will stand, and if none are adopted, then the base bill, a sequestration-level budget, will be voted upon.

One further amendment was offered for consideration by the Committee on Rules. That amendment, which was neither a substitute budget proposal nor germane to the budget resolution, was not made in order under this rule. That amendment contained various proposals to amend procedures in the Congressional Budget Act, proposals which are properly within the jurisdiction of the Committee on Rules and the Committee on Government Operations.

Mr. Speaker, this was an extremely tough budget year. The budget to be offered by Chairman GRAY represents the best efforts of the majority members of the Committee on the Budget. It is a fair budget. It is a budget which does not rely, as does the President's, on short-term budgetary gimmick's such as asset sales and loan prepayments—proposals which really have no affect on our structural deficit. It is a budget which distributes the pain of budget deficit reduction equally between spending reductions and revenue increases. It is a budget which cuts spending equally between defense and nondefense spending—and which imposes additional nondefense spending reductions to accommodate several high priority programs which we must address this year, such as programs to assist those afflicted with AIDS and to provide assistance for the homeless. It is a budget which contains a level of revenue changes lower than those proposed by the President. And most importantly, Mr. Speaker, it is a budget which will make greater progress on deficit reduction than does the President's budget; it takes us below the deficit target of $108 billion called for in the so-called Gramm-Rudman-Hollings-Mack Balanced Budget Act.

The House Budget Committee's plan will produce $38.2 billion in deficit reduction in the next fiscal year. The President's budget, when the gimmicks are removed, would provide only $19.8 billion in permanent deficit reduction next year. Furthermore, the Budget Committee plan provides funding to enhance our international trade posture, to promote the education of our children, and to meet emergency health and other critical needs.

Finally, Mr. Speaker, I must express considerable regret that our colleagues on the minority side have not proposed an alternative budget for debate and discussion. On at least two separate occasions, we actively solicited the input of our colleagues on the other side of the isle. Rather than participate, however, our colleagues opted to issue a list of ultimatums to the committee and, thereafter, refused to participate in the budget process. Again, at Rules Committee, the minority chose not to offer a substantive budget substitute—instead a set of procedural amendments were proposed. Well, Mr. Speaker, I've been in politics long enough to know that when you don't have substance, you argue procedure.

The majority on the Budget Committee have made the tough choices to set priorities for our Nation—we have crafted a fair budget. And while I regret that we will not have a minority substitute before the House today, I would again note that it will be in order for any Member to offer the President's budget at the appropriate time.

Mr. Speaker, the House Budget Committee plan is a tough yet equitable budget. This rule will provide a full hearing for every budget substitute which has been proposed. The House will be able to work its will on each alternative in turn, and the last substitute adopted will be reported back to the House.

Mr. Speaker, I strongly urge my colleagues to support this rule, as well as the budget substitute which will be offered by Chairman GRAY.

□ 1100

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this rule makes in order a typical Democrat budget, tax and spend, tax and spend, and cut defense. This rule itself is obviously drafted by the Democratic leadership because it looks just like the tail end of the donkey as it moves backward, yes I said backwards.

This resolution begins, and I repeat, it begins with the tail end of the budget process sequestration and it gradually works its way up to what should be at the head of the process, the committee budget resolution.

Instead of making the committee resolution in order as the base vehicle for amendment purposes, this rule makes in order a so-called sequestration budget introduced by our Budget Committee chairman and never considered by the committee. Sequestration is something we would do in October if we failed to do our job of meeting the deficit targets fixed by law, but apparently the Democratic leadership thinks we should go immediately to sequestration if the chairman's budget is not adopted. Frankly, this is just another of a series of Democrat cop-outs.

Mr. Speaker, I suppose I should not be surprised by this reverse Democrat process: after all, we were presented in the opening session of this year's budget markup with last-year's budget rather than a chairman's mark for this year. What could be more logical, by this Alice-in-Wonderland logic, than to jump from last year's budget to next October's sequestration, all in the course of 2 weeks?

And of course, for good measure, the chairman also introduced the President's budget which is made in order as one of the four substitutes under this rule. Now the last time I looked, we were operating under the congressional budget process, and supposed to be developing a congressional budget. If the chairman were really serious about turning this into a Presidential budget process he would let the President sign or veto this resolution. But you know and I know that's not going to happen. This is just one more game in their little bag of tricks to divert attention from their own seriously flawed budget. Let me just say it won't work: This still comes down to a matter of their budget and of pinning the tail on their donkey—whether it is backwards, frontwards, or sideways. They are still stuck with it—with their tax increase; and their crippling defense cuts, and their funny-money and their phoney baloney.

When this matter was before the Rules Committee, I proposed an amendment just to improve the process and it was turned down.

There is a widespread thinking that our fiscal policy machinery is broken and in need of repair. As you are all aware, there are serious, perhaps fatal, deficiencies in the congressional budget process. Why wait to fix it? Why wait? Budget deadlines are inevitably missed, budget rules are casually waived and ignored and violated, budget spending ceilings are routinely breached, deficits continue to mount, spending add-ons and other extraneous matters are attached to deficit reduction or reconciliation legislation. Appropriation bills are not enacted on time. Government is funded by omnibus, continuing spending bills not subject to adequate scrutiny or debate by Congress. Regular authorization bills are not considered, forcing legislative provisions on to unrelated omnibus bills.

My amendment would strengthen enforcement of savings agreed to in any budget resolution which is adopted this week or in the future. It also reinstates the teeth in Gramm-Rudman-Hollings by restoring the automatic sequester procedure. My amendment provides the following:

It prohibits extraneous matters such as spending add-ons and authorizations from being included in reconciliation legislation. The Senate already has such a provision. Why not the House?

It provides strict enforcement of committee and aggregate spending ceilings by not allowing legislation to be considered which breaches the committee's outlay suballocation and by repealing the so-called Fazio exception. This exception protects bills against points of order for exceeding the spending ceiling in the budget resolution so long as the reporting committee is still within its allocation for budget authority. Again, such a rule already applies in the Senate. Why not the House?

It establishes a formula for holding down spending in the short-term continuing appropriation bills and subjects long-term CR's to the same rules as general appropriation bills. For example, prohibiting legislative and unauthorized provisions, requiring cost estimates and requiring the full text of matters to be enacted.

□ 1110

It gives the President special rescission authority over long-term CR's and requires disapproval, rather than approval, by Congress through enactment of a joint resolution within an expedited time period.

It restores the automatic sequester procedure by replacing the Comptroller General of the GAO with a six-member Commission on Deficit Reduction. The Commission would be bipartisan, with four of the six members to be chosen by the President from a list submitted by the House Speaker and Senate President pro tempore, after consultation with minority members. Members of the Commission could not be Government officers or employees.

Why not fix this constitutional error in Gramm-Rudman now? Why wait? Why wait until the other body sends over their thinking? Why cannot the House come forward with its thinking? My amendment would do so.

The amendment provides a special procedure for the incorporation of the text of the amendment in the joint resolution now prepared by the House enrolling clerk for the purpose of transferring the debt limit from the adopted budget resolution so that it can be signed by the President, pursuant to rule 49.

I asked the Rules Committee to consider this amendment under this special procedure because the budget and appropriations processes are in dire need of overhaul. The time to act is now, because it is likely that the Senate will amend the debt limit bill with its own reform proposals.

Do we want to be faced with the same situation that we faced in the fall of 1985 when we went to conference with the Senate on the debt limit legislation which contained the Gramm-Rudman-Hollings amendment? The Senate had their position spelled-out but the House had no position from which to bargain. It is better for the House to formulate, deliberate and act on reforms of its own choosing now than to be forced to react to Senate budget reform amendments under the gun of a debt limit expiration in mid-May.

Therefore, I am asking my colleagues in the House today to defeat the previous question on the rule which is before us and adopt the substitute rule which I will propose. My substitute rule would require that my procedural reform amendment be made in order at such time as a budget resolution has been agreed to in the Committee on the Whole.

My substitute rule would also provide that House Concurrent Resolution 95, the concurrent budget resolution reported out of the Budget Committee on April 1, would be the budget under consideration, and not the sequester budget. House Concurrent Resolution 95, would then be subject to amendment.

Again, I urge my colleagues to join me today to defeat the previous question, and enact these needed reforms.

Mr. DERRICK. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I would just point out that were the previous question defeated and the gentleman from Ohio [Mr. LATTA] had an opportunity to offer his new rule, which included the matter that he mentioned, a point of order would lie, and I think it would be possible for us to find someone to make that point of order.

Mr. LATTA. Mr. Speaker, I yield 6 minutes to the gentleman from Mississippi [Mr. LOTT].

Mr. LOTT. Mr. Speaker, I want to welcome my colleagues and our Cherry Blossom Festival guests to the spring budget games. This is an annual rite of spring here in the House Chamber where we dance around the pole in pursuit of that elusive budget.

Today's little dance has been choreographed by the Democratic leadership, of course. And, true to form, it is replete with all sorts of cute little sidesteps and leaps of fancy. Not only do we once again have the President's budget being introduced by the House Budget Committee chairman into the congressional budget process, but we even have the chairman's sequestration budget made in order as the base resolution for amendment purposes. And I thought the chairman was violently opposed to the mindless sequestration process. Now, it seems, he can't wait until October to get to it.

What are we really talking about here? A budget resolution that has become a farce. It is this year, and it has been in the recent past. It kind of reminds me of the story I heard about the eggs and bacon for breakfast. The chicken just makes a statement when it produces the eggs; the hog makes a commitment when he produces the bacon or the pork on the plate.

Now, the analogy is this: This budget resolution is a statement. We wish that deficits would go away, but we do not really mean it. In fact, we guarantee it will not happen because we have no enforcement mechanisms in this budget resolution.

All we were asking for, with the package of amendments that the gentleman from Ohio [Mr. LATTA] asked for in the Committee on Rules, which was defeated on a purely partisan vote, was an opportunity to make this a commitment, a commitment to enforce the numbers that you certainly have the hordes to force upon this institution here today.

What we are asking for is that you defeat the previous question so that we would have a rule that would allow us to just put into place enforcement mechanisms. Whatever the House agrees to, let us enforce it. Let us make it stick.

Let us look at history just a little bit more. We have had budget resolutions in the last few years that really have not been enforced. In fact, we understand that in this whole budget resolution, there is only $3.8 billion that would be reconciled, $3.8 billion. Is that all we can get in enforced spending savings?

But look what happens when we do pass a budget resolution. Over the past 2 years, in the 99th Congress, any time the budget resolution got in our way, we just dropkicked it, and it made no difference whether we were passing a bill that involved Indian claims in Gayhead, MA, immigration reform, which I supported, energy and water development, Interior appropriations, Food and Security Act, whatever it was. One hundred and six times in the 99th Congress, we said, "We waive the Budget Act. The Budget Act is in our way and so we will just shove it aside. We do not really mean this; we do not want it, and so we are just doing away with the budget resolution. We will waive it."

In fact, the Congress, the Congress, the Congress, not the President, has busted its own budget resolutions since 1981 to the tune of a total of $146.25 billion. We do not even stick to our own budget resolutions.

How reliable is this budget resolution? Why, the Congressional Budget Office, that great nonpartisan office, has already said the committee's draft report language in many instances does not provide sufficient information on proposed policy changes for CBO to provide an independent estimate.

The truth of the matter is we do not really know what this budget resolution does.

All we are asking for in this package of amendments is to give the Members a chance to vote on whether or not they mean what they say with these numbers. Could we at least exclude from reconciliation or from the budget process, extraneous matters, which is another way of saying, spend more money under the cover of night in a resolution that says we are committing to cut spending? Let us just knock out extraneous spending.

Enforce committee compliance with budget ceilings. Do you know what happens with the Committee on Appropriations? The Committee on Appropriations tells the Committee on the Budget where it can go on every appropriations bill. Can we not at least enforce compliance with what the House votes on the budget?

Allow appropriations bills to be considered only after reporting all appropriations, requiring adherence to spending ceilings, requiring short-term continuing resolutions. If we do have long-term continuing resolutions, let us at least know what is in them and let us require a three-fifths vote before we can ram them through, which is what we will do later on this year.

All we are saying is, defeat the previous question, give us a chance to offer these amendments to enforce the numbers. If you defeat the previous question, we will do that.

Now, you might take it back to the Committee on Rules, but that is all right. I have faith that the Committee on Rules would come up with a rule that would at least give us an opportunity to offer our amendments.

But, Mr. Speaker, there is one other alternative. This is all bologna. We ought to slice it just like the bologna that it is. It is a sham; we should not try to convince the American people that this is serious at all. It is not. It is just a game.

What we really ought to do is defeat the committee's resolution and all other substitutes made in order because they do not really deal with the problem.

□ 1120

Let us go back and let us try to come up with a bipartisan resolution, one that does not devastate defense, raise taxes $18 billion plus another $1.3 billion for user fees, one that cuts all domestic programs that help produce jobs but raises those that protect those in the so-called income security area. We can do better in this budget resolution or any of the budget resolutions.

I would like for us genuinely to try to have a bipartisan effort that does not have preconceived conditions which must be met.

I believe the gentleman from South Carolina and I might come up with one. We might not get enough votes from New York City or Los Angeles to go along with it, but we ought to give it a shot. We do not have that here today.

Mr. Speaker, we ought to beat down this whole proposition and begin by defeating the previous question on the rule.

Mr. Speaker, if my colleagues are confused by all this posturing and games playing, welcome to the club. We only asked for one thing early in the process, and that was for a good-faith, serious effort in forging a truly bipartisan, workable and enforceable budget. While the chairman's initial reaction was positive, the rug was then inexplicably pulled out from under that effort at the last minute. Instead of a chairman's mark from which the committee could work, a facetious freeze in last year's budget was put forward instead—hardly a serious working document.

Our Budget Committee Republicans nevertheless renewed their plea for a bipartisan effort based on a chairman's mark; full and enforceable reconciliation instructions; a ban to add ons and extraneous matters in reconciliation; strict enforcement of spending ceilings; and a restoration of sequestration.

I joined with my Republican leader a week later in a letter to the Speaker, making a similar plea for a bipartisan effort grounded in strong enforcement procedures.

But, what did we get for all our good-faith overtures? We got kicked in the face, to put it bluntly. Our Budget Committee Republicans got no advance copy of any markup resolution; they didn't even get a copy of the proposed resolution at the markup meeting. All they got instead was a single sheet of paper with a summary table. Mr. Speaker, if this were summer camp, it might be a good prank to short sheet the minority. But the House of Representatives is no summer camp, and the congressional budget process is no place for juvenile high jinks.

Mr. Speaker, the very fact that the budget process so far this year looks more like a magical mystery tour than a serious fiscal endeavor should give us pause to consider just what it is we are doing and how we are doing it. The very fact we are now faced with a rule that looks more like a mocking mask than a rational procedure should be the tipoff that something is dreadfully wrong with the way we make budgets. Putting sequestration up front like this not only stands the process on its head but is just plain crazy in the head.

For these reasons, Mr. Speaker, I would seriously urge my colleagues on both sides of the aisle to vote down the previous question on this rule so that the gentleman from Ohio [Mr. LATTA] can offer a substitute rule that begins to inject a little sanity into these proceedings. In the first place, the substitute rule would make in order the committee's reported budget resolution, and not sequestration, as the base resolution for amendment purposes. And, the rule would still make in order the same four substitutes in the same order as the present rule, with the chairman's substitute last under a king-of-the-hill approach. But, in addition, the substitute rule would permit the gentleman from Ohio to offer an amendment to whatever is standing at the end—an amendment which makes some necessary changes in our budget process and restores automatic sequestration.

Briefly stated, those budget process reforms would bar extraneous matter in reconciliation bills; provide strict enforcement of both outlay suballocations at the committee level, and of our overall spending ceiling; require that all appropriations bills be reported before any can be considered in the House; subject short-term continuing appropriations to a strict formula as to contents; subject omnibus, long-term continuing resolutions to the same rules as general appropriations measures; and give the President special rescission authority over long-term CR's which could only be reversed by the enactment of a disapproval resolution. As I mentioned before, the amendment would also fix automatic sequestration by replacing the Comptroller General's role with a bipartisan commission.

Mr. Speaker, there are those who argue that now is not the time to fix the budget process. But this budget resolution and this rule are sufficient proof that we can wait no longer.

Vote down the previous question and for the substitute rule.

Mr. LATTA. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. BUECHNER].

Mr. BUECHNER. Mr. Speaker, I think it is quite fitting that next Sunday is Palm Sunday. Palm Sunday, as those of you who are biblical scholars and acquainted with Christianity know, is the day when Jesus rode into town; He was welcomed as a hero and palms, which were a symbol of victory and praise, were laid before Him. The next week, unfortunately, He was beaten, mocked, and executed.

So today we will begin the process of praising the Democratic budget resolution, and next week and for the rest of this term the budget of the United States will be abused, mocked, and finally executed.

Probably, to stay away from the edge of blasphemy, we ought to draw a better resolution, and we ought to talk about it and put it like this: "There's trouble right here in River City; it starts with 't,' that rhymes with 'b,' and that stands for 'budget.'" And just as in "The Music Man," the way in which people learn how to play instruments is to pretend they are playing them and hum. I would suggest that the budget resolution, the one that is being presented in the rule today, is exactly that. It is to pretend that we are dealing with the budget, and to hum a song that we are dealing with the budget when in fact we are doing neither. Maybe there will be some mysterious thing that happens, but I doubt that very much.

The gentleman from South Carolina, Mr. Speaker, eloquently pointed ut the difference between procedure and substance. Let me point out that if there is a lack of substance, it is a one-page budget document and the substance in this real question that is before us today is what was defeated by the Rules Committee. The substance was to do something meaningful in the budget process, to adopt something that, as the gentleman from Ohio pointed out, would provide, if these additions would have been granted in the Rules Committee, that we would have said to the American people that this budget actually means something, that it is not pretending that we are playing a budget, that it is not just humming a budget song, it is truly dealing with what is America's biggest single problem, and that is the deficit and how we as Members of Congress spend the taxpayers' dollars.

I am a freshman, Mr. Speaker, and I am very honored to have served on the Budget Committee. There were a couple of occasions when I thought we honestly were going to join together to deal with the problems of America, and unfortunately—and I will say this happened on both sides—we broke down into partisan rancor. But that is not the way to deal with the major problems of this country, and the Rules Committee has only compounded the felony.

We need to do something about this budget. We need to do something about the deficit, and the best way that we can commence dealing with these problems is to defeat this rule. We need to go back to the Budget Committee, to sit down there and honestly say that we are going to stop casting partisan stones and deal with reality, because this budget that is going to be placed before us today by the majority party does none of those things.

This budget is not smoke and mirrors, as they have termed the President's budget; it is, frankly, magic, mesmerizing, mist, and sleight of hand. It does not even qualify as anything which is as tangible as smoke and mirrors. If the CBO cannot define the impact of this budget, if the substance, using the term of the gentleman from South Carolina, is that we have designated certain groups, certain committees, to deal with the problems that we will not deal with as a Budget Committee, then I wonder what is substance up here. What is the essence of this budget?

I would say, just as the gentleman from Mississippi pointed out, that it is simply a political statement, and if it is a political statement, then let us quit wearing the emperor's new clothes of self-righteousness. Let us quit dressing up and coming out here and telling the people that we have a budget that will answer everybody's needs, that we have a budget that will meet the Gramm-Rudman deadline, that we have a budget that is everything to everybody, because there is no one in this House, in the other body, or on Pennsylvania Avenue or out in the 50 States who honestly believes that a political statement is what is right for this country. You can parade it before us and we can nod no and we can nod yes, but in the final analysis the best thing for this country is to defeat this rule and go back to the Budget Committee and have everyone say once and for all that we will put aside our partisan hats and we will go out and do what is best for this country, because what is being done today, if we adopt this rule, is not what is right for this country. It may be right for reelection, it may be right for rhetoric, but it is wrong for the country.

Mr. LATTA. Mr. Speaker, I yield 5 minutes to the gentleman from Kentucky [Mr. ROGERS].

Mr. ROGERS. Mr. Speaker, it is utterly urgent that, whatever budget we adopt, we adopt a budget that means something. That is not the case now.

Last year, as the Members will recollect, we went through this practice, we labored and we perspired through the process and shouted at each other, and we adopted a budget proposal. And what happened? We waived that budget over 100 times last year, and then, as a final insult to the process, at the end of the year we lumped all the appropriations bills together in one giant continuing resolution, waived the budget restrictions, and passed the entire appropriation of the United States in one continuing resolution. We pay no attention to this document that we are debating. It is a sham.

What the Latta amendment would do, if the Members woud give us a chance to offer it, is to make the budget means something. The American people think it means something. They do not know that last year we waived that budget act this many times. There are four pages here, with roughly 30 or 40 on each page, where we waived the budget on everything from the formation of the Compact of Free Association to the Gay Head-Wampanoag Claims Settlement Act, and, of course, the continuing resolution on some several hundreds of billions of dollars at the end of the year.

Let us defeat the previous question on this rule so that the Latta amendment can be offered so as to make the budget mean something and bind this Congress to live within the means that we say we are going to live within.

The Budget Committee has gone through a long procedure. The House now is going through the procedure of trying to adopt some sort of budget. It does not matter what we adopt if it does not mean anything. I say to the Members, if we mean what we say, let us say what we mean. By adopting this amendment to be offered by the gentleman from Ohio [Mr. LATTA] if we defeat the previous question, we will accomplish that purpose. It is urgent that we do it.

Second, let me say something about the budget itself at this point. The options we have under this rule are not really options at all. The options offered to us are a severe unlivable, unworkable sequestration that no one can live with. We would rimrack America's economy, America's defense, and all the programs that protect Americans from and for the Government. So that is unworkable.

Then there are the other amendments which I think will not solve the problems. We have no real option under the rule that has been reported by the Rules Committee. But the Budget Committee proposal is an amendment to be offered on the floor under the rule. It is an amendment. That is the kind of respect that we have under our procedure for the process itself.

□ 1130

We have relegated the Budget Committee's proposal to an amendment to be offered under this rule on the floor. What does the Democrat proposal do? And let me say parenthetically that Republicans had nothing to do with it, and would not have anything to do with it because they would not offer a proposal in the Budget Committee for us to work from until the last day, and then offered no explanation of a single, one-page trillion-dollar budget. A single sheet of paper they offered to us. So this is not any Republican, bipartisan proposal; this is a literal Democrat proposal. Bear that in mind.

For example, this proposal of the liberal Democrats proposes to raise American taxes by $20 billion. Seventy-three percent of Americans do not want us to raise taxes to solve the deficit problem. Seventy-three percent; three-fourths of the American people do not want you to raise their taxes to solve the deficit problem. They want you to cut spending; that is what they are telling us in the polls. That is what our party stands for. It is not to raise those taxes and yet, that is the proposal that is protected under this rule.

Paul Volcker said as late as last night, "The way to solve America's trade deficit where we are losing our jobs is to cut the Federal budget deficit." Not by raising taxes, but by discipline.

I urge the Members to defeat this rule and allow us to offer the Latta amendment to make the budget mean something.

Mr. YOUNG of Florida. Mr. Speaker, I rise in opposition to House Resolution 139, the rule providing for consideration of the budget resolution, and in support of efforts to defeat the previous question so that we may have the opportunity to amend this rule.

The Rules Committee has made in order all amendments to the budget resolution that were requested for consideration except the amendment by my colleague from Ohio, Mr. LATTA, the vice chairman of the Budget Committee. His amendment appropriately would have allowed the House to consider long overdue reforms to the congressional budget process.

This has been an area of concern to me for a number of years because it is clear that the current budget process does not work. Missed budget deadlines have become the exception rather than the rule, House rules regarding the budget are continually waived, preestablished budget ceilings are ignored, and the authorization and appropriation process has been breached leaving the Federal Government, and its $1 trillion budget, to run on automatic pilot. Massive omnibus continuing appropriation, authorization, and reconciliation bills are forced upon us in the waning days of every session of Congress. The choice is to adopt these all-encompassing bills or allow our Government and all its functions to shut down and cease operating.

The proposed Latta budget reforms would instill some type of discipline to the Congress by instituting currently nonexistent alternatives to last minute omnibus legislation. It would prevent the hysteria that surrounds the House and Senate as the new fiscal year draws near with little or no authorization or appropriation legislation in place.

The reforms to the budget process I advocate are even more sweeping than those proposed by Mr. LATTA. A complete overhaul of the current budget process is urgently needed because it has become too cumbersome and obviously just doesn't work.

What I propose is to first, abolish the Budget Committees, which have only added an unnecessary level of bureaucracy to the already bureaucratized Congress. They serve merely as source for posturing on the budget priorities of the two parties and their months of hearings and debate are for the most part ignored later in the year when the real authorization and appropriation decisions are made.

Second, we should place the Federal Government on a 2-year budget cycle that would allow the Congress to catch up with the backlog of budgetary matters and give us a more realistic chance to fulfill our fiscal responsibilities and meet our deadlines.

And third, I believe the Appropriations and Ways and Means Committee should work more closely together to provide statements of revenues and outlays that will provide us with benchmarks from which to begin our work, and measure our progress, in making budgetary decisions.

These are the main reforms I propose, but I believe Mr. LATTA is on course with those included in his package of amendments. He seeks to provide some method of enforcement to legislative budget targets and imposes much-needed restrictions on omnibus spending legislation. It's unfortunate that the Rules Committee has prevented the offering of his proposals.

The Rules Committee over the last few months has established a dangerous pattern of reporting to the House rules governing the consideration of legislation that more often than not limit the amount of debate on important issues, prevents the offering of key amendments, such as we see today, and waive many of the rules that have been adopted by the Members of the House.

Today is another example of the Rules Committee limiting the amount of debate on amendments and prohibiting the offering of a very relevant and timely amendment to the budget process. These continuing practices by the leadership of the House usurp the rights of the minority Members of this House and effectively restrict our ability to represent the American people we were elected to serve.

Mr. Speaker, I urge my colleagues to defeat the previous question so that we can amend the rule that is before us to allow for the consideration of the Latta amendments. Our efforts today will also send a signal to the House leadership that Members on both sides of the aisle are sick and tired of restrictions that have been imposed upon us that hinder our rights to fully participate in the congressional legislative process.

Mr. GRAY of Pennsylvania. Mr. Speaker, I would like to comment on the inclusion in the rule of a waiver of the third sentence of clause 8 of House rule XXIII against consideration of the amendments made in order by the rule.

The third sentence of clause 8 of House rule XXIII prohibits consideration of "an amendment to a concurrent resolution on the budget * * * which changes the amount of the appropriate level of the public debt set forth in the concurrent resolution as reported."

The language of the prohibition in rule XXIII is somewhat ambiguous in interpreting its application to this year's consideration of the congressional budget since the underlying resolution made in order by the rule is not the committee-reported resolution.

In past years, the application of the rule XXIII prohibition to consideration of amendments was clear, since the matter under consideration was the committee-reported resolution. Consequently, an amendment to a concurrent resolution on the budget was an amendment to the concurrent resolution as reported by the Budget Committee. It was clear that the resolution being amended was the committee-reported resolution and, consequently, changes in the public debt level set forth in that resolution were inappropriate in accordance with rule XXIII.

This year's situation should be distinguished from past years. The House will not be considering the committee-reported resolution as the underlying measure. Despite this distinction, it is probably appropriate to be cautious and waive the prohibition in light of the ambiguity in House rules. But, in other similar situations, I suggest that such a waiver may not be necessary.

Mr. LATTA. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. I thank the gentleman for yielding me this time.

Mr. Speaker, I hold in my hand here a document entitled, "Congressional History of Spending," and it offers statistics year by year on the congressional budget process since 1976, and year by year the failures of the Congress are there for all to see. The opportunism, the pettiness, the unwillingness or inability to rise above partisanship and we Republicans share part of the blame with the Democrats. We all failed but the Democratic leadership bears most of the responsibility.

Specifically, in 1985, the deficit was $181 billion, actually it was $212. In 1986, the first resolution said there would be a deficit of $171 billion. The actual deficit was $220 billion. Now, if a plumber were this bad at his job, we would all be up to our hips in water.

Now we have before us a budgetary masterpiece of misrepresentation. The culminating event in this long series of congressional debacles, the Budget Committee's budget for fiscal year 1988. The real budget process, let us face it, has been dead for several years now. We just have not had the honesty to give it a decent burial and begin again.

We are not kidding anyone around here; it is all political from the road shows to the media events to the one-page budgets, to the rule requiring a vote on the President's budget and the creation of a sequestered budget. It is all politics.

I might remind my Democratic friends, primarily over here, how you were so insistent on taking away the normal budget presentation authority of the President and putting it right here in our laps. That we would be forced to come up with our own budget process.

Frankly, except for a couple of years from its adoption, we have been running and hiding from it for years. Frankly, this year, you all refused to even talk about it. You refused to compromise. You took the President's all around the country, but, frankly, your own budget, you will not run right around the Capitol Building here. There is a conspiracy of silence about the whole thing. I guess to give you some idea about the seriousness with which this budget was put together, let the record show that in its original form it consisted, as has been pointed out, of one page. One page, and that was quickly waived before the faces of our Republican Members.

Do you believe as I do that in the field of nuclear physics that there is no second place? That the superpower that does not stay at the cutting edge is doomed? Well, then be aware that according to OMB the Democratic budget would require that the Fermi Lab in my home State of Illinois would suffer substantial cutbacks and that the Stanford linear accelerator in California and the continuous electron accelerator in Virginia would suffer the same fate? The research and development funds needed for the single most important project of the nuclear age, the superconducting super collider would not be available at all? This budget rejects funding for the Clean Coal Technology Program, which is designed to both find solutions to the acid rain problem and find more uses for the high-sulfur coal of the type we produce back in my home State of Illinois.

Nowhere does this budget chill the very marrow of our bones more than its attack on our national security. The savage cuts imposed on national security under this, the first budget of our new Speaker, are nothing less than the Texas chain saw massacre. It looks as if a chain saw was used to make these cuts. This budget would mean that for 3 straight years now the defense budget of our country will be cut in real terms. I will tell you, if a foreign power attempted to do to our national security what this budget would do, it would be cause for our breaking off of diplomatic relations at the very least.

It is almost unnecessary to add that this budget calls for, as the gentleman preceding in the well pointed out, $18 billion of increases in taxes. We become so used to our Democratic friends calling for more taxes that it frankly no longer shocks us. To call it a purely political document in a sense is to dignify it, because politics in this country at least has some connection with the give and take of open and honest debate.

I guess in one sense I pity the many responsible Democrats who have had to support this thing out of a sense of party loyalty. You deserve better than this, and in my judgment, we all deserve something better than this.

I am urging my colleagues to vote against the previous question at the time the question is put so that we can substitute therein some real meaning reforms in the whole process as proposed by the distinguished gentleman from Ohio [Mr. LATTA].

It is absolutely essential, in my judgment, if the budget process is ever going to work, that we take action now. I urge a vote against the previous question to make that in order.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I wish to call attention to a letter that has been delivered to the chairman, with a copy to me, a copy to the Speaker, and a copy to our minority leader, from the Independent Petroleum Association of America. I want especially to call this to the attention of those Members who come from producing oil States. It says:

> DEAR CHAIRMAN GRAY: It has come to our attention that the House Budget Committee proposal for fiscal 1988 contains some rather "creative" ideas on how to increase the Strategic Petroleum Reserve (SPR) fill rate at no cost to taxpayers.
>
> As we understand the proposal, a percentage of all oil purchased by domestic refiners would be diverted by law to the SPR at refiners' expense. That oil would be added to and considered a part of the SPR and refiners would carry the burden of its full costs. In the event a draw-down of the SPR was ordered, refiners would be given back their oil in proportion to what they had been required to donate.
>
> Were this not in writing, we would not have believed it. But since a majority of the Budget Committee has accepted it as legitimate national policy, we have no choice but to comment on it.
>
> The Independent Petroleum Association of America is the national association representing the nation's independent crude oil and natural gas producers. By definition, our members are producers, with little or no interest in refining, transportation or marketing. Therefore, we will not beg the question of whether or not this proposal is confiscation of refiners' property without compensation. They are capable of addressing that issue.
>
> What we want to bring to your attention is the adverse impact this would have on the U.S. petroleum producing industry—an industry already in steep decline.
>
> Apparently the Committee believes refiners would simply pass costs associated with their contribution to the SPR through to consumers. That argument may be partially true as to the gasoline portion of the crude oil barrel, since gasoline has very little competition as a fuel. But much of the remainder of the barrel—heating oil and industrial fuels—compete head-to-head with natural gas, coal and electricity in a very price-sensitive market. In addition, imported products—especially gasoline—would limit further the ability of domestic refiners to increase their prices. Thus, we think our fears are well founded that pressure on refiner margins would lead to lower net-backs to producers in the form of lower wellhead prices. In fact, if refiner costs could not be passed through to consumers and because they are powerless to lower net-backs to foreign producers, the full cost of this proposal would fall on domestic producers, especially independents.
>
> At a time when the domestic petroleum industry is in one of its most serious economic declines in history, this is a most inappropriate action which most surely will further that decline.
>
> We urge you, Mr. Chairman, to recall this budget resolution to your Committee to correct this mistake. Absent that, we will be urging Members of the House to vote no.
>
> Sincerely,
>
> H.B. SCOGGINS, Jr.

Mr. DERRICK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I have sat over here for the last half an hour and listened to this argument from the minority side. I have heard the budget compared with chicken and eggs and Texas chain saws and one thing or another. Quite frankly, that would be amusing if this were not such a serious matter.

We instituted a Budget Impoundment Act back in 1974 in this House to bring some sort of rhyme and reason to our fiscal policy. We Democrats on the Budget Committee have worked hard and long this year and in prior years because, quite frankly, the American people have shown the confidence in us to give us the right to govern in the two legislative bodies.

Because of this confidence, we must come up with a budget, and that we have done. We are to be criticized by those who would not even come forth with their own budget. This is just a complete sham, because even if the minority were to prevail on the matter of the failure of the previous question, a point of order would lie against the changes that Mr. LATTA wishes to make.

□ 1140

So that is not going to be possible. We might as well forget about that.

Now we are asked to consider the substance. Well, I would like for someone to tell me where any substance is on the other side, because they have not even been willing to produce their own budget. They do not want to produce their own budget. They do not want to vote for the President's budget.

The minority leader just got up here a few minutes ago and said it was a shame that we had cut the Pentagon's budget, that it was a shame we had cut from the domestic programs and that it was a shame that we had called for revenues, even though they are less than what the President wanted; but yet he thinks they have some miracle to balance the budget.

Well, Mr. Speaker, if no one is going to cut the domestic side of the budget and no one is going to cut the defense side of the budget and you are not going to come up with some additional revenues, I would like to know where in the devil you are going to get the revenues or the cuts to balance the budget.

The only thing the minority has done is moan and groan and complain in the last 3 months. We on two occasions in the Budget Committee invited, requested, begged, almost, our chairman did, the minority to come with us in a spirit of nonpartisanship to produce a budget for this great country of ours. They came, they failed. One time they voted "present." The other time, not one time did they offer one amendment, not one time did they offer a budget, so all of this moaning and groaning is a sham, too.

What do we have to hang our hat on this morning? What you have to hang your hat on is a responsible Democratic majority in this House of Representatives who appointed a responsible Democratic majority on the Budget Committee who have come up with a responsible budget for this great country of ours that makes cuts where they are needed, asks for additional revenues less than what the President asked for to bring some rhyme and reason to the fiscal policy of this country.

Mr. Speaker, I ask that you vote for the previous question.

Mr. **DERRICK**. Mr. Speaker, I move the previous question on the resolution.

The **SPEAKER** pro tempore (Mr. GRAY of Illinois). The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. **LATTA**. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The **SPEAKER** pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 241, nays 174, not voting 18, as follows:

[Roll No. 46]

YEAS—241

Ackerman
Akaka
Alexander
Anderson
Andrews
Anthony
Applegate
Aspin
Atkins
AuCoin
Barnard
Bates
Beilenson
Bennett
Berman
Biaggi
Bilbray
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Brown (CA)
Bruce
Bryant
Bustamante
Byron
Campbell
Cardin
Carper
Chapman
Chappell
Clarke
Clay
Coelho
Coleman (TX)
Collins
Cooper
Darden
de la Garza
DeFazio
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
English
Espy
Evans
Fascell
Fazio
Feighan
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frost
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Glickman
Gonzalez
Gordon
Grant
Gray (IL)
Gray (PA)
Guarini
Hall (OH)
Hall (TX)
Hamilton
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hochbrueckner
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jenkins
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Lowry (WA)
Luken, Thomas
MacKay
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McHugh
McMillen (MD)
Mfume
Miller (CA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Morrison (CT)
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Panetta
Patterson
Pease
Penny
Pepper
Perkins
Pickett
Pickle
Price (IL)
Price (NC)
Rahall
Rangel
Ray
Richardson
Robinson
Rodino
Roe
Rose
Rostenkowski
Rowland (GA)
Roybal
Russo
Sabo
Savage
Sawyer
Scheuer
Schroeder
Schumer
Sharp
Sikorski
Sisisky
Skaggs
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Solarz
Spratt
St Germain
Staggers
Stallings
Stark
Stenholm
Stokes
Stratton
Studds
Swift
Synar
Tallon
Tauzin
Thomas (GA)
Torres
Torricelli
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weiss
Wheat
Whitten
Williams
Wise
Wolpe
Wyden
Yates
Yatron

NAYS—174

Archer
Armey
Badham
Baker
Ballenger
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boulter
Broomfield
Brown (CO)
Buechner
Bunning
Burton
Callahan
Chandler
Cheney
Clinger
Coats
Coble
Coleman (MO)
Combest
Conte
Coughlin
Courter
Craig
Crane
Dannemeyer
Daub
Davis (IL)
Davis (MI)
DeLay
DeWine
Dickinson
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Emerson
Erdreich
Fawell
Fields
Fish
Frenzel
Gallegly
Gallo
Gekas
Gilman
Gingrich
Goodling
Gradison
Grandy
Green
Gregg
Gunderson
Hammerschmidt
Hansen
Hastert
Hefley
Henry
Herger
Hiler
Holloway
Hopkins
Horton
Houghton
Hunter
Hyde
Inhofe
Ireland
Jacobs
Jeffords
Johnson (CT)
Kasich
Kolbe
Konnyu
Kyl
Lagomarsino
Latta
Leach (IA)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lott
Lowery (CA)
Lujan
Lukens, Donald
Lungren
Mack
Madigan
Marlenee
Martin (IL)
Martin (NY)
McCandless
McCollum
McDade
McEwen
McGrath
McKinney
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Moorhead
Morella
Morrison (WA)
Myers
Nielson
Oxley
Packard
Parris
Pashayan
Petri
Porter
Pursell
Quillen
Ravenel
Regula
Rhodes
Rinaldo
Ritter
Roberts
Rogers
Roth
Roukema
Rowland (CT)
Saiki
Saxton
Schaefer
Schneider
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Skeen
Slaughter (VA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Spence
Stangeland
Stump
Sundquist
Sweeney
Swindall
Tauke
Taylor
Thomas (CA)
Upton
Vander Jagt
Vucanovich
Walker
Weber
Weldon
Whittaker
Wolf
Wortley
Wylie
Young (AK)
Young (FL)

NOT VOTING—18

Annunzio
Bevill
Carr
Conyers
Coyne
Crockett
Daniel
DioGuardi
Kemp
Lipinski
Lloyd
Mica
Ridge
Roemer
Schuette
Snowe
Towns
Wilson

□ 1200

The Clerk announced the following pairs:

On this vote:

Mr. Mica for, with Mr. Kemp against.

Mr. **HORTON** changed his vote from "yea" to "nay."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The **SPEAKER** pro tempore (Mr. GRAY of Illinois). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. **LATTA**. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 241, nays 168, not voting 24, as follows:

[Roll No. 47]

YEAS—241

Ackerman
Akaka
Alexander
Anderson
Andrews
Anthony
Applegate
Aspin
Atkins
Barnard
Bates
Beilenson
Bennett
Berman
Bevill
Biaggi
Bilbray
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Brown (CA)
Bruce
Bryant
Byron
Campbell
Cardin
Carper
Chapman
Chappell
Clarke
Clay
Coelho
Coleman (TX)
Collins
Cooper
Coyne
Darden
de la Garza
DeFazio
Dellums
Derrick
Dicks
Dingell

Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frost
Garcia
Gaydos
Gejdenson
Gibbons
Glickman
Gonzalez
Gordon
Grant
Gray (IL)
Gray (PA)
Guarini
Hall (OH)
Hall (TX)
Hamilton
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hochbrueckner
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jenkins
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Lowry (WA)
Luken, Thomas
MacKay
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCurdy
McHugh
McMillen (MD)
Mfume
Miller (CA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Morrison (CT)
Mrazek
Murphy
Murtha
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Owens (NY)
Owens (UT)
Panetta
Patterson
Pease
Penny
Pepper
Perkins
Pickett
Pickle
Price (IL)
Price (NC)
Rahall
Rangel
Ray
Richardson
Robinson
Rodino
Roe
Rose
Rostenkowski
Rowland (GA)
Roybal
Russo
Sabo
Savage
Sawyer
Scheuer
Schroeder
Schumer
Sharp
Sikorski
Sisisky
Skaggs
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Solarz
Spratt
St Germain
Staggers
Stallings
Stark
Stenholm
Stokes
Stratton
Studds
Swift
Synar
Tallon
Tauzin
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weiss
Wheat
Whitten
Williams
Wise
Wolpe
Wyden
Yates
Yatron

NAYS—168

Archer
Armey
Badham
Baker
Ballenger
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boulter
Broomfield
Brown (CO)
Buechner
Bunning
Burton
Callahan
Chandler
Cheney
Clinger
Coats
Coble
Coleman (MO)
Combest
Conte
Coughlin
Courter
Craig
Crane
Dannemeyer
Daub
Davis (IL)
Davis (MI)
DeLay
DeWine
Dickinson
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Emerson
Fawell
Fields
Fish
Frenzel
Gallegly
Gallo
Gekas
Gilman
Gingrich
Goodling
Gradison
Grandy
Green
Gunderson
Hansen
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Holloway
Hopkins
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Hyde
Inhofe
Ireland
Jacobs
Jeffords
Kasich
Kolbe
Konnyu
Kyl
Lagomarsino
Latta
Leach (IA)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lott
Lowery (CA)
Lujan
Lukens, Donald
Lungren
Mack
Madigan
Marlenee
Martin (IL)
Martin (NY)
McCandless
McCloskey
McCollum
McDade
McEwen
McGrath
McKinney
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Moorhead
Morella
Morrison (WA)
Myers
Nielson
Oxley
Packard
Parris
Pashayan
Petri
Porter
Pursell
Quillen
Ravenel
Regula
Rhodes
Ridge
Rinaldo
Ritter
Roberts
Rogers
Roth
Roukema
Rowland (CT)
Saiki
Saxton
Schaefer
Schneider
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Skeen
Slaughter (VA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Spence
Stangeland
Stump
Sundquist
Sweeney
Swindall
Tauke
Upton
Vucanovich
Walker
Weber
Weldon
Whittaker
Wolf
Wortley
Wylie
Young (AK)
Young (FL)

NOT VOTING—24

Annunzio
AuCoin
Bustamante
Carr
Conyers
Crockett
Daniel
DioGuardi
Gephardt
Gregg
Hammerschmidt
Houghton
Johnson (CT)
Kemp
Lipinski
Lloyd
Mica
Roemer
Schuette
Snowe
Taylor
Thomas (CA)
Vander Jagt
Wilson

1220

The Clerk announced the following pairs:

On this vote:

Mr. Gephardt for, with Mr. Schuette against.

Mr. Mica for, with Mr. Kemp against.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mrs. PATTERSON. Mr. Speaker, I was unavoidably detained during rollcall No. 45. Had I been present, I would have voted "yea."

PERMISSION FOR SUBCOMMITTEE ON SCIENCE, RESEARCH AND TECHNOLOGY OF COMMITTEE ON SCIENCE, SPACE AND TECHNOLOGY TO SIT THURSDAY, APRIL 9, 1987, DURING THE 5-MINUTE RULE

Mr. WALGREN. Mr. Speaker, I ask unanimous consent that the Subcommittee on Science, Research, and Technology be permitted to sit tomorrow while the House is in session during the 5-minute rule.

The SPEAKER pro tempore. (Mr. Gray of Illinois). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

CONCURRENT RESOLUTION ON THE BUDGET—FISCAL 1988

The SPEAKER pro tempore. Pursuant to House Resolution 139 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution, H. Con. Res. 93.

□ 1221

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for consideration of the concurrent resolution (H. Con. Res. 93) setting forth the congressional budget for the U.S. Government for the fiscal years 1988, 1989, and 1990, with Mr. Natcher in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. Pursuant to House Resolution 139, the first reading of the concurrent resolution is dispensed with.

The gentleman from Pennsylvania [Mr. Gray] will be recognized for 2 hours and the gentleman from Ohio [Mr. Latta] will be recognized for 2 hours.

After opening statements by the chairman and ranking minority member of the Committee on the Budget, the Chair will recognize the gentleman from California [Mr. Hawkins] and the gentleman from Ohio [Mr. Latta] for 1 hour each to control debate on economic goals and policies. After this 2 hours of debate has been consumed or yielded back, the Chair will recognize the chairman and ranking minority member of the Committee on the Budget to control the remainder of their 4 hours of debate.

The Chair recognizes the gentleman from Pennsylvania [Mr. Gray].

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today is the day of reckoning on the budget for the U.S. Government for fiscal year 1988. You have before you a group of resolutions that offer you a choice, in the clearest possible terms, for the direction in which you wish our Nation to go in the fiscal year beginning October 1, and in the years following that.

The Budget Committee has worked diligently for the past 3 months to produce a resolution that meets the requirements of the Gramm-Rudman-Hollings-Mack deficit reduction law. Even though we have had no cooperation in this effort from the White House, and even though th Republican members of the committee refused to participate in the actual drafting, we have produced a budget that does so—and does it equitably and fairly.

The budget we are presenting achieves more real, permanent deficit reduction than any other that's been suggested this year—including the President's. Our budget will lower the deficit by $38.2 billion. That's almost twice as much in real, permanent deficit reduction as the Congressional Budget Office says the President's budget contains.

And, our budget will meet the deficit level of $108 billion mandated by Gramm-Rudman-Hollings-Mack. In fact, the deficit under our resolution would be $107.6 billion, $400 million under the target and $200 million lower than the President's deficit.

I believe the Members of this body should understand the full implications of our budget and the President's and have a chance to vote on them. You also will get a chance to vote on budget proposals offered by Mr. DANNEMEYER and by the Congressional Black Caucus.

However, it is interesting that when we went to the Rules Committee, the minority party did not present its own alternative budget for consideration by the full House. Since the Republican members of the Budget Committee did not propose the President's budget for adoption in the committee, I can only assume that the members of the minority party now realize that the committee budget is the best alternative.

And why is our budget the best? Because in contrast to the President, we made the hard choices. We achieved more deficit reduction, we set priorities, we made sure that those programs essential to America's future received adequate funding and that those less essential would be reduced.

For example, the President proposed to cut education funding by 28 percent overall, and student aid for higher education by 45 percent.

To that, the committee said no.

The President cut Pell Grants by 31 percent, eliminated the Work Study Program, eliminated supplemental education opportunity grants, and cut guaranteed student loans by over $1.8 billion. His budget would eliminate student aid for over 1.5 million American students.

Our budget provides full funding for education and these programs.

In health care, the President's budget would cut Medicare by $5.1 billion and Medicaid by $1.4 billion, thus placing an awesome burden on the health of our elderly and our poor.

It would increase Medicare premiums by 40 percent, make the elderly wait longer to get on the Medicare rolls, and cut benefits for the disabled.

We in the House Committee on the Budget said no to those priorities.

Our budget assures health protection for the elderly and poor. It provides full funding for low-income, high-priority programs. It achieves some savings in Medicare, but not at the cost of health care for the elderly.

The President's budget calls for drastic reductions in community development block grants; it would eliminate subsidized housing, rural development loans, urban development action grants, the Appalachian Regional Commission, rural housing loans, mass transit operating assistance, housing for the elderly, and farm ownership loans.

The Committee on the Budget said those are the wrong priorities. We took another direction.

Our budget makes some judicious reductions in some of these programs, while fully funding others, like rural housing. But we rejected the President's plan to eliminate such programs as community development block grants and mass transit.

The President's budget would cut $950 million from antidrug programs that we initiated bipartisanly only last year to deal with this menace. That would wreak havoc in our society, ruining lives and increasing crime.

The Committee on the Budget said "no" to that proposal. Therefore, our budget restores the cuts made in the war against drugs and drug abuse and provides $4.1 billion for drug law enforcement, drug prevention, drug treatment and education programs aimed at stopping the use of drugs in our society.

□ 1230

The President's budget would cut medical care for veterans by $171 million, increase the fees for Veterans' Administration housing loans by 250 percent, and even cut veterans' burial benefits. We said that is the wrong policy for those who have defended our freedoms.

Our budget provides full funding for veterans' programs and full cost-of-living adjustments for veterans' compensation and pensions. Our budget also assumes a full cost-of-living adjustment, which is estimated at 4.1 percent, for all Social Security recipients in January of 1988.

Our budget also provides adequate funding for emergency priority programs in areas like AIDS research, homelessness, welfare reform, training for displaced workers, and children's health programs.

We agreed with the President that AIDS research should have a high priority, but our budget provides $436 million more for these activities than his does. We agreed with the President that homelessness is a national tragedy, but our budget provides $550 million more to relieve this problem than does his budget. We agreed with the President that our welfare system needs drastic reform. Our budget provides funds for welfare-related job training programs. But it requires that the welfare reform package will not increase the deficit.

We agreed with the President that funding is needed to retrain dislocated workers. Our budget will accommodate that funding. In addition, our budget provides additional funds to improve children's education, health, and welfare.

For example, whereas the President's budget would reduce handicapped education, our budget would increase funding above the current level. We also call for increases in child welfare, title 20, and an increase in the proven program of Head Start.

Mr. Chairman, that is only a small sample of the differences between the President's budget and the one recommended by the Budget Committee. Over the next several hours the Members will have a chance to choose between our budget, which achieves real permanent deficit reduction in a balanced, fair and equitable manner, and the President's budget, which has less deficit reduction and is severely imbalanced between defense and domestic needs. The issue of balance is extremely important. In our budget recommendation we call for half of the spending cuts to come from the domestic side and half to come from the Pentagon side. Then, in order to achieve reductions in the areas of nonessential Government services such as the ones that we have outlined, we have called for cuts ranging from 3 to 12 percent.

We have provided no one-time, quick-fix asset sales, as in the President's budget, which gives the appearance of deficit reduction in fiscal year 1988 but are not repeatable in 1989 and 1990. The House budget resolution says that if we are to have permanent deficit reduction, the spending reductions must be real and they must be permanent. We have $37 billion more real deficit reduction in the 3 years 1988–90 than does the President, simply because we make the real choices.

If we do not act on this budget, then we face the prospect of sequestration, which would cut both defense and domestic programs in the most indiscriminate and damaging way. Under sequestration, defense spending would be cut by $24 billion in outlays and $60 billion in budget authority. This would require cuts in both military and civilian personnel and would seriously damage the Nation's military readiness.

Under sequestration, domestic programs would be cut by 20 percent. The budget for education and training would be reduced by $5 billion, the budget for transportation would be cut by $3.85 billion, and the budget for health research would be cut by $1.3 billion. None of us in this body wants this kind of decimation, and under the budget proposed by the Budget Committee we do not need to have it. Instead, we can vote for a budget that achieves real and permanent budget restraint and at the same time sets sensible priorities for the important programs of the Federal Government, from national defense to domestic needs.

The choice will be ours. The House Budget Committee proposes less new revenues than proposed by the President, using his own definitions. The President proposed $22.4 billion in revenues; we propose $21.85 billion. We also propose that those revenues, unlike the President's, would be used only for deficit reduction. We call for any new revenues to go into a deficit reduction trust fund, whereas the President uses many of his revenues for increased spending in the Pentagon.

We say, let us cut spending equitably on the defense and domestic sides, $8.75 billion in each area, and then take all new revenues that are raised and apply them to deficit reduction. That way we can have a deficit reduction program that is real, that is permanent, that is repeatable, and that can assure the American population that we will move away from the policies of spend, spend, borrow, borrow.

Mr. Chairman, I say to my friends that this budget resolution is probably not one that any of us would design if we could design it only by ourselves. But it is a resolution that meets the needs of the Nation and reconciles all of the great regional interests of this Congress, whether it be in Maine or Texas, California or South Carolina, Michigan or Florida.

This resolution, I believe, represents the best policy possible in terms of a consensus on a budget that can be passed by this body, that achieves real and permanent reductions, and that can be implemented and make into law.

I urge the Members during the next 2 days to look at all of the choices. When we look, let us remember that, at the end of our debate, we must pass a resolution. The challenge for each and every one of us is to send a message to the American people, that Congress is serious, that we do plan to dry up the sea of red ink, and that we are prepared to make the hard choices.

Mr. Chairman, I would point out to my friends that what the Budget Committee did was not easy. It was difficult. Many committee members had to reduce programs that were near and dear to them. But we did set priorities, we did make those choices. To those who would find fault with this budget, who would criticize the revenues with the old political rhetoric of tax and spend, who would find fault with the defense number or some specific domestic reduction, I would ask this question: Where is your budget? Which one will you vote for? You can choose among four, including the President's. I submit that you ought to make a choice.

At the end of the day, Mr. Chairman, I believe that the Members will find that this budget represents the best choice, not simply for Democrats but for Democrats and Republicans alike. Most important, it represents the best choice for America.

□ 1240

Mr. LATTA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, at the outset, let me remind my colleagues that the budget resolution that we are eventually going to be voting on for real is a committee document. Not the sequestration document, not the President's document that the chairman took so much time to condemn, but the product that they have fashioned as the majority part of this House.

I might say that I have a letter from the Congressional Budget Office, dated April 7, 1987, about how the Congressional Budget Office sees this budget. Let me just read one sentence:

> The committee's draft report language in many instances does not provide sufficient information on proposed policy changes for CBO to provide an independent estimate.

Let me say that heretofore we have had before this body a CBO estimate. Budgets have been costed out, but not this particular budget that has been hastily brought to the floor.

This budget being proposed by the majority should evoke no pride of authorship in that section of the Democratic Party where it originated. It has too much of what is wrong for America today, too many taxes, too little for national defense, and too much wasteful or misplaced spending. Not one piece of legislation or not one program heretofore passed by this Congress that was unneeded is being touched, terminated, sunsetted under this proposed budget.

Every poll that has been taken indicates that the American people want less spending, less spending. They want to terminate some of these programs that we do not need. They want to reduce drastically some programs that we are spending too much on. They do not want to see any more taxes, and that is about all you are going to see here in this proposal before us today if it is passed.

Sound-thinking Members of both parties should join in rejecting it. Once it is consigned to the trash can, a true bipartisan effort can be made to develop a budget which could work. It should be a budget which avoids a big tax increase and provides for essential national defense requirements and other needed programs, and reduces the deficit by relying primarily on cutting, eliminating those programs that are not needed.

We have heard the chairman indicate that there are less new taxes in this than proposed by the President. Well, let us examine that statement. The President was proposing user fees and the sale of assets. He was not proposing $18 billion in new taxes. Then in this budget they are going to say to the Ways and Means Committee, "Come up with $18 billion of new taxes."

Here are some of the principal reasons why this Democratic budget should be voted down. As one might expect, it calls for almost $22 billion in taxes and user fees. Of this total, $18 billion would come from unspecified tax increases. Some of the possibilities for raising this much in taxes include, and Speaker WRIGHT has already pointed out: A stock transfer tax that would hit pension plans most severely. Or a package of excise tax hikes that would include doubling the cigarette tax, raising beer and wine taxes, and putting a 12-cent-a-gallon increase on gasoline, or delaying the income tax rates scheduled to take place next year under the tax reform bill that we passed just recently.

Probably not many of our constituents would welcome any of those big tax increase alternatives. It would appear that the Democrat majority in the Budget Committee forgot that the American people soundly rejected proposals for tax increases in the 1984 election. I see nothing to indicate that the people have changed their feelings about these tax increases. Are my colleagues willing to gamble that the voting pattern will change in 1988? I would also remind those Democrats on the Budget Committee especially that President Reagan has pledged to veto any new broad tax increases.

The Democrats also promise to keep that $18 billion in new taxes in a "specified reduction account." This has been correctly described as hokum. Everybody knows that one Congress cannot bind another and tell them not to spend money. If you spend it now, what difference does it make? If you do set up an account, the money has already been spent.

The budget would endanger our national security by the cuts it mandates in defense. The budget would cut defense outlays by $9 billion more in 1988 and by $42 billion over 3 years from 1988 through 1990. Defense authority would be cut by $14 billion in 1988 and by $51 billion over 3 years. Did we have testimony before the Budget Committee that would justify such reductions? No, we did not. No, we did not.

Because it assumes proportional cuts in all defense accounts, troop strength would have to be cut by 100,000 to 300,000, and we would return to the Carter days of spare parts shortages, weapons modernization would be stretched out resulting in higher costs per weapon.

This budget means that for 5 straight defense years we would suffer real cuts in this area. This year alone, there would be a 5-percent real cut on top of back-to-back real cuts of 3 percent and 2 percent in the previous 2 fiscal years. In fiscal year 1989 and 1990, the Democrat's budget allows only 3.6 percent and 3.8 percent increases respectively instead of the 4.5 percent per year estimated by CBO as necessary just to keep pace with inflation.

It makes cuts in other necessary programs including space and agriculture. Everybody knows that agriculture is flat on its back. Here they would make those reductions in that area.

The American consumer, in addition to having to pay higher taxes, would be adversely affected by many of the details in this budget. For example, the Democrat majority plan falls short of what the administration had proposed for the air traffic safety, thus, fewer air traffic controllers and safety inspectors could be hired, and air traffic delays and safety problems would mount.

The budget would also impose what amounts to an oil import fee. This would be passed on to consumers in the form of higher heating oil prices. The budget also would freeze the amount being paid for processing Medicare claims, even though an increase is needed to keep the claims from piling up.

This budget is replete with smoke and mirrors despite the promises of the Democrat majority to stay away from such gimmicks this year. For example, a $50 million increase in receipts from oil and gas leasing is assumed despite a sharp drop in lease filings in the past 5 years, and a distinct possibility that filings may decrease even if Democrats institute a plan to increase the filing costs.

The Democrats also call for a 3-percent pay raise for Federal civilian employees by saying it must be absorbed by squeezing agency budgets. More than $14 billion in those so-called offsetting receipts, and $10.6 billion in revenues would come from using the economic and technical assumptions of the President's budget, assumptions which have been roundly criticized as unrealistic by not only the chairman of the Budget Committee for several weeks earlier this year, but other members of the committee, and lo and behold, they come up and use the same statistics in their budget.

□ 1250

This budget calls for some massive new spending, despite the fact that we must reduce the Federal deficit to cut our trade deficit, as well as to meet the requirements of the Gramm-Rudman-Hollings law. For example, welfare reform, instead of being deficit-neutral would cost $5 billion more than existing programs during the next 3 years.

No attempt is made to eliminate or sharply reduce unnecessary spending, such as on Amtrak subsidies or on duplicative grants to states and local governments.

Why can we not do something about these things—duplicates, grants to State and local governments. Every time somebody steps on an Amtrak train it costs you $27 in subsidies. Why does the taxpayer have to do that? Why don't we put that on the desk? Why are they not calling for something to be done about it?

This budget will not make the deficit reduction it promises. Out of an advertised $38.2 billion in fiscal year 1988 deficit reduction politices, only $21.8 billion would be reconciled. The remaining savings depend on enforcing appropriations ceilings. Our procedures for keeping appropriations within ceilings are very weak, and everybody knows that; so basically this is just another "tax and spend" budget from the Democrat majority on the Budget Committee, with the taxing and spending coming in all the wrong places. It is time for a truly bipartisan approach to developing a budget that will work.

I know the Democrats on the Budget Committee claim they offered Republican members of the committee a chance for bipartisan cooperation, but what did they do? Instead of coming forth with the chairman's mark, as I explained in the debate on the rule, they came forth with last year's budget. Well, any little child from off the street could have brought that budget and said, "Here it is. Here is our product. Here is where we start." We are not about to play that game.

Then they railroaded their budget to the committee, offering us only a one-page markup document as explanation.

Now, I call on Democrats and Republicans alike to vote down this truly bad budget when the time comes so that we can start anew, so that we can make some reductions in the programs that mean to reduce spending, something the American people want, not new taxes.

I know that as another political ploy the Democrat majority on the Budget Committee introduced a sequester budget, and that is the working document. They argue that Congress would be faced with massive, mechanical cuts of an automatic sequestration if we do not adopt their budget.

Now, I do not think this Congress should permit itself to be put in this box, and that is what they are attempting to do.

After all, it is the Democrat majority that has the responsibility to present a decent budget. They have not done so. If the majority wants to totally wreck our defenses, our space effort, law enforcement, and aid to veterans, among other things, it can do so. The best thing to do would be to vote down both the Democrat majority budget and the sequester budget the Democrats introduced as a ploy. Then you will be telling the Democrat majority on the Budget Committee that it is time to end the political games and produce a responsible budget.

The CHAIRMAN. The Committee will rise informally.

□ 1254

ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER pro tempore. (Mr. MURTHA) assumed the chair.

The SPEAKER pro tempore. The Chair lays before the House the following enrolled joint resolution.

H.J. Res. 200. Joint resolution to designate April 10, 1987, as "Education Day U.S.A.".

The SPEAKER pro tempore. The Committee will resume its sitting.

CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1988

The Committee resumed its sitting.

Mr. GRAY of Pennsylvania. Mr. Chairman, pursuant to the rule, I yield 1 hour and 5 minutes of my time under general debate to the gentleman from Wisconsin [Mr. OBEY].

Mr. Chairman, I ask unanimous consent that the gentleman from Wisconsin [Mr. OBEY] be entitled to yield time.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. GRAY of Pennsylvania. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, the reason I have asked the gentleman to yield is that by way of explanation to the new Members we will now be debating Humphrey-Hawkins for the next 2 hours; is that correct?

Mr. GRAY of Pennsylvania. The gentleman from Ohio is correct. I am yielding the time, as required by the rule, for debate on Humphrey-Hawkins. The gentleman who will begin that debate is the gentleman from Wisconsin [Mr. OBEY].

Mr. LATTA. Mr. Chairman, if the gentleman will continue to yield, should the gentleman from California and the gentleman from Wisconsin need additional time, we will be happy to yield them additional time.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. OBEY] for 1 hour and 5 minutes.

Mr. OBEY. Mr. Chairman, I yield myself 15 minutes.

The **CHAIRMAN.** The gentleman from Wisconsin [Mr. OBEY] is recognized for 15 minutes.

Mr. OBEY. Mr. Chairman, before I begin, I would simply like to take note of one thing. The gentleman in the chair, Mr. NATCHER, has presided over this House on a good many occasions. I do not know on how many occasions he has presided over the budget resolution, but it is—how many times? I am told it is seven times.

I would say that the gentleman from Kentucky [Mr. NATCHER] now in the chair has become quite an institution in this place in many ways, but none of those has been more distinguished than the manner in which he has presided over this House in the many times he has occupied that chair on behalf of the House.

Mr. Chairman, I am in a sense standing in for Chairman HAWKINS of California to begin the debate on the Humphrey-Hawkins portion of the budget resolution debate.

I think the best way to do that, rather than focusing on the shortcomings of Government performance in terms of meeting our unemployment obligations and other obligations, which are certainly important, is simply to discuss the process itself and what has happened to the House because of the way the process has been followed in the past few years.

As we all know, and as the gentleman from Ohio indicated previously, the committee's resolution this year is based upon the economic assumptions provided for in the administration's budget. I frankly am not happy about that. I think there are grave questions about the accuracy of the administration's estimates. I think it presents a real impediment to the ability of the House to understand what we will eventually be faced with in October. But the fact is, I do not think the committee had any choice. The fact is that since 1921 the administration—any administration—has been given the power and the duty to initiate the budget process by sending its own budget to the Congress for review. Since the administration has 90 percent of the resources available to anyone in the Government to establish and put together a budget, that means that if the administration's budget is based on assumptions which are erroneous or not seriously taken from the beginning, that means that the entire process itself is handicapped. It means that when we are discussing problems related to the budget process, we ought to be asking the fundamental question.

Many people in this House are saying, "We've got a problem with the budget process. We've got to do something about it."

I would suggest that however this House handles the budget, it is going to have serious problems until the administration itself deals with the budget in a serious way, because the administration, any administration—is in practical terms the big gorilla on the block. If they in essence screw up the process before it begins by sending down a resolution which is not based on sound assumptions, then it is very difficult for anyone else to play a real game.

The practical facts of life are simply that if the administration says the game is going to be played in Wrigley Field, we cannot then try to play the game under rules which would say, "Well, it's a home run if it goes out in Comiskey Park." We have to deal with the lay of the land as presented by the administration, with all of the problems that causes.

□ 1300

I would say something else as well. I have served under a number of administrations, both Republican and Democrat. I came to this Congress 18 years ago last Wednesday, and I served under President Nixon, President Ford, President Carter, and now President Reagan, proudly under all of them.

But I would say that this is the first administration under whom I have served which has not taken seriously their obligation to present a serious budget. You could debate about the priorities in the Nixon budget or the Ford budget or the Carter budget—and God knows, I did. I differed with all of them in significant respects. But the one thing that you would have to grant each of those administrations is that they took seriously their obligation to begin the process in a serious way, and they defined budgets which I think people felt generally were realistic in terms of the economic assumptions upon which they were based. So the Congress itself as an institution dealt seriously with each of those budgets presented by those administrations.

This is the first time since I have been in Congress that Presidential budgets have not been taken seriously even by the party of the President in this House and in the Senate. This is the first time—this administration is the first administration, I should say—which has sent budgets to Capitol Hill which were recognized as being dead on arrival before they ever got here because they were filled with such quaint assumptions or phony numbers.

I would suggest that therefore if people are looking for ways to fix the budget process, as is most often the case, it is not the process itself which needs to be repaired. It is rather the habits that people can fall into in abusing that process and not treating it seriously by sending down realistic budgets.

I think that we have no choice, even though I do not like it, but to base our economic assumptions on the assumptions sent down by the President, because the fact of the matter is that if we do not, it is always easier in a legislative situation to have phony numbers look better than real numbers, and that is where we are stuck today.

Using the administration's assumptions the Budget Committee has proceeded, and I think that it has produced, on balance, a document which is going to be much more successful in providing economic growth for this country than the budget presented by the President.

We have had a serious problem in this country really since 1973. Real income, real family income in this country has been stagnant. Young families have had to put two people into the work force in order to attain the same standard of living which they used to be able to attain with only one person in the work force. That has created tremendous strains, not only on family budgets, but on family cohesion as well, I would suggest.

I think that the Gray budget proposes a much more sensible and sensitive way to try to assure adequate economic growth in the future, even though I think that it is obvious that neither of these budgets is going to be able to, for instance, bring unemployment down to the level that we would like to see.

If you compare priorities of the administration with the priorities in this budget as they relate to economic growth, I think that it is obvious that the Gray budget is far superior. I think, for instance, that it is obvious that you are not going to do justice to the ability of all people in this society to participate in the economic growth and economic health of this society if we do as the President suggests and provide approximately $5.8 billion for star wars, as the President suggests, but in effect finances that by making a $5½ billion reduction in education and eliminating vocational education. I do not think that we contribute to the competitiveness of this country when we eliminate Federal support for vocational education or when we reduce harshly, as the President's budget does, other Federal support for education.

I do not think that we contribute to the ability of this economy to grow when we are less willing to invest in human beings in comparison to the willingness which we have demonstrated to invest in plant and machinery.

Last year, as Members know, I was the chairman of the Joint Economic Committee, and the last set of hearings that I held related to the challenge presented to this country by Pacific-rim countries. Witness after witness testified that by the year 2010 Japan had a very large possibility of being the largest, most powerful economic player in the world.

I do not think that that is quite what an entire generation of Americans had in mind when we fought World War II, but nonetheless that is what we were told. In my judgment if we allow the Japanese to become the best-educated and best-trained work force in the world, and I think that the President's budget in contrast to the Gray budget certainly allows too much of that to happen, I think that we are absolutely nuts.

We have to have the best-trained, the best-educated work force in the world. The Gray budget does a much better job of doing that than does the administration budget, and in that sense it certainly makes a much greater contribution to the economic prosperity of this country.

If you take a look at where we are going to be in 10 years economically, the President's budget I suppose gives us a fair prescription for enabling us to run very successfully a weapons race, an arms race, with the Soviet Union. But I would suggest that in the process of concentrating almost exclusively on that race, it neglects to a dangerous degree the other race which we are trying to run, the economic race, with our economic competitors all around the world.

We cannot afford to so focus our public investments that we provide a doubling of the military budget over 5 or 6 years' time, but a squeezing on the human side, a squeezing on the human development side, a squeezing on the job-creation side, to the point that we, in essence, are providing almost unilateral disarmament in the economic competitive race which we have with Japan and other countries around the world.

I would like to make one other point as well, because in this place I also wear another hat as chairman of the Foreign Operations Appropriations Subcommittee. As chairman of that subcommittee I have the distinction of I think being the only appropriations subcommittee chairman in the history of this Congress to ever receive a letter from the Office of Management and Budget, which is the President's budget office, of receiving a letter from the Office of Management and Budget last year saying that they were going to recommend a veto of my foreign-aid bill because we spent too little money.

Normally we see the administration posing for political holy pictures about their efforts to save money in spite of the fact that the Appropriations Committee, every year but one that the President has been in office, has spent less money than the President asked for. But on that occasion the administration indicated that we ought to spend more money than the Congress was willing to spend on foreign aid.

We are in the same position again this year. Despite the fact that Gramm-Rudman requires us to make massive reductions in Federal spending and massive reductions in the Federal deficit, the administration has asked us to increase military spending by a very large amount, and to increase foreign assistance, again largely concentrated in the military area, by about $2½ billion.

The Gray budget redresses that imbalance. The Gray budget provides much more equal treatment between the domestic side of the ledger and the military and foreign side of the ledger. The Gray budget, no doubt about it, will require tough cuts in the area of foreign aid, but I do not know how else you spread the pain around and share it equitably than by doing what the Gray budget has proposed. And it seems to me that for those and many other reasons, we are certainly on good ground in supporting the Gray budget as an alternative to the budget presented by the administration.

I would urge Members to support it on that basis or any other basis that they think justifies a vote for it, frankly.

Mr. SUNDQUIST. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is interesting to me as I hear this debate and look at economic assumptions, to hear the criticism that has come up of our President's budget.

□ 1310

I do not think the President's budget is perfect. I think there are some things I would change, but that is the prerogative of the legislative branch.

Nevertheless, the President and the administration did fulfill their obligations by presenting the budget in great detail, with a lot of thought and met the timetables that were required. The Budget Committee has had hearings all over the country on the President's budget. It is now interesting to me that the majority budget that has just come out is only two pages with no detail and no hearings held around the country. The intriguing part, though, is that for the entire time that the President's budget has been on the table, the economic assumptions have been under attack with those economic assumptions now part of the majority budget proposal.

I can quote from the distinguished chairman of the Budget Committee. "I am concerned that your basic economic assumptions are flawed, and if your starting point is unrealistic, the Gramm-Rudman target in fiscal year 1988 will not be achievable."

On another occasion the chairman said, "We have now received the President's budget. I have questioned its realism in terms of economic assumptions, primarily the 1988 current service deficit," and it goes on there.

Again, "My quick calculations with regard to realism show that the administration has been overoptimistic of its growth forecast."

And then again the chairman said, "I am simply saying that CBO and the econometric forecasting agencies, Mr. Secretary," referring to the Secretary of the Treasury, "are saying you are off, and you are off substantially."

Here we are today reviewing a budget proposed by the majority, with no details but using the President's economic assumptions. In structural form one would call it a skeleton, no meat on the bones. And all the economic assumptions that the other side of the aisle has been so critical of by the administration are virtually the basis for their economic forecast in this budget.

It seems to me you cannot have it both ways. You cannot criticize the President for several weeks around the country, having hearings and discuss his budget, and then come up with these skeleton numbers, with no meat on them, and use as the basis of that budget the economic forecast of the President that they have been so critical of.

So it is going to be with interest that this debate proceeds as we talk about the alternatives and find out what impact this budget by the majority will have on the people of this country.

Mr. Chairman, I yield 7 minutes to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Chairman, it is hard to look at the House's budget resolution without uttering the phrase, "Here we go again." The House is writing its annual letter to Santa Claus. All of us, at least most of us, would like to believe in Santa Claus, but I doubt that any of us believe that he has a bottomless wallet.

Unfortunately, this bill assumes that Santa Claus' wallet has no bottom. Most of the people of the United States understand the Congress' compulsion to spend money which it does not have and which it does not dare raise. That is unfortunate, but it is a fact of life.

The problem is that the budget resolution before us simply confirms this fact that the Congress has this fixation on spending money that does not exist.

This year we are having the second year of what I would call the egregiously funny money budgets. Last year we provided a bogus budget which could not do that which we said it could do. We said it would deliver a deficit of $150 billion-plus. By the time we are done this year, our deficit will be pretty close to $200 billion, just as it has been in the previous 4 years.

Now this year we are sort of titillating ourselves and our constituents with the idea that we are going to reduce the deficit to $108 billion. That would be funny if it were not so pitiful. What the committee has done is take what it thinks is the best advice it can get from CBO and then simply added a $25 billion fudge factor so that it could compare its budget with the one the President presented, based on assumptions that are now more than 6 months old.

That does not do a good service to our constituents. That does not do a good service to the Republic. I think it taints the honor of the House and makes us all look like we have turned the budget process into some kind of a carnival, the midway at the State fair where we delight in telling each other bigger and better stories about the sights we will see within the tent.

Mr. Chairman, this is a very serious matter and the House has never taken the budget process seriously. Clearly this year's budget, presented by the House Budget Committee, does not take it seriously either.

The trouble is, the hardest people in the world in the long run to kid are ourselves, because every Member of this body knows that that budget is a fake, it is bogus, it is funny money. And when we get done, we may have reduced the baseline somewhat from this year, but we will not be anywhere near $108 billion. It means that next year we are going to have to invent some more tall stories to tell ourselves and to tell our constituents.

I would far rather have abandoned the Gramm-Rudman targets than to have pretended that we have any possibility whatsoever of hitting them, because we have no possibility of restraining ourselves. That to me is the really sad fact about this particular budget.

We are going to go on. I presume the House will pass its budget today, and the other body will probably pass something more realistic, but maybe it too will succumb to this funny money concept of ours. We used to call it smoke and mirrors. I think in smoke and mirrors there is at least some fun in the performance. There is no fun in the presentation of this budget resolution.

But maybe the other body will do better. In any case, we will finally have a budget resolution. We will go out and raise taxes by some 20 billions of dollars. We will cut almost nothing, since even the feeble cuts that are suggested by this resolution are not reconciled. That is, about half of them are not reconciled. I note with some dismay that my own committee has to take 90 percent of the reconciliation, and it will do it, and it will meet the targets, and all of the other committees will laugh and chuckle to the bank and borrow some more money against the children and grandchildren of our constituents to finance all of these wonderful programs that we cannot do without, saddling those future generations with the cost.

So what we are doing is kidding ourselves. We would be much better off without this budget.

When the budget procedure was passed and began back in 1974, a number of us thought that the Congress was serious about it. Clearly we have not been. In the latter 1970's the budget process was used as an engine to actually increase Federal spending. Lately it has been simply no restraint or no impetus, a neutral fact as the Congress has gone forward with heavier and heavier spending.

Mr. Chairman, last year the gentleman from Colorado [Mr. BROWN], the gentleman from Illinois [Mr. PORTER], and I introduced a budget which we thought might excite some interest in the House of Representatives.

□ 1320

We went to the Rules Committee and the Rules Committee approved everybody else's budget, which to us did not make sense. It approved a Black Caucus budget, a budget buster, as a matter of fact; it approved a budget presented by the gentleman from California [Mr. DANNEMEYER] which attracted very few votes, and ignored ours.

This year we have again produced a budget which is based on freeze although it does not freeze Social Security COLA's. It calls for a freeze in defense, and when couched in the funny-money standards of the Budget Committee's budget it only requires $4 billion of new revenues, which could easily be accomplished by extending the telephone excise tax and closing the so-called ESOP loophole.

We did not even go to the Rules Committee this year because we knew that we were not going to get considered again. That is the pity; the House does not even open up the process so that we have any kind of options. Probably in the future I will still not go to the Rules Committee and the House will continue to pass budgets which are greeted by disdain and laughter from all sides.

I am going to vote against all the budgets today, and that is probably the only happy result if we could get left with some kind of a sequestration procedure. That is the only way we are ever going to get reductions.

Mr. SUNDQUIST. Mr. Chairman, I have no requests for time presently, and I reserve the balance of my time.

Mr. OBEY. Mr. Chairman, I yield myself another 5 minutes.

Mr. Chairman, those of you who know me in this House know that I often refer to my favorite philosopher. It is not any famous philosopher, it is a philosopher by the name of Archie the cockroach.

Archie was a character who was created by a writer by the name of Don Marquis back in the 1920's.

He was a fictional character, a little guy, a poet who had died and came back to life in the body of a cockroach.

He lived in a newspaper man's office, looked a lot like MURTHA. He would crawl out of the woodwork every night and dive head first on to the typewriter keys, and he typed his little messages which appeared in the newspaper the next day. And one of the things that he said was, "Did you ever notice when a politician does get an idea, he gets it all wrong?" I kind of think that is the phrase I would use to describe the administration's budget.

I would also use another saying of his to describe the position of the minority on this budget process today. He said "the fellow who is rowing the boat generally doesn't have time to rock it."

I would suggest that is what you have going on here today. You have one party trying to row the boat in this House and the other party trying to rock it.

Now I would just like to address the compliants made by some of the previous speakers.

It is suggested, first of all, that since we criticized the original economic assumptions contained in the President's budget that therefore there is somehow something very funny going on if the Budget Committee and the House then choose to proceed on the basis of the President's assumptions.

Well, I would say you should remember the old saying, "Fool me once, shame on you; fool me twice, shame on me."

A lot of people around here may not have much by way of institutional memory, but the problem with people like me is that we were here in 1981. We had, under Chairman Jones, who was then chairman of the Committee on the Budget, a budget resolution which was based on economic assumptions which we thought were more realistic than the assumptions laid out by the administration. And the President, after he recovered from his surgery, came up here, stood in this chair and beat our brains out because he used his economic assumptions in order to try to imply that our budget, because we were using more realistic assumptions, somehow spent more money and had a larger deficit. The fact is that if you used updated economic assumptions, fresher economic assumptions, the budget produced at that time by Congressman Jones' committee was much better in terms of spending levels and much better in terms of the overall deficit level.

But the fact is, the realistic fact in this town, is there is only one fellow who has a megaphone, and he is not located in this Capitol. He is located up at 1600 Pennsylvania Avenue.

So the fact is that even though the budget presented by Congressman Jones and the Budget Committee at that time was far better in terms of fiscal restraint and deficit restraint than that proposed by the administration, you could never get people to seriously consider that because the President simply used what we regarded as phony assumptions at that time to bury us. So what you really have here today is a simple recognition of political reality, even though we do not necessarily like it.

What we are saying is, "All right, Mr. President, we think that your economic assumptions are faulty, we think they are too optimistic, but if you insist on using them we will play by your rules." Only in the Congress of the United States, I suppose, would playing by the other fellow's rules be considered as being unfair. But I guess some people want to take that position. So be it.

The other point I would simply make is that there has been significant criticism—well I guess it is voluble but not significant—of the fact that there is not sufficient detail to be found in the Budget Committee product.

I would simply make the point. Too little detail is better than no detail at all. It is pretty hard to have detail when you do not even have a budget. In contrast to the Gray budget, which is there for everybody to see, there is no budget being presented by the Republican leadership on this side of the aisle. They have, in fact, decided not to present a specific Republican alternative. We have individual alternatives being offered, but certainly no alternative budget being offered on behalf of the minority party in contrast to the fact that we do have a budget being offered on this side of the aisle.

So it seems to me quaint indeed for people who are not producing a budget of their own to squawk about the fact that they do not have as much detail in the Gray resolution as they would like.

I would also urge you to keep in mind that the budget resolution was never supposed to be a detailed road map. When the budget process was first established the idea was that you would set the general guidelines for spending and then afterward the specific actions would be taken by other committees who have specific program jurisdiction in those areas. That, in fact, is what the Gray amendment does.

Now it is true—as the gentleman from Minnesota says—it is true there are some things that the Democratic Party in this country believes are worth spending money on. It is true, we do believe that sick people ought to be cared for; we do believe that uneducated kids ought to be educated; we do believe that people who are out of work ought to be given job training; we do believe that it is necessary in the interest of both social cohesion and economic performance to fight a war against drugs and drug abuse. And we make no apology for that. We are willing to not only support those programs but to try to find ways to pay for those programs in order to avoid the even larger costs that would be visited upon this society if we do not address those very real problems.

I would suggest if we want to see strong economic performance, we are going to have to have a strong war against drugs. We think the President's budget makes a mistake by cutting a billion dollars out of it.

You remember all of the political holy pictures that everybody was posing for on the drug issue last year, from the President on down, when he tried to nationalize the election by making drugs a national issue.

Lo and behold this year he cuts the antidrug effort by a billion dollars and this budget restores it.

Cutting aid to the handicapped: Again we do not think you improve the productivity or the justice of this society when you cut aid to the handicapped as the President's budget does.

□ 1330

We are willing to provide aid for the handicapped and to pay for it.

Medicare: The President's budget cuts over $5 billion in Medicare. The gentleman from Pennsylvania [Mr. GRAY] has a budget that saves $3.5 billion of that cut. We think that is just; we think it is sensible.

I would rather have $36 billion of real deficit reduction, as we do in this resolution, than to have a greater deficit reduction which is, in fact, a phony reduction which will never take place. That is, in fact, what we have in the administration's proposal.

I would simply say that, again, most of the objections raised to the Gray budget are without merit, either in budget terms, in humanitarian terms or in economic terms.

I will say that I do agree with the gentleman from Minnesota [Mr. FRENZEL] in one respect. I do think we have some serious problems with the budget process. And as people know on both sides of the aisle, I have proposed, along with others in a bipartisan basis, a comprehensive way to deal with the defects in the existing budget process.

I think we ought to have a way in which we can provide for all of our macroeconomic judgments and our microprogram judgments to be made simultaneously so that you cannot pretend that you are dealing with problems by dealing with aggregate numbers when, in fact, you are not taking into account the specific impact on specific programs or vice versa.

I also do believe we ought to have a process under which we do deal with all revenues and all spending at the same time. Most importantly, in contrast to the Gramm-Latta budget in 1981, I think we need to do that under a process which gives every committee of jurisdiction an orderly window into the process so that they can bring their specific suggestions and objections to anything that happens onto the House floor.

We have laid out legislation to do that, but the fact is that there is not an opportunity under these circumstances for serious consideration of something like that. So we have to move on as best we can under the existing process.

I think the committee has done an excellent job. There are never very stirring reasons to vote for budget resolutions, but the fact is that we come here not to escape accountability, but because we seek accountability. We seek responsibility because we want to do the right thing.

It seems to me that the choice we have here today is between no alternative being presented by the party on that side versus an alternative on this side that is much more realistic, that is more honest and much more frank than the administration's budget about what needs to be done in order to patch this country back together.

I urge the Members to vote in favor of this resolution.

Mrs. JOHNSON of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentlewoman from Connecticut.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I appreciate the gentleman's commitment to reform, but I am curious about his comments on the detail proposed in this budget proposal.

We have a whole Congressional Budget Office whose sole purpose it is to help us write a responsible document that will lead the Nation through the next year in a clear and decisive fashion. There is not enough detail in this budget for our own Congressional Budget Office to be able to cost out what you are proposing and certify that, indeed, it will achieve what it is supposed to achieve.

We have had, at other times in our history of the House here, a budget proposal certified by the CBO. When we have that little detail, I do not see how we can address our needs in the way that, in many other parts of the gentleman's statement, I agree that we need to.

Mr. OBEY. Mr. Chairman, I thank the gentlewoman for her comment. I would simply make this observation: Your party is proposing no budget whatsoever. There is no way that we can examine your budget because you are not even offering one. At least we are offering a budget which gives an opportunity for people to make some choices.

The second point I would simply make is that I think there is sufficient detail in this budget to know in general where it is headed. I would suggest that if we wanted to be in a position where we were proceeding with a little more clarity, Members on your side of the aisle in the Committee on the Budget would have taken up Chairman GRAY on his gracious offer to participate—in open markup—to particiapte in the votes by which a budget was constructed.

You decided to vote "present." By doing that, you abdicated your responsibility, and it seems to me that that is a shame.

I would also suggest that for anyone on this side of the aisle to object to a lack of detail on any resolution, I would simply urge that we remember the Gramm-Rudman time of 1981 when we were asked to pass an amazingly radical document without so much as having an opportunity for any Member to have a copy of it.

Mr. HAWKINS. Mr. Chairman, how much time do we have remaining?

The CHAIRMAN. The gentleman from California [Mr. HAWKINS] has 38 minutes remaining.

Mr. HAWKINS. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. NOWAK].

Mr. NOWAK. Mr. Chairman, I rise in support of the budget resolution, but as chairman of the Water Resources Subcommittee of the Public Works Committee I wish to express my concerns about the proposed reductions in the water resources development programs. Certainly programs such as the Clean Water Act—which the Congress overwhelmingly enacted over a Presidential veto—the Superfund Program, and Corps of Engineers water resource development are activities that deserve our support. It was only last fall that the Congress, ending a 16-year deadlock, passed a new Water Resources Act that included comprehensive methods for determining the Federal and non-Federal share for all types of water resource projects. We should not abandon these efforts.

I would hope that throughout the budget and appropriations process adequate funds can be made available to insure that the urgent water resources needs of our country can be met.

Mr. HAWKINS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this marks the 9th year that we have discussed the economic goals and policies underlying the budget resolution. Yet, during these years, budget deficits have soared from a manageable $40 billion in 1979, to the almost uncontrollable $221 billion for 1986.

Despite the attempts of some of us to focus on the real causes of the deficit and the need for a balanced comprehensive approach to economic decisionmaking, we continue to find ourselves midstream on a life raft, plummeting down river in an unstoppable current leading to the deadly waterfalls. No matter how hard some of us in the raft try to paddle back upstream, or to shore, the majority continues to go with the current, despite the disaster at the end of the ride.

It seems we have a hard time admitting error. As an old proverb goes, "An old error is always more popular than a new truth." And so it goes with our yearly grappling with our revenue and spending decisions.

But, as another saying warns, "To err is human, but when the eraser wears out ahead of the pencil, you're overdoing it." Well, I believe this body has used up more than its share of "erasers." It is time to strengthen our future by attacking these crippling deficits at their source.

We focus on the aggregate deficit numbers, but forget about the real deficits: The deficits in education, the deficits in employment, and the deficits in health and housing. More than 20 million people are illiterate, 14½ million jobless and underemployed, and over 33 million adults and children live in poverty.

The period since the early 1970's has been one of economic stagnation and increasing poverty and inequality, especially for families with children. From 1973 to 1985, the average annual income level for families with children, declined 6.6 percent. For lower and middle income families, the drop was far worse—32 percent for the lowest fifth, 18 percent for the second fifth, and 7 percent for middle-income Americans. At the same time, the percentage of families with children in poverty increased a whopping 46.5 percent.

This decline in family income is not surprising. The minimum wage has not risen in 6 years. In addition, due to plant closing, shift cutbacks and international competition, millions of other workers have been forced out of good paying jobs into alternative low-paying jobs with short hours, small benefits, and bleak futures. Many former manufacturing employees are growing disillusioned and are wondering if they will ever earn real money again.

I am one of those people who believe the American public just won't stand still for such economic and social insensitivity on the part of their elected officials. Our history has shown that people will only take so much before they become galvanized into political and economic mobilization. As the playwright Connelly in his broadway hit from the first half of this century, "The Green Pastures" had a character say, "Everything that's nailed down, is coming loose."

Well, the American public has seen the light, so to speak, and is far ahead of us. According to a recent time magazine poll, 77 percent of the public feel that in the future the Federal Government should play a more active role in such areas as health, housing, education, and help for the poor; 69 percent said they would spend more on social programs than on the military if they had to choose between the two. And 60 percent said they would support increased spending for social programs even if it meant paying more in taxes.

But, raising revenues, is not the only solution. The problem is that the money is not being spent in the right place.

As between fiscal year 1981-87, interest on the debt went up 53 percent; defense spending shot up 40 percent, while domestic discretionary programs like education, training, housing and community development, and other vital priorities plummeted 21 percent. At the same time, revenues rose only 11 percent, hardly enough to supply the resources needed to feed the Defense Department and make interest payments.

The real problem is that our spending and taxing decisions are imbalanced; they are not based on the priorities of the American people, and they have resulted in $220 billion deficits. What we have here, is self-imposed trauma to the economic health of our Nation. And only through a self-imposed strategic change of direction can we restore our country toward attainment of a clean bill of health.

As scientist and author Isaac Asimov has said, "Things do change. The only question is that since things are deteriorating so quickly, will society and man's habits change quickly enough?"

I believe it is not too late to put the budget resolution into the proper context. We should not merely forecast the economic assumptions upon which our spending and revenue decisions are made. Relying on questionable economic forecasts for the budget decisions of the recent past put us between the rock and the hard place we find ourselves in today. As the full employment and balanced growth act requires, we must set goals for the reduction of unemployment and inflation; we must set goals for economic growth; and then the expenditure and tax decisions we make today should be the means for achieving those goals.

We must invest in priority programs like compensatory education and job training to increase our international competitiveness. We must help people escape the dependency of welfare by making job training, basic educational skills, and affordable quality child care available so that they can become productive, self-sufficient workers. We must invest in programs which provide adequate nutrition and health care for the poor, so that people with healthy minds and bodies can meet their individual potential and contribute to our society. We must invest in distressed urban and rural areas so that our Nation does not crumble from within.

Adequately funding these and other domestic priorities are the surest way to reduce deficits and achieve balanced economic growth.

As elected Representatives, we must advocate a better future for our citizens and our society. We must not fall into the trap of complacency, where we merely "go along, to get along." As an old writer once said, "There is no medicine like hope, no incentive so great, and no tonic so powerful as expectation on something tomorrow." We must give the poorly educated and unskilled, the malnourished and the homeless, the people struggling to make ends meet, some hope for a better tomorrow. Let us join together to pursue policies that will bring these Americans opportunities for entering into the mainstream of our economic life.

□ 1340

The CHAIRMAN. The gentleman form California [Mr. HAWKINS] has consumed 9 minutes.

Mr. HAWKINS. Mr. Chairman, I yield 7 minutes to the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, I thank the gentleman from California for giving me this time, and I am appreciative of his efforts to take time in the debate on the Federal budget to discuss the American economy and its effect upon both American citizens and citizens around the world.

For many Americans and their families, this Nation's minimum wage has really been a vital safety net for helping to hold them above poverty and keep them off welfare. Today that net has been ripped by inflation and ill-designed national economic policies. It is really past time now to raise the minimum wage and restore the protection for workers that it was meant to provide.

Congress last dealt with this subject in the last decade, in 1977, when we legislated a series of four increases. The last of those took effect 5 years ago, in 1981, when we raised the minimum wage rate to $3.35 per hour. After adjusting for inflation, that wage has now plummeted by 26 percent in just the decade of the 1980's, and today the real minimum wage stands at the lowest level it has been since 1955.

The statutory hourly wage rate rose in real terms until 1968, then it stabilized in the 1970's, and it has fallen sharply since 1979. The real wage is now 20 percent less than it averaged in the 1970's and is one-third less than it was at its peak in 1968. Due to the failure to raise the minimum wage since 1981, its level has slipped below 40 percent of the average hourly wage for the first time since Harry Truman was President, in 1949.

For folks who rely on the minimum wage, that decline has meant for them personally a steady slide into poverty.

□ 1350

The figures are painfully telling. Consider this: An American working full time, 8 hours a day, 5 days a week, never missing work but earning the minimum wage, ends up at the end of the year with a salary that is below the poverty threshold. If that worker has a family of three, it is more than one-fifth below the poverty threshold. If that full-time worker, earning the minimum wage has a family of four, the salary is one-third below the poverty level in the United States.

So, you see the gap between what the Government says people need and what they actually are getting when they work full time has to be closed. It is the working poor that have been the real losers in legislation that has gone through this House and through the Senate and been signed by the President during these past 6 or 7 years. Low-wage households were hurt by the budget cuts of 1981 which made it more and more difficult for poor people at the same time that they were going through various difficulties because of our budget cuts. These working poor were not helped at all by the huge tax cut of 1981. That helped upper income Americans; not the working poor.

The taxes for the working poor went up. Social Security taxes and income taxes on those folks went up while the rich were getting a tax cut. I have joined with Chairman HAWKINS in introducing H.R 1834. That is a bill designed to increase the minimum wage in four steps over the next 4 years until the minimum wage reaches 50 percent of the average hourly wage in the United States, and then our legislation would index the minimum wage to the average hourly wage so that as it increases, the minimum wage automatically increases with it.

I can tell my colleagues that those of us on the Democratic side of the aisle are committed to a revision of the Minimum Wage Act this year because this year marks the longest, in fact, this month marks the longest time America has ever gone without increasing the minimum wage. We have broken the old record as of April 2 of this year, and that inactivity on the part of the Congress and the American people with regard to increasing the minimum wage really means that many folks maybe better off now to be on unemployment or welfare than they are to be on the payrolls.

If we are serious about getting America back to work, reducing the welfare rolls and increasing the payrolls, then this Congress needs to take the step of increasing America's minimum wage.

Mr. HAWKINS. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. OWENS].

Mr. OWENS of New York. I thank the gentleman for yielding me this time.

Mr. Chairman, I would again like to make a plea for more attention to be assigned to the effort to eliminate unemployment in our economy. The driving engine of our economic efforts should be the effort to eliminate unemployment.

Unemployment is a source of our entire population, but specifically, the people in the inner city communities, mostly minorities, are suffering from unemployment and have suffered from it for far too long. The history of economic policy for the majority of blacks in the inner cities of America is a history from slavery to massive unemployment, and the only peak during that period was the period during World War II when there were jobs for all. Only during World War II did we have reasonable employment in the black communities of our inner cities.

Certainly the social problems that are extant in our inner cities are generated by this harsh fact of reality, that there are no jobs. There have been no jobs for many years. The unemployment is generated by an economic policy which is a negative economic policy. We have a policy which we do not call a policy and that is Gramm-Rudman. Gramm-Rudman is a negative economic policy. It is a backward economic policy. It continues to try to address the deficit in the wrong way.

The Congressional Budget Office says that if we would eliminate just 1 percent of unemployment, every 1 percent of unemployment that we eliminate increases the gross national product by $40 billion. Suppose they are exaggerating. Even an exaggeration would mean that substantial amounts of money would be put back into the economy as we eliminate unemployment.

There is a desperate need to address this problem. For too long we have acted as if the problems of drug addiction, teenage pregnancy, and many other problems in our inner cities were problems which stemmed from some kind of defect of the population. I assure you that if you had more jobs, if you provided more income, families would stay together and would be far more stable. Many of the problems of crime and the others kinds of problems of drug addiction, teenage pregnancy, which are generated by hopelessness, would be greatly affected if we had better employment policies.

Even now as prosperity seems to creep into a State economy like New York and a city economy like the city of New York and there is a great decrease in the amount of unemployment, the amount of unemployment for the city as a whole has gone down, but the amount of unemployment in the inner-city communities, in the congressional districts that serve the minority populations remains very high.

We need an economic policy which replaces the reduction of unemployment at the center of its priorities.

Mr. HAWKINS. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. HAYES].

Mr. HAYES of Illinois. I thank the gentleman for yielding me this time.

Mr. Chairman, I certainly want to congratulate Congressman HAWKINS for having again brought before us an issue that I think he has done more than any other Member of this House of Representatives to focus attention on.

The question of jobs and the employment of people is more critical than we dare to even acknowledge and we really are not doing anything about it. We, for the next few weeks, are undoubtedly going to be spending some time trying to find ways and means and well we should as to how we are going to reduce this huge deficit which this great country of ours is staggering under.

The Congressional Budget Office reported to both the House and Senate Committees on the Budget, in dealing with the economic budget outlook for the fiscal years of 1987 through 1991, that the loss of revenues and the increased outlays from unemployment will yield an unemployment deficit of $40 billion for every 1 percent of unemployment.

This simply means that if we were to tackle the problem of trying to reduce the admitted ratio of unemployment of roughly around 7 percent, for every 1-percent reduction in that unemployment, by helping people to get jobs, we could save $40 billion and reduce the deficit by that amount.

Mr. LEVIN of Michigan. Mr. Chairman, I thank the gentleman from California for yielding. His leadership and tireless efforts on behalf of America's workers are well recognized in this House and beyond. It is in no small part due to his vision that we again take up the Humphrey-Hawkins portion of the budget debate.

This part of the budget debate is reserved by law for a discussion of the underlying economic context in which the decisions we make will be played out. Perhaps the most important economic indicator for the millions of Americans who collect a paycheck is the unemployment rate. This single number represents millions of hard pressed mothers and fathers who, through no fault of their own, are unable to provide for their families. In its rise and fall, American workers follow the fate of friends and neighbors. They know that cold numbers mean a harsh reality.

So where are we today? The latest unemployment rate has been published and on its face it is good news. The national unemployment rate fell from 6.7 percent in February to 6.6 percent in March.

This time, however, the numbers have disguised the truth. The drop in the rate was caused entirely by a decline in the labor force. While the number of jobless fell by 113,000 to 7.8 million, the labor force fell by 131,000. The apparent improvement in the unemployment rate was produced not by job creation, but by the departure of discouraged workers from the labor force.

The number of people employed declined overall by 14,000, and significantly the goods producing industries, the mines and factories that are the heart of the American economy, lost 70,000 jobs. Let's not forget that during the 52 months since the bottom of the last recession, only half the 1.8 million durable good manufacturing jobs lost in that downturn have been regained. Last month we fell back from even this modest showing.

The number of discouraged workers—people who want work but have given up looking for a job after fruitless searching—rose to 1.17 million in the first quarter. These 1.17 million are not counted in the unemployment rate, but they are just as surely without a paycheck.

Mr. Chairman, the last time our unemployment rate was better than 6.6 percent was in March 1980, during the Carter administration. Seven years of Reagan budgets have gotten us only as far as we once were. And let us never lose sight of the historically abominable economic performance that has made even 6.6 percent look reasonable; 6.6 percent is not full employment; 6.6 percent is not acceptable, and the 13.9 percent and 9 percent that black and Hispanic Americans are suffering is unconscionable.

The budget debate of 1987 takes place in a context of tremendous unmet national needs, high unemployment, and a continuing loss of industrial jobs. I believe the Budget Committee has fashioned a good compromise, but it is a compromise that is forced by the intransigence of the administration and not the reality in today's America.

Mr. KILDEE. Mr. Chairman, I thank my friend and chairman, the gentleman from California, for permitting me this opportunity to express my strong support for the goals set forth in the Humprey-Hawkins Full Employment and Balanced Growth Act.

The gentleman from California has long been in the vanguard of those who have sought a rational and compassionate employment policy in this country. He is to be congratulated for setting aside this time for us today. For as we begin consideration of the 1988 budget, there is no better time than today for us to reflect on the necessity of comprehensive planning if we are to ever achieve full employment in the country.

It has been more than 8 years now since Humphrey-Hawkins was enacted. Humphrey-Hawkins established as national policy the goal of 3 percent or less unemployment by 1985, and it provided for a comprehensive and coordinated economic, budget and monetary policy to achieve this goal.

Over the next several days, we will make important budget decisions. As we begin our deliberations, we must keep in mind that the budget does not merely determine the size of the deficit. It is also the major tool we have for meeting our national needs and priorities. The decisions we make during the next few days will affect the economic course of countless Americans.

No function of the budget is more important to our economic future than is education. Education is an investment in the future, and an investment in full employment. Without adequate funding for education programs, full employment would not be possible.

Thirty years ago, the Soviet Union launched Sputnik, the first satellite to orbit the Earth. The National Security Implications of the Soviets beating us to space spurred a Federal commitment to excellence in education that fueled the greatest revolution in knowledge and learning in our Nation's history; 1957 was proclaimed the international geophysical year, and students all over the country studied advanced courses in mathematics and science.

Today, Mr. Chairman, we face a crisis which equals the so-called space gap of the 1950's:

Our existing industries are maturing and seeking new, more modern manufacturing processes; new, high-technology industries are emerging every day, requiring a technically skilled work force; and international competition, often taking unfair advantage, is claiming more and more American jobs for foreign countries.

One would think that at a time like this, we would be dramatically increasing the Federal commitment to education, as we did in 1957. But instead, we have been asked to severely cutback Federal support for education. Since 1980, we have cut Federal support for elementary and secondary education by 6 percent. And its fiscal year 1988 budget proposal, this administration asked us to make a 1-year cut in all education programs of $5.5 billion, or 28 percent. This request included a proposal to zero our vocational education and cut post-secondary education spending by more than 34 percent.

We can ill afford such a diminished investment in our children, who are enrolled in elementary schools; in our young adults, who look forward to a future anchored by a college education; in our young, who are interested in the trades; in our disadvantaged youth, who need a head start and adequate follow through to escape the cycle of poverty; in our gifted and talented, who need the challenge of special curricula; and in our mature workers, who need to upgrade skills in order to compete in a changing work force.

This week, we will vote on a budget resolution. I urge my colleagues to support the resolution produced by the House Budget Committee. The House Budget Committee has rejected the administration's shortsighted proposal to slash education spending. Instead, it increases funding for high priority educational programs, and it maintains current services for others. It protects America's students from further cuts in education, and to that extent, I am pleased.

However, we must keep in mind that by merely maintaining current services, we are not addressing many of the urgent educational needs which have caused unemployment levels to swell above the goals set forth in the Humphrey-Hawkins Full Employment Act of 1978.

Franklin Delano Roosevelt said, "The school is the last expenditure upon which America should be willing to economize."

His words of warning, issued during the midst of the Great Depression, are as true today as they were then. President Roosevelt recognized, as must we, that our Nation's future depends on our annual investment in education to prepare a new generation of Americans to some day take the place of today's teachers, auto workers, doctors, and astronauts.

We must recognize not only the cost of education programs, but also their value. To do less would set our great country down a course of false economies—a course which we can ill afford.

I commend Chairman HAWKINS, who has long championed the unemployed, for recognizing the role education plays in bringing about full employment.

□ 1400

Mr. HAWKINS. Mr. Chairman, I yield back the balance of our time.

Mr. BUECHNER. Mr. Chairman, I yield back the balance of my time on the Humphrey-Hawkins debate.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. GRAY].

Mr. GRAY of Pennsylvania. Mr. Chairman, I reserve the balance of my time.

Mr. BUECHNER. Mr. Chairman, I yield 7 minutes to the gentleman from Tennessee [Mr. SUNDQUIST].

Mr. SUNDQUIST. Mr. Chairman, I thank the gentleman from Missouri for yielding me this time.

Mr. Chairman, as a member of the Public Works and Transportation Committee, I was disappointed to see the effect of the Democratic budget proposal on the Department of Transportation. In many ways, there were no surprises in the bill that was approved by the Democratic members of the Budget Committee. The unspecified tax increases, the cuts in defense spending, and new spending initiatives in the Democratic bill came as no surprise to anyone in this Chamber.

But I think even the Democratic members of the Public Works and Transportation Committee were amazed to see that the overall transportation budget does not allow funding for many of the essential programs that have been previously endorsed by both Congress and the administration. I speak particularly about the effect of the 1987-level freeze of the Federal Aviation Administration.

The Gray budget plan falls far short of the administration's proposed 1988 funding level for the FAA. It is clear that if these budget numbers are enacted, serious safety and delay problems will result in our Nation's air system.

Democrats and Republicans alike have seen the need to put a greater emphasis on air safety. The administration, likewise, allocated $1 billion in new money for air transportation.

Nobody should have been surprised to see the defense cuts in the Democratic Budget. But I think everybody was surprised to see no allowances made for improvements in air transportation. If anyone is curious to see where the funding for all the new Democratic initiatives came from, take a look in the transportation function. In short, the Gray budget robs Peter to pay Paul.

The administration budget proposal included a 68 percent increase in funding for the FAA's program to modernize our Nation's air traffic control system—and a 16 percent increase in funding for FAA. Operations to increase the air traffic controller and safety inspection work forces.

We members of the Aviation Subcommittee have always worked together in a bipartisan way. Chairman NORM MINETA has represented the Democratic Party well in his role as the premier spokesman in the House of Representatives on aviation issues. What does he have to say about a freeze in aviation funding? Well, last week, in a speech he said that the "consequences will be very significant." He said he was "particularly distressed" about the potential effects of such cuts. "The costs," he said, "go far beyond repaying the immediate dollars saved."

Beyond the aviation cuts, the Democratic budget allows for continued subsidies for mass transit based on an uneven distribution of discretionary grants. The President's proposal would fund all transit programs by formula grants. Also, the Gray budget continues Amtrak subsidies averaging more than $20 a passenger.

I know there are Members on both sides of the aisle who support Amtrak funding. So it should be clear; a vote for the Gray budget is a vote for continued Amtrak subsidies.

Mr. Chairman, in my opinion, however, as we make these very difficult choices, the choice in this instance might be said as a choice between airline safety or a choice of Amtrak subsidies.

I would also say that the Doppler radar proposal that needs to be put in 25 major airports will be seriously threatened, and in my interpretation, will not be allowed in the Gray budget.

In the community and regional development function, no spending cuts are made, interestingly enough. All programs are held at the fiscal year 1987 level. It is in this function that I find some of the most objectionable spending priorities of the Democratic budget.

Under the Gray plan, Federal UDAG funds would continue to subsidize dockside condominiums, pizza parlors, and ski resorts. Under the Democratic budget, duplicative programs such as the Economic Development Administration, HoDAG—an untargeted Housing Construction Program—and the nonpower programs of the Tennessee Valley authority would continue without reduction.

I know that it's always easy to talk about reducing favored spending programs in somebody's else's State or District.

The TVA is very important to Tennessee in my district. I think with the right attitude on both sides of the aisle, we can make those tough choices. I believe the TVA can take a 10-percent cut in their funding and make that up in other ways. I would guess that my colleagues in other areas of the country could find the same kind of cuts that could be absorbed, but we have to make these tough choices.

Mr. Speaker, the time has come to make these tough choices. Either we are serious about reducing the deficit in a fair and equitable way, or we are not. The funding levels for the two functions I have mentioned indicate that the Democratic budget does not seriously or fairly address the deficit.

So if my colleagues or their constituents have faced an airline scheduling problem, if they have been late coming into Washington or at home, if they have been frustrated with what is happening in the airlines or if they are concerned about the wind shear factor or the safety of the airlines or hiring more air controllers, then they should vote no on this budget because it spends in the wrong places and it cuts in the wrong places.

Mr. BUECHNER. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. LIVINGSTON].

Mr. LIVINGSTON. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in opposition to the budget introduced here today, especially the $1.1 billion cut in NASA funding, as well as the proposal for an inkind contribution from oil refiners to fill the strategic oil reserve.

Although I oppose this resolution due to the huge slash in defense programs, the creative accounting methods and taxes it contains, I am also greatly disturbed about the fact that this proposal is going to indefinitely delay the space program and could devastate the shuttle program. NASA estimates that up to 30,000 jobs would be lost as a direct consequence of these funding cuts. To delay the start of the space station at a time that the Soviets are going full steam with their own space station project is not only not prudent, it is simply very, very risky. For our own security, we cannot afford any more delays.

NASA and the administration have proposed a two-stage plan to restructure spending on the space station to meet the cost concerns of Congress. This new plan would allow the construction of a basic station to go ahead, but even this would mean a delay of a year over the original plan. The proposed budget cuts would further delay, or even eliminate, the construction of our space station.

In addition, the budget calls for a 75,000 barrel per day fill rate for the strategic petroleum reserve, but it assumes that the Government will save $700 million in outlays annually, notwithstanding the cost of this fill rate.

Mr. Chairman, I have a grave concern about this. I support the fill rate. I support the strategic oil reserve, but how can we continue to fill the reserve at this rate without costing the Government money?

Now, I understand that the Democrats on the Energy and Commerce Committee are planning to implement the Budget Committee's assumption through inkind contributions from the oil importers on the oil that they import.

□ 1410

I am very much in favor of continuing to fill the reserve, as I said, but what is going to be the impact of levying this new inkind contribution as it is proposed? How will the costs be passed on to the refiners? What will be the impact on consumers? And, more importantly, what will be the effect on independent producers?

Particularly I am concerned about those independent producers, because representatives of the Independent Petroleum Association of America indicate that they are afraid that their members are going to bear the brunt of the costs of this program, and I would simply like to quote from a letter from H.B. Scoggins, Jr., Independent Petroleum Association of America, dated today, April 8, 1987, to Chairman GRAY, in which he says "* * * if refiner costs could not be passed through to consumers and because they are powerless to lower net backs to foreign producers, the full cost of this proposal would fall on domestic producers, especially independents.

At a time when the domestic petroleum industry is in one of its most serious economic declines in history, this is a most inappropriate action which most surely will further that decline.

So I would urge my colleagues to take a look at this budget resolution and look at the potential impact that it might have on independent petroleum producers in this country. The assumptions that are made in this particular resolution have to be questioned, because they were made without any benefit of any hearings whatsoever to date.

Mr. Chairman, this budget proposal is fatally flawed, with some very serious threats to our national security. The defense cuts are bad enough, but to further delay essential space programs beyond current delays affecting NASA cannot be justified, and the impact upon the energy-producing industry in this Nation is far too questionable to be adopted without intensive study.

Accordingly, I would urge my colleagues to oppose this budget resolution. It is just too dangerous.

Mr. Chairman, I submit the complete text of the letter from which I quoted for insertion in the RECORD at this point:

The letter follows:

INDEPENDENT PETROLEUM
ASSOCIATION OF AMERICA,
Washington, DC, April 8, 1987.

Hon. WILLIAM H. GRAY,
Chairman, House Budget Committee, House of Representatives, Washington, DC.

DEAR CHAIRMAN GRAY: It has come to our attention that the House Budget Committee proposal for fiscal 1988 contains some rather "creative" ideas on how to increase the Strategic Petroleum Reserve (SPR) fill rate at no cost to taxpayers.

As we understand the proposal, a percentage of all oil purchased by domestic refiners would be diverted by law to the SPR at refiners' expense. That oil would be added to and considered a part of the SPR and refiners would carry the burden of its full costs. In the event a draw-down of the SPR was ordered, refiners would be given back their oil in proportion to what they had been required to donate.

Were this not in writing, we would not have believed it. But since a majority of the Budget Committee has accepted it as legitimate national policy, we have no choice but to comment on it.

The Independent Petroleum Association of America is the national association representing the nation's independent crude oil and natural gas producers. By definition, our members are *producers*, with little or no interest in refining, transportation or marketing. Therefore, we will not beg the question of whether or not this proposal is confiscation of refiners' property without compensation. They are capable of addressing that issue.

What we want to bring to your attention is the adverse impact this would have on the U.S. petroleum producing industry—an industry already in steep decline.

Apparently the Committee believes refiners would simply pass costs associated with their contribution to the SPR through to consumers. That argument may be partially true as to the gasoline portion of the crude oil barrel, since gasoline has very little competition as a fuel. But much of the remainder of the barrel—heating oil and industrial fuels—complete head-to-head with natural gas, coal and electricity in a very price-sensitive market. In addition, imported products—especially gasoline—would limit further the ability of domestic refiners to increase their prices. Thus, we think our fears are well founded that pressure on refiner margins would lead to lower net-backs to producers in the form of lower wellhead prices. In fact, (if refiners costs could not be passed through to consumers and because they are powerless to lower net-backs to foreign producers, the full cost of this proposal would fall on domestic producers, especially independents.

At a time when the domestic petroleum industry is in one of its most serious economic declines in history, this is a most inappropriate action which most surely will further that decline.)

We urge you, Mr. Chairman, to recall this budget resolution to your Committee to correct this mistake. Absent that, we will be urging Members of the House to vote no.

Sincerely,

H.B. SCOGGINS, JR.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, once again we have heard a charge laid before this body and the American people. The charge is that the House Budget Committee resolution cuts into certain programs. That charge is correct in one sense; we did make reductions.

I find it interesting that those who have been crying so hard for reductions in spending are now saying a 3-percent reduction, which was what was made in the Tennessee Valley Authority, is too much, when the President wanted to eliminate it, the President of their own party. I find that an interesting and unbelievable argument.

I find it also interesting that these very same people would get up and say that we are cutting FAA—when what we did was freeze FAA—did not participate in the process. They did not even vote when they had an opportunity in the committee. In fact, they voted "present." On some occasions, they were not even present to vote "present."

I find it interesting that now they tell us what is wrong with this budget when they themselves would not participate in writing one, did not vote to express their views, were often absent, and now have no alternative but to be critical of a budget that actually makes reductions.

There is no unequal treatment here. It was implied that we "protected the Northeast, as opposed to programs in rural America." There were even handed reductions. Urban mass transit got a reduction of about 4 percent, Amtrak got a reduction of 4 percent. I find it appalling that the very same people who for decades have been calling for across-the-board reductions, vote for them on appropriation bills, now say that a 4-percent cut in transportation is just too difficult to take.

Well, I have been talking to the experts, those in the Tennessee Valley Authority, in the Appalachian Regional Commission, in Amtrak, urban mass transit, and airport development. They say that this budget, compared with the President's, treats these programs much more equitably and fairly, and that they can operate under it.

I would say to those who are so critical of the spending cuts here, who have on this floor in the past argued so vociferously for deeper across-the-board spending cuts, how interesting that they have now reversed that. If they do not like our proposal, where is their proposal?

Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. Frost].

Mr. FROST. Mr. Chairman, I would like to take a few moments to talk about the priorities established by the Democrats on the House Budget Committee with regard to our Nation's health care programs.

In particular, I'd like to point out some of the significant differences between the plan developed by the Democrats and the one proposed by the President for functions 550 and 570.

Function 550 contains several programs which provide vital health care to a large number of people. One of these, the Medicaid Program, serves over 23 million low-income Americans. The President proposed to reduce Medicaid spending by $1.4 billion in fiscal year 1988 and by $8.4 billion over 3 years below the level needed to maintain current services. This recommendation would make these reductions by placing a cap on Federal Medicaid payments to States.

Congress has rejected this proposal in the past, and with good reason. Reduced Federal funding for medicaid would lead to the removal of people from the Medicaid rolls, most of whom are the poorest of the poor. It would also lead to reductions in the number of services that States could provide to beneficiaries.

The House Democrats' plan does not attempt to reduce the deficit on the backs of the most vulnerable in our society. It recognizes the need to ensure that basic health care services continue to be available to low-income Americans. The plan rejects the President's recommendation to cap Medicaid spending and instead provides for inflation and caseload growth, with additional money to address infant mortality and the plight of the elderly poor.

Our plan further protects the health of low-income Americans by including inflation adjustments in maternal and child health, community health centers, family planning, migrant health, Indian health, and immunizations.

The President's budget also targets the Medicare Program for major reductions. For fiscal year 1988, the President would cut Medicare spending by $5.1 billion, and $20.8 billion over 3 years. Some of the savings are to be achieved through increases in the program's out-of-pocket costs to beneficiaries. For example, the President's budget recommends increasing the part B premium for new Medicare enrollees and raising the deductible for current enrollees. The President's proposals also would delay eligibility for new beneficiaries, reduce Medicare coverage for disabled persons, and repeal the very modest benefit improvements for occupational therapy and vision care which were added last year.

In preparing our budget plan, we determined that $1.5 billion could be achieved in savings without reducing the level of services or quality of care provided to our senior citizens. The savings in our plan could be achieved through modest reforms in Medicare payments to health care providers. Beneficiaries, many of whom are on fixed incomes, would be protected since services would not be reduced and neither premiums nor other out-of-pocket costs would be increased.

Mr. Chairman, the President has made his priorities clear regarding our Nation's basic health care programs. We must not abandon the poor, the elderly, the children—those in our society who are the least able to afford reductions in service or increases in costs. I urge my colleagues to adopt the plan submitted by the Democrats on the House Budget Committee to ensure that essential health care services continue to be provided to those who most desperately need them.

Mr. BUECHNER. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. Denny Smith].

□ 1420

Mr. DENNY SMITH. Mr. Chairman, no one on this Budget Committee thinks that the numbers in the Democrat plan are going to be the ones, are going to be the document we use this year, or are going to be what we spend in fiscal year 1988. One of the reasons is that during markup we on this side of the aisle tried to get the majority to agree to some kind of a strong reconciliation and sequestration language. At that time, I believe the chairman, the gentleman from Pennsylvania [Mr. Gray] stated that this would be the responsibility of the Rules Committee. Yet, yesterday in the Rules Committee, that committee abdicated that responsibility and said we would take that matter up later.

The later is the problem here. We are not really going to make this Government live with the numbers in any of the budgets that we are going to have before us. In fact, you know any time the budget get in the way we just waive it. I believe the figures are that in the 99th Congress we waived the provisions of the Budget Act 106 times.

What we are really in the process of doing on this day and tomorrow is voting for a one-page trillion dollar budget. At least it was one page when we got it in the committee. It has been fleshed out a little bit, but it is an unrealistic budget.

The fact is that our Appropriations Committees are not really going to live by the numbers we give them in a one-page or a many-page document. We are just not going to do that without reconciliation or sequestration language involved in the process.

This is my third year on the Budget Committee, and I would have to say I am frustrated that we cannot really come down to a number that is going to be realistic. First off, if we were going to just freeze the budget, and freeze it with demographics included, we would have a budget, according to CBO, of about $143 billion. That means in order to reach sequestration level of $108 billion in Gramm-Rudman-Hollings we would have to cut $35 billion from those programs, and there is not the courage in this body to do that.

This document today is a sham. The documents that we will see before us tomorrow I think are much the same. This is a political document. This is sort of a document to say what we are for and what we are against, and, unfortunately, the American people do not want more taxation. That is an awful lot of what is in this budget.

This budget does not carry the force of law. The fact is, as we all know, the President does not have to sign this bill. It does not go to the President and he cannot veto it.

The committees of the Appropriations Committee are not going to abide by the budget resolution. The Rules Committee, having waived our opportunity to get any kind of changes in the reconciliation, sequestration language, puts us in the same position we were in the 99th Congress. That is, we will waive points of order on the budget every time it is in the majority's benefit to do that.

In an April 7 letter to our vice chairman, Del Latta, the Budget Committee report on this document, it was said by CBO that this document does not provide sufficient information on proposed policy changes for the CBO to provide an independent estimate.

I think this bill is going to pass. I do not think there is any doubt about that. I think the majority has the numbers. They had them in the committee and they have them here on the floor.

But I do think what this shows is that it is time to reevaluate this process. It is time to reevaluate the process and put in some reconciliation language that would really put some teeth into it, and to be sure that the changes in the law that would result in the changes in spending are going to be binding upon the committees of this body, and the committees on the other side of the Capitol, so that we can get down to the Gramm-Rudman-Hollings target.

Mr. GRAY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. DENNY SMITH. I am happy to yield to the gentleman from Pennsylvania [Mr. GRAY], the distinguished chairman of the Committee on the Budget.

Mr. GRAY of Pennsylvania. Mr. Chairman, I thank the distinguished gentleman from Oregon for yielding, because he has brought up a question that has repeatedly come up. That is the question of process and participation.

I would just simply say to the gentleman my response to the quetions of budget reform was that the committees of jurisdiction were the Rules Committee and the Government Operations Committee for the requests that the gentleman made.

However, in my budget I do make three recommendations for reform of the budget process: Multiyear as well as restore the trigger, as well as deal with the structural, cyclical deficit definition of target.

The CHAIRMAN. The time of the gentleman from Oregon [Mr. DENNY SMITH] has expired.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 30 seconds of my time to the gentleman from Oregon.

Mr. DENNY SMITH. I yield to the gentleman from Pennsylvania [Mr. GRAY].

Mr. GRAY of Pennsylvania. Mr. Chairman, I would then also go on to point out to the gentleman that he had an opportunity himself to participate in the process and vote for those amendments, offer amendments. There were none that were offered to the budget that was brought forth. And when there was an open attempt to write a budget with everyone participating, I believe the gentleman from Oregon voted four times "present" although he was absent on all four occasions.

Mr. DENNY SMITH. I will reclaim my time, Mr. Chairman. I think the gentleman knows and realizes that the reforms that the gentleman from Ohio [Mr. LATTA] proposed, which we also proposed on the opening day of the session of the 100th Congress, would put a lot more teeth into what we are talking about here.

The CHAIRMAN. The time of the gentleman from Oregon [Mr. DENNY SMITH] has again expired.

Mr. BUECHNER. Mr. Chairman, I yield 1 additional minute to the gentleman from Oregon [Mr. DENNY SMITH].

Mr. DENNY SMITH. Mr. Chairman, the problem here is that we do not have the automatic sequestration, we do not have the things that are going to make Gramm-Rudman-Hollings work. And if we were to have the freeze budget with the demographic numbers, that is if you were a Social Security recipient and retired at age 65, you would be able to draw your pension, if we had that we would be at $143 billion.

Mr. GRAY of Pennsylvania. I would only say to the gentleman I have no problem with what he is saying, except when we brought forth an outlay freeze as a starting point for a budget, the minority side, the Republicans, would not participate or vote. The gentleman himself was not present to vote on four occasions.

Mr. DENNY SMITH. I will reclaim my time, Mr. Chairman.

The problem we have here is strictly a matter of numbers, and not numbers on the budget sheet. We are talking about Members in this body and in that committee.

I thank the gentleman.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from New Jersey [Mr. GUARINI], a member of the committee.

Mr. GUARINI. Mr. Chairman, I rise in support of the House Budget Committee's mark for function 450—community and regional development. This function, which covers urban and rural development, would have suffered severe damage under the President's budget.

The President wanted to slash the CDBG Progam which provides vital funds for the economic stabilization of urban and rural communities. For many communities in depressed urban and rural areas, CDBG's are the only financial resource available for assuring of essential services. Last year because of budget constraints, we ended the general revenue sharing program. It is unconscionable that the President would now recommend slashing by $490 million, one of the last sources of funding available to those impacted communities whose tax base cannot support basic services.

The President wanted to terminate a number of programs which have proven track records: UDAG's, EDA, HoDAG's, the section 312 rehabilitation loan program.

In my own district and State, I have witnessed the success of UDAG. UDAG's, which take a small amount of public funds to leverage private financing for redevelopment, have converted decaying railroad yards and piers in my district into desperately needed housing and commercial space. Areas which were severely blighted, which have lain dormant for nearly 50 years, have been revitalized to provide jobs and a renewed tax base. The public-private partnership of the UDAG Program is a major component of its success. It would be extremely unwise to call a halt to a program which has demonstrated its usefulness throughout the country. Yet that is precisely what the President intended to do.

The House Budget Committee firmly rejected the President's ill-advised proposals. Instead, our budget assumes that most of our community and regional development programs would be funded at the 1987 levels; for example with inflation. This is a small but tolerable reduction from what would be needed under current services. It does not make up for the significant reductions experienced since 1981, but it at least allows important and essential programs to continue.

For this reason, I urge my colleagues to support this budget resolution.

Mr. BUECHNER. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. LAGOMARSINO].

Mr. LAGOMARSINO. Mr. Chairman, I share the opposition of my Republican colleagues to the Democratic budget resolution for the reasons expressed: increased taxes, greatly weakened defenses, et cetera.

However, Mr. Chairman, I'd like to call the attention of the Members to one particular aspect of the budget proposed by the Budget Committee, and that's the budget for the National Aeronautics and Space Administration. The President, in his budget, recommended $8.8 billion in budget authority for NASA. This was considered the minimum sufficient for the Nation's Space Recovery Program following the *Challenger* accident. The Budget Committee cut this figure by over $1 billion, in effect greatly damaging, if not eliminating the Recovery Program.

According to OBM, this could mean cancellation of the replacement orbiter for the space shuttle *Challenger*, an indefinite delay in the U.S. space station project, the possible cancellation of already-approved science missions such as the Mars observer, and the loss of over 30,000 jobs in California, Texas, and Florida.

Mr. Chairman, this recommendation by the Democratic-controlled Budget Committee is a recipe for disaster. During the 6 hours allotted for general debate on this budget, two Soviet cosmonauts will fly over the United States four times in their new space station Mir. In the budget year covered by this resolution, the Soviets are expected to launch their own space shuttle. Elsewhere, the Japanese and the Chinese are developing their own launch complexes and rockets to join France in the space race.

And what are we being asked to do? Cut NASA's budget authority request by 12 percent. Is this really in our Nation's best interest? I think not. If this plan is followed, it will mean the United States is willing to forfeit its leadership in space, as well as its technology base on Earth, threatening both our national security and our domestic job base. I hope this House will not be so foolish as that, and urge my colleagues to vote against the committee resolution.

□ 1430

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida [Mr. MACKAY], a member of the committee.

Mr. MACKAY. I thank the chairman.

Mr. Chairman, I would like to discuss the NASA budget which has recently been mentioned, and I would like to put it this way: that budget was a point of very severe discussion within the Budget Committee. It is true that the Budget Committee did not see fit to fund this program at the level that it was funded by the President. The question is not whether we cut it, but the question is whether those programs funded through the NASA budget can be continued adequately at the level they are funded. I am convinced that they can.

I am convinced that there may have to be a stretch-out in the space station program, and I personally, as a member of the Committee on Science, Space, and Technology, would say that this is not altogether bad. There is good evidence to indicate that the space station program is not as well thought out as it should be and that perhaps a stretch-out of a year or maybe 2 years will enable the funds that are put there to be much better spent.

Let me go forward with a discussion of the other budgets that are in function 250 because this function essentially is the part of the Federal budget that funds civilian research and development.

The only place where there has been a cut in this function is in the NASA budget. In the National Science Foundation there has been an increase of $200 million above the existing programs this year. These are essentially the programs that fund civilian research at our universities.

The DOE general science programs have been continued at a freeze level. Our committee is convinced that this is adequate funding to continue our commitment to civilian research and development.

I hope Members will look very carefully at this function. I believe if they do, they will see that the Budget Committee has done a responsible job and although this is lean funding, this is adequate.

Mr. Chairman, I urge adoption of the budget.

Mr. BUECHNER. Mr. Chairman, I yield myself 6 minutes.

Mr. Chairman, the proposed budget cut of more than $1.1 billion in budget category 250, the basic scientific research and development account, is aimed almost entirely at our space program. This cut would be a tragic error. We would not only destroy our future in space, we would surrender all claims we have to international leadership in a number of critical technologies.

Mr. Chairman, I would like to quote from a letter to Chairman ROBERT ROE of the House Committee on Science, Space, and Technology from James A. Fletcher, Administrator of NASA:

> Personally I am shocked and disappointed that a Committee of the United States Congress could take an action which would have the effect of reversing the national effort to rebuild the space program, reassume the leadership role which America once held in space, and, as a result, make bold strides in restoring the Nation's competitive posture in the high technology arena. It is especially disheartening that such a decision should occur only two days after the USSR launched into orbit an impressive new module for its "Mir" Space Station * * *.

For more than a quarter of a century Americans have consistantly supported our civilian space program as the international flagship of American technology and achievement. Adoption of this proposal would turn our backs on all that has been accomplished so far, and ignore all that could be accomplished in the future.

The ability of this Nation to meet global competition, to provide for our national security, and to improve the quality of life for all Americans depends, in large part, on our willingness to make national investments in science and technology.

For 1988 the budget proposed by the President provided for increased support for research and development to meet key national needs. The President's budget provided increased support for basic research to help generate the new knowledge necessary to continued technological innovation, and, more importantly, the President's budget included adequate funding to keep the faith of the gallant crew of *Challenger*, so that we could keep their dream alive. If this proposal is approved by this House, that dream will be gone forever.

This year the President proposed that NASA would invest in R&D programs to provide for a permanent U.S. presence in space aboard an American space station; to return the space shuttle to safe flight readiness; to advance our knowledge of the Earth and our universe; and to support long-term research and technology advancement.

R&D accounts for over 50 percent of the annual NASA budget. The 1988 budget proposed by the President would have provided for $4.1 billion in outlays for the conduct of R&D. The proposal now before the House would decimate that program by reducing it by more than 25 percent. What would be the impacts of a cut of more than $1 billion in the NASA budget? Some of the most obvious would be:

Cancellation, or indefinite postponement of an American space station, even though the Soviets are already in space with their Mir station.

Postponement beyond February 1988 on the next space shuttle flight, and possible degradation in safety enhancements recommended by the Rogers' Commission following the loss of *Challenger*.

Cancellation, or considerable reduction in the scope of American space science efforts such as the Hubble Space Telescope, the Mars Observer Mission, the Galileo Mission to Jupiter, and many others.

There are many arguments that can, and should be made, in favor of maintaining a strong and vibrant American space program. The first is that the American people demand, and deserve a program that will assure continued American leadership. In fact, numerous public opinion polls have indicated that the American people strongly support the space program, and that the level of that support actually increased in the wake of the *Challenger* accident.

The second argument in favor of a strong space program is that it is a good investment in America's future. There have been a number of economic studies that have indicated that for each dollar we have invested in the space program, there have been from $7 to $14 returned to the economy. In a Congress where the buzzword of almost every democrat initiative is "competitiveness" this Congress over all its 99 predecessors should understand that the NASA budget is an investment in the technology that makes American industry competitive in the world marketplace.

And, finally, let me argue that this Nation cannot accept this proposal because it would represent the abandonment of an American dream. There are events in American history that are universal in their impact. For all Americans who remember December 7, 1941, the memory of where they were, and what they were doing that day is forever burned into memory. For a younger generation the events of November 22, 1963, are as fresh as yesterday. Surely the word "Sputnik" jarred our national pride. And, is there a Member of this Congress who does not remember that morning, just over a year ago, when seven brave Americans, reaching for the stars and the future, gave their lives in the great effort to advance our knowledge of our universe? But, just as tragedy can unify us in National resolve, so, too, can great accomplishments.

We also remember with pride that day almost 18 years ago when Neil Armstrong first set foot on the surface of the Moon. That day he said, "That's one small step for man, one giant leap for mankind."

Let us not make the fatal error of abandoning our future. Let the voices of millions of Americans all across this great land remind you that the space program is one of our great unifiers. This is not a fight of guns versus butter. This is a fight of dreams versus defeatism; of tomorrow versus yesterday. If we adopt the democrat budget we will have ceded space to the Soviets, but even worse we will have taken a great leap backward—this Congress can remember that each time the Soviet space station passes over our Capital.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, we have heard an eloquent defense of our national space and science program, but let me remind this body and the American people that when an opportunity was provided for the gentleman who spoke to offer an amendment, he offered none on function 250. I would assume that he will vote for the President's budget tomorrow since he has presented no alternative budget, and when an opportunity was provided to vote on four occasions, the gentleman was absent from voting. I am glad to see that he is for the space and science program. I am sorry we do not have another alternative that demonstrates it. Perhaps he will vote for the President's budget.

Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Montana [Mr. WILLIAMS], a member of the committee.

□ 1440

Mr. WILLIAMS. Mr. Chairman, I join with my chairman, the gentleman from Pennsylvania [Mr. GRAY], in longing for a Republican substitute to our budget, however, there is not one. I suppose that means that the only substitute that we can refer to as the Republican substitute is the President's budget.

So let, me, for a couple of minutes, compare the Republican budget, the President's budget, with our Democratic budget, and let me make that comparison with an issue about which the American people are very interested and have high support. That is the matter of education.

Our budget, the Democratic budget, provides an inflationary increase for every education program and, for certain priority education programs, we give a significant increase above inflation. Yes, there are two budgets on the floor. The other one is the President's budget, and he cuts 28 percent from education.

Let us look at some of those specific cuts. The American people understand that we have to open the doors to college to all prospective students, yes, even the poor. Pell grants do that. Our Democratic budget provides an increase to Pell grants. There is another budget on the floor: the President's budget. The President cuts 29 percent out of Pell grants.

Our Democratic budget provides a small increase, because we know times are difficult, but an inflationary increase for education of America's handicapped students. The President's budget cuts such education funding by 30 percent.

College work study is a favorite of both students and their parents because it makes them get out there and work a little bit for the money that aids them through college. The Democratic budget provides again, just an inflationary increase for college work study. There is another budget on the floor: the President's budget, the Republican budget. It does not cut work study; unbelievable, it eliminates it. It says no more shall there be work study in America.

The Democratic budget has a small increase for vocational education, just enough to keep up with inflation. Vocational education is terribly important to the American people. The President's budget, the other budget that we will be voting on, eliminates vocational education in America.

Are there two budgets on this floor? You bet. Are they vastly different with regard as to how the Democratic Party and the Republican Party view the importance of education in America? You bet they are.

For those who want to savage education, I invite them to vote for the President's Republican budget. For those who believe that in these tough times, education should at least get an inflationary increase, I invite them to vote for the Democratic alternative.

Mr. BUECHNER. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. BOULTER].

Mr. BOULTER. Mr. Chairman, I would like to say to my friend, the gentleman from Montana [Mr. WILLIAMS], that we wish there were another alternative. Indeed, there is another alternative. By the way, there are not just two budgets on the floor; there are several budgets on the floor.

I have not heard the chairman or other Members on that side of the aisle bash any of the other budgets, whether it be the Black Caucus budget or any other budget.

I do not think that we can be painted into that corner and do not want to be painted into that corner. We want to work in a bipartisan fashion with our Democratic colleagues. There is enough respect from this Member and other Republican Members on the Committee on the Budget to do that.

I think the problem is with the institutional propensity of the Congress to spend money through the appropriation process. We went a long way, Mr. Chairman, last year, I think, toward removing special-interest group presure from the Tax Code.

I wish somehow we could do that from the spending process. I wish somehow we could remove that sort of special-interest pressure from spending because I think that is what the American people collectively, and as a whole, just the working men and women on the street, want us to do. They really want us to get rid of the deficit, but they do not want to do it with an increase in taxes.

That is what I want to talk about for just a moment. What will the $18 billion tax increase be used for, Mr. Chairman? Obviously, and this is not the fault of the Democrat side exclusively, I will admit this, but obviously it is going to be used to finance the congressional pay raise. I personally, just speaking for myself, think that is a sad fact of life.

But what else is it going to be used for? Is it going to be used to provide for a strong national defense? Not when we are cutting, under the Democrat budget, $9 billion in fiscal 1988, over $50 billion in the next 3 years; not when we are cutting in budget authority military personnel by $4 billion. Does that mean, Mr. Chairman, that we are going to have to discharge 300,000 members from our military?

What about energy security? I have criticized the administration at length for not having a good national energy policy that protects us from Persian Gulf imports and that provides for basic R&D in our energy function, research and development.

But the Democrat budget that is being proposed here cuts the energy function by $2.1 billion in budget authority, by $1.8 billion in outlays, and that is below the fiscal year 1988 CBO baseline. It cuts an additional $100 million below the fiscal year 1987 outlay level. It cuts discretionary funding for the energy function by 20 percent, and even the Democrat freeze document, which was originally presented to us, acknowledges that these cuts in energy research and development are overly severe, that they decimate basic energy science and research projects.

Mention has been made of the Space Program. Are we going to continue to play a leadership role in space with the $18 billion tax increase? No. We are not going to have a space station. We are going to lose 30,000 jobs in space centers in California, Texas, and Florida. Furthermore, we are not going to have a superconducting super collider because research and development is being cut to that extent.

What are the $18 billion unspecific taxes going to be used for? I trust my chairman, the gentleman from Pennsylvania [Mr. GRAY], and other members of the Committee on the Budget, but I do not trust the institutional process.

In 1981, under TEFRA, when spending was going to be cut $3 for every new dollar in taxes, just the opposite happened. Since 1981, Mr. Chairman, this Congress, controlled by the Democrats, has busted the budget in overspending its own budgets by $146 billion.

Last year, we had over 100 waivers of the congressional budget resolution. This year, in the proposed budget being proposed now, as I understand it, there are fewer than 4 billion dollars' worth of reconciliation. There is very little enforcement in this budget.

If it passes, it does not mean a thing because there is so little enforcement language in it.

I just want to close by saying that I think what people really want, Mr. Chairman, are sunsets, are terminations, true welfare reform, not welfare reforms that add $5 billion to the process.

☐ 1450

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. WOLPE].

Mr. WOLPE. Mr. Chairman, the gentleman from Texas [Mr. BOULTER] put a question to the majority side a moment ago asking, how would the revenues within the budget resolution be used? He claimed they were to fund additional spending. I am sure it was not an intentional misstatement, but the gentleman from Texas is in error.

The revenues in the budget of the Budget Committee are committed for one purpose, and only for one purpose and that is deficit reduction. Even the small increases in spending in the highest priority areas of the budget are funded not out of revenues but out of deeper reductions in other domestic programs. Total spending is cut dramatically in the committee's budget.

I say that because I think it is important to understand how difficult this year's budget decisions are and, frankly, how irresponsible it is to suggest that on the one hand we can achieve the deficit reduction targets of Gramm-Rudman and at the same time increases spending and avoid additional revenues.

Much comment has been made about the failure this year of the Republican side to produce its own budget. I think the reason for this failure is apparent from the comments we have heard: there is a simply no way one can fund the kinds of programs the Republican side is asking to fund without few revenues or without further reductions in other programs that they are not willing to publicly advocate.

What the committee's budget does, in my view, is to really offer the fairest possible spread of the burdens and the sacrifices that are necessary if we are truly to accelerate the pace of deficit reduction. It should be noted that all the revenues in the committee budget, unlike the revenues in the President's budget, are committed solely to deficit reduction.

The second point that needs to be made is that the actual revenues in the budget resolution that has been recommended by the Budget Committee are actually less than those in the President's budget. The President calls for new taxes, and the President calls for new user fees in his own budget. Even the President recognizes, in his budget, the impossibility of meeting our deficit targets without some combination of further spending reductions and tax revenues.

But you would never know that from the President's public rhetoric. The President's claim that he is not supporting any new tax revenues this year is, frankly, very deceptive. It is, in effect, the domestic equivalent of his Iranian policy: publicly we were told we were not sending guns to Iran, but in reality we were. In the same way, the President publicly claims he opposes all tax proposals, when in fact, his own budget calls for new tax revenues.

The President, in his own budget, calls for revenues, and he would have some of those revenues finance new spending. The Democratic alternative that is before the House today, the budget that I hope will enjoy some measure of bipartisan support, actually commits all new revenues to deficit reduction. Moreover, it actually calls for less total revenue than does the President's budget.

Mr. BUECHNER. Mr. Chairman, I yield 5 minutes to the gentleman from Kentucky [Mr. ROGERS].

Mr. ROGERS. Mr. Chairman, there they go again with the same old tax-and-spend policies that the voters of this country have rejected for the last 6 years.

In 1980 the American voters grew tired of the tax-and-spend policies of this party and turned them out and gave control of the Senate and an increased number in this body and the Presidency to the Republican Party. This party, under the leadership of this President, slashed taxes and saw the American economy bloom like a spring tulip.

We saw this party on this side of the aisle resist those changes, and they resist them yet. Last fall the Democratic Party went to the American people and said, "Give us control of the Senate, and we will show the way. We will sound the resounding trumpet and provide leadership to this country in solving America's deficit and trade deficit problems. We will stop the outflow of American jobs overseas caused by the trade deficit."

Mr. Chairman, I do not hear a resounding trumpet today. When it came time to mark up this budget before the Budget Committee, that party refused to present a document. There was nothing to mark up from, as is the usual custom in committee in this body. It was only after the Republicans had voted "present" in protest of the refusal to come forward with the sound of the bugle that finally they came forward with their document, after they had criticized the President's proposal unmercifully and then did not give the Republicans any chance to know what was in their proposal until the floor action.

What does the Democratic proposal do, Mr. Chairman? It is the same old message: tax and spend, tax and spend, tax and spend, and whack national defense, a message that the American people have rejected time and again.

Why do I say so? Their budget proposal calls for a tax increase to this Nation of $20 billion in 1 year. This is a position that 73 percent of the American people say "we don't want." And they said that last week in a poll. Three out of four Americans said, "Don't do that to us." Yet the Democratic Party comes to us and says, "That's what we are going to do, and don't ask any questions."

Mr. WOLPE. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I will yield when I finish.

Mr. Chairman, do they propose to stand by the American dream of balancing this budget by 1991, as the Congress directed we do last year in Gramm-Rudman-Hollings? No. Their proposal, using the baseline of the Congressional Budget Office, predicts a deficit of $171 billion. Yet they then resort to numbers that are not accurate to come forward with the proposal that we will get down to, on section 108, as Gramm-Rudman requires.

What does it do to America's defense posture? We have heard the debate there, and I will not belabor it by repeating it except to say that the budget reductions offered by the Democratic Party could mean that troop strengths would be cut anywhere from 100,000 to 300,000 people. Manpower, maintenance, and operating facilities of America's defense posture would be cut. That is what their proposal does to us. There are a thousand cuts in their proposal in programs that are basic to America's economy and basic to America's growth and redevelopment.

Most important of all, whatever budget we adopt in this body should have something to enforce it. Otherwise it is meaningless. Last year we went through the process of adopting a budget, and then during the course of the year we waived the budget requirement this many times. I think there are 45 on this list, ranging from the Compact of Free Association to things such as the Gay Head-Wampanoag Claims Settlement Act. We waived the budget. We did not pay any attention to it.

Their proposal has no teeth in it, and they refuse to allow us to put teeth in their budget proposal. I urge the Members to reject this Democratic proposal again as another tax-and-spend effort that the American people have grown tired of and said they do not want anymore.

Let us reject this proposal. Let us reject all the proposals and go back to that committee and work out a decent budget that reflects America's needs to stop the trade deficit and, most importantly, the Federal deficit and maintains our defense. I urge the Members to reject this budget and all other proposals.

Mr. WOLPE. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Michigan.

Mr. WOLPE. Mr. Chairman, may I ask the gentleman if he intends to support the President's budget?

Mr. ROGERS. I do not. I urge you to reject it.

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. ROGERS] has expired.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from California [Mr. MILLER], a senior member of the Budget Committee.

Mr. MILLER of California. Mr. Chairman, I was delighted to hear the last speaker in the well say that he would not support the President's budget, and I would hope, when given an opportunity, that the other members of the Republican Party will not support that budget, for the very simple reason that that budget does great violence to the poorest of our people in our society. In fact, almost a third of all the cuts the President of the United States suggested in his budget came from programs that serve the poorest people in our population, the poorest among the children, and the poorest among the families here in America.

During the best of times we have not done a very good job on behalf of these children and these families, and clearly now is not the time to pull out the underpinnings. On the Democratic side we decided to take a different tack. We decided that America's children, whether they are the poor or the nonpoor, needed attention and it was worth making an investment in their behalf. We made a decision that we would make an investment in reducing the number of retarded children; we made a decision that we would make an investment in increasing the number of healthy babies and increasing the number of healthy pregnancies; we decided we would make an investment in early childhood education and in the Head Start Program, and that we would make an investment in the Women's, Infants and Children Program.

Why? Because we like to spend money? No. Because independent study after independent study and audits by this administration showed that an investment of money in these programs returned far more to the Treasury than the cost of running those programs, not even to mention the health that it bestows upon newborn infants, upon pregnant women, and upon healthy families.

We have decided that is where America should put its dollars. If America truly wants to be competitive in the next century, it is going to have healthier children and better educated children to take our place in this society.

□ 1500

Unlike the President's budget that simply shredded any notion that this President believes in a safety net. We heard that 6 years ago, and what we now find out is after 6 years of this experience, after 6 years of the Reagan experiment and the Republican revolution in budget, what we now see is almost all of the detrimental indicators with respect to children. The number of children living in poverty, the number of children who do not receive health care, who do not receive a full education, who do not receive nutritional benefits, all of those indexes are worse now than they were when this President came to office.

What we have tried to say in the budget last year with the children's initiative, what we have tried to say in this budget with the children's initiative is that it is time to put a halt to that mindless damaging of America's youth. It is time to turn it around; it is time to make an investment in the next generation. It is time to put the public's money where the politician's mouth is that this is the most important generation. Our most important resource is our children. The Democratic budget says in fact that is true and we are willing to invest in them.

Mr. BUECHNER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. HOUGHTON].

Mr. HOUGHTON. I thank the gentleman for yielding me this time.

Mr. Chairman, I would like to talk about the substance of this document which we call a budget. I am not going to get into the politics; who is right and who is not. Whose numbers are closer to the real world; who has done their job or who has copped out.

A solid budget which will withstand the fullness of time is needed and is needed now. If that is not the case, this whole process which we have been talking about is useless. I feel there has been no solid proposed budget. No blueprint, no guideline for the American people. There should be; we need it. It will take work, but the Budget Committee on both sides should stop its political maneuvering and get down into the hard numbers.

If you take a look at the President's budget and the committee's budget, they look very similar on the surface. As a matter of fact, I would be amazed if anybody in this Chamber understood how close they were. In the outlays of the President's and the committee's budget, there is a difference of two-tenths of 1 percent. In revenues there is a difference of one-tenth of 1 percent. In the deficit, it is virtually the same. If you use the same economic assumptions, they are exactly the same.

So the question is: What are we debating? What is the problem if the numbers are so similar? Well, there is a problem and there is a difference. And the difference is in two areas. One, in terms of the proportion of the budget resources, and second, in terms of the credibility of the assumptions.

Differences between the two budgets may not seem important if the total is right, but the subtotals must also be right. Without the right proportions and without the right assumptions a budget just does not budget. And between the two budgets, the proportions in defense and non-defense, and in the income and revenues are entirely different.

Regarding the assumptions used, for the past several months we have been hearing a lot about those things called "smoke and mirrors," used in the President's budget. Frankly, some of that criticism is justified. As a businessman, I am bothered by the notion of applying asset sales to a deficit reduction rather than a debt reduction. These sales should not offset ongoing expenses.

Now that the committee has set forth its budget, an honest appraisal is that it uses also sleight-of-hand techniques all too often. While it does not rely on asset sales, it has failed, I believe, in its responsibility to identify where and how the budget savings can be found.

The CBO has looked at the committee's budget and said it cannot get enough detail to evaluate. Let me give you an example. There is $18 billion in terms of a lump-sum, one-time tax. But who is taxed? Who pays? Is it the widows? Is it the middle income? Is it the older people? No one knows. Or does that tax come from people who have to drive long distances and have to pay another 1, 2, 3, 5 cents a gallon on their gasoline?

There is a $8.7 billion cut in defense. Unspecified cuts. Now I believe that because of the increases in the defense budget, that certainly there can be cuts made there, but should it be cuts in readiness? Should it be cuts in procurement? Should it be cuts in research and development? We do not know—we haven't been told. I think it is wrong. There are other arbitrary cuts in transportation and a variety of other things which are not specified. There is a 3-percent civilian pay raise granted which is then pulled away. There is a Catastrophic Health Insurance proposal which is not costed or funded. The thing that I worry about is that in 1986 our goal was to hit a $180-billion deficit. We came in at $221. In 1987, the goal was $144 or plus maybe $10 or $154, and we are coming in at $171 or more. In terms of 1988, the goal is $135 or possibly $108. Where are we going? We are in serious trouble. We are not taking our job seriously as human beings and if one was not sent down here to be frivolous with the peoples' money and their lives, what are we doing?

I submit that we must get at this process. I am going to vote against both the committee's and the President's budgets tomorrow. I feel that the budget process is only now at the beginning of being wrestled with, and I feel that it is important for the members of these committees to get at it and develop a budget which is worthy of the American people.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me say that I share many of the concerns of one of our new members of the committee from New York, an outstanding, distinguished Member, Mr. HOUGHTON. He has made a very telling point.

The point he makes is that the difference between the President's and our budgets is very small in total outlays and in revenues. The difference, though, is in the choices we make. He agrees that asset sales are wrong. We do not have them. Therefore, on that issue, he ought to vote with us. He says, "What about balance?" We equally cut from both sides of the ledger, Pentagon and domestic.

I would say to my distinguished colleague, who has been struggling in the middle of this process, that the Budget Committee does not dictate where the Armed Services Committee will make reductions from the President's request, nor do we dictate where the Ways and Means Committee will make revenue increases. He will get chances to vote on that in reconciliation legislation and in Armed Services authorization and appropriations bills.

So I hope my colleague will make the decision to vote for a budget to show America where you stand.

Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. I thank the gentleman for yielding me this time.

Mr. Chairman, budget debates are usually drier than dust. We Members of Congress often prattle on about functions and outlays and budget authority and the myriad of numbing terms we use to describe our work. But it is also said that a nation can be judged by the way it spends its treasures. So our budget reflects our values as a nation.

We Democrats have produced a budget. it is not a perfect document nor was it an easy process. But this budget represents our work product, our vision of America, our values, and yes, our answer to the troubling challenges facing America.

Now, what are we to make of the fact that our Republican colleagues have failed to produce a budget? Have they not accepted this same challenge? Have they refused to take the time and go through the difficult process to make the difficult choices? Where are their values? Where is their vision? Where is their answer to the challenge that the American electorate gave to each of us when we were re-elected or elected to this body? We were not sent here to carp and complain; we were sent here to solve the problems facing our Nation. Yet, speaker after speaker on the Republican side has stood and condemned our work product, adding as a post script that they will not even support their President's work product, and have nothing, literally nothing, to offer as an alternative.

□ 1510

To my mind, to hear this mindless babbling on about "tax and spend" does not respond to the needs of this Nation. To hear the speakers get up and refer pompously and piously to resolutions passed by the Republican conference that, "Yes, we will hit a $108 billion deficit," and, "No, no, we will never ever increase the tax."

Come on, ladies and gentlemen, it is 1987. The problems are real. It will take a bipartisan approach and this type of political rhetoric does not serve the needs of our Nation.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. GRAY of Pennsylvania. Mr. Speaker, I yield 1 additional minute to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. I would like to address one particular aspect of our budget resolution and that is agriculture. I am concerned about the future of American agriculture. I am cognizant of the fact that we have spent a great deal of money and still people suffer in middle America because of our agricultural crisis. I think this budget is responsible and responsive.

What we have done is ask the Agriculture Committee to cut back a billion dollars from the farm program and we have cut another 8 percent in discretionary agricultural spending.

This is a far better, far more sensible and far more humane approach than the President's budget, which would have reduced target prices and eviscerated important agricultural programs on which we are relying for our recovery in the Midwest.

I commend to all my colleagues on both sides of the aisle to look long and hard at this work product. I think it is an important step toward bringing the American farm sector back to that level of economic stability that we seek to achieve.

Mr. LATTA. Mr. Chairman, I yield 7 minutes to the gentleman from California [Mr. THOMAS].

Mr. THOMAS of California. Mr. Chairman, carved into the dais in front of you are a series of words. The one in the middle is the one I read over and over again before I come to the well, because it is tolerance.

I listened to the gentleman from Illinois and the gentleman on his side before him. It is very frustrating for them this time on the budget issue because they do not have something to bump up against. Oh, they have tried to elevate the President's budget to the Republican alternative so that they can talk more about what theirs is not, than what theirs is.

I think most people tire fairly quickly of talking about function 050 and function 150, et cetera, because really what we are engaged in is politics. Politics is the process that determines who gets what, when and how, and that is what a budget is all about.

The budget of the U.S. Government determines who gets what, when and how.

I think it is right and fair to debate who gets what, who the who is going to be, and what the what is going to be.

I think it is perfectly fair to stand here and say that we believe this is what should be done versus your position, if it were done: First, with a degree of tolerance; and second, with a degree of honesty, because when you decide who is going to get what, when and how in this society, we are talking about next year and the year after and the year after that, so you have to make certain assumptions about what the economy is going to look like, how many jobs there are going to be, what the inflation rate is going to be, what the interest rate is going to be.

The President early this year came out with a budget with the administration's statement of what the world was going to look like next year and what they thought would be a reasonable distribution of who gets what, when and how.

Let me read a couple quotations to you. On January 4 on "Meet the

Press" Chairman GRAY in discussing the President's budget said:

> We are starting off with a lack of realism. If you think you are going to get there—the Gramm-Rudman target—by smoke and mirrors and unrealistic assumptions, you are sadly mistaken.

In March, the Speaker of the House, the distinguished gentleman from Texas [Mr. WRIGHT] said:

> You can fudge on the economic assumptions and pretend to get there, like the President does.

Just a few days ago, once again Chairman GRAY said:

> The big secret that the American people should know about their President is that he has sent us a phony budget.

For 2 months the Democrats have trashed the President's budget basically on his economic assumptions.

Guess what—just a few minutes ago the chairman of the Budget Committee stood up and bragged about the fact and brought note once again that the committee's economic assumptions are the same as the President's.

Now, who are you going to believe, the chairman and the Democrats of February and March, or the newly discovered position of the Democrats in April? Where is the truth?

I would suggest to you that the truth checked itself at the door, that what it is is politics and some of us are a little sick and tired of the game of politics. Oh, it is fun I guess most of the time, but when the stakes are so serious, as they are today, as they were last year and as they will be even more so next year, I think it is time we quit playing games.

Why are the Democrats' economic assumptions the same as the President's? Because they could not get where they wanted to go without adopting them.

We are the minority. We get to participate in the process to the degree the majority lets us participate in the process. If we wanted to change the procedure in the committee, we would lose on a rollcall vote and the chairman would have proxies available to determine what it is he wanted to do.

Just a week ago when I cried out in terms of the procedure on a budget on a single page, as the chairman's mark, and said in a committee I am more familiar with than the Ways and Means, that the chairman's mark is 200 pages thick, the chairman said, "Welcome to the Budget Committee. This is the way we do things here."

When the budgetary process was an additive one; that is, when we did not have income taxes indexed and you had through inflation a windfall gain to the Federal Government and every year you sat down and divvied up the newfound wealth, when the process was an additive one, there was no hue and cry from the Democrats to allow Republicans to participate in the process, to share in distributing the additive of the wherewithal of where the Federal Government was going to go; but when you are in a subtractive process, when you have to make tough decisions about where you cut, guess what—"Come on in, let's sit down and talk about how we are going to make decisions. By the way are you willing to front us on the question of revenue? Will you stand up and participate in terms of saying that we have to have additional taxes?"

What was the price to the Republicans on the Budget Committee to sit down and operate as minimal equals? Procedural changes. Procedural changes so that when we say something is going to happen, we to the best of our ability, assure institutionally that it does happen.

Well, you see us here on the floor with no alternative. We would have preferred a bipartisan budget. What we have is no alternative. Why? Because we believe the proper stance is no, no on the President's budget, no on the Black Caucus budget, no on the Dannemeyer proposal, and no on the committee proposal, because the process ought to be repudiated. It simply ought to be walked away from until we are honest with the American people because the American people want to know where we stand, not where we play politics.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, we have just been told that the appropriate position of minority Members elected to serve here is to vote "no" on everything. That is the legislative equivalent of "Stop world, I want to get off."

We do not control the American people in their votes as to who will be in the majority or the minority here. There are rules and regulations which we have mutually agreed upon.

The gentleman is complaining that his party is in the minority. That is a legitimate complaint, but the remedy does not rest with us. It rests with the American people.

I would also point out that the members of the minority, once again, evaded their responsibilities in committee. Let us set the record straight. There were rollcall votes in the Budget Committee, and they voted, "Present." Some were not even present to vote "Present" on defense spending. So how can they claim that defense spending is too low, but when they had an opportunity to vote for higher defense numbers, they were physically and budgetarily absent.

□ 1520

Mr. LATTA. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. THOMAS].

Mr. THOMAS of California. I thank the gentleman for yielding time to me.

Mr. Chairman, I perceive a bit of frustration on the part of the chairman of the committee in terms of his inability to corner us. I understand it is difficult for Republicans not to act like Republicans, and that is to try to solve the problems of the country in front of us, but I think that everyone needs to know that you reach a point in terms of trying to participate in a process when finally you realize that the sham is such that you have to say no, and the vote that you will see recorded is on the basis of the process, because the numbers that you folks have generated are based upon phony assumptions, as they have been in the past, and the numbers that you are offering today will not be the final numbers.

We are willing to sit down anytime you are ready to be realistic. If you choose not to be, that is your choice, not ours. You do control the system, you did close the doors, you did make decisions without us being present. That is certainly your privilege. It is also our privilege to say that we refuse to participate in that kind of a farce.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 7 minutes to the gentleman from New Jersey [Mr. ROE], the distinguished Chairman of the Committee on Science, Space, and Technology.

Mr. ROE. Mr. Chairman, I thank the distinguished chairman for his generous introduction and welcoming me to participate.

Mr. Chairman, I want to make the point, we are not talking about Democrat or Republican here, I think what we have to talk about is getting a job done, and a job done for the country. I think that the Budget Committee has had an extraordinary task to carry out, nonpartisan, and they have had to come and adjust many, many areas and what they think is the right thing to do to the country.

Having said that, I do not believe that the budget process is over yet. We have not voted, nor has the Senate voted, as of this moment. Therefore, Mr. Chairman, if you would listen to this chairman's approach, I rise to support this budget, both with reluctance and with great distress. It is a budget that asks us to accept a future of second best for American leadership in space. It is a budget that asks us to dismember our Civilian Space Program. It is a budget that asks us to deny energy security for our future. And it is a budget that asks us to vote no to a more competitive America in world markets.

The budget slash—and I have to, if you will forgive me, speak to function 250—cuts $1.1 billion below the President's request and makes America's future in space read like an obituary.

Mr. Chairman, I am not going to read the rest of my formal statement, because I have a couple of questions that I want to ask, and I think that this is a good place to do it, but I want to get across to the Members, both Democrat and Republican, what the argument about the space program is about. It has nothing to do with our desire to take a widget and a gadget and fly another shuttle. In spite of the terrible accidents, we have flown them 24 times.

Why should we be flying the shuttle again viz our leadership in space? Because it is a budget-saving proposition. We have 70 satellites both in the military, the intelligence, the pure sciences, that we cannot fly because we do not have the vehicles to do it. The Department of Defense has told us that there are four critical satellites that are scheduled to be flown come February of next year.

If we cut this program, we are not going to be able to do that, and it is going to exacerbate our situation as it relates to the security of this country.

Now those are the facts. We are second best in many areas because we cannot get our shuttles and our satellites up there and we cannot cut that money. If we have to go and want to fly again, if we want to at all, we have to retrofit the other three orbiters that remain, the other three shuttles. Otherwise we would be running the risk of one more explosion taking place. Nobody wants that on their conscience. Certainly I do not, and I know that you do not. But I think that it is imperative to get across to the Budget Committee that the future of America's security and the future of America's leadership in space and high technology lies in that function of the budget.

Now we speak of providing jobs for people, and I applaud that. We speak about providing resources for the homeless; I applaud that and will vote for that. We speak about need for additional health measures; I will vote for that because it is the right thing to do. But we are not to retreat. We are saying to the great State of California, "Be prepared to lay off 60,000 people." We are saying to Texas, "Lay off another 60,000 people." We are saying to Florida, "Cut down on your base; lay off another 60,000 people, because we are retreating from the opportunity of leadership to create new wealth." That is what space and technology and competitiveness is about: is to put our resources to create a new wealth and new job opportunities, to say nothing of keeping our leadership as we are going.

So I would hope that as the Budget Committee reflects further and as we reflect in the process through the conference that the understanding of the order of magnitude of this issue will be laid to rest and the people of this country and the Members of the House and the Senate will understand the issue and do the things that ought to be done.

Mr. Chairman, I rise to support this budget both with reluctance and great distress. It is a budget that asks us to accept a future of "second best" for America's leadership in space. It is a budget that asks us to dismember our Civilian Space Program. It is a budget that asks us to deny energy security for our future. It is a budget that asks us to vote "no" to a more competitive America in world markets.

The budget slash in function 250 of $1.1 billion below the President's request makes America's future in space read like an obituary. For NASA and our future in space, we will be voting to keep the shuttle on schedule but we will vote to cancel building structural spares for the orbiter which is our insurance policy for a safe and reliable shuttle program.

We will vote to wipe out space science projects in progress and paralyze NASA's capacity to generate new science ideas and new payloads. We will vote to cancel the hiring of 600 new graduates to provide new blood to an aging NASA.

We will vote to indefinitely delay building our space station while the Russians continue to expand their already functioning space station. Mr. Speaker, these are just examples in the long list of cancellations and delays in NASA programs. The bottom line for America is that we are endorsing the "militarization of space" by default. If we vote to cripple the civilian space effort, we automatically vote to reserve space exclusively for military purposes. This betrays the intent of the original Space Act, the intent of the Congress, and most importantly the intent of the American people.

This same budget slash will have us vote to weaken the foundation of American scientific research, the very core of our ability to create, to innovate, and to invent. The National Science Foundation budget and the Department of Energy general science programs caught in this vise are underpinnings for our future technological advances.

The 100th Congress began with a commitment to improve America's competitive posture in domestic and global markets. We know that scientific research provides a well-spring of knowledge and information that will help us develop future products and processes to sell at home and abroad. When we vote to weaken our science technical base, we diminish our potential for technological innovation and we dishonor our commitment to improve competitiveness. We will register a vote against "made in America."

Mr. Chairman, we are being asked to cut a half billion dollars below the President's request from function 270 which holds the promise of an energy secure future for this Nation.

In 1973, the Arab oil embargo caught America with all its eggs in one basket, the one labeled "oil." World oil did not run out; we just became puppets of Middle East politics. We promised ourselves that this would never again be allowed to happen. The only true insurance against this vulnerability is to have alternatives to oil. Our Department of Energy R&D budget funds the programs for developing those alternatives. Cutting energy R&D funds means canceling America's insurance policy.

This Nation sits on one-fourth of the world's supply of coal. We need to develop and demonstrate the most economical methods to make liquid fuel from our coal. We need to develop and demonstrate inherently safe nuclear reactors. We need to continue research in fusion to insure alternative energy for future generations. None of these programs can move ahead with continuous and predictable progress if we don't have the resolve to hold firm on funding them to fruition. A vote to cut a half billion dollars from DOE energy research is a vote for the powerbrokers in the politics of oil.

Mr. Chairman, I want to finish with a comment directed at my fellow Democrats. I yield to no one in my concern about the deficit. I yield to no one in my concern for the poor and the underprivileged. But, I want my party to think also about the Nation's future. I ask you to consider what policies we must have as a party in order to go to the American public to ask for their support and votes.

We must have a program for progress and for the promise of the future. It must encompass a strong, courageous thrust in space, in energy self-sufficiency, and in technological competitiveness.

Our priorities are wrong when we put off even having a space station a decade from now while the Russians already have two in orbit. Our priorities are wrong when we allow ourselves to become vulnerable to energy blackmail.

The voters want leaders who have vision and courage. It is our responsibility as leaders to act accordingly.

Mr. Chairman, could the distinguished chairman of the Budget Committee give us some idea of what he sees down the road to try to ameliorate this very serious situation that affects our country?

Mr. GRAY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Pennsylvania.

Mr. GRAY of Pennsylvania. I would say to the distinguished gentleman who has announced his support for this budget and yet admits that as a result of the restrictions of Gramm-Rudman and the inability to broaden significantly the revenue base, that we cannot fund education as well as transportation as well as space and defense all at the same time, and Social Security, the committee has had to make choices. What we expect is right now we are 0.7 percent below a freeze in function 250. We are 3 percent below the CBO baseline. The 12 percent that keeps being referred to is 12 percent below the President's request. So that is where we are in function 250, is less than 1 percent below a freeze. In other words, the space program right now if this budget became the final budget would get 0.7 percent less than it got this year. I expect that the Senate——

Mr. ROE. That is a difference, however, of $1.1 billion. We cannot fly, sir.

Mr. GRAY of Pennsylvania. I understand that when we talk about 1 percent in a program that is a multibillion-dollar program, we are talking about significant money, but I use the percentage to give an illustration of what we are talking about in terms of the reduction.

I would point out to the gentleman, who is the chair of our Science, Space, and Technology Committee, that right now, today, the Senate has passed a budget out of committee which has a higher figure, of approximately $750 million in outlays. Of course they will have to pass it on the floor, and we will go to conference. Exactly where we will come out, this Chair cannot predict at this time. But I would probably imagine that it may come in with a higher figure that we will have to come back with a conference report that does something that moves in the direction that the gentleman from New Jersey would respect and desire.

□ 1530

I thank the gentleman for his support for this resolution. I know it is a difficult choice for him since he has jurisdiction over a committee that he feels very strongly about.

I would also point out that as long as we have the restrictions that we have, you cannot fund Social Security, education, health care, military, transportation, energy and everything and have business as usual. We are going to have to address this problem of deficit reduction. The committee has made its prioritizations, and we hear clearly what the gentleman from New Jersey is saying, that he hopes that when we go to conference we will be mindful of the committee's concerns that there needs to be some movement forward.

Mr. ROE. There is a saying, however, that my father taught me. He said to me that half of nothing is nothing. And the second point he taught me was the operation was a success but the patient died.

So I hope we are successful in our operation, and I thank the distinguished gentleman.

Mr. LATTA. Mr. Chairman, I yield 7 minutes to the gentleman from Texas [Mr. ARMEY].

Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I am happy to yield to the gentleman from Ohio.

Mr. LATTA. I thank the gentleman for yielding to me. I just want to compliment the gentleman from New Jersey who just left the well on a very excellent statement. But I do not see how he comes to his conclusion that he can support this budget with the cuts in the States' program of the magnitude and the seriousness of those cuts, and how many people will be laid off in Texas, California, and Florida while we are continuing all these other programs at full steam ahead. It is one of the arguments that we have against this budget. It is not an evenhanded budget. They take care of their own, but these programs that they do not particularly care for are out, you are going to take your cuts. One of them, unfortunately, happens to be the Space Program, and another one happens to be defense. The security of this country is involved.

I think we have to take a hard look at where our priorities are.

Mr. ARMEY. I thank the gentleman for yielding. I too have to say that I was amazed to think that anybody who had enough time and tenure and experience here to be a committee chairman would buy off on the oldest gambit in the House, which is, we will fix it in conference. I doubt that the gentleman can count on that.

Mr. ROE. Mr. Chairman, will the gentleman yield to me? He did make reference to me.

Mr. ARMEY. I yield very quickly to the gentleman from New Jersey.

Mr. ROE. Very quickly, I want the gentleman to know that each one of us is elected by our own people and we vote as we see fit. I happen to think that the Budget Committee is doing a creditable job, and it is a tough job.

My mission as chairman of this committee is to point out to that particular Budget Committee and the Members of this House the severity of the area of our concern. That was the intent.

Mr. ARMEY. I appreciate the gentleman's point.

Mr. ROE. Whether the gentleman agrees or not, that is something else.

Mr. ARMEY. I think the gentleman did a very good job. I was only saying that I have learned at least not to believe it when I am told we will fix it in conference.

Mr. Chairman, don't be deceived. The Democrats tax and spend budget is a wolf in sheep's clothing. It entices with the promise of new spending, yet it devours with its hidden tax bite. Even the way this budget is being presented—with a sequestration budget lurking in the dark woods if we don't buy the ruse—is indicative of how worried the democrats are that this budget will be defeated.

Through deep cuts in defense, large tax increases, blue smoke and mirror savings, unspecified and/or unrealistic cuts, and waffling economic assumptions, the Democrats are barely able to achieve their true objective: The prepetuation of the tired, failed policies of the past—perpetuating an ever-growing expansion in the size and scope of the Federal Government.

While protecting many of the bloated excesses of the past, the budget resolution passed out of the Budget Committee also proposes new initiatives budgeted at a cost exceeding $12 billion for fiscal years 1988-90.

Their budget resolution proposes to double what we spend on AIDS funding—from $411 to $970 million. This despite the fact that the $411 million represents a doubling from the year before and reports that it would be impossible for the scientific community to absorb and spend this large an increase in 1 year.

Their budget also increases numerous education and social programs, but refuses to specify what the increases are, lumping them all under a $2.2 billion increase. And they target $450 million in new budget authority to expand homeless assistance efforts.

Just as important as what you see in this budget is what you don't see. The Democrats are assuming both welfare reform and catastrophic health insurance will be deficit neutral. Yet they fail to cost out their flagship welfare reform proposal proposed by HAROLD FORD which CBO estimates would increase outlays by some $5 billion over 3 years and by $12.4 billion over 5 years.

The fact is that the Democrat's budget is chock full of the failed policies of the past. The Democratic solution has always been to identify a problem, throw billions at it, and then when the problem worsens, to lament that we haven't spent enough. Their vision is shortsighted, and the cost of their shortsightedness is something which our chidlren will bear for years.

However noble the cause, we have to realize that there are functions which the Federal Government was never intended to and cannot carry out. As much as we would like to offer everyone a helping hand, economics dictate you can't give to one what you haven't taken from another.

I'm not opposed to new initiatives, but I believe that just as we identify new priorities we need to reexamine past commitments. If we decide that AIDS research demands more Federal dollars—which I believe it does but not to the magnitude to which the Democrats propose—then we'll have to identify another Federal program which we can cut back.

If we want to help the homeless with additional funds on top of the tens of billions we spend on welfare, medical assistance, and categorical block grants to State and local governments, then we'll have to cut back somewhere else. Homelessness is a serious problem. But where does the Federal responsibility end?

Priorities; a simple concept, but one which Democrats just can't seem to get a handle on. It means tradeoffs and living within your means, something which the "we-want-it-all-and-we'll-increase-your-taxes-to-pay-for-it Democrats" can't understand.

And increase taxes this budget does. How do the Democrats propose to pay for their generosity. They are calling for unspecified tax increases of $18 billion in fiscal year 1988 and $57 billion over 3 years. What type of tax increases are we looking at? Well, at this point they are unspecified, but if the Speaker has his way—and they seem to have a way of doing that around here—we'll see the Congress renege on the promise of lower tax rates which we promised the American people in tax reform. Another of his proposals would be a stock transfer tax. Who knows, maybe they will try to enact both.

How much reminding do we have to do to get the point across that the American people don't want to pay higher taxes to support the fiscal profligacy the Democrats propose. The lack of tax revenues is not our problem, out-of-control Federal spending is the culprit.

In a recent study of the relationship between the proportion of national income taken in Federal taxes and Federal budget deficits, Dr. Richard Vedder of Ohio University found that—

> New taxes have a temporary impact of reducing deficits, but that impact is more than dissipated within a year.

Dr. Vedder's conclusion:

> New taxes mean a larger public sector relative to the private sector, but do not typically mean smaller budget deficits:

Dr. Vedder's statistical analysis can be translated succinctly into something anyone with any time on Capitol Hill can easily bear out: Tax increases will not balance the budget. The propensity to spend is always greater than the willingness to tax.

In two key areas, I had hoped the 99th Congress would be remembered as a turning point where we struck a balance between our wants and desires and our ability to pay. In a bipartisan fashion, we passed Gramm-Rudman-Hollings and we passed tax reform. We defined with Gramm-Rudman a limit on Government borrowing and we limited, with tax reform, the amount of toil we'd extract from the American people. We had finally, I hoped, put the big spenders between a rock and a hard place. They couldn't raise taxes and they had to get the deficit down. It wouldn't be easy, but working together we could identify and cut those programs which had outlived their usefulness while reprioritizing Federal spending to meet changing demands.

Yet before the ink was dry on tax reform, and before we'd really been faced with Gramm-Rudman's painful choices, I hear from my Democratic colleagues that they want to raise the rates we locked into place with tax reform and abandon as unreachable the Gramm-Rudman target.

Earlier today, we spent several hours debating the Humphrey-Hawkins full employment implications of our budget resolution for fiscal year 1988. I always find it interesting to hear the arguments of those who forget—or never knew—that it's the private sector that creates jobs and economic opportunity and not the Federal Government. To hear some of them talk, if the Federal Government doesn't spend money it doesn't get spent at all.

This is absolutely ludicrous. In fact, I'd argue that if the Federal Government took a smaller share of personal and corporate earnings, we'd see dramatic increases in job-creating potential. After all, a dollar paid in taxes is a dollar less to save, invest, or spend on income-generating and job-creating goods.

What some of my colleagues fail to see is that their misguided attempts at income redistribution result in what we label in the economics profession as pareto malevolence. That is, after all is said and done, there is at best only a fairer share of a smaller pie. The private sector creates and sustains employment and employment opportunity; the Federal Government, through excessive micromanagement, will only inhibit and limit the very jobs it seeks to protect or promote.

In closing, let me say I was both amused and saddened by a quote in this morning's Washington Post:

> We're going to have charts and horns and whistles and any other type of illustrative gimmick we can think of.

Amused, because it's so typical. Saddened, because it's the American people and not our colleagues who will be deceived by the Democrat's gimmickry.

Perhaps it's a pipedream, but I'm still hoping responsible and forthright Members of Congress can come together to give us a responsible Federal budget. I'm convinced that the first step toward that responsible budget is the rejection of the budget resolution proposed by the Democrats on the House Budget Committee.

Mr. Chairman, I would like to respond as a member of the Budget Committee to one point. The distinguished chairman of the Budget Committee has expressed his concern and his dismay that we on our side of the aisle have not participated as fully in the process as he would have liked us to.

As a member of the Budget Committee I cannot help but take his concerns a little bit personally, and let me remind the gentleman, as he reminded us, he has won control of both Houses of Congress, and control them you do with an iron fist. If you will continue as you do to show callous disregard to the minority rights in this body, and subject us to the most tyrannous treatment by a majority, then we will continue as we do to stand down from the process and let you fry your fat in the fires you build.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Georgia, [Mr. JENKINS], a member of the committee.

Mr. JENKINS. Mr. Chairman, I thank the gentleman for yielding. In this very brief time that I have, I want to talk about the budget resolution that we will be reviewing and voting upon tomorrow.

☐ 1540

You know, to the credit of the President of the United States he presented a budget. He presented a budget to the American people and to this Congress. It is true that his budget did not get a single vote from the Republicans in the Budget Committee. When that document was presented, every single Republican voted "present." To the credit of BILL DANNEMEYER, a Republican from California, he is offering a budget so that we will have the opportunity tomorrow to vote upon his budget resolution.

Now, the Republican leadership has taken the position that "No, we will not vote for Dannemeyer's resolution, we will not vote for the President's resolution, we will not vote for the Budget Committee resolution, we will simply vote against all of them."

You know, if you have that type of participation, Lord help us if we should assume that attitude when we are at war. We let somebody else go and participate, but we will not take either side, we will simply sit back and say, "No, I will not participate."

I think that this budget resolution could have been a better budget resolution. I think that if the minority had chosen to participate that they could have made it a better resolution that could have been broadly supported.

Simply because you choose, for whatever reason, whether it be political or otherwise, not to participate, not to take the responsibility of voting, that is a decision that each individual Member has to make; however, I cannot help but think that down the road when you are speaking to your civic clubs or when you are talking with some of the 600,000 people that you represent—when you are attacking this budget resolution because it has too much in revenues even though they are about the same as the President requested; or when you are attacking this resolution because it cut agriculture too much or because it does not suit you in defense, that someone in your audience might ask, "Well, I understand you voted 'no' on that, but how did you vote for our President's budget?" And then you say, "I voted 'no' on that because I did not like it. It cut too much in some areas that I did not like."

"Well, did you offer one of your own to the full House? Did you offer your solution?"

"No, I just thought it was best that we vote 'no' on all of them. I thought it was best that I not participate in committee, but simply vote 'present'."

I think that is a very weak position to take, not only a politically weak position, but also one that is weak as far as this institution is concerned.

It is true that this budget resolution does cut about $1 billion from agriculture, but the President's budget cut $4 billion from agriculture. So there is some improvement for those that are particularly concerned about agriculture.

It is true that there is some decrease in Medicare. I might point out that in 1980 part B deductible in Medicare was $355; in 1987 that will be $809, an increase of $454. Now, the President's budget would have cut $14.4 billion more on top of that over the next 5 years.

The administration has, again, in order to present its budget resolution, impacted very severely upon some people who simply cannot withstand the increases that they have already experienced in the last 4 years.

This is not a perfect plan; yes, it does call for revenues just as the President's does; yes, it does call for a lower defense figure even though it is higher than the outlays of last year; and, it is a reduction certainly from the President's plan. But this is not a reduction in defense from the Republican substitute because there is no Republican substitute. We are providing a substantial amount in this resolution for defense expenditures.

It is the responsibility of all of us to try to make a reasoned judgment upon every piece of legislation that comes before us. And, yes, maybe there will not be, as the last speaker indicated, any improvement in conference; but I can make one commitment to you because I have this degree of confidence in my chairman and members of the committee: When we get into conference, we shall not vote "present." We shall at least take some position on all the issues before the conference.

Mr. LATTA. Mr. Chairman, I yield 6 minutes to the gentleman from Texas [Mr. Combest].

Mr. COMBEST. Mr. Chairman, we are back here for the same type of debate that has continued for the short 3 years that I have been in the Congress. This body has many times said that the President's responsibility is to submit a budget which reaches the goals of deficit reduction. He did that.

For the past several weeks, he has been beat upon severely for it. He submitted it in complete detail. We can see every line of it. We may not like it, but he did do what the Congress says he should do.

Now it is the Congress' responsibility to come up with a budget that is their alternative. They have done so and many of those are using the argument, it seems, that rather than how great it is, it seems to be the only alternative to the President's budget. Many of those people who may be watching this debate today might be under the assumption that we have to vote for one of them, from the debate that has gone on in this body today. We do not have to vote for one. We in fact could try to reject them all.

Just because it happens to be the only one on the floor does not mean we necessarily may like it. I am not going to vote for the President's administration budget, I am certainly not going to vote for the budget which is being submitted by the committee.

Analogy was made earlier today that those who row the boat do not have time to rock the boat.

Mr. Chairman, many of us have not had the opportunity to have the oars. Many of us on the committee did not go and vote "present." In fact, we are all a part of a much bigger boat rather than the budget boat and that is a boat that we all fall into. Those of us who dislike these proposals are not going to support them.

We are going to keep doing our own little paddling in the direction that we want to see it go and hopefully we can get enough other people paddling in the same direction so that we can.

Just because it is the only one on the floor does not mean that we have to support it.

I ran in 1984 on a strong concern about the budget and about the way expenditures of this country have been going in the past several years, to continue to try to deal with it from the spending side rather than the taxing side, and I continue that commitment to my people in my district. I have severe economic problems in my district, probably the most severe in the last 50 years, relative to agriculture and to the energy industry. Yet, every time, whether it is a poll, whether it is a questionnaire, whether it is a survey, regardless of the means by which we gather the data, the information always comes back that the No. 1 problem as far as constituents in my district see it is the national deficit.

It was said earlier that the defense of the fact that this budget came in one or two pages was that in 1981 there was a one or two page budget which had to be dealt with. I was not here in 1981. I did not have the opportunity to vote for or against that. But I am here today and I have the opportunity to vote for or against this one and I will vote against this one. There are a lot of things I think we can pick that are wrong with this budget. Many things concern us a tremendous amount.

Last year the Congress passed an overall sweeping tax reform which was touted as a tax break for the American citizen or for the average American citizen.

Just a few months later now we are looking at a budget that will increase taxes and fees. More disturbing I guess than that is we do not know exactly where or exactly how they are going to increase them. Those individuals who indicate that we cannot do some cutting in Federal spending say that it would be disastrous for the economic foundation of this country. For one of those who represents a district, again, that is in very, very severe economic straits, I would be the last one who would support an effort, or oppose an effort which I felt would be devastating to an already faltering economy.

Certainly one of the concerns that concerns me as a Texan and many of my Texas colleagues is a provision that would cause the strategic petroleum reserve to be filled at the expense of the domestic refiner.

□ 1550

This would be an adverse impact on this industry, which is already suffering greatly due to some very, very ill-advised energy policy. It would certainly be an additional hindrance and certainly would be an additional threat to our national economy.

What can we do? We are saying we cannot vote for what we have before us today. Even under the figures which the committee is using, the CBO indicates that over the next several years, by 1992, we will grow with just moderate healthy economy something in the neighborhood of $70 billion a year, something like $400 billion, and the next 5 years, simple arithmetic indicates the fact that we could use some of this money, just some of this money.

We do not have to have these draconian cuts in order to reach the deficit targets. We do not have to have tax increases. If we would just do, as all we are asking the Congress to do, what we ask the American people to do, and that is to live within your budget, live within your revenues, do not raise taxes; do not make huge cuts, just try to be somewhat responsible about the way in which we deal with the budget process.

Mr. Chairman, I rise before the House today to discuss a subject that ranks at the top of the list of concerns in my west Texas congressional district—the Federal budget deficit. Distressed farmers know the effect that our national economic condition has had on American agriculture. Small businessmen are concerned about restraints on competitiveness posed by a government that cannot efficiently manage its resources. Across all sectors of the population, there is no question that a $170 billion deficit is extremely unhealthy for the American economy.

We in Congress have the privilege and responsibility of representing these concerned citizens. In 1985, we demonstrated our commitment to dealing with the burgeoning Federal deficit by passing the now well-known Balanced Budget and Emergency Deficit Control Act. I supported that legislation, and I continue to believe in its effectiveness, despite criticisms from many who would like to repeal the law and revert to the old tax and spend system of government. The sad truth is that the Federal Government is living beyond its means. It is spending far more than it is taking in through taxes and then covering that shortfall by heavy borrowing. It is the continued desire of some to maintain such irresponsible spending habits that is damaging efforts to restore economic vibrancy to the United States.

Before I comment on the budget resolution sham that is before the House today, I would like to express my belief that basic changes in the budget process are needed if we are to even come close to putting this Nation's budget back in the black. While the American people are paying the Government to prudently manage and allocate their tax dollars, the congressional budget process has become nothing short of political ammunition, used to berate the other party and twisted to gain political points. Our fiscal policy machinery is broken and drastically in need of repair.

When I ran for Congress in 1984, I promised the people of west Texas that I would do everything in my power to cut wasteful Government spending and work to reduce the deficit—without raising taxes. I maintain that commitment, and I am strongly supporting efforts to enact a balanced budget/tax limitation amendment. Despite my usual reluctance to support any amendment to the Constitution, I believe that such a restraint is necessary if we are ever to see the end of the tax and spend style of government.

Other reforms are also in order. The list of defects in the congressional budget process is frighteningly long, ranging from routinely missed budget deadlines to continued spending add-ons to breached spending ceilings. I am cosponsoring, and will continue to push, legislation that would restore an effective automatic sequester mechanism to the Gramm-Rudman law and to reinstate the pre-1974 rescission procedure. These changes are needed to bring some order to the budget process and to force the hard choices that Congress has avoided while building the largest spending and debt mountains in history.

Today, the terrible breakdown of our budget process is evident in the budget resolution that we are considering for fiscal year 1988. There are many reasons why I intend to vote against this supposed deficit reduction effort. One of my greatest concerns is the whopping $21.8 billion in new taxes and user fees contained in the Democrat budget. Coupled with a devastating reduction in the defense budget and an expansion of several domestic programs, the Democratic budget resolution exemplifies the old tax and spend policy that has left this Nation's economy faltering under the burden of an outrageous Federal deficit.

Last year, Congress passed a sweeping overhaul of the Tax Code that was touted as a tax break for the average American. Now, just months later, we are considering a bill that will increase taxes and fees. What is particularly disturbing is that we do not know exactly how or where those taxes will be levied. Those who support the tax increased contained in the budget like to claim that we cannot cut spending to reduce the deficit without causing dangerous tremblings in our country's economic foundation. Tax increase proponents have tried to label anyone who does not support increased taxation of the American people as a draconian economist, willing to randomly slash Federal spending with no regard for the effect of those cuts on individuals and the overall economy. As one who represents a district where the primary economic bases, oil and agriculture, are in the worst state in over 50 years, I would be the last to support deficit reduction efforts that would pull the rug out from under an already faltering economy.

The truth is that we could balance the budget over the next 4 years by holding spending and dedicating a portion of ordinary Federal revenues to the deficit reduction effort. In a moderately healthy economy, the Federal Government is the beneficiary of economic growth. Each year, approximately $70 billion of additional Federal revenues is generated. According to CBO, continued economic growth will amount to almost $400 billion of additional revenue by 1992. Simple arithmetic demonstrates that even with very limited economic growth, revenues will grow fast enough to exceed the deficit reduction targets required each year until 1991.

My west Texas constituents and all Americans are already contributing to deficit reduction by sharing the fruits of their labor with the Federal Government. They do not need to be subjected to a tax increase, like the $100 billion in new revenues over the next 4 years proposed in the Democrats' budget resolution. The Federal Government can and should use its own revenues in the deficit reduction effort. I will join my colleagues in opposing this budget resolution, and I will continue to work to make fundamental changes in the irresponsible way that the Federal Government has been managing its money.

Mr. FAZIO. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, I rise in strong support of House Concurrent Resolution 93. I commend the distinguished chairman of the Committee on the Budget and the members of that committee for an outstanding job. They have wrestled with a difficult and almost impossible problem, but they have come forward with the best possible solution to this awful situation in which the Nation finds itself.

Like most other Members, I began the 100th Congress with a great deal of skepticism and reluctance about participation in the budget process this year. But the resolution before us today constitutes enormous forward progress toward reducing the deficit in a fair, sensible, and balanced manner.

Beyond that, it does other things which are important. It keeps in place, and it funds at the best possible levels, although in many instances, barely adequate levels, programs for health, health research, consumer protection, transportation, navigation, roads, highways, the environment, environmental protection, Superfund. It adds moneys where needed for research into AIDS, the greatest single health threat this country faces, and a problem which will grow to terrible proportions by the year 2000.

It maintains transportation in the Northeast and elsewhere: Amtrak and mass transit will be funded. It deals with the problems of the homeless; it provides funds for infant mortality and the elderly poor. It protects programs of specific benefit for low-income Americans.

It spends money wisely. It puts enough money into the Customs Service. It sees to it that our health and our education programs are properly funded. It is a sensible, rational program of expenditures in the public interest.

This is a budget which makes sense. It takes care of natural resources. It preserves the strategic petroleum reserve, the only single protection this Nation has against energy shutoffs.

There is not waste here. There is investment in the future of this Nation. If you are interested in your country becoming a second-rate power, then by all means vote for the administration's budget. You may have an enormous amount of money there being squandered for defense, but with regret, you will find that there will be, after a very little while, very little to motivate an American soldier to defend his country.

The hard fact is that the Congress has reduced the President's spending requests since he came to office by some $35 billion.

Domestic spending has declined as a share of GNP since 1981, and yet, despite the restraints that have been imposed on our President since that time, the budget deficit has nearly tripled since he took office.

Growth in the budget deficit can be attributed to many things. Three are particularly important: Tax cuts, increased defense spending and interest on the national debt piled up under this administration. These three factors alone have added $160 billion to the deficit since 1981.

Mr. Chairman, this budget at last begins a reversal of these several unfortunate trends. But what we need is a comprehensive solution, and to achieve that we need a cooperative approach on the part of all parties—a willingness to put everything on the table and negotiate.

We won't make progress so long as the President insists on removing items from the table even before we sit down. That, my friends is the real challenge we face.

Mr. BUECHNER. Mr. Chairman, I yield 6 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. Mr. Chairman, what we, the Republicans, do here on the floor today is not easy to do. We are conscientious legislators; we have worked hard on this budget process; we have a long and honorable tradition of offering responsible budget alternatives.

What is at issue here today is the budget process that governs this Nation, its complete paralysis and its complete failure.

Ladies and gentleman, people that I represent are losing their jobs because of America's trade deficit, and we on the Committee on the Budget have received testimony after testimony to the effect that if we do not address the domestic deficit, we cannot address the trade deficit; that no matter what we do about trade law reform, we will continue to suffer the effects of our trade imbalance and those effects are people that I represent losing their jobs and their communities going under.

We have got to do better this year in addressing our domestic deficit honestly and effectively than we have in past years. We do not, on the Republican side, offer an alternative this year because we want to focus on the proposal that the Democrats have made and its astounding weaknesses and on the complete failure of the process.

We also do not offer an alternative because we would remind the majority party in the House, the Democrats, that last year, we were the party that offered the responsible alternative. It was the Republican alternate budget that was very close to, almost identical to the budget that was adopted out of the conference committee.

In other words, we were the responsible party last year. We did the budgeting job last year, and you voted our proposal down on party lines.

What happened in the year before that? The 92 Group came in here, a Republican group, with a budget that line-itemed every expenditure cut. The House Democrats said that that is really wonderful; that is admirable. Your budget cut $50 billion without hurting people, but we can do better. Vote for ours.

The body voted for theirs, and 3 days later, that $50 billion disappeared and withered and shrunk to $38 billion. Why? Because the Committee on the Budget did not have the conviction or the commitment to an honest budget process that would have required their budget proposal to go to the Congressional Budget Office to be reviewed and evaluated.

They did not allow CBO to see it until we voted on it. What was $50 billion became $38 billion.

On the Republican side, we let the budget go through CBO before bringing it to the floor and what was $50 billion one day was $50 billion the next day.

But the body followed the leadership of the Democrats on the Committee on the Budget and adopted a budget that shrunk from $50 to $38 billion.

Today's problem was not created today; it was created back there, 2 years ago, because that $38 billion shrunk to $10 billion when the appropriations committees were done.

But undaunted, the Republicans offered last year the responsible alternative. Again, it was voted down, but in the end, it was our budget, not theirs, that was very close to the budget that was agreed to by the House and Senate and became the document.

This year, the Democrats on the House committee have brought the budget process into the realm of pure theater. This year, they offered us a one-pager on the trillion dollar budget we need to guide this Nation in the future to address the domestic deficit and the trade deficit, to save the jobs that my people are losing. One page. No explanation, no questions answered.

When members of the committee asked questions, they were responded to with a monotonous, repetitious statement that the floor was open for amendments only.

□ 1600

Finally, when we discovered how to ask questions by making a motion—and it was a foolish motion, granted, a motion called striking the last word—when we found a way to ask questions, then those questions again went unanswered, but because we were asking real questions about an unreal document, the chairman recognized one of his own. They moved to vote on the budget, they voted on the budget and sent it out of committee.

Mr. Chairman, the process was a sham, and the document is a sham. It cannot guide this Nation over the next year, just like last year's budget has failed to guide the Nation over this year, because we are already $15 billion over the outlay figure on those reforms that we know are essential to assure an honest and effective budget process here on the floor. It is time that we unmasked the budget that is before us as being a lot of numbers behind which there is no commitment, and I hope later in the debate to be able to detail some of those sham figures and the way in which they cannot serve us in the year ahead.

Mr. FAZIO. Mr. Chairman, I yield 3 minutes to the gentlewoman from California [Mrs. BOXER], a member of the committee.

Mrs. BOXER. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, we have a job to do. We might not like it, but we have a job to do, and that job is to pass a budget. That job is not to bash a budget, but it is to pass a budget.

Now, is our budget a perfect document? Of course not. But the choices we made were fair.

Let us compare the Democratic budget to the President's budget on the question of fairness in terms of cuts. I ask the Members to look at the chart. Both budgets cut spending, but how much and where?

Under the Democratic budget, the actual spending cuts total $18 billion. How do we get to that? We divided those cuts fairly, 50 percent or $9 billion in domestic cuts and 50 percent from the military budget—a very fair 50-50 split.

What did the President do? He actually cut spending $14 billion in his budget. Domestic cuts are $22 billion, and there is an actual increase on the military side of $8 billion.

In other words, I would point out to my friends and colleagues that we had 100 percent of the cuts on the domestic side of the budget and no cuts but an actual increase on the military side of the budget. I ask the American people if that is fair.

We made our cuts fairly. There are no sacred cows in our budget. Both the domestic side and the military side contributed to deficit reduction.

I must say to my dear friends on the Republican side of the aisle who criticize our defense number as being too low that I would remind them that they had three amendments, three opportunities to vote on a higher defense number. I say to them, you had the Fazio amendment, you had the Leath amendment, and you had the Jenkins amendment which offered the President's defense number of $312 billion. What did you do? You voted "present." You chose not to vote even for the President's defense number, and now you complain about our number. I do not think that is fair.

In our budget, again there are no sacred cows, but we do save proven programs for our elderly, for our sick, and for our homeless. I think the American people respect that much more than they do budget-bashing.

Mr. MAVROULES. Mr. Chairman, will the gentlewoman yield?

Mrs. BOXER. I am very happy to yield to my friend, the gentleman from Massachusetts.

Mr. MAVROULES. Mr. Chairman, I would like to be assured that we have some additional time so I may enter into a colloquy with the gentleman from California.

Mr. FAZIO. Mr. Chairman, I yield 2 additional minutes to the gentlewoman from California [Mrs. BOXER].

Mrs. BOXER. I yield to the gentleman from Massachusetts.

Mr. MAVROULES. Mr. Chairman, I just want to express my support for the statement that the gentlewoman from California [Mrs. BOXER] made, and I commend her for it.

There is an attitude prevalent that we are perhaps cutting too much out of defense. The facts speak differently. As a matter of fact, during the last 7 years, the last year of the Carter administration included, the real growth of the defense budget of this country was 5.4 percent on an average over 7 years. That is a lot more than the 3-percent real growth that some people were talking about as a stabilizing effect.

If I may, at this point I would like to cite for the gentlewoman from California a couple of areas we have been referring to just so we can get the facts straight so when Members vote tomorrow, they will have a true picture of the defense spending in this country.

In the area of SDI—and SDI, by the way, was not a program until 1983, as the Members well know—in 1984 it was $1 billion. In 1987 it was $3.5 billion, for an increase of 250 percent.

In nuclear strategic forces, in 1981 that figure was $20 billion. In 1987 it was $41 billion. It had doubled in 6 years.

Procurement for weapons: in 1981 it was $48 billion; in 1987 it is $85 billion. Again it has almost doubled.

Here is another startling figure: shipbuilding: in 1981 it was $5.2 billion, and in 1987 it is $10.1 billion.

So in reality, so that we can set the record straight and so maybe I can support the gentlewoman's argument in an even stronger way when we get to the votes tomorrow, we have a 5.4-percent real growth increase in defense spending. Under this administration, including the 2 years when it was reduced by minus 2 percent, I think that is a pretty good average for the security of our country, and certainly it is a good procurement procedure for the stabilization of the Armed Services Committee.

Mr. Chairman, I thank the gentlewoman very much for yielding.

Mrs. BOXER. Mr. Chairman, I thank the gentleman for his contribution.

Mr. BUECHNER. Mr. Chairman, I yield 2 minutes to the gentleman from Utah [Mr. HANSEN].

Mr. HANSEN. Mr. Chairman, today's debate reminds me of the old saw I once heard of the time in the Constitutional Convention where one of the delegates moved "that the standing Army be restricted to 5,000 men at any one time." George Washington, as Presiding Officer, could not offer a motion, so he turned to a colleague and whispered, "amend the motion to provide that no foreign enemy shall invade the United States at any time with more than 3,000 troops."

I do not think it is a question of fairness, Mr. Chairman. I think it is a question of the fact that you do not mark in military to a budget; you mark to a threat. Many of our people, as they crossed the Plains, had their whole destiny predicated on the threat coming over the hill at the time, and they just could not allocate 26 bullets at a time. There was no promised land if they did not mark to the threat.

Mr. Chairman, because we heeded the words of our Founding Fathers, our country has been blessed in that we have not had a full-scale conflict within the United States since the Civil War. We have sent American soldiers overseas to defend the freedoms of others, but we have not had to fight to defend freedom within our own borders for over a century.

Unfortunately, the rest of the world has not been so lucky.

While we have enjoyed the benefits of a strong national defense, I think many of us have taken those benefits for granted. We seem to have a difficult time accepting the reality that the price for peace and freedom is not cheap. In fact, it is sometimes high. But when those payments are slowed down or stopped, our freedom—and, indeed, the freedom of the entire world—is jeopardized.

However, while we all recognize that we must spend money for a more secure world, we also recognize that our current budget deficit poses a serious threat to the economic well-being of America, and that America's next generation will be threatened if we do not get spending under control today. But there is an equally important threat that this resolution overlooks.

Just as we cannot jeopardize our children's future with increased deficits, we also cannot jeopardize their chance to live in a peaceful and secure world.

The national defense budget of $288.7 billion, as proposed by the Budget Committee cripples our entire Defense Program. It throws in the trash all the months of careful work that the Armed Services Committee spent analyzing the size and scope of the threat facing our country. We looked at every aspect of defense spending, from pay for service members, to procurement of funds for the purchase of planes, tanks, naval vessels, spare parts, ammunition, maintenance, and training.

We marked to the threat! We did not seek dollars for the sale of dollars! In coming up with our defense budget, we said $304 is the degree of risk our country is willing to accept.

This resolution does not view defense as a national priority. If my colleagues really want to claim "bragging rights" back home as to what they have done for their country today, it will not be because they voted for a bill which shoots holes through our vital defense programs. It will be because they were willing to pledge a real commitment to their constituents for peace.

Mr. Chairman, I urge the Members to defeat this resolution.

Mr. FAZIO. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. OBERSTAR].

□ 1610

Mr. OBERSTAR. I thank the gentleman for yielding me this time.

Mr. Chairman, the previous speaker on the Republican side of the aisle said that they are going to vote "no" on all of the budget alternatives. It strikes me that that is the moral equivalent of voting "present." It says what they are against, but it does not tell the American people what they are for. The answer to that question is the most important one in this body. Judging by the way they intend to vote, we will have to discern the answer as though we were reading tea leaves.

The budget process is an exercise through which we formulate and express our values. It shows how we view the current state and the future condition of "Good Ship America."

The budget that we present deals fairly and responsibly with the issues reflected in the current condition of Good Ship America, and transportation is one of those issues. But transportation is not just a budget function. It is what links us together; it is what makes us a nation rather than a collection of individual States.

The budget that we present for transportation is a responsible one. It shows that we have made a commitment in this budget to the responsibility of the Federal Government to join State and local government in maintaining our national transportation infrastructure system.

The committee resolution reflects a strong commitment to the Federal Government's continuing role in transportation as a national responsibility. It provides the funds needed to cooperate with State and local governments in the planning and carrying out of transportation projects that are critical to the functioning of this Government.

We debate national priorities on this floor in the context of this budget resolution, and there is a national priority that we ought to be considering today and that is infrastructure.

On April 5, a miniversion of "infrastructure apocalypse" occurred in Amsterdam, NY, when a bridge collapsed killing several people. The aftereffects of that bridge collapse will disrupt the lives and livelihoods of thousands of people; their ability to travel, to reach their jobs, to visit friends and family, to carry out commerce, and that bridge and the throughway that links it to the cities and the industries and the homes of people throughout this region of the United States is an essential part of our national infrastructure.

There are 104,000 bridges throughout this country that are dangerous. We need to provide the funds necessary to repair those bridges, to sustain the infrastructure, to sustain the network of transportation that is essential to our economy and vital to the process of maintaining a strong and vigorous national economy. The committee's budget resolution responds effectively to that need.

It is really unfortunate that our colleagues on the other side do not want to stand for something, because there are many positive and constructive provisions that can and should support. Transportation, as reflected in this budget, is one of them.

Mr. BUECHNER. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. WORTLEY].

Mr. WORTLEY. I thank the gentleman for yielding me this time.

Mr. Chairman, Americans believe in choice. We have the freedom to make meaningful choices about nearly everything from the cars we drive to the President of the United States. In particular, being a Member of the Congress of the United States is a product of choice. We chose to run for office, our constituents chose us to represent them, and now we are responsible for making the important choices that shape the Nation. Unfortunately, the majority party of the House of Representatives has abandoned their responsibility to make important budget choices. In addition, they refuse meaningful consideration of choices proposed by the minority.

The majority would like us to believe that the Budget Committee's document is a result of informed and reasonable decisions. It is not. In fact, it is difficult to decipher what this document is even proposing outside of the fact that deep cuts will be made in national defense and that taxes—probably income taxes, $18 billion of them—will be increased. Income tax increases are far different from what the President has suggested as ways to increase revenue, and some increased revenue is necessary to close the budget deficit. But revenues should be collected by improving the allocation of Federal credit programs, selling loan assets and other assets, improving tax enforcement, privatizing certain Government functions, and charging reasonable user fees for Federal programs that deliver services to identifiable beneficiaries. Increases in the marginal income tax rates for individuals and businesses is completely unwarranted particularly when it comes on the heels of the sweeping tax reform legislation which justified eliminating many tax deductions and credits by significantly lowering marginal tax rates.

Of course, the Budget Committee's proposal should not come as a surprise to anyone who has been listening to the continuous tax proposals made by majority party leaders. Unfortunately, such creative energy is directed at burdening individuals and businesses rather than finding ways to improve the economy which would automatically generate more revenue. As for the defense cuts, it appears you just can't teach an old dog new tricks. You would have thought that everyone had learned that it is not in this Nation's best interest to continually raid the defense budget as was done throughout the 1970's. A process of defense rebuilding and improvement is almost complete, and there is now great hope that defensive systems can be deployed to protect Americans from the thousands of missiles pointed at our country, out cities and our homes. But some are ready to start weakening our security again by not even allowing defense spending to increase with inflation. This will have a human cost as well because its estimated that some 100,000 to 300,000 troops may have to be fired.

I am not saying that we need the defense increases or domestic spending reductions contained in the President's proposal. A responsible counterproposal from Congress is called for because I believe the President's priorities do not adequately reflect my constituent's views. But what we are debating here is clearly not responsible. This is a budget completed behind closed doors without full or meaningful participation from all members of the Budget Committee. It has been written in such an unclear and ambiguous manner that it will prove to be unenforceable by the appropriate committees.

The National Taxpayers Union, an important voice representing over 150,000 taxpayers across the country, says this country is becoming a "North American Brazil," and it urges defeat of the tax increases in the Budget Committee's proposal. The National Federation of Independent Business, speaking on behalf of more than a half million small business owners, urges rejection of the Budget Committee's bill correctly saying that the Federal Government's deficit is a spending problem. Since small businesses have been the true locomotive pulling this economy in the last few years, I believe their views had better be given serious consideration.

As Budget Director Miller has pointed out, excluding Social Security, defense, and interest on the national debt means that 4½ percent worth of cuts out of $416 billion will have to be enacted to meet the deficit-reduction target for 1988. This is achievable without having to resort to increasing taxes of the magnitude proposed by the Budget Committee. New taxes would only fuel the spending fire that is now consuming this Congress.

And if Congress can't get its budget house in order, it ought to at least provide the tools to the President necessary to reign in wasteful, unnecessary special interest spending. For example, there is no reason for the recent dilemma over the highway bill to occur again if the President could have line-item veto authority or increased powers to defer and rescind appropriations. Important and necessary legislation should not be forced to carry the extra baggage of "pork barrel" spending. Other budget reforms, such as improving the enforceability of approved budget resolutions, are important to retain discipline. I am disappointed that such reforms are not even being seriously addressed or considered by the majority party.

Mr. Chairman, the first step toward making real, meaningful, and balanced budget choices is to reject this sham budget. I urge my colleagues not to choose to give the generations following us financial instability and a crushing debt burden.

Mr. Chairman, this budget is a sham and I urge its rejection.

Mr. FAZIO. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. WEISS].

Mr. WEISS. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in support of the fiscal year 1988 budget resolution, and I want to express my sincere commendation, as well as my sympathy, to Chairman GRAY and his Democratic colleagues on the Budget Committee for doing as well as they have in an impossible situation.

Let me say that our Republican colleagues have left me somewhat baffled. Could the President's memory lapse be contagious? Have they forgotten that it was Ronald Reagan who is responsible for adding more than $1 trillion to the national debt? It was Mr. Reagan who created these huge, annual deficits?

Mr. Chairman, since the passage of the Gramm-Rudman balanced budget law more than a year ago, Congress and the President have relied heavily on bookkeeping gimmickry and trick solutions to create the impression that the Gramm-Rudman deficit targets are being met. Instead of facing up to the real causes and real solutions to our fiscal ills, Congress and the President have misled the public and ourselves by feigning compliance with Gramm-Rudman's arbitrary budget goals.

We are still doing that, but the resolution before us today is far more realistic than the one the President has sent to us. It begins the process of identifying the causes of distress and creating solutions.

The President's version of the budget calls for $22.4 billion in revenue increases. About half of that amount, $10.9 billion, would come from the sale of Government assets. This produces a one-time savings but distorts the decisionmaking process and raises the deficit in subsequent years.

The House budget resolution, on the other hand, recognizes that we need more than blue smoke and mirrors to get the Federal deficit under control. It contains no provisions for the sale of Government assets, but calls for $21.85 billion in revenue increases—slightly less than the Reagan budget. It also keeps military spending under control, and increases spending for key domestic priorities that urgently need additional funding—including $970 million for research, prevention, and treatment of AIDS.

These are all substantial achievements at a time when the President continues to insist on a budget that is outlandish and unacceptable. However, we all know that the deficit-reduction targets of the Gramm-Rudman law are not being met. The deficit target for fiscal year 1986 was exceeded by $49 billion. The deficit target for fiscal year 1987 will be exceeded by $30 billion, according to preliminary estimates. And because it is based on the President's exceedingly unrealistic economic projections, this budget will also exceed the Gramm-Rudman target by at least $25 billion.

The time has come to stop the deception. If we hope to solve the deficit crisis and restore our Nation to a path of economic growth, there is one important step we must take: we must repeal Gramm-Rudman.

If we adopted CBO's more realistic economic assumptions, rather than the President's, Gramm-Rudman would force us to consider dramatic and highly damaging budget cuts in excess of $60 billion. This would cripple or eliminate essential Government programs on which we all rely. Moreover, massive budget reductions would plunge our ailing economy into a full-fledged recession. And once a recession begins, Gramm-Rudman would likely prolong and worsen the downturn.

The fundamental flaw of Gramm-Rudman is that it fails to deal with the root causes of the deficit problem. There is ample evidence that the deficit crisis resulted from two fundamental policy changes enacted by the Reagan administration—massive defense spending increases and extravagant tax giveaways to the wealthy.

There can be no solution to the deficit problem until these flawed policies are reversed. We must make a serious effort to reform wasteful Pentagon spending practices. And above all, we must gain additional revenues.

The budget resolution before us today begins to accomplish these essential tasks. But we must go further. If we hope to safeguard our Nation's future, we must repeal the travesty known as Gramm-Rudman. Unless we do, we will, year after year, be active participants in what must end up as the total destruction of the very programs which have made us a compassionate and prosperous nation. On the international scene it will reduce us to the status of a nation capable of destroying the world but of having abdicated the capacity to play a constructive role in world affairs.

We must repeal Gramm-Rudman while there is still time.

□ 1620

Mr. BUECHNER. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. MACK].

Mr. McDADE. Mr. Chairman, will the gentleman yield?

Mr. MACK. I yield to the gentleman from Pennsylvania.

Mr. McDADE. Mr. Chairman, once again we find ourselves involved in the numbers game as we consider the committee's budget resolution.

Nowhere is the game more apparent than in defense where an obvious effort is made to put a good face on a bad concept.

First, let's look at the way the numbers have been changed.

The President requested budget authority of $312 billion for the 1988 defense function. The Budget Committee changes this to $302.7 as the baseline. The President requested $298.3 billion in outlays. The Budget Committee changes this to $290.5 in the baseline. Then the budget resolution comes along and claims to have cut $14 billion in budget authority and $8.75 billion in outlays, when in fact, those cuts are against the baseline. The President's request would really be cut by $23.3 billion in budget authority and by $16.6 billion in outlays.

We can't get there from here.

The budget authority to outlay ratio in defense is about 2½ to 1. The budget resolution ratio is 1.4 to 1.

What does this tell us? It tells us that if we cut budget authority by the required amount and if we do it responsibly, one will reduce outlays by about $10 billion, not the $16.6 envisioned in the resolution. Or, if we try to get to the outlay number, we will have to cut about $38 billion in budget authority, not $23 as the budget resolution suggests.

If we attempt that, there is no way we can make the necessary reductions in personnel and readiness and remain responsible.

Fortunately, the House is not required under Gramm-Rudman to reach the outlay agreement until we come back from conference. We need only meet the budget authority target.

In the report to the Budget Committee submitted by Appropriations on February 25, 1987, our committee touches on this problem. On page 7 we say:

> We must get away from the idea of controlling appropriations, which are budget authority, by outlay limits. Outlays are controlled by the Executive, not by the Congress. Use of outlays to control appropriations just gives the Executive another way to make line item vetoes, and the essential domestic programs that are proposed in the budget to be reduced or terminated would be the first stricken.

I bring this to the attention of the House to forewarn of the possibility the Defense Subcommittee may not be able to responsibly hit both the outlay and budget authority numbers imbedded in the committee's budget resolution. We don't need to hit both just yet and if we try we are going to end up doing some very dumb and damaging things.

For example, we could fire about 25 percent of our military and civilian force, reduce operations and maintenance by about a third, and cancel—to zero—such procurement and R&D programs as: F-14, F-18, C-17, F-15, F-16, Patriot, Aegis Cruiser, DDG-51, small ICBM, V-22, LHX, advance tactical fighter, and SSN-21.

And we would still be about $4 billion short of the budget resolution goal. We would find ourselves hard pressed to meet both targets in our bill, and we would try to avoid making cuts such as that. But it could be difficult to avoid.

The reason is simple. About 80 percent of all defense outlays for fiscal 1988 are either from prior year appropriations or from pay and allowances. Thus, we have to take 100 percent of our outlay cuts from 20 percent of the outlays.

This amounts to some $40 billion. To get a cut of $16.6 billion from the $40 billion is to suggest we would have to cut so deeply as to place our Nation's security in peril.

Mr. Chairman, if we are forced to take these drastic steps solely for the sake of reaching a number we don't have to reach, I, for one, would not be able to come to the floor to defend a bill that won't defend this country.

We don't write a bill based on CBO revised baselines. We write our bill from the President's request. To cut upwards of $25 billion from that request will require responsibility and careful trimming. To cut $38 to $40 billion would be folly.

I can assure the House we will do our best regardless of the budget authority number we are given. We will find prior year moneys and rescind them. We will impose efficiencies, we will try to come up with a bill that approaches our defense needs.

But I say again, we may or may not hit the outlay targets we will be given. And we need not do so until we come out of conference. We will try, but we may not make it.

We are out of smoke and mirrors. We don't have a foreign currency fund we can draw from. Rather, because of the dollar drop, we may have to put money in. The administration's inflation and fuel estimates may be low this year rather than high. And to top it off, we have numbers in this resolution which don't match.

We will, as I said, do our best regardless of the overall figures, but don't be overly surprised if we don't hit the nonbinding outlay figures, for to do so could well mean we have been completely irresponsible in our work, and the Nation cannot afford that mistake.

Mr. MACK. Mr. Chairman, early this year I observed some rather strange actions from my colleagues in the Democratic Party. They were a little nervous, twitching, eyes closed, almost closed, pupils dilated. I was wondering what in the world could be wrong with them. Then it dawned on me. I finally figured it out. They were experiencing withdrawal. They are tax addicts. They just cannot get past it. They have to have more revenues. I think we all understand that. They are pleading, they are pleading, "Give us another tax fix so we can reduce the deficit."

Come on, your concern for the deficit is not real. It is a disguise to allow for more Federal spending.

The same Democrats who brought us the liberal welfare state are now moaning over the deficits they themselves caused by voting for more and more massive Federal spending programs. It is as if Typhoid Mary had become an activist for public health.

The antideficit rhetoric from the likes of Speaker WRIGHT is like sharks declaring themselves supporters of water safety.

We all know why you gave us only one page for your budget, with no backup material. We know why you wanted to get it to the floor as quickly as possible. No going around the country to defend your plan.

The reason is, you are scared to death the American people are going to find out what is in that plan. You are really concerned that they are going to find out what it is, and what it is is a return to malaise, and that is what these two charts indicate; increases in tax collections, cuts in defense, increases in Federal spending, more government, more taxes, more spending, back to the old years and tax and tax and spend and spend.

You could not keep yourselves from doing it. The first opportunity where you controlled both Houses of the legislature, the plan that you came out with calls for increases in taxes.

The message delivered by the Democrats and the press to the American people is that the Federal spending machine is coughing and sputtering for lack of tax collections.

Well, let us look at the numbers. On my left here is a chart that indicates the increases in tax collections since 1984. This might be news to most people around the country.

In 1984 there was an increase in tax collections of $66 billion. Was that enough to satisfy the tax addicts? Oh, no.

The following year, an additional $66 billion in additional tax collections. Was that enough? Oh, no.

The following year, another $35 billion, as indicated on the chart, in additional tax collections.

But do you know, those guys could not raise any additional taxes because there was at least someone in the White House that said there will be no increases in tax collections.

The Senate was controlled by the Republican Party and they knew they could not get it through, so their withdrawal pains were getting worse and worse.

Then finally the day came when they controlled both the Senate and the House. The result of which under their budget is 3 years of increased taxes. They are not satisfied with the natural growth in revenues and tax collections to the Federal Government in 1988 of another $66 billion—$66 billion in additional revenues. Would that satisfy them? Oh, no. They have got to add another $21 billion to it.

Do you know what that amounts to? That is a 32-percent increase in additional tax collections in 1988. Is that enough? No, no. They have to go to $23 billion the following year, a 37-percent increase.

I just ask the question, when is enough? How much do you have to have to satisfy this addiction for additional tax revenues?

I think the answer is that those who voted over and over and over again for more Federal spending, for more Federal programs, the answer to you, the answer to the American people, the answer to the American taxpayer, is that they are never satisfied. They always have to have more and more revenues.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 1½ minutes to the gentleman from Indiana [Mr. VISCLOSKY].

Mr. VISCLOSKY. Mr. Chairman, I rise in strong support of House Concurrent Resolution 93, the first concurrent resolution on the budget for fiscal year 1988. I commend Mr. GRAY and my Democratic colleagues on the House Budget Committee who have diligently perservered in making the difficult decisions necessary to responsibly reduce the Federal deficit. This measure successfully reduces the deficit $38 billion, $2 billion more than the target set by the Gramm-Rudman legislation.

The Office of Management and Budget estimates that by the end of 1990 the gross Federal debt will equal 55 percent of the entire gross national product. Last year alone, the Government spent $15.7 billion paying the interest on the Federal debt, which has grown explosively since the advent of the Reagan administration.

Our immense national debt has led to greater trade deficits, higher interest rates, slower economic growth, and the continued daily erosion of the American standard of living. To curtail these devastating trends, this budget resolution reduces the deficit $152 billion over the next 3 years.

The committee's proposal successfully integrates necessity with justice, reducing Federal spending and taking a balanced approach to the ordering of budget priorities. It protects the programs and services which are necessary to help the needy and those in economically depressed areas of the country; continues to provide local communities with the vital resources upon which they rely; and, adjusts priorities to enhance competitiveness and support education.

We have a special obligation in regards to children, senior citizens, the homeless, the ill, and the low-income. We must not fail them as we seek to reduce the growth of spending. This budget maintains funding levels for programs including Low-Income Weatherization, Section 202 Housing for the Elderly and Handicapped, Medicare, Community Health Care for the Needy, and Aid to Families With Dependent Children. It increases funding for the Women, Infants and Children Nutrition Program, Child Welfare Services, and Homeless Assistance.

We have a duty to the local governments which depend on the Federal/city partnership for community and economic development and the maintenance of their infrastructures. The committee's budget rejects cuts in funding for nearly all community and regional development programs, including community development block grants, mass transit and housing, urban development action grants, and the economic development administration.

Finally, we have a responsibility to all citizens to ensure the strength of the American economy by enhancing trade and educating our children for tomorrow. Increases in funding for the research activities of the National Science Foundation will improve long-range competitiveness. The budget for education, training, employment and social services includes increases for Pell grants, grants for math and science teachers, and training for dislocated workers. Vocational education, college work study, and guaranteed student loans would be funded at current levels and receive increases for inflation.

While maintenance of all of these programs is of paramount importance, it is equally vital that we make real progress in reducing the deficit. The committee's budget proposes a deficit-reduction package which achieves $38.2 billion in deficit reduction. In marked contrast to the administration's reliance on one-time, debilitating sales of financial assets and Federal property to lower its deficit figures, the committee's proposal achieves solid, permanent deficit reduction.

This budget contains fewer revenue increases than the Reagan plan. It reverses the administration's concentration of taxes and user fees on the elderly, poor, and middle class, assigning to the Committee on Ways and Means the responsibility of finding a progressive, equitable manner in which to raise revenues.

I commend my colleagues on the House Budget Committee for compassionately and realistically setting priorities for reducing spending and raising revenues. While we must bring the Federal deficit under control and maintain an adequate defense for our Nation, we must keep our commitment to the American people and ensure a strong future for our country. The fiscal year 1988 budget resolution prepared by the House Budget Committee is a firm step toward fulfilling this promise.

I urge my colleagues to join me in supporting House Concurrent Resolution 93 as reported by the House Budget Committee.

Mr. **BUECHNER.** Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. FAWELL].

Mr. **FAWELL.** Mr. Chairman, I am concerned about the only budget which has a chance of passage—the majority's budget—and the budget procedure.

Even if one assumes that the savings in the Budget Committee resolution—$19.9 billion in revenues and $17.5 billion in cuts—are real, this budget is not an honest one.

Even putting aside my personal views closely akin to Congressman ROE as to where spending cuts should be made, this budget simply does not tell the truth.

It does not tell the truth when it asserts that the 1988 target of $108 billion has been reached. The plan uses "rosy" economic assumptions to disguise $24.9 billion in deficits. This is nothing but smoke and mirrors. To say that the President's budget has the same flaw is no answer for the party which controls both bodies of Congress and has the duty and the power to pass a budget that does not deceive the American people.

This budget doesn't tell the American people the truth about how much must be borrowed in 1988 to reach their claimed deficit. It doesn't say that in 1988 the general fund must borrow $106 billion from surplus trust funds, including $36 billion from Social Security in order to reach whatever the "official" deficit will be. It doesn't say that the $106 billion borrowed from trust funds will have to be repaid with interest along with whatever the general fund deficit may be.

This budget doesn't level with the American people about tax increases. The truth is that in addition to the $18 billion in tax increases in the budget, Social Security payroll taxes are already scheduled to go up 5.8 percent in 1988 producing $14 billion in new taxes, all of which will be "borrowed" by the general fund to lower the claimed deficit.

The sponsors of this budget say cuts would be "balanced" between defense and domestic spending. The truth is that domestic spending would rise $35.3 billion while defense spending would be practically frozen with a $2 billion increase.

This budget doesn't tell the American people that whatever spending ceilings are expressed in the budget, they can and are easily waived. The budget resolution passed by the majority for 1987 claimed the deficit would be $137 billion—they missed by at least $37 billion!

The budget resolution does not tell the people that outdated economic assumptions can be used to make outlays appear less to avoid spending ceilings. An example of this is the supplemental appropriations bill coming soon in which February 1986 economic assumptions are used to make it appear that outlays for 1987 are $4.5 billion under the spending ceiling when, in fact, outlays are actually $15 billion over the 1987 budget spending ceilings.

The budget resolution does not recount the games played last October when we were told that the deficit would be $151 billion for 1987, without having to use surplus taxes from the Tax Reform Act. Two and a half months later we found that the deficit for 1987 was at least $174 billion even after taking into consideration all surplus taxes from tax reform. And, if history is any guide, this $174 billion deficit estimate will rise to $200 billion before this fiscal year is over.

Phony economic assumptions, inaccurate and late appropriations, continuing resolution, smoke and mirrors reconciliation bills, wholesale borrowing from trust fund surpluses, 1 year fixes—these are the ways Congress avoids the rough decisions on budget deficits. Congress will go to any length to conceal how bad the debt and borrowing has become.

Mr. Chairman, this budget document is taking us down the same road we have traveled for the past 3 years. I think it was David Stockman who said if budget procedures were under the jurisdiction of the Securities Exchange Commission, those responsible for creating such a prospectus would be indicted for obfuscation and what they didn't tell their stockholders, the American people. Maybe he was right.

□ 1630

Mr. **GRAY** of Pennsylvania. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. PICKLE].

Mr. **PICKLE.** Mr. Chairman, I rise in support of this budget.

PERSONAL EXPLANATION

Mr. Chairman, on Thursday I must be in my district for a long-standing commitment that cannot be changed at this time.

The Board of Regents of the University of Texas will be dedicating a conference center at its Science Park in Smithville in my honor.

This dedication ceremony was set 2 months ago when we did not know there would be a vote on the budget tomorrow. Even though I will be absent from tomorrow's votes, I want to go on record as supporting the budget resolution reported by the House Budget Committee. I would not vote for the President's budget or either of the two other substitutes that have been offered.

Mr. Chairman, the University of Texas Cancer Research Center is becoming one of the world's leading laboratories for the study of cancer causation and prevention. This research center was the vision of Dr. Lee Clark who for many years headed the M.D. Anderson Hospital in Houston and his important work is being carried forward today by Dr. Mickey LeMaistre.

This research center is located in a unique, secluded setting amid towering oak and pine trees and it was designed to bring together scientists from a variety of disciplines.

This recognition this outstanding facility is receiving is a tribute to the University of Texas and it is a great honor to me that this conference center is being named for me.

Mr. **GRAY** of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. FAZIO], a senior member of the committee.

Mr. **FAZIO.** Mr. Chairman, if I am not incorrect, there is not a member of the working press listening to this debate in the gallery at the moment, and I think that I could speak for most Members in both parties on the floor when I say that this is a rather desultory, verging on boring, debate.

Perhaps the fact is that we are simply out of running room, rhetorically and in reality. This is the most difficult budget that has been put together in the 9 years that I have been here in the House of Representatives. It is difficult because there is no way to satisfy even the most basic requirements that are made upon us by many areas of our society, people concerned about human needs, people concerned about science and research, people concerned about defense. We cannot satisfy any of them, even with mention of that dreaded "t" word, taxes.

We have heard lectures about revenues here today. I would like to make clear once and for all that the administration has $23 billion of new revenues in their budget. We have $18 billion. The administration is taxing new homeownership, student loans, medicare premiums. These are fee increases, but they fall heavily on these targeted elements of our population.

We are selling paper and physical assets worth $10.3 billion. And yet these are one-time sales. They do not help us in the credit market, because someone has to borrow money in order to purchase them. And certainly they do not help us in the out years, because these produce revenue, they will not be available to us in the future, and neither will that revenue.

But these one-time sales are supposed to cover the cost of a number if important, in fact in some cases absolutely essential, initiatives that well spend out increasingly over many years. Some are thrust upon us—for example, the need to deal with the AIDS epidemic. Others we would choose to deal with perhaps. I would mention among them science and research centers, space platforms, superconducting super colliders, the strategic defense initiative, hypersonic planes. None of these, I might add, will have a small price tag attached to them. All of them potentially will cost billions if not trillions of dollars over the next 10 years.

Yet we are asked to begin them in this fiscal year by an administration that wants to fund them by the one-time benefits of assets sales.

So I would argue that the Democratic budget is far more candid and honest when it talks about raising a lesser amount of revenues—$18 billion, not $23 billion—but a lesser amount that will grow in the out years on the basis of economic growth, so that we can bear up under the burdens of these programs that so many of us on this floor feel are essential to the future of our country.

If we do not want to adopt the philosophy of live today and ignore tomorow, if we are not happy with $140 billion a year flowing out to Tokyo to pay people back who have loaned us money to make it possible to make our spending in this fiscal year, if we are interested in what kind of future our grandchildren will have, if we believe that increased revenues should go for deficit reduction—and we have a trust fund for every dime of it—then we should support the Democratic budget initiative.

It is the most candid, honest approach to raising revenues. Every one of us knows that we need them. The time is now.

Mr. Chairman, the budget which we are now considering reflects the diligence, hard work, and consensus of the Budget Committee during a several month long process. What we now have before us is a budget which realistically addresses the deficit problem yet also addresses the vital needs of this Nation.

DEFENSE

I think the committee has balanced the defense concerns of my two Budget Committee colleagues who also sit on Armed Services, Mrs. BOXER and Mr. LEATH of Texas. This budget provides for adequate funding to ensure that all high priority programs, such as military personnel and readiness, continue to receive the resources necessary to defend this Nation. By allowing a $2 billion growth in outlays to provide for a 3-percent military and civilian pay raise, we help to ensure that our military continues to be a viable volunteer force.

Throughout our deliberations on the budget and our discussions of the deficit problem, it has been made clear that we cannot afford an insatiable defense buildup. Over the last 6 years, we have allowed for massive military increases resulting in an inflation adjusted 40-percent increase in defense outlays. Simply put, we cannot allow defense to continue to grow at this exorbitant rate while ignoring deficits and cutting domestic programs wherever we can to support this growth.

To address all of our Nation's needs and to reduce the sizable deficit of the past several years, we must bring defense spending in balance with domestic spending.

I believe the committees has acted responsibly and the funding levels assumed in the committee plan will allow the Armed Services and Appropriations Committees to adequately develop and fund high priority programs. With careful scrutiny toward procurement and R&D, which have been allowed to grow at extremely fast rates, and better management of defense resources, realistic savings can be achieved.

To those individuals who believe that we went too far in reducing defense spending, our final budget reflects the consensus that any reductions in domestic spending be matched by equal reductions in defense. Had we not worked toward that end and instead abdicated our responsibility by allowing sequestration to take effect, defense outlays would be reduced by $19 billion from the current fiscal year level. Consequently, we would face catastrophic cuts to both military and civilian personnel and a number of readiness-related accounts.

INTERNATIONAL ASSISTANCE

International assistance, which is also important to our Nation's security, and of particular concern to me as a chairman of the Budget Committee Task Force on Defense and International Affairs, has also received funding to enable us to fully fund our bilateral commitments in the Middle East and maintain assistance to countries where we maintain military bases. However, increased spending for international assistance, as with a variety of other programs, would necessitate additional revenues beyond what the committee has agreed to in the budget resolution. On the other hand, were we to leave the budget to sequestration, our foreign assistance programs would be completely decimated as outlays would be reduced by $2 billion from the current level and we would be unable to maintain our essential security commitments.

In addition to responsibly addressing our defense and international commitments, the Budget Committee has also carefully considered and balanced domestic spending and revenue increases.

IRS

Although the President continues to decry the need for new taxes, the President's budget includes more than $22 billion in new taxes and revenues comprising 53 percent of his deficit reduction package for fiscal year 1988. The President's budget includes one such proposal which will provide additional funding for increased Internal Revenue Service personnel to enhance collection efforts to bring increased revenues. According to OMB, increased IRS spending of approximately $500 million would yield an unproven and unrealistic figure of $2.4 billion.

The committee budget, in addition to honestly calling for $18 billion in new revenues, also provides for an additional funding increment of $547 million to accommodate increased IRS audit, compliance and investigation efforts. According to CBO's nonpartisan analysis, the plan should increase revenues by $1.85 billion in 1988 rather than the unrealistic $2.4 billion figure assumed by the President.

In addition to IRS, a few of the other important domestic programs addressed by the Budget Committee include:

ENERGY

The Budget Committee plan assumes that low-income, high-priority programs, such as the Department of Energy's Low-Income Weatherization Program will be funded at the current level with an inflation adjustment. Additionally, in light of our efforts to increase international competitiveness, the committee plan includes funds for a vigorous DOE Basic Energy Sciences Program and the facilities necessary to support it. Further, a strong national R&D program in energy conservation and a variety of energy resources, including solar, is included an is especially important in light of the fact that since 1981, after inflation, funding for energy R&D programs has been cut 77 percent.

Compared to the President's budget, the committee plan helps to maintain vital programs and more realistically helps to achieve deficit reduction. The administration had planned to eliminate the Low-Income Weatherization Program, which would have resulted in the denial of weatherization assistance to 150,000 low-income homes.

Of equal concern, the President sought a number of energy-related asset sales, which have come to be a mainstay of his unrealistic budgets and for fiscal year 1988, representing $10.3 billion in so-called revenue.

For example, under the President's budget proposal, such assets as the Federal power marketing administrations and the naval petroleum reserves would be sold. The Budget Committee rejects these proposals. They do not reflect real deficit reduction, especially for future years, and they do not reduce the Government's demand on the credit market. Instead, they merely defer spending until the next year. The committee also rejected the sale of the loan assets of the REA and TVA for these have a detrimental effect as well. Even if we get full value for the loans when they are sold, these loan assets would not reduce the deficit because loan sales simply shift future revenues to the year of the sale.

AGRICULTURE

The Budget Committee plan seeks to protect the programs benefiting most farmers—such as export promotion, pest management, and soil conservation programs—and seeking reforms to tighten up other agriculture programs while at the same time reduce the deficit. Consequently although the committee accepted spending reductions of $1 billion in fiscal year 1988 to be reconciled by the Agriculture Committee, the resulting changes will be made carefully in order to determine any detrimental effects on farmers.

On the other hand, the President's budget would have cut farm programs by a total of $24 billion over the next 5 years. Among his proposals, the President would teminate the Direct Farm Ownership Loan Program, reform the CCC Commodity Price Support Program to decrease spending by $6.7 billion over the next 3 years and phase out crop insurance subsidies. Clearly, cuts of this magnitude would devastate a large number of farmers.

TRANSPORTATION

The committee budget assumes $3.45 billion more in budget authority and $900 million more in outlays for transportation programs than the President's budget. The budget also assumes the continuation of current Federal aid highway programs and full accommodation of the recently enacted and overwhelmingly approved highway-transit bill.

On the other hand, the transportation needs of many of our communities would be devastated by the President's plan. For example, President Reagan proposed to reduce mass transit funding to $1.5 billion in fiscal year 1988, and that's after a 41-percent cut since he came to office in 1981. The President's budget also called for the sale of Amtrak and elimination of its subsidy and major funding reductions in Urban Mass Transportation Administration [UMTA], proposals the Budget Committee wisely rejected.

This year, more than ever, we cannot ignore our mounting budget deficits. We have had to make reductions or freeze important programs because of the deficit problem. But we've also done so in a realistic fashion without resorting to the "smoke and mirrors" approach so apparent in the President's budget.

The committee budget is a straight-forward document which will significantly reduce the deficit by $38 billion. The committee has realized that the budget has been cut to the very core and if we are to achieve permanent deficit reduction, taxes must be considered. Indeed, the budget takes into account the necessity of new taxes and appropriately calls them taxes, something the President has been unable to do.

We cannot afford to abdicate our responsibility for providing this Congress and the American people a budget and, I think, we have met that goal. We realize that if we are to continue to educate, defend, and provide for the needs of this Nation, and at the same time reduce the deficit so that we don't burden future generations, we will have to pay for these programs now.

I have enclosed an article that more carefully outlines the committee's position that revenues are needed.

[From the New York Times, Apr. 8, 1987]

THE NEED FOR HIGHER TAXES

(By Vic Fazio)

WASHINGTON.—It's time to talk sense about the Federal deficit, even if the prescription doesn't make us feel good. We need to restrain spending but, equally important, we need to raise taxes if we want to cut the deficit and re-establish a firm foundation for the economy.

It took 39 Presidents and 200 years to accumulate a debt of $1 trillion. But since 1981, the national debt has more than doubled. Interest payments alone have tripled, to a total of $140 billion a year, and are now the third largest segment of our budget, ranking only below Social Security and defense expenditures.

It's a tragic waste made even more galling by the fact that we increasingly pay this debt to foreign investors in Tokyo, Hamburg, Geneva and Riyadh who have been bailing us out by buying Federal securities.

Congress's record of fiscal restraint is often overlooked and understated. While spending in general has risen sharply under President Reagan to a record high, Congress has cut domestic programs by $300 billion since 1981 and finally slowed the relentless growth in defense spending in 1986. Many Americans don't know that Congress has reduced the President's budget requests by more than $25 billion over the last six years.

But the deficits remain. Slower economic growth and huge tax cuts have caused us to outspend our income.

The President has advocated a constitutional amendment to balance the budget in each of his seven years in office. Yet he has never submitted such a budget and still can't tell us when the books will balance.

President Reagan has also said he opposes taxes, but his own fiscal 1988 budget calls for $23 billion in new taxes. They are called user fees, asset sales, increased receipts, revenue enhancements and off-setting collections—a crafty use of semantics to make it appear that the President is not contradicting himself.

The most equitable way to substantially reduce the deficit is to delay reductions in the top tax bracket for upper-income taxpayers. But given opposition from the President and key members of Congress to any changes in the new tax code, we are left with Federal excise taxes, a broad-based energy tax, including perhaps an oil import fee, and further closing of tax loopholes. Given these limited options, the resulting nickel and dime approach to the deficit problems falls short.

New taxes are never going to be popular. Antitax rhetoric has won its share of political campaigns, but these are short-term political victories that ultimately hurt the national economy. They don't deserve to be perpetuated and enshrined in public policy. When told the truth, Americans will rise to the challenge and not pass on the debt to their children.

Just look to North Dakota, where the President campaigned last fall for a Republican Senator on Mr. Reagan's traditional anti-government, antitax rhetoric. But just two weeks ago, the people of North Dakota, one of the most economically distressed states, plowed through a snow storm to vote themselves a tax increase.

North Dakotans didn't really want to raise taxes. But they wanted a well-managed government, and they met the need to reduce the state's deficit while insuring sufficient funds to provide a decent education for their children. They believed they were making a sound investment.

The President must join Congress in facing the fiscal facts so that together we can insure economic security. This year he proposed a number of initiatives, including new scientific research centers, a space station and a nuclear particle accelerator. Many of these merit the consideration of Congress, yet the funds to pay for them are nowhere to be found in the President's budget projections.

I think we are ready to listen to concrete proposal to arrest illiteracy, to lower infant death rates and increase our international competitiveness. Americans are prepared to make personal sacrifices to achieve these goals.

Years ago, Ronald Reagan, then Governor, told Californians that his feet were set in concrete on a similar tax issue. Eventually, to bipartisan approval, he announced with his typical good humor: "I think the sound you hear is the concrete cracking around my feet." Our country needs the President to join that spirit of compromise once again.

Mr. BUECHNER. Mr. Chairman, I yield 5 minutes to the gentleman from New Mexico [Mr. LUJAN].

Mr. LUJAN. I thank the gentleman for yielding time to me.

Mr. Chairman, I want to address a particular concern that I have and that is budget category 250. It is the general science, space, and technology. It is the account that we use to fund the scientific research and development in this country.

What has happened to this account is the President had asked for an increase above fiscal year 1987 of $1.2 billion and that was to accommodate several new initiatives that we have—the space station, the superconducting super collider, increase in the National Science Foundation to fund engineering centers across the country—all of this in response to making America more competitive in the years to come.

Now, because of that $1.2 billion, we were in pretty good shape. The various subcommittees had reported out or were talking about reporting out an additional $900 million over and above the $1.2 that the President was talking about. I was not in favor of that. I thought that that was just a little too much.

Then we came to see what the Budget Committee did, and not only did they reduce that $900 million added on by the subcommittees, with which I agreed, but they reduced the amount that the President had asked for for increasing, meaning that we are going to do away with the space station, that we are going to do away with a number of other initiatives.

Well, you know, one of the things, the first remark that I heard was "You're eating the seed corn." That is the things that we have to sell in the rest of the world. You shortchange basic research, and the outyears is when you are going to feel it.

Category 250 includes the space station. That is our first step on the road to great new discoveries in space—new materials, new medicines perhaps, colonization, who knows what?

□ 1640

The Soviets are way ahead of us in space station technology, and here we are reducing, reducing that. We are eating the seed corn.

There is money in there for an air space plane, and that is a new generation of airplanes. The President at one time called it the Orient Express, because it could get from here to Toyko in 2 hours. But in addition to that, it could take us into space. It is a new generation of airplane, and that is ours. So we are killing the next generation of airplanes, and that is our leading export, our leading commodity where we make more money. So we are eating the seed corn.

Yesterday, today, and tomorrow we are having hearings on this superconducting super collider. Every State, every one of your States—well, 40 States, I should say, not all 50—are there testifying in favor of this project. We have Governors, Congressmen, Senators.

Mr. GRAY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. LUJAN. I am happy to yield to the gentleman from Pennsylvania.

Mr. GRAY of Pennsylvania. Mr. Chairman, the gentleman has made an eloquent statement in terms of support for the President's request in the area of function 250, space and science. I am just wondering will the gentleman, since he is opposed to this resolution which does make a reduction there, will the gentleman be supporting the President's budget which does exactly what he says?

Mr. LUJAN. The President adds the 1.2 to increase it for the space station.

Mr. GRAY of Pennsylvania. I agree with the gentleman.

Mr. LUJAN. Yes, I will.

Mr. GRAY of Pennsylvania. The gentleman will be supporting the President's budget?

Mr. LUJAN. I will be supporting the President's budget.

Mr. GRAY of Pennsylvania. Which includes the tax and revenues of the President as well?

Mr. LUJAN. This is the one I am particularly interested in.

But let me say this, by cutting all of these, we are, as they say, eating the seed corn. What is in the out years? I do not now, but it just does not bode well for this country.

I have been told, and I do not know, my colleagues know how rumors happen around here, that this is kind of a political game, that some of the members of the committee said, well, this is the President's proposal, and you know the NASA cut is pretty much the amount that there is in the budget, the President's budget for the space station and some of the committee members said, well, the President wants this space station so we will cut it out and then he will be back and he will be the one asking for more money, and we will be kind of the good guys. So I think that is not a very good way to put a budget together.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Mississippi [Mr. ESPY], a member of the committee.

Mr. ESPY. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I also rise in support of the Budget Committee resolution. I represent a small portion of rural America and I am proud of that. And I am an advocate of rural programs and I do not apologize for that.

I am interested in the treatment by this budget as it treats the rural programs in America. As a new Member of the Budget Committee, Mr. Chairman, I approach this process with an open mind. I was untouched by the cynicism which naturally accumulates as a result of years of partisan debate. I tried as best that I could to approach the matter seriously and to look at things factually.

The fact is we have a problem, a tremendous budget deficit that we cannot allow to continue to mortgage our future and our children's future. We have to have a road map to work our way out. The fact is that we only have two road maps before us, the Budget Committee resolution and the President's budget.

How does the President's budget treat rural America? In a word, Mr. Chairman, it would wreak havoc upon rural America, and it would devastate my district, the second District of Mississippi.

The Budget Committee resolution gives $10.7 billion in budget authority and $7.2 billion in outlays above the President's figure. It allocates $43.8 billion in budget authority and $42.3 billion in outlays for rural programs that I care so much about. If my colleagues look at the specific programs that the President proposes, they will see cuts and reductions and terminations. They will be the phasing out of REA subsidies, the termination of EDA, the termination of the Appalachian Regional Commission, the privatization of private crop insurance, the phasing out of Federal subsidies, the elimination of the ASCS conservation program, the elimination of rural housing loans in favor of housing vouchers, and the termination of the farmers' home direct loans for farm ownership and rural development loans and grants.

Mr. Chairman, that would just very much hurt my district and rural America in general. If you look at the Budget Committee resolution there are major rural programs that ought to be funded at the 1987 level: Farmers home loans, Cooperative Extension Service, Agricultural Research, REA, rural housing, rural development loans, Soil Conservation Service, ASCA conservation programs.

Mr. Chairman, if my colleagues care about this process and care about rural America, the Budget Committee resolution is definitely the way to go.

Mr. BUECHNER. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, let me just be short, concise, and to the point. I am disappointed, Chairman GRAY, that after we had SAM NUNN, the very distinguished Senator from Georgia, and one of the most respected defense experts on both sides of the aisle who came out and said, look, America, we need at least a 3-percent real increase in defense spending—this was not Ronald Reagan, this was not DEL LATTA, this was not BILL DICKINSON, this is SAM NUNN. And then it was just a short time later that the House Armed Services Committee commenced hearings to determine what the threat was around the world, and what America had to do to meet that threat.

We had LES ASPIN of the Armed Services Committee, the policy panel, the panel that LES ASPIN himself helped appoint and establish to give him direction, and they came out and said, look, in order to have a strong America and a strong national defense, we must have at least a 3-percent increase in national defense.

I myself, after the $1 trillion buildup, in fact, endorsed the concept of a defense freeze for 2 years. The only problem is that we did not have a defense freeze for 2 years, we had a 7-percent decline in defense spending over the last 2 years, and this year, under this proposed budget, we are going to have at least a 4-percent negative growth in defense.

We spent the $1 trillion with bipartisan support. People really, almost all of the philosophies came together and said we needed to do something to reverse the trend of the 1970's in order to provide for a strong America and a strong national defense. What we are doing with 3 consecutive years in cuts in defense spending is going back to the period of the 1970's. It is just that simple.

How are we going to do this, and what are the implications? I read in every publication in the country, and I listen to speeches by people on both sides of the aisle as to why are we not more ready, why is it that our ships do not sail as well as they should, our planes do not fly as well as they can, and pilots do not get the training hours, we do not have the exercises. Why is that? Why is it that we short shrift readiness while the simple fact is, under this budget resolution, we will devastate the readiness of our military forces?

We are not only talking about the markup, we are not even talking about buying more planes or buying more strategic weapons. We are talking about not even being able to do what it is that we have to do with the systems that we currently have. We are not going to fly our planes as much, we are not going to sail our ships as far. We may even have to start looking at basic force reductions in our Services, and that has serious implications for the world. And, ladies and gentlemen, the simple fact of the matter is that 3 years of defense cuts is absolutely unacceptable.

Unlike our chairman, our distinguished chairman of the Budget Committee, this budget is puny when it comes to defense spending. You are going to have to defend this, and I do not think you will be able to defend it.

Mr. GRAY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I am glad to yield to the gentleman from Pennsylvania.

Mr. GRAY of Pennsylvania. Mr. Chairman, I would ask the gentleman, a distinguished Member of this body for whom I have the greatest respect, and his knowledge on these issues is very deep.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. KASICH] has expired.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 30 seconds to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. I yield to the gentleman from Pennsylvania.

Mr. GRAY of Pennsylvania. Mr. Chairman, I would just simply ask the gentleman, as a Member of this body, if he were on our committee and had the opportunity to vote three times to change this number, to raise it, to move it up one time for a $5 billion increase, another time a $10 billion increase and another time a $20 billion increase, how would the gentleman respond? Would the gentleman not express his opinion by voting?

Mr. Chairman, how would the gentleman have reacted in his committee if he had an opportunity to vote on increases on 050 for defense spending?

Mr. KASICH. We probably would have recommended it somewhere over $300 billion but not much over that, probably somewhere around 1- or 2-percent increase under the budget circumstances. We all know that we need, the gentleman will agree, you have SAM NUNN and LES ASPIN, both of whom you would not call Reagan conservatives, both saying we need to have at least a 3-percent increase. Under this we are getting a 4-percent cut.

Mr. GRAY of Pennsylvania. I thank the gentleman for his comments and for his clarity. He says that he would have voted that way. I am just sorry that his Representatives from his side of the aisle who had three opportunities to increase that function voted "present."

Mr. KASICH. I cannot respond as to why the committee did what it did.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. KASICH. Will the gentleman from Missouri yield me additional time?

Mr. BUECHNER. I yield 15 seconds to the gentleman from Ohio.

Mr. KASICH. I thank the gentleman for yielding to someone who is on his side on this debate.

Let me say that DEL LATTA said last night that we are trying to get more for defense and he would like to have a good vote up here, straight up and down on the floor on increasing this defense number, giving us a little larger slice of the pie for national security out of the overall budget.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from California [Mr. PANETTA].

Mr. PANETTA. Mr. Chairman, first of all, as a former Member of the Committee on the Budget, I want to extend my congratulations to the chairman and the members of the committee for what has been a very difficult process.

But what I think they have presented is a realistic, tough, fair and above all a very honest and direct confrontation with the choices that we have to face in dealing with the budget.

This is the 100th Congress, this is the 200th anniversary of our Nation's Constitution. It is probably a pretty good year to start getting honest about what we do on the issue of the deficit. For too long there have been a number of myths that have circulated the whole issue of the deficit, whether it was trickle down, or the fact that you could take it all out of domestic spending or the fact that somehow you could increase defense and not have revenues and be able to deal with the deficit, the fact that we could grow out of it, arbitrary formulas, et cetera. And now we hear about budget process changes, whether we need a line-item veto or a constitutional amendment in order to really fare the issue of the deficit.

The bottom line, however, and I think we all know this, is that budget process changes do not replace guts and the toughness that you need to make the right choices.

Myths do not replace reality. Frankly, the legacy of this administration in dealing with the budget has been the legacy of myths, and that has left us vulnerable on a number of fronts.

I think the time has come to understand that we, the Democrats, in this proposal are taking a gamble. Let us not kid anybody, this is a gamble.

The gamble is that the American people are tired of the promises, they are tired of the failures, they are tired of the myths and cliches. They want some straight talk and want some choices to be made.

This budget resolution and the various other proposals that will be offered will give Members the opportunity to make those choices. But please, do not do nothing, do not vote against everything and run from the battle. The choices are there to be made for all the Members.

I think, after careful consideration, you will see in the budget resolution the right set of ingredients needed if we are to pass an honest budget resolution.

Let us also, if we are going to be honest about the choices, let us be honest about the implementation of the budget. Let us not kid anybody; implementing this budget resolution will not happen unless the President works with the Congress.

In the House today we are not only going to take a gamble but we are also sending a challenge to the President of the United States to make a choice between whether he is going to play politics on this issue or whether we are going to get serious about the choices that need to be made.

If we fail to get serious, then I think all of us, Democrats and Republicans alike, will pay a heavy price for failing to deal with the deficit issue.

But if at some point we can join to face the tough issues, and Republicans and Democrats can come together not only on the budget but on budget process changes as well, then I think the American people and history will judge the 100th Congress not only as one that was honest with the budget but that was historic in taking the first step toward dealing with the deficit. The first step is adopting the budget resolution presented by the House Budget Committee.

The CHAIRMAN. The Chair states that the gentleman from Pennsylvania [Mr. GRAY] has 35½ minutes remaining, and the gentleman from Missouri [Mr. BUECHNER] has 14½ minutes remaining.

Mr. BUECHNER. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. I thank the gentleman for yielding time to me.

Mr. Chairman, a parade of speakers have been here to show what a responsible budget the majority has written. How it provides more money for everything under the Sun.

If you want to increase spending, fine. If you want to raise taxes, fine. But don't tell us that this is a budget that takes the same amount out of defense that it takes out of domestic. This isn't true.

We can't talk the deficit down, Mr. Speaker, and saying that this budget makes real, permanent and substantial cuts in the deficit won't make it so. Because it isn't so.

The so-called domestic cuts in this budget are mostly lies and overly optimistic assumptions.

The spending increases, that are so proudly trumpeted here today, are vastly underestimated.

I am not talking about assuming the rosy scenario—so we can pretend we are meeting Gramm-Rudman.

Beyond the rosy scenario assumed by both the administration's and this budget, are these budgets phony numbers?

Let's take a look at the budget functions and the assumptions that underlie them.

Nobody likes to look at the fine print. The Budget Committee makes a point of not supplying the fine print. But they supply enough to make clear that there are virtually no cuts in this resolution.

I know the budget resolution is supposed to be a blueprint, not a line-by-line plan, and I don't approve of my party not offering an alternative. But that is no excuse for this sad document.

Let's look at this budget.

First there is the defense function. The majority says they take $8.75 billion out of defense.

But look at the ratio here between appropriations for defense and actual spending. The numbers look funny to me because I think this level of appropriation will result in more actual spending in fiscal year 1988 than is claimed.

So the majority slashes defense, at the same time it misrepresents the savings. This reduction in defense will not save the kind of money the majority wishes it would.

Let's look at function 270, the energy function.

In energy, the majority claims to save $1.8 billion at the same time it rules out many of the cuts that would be needed.

And this practice—that of assuming large reductions and adding statements that rule out most of the ways of achieving those reductions—is seen in several functions.

Under this function the majority has counted uranium enrichment fees and nuclear regulatory fees at twice the President's rates. Fine, but these are not spending cuts, these are revenues.

The majority rules out doing anything about the ridiculous REA subsidies that are an entrenched throwback to another time in our country's history.

But there is no way you can get almost $2 billion out of this function without looking at REA subsidies. And there are two ways to deal with the REA. One is to eliminate the subsidy—a subsidy not available to my constituents when they pay their power bills—and to sell off the loans.

The other way, the majority will no doubt do it, is to allow prepayment of loan principle.

Prepayment is actually a write-down—an approach endorsed by the other body's budget chairman. It is worse than an asset sale in terms of its effect on the deficit, and it is a gimmick. It is an accounting trick that creates more problems than it solves and under the assumptions of this budget resolution it seems clear that the majority will be forced to use it.

Then there is function 300, the natural resources and environment budget function.

Here the majority promises to save $1.7 billion.

But again on closer examination we see that some of those savings are actually revenues—assumed receipts from oil lease audits—and the rest are largely unattainable.

As near as I can tell, the majority has forgotten its recent override of the President's veto of the Clean Water Act.

Has Superfund been budgeted by the committee? Last year, the committee double counted the superfund tax—it appeared as both an offset to spending and as a tax. That is called a double count—it is a magic trick performed by the Budget Committee so that one can equal two and two can equal one.

I can't tell, from the scant documentation supplied with this budget, whether this gimmick has been used again this year. But my hunch is that it has, because that's the only way the $1.5 billion in assumed savings under this function could be achieved—most real changes are not assumed.

Then we have function 350, the agriculture function.

The committee assumes a $300 million cut in discretionary programs in this function, something our appropriations committee has never allowed. That cut just won't be accomplished.

Then the majority assumes a billion in savings from farm supports. I say fine, and I suggest that while you're at it, get rid of the ridiculous sugar program.

But the committee won't have to do any such thing. They will use the extra money from the REA loan write-down scam I described earlier to avoid the whole issue.

But perhaps the most vulgar of the fudged numbers is function 400, the transportation function.

Here, the majority, fresh from its override of the President's veto of the highway bill, has the audacity to assume $850 million in budget reductions from the CBO baseline.

Obviously these savings aren't coming from the highway trust fund, so where are they coming from?

Are we going to slash the Federal Aviation Administration, or end mass transit subsidies? I doubt this will happen.

But never mind. The same people who voted to override the President will today vote for a budget resolution that on paper supports his veto.

Then there is function 500, the education, training and social services function. This function is filled with popular increases in spending.

But again, as in defense, we see that ugly habit of understating the probable deficit effect. A rise of almost $4 billion in appropriations is expected to result in less than $400 million in actual spending increases in fiscal year 1988.

The effect of this new spending on the deficit will be much greater.

And I should say, as an aside, that this is why we can't meet the $108 billion target. It is because we played this same game of understating actual spending in last year's budget. Next year the deficit will remain out of control for the same reason.

Next, I draw your attention to function 600, the income security function.

Under this function we are told that there will be no increases above baseline spending. But most possible cuts have been ruled out and $550 million in new spending has been added.

On top of that, we are told that welfare reform will be deficit neutral.

Deficit neutral welfare reform means one of two things. Either we raise $5 billion in revenues—in addition to the taxes already in this budget—to fund it. Or we don't have welfare reform.

Please don't tell this House that welfare reform won't cost anything. Welfare reform is going to cost money and we all know it.

Under Justice programs we are told that everyone gets an inflation increase, no programs will be cut, and we will save $100 million. You just can't do that. There is no way.

Under function 800 (general government), we have that little joke where we give more money to IRS and count the new revenues from better enforcement on the baseline. Never mind that we always fall way short on our revenue estimates.

And then there is function 920 (allowances) and the "absorbed" Federal workers' pay raise.

"Absorbing" the pay raise means we don't assume the cost, and we save a billion dollars.

We did that last year, too, We assumed it would be absorbed.

But it wasn't absorbed. It was put in the conference report and the rest of it is in the supplemental. And the conference report, I might add, is the farcical caboose that will result from this budget.

If we are going to raise civilian and military pay, is it too much to ask to show the $1 billion price tag for this decision?

Last but not least, there are the revenues.

And we are told that there are fewer revenues in this budget than in the President's.

But the President's revenues are $6 billion of excises and tariffs, and the rest are specified asset sales and credit program reforms.

The majority has specifically ruled out these asset sales and credit reforms.

So if the majority will not get its revenues from asset sales, where will they come from?

Will Ways and Means reopen the Tax Reform Act to raise marginal tax rates? To rewrite depreciation schedules? To tax securities transactions?

Will Ways and Means break the promise to let the Tax Code alone?

I doubt that they will. In fact, these revenues will never materialize. Ways and Means won't pass a $20 billion tax hike—it just won't happen.

In all likelihood we will never have the tax increase envisioned in this budget, we will just have an increase in the deficit, as always.

So when the Budget Committee tells you they have made real substantial cuts in the deficit, they are wrong.

Mr. Chairman, the majority have spared all spending from unpopular cuts.

They have included a huge tax increase that will probably never take place.

They have faked the deficit reductions—at best you have an $8 billion cut in defense and maybe, a $1 billion savings in domestics. And with that a shadowy and unsure tax hike of $20 billion.

In this budget, little is real, little is likely, much is unreal and phony?

The majority sets its policy priorities and then they make the numbers fit the policies—the square pegs of spending are rammed into the round holes of unreal restraint.

Mr. Chairman, that's exactly why we can't get the deficit under control.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. KANJORSKI].

Mr. KANJORSKI. Mr. Chairman, I rise to support the budget. Having listened to some of the debate today I think maybe we have struck the best balance on the budget we can because it seems to satisfy no one.

But I would like to ask some questions just for clarification from the chairman of the Committee on the Budget, the gentleman from Pennsylvania (Mr. GRAY).

Mr. Chairman, would I be correct in concluding that the budget recommended by your committee contains both a lower deficit than the President's proposed budget and lower revenues when asset sales and user fees are taken into account?

Mr. GRAY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. KANJORSKI. I yield to the chairman.

Mr. GRAY of Pennsylvania. I thank the gentleman for yielding.

Yes; that is correct.

Mr. KANJORSKI. How much lower is the committee's deficit than the President's?

Mr. GRAY of Pennsylvania. $200 million in fiscal year 1988.

Mr. KANJORSKI. How much less revenue does the budget of the committee contain than the President's when asset sales and user fees are taken into account?

Mr. GRAY of Pennsylvania. $550 million in fiscal year 1988.

Mr. KANJORSKI. Would I be correct in stating that adoption of this budget resolution by the House, even if adopted unchanged by the Senate, would not, in and of itself, increase the taxes of even one single American taxpayer?

□ 1700

Mr. GRAY of Pennsylvania. That is correct.

Mr. KANJORSKI. Is it not true that only a separate bill reported by the Ways and Means Committee can actually increase taxes?

Mr. GRAY of Pennsylvania. Yes; that is correct.

Mr. KANJORSKI. So it would be inaccurate to describe adoption of this resolution as a tax increase?

Mr. GRAY of Pennsylvania. That is correct.

Mr. KANJORSKI. Anyone who described this resolution as a tax increase would be deceiving the American public, would they not?

Mr. GRAY of Pennsylvania. Yes; that is correct because the resolution does not specify whether the increased revenues would come from higher taxes or other sources, such as user fees, oil tariffs or broadening the base or closing loopholes.

Mr. KANJORSKI. Mr. Chairman, one other question. My district was affected by flooding that accompanied Hurricane Agnes, and the President's budget asks for a 17-percent increase on the premiums for flood insurance.

Am I correct in assuming that the increase that is contained in this budget would not affect structures built prior to 1970?

Mr. GRAY of Pennsylvania. The gentleman from Pennsylvania is again correct. We have adopted the President's proposal with the increase on flood insurance. It does not affect structures built before 1970. Of course, the Committee on Banking, Finance and Urban Affairs will determine how to achieve this in a fair and equitable manner.

Mr. Chairman, I yield 5 minutes to the gentleman from South Carolina [Mr. DERRICK], a member of the committee and also the chairman on reconciliation.

Mr. DERRICK. Mr. Chairman, I have been on this Committee on the Budget longer than any other Democrat in the House. I will have to say that, with almost 10 years on the Committee on the Budget, this is the best budget that I have seen come forward in a 10-year period.

It is well balanced. We do not use sham to raise additional revenues. We go at it in a very realistic manner. I want to just direct my attention to two particular areas of concern to me, that is, moneys that come out of rural America, the small towns, the farm communities throughout this great country of ours, and indicate to you why I think this is a well-balanced budget proposal.

The President's budget comes down and asks that we do away with all SBA direct loans, that we are running about $90 million in fiscal year 1987. These are loans that are very important to the small business, the Main Street merchant, the businesses that serve the farm communities throughout this country.

The administration also suggests in their budget that we cut from 90 percent to 70 percent the guarantees on SBA-guaranteed loans. The Committee on the Budget rejects this, and instead, the committee recommended $100 million reduction in function 370, to be distributed in an equitable and equal manner by the Appropriations Committee.

In the area of our farmers throughout America who are having their most difficult time since the 1930's, foreclosures one after another throughout the district that I represent, the President's budget recommends that we cut over a 3-year period $8 billion out of the farm programs. We know that this is a time of austerity and a time to cut and the farmers know, like other particular groups throughout this country, that they must make a sacrifice in that particular area. But not $8 billion.

Our committee cuts about $4.5 billion over a 4-year period.

By using some compassion; by being equitable, we have come up with an equal reduction in defense spending, an equal reduction in domestic spending, and a combination of equal amounts in new revenues.

As I said to begin with, I have been on this Committee on the Budget for 10 years. This is the best budget that has come from the committee during that time. It is also a particularly unusual year, because as I listened this morning, I heard our minority leader get up and say that it is a shame that we just could not cut defense. Then he cried because we were cutting some of our domestic programs, these big old bad Democrats were doing this bad thing. My gosh, we were going to put new taxes on the American people.

He does not want to cut the defense budget; he does not want to cut the domestic budget; and he does not want to raise revenues. I would like for someone to tell me, if you do not do one of those three things, how you are going to possibly arrive at a lower deficit figure. It is impossible. We are dreaming.

I go back and I say again, I have been on this Committee on the Budget for 10 years. This is the first time that the minority has not come forward with a budget. I think it is unfortunate, because I think that a lot has been gained by minority budgets over the years.

They may not have passed, but we certainly took them very seriously and it is just really very regrettable that they have seen fit not to come forth with a budget.

Let me see if I have the scenario correct. They do not want to cut domestic spending; they do not want to cut defense spending; they do not want to have any additional revenues; they do not want to vote on the President's budget; they do not want to produce a budget of their own; and they do not want to vote for the Democratic budget.

Mr. Chairman, what is it that you want to do? We Democrats, I guess fortunately for the country, have been given the responsibility of governing in both Houses of this Congress. It is necessary for us to come up with a budget. We have done that, and we have given the minority every opportunity to participate, but they just will not do it.

All I have heard them do, quite frankly, my dear good friends, is to moan and groan for 3 or 4 months, but have made very little, if no contribution.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes and 30 seconds to the gentleman from California [Mr. WAXMAN].

Mr. WAXMAN. Mr. Chairman, I rise in support of the committee bill. While it is no secret that I believe that a great deal more funding is needed for health care programs, I recognize that the committee has made great efforts to accommodate these programs. Unlike the President's budget, which offers nothing but bad news for the sick, disabled, and poor of the Nation, the committee bill protects the most vulnerable and allows new initiatives in the most pressing public health issues.

The gentleman from Pennsylvania, the chairman of the committee, is to be commended for the leadership he has shown in shepherding this bill to the floor. I know that he has encountered numerous real and artificially erected barriers to constructing a budget, and I believe that he has surmounted these to produce one that both liberals and conservatives can and should support.

In supporting this bill, I first must say that it has made great progress in addressing the ongoing crisis of acquired immune deficiency syndrome, or AIDS. This epidemic—which began in 1981 and has now claimed the lives of almost 20,000 Americans—presents a great need for resources. The committee bill has recognized that the administration's budget is inadequate to meet this need.

The Public Health Service has estimated that within 4 years, over a quarter of a million Americans will have contracted the disease from existing infections and that the toll will continue relentlessly unless we undertake significant public education efforts. Without a vaccine on the horizon or even an effective treatment for the disease, this education and the basic research programs funded by the bill represent our only hope in slowing the spread of AIDS.

I believe that the committee's bill, while it does not address the significant costs that will be entailed by counseling and testing programs, makes great progress in beginning a serious national response to the disease. The gentlewoman from California, Mrs. BOXER, deserves immense credit for her work on this initiative and in making sure that the Congress continues to address AIDS even while the administration continues to neglect it.

I'm also pleased that the bill provides for a modest increase in Medicaid funding to address infant mortality and the health needs of the elderly poor. The bill will allow us to raise the eligibility levels for pregnant women and infants to the same levels as those used by most States in their WIC programs. This means that working poor women and their babies will be able to get both the nutrition and the health care that they need to assure that the babies survive.

The bill will also allow us to create some protections for the low-income elderly against catastrophic expenses—protections that are necessary to supplement a Medicare catastrophic program. If it is to be responsive to the needs of elderly and disabled people of modest means. Such protections would include reducing the financial burden on the elderly when their spouses enter nursing homes, improving the quality of care for Medicaid patients in nursing homes, and making prescription drug coverage available to the near-poor.

I regret that the bill calls for substantial savings in the Medicare Program. I know the committee worked hard to consult with interested parties and to keep these savings at a minimum. I also appreciate the fact that the committee again, as it has for several successive years, called for these savings to be achieved without reducing benefits or increasing the cost-sharing burdens on the elderly and disabled.

It is my understanding that the committee expects most of these savings to be achieved through careful reductions in payments for hospital services, and that this can be done in a manner that does not undermine the ability of rural hospitals, and those hospitals serving a disproportionate share of low-income patients, to provide quality care.

Finally, the bill does protect a number of small discretionary programs—ranging from childhood immunizations to Indian health—which target important health and public health services to the poor. The bill also protects the important basic biomedical research programs of the National Institutes of Health.

In closing, I would again commend the chairman and the members of the committee for a balanced and thoughtful bill, and I would urge my colleagues to support it.

□ 1710

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Delaware [Mr. CARPER].

Mr. CARPER. Mr. Chairman, I plan to support the budget as proposed by the Budget Committee. I would not argue that it is perfect. I do suggest that it is more reflective of the priorities of the American people than any of the other budgets proposals we are likely to consider tomorrow, including the President's budget.

As we have heard today, the President's budget has its share of critics. I would observe, however, that the President's budget has an element of balance between budget cuts and new revenues, roughly 50-50. I think that is an appropriate approach.

On the other hand, I find objectionable the President's methods of forecasting revenues. They are just not sound, and I think it is unfortunate that we appear to have bought off on the unrealistic revenue estimates the President uses in his budget.

I would hope that at some point in the future we would begin to work more closely with the administration from the beginning of the budget process, and do so by starting with realistic revenue numbers.

Second, I would observe that the President's spending cuts in defense and domestic programs are not well balanced. He makes no pretense of trying to balance those spending cuts, and I think that is unfortunate.

Third, the President calls for raising revenues largely by selling assets. The unfortunate consequence of those asset sales is that we make the deficits larger in the outyears and pretend that we are making the deficits smaller in the short term. Moreover, many of those asset sales are short sighted. For example, I think the notion of selling Amtrak as the President proposes is ludicrous. The President says, "Let's sell it for $1 billion."

We just sold Conrail, a profitable freight railroad, for less than $2 billion. The idea of now selling Amtrak for $1 billion, a railroad that is losing hundreds of millions of dollars a year, simply makes no sense. The President ignores the fact that we would end up paying the enormous amount of between $1 to $2 billion in labor contract costs as a result of selling that railroad.

Mr. Chairman, my preference would be for a budget that uses realistic revenue estimates. My preference would be to reach the Gramm-Rudman target range of $108 billion to $118 billion. My preference would be to put a little more of the emphasis on spending reductions and spending restraint. My preference would be to put entitlements on the table more than we do under this budget. But those options are not before us today.

My hope is that when all the dust clears after today and tomorrow, the Members on the Republican side of the aisle and those of us on the Democratic side of the aisle who are interested in some true budgetary reform—whether it is a constitutional fix of Gramm-Rudman or whether it is to strengthen the President's rescission powers, can get together and work to enact those reforms.

Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. MOODY].

Mr. MOODY. Mr. Chairman, I rise in very strong support of this budget. In fact, I am quite amazed at what a good job has been done by the committee.

First of all, the bill is balanced between revenues on the one hand and cuts on the other. It is $18 billion in cuts and $18 billion in revenues, and that is fair, I think. The cuts themselves are balanced equally between domestic and military—$8.75 billion each. I think that is very fair and appropriate.

Let me focus for a second on some things that I think have not been adequately touched on so far. Most particularly, let me point out that with regard to the spending in this budget, once we disallow the asset sales and some of the other gimmicks, the real permanent spending is actually lower in this budget than it is in the President's budget. The President would spend more than the Gray budget would once we disallow the one-shot gimmicks and the asset sales.

Real permanent spending under the President's budget would be $1,044 billion. Real permanent spending under the Budget Committee's product would be only $1,040 billion. That is a real difference, and it shows that this committee has taken the spending cut mandate extremely seriously, which many felt it would never do. But it has done so.

On the revenue side, I think it is very important to note that this committee has made the large, tough decisions of looking for real revenues and not phony one-shot revenues that only put us deeper in the hole next year. The President's revenue increases appear to be more than the committee's revenue increases, but they are not real revenue increases. The President's disappear; they evaporate after 12 months, and that only puts us in a worse spot. In fact, they are equivalent to just printing bonds per se, because, they give us a little money now but put us in a deeper hole later. They are precisely equivalent to asset paper sales. Paper sales of assets are the same as bond sales. Paper asset sales are precisely equivalent to printing more bonds and selling them.

That should not be considered real deficit reduction any more than printing bonds and selling them should be considered real deficit reduction. It is merely a way of financing the overage of spending versus revenues.

So when we look at the revenue picture, the Budget Committee has produced less revenue, but it is real revenue, and that is reflective of the honesty with which this committee has dealt with the public. I think the chairman and the members of the committee are to be commended for that.

Mr. Chairman, I strongly support this package.

Mr. LATTA. Mr. Chairman, I yield 4 minutes and 30 seconds to the gentleman from New Jersey [Mr. COURTER].

Mr. COURTER. Mr. Chairman, I thank the distinguished vice chairman of the Budget Committee for yielding me this time.

During the debate I have had a chance to speak with people in the hallways and with some Members who have just spoken, and some are suggesting that the Soviet Union has really changed, that they are now much different than they were a couple of years ago, that in the spirit of glasnost the intent and the character of the Soviet Union is quite different now than it was just a couple of years ago.

During the past week or 2 weeks or 3 weeks, there has been a revelation which should not be of surprise to our State Department, but apparently it is; I do not think it is a surprise to Members of this body, the House of Representatives. The Soviet Union has penetrated and compromised the integrity of the United States embassy inside the Soviet Union. They have not only penetrated our Embassy inside the Soviet Union, planting bugs and other types of electronic devices so that we cannot carry on a conversation inside our Embassy, they have, according to open reports—and we cannot talk about briefings behind closed doors—according to open reports, they have done the same thing with respect to our new Embassy.

All the same, Mikhail Gorbachev this morning, when I was listening to CNN News, was stating, first, that there is no evidence that the Soviet Union has compromised the integrity of our new Embassy inside the Soviet Union, and that in fact it is not so that they have compromised the integrity of our Embassy inside the Soviet Union, when we know it is so and we know there is evidence to prove it. Mikhail Gorbachev, the leader of the Soviet Union, the person who is talking about a new time, a new Soviet Union, a more liberal Soviet Union, with glasnost, looked the world in the eye and was simply lying to us.

Therefore, I believe that the defense budget, the budget that guarantees our integrity, guarantees our borders, and guarantees the security of this country and our freedoms, is not just another line item in this budget. It is not just another priority; it is not just another budget option. It is precisely the line item that gives us the options, that gives us the opportunity to decide whether we want to sell Amtrak or keep it, whether we want to privatize one sector of the economy or make it public.

It is important during this debate—and I am not sure whether too many Members have mentioned this—to recognize that during the 1970's the defense budget of this country was cut 7 out of 10 years in real terms. At the end of the 1970's, in real terms, it was less than it was at the beginning of the 1970's. Then there was a period of 3 or 4 years of expansion and modernization, and then 2 years ago, as far as budgets are concerned, in 1986 this organization, the House of Representatives, cut in real terms again the defense budget by 4.2 percent.

For 1987, the very fiscal year in which we are operating now, there was another compounded cut over 1986 by an additional 4.25 percent. Now this particular budget cuts it again over 1987 and over 1986, again in real terms, by 3 or 4 percent.

□ 1720

We cannot afford that. The Soviet Union at the present time spends dramatically more than we on national security. They have, and everybody in this organization knows it, they have the world's only deployed antisatellite system. They have deployed a ballistic missile defense system around Moscow where we have none; we remain denuded from active defenses. They have mature and robust civil defense systems and we have none; we wiped ours out 25 years ago. They have a robust air defense system and we have none.

All I am suggesting is the fact that when we deal with the defense function in this budget, we look at Soviet capabilities because we are not spending in a vacuum. We are spending exactly what we have to preserve our sacred security.

I rise against the Democratic budget because it is not realistic with respect to the threat that we face today.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 4 minutes to the gentleman from Michigan [Mr. WOLPE].

Mr. WOLPE. I thank the gentleman for yielding me this time.

Mr. Chairman, there exists no shortage of good and compelling reasons to adopt the house Budget Committee's resolution. It achieves greater spending reduction and greater deficit reduction than the President's alternative. It spreads the burden of painful but essential spending reductions much more fairly than the President's proposal. It places less reliance on revenues than does the President's budget, and all the revenue is committed not to new spending but to deficit reduction. And, also of importance, it puts an end to 7 long and painful years of shortchanging local economic development and job creation programs.

I think we all realize that true economic strength begins at home. Ultimately, the strength of our national economy depends upon the economic vitality of our communities—upon their ability to grow, and to build, and to generate opportunity. But the President's budget ignores that reality.

In each of the last 7 years, the Reagan administration's budget proposals have shortchanged our Nation's commitment to community development and job creation. In fiscal year 1981, community development spending authority was $10 billion. But today, 7 years after the White House launched its relentless campaign to do away with intergovernmental partnerships, community development spending has been slashed by 39 percent. And in fiscal year 1988, the President's budget continues that assault by cutting community development funding an additional 16 percent.

Every Federal economic development tool available to local governments would be affected. The Economic Development Administration would be eliminated. Community development block grants would be phased out. And the Urban Development Action Grant Program would be terminated.

This is economic foolishness. These are effective programs.

Take, for example, the Urban Development Action Grants Program. Since its creation in 1978, UDAGS have assisted nearly 2,600 development projects in more than 1,100 cities. According to the Department of Housing and Urban Development, $4.1 billion in UDAG resources has created nearly 540,000 new permanent jobs. The UDAG Program has helped retain 111,000 old jobs. It has generated 450,000 construction jobs. It has leveraged more than $25.4 billion in private investment. It has increased local tax revenues by $600 million annually. And it has built more than 105,000 units of rehabilitated or newly constructed low-income housing.

The House Budget Committee resolution demonstrates that you can in fact achieve meaningful deficit reduction without eliminating the few Federal economic development tools that are still available to create real economic opportunity in distressed communities. The Budget Committee resolution for fiscal year 1988 funds all community and regional development programs—including the Urban Development Action Grant Program and the Community Development Block Grant Program—at last year's levels.

Mr. Chairman, I said before that there were many good reasons to support the House Budget Committee resolution. The treatment of community development funding in that budget is yet another compelling reason for this House to endorse it.

Mr. LATTA. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. DREIER].

Mr. DREIER of California. I thank the gentleman for yielding to me.

Mr. Chairman, this is an unpalatable budget. It has three points which we must eliminate. The synthetic deficit target, multiyear defense cutbacks, and a healthy tax increase. We cannot take it; the American people cannot take it.

Mr. Chairman, this budget should be dubbed the deja vu budget. It brings back memories of things we haven't seen in years: a synthetic deficit target, multiyear defense cutbacks, and even a healthy tax increase. When the public realizes that these are the three pillars on which this house of cards is built, I believe the President's budget will shine by comparison.

HITTING THE TARGET

The last time we were talking about deficits as low as $108 billion was 1983. That year, when your party took credit for reasserting control over the budget in this body, we passed a first budget resolution with a projected deficit of $103 billion.

But the deficit that year ended up closer to $196 billion. So we did away with the two-resolution process, admitting that the first resolution under the old process usually wasn't worth the paper it was written on.

But the resolution presented by the Budget Committee members from your party, with its deficit projection the lowest since 1983, looks suspiciously like one of the old first resolutions. The chairman said himself only 2 weeks ago that he didn't believe the $108 billion deficit target could be met. Based on the budget he is presenting, I must agree. In fact, this budget may not come any closer to its target than the folly of 1983 did.

The chairman's budget claims a modest $17 billion in cuts, to be divided equally between defense and domestic spending. But the chairman calls for less than $4 billion of that to come through reconciliation, with the rest to be left to the appropriations process. Meanwhile, this budget assumes a reconciliation tax hike of $17 billion, over four times the spending cuts from reconciliation.

What a contradiction: Reconciliation, our best cutting tool, is being used to raise revenue. The appropriations process, our best spending tool, is being used to cut spending. For us to come up with only $4 billion in reconciliation cuts, while missing the Gramm-Rudman target as we are sure to do, is disgraceful.

SPENDING PRIORITIES

Furthermore, the chairman's budget envisions sweeping cuts in our national security spending not seen since the post-Vietnam gutting of our Nation's strategic capabilities. In fact, the 3-year $51 billion cut in budget authority projected by the chairman's budget would bring about 5 straight years of real cuts in defense.

The magnitude of the cut is bad enough, but how it would be applied is even worse. The chairman's budget assumes cuts would be made proportionally in all defense titles, which would be tantamount to creating a mini-Gramm-Rudman, across-the-board cut for defense only. In other words, this budget would make no distinctions between defense dollars spent frugally or wastefuly, and would treat personnel, procurement, and R&D all the same.

This is the same meat-cleaver approach to budgeting that the chairman opposes for the general budget. Why would it be acceptable for defense alone? For years, we have been attempting to pare the waste in the Pentagon without chopping up important components of our capability. But by mandating blind cuts, we end up penalizing the well-run Pentagon programs, and perpetuating the wasteful ones.

Mr. Chairman, your party appears confident that the public will accept the spending priorities and tax increases of the deja vu budget, but I disagree. Nor does the public believe the oft-repeated excuse that we are running out of things to cut, because it is not true. Set-aside interest on the debt, which we can't touch, and Social Security and defense, which we shouldn't. The President proposes to cut what remains by 4 percent. Is that really unreasonable? His budget director tells us that, of all the times he has asked that question of audiences, he has yet to find anyone who thought we shouldn't be able to find those savings.

If the defense cuts, new spending programs, and bigger tax bills in this budget begin to give taxpayers an uneasy sense of deja vu for the late 1979's, one can't blame them. And if they show the same frustration with those priorities next year at the polls as they did in 1980. I won't blame them for that either.

Mr. LATTA. Mr. Chairman, I yield 4 minutes to the gentleman from Alabama [Mr. DICKINSON].

Mr. DICKINSON. I thank the gentleman for yielding me this time.

Mr. Chairman, I am very concerned over the budget process as we go through it this year. I have been participating in it now for the years that it has been in place, and each year it gets more difficult it seems, and I think each year it presents more problems to us than it solves on the House floor.

Each year we have more processes to go through to arrive at a figure. Each year it is more difficult for us on the authorizing committee to come up with what we consider a fair and equitable defense budget for this great country of ours. This year is certainly no exception.

We have just finished marking up the Defense authorization bill for this year. Just 30 minutes ago. We have been working at it now since the Congress met earlier in February and we have done a pretty good job I think.

The administration came over and asked for $312 billion. This is a great deal of money, and we recognize that all of the money would not be authorized that they had asked for but we felt it was a fair proportion of our national wealth to assure to the American people the very rights that we hold so dear. Because, after all, the things that we are interested in, the things that we fight for, the right of freedom of assembly, of speech, the right to be left alone to educate our children, all these things are protected for us by our ability to defend ourselves. The first and foremost thing we have got to do as Americans is defend ourselves.

We do not want more than is necessary, but we cannot afford less than is necessary. So it is our job on the committee to decide what is necessary; what is the threat? So we met and we have a policy committee on the Armed Services Committee and in the absence of a budget resolution per se, we determine that it is our job not to come up with a budget and not to appropriate the money which may or may not be there. We determined it was our job to determine what is the threat and to let the American people know what the threat is and to mark our bill to meet the threat.

We had a series of meetings, a series of hearings, a series of witnesses; top drawer witnesses from the highest levels of our defense establishment. Without an exception, they came in in support of at least what had been requested by this administration; $312 billion.

As a pragmatic thing we realized that we could not get this passed. We realized that there were, we felt, some fat in the request. So by action of our committee that was concluded as I said about 30 minutes ago, we reduced the authorization from $312 to approximately $305 billion, knowing that if the Budget Committee acted before we got to the floor with our bill we would have to go back and scale down.

The things that bothers, and I think the thing that bothers a majority of the members of our Defense Authorization Committee, is that we are not meeting the needs of this country.

☐ 1730

In the past 2 years we had a combination of about a 7-percent negative growth.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. LATTA. Mr. Chairman, I yield 1 additional minute to the gentleman from Alabama [Mr. DICKINSON].

Mr. DICKINSON. Mr. Chairman, in conclusion let me say that what we have marked to is a reasonable figure. It is based on our need as a perceived threat. We can reduce it more, but it is not fair on a budget which is about 28 to 29 percent of the total Federal budget to say that half of all the economies should come out of defense. It is not fair. It is not equitable and it is not good sense. We must defend this country and we are not asking for too much.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I am very pleased to yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, the gentleman has indicated to the House that the gentleman's committee, a bipartisan committee, came up with a figure just 30 minutes ago of $305 billion and that compares with what is in this budget, the Gray budget, of $281 billion; is that correct?

Mr. DICKINSON. That is correct. There is still some $8 billion that will be compelled to be cut. We are cutting end strength when we do that. If there is going to be a spend-out this year, we have to cut our readiness. I will tell you, it is getting precarious, because this will be the third year of negative growth and we are going to wind up with a horrible situation.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. SCHEUER].

Mr. SCHEUER. Mr. Chairman, I rise in reluctant support of House Concurrent Resolution 93. I regret the fact that it achieves a salutatory step forward toward balancing the budget, but at a painful cost in terms of our caring for our enviroment and our resources.

All of us are acutely aware of the need to restrain spending and bring the deficit under control.

But we should at least be clear of the price we are asking the American public to pay.

The budget resolution calls for a 13-percent cut in budget authority for the natural resources function, which includes funding for the Environmental Protection Agency.

Indeed, the resolution is 1.7-percent less than the President's own request—a President who vetoes the Water Quality Renewal Act, who fights Congress on the Superfund reauthorization, who appoints Anne Burford to head the EPA, and who opposes acid rain controls.

Under this administration, support for environmental programs has been seriously eroded.

For example, EPA's operating budget, adjusted for inflation, has plummeted almost one-fifth since the beginning of the Reagan administration.

At the same time, Congress has continued to increase EPA's responsibilities, passing major new laws addressing drinking water, Superfund, hazardous waste, asbestos, and clean water.

In addition, new environmental concerns are emerging, such as radon, indoor air pollution, depletion of the stratospheric ozone layer, global warming, and biotechnology.

Do we really expect EPA to do more work with less resources? It is only in architecture—if then—where "less is more."

The sad reality is that we are dooming our environmental protection programs to failure.

Of course, the public is concerned about the deficit. But they are also concerned about the environmental quality of the world they will leave to their children.

A recent poll showed that two-thirds of the people agreed with the statement that "protecting the environment is so important that requirements and standards cannot be too high, and continuing environmental improvements must be made regardless of cost."

This result, in the sixth year of the Reagan revolution, is all the more remarkable because more people agree with that statement now than at the beginning of the Reagan administration—up from 45 percent.

I regret that the budget resolution does a disservice to the great public will and the great public need to protect our Nation's environment and public health.

We should not deceive ourselves and the American public that this budget is sufficient to get the job done.

One consolation. Former EPA Administrator Anne Burford would not be remotely justified in labeling any Member who votes for this bill—"tree hugger."

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from New York [Mr. GUARINI], a member of the Budget Committee.

Mr. GUARINI. Mr. Chairman, I want to congratulate our chairman, the gentleman from Pennsylvania [Mr. GRAY] for his evenhandedness and for the committee for their splendid work.

I have sat and listened through all this debate and everything that has been said about the budget process not working. Certainly it is good politics and good theater, casting blame, pointing the finger, using slogans and code words; but in the 5 hours that I have heard the debate, there was not one word said about some of our salient and most important issues. I never heard the words, "The betterment of the senior citizens."

I never heard anything about drugs.

There are many issues involved which are national priorities that are of great concern to us that are not covered adequately in this budget.

If the opposition is not interested in these particular issues, bringing them into the debate or voting for the budget resolution, I ask them then, where are their priorities?

Last year we passed an omnibus drug bill calling for $4 billion, which included funds for expanded international narcotics control efforts, enhanced drug interdiction operations, and strengthening Federal drug law enforcement, and also to put a particular emphasis into education, both in our elementary schools and our high schools. Much was cut out of this. There was $950 million eliminated under the President's budget proposal and $225 million was eliminated from the money that would go to State and local governments for law enforcement interdiction and for equipment. We are now going far below as far as equipment and interdiction is concerned the 1981 levels, where drugs are cheaper, more pure and more available on our streets today than they have ever been.

The President's budget does not provide any additional funds for expanded treatment, prevention and drug abuse research initiatives, despite the growing need that we have in our Nation today.

I would also like to talk about Social Security. Approximately 39 million Americans depend on Social Security benefits. A nation is judged by the way it treats its old people, its sick and its children. I think that here today we have got a Social Security assurance by the budget of giving 4.1 percent of a cost-of-living increase, which would certainly take many of these people near the poverty level, because there are too many of our citizens, 35 percent of our senior citizens across America who are living under the poverty level. If you care about our senior citizens and you care about our disabled workers and their families and you care about surviving spouses and their minor children, if you care about carrying out the commitment that was made in the war against drugs, then vote indeed for this resolution.

Mr. GRAY of Pennsylvania. Mr. Chairman, we have no further requests for time. Therefore, it would be appropriate for the minority to proceed at this time with their closing debate and we will follow.

Mr. LATTA. Mr. Chairman, we have one more speaker. I yield 2 minutes to the honorable gentleman from California [Mr. HUNTER].

Mr. DREIER of California. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I am happy to yield to the gentleman from California.

Mr. DREIER of California. Mr. Chairman, I thank the gentleman for yielding. The gentleman is a distinguished member of the Armed Services Committee. I wonder if the gentleman would care to inform the Members of the House what his committee chairman thinks of this budget which has been submitted here.

Mr. HUNTER. Let me reply to that very important question. The chairman of the Armed Services Committee convened a special policy committee to derive the numbers for the defense of this Nation, not from what President Reagan submitted, but from the requirements. We brought in witnesses. We had testimony on what the situation is in the Middle East, what the requirements are for sealift, for airlift, for troops in Europe, for air defense, for every dimension of national defense.

At the end of this particular procedure, after convening this committee and after having these witnesses, a majority of the committee, bipartisan, Republicans and Democrats, came to the conclusion that the President's numbers were necessary to provide for an adequate defense.

I give great commendation to the chairman of the Armed Services committee, who himself said that the President's numbers of a 3-percent real increase in growth were necessary for the defense of America.

Let me go on to say very simply that the first duty of this Congress is to provide for the common defense.

There are three areas that are going to be gutted by the Democrats budget. One of them is people. We are going to lose between 100,000 and 300,000 people because of the cuts.

The second is readiness. We have moved our full combat capability of our fighter aircraft up to 60 percent greater than they were under Jimmy Carter. That figure is going to go back down to the old Carter days.

The last one is equipment. Right now in seapower, for example, the Soviets outnumber us by 3 to 1 in attack submarines and they are closing the qualitative gap. Their submarines are now almost as good as ours, and in the minds of some experts, better. Our submarines, our new version is going to cost a billion dollars a copy. The Soviets are dropping a submarine in the water every 38 days.

The Democrat budget guts national defense and that is the consensus of the experts on the Armed Services Committee.

Mr. RODINO. Mr. Chairman, I rise in support of House Concurrent Resolution 93, the budget resolution for fiscal year 1988, and I want to commend Chairman GRAY and his Budget Committee members for developing a balanced and realistic budget. Given the harsh constraints imposed by the Gramm-Rudman process, and the unwise and disheartening proposals in the administration's budget proposal, I believe the Budget Committee's proposal is a singular achievement.

The resolution before us specifies a fiscal year 1988 deficit of $107.6 billion, which is actually below the Gramm-Rudman limit of $108 billion. This is accomplished by revenue increases through legislation and better enforcement and debt service savings; and by $17.5 billion cuts in spending, to be equally divided between defense and domestic programs.

As one who has strongly opposed this administration's extravagant and unnecessary defense proposals, it is important to note that even after the reductions in the budget resolution fiscal year 1988 appropriations will be only $0.9 billion below this year's level, and, in fact, outlays will be $2.1 billion above the current level due to use of previously appropriated funds, assuring a sound but prudent national security policy.

The Budget Committee exercised great wisdom and judgment in dealing with cuts in domestic programs, for it has exempted from a freeze vital programs such as Social Security, Aid to Families with Dependent Children, Food Stamps, subsidized housing and child nutrition. It also provides for increased spending above inflation for critical programs such as Medicaid, job training, social services, and education.

Under the resolution our senior citizens are protected, for the full Social Security cost-of-living increase will be paid next January. Full COLA's are also assured for Federal civilian and military retirees and for railroad retirees.

I am very heartened by the Budget Committee's action on education programs. The resolution provides a minimum of an inflation increase plus a share of the $2.2 billion included for priority increases above inflation for selected education programs. This is particularly significant when we realize that despite the knowledge that the education of our children is at risk, the President's budget proposed a 28-percent cut in education programs.

Chapter I compensatory education funding is increased above inflation, which will increase the number of children served. Pell grants also receive an increase above inflation, as opposed to the President's proposal to cut these grants by 29 percent, which would result in 1 million fewer students receiving them. These two programs alone will aid the children and young people most vulnerable and in need of assistance.

The resolution includes $850 million in additional fiscal year 1988 funding for high-priority health programs, including Medicaid expansions to address infant mortality and the health needs of the poor; expanded AIDS prevention, treatment and reseach programs; and health care for the homeless.

Another area of great concern is the category of training and social services, and here again the committee has provided increases to compensate for inflation, plus high-priority funds for job training programs aimed at improving trade and competitiveness, the Social Services Block Grant, child welfare services, handicapped education, and in-home services for the elderly. For example, the resolution includes an increase of $100 million over inflation for the Women, Infants, and Children Nutrition Program. It also provides $450 million for assistance to the homeless.

Last year we made a major commitment to the American people with enactment of the Anti-Drug Abuse Act, yet the President's budget proposal would cut approximately $950 million from Federal antidrug programs in all functions of the budget. By contrast, the Budget Committee's resolution will fulfill this commitment by providing funding for Federal drug law enforcement programs with increases for inflation and by assuring continuance of law enforcement grants to States and localities.

Obviously, this budget resolution is not ideal, and I would wish we could provide more funding in many areas, such as the critical programs I have mentioned. However, fiscal realities preclude this, and I urge support for our Budget Committee's resolution.

Mr. RAHALL. Mr. Chairman, on February 11, 1987, I submitted testimony to the House Committee on the Budget with regard to the administration's fiscal year 1988 budget proposals. The President's budget proposed drastic domestic spending cuts, hidden revenues, and asset sales so that funding for pet defense projects could be increased while the administration claimed deficit reduction. As a representative of the people of southern West Virginia, I found the priorities of the President's budget skewed and the attempt at deficit reduction less than adequate.

The budget resolution we are debating today is a more fair and effective approach to fiscal management and deficit reduction. This resolution—working with the same economic assumptions the administration used—evenly distributes spending cuts between defense and domestic programs. The resolution also has a greater impact on future deficit reduction efforts by including—what the distinguished chairman has deemed—"real, permanent substantial reductions" instead of relying on one-time savings which would be realized by the asset sales proposed by the administration.

Most importantly, however, is that this resolution does not abandon the priorities set by this Nation. First, the resolution specifies a fiscal year 1988 deficit of $107.6 billion—just under the Gramm-Rudman limit of $108 billion and also under the $107.8 billion deficit proposed by President Reagan. Second, the budget cuts in this resolution are distributed equally between defense and domestic programs. And third, the domestic funding proposals take into consideration our national goals and priorities.

The resolution assumes that appropriations for most discretionary programs would be frozen at the fiscal year 1987 level. Certain high priority programs, however, will be exempted from this freeze, and will receive at least a full inflation adjustment. Programs which would receive an increase to cover inflation include all the discretionary programs in the Employment, Training, and Social Services and the Income Security functions, as well as veterans programs; vocational education; child nutrition programs, including school breakfast and school lunch programs; maternal and child health; community health centers; family planning; immunizations and vaccines; health education for the disadvantaged; the Legal Services Corporation; and, low-income weatherization programs.

With the exception of Medicare and farm programs, entitlement programs are assumed to receive the full amounts required to provide the benefits specified by current law, including all scheduled cost-of-living adjustments including those to Social Security, black lung, and veterans' pension and compensation recipients. Programs in this category include Social Security and other retirement programs; Aid to Families with Dependent Children [AFDC]; Food Stamps; Supplemental Security Income [SSI]; and Medicaid, which would receive a small additional increase.

The budget resolution includes an increase beyond what is needed to keep pace with inflation for certain high priority programs which include Medicaid expansions to address infant mortality and the health needs of the poor; expanded AIDS prevention treatment, and research programs; and health care for the homeless; chapter 1 compensatory education; Pell grants and other need-based student financial aid; education and job training programs aimed at improving trade and competitiveness; the Social Services Block Grant; Community Services Block Grant programs; Head Start; child welfare services; handicapped education; in-home services for the elderly; homeless assistance programs begun in fiscal year 1987; and the Women, Infants, and Children [WIC] Nutrition Program.

The resolution keeps the section 202 loan program for construction and maintenance of housing for the elderly or handicapped; continues Federal assistance to Amtrak; continues current structure for mass transit programs, including formula grants and section 3 capital grants; increases funding for dislocated workers; contains full funding for major drug-law enforcement programs which the President cut by $950 million; and, rejects the administration's proposed program terminations for UDAG, EDA, Farmers Home rural development loan and grant programs, ARC, and the Rental Housing Development Grant Program. The resolution also rejected the President's proposals to terminate the college work study, supplemental education opportunity grants, and State incentive grants programs, which currently aid almost 2 million students.

Mr. Chairman, the Budget Committee has labored diligently to produce a budget plan which addresses the Federal deficit in a responsible and balanced manner. While many here may find fault with bits and pieces of this budget resolution, I believe the people of West Virginia—and all Americans—have been served well by the committee's ability to achieve deficit reduction while avoiding excessive cuts in either domestic or defense spending and by taking into consideration the education, health, and social priorities of this Nation. I applaud the committee's diligence and support the fruit of their effort. This budget resolution is a good starting point for determining fiscal year 1988 funding levels.

Mr. PICKLE. Mr. Chairman, I rise in support of the budget resolution reported by the House Budget Committee.

The committee's budget is not an easy one to support. The measures that will be required under this budget will not be pleasant and will not be popular with many of my constituents.

But reality often is unpleasant and this committee budget certainly faces up to the realities of our fiscal situation.

It is a budget that recognizes that there is no free lunch, no easy answers, no quick fixes.

It is a budget that produces meaningful and lasting deficit reductions.

No doubt every Member of this House would like to make adjustments in this resolution. Personally, I would prefer to see a budget that would allow our spending for national defense to at least keep pace with inflation. And, as a member of the House Ways and Means Committee, I do not look forward to the task of having to raise $18 billion in new revenue.

But reality dictates that those changes cannot be made without breaking our commitment to the American people to reduce our tremendous Federal deficit.

Some may claim that we can accomplish the same amount of deficit reduction without a tax increase. Of course, that is true. We could make $18 billion more in spending cuts but it would require enormous sacrifices in the areas of education, job training, science and technology, child nutrition, health care, highways, environmental protection, and federally funded research.

Mr. Chairman, some areas of the country have thriving economies and perhaps they could withstand these sacrifices. But as you well know, in the Southwest we are suffering a severe recession. My State of Texas desperately needs those Federal funds for highways, for education, for research, for job training.

Because of our economic troubles in Texas, our State legislature is having to face the difficult issue of raising taxes in order to maintain needed services and it is only right that we do the same here in Washington.

This budget may be tough medicine to swallow, but I believe it's the right prescription.

Mr. LEWIS of Georgia. Mr. Chairman I rise today in strong support of the budget resolution. As elected officials we share a moral obligation to balance our nation's budget and reduce our overbearing deficit. However, this must be accomplished in a rational, thoughful, and evenhanded manner and not through reactionary, knee-jerk budget cutting. I am deeply troubled by the Reagan administration's attempt to cut needed social programs, especially for established antidrug programs.

The budget resolution protects high priority programs which work to serve the needs of our most vulnerable citizens: children, the aged, and the homeless. It adjusts our budgetary priorities to enhance trade, meet emergency needs, and promote education.

Also, the plan establishes our Nation's antidrug program as a priority by maintaining funding for the Drug Abuse Education Program. The resolution supports funding level increases for the State and local narcotic assistance programs which provide drug enforcement activities. Additional increases have also been targeted for drug prevention, treatment, and rehabilitation programs.

On the other hand, the Reagan administration proposes to reduce the current funding by 50 percent. In his State of the Union Address President Reagan stated, "Let's redouble our personal efforts to provide for every child a safe and drug-free learning environment. If the crusade against drugs succeeds with our children, we will defeat that scourge all over the country."

Contrary to its charge, the Reagan administration has shown that is does not intend to honor its commitment to the "Just Say No" national crusade against drugs. Instead, the administration is proposing to just say no to critical funding by needlessly cutting moneys for antidrug programs that the Congress has already authorized.

President Reagan's budget would eliminate the State and local narcotics assistance programs, which provide $225 million for drug enforcement activities. Also, funds for drug abuse education programs would be cut from $200 million in 1987 to $100 million in 1988. Overall, the administration's budget proposes to reduce Federal antidrug programs and activities by nearly $975 million.

Last year the Select Committee on Narcotic Abuse and Control published its 1986 Annual Report, which detailed the continuing volence, crime, and human suffering brought on by expanding drug abuse and trafficking. I strongly believe that the committee's 1986 findings underscore the need for funds authorized in the Anti-Drug Abuse Act of 1986, which passed both bodies of Congress by an overwhelming margin. We cannot afford to renege on this commitment.

How can the Reagan administration, in good faith, support a budget that say no to drug law enforcement, prevention, treatment, and rehabilitation programs. Rather than cutting back, we should hold fast to our antidrug funding goals. These funds are not an expense, but an investment in our future that will pay tremendous dividends.

I issue a challenge to my colleagues to support the Democratic budget proposal. It will work not only to reduce our deficit, but is responsible enough to protect much needed programs such as those concerning drug abuse. Our objective should be that of a drug-free America. I strongly believe that the passage of this legislation will reflect the commitment of the Congress to achieve this goal.

Mr. DYMALLY. Mr. Chairman, on behalf of the Congressional Black Caucus I would like to address the contents of our fiscal year 1988 budget alternative.

THE CBC FISCAL YEAR 1988 ALTERNATIVE BUDGET

With the passage of Gramm-Rudman-Hollings, the policies of budget negotiating entered a new era. Progressives and moderates forged coalitions focusing on the development of strategies to realign national priorities and merge domestic and international agendas.

The Congressional Black Caucus continues to challenge the fiscal priorities and programmatic policies of the Reagan Administration. As a part of the FY '88 Budget debate, Members of the CBC, for the sixth consecutive year have come together to fill the void in developing a responsible fiscal policy which conforms to deficit reduction goals. Urban and rural interests have been addressed, resolutions of diverse constituent needs and issues unique to specific geographic regions were structured into this document. The culmination of these discussions was the creation of the CBC FY '88 Alternative Budget.

The basic premium of the Alternative is the formation of a fiscal policy that will assure a decent quality of life for all Americans. It calls for leadership and a sound monetary policy which would put Americans to work in meeting our enormous challenges in education, health, housing, transportation, reindustrialization, agriculture, public works, research and development. The centerpiece of this Budget is a strong commitment to people, specifically our children, and their education. We call for creative innovations in the marketplace and throughout government. The FY '88 Alternative demands the maximum utilization of human resources and the training required to achieve these goals. It supports an agricultural system geared to delivering the types and quantities of food needed to abolish hunger and malnutrition across America and throughout the world.

The CBC Alternative builds on imaginative government leadership and forges strong public and private sector partnerships. It pledges the necessary resources for a strong defense, it supports a reformed welfare system, and it makes an unprecedented commitment to the homeless. The FY '88 CBS Alternative charts a new course for America.

MAJOR ECONOMIC ASSUMPTIONS

The Congressional Budget Office and the Reagan Administration have advanced optimistic forecasts of economic growth through FY 1990. Nonetheless, many proponents of the FY 1988 Alternative Budget have expressed concern that the potential for a recession in the out-years has not been factored into these assumptions.

Because, however, baseline figures reflect the economic forecasts presented by the CBO, the FY 1988 Alternative is calculated against those projections as noted:

1. Real GNP growth averages approximately 3.1 percent a year between 1986 and 1991. Normal GNP growth averages in the 7.2 percent range per year.

2. Inflation, as measured by the GNP deflator, averages 4.2 percent a year.

3. The three-month Treasury bill rate declines from 6.4 percent in 1986 to 5.4 percent in 1991 or from 3.1 percent for 1.3 percent after adjustment for inflation.

4. Aggregate forecasts project:

(a) The world price of oil will remain close to $15 per barrel through the end of 1988.

(b) The exchange rate (as measured by the Federal Reserve Board index) will continue to decline, reaching by the end of 1988 a level approximately 10 percent below its level at the end of 1986.

(c) Food prices will increase to 4 percent throughout the forecast period.

5. Unemployment Rate Exceptions—The CBC Alternative Budget rejects CBO projections for a slow decline in the unemployment rate to a 6.0 percent level by 1991. It adopts instead a Hawkins-Humphrey target in compliance with the "Full Employment and Balanced Growth Act of 1978" of a level of 4 percent unemployment in the civilian labor force through FY 1990.

Congressional Budget Office reports that lost revenues and increased outlays from unemployment yield an unemployment deficit of $40 billion for every one percent of unemployment. By meeting the Alternative Budget/Hawkins=Humphrey target of 4 percent, additional revenues and outlay reductions for the projected three years would yield: $40 billion in the first year, $80 billion the second year, and $120 billion for FY 1990—figures from the "Economic Budget Outlook: Fiscal Year 1987—1991, A Report to the Senate and House Committees on the Budget—Part 1: Table 11-6, p. 72.

The growth forecast by CBO for the next two years falls within the range of 2.0 percent to 3.5 percent Forecasts, however, are subject to an unusual number of variables, notably:

The effects on the economy of the restrictive shift in fiscal policy mandated by the Balanced Budget Act;

The economic impact of the Tax Reform Act passed at the end of 1986, which changes the composition and sources of federal receipts and alters economic activity;

The actions of OPEC oil producers;

The future course of the dollar and the speed with which the recent decline in the value of the dollar will work to improve the real trade balance;

The effects of relatively high household and business debt, which could cause a sudden retrenchment of spending.

CONGRESSIONAL BLACK CAUCUS FY 1988 BUDGET HIGHLIGHTS

Outlay Totals

[Numbers stated in billions]

Defense—Function 050:

Baseline	290.45
President	298.26
CBC	279.72

The Congressional Black Caucus (CBC) proposal provides the nation with a secure national defense at responsible funding levels and without sacrificing personnel benefits or readiness.

Defense spending must be analyzed in terms of U.S. foreign and military objectives, not in terms of percentages of real growth or other statistical measures. The CBC view is that if high levels of spending are necessary to ensure national security, then sufficient money should be provided. If they are not necessary, then reductions should be made, even substantial ones.

Recent concern over the level of military spending resulted from the Reagan deficits and the Gramm-Rudman law. In the CBC view, however, these simply force the Congress to do for budgetary reasons what should be done for reasons of national defense—craft a defense budget that provides for a strong defense posture at an acceptable price.)

The CBC proposal rejects the three fundamental tenets of the Reagan military build-up:

1. The development of nuclear first-strike and war-fighting capabilities;

2. The use of military force to impose U.S. views on Third World nations; and

3. The preparation of re-fight World War II in Europe.

Instead, the CBC plan is directed at seven goals:

1. Reducing the risk of nuclear war;

2. Increasing readiness while cutting forces committed to Third World intervention;

3. Reducing the number of troops stationed in Europe and Asia.

4. Eliminating overlapping and unnecessary weapons system;

5. Reforming the procurement process to reduce waste;

6. Fully funding programs for military families; and

7. Establishing new programs for economic conversion and military toxic waste clean-up.

	Billions
FY 1988 budget authority (BA)	$272.5
FY 1988 budget outlay	$279.7

The FY 88 Outlay level, is just *above an Outlay freeze.*

While CBC outlays are $17.8 billion less than the Reagan plan, these CBC levels for FY88 would still be more than double the *amount appropriated in FY80,* and some 42 percent above the FY 80 level in real (inflation adjusted) terms—*more than 4.3 percent per year over and above inflation.*

Adoption of the CBC proposal would result in three-year budget period savings of $155.4 billion in BA and $104.4 billion in Outlays, as compared with the President's plan.

International Affairs—Function 150:

Baseline	16.76
President	16.61
CBC	15.69

The CBC budget reobligates money appropriated to fund the FY 1987 urgent supplemental request for southern Africa and U.S. commitments to the multilateral development banks. In FY 1988 security assistance is frozen for out years. CBC calls for an increase in U.S. contributions in FY 1988 to the World Bank group, particularly to meet out commitments to the eighth IDA replenishment and the Special Facility for Africa. The CBC budget also sets out to sustain funding for "base rights" countries and countries moving toward democracy such as Haiti and the Philippines.

General Science and Technology—Function 250:

Baseline	10.67
President	11.17
CBC	11.17

The Alternative Budget seeks to promote two policy objectives through the function 250 budget requests: First, the Budget will develop human resources directly through increased funding for science and engineering education and indirectly by funding basic research which will in the future contribute to U.S. economic strength and which will improve the human condition; second, the Budget maintains a strong Federal contribution to the conduct of civilian and military science.

Energy—Function 270:

Baseline	5.42
President	3.32
CBC	5.43

The Alternative budget devotes considerable resources to DOE's efforts to promote energy conservation and the development of alternative and renewable sources. It again significantly reduces the Department's emphasis on nuclear programs, and redistributes these savings to other vital programs.

The FY 88 Alternative would continue funding of the Department's Office of Minority Economic Impact (MI). Because of the CBC's deep commitment to expanding the volume of energy related business in minority communities and increasing the participation of minorities in the energy industries, we fund this office at $5,000,000.

Natural Resources and Environment—Function 300:

Baseline	15.48
President	15.07
CBC	15.48

The function includes those programs whose primary purpose is to develop, manage and maintain the nation's natural resources and environment. Thus, preservation encompasses management of water resources, enhancement and protection of environmental quality, development and maintenance of recreational resources, conservation practices on both public and private lands, and management of the public domain.

The Alternative Budget continues to support such important environmental protection programs as the superfund. The superfund laws authorize $9 billion in expenditures over the next five years for controlling toxic releases. Due to EPA's deficient record in implementing this program, the CBC Alternative Budget recommends an active effort in monitoring the superfund program.

The Alternative Budget supports the preservation of America's cultural and structural history and views this role as the collective responsibility of federal, state and local governments. We therefore urge continuation of funding for these programs.

Agriculture—Function 350:

Baseline	29.96
President	24.89
CBC	29.96

We recommend budget levels necessary to maintain current services in all agricultural programs under Function 350 as authorized in the Food and Security Act of 1985. Recommendations for budget changes reflect, the need for financial restraint in these programs whose costs have recently skyrocketed, and whose benefits have disproportionately gone to large corporate farmers. They also reflect our desire to strengthen federal financial assistance to small and mid-sized farms, to increase loans to minority small farmers who are disproportionately at financial risk today, and to increase food assistance and nutrition education to low-income persons.

The CBC Alternative provides $165 million in administrative funds for the Temporary Emergency Food Assistance Program to defray storage and distribution costs of CCC commodities donated to states for distribution to needy persons (the $15 million above FY 1987 levels would be targeted to localities presently not receiving federal commodities, with priority to poor rural areas).

Commerce and Housing Credit—Function 370:

Baseline	8.29
President	4.26
CBC	9.63

The Alternative calls for the preservation and strengthening of the Small Business Administration with a $500 million funding level for FY 1988. Under this function the CBC strongly supports the goals of the Housing Bill, H.R. 4. This bill would increase the level of loans for rural housing $1.2 billion over the baseline. In addition, it proposes that $608 million be allocated toward housing for the elderly and the handicapped, enough to provide 12,000 new units.

In light of the anticipated effects of the recent tax bill on low and moderate income rental housing, the CBC will provide an additional $500 million to allow for establishment of an office within HUD and provision of a line of credit to be extended for low and moderate income cooperative housing projects.

Transportation—Function 400:

Baseline	28.75
President	27.03
CBC	31.92

The Alternative offers over the projected three years, an additional $2 billion in federal highway programs, $4 billion to mass transit, $1 billion in other ground transportation and $2.5 billion in aviation programs.

Community and Regional Development—Function 450:

Baseline	6.78
President	5.20
CBC	7.11

The CBC Budget Alternative proposes in agreement with H.R. 4 that CDBGs be increased by $285 million above the baseline, that UDAGs be increased $66 million above baseline, and that HODAGs be increased $47 million above baseline. In addition, the CBC would incorporate H.R. 558, The Urgent Relief to the Homeless Act, into the Budget, providing $500 million in additional funding to aid the Homeless. In the Alternative during FY 1989 and FY 1990, the CBC would provide and additional $300 million to continue aiding this economically disadvantaged group.

Education, Training, Employment and Social Services—Function 500:

Baseline	32.64
President	28.47
CBC	33.97

Under this function the CBC Alternative views the primary purposes of Federal programs for education, training, employment and social services are to:

1. Assist parents, states, and localities in providing education, especially for educationally disadvantaged, low-income, and handicapped persons;

2. Assist economically disadvantaged or dislocated workers in gaining job skills and finding permanent, unsubsidized employment opportunities;

3. Help employers maintain stable and productive relations; and

4. Help provide social services for needy children, families, the elderly, and other groups.

The Caucus has placed the education of the Black Child as its top priority for this year. This strategy calls for Federal, state, and local resources to be targeted to:

1. Provide appropriate training of administrators to meet the needs of Black youth;

2. Facilitate the sharing of experiences and examples of exemplary models of effective administrative leadership that have impacted Black children; and

3. Equity for those parties involved with educating Black youth.

4. To address the issue of improving our competitive stance and maintaining and enhancing the quality of life for all Americans, the Caucus supports the passage of H.R. 90, the Education and Training for American Competitiveness Act of 1987.

The CBC Alternative commits adequate resources to fund these initiatives to provide monies for training and employment to workers who have been adversely affected by international trade imbalance.

The CBC views drug abuse education as a focal element in combatting this national epidemic. Funding for national drug abuse education efforts was a cornerstone of last year's omnibus Anti-Drug Abuse Act in which Congress authorized a program of grants to states to encourage the establishment of mandatory drug abuse education programs in elementary and secondary schools and local-based community prevention efforts. The CBC Alternative supports these projects as well as grants aimed at combatting college and university student drug abuse.

Health—Function 550:

Baseline	44.11
President	40.84
CBC	44.11

The health care agenda of the CBC is crafted to ensure that all Americans receive adequate health care, regardless of their ability to pay for these services. The CBC believes that the federal government has special responsibility to address the particular needs of the poor, minorities and other underserved groups who face particular difficulty obtaining adequate health care. The CBC rejects the notion that this nation has inadequate resources to finance high quality and accessible health care for all. Therefore, the CBC Budget Alternative focuses on five major objectives:

Limiting Health Care Costs for the Elderly.

Expanding Access to the Health Care for the Uninsured and Underinsured.

Improving Maternal and Child Health Services.

Enhancing the Supply of Minority Health Professionals.

Targeting Federal Health Research Funding on Minority Health Problems.

Medicare—Function 570:

Baseline	83.14
President	78.03
CBC	110.14

The Alternative Budget endorses the Catastrophic Health Care insurance plan—proposed in H.R. 65. It provides unlimited hospital stays; comprehensive long-term care, eye, hearing, and dental services; prescription drugs and full payment for physician care. The program would reorganize the delivery of health care through eligible organizations that would contract with Medicare to service a comprehensive package of benefits. The program cost would be approximately $27 billion and would be funded in part by an additional $50 per month premium which would generate $20 billion annually in revenue. This premium would replace those for Medigap insurance and combined with the existing Part B premium would not be allowed to exceed 10% of the beneficiary's income. Additionally funding would be derived from an extension of the 1.45% Medicare payroll tax to all earned income producing an annual $7 billion. The Alternative will support the continued funding of existing Medicare services at baseline levels.

Income Security—Function 600:

Baseline	131.41
President	127.20
CBC	133.77

The FY 1988 Alternative Budget reflects the belief that the Federal government has the responsibility to assure a reasonable income and a nutritious diet for all poor Americans, especially families with children, the elderly and disabled, and the working poor—who, notwithstanding employment—cannot fully provide for themselves. Additionally, we believe that the government has a responsibility to assist the poor in securing affordable and safe housing.

The Centerpiece of this strategy is a comprehensive reform of the nation's welfare system funded by the CBC Alternative by an additional $6 billion over baseline services.

The Alternative Budget rejects the Administration's anti-poor, anti-family, and anti-child budgetary policies.

1. Increases the budget by $400 million per year for three years to improve AFDC benefits for mothers with children.

2. Reduces long-term welfare dependency by use of special project grants designed to encourage mothers to delay subsequent pregnancies and provide training and skills development. Increase outlays by $500 million per year for three years to support training and skills development programs.

3. Increases outlays by $500 million per year for three years to provide income support to all unemployed parents with children by mandating the implementation of the AFDC-UP program in all states.

4. Coordinate food stamp and AFDC asset rules by:

(a) increasing the AFDC resource limit from $1,000 to $2,500 for non-elderly and non-disabled;

(b) raising the automobile fair market value exemption from $1,500 to $5,500; and

(c) continuation of the owner occupied home exemption.

5. Apply a $75 disregard of Social Security and Unemployment compensation benefits in the determination of AFDC and food stamp benefits stamps.

Social Security—Function 650:

Baseline	220.98
President	220.83
CBC	220.98

Function 650 includes those programs that contribute to the income security of retired and disabled Americans through the Social Security program. The Social Security program finances cash payments to persons aged 65 and over under the Old-Aged and Survivors Insurance (OASI) trust fund and for disabled persons 65 and under, through the Disability Insurance (DI) trust fund. The Social Security program is authorized under the Social Security Act.

The FY 1988 Alternative budget, supports current legislative provisions taking social security programs off-budget and provides for higher benefit payments. The Alternative budget assumes the full amount required to pay current law social security benefits, as estimated by the Congressional Budget Office.

Veterans Benefits and Services—Function 700:

Baseline	27.40
President	26.73
CBC	27.40

The purpose of this function is provision of services and compensation to veterans and their survivors, including income security benefits compensation for earnings lost due to service related disabilities, hospital service and medical care benefits for service related physical and psychological disabilities, and for general medical services for those veterans who cannot afford medical care. The CBC Alternative provides for maximum financial assistance to veterans for education, job training, rehabilitation and adjustment to and veterans function in civilian life. Other benefits include programs for guaranteed housing loans, life insurance, and burial benefits.

Administration of Justice—Function 750:

Baseline	9.11
President	9.20
CBC	9.85

The FY 1988 Alternative proposes $79.85 billion under this function and rejects Administration proposals to cut funding for drug enforcement. The Alternative also rejects the Administration request to eliminate the Legal Services Corporation and the Juvenile Justice and Delinquency Prevention program.

This function includes those programs designed to provide litigative and judicial activities in federal law enforcement, including enforcement of federal civil and criminal laws, and the interdiction of narcotics and enforcement of narcotics laws and enforcement of civil rights. In addition, this function provides for funding of the judiciary and the federal penal system including rehabilitation and incarceration of criminal offenders.

General Government—Function 800:

Baseline	6.87
President	7.74
CBC	6.87

General Purpose Fiscal Assistance—Function 850:

Baseline	1.86
President	1.53
CBC	1.86

Net Interest—Function 900:

Baseline	140.41
President	138.78
CBC	139.11

Allowances—Function 920:

Baseline	.926
President	−1.18
CBC	.926

Undistributed Offsetting Receipts—Function 950:

Baseline	−35.11
President	−38.18
CBC	−35.11

Total Expenditures:

Baseline	1071.13
President	1039.72
CBC	1094.80

Revenue:

Baseline	900.45
President	905.40
CBC	964.12

CBC FY 1988 ALTERNATIVE BUDGET REVENUE PROPOSALS

The Alternative Budget contemplates increases in revenues to reduce the deficit and to finance expenditures essential to the well-being of all Americans. A significant part of the new revenues will be dedicated to financing catastrophic health care provisions under Medicare. These new revenues are:

Premiums of $50 per month per insured (the total premium for catastrophic care and Part B will not be allowed to exceed 10% of the insured's income)—$20 billion;

Extension of the Medicare Payroll Tax to all earned income—$7 billion.

General Revenues

Revenues to reduce the deficit and to fund essential additions for the budget will total $975.60 billion. These revenues shall be raised by means that impact least on those with limited income. One of the major triumphs of the tax reform act of 1986 was that it removed the poor from the income tax rolls. It is the position of the Caucus that this philosophy should continue to guide Congress in any effort to raise revenues. Other revenues designed to reduce the deficit will include major commitments of optional taxes to bring CBC Alternatives on-line with its stated deficit reduction goals.

Deficit:

Baseline	170.68
President	134.31
CBC	130.68

	[1] −25.00
Total	105.68

[1] The Congressional Budget Office reported to the Senate and House Committees on the Budget—"Economic Budget Outlook: Fiscal Years 1987-1991" Part I—Table II-6. That lost revenues and increased outlays from unemployment yield an unemployment deficit of $40 billion dollars for every one percent of unemployment. In meeting Humphrey-Hawkins targets—the CBC ALTERNATIVE assumes for the purposes of budget debate, a reduction in 1988 unemployment levels of .66%, yielding an aditional $25 billion in deficit reductions over initially projected levels.

Mr. HAWKINS. Mr. Chairman, I rise today in support of the House Budget Committee's budget resolution for fiscal year 1988. I am particularly pleased that the resolution recognizes the centrality of education and job training programs in enhancing our competitiveness, expanding opportunity, and laying the groundwork for stable, economic growth.

I am concerned, however, that we have not been able to overcome the insidious tactics of the Reagan administration which force the Congress to choose among programs of equal merit rather than allowing us to address America's needs comprehensively.

The administration argues that Government does too much and that we can't afford it. I believe Government isn't doing enough in key areas and that we can't afford this neglect.

There can be no argument, for instance, about the relationship between hunger and poor performance in school and other antisocial behavior. We need to expand the Women's Infants and Children's Program [WIC] which currently serves only 3.2 million people or less than half of those eligible.

Similarly, report after report convincingly proves the effectiveness of the Chapter 1 Program, Compensatory Education for Disadvantaged Children. Yet, while the number of poor school-aged children has increased by 2 million since 1979, the number receiving compensatory education has fallen dramatically. In 1984, 550,000 fewer children were served by the program than in 1979. Can anybody seriously doubt that society pays a heavy price in poor educational achievement, underemployment, welfare, and the costs of providing other social programs.

In the job training area, there is universal recognition of the effectiveness of the Job Corps Program. Yet, at a time when youth unemployment has reached epidemic proportions—18.1 percent of all tennagers and 37.6 percent of black youth are jobless—we have not expanded youth employment programs that offer gainful employment, meaningful job training, and work experience to economically disadvantaged youth.

These programs do not meet the need because the President has forced us to accept his ground rules of reduced taxes and a level of defense spending that is still too high. When added to the interest on the debt, so much of the budget is off limits that the reductions on which the President insists and which misguidedly enacted legislation like Gramm-Rudman mandates must come at the expense of worthy programs. This year education programs have emerged from the process relatively unscathed. Next year, we may not be so lucky.

The solution, however, is not to rob Peter to pay Paul. The Nation is not well served if we reduce expenditures for bridge construction and repair, community development, housing, or even foreign aid to fund education and job training. Rather, the answer is to change the assumptions which underlie our deliberations and agree to address all of America's needs and recognize the interrelationship between them.

This year the Education and Labor Committee is responding to several high priorities including reauthorizing elementary and secondary programs, providing a trade-related education initiative and an expanded dislocated worker program to enhance our competitiveness, and welfare reform.

Unfortunately, addressing these needs in a responsible way costs money. More unfortunate, however, is that it is extremely unlikely that we will be able to fund them adequately because we, in the Congress, have agreed to be limited by artificial constraints and an agenda not of our own making.

In this regard I want to acknowledge the leadership of the Speaker, JIM WRIGHT, in forcefully making the case for additional revenues and for fighting so aggressively to create a new agenda with new priorities.

I also want to recognize the accomplishment of the House Budget Committee, particularly Chairman BILL GRAY in constructing a budget resolution in such difficult circumstances.

Finally, on behalf of the Committee on Education and Labor, I want to thank PAT WILLIAMS for his excellent work representing our interests in support of investments in education and other initiatives.

I hope that this statement explains both why I would have preferred to see a different budget resolution from the one the committee reported and why I will energetically support this one.

Mr. BROWN of California. Mr. Chairman, we are considering today an important piece of legislation. It establishes no law, nor does it appropriate any money; yet it has great impact on every Federal agency, every Federal program, every Federal recipient. It is legislation which establishes Federal fiscal priorities, and thus Federal policies. It is legislation which outlines the guidelines for committee and congressional action. It is legislation aimed at reducing the deficit, thus improving our balance of trade and overall economy. In short, it is the Federal Government's fiscal blueprint. I am, of course, referring to the fiscal year 1988 budget resolution.

What type of blueprint has emerged from the House Budget Committee? As with any legislation of this magnitude, it is not perfect—at least not from my perspective. Nonetheless, it is a sound blueprint which can lay a solid foundation for future legislation. There are many, of course, who will argue that the economic assumptions used in the budget are illusory, and therefore all its figures are meaningless. Yet it is not exacting figures or arbitrary deficit targets which are important. No, it is that, overall, the trend of rising deficits has been reversed; that there is a meaningful and steady reduction in our annual deficits.

I would prefer, of course, that the budget resolution's economic assumptions, which can substantially alter budget projections, were more realistic. I believe we owe the American people a forthright and honest budget presentation. However, we cannot compare apples and oranges. By using the President's Office of Management and Budget's own economic assumptions, we can compare the House committee's proposal and the President's budget on an equal footing. Not only is it possible to compare the differing budget priorities, but also the resultant budget savings and revenue increases. It soon becomes apparent that the House Budget Committee's proposal compares favorably on nearly every level.

The Budget Committee's proposal cuts the deficit by $38.2 billion in fiscal year 1988, achieving more deficit reduction than the $36.1 billion in the President's budget. These are real and permanent savings, and do not depend on illusory 1-year savings such as asset sales or on accounting gimmickry, as does the President's budget. The $38.2 billion in permanent deficit reduction in the committee plan is nearly twice as large as the permanent deficit reduction of $19.8 billion in the President's budget.

These reductions would more than meet the Gramm-Rudman deficit target for fiscal year 1988 by producing a deficit of $107.6 billion, slightly less than the President's $107.8 billion figure. And by requiring that the cuts be equally distributed between defense and nondefense programs, it remains consistent with the Gramm-Rudman deficit reduction legislation.

A few diehards will argue that our national security will be severely undermined if President Reagan's defense buildup does not continue unabated. But let's look beyond the rhetoric to the facts. In 1980, Ronald Reagan campaigned, in part, on a pledge to increase defense spending. After President Reagan took office, he embarked—with the support of the American public and Congress—on the largest peacetime defense buildup in history. Annual defense funding is now roughly double its fiscal year 1980 level. Poll after poll indicates that the majority of the American public is comfortable with the amount of money spent on defense.

Congress, too, would like a full accounting of what we have gotten for our money. Surely, our investments should have yielded results, improving our national security and prospects for a more peaceful world. The Budget Committee in no way suggests that we return to our former defense spending levels. Indeed, actual fiscal year 1988 defense outlays would be $2.1 billion above the fiscal year 1987 level. The committee merely calls for reducing defense outlays by $8.75 billion below the amount that would be needed to keep up with inflation. The committee assumes that these adjustments would be made proportionately in all areas in order to avoid undue or unfair reductions in any one or two areas. This would lead to a balanced defense program within the constraints of the budget resolution totals.

The budget resolution also attempts to balance our nondefense needs. The House Budget Committee's proposal attempts to protect high priority programs serving children, senior citizens, the homeless, the ill, the needy and others of our most vulnerable citizens. It also places a high priority on efforts to enhance trade, promote education, and meet emergency health and other needs. And it is here that our visions diverge, not because I do not agree with the House Budget Committee, but because I believe we should make a stronger commitment to these programs.

In 1986, our trade deficit reached an appalling $170 billion. It is strikingly apparent that the laissez-faire trade policy of the Reagan administration has been myopic. To continue this policy guarantees record future trade deficit records, and a reduced standard of living. We cannot continue to merely talk trade. We must prepare for trade. We must prepare our youth for a more technological and competitive world environment; prepare our workers for an ever-changing workplace; and prepare our industries to compete aggressively with our allies both domestically and internationally. This cannot be done without a coordinated job training, education, and, yes, even research policy.

Strictly speaking, the secret to competitiveness is not all that secret. We must provide a desirable, high quality, consistent, cost-competitive product to the appropriate marketplace. This requires a whole chain of events, beginning with proper education of our work force to provide a skilled labor force; continuing with support for basic science and research to provide the foundation for our technology; and including investments in applied science, innovation, and technology development. But just as important, it requires technology transfer to ensure that these ideas and technologies are transferred into product development to provide a continuous supply of new and desirable products and services.

In the most general sense, I believe that our inability to understand the relationship of these factors with the rest of our society has caused us to neglect some of the very cornerstones of our competitiveness. This is one of the root causes of our current problem, and if we are to avoid similar breakdowns in the future, we are going to have to spend more time, and perhaps more money. Only when all of the links of this vital chain are nurtured and kept strong will we be competitive. This should be our basic goal, and should be the premise upon which a coherent, broad based and long-term national trade blueprint is developed.

The blueprint must begin with a strong national commitment to education, particularly science and math education. Both the President and Congress are now supporting increases in science and math education. Yet, while the President recommended a healthy increase for math and science education within the National Science Foundation, bringing it up to $115 million, this funding, when compared in constant dollars, amounts to only half as much for math and science education during the Sputnik years of the late 1950's.

However, education should not be reserved only for the Nation's young. If we are to maintain a flexible work force, then we must place a higher emphasis on worker retraining. As we continue to shift away from low-technology industries, such as steel, it will become increasingly vital to retrain displaced workers. While this budget is an improvement over the past, Congress continues to fight the administration on efforts to boost such programs, and more effort is needed to develop alternatives for displaced workers.

Nor have we placed appropriate emphasis on our civilian research investments. While the defense related portion of our total research and development spending between the mid-1960's through 1980 was between 49 and 54 percent, this year, the President's budget request set aside close to 75 percent of our research dollars to defense-related research. I find this extremely disconcerting, since it is frequently difficult to transfer defense-related technology to the civilian sector. There is little evidence to suggest that defense-related research and development contributes to civilian economic growth. Further, this extreme emphasis on defense-related research is resulting in a brain-drain from important civilian sector projects.

Education, job training, and research are the foundations of an innovative and creative society. They are the cornerstones of our past success; they are the cornerstones of our economic competitors' success. Unfortunately, the results of such investments are rarely immediately tangible. Indeed, they often takes decades to mature. But without such investments, I guarantee that our competitiveness will continue to erode and our very standard of living placed in jeopardy. Yes, we must reduce our deficits, but as any entrepreneur can tell you: without investments, you can expect no returns.

The Budget Committee's proposal may not go as far as I would like, but it is a step in the right direction. Throughout the remainder of this session and beyond, we shall have opportunities to strengthen our fiscal and competitiveness blueprints. As we do so, I encourage my colleagues to bear in mind the importance of both short-term and long-term solutions to this problem. For improving our competitiveness is the key to improving our budget and trade deficits, and strengthening our overall economy not only in the days, but the years and decades to come.

Before I close, I would like to commend the Congressional Black Caucus [CBC] in its continuing effort to formulate an alternative proposal. As it has in the past, the CBC budget attempts to establish a fiscal policy which will ensure a decent quality of life for all Americans. The centerpiece of this budget is a strong commitment to people, particularly our children and their education. The members of the Black Caucus should be proud of their persistent endeavors on behalf of all Americans. I will, of course, support the caucus budget, but failing that must turn my attention on whether or not to support the Budget Committee's proposal.

The Budget Committee chairman and his colleagues have also worked long and hard to balance our fiscal priorities. I cannot maintain that this budget is the perfect budget, but it is better than the President's version or no budget at all. And though I would have preferred a stronger investment in some vital areas, I will, in the end, support this budget. I recommend that my colleagues do the same. Thank you.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield myself such time as I may consume.

We have had a lengthy general debate about the budget. Today we have heard from our friends on the Republican side of the aisle a lot of complaints about the amount of paper and procedures. I can understand and I hear what they are saying; however, the real issue that we must decide tomorrow by voting, not by rhetoric, is where do we stand with regard to choices for reducing the deficit?

We will have an opportunity to vote for several plans. There is the President's plan and I hope those who have said they are disturbed by the defense numbers and other numbers, if they believe that the President's plan has a better choice, they will vote for it.

We will also have the Dannemeyer substitute, as well as the Congressional Black Caucus and the House Budget Committee.

□ 1740

All of them represent a set of choices, and I think what really is very clear is, since we do not have a budget representing the leadership of the Republican side of the legislature, we have to assume that the President's budget represents their party.

Thus, the choice that we have is whether or not we are going to increase dramatically foreign aid while cutting student aid, or will we dramatically increase Pentagon aid while cutting farm aid.

What we have said in the House Budget Committee is that there ought to be a balance in those reductions, and that education is a priority, that health care is a priority, and that there should be spending reductions on the domestic side of $9 billion, and spending reductions on the Pentagon side of the same amount.

That is why this budget has more real permanent, true deficit reduction than any other that has been proposed. It has over $2 billion more in the first year than the President's, and when you take out the President's one-time asset sales, it actually has twice as much savings.

It also has less revenues than the President's. We have heard a lot about the Democrats taxing and spending. Well, I have not heard too many Members on the other side talk about the taxes in the President's budget, but he has 22.4 billion dollars' worth of revenues, whereas we have a half a billion dollars less of revenues.

I think that the choice is clear. We have, I believe, a budget that represents a consensus. It is balanced, it is fair, and it is equitable.

I am not surprised that my colleagues from the Republican side of the aisle are opposed to our budget. I am not surprised because they did not participate in the marking up of the budget, even though they were asked to amend and to vote. But what I am surprised at hearing is that some are suggesting that tomorrow on all votes there will be a "no" vote.

Well, I do not think that the American population sent us here to do that. I urge all my colleagues to vote. Vote for something that represents your viewpoint or comes closest to it. To vote "no" on all of the budgetary proposals is an abdication of our legislative responsibility and is the moral equivalent of legislatively saying, "Stop the world, I want to get off."

I do not believe that any of us can do that. I hope that my colleagues on both sides of the aisle will vote. They will be able to vote on several choices, several plans, and I urge them to do so.

Mr. BILBRAY. Mr. Chairman, today before us we face the difficult task of determining the blueprint for Government spending for the upcoming year. And frankly, the choice we must make will leave us between a rock and a hard place.

The deficit must come down and as difficult as this is, it pales in comparison to the consequences of inaction. In the past 5 years, the United States has gone from being the greatest creditor nation in the world to the greatest debtor nation on Earth. This is especially alarming in view of the fact that the United States has not been a debtor nation since World War I.

The U.S. Government now spends roughly 30 percent more money than it takes in. It took 39 Presidents and 200 years to accumulate a debt of $1 trillion. But since 1981, the national debt has more than doubled. Interest payments alone have tripled to a total of $140 billion a year, and now are the third largest segment of our budget, ranking only below Social Security and defense expenditures. We increasingly pay this debt to foreign investors in Tokyo, Hamburg, Geneva and Riyadh who have been bailing us out by buying Federal securities. Worse still, the truth is our economy would suffer withdrawal symptoms should these foreign investors become unwilling to commit more money to the economy.

Let us face facts, Mr. Chairman. Should we not act today, our Nation would be forced to borrow increasing amounts of money year after year just to pay the interest on the national debt. The already shrinking pool of money available to the private sector—money that would be spent in growth-oriented activities, including home buying—would face an increasingly crowded loan market. The fact is that if we cower from making the necessary difficult decisions, the tremendous trade imbalance our Nation now endures would worsen at a cost of thousands of American jobs. The danger of the deficit is real. Shrinking away from our responsibilities would compound the burden imposed on future generations, and will force future administrations to drastically hike the Government's tax take out of the income our children and grandchildren can produce in order to provide public goods and services at levels comparable to today as well as meeting the costs of debt service.

These are the hard facts, Mr. Chairman. While they are not pleasant, honesty dictates that we tell the American people what our choices are.

Congress, recognizing the dire consequences of an unchecked deficit, has made the tough choices to close the deficit hemorrhage. Congress has cut domestic spending by $300 billion since 1981, and has further cut the administration's budget requests by more than $25 billion during that same period.

Today, we must choose between the administration's budget or the House Budget Committee's budget. We must choose whether we continue a responsible and honest approach to deficit reduction, or whether we turn our back on our word to the American people and lay a smokescreen of doubletalk to cover our tracks.

The President has said he opposed tax increases, but his own fiscal year 1988 budget calls for $23 billion in new taxes. They are called user fees, asset sales, increased receipts, revenue enhancements and offsetting collections. But no matter what you call them, they are just a crafty use of semantics which obscure what is being proposed by the administration: raise taxes by $23 billion.

The House Budget Committee proposes a smaller increase in taxes than the administration proposes, and has the decency to be honest with the American people in talking about it.

The administration's fiscal year 1988 budget includes only $19.8 billion in permanent deficit reduction measures which are mostly achieved mainly through domestic spending cuts. About half of that amount in deficit reduction under the administration proposal would come from the sale of physical and financial assets. But in all honesty Mr. Chairman, asset sales produce only one-time savings which are followed by increased costs in the future due to the loss of income that these assets would otherwise produce.

In contrast, the resolution reported by the Budget Committee contains $38.2 billion in permanent deficit reductions, including $17.5 billion in spending cuts. Unlike the administration proposal, deficit reductions are not obtained through an accounting sleight-of-hand but are reached by a equally-balanced reduction of domestic and military spending.

The administration budget would cut fiscal year 1988 domestic outlays by $22.5 billion below the level that the Congressional Budget Office estimates would be necessary to maintain current levels, and proposes to eliminate at least 45 programs, including EPA construction grants, college work study, urban development action grants, and the Legal Services Corporation. Medicare would be cut by $5.1 billion for the next fiscal year, and by $20.8 billion over the next 3 years. Education, training and social services would be cut by $5.45 billion over what would be needed to maintain current levels. These cuts would, for the most part, not go toward deficit reduction but rather be used to finance an $18 billion increase in defense outlays. And, I would remind the speaker, this is on top of spending $1.4 trillion on defense over the past 6 years.

The Budget Committee resolution would also make deep cuts in domestic spending. Under this plan, $2.5 billion would be cut from entitlement programs. Medicare would be reduced by $1.5 billion and $1.0 billion would be cut from agriculture. Total domestic outlays would be cut by a total of $8.75 billion. What is significant is that this amount is matched by an equal $8.75 billion cut in defense.

Mr. Chairman, it is only fair that defense contribute to the process of deficit reduction. By fiscal year 1991, if the administration's budget requests were to be enacted, the United States would be spending more on defense than in any year since World War II, including the peak spending years of the Korean and Vietnam wars. While equally matching domestic spending and military spending cuts, the Budget Committee resolution will still provide for military funding at levels significantly higher than normal peacetime spending levels. If the fiscal year 1988 House budget resolution were to pass, the $288.7 billion it provides for defense would represent an average annual real growth of 4.2 percent in defense budget since fiscal year 1980, well above the 3 percent real growth target set by NATO in 1977.

Even with the reductions slated under the Budget Committee Resolution, the fiscal year 1988 defense appropriations target of $288.7 billion is only three-tenths of 1 percent below this year's level.

While I support equal domestic and military spending cuts, I must express my concern that neither proposal will meet the deficit-reduction targets mandated under Gramm-Rudman. However, given the prospect of the consequences of inaction I must support equal and balanced cuts.

Mr. Chairman, Nevadans like to look at the bottom line. On this question, the bottom line is whether we support a large tax increase or a lesser tax increase. Given the choice between these two evils, I must support the Budget Committee resolution.

The CHAIRMAN. All time has expired.

Mr. GRAY of Pennsylvania. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MORRISON of Connecticut) having assumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 93) setting forth the congressional budget for the U.S. Government for the fiscal years 1988, 1989, and 1990, had come to no resolution thereon.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed a bill of the House of the following title, in which the concurrence of the House is requested:

H.R. 1783. An act to make technical corrections in certain defense-related laws.

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 1123. An act to amend the Food Security Act of 1985 to extend the date for submitting the report required by the National Commission on Dairy Policy.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 626. An act to prohibit the imposition of an entrance fee at the Statue of Liberty National Monument, and for other purposes.

GENERAL LEAVE

Mrs. VUCANOVICH. Mr. Speaker, I ask unanimous consent that all Members may have 3 legislative days within which to revise and extend their remarks on House Resolution 139, the rule making in order consideration of the budget resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Nevada?

There was no objection.

GENERAL LEAVE

Mr. OWENS of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on House Concurrent Resolution 93.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

THE IMPORTANCE OF CDBG AND UDAG PROGRAMS

(Mr. MFUME asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MFUME. Mr. Speaker, when I came into Congress, I was and remain committed to the reordering of the priorities of America. I am standfast in that we cannot and must not make less of a priority of our domestic needs.

Just 1 month ago, I listened and participated during the hearings, markup, and floor debate when we considered legislation to aid the homeless. There were so many eloquent comments, heartfelt statements, and so much energy exerted to aid in the expeditious passage of the legislation and everyone that supported this initiative did so with the realization that emergency assistance for the homeless is only a temporary band-aid. The time is now to focus on those issues that can help people before they become homeless, those programs that develop and revitalize our communities.

Today, as we begin to consider the various budget plans for this Nation; as we begin to determine the priorities of America, I ask that we not ignore the needs of our communities and fund adequately the Community Development Action Grant and the Urban Development Action Grant Programs. I ask that we keep in mind the necessity to keep in place and strengthen long-term solutions to our Nation's problems as we consider funding the programs that are critical to the physical and economic health of our communities.

Needless to say, the CDBG and UDAG programs are both critical to the physical and economic health of our communities, and thus, the Nation. Yet the administration in its fiscal 1988 budget, proposes a funding level of $2.625 billion for CDBG—which is 12.5 percent less than the fiscal 1986 amount and the lowest funding level for the program since 1976—and termination of the UDAG program is proposed amid the recognition of the program's substantial success.

Both of these programs provide assistance for locally determined physical, economic, and community development activities targeted to low- and moderate-income families and distressed neighborhoods. It is important that they both be funded at least at the current level of services. However, the administration, in its proposal, has deserted the commitment the Congress has made to assisting these areas to share in the benefits of national economic growth.

The Democratic budget plan, I am proud to say, rejects the President's proposal to reduce the CDBG and to terminate the UDAG. The plan assumes that virtually all community and regional development programs under function 450 of the budget would be funded at 1987 levels in budget authority.

I cannot overemphasize the importance of these programs and while I remain of the mindset that the programs need increased funding, I accept and encourage my colleagues to support the Democratic budget plan where these programs are concerned.

In fiscal 1985, entitlement cities spent 22 percent of their CDBG resources for public works projects. Housing-related activities absorbed 36 percent, with single-family housing rehabilitation accounting for half that amount. Economic development activities, such as loans and grants to businesses and related infrastructure support, claimed 11 percent of the cities' funds.

States awarded nearly 46 percent of their awards for public works projects, 15 percent for other economic development activities, and about 24 percent were housing-related. The CDBG award has been one of the mainstays for Baltimore as well as many other cities and many States.

The UDAG program provides the financial incentives necessary to encourage private businesses to undertake major commercial, industrial, and neighborhood development projects in economically distressed communities. Each UDAG dollar is credited with leveraging more than six times as many private dollars. The UDAG program has assisted nearly 2,600 development projects in more than 1,100 cities since 1978. Nationwide, $4.1 billion in UDAG resources is credited with generating nearly 540,000 permanent new jobs, 111,000 retained jobs, and 450,000 construction jobs. The program is further credited with generating more than 105,000 units of rehabilitated or newly constructed housing—40 percent of which has been for low- and moderate-income persons—and more than $600 million annually in local tax revenues. How can such a program be considered for termination by this administration?

The reduction or termination of these programs would amount to a significant loss in our battle to provide stable environments so as to avoid homelessness and other distraught situations. Quite frankly, when we reach the point of having to pass emergency legislation instead, we are at the point of being too late because we are then only addressing the symptom.

GENERAL LEAVE

Mr. OWENS of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include extraneous material, on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

NATIONAL LIBRARY WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. STRATTON] is recognized for 5 minutes.

Mr. STRATTON. Mr. Speaker, I am pleased to rise today in the House to commend our country's libraries for the outstanding service they provide our people and our society. This is National Library Week—an excellent opportunity for all of us to reacquaint ourselves with the valuable resources of our libraries. I know I depend on them.

From an educational standpoint, libraries are an unparalleled source of information for students of all ages. Maps and magazines, cassettes and microfiche, and, of course, books on every subject provide research material for college papers, audio lessons for high school language classes, and primers for elementary students just learning to read. Libraries are an invaluable part of our educational system.

But libraries are not only a vital educational tool, they are also a terrific source of entertainment. For me, reading is an active pleasure and great source of satisfaction. Anyone with a willing imagination can find stories of ancient civilizations and faraway lands, great heroes, and mythic legends to explore at the library. Historic accounts, adventure stories, romantic novels, and classic literature are all accessible.

For whatever reason, people of all ages visit libraries everyday. They are a national resource and treasure, and I am delighted to take this opportunity during National Library Week to salute them.

NATIONAL LIBRARY WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes.

Mr. OWENS of New York. Mr. Speaker, this special order is to celebrate National Library Week. Each year, Mr. Speaker, there is a period set aside to call the attention of the Nation to the importance of our libraries. Our libraries are an important component of the total overall educational effort of the Nation.

One week of course is not enough to call attention to it, but symbolically it is important that we take time out and consider the fact that in our very complex society, as the amount of information and the amount of knowledge being generated increases so very rapidly, there is a need for a group of professionals to protect us from this onslaught of information and to prevent the information world and the vast generation of information from overwhelming us.

These professionals are librarians, and the institutions that they are in charge of are libraries. Whether they are libraries for the entire public, libraries for educational institutions, school libraries, college libraries, university libraries, research libraries, special libraries, all of these have one thing in common—they have a group of professionals who are there for the purpose of preventing us from being overwhelmed by the enormous amount of information being generated.

□ 1750

They are there to guide us through the maze. They are there to bring order out of what could be a chaos which would be of no use to anyone.

Each year the President acknowledges National Library Week, and I would like to begin by stating a part of the President's letter, a very significant part. I am quoting from the President's letter:

> Dr. Samuel Johnson said that knowledge is of two kinds. We know a subject ourselves or we know where we can find information on it. Humanity continues to make dramatic strides in expanding the frontiers of knowledge. No single individual can hope to master all. Libraries make available to us the knowledge we seek or guide us in the pursuit of that knowledge.

Mr. Speaker, I will enter in the RECORD at this point the entire letter of the President in this regard.

The letter referred to follows:

THE WHITE HOUSE,
Washington.

NATIONAL LIBRARY WEEK, APRIL 5-11, 1987

I am pleased to extend warmest greetings to the American Library Association for the 30th annual observance of National Library Week.

America's libraries are one of the essential features of our modern society because they encourage literacy, knowledge and a better understanding of the world—and, of course, because they serve as a depository of America's rich and diverse cultural heritage. It is indeed appropriate that each year we recognize America's libraries and the outstanding individuals who make them work so well.

Dr. Samuel Johnson said, "Knowledge is to two kinds. We know a subject ourselves, or we know where we can find information upon it." Humanity continues to make dramatic strides in expanding the frontiers of knowledge. Although no single individual can hope to master all, libraries make available to us the knowledge we seek or to guide us in pursuit of it. The wealth of services our libraries provide to our communities makes it possible to reflect upon our past so that we may be better prepared for all that lies ahead.

This celebration is but another reminder of how much we rely on our libraries. I urge all Americans to "take time to read" and to pay a visit to your local library during this special week and throughout the year.

RONALD REAGAN.

Mr. Speaker, I would also like to point out that this particular National Library Week in the year of 1987 has a special significance in that the Librarian of Congress has recently indicated that he will be resigning. The Librarian of Congress is a very important person in the constellation of libraries and library services and library systems for the entire country. The Librarian of Congress does not only serve Congress, but has a network of services that extends throughout the entire Nation.

Most people do not realize it, but the Library of Congress is in charge of all services such as reading to the blind, services that are extended to the smallest public libraries in the smallest rural communities. Beginning at the Library of Congress are our braille books. They originate there and are routed throughout the country. That is only one service that the Library of Congress provides that few people know about. There are many others.

Among those others are the provision of library cards, the cards we find in the library catalogs which are often provided by the Library of Congress. Certainly the assignment of subheadings and the classifications and a number of other things are done by the Library of Congress, and the network that provides for the distribution of this originated with the Library of Congress.

So the Librarian of Congress is a person who occupies a very special place in the total, overall system of library services for our Nation.

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. OWENS of New York. I am happy to yield to the gentleman from Wyoming [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Speaker, I thank the gentleman for yielding and commend him and associate myself with his commemorative special order.

I would like to draw the attention of other Members of the House to a fact that ought to be recognized and celebrated throughout this Congress. That is, the gentleman from New York [Mr. OWENS] who has taken this special order is, if my understanding is correct, the only librarian to serve in the Congress in the long history of the Congress. This Congress has lasted now 200 years. I suppose we ought to be somewhat surprised that we have not had a librarian before the gentleman from New York, but I cannot think of anyone better qualified to be the first librarian in the Congress than the gentleman, and I commend him for that and I thank him for yielding.

Mr. OWENS of New York. I thank the gentleman for his kind remarks. I would like to say that technically I may be the first librarian to serve in the Congress, however the spirit of librarianship has been here for a long time, starting with Thomas Jefferson who insisted that the body needed a library, and later on when the library was destroyed offered his own library to restore the Library of Congress. But I thank the gentleman for his remarks.

The present Librarian of Congress, as I said, has resigned. I would like to state that the selection of a new Librarian of Congress is no small matter. We should all be concerned with it.

In that respect, I have introduced a bill which will deal with part of that process. Heretofore, Librarians of Congress have been selected without any qualifications being required. This does not mean we have had Librarians of Congress who did not perform admirably. In fact, most of them have. Some of them have been librarians and some have not been librarians.

The legislation I am offering, H.R. 683, which has already been introduced, is offered in the spirit of the complexity of our modern society. We cannot have a situation any longer where Librarians of Congress do not have the firm foundation in libraryship and are parts of the professional library world. The complexities are such and the systems that span our country, and indeed the international systems of information, and the library services are so great, to any longer allow the process of the appointment of a Librarian of Congress to go forward without having some qualifications cannot continue. We have qualifications for the Surgeon

General, and we have qualifications for the Solicitor General which relate to the job they are going to perform. For that reason, I have offered legislation which merely requires that we follow the same pattern established for qualifications in the selection of a Solicitor General and the Surgeon General. We are asking in this legislation that from here on the Librarian of Congress shall be appointed by the President, along with the advice and consent of the Senate, and the Librarian of Congress shall be appointed from among individuals who have specialized training or significant experience in the field of library and information science. This is the only addition to the law. We think it is a reasonable request at this stage in the history of the Library of Congress.

In connection with that, I have sent a letter to my colleagues requesting that they cosponsor this legislation. I would like to read that letter because I think it explains the reason for this request at this time.

> DEAR COLLEAGUE: As the search for a successor to the retiring Librarian of Congress Daniel Boorstin gears up over the next several months, we are likely to hear considerable debate about the intellectual caliber and credentials of the possible candidates. Even the political beliefs and affiliations of the contending candidates are likely to come under scrutiny. Unfortunately, what we may not hear amid all of this debate is whether or not the candidates have any training and experience which qualifies them to oversee and expand the only federal entity which might be called a national library. Of even greater importance is the question of which candidate can best serve as a "Great Communicator" for culture and information systems.
>
> Unlike other positions, such as the Surgeon General and the Solicitor General, the Librarian of Congress is not required to have any specialized experience or expertise under current statutes. The Surgeon General must "have specialized training or significant experience in public health programs". And the Solicitor General must be "learned in the law".
>
> The relatively recent tradition of selecting an outstanding "man or woman of letters" as Librarian of Congress is a good one inasmuch as it recognizes the great significance of the institution in American life. But it fails to recognize that the Library of Congress is much more than a symbol—it is the key component of a national information network. The institution's importance demands that it be headed by a professional librarian—an individual whose expertise enables them to understand the present scope and breadth of the institutions activities. Such a professional librarian would be immersed in the National and world information community to a degree great enough to inspire visions of the kind of national library and information systems our country needs as we move into the twenty-first century.
>
> It is imperative that we lay aside our conventional thinking about libraries and librarians and understand that there are professional librarians who are master administrators running "systems" of libraries with mult-million dollar budgets and thousands of employees. There are a considerable number of librarians with doctorate degrees who have written numerous books and articles. What we need is a "Librarian of Letters" whose primary function is to serve as a "Great Communicator" for national culture and information.
>
> The Librarian of Congress should be a major source of advice on culture and information issues for the President and the Congress. The Librarian of Congress should be a voice which seeks to coordinate and unify federal information agencies and federal information activities. Members of Congress should be concerned about the present fragmentation of federal information activities. There is presently no central policy coordination to maximize the effectiveness of the following large and complex cultural and information entities:
>
> National Technical Information Service
> Defense Technical Information Center
> Smithsonian Institution
> National Endowment for the Humanities
> National Archives
> National Library of Medicine
> Government Printing Office
> Numerous Executive Branch Libraries
>
> The only single position within the federal government with the status and scope which gives it the potential capability of constructively coordinating this array of institutions is the Librarian of Congress. The person chosen to serve as the Librarian of Congress should be a man or woman trained to preside over such a grouping.
>
> Without an updated approach to our national information systems in this age of information, our commerce, technology, and military efforts will continue to escalate in cost while they become less effective. The information systems of Japan and the Soviet Union are already superior to our stagnating neanderthal approach.
>
> These are some of the reasons I have introduced legislation (H.R. 683) modeled on the current statutory qualification for the Surgeon General and the Solicitor General. H.R. 683 would require that "the Librarian of Congress shall be appointed from among individuals who have specialized training or significant experience in the field of library and information science".
>
> It is important to note that such a requirement would by no means preclude the appointment of a great scholar to the position; the ranks of American librarians include a great many recognized "men and women of letters". It would, however, help ensure that for future generations, the Library of Congress will not merely be the best institution of its kind in America but the pivotal component of a world-class information system.

□ 1800

As the first professional librarian elected to the Congress, I hope my colleagues will join in cosponsoring this very important piece of legislation. As I said before, this is legislation which has great significance during this week when we celebrate National Library Week because the Library of Congress sits at the pinnacle, is the pinnacle of all library service in this Nation.

There are some very important other current issues related to libraries before the Congress or before the various decisionmakers here in Washington.

There are issues, of course, which relate to libraries in the budget which was debated today. The budget, of course, that has been set forth by the Budget Committee of the House of Representatives, that resolution corrects or goes much further than the President's budget. Whereas the President has commended libraries and called for more people to use libraries, his budget again placed zero in the budget for most functions relating to libraries, starting with the Library Services and Construction Act.

Again Congress, this House of Representatives, has restored funding for those very important library programs. The President has a set of rescissions in his budget, he has attempted rescissions which defunded certain crucial programs relating to higher education. That period of congressional review which was related to those decisions has expired, and now the President has to spend the money relating to LSCA and the Higher Education Assistance Act.

The postal revenue foregone provisions, whereby we subsidize postal rates in order to keep the rates lower for certain kinds of organizations including libraries, again the President has not supported the request. He would eliminate all postal revenue foregone appropriations except the free mailing privileges for the blind.

Well, in doing that, the result would be that there would be a 29-percent increase for the library postal rate, which in essence means instead of spending money on books in libraries and services and providing greater information services for the American people, libraries would be spending more of their money on the postage necessary to transmit books and materials.

There are many other issues relating to the Government Printing Office, the National Endowment for Humanities, Education Consolidation Improvement Act, and others which are directly related to the welfare of libraries throughout the Nation.

I would particularly like to point out the Education Consolidation and Improvement Act now under consideration in the Committee on Education and Labor, which contains provisions which are very important to school libraries.

Chapter 2 of the Education Consolidation and Improvement Act at one time had specific mandates for the provision of library services. Chapter 2 in 1981 under the Reagan administration's consolidated grants, was placed into a block grant with 31 other services in addition to library services. As a result, very little of that money has been spent on library services.

In the present reauthorization process we are requesting that libraries again be singled out as mandated services and if they are to be retained in a block grant that the block grant functions be reduced, libraries be one of five functions and that there be a clear statement of the need to have libraries funded by the provisions of chapter 2.

With respect to appropriations, I would agree with most of the recommendations that have been made by the American Library Association in all areas. The authorizations for library programs have been much higher than the appropriations. We are in urgent need of having to play catchup. The recommendations of the American Library Association with respect to appropriations are much more sensible. They take into consideration the fact that we have a budget crisis. They do not ask for the full authorization but do recommend for the Library Services and Construction Act a sum much higher than that recommended by the President. They recommend, for the Higher Education Act library programs, a sum which is higher than that recommended by the President and for several other library programs.

The recommendations of the American Library Association, which I would like to submit for the RECORD, are reasonable recommendations with which I heartily agree. They are necessary to keep our libraries viable in this Nation.

Among the areas that are discussed in the recommendations for appropriations is the Library Services and Construction Act. I would just like to point out some of the kinds of programs that the Library Services and Construction Act is funding in the New York State congressional districts.

The Brooklyn Public Library, for example, funds a very important urban resource library project to provide additional materials in libraries in urban areas where the money is not available to keep those libraries up to date.

More important is the education information centers program provided by the Brooklyn Public Library which provides adult independent learning information and job information for employed people who want to seek new jobs or promotions, as well as unemployed persons and give special attention to the information needs of the handicapped.

The Nassau Library System, like many others, has an adult learning center program, job information center, English for new Americans, a very important literary project. Several libraries are offering English for new Americans and finding they are being overwhelmed by new requests as a result of our immigration legislation which recently passed.

So throughout the State of New York, all the congressional districts, there are very impressive programs undertaken using funds from the Library Services and Construction Act. These programs are very much in need of appropriations closer to the authorization levels.

Another very vital issue which must be discussed during this National Library Week is the issue of access to Government information. The American Library Association and other research orgnizations are fighting a losing battle with the present administration in their attempts to get greater access to Government information. We have a problem of the privatization of the National Technical Information Service. The Office of Management and Budget has revealed its decision that it will contract out the National Technical Information Service.

In 1988 the office informs us that the private sector will be offered the opportunity to operate the National Technical Information Service. This decision of the Office of Management and Budget has been made despite the fact that the Department of Commerce, which is responsible for the National Technical Information Service, stated that "the evidence is that extensive privatization presents substantial cost and risk for the government for NTIS customers and for the information industry as a whole."

☐ 1810

I cite this example of the National Technical Information Service under the threat of privatization and being contracted out because it has taken place, this contracting-out process, with several Federal executive branch libraries already. The Department of Energy library has been contracted out; the Oceanographic Institute library, and a few others, HUD. Their library has been contracted out.

In one instance, the contract has gone to a foreign corporation. We are going to have our information services in the hands of foreign companies which, I think, creates a very serious problem. More important than that, whether they are foreign or domestic, to have information systems in the control of private enterprise raises many other issues which have been highlighted in testimony before several of the committees of the Congress.

We are against privatization. We think the Office of Management and Budget should call a halt to all of its efforts to contract out various libraries that are now under Federal jurisdiction.

In a report entitled, "Access to Government Information, Current Issues," the American Library Assocation has highlighted some other issues related to access to information. I make this report a part of the RECORD. They talk not only about contracting out of libraries, but restrictions on access to information that are increasing.

One of those restrictions relates to the Freedom of Information Act. They are charging fees that were not charged before. These fees have restricted the use of the Freedom of Information Act.

In a report which is entitled, "Freedom of Information Act Fees," the American Library Association again highlights the fact that when Congress passed the amendments to the Freedom of Information Act recently in October 1986, they did not intend for the kinds of restrictions to take place that are now being imposed.

The Office of Management and Budget has insisted on having guidelines which exclude libraries from among those nonprofit educational institutions which are able to have information under the Freedom of Information Act reproduced, made available, at merely the cost of reproduction. Not to have libraries included is a gross misunderstanding of what libraries are all about or what they are for.

The report further states that under categories of users, only the educational institutions and representatives of the news media are allowed to obtain documents merely for the amount of money needed to reproduce the documents, and they are requesting that libaries be included.

The intent of Congress, which has recently clarified by the gentleman from Oklahoma [Mr. ENGLISH], included an analysis of the fee and fee waiver amendments to the Freedom of Information Act. He included in the CONGRESSIONAL RECORD of October 8, 1986, the following: He says, "A request from a public interest group, a nonprofit organization, a labor union, library or similar organization, or a request from an individual may not be presumed to be for commercial use unless the nature of the request suggests that the information is being sought for some private or profit making purpose."

In general, the gentleman is clarifying his own legislation to state that libraries are definitely among the agencies that are considered noncommercial users.

Also, I mentioned earlier that the postal revenue foregone appropriation is a major problem, a major concern of libraries at this point because of the fact that such ending of Federal subsidies for postal rates would mean that libraries would have to use other operating funds to fill the gap. They would have to spend more money on the transport of books via the Postal System, and I have a document here from the American Library Association entitled "Postal Revenue Foregone," which sets out the dangers and harm that would be done by the administration budget.

It also gives the funding history showing how the reduction of the postal revenue foregone appropriation has proceeded over the years and the impact of that on libraries.

I mentioned earlier the Library Services and Construction Act and a statement has been supplied from the American Library Association, which states exactly what the States would lose, State by State, under the present proposal by the President in his budget where he cuts the Library Services Construction Act to zero.

The States would lose a great deal of money and we have a statement, State by State, of what each State would lose.

The proportion of money supplied by the Library Services and Construction Act is a very small proportion of the total amount of money supplied for libraries. The States supply much more money, and the municipalities supply a great deal of money.

However, the small percentage of funds that have been supplied by the Library Services and Construction Act have revolutionized the way library services are provided in the States and localities. They have required a more systematic planning approach; they have certainly forced the libraries to focus attention on groups that are not served ordinarily, and they have provided the extra money needed to provide this service to people who are not ordinarily served.

The State-by-State loss in services is noted, and we have also a report entitled, "What the States Would Lose Under the Public Library Services and Construction Portion of the Library Services and Construction Act," if we do proceed to enact zero in the budget, as the President has requested.

Again, we are happy to observe that the Committee on the Budget has already restored much of the money that the President proposes to cut. But if that should happen, the States would lose a great deal of money for library construction, as well as for library services.

The States will also lose a great deal of money in the provision of interlibrary cooperative services. Libraries are not able to supply individually the enormous amounts of books and other materials, microfilms, various items that are necessary. They cannot supply that themselves. No individual library stands alone. They have an elaborate network of interlibrary cooperation which enables the person in the smallest town in America to draw on the resources of the largest research library in the Nation.

These interlibrary cooperative arrangements will be greatly hindered if the budget cuts proposed by the administration were to go forward, and there is a State-by-State indication of the losses that would be experienced.

Also, in the area of high education, training for libraries, training grants which supply the funds to train librarians who are very badly needed in certain areas, especially minority librarians would greatly suffer if the present appropriations process goes forward.

Although $5 million has been authorized, the last appropriation only provided $1 million. We are hopeful that the appropriation will be closer to the authorization, since the authorization itself is so very small under the library training provisions of the Higher Education Act, title 2(b).

This is of great concern to all libraries who are very much in need of the graduates of the library schools who use these Federal funds.

In closing, I would like to emphasize the fact that the concerns of libraries and the library profession are not unrelated to the priorities of the Nation. We have been spending a great deal of time, as we should, on the question of making America more competitive. In the process of discussing how we can make America more competitive, we have focused on the American educational system from A to Z, from kindergarten to the graduate programs.

I think this is appropriate also. In the competitiveness bill, which is now wending its way through various committees, the competitive bill will have a very strong component of education. In my committee, the Committee on Education and Labor, certainly has worked hard to guarantee that the provisions in the competitive legislation are sound and those provisions are relevant.

□ 1820

The provision of libraries is certainly relevant to any educational process. When we stop and consider the fact that any American who gets a Ph.D. degree would be involved in the educational system for about 20 years, a person who chooses to go through the entire process from kindergarten to the doctorate degree would be in school, in the formal education system, for about 20 years. However, an American who lives to be about 65 would be spending his entire life using libraries, either in the formal educational apparatus or outside. Certainly 45 of the years would not be in relation to any formal educational institution. He would be related to some library or some system, if that person is an educated person, for 45 of those 65 years.

Secretary Bennett has acknowledged the fact that libraries are very important. Unfortunately, Secretary Bennett has not followed his acknowledgment with support for greater funding for libraries, but I would like to quote from Secretary Bennett's statement that he made recently, where he says that reading is one of the vital elements of education and "one point cannot be repeated too emphatically. Children must have access to books. Every elementary school should have a library. Every classroom should have its own minilibrary or reading corner, and parents and schools should make sure children know how to use the public library. A guided tour of the public library should be made a part of kindergarten."

The Secretary goes on also to say that "youngsters need ready access to books. The school library is evolving these days, and the currently fashionable title is library media center. I am a little wary," says the Secretary, "of this term. While it is true that in this high technology world our children must discover early on how to get access to information and should certainly learn how to conduct independent research, it is of critical importance that girls and boys acquire the habit of reading. School libraries should find children reading biographies and histories and novels and science fiction not simply looking for a fugitive fact or a random quotation. The librarian should be an integral part of the instructional staff. By leading children to good books, by sponsoring incentive programs and offering visits, the librarian can play an essential role in enriching the curriculum."

That is the end of the quote by Secretary Bennett.

I am sure the Secretary, if he were consistent, would support the request that the American Library Association is making that chapter 2 of the Education Consolidation and Improvement Act be revised to restore libraries as a priority function. Instead of having 32 other functions which school administrators may use the funds for, they are urging that libraries be again made a priority function.

If we are to go forward with our concern for competitiveness or improving our competitive position in the world, certainly the reauthorization of chapter 2, which is now in process in the Committee on Education and Labor, should concern all of us. It is not just a matter for the Committee on Education and Labor. Education undergirds our readiness in the commercial competitive area; education undergirds our readiness in the area of competition with the Soviet Union. Whether that competition is a short-term competition or a long-term competition, the decisive factor will be the degree to which our population is educated, and a vital part of that education, of course, is information from books and learning materials that are under the control and guidance of librarians and libraries.

Finally, the competitiveness position should take into consideration the fact that a request has been made via a joint resolution by Senator PELL and Congressman FORD. A request has been made for the funding of a White House Conference on Libraries. The joint resolution on the White House Conference on Libraries is Senate

Joint Resolution 26. It reads as follows:

Whereas access to information and ideas is indispensable to the development of human potential, the advancement of civilization, and the continuance of enlightened self-government;

Whereas the preservation and the dissemination of information and ideas are the primary purpose and function of the library and information services;

Whereas the economic vitality of the United States in a global economy and the productivity of the work force of the Nation rest on access to information in the postindustrial information age;

Whereas the White House Conference on Library and Information Services of 1979 began a process in which a broadly representative group of citizens made recommendations that have improved the library and information services of the Nation, and sparked the Nation's interest in the crucial role of library and information services at home and abroad;

Whereas library and information service is essential to a learning society;

Whereas social, demographic, and economic shifts of the past decade have intensified the rate of change and require that Americans of all age groups develop and sustain literacy and other lifelong learning habits;

Whereas expanding technological developments offer unprecedented opportunites for application to teaching and learning and to new means to provide access to library and information services;

Whereas the growth and augmentation of the Nation's library and information services are essential if all Americans, without regard to race, ethnic background, or geographic location are to have reasonable access to adequate information and lifelong learning;

Whereas the future of our society depends on developing the learning potential inherent in all children and youth, especially literary, reading, research, and retrieval skills;

Whereas rapidly developing technology offer a potential for enabling libraries and information services to serve the public more fully; and

Whereas emerging satellite communication networks and other technologies offer unparalleled opportunity for access to education opportunities to all parts of the world, and to individuals who are homebound, handicapped, or incarcerated: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

Mr. Speaker, I read the rhetoric of the resolution because I think it in very compact terms states the overriding impact of libraries in our complex information age society.

Mr. Speaker, the celebration of National Library Week has been acknowledged by several of my colleagues. They have joined me with statements, and their statements will be submitted for the RECORD under general leave. Included are statements by the gentleman from New York [Mr. BIAGGI], the gentleman from California [Mr. BROWN], the gentleman from California [Mr. DYMALLY], the gentleman from Oklahoma [Mr. INHOFE], the gentleman from South Carolina [Mr. SPRATT], and the gentleman from New York [Mr. RANGEL].

Finally, Mr. Speaker, I hope that in all of our deliberations, as we go forward in this year, whether it is in the consideration of the appointment of the new Librarian of Congress or the passage of a bill to make America more competitive, we will understand that in the age of information libraries have a new and very dynamic significance.

There was a time when astronomers were considered people to be engaged in low-energy activities of no significance to the general populace, but astronomers and physicists have suddenly become the most important people in our age of space technology. I hope we do not make the same mistake of ignoring too long our libraries and having them die at a time when they would be of the greatest need.

Mr. BIAGGI. Mr. Speaker, I rise today to pay tribute to one of this Nation's greatest institutions and greatest resources—our libraries. We are struggling with the goals of increasing adult literacy and American competitiveness. We must continue to focus on libraries as a major contributor in meeting these goals. I was privileged to have been visited yesterday by representatives of the New York Public Library and the Yonkers Public Library, during our celebration of National Library Week during this important year—the year of the reader. It is indeed fitting to have an opportunity to recognize the numerous contributions that libraries make to this Nation, both through Federal and private funding.

Let us look first at the basic contribution our libraries make—access to information. We as a nation, tend to take for granted the fact that we can walk into our local public library and have at our fingertips information on every topic imaginable. This was not always the case; in fact just 30 years ago only 56 percent of our citizens had library access—now that figure is almost 100 percent, whether through public libraries, school or university libraries, or private libraries. For most Americans, libraries are the major educational institution available for the vast majority of their lives—their life outside of the classroom. As we celebrate this year the 200th anniversary of the Constitution, we are reflecting on those events and circumstances which enable our democracy to remain stable and secure. Since the power of a successful democracy lies in the hands of its citizens, a successful democracy demands an informed citizenry. What better resource of information do we have than our libraries? Our libraries have helped in maintaining an educated citizenry and therefore a successful democracy. It is important, therefore, that we examine the Federal role in preserving our libraries.

For the past 6 years, the administration has proposed to eliminate all Federal funding for library programs at the school, university, and public library levels. For the past 6 years, we have resisted this request and must continue to do so. Our Federal support for libraries remains a sound and necessary investment. Let me take a moment to outline what that money does in my district of the Bronx and Yonkers in New York.

The New York Public Library is using Federal funds to develop a much-needed cooperative data base and shared cataloging system which creates a machine-readable regional union catalog for public libraries. As our technology increases, it is important that we use this technology to increase our access to information. The New York Public Library initiatives prove essential in this task. The New York Public Library also receives Federal funding for its outreach project, which provides enriched and relevant library services in disadvantaged neighborhoods and throughout New York, especially where residents lack fluency in English. One of these services is free English-as-a-second-language classes, offered throughout the Bronx and Manhattan. These classes are always filled within a few hours of opening registration. Because of recent changes in the immigration law, there will be a further increased demand for these services.

In Westchester County, Federal funding for libraries helps support many literacy programs. The Public Library Collaboration with Literacy Volunteers of Westchester County creates and strengthens ties between literacy volunteers and libraries. Tutors are assigned on an individual basis to those who need literacy skills improvement. Each tutor works with a student for the minimum of a year. Since these tutors are entirely volunteer, the only funding necessary in this program is for the purchase of materials and administrative costs.

Federal funding also provides Westchester County with Project Read, which encourages children aged 11 to 15 to develop their reading skills. Such an investment in reading will yield a significant return.

Library Services and Construction Act funds also assist the New York Public Library in providing its community information service. This service provides immediate and essential information about services in any New York neighborhood. Each neighborhood library keeps a directory of community services, which gives up-to-date information on more than 140 services including day care, complaint departments, tutoring, senior citizen organizations, and hotlines. These guides are printed in both English and Spanish.

LSCA also assists in funding a new microcomputer program, which provides neighborhood libraries with an Apple IIe microcomputer with color monitor and a printer. These microcomputers help open the world of computers to New Yorkers by providing programs in word processing, computer languages, accounting, and typing. Computer programs are also available in graphics, music, and adventure games. These microcomputers help ease the young and the old into our ever-increasing computer age, and provide many, who would otherwise never have the chance, the opportunity to experience computers.

LSCA also funds the New York Public Library's learner's advisory service [LAS]. LAS provides specially trained advisers who work in several New York Public Library branches who help those who are seeking new skills or attempting to further their education. LAS will provide personal attention to help identify the needs of and the existing educational programs available to the prospective student. LAS helps point people in the direction of completing their high school diploma, improving their English skills, upgrading their present job qualifications, and securing new vocational skills.

Under title I, LSCA funds 24 adult learning and literacy projects in libraries across New York State. Without this funding many opportunities for obtaining literacy and strengthening other skills would be eliminated.

New York libraries also receive funding under title II of the Higher Education Act. These funds go to Columbia University, Long Island University, and St. John's University to provide grants and fellowships for minority and/or economically disadvantaged students to pursue a career in libraries. New York research libraries that receive Federal grants under title II include the American Museum of Natural History, Columbia University Libraries, the New York Public Library, and New York Botanical Gardens. It is easily seen that Federal assistance to libraries has a far-reaching and necessary impact on the education and literacy skills of our citizens.

Not only is it essential to maintain current funding for library programs, it is also essential that we increase funding under the National Endowment of the Humanities for libraries, especially under titles IIB, IIC, and V. A most critical crisis confronts our libraries today—the problem often referred to as "brittle books." Brittle books are material published containing self-destructive acids. Almost everything published since the mid-19th century has been published on this paper. In the words of Vartan Gregorian, the president of New York Public Library, in his testimony before the House Postsecondary Education Subcommittee,

> It is ironic that the production of cheap paper—which helped democratize the written word—also bore the seeds of its own destruction.

It is vital that we invest in preserving the many endangered books, journals, periodicals, and papers that contain the heritage of mankind, and that are now facing extinction due to this grievous problem.

We must also increase our funding for foreign language components in our libraries. Currently, we are working as a nation to increase our competitiveness in foreign markets. Language skills are necessary to preserve and increase our communications and competitiveness.

Besides increased Federal funding for our important library programs, I would also like to request support for another White House Conference on Libraries. The first and only such Conference was held in 1979. Among the many recommendations this Conference yielded was the request that a similar Conference be held every 10 years. In order for adequate preparation for a 1989 Conference, we must act now to establish a White House Conference on Libraries. A national conference provides a catalyst for improvement of services at the local, State, and National levels, especially in the areas of resource sharing and multilibrary cooperation and broad-based literacy programs. That is why I am proud to be a cosponsor of House Joint Resolution 90, and I urge all of my colleagues to join with me to enable library users, librarians, library policymakers, and public officials to assess the capacity of our libraries to serve the learning public and to encourage sound, long-range, community-based planning for library services.

This year's American Library Association theme is "take time to read." However, I urge us to take time to reflect—on our libraries, the services they offer us and the potential they promise us. We talk about adult literacy. What better environment to teach our adults to read and write than a library. After they have mastered literacy skills, they are surrounded by opportunities to use them. We talk about competitiveness—one of the keys to this competitiveness is knowledge. Libraries hold a wealth of knowledge and we must ensure that our citizens have continued access to this wealth. I remain committed to keeping library doors open, to keeping library information accurate and up-to-date, to preserving our vast library resources, and to providing each and every American the opportunity to learn, grow, and dream through the books and other resources our libraries provide.

Mr. MARTINEZ. Mr. Speaker, I rise today to recognize our public libraries and the librarians who serve our Nation. It is not often that we recognize the value of our libraries, and the importance they have for our society. National Library Week is therefore an important time for the Nation to reflect on the value of our libraries and give attention to ways we can better sustain our library systems.

The Library Services and Construction Act [LSCA] represents a minimum Federal investment in the libraries of this Nation. It is vital to our Nations' libraries because it provides moneys for important programs that limited local and State funds would not be able to accommodate. LSCA dollars allow libraries to be innovative in their approach to providing community services.

One priority for the LSCA is to provide moneys for the extension and improvement of library services to rural and other communities which are unserved or underserved by libraries. In my home district we have a special program called the community access library line. This program is a multilingual information and referral service that assists callers in locating human services, community organizations, community events, and government officials and agencies. The service serves 15 million people in the southern California area and answers over 40,000 questions on a yearly basis. I highlight this program because it is a service that our Los Angeles Public Library System was able to establish because of LSCA moneys to initially start the program.

Important library services for the elderly, the disadvantaged, and other members of our society for whom the provision of such services demands extra effort or special materials and equipment are also included in the LSCA. Another program that was initiated because of money provided the LSCA is the OASIS Program of the L.A. Public Library System. The Older Americans Special Information Service [OASIS] operates a specialized bookmobile that provides in-home services to shut-ins or to residents in convalescent homes and other care centers.

Another area in which the LSCA assist libraries is in the construction and rehabilitation of library facilities. LSCA funds enable libraries to undergo renovations that provides access to physically handicapped individuals.

There are many ways in which the libraries in the 30th District of California and surrounding areas have benefited from moneys provided by the Library Services Construction Act. Mr. Speaker, for the sixth straight year our President has recommended that the LSCA Program be terminated by Congress. In this age of information it is inconceivable that he would seek to end a program so essential to our Nation's libraries. It is the LSCA that has funded and stimulated the start of many innovative library programs. If we diminish in any way the funds available to libraries, we diminish our access to information, and thereby diminish our hope for the future.

Mr. RANGEL. Mr. Speaker, I stand with my colleague, Mr. OWENS, in recognition of National Library Week. I like to pride myself in noting the very special relationship that I have with the librarians in New York City, and feel very privileged to express my wholehearted support for full funding of the Library Reconstruction Act and other library services.

Mr. Speaker, as in earlier years, the administration has recommended a termination of the Library Services and Construction Act. While Federal funding for these programs are but a sliver in the Federal economic pie, the Reagan administration has undoubtedly reserved this piece for some more deserving program. What that program could be is beyond my comprehension.

Dollar for dollar, I would say that the minimal amount of Federal moneys requested to support library programs provide unending and essential services. The New York Library System, while it depends primarily on private support, utilizes its Federal moneys to offer a wide variety of services to 5 million people of all ages in the boroughs of New York City. It is very important to note that our system offers literacy tutoring, English language instruction, and special services for the unemployed and the disabled.

Finally, it has been brought to my attention that the New York City branch libraries have information centers designed to meet the needs of individuals seeking personal information on drug and alcohol abuse. As the chairman of the House Select Committee on Narcotics Abuse and Control, I feel this is a true example of the essential services that libraries provide to the communities that they serve.

I am encouraged by Mr. OWENS' yearly observation of National Library Services Week. Libraries are havens of our past and are harbors for our future. Libraries provide alternatives to young people interested in making positive use of their time and encourage continued learning by all citizens. As our society becomes increasingly dependent on information and technology, it would be a step backward to eliminate funding for the most basic source of information—our libraries. I strongly support full funding for all library services and hope my colleagues will follow suit.

Mr. DERRICK. Mr. Speaker, the South Carolina State Library has recently dedicated a new library to serve the blind and physically handicapped. Over 8,000 South Carolinians avail themselves of this special service provided by the State library in cooperation with the Library of Congress.

Most of us have access to bookstores and libraries with large book collections. This is not true for the print handicapped. Their window to the world is often limited to the talking books, braille books, or books in large print used in this program.

The Library of Congress plays a pivotal role in the provision of these services. They provide most of the reading materials and the necessary equipment. Their leadership enables the South Carolina State Library and other libraries to develop local programs to meet the reading needs of their citizens.

Access to information should not be denied anyone due to a handicapping condition. Everyone has a right to read.

Mr. INHOFE. Mr. Speaker, I thank my distinguished colleague from New York, Mr. OWENS, for yielding to me to recognize the outstanding services of our Nation's libraries.

America's libraries are one of our greatest resources. The books they house chronicle the history and culture of the United States and the world. They are a measure of our literacy, our knowledge, and our understanding of the world.

Too often we take for granted the privilege we enjoy in this great Nation, being able to walk into a library and read any book on any subject. It is through the expression of varying view points that we derive our strength as a free and Democratic nation. No institutions are as essential in this free expression of ideas as libraries. Citizens in Eastern bloc countries long for access to books written by their own countrymen deemed subversive by their repressive governments.

While mayor of Tulsa I had the honor and privilege of serving as a member of the Tulsa City-County Library Board for 6 years. As such I became even more appreciative of the great service our libraries provide.

The Oklahoma Department of Libraries has recently established 65 literacy councils statewide to combat illiteracy. The program already has more than 4,000 volunteers trained as tutors.

The past few years have also seen an enormous increase in the use of Oklahoma's libraries. Since 1983, circulation has increased by 860,000: That's one extra circulation for every fourth person in the State. At this time of budget constraints in our State, our libraries should be commended for the tremendous job they are doing under less than ideal circumstances.

I encourage all Americans to take advantage of this great national resource by going to their local library and reading a book, and I extend congratulations to the American Library Association on the 30th annual observance of National Library Week.

Mr. DYMALLY. Mr. Speaker, I am grateful to our colleague MAJOR OWENS for calling this special order on libraries today, and I am honored that he has asked me to say a few words.

My concept of government is that it exists to make life better for the people of the country. Government should be a service to the people, and should support those things that help the people. The claim is made to us that many, many things have this level of importance and deserve financial support from the government. Constantly exposed as we are to the effort to prove the importance of a host of efforts, we run the danger of not grasping the very fundamental importance that our citizens themselves place on libraries.

I think I can illustrate that importance by relating to my colleagues an event that occurred this past Christmas at the San Jose, California public library. It happens that in San Jose it is necessary to supply a home address in order to receive a library card. It is probably not well known except to librarians in large urban areas that while the homeless may be lacking for many of their rights, they try to preserve the right to read. They apply for library cards with some regularity, and even if turned down, they spend parts of their days and evenings in libraries reading.

One evening a man, his wife, and several young children came into the library. The husband approached the checkout desk and asked the librarian if each of his family members could apply for a library card. The librarian gave the man the necessary paperwork to fill out. When it was returned, the librarian saw that no one had listed an address. A second look at the family made it clear enough to the librarian that the whole family was without a home. The father, seeing the librarian hesitate, explained that the library cards were to be the family's Christmas presents this year. The librarian wrote in the address of the shelter for the homeless and issued each of them a library card.

When you think about it, those library cards were substantial gifts, even though their cost was negligible. The cards were a key to a world where, for a while at least, the family could find respite from their troubles. They did not have access to material wealth. Even their access to the fundamental needs of subsistence was at times in question. But those library cards opened the door to the wealth of human ideas contained in the library's volumes. Many a person has considered himself rich by virtue of having access to the printed word. And so it was with these parents and their children.

But while their station in life may have been somewhat unusual, although not as unusual as it should have been, their attitude was really not at all unusual. They share a view that is widely held by our constituents. It is the view that prompts thousands of volunteers across our country to work with the illiterate so that they might have the gift of reading. It is the attitude that prompts other thousands across the country who, for whatever reason, entered adulthood unable to read, to seek out literacy programs. Our constituents view their access to libraries as something bordering on a basic right.

As he has done in the past, the President has asked for no funding for library programs either under the Library Services and Construction Act or under the Higher Education Act. Moreover, the President has proposed a rescission of some funds already appropriated for library services. If both programs were fully funded at the authorized level, the appropriated amount would come to less than $200,000,000. That amounts to about 86 cents per citizen. For something considered so highly by our constituents that they make use of it even when they lack such basics as shelter, I think 86 cents is not excessive. I support a restoration of funds to the authorized levels for library programs. Support of libraries is one of the more direct ways we can use our constituent's tax dollars to tangibly benefit those constituents. I would urge my colleagues to respond to the wishes of the constituents by spending that 86 cents per person to give our Nation's libraries a helping hand.

Mr. BROWN of California. Mr. Speaker, I rise today in observance of National Library Week, and to remind all of our citizens of the debt we all owe to the libraries and librarians of this country.

It is important to remember that libraries are institutions which are repositories, but it is the librarians who, by collecting, arranging, and disseminating the wealth of those repositories, make them living institutions.

Our libraries are the storehouses of the wisdom, knowledge, and culture or our own and other civilizations. They carry a trust far beyond that which they are normally thought to own. The libraries of this country are markedly different from those which exist, or have existed, in totalitarian states. In the United States, it is expected that libraries will preserve all of the opinion and thought published anywhere, no matter how repugnant some of these may be to elements of our society. Our libraries are supposed to be the unfettered, unexpurgated, and uncensored bastions of freedom of expression and ideas.

Our libraries differ from those of many countries, not only because the range of what they collect and preserve is unbounded, but also in the breadth and kinds of services we expect, and demand, from our librarians. In many other lands, the collections of libraries only reflect the accepted or authorized information which is not in conflict with the governments of those lands. In many of those countries whose libraries do reflect diversity of thought and opinion, not all citizens are allowed access to that which is considered "subversive." Here, it is assumed that all citizens are assumed to be entitled to have access to whatever they wish. In many other countries, only the privileged are provided with any library service. Not so in America.

In addition to being the collectors and organizers and disseminators of information, librarians in the United States have become surrogate educators, helping their users to find the information which they need. We have come to depend so heavily on our librarians for performing these dual roles that we often take for granted how well they do it, and how often they must perform well under trying circumstances—often brought about by an inadequacy of funding. Americans have come to expect much from our libraries and librarians, and our expectations are so often met that we have become somewhat spoiled by our abundance of material and service.

After a fashion, our libraries, and the services which they provide us, are a true symbol of democracy at work. Given their importance, I urge our citizens to support the libraries which serve them, and to join with me in honoring the members of the noble profession of librarianship.

Mr. GREEN. Mr. Speaker, I should like to commend my colleague from New York, Mr. OWENS for his leadership in sponsoring this special order. One of this Nation's most precious educational and cultural resources is its libraries. For young and old, rich and poor, black and white, and everyone in between, our libraries stand with their doors open to provide the seeker with information to answer questions, fuel dreams, and inspire action. In past years we have recognized the important role that libraries play in our society and have taken the responsibility for providing continued funding for library programs. We must continue our commitment and address the issues facing us this year that affect libraries.

Once again, the Library Services and Construction Act is being threatened with termination. In the past, strong bipartisan support has saved this program and the vital services that it provides. Under LSCA libraries throughout the country have been able to provide special services for the blind and physically handicapped, job information centers that provide information on career opportunities and job-hunting techniques, literacy centers that enable adults to receive one-to-one tutoring, outreach projects which provide services to the disadvantaged and minorities.

Also of great importance is funding for research library resources. Research libraries preserve our Nation's heritage by maintaining collections which might not be preserved were these funds not available. Without this funding libraries will be severely handicapped in their attempts to improve access to important research documents, preserve 19th century documents that are disintegrating and acquire new research materials.

The administration has again proposed elimination of the postal revenue forgone subsidy. Eliminating this subsidy would critically impair the ability of libraries to distribute educational and informational material to the public. If the revenue forgone postal subsidy is eliminated, our libraries would have to devote to postage, money now spent on books and other library resources.

For fiscal year 1986 and fiscal year 1987 the administration proposed elimination of funding for the Library Services and Construction Act. My colleagues and I on the Appropriations Committee and in the full House fought these ill-advised and short-sighted cuts and maintained funding. We have had to make difficult choices over the past few years in our attempts to reduce the budget deficit. However, our country's strength depends in large measure on its ability to support the educational resources that benefit all of its people. Let's continue to give our full support to our libraries.

Mr. RAHALL. Mr. Speaker, this is National Library Week and I would like to recognize and commend all librarians in West Virginia and throughout the Nation who serve in public, county, and academic libraries at all levels.

It was my pleasure to meet with five members of the West Virginia Library Association yesterday to discuss issues of mutual concern which are of special interest durng this, the 100th Congress. We discussed the need to reauthorize chapter 2 of the Education Consolidation and Improvement Act; funding for titles II-A and II-D of the Higher Education Act, which will significantly benefit West Virginia's academic libraries; funding for titles I, II, III and VI of the Library Services and Construction Act, which pertain to library literacy programs; the ever-growing difficulty libraries face in gaining access to information by and about the Federal Government; the postal revenue forgone subsidy; the loss of general revenues sharing; and telecommunications rate containment. Clearly, America's libraries have a great deal of legislative debate to follow during this Congress. My five visitors—and I am sure many of my colleagues received library related visitors this week—were doing their part to influence that debate, and I appreciate their diligence in keeping me advised.

In these times of fiscal restraint, the stimulus of Federal funds is required for the development of quality library services. Public libraries are a low priority in most State and local budgets because they are not regarded as "essential" services such as police or fire protection. In addition, many States or localities have insufficient incentive to invest in activities and services of regional or even national impact, such as interlibrary loan programs or information networks using new technology. A number of important library projects, especially those serving special needs groups, would cease to exist without Federal funding. Disturbingly, the situation in my congressional district is bearing witness to the fragile existence of libraries in America. Due ot the loss of general revenue sharing funds, two of the eight counties in my district have, out of necessity, eliminated funding for their public libraries. This is a tragedy for the residents of Mingo and Wayne Counties. Will other counties soon follow? Certainly the additional loss of Federal support would have similar repercussions—in West Virginia and throughout the Nation. And the loss of a community library is a great loss to each individual in that community.

With a relatively modest investment of Federal funds, quality library services can be made available throughout the country. Federal aid would enable communities to adopt the same information systems—computerized bibliographic networks—nationwide to bring most libraries up to minimum standards and, to acquire new computer-based forms of information technology that would greatly increase the quality and range of services their libraries could provide.

Federal aid was essential to the development of interlibrary loan activities and other innovative practices in the past, and now represents essential "seed money" for the future development of the library as a community information center. Federal funding can help libraries to maintain current services. Hopefully, Federal funding can go further to promoting literacy; improving the adequacy of library resources in low-income or sparsely-populated areas; and, assisting libraries to adapt to the revolution in information technology in the 1980's.

Mr. MAZZOLI. Mr. Speaker, a community bereft of a solid, functioning, and complete library system is a community in danger of having its light of knowledge, cultural awareness, and career improvement extinguished.

I freely confess that my personal experiences with the public library in my home district, the Louisville Free Public Library, color and influence my feelings about the public library systems of America.

I recall with undiminished pleasure the splendid times I spent as a youth browsing the book shelves at the Louisville Free Public Library's Highland Branch.

I visited exotic and mysterious foreign lands. I rode balloons around the world, I survived many a shipwreck at sea—all without leaving the safe confines of my chair at the Highland Library.

And, in a slightly different context, the library system has been a positive influence on my two children.

Michael and Andrea—now talented young adults and college graduates—recall to this day with pleasure and warmth their visits to the main branch of the Louisville Library to listen, wide-eyed, to the stories told by Mrs. Barbara Miller, whom we fondly called "The Storytelling Lady."

How much of our children's intellectual formation, literacy, and solid value system is attributable to Mrs. Miller and how much to Helen and me—their parents—may be debatable. What is not debatable, though, is that Michael and Andrea were, at Mrs. Miller's knee, exposed early in their lives to the beauty, mystery, charm, and wisdom of the printed and spoken word. Future generations of Michaels and Andreas will not have these same opportunities unless America's library system remains strong and vibrant.

In another way, the library has played a pivotal role in my family's life. My late father, who came to this country and to Louisville from Italy in 1914, did not have a chance to receive much formal education. He completed about seven grades of school and then went to work as a tile and marble worker.

Dad received the rest of his education from the public library in Louisville and the library located in any city where he was living and working at the time.

I reflected on dad and the Louisville public library system in comments which I prepared in 1979 for the book by Whitney North Seymour, entitled, "For the People, Fighting for Public Libraries":

> Many times over the years, dad told me that, in his judgment, he was "Americanized" by the free public library system in the city of Louisville. What dad meant by this, of course, was that the libraries enabled him to gain the knowledge and the appreciation of things around him which he was unable to acquire in the formal setting of a classroom.
>
> The public library system enabled him—a man of few means—to grow socially and intellectually.

The free public library system also gave my father the necessary business backgound to open and run successfully, with mother's help, a small tile, terrazzo, and marble company, to send his children to reputable schools and to become a respected, productive citizen of his community.

It is evident from the personal experiences I have described here that, simply stated, I love libraries and I deeply appreciate the opportunities they afforded me—and to my children and family—to grow intellectually and socially.

And, so, as we observe the 30th anniversary of National Library Week, it is appropriate to speak of the important contributions libraries have made to each of us, over our lifetime and to pledge that the generations to come will be permitted to share these same experiences.

In this connection, I am pleased to help guarantee a solid library system for future generations by cosponsoring House Joint Resolution 90, legislation requesting the President to convene a White House Conference on Library and Information Services. Such a conference—bringing together library service providers as well as library users—will help libraries develop programs and methods adaptable to the new information age and will develop strategies allowing libraries to obtain the necessary personnel and financial resources to meet this challenge.

Libraries are the intellectual, the social, and the economic underpinnings of any community entitled to be called a community. And, even in this most stern of budgetary times, we must provide generously for our public library system.

Mr. HALL of Ohio. Mr. Speaker, I take this opportunity during National Library Week to call attention to the importance of libraries to our Nation. Although library week lasts only 7 days, the rewards from libraries can last a lifetime.

Maimonides said, "God grant that I may never consider my education so complete that I cannot undertake the study of new things." The knowledge made available through libraries provides the opportunity to make the study of new things an infinite possibility.

The Dayton and Montgomery County Public Library serves my district with a main library and 19 branch libraries, a bookmobile, and two vans that deliver novels to those who are unable to leave their home. With 1,450,000 volumes in its own collection, the Dayton Public Library makes additional volumes available through an interlibrary loan system.

Another important library within my district is the Roesch Library of the University of Dayton. It maintains 935,000 volumes which may be used by students and the general public.

The Dayton Public Library as well as the University of Dayton are both Federal depository libraries. This means that the libraries maintain books and pamphlets published by the Federal Government. The University of Dayton library specializes in Government publications related to commerce and education.

A third important library in my district is the Learning Resources Center of Sinclair Community College. This collection, which is housed in a beautiful new facility in downtown Dayton, is also available to students and the public.

The libraries in Dayton and across the Nation serve a vital role in spreading knowledge to our citizens. With my deepest appreciation I salute the Nation's libraries during National Library Week.

Mr. TALLON. Mr. Speaker, I am pleased to join with my colleagues in calling attention to the Federal Government's critical impact on the quality and breadth of library services available to all of us. It has been said that libraries are not made; they grow. Yet this ability to grow both reflects and depends on our willingness to meet the informational and technological challenges of our age.

Adequate, up-to-date facilities are needed by our Nation's public libraries if they are to meet the informational needs of our citizens. Modern technology is changing forever the way libraries are constructed. I am extremely pleased that title II of the Library Services and Construction Act provides assistance in the groundbreaking ceremony for a new county headquarters in Darlington County, SC. This building will be a source of community pride for years to come. The Sixth District has had two other title II projects in recent years in Clarendon and Dillon Counties.

Yet in a literal as well as figurative sense, we have just broken ground. There is a clear need for many other public library construction projects. It is vital that we continue funding LSCA title II at an adequate level in order to encourage communities to provide new public library facilities. Although LSCA funds are not enough to cover the total costs, they serve as a necessary catalyst for local efforts.

Mr. Speaker, I hope my colleagues will join me in support of adequate funding for library services and construction. Our libraries house more than books, they house our Nation's future.

Mr. FAUNTROY. Mr. Speaker, I am pleased to join in this special order on libraries organized by my distinguished colleague, Congressman MAJOR R. OWENS, himself a professional librarian.

This special order occurs as we celebrate National Library Week and on the same day that the American Library Association is engaged in its annual legislative day. This combination of events, focused on the importance of libraries as institutions in our democratic society and in the lifelong educational enterprise, provides an opportunity to focus attention on issues of legislative and public policy oversight impacting on libraries and information science.

Mr. Speaker, yesterday at a session of an ongoing dialog on black-Jewish relations sponsored by the American Jewish Committee and the Greater Washington Council of Churches held at the new campus of the Howard University Divinity School, our host, the dean of the chapel and professor of social ethics, Dr. Evans Crawford, remarked that the hallmark of an educational institution is its library. Dean Crawford, an educator and theologian of great wisdom, chose to emphasize his pride in the library while introducing the dialog participants to the new facilities of the Howard University Divinity School.

I don't know if Dean Crawford had National Library Week or this special order in mind as he made his statement on the importance of libraries. I do know that his comments were timely and reflective of the findings of the Carnegie Foundation for the Advancement of Teaching which has identified the improvement of college library resources as a critical goal in achieving excellence in our institutions of higher education. Through title II of the Higher Education Act, Federal resources have been allocated to enhance the collections of lacking college libraries, to provide fellowships to students studying library and information science, to assist academic libraries in making information more accessible through new technologies, and to support the procurement of foreign periodicals not readily available in the United States of America.

At the community level, the Congress through the Library Services and Construction Act [LSCA], has recognized the importance of libraries in our communities and in the lifelong process of continuing education. This Federal investment in grassroots informational resources is essential because the dollars allocated under the LSCA are utilized to fund library programs that otherwise would not be available to our constituents. For example, the Library Services and Construction Act makes library services attainable for the elderly, the economically disadvantaged, and other citizens for whom the delivery of information services demands special effort, specially designed materials and equipment. The physically handicapped are also assisted by the LSCA. Through LSCA rehabilitation, renovation, and construction projects are undertaken to make libraries more accessible to the physically handicapped.

Still another of the very exciting and enriching services provided by the Library Services and Construction Act are the interlibrary and cooperative networks that have been established. These networks enable libraries to establish informational linkages across cities, counties, and States expanding the horizons of knowledge.

Mr. Speaker, in light of the need for information in our society, and in view of the potential for expanding our access to information at a relatively low level of Federal investment, I am saddened by the reality that for the sixth year in a row the President has recommended that the LSCA be terminated by Congress. In a democracy, information must be accessible to all. Without access to information, the effective exercise of the voting franchise is put in jeopardy. All of our citizens have the right to the opportunity to gather the information they want and need. Mr. Speaker, I am confident that we will again reject the President's shortsighted recommendation to eliminate the Library Services and Construction Act.

Finally, I want to express my appreciation to our colleague from New York, Congressman OWENS for focusing our attention on the important role of library and information science in a democratic society and in the life of our educational institutions.

Mr. SPRATT. Mr. Speaker, it is a pleasure for me to join my colleagues today in recognizing the important contributions public libraries have made to this Nation. This is National Library Week and efforts will be made through various activities and events to increase public awareness of the vital role played by these institutions.

Public libraries provide a wide range of services to people of all ages. In recent years, however, more attention has been given to the fastest growing segment of our population—the elderly. In South Carolina, for example, it is estimated that by 1990, 11 percent of the population will be 65 years of age and older. Our public libraries are committed to meeting the needs of our elderly.

Our senior citizens may experience special problems due to physical condition, decreased mobility or economic restraints. However, their interest and need for obtaining information and recreation remains the same. Libraries in South Carolina have experimented with new methods to reach this special group. Public libraries are striving to meet the varied informational needs of this growing population by using innovative techniques and outreach programs along with traditional library materials.

Library Services and Construction Act funds are often used to develop specialized programs for the elderly. I support this program, and I strongly support our public libraries. I hope that the activities held during this week will help to inform the public of the critical part played by public libraries in meeting the needs of the residents of our communities.

Mr. BRUCE. Mr. Speaker, I want to thank my colleague from New York, Mr. OWENS, for hosting this special order on libraries. I am pleased to join Mr. OWENS and my other colleagues in the House in observing National Library Week which properly recognizes libraries as an essential feature of modern society.

Although public library services are preeminently a State and local responsibility, the actions of the Federal Government have a significant impact on the size and quality of library services available to Americans.

Federal library support has measurably improved the quality of library services for Illinois citizens. An example of Federal funds being used to enhance the quality of library services in Illinois is Illinet. Illinet, the Illinois library network, coordinates the use of Federal funding and support to make it possible for all public libraries to receive at least one delivery per week. This makes it possible for a book to get from the very southern to the very northern parts of Illinois in just a few days.

The Lincoln Trails Libraries System, which serves east central Illinois, which I represent, has benefited from Federal funding as well. Through Federal funding they have been able to go on the offensive to provide library service to unserviced areas in nine eastern Illinois counties. Their most recent success, in fact, occurred just yesterday in Oakwood Township where voters passed a referendum to support a new library. Successes like this are possible with a strong national commitment to libraries.

There are several Federal programs which have significantly enhanced the strength of Illinois public libraries in their ability to respond to identified local community needs. Specifically, titles IIB and IIC of the Higher Education Act of 1986 and titles I through III of the Library Services Construction Act have made a difference in Illinois. In many cases, the only funding some school libraries in Illinois receive for their media centers comes from the Education Consolidation and Improvement Act.

I ask my colleagues to resist attempts to cut these programs and to work together so that these programs are funded at adequate levels. In addition, I urge my colleagues to support House Joint Resolution 90 calling for a second White House Conference of Libraries and Information Services to be held by 1989. This second White House Conference is needed to focus continuing national attention on library issues and the role of libraries in promoting literacy and productivity.

Our Nation's libraries and the outstanding individuals who work with them deserve the recognition that National Library Week will bring. Indeed, this celebration is but another reminder of how much Americans rely on our libraries and the people who make them work so well.

Mr. LELAND. Mr. Speaker, I want to commend my colleague, MAJOR OWENS, for providing the Members of Congress with the opportunity to address the House today in commemoration of National Library Week.

As chairman of the Subcommittee on Postal Operations and Services of the Committee on Post Office and Civil Service, I would like to speak to the impact of the revenue foregone appropriation on our library community.

Libraries, as a matter of sound public policy, are eligible for free or reduced postage rates under the Revenue Foregone Program. Congress is responsible for providing an appropriation to reimburse the U.S. Postal Service [USPS] for losses in revenues associated with providing these free and reduced postage rates for certain preferred mailers. Over the last several years, the administration, in the guise of addressing our deficit problem, has proposed the elimination of funding for the Revenue Foregone Program. Fortunately, we in Congress have been successful in fighting the administration's shortsighted effort.

The Committee on Post Office and Civil Service continues its fight for full funding for the Revenue Foregone Program because education and the ready availability of information is an integral part of an informed nation. Congress has traditionally provided reduced postage rates for libraries to enable them to service communities across this Nation.

Reduced postage rates paid by libraries affords them the opportunity to better utilize their already scarce financial resources. Savings in postage allows them to purchase new materials to update their inventory and enables them to serve as a loaner service to other libraries. In addition, because of reduced postage rates, libraries have found it cost effective to mail materials to rural and sparsely populated areas as well as to older citizens who may be unable to visit their facility. This allows them to extend their service to people who might otherwise be unable to benefit from the tremendous resources available at our Nation's libraries.

We in Congress cannot abdicate our responsibilities to the beneficiaries of this program and we must continue to fight for full funding for this program and provide stable rates for all libraries across the country.

Mr. KOSTMAYER. Mr. Speaker, the purpose of commemorative weeks is to reflect upon the importance that the person, event, or institution being honored has on our people and our society. Once again we celebrate National Library Week and therefore, we ought not only look back on how our Nation's libraries have served us in the past, but also on how we wish them to benefit us in the future.

Libraries are far more than mere buildings where books are stored; they are a vital link between our citizens and the events taking place every day in the world. In this day of mass information, libraries play an ever growing role. In order to serve all aspects of the public fairly and efficiently we must continue to expand our library system and improve already existing libraries and their sources both physically and technologically.

Access to public libraries by the elderly, disadvantaged, and handicapped must be insured. These members of our society require services which involve extra effort on the part of library staffs, and special materials and equipment. It may also require renovations which permit the disabled use of libraries.

As technology advances, it is imperative that our libraries keep pace. Linking our Nation's libraries by computers and through other networks across city, county, and State lines will greatly increase the amount of information at the disposal of those who use our libraries. This needed linkage can transform even a small rural library into a vast resource center for many.

In order to carry out these programs we must continue to appropriate funding for the Library Services and Construction Act [LSCA], despite the fact that the administration has, for the sixth consecutive year, proposed eliminating all funding for this purpose. Though the budgets of our libraries are largely borne by State and local governments, Federal dollars are essential to the attainment of these goals.

If my colleagues would imagine for a moment just how difficult our jobs would be without the support of the Library of Congress and its staff, I'm certain we would all agree that the maintenance and development of our Nation's libraries is crucial to America's future.

Mr. SPENCE. Mr. Speaker, one of the major ills of our society is the alarmingly high rate of illiteracy. One out of every five Americans is considered to be functionally illiterate.

If we, as a society, are going to solve this problem, there needs to be cooperation among the many agencies involved in this effort. Public libraries, with the assistance of the Library Services and Construction Act, title I funds, have formed coalitions with other local agencies to develop cooperative literacy programs. There are 445,652 reasons to continue these efforts in South Carolina, for that is the number of our functionally illiterate adults.

Library Services and Construction Act, title IV funds will enable the South Carolina State Library to sponsor a 2-day seminar next month to further the development of local cooperative literacy programs.

Mr. Speaker, the economic well being of our country is being undermined by adult illiteracy. Of those unemployed, 75 percent lack adequate reading and writing skills. I salute our public libraries for their deep concern in this matter and I ask that this be placed in the RECORD, as an extension of my remarks.

Mr. MANTON. Mr. Speaker, this week we are celebrating "National Library Week" to recognize America's libraries. Since this is also the week in which the House of Representatives is developing a budget for fiscal year 1988, I believe it is appropriate to ask how our Nation's libraries fared under President Reagan's budget.

In his fiscal year 1988 budget, for the sixth year in a row, the President proposed zero funding for the Library Services and Construction Act (LSCA). This is the sixth successive year the Reagan administration has attempted to eliminate this vital program. This act enables libraries to serve disadvantaged citizens who otherwise would be unable to enjoy the resources of our Nation's libraries. LSCA funds are also used to build new library structures, purchase buildings, and renovate older structures. If Congress were to agree to zero funding for LSCA there would not be money for the Interlibrary Cooperation Program. Therefore, if a student in my district needed a book from a library in Detroit to complete a paper for school, the student would no longer be able to get access to that book. Americans have always believed in improving themselves by increasing their knowledge. In these challenging times, it would be foolish to limit our access to the knowledge and the wonders of the world which can be found in our Nations' libraries.

Mr. Speaker, I would like to take this opportunity to tell my colleagues about Queens Borough Public Library. The Queens Borough Public Library is the fifth largest library system in the country in terms of the number of branches. For the last 3 years, Queens Library has been first in circulation among the libraries of New York State. Furthermore, Queens Borough Public Library had the highest circulation of any city library in the Nation in 1985–86. Queens Borough Public Library has also been a leader in the Nation in developing innovative programs to better serve the public. Queens Library developed a headstart program to introduce preschoolers to books, 6 months before the Federal Head Start Program was established. Queens Library has also been a pioneer developing services to meet the needs of new immigrants, adult learners, and the functionally illiterate. Given these accomplishments, it is obvious that adequate funding for LSCA is vitally important to my district.

Mr. Speaker, America's libraries allow our citizens to grow, to learn, and to expand their knowledge. The cornerstone of a strong, prosperous, and competitive nation is an educated people. As the Congress shapes a responsible and fair budget, I urge my colleagues to continue our support for America's libraries.

UNITED STATES-KOREA TRADE

The **SPEAKER** pro tempore (Mr. MORRISON of Connecticut). Under a previous order of the House, the gentleman from Idaho is recognized for 60 minutes.

GENERAL LEAVE

Mr. CRAIG. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous material, on the subject of my special order this evening.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. CRAIG. Mr. Speaker, a critical pass has been reached in international trade with the Republic of Korea—a critical pass both for Korea and for the United States.

The story of our own trade dilemma has become such a familiar refrain in this House that I do not need to tell it again tonight. However, the moral of the story bears repeating: We can no longer afford to tolerate foreign trade barriers to American exports. Congress insists on real and significant trade concessions from those who seek to take advantage of our open markets. We applaud the tough stance this administration has taken in trade negotiations, and we encourage our negotiators to stay tough. A promise and a warning: Congress will not only stand behind your efforts, but is ready and willing to rush ahead of you with trade reforms if it becomes necessary.

Turning to the Republic of Korea, I would first like to acknowledge the country's astounding economic success story. It is difficult to believe that just 40 years ago, the economy of the country had been virtually destroyed by the Korean war. As recently as 1960, Korea still had an underdeveloped, natural resource-based economy with an average per capita income of only $100. Its exports were insignificant, and 86 percent of those exports were primary products—mostly farm goods.

In the midsixties the government changed economic strategies. Import substitution had been a priority, encouraging industrial development with domestic subsidies and import restrictions. These policies gave way to an export-oriented industrial strategy that has fueled a remarkable economic expansion.

Today, the Republic of Korea has an average income of $2,000 and is one of the 12 largest trading nations in the world. Last year it had a surplus in its current accounts. For the past 5 years it has maintained an average annual economic growth rate of over 8 percent. It sponsored the 1986 Asian games and will attract visitors from all over the world in 1988 to the Olympic games in Seoul. And today, exports have grown to about 40 percent of Korea's product.

Projections for Korea in the year 2000 are glowing. The GNP is expected to nearly triple, and the per capita income to exceed $5,000. By then, Korea will have graduated from the "newly industrialized countries" to join the ranks of "developed nations."

But with achievement comes responsibility. As a major international trader, the Republic of Korea shares the responsibility for—indeed, it has a vested interest in—maintaining a free international trading system. That means being willing to open its markets and further liberalize its economy.

No one familiar with Korea's history would argue that such changes will be easy. With an economy now geared to exports, Korea is extremely vulnerable to international economic conditions. Despite the recent account surplus, Korea still carries a large foreign debt and debt service burden. In addition to economic challenges, Korea faces significant internal and external political challenges that will undoubtedly play a part in the country's economic choices.

But it is precisely because of these challenges that the international community has urged the Republic of Korea to further liberalize its economy and lower trade barriers. Movement in that direction would strengthen Korean industries and improve their competitiveness, making them better able to cope with the developing nations that will be entering the international market in the future. Furthermore, liberalization would forestall the kind of protectionism that Korea can ill afford as an export-driven economy.

I am not here to engage in "Korea-bashing." In the past, Korea has responded in good faith to United States trade concerns, and those responses are appreciated. However, there are still major areas of disagreement that must be worked out and commitments that require better policing on Korea's part. American exporters have not stopped pounding on congressional doors, demanding access to international markets; if anything, they are increasing.

Our trade negotiators will soon be meeting with their counterparts in Seoul. At this critical time in United States-Korea trade relations, when both nations face new challenges and contemplate major policy changes, Congress will be looking for the upcoming negotiations to strengthen an economic partnership that will benefit both the American and the Korean people. It is my hope the comments made tonight will send a message that even though Congress is currently busy with an omnibus bill focusing on the "big picture" in trade, we have certainly not lost sight of the "smaller picture" of our bilateral trade relationship with Korea.

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Mr. Speaker, in all of this effort that the Koreans have put forward to enhance their economy, it is as I have mentioned, a remarkable story. In 1985, Korea was our eighth largest export market purchasing 3 percent of our total exports. In contrast, that same year the United States was Korea's No. 1 export market buying 36 percent of Korea's total exports. The United States-Korea trade deficit though has been growing rapidly over the past few years. The 1981 deficit of $200 million grew to over $4 billion by 1986. Mr. Speaker, that is why I stand before this House tonight; to talk about Korea and the problems that loom ahead.

Korea is not Japan, I repeat that. They have shown a very good-faith attempt to address many of the complaints that I have mentioned this evening, and we applaud those attempts but must note that they do not address all United States concerns and in some cases are too slow to benefit either our producers or Korea's economic vulnerability.

In 1983, the Korean National Assembly passed a 5-year tariff reform package to cut general tariff rates down to industrial nations' level by 1988. Last year, Korea agreed to permit foreign companies to write life and other types of insurance policies. In 1986, Korea did not impose an additional 40- to 60-percent adjustment tariffs over and above general tariffs as it has done in the past.

Korea recently completed a buying mission to the United States purchasing some 2 billion dollars' worth of products in over 20 States. Now the Korean Government plans to open the entire color television market late in 1987.

Mr. Speaker, several weeks ago I announced that I was going to hold this special order this evening. Just today in the mail from the Korean Embassy, the first time we have had mail from the Korean Embassy on this particular issue, we get this announcement: "Korea announces additional tariff restriction packages," and this is datelined Seoul, April 6.

"The Korean Government announces today a sweeping tariff reduction package to further cut the duty on a range of agricultural and manufactured goods. These effective July 1, 1987, will affect 83 items in addition to those listed in the previously announced trade liberalization and tariff reduction schedule." I will read those this evening because I think they are significant.

"Under this plan, duties will drop on the following items. Twenty percentage points on beer; 10 percentage points on a range of automobiles; 5 to 10 percentage points on some fruits and vegetables; 5 to 10 percentage points on vacuum cleaners, fans, food processors, televisions, telephones and radios. Five percentage points on hardwood lumber and veneers. Five percentage points on over a dozen paper products. Five percentage points on a range of computer paraphernalia; telegraphic and facsimile transmitting machines and radio navigation equipment." That is a very important list for the U.S. producer.

One of the reasons I come tonight, not only to tell the amazing success story of the nation of Korea, but also to tell you why I think it is important that as our negotiators go to Seoul in the very near future, there still remains some very important items that the Koreans simply will not face up to.

In my home State of Idaho, a major producer of potato and potato products, Korean trade barriers against potatoes have increased in the last few years. Koreans first imposed an excessive 50-percent duty to change and changed its quota to 150 metric tons.

Mr. Speaker, to understand how restrictive this limit is, consider that in the first 6 months of 1985, just prior to the imposition of the quota, United States potato exports to Korea were more than twice, more than twice in the first 6 months the 150 metric tons.

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The U.S. Trade Representative's office estimates the quota is a 90-percent reduction over the previous import levels. Currently Korea has cut off potato imports altogether, placing a de facto ban on the commodity itself. All these restrictions occur in defiance of U.S. requests. In fact, as the Koreans well know, market access for potatoes has been the centerpiece of the United States trade agenda with Korea, and I am told it will be again.

U.S. Trade Representative Clayton Yeutter recently stated in a letter to Members of Congress his concern, of course, about the potato barriers. In that he said that were was convinced our exporters could capture a much larger share of this growing market in Korea if the barriers were removed.

Mr. Speaker, I ask with the Olympic games in 1988, where are the french fries going to be?

Another major area that the Koreans have shown a de facto ban is in the area of beef imports. In May 1985, they in fact imposed that. Since that time only 49 tons of U.S. beef have entered that country. This ban was imposed despite Korea's agreement—and I repeat—despite Korea's agreement under GATT in 1979 to liberalize their trade restrictions specifically on beef. The de facto ban has remained in place despite an increased demand for beef in Korea. Korea's per capita consumption of beef in 1986 is estimated at 12.2 kilograms, up 11 percent over 1985.

Before the ban, Korean imports of United States beef were on the rise, a very rapid rise. Prior to the restriction, Korea was considered a growing beef market for United States producers. The Korean market is ill-equipped to supply beef for the upcoming Olympic games scheduled in Seoul. In other words, there just are not going to be any hamburgers or french fries to go with them, Mr. Speaker.

In fact, Korean beef cattle inventory over the last few years has declined by about 10 percent.

In addition, United States beef does not compete directly with Korean beef. United States beef is a higher quality grain fed beef that is sold primarily in the hotels of Korea. Korean beef is a lower grade, sold primarily in the retail grocers market.

Another commodity that comes from my State and rapidly seeking a growing export market is the hay-producing market. Korean restrictions on hay imports are a maze of hidden antihay policies. While the only official restriction is a 20-percent tariff, hidden restraints have resulted once again in another de facto ban. This de facto ban is accomplished largely through import licenses.

In other words, Mr. Speaker, the Koreans say, "We will import hay if you can get a license," but then, how strange it is, they simply do not allow any applications for licenses and those they do allow they refuse the license. These barriers have remained in place despite repeated United States hay industry attempts to demonstrate both the quality of the United States product and the willingness of United States producers to target Korean market needs.

The U.S. industry has repeatedly worked to seek inroads into that market. In 1982, U.S. hay producers sent a product team to Seoul to cooperate with Seoul University. The teams displayed the produce and visited many potential customers, especially dairies.

In the 1970's and early 1980's, Korea in an effort to expand its food supply, exported from this country thousands and thousands of quality dairy heifers. They go to Korea with the phenomenal bloodline and production capabilities that comes from this country, only to find that once in Korea their production drops nearly 50 percent.

Why is that so, Mr. Speaker? It is because of the quality of food, because of the type of feeds that are not available to these highbred producing capabilities that come with United States dairy animals that have been imported into Korea.

The demonstration products that our hay producers have provided for the Koreans show that with the quality of food available, we can nearly double the production of the Korean milk cow, once an American product. That is why it is important, not only for Korea, but for United States hay producers to be able to have access to that market.

Mr. Speaker, here is another unique tariff that the Koreans place on producers in our country and I am talking about the American chocolate confectionery industry. Korea had an absolute ban on imported candy until 1984. Today Korea imposes a 35-percent tariff on chocolate confectioneries and a 25-percent tariff on sugar confectioneries.

In other additions to those tariffs, Korea imposes a 2.5-percent defense tax and a 10-percent value-added tax on these products, for a total cumulative tax rate of 52 percent and 42 percent, respectively.

Although the 35-percent tariff on chocolate will be reduced to 30 percent in July, and that was just announced in a communique I read from the Korean Embassy, even this reduced tariff is prohibitive in view of what it costs United States exporters to price the products competitively and market them in Korea.

Let me give you an example of what is now going on in Korea and I think, Mr. Speaker, Members of the House will find this a very unique situation.

I have here with me tonight a bag of somebody's favorite, certainly mine, M&M chocolates with peanuts in them, a standard in the American confectionery market that all of us know about.

Now, here is the counterpart in Korea. It is called a B&B chocolate, almost an identical wrapper, almost an identical symbol on the front.

Now, why are they doing that? It is because they know that the Korean consumer likes M&M's, but they have also placed a restriction on those products and, of course, herein lies the problem. This problem has been raised by officials of our Government to the Korean Government because we think it is a symbol, along with trade policy in the Korean economy, where in fact they are disregarding the proprietary nature of the integrity of internationally recognized brands and trademarks. This case is a very important symbol, since the average American consumer can readily understand the product and, of course, the average Korean consumer can readily understand the product. That is why the confectionery industry of this country is concerned, equally concerned about the very prohibitive tariffs, but this kind of copycatism that goes on in fact when they try to satisfy their consumers with a counterpart by literally stealing image, idea, and design.

Mr. Speaker, I could go on about the barriers that the Koreans place on oranges and orange juice that is certainly of concern to my colleagues in Florida, in Arizona, and in California. United States oranges are currently banned from entry into the Korean market, except for insignificant amounts which are allowed into military commissaries and into some hotels. The small amount of oranges that do enter the market are subject—let me repeat this—are subject to a 50-percent duty. On top of the 50-percent duty, oranges are also subject to a 60-percent temporary tariff over and above the 50- and the 60-percent duties, U.S. orange exporters are also charged excessive import fees. In other words, again it is a de facto ban simply by pricing the product of our country, certainly a healthy product to the Korean consumer, clearly out of the market.

The California-Arizona citrus industry estimates that if the blending requirements in the blending of juice that the Koreans require some 70-percent Korean juice product versus a 30-percent United States juice product, that this blending requirement and the requirements involved in the process, sales could be another $2 million a year to the juice and orange industries of this country.

Mr. Speaker, we have got the same problems in lemons and grapefruits. United States lemons sold in the Korean market are subject once again to a 40-percent general tariff. There is also an additional 60-percent adjustment tariff levy against all United States lemons sold in Korea.

Korean restrictions on peaches, Korean restrictions on almonds, and that process goes on and on.

My special order tonight is pointed not only at all of the primary resources that we talk about, the tremendous agricultural produce that we are capable of providing to the Korean economy, but in fact the very, very restrictive nature of an economy that reaches out to the world to sell many of its new products.

When I go out onto the streets of Washington this evening, Mr. President, I will probably either follow or be passed by a new Hyundai car, a new Korean car that has just entered this market. They want absolute access to our markets and absolute access to our consumers, while at the same time they have continually said no, no, no to all our producers and, of course, in direct disregard to their own consuming public.

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That is why it is important that this Congress send a message, as I hope this special order does this evening, to the Korean Government that we mean business when we talk trade; that it is critically important to all nations involved in international trade to participate in a fair and equal manner if we are to be able to coexist both diplomatically and economically in a very, very important issue as trade.

There are a good many of my colleagues who wish that they could participate tonight, Mr. Speaker, but for a variety of reasons were not able to do so.

Mr. Speaker, at this point I offer their comments for introduction into the Record. I am referring to the gentleman from Texas [Mr. Barton], who has provided us with comments this evening about Korean trade specific to his State of Texas. The gentleman from California [Mr. Miller] is very concerned about the citrus industry of California and a variety of the kinds of practices that the Koreans use in trade—I see by his comments this evening that he speaks of the steel industry of Korea and the impact that it has had in our market. The gentleman from Wisconsin [Mr. Roth] has provided me with a statement for the Record. The gentleman from North Dakota [Mr. Dorgan] would have been with us this evening, but last night he was blessed with a new son, Mr. Speaker, by the name of Brandon, and so I understand that he went home or went to the hospital to be with his wife and his new baby boy this evening and could not join us. Also the gentleman from Idaho [Mr. Stallings] expresses and holds many of the same concerns that I do as relate to beef exports, certainly as relate to potato exports, which are a major product of his congressional district, the Second Congressional District in Idaho, and the near absolute ban of course that the Korean economy and the Korean Government has on it. The gentleman from New York [Mr. Horton] has asked that his statements be included in the Record tonight, Mr. Speaker, along with the gentleman from Michigan [Mr. Schuette].

Mr. BARTON of Texas. Mr. Speaker, I would like to thank the gentleman from Idaho [Mr. Craig] for sponsoring this special order on trade with Korea. It is highly appropriate as the U.S. Trade Representative and the Secretary of Commerce prepare for meetings in Seoul during the week of April 20 to 27, that we discuss this important issue.

Let me say at the outset that my purpose is not to lambaste our friend and ally South Korea. Korea is an important trading partner and is a key part of our defensive efforts in Asia. United States companies exported 5.7 billion dollars' worth of goods to Korea in 1985, ranking as our eighth largest export market.

Despite this high ranking there is reason for concern. Our trade balance with Korea has gone from a $2 million surplus in 1981 to a $4.3-billion deficit in 1985. During that time our exports to Korea increased from $5 billion to $5.7 billion. Korean exports to the United States over the same period increased from $5.2 billion to $10 billion.

A major contributing factor to this deficit is the dramatic decline in the growth of U.S. exports. From 1976 to 1980 our exports to Korea increased 23 percent. From 1981 to 1985, however, our exports increased only 5 percent. Clearly, this decline is an issue we must address as we look to lower our trade deficit with Korea.

There are a number of other reasons for the deficit. The strong U.S. economic growth over the first part of this decade stimulated our demand for imports from all nations. Korea benefited from this demand as did many other countries. Also important was the relatively low growth rate of 6.5 percent Korea experienced at the same time.

Though the above factors are important, we cannot ignore the effect barriers to United States exports to Korea play in this growing deficit. Korea is currently in the midst of a program to lower tariffs on most products from 40 to 20 percent. This sounds laudable until one realizes the average tariff on imported goods in this country is 3 percent.

Of particular concern are tariffs and bans on agricultural products. Korea has placed many agricultural products in the restricted category of goods. Products under this category must be approved by the Korean Ministry of Trade and Industry or the Ministry of Agriculture. They must also be approved by the trade association representing Korean producers. This is akin to having the fox guard the chicken coop. I imagine there are very few Korean producers working to increase our exports to their country.

Wood and paper products are also subjected to high tariffs. In 1985, the United States asked Korea to cut tariffs on a selected list of goods. Wood and paper products were included on this list. I am pleased to note that Korea intends to lower tariffs on these goods from 20 to 15 percent. This rate, however, is still far too high.

Trade prohibitions on the beef industry are particularly onerous. Beef imports have been banned since 1985. If there is any product in which we enjoy a comparative advantage in trade, it is beef. U.S. beef is the finest in the world. I noticed with some interest that the one exception to the beef ban was 49 tons of U.S. beef imported in October of 1985 for a meeting of the International Monetary Fund.

Another area of concern is prohibitions on foreign investment. These prohibitions are one reason we have such a large trade deficit. I am a member of the Energy and Commerce Committee which recently had under consideration H.R. 3, the Trade and International Economic Policy Reform Act. During debate on the bill, I added an amendment which requires the Secretary of Commerce to recommend to Congress means to lower foreign investment barriers.

Korea has a fair record on foreign investments. They correctly recognize that foreign investment is important for economic growth. Korea does prohibit, however, investment in 5 percent of its industries. Another 20 percent of industries have special regulations on foreign investment. These industries include electronics and automobiles. I hope and encourage the negotiators in Korea to place on the table removal of these unnecessary investment restrictions.

This country has been very generous and open toward Korean imports. Korea is one of the top beneficiaries of the Generalized System of Preference [GSP] ranking second behind Taiwan. The GSP gives duty-free treatment to imports from developing countries; 12 percent of imports from Korea come in under GSP status. I am not opposed to this. American consumers have benefited from high quality, low cost Korean goods. Hyundai cars and Samsung electronics products are becoming well known in this country. It is imperative, however, that we have equal access to Korean markets.

In 1988 Korea will host the Olympic games. This worldwide spectacle of sports is a symbol of international cooperation. I hope that the same spirit of cooperation and good will is embodied in the market access talks about to convene in Seoul. Both the United States and Korea will benefit from free and open trade between our two countries.

Mr. MILLER of California. Mr. Speaker, I commend the gentleman from Idaho [Mr. CRAIG] for taking this time to draw attention to certain trade practices by the Government of Korea and by Korean industries and businesses.

As one who has not been supportive of prohibitive and protectionist trade legislation, I regret very much the involvment of the Korean Government in helping to drive down, the standard wage rates of men and women in the construction trades in California.

A Korean-American joint venture—USS-POSCO—is currently engaged in the modernization of a former U.S. Steel facility located in Pittsburg, CA. When completed, this facility will be perhaps the most modern steel finishing facility on the west coast. Together with over 1,000 men and women who will work at that plant, I was pleased when I learned of the decision by USS-POSCO to invest in the facility.

However, my enthusiasm has been tempered by the actions of the joint venture in awarding the contract for the modernization work to an out of State contractor. It is evident that the contractor will hire people only under conditions which significantly undermine existing working conditions in the San Francisco Bay Area.

The Government of Korea holds a major interest in Pohang Steel, the parent of the Korean side of the USS-POSCO joint venture. Thus, we have a foreign government which supports a foreign investor which is actively engaged in undermining traditional, and hard won, wage and hour protections for men and women in the building trades. This is intolerable, and it is an act of arrogance which undoubtedly will have ramifications in the upcoming consideration of trade legislation.

Mr. Speaker, we have voiced our concerns about unfair competition by foreign manufacturers which results from the low wages and working conditions in foreign countries. The working conditions in these countries are far, far below any standard which would be acceptable or legal for the average American worker, let alone for highly skilled workers from the construction industry.

These substandard conditions provide an obvious trade advantage to top countries which compete with products manufactured in the United States by workers who earn decent salaries. We all know that there is no way for an American steelworker, or electronics worker to compete with the wages paid in Korea, or Singapore, or other developing countries. Or so we thought.

USS-POSCO's $350-million modernization contract for the Pittsburg plant, in effect, exports substandard wages to the United States. It is the largest nonunion contract ever signed in the State of California. It will establish a reduced level of wages, benefits and working conditions for hundreds of construction workers in the bay area by undermining local labor standards which have been won through the hard work and sacrifice of men and women of the trades for many years. And those losses will ripple through the businesses of our communities.

In fact, USS-POSCO and its contractor have admitted that construction workers will be hired for less than half the established rate of labor. Efforts by the building trades to negotiate a revised project agreement with both the joint venture and the contractor have been abruptyly rejected.

Eighteen members of the California congressional delegation has joined me in urging the leadership of USS-POSCO to sit down with the leaders of the building trades. In addition, I have had the opportunity to discuss this matter with the Korean Ambassador to the United States and with the Minister of Trade and Industry, Mr. Rha Woong Bae, who recently led a trade mission to the United States to discuss improved commerce between our nations.

I can only repeat what I told both these men: those of us in the Congress who have supported free trade and have resisted protectionist and restrictive legislation in the recent past cannot help but hear the concerns of our own constituents whose livelihoods are jeopardized by the flagrant and unresponsible acts of the Korean Government and its economic partners.

If Korean companies and the Korean Government refuse to consider the impact of their investment decisions on the well-being of the people represented by the Members of this Chamber, it is inevitable that there will be consequences when trade legislation moves through the Congress. That is not a desirable result.

There is a more conciliatory way to proceed. There is still time for USS-POSCO and its contractor to sit down in good faith with leaders of the building trades in the bay area and work on a mutually acceptable agreement which can allow this project to go forward on time, preserve local labor standards, and assure our continued support for liberal trade policies.

Mr. SCHUETTE. Mr. Speaker, I want to thank my colleague from Idaho, LARRY CRAIG, and other members participating in this special order on trade barriers to Korean markets.

I would like to briefly comment on one area of particular concern to me: The protectionist Korean trade barriers against U.S. potatoes. As the only member on the House Agriculture Committee from Michigan, I wish to express the concerns of many Michigan potato producers regarding these counterproductive trade barriers. I am alarmed that Korea has effectively banned the import of potatoes all together. This unilateral action taken by the Korean Government is contrary to the spirit of fair trade between our two countries. U.S. requests to open, not shut off, Korean market to United States agricultural commodities, and specifically, to potatoes have fallen on deaf ears. I call on the Korean Government to reevaluate this shortsighted decision and allow the fair exchange of this and other commodities between our two nations.

Thank you for this opportunity to speak on this important matter. And I hope this special order sends a clear message to Korea to open its market to United States, products and agricultural commodities.

Mr. STALLINGS. Mr. Speaker, Korean trade with the United States has ballooned in the past decade. They have been a substantial customer of U.S. goods, growing 14 percent since 1981. However, over this same period, Korean exports to the United States have almost doubled. The current United States trade deficit with Korea has increased over 20 times since 1981, from $200 million to over $4 billion.

Certainly something is wrong with this status quo trade relationship. And, that something wrong is very evident in the area of agriculture trade. Tariffs of 50 to 75 percent still exist on agriculture goods that the United States would like to increase exporting to Korea. Beef imports are banned. Frozen french-fried potatoes have been limited to 10 percent of the 1985 import level. Alfalfa feed products which were donated to a university in Korea had to be dumped in the ocean because the Korean Government would not allow this product into their country.

Other agriculture products, including oranges, apples, peaches, juices, and others, are also under restrictive import quotas.

This type of unjustified restriction on United States agriculture products is unacceptable, especially while Korea retains their current postion of second ranking for total imports coming into the United States under the Generalized System of Preferences.

We in Congress will no longer tolerate this type of one-way free trade. We demand a fair trading relationship. We hope that the Korean Government will respond favorably to the upcoming talks with the United States Trade Representative. Otherwise, an increasing support in Congress will emerge to adopt retaliatory measures in the omnibus trade bill.

Mr. DORGAN of North Dakota. Mr. Speaker, the trade balance between the Republic of Korea and the United States was $7.6 billion in favor of Korea in 1986. One major reason for this imbalance is the unfairness of various trade practices by the South Korean Government.

My colleagues have addressed a variety of these unfair practices. I'd like to focus your attention on one which I think is representative of the larger problem we are having with Korea. Since May of 1985 the Republic of Korea has banned high quality beef imports.

The Koreans flood our auto market with Hyndais, and we cannot send them beef. Does this make sense? Absolutely not. Is it fair trade? Not at all. This beef import ban is a contravention of Korea's General Agreement on Tariffs and Trade [GATT] obligations and impairs U.S. GATT rights. In plain English, "It's not right."

The bottom line is fairness. If these import restrictions were removed the United States could supply a significant portion of the Korean red meat market. American beef is very competitive. But no Korean will ever gain an appetite for American beef if we don't get the chance to compete.

These unfair trade barriers by Korea cannot continue. I believe that the Republic of Korea should take formal and immediate action to fulfill its GATT obligations and permit access to its market by United States beef producers. Moreover, the United States Trade Representative and other Government officials should enter into negotiations to gain greater access for United States red meat and other products to the Korean market. Such negotiations should also address the high tariffs and the means in which imported beef is distributed.

Should the Republic of Korea not immediately show clear evidence that it is engaging in meaningful liberalization action in its market for the United States beef and other products, I believe the appropriate United States Government officials should utilize all available and appropriate avenues to encourage Korea to open its market to United States beef and other products.

I appreciate having this opportunity to speak on an issue that we can no longer ignore. We must make progress on gaining access to Korean markets.

Mr. ROTH. Mr. Speaker, I wholeheartedly concur with the points raised by Mr. CRAIG. Our expanding trade deficit with South Korea is deplorable. Restrictive trade barriers to United States agricultural commodities imposed by South Korea have caused hardship for our Nation's beef and potato growers. And recent negotiations with South Korea have proved futile.

The United States currently has a bilateral trade deficit with South Korea in excess of $5 billion. With the 1988 Seoul Olympic games rapidly approaching, I strongly believe that the United States should have the opportunity to meet the increased demand for agricultural products that will be generated by the Olympic spectators.

Some gains have been made in bilateral trade negotiations with South Korea regarding manufactured goods, but little progress has been made with respect to agricultural commodities. A 150-metric-ton quota on United States potato exports has been in place since 1985 and high-quality beef imports have been banned altogether since May 1985. South Korean's 150-ton potato imports quota represents a 90-percent reduction over the previous $500,000 1985 import level. The ban on high-quality beef seriously impairs United States General Agreement on Tariffs and Trade [GATT] rights and clearly violates South Korea's GATT obligations.

Our United States potato and beef producers, who are continuing to suffer from a number of serious economic strains, desperately need relief. We all know how much the United States contributes to South Korea's military security. It is high time that we provided for the economic security of our own farmers and I urge my colleagues to join me and others in opposing South Korea's excessively restrictive trade barriers.

Mr. JOHNSON of South Dakota. Mr. Speaker, the number one industry in South Dakota is agriculture. The number one agricultural commodity in South Dakota is beef. As the lone Member of Congress from South Dakota it is my business to look out for the beef industry in every way possible.

Last week, the House Agriculture Committee acted on the portions of H.R. 3, the comprehensive trade reform bill, under that committee's jurisdiction. One of the issues raised was the matter of trade, or the lack of it, with the Republic of Korea, particularly with regard to beef exports. I offered as an amendment to the trade bill an amendment that essentially states that it is the sense of the Congress of the United States of America that the current ban of beef imports into the Republic of Korea was a direct violation of that country's GATT obligations and that the United States should take all necessary and appropriate actions, up to and including retaliation, to open that market up to United States beef production. I am happy to report that my amendment passed the committee unanimously.

Mr. Speaker, for the RECORD I am inserting the text of my amendment so that the findings of the House Agriculture Committee and the sense of Congress section of my amendment will be available for all our colleagues to read. We have heard a great deal about the problems we have had with Japan and the exports of our products, including beef, into that nation. The Republic of Korea has decided, apparently, that it wants to join the ranks of those who would keep out our beef because they know that, if given the choice between quality and price, their consumers would readily buy our beef products.

Mr. Speaker, we are not here to ask for some kind of an unfair advantage over other beef producers around the world. We just want a chance to compete. I hope that the Republic of Korea will take note of the actions of the House Agriculture Committee and the members of the Congressional Beef Caucus participating in this special order. By opening up their markets to United States beef exports, the Republic of Korea will take a significant step toward meeting that nation's GATT obligations and avoiding retaliatory action by the United States.

AMENDMENT TO H.R. 3, AS INTRODUCED

OFFERED BY MR. JOHNSON OF SOUTH DAKOTA

SEC. . SENSE OF CONGRESS WITH REGARD TO THE NEED FOR INCREASED ACCESS TO THE REPUBLIC OF KOREA'S BEEF MARKET.

(a) FINDINGS.—The Congress finds that—

(1) the trade balance between the Republic of Korea and the United States was $7,600,000,000, in favor of Korea in 1986;

(2) the Republic of Korea has banned high quality beef imports since May 1985;

(3) this beef import ban is in contravention of Korea's General Agreement on Tariffs and Trade (hereinafter in this section referred to as "GATT") obligations and impairs United States GATT rights;

(4) Korea imposes an unreasonably high 20 percent ad valorem tariff on meat products;

(5) if the import ban were removed the United States could supply a significant portion of the Korean beef market; and

(6) the United States cattle raising industry has not been profitable since 1980.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the Republic of Korea take immediate action to fulfill its GATT obligations and permit access to its market by United States beef producers;

(2) the United States Trade Representative should enter into negotiations to gain greater access to the Korean market for United States beef;

(3) such negotiations, in addition to greater market access, also address the high tariffs, and the means in which imported beef is distributed in Korea; and

(4) if the Republic of Korea does not immediately show clear evidence that it is engaging in meaningful liberalization in its market for United States beef, the appropriate United States Government officials

should utilize all available and appropriate avenues, including retaliation, to encourage Korea to open its market to United States beef imports.

Mr. HORTON. Mr. Speaker, next year the entire world will be looking toward South Korea to enjoy the quadrennial spectacle of the Olympics. While that country is readying itself for the throng of sports fans that will converge on Seoul, I want to join my colleague and friend LARRY CRAIG in pointing out the serious inequities that exist in South Korean trade.

The Republic of Korea is the seventh largest market of United States imports and the eighth largest United States export market. In 1985 Korea's United States exports grew six percent to $10.7 billion. United States exports to Korea were only $5.7 billion. We face a $5 billion annual trade deficit with that country.

The list of products restricted by South Korea is long—wine, cigarettes, seafood, high-quality beef, potato by-products and a number of other agricultural products. These products can be restricted in a number of ways—tariffs of up to 100 percent ad valorem, unreasonable import licensing requirements, quotas and de facto bans on services or products. The means may be different, but the end result is the same—a clear Government policy of tariff and nontariff trade barriers against the United States.

Mr. Speaker, I join my colleagues in bringing this matter to light not to single out South Korea as the only United States trading partner engaging in such tactics. Unfortunately, there are many countries doing exactly the same thing.

For decades, South Korea has been a strong, committed ally of the United States, and has consistently opposed Communist hegemony in the Pacific Rim. I applaud many of these efforts.

That notwithstanding, we cannot sit idly by, with our $170 billion annual trade deficit, and allow walls to be built around our products.

Once again, I thank the gentleman from Idaho [Mr. CRAIG] for giving us this opportunity to address an important trade question. As the Congress continues to debate an omnibus trade bill, efforts to better inform our colleagues are welcome and needed.

Mr. CRAIG. Mr. Speaker, the American public is saying loudly and clearly that they want change in U.S. trade policy. Reflective in that policy was a decision resulting from negotiations that occurred recently between the Canadians and our Government as it relates to the forest products industry. That effort is now working its will and has clearly improved the future and the nature of the forest products industry of this country.

That policy was initiated by myself and a good many other colleagues in Idaho and around this country.

Now of course just in the news in the last several weeks has been the computer-chip question with Japan, and of course once again micron industry of Idaho was one of the featured industries who has fought for its share of the world market, and certainly has fought against Japanese dumping in our markets and other markets of the world. As a result, this Government and this administration is responding.

I also mention, Mr. Speaker, that a very large and important trade bill is now working its way through the House Ways and Means Committee and through the appropriate committees of Congress.

Having said all of that, Mr. Speaker, having spoken directly to the Korean question, knowing that we have a trade delegation going to Seoul soon, I hope that the Korean Government and other governments of this world who practice restrictive trade policies recognize that this Nation, its consumers, and its producers, mean business. We can no longer tolerate an open free market if we too cannot have an open free market from the nation who seeks entry into ours.

It is critical. It is important for the survival of a free and dynamic world economy. It is most important for the working men and women of this country and for our industrial base.

I recently read, Mr. Speaker, where 65 percent of all of the manufactured goods of Third World developing nations must be sold in this economy to the American consumer if current economic levels of those nations are to be sustained. I cite that figure, Mr. Speaker, because it demonstrates to me and I think that it should to all of our country the value of the consuming public of the United States. It says that we are the richest and largest consuming public, and it is necessary for growth in Third World nations that they have access to our consumer.

But at the same time it says to us, Mr. Speaker, that we have a tremendously valuable tool in the process of negotiations in the process of redefining our trade policy in this country, and we must not overlook that lever. We must not overlook the very valuable tool that the American economy is in addressing the kinds of trade barriers that I have talked about tonight with our Korean neighbors in the Pacific rim—the barriers of potatoes, the barriers of beef, the barriers of chocolate and sugar confectionaries, the barriers of almonds and oranges, of hay, of all of those kinds of major agricultural products which we have in an abundance at this time and which we would like to become a participant in selling to the consuming public of the nation of Korea.

I say to Korea, I say to its government: Please understand that we mean business. If you are to gain a share of our market with your manufactured goods, then you must anticipate that we should have fair and open access to your consuming public.

I see that my colleague, the gentlewoman from Maryland [Mrs. BENTLEY] has just arrived. I understand that she has comments on this important issue. I thank her for joining me in this special order tonight.

Mrs. BENTLEY. Mr. Speaker, will the gentleman yield?

Mr. CRAIG. I yield to the gentlewoman from Maryland.

Mrs. BENTLEY. I thank the gentleman for yielding.

I am very happy to do this. I want to commend the distinguished gentleman from Idaho for pointing out these difficulties that the American interests have in exporting and how we are being blocked out by the very countries that we are helping the most.

I listened to just part of the gentleman's presentation. I heard about the Idaho potatoes and about the beef. These are just some of the things. But you know, they will not let any American cigarettes in there. Did the gentleman refer to that, by chance?

Mr. CRAIG. I did not.

Mrs. BENTLEY. Well, I understand that it is even illegal if anybody is found with a package of American cigarettes, and this is a country on which we are spending how many billions of dollars in defense a year?

Mr. CRAIG. Hundreds of millions.

Mrs. BENTLEY. How much trade is coming into this country? What amount of exports from Korea are we purchasing?

Mr. CRAIG. The total volume of Korean imports into this country, their exports, in 1986 rose to $4 billion.

Mrs. BENTLEY. $4 billion. And the doors are practically closed to everything from the United States.

Mr. CRAIG. That is correct.

Mrs. BENTLEY. They will not even let an American automobile in that country.

Mr. CRAIG. Well, they are saying that they are going to change their policy now. I had a communique from their office this evening that they are going to offer some degree of liberalization there, but I think that is merely a crack in the door.

Mrs. BENTLEY. Well, I hope that their liberalization is not like Japan's liberalization. You know, Japan makes agreements with us, as they did on the semiconductor last July, and we have yet to see any action out of that. They made an agreement on American cigarettes going into Japan 4 months ago. There has been no action on that yet. They made an agreement with Motorola to split a certain type of communications system in Japan 50-50—50 percent a Japanese firm and 50 percent Motorola. Motorola will probably be allowed in there after that Japanese firm has taken over 90 percent of that particular type of communications system.

□ 1900

That is the difficulty that American manufacturers and our products are having overseas.

We hear all this stuff on free trade. Does the gentleman think there is any free trade in the world?

Mr. CRAIG. It is in the eye of the beholder. I think that although this Nation has really held a very open and liberal free trade policy over the years, we find out that our doors tend to be wide open and theirs to all varying degrees are closed, and in some instances, as those I have cited tonight, there are subtle de facto bans. If you can get a license to sell in the country, you may sell. In other words, we have no restrictions. There is only one thing unique about it. They do not issue any licenses.

Mrs. BENTLEY. That is very subtle. In other words, they are just saying you are nice people, but go home and stay home.

Mr. CRAIG. That is the way it works.

Mrs. BENTLEY. We talk about protectionists, that we do not want to be protectionist. We do not have to be protectionist and we do not want to be either. The only thing we should do, and I would like the opinion of my distinguished colleague from Idaho on this, is we should apply the same exact terms in this country on the exports from any other country as they apply to our goods going into their country. Would that be protectionist?

Mr. CRAIG. No; it certainly would not be.

One of the things we have done over the years for human health and safety, for our environment, for a variety of other reasons, to improve the quality of life in this country, we have placed upon our producing friends a variety of restrictions that they must comply with, and in most instances I think the gentlewoman and I can agree that they are good. They have cleaned up the air, they have made products safer, and they come with a cost. There is no question that the cost is passed on to the American consumer. But many of the products or comparable products that enter our markets are not subject to the same kinds of restrictions.

Mrs. BENTLEY. Exactly.

Mr. CRAIG. For example, in the area of beef, a field I know very well, we say to the beef producers that there are certain types of chemicals, certain types of pharmaceuticals you cannot inject into an animal to be consumed by the American consumer. Yet those very restrictions that maybe cause a loss of production, a loss of life in the livestock——

Mrs. BENTLEY. Or an additional cost.

Mr. CRAIG. Or an additional cost, certainly they are not the same types of restrictions that the producer in Australia or the producer in Argentina have. And, of course, he can produce for less cost and move into this country, and we do not put any restrictions on that.

I think in this trade policy, as we look at it, we ought to say very clearly that product which comes into this country, which the American consumer will consume, must be as healthy, must be grown or provided or manufactured under the same kinds of conditions and restrictions that we require in this country for human health and safety.

Mrs. BENTLEY. In particular, this was brought to my attention last week, we are so very fussy about our raw vegetables in this country, and as the gentleman says, chemicals are applied to them. Yet we are getting raw vegetables from many places in the world today and they use the very basic type of fertilization. I think the American people ought to be made aware of that.

Mr. CRAIG. This is of course some of the very real difficulties that we deal with. We are forced when we enter into a foreign market to identify with that market. I am convinced that is one of the areas we really have fallen down on in this country. Our trade policy really evolved out of a surplus concept. We as a nation were fairly arrogant throughout our history. We were self-contained, we were powerful, we had resources and we did not need to worry about markets around the world to sell products. As we matured, as we grew and needed to expand our economies for our labor force, we began to produce beyond the capacity of this Nation to consume. But our policy did not change. Our trade policy was not consistent with the economic expansion that was necessary in this country, and as a result we sought markets for our surpluses.

Agriculture is a prime example. Many people in industry and in business here today have not worked toward a consistent trade policy that would gain equal access to the marketplaces of the world. And finally in the recession of the 1980's and in the change in the value of currencies we have learned our lesson, and we are going to see now trade policy come out of this Congress.

We have seen this administration make changes in its attitudes toward negotiations. In the last 3 years they have gotten tough and they need to get tough, because many of our people were finding themselves out of work because the product they produced had been replaced by a foreign product on the market shelves of this country.

Mrs. BENTLEY. Our exports have really been jobs overseas, our jobs of our people overseas.

Mr. CRAIG. That is really what has happened.

Mrs. BENTLEY. And that is bad.

Again I want to commend the gentleman from Idaho for this very excellent presentation.

Mr. CRAIG. I thank my colleague, the gentlewoman from Maryland, who represents the Baltimore area. As I represent potatoes and meat, beef, she represents a major port in this country, a major port through which a lot of the goods that we trade flow out from this country. I suspect the traffic leaving her port over the last several years has declined as the traffic coming in has increased. I think that is symoblic of the kinds of trade difficulties this country is in, and I thank the gentlewoman for joining me in this special order.

Mr. Speaker, let me close by saying once again to my Korean neighbors that because we in Idaho believe we reside on the Pacific rim, in the middle of my district I have a port, a port that is on a waterway that leads us to the Pacific Ocean and to our trading partners of the Pacific rim, and to my neighbors in Korea, for your own economic stability, for the growth and expansion of you general economy, for the well being of your consuming public, it is necessary, I believe it is critically necessary that you move to open and liberalize your trade policy. And for the sake of the 1988 Olympic games, and for those thousands of people who want a hamburger and French fries, get with it, Korea. We need your markets and we want to participate in them in providing quality beef and quality potatoes to those consumers.

Mr. Speaker, I yield back the balance of my time.

INTRODUCTION OF A BILL TO AMEND TITLE III OF THE OLDER AMERICANS ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas [Mr. HAMMERSCHMIDT] is recognized for 15 minutes.

Mr. HAMMERSCHMIDT. Mr. Speaker, today I am introducing a bill to amend title III of the Older Americans Act. Very simply, my amendment would add $25 million under title III for a 1-year program that would provide direct assistance to low-income older persons so that they may obtain the supplemental security income [SSI], Medicaid and food stamps to which they are entitled.

Although our Nation has been successful in its dramatic reduction of elderly poverty in the last 25 years, as of 1985 there were still 13 percent or 3.5 million people 65 and over who live below the poverty line—$5,156 for a single person and $6,503 for a couple. My own State, Arkansas, reported 30 percent of the population 65 plus with incomes below the poverty level—twice the national average.

According to the Social Security Administration only 7 percent of the elderly 65 and over receive SSI. A recent national survey commissioned by the commonwealth fund and conducted by Lou Harris confirmed that only half of all persons eligible for SSI actually participate in the program. Those who appeared to be eligible were questioned about why they had not enrolled in the SSI program. Almost half said they had never heard of the program or believed that they were not eligible. My amendment was developed in response to these findings.

It is important to remember that since the minimum social security benefit was eliminated in 1981, SSI is the only program that guarantees a basic level of income for the elderly. The maximum Federal SSI benefit—for persons with no other income—is $340 for an individual and $510 for a couple. Social Security is still the major source of income for the low-income elderly. The average SSI benefit for those receiving social security is $115 a month. Less than 13 percent of the income for the elderly below the poverty line comes from SSI.

Only one-third of the noninstitutionalized low-income elderly receive Medicaid benefits. Medicaid is an essential program for the low-income elderly because many States pay for all or part of the deductibles and copayments that are not covered by Medicare Program. With the Medicare deductible at $520 for each hospitalization, many low-income older persons are postponing hospital care. Often they wait too long and require more extensive and costly care when they are forced to seek hospitalization. Even if Congress were to enact a catastrophic health insurance bill, it appears that the elderly would still be responsible for one or two deductibles a year.

The Food Stamp Program has a very low participation rate. About 50 percent of the elderly who are eligible receive them. The average elderly household could receive an additional benefit of $58 per month if they were to participate.

The entitlement programs, SSI, Medicaid and food stamps, have an enormous potential to improve the quality of life for millions of older Americans. I don't believe that anyone can claim that these benefits are too generous. According to the recent urban institute study on elderly poverty, in a typical situation a single older person who receives social security, SSI, and food stamps would only be at 84 percent of the poverty line. A married couple in comparable circumstances would be at 99 percent of the poverty line.

Congress has to make a greater effort to ensure that all the people who are eligible for these benefits have an opportunity to receive them. With the national network of 673 area agencies on aging we have a system in place that can reach a significant portion of the low-income elderly and educate them about these programs.

Yesterday I had the privilege to testify before the Human Resources Subcommittee of the Committee on Education and Labor which has jurisdiction over the Older Americans Act. After listening to the judicious and thoughtful statement of Chairman KILDEE, I knew that my amendment would be given fair consideration. I commend Mr. KILDEE, Mr. TAUKE and the other members of the subcommittee for the courtesy thay have extended to me. I hope that we will be able to work together to assist the elderly in greatest economic need—those living below the poverty line without the benefits of the entitlement programs.

Although the entitlement programs are limited in the benefits they provide, we must not minimize the improvements they can make in the lives of very low-income people. An additional $58 food stamp benefit each month can enrich the diets of thousands of older persons. This will reduce malnutrition and prevent many illnesses from starting or being exacerbated. Having Medicaid will allow older people to utilize hospital and medical care when needed; they will not have to jeopardize their health by postponing care until they have saved enough money to cover the $520 deductible or the part B. copayment. And since many of the State Medicaid Programs cover outpatient prescription drugs, many low-income older people will be able to take the medications they need. I'm sure that all the older persons living on incomes below the poverty line can find good use for the additional dollars received under the SSI Program.

For all these reasons, I hope this amendment will be enacted. The support of my colleagues would be deeply appreciated.

H.R. 1996

Be it enacted by the Senate and House of Representative of the United States of America in Congress assembled,

SECTION 1. OUTREACH AND APPLICATION ASSISTANCE FUNCTIONS OF ADMINISTRATION ON AGING.

Section 202(a) of the Older American Act of 1965 (42 U.S.C. 3012(a) is amended—

(1) in paragraph (8) by inserting "(including statistics regarding the results of outreach activities and application assistance provided under section 306(a)(6)(L))" after "statistics",

(2) in paragraph (17) by striking "and" at the end,

(3) in paragraph (18) by striking the period at the end and inserting "; and", and

(4) by adding at the end the following:

"(19) obtain from—

"(A) the Department of Agriculture information explaining the requirements for eligibility to receive benefits under the Food Stamp Act of 1977; and

"(B) the Social Security Administration information explaining the requirements for eligibility to receive supplemental security income benefits under title XVI of the Social Security Act (or assistance under a State plan program under title XVI of that Act);

and distribute such information, in written form, to State agencies, for redistribution to area agencies on aging, to carry out outreach activities and application assistance under section 307(a)(22).".

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

Section 303(a) of the Older Americans Act of 1965 (42 U.S.C. 3023(a)) is amended—

(1) by inserting "(a)" after "(a)",

(2) by inserting "for purposes other than outreach activities and application assistance under section 307(a)(22)" before the period at the end, and

(3) by adding at the end the following:

"(2) There is authorized to be appropriated $25,000,000 for fiscal year 1988 to carry out section 306(a)(6)(L). Amounts appropriated under this subsection shall remain available until expended.".

SEC. 3. ADMINISTRATIVE EXPENSES.

Subparagraphs (B) and (C) of section 304(d)(1) of the Older Americans Act of 1965 (42 U.S.C. 3024(d)(1)) are each amended by inserting "(excluding any amount attributable to funds appropriated under section 303(a)(2))" after "amount".

SEC. 4. OUTREACH AND APPLICATION ASSISTANCE REQUIRED.

(a) AREA PLANS.—Section 306(a)(6) of the Older Americans Act of 1965 (42 U.S.C. 3026(a)(6)) is amended—

(1) in subparagraph (J) by striking "and" at the end,

(2) in subparagraph (K) by striking the period at the end and inserting "; and", and

(3) by adding at the end the following:

"(L) with funds and information received under section 307(a)(22) from the State agency—

"(i) conduct outreach activities to inform older individuals, with special emphasis on older individuals residing in rural areas, of the requirements for eligibility to receive supplemental security income benefits under title XVI of the Social Security Act (or assistance under a State plan program under title XVI of that Act), medical assistance under title XIX of the Social Security Act, and benefits under the Food Stamp Act of 1977; and

"(ii) assist older individuals to apply for such assistance and such benefits.".

(b) STATE PLANS.—Section 307(a) of the Older Americans Act of 1965 (42 U.S.C. 3027(a)) is amended—

(1) in paragraph (20)—

(A) in subparagraph (A) by striking "section 306(a)(2)(A)" and inserting "sections 306(a)(2)(A) and 306(a)(6)(L)", and

(B) in subparagraph (B)(ii) by striking "and" at the end,

(2) in paragraph (21) by striking the period at the end and inserting "; and", and

(3) by adding at the end the following:

"(22) provide that the State agency—

"(A) from funds allotted for fiscal year 1988 under section 304(a) for part B that are attributable to the amount appropriated under section 303(a)(2), will make funds available to area agencies on aging to carry out section 306(a)(60(L) and, in distributing such funds among area agencies, will give priority to area agencies based on—

"(i) the number of older individuals with greatest economic need (as defined in section 306(a)(6)) residing in their respective planning and service areas; and

"(ii) the inadequacy in such areas of outreach activities and application assistance of the type specified in section 306(a)(6)(L); and

"(B) will distribute to area agencies on aging—

"(i) the eligibility information received under section 202(a)(19) from the administration; and

"(ii) information, in written form, explaining the requirements for eligibility to receive medical assistance under title XIX of the Social Security Act.".

SEC. 5. EFFECTIVE DATE.

The amendments made by this Act shall take effect on October 1, 1987.

HOSTILE BUSINESS TAKEOVERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota [Mr. PENNY] is recognized for 15 minutes.

Mr. PENNY. Mr. Speaker, today I am introducing legislation to protect the public's interest in hostile business takeovers and plant closings. We have heard a great deal about these takeovers in recent months. It is time to do something about them.

It is time to do something because there are many people who can be hurt by takeovers and mass layoffs but who do not have any say about the takeover transaction itself. Too often, these are loyal, long-term employees concerned about their jobs and retirement and small investors who fear a loss of their savings.

The national economy itself is affected when investment dollars are tied up in a takeover battle. Dozens of takeovers have tied up tens of billions of dollars in the last few years. Economists agree that this is a very unproductive use of capital. These funds would be better used to buy new equipment, renovate plants, construct new buildings, do research on new products, and create more jobs.

For employees, the threat of a takeover has a negative impact. They rightfully fear plant closings, job losses and the wholesale restructuring of the combined business if a takeover is successful. These fears undermine employee-employer cooperation that becomes even more important if a merger occurs.

Customers and suppliers of a company that are bought out in a hostile takeover face the same kind of threat. Longstanding relationships, both nationally and within communities, can be disrupted by management and organizational decisions made by the new company resulting from a forced merger.

In addition, if plants are closed and jobs are lost, local governments lose their tax base, and communities lose their economic vitality. Local businesses are hurt, churches and schools close, residential property taxes skyrocket, and too often communities die.

Finally, if the new, combined company is weakened by the cost of a takeover, the stockholders of both companies lose.

Recognizing the negative consequences of many hostile takeovers and plant closings, I believe something should be done. However, we can rely on the free market to do it. We can rely on the free market by providing additional information to the shareholders of both the target company and the acquiring company before a takeover, plant closing, or mass layoff begins. In addition, we must insure that all shareholders of the target company are treated equally in the takeover process.

The legislation I am introducing today has four provisions designed to prevent the negative consequences of hostile takeovers and plant closings.

First, the legislation requires that a company planning to acquire another prepare a statement of its plan for plant closings, changes in work force, modification of supplier agreements, and any other major changes in its corporate structure, management or personnel. This statement must be then made available to the shareholders of the target company. The takeover would be permitted to proceed only if the transaction were approved by a majority vote of the shares of the target company that are not owned already by the company planning the takeover. This statement guarantees that shareholders have more information about the planned takeover than just the price they are being offered for their stock.

Second, the bill would stop a company from paying more for the first shares acquired in a takeover than for those remaining after the takeover has progressed. To prevent this "two-tier" pricing, under the terms of this bill, an acquiring company must pay the same amount for all shares acquired over a period of 2 years following an initial takeover attempt.

Third, under this measure, any business that employs more than 50 employees shall not order a plant closing or mass layoff until 90 days after notifying and consulting with effected employees, their representatives, and community and State officials. The Federal Mediation and Conciliation Service would be directed to resolve disputes and provide assistance to affected employees and employers. No penalties are levied against firms who fail to comply.

Finally, the bill expresses the "sense of the Congress" that all employers make every effort to provide employees with information about any proposal to close a plant or reduce a work force.

Mr. Speaker, company mergers and plant closings have far reaching economic and personal effects. Employees, community officials, and stockholders should have information about planned corporate changes and should be given time to consider those plans. This bill requires both.

I urge my colleagues to support this legislation.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Daniel (at the request of Mr. Foley), for today and the balance of the week, on account of illness.

Mrs. Lloyd (at the request of Mr. Foley), for today and the balance of the week, on account of illness.

Mr. DioGuardi (at the request of Mr. Michel), for April 8 and 9, on account of a death in the family.

Ms. Snowe (at the request of Mr. Foley), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. Vucanovich) to revise and extend their remarks and include extraneous material:)

Mr. Marlenee, for 60 minutes, today and April 9.

Mr. Hammerschmidt, for 15 minutes, today.

(The following Members (at the request of Mr. Owens of New York) to revise and extend their remarks and include extraneous material:)

Mr. Stratton, for 5 minutes, today.

Mr. LaFalce, for 10 minutes, today.

Mr. Penny, for 15 minutes, today.

Mr. Owens of New York, for 60 minutes, on April 9.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mrs. Vucanovich) and to include extraneous material:)

Mr. Gilman in two instances.
Mr. Gradison.
Mr. Courter in two instances.
Mr. Leach of Iowa in two instances.
Mr. Pursell.
Mr. Horton.
Mr. Lagomarsino.
Mr. Blaz.
Mr. Frenzel.
Mr. Herger.
Mr. Wortley.
Mr. Fields.
Mr. Gekas.
Mr. Smith of New Jersey.
Mr. Marlenee.
Mr. Inhofe.
Mr. Lungren.
Mr. Tauke in two instances.
Mrs. Vucanovich.
Mr. McMillan of North Carolina.

(The following Members (at the request of Mr. Owens of New York) and to include extraneous matter:

Mr. Bustamante.
Mr. Coelho.
Mr. Kildee.
Mr. Tallon.
Mr. Berman.
Mr. Bilbray.
Mr. Coyne.
Mr. Leland.
Mr. Nelson of Florida in two instances.
Mr. Miller of California.
Mr. LaFalce in three instances.
Mr. Darden.
Mr. Mrazek.
Mr. Edwards of California.
Ms. Kaptur.
Mr. Dorgan of North Dakota.
Mr. Hamilton.
Mr. Lewis of Georgia.
Mr. Weiss.
Mr. Feighan.
Ms. Oakar.
Mr. Savage.
Mr. Gordon.
Mr. Coleman of Texas.
Mr. de Lugo.
Mr. Levine of California.
Mr. English.
Mr. Sawyer.
Mr. Schumer.
Mr. Torricelli.
Mr. Williams.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 626. An act to prohibit the imposition of an entrance fee at the Statue of Liberty National Monument, and for other purposes; to the Committee on Interior and Insular Affairs.

ENROLLED JOINT RESOLUTION SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found a truly enrolled joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 200. Joint resolution to designate April 10, 1987, as "Education Day U.S.A."

ADJOURNMENT

Mr. CRAIG. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 8 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, April 9, 1987, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1126. A letter from the Auditor, District of Columbia, transmitting a report entitled, "Review of Agency Fund 803 the District of Columbia Inmate Trust Fund", pursuant to D.C. Code section 47-117(d); to the Committee on the District of Columbia.

1127. A letter from the Secretary of Health and Human Services, transmitting a report on the review and evaluation of alcohol, drug abuse, and mental health services block grant allotment formulas, pursuant to 42 U.S.C. 300X-1a nt., to the Committee on Energy and Commerce.

1128. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations for the National Telecommunications and Information Administration for fiscal years 1988 and 1989, pursuant to 31 U.S.C. 1110; to the Committee on Energy and Commerce.

1129. A letter from the Assistant Secretary for Legislative and Intergovernmental Affairs, Department of State, transmitting a report describing United States efforts to negotiate multilateral measures to bring about the complete dismantling of apartheid, a separate report describing the economic and other relationships of other industrialized countries with South Africa will be transmitted, pursuant to 22 U.S.C. 5081(b)(2); to the Committee on Foreign Affairs.

1130. A letter from the Director, U.S. Arms Control and Disarmament Agency, transmitting the fiscal year 1988 arms control impact statement, pursuant to 22 U.S.C. 2576(b)(2); to the Committee on Foreign Affairs.

1131. A letter from the Secretary, Federal Trade Commission, transmitting the Commission's annual report of its activities for calendar year 1986 under the Freedom of Information Act, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1132. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to repeal the Interjurisdictional Fisheries Act of 1986; to the Committee on Merchant Marine and Fisheries.

1133. A letter from the Deputy Administrator, General Services Administration, transmitting informational copies of lease prospectuses at various locations, pursuant to 40 U.S.C. 606(a); to the Committee on Public Works and Transportation.

1134. A letter from the Secretary of Health and Human Services, transmitting a report on the progress and status of pilot projects to demonstrate the use of integrated service delivery systems for human services programs, pursuant to 42 U.S.C. 1320b-6(h); to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HOWARD: Committee on Public Works and Transportation. H.R. 1972. A bill to amend the International Air Transportation Fair Competitive Practices Act of 1974 (Rept. 100-45). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MATSUI:

H.R. 1981. A bill to amend the Trade Act of 1974, and for other purposes; to the Committee on Ways and Means.

By Mr. MARLENEE:

H.R. 1982. A bill to authorize the establishment of the Lewis and Clark National Historic Site in the State of Montana; to the Committee on Interior and Insular Affairs.

By Mr. BENNETT (for himself, Mr. MacKay, Mr. Chappell, Mr. Hutto, Mr. Lehman of Florida, Mr. Shaw, Mr. Nelson of Florida, Mr. Fascell, Mr. Mica, Mr. Grant, Mr. Pepper, Mr. Mack, Mr. Young of Florida, Mr. Lewis of Florida, Mr. Ireland, Mr. Bilirakis, Mr. Gibbons, Mr. McCollum, and Mr. Smith of Florida):

H.R. 1983. A bill authorizing the Secretary of the Interior to preserve certain wetlands and historic and prehistoric sites in the St. Johns River Valley, FL, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BEREUTER:

H.R. 1984. A bill to direct the President to liquidate assets of Vietnam or a national thereof in order to pay certain awards made by the Foreign Claims Settlement Commission; to the Committee on Foreign Affairs.

By Mr. BROWN of Colorado (for himself, Mr. Michel, Mr. Lott, Mr. Duncan, Mr. Vander Jagt, Mr. Frenzel, Mr. Schulze, Mr. Thomas of California, Mr. Daub, and Mr. Chandler):

H.R. 1985. A bill to amend title IV of the Social Security Act to improve the program of aid to families with dependent children by establishing a two-tier system for AFDC families, to require each State to establish a single comprehensive work program with a centralized intake and registration process for such families, and to make necessary improvements in the child support enforcement program; jointly, to the Committees on Ways and Means and Education and Labor.

By Mr. COELHO (for himself, Mr. Lehman of California, Mrs. Boxer, Mr. Lewis of Georgia, Mr. Horton, Mr. Gordon, Mr. Smith of Florida, Mr. Fauntroy, Mr. Mrazek, Mr. Robinson, and Mr. Fazio):

H.R. 1986. A bill to strengthen the enforcement of plant and animal quarantine laws by prohibiting the use of any class of first-class mail for the transport of plant materials unless the person who submits the mail agrees to allow agricultural inspection of its contents in order to prevent the introduction of destructive plant and animal diseases and pests and noxious weeds; jointly, to the Committees on Agriculture and Post Office and Civil Service.

By Ms. KAPTUR (for herself, Mr. Burton of Indiana, Mr. Montgomery, and Mr. Solomon):

H.R. 1987. A bill to designate the area of Arlington National Cemetery where the remains of four unknown service members are interred as the "Tomb of the Unknowns"; to the Committee on Veterans' Affairs.

By Mr. HEFLEY (for himself, Mr. Fields, Mr. Rangel, Mr. Vander Jagt, Mr. Bennett, Mr. Campbell, Mr. Conyers, Mr. de la Garza, Mr. DeWine, Mr. Fish, Mr. Ford of Tennessee, Mr. Horton, Mr. Hutto, Mr. Hyde, Mr. Jacobs, Mr. Lagomarsino, Mr. Lantos, Mr. Lewis of California, Mr. Lewis of Florida, Mr. McKinney, Mr. McMillen of Maryland, Mr. MacKay, Mr. Madigan, Mr. Murphy, Mr. Natcher, Ms. Oakar, Mr. Parris, Mr. Roe, Mr. Schaefer, Mr. Shaw, Mr. Denny Smith, Mr. Smith of Florida, Mr. Solomon, Mr. Synar, Mr. Wilson, and Mr. Yatron):

H.R. 1988. A bill to amend the Internal Revenue Code of 1986 to provide a mechanism for taxpayers to designate $1 of any overpayment of income tax, and to contribute other amounts, for use by the U.S. Olympic Committee; to the Committee on Ways and Means.

By Mr. DAVIS of Michigan:

H.R. 1989. A bill to provide for the division, use, and distribution of judgment funds of the Ottawa and Chippewa Indians of Michigan pursuant to Dockets Numbered 18-E, 58, 364, and 18-R before the Indian Claims Commission; to the Committee on Interior and Insular Affairs.

By Mr. DORNAN of California:

H.R. 1990. A bill to regulate the interstate transportation, importation, exportation, and storage of human fetal tissue; jointly, to the Committees on Energy and Commerce, Foreign Affairs, and Ways and Means.

By Mr. DREIER of California.

H.R. 1991. A bill to suspend temporarily the duty on certain unstuffed dolls; to the Committee on Ways and Means.

By Mr. FEIGHAN (for himself, Mr. Matsui, Mr. MacKay, Mr. Bates, Mr. Dymally, Mr. Towns, Mr. Rangel, Mr. Berman, Mr. Chandler, Mrs. Byron, Mr. Savage, Mr. Morrison of Washington, Mr. Murphy, Ms. Kaptur, Mr. Evans, Mr. Gray of Illinois, Mr. Fauntroy, Mr. Wolpe, and Mr. Crockett):

H.R. 1992. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 to provide for portability of pension benefits; jointly to the Committees on Education and Labor and Ways and Means.

By Mr. GEKAS (for himself, Mr. Porter, and Mr. Burton of Indiana):

H.R. 1993. A bill to provide for a special standard of care to be applied by Federal courts in cases in which volunteer athletic services are rendered negligently and in certain cases in which officers, directors, or trustees of certain nonprofit associations act negligently; to the Committee on the Judiciary.

By Mr. GORDON (for himself, Mr. Boner of Tennessee, Mr. Cooper, Mr. Sundquist, Mr. Ford of Tennessee, Mr. Jones of Tennessee, Mr. Quillen, Mrs. Lloyd, Mr. Duncan, Mr. DeFazio, Mr. Coelho, Mr. Clarke, and Mr. Huckaby):

H.R. 1994. A bill to amend the boundaries of Stones River National Battlefield, TN, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. GRAY of Illinois:

H.R. 1995. A bill to encourage the deployment of clean coal technologies so as to assure the development of additional electric generation and industrial energy capacity; to the Committee on Energy and Commerce.

By Mr. HAMMERSCHMIDT:

H.R. 1996. A bill to amend the Older Americans Act of 1965 to require that in fiscal year 1988 outreach and application assistance activities be conducted for the benefit of low-income older individuals who may be eligible to receive supplementary security income, Medicaid, and food stamp benefits; to the Committee on Education and Labor.

By Mr. LEHMAN of Florida:

H.R. 1997. A bill to amend title II of the Social Security Act as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. MONTGOMERY (for himself and Mr. Solomon) (both by request):

H.R. 1998. A bill to amend title 38, United States Code, to repeal provisions relating to setting the interest rate on guaranteed or insured housing loans to veterans and inspecting manufactured homes purchased by veterans, to increase the VA loan fee, to authorize direct appropriations to the loan guaranty revolving fund, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 1999. A bill to amend title 38, United States Code, to authorize the Administrator to make contributions for construction projects on land adjacent to national cemeteries in order to facilitate safe ingress or egress; to the Committee on Veterans' Affairs.

H.R. 2000. A bill to amend title 38, United States Code, to make certain improvements in the educational assistance programs for veterans and eligible persons; to repeal the education loan program; and for other purposes; to the Committee on Veterans' Affairs.

H.R. 2001. A bill to amend title 38, United States Code, to extend the adult day health-care program and authorize contract halfway house care for veterans with chronic psychiatric disabilities; to the Committee on Veterans' Affairs.

H.R. 2002. A bill to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to provide on call pay to certain civil service health-care personnel; to the Committee on Veterans' Affairs.

H.R. 2003. A bill to amend title 38, United States Code, to authorize the Chief Medical Director to waive State licensure requirements for registered, practical or vocational nurses and physical therapists not to be employed in patient care, and for licensed or vocational nurses and physical therapists to be employed in a foreign country; to the Committee on Veterans' Affairs.

H.R. 2004. A bill to amend title 38, United States Code, to clarify the authority of the Chief Medical Director or designee regarding disciplinary actions on certain probationary title 38 health-care employees; to the Committee on Veterans' Affairs.

H.R. 2005. A bill to amend title 38, United States Code, to authorize a headstone allowance for prepurchased grave markers, and modify eligibility requirements for the plot allowance, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 2006. A bill to amend title 38, United States Code, to improve the administration of veterans' health-care benefits, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 2007. A bill to amend title 38, United States Code, to revise and clarify VA authority to furnish certain health-care benefits, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 2008. A bill to amend title 38, United States Code, to provide authority for higher monthly installments payable to certain insurance annuitants, and to exempt premiums paid under servicemen's and veterans' group life insurance from State taxation; to the Committee on Veterans' Affairs.

H.R. 2009. A bill to amend title 38, United States Code, to limit the types of proposed disciplinary actions in which disciplinary boards function, to allow for the delegation of authority of the Chief Medical Director in certain situations and for related purposes; to the Committee on Veterans' Affairs.

H.R. 2010. A bill to amend title 38, United States Code, to authorize modification of the structure of the Office of the Chief Medical Director, to clarify procedures for removal for cause of certain employees, to authorize the use of the director pay grade within VA central office and for related purposes; to the Committee on Veterans' Affairs.

H.R. 2011. A bill to amend title 38, United States Code, to index rates of veterans' disability compensation and surviving spouses' and children's dependency and indemnity compensation to automatically increase to keep pace with the cost of living, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 2012. A bill to amend title 38, United States Code, to authorize the Administrator to assist Members of Congress in providing title 38 benefit information to their constituents, and to conduct authorized field examinations and investigations; to the Committee on Veterans' Affairs.

H.R. 2013. A bill to amend title 38, United States Code, to make certain improvements in the administering of tort claims and hospital cost collections, and for other purposes; jointly, to the Committees on Veterans' Affairs and the Judiciary.

H.R. 2014. A bill to amend title 38, United States Code, to provide for the exclusion of residents and interns from coverage under the Federal labor-management relations statute; jointly, to the Committees on Veterans' Affairs and Post Office and Civil Service.

By Mr. MOODY:

H.R. 2015. A bill to amend the Internal Revenue Code of 1986 to increase the excise tax on gasoline by 9 cents per gallon, and to provide that the revenues from these additional taxes be used to reduce, Federal budget deficits; to the Committee on Ways and Means.

By Mr. PENNY:

H.R. 2016. A bill to amend the Securities Exchange Act of 1934 to improve the protection of the public interest and of investors in corporate takeovers and to provide reasonable notice in the event of plant closings and mass layoffs, and for other purposes; jointly, to the Committee on Energy and Commerce, and Education and Labor.

By Mr. PORTER:

H.R. 2017. A bill to improve the operation of the sugar price support program, and for other purposes; to the Committee on Agriculture.

By Ms. SNOWE (for herself, Mr. Dornan of California, Mr. Roe, Mr. Scheuer, Mr. Solarz, Mr. Lewis of Georgia, Mr. Smith of Florida, Mr. Lagomarsino, Mr. Lipinski, Mr. Saxton, Mr. Coyne, Ms. Slaughter of New York, Mr. Biaggi, Mr. Bilirakis, Mr. McGrath, Mr. Towns, Mr. Gray of Pennsylvania, Mr. Espy, Ms. Kaptur, Mr. Donnelly, Mr. Traxler, and Mr. Lantos):

H.R. 2018. A bill to to amend the Victims of Crime Act of 1984 to provide a priority for eligible crime victim assistance programs providing assistance to the elderly; to the Committee on the Judiciary.

By Ms. SNOWE (for herself, Mr. Dornan of California, Mr. Roe, Mr. Scheuer, Mr. Solarz, Mr. Lewis of Georgia, Mr. Smith of Florida, Mr. Lagomarsino, Mr. Lipinski, Mr. Mrazek, Mr. Coyne, Ms. Slaughter of New York, Mr. Biaggi, Mr. Bilirakis, Mr. McGrath, Mr. Towns, Mr. Gray of Pennsylvania, Mr. Espy, Ms. Kaptur, Mr. Donnelly, Mr. Traxler, and Mr. Lantos):

H.R. 2019. A bill to provide for the acquisition of statistical data about the incidence of elder abuse; to the Committee on the Judiciary.

By Mr. STUDDS (for himself, Mr. Jones of North Carolina, Mr. Davis of Michigan, and Mr. Young of Alaska):

H.R. 2020. A bill to authorize appropriations for the Office of Environmental Quality for fiscal years 1987, 1988 and 1989; to the Committee on Merchant Marine and Fisheries.

By Mr. WEISS:

H.R. 2021. A bill to require the Secretary of Health and Human Services to make grants for the development, establishment, and operation of a national advisory panel on acquired immune deficiency syndrome; to the Committee on Energy and Commerce.

By Mr. KANJORSKI:

H.J. Res. 233. Joint resolution designating April 9, 1987, as "Northeastern Pennsylvania Philharmonic Appreciation Day"; to the Committee on Post Office and Civil Service.

By Mr. GRADISON (for himself, Mr. Panetta, Mr. Campbell, Mr. Sunia, Mr. Stratton, Mr. Whittaker, Mr. Daub, Mr. Pepper, Mr. Weldon, Mr. Wyden, Mr. Kolter, Ms. Snowe, Mrs. Morella, Mr. Howard, Mr. Fuster, Mr. Matsui, Mrs. Kennelly, Mr. Gray of Illinois, Mr. Leland, Mr. Smith of Florida, Ms. Oakar, Mr. Solarz, Mr. Schuette, Mr. Mrazek, Mr. Daniel, Mr. Wolf, Mr. Boner of Tennessee, Mr. Rodino, Mr. Rowland of Georgia, Mr. Lehman of Florida, Mr. Henry, Mr. Roe, Mr. Biaggi, Mr. Savage, Mr. Dymally, Mrs. Collins, Mr. DeWine, Mr. Weber, Mr. Espy, Mr. Lagomarsino, Mrs. Bentley, Mr. Martinez, Mr. Chapman, Mr. Levine of California, Mr. Towns, Mr. Gilman, Mrs. Roukema, Mr. Fazio, Mr. Valentine, Mr. Horton, Mr. Dwyer of New Jersey, Mr. Ortiz, Mr. Neal, Mr. Brooks, Mr. Lipinski, Mrs. Patterson, Mr. McMillen of Maryland, Mr. Brennan, Mr. Owens of New York, Mr. Nielson of Utah, Mr. Garcia, Mr. Kasich, Mr. Rangel, Mr. Coble, Mr. Anthony, Mr. Erdreich, Mr. Nelson of Florida, Mr. Crockett, Mr. Mazzoli, Mr. Vander Jagt, Mr. Volkmer, Mr. LaFalce, Mr. Mfume, Mr. Bevill, Mr. Wortley, Mr. Gallegly, Mr. Conte, Mr. Lewis of Georgia, Mr. Fish, Mr. Levin of Michigan, Mr. Tauke, Mr. Madigan, Mr. Gonzalez, Mr. Bustamante, Mr. Miller of Ohio, Mr. Green, Mr. Dowdy of Mississippi, Mr. Ritter, Mr. Hastert, Mrs. Boxer, Mr. Coyne, Mr. Dannemeyer, Mr. Clinger, Mr. McGrath, Mr. Wolpe, Mr. Frost, Mr. Traficant, Mr. Weiss, Mr. Waxman, Mr. Shumway, Mr. Young of Florida, Mr. Hughes, Mr. Shaw, Mr. Hefner, Mr. Udall, Mr. McDade, Mr. McHugh, Mr. Hall of Texas, Mr. Traxler, Mr. Scheuer, Mr. Schumer, Mr. de Lugo, Mr. Bonior of Michigan, Mr. McCollum, Mr. Hayes of Illinois, Mr. Borski, Mr. Kastenmeier, Mr. Early, Mr. Young of Alaska, Mr. Gray of Pennsylvania, Mr. Vento, Mr. Rahall, and Mr. English):

H.J. Res. 234. Joint resolution to designate the month of November in 1987 and 1988 as "National Hospice Month"; to the Committee on Post Office and Civil Service.

By Mr. PEPPER:

H.J. Res. 235. Joint resolution commending the Cuban "Declaration of Freedom"; to the Committee on Foreign Affairs.

H.J. Res. 236. Joint resolution to authorize and request the President to proclaim January 28, 1988 and 1989, as "Day of Marti, Apostle of Liberty"; to the Committee on Post Office and Civil Service.

By Mrs. ROUKEMA:

H.J. Res. 237. Joint resolution designating the week of May 24 to May 30, 1987, as "Fight Leukemia Week"; to the Committee on Post Office and Civil Service.

By Mr. SOLOMON:

H.J. Res. 238. Joint resolution proposing an amendment to the Constitution of the United States allowing an item veto in appropriations acts; to the Committee on the Judiciary.

H.J. Res. 239. Joint resolution proposing an amendment to the Constitution to require that congressional resolutions setting forth levels of total budget outlays and Federal revenues must be agreed to by two-thirds vote of both Houses of the Congress if the level of outlays exceeds the level of revenues; to the Committee on the Judiciary.

By Mr. YATRON:

H.J. Res. 240. Joint resolution designating January 30, 1988, as "National Day of the Disabled"; to the Committee on Post Office and Civil Service.

By Ms. OAKAR:

H. Con. Res. 99. Concurrent resolution expressing the sense of the Congress with respect to the freedom and independence of the people of Estonia, Latvia, and Lithuania; to the Committee on Foreign Affairs.

By Mr. RANGEL (for himself and Mr. Gregg):

H. Con. Res. 100. Concurrent resolution recognizing and celebrating the 200th anniversary of the present charter of Columbia University; to the Committee on Post Office and Civil Service.

By Mr. SMITH of New Jersey:

H. Con. Res. 101. Concurrent resolution expressing the sense of Congress regarding permanent reauthorization and appropriate funding for the Congregate Housing Services Program; to the Committee on Banking, Finance and Urban Affairs.

By Mr. TAUKE (for himself, Mr. Upton, Mr. Fawell, Mr. Chandler, Mr. McKinney, Mr. Grandy, Mr. Fish, Mr. McMillan of North Carolina, Mr. Miller of Washington, and Mr. Gunderson):

H. Con. Res. 102. Concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal years 1988, 1989, and 1990; to the Committee on the Budget.

By Mrs. COLLINS (for herself, Mr. Dymally, Mr. Rangel, Mr. Mfume, Mr. Owens of New York, Mr. Stokes, Mr. Ford of Tennessee, Mr. Espy, Mr. Savage, Mr. Conyers, Mr. Fauntroy, Mr. Gray of Pennsylvania, and Mr. Crockett):

H. Res. 141. Resolution calling for the immediate release of all the children detained under the state of emergency regulations in South Africa; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of the rule XXII,

27. The SPEAKER presented a memorial of the legislature of the State of South Dakota, relative to currently proposed or authorized water projects in South Dakota; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DUNCAN:

H.R. 2022. A bill for the relief of Rolen-Rolen-Roberts International of Knoxville, TN; to the Committee on the Judiciary.

By Mr. DYMALLY:

H.R. 2023. A bill for the relief of Richard Cole, Jr.; to the Committee on the Judiciary.

By Mr. NELSON of Florida:

H.R. 2024. A bill to clear certain impediments to the issuance of a certificate of documentation for a vessel for employment in the coastwise trade and fisheries of the United States; to the Committee on Merchant Marine and Fisheries.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 8: Mr. Barnard and Mr. Petri.

H.R. 47: Mr. Roe.

H.R. 52: Mr. Campbell, Ms. Kaptur, Mr. Ritter, Mr. Sabo, Mr. Garcia, Mr. Foglietta, Mr. Bryant, Mrs. Boxer, and Mr. Dymally.

H.R. 74: Mr. Dyson.

H.R. 173: Mr. Robert F. Smith.

H.R. 186: Mr. Cheney.

H.R. 312: Mr. Hawkins, Mr. Gray of Pennsylvania, Mr. Stokes, Mr. Rangel, Mr. Kildee, and Mr. Penny.

H.R. 382: Mr. Boehlert, Mr. Swift, Mr. Slattery, Mr. Dwyer of New Jersey, and Mr. Clay.

H.R. 385: Mr. Conyers, Mr. Boucher, and Mr. Natcher.

H.R. 386: Mr. Roe and Mr. Gonzalez.

H.R. 387: Mr. Bates.

H.R. 388: Mr. Ritter, Mr. Hunter, and Mr. Hochbrueckner.

H.R. 537: Ms. Slaughter of New York.

H.R. 570: Mr. Clinger, Mr. Upton, and Mr. Herger.

H.R. 592: Mr. Walker, Mr. Foglietta, Mr. Hughes, Mr. Crockett, Mr. Solarz, Mr. Clinger, and Mr. Mollohan.

H.R. 613: Mr. Gonzalez, Mr. Bustamante, Mr. McDade, Mr. Lagomarsino, Mr. Cardin, and Mr. Horton.

H.R. 618: Ms. Oakar and Mr. Lantos.

H.R. 644: Mr. Frank, Mr. Rinaldo, Mr. Towns, Mr. Levine of California, Mr. Levin of Michigan, Mr. Edwards of California, Mr. Gray of Illinois, Mr. Rangel, Mr. Weiss, Mr. Dixon, Mr. Ford of Tennessee, Mr. McKinney, Mr. Lewis of Georgia, and Mr. Waxman.

H.R. 659: Mr. Mrazek, Mr. St Germain, and Mr. Kolter.

H.R. 671: Mr. Robinson and Mrs. Morella.

H.R. 672: Mr. Biaggi and Mr. Hatcher.

H.R. 673: Mr. Biaggi and Mr. Hatcher.

H.R. 674: Mr. Biaggi and Mr. Hatcher.

H.R. 675: Mr. Biaggi and Mr. Hatcher.

H.R. 676: Mr. Biaggi and Mr. Hatcher.

H.R. 677: Mr. Biaggi and Mr. Hatcher.

H.R. 678: Mr. Garcia.

H.R. 679: Mr. Garcia.

H.R. 680: Mr. Hoyer and Mr. Robinson.

H.R. 697: Mr. Dornan of California, Mr. Smith of Florida, Mr. Sunia, Mr. Lagomarsino, Mr. Stangeland, Mr. McGrath, Mr. Roe, and Mr. DioGuardi.

H.R. 698: Mr. Dornan of California, Mr. Smith of Florida, Mr. Sunia, Mr. Lagomarsino, Mr. Stangeland, Mr. McGrath, Mrs. Bentley, Mr. Roe, Mr. Swindall, and Mr. DioGuardi.

H.R. 709: Mr. Kennedy.

H.R. 719: Mr. Kolter.

H.R. 720: Mr. Bilirakis.

H.R. 758: Mr. Atkins, Mr. Sharp, Mr. Hyde, Mr. DeFazio, Mr. Henry, Mr. Hastert, Mr. Levine of California, and Mr. Wilson.

H.R. 762: Mr. Sunia.

H.R. 784: Mr. Sunia, Mr. Towns, Mr. Biaggi, and Ms. Kaptur.

H.R. 792: Mr. Towns, Mr. Petri, and Mr. Biaggi.

H.R. 911: Mr. Emerson and Mr. Boulter.

H.R. 921: Mr. Moody and Mr. Kolbe.

H.R. 940: Mr. de la Garza.

H.R. 960: Mr. DeLay.

H.R. 969: Mr. Rowland of Connecticut.

H.R. 977: Mr. Fish, Ms. Snowe, Mr. McCollum, Mr. Rangel, Mr. Smith of New Hampshire, and Mr. Crockett.

H.R. 1011: Mr. Robert F. Smith.

H.R. 1012: Mr. Robert F. Smith.

H.R. 1014: Mr. Sensenbrenner.

H.R. 1028: Mr. Schaefer and Mr. Weldon.

H.R. 1049: Mr. Bilbray and Mr. Schumer.

H.R. 1051: Mr. Levine of California, Mr. Martinez, and Mrs. Schroeder.

H.R. 1068: Mr. Dyson, Mr. Fauntroy, Mr. Houghton, Mr. Crockett, Mr. Solarz, and Mr. Davis of Illinois.

H.R. 1073: Mr. Lowry of Washington, Mr. Kolter, and Mr. Wolpe.

H.R. 1093: Mr. Hopkins and Mr. Smith of Florida.

H.R. 1103: Mr. Mica.

H.R. 1130: Mr. Upton.

H.R. 1154: Mr. Brown of California, Mr. Bustamante, Mr. Conte, Mr. Dymally, Mr. Edwards of California, Ms. Kaptur, Mr. Levin of Michigan, Mr. Martinez, Mr. Markey, Mr. Mavroules, Mr. Taylor, Mr. Torres, Mr. Udall, Mr. Wheat, Mr. Wolpe, and Mr. Young of Alaska.

H.R. 1199: Mr. Moody, Mr. Espy, Mr. Morrison of Connecticut, Mr. Lewis of Georgia, and Mr. Garcia.

H.R. 1202: Mr. Fazio, Mr. Jeffords, and Mr. Fauntroy.

H.R. 1212: Mr. Owens of Utah, Mr. Dwyer of New Jersey, Mr. Pease, Mr. Gilman, and Mr. Lantos.

H.R. 1228: Mr. Roe, Mr. Jones of Tennessee, Mr. Denny Smith, Mr. Conte, Mr. Whittaker, Mr. Lott, Mr. Eckart, Mr. Erdreich, Mr. Lehman of Florida, Mrs. Vucanovich, Mr. McKinney, Mr. Mica, Mrs. Smith of Nebraska, Mrs. Byron, Mr. Moorhead, Mr. Lancaster, Mr. Solomon, Mr. Yatron, Mr. Coleman of Texas, Mr. Alexander, Mr. Bunning, Mr. Saxton, Ms. Snowe, and Mr. Barnard.

H.R. 1240: Mr. Livingston, Mr. Lancaster, Mr. Hutto, and Mr. Clinger.

H.R. 1242: Mr. Penny, Mr. Montgomery, and Mr. Levin of Michigan.

H.R. 1245: Mr. Petri.

H.R. 1247: Mr. Ray.

H.R. 1250: Mr. Applegate, Mr. Badham, Mr. Boulter, Mr. Burton of Indiana, Mr. Courter, Mr. Dannemeyer, Mr. DeWine, Mr. Dornan of California, Mr. Dwyer of New Jersey, Mr. Eckart, Mr. Edwards of Oklahoma, Mr. Feighan, Mr. Fields, Mr. Green, Mr. Hansen, Mr. Henry, Mr. Hunter, Mr. Inhofe, Ms. Kaptur, Mr. Kemp, Mr. Kolbe, Mr. Lagomarsino, Mr. Lewis of Florida, Mr. McDade, Mr. Michel, Mr. Moorhead, Mr. Oxley, Mr. Porter, Mr. Robinson, Mr. Shumway, Mr. Skeen, Mr. Sikorski, Mr. Denny Smith, Mr. Smith of New Hampshire, Mr. Stenholm, Mr. Swindall, Mr. Walker, Mr. Wortley, Mr. Roth, and Mr. Schuette.

H.R. 1313: Mr. Erdreich, Mr. Craig, Mr. Livingston, Mr. Porter, Mr. Roberts, Mr. Kildee, and Mr. Buechner.

H.R. 1347: Mr. Vander Jagt, Mr. Nielson of Utah, Mr. Roberts, Mrs. Bentley, Mr. Lott, Mr. Rhodes, Mr. Stump, Mr. Hastert, Mr. Frost, Mr. Davis of Illinois, Mr. Frenzel, Mr. Lancaster, Mr. DioGuardi, Mrs. Martin of Illinois, and Mr. McKinney.

H.R. 1352: Mr. Edwards of California.

H.R. 1371: Mr. Owens of New York and Mr. Vento.

H.R. 1398: Mr. Edwards of California.

H.R. 1399: Mr. Derrick, Mr. Horton, and Ms. Kaptur.

H.R. 1433: Mr. Rose and Mr. Kolbe.

H.R. 1437: Mrs. Lloyd, Mr. Combest, Mr. Howard, Mr. Badham, Mr. McCollum, and Mrs. Vucanovich.

H.R. 1438: Mr. Clinger, Mr. Combest, Mr. Badham, and Mrs. Vucanovich.

H.R. 1467: Mr. Weldon.

H.R. 1468: Mr. Sikorski and Mr. Hoyer.

H.R. 1509: Mr. Hughes.

H.R. 1510: Mr. Moorhead, Mr. Berman, Mr. Cardin, Mr. Slaughter of Virginia, Mr. Coble, and Mr. Hughes.

H.R. 1534: Ms. Oakar, Mr. Vento, Mr. Crockett, and Mrs. Patterson.

H.R. 1551: Mr. Sunia, Mr. Lagomarsino, Mr. Dannemeyer, and Mr. DeLay.

H.R. 1572: Mr. Crockett, and Mr. Upton.

H.R. 1663: Mr. Ireland, Mr. Conte, Mr. LaFalce, Mr. Upton, Mr. Campbell, Mr. Bilbray, Mr. Mfume, Mr. Slaughter of Virginia, Mr. Gallo, Mr. Sisisky, Mr. Bennett, Mr. Robinson, Mr. Montgomery, Mr. Chapman, Mr. Dornan of California, Mr. Yatron, Mr. Frank, Mr. Smith of Florida, Mr. Fauntroy, Mrs. Johnson of Connecticut, Mr. Staggers, Mr. Lowry of Washington, Mr. Foglietta, Mr. Stenholm, Mr. Gordon, Mr. Hughes, Mr. Henry, Ms. Slaughter of New York, Mr. Atkins, and Mr. Wyden.

H.R. 1664: Mr. Wortley, Mr. Martin of New York, and Mr. Lewis of Georgia.

H.R. 1694: Mr. Dingell, Mr. Lipinski, Mr. Owens of New York, Mr. Solarz, Mr. Murphy, Mr. Davis of Illinois, Mr. Burton of Indiana, and Mr. DeFazio.

H.R. 1733: Mr. Atkins, Mrs. Boxer, Mr. Brown of California, Mr. Bustamante, Mr. Chapman, Mr. Edwards of California, Mr. Fauntroy, Mr. Garcia, Mr. Gray of Illinois, Mr. Levine of California, Mr. Lewis of Georgia, Mr. Lowry of Washington, Mr. Mrazek, and Miss Schneider.

H.R. 1734: Mr. Hoyer, Mr. Gonzalez, Mrs. Collins, Mr. Scheuer, Mr. Mrazek, Mr. Yatron, Mr. Smith of New Jersey, Ms. Kaptur, Mr. Fazio, Mr. Dwyer of New Jersey, Mr. Smith of Florida, Mr. Edwards of California, Mr. Boehlert, Mr. Brown of California, and Mr. Sisisky.

H.R. 1770: Mr. Owens of New York and Mrs. Schroeder.

H.R. 1786: Mr. Bereuter, Mr. Livingston, Mrs. Lloyd, Mr. Dowdy of Mississippi, Mr. Spence, Mr. DioGuardi, Mr. Sharp, Mr. Craig, Mr. Bevill, Mr. Lott, Mr. Solomon, and Mrs. Vucanovich.

H.R. 1843: Mr. Dymally, Mr. Sunia, Mr. Vento, Mr. Ackerman, Mr. Fauntroy, Mrs. Collins, Mr. Perkins, Mr. Frank, Mr. Scheuer, and Mr. Owens of New York.

H.R. 1846: Mrs. Roukema, Mr. Jontz, and Mr. Biaggi.

H.R. 1866: Mr. Martinez, Mr. Levin of Michigan, Mr. Sunia, Mr. Scheuer, Mr. Rahall, Mr. Frank, Mr. Eckart, and Mr. Lewis of Georgia.

H.R. 1872: Mr. Roe, Mr. Mrazek, Mr. Smith of Florida, Mr. Wilson, Mr. Hoyer, Mr. Solomon, Mr. Edwards of California, Mr. Schumer, Mr. Hawkins, Mr. Lehman of Florida, and Mr. Evans.

H.R. 1972: Mr. Anderson, Mr. Rahall, Mr. de Lugo, Mr. Sunia, Mr. Shuster, Mr. Stangeland, Mr. Molinari, Mr. Bosco, Mr. Borski, Mr. Kolter, Mr. Wise, Mr. Petri, Mr. Sundquist, Mrs. Johnson of Connecticut, Mr. Packard, Mr. Gallo, Mrs. Bentley, Mr. Lightfoot, Mr. Lancaster, Ms. Slaughter of New York, Mr. Lewis of Georgia, Mr. Hayes of Louisiana, Mr. Hastert, Mr. Inhofe, Mr. Ballenger, Mr. Upton, and Mr. Applegate.

H.J. Res. 25: Mr. Chandler, Mr. Stump, Mr. McCollum, Ms. Slaughter of New York, and Mr. Archer.

H.J. Res. 52: Mr. Bartlett, Mr. Pickle, Mr. Sundquist, Mr. McCollum, Mr. Coleman of Missouri, Mr. Emerson, Mr. Duncan, Mr. Jones of Tennessee, Mr. Callahan, Mr. Stallings, Mr. Waxman, Mr. Hall of Texas, Mr. Kennedy, Mr. Martin of New York, Mr. Dornan of California, Mr. Holloway, Mr. Taylor, Mr. Rinaldo, and Mr. Parris.

H.J. Res. 62: Mrs. Martin of Illinois.

H.J. Res. 67: Mr. Rangel, Mr. Lehman of Florida, Mr. Lancaster, Mr. Saxton, Mr. Dornan of California, Mr. Dwyer of New Jersey, Mr. de Lugo, Mr. Dymally, Mr. Frenzel, Mr. Gray of Illinois, Mr. Lewis of Florida, Mr. Levine of California, Mr. Martin of New York, Mr. Stokes, Mr. Wilson, and Mr. Campbell.

H.J. Res. 74: Mr. Gray of Illinois.

H.J. Res. 90: Mr. Frenzel, Mr. Coleman of Missouri, Mr. Martin of New York, Mr. Yatron, Mrs. Patterson, Mr. Mazzoli, Mr. Hochbrueckner, Mr. Price of Illinois, Mr. Ridge, Mr. Bereuter, Mr. Chappell, Mr. Jacobs, Mr. Courter, Ms. Slaughter of New York, Mr. Gekas, Mr. Hoyer, Mr. Evans, Mr. Foglietta, and Mr. Bilbray.

H.J. Res. 91: Mr. Sunia, Mr. Wolpe, Mr. Blaz, Mr. Schumer, Mr. Staggers, Mr. Fuster, Mrs. Collins, Mr. Stokes, Mr. Towns, Mr. Leland, Mr. Kostmayer, Mr. Torres, Mr. Rahall, Mr. Vento, Mr. Barnard, Mr. Oberstar, Mr. Frank, Mr. Gray of Illinois, Mr. Mfume, Mr. Dyson, Mr. de la Garza, Mrs. Boxer, Mr. Dwyer of New Jersey, Mrs. Patterson, Mr. Hayes of Illinois, Mr. Frost, Mr. Campbell, Mr. Ritter, Mr. Morrison of Connecticut, Mr. Owens of New York, Mr. Evans, Ms. Slaughter of New York, Mr. Kildee, Mr. Grant, Mr. Henry, Mr. Bosco, Mr. Cardin, Mr. Roemer, Mr. Brooks, Mr. Valentine, Mr. Hall of Ohio, Mr. Lantos, Mr. Studds, Mr. Crockett, Mr. Fish, Mr. Kolbe, Mr. Spratt, Mr. Horton, Mr. Udall, Mr. Foglietta, Mr. Hefner, Mr. Dicks, Mr. Fauntroy, Mr. Lehman of California, Mr. Carper, Mr. Lewis of Georgia, Mr. Traxler, Mr. Savage, Mr. Smith of Florida, Mr. AuCoin, Mr. Daniel, Mr. Chapman, Mr. Panetta, Mr. Erdreich, Mr. Roe, Mr. Hamilton, Mr. Rhodes, Mr. Lipinski, Mr. Howard, Mr. Mazzoli, Mr. Manton, Mr. Garcia, Mr. McGrath, Mr. Pepper, Mr. Donnelly, Mr. Solarz, Mr. Weiss, Mr. Leach of Iowa, Mrs. Lloyd, Mr. Markey, Mr. McHugh, Mr. Yatron, Mr. Biaggi, Mr. Bustamante, Mr. Sikorski, Mr. Hochbrueckner, Mr. Conte, Mr. Bilbray, Mr. Kanjorski, Mr. Atkins, Mr. Saxton, Mr. Hoyer, Mrs. Kennelly, Mr. Dixon, Mr. Anderson, Mr. Brown of California, Mr. Jeffords, Mr. Berman, Mr. Clarke, Mrs. Vucanovich, and Mr. McMillen of Maryland.

H.J. Res. 100: Mr. Denny Smith, Mr. DeFazio, Ms. Slaughter of New York, and Mr. Eckart.

H.J. Res. 119: Mr. Wolpe, Mr. Henry, Mr. Bevill, Mr. Vander Jagt, Mr. Waxman, Mr. Wolf, and Mr. Anderson.

H.J. Res. 125: Mr. Thomas A. Luken, Mr. Biaggi, Mrs. Saiki, and Mr. Dixon.

H.J. Res. 134: Mr. Hubbard, Mr. Flake, Mr. Walgren, Mr. Miller of California, Mr. Leland, Mr. Traxler, Mr. Nielson of Utah, Mrs. Roukema, Mr. Weldon, Mr. Miller of Ohio, Mr. Wilson, Mr. Guarini, Mr. de la Garza, Mr. Parris, Mr. Dixon, Mr. Hochbrueckner, Mr. Lewis of Georgia, and Mr. Lewis of Florida.

H.J. Res. 145: Mr. Garcia, Mr. Green, Mr. Boner of Tennessee, Mr. Stokes, Mr. Jones of North Carolina, Mr. Chappell, Mr. Owens of New York, Mr. Crockett, and Mr. de la Garza.

H.J. Res. 155: Mr. Martinez, Mr. Lehman of California, and Mr. Gonzalez.

H.J. Res. 176: Mr. Oberstar, Mr. Morrison of Connecticut, Mr. Dwyer of New Jersey, Mr. Bosco, Mr. Dellums, Mr. Wise, Mr. Ford of Michigan, Mr. McMillen of Maryland, Mr. Espy, Mr. Gonzalez, Mr. Kleczka, Mr. Sabo, Mr. Feighan, Mr. Gray of Illinois, Mr. Studds, Mr. Mavroules, Mr. Moody, Mr. Kildee, Mr. Weiss, Mr. Martinez, Mr. Guarini, Mr. Edwards of California, Mr. Pepper, Mr. Atkins, Mr. Bryant, Mr. Stark, and Mr. Dixon.

H.J. Res. 180: Mr. Towns, Mr. Vento, and Mr. Neal.

H.J. Res. 183: Mr. Neal and Mr. Gray of Illinois.

H.J. Res. 190: Mr. Levine of California, Mr. Pickett, Mr. Weldon, Mr. Frenzel, Mrs. Bentley, Mr. Yates, Mr. Archer, Mr. Lewis of Florida, Mr. Dwyer of New Jersey, Mr. Lancaster, Mr. Lehman of Florida, Mr. Lagomarsino, and Mr. Martin of New York.

H.J. Res. 191: Mr. Kostmayer, Mr. Lagomarsino, Mr. McGrath, Mrs. Vucanovich, Mr. Levin of Michigan, Mr. Wortley, Mr. Lipinski, Mr. Hayes of Illinois, Mr. Horton, Mr. Sunia, Mr. Regula, Mr. de la Garza, Mr. Schaefer, Mr. Atkins, Mr. Towns, Mr. Grandy, Mr. Daub, Mr. Traficant, Mr. Gray of Illinois, Mr. Green, Mr. Solarz, and Mr. Chandler.

H.J. Res. 192: Mr. Ackerman, Mr. Akaka, Mr. Aspin, Mr. Atkins, Mr. Berman, Mr. Biaggi, Mr. Boland, Mr. Bonker, Mr. Campbell, Mrs. Collins, Mr. Crockett, Mr. Dellums, Mr. Dicks, Mr. Downey of New York, Mr. Durbin, Mr. DeFazio, Mr. Edwards of California, Mr. Fauntroy, Mr. Fazio, Mr. Foglietta, Mr. Ford of Michigan, Mr. Frank, Mr. Fuster, Mr. Glickman, Mr. Gray of Illinois, Mr. Gray of Pennsylvania, Mr. Guarini, Mr. Hayes of Illinois, Ms. Kaptur, Mrs. Kennelly, Mr. Kostmayer, Mr. LaFalce, Mr. Lantos, Mr. Levin of Michigan, Mr. Lewis of Georgia, Mr. Manton, Mr. Martinez, Mr. Mavroules, Mr. Mfume, Mr. Mineta, Mr. Moakley, Mrs. Morella, Mr. Nowak, Ms. Oakar, Mr. Olin, Mr. Owens of New York, Mr. Penny, Mr. Perkins, Mr. Pickett, Mr. Rahall, Mr. Richardson, Mr. Roe, Miss Schneider, Mr. Sikorski, Mr. Staggers, Mr. Stokes, Mr. Stratton, Mr. Tallon, Mr. Towns, Mr. Vento, Mr. Waxman, Mr. Weiss, Mr. Wilson, Mr. Yates, and Mr. Yatron.

H.J. Res. 196: Mr. Pashayan, Mr. Horton, Mr. Dowdy of Mississippi, Mr. Gray of Illinois, Mr. Solarz, Mr. Hatcher, Mr. Porter, Mr. Manton, Mr. Fuster, Mr. Traficant, Mr. Stump, Mr. Tauke, Mr. Kastenmeier, Mr. Dyson, Ms. Slaughter of New York, Mr. Pepper, Mr. Erdreich, Mr. Fauntroy, Mr. Coyne, Mr. Hall of Texas, Mr. Guarini, Mrs. Boxer, Mrs. Johnson of Connecticut, Mr. Wortley, Mr. Davis of Illinois, Mr. Lipinski, Mr. Neal, Mr. Wilson, Mr. Chapman, Mr. Biaggi, Mr. Levin of Michigan, Mr. Mrazek, Mr. Skelton, Mr. Price of North Carolina, Mr. Anderson, Mr. Smith of Florida, Mrs. Lloyd, Mr. Bryant, Mr. McGrath, and Mr. Ford of Tennessee.

H.J. Res. 201: Mr. Burton of Indiana, Mr. Kasich, Mr. Rahall, Mr. Hyde, Ms. Kaptur, Mr. Stark, Mr. Evans, Mr. McDade, Mr. Yatron, Mr. Dellums, Mrs. Vucanovich, Mr. Foley, Mr. Vento, Mr. McEwen, Mr. Bliley, Mr. Gallo, Mr. Cardin, Mr. Ritter, Mr. Bartlett, Mr. Sundquist, Mr. Frank, Mr. Latta, Mr. Brooks, Mr. Owens of New York, Mr. Tallon, Mr. McMillen of Maryland, Mr. Hubbard, Mr. Ravenel, Mr. de la Garza, Mr. Sabo, Mr. Martinez, Mrs. Patterson, Mr. Jones of Tennessee, and Mr. Weiss.

H.J. Res. 204: Mr. Skelton, Mr. Traficant, Mr. Blaz, Mr. Revenel, Mr. Kildee, Mr. Boucher, Mr. Boner of Tennessee, Mr. McDade, Mr. Traxler, Mr. Wolf, Mr. Solarz, Mr. Synar, Ms. Oakar, Mr. Fauntroy, Mr. Hatcher, Mr. Hayes of Louisiana, Mr. Crockett, Mrs. Collins, Mr. Oberstar, Mr. Hefner, Mr. Lagomarsino, Mr. Garcia, Mr. Owens of New York, Mr. Lipinski, Mr. Olin, Mr. Daub, Mr. Kostmayer, Mr. de la Garza, Mr. Wyden, Mr. Davis of Illinois, Mr. Sunia, Mr. Robinson, Mr. Conte, Mr. Valentine, Mr. Fuster, Mr. Wortley, Mr. Nielson of Utah, Mr. DeWine, Mr. Roe, Mr. McGrath, Mr. Mrazek, Mr. Sisisky, Mr. Gallo, Mr. Yatron, Mr. Towns, Mr. Campbell, Mr. Schuette, Mr. Smith of Florida, Mr. Akaka, Mr. Hall of Texas, Mr. Grandy, Mr. Guarini, Mr. Huckaby, Mr. Dwyer of New Jersey, Mr. Walgren, Mr. Levin of Michigan, Mr. Vento, Mr. Volkmer, Mr. Bevill, Mr. Perkins, Mr. Tallon, Mr. Johnson of South Dakota, Ms. Slaughter of New York, Mr. Horton, Mr. Biaggi, Mr. Jeffords, and Mr. Rahall.

H. Con. Res. 10: Mr. Craig.

H. Con. Res. 28: Mr. Ackerman, Mr. Hayes of Illinois, Mr. Vento, Mr. Weldon, Mr. Tallon, Mr. Stallings, and Ms. Kaptur.

H. Con. Res. 54: Mr. Wise, Mr. Martinez, and Mr. Kolbe.

H. Con. Res. 55: Mr. Stump.

H. Con. Res. 60: Mr. Atkins, Mr. Sweeney, Mr. DeFazio, Mr. Mavroules, Mr. Stokes, Mr. Ackerman, Mr. Scheuer, Mr. Sawyer, Mr. Dornan of California, Mrs. Boxer, Mr. Dyson, Mr. Cardin, Mr. Frost, Mr. Derrick, Mr. Waxman, and Mr. Lehman of Florida.

H. Con. Res. 62: Mr. Dicks.

H. Con. Res. 63: Mr. Gordon, Mr. Scheuer, Mr. Edwards of California, Mr. Torres, and Mr. Kolbe.

H. Res. 23: Mr. Craig.

H. Res. 68: Mr. Slaughter of Virginia, Mr. Kanjorski, Mr. Ridge, and Mr. Clinger.

SENATE—*Wednesday, April 8, 1987*

(Legislative day of Monday, March 30, 1987)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the Honorable HARRY REID, a Senator from the State of Nevada.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

The heavens declare the glory of God; and the firmament sheweth His handiwork.—Psalm 19:1.

God of creation, giver of life, Lord of the universe, we thank You for spring—for the evidence of new life exploding all around us—for the reminder that You are the one who "giveth to all, life and breath, and all things"—Acts 2:25. We thank You for the profusion of color—the return of green to the grass and leaves to the trees, the warmth of the Sun, and the music of the birds. We thank You for the delicate beauty of the cherry blossoms. Help us loving Father in heaven, never to take these common blessings for granted—never to presume on Your caring providence. Receive our gratitude and grant that the magic of spring will infuse the life of the Senate with a fresh awareness of Your love, Your grace and Your peace. May the beauty of the Lord our God be upon us. In Jesus' name whose unconditional love is for all forever. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. STENNIS].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, April 8, 1987.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HARRY REID, a Senator from the State of Nevada, to perform the duties of the Chair.

JOHN C. STENNIS,
President pro tempore.

Mr. REID thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the majority leader is now recognized.

THE JOURNAL

Mr. BYRD. Mr. President, I ask unanimous consent that the Journal of proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UNITED STATES-CANADIAN SUMMIT ON ACID RAIN

Mr. BYRD. Mr. President, this weekend Canadian Prime Minister Brian Mulroney praised President Reagan for committing $2.5 billion to a 5-year program of demonstration projects aimed at finding improved technologies for controlling acid rain. I also welcome the President's support for this program.

However, the Prime Minister would like us to do more. In particular, he would like the United States to match Canadian efforts in controlling acid rain. I, too, would like to see the United States do more. But I differ with the Canadians as to what more should be done.

Canada would like to see the United States impose upon itself a costly regulatory program that would threaten American jobs and reduce America's economic competitiveness. I would take a different route. While I understand Canada's desire to achieve immediate reductions, we need to take a longer term view. I am concerned not only about our environmental future, but about our energy future as well. I do not want to see their perceived problem simply transferred to the United States in terms of higher electric rates and lost jobs in all industries, not just coal production. This is especially true in view of the fact that I believe a solution exists that will solve both their problem and ours in the long run.

I have introduced legislation, S. 879, that would authorize $3.5 billion in matching grants over 10 years to deploy innovative clean coal technologies. S. 879 would achieve a broad set of energy and environmental goals. It would improve coal-burning efficiency while reducing environmental effluents. It would achieve reductions in nitrogen oxides as well as sulfur dioxide. And it would address solid and liquid waste emissions as well as air emissions. It would accelerate the commercial use of better technologies for new as well as existing plants.

Canada believes that acid rain requires immediate and drastic action. But the scientific evidence does not support that contention. In fact, according to a bilateral United States-Canadian report that may be released this week, there are many reasons to be sanguine about the acid rain problem.

It appears that declining emissions in the Northeastern United States and Canada are correlated with decreasing acidity in Canadian waters. This finding illustrates the importance of achieving steady progress in reducing emissions. Also the study concludes that acid rain's impact on crops and forests is uncertain at best.

We are all concerned about the environment. I believe that coal should be burned cleanly and efficiently. But I am also deeply concerned about job stability and the welfare of communities in States such as West Virginia. I worry about the competitiveness of our energy-intensive industries, and about the electric bills that residential, commercial, and industrial consumers must pay. Because acid rain is not an emergency, I believe that none of the acid rain control bill introduced to date has found the appropriate balance between environmental quality and economic impacts. Canada would like us to require a major sacrifice in the livelihoods of millions of our citizens to improve environmental quality for Canadians.

Mr. President, I believe that we should do our best to work with Canada to solve our environmental problems. In this spirit, I applaud President Reagan's commitment to talk with our Canadian neighbors. I am sure that frank discussions will serve to illuminate what both of us have done and what we both still need to do. But before we move forward, we need to recount how far we have come. The United States has had a laudable air pollution control program in place for nearly two decades. We have stringent controls on new automobiles and powerplants. And, although we have yet to attain the ozone standard, our progress in reducing all of the other air pollutants has been impressive.

Canada claims that it wants the United States to match Canadian efforts in reducing acid rain. Further, it claims tht it is taking bold steps, whereas the United States is doing next to nothing. Mr. President, this is not an accurate characterization of where we are.

While I believe that Canada's commitments to reduce emissions over the next decade are genuine and impres-

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● **This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.**

sive, it is important to point out that their initiatives pale in comparison to what the United States has already done. The United States has over 140 operating scrubbers; Canada has none. The United States does not allow firms to curtail production as a means of reducing emissions; such cutbacks are a major part of Canada's proposed program.

Two Canadian provinces have not even agreed to comply with their own federal program because, they say, the costs are too high and the economic impacts are too great. Yet, when American companies point to the high costs of acid rain controls, Canada has not been sympathetic. What is needed in this debate—and what I believe has thus far been lacking—is a recognition of the legitimate needs of both sides of the acid rain debate and both sides of the border. All of us in North America want a clean environment, reasonable electric rates, and job security. We need to start working together, and stop pointing fingers at one another, calling one another names, and referring to one another's speeches.

I ask unanimous consent that an article from the March 26 issue of the Wall Street Journal and from the April 7 issue of Energy Daily appear in the CONGRESSIONAL RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

CANADIAN ACID RAIN WORRIES DISCOUNTED BY NEW JOINT STUDY

(By Dennis Wamsted)

"Acid rain is harmful to our health. It is killing our lakes. It is attacking our forests. It is ruining our fresh-water fishing. It is depleting our wildlife," Canadian Prime Minister Brian Mulroney charged in a speech on March 23 to the North American Wildlife and Natural Resources Conference. At the same conference the next day, Canadian Environment Minister Tom McMillan chastised the U.S. for dumping "garbage" [acid rain] on Canadian soil. But even as Canadian politicians castigate the U.S. for failing to curb acid rains, an unreleased bilateral U.S.-Canadian report discounts many of the Canadians' concerns.

The report, which was completed in late February, is a summary of scientific research on acid rain prepared by the U.S.-Canadian Bilateral Advisory and Consultative Bilateral Advisory and Consultative Group. The document was written by officials from the U.S. National Acid Precipitation Assessment Program and the Canadian Federal Provincial Research and Monitoring Coordinating Committee.

A key finding of the study is that sulfur dioxide emissions from 11 eastern border states and three so-called "second tier states" declined by about 10 percent between 1980-1985 "despite fairly uniform coal consumption." Emission reductions in these 14 states—including all of the Ohio River Valley producing/consuming states—amounted to a total of 1.4 million tons. The report notes that these states have historically been the largest contributors to transboundary sulfur dioxide emissions.

The report also disputes assertions that eastern Canadian and northeastern U.S. streams are becoming increasingly acidic: "Sulphate concentrations have decreased in 12 Nova Scotia and eight Newfoundland rivers between the early 1970s and early 1980s. There has been a corresponding increase in the pH [or lessening of the acidity] of the rivers." Similarly, two "benchmark streams" in the northeastern U.S. evidenced a decline in sulfate concentration and a concomitant increase in alkalinity.

The report questions the linkage between sulfur dioxide emissions and lake acidification. "Over the past 50-60 years, no significant change in alkalinity in tested lakes in New Hampshire (an area of relatively high acidic deposition) is apparent and average pH may have increased," it notes. In another high impact area, the Adirondacks of New York, alkalinity either remained stable or decreased slightly during this same period.

In areas where acid rain deposition resulted in undeniable damage, such as at Joe Lake near the Sudbury region of Canada, rapid recovery was noted once emissions declined. Following nearly complete fish extinction in the 1950s and 1960s, Joe Lake was restocked in 1977 and had recovered almost completely by 1984, demonstrating the "recovery potential for even highly acidified lakes."

Finally, the study concludes that acid rain's impact on crops and forests is uncertain at best. Likewise, it notes that the effect on materials and structures remains unquantified.

It is unclear when the controversial report will be officially released. One well-placed Canadian source says that the study will be published sometime later this week. Although it was completed six weeks ago, he denied that the report's release was withheld for political reasons until the conclusion of the Reagan-Mulroney summit that ended yesterday. Publication was delayed simply because it took that long to get the half-inch thick document translated into French, he said.

[From the Wall Street Journal, Mar. 26, 1987]

ACID-RAIN DAMAGE TO LAKES MINIMAL, EPA ADVISERS FIND

(By Robert E. Taylor)

WASHINGTON.—Scientists advising the Environmental Protection Agency have concluded that the agency's data suggest little or no lake acidification is occurring in the Northeast from acid rain, EPA officials said.

EPA officials said they accept the scientists' conclusions, which reversed the agency staff's initial findings that about 300 northeastern lakes and possibly as many as 1,500 will become acidic over the next 50 years if current rates of acidification persist.

As a result, data that initially appeared to be fuel for environmentalists' demands for acid-rain controls have become ammunition for their opponents. The scientists' conclusion is consistent with claims by the coal and electric utility industries that there is no proof that lakes and streams will suffer substantial and increasing damage if sulfur dioxide emissions from coal-fired power plants continue at current levels. The scientists presented their conclusions to EPA officials at a meeting last week in Corvallis, Ore.

The finding comes just after President Reagan reaffirmed a commitment to a $2.5 billion, five-year project to subsidize power plants that demonstrate ways of cutting acid emissions from coal boilers. The conclusion could strengthen his determination to fend off demands from Canadians and U.S. environmentalists for tougher action against emissions from coal-fired plants.

EPA Administrator Lee Thomas has been saying that research does not show a need for anything as drastic as the 50% reduction in sulfur dioxide emissions that congressional advocates support. Armed with the new findings, he went further yesterday, telling a group of House Republicans that "you may not need to bring (emissions) down at all."

The scientists' conclusion arises from an EPA study of the capacity of soils to neutralize acidic rain. The EPA staff predicted increasing acidification of lakes on the assumption that some soils with low acid-neutralizing capacity soon would reach the limit of their capacity to absorb sulfuric acid.

But scientists led by Arne Henriksen of the Norwegian Institute for Water Research said no such absorption is taking place, according to Courtney Riordan, director of the EPA's office of acid deposition. The scientists said acidic rain is being neutralized by the exchange of hydrogen ions for calcium and magnesium ions in the soil, Mr. Riordan said.

"They said it appears to indicate that the Northeast is in a steady state," said Mr. Riordan. Based on their analysis, he said, "You cannot make a prediction that further acidification will occur at current loads." The analysis indicates that over the next 50 years, the number of lakes turning acidic in the Northeast could be zero and at worst would be a few hundred, he said. There are 6,350 lakes in the region, stretching from northeast Pennsylvania to northern Maine, according to Mr. Riordan.

Also, Mr. Riordan said that while the picture could darken if sulfurous emissions increase, "you'd expect to see some recovery" in acidic lakes under the latest analysis if emissions decline.

The EPA predicts that sulfur dioxide emissions will be stable through about 1990 and then increase slightly. Electric utilities forecast decreasing sulfur dioxide emissions, and environmentalists warn they will rise. Yesterday, Mr. Thomas said he hopes to craft a package of administrative and legislative initiatives that will ensure that emissions don't rise.

Despite the administration's reluctance, environmental groups have put a high priority on pushing an acid-rain control bill through Congress in the next two years. They have won crucial support from a group of House Republicans led by Rep. Sherwood Boehlert.

Mr. PROXMIRE. Mr. President, will the majority leader yield?

Mr. BYRD. Yes. I am happy to yield.

Mr. PROXMIRE. Mr. President, the distinguished Senator from Wyoming and I have introduced legislation along with some other Senators on acid rain. I hope the Senator from West Virginia will take a good long look at it. We think it is very moderate legislation. It would not increase the cost for utilities. It would probably not require scrubbers. And we think it would do a very positive job of helping with respect to acid rain. It has the overwhelming support of the Nation's Governors.

It is the kind of legislation that I think the Senator from West Virginia, who is a very practical man, might find useful.

Mr. BYRD. Mr. President, I have taken a good look at the Senator's legislation. As a matter of fact, I commented on it when I appeared before his committee recently when Senator GEORGE MITCHELL held hearings. I thought I gave a pretty practical, realistic view of the legislation. I could not support it. It might have been, as I recall one of these pieces of legislation dealing with the general subject of acid rain that was least offensive to me and those people whom I represent, the coal-producing States. I cannot at this moment say that I would support that legislation. I will be happy to take another look at it.

Mr. PROXMIRE. That is all I ask, to keep an open mind and take another look at it. The Senator's position, of course, is very important on all legislation.

Mr. BYRD. I thank the Senator.

STEWART A. HARDY, SR.

Mr. BYRD. Mr. President, I wish to call attention to the passing of Stewart A. Hardy, Sr. Stewart Hardy is the father of Charles Hardy, who is one of the custodians of the Senate. We all know Charles Hardy. He is a very dedicated, faithful, hard-working Senate employee—well liked by all of us.

I know that sympathies and condolences of all Senators, all officers, and other employees of the Senate go out to Charles Hardy and his family in respect to the death of his father, Stewart Hardy, Sr.

Stewart Hardy, Sr., was the fifth of six children. He was the son of the late John and Anna Bias Hardy. He departed this life on Friday, April 3, 1987, at Washington Hospital Center. He received his formal education in the public schools of the District of Columbia.

He remained in the area during his entire adult life. In 1932, he was married to the late Rose Harris, of Centreville, VA. From this union, two sons were born: Charles, whom I have mentioned, and Stewart, Jr.

After 43 years of service, Mr. Hardy retired from the Federal service, having worked over 39 years for the U.S. district court.

He was a loyal and faithful member of Metropolitan Wesley A.M.E. Zion Church, always willing to do whatever was necessary for his church. He was baptized as an infant. He joined the church as a teenager under the pastorate of the late Rev. J.W. McCoy. Mr. Hardy was a class leader, trustee, treasurer of his church, member of the Busy Bee Club, Senior Choir, Fuel Club, president of Progressive Club, member of SNAAC, and site manager for the Senior Citizens. He is survived by one brother, John; his son, Charles; six grandchildren, several great grandchildren, a host of nieces, nephews, and other relatives and friends.

The wake occurred last evening. The funeral is today at the Metropolitan Wesley A.M.E. Zion Church.

I know that Senators who have not had the opportunity to do so thus far will want to express to Charles their sympathies to him and his family.

RECOGNITION OF ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting minority leader is recognized.

SPRING

Mr. SIMPSON. Mr. President, I thank the Chaplain for his prayer. He always does extremely well. He described spring in the most lyrical way. It made one wonder what we are doing in here, and think that we should be out there.

Mr. President, I urge you to walk in the area east of the Capitol. Each of those remarkable trees are marked as to what they are. I think we forget the fascinating array of foilage and trees which are out there. It is a remarkable place for a bit of a respite from this action which sometimes does get rather heavy at times.

The day proves the sermon of the Chaplain and gives us a lift and a lilt.

Mr. BYRD. If the Senator will yield on the reference to the Chaplain's prayer, may I add my support also and my feelings with respect to the coming of spring and God's purpose in all of these things, including the seasons.

Robert Browning may have had a view of spring as we are seeing it here in Washington.

He said:

The year's at the spring
And the day's at the morn;
Morning's at seven;
The hillside's dew-pearled;
The lark's on the wing;
The snail's on the thorn:
God's in his heaven—
All's right with the world!

ORDER OF BUSINESS

Mr. SIMPSON. Mr. President, we do have Senator ROTH with some time requested from leadership time. I will reserve the remainder of that for the leader and allow Senator ROTH and Senator WALLOP to seek the floor in their own right. If they need more time, they can use a portion of the leader's time.

ACID RAIN

Mr. SIMPSON. Mr. President, I do want to say something in response to my friend from Wisconsin, Senator PROXMIRE. It is a great honor and privilege to join him as a cosponsor of the Proxmire-Simpson acid rain bill. We have both worked very hard on that. What makes it unique is that we deal with nitrogen oxide, instead of just the SO_2, and we do that on a national basis. We deal with SO_2 on a regional basis of those who have not yet complied.

I know it is such a serious issue for the majority leader, but I also know in grappling with it on the Environment and Public Works Committee as I have for 8 years that this is a thoughtful approach. I hope the majority leader and all who have been involved will take a good look at what I think is about the only way to break the legislative gridlock on this issue, because we cannot hide from it. Eventually it is going to end up right here on this floor. The pressures of this place dictate that.

As the majority leader so often says, we work our will eventually. That is one that will come this way. It need not be done in a way which is going to be punitive to West Virginia, Wyoming, Wisconsin, or any other State, but it is something we need to pay close attention to.

Being an unbiased observer of this legislation, I think this is a remarkable piece of work, carefully crafted, judicially correct, and superb in every respect.

Mr. BYRD. Will the distinguished Senator yield?

Mr. SIMPSON. Yes, indeed.

Mr. BYRD. On this one, I hope we will all support the President. I support the President's approach and I will very diligently and strongly support Mr. Reagan's approach in dealing with the acid rain problem as long as he maintains his present position and I also support his request for additional funding for clean coal technology.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 10 a.m. with Senators permitted to speak therein for 5 minutes each.

The Senator from Delaware is recognized for a period not to exceed 5 minutes.

COMPREHENSIVE COUNTERESPIONAGE LEGISLATION

Mr. ROTH. Mr. President, today I am joining with the Republican leader [Mr. DOLE] to introduce this comprehensive counterespionage legislation.

Events of the past month have forcefully redirected our attention to the ominous espionage threat which the Soviet Union poses to our diplomatic facilities in Communist bloc countries. However, we cannot allow our current attention to Embassy security to distract us from the broader espionage problem. While we ponder the problem of Embassy security, we should also bear in mind the massive security violations which we associate with the names of Ronald Pelton and John Walker. If we are to succeed in stemming the hemorrhage of vital national security information, we must enact a broad, overall, counterespionage strategy.

Let me outline some of the proposals which we intend to put before the Senate. First, we need to broaden the Foreign Missions Act. Currently, the State Department uses the authority granted it under this act to restrict the movements of the Soviet diplomatic corps, on the grounds that many of its members are engaged in espionage. Unfortunately, Moscow has circumvented these restrictions by "farming out" their espionage operations to their East bloc satellites. Consequently, we shall propose to extend the restrictions now placed on the Soviets to all East European embassies, consulates and trade missions.

Frankly, Mr. President, it makes no sense to allow the professional agents of Eastern European countries to travel this country freely, pillaging our high-technology sectors and tempting U.S. citizens to betray their country for financial gain.

In addition, we intend to restore to U.S. courts the power to impose the death penalty upon persons convicted of espionage in cases where the most sensitive types of classified information have been involved. If men and women are willing to engage in espionage and thereby countenance the suffering and death of others, they must expect to pay the highest penalty. I hope that the opponents of this measure will allow this proposal to come to a vote rather than blocking its consideration through parliamentary procedures, as they did in the 99th Congress.

At a time when so much of our attention is focused on the security of our own Embassy in Moscow, we cannot turn a blind eye to the threat posed by the location of the Soviet facility on Mount Alto in the District of Columbia. The positioning of the Soviet chancery and compound gives the Soviet Union the ability to monitor huges amounts of regular telephone communications. Yesterday, President Reagan spoke out on the question of Mount Alto. He stated that the Soviets may not occupy Mount Alto until the United States occupies its Embassy in Moscow. I agree with the President that the Soviets should occupy no additional buildings. However, the fact is, Mr. President, that the Soviets already are in Mount Alto; they occupy the compound and that compound building, not the chancery, is the highest point in Washington, DC. Meanwhile, the United States is afforded a thoroughly compromised facility at one of the lowest points in Moscow.

It is time that we acted resolutely on this question. Consequently, we are proposing that the State Department come to the Congress by the end of October with an agreement either to relocate the United States in Moscow or for the Soviets to pick up the cost of rendering the current facility secure to the satisfaction of the Government, including the Congress. Frankly, Mr. President, I do not see how that facility can be made secure, short of demolition, but the offer should be made. Absent an agreement to this effect by October 31, the Soviet Union shall be instructed to vacate totally the Mount Alto property by December 31, 1987. Let us bear in mind, Mr. President, the fact that Mount Alto is leasehold property and we are perfectly within our rights in acting in this manner.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. ROTH. I am happy to yield to the majority leader.

Mr. BYRD. The Senator has referred to the relocation of the U.S. Embassy in Moscow.

Mr. ROTH. That is correct.

Mr. BYRD. Why not relocate the one here instead of having the Soviets take the high vantage point, where they can oversee all of Washington? Is there not some way that we can retrieve that? Is there any reason why we cannot prevent their having the high ground ever?

Mr. ROTH. What we have proposed in this legislation, I say to the distinguished majority leader, is that either we get what we want satisfactorily in Moscow or certainly that would be an option. It may very well be that we ultimately will want to force them to move out because of our concern that I think both the majority leader and I have that they can monitor so much, particularly our telephone conversations. That is an option that would be available.

Mr. BYRD. The building into which they intend eventually to move—I am talking about the building into which they intend eventually to move and which had been agreed upon. I understand that the President has said that they will not be able to move into that until we are able to move into ours. That is the least that could be expected. That was agreed upon, I guess, a long time back. But why let them even have that building if it is in such a high vantage point?

Mr. ROTH. I point out to the majority leader that part of the problem is that several years ago, I think in the seventies, they were permitted to move into the compound or the apartments, so that the Russians are already in part of these facilities. Those apartments, this compound, is the highest point of the facility. So they are already there.

What we have suggested is if we do not make satisfactory arrangements by October, satisfactory not only to the executive branch but to Congress, then we would force them out—not only not let them move into the new facilities but force them out of the compound as well. So, in essence, we would accomplish what the majority leader is suggesting.

Mr. BYRD. Yes, Mr. President, but we do not really accomplish it simply by saying, "OK, whenever we move into ours, you can move into yours;" because even at best, ours is located in a swamp, is it not?

Mr. ROTH. Yes, Mr. President, part of the problem is that ours is in a low position. What we are suggesting here is that they either have to negotiate something to our satisfaction—and that can include a new location.

Mr. BYRD. How can it be to our satisfaction as long as they are going to be in this high vantage point, where they can oversee all of Washington? Why not just insist on their moving somewhere else, to a lower vantage point?

Mr. ROTH. I say to the distinguished leader, I would find that perfectly acceptable, that they should move somewhere else. The problem is that in the seventies, we did negotiate this arrangement. I think it was a poor bargain from our standpoint. We are trying to correct it. But certainly, one of our options is to force them out of the current location.

Mr. BYRD. I hope we are successful in doing that. Perhaps we ought to have some new negotiations.

Mr. ROTH. In essence, that is what we are asking here, Mr. President, for new negotiations on this whole matter.

Mr. WALLOP. Will the Senator yield for an observation?

Mr. ROTH. Yes, Mr. President.

Mr. WALLOP. We had such a vote in here in 1982. There was an amendment which I had offered. We nearly passed it but we did not.

The ACTING PRESIDENT pro tempore. The additional time of the Senator from Delaware has expired.

Mr. BYRD. Mr. President, the Senator from Wisconsin has been patiently waiting and so has the Senator from Wyoming. I yield to the Senator from Delaware an additional minute.

Mr. ROTH. I thank the Senator.

Mr. President, several classified and unclassified reports have drawn the attention of the Senate to the security problem posed by hostile intelligence penetration of the United States Secretariat. As many as 200 KGB and GRU agents are thought to be operating out of the Secretariat. Amazingly, the Secretary-General now is proposing to establish offices of research and information in U.N. member states to collect information and intelligence on their political affairs. Few proposals could be more tailor made for Moscow's espionage agenda. Consequently, we intend to legislate that the United States will make no contribution to any such office and that no such office may be established in the United States.

Mr. President, this description does not cover all of our proposals, but I think I should terminate my description here in order to point out that neither the Republican leader nor I have any desire to micromanage the State Department. Unfortunately, as the majority leader pointed out recently, the State Department resolutely refuses to take the espionage and security question seriously. All too often, the security question is subordinated to the diplomatic consideration. This state of affairs cannot be allowed to continue. We have sworn an oath to protect this Nation from its enemies, foreign and domestic. Under the prevailing circumstances, Senator Dole and I believe strongly that it is time for the Congress to act to protect the national security.

SECURITY PROBLEMS IN MOSCOW—SHULTZ MUST LAY DOWN MARKERS

Mr. DOLE. Mr. President, the President yesterday announced—among other things—that Secretary Shultz will go forward with his visit to the Soviet Union, despite the serious security problems that have emerged with our embassies—current and new—there.

I do not take issue with the President's decision. But I do say this: The only way this visit makes sense is if we use the occasion to lay down some tough markers with the Soviets.

Shultz must tell Shevardnadze loud and clear: enough of this nonsense. If the Soviets go on playing this dangerous game—well, two can play. The Soviets are building an embassy here, just as we are in Moscow. And the simple rule ought to be: What happens to our Embassy there, happens to theirs here.

The bottom line is this: If the Soviets want any kind of productive relations—if they want to do any kind of serious business—then they are going to have to play by some basic rules. And that better be the message Secretary Shultz carries with him.

THE PROPER PERSPECTIVE

Let us keep the problems that have emerged in perspective. They are not just the problems of this administration. They can not all be piled on Ronald Reagan's doorstep. These problems were discovered on his watch, but their roots go back before Ronald Reagan arrived in town.

Planning for our Embassy in Moscow goes back to the Nixon administration. Construction on the Embassy began back in 1977, during the Carter administration. Even more important, the decision to allow the Soviets to move into their new embassy compound—long before ours was ready—was made that same year, by President Carter. It was that decision which marked the first, fundamental breaking of linkage between progress on the Soviet Embassy here and ours in Moscow. It put us behind an eight-ball, and we still find ourselves there today.

THE ROOT PROBLEM

So the root problem is not this administration's. But the root problem does have these two characteristics. First, the Soviets have gone recklessly beyond the bounds of acceptable conduct, and have to be pulled back in. This administration, indeed, has the responsibility to do that. And I think it will.

And, second, the problem on our end is not only long-standing, but it also goes beyond Moscow and reaches deep into the bureaucracy of the State Department and other involved agencies.

Four other embassy projects are planned in Eastern Europe. Many others are on the drawing board or under construction around the world. If these projects go foward in the same way that the Moscow Embassy did, the security fallout could make what we have already seen look like a picnic.

And many parts of the State Department and several other agencies are involved. It is obvious that everyone involved has not always been on the same wavelength. And I have the strong impression that one element, above all others, has been given the least priority. Not only now but over the years. That is the consideration of security. That has just got to be changed, starting now.

NEW LEGISLATION REQUIRED

New legislation is required. My staff, and the staff of the distinguished Senator from Delaware, Mr. Roth, who spoke earlier this morning, are already at work crafting legislation. We hope to have the bill ready today. And I would hope that, shortly after the recess, the appropriate committees could get down to serious work on our bill, to get to the bottom of the problems we face.

ELEMENTS OF DOLE-ROTH BILL

What is in the bill? First, we put the Moscow Embassy problems in the right context—the context of the entire Soviet and East bloc espionage effort against the United States. We deal with the problem here, by imposing rational limits on all the East bloc embassies here.

And we finally make espionage in law what it is in fact: The most heinous kind of crime, deserving of the ultimate penalty: Death.

Second, the bill raises the stakes in the Moscow Embassy game. Unless we get satisfaction on our legitimate and serious concerns, the Soviets can start packing for a move out of Mount Alto, right now. We see that as a first "shot across the bow." The Soviets and anyone else tempted to follow their lead in this espionage game have to learn that they will pay a price for their actions.

Third, the legislation will lay out a plan to get our own administrative and security house in order. It will mandate a single, powerful focus in the administration for our efforts to assure the security of our overseas facilities, both while they are under construction and as they are in operation. That has to become the No. 1 priority; not an afterthought.

Fourth, we put the horse before the cart, where it belongs. We want no more work on new embassies, especially those in Eastern Europe and other Communist controlled areas, until we are sure that work can go forward properly. Comfortable quarters, for once, will have to take a back seat to secure facilities.

Finally, we mandate some needed changes in existing security systems. We have to make sure our plans and our personnel are up to the challenge they face. Our bill will be a good start in that direction.

TIME FOR CONGRESS TO GET TO WORK

Senator Roth and I are submitting our ideas in this legislation. Others will have their own ideas. The key is that we get to work, now, before any more damage is done.

Mr. President, I hope all Senators will join with Senator Roth and I in looking into this serious matter and crafting serious legislation to help us resolve it.

Mr. ROTH. Mr. President, I ask unanimous consent that the proposed bills be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 946

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 794 of title 18, United States Code, is amended—

(1) in subsection (a), by—

(A) inserting "(1)" after "(a)";

(B) striking out "any term of years or for life" and by inserting in lieu thereof "a term of 20 years to life"; and

(C) inserting at the end thereof the following:

"(2) The sentence of death may not be imposed for an offense under this subsection occurring during a period other than war unless the jury or, if there is no jury, the court finds that the offense directly concerned—

"(A) nuclear weaponry, military spacecraft or satellites, early warning systems, or other means of defense or retaliation against large-scale attack;

"(B) war plans;

"(C) communications intelligence or cryptographic information;

"(D) sources or methods of intelligence or counterintelligence operations; or

"(E) any other major weapons system or major element of defense strategy.";

(2) in subsection (b) by striking out "any term of years or for life" and inserting in lieu thereof the following "a term of 20 years to life"; and

(3) by inserting after subsection (c) the following:

"(d)(1) A person shall be subjected to the penalty of death for the offense prohibited by this section only if a hearing is held in accordance with this subsection.

"(2)(A) If, in a case involving an offense described in this section, the attorney for the Government believes that the circumstances of the offense are such that a sentence of death is justified under this subsection, he shall, at a reasonble time before the trial, or before acceptance by the court of a plea of guilty, or at such time thereafter as the court may permit upon a showing of good cause, sign and file with the court, and serve on the defendant, a notice—

"(i) stating that the Government believes that the circumstances of the offense are such that, if the defendant is convicted, a sentence of death is justified under this chapter; and

"(ii) setting forth the aggravating factor or factors that the Government, if the defendant is convicted, proposes to prove as justifying a sentence of death.

The court may permit the attorney for the Government to amend the notice upon a showing of good cause.

"(B) If the attorney for the Government has filed a notice as required under subparagraph (A) and the defendant is found guilty of an offense described in this section, the judge who presided at the trial or before whom the guilty plea was entered, or another judge if that judge is unavailable, shall conduct a separate sentencing hearing to determine the punishment to be imposed. Prior to such a hearing, no presentencing report shall be prepared by the United States Probation Service, notwithstanding the provisions of Rule 32(e) of the Federal Rules of Criminal Procedure. The hearing shall be conducted—

"(i) before the jury that determined the defendant's guilt;

"(ii) before the jury impaneled for the purpose of the hearing if—

"(I) the defendant was convicted upon a plea of guilty;

"(II) the defendant was convicted after a trial before the court sitting without a jury;

"(III) the jury that determined the defendant's guilt was discharged for good cause; or

"(IV) after initial imposition of sentence under this section, reconsideration of the sentence under this section is necessary; or

"(iii) before the court alone, upon the motion of the defendant and with the approval of the attorney for the Government. A jury impaneled pursuant to clause (ii) shall consist of twelve members, unless, at any time before the conclusion of the hearing, the parties stipulate, with the approval of the court, that it shall consist of a lesser number.

"(C) At the hearing, information may be presented as to any matter relevant to the sentence, including any mitigating or aggravating factor permitted or required to be considered under paragraphs (3) and (4). Information presented may include the trial transcript and exhibits if the hearing is held before a jury or judge not present during the trial. Any other information relevant to a mitigating or aggravating factor may be presented by either the attorney for the Government or the defendant, regardless of its admissibility under the rules governing admission of evidence at criminal trials, except that information may be excluded if its probative value is substantially outweighed by the danger of creating unfair prejudice, confusing the issues, or misleading the jury. The attorney for the Government and the defendant shall be permitted to rebut any information received at the hearing, and shall be given fair opportunity to present argument as to the adequacy of the information to establish the existence of any aggravating or mitigating factor, and as to the appropriateness in the case of imposing a sentence of death. The attorney for the Government shall open the argument. The defendant shall be permitted to reply. The attorney for the Government shall then be permitted to reply in rebuttal. The burden of establishing the existence of any aggravating factor is on the Government, and is not satisfied unless the existence of such a factor is established beyond a reasonable doubt. The burden of establishing the existence of any mitigating factor is on the defendant, and is not satisfied unless the existence of such a factor is established by a preponderance of the information.

"(D) The jury, or if there is no jury, the court, shall consider all the information received during the hearing. It shall return a special finding as to each mitigating and aggravating factor, concerning which information is presented at the hearing, required to be considered under paragraphs (3) and (4). The jury must find the existence of a mitigating or aggravating factor by a unanimous vote, although it is unnecessary that there be a unanimous vote on any specific mitigating or aggravating factor if a majority of the jury finds the existence of such a specific factor.

"(E) If an aggravating factor is found to exist under paragraph (4), the jury, or if there is no jury, the court, shall then consider whether all the aggravating factors found to exist sufficiently outweigh all the mitigating factors found to exist to justify a sentence of death, or, in the absence of a mitigating factor, whether the aggravating factors alone are sufficient to justify a sentence of death. Based upon this consideration, the jury by unanimous vote, or if there is no jury, the court, shall return a finding as to whether a sentence of death is justified.

"(F) In a hearing held before a jury, the court, prior to the return of a finding under subsection (e), shall instruct the jury that, in considering whether a sentence of death is justified, it shall not consider the race, color, national origin, creed, or sex of the defendant. The jury, upon return of a finding under subsection (e), shall also return to the court a certificate, signed by each juror, that consideration of the race, color, national origin, creed, or sex of the defendant was not involved in reaching the juror's individual decision.

"(3) In determining whether a sentence of death is to be imposed on the defendant, the jury, or if there is no jury, the court shall consider whether at the time of the offense—

"(A) the defendant had the capacity to appreciate the wrongfulness of his conduct;

"(B) the capacity of the defendant to conform his conduct to the requirements of law was significantly impaired, but not so impaired as to constitute a defense to the charge;

"(C) the defendant was under unusual and substantial duress, although no such duress as constitutes a defense to the charge; and

"(D) the defendant was the principal (as defined in section 2(a) of this title) in the offense, which was committed by another, but his participation was relatively minor, although not so minor as to constitute a defense to the charge.

The jury or, if there is no jury, the court, may consider whether any other mitigating factor exists.

"(4) In determining whether a sentence of death is to be imposed on the defendant, the jury, or if there is no jury, the court shall consider whether—

"(A) the defendant has been previously convicted of another offense involving espionage or treason for which either a sentence of life imprisonment or death was authorized by statute;

"(B) in the commission of the offense, the defendant knowingly created a grave risk of substantial danger to the national security; and

"(C) in the commission of the offense, the defendant knowingly created grave risk of death to another person.

The jury, or if there is no jury, the court, may consider whether any other aggravating factor exists.

"(e) The court shall not impose a sentence of death on the defendant if the jury or, if there is no jury, the court finds that at the time of the offense the defendant was under the age of eighteen.

"(f) Upon a finding that a sentence of death is justified, the court shall sentence the defendant to death. Upon a finding that a sentence of death is not justified, or that no aggravating factor required to be found exists, the court shall impose any sentence other than death that is authorized by law. Notwithstanding any other provision of law, the court shall not place on probation or suspend the sentence of any person convicted of a violation of this section, nor shall any term of imprisonment imposed under this section run concurrently with any other term of imprisonment. No person sentenced to a term of years under this section shall be eligible for parole during the term of imprisonment imposed.

"(5)(A) In a case in which a sentence of death is imposed, the sentence shall be subject to review by the court of appeals upon appeal by the defendant. Notice of appeal must be filed within the time specified for the filing of a notice of appeal. An appeal under this section may be consolidated with an appeal of the judgment of conviction and shall have priority over all other cases.

"(B) The court of appeals shall review the entire record in the case, including—

"(i) the evidence submitted during the trial;

"(ii) the information submitted during the sentencing hearing;

"(iii) the procedures employed in the sentencing hearing; and

"(iv) the special findings returned.

"(C)(i) If the court of appeals determines that—

"(I) the sentence of death was not imposed under the influence of passion, prejudice, or any other arbitrary factor; and

"(II) the information supports the special finding of the existence of an aggravating factor required to be considered, it shall affirm the sentence.

"(ii) In any other case, the court of appeals shall remand the case for consideration.

"(iii) The court of appeals shall state in writing the reasons for its disposition of an appeal of a sentence of death under this section.

"(6) A person who has been sentenced to death pursuant to the provisions of this chapter shall be committed to the custody of the Attorney General until exhaustion of the procedures for appeal of the judgment of conviction and for review of the sentence. When the sentence is to be implemented, the Attorney General shall release the person sentenced to death to the custody of a United States marshal, who shall supervise implementation of the sentence in the manner prescribed by the law of the State in which the sentence is imposed. If the law of such State does not provide for implementation of a sentence of death, the court shall designate another State, the law of which does so provide, and the sentence shall be implemented in the latter State in the manner prescribed by such law. A sentence of death shall not be carried out upon a woman while she is pregnant.

"(7) A United States Marshal charged with supervising the implementation of a sentence of death may use appropriate State or local facilities for the purpose, may use the services of an appropriate State or local official or a person such an official employs for the purpose, and shall pay the costs thereof in an amount approved by the Attorney General.".

S. 947

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Foreign Missions Act (22 U.S.C. 4301 et seq.) is amended by adding at the end thereof the following new section:

"APPLICATION TO CERTAIN COMMUNIST COUNTRIES

"SEC. 215. (a) Notwithstanding any other provision of this title, the Secretary shall apply to each foreign mission in the United States of the German Democratic Republic, Hungary, Czechoslovakia, Poland, Bulgaria, Rumania, and Cuba the same terms, limitations, restrictions, and conditions which are applied under this title to the foreign mission in the United States of the Soviet Union unless the President determines and so reports in a classified document to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives that national security and foreign policy circumstances require that this section be waived in specific circumstances with respect to such country or particular agency of such country.

"(b) The Secretary shall prepare and transmit to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives a report describing—

"(1) not later than thirty days after the date of enactment of this section, the plans of the Secretary for implementing this section; and

"(2) not later than six months thereafter, the actions taken pursuant to these plans.".

S. 948

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding any other provision of law, including any international agreement, the Secretary of State shall not permit the Soviet Union to occupy any facility in the Washington, D.C. metropolitan area constructed on or after the date of entry into force of the agreement between the United States of America and the Union of Soviet Socialist Republics on embassy sites, signed May 16, 1969, unless the President, after consultation with each appropriate United States agency, certifies to the Congress that agreement has been reached between the United States of America and the Union of Soviet Socialist Republics 1) establishing a new location for the United States diplomatic mission in Moscow and that the terms and conditions of construction ensure suitable security protection for that mission or 2) providing that the Union of Soviet Socialist Republics will compensate the United States of America for all costs associated with establishing suitable security protection at the current United States diplomatic mission site in Moscow. If such certification is submitted, current prohibitions on Soviet occupancy of the chancery building at Mount Alto, as detailed in Section 154, P.L. 99-93 shall remain in effect until the United States is able to occupy its new facility in Moscow. If such certification has not been submitted to Congress by October 31, 1987, or if such certification shall have been disapproved, the Secretary of State shall require that the Union of Soviet Socialist Republics shall vacate, no later than December 31, 1987, all buildings and facilities in the area formerly occupied by the Mount Alto Veterans' Hospital in Washington, D.C.

(b)(1) subsection (a) shall not apply if the Congress within 30 days after receipt of a certification enacts a joint resolution disapproving the certification.

(2) Such resolution shall be considered in the Senate in accordance with the provisions of Section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

S. 949

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law none of the funds appropriated or otherwise made available in any fiscal year for the "International organizations and programs account" of the Department of State may be available for the United States' proportionate share of the United Nations' expenses in operating the United Nations' Office of Research and Information Collection or any unit thereof.

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin is recognized.

Mr. PROXMIRE. Mr. President, I thank the Chair.

WISCONSIN OPINION OVERWHELMINGLY AGAINST CONTRA AID

Mr. PROXMIRE. Mr. President, many people in Wisconsin cannot understand the reason why President Reagan pursues his policy in Nicaragua. They ask me "Why does the President call for millions of dollars to fund the Contras in Nicaragua who are trying to overthrow the Ortega government." These Wisconsin critics tell me they know that Ortega is a Communist. They know he has received a great deal of support from Cuba. They know he has received military equipment from the Soviet Union. They know the Ortega government has suppressed newspapers. They know it has jailed clergymen. Wisconsin residents who have followed our Nicaraguan policies know all of this. Many of them detest the Ortega government. So why do they not favor the Reagan administration policies designed to overthrow that government? The answer, Mr. President, is that many Wisconsin citizens believe the Reagan policies just will not work.

Do the Reagan pro-Contra policies threaten the Ortega government? Can they bring an overthrow of that government? The hard experience of more than 6 years indicates the Reagan policies have had precisely the opposite effect. Many Nicaraguans resent the suppression and cruelty of the Ortega regime. But they are patriotic. They love their country. They see the United States as an outsider. It is worse: They see the United States as a giant, super-rich bully. They know the United States' awesome military forces could crush their pathetically poor, little country at will. But they are proud of their ability to maintain their independence.

They can never forget that United States military forces have occupied their country on several occasions. They know the United States supported a repressive rightwing Nicaraguan dictator for some 30 years, earlier in this century. They know the United States has mined their harbor. They know our country has provided the dollars and the military weapons that have enabled the Contra rebels to raid and terrorize their countryside. They know United States backed Contras have provoked endless skirmishes that have brought death to thousands of Nicaraguans. They know that the United States bought and paid for guns and ammunition that continue to ravish and impoverish their struggling little country.

Wisconsin people tell me they cannot see any consequence of our present Nicaraguan policy except continued violence, continued death, and continued impoverishment for Nicaragua. I have talked to literally hundreds of our Wisconsin people about this miserable situation and I have yet to find one who tells me she or he believes that the Contras can win. Not one. No one. Frankly, many Wisconsin people tell me that even if the Contras did win, it would be worse. The suppression, they argue, would continue. The rebels would be the Communists backed by Cuba and the Soviet Union. The government would be a dressed-up version of the Somoza regime backed by the United States.

Mr. President, these Wisconsin opinions do not come from people who have simply read about Nicaragua in the paper or watched a few scenes on television. In the pre-Sandinista period, Wisconsin adopted Nicaragua as a "sister state." A number of Wisconsin medical doctors, agricultural specialists, public health experts, nurses, teachers, and others have travelled to Nicaragua before and since the 1979 revolution. They have spent several years working there. Perhaps there are Wisconsin citizens who have lived and worked in Nicaragua and who now support the Reagan administration pro-Contra policy. But this Senator has never met one. And I have looked for them.

On the other hand, I have met many who have spent a great deal of time in Nicaragua, who have worked side by side with Nicaraguan teachers and doctors and nurses and farmers. These Wisconsinites tell me that our policy of supporting the Contras is absolutely wrong, tragically wrong. Mr. President, this view is not confined to a few intense and dedicated people who have worked for years in Nicaraguan hospitals and schools and on little Nicaraguan farms. Last summer, this Senator stood at the entrance to our major summer festival in Milwaukee for 6 full days, shaking hands with people entering the festival grounds. I did this shortly after the House of Representatives had approved $100 million in economic and military assistance for the Contras in Nicaragua. I literally met thousands of people during those 6 days. The topic they brought up more than any other—more than Federal tax reform, more than the deficit, more than Social Security or star wars or any other issue—was the $100 million aid package for the Nicaraguan Contras.

And where did they stand on this issue? Mr. President, of the literally hundreds of persons who brought the Nicaragua problem up, every single one, every one—no exceptions—was opposed—often vehemently opposed to this appropriation. There was not one single supporter, not one. If ever there were a true consensus on a foreign policy issue by the people of my State, here it is. The consensus is on aid to the Contras in Nicaragua: Wisconsin people oppose it, overwhelmingly.

BICENTENNIAL MINUTE

APRIL 8, 1789: THE FIRST SECRETARY OF THE SENATE

Mr. DOLE. Mr. President, today marks the 198th anniversary of the election of the Senate's first Secretary, Samuel Otis of Massachusetts. It was in New York, on April 8, 1789, the third day of Senate business, that Otis began 25 years of faithful service as Secretary. During that time he never missed a single day that the Senate was in session.

Otis came well qualified. Harvard educated, he had been an ardent supporter of the revolutionary cause, serving as a member of the Massachusetts "Board of War" in 1776, and "collector of clothing" for the Continental Army in 1777. He had been speaker of the Massachusetts House of Representatives from 1784 to 1787, and a member of the Confederation Congress in 1787 and 1788.

Otis was responsible for keeping the Senate's legislative Journal—recording each session's minutes by hand—and for purchasing ink, quills, parchment, and other supplies. He disbursed salaries and travel allowances to the Senators, and he carried Senate legislation to the House of Representatives, and received and transmitted all Presidential messages and vetoes. It was Otis who held the Bible during George Washington's 1789 inaugural ceremonies.

Samuel Otis, who served through both Federalist and Jeffersonian majorities in the Senate, died on April 22, 1814, in Washington, where the Capitol had moved in 1800. The Senate was so preoccupied with other matters that it had not elected a successor at the time the British launched an assault on Washington in August 1814; and was without a Secretary until October 12, 1814. To show their respect for Secretary Otis, upon his death, Senators went into mourning for a month, each wearing a black crepe armband in memory of Otis' long and effective service.

From Otis' day, down to our own, 24 persons have served as Secretary of the Senate.

STRATEGIC DEFENSE INITIATIVE

Mr. BOSCHWITZ. Mr. President, I rise today to join my colleagues in support of the strategic defense initiative. I would strongly hope that our commitment to its development is not sidetracked now by a legalistic debate over the interpretation of the ABM Treaty. Various former negotiators, lawyers, interested their parties, and even some of my colleagues are scurrying about, taking positions about what was contained or not contained in the treaty. Such a spectacle would be humorous were it not for the seriousness of the issue.

Mr. President, we must understand that the defense of our Nation is too important to be determined by such maneuvering. President Reagan, to his credit, is conducting yet another review of the negotiating record. It seems clear to me, however, that his initial inclination was a correct one.

It is interesting to note that the initial review of the treaty started after the Soviets in March 1985 proposed a ban on testing and development of space-based missile defenses—something we had considered already banned by the treaty, but that the Soviets did not. Indeed, despite United States efforts in 1971-72 to prohibit future ABM technologies, the Soviets resisted—and there the matter lay.

Those who now argue for continuing a narrow interpretation of the treaty, even though the Soviets never adopted such a view, would stop testing SDI components just as they begin to show real promise. To stop testing is, in fact, to stop research. And that effectively kills SDI.

Mr. President, for over two decades America's defense against nuclear missile attack has relied on the theory of mutual assured destruction [MAD]. This theory presumes that the ability to respond massively even after a nuclear attack deters any would be aggressor from launching a first strike. Actually MAD amounts to little more than a hopeful hunch that all the world's decisionmakers would act rationally both in and out of times of crisis.

Our other efforts to deal with the nuclear threat have been through arms control. During the last four Presidential administrations, our Government has attempted to curb the size of nuclear arsenals in the United States and the Soviet Union through various treaties and to prevent other nations from acquiring the bomb—without much success. Despite talks and treaties, the number of weapons on both sides have continued to grow, and several countries have reached or are close to reaching the nuclear weapons threshold.

I believe that today we are at a fork in the road. One fork continues to rely on the hope that deterrence will continue to work, not only between the superpowers, but with any country—or group—that comes to possess the bomb. Frankly, a single mistake or miscalculation carries with it a possibility of enormous destruction. The second fork lies in developing a defense against nuclear attack through the strategic defense initiative. SDI has the potential of reducing the possibility of a nuclear war, and providing us with a safety net against an accidential launch of an enemy missile. The last benefit alone is reason enough to continue research into new defense technologies.

Those who claim that SDI will never work should ask themselves why the Soviets are so anxious to negotiate this issue, and to prevent the United States from going ahead with our research. They might also ask why the Soviets have employed more than three times as many technicians developing laser weapons—a key SDI technology—as we have researching lasers in all our Government research facilities. And they have been at this research for 25 years. The answer is that they know there is an excellent chance that SDI will work.

Those who would restrict the United States to the narrow interpretation of the ABM Treaty would allow the Soviets to continue their program unabated. And the Soviets have been working hard. The Soviets are even now constructing three more huge radars in the western U.S.S.R. to go along with six already-existing radars, that will all but close the final gap in the network of radars guarding the missile corridors into the U.S.S.R.

Robert Jastrow, a professor at Dartmouth and former Director of NASA's Goddard Institute for Space Studies notes that these radars:

> Have the range and angular precision needed to get an accurate track on an oncoming warhead, figure out which target the warhead is headed for, and alert ABM launch sites in the warhead's path so they can send up missiles to intercept it. In fact, they have all the properties of "battle management" for radars designed for an ABM defense of Soviet territory.

Robert Gates, Deputy Director of the CIA, spoke at length at the end of last year on the Soviet's SDI program. His remarks are well worth reading by all of my colleagues to gain an appreciation for Soviet activities as we consider our own defense. I ask unanimous consent that Dr. Gates' speech be printed in the RECORD. And I ask my colleagues to consider long and hard before tying the President's hands in moving forward expeditiously on the research and testing of SDI.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE SOVIETS AND SDI

(An address to the World Affairs Council of Northern California (Bay Area International Forum) by Robert M. Gates, Deputy Director of Central Intelligence, November 25, 1986)

One of the most significant developments in the nuclear age was the President's call to the nation in March 1983 to build a strategic defense system to protect the United States and its allies. This visionary concept and the President's determination to bring it to reality initially was greeted with widespread skepticism and a good deal of head shaking over his presumed naivete. And yet, as the nation's scientists an engineers have been mobilized, the technologies examined, and successful tests carried out a growing number of scientific and political leaders have come not only to accept the validity of the concept but the wisdom of implementing it. While skeptics and critics continue to voice their doubts, there is one person in the world who believes nearly as strongly as Ronald Reagan that SDI will work and that America can build it if it decides to do so—and that person is Mikhail Gorbachev.

It seemed appropriate to me to speak today in this center of high technology development not of our own SDI with which some of you are more familiar than I am but rather the Soviet approach to strategic defense and their own pursuit of SDI type technologies. I think you will be surprised by the breadth and depth of the Soviet program and the long term commitment they have made to strategic defense, including advanced technologies. It is ironic that the US effort to achieve strategic defense is the focus of world attention, as if the Soviet program had never existed. Indeed, I hope that when I conclude the principal question remaining in your mind will be why we have waited so long to create a defense for our country—to prevent nuclear weapons from reaching their targets.

Until March 1983, the United States developed its strategic military programs within the strategic reality that the existence of huge nuclear arsenals and the vulnerability of both sides to those weapons would lead each side to calculate that a nuclear attack would be suicidal—that even if one side preempted, the other side would have enough weapons remaining to destroy the still-vulnerable initiator of the conflict. This is the concept we have known as mutual assured destruction. Even though this has not been our official policy, it has been the reality.

There are two problems with this concept. First, the Soviets never accepted it. The Soviets believe that nuclear war could occur and, in light of that fact, they have designed their programs to try to enable the Soviet Union to survice and to prevail. This includes the development over many years, and continuing until today, of a massive national strategic air defense against bombers and cruise missiles, a ballistic missile defense of Moscow and a vigorous R&D program, as well as large scale measures for leadership protection, civil defense, and protection of vital elements of the national economy. It speaks volumes that in a relationship in which for twenty or more years strategic stability presumably has been based on mutual vulnerability, the Soviet Union has been working to eliminate its own vulnerability and consolidate a unilateral strategic advantage.

Second, the offensive balance has not been maintained. To take just one example, the Soviets have continued to improve their heavy ICBM force in order to be able to take out all of the US ICBM force, other nuclear force installations, and the few hardened leadership facilities we have. Their heavy ICBM force is designed in order for the Soviets to strike first, and effectively, despite their propaganda claim that they would not use nuclear weapons first. The Soviet concept, an initial strike by their heavy ICBMs, is the essential lead element of their strategic defenses, for it reduces the nuclear threat with which the rest of their defenses have to contend.

It is the Soviet program for strategic defense that I want to address today. Only by understanding the scope of this Soviet effort, our own vulnerability, and the destabilizing effect of this imbalance—recognized for years by our own military as a serious flaw—can one fully understand the significance of the President's initiative.

The Soviets have devoted considerable resources to strategic defense. Over the last two decades, the Soviet Union has spent roughly as much on strategic defense as it has on its massive strategic offensive forces. While estimates of Soviet spending on their military programs are based on an arcane and in absolute terms not particularly reliable science, there is some value in it for comparative purposes. For example, it is our judgment that over the past ten years the Soviet Union has spent nearly a $150 billion on strategic defense, or almost 15 times what the United States has spent.

And what have they bought for their money? They have the world's only operational ballistic missile defense system, installed around Moscow. Six years ago they began to upgrade and expand that system—actually, to replace it with a completely new system—to the limits allowed by the 1972 ABM Treaty. When completed the modernized Moscow ABM system will be a two-layer defense composed of silo-based long-range modified Galosh interceptors; silo-based, high-acceleration Gazelle interceptors designed to engage targets within the atmosphere; associated engagement and guidance radars; and a new large radar at Pushkino designed to control ABM engagements. The silo-based launchers may be reloadable. The new system will have the 100 ABM launchers permitted by the Treaty and could be fully operational in 1988. The Soviet system for detection and tracking of ballistic missile attacks consists of three layers—a launch detection satellite network, two over-the-horizon radars directed at US ICBM fields, and two networks of large ballistic missile detection and tracking radars.

The current layer of ballistic missile detection radars consists of eleven large ballistic missile early warning radars at locations on the periphery of the USSR. These radars can distinguish the size of an attack, confirm the warning from the satellite network and the over-the-horizon radar systems, and provide target tracking data. The Soviets are now constructing a network of nine new large phased array radars—three new ones have been detected this year—that can track more ballistic missiles with greater accuracy than the existing network. Most of these duplicate or supplement the coverage of the earlier network but with greatly enhanced capability. The radar under construction near Krasnoyarsk in Siberia, however, closes the final gap in the Soviet early warning radar coverage against ballistic missile attacks. Together the nine new larged phased array radars cover almost all approaches to the Soviet Union; the Soviets will undoubtedly build one or two more such radars to cmplete this coverage. (It is the Krasnoyarsk radar, by the way, that violates the 1972 AMB Treaty. It is not located within 150 kilometer radius of the national capitol as required of ABM radars, nor is it located on the periphery of the Soviet Union or pointed outward, as required by the Treaty for early warning radars. That is why the Soviets made the preposterous claim that it was a space tracking radar.)

The growing network of new large phased array ballistic missile detection and tracking radars of which Krasnoyarsk is a part, is of particular concern when linked with other Soviet ABM efforts. Such radars take years to construct and the existence of a network of highly capable radars might allow the Soviet Union to move rather quickly to construct a nationwide ABM defense based on these radars, if it chooses to do so. The Soviets also are developing components of a new ABM system which are apparently designed to allow them to construct individual ABM sites in a matter of months rather than the years that are required for the silo-based ABM systems going into Moscow. Soviet activities in this regard potentially violate the ABM Treaty's prohibition on the development of a mobile land-based ABM system or components. We estimate that by using these components the Soviets could undertake rapidly paced ABM deployments to strengthen the defenses of Moscow and defend key targets in the Western USSR and east of the Urals by the early 1990s. In addition to these developments, the SA-X-

12 surface to air missile system, to be deployed with the Soviet ground forces at any time, can engage conventional aircraft, cruise missiles and tactical ballistic missiles. It could also have capabilities to intercept some types of US strategic ballistic missile re-entry vehicles. Its technical capabilites bring to the forefront the problem that improving technology is blurring the distinction between air defense and ABM systems. This problem will be further complicated as newer, more complex air defense missile systems are developed.

We are very concerned that the Soviets continuing development efforts give them the potential for widespread ABM deployments. The Soviets have the major components for an ABM system that could be used for widespread ABM deployments well in excess of ABM Treaty limits. The components include radars, an above ground launcher, and the high acceleration missile that will be deployed around Moscow. The potential exists for the production lines associated with the upgrade of the Moscow ABM system to be used to support widespread deployment. Taken together, all of the Soviet Union's ABM and ABM related activities are more significant and more ominous than any one considered individually. Cumulatively, they suggest that the USSR may be preparing an ABM defense of its national territory. Such a defense, while not as comprehensive an approach as our own SDI efforts, could provide an important degree of protection and would fit well into the Soviet scheme for strategic defense—this is the only missing element in their defenses.

Although the United States dismantled most of its defenses against Soviet bombers in the 1960s, the Soviet Union has continued to invest enormous resources in a wide array of strategic air defense weapon systems. Currently the Soviets have nearly 12,000 surface to air missile launchers at over 1200 sites; 10,000 air defense radars and more than 1200 interceptor aircraft dedicated to strategic defense. An additional 2800 interceptors assigned to Soviet air forces could also be employed in strategic defense missions. The newest Soviet air defense interceptor aircraft, the MIG-31/FOXHOUND, has a lookdown, shootdown and multiple target engagement capability. More than 85 FOXHOUNDS are now operationally deployed. In contrast, the US has approximately 300 interceptor aircraft based in the US, dedicated to strategic defense, 118 strategic air defense warning radars and no operational strategic surface to air missile launchers. And this in the face of the modernization of the Soviet heavy bomber force and development of a new Soviet strategic bomber, the Blackjack. Similar in design to the B-1 but larger and faster.

Finally, the Soviets also have a wide range of passive defenses to ensure wartime survivability and continuity of Soviet nuclear forces, leadership, military command and control units, war-related industrial production and services, the essential work force, and as much of the population as possible.

The USSR has hardened its ICBM silos, launch facilities and key command and control centers to an unprecedented degree. Much of today's US retaliatory force would be ineffective against those hardened targets. Soviet leaders and managers at all levels of the government and Party are provided hardened alternate command posts located well away from the urban centers, in addition to many deep bunkers and blast shelters in Soviet cities. This comprehensive and redundant system provides hardened alternate facilities for more than 175,000 key Party and government personnel. Elaborate plans also have been made for the full mobilization of the national economy in support of a war effort. Reserves of vital materials are maintained, many in hardened underground structures. Redundant industrial facilities are in active production. Industrial and other economic facilities have been equipped with blast shelters for the work force and detailed procedures have been developed for the relocation of selected plants and equipment.

As if all these developments were not worrisome enough, since the late 1960s the Soviet Union also has been pursuing advanced technologies for strategic defense—technologies which the US is intending to explore in its strategic defense initiative program. The Soviets expect that military applications of directed energy technologies hold promise of overcoming weaknesses in their conventional air and missile defenses. The Soviets have been working as long as the United States in laser, particle beam, kinetic energy and microwave technologies applicable to strategic weapons. Let me briefly discuss their activities in each of these.

The Soviet laser weapons program began in the 1960s. Many Soviet organizations both civilian and military are involved. The Soviet laser weapon effort is guided and supported by some of the best scientists and engineers in the Soviet Union. Yevgeniy Velikhov, the rising vice president of the Soviet Academy of Sciences, made his early mark in directed energy related weapons research. (He is, by the way, the same Velikhov who was one of 200 Soviet signatories of a full page ad in the New York Times which stated that SDI would not work. He, and some of the others, made their mark by demonstrating the value of these technologies.)

The level of effort that the Soviets have applied to their laser weapons program is great. While it is difficult for us to measure the size of this program precisely, we estimate roughly $1 billion per year for the laser effort. It is clear, based on the observed scale and scope of the Soviet effort, that their program is considerably larger than that of the United States. For example, the Soviets have built over a half a dozen major R&D facilities and test ranges and have an estimated 10,000 scientists and engineers associated with the development of lasers for weapons.

The Soviets have conducted research in the three types of gas lasers that the US considers promising for weapons applications: a gas dynamic laser, the electric discharge laser, and the chemical laser. Soviet achievements are impressive. The Soviets have not only followed suit with the US in their work on these three kinds of lasers, they have continued to work on certain types of lasers which the US abandoned. The Soviets have been working on other types of lasers that the US has not seriously considered for weapons application until very recently, They also are investigating excimer, free electron and x-ray lasers and have been developing argon ion lasers for over a decade. The Soviets appear generally capable of supplying the prime power, energy storage and auxiliary components needed for most laser and other directed energy weapons. They have developed a rocket-driven generator which produces over 15 megawatts of electrical power—a device that has no counterpart in the West. The Soviets may also have the capability to develop the optical systems necessary for laser weapons to track and attack their target.

The USSR has now progressed, in some cases, beyond technology research. It already has ground-based lasers that could be used to interfere with US satellites and could have prototype space-based anti-satellite laser weapons by the early 1990s. We expect the Soviets to test the feasibility of ground-based lasers for defense against ballistic missiles by the late 1980s and could begin testing components for a large scale deployment system in the 1990s.

The remaining difficulties in fielding an operational system will require still more development time. An operational ground-based laser for defense against ballistic missiles probably could not be deployed until after the year 2000. If technology developments prove successful, the Soviets may deploy operational space-based anti-satellite lasers in the 1990s and might be able to deploy space-based laser systems for defense against ballistic missiles after the year 2000.

Soviet research and development of those technologies that could support a particle beam weapon also have been impressive. We estimate that they may be able to test a prototype particle beam weapon intended to disrupt the electronics of satellites in the 1990s. A weapon designed to destroy satellites could follow later. A weapon capable of physically destroying missile boosters or warheads, probably would require additional years of research and development.

The USSR also has conducted research in the use of strong radiofrequency signals that have the potential to interfere with or destroy critical electronic components of ballistic missile warheads. The Soviets could test a ground-based radiofrequency weapon capable of damaging satellites in the 1990s. Soviet capabilities to develop micro-wave weapons or radiofrequency weapons are on a par if not superior to those of the US.

The Soviets also have a variety of research programs underway in the area of kinetic energy weapons using the high speed collision of a small mass with the target as the kill mechanism. Long range, space-based kinetic energy systems for defense against ballistic missiles probably could not be developed until the mid-1990s or even later. The USSR could, however, deploy in the near term a short-range space-based system useful for satellite or space station defense or for close-in attack by a maneuvering satellite.

Perhaps the biggest obstacle to Soviet success in these advanced defenses against ballastic missiles are remote sensor and computer technologies—currently more highly developed in the West than in the USSR. The Soviets are devoting considerable resources to improving their abilities and expertise in these technologies. An important part of that effort involves increasing exploitation of open and clandestine access to Western technology. For example, the Soviets have long been engaged in well funded effort to purchase US high technology computers, test and calibration equipment, and sensors, illegally through third parties.

The Soviets have had a near monopoly on strategic defenses for many years. Their primary motivation for engaging initially in the strategic arms limitation talks with the United States in 1969 was to kill the US anti-ballistic missile program. Indeed, for many months in the early stages of SALT, the Soviets refused even to discuss limits on offensive strategic systems.

The Soviet effort we see today to kill SDI is of a piece with the effort nearly twenty years ago to kill ABM. The Soviets simply do not want the United States to be able to defend itself against strategic nuclear weapons. Limited though the current Soviet antiballistic missile system is, the Soviets are laying the foundation that will give them the option of a relatively rapidly deployable nationwide ABM system—a system that despite deficiencies would give the Soviets a significant unilateral advantage both politically and in time of war. Through an intensive worldwide propaganda campaign, the USSR hopes that it can dissuade the United States from pursuing the SDI research program and thereby preserve the Soviet monopoly in defense against ballistic missiles. Indeed, the same Soviet covert action structure that was used against the enhanced radiation weapon in the late 1970s and the deployment of intermediate nuclear forces to Europe in the early 80s is now being used against SDI.

The Soviets wish that the President's March 23rd announcement had never been made and that they could pursue their own solitary development of an anti-ballistic missile defense and research on advanced strategic defense without competition from the United States. The advent of SDI, however, faces the Soviets with the mobilization of an American effort to build a strategic missile defense in the United States and they are moving heaven and earth to convince or pressure the United States to drop it. They believe we can develop a highly effective strategic defense, in part because they are doing large elements of such a program themselves.

In the Soviet view, a US decision at this point to give up on defense and to rely solely on offensive weapons for deterrence not only would preserve their monopoly in strategic defense, but would be a key indicator of a loss of US will to compete militarily. Moreover, failure to proceed with an American strategic defense would hand the Soviets a unilateral military advantage of historic consequence—with awesomely negative implications for strategic stability and peace.

THE ABM TREATY NEGOTIATING RECORD

Mr. WALLOP. Mr. President, I believe that the debate over the narrow versus the broad interpretation of the ABM Treaty is essentially mischievous. Why mischievous? Because by focusing on minutiae it removes our attention from the more serious question of our own strategic security. But I will address that later. However mischievous this debate might be, it is also essentially wrong as argued by Senator NUNN. I have introduced legislation that I hope will help focus the debate on the real question: Should the United States have a defense against Soviet nuclear weapons?

Since we are in such a debate, however beside the point, I believe that it is only right to respond, along with my Republican colleagues, to the quaint statements offered by Senator SAM NUNN on this subject in the past weeks.

I would sketch a different approach this morning in order to provide my colleagues some historical background to the treaty-making process, the role of the Senate in that process, and how that history is relevant not only to the debate over the ABM Treaty, but also to those future treaties that this Senate must consider.

Treaties, Mr. President, once ratified, are the supreme law of the land, pursuant to article VI of the U.S. Constitution. The President has the duty to "faithfully execute" treaties. Unlike municipal legislation, treaties emerge together with explicit and customary rule of interpretation. Many of the same misconceptions that induced some members of U.S. arms control delegation to rely upon exchanges which were not binding under international law, now seem to induce some members of the U.S. Senate to assert either that it is "ambiguous" whether restrictions were actually achieved, as in the NUNN report, or that travaux preparatoires, or preparatory works, should by resolution of Congress be purged as a legitimate source of ABM Treaty interpretation, as in the resolution Senator BIDEN has submitted to the Senate.

Mr. President, much of the frustration of treaties stems from the modern Senate's unfamiliarity with treaty processes. Their frustrations include the rules for making or avoiding binding commitments in the treaty instruments. These also encompass the requisite action of the Senate as a body, if the Senate is to make amendments or reservations to the treaty instruments to assure the specific interpretation of a treaty or for any other purposes.

The Nunn report, Mr. President, sweeps together the casual and not so casual statements of individual Senators, along with declarations of individual witnesses. Disregard for the moment Senator NUNN's obsessive selectivity of emphasis, such as his omission of the texts of exchanges between Ambassador Gerard Smith and Senator Margaret Chase Smith that indicate a purpose to regulate future-type ABM systems before deployment, not before development. Senator NUNN proceeds as if the statements of individual witnesses and the statements of individual Members of the Senate could, and should, by claim of some hitherto unknown right, transform a treaty contracted by two sovereign nations into whatever understanding Senators in subsequent sessions of the Congress might consider to be "correct."

Mr. President, who could possibly anticipate some subsequently perceived ambiguity in the treaty as presented to the Senate during the ratification hearings? Surely even the Senator from Georgia would not ask the Senate to be so clairvoyant in pending ratifications? Where would we gain such wisdom? How could we look down 25 years of road and say we would see every pebble?

Upon first impression it might appear as if there is a dispute regarding the interpretations of a treaty. This may be partly so, but more importantly, and more fundamentally, there is a dispute regarding the requirements for formation of a treaty, and the role of the U.S. Senate in treaty formation.

Mr. President, the underlying but unstated premise of the NUNN report is that the internal proceedings within committees of the Senate are germane, relevant, and even binding upon the treaty obligations not only of the United States but of the Soviet Union. This premise, Mr. President, is confounded by two centuries of contrary treaty-making practices of the U.S. Senate, let alone the conceptual arrogance that the Senate can create obligations to which the Soviets have never acceded, or to conclusions upon which they might ultimately arrive. Treaties indeed become very uncertain instruments should the Nunn rule become standard.

The law of treaty formation has affected and is affected by two centuries of consistent Senate practice. The Senate commenced its role in advising upon the ratification of treaties with a respect for the complexity of and requisite confidentiality in treaty negotiations and ratification.

The Senate, Mr. President, during the first Congress participated in a secret treaty: The Creek Indians Treaty of 1790. The fact of the treaty was a secret, and the treaty was not then published.

Readers of Senator NUNN's report, which relied primarily upon the exchanges of Senators in committee hearings with witnesses and themselves, would scarcely comprehend that the Senate has for the substantial majority of the Republic's history totally excluded consideration of committee proceedings in its own decisions to ratify, to amend, or to withhold consent to treaty ratification by the President.

Mr. President, it was not until 1929 that the Senate amended rule 37, so as to allow public committee hearings during the treaty ratification process. Senate procedures until 1929, when the first major public hearing occurred in connection with the Kellogg-Briand pact, incidentally an arms control agreement that banned all war, necessarily were affected by the enclosing of the treaty review process in the cocoon of confidentiality.

The Treaty text itself was considered in executive session and in executive session only while in committee, before the rule change of 1929. The text of the treaty was not released until either the President authorized its release or the Senate lifted the injunction of secrecy in the committee of the whole.

How did these Senate procedures affect the role of deliberations before the Senate Committee on Foreign Relations between its establishment in 1815 and the rule change of 1929? Under the rules that prevailed a substantially major segment of the republic's history, a Senator might not reveal how he voted on the articles of a treaty, or an amendment, or a reservation.

All of these were considered in committee. A Senator might not state what the committee considered to be the strengths and weaknesses of the treaty. A Senator might not discuss the position of other Senators. One Senator, Senator Tappan, who broke the injunction of secrecy was censured for doing so in 1844, merely for providing a newspaper the text of a treaty that was later to be published. The Senate kept an executive journal, as well as a public journal of its proceedings until 1874. Even the fact of ratification was within the injunction of secrecy until the injunction was lifted or until proclamation by the President.

Mr. President, I cite the Senate's historical practice because a treaty was then as it is now, in essence a contract between or among nations. It was inevitable that the custom was accepted in both the Senate and in international law that the deliberations upon the treaty within the Senate's committees or other internal deliberations of that body could not affect the nature of the contract between or among nations. Only the ratification of amendments or reservations together with the treaty could affect that nature.

When the Senate Committee on Foreign Relations commenced open hearings, it was under increasing pressure to make known its views on treaties. Even so, under the leadership of Senator Borah, the Committee on Foreign Relations took pains to distinguish the legally effective acts of the Senate, by way of amendment or reservation to a treaty, and the political acts of the committee. These political acts, such as publishing the Senate's interpretation of a treaty with the express understanding that it could not become a part of the treaty instruments, and could not affect the legal status of the treaty instruments that were in fact exchanged by the President and foreign states, were never viewed as anything but politically significant.

Mr. President, it may indeed be important for our own purposes to know and understand what the Senate was told by witnesses in 1972 about the ABM Treaty—if only to determine whether the Senate may have been deliberately mislead by those witnesses. Nevertheless, those proceedings are positively irrelevant to the question of the legal effect of the treaty, even if it has some supplementary interpretive role.

By law as well as by tradition only the negotiating record of the executive in the formation of treaties becomes part of the preparatory works of a convention, generally available for consultation in interpreting the contract between sovereign states. The deliberative record of the Senate, except insofar as the Senate may crystallize its advice in the form of amendments or reservations, does not become a part of the treaty record for which parties are accountable.

Mr. President, the secret records of a bilateral treaty may be consulted in accordance with the Vienna Convention on the Law of Treaties, reflecting customary international law that is recognized under article VI of the U.S. Constitution. The Secret records of the deliberative process of the Senate preceeding its resolution of ratification are another matter. That is why it has been an essential aspect of treaty making that the Senate convey its collective decision through amendment or reservation to the other treaty party or parties. This clarity as to what is and is not binding has been essential if foreign states are to understand what obligations they may undertake in a treaty with the United States.

The rules of treaty making, Mr. President, both in negotiation and in ratification, require greater clarity and visibility of action that can result from a subsequent cacophony of voices interpreting contemporary personal nuances upon treaty texts. To understand this it is sufficient to ponder, under what circumstances would we in the United States consider the debating statements of all Members of the British Parliament binding upon us in a bilateral trade agreement? In heaven's name, how can the personal purposes of Senator's sitting 15 years beyond the days of debate be considered binding on nations? I submit that under no circumstances would these same Senators bind our country to such ex post facto bonds from even our friends, let alone our enemies.

Senators would do well to reflect upon the history of treaty making in this Chamber, and to contemplate that there is a great deal more at stake here than simply the disposition of the ABM Treaty. Whether one supports SDI or opposes it, is calling for antimissile defense deployment or is against it, we in the Senate dare not lightly establish precedents in the treaty-making process that are inconsistent with almost 200 years of Senate practice and which could render the fundamental understanding of the ratification process. as established in our Constitution, irrelevant.

Mr. President, there are almost 10 times as many executive agreements concluded today as treaties. Since 1977, when President Carter continued U.S. adherence to the expired SALT I Treaty, our country has been bound by an increasing number of political understandings that have no legal status. If we in the Senate accept the premise of Senator NUNN, we may further diminish the historically important role of this body in the conclusion of agreements between this country and other sovereign nations.

This danger is present enough in our modern tendency to enforce otherwise unratifiable treaties by majority vote. We can ill afford to toy with sovereign reality by making those treaties to which we can agree today irrelevant tomorrow by being bound only to the passing whims of some contemporary but unrelated politically motivated design. Who in fact could ever again rely upon a Senate ratification? To dare to do so would be to concede a sovereign national future to the whims of politicians. Worse still, it could concede our own sovereign national future to the manipulation of our own body politic by profoundly sinister forces from abroad. This, Mr. President, is not a casual debate on interpretive niceties. This is ceding historical precedent to whimsical fate!

Mr. GARN. Mr. President, recently there has been a lot of discussion of the U.S. strategic defense initiative [SDI], and the legally correct interpretation of the ABM Treaty. It seems appropriate that during this debate we discuss the Soviet approach to strategic defense. Interestingly world attention has been focused upon the United States program, while the Soviets have demonstrated a long-term commitment to strategic defense beginning long before the ABM Treaty negotiations.

The Soviets have devoted considerable resources to strategic defense. Soviet military doctrine calls a program of offense and defense. This includes: The world's only operational antisatellite [ASAT]; an antiballistic missile [ABM] defense of Moscow, which has been improved over the past two decades; a strategic air defense against bombers and cruise missiles; a vigorous research and development program; as well as large scale measures for leadership protection, civil defense, and protection of vital elements of the national economy. The Soviets have been working to eliminate strategic vulnerability.

A brief description of the Soviet system is helpful in magnifying the disparities between the United States and the U.S.S.R.:

SOVIET SPACE PROGRAM

The Soviets, unlike the United States, are giving their space program a very high priority. This is reflected in the rapid growth of the program. Since 1980, the estimated cost of the

Soviet effort in space has doubled. Estimates in "Soviet Military Power" indicate that the Soviet space program, driven by the ambitious space-based manned program and future communications satellites, is expected to outpace overall trends in both military spending and GNP well into the future.

MANNED OPERATIONS

The Soviets have made considerable progress toward achieving a permanent, militarily significant, presence in near-Earth orbit. The Soviets launched the core vehicle of a modular station in February of 1986. Mir is essentially a habitation and flight control center. Most of the cosmonauts' military and scientific work will take place in specially outfitted modules.

The modular space station will probably house 3 to 12 cosmonauts with future plans to house 100 cosmonauts. Additionally, the Soviets have announced international crew visits. The Soviets will use Mir to conduct materials-processing experiments, primarily in fields with military applications such as, the development of semiconductor devices, infrared and optical detectors, and electro-optical systems. The Soviets will investigate applications of remote sensing, meteorology, and oceanography.

NEW SPACE LAUNCH SYSTEMS

The Soviet inventory of space launch vehicles [SLV's] is versatile. The Soviets launch a satellite about every third day, using one of eight types of operational SLV's. Some launches have put as many as eight satellites in orbit from one vehicle. Approximately 90 percent of the launches and satellites are militarily related and support both offensive and defensive operations.

The Soviets are already expanding their extensive family of SLV's with new expendable launch vehicles and reusable manned spacecraft. The expected deployment of the medium-lift Titan IIIC-class SL-X-16, the heavy-lift Saturn V-class SL-W, a shuttle orbiter, and the research and development of a space plane will increase the number and payload weight of satellites the Soviets will be capable of orbiting.

The SL-W heavy-lift vehicle will be used to launch the Soviet space shuttle orbiter. Launch pad compatibility testing of an orbiter attached to the SL-W vehicle may already have taken place, and a launch could come in 1987 or 1988. Soviet orbiter development has been heavily dependent on United States orbiter propulsion, computer, materials, and airframe design technology. By using United States technology and designs, the Soviets were able to produce an orbiter years earlier, and at far less cost, than if they had depended solely on their own technology. Money and scientific expertise could thus be diverted to other areas.

DEPLOYED SYSTEMS: SOVIET ABM SYSTEM

A few years ago the Soviets began to upgrade and expand the Moscow ABM system. When completed, the modernized system will be a two-layer defense consisting of silo-based long-range modified Galosh interceptors; silo-based high-acceleration Gazelle interceptors designed to engage targets within the atmosphere; associated guidance radars; and a new large radar at Pushkino designed to control ABM activities. The launchers may be reloadable. The new system will have the 100 ABM launchers permitted by the treaty and could be fully operational by 1990. The Soviet system for detection and tracking of ballistic missile attacks consists of three layers: A launch detection satellite network, two networks of large ballistic missile detection and tracking radars, and two over-the-horizon radars directed at U.S. ICBM fields.

The current layer of ballistic missile detection radars consists of 11 large ballistic missile early warning radars at locations on the periphery of the U.S.S.R. These radars can confirm the warning from the satellite network, and the over-the-horizon radar systems, distinguish the size of an attack, and provide target tracking data. The Soviets are now constructing a network of nine new large phased array radars—three new ones were detected last year—that can track more ballistic missiles with greater accuracy than the existing network. Most of these duplicate or supplement the coverage of the earlier network but with greatly enhanced capability. The radar under construction near Krasnoyarsk in Siberia, however, closes the final gap in the Soviet early warning radar coverage against ballistic missile attacks. Together the nine new large phased array radars cover almost all approaches to the Soviet Union; undoubtedly, the Soviets will build one or two more such radars to complete this coverage.

The Krasnoyarsk radar violates the 1972 ABM Treaty. it is not located within a 150 kilometer radius of the national capital as required of ABM radars, nor is it located on the periphery of the Soviet Union or pointed outward, as required by the treaty for early warning radars.

AIR DEFENSE

While the United States dismantled most of its defense against Soviet bombers in the 1960's, the Soviet Union has continued to invest enormous resources in a wide array of strategic air defense weapon systems. Currently, the Soviets have nearly 12,000 surface-to-air missile launchers at over 1,200 sites; 10,000 air defense radars and more than 2,250 interceptor aircraft dedicated to strategic defense. The newest Soviet air defense interceptor aircraft, the Mig-31/Foxhound, has a lookdown, shootdown, and multiple target engagement capability. More than 150 Foxhounds are now operationally deployed. In contrast, the United States has approximately 300 interceptor aircraft based in the United States, dedicated to strategic defense, 118 strategic air defense warning radars and no operational strategic surface to air missile launchers. Additionally, the Soviets have modernized their heavy bomber forces and development of a new Soviet strategic bomber, the Blackjack, similar in design to the B-1, but larger and faster.

ADVANCED ABM TECHNOLOGIES: LASER WEAPONS

The Soviet laser weapons effort began in the 1960's. It is clear, based on the observed scale and scope of the Soviet effort, that their program is considerably larger than that of the United States. For example, the Soviets have built over a half a dozen major R&D facilities and test ranges and have an estimated 10,000 scientists and engineers associated with the development of lasers for weapons.

Soviet scientists have been exploring three types of lasers—the gas-dynamic, the electric discharge, and the chemical. Much of this research takes place at Sary-Shagan, where ABM testing is also conducted.

The remaining difficulties in fielding an operational system will require still more development time. An operational ground-based laser for defense against ballistic missiles probably could not be deployed until after the year 2,000. If technology developments prove successful, the Soviets may deploy operational space-based anti-satellite lasers in the 1990's and might be able to deploy space-based laser systems for defense against ballistic missiles after the year 2000.

PARTICLE BEAM RESEARCH

Soviet research and development of those technologies that could support a particle beam weapon also have been impressive. Intelligence experts estimate that they may be able to test a prototype particle beam weapon intended to disrupt the electronics of satellites in the 1990's. A weapon designed to destroy satellites could follow later. A weapon capable of physically destroying missile boosters or warheads probably would require additional years of research and development.

KINETIC ENERGY WEAPONS

The Soviets also have a variety of research programs underway in the area of kinetic energy weapons using the high speed collision of a small mass with the target as the kill mechanism. Long-range, space-based kinetic energy systems for defense against ballistic missiles probably could not be developed until the mid-1990's or even later. The U.S.S.R. could, however, deploy in the near term a short-range space-based system useful for satellite or space station defense or for close-in attack by a maneuvering satellite.

RADIO-FREQUENCY SIGNALS

The U.S.S.R. also has conducted research in the use of strong radio-frequency signals that have the potential to intefere with or destroy critical electronic components of ballistic missile warheads. The Soviets could test a ground-based radio-frequency weapons capable of damaging satellites in the 1990's. Soviet capabilities to develop microwave weapons or radio-frequency weapons are on par if not superior to those of the United States.

TECHNOLOGY TRANSFER

These technologies are dependent upon remote sensor and computer technologies, areas where the West has a significant lead. The Soviets are devoting considerable resources to improving their abilities and expertise in these technologies. However, if they cannot develop the technology, they attempt to buy or steal it in the West. I devoted a considerable amount of time to the Export Administration Act, that is designed to make it more difficult for the Soviets to acquire Western technology.

The Soviet space system deployed BMD systems, and Soviet research into advanced technologies clearly indicate a commitment to defensive systems. In contrast, the United States has ignored defensive systems in exchange for the security of mutual vulnerability. The United States should continue exploration of defensive systems. More importantly, the Congress should not force the administration into the narrow interpretation of the ABM Treaty prior to hearing the administration's scholarly interpretation.

SPECIAL COMMITTEE ON AGING FIELD HEARING IN ALABAMA

Mr. SHELBY. Mr. President, on Thursday April 16, at the Federal Courthouse in Birmingham, AL, the Senate Special Committee on Aging will hold its first field hearing in the 100th Congress—appropriately titled "The Catastrophic State of Catastrophic Health Care Coverage." I am pleased both to serve on this committee and that Senator JOHN MELCHER, chairman of the Aging Committee, has authorized this first field hearing in my home State of Alabama.

Much has been said and written this year already about catastrophic illness and proposals for coverage. But what lies at the crux of this entire issue is the fact that the American population is getting older and if we are to protect the seniors of today and the elderly of tomorrow against this calamity, then we need to act now.

Recent statistics released by the Department of Health and Human Services indicate that life expectancy after birth has reached a new high of 74.7 years. Not only is the number of people in the over-65 population growing, but longevity is also on the rise. This, of course, is a wonderful thing—we all want to live long, healthy lives, but if we are to truly enjoy our "golden years," as they are called, we need to erase the fear of catastrophic illness from our minds.

I have three objectives that I hope to achieve at this hearing in Birmingham, AL.

First, by holding a field hearing in Birmingham, I hope to alert not just the elderly of my State of Alabama—for they are truly a well informed group—but the entire population as well, to the devastating problems associated with catastrophic illness. The public needs to know what proposals exist, what services are available to them, and how they can best protect themselves from the indiscriminate destruction a catastrophic illness can bring. Available demographics indicate that our current aging problem will only become exacerbated in the decades ahead.

Second, by listening to our distinguished panels, I hope we can learn what services currently exist on the community level for seniors and what associated problems are apparent in insuring that the elderly are properly cared for. Planning is certainly in order for both the long and the short term.

Finally, drawing on the expertise of our panels, I wish to clarify what requirements for services, research and education must be met to formulate an effective, yet fiscally responsive, catastrophic illness proposal. Such a proposal should be sufficiently foresighted to serve well into the future.

On January 27, 1987, we first received word on the President's catastrophic health care plan. While I must commend the administration for taking this first step, I believe this proposal is just the cornerstone of the eventual building we hope to construct.

In the ensuing months what has taken place has been more or less a textbook example of the "band wagon" effect. Everybody is talking about catastrophic illness and offering coverage proposals, but what I fear is that in light of this ground swell of support, our original intention will get lost in a sea of conflicting plans and the issue will become a faded memory, as millions of older Americans remain still susceptible to financial ruination.

Please be assured that I am in no way criticizing the efforts of my colleagues in Congress. Rather, I am glad to see that the 100th Congress has set catastrophic illness as such a high legislative priority.

What we in Congress need to do is address the issue in the most comprehensive, yet coordinated way possible. All avenues and possible sources of funding must be thoroughly investigated before legislation is passed. Intercooperation between the Federal Government, State governments, insurers and medical providers is a must if we are to develop a comprehensive plan that meets our financial targets.

The result, I believe, will be legislation much more responsive to the needs of the elderly in America, more in line with the very real budget constraints we face here in Congress, and more adaptable to the demands of a graying population. We should have the foresight to pass legislation that will not only help the 28.5 million Americans over 65 years of age, of which a half a million are Alabamaians, but the under 65 population as well, which is also at risk. Our legislation must be more than just a "quick fix." We need to possess the vision necessary to anticipate the health care coverage needs well into the next century.

When it was originally established back in the 1960's, Medicare's goal was to provide adequate medical care for the elderly and the handicapped. Today, we find that there are some serious gaps in health care coverage, not only for our elderly, but also for many other Americans.

The demand for long-term and community-based care are increasing steadily. Currently, 1.5 million Americans reside in nursing homes. This figure is expected to jump to 2.2 million by the year 2000, and by the year 2040, 4.5 million Americans are expected to be in nursing facilities. In addition to these startling figures, 5.2 million Americans over 65 years of age with a chronic condition, require some assistance in performing the activities of daily living that help them maintain their independence. These numbers are expected to reach 7.2 million by the year 2000 and 14.4 million in the year 2050.

These needs, which are so clearly linked with the whole conception of a catastrophic illness, are the best indicators of the type of coverage required in any proposal considered.

For a moment let us turn to the economics of this situation. There is a tremendous financial burden associated with the previously mentioned figures for institutional care.

A breakdown of out-of-pocket costs for the elderly in excess of $2,000 reveals that 81.2 percent is spent on nursing home costs. But what does this mean to us? Well, above and beyond the substantial sum of $2,000 in medical costs, the cap on out-of-pocket medical expenses suggested in the Reagan administration's catastrophic care proposal, the majority of the health care costs of the elderly go for nursing home care.

However, prescription drugs also represent a high percentage of out-of-pocket expenses for the elderly. Some $7.8 billion is spent annually by the elderly on non-medicare covered prescription drugs. That is a lot of money.

Obviously, there is a pressing need to include long-term care in any proposal and a need to reevaluate the out-of-pocket expenses cap in the proposals currently before Congress.

Under the present system, the elderly are forced to "spend down" their life's savings before becoming eligible for Medicaid assistance for nursing home care. We should not allow catastrophic illnesses to penalize the elderly for a lifetime of hard work and saving. We should not take away the financial and psychological independence of any couple or family, when one member becomes seriously ill. We should not allow a catastrophic illness to dictate poverty to any American.

Yes, catastrophic illness has found the vulnerable segment of our population and it is the elderly and under insured Americans who will not be able to escape unscathed.

It is my sincere hope that the testimony heard on April 16 and submitted for the official hearing record will provide a valuable tool for the further analysis of this issue in the 100th Congress. I hope that we will walk away from Birmingham with a clearer understanding of catastrophic illness coverage and the ways in which we can be more responsive to the cries of help from a large segment of our Nation's population.

FEDERAL TRADE COMMISSION ACT AMENDMENTS OF 1987

The ACTING PRESIDENT pro tempore. The hour of 10 a.m. having arrived, the Senate will now resume consideration of Senate bill 677, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 677) to amend the Federal Trade Commission Act to provide authorization for appropriations, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Metzenbaum Amendment No. 84, to provide that the Federal Trade Commission can study and report on the business of insurance.

Mr. BYRD. Mr. President, I hope we can proceed now with the business. We have been on this same business parts of 2 days, and today is Wednesday. Next week is the Easter recess, and we have other business to transact before we go out for the recess.

So I hope the managers are ready. I see that they are on the floor. Mr. METZENBAUM is here, and I believe his amendment is pending.

Mr. GORE. Mr. President, we are back on the Federal Trade Commission Authorization Act, as I understand it. Is that the situation?

The ACTING PRESIDENT pro tempore. The Senator is correct.

AMENDMENT NO. 84

Mr. GORE. Pending, when we concluded our business last evening, was consideration of the Metzenbaum amendment, which, if adopted, would change a provision in the FTC Authorization Act which currently restricts the ability of the FTC to investigate insurance.

The policy, for quite some time, has been to reserve that authority to the States; and many, including the distinguished Senator from Kentucky [Mr. FORD], the distinguished Senator from Missouri [Mr. DANFORTH], and others, have expressed reservations about changing that legal authority.

There have been discussions overnight between myself and the Senator from Ohio [Mr. METZENBAUM]; and in an effort to move the bill forward, I believe that a compromise may be offered, and I hope that it will be acceptable to those who have expressed such strong reservations about the earlier amendment.

It is my tentative inclination to react favorably to this new amendment, should it be proposed. But I want to consult with all those Senators who have expressed concern about the earlier amendment. At this time, I think it would be most appropriate to talk about it in some detail because, as I understand it, it does not change the legal authority of the FTC on a permanent basis, but does go to the heart of what the immediate concerns are on the part of many people.

Mr. METZENBAUM. Mr. President, I am about to withdraw the pending amendment and send another one to the desk in lieu thereof, but before doing so let me explain what I am about to do.

Two of the major issues that have concerned this Senator have to do with the fact that there is an unbelievable amount of advertising going on at the moment on TV, newspapers, and direct mail, for the sale of health insurance to the elderly including the sale of policies that are marketed as supplements to Medicare coverage.

The question of whether what you get when you buy a policy of that kind and what you do not get is a very significant issue.

The fact is that the people who are buying these MediGap policies are those least able to fend for themselves. They are the aged. They are the senior citizens. They are the ones who are at the point where life should be its most beautiful for them, but instead they live in daily fear of having a major illness that will wipe them out.

So I believe very strongly that we need the Federal Trade Commission to go in and make a study as to the relationship of the premiums for such policies to the claims paid, how much is paid back as compared to what is paid in and maybe also the question of the effectiveness of the States in preventing unfair, deceptive, or misleading practices in the marketing and sale of such policies.

So I believe that we ought to instruct the Federal Trade Commission to make such a study.

Some of my colleagues on the other side of the floor have been saying, "Ask us in the Commerce Committee. We will give you what you want. We will let you study anything you want."

I am not sure I have not overstated what they said, but suffice it to say they have said, "You have not asked for any specific studies." Now we will be asking for a specific study by virtue of the amendment that I am about to offer.

But a second thing has been of concern to people across this country, and Senator BUMPERS, chairman of the Small Business Committee, stated it so well yesterday when he pointed out that the National Business Legislative Council, consisting of I think he said something like 4 million small businesses, has said that the first concern of small businesses relates to the question of insurance, how do they get it, how do they pay for it, and why has it gone up at such an unbelievable rate.

So my amendment would provide that the Federal Trade Commission is also directed to conduct a comprehensive study as to the why of the increase in property and casualty insurance rates to small business owners, to local governments, to physicians, to dentists, and child care centers, and the question would include the extent of such increases, the relationship of increases to actual costs, the reasons for such increases and the degree of competition in the market for such coverage.

That is what this Senator has been driving at.

I am less concerned about the Federal Trade Commission's having unlimited power to make a study of the industry than I am about having the Federal Trade Commission make studies having to do with the availability and the cost of insurance for small business people and the impact upon all Americans of the advertising and the sales pitch that is going on at the present time with respect to MediGap insurance.

AMENDMENT NO. 87

Mr. METZENBAUM. Mr. President, I withdraw the amendment pending at the desk and send another amendment to the desk.

The ACTING PRESIDENT pro tempore. The Senator does have that right.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. Metzenbaum] for himself, Mr. Rockefeller, and Mr. Simon proposes an amendment numbered 87.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, add the following:

"The Commission shall conduct a comprehensive study of—

"(1) The use of potentially unfair, deceptive or misleading practices in the sale of health insurance to the elderly, including the sale of policies marketed as supplements to Medicare coverage, the relationship of the premiums for such policies to claims paid, and the effectiveness of the States in preventing unfair, deceptive, or misleading practices in the marketing and sale of such policies; and

"(2) The increase in property and casualty insurance rates to small business owners, local governments, physicians, dentists and child care centers over the last five years, including the extent of such increases, the relationship of increases to actual costs, the reasons for such increases, and the degree of competition in the market for such coverage.

"The Commission shall have authority under section 6 of the Federal Trade Commission Act, 15 U.S.C. section 46, to conduct such studies and shall report to Congress within one year the results of such studies. In the event additional time is required to complete such studies, the Commission shall make an interim report within one year. The Commission shall make such reports generally available to the public and other appropriate State officials."

Mr. METZENBAUM. Mr. President, the Senator from Ohio feels very strongly that this amendment does what is needed to be done, and I am prepared to go to a vote promptly in connection with it.

I ask for the yeas and nays.

The ACTING PRESIDENT pro tempore. Is there a sufficient second?

There is not a sufficient second.

Mr. METZENBAUM. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Tennessee.

Mr. GORE. Mr. President, let me briefly advise my colleagues where we stand so that some of them may come to the floor if they wish to.

The Metzenbaum amendment, which we were debating last evening, has now been withdrawn. A compromise amendment has been offered by the Senator from Ohio, Senator Metzenbaum, in place of the amendment we were debating last evening. We are now in a position where we are awaiting the considered judgment of a number of Senators who were strongly opposed to the first Metzenbaum amendment in hopes that they will react favorably to this one, as I react favorably to it.

Let me just make a couple of points at this time about what is involved with this amendment. Under the current law, a majority of the members of the Senate Commerce Committee or a majority of the members of the House Commerce Committee have the legal authority to compel a study by the FTC of matters relating to insurance. The House committee has done that on several occasions. The Senate committee has not done that up until now.

What the pending amendment would state is that the full Senate wants the Commission and, indeed, the amendment instructs the Commission to conduct a comprehensive study of insurance-related issues: No. 1, in the use of potentially unfair, deceptive, or misleading practices in the sale of health insurance to the elderly, and this is intended to get at the so-called MediGap problem. And we are all aware of the fact that there have been some problems in this area. No. 2, there would be an investigation required of the increase in property and casualty insurance rates to small business owners, local governments, physicians, dentists, and child care centers over the last 5 years. And indeed, there have been large increases of that kind and those increases have stimulated a great deal of concern throughout the country.

Now, some people, including some Senators, may feel they already know the reason for these increases. Having studied it somewhat, I believe that there are some answers we do not yet have. There are cycles in the insurance industry, for example. There are some difficulties with the reinsurance market. In any event, a majority of either the House or Senate Commerce Committee could order a study of this kind even if this amendment did not pass.

When you look at the fact that the earlier amendment would have in perpetuity removed the existing restriction on open-ended investigations by the Federal Trade Commission into the practice of the insurance industry, and when you look at the fact that this amendment does not remove that restriction and open the door to all manner of investigations, but instead authorizes and instructs two specific investigations on subjects definitely of concern to many of our constituents and instructs the Federal Trade Commission to limit its study to these two matters, then I think it is apparent that this represents a significant compromise when compared to the amendment the Senate was considering last evening.

I would simply advise my colleagues that I intend to support this amendment. I had reservations about the one last evening. I intend to support this one and I hope that we can adopt it and move on to the few remaining amendments that we have to this legislation.

The ACTING PRESIDENT pro tempore. The Senator from Arizona.

Mr. McCAIN. Mr. President, I would also like to make a few comments, while we are waiting, concerning this amendment. I associate myself with the remarks of my distinguished colleague from Tennessee.

And I would like to reiterate the point that this amendment does nothing that is not already within the authority and responsibility of the Commerce Committee. The committee has the authority at any time to investigate these areas, and I would suggest that the Senator from Ohio has raised some issues of great importance to millions of Americans both young and old across this country.

When he asks the FTC to examine deceptive or misleading practices in the sale of health insurance to the elderly, I do not think there is any doubt that these practices have occurred, particularly on late night television. Many elderly Americans have been certainly misled by some of the promises made by some very well-known people whom they identify with who are acting as spokespersons for these various programs.

I also think it is important that there be investigated the dramatic increase in property and casualty insurance rates to small business owners and local governments. In some cases, these same local governments are experiencing the cutoff of Federal revenue sharing and are finding that dollars are scarcer and scarcer, and as a result, are having enormous difficulties in meeting the basic social services that they owe all of their citizens.

I received numerous, not complaints, but pleas for help from mayors and city councils in rural areas of my State who are experiencing an enormous financial pinch because of the cutoff of Federal revenue sharing.

I think there is one other area that is worthy of comment that is brought up in the amendment of the Senator from Ohio; that is, the issue of child care centers. We are experiencing a dramatic increase in the number of working mothers who require child care facilities, and cannot work and feed themselves and their children without having such facilities. At the same time the pressures of skyrocketing insurance costs are causing more and more problems, and causing child care centers to have to raise the price that they charge the working mothers to take care of their children and, in some cases, the centers are shutting down.

So I think that the Senator from Ohio has highlighted some very crucial issues that need investigation, that are within the authority of the committee, and I am hopeful that we will receive favorable consideration of this amendment because I think it is a reasonable compromise; and I am sure that the Senator from Ohio wants to have total assurance that these issues are investigated.

I yield the floor.

Mr. GORE. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

(Mr. **ROCKEFELLER** assumed the chair.)

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

AMENDMENT NO. 87, AS MODIFIED

Mr. METZENBAUM. Mr. President, the Senator from Ohio has an amendment at the desk. I now modify the amendment.

In the paragraph described as 2, change the figure 5 to 7, and at the end of paragraph 2 add the following language: "The study may include rate increases for self-insurers if the Commission deems it necessary."

The **PRESIDING OFFICER.** The Senator has the right to modify his amendment. When the Senator sends his modification to the desk, it will be so modified.

Mr. METZENBAUM. Mr. President, I send the modification to the desk momentarily. I want to make clear why there is delay.

The Senator from Ohio has asked for a rollcall vote and Members of the minority are exploring the situation with the manager of the bill on that side, who is not actually on the floor at this moment. I understand the reason for that delay. The Senator from Ohio is prepared to move forward with a rollcall vote, but as a courtesy to the minority, until they can clear their desks, I will not yet assert my request for a rollcall vote.

Mr. President, I send the modification to the desk.

The **PRESIDING OFFICER.** The amendment is so modified.

The amendment, as modified, is as follows:

At the appropriate place in the bill, add the following:

"The Commission shall conduct a comprehensive study of:—

(1) The use of potentially unfair, deceptive or misleading practices in the sale of health insurance to the elderly, including the sale of policies marketed as supplements to Medicare coverage, the relationship of the premiums for such policies to claims paid, and the effectiveness of the States in preventing unfair, deceptive, or misleading practices in the marketing and sale of such policies; and

(2) The increase in property and casualty insurance rates to small business owners, local governments, physicians, dentists and child care centers over the last seven years, including the extent of such increases, the relationship of increases to actual costs, the reasons for such increases, and the degree of competition in the market for such coverage. The study may include rate increases for self-insurers if the Commission deems it necessary.

The Commission shall have authority under section 6 of the Federal Trade Commission Act, 15 U.S.C. section 46, to conduct such studies and shall report to Congress within one year the results of such studies. In the event additional time is required to complete such studies, the Commission shall make an interim report within one year. The Commission shall make such reports generally available to the public and other appropriate state officials.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. BYRD. Mr. President, I understand this amendment is ready to go to a vote. Are the yeas and nays yet ordered?

Mr. METZENBAUM. Not yet, Mr. President, because we did not have enough seconds. I think Senator DANFORTH is here now and I am prepared to ask for the yeas and nays again.

Mr. President, I do indeed ask for the yeas and nays.

The **PRESIDING OFFICER.** Is there a sufficient second? There is not a sufficient second.

Mr. DANFORTH. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll. The legislative clerk proceeded to call the roll.

Mr. GORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER** (Mr. MITCHELL). Without objection, it is so ordered.

Mr. GORE. Mr. President, we anticipate that the deliberations now underway will be concluded fairly shortly. In the meantime, however, if any other Senator having a proposed amendment to this bill wishes to come to the floor and offer that amendment, we are ready to consider it. There were three other amendments made known to the committee. It may be that none of them will be offered; it may be that all three will be offered. But if those Senators who expressed an interest in offering amendments wish to do so, now would be a good time.

The Senator from Texas [Mr GRAMM] had earlier discussed the possibility of an amendment relating to the funding levels; the Senator from New Mexico [Mr. DOMENICI] had earlier considered a possible amendment relating to Native American arts and crafts; and the Senator from Minnesota [Mr. BOSCHWITZ] had earlier discussed the possibility of an amendment relating to marketing orders.

I know of no other amendments that have been mentioned or considered with respect to this legislation, but if any of those three Senators wishes to offer an amendment, now would be a good time. We are, as I mentioned, expecting to hear very shortly about the results of considerations underway now relating to the Metzenbaum amendment.

Mr. President, I might just say that I commend the Senator from Ohio [Mr. METZENBAUM] for his willingness to compromise on this issue. Little mention was made of the modifications he sent to the desk. I think it should be clear that, once again, these modifications represent a willingness on the part of the Senator from Ohio to take care of certain concerns that some mentioned.

It makes the amendment even more acceptable to the industry and to me, and I commend him for making it possible for us to move along on this legislation. I hope that we will soon hear from those who are considering it.

Mr. METZENBAUM. I thank the Senator from Tennessee, the manager of the bill. Indeed, I am perfectly willing to try to cooperate in every way possible. However, I must confess that my patience is running out a little bit. I am trying to get a rollcall. I want to go to the Intelligence Committee. Bill Webster is up for confirmation. We do have rules of this body that make it possible to go forward with a rollcall and I am prepared to move in that direction. I think it is a question of a Member coming over and saying, "I don't want to vote now" and holding up the Senate.

I would like to ask the majority leader, Can all of us do that? It is just a question of getting a rollcall. It is not a question of giving somebody an opportunity to debate.

Mr. BYRD. If the Senator will yield.

Mr. METZENBAUM. Sure.

Mr. BYRD. I certainly share the frustration of the distinguished Senator from Ohio. Indeed, we could go forward with a rollcall vote at this time. We cannot allow the Senate to be bent to the will of a single Senator in each instance, but in this particular instance I suggest that we forgo a vote on this amendment more particularly for this reason: the Budget Committee is meeting also and the Senator who asked that the vote be delayed for a brief period is on the Budget Committee. It might be well if we waited a few minutes. It might accommodate all of the members of that Budget Committee and help to help the chairman, Mr. CHILES get a resolution out of the committee if there were a bit of delay.

I do not know exactly what the situation is in that committee at this time, but I suggest that other Members who have amendments come to the floor. We could, in the meantime, proceed to order the yeas and nays on the Senator's amendment unless he feels there might be a desire at some point to modify it.

Mr. METZENBAUM. As a matter of fact, I have agreed to a couple modifying amendments that I am not particularly interested in, but my distinguished colleague from Arizona had indicated there were those who were not sympathic to my point of view who felt the amendment was much more workable with those amendments in it. I am about to withdraw those modifications unless I am in a position to proceed. There is not any reason for me to compromise only to the end of not achieving the objective of getting my amendment adopted, or at least getting a vote on it.

If the Senator from Arizona is not in a position to move forward with respect to a rollcall at this very moment, then indeed I do intend to withdraw them.

Mr. GORE. Will the Senator yield at that point?

Mr. METZENBAUM. Sure.

Mr. GORE. I urge the Senator to show some forbearance on that particular point, if it is at all possible, for this reason: I think we have narrowed the differences remaining down to a single concern which is in the process of being resolved at this very moment in conversation between two Senators, both of whom are in the Budget Committee room. We anticipate hearing from them imminently, and I certainly hope that in spite of the Senator's great willingness to compromise, and his forbearance, he would find an extra measure of those same qualities and extend his patience for just a few minutes more.

If that is possible, I also make a suggestion that we might ask about a unanimous consent request limiting amendments. We are down to two more after this. Anyway, I hope that we could hold out just a few minutes more.

Mr. McCAIN addressed the Chair.

The DEPUTY PRESIDENT pro tempore. The Senator from Arizona.

Mr. McCAIN. Mr. President, I also would appreciate the forbearance of the Senator from Ohio. I should like to point out a couple of facts which I think are important. The majority leader has already mentioned the Budget Committee is in an important session. I also remind the Senator from Ohio that we waited a considerable amount of time last night because the Senator from Ohio was unavoidably delayed.

Mr. METZENBAUM. The night before last.

Mr. McCAIN. The Senator from Tennessee and I—if I might continue, would appreciate the comity of the Senator from Ohio. We did wait quite a period of time because the Senator from Ohio was involved in other business and did not press forward with other amendments. If the Senator from Ohio chooses to withdraw the modifications to his amendment, it is certainly agreeable to me. I would suggest that it will make it more difficult to achieve the goal of passing the amendment, and I would regret it. But it certainly is not that crucial in my opinion to the amendment since they are largely cosmetic modifications. But if the Senator from Ohio chooses to remove them, I would also be in agreement.

Let me also add that this amendment is being held up not just by Senator DANFORTH but I understand the chairman of the committee, Senator HOLLINGS, would also like to be consulted on this issue. I would certainly like, as most of the Members of this body, to extend courtesies to the chairman of the committee since this legislation is within his responsibility. I am very hopeful that in just a few minutes we can arrive at an agreement.

I am also pleased to note that Senator GRAMM has not chosen to offer his amendment, which leaves us with two amendments, and hopefully we can accommodate this body by getting rapid passage to a very important piece of legislation.

I suggest the absence of a quorum.

Mr. METZENBAUM addressed the Chair.

The DEPUTY PRESIDENT pro tempore. Does the Senator withhold his suggestion?

Mr. McCAIN. I withhold.

The DEPUTY PRESIDENT pro tempore. The Senator from Ohio.

Mr. METZENBAUM. I say to my friend from Arizona that I was here last night. I was ready to go. I said "Let's vote." And I had no problem about that.

Mr. McCAIN. It was the night before.

Mr. METZENBAUM. If the Senator was talking about the night before, on Monday, then indeed I think I, as well as a number of other Senators, was not in a position to vote. We were not here.

But the fact is that last night I was raring to go but perhaps overnight reason made it possible for me to suggest this so-called compromise amendment. I would just like to roll and then go to the Intelligence Committee, frankly speaking.

Mr. President, I am not sure what the Senator from Arizona is saying about what the time element is. What are we waiting to happen over in the Budget Committee?

Mr. McCAIN. Will the Senator yield?

Mr. METZENBAUM. Surely.

Mr. McCAIN. The former chairman of the Commerce Committee and I understand the chairman of the Commerce Committee, who are both in the Budget Committee, are being consulted, and I am hopeful it would be just a few moments. I would correct my misstatement. I apologize for referring to last night. It was indeed the night before.

Mr. METZENBAUM. No problem.

Mr. McCAIN. I apologize for that misstatement. I am hopeful, I tell my colleague, that within the next 10 minutes we could get an answer, and I would be as dismayed as he is that we cannot move forward on this amendment. It is a very important one and I think a very valuable one that will address some very deep and sincere concerns that millions of Americans have.

I hope that we could have the forbearance of the Senator from Ohio for another 10 minutes or so.

Mr. METZENBAUM. I suggest the absence of a quorum.

The DEPUTY PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The DEPUTY PRESIDENT pro tempore. Without objection, it is so ordered.

The majority leader is recognized.

Mr. BYRD. Mr. President, I hope that the Senate can proceed to vote on this amendment soon. I want to do everything possible to cooperate with Senators. But the Senate cannot just continue to mark time and wait when there is an amendment before the Senate.

I understand that the distinguished Senator from Alabama [Mr. SHELBY], wishes to speak out of order for not to exceed 10 minutes.

Am I correct in my understanding?

Mr. SHELBY. The majority leader is exactly right.

Mr. BYRD. Mr. President, I ask unanimous consent that rather than just stay in a quorum call for the next 10 minutes, the Senator from Alabama [Mr. SHELBY] may speak out of order for not to exceed 10 minutes at the end of which, Mr. President, I will press for a rollcall vote. I may have to put in a live quorum to get it done but the Senate must move on. We have other business.

The DEPUTY PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Alabama.

(Mr. Shelby's remarks are printed earlier in today's Record.)

Mr. GLENN. Mr. President, I rise to support the amendment of my colleague from Ohio [Mr. Metzenbaum], which would once again allow the Federal Trade Commission [FTC] to study and report on the insurance industry.

As a member of the Senate Special Committee on Aging since 1977, I believe that the amendment we are considering today is particularly important for older Americans who buy Medicare supplemental insurance policies—so-called MediGap insurance.

No one is questioning the fact that there are sizable gaps in Medicare coverage, and that those gaps make supplemental policies a wise investment for many older Americans. And many MediGap policies are perfectly OK, providing help with Medicare's copayments and deductibles and sometimes covering additional services such as outpatient prescription drugs.

But according to recent reports, many MediGap policies have a very low ratio of benefit payouts to premiums paid—which means that the companies selling the policies are keeping a great deal more of the elderly's money than they are paying out in benefits.

And that is not the only problem. Many older Americans are buying several different MediGap policies, thinking the more policies they have the more gaps that will be filled. But in reality, many of these policies provide the same coverage; and people therefore are wasting their money on duplicate, unnecessary coverage.

Recently actors and other personalities have been appearing on television touting various MediGap policies, and this has raised some concerns. Just because a person has a nice face or has been a favorite celebrity does not mean he or she knows anything about health insurance. And, frankly, some of their claims are a little hard to believe. I stress to anyone who asks me that they should read the fine print, just as you would before entering into any other contract.

In the late 1970's I participated in the Senate Aging Committee's hearings, chaired by Senator Chiles, to expose abuses in the Medicare supplement market; and in 1980 Congress passed legislation which set minimum standards for private health insurance policies sold to supplement Medicare. As required by this legislation, the States have implemented MediGap regulatory programs to enforce standards equal to or stronger than the Federal standards. But recent reports and hearings have shown that, despite Federal and State efforts to regulate the MediGap insurance market, problems still exist.

The Federal Trade Commission has an important role to play in ensuring that older Americans are not being misled about MediGap policies, and that all individuals and entities who purchase insurance coverage do so with the best possible information available to them about the insurance industry.

I urge my colleagues to join me in supporting Senator Metzenbaum's amendment. It is important for the FTC to conduct studies regarding the insurance industry. This is too important an area to the American people to be off limits for public scrutiny.

Mr. METZENBAUM. The amendment provides that the Commission shall conduct a comprehensive study of two areas—unfair, deceptive or misleading practices in the sale of health insurance to the elderly and the increase in property and casualty insurance rates to small businesses, local governments, doctors, dentists, and child care centers. Both studies should analyze and compare the premiums paid for such coverage and the actual claims paid. The Commission has the full authority under 15 U.S.C., section 46, to obtain the necessary information to determine the cost to insurers of actual claims paid.

I am aware that the Department of Commerce is studying the self-insurance issue. My modification of the amendment provides that the study may include this issue if the Commission determines it is necessary to include it. The Commission's should particularly consider the burdensomeness of requests for information to self-insurers in making this determination.

QUORUM CALL

Mr. BYRD. Mr. President, I suggest the absence of a quorum and I believe that, in the interest of getting on with the Senate's business—we have waited now until it is almost noon and I should think that committees will probably be breaking soon for lunch—so this will be a live quorum.

The DEPUTY PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk called the roll and the following Senators entered the Chamber and answered to their names:

[Quorum Vote No. 12]

Byrd
Gore
McCain
Packwood
Karnes

The DEPUTY PRESIDENT pro tempore. A quorum is not present. The clerk will call the names of the absent Senators.

Mr. BYRD. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators, and I ask for the yeas and nays.

The DEPUTY PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The DEPUTY PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from West Virginia. The yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. Biden] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Alaska [Mr. Murkowski] is necessarily absent.

The PRESIDING OFFICER (Mr. Matsunaga). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 91, nays 7, as follows:

[Rollcall Vote No. 66 Leg.]

YEAS—91

Adams
Armstrong
Baucus
Bentsen
Bingaman
Bond
Boren
Boschwitz
Bradley
Breaux
Bumpers
Burdick
Byrd
Chiles
Cochran
Cohen
Conrad
Cranston
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Evans
Exon
Ford
Fowler
Garn
Glenn
Gore
Graham
Gramm
Grassley
Harkin
Hatch
Hatfield
Hecht
Heflin
Heinz
Helms
Hollings
Humphrey
Inouye
Karnes
Kassebaum
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lugar
Matsunaga
McCain
McClure
McConnell
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Riegle
Rockefeller
Roth
Rudman
Sanford
Sarbanes
Sasser
Shelby
Simon
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Trible
Warner
Wirth

NAYS—7

Chafee
Johnston
Proxmire
Quayle
Wallop
Weicker
Wilson

NOT VOTING—2

Biden
Murkowski

So the motion was agreed to.

The PRESIDING OFFICER. With the addition of Senators voting who did not answer the quorum call, a quorum call, a quorum is now present.

FEDERAL TRADE COMMISSION ACT AMENDMENTS OF 1987

AMENDMENT NO. 87, AS MODIFIED

Mr. METZENBAUM. Mr. President, the Senator from Ohio has an amendment pending. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio, as modified. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. Heinz] and the Senator from Alaska [Mr. Murkowski] are necessarily absent.

The PRESIDING OFFICER (Mr. Fowler). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 80, nays 18, as follows:

[Rollcall Vote No. 67 Leg.]

YEAS—80

Adams
Baucus
Bentsen
Biden
Bingaman
Boren
Boschwitz
Bradley
Breaux
Bumpers
Burdick
Byrd
Chafee
Chiles
Cohen
Conrad
Cranston
D'Amato
Daschle
DeConcini
Dole
Domenici
Durenberger
Evans
Exon
Ford
Fowler
Glenn
Gore
Graham
Gramm
Grassley
Harkin
Hatfield
Hollings
Humphrey
Inouye
Johnston
Karnes
Kassebaum
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lugar
Matsunaga
McCain
McConnell
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Nunn
Packwood
Pell
Pressler
Proxmire
Pryor
Quayle
Reid
Riegle
Rockefeller
Roth
Rudman
Sanford
Sarbanes
Sasser
Shelby
Simon
Simpson
Specter
Stafford
Stennis
Trible
Warner
Wilson
Wirth

NAYS—18

Armstrong
Bond
Cochran
Danforth
Dixon
Dodd
Garn
Hatch
Hecht
Heflin
Helms
McClure
Nickles
Stevens
Symms
Thurmond
Wallop
Weicker

NOT VOTING—2

Heinz
Murkowski

So the amendment (No. 87), as modified, was agreed to.

Mr. METZENBAUM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GORE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

AMENDMENT NO. 88

(Purpose: To make it an unfair or deceptive act, practice, or method of competition to sell certain imitation Native American art, crafts, or jewelry)

Mr. DOMENICI. Mr. President, I send an amendment to the desk on behalf of myself and the junior Senator from Arizona, Senator McCain, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Mexico (Mr. Domenici) for himself, Mr. McCain, Mr. Bingaman, and Mr. DeConcini proposes an amendment numbered 88.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 18, strike out lines 10 through 17, and insert in lieu thereof the following:

Sec. 16. Section 5(a) of the Federal Trade Commission Act is amended by adding at the end thereof the following:

"(4) It shall be an unfair method of competition in or affecting commerce, or an unfair or deceptive act or practice in or affecting commerce, within the meaning of this section, to sell imitation American Indian art, crafts, or jewelry if the English name of the country of origin of such imitation art, crafts, or jewelry is not marked on such imitation art, crafts, or jewelry by means of etching, engraving, die stamping, raised lettering, or other equally permanent method of marking.".

Mr. DOMENICI. Mr. President, I wish to express my strong support for S. 677, the Federal Trade Commission Act Amendments of 1987.

Specifically, I would like to state my appreciation and support for section 16 of this bill. This section directs the Federal Trade Commission [FTC] to investigate the marketing of imitation native American art, crafts, and jewelry.

Today, I am offering an amendment to take this matter one step further. My amendment would require Indian art, crafts, and jewelry sold in this country to include a permanent marking identifying the country of origin.

Imitation American Indian arts and crafts are manufactured in Asian nations, and are offered for sale in this Nation as "authentic" Indian goods.

This is an issue which I have been concerned about for a very long time. In the past, I have contacted officials at the U.S. Department of Commerce and the U.S. Customs Service, to request that this matter be addressed. These fake goods ought to be clearly marked as "imitation" jewelry.

I also discussed this matter with foreign government officials during a business trip I made to Asia several years ago.

This importation of fake crafts disturbs me in two regards.

First, it is deceitful. Many people, both Americans and visitors to our Southwest from abroad, believe they are purchasing an authentic piece of Indian jewelry, or some other such craft. They make the purchase in good faith, thinking they are buying something handmade by a native American. In fact, there is nothing remotely Indian about the product they are buying.

Second, the sale of fake native American jewelry is having an adverse effect on America's native American artists. At a time when jobs in rural New Mexico are scarce, particularly on the Indian reservations in the State, the presence of fake Indian crafts only makes matters worse.

Perhaps what is most disturbing about this entire affair is the impact of these sales on Indian culture.

Earlier this year, New Mexico celebrated the 75th anniversary of our admission to the Union. Seventy-five years is a short time when compared to the thousands of years the Indians have been in New Mexico. Each pueblo in New Mexico brings unique traditions, customs, and cultures to our State. These traditions are kept alive today, in part because activities such as the manufacture of arts and crafts has not changed in all these years.

I believe my amendment is a step in the right direction, and I urge my colleagues to support this legislation.

Mr. President, I believe the managers are willing to accept this amendment, and before I have just a few additional comments on it let me express my thanks to both of them and to their staffs for helping us in the drafting.

Basically, the distinguished junior Senator from Arizona, Senator McCain, in the bill that is before us had some language regarding the Federal Trade Commission investigating a practice in the United States that is pervasive and terribly detrimental to Native American Indians and their products.

Mr. President, as I was saying, in the United States and in particular those States like New Mexico, Arizona, and a few others we have our Native American Indian people, who have very, very distinct art and craft qualities and produce jewelry and other artifacts that are peculiarly theirs and that they take great pride in and that they know are the products of Native American Indian craftsmanship, and cultural traditions. We have now from around the world a terribly unfair competitive advantage being taken of these artifacts, these pure products of American Indians. From all over the world they are mimicking their products and then in a very deceitful kind of way letting American people and tourists think they are buying Native American products.

My good friend from Arizona apparently in committee raised this issue and in the report on the bill before us had some very strong language asking that the Federal Trade Commission investigate this practice.

I cannot overestimate the economic impact on the Native American Indians who produce these very, very gifted kinds of products that are theirs, the result of tradition and culture and very specific skills, when from overseas some mimics and duplications that are clearly not made here and that are clearly inferior but the people cannot tell the difference.

Mr. President, they have even gone to the extreme of packaging certain turquoise products and then on the outside putting cellophane around it and saying made in a foreign country and then those that sell it just tear off the cellophane and put the product there along with real Indian jewelry and artifacts made by our Native American people.

Everyone knows if there is one part of the American scene suffering tremendous economic problems, it is the American Indian. We are just adding tremendously to that when we offer no protection to their products which are original, peculiar, and distinct and made by Native American Indians.

So my amendment is a very simple and forthright one. Instead of the report language that was urging an investigation, the amendment that I offer in behalf of myself and the junior Senator from Arizona merely says:

> It shall be an unfair method of competition in or affecting commerce or an unfair or deceptive act or practice in or affecting commerce within the meaning of this section to sell imitation American Indian art, crafts, or jewelry if the English name of the country of origin of such imitation art, crafts, or jewelry is not marked on such imitation art, crafts, or jewelry by means of etching, engraving, die stamping, raised lettering, or other equally permanent method of marking.".

So we will make it illegal to sell the imitation product in this country, unless the country of origin is marked in a permanent manner.

Mr. President, over in the House of Representatives, Congressman BILL RICHARDSON has been working on this problem also. I have been involved in it for years. He has attempted to address the issue in the trade bill. I commend him for it. I hope that we address it in the trade bill also.

But jurisdiction in the Federal Trade Commission is appropriate so long as we are making it illegal for them to sell these artifacts that clearly are deceptive, and that is what this amendment does.

I hope that it not only passes but that our conferees will retain it in conference. It will clearly send a signal that American Indians are entitled to fair competition, that if someone wants to bring in products that look like theirs, whether they are made in Taiwan, Hong Kong, or whatever, where they borrowed their skills, where they borrowed their trademarks, where they borrowed their ideas, clearly they are going to have to mark in the English language on those kinds of products the country of origin.

If this can get enforced across this land, I can assure the U.S. Senate that the Indian people who are having a very difficult time will indeed not only be forever grateful but from the economic standpoint it gives them an enhanced opportunity to make a living and to participate in the American economic mainstream.

I thank again the floor manager and the ranking Republican who has been so interested in this to join me as a cosponsor for helping me here on the floor and for agreeing to accept this amendment.

I urge that they try to keep it in conference because I think it is good and it is fair and it will indeed solve a very serious problem.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, I express my strong support for this amendment. First of all, I express my appreciation to my colleague from New Mexico who has veritably spent his entire political career expressing his concern for various native American issues and his commitment to improve the very unhappy conditions that exist in Indian reservations across the Southwest and in his State and mine.

Mr. President, there is no doubt that imitation American Indian handicrafts are manufactured in Mexico, Taiwan, and the Philippines and other unidentified countries and imported into the United States, sometimes with removable adhesive labels, string tags, and even sacks around these artifacts which are easily removed. As a result, the consumer has no idea that the items that he is purchasing are indeed not native American handicrafts.

Because of this, there seems to be a pattern of intentional consumer deception. Practices indicating such a pattern are very clear, and I think it is very important that we recognize how widespread this practice is. Advertising in publications concerning Native American arts and crafts and representations implying that imitation products are authentic are rampant throughout the Southwest and, indeed, the entire country.

Such practices deceive consumers, discourage the purchase of Native American arts and crafts, and unfairly compete with Native American artists. These practices are particularly harmful, Mr. President, to those American Indians residing in Arizona and New Mexico, including Navajo, Hopi, Zuni, and Rio Grande Pueblo Indians.

At this time I also would like to express my appreciation to my colleague from Tennessee, Senator GORE, who took a personal interest in this issue and was instrumental in having the previous version included in a bill and is now supportive of the Domenici amendment.

There are two points that need to be made here, Mr. President. Most Americans do not appreciate the devastating conditions that exist in tribal economies throughout this country and that in many cases over 50 percent of those dependent on these economies live at or below the poverty line. There is widespread alcohol and substance abuse and there is poverty. In some cases the conditions closely parallel those of Third World countries.

We have an obligation to help those Native Americans as we do other Americans who reside below the poverty line. The manufacture of Native American artifacts sometimes is a very laborious and time-consuming process. When these imitations are made by foreign countries and exported into the United States on a mass production basis, we destroy a very important part of tribal economies. We have an obligation to see to it and ensure at least that those people who buy these imported artifacts are aware that they are not buying the genuine article but, many times, a very cheap imitation.

The other aspect of this amendment that I think is important is that we have a group of Americans who are trying to preserve their culture and their heritage. They are being pressured from various sides economically, to abandon their heritage and culture. There is a strong desire of the Indian leaders throughout this country to pass on their heritage and culture to generations to come. One important method of doing this is the preservation of the manufacture of Native American artifacts. If they are deprived of this ability because they are driven out of the market, it will have a devastating impact on their goal of preserving their unique culture and heritage which has contributed not only to their culture but also to the rich heritage of this great Nation.

I would also like to assure my colleague from New Mexico that if this subject is even raised in conference, I will do my utmost to see it retained.

I think my colleague for his dedication and abiding interest in this issue.

Mr. GORE addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. DOMENICI. Mr. President, will the Senator yield to me?

Mr. GORE. I am happy to yield.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the senior Senator from Arizona, Senator DECONCINI, be added as an original cosponsor.

The PRESIDING OFFICER. Hearing no objection, it is so ordered.

Mr. DOMENICI. Mr. President, I just want to say to the Senate, just to prove this point, that I had a very embarrassing situation a few months ago.

My good friend, the former majority leader of the U.S. Senate, Senator BAKER, was in my State. As we were leaving, he passed a curio store and noticed what looked like an Indian necklace that he was interested in buying. As a matter of fact, it even had the word "Indian" on it and all notions around it, by way of the advertising gimmicks, would indicate Indian. He was impressed with it.

I had the unfortunate circumstance of having to tell him: "Mr. Leader, I have to make sure you understand that if you think you are buying a product of American Indian craftsmanship, you are being deceived."

Even in New Mexico, one of the States that produces many, many of these kinds of artifacts, these kinds of pieces of jewelry that are exhibited, I had to tell him it ws really made in Taiwan, which was the case.

Now, we are very hopeful that—if the Taiwanese want to compete, good luck—clearly there is no deceit when it comes to whether that product is made by American Indians or somewhere else. That is what we are really trying to do here.

I yield the floor.

Mr. BINGAMAN. I rise to support the amendment of my colleague from New Mexico, Senator DOMENICI. This simple amendment requires that all imitation Indian arts, crafts, and jewelry contain an indelible country of origin marking.

Mr. President, I have been concerned with the sale of fake Indian jewelry and crafts for some time. In 1984, I requested that the Commerce Department, in coordination with the U.S. Customs Service and the Federal Trade Commission, study the extent of the import, export, and sale of imitation American Indian-style jewelry. This study found that unmarked counterfeit Indian jewelry siphons an estimated $40 to $80 million from the $400 to $800 million generated annually by genuine articles produced by native craftsmen.

Following this report, I again contacted the Commerce and Treasury Departments and the Federal Trade Commission to urge their vigorous support of available remedies to address this problem. These remedies include stricter enforcement of the Federal Trade Commission Act, preparation of consumer pamphlets on Indian jewelry by the FTC, the use of trademarks and design patents, and the enforcement of criminal statutes for misrepresentation of goods. Further, I requested that the U.S. Customs Service require a permanent country of origin marking on imported American Indian-style goods.

Mr. DOMENICI's amendment furthers these efforts. Fake Indian arts and crafts being sold as authentic is not only deceitful but harmful to native American craftsmen. I am pleased to support and cosponsor this amendment.

Mr. GORE addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee [Mr. GORE], is recognized.

Mr. GORE. Mr. President, on behalf of the majority in the committee, we accept this amendment. I commend the author of the amendment, the Senator from New Mexico, Mr. DOMENICI, and his cosponsors. I also commend the ranking Republican member of our subcommittee, the Senator from Arizona, Senator McCAIN, because, indeed, his concern from the first day he joined the Commerce Committee was directed at this particular issue. It was because of his interest that we included the original section here to which this amendment applies. He is a cosponsor of this amendment, as well.

Clearly, it is a problem. The problem that has been discussed is a real one. It is a special case deserving of this kind of solution. We accept the amendment.

The PRESIDING OFFICER. The question occurs on agreeing to the amendment offered by the Senator from New Mexico [Mr. DOMENICI].

The amendment (No. 88) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 89

(Purpose: To remove the provision that denies the Federal Trade Commission authority to conduct any study or investigation of any agricultural marketing orders)

Mr. BOSCHWITZ. Mr. President, I am going to offer an amendment to S. 677 that deals with marketing orders. On page 2 of the bill, on lines 23 through 25, the following statement is made:

> The commission shall not have any authority to conduct any study or investigation of any agricultural marketing order.

My amendment would strike that language. Agricultural marketing orders apply to a large number of products. They are a restraint to trade, in my judgment. They apply certainly to the disadvantage of constituents of mine and particularly those in the dairy industry. That is the reason I am offering the amendment.

So, Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

> The Senator from Minnesota [Mr. BOSCHWITZ] proposes an amendment numbered 89.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

> On page 2, line 15, strike out "(a)".
>
> On page 2, line 22, after the period, insert closing quotation marks and a period.
>
> On page 2, strike out lines 23 through 25.

Mr. BYRD. Mr. President, will the distinguished Senator yield for a question?

Mr. BOSCHWITZ. Certainly.

Mr. BYRD. Would it be possible to reach a time agreement on this amendment?

Mr. BOSCHWITZ. Absolutely, Mr. Leader, I would be very happy to. I suggested a half-hour, equally divided. I believe some of the opponents of the bill would like to have a little more time.

Mr. GORE. Opponents of the amendment.

Mr. BOSCHWITZ. Pardon me?

Mr. GORE. Opponents of the amendment, not the bill.

Mr. BOSCHWITZ. Pardon me; opponents of the amendment. I stand corrected. I thank the Senator from Tennessee.

Whatever time arrangement that is agreeable, I would be agreeable to. I would suggest a half-hour.

Mr. GORE. If the Senator will yield, discussions with the ranking Republican member and Senators who are opposed to the amendment convey the district impression that a 1-hour time agreement, equally divided, would be acceptable to all sides.

Mr. Leader, if I might also say, we have run the line several times on other potential amendments. I believe it is perfectly safe at this point and advisable to request unanimous consent and further amendments to the bill be limited to the pending amendment and a possible amendment by the Senator from Arizona, Senator DECONCINI, and no others.

Mr. McCAIN. Mr. Leader, we would be more than agreeable to this recommendation on this side. I might add I do not think we are going to use the full hour, but the opponents of the amendment have requested ample time. I would anticipate an hour may be useful.

Mr. BYRD. Should we identify the amendment by Mr. DECONCINI for the RECORD?

Mr. GORE. It is an amendment which may or may not be offered, depending on the outcome of the vote on the pending amendment. It deals with the same subject matter, generally speaking, as the pending amendment.

Mr. BYRD. Mr. President, I ask unanimous consent that time on the pending amendment be limited to not to exceed 1 hour, to be equally divided and controlled in accordance with the usual form, provided that no amendment to the amendment be in order, and that the only remaining amendment be an amendment by Mr. DECONCINI if he should decide to call up such an amendment, and that it be as identified by the distinguished manager of the bill.

The PRESIDING OFFICER. Is there objection?

Mr. BOSCHWITZ. Reserving the right to object, Mr. President, I believe that the distinguished floor leader wishes to make a motion to table my amendment. I presume that his unanimous consent would not prohibit such action.

Mr. BYRD. My request would not prohibit it. My request merely limits the time for debate on the amendment. May I ask the Chair if I am right?

The PRESIDING OFFICER. The Senator is correct.

Hearing no objection to the unanimous consent request by the majority leader, it is so ordered.

Mr. BYRD. Mr. President, in the event Mr. DECONCINI were to call up his amendment, is it agreeable that upon the disposition of this amendment and the DeConcini amendment, if it is called up, that the Senate proceed then to the vote on the bill? Is that agreeable.

Mr. GORE. If the Senator will yield, that is certainly agreeable on my part. I know of no other request for general debate time on the bill.

Mr. McCAIN. It is agreeable to this side.

Mr. BYRD. Mr. President, I ask unanimous consent that paragraph 4, rule XII, be waived and that the Senate proceed, upon the disposition of the pending amendment and the DeConcini amendment, if Mr. DECONCINI offers an amendment, without further debate, motion, or action to third reading, and again immediately to the vote on the passage of the bill.

The PRESIDING OFFICER. Hearing no objection, it is so ordered.

Mr. BYRD. Mr. President, I thank all Senators.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. BOSCHWITZ. Mr. President, I really do not need to use any more time on this side to explain the amendment. It is simple. It is direct. The words of the bill are simple and direct. They prohibit any study or investigation of any more agricultural marketing orders. I might say if we had gotten broader support and more cooperation from the Department of Agriculture in studying these market orders perhaps we would not have to seek the ability of the FTC to study them. But such being the case, and the facts and the inability to get these things properly examined, I at least wanted to have another avenue available to study them, their effect on the agricultural system, the loss of agricultural output that accompanies such marketing orders, and the effect on consumers as well as the effect of course upon the entire agricultural infrastructure.

Mr. President, I reserve the balance of my time. Is the time on this side being controlled by the distinguished junior Senator from Arizona?

The PRESIDING OFFICER. The time is controlled by the movant of the amendment, Mr. BOSCHWITZ, and the time on the other side is controlled by the manager of the bill, the junior Senator from Tennessee.

Mr. BOSCHWITZ. I ask unanimous consent that the time in my absence from the floor be controlled by the junior Senator from Arizona, as well.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOSCHWITZ. I reserve the balance of my time.

The PRESIDING OFFICER. Who yields the time?

Mr. GORE. Mr. President, I yield time to the distinguished junior Senator from California, if he desires 5 minutes.

The PRESIDING OFFICER. The Senator from California, Mr. WILSON, is recognized for 5 minutes.

Mr. WILSON. Thank you very much, Mr. President. I thank the distinguished manager.

Mr. President, I urge the defeat of this well-intended, but ill-considered amendment. It is unnecessary and it is unwise. It is unwise because what it seeks to do is to meddle where there is already more than adequate Federal regulation into the area of marketing orders, a device by which largely unsubsidized commodities with a few notable exceptions like dairy are provided with an opportunity to engage in orderly marketing to the benefit of not only the producer but the consumer.

Simply stated, the reason marketing orders were instituted was to allow for those within the production industry to be assured that there would not be a glut on the market that could result in a temporary situation of advantage to the consumer, but one that would threaten the long-term viability of the producer in a way that ultimately threatens in the long-term much higher costs if competition is reduced among the production community.

That is a simple statement addressing the merits of the question, the substance. But apart from the substantive argument, Mr. President, there are excellent procedural reasons to defeat this amendment, the reason that this underlying legislation carries a prohibition against the very thing that the Senator from Minnesota is seeking to do is because it is unnecessary and unwise. Why unnecessary? Because, Mr. President, there are already two Federal agencies that have jurisdiction and exercise it in the area of Federal marketing orders—the Justice Department and the Department of Agriculture. Indeed, it was not 2 months ago that the Department of Agriculture completed its most recent study of marketing orders in terms of their impact.

I would caution those who might be tempted to support this as simply authorizing a study because indeed what is at stake here is far broader than a single commodity or a single industry.

What we are talking about is not just dairy, which I think is the real focal point of concern on the part of the Senator from Minnesota. But this deals with any number of unsubsidized agricultural commodities that have fared very well, both for the producer and for the consumer. They do not need this additional interference on the part of the Federal Trade Commission.

What more do we need when the Secretary of Agriculture and the Attorney General have more than adequate opportunity and exercise the jurisdiction that they have? The courts exist to enforce the Capper-Volstead Act for the protection of the American consumer. We are dealing with far more than price in terms of marketing orders. We are dealing with quality assurance for the American people. We are dealing with size, with grade, with quality, any number of considerations that do not affect price, which once again I think to be the real concern of the Senator from Minnesota.

It is no wonder that this is opposed by most of those who are most directly concerned—the producers, those represented by the National Council of Farmer Cooperatives, and those who are concerned on behalf of consumers with an orderly marketing place.

Mr. President, this has been extended, this prohibition, on this interference by FTC year after year since about 1981. I think it is time it was made permanent. It certainly is not time to say that we need to have yet one more Federal agency involved in doing the business of the two others that now share that jurisdiction.

So what purpose, Mr. President, are we going to spend these taxpayers' dollars in the time of Gramm-Rudman for additional and needless regulation? It is a mistake. I urge the defeat of what may be a well-intended, but undoubtedly ill-considered amendment.

I thank the manager and I yield the floor.

Mr. GORE. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. GORE. I would like to state my intention to offer a tabling motion when the time has expired or when the request for time has run out.

I would like to make a couple of points briefly. We are strongly opposed to the amendment. There is a provision in the FTC Act that has been there for the last 7 years, under the Improvement Act of 1980 and continuing resolutions, restricting the FTC's jurisdiction to get into areas that are covered by other agencies, specifically the Department of Agriculture in this case, and the policy embodied there reflects the policy of the Agricultural Marketing Agreement Act of 1937.

This policy would be shaken by this particular amendment.

Some marketing orders are under study right now. The Department of Agriculture has jurisdiction and the Agriculture Committee has jurisdiction. The General Accounting Office is currently conducting a major study of milk marketing orders.

I think for all those reasons this amendment is not advisable. At the appropriate time I will move to table. We are prepared to debate it a short time longer as long as anyone wants to request time.

Mr. President, I yield 5 minutes to the distinguished Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. DECONCINI. Mr. President, I thank the Senator from Tennessee and my colleague from Arizona.

First, I want to say they have done a yeoman's job of planning this bill, putting it together in the first place, and getting it out of committee.

Mr. President, we are here today to take up a subject matter that ought not to be before us. Let me say why.

We have spent a lot of time in this body reproducing the same bills and ideas and rehashing them. Here we are redoing something that we did back in 1980, where we provided at that time on this floor to prohibit the Federal Trade Commission from being involved in any activities as they relate to agricultrual marketing orders.

Why did we do that? Why would this body and the Congress enact into law something that says, "Do not go into this area?" Are we afraid? Were we hiding something? Were we afraid that the public did not really know what marketing orders were? No; we went into it because the Federal Trade Commission was beginning to launch an extensive, unnecessary, and expensive inquiry into marketing orders.

Marketing orders are regulated very strictly. As a matter of fact, this Senator has had quarrels with the USDA on a number of occasions where they have refused to approve marketing orders of certain crops in the Southwest. We have won some and we have lost some. I am very aware of how much scrutiny the Agriculture Department places on marketing orders.

Why do they do that? Because the Agriculture Department is particularly charged with ensuring that marketing orders are fairly operated, that there is a food flow of our agricultural products, both for export and domestic use.

Now we have the amendment by the Senator from Minnesota who comes along as says, "Well, we want an investigation. We want to do something here."

I think it is important to understand that the Federal Trade Commission was put into effect to investigate frauds, consumer frauds, unfair practices, problems within the advertising area, problems where the consumer could not represent themselves and where they had no agency to be their advocate, if indeed there was a problem with that particular part of commerce.

That is not the case here.

First of all, agricultural marketing orders are granted an exemption by the U.S. Congress from antitrust so that they can pool their efforts, just as cooperatives are granted an exemption from strict antitrust enforcement, so that they can pool their resources, they can advertise jointly, they can market their products.

This amendment could end up stopping that. It could end up harming agricultural interests, the farmers of this country. Over two-thirds of farmers are now affiliated on one way or another with cooperatives, and marketing orders are part of that process.

Mr. President, it is this Senator's hope that we would not take a giant step backward prior to 1980 and, in essence, tell the Federal Commission to go after marketing orders and cooperatives. It would be a mistake, particularly in the climate we are in today. It would be a mistake under any circumstances, in my judgment, but in the climate we are in today, when the American farmer is up against it, with low market prices for their products. A crunch has occurred. They cannot make the payments on their equipment, they cannot make the payments on their land mortgages, and the profits they are making in many cases are not enough to cover the cost of producing that agricultural product.

Mr. President, it would be a horrendous mistake to reverse the present law. We are not asking for anything new here. We are permitting marketing cooperatives to work and to function so that our goods—and here we are talking about agricultural marketing orders—can be made available domestically, so that the process of a unified effort of advertising, a unified effort of packing, a unified effort of transportation, a unified effort of marketing can be put together for the benefit of the consumer.

Yes, the farmer can benefit and does because each farmer does not have to go out and sell his 10 acres of oranges, 10 acres of vegetables, or 10 acres of some other product. They can pool them.

Mr. President, it is this Senator's earnest belief that we would set agriculture back significantly if this particular amendment were adopted. I urge my colleagues to vote to table it.

The PRESIDING OFFICER. The time of the Senator from Arizona has expired.

Who yields time?

Mr. GORE. Mr. President, I yield 2 minutes to the distinguished senior Senator from California, Senator CRANSTON.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. CRANSTON. I thank my friend from Tennessee for the time.

Mr. President, I rise in opposition to this amendment to strike from the committee bill the prohibition on the FTC studying or investigating agricultural marketing orders and agricultural co-ops. Since 1980, the FTC Act and subsequent continuing resolutions have all prohibited the FTC from studying or investigating agricultural marketing orders. This prohibition is consistent with the provisions of the Capper-Volstead Act.

Under the Capper-Volstead Act marketing orders are already fully regulated by the Justice Department and the Department of Agriculture. The existing law works very well. Marketing orders work very well. They are important to the agricultural economy of California and other States. There is no reason to interfere with this voluntary effort by farmers to work together.

Given the Federal budget situation, FTC resources should not be used to duplicate the efforts of other Federal agencies. We have enough of a budget squeeze on us now without duplicating programs already financed by the Federal Government. We do not need a new duplicative program that would cost more money and take money away from other Federal programs, like education.

I would also like to note that the language in the committee bill prohibiting the FTC from studying or investigating agricultural marketing orders was agreed to in conference on the FTC bill just last year. So we have just been through this. The committee bill should be upheld. I urge my colleagues to defeat the amendment or to support a tabling motion.

The PRESIDING OFFICER. Who yields time?

Mr. GORE. Mr. President, I yield from the time allocated to opponents of the amendment 5 minutes to the distinguished Senator from Arizona, Senator MCCAIN.

The PRESIDING OFFICER. The Senator from Arizona is yielded 5 minutes.

Mr. McCAIN. Mr. President, I thank my friend from Tennessee [Mr. GORE] for yielding me the time. I shall try to be brief.

Section 3 of S. 677 prohibits the FTC from initiating any study or investigation of agricultural marketing orders, or any study, investigation, or prosecution of agricultural cooperatives for conduct which the Capper-Volstead Act exempts from the antitrust laws.

Why would there be such a provision in the bill? I think it is very clear if we examine the history of legislation in many Congresses. The purpose of this provision is to ratify the spirit and intent of the Capper-Volstead Act.

In adopting Capper-Volstead, Congress expressly elected to assign the legislative authority under the act to the Department of Agriculture rather than the FTC.

I think it is important to recognize that the Secretary of Agriculture has been supervising marketing orders. They have been heavily involved in the issue.

I might point out that as short a time ago as January 25, 1982, the Department of Agriculture, following a study of the marketing orders for fruits, vegetables, and specialty crops, issued a set of guidelines to govern this operation. We are looking now at an amendment that would basically give oversight of marketing orders to two Government bureaucracies rather than one.

I suggest that is not the most efficient use of the taxpayers' dollars. And I think it is very important, Mr. President, to recognize that in testimony, before the subcommittee chaired by my friend from Tennessee [Mr. GORE], the FTC expressed concern regarding the severe constraints they were under because of budgetary cutbacks and that these cutbacks raised real questions regarding their ability to carry out their previously assigned functions.

Already, we have seen, in the process of amending this bill, an additional requirement for the FTC to study the insurance industry. We have seen an additional amendment for the FTC to become involved, and very laudably so, in imitation Indian arts and handicrafts. Now we not only would assign a duplicative task to the FTC, but we would also apply one which would, in my opinion, strain that budget considerably more.

For those reasons, including the fact that Congress has spoken clearly and frequently on this issue as to who should oversee marketing orders, I strongly urge my colleagues to reject this amendment.

Mr. President, the sponsor of the amendment asked me to reserve 2 minute of his time. We shall summon him to be here as soon as possible. In the meantime, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCAIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCAIN. Mr. President, I yield to the Senator from Minnesota whatever time he may consume.

The PRESIDING OFFICER. The Senator from Minnesota [Mr. BOSCHWITZ] is recognized.

Mr. BOSCHWITZ. Mr. President, I would just sum up the case being made on this side for the deletion of lines 23 through 25 on page 2 of S. 677.

We are not giving any additional regulatory power to the FTC, not at all. We are just giving them the authority to collect some additional information. We are giving them authority which would complement the authority now had by the U.S. Department of Agricultrue. Indeed, it will probably mean we will get a little faster and more appropriate look at agricultural marketing orders. So, Mr. President, in the event that the yeas and nays have not yet been asked for on the amendment, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BOSCHWITZ. I yield the floor.

Mr. GORE. Mr. President, I yield myself such time as I may consume.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. GORE. Let me briefly urge my colleagues not to support this amendment. I do not think it is a good idea for the reasons I stated earlier.

I move to table the amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second on the motion of the Senator from Tennessee? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Do Senators yield all remaining time under the time agreement?

Mr. GORE. Mr. President, I yield all of my time.

Mr. McCAIN. Mr. President, I yield all remaining time.

The PRESIDING OFFICER. That being the case, the yeas and nays have been ordered on the motion of the Senator from Tennessee to table the Boschwitz amendment. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from North Dakota [Mr. CONRAD] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. HEINZ] and the Senator from Alaska [Mr. MURKOWSKI] are necessarily absent.

The PRESIDING OFFICER (Mr. WIRTH). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 71, nays 26, as follows:

[Rollcall Vote No. 68 Leg.]

YEAS—71

Adams
Armstrong
Baucus
Bentsen
Biden
Bingaman
Boren
Breaux
Bumpers
Burdick
Byrd
Chiles
Cochran
Cohen
Cranston
Danforth
Daschle
DeConcini
Dixon
Dole
Evans
Exon
Ford
Fowler
Garn
Glenn
Gore
Graham
Grassley
Harkin
Hatch
Hatfield
Hecht
Heflin
Helms
Hollings
Inouye
Johnston
Karnes
Kassebaum
Kasten
Kennedy
Kerry
Leahy
Levin
Matsunaga
McCain
McClure
McConnell
Melcher
Mikulski
Mitchell
Nunn
Pell
Pressler
Pryor
Reid
Riegle
Rockefeller
Roth
Sanford
Sarbanes
Sasser
Shelby
Simon
Stennis
Symms
Thurmond
Weicker
Wilson
Wirth

NAYS—26

Bond
Boschwitz
Bradley
Chafee
D'Amato
Dodd
Domenici
Durenberger
Gramm
Humphrey
Lautenberg
Lugar
Metzenbaum
Moynihan
Nickles
Packwood
Proxmire
Quayle
Rudman
Simpson
Specter
Stafford
Stevens
Trible
Wallop
Warner

NOT VOTING—3

Conrad
Heinz
Murkowski

So the motion to lay on the table the amendment (No. 89) was agreed to.

Mr. GORE. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. MATSUNAGA. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GORE. Mr. President, I believe we are now ready for the third reading and final passage of the bill.

The PRESIDING OFFICER. Under a previous order, the only amendment that may be in order was an amendment that could be offered by the Senator from Arizona.

Mr. GORE. I believe that the Senator from Arizona, Senator DECONCINI, has decided not to offer that amendment.

Mr. DECONCINI. Mr. President, that is correct. I ask unanimous consent that that order be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I would like to take this opportunity to express my support for S. 677, The Federal Trade Commission Act Amendments of 1987, particularly the provisions contained in section 3 relating to agricultural cooperatives and marketing orders.

As provided in section 3 of the bill, the Federal Trade Commission would be prohibited from any studies, investigations or prosecutions of agricultural cooperatives for conduct falling within the limited antitrust immunity established by the Capper-Volstead Act of 1922. In addition, it would also prohibit studies or investigations of marketing orders.

The need for this legislation is reflected in the fact that cooperatives and marketing orders are already fully regulated by the Department of Agriculture as well as the Department of Justice under both the Capper-Volstead Act of 1922 and the Agricultural Marketing Agreement Act of 1937.

For the Federal Trade Commission to be involved would result in unnecessary, duplicative and overlapping costly regulation of both farmers and their cooperatives. Since 1980, Congress has held to this view and has consistently approved legislation maintaining USDA's authority to administer and regulate both cooperatives and marketing orders with oversight by the appropriate committees of Congress, including the Senate Committee on Agriculture.

For these reasons, I strongly support S. 677, particularly with regard to the provisions relating to agricultural cooperatives and marketing orders.

Mr. ROCKEFELLER. Mr. President, I rise in support of Senator METZENBAUM's amendment that would require the Federal Trade Commission to conduct a comprehensive study of two very important insurance issues.

The first study would examine so-called MediGap insurance policies. In my view, it is time to look at the advertising techniques used to sell this supplementary medical insurance. Currently, with the flip of a television switch our Nation's senior citizens become captive audiences to Michael Landon, Danny Thomas, and Lorne Greene extolling the virtues of insurance that will fill in the gaps left by Medicare. In West Virginia alone, elderly citizens spent $40 to $50 million on this private MediGap insurance—most of them bought new policies promoted on television or in the mail.

There are many questions about this industry. Complaints by the purchasers of MediGap insurance are mounting. Seniors feel misled, confused, or even deceived about the promises made by the coverage offered. While they may think they're paying for the hospitalization, nursing home coverage, or prescription drugs that Medicare doesn't cover, many are sadly finding out that their MediGap policies also leave these gaping holes.

We must know about the ways that these insurers operate and what exactly they are selling. What we do know is that these medical insurance policies are difficult to understand. There's a lot of fine print and it's clearly not in plain English. We also know that insurance companies are evading the stringent insurance regulations of many States—such as West Virginia's—by basing their operations in other States that do not have strict insurance regulations. It's time for the FTC, an agency with a cadre of experts on commerce issues, to take a serious and indepth look at MediGap insurance and the practices used to sell it.

The second study will address an issue that I have repeatedly raised over the last 2 years. It will require the FTC to analyze the causes of the recent skyrocketing insurance rates for small businesses, day care centers, municipalities, doctors, and dentists. While much of last year's insurance availability crisis has eased, constituents continue to report astronomical insurance rates in the property and casualty lines of insurance. For example, the cost of liability for West Virginia coal companies, contractors, property owners, and government agencies rose 260 percent in the last 10 years.

At times these increases do not seem justified by the particular insurer's claims experience in my State. For instance, in January a New York insurance company asked to hike West Virginia's nurse's rates by 204 percent. When my State's insurance commissioner scrutinized this company's claims record, he discovered that it paid out only 23.6 percent of all premiums collected from West Virginia nurses between 1980 and 1985. The insurance commissioner also found that this company planned to use the 204-percent rate hike to buy more sophisticated computer equipment.

The truth is that we don't really know why insurance rates have spiraled like this. Is it because of the cash-flow underwriting practices followed by the insurance companies? Is it due to an increase in the use of our civil justice system? Or is it both? Since 1985, I have attempted to find out more about why insurance rates have multiplied, but my efforts have been impeded by the lack of information and expertise available to analyze industry practices. The efforts of the FTC's lawyers, accountants, and economists will help policymakers at the State and Federal level decipher the causes of insurance problems.

Yesterday Senator METZENBAUM introduced an amendment authorizing the Federal Trade Commission to study insurance issues. Frankly, I do not understand why there was so much opposition to this amendment which I cosponsored. It seemed very clearcut and fair. It simply said that the Federal Trade Commission could undertake a study of the insurance industry if they so chose. It didn't compel Congress to do anything with the results of the study. It did not remove States from the business of regulating insurance. While it's clear that the time is not ripe now for the adoption of the original Metzenbaum amendment, I would like to see it adopted in the future.

For now, I welcome this amendment that would require the Federal Trade Commission to study MediGap advertising practices and the causes of the increased property/casualty insurance rates.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The question is on the passage of the bill.

Mr. McCAIN. Mr. President, on behalf of the Senator from North Carolina [Mr. HELMS] I request the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, "Shall the bill pass?" The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN], and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. HEINZ] is necessarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania [Mr. HEINZ], would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 88, nays 9, as follows:

[Rollcall Vote No. 69 Leg.]

YEAS—88

Adams
Baucus
Bentsen
Bingaman
Bond
Boren
Boschwitz
Bradley
Breaux
Bumpers
Burdick
Byrd
Chafee
Chiles
Cochran
Cohen
Conrad
Cranston
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Evans
Exon
Ford
Fowler
Glenn
Gore
Graham
Grassley
Harkin
Hatch
Hatfield
Heflin
Hollings
Inouye
Johnston
Karnes
Kassebaum
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lugar
Matsunaga
McCain
McClure
McConnell
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nunn
Packwood
Pell
Pressler
Proxmire
Pryor
Quayle
Reid
Riegle
Rockefeller
Roth
Rudman
Sanford
Sarbanes
Sasser
Shelby
Simon
Simpson
Specter
Stafford
Stevens
Thurmond
Trible
Warner
Weicker
Wilson
Wirth

NAYS—9

Armstrong
Garn
Gramm
Hecht
Helms
Humphrey
Nickles
Symms
Wallop

NOT VOTING—3

Biden
Heinz
Stennis

So the bill (S. 677) was passed, as follows:

S. 677

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Trade Commission Act Amendments of 1987".

UNFAIR METHODS OF COMPETITION

SEC. 2. Section 5 of the Federal Trade Commission Act (15 U.S.C. 45) is amended by adding at the end thereof the following:

"(n) The Commission shall not have any authority to find a method of competition to be an unfair method of competition under subsection (a)(1) if, in any action under the Sherman Act, such method of competition would be held to constitute State action.".

AGRICULTURAL COOPERATIVES

SEC. 3. The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended by redesignating section 24 and section 25 as section 26 and 27, respectively, and by inserting after section 23 the following new section:

"SEC. 24. (a) The Commission shall not have any authority to conduct any study, investigation, or prosecution of any agricultural cooperative for any conduct which, because of the provisions of the Act entitled 'An Act to authorize association of producers of agricultural products', approved February 18, 1922 (7 U.S.C. 291 et seq., commonly known as the Capper-Volstead Act), is not a violation of any of the antitrust Acts or this Act.

"(b) The Commission shall not have any authority to conduct any study or investigation of any agricultural marketing orders.".

COMPENSATION IN PROCEEDINGS

SEC. 4. (a) Section 18(h) of the Federal Trade Commission Act (15 U.S.C. 57a(h)) is repealed, and subsections (i), (j), and (k) of section 18 are redesignated as subsections (h), (i), and (j), respectively.

(b) Section 18(a)(1) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)) is amended by striking "subsection (i)" and inserting in lieu thereof "subsection (h)".

KNOWING VIOLATIONS OF ORDERS

SEC. 5. (a) Section 5(m)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 45(m)(1)(B)) is amended by inserting ", other than a consent order," immediately after "order" the first time it appears therein.

(b) Section 5(m)(2) of the Federal Trade Commission Act (15 U.S.C. 45(m)(2)) is amended by adding at the end thereof the following: "Upon request of any party to such an action against such defendant, the court shall also review the determination of law made by the Commission in the proceeding under subsection (b) that the act or practice which was the subject of such proceeding constituted an unfair or deceptive act or practice in violation of subsection (a).".

PREVALENCE OF UNLAWFUL ACTS OR PRACTICES

SEC. 6. Section 18(b) of the Federal Trade Commission Act (15 U.S.C. 57a(b)) is amended by adding at the end thereof the following:

"(3) The Commission shall issue a notice of proposed rulemaking pursuant to paragraph (1)(A) only where it has reason to believe that the unfair or deceptive acts or practices which are the subject of the proposed rulemaking are prevalent. The Commission shall make a determination that unfair or deceptive acts or practices are prevalent under this paragraph only if it has issued cease and desist orders regarding such acts or practices, or any other information available to the Commission indicates a pattern of unfair or deceptive acts or practices.".

EFFECTIVE DATE OF ORDERS

SEC. 7. (a) Section 5(g)(2) of the Federal Trade Commission Act (15 U.S.C. 45(g)(2)) is amended to read as follows:

"(2) Upon the sixtieth day after such order is served, if a petition for review has been duly filed, except that any such order may be stayed, in whole or in part and subject to such conditions as may be appropriate, by—

"(A) the Commission;

"(B) an appropriate court of appeals of the United States, if (i) a petition for review of such order is pending in such court, and (ii) an application for such a stay was previously submitted to the Commission and the Commission, within the thirty-day period beginning on the date the application was received by the Commission, either denied the application or did not grant or deny the application; or

"(C) the Supreme Court, if an applicable petition for certiorari is pending; or".

(b) Section 5(g)(3) of the Federal Trade Commission Act (15 U.S.C. 45(g)(3)) is amended to read as follows:

"(3) For purposes of section 19(a)(2) and section 5(m)(1)(B), if a petition for review of the order of the Commission has been filed—

"(A) upon the expiration of the time allowed for filing a petition for certiorari, if the order of the Commission has been affirmed or the petition for review has been dismissed by the court of appeals and no petition for certiorari has been duly filed;

"(B) upon the denial of a petition for certiorari, if the order of the Commission has been affirmed or the petition for review has been dismissed by the court of appeals; or

"(C) upon the expiration of thirty days from the date of issuance of a mandate of the Supreme Court directing that the order of the Commission be affirmed or the petition for review be dismissed; or".

(c) Section 5(g)(4) of the Federal Trade Commission Act (15 U.S.C. 45(g)(4)) is amended to read as follows:

"(4) In the case of an order requiring a person, partnership, or corporation to divest itself of stock, other share capital, or assets, if a petition for review of such order of the Commission has been filed—

"(A) upon the expiration of the time allowed for filing a petition for certiorari, if the order of the Commission has been affirmed or the petition for review has been dismissed by the court of appeals and no petition for certiorari has been duly filed;

"(B) upon the denial of a petition for certiorari, if the order of the Commission has been affirmed or the petition for review has been dismissed by the court of appeals; or

"(C) upon the expiration of thirty days from the date of issuance of a mandate of the Supreme Court directing that the order of the Commission be affirmed or the petition for review be dismissed.".

CIVIL INVESTIGATIVE DEMANDS

SEC. 8. (a) Section 20(a) of the Federal Trade Commission Act (15 U.S.C. 57b-1(a)) is amended—

(1) in paragraph (2), by striking "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "act or practice or method of competition declared unlawful by a law administerted by the Commission";

(2) in paragraph (3), by striking "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "acts or practices or methods of competition declared unlawful by a law administered by the Commission"; and

(3) in paragraph (7), by striking "unfair or deceptive act or practice in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "act or practice or method of competition declared unlawful by a law administered by the Commission".

(b) Section 20(b) of the Federal Trade Commission Act (15 U.S.C. 57b-1(b)) is amended by striking "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "any act or practice or method of competition declared unlawful by a law administered by the Commission".

(c) Section 20(c)(1) of the Federal Trade Commission Act (15 U.S.C. 57b-1(c)) is amended by striking "unfair or deceptive Acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "any act or practice or method of competition declared unlawful by a law administered by the Commission".

(d) Section 20(j) of the Federal Trade Commission Act (15 U.S.C. 57b-1(j)) is amended by inserting immediately before the semicolon the following: ", any proceeding under section 11(b) of the Clayton Act, or any adjudicative proceeding under any other provision of law".

DEFINITION OF UNFAIR ACTS OR PRACTICES

SEC. 9. Section 5 of the Federal Trade Commission Act (15 U.S.C. 45), as amended by section 2 of this Act, is further amended by adding at the end thereof the following:

"(o) The Commission shall have no authority under this section or section 18 to declare unlawful an act or practice on the grounds that such act or practice is unfair unless the act or practice causes or is likely to cause substantial injury to consumers which is not reasonably avoidable by consumers themselves and not outweighed by countervailing benefits to consumers or to competition.".

CREDIT UNIONS

SEC. 10. (a) Sections 5(a)(2), 6(a), and 6(b) of the Federal Trade Commission Act (15 U.S.C. 45 (a)(2), 46(a), and 46(b)) are amended by inserting immediately after "section 18(f)(3)," the following: "Federal credit unions described in section 18 (f)(4),".

(b) The second proviso in section 6 of the Federal Trade Commission Act (15 U.S.C. 46) is amended—

(1) by inserting immediately after "section 18(f)(3)," the following: "Federal credit unions described in section 18(f)(4),"; and

(2) by inserting immediately after "in business as a savings and loan institution," the following: ", in business as a Federal credit union,".

(c)(1) The second sentence of section 18(f)(1) of the Federal Trade Commission

Act (15 U.S.C. 57a(f)(1)) is amended by inserting immediately after "paragraph (3))" the following: "and the National Credit Union Administration Board (with respect to Federal credit unions described in paragraph (4))".

(2) The last sentence of section 18(f)(1) of the Federal Trade Commission Act (15 U.S.C. 57a(f)(1)) is amended—

(A) by striking "either such" and inserting in lieu thereof "any such";

(B) by inserting "or Federal credit unions described in paragraph (4)," immediately after "paragraph (3)," each place it appears therein; and

(C) by inserting immediately after "with respect to banks" the following: ", savings and loan institutions or Federal credit unions".

(3) Section 18(f) of the Federal Trade Commission Act (15 U.S.C. 57a(f)) is amended by redesignating paragraphs (4), (5), and (6) as paragraphs (5), (6), and (7), respectively, and by inserting immediately after paragraph (3) the following:

"(4) Compliance with regulations prescribed under this subsection shall be enforced with respect to Federal credit unions under sections 120 and 206 of the Federal Credit Union Act (12 U.S.C. 1766 and 1786).".

COMMERCIAL ADVERTISING

SEC. 11. Section 18(h) of the Federal Trade Commission Act (15 U.S.C. 57a(h)), as so redesignated in section 4(a) of this Act, is amended by adding at the end thereof the following: "The Commission shall have no authority under this section to initiate any new rulemaking proceeding which is intended to or may result in the promulgation of any rule by the Commission which prohibits or otherwise regulates any commercial advertising on the basis of a determination by the Commission that such commercial advertising constitutes an unfair act or practice in or affecting commerce.".

REPORT

SEC. 12. (a) The Federal Trade Commission shall submit to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Energy and Commerce of the House of Representatives the information specified in subsection (b) of this section every six months during each of the fiscal years 1988, 1989, and 1990. Each such report shall contain such information for the period since the last submission under this section.

(b) Each such report shall list and describe, with respect to instances in which resale price maintenance has been suspected or alleged—

(1) each complaint made, orally or in writing, to the offices of the Commission;

(2) each preliminary investigation opened or closed at the Commission;

(3) each formal investigation opened or closed at the Commission;

(4) each recommendation for the issuance of a complaint forwarded by the staff to the Commission;

(5) each complaint issued by the Commission pursuant to section 5 of the Federal Trade Commission Act (15 U.S.C. 45);

(6) each opinion and order entered by the Commission;

(7) each consent agreement accepted provisionally or finally by the Commission;

(8) each request for modification of an outstanding Commission order filed with the Commission;

(9) each recommendation by staff pertaining to a request for modification of an outstanding Commission order; and

(10) each disposition by the Commission of a request for modification of an outstanding Commission order.

Such report shall include the sum total of matters in each category specified in paragraphs (1) through (10) of this subsection, and copies of all such consent agreements and complaints executed by the Commission. Where a matter has been closed or terminated, the report shall include a statement of the reasons for that disposition. The description required under this subsection shall be as complete as possible but shall not reveal the identity of persons or companies making the complaint or those complained about or those subject to investigation that have not otherwise been made public.

CONGRESSIONAL REVIEW OF RULES

SEC. 13. (a) The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended by inserting after section 24, as added by section 3 of this Act, the following new section:

"SEC. 25. (a) For purposes of this section, the term—

"(1) 'appropriate committee' means either the Committee on Commerce, Science, and Transportation of the Senate or the Committee on Energy and Commerce of the House of Representatives, as the case may be;

"(2) 'joint resolution' means a joint resolution which does not contain a preamble and the matter after the resolving clause of which is as follows: 'That the Senate and the House of Representatives disapprove the rule entitled   , transmitted to the Congress by the Federal Trade Commission on   , 19 .', the blank spaces being filled with the appropriate title of the rule and the date of transmittal of the rule to the Congress, respectively; and

"(3) 'rule' means any rule promulgated by the Commission pursuant to this Act, other than any rule promulgated under section 19(a)(1)(A) and any interpretive or procedural rule.

"(b)(1) Except as provided in subsection (g)(1), on the day the Commission forwards to the Federal Register for publication a recommended rule, the Commission shall transmit a copy of such rule to the Secretary of the Senate and the Clerk of the House of Representatives. The Secretary of the Senate and the Clerk of the House of Representatives are authorized to receive a recommended rule under this subsection whether the appropriate House is in session, stands in adjournment, or is in recess.

"(2) On the day on which the Secretary of the Senate and the Clerk of the House of Representatives receive a recommended rule, the Secretary and the Clerk shall transmit a copy of such rule to the appropriate committees.

"(c)(1) notwithstanding any other provision of law, no recommended rule may become effective until the expiration of a period of ninety days after the date on which such rule is received by the Secretary of the Senate and the Clerk of the House of Representatives, except that such rule may not become effective under this paragraph if within such ninety-day period a joint resolution with respect to such rule has become law.

"(2) For purposes of this section—

"(A) the term 'days' means only days of continuous session of Congress;

"(B) continuity of session is broken only by an adjournment sine die at the end of a Congress; and

"(C) the days on which either House is not in session because of an adjournment or recess to a day certain shall be excluded in the computation of days of continuous session of Congress for the ninety-day period referred to in this subsection if the adjournment is for more than five days.

"(d) Notwithstanding any other provision of law, any rule subject to this section shall be considered a recommendation of the Commission to the Congress and shall have no force and effect as a rule unless such rule has become effective in accordance with this section.

"(e) Whenever an appropriate committee reports a joint resolution pursuant to this section, the resolution shall be accompanied by a committee report specifying the reasons for the committee's action.

"(f) Congressional inaction on, or rejection of, any joint resolution shall not be deemed an expression of approval of the rule involved. The compliance of the Commission with the requirements of this section, including any determination by the Commission under this section, shall not be subject to judicial review of any kind.

"(g)(1) If a recommended rule of the Commission does not become effective because of an adjournment of Congress sine die before the expiration of the period specified in subsection (c)(1), the Commission may resubmit the recommended rule at the beginning of the next regular session of Congress. The ninety-day period specified in the first sentence of subsection (c)(1) shall begin on the date of such resubmission, and such rule may only become effective in accordance with this section. The Commission shall not be required to forward such rule to the Federal Register for publication if such rule is identical to the rule transmitted during the previous session of Congress.

"(2) If a recommended rule of the Commission is disapproved under this section, the Commission may issue a recommended rule which relates to the same acts or practices as the disapproved rule. Such recommended rule—

"(A) shall be based upon—

"(i) the rulemaking record of the recommended rule disapproved by the Congress; or

"(ii) such rulemaking record and the record established in supplemental rulemaking proceedings conducted by the Commission, in accordance with section 553 of title 5, United States Code, in any case in which the Commission determines that it is necessary to supplement the existing rulemaking record; and

"(B) may reflect such changes as the Commission considers necessary or appropriate, including such changes as may be appropriate in light of congressional debate and consideration of the joint resolution with respect to the rule.

"(3) After issuing a recommended rule under this subsection, the Commission shall transmit such rule to the Secretary of the Senate and the Clerk of the House of Representatives, in accordance with subsection (b)(1), and such rule shall only become effective in accordance with this section.

"(h) The provisions of this subsection, paragraphs (1) and (2) of subsection (a), subsection (e), and subsections (i) through (1) are enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of joint resolutions, and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(i) Except as provided in subsection (l), joint resolutions shall, upon introduction or receipt from the other House of Congress, be immediately referred by the presiding officer of the Senate or the House of Representatives to the appropriate committee of the Senate or the House of Representatives, as the case may be.

"(j)(1)(A) Except as provided in subparagraph (B), if the committee to which a joint resolution has been referred does not report such resolution within 30 days after the date of transmittal to the Congress of the recommended rule to which such joint resolution relates, it shall be in order to move to discharge the committee from further consideration of such resolution.

"(B) If the committee to which a joint resolution transmitted from the other House has been referred does not report such resolution within 30 days after the date of transmittal of such resolution from the other House, it shall be in order to move to discharge such committee from further consideration of such resolution.

"(2) Any motion to discharge under paragraph (1) must be supported in the House in writing by one-fifth of the Members, duly chosen and sworn, and in the Senate by motion of the majority leader supported by the minority leader, and is highly privileged in the House and privileged in the Senate (except that it may not be made after a joint resolution has been reported with respect to the same rule), and debate thereon shall be limited to not more than one hour, the time to be divided in the House of Representatives equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees.

"(k)(1) Except as provided in paragraphs (2) and (3), consideration of a joint resolution shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(2) When a committee has reported or has been discharged from further consideration of a joint resolution, or when the companion joint resolution from the other House has been placed on the calendar of the first House, it shall be in order, notwithstanding any rule of the Standing Rules of the Senate (except rule XXII) or any rule of the House of Representatives at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of either such joint resolution. The motion is highly privileged in the House and privileged in the Senate and is not debatable.

"(3) Debate on a joint resolution shall be limited to not more than ten hours (except that when one House has debated the joint resolution of that House, the companion joint resolution of the other House shall not be debatable), which shall be divided in the House of Representatives equally between those favoring and those opposing the resolution and which shall be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees. An amendment to, or motion to recommit, the joint resolution is not in order. Any other motions shall be decided without debate, except that no motion to proceed to the consideration of any other matter shall be in order.

"(l) If a joint resolution has been reported or discharged from the committee of the House to which it was referred, and that House receives a joint resolution with respect to the same rule from the other House, the resolution of disapproval of the other House shall be placed on the appropriate calendar of the first House. If, prior to the disposition of a joint resolution of one House, that House receives a joint resolution with respect to the same rule from the other House, the vote in the first House shall occur on the joint resolution of the other House.".

(b)(1) This subsection is adopted as an exercise of the power of each House of Congress to determine the rules of its proceedings. The Congress specifically finds that the provisions of this subsection are essential to the Congress in exercising its constitutional responsibility to monitor and to review exercises by the executive of delegated powers of a legislative character.

(2)(A) After the Senate and the House of Representatives adopt a joint resolution with respect to a rule pursuant to section 25 of the Federal Trade Commission Act, it shall be in order in the Senate or the House of Representatives, notwithstanding any provision of the Standing Rules of the Senate (except rule XXII) or the Rules of the House of Representatives, to consider an amendment described in subparagraph (B) to a bill or resolution making appropriations for the Federal Trade Commission.

(B) An amendment referred to in subparagraph (A) is an amendment which only contains provisions to prohibit the use of funds appropriated in the bill or resolution described in such subparagraph for the issuing, promulgating, enforcing, or otherwise carrying out a rule with respect to which a joint resolution has been adopted pursuant to section 25 of the Federal Trade Commission Act.

(3) Debate on an amendment described in paragraph (2)(B) shall be limited to not more than four hours, which shall be divided in the House of Representatives equally between those favoring and those opposing the amendment and which shall be divided in the Senate equally between, and controlled, by the majority leader and the minority leader or their designees. An amendment to, or motion to recommit, the amendment is not in order. Any other motions shall be decided without debate, except that no motion to proceed to the consideration of any other matter shall be in order.

(c) The amendments made by this section shall cease, to have any force and effect on or after the date which is five years after the date of enactment of this Act.

(d) Section 21 of the Federal Trade Commission Improvements Act of 1980 (15 U.S.C. 57a-1) is repealed.

REPORT ON PREDATORY PRICING PRACTICES

SEC. 14. (a) The Federal Trade Commission shall submit to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Energy and Commerce of the House of Representatives the information specified in subsection (b) of this section every six months during each of the fiscal years 1988, 1989 and 1990. Each such report shall contain such information for the period since the last submission under this section.

(b) Each such report shall list and describe, with respect to instances in which predatory pricing practices have been suspected or alleged—

(1) each complaint made, orally or in writing, to the offices of the Commission;

(2) each preliminary investigation opened or closed at the Commission;

(3) each formal investigation opened or closed at the Commission;

(4) each recommendation for the issuance of a complaint forwarded by the staff to the Commission;

(5) each complaint issued by the Commission;

(6) each opinion and order entered by the Commission;

(7) each consent agreement accepted provisionally or finally by the Commission;

(8) each request for modification of an outstanding Commission order filed with the Commission;

(9) each recommendation by staff pertaining to a request for modification of an outstanding Commission order; and

(10) each disposition by the Commission of request for modification of an outstanding Commission order.

Such report shall include copies of all such consent agreements and complaints executed by the Commission referred to in such report. Where a matter has been closed or terminated, the report shall include a statement of the reasons for that disposition. The descriptions required under this subsection shall be as complete as possible but shall not reveal the identity of persons or companies making the complaint or those complained about or those subject to investigation that have not otherwise been made public. The report shall include any evaluation by the Commission of the potential impacts of predatory pricing upon businesses (including small businesses).

INTERVENTION BY COMMISSION IN CERTAIN PROCEEDINGS

SEC. 15. (a) The Federal Trade Commission shall not have any authority to use any funds which are authorized to be appropriated to carry out the Federal Trade Commission Act (15 U.S.C. 41 et seq.) for fiscal year 1988, 1989, or 1990, for the purpose of submitting statements to, appearing before, or intervening in the proceedings of, any Federal or State agency unless the Commission advises the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives, at least sixty days before any such proposed action, or, if such advance notice is not practicable, as far in advance of such proposed action as is practicable.

(b) The notice required in subsection (a) of this section shall include the name of the agency involved, the date upon which the Federal Trade Commission will first appear, intervene, or submit comments, a concise statement regarding the nature and purpose of the proposed action of the Commission, and, in any case in which advance notice of sixty days is not practicable, a concise statement of the reasons such notice is not practicable.

NATIVE AMERICAN ARTS AND CRAFTS

SEC. 16. Section 5(a) of the Federal Trade Commission Act is amended by adding at the end thereof the following:

"(4) It shall be an unfair method of competition in or affecting commerce, or an unfair or deceptive act or practice in or affecting commerce, within the meaning of this section, to sell imitation American

Indian art, crafts, or jewelry if the English name of the country of origin of such imitation art, crafts, or jewelry is not marked on such imitation art, crafts, or jewelry by means of etching, engraving, die stamping, raised lettering, or other equally permanent method of marking.".

REGIONAL OFFICES

SEC. 17. The Federal Trade Commission shall, from funds appropriated pursuant to the authorization contained in section 13 of this Act, redirect not less than $858,000 in each of the fiscal years 1988, 1989 and 1990 to support of activities undertaken by the regional offices of the Federal Trade Commission. Not less than $500,000 of such amount shall be redirected from amounts made available for activities undertaken within the Economic Activities Mission and the Office of Policy Development, and the remainder of such amount shall not be redirected from amounts made available for law enforcement activities. In addition to the funds specified in this section, the Federal Trade Commission shall in fiscal years 1988, 1989 and 1990 maintain such regional offices at the locations, and at not less than the funding level, which existed for such offices on the date of enactment of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 18. Section 26 of the Federal Trade Commission Act, as so redesignated by section 3 of this Act, is amended—

(1) by striking "and" after "1981,"; and

(2) by inserting immediately before the period at the end thereof the following: "; not to exceed $69,850,000 for the fiscal year ending September 30, 1988; not to exceed $70,850,000 for the fiscal year ending September 30, 1989; and not to exceed $71,850,000 for the fiscal year ending September 30, 1990, and such additional sums for the fiscal years ending September 30, 1989 and September 30, 1990, as may be necessary for increases in salary, pay, and other employee benefits as authorized by law".

STUDY OF HEALTH INSURANCE FOR THE ELDERLY

SEC. 19. (a) The Commission shall conduct a comprehensive study of—

(1) The use of potentially unfair, deceptive or misleading practices in the sale of health insurance to the elderly, including the sale of policies marketed as supplements to Medicare coverage, the relationship of the premiums for such policies to claims paid, and the effectiveness of the States in preventing unfair, deceptive, or misleading practices in the marketing and sale of such policies; and

(2) The increase in property and casualty insurance rates to small business owners, local governments, physicians, dentists and child care centers over the last seven years, including the extent of such increases, the relationship of increases to actual costs, the reasons for such increases, and the degree of competition in the market for such coverage. The study may include rate increases for self-insurers if the Commission deems it necessary.

(b) The Commission shall have the authority under section 6 of the Federal Trade Commission Act, 15 U.S.C. section 46, to conduct such studies and shall report to Congress within one year the results of such studies. In the event additional time is required to complete such studies, the Commission shall make an interim report within one year. The Commission shall make such report generally available to the public and other appropriate State officials.

EFFECTIVE DATE

SEC. 20. (a) Except as provided in subsections (b), (c), (d) and (e) of this section, the provisions of this Act shall take effect on the date of enactment of this Act.

(b) The amendment made by section 2 of this Act shall apply only with respect to proceedings under section 5 of the Federal Trade Commission Act after the date of enactment of this Act. This amendment shall not be construed to affect in any manner a cease and desist order which was issued, or a rule which was promulgated, before the date of enactment of this Act. This amendment shall not be construed to affect in any manner a cease and desist order issued after the date of enactment of this Act, if such order was issued pursuant to remand from a court of appeals or the Supreme Court of an order issued by the Federal Trade Commission before the date of enactment of this Act.

(c) The amendments made by sections 7 and 9 of this Act shall apply only with respect to cease and desist orders issued under section 5 of the Federal Trade Commission Act (15 U.S.C. 45), or to rules promulgated under section 18 of the Federal Trade Commission Act (15 U.S.C. 57a), after the date of enactment of this Act. These amendments shall not be construed to affect any manner a cease and desist order which was issued, or a rule which was promulgated, before the date of enactment of this Act. These amendments shall not be construed to affect in any manner a cease and desist order issued after the date of enactment of this Act, if such order was issued pursuant to remand from a court of appeals or the Supreme Court of an order issued by the Federal Trade Commission before the date of enactment of this Act.

(d) The amendments made by sections 6 and 11 of this Act shall apply only to rulemaking proceedings initiated after the date of enactment of this Act. These amendments shall not be construed to affect in any manner a rulemaking proceeding which was initiated before the date of enactment of this Act.

(e) The amendments made by section 8 of this Act shall apply only with respect to compulsory process issued after the date of enactment of this Act.

Mr. GORE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. McCAIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GORE. Mr. President, I thank the ranking member of our subcommittee, the Senator from Arizona [Mr. McCAIN]. I also express my thanks to the chairman of the full committee, Mr. HOLLINGS and the ranking member of the full committee, Mr. DANFORTH.

I thank the former chairman of the Consumer Subcommittee, the Senator from Kentucky [Mr. FORD] and also the Senator from Wisconsin [Mr. KASTEN] for their assistance to me and to Senator McCAIN in putting this legislation together.

I also want to thank the following members of the staff, both on the subcommittee and the personal staff on both sides of the aisle, who have worked very hard on the measure: Amy Bondurant, Thurgood Marshall, Jr., Larry Harrington, Chuck Harwood, Ralph Everett, Kevin Curtin, John Timmons, Martha Moloney, Linda Morgan, Mary Pat Bierle, Allen Moore, and Patti Smith.

I also thank all Senators who have assisted in getting this bill finalized and passed. I appreciate the help that I have received from each and every one of them.

Mr. McCAIN. Mr. President, I also wish to express my appreciation, first, to the distinguished majority leader for his patience during a couple of periods during the consideration of this bill, when it appeared that we were having some difficulty arriving at agreements, so that we could move forward. I am very appreciative of his patience and tolerance at various times.

I also express my appreciation for the masterful job performed by our subcommittee chairman, Mr. GORE, who was able to craft several important compromises in order that this bill might move forward.

I share his plaudits for the members of the staff who were instrumental in making this legislation come to pass.

I also suggest, Mr. President, that it is long overdue that this bill became reality. It has been since 1980 that the Federal Trade Commission has been reauthorized. I believe the overwhelming support, 88 to 9, is indicative of the will of the Senate that this bill become reality and we complete the reauthorization of the Federal Trade Commission.

Mr. President, I yield back my time.

Mr. BYRD. Mr. President, the manager and ranking member are entitled to the kudos of all of us. I add my compliments to those that have been expressed. My compliments and thanks to both the distinguished managers, Mr. GORE and Mr. McCAIN. They were skillful, masterful, patient, knowledgeable, and did, I think, a very fine piece of work. The Senate is in their debt. I hope that the rest of us will try to emulate the leadership that these two fine Senators have exemplified in the handling of this bill.

Mr. DOLE. Mr. President, I want to take just a moment to offer my congratulations to the junior Senator from Arizona, JOHN McCAIN, on the outstanding job he did as the Republican floor manager of the FTC authorization bill.

Senate freshmen do not often find themselves responsible for shepherding a major piece of legislation through floor action. This was not only a complicated bill, but, as the record will show, it required a great deal of careful negotiation—on and off the floor—to reach the point of final passage. Through it all, Senator McCAIN showed his considerable knowledge about the legislation, as well as patience and understanding with his colleagues.

So, Mr. President, I just want to thank Senator McCain for his diligence, his hard work, and tell him I hope this is only the first of many bills he will have the opportunity to manage here in the Senate.

PROTECTING FARM CREDIT SYSTEM BORROWERS

Mr. McCLURE. Mr. President, I understand this matter has been cleared on both sides of the aisle. I refer to Calendar 83, Senate Resolution 185, a resolution expressing the sense of the Senate regarding the importance of protecting the Farm Credit System borrowers' stock and allocated equities.

Mr. BYRD. Yes, Mr. President. I would like to call that resolution up at this time if there is no objection.

Mr. McCLURE. I would be pleased to have the distinguished Democratic leader do that.

Mr. BYRD. Mr. President, the distinguished Senator from Idaho is the author, with others. I take great pride in asking unanimous consent that the Senate proceed to the consideration of Calendar No. 83.

The PRESIDING OFFICER. Without objection, the resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 185) expressing the sense of the Senate regarding the importance of protecting Farm Credit System borrower stock and allocated equities and providing the opportunity for reasonable interest rates.

The Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The Chair recognizes the Senator from Idaho.

Mr. McCLURE. Mr. President, we all made our speeches on this matter yesterday and I do not mean to belabor the subject today. The very fact that it has the unanimous support it has—it has been cleared very speedily on both sides of the aisle; it has cosponsorship on both sides of the aisle—indicates both the sense of urgency and the rightness that we do something about it.

I underscore the fact that if we do nothing to protect the borrowers' equity in the Farm Credit System, we will simply drive more away. When we do that, we will make the financial condition of the Farm Credit System even more precarious.

Also, if we are going to save the Farm Credit System, we must take action now to get lower, more reasonable interest rates available for farm borrowers. High interest rates are also driving the borrowers away and I appreciate the action of the leadership on both sides of the aisle and my cosponsors in bringing this matter to the floor and having it ready for passage at this time. I urge its speedy adoption.

Mr. BOREN. Mr. President, I commend my colleagues for recognizing the importance of addressing the problems of the Farm Credit System and moving rapidly to consider Senate Resolution 185.

It is absolutely imperative that we move as soon as possible in resolving the problems confronting the Farm Credit System. If we continue to delay action, we face the possible collapse and destruction of the Farm Credit System as we know it now and as it has served this Nation so well over many decades.

The Farm Credit System is caught in a vicious cycle. In 1986 alone, the System lost approximately $1 billion of business each month. There are several reasons why the System is shrinking. First, interest rates within the System are very high. Second, some borrowers fear that their stock is jeopardized. Therefore, for these reasons, if the borrower can move to private financing sources, they do so.

When those who are most able to meet their payments on time leave the System, the System is left in a weakened condition with borrowers struggling to make their payments. The System suffers losses and is forced to raise interest rates in order to cover their losses. When they raise interest rates, they again drive out more of the borrowers who have the option of gaining other financing and place more burden on the borrowers forced to remain in the System.

This vicious cycle continues and every month that we wait, we risk losing another 1 billion dollars' worth of business and increasing the amount of money it will take to put the System back on the right track. The longer we wait, therefore, the more it will cost.

Mr. President, I certainly do not believe we can afford to give a blank check to the Farm Credit System. Reforms must be enacted. Mistakes of the past must be remedied so that we can make certain that the funds we invest now will do the job properly.

Time is of the essence, Mr. President. I am very proud to join the Senator from Idaho in turning the attention of the Senate to the solution of this problem. I have the responsibility of chairing the Subcommittee on Agricultural Credit of the Committee on Agriculture and I want my colleagues to know that we are working on a legislative package. The subcommittee has held hearings and we have scheduled a subcommittee markup after the Easter recess.

I urge all my colleagues to lend their support to this resolution.

The PRESIDING OFFICER. Is there further discussion on the resolution? The Chair hears none. The question is on agreeing to the resolution.

The resolution (S. Res. 185) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. Res. 185

Whereas Congress created the farmer-owned institutions of the Farm Credit System, which lend only to agriculture and are directly tied to the success of that industry;

Whereas the cooperative Farm Credit System is today the single largest agricultural lender in the United States and provides essential financial services to many thousands of farmers, ranchers and their cooperatives through Production Credit Associations, Federal Land Bank associations and Banks for Cooperatives;

Whereas it was the intent of Congress in enacting the Farm Credit Amendments Act of 1985 and the Farm Credit Amendments Act of 1986 that the stock and allocated equities of borrowers of institutions of the Farm Credit System not be impaired and that borrowers would receive interest rate relief;

Whereas the possibility of stock impairment and the continued high interest rates encourage farmers and ranchers to leave the Farm Credit System thereby deepening its financial problems and increasing the burden on the reamining borrowers; and

Whereas the Farm Credit System has depleted its assets to the point of capital impairment in some districts: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Farm Credit Administration and the Farm Credit System should make full use of the authorities in the Farm Credit Act of 1971, as amended, to ensure—

(1) that the stock or allocated equities of the borrowers of institutions of the Farm Credit System not be impaired; and

(2) the availability of credit on reasonable rates and terms.

Sec. 2. It is further the sense of the Senate that the Farm Credit Administration should certify the Farm Credit System's need for financial assistance in accordance with the Farm Credit Act of 1971, as amended, if borrower stock or allocated equities would, in the absence of such assistance, be impaired.

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCLURE. I thank the distinguished majority leader.

Mr. BYRD. I thank the distinguished Senator from Idaho.

TECHNICAL CORRECTIONS TO CERTAIN DEFENSE-RELATED LAWS

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 76.

The PRESIDING OFFICER. Is there objection? Without ojection, the clerk will state the bill.

The assistant legislative clerk read as follows:

A bill (H.R. 1783) to make technical corrections in certain defense-related laws.

Mr. NUNN. Mr. President, pending at the desk is H.R. 1783, the Defense Technical Corrections Act, which was approved by the House last week. The purpose of the bill is to make corrections in last year's legislation affecting the Department of Defense. During the closing days of the 99th Congress, several provisions of law were enacted in the Defense Authorization Act for Fiscal Year 1987 and in two different versions of the continuing resolution. The double and triple enactment of some provisions has created confusion as to effective dates. In addition, a number of ambiguities and technical errors have been identified. This bill makes the necessary corrections.

A number of the corrections pertain to rights in technical data. Nothing in the bill changes rights or obligations with respect to such data. Given the extensive attention that Congress has given to this issue, the committee will review implementation of these corrections to ensure that such implementation is consistent with the intent of Congress expressed during the 99th Congress.

Prompt enactment of the bill is necessary to ensure effective implementation of the law. I urge that it be adopted.

The PRESIDING OFFICER. Is there further debate on the bill? If not, the question is on the third reading and passage of the bill.

The bill was ordered to a third reading, was read the third time, and passed.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. McCAIN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DIRECTION OF SENATE LEGAL COUNSEL TO TAKE CERTAIN ACTION

Mr. BYRD. Mr. President, on behalf of Mr. Dole and myself, I send to the desk a Senate resolution and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution by title.

The assistant legislative clerk read as follows:

A Senate resolution (S. Res. 186) to direct the Senate Legal Counsel to represent committees of the Senate in *Shaw* v. *The Senate Intelligence Committee, et al.*

The Senate proceeded to consider the resolution.

Mr. BYRD. Mr. President, a plaintiff in an action in the U.S. Dictrict Court for the Southern District of Indiana has named two Senate committees as defendants. The committees are the Select Committee on Intelligence and the Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition. The plaintiff has also named Independent Counsel Lawrence Walsh, a Federal grand jury, and the House Select Committee to Investigate Covert Arms Transactions with Iran as defendants.

The plaintiff is seeking an opportunity to appear before these congressional committees and the grand jury which has been impanelled for the independent counsel's investigation. Every citizen has a right to petition the Congress and communicate information to it. However, committees of the Congress have an absolute right under the separation of powers to decide who will testify at their hearings.

This resolution will authorize the Senate Legal Counsel to represent the two Senate select committees in this case.

The PRESIDING OFFICER. Is there further debate on the resolution? If there is no further debate, the question is on agreeing to the resolution.

The resolution (S. Res. 186) was agreed to.

The preamble was agreed to.

The resolution with its preamble is as follows:

S. RES. 186

Whereas, in the case of *Shaw* v. *The Senate Intelligence Committee, et al.*, Civil Action No. 87-216C, pending in the United States District Court for the Southern District of Indiana, the plaintiff has named the Select Committee on Intelligence and the Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, among others, as defendants;

Whereas, pursuant to sections 703(a) and 704(a)(1) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(a) and 288(a)(1) (1982), the Senate may direct its counsel to defend committees of the Senate in civil actions relating to their official responsibilities: Now, therefore be it

Resolved, That the Senate Legal Counsel is directed to represent the Select Committee on Intelligence and the Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition in the case of *Shaw* v. *The Senate Intelligence Committee, et al.*

Mr. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. McCAIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

POWERPLANT AND INDUSTRIAL FUEL USE ACT AMENDMENTS

Mr. BYRD. Mr. President, I ask unanimous consent to proceed to the consideration of Calendar Order No. 73.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 85) to amend the Power Plant and Industrial Fuel Use Act of 1978 to repeal the end use constraints on natural gas, and to amend the Natural Gas Policy Act of 1978 to repeal the incremental pricing requirements, reported with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are printed in italic.)

S. 85

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) SHORT TITLE.—This Act may be referred to as the "Natural Gas Utilization Act of 1987".

(b) TABLE OF CONTENTS.—

TABLE OF CONTENTS

Sec. 1. Short title; table of contents.
Sec. 2. Repeal of certain sections of the Powerplant and Industrial Fuel Use Act of 1978.
Sec. 3. Conforming amendments.
Sec. 4. Repeal of incremental pricing requirements.
Sec. 5. Effective date.

REPEAL OF CERTAIN SECTIONS OF THE POWERPLANT AND INDUSTRIAL FUEL USE ACT OF 1978

SEC. 2. (a) The following sections of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8301 et seq.) are repealed:

[(1) sections 103 (a)(16), (a)(18), (a)(19), and (a)(29)—(42 U.S.C. 8302 (a)(16), (a)(18), (a)(19), and (a)(29));

[(2) sections 201 and 202 (42 U.S.C. 8311 and 8312);**]**

(1) **[***(3)***]** section 302 (42 U.S.C. 8342);

(2) **[***(4)***]** section 401 (42 U.S.C. 8371);

(3) **[***(5)***]** section 402 (42 U.S.C. 8372); and

(4) **[***(6)***]** section 405 (42 U.S.C. 8375).

(b) The table of contents of the Powerplant and Industrial Fuel Use Act of 1978 is amended by striking the items relating to the sections repealed by subsection (a) of this section.

CONFORMING AMENDMENTS

SEC. 3. (a) Section 102 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8301) is amended by striking "and major fuel-burning intallations" **[**and "and new" wherever these phrases appear**]** *wherever this phrase appears.*

(b) Section 103 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8302) is amended—

(1) in subsection (a)(13)(B), by—

(A) striking clause (ii)(III);

(B) striking **[**"; or"**]** *the semicolon and "or"* at the end of clause (ii)(II), and inserting a period in **[**its**]** *their* place; and

(C) inserting "and" at the end of clause (ii)(I);

(2) in subsection (a)(15), by striking "or major fuel-burning installation" **[**and "or new" wherever these phrases appear**]** *wherever this phrase appears*;

(3) in subsection (a)(20), by striking "or major fuel-burning installation";

[(4) by redesignating subsections (a)(17), (a)(20), (a)(21), (a)(22), (a)(23), (a)(24), (a)(25), (a)(26), (a)(27), and (a)(28) as subsections (a)(16), (a)(17), (a)(18), (a)(19), (a)(20), (a)(21), (a)(22), (a)(23), (a)(24), and (a)(25);]

(4) by inserting a new subsection (a)(30) to read as follows:

"(30) The term 'capability to use coal' means requiring an electric powerplant to have sufficient inherent design characteristics which will permit the addition of equipment (including all necessary pollution control devices) necessary to render such electric powerplant capable of using coal or another alternate fuel as its primary energy source. Such definition shall ensure that a new electric powerplant shall not be physically, structurally, or technologically precluded from using coal or another alternate fuel as its primary energy source. Capability to use coal or another alternate fuel shall not be defined or interpreted to require any such powerplant to be immediately able to use coal or another alternate fuel as its primary energy source on its initial day of operation.";

(5) in subsection (b), by striking "or major fuel-burning installation" wherever this phrase appears;

(6) in subsection (b)(1)(D), by striking everything after "synthetic gas involved" and inserting in its place a period; and

(7) by striking subsection (b)(3), and redesignating subsection (b)(4) as subsection (b)(3).

(c) Section 104 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8303) is amended to read as follows:

"The provisions of the Act shall apply [in all the] *within the contiguous 48* States, [Puerto Rico,] and the [territories and possessions of the United States, except Hawaii and Alaska] *District of Columbia.*".

(d) Section 201 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8311) is amended—

(1) by striking "—(1) natural gas or petroleum shall not be used as a primary energy source in any new electric powerplant; and (2)";

(2) by redesignating the remaining section as subsection (a);

(3) in redesignated subsection (a), following "constructed" by inserting "or operated as a baseload powerplant"; and

(4) by inserting a new subsection (b) to read as follows:

"(b) The prohibition contained in this section shall not apply to any peakload powerplant or to any intermediate load powerplant: Provided, however, That hours of generation pursuant to emergency situations as defined by the Secretary and reported to the Secretary shall not be included in determining whether a powerplant is being operated as a baseload powerplant.".

(e)(1) Section 202 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8312) is amended to read:

"Sec. 202. Certification of Compliance.—

"(a) Self-certification.—In order to meet the requirement of section 201(a), the owner or operator of any new baseload electric powerplant proposing to use natural gas or petroleum as its primary energy source shall certify to the Secretary prior to construction, or prior to operation as a baseload powerplant in the case of a new peakload or new intermediate load electric powerplant, that such powerplant has capability to use coal, as defined in section 103(a)(30).

"(b) Technical information.—The Secretary may require the owner or operator of such powerplant to provide such supporting documents as may be necessary to verify the certification.".

(2) The table of contents of the Powerplant and Industrial Fuel Use Act of 1978 is amended by amending the item relating to section 202 to read "Certification of Compliance.".

(f) Section 211 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8321) is amended—

(1) by striking "or installation" wherever it appears;

(2) in subsection (a)(1) by striking "using imported petroleum" and inserting "the fuel that would be used"; and

(3) by striking subsections (c) and (d) and by redesignating subsection (e) as subsection (c).

(g) Section 212 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8322) is amended—

(1) in subsections (a), (b), (d), and (e) by striking "or installation" each time it appears;

(2) in subsection (a)(1)(A) by striking "using imported petroleum" and inserting "the fuel that would be used";

(3) in subsection (a)(2) by striking "— (A) in the case of a new major fuel-burning installation, be made with respect to the site of such installation proposed by the petitioner; and (B)";

(4) in subsection (d) by striking the "(1)"; by striking existing paragraph (2); and by redesignating clauses (A) and (B) as paragraphs (1) and (2); and

(5) by striking subsections (g), (h), (i), and (j).

[(d)] *(h)* Section 303 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8343) is amended—

(1) by striking "or installation" and "or installations" wherever the phrases appear;

(2) by striking "or 302" wherever the phrase appears;

(3) by striking subsection (a)(3);

(4) by amending subsection (b)(1) to read as follows:

"(1) The Secretary may prohibit, by rule, the use of natural gas or petroleum under section 301(b) in existing electric powerplants.";

(5) in subsection (b)(3), by striking "or major fuel-burning installation"; and

(6) by amending the last sentence of subsection (b)(3) to read as follows: "Any such rules shall not apply in the case of any existing electric powerplant with respect to which a comparable prohibition was issued by order.".

[(e)] *(i)* Section 403 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8373) is amended by striking—

(1) in subsection (a)(1), "major fuel-burning installation, or other unit" and the comma immediately preceding this phrase and "installation, or unit" and the comma immediately preceding this phrase;

(2) in subsection (a)(2), "installation, or other unit" and the comma immediately preceding that phrase, and "installation, or unit" and the comma immediately preceding that phrase;

(3) in subsection (a)(2), the last sentence; and

(4) subsection (a)(3).

[(f)] *(j)* Section 404 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8374) is amended by striking—

(1) in subsection (c), "new or" in the phrase "applicable to any new or existing electric powerplant"; and

(2) subsection (g).

[(g)] *(k)* Section 701 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8411) is amended by [striking] *striking* [*(1)*] in the last sentence of subsection (b), "or [installation";] *installation*".

[(2) subsection (c);

[(3) in the title of subsection (d), "And Exemptions";

[(4) in the first sentence of subsection (d)(1), "or any petition for any order granting an exemption (or permit";

[(5) in subsection (d)(1)(B), "or in the consideration of such petition,";

[(6) in subsection (f), "or a petition for an exemption (or permit) under this Act (other than under section 402 or 404),"; and

[(7) subsection (g).

[(h) Section 702 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8412) is amended by striking—

[(1) in the title of subsection (a), "Or Exemption";

[(2) in subsection (a), "or granting an exemption (or permit)";

[(3) subsection (b), and redesignating subsection (c) as subsection (b);

[(4) in the first sentence of subsection (b)(1) (as redesignated), "or by the denial of a petition for an order granting an exemption (or permit) referred to in subsection (b),";

[(5) in the first sentence of subsection (b)(1) (as redesignated), "such rule, order, or denial is published under subsection (a) or (b)" and inserting in its place "such rule, or order is published under subsection (a)";

[(6) in the first sentence of subsection (b)(2) (as redesignated), "the rule, order, or denial" and inserting in its place "the rule or order";

[(7) in the second sentence of subsection (b)(2) (as redesignated), "(or denial thereof)"; and

[(8) in subsection (b)(3) (as redesignated), "any such rule, order, or denial" and inserting in its place "any such rule or order".]

[(i)] *(l)* Section 711 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8421) is amended by striking in the first sentence of subsection (a), "or a major fuel-burning installation".

[(j)] *(m)* Section 721 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8431) is amended by striking subsection (c) and redesignating subsection (d) as subsection (c).

[(k)] *(n)* Section 723 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8433) is amended by striking [subsection (b)] *subsections (b)(2) and (c)(1) and (2)* and redesignating [subsections (c) and (d) as subsections (b) and (c)] *subsection (b)(1) as subsection (b).*

[(l)] *(o)* Section 731 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8441) is amended by striking—

(1) "or major fuel-burning installation" wherever the phrase appears; and

(2) "title II or" in subsections (a)(1) and (g)(3).

[(m)] *(p)* Section 745 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8455) is amended by striking in the first sentence of subsection (a), "from new and existing electric powerplants and major fuel-burning installations" and inserting in its place "from existing electric powerplants".

[(n)] *(q)* Section 761 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8471) is amended by striking—

(1) in subsection (a), "any existing or new electric powerplant or major fuel-burning installation" and inserting in its place "any existing electric powerplant"; and

(2) in subsection (b)—

(A) "new or" in the phrase "In the case of any new or existing facility"; and

(B) "except to the extent provided under section 212(b) or section 312(b)" and the comma immediately preceding that phrase.

REPEAL OF INCREMENTAL PRICING REQUIREMENTS

SEC. 4. (a) Subject to subsections (b) and (c) of this section, title II of the Natural Gas Policy Act of 1978 (15 U.S.C. 3341-3348) is repealed, and the items relating to title II are striken from the table of contents of that Act.

(b) A rule promulgated by the Commission under title II of the Natural Gas Policy Act of 1978 shall continue in effect only with respect to the flowthrough of costs incurred before the enactment of this section, including any surcharges based on such costs.

(c) The Commission may take appropriate action to implement this section.

EFFECTIVE DATE

SEC. 5. The provisions of this Act shall take effect on the date of enactment.

Mr. JOHNSTON. Mr. President, I am very pleased to bring S. 85, the Natural Gas Utilization Act of 1987, to the Senate floor.

Enactment of this legislation is long overdue. Since the Fuel Use Act was enacted in 1978, energy markets have practically been turned upside down. At that time, we had a shortage of natural gas in the interstate market; now we have a surplus. People used to worry about skyrocketing energy prices; now both oil and natural gas prices are severely depressed.

If we have learned anything in the intervening years, it is to expect the unexpected. And we must plan accordingly.

This bill meets the challenge of today. It relaxes an overzealous government regulatory scheme enacted in that earlier energy era. But it also requires utilities to maximize their fuel options in building new, baseload generating capacity. It requires new, baseload powerplants to have the "capability to use coal." That term is defined as:

> * * * requiring an electric powerplant to have sufficient inherent design characteristics which will permit the addition of equipment (including all necessary pollution control devices) necessary to render such electric powerplant capable of using coal or another alternate fuel as its primary energy source. Such definition shall ensure that a new electric powerplant shall not be physically, structurally, or technologically precluded from using coal or another alternate fuel as its primary energy source. Capability to use coal or another alternate fuel shall not be defined or interpreted to require any such powerplant to be immediately able to use coal or another alternate fuel as its primary energy source on its initial day of operation.

That "coal capability" language represents a long-sought compromise between several members of our committee. My colleague from Kentucky, Senator FORD, was instrumental in crafting that compromise. He is an extraordinarily able advocate, and a zealous protector of his State's interests. I want to thank him personally and publicly for his willingness to work on, and to achieve, this compromise.

The Senator from New Mexico [Mr. DOMENICI] took the lead on this legislation last Congress. He did so, even though he was already carrying a very heavy load as chairman of the Budget Committee. If it had not been for his dogged determination last year, and his renewed efforts this year, we certainly would not have gotten this far. New Mexico is both a gas-producing State, and a coal-producing State. He has worked hard to balance both of those interests and I commend him and thank him for his efforts.

This compromise proposal was reported out of the Energy Committee unanimously. That is a reflection of the support that it has outside this body. It is endorsed by a host of organizations, in all aspects of the energy and utility business. The American Gas Association supports this bill. The National Coal Association supports this bill. The Natural Gas Supply Association supports this bill. The Edison Electric Institute supports this bill. The Consumer Federation of America supports this bill. The International Brotherhood of Electric Workers supports this bill. The National Association of Regulatory Utility Commissioners supports this bill. I do not have an exhaustive list of organizations that have endorsed the legislation, but I am certain my colleagues have been contacted by many, many constituent groups urging them to support it.

Having been through years of natural gas battles, and other energy legislative battles, I can assure my colleagues that any bill with that broad range of support is, by definition, a good deal.

I do not want to belabor the good points of this piece of legislation. It will open up new natural gas markets. That point is critical as far as I am concerned. It will not solve all of our energy industry's woes by a long shot, but it is a good beginning.

With that, I urge its adoption.

Mr. McCLURE. Mr. President, I rise to support enactment of S. 85 as reported by the Energy and Natural Resources Committee. The Natural Gas Utilization Act of 1987 represents a significant step forward in our efforts to remove energy market contraints enacted during the energy crises of the 1970's. S. 85 reflects an extensive legislative effort begun in the 98th Congress when the Energy and Natural Resources Committee reported comprehensive natural gas legislation—S. 1715.

The measure repeals provisions of both the Powerplant and Industrial Fuel Use Act of 1978 and the Natural Gas Policy Act of 1978. The Fuel Use Act and the Natural Gas Policy Act are two of the five statutes commonly referred to as the National Energy Act. These statutes were enacted at a time when American consumers still remembered the effects of the 1973 oil embargo, as well as the effects of winter natural gas curtailments.

For example, the Congress in 1978 enacted the Fuel Use Act to "reduce the vulnerability of the United States to energy supply interruptions" by conserving natural gas and petroleum for "uses, other than electric utility or other industrial or commercial generation of steam or electricity, for which there are no feasible alternatives," by encouraging the use of coal.

While I agree with these basic objectives, I do not now, nor did I then, believe that it is appropriate for the Federal Government to dictate the fuel of choice to be used by electric utilities and major industrial facilities. By dictating the fuel to be used, the act represents an unprecedented and inappropriate intrusion into the marketplace by government.

This situation is corrected by S. 85. The bill amends the Fuel Use Act in two principal respects. First, the measure repeals the existing statutory prohibitions on the use of natural gas or petroleum in new electric powerplants or in new large industial installations. Second, the bill repeals the existing statutory requirements that any new electric powerplant be designed to use other than natural gas or petroleum at the time of its construction and be capable of actually using coal or another alternate fuel upon commencing operation.

The bill replaces these current requirements of law with two simple objectives: First, to encourage long-term utility planning and, second, to foster fuel use flexibility in new baseload electric powerplants. The measure requires certain new electric powerplants to have the capability by design to later be converted from natural gas or oil to coal—or another alternate fuel—as market conditions warrant. This capability for convertibility is required for only new baseload electric powerplants.

Mr. President, at this point in my remarks, it would be useful to comment on what constitutes coal capability under the terms of S. 85, and the procedure that is provided for in S. 85 for self-certification of such a coal capability.

Underlying this concept is the objective, over the long term, to encourage the use of coal in the baseload generation of electric power by fostering the flexibility to use more than one fuel, particularly where the fuel to be used is natural gas of petroleum. This flexibility is achieved by requiring a capability for eventual conversion to coal—or another alternate fuel—as market conditions warrant. The capability for such eventual convertibility can be achieved at minimal, if any, additional initial expense.

In the case of a new baseload powerplant employing a boiler, the boiler must have the design characteristics, such as the size of its combustion chamber, to enable it to use coal. In addition, there must be provision for adequate space for the eventual addition of all the necessary equipment, such as pollution control equipment, to enable the use of coal in compliance with applicable environmental requirements. Dedication of actual space for future coal handling facilities, such as coal storage, coal preparation facilities, and so forth, would not be required.

In the case of a new baseload electric powerplant employing a combustion gas turbine, the initial power generation must be capable of conversion to coal derived fuels; it must not be precluded from eventually using coal. For example, a phased construction approach is available to electric utilities with commercially available combustion turbines. Initially, certain types of simple-cycle combustion turbines can be added to a utility system, for example, for peaking purposes. Later, as the need develops, such generating units can be upgraded to combined-cycle facilities by the addition of steam generators to recover waste heat from the initial combustion turbine. Finally, if market conditions dictate, the combined-cycle unit can, in turn, be retrofitted for the use of coal derived fuels, either onsite or at a nearby site.

Combustion turbines capable of such upgrading to the eventual use of coal derived fuels for the baseload generation of electricity would be considered to be initially coal capable for the purpose of S. 85. The dedication of actual space for the eventual production of coal derived fuels would not be required as a condition of coal capability at the time of construction or initial operation.

This phased approach to construction enables the addition of generating capacity in a rational, cost-effective, timely manner. Utilities also are provided with a flexibility that will enable them to take advantage of future technology improvements.

Such integrated combined-cycle generating capacity using coal derived fuels is commercially available. The 100-megawatt Cool Water facility near Barstow, CA, is such an operating facility. This facility represents one of the major accomplishments of the Synthetic Fuels Corporation in conjunction with the Electric Power Research Institute.

Also, as the distinguished chairman of the Energy and Natural Resources Committee knows, an integrated combined-cycle powerplant is being built by Dow Chemical Co., in his State of Louisiana. The plant will produce 160 megawatts of electricity.

Such integrated combined-cycle powerplants enable utilities to add capacity in aproximately 100-megawatt increments that closely match load growth. A utility can thus avoid placing at risk the major capital expenditures that are now associated with the addition of new baseload coal and nuclear capacity.

I would like, now, Mr. President, to turn to the procedure for self-certification of such a coal capability. Under this procedure an owner or operator of a new, baseload electric powerplant who proposes to use natural gas or petroleum as its primary energy source may certify that such powerplant has the capability to use coal.

Self-certification is intended to be a simple procedure by which an entity proposing to construct a new baseload electric powerplant can provide an assurance to the Secretary of Energy that the plant will not be "Physically, structurally, or technologically precluded from using coal. * * * " This procedure is not intended to provide the Department of Energy with authority to approve or disapprove the certification. Such authority would be analogous to an exemption process, which is not intended. To the extent that the certification is reviewed, the role of the Secretary is one of verification.

In the event that such a certification is not possible, there remains available the alternative of seeking an exemption from this coal capability requirement under the existing Fuel Use Act exemption process.

But more importantly, this coal capability requirement would apply to only one category of major fuel users—baseload electric powerplants. Intermediate load powerplants, peak load powerplants, and major fuel burning installations, no longer would be subject to the statutory prohibitions and exemptions procedures of the Fuel Use Act.

There are two exceptions. First, industrial cogeneration facilities that sell sufficient electricity—50 percent of their output—are classified as powerplants for the purpose of the Fuel Use Act. In turn, if they propose to operate more than 3,500 hours per year, they would be considered baseload facilities under S. 85 and thus subject to the coal capability requirement I mentioned. Similarly, if an intermediate or peak load powerplant proposes to instead operate as a baseload electric powerplant, it would be subject to the same coal capability requirement.

In either situation, under S. 85 such cogenerators or powerplants could avail themselves of the new certification procedure of coal conversion capability as well as the cogeneration and other exemptions in existing law, that are retained.

In addition, S. 85 repeals the incremental pricing requirements of the Natural Gas Policy Act of 1978.

For these reasons, I thus support repeal of the Fuel Use Act's prohibitions on the use of natural gas and petroleum, which contravene market forces.

In conclusion, Mr. President, S. 85 reflects a significant step forward in our efforts to remove energy market constraints imposed by the National Energy Act, and I urge its passage.

Nevertheless, Mr. President, I remain disturbed by the short-term horizons that characterize utility planning and State regulatory decisions in the 1980's. Many electric utilities are taking the easy way out avoiding the hard investment decisions that are necessary to meet anticipated electricity demands in the 1990's; as a consequence, we may well return to regional, if not national, shortages.

State regulatory bodies, in turn, are apparently preoccupied with low-consumer costs in the short term; thus a regulatory environment is created which encourages short-term solutions at the expense of long-term electricity reliability. Eventually new baseload coal and nuclear capacity will be required; State regulatory commissions should be establishing an environment that allows such additions to capacity to occur in an orderly way, with a gradual reflection in rates, rather than the rate shock that has often occurred in the past.

In this regard, S. 85 can ease this transition period by encouraging dual capability in the event that there are future curtailments of either natural gas or petroleum supplies. As recent hearings on the world oil outlook highlighted, maintenance of such a dual fuel capability is particularly important when a utility relies on imported petroleum supplies.

Unfortunately, in 1973, many electric utilities did not possess such a dual fuel capability; the resultant rigidity in fuel use patterns exacerbated the effect of the embargo. In the intervening years we have acquired a greater fuel flexibility which we cannot afford to now lose.

S. 85 preserves the ground we have gained in the intervening years, while repealing the major end use constraints on the use of natural gas and petroleum that characterized the 1970's. Now market forces will dictate the fuel of choice—as they should.

Mr. BYRD. Mr. President, S. 85, the Natural Gas Utilization Act of 1987, as reported out of the committee, is legislation that I support. I congratulate the distinguished chairman of the Energy Committee, Senator JOHNSTON, for working with Senator FORD to craft the compromise coal capability amendment that is now included in this bill.

Energy production is very important in my own State of West Virginia. Not only coal production, but also natural gas production. Both of these industries will benefit under this legislation. The oil and natural gas industry will benefit because we will have repealed the ban on the use of oil or natural gas in new powerplants. The coal industry will benefit because S. 85 will require that an entity proposing to construct a new baseload electric generating facility certify to the Secretary of Energy that the plant is not "physically, structurally, or technologically precluded from using coal." We will now provide the flexibility so that utilities can react appropriately to changing fuel price scenarios.

As a result, this legislation makes a contribution to sound national energy policy. The requirement that new baseload generating facilities be coal capable establishes the principle that utilities cannot be allowed to irreversibly commit to a single fuel source; new baseload powerplants must be capable of converting to coal as economics or national security warrant.

Again, I commend the distinguished chairman of the Energy Committee, Senator JOHNSTON, for his fine efforts to work with the distinguished Senator from Kentucky on the coal capability compromise.

Mr. FORD. Mr. President, I am pleased to support S. 85 as reported by the Committee on Energy and Natural Resources. This piece of legislation is a compromise that was not easily achieved. The 18 to 0 committee reporting vote does show that the compromise has merit and general support from gas, utility and coal interests. I believe that it is foremost in the public interest because it makes the choice to leave open our fuel options with respect to baseload utility plants.

Mr. President, as a member of the Energy and Natural Resources Committee, I, together with many of my colleagues still on the committee, went through the drafting of what became the Fuel Use Act. I chaired for the Senate side a substantial portion of the hard-fought and sometimes acrimonious conference. I supported the final bill because it stressed the use of coal rather than our more limited oil and gas resources.

However, in the trade-offs that went into final passage of the Fuel Use Act of 1978, several features were included that I had opposed. Chief among these was the rquirement that utilities using gas get off gas by 1990. This went too far and closed out the gas option. In 1979, the Ford-Lugar bill proposed to delete this provision. After the election of 1980, the bill—for some reason—was redesignated Lugar-Ford and incorporated in the Reconciliation Act of 1981.

Mr. President, I recount this only to point out that I am not a "johnny-come-lately" to the issue and that I have tried, as best I could, to maintain the position that we must leave our fuel options open. For this reason, I opposed complete repeal of the Fuel Use Act in the 99th Congress and used every legislative device open to me to block its passage. For this reason, I opposed S. 85 as introduced.

I have long maintained that, at a minimum, new baseload utility powerplants should be "coal capable." Baseload powerplants are 75 percent of coal's market. If they are not coal capable, the coal fuel-option is closed because a coal-fired plant in place can be converted to gas but a gas-fired plant in place cannot be converted to coal.

Mr. President, I support S. 85 because of its coal-capable provisions. I am satisfied that they are reasonable and defensible. I am satisfied that they leave open the coal option without restricting the gas option. For a long time, the position that I represent was a somewhat lonely one. It was caught up in the politics of interest-group associations who had an expounded dogma to defend. However, last year I was encouraged when the distinguished Senator from Texas [Mr. GRAMM] included a coal-capable provision in his proposed Fuel Use Act revisions.

Technology has outrun the frozen concepts represented on the one hand by the original Fuel Use Act and, on the other hand, by those who would close out the coal option and the devil take the hindmost. The Energy and Natural Resources Committee in this year's hearings, for the first time, took a good, hard look at the technology of what went into making a powerplant coal capable, or coal convertible.

We found that the technology was ready, that it was not as expensive as advertised by some, that land was not as vital an element as thought. Coalwater, in operation, and VEPCO, as planned, showed how it can be done.

Mr. President, S. 85 as reported is a legislative achievement of no small import. For this, the congratulations of the Senate, together with my personal thanks, are due the distinguished chairman, Senator JOHNSTON, the ranking minority member, Senator MCCLURE, and the other members of the Energy Committee.

The Energy Committee staff really got the final job done, as it always has—Betsy Moler, Daryl Owen, Mike Harvey, Gary Ellsworth, Frank Cushing and Richard Grundy, in particular.

Mr. GRAMM. I am pleased to join my colleagues in expressing my support for S. 85, a bill to modify the Powerplant and Industrial Fuel Use Act of 1978. The Fuel Use Act was unnecessary when it was passed, and it is certainly not needed today.

Repeal of the end-use constraints on natural gas imposed by the Fuel Use Act as well as repeal of the incremental pricing provisions of the NGPA are certainly appropriate under today's market conditions. Proven natural gas reserves today are sufficient to provide a 10-year supply of natural gas at current consumption rates. S. 85 permits natural gas to be burned in new industrial and powerplant facilities which should open new markets for gas producers. The emergence of new markets should serve to encourage additional exploration and drilling for new domestic natural gas reserves.

S. 85 will help to remove many of the obstacles to market driven fuel use choices by industrial and utility energy managers. Although complete repeal of the Fuel Use Act is preferable, this legislation represents an important move in the right direction to help Texas, and all natural gas producing States which contribute to domestic energy security by developing new gas reserves.

Mr. BENTSEN. Mr. President, I support adoption of the Natural Gas Utilization Act of 1987. I congratulate Senator JOHNSTON and the other members of the Energy and Natural Resources Committee for taking this potent step in our efforts to craft a national energy policy designed to reduce the risks of another oil embargo. The purpose of the NGU is straightforward: To spark greater use of abundant natural gas. That will serve to encourage the substitution of natural gas for scarce oil in a variety of domestic uses, and will encourage further exploration for natural gas—and the oil which is typically found in the same formations. Both actions will minimize our dependence on imported oil and promote energy independence.

BACKGROUND

In 1985, the United States was producing nearly 11 million barrels per day of oil, and oil exploration was robust. We had nearly stabilized proved oil reserves. And our dependence on insecure imported oil was down to a manageable 27 percent of domestic consumption.

That picture changed dramatically for the worse last year when the Organization of Petroleum Exporting Countries [OPEC] began to manipulate prices and drive U.S. producers out of business with cutthroat price cutting. Oil prices plunged by over 50 percent and continue to gyrate even today. The cash-flow and future prospects for the domestic energy industry—natural gas as well as oil—dropped through the floor. Exploration fell by half. Drilling activity fell by half. Profits disappeared. And unemployment among oil geologists and roustabouts soared to depression-era levels as high as 35 percent as oil industry activity dropped to record lows across the board.

Demand for oil rose modestly. But production plunged by over 900,000 barrels daily as stripper wells by the thousands were shut in. Foreign oil—largely from the volatile Middle East—surged ashore to replace declining domestic output. And imports jumped to 40 percent, with experts predicting they would exceed 50 percent in only a few more years.

OPEC's manipulation of world oil markets has considerably darkened the oil picture for the industrialized economies. Our own energy outlook is grim, as well. Demand has continued to rise while domestic production has continued dwindling, pushing our energy dependence higher and higher. All the preconditions to another OPEC embargo are being put in place. Yet, the administration is paralyzed with indecision. Some Cabinet officers like Interior Secretary Donald Hodel realize we face gasoline lines without an effective energy security policy. But the White House itself is seemingly indifferent to the risks our rising energy dependence poses for OPEC blackmail.

In the past, I have criticized Wall Street and American managers for adopting a short-time horizon, for unwisely making investment decisions primarily with next quarter's earnings report in mind. That same short-time horizon, and insensitivity to the longer run dangers thereby created, afflict the White House as well. We face an energy future of shortages, gasoline lines, embargoes, rising imports, OPEC price manipulation, and foreign policy blackmail. That is history. But it is also our future unless we adopt steps to turnaround domestic energy exploration and fend off rising imports.

THE NATURAL GAS UTILIZATION ACT

The Natural Gas Utilization Act is part of the answer. It unties restraints hastily imposed by the Fuel Use Act on the domestic use of natural gas during the dark winter of 1976-77 when natural gas shortages temporarily bedeviled the interstate gas market. Those shortages have long ago disappeared, replaced by excess production capacity as high as 4.6 trillion cubic feet.

These natural gas surpluses indicate that the restraints can be removed without jeopardizing consumers. And the NGU Act does so by: First, repealing the Fuel Use Act's prohibitions on the use of natural gas or petroleum in new electric powerplants or in new large industrial boiler facilities; and by second, amending the Fuel Use Act's requirement that new electric powerplants be capable of burning coal. This second provision has imposed costly requirements on utilities eager to burn abundant and cheap natural gas. And under the NGU Act, that requirement is modified. New baseload powerplants must be designed to be convertible to coal, rather than actually capable of burning it immediately.

The NGU Act also repeals the incremental pricing requirements of title II of the Natural Gas Policy Act of 1978. Like the Fuel Use Act, the Natural Gas Policy Act was crafted in an environment of natural gas shortages and has tended to discourage domestic gas and oil exploration. Specifically, the 1978 law imposed a surcharge on natural gas for certain boiler fuel users. It has become a cumbersome program which has distorted prices, and should be repealed.

The NGU Act contains other less potent provisions, as well. All of its provisions will stimulate the market for natural gas and remove the disincentives for exploration in the Fuel Use Act and the Natural Gas Policy Act. Because oil exploration and resource development typically occurs hand-in-glove with gas exploration, those laws have tended to debilitate energy exploration and magnify our dependence on foreign oil. Now the natural gas shortages which sparked the laws have disappeared, so should the laws themselves. Those laws were not needed when the oil industry was robust and reserve additions were keeping pace with consumption. And they are certainly not needed today when gushing OPEC imports threaten to swamp domestic production and expose the United States to the military dangers, the foreign policy blackmail, and the economic turmoil of OPEC embargoes.

Mr. DOMENICI. Mr. President, I would like the Senator from Louisiana to clarify something for me. The committee report on S. 85 states that a powerplant combustion turbine could meet the bill's coal convertibility requirements at "no initial, additional cost." This is because "such a turbine could use natural gas" but "once installed, could later be retrofitted into an integrated gasification combined cycle powerplant." The report language adds that "the 100-megawatt cool water facility, near Barstow, CA, is such a powerplant."

Thus, because it is technologically easy to convert gas turbines into combined cycle generators that can burn coal gas of the cool water variety, the committee report concludes that "combustion turbine powerplants currently being manufactured in the United States meet this coal convertibility requirement." The report even states flatly that "an owner or operator proposing to install a combustion turbine, such as the General Electric MS 7000E or MS 7000F, would be able to use the self-certification procedures."

This language is quite clear. The waters may be muddied, however, by references in the committee report to "low-Btu coal gas." For example, in discussing the coal convertibility of a gas turbine, the report states that "the turbine itself can be altered at a later date at minimal cost by installing different tubing, nozzles, fuel manifold, and the like, so that it is capable of handling the larger volumes of low-Btu coal gas." The problem here is that it is unclear whether the term "low-Btu gas" is used technically, or simply to differentiate coal gas from natural gas.

Could the Senator from Louisiana please confirm my impression that, references in the committee report to low-Btu coal gas notwithstanding, S. 85 contemplate that a powerplant could meet the coal convertibility requirement if it would be able to use any type of coal gas, whatever its Btu content?

Mr. JOHNSTON. The Senator is correct. The committee report uses the phrase "low-Btu gas" loosely, in a general sense rather than in a strictly technical one. The committee's intent for the purpose of the example was simply to distinguish coal gas from natural gas. The coal gas could be low or medium-Btu coal gas. Or it could even be high-Btu coal gas, suitable for mingling directly with natural gas as part of general pipeline system supplies. An example of high-Btu pipeline quality coal gas is the fuel being produced at the Great Plains project in North Dakota. Convertibility to coal gas of any quality would satisfy the requirements of S. 85.

Mr. DOMENICI. I thank the Senator from Louisiana for this reassuring clarification.

I would also like to request clarification of some other points. I am specifically interested in how cogenerators would be treated under the bill.

Am I correct that the bill's coal convertibility requirement applies only to new, base-load powerplants? A base-load powerplant is defined as "a powerplant the electrical generation of which in kilowatt hours exceeds, for any 12-calendar-month period, such powerplant's design capacity multiplied by 3,500 hours."

Mr. JOHNSTON. The Senator is correct.

Mr. DOMENICI. The FUA restrictions would no longer apply to new major fuel-burning installations. However, a nonutility industrial cogenerator would be treated as a powerplant if it sells more than 50 percent of its power output to the power grid. The FUA's treatment of such cogenerators is a matter of great importance because, as the Senator from Louisiana knows, cogeneration can play a major role in making U.S. industry more competitive by significantly reducing the costs of industrial activities.

Now, it is my understanding that a cogenerator that is a base-load powerplant could use the self-certification procedures, just like any other noncogenerator base-load powerplant. Is my understanding correct?

Mr. JOHNSTON. I am pleased to inform the Senator from New Mexico that his interpretation is correct. Most cogenerators would not be treated as powerplants, because they would not sell enough of their output to the grid. In addition, even if they were treated as powerplants, they would not meet the definition of base-load powerplants. However, if a cogenerator meets both tests, S. 85 gives any cogenerator affected by FUA the same options and obligations that apply to any other base-load powerplant.

If the cogenerator meets the coal capability requirement, it could use the self-certification procedure. If it does not meet the coal capability requirement, and if it still wishes to use oil or natural gas as a primary energy source, it must go through the formal FUA exemption process.

Mr. DOMENICI. I thank the Senator from Louisiana for clarifying these important points.

Mr. FORD. Mr. President, my colleagues should be aware that there was much discussion during the hearings on S. 85 about the necessity of maintaining coal capability in new baseload electric generating powerplants. The discussion resulted in an amendment, adopted unanimously in committee, which requires that new powerplants have the "inherent design characteristics which will permit the addition of equipment necessary to render (them) capable of using coal * * *." Agreement on this amendment was reached after a specific requirement for providing land area for conversion to coal was deleted. I want to take a minute to explain why this provision for land area is not crucial to the feasibility of coal conversion.

Mr. President, approval of this legislation will facilitate the use of gas turbine technology for the generation of electricity. My concern was that large-scale commitments of new generating capacity to gas or oil use not be made irreversible and that future conversion to coal would be possible if market conditions or national security warranted such conversion. I believe the language of the bill deals effectively with that concern.

Gas turbine powerplants can be converted to coal only with the addition of coal gasification units. In its original form, my amendment to S. 85 would have required not only that the turbine itself be capable of using gasified coal, but that land area be provided for the possible addition of a coal gasification unit. During the hearings, it became apparent that the land acreage required for a gasification unit is not significant when compared to the cost of the gasification unit itself. Moreover, it is not essential that the coal gasifier be placed immediately adjacent to the turbine. Indeed, the gasification unit can be located some miles away, yet still close enough for the coal gas to be economically transported by pipeline to the turbine unit. For these reasons, we felt that the specific provision for land area is not an absolute necessity to assure the feasibility of coal conversion. It is essential that the turbine unit itself have the inherent ability to burn coal gas with whatever external modifications that might be required.

S. 85 requires that an entity proposing to construct a new baseload electric generating facility certify to the Secretary of Energy that the plant is not "physically, structurally, or technologically precluded from using coal * * *." This self-certification process is designed to show that conversion to coal would be feasible in the event economic or other conditions made conversion attractive. I would like to ask the chairman whether this is his understanding of the amendment.

Mr. JOHNSTON. I share the Senator's understanding of the amendment. As the Senator from Kentucky correctly observes, the version of the bill that is before the Senate today requires that a new, baseload powerplant is not "physically, structurally, or technologically precluded from using coal * * * " as its primary energy source. Those proposing to build a new, baseload powerplant have two options. They can certify to the Secretary of Energy that they meet that requirement, or they can seek an exemption from the requirement under the FUA exemption process.

When the Senators from Kentucky and I were working on our coal capability compromise, we recognized that in the real world the marketplace economics of coal and natural gas as powerplant fuels will govern the decision of what fuel a particular powerplant will use.

These days, it is in the interest of a utility, as well as in the interest of its customers, to maximize its options to minimize its risks. If I were a utility executive, I would certainly want to have an assessment of the economics of natural gas as a powerplant fuel, as compared to oil, and as compared to coal.

In the case of a gas-fired turbine, eventual addition of a coal gasifier would represent a significant investment to a utility. According to information submitted to the committee, at today's prices, a simple cycle combustion turbine would cost between $295 and $310 per kilowatt of installed capacity. For a 250-megawat plant, that means around $75 million for the powerplant. Addition of the combined cycle equipment would mean the combined cycle powerplant would cost between $484 and $510 per kilowatt of installed capacity. Again, for a 250-megawatt plant, that means around $125 million for the combined cycle powerplant. Adding a gasifier would cost between $1,092 and $1,500 per kilowatt of installed capacity. Again, for a 250-megawatt plant that means an addition cost of between $273 and $375 million. Buying acreage for location of the gasifier—between 25 and 50 acres at a maximum—would clearly not make or break the economics of a coal gasification project.

In our view, the situtations in which a utility would purposefully locate its powerplant so as to preclude having the option of going to coal would be execeptionally rare. We would expect a utility to evaluate the economics of coal gasification as part of its normal planning process. We hope that coal gasification will become increasingly attractive from an economic perspective, and thus compelling. We assume that any rational utility will want to maintain that as an option and thus will locate its turbine generators accordingly.

Mr. METZENBAUM. Mr. President, I want to go on record as opposing the passage of S. 85, which repeals the restrictions on national gas use contained in the Fuel Use Act, and the incremental pricing provisions of the Natural Gas Policy Act.

I have serious reservations about the repeal of end use restrictions on natural gas. It is my belief that it will not promote our Nation's energy security, and it poses problems for small consumers who are totally dependent on natural gas—residential consumers, process gas users, fertilizer manufacturers, agricultural interests, and small businesses.

Domestic gas reserves are declining, and the situation is not likely to improve. For the last 10 years, production has exceeded new discoveries. Discoveries in 1985 were the lowest ever reported to EIA. We have fewer proven reserves now than when the Fuel Use Act was passed.

This casts doubt on the wisdom of encouraging more gas use, particularly in the sectors which could easily use alternate supplies such as coal.

I thought we had learned the dangers of overdependence on oil and gas supplies.

Have we forgotten the disruptions and agony of the seventies, when factories and schools were closed, hospital gas supplies were threatened, and residential consumers' bills soared?

I remember how Congress desperately groped for any means to replace oil and gas with more plentiful and secure energy supplies.

Do we really doubt that those days could return?

Everyone agrees the gas bubble will soon disappear.

If we repeal the restrictions on natural gas use, where will the gas supplies come from?

How do we ensure our economy will not be devastated by shortages to utilities and industries dependent on gas supplies?

Who will ensure adequate supplies for priority users and protect residential consumers from skyrocketing price increases?

Indeed, the small consumers are the ones who will suffer the consequences of supply shortages. Changes in regulatory policy and marketing practices have so reduced the amount of gas subject to FERC curtailment authority, that today there may not even be enough to assure adequate supplies to the highest priority users in the Nation.

In the event of shortages, there is no way to guarantee that residential and small commercial users will be able to obtain the gas they need.

There are also likely to be increased costs to small residential and commercial consumers. To date, they have not obtained the full benefit of the recent declines in natural gas prices. Lowest cost gas is generally diverted to the largest users, who are in a better position to bargain with producers and pipelines. The smaller consumers, with less bargaining power, are thus forced to accept higher priced gas. Encouraging even more utility and industrial gas use will only exacerbate the current discrepancy in prices.

We should not gamble with our Nation's economy, and the welfare of small consumers.

Additionally, I am concerned that this bill will have negative impacts on miners in my own State.

Baseload utility powerplants represent about 80 percent of the coal market. By facilitating a shift from coal to gas as the feedstock for such plants, the coal market and related employment opportunities will shrink. This will have a further detrimental impact on regions that are heavily dependent on coal production and are already suffering severe economic problems.

Finally, the Fuel Use Act has not been a significant impediment to gas use restrictions. Despite shrinking reserves, not one of 411 waiver requests has been rejected outright by DOE. Powerplant waivers granted and pending represent an increase in gas demand of 800 billion cubic feet per year.

I am concerned that the coal convertible amendment adopted by the committee will not fully alleviate these problems. The amendment only requires that a utility have the capability of converting to coal use in the future. Requirements for adequate land capacity have been eliminated, and utilities are able to self-certify their compliance with convertibility requirements.

Additionally, the amendment allows utilities to get permanent exemption from the convertibility requirements.

As a result it is likely that few, if any, new baseload powerplants will be constructed with the capability to convert to coal, and conversion may be a long and costly undertaking even for those which do maintain such capability.

Left unresolved is the enormous threat of unemployment to our coal miners.

There is no mechanism to guarantee adequate supplies of gas to high priority users in the event of supply shortages. It is likely that the disparity in gas costs to large and small consumers, the erosion of domestic gas reserves, and our increasing dependence on foreign imports of natural gas will be exacerbated.

These are the real issues in this debate, and the failure to resolve them is the source of my concern with the committee bill.

Mr. **BYRD**. Mr. President, are there committee amendments?

The **PRESIDING OFFICER**. There are a series of committee amendments.

Mr. **BYRD**. I ask unanimous consent that the committee amendments be considered and adopted en bloc.

The **PRESIDING OFFICER**. Is there objection?

The Chair hears none. It is so ordered.

The **PRESIDING OFFICER**. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The **PRESIDING OFFICER**. The bill having been read the third time, the question is, shall it pass?

So the bill (S. 85), as amended, was passed, as follows:

S. 85

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) SHORT TITLE.—This Act may be referred to as the "Natural Gas Utilization Act of 1987".

(b) TABLE OF CONTENTS.—

TABLE OF CONTENTS

Sec. 1. Short title; table of contents.
Sec. 2. Repeal of certain sections of the Powerplant and Industrial Fuel Use Act of 1978.
Sec. 3. Conforming amendments.
Sec. 4. Repeal of incremental pricing requirements.
Sec. 5. Effective date.

REPEAL OF CERTAIN SECTIONS OF THE POWERPLANT AND INDUSTRIAL FUEL USE ACT OF 1978

SEC. 2. (a) The following sections of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8301 et seq.) are repealed:

(1) section 302 (42 U.S.C. 8342);
(2) section 401 (42 U.S.C. 8371);
(3) section 402 (42 U.S.C. 8372); and
(4) section 405 (42 U.S.C. 8375).

(b) The table of contents of the Powerplant and Industrial Fuel Use Act of 1978 is amended by striking the items relating to the sections repealed by subsection (a) of this section.

CONFORMING AMENDMENTS

SEC. 3. (a) Section 102 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8301) is amended by striking "and major fuel-burning installations" wherever this phrase appears.

(b) Section 103 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8302) is amended—

(1) in subsection (a)(13)(B), by—

(A) striking clause (ii)(III);

(B) striking the semicolon and "or" at the end of clause (ii)(II), and inserting a period in their place; and

(C) inserting "and" at the end of clause (ii)(I);

(2) in subsection (a)(15), by striking "or major fuel-burning installation" wherever this phrase appears;

(3) in subsection (a)(20), by striking "or major fuel-burning installation";

(4) by inserting a new subsection (a)(30) to read as follows:

"(30) The term 'capability to use coal' means requiring an electric powerplant to have sufficient inherent design characteristics which will permit the addition of equipment (including all necessary pollution control devices) necessary to render such electric powerplant capable of using coal or another alternate fuel as its primary energy source. Such definition shall ensure that a new electric powerplant shall not be physically, structurally, or technologically precluded from using coal or another alternate fuel as its primary energy source. Capability to use coal or another alternate fuel shall not be defined or interpreted to require any such powerplant to be immediately able to use coal or another alternate fuel as its primary energy source on its initial day of operation.";

(5) in subsection (b), by striking "or major fuelburning installation" wherever this phrase appears;

(6) in subsection (b)(1)(D), by striking everything after "synthetic gas involved" and inserting in its place a period; and

(7) by striking subsection (b)(3), and redesignating subsection (b)(4) as subsection (b)(3).

(c) Section 104 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8303) is amended to read as follows:

"The provisions of the Act shall apply within the contiguous 48 States, and the District of Columbia.".

(d) Section 201 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8311) is amended—

(1) by striking "—(1) natural gas or petroleum shall not be used as a primary energy source in any new electric powerplant; and (2)";

(2) by redesignating the remaining section as subsection (a);

(3) in redesignated subsection (a), following "constructed" by inserting "or operated as a baseload powerplant"; and

(4) by inserting a new subsection (b) to read as follows:

"(b) The prohibition contained in this section shall not apply to any peakload powerplant or to any intermediate load powerplant: Provided, however, That hours of generation pursuant to emergency situations as defined by the Secretary and reported to the Secretary shall not be included in determining whether a powerplant is being operated as a baseload powerplant.".

(e)(1) Section 202 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8312) is amended to read:

"SEC. 202. CERTIFICATION OF COMPLIANCE.—

"(a) SELF-CERTIFICATION.—In order to meet the requirement of section 201(a), the owner or operator of any new baseload electric powerplant proposing to use natural gas or petroleum as its primary energy source shall certify to the Secretary prior to construction, or prior to operation as a baseload powerplant in the case of a new peakload or new intermediate load electric powerplant, that such powerplant has capability to use coal, as defined in section 103(a)(30).

"(b) TECHNICAL INFORMATION.—The Secretary may require the owner or operator of such powerplant to provide such supporting documents as may be necessary to verify the certification.".

(2) The table of contents of the Powerplant and Industrial Fuel Use Act of 1978 is amended by amending the item relating to section 202 to read "Certification of Compliance.".

(f) Section 211 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8321) is amended—

(1) by striking "or installation" wherever it appears;

(2) in subsection (a)(1) by striking "using imported petroleum" and inserting "the fuel that would be used"; and

(3) by striking subsections (c) and (d) and be redesignating subsection (e) as subsection (c).

(g) Section 212 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8322) is amended—

(1) in subsections (a), (b), (d), and (e) by striking "or installation" each time it appears;

(2) in subsection (a)(1)(A) by striking "using imported petroleum" and inserting "the fuel that would be used";

(3) in subsection (a)(2) by striking "—(A) in the case of a new major fuel-burning installation, be made with respect to the site of such installation proposed by the petitioner; and (B)";

(4) in subsection (d) by striking the "(1)"; by striking existing paragraph (2) and by redesignating clauses (A) and (B) as paragraphs (1) and (2); and

(5) by striking subsections (g), (h), (i), and (j).

(h) Section 303 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8343) is amended—

(1) by striking "or installation" and "or installations" wherever the phrases appear;

(2) by striking "or 302" wherever the phrase appears;

(3) by striking subsection (a)(3);

(4) by amending subsection (b)(1) to read as follows:

"(1) The Secretary may prohibit, by rule, the use of natural gas or petroleum under section 301(b) in existing electric powerplants.";

(5) in subsection (b)(3), by striking "or major fuel-burning installation"; and

(6) by amending the last sentence of subsection (b)(3) to read as follows: "Any such rules shall not apply in the case of any existing electric powerplant with respect to which a comparable prohibition was issued by order.".

(i) Section 403 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8373) is amended by striking—

(1) in subsection (a)(1), "major fuel-burning installation, or other unit" and the comma immediately preceding this phrase and "installation, or unit" and the comma immediately preceding this phrase;

(2) in subsection (a)(2), "installation, or other unit" and the comma immediately preceding that phrase, and "installation, or unit" and the comma immediately preceding that phrase;

(3) in subsection (a)(2), the last sentence; and

(4) subsection (a)(3).

(j) Section 404 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8374) is amended by striking—

(1) in subsection (c), "new or" in the phrase "applicable to any new or existing electric powerplant"; and

(2) subsection (g).

(k) Section 701 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8411) is amended by striking in the last sentence of subsection (b), "or installation".

(l) Section 711 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8421) is amended by striking in the first sentence of subsection (a), "or a major fuel-burning installation".

(m) Section 721 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8431) is amended by striking subsection (c) and redesignating subsection (d) as subsection (c).

(n) Section 723 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8433) is amended by striking subsections (b)(2) and (c)(1) and (2) and redesignating subsection (b)(1) as subsection (b).

(o) Section 731 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8441) is amended by striking—

(1) "or major fuel-burning installation" wherever the phrase appears; and

(2) "title II or" in subsections (a)(1) and (g)(3).

(p) Section 745 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8455) is amended by striking in the first sentence of subsection (a), "from new and existing electric powerplants and major fuel-burning installations" and inserting in its place "from existing electric powerplants".

(q) Section 761 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8471) is amended by striking—

(1) in subsection (a), "any existing or new electric powerplant or major fuel-burning installation" and inserting in its place "any existing electric powerplant"; and

(2) in subsection (b)—

(A) "new or" in the phrase "In the case of any new or existing facility", and

(B) "except to the extent provided under section 212(b) or section 312(b)" and the comma immediately preceding that phrase.

REPEAL OF INCREMENTAL PRICING REQUIREMENTS

SEC. 4. (a) Subject to subsections (b) and (c) of this section, title II of the Natural Gas Policy Act of 1978 (15 U.S.C. 3341-3348) is repealed, and the items relating to title II are striken from the table of contents of that Act.

(b) A rule promulgated by the Commission under title II of the Natural Gas Policy Act of 1978 shall continue in effect only with respect to the flowthrough of costs incurred before the enactment of this section, including any surcharges based on such costs.

(c) The Commission may take appropriate action to implement this section.

EFFECTIVE DATE

SEC. 5. The provisions of this Act shall take effect on the date of enactment.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. McCAIN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to:

EXECUTIVE CALENDAR

Mr. BYRD. Mr. President, there are various nominations on the Executive Calendar. I ask the distinguished acting Republican leader, Mr. MCCAIN, if the following nominations have been cleared by the other side of the aisle: all nominations under the Department of State on page 2, the nomination under Securities Investor Protection Corporation, and the nomination under National Corporation for Housing Partnerships on page 2 of the Executive Calendar.

Mr. McCAIN. Mr. President, in response to the distinguished majority leader, the only nominations that have been cleared on this side are Mr. Healey to the Securities Investor Protection Corporation and Mr. Fleischer of the National Corporation for Housing Partnerships at this time.

Mr. BYRD. Very well. I thank the distinguished Senator.

EXECUTIVE SESSION

Mr. BYRD. Mr. Presdident, I ask unanimous consent that the Senate go into executive session to consider the nominations of Messrs. Healey and Fleischer.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I ask unanimous consent that those nominations be considered en bloc, confirmed en bloc, and that the motion to reconsider be laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations confirmed en bloc are as follows:

SECURITIES INVESTOR PROTECTION CORPORATION

Thomas J. Healey, of New Jersey, to be a member of the board of directors of the Securities Investor Protection Corporation for a term expiring December 31, 1988.

NATIONAL CORPORATION FOR HOUSING PARTNERSHIPS

Alfred J. Fleischer, Sr., of Missouri, to be a member of the board of directors of the National Corporation for Housing Partnerships for the term expiring October 27, 1988.

Mr. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominees.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I thank the acting leader, Mr. McCain. I thank Mr. McClure and all other Senators.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, as I indicated to the distinguished Republican leader, I want to take up the homeless relief legislation, but before I do that, I understand that Senator Stevens wishes to be on the floor. If the distinguished Senator from Idaho does not wish the floor, I shall suggest the absence of a quorum.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ASSISTANCE TO THE HOMELESS

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 31, H.R. 558.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 558) to provide urgently needed assistance to protect and improve the lives and safety of the homeless, with special emphasis on elderly persons, handicapped persons, and families with children.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO 90

Mr. BYRD. Mr. President, there is a substitute amendment at the desk which is sponsored by Mr. Dole and myself and other Senators. I call up that amendment at this time.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia [Mr. Byrd], for himself and Mr. Dole, proposes an amendment numbered 90.

Mr. BYRD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed under amendments submitted later in today's Record.)

Mr. BYRD. Mr. President, the Senate has before it at this time bipartisan legislation to provide urgent emergency assistance for the homeless.

This is the homeless initiative developed by the group of Senators appointed by myself and the distinguished Republican leader, Mr. Dole. That group was made up of committee chairmen, ranking minority members, and other Senators with special interest and expertise in this legislative area, so that a Senate initiative could be developed and considered on a special fast track.

The result of that group effort was further refined by the Senate committees, and today Senator Dole and I have offered what amounts to the combined product of those four committees as an original amendment in the form of a substitute to the House passed bill. So, in this way, all the pieces of the original initiative will have been rejoined. The amendment which Mr. Dole and I have joined in offering as a substitute also contains title I of the Senate-passed homeless veterans bill.

The chairmen and ranking minority members of the four committees will speak to the specific provisions considered in their committees, but I would like to make just a few general observations about what is contained in this reassembled package.

First and foremost, it is an emergency measure to provide food and shelter and services to the homeless so that we may alleviate some of the more egregious aspects of the problem before the harsh, bitter cold of next winter is upon us. This measure does not purport to do all that is necessary or all that many of us might desire to do in order to provide a long-term solution to the problem of homelessness. Those solutions are yet to be advanced.

But a very important section in this measure will help us in looking for long-term solutions. That is the provision to provide an independent interagency council which will be charged with thoroughly studying and reporting to Congress on the causes of and solutions to the problem. This is an ingredient sorely lacking now as we grope with the dimensions of a national problem few of us understand, but all of us deplore.

This is an emergency measure which will authorize spending in this fiscal year. As the original bill was developed, we were very cognizant of two imperatives. The first was to focus on programs which not only were needed but which could be implemented in a short amount of time. The second was the sobering reality of the budget deficits. The bill we introduced provided funding of $393 million for fiscal year 1987. The committees, in their actions, found it necessary to adjust the level slightly for provisions which they felt also met the emergency criteria. The total for the package amendment is now a little over $423 million for fiscal year 1987.

The legislation began to develop when, earlier last month, the product of the bipartisan group was introduced in the Senate as five bills. The first, the omnibus bill, S. 809, was put directly on the calendar. The other four bills each contained discrete titles of the omnibus bill and were referred appropriately each to one of four committees.

All four committees—the Governmental Affairs Committee, the Banking Committee, the Labor Committee, and the Agriculture Committee—completed action on their respective legislation last week. The bills as reported were filed on Friday. The amendment incorporating those four bills appears in the Record of Friday.

It is significant that the committees made very few changes in the legislation. I think this speaks to the careful, thoughtful process we employed, on both sides of the aisle, in developing the bipartisan bill for introduction.

The package, as reassembled, represents our best efforts to identify programs which will provide emergency food, shelter, basic health and mental health services, education, and job training assistance to the homeless population found in our Nation's cities and in her rural areas as well.

These are the visible unfortunates found on our streets, those sleeping on grates with newspapers and garbage for cover and those adrift in our parks. They are also those less visible—those who find shelter, but shelter that is a bed in a rat infested building or a facility that is dangerous, not only because of its physical deterioration, but also because of the lack of personnel to ensure that the homeless person will not be victimized while in the facility. Or they may be the homeless reduced to living in the family car.

Nobody knows the exact number of homeless in our land. There is no one reliable count, just as there is no one reason why the problem exists and has grown so rapidly in the past half dozen years. This crisis of homelessness is the result of a combination of factors—deinstitutionalization of the mentally ill, economic downturns, failure of our safety-net programs, problems of spouse and child abuse, alcoholism and drug abuse, to name some of the major factors.

The homeless are not homogeneous. They are different types of people with varying needs, ranging from those who, with just a little assistance, may be able to return to a productive life in the community, to others who will require long-term, perhaps permanent, care.

Mr. President, my own State of West Virginia is not immune to the problem of the homeless. A recent poll conducted for the Charleston Daily Mail showed that residents of Charleston, WV, think that the homeless are the most important problem in that city. Indeed, in West Virginia, the problem of the homeless has been exacerbated by high unemployment.

In my State, with a population of a little under 2 million people, the West Virginia Department of Human Services reports that it served 7,484 homeless over an 18-month period and estimates that there are at least another 7,500 homeless in the State that it never sees. The average age of those the department does see is 32.3 years; 68 percent of those individuals are male; and on average, they last worked 2½ years ago. Further, 450 of those homeless are children. Only 3 percent came from mental health facilities.

It is clear from the statistics that are available that high unemployment has increased the ranks of the homeless in West Virginia. Perhaps even more tragic is the number of families that have been forced onto the streets because of a lack of jobs.

As bleak as these statistics are for a small, rural State like West Virginia, these statistics will only look worse unless some action is taken to provide a comprehensive program to assist these individuals and to provide them with meaningful employment.

Mr. President, I believe that there is not one among us who is not filled with shame and sorrow that the richest, most beautiful country in the world, the land of opportunity for generations, could experience a crisis of homelessness such as we are experiencing today. We must act and act swiftly to address this national shame, and we are certainly willing to face up to it and do our best.

I urge all of our colleagues to support the bipartisan legislation that is being introduced today by the distinguished Republican leader and myself and cosponsored by a number of other Senators.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. SHELBY). The Republican leader.

Mr. DOLE. Mr. President, I thank the Presiding Officer and the distinguished majority leader.

As he has indicated, on March 23, we joined with a number of our colleagues on both sides of the aisle in sponsoring S. 809, the so-called homeless bill.

The introduction of this package was the result of countless meetings between Senate Republicans and Democrats and a thorough review of H.R. 558, a bill providing emergency assistance to the homeless which was passed by the House earlier.

S. 809 was intended to be a starting point, which would be reviewed by the committees of jurisdiction. The committees have met and have expeditiously acted on the specific provisions of the bill, and I congratulate the Senators for their work.

BILL OVERVIEW

Mr. President, for purposes of explanation, the bill can be divided into seven sections.

The first section—housing—would provide an additional $80 million in fiscal year 1987 for the Emergency Shelter Program, $60 million for transitional housing, $50 million for section 8—existing housing rehabilitation—for families with children, and $35 million for section 8—single room occupancy dwellings.

The second section provides for changes in three existing food programs. It would authorize the $50 million appropriation for the Emergency Food and Shelter Program that the Congress approved earlier this year and increase the authorization for administrative cost of distributing food through the temporary Emergency Food Assistance Program by $10 million. In the Food Stamp Program, the bill would provide a 50-percent Federal matching grant to States for conducting outreach to the homeless, reduce the waiting period for homeless to receive food stamp assistance from 30 days to 5 days, and allow separate allotments for related families living in the same household.

Social services make up the third section of the legislation. The Department of Health and Human Services would be authorized to provide an additional $30 million to public and nonprofit organizations for primary health care to the homeless and an additional $55 million for mental health care. In addition, it requires HUD and FEMA grantees provide case managers in homeless facilities.

The bill also authorizes $10 million for a job training demonstration project for the homeless.

The Labor Committee also added two provisions which would establish a new $10 million per year program to combat illiteracy among the homeless and a new $20 million program to fight drug and alcohol abuse by the homeless.

A fifth component, regarding education, would authorize $2.5 million in fiscal year 1987 and $5 million in fiscal year 1988 for grants to States to ensure full and equal educational opportunities for homeless children.

Under the sixth section, the Administrator of the General Services Administration would be required to identify excess Federal property which might be suitable for use by homeless individuals and families.

The seventh and last major section establishes a new Interagency Council on the Homeless to coordinate all Federal efforts to alleviate the homeless crisis in America.

SENATE ACTION

Mr. President, I know the majority leader hopes to complete floor action on this bill prior to the Easter recess, and I hope that we might be able to accomplish that goal.

The bill does, in almost every case, use existing programs to provide assistance which will negate the need to establish cumbersome new bureaucracies and will speed the flow of funds to the homeless.

While difficult to accurately estimate, there is no question that the number of homeless in the United States has risen dramatically. Of greater significance may be the fact that whole new classes are now adding to the growing homeless numbers, including unemployed families, patients discharged from mental hospitals, abused wives and children, and displaced residents from public housing.

Ultimately, we would like every American to have shelter. This bill does not accomplish that goal, but makes significant and substantial progress, while we continue to explore the most appropriate methods of helping those who are the most unfortunate among us.

FUNDING

As I indicated in my remarks at the introduction of the bill, I am concerned that new authorizations contained in this bill not simply be added to the deficit.

With a near trillion dollar annual Federal budget and several billions of dollars of rescission requests from the President which are pending before the Congress it seems that we could finance these from within existing accounts.

I expect that an amendment will be offered by the distinguished Senator from Texas, Senator GRAMM, to make it clear that at least some of us want to find offsets for this legislation. I supported this position in our negotiations prior to the introduction of S. 809, and believe this would be a major improvement in the bill.

In fact, I am reminded that that was the same procedure we used in the drug legislation, which was passed as an emergency piece of legislation last year before the Congress adjourned. So there is precedent for it. I hope that we might take a serious look at the amendment Senator GRAMM will offer.

Finally, I wish to thank the majority leader for his leadership and also thank the members of his staff, and other staff on the Democratic side, and members of my staff and other Senate staffers, who worked for weeks and weeks to put together what we believe is meaningful legislation. It was never the intent of anyone on this side or either side of the aisle to see whether we could match the amount of money in the House bill. We believed our goal was to address the needs of the homeless and to do it at minimal cost. Although there probably are other things that should have been included and there may be some amendments to make slight changes, I want to commend all of the committees involved, because they acted very responsibly. There were no big add-ons by any committee, perhaps $10 million or $15 million. But there was no effort by any committee to try to reinvent the wheel, to add a lot of money to the program or to stick in a number of new provisions.

I believe that the committees have complied with, at least, the wishes of the leadership in getting the bill back to us very quickly, letting us work our will and, hopefully, passing the legislation in the next 4 or 5 hours.

I again thank the distinguished majority leader.

Mr. BYRD. Mr. President, I thank the distinguished Republican leader for his cosponsorship of the measure and also for the work that he has contributed to the formulation of the substitute. I thank his staff, I thank my own staff, I thank the staffs of other Senators, and I thank those other Senators who were earlier alluded to in my remarks.

This is the product of the work of a lot of hands and minds of Senators and staffs. They are to be commended and thanked for it.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I want to join in commending both the majority leader and the minority leader in introducing this legislation. The whole problem of the homeless in our society is not a partisan matter. It should not be addressed in any kind of a partisan way.

We are addressing a problem which touches and scars the soul of America. This is a downpayment on what I hope will be longer and more visionary attention by this body toward the special needs of those who have been left out and left behind.

I think it is very positive that both the majority leader and minority leader have introduced this legislation and it has had strong bipartisan support all the way through the discussion. Those in this body ought to recognize that this problem has brought together members all across the political spectrum in an important first step. I welcome the opportunity to address these issues briefly this afternoon.

That so many Americans are homeless in the bicentennial of the founding of these United States is both a national tragedy and a national disgrace. Almost 80 years ago, the White House Conference on Children declared that a "home life is the brightest and finest product of civilization."

Yet today, more Americans are homeless than at any time since the Great Depression. Estimates of the homeless population on an average night in 1984 ranged from 250,000 to as many as 3 million, and there is no disagreement about two shocking facts: the number of Americans with no place to call home is growing at an alarming rate and families with young children are now joining such other homeless populations as the chronically mentally ill and alcohol and drug addicts in increasing numbers.

The U.S. Conference of Mayor's report, "The Continued Growth of Hunger, Homelessness, and Poverty in America's Cities: 1986," found that families represented an average of 28 percent of the homeless population and that the percentage was as high as 76 percent in some major metropolitan areas such as New York City. In addition, three quarters of the cities reported that families comprised the group for whom emergency shelter and other needed services are most glaringly absent. For example, in Boston, an average of 15 families per week become homeless and although Massachusetts has increased its family shelter capacity by 400 percent over the last 2 years, 50 familes per month are still turned away from shelters which are filled to capacity. These unfortunate families, having attempted the full range of personal, private, and public alternatives, are left defenseless and hopeless.

Other segments of the homeless population face equally tragic circumstances. The chronically mentally ill, for example, are a significant share of the homeless population and perhaps the most mistreated group in our society. Ironically, a comprehensive system of community based care for the chronically mentally ill, which would include an appropriate place to live for every individual in this group, has been demonstrated to cost no more than our current nonsystem of noncare. Alcohol and drug addicts have traditionally been an important segment of the homeless population; the cruel addictions which are contributing factors to their homelessness are particularly difficult to treat without the stability that a home environment provides.

The legislation we are considering today is no more than a beginning—but it is an important beginning. The Labor Committee bill provides emergency services for homeless families to reduce the misery of homelessness—and it also establishes service systems that can contribute to an end to homelessness and the beginning of a decent life for important segments of this population.

The Labor Committee legislation provides health services to homeless individuals to assure that the pain of homelessness is not compounded by the pain of untreated illness. More than 120,000 people could be provided comprehensive primary care services at the funding levels authorized in this legislation.

The chronically mentally ill have been estimated to constitute between 30 and 50 percent of all the homeless. The legislation establishes a $55 million grant program to assist States and localities to establish comprehensive programs of community-based care for the homeless chronically mentally ill. The evidence is strong that such comprehensive programs can add immeasurably to the quality of life of the chronically mentally ill and can put an end to the homelessness that is largely a product of the failure to provide a comprehensive system of community care. Evidence is also strong that the kind of comprehensive system to be encouraged by this legislation is no more costly than our current nonsystem of noncare.

Another group that accounts for a significant component of the homeless population is alcohol and drug addicts. Although the emergency drug bill increased funds for treatment of drug and alcohol abuse, the homeless segment of this population is one of the most costly to treat, usually requires residential treatment facilities, and has often not been a priority for State and local programs. The Labor Committee bill provides a $20 million addition to the ADAMHA block grant targetted to this population. Because of the importance of residential treatment for this group, the normal prohibition on use of ADAMHA block grant funds for inpatient treatment has been waived.

One of the most tragic and indefensible results of the growing number of homeless families has been the denial of public education to increasing numbers of children. Because, by definition, homeless children have no permanent residence, it has been far too easy for a school district to say that any particular homeless child is someone else's responsibility. With no central body to assure that some district takes responsibility, homeless children too often end up without any educational opportunity. Traveler's Aid International recently conducted an eight-city survey in which it found that 43 percent of homeless children were not attending school. A survey of 81 shelters in 63 cities found that more than a third of the shelters had homeless children who were denied access to the public education that should have been theirs by right. The Labor Committee legislation requires States to establish and implement a program to assure that every homeless child is assigned to an appropriate school district. In addition, it sets up a small demonstration program to assist school districts wishing to establish an exemplary program of service to homeless children.

Many of the homeless are handicapped in their search for employment and the income necessary to find permanent housing by the lack of basic education. Because they are hard to locate and serve, they have not been a priority for adult literacy programs. The legislation requires States to plan and implement a program of remediation and adult literacy for the homeless and provides a small formula grant program to assist States in providing these services.

Finally, this legislation establishes a demonstration program of employment services and training for the homeless. Several small projects have indicated that a relatively modest investment can result in employment for homeless individuals. This small investment can, in turn, allow homeless individuals to gain the income they need to find permanent housing. The $10 million Federal Demonstration Program provided by this legislation will result in employment for an estimated 20,000 individuals.

Mr. President, Senator Hatch, I, and the other members of our committee have developed a joint statement summarizing the legislation which we have reported from our Human Resources Committee in lieu of the committee report. The other members of the Labor Committee have been offered the opportunity to review this report.

I would ask unanimous consent that it be made a part of the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

JOINT STATEMENT OF SENATORS KENNEDY AND HATCH DESCRIBING THE MAJOR PROVISIONS OF THE HOMELESS BILL CONSIDERED BY THE LABOR COMMITTEE AND EXPRESSING THE COMMITTEE'S VIEWS

TITLE I—HEALTH SERVICES AND MENTAL HEALTH SERVICES FOR THE HOMELESS

Title I, Part A, of S. 811 amends Title III of the Public Health Service Act by adding a new part: Part K—Health Services for Homeless Individuals, Grants for the Provision of Health Services. Part K enables the Secretary to make grants to public and nonprofit private entities to support the provision of health services to homeless individuals and the provision of mental health services to homeless individuals with minor emotional problems. For their homeless population, grant recipients must provide readily accessible outpatient services, bringing services to shelters and other sites as necessary; provide or make arrangements for provision of 24-hour-a-day emergency health services; establish written arrangements with and make referrals of homeless individuals to hospitals and other institutions for necessary inpatient services; provide assistance in establishing eligibility for and obtaining services under entitlement programs through written arrangements with appropriate State and local social services agencies; provide or arrange for provision of counseling and other mental health services particularly for homeless families and children who have developed emotional and psychological problems as a consequence of the stress of homelessness; provide or arrange for the provision of alcohol abuse and drug abuse treatment services; and provide or arrange for the provision of other services prescribed by the Secretary to meet the essential health care needs of the homeless.

The Secretary when awarding grants will give preference to community health centers (Sec. 330) and other public and nonprofit private entities that have experience in providing comprehensive primary health care services to homeless individuals and medically underserved populations. Grant recipients must provide the services required under this legislation within the limits of their capacities without regard to the homeless individual's ability to pay for the services. If a recipient does charge for services, this charge must be made according to a public schedule of charges which must reflect the income and resources of the homeless individuals served. No charge may be imposed on individuals whose incomes fall below the nonfarm income official poverty line defined by the Office of Management and Budget. Grant recipients that serve homeless populations that include a substantial number of persons with limited English-speaking ability must to the extent practicable plan for and make arrangements to provide services in the language and cultural context appropriate to these individuals.

The Committee believes that grants under section 111 to support the provision of health services to homeless individuals should be limited in all but a few instances to areas with a concentration of homeless persons sufficient to ensure an acceptable level of cost efficiency in the use of health care resources. Applications that can demonstrate broad-based community support for the program should be given priority.

The Secretary is required to see to the evaluation of the services provided under section 398 and to provide summaries of these evaluations annually to the Senate Committee on Labor and Human Resources and the House Committee on Energy and Commerce.

Title I, Part B, of S. 811 amends Title XIX of the Public Health Service Act by adding to it Part D—Emergency Assistance for Homeless Mentally Ill Individuals Block Grant. These funds are to be distributed to States using a modified Community Development Block Grant (CDBG) program formula. States must use these funds in areas within the State in accordance with the formula allocation, except that the State may reallocate funds if no project meeting the standards of the Act is established within the area. If a State does not establish or support projects meeting the requirements of the Act, the funds allocated to that State will be reallocated to other States.

States receiving funds must certify that the services to be provided for the homeless under each project receiving funds have been included in and are consistent with the State comprehensive mental health services plan and are supplemental to and increase the level of services provided. They must also certify that homeless individuals who are alcoholics, alcohol abusers, or drug abusers will be referred to appropriate services.

Projects funded under this Act must provide a complete program of services for homeless individuals and individuals who have chronic mental illnesses who are at imminent risk of becoming homeless. These services include outreach services and outpatient mental health services, partial hospitalization, diagnostic services, crisis intervention services, and habilitation and rehabilitation services. Case management services for each individual must be provided including a plan of care; assistance in obtaining and coordinating social and maintenance services; assistance in obtaining income support services (e.g., Supplemental Security Income Benefits); referral to other services as appropriate; and supportive services that are related to emergency, transitional, and long-term housing for those in settings not supported under the federal transitional housing demonstration program. Grant recipients must provide appropriate training for personnel providing services under the grant.

The Committee intends that each project furnish to the extent feasible, comprehensive outpatient care, including diagnostic services, the provision of pharmaceuticals, substance abuse treatment and rehabilitation, individual and group counseling, family therapy and psychosocial rehabilitation services.

Other essential services required under the Committee bill are training for individuals who provide services to homeless individuals and case management services. The homeless mentally ill require specialized personnel, trained in the approaches which have proven effective in working with this population. Without such specially trained personnel, projects cannot expect to successfully engage seriously mentally ill individuals in services. Case management is a linch-pin which can link the homeless mentally ill person with benefits under other programs and to a range of community mental health services, as appropriate.

It is the intention of the Committee that Federal funds provided under this program will be supplementary to State and local funds used to conduct any particular project. Because of the high cost of services to these individuals and because States currently bear responsibility for humane and effective care for the chronically mentally ill, the Federal funds are meant to encourage and supplement State and local efforts rather than pay the full cost of any particular project.

A modified Community Development Block Grant formula will be used to distribute the funds to States. The allotment of a State for any fiscal year, however, shall not be less than one-half of one percent of the amount available for that year. A State may use not more than four percent of the total amount it receives for administration. Up to two percent of the total amount appropriated for this program may be used by the Secretary to administer the program at the Federal level. Funds that are not allotted in any fiscal year shall be allotted among the States receiving funds in proportion to the amount originally received.

The Committee expects that States will monitor the projects they fund through this program and will provide appropriate procedures for fiscal control and fund accounting to ensure proper disbursement and accounting with respect to use of these funds. Projects must agree to include, either directly or indirectly, the activities described in section 1934(a)(1) of the Committee bill. The Committee also expects that these funds will not supplant any other available funds for services to this population, including Medicaid funding.

In entering into contracts with providers under this section, the State, metropolitan city or urban county should give preference to providers who are experienced in the treatment of mental illness among homeless individuals and should encourage the use of self-help organizations run by current and former recipients of mental health services.

The Committee encourages providers to contract with the legal services agency or the Protection and Advocacy System in each State to provide advocacy services to homeless mentally ill individuals who are not currently receiving services through these agencies.

The Committee is aware that the term "chronically mentally ill" may obscure the fact that not all individuals diagnosed with diseases labelled chronic mental illness remain ill and that other serious illnesses are not chronic. The Committee does not intend the use of the phrase "chronically mentally ill" to exclude any seriously mentally ill person who should be served through these programs. It is the sense of the Committee that an appropriate mechanism for clarification of this concern is the Alcohol, Drug Abuse, and Mental Health Services (ADMS) block grant reauthorization. At that time it is the intent of the Committee to change the term throughout applicable statutes to eliminate any connotation that mental illness is incurable.

The Committee recognizes that the National Institute of Mental Health (NIMH) is the Federal agency with the expertise and experience to provide effective technical assistance and training to service providers for the homeless mentally ill. The NIMH has the experience gained from more than four years of conducting the Community Support Program for the seriously mentally ill homeless. The Committee believes that resources available to the NIMH should be expanded to enable it to provide the assistance needed by projects working with the homeless mentally ill.

The Committee believes that training is particularly important for shelter workers and those who provide case management and outreach to the homeless who are seriously mentally ill. It is the intent of the Committee, during its consideration of the ADMS block grant reauthorization, to examine the adequacy of training funds for high priority mental health needs.

TITLE I—PART C—SERVICES UNDER THE ADMS BLOCK GRANT

The abuse of alcohol or drugs often goes hand in hand with homelessness. It is estimated that as many as 45% of the homeless are alcohol or drug abusers. Thus a targetted effort to provide drug and alcohol treatment services is necessarily a critical first step along the road to stable and productive lives for many of the homeless.

The intent of this section is to provide a comprehensive array of both inpatient and outpatient services through existing non-hospital alcohol and drug treatment programs. The proposed efforts should complement and support existing programs. All programs funded through this targetted provision, however, should include outreach services, model recovery programs and support upon leaving the recovery program.

The Committee recognizes that homeless individuals who are alcohol or drug abusers may need long-term treatment and rehabilitation services in order to reenter mainstream society. Therefore, the provision of inpatient, residential, non-hospital care—in long-term treatment centers, half-way houses and recovery homes—is encouraged and an appropriate use of the funds is allocated in this section.

Finally, the Committee intends that services provided through this section would be coordinated with the health, mental health, education, job training and housing provisions established through other sections of this Act.

Programs for homeless people who have a dual diagnosis of mental illness and other disabilities, mental illness and alcoholism or drug addiction, and alcoholism or drug abuse and other disabilities are fully eligible for grants under Part B and Part C of the Committee bill providing they meet all relevant criteria for an award.

Providers of such programs in the state have asked for this language because they feel that dual diagnosis programs suffer in the grant process because of a tendency to think that each of these client groups have their own service delivery network, and that mingling is inappropriate.

TITLE II—ASSURING THE EDUCATION OF HOMELESS CHILDREN

This Title amends subpart 3 of part C of the General Education Provisions Act by inserting after section 436, a new section, State Plans for the Education of Homeless Children Required. The Committee is concerned that homeless children currently may be denied a public education because local school districts may refuse to accept responsibility for them. This Title is meant to establish clearly the responsibility of a State Government to ensure each child's placement in a school, in accordance with the needs of the child and educational requirements established by state law.

Under this Title, each state educational agency must adopt and implement a plan that ensures that no homeless child in the State is denied similar access to the free, appropriate education provided to the children of a resident of the State or local agency. The State plan must ensure that no child is prohibited from receiving an education solely because of homelessness and that, in determining where a child's education will commence or continue, the child's best interest must be given priority. This plan will ensure that every homeless child is provided an education and adequate transportation to the education site, has complete and readily available educational records, and has access to any special or compensatory educational programs established for all children for which he or she is eligible. States failing to comply with the requirements of this Act shall be penalized by withholding an amount equal to the State set-aside under Chapter 2 of the Education Consolidation and improvement Act of 1981.

Under this Title, the Secretary may make grants for exemplary programs that successfully meet the needs of homeless students in elementary (which may include pre-kindergarten) and secondary schools of the applicant. Only applicants located in a State which has submitted a State plan as described above will be considered for an award. The Secretary will provide for the dissemination of information about successful exemplary educational programs for homeless children either directly or through grant or contract services.

In addition, in recognition of the fact that existing adult basic education programs do not necessarily address the needs of the homeless, the legislation requires each State to develop and implement a program of literacy training and basic skills for the homeless. A grant program is established to assist in the implementation of these programs.

TITLE III—JOB TRAINING FOR THE HOMELESS DEMONSTRATION PROJECT

Title III establishes a competitive grant program for job training demonstration projects. The Secretary may award contracts to State and local public agencies, private nonprofit organizations, private businesses, and other appropriate entities to carry out this title. Only applicants from states that have submitted a comprehensive plan in accordance with this Act are eligible for grants. Grant applications must provide, in addition to a description of their proposed job training activities, plans for obtaining referrals of homeless individuals to their project through outreach activities and coordination with case managers and care providers. Additionally, a grant application must describe plans to offer in-shelter training services and other activities that will increase participation in their project. Performance standards must be identified and assurances must be given by the applicant that a preliminary project evaluation will be completed not later than the end of the first year of funding. Applicants must also provide assurances that they will pay the 50 percent non-Federal share for the project activities either in cash on in kind.

The job training demonstration grants may be used for basic skills, remedial, or basic literacy instruction, or for job counseling, job search, or job preparatory training (e.g., resume writing). Any other activities in section 204 of the Job Training Partnership Act which will assist in achieving the objectives of this title may be funded.

An evaluation of each grant program must be completed by the Secretary at the end of the first year for which the project was funded, and reported to and reviewed by the Interagency Council on the Homeless. The Secretary shall prepare a final report and recommendations not later than six months prior to the termination of this demonstration program. This report shall also be submitted to the Council. The Council, in turn, will make recommendations to Congress and the President about the need for subsequent legislation based on the result of this three-year demonstration project.

The Committee recognizes that this is ongoing problem that will not be solved by a short-term demonstration program, but acknowledges that additional information and data is necessary before a detailed national policy on training for the homeless may be developed.

It is the intention of the Committee that these program evaluations provide a source of information and direction for the future of job training programs for homeless Americans.

Mr. KENNEDY. There is no group in our society that needs and deserves emergency assistance more than the homeless, and I urge prompt approval of this legislation so the programs of assistance it authorizes can be in place before next winter.

Mr. President, I know we have been notified that an amendment will be offered to require the offset of these funds against other 1987 domestic appropriations.

I hope that this amendment will be defeated. I can give the assurance to the Members of the Senate that if it is accepted we will be robbing Peter to pay Paul. In terms of my own committee, the Labor and Human Resources Committee, just about every one of the programs that we have passed out of the Human Resources Committee are programs that have been fashioned to address the most needy people in our society. And for us to charge all of this against those programs is simply going to mean that we are going to have other individuals that are themselves extremely needy and deserving of our support.

It seems to me that the spirit in which this legislation has been introduced on behalf of the majority leader and minority leader—with very broad cosponsorship—suggests that we recognize that the homeless are a very special and unique need in our society. We have taken extraordinary measures to make sure that we would get early action. There has been a combined effort to do so. This is emergency legislation. There is a compelling national need, just as there was a year ago with regard to the national scourge of drug addiction, and, just as there was with that legislation, there is a compelling need to ensure that we not charge these emerging measures against other programs.

I would hope that a similar position would be taken by this body should we have the necessity to vote on this issue.

AMENDMENT NO. 91

Mr. KENNEDY. Mr. President, I now offer a technical amendment. It would modify the description of the new treatment program for homeless alcoholics and drug abusers under the block grant to make it clear that no separate application would be required, and the funds for this program are new funds and not reduction of existing programs. This amendment would also clarify that regulations would need to be developed by the Secretary in order to dispense the funds; and that the funds should be directed to alcoholism and drug abuse treatment facilities. I know of no objection to this amendment. We have talked with our colleagues on our Human Resources Committee.

I would ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

Mr. HUMPHREY and Mr. CRANSTON addressed the Chair.

The PRESIDING OFFICER. The Clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Massachusetts, Mr. Kennedy, proposes an amendment numbered 91.

Strike out section 531 and insert in lieu thereof the following:

SEC. 531. PROVISION OF SERVICES FOR HOMELESS INDIVIDUALS UNDER THE ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH BLOCK GRANT.

(a) INCREASED AUTHORIZATION OF APPROPRIATIONS.—Section 1911 of the Public Health Service Act is amended by striking out "$576,000,000" and inserting in lieu thereof "$596,000,000".

(b) USE OF AMOUNTS FOR HOMELESS INDIVIDUALS WHO ARE SUBSTANCE ABUSERS. —Section 1916(c) of such Act is amended—

(1) by inserting after paragraph (15) the following new paragraph:

"(16) The State agrees—

"(A) to use, for the provision of prevention, treatment, and rehabilitation services for homeless individuals who are alcoholics, alcohol abusers, or drug abusers, an amount (from the amount allotted to the State under section 1913 for fiscal year 1987) that is not less than the amount which bears the same ratio to such allotted amount as the amount equal to the difference between the total amount appropriated under section 1911 for such fiscal year minus $509,800,000 bears to such total appropriated amount; and

"(B) that the services described in subparagraph (A) will be provided by alcohol abuse and drug abuse treatment programs."; and

(2) by inserting after the last sentence the following new sentence: "For purposes of paragraph (16), the term 'homeless individual' has the same meaning as in section 3 of the Urgent Relief for the Homeless Act.".

(c) EXCEPTION TO RESTRICTION ON THE PROVISION OF INPATIENT SERVICES.—Section 1915(b) of such Act is amended by adding at the end thereof the following new sentence: "Paragraph (1) does not apply to services provided under section 1916(c)(16).".

Mr. KENNEDY. Mr. President, I will offer these technical amendments at an appropriate time. I understand from the floor managers that there is a desire to move to the technical amendments later during the debate and discussion. And I will at that time offer this technical amendment.

I thank the managers.

Mr. CRANSTON and Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Would the Senator from Massachusetts specify where he wants his amendment to go?

Mr. KENNEDY. I will when I offer the technical amendment. I withdraw the amendment at this time.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. KENNEDY. I will indicate to my colleagues that I will offer the technical amendment at a later time in the debate.

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. Mr. President, the measure we are about to act upon would provide more effective assistance to homeless Americans. It is urgently needed, and I am very pleased that the Senate is acting so promptly on it.

I deeply appreciate the strong leadership provided on this issue by Senate majority leader, Senator BYRD, and the minority leader, Senator DOLE. Many other Senators of both parties, including Senator KENNEDY who has just spoken, have worked long and hard to shape the bill now before us. They all deserve credit for a job well done.

Mr. President, most Americans share a deep concern over the fact that hundreds of thousands of our fellow citizens are forced to live on the streets, without adequate food and without shelter. A recent Time magazine poll showed that 71 percent of the American people believe that Federal spending to aid the homeless should be increased.

That is an overwhelming call for effective action, and the Senate today has an opportunity to respond to that call.

The recent growth in homelessness throws a darkening shadow of shame across the streets of America. Testimony before the Senate Veterans' Affairs Committee indicates that as many as 2 million to 3 million Americans were forced to live on the streets or in emergency shelters at some time during this past year. Some 300,000 Americans are homeless on a given night. About 40 percent are homeless all year long.

Virtually every serious observer estimates that the numbers of the homeless have been growing at annual rates of 25 percent to over 35 percent.

I know other Senators share my dismay at evidence that growing numbers of the homeless are families with children and veterans. I do not believe this country will leave children on our streets without adequate food or will abandon our veterans.

Homelessness is no mysterious fate that falls on society's derelicts. It is an economic condition that hits American families who can't earn enough money to make ends meet—hits a family of four who cannot make the rent payment for 2 months in a row—and hits an elderly couple forced into a decision between paying the rent or buying food.

During a snow storm last January, I visited the shelter here in Washington, just a few blocks from this Senate, that is run by Mitch Snyder. It holds over a thousand men. What I found most surprising was that many there had jobs, regular jobs—but they simply could not afford to rent a home.

There is no easy explanation of the causes of the recent surge in homelessness, but experts have pointed to several causes: a lack of affordable housing for low-income people, unemployment and other employment-related problems, mental illness and the lack of services needed by mentally ill people and an array of other problems that relate to shortcomings in public policy.

This bill is a prudent response to a national crisis. It concentrates on delivering assistance to needy people as quickly as possible. It lays a foundation on which we can build a national commitment to end homelessness in America. Let me briefly outline the bill.

First, the bill gives State Governors and the mayors of major cities responsibility for developing coherent strategies for meeting the needs of homeless people within their jurisdictions. And it insures that Federal assistance will reinforce those State and local strategies.

Second, the bill would also expand HUD's transitional housing demonstration program, which enables local governments and nonprofit organizations to provide housing and supportive services for individuals and families who need temporary help in making the transition to independent living.

Both of these programs are already underway at HUD and these additional funds can permit these programs to meet more of the need.

Third, the bill would provide a special allotment of about 1,900 section 8 certificates to help homeless families with children pay the rent in existing housing.

Fourth, the bill would provide additional assistance for moderate rehabilitation of single room occupancy buildings, which many cities need to provide longer term shelter for homeless elderly people and other individuals with special needs.

Fifth, the bill would provide authorization for the successful emergency food and shelter program and expand the availability of basic shelter and related services to homeless individuals.

Sixth, the bill would improve routine and primary health care that is provided to homeless individuals.

Seventh, the bill would expand alcohol, drug abuse and mental health services available to homeless people.

Eighth, the bill would provide some additional support for job training for homeless adults and educational services for homeless children.

Ninth, the bill would reform some nutrition programs so that they can better meet the needs of the elderly.

Finally, I am delighted, as chairman of the Committee on Veterans' Affairs, that the bill includes provisions from title I of S. 477, the proposed "Homeless Veterans Assistance Act of 1987." This bill would address the tragedy of homelessness among our Nation's veterans by expanding Veterans' Administration efforts to serve homeless veterans and their families.

Mr. President, I ask unanimous consent that descriptions of the housing and veterans sections of the bill be included at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CRANSTON. Mr. President, this bill does not fully meet the enormous need. It does not do all I would like. But it is a serious effort to respond to real suffering.

This is a bipartisan bill. And I believe it can be a sound basis for cooperation between the Congress and the White House.

This bill is a good beginning. It is a step we should take, and I urge my colleagues to vote for it.

I yield the floor.

EXHIBIT 1

EXPLANATION OF HOUSING PROVISIONS IN THE URGENT RELIEF FOR THE HOMELESS ACT

Comprehensive Homeless Assistance Plan.—The bill would give State governors and the chief executives of large cities and urban counties responsibility for designing coherent strategies for meeting the needs of homeless people in their jurisdictions. The bill would require them to submit comprehensive homeless assistance plans to the Interagency Council for review and approval. It would ensure that funds under the housing title are provided only in ways that are consistent with each jurisdiction's strategy.

Such plans would (1) assess the size and characteristics of the homeless population, (2) describe available services, (3) set forth the jurisdiction's strategy for matching the needs of homeless people with available services and for meeting the needs of special groups of homeless people, such as families with children, the elderly, the mentally ill and veterans, (4) explain how federal assistance provided under this Act will complement and enhance other available services, and (5) include other information the Interagency Council determines is necessary for the plans to serve as a useful basis for program monitoring and evaluation.

The Committee deliberately has set forth requirements for these plans in general terms only. The Committee intends that the preparation and review of the plans be implemented in a way that facilitates thoughtful but rapid delivery of emergency relief for homeless people. The requirement has been written, therefore, to provide for expeditions review and a minimum of bureaucratic burden.

Transitional housing.—The bill would provide more adequate funding levels for HUD's transitional housing program, which provides homeless people with interim housing and support services to facilitate their transition to independent living over periods ranging from several weeks to about 18 months. The current funding level of $5 million would be increased by $60 million in fiscal 1987 and by such sums as may be necessary in fiscal 1988.

While emergency shelters can offer a place to stay for a few days or weeks, transitional housing is intended to provide a longer period of relative stability during which a homeless person can be helped to seek employment and permanent housing, secure benefits, and receive needed health care and counseling. Eligible facilities usually specialize in serving one category of people, such as: families, particularly families with children; abused adolescents or those leaving foster care; teenage parents; disabled people; recovering alcoholics and drug abusers; or ex-offenders. Transitional housing could involve such support services as: job training, educational and financial counseling, medical and psychiatric assistance, advocacy for benefits, training in housekeeping and other basic skills.

Residents typically pay some portion of rent and service costs once they have secured work or benefits.

The program provides grants of up to $200,000 to local agencies and non-profit organizations to rehabilitate, acquire, or operate temporary housing facilities for the homeless. HUD currently requires non-federal matching funds for 50 percent of the project costs. The Committee approves of the matching requirement but expects HUD to permit a non-federal share as low as 25 percent when that is warranted by local circumstances. Technical assistance is provided in the organization and operation of transitional housing.

The bill would build on HUD's transitional housing demonstration program, which was established with a $5 million appropriation in the continuing resolution for fiscal 1987. Proposed regulations to implement the program are now under review in HUD. The current appropriation would permit HUD to award only 10 to 30 grants which are scheduled to be made by the end of September, 1987. Initial response to the program suggests that applications will be submitted from across the country for a wide diversity of projects and with funding requests far in excess of available resources.

Emergency Shelter Grants Program.—The bill would increase the authorization for HUD's Emergency Shelter Grants Program by $80 million for fiscal 1987 and by such sums as may be necessary for fiscal 1988. For fiscal 1987, $10,000,000 has already been appropriated—with $2.96 million allocated to 36 major cities and urban counties and $7.04 million allocated to the States.

Under the program, HUD makes formula grants to States, cities and urban counties for the renovation or conversion of buildings for use as temporary emergency shelters for the homeless. Grant funds are distributed according to the previous year's Community Development Block Grant allocations—cities or urban counties whose allocation exceeds $30,000 are given the funds directly.

Smaller awards are allocated to the States for further distribution to localities.

Shelters receiving assistance must be maintained for the homeless for not less than 3 years, or not less than 10 years if the grant is used for major rehabilitation or conversion of the building. Up to 15 percent of the funds may also be used for certain operating expenses (i.e. maintenance, insurance, utilities and furnishings) and social service expenses (i.e. employment, health, drug abuse, and educational services).

The bill retains the current formula for distributing grants to the units of local government within the State based on the proportion of their previous year's allocations under the Community Development Block Grant Program. Additionally, each grantee would be required to match the HUD grant with an equal amount of its own funds.

The bill would set the minimum for direct allocation under the program to cities and urban counties at 0.3 percent of the total amount appropriated. This will ensure that the list of jurisdictions receiving grants directly—large cities, urban counties and States—will remain unchanged no matter what funding level is provided in appropriations acts. A list of local jurisdictions that would receive direct assistance is included as attachment A.

The bill would allow the Interagency Council on the Homeless, after 90 days have elapsed following the allocation of funds, to reallocate funds of States, cities or urban counties that do not have an approved comprehensive plan. The Council would be directed to reallocate the funds to jurisdictions that have demonstrated an extraordinary need or that have large numbers of homeless individuals.

The bill would streamline program planning by deleting requirements for other plans that are currently included in the authorizations for the emergency shelter grant and transitional housing programs.

The bill would allow the Secretary of HUD to waive the 15 percent limitation on the use of assistance for essential services for a unit of local government if the jurisdiction is already providing these services with other resources. Essential services would include employment, health, drug abuse, and education services to assist the homeless.

Section 8 Existing Housing.—The bill would increase the budget authority for Section 8 Certificates by $50,000,000 to provide special assistance for homeless families with children.

The Committee took note of reports that homeless families with children account for a growing portion of the homeless population. This section would permit local housing agencies to provide rental assistance to some 1,900 families.

The annual contributions contract between HUD and the local public housing agency would have a duration of five years. Allocations to each state or locality would be in proportion to the jurisdiction's share of total Emergency Shelter Grant funding. That is, those cities and urban counties receiving at least 0.3% fo the Emergency Shelter Grant would also receive 0.3% of the total available housing certificate allocation. Thus, 36 cities and urban counties would receive direct allocations, with the remaining amount going to States to allocate at their discretion.

The bill would also permit a local housing agency to attach assistance payments to a structure if the owner is a non-profit organization that has agreed to provide a satisfactory level of decent housing and support services.

Section 8 Assistance for Single Room Occupancy Dwellings.—The bill would authorize $35 million for about 1,000 Section 8 moderate rehabilitation certificates for use only in connection with the rehabilitation of single room occupancy dwellings (SRO's). SRO's can be residential housing, rooming houses or converted apartment buildings in which people rent single, furnished rooms and share communal kitchens and bathrooms. Experience in several cities has shown that these structures are well-suited to the housing needs of homeless people who are elderly, handicapped or displaced single individuals.

The bill would establish special procedures for the distribution and use of these funds. First, the bill would require that the funds be distributed by national competition rather than by formula allocation. The Secretary would be required to distribute the funds to those agencies that best demonstrate a need for the assistance and the ability to carry out the program. No city or urban county could receive more than 10 percent of the total funding available. This would target funds to areas with the greatest need and ensure that localities receiving the funds would be able to offer developers a number of certificates that is sufficient to make an SRO project economically viable.

Second, the bill would require the installation of certain safety features in all SRO's rehabilitated with these funds. These requirements are designed to ensure that all assisted projects would contain basic safety features, regardless of geographic location.

Third, the bill would limit the rehabilitation costs eligible for federal compensation to $14,000 per unit, plus the costs of the required safety features. The Committee believes that this limit would encourage (a) modest yet safe rehabilitation and (b) the innovative use of non-federal funds, private or public, to pay for the rehabilitation.

Finally, the bill would establish a class of 10 year certificates and provide the Secretary an option to renew for 10 years. The Committee believes that this method would best balance the need for emergency action with the concerns over expiring subsidies.

ATTACHMENT A—FISCAL YEAR 1987 EMERGENCY SHELTER GRANT ENTITLEMENTS

Name	State	Fiscal year 1987 grant
Phoenix	AZ	31,000
Los Angeles	CA	190,000
San Diego	CA	36,000
San Francisco	CA	60,000
Los Angeles County	CA	101,000
Washington	DC	57,000
Miami	FL	41,000
Dade County	FL	51,000
Atlanta	GA	33,000
Honoluly	HI	39,000
Chicago	IL	287,000
Cook County	IL	36,000
Louisville	KY	31,000
New Orleans	LA	47,000
Baltimore	MD	78,000
Boston	MA	64,000
Detroit	MI	147,000
Minneapolis	MN	43,000
Kansas City	MO	30,000
St. Louis	MO	75,000
Newark	NJ	36,000
Buffalo	NY	56,000
New York	NY	606,000
Nassau County	NY	38,000
Cincinnati	OH	43,000
Cleveland	OH	83,000
Philadelphia	PA	178,000
Pittsburgh	PA	57,000
Allegheny County	PA	44,000
Memphis	TN	37,000
Dallas	TX	42,000
Houston	TX	74,000
San Antonio	TX	49,000
Seattle	WA	39,000
Milwaukee	WI	52,000
San Juan Municipio	PR	45,000
Total to cities and urban counties		2,956,000
Total to States		7,044,000
Total Appropriation		10,000,000

TITLE IX: HOMELESS VETERANS ASSISTANCE

Mr. President, I am delighted, as the chairman of the Committee on Veterans' Affairs, that the pending measure includes provisions from S. 477, the proposed "Homeless Veterans Assistance Act of 1987," as reported by the Veterans' Affairs Committee on March 18 as modified prior to Senate passage on March 31 by an amendment offered on behalf of our committee's ranking minority member, Mr. MURKOWSKI, and myself which resolved the differences he and I had over certain provisions of S. 477 as reported. I am truly delighted that we were able to resolve those differences and that we were able to gain Senate approval of the measure as amended, title I of which is now included as title IX of the pending measure.

Mr. President, the provisions in title I of S. 477 as passed by the Senate on March 31 and now before the Senate today—which I will refer to as the "Committee bill" or "S. 477 as passed"—are derived most directly from S. 477, which I introduced on February 4 with the cosponsorship of fellow committee members Senators MATSUNAGA, DECONCINI, MITCHELL, ROCKEFELLER, and GRAHAM. It also contains provisions derived from S. 553, which was introduced by Senator ROCKEFELLER on February 19.

Mr. President, the primary purpose of title IX is to address the tragedy of homelessness among our Nation's veterans, principally through focusing and enhancing the efforts of the Veterans' Administration to assist those veterans and their families.

BACKGROUND

Mr. President, I am deeply concerned about the reports that a significant portion of the population of homeless individuals is comprised of veterans and their families. For example, a paper presented at the 1985 Annual Meeting of the American Public Health Association in Washington, DC, entitled "Homeless Veterans in Los Angeles County," indicated that 47 percent of homeless persons in Los Angeles were veterans and that a survey conducted in eight cities and the State of Ohio showed that veterans constituted about one-third of the homeless population. Other estimates on this matter vary widely. For example, Mitch Snyder, the director of the Community for Creative Non-Violence here in Washington, DC, told me, during a visit I made to the CCNV shelter in January that, based on his observations in a large number of cities, more than half of the homeless individuals are veterans. During a hearing in our committee on February 18, Jesse Moses, a resident of that same shelter, stated that he estimated that 60 percent of homeless persons lodged in that facility were veterans.

Specific factors contributing to homelessness among veterans that were enumerated during our hearing, as well as during other recent hearings that have addressed the overall issue of homelessness as well as the specific issue of homeless veterans, include various mental disabilities, serious alcohol or drug abuse problems, and psychological problems related to combat.

Among homeless veterans, there are certainly those who returned from their military service with serious physical and mental disabilities, especially those who served in a combat area. In the absence of proper rehabilitation and training, these physical and mental disabilities often prevent these veterans from securing employment. According to a homeless research study conducted in Baltimore in 1981-82 by researchers in the Department of Psychiatry and Behavioral Sciences in the School of Medicine at the Johns Hopkins University:

> It is difficult to interpret what role military service might play in the life history of homeless persons * * *. The alienation experienced by many homeless people may be compounded by the sense of rejection described by some Vietnam veterans * * *.
>
> VA benefits, including health services, though available in major cities where the homeless congregate, are underutilized

> * * *. Problems of accessibility and acceptability within the VA system should be identified and remedial action taken to correct deficiencies. Where necessary, special services to address the needs of homeless veterans should be developed.
>
> In addition to traditional health, mental health and alcoholism treatment services, these services should include outreach, transportation to often remote sites for care, rehabilitation, and resettlement * * *.

A February 10, 1987, report of the Select Committee on the Homeless of the Council of the City of New York regarding homelessness and veterans in New York City succinctly stated recommendations designed to eliminate the plight of the homeless veterans there. It recommended, first, that Government must reach out to the homeless veterans; second, that stable housing must be provided; and, finally, that a veteran who has been reached and housed must be rehabilitated.

Ronald W. Drach, National Employment Director of the Disabled American Veterans, during his appearance before the January 29 hearing I chaired of the Senate Banking Committee's Subcommittee on Housing and Urban Affairs, stated that all agencies both public and private must provide their expertise and respective services to assist in alleviation of the problem of homeless veterans. He further stated that the failure of any one provider of services to live up to its responsibility would significantly diminish the possibility of successfully combating homelessness.

Mr. President, in response to testimony before the Committee on Veterans' Affairs and the Housing Subcommittee and based on our view that the VA has a special responsibility to meet the needs of our Nation's veterans, our committee developed and reported S. 477.

SUMMARY OF PROVISIONS

Title IX of the pending measure—which as I noted above is derived from title I of S. 477 as reported and as revised by the Cranston-Murkowski amendment—includes provisions that are designed to provide assistance to homeless veterans and their families that would:

First, authorize the VA, during fiscal years 1987, 1988, and 1989, to enter into agreements with veterans' organizations and other nonprofit entities to sell to them, for such consideration as the Administrator determines is in the best interests of the Government, the VA's Loan Program, and the solvency of its revolving fund, for use as shelters primarily for homeless veterans and their families certain hard-to-sell dwellings from the VA's inventory of over 21,000 properties acquired as a result of defaults on VA loans.

Second, authorize the VA, during fiscal years 1987, 1988, and 1989, to lease to the same kinds of organizations as I have just described underutilized VA facilities for use as emergency shelters for homeless veterans.

Third, require the VA to make an inventory of dwellings—which the VA has held for more than 12 months after post-default acquisition—available for sale and underutilized other VA facilities available for lease so as to identify those that might be suitable for sale or leasing, and to notify the organizations I have just described of the availability of such dwellings and facilities.

Fourth, require the VA to establish a pilot program, for at least 2 years in 10 geographic areas with significant populations of homeless veterans, whereby various activities would be undertaken to improve the VA's ability to assist homeless veterans and their families.

Fifth, require the VA to report on: First, its outreach efforts in fiscal years 1986 and 1987 to assist homeless veterans to receive the health care, job counseling, income maintenance support, and other benefits and services for which they may be eligible; and second, any plans to increase those efforts.

Sixth, require the VA, in coordination with any Federal coordinating body, such as the one that would be established by title I of the pending measure, and, as appropriate, in conjunction with carrying out other programs under the committee bill, to conduct a survey to estimate the number and service periods of veterans who are homeless and what veterans' benefits they would likely be eligible to receive.

Seventh, require the VA, as part of a statutory report on the treatment of chronically mentally ill veterans, to provide information on the numbers of veterans furnished inpatient psychiatric care by the VA in fiscal years 1984 through 1987, together with an analysis of any change in the numbers of veterans furnished or expected to be furnished such care during the period covered by the report, with a particular emphasis on any impact from the implementation of the VA's new resource allocation methodology.

Eighth, provide for the continuation beyond fiscal year 1987 of the VA's authority to contract for community-based psychiatric residential care for certain veterans with chronic mental illness [CMI] disabilities, and expand that authority to include care for veterans who need such care for a service-connected CMI disability.

Ninth, require the VA to carry out a 2½-year pilot program—spending up to $25 million in fiscal years 1987, 1988, and 1989—of contracting for community-based residential care for homeless veterans suffering from CMI disabilities, and to submit a report, by February 1, 1989, on the first 18 months' experience under this pilot program.

Tenth, authorize $30 million to be appropriated for the Veterans' Job Training Act [VJTA] for fiscal years 1987 and 1988—by extending through fiscal years 1987 and 1988 the current fiscal year 1986 authorization of appropriations of $65 million, of which $35 million was appropriated in fiscal year 1986; make eligible for the VJTA Program without satisfying the length-of-unemployment criterion those unemployed veterans who are homeless or who have service-connected disabilities rated at 30 percent or more; and postpone by approximately 6 months the deadlines for veterans to apply for VJTA participation, from July 2, 1987, to December 31, 1987, and to enter training, from January 2, 1988, to June 30, 1988.

Eleventh, require the VA, unless impracticable to do so, to establish 500 new domiciliary-care beds using underutilized space in VA facilities.

ASSISTANCE IN PROVIDING SHELTER

Mr. President, section 902 of the pending measure, which was derived from section 101 of S. 477 as passed which in turn was derived from section 2 of S. 477 as introduced, would authorize the VA, within the limits of available appropriations, to carry out a program during fiscal years 1987, 1988, and 1989, to sell, to veterans' service organizations or other nonprofit entities, certain hard-to-sell foreclosed dwellings from the VA's inventory and to lease to these entities underutilized VA facilities for use as shelters primarily for homeless veterans and their families.

As set forth in our committee's report accompanying S. 477, Senate Report 100-15, we recognize that the roots of homelessness, in the population in general and among veterans, are many and that no one program or specific effort will be adequate to resolve this difficult problem. Nevertheless, it is the view of the committee that providing shelter can be an important step in any overall program of assistance.

In this regard, and in further recognition of the VA's fundamental mission of providing needed assistance to veterans, the committee bill includes provisions that would enable the VA, in a modest way, to assist in the provision of shelter for homeless veterans and their families. Specifically, the committee bill would direct the VA to provide shelter in two principal ways:

First, the VA would be authorized to sell, for such consideration as the Administrator determines is in the best interests of the Government, the VA's loan program, and the solvency of its revolving fund, title to hard-to-sell dwellings that the VA acquired as a result of foreclosures. These properties would be used by veterans' organizations and other non-profit organizations, including local governments, primarily as shelters for homeless veterans and their families.

Second, the VA would be authorized to lease, for a fixed period of time, underutilized VA facilities to the same type of entities for use primarily as shelters for homeless veterans and their families.

In neither case would the VA actually operate any of the resultant shelters or be responsible for the activities of those who would.

A number of changes were made to S. 477 as introduced in response to concerns raised at the committee's hearings in this area. For example, in response to concerns voiced about whether shelters established in property that had been in the VA's inventory would be operated in violation of zoning laws, the committee bill includes a provision that would require the VA, prior to any transfer of property, to gain assurances from the transferee that the property will be used solely as a shelter principally for homeless veterans and their families, that all applicable zoning laws will be complied with, and that the transferee will make no use of the property that is incompatible with the neighborhood. In addition to these assurances from a transferee, the committee bill would require that the deed transferring the property include specific provisions requiring adherence to all zoning laws.

Mr. President, in order to ensure that transfers of property for the purpose of providing shelter to homeless veterans do not have an adverse effect on the integrity of the loan guaranty revolving fund, the committee bill as revised by the Cranston-Murkowski amendment would expressly limit the authority to transfer houses to the sale of properties for such consideration as the Administrator determines is in the best interests of the Government, the VA's Loan Program, and the solvency of its revolving fund. Finally, in response to concerns that the authority to transfer properties from the inventory could somehow result in a financial detriment to the defaulting veterans, the committee bill includes a provision pursuant to which the Administrator would be required to affirm, prior to transfer, that there is no likelihood that the VA could sell the property for a price sufficient to reduce a defaulting veterans's liability.

Mr. President, with final reference to this provision, particularly in view of the changes made in the provision as a result of the Cranston-Murkowski amendment, I want to clarify that the amended provision leaves the decision about the appropriate selling price to the Administrator based on the VA's assessment of what would be in the best interests of the Government, the Loan Program and its revolving fund's solvency. Hence, the VA could certainly decide to sell a dwelling for less than its book value and set a price that is generally in the best interests of the Government in consideration of all factors including, of course, the carrying costs for the property for as long as the Administrator estimates it would otherwise continue in the VA's inventory as well as the costs of ultimately selling the property commercially.

PILOT PROGRAM TO ASSIST HOMELESS VETERANS

Mr. President, section 903 of the pending measure, which was derived from section 102 of S. 477 as passed which in turn was derived from section 3 of S. 477 as introduced, would require the Administrator, within the limits of available appropriations, to conduct a pilot program and study in not less than 10 geographical locations for a period of not less than 24 months to evaluate various activities that might assist homeless veterans and their families.

Activities that might be undertaken as part of the Pilot Program would include those otherwise authorized by law—such as outreach efforts under subchapter IV of chapter 38 of title 38, United States Code—as well as other activities specified in the committee bill, including designating VA employees at the VA Pilot Program facilities involved to coordinate official and volunteer efforts to assist homeless veterans, authorizing VA employees to seek out and cooperate with non-VA organizations which assist homeless individuals, and facilitating the activities of VA employees who wish to assist homeless veterans on a volunteer basis. As clarified by the Cranston-Murkowski amendment, the facilitating of volunteer activities would be limited to the VA's adjusting the duty hours or meal breaks so as to permit a VA employee to engage in volunteer activities during personal time without interfering with the employee's discharge of his or her assigned work responsibilities.

Mr. President, our committee's report on S. 477 noted that the committee expects that the employees who will be both designated to coordinate and otherwise involved in these various activities will be existing personnel—such as VA voluntary service employees, veterans benefit counselors, and vet center personnel—who are already in positions of directly assisting veterans who come to the VA. No additional staff is contemplated for this Pilot Program.

With reference to the authority to facilitate VA employees' volunteer efforts, such as providing flexibility in scheduling an employee's duty periods or lunch hours, the committee bill, in response to concerns raised at the committee's hearings regarding the potential for pressure being placed on VA employees under this authority, included a very strong anticoercion provision. Under this provision, the Administrator would be required to prescribe regulations to ensure that no VA employee would coerce in any fashion any other VA employee in order to get such an employee to participate in volunteer activities and also sets forth a mechanism for reporting to the VA's Inspector General any apprehension an employee may have about retribution in connection with nonparticipation in such volunteer activities. Additionally, the regulations would be required to ensure that an agency employee who attempts to coerce an employee to volunteer for any activities under this legislation would be subject to appropriate disciplinary action.

Although the anticoercion provisions were deleted by the Cranston-Murkowski amendment, that in no way diminishes our intent that no such coercion be permitted in any respect.

Finally, because of concerns that singling out homeless veterans for volunteer assistance would give special priority to that cause and could unfairly work to the disadvantage of other worthy causes, the committee bill also would authorize the Administrator to facilitate volunteer activity in support of any other charitable activity approved by the Director of the Office of Personnel Management, under 5 C.F.R. Part 950, in connection with certifying organizations for participation in the Combined Federal Campaign, or otherwise designated by the Administrator.

With reference to the emphasis on voluntary activity by VA employees, I note, as did the committee's report, that the VA generally has a strong record of encouraging voluntary charitable activities by its employees. I view these provisions in the committee bill as a way to extend that activity with the specific focus of assisting homeless veterans and their families.

OUTREACH SERVICES PROGRAM

Mr. President, section 904 of the pending measure, which was derived from section 103 of S. 477 as passed which in turn was derived from section 4 of S. 477 as introduced, would require the Administrator to report on the VA's outreach efforts to homeless veterans and on ways those efforts could be improved in order to assist these veterans in receiving the health care, job counseling, rehabilitation services, and income maintenance support for which they may be eligible.

Specifically, the Administrator would be required to submit a report on the VA's outreach efforts to homeless veterans that have occurred or will occur during fiscal years 1986 and 1987 under that statutory mandate. This report is also to include information on any changes in the utilization of benefits by homeless veterans as a result of VA outreach efforts, a description of all follow-through activities carried out by the agency in connection with its outreach efforts, a description of, and timetable for, any plans to expand outreach efforts, and an estimate of additional resources needed to accomplish such plans.

SURVEY OF HOMELESS VETERANS

Mr. President, section 905 of the pending measure, which was derived from section 104 of S. 477 as passed which in turn was derived from section 5 of S. 477 as introduced, would, as modified by the Cranston-Murkowski amendment, require the VA, in coordination with any Federal coordinating entity established with respect to homeless programs, such as would be set up by title I of the pending measure, to conduct a survey to develop an estimate of the number of veterans, by service period, who are homeless and the veterans benefits for which they are likely to be eligible. As amended by the Cranston-Murkowski amendment, the VA would be directed to utilize in conducting the survey, to the extent it would be appropriate to do so, the personnel working in other programs carried out under the legislation.

This provision was included in the committee bill in response to the strong support voiced by those who testified regarding homeless veterans at the committee's hearings about the lack of reliable information at present on the population of homeless veterans.

Mr. President, I do not minimize the difficulty inherent in trying to develop a reliable estimate of the overall number of homeless individuals and recognize that seeking to determine the size of a subset of that universe—namely, homeless veterans—is even more difficult. However, without some estimate of this population, it becomes very difficult for the Congress or the VA or other executive branch departments or agencies to develop and carry out effective, appropriate programs targeted on this population.

The report on this survey would be due within 180 days of the date of the enactment of this measure. In response to concerns expressed at the committee's hearings about the difficulty in developing precise figures, the committee bill calls for only estimates of the numbers of homeless veterans in various subgroupings. Specifically, the survey and report would be required to provide estimates, to the maximum extent feasible, of the total number of homeless veterans and their dependents, a breakdown showing periods of service for the overall population of homeless veterans with subgroupings showing the numbers with families and those with chronic mental illness or substance abuse disabilities.

In addition, the survey and report would be required to include, to the maximum extent feasible, estimates of the numbers of homeless veterans who received or will likely receive various veterans benefits and services in fiscal years 1986 and 1987—including VA health care, compensation or pension benefits, and employment benefits from the Department of Labor—and on the numbers of veterans who would likely be eligible for such benefits if they were to apply for them. Finally, the Cranston-Murkowski amendment clarified the survey requirement by providing that the survey be carried out through representative samplings in appropriate geographic areas.

CHRONICALLY MENTALLY ILL VETERANS

Mr. President, because of general concerns that a significant percentage of homeless individuals are suffering from chronic mental illness—CMI—disabilities and of concerns expressed by the American Legion during the committee's hearings that the VA's resource allocation methodology may be leading to premature and inappropriate discharges of such veterans, section 906 of the pending measure, which was derived from section 105 of S. 477 as passed which in turn was derived from section 6 of S. 477 as introduced, would amend section 235 of the Veterans' Benefits Improvement and Health-Care Authorization Act of 1986, Public Law 99-576, relating to VA services furnished to veterans suffering from CMI disabilities, to require that the study mandated by that section also include information on the number of veterans suffering from mental illness disabilities who were furnished hospital, domiciliary, or nursing home care by the VA in each of the last three fiscal years, fiscal years 1984, 1985, and 1986—and an estimate in each category for fiscal year 1987—and to analyze any changes in the numbers of such veterans being furnished each type of care with a particular emphasis on any changes resulting from the VA's implementation of its resource allocation methodology for allocating funds to VA health-care facilities.

In this regard, I note, as did our committee's report, that it is particularly important that the committee learn about the impact of the VA's adoption of the diagnosis related group methodology—known as DRG's—with respect to mental illnesses. Such information would better enable the VA, the committee, and the Congress to attempt to meet the needs of homeless veterans suffering from CMI disabilities and, to the extent it appears that inappropriate discharge decisions are being made, to work to correct that situation in general.

The committee bill also requires the VA to conduct a 2½-year Pilot Program, utilizing the new authority in section 620C of title 38, United States Code, which was just recently provided to the agency by section 2 of Public Law 100-6, to provide contract community-based residential care to certain veterans suffering from CMI disabilities. The committee bill would target the new, general authority in section 620C on homeless veterans in order to provide them with such community-based care through the use of the $5 million that was transferred to the VA for fiscal year 1987 by Public Law 100-6 to fund the new section 620C authority.

As was noted in the committee report, the committee understands that the VA is prepared to expend the $5 million entirely for services for homeless veterans with CMI disabilities, and this provision in the committee bill would provide clear legislative support and direction for that plan. In addition, the committee bill would authorize the expenditure of up to $10 million in each of the next 2 fiscal years in support of this Pilot Program to assist homeless veterans. Thus, as a result of this provision, the VA will be authorized to spend up to $25 million over the next 2½ fiscal years to assist homeless veterans suffering from CMI disabilities.

The committee bill also includes a provision to amend section 620C so as to provide eligibility for contract community-based residential care to veterans for treatment of their service-connected CMI conditions. Under section 620C as enacted, eligibility for this contract care is limited to veterans suffering from CMI disabilities who either are being furnished VA inpatient care for a CMI disability, are homeless, or have a 50-percent or more service-connected disability. Adding veterans being treated for service-connected CMI disabilities to the list of eligibles would have the effect of rectifying an inequity in current law that provides eligibility for the new contract authority for one category of nonservice-connected, noninstitutionalized veterans—namely homeless veterans—suffering from CMI and provides no such eligibility to veterans in need of treatment for their service-connected CMI disabilities. Providing for the treatment of veterans' service-connected disabilities has always been a top priority for our committee and the Congress, especially with reference to the use of contract facilities.

Finally, the committee bill includes some amendments to both Public Law 100-6 and new section 620C so as to improve the new contract authority. Specifically, Public Law 100-6 would be amended so as to make the $5 million limitation on the use of the authority applicable only during fiscal year 1987—thereby making the authority available to the VA after September 30, 1987—and section 620C would be amended so as to include a definition—derived from section 201(i) of H.R. 558, the proposed "Urgent

Relief for the Homeless Act," as passed by the House on March 5, 1987—of homeless individual identifying those intended to be served and for targeting care on them in the Pilot Program.

VETERANS' JOB TRAINING ACT

Mr. President, section 907 of the pending measure, which was derived from section 106 of S. 477 as passed which in turn was derived from S. 553, would extend through fiscal years 1987 and 1988 the authorization of appropriations under the Veterans' Job Training Act [VJTA]; extend by approximately 6 months the deadlines for application for VJTA participation and entry into job-training programs under VJTA; and provide certain unemployed Korean-conflict and Vietnam-era veterans who either are homeless or have service-connected disabilities with eligibility for training under VJTA without regard to the length-of-unemployment criterion in current law; namely unemployment for at least 10 of the 15 weeks preceding the veteran's VJTA application.

VJTA is designed to promote training and employment opportunities for long-term jobless Vietnam-era and Korean-conflict veterans through a program of cash incentives to employers to help them defray the costs of employing and providing training to such veterans. The VJTA Program was originally established in 1983 with the enactment of the Emergency Veterans' Job Training Act of 1983, Public Law 98-77. Made eligible for a VJTA job-training position were unemployed veterans who had served during the Korean conflict or Vietnam era and were unemployed for 15 out of the 20 weeks preceding their application and who either had more than 180 days active service or were discharged or released from service for a disability or are entitled to VA service-connected disability compensation.

The 1983 law authorized appropriations of a total of $300 million for fiscal years 1984 and 1985, $150 million of which was appropriated by the fiscal year 1984 Continuing Appropriations Act, Public Law 98-151, and the fiscal year 1984 Supplemental Appropriations Act, Public Law 98-181. Section 212 of the Veterans' Benefits Improvements Act of 1984, Public Law 98-543, extended by 5 months the original deadlines for applications and for entry into training to February 28, 1985, and September 1, 1985, respectively. This act also extended by 1 year, until the end of fiscal year 1987, the date by which the program's existing funds could be expended to assist veterans in gaining needed job training under VJTA. On September 30, 1985, with the enactment of section 4 of Public Law 99-108, the date by which a veteran could enter into training was further extended from September 1, 1985, to July 1, 1986.

On January 13, 1986, with the enactment of section 201 of the Veterans' Compensation Rate Increase and Job Training Amendments of 1985, Public Law 99-238, the program was amended to extend further the participation deadlines regarding application and entry into a training program to July 2, 1987, and January 2, 1988, respectively; to authorize a fiscal year 1986 appropriation of $65 million; to delete "Emergency" from the title of the act; to reduce, from 15 of 20 weeks to 10 of 15 weeks preceding his or her application, the period a veteran must be unemployed; and to require that contact be made with participating veterans on at least a monthly basis and that counseling services be made available to them and their employers.

VJTA has provided over 47,000 veterans with the opportunity to gain the skills and on-the-job experience needed to help them break away from sustained unemployment and build more productive lives for themselves and their families. Moreover, the benefits of VJTA extend, beyond the veterans themselves, to society in general in a number of significant ways, including reduced public assistance payments, higher revenues from increased taxable income, and greater community stability stemming from reduced unemployment.

Among the measurable benefits accruing to veterans as a result of their participation in VJTA is increased earning power. A 1985 report, carried out by Centaur Associates, Inc., entitled "Final Report: Evaluation of the Emergency Veterans' Job Training Program," found that veterans, while participating in VJTA, earn $50 more per week than veterans eligible for but who do not participate in the program and, in the year following training, about $2,200 more.

VJTA is highly popular among those employers who have provided job training programs to veterans under it. In general, according to the Centaur report, the supervisors of participating veterans rank the job performance of these veterans from good to excellent and the employers express an interest in hiring other veterans through VJTA.

In order to provide for the continuation of this job training program, and especially to make it more readily accessible to assist homeless veterans as well as those veterans with service-connected disabilities rated at 30 percent or more, section 106 of the committee bill would extend through fiscal years 1987 and 1988, the fiscal year 1986 authorization of appropriations for VJTA—$65 million, of which $35 million was appropriated for fiscal year 1986—and extend by nearly 6 months the dates governing application and entry into training from July 2, 1987, to December 31, 1987, and from January 2, 1988, to June 30, 1988, respectively. With regard to the $30 million that would be authorized to be appropriated for VJTA under this provision, this funding in fiscal year 1987 would enable approximately 10,000 additional veterans to participate in VJTA training programs.

In connection with funding for VJTA, I am pleased that officials of the Department of the Treasury have recently reversed, as I had urged them to do, an earlier determination that approximately $5 million of the remaining fiscal year 1984 appropriation for VJTA—which, according to the VA, could increase to as much as $8 million by the end of fiscal year 1987 due to deobligations from veterans terminating their VJTA training—could not be spent after the end of fiscal year 1986. The Department's revised decision will allow these funds—which have now been released—to be used to provide an estimated 2,700 additional veterans the opportunity to take part in job training under VJTA through the end of fiscal year 1987.

As part of its program to deal with the the problem of homelessness among our Nation's veterans, the committee bill includes provisions to amend VJTA so that it can help alleviate the serious problem of joblessness among homeless veterans. In this regard, I believe that, as is the case with the general population of homeless persons, three major underlying causes of veterans' homelessness need to be dealt with—substance abuse, chronic mental illness, and unemployment.

During the past 6 months, the Congress has addressed two of these causes. In section 4002 of the Anti-Drug Abuse Act of 1986, Public Law 99-570, Congress provided a $10.4 million increase in funding for the VA's drug and alcohol treatment programs, and in section 2 of Public Law 100-6, which transferred $50 million to the Emergency Food and Shelter Program, the Congress enacted a $5 million fiscal year 1987 initiative for providing contract community-based residential treatment programs to certain veterans, including those who are homeless, suffering from chronic mental illness disabilities. As discussed above with respect to section 105 of the committee bill, the committee bill proposes to build on the latter initiative by extending the contract authority indefinitely and providing for its utilization through the end of fiscal year 1989 in a pilot program to care for homeless veterans, for which $10 million could be expended in each of fiscal years 1988 and 1989.

As a complementary part of this effort to reduce homelessness among veterans, section 907 of the pending measure would waive for homeless veterans the requirement under current law that VJTA participants be unemployed 10 of the 15 weeks preceding application to the program. This provision reflects the belief that every reasonable opportunity should be afforded homeless veterans to help them return to the mainstream of American life. Waiving the unemployment criterion should provide an opportunity for homeless veterans to receive vitally-needed job training through gainful employment.

Section 907 would also waive the 10 of 15 weeks unemployment requirement under VJTA for 30 percent or more service-connected disabled veterans who as a group experience significantly higher rates of unemployment than nondisabled veterans. This proposed change reflects the committee's deep concern over the high rate of joblessness among seriously disabled veterans. Extending eligibility without regard to length of unemployment to service-connected disabled veterans with disability ratings of 30 percent or more is consistent with the committee's actions over the years to recognize the special needs of these veterans and to help enable them to gain economic independence. As part of that effort, under section 5(c) of VJTA, employers may receive payments to defray the costs of providing training up to 15 months for veterans with service-connected disabilities rated 30 percent or more as compared to 9 months for other veterans.

Likewise, the needs of veterans with service-connected disabilities rated 30 percent or more also receive special attention through the Disabled Veterans' Outreach Program and the local Veterans' Employment Representative Program under chapter 41 of title 38, "Job Counseling, Training, and Placement Services for Veterans," and through the affirmative action activities required by Federal contractors under chapter 42, "Employment and Training of Disabled and Vietnam-Era Veterans." Special recognition is also afforded this category of severely disabled veterans in the Veterans Small Business Loan Program—authorized although not implemented—under chapter 37, "Housing and Small Business Loans."

Waiving the 10 of 15 weeks unemployment requirement for this same category of seriously disabled veterans would enhance their opportunities for accelerated placement in VJTA training programs, which are designed to lead to permanent employment.

ESTABLISHMENT OF DOMICILIARY-CARE BEDS

Mr. President, a new section 908 was added to the bill by the Cranston-Murkowski amendment in order to require the VA, unless impracticable to do so, to establish 500 new domiciliary-care beds using underutilized space in VA facilities. Under this provision, the VA, except to the extent that the Administrator determines that it is impractical to do so, would be required, not later than January 1, 1988, to convert underutilized space in VA facilities located in areas with significant populations of homeless veterans to 500 domiciliary beds to care for veterans in need of domiciliary care, primarily those who are homeless. A determination of impracticality of a conversion in any specific area may be based on a finding that appropriate underutilized space is not available or that there are too few homeless veterans in that area who are in need of domiciliary care to warrant the conversions. In making the conversions under this provision, the VA would be precluded from diminishing the conversion of its hospital-care beds to nursing-home-care beds.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

The Senator from New Hampshire sought recognition first.

Mr. HUMPHREY. Mr. President, does the majority leader wish me to yield?

Mr. BYRD. No. I thank the Senator.

Mr. HUMPHREY. I will be glad to yield to the distinguished majority leader.

Mr. BYRD. Mr. President, if the Senator will yield for the purpose of my making a statement on this matter, I am going to designate Mr. Cranston as the manager of the bill on this side of the aisle. He is the chairman of the Housing Subcommittee of the Banking Committee. He is also the chairman of the Committee on Veterans' Affairs. As chairman of those two entities, he is, I believe, very highly qualified so I recommend him to manage the bill on this side.

Mr. CRANSTON. I thank the leader and I will do my best to lead effectively on this matter.

The PRESIDING OFFICER. The Senator from New Hampshire.

AMENDMENT NO. 92

(Purpose: To reduce the rates of pay of Members of Congress and certain officers and employees of the Federal Government)

Mr. HUMPHREY. Mr. President, on behalf of Senators McCain, Proxmire, Burdick, Grassley, DeConcini, Helms, and myself, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Hampshire (Mr. Humphrey) for himself, Mr. McCain, Mr. Proxmire, Mr. Burdick, Mr. Grassley, Mr. DeConcini, and Mr. Helms, proposes an amendment numbered 92.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. I object.

The PRESIDING OFFICER. Objection is heard. The clerk will read the amendments.

The legislative clerk read as follows:

At the end of amendment number 90 add the following new section:

Sec. . (a) The rates of pay for all offices and positions which were increased pursuant to the recommendations of the President relating to rates of pay for offices and positions within the purview of section 225(f) of the Federal Salary Act of 1967, as included (pursuant to section 225(h) of such Act) in the budget transmitted to Congress for the fiscal year ending on September 30, 1988, are reduced to the rate of pay for each office and position which was in effect before such recommendations became effective.

(b) The provisions of subsection (a) shall be effective on the first day of the first applicable pay period which begins on or after the date of enactment of this Act.

(c) The provisions of subsection (a) shall not apply to the rate of pay of any judge or justice appointed pursuant to Article III of the Constitution of the United States of America.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 93

Mr. BYRD. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from West Virginia (Mr. Byrd) proposes an amendment numbered 93 to amendment No. 92:

In lieu of the matter proposed to be inserted, insert the following:

Sec. . The Secretary of the Senate shall develop and make available through the Disbursing Office a form to assist and facilitate any Senator who decides to return to the Treasury all or a portion of the amount of the salary of such Senator equal to the increase made pursuant to the recommendations of the President relating to rates of pay for offices and positions within the purview of section 225(f) of the Federal Salary Act of 1967, as included (pursuant to section 225(h) of such Act) in the budget transmitted to Congress for the fiscal year ending on September 30, 1988.

Mr. HUMPHREY. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. HUMPHREY. Is a second-degree amendment in order absent the yeas and nays having been ordered on the underlying amendment?

The PRESIDING OFFICER. The second-degree amendment is in order since it is offered by a Senator other than the Senator who offered the first-degree amendment.

Mr. HUMPHREY. Very well. I have not seen a copy of the amendment so I will suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, perhaps a little explanation is in order. The Senator from New Hampshire offered an amendment which would have the effect of repealing the now infamous pay raise which Members enjoyed by virtue of a strange new law, probably unconstitutional, which is being challenged in the courts but which in any event has gone into effect such that Members have benefited, stand to benefit, are benefiting by a 15-percent pay increase effective March 1.

That was the amendment which the Senator from New Hampshire offered. The Senator from West Virginia has offered a perfecting amendment. I do not have yet a copy before me, but I read it at the desk and if I by mistake characterize it incorrectly, I am sure the Senator from West Virginia will correct me. But as I understand it, it would negate the amendment which I have offered and propose in lieu of the amendment I have offered; namely, the amendment to repeal the pay raise, language which would require that the Secretary of the Senate design a form by which Senators who did not care to accept the pay raise could so indicate.

That, of course, is a substantially different situation. That is a substantially different remedy to the complaint of the American people that Congress sneaked itself a pay raise through the back door.

Of course, any Senator with or without this form even today, as far as I know, is free to return the pay raise—any Member of Congress for that matter—or to give it to charity, as a number have indicated they intend to do.

I say, with all due respect to the author of the amendment, that this is a smokescreen. This is a diversionary tactic. This is yet another backdoor being opened for Members of Congress to escape accountability.

That is really the central issue in this whole unpleasant pay raise business, accountability. If the amendment offered by the Senator from West Virginia were to be adopted and in so doing negate the amendment which I have offered, then very frankly my whole effort to ensure accountability on behalf of the American people will be defeated.

Perhaps that is the intent behind the perfecting amendment. It certainly seems so on its face. But I am not going to question the motives of my colleagues, at least not on the floor.

So I urge Senators to oppose this for what it is. It is a bold-faced attempt to emasculate the Humphrey amendment, which would repeal this pay raise. The Byrd amendment would neutralize completely the Humphrey amendment. It would not bring about a repeal of the pay raise. It would simply bring about the designing and printing of some new form upon the stack of forms that we already have in Congress. I think this is really quite unfortunate. I hope it will be defeated.

Let me address the underlying issue in greater detail if I may. Perhaps a little historical recap is in order to refresh the minds of Senators about the nature of this debate. I should say that I do not relish offering this amendment. It has been the subject of some less than pleasant conversations among my colleagues, may I say.

I wish somebody else would do it. I wish it were not even necessary. That would be best of all. It should not have been necessary but it is necessary. Somebody has to stand for accountability and if I get called names in the process, then so be it.

I do not know why the Senate would be reluctant to vote again on this issue. We have voted on this issue before. On January 29, the Senate voted 88 to 6 on a joint resolution disapproving the pay raise recommended by the President—89 to 6. That is an overwhelming vote against the pay raise.

A short while later by a voice vote the Senate agreed to attach the joint resolution, which was in the first vote freestanding, as an amendment to the emergency food and shelter appropriations for the homeless bill which was before the Senate at that time.

The purpose of attaching that resolution as an amendment was clear at the time. The purpose was to force the House leadership, which had been ducking the issue, to vote one way or another on a joint resolution of disapproval.

As the now infamous train of events proceeded, the House leadership delayed taking up that bill, delayed voting on the pay raise issue until the day after, they thought at least, the date on which the pay raise had to be disapproved had passed. In other words, under this new 1985 statute, by which Members of Congress can enjoy a pay increase merely by sitting on their hands and without ever having to vote affirmatively on such a pay raise, there was a 30-day period which begins after the President first sends the pay raise recommendations to the Congress after which the pay raise goes into effect.

That would seem to be the intent of the leadership of the House, to let the 30 days expire, then have the vote so as to have the best of both worlds—namely, to appear to be voting against the pay raise but to be doing so in such a way as to get the pay raise. That is not a way of doing business that brings any credit on this institution. Indeed, it has brought enormous further disrepute on this institution. That is something Senators should be thinking about as well, in addition to the issue of accountability, in addition to the issue of unconstitutionality.

Mr. President, further to underscore my contention that it was clearly the intent of the House leadership to dodge this issue, to take the pay raise and, at the same time, to have a vote which was, obviously, a moot vote but to which Congressmen could point in saying they had voted against the pay raise. Let me cite the remarks of two Members of that body who spoke during the debate on that bill. The first remarks are by Representative FORD, chairman of the House Committee on Post Office and Civil Service, who happens to be one of the strongest advocates of the pay raise:

> In my opinion, the disapproval language of the Senate amendment, if agreed to by the House today, would have absolutely no effect.

This is a pay raise proponent who admitted on the floor prior to the vote that the vote that was about to be taken was clearly meaningless, moot, and which he said would have absolutely no effect.

On the other side of the issue, Representative CONNIE MACK, of Florida, is quoted as saying:

> The vote we cast today will have no significance whatsoever relative to the pay raise.

So, Mr. President, there you have it from both sides. No one was under any inference—not the Members of the House, not the Members of the Senate, not the press, not the American people who were paying close enough attention to understand the shenanigans—the intent clearly was to accept the pay raise but to give the Members a chance to vote as if they were voting against it.

The amendment I have offered, the underlying amendment now, Mr. President, would take effect in the next pay period following enactment. In conformance with article III of the Constitution, the judiciary would not be affected by the amendment. As I have said, the most compelling, most important reason for the amendment which I have offered is to address the question of constitutionality in raising the pay of Members of Congress.

As I said earlier, I, with a number of other Members of Congress, joined by the National Taxpayers Union, have filed suit. We are told that suit will be heard in June. We argue that article I, section 6, of the Constitution states in very plain terms that the salaries of the Members of Congress must be ascertained by law. "Must be ascertained by law"—that phrase is directly from the Constitution. That does not mean that Members of Congress, merely by sitting on their hands, can get a pay raise. What it means, what it has always been taken to mean, is that if Members of Congress want a pay raise, they have to vote in favor of a pay raise. They must have a clear up-or-down vote on a pay raise.

It is not constitutional, in our opinion, for Members to get a pay raise simply by doing nothing in respect to the pay raise.

Interestingly—I say interestingly because human nature does not change that much over the centuries. At the time of the writing of the Constitution, it was feared that Members of Congress would be overly generous in helping themselves to pay increases. There was a good deal of debate about this in the Constitutional Convention and indeed in the ratifying conventions in the States. In Philadelphia, the Delegate Gouverneur Morris stated that "There could be no reason to fear that they"—meaning Members of Congress—"would overpay themselves."

The same understanding is confirmed from this statement by Delegate Sedgwick of Massachusetts in the ratifying convention on the Constitution:

> Can a man who has the least respect for the good opinion of his fellow countrymen go home to his constituents after having robbed them by voting himself an exorbitant salary?

He further stated later on that "they"—meaning Members of Congress—"will assess themselves no more than they really deserve as a compensation for their service."

So I think there is little debate about what was the intent of the framers of the Constitution. They wanted Congress to vote openly on their salaries so that they could be held accountable.

Accountability—that is the center, the nexus, the hub of our whole system, the whole American system of representative government, accountability. How are people to hold Members accountable on issues that come before the Congress if there is not a vote on the issue? There was no vote of any substance in the House on this issue. The House leadership have avoided the issue, continue to avoid the issue, and probably will play some role in the strategy to offer a perfecting amendment to my amendment. I could be wrong; perhaps I am overly suspicious. But certainly, the RECORD would give rise to that suspicion. In any event, that is immaterial.

Yet, despite the intent of the framers of the Constitution that Members will have to vote affirmatively and directly on the pay raise so they can be held accountable, Congress nevertheless has found a way, at least so far, of giving itself a 15-percent pay raise without having to vote on the issue in the House and without submitting themselves to an accounting by the voters in terms of a rollcall vote.

Accountability, constitutionality—what about respect for this body? We are already, as politicians, ranked lower than used car salesmen, if I recall correctly the details of the survey. By way of addressing this issue of respectability and respect for the Congress, I want to read excerpts from a number of editorials from prominent newspapers around the country on the subject of this pay raise issue.

From the Wall Street Journal, an editorial entitled "The Cheshire Congress." The writer compares the House leadership with Cheshire cats grinning all the way to the bank with the pay raise, posturing that they, in fact, had a vote to disapprove of the pay raise, when everybody knows that vote was moot.

In any case, the Wall Street Journal said:

> They had voted. It was the most curious vote you ever saw, because when it was over the Members started grinning at one another and saying, "Our vote doesn't count. Our vote doesn't count."
>
> The word we particularly wish to emphasize is accountability.

Then finally,

> The House's nonsense vote on the pay raise reflects a large, serious problem. The Cheshire Congress has become almost fully disembodied from political accountability. The incumbents are grinning, but it is not funny.

An excerpt from the Chicago Sun-Times, an editorial entitled "A New Speaker, Old Pay Tactic."

> The House covered itself with shame, and the new speaker, Rep. Jim Wright (D-Texas), demonstrated his willingness to walk in the ample shadow of the retired speaker, former Rep. Thomas P. "Tip" O'Neill (D-Mass.).
>
> * * * * *
>
> An honorable course would have been for lawmakers to make their case for a raise and trust the fairness of their constituents if their vote was used against them in the next election.
>
> Instead, House members assumed that voters were too ignorant or vindictive to listen to their case, so they grabbed their raises through a ploy that permits them to say they had voted against the increase.
>
> * * * * *
>
> Politicians often lament the low esteem in which the public holds them. Wright and like-minded members of both parties make it easy to regard them that way.

From the Cleveland Plain Dealer:

> The imagination of the self-interested is without limit.

From the Washington Times, entitled "The Artful Dodgers":

> Through crafty legislative acrobatics, they have contrived to retain an automatic pay increase, vote against the measure after it goes into effect, keep the increase anyway, and then give the federal courts responsibility for a final resolution of the mess. Machiavelli would have been proud of these vulpine little statesmen . . .

From the Washington Post. It is interesting that the Post and the Times, ordinarily fierce competitors and ideological opposites, are exactly in agreement on this issue. It is entitled "The Pay Farce."

> The exciting month-long footrace between fear and greed on the question of congressional pay has now ended. The winner was guile.
>
> * * * * *
>
> It's the utter lack of dignity and guts that's bothersome.

"It is the utter lack of dignity." I am sorry to repeat myself, but it is worth it, I think.

> If they want to take the money, the House and Senate members should summon the courage to look the voters in the eye. Everyone knows what's happening, anyway, so what's the point of the degrading sham?

From the Hartford Courant:

> The maneuvering last week by which U.S. House members cast a meaningless vote against pay raises for themselves and for top federal officials was crude and offensive. * * *
>
> The House leadership—including Speaker Jim Wright of Texas, who said the tardy vote was "the best we could do"—must think the public is extremely gullible. The House could have voted earlier, but the leaders refused to schedule a vote until it was too late. That's the best they could do?
>
> How will members of Congress be able to convince the public that they deserve higher pay if they continue to act in such a cowardly and hypocritical manner? * * *
>
> The disingenuous maneuvering by the House—behavior that belittles the people who pay the bills—demonstrates that higher-quality members of Congress are needed.

From the Fargo Forum, of all places. We do not leave out the Northern Plains. It is entitled "House Action on Raises Hypocritical."

> Hypocrisy is about the only word for it. How can the U.S. House of Representatives expect to earn, or keep, respect when it takes a pay raise while pretending to turn it down?

From the Tulsa Tribune, "Pay raise charade":

> The American people were treated to a cynical deception this week that fooled nobody while making members of Congress look like fools.

From the Portland Press Herald:

> Congress—Just pretending * * *
>
> Instead, what makes this such a sorry spectacle is the cowardly route members of Congress took to get their mitts on the money.

From the Charleston Gazette:

> House deceit.—Members of the House of Representatives have shown unbelievable contempt for the American people's intelligence.

I only have a few more.

From the Jackson Clarion Ledger:

> Despite votes, Congressional wallets grow * * *
>
> * * * actively opposed. The way the pay raise was handled smacks of arrogance and insults the intelligence of the American people.

From the Birmingham News:

> The U.S. House of Representatives has added insult to injury.
>
> It injured us when it allowed a pay increase for congressmen and other federal employees to go in through the back door without a vote. It insulted us when it set up a way for congressmen to cast a sham vote against the pay hike after it was too late to keep it from going into effect.

From the Omaha World Herald:

> Looking silly on the pay issue * * *
>
> Silly, perhaps, and devious, too. Surely Congress could have found a more straightforward way of dealing with needed increases than the procedure used this week.

Obviously, the World Herald feels that the raises are needed but, nonetheless, is highly critical of the way in which these pay raises were sneaked through the back door.

From the Federal Times:

> An embarrassment.—Congress often takes actions with which we disagree, but rarely do both houses indulge in the kind of embarrassing antics that accompanied their recent actions on pay raises for themselves and thousands of federal executives.

There is a pretty fair cross section, I would think, of the editorial opinion. To be sure, I did not cite any editorials in favor. I do not know of any that were in favor of the method. I did not search for them; I will admit that. But I think this is a fairly representative compilation of editorial commentary from across the country on the shameful episode that took place in the House a few weeks ago.

AMENDMENT NO. 94

(Purpose: To reduce the rates of pay of Members of Congress and certain officers and employees of the Federal Government)

Mr. HUMPHREY. Mr. President, I will wait until I have the majority leader's attention on this.

I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER (Mr. BREAUX). The amendment of the Senator from New Hampshire will be stated.

The bill clerk read as follows:

> The Senator from New Hampshire (Mr. HUMPHREY) proposes an amendment numbered 94:
>
> At the appropriate place in the language proposed to be striken by amendment number 94 add the following new section:
>
> SEC. . (a) The rates of pay for all offices and positions which were increased pursuant to the recommendations of the President relating to rates of pay for offices and positions within the purview of section 225(f) of the Federal Salary Act of 1967, as included (pursuant to section 225(h) of such Act) in the budget transmitted to Congress for the fiscal year ending on September 30, 1988, are reduced to the rate of pay for each such office and position which was in effect before such recommendations became effective.
>
> (b) The provisions of subsection (a) shall be effective on the second day of the first applicable pay period which begins on or after the date of enactment of this Act.
>
> (c) The provisions of subsection (a) shall not apply to the rate of pay of any judge or justice appointed pursuant to Article III of the Constitution of the United States of America.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Mr. HUMPHREY. I have to object for the moment.

The PRESIDING OFFICER. The clerk will continue to call the roll.

The assistant legislative clerk resumed the call of the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The majority leader is recognized.

Mr. BYRD. Mr. President, I ask for the yeas and nays on the pending amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 95

(Purpose: To direct the Secretary of The Senate to develop a form to assist any Senator who chooses to forgo all or a portion of the recent pay raise)

Mr. BYRD. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from West Virginia (Mr. BYRD) proposes an amendment numbered 95:
>
> In lieu of the matter proposed to be inserted by amendment No. 94, insert the following:
>
> SEC. . The Secretary of the Senate shall develop and make available through the Disbursing Office a form to assist and facilitate any Senator who decides to return to the Treasury all or a portion of the amount of the salary of such Senator equal to the increase made pursuant to the recommendations of the President relating to rates of pay for offices and positions within the purview of section 225(f) of the Federal Salary Act of 1967, as included (pursuant to section 225(h) of such Act) in the budget transmitted to Congress for the fiscal year ending on September 30, 1988.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I congratulate the distinguished Senator from New Hampshire for his tenacity and his determination to try to achieve his purpose. But, Mr. President, this will in all likelihood prove to be a killer amendment.

This legislation to which the amendment is offered is extremely important legislation. It provides health services, mental health services, job training for homeless individuals, education for homeless children. It provides needed assistance to protect and improve the lives and the safety of the homeless. It authorizes housing assistance for homeless individuals and families. It places special emphasis on elderly persons, handicapped persons and, families with children.

Mr. President, we have had our opportunities to vote against the proposed pay raise that was recommended by the President on the basis of recommendations of the pay commission. The President pared down those recommendations. But the Senate on two occasions I believe voted on freestanding resolutions. On January 29 there was a freestanding joint resolution to disapprove the pay raise recommendation and on February 4 there was a joint resolution to repeal the pay raise recommendation.

I would be happy to offer my good offices in attempting to bring up in the Senate another freestanding joint resolution if the distinguished Senator from New Hampshire would like to have another vote on a freestanding joint resolution.

But, Mr. President, we have gone over this matter and we have gone over the matter and we have gone over the matter. We have had it up before the Senate. If the Senator wishes to have another vote on the matter, I would be very happy to cooperate with him a providing a freestanding joint resolution. But to hold this as a killer amendment gun pressed to the temple of important legislation such as the homeless relief legislation which is before the Senate I think is asking too much and going too far.

So, Mr. President, I have offered an amendment to the Senator's amendment, and my amendment will allow every Senator to vote on his own pay raise. Every Senator can vote on his own pay raise. A Senator will not be voting on the pay raise of a Senator from New Hampshire. He will be voting on his own pay raise, and will not be trying to dictate to the Senator from Connecticut or the Senator from Montana or the Senator from Louisiana or any other Senator as to what his salary increase should be or whether or not another Senator's increase should be repealed. Let each Senator vote on his own pay increase. That is what the Senator from New Hampshire wants.

That is what, in essence, my amendment would do. If my amendment is adopted, it would allow any Senator to indicate to the disbursing office that he wants to turn back his salary increase in totality or in part.

Now, I have elected to return my salary increase to the Treasury of the United States. After holding myself harmless on the income tax that will be paid on it, I have elected to turn my increase back, and I understand there are other Senators who have elected to do that.

I do not propose to tell the Senator from New Hampshire what to do. He may have already elected to return his pay increase. I do not know whether he will do so in the future or if he has already done so. But the matter is up to him. I do not presume to be the guardian of his conscience, nor do I propose to tell him that he has to accept the pay increase or that he does not have to accept it. But my amendment gives him the opportunity to do so and will give any other Senator that same opportunity.

Mr. HUMPHREY. Will the Senator yield on that point?

Mr. BYRD. So the Senator from New Hampshire will, therefore, have the opportunity to vote on his own pay increase. I know that the Senator intends to be conscientious and sincere about this matter, and I would assume that he would want to allow every other Senator to have the same opportunity.

Mr. HUMPHREY. Will the Senator yield for a question?

Mr. BYRD. Yes.

Mr. HUMPHREY. Is there anything precluding Senators, even in advance of the Byrd amendment, is there anything precluding Senators from doing that now, as you have done yourself?

Mr. BYRD. No, there is nothing to preclude Senators from having already done that. As a matter of fact, I announced some several weeks ago that I planned to do that. My announcement was reported in one of the West Virginia papers. Other Senators have done likewise.

Mr. HUMPHREY. If I may further respond, while we seem to be on opposite sides on the fundamental issue here, we are in agreement that at least with respect to our own conduct, it is worthy to donate, in my opinion, this ill-gotten pay raise to charity or, like the Senator from West Virginia and the Senator from New Hampshire indicated we will do, and it took place in the first pay raise increment and is being held in escrow awaiting final constitutionality of this process.

Mr. BYRD. I thank the distinguished Senator. I do not consider myself a paradigm or paragon of virtue or an example to be emulated by other Senators, but the disposition of my salary increase is a matter between myself and my own conscience. I work 5,000 hours a year—5,000 hours a year—and if my hourly wage were compared to that of the best carpenter or plumber or whatever, I daresay that that individual's wage per hour would be higher than mine. I believe I earn my salary.

I do not complain. I asked for the job. I happen to like the challenge of working in a legislative body. I like serving the people of West Virginia.

I do not think we should go on and on and on offering this amendment to repeal the pay increase on every bill that comes along.

Now, the Senator has chosen a very vital, sensitive, important piece of legislation to which to offer his amendment. This can very well be a killer amendment. The Senator from New Hampshire speaks about the other body. I do not know what the other body would do to this piece of legislation if this amendment were attached to it. But I believe this amendment could very well kill the homeless bill.

I know the Senator from New Hampshire may say, "Well, that is a matter for the other House to determine." But it is also a matter for this Senate to determine. It is a matter for us to render a judgment on as to whether or not we want to take the risk of killing this vital legislation, which was put together by Senators on both sides of the aisle, the two leaders, Republicans and Democrats, working through their staffs over a period of a great many weeks trying to put together a piece of legislation that would answer the needs, the crying needs, of the homeless.

I hope the Senator would withdraw his amendment and let me offer him the opportunity of a freestanding resolution which does not put in jeopardy the legislation that is the product of so many weeks, so many hours, so many hands and so many minds of Senators on both sides of the aisle and staffs on both sides of the aisle.

Now, if the Senator really wants to get a vote on a freestanding resolution, we can provide that. But, I, for one, do not propose to have every piece of legislation that comes up, vital though it may be—and vital this is—subject to the gunpoint of a killer amendment. How much longer are we going to have to go over and over and over this matter? Let the Senator from New Hampshire turn his money back, if he wants to do that. And I respect him for it. But we have voted on this issue in this Senate on more than one occasion.

I appeal to Senators not to support this amendment because it really endangers a piece of legislation that is vital to tens of thousands of people in this country—men, women, children, the unemployed, the elderly, the handicapped, the mentally ill, and others who are suffering through no fault of their own.

Mr. President, this is a $423 million bill. The Senator's amendment, I suppose, would affect about $5 million. That is not a paltry sum by any means. But it certainly is a matter on which he can still have his additional bite at the apple if he wishes. And I do not say that disrespectfully.

I am concerned that we are going to continue to have this amendment hanging around here, held as a sword of Damocles over every piece of legislation that has to be passed.

The Senator has chosen a very, very sensitive, delicate, vital piece of legislation which needs to be passed before this Senate goes out for the Easter recess.

I thank the distinguished Senator for his efforts. I hope that the Senate will listen and not be persuaded to support this amendment which, as I say, in closing, again, is—I will use his term—a baldfaced killer amendment. I say that in all due respect to my friend.

I yield the floor.

Mr. HUMPHREY. Mr. President, I appreciate the courtesy shown by the majority leader. He has been very gentlemanly so far in this debate, as always.

Let me first ask unanimous consent that Senator SIMPSON be added as a cosponsor to both of the amendments which the Senator from New Hampshire has offered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. The reason that this Senator from New Hampshire chose to offer the amendment to this bill is simply that this is the first important bill to come along since the House leadership succeeded in dragging the pay raise through the back door, to the point of offering an amendment to a bill that was set in the closet and killed.

Everyone knows that when you are determined you offer an amendment to a bill that is going somewhere, and that is regarded as important. The Senator is correct in his assessment. This is regarded as an important bill. That is precisely why we have chosen—I have chosen—to offer it to this bill.

The Senator has offered to arrange another freestanding vote in the

Senate. I appreciate his willingness to do that. That, of course, would have the very same effect as our previous freestanding amendment in the Senate, namely none, namely no effect whatever, because in the first place, the pay raise has gone into effect. Furthermore, repeal by way of a joint resolution would be effective only if both Houses passed the joint resolution. The House has repeatedly refused to take up a freestanding resolution or to address forthrightly this pay-raise issue.

So while I appreciate the Senator's offer, it would lead to the same, the very same dead end as we have already encountered and therefore it is not, frankly, an attractive offer.

Mr. President, the issue has been well debated. I think everyone understands it. I understand, and it is my information that Senator GRASSLEY wanted to speak on the amendment. As for myself, I am prepared to go to a vote. I will ask Senator GRASSLEY to be invited to the floor. But for now, I do yield the floor.

Mr. WEICKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. Mr. President, before I make my comments on the bill and the amendment, I ask my distinguished colleague from New Hampshire—I know the information is a matter of public record, but I might as well for purposes of this debate ask him—whether or not he accepts honoraria.

Mr. HUMPHREY. I do. But let me add quickly that I contribute to charity as well.

Mr. WEICKER. First of all, let me expand on the remarks made by the distinguished Senator from West Virginia who along with the minority leader, Senator DOLE, has worked long and hard to bring this bill to the floor. The claim by the distinguished Senator from New Hampshire that this is the first opportunity he had to bring this amendment up does not ring true. We had joint resolutions of disapproval introduced by Senator HELMS. This amendment was not tacked on to that. We had such other legislation here on the floor. The amendment was not attached to that. Now, as the distinguished Senator from West Virginia said, this is a matter of importance to the extent that it is one of the few opportunities that the powerful in this country have to exercise for the powerless that great trust of care that is put on our shoulders by the Constitution of the United States, and our constituents.

Let us understand one thing, whether you are talking about Washington, DC, Hartford, CT, New York City, or Los Angeles, those people wandering around with their bags, collecting trash, those people sleeping nights on the grates, that is us. That is us. That is the United States of America. That is what is at issue here on the floor. We have time for big labor, we have time for big oil, we have time for steel, we have time for tax bills that give us all breaks, and believe me, we have time for everything. Now, how about the person who does not vote, who has no clout at all? Whatever, we accomplish or not, believe me, we do not have to worry. There will not be any praise or any retribution. This constituency is truly powerless.

We have a problem in this country by virtue of directing our resources to many other areas aside from those needing our special care. We have a problem. This bill only touches upon it in the slightest way, with all deference to not only the Senator from West Virginia; I am a sponsor of this bill. It is an emergency measure. It does not address the real problem.

The fact is that we have chosen for quite a few years now not to engage in public housing. We have done everything we can to make our houses secure, but we have not seen to it that those who do not have a roof over their heads get one. Now we are paying the price. Yes, we thought it far more important to place our resources to purposes of death and destruction, rather than to invest our money toward the mentally ill, the mentally retarded, those ill from disease. Now we are paying the price. All of a sudden, the problem has become so big it is visible. It is visible. That is the embarrassment to the United States of America. These problems have existed for a long time. But at least we made efforts that kept the problem at a low level of visibility. Now, it is visible.

Finally, we are active with emergency legislation that is long overdue.

I have no problem with the distinguished Senator from New Hampshire in voting on his amendment. Indeed, he knows as well as anybody else Senator STAFFORD from Vermont and I stood up here and said salaries should not be $97,000, but $120,000. Just as importantly, that amendment also had another section. The $120,000 would be paid from taxpayers' funds, and we would not have a salary of $97,000 and then an additional amount from honoraria—in other words, a great portion of our salaries paid by private interests in this Nation. The distinguished Senator from New Hampshire cites through the medium of editorials such descriptions as "cowardly; deceitful; back door."

I will tell you what is "back door"—the honoraria the distinguished Senator from New Hampshire and the Senator from Connecticut receive. That is back door. And the fact he gives it to charity makes no point as far as I am concerned. That is private money supplementing his salary as a public servant to all. Back door? Honoraria is back door. The Senator knows that.

So if we want to make sure this subject is on the table to the fullest extent then let us give the salary that is well earned.

Yes, I personally feel everybody should vote up or down. I think the suggestion is on excellent one. Let us have a freestanding resolution. But this elevation continually higher and higher and higher on a pedestal of morality while the cracks in the system remain there is wrong. I certainly cannot accept it on this bill.

The issue, is perhaps maybe grist for the editorial writers who ignore the fact that one-third to one-half of the salaries of the Members of this body are paid by private interests. That includes this Senator. Honorariums from various educational institutions, scientific institutions, various political groups or whatever—it is all on record as to where it originates.

My amendment which two Senators voted for, and which the Senator from New Hampshire voted against provides for a $120,000 salary and no honoraria.

If somebody wants to make a career out of salary around here, be my guest, but I will tell you there is so much business to be done out there in terms of those who are relying on us, to give them the same opportunity and the same quality of life that all Americans honor. They rely on us, yet we have now ground to a halt.

I commend the good Senator from New Hampshire for wanting to express himself legislatively, for wanting to donate his honoraria to charity. But, you know, we do not operate usually as 100 separate individuals around here. It is a matter of policies of the United States, and I think the policies of the United States are best served by an honest, totally visible, above-the-board salary and not just picking and choosing what we want to divulge in the course of our amendment or how we care to conduct ourselves personally.

I would hope, No. 1, that the distinguished Senator from New Hampshire would take advantage of the majority leader's offer. Let us have a freestanding vote right here on the pay raise. No problem at all. We can do it right now, so we can get on with this bill. I am sure somehow this can be devised in a parliamentary way. It should be the order of business. Then the poor and the homeless and the diseased and the mentally ill do not have to wait on the crusade of the Senator from New Hampshire, which I am sure, as I said before, is of great meaning to him. But he is only one person. The homeless we are talking about number in the tens of thousands.

Then, as I said, when it comes to the matter of salary, let us make sure that we are talking about the same thing.

No salary increases, no honoraria. That is not 50 percent moral; that is 100 percent, and that is the way it ought to be. I yield the floor.

Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. HUMPHREY. With respect to the majority leader's suggestion with respect to a freestanding vote, that would be acceptable to the Senator from New Hampshire, if the majority leader can secure from his counterpart in the House, Mr. WRIGHT, a gentleman's agreement to have a freestanding vote in the House. Of course, we would have to agree to the language to make sure there would be no loopholes, but with respect to those conditions, it would be interesting to the Senate.

Mr. WEICKER. Will the distinguished Senator yield?

Mr. HUMPHREY. I am happy to yield.

Mr. WEICKER. I think all we can do in this body is to be held accountable for ourselves. We cannot run the House of Representatives. We cannot run the President's office. We can certainly be held accountable for what we do. Unless for some reason or another the distinguished Senator from New Hampshire disregards the constitutional issues and all of a sudden merges the two components of this branch of government into one, I think it is rather impossible for the majority leader to accomplish the request of the distinguished Senator from New Hampshire.

Mr. HUMPHEY. Mr. President, I do not think there is much difficulty. I think the House would deal with this, frankly.

Let me address the concern that Members have about unduly delaying this bill. The Senator from Connecticut is a member of the Appropriations Committee. It is my understanding, and I am not a member of the Appropriations Committee, that there are no matching appropriations for this authorization. The bill before us is an authorization. There is no matching appropriations yet. The House Appropriations Committee reported out, if my information is correct, and I am perfectly willing to be educated on this issue if it is incorrect, the House Appropriations Committee reported out a bill, an appropriations counterpart for this authorization, on March 25. If I have made a mistake, will the Senator from Connecticut——

Mr. WEICKER. The distinguished Senator from New Hampshire is correct. But, again, I have to point out that the usual course of events is that the authorization be established and then the appropriations follow. That was not confirmed in the first instance where, in effect, the emergency supplemental took place first, which was the emergency situation which has been described. Indeed the authorization is contained in what we have before us now.

So far as the moneys are concerned, once the authorization is established, I have no doubt that once through the parliamentary processes, the appropriations either in the amount requested or some lesser amount as deemed fit by the Senate will come to pass.

Mr. HUMPHREY. I would point out that the House Members have the option of waiving a point of order in that regard. In any event, the House has not yet ruled on the appropriations bill. It apparently does not intend to act on the appropriations bill until after the recess. I would suggest that the urgency which has been represented in connection with this bill is somewhat misleading because the appropriations are not there and it does not look as if they are going to be there until after the recess.

But let me say this: Even if I am wholly mistaken on the point I just made, all the Senate has to do is do what it has already done on record on January 29, and that is to vote for an amendment repealing the payment. The first vote on this amendment was disapproving it. This is the amendment repealing the payment. Senators need only cast the same vote they did on January 29.

Mr. President, I ask unanimous consent that the tally of the vote on January 29 be printed in the RECORD at this point.

There being no objection, the rollcall vote was ordered to be printed in the RECORD, as follows:

[Rollcall Vote No. 9 Leg.]

YEAS—88

Adams, Armstrong, Baucus, Bentsen, Biden, Bingaman, Boren, Boschwitz, Bradley, Bumpers, Burdick, Byrd, Chafee, Chiles, Cochran, Cohen, Conrad, D'Amato, Danforth, Daschle, DeConcini, Dixon, Dodd, Dole, Domenici, Durenberger, Exon, Ford, Fowler, Garn, Gore, Graham, Gramm, Grassley, Harkin, Hatch, Hecht, Heflin, Heinz, Helms, Hollings, Humphrey, Inouye, Johnston, Kassebaum, Kasten, Kerry, Lautenberg, Leahy, Levin, Lugar, McCain, McClure, McConnell, Matsunaga, Melcher, Metzenbaum, Mikulski, Mitchell, Moynihan, Murkowski, Nickles, Nunn, Packwood, Pell, Pressler, Proxmire, Pryor, Reid, Riegle, Rockefeller, Roth, Rudman, Sanford, Sarbanes, Sasser, Shelby, Simon, Simpson, Specter, Stennis, Symms, Thurmond, Trible, Warner, Wilson, Wirth, Zorinsky.

NAYS—6

Breaux, Evans, Glenn, Kennedy, Stafford, Weicker.

NOT VOTING—6

Bond, Cranston, Hatfield, Quayle, Stevens, Wallop.

Mr. HUMPHREY. If the Humphrey amendment is adopted, assuming the Byrd amendment is defeated, we will deal with other amendments germane to the bill, we will pass the bill this afternoon, it will go to conference tomorrow, and if there is good faith in conference we will dispose of the issue tomorrow night.

The point is that the Humphrey amendment is not holding up this bill, if there is goodwill about dealing with this issue. On the other hand, if it is the intent of the conferees to block a repeal of the pay raise, then the onus is on them, forever long they hold it up the onus is on them. I think the Senator from New Hampshire has made a reasonable proposal in a responsible and timely fashion. The situation we now face, to conclude my remarks, is that the Senator from West Virginia has offered a perfecting amendment which wholly negates the Humphrey amendment. If you want to blow this amendment out of the water, render it neutral and less, support the Byrd amendment. If you want to repeal the pay raise, consistent with the previous vote of the Senate on this issue, then the Byrd amendment should be defeated.

Let me conclude finally by reminding Senators that what is at issue here is the reputation and integrity of this body. I close by citing the key words from a multitude of editorials across the country which reflect the disrespect we have brought on ourselves and this entire institution, adjectives like silly, devious, arrogance, insulting, contemptuous, cowardly, crude, offensive, disingenuous, lacking in dignity, degrading.

I will make as my last words those editorial opinions.

Mr. WEICKER. Will the Senator yield for a question?

Mr. HUMPHREY. I am happy to.

Mr. WEICKER. Since the Senator cares to press his case, would the distinguished Senator from New Hampshire modify his amendment so that not only is the pay raise eliminated but also his amendment would remove the availability of honoraria to Senators of the United States? Will he modify his amendment, please, to that extent?

Mr. HUMPHREY. The answer is no, but not for the reason the Senator supposes. The answer is that that would make my amendment to some degree less attractive to some Members. I do not want to lose any votes. I want the same vote we had in February so that the conferees will be well informed of the Senate's position.

Mr. WEICKER. I really interpret that as saying we have a half a piece of morality before us in the amendment of the distinguished Senator from New Hampshire. In other words, it is all right to get a great portion of the salary from private interests, but it is devious and cowardly for the Senate to vote for a pay raise.

I gather the objection to what I have suggested is that this would be a killer amendment to the Humphrey amendment; it would be a killer amendment. Sauce for the goose is sauce for the gander.

Mr. HUMPHREY. Mr. President, the Senator from Connecticut is right: The Byrd amendment is a killer amendment to the Humphrey amendment; however, the Humphrey amendment is not a killer amendment to the bill if the Congress acts with good faith and all dispatch.

Mr. WEICKER. Again, I ask my colleague from New Hampshire, does he not think it proper that all of the salaries of the Senators of the United States be paid by all of the taxpayers of the United States?

Mr. HUMPHREY. Mr. President, I am not going to participate in confusing the issue or raising up a red herring. The issue is clear: It is accountability; do the Members believe that they should be held accountable to the votes for a pay increase? If the Members believe that, we should do that in a way that is consistent with the Constitution. The Senator is free to pursue red herrings if he wishes, but I am not going to help him.

Mr. WEICKER. Mr. President, a small matter of education so we are certain. I am asking on the exact question of salary. The present salary of the U.S. Senator is what? I ask for some assistance of my colleagues here.

Mr. HUMPHREY. It is $77,400.

Mr. WEICKER. That was prior to this pay raise. The percentage allowed on honoraria is 40 percent. That Senator is also allowed to earn 40 percent in honoraria.

Honoraria are moneys paid by special interests. Understand that special interests can include many good things. That, in itself, is not a bad word at all. But 40 percent of that salary, some $30,000, can come from specific interests and, indeed, many persons in this body earn the maximum, this Senator included.

When I offered my amendment at the time of the original debate, it was to say that the salary of a U.S. Senator should be paid for by all the taxpayers of the United States, period. Two persons voted for that amendment, this Senator from Connecticut and the distinguished Senator from Vermont [Mr. STAFFORD].

Having gotten a lesson in morals from the distinguished Senator from New Hampshire, all I am saying is that if we are going to be moral out here, then let us go all the way. Let us bring back that pay raise and let us eliminate that honorarium.

What the Senator from New Hampshire is saying is, "I cannot get that through, so I am willing to accept that which is something less, of a lesser quality than the morality which I am preaching about, in order to get my amendment through." And the pay raise will come back, but the Senators can still earn their honoraria.

That is the issue here, Mr. President. I suggest that, No. 1, that tactic, in and of itself, I think demeans the very valid effort of the distinguished Senator from New Hampshire. But then to do that on a bill which gives some glimmer of hope to the unfortunate of this Nation, whatever is left standing that is moral of the Senator from New Hampshire goes into the dust.

I would hope that we would accept, first of all, the offer of the distinguished Senator from West Virginia: Let us have an up-or-down vote. This business is just a ploy; a collection of "ifs." If we get the agreement of the House, if the Committee on Appropriations does this, if the President does that. Forget it. All we can do is be held accountable for those things which we do ourselves on this floor. Then we put the ball in somebody else's court.

I hope that we would have an up-or-down vote right now on pulling back the pay raise and we can have it right now without wasting any more time on this issue. We cannot guarantee what happens to it after all.

Or, in the alternative, if the Senate does not want to do that—and I think the Senate should do that—then accept the amendment of the distinguished Senator from West Virginia allowing each Senator to do what he wants as far as his pay raise is concerned and his constituency can hold him accountable.

I am up for election in 1988. There are not many around here who are up for election in 1988 who are saying there ought to be a pay raise. I am. If that is not acceptable, the suggestion of the distinguished Senator from West Virginia, then I am sure the distinguished Senator from New Hampshire can get consent to modify his amendment to say not only will we have no pay raise, but we will have no honoraria.

It seems to me those are three very solid alternatives and they are all consistent with the morality that the Senator from New Hampshire preaches.

Mr. HUMPHREY. Mr. President, briefly, I am glad the Senator from Connecticut is concerned about accountability. With regard to honoraria, those are all a matter of public record and voters can easily hold accountable those Senators they believe are speaking an inordinate amount of time for personal enrichment. You can be sure every opponent is going to raise that issue if he feels that the incumbent has been spending too much time speaking and putting the money in his pocket. That is accountability.

The objectionable point of this pay raise is that Members have gotten a 15 percent—$12,000—pay raise without having to go on record as being in favor of it. There is no accountability. How are citizens going to hold Senators and Congressmen accountable for this raise? They cannot, because Members, at least in the other body, have never voted one way or the other on the issue, except one sham vote which they knew or thought full well took place after the deadline had passed. So this is an issue of accountability; the Senator from Connecticut is right, I agree with him—accountability, constitutionality, and respect for due process and the reputation of this body.

Mr. GRASSLEY. Mr. President, I urge the support of this amendment so that we send a clear message to the House of Representatives and to the American public that the Senate does not endorse a backhanded method of increasing salaries for Members of Congress and high level Government officials. On January 29 the Senate passed a resolution to disapprove the recommended pay raise with a vote of 88 to 6. Despite our overwhelming indication of disapproval, the House failed to act in a timely fashion, causing pay raises to go into effect several weeks ago.

Since the beginning of this year I have received over 400 letters from Iowans who adamantly oppose this pay raise. They cannot understand, nor do I, how Congress can lecture their constituents about the need for deficit reduction and controlled spending and then turn around and approve massive salary raises for themselves.

Though my opposition to the pay raise is well documented, I am even more opposed to the manner in which it was adopted. The heart of the problem is that the procedure is rigged to allow pay raises to go into effect without a legislative vote. Mr. President, if we are brave enough to accept an increase in pay, we should be brave enough to go on record to vote for it. That is the responsible way to legislate. That is the responsible way to serve the public.

I am proud to cosponsor this amendment with Senator HUMPHREY which would repeal the salary raise effective the pay period after the date of enactment. However, even if we adopt this amendment, which we should, we must still address the procedure by which we receive these increases. I have introduced legislation which would require both Houses of Congress to vote on a pay raise within 30 days after the recommendation is submitted. The most important part of my proposal is that the pay raise could not go into effect without an affirmative vote by the U.S. Senate and the House of Representatives.

So, Mr. President, I urge my colleagues to support Mr. HUMPHREY's amendment to rescind the pay raise. But I also urge them to consider S. 309, which moves beyond the immediate repeal and would change the law by which pay raises are decided. Then no pay raise in the future would ever go into effect through the back door. But instead pay raises will have to go through the front door of Congress, the same as every other increase in Government spending, with the entire country watching.

I urge the support of this amendment.

Mr. BYRD. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from California?

Mr. CRANSTON. Mr. President, I am prepared to vote.

The PRESIDING OFFICER. Is there further discussion on the amendment of the majority leader?

Hearing none, the question is on agreeing to the amendment of the Senator from West Virginia to the amendment of the Senator from New Hampshire. The yeas and nays have been ordered. The clerk will call the roll.

Mr. BYRD. Mr. President, just 30 seconds. This amendment would require the Secretary of the Senate, through the Senate Disbursing Office, to promulgate a form so that any Senator wishing to return to the U.S. Treasury all or any portion of his recent pay raise can do so quickly, simply by signing the standard form.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER (Mr. DASCHLE). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 30, nays 70—as follows:

[Rollcall Vote No. 70 Leg.]

YEAS—30

Adams
Breaux
Bumpers
Byrd
Cranston
D'Amato
DeConcini
Dodd
Dole
Evans
Garn
Glenn
Hatfield
Inouye
Johnston
Kennedy
Lugar
Matsunaga
McClure
Moynihan
Murkowski
Packwood
Quayle
Rockefeller
Sanford
Stafford
Stennis
Stevens
Symms
Weicker

NAYS—70

Armstrong
Baucus
Bentsen
Biden
Bingaman
Bond
Boren
Boschwitz
Bradley
Burdick
Chafee
Chiles
Cochran
Cohen
Conrad
Danforth
Daschle
Dixon
Domenici
Durenberger
Exon
Ford
Fowler
Gore
Graham
Gramm
Grassley
Harkin
Hatch
Hecht
Heflin
Heinz
Helms
Hollings
Humphrey
Karnes
Kassebaum
Kasten
Kerry
Lautenberg
Leahy
Levin
McCain
McConnell
Melcher
Metzenbaum
Mikulski
Mitchell
Nickles
Nunn
Pell
Pressler
Proxmire
Pryor
Reid
Riegle
Roth
Rudman
Sarbanes
Sasser
Shelby
Simon
Simpson
Specter
Thurmond
Trible
Wallop
Warner
Wilson
Wirth

So the amendment (No. 95) was rejected.

AMENDMENT NO. 97

(Purpose: To prohibit the receipt of any honorarium by Senators and increase Senators salaries.)

Mr. WEICKER. Mr. President, I send an amendment to the desk and ask that it be read.

The PRESIDING OFFICER. The Senate will be in order before the clerk reads. The clerk will suspend until the Senate is in order.

Senators will cease audible conversation.

The amendment will be stated.

The bill clerk read as follows:

The Senator from Connecticut [Mr. WEICKER] proposes amendment numbered 97.

At the end of amendment No. 94, add the following:

(1) Notwithstanding any other provision of law, no United States Senator shall accept any honorarium.

(2) For purposes of this subsection, the term—

(A) "honorarium" means a payment of money or anything of value to a United States Senator for an appearance, speech, or article, by such Senator.

(3) The provisions of this subsection shall take effect upon the date of enactment of this Act.

(4) Nothing in this section shall prohibit the receipt of actual and necessary travel expenses by Members of the Senate, including transportation costs and the cost of meals and lodging while away from the metropolitan area of Washington, District of Columbia.

(5) The provision of this section shall take effect only upon date of enactment into law.

Mr. WEICKER. Mr. President, very simply what this does is have the salary of U.S. Senators paid for by all the taxpayers of this Nation, period. There will not be any raise and special interests in this Nation, as worthy as they are—I am not criticizing anybody—special interests in this Nation will not be paying a third of our salaries.

I requested during the course of the debate, for those of my colleagues not on the floor, that the distinguished Senator from New Hampshire modify his amendment to include such a provision, feeling that if indeed we are engaged in a morality play, then let us have it be just that, a 100 percent morality play, not a 30 percent or a 60 percent morality play.

My feeling, of course, personally on this matter is very clear. I think the salaries of my colleagues in this Chamber ought to be exactly what was called for by the Presidential Commission on Salaries, $135,000. That is what it ought to be without any honoraria. That was not the recommendation of anyone in this body, but rather a group of executives and accountants, marshaled together under the auspices of the President. The President reduced that amount. And then there were those who felt it should go back even further to where we were.

All right. But let us not delude anyone about what is involved. If we are going to do that then let us eliminate the other source of income.

I would hope that this amendment would pass, and then we can act on a truly honest representation to the American people as to what we are earning and not have one-third of the story untold.

I urge adoption of the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

CLOTURE MOTION

Mr. BYRD. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rule of the Senate, hereby move to bring to a close debate on amendment No. 90 offered by the Senator from West Virginia [Mr. BYRD] to H.R. 558, an act to provide urgently needed assistance to protect and improve the lives and safety of the homeless, with special emphasis on elderly persons, handicapped persons, and families with children.

Edward Kennedy,
Lloyd Bentsen,
Donald W. Riegle, Jr.,
Spark Matsunaga,
Jeff Bingaman,
Christopher J. Dodd,
Brock Adams,
Bob Dole,
John Melcher,
Thad Cochran,
Alan Cranston,
Robert C. Byrd,
Timothy Wirth,
Lowell Weicker,
Jay Rockefeller, and
Kent Conrad.

ASSISTANCE TO THE HOMELESS

Mr. BYRD. Mr. President, I intend to vote for the amendment by Mr. WEICKER, if and when we vote on that amendment. But I still plead with our colleagues, as I did before when very few were here—they were in committees doing the business of the committees, and that is where they ought to be, but they did not hear this debate—this is an emergency piece of legislation for relief of the homeless. It has to do with helping tens of thousands of homeless people throughout this country—handicapped, elderly people, unemployed, children, people who cannot help themselves.

I had hoped that we could enact this legislation before we go out for the Easter recess. The distinguished Senator from New Hampshire has had his bite at this salary apple a number of times. And I have offered, again, to call up a freestanding resolution so that the Senate could have a vote up or down again on repealing the pay raise.

I sought to save this legislation by offering an amendment which would have let every Senator, in essence, vote on his own pay raise. It is the equivalent of letting every Senator vote up or down on the pay raise for himself. The second-degree amendment that I offered, in essence, gave every Senator, if it had been adopted, a chance to vote on his own individual pay raise. He would not be voting to set somebody else's pay raise, but if his own conscience directs that he not accept the recent pay raise, of course, any Senator knows that he can turn back that pay raise if he wishes to. But the amendment itself would provide for the disbursing office to have available for every Senator a form which he could check, just put a check mark on it and sign his name and that would be an indication that he wanted his pay increase turned back to the Treasury.

I did that to save this emergency legislation for the homeless, because we cannot let this kind of killer-amendment gun be held to the temple of every vital piece of legislation that comes up here. Senators may be chagrined that the House of Representatives voted one way or took an action or did not take an action, or whatever. We do not have control over the House of Representatives, but we do have control over this body and its actions, and its actions on a piece of emergency legislation.

Now, the amendment I offered was, of course, voted down. That was an amendment in the second degree. It was a substitute for the amendment by Mr. HUMPHREY. If it had been adopted, it would have allowed the Senate to go on and vote on one or two other amendments that may be offered to the homeless legislation on tomorrow and hopefully dispose of the emergency legislation tomorrow and go out for the recess, because this is the only big piece of legislation that remains to be acted on before the recess. But I accept the verdict of the Senate.

Now the distinguished Senator from Connecticut has offered another second-degree amendment which stands in the place of the one that I had advocated and is a substitute for the Humphrey amendment. So Senators will have their opportunity to vote on the amendment by Mr. WEICKER.

But I propose to go out for the evening soon. There is an important meeting in town this evening and I had promised Senators that we would go out in time for that meeting. I shall vote for the amendment by Mr. WEICKER, if and when we reach a vote on it.

I have offered a cloture motion. I wonder if we may get consent that we could vote on cloture tomorrow so that we would not have to be in on Friday.

Mr. President, pending the inquiry to the distinguished Republican leader, I will not put the request, but I do wish to hold the floor because I do not want the Senate to stay in much longer. I want to keep my commitment to Senators. I, therefore, will yield to any Senator for the purpose of his making a statement provided the Chair protects my right to the floor.

The PRESIDING OFFICER. The majority leader is protected. Is there an objection? Hearing none, it is so ordered.

Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, let me emphasize again, it is not the intention of the Senator from New Hampshire to hold up the homeless aid bill, nor should we.

As to the suggestion that this is an emergency bill, I can only note that the underlying bill has been on the calendar since March 11 and the parts which are going to be substituted in the underlying bill have been on the calendar since Friday, and on Monday and Tuesday we could have dealt with this, it seems to this Senator, at least, if it were that great of an emergency.

But, in any case, I am going to proceed. Senators might not give me credit for this, but I believe in proceeding in good faith. I am not going to be cast as the villain in this piece. I think we ought to vote on the Humphrey amendment and be done with it. That will force the House to vote and then we have accountability. That is what I am seeking. That is the glue that holds this government together, our system of Government, accountability. And Members of Congress have gotten a 15-percent pay increase with no accountability whatever.

The Senator from Connecticut raises some valid points about honoraria. But let me make this point about honoraria in connection with accountability: It is all in the record. Every dollar, every name. And we all know, as incumbents, that all our opponents are going to be scanning those records and if they think they can make a case that we are out speaking too much for our own personal enrichment, they are going to see to it that the voters hold us accountable. We can be held accountable. We are held accountable for honoraria. But we can hardly be accountable when the voters do not know who is for a pay raise and who is not.

I am sorry that this issue has been so complicated, but I am certainly not going to back down. I would urge Senators to defeat the Weicker amendment so that the Humphrey amendment can be passed with the same overwhelming margin to send a clear signal to the conferees about the Senate's sentiment on the payraise issue.

Mr. HARKIN. Will the Senator yield for a question?

Mr. HUMPHREY. Certainly.

Mr. HARKIN. I thank the Senator for yielding.

I, also, believe in accountability and that people ought to vote on a pay raise. I was one who voted against the pay raise. I guess my concern is with the bill itself, the underlying bill on the homeless, and getting it through to the President as soon as possible.

While I understand the Senator's desire to have this accountability, I just wonder. Is there not another bill or another piece of legislation that does not have the emergency status that this one has of getting out there right away? Is there something else coming that the Senator might attach the amendment to that does not have this kind of emergency status? We are talking about people that are out there who are hungry, who are homeless, who need a place to sleep at night, and who need an adequate nutritious meal at the end of the day.

We have had hearings in our Agriculture Committee on the nutrition aspect of it. A lot of people are out there suffering on this.

While I understand the Senator's desire to have accountability, is there not another piece of legislation that the Senator could attach this to?

Mr. HUMPHREY. I answer, in pointing out to the Senator, is this is really the first important bill, House-passed bill, that has come to this body—maybe that is deliberate on the part of the House. I do not know. But this is the first opportunity. That is why I have chosen this bill.

Again, there is a simple way of dealing with this. If Senators really believe it is such a great emergency, defeat the Weicker amendment, adopt the Humphrey amendment, send the bill to conference with the House, and if the House acts in good faith we will be done with this whole piece before we go home.

Will the Senator yield for one more question?

Mr. BYRD. Yes, of course.

Mr. HUMPHREY. On the issue of the conference, the conference could just yield to the House and take the House version, could they not, and we would be right back where we started?

Mr. BYRD. That is correct. That is true.

Mr. HUMPHREY. I thank the Senator.

Mr. BYRD. Mr. President, I yield to the distinguished Republican leader.

Mr. DOLE. Mr. President, I am sorry I was absent when I heard the distinguished majority leader earlier indicate that he will be asking consent that we have a vote on cloture tomorrow at 2 o'clock. I hope we can obtain that consent.

I would say to my colleagues on this side of the aisle that I understand, if that can be accomplished, and if we can complete action on this bill tomorrow, that might give us an early start on the recess period. Do I understand correct?

Mr. BYRD. Mr. President, that is correct.

If cloture is invoked on this measure, then nongermane amendments would not be in order. In the interest of the bill here, may I say to Senators who perhaps did not hear the other part of the argument earlier, this is a bill that has been put together over a period of several days by the majority leader, the minority leader, Senators on both sides of the aisle, and staffs on both sides of the aisle who have worked long hours, days, and evenings. I would rather not see it be an effort that turns out to be in vain, which it will be if this amendment is adopted, for when the bill is sent to conference, that is the last we will hear of it I am afraid. The amendment by Mr. HUMPHREY is a killer amendment. It is a killer amendment.

Therefore I am offering a cloture motion so that the bill will not be subject to nongermane amendments. I hope we can get consent that the cloture motion be voted on tomorrow. I would be glad to set the vote at 2 o'clock.

Mr. DOLE. If the majority leader will yield, am I correct that if we do not vote on it tomorrow, we will vote on it Friday?

Mr. BYRD. We will, otherwise, vote on it Friday. Yes.

Mr. DOLE. I just indicate to my colleagues, we are going to have a cloture vote, and the question is whether it is going to be tomorrow or Friday. I would prefer to have it tomorrow, myself. I do not think any votes will change. I think the issue is still going to be there.

It seems to me if we can accommodate each other in this instance—I know a number of people on this side have indicated they would like to leave early Friday. So I would have no objection. I leave it up to the Senator from New Hampshire, and others who may have an objection. But there would be a cloture vote on Friday for certain.

Mr. BYRD. There would. Under the rules, the cloture vote would occur on Friday.

Mr. HUMPHREY. Will the majority leader yield?

Mr. BYRD. I would be glad to yield under the same conditions as heretofore stated.

Mr. HUMPHREY. The effect of the cloture, if invoked, would be to render moot any amendment that might be pending at that time, in this case the Humphrey amendment.

So speaking of killer efforts, the Humphrey amendment is not a killer amendment. But certainly a cloture motion is intended to be a killer with respect to the Humphrey amendment. Those who want to keep the pay raise I suppose will vote for cloture. Those who think we ought to have some accountability in this process will vote against cloture.

In any event, if the Senator will forbear just a moment longer, I will be constrained to object to shortening the waiting time to invoke cloture.

Mr. BYRD. I am sorry the Senator is going to do that because he is going to put his colleagues at a disadvantage and the vote will still come. It does not make any difference whether it is tomorrow or Friday, the cloture vote will occur.

Mr. President, I ask unanimous consent that the vote on the motion to invoke cloture occur tomorrow at 2 o'clock p.m.

The PRESIDING OFFICER. Is there objection?

Mr. HUMPHREY. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BYRD. Mr. President, I hope the Senator will think about it overnight, and give Senators a chance to vote on the cloture motion tomorrow.

I am going to do everything I can to protect this homeless legislation. Too much work has gone into it. And it affects too many thousands of people who are helpless and who need help. I am going to do everything I can to protect the legislation.

RECESS UNTIL 1:30 P.M.

Mr. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 1:30 tomorrow afternoon.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. BYRD. Yes.

Mr. STEVENS. I wonder if I might inquire. Can we get some understanding of when the vote on the cloture petition will occur on Friday? I had plans, and I am sure everyone has plans, to try to get out of the city on Friday. Some will find it very difficult to make new plans now unless we have some idea when the cloture vote is going to take place on Friday.

Will the majority leader, and the minority leader, give us some idea? It is possible it might be in the morning on Friday?

Mr. BYRD. Yes. That can be arranged through the operation of the rule. The cloture motion vote will occur 1 hour after the Senate convenes on Friday following the establishment of a quorum.

So I will be happy to bring the Senate in at 10 o'clock on Friday, and this would assure that the vote on the cloture motion will occur at, say, 11:15.

Mr. STEVENS. I thank the Senator.

Mr. DOLE. Will the majority leader yield?

Mr. BYRD. I want to give the Senator one more chance, one more chance, to accommodate his colleagues. If he will not accommodate the thousands of homeless people out there who are sleeping on the grates and the benches who are homeless and hungry—retarded children, elderly people, people who are out of work—if he will not accommodate those, he can still accommodate those of us who sleep in comfortable beds by letting the Senate vote on cloture tomorrow.

Mr. BYRD. So I will ask unanimous consent that the vote on the motion to invoke cloture occur tomorrow at 1 o'clock p.m.

The PRESIDING OFFICER. Is there objection?

Mr. HUMPHREY. Reserving the right to object, may I address a question to the Senator?

Mr. BYRD. Yes.

Mr. HUMPHREY. This is in the context of an assertion that this is an emergency bill. Is the Senator from New Hampshire not correct that this is an authorization bill only, that there is not yet any appropriations, and even if we were to pass this authorization today, the money would not begin to flow? There is no appropriations bill, and it does not appear that the House is going to act on the appropriations bill until after the recess. Am I mistaken in that?

Mr. BYRD. There will be an appropriation, of course, if it comes along. But appropriations have to be authorized to begin with. That is the purpose of this. Without an authorization, there would not be any appropriation.

Mr. HUMPHREY. Will the Senator respond to a further question? Are there not precedents for making appropriations without authorizations?

Mr. BYRD. They are authorized in some form or another. Once in a while I suppose they are authorized by the vehicle that appropriates. It is a self-operating authorization. But I would suggest to the Senator that he not, and I would hope that he would not, want to work to throw out this piece of emergency legislation. And that is what it is. We passed an emergency appropriation bill earlier this year which was short term to help the homeless during the recent winter months. But I would hope that he would not put himself in the way of Senate action on this bill.

Mr. DOLE. Mr. President, will the majority leader yield?

Mr. BYRD. Yes. I yield to the distinguished Republican leader.

Mr. DOLE. Mr. President, we on this side maybe by tomorrow morning can make a check of how many will be here on Friday. I think that is the question. I think you are looking at a cloture vote. You want to play the odds. There may be a number absent Friday morning as opposed to tomorrow afternoon at 1 o'clock. I can certainly understand the Senator from New Hampshire wanting to wait until Friday because this is an important issue. As far as I know, we are all going to be here Friday morning. But I could check, and if the majority leader will check, I can give that information to the distinguished Senator from New Hampshire. Maybe we could renew that request.

If everybody is going to be here Friday in any event, that might make a difference. I would also suggest as a cosponsor of the bill—and I think it is important—that the House passed their bill weeks and weeks ago. I think we have a better bill. I think we have worked on it in a bipartisan way. I voted with the Senator from New Hampshire initially.

It seems to me now we need to try to pass this bill, and in some way dispose of Senator HUMPHREY's amendment, either a disposition of it being adopted or rejected. I am not saying dispose of it, but get on with the bill.

If the majority leader would like, we will make an accurate head count and have that available by tomorrow.

Mr. BYRD. I thank the able Republican leader.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BYRD. If cloture is invoked on the pending measure, would not the underlying amendment, the Humphrey amendment, fall and carry with it the amendment in the second degree?

The PRESIDING OFFICER. If cloture is invoked, the Humphrey amendment and the amendment in the second degree would fall.

Mr. WEICKER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WEICKER. Am I correct that the Weicker amendment eliminating honoraria would also fall?

The PRESIDING OFFICER. That is correct.

Mr. BYRD. May I say that the Weicker amendment is an important amendment. At some future time, I am sure we will all have a chance to vote on that amendment. In this instance, I would hope we would not endanger this bill.

If no other Senator wishes me to yield, I am ready to go over until tomorrow.

Mr. CHAFEE. Mr. President, is it the intention of the majority leader that we vote on the Weicker amendment now?

Mr. BYRD. No; I promised to let Senators leave early tonight.

Mr. CHAFEE. And the Weicker amendment would then be the pending business in the morning?

Mr. BYRD. It will be the business pending in the morning.

Mr. CHAFEE. Will the Senator yield further?

Mr. BYRD. I yield for the purpose of the Senator's making an inquiry.

Mr. CHAFEE. It is more than an inquiry. It is my intention to move to table the Weicker amendment now and have it pending for that purpose.

Mr. BYRD. I do not yield for that purpose.

Mr. CRANSTON. Will the Senator yield?

Mr. BYRD. I do not mean any disrespect to the distinguished Senator from Rhode Island, but I think we ought to take all or nothing. I would hope also that the Senator from New Hampshire would be willing on tomorrow to set his amendment aside and let other Senators call up amendments. I know there are one or two other amendments.

Mr. HUMPHREY. Will the Senator yield on that point?

Mr. BYRD. I yield.

Mr. HUMPHREY. If the majority leader wishes to continue tonight on that basis, to demonstrate my willingness to move this bill as quickly as possible I would be willing to set it aside to conduct further business tonight.

Mr. BYRD. The distinguished Senator has already heard me say I am grateful for his offer. I hope he will continue in the morning. I hope we might proceed on that basis tomorrow. But I am obligated to put the Senate out for the evening.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. BYRD. I yield to the distinguished Senator from California.

Mr. CRANSTON. Pursuant to the discussion about setting aside these matters irrelevant to the housing needs of homeless people, it would be helpful if we could come in earlier tomorrow than 1:30 and proceed with amendments pertaining to the homeless on that measure and accomplish as much as we can, setting aside this other matter that really does not pertain to the homeless. I would urge that we come in earlier and do work on the homeless measure.

Mr. BYRD. Mr. President, I thank the able Senator. I am afraid I will have to decline that suggestion at this point. I am sorry about that.

Does any other Senator wish me to yield?

Mr. SARBANES. Mr. President, in Maryland, as in other States, many shelters for the homeless are in buildings owned by religious organizations.

I am concerned about regulations recently issued by HUD that would prohibit rehabilitation assistance for buildings to be used for homeless shelters or to provide transitional housing for the homeless if those buildings are owned by religious organizations. The proposed regulations for the Emergency Shelter Grant Program published on December 17, 1986, (Federal Register, Vol 51, No. 242, p. 45728), and the proposed guidelines for the Transitional Housing Demonstration Program, published on February 25, 1987, (Federal Register, Vol 52, No. 36-37, p. 5587), would restrict rehabilitation funds based solely on the ownership of the building to be improved without any consideration of the use of the facility or the purpose of the improvement to provide housing for the homeless. I would like to ask the chairman of the Housing and Urban Affairs Subcommittee of the Senate Committee on Banking, Housing, and Urban Affairs whether the HUD restriction on property owned by religious organizations is consistent with the intent of Congress to provide adequate shelter for the homeless.

Mr. CRANSTON. The proposed restriction is inconsistent with congressional intent in enacting the Emergency Shelter Grant Program and the Transitional Housing Demonstration Program. In recognition of the important role religious organizations play in providing shelter to the homeless, they are specifically included in the definition of organizations that are eligible under the Emergency Shelter Grants and Transitional Housing Demonstration Programs. Contrary to congressional intent, implementation of the proposed restriction would severely impede the ongoing efforts to improve existing shelters and to establish new ones to serve the growing homeless population.

Restricting rehabilitation assistance solely on the basis of ownership of a building represents a very restrictive interpretation of the establishment clause of the first amendment to the Constitution. I am unaware of any opinions of the Supreme Court that would prohibit Federal financial assistance to rehabilitate buildings owned by religious organizations so long as the assistance is provided under conditions necessary to assure compliance with constitutional principles. In fact, in a number of recent cases, the Supreme Court has expressly permitted financial assistance to construct or rehabilitate buildings owned by religious organizations under appropriate conditions. A discussion of these cases and suggested conditions are included in the recent report of the House Committee on Banking, Finance and Urban Affairs to accompany H.R. 558, the Urgent Relief for the Homeless Act, that was approved by the House.

Mr. D'AMATO. Mr. President, I share the concern of the Senator from Maryland and agree with the interpretation of the law expressed by the chairman of the Housing and Urban Affairs Subcommittee. In addition, I note that other similar Federal programs allow rehabilitation assistance for buildings owned by religious organizations, including the Emergency Food and Shelter Program administered by the Federal Emergency Management Agency that allows rehabilitation grants to homeless shelters owned by nonprofit organizations, including religious organizations.

Mr. CRANSTON. I appreciate the Senator from Maryland raising this important issue and thank the Senator from New York for his comments. The Department of Housing and Urban Development should immediately revise the proposed regulations and guidelines for these vital homeless programs by removing the absolute exclusion of buildings owned by primarily religious organizations and replace it with a more reasonable provision that recognizes the need for homeless shelters in church-owned buildings. If additional safeguards are needed to assure that the Federal funds are not used to advance religion or to avoid excessive Government entanglement with religion, the Department should then consider appropriate safeguards, including the conditions suggested in the House committee report.

Mr. SARBANES. I thank the chairman of the subcommittee and agree with his comments. It is crucial that the Department quickly reconsider the extent to which buildings owned by religious organizations are eligible. Unless the proposed absolute exclusion is changed, a substantial portion of the scarce facilities that are needed to shelter and feed the homeless will not be available.

Mr. GLENN. Mr. President, today I rise to support the Urgent Relief for the Homeless Act. This bill comes on the heels of H.R. 558 which has already been passed by our colleagues in the House. These bipartisan measures recognize the seriousness and urgency of homelessness across the United States and seek to make emergency relief available next winter when it will be desperately needed by those who lack the basic necessities of life that you and I take for granted: food, shelter and clothing.

It is estimated that nationally, there are 2 to 3 million homeless Americans in this land of plenty. In a recent survey of 25 major cities on homelessness published by the U.S Conference of Mayors, cities reported a 25 to 88 percent increase in demand for emergency shelter last year. The Ohio Coalition for the Homeless estimates that there are more than 120,000 homeless persons in the buckeye State. Residents of Cleveland, Columbus, Cincinnati, Dayton, Toledo and Akron know all too well that homelessness is a problem in their cities. In 1985, Cleveland reported an unemployment rate of 13.5 percent; an increase in poverty; and a high percentage of unmet needs for emergency food. Cincinnati reported that 37 percent of its homeless are women and children, with the Cincinnati city council calling homelessness an "astounding tragedy."

Years ago when I was growing up, a homeless person was a hobo who traveled over the countryside, often by choice, cooking dinner over camp fires. Today, homeless Americans are a diverse and complex group. They are the deinstitutionalized chronically mentally ill, the elderly, alcohol and substance abusers, abused youth and spouses, laid-off workers, the underemployed, veterans and most of all, families with children. Sadly enough, families make up the fastest growing segment of the homeless population.

Federal and State policies are largely to blame for this dismal situation. It should come as no surprise that there is a shortage of affordable housing. The Reagan administration has drastically cut funding for construction and renovation of subsidized housing, from $32 billion in 1981 down to $9 billion in 1985. Poor families face 3 to 10 years on public housing waiting lists. In addition, social service programs for low-income individuals have been cut by 30 percent over the last 6 years. Unexpected factory closings have created a new group of unemployed: heads of households. And deinstitutionalization of mental patients has, according to the American Psychiatric Association, put 1 million homeless persons on the streets without housing, support services, or mental health care.

It is time that the Federal Government create a partnership with State and local government in correcting this situation. But this emergency piece of legislation is merely a stopgap measure; it should in no way be labeled a solution or cure for this complex problem. On the other hand, solutions need not be synonymous with new programs. Many States, localities and private relief organizations have developed effective programs in dealing with homelessness. This Federal legislation is designed to give funding only to those groups that have proven successful in feeding, housing, clothing and caring for the homeless.

As chairman of the Committee on Governmental Affairs, I conducted a hearing last week to review several portions of the homeless bill which come under the jurisdiction of the committee. A witness for the administration acknowledged that the numbers of homeless are increasing, and that private relief organizations can no longer meet the needs of the homeless. Yet the administration continues to argue that the Federal Government has no responsibility in providing for the homeless. But maybe that's not too surprising when we remember that on a major news show in 1985, President Reagan said that "the people who are sleeping on the grates, the homeless who are homeless, you might say, by choice."

On that point, I fundamentally disagree with the President. Not only do I believe that homelessness is a very real and serious problem, but I am convinced that the Federal Government has a responsibility to alleviate the human suffering of our fellow men, women, and most of all—our children. The question no longer is: "Can we afford to?", but: "Can we afford not to?"

Mr. GLENN. Mr. President, I am pleased to acknowledge the role played by the Governmental Affairs Committee in reporting out its provisions of the omnibus homeless relief package.

One of the most significant features in title 1 of this legislation is the creation of an interagency council on the homeless to effectively coordinate the thicket of homeless programs run by a multitude of Federal agencies. Moreover, the council will provide technical assistance, through existing Federal offices in the 10 standard regions, to State and local governments along with any other homeless relief groups who seek advice in structuring and developing effective homeless programs. I believe this approach best recognizes the fact that we should take into account the similarities, as well as disparities, of each region.

Another vital function of the council is the issuance of an annual report to Congress which assesses the nature and extent of homelessness in America. I was somewhat taken aback at our committee's hearing when witnesses testified there were no reliable numbers, but rather only broad estimates, in documenting the pervasiveness of this problem in our society. The council's report, besides describing the Federal efforts to combat homelessness, will also contain recommendations on what further can be done on the Federal level to make our resources in this fight channeled more effectively.

To ensure the council's accountability and to emphasize its limited objective, the committee agreed to terminate the council after 3 years. I want to make it clear that we are not merely adding another fancy name to the list of Federal commissions.

Title 2 of the committee's bill requires each executive agency to specifically identify excess real property under its control which is suitable for use as shelters or providing other services to homeless individuals. The General Services Administration [GSA] must then report to the interagency council on the availability of such property.

I was pleased that the committee saw fit to adopt an amendment I offered at markup which places nonprofit, homeless relief groups in the category of preferred organizations eligible to receive surplus Federal personal property. This will help get more types of goods out sooner to the people that need them the most.

Part A of title 3 authorizes the National Emergency Food and Shelter Board already established under Public Law 98-8 for the purpose of determining which public and private nonprofit local groups will receive emergency food and shelter grants. During fiscal year 1986, for example, such funds were distributed to about 1,800 jurisdictions which, in turn, allocated this money to nearly 7,000 local voluntary agencies and local governments. Since this program's inception in 1983, funds have been used to furnish almost 320 million meals and approximately 88 million nights of lodging.

Finally, it is my understanding that Senator HATFIELD will propose, and I intend to accept, an amendment to our reported language in title 3, part B, the case management section. The purpose of Senator HATFIELD's amendment is to facilitate the effective provision of case management services to the homeless through existing community action agencies and migrant and seasonal farmworker organizations. The authorization of an additional $20 million in fiscal year 1987 and in fiscal year 1988 under the community services block grant will allow community action agencies to render enhanced performance in providing information and follow-up services to those persons who may be eligible to receive other forms of Federal assistance.

Mr. President, I think that the Governmental Affairs Committee did an exemplary job in so swiftly reporting out our portion of the omnibus homeless legislation. I appreciate the special interest shown by the ranking minority member, Senator ROTH, in helping to move this bill. I think this demonstrates that the Senate can act quickly, particularly when our able majority and minority leaders are united, to address the most urgent issues facing this Nation.

Mr. SIMON. Mr. President, the tragedy of our Nation's homeless has been the focus of increasing attention over recent months. The evidence of our own eyes as we walk and drive through the streets of our Nation's cities is bolstered by alarming statistics confirming the problem of homelessness. The numbers of homeless people have been growing—according to the National Coalition on the Homeless, by 20 to 25 percent in the last year alone—and our responses to date have not begun to make a dent in the problem.

Not surprisingly, studies show that those who are homeless are characterized by extreme poverty, high levels of physical and mental disability and social isolation.

Many experts have also come to the conclusion that the main cause of homelessness is joblessness. Although only 3 percent of the homeless surveyed in a Chicago study held full-time jobs, almost 2 in 5 had worked at certain part-time, casual or poorly paid jobs. And as we know, the demand for casual labor has all but disappeared in recent years. If we really want to help homeless people, the long-term answer for many of them is jobs.

We must also recognize that the job histories of many of the homeless are a result of their mental and social disabilities. The Chicago study shows that almost 1 in 4 polled, reported having been in a mental hospital for stays over 48 hours. Among those, 58 percent had been hospitalized more than once. Estimates vary, but it is fairly clear that some 30 to 40 percent of the homeless probably have significant psychiatric problems.

About 20 years ago, in an effort to improve the lives of those in our Nation's mental institutions, we began the process of deinstitutionalizing a great many individuals with mental illness. Although the intentions were good, we now realize that many persons were released without assurance of the followup support they would need to live in the community. In too many cases, we failed to replace institutional care with necessary community based services. Many of these people, ill-equipped to adapt and function on their own in society, have wound up making their homes on our streets and city doorsteps.

It is easy to close our eyes and ignore the plight of our homeless, or to feel that they are somebody else's problem. Unfortunately, we have learned to walk on by the men and women sleeping on the heat grates for warmth. It is not so easy to acknowledge that we are all responsible for salvaging these lives, and that both emergency and long-term action at the Federal, as well as State and local levels, is essential. The Congress is finally beginning to take such action. The bill before us is an emergency bill, but it also contains the elements for longer term solutions, and it forms a partnership with the efforts being made by the States and local jurisdictions.

On March 18, Senator DOMENICI and I introduced S. 763, the Services for Homeless Mentally Ill Individuals Act of 1987. The Labor and Human Resources Committee and the Banking, Housing and Urban Affairs Committee have adopted some of the major concepts of S. 763 in S. 809. S. 763 stressed programs of outreach, outpatient mental health services, case management, staff training and temporary housing. These elements are included in S. 809.

I am grateful to my colleagues on the Labor and Human Resources Committee, particularly our chairman, Senator KENNEDY, who has shown us the way on mental illness issues for some years, for accepting a number of provisions which made the committee bill more compatible with the comprehensive, long-term approach of S. 763. Specifically, I am pleased that the authorization cap of $55 million for fiscal year 1988 has been replaced by such sums, and that the allocation formula should work to put the greatest amount of funding where it can do the greatest good.

The Labor and Human Resources Committee also authorized $10 million to determine the literacy skills of the homeless. Existing illiteracy programs do not address the needs of the homeless because the homeless are rarely aware of the opportunities available to them. The money would be funneled to the States for use in outreach efforts to aid the homeless. Existing voluntary programs would be used to teach the homeless to read and write. If a homeless person is evaluated for job skills, mental health disorders or other problems, he or she should also be evaluated for basic literacy skills, so that person can be referred to existing literacy programs in the community.

And I thank the distinguished managers of the Labor and Human Resources Committee provisions for their consideration and inclusion of several key components in the joint statement. The clarification on the committee's intent with regard to the definitions of services, mental illness and service providers will hopefully be used by those implementing this emergency legislation. The recognition of the expertise of the National Institute of Mental Health is equally important. I look forward to working with my colleagues on these and other related issues during consideration of the alcohol, drug abuse and mental health services block grant reauthorization.

I especially want to commend Senator DOMENICI for his leadership and for his work on developing a comprehensive approach to meeting the many needs of the mentally ill homeless. I hope that we can continue to work beyond the passage of this bill to ensure that systems are in place to effectively deliver services—including the vitally important transitional housing services—to this population of Americans who need our help so desperately.

Mr. President, I urge my colleagues who serve on the conference committee for this bill to accept a provision which is in the House version of this legislation. The House bill contains a $25 million authority for permanent housing for homeless handicapped persons. In addition to the transitional housing which is so important to the homeless who are mentally ill, handicapped persons who are homeless or at risk of becoming homeless, are very much in need of permanent housing. The units which have traditionally been a source of housing for them are being converted or destroyed at a rapid rate, and handicapped individuals are in competition with others for the shrinking supply. The House provision is a simple, uncomplicated approach that, combined with matching funds, could provide 2,000 housing units in a short period of time for some of the most needy in our society. I wish that it could be more, but this is a good, small step.

This bill is a worthy, and overdue initiative. It is not a total solution. I look forward to continuing to work with my colleagues on more comprehensive approaches, including jobs legislation. It is time we bring to a close a chapter in our history when we have had hundreds of thousands of our citizens—perhaps more than a million—out of jobs, without a home, without access to health care or the most basic of human services, sleeping in shelters or on the streets. I support the bill and urge its passage.

Mr. HEINZ. Mr. President, I am very pleased that the legislation before us allows funding for innovative programs to demonstrate new means of employing the homeless. One of the most innovative programs I know of involves the employment of the homeless in work experience programs. These services are provided to those who are not yet ready to enter job search or job training activities. They are the equivalent of sheltered workshops for the homeless.

As I read the legislation, I am uncertain whether or not these programs could be funded. The bill authorizes basic skills instruction, remedial education activities, basic literacy instruction, job search activities, job counseling, job preparatory training including resume writing and interviewing skills, and other JTPA-authorized activities.

Would the distinguished chairman and ranking member enlighten this Senator as to whether or not clearly innovative programs such as these will be funded under the bill?

Mr. HATCH. Let me say to the Senator from Pennsylvania that programs to improve an individual's preparation for a job are, in my view, permitted under this legislation. It is possible for a work experience program, if it is truly preparatory and not an end in itself for the participant, to receive funding.

Mr. HEINZ. So we are saying that job preparation activities are not limited to resume writing and interviewing skills, but might include work experience which is provided by local governments and service-providers?

Mr. KENNEDY. That is correct. We explicitly include those activities, resume writing and interviewing skills, but the language is not limited to only those activities.

Mr. HEINZ. I thank my friends for their statement, and congratulate them on an excellent measure.

Mr. D'AMATO. Mr. President, I rise today to support bipartisan legislation, H.R. 558, the Urgent Relief for the Homeless Act. I want to thank the Republican leader, Senator DOLE, and the majority leader, Senator BYRD, for moving expeditiously on this measure.

The Urgent Relief for the Homeless Act addresses perhaps the most heartwrenching problem facing our Nation: homelessness. More men, women, and children are homeless in American today than at any other time since the Great Depression.

Unlike the skid-row derelicts who comprised the typical homeless population of the 1950's and 1960's, today's homeless represent many diverse groups—the mentally ill, evicted families, the elderly, the handicapped, alcoholics, drug addicts, veterans, abused spouses, abandoned spouses with children, abused young people, cast-off children, and runaways.

A variety of factors have contributed to the increased number of homeless in our Nation's cities, suburbs and rural areas: Unemployment and underemployment, a scarcity of affordable housing, deinsitutionalization of the mentally ill, and cutbacks in social service and housing programs. Whatever the reason, homelessness in our country is at an unprecedented level. According to the National Coalition for the Homeless, the number of homeless persons increased by an average of 20 to 25 percent in the past year alone.

In recent years, Mr. President, private, nonprofit organizations, local governments, and some State governments, including my State of New York, have increased their efforts to shelter and feed the homeless. The Federal Government has been the source of funding for some of these activities.

In 1983, Congress began to address the homelessness crisis by providing assistance to many local food and shelter programs. Emergency funds under the Federal Emergency Management Agency [FEMA] Emergency Food and Shelter Program were appropriated to assist local governments in tackling the problem.

So far, FEMA's Program has distributed grants to approximately 9,000 nonprofit and charitable agencies in 1,500 communities. These agencies have provided an estimated 220 million meals at an average cost of 75 per cents meal and 55.2 million nights of shelter at an average cost of $2.25 per night. The work of these agencies is commendable, but more needs to be done. Many homeless and hungry individuals still are turned away because of depleted resources.

In last year's continuing resolution, House Joint Resolution 738, Congress agreed to appropriate $15 million to the Department of Housing and Urban Development to carry out two new programs for the homeless: The Emergency Shelter Grants Program and the Transitional Housing Demonstration Program. In addition, 2 months ago, the Congress approved and the President signed emergency legislation that appropriated $50 million for FEMA's Emergency Food and Shelter Program. These programs are essential first steps in meeting the nutritional and housing needs of our most impoverished citizens.

Rather than continuing this patchwork approach to solving a national problem, we must develop a comprehensive, well-coordinated program for the homeless. A formal program will help provide stability and certainty to the cities, towns, and charitable organizations that provide services to the homeless. The legislation being considered today will accomplish this goal.

Mr. President, the Urgent Relief for the Homeless Act would create a long-term Federal program of emergency food and shelter assistance, transitional and permanent housing, physical and mental health services, education, job training, food stamp assistance, nutrition, social and other supportive services to the homeless through the coordinated efforts of the Interagency Council. The Interagency Council will consist of the Secretaries of the U.S. Departments of Housing and Urban Development, Agriculture, Health and Human Services, Commerce, Education, Defense, Energy, Labor, Transportation, Interior, and the Veterans' Administration, as well as the Administrator of FEMA.

As ranking member of Housing Subcommittee of the Banking, Housing, and Urban Affairs, and as a member of the HUD and Independent Agencies Subcommittee of the Appropriations Committee, I have a strong interest in the housing title of S. 809, the Senate version of H.R. 558. Mr. President, I want to speak briefly to this section of the bill.

To be eligible to receive funds under the housing title, State and major cities would be required to submit a comprehensive homeless assistance plan to the Interagency Council for the Homeless. The bill outlines information that would be required in the plan. The bill would direct the Council to review and approve each plan within 30 days of receipt unless the Council determines that a plan clearly does not meet the requirement of the act. States and the major cities also would be required to submit an annual performance report and would direct the Council to carry out performance evaluations beginning in fiscal year 1989.

Overall, the housing title of S. 809 meets the immediate and long-term needs of the homeless through existing Federal housing programs. First, the bill would provide a 2-year authorization for HUD's Emergency Shelter Program. The program would receive $80 million in budget authority for fiscal year 1987, in addition to the current $10 million appropriated under last year's continuing resolution.

Under the expanded program, HUD would provide grants to State and local governments for the establishment of emergency shelters. Grants may be used to renovate, rehabilitate or convert buildings to be used as shelters. Funds may also be used to meet the cost of operating emergency shelters and of providing essential social services to homeless individuals. Allocations to the localities are based on the community development block grant [CDBG] formula.

In Banking Committee action, members agreed to allow the Secretary of HUD to waive the current 15 percent limitation of emergency shelter grant funds on essential services if the local jurisdiction demonstrates that all other eligible activities are being carried out with other resources. Also, reallocation of these funds would occur if the jurisdiction fails to obtain an approval of its comprehensive plan during the 90-day period following the first day the emergency shelter funds become available during any fiscal year. This would ensure a timely distribution of these funds.

The housing title also authorizes for 2 years HUD's Transitional Housing Program, which was established in last year's continuing resolution and funded at $5 million. Funding for the Transitional Housing Program would be increased by an additional $60 million for fiscal year 1987.

The objective of the Transitional Housing Program is to provide housing and supportive services, such as counseling, job training and education, for homeless persons, focusing on those individuals capable of moving into independent living quarters. The tenancy in a transitional housing facility is up to 18 months.

Finally, the housing title would provide about 2,950 section 8 certificates for permanent housing to homeless individuals and families with children. Section 8 existing housing certificates would be increased by an additional $50 million, or approximately 1,900 rental units, and would be targeted to families, particularly families with children. The Section 8 Moderate Rehabilitation Program would receive $35 million to provide approximately 1,050 newly rehabilitated units in single room occupancy structures [SRO's]. This section truly addresses the long-term problem of the homeless: permanent housing.

Mr. President, the needs of the homeless are immediate. The legislation being considered today provides for a coordinated, Federal effort to address this emergency.

States, local governments, and private voluntary and charitable organizations have been unable to meet all of the basic human needs of our Nation's homeless. The Federal Government must take a greater role in providing assistance to protect and improve the lives and safety of millions of suffering homeless. A serious legislative response to homelessness in our country is both desperately needed and long overdue. I urge my colleagues to support this legislation.

Mr. HEINZ. The legislation before us authorizes regional staff for the National Council in each of the standard Federal regions. They are to support regional efforts on behalf of the homeless, share information, and coordinate homeless assistance. I applaud the chairman for this provision. My concern, and that of many service-providers, is that FEMA boards and nonprofits will have to answer to the regional staff, that we are placing an additional layer of approval on existing programs. My understanding is that the regional staff do not have an approval role, but are to provide assistance and guidance. Is my understanding correct?

Mr. GLENN. The Senator is correct. While we envision an active role for the Council staff, coordinating the many local and regional efforts on behalf of the homeless, they are not to play an administrative role. I do not envision an additional layer of bureaucracy for homeless programs.

Mr. HEINZ. I thank the Senator for his statement, and congratulate him on the splendid work this legislation represents.

Mr. BYRD. Mr. President, there will be no more rollcall votes today.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that there now be a period not to extend beyond 6:15 p.m. today during which Senators may transact morning business and during which Senators be permitted to speak for not to exceed 5 minutes each.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

THE SENATE SHOULD DEBATE WHETHER TO ABROGATE THE ABM TREATY, INSTEAD OF DEBATING INTERPRETATIONS OF U.S. UNILATERAL ABM COMPLIANCE POLICY

SUMMARY

Mr. HELMS. Mr. President, the Senate has been debating the fine legal and technical points of an 18-year-old treaty negotiating record and a 15-year-old ratification hearing record on the SALT I Anti-Ballistic Missile Treaty. This is a very esoteric and highly complex debate, and unfortunately, it is also distracting the Senate from the real issue. The Senate needs to wake up and smell the coffee—America is in gravest mortal danger and we should abrogate the ABM Treaty. The point is, Mr. President, that the ABM Treaty is impeding our ability to defend our supreme national interests. Instead of debating fine legal and technical points of our ABM Treaty compliance policy, we should be concerned with a much more momentous debate over the very core of our national security. The Senate should be debating instead why we are unilaterally restricting development, testing, and early deployment of our vital strategic defense initiative, in the face of now obvious Soviet ABM Treaty break out.

While we engage in our irrelevant debate, we are allowing the Soviets to lock in the final one-sided prohibition on the United States SDI. This one-sided prohibition is all the Soviets need to obtain overall offensive and defensive strategic supremacy for all time, to obtain the capacity for nuclear blackmail and world domination that comes with such military supremacy. In fact, even the broad interpretation will not allow the United States actually to deploy SDI. But deployment is the name of the game. Near-term deployment of SDI is absolutely essential to American national security. Thus there is a head-on collision between the ABM Treaty and American supreme national security interests.

In due course, I will review of the basis for what is really the secondary issue, namely that of the legally correct, broad interpretation. But first I must repeat that debating U.S. unilateral ABM Treaty compliance is an irrelevant debate, distracting us from the real debate. The real debate should be over whether to abrogate the ABM Treaty as a proportionate response to Soviet ABM Treaty break out. Indeed, Secretary of Defense Weinberger has declared that nothing could be more dangerous to Western security than the Soviet deployment of a nationwide ABM defense, a deployment that would amount to break out.

Mr. President, the American people should be provided with some very frightening, newly declassified information. The public should now be aware that the CIA has evidence that the Soviets have actually privately admitted and boasted to themselves that their Krasnoyarsk radar violates the ABM Treaty. Even more significant is the fact that the Reagan administration now believes that the Soviets are working on an integrated plan for a nationwide ABM defense.

Indeed, the Soviets already have established the prohibited base for a prohibited nationwide ABM defense, and they will have an operational nationwide ABM defense within a year or even less. While the Western democracies complacently debate ABM compliance policy interpretations and are foolishly preoccupied with negotiating for a new INF Treaty, the Soviets are always carefully calculating the correlation of forces. The chilling impact of this new information is that the Soviets will soon be able to use their overwhelming strategic offensive first strike capability, combined with their emerging monopoly on nationwide ABM defense, for nuclear blackmail.

Let us not forget, Mr. President, that Adolf Hitler similarly boasted in private in the mid-1930's of his arms control treaty violations, at the same time that he pushed his aggressive ambitions to the point of global war. Soviet Leader Gorbachev already has capabilities for intimidation and world domination that would have made Hitler very envious indeed. The late Soviet Leader Brezhnev prophetically stated in 1973 that by 1985 the correlation of forces would have shifted so decisively in Soviet favor that the Soviet Union would be able to exert its will in any region of the world it wanted. Mr. President, that is exactly where the Soviets are today.

Mr. President, our distinguished colleague, Senator NUNN, has focused our attention on the issue of American unilateral disarmament. This issue has distracted us from the fundamental threat. But he has done one constructive service to the Senate, and I congratulate him for this service. Senator NUNN has focused our attention upon the nearly 20-year history of the SALT process. There is much in this history that the Senate needs to be reminded of, because in my opinion, the SALT process has definitely undermined American national security interests because it has failed to achieve the two fundamental American objectives for SALT—prohibition of offensive first strike and nationwide ABM defenses for both nations. These two United States fundamental objectives were completely thwarted by the Soviets. Indeed, the Soviets have now achieved a monopoly in both the key capabilities that the United States intended to prohibit. As Senator NUNN suggested, let us carefully scrutinize the history of the SALT process. Many colleagues will be astonished by what we will find.

Mr. President, there is strong, converging evidence from many sources that the Soviets deceived the United States on the key issues in the negotiations leading up to the 1972 SALT I ABM Treaty and Interim Agreement. The Soviets likewise deceived the United States on the key issues in the negotiations leading up to the 1979 SALT II Treaty. There is additionally strong evidence that the Soviets intended to violate these treaties from the very moment of their signature.

In late May 1972, the evidence of Soviet SALT I negotiating deception and their intention to violate was suppressed within the United States intelligence community, was withheld from the Joint Chiefs of Staff, and from Congress. There is authoritative testimony to the Senate on this suppression, and on the meaning of the intelligence suppressed. The Senate may thus have been misled by the executive branch on all the key issues of the SALT I agreements. Therefore, the Senate may have approved the SALT I agreements without full knowledge of the situation.

Mr. President, this evidence was suppressed. Indeed, it follows from this suppressed evidence of Soviet deceptive negotiating and violation intentions at the beginning of the 20-year SALT process, that the entire SALT process itself has been conducted on false assumptions about Soviet reciprocity from the very start in 1967.

Early this year, the Senate voted 93 to 2 that Soviet violations of existing arms control treaties are an important obstacle to the advice and consent of two-thirds of the Senate for ratification of any new treaties. President Reagan recently reported to Congress that:

> A number of activities involving SALT II constituted violations of the core or central provisions of the Treaty frequently cited by the proponents of SALT II as the primary reason for supporting the agreement.

If Soviet violations of central provisions of existing treaties are so important that they might prejudice the Senate against voting for ratification of new treaties, then it may also be true that the Soviet violations of existing treaties themselves constitute an important obstacle to continued United States unilateral compliance with those violated treaties. As President Reagan told Congress for the first time on March 10, 1987:

> It was, however, the continuing pattern of noncompliant Soviet behavior that I outlined above that was the primary reason why I decided, on May 27, 1986, to end U.S. observance of the provisions of the SALT I Interim Agreement and SALT II.

If Soviet violations of the central provisions of both the SALT I Interim Agreement and the SALT II Treaty were serious enough to finally cause the President to abrogate these agreements, albeit only long after both had expired, perhaps the President and the Senate will also decide to abrogate the SALT I ABM Treaty for the same primary reason. After all, Soviet ABM Treaty break out violations are even more flagrant, and are much more dangerous to American national security.

THE SOVIET BROAD INTERPRETATION IS CORRECT FOR BOTH SIDES

The Reagan administration's legally correct, broad interpretation of the ABM Treaty has easily survived the attacks of the "Blame America First" bloc in Congress. The broad interpretation is the Soviet interpretation, because the Soviets clearly and repeatedly refused to agree to the narrow interpretation, and Soviet spokesman have clearly stated since 1972 that the broad interpretation was their view. I find it difficult to disagree with the Soviets, because the broad interpretation is the correct one. Of course, the broad interpretation suits Soviet interests, because the Soviets are probably ahead of the United States in developing and testing SDI-type, space-based ABM defenses, while claiming to be complying with the ABM Treaty.

Moreover, the Soviets proposed a draft space treaty containing the narrow interpretation to the United States in March, 1985. This Soviet proposal tried to ban the development and testing of space-based ABM defenses. This Soviet proposal therefore assumed that development and testing of space-based ABM's were not already banned by the ABM Treaty. This is precisely the broad interpretation of the ABM Treaty, and this Soviet proposal itself confirms that the Soviets had always embraced the broad interpretation. The Soviets clearly thought that development and testing of exotic spaced-based ABM's was not banned by the ABM Treaty. Their proposal was obviously intended to stop U.S. strategic defense initiative research and development and testing dead in its tracks. Their proposal conclusively indicated that they believed that the broad interpretation was the correct interpretation, and so they wanted to induce the United States into agreeing to being constrained by the narrow interpretation.

Judge Sofaer has reportedly stated that after his extensive research into the SALT I negotiating history, he was forced to conclude that the Soviets had deceived the United States negotiators into believing that they had somehow achieved a mutual ban on development and testing of ABM's based on new physical principles, when in fact the United States negotiators had achieved no such result. Judge Sofaer has thus stumbled upon another significant but long unknown case of Soviet SALT I negotiating deception.

CONCLUSIVE EVIDENCE OF SOVIET NEGOTIATING DECEPTION IN SALT I

Mr. President, on March 26, 1987, in the joint Senate Foreign Relations Committee and Judiciary Committee hearings on the ABM Treaty interpretation, I asked Assistant Defense Secretary Richard Perle an important question. I asked: "Does the SALT I Interim Agreement negotiating record indicate that the Soviet SALT negotiators deceived the United States on the issue of whether heavy ICBM's were prohibited from replacing light ICBM's?"

Richard Perle answered:

> Yes, Senator. I believe this is not only the most dramatic instance of Soviet deception, but the one that carried the gravest consequences. It was one of the most important provisions of the Interim Agreement, that launchers for light missiles could not be converted into launchers for heavy missiles. We were unable in the negotiations to get the Soviets to agree to a definition of the terms heavy and light. There were limitations in the treaty (sic) on the extent to which the silos in which missiles were based could be enlarged. At the time, the Soviets had a new missile, vastly more effective and substantially larger than the light missiles, the launchers for which could not be converted to launchers for heavy missiles.
>
> I believe they concealed the testing of that missile until after the Interim Agreement was signed, and we subsequently, to our dismay, discovered that the light SS-11s were replaced by SS-19 missiles that, by the understanding conveyed to the Senate of the United States would surely have constituted heavy ICBMs. I know that this was a particular concern because that conversion meant a sixfold increase in the number of Soviet warheads and a very substantial increase in the throw-weight of that ballistic missile force.

In addition to the evidence in the SALT I diplomatic negotiating record indicating Soviet deception, there is important, dramatic, intelligence evidence indicating Soviet deception on the SS-19 heavy ICBM.

This evidence is the best and most authoritative evidence of the intentions of the Soviet leadership regarding negotiations and compliance in the entire 20 year SALT process.

This evidence was acquired in 1972. The story has already been published in many places, including at least three times in the CONGRESSIONAL RECORD. One example is William Beecher's article in the Boston Globe of October 10, 1976, entitled "United States May Reply to Soviet Rays." There are several other unclassified descriptions of this evidence. William Safire wrote about it in the New York Times article of August 6, 1981, entitled "Deception Managers." It was described in detail in the Heritage Foundation 1980 book, "Mandate for Leadership." And it was referred to in Admiral Zumwalt's testimony to the Senate Defense Appropriations Subcommittee on March 28, 1984, and in Air Force magazine of December 1978, January 1979, and March 1979.

CIA has cleared several articles and books containing this information for publication.

Most recently, Assistant Defense Secretary Richard Perle mentioned this evidence in testimony to the joint hearing of the Senate Foreign Relations Committee and Judiciary Committee on March 26, 1987. Here is the way these pieces of unclassified information on this "most dramatic" evidence of Soviet deception in SALT seems to fit together:

William Safire wrote:

> The first inkling of [Soviet SALT I negotiating deception] came to us in May, 1972, via "Gamma Gupy," our tuning in to limousine telephone conversations between [the late Soviet General Secretary] Leonid Brezhnev, [the former Foreign Minister] Andrei Gromyko, and Soviet missile designers at the Moscow [SALT I] Summit Conference. These transcripts quoted Mr. Brezhnev talking about a "Main Missile" that had never been mentioned in the SALT [I] negotiations, which turned out to be the SS-19 [heavy ICBM.] The surprised Henry Kissinger considered this "sharp practice."

William Beecher added more details;

> In May, 1972, in the hours immediately preceeding agreement on the SALT I pacts in Moscow, a conversation was intercepted in which Soviet Party Chairman Leonid Brezhnev checked with a top weapons expert to get assurance that an about-to-be concluded formula covering permissible silo expansion would allow the Soviets to deploy a bigger new missile then under development. That intercept provided the first solid information that the SS-19, as it is now known, was destined to replace some of the relatively small SS-11 missiles, which comprise the bulk of the Soviet ICBM force. The SS-19 has three to four times the throw-weight of the old missile.

Air Force magazine articles by Edgar Ulsammer and Peter Hughes added the following:

> [There were] specific, documented instances when the late Marshal A.A. Grechko—until his death in 1976, the Soviet Defense Minister—issued dictates to Brezhnev concerning what was and was not acceptable to the Soviet military in the Politburo's SALT posture. The Soviet military five-year plan predetermines Moscow's SALT negotiating posture in a binding way * * * It is difficult to envision how SALT II will contain Soviet strategic developments. As with SALT I, U.S. critics contend that the SALT II Agreement merely codifies planned Soviet strategic deployments—a view substantially bolstered by * * * CIA analysis based on U.S. intelligence monitoring of Soviet communications. [This analysis] reportedly illustrates quite clearly that the Soviet military has not allowed the SALT process to infringe on planned Soviet strategic forces and programs.

And Richard Perle testified:

> We also know * * * through what was then an extremely sensitive communications intercept, that, after General Secretary Brezhnev agreed on the issue of the extent to which silos could be enlarged, he became concerned that he might have, thereby, inhibited the substitution of this heavy [SS-19] missile for a light missile, and he got into communications with [the late Defense Minister] Marshal Grechko, and we acquired that conversation * * * Brezhnev said to Grechko, "Can we fit the new missile in? I have just agreed to a 15 percent rule." And Grechko said, "I'll have to get back to you." And he did get back to him and he said, "We can fit it in." And Brezhnev said, "Thank God." It was only at that point * * * that that particular arrangement was consummated. There is no doubt in my mind that had Marshal Grechko instructed General Secretary Brezhnev that this new missile, one that we would surely have considered heavy, would not have fit in that silo, he would have retracted the position he then had on the table.

Richard Perle added:

> Unfortunately, [this conversation] was reported in the newpapers with the result that the Soviets ceased immediately communicating over a system that we had otherwise been able to penetrate, with tremendous loss to our national security.

Mr. President, this highly significant intercept occurred on May 26, 1972, just before SALT I was signed. It indicated that the then secret SS-19 was a large, heavy ICBM. Moreover, this intercept also indicated that Brezhnev himself regarded the SS-19 to be a heavy ICBM, and that Brezhnev intended the heavy SS-19 ICBM to replace the light SS-11 ICBM on a large scale. This was precisely what article II of the SALT I Interim Agreement prohibited. Yet Brezhnev and the other top Soviet negotiators repeatedly told United States negotiators that the U.S.S.R. did not intend to replace light ICBM's with heavy ICBM's.

The Soviets told the United States that:

> There was no need for a definition of a heavy ICBM, since the Soviet approach fully precluded conversion of launchers for other types of ICBMs covered by the agreement into launchers for heavy ICBM's (Article II).

This was the precise opposite of the Soviets' actual and later executed plans. They also falsely claimed that both sides already knew which ICBM's were heavy, and that this understanding would not change during the 5-year term of SALT I. But before the SALT I Interim Agreement was signed, only the Soviets knew about the heavy SS-19 and their plans to replace 360 light SS-11 ICBM's with the heavy SS-19. Indeed, Soviet negotiators actually told United States negotiators that the United States could "trust" the Soviets not to replace light ICBM's with heavy ICBM's.

Thus this famous intercept conclusively confirms Brezhnev's negotiating deception on the Soviet heavy SS-19

ICBM. Brezhnev knew that the heavy SS-19 would violate or circumvent article II's prohibition of heavy ICBM's replacing light ICBM's, but he also knew that in May 1972 the United States did not know about the heavy SS-19 ICBM.

But Brezhnev was cleverly disingenuous about his SALT I negotiating deception at the time of the May 1972 SALT I summit. Former President Nixon, a direct victim of Brezhnev's duplicity on the SS-19 and all other key SALT I issues, reports that Brezhnev told him then:

> If we are trying to trick one another, why do we need a piece of paper? We are playing clean on our side. The approach of "catching each other out" is quite inadmissible.

WITHHOLDING OF THE EVIDENCE FROM THE JCS AND CONGRESS

Mr. President, on March 28, 1984, Senator James A. McClure asked former Chief of Naval Operations in 1972 at the time SALT I was approved, Adm. Elmo Zumwalt, the following questions about this evidence in a hearing that Senator McClure chaired for the Senate Defense Appropriations Subcommittee:

> Senator McClure. In 1972, you testified on SALT I that if the Soviets deployed a heavy ICBM to replace light ICBM's, this would violate SALT I. Do you believe the Soviets' heavy SS-19 ICBM deployment violated SALT I?
>
> Admiral Zumwalt. I believe that it does. It directly violates SALT I as SALT I was reported and explained to the Congress of the United States during its ratification process, and I believe there was information available at the time, but unknown to the Joint Chiefs of Staff, that confirmed that a violation was going to be made.
>
> Senator McClure. That's an interesting comment. I don't want to get diverted too far, but I want to underscore your statement that our Government had information that the Joint Chiefs of Staff did not have. Did I understand you correctly?
>
> Admiral Zumwalt. That is correct, Mr. Chairman.
>
> Senator McClure. That, to me, is a separate issue, but not entirely separate, and a very serious charge. Because if our Joint Chiefs can't have all the information we have, how in the world can they make their judgment?
>
> Admiral Zumwalt. This is a matter that, at some point, we will have to go into a classified session.

This withheld evidence would probably have devastated the administration's attempt to convince the Senate about the effectiveness of the SALT I Agreement, because Dr. Kissinger's principal selling point was that SALT I contained provisions that gave us adequate safeguard against a substitution of heavy missiles for light missiles. Kissinger incorrectly told Senators that:

> There is the safeguard that no missile larger than the heaviest light missile that now exists can be substituted * * * as far as the break between the light and heavy missiles is concerned, we believe we have assurances.

Ambassador Gerard Smith, chief of the SALT I delegation, also assured the Senate that:

> We have put them on clear notice that any missile having a volume significantly larger than their SS-11, that would be considered a heavy missile * * * and would be a violation * * * we will have to look at what comes along [in new Soviet ICBMs] * * * we have put them on clear notice that any missile having a volume significantly larger than their SS-11, we will consider that as incompatible with the Interim Agreement.

Was the withholding, suppression, and failure to properly evaluate this evidence partly responsible for the successful Soviet SALT I deception on the heavy SS-19 ICBM? Henry Kissinger still defends his policy regarding SALT I by arguing that "we had no evidence at the time because it didn't exist, that the Soviet Union would construct a missile which was sort of half way between the SS-11 and SS-9 * * * It was simply our lack of knowledge that such a missile existed or would be built." But the evidence was in fact there.

Mr. President, several commentators have stated that there are disturbing reports that Henry Kissinger ordered the CIA to suppress, embargo, and withholding this intercept within the intelligence community. Moreover, it was also reportedly suppressed everywhere else within the executive branch, as Admiral Zumwalt has testified, and it was withheld from the Congress. Our national intelligence estimates have never concluded that the Soviets replace light ICBM's with heavy ICBM's. As late at 1979, U.S. Intelligence was referring to the SS-19 as the "new small ICBM," and its silos as the "new small silos." The NIE's simply ignored not only the intercept of Brezhnev's conversation and the negotiations' revelations, but also technical advances that made big, first strike missiles the order of the day for the Soviets. They did so because the administrations in power did not want to make such advances in American ICBM's, and did not want to be told that the Soviets were taking advantage of technology to make the SALT I Interim Agreement strategically meaningless.

Henry Kissinger's own public justifications of the SALT I agreements beg the old Watergate question—what did Kissinger really know about the Soviet SALT I deceptions, and when did he know it? In the Congressional Record, Congressman Jack Kemp has asked "Did Kissinger attempt during the SALT I negotiations to suppress or cover up Intelligence data indicating Soviet SALT deception and their intention to violate? Further, did Kissinger knowingly misrepresent the key provisions of SALT I to the Congress in 1972, as the late Senator Scoop Jackson has charged?" Perhaps the ratification of the SALT I ABM Treaty and the congressional approval of the SALT I Interim Agreement occurred under false pretenses.

Mr. President, Admiral Zumwalt has testified that in fact just this happened. Indeed, it now seems clear that SALT I would not have been ratified and approved in 1972 had there been more widespread knowledge among both Nixon administration defenders of SALT I and key Senators of the withheld "Beecher intercept" intelligence. The significance of the late May 1972 SALT I coverup directed by Henry Kissinger is now clear—Kissinger was duped in the negotiations by the Soviets on all the key issues, covered up the evidence, then lied about the effects of SALT I to the Congress. As Prof. Eugene Rostow stated in 1979:

> Kissinger's policy was that the facts about Soviet power and policy of expansion must be "concealed" from the American people while the government negotiates the "best deal it can get."

QUANTITATIVE ANALYSIS OF THE MILITARY EFFECTS OF SOVIET VIOLATION OR CIRCUMVENTION OF THE SALT I INTERIM AGREEMENT

Replacement of light SS-11 ICBM's with heavy SS-19 and SS-17 ICBM's occurred between 1970 and 1983, but the SALT I Interim Agreement's article II prohibits replacement of light ICBM's with heavy ICBM's. This was a violation or circumvention of SALT I which defeated its entire object and purpose. A strong element of Soviet negotiating deception and operational deception was involved in this violation, as described above.

When SALT I was signed on May 26, 1972, the best U.S. intelligence estimate was that a "new small ICBM" would be deployed in converted SS-11 light ICBM silos and in 60 "new small ICBM silos." The "new small ICBM" was estimated to be MIRVed, but only with 3 MIRV's. This conversion and deployment would have been within the provisions of SALT I. Only U.S. Air Force intelligence estimated that the "new small silos" would receive a new heavy, highly fractionated ICBM, which would also be retrofitted into converted SS-11 light ICBM silos.

USAF intelligence was right. The new SS-19 heavy ICBM turned out to have over three times the throw-weight of the light SS-11; in fact, the SS-19's throw-weight was greater than the heavy SS-8's throw-weight. The heavy SS-19 also turned out to carry six MIRV's, compared to the three estimated by most of U.S. intelligence, and compared to the single warhead on the light SS-11. The somewhat smaller SS-17 ICBM had twice the throw-weight of the SS-11, and carried four MIRVed warheads.

In sum, deployment of the heavy SS-19, and SS-17 ICBM's in violation or circumvention of SALT I represented a growth of over fivefold in the number of Soviet warheads in the SS-

11 light ICBM force prior to SALT I: 2,760 highly accurate, high-yield counterforce, first strike SS-19 and SS-17 warheads replaced 510 relatively inaccurate SS-11 warheads. Dr. Angelo Codevilla, the noted intelligence expert, has succinctly captured the essence the Soviet deception on the SS-19:

> Under current agreements, the Soviets have achieved precisely the objectives that we had sought to prevent by entering into the agreement in the first place * * * no one can seriously argue that the Soviets will willingly abandon the capability to disarm and blackmail the United States.

But the new U.S. Ambassador to the Soviet Union, Mr. Jack Matlock, recently testified to the Senate that:

> I am confident that no American President or Congress would ever allow the Soviets to gain such a capability of overwhelming superiority for nuclear blackmail.

I only wish that Ambassador Matlock was correct, and that he was aware of the Soviet SS-19 deception.

Mr. President, I refer colleagues to a Senate speech by my distinguished colleague, Senator JIM MCCLURE, given on May 25, 1983, entitled "Deploying the MX as a Countermeasure Against Soviet SS-19 Heavy ICBM Deployment Circumventing SALT I." This speech contains a full account of all of the details of the Soviet SS-19 deception.

SOVIET NEGOTIATING DECEPTION ON THE ABM TREATY

If the SALT I Interim Agreement was disadvantageous to the United States because it was unequal, and was negotiated and approved through deception, then we must examine the utility to our national security of the ABM Treaty. Judge Sofaer's conclusions seem to suggest that the ABM Treaty was also deceptively negotiated in regard to alleged constraints on development and testing of new physical principle ABMs. Both SALT I agreements are integrally linked in their internal provisions. Now we have learned that both agreements have proven to have been deceptively negotiated and justified, so a bad light is shed on both these companion agreements.

The terms of the interim agreement were already unequal. And the terms of the ABM Treaty were also already disadvantageous to the United States, requiring that the United States give up an advantage in ABM's in exchange for what proved to be illusory constraints on Soviet offensive forces. The strategic rationale supporting the ABM Treaty has been shattered by the failure of offensive arms control negotiations and a 20-year buildup of Soviet counterforce capability.

Those who argue the case for the narrow interpretation of the ABM Treaty therefore have to admit that either United States SALT I negotiators were deceived by the Soviets into believing that the narrow interpretation obtained for both sides in 1972 on a key aspect of the ABM Treaty, or that the United States negotiators deliberately deceived the Senate into believing that the narrow interpretation applied to both sides, or both. There is in fact conclusive evidence that Henry Kissinger was deceived by the Soviets on each of the key SALT I Interim Agreement issues: constraints on heavy ICBM's; constraints on mobile ICBM's; SLBM ceilings and replacement baselines; and geographic asymmetry arguments for Soviet SLBM superiority. I believe, Mr. President, that he was less than candid about Soviet deceptions in his presentations to the Senate.

Mr. President, I believe that indeed there is also evidence that the United States negotiators were deceived by the Soviets into believing that the narrow interpretation somehow applied to the Soviets, even if the negotiating record shows that it did not apply to us. Judge Sofaer had reportedly come to a similar conclusion, a conclusion consistent with the evidence of Soviet deception on all the other key issues of the SALT I Interim Agreement. So we are just now realizing that Soviet SALT I negotiating deception was really twice as bad as we finally realized as late as 1978. And not only did the Soviets deceive the United States on all the key issues of SALT I, but they also were planning to violate the agreements even as they were about to sign them. President Reagan has reported recently to Congress that:

> The [Krasnoyarsk] radar demonstrates that the Soviets were designing and programming a prospective violation of the ABM Treaty [in early 1979] even while they were negotiating a new agreement on strategic offensive weapons [the SALT II Treaty] with the United States.

Moreover, just as the Soviets deceived the United States on the SS-19 ICBM and the SS-N-8 SLBM and on future technology ABM's in SALT I, the Soviets negotiated deceptively in SALT II again on heavy ICBM's, the second new type SS-25 ICBM then under development, the range and refueling capabilities of the Backfire bomber, and the SS-16 ICBM then deployed. Just as they did in SALT I, the Soviets then went on to violate the most important provisions of SALT II, on no more than one new type ICBM, on the overall ceiling on missiles and bombers, and on the prohibition on telemetry encryption.

THE BROAD INTERPRETATION IS CORRECT

My own study of the text of the ABM Treaty and what I know of its negotiating record indicates that the legally correct, broad interpretation is quite sound. I agree with the testimony of Assistant Secretary of Defense Richard Perle.

According to Mr. Perle, the only provision of the ABM Treaty which deals with future technologies is agreed statement D, which allows creation—including development and testing—of ABM systems based on other physical principles. Agreed statement D provides for consultation and agreement on deployment only. The narrow interpretation renders agreed statement D meaningless. The broad interpretation results in a coherent reading of the treaty. It prohibits development and testing of space-based and other mobile-based components known in 1972—ABM launchers, ABM interceptor missiles and radars—but allows development and testing of all ABM systems based on other physical principles.

SALT I Chief Negotiator Smith testified specifically that space-based laser research and development was not prohibited. The Joint Chiefs of Staff reportedly wrote to the Secretary of Defense in June 1972, that testing ABM systems based on other physical principles was permitted. Secretary of State Rogers' report submitting the ABM Treaty to the Senate was consistent with the broad interpretation, as were most other rare statements on this point made during the ratification hearings by executive branch officials.

The best evidence of what the United States and the Soviet Union agreed to is in the treaty text itself, and in the negotiating record. Both clearly support the broader interpretation. Finally, the Senate's resolution of advice and consent did not condition its consent in any way on the restrictive interpretation.

But the debate is also an irrelevant debate, and it distracts us from a much more important debate.

I believe that we should return to the basics of the ABM Treaty and debate what is really important. What is important is that the Soviet Union has behaved in ways which abrogate the ABM Treaty, by the many illegal Soviet ABM developments, especially the Soviet Krasnoyarsk radar. Why should America be fine tuning an interpretation, whether narrow or broad, for a United States ABM Treaty compliance policy, when the Soviets are confirmed as violating the most important provisions of the treaty?

Moreover, I must strongly disagree with my distinguished colleague, Senator NUNN, when he has charged that the broad interpretation has brought on a constitutional crisis. I am among those who are the most conscious of the Senate's heavy duties in the treaty-making process, and I am one who has always insisted that the Senate has a duty to invoke the treaty-making powers fully on all matters related to treaties. If there is any constitutional crisis regarding the ABM Treaty, it is whether the treaty itself contradicts the Constitution's fundamental purpose to "provide for the common defense," and further, whether the Senate can try to induce the President to abrogate the treaty.

This position contrasts strangely with the positions of some Senators on the Threshold Test Ban Treaty. Senator NUNN and some of his colleagues are trying to avoid or relinquish the Senate's strict constitutional duty to give its advice and consent to the crucially important verification to be negotiated for the Threshold Test Ban Treaty. Indeed, these Senators are even proposing to bypass the Senate's constitutional treatymaking duties altogether, by selectively legislating by a simple majority vote the sublimits of the unratified, expired SALT II Treaty. This legislating of a selective part of the SALT II Treaty would have the further unconstitutional aspect of involving the House of Representatives in a simple majority legislative vote on a treaty issue.

Thus there is a huge constitutional inconsistency in their approach to arms control treaties—they are demanding the right to dictate to the President precisely how an old treaty violated by the Soviets and prejudicial to the common defense should be interpreted, while at the same time avoiding the constitutional treaty-making duty to give advice and consent to the complete Threshold Test Ban Treaty verification protocol, and by-passing the treaty-making duty entirely in regard to legislatively enacting part of the SALT II Treaty. There is indeed a constitutional crisis regarding the Senate's treaty-making powers, but it does not involve how to interpret the ABM Treaty. It involves the avoidance and by-passing of the treaty-making duty regarding the TTBT and the SALT II Treaty.

Why are they behaving so inconsistently? The only explanation I can think of is that they know that they can not muster the two-thirds majority required to give Senate advice and consent to the ratification of the existing TTBT and the SALT II Treaty. They are also very reluctant to confront the conclusive evidence of Soviet TTBT, SALT II, and ABM Treaty violations. And they also know why they can not muster a two-thirds majority for such advice and consent—they know that the evidence of Soviet TTBTR and SALT II violations is strong and persuasive to most Senators. So the real reason for the deep inconsistency in their approach to arms control treaties is the fact that they simply do not care about verification or even verified Soviet violations. Even our distinguished colleague, Senator NUNN, thinks that United States unilateral, restrictive compliance with the ABM Treaty is more important than the verified and confirmed Soviet ABM Treaty violations.

Many Members, especially in the other body, seem to have a blind faith in U.S. unilateral disarmament. Indeed, I can find no difference between the restrictive interpretation of the ABM Treaty, the proposed United States ratification of the violated TTBT, and the proposed U.S. unilateral compliance with the whole or a part of the SALT II Treaty, and the Soviet propaganda line on each of these issues. I applaud President Reagan's promise in the State of the Union address to veto any attempts by Congress to legislate the Soviet arms control negotiating position—a position which is no different from the Soviet propaganda position.

Mr. President, it is time to ask the question—whose interests are served by the restrictive interpretation of the ABM Treaty, United States interests or Soviet interests? Whose interests are served by United States unilateral compliance with the TTBT and SALT II sublimits, United States or Soviet?

The Soviet Krasnoyarsk ABM radar, Soviet deployment of a nationwide ABM defense, and their own highly advanced SDI, are the key to the debate over the restrictive versus the broad United States compliance policy with the ABM Treaty, or indeed to any United States ABM Treaty compliance at all.

THE SOVIET KRASNOYARSK RADAR VIOLATION

The Soviet ABM Treaty violations, especially their Krasnoyarsk radar, are clear cut, and have been confirmed six times by President Reagan. Mr. President, I ask unanimous consent that the President's unclassified report on Soviet noncompliance with arms control agreements of March 10, 1987, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. Mr. President, the Krasnoyarsk radar is supposed to be on the periphery of the Soviet Union and oriented outward, yet it is located 750 kilometers in the interior and oriented inward toward a border 4,000 kilometers away. Its siting, orientation, and capability are prohibited. Its construction is being continued, and it appears complete. Despite United States requests, no Soviet corrective actions have been taken. It is an early warning radar with inherent ABM battle management capabilities.

The Soviets are building nine Krasnoyarsk-Pechora class ABM radars, and two more are expected. The redundancy in coverage provided by these nine new radars and their 360-degree overlapping deployment pattern closely resembles the design of the U.S. Safeguard ABM Program. All the primary United States threat corridors into the Soviet Union will be redundantly covered by at least three ABM battle management radars, and the older hen house large phased array radars provide even a fourth layer of redundancy. And the Soviets are mass-producing three types of mobile ABM and ABM-capable interceptor missiles and small engagement radar systems. The Soviets are also improving and mass-producing a fourth type of ABM-capable interceptor and radar. There are also press reports that the small ABM-capable engagement radars are being calibrated with and internetted with the large ABM battle management radars, a key sign that the Soviets are deploying a nationwide ABM defense. The Soviets even now have produced and deployed thousands of these four types of ABM-capable interceptor missiles, and thousands of their radars.

President Reagan stated ominously on March 18, 1985, that: "They [the Soviets] already outnumber us greatly in offensive weapons, and if they alone developed a defensive weapon before us, then they wouldn't have to worry about our deterrent—a retaliatory strike. Then they could issue an ultimatum to the world."

Mr. President, we are today rapidly approaching the point where the Soviets will have not only a monopoly on offensive first strike capability, but a monopoly on nationwide ABM defenses as well.

The Krasnoyarsk radar is illegal by virtue of its location, orientation, and capabilities, and the other eight ABM radars are illegal because they are also inherently ABM battle management radars, and their 360 degree coverage is overlapping and internetted. They thus form a prohibited base for a prohibited nationwide ABM defense.

The Soviets are therefore even now "breaking out" of the ABM Treaty.

Here we are in the United States arguing over how to interpret our obligations to comply with the ABM Treaty, completely blocking near-term development and deployment of our vitally important strategic defense initiative, when the Soviets are breaking out of the treaty.

THE SOVIETS SECRETLY BOAST THAT KRASNOYARSK IS A VIOLATION

Mr. President, President Reagan has confirmed that the Krasnoyarsk radar is an ABM Treaty violation in six reports to the Congress. Even American SALT I negotiators such as Henry Kissinger, Paul Nitze, and Raymond Garthoff concede that Krasnoyarsk is a violation. Virtually all American and Western arms control experts of every persuasion agree that Krasnoyarsk is a violation.

But in public propaganda and in private diplomatic channels, and reportedly even in the SALT Standing Consultative Commission, the Soviets have tried to deny and rebut our charge. The Soviets have repeatedly claimed that the Krasnoyarsk radar does not violate the ABM Treaty. The Russians claim instead that Krasnoyarsk is for space tracking, is therefore not constrained by the treaty, and therefore can be located anywhere. These public and private Soviet claims can now be labeled for what they are—deception, disinformation, and duplicity.

Mr. President, recently I learned some very disturbing information from the classified version of President Reagan's sixth report to Congress on Soviet SALT violations that I want to share with the American people. The minority staff of the Senate Foreign Relations Committee and I have worked closely with the Central Intelligence Agency to request that CIA declassify this information, and the CIA has declassified this information. The CIA has stated recently that:

> The United States is aware that, over the last several years, Soviet officials have indicated that the Krasnoyarsk radar is a violation of the ABM Treaty.

This CIA statement means that the Soviets have admitted and even boasted to themselves privately that they are violating the ABM Treaty. This evidence may be similar to the May 1972, evidence recounted above.

Moreover, in diplomatic contexts before the United States discovered Krasnoyarsk, the Soviets also admitted to the United States that the Pechora radar—see this drawing—is an "early warning radar." The Pechora radar is identical to the Krasnoyarsk radar, as these two pictures clearly show. As the 1985 joint Defense-State Department White Paper stated: "Indeed, the design of the Krasnoyarsk radar is essentially identical to that of other radars that are known—and acknowledged by the Soviets—to be for ballistic missile detection and tracking, including ballistic missile early warning." Thus the Krasnoyarsk radar is an ABM battle management and early warning radar too, and not a space-tracking radar, as the Soviets have so falsely claimed. The Soviets know that early warning radars must be on the periphery and oriented outward.

Therefore in diplomatic contexts before the United States discovered Krasnoyarsk, the Soviets have perhaps inadvertently come very close to admitting that they have violated the ABM Treaty, thereby even then tending to contradict their false claim that Krasnoyarsk is for space tracking.

In sum, we now have unclassified evidence of what the Soviets think about the Krasnoyarsk radar privately, and say about it diplomatically. These Soviet private admissions and boasts contradict their public disinformation, lies, propaganda, and duplicity.

Mr. President, this new CIA information is chilling. Many historical studies of the 1918-39 interwar period contain the private speeches and boasts of Nazi leader Adolf Hitler. During the mid and late 1930's, Hitler privately bragged to his more cautious generals that he could get away with his flagrant violations of the 1921 Versailles Peace Treaty and the arms control treaties of the 1930's, because the Western Democracies were militarily weak and did not have the political will to enforce the peace. For example, in October 1933, when those around Hitler talked about possible Western sanctions against Nazi rearmament, Hitler reportedly retorted: "A pretty crew they are! They'll just protest. And they will always be too late."

The new CIA information suggests that Soviet Leader Gorbachev's private boasts may be even more dangerous than Hitler's. As a former Director of the United States Arms control and Disarmament Agency has profoundly written recently, the Soviets are subjecting the United States to nuclear blackmail even now.

SOVIETS HAVE A PLAN FOR AN ILLEGAL NATIONWIDE ABM DEFENSE

Mr. President, I have another crucially important factor to describe. But before I do, I want to quote from President Reagan's sixth Unclassified Report on Soviet Noncompliance With Arms Control Agreements, which stated ominously:

> Taken together, the Krasnoyarsk radar and other Soviet ABM-related activities give us concerns that the Soviet Union may be preparing an ABM defense of its national territory . . . this would have profound implications for the vital East-West balance.

This statement merely describes in words that the radar map of the Soviet Union shows very clearly. The map shows that the Soviets now have 360 degree ABM early warning and battle management radar coverage, which is internetted, overlapping, and heavily redundant, of three and even four layers. Moreover, the Soviets have 10,000 ABM-capable small engagement radars deployed nationwide, together with about several thousand mobile ABM-3, long range-high altitude-nuclear warhead SAM-5, mobile SAM-10, and mobile SAM-12 ABM-capable interceptor missiles. Top Soviet officials have twice admitted to the United States that Soviet SAM systems have an ABM capability. Moreover, reports that the mobile SAM-12 system has been deployed to defend the mobile SS-25 ICBM confirms that the SAM-12 is an ABM system. This map indicates clearly that the Soviets have a 360 degree, comprehensive, integrated plan for a nationwide ABM defense. Defense Secretary Weinberger has warned gravely that:

> Such a development would have the gravest implications on the U.S.-Soviet strategic balance. Nothing could be more dangerous to the security of the West and to global stability than a unilateral Soviet deployment of a nationwide ABM system combined with its massive offensive missile capabilities.

There is other evidence that the Soviets have an integrated plan for a nationwide ABM defense. The Defense Department's March 24, 1987 edition of Soviet Military Power states:

> The growing network of large phased-array radars, of which the Krasnoyarsk radar is a part, is of particular concern when linked with other Soviet ABM efforts. These radars take years to construct, and their existence could allow the Soviet Union to move quickly to deploy a nationwide ABM defense. The degree of redundancy being built into their Large Phased Array Radar network is not necessary for early warning. It is highly desirable, however, for ballistic missile defense. During the 1970s, the Soviets developed components that could be integrated into an ABM system that would allow them to construct individual ABM sites in months rather than years . . . [There has been] development and testing of a mobile land-based ABM system or components . . . The USSR probably has violated the [ABM] Treaty's prohibition on testing SAM components in an ABM mode. Additionally, the SAM-10 and SAM-X-12B GIANT systems may have the potential to intercept some types of strategic ballistic missiles. The Soviets also have begun deploying another important SAM system, the tactical SAM-12A GLADIATOR, and are flight-testing an even more capable, longer range, higher altitude complement, the SAM-X-12B GIANT . . . The SAM-X-12B capability is a serious development because this system is expected to be deployed widely throughout the USSR. It could, if properly supported, add a measure of point-target defense coverage for a nationwide ABM deployment . . . Both systems are expected to have widespread deployment . . . By using such components along with the Large Phased Array Radars, the Soviets could strengthen the defenses of Moscow and defend targets in the western USSR and east of the Urals . . . Taken together, all of their ABM related activities suggest that the Soviets may be preparing an ABM defense of their nation—precisely what the ABM Treaty was designed to prevent.

The CIA has recently declassified another judgment from the President's sixth report to Congress on Soviet SALT violations. Here is a key judgment from the classified version of The President's Unclassified Report On Soviet Noncompliance With Arms Control Agreements, which the CIA has just declassified:

> In totality, these [Soviet ABM] activities provide a strong basis for concern that the USSR might have an integrated plan for an ABM defense of its national territory, and might be working toward it.

This cautious and carefully worded key judgment can be strengthened, in view the map of Soviet ABM radar coverage. The Soviets obviously have an integrated plan for a nationwide ABM defense, and they are hard at work at fulfilling it. The unclassified Presidential report states further that the Soviets are:

> . . . Testing and developing components required for an ABM system that could be deployed to a site in months; concurrently operating air defense and ABM components; developing three modern air defense sys-

> tems [SAMs-5, -10, and -12] that may have some ABM capabilities; and demonstrating the ability to reload ABM launchers in a period of time shorter than previously noted.

The ABM's Treaty's article I prohibits a nationwide ABM defense, or even the base for a nationwide ABM defense, and this is clearly the most important constraint of the treaty. In fact, it is obvious that the Soviets already have the prohibited base for a nationwide ABM defense, and they are indeed rapidly building the very prohibited nationwide ABM defense itself. This is obviously Soviet ABM Treaty break out.

As Richard Perle recently testified to the Senate: "Thus the combination of Soviet offensive force growth, and developments in ABM systems based on traditional technologies, give rise to very serious concern about the long-run ability of the United States to maintain deterrence based on a credible threat of effective retaliation."

Both Defense Secretary Weinberger and SDI Chief General Abrahamson have testified that the Soviets already have some nationwide ABM capability. A blue ribbon panel of technical experts led by Dr. Robert Jastrow has also concluded that the Soviets have already broken out of the ABM Treaty.

THE ABM TREATY IS NOT VIABLE BY ITSELF WITHOUT OFFENSIVE CONSTRAINTS

Richard Perle has also summarized the failure of the SALT process to safeguard American national security: "Thus the expectations of the ABM Treaty and the broader SALT process have been utterly disappointed. Instead of sharing our concept of mutual vulnerability, the Soviets saw it as an opportunity to acquire military superiority and establish unilateral vulnerability for the West."

Mr. President, on May 9, 1972, the United States made a very important statement of its national security policy. In U.S. unilateral statement A. to the ABM Treaty regarding conditions for U.S. withdrawal, the United States said:

> The U.S. Delegation believes that an objective of the follow-on negotiations should be to constrain and reduce on a long-term basis threats to the survivability of our respective strategic retaliatory forces . . . If an agreement providing for more complete strategic offensive arms limitations were not achieved within five years, U.S. supreme interests could be jeopardized. Should that occur, it would constitute a basis for U.S. withdrawal from the ABM Treaty . . . The U.S. Executive will inform the Congress, in connection with Congressional consideration of the ABM Treaty and the Interim Agreement, of this statement of the U.S. position.

But the objective of the SALT process has not been achieved. The Soviets have deployed a 10 to 1 first strike, counterforce threat to the survivability of United States strategic offensive forces. The great majority of American strategic forces today are vulnerable to a Soviet first strike. Moreover, there are today no interim or long-term constraints on strategic offensive forces. The SALT I Interim Agreement on Strategic Offensive Arms expired by its own terms in 1977, and the SALT II Treaty was never ratified, and it too expired under its own terms in 1985. Both of the ABM Treaty withdrawal conditions have therefore come upon us. A severe Soviet threat to the survivability of United States forces has been erected against us, and there are no constraints on offensive forces.

Mr. President, let us now get on with our debate over various interpretations of U.S. ABM Treaty compliance policy, but let us keep in mind that our compliance is unilateral, and is being conducted while the Soviets are admitting that they are breaking out of the ABM Treaty. Perhaps it is time for us to be at least considering and debating ABM Treaty abrogation ourselves. If we wait too much longer, we may have no supreme national interests left to preserve.

I believe that neither the restrictive nor even the broad interpretation of the ABM Treaty is in the U.S. national security interest. Indeed, continued U.S. compliance with the violated ABM Treaty is not in the U.S. national security interest. I advocate forthrightly that we abrogate the ABM Treaty before it is too late, and the Soviet ultimatum is delivered. In sum, I will continue to look for ways to work with the administration in order to accelerate SDI testing for deployment in the near term, but I can not patiently abide appeasement for much longer. Time is running out on American security, and we do not have much time left before the Soviet nuclear blackmail becomes irresistible. Should the United States continue to waste billions of dollars on research for long term SDI deployment options, only because we are afraid of Russian opposition to United States efforts aimed at providing for our own national security in the near term? The implications of such a policy are that we are already allowing the Russians to influence our national security posture against our own best interests. The longer this American failure to face up to the challenge of Soviet strategic supremacy persists, the more difficult it will be to preserve and safeguard our supreme national interests. If we will not act today, will we be able to act when the threat and the ultimatum is already upon us?

EXHIBIT 1

THE PRESIDENT'S UNCLASSIFIED REPORT ON SOVIET NONCOMPLIANCE WITH ARMS CONTROL AGREEMENTS

The following is the text of a letter from the President to the Speaker of the House of Representatives and to the President of the Senate transmitting the President's report, in classified and unclassified versions, on Soviet noncompliance with arms control agreements as required by PL 99-145:

DEAR MR. SPEAKER (DEAR MR. PRESIDENT): In response to congressional requests as set forth in Public Law 99-145, I am forwarding herewith classified and unclassified versions of the Administrations's report to the Congress on Soviet Noncompliance with Arms Control Agreements.

Detailed classified briefings will be available to the Congress in the near future.

I believe the additional information provided, and issues addressed, especially in the more detailed classified report, will significantly increase understanding of Soviet violations and probable violations. Such understanding, and strong congressional consensus on the importance of compliance to achieving effective arms control, will do much to strengthen our efforts both in seeking corrective actions and in negotiations with the Soviet Union.

Sincerely,

RONALD REAGAN.

SOVIET NONCOMPLIANCE WITH ARMS CONTROL AGREEMENTS

At the request of the Congress, I have, in the past three years, provided four reports to the Congress on Soviet noncompliance with arms control agreements. These reports include the Administration's reports of January 1984, and February and December 1985, as well as the report on Soviet noncompliance prepared for me by the independent General Advisory Committee on Arms Control and Disarmament. Each of these reports has enumerated and documented, in detail, issues of Soviet noncompliance, their adverse effects to our national security, and our attempts to resolve the issues. When taken as a whole, this series of reports also provides a clear picture of the continuing pattern of Soviet violations and a basis for our continuing concerns.

In the December 23, 1985, report, I stated: "The Administration's most recent studies support its conclusion that there is a pattern of Soviet noncompliance. As documented in this and previous reports, the Soviet Union has violated its legal obligation under, or political commitment to, the SALT I ABM Treaty and Interim Agreement, the SALT II Agreement, the Limited Test Ban Treaty of 1963, the Biological and Toxin Weapons Convention, the Geneva Protocol on Chemical Weapons, and the Helsinki Final Act. In addition, the USSR has likely violated provisions of the threshold Test Ban Treaty."

I further stated:

"At the same time as the Administration has reported its concerns and findings to the Congress, the United States has had extensive exchanges with the Soviet Union on Soviet noncompliance in the Standing Consultative Commission (SCC), where SALT-related issues (including ABM issues) are discussed, and through other appropriate diplomatic channels."

I have also expressed my personal concerns directly to General Secretary Gorbachev during my meetings with him, both in 1985 in Geneva and then again this past October in Reykjavik.

Another year has passed and, despite these intensive efforts, the Soviet Union has failed to correct its noncompliant activities; neither have they provided explanations sufficient to alleviate our concerns on other compliance issues.

Compliance is a cornerstone of international law; states are to observe and comply with obligations they have freely undertaken.

In fact, in December 1985, the General Assembly of the United Nations recognized the importance of treaty compliance for future arms control, when, by a vote of 131-0 (with 16 abstentions), it passed a resolution that: "Urges all parties to arms limitation and disarmament agreements to comply with their provisions;"

Calls upon those parties to consider the implications of noncompliance for international security and stability and for the prospects for further progress in the field of disarmament; and

Appeals to all UN members to support efforts to resolve noncompliance questions "with a view toward encouraging strict observance of the provisions subscribed to and maintaining or restoring the integrity of arms limitation or disarmament agreements."

Congress has repeatedly stated its concern about Soviet noncompliance. The U.S. Senate, on February 17, 1987, passed a resolution (S. Res. 94), by a vote of 93 to 2, which: ". . . declares that an important obstacle to the achievement of acceptable arms control agreements with the Soviet Union has been its violations of existing agreements, and calls upon it to take steps to rectify its violation of such agreements and, in particular, to dismantle the newly-constructed radar sited at Krasnoyarsk, Union of Soviet Socialist Republics, since it is a clear violation of the terms of the Anti-Ballistic Missile Treaty . . ."

Compliance with past arms control commitments is an essential prerequisite for future arms control agreements. As I have stated before:

"In order for arms control to have meaning and credibly contribute to national security and to global or regional stability, it is essential that all parties to agreements fully comply with them. Strict compliance with all provisions of arms control agreements is fundamental, and this Administration will not accept anything less."

I have also said that:

"Soviet noncompliance is a serious matter. It calls into question important security benefits from arms control, and could create new security risks. It undermines the confidence essential to an effective arms control process in the future . . . . The United States Government has vigorously pressed, and will continue to press, these compliance issues with the Soviet Union through diplomatic channels."

THE ABM TREATY

Today I must report that we have deep, continuing concerns about Soviet noncompliance with the ABM Treaty. For several reasons, we are concerned with the Krasnoyarsk radar, which appeared to be completed externally in 1986. The radar demonstrates that the Soviets were designing and programming a prospective violation of the ABM Treaty even while they were negotiating a new agreement on strategic offensive weapons with the United States.

The only permitted functions for a large, phased-array radar (LPAR) with a location and orientation such as that of the Krasnoyarsk radar would be space-tracking and National Technical Means (NTM) of verification. Based on conclusive evidence, however, we judge that this radar is primarily designed for ballistic missile detection and tracking, not for space-tracking and NTM as the Soviets claim. Moreover, the coverage of the Krasnoyarsk radar closes the remaining gap in the Soviet ballistic missile detection and tracking screen; its location allows it to acquire attack characterization data that could aid in planning the battle for Soviet defensive forces and deciding timely offensive responses—a standard role for such radars.

All LPARs, such as the Krasnoyarsk radar, have the inherent capability to track large numbers of objects accurately. Thus, they not only could perform as ballistic missile detection and tracking radars, but also have the inherent capability, depending on location and orientation, of contributing to ABM battle management.

LPARs have always been considered to be the long lead-time elements of a possible territorial defense. Taken together, the Krasnoyarsk radar and other Soviet ABM-related activities give us concerns that the Soviet Union may be preparing an ABM defense of its national territory. Some of the activities, such as construction of the new LPARs on the periphery of the Soviet Union and the upgrade of the Moscow ABM system, appear to be consistent with the ABM Treaty. The construction of the radar near Krasnoyarsk, however, is a clear violation of the ABM Treaty, while other Soviet ABM-related activities involve potential or probable Soviet violations or other ambiguous activity. These other issues, discussed fully in the body of the report, are:

The testing and development of components required for an ABM system that could be deployed to a site in months rather than years;

The concurrent operation of air defense components and ABM components;

The development of modern air defense system that may have some ABM capabilities; and

The demonstration of an ability to reload ABM launchers in a period of time shorter than previously noted.

Soviet activities during the past year have contributed to our concerns. The Soviets have begun construction of three additional LPARs similar to the Krasnoyarsk radar. These new radars are located and oriented consistent with the ABM Treaty's provision on ballistic missile early warning radars, but they would increase the number of Soviet LPARs by 50 percent. The redundancy in coverage provided by these new radars suggests that their primary mission is ballistic missile acquisition and tracking.

This year's reexamination of Soviet ABM related activities demonstrates that the Soviets have not corrected their outstanding violation, the Krasnoyarsk radar. It is the totality of these Soviet ABM-related activities in 1986 and earlier years that gives rise to our continuing concerns that the USSR may be preparing an ABM defense of its national territory. The ABM Treaty prohibits the deployment of an ABM system for the defense of the national territory of the parties and prohibits the parties from providing a base for such a defense. As I said in last December's report:

"This would have profound implications for the vital East-West balance. A unilateral Soviet territorial ABM capability acquired in violation of the ABM Treaty could erode our deterrent and leave doubts about its credibility."

CHEMICAL, BIOLOGICAL, AND TOXIN WEAPONS

The integrity of the arms control process is also hurt by Soviet violations of the 1925 Geneva Protocol on Chemical Weapons and the 1972 Biological and Toxin Weapons Convention. Information obtained during the last year reinforces our concern about Soviet noncompliance with these important agreements. Progress toward an agreement banning chemical weapons is affected by Soviet noncompliance with the Biological and Toxin Weapons Convention. Because of the record of Soviet noncompliance with past agreements, we believe verification provisions are a matter of unprecedented importance in our efforts to rid the world of these heinous weapons—weapons of mass destruction under international law.

The Soviets have continued to maintain a prohibited offensive biological warfare capability. We are particularly concerned because it may include advanced biological agents about which we have little knowledge and against which we have no defense. The Soviets continue to expand their chemical and toxin warfare capabilities. Neither NATO retaliatory nor defensive programs can begin to match the Soviet effort. Even though there have been no confirmed reports of lethal attacks since the beginning of 1984, previous activities have provided the Soviets with valuable testing, development, and operational experience.

NUCLEAR TESTING

The record of Soviet noncompliance with the treaties on nuclear testing is of legal and military concern. Since the Limited Test Ban Treaty (LTBT) came into force over twenty years ago, the Soviet Union has conducted its nuclear weapons test program in a manner incompatible with the aims of the Treaty by regularly permitting the release of nuclear debris into the atmosphere beyond the borders of the USSR. Even though the debris from these Soviet tests does not pose calculable health, safety or environmental risks, and these infractions have no apparent military significance, our repeated attempts to discuss these occurrences with Soviet authorities have been continually rebuffed. Soviet refusal to discuss this matter calls into question their sincerity on the whole range of arms control agreements.

During their test moratorium, the Soviets undoubtedly maintained their sites because they quickly conducted a test soon after announcing intent to do so. Furthermore, there were numerous ambiguous events during this period that can neither be associated with, nor disassociated from, observed Soviet nuclear test-related activities.

Soviet testing at yields above the 150 kt limit would allow development of advanced nuclear weapons with proportionately higher yields of weapons than the U.S. could develop under the Treaty.

The United States and the Soviet Union have met on four occasions during the past year for expert-level discussions on the broad range of issues related to nuclear testing. Our objective during these discussions consistently has been to achieve agreement on an effective verification regime for the TTBT and PNET. I remain hopeful that we can accomplish this goal.

THE HELSINKI FINAL ACT

In 1981 the Soviet Union conducted a major military exercise without providing prior notification of the maneuver's designation and the number of troops taking part, contrary to its political commitment to observe provisions of Basket I of the Helsinki Final Act.

During the past year, we have reached an accord at the Stockholm Conference on Confidence- and Security-Building Measures that contains new standards for notification, observation, and verification of military activities, including on-site inspection. We will be carefully assessing Soviet compliance with these new standards, which went into effect January 1, 1987.

RECENT DEVELOPMENTS

At the end of 1986 and during the early weeks of 1987, new information pertaining to some of the issues in this report became available, but it was judged that the data did not necessitate a change in any of the findings. This was partially due to the developing nature of the information at the time and certain ambiguities associated with it. Furthermore, the Soviet Union resumed underground nuclear testing on February 26, 1987.

SALT II AND THE SALT I INTERIM AGREEMENT

The Soviet Union repeatedly violated the SALT II Treaty and took other actions that were inconsistent with the Treaty's provision. In no case where we determined that the Soviet Union was in violation did they take corrective action. We have raised these issues for the past three years in the SCC an in other diplomatic channels.

The Soviets committee four violations of their political commitment to observe SALT II; they were:

The development and deployment of the SS-25 missile, a prohibited second new type of Intercontinental Ballistic Missile (ICBM);

Extensive encryption of telemetry during test flights of strategic ballistic missiles;

Concealment of the association between a missile and its launcher during testing; and

Exceeding the permitted number of strategic nuclear delivery vehicles (SNDVs).

In addition, the Soviets:

"Probably violated the prohibition on deploying the SS-16 ICBM;

"Took actions inconsistent with their political commitment not to give the BACKFIRE bomber intercontinental operating capability by deploying it to Arctic bases; and

"Evidently exceeded the agreed production quota by producing slightly more than the allowed 30 BACKFIRE bombers per year until 1984."

Concerning the SALT I Interim Agreement, the Soviets used former SS-7 ICBM facilities to support deployment of the SS-25 mobile ICBM, and thereby violated the prohibition on the use of former ICBM facilities.

SOVIET NONCOMPLIANCE AND U.S. RESTRAINT POLICY

On June 10, 1985, I expressed concern that continued Soviet noncompliance increasingly affected our national security. I offered to give the Soviet Union additional time in order to take corrective actions to return to full compliance, and I asked them to join us in a policy of truly mutual restraint. At the same time, I stated that future U.S. decisions would be determined on a case-by-case basis in light of Soviet behavior in exercising restraint comparable to our own, correcting their noncompliance, reversing their military buildup, and seriously pursuing equitable and verifiable arms reduction agreements.

The December 23, 1985, report showed that the Soviets had not taken any actions to correct their noncompliance with arms control commitments. In May 1986, I concluded that the Soviets had made no real progress toward meeting our concerns with respect to their noncompliance, particularly in those activities related to SALT II and the ABM Treaty. From June 1985 until May 1986, we saw no abatement of the Soviet strategic force buildup.

The third yardstick I had established for judging Soviet actions was their seriousness at negotiating deep arms reductions. In May 1986 I concluded that, since the November 1985 summit, the Soviets had not followed up constructively on the commitment undertaken by General Secretary Gorbachev and me to build upon areas of common ground in the Geneva negotiations, including accelerating work toward an interim agreement on INF.

In Reykjavik, General Secretary Gorbachev and I narrowed substantially the differences between our two countries on nuclear arms control issues. However, the Soviets took a major step backward by insisting that progress in every area of nuclear arms control must be linked together in a single package that has as its focus killing the U.S. Strategic Defense Initiative (SDI). Furthermore, it became clear that the Soviets intended to make the ABM Treaty more restrictive than it is on its own terms by limiting our SDI research strictly to the laboratory.

It was, however, the continuing pattern of noncompliant Soviet behavior that I have outlined above that was the primary reason why I decided, on May 27, 1986, to end U.S. observance of the provisions of the SALT I Interim Agreement and SALT II. The decision to end the U.S. policy of observing the provisions of the Interim Agreement (which had expired) and the SALT II Treaty (which was never ratified and would have expired on December 31, 1985) was not made lightly. The United States cannot, and will not, allow a double standard of compliance with arms control agreements to be established.

Therefore, on May 27, 1986, I announced:

"In the future, the United States must base decisions regarding its strategic force structure on the nature and magnitude of the threat posed by the Soviet strategic forces and not on standards contained in the SALT structure which has been undermined by Soviet noncompliance and especially in a flawed SALT II Treaty which was never ratified, would have expired if it had been ratified, and has been violated by the Soviet Union.

Responding to a Soviet request, the U.S. agreed to hold a special session of the SCC in July 1986 to discuss my decision. During that session, the U.S. made it clear that we would continue to demonstrate the utmost restraint. At this session we stated that, assuming there is no significant change in the threat we face, the United States would not deploy more strategic nuclear delivery vehicles or more strategic ballistic missile warheads than does the Soviet Union. We also repeated my May 27 invitation to the Soviet Union to join the U.S. in establishing an interim framework of truly mutual restraint pending conclusion of a verifiable agreement on deep and equitable reductions in offensive nuclear arms. The Soviet response was negative.

In my May 27 announcement, I had said the United States would remain in technical observance of SALT II unitl later in the year when we would deploy our 131st Heavy Bomber equipped to carry air-launched cruise missiles. The deployment of that bomber on November 28, 1986, marked the full implementation of that policy.

Now that we have put the Interim Agreement and the SALT II Treaty behind us, Soviet activities with respect to those agreements, which have been studied and reported to the Congress in detail in the past, are not treated in the body of this report. This is not to suggest that the significance of the Soviet violations has in any way diminished. We are still concerned about the increasing Soviet military threat.

A number of activities involving SALT II constituted violations of the core or central provisions of the Treaty frequently cited by the proponents of SALT II as the primary reason for supporting the agreement. These violations involve both the substantive provisions and the vital verification provisions of the Treaty. Through violation of the SALT II limit of the one "new type" of ICBM, the Soviets are in the process of deploying illegal additions to their force that provide even more strategic capability.

Soviet encryption and concealment activities have, in the past, presented special obstacles to verifying compliance with arms control agreements. The Soviets' extensive encryption of ballistic missile telemetry impeded U.S. ability to verify key provisions of the SALT II Treaty. Of equal importance, these Soviet activities undermine the political confidence necessary for concluding new treaties and underscore the necessity that any new agreement be effectively verifiable.

SOVIET NONCOMPLIANCE AND NEW ARMS CONTROL AGREEMENTS

Soviet noncompliance, as documented in this and previous Administration reports, has made verification and compliance pacing elements of arms control today. From the beginning of my Administration, I have sought deep and equitable reductions in the nuclear offensive arsenals of the United States and the Soviet Union and have personally proposed ways to achieve the objectives in my meetings with General Secretary Gorbachev. If we are to enter agreements of this magnitude and significance, effective verification is indispensable and cheating is simply not acceptable.

I look forward to continued close consultations with the Congress as we seek to make progress in resolving compliance issues and in negotiating sound arms control agreements.

The findings on Soviet noncompliance with arms control agreements follow.

THE FINDINGS

ANTI-BALLISTIC MISSILE (ABM) TREATY

Treaty status

The 1972 ABM Treaty and its Protocol ban deployment of ABM systems except that each Party is permitted to deploy one ABM system around the national capital area or, alternatively, at a single ICBM deployment area. The ABM Treaty is in force and is of indefinite duration. Soviet actions not in accord with the ABM Treaty are, therefore, violations of a legal obligations.

1. The Krasnoyarsk Radar

Obligation: To preclude the development of a territorial defense or providing the base for a territorial ABM defense, the ABM Treaty provides that radars for early warning of ballistic missile attack may be deployed only at locations along the periphery of the national territory of each Party and that they be oriented outward. The Treaty permits deployment (without regard to location or orientation) of large phased-array radars purposes of tracking objects in outer space or for use as national technical means of verification of compliance with arms control agreements.

Issue: The December 1985 report examined the issue of whether the Krasnoyarsk radar meets the provisions of the ABM Treaty governing phased-array radars. We have reexamined this issue.

Finding: The U.S. Government reaffirms the conclusion in the December 1985 report that the new large phased-array radar under construction at Krasnoyarsk constitutes a violation of legal obligations under the Anti-Ballistic Missile Treaty of 1972 in that in its associated siting, orientation, and capability, it is prohibited by this Treaty. Continuing construction and the absence of credible alternative explanations have reinforced our assessment of its purpose. Despite U.S. requests, no corrective action has been taken. This and other ABM-related Soviet activities suggest that the USSR may be preparing an ABM defense of its national territory.

2. Mobility of ABM System Components

Obligation: Paragraph 1 of Article V of the ABM Treaty prohibits the development, testing, or deployment of mobile land-based ABM systems or components.

Issue: The December 1985 report examined whether the Soviet Union has developed a mobile land-based ABM system, or components for such a system, in violation of its legal obligation under the ABM Treaty. We have reexamined this issue.

Finding: The U.S. Government reaffirms the judgment of the December 1985 report that the evidence on Soviet actions with respect to ABM component mobility is ambiguous, but that the USSR's development and testing of components of an ABM system, which apparently are designed to be deployable at sites requiring relatively limited special-purpose site preparation, represent a potential violation of its legal obligation under the ABM Treaty. This and other ABM-related Soviet activities suggest that the USSR may be preparing an ABM defense of its national territory.

3. Concurrent Testing of ABM and Air Defense Components

Obligation: The ABM Treaty and its Protocol limit the Parties to one ABM deployment area. In addition to the ABM systems and components at that one deployment area, the Parties may have ABM systems and components for development and testing purposes so long as they are located at agreed test ranges. The Treaty also prohibits giving components, other than ABM system components, the capability "to counter strategic ballistic missiles or their elements in flight trajectory" and prohibits the parties from testing them in "an ABM mode." The Parties agreed that the concurrent testing of SAM and ABM system components is prohibited.

Issue: The December 1985 compliance report examined whether the Soviet Union has concurrently tested SAM and ABM system components in violation of its legal obligation since 1978 not to do so. It was the purpose of that obligation to further constrain testing of air defense systems in an ABM mode. We have reexamined this issue.

Finding: The U.S. Government reaffirms the judgment made in the December 1985 report that the evidence of Soviet actions with respect to concurrent operations is insufficient fully to assess compliance with Soviet obligations under the ABM Treaty. However, the Soviet Union has conducted tests that have involved air defense radars in ABM-related activities. The large number, and consistency over time, of incidents of concurrent operation of ABM and SAM components, plus Soviet failure to accommodate fully U.S. concerns, indicate the USSR probably has violated the prohibition on testing SAM components in an ABM mode. In several cases this may be highly probable. This and other ABM-related activities suggest the USSR may be preparing an ABM defense of its national territory.

4. AMB Capability of Modern SAM Systems

Obligation: Under subparagraph (a) of Article VI of the ABM Treaty, each party undertakes not to give non-ABM interceptor missiles, launchers, or radars "capabilities to counter strategic ballistic missiles or their elements in flight trajectory, and not to test them in an ABM mode. . . ."

Issue: The December 1985 report examined whether the Soviet Union has tested a SAM system or component in an ABM mode or given it the capability to counter strategic ballistic missiles or their elements in flight trajectory in violation of their legal obligation under the ABM Treaty. We have reexamined this issue.

Finding: The U.S. Government reaffirms the judgment made in the December 1985 report that the evidence of Soviet actions with respect to SAM upgrade is insufficient to assess compliance with the Soviet Union's obligations under the ABM Treaty. However, this and other ABM-related Soviet activities suggest that the USSR may be preparing an ABM defense of its national territory.

5. Rapid Reload of ABM Launchers

Obligations: The ABM Treaty limits to 100 the number of deployed ABM interceptor launchers and deployed interceptor missiles. It does not limit the number of interceptor missiles that can be built and stockpiled. Paragraph 2, Article V, of the Treaty prohibits the development, testing or deployment of "automatic or semi-automatic or other similar systems for rapid reload" of the permitted launchers.

Issue: The December 1985 report examined whether the Soviet Union has developed, tested, or deployed automatic, semi-automatic, or other similar systems for rapid reload of ABM launchers in violation of its legal obligation under the ABM Treaty. We have reexamined this issue.

Finding: The U.S. Government reaffirms the judgment made in the December 1985 report that, on the basis of the evidence available, the USSR's actions with respect to the rapid reload of ABM launchers constitute an ambiguous situation as concerns its legal obligations under the ABM Treaty not to develop systems for rapid reload. The Soviet Union's reload capabilities are a serious concern. These and other ABM-related Soviet activities suggest that the USSR may be preparing an ABM defense of its national territory.

6. ABM Territorial Defense

Obligation: The ABM Treaty and Protocol allow each party a single operational site, explicitly permit modernization and replacement of ABM systems or their components, and explicitly recognize the existence of ABM test ranges for the development and testing of ABM components. The ABM Treaty prohibits, however, the deployment of an ABM system for defense of the national territory of the parties and prohibits the parties from providing a base for such a defense.

Issue: The December 1985 report examined whether the Soviets have deployed an ABM system for the defense of their territory or provided a base for such a defense. We have reexamined this issue.

Finding: The U.S. Government reaffirms the judgment of the December 1985 report that the aggregate of the Soviet Union's ABM and ABM-related actions (e.g., radar construction, concurrent testing, SAM upgrade, ABM rapid reload and ABM mobility) suggests that the USSR may be preparing an ABM defense of its national territory. Our concern continues.

BIOLOGICAL WEAPONS CONVENTION AND 1925 GENEVA PROTOCOL

Chemical, biological, and toxin weapons

Treaty Status: The 1972 Biological and Toxin Weapons Convention (BWC) and the 1925 Geneva Protocol are multilateral treaties to which both the United States and the Soviet Union are Parties. Soviet actions not in accord with these treaties and customary international law relating to the 1925 Geneva Protocol are violations of legal obligations.

Obligations: The BWC bans the development, production, stockpiling or possession, and transfer of microbial or other biological agents or toxins except for a small quantity for prophylactic, protective or other peaceful purposes. It imposes the same obligation in relation to weapons, equipment and means of delivery of agents or toxins. The 1925 Geneva Protocol and related rules of customary international law prohibit the first use in war of asphyxiating, poisonous or other gases and of all analogous liquids, materials, or devices and prohibits use of bacteriological methods of warfare.

Issues: December 1985 report examined whether the Soviets are in violation of provisions that ban the development, production, transfer, possession, and use of biological and toxin weapons and whether they have been responsible for the use of lethal chemicals. We have reexamined this issue.

Finding: The U.S. Government judges that continued activity during 1986 at suspect biological and toxin weapon facilities in the Soviet Union, and reports that a Soviet BW program may now include investigation of new classes of BW agents, confirm the conclusion of the December 1985 report that the Soviet Union has maintained an offensive biological warfare program and capability in violation of its legal obligation under the Biological and Toxin Weapons Convention of 1972.

There have been no confirmed attacks with lethal chemicals or toxins in Kampuchea, Laos, or Afghanistan in 1986 according to our strict standards of evidence. Although several analytical efforts have been undertaken in the past year to investigate continuing reports of attacks, these studies have so far had no positive results. Therefore, there is no basis for amending the December, 1985, conclusion that, prior to this time, the Soviet Union has been involved in the production, transfer, and use of trichothecene mycotoxins for hostile purposes in Laos, Kampuchea, and Afghanistan in violation of its legal obligation under international law as codified in the Geneva Protocol of 1925 and the Biological and Toxin Weapons Convention of 1972.

THRESHOLD TEST BAN TREATY

Nuclear testing and the 150 kiloton limit

Treaty Status: The Threshold Test Ban Treaty (TTBT) was signed in 1974. The Treaty has not been ratified by either Party but neither Party has indicated an intention not to ratify. Therefore, both Parties are subject to the obligation under customary international law to refrain from acts that would defeat the object and purpose of the TTBT. Actions that would defeat the object and purpose of the TTBT are therefore violations of legal obligations. The United States is seeking to negotiate improved verification measures for the Treaty. Both Parties have separately stated they would observe the 150-kiloton threshold of the TTBT.

Obligation: The Treaty prohibits beginning March 31, 1976, any underground nuclear weapon tests having a yield exceeding 150 kilotons at any place under the jurisdiction or control of the parties. In view of the technical uncertainties associated with estimating the precise yield of nuclear weapon tests, the sides agreed that one or two slight, unintended breaches per year would not be considered a violation.

Issue: The December 1985 report examined whether the Soviets have conducted nuclear tests in excess of 150 kilotons. We have reexamined this issue.

Finding: During the past year, the U.S. Government has been reviewing Soviet nuclear weapons test activity that occurred prior to the self-imposed moratorium of August 6, 1985, and has been reviewing related U.S. Government methodologies for estimating Soviet nuclear test yields. The work is continuing. In December 1985, the U.S. Government found that: "Soviet nuclear testing activities for a number of tests constitute a likely violation of legal obligations under the Threshold Test Ban Treaty." At present, with our existing knowledge of this complex topic, that finding stands. It will be updated when studies now under way are completed. Such studies should provide a somewhat improved basis for assessing past Soviet compliance. Ambiguities in the nature and features of past Soviet testing and significant verification difficulties will continue, and much work remains to be done on this technically difficult issue. Such ambiguities demonstrate the need for effective verification measures to correct the verification inadequacies of the Threshold Test Ban Treaty and its companion accord, the Peaceful Nuclear Explosions Treaty.

LIMITED TEST BAN TREATY

Underground nuclear test venting

Treaty Status: The Treaty Banning Nuclear Weapon Tests in the Atmosphere, in Outer Space and Under Water (Limited Test Ban Treaty) (LTBT) is a multilateral treaty that entered into force for the United States and the Soviet Union in 1963. Soviet actions not in accord with this treaty are violations of a legal obligation.

Obligations: The LTBT specifically prohibits nuclear explosions in the atmosphere, in outer space, and under water. It also prohibits nuclear explosions in any other environment "if such explosions cause radioactive debris to be present outside the territorial limits of the State under whose jurisdiction or control such explosion is conducted."

Issue: The December 1985 report examined whether the USSR's underground nuclear tests have caused radioactive debris to be present outside of its territorial limits. We have reexamined this issue.

Finding: The U.S. Government reaffirms the judgment made in the December 1985 report that the Soviet Union's underground nuclear test practices resulted in the venting of radioactive matter on numerous occasions and caused radioactive matter to be present outside the Soviet Union's territorial limits in violation of its legal obligation under the Limited Test Ban Treaty. The Soviet Union failed to take the precautions necessary to minimize the contamination of man's environment by radioactive substances despite numerous U.S. demarches and requests for corrective action.

HELSINKI FINAL ACT

Helsinki Final Act notification of military exercises

Legal Status: The Final Act of the Conference on Security and Cooperation in Europe was signed in Helsinki in 1975. This document represents a political commitment and was signed by the United States and the Soviet Union, along with 33 other States. Soviet actions not in accord with that document are violations of their politicial commitment.

Obligation: All signatory States of the Helsinki Final Act are committed to give prior notification of, and other details concerning, major military maneuvers, defined as those involving more than 25,000 troops.

Issue: The December 1985 report examined whether notification of the Soviet military exercise "Zapad-81" was inadquate and therefore a violation of the Soviet Union's political commitment under the Helsinki Final Act. We have reexamined this issue.

Finding: The U.S. Government previously judged and continues to find that the Soviet Union in 1981 violated its political commitment to observe provisions of Basket I of the Helsinki Final Act by not providing all the information required in its notification of exercise "ZAPAD-81." Since 1981, the Soviets have observed provisions of the Helsinki Final Act in letter, but rarely in spirit. The Soviet Union has a very restrictive interpretation of its obligations under the Helsinki Final Act, and Soviet implementation of voluntary confidence-building measures has been the exception rather than the rule. The Soviets have notified all exercises requiring notification (i.e., those of 25,000 troops or over), but have failed to make voluntary notifications (i.e., those numbering fewer than 25,000 troops). In their notifications, they have provided only the bare minimum of information. They have also observed only minimally the voluntary provision providing that observers be invited to exercises, having invited observers to only fifty percent of notified activities.

RESTORING AMERICA'S COMPETITIVE EDGE

Mr. SANFORD. Mr. President, recently, the Senate Budget Committee held a field hearing to explore ways to restore America's competitive edge in the world market. We held this hearing at the Microelectronics Center in North Carolina's Research Triangle Park. This site was selected because of the Research Triangle Park's unparalleled record of growth and innovation through cooperation between business, government, and academia.

Testimony focused on educational reform, trade policy, job training, economic development, and scientific and technological innovation. One of the witnesses was Donald Hughes, vice chairman and chief financial officer of Burlington Industries. Burlington has led the textile industry in its commitment to investment, modernization, and state-of-the-art technology. Burlington has stayed on top by investing 150 percent of its cash-flow from operations back into the business.

Like Burlington, the American textile industry as a whole has done its part to stay competitive. It leads the world in modernization, reinvesting 80 percent of its available dollars. Seven out of ten textile plants operating today are less than 10 years old. They are modern, they are efficient, and they are competitive. It is only this competitiveness that helps them withstand the inadequacies of our own government's trade policies and the damaging and blatantly unfair textile trading practices of other nations.

I ask unanimous consent to insert in the RECORD the testimony of Mr. Donald Hughes. What he had to say could be instructive to executives in many American industries.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT BY DONALD R. HUGHES, VICE CHAIRMAN AND CHIEF FINANCIAL OFFICER, BURLINGTON INDUSTRIES, INC.

I appreciate your inviting me to discuss issues related to the competitiveness of the U.S. textile industry. I wish you well and hope that your work leads to some solutions to a very thorny set of problems.

If competitiveness is considered in textbook terms, it has two meanings. The first has to do with the degree of economic competition that exists in a particular market or industry, and its criteria are such measures as the numbers of firms, the profit margins on sales, return on investment or assets and the ease of entry into the field. The second meaning pertains to how successful a particular firm or industry is in comparison with its competition. Here the criteria are productivity, the efficiency of use of resources, the degree of modernity of production facilities, the value associated with the product, marketing strategies and customer service.

Today, there is another meaning of competitiveness—the one that has brought us together here. Competitiveness—or American industry's perceived lack of it—has become a shorthand explanation for the unsupportable trade deficit that is plaguing our nation.

Let me address the competitiveness issue as it applies to the textile industry in this country.

There are more than 5,000 textile manufacturing enterprises in the United States. Modern textile production is fairly capital-intensive, but that is not an insurmountable barrier to entry, as can be seen in the great amount of activity—start-ups, merger, acquisitions—that go on all the time. Over the past 15 years, the American textile industry has become the most modern and productive in the world.

The industry also has a well-deserved reputation as the leader in the development of new products, from yarns to blends to fabric constructions. Unfortunately, the industry does not derive the full benefit of its innovative leadership, because overseas producers are quick to copy—or "knock off"—good products designed here. Those knock-offs often find their way back to the United States in the form of imported clothing.

The industry is currently engaged in a major campaign to demonstrate to its customers that it can deliver the goods more dependably and more quickly than can overseas sources. A few years ago, a study showed that the total time required to put apparel in the hands of the consumer, taking into account the production of the fiber, the fabric and the garment, along with all the inventory and in-process time involved, was 66 weeks. We believe the process can be completed in five or six weeks, and all parties involved in the chain are working toward that goal. This campaign is called, appropriately, "quick response."

But despite the best efforts of this industry and the fact that it is modern and productive, the two million workers employed in manufacturing textiles and apparel are finding that their jobs are being taken away by imports from low-wage countries.

This import problem is at the root of the competitiveness issue. It is a serious problem. Imports have been growing at the annual rate of 19%, and there is no end in sight. But I want to let you know that the domestic industry is not just sitting idly by and crying for assistance from Washington. Let me tell you about some of the things going on at Burlington to enhance competitiveness. Similar programs are under way at many other companies, I am sure.

Competitiveness has been a way of life for Burlington Industries for a long time.

In the past ten years, we have invested $200 million a year in modernization—a total of over $2 billion. In recent years, we have invested 150% of our cash flow from operations back into the business.

We have modernized nearly all our facilities. Our new plants with their materials-handling robotics and other new features attract visitors from all over the world. Our plants are clean, desirable and healthy places in which to work.

Let me cite one very important illustration of our modernization program. The most vital machine in making fabric is the loom or weaving machine. The standard most widely used in judging the degree of weaving modernization in a textile plant is the extent of use of shuttleless weaving equipment. Over 95% of Burlington's weaving equipment is represented by these state-of-the-art machines. Many of our U.S. competitors also have a high concentration of such equipment. In contrast, most textile operations in other nations have only a small fraction of Burlington's modern weaving equipment.

Our dying and finishing technology is in most respects "state-of-the-art." In fact, in this area we have been responsible for significant technological advances that have subsequently spread throughout the industry.

Going beyond capital expenditures, there are other activities that can have a significant effect on competitiveness. Burlington strives to innovate through an aggressive research and development effort. In 1986, we spent $28 million in this area to develop new products and processes. In addition, several times this amount was spent by our divisions to enhance existing products and processes.

Often, we have patented innovations developed by us and contracted for their manufacture, and these products and processes have been made available to others in our industry through licensing. Burlington has received well over a hundred patents in the past five years.

Burlington has also spent considerable sums to improve service to our customers by reducing lead times and providing quicker responses to their needs.

Finally, Burlington annually spends very large sums of money in training to develop the skills of its employees to help them realize their full potential and thereby make our operation more competitive.

What have been the results of all this effort and expenditure? Let me cite a few key facts.

Burlington's productivity has improved between 4 and 5% per annum, compared with less than 2% for U.S. industry as a whole. I believe the textile industry has also averaged close to 4%.

Many products that originally were Burlington innovations have become standard items on the American scene: tufted carpet, nylon typewriter ribbon, woven fiberglass products such as drapes and electrical insulation, ready-made draperies, silk-like polyester blouse fabrics, polyester/cotton blended fabrics and the polyester/worsted blended fabrics that have helped to make American men's and women's tailored clothing the quality standard in its field.

Burlington has also achieved considerable improvement in its delivery and service to its customers.

That's a thumbnail sketch of what one American company has been doing to improve its competitiveness. Now let me turn to a subject that has been consuming a great deal of time and energy for many of us in the textile and apparel industry—the need for a more active role for government.

By far the most effective action the government could take would be in the area of trade policy.

The starting point must be a realization of the importance of the textile and apparel industry to this country's economy and security. If you don't accept that, you won't go any farther. Others can make the case for the industry's importance much more eloquently that I can, but I would simply ask you to take a moment to contemplate a United States dependent on imports for the bulk of its apparel, with domestic sources reduced to cottage industries. If that scenario makes you uncomfortable, as it does me, for whatever reason—national defense considerations, pride, whatever—then you must agree that something needs to be done, because that is the direction in which we are inexorably heading.

You know, there is another aspect of that scenario that bothers me. First, you must recognize that the textile and apparel complex is the nation's largest manufacturing employer. Many of those employees are women and minorities. They are located to a large degree in the small towns of rural America. Quite frankly, they do not have many alternatives to their current employment, and most of the alternatives that they do have are in lower-paying service sector jobs. There is a tragic human cost involved in the closing of a mill in a small community.

The solution to the import problem that the industry is supporting is a legislative one, now before you as S. 549, the Textile and Apparel Trade Act of 1987. I won't go into the details of the bill, but I do want to reiterate its objectives, which are to halt the loss of market share to imported textile and apparel products and restrict future growth of imports to the long-term rate of growth of the American market itself. We believe this is a fair approach to sharing this huge market, and hope that you will agree when you have the opportunity to consider this bill.

THE GREAT BASEBALL HERITAGE OF MOBILE, ALABAMA

Mr. HEFLIN. Mr. President, the city of Mobile, AL, has long enjoyed a distinguished baseball heritage. Throughout its history, it has sent many, many of baseball's greatest players on to the world of professional baseball. It has been said that the city of Mobile could field a city team that would lick the team of any other city in the Nation. Familiar names on the city's roster would include Frank and Milt Bolling, Willie McCovey, Ozzie Smith, Satchel Paige, Hank Aaron, and his brother Tommie, Billy Williams, Cleon Jones, Stan Wasiak, and Tommy Agee. And these are just a few. Because of all of these baseball greats, Frank Bolling, who, along with his brother and three other Mobilians, played in the Cracker Jack Old-Timer's game last year, believes that Mobile deserves its own hall of fame as home base for its many professional baseball greats. I could not agree more.

The number of great baseball players, and other athletes for that matter, who have come from Mobile, defies any explanation. It was said that Hank Aaron believed it was the drinking water. Another explanation could be the great efforts of the city recreation department. However, I am inclined to believe that it is the determination, the spirit, and the competitive nature of all Mobilians. This attitude, combined with the superior advantages that all Alabamians naturally have, yields an unbeatable match. It results in a drive and an attitude that enables them to beat the fire out of all others. In fact, I understand that Frank Bolling issued a challenge to all when he appeared on ESPN and dared any other town in the United States to come up with an all-star team as good as Mobile's. He has never heard from anyone, so I suppose it's an undisputed fact, acknowledged by all.

I look forward to the time when Mobile does have this hall of fame and can honor its great athletes. They have a distinguished past history of producing athletes, and I know that they will produce many more. I am sure that whatever it is that's in the water has not changed, nor, we hope, will it anytime soon.

Mr. President, I ask unanimous consent that the newspaper article from the Mobile Press Register be printed in the Congressional Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Mobile Press Register, Jan. 25, 1987]

Mobile's Home of the Hall of Famers

NO OTHER CITY HAS PRODUCED SO MANY GREAT BASEBALL STARS

(By Pete Zurales)

The sun shone brightly on Wrigley Field that August day in 1969. Ernie Banks, who promised the Cubs would shine in '69, wanted to play two.

Chicago was in the grips of pennant fever, even if it was mid-August. Manager Leo Durocher had Chicago's beloved Cubs in first place by 7½ games. Yes, those perennial losers from the North Side were riding high in the National League East.

This was a big game, too. The powerful Atlanta Braves, who went on to win their division that year, were in town.

Kenny Holtzman was on the mound for the Cubs, facing that ferocius lineup that featured Rico Carty, Orlando Cepeda, Clete Boyer and, of course, baseball's greatest slugger, Hank Aaron.

A standing-room crowd of more than 41,000 cheered wildly. Holtzman had a no-hitter going in the seventh inning. Could baseball in Chicago get any better?

Aaron was at the plate. Holtzman delivered Aaron swung with all his might and connected. The ball sailed high in the air toward left field. The crowd was stunned. Not only was the no-hitter apparently gone, but the Cubs' 3-0 lead was in trouble.

The ball was now high above the ivy-covered wall. Billy Williams went back and looked up. He got way back where the wall makes a funny curve inward and he dug in. He leaped high into the air and snagged the ball.

The crowd went wild. Holtzman went on to complete his no-hitter, an unusual one in that he had no strikeouts. But he did it, and the fans were delirious.

One game, two Mobile natives, two future Hall of Famers. Ironic.

But, of course, that's not all. The Cubs were 7½ games ahead of the Mets. That would be the Miracle Mets of '69 who went on to win the World Series. They had a center fielder who had been rookie of the year for the Chicago White Sox in 1966. That would be Tommy Agee, a native of Mobile. Playing left field for the world champions that year was Cleon Jones, a native of Mobile.

The Mets had a young player on the team who would make a name for himself later in the American League with Kansas City. That would be Amos Otis, a Mobile native.

Over on the West Coast was the big, powerful Willie McCovey, who would lead the National League in home runs and RBIs that year and end up in the Hall of Fame. McCovey is a Mobile native.

Satchel Paige is from Mobile and he is in the Hall of Fame. He played earlier and only briefly in the Major Leagues. He played many years in the Negro League.

Mobile has produced other Major Leaguers as well—Frank Bolling and his brother Milt, Ozzie Smith, Aaron's brother Tommie and the king of the minors, Stan Wasiak.

Ironic.

"Dizzy Dean once asked me what it was about Mobile," said Frank Bolling. "Hank Aaron used to say it was the water." Bolling laughed.

"Anybody familiar with baseball knows Mobile has produced some great athletes in the baseball world. We're known for producing more great baseball players than any other town in the United States."

Last year, Frank and brother Milt played in the Cracker Jack Old-Timers' game. They were two of five Mobile natives in the game. "I got on the air (ESPN) and challenged any town in the United States to come up with an All-Star team as good as Mobile's. I thought I'd hear from some people, but I never did."

Since Williams was inducted into the Hall of Fame last week, Bolling has been asked by reporters from Chicago, New York, Atlanta and everywhere else what makes Mobile special.

"They all want to know," said Bolling. "We all came through at a time when we didn't have a lot of youth baseball. We just went to the park and played. We were a bunch of kids and we had some time to play. I lived near Crawford Park. I did my chores, then went over to play baseball. Nothing was organized, but we always had enough boys to play."

Baseball brought integration to Mobile years before the Supreme Court did. "I can remember at Crawford, the blacks and whites all played together."

Bolling didn't know what kind of talent he played with. "To be honest with you, I never knew any of them were from Mobile until they got to the big leagues.

"I did encounter Hank Aaron once before that. We were both in the minors. We'd come home to Mobile in the winter. The white players, to stay in shape, would go up to Mitchell Field in Toulminville to play the black players.

"We were out there beating the heck out of some black team, 11-5, but they had a guy who hit a home run every time he was up. Everybody was asking who that was." It was Aaron.

"After I was traded to the Braves in 1961, our lockers were right next to each other. It's kind of coincidental. All those years in Mobile and we didn't know each other. Then, we're teammates and dressing right next to each other."

He didn't know McCovey was from Mobile, either, until he read about him in the papers. That's ironic, too. When they were little, they lived four blocks apart.

Jesse Thomas of Mobile signed Willie McCovey for the Giants as their scout. He has a theory as to why Mobile produced all those great players.

"During that time, they didn't play baseball in high school," said Thomas. "But the City Recreation Department had a good program. Most every community had a team. The weather was good—we could even play on Christmas Day sometimes. The kids had nothing on their minds but baseball.

"They had no leagues, they just played baseball. They didn't have much else to do, to tell you the truth."

Valena McCants went to the 1969 World Series as a guest of Cleon Jones. Jones had been a student of Mrs. McCants in the 9th grade. So had Billy Williams and Tommy Agee.

"It's a very good feeling, a great feeling to know that you have touched them and they still remember you. My relationship with them is a very warm one," she said.

Mrs. McCants remembered the young students. "Billy was just a very nice young man. Handsome. Obedient. Cleon was a good student. In fact, they were all good students.

"I'm a sports enthusiast. I would watch them play at Carver Park and right at the school. The baseball diamond and the football field were all one. All of them were football players, too. In fact, they all played everything. They went from one sport to the next. I guess that's why we didn't have any discipline problems—they stayed busy.

"That area was a haven for athletes," she said. "I don't know why. It's just natural talent, I suppose. All I know was they had a lot of talent."

When Mrs. McCants learned Williams had finally made the Hall of Fame, she said she was overjoyed.

"He was a classic hitter," said Bolling of Williams. "Billy is such a class person and so deserving of this award. Anybody who pitched against him would tell you he's one of the best left-handed hitters of all time. He had those quick hands. He was a real line-drive hitter.

"He did it with such ease, he was often overlooked. So was Aaron, until real late in his career. They weren't overlooked by the other players; they knew how good they were."

Bolling believes the players have been overlooked by Mobile. Bolling recalled a parade for the Mets players, a small street with two signs on it named for Aaron and as yet has heard of no plans to honor Williams.

"It's amazing for Mobile to have the top right-handed home run hitter in Aaron and the top (National League) left-handed home run hitter in McCovey. We have Williams, one of the great hitters of the '60s and '70s. Any city would be proud to have just one of them."

Bolling is part of a committee headed by Kerney Windhom trying to establish a sports Hall of Fame for Mobile. "We would like to have a nice museum. I'm sure the kids would love to see Hank Aaron's bat or Willie McCovey's glove.

"I love Mobile and I'm not trying to put anyone down. But we're missing the boat. Mobile has gotten a lot of great publicity from these players. We usually get publicity for crime and corruption, why not take advantage of all the bragging that everyone else is doing for us?"

Said Thomas: "Mobile was blessed to have all those great players. Mobile would have been better off had they promoted these guys."

SALUTE TO JOSEPH PATRICK RILEY

Mr. HOLLINGS. Mr. President, on April 11, the family and friends of Joseph Patrick Riley will join in celebration of his 75th birthday. Known affectionately by his fellow Charlestonians as "Big Joe"—to avoid confusion with his son and namesake, the mayor of Charleston—he is a distinguished business leader, churchman, and public servant.

Back in 1959, as Governor of South Carolina, I appointed Joe Riley to the State development board, and later to the newly formed committee on tourism. At the time, South Carolina had no program to promote tourism, and, accordingly, tourism was virtually nonexistent in most parts of the State. Under Joe's tireless leadership, the fledgling tourism industry was nurtured and promoted. Today it stands as the largest, most prosperous economic force in South Carolina. Certainly, much of the credit—along with our thanks—goes to Joe Riley. More recently, Joe has served with distinction on the South Carolina Ports Authority Board.

Joe's accomplishments are many, but his greatest pride and joy, shared by his splendid wife and partner, Helen Schachte Riley, is his brood of four children—Joe, Jr., Suzanne, Mary, and Jane—and grandchildren.

Joe, Jr., has been lauded by the Washington Monthly as "the best mayor in America," and was elected by his peers to serve this year as president of the U.S. Conference of Mayors. Joe's wife, Charlotte, is active in real estate, and their two sons, Joe III and Bratton, are standout students and athletes at the Porter-Gaud School in Charleston.

Suzanne, married to Keith Emge of Evansville, IN, is an active supporter of music and the arts in the Hoosier State, serves as president of the Deaconess Hospital Foundation, and is past president of the Junior League. Their eldest son, Chip, is going to the University of Virginia Law School next fall. Daughter Helen and second son John are both students at Duke University.

Mary, married to Bob Chambers of Winston Salem, NC, is president of the Richmond Center, a United Way agency that helps handicapped adults find employment. They have four boys: Robert, Andrew, Laurence, and William.

Jane has remained in Charleston, where she is married to Gerard Stelling. She is a community activist who serves with the Junior League, the Charleston Museum, and the Council of Girl Scouts. The Stellings have three girls: Elizabeth, Meg and Anne.

We all—friends, colleagues, children, and grandchildren—join together in wishing Joe Riley, Sr., the very best on his 75th birthday. As you begin your next 75, Joe—

May the Irish hills caress you.
May her lakes and rivers bless you.
May the luck of the Irish enfold you.
May the blessings of St. Patrick behold you.

HATFIELD CALLS FOR ACTION TO AID THE WORLD'S REFUGEES, REJECTS COMPASSION FATIGUE

Mr. PELL. Mr. President, On March 23, the distinguished senior Senator from Oregon [Mr. HATFIELD], spoke at the annual legislative briefing of IMPACT, an interdenominational action network of some 11,000 persons nationwide drawn from a wide range of churches and other religious groups. The subject of his remarks was the plight of the world's refugees, whom he eloquently describes as "the cast-aways, the cast-offs, the victims of governmental and social upheaval," people for whom the greatest danger, now as in the past, is "the indifference of the free world," summed up in the expression "compassion fatigue."

Senator HATFIELD's own compassion for refugees is remarkably well established and it does not suffer from fatigue. I was pleased to join with him just 2 weeks ago as an original sponsor of S. 814, the Innovative Indochinese Refugee and Protection Act of 1987, which is currently circulating among us for additional sponsorship. The bill addresses the urgent need to do more to aid the refugees currently in first asylum in camps in Southeast Asia and those still arriving, particularly in Thailand, and to secure their status as refugees and prevent them from being returned against their will to unsafe border regions or to the Communist dominated countries from which they fled.

I had the privilege of speaking to a smaller meeting of IMPACT here in Washington a few weeks ago, so I know first hand how fine a group it is. It is just the right audience for Senator HATFIELD's compelling remarks, because IMPACT is by its own definition composed of people who care, and care deeply, about those in need—the world's refugees, and many others.

I ask unanimous consent that the text of Senator HATFIELD's remarks at the IMPACT conference be inserted in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR HATFIELD

Today there are over 10 million people in the world whom we have identified as "refugees." As one scans the horizon, we see they come from all over the globe: Africa, Asia, Central America, Eastern Europe; they come from war-torn and strife-ridden homelands, with hungry stomachs and lost possessions and lost hopes.

In the eyes of the world, they are the cast-aways, the cost-offs, the victims of governmental and social upheaval. But we know as followers of Christ, that the cast-aways of the world are Christ himself. Christ said, "Whatsoever you do for the least of these my brethren, you do for me."

As members of IMPACT and as representatives of your various church groups and organizations, you have come here because you care. You are involved because your faith tells you that, but by the grace of God, that starving refugee from Mozambique, that crippled mine victim from Cambodia, that malnourished child from El Salvador, could be you or one of yours. You are here because that is not merely a political or a social problem, but because you acknowledge the fact that this is a spiritual problem. You are involved because the golden rule is your rule of life.

The greatest danger in the world today facing the refugees is not the threat of war or the continuation of war. It is not the march of malnutrition, nor is it the spread of the darkness of communism. No, the greatest danger facing the world's ten million refugees is the indifference of the free world. I often hear terms like "compassion fatigue" and "calculated kindness" and "humane deterrence." To me they all point to the same underlying sentiment: the free world is tired of caring for these problems that will not go away.

I am here to encourage you to be caring and to keep giving and to be faithful. Many of you have heard me speak of my visit to Calcutta with Mother Teresa. Amidst the devastating poverty there, I asked her what kept her going, how she managed to continue, when so little had changed despite her sisters' work. She responded, "The Lord does not call me to be successful; He calls me to be faithful."

With this in mind, I want to take this opportunity to focus on a part of the world which for twelve years has received preferential treatment in U.S. refugee policy, but which now is in the greatest danger it has faced since the world first learned of Pol Pot or witnessed the boat people.

Abraham Lincoln once said, "To sin by silence when they should protest makes cowards of men." I am here to protest the deteriorating situation facing Vietnamese, Cambodian and Laotian refugees, and to chart a strategy for survival for these hundreds of thousands of the world's cast-away population.

Let me bring your attention to some of the major headlines which have appeared in major newspapers across this nation in the last few weeks. "Cambodian Refugee Abuse Reported". . ."Cambodians in Limbo" and "Thais Said to Bar Laotian Refugees". And just last Thursday in the New York Times, "Thais Pressing Ouster of the Laotians."

First, I do not believe that the United States bears alone the responsibility for the resolution of refugee problems, and many countries have joined us in what has been through the years a largely successful international humanitarian effort. However, the United States is the leader of the free world and has a unique obligation and responsibility to uphold freedom for those who are not free, and hope for those who would have no hope, even if the rest of the free world withdraws its helping hand.

Our military and political involvement in Southeast Asia in the 1960's and 1970's propelled us into launching a generous refugee program. While our hands are not as dirty as they once were, they are not yet clean, and today, I am introducing legislation to the Senate to recommit the United States through this decade to a humane Indochinese refugee resettlement and protection program. In the process, I and Senators Pell and Simon, along with several others will be remedying a number of problems which have made the United States a guilty bystander in the deteriorating Southeast Asian refugee situation.

Let me tell you the story of Neang Sorn, an eleven year old girl living in an orphanage at a refugee camp near Cambodia. Her father was killed by Pol Pot; her mother died in 1982. When she arrived at the refugee camp, she was coughing up blood, had a high fever, and suffered from severe depression. But, she did have hope. Her sister, whom she last saw in 1982, was living in California with her uncle. These two people, her only two living relatives in the world constituted her hope.

She was told about a program called "humanitarian parole" which the U.S. Government promised Congress would be available to remedy such compelling cases as her situation. And so, on March 12, 1986, she applied for humanitarian parole. In two short weeks, record time for the INS bureaucracy, the INS had an answer for Neang Sorn: "request denied."

Here is another "request denied" case: the case of Ley Lann. Ley Lann is a 17 year old paraplegic boy, whose only relatives outside of his 19 year old sister in the camp, were an aunt and uncle in New York who desperately sought to have him come to be with them. The United States once again made a mockery of the term humanitarian parole with a ringing "request denied."

If these were just isolated instances of INS intransigence, then I would not raise them today. Unfortunately, the INS processing effort in Southeast Asia has been mostly disappointed and one need only look to their roller-coaster rejection rates and harsh regulations to understand that immigration officers are not refugee officers, and that the INS should no longer be in the refugee business.

My legislation would remove the INS from any role in the processing of refugees in Southeast Asia, and would require INS to grant humanitarian parole in a modest number of non-immigration cases. Their record of discretionary authority has done nothing but dash hopes for Neang Sorn and others.

This legislation also addresses several protection problems along the Thai-Cambodian borders, and institutes education and safety programs for the overwhelming majority of refugees who will not be resettled. In addition, it assists Thailand with the financial burdens it faces in protecting these populations. We can not wait for the closure of these camps to act.

We must act now and sound a warning for our friends in the region who perceive a softening in U.S. resolve and commitment to the refugees of the region. The bill says "The United States is in this for the long haul, and you'd better be, too." Unless the U.S. acts, the refugees of Southeast Asia are destined for isolated internment camps and even greater despair.

The U.S. refugee effort in S.E. Asia cannot be rushed to a premature end. We can't pull down the flag and declare victory like many urge today. We have to roll up our sleeves and fight. Fight the pushbacks. Fight the ridiculous rejection rates. And fight the apathy spreading like a cancer in some offices and embassies of our government. Congress must tell the other governments of the world that if they want to run and hide from the ongoing refugee crisis in Southeast ASia, they will not be able to hide behind the United States.

The "IndoChinese Refugee Resettlement and Protection Act of 1987" will have an impact in all areas of the world. It will communicate America's highest ideals and unflinching commitment to the have nots of the world.

I encourage you to support this bill, and the companion measure to be introduced by Congressman Atkins in the House, and not let the refugees of Southeast Asia be abandoned. We owe this to history, we owe this to freedom, and we owe this to ourselves as the leaders of the free world.

TRIBUTE TO EDGAR DANIEL NIXON

Mr. HEFLIN. Mr. President, I rise, today, to pay tribute to the memory of Mr. Edgar Daniel Nixon, the civil rights leader who initiated and organized the Montgomery bus boycott after the arrest of Rosa Parks in 1955 which provided the primary thrust for the American civil rights movement. Mr. Nixon was a great American who helped people of all races to share in the American dream. Without his dedication, his perseverance and his great efforts, I am afraid that the movement for equality in our country could have been postponed and could have followed an entirely different path.

E.D. Nixon was dedicated throughout his life to the advancement and the happiness of all people—black and white, alike. His efforts helped to expose various ways in which our system did not promote the equality of all. His actions helped to set the tone and defined the attitude of the civil rights movement in our country. They helped to ensure the peaceful priorities so crucial to the quest for equality.

Mr. Nixon began working for freedom very early in his life when he organized the Brotherhood of Sleeping Car Porters with A. Phillip Randolph in the 1920's after blacks had been denied membership in the white union. This was the first successful black union. During World War II, Mr. Nixon helped to secure a USO club for blacks in Montgomery. He also served as president of the Alabama chapter of the NAACP for many years.

E.D. Nixon is perhaps best known for his role in the Montgomery bus boycott in 1955. After Rosa Parks was jailed for refusing to relinquish her seat on a Montgomery city bus, Nixon helped to secure her release and then organized the Montgomery Improvement Association which engineered the 381-day boycott of buses by blacks.

In all that he did, E.D. Nixon had the best interests of Alabama and our Nation foremost in his mind. He possessed the greatest integrity, and worked, as all people should, to eliminate any injustice or inequity that may exist in our system. We owe a great debt to the work and efforts of Mr. E.D. Nixon. His tremendous example in working to secure for all the basic rights guaranteed by the Constitution of the United States should be noted and followed by all.

Mr. President, I ask unanimous consent that two newspaper articles with regard to E.D. Nixon be printed in the CONGRESSIONAL RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Montgomery Advertiser, Feb. 27, 1987]

E.D. NIXON

Some of the ripples started by Montgomery's E.D. Nixon in 1955 grew into the full tide of the civil rights movement, a tide that swept over the nation and forever changed the lives of black citizens.

Edgar Daniel Nixon died Wednesday at the age of 87.

Nixon never received the recognition given Martin Luther King. But it was Nixon who organized the Montgomery bus boycott in 1955, the movement which gave King a platform from which he earned fame.

In 1955, Mr. Nixon was one of the people to post bond for black seamstress Rosa Parks, who was arrested for refusing to yield her bus seat to a white man.

Nixon then formed the Montgomery Improvement Association, which launched the 381-day bus boycott.

Althouth Nixon, who had only 16 months of formal education, was encouraged to head the organization, he supported the nomination of the young, articulate King.

"When I started, I saw freedoms they enjoyed in other parts of the country but not here in Alabama or Montgomery," Nixon said.

But Nixon's activism on the part of his fellow blacks began long before the bus boycott. In the 1920s, he was one of the organizers of the Brotherhood of Sleeping Car Porters, the first successful black union.

During World War II, Nixon helped secure a USO club for blacks in Montgomery. Nixon also served as president of the Alabama chapter of the NAACP for many years.

Despite his lack of formal education, Nixon numbered two honorary doctorates among the more than 200 honors and awards he accumulated during more than half a century of service.

Asked a few years ago why he had been successful working for blacks over the years, Nixon said, "I play this game square with people."

In recent years, serious historians have started to recognize the pivotal role played by Nixon in the early civil rights movement.

But Mr. Nixon's friends and family can be comforted at his death by their knowledge that without him, change for blacks could have come much later than it did.

MONTGOMERY BUS BOYCOTT LEADER E.D. NIXON DIES

E.D. Nixon, a veteran civil rights leader who helped organize the 1955 Montgomery bus boycott led by the late Rev. Martin Luther King Jr., died Wednesday night at age 87.

Nixon died at 6:45 p.m. of natural causes, according to a Baptist Medical Center spokeswomen. He had been hospitalized since Feb. 16.

In 1955, Nixon and Montgomery attorney Clifford Durr posted bond for Rosa Parks, who was arrested for refusing to yield her bus seat to a white man. Nixon then formed the Montgomery Improvement Association, which launched the 381-day bus boycott led by King.

"When I started, I saw freedoms they enjoyed in other parts of the country but not here in Alabama or Montgomery. I knew we needed to remedy that," he said.

Nixon and A. Phillip Randolph organized the Brotherhood of Sleeping Car Porters in the 1920s.

"The white unions wouldn't admit blacks, so we had to form our own union. The Brotherhood of Sleeping Car Porters was the first successfully organized black union," Nixon said in a 1980 interview.

In a December 1985 interview with The Montgomery Advertiser, Nixon said he thought his role in the boycott had been overlooked by history.

He said it hurts to hear Alabama school children, and even his neighbors, talk about the civil rights movement without mentioning his name.

"I did it all for the good of the community, not what I can get out of it," Nixon said then. "But the bus boycott is history and I want the children to know what happened.

"I can tell you what happened; I was there," Nixon added in the interview, "I was fighting when everyone else was scared to death."

REMEMBERING THE ARMENIAN GENOCIDE

Mr. PRESSLER. Mr. President, the truth often is difficult to recognize. It often is painful to admit. But it is always better than denial, deception, or distortion of the facts. Unfortunately, the historical facts about the Armenian genocide have been swept under the rug for decades. It would be better for all concerned, including the few remaining survivors who have since died, and the present Government and people of Turkey, if Congress were to pass Senate Joint Resolution 43 or its identical companion House resolution. The resolution designates April 24, 1987, as a "National Day of Remembrance for the victims of the Armenian Genocide."

This is not a foreign policy issue, however much some lobbyists would pretend to make it so. It casts no aspersions on the Republic of Turkey, whose founder, Kemal Ataturk, said to the Los Angeles Examiner in 1926: "Those left-overs from the former Young Turkey Party . . . should have been made to account for the lives of millions of our Christian subjects who were ruthlessly driven en masse from their homes and massacred. . . ." The policies of the Ottoman Empire were not the policies of the Republic of Turkey. By the time the republican government was founded by Ataturk, the Ottoman regime had reduced the Armenian population from over 2 million to under 200 thousand. That reduction came in the form of extermination and forced exile.

Mr. President, the truth requires documentation. In the case of the Armenian genocide at the hands of the Ottoman Empire, there is ample evidence from contemporary sources that the genocide did, indeed, occur. In an effort to obtain more documentation of the facts, 2 years ago I asked Secretary of State Shultz to press the Government of Turkey for the opening up of the Archives of the Ottoman Empire. In response, our Government has made available to Turkey expert archival technical assistance. Perhaps the Ottomans' own records will confirm what so many seem to deny or obscure with arguments that what happened to the Armenians was the result of the hazards of World War I and not the deliberate policies of the Ottoman rulers and their servants.

We cannot continue to wait forever for whatever secrets might be revealed by the uncountable pages of those records. For the time being, we must rely on the best information otherwise available to us. That information is horrifying, to say the least, and I wish to briefly outline some of it today.

The U.S. Ambassador to Turkey in 1915 was Henry Morgenthau, Sr. His memoirs recount his frequent pleas to the Ottoman government to bring an end to its massive persecutions of Armenians. He said in his book, Ambassador Morgenthau's Story, "When the Turkish authorities gave the orders for these deportations, they were merely giving the death warrant to a whole race; they understood this well, and, in their conversations with me, they made no particular attempt to conceal the fact." He also wrote, "I am confident that the whole history of the human race contains no such horrible episode as this. The great massacres and persecutions of the past seem almost insignificant when compared to the sufferings of the Armenian race in 1915."

During the height of the atrocities against the Armenians, many of whom fled to Russia and other parts of the world, but just as many dying in their villages, the New York Times alone carried over 194 news stories on what was happening. The Times headlines are horrifying to read:

March 20, 1915—Whole Plain Strewn by Armenian Bodies.

May 17, 1915—6,000 Armenians Killed.

August 20, 1915—Burn 1,000 Armenians.

September 5, 1915—1,500,000 Armenians Starve.

September 24, 1915—500,000 Armenians Said to Have Perished.

October 7, 1915—800,000 Armenians Counted Destroyed.

October 11, 1915—Spare Armenians, Pope Asks Sultan.

October 18, 1915—The Assassination of a Race.

October 18, 1915—Thousands Protest Armenian Murders.

October 22, 1915—Only 200,000 Armenians Left in Turkey.

December 15, 1915—Million Armenians Killed or in Exile.

The Ottoman obsession to rid the empire of Christian Armenians did not begin during World War I. As early as 1894, President Benjamin Harrison wrote, "My indignation and sympathy have been greatly roused by the press reports of the fearful outrages practiced on the Armenians." President Grover Cleveland's annual message in 1896 said, "We have been inflicted by continued and not infrequent reports of the wanton destruction of homes and the bloody butchery of men, women, and children, made martyrs to their profession of the Christian faith." He was referring to events in Ottoman Turkey. President William McKinley also recognized and condemned the events of 1895.

President Theodore Roosevelt said in 1918, "The Armenian massacre was the greatest crime of the war, and the failure to act against Turkey is to condone it." President William Howard Taft wrote in 1920, "On the whole, it is not too much to say that the people of the Jewish race have suffered more in this year, as noncombatants, than any other people, unless it be the Serbians and the Armenians." In 1919, President Woodrow Wilson urged that Congress authorize sending troops to Armenia. The following year, President Warren G. Harding supported sending a warship to an Armenian port, if that would help "these stricken people." President Herbert Hoover also recognized the genocidal proportions of the persecution of the Armenians. President Jimmy Carter said at a White House ceremony in 1978, "It is generally not known in the world that in the years preceding 1916, there was a concerted effort made to eliminate all the Armenian people, probably one of the greatest tragedies that ever befell any group. And there weren't any Nuremberg trials."

The 10th American President to comment on what happened to the Armenians is our current President, Ronald Reagan. In issuing Proclamation 4838 on April 22, 1981, not long after he first took office, President Reagan said, "Like the genocide of the Armenians before it, and the genocide of the Cambodians which followed it—and like too many other such persecutions of too many other peoples—the lessons of the Holocaust must never be forgotten."

Mr. President, these 10 American Presidents were right to recognize the Armenian genocide. If we forget what happened, it can happen again whenever some mad regime imagines that it can succeed. Adolf Hitler did in 1931 when he cited the extermination of the Armenians as historical justification for his proposed great resettlement policy for the Nazi transformation of Europe.

One or both Houses of Congress previously have approved resolutions recognizing the Armenian genocide—in 1896, 1920, 1975, and 1984. We should do so again. Only by reminding ourselves and the world what cruelty has been practiced in the past against huge numbers of innocent bystanders can we maintain the resolve never to let it happen again.

MESSAGES FROM THE HOUSE

At 1:05 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 148. An act to designate certain public lands in the State of Michigan as wilderness, and for other purposes; and

H.R. 1728. An act to amend the National School Lunch Act to provide for limited extension of alternative means of providing assistance under the school lunch program.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 200. Joint resolution to designate April 10, 1987, as "Education Day U.S.A."

The enrolled joint resolution was subsequently signed by the President pro tempore [Mr. STENNIS].

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 148. An act to designate certain public lands in the State of Michigan as wilderness, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

H.R. 1728. An act to amend the National School Lunch Act to provide for limited extension of alternative means of providing assistance under the school lunch program; to the Committee on Agriculture, Nutrition, and Forestry.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-946. A communication from the Acting Secretary of Agriculture transmitting a draft of proposed legislation to authorize acceptance of contributions for cooperative work on the National Forest System; to the Committee on Agriculture, Nutrition, and Forestry.

EC-947. A communication from the Secretary of Agriculture transmitting, pursuant to law, a report assessing the impact of USDA foreign assistance activities on U.S. agricultural exports; to the Committee on Agriculture, Nutrition, and Forestry.

EC-948. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the President's third special message on 73 rescissions, 3 new deferrals, and 3 revised deferrals; jointly, pursuant to the order of January 30, 1975, to the Committee on Appropriations and the Committee on the Budget.

EC-949. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the President's fourth special message on 25 new deferrals, 1 revised deferral, and 7 revised rescissions; jointly, pursuant to the order of January 30, 1975, to the Committee on Appropriations and the Committee on the Budget.

EC-950. A communication from the Secretary of Defense, transmitting, pursuant to law, a secret report on Allied contributions to the common defense; to the Committee on Armed Services.

EC-951. A communication from the Assistant Secretary of Defense, transmitting, pursuant to law, a supplemental contract award report and revised test sections for the programs for the period May 1 to June 30, 1987; to the Committee on Armed Services.

EC-952. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to repeal the direction to the Secretary of the Navy to pay losses in the construction of the Norfolk Navy Steam Plant; to the Committee on Armed Services.

EC-953. A communication from the Acting Assistant Secretary of Defense, transmitting, pursuant to law, a report on the adequacy of pay and allowances of the Armed Forces; to the Committee on Armed Services.

EC-954. A communication from the President of the United States, transmitting, pursuant to law, a report recommending a decrease in direct lending authority for the Export-Import Bank; to the Committee on Banking, Housing, and Urban Affairs.

EC-955. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the Department's annual report on the community development programs it administers; to the Committee on Banking, Housing, and Urban Affairs.

EC-956. A communication from the Chairman of the National Credit Union Administration, transmitting, pursuant to law, NCUA's 1986 Annual Report; to the Committee on Banking, Housing, and Urban Affairs.

EC-957. A communication from the Secretary of Energy, transmitting, pursuant to law, a final report on the effectiveness of including electric vehicles in the calculation of average fuel economy standards; to the Committee on Commerce, Science, and Transportation.

EC-958. A communication from the Chairman of the Federal Maritime Commission transmitting, pursuant to law, the annual report of the Commission for 1986; to the Committee on Commerce, Science, and Transportation.

EC-959. A communication from the Secretary of Transportation transmitting a draft of proposed legislation to amend certain rules of the Inland Navigational Rules Act; to the Committee on Commerce, Science, and Transportation.

EC-960. A communication from the Secretary of Commerce transmitting a draft of proposed legislation to authorize appropriations for the National Bureau of Standards for fiscal year 1988-89; to the Committee on Commerce, Science, and Transportation.

EC-961. A communication from the Secretary of Transportation transmitting a draft of proposed legislation to reauthorize pipeline safety programs for fiscal year 1988-89; to the Committee on Commerce, Science, and Transportation.

EC-962. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on aviation collision avoidance systems; to the Committee on Commerce, Science, and Transportation.

EC-963. A communication from the Secretary of Commerce transmitting a draft of proposed legislation to repeal the Interjurisdictional Fisheries Act of 1986; to the Committee on Commerce, Science, and Transportation.

EC-964. A communication from the Chairman of the Federal Communications Commission, transmitting, pursuant to law, the Commission's annual report on goals, objectives, and priorities for fiscal year 1987, 1988, and 1989 and accomplishments in 1986; to the Committee on Commerce, Science, and Transportation.

EC-965. A communication from the Assistant Secretary of the Interior transmitting a draft of proposed legislation to modify section 301 of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America; to the Committee on Energy and Natural Resources.

EC-966. A communication from the Assistant Secretary of the Interior transmitting a draft of proposed legislation to amend the Land and Water Conservation Fund Act; to the Committee on Energy and Natural Resources.

EC-967. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report on the operation of an out-of-region land and property selection pool to meet Federal obligations to the Cook Inlet Region, Inc., an Alaska Native Corporation; to the Committee on Energy and Natural Resources.

EC-968. A communication from the General Counsel of the Department of Energy, transmitting, pursuant to law, notice of a meeting related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC-969. A communication from the Administrator of the Energy Information Administration, transmitting, pursuant to law, a report on coal imports; to the Committee on Energy and Natural Resources.

EC-970. A communication from the Acting Secretary of Agriculture transmitting a draft of proposed legislation to permit use of foreign firefighting forces and reimbursement thereto for fighting wildfires throughout the United States; to the Committee on Energy and Natural Resources.

EC-971. A communication from the Secretary of Energy, transmitting, pursuant to law, the biennial National Energy Policy Plan; to the Committee on Energy and Natural Resources.

EC-972. A communication from the Chairman of the Nuclear Regulatory Commission transmitting a draft of proposed legislation to promote nuclear safety; to the Committee on Environment and Public Works.

EC-973. A communication from the Director of the Office of Environmental Quality transmitting a draft of proposed legislation to authorize appropriations for fiscal year 1988 for the Office of Environmental Quality; to the Committee on Environment and Public Works.

EC-974. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a copy of a lease prospectus proposing a leaseback in Oakland, CA; to the Committee on Environment and Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BUMPERS, from the Committee on Small Business:

Report on Legislative and Oversight Activities of the Committee on Small Business During the 99th Congress (Rept. No. 100-35).

By Mr. KENNEDY, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute:

S. 778. A bill to authorize a star schools program under which grants are made to educational telecommunications partnerships to develop, construct, and acquire telecommunications facilities and equipment in order to improve the instruction of mathematics, science, and foreign languages, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. WARNER, from the Committee on Armed Services:

James H. Webb, of Virginia, to be Secretary of the Navy.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. BIDEN, from the Committee on the Judiciary:

James B. Zagel, of Illinois, to be United States District Judge for the Northern District of Illinois;

D. Michael Crites, of Ohio, to be United States Attorney for the Southern District of Ohio for the term of four years; and

William J. Jonas, Jr., of Texas, to be United States Marshal for the Western District of Texas for the term of four years.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. METZENBAUM (for himself and Mr. Lautenberg):

S. 945. A bill to require the Secretary of Health and Human Services to make grants to local governments for demonstration projects to provide respite home and other assistance for infants abandoned in hospitals, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. ROTH (for himself, Mr. Dole, and Mr. Dixon):

S. 946. A bill to amend title 18 of the United States Code to provide for the imposition of the death penalty in certain espionage cases; to the Committee on the Judiciary.

By Mr. ROTH (for himself and Mr. Dole):

S. 947. A bill to amend the Foreign Missions Act regarding the treatment of certain Communist countries, and for other purposes; to the Committee on Foreign Relations.

S. 948. A bill to condition the occupation of the new Soviet embassy in Washington, D.C. on improved United States security arrangements for the embassy in Moscow; to the Committee on Foreign Relations.

S. 949. A bill to prohibit the availability of funds for the United States' proportionate share of the United Nations' Office of Research and Information Collection; to the Committee on Foreign Relations.

By Mr. HEFLIN (for himself, Mr. Specter, Mr. Shelby, Mr. Durenberger, Mr. Heinz, Mr. Sarbanes, Mr. Sasser, Mr. Gore, and Mr. Sanford):

S. 950. A bill to establish a specialized corps of judges necessary for certain Federal proceedings required to be conducted, and for other purposes; to the Committee on the Judiciary.

By Mr. HEFLIN:

S. 951. A bill entitled the "Federal Courts Study Act"; to the Committee on the Judiciary.

S. 952. A bill to improve the administration of justice by providing greater discretion to the Supreme Court in selecting the cases it will review, and for other purposes; to the Committee on the Judiciary.

By Mr. HEFLIN (for himself, Mr. Bumpers, and Mr. Pryor):

S. 953. A bill to amend the Federal Rules of Civil Procedure with respect to the examination of prospective jurors; to the Committee on the Judiciary.

S. 954. A bill to amend the Federal Rules of Criminal Procedure with respect to the examination of prospective jurors; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

S. 955. A bill to amend section 507 of the Tariff Act of 1930 to provide an allowance for detectable moisture and impurities in determining tare on imports of crude oil and petroleum products; to the Committee on Finance.

By Mr. DURENBERGER:

S. 956. A bill relating to the tariff classification of certain plastic sheeting; to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. Hatch, Mr. Kennedy, Mr. Stafford, Mr. Simon, Mr. Quayle, Mr. Dodd, and Mr. Hollings):

S. 957. A bill to name the post-baccalaureate achievement program under subpart 4 of part A of title IV of the Higher Education Act of 1965 as the "Ronald E. McNair Post-Baccalaureate Achievement Program; to the Committee on Labor and Human Resources.

By Mr. JOHNSTON (for himself, Mr. McClure, Mr. Evans, and Mr. Adams):

S. 958. A bill to dedicate the North Cascades National Park to Senator Henry M. Jackson; to the Committee on Energy and Natural Resources.

By Mr. GLENN (for himself, Mr. Chiles, Mr. Heinz, Mr. Burdick, Mr. Specter, Mr. Cohen, Mr. Bingaman, and Mr. Melcher):

S. 959. A bill to amend the Older Americans Act of 1965 to strengthen and improve the provisions relating to State long-term care ombudsman programs, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. ROTH (for himself and Mr. Glenn):

S. 960. A bill to provide an administrative procedure for certain noncontroversial suspensions of tariffs; to the Committee on Finance.

By Mr. HEINZ:

S. 961. A bill to amend title XVIII of the Social Security Act to allow medicare coverage for home health services provided on a daily basis; to the Committee on Finance.

S. 962. A bill to amend the Internal Revenue Code of 1986 to allow a credit against tax for expenses incurred in the care of elderly family members; to the Committee on Finance.

By Mr. SASSER (for himself and Mr. Gore):

S. 963. A bill to amend the boundaries of Stones River National Battlefield, Tennessee, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BAUCUS (for himself and Mr. McClure):

S. 964. A bill to amend the Meat Import Act of 1979 to include imports of lamb; to the Committee on Finance.

By Mr. LUGAR (for himself, Mr. Riegle, Mr. Bentsen, Mr. Boschwitz, Mr. Bradley, Mr. Burdick, Mr. Chafee, Mr. Conrad, Mr. Durenberger, Mr. Exon, Mr. Glenn, Mr. Gore, Mr. Hatch, Mr. Heinz, Mr. Hollings, Mr. Kasten, Mr. Levin, Mr. Matsunaga, Mr. Nickles, Mr. Nunn, Mr. Pell, Mr. Proxmire, Mr. Quayle, Mr. Rockefeller, Mr. Sarbanes, Mr. Stennis, and Mr. Wilson):

S.J. Res. 108. Joint resolution to designate October 6, 1987, as "German-American Day"; to the Committee on the Judiciary.

By Mr. DURENBERGER (for himself and Mr. Gore):

S.J. Res. 109. Joint resolution to designate the week beginning October 4, 1987, as "National School Yearbook Week"; to the Committee on the Judiciary.

By Mr. LEAHY (for himself, Mr. Danforth, Mr. Dole, Mr. Kennedy, Mr. Moynihan, Mr. Boschwitz, Mr. Melcher, Mr. Matsunaga, and Mr. Daschle):

S.J. Res. 110. Joint resolution to designate October 16, 1987, as "World Food Day"; to the Committee on the Judiciary.

By Mr. HEINZ (for himself, Mr. Durenberger, Mr. Bradley, Mr. Chafee, Mr. Matsunaga, Mr. Nunn, Mr. Levin, Mr. Warner, Mr. Wilson, Mr. Kerry, Mr. Dixon, Mr. Stafford, Mr. Kasten, Mr. Shelby, Mr. Burdick, and Mr. Pryor):

S.J. Res. 111. Joint resolution to designate each of the months of November, 1987, and November, 1988, as "National Hospice Month"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BYRD (for himself and Mr. Dole):

S. Res. 186. A resolution to direct the Senate Legal Counsel to represent committees of the Senate in Shaw v. The Senate Intelligence Committee, et al; considered and agreed to.

By Mr. HOLLINGS:

S. Con. Res. 44. A concurrent resolution authorizing the 1987 Special Olympics Torch Relay to be run through the Capitol Grounds; to the Committee on Rules and Administration.

By Mr. HEINZ:

S. Con. Res. 45. Concurrent resolution expressing the sense of the Congress in support of a private initiative established for the purpose of enhancing small business access to U.S. trade laws; to the Committee on Small Business.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. METZENBAUM (for himself and Mr. Lautenberg):

S. 945. A bill to require the Secretary of Health and Human Services to make grants to local governments for demonstration projects to provide respite homes and other assistance for infants abandoned in hospitals, and for other purposes; to the Committee on Labor and Human Resources.

ABANDONED INFANTS ASSISTANCE ACT

● **Mr. METZENBAUM.** Mr. President, the drug crisis in this country has claimed many victims. People from all walks of life, from every race, creed, and color in the land have had their health ruined, their families torn apart, their lives destroyed. The stories we have heard have been frightening, which is one reason that Congress passed the omnibus drug abuse legislation last year.

One of the most harrowing examples of the tragedy which drugs leave in their wake can be witnessed in the pediatric wards of hospitals around the country. Infants, exposed to drugs by their mothers who are drug abusers, are being abandoned in hospitals because their parents are unwilling or unable to provide adequate care. For months these infants languish while social workers struggle to find adequate foster care, a difficult proposition in the vast majority of cases.

In San Francisco alone, 10 to 12 babies a month are testing positive for drug-exposure with cocaine and PCP emerging as the drugs most commonly used by the mothers. The infants can show a variety of symptoms including spasms, severe jitters, convulsions, breathing disorders, and intense irritability.

Official figures grossly underestimate the scope of the problem since tests on the infants are conducted only when the physicians have discovered the mother is a drug abuser, and even then hospitals and doctors are not legally required to report such findings.

Estimates for the number of such children who are abandoned in hospitals run into the thousands nationwide. The alarming fact is that as the drug crisis continues to escalate in this country so too will the problem of abandonment.

Componding the tragedy of drug-exposed babies is the increasing number of infants who have contracted AIDS from their mothers who are IV drug abusers. Treated as outcasts by society, infants with AIDS are being left behind in hospitals, deprived a warm and nurturing environment.

Recently the Washington Post published a front-page article describing the heart rending plight of these infants born with AIDS.

> Last July a drug addict, seven months pregnant, was admitted to Harlem Hospital Center in labor. Within hours she delivered a 1½ pound baby. The next day she checked out of the hospital, leaving behind a daughter she did not name.
>
> Today that 9-month-old baby whose weight hovers around 6½ pounds—lighter than many new-borns—is dying of AIDS in the hospital she never left. Doctors say she got the disease from her mother, who returned only once for a visit.
>
> The baby, who has spent her life encased in an oxygen tent, hooked up to a heart monitor, a nasal feeding tube and an intravenous antibiotic line, is a member of a fast-growing second generation of AIDS victims: Infected babies, most of whom are born to drug-addict parents who are dying of the disease.

Because AIDS is incurable, no child is expected to survive. Some have lived as long as 8 years, while others die days after they are admitted. Medically there is little doctors can do. Some children receive regular infusions of gamma globulin, an infection-fighting serum, and doctors try to keep them comfortable with painkillers.

Scenes like that disturb pediatrician Elaine Abrams. "These kids are learning to walk in the * * * hospital," she said, shaking her head sadly. "They're wearing donated clothes and playing with donated toys that we solicited at Christmas. The nurses are being mamas and papas and doing their best, but this is no place for a kid to grow up."

Mr. President, I recently wrote the Assistant Secretary for Health regarding the growing crisis of children with AIDS. His assessment of the problem is alarming.

The number of reported cases of children with AIDS has doubled in the past 13 months. Over 80 percent of AIDS children have acquired the infection from their mothers. In New York City alone, the department of health estimates that there may be as many as 50,000 IV drug abusing women of childbearing age, with an estimated 2,500 deliveries per year to this group. Half of these women may be infected with the AIDS virus.

It doesn't take much imagination to project the future dimensions of this problem. The official estimates for the number of infants with AIDS who are abandoned in hospital are small, but so too are the official estimates for the total number of children with AIDS.

These figures represent only the tip of the iceberg. The Assistant Secretary for Health has stated that reported cases reflect only a portion of the children being born with AIDS, since the only infants being counted are those with severe clinical symptoms documented by strict methods of diagnosis. The actual number of cases is double or triple the official estimate.

Mr. President, we had better be prepared to care for the increasing number of infants who are being abandoned in hospital either because they have AIDS or because they have been exposed to drugs by their mothers who are unable or unwilling to provide the necessary care. The population of these so-called boarder babies can only be expected to grow in the future.

The legislation which we are introducing today, the Abandoned Infants Assistance Act of 1987, will provide Federal funds for the establishment of respite homes for infants abandoned in hospitals, including infants with AIDS. Such homes will provide a caring environment for these children as well as curtail the massive costs associated with maintaining these children in a hospital environment.

The legislation also provides incentives for the placement of these infants in foster homes. In addition, grants will be available to train and employ counselors to provide services for pregnant women who are the most likely to give birth to drug-exposed children and children with AIDS. Funds for training foster care personnel in providing for the special needs of these infants is also included in the bill.

The provision of adequate support services will allow those infants who can return to their own home environment to do so.

Finally, Mr. President, the Secretary will have 6 months to prepare a report on the total number of infants abandoned in hospitals in the United States and the number of such infants who have acquired AIDS.

The legislation we are introducing represents a modest investment of Federal dollars to help improve the quality of life for a group of children whose futures are presently extraordinarily bleak.●

● Mr. LAUTENBERG. Mr. President, I am pleased to join Senator METZENBAUM in introducing the Abandoned Infants Assistance Act. This legislation addresses the tragic plight of infants who have AIDS or have been exposed to addictive drugs taken by their mothers during pregnancy. These helpless, innocent infants are likely to be abandoned in the hospital by their sick or dying mothers. They have no place to go. Even if their families want to care for these children, they often need special training to handle the special problems involved.

The Centers for Disease Control report that 437 children under the age of 13 have been diagnosed with AIDS. That was the total 2 months ago; no doubt the total is higher now. In fact the true total is probably two to three times the reported number because the CDC classification for pediatric AIDS excludes children with AIDS-related diseases. In addition, an untold number of infants are born addicted to drugs or in poor condition because of the drug habits of their mothers.

Whose heart does not go out to these children? Their only experiences on this Earth are those of disease and abandonment. They are experiencing the brutality of AIDS at a time when most other babies are learning to crawl and talk.

Some have little prospect of living outside the hospital, not because they are too ill to leave, but because they have no home to go to. A mother with AIDS or a drug-abuse habit cannot or will not care for an infant. These children need foster homes. But their medical problems make these children hard to place. And if they can be placed in foster homes, the foster parents may need special training and other services.

The bill we are introducing today is an attempt to help these babies. The bill would authorize demonstration projects using incentives for foster care for abandoned infants. Foster parents would also receive training for the special needs of infants exposed to drugs and with AIDS. Demonstration grants would be provided for counseling and intervention for pregnant mothers who appear to be at risk of abandoning their babies. Local governments will be eligible for grants to establish respite homes for temporary care of abandoned infants. The bill authorizes $30 million a year for 3 years for this program.

Mr. President, my own State of New Jersey has one of the highest numbers of children with AIDS. As of March 1, 1987, the State has reported 63 cases. Specialists who work with pediatric AIDS cases believe the number is at least twice as high. The difference is explained by the strict classification currently required by the CDC. This classification is being revised and the full dimensions of this childhood tragedy will be more fully disclosed. Several of these children have been abandoned in the hospital, with no place to go. And additional numbers of babies born to drug-abusing mothers have been left behind.

I first learned about the plight of AIDS babies from a dedicated physician in Newark, Dr. James Oleske. His commitment to his tiny patients is heartwarming. Dr. Oleske sees a need for the services that this bill would provide and I value his counsel. Even when relatives or foster parents do take their children home, they need encouragement and assistance from hospital personnel.

Mr. President, hospitals are wonderful, caring places for those who need their services. But they are no environment for a child to be in, especially if the child does not require the high level of care provided in hospitals. This bill is intended to offer the hope of a more normal homelife for children whose only home has been a hospital.

I urge my colleagues to join in support of this much-needed legislation.●

By Mr. ROTH (for himself, Mr. Dole, and Mr. Dixon):

S. 946. A bill to amend title 18 of the United States Code to provide for the imposition of the death penalty in certain espionage cases; to the Committee on the Judiciary.

By Mr. ROTH (for himself and Mr. Dole):

S. 947. A bill to amend the Foreign Missions Act regarding the treatment of certain Communist countries, and for other purposes; to the Committee on Foreign Relations.

S. 948. A bill to condition the occupation of the new Soviet Embassy in Washington, DC, on improved United States security arrangements for the Embassy in Moscow; to the Committee on Foreign Relations.

S. 949. A bill to prohibit the availability of funds for the United States' proportionate share of the United Nations' Office of Research and Information Collection; to the Committee on Foreign Relations.

(The remarks of Mr. Roth and the text of the legislation appear earlier in today's Record.)

By Mr. HEFLIN (for himself, Mr. Specter, Mr. Shelby, Mr. Durenberger, Mr. Heinz, Mr. Sarbanes, Mr. Sasser, Mr. Gore, and Mr. Sanford):

ADMINISTRATIVE LAW JUDGE CORPS ACT

S. 950. A bill to establish a specialized corps of judges necessary for certain Federal proceedings required to be conducted, and for other purposes; to the Committee on the Judiciary.

Mr. HEFLIN. Mr. President, I rise today to reintroduce legislation to establish a unified Administrative Law Judge Corps. The administrative agencies of our Government have wide-ranging powers which affect all aspects of both our lives and our national economy, often in unseen ways. When administrative disputes arise between the Federal Government and individuals, administrative law judges appointed from within a department or agency are utilized to resolve the dispute.

The purpose of this bill is to remove administrative law judges from the supervision and control of the agencies where they are presently employed, and establish them instead, as an independent, unified corps. The reason for this change is simple—I believe that the administrative disputes which are resolved by administrative law judges must be decided in an independent atmosphere free from bias or the mere appearance of bias. This must be done to ensure fairness and give credence to the decisions of administrative law judges.

In some of our most significant Federal enforcement agencies, many of the administrative law judges were former prosecutors in the agency before becoming administrative law judges for that agency. We must ensure that all administrative law judges both appear and are in fact independent decisionmakers.

Administrative law judges make up a significant part of our Federal adjudicating system. Our Federal judiciary consists of 575 active U.S. district court judges, but as of October 1986, the total number of administrative law judges had grown to well over 1,100 as compared to only 196 in 1947. There were only 13 administrative law judges in the Social Security Administration in 1947. Today, there are 688 administrative law judges in that agency. As the number of Federal agencies and their power have proliferated, the jurisdiction of administrative law judges has significantly increased, such that today an individual administrative law judge's influence reaches far beyond the agency in which he works.

This bill would place all current administrative law judges in the Administrative Law Judge Corps. These judges would continue to have jurisdiction over proceedings and adjudications as granted under the Administrative Procedure Act and any current pending procedures shall be continued before the Administrative Law Judge Corps. In addition, these Corps judges may accept any other case referred to the Corps by any Federal agency or court. Future judges would continue to be selected under the present merit system, but instead of the "rule of three," selection would be from the highest five eligible individuals available for appointment, whose names will be furnished by the Office of Personal Management.

The chief judge of the Administrative Law Judge Corps will be appointed by the President with the advice and consent of the Senate and serve for a 5-year term as the chief administrative officer of the Corps. A Judicial Nomination Commission, consisting of five leading members of the bench and bar, will recommend to the President three candidates for the position. To be considered for the position of chief judge, a person must have been an administrative law judge for at least 5 years. The bill provides that the Corps can be divided into not more than 10 and not less than 4 divisions, in keeping with major specialties of administrative law. Each administrative law judge will be assigned to a division after consideration of the judges experience and expertise. Each division will be led by a division chief judge, nominated by the Judicial Nominating Commission and appointed by the President with the advice and consent of the Senate. The division chief judge will exercise administrative control over the division. This bill currently provides for seven divisions, but the total number of divisions can be modified by the Council of the Corps.

The Council will be the policymaking body of the Corps and will be composed of the chief judge and the division chief judges. The Council will have authority over all major policy decisions, the creation of divisions, and the appointment, assignment and transfer of judges. The Council may also prescribe the rules of practice and procedure for the conduct of proceedings and business before the Corps.

In addition to providing for more effective removal and discipline procedures for administrative law judges, this bill will require the chief administrative law judge to submit to the President and Congress an evaluation on the functioning of each administrative law division not later than 2 years after the effective date of this act.

This concept, of creating a unified Corps, is supported by the Judicial Administration Division of the American Bar Association, the National Conference of Administrative Law Judges, Federal Administrative Law Judges, Federal Administrative Law Judges Conference, and the Association of American Law Judges.

I believe this is one of many areas in which the Federal Government could learn from the States. There are currently 10 States which have developed central panel systems for employing hearing officers as opposed to being employed or supervised by an individual agency. Cost savings and efficiencies have been achieved as a result of the use of central panels. More importantly, each of these States has witnessed improved public perception of administrative law judges who are members of a truly independent administrative judiciary. It is now time that these advantages are brought to the Federal Government.

This structural reform is necessary to ensure not only truly independent adjudications, but also to achieve significant cost savings in these times of budgetary constraints and permit more flexible use of the administrative law judges presently employed by 30 separate agencies and departments. Also it should be noted that under this system the merit selection system is preserved and the expertise possessed by administrative law judges will continue to be utilized.

I ask that unanimous consent be given to the introduction into the RECORD of the attached statement of Senator SHELBY.

I urge my colleagues in the Senate to support this vital legislation.

Mr. President, I ask unanimous consent that the text of this bill be printed following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 950

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Administrative Law Judge Corps Act".

ESTABLISHMENT OF ADMINISTRATIVE LAW JUDGE CORPS

SEC. 2. (a) Chapter 5 of title 5, United States Code, is amended by adding at the end thereof a new subchapter IV to read as follows:

"SUBCHAPTER IV—ADMINISTRATIVE LAW JUDGE CORPS

"§ 581. Definitions

"For the purposes of this subchapter—

"(1) 'agency' means an authority referred to in section 551(1) of this title;

"(2) 'Corps' means the Administrative Law Judge Corps of the United States established under section 582 of this title;

"(3) 'administrative law judge' means an administrative law judge appointed under section 3105 of this title on or before the effective date of the Administrative Law Judge Corps Act or under section 587 of this title after such effective date;

"(4) 'chief judge' means the chief administrative law judge appointed and serving under section 583 of this title;

"(5) 'Council' means the Council of the Administrative Law Judge Corps established under section 585 of this title;

"(6) 'Nomination Commission' means the Judicial Nomination Commission for the Administrative Law Judge Corps established under section 586 of this title;

"(7) 'Board', unless otherwise indicated, means the Complaints Resolution Board established under section 589 of this title; and

"(8) 'division chief judge' means the chief administrative law judge of a division appointed and serving under section 584 of this title.

"§ 582. Establishment; membership

"(a) There is established an Administrative Law Judge Corps consisting of all administrative law judges, in accordance with the provisions of subsection (b). Such Corps shall be located in Washington, D.C.

"(b) An administrative law judge serving as such on the date of the commencement of the operation of the Corps shall be transferred to the Corps as of that date. An administrative law judge who is appointed on or after the date of the commencement of the operation of the Corps shall be a member of the Corps as of the date of such appointment.

"§ 583. Chief administrative law judge

"(a) The chief administrative law judge shall be the chief administrative officer of the Corps and shall be the presiding judge of the Corps. The chief judge shall be nominated as prescribed in section 586 of this title and shall be appointed by the President, by and with the advice and consent of the Senate. The chief judge must be an administrative law judge who has served as an administrative law judge for at least five years preceding the date of appointment as chief judge. The chief judge shall serve for a term of five years or until a successor is appointed and qualifies to serve, whichever is earlier. A chief judge may be reappointed upon the expiration of his term, by and with the advice and consent of the Senate, if nominated for reappointment in accordance with section 586 of this title.

"(b)(1) If the office of chief judge is vacant, the division chief judge who is senior in length of service as a member of the Council shall serve as acting chief judge until such vacancy is filled.

"(2) If two or more division chief judges have the same length of service as members of the Council, the division chief judge who is senior in length of service as an administrative law judge shall serve as such acting chief judge.

"(c) The chief judge shall, within ninety days after the end of each fiscal year, make a written report to the President and the Congress concerning the business of the Corps during the preceding fiscal year. The report shall include information and recommendations of the Council concerning the future personnel requirements of the Corps. If the Council recommends the appointment of an administrative law judge to add a new position to the Corps, or to fill a vacancy caused by retirement, resignation, removal or death of such judge, the chief judge shall submit information substantiating the need for such appointment.

"(d) After serving as chief judge, such individual may continue to serve as an administrative law judge unless such individual has been removed from office in accordance with section 589 of this title.

"§ 584. Divisions of the Corps; division chief judges

"(a) The Corps shall have not more than ten and not less than four divisions. Each judge of the Corps shall be assigned to a division. The assignment of a judge who was an administrative law judge on the date of commencement of the operation of the Corps shall be made after consideration of the areas of specialization in which the judge has served. Each division shall be headed by a division chief judge who shall exercise administrative supervision over such division.

"(b) Except as provided in subsection (a), and after the initial appointment of a division chief judge as provided in subsection (c), and the establishment of each division pursuant to this subsection, the number of divisions and the jurisdiction of each division shall be determined by the Council. Until changed by the Council, the divisions of the Corps shall be as follows:

"(1) Division of Communications, Public Utility, and Transportation Regulation.

"(2) Division of Safety and Environmental Regulation.

"(3) Division of Labor.

"(4) Division of Labor Relations.

"(5) Division of Health and Benefits Programs.

"(6) Division of Securities, Commodities, and Trade Regulation.

"(7) Division of General Programs and Grants.

"(c)(1) Each division chief judge shall be nominated as prescribed in section 586 of this title. The first division chief judge of each division set forth in subsection (b) shall be appointed by the President, by and with the advice and consent of the Senate. After such initial appointments, each division chief judge shall be appointed by the chief judge, with the approval of the Council.

"(2) To be eligible for nomination and appointment as a division chief judge, an individual must have served as an administrative law judge for at least five years and should possess experience and expertise in the specialty of the division to which such person is an appointee.

"(3)(A) Division chief judges shall be appointed for five-year terms except that of those division chief judges first appointed, the President shall designate two such individuals to be appointed for five-year terms, three for four-year terms, and two for three-year terms.

"(B) If the number of divisions provided for under this subsection is increased, the initial appointment of a division chief judge to a new division shall be made for a term of no more than five years, such that the terms of no more than four of such division chief judges expire in any one year.

"(4) Any division chief judge appointed to fill an unexpired term shall be appointed only for the remainder of such predecessor's term, but may be reappointed as provided in paragraph (5).

"(5) Any division chief judge may be reappointed upon the expiration of his term if nominated for such appointment pursuant to section 586 of this title.

"(6) Any judge, after serving as division chief judge may continue to serve as an administrative law judge unless such individual has been removed from office in accordance with section 589 of this title.

"§ 585. Council of the Corps

"(a) The policymaking body of the Corps shall be the Council of the Corps. The chief judge and the division chief judges shall constitute the Council. The chief judge shall preside over the Council. If the chief judge is unable to be present at a meeting of the Council, the division chief judge who is senior in length of service as a member of such Council shall preside.

"(b) One half of all of the members of the Council shall constitute a quorum for the purpose of transacting business. The affirmative vote by a majority of all the members of the Council shall be required to approve a matter on behalf of the Council. Each member of the Council shall have one vote.

"(c) Meetings of the Council shall be held at least once a month at the call of the chief judge or by the call of one-third of the members of the Council.

"(d) The Council is authorized—

"(1) to assign judges to divisions and transfer or reassign judges from one division to another, subject to the provisions of section 587 of this title;

"(2) to create or reconstitute divisions of the Corps or abolish any such division effective at the expiration of the term of the division chief judge for such division;

"(3) to appoint persons as administrative law judges and members of the Corps under section 587 of this title;

"(4) to file charges seeking adverse action against an administrative law judge under section 589 of this title;

"(5) subject to the provisions of subsection (e), to prescribe, after providing an opportunity for notice and comment, the rules of practice and procedure for the conduct of proceedings before the Corps, except that, with respect to a category of proceedings adjudicated by an agency before the effective date of the Administrative Law Judge Corps Act, the Council may not amend or revise the rules of practice and procedure prescribed by that agency during the two years following such effective date without the approval of that agency, and any amendments or revisions made to such rules shall not effect or be applied to any pending action;

"(6) to issue such rules and regulations as may be appropriate for the efficient conduct of the business of the Corps and the implementation of this subchapter, including the assignment of cases to administrative law judges;

"(7) subject to the civil service and classification laws and regulations, to select, appoint, employ, and fix the compensation of the employees (other than administrative law judges) that such Council deems necessary to carry out the functions, powers, and duties of the Corps and to prescribe the authority and duties of such employees;

"(8) to establish, abolish, alter, consolidate, and maintain such regional, district, and other field offices as are necessary to carry out the functions, powers, and duties of the Corps and to assign and reassign employees to such field offices;

"(9) to procure temporary and intermittent services under section 3109 of this title;

"(10) to enter into, to the extent or in such amounts as are authorized in appropriation Acts, without regard to section 3709 of the Revised Statutes of the United States (41 U.S.C. 5), contracts, leases, cooperative agreements, or other transactions that may be necessary to conduct the business of the Corps;

"(11) to delegate any of the chief judge's functions or powers with the consent of the chief judge, or whenever the office of such chief judge is vacant, to one or more division chief judges or to other officers or employees of the Corps, and to authorize the redelegation of any of those functions or powers;

"(12) to establish, after consulting with an agency, initial and continuing educational programs to assure that each administrative law judge assigned to hear cases of an agency has the necessary training in the specialized field of law of that agency;

"(13) to make suitable arrangements for continuing judicial education and training of other employees of the Corps, so that the level of expertise in the divisions of the Corps will be maintained and enhanced; and

"(14) to determine all other matters of general policy of the Corps.

"(e) The Council shall select an official seal for the Corps which shall be officially noticed.

"§ 586. Judicial Nomination Commission

"(a) There is established a Judicial Nomination Commission for the Administrative Law Judge Corps. The Nomination Commission shall consist of five members selected as provided in subsection (b). The Nomination Commission shall submit the names of qualified nominees for appointment to the position of chief judge and positions as division chief judges.

"(b) Each of the following persons shall appoint one member to the Nomination Commission within thirty days after the effective date of the Administrative Law Judge Corps Act:

"(1) The chief judge of the United States Court of Appeals for the District of Columbia Circuit.

"(2) The chief judge of the United States District Court for the District of Columbia.

"(3) The Chairman of the Administrative Conference of the United States.

"(4) The President of the American Bar Association.

"(5) The President of the National Bar Association, Incorporated.

"(c)(1) The persons first appointed pursuant to paragraphs (1) and (2) of subsection (b) shall each serve for a term of three years.

"(2) The person first appointed pursuant to paragraph (3) of subsection (b) shall serve for a term of two years.

"(3) The persons first appointed pursuant to paragraphs (4) and (5) of subsection (b) shall each serve for a term of one year.

"(d)(1) Subject to the provisions of this subsection, a vacancy on the Nomination Commission shall be filled in the same manner as the original appointment. An officer or employee of the United States may be a member of the Commission. The Commission shall select one of its members to be the Chairman.

"(2) Any member appointed to serve an unexpired term which has arisen by virtue of the death, disability, retirement, or resignation of a member shall be appointed only for such unexpired term, but shall be eligible for reappointment.

"(3) Each person appointed pursuant to this section after the initial appointments made in accordance with subsection (c) shall be appointed for a term of three years.

"(e)(1) For the initial appointment of the chief judge or, in the event of a subsequent vacancy in such position prior to the end of the term of such judge, the Nomination Commission, within ninety days after the effective date of the Administrative Law Judge Corps Act or sixty days after notification by the acting chief judge that a vacancy has occurred, as the case may be, shall submit to the President for appointment a list of the names of three persons qualified to fill the vacancy.

"(2) Not less than sixty days before the term of the chief judge expires, the Nomination Commission shall submit to the President for appointment a list of the names of three persons, one of whom may be the incumbent chief judge, who are qualified to be the chief judge.

"(3) For the initial appointment of the division chief judges, the Nomination Commission, within ninety days after the effective date of the Administrative Law Judge Corps Act, shall submit to the President for appointment a list of the names of three persons qualified to fill each such position.

"(4) If there is a vacancy in a position of division chief judge, the chief judge shall notify the Chairman of the Nomination Commission within ten days after such vacancy occurs. Within sixty days after such notice, the Nomination Commission shall submit to the chief judge for appointment a list of the names of three persons qualified to fill the vacancy.

"(5) The President, by and with the advice and consent of the Senate, or chief judge, as the case may be, shall appoint judges pursuant to this subsection from the lists provided by the Nomination Commission. The President, or the chief judge, as appropriate, may, however, reject any list provided for any position and request that such Commission submit another list for any such position.

"(f)(1) A member of the Nomination Commission who is an officer or employee of the United States shall not receive additional compensation for serving as a member of such Nomination Commission. Other members of the Commission shall receive compensation at the daily equivalent of the rate provided for employees in grade GS-18 of the General Schedule, established under section 5332 of this title, for each day, including traveltime, he or she is engaged in the actual performance of his or her duties as a member of the Commission. A member shall not be deemed an officer or employee of the United States solely by reason of his or her service as a member of the Nomination Commission.

"(2) All agencies of the United States shall provide to the Nomination Commission, to the extent allowed by law, the assistance and facilities that the Nomination Commission requests, including access to records and other information pertaining to prospective nominees, in order to enable the Nomination Commission to perform its functions. Records and information so furnished shall be treated as privileged and confidential by the Nomination Commission.

"(3) Funds appropriated to conduct the general operations of the Corps may be expended to defray the expenses of the Nomination Commission.

"§ 587. Appointment and transfer of administrative law judges

"(a) After the initial establishment of the Corps, the Council shall appoint new or additional judges as may be necessary for the efficient and expeditious conduct of the business of the Corps. Appointments shall be made from a register maintained by the Office of Personnel Management under subchapter I of chapter 33 of this title. Upon request by the chief judge, the Office of Personnel Management shall certify enough names from the top of such register to enable the Council to consider five names for each vacancy. Notwithstanding section 3318 of this title, a vacancy in the Corps may be filled from the highest five eligible individuals available for appointment on the certificate furnished by the Office of Personnel Management.

"(b) A judge of the Corps may not perform or be assigned to perform duties inconsistent with the duties and responsibilities of an administrative law judge.

"(c) A judge of the Corps on the date of commencement of the operation of the Corps may not thereafter be involuntarily reassigned to a new permanent duty station if such station is beyond commuting distance of the duty station which is the judge's permanent duty station on that date, unless the Council determines and submits a written explanation to the judge stating that such reassignment is required to meet substantial changes in workloads. A judge may be temporarily detailed, once in a twenty-four-month period, to a new duty station at any location, for a period of not more than one hundred and twenty days.

"§ 588. Jurisdiction

"(a) All types of cases, claims, actions and proceedings heretofore held before administrative law judges shall be referred to the Corps.

"(b) An administrative law judge who is a member of the Corps shall hear and render a decision upon—

"(1) every case of adjudication subject to the provisions of section 554 of this title;

"(2) every case in which hearings are required by law to be held in accordance with section 554 or section 556 of this title; and

"(3) every other case referred to the Corps by an agency or court in which a determination is to be made on the record after an opportunity for a hearing.

"(c) When a case under subsection (b) arises, it shall be referred to the Corps. Under regulations issued by the Council the case shall be assigned to an administrative law judge. Administrative law judges shall be assigned to cases within their division in rotation, so far as practicable.

"(d) Federal agencies and courts are hereby authorized to refer to the Corps any other case where a determination on the record after an opportunity for a hearing by a judge of the Corps is found by such court or agency to be desirable and appropriate.

"§ 589. Removal and discipline

"(a) Except as provided in subsection (b) of this section—

"(1) an administrative law judge may not be removed, suspended, reprimanded, or disciplined except for misconduct or neglect of duty, but may be removed for physical or mental disability; and

"(2) an action specified in paragraph (1) of this subsection may be taken against an administrative law judge only after the Council has filed a notice of adverse action against the administrative law judge with the Merit Systems Protection Board and the Board has determined, on the record after an opportunity for a hearing before the Board, that there is good cause to take such action.

"(b) Subsection (a) does not apply to—

"(1) the replacement or reassignment of a division chief judge as provided in section 585(d) of this title; and

"(2) an action initiated under section 1206 of this title.

"(c) Under regulations issued by the Council, a Complaints Resolution Board shall be established within the Corps to consider and to recommend appropriate action to be taken when a complaint is made concerning the official conduct of a judge. Such complaint may be made by any interested person, including parties, practitioners, the chief judge, and agencies.

"(d) The Board shall consist of two judges from each division of the Corps who shall be appointed by the Council. The chief judge and the division chief judges may not serve on such Board.

"(e) A complaint of misconduct by an administrative law judge must be made in writing. The complaint shall be filed with the chief judge, or it may be originated by the chief judge on his own motion. The chief judge shall refer the complaint to a panel consisting of three members of the Board selected by the Council, none of whom may be serving in the same division as the administrative law judge who is the subject of the complaint. The administrative law judge who is the subject of the complaint shall be given notice of the complaint and the composition of the panel. The administrative law judge may challenge peremptorily not more than two members of the panel. The Council shall replace a challenged member with another member of the Board who is eligible to serve on such panel.

"(f) The panel shall inquire into the complaint and shall render a report thereon to the Council. A copy of the report shall be provided concurrently to the administrative law judge who is the subject of the complaint. The report shall be advisory only.

"(g) The proceedings, deliberations, and reports of the Board and the contents of complaints under this section shall be treated as privileged and confidential. Documents considered by the Board and reports of the Board are exempt from disclosure or publication under section 552 of this title. Section 552b of this title does not apply to the Board.".

(b) The table of sections for chapter 5 of title 5, United States Code, is amended by adding at the end thereof the following:

"SUBCHAPTER IV—ADMINISTRATIVE LAW JUDGE CORPS

"Sec.
"581. Definitions.
"582. Establishment; membership.
"583. Chief administrative law judge.
"584. Divisions of the Corps; division chief judges.
"585. Council of the Corps.
"586. Judicial Nomination Commission.
"587. Appointment and transfer of administrative law judges.
"588. Jurisdiction.
"589. Removal and discipline.".

AGENCY REVIEW STUDY AND REPORT

SEC. 3. The chief administrative law judge of the Administrative Law Judge Corps of the United States shall make a study of the various types and levels of agency review to which decisions of administrative law judges are subject. A separate study shall be made for each division of the Corps. The studies shall include monitoring and evaluating data and shall be made in consultation with the division chief judges, the Chairman of the Administrative Conference of the United States, and the agencies that review the decisions of administrative law judges. Not later than two years after the effective date of this Act, the Council shall report to the President and the Congress on the findings and recommendations resulting from the studies. The report shall include recommendations, including recommendations for new legislation, for any reforms that may be appropriate to make review of administrative law judges' decisions more efficient and meaningful and to accord greater finality to such decisions.

TRANSITION AND SAVINGS PROVISIONS

SEC. 4. (a) There are transferred to the administrative law judges of the Administrative Law Judge Corps established by section 582 of title 5, United States Code (as added by section 2 of this Act), all functions performed on the day before the effective date of this Act by the administrative law judges appointed under section 3105 of such title before the effective date of this Act.

(b) With the consent of the agencies concerned, the Administrative Law Judge Corps of the United States may use the facilities and the services of officers, employees, and other personnel of agencies from which functions and duties are transferred to the Corps for so long as may be needed to facilitate the orderly transfer of those functions and duties under this Act.

(c) The personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available, in connection with the functions, offices, and agencies transferred by this Act, are, subject to section 1531 of title 31, United States Code, correspondingly transferred to the Corps for appropriate allocation.

(d) The transfer of personnel pursuant to subsection (b) of this section shall be without reduction in pay or classification for one year after such transfer.

(e) The Director of the Office of Management and Budget, at such time or times as the Director shall provide, may make such determinations as may be necessary with regard to the functions, offices, agencies, or portions thereof, transferred by this Act, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, offices, agencies, or portions thereof, as may be necessary to carry out the provisions of this Act.

(f) All orders, determinations, rules, regulations, certificates, licenses, and privileges which have been issued, made, granted, or allowed to become effective in the exercise of any duties, powers, or functions which are transferred under this Act and are in effect at the time this Act becomes effective shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Administrative Law Judge Corps of the United States or a judge thereof in the exercise of authority vested in the Corps or its members by this Act, by a court of competent jurisdiction, or by operation of law.

(g) Except as provided in subsections (d)(5) and (e) of section 585 of title 5, United States Code, this Act shall not affect any proceeding before any department or agency or component thereof which is pending at the time this Act takes effect. Such a proceeding shall be continued before the Administrative Law Judge Corps of the United States or a judge thereof, or, to the extent the proceeding does not relate to functions so transferred, shall be continued before the agency in which it was pending on the effective date of this Act.

(h) No suit, action, or other proceeding commenced before the effective date of this Act shall abate by reason of the enactment of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 5. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act and subchapter IV of title 5, United States Code (as added by section 2 of this Act).

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 6. Title 5, United States Code, is amended as follows:

(1) Section 573(b) is amended by redesignating paragraphs (4), (5), and (6) as para-

graphs (5), (6), and (7), respectively, and inserting a new paragraph (4) to read as follows:

"(4) the chief administrative law judge of the Administrative Law Judge Corps of the United States;".

(2) Section 3105 is amended to read as follows:

"§ 3105. Appointment of administrative law judges

"Administrative law judges shall be appointed by the Council of the Administrative Law Judge Corps pursuant to section 587 of this title.".

(3) Section 3344 and any references to such section are repealed.

(4) The table of sections for chapter 33 is amended by striking out the item relating to section 3344.

(5) The tables of contents of this title and of chapter 5 thereof each are amended by inserting after the item relating to section 559 the following:—

(6)(A) Subchapter III of chapter 75 of title 5, United States Code, is repealed.

(B) The table of sections at the beginning of chapter 75 of title 5, United States Code, is amended—

(i) by striking out the items relating to subchapter III and section 7521;

(ii) by redesignating "Subchapter IV" and all references to such subchapter as "Subchapter III"; and

(iii) by redesignating "Subchapter V" and all references to such subchapter as "Subchapter IV".

(7) Section 5314 is amended by adding at the end thereof the following:

"Chief Administrative Law Judge of the Administrative Law Judge Corps".

(8) Section 5315 is amended by adding at the end thereof the following:

"Division Chief Judges of the Administrative Law Judge Corps".

(9) Section 5316 is amended by adding at the end thereof the following:

"Administrative Law Judges in the Administrative Law Judge Corps.".

(10)(A) Section 5372 is repealed.

(B) The table of sections at the beginning of chapter 53 of such title is amended by striking out the item relating to section 5372.

OPERATION OF THE CORPS

SEC. 7. Operation of the Corps shall commence on the date the first chief administrative law judge of the Corps takes office.

CONTRACT DISPUTES ACT

SEC. 8. Nothing in this Act or the amendments made by this Act shall be deemed to affect any agency board established pursuant to the Contract Disputes Act (41 U.S.C. 601), or any other person designated to resolve claims or disputes pursuant to such Act.

EFFECTIVE DATE

SEC. 9. Except as otherwise provided, this Act and the amendments made by this Act shall take effect on the date of enactment.

Mr. SHELBY. Mr. President, I am pleased to join as an original cosponsor of the Administrative Law Judge Corps Act introduced today by Senator HOWELL HEFLIN, the distinguished senior Senator from Alabama. An independent judiciary, free from the partisan politics of our legislative and executive branches, insulated from the whims of clamoring special interest groups, and devoid of the conflict of interest inherent in most public service positions, has admirably served as the final arbitrator to our Nation's legal questions. The independence of the adjudicatory process of our Federal agencies and departments, however, has until now been exposed to the potential conflict of interest which permeates our bureaucracy.

It is with this in mind that I urge passage of this bill which would establish a unified Administrative Law Judge Corps. Rather than adding another layer to an overburdened legal system, the bill, if enacted, would create a system of administrative justice which would guarantee the integrity and decisional independence of administrative law judges. Free from the possible constraints of party or personal obligation, administrative judges would be in a better position to insure fairness and objectivity while affording each litigant our time-honored right of due process before the law.

The new judge corps would be both flexible and cost effective. Instead of appointing judges to serve only one agency, the unified corps concept allows judges to be shifted from one division to another depending upon each agency's current needs. Waste and inefficiency will be cut, money will be saved, and the taxpayer will receive better and more productive service for his tax dollar.

Furthermore, this legislation will add to the discipline and administrative efficiency of the corps by establishing a comprehensive peer review for all members, and by eliminating the multiple lines of authority which typify current agency organizational charts. Law judges and legal experts, as opposed to nonattorney managers, will be responsible for legal matters and procedures.

The implementation of similar administrative law judge corps systems has been met with overwhelming approval in numerous States across the Nation. From Maine to California, the public perception of administrative law judges has markedly improved. No longer viewed as highly trained legal bureaucrats, administrative judges in these States are now seen as members of a truly independent administrative judiciary. If for no other reason than to promote the unique phenomenon of a bureaucratic sector being favorably viewed by the public, I request that my colleagues support this measure.

By Mr. HEFLIN:

S. 951. A bill entitled the "Federal Courts Study Act"; to the Committee on the Judiciary.

FEDERAL COURTS STUDY ACT

Mr. HEFLIN. Mr. President, there is no doubt that orderly and effective administration of justice is the key to ensuring the life, liberty, and happiness of all Americans. Our constitutional freedom is premised on certain assumptions: one is the belief that our judicial system will serve the needs of every individual.

We cannot be a completely free society if our courts are not equipped to render justice equally and swiftly. We cannot be free when intercircuit conflicts and a backlog of cases prevent the orderly enforcement of our most cherished constitutional rights. And we cannot be free if we continue to ignore the mounting pressures being exerted on our court system.

Today, I am introducing legislation which will establish a Federal courts study commission for a 10-year period. The purpose of the commission will be to evaluate and provide an eventual solution to the problems currently facing the courts; to make a complete study of the jurisdiction of the courts of the United States and the courts on the State level; to recommend revisions to the Constitution and laws of the United States; to assimilate studies on the effectiveness of the courts; and to develop a long-range plan for the judicial system.

This legislation will help develop a workable overall game plan for the future and it will avoid haphazard and piecemeal reforms. Former Chief Justice Burger was instrumental in drawing attention to the need for study and change, and in July 1980, he requested Judge Clifford Wallace of the Ninth Circuit Court of Appeals, to look toward the future and predict the state of the court system by the year 2000. The concept for the study commission evolved from the outstanding work of Judge Wallace.

Judge Wallace submitted his working paper "Future of the Judiciary" on February 20, 1981, 6 years ago. In those 6 years, the problem hasn't gone away, and a solution hasn't been achieved. The increase in court cases shows no signs of declining and adding personnel provides only a temporary reprieve.

Over a 10-year period, from 1977 to 1986 the number of civil cases filed in Federal district court has increased from 130,567 to 254,828. The number of cases on the Supreme Court docket in 1977 was 4,704. In the last term which ended July 1986, there were 5,158 cases on the docket.

As legislators, we have a responsibility to learn from the past, take heed of the present, and to prepare for the future.

While we all too frequently avoid problems by appointing commissions to study them, a panel to comprehensively and dispassionately study the delicate question of the proper role and scope of our judicial system is a concept which is not only worthwhile, but long overdue. But the purpose of this legislation is more far-reaching than a mere study of the problem. Study is the first function, drawing upon the information and the research which has existed on the shelves of many libraries over the past 10 years. But this legislation goes beyond study to recommendations for change—and, this is the critical point, this legislation provides for implementation of those recommendations.

That is where commissions in the past have fallen short. They have only had the authority to make the recommendations—not to follow through on their implementation.

It is also important to note that this legislation combines the expertise of the three branches of Government. No one branch operates in a vacuum and to really address the future of the judiciary will demand a reasoned, balanced, and bipartisan approach.

Chief Justice William Rehnquist in his 1986 yearend report on the Federal judiciary commented:

> In 1987, it is already clear, there must be initial attention to continuing problems in this country's administration of justice. Those in the judicial branch have their perspectives on the administration of justice and its needs. Those in the legislative branch and in the executive branch have theirs. So too do the bar and the citizenry. The challenge is to realize the potential of these perspectives.

The greatness of our Nation's judiciary will depend on our ability to determine our future needs and revise our judicial system in line with our constitutional principles. This legislation provides us an opportunity to shape the future of our judiciary, not merely accept what evolves over time because of our inaction.

I ask unanimous consent that the text of the bill be printed in the RECORD, immediately following my statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 951

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Courts Study Act".

ESTABLISHMENT AND PURPOSES OF THE COMMISSION

SEC. 2. (a) There is hereby established a Federal Courts Study Commission on the future of the Federal Judiciary (hereafter referred to as the "Commission").

(b) The purposes of the Commission are to—

(1) study the jurisdiction of the courts of the United States;

(2) evaluate the procedures, personnel, business and administration of the courts;

(3) examine problems currently facing the courts;

(4) order, receive, and review reports from all dispute resolving bodies, including courts, administrative agencies, and alternative dispute resolution entities; and further, collect, and review all private and public studies concerning the effectiveness of courts of the United States, the jurisdiction of the courts and their procedures, personnel, business, and administration;

(5) report to the President, the Congress, the Judicial Conference of the United States, and the State Justice Institute, on the revisions, if any, in the Constitution and laws of the United States where the Commission, based on its study and evaluation, deems advisable; and

(6) develop a long-range plan for the future of the Federal Judiciary, including assessments involving—

(A) alternative methods of dispute resolution;

(B) the actual structure and administration of the Federal court system;

(C) the manner in which courts handle cases;

(D) methods of resolving intracircuit and intercircuit conflicts in the court of appeals; and

(E) the types of disputes resolved by the Federal courts and Federal agencies.

MEMBERSHIP OF THE COMMISSION

SEC. 3. (a) The Commission shall be composed of fourteen members appointed, within ninety days after the effective date of this Act, as follows:

(1) four members appointed by the President of the United States with not more than two members from any major political party;

(2) two members of the Senate appointed by the President pro tempore of the Senate, one of whom shall be appointed upon the recommendation of the majority leader and one of whom shall be appointed upon the recommendation of the minority leader;

(3) two members of the House of Representatives appointed by the Speaker of the House of Representatives, one of whom shall be appointed upon the recommendation of the majority leader and one of whom shall be appointed upon the recommendation of the minority leader;

(4) four members appointed by the Chief Justice of the United States with no more than two of such members from any major political party; and

(5) two members appointed by the Conference of Chief Justices, with no more than one such member being from any major political party.

(b) The membership of the Commission shall be selected in such a manner as to be broadly representative of the various interests, needs, and concerns which may be affected by the jurisdiction of the Federal courts.

(c) The term of office of each Commission member shall be five years. Any member who was appointed pursuant to paragraph (2) or (3) of subsection (a) who vacates such office during his term of office with the Commission shall vacate his position on the Commission also. A member appointed to fill any such vacancy shall be appointed only for the remainder of his predecessor's term. Vacancies in the Commission shall not affect its powers and shall be filled in the same manner in which the original appointment was made.

(d) The Commission shall select a Chairman and a Vice Chairman from among its members.

(e) Eight members of the Commission shall constitute a quorum.

POWERS OF THE COMMISSION

SEC. 4. (a) The Commission or, on the authorization of the Commission, any subcommittee thereof may, for the purpose of carrying out its functions and duties, hold such hearings and sit and act at such times and places, administer such oaths, and request the attendance and testimony of such witnesses, and the production of such books, records, correspondence, memorandums, papers, and documents as the Commission, or any such subcommittee may deem advisable.

(b) The Administrative Office of the United States Courts, and the Federal Judicial Center, and each department, agency, and instrumentality of the executive branch of the Government, including the National Institute of Justice and independent agencies, shall furnish to the Commission, upon request made by the Chairman or Vice Chairman, such information and assistance as the Commission may reasonably deem necessary to carry out its functions under this Act, consistent with other applicable provisions of law governing the release of such information.

(c) Subject to such rules and regulations as may be adopted by the Commission, the Chairman shall have the power to—

(1) appoint and fix the compensation of an Executive Director, and such additional staff personnel as he deems necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such Act relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of such Act, and

(2) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $200 a day for individuals.

(d) To the extent or in such amounts as are provided in appropriation Acts, the Commission is authorized to enter into interagency agreements or contracts with the Federal Judicial Center, the National Center for State Courts, Federal or State agencies, private firms, institutions, and individuals for the conduct of research or surveys, the preparation of reports, and other activities necessary to the discharge of its duties.

(e) The Commission is authorized to receive financial assistance from sources other than the Federal Government, including assistance from private foundations.

(f) The Commission is authorized, for the purpose of carrying out its functions and duties pursuant to this Act, to establish advisory panels consisting of members either of the Commission or of the public. Such panels shall be established to provide expertise and assistance in specific areas, as the Commission deems necessary.

FUNCTIONS AND DUTIES

SEC. 5. (a) The Commission shall—

(1) make a complete study of the jurisdiction of the courts of the United States and of the several States and report to the President and the Congress on such study within two years after the effective date of this Act;

(2) recommend revisions to be made to the Constitution and laws of the United States as the Commission, on the basis of such study, deems advisable;

(3) collect and review studies on the effectiveness of the courts;

(4) develop a long-range plan for the judicial system;

(5) submit annual written reports to the President and the Congress on the condition of the judiciary, which shall contain a summary of their findings, recommendations,

and conclusions, submitting the first such report within one year after the study concluded pursuant to paragraph (1);

(6) make any recommendations and conclusions it deems advisable every year thereafter.

(b) The study of the jurisdiction of the courts conducted by the Commission pursuant to paragraph (1) of subsection (a) shall be completed within two years after the effective date of this Act and shall be given priority over the other functions and duties being carried out by the Commission during such time.

COMPENSATION OF MEMBERS

SEC. 6. (a) A member of the Commission who is an officer or full-time employee of the United States shall receive no additional compensation for his or her services, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of duties vested in the Commission, but such amount shall not exceed the maximum amounts authorized under section 456 of title 28, United States Code.

(b) A member of the Commission who is from the private sector shall receive $200 per diem for each day (including traveltime) during which he or she is engaged in the actual performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of such duties, but such amounts shall not be in excess of the maximum amounts authorized under section 456 of title 28, United States Code.

REPORTS

SEC. 7. (a)(1) The Commission shall transmit to the President and to the Congress, not later than two years after the effective date of this Act, a study of the jurisdiction of the courts of the United States and of the several States pursuant to section 5(a)(1) of this Act. The Commission shall thereafter, in keeping with its functions, annually transmit to the President and the Congress a report on the condition of the judiciary and summarize any findings, and make any recommendations and conclusions it deems advisable on the basis of its previous activities.

(2) Not later than ten years after the effective date of this Act the Commission shall submit a final report containing a detailed statement of the findings and conclusions of the study conducted pursuant to this Act, together with any recommendations it deems advisable.

EXPIRATION OF THE COMMISSION

SEC. 8. The Commission shall cease to exist on the date ninety days after it transmits the final report pursuant to section 7 of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 9. To carry out the purposes of this Act there are authorized to be appropriated $700,000 for each of the fiscal years 1988 and 1989, and $800,000 for each of the eight succeeding fiscal years 1990 through 1997.

EFFECTIVE DATE

SEC. 10. This Act shall become effective upon the date of enactment.

By Mr. HEFLIN:

S. 952. A bill to improve the administration of justice by providing greater discretion to the Supreme Court in selecting cases it will review, and for other purposes; to the Committee on the Judiciary.

MANDATORY JURISDICTION OF THE SUPREME COURT

Mr. HEFLIN. Mr. President, in a continuing effort to address the problems facing our Federal judicial system, today I am introducing legislation aimed at court reform.

This bill will provide the Supreme Court with greater discretion in selecting the cases it will review, by eliminating mandatory Supreme Court review for certain types of cases now guaranteed review through the right of appeal. These cases include: First, Federal district court decisions invalidating acts of Congress, where the United States is a party (28 U.S.C. section 1252); second, those decisions of U.S. Courts of Appeal which hold a State statute invalid because it violates the Constitution, treaties, or laws of the United States (28 U.S.C. section 1254); and third, those cases where the highest court of a State has either held a treaty or statute of the United States invalid, or has upheld the validity of a State statute in the face of a constitutional challenge (28 U.S.C. 1257 sections (1) and (2).

This legislation does not preclude Supreme Court review of these cases and the other statutes outlined in the bill, but provides for review by certiorari.

Under the current law, the Supreme Court devotes an inordinate amount of time deciding these cases on the merits—not because these decisions will have a significant national impact, but because they fall within a certain class.

If we invest in the Supreme Court the power to act as the final arbiter of the laws of this Nation, then we should entrust the Justices with the corresponding discretion to choose the cases that warrant this consideration, and the investment of judicial resources.

The administration of justice in the United States depends in large part on the ability of the Supreme Court to manage its own docket. That is fundamental.

Other proposals for court reform have generated both support and opposition. This bill is one of the few court reform proposals that seems to have the unqualifed support of all of the affected parties. The American Bar Association has been supportive of this concept. The administration has also endorsed this legislation in the past. Similar legislation has previously passed both Houses of Congress, and in 1982, all nine Justices of the Supreme Court sent a letter to both the Senate and House Judiciary Committees indicating their strong support for repeal of the mandatory jurisdiction.

The Justices' letter stated in part:

> The present mandatory jurisdiction provisions permit litigants to require cases to be decided by the Supreme Curt of the United States without regard to the importance of the issue presented or their impact on the general public. Unfortunately, there is no correlation between the difficulty of the legal issues presented in a case and the importance of the issue to the general public. For this reason, the Court must often call for full briefing and oral argument in difficult issues which are of little significance. At present, the Court must devote a great deal of its limited time and resources on cases which do not, in Chief Justice Taft's works, "Involve principles, the application of which are of wide public importance or governmental interest, and which should be authoritatively declared by the final court."
>
> It is impossible for the Court to give plenary consideration to all the mandatory appeals it receives; to have done so, for example, during the 1980 term would have required at least 9 additional weeks of oral argument or a 75 percent increase in the argument calendar. To handle the volume of appeals presently being received, the Court must dispose of many cases summarily, often without written opinion. Unfortunately, these summary decisions are decisions on the merits which are binding on State courts and other Federal courts. See *Mandel* v. *Bradley*, 432 U.S. 172 (1977): *Hicks* v. *Miranda*, 422 U.S. 332 (1975). Because they are summary in nature these dispositions often also provide uncertain guidelines for the courts that are bound to follow them and, not surprisingly, such decisions sometimes create more confusion than they seek to resolve. The only solution to the problem, and one that is consistent with the intent of the Judiciary Act of 1925 to give the Supreme Court discretion to select those cases it deems most important, is to eliminate or curtail the Court's mandatory jurisdiction.

This is not a new idea. I think a statement made by Prof. Maurice Rosenberg, during a hearing on court reform, best summarizes the frustrations of those of us who have worked to enact this legislation: "The removal of the Supreme Court's obligatory jurisdiction is so clearly needed, long-overdue, and widely supported that the failure to accomplish it before now is a tribute to nothing so much as gross inertia."

I hope that this statement does not reflect the future of this legislation in the 100th Congress.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 952

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 1252 of title 28, United States Code, and the item relating to that section in the section analysis of chapter 81 of such title, are repealed.

REVIEW OF DECISIONS INVALIDATING STATE STATUTES

SEC. 2. (a) Section 1254 of title 28, United States Code, is amended by striking out paragraph (2) and redesignating paragraph (3) as paragraph (2).

(b) The section heading for section 1254 of such title is amended by striking out "appeal;".

(c) The item relating to section 1254 in the section analysis of chapter 81 of title 28, United States Code, is amended by striking out "appeal;".

REVIEW OF STATE COURT DECISIONS INVOLVING VALIDITY OF STATUTES

SEC. 3. Section 1257 of title 28, United States Code, is amended to read as follows:

"§ 1257. State courts; certiorari

"(a) Final judgments or decrees rendered by the highest court of a State in which a decision could be had, may be reviewed by the Supreme Court by writ of certiorari where the validity of a treaty or statute of the United States is drawn in question or where the validity of a statute of any State is drawn in question on the ground of its being repugnant to the Constitution, treaties, or laws of the United States, or where any title, right, privilege, or immunity is specially set up or claimed under the Constitution or the treaties or statutes of, or any commission held or authority exercised under, the United States.

"(b) For the purposes of this section, the term 'highest court of a State' includes the District of Columbia Court of Appeals.".

REVIEW OF DECISIONS FROM SUPREME COURT OF PUERTO RICO

SEC. 4. Section 1258 of title 28, United States Code, is amended to read as follows:

"§ 1258. Supreme Court of Puerto Rico; certiorari

"Final judgments or decrees rendered by the Supreme Court of the Commonwealth of Puerto Rico may be reviewed by the Supreme Court by writ of certiorari where the validity of a treaty or statute of the United States is drawn in question or where the validity of a statute of the Commonwealth of Puerto Rico is drawn in question on the ground of its being repugnant to the Constitution, treaties, or laws of the United States, or where any title, right, privilege, or immunity is specially set up or claimed under the Constitution or the treaties or statutes of, or any commission held or authority exercised under, the United States.".

CONFORMING AMENDMENTS

SEC. 5. (a) The items relating to sections 1257 and 1258 in the section analysis of chapter 81 of title 28, United States Code, are amended to read as follows:

"1257. State courts; certiorari.

"1258. Supreme Court of Puerto Rico; certiorari.".

(b) Section 2101(a) of title 28, United States Code, is amended by striking out "sections 1252, 1253 and 2282" and inserting in lieu thereof "section 1253".

(c)(1) Section 2104 of title 28, United States Code, is amended to read as follows:

"§ 2104. Reviews of State court decisions

"A review by the Supreme Court of a judgment or decree of a State court shall be conducted in the same manner and under the same regulations, and shall have the same effect, as if the judgment or decree reviewed had been rendered in a court of the United States.".

(2) The item relating to section 2104 in the section analysis of chapter 133 of title 28, United States Code, is amended to read as follows:

"2104. Reviews of State court decisions.".

(d) Section 2350(b) of title 28, United States Code, is amended by striking out "1254(3)" and inserting in lieu thereof "1254(2)".

AMENDMENTS TO OTHER LAWS

SEC. 6. (a) Section 310 of the Federal Election Campaign Act of 1971 (2 U.S.C. 437h) is amended by repealing subsection (b).

(b) Section 2 of the Act of May 18, 1928 (25 U.S.C. 652), is amended by striking out ", with the right of either party to appeal to the United States Court of Appeals for the Federal Circuit".

(c) The last sentence of section 203(d) of the Trans-Alaska Pipeline Authorization Act(43 U.S.C. 1652(d)) is amended to read as follows: "An interlocutory or final judgment, decree, or order of such district court may be reviewed only upon petition for a writ of certiorari to the Supreme Court of the United States.".

(d) Section 209(e)(3) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 719(e)(3)) is amended—

(1) in the first sentence by striking out ", except that" all all that follows through the end of the sentence and inserting in lieu thereof a period; and

(2) in the second sentence by striking out "pertition or appeal shall be filed" and inserting in lieu thereof "such petition shall be filed in the Supreme Court".

(e) Section 303(d) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 743(d)) is amended to read as follows:

"(d) REVIEW.—a Finding or determination entered by the special court pursuant to subsection (c) of this section or section 306 of this title shall be reviewable only upon petition for a writ of certiorari to the Supreme Court of the United States. Such review is exclusive and any such petition shall be filed in the Supreme Court not more than 20 days after entry of such finding or determination.".

(f) Section 1152(b) of the Omnibus Budget Reconciliation Act of 1981 (45 U.S.C. 1105(b)) is amended—

(1) in the first sentence by striking out ", except that" and all that follows through the end of the sentence and inserting in lieu thereof a period; and

(2) in the second sentence by striking out "petition or appeal shall be filed" and inserting in lieu thereof "such petition shall be filed in the Supreme Court".

(g) Section 206 of the International Claims Settlement Act of 1949 (22 U.S.C. 1631e) is amended by striking out "1252, 1254,".

(h) Section 12(a) of the Act of May 13, 1954, commonly known as the Saint Lawrence Seaway Act (33 U.S.C. 988(a)), is amended by striking out "1254(3)" and inserting in lieu thereof "1254(2)".

EFFECTIVE DATE

SEC. 7. The amendments made by this title shall take effect ninety days after the date of the enactment of this title, except that such amendments shall not apply to cases pending in the Supreme Court on the effective date of such amendments or affect the right to review or the manner of reviewing the judgment or decree of a court which was entered before such effective date.

By Mr. HEFLIN (for himself, Mr. BUMPERS, and Mr. PRYOR):

S. 953. A bill to amend the Federal Rules of Civil Procedure with respect to the examination of prospective jurors; to the Committee on the Judiciary.

S. 954. A bill to amend the Federal Rules of Criminal Procedure with respect to the examination of prospective jurors; to the Committee on the Judiciary.

VOIR DIRE LEGISLATION

Mr. HEFLIN. Mr. President, today, I am introducing two bills which will provide a more functional procedure in the voir dire examination of jurors in the U.S. district courts. The single most fundamental aspect of the American system of justice is a fair and impartial jury. Each of us has some predisposition or bias and the voir dire procedure is essential to identifying which prospective jurors are controlled or influenced by a particular bias. This legislation will require Federal judges to allow attorneys to question prospective jurors during the voir dire process. One amends rule 47(a) of the Federal Rules of Civil Procedure and the other, rule 24(a) of the Federal Rules of Criminal Procedure.

Currently, Federal rules permit attorneys to conduct voir dire only at the discretion of the court. When the court undertakes voir dire, counsel may either engage in such supplemental examination as the court deems proper or submit additional questions to the court for the jury. The scope of counsel participation in this process is wholly within the discretion of the court. These bills will amend current practice to require the court to permit counsel to participate directly in the examination of prospective jurors if counsel so requests. Juror studies have revealed that jurors are extremely intimidated by the judge as an authority figure and are inclined to give more candid answers to attorneys when asked the same questions.

As a former chief justice of the Alabama Supreme Court and a trial lawyer for more than a quarter of a century, I have studied the voir dire process from every perspective. I believe that attorneys representing the parties involved are best equipped to elicit bias and prejudice often not apparent on the surface. The Supreme Court has held that the "guiding hand of counsel" should be present at every critical stage of criminal trial. *Powell* v. *Alabama,* 287 U.S. 45 (1932). The importance of attorney participation is no less critical in a civil trial.

I know that there is concern among those in the judicial branch that this legislation will somehow usurp the authority of the judge in the courtroom. I assure you this is not my intention nor will it be the outcome of this legislaion. I would like to point out that in the interest of judicial efficiency this bill provides each side of the litigation a minimum participation time of 30 minutes. Beyond the 30-minute time limitation, any additional time is purely at the discretion of the judge. In cases involving multiple parties, each additional party will be given 10 minutes, but the total time required to be allowed shall not exceed 1 hour.

The judge still remains in control of the courtroom and the examination process. The power of judges to control the content of the voir dire, just as they control the content of opening and closing statements and the phrasing of questions to witnesses, will be unchanged. Judges will not be rendered helpless by unlimited voir dire. If a question is embarrassing to a potential juror, if it has adversarial overtones, or if it is otherwise improper, judges will have the unfettered discretion they always enjoy in the courtroom. The firm hand of the judge will continue to dictate the course of justice.

The 1977 Judicial Conference study prepared by the Federal Judicial Center noted that in civil cases voir dire with lawyer participation lasted 44 minutes as compared to 36 minutes without; in criminal cases voir dire with lawyer participation lasted 52 minutes but averaged 51 without.

I do not question the motives of my colleagues in the judicial branch for I know that their concern is based on nothing less than a commitment to the efficient administration of justice. It is my opinion, however, that we need not sacrifice efficiency by allowing attorneys to participate in the process of voir dire. Adding another actor to the play does not necessitate a longer play; It may, instead precipitate a more just ending.

I urge my colleagues to support this legislation, and request that the two bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 953

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Rule 47(a) of the Federal Rules of Civil Procedure is amended to read as follows:

"(a) EXAMINATION OF JURORS.—Upon the request of the plaintiff or defendant, the court shall permit such plaintiff and defendant or their attorneys each a minimum of 30 minutes to conduct an oral examination of the prospective jury. Additional time for examination by the attorneys may be provided at the court's discretion and the court may, in addition to such examination, conduct its own examination. The court shall have the authority to impose reasonable limitations with respect to the questions allowed during such voir dire examination. In a case in which there are multiple parties, each side shall have an additional 10 minutes for each additional party, except that the total time required to be allowed shall not exceed one hour per side.".

S. 954

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Rule 24(a) of the Federal Rules of Criminal Procedure is amended to read as follows:

"(a) EXAMINATION.—Upon the request of the defendant or the Government, the court shall permit the defendant or his attorney and the attorney for the Government each a minimum of 30 minutes to conduct an oral examination of the prospective jury. Additional time for examination by the attorneys may be provided at the court's discretion, and the court may, in addition to such examination, conduct its own examination. The court shall have the authority to impose reasonable limitations with respect to the questions allowed during such voir dire examination. In a case in which there are multiple defendants, each side shall have an additional 10 minutes for each additional defendant, except that the total time required to be allowed shall not exceed one hour per side.".

By Mr. MATSUNAGA:

S. 955. A bill to amend section 507 of the Tariff Act of 1930 to provide an allowance for detectable moisture and impurities in determining tare on imports of crude oil and petroleum products; to the Committee on Finance.

ALLOWANCES IN DETERMINING TARE ON IMPORTS OF CRUDE OIL AND PETROLEUM PRODUCTS

Mr. MATSUNAGA. Mr. President, I am today introducing legislation, S. 955, to amend section 507 of the Tariff Act of 1930 in order to permit an allowance for detectable sediment and water in crude and petroleum product imports.

The Tariff Act of 1930 permits the U.S. Customs Service to make an allowance for excess water and sediment found in imported crude oil and products. U.S. Customs Service regulations (19 CFR 151.46) allow a crude oil importer to be exempted from duty on only a portion of the water and sediment imported with crude oil and petroleum products. Under current Customs regulations an importer is exempt from paying duty only on that water and sediment which are in excess of 0.3 percent for crude oil and 0.5 percent for petroleum products. For example, in the case of crude oil imported with a 0.7-percent water and sediment content the importer initially pays duty on the total water and sediment content of 0.7 percent but may file for a reimbursement of the duty paid on 0.4 percent which is the amount in excess of 0.3 percent.

Mr. President, this practice skews import statistics and is contrary to generally accepted commercial practices wherein transactions are conducted on a net standard volume basis. Under this method, all detectable water and sediment is deducted prior to calculating the transaction volume. In addition, this practice is inconsistent with a Federal policy which allows importers who subsequently sell to the strategic petroleum reserve [SPR] to exempt 100 percent of detectable water and sediment from the transaction volume.

The legislation I am introducing today provides that in the case of crude oil and petroleum products all detectable moisture and impurities would be exempt from duty. In adopting this provision, the Congress would increase the accuracy of import statistics in a manner consistent with current commercial practices. In addition, it would remove an inconsistency in Federal accounting procedures. Finally, my proposal is consistent with current technology which allows for the reliable detection of water and sediment at levels below 0.3 percent of cargo. I urge an expeditious approval of this fair and sensible legislation and ask unanimous consent to have the bill printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 955

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TARE ON CRUDE OIL AND PETROLEUM PRODUCTS.

Section 507 of the Tariff Act of 1930 (19 U.S.C. 1507) is amended—

(1) by striking out "The Secretary" and inserting in lieu thereof "(a) IN GENERAL.—The Secretary",

(2) by striking out "in no case shall there be" and inserting in lieu thereof "(except as otherwise provided in this section) there shall not be", and

(3) by adding at the end thereof the following new subsection:

"(b) CRUDE OIL AND PETROLEUM PRODUCTS.—In ascertaining tare on imports of crude oil, and on imports of petroleum products, allowance shall be made for all detectable moisture and impurities present in, or upon, the imported crude oil or petroleum products.".

SEC. 2. EFFECTIVE DATE.

The amendment made by this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after October 1, 1987.

By Mr. DURENBERGER:

S. 956. A bill relating to the tariff classification of certain plastic sheeting; to the Committee on Finance.

TARIFF CLASSIFICATION OF CERTAIN PLASTIC SHEETING

● Mr. DURENBERGER. Mr. President, today I am introducing legislation to reclassify certain plastic web sheeting into a new duty-free category under the Tariff Schedules of the United States. My bill is identical to H.R. 1360, which was introduced in the other body by my distinguished colleague from Minnesota, Representative BILL FRENZEL.

Awa paper is a plastic web sheeting imported by a Minnesota-based company for use in the production of reverse osmosis filter elements. It is comprised of polyester fibers bonded with a resin, and its precise thickness and uniform density are critical to ensuring quality performance of reverse osmosis filters. These filters are used in the process of making potable water from brackish ground water, sea water, or other water containing high concentrations of salts.

Awa paper is imported from Japan because there is no domestic source for a qualitatively similar product. I would also note that all other components of the filter elements produced by my constituent company are obtained from domestic sources and that Japan is an important export market for the finished filter element.

Awa paper is currently classified as a nonwoven textile with a 12.9-percent ad valorem plus 2 cents per pound tariff. It is also subject to textile quotas under the Multi-Fiber Arrangement [MFA]. Previously, awa paper was placed in the category of plastic sheets comprised of polyester, with only a 4.4-percent ad valorem tariff. The classification was changed when certain Customs officials successfully argued that the length of the manmade fibers in awa paper make it a textile. I believe that this classification is inappropriate, because Awa paper does not possess characteristics representative of textiles—it exhibits no drape when laid flat upon a nonflat surface and it cannot be stitched or sewn. The nature of its component elements, as well as its applications, more properly identify awa paper with the classification relating to filter paper.

The recent change in tariff classifications has seriously affected the international competitiveness and viability of my constituent company. Not only does it now face a tripling of duties, it also faces a threatened source of supply of awa paper. Without a reliable source of supply, the company cannot produce reverse osmosis filters—its primary product.

Mr. President, my legislation would establish a new tariff classification, 807.65, to cover only awa paper. Other web sheetings which are produced in the United States are left in the textile category. And to further narrow the application of this bill, I have limited the duty-free treatment to web sheeting used in the production of reverse osmosis filter elements for water purification systems.●

By Mr. THURMOND (for himself, Mr. HATCH, Mr. KENNEDY, Mr. STAFFORD, Mr. SIMON, Mr. QUAYLE, Mr. DODD, and Mr. HOLLINGS):

S. 957. A bill to name the postbaccalaureate achievement program under subpart 4 of part A of title IV of the Higher Education Act of 1965 as the "Ronald E. McNair Post-Baccalaureate Achievement Program"; to the Committee on Labor and Human Resources.

RONALD E. MCNAIR POST-BACCALAUREATE ACHIEVEMENT PROGRAM

Mr. THURMOND. Mr. President, I rise today to honor a man whose life was an example to us all. He was a man who knew the importance of perseverance and determination to achieve one's goals. His goals were no less than the stars.

I am speaking of Dr. Ronald E. McNair, a physicist who was a mission specialist on the *Challenger* crew. He was also the second black American astronaut in space.

Dr. McNair was born October 12, 1950, in Lake City, SC. He grew up in the rural South in the 1950's and 1960's, before much of the current progress in race relations was achieved. However, he did not allow these circumstances to impede his goals. Dr. McNair said:

> It means trying a little harder, fighting a little harder to get what you perhaps deserve. It means building up a tolerance and not being discouraged by some of the obstacles that get put in front of you.

He received a bachelor's degree in physics from North Carolina A&T State University in 1971, where he graduated magna cum laude. He received his doctorate in physics from Massachusetts Institute of Technology in 1976.

At various times in his academic career, he was named a Presidential Scholar, a Ford Foundation Fellow, a National Fellowship Fund Fellow, a NATO Fellow and winner of the Omega Psi Phi Scholar of the Year Award.

Dr. McNair established his expertise in laser physics. He studied in France and worked as a staff physicist with Hughes Research Laboratories in Malibu, CA, before being selected for the astronaut corps in 1978.

In ancient Greece, society placed great importance on being a whole man. This term described someone who had demonstrated prowess in a variety of pursuits. This type of man was not only intelligent—he was also an athlete and appreciated the arts. Dr. McNair was such a man. He was a fourth degree black belt in karate and taught the sport. He also played the saxophone adeptly, and belonged to a swing band comprised of space center employees. He even brought his saxophone along on his first space flight.

Mr. President, the bill I am introducing today would name the postbaccalaureate achievement program under subpart 4 of part A of title IV of the Higher Education Act of 1965 as the "Ronald E. McNair Post-Baccalaureate Achievement Program." This program was established last year in the Higher Education Act of 1986, which I was pleased to cosponsor. It is designed to assist and encourage disadvantaged students, who have completed their sophomore year in postsecondary education, to apply for and enroll in graduate programs. Services authorized under this program include: opportunities for research or other scholarly activities designed to provide students with preparation for doctoral study; summer internships; tutoring; and assistance in securing admission to, and financial assistance for enrollment in, graduate programs.

Mr. President, this program is designed to encourage those from disadvantaged backgrounds to dream and to achieve. I can think of no better symbol of a dream fulfilled than the life of Dr. Ronald E. McNair. Although his life was too short, his positive example can live on through this program.

I ask that the text of this bill be printed in the RECORD at the conclusion of my remarks, and I urge my colleagues to support this measure.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 957

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 417D(d) of the Higher Education Act of 1965 is amended by striking out "Post-Baccalaureate Achievement Program" and inserting in lieu thereof "Ronald E. McNair Post-Baccalaureate Achievement Program".

Mr. HOLLINGS. Mr. President, I am pleased to join with the senior Senator from my State, Senator STROM THURMOND, in introducing a bill to rename the postbaccalaureate achievement program authorized under title IV of the Higher Education Act of 1965 in honor of Astronaut Ronald E. McNair, who died heroically in the service of his country aboard the space shuttle *Challenger.*

The title IV postbaccalaureate achievement program is designed to prepare students—through internships, seminars, tutoring, and the like—for doctoral study in their chosen fields. The law requires that two-thirds of the participants in this program be low-income individuals who are first-generation college students. The remaining one-third must be drawn from groups that are underrepresented in graduate education.

Mr. President, it is especially fitting that this scholarship program be named in honor of Astronaut McNair. Born in Lake City, SC, he earned his bachelor's degree in physics from North Carolina A&T State University in 1971, where he graduated magna cum laude. He received his doctorate in physics from the Massachusetts Institute of Technology in 1976. In the years before his tragic death, he was a tireless champion of postgraduate education for minorities and the economically disadvantaged. In appearances in schools and universities, he offered encouragement and hope to students considering higher study. And, of course, he was himself a sterling personal example to countless young, aspiring students—especially those from minority and disadvantaged backgrounds.

Mr. President, I join Senator THURMOND in urging the Senate to support this worthy bill.

By Mr. JOHNSTON (for himself, Mr. McClure, Mr. Evans, and Mr. Adams):

S. 958. A bill to dedicate the North Cascades National Park to Senator Henry M. Jackson; to the Committee on Energy and Natural Resources.

DEDICATION OF NORTH CASCADES NATIONAL PARK TO SENATOR HENRY M. JACKSON

● Mr. JOHNSTON. Mr. President, I am introducing today legislation to dedicate the North Cascades National Park to the late Senator Henry M. Jackson. I am pleased to have as cosponsors of my bill, Senator McClure, ranking minority member of the Energy and Natural Resources Committee and Senators Evans and Adams.

Senator Jackson authored the legislation which established this great park in his home State in 1968. As chairman of the Senate Committee on Interior and Insular Affairs, he played a pivotal role in its enactment by Congress. Equally important, as chairman of the Interior Committee and its successor the Committee on Energy and Natural Resources for 18 years, he was the driving force behind enactment of an unprecedented series of measures which preserved for all Americans millions of acres of parks, wild and scenic rivers, and wilderness areas.

Dedication of the North Cascades National Park to Senator Jackson would be particularly appropriate in light of his extraordinary service to the cause of conservation. Action by Congress to approve this dedication would be a fitting and timely Federal contribution to the celebration of Senator Jackson's 75th birthday in Washington State on May 31, which has been designated as "Scoop Jackson Day" by the Washington State Legislature.

The authorizing legislation would direct the Secretary of the Interior to inform the public visiting the park of the contributions of Senator Jackson through use of markers, signs, maps, interpretive programs and other means. It would also authorize the development within the Park boundaries of an appropriate memorial for Senator Jackson.

There is amply precedent for dedicating park lands, features or facilities to an individual. For example, in 1977, Congress enacted legislation dedicating the canal and towpath of the Chesapeake and Ohio Canal National Historical Park to Justice William O. Douglas. More recently, in 1983 Congress passes legislation dedicating the Golden Gate National Recreation Area to Congressman Phillip Burton. Also in 1983, legislation was enacted dedicating the Baltimore-Washington Parkway to Congresswoman Gladys Noon Spellman.

I ask unanimous consent that the text of the bill be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 958

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the North Cascades National Park, Washington, is hereby dedicated to Senator Heny M. Jackson in recognition of his leadership in establishing the North Cascades National Park, his outstanding contributions to the National Park System, the National Wilderness Preservation System, and to the protection and preservation of our great natural and cultural resources for the benefit of the people of the United States for all time.

Sec. 2. In order to carry out the provisions of this Act, the Secretary of the Interior is authorized and directed to provide such identification by signs, including, but not limited to changes in existing signs, materials, maps, markers, interpretive programs or other means as will adequately inform the public of the contributions of Henry M. Jackson.

Sec. 3. The Secretary of the Interior is further authorized and directed to cause to be erected and maintained, within the boundaries of the North Cascades National Park, an appropriate memorial to Henry J. Jackson. Such memorial shall include but not be limited to an appropriate permanent market describing the contributions of Henry M. Jackson to the Nation.

Sec. 4. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.●

By Mr. GLENN (for himself, Mr. Chiles, Mr. Heinz, Mr. Burdick, Mr. Specter, Mr. Cohen, Mr. Bingaman, and Mr. Melcher):

S. 959. A bill to amend the Older Americans Act of 1965 to strengthen and improve the provisions relating to State long-term care ombudsman programs, and for other purposes; to the Committee on Labor and Human Resources.

STATE LONG-TERM CARE OMBUDSMAN ADVOCACY IMPROVEMENT ACT

● Mr. GLENN. Mr. President, I rise today to reintroduce the State Long-Term Care Ombudsman Advocacy Improvement Act, which would strengthen our nationwide program to protect the rights of the elderly who reside in nursing homes and other long-term care facilities. I am pleased to be joined in introducing this legislation by my colleagues, Senators Chiles, Heinz, Burdick, Specter, Cohen, Bingaman, and Melcher.

The Long-Term Care Ombudsman Program, established in the 1978 Amendments to the Older Americans Act [OAA], is a national network of State and local ombudsman offices charged with investigating and resolving complaints made by or on behalf of elderly residents of nursing homes and other long-term care facilities, such as board and care homes. The program has firmly established itself as a critical element of national and State efforts to improve nursing home quality of care and to insure that the rights of patients are honored. Each State has an ombudsman program usually operated by the State agency responsible for OAA funds. Most States have also established local or substate ombudsman offices that typically are run by community-based senior citizen organizations and other nonprofit or governmental agencies.

A major objective of the ombudsman program is to develop a regular presence in nursing homes. This typically is done by relying upon trained volunteers to visit the facilities weekly. Thus the ombudsman becomes acquainted with the facility, its management and employees, and most importantly, with the elderly residents, as well as their families and visitors. This "presence" in the facility enables the ombudsman to establish credibility and trust with the residents, employees and others and makes it easier for the frail and vulnerable to voice their complaints and concerns. As a result, many problems are raised with ombudsmen that otherwise would not surface. And since 50 percent of nursing home residents have no family, there may be no one else to voice concerns on their behalf. Furthermore, regular visits by an ombudsman often prevent incidents from occurring or slippages in care or compliance with standards.

Ombudsmen have a broad mandate in responding to complaints; they are not limited to complaints about care standards, but may also respond to complaints about adverse decisions or inaction by governmental agencies, problems with guardians, theft of personal property and other matters. Ombudsmen, since they do not have formal enforcement or sanction authority, have great flexibility in resolving problems. They often serve as "brokers," linking the complainant with various entities which may resolve their problem.

The role of ombudsmen who visit facilities on a regular basis contrasts with that of State licensure and enforcement officials who typically visit facilities only for annual inspections and in response to complaints filed with their office. Because their actual time in a given facility is usually limited, licensure and enforcement officials rarely become acquainted with individual patients or employees, except facility management. The scope of ombudsman activity is broader than that of licensing authorities whose role is primarily of a regulatory nature.

The growth in the ombudsman program has been remarkable. There are now over 500 local programs throughout our Nation. According to the Administration on Aging, between 1982 and 1984 the number of volunteers—who play a vital role in the work of ombudsman programs—increased 57 percent to over 5,000. During that same time, the number of complaints handled by the program nationwide increased by 75 percent from approximately 41,000 to 71,000. Of these, 67 percent were partially or fully resolved.

In recognition of the importance of the ombudsman program on the quality of care in nursing homes and as a result of recent hearings and investigations, both the Senate Special Committee on Aging and the House Select Committee on Aging have recommended strengthening this important program. The Institute of Medicine in its February 1986 report, "Improving the Quality of Care in Nursing Homes," recommended a series of amendments to the Older Americans Act to improve the ombudsman program. And during current hearings on the 1987 reauthorization of the OAA, major national aging organizations are recommending improvements in statutory language and funding.

The bill we are introducing today, the "State Long-Term Care Ombudsman Advocacy Improvement Act," would amend the Older Americans Act to implement many of the recommendations that have been made for improving ombudsman services. Some of these recommendations have been enacted by various States, including my home State of Ohio which has one of the best ombudsman programs in the country. Among its provisions, this legislation:

Establishes a new part D in title III of the OAA, thus giving the program greater focus, eliminating competition for funding with other title III-B social services, and providing a framework for future expansion.

Requires formal recognition for local or substate programs.

Strengthens the tools necessary to effectively respond to and resolve complaints by: Assuring access to facilities, residents and their records, with the resident's consent; providing immunity for good-faith performance of official duties; requiring the States to make available legal counsel and representation to ombudsmen carrying out their duties; prohibiting retaliation against residents and employees who voice complaints or provide information to ombudsmen; prohibiting willful interference with the performance of official duties; requiring training of ombudsmen before they can investigate complaints; and requiring State licensure and certification agencies to share essential information with ombudsman programs.

Improves existing language concerning the ombudsman's responsibility to provide information and recommendations regarding issues affecting facility residents to the public, to governmental agencies, and to State and Federal legislative bodies.

Requires States to assure that the programs under their jurisdiction are free from conflicts of interest, and that mechanisms are in place to identify and resolve conflicts.

Assures access to clients who move from nursing homes and become Medicare or Medicaid hospital patients or patients in Veterans' Administration hospitals.

Requires the Administration on Aging [AOA] to provide adequate staff for the ombudsman program, to establish a technical assistance and training capacity for ombudsman, and to evaluate the program and provide substantive reports to Congress.

Requires AOA to fund demonstration projects on expansion of ombudsman services into home care, and to test cooperative ventures between ombudsman programs and State protection and advocacy programs for the developmentally disabled and mentally ill.

Authorizes $35 million for fiscal year 1988, $40 million for fiscal year 1989, and "such sums as are necessary" for the following years.

Mr. President, the Long-Term Care Ombudsman Program is playing an increasingly important role in identifying and addressing our concerns about the quality of care being received by nursing home residents. This year's reauthorization of the Older Americans Act gives us the opportunity to improve one of our most important and successful programs and to help eliminate any more "bad apple" nursing home horror stories. I urge my colleagues to support the "State Long-Term Care Ombudsman Advocacy Improvement Act of 1987," and I look forward to its passage by the Congress.

I ask unanimous consent that the text of the bill appear in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD as follows:

S. 959

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "State Long-Term Care Ombudsman Advocacy Improvement Act of 1987".

SEC. 2. STATE LONG-TERM CARE OMBUDSMAN PROGRAM.

(a) IN GENERAL.—Title III of the Older Americans Act of 1965 (42 U.S.C. 3021 et seq.) is amended by adding at the end thereof the following new part:

"PART D—STATE LONG-TERM CARE OMBUDSMAN PROGRAMS

"STATE PLAN REQUIREMENTS

"SEC. 341. (a) In order to meet the requirements of section 307(a), a State shall—

"(1) establish and operate, either directly or by contract or other arrangement, with any public agency or other appropriate private nonprofit organization, an Office of the State Long-Term Care Ombudsman (in this part referred to as the 'Office') that meets the requirements of subsection (c), provided that no such agency directly operating the program shall be an entity described in subsection (d);

"(2) establish procedures for access by representatives of the Office to long-term care facilities and patients' records, including procedures to protect the confidentiality of such records and ensure that the identity of any complainant will not be disclosed without the consent of the complainant or a legal representative thereof;

"(3) establish a statewide uniform reporting system to collect and analyze data relating to complaints and conditions in long-term care facilities for the purpose of identifying and resolving significant problems, with provision for submission of such data to the agency of the State responsible for licensing or certifying long-term care facilities in the State and to the Commissioner on a regular basis;

"(4) establish procedures to ensure that any files maintained by the Office shall be disclosed only at the discretion of the State Long-Term Care Ombudsman (or a designee), except that the identity of any complainant shall not be disclosed unless the complainant (or a legal representative thereof) consents to such disclosure;

"(5) establish a statewide toll-free hotline to facilitate communication of complaints to the ombudsman by residents of long-term care facilities, by any person on behalf of such residents and recipients, and by any other person;

"(6) in planning and operating the ombudsman program, consider the views of long-term care facility residents, area agencies on aging, older individuals, organizations representing older individuals, and provider agencies;

"(7) provide assurances—

"(A) that no individual involved in the designation of the State Long-Term Care Ombudsman (whether by appointment or otherwise) or the designation of the head of any subdivision of the Office or any organization designated under subsection (c)(2) is subject to a conflict of interest,

"(B) that no officer, employee, or other representative of the Office is subject to a conflict of interest, and

"(C) that mechanisms are in place to identify and remedy any such or other similar conflicts;

"(8) provide that—

"(A) no representative of the Office shall be liable under State law for the good faith performance of his or her official duties, and

"(B) adequate legal counsel is available to the Office for advice and consultation and that legal representation shall be provided to any representative of the Office against whom suit is brought in connection with the performance of his or her official duties;

"(9)(A) provide that willful interference with representatives of the Office in the performance of their official duties (as defined by the Commissioner) shall be unlawful,

"(B) prohibit retaliation and reprisals by a long-term care facility or other entity with respect to any resident or employee by reason of his or her filing a complaint with, or providing information to, the Office, and

"(C) provide for appropriate sanctions with respect to such interference, retaliation, and reprisals;

"(10) provide that the State agency or agencies responsible for licensing or certifying long-term care facilities shall—

"(A) provide promptly to the Office a copy of any inspection reports, notices of deficiencies, and notices of sanctions or adverse determinations issued by such agency with respect to long-term care facilities in the State; and

"(B) to the extent permitted by the applicable provisions of State law governing the confidentiality of records, provide representatives of the Office with access to such investigative reports and findings of such agency as are reasonably related to any investigation undertaken by the Office in response to a complaint filed with the Office against a long-term care facility in the State; and

"(11) provide that representatives of the Office shall have access to long-term care facilities and their residents, and, with the permission of a resident or resident's legal guardian, have access to review the resident's medical and social records.

"(b) It shall be the duty of the Office to—

"(1) prepare an annual report containing data from subsection (a)(3), and findings regarding the types of problems experienced and complaints received by or on behalf of individuals residing in long-term care facilities, and to provide policy, regulatory, and legislative recommendations to solve such problems and resolve such complaints and improve the quality of care and life of long-term care facilities;

"(2) submit the annual reports described in paragraph (1) to the Commissioner on Aging, the State Governor, the agency or agencies of the State responsible for licensing or certifying long-term care facilities and long-term health care professionals in the State, the State's area agencies on aging, and the State legislature;

"(3) investigate and resolve complaints made by or on behalf of individuals who are residents of long-term care facilities relating to action, inaction, or decisions of providers, or their representatives, of long-term care services, of governmental agencies, or of social service agencies, that may adversely affect the health, safety, welfare, or rights of such residents;

"(4) conduct on-site visits at least once annually for the purpose of informing facility residents, personnel and others about the services of the long-term care ombudsman program and to make available ombudsman services;

"(5) analyze and monitor the development and implementation of Federal, State, and local laws, regulations, and policies with respect to long-term care facilities and services in that State, and promote any changes in such laws, regulations, and policies deemed by the Office to be appropriate;

"(6) provide information to public agencies, legislators, and others, as deemed necessary by the Office, regarding the problems and concerns, including recommendations related to such problems and concerns, of older individuals residing in long-term care facilities;

"(7) provide for the training of the Office staff, including volunteers and other representatives of the Office, in—

"(A) Federal, State, and local laws, regulations, and policies with respect to long-term care facilities in the State,

"(B) investigative techniques, and

"(C) such other matters as the State deems appropriate;

"(8) promote the development of citizen organizations to participate in the ombudsman program; and

"(9) carry out such other activities as the Commissioner deems appropriate.

"(c)(1) The Office of the State Long-Term Care Ombudsman shall be headed by the State Long-Term Care Ombudsman, who shall be a full-time employee of the Office, and shall have staff sufficient to carry out the duties of the Office.

"(2) Only an individual who—

"(A) is the head of the public agency or organization operating the Office, or reports directly to the head of such public agency or such organization;

"(B) has no pecuniary interest in an entity described in subsection (d); and

"(C) has demonstrated knowledge relating to long-term care matters involving older individuals;

may be eligible to be appointed or employed as State Long-Term Ombudsman.

"(3) The Office shall include any area or local ombudsman entity designated by the State Long-Term Care Ombudsman as a subdivision of the Office. Any representative of an entity designated in accordance with the preceding sentence (whether an employee or an unpaid volunteer) shall be treated as a representative of the Office for purposes of this section.

"(4) No officer, employee, or other representative of the Office may investigate any complaint filed with the Office unless the individual has received such training as may be required under subsection (b)(6) and has been approved by the State Long-Term Care Ombudsman as qualified to investigate such complaints.

"(d) No State may establish or operate an Office of the Long-Term Care Ombudsman under subsection (a)(1) by contract or other arrangement with—

"(1) an agency or organization that is responsible for licensing or certifying—

"(A) long-term care facilities,

"(B) health care professionals, or

"(C) other individuals providing institutional or noninstitutional long-term care services,

in the State, or

"(2) any—

"(A) long-term care facility, or

"(B) association (or an affiliate of such an association) of long-term care facilities (including any other residential facility for older individuals).

"TECHNICAL ASSISTANCE TRAINING; CLEARINGHOUSE FOR OMBUDSMEN PROGRAM

"SEC. 342. (a) The Secretary shall provide technical assistance and training (by contract, grant, or otherwise) to State Long-Term Care Ombudsman programs established under section 341, and to individuals designated under such section to be representatives of a State Long-Term Care Ombudsman, in order to enable such ombudsmen and such representatives to carry out the ombudsman program effectively.

"(b) The Secretary shall establish a national clearinghouse for—

"(1) information collection and dissemination;

"(2) technology transfer among ombudsman programs; and

"(3) increasing public awareness about the ombudsman program.".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 303 of the Older Americans Act of 1965 (42 U.S.C. 2023) is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by adding after subsection (b) the following new subsection:

"(c) There are authorized to be appropriated $35,000,000 for fiscal year 1988, $40,000,000 for the fiscal year 1989, and such sums as may be necessary for each of the fiscal years 1990 through 1992, for the purpose of making grants under part D of this title, relating to State Long-Term Care Ombudsman Program.".

(c) CONFORMING AMENDMENTS.—

(1) Section 302(3) of such Act (42 U.S.C. 3022(3)) is amended by striking "section 307(a)(12)" and inserting in lieu thereof "part D".

(2) Section 304(d)(1)(B) of such Act (42 U.S.C. 3024(b)(1)(D)) is amended—

(A) by striking out "section 307(a)(12)" and inserting in lieu thereof "part D"; and

(B) by adding at the end thereof a comma and the following: "except that the amount made available under this clause may not be less than the amount of the allotment of the State attributable to amounts appropriated under section 303(c)".

(3) Section 307(a)(12) of such Act (42 U.S.C. 3027(a)(12)) is amended to read as follows:

"(12) provide assurances that—

"(A) the State will expend, for each fiscal year in which the allotment for this title for the State is at least equal to the allotment for 1987, for the State Long-Term Care Ombudsman Program authorized by part D of this title an amount which is equal to or greater than the amount expended by such State in fiscal year 1987; and

"(B)(i) the State will satisfy the requirements of part D if the amount available for the State Long-Term Care Ombudsman Programs for such part D in the State is at least as much as was available for the State Long-Term Care Ombudsman Programs in fiscal year 1987 pursuant to this clause as in effect prior to the enactment of the State Long-Term Care Ombudsman Advocacy Improvement Act of 1987, or

"(ii) in the event the amount so available is less than was available in fiscal year 1987, the State will comply with clause (12) as in effect prior to the enactment of the State Long-Term Care Ombudsman Advocacy Improvement Act of 1987, and will comply with the provisions contained in section 341(a) (8), (9), (10), and (11), section 341(b)(5), and section 341(c)(3) of this Act.".

(4) Section 307 of such Act (42 U.S.C. 3027) is amended—

(A) by inserting "and" at the end of clause (19);

(B) by striking out the semicolon and the word "and" at the end of clause (20) and inserting in lieu thereof a period; and

(C) by striking out clause (21).

SEC. 3. ACCESS TO FACILITIES AND RECORDS; PROHIBITION AGAINST REPRISALS.

(a) SKILLED NURSING FACILITIES.—Section 1866(a)(1) of the Social Security Act (42 U.S.C. 1395cc(a)(1)) is amended—

(1) by striking the "and" inserted at the end of the subparagraph (I) by section 9122(a) of the Consolidated Omnibus Budget Reconciliation Act of 1985,

(2) by striking the period at the end of subparagraph (J) and inserting in lieu thereof a comma,

(3) by redesignating the subparagraph (I) inserted by section 9403(b) of the Consolidated Omnibus Budget Reconciliation Act of 1985 as subparagraph (K) and by inserting it after subparagraph (J),

(4) by adding "and" at the end of subparagraph (K), as redesignated, and

(5) by inserting after subparagraph (K) the following new subparagraph:

"(L) in the case of a skilled nursing facility—

"(i) to provide access for representatives of the Office of the State Long-Term Care Ombudsman (established under part D of the Older Americans Act of 1965)—

"(I) to the facility and its residents (at times deemed reasonable and necessary by the State Long-Term Care Ombudsman), and

"(II) with the permission of a patient or the patient's legal guardian, to the patient's medical and social records; and

"(ii) to make no retaliation or reprisal with respect to any patient or employee by reason of his or her filing of a complaint against the facility with such Office.".

(b) INTERMEDIATE CARE FACILITIES.—Section 1905(c) of such Act (42 U.S.C. 1396d(c)) is amended—

(1) by striking "and (4)" and inserting in lieu thereof "(4)", and

(2) by inserting ", and (5) meets the requirements of section 1866(a)(1)(L)" before the period at the end of the first sentence.

(c) HOSPITALS.—(1) Section 1861(e) of such Act (42 U.S.C. 1395x(e)) is amended—

(A) by striking "and" at the end of paragraph (8),

(B) by redesignating paragraph (9) as paragraph (10), and

(C) by inserting after paragraph (8) the following new paragraph:

"(9) in the case of an acute care hospital, agrees to provide access for representatives of the Office of the State Long-Term Care Ombudsman (established under part D of the Older Americans Act of 1965) to individuals who are admitted to the hospital from a skilled nursing facility or an intermediate care facility; and".

(2) Section 1902(a) of such Act (42 U.S.C. 1396a(2)) is amended—

(A) by striking "and" at the end of paragraph (45),

(B) by striking the period at the end of paragraph (46) and inserting in lieu thereof ", and", and

(C) by adding at the end thereof the following new paragraph:

"(47) provide access for representatives of the Office of the State Long-Term Care Ombudsman (established under part D of the Older Americans Act of 1965) to individuals who are admitted to acute care hospitals from a skilled nursing facility or an intermediate care facility.".

(d) VETERANS ADMINISTRATION HEALTH CARE FACILITIES.—The State Ombudsman shall have access to veterans receiving extended long-term care services in a hospital or nursing home or receiving domiciliary care under chapter 17 of title 38, United States Code, and the records maintained by the Veterans Administration relating to such care.

(e) INDIAN HEALTH SERVICE FACILITIES.—The State Ombudsman shall have access to patients in facilities operated by the Indian Health Service or under contracts entered into with the Secretary of Health and Human Services under the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) and all records kept on such patients by such facilities.

SEC. 4. NOTIFICATION TO OMBUDSMAN OF MEDICARE AND MEDICAID SANCTIONS.

The Secretary of Health and Human Services shall promptly notify the appropriate Office of the State Long-Term Care Ombudsman (established under part D of the Older Americans Act of 1965) of any sanction imposed under section 1128 or 1128A of the Social Security Act with respect to a skilled nursing facility or an intermediate care facility.

SEC. 5. ANNUAL REPORT TO THE CONGRESS.

(a) IN GENERAL.—Not later than January 15 of each year, the Commissioner on Aging (in this section referred to as the "Commissioner") shall compile a report—

(1) summarizing and analyzing the data collected under section 341(a)(3) of the Older Americans Act of 1965 for the then most recently completed fiscal year,

(2) identifying significant problems and issues revealed by such data (with special emphasis on problems relating to quality of care and residents' rights),

(3) discussing current issues concerning the State's Long-Term Care Ombudsman Programs, and

(4) making recommendations regarding legislation and administrative actions to resolve such problems.

(b) REPORT.—(1) The Commissioner shall submit the report required by subsection (a) to—

(A) the Select Committee on Aging of the House of Representatives;

(B) the Special Committee on Aging of the Senate;

(C) the Committee on Education and Labor of the House of Representatives; and

(D) the Committee on Labor and Human Resources of the Senate.

(2) The Commissioner shall provide the report required by subsection (a) to—

(A) the Administrator of the Health Care Finance Administration;

(B) the Office of the Inspector General of the Department of Health and Human Services;

(C) the Office of Civil Rights of the Department of Health and Human Services;

(D) the Administrator of the Veterans' Administration; and

(E) the public agencies and private organizations designated under section 341(a)(1).

SEC. 6. DESIGNATION OF OMBUDSMAN PROGRAM SPECIALISTS.

Section 205 of the Older Americans Act of 1965 (42 U.S.C. 3016) is amended by redesignating subsection (d) as subsection (e) and inserting after subsection (c) the following new subsection:

"(d) The Secretary shall require the Commissioner, not later than 90 days after the date of the enactment of this subsection, to designate full-time staff of the Administration sufficient in number to carry out the duties of the Administration with respect to the programs established under part D of title III.".

SEC. 7. OMBUDSMAN PROGRAM EVALUATION.

Section 206 of the Older Americans Act of 1965 (42 U.S.C. 3017) is amended by redesignating subsections (b), (c), (d), (e), (f), and (g) as subsections (c), (d), (e), (f), (g), and (h) and inserting after subsection (a) the following new subsection:

"(b) The Commissioner shall evaluate the Long-Term Care Ombudsman program to analyze current practices, procedures, new developments and related issues, and shall make the findings of such evaluations available to the Congress, the States, and to State Ombudsmen.".

SEC. 8. STUDIES ON OMBUDSMAN PROGRAMS.

(a)(1) The Commissioner on Aging shall conduct a study concerning involvement in the Ombudsman program and its impact upon issues and problems affecting residents of board and care facilities and other similar adult care homes who are older individuals, including recommendations for expanding and improving ombudsman services in such facilities, and the effectiveness of recruiting, supervising and retaining volunteer ombudsmen.

(2) The Commissioner on Aging shall conduct a study of those State long-term care ombudsman programs which, prior to the date of enactment of this Act, are investigating, complaints concerning home care services.

(3) The Commissioner on Aging shall conduct a study to determine the feasibility of extending to older individuals the assistance of an ombudsman to perform with respect to physician services and hospitals services, functions similar to the functions performed by the ombudsman under section 307(8)(12) of the Older Americans Act of 1965.

(4) For the purpose of this section, the term "older individual" has the same meaning given that term in section 302(10) of the Older Americans Act of 1965.

(b) The Commissioner on Aging shall prepare and submit a report to the Congress on—

(1) the findings and recommendations of the study described in subsection (a)(1) no later than December 31, 1988;

(2) the findings and recommendations of the study described in (a)(2) no later than December 31, 1989; and

(3) the findings and recommendations of the study described in (a)(3) no later than December 31, 1991.

SEC. 9. DEMONSTRATION AND EVALUATION STUDIES AUTHORIZED.

(a) GENERAL AUTHORITY.—(1) The Commissioner on Aging shall make grants for fiscal years 1988 and 1989 to State agencies conducting State Long-Term Care Ombudsman Programs in order to demonstrate and evaluate the provision of ombudsman services to home care clients.

(2) The Commissioner on Aging is authorized to make grants for fiscal year 1988 and fiscal year 1989 to not more than three State agencies on aging to demonstrate and evaluate cooperative projects between the State Long-Term Care Ombudsman Program and the State protection and advocacy program for developmental disabilities and mental illness.

(b) REPORTS REQUIRED.—The Commissioner on Aging shall prepare and submit to the Congress after each fiscal year a report of the study and evaluation required by subsection (a) of this section. Each such report shall contain such recommendations as the Commissioner on Aging deems appropriate.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $1,000,000 for each of the fiscal years 1988 and 1989 to carry out the provisions of this section. The funds appropriated pursuant to this subsection shall remain available for expenditure for the succeeding fiscal year .

SEC. 10. ACCESS TO PEER REVIEW ORGANIZATION INFORMATION.

Section 1160(b)(1) of the Social Security Act (42 U.S.C. 1320c-9(b)(1)) is amended—

(1) in subparagraph (C), by striking "is required" and inserting "are required",

(2) by striking "and" at the end of subparagraph (B), and

(3) by adding at the end following new subparagraph:

"(D) to assist representatives of the Office of the State Long-Term Care Ombudsman (established under part D of the Older Americans Act of 1965), and State protection and advocacy officials whom the Secretary identifies as having responsibility for assuring the quality of care furnished by providers or practitioners, which data and information shall be provided by the peer review organization to any such representative or official upon request relating to a specific provider or practitioner, but only to the extent that such data and information are related to the quality of care furnished by a provider or practitioner and only if the peer review organization determines that the data and information may reflect a failure in a substantial number of cases or a gross and flagrant failure in one or more instances to provide services of a quality which meets professionally recognized standards of health care, and that the data and information are needed by the representative or official in carrying out official duties;".

SEC. 11. EFFECTIVE DATE.

This Act and the amendments made by this Act shall become effective on the date of the enactment of this Act.●

By Mr. ROTH (for himself and Mr. GLENN):

S. 960. A bill to provide an administrative procedure for certain noncontroversial suspensions of tariffs; to the Committee on Finance.

ADMINISTRATIVE PROCESS FOR DUTY SUSPENSIONS

● Mr. ROTH. Mr. President, I am today introducing, with Senator GLENN, a bill to create an administrative process for U.S. import duty suspensions.

On occasion a domestic manufacturer discovers that there is no domestic supply for a component or substance they use in manufacturing a product in the United States. In such cases they have no alternative but to import the necessary raw material and pay the U.S. duty on that importation. Since the duty increases the cost of manufacture and lessens the competitiveness of U.S. industry, the Congress routinely passes legislation temporarily suspending U.S. duties on such products. Congress generally does so only if the suspensions are regarded as noncontroversial; that is, neither the administration nor any significant domestic industry or group opposes the suspension.

Obtaining the suspension of duties on raw materials not manufactured in the United States has become increasingly important for domestic industries such as the chemical industry. At the same time the Congressional Calendar is growing to the point that it is difficult to ensure the timely passage of such legislation. For example, the last Congress failed to pass any duty suspension bills.

Failure to obtain noncontroversial duty suspensions on a timely basis adversely affects the ability of companies in my State and elsewhere to compete with foreign products both here and abroad. I am, therefore, proposing that an administrative process be created for noncontroversial duty suspension requests on an expedited basis.

I have also become concerned as the number of duty suspensions continue to grow that they constitute a source of international trade leverage thrown away. While the United States suspends duties on noncontroversial tariff bills and makes importation into the United States easier, there is no process in our law to enable the President to seek to obtain a corresponding concession from the countries that benefit from our unilateral duty tariff suspensions.

The purpose of this bill is, therefore, twofold: First, the bill creates a regularized procedure in the executive branch for obtaining noncontroversial 3-year suspension of rates of duty. Second, the bill provides a method by which the President can use the suspensions to obtain corresponding concessions on rates of duty from other countries. In effect, the first suspension of duty will be automatic so long as it is noncontroversial, but in granting the second and later suspensions of duty, the President will take into account whether the country that benefits from the continuation of the suspension will give the United States a corresponding concession in return, or has already done so.

Persons who want the duty suspended would file a petition with the International Trade Commission containing sufficient information to enable it to determine whether an investigation is merited.

After its investigation of all the economic facts, the ITC will make recommendation on whether to grant or deny the duty suspension. The President will review the facts developed by the ITC and its recommendation and will, in addition, consider foreign policy and trade policy issues. The public will have several opportunities to comment in the process, and the President will only be authorized to grant duty suspensions if no domestic industry would be adversely affected by the suspension.

It should be emphasized that this proposal is intended to be a supplement to the current congressional system of granting duty suspensions. Persons would be free to request Congress to suspend a tariff in any case where the administrative system is viewed as inadequate or unavailable because of the limitation on eligibility of article for administrative duty suspension.

Finally, this bill is supported by industries which regularly go through the uncertain process of tariff suspensions by legislation. They seek a regularized process so that business planning can occur, but they support my purpose of trying to get something from other countries for the unilateral suspensions we have been making over the last 5 or 6 years.

I urge favorable and early consideration of this legislation.

To facilitate consideration of this bill, I ask unanimous consent that the bill and a brief description of the procedures proposed in the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 960

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INITIATION OF INVESTIGATIONS.

(a) PETITIONS.—

(1) Any person who—

(A) uses an article in the production of a product in the United States, or

(B) distributes an article which is used in the production of a product in the United States,

may file with the United States International Trade Commission (hereafter referred to in this Act as the "Commission") a petition requesting the President to issue a proclamation under section 3(a) that suspends all duties imposed by Federal law on such article.

(2) Any person who produces in the United States—

(A) any article for which duties imposed by Federal law are suspended by reason of a proclamation issued under section 3(a),

(B) any other article like, or directly competitive with, such article, or

(C) any other article which is like, or directly competitive with, a product that is produced in the United States by means of a process which uses such article as a significant raw material or component,

may file with the Commission a petition requesting the President to issue a proclamation under section 3(b) that reinstates such duties.

(3) Each petition filed under paragraph (1) or (2) shall contain sufficient information to enable the Commission to determine whether an investigation into the suspension or reinstatement of the duties is justified.

(4)(A) By no later than the date that is 15 days after the date on which a petition is filed with the Commission under paragraph (1) or (2), the Commission shall determine whether the information provided in the petition is sufficient to justify an investigation under section 2.

(B) If the determination made under subparagraph (A) is affirmative, the Commission shall—

(i) transmit a copy of the petition to the United States Trade Representative,

(ii) initiate an investigation under section 2 of the suspension or reinstatement of duties requested in the petition, and

(iii) publish in the Federal Register notice of—

(I) the initiation of such investigation, and

(II) the opportunity for public comment on such suspension or reinstatement of duties.

(C) If the determination made under subparagraph (A) is negative, the Commission shall dismiss the petition and notify the petitioner of the basis on which such negative determination was made.

(b) PRESIDENTIAL REQUEST OR SELF-INITIATION.—

(1) Upon request of the President, or upon the initiative of the Commission, the Commission shall initiate an investigation under section 2 of—

(A) the suspension of duties imposed by Federal law on any article, or

(B) the reinstatement of any duties that have been suspended by any previous proclamation issued under section 3(a).

(2) Upon initiating an investigation under section 2 by the authority of paragraph (1), the Commission shall—

(A) transmit to the United States Trade Representative a written statement describing the article and duties that are the subject of such investigation and all information available to the Commission regarding justification of the suspension or reinstatement of such duties on such article, and

(B) publish in the Federal Register notice of—

(i) such investigation, and

(ii) the opportunity for public comment on such suspension or reinstatement of duties.

SEC. 2. INVESTIGATIONS BY THE COMMISSION.

(a) IN GENERAL.—If the determination made under section 1(a)(4)(A) is affirmative or section 1(b)(1) applies, the Commission shall conduct an investigation to determine—

(1) whether the article that is the subject of the petition filed under section 1(a), or of the notice published under section 1(b)(2)(B), is produced in the United States,

(2) whether any other article which is like, or directly competitive with, such article is produced in the United States,

(3) whether any other article is produced in the United States which is like, or directly competitive with, a product that is produced in the United States by means of a process which uses (or could use) such article as a significant raw material or component,

(4) whether any person has—

(A) the capacity, and

(B) the bona fide intent,

to produce such article, or any other article like, or directly competitive with, such article in the United States in significant quantities,

(5) whether any person who—

(A) produces in the United States—

(i) such article,

(ii) any other article like, or directly competitive with, such article, or

(iii) any other article described in paragraph (3), or

(B) is described in paragraph (4),

would be (or is being) adversely affected by a suspension of the duties imposed by Federal law on such article,

(6) whether any person described in paragraph (4) or (5)(A) objects to the suspension of duties imposed by Federal law on such article,

(7) whether any quotas or other import restrictions are imposed by Federal law on such article,

(8) whether any international agreements to which the United States is a party affect trade in such article or in any other article like, or directly competitive with, such article,

(9) whether such article, or any article like, or directly competitive with, such article, is, or has been, the subject of any investigation under—

(A) title VII of the Tariff Act of 1930 or section 303 of the Tariff Act of 1930,

(B) section 337 of the Tariff Act of 1930,

(C) chapter 1 of title II of the Trade Act of 1974,

(D) chapter 1 of title III of the Trade Act of 1974, or

(E) section 232 of the Trade Expansion Act of 1962,

(10) the aggregate value of such articles imported into the United States during the calendar year preceding the calendar year in which such determination is made,

(11) the aggregate value of such articles consumed in the United States during the calendar year preceding the calendar year in which such determination is made,

(12) the principal uses of such article in the United States,

(13) the duties that are imposed by Federal law on such article and the rates of such duties, and

(14) the aggregate amount of Federal revenue derived from the duties imposed by Federal law on such article during the fiscal year preceding the fiscal year in which such determination is made.

(b) PUBLIC COMMENTS.—During the course of any investigation conducted under this section, the Commission shall provide an opportunity for any person to submit written statements regarding the subject of the investigation and, upon request and after reasonable public notice, shall hold a hearing for the oral presentation of views on the subject of the investigation.

(c) REPORTS.—

(1) By no later than the date that is 75 days after the date on which an investigation under this section is initiated, the Commission shall—

(A) complete a preliminary report on the investigation conducted under subsection (a),

(B) publish a summary of the preliminary report in the Federal Register,

(C) provide a copy of the preliminary report to the petitioner, and

(D) make the preliminary report available for public inspection.

(2) On the date that is 30 days after the date on which a summary of the preliminary report on the investigation conducted under this section is published in the Federal Register, the Commission shall submit to the President a final report on the investigation. Such report shall include—

(A) the determinations made under subsection (a),

(B) a summary of comments received by the Commission regarding such investigation, including comments on the preliminary report completed under paragraph (1),

(C) a copy of the transcript of any hearings held in the course of such investigation, and

(D) the recommendations of the Commission on whether the President should take action under section 3 with respect to the investigation, together with any dissenting or separate views of the members of the Commission.

(d) INFORMATION REGARDING TRADE CONCESSIONS.—In the case of an investigation under subsection (a) concerning the suspension of duties on an article that was the subject of a previous proclamation issued under section 3(a), the United States Trade Representative shall, by no later than the date that is 75 days after the date on which such investigation is initiated, submit to the President a summary of all information that the United States Trade Representative has that is relevant to the determination the President may make under section 3(a)(1)(D).

SEC. 3. ACTION BY THE PRESIDENT.

(a) SUSPENSION OF DUTIES.—

(1) During the 30-day period beginning on the date on which the Commission submits to the President under section 2(c)(2) a final report on an investigation concerning the suspension of duties on an article, the President may issue a proclamation that suspends all duties imposed by Federal law on such article if the President determines that—

(A) no person who—

(i) produces in the United States—

(I) such article,

(II) any other article like, or directly competitive with, such article, or

(III) any other article which is like, or directly competitive with, a product that is produced in the United States by means of a process which uses (or could use) such article as a significant raw material or component, or

(ii) has—

(I) the capacity, and

(II) the bona fide intent,

to produce such article, or any other article like, or directly competitive with, such article, in the United States in significant quantities,

would be adversely affected by such a suspension,

(B) the sum of—

(i) the aggregate value of such articles imported into the United States during the calendar year preceding the calendar year in which such determination is made, plus

(ii) the aggregate value of all articles imported into the United States during such preceding calendar year that are the subject of a previous proclamation issued under this paragraph during the calendar year in which such determination is made,

does not exceed an amount that bears the same ratio to $2,000,000,000 as the gross national product of the United States (as determined by the Secretary of Commerce) for such preceding calendar year bears to the gross national product of the United States for calendar year 1985,

(C) the sum of—

(i) the aggregate amount of Federal revenue derived from the duties imposed on such article during the fiscal year preceding the fiscal year in which such determination is made, and

(ii) the aggregate amount of Federal revenue derived during such preceding fiscal year from all the duties imposed on all articles that are the subject of a previous proclamation issued under this paragraph during the calendar year in which such determination is made,

did not exceed an amount equal to 0.01 percent of the aggregate amount of Federal outlays during such preceding fiscal year, and

(D) in the event such article was the subject of a previous proclamation issued under this paragraph, no foreign country which would benefit from the suspension of the duties imposed by Federal law on such article unreasonably refuses to provide reciprocal trade concessions for United States goods or services.

(2) In determining whether to issue a proclamation under paragraph (1), the President may take into account—

(A) the effect such a proclamation would have on the bargaining position of the United States in any continuing, planned, or prospective negotiations with any foreign country,

(B) foreign policy considerations, and

(C) any other factors the President considers appropriate.

(3) If the President does not issue a proclamation under paragraph (1) with respect to any article that is the subject of a report submitted under section 2(c)(2) during the 30-day period described in paragraph (1), the President shall publish in the Federal Register the reasons why the President is unable, or has declined, to issue such a proclamation.

(4) The duration of any suspension of duties provided in any proclamation issued under paragraph (1) shall not exceed 3 years; but such suspension may be extended by proclamations issued under paragraph

(1) with respect to subsequent investigations conducted under section 2 for periods which do not exceed 3 years per proclamation.

(b) Reinstatement of Duties.—

(1) During the 30-day period beginning on the date on which the Commission submits to the President under section 2(c)(2) a final report on an investigation concerning the reinstatement of duties on an article that have been suspended by a proclamation issued under subsection (a), the President shall—

(A) determine whether any person described in subsection (a)(1)(A) is being adversely affected by such suspension, and

(B) if the determination made under subparagraph (A) is affirmative, issue a proclamation that reinstates the duties imposed by Federal law on such article which were in effect immediately before such suspension.

(2) The President shall publish in the Federal Register any negative determination made under paragraph (1)(A).

(c) Determinations Not Subject To Review.—Any determination made by the President under this section shall be final and shall not be reviewable in any court.

SEC. 4. RECIPROCAL TRADE CONCESSIONS.

Whenever the President issues a proclamation under section 3(a) suspending duties imposed on an article, the United States Trade Representative shall take action to initiate negotiations with each foreign country that benefits from such suspension for the purpose of obtaining reciprocal trade concessions from such foreign countries for United States goods and services.

SEC. 5. ALTERNATIVE SCHEDULES.

The President may, by proclamation, establish—

(1) an annual deadline for the filing of those petitions under section 1(a) with respect to which—

(A) the Commission will be required to make determinations under sections 1(a)(4) and 2 during the calendar year, and

(B) the President will be required to make determinations under section 3 during the calendar year, and

(2) a schedule for the taking of other actions under sections 1, 2, and 3 that may differ from any time requirements set forth in such sections.

Procedures for Administrative Duty Suspension

The basic procedures established in the bill for administrative decisions on duty suspensions will be as follows:

1. Persons who want a duty suspended would file a petition with the International Trade Commission [ITC] containing sufficient information to enable the ITC to decide whether an investigation is warranted.

2. If the ITC decides that an investigation is warranted, it will notify the U.S. Trade Representative and publish notice of the investigation in the Federal Register. Self-initiation of cases by the Government will also be possible.

3. The ITC will investigate whether the article that is the subject of the investigation is produced in the United States or whether an article which is like or directly competitive with it is produced here. It will also investigate whether any domestic manufacturers intends to manufacture the article and whether the imported article is used as a substantial input in the manufacture of a product that is like or directly competitive with a domestically manufactured product, the ITC will determine further whether any domestic producer would be adversely affected by the proposed duty suspension, whether any other person objects to the duty suspension and it would estimate the costs of suspension. It would also consider whether any international trade agreements cover the article in question, among additional factors.

4. After completing all this research, the ITC will develop a preliminary report on the case. Following an additional period for public comment, the ITC will make final determinations on each of the issues it has investigated and it will advise the President on its views on the advisability of suspending the duty on the article.

5. The President will decide what action to take. In addition to the information he receives on the matter from the ITC, he is directed to consider foreign policy, the status of international trade negotiations and any other factors he believes are relevant to this decision. The President may only suspend the duties on the article if there is no United States person who would be adversely affected by the suspension and if the costs of the suspension do not exceed the limits established in this bill.

6. Should the President decide to suspend duties on an article, the U.S. Trade Representative will then initiate negotiations with each foreign country that benefits from the suspension. The President is not authorized to extend the duty suspension beyond the initial 3 year period if the foreign country that benefits from the suspension unreasonably refuses to provide reciprocal trade concessions for U.S. goods and services.●

● Mr. GLENN. Mr. President, I am pleased to join Senator Roth in introducing legislation to establish an administrative procedure for enacting noncontroversial duty suspensions. The purpose of this legislation is to create a more timely, certain procedure for passing routine and noncontroversial duty suspensions. I hope that this legislation will be included in this year's omnibus trade legislation.

When a domestic manufacturer finds that there is no domestic production of a component that it uses in its manufacturing process, it is forced to import the necessary material and pay the import duty. The presence of this duty increases the cost of manufacturing and lessens the competitiveness of U.S. industry. Therefore, Congress periodically passes legislation temporarily suspending the duties on such products. Congress generally does so only if the suspensions are regarded as noncontroversial—that is, when neither the administration nor any domestic industry opposes the suspension.

Obtaining duty suspension is extremely important for U.S. industries to remain internationally competitive. However, as we all know, the legislative calendar has become increasingly clogged and uncertain, making it difficult to ensure timely passage of duty suspension legislation. For example, last year the duty suspensions expired for many items, including items that Ohio manufacturers must import. Although renewal of these duty suspensions was noncontroversial, the legislation did not pass before adjournment of the 99th Congress due to time pressures and the failure to pass a trade reform bill. I'm confident that we will be able to pass duty suspensions this year. However, in the meantime, the Customs Service must collect the duties or require a bond for the duty liability. This adds additional costs to manufacturers, disrupts business planning, and hampers competitiveness. Mr. President, there must be a better way to enact duty suspensions, and I believe this legislation offers us that better way.

First, the bill creates a regularized procedure in the executive branch for obtaining noncontroversial 3-year duty suspensions. Second, the bill provides a method by which the President can use the suspensions to seek corresponding concessions on duties from other countries.

Persons who seek a duty suspension would file a petition with the International Trade Commission [ITC]. The ITC would request public comments and investigate whether the article is produced in the U.S. or whether an article which is like or directly competitive with it is produced here. After a full investigation with opportunity for public comment at several stages, the ITC would make final recommendations to the President. The President would be authorized to grant duty suspensions if no domestic industry would be adversely affected and if the revenue loss was less than a certain amount.

After a duty suspension is granted, the U.S. Trade Representative would then initiate negotiations with each foreign country that benefits from the suspension. The goal would be to get a reciprocal trade concession for U.S. goods and services.

I want to note that Congress would still have authority under the Constitution to pass or change any duty suspensions. Congress would just be delegating some of its authority to the executive branch for noncontroversial duty suspensions.

I believe this proposal offers a desirable and practical system for duty suspensions. This legislation is supported by domestic manufacturers who are frustrated with the uncertainty of the current procedure. I urge my colleagues to favorably consider this bill.●

By Mr. HEINZ:

S. 961. A bill to amend title XVIII of the Social Security Act to allow Medicare coverage for home health services provided on a daily basis; to the Committee on Finance.

S. 962. A bill to amend the Internal Revenue Code of 1986 to allow a credit against tax for expenses incurred on the care of elderly family members; to the Committee on Finance.

HOME CARE LEGISLATION

Mr. HEINZ. Mr. President, home health care is clearly the preferred choice of most older Americans. Unfortunately, cost containment efforts have severely hampered their ability to gain access to these vital services. The result is that families are subjected to tremendous financial and emotional strains as loved ones are called into service to perform heroic tasks in the care of an aged parent or other relative. Unless we act quickly to expand home care benefits and assist families with caregiving we will seriously undermine the family's ability to provide care, leaving the elderly with nowhere to turn.

The problem is best illustrated by a General Accounting Office report prepared at my request and released in January of this year. In that report the GAO found that 3.2 million elderly had one or more limitations. Most of these were receiving assistance from family members and other informal caregivers. Many, however, were doing without critically needed assistance.

The GAO found that 168,000, 5 percent, of the impaired elderly had severe limitations with eating, bathing, dressing and getting out of bed for which they lacked needed assistance. Another 1.1 million, 36 percent, were without help in areas such as getting around outside the house, transportation, grocery shopping and preparing meals. Many older persons would benefit from Medicare home health benefits, but administrative restrictions have cut them off from any help.

The GAO also found that the remaining 1.9 million impaired elderly had their needs met, but most often services were provided by family and other informal caregivers. Family members are often in the best position to provide high quality care, but this can come at a very high price.

The problems faced by family caregivers are enormous. Dr. Elaine Brody, a professor at the Philadelphia Geriatric Center, has studied family caregivers for years—most of them are women—and has uncovered some startling facts. One in six face serious economic strains from their caregiving role because they are forced to cut back or quit their jobs. One in four experience physical strain from the arduous tasks involved in caring for a parent. Torn by competing demands of their own children, their aged parents and their work, these women suffer from depression, anxiety, lowered morale and sleepness. On top of all this, two-thirds of these women feel guilty that they are not doing enough.

Mr. President, I submit that we, the Federal Government, are not doing enough. Rather than feel guilty about it, however, I am introducing two bills today to improve the availability of home care for the elderly.

The first of these two bills is the Home Care Protection Act. More than 3 years ago I was joined by many of my colleagues on both sides of the aisle in introducing this bill to address what was then a very serious problem in access to home health care. Since then the problem has grown much worse. Numerous congressional hearings have been held on this subject, including several by the Special Committee on Aging during the 6 years that I chaired that committee.

The problem stems in part from a technical definition of home care as it is specified in public law and interpreted by this administration. In order to qualify for Medicare home care benefits, a patient must be in need of intermittent as opposed to daily 24-hour-a-day care. The present guidelines allow for daily visits for up to 3 weeks, after which they are allowed only under exceptional circumstances. The guidelines allow more than one visit to the same patient on the same day depending on need.

Recently, visits of 1 hour or less, sometimes made on a daily basis, have been construed by intermediaries to mean full time in-home care—which by definition renders it similar to nursing home care and therefore nonreimbursable. I have heard testimony from home health nurses that their agencies are afraid to provide services to some elderly patients because they may be retroactively denied. At an Aging Committee hearing in Philadelphia I released a report showing that while the demand for home health care has risen by 37 percent, largely because of earlier discharges from hospitals, there has been a 133-percent increase in the benefit denial rate, with more than 2½ times as many claims denied in 1985 as when the prospective payment system began.

Let me share with you just one disturbing example, that of a 69-year-old female who was discharged from the hospital with a terminal diagnosis of metastic cancer. The physician, the discharge planner, and the nursing supervisor of the home health agency held a conference and determined that the patient could be cared for at home with daily visits by a registered nurse and less frequent visits by home health aids and other professional personnel. The patient was therefore discharged from the hospital to the care of a home health agency and the attending physician. The intermediary denied coverage of these services on the basis of the patient being too sick to be at home.

My bill addresses this problem by clarifying the definition of intermittent to mean care provided up to 7 days a week with one or more visits per day. The bill also expands the coverage period from 21 days to 60, with allowance for additional care under exceptional circumstances.

The Home Care Protection Act sends a clear message to Medicare beneficiaries, to home health providers, to fiscal intermediaries and to the Health Care Financing Administration: Congress intends to keep its promise. Older Americans have the right to receive daily, medically necessary, home care as originally intended by Congress, in a fair, consistent, and humane manner.

Mr. President, the second bill in my legislative package would amend the Internal Revenue Code to allow a credit against taxes for a portion of expenses incurred in the care of chronically ill elderly persons at home, including such services as home health aides, adult day care, and medical or health related equipment and supplies.

Families most in need are targeted for the greatest financial relief. Credit amounts will be determined on a sliding scale based on annual income. The sliding scale is based on the same formula as the dependent care tax credit that was adopted by Congress in 1981—as part of the Economic Recovery Tax Act.

Families with incomes of $10,000 or less can claim a tax credit for 30 percent of the expenses listed above, up to a maximum credit of $1,050 for each person cared for, up to a total annual credit of $2,100. Low income families who do not pay the credit will have credit refunded directly to them. The credit will be phased out as family income exceeds $10,000; families with adjusted gross incomes in excess of $50,000 will be ineligible for the credit. Families will be ineligible to claim a credit if their elderly relative's adjusted gross income exceeds $15,000. This legislation is designed to encourage independence of the elderly person. Therefore, it does not impose a financial dependency requirement or require that the elderly relative live in the family's home.

Families may claim the credit for services provided to chronically ill individuals diagnosed with Alzheimer's disease, a form of premature senile dementia. With regard to Alzheimer's, I do not need to describe to you what the financial and emotional drain experienced by a family in caring for an Alzheimer's patient and how desperately relief is needed.

There are 1.9 million elderly individuals age 75 and over who have severe physical limitations, are being cared for by a family member and whose income is below the $15,000 limit specified in this legislation. The family members providing needed care to these nearly 2 million individuals would stand to be helped by this bill.

Built into the legislation are safeguards against abuse or overuse. In addition to the absolute cutoffs placed on family income at $50,000 and elderly income at $15,000, the bill requires that only billable services can qualify for the credit, thus facilitating documentaion. The Internal Revenue Service will be required to report annually to Congress on the credit users, their incomes, the services claimed, and the absolute amounts paid. Furthermore, the tax credit will not apply to those services reimbursed under Medicare, Medicaid, or other insurance plans.

Assistance of this kind—a tax credit—will help give families the choice as to what services are most appropriate and necessary to enable their elderly relative to remain at home.

Mr. President, these two bills—the Home Care Protection Act and the Family Care Act—will improve home care for the elderly. They will relieve some of the burden being heaped on families because of DRG's and patients being discharged from hospitals sicker and quicker.

But, we cannot stop here. Arbitrary and unjustified policy changes by HCFA have caused enormous uncertainty among home health providers. The absence of Administrative Procedures Act requirements for Medicare allow HCFA to perpetrate these changes without benefit of public comment. The result is chaos in the home health field.

Let me offer two examples of what I consider to be inappropriate home health denials from my home State of Pennsylvania. These were brought to my attention at an Aging Committee hearing in Philadelphia last year. I assure you, these examples are two among many that have been brought to the committee's attention.

The first is the case of Mr. Harvey Simms, age 70, who is legally blind and deaf, and who developed cancer of the larynx several years ago, requiring the removal of his larynx. The home health nurses taught him how to care for the opening in his throat, by washing it twice a day with soap and water and putting an antibiotic cream on it. The home health nurses also taught Mr. Simms how to care for the various suction and other machines he needed to place in his throat. Mr. Simms' home health care was denied because he was not considered homebound, even though he was so weak that he only left home for his radiation treatments, and only then with his brother's aid.

The second case involved Mr. Frank Perry who had had a stroke in 1974 which left him with aphasia—an inability to talk—a weakened left side, no arm movement and the necessity of using a cane for walking. Sharon Mey, his daughter, began taking care of him when he was 78, in 1981. In November, 1985, he was diagnosed as having liver disease and obstructed jaundice. His doctor told Mrs. Mey that he would need a visiting nurse because he required daily bandage changes and observation. He had a catheter and a drainage tube out of his right side for bile drainage. The availability of a home health nurse enabled Mrs. Mey to keep her father with her until his death, when otherwise he would surely have gone to a nursing home. They saved countless trips to the hospital for bandage changes, irrigation of the catheter and biliary tube. Despite all of this, Medicare denied home health nurse visits 7 days a week, allowing only 3 per week.

These examples highlight the urgent need to straighten out the administration of the home health benefit to ensure that it meets the intent of Congress. To this end, I have asked my colleagues to join me in sending a letter to HHS Secretary Bowen, calling on him to explain the recent upsurge in home health denials and to rectify this problem immediately. I am hopeful we can get results. If we are also able to enact the two bills I have introduced today I believe we not only will offer the elderly improved access to needed care, but we will also have contributed to cost savings by avoiding more expensive hospital and nursing home care. I urge my colleagues to join me in this effort, and ask unanimous consent to have the two bills printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 961

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Home Care Protection Act of 1987".

SEC. 2. AMENDMENT TO DEFINITION OF HOME HEALTH SERVICES.

(a) IN GENERAL.—Section 1861(m) of the Social Security Act (42 U.S.C. 1395x(m)) is amended by adding at the end thereof the following new sentence: "For purposes of paragraphs (1) and (4), nursing care and home health aide services may be provided under such paragraphs seven days a week (with one or more visits per day) for a period of up to sixty days with monthly physician certification of the need for services on such a basis, and after such sixty-day period based on a physician certification of exceptional circumstances requiring such services on a daily basis.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to services furnished on or after the date of the enactment of this Act.

S. 962

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Family Care Act of 1987".

SEC. 2. CREDIT FOR CARE OF ELDERLY FAMILY MEMBERS.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits allowable against tax) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

"SEC. 35. EXPENSES FOR CARE OF ELDERLY FAMILY MEMBER.

"(a) ALLOWANCE OF CREDIT.—

"(1) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the applicable percentage of qualified elderly care expenses paid by such individual for the care of a qualifying family member during the taxable year.

"(2) APPLICABLE PERCENTAGE DEFINED.—For purposes of paragraph (1), the term 'applicable percentage' means 30 percent reduced (but not below 20 percent) by 1 percentage point for each $2,000 (or fraction thereof) by which the adjusted gross income of the taxpayer (and the spouse of the taxpayer in the case of a married individual filing a separate return) for the taxable year exceeds $10,000.

"(b) LIMITATIONS.—For purposes of this section—

"(1) LIMIT ON INCOME OF TAXPAYER.—No credit shall be allowable under subsection (a) for a taxpayer with an adjusted gross income of $50,000 or more for the taxable year ($25,000 or more in the case of a married individual filing a separate return).

"(2) DOLLAR LIMITATIONS ON AMOUNT OF CREDIT.—

"(A) MAXIMUM QUALIFIED ELDERLY CARE EXPENSES TAKEN INTO ACCOUNT.—The amount of qualified elderly care expenses taken into account under subsection (a) by any taxpayer for any taxable year shall not exceed $7,000 and not more than $3,500 of qualified elderly care expenses may be taken into account with respect to any qualifying family member.

"(B) SPECIAL RULES FOR MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—In the case of a married individual filing a separate return, paragraph (1) shall be applied by substituting '$3,500' for '$7,000' and '$1,750' for '$3,500'.

"(C) 2 OR MORE INDIVIDUALS MAKING EXPENDITURES WITH RESPECT TO SAME QUALIFYING FAMILY MEMBER.—If 2 or more individuals have qualified elderly care expenses with respect to any qualifying family member during any calendar year, then—

"(i) the amount of the qualified elderly care expenses taken into account with respect to such qualifying family member shall be determined by treating all of such individuals as one taxpayer whose taxable year is such calendar year, and

"(ii) the amount of such expenditures taken into account by each of such individuals for the taxable year in which such calendar year ends shall be equal to the amount which bears the same ratio to the amount determined under subparagraph (A) as the amount of such expenditures made by such individual during such calendar year bears to the aggregate of such expenditures made by all of such individuals during such calendar year.

"(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) QUALIFYING FAMILY MEMBER.—The term 'qualifying family member' means any individual (other than the spouse of the taxpayer) who—

"(A) is related to the taxpayer by blood or marriage, "(B) is at least 75 years of age (or is diagnosed by a physician as having senile dementia of the Alzheimer type), and

"(C) has a family income for the taxable year which is not greater than $15,000.

"(2) Family income.—The term 'family income'—

"(A) in the case of an individual who is not married, the adjusted gross income of such individual; and

"(B) in the case of a married individual, the adjusted gross income of such individual and his spouse.

"(3) Qualified elderly care expenses.—The term 'qualified elderly care expenses' means payments by the taxpayer for home health agency services (but only if provided by an organization certified by the Health Care Financing Administration), homemaker services, adult day care, respite care, or health-care equipment and supplies which—

"(A) are provided to such qualifying family member,

"(B) are provided by an organization or individual not related to the taxpayer or to the qualifying family member, and

"(C) are not compensated for by insurance or otherwise.

"(4) Application with other credits.—Notwithstanding any provision of this part, the amount of the credit allowable under subsection (a) shall be allowed as a credit against the tax imposed by this chapter before any other credit allowed by this part.

"(d) Denial of Double Benefit.—No deduction or credit shall be allowed under any other provision of this chapter with respect to any amount for which a credit is allowed under subsection (a).".

(b) Conforming Amendments.—

(1) The table of sections for subpart C of part IV of subchapter A of chapter 1 of such Code is amended by striking out the item relating to section 35 and inserting in lieu thereof the following new items:

"Sec. 35. Expenses for care of elderly family member.
"Sec. 36. Overpayments of tax.".

(2) Paragraph (4) of section 6201(a) of such Code (relating to assessment authority) is amended—

(A) by striking out "or section 32 (relating to earned income)" and inserting in lieu thereof ", section 32 (relating to earned income), or section 35 (relating to expenses for care of elderly family member)", and

(B) by striking out the heading and inserting in lieu thereof the following:

"(4) Overstatement of certain credits.—".

(3) Section 6513 of such Code (relating to time return deemed filed and tax considered paid) is amended by adding at the end thereof the following new subsection:

"(f) Time Tax Is Considered Paid for Elderly Care Credit.—For purposes of section 6511, the taxpayer shall be considered as paying an amount of tax on the last day prescribed by law for payment of the tax (determined without regard to any extension of time and without regard to any election to pay the tax in installments) equal to so much of the credit allowed by section 35 (relating to expenses for care of elderly family member) as is treated under section 6401(b) as an overpayment of tax.".

(4) Subsection (d) of section 6611 of such Code is amended by striking out the heading and inserting in lieu thereof the following:

"(d) Advance Payment of Tax, Payment of Estimated Tax, Credits for Income Tax Withholding and Expenses for Care of Elderly Family Member.—".

SEC. 3. EFFECTIVE DATE; REPORTS.

(a) Effective Date.—The amendments made by this Act shall apply to taxable years beginning after December 31, 1988.

(b) Reports.—

(1) In general.—The Secretary of the Treasury shall prepare a report for taxable years ending in 1989 (and each of the 4 calendar years thereafter) which—

(A) the number of individuals who were allowed a credit under section 35 of the Internal Revenue Code of 1986 for taxable years ending during such calendar year,

(B) the utilization of such credit by income group for such calendar year,

(C) the utilization of such credit by category of qualified elderly care expenses (as defined in paragraph (3) of subsection (c) of section 35 of such Code) during such calendar year, and

(D) the total effect on the revenues of the United States of allowing such credit during such calendar year.

(2) Time for filing.—Any report required under paragraph (1) shall be submitted to the Congress no later than September 15 of the calendar year following the calendar year for which it is required.

By Mr. SASSER (for himself and Mr. Gore):

S. 963. A bill to amend the boundaries of Stones River National Battlefield, TN, and for other purposes; to the Committee on Energy and Natural Resources.

STONES RIVER NATIONAL BATTLEFIELD

● Mr. SASSER. Mr. President, today, along with my junior colleagues, Senator Gore, I am introducing legislation which would expand the boundaries of the historic Stones River National Battlefield in Murfreesboro, TN. Companion legislation to our measure is being introduced in the House by Representative Bart Gordon, whose district includes Stones River National Battlefield.

The State of Tennessee played a pivotal role in America's bloody Civil War. Only the State of Virginia had more Civil War battles fought on its soil than Tennessee. Some of my colleagues may be familiar with the battles waged at Shiloh, in west Tennessee and in Chattanooga, in east Tennessee.

Murfreesboro, TN, was the site of another major Civil War engagement. The battle of Stones River was one of the bloodiest in the war's history. From December 31, 1862, to January 2, 1863, the Union and Confederate Armies clashed in and around the town of Murfreesboro. Some 81,000 men were locked in this struggle.

On March 3, 1927, an act of Congress declared part of the battlefield a national military park. However, the land included in the park encompassed only a small portion of the actual battlefield. Many of the major developments in the battle of Stones River actually took place on land which is adjacent to, but not included in the national military park.

Since the passage of this legislation, the boundaries of the park have remained virtually untouched. During this same period, the town of Murfreesboro has continued to grow. In recent years, Murfreesboro has been experiencing rapid growth. Due to this expansion, historic sections of land near the battlefield are threatened by development.

The legislation I am introducing today and which Representative Gordon is introducing in the House would address this problem. In order to preserve the historical integrity of this land, we would expand the boundaries of the existing park by 70 acres.

Our legislation also calls for the restoration of Fortress Rosecrans by the National Park Service. This fortress also played a pivotal role in the Civil War. It was used as a supply center for the Union forces as they made their way South to Chattanooga and later, Atlanta. The remnants of Fortress Rosecrans are all that remain today of what once was the largest earthen fortress in the world.

In addition, our legislation directs the Park Service to construct a walking and biking trail to connect the Stones River National Battlefield with Fortress Rosecrans. This much needed improvement would allow the more than 200,000 annual visitors to Stones River easy access to Fortress Rosecrans.

Mr. President, history is a great teacher for young and old alike. Our legislation seeks to ensure that we do not lose a significant part of our national heritage. I urge my colleagues to support this effort.●

By Mr. BAUCUS (for himself and Mr. McClure):

S. 964. A bill to amend the Meat Import Act of 1979 to include imports of lamb; to the Committee on Finance.

MEAT IMPORT ACT

● Mr. BAUCUS. Mr. President, I rise today to introduce the Lamb Import Act of 1987 for myself and Mr. McClure.

The Meat Import Act of 1979 included a formula to control imports of beef, mutton, veal, and even goat. But it did not include lamb.

With U.S. lamb producers facing increased unfair competition from lamb imports, it is time to correct this oversight.

The Lamb Import Act of 1987 does this by adding lamb to the list of meats covered by the Meat Import Act.

The House has already attached almost identical legislation to the Omnibus Trade Act of 1987.

It is time for the Senate to follow suit. I intend to offer the Lamb Import Act of 1987 as an amendment to this year's trade bill in the Finance Committee markup.

I believe that this legislation is vital for two reasons.

First, lamb producers deserve equitable treatment under the Meat Import Act of 1979.

Lamb imports did not pose a threat to the domestic industry in 1979. But now they do.

Lamb producers are facing the same type of import threat that cattlemen face—they are entitled to the same protection.

Second, lamb producers desperately need relief from a flood of subsidized imports from New Zealand and Australia.

The ITC has already ruled that New Zealand subsidizes its lamb exports to the United States at a rate of 20 cents per pound.

But the actual subsidy is closer to 40 cents per pound.

New Zealand also sells its lamb for export at lower prices than it sells lamb to New Zealand consumers—a classic example of dumping.

These subsidized imports are pouring into the United States in increasing quantities.

Last year, total imports of lamb totaled just under 28 million pounds.

This year, if the pattern set in January holds, lamb imports could total 45 million pounds.

That is an increase of more than 17 million pounds—a 66-percent increase in only 1 year.

The worst aspect of this flood of imports is that lamb imports tend to peak at the times when U.S. lamb producers bring their lamb crop to market.

The imports destroy the U.S. market price and keep U.S. lamb producers from getting the return that they deserve for their lamb.

The U.S. lamb industry could soon be wiped out if they are forced to contend with unfair import competition.

Some of my colleagues will doubtlessly argue that this legislation is protectionist.

I do not believe that this is a fair label.

The formula laid out to control imports would not call for a roll-back of import levels.

For example, if this legislation was in place in 1986, it would have limited imports to 29.1 million pounds—actual imports only reached 27.8 million pounds.

Further, this legislation includes a provision that ensures that imports will never be held below a level of 28.5 million pounds—considerably more than the 1986 import level.

This legislation does not prevent a reasonable flow of imports. But it does prevent a disastrous flood of imports from destroying the U.S. lamb market.

Also, imports of lamb would be controlled using the same countercyclical formula that controls cattle imports.

This formula protects consumers from precipitous price increases caused by import restrictions by allowing more imports when domestic production falls off.

In short, it is unfair to dismiss this legislation as blatant protectionism. This may not be a perfect bill, but it is a responsible attempt to deal with the lamb import problem.

I urge all of my colleagues to join me in support of this legislation.

I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 964

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENTS TO THE MEAT IMPORT ACT OF 1979.

(a) Subsection (b) of the Meat Import Act of 1979 (93 Stat. 1291; 19 U.S.C. 2253 note) is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively, and

(2) by inserting after paragraph (1) the following:

"(2) The term 'lamb articles' means the articles provided for in the Tariff Schedules of the United States under item 106.30 (relating to fresh, chilled, or frozen meat of lambs) and item 100.81 (relating to live sheep).".

(b) Subsection (e) of the Meat Import Act of 1979 (93 Stat. 1292; 19 U.S.C. 2253 note) is amended—

(1) in paragraph (1) by inserting "and the aggregate quantity prescribed for such calendar year under subsection (j) as adjusted under subsection (k)" after "subsection (d)", and

(2) in paragraph (2) by inserting ", and the aggregate quantity of lamb articles," after "meat articles".

(c) Subsection (f) of the Meat Import Act of 1979 (93 Stat. 1292; 19 U.S.C. 2253 note) is amended—

(1) in paragraph (1)—

(A) by inserting "or lamb articles, as the case may be," after "meat articles" the first place it appears,

(B) by inserting "or lamb articles, respectively," after "meat articles" the second place it appears,

(C) by inserting "in the case of meat articles or less than 28,500,000 pounds in the case of lamb articles" before the period at the end of the first sentence,

(D) by inserting "with respect to meat articles or lamb articles" after "If", and

(E) in the last sentence by inserting "meat" before "articles", and

(2) in the first sentence of paragraph (2)—

(A) by inserting "or lamb articles, as the case may be" after "meat articles", and

(B) by inserting "with respect to meat articles or lamb articles" after "If".

(d) Subsection (g) of the Meat Import Act of 1979 (93 Stat. 1292; 19 U.S.C. 2253 note) is amended—

(1) in paragraph (1) by inserting "or the domestic lamb industry, as the case may be" after "cattle industry",

(2) in paragraph (2) by inserting "or lamb articles, as the case may be," after "meat articles", and

(3) in paragraph (3) by striking "and (d)" and inserting ", (d), (j), and (k)".

(e) Subsection (h) of the Meat Import Act of 1979 (93 Stat. 1293; 19 U.S.C. 2253 note) is amended—

(1) by striking "the previous subsections" and inserting "any other provision of this section",

(2) by inserting "or lamb articles, as the case may be," after "meat articles", and

(3) by inserting "or (k), as the case may be," after "subsection (d)" each place it appears.

(f) Subsection (i) of the Meat Import Act of 1979 (93 Stat. 1293; 19 U.S.C. 2253 note) is amended—

(1) in the first sentence by inserting "or lamb articles, as the case may be," after "meat articles", and

(2) in the second sentence by inserting "or the trade in lamb articles or lambs, as the case may be" after "cattle".

(g) The Meat Import Act of 1979 (93 Stat. 1291; 19 U.S.C. 2253 note) is amended—

(1) by redesignating subsections (j), (k), and (l) as subsections (l), (m), and (n), respectively, and

(2) by inserting after subsection (i) the following:

"(j) The aggregate quantity of lamb articles which may be entered in any calendar year may not exceed 24,360,000 pounds, except that this aggregate quantity shall be—

"(1) increased or decreased for any calendar year by the same percentage that the estimated average annual domestic commercial production of lamb articles in that calendar year and the 2 preceding calendar years increases or decreases in comparison with the average annual domestic commercial production of lamb articles during calendar years 1981 through 1986; and

"(2) adjusted further under subsection (k).

"(k) The aggregate quantity referred to in subsection (j), as increased or decreased under paragraph (1) of such subsection, shall be adjusted further for any calendar year by multiplying such quantity by a fraction—

"(1) the numerator of which is the average annual per capita production of domestic meat of lambs during that calendar year (as estimated) and that 4 calendar years preceding such calendar year; and

"(2) the denominator of which is the average annual per capita production of meat of lambs in that calendar year (as estimated) and the preceding calendar year.

For the purposes of this subsection, the phrase 'meat of lambs' mean that portion of the total domestic sheep slaughter designated by the Secretary as lamb slaughter."

(h) The Meat Import Act of 1979 (93 Stat. 1291; 19 U.S.C. 2253 note) is amended by adding at the end the following:

"(o) By no later than the date that is 30 days after the date of enactment of this subsection, the Secretary of Agriculture shall prescribe such regulations as are necessary to convert live lamb into a poundage suitable for purposes of applying this section.

"(p) The Secretary of Agriculture shall conduct a study to determine whether a disproportionate quantity of meat of lambs is entered quarterly into the United States. The Secretary shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report specifying the results of such study not later than June 1, 1988, or 180 days after the effective date of this subsection, whichever occurs later.".

SEC. 2. EFFECTIVE DATE.

The amendments made by this Act shall apply with respect to—

(1) calendar years, and

(2) articles entered, or withdrawn from warehouse, for consumption in calendar years,

that begin on or after the date of enactment of this Act.●

● Mr. McCLURE. Mr. President, the U.S. sheep and lamb industry has been an integral and historic part of the agricultural economy of this country. The sheep industry contributes substantially to the American economy, to the production of food and fiber, and to the national defense through domestic production of wool for uniforms and other military needs.

I believe this Congress has made a commitment to strengthen our trade laws and to take steps to address the unfair foreign trade practices of many of our trading partners. The progress which has been made to date is encouraging, but I strongly believe that at least one piece of unfinished business remains.

In 1964, the 88th Congress established import quotas on certain meat products—beef, veal, mutton, and goat. Lamb was not included in this quota because lamb imports were only 1.5 percent of domestic production at that time. Beef imports were running between 10 and 11 percent of domestic production at that time.

The legislative intent, constructed from colloquies in both House and Senate debate, made clear that had an import problem similar to beef had existed at the time for lamb, it would have been included in the legislation.

In 1979, Congress amended and redesignated the Meat Import Act. The principal change in 1979 involved the development of a modified method for establishing meat import levels under the act—the countercyclical formula—intended to encourage imports when domestic production is lower and impose tighter restrictions when domestic supply is high. The formula was ingenious and is working quite well—beef imports have leveled off at about 7.7 percent. Due to the genius of this proposal, we do not get wide fluctuations in the price of beef. This is good news for both consumers and the U.S. cattle industry.

Unfortunately, for consumers and U.S. sheep ranchers, the picture for lamb is not as bright. Lamb imports have risen consistently since those days of low imports. Lamb imports have risen consistently and are projected to rise much higher. The conditions of concern that existed in 1984 for beef exist today in the lamb industry. Imports have flooded into this country, reaching levels which must prompt congressional action to maintain equity in the industry.

Last year lamb and mutton imports were 36 million pounds—the highest in the decade and nearly double the 1984 levels. Clearly, lamb now meets the criteria outlined in the 1964 act. In fact, the import penetration level is more severe than the level facing beef, veal, mutton, and goat when Congress acted in 1964. Even more alarming, it is estimated that total lamb imports could reach 45 million pounds this year and 75 million pounds in 1988 unless effective action is taken. A quotation in the New Zealand Herald states that "the U.S. market has reached a point where the meat export development company of New Zealand believes that sales can improve by 20 percent a year and eventually reach a total of 5 million lambs." Five million lambs is equivalent to over 200 million pounds of lamb meat.

Not only does the domestic lamb industry have to worry about subsidized imports of fresh, frozen, and chilled lamb, they must now face another challenge—that of live lamb shipments from New Zealand. It is hard to believe that it is cheaper to transport live lambs from New Zealand than our producers can produce at home. Although the New Zealand Government claims that they do not subsidize their lamb, it is hard for this Senator to believe that live lamb can be brought into the United States cheaper than we can raise our own.

In 1986, lamb imports were over 9 percent of total U.S. lamb production. Imports of 75 million pounds would comprise 23 percent and New Zealand's projection of 200 million pounds would capture nearly 70 percent of United States production.

Our country has been targeted for a very aggressive lamb marketing program by New Zealand—whose traditional Mideast markets have been threatened by the Iran-Iraq war and the political strife in Lebanon. Furthermore, it is important to note that New Zealand's imports account for 75 percent of the total lamb imports and the U.S. Department of Commerce determined in September 1985, that those imports were subsidized by 20 cents per pound.

The legislation we are introducing today would add lamb to the meats covered by the Meat Import Act. It would set a level of imports for lamb by using the same formula that is used to set the beef trigger. Instead of using a base period of 1968–77, as is used in the beef formula, this legislation would use a base period of 1971–86. This legislation sets a floor for lamb imports of 28 million pounds, a figure in excess of 1986 imports. It includes under lamb the importation of live lamb also.

Mr. President, if New Zealand and other lamb importers do not have designs for increasing their share of the United States lamb market, adding lamb to the Meat Import Act will not harm them because it approximates the status quo. On the other hand, if New Zealand and the others want to greatly increase their presence in our markets—as I believe they do—action by Congress is warranted for reasons outlined above. We do not seek to slash or eliminate imports, or even reduce them substantially. But we must ensure that imports do not continue to undermine our domestic lamb markets. We can do that by allowing lamb the same security allowed for beef, veal, mutton, and goat meat. It will protect both the producer and the consumer from wide fluctuations in prices by ensuring a level of domestic production.

I believe that this legislation represents a balanced and fair approach to a serious problem. I urge my colleagues to support it and help ensure favorable action this year.●

By Mr. LUGAR (for himself, Mr. Riegle, Mr. Bentsen, Mr. Boschwitz, Mr. Bradley, Mr. Burdick, Mr. Chafee, Mr. Conrad, Mr. Durenberger, Mr. Exon, Mr. Glenn, Mr. Gore, Mr. Hatch, Mr. Heinz, Mr. Hollings, Mr. Kasten, Mr. Levin, Mr. Matsunaga, Mr. Nickles, Mr. Nunn, Mr. Pell, Mr. Proxmire, Mr. Quayle, Mr. Rockefeller, Mr. Sarbanes, Mr. Stennis, and Mr. Wilson):

S.J. Res. 108. A joint resolution to designate October 6, 1987, as "German-American Day"; to the Committee on the Judiciary.

GERMAN-AMERICAN DAY

● Mr. LUGAR. Mr. President, I am cosponsoring, along with Senator Riegle, a joint resolution designating October 6, 1987, as German-American Day. This joint resolution provides us an opportunity to acknowledge the many contributions and achievements of German-Americans to our society. The number of American citizens of German ancestry has grown to over 50 million since the first German immigrants arrived in this country over 300 years ago.

In addition, this joint resolution highlights plans to dedicate the German-American Friendship Garden on October 6, 1987. The garden, which is located in the District of Columbia, will symbolize the friendly relations between West Germany and the United States.

I would like to encourage my colleagues to join Senator Riegle and me in acknowledging the contributions of all German-Americans.●

● Mr. RIEGLE. Mr. President, I am delighted to join with Senator Lugar in introducing this joint resolution to commemorate October 6, 1987 as "German-American Day".

Four years ago, on October 6, 1983, Americans marked the 300th anniversary of the arrival of the first German immigrants to the United States. In celebration of that anniversary, the President proclaimed it a day to honor the contributions made by German immigrants to the life and culture of the United States.

The joint resolution we are introducing today carries on that tradition, and provides us the opportunity to again acknowledge those special contributions which German-Americans have made to the United States.

According to the 1980 census, Americans most frequently identified themselves as being of English and German ancestry. About 50 million persons were reported as being solely or partly of English ancestry, while German or part-German accounted for 49 million persons.

In my own State of Michigan, the 1980 census indicates that some 2.5 million citizens are of German descent, and I am proud to count myself among them.

Since the first German settlers came to our shores more than 300 years ago, they have enriched America's literature, art, scholarship, science, industry, commerce, religion, philosophy, cuisine, and every other dimension American life.

I believe it is most appropriate that we pay tribute to those many contributions by honoring October 6, 1987 as "German-American Day". I am pleased to join Senator Lugar in introducing this joint resolution today, and urge my colleagues to give this effort their full support.●

By Mr. DURENBERGER (for himself and Mr. Gore):

S.J. Res. 109. Joint resolution to designate the week beginning October 4, 1987, as "National School Yearbook Week"; to the Committee on the Judiciary.

NATIONAL SCHOOL YEARBOOK WEEK

● Mr. DURENBERGER. Mr. President, I rise today to introduce a joint resolution proclaiming the week of October 4 through 11, 1987 as National School Yearbook Week. I am honored to be joined in doing so by my good friend and colleague, Senator Gore and in the House of Representatives, by my colleague from Texas, Mr. Bryant who has introduced this resolution as House Joint Resolution 231. This joint resolution will recognize the role of school yearbooks in defining our Nation's schools as institutions with vivid identities and in broadening the education of our children.

For many students, a role in the publication of their school's yearbook constitutes their first position of real responsibility and creativity. It is their first chance to apply what they have spent years learning in theory to the crafting of a finished product.

National School Yearbook Week will recognize many young photographers who have discovered a talent; it will recognize young advertisers who first discovered their marketing abilities and it will recognize young editors who have first cut their teeth in positions of leadership during the production of their school's yearbook. Finally, Mr. President, it will recognize the role that school yearbooks have played for nearly 200 years of American history in establishing a lasting institutional memory and identity in our Nation's schools.

I urge my colleagues to join me in dedicating the week of October 4, 1987, to that valuable, educational and lasting American institution: the school yearbook.

Finally, Mr. President, I would ask unanimous consent that this joint resolution be printed in the Record.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

S.J. Res. 109

Whereas educating the young people of the United States is essential in ensuring that the United States continues to make economic and cultural progress;

Whereas the communication of the educational achievements of students and educational institutions in the United States has a vital impact on the people of the United States;

Whereas school yearbooks provide vivid pictorial and editorial insights into such educational achievements;

Whereas the thousands of young people who produce school yearbooks each year receive significant editorial, photographic, and business experiences;

Whereas a recent study conducted by the American College Testing Program has shown that college freshmen who worked on a yearbook staff in high school have higher ACT composite scores, perform better on standardized college writing tests, and achieve higher grade point averages during their first year of college than freshmen with no high school yearbook experience;

Whereas school yearbooks provide valuable historical documents for educational institutions; and

Whereas school yearbooks have been an important part of the culture of the United States for approximately 2 centuries: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning October 4, 1987, is designated "National School Yearbook Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.●

By Mr. LEAHY (for himself, Mr. Danforth, Mr. Dole, Mr. Kennedy, Mr. Moynihan, Mr. Boschwitz, Mr. Melcher, Mr. Matsunaga, and Mr. Daschle):

S.J. Res. 110. Joint resolution to designate October 16, 1987, as "World Food Day"; to the Committee on the Judiciary.

WORLD FOOD DAY

● Mr. LEAHY. Mr. President, I am pleased to sponsor a joint resolution to designate October 16, 1987, as "World Food Day."

The purpose of this commemoration is to encourage Americans to consider their role in the fight against world hunger. As the 1986 World Food Day Teleconference Report notes, "World Food Day seeks to engage the widest possible range of individuals, organizations, governments, and multilateral agencies in a collaborative search for solutions against hunger."

To this end, the joint resolution would authorize and request that the President issue a proclamation calling upon the people of the United States to observe this day with appropriate ceremonies and activities, including worship services, fasting, educational endeavors, and the establishment of year-round food and health programs and policies.

October 16, 1987, will mark the seventh international observance of World Food Day. Support has grown steadily since I introduced the first Senate joint resolution to commemorate the day in 1981. Last year, 150 nations observed the day. In the United States, the National Committee for World Food Day now comprises more than 375 groups representing the major food, farm, education, nutrition, religious, and relief and development organizations.

I urge my colleagues to join me in sponsoring this joint resolution.●

By Mr. HEINZ (for himself, Mr. Durenberger, Mr. Bradley, Mr. Chafee, Mr. Matsunaga, Mr. Nunn, Mr. Levin, Mr. Warner, Mr. Wilson, Mr. Kerry, Mr. Dixon, Mr. Stafford, Mr. Kasten, Mr. Shelby, Mr. Burdick, and Mr. Pryor):

S.J. Res. 111. Joint resolution to designate each of the months of November, 1987, and November, 1988, as "National Hospice Month"; to the Committee on the Judiciary.

NATIONAL HOSPICE MONTH

● Mr. HEINZ. Mr. President, I am pleased to be joined by a number of my distinguished colleagues in introducing a resolution designating November as "National Hospice Month" in 1987 and 1988. A companion resolution is being introduced today in the House of Representatives by Congressman Gradison.

This 2-year resolution will mark the fourth and fifth annual National Hospice Months recognizing hospice care as a humane response to the needs of those who are terminally ill.

Hospice provides support and care for persons in the last phase of life. It enables terminally ill persons to live out the end of their lives in dignity, as fully and comfortably as possible. Hospice offers hope to family members as well as providing them with emotional support and understanding at this most difficult time.

The first hospice was established in New Haven, CT in 1974, Hospice was a health care innovation that was sorely needed and has been wholeheartedly embraced by health care professionals, the terminally ill and their families. In the 13 years that have passed since its inception, the hospice movement has grown dramatically and public awareness and support for the program has grown as well. According to the Joint Commission on Accreditation of Hospitals, there are an estimated 1,400 hospice programs in the United States. Almost 100,000 patients a year receive hospice care.

Mr. President, hospice care is very different from traditional hospital care. Most hospice patients are faced with months of severe pain and suffering while their families are faced with feelings of helplessness and frustration. While traditional hospital care is committed to treating and curing diseases, for most hospice patients there is no cure. Pain control and family support are often the only antidotes for these patients.

Hospice is an alternative for these patients—an alternative to institutionalization, separation from families, and purely clinical treatment. Hospice focuses not just on how long life lasts, but on the quality of that life.

Mr. President, this resolution also recognizes the many people who work together to make hospice care a valuable service. Hospice services are provided through the use of home health aides, social workers, registered nurses, clergy, and volunteers—all united to help those most in need.

This resolution celebrates the hope and caring that hospice brings to terminally ill patients and their families. I urge my colleagues to support this resolution, so that we may again reaffirm Congress' support for hospice. I ask that the text of the resolution be printed in the RECORD at this point.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 111

Whereas hospice care has been demonstrated to be a humanitarian way for terminally ill patients to approach the end of their lives in comfort with appropriate, competent and compassionate care in an environment of personal individuality and dignity;

Whereas hospice advocates care for the patient and family by attending to their physical, emotional, and spiritual needs and specifically, the pain and grief they experience;

Whereas hospice care is provided by an interdisciplinary team of physicians, nurses, social workers, pharmacists, psychological and spiritual counselors, and other community volunteers trained in the hospice concept of care;

Whereas hospice is rapidly becoming a full partner in the health care system of the Nation;

Whereas the recent enactment of a permanent medicare hospice benefit and an optional medicaid hospice benefit make it possible for many more Americans to have the opportunity to elect to receive hospice care;

Whereas private insurance carriers and employers have recognized the value of hospice care by the inclusion of hospice benefits in health care coverage packages; and

Whereas there remains a great need to increase public awareness of the benefits of hospice care: now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That each of the months of November, 1987, and November, 1988, is designated as "National Hospice Month". The President is requested to issue a proclamation calling upon all Government agencies, the health care community, appropriate private organizations, and the people of the United States to observe such months with appropriate forums, programs, and activities designed to encourage national recognition of and support for hospice care as a humane response to the needs of the terminally ill and as a viable component of the health care system in this country.●

ADDITIONAL COSPONSORS

S. 12

At the request of Mr. CRANSTON, the names of the Senator from Wisconsin [Mr. KASTEN], and the Senator from Delaware [Mr. BIDEN] were added as cosponsors of S. 12, a bill to amend title 38, United States Code, to remove the expiration date for eligibility for the educational assistance programs for veterans of the All-Volunteer Force; and for other purposes.

S. 184

At the request of Mr. DOLE, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 184, a bill to provide economic assistance to the Central American democracies, and for other purposes.

S. 523

At the request of Mr. HELMS, the name of the Senator from Nevada [Mr. HECHT] was added as a cosponsor of S. 523, a bill to amend title 39, United States Code, to extend to certain officers and employees of the Postal Service the same procedural and appeal rights with respect to certain adverse personnel actions as are afforded to Federal employees under title 5, United States Code.

S. 549

At the request of Mr. BYRD, his name was added as a cosponsor of S. 549, a bill to remedy injury to the United States textile and apparel industries caused by increased imports.

S. 629

At the request of Mr. BINGAMAN, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 629, a bill to establish literacy programs for individuals of limited English proficiency.

S. 762

At the request of Mr. PELL, the name of the Senator from Vermont [Mr. STAFFORD] was added as a cosponsor of S. 762, a bill to provide for a Voluntary National Service and Education Demonstration Program, and for other purposes.

S. 808

At the request of Mr. MCCLURE, the names of the Senator from Nevada [Mr. HECHT], and the Senator from South Dakota [Mr. DASCHLE] were added as cosponsors of S. 808, a bill to clarify the application of the Clayton Act with respect to rates, charges, or premiums filed by a title insurance company with State insurance departments or agencies.

S. 844

At the request of Mr. SIMON, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of S. 844, a bill to exempt certain activities from provisions of the antitrust laws.

S. 851

At the request of Mr. GRAHAM, the names of the Senator from Wyoming [Mr. SIMPSON], the Senator from Connecticut [Mr. WEICKER], and the Senator from Louisiana [Mr. JOHNSTON] were added as cosponsors of S. 851, a bill to provide Federal financial assistance to States offering scholarships to financially needy students from certain Latin American and Caribbean countries, and for other purposes.

S. 856

At the request of Mr. NICKLES, the names of the Senator from Mississippi [Mr. COCHRAN], and the Senator from Arizona [Mr. DECONCINI] were added as cosponsors of S. 856, a bill to amend the Food Security Act of 1985 to clarify that certain persons should not be denied status as separate persons under such act, and for other purposes.

S. 861

At the request of Mr. DANFORTH, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 861, a bill to require certain actions by the Secretary of Transportation regarding certain drivers of motor vehicles and motor carriers.

S. 880

At the request of Mr. DURENBERGER, the names of the Senator from Washington [Mr. ADAMS] and the Senator from Alabama [Mr. SHELBY] were added as cosponsors of S. 880, a bill entitled the "Superconductivity Competition Act of 1987."

S. 887

At the request of Mr. MATSUNAGA, the names of the Senator from Wyoming [Mr. WALLOP], the Senator from Maine [Mr. MITCHELL], the Senator from Maine [Mr. COHEN], and the Senator from Arkansas [Mr. PRYOR] were added as cosponsors of S. 887, a bill to extend the authorization of appropriations for and to strengthen the provisions of the Older Americans Act of 1965, and for other purposes.

SENATE JOINT RESOLUTION 26

At the request of Mr. Pell, the names of the Senator from Iowa [Mr. Harkin], the Senator from Alabama [Mr. Shelby], the Senator from Florida [Mr. Graham], the Senator from Illinois [Mr. Simon], the Senator from Illinois [Mr. Dixon], and the Senator from Wisconsin [Mr. Kasten] were added as cosponsors of Senate Joint Resolution 26, a joint resolution to authorize and request the President to call a White House Conference on Library and Information Services to be held not later than 1989, and for other purposes.

SENATE JOINT RESOLUTION 41

At the request of Mr. Glenn, the name of the Senator from Nebraska [Mr. Exon] was added as a cosponsor of Senate Joint Resolution 41, a joint resolution to designate the period commencing on November 22, 1987, and ending on November 29, 1987, as "National Family Caregivers Week".

SENATE JOINT RESOLUTION 48

At the request of Mr. Hatch, the names of the Senator from South Carolina [Mr. Hollings], and the Senator from Texas [Mr. Bentsen] were added as cosponsors of Senate Joint Resolution 48, a joint resolution designating the week of September 14, 1987, through September 20, 1987, as "Benign Essential Blepharospasm Week".

SENATE JOINT RESOLUTION 98

At the request of Mr. Hatch, the name of the Senator from North Carolina [Mr. Helms] was added as a cosponsor of Senate Joint Resolution 98, a joint resolution to designate the week of November 29, 1987, through December 5, 1987, as "National Home Health Care Week".

SENATE JOINT RESOLUTION 102

At the request of Mr. Cranston, the name of the Senator from Vermont [Mr. Leahy], and the Senator from Alabama [Mr. Heflin] were added as cosponsors of Senate Joint Resolution 102, a joint resolution to designate the week beginning April 11, 1987, as "National Community Development Week".

SENATE CONCURRENT RESOLUTION 15

At the request of Mr. Heflin, the name of the Senator from West Virginia [Mr. Byrd] was added as a cosponsor of Senate Concurrent Resolution 15 a concurrent resolution expressing the sense of the Congress that no major change in the payment methodology for physicians' services, including services furnished to hospital inpatients, under the Medicare Program should be made until reports required by the 99th Congress have been received and evaluated.

SENATE CONCURRENT RESOLUTION 35

At the request of Mr. DeConcini, the name of the Senator from Maryland [Ms. Mikulski] was added as a cosponsor of Senate Concurrent Resolution 35, a concurrent resolution expressing the sense of the Congress regarding the imposition of charges for outpatient care provided in medical facilities of the uniform services to retired members of the Armed Forces, dependents of retired members, and dependents of members serving on active duty.

SENATE CONCURRENT RESOLUTION 43

At the request of Mr. Stevens, the name of the Senator from Michigan [Mr. Riegle] was added as cosponsor of Senate Concurrent Resolution 43, a concurrent resolution to encourage State and local governments and local educational agencies to provide quality daily physical education programs for all children from kindergarten through grade 12.

SENATE RESOLUTION 174

At the request of Mr. DeConcini, the names of the Senator from Tennessee [Mr. Gore], and the Senator from South Carolina [Mr. Thurmond] were added as cosponsors of Senate Resolution 174, a resolution expressing the sense of the Senate condemning the Soviet-Cuban buildup in Angola and the severe human rights violations of the Marxist regime in Angola.

SENATE RESOLUTION 185

At the request of Mr. Boren, the name of the Senator from Illinois [Mr. Dixon] was added as a cosponsor of Senate Resolution 185, a resolution expressing the sense of the Senate regarding the importance of protecting Farm Credit System borrower stock and allocated equities and providing the opportunity for reasonable interest rates.

SENATE CONCURRENT RESOLUTION—AUTHORIZING THE 1987 SPECIAL OLYMPICS TORCH RELAY TO BE RUN THROUGH THE CAPITOL GROUNDS

Mr. HOLLINGS submitted the following concurrent resolution; which was referred to the Committee on Rules and Administration:

S. Con. Res. 44

Resolved by the Senate (the House of Representatives concurring),

SECTION 1. AUTHORIZATION OF RUNNING OF SPECIAL OLYMPICS TORCH RELAY THROUGH CAPITOL GROUNDS.

On May 29, 1987, or on such other date as the Speaker of the House of Representatives and the President pro tempore of the Senate may designate jointly, the 1987 Special Olympics Torch Relay may be run through the Capitol Grounds, as part of the journey of the Special Olympics torch to the District of Columbia Special Olympics Spring Games at Galludet University in the District of Columbia.

SEC. 2. RESPONSIBILITY OF CAPITOL POLICE BOARD.

The Capitol Police Board shall take such action as may be necessary to carry out Section 1.

SEC. 3. CONDITIONS RELATING TO PHYSICAL PREPARATIONS.

The Architect of the Capitol may prescribe conditions for physical preparations for the event authorized by Section 1.

● Mr. HOLLINGS. Mr. President, I am pleased to submit this concurrent resolution which will authorize the 1987 Special Olympics Law Enforcement Torch Run to use the U.S. Capitol Grounds for its Torch Lighting ceremony, thereby initiating the Special Olympics Torch relay leading from the Capitol to Galludet University for the 1987 D.C. Special Olympics Spring Games.

Since 1968 the Special Olympics has contributed to the physical, social and psychological development of persons who have mental retardation. The ultimate goal of Special Olympics is to improve the total life experience of persons who have mental retardation by providing effective training in a variety of olympic and recreational sports, well organized sporting events, and competitions and supplemental activities at sports events.

As a strong supporter of the Special Olympics program, I am pleased and honored to offer this legislation which will assist in drawing greater public attention to the importance of the Special Olympic games and to the participation of over 900 mentally retarded youngsters in the D.C. games.

Mr. President, I ask unanimous consent to include in the Congressional Record a copy of a press release distributed by the Bureau of Diplomatic Security detailing the law enforcement torch run for the 1987 D.C. Special Olympics.

There being no objection, the press release was ordered to be printed in the Record, as follows:

State Department Official Named Director of D.C. Special Olympics Law Enforcement Torch Run

Washington.—Lou Schwartz, Director of the State Department's Diplomatic Security Service, has been named Director of the Law Enforcement Torch Run for the District of Columbia Special Olympics, to be held May 29, 1987.

The D.C. Law Enforcement Torch Run is part of a nationwide series of runs to benefit the world's largest sports program, Special Olympics, for persons with mental retardation.

This spring, an estimated 15,000 law enforcement officers will run intra-state relays carrying the lighted Special Olympics Torch, with local residents pledging monies per runner to benefit Special Olympics. The D.C. run will culminate at the opening ceremonies for D.C.'s Special Olympic Spring Games which will be held on May 29-30 on the campus of Gallaudet University.

As D.C. Torch Run Director, Schwartz is responsible for planning the route, recruiting runners and coordinating local fund raising efforts.

The Diplomatic Security Service is supporting this year's Law Enforcement Torch Run, coordinating an estimated 40 federal and district law enforcement agencies.

"I am pleased that the Diplomatic Security Service has the opportunity to coordinate this year's run and carry on the fine example the Bureau of Alcohol, Tobacco and Firearms did in 1986." Schwartz said, "We hope to involve 900 runners and raise $10,000 for the D.C. Special Olympics."

Founded in 1968 by Eunice Kennedy Shriver, Special Olypmics offers year round training and competition in 14 official sports to any individual with mental retardation, age 8 and up. More than one million athletes in over 20,000 communities in the U.S. and 50 foreign countries participate in Special Olympics. Approximately 900 athletes will compete in the D.C. Spring Games in five areas: aquatics, track and field, gymnastics, volleyball and softball.●

SENATE CONCURRENT RESOLUTION 45—SUPPORTING A PRIVATE INITIATIVE ESTABLISHED TO ENHANCE SMALL BUSINESS ACCESS TO U.S. TRADE LAWS

Mr. HEINZ submitted the following concurrent resolution; which was referred to the Committee on Small Business:

S. CON. RES. 45

Whereas, the American entrepreneur plays a critical role in the development of new technology and the creation of jobs; and

Whereas, America's prosperity depends on small businesses and the jobs they create; and

Whereas, these businesses are increasingly affected by foreign unfair trade practices; and

Whereas, U.S. trade laws have become increasingly complex through successive changes; and

Whereas, many of these businesses lack the financial resources and expertise to seek remedy through U.S. trade laws against foreign unfair trade practices; and

Whereas, these small businesses may refrain from seeking remedy against foreign unfair trade practices due to prohibitive costs or lack of familarity with U.S. trade laws; and

Whereas, unfair trade practices which go unchallenged may result in the loss of American jobs and technology through runaway plants or plant closings; and

Whereas, legal assistance to small businesses in combating unfair trade practices would increase their ability to compete effectively in the world market; Therefore be it

Resolved, That it is the sense of the Congress that the corporate, legal, labor and academic communities should pursue establishment of an independent organization to provide pro bono legal assistance to small businesses in cases involving foreign unfair trade practices. This organization should

(a) develop an outreach program to inform small businesses of remedies available under U.S. trade law; and

(b) provide pro bono legal assistance to those small businesses lacking adequate resources to seek remedies under U.S. unfair trade laws.

● Mr. HEINZ. Mr. President, today, I am submitting a concurrent resolution which will encourage the removal of the high cost of legal services as a barrier to small businesses and labor groups seeking to obtain relief from foreign unfair trade practices. This concurrent resolution was submitted in the House by Congressman JAKE PICKLE.

We have spent a good bit of time in this Chamber attempting to strengthen our international trade laws and the international trading system as a whole. However, as the international trading system has become more complex, so have our trade laws. Unfortunately, as our trade laws have become more complex, the cost of prosecuting a trade complaint, whether it be an antidumping, countervailing duty, section 201 or 301, or section 337 case, has become prohibitive for small U.S. companies and labor groups.

In our effort to improve access to foreign markets through changes in our trade laws, we have neglected to ensure that access to our trade laws is available for small companies and labor groups with limited financial resources.

Today, legal and economic consulting costs associated with prosecuting an unfair trade case can range from $150 to $250 per hour. Prosecution of a typical antidumping, countervailing duty, section 337 or section 301 case, often exceeds $200,000 in fees. For small companies, these enormous costs are a clear impediment to obtaining relief. Where the small company is financially unable to prosecute a case, the alleged unfair trade practice continues unabated, ultimately leading such companies to move production offshore license technology to a foreign producer, or go out of business. This pattern results in a permanent loss of American jobs, deterioration of our industrial base, and most importantly, the destruction of the vitality small business and entrepreneurship lend to the U.S. economy.

This concurrent resolution would call upon the private sector, including the legal, business, labor, and academic communities, to develop a nonprofit entity which would provide pro bono legal assistance to small companies and labor groups which otherwise could not afford to prosecute an unfair trade practice case. Such groups will complement the efforts of the Trade Remedy Assistance Offices established under the Trade Act of 1984. Creation of such an entity should require no expenditure of Federal funds.

I am not proposing the establishment of such an entity in a vacuum. I am aware of one such organization, the International Trade Legal Fund, located here in Washington, which is already established with commitments from trade attorneys to donate time. This organization will soon be in a position to prosecute trade complaints on a pro bono basis on behalf of firms or labor groups which otherwise could not afford to file such cases.

As we again begin the task of reforming our trade laws, I believe it is more important than ever that we ensure that small businesses can enjoy the same access to our trade laws as the larger U.S. corporations. This concurrent resolution, in its own way, should help ensure that our trade laws are accessible to those who may need them most.●

SENATE RESOLUTION 186—AUTHORIZING REPRESENTATION BY THE SENATE LEGAL COUNSEL

Mr. BYRD (for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 186

Whereas, in the case of *Shaw* v. *The Senate Intelligence Committee, et al.,* Civil Action No. 87-216C, pending in the United States District Court for the Southern District of Indiana, the plaintiff has named the Select Committee on Intelligence and the Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, among others, as defendants;

Whereas, pursuant to sections 703(a) and 704(a)(1) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(a) and 288c(a)(1) (1982), the Senate may direct its counsel to defend committees of the Senate in civil actions relating to their official responsibilities: Now, therefore be it

Resolved, That the Senate Legal Counsel is directed to represent the Select Committee on Intelligence and the Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition in the case of *Shaw* v. *The Senate Intelligence Committee, et al.*

AMENDMENTS SUBMITTED

FEDERAL TRADE COMMISSION ACT AMENDMENTS

METZENBAUM (AND OTHERS) AMENDMENT NO. 87

Mr. METZENBAUM (for himself, Mr. ROCKEFELLER, and Mr. SIMON) proposed an amendment, which was subsequently modified, to the bill (S. 677) to amend the Federal Trade Commission Act to provide authorization of appropriations, and for other purposes; as follows:

At the appropriate place in the bill, add the following:

"The Commission shall conduct a comprehensive study of

(1) the use of potentially unfair, deceptive or misleading practices in the sale of health insurance to the elderly, including the sale of policies marketed as supplements to Medicare coverage, the relationship of the premiums for such policies to claims paid, and the effectiveness of the states in preventing

unfair, deceptive, or misleading practices in the marketing and sale of such policies; and

(2) the increase in property and casualty insurance rates to small business owners, local governments, physicians, dentists and child care centers over the last seven years, including the extent of such increases, the relationship of increases to actual costs, the reasons for such increases, and the degree of competition in the market for such coverage. The study may include rate increases for self-insurers if the Commission deems it necessary.

The Commission shall have authority under section 6 of the Federal Trade Commission Act, 15 U.S.C. section 46, to conduct such studies and shall report to Congress within one year the results of such studies. In the event additional time is required to complete such studies, the Commission shall make an interim report within one year. The Commission shall make such reports generally available to the public and other appropriate state officials.

DOMENICI (AND OTHERS) AMENDMENT NO. 88

Mr. DOMENICI (for himself, Mr. McCAIN, Mr. BINGAMAN, and Mr. DECONCINI) proposed an amendment to the bill S. 677, supra, as follows:

On page 18, strike out lines 10 through 17, and insert in lieu thereof the following:

SEC. 16. Section 5(a) of the Federal Trade Commission Act is amended by adding at the end thereof the following:

"(4) It shall be an unfair method of competition in or affecting commerce, or an unfair or deceptive act or practice in or affecting commerce, within the meaning of this section, to sell imitation American Indian art, crafts, or jewelry if the English name of the country of origin of such imitation art, crafts, or jewelry is not marked on such imitation art, crafts, or jewelry by means of etching, engraving, die stamping, raised lettering, or other equally permanent method of marking.".

BOSCHWITZ AMENDMENT NO. 89

Mr. BOSCHWITZ proposed an amendment to the bill S. 677, supra, as follows:

On page 2, line 15, strike out "(a)".

On page 2, line 22, after the period, insert closing quotation marks and a period.

On page 2, strike out lines 23 through 25.

URGENT RELIEF FOR THE HOMELESS ACT

BYRD (AND DOLE) AMENDMENT NO. 90

Mr. BYRD (for himself and Mr. DOLE) proposed an amendment to the bill (H.R. 558) to provide urgently needed assistance to protect and improve the lives and safety of the homeless, with special emphasis on elderly persons, handicapped persons, and families with children; as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Urgent Relief for the Homeless Act".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) the Nation faces an immediate and unprecedented crisis due to the lack of shelter for a growing number of individuals and families with children;

(2) the problem of homelessness has become more severe and, in the absence of more effective efforts, is expected to become dramatically worse, endangering the lives and safety of the homeless;

(3) the causes of homelessness are many and complex, and homeless individuals have diverse needs;

(4) there is no single, simple solution to the problem of homelessness because of the different subpopulations of the homeless, the different causes of and reasons for homelessness, and the different needs of homeless individuals;

(5) due to the record increase in homelessness, States, units of local government, and private voluntary organizations have been unable to meet the basic human needs of all the homeless and, in the absence of greater Federal assistance, will be unable to protect the lives and safety of all the homeless in need of assistance; and

(6) the Federal government has a responsibility and an existing capacity to fulfill a more effective and responsible role to meet the basic human needs and to engender respect for the human dignity of the homeless.

(b) PURPOSE.—It is the purpose of this Act—

(1) to establish an Interagency Council on the Homeless;

(2) to use public resources and programs in a more coordinated manner to meet the critically urgent needs of the homeless of the Nation; and

(3) to provide funds for programs to assist the homeless.

SEC. 3. DEFINITIONS.

(a) HOMELESS INDIVIDUAL.—As used in this Act, the term "homeless individual" shall include—

(1) an individual who lacks a fixed, regular, and adequate nighttime residence; and

(2) an individual who has a primary nighttime residence that is—

(A) a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);

(B) an institution that provides a temporary residence for individuals intended to be institutionalized; or

(C) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

(b) EXCLUSION.—As used in this Act, the term "homeless individual" does not include any individual imprisoned or otherwise detained pursuant to an Act of Congress or a State law.

TITLE I—INTERAGENCY COUNCIL ON THE HOMELESS

SEC. 101. SHORT TITLE.

This title may be cited as the "Interagency Council on the Homeless Act".

SEC. 102. ESTABLISHMENT.

There is established the Interagency Council on the Homeless.

SEC. 103. MEMBERSHIP.

(a) MEMBERS.—The Council shall be composed of—

(1) the Secretary of Agriculture;

(2) the Secretary of Commerce;

(3) the Secretary of Defense;

(4) the Secretary of Education;

(5) the Secretary of Energy;

(6) the Secretary of Health and Human Services;

(7) the Secretary of Housing and Urban Development;

(8) the Secretary of the Interior;

(9) the Secretary of Labor;

(10) the Secretary of Transportation;

(11) the Director of the ACTION Agency;

(12) the Administrator of General Services;

(13) the Director of the Federal Emergency Management Agency;

(14) the Postmaster General of the United States;

(15) the Administrator of Veterans' Affairs; and

(16) the heads of such other Federal agencies as the Council considers appropriate.

(b) CHAIR.—The Council shall elect a Chairperson and a Vice Chairperson from among its members.

(c) MEETINGS.—The Council shall meet at the call of the Chairman or a majority of its members.

SEC. 104. FUNCTIONS.

(a) FUNCTIONS.—The Council shall—

(1) review all Federal activities and programs to assist homeless individuals;

(2) take such actions as may be necessary to reduce duplication among programs and activities by Federal agencies to assist homeless individuals;

(3) monitor, evaluate, and recommend improvements in programs and activities to assist homeless individuals conducted by Federal agencies, State and local governments, and private voluntary organizations;

(4) provide professional and technical assistance, through personnel employed by the Council in each of the ten standard Federal regions, to States, local governments, and other public and private nonprofit organizations, in order to enable such governments and organizations to—

(A) effectively coordinate and maximize resources of existing programs and activities to assist homeless individuals; and

(B) develop new and innovative programs and activities to assist homeless individuals;

(5) collect and disseminate information relating to homeless individuals;

(6) establish procedures for the review and approval of comprehensive homeless assistance plans submitted to the Council under section 401; and

(7) prepare the annual reports required by subsection (c)(2).

(b) AUTHORITY.—In carrying out subsection (a), the Council may—

(1) arrange Federal, regional, State, and local conferences for the purpose of developing and coordinating effective programs and activities to assist homeless individuals; and

(2) publish a newsletter concerning Federal, State, and local programs which are effectively meeting the needs of homeless individuals.

(c) REPORTS.—(1) Within 90 days after the date of enactment of this Act, and annually thereafter, the head of each Federal agency that is a member of the Council shall prepare and transmit to the Congress and the Council a report which describes—

(A) each program to assist homeless individuals administered by such agency and the number of homeless individuals served by such program;

(B) impediments, including any statutory and regulatory restrictions, to the use by homeless individuals of each such program and to obtaining services or benefits under each such program;

(C) efforts made by such agency to increase the opportunities for homeless individuals to obtain shelter, food, and supportive services.

(2) The Council shall prepare and transmit to the President and the Congress an annual report which—

(A) assesses the nature and extent of the problems relating to homelessness and the needs of homeless individuals;

(B) provides a comprehensive and detailed description of the activities and accomplishments of the Federal Government in resolving the problems and meeting the needs assessed pursuant to subparagraph (A);

(C) describes the accomplishments and activities of the Council, in working with Federal, State, and local agencies and public and private organizations in order to provide assistance to homeless individuals;

(D) assesses the level of Federal assistance necessary to adequately resolve the problems and meet the needs assessed pursuant to subparagraph (A); and

(E) specifies any recommendations of the Council for appropriate and necessary actions to resolve such problems and meet such needs.

SEC. 105. DIRECTOR AND STAFF.

(a) DIRECTOR.—The Council shall appoint an Executive Director who shall be compensated at a rate not to exceed the rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b) ADDITIONAL PERSONNEL.—With the approval of the Council, the Executive Director may appoint and fix the compensation of such additional personnel as the Executive Director considers necessary to carry out the duties of the Council.

(c) DETAILS.—Upon request of the Council, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Council to assist the Council in carrying out its duties under this title.

(d) ADMINISTRATIVE SUPPORT.—The Secretary of Health and Human Services shall provide to the Council such administrative and support services as the Council may request.

SEC. 106. POWERS.

(a) MEETINGS.—For the purpose of carrying out this title, the Council may hold such meetings, and sit and act at such times and places, as the Council considers appropriate.

(b) DELEGATION.—Any member or employee of the Council may, if authorized by the Council, take any action which the Council is authorized to take by this title.

(c) INFORMATION.—The Council may secure directly from any Federal agency such information as may be necessary to enable the Council to carry out this title. Upon request of the Chairman of the Council, the head of such agency shall furnish such information to the Council.

SEC. 107. TERMINATION OF THE COUNCIL.

The Council shall terminate three years after the date of enactment of this Act.

SEC. 108. TRANSFER OF FUNCTIONS.

(a) TRANSFER.—The Council is the successor to the Federal Task Force on the Homeless of the Department of Health and Human Services. All functions of such Task Force are transferred to the Council.

(b) TERMINATION.—The Federal Task Force on the Homeless of the Department of Health and Human Services is terminated.

SEC. 109. DEFINITIONS.

For the purpose of this title—

(1) the term "Council" means the Interagency Council on the Homeless established by section 102; and

(2) the term "Federal agency" has the meaning given to the term "agency" in section 551(1) of title 5, United States Code.

SEC. 110. AUTHORIZATION OF APPROPRIATIONS.

To carry out this title, there are authorized to be appropriated $200,000 for fiscal year 1987 and such sums as may be necessary for fiscal year 1988.

TITLE II—CLARIFICATION OF USE OF EXCESS PROPERTY UNDER THE FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

SEC. 201. SHORT TITLE.

This title may be cited as the "Excess Property Identification Act of 1987".

SEC. 202. IDENTIFICATION OF EXCESS PROPERTY.

In carrying out section 202 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483), each executive agency shall specifically identify excess property under its control as suitable for use as a shelter for, or for use to provide services to, homeless individuals.

SEC. 203. REPORTING OF AVAILABILITY OF EXCESS PROPERTY.

Within 60 days after the date of enactment of this Act, the Administrator of General Services shall report to the Interagency Council on the Homeless the availability of excess Federal property suitable for use as a shelter for, or for use to provide services to, homeless individuals. Within 150 days after the date of enactment of this Act, and every 90 days thereafter, the Administrator shall revise such report and shall transmit such revised report to the Interagency Council.

SEC. 204. MAKING SURPLUS PERSONAL PROPERTY AVAILABLE TO NONPROFIT AGENCIES.

(a) ELIGIBILITY.—Any State or local government agency or any nonprofit organization which is eligible to receive, or which receives, payments or grants under any Federal program for the provision of food or shelter for homeless individuals shall be considered eligible to receive, in order to assist in carrying out such program, donations of personal property which is declared surplus to the needs of the Federal Government in accordance with section 203(j) of the Federal Property and Administrative Services Act of 1949 and regulations issued by the Administrator of General Services pursuant to such section.

(b) REQUIREMENT FOR NOTIFICATION.—Within 90 days after the date of enactment of this Act, the Administrator of General Services shall require each State agency administering a State plan under section 203(j) of the Federal Property and Administrative Services Act of 1949 to make generally available to nonprofit organizations a list of available surplus personal property which may be used in the provision of food, shelter, or other services to homeless individuals and families.

(c) COSTS.—(1) Surplus personal property identified pursuant to this section shall be made available to nonprofit organizations by a State agency distributing such property at no cost to such organizations.

(2) The Administrator shall enter into agreements with each State providing for the reimbursement of such State for the costs of transporting any surplus personal property donated to a nonprofit organization. The costs of such reimbursement shall be paid by the Federal agency originally holding title to such personal property, except as provided in paragraph (3).

(3) The Administrator shall not provide for the reimbursement of a State under paragraph (2) for the costs of transporting any surplus personal property donated to a nonprofit organization in any case in which such organization, the State, or a local government agrees to pay the costs of transporting such property.

(d) DEFINITIONS.—For purposes of this section—

(1) the term "local government" means a unit of general purpose local government;

(2) the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and any territory or possession of the United States; and

(3) the term "nonprofit organization" means an organization which—

(A) is exempt from taxation under section 501(a) of the Internal Revenue Code of 1986;

(B) has an accounting system and a voluntary board;

(C) practices nondiscrimination in the provision of assistance; and

(D) provides services to homeless individuals and families.

SEC. 205. ELIGIBILITY FOR DONATION OF SURPLUS PROPERTY.

Section 203(j)(3)(B) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(j)(3)(B)) is amended by inserting "providers of assistance to homeless individuals," after "health centers,".

TITLE III—SHELTER PROGRAM

PART A—GENERAL PROVISIONS

SEC. 301. SHORT TITLE.

This title may be cited as the "Emergency Food and Shelter Act of 1987".

SEC. 302. DEFINITIONS.

For the purpose of this title—

(1) the term "Board" means the Emergency Food and Shelter Program National Board;

(2) the term "Director" means the Director of the Federal Emergency Management Agency;

(3) the term "emergency shelter" means a facility all or a part of which is used or designed to be used to provide temporary housing;

(4) the term "local government" means a unit of general purpose local government;

(5) the term "locality" means the geographical area within the jurisdiction of a local government;

(6) the term "private nonprofit organization" means an organization which is exempt from taxation under section 501(a) of the Internal Revenue Code of 1986 and which has an accounting system and a voluntary board, and which practices nondiscrimination in the provision of assistance; and

(7) the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, or any territory or possession of the United States.

SEC. 303. EMERGENCY FOOD AND SHELTER PROGRAM NATIONAL BOARD.

(a) ESTABLISHMENT OF NATIONAL BOARD.—There is established to carry out the provisions of this title the Emergency Food and Shelter Program National Board. The Director of the Federal Emergency Management Agency shall constitute the Board in accordance with subsection (b) in administering the program under this title.

(b) BOARD OF DIRECTORS.—The Board shall consist of the Director of the Federal Emergency Management Agency and 6 members who shall be appointed by the Director not later than 30 days after the date of enactment of this Act, one from those individuals nominated by each of the following:

(1) The United Way of America.

(2) The Salvation Army.

(3) The National Council of Churches of Christ in the U.S.A.

(4) Catholic Charities U.S.A.

(5) The Council of Jewish Federations, Inc.

(6) The American Red Cross.

(c) CHAIRMAN.—The Director shall be Chairman of the Board.

(d) OTHER ACTIVITIES OF THE BOARD.—Except as otherwise specifically provided by this title, the Board shall establish its own procedures and policies for the conduct of its affairs.

SEC. 304. LOCAL BOARDS.

(a) ESTABLISHMENT.—Each locality designated by the Board shall constitute a local board for the purpose of determining how program funds allotted to the locality will be distributed. The local board shall consist, to the extent practicable, of representatives of the same organizations as the national board, except that the mayor or other appropriate heads of government will replace the Federal members. The chair of the local board shall be elected by a majority of the members of the local board. Local boards are encouraged to expand participation of other private nonprofit organizations on the local board.

(b) RESPONSIBILITIES.—Each local board shall—

(1) determine which private nonprofit organizations or public organizations of the local government in the individual locality shall receive grants to act as service providers;

(2) monitor recipient service providers for program compliance;

(3) reallocate funds among service providers;

(4) ensure proper reporting; and

(5) coordinate with other Federal, State, and local government assistance programs available in the locality.

SEC. 305. ROLE OF FEMA.

(a) IN GENERAL.—The Director of the Emergency Management Agency shall provide the Board administrative support and act as Federal liaison to the Board.

(b) SPECIFIC SUPPORT ACTIVITIES.—The Director shall—

(1) make available to the Board, upon request, the services of the Agency's legal counsel and inspector general;

(2) assign clerical personnel to the Board on a temporary basis; and

(3) conduct audits of the Board annually and at such other times as may be appropriate.

SEC. 306. RECORDS AND AUDIT OF BOARD AND RECIPIENTS OF ASSISTANCE.

(a) ANNUAL INDEPENDENT AUDIT OF BOARD.—

(1) The accounts of the Board shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the Board are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Board and necessary to facilitate the audits shall be made available to the person or persons conducting the audits, and full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(2) The report of each such independent audit shall be included in the annual report required in section 307. Such report shall set forth the scope of the audit and include such statements as are necessary to present fairly the assets and liabilities of the Board, surplus or deficit, with an analysis of the changes during the year, supplemented in reasonable detail by a statement of the income and expenses of the Board during the year, and a statement of the application of funds, together with the opinion of the independent auditor of such statements.

(b) ACCESS TO RECORDS OF RECIPIENTS OF ASSISTANCE.—

(1) Each recipient of assistance under this title shall keep such records as may be reasonably necessary to fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(2) The Board, or any of its duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under this title.

(c) AUTHORITY OF COMPTROLLER GENERAL.—The Comptroller General of the United States or any of his duly authorized representatives shall also have access to any books, documents, papers, and records of the Board and recipients for such purpose.

SEC. 307. ANNUAL REPORT.

The Board shall transmit to the Congress an annual report covering each year in which it conducts activities with funds made available under this title.

PART B—EMERGENCY FOOD AND SHELTER GRANTS

SEC. 311. GRANTS BY THE DIRECTOR.

Not later than 30 days following the date of enactment of a law providing appropriations to carry out this part, the Director of the Federal Emergency Management Agency shall award a grant for the full amount that Congress appropriates for the program under this part to the Board for the purpose of providing emergency food and shelter to needy individuals through private nonprofit organizations and through units of local government in accordance with section 313.

SEC. 312. RETENTION OF INTEREST EARNED.

Interest accrued on the balance of any grant to the Board shall be available to the Board for reallocation, and total administrative costs shall be determined based on total amount of funds available, including interest and any private contributions which are made to the Board.

SEC. 313. PURPOSES OF GRANTS.

(a) ELIGIBLE ACTIVITIES.—Grants to the Board may be used—

(1) to supplement and expand ongoing efforts to provide shelter, food, and supportive services for the homeless individuals with sensitivity to the transition from temporary shelter to permanent homes, and attention to the special needs of homeless individuals with mental and physical disabilities and illnesses, and to facilitate access for homeless individuals to other sources of services and benefits;

(2) to strengthen efforts to create more effective and innovative local programs by providing funding for them; and

(3) to conduct minimum rehabilitation of existing mass shelter or mass feeding facilities, but only to the extent necessary to make facilities safe, sanitary, and bring them into compliance with local building codes.

(b) LIMITATIONS ON ACTIVITIES.—The Board may only provide funding provided under this part for—

(1) programs undertaken by nonprofit organizations and units of local government; and

(2) programs that are consistent with the purposes of this title.

The Board may not carry out programs directly.

SEC. 314. LIMITATION ON CERTAIN COSTS.

Not more than 5 percent of the total appropriation for the emergency food and shelter program each year may be expended for the costs of administration.

SEC. 315. PROGRAM GUIDELINES.

(a) GUIDELINES.—The Board shall establish written guidelines for carrying out the program under this part, including—

(1) methods for identifying localities with the highest need for emergency food and shelter assistance;

(2) methods for determining amount and distribution to these localities;

(3) eligible program costs, including maximum flexibility in meeting currently existing needs; and

(4) guidelines specifying the responsibilities and reporting requirements of the Board, its recipients, and service providers.

(b) PUBLICATION.—Guidelines established under subsection (a) shall be published annually, and whenever modified, in the Federal Register. The Board shall not be subject to the procedural rulemaking requirements of subchapter II of chapter 5 of title 5, United States Code.

SEC. 316. PROGRAM AUTHORIZED.

(a) AUTHORIZATION.—To carry out this part, there are authorized to be appropriated $50,000,000 for fiscal year 1987, including any amount provided under Public Law 100-6, and such sums as may be necessary for fiscal year 1988.

(b) CARRYOVER.—Any appropriated funds not obligated in a fiscal year shall remain available until expended.

PART C—CASE MANAGEMENT

SEC. 321. GRANTS BY THE DIRECTOR.

Not later than 30 days following the date of enactment of a law providing appropriations to carry out this part, the Director of the Federal Emergency Management Agency shall award a grant for the full amount that Congress appropriates for the program under this part to the Board for the purpose of grants by the Board to nonprofit private entities and units of local government receiving support under part B for shelters for homeless individuals to enable such entities and governments to provide, or arrange for the provision of, case management services for homeless individuals using such shelters.

SEC. 322. REQUIREMENT FOR THE PROVISION OF CASE MANAGEMENT SERVICES.

(a) Services Required.—Each unit of local government or nonprofit private entity which receives assistance under part B for a shelter for homeless individuals shall provide, or arrange for provision of, case management services required under subsection (b) for homeless individuals using such shelter.

(b) Types of Services.—(1) In the case of a shelter in a locality in which an agency (other than the government or entity receiving assistance under part B for such shelter) provides the services described in paragraph (2) for homeless individuals, case management services required under this part include referral of such individuals to such agency and followup services to ensure that the services described in such paragraph are provided to such individuals.

(2) In the case of a shelter in a locality in which there is no agency described in paragraph (1), case management services required under this part for homeless individuals include, to the extent needed by each such individual—

(A) the preparation, and the review at least every 3 months, of a plan specifying the needs of such individual and the services that will be provided to such individual to meet such needs;

(B) the provision of assistance in obtaining, and the coordination of, social and maintenance services for such individual, such as services relating to daily living activities, transportation services, habilitation and rehabilitation services, prevocational and vocational services, and housing services; and

(C) the provision of assistance to such individual in obtaining income support services, such as housing assistance, food stamps, and supplemental security income benefits.

(c) Preference.—If any unit of local government or nonprofit private entity operating a shelter to which subsection (b)(2) applies decides to arrange for the provision of case management services for homeless individuals, such government or entity shall, in selecting an entity to provide such services, give preference, if feasible and appropriate, to—

(1) community action agencies supported under the Community Services Block Grant Act; and

(2) any organization to which a State that applied for and received a waiver from the Secretary of Health and Human Services under Public Law 98-139 made a grant under the Community Services Block Grant Act for fiscal year 1984.

SEC. 323. AUTHORIZATION.

To carry out this part, there are authorized to be appropriated $20,000,000 for each of the fiscal years 1987 and 1988.

TITLE IV—HOUSING ASSISTANCE

SEC. 401. REQUIREMENT FOR COMPREHENSIVE HOMELESS ASSISTANCE PLAN.

(a) Plan Required.—Assistance authorized by this title may be provided to, or within the jurisdiction of, a State or a metropolitan city or urban county that is eligible to receive a grant under the emergency shelter grants program in an amount in excess of the minimum allocation requirement applicable under section 522(b) of the provisions made effective by section 101(g) of Public Law 99-500 or Public Law 99-591 only if—

(1) it submits to the Interagency Council on the Homeless a comprehensive homeless assistance plan (hereinafter referred to as the "comprehensive plan"); and

(2) the plan is approved by or in accordance with procedures established by the Council.

(b) Contents.—A comprehensive plan submitted under this section shall contain—

(1) an assessment of the size and characteristics of the homeless population within the jurisdiction of the State, city, or county submitting the plan;

(2) a description of all available services for the homeless population within that jurisdiction;

(3) a strategy (A) to match the needs of the homeless population with available services within that jurisdiction, including services such as job placement and training, education, health, housing, nutrition, and income maintenance, and (B) to meet the specific needs of the various types of homeless individuals, particularly families with children, the elderly, the mentally ill, and veterans;

(4) an explanation of how the Federal assistance provided under this Act will complement and enhance the available services; and

(5) such additional information as the Council may require to assure that the plan submitted provides an adequate basis for conducting the performance monitoring and evaluation under subsections (d) and (e).

(c) Review.—(1) Upon receipt of a comprehensive plan, the Interagency Council shall review the plan. Not later than 30 days after receipt, the plan shall be approved unless the Council determines that the plan plainly does not satisfy the requirements of subsection (b), in which case the Council shall, not later than 15 days after its determination, inform the State, county, or city of the reasons for disapproval as well as the steps which need to be taken to make the plan acceptable. If the Council fails to inform the State, county, or city of the reasons for disapproval within such period, the plan shall be deemed to have been approved.

(2) The Council shall establish procedures for the review and approval of comprehensive plans. The procedures shall permit amendments to or the resubmission of any plan that is disapproved.

(d) Performance Monitoring.—(1) Each State and other recipient described in subsection (a) shall monitor annually the progress made by that State or recipient in carrying out its comprehensive plan.

(2) Each State and other recipient referred to in subsection (a) shall report annually to the Interagency Council the results of such monitoring. The Interagency Council shall review the reports submitted under this paragraph and shall make such recommendations as may be appropriate.

(3) Any State or other recipient which fails to monitor and report progress as required by paragraphs (1) and (2) shall not be eligible to receive further assistance under this title.

(e) Performance Evaluations.—Beginning with fiscal year 1989, the Interagency Council shall carry out performance evaluations of the administration of programs under this Act by States and other recipients referred to in subsection (a), including the adequacy of performance monitoring under subsection (d). The Interagency Council shall thereafter report its findings to the Congress.

(f) Applications.—Any application for assistance under this Act shall contain or be accompanied by a certification by the public official responsible for submitting a comprehensive plan for the jurisdiction to be served by the proposed activities that the proposed activities are consistent with the comprehensive plan.

SEC. 402. AUTHORIZATIONS FOR TRANSITIONAL HOUSING AND EMERGENCY SHELTER GRANTS PROGRAMS.

(a) Transitional Housing Demonstration Program.—In addition to other amounts authorized by law, there are authorized to be appropriated for the transitional housing demonstration program carried out by the Department of Housing and Urban Development pursuant to section 101(g) of Public Law 99-500 or Public Law 99-591, not to exceed $60,000,000 for fiscal year 1987, and such sums as may be necessary for fiscal year 1988.

(b) Emergency Shelter Grants Program.—In addition to other amounts authorized by law, there are authorized to be appropriated for the emergency shelter grants program carried out by the Department of Housing and Urban Development pursuant to section 101(g) of Public Law 99-500 or Public Law 99-591, not to exceed $80,000,000 for fiscal year 1987, and such sums as may be necessary for fiscal year 1988.

SEC. 403. EMERGENCY SHELTER GRANTS AMENDMENTS.

(a) Minimum Allocation Amount.—The minimum allocation established for the emergency shelter grants program by section 522(b) of the provisions made effective by section 101(g) of Public Law 99-500 or Public Law 99-591 is increased to 0.3 percent of amounts appropriated under section 402(b).

(b) Reallocation of Certain Amounts.—If a State, city, or county eligible for a grant under the program referred to in subsection (a) fails to obtain approval of its comprehensive plan during the 90-day period following the date funds authorized by this Act first become available for allocation during any fiscal year, the amount which that State, city, or county would have received shall be reallocated to other States, counties, and cities which are identified by the Interagency Council on the Homeless as demonstrating extraordinary need or large numbers of homeless individuals.

(c) Planning Requirement.—The requirement contained in section 524(a) of the provisions made effective by section 101(g) of Public Law 99-500 or Public Law 99-591 shall not apply to assistance provided under the increased authority provided under section 402(b).

(d) Waiver Authority.—The Secretary of Housing and Urban Development may waive the 15 percent limitation on the use of assistance for essential services established for the program referred to in subsection (a) pursuant to section 523(2)(B) of the provisions made effective by section 101(g) of Public Law 99-500 or 99-591, if the unit of general local government receiving the assistance demonstrates that the other eligible activities under the program are already being carried out in the unit of general local government with other resources.

SEC. 404. SECTION 8 HOUSING ASSISTANCE.

(a) Section 8 Existing Housing.—

(1) The budget authority available under section 5(c) of the United States Housing Act of 1937 for assistance under section 8(b)(1) of such Act is authorized to be increased by $50,000,000.

(2) The amounts made available under this subsection shall be used solely to assist homeless families with children.

(3) The amounts made available under this section shall be distributed in accordance with subsections (a) and (b) of section

522 of the provisions made effective by section 101(g) of Public Law 99-500 or Public Law 99-591.

(4) If a State, city, or county eligible for assistance under this subsection fails to obtain approval of its comprehensive plan during the 90-day period following the date funds first become available for allocation under this subsection in any fiscal year, the amount which that State, city, or county would have received shall be reallocated to other States, counties, and cities which are identified by the Interagency Council on the Homeless as demonstrating extraordinary need or large numbers of homeless individuals.

(5) Each contract for annual contributions entered into with a public housing agency to obligate the authority made available under this subsection to assist the homeless shall commit the Secretary of Housing and Urban Development to make such authority, and any amendments increasing such authority, available to the public housing agency for an aggregate period of 5 years.

(6) A contract for assistance payments under the authority provided under this subsection may be attached to the structure if the owner is a nonprofit organization that has agreed to furnish decent housing and a level of support services satisfactory to the public housing agency.

(b) Section 8 Assistance for Single Room Occupancy Dwellings.—

(1) The budget authority available under section 5(c) of the United States Housing Act of 1937 for assistance under section 8(e)(2) of such Act is authorized to be increased by $35,000,000.

(2) The amounts made available under this subsection shall be used only in connection with the moderate rehabilitation of housing described in section 8(n) of the United States Housing Act of 1937 for occupancy by homeless individuals.

(3) The amounts made available under this subsection shall be allocated by the Secretary on the basis of a national competition to those applicants that best demonstrate a need for the assistance under this subsection and the ability to undertake and carry out a program to be assisted under this subsection. To be considered for assistance under this subsection, an applicant shall submit to the Secretary a written proposal containing—

(A) a description of the size and characteristics of the population within the applicant's jurisdiction that would occupy single room occupancy dwellings;

(B) a listing of additional commitments from public and private sources that the applicant might be able to provide in connection with the program;

(C) an inventory of suitable housing stock to be rehabilitated with such assistance; and

(D) a description of the interest which has been expressed by builders, developers, and others (including profit and nonprofit organizations) in participating in the program.

No single city or urban county shall be eligible to receive more than 10 percent of the assistance made available under this subsection.

(4) Each contract for housing assistance payments entered into with the authority provided under this subsection shall require the installation of a sprinkler system that protects all major spaces, hard wired smoke detectors, and such other fire and safety improvements as may be required by State or local law.

(5) The total cost of rehabilitation which may be compensated for in a contract for housing assistance payments entered into with the authority provided under this subsection shall not exceed $14,000 per unit, plus the expenditures required by paragraph (4).

(6) The Secretary of Housing and Urban Development shall increase the limitation contained in paragraph (5) by an amount the Secretary determines is reasonable and necessary to accommodate special local conditions, including—

(A) high construction costs; or

(B) stringent fire or building codes.

(7) Each contract for annual contributions entered into with a public housing agency to obligate the authority made available under this subsection shall—

(A) commit the Secretary of Housing and Urban Development to make such authority available to the public housing agency for an aggregate period of 10 years, and require that any amendments increasing such authority shall be available for the remainder of such 10-year period;

(B) provide the Secretary of Housing and Urban Development with the option to renew the contract for an additional period of 10 years, subject to the availability of appropriations; and

(C) provide that, notwithstanding any other provision of law, first priority for occupancy of housing rehabilitated under this subsection shall be given to homeless individuals and families.

TITLE V—HEALTH SERVICES AND MENTAL HEALTH SERVICES FOR THE HOMELESS

SEC. 501. SHORT TITLE.

This title may be cited as the "Health Services and Mental Health Services for the Homeless Act".

PART A—HEALTH SERVICES

SEC. 511. HEALTH SERVICES FOR THE HOMELESS.

Title III of the Public Health Service Act is amended by adding at the end thereof the following new part:

"PART K—HEALTH SERVICES FOR HOMELESS INDIVIDUALS

"GRANTS FOR THE PROVISION OF HEALTH SERVICES

"SEC. 395. (a) The Secretary shall make grants to public and nonprofit private entities to support the provision of health services to homeless individuals and the provision of mental health services to homeless individuals who do not have a chronic mental illness.

"(b) Each entity which receives a grant under subsection (a) shall—

"(1) provide outpatient health services in locations accessible to homeless individuals;

"(2) provide, or make arrangements for the provision of, 24-hour-a-day emergency health services to homeless individuals;

"(3) make referrals of homeless individuals to hospitals and other institutions for necessary inpatient services, and have a written arrangement with one or more hospitals or institutions for the acceptance of homeless individuals referred to such hospital or institution by such entity;

"(4)(A) provide assistance to homeless individuals in establishing eligibility for assistance under entitlement programs and in obtaining necessary services under such programs; and

"(B) have written arrangements to carry out subparagraph (A) with State and local social service agencies which provide services relevant to the needs of homeless individuals;

"(5) provide, or arrange for the provision of, counseling and other mental health services for homeless individuals who do not have a chronic mental illness, particularly counseling and mental health services for homeless families and children;

"(6) provide, or arrange for the provision of, alcohol abuse and drug abuse treatment services for homeless individuals; and

"(7) provide, or arrange for the provision of, any other service for homeless individuals that may be prescribed by the Secretary by regulation in order to meet the essential needs of homeless individuals for health services.

"(c) In making grants under this section, the Secretary shall give preference to community health centers supported under section 330 and other public and nonprofit private entities which have experience in providing comprehensive primary health care services to homeless individuals and medically underserved populations.

"TERMS AND CONDITIONS APPLICABLE TO GRANTS

"SEC. 396. (a) Each recipient of a grant under this part shall provide the services required under section 395 within the limits of its capacity to any homeless individual regardless of the individual's ability to pay for the provision of such services. If any recipient of a grant under this part imposes charges for services furnished under the grant, such charges—

"(1) shall be made according to a public schedule of charges;

"(2) may not be imposed with respect to individuals whose income is below the nonfarm income official poverty line defined by the Office of Management and Budget (and revised annually in accordance with section 673(2) of the Omnibus Reconciliation Act of 1981); and

"(3) shall be adjusted to reflect the income and resources of the individuals to which such services are provided.

"(b) Funds provided under any grant made under section 395 may not be used—

"(1) to provide services other than the services described in such section;

"(2) to make cash payments, without consideration, to any individual;

"(3) to purchase or improve land, to purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or to purchase major medical equipment, unless the Secretary finds, based on a showing of exceptional circumstance, that a waiver of this subparagraph is necessary in order to carry out the purposes of this part; or

"(4) to satisfy any requirement for the expenditure of non-Federal funds as a condition of Federal funds.

"(c) No grant may be approved under this part unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, be submitted in such manner, and contain or be accompanied by such information as the Secretary may by regulation specify. The Secretary shall not approve any application under this part unless the application contains assurances that the applicant—

"(1) will use the funds provided under this part only for the purposes specified in the approved application;

"(2) will establish such fiscal control and fund accounting procedures as may be necessary to ensure proper disbursement and accounting of Federal funds paid to the applicant under this part;

"(3) will establish an ongoing quality assurance program to monitor services furnished under the grant and will maintain confidentiality of patient records;

"(4) has, in the case of an applicant for a project which will serve a group of individuals a substantial proportion of which are of limited English-speaking ability—

"(A) developed a plan and made arrangements tailored to the needs of such individuals for the provisions of services, to the extent practicable, in the language and cultural context most appropriate to such individuals; and

"(B) identified an individual on its staff—

"(i) who is fluent both in English and in the language most appropriate to such individuals; and

"(ii) whose responsibilities shall include providing guidance to such individuals and to appropriate staff members with respect to cultural sensitivities and the bridging of linguistic and cultural differences; and

"(5) will report to the Secretary annually on the utilization, cost, and outcome of services furnished under this part.

"(d) Notwithstanding any other provision of this part, no entity receiving a grant under this part shall be considered to be in violation of this part if such entity, in the regular course of providing mental health services to homeless individuals who do not have a chronic mental illness, provides mental health services to homeless individuals having a chronic mental illness.

"EVALUATIONS AND REPORTS

"SEC. 397. (a) The Secretary shall conduct, or arrange for the conduct of, evaluations of services provided under grants under section 395.

"(b) Within 18 months after the date of enactment of this part, and annually thereafter, the Secretary shall prepare and transmit to the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives a report summarizing the evaluations conducted under subsection (a) during the preceding year.

"DEFINITIONS

"SEC. 398. For purposes of this part:

"DEFINITIONS

"SEC. 398. For purposes of this part:

"(1) The term 'homeless individual' has the same meaning as in section 3 of the Urgent Relief for the Homeless Act.

"(2) The term 'medically underserved population' means a population designated by the Secretary under section 330(b)(3).

"(3) The term 'shelter' means any supervised public or private facility designed to provide temporary living accommodations.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 399. To carry out this part, there are authorized to be appropriated $30,000,000 for each of the fiscal years 1987 and 1988.".

PART B—MENTAL HEALTH SERVICES

SEC. 521. EMERGENCY MENTAL HEALTH SERVICES FOR HOMELESS INDIVIDUALS HAVING CHRONIC MENTAL ILLNESS.

Title XIX of the Public Health Service Act is amended by adding at the end thereof the following new part:

"PART D—EMERGENCY ASSISTANCE FOR HOMELESS MENTALLY ILL INDIVIDUALS BLOCK GRANT

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1931. (a) To carry out this part, there are authorized to be appropriated $55,000,000 for fiscal year 1987 and such sums as may be necessary for fiscal year 1988.

"(b) Of the total amount appropriated to carry out this part for any fiscal year, not more than 2 percent shall be used by the Secretary to pay the costs of administering this part.

"ALLOTMENTS

"SEC. 1932. (a)(1) Except as provided in subsections (b) and (c), the allotment of a State under this part for a fiscal year is the sum of the amounts determined under paragraphs (2) and (3) for the State and metropolitan cities and urban counties in the State for such fiscal year.

"(2) The Secretary shall determine the amount that would be allotted to each State from the total amount available for allotments under this section for a fiscal year (after the application of section 1931(b)) if the percentage of such total available amount that would be allotted to such State is equal to the percentage of the total amount available for grants under section 106 of the Housing and Community Development Act of 1974 for the fiscal year prior to such fiscal year that is allocated to such State.

"(3) The Secretary shall determine the amount that would be allotted to each metropolitan city and urban county in a State from the total amount available for allotments under this section for a fiscal year (after the application of section 1931(b)) if the percentage of such total available amount that would be allotted to such city or county is equal to the percentage of the total amount available for grants under section 106 of the Housing and Community Development Act of 1974 for the fiscal year prior to such fiscal year that is allocated to such city or county.

"(4) Notwithstanding paragraph (1), and except as provided in the second sentence of subsection (b), the allotment of the District of Columbia under this part for a fiscal year shall be the amount determined by the Secretary for the District of Columbia under paragraph (3) or the amount determined under subsection (b), whichever is greater.

"(b) Notwithstanding subsection (a), the allotment of a State under this section for any fiscal year shall not be less than one-half of one percent of the amount available for allotments under this section (after the application of section 1931(b)) for such fiscal year. If necessary to carry out the preceding sentence, the Secretary shall ratably reduce the amount determined for each State under paragraph (1) of subsection (a), and the amount determined for each metropolitan city and urban county (including the District of Columbia) under paragraph (2) of such subsection.

"(c)(1) For purposes of subsections (a) and (b), the allotment of each territory under this part for a fiscal year shall be determined in accordance with paragraphs (2) and (3).

"(2) In accordance with subsections (a) and (b), a total allotment under this part for all territories shall be determined for a fiscal year as if all territories were deemed to be one State.

"(3) The allotment of a territory under this part for a fiscal year shall be the amount which bears the same ratio to the amount determined under paragraph (3) for such fiscal year as the population of the territory bears to the population of all territories.

"(4) For purposes of this subsection, the term 'territory' means the Virgin Islands, American Samoa, Guam, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands.

"(d) If the total amount of funds appropriated under section 1931 for a fiscal year and available for allotment under this section for such fiscal year is not otherwise allotted to States because—

"(1) one or more States have not submitted an application or description of activities in accordance with section 1935 for such fiscal year;

"(2) one or more States have notified the Secretary that they do not intend to use the full amount of their allotment; or

"(3) some allotments of States are offset or repaid under section 1917(b)(3) (as such section applies to this part pursuant to section 1935(d)),

the amount not allotted shall be allotted among each of the remaining States in proportion to the amount otherwise allotted to such States for such fiscal year without regard to this subsection.

"PAYMENTS UNDER ALLOTMENTS

"SEC. 1933. (a) For each fiscal year, the Secretary shall make payments, as provided by section 6503(a) of title 31, United States Code, to each State from its allotment under section 1932 from amounts appropriated for that fiscal year.

"(b) Any amount paid to a State for a fiscal year and remaining unobligated at the end of such year shall remain available for the next fiscal year to such State for the purposes for which it was made.

"USE OF ALLOTMENTS

"SEC. 1934. (a)(1) Except as provided in subsection (b), amounts paid to a State under section 1933 shall be used by such State to assist in the carrying out of emergency projects for homeless individuals who have chronic mental illnesses. Such projects shall include each of the following activities:

"(A) The provision of outreach services to—

"(i) homeless individuals; and

"(ii) individuals who have chronic mental illnesses and who are at risk of becoming homeless individuals.

"(B) The provision of outpatient mental health services, partial hospitalization, diagnostic services, crisis intervention services, and habilitation and rehabilitation services to—

"(i) homeless individuals; and

"(ii) individuals who have chronic mental illnesses and who are at risk of becoming homeless individuals.

"(C) The provision of training to individuals who provide services to homeless individuals, including individuals who work in shelters, mental health clinics, and other sites where homeless individuals receive services.

"(D) The provision of case management services to homeless individuals, including, as needed by each such individual—

"(i) the preparation, and the review at least every 3 months, of a plan for the provision of mental health services to such individual;

"(ii) the provision of assistance in obtaining, and the coordination of, social and maintenance services for such individual, such as services relating to daily living activities, transportation services, habilitation and rehabilitation services, prevocational and vocational services, and housing services;

"(iii) the provision of assistance to such individual in obtaining income support services, such as housing assistance, food stamps, and supplemental security income benefits; and

"(iv) the referral of such individual to such other services as may be appropriate.

"(E) The provision of supportive and supervisory services for homeless individuals in residential settings not supported under the transitional housing demonstration program carried out by the Department of Housing and Urban Development pursuant to section 101(g) of Public Law 99-500 or Public Law 99-591.

"(2) Training required under paragraph (1)(C) shall include training to enable individuals providing services to homeless individuals to—

"(A) identify individuals with chronic mental illness;

"(B) refer homeless individuals to available services for such individuals, including job training services, literacy education, community health centers, and community mental health centers; and

"(C) identify, and assist homeless individuals to participate in, Federal and State programs providing benefits for homeless individuals.

"(b) A State may not use amounts paid to it under section 1933 to—

"(1) provide inpatient services;

"(2) make cash payments to intended recipients of services;

"(3) purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment; or

"(4) satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds.

The Secretary may waive the limitation contained in paragraph (3) upon the request of a State if the Secretary finds that there are extraordinary circumstances to justify the waiver and that granting the waiver will assist in carrying out this part.

"(c) Not more than 4 percent of the total amount paid to a State under section 1933 for a fiscal year may be used for administering the funds made available under section 1933. The State shall pay from non-Federal sources the remaining costs of administering such funds.

"(d) Notwithstanding any other provision of this part, a State shall not be considered to be in violation of this part if, during the regular course of the provision of mental health services to homeless individuals under this part, mental health services are provided to individuals who are homeless and who do not have a chronic mental illness.

"APPLICATION AND DESCRIPTION OF ACTIVITIES; REQUIREMENTS

"SEC. 1935. (a)(1) In order to receive an allotment for a fiscal year under section 1932, a State shall submit an application to the Secretary. Each such application shall be in such form as the Secretary shall require, and shall be submitted with the application required by section 1916(a) or at such other time as the Secretary shall require.

"(2) Each application required under paragraph (1) for an allotment under section 1932 for a fiscal year shall contain assurances that the State will meet the requirements of subsection (b).

"(b)(1) As part of the annual application required by subsection (a) for an allotment for any fiscal year, the chief executive officer of each State shall—

"(A) certify that the State agrees to use the funds allotted to it under section 1932 in accordance with the requirements of this part;

"(B) certify that, in the case of an allotment for fiscal year 1988, the services to be provided to homeless individuals under this part have been considered in the preparation of, have been included in, and are consistent with, the State comprehensive mental health services plan required under subpart 2 of part B;

"(C) certify that the State will ensure that homeless individuals who are alcoholics, alcohol abusers, or drug abusers will be referred to appropriate alcohol abuse and drug abuse treatment and rehabilitation services, including services available under section 1921;

"(D) certify that the State will ensure that the activities conducted under this part will be coordinated with transitional housing provided under the transitional housing demonstration program carried out by the Department of Housing and Urban Development pursuant to section 101(g) of Public Law 99-500 or Public Law 99-591;

"(E) except as provided in paragraph (3), certify that the State will expend, in each metropolitan city or urban county for which the Secretary makes a determination under section 1932(a)(3) for a fiscal year, an amount which is equal to the amount determined by the Secretary under such section for such city or county for such fiscal year, in order to assist in carrying out in such city or county of an emergency project which complies with section 1934; and

"(F) certify that the State agrees that Federal funds made available under section 1933 for any period will be so used as to supplement and increase the level of State, local, and other non-Federal funds that would in the absence of such Federal funds be made available for the programs and activities for which funds are provided under that section and will in no event supplant such State, local, and other non-Federal funds.

"(2) An application by a State under this section for an allotment for fiscal year 1988 shall include, for each metropolitan city and urban county in the State for which the Governor of the State desires a determination be made under section 1932(a)(3), a statement from the chief executive officer of such city or county which contains the certifications specified in paragraph (1) with respect to such city or county and the description of activities specified in subsection (c) with respect to such city or county.

"(3)(A) In any case in which the amount determined by the Secretary under section 1932(a)(3) for a fiscal year with respect to a metropolitan city or an urban county is less than $50,000, the State in which such city or county is located is not required to comply with paragraph (1)(E) with respect to such city or county for such fiscal year.

"(B) In any case in which the Governor of a State is unable to certify under paragraph (1)(E) that the amount required to be expended for a fiscal year under such paragraph in a metropolitan city or urban county in the State will be used to assist in the carrying out, in such city or county, of an emergency project which complies with section 1934, the Governor of the State shall include in the application required under paragraph (1) for such fiscal year a certification that such amount will be expended in another area of the State to assist in the carrying out of an emergency project which complies with such section.

"(c) The chief executive officer of a State shall, as part of the application required by subsection (a) for any fiscal year, also prepare and furnish the Secretary (in accordance with such form as the Secretary shall provide) with a description of the intended use of the payments the State will receive under section 1933 for the fiscal year for which the application is submitted, including information on the programs and activities to be supported and services to be provided. The description shall be made public within the State in such manner as to facilitate comment from any person (including any Federal or other public agency) during development of the description and after its transmittal. The description shall be revised (consistent with this section) throughout the year as may be necessary to reflect substantial changes in the programs and activities assisted by the State under this part, and any revision shall be subject to the requirements of the preceding sentence.

"(d) Except where inconsistent with the provisions of this part, the provisions of section 1914(b), section 1917(a), paragraphs (1) through (5) of section 1917(b), and sections 1918, 1919, and 1920 shall apply to payments made to a State under this part in the same manner as such provisions apply to payments made to a State under part B of this title.

"DEFINITIONS

"SEC. 1936. For purposes of this part:

"(1) The term 'homeless individual' means a homeless individual (as such term is defined in section 3 of the Urgent Relief for the Homeless Act) who has a chronic mental illness. Such term includes an individual who—

"(A) is receiving services under this part; and

"(B) is placed in permanent housing,

during the period beginning on the date on which such placement is made and ending 9 months after such date.

"(2) The term 'metropolitan city' has the same meaning as in section 102 of the Housing and Community Development Act of 1974.

"(3) The term 'urban county' has the same meaning as in section 102 of the Housing and Community Development Act of 1974.".

PART C—ALCOHOL AND DRUG ABUSE SERVICES FOR HOMELESS INDIVIDUALS

SEC. 531. SPECIAL ALLOTMENTS FOR ALCOHOL ABUSE AND DRUG ABUSE SERVICES FOR HOMELESS INDIVIDUALS.

Part B of title XIX of the Public Health Service Act is amended by adding at the end thereof the following new subpart:

"Subpart 3—Prevention, Treatment, and Rehabilitation Services for Homeless Individuals Who Are Alcoholics, Alcohol Abusers, or Drug Abusers

"SPECIAL ALLOTMENTS

"SEC. 1920F. (a) To carry out this section, there are authorized to be appropriated $20,000,000 for fiscal year 1987.

"(b) The Secretary shall allot to each State for fiscal year 1987 from amounts appropriated under subsection (a) an amount which bears the same ratio to the total amount appropriated under such subsection for such fiscal year as the allotment of the State under section 1913 for such fiscal year bears to the total amount allotted to all States under such section for such fiscal year.

"(c) Each State desiring to receive an allotment under this section shall submit a statement to the Secretary at such, time, in such manner, and containing such information as the Secretary may by regulation prescribe. Such statement shall contain a certification by the chief executive officer of the State that the State will use the amounts allotted to the State under this section for the purposes described in subsection (d).

"(d) The amount allotted to a State under this section for fiscal year 1987 shall be used by the State to provide prevention, treatment, and rehabilitation services for homeless individuals who are alcoholics, alcohol abusers, or drug abusers. For purposes of this section, the term 'homeless individual' has the same meaning as in section 3 of the Urgent Relief for the Homeless Act.

"(e)(1) Except as provided in paragraph (2), the provisions of subpart 1 of this part shall apply to this section to the extent that such provisions are not inconsistent with the provisions of this section.

"(2) Section 1915(b)(1) does not apply to services provided under this section.".

TITLE VI—ASSURING THE EDUCATION OF HOMELESS CHILDREN AND PROVIDING LITERACY AND BASIC SKILLS REMEDIATION FOR ADULT HOMELESS INDIVIDUALS

SEC. 601. STATE PLANS FOR THE EDUCATION OF HOMELESS CHILDREN.

Subpart 3 of part C of the General Education Provisions Act is amended by inserting after section 436 the following new section:

"STATE PLANS FOR THE EDUCATION OF HOMELESS CHILDREN REQUIRED

"SEC. 436A. (a) In any fiscal year after September 30, 1988, in which a State fails to comply with the provisions of this section, the Secretary shall withhold from the State an amount equal to State set aside under chapter 2 of the Education Consolidation and Improvement Act of 1981 for that year.

"(b)(1) Each State educational agency shall assure that no child of a homeless person, as defined in section 3 of this Act, is denied for that reason access to a free, appropriate public education that would be provided to the children of a resident of the State.

"(2) Each State shall adopt a plan to provide for the education of each homeless child within the State which should contain provisions designed to—

"(A) authorize the State educational agency, the local educational agency, the parent or guardian of the homeless child, or the applicable social worker to make the determinations required under this section; and

"(B) provide procedures for selecting the appropriate local educational agency within the State to be responsible for the expenses of providing for the education of the homeless child.

"(c)(1) Each plan adopted under this section shall assure, to the extent practicable under requirements relating to education established by State law, that local educational agencies within the State will comply with the requirements of paragraphs (2) through (6) of this subsection.

"(2) The local educational agency of each homeless child shall either—

"(A) continue the child's education in the school district of origin for the remainder of the school year; or

"(B) enroll the child in the school district where the child is actually living;

whichever is in the child's best interest.

"(3) The choice required by paragraph (2) shall be available regardless of whether the child is living with the homeless parents or has been temporarily placed elsewhere by the parents.

"(4) Each homeless child shall be provided adequate transportation to the school selected according to the provisions of paragraph (2).

"(5) The records of each homeless child shall be maintained—

"(A) so that the records are immediately available when a child enters a new school district; and

"(B) in a manner consistent with section 438 of this Act.

"(6) Each local educational agency shall ensure that each homeless child may participate in all educational programs and services for which the child meets the eligibility criteria, including special programs and compensatory educational programs for handicapped, disadvantaged, and for students with limited English proficiency; programs in vocational education; programs for the gifted and talented; and school meals programs.

"(d)(1) Each local educational agency or any State which is aggrieved by the withholding of State funds under subsection (a) shall be accorded the right of due process of law and shall be entitled to—

"(A) at least 30 days prior written notice of the intent to withhold such funds;

"(B) the opportunity for a hearing on the record before an administrative law judge within 60 days of the actual withholding, unless such period is extended by mutual consent of the Secretary and the appropriate State educational agency; and

"(C) a decision on the merits by the administrative law judge within 90 days of the conclusion of the hearing, unless the administrative law judge determines that such a hearing cannot be concluded or a decision on the merits cannot be made within such period, in which case the administrative law judge may extend the period for a period not to exceed 60 additional days.

"(2) The administrative remedy prescribed by this subsection shall be exclusive.

"(e) The Secretary shall prepare and submit to the Congress a report not later than January 1, 1989, on the effectiveness of the State plans required by this section.".

SEC. 602. EXEMPLARY GRANTS AND DISSEMINATION OF INFORMATION ACTIVITIES AUTHORIZED.

(a) GENERAL AUTHORITY.—(1) The Secretary shall, from funds appropriated pursuant to subsection (f), make grants for exemplary programs that successfully address the needs of homeless students in elementary and secondary schools of the applicant.

(2) The Secretary shall, in accordance with subsection (e), conduct dissemination activities of exemplary programs designed to make the special educational needs of homeless elementary and secondary school students.

(b) APPLICANTS.—The Secretary shall make grants to State and local educational agencies for the purpose described in paragraph (1) of subsection (a).

(c) ELIGIBILITY FOR GRANTS.—No applicant may receive an exemplary grant under this section unless the applicant is located in a State which has submitted a State plan in accordance with the provisions of section 436A of the General Educations Provisions Act.

(d) APPLICATION.—Each applicant which desires to receive a demonstration grant under this section shall submit an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require. Each such application shall include—

(1) a description of the exemplary program for which assistance is sought;

(2) assurances that the applicant will transmit information with respect to the conduct of the program for which assistance is sought;

(3) such additional assurances that the Secretary determines are necessary.

(e) DISSEMINATION OF INFORMATION ACTIVITIES.—The Secretary shall, from funds appropriated pursuant to subsection (f), conduct, directly or indirectly by way of grant, contract, or other arrangement, dissemination activities designed to inform State and local educational agencies of exemplary programs which successfully address the special needs of homeless students.

(f) APPROPRIATIONS AUTHORIZED.—There are authorized to be appropriated $2,500,000 for the fiscal year 1987 and $5,000,000 for the fiscal year 1988 to carry out the provisions of this section.

SEC. 603. STATEWIDE LITERACY INITIATIVES.

(a) GENERAL AUTHORITY.—The Secretary of Education shall make grants to State educational agencies to enable each such agency to develop a plan and implement a program of literacy training and basic skills remediation for adult homeless individuals within the State which shall—

(1) include a program of outreach activities, and

(2) be coordinated with existing resources such as community-based organizations, VISTA recipients, adult basic education program recipients, and nonprofit literacy-action organizations.

(b) APPLICATION.—Each State educational agency desiring to receive its allocation under this section shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may reasonably require.

(c) AUTHORIZATION OF APPROPRIATIONS; ALLOCATION.—(1) There are authorized to be appropriated $10,000,000 for each of the fiscal years 1987 and 1988, for the adult literacy and basic skills remediation programs authorized by this section.

(2) The Secretary of Education shall distribute funds to States on the basis of the assessments of the homeless population in the States made in the comprehensive plans submitted to the Interagency Council under section 401, except that no State shall receive less than $75,000 under this section.

TITLE VII—JOB TRAINING FOR THE HOMELESS DEMONSTRATION PROJECT

SEC. 701. DEMONSTRATION PROGRAM AUTHORIZED.

(a) GENERAL AUTHORITY.—The Secretary shall, from funds appropriated pursuant to section 708, make grants for the Federal share of job training demonstration projects for homeless individuals in accordance with the provisions of this title.

(b) CONTRACT AUTHORITY.—The Secretary is authorized to enter into such contracts with State and local public agencies, private nonprofit organizations, private businesses, and other appropriate entities as may be necessary to carry out the provisions of this title.

SEC. 702. STATE COORDINATION WITH DEMONSTRATION GRANT RECIPIENTS.

A State shall describe in the comprehensive plan required under section 401 of this Act how the State will coordinate projects conducted within a State under this title with other services for homeless individuals assisted under this Act.

SEC. 703. APPLICATION.

Each applicant which desires to receive a demonstration grant under this title shall submit an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require. Each such application shall include—

(1) a description of the activities for which assistance is sought;

(2) plans for the coordination and outreach activities, particularly with case managers and care providers, designed to achieve referral of homeless individuals to the demonstration projects authorized by this title;

(3) plans to offer in-shelter training activities and services, and to perform training services and activities so as to increase the participation of homeless individuals in the demonstration project;

(4) a description of the standards by which performance may be measured under the demonstration project, together with assurances that a preliminary evaluation of the project will be completed not later than the end of the first year for which assistance is sought;

(5) assurances that the recipient of demonstration grants under this title will pay the non-Federal share of the activities for which assistance is sought from non-Federal sources; and

(6) such additional assurances as the Secretary determines are necessary to insure compliance with the requirements of this title.

SEC. 704. AUTHORIZED ACTIVITIES.

Demonstration grants under this title may be used for—

(1) basic skills instruction;

(2) remedial education activities;

(3) basic literacy instruction;

(4) job search activities;

(5) job counseling;

(6) job preparatory training, including resume writing and interviewing skills; and

(7) any other activities described in section 204 of the Job Training Partnership Act which the grant recipient determines will contribute to carrying out the objectives of this title,

for homeless individuals.

SEC. 705. PAYMENTS; FEDERAL SHARE; LIMITATION.

(a) PAYMENTS.—The Secretary shall pay to each applicant having an application approved under section 703 the Federal share of the cost of activities described in the application.

(b) FEDERAL SHARE.—(1) The Federal share for each fiscal year shall be 50 percent.

(2) The non-Federal share of payments under this title may be in cash or in kind fairly evaluated, including plant equipment or services.

(c) LIMITATION.—The Secretary may not make grants in any State in an aggregate in excess of 15 percent of the amount appropriated to carry out this title in each fiscal year.

SEC. 706. EVALUATION.

(a) DEMONSTRATION PROJECT RESPONSIBILITY.—The Secretary shall evaluate each project assisted under this title at the end of the first fiscal year for which funds are appropriated under this title. The Secretary shall submit the findings of the evaluations to the Interagency Council. Not later than 6 months before the termination date specified in section 709, the Secretary shall prepare and submit a final report of the evaluations required by this subsection to the President, to the Congress, and to the Interagency Council.

(b) CONTENTS OF EVALUATIONS.—Each evaluation required by this section shall include—

(1) the number of homeless individuals served;

(2) the number of homeless individuals placed in jobs;

(3) the average length of training time under the project;

(4) the average training cost under the project; and

(5) the average retention rate of placements of homeless individuals after training with assistance made under this title.

(c) EVALUATION BY INTERAGENCY COUNCIL.—(1) The Interagency Council shall evaluate each project receiving assistance under this title.

(2) The Interagency Council shall prepare and publish a report of its findings in the annual report of the Council. The evaluation of the demonstration projects authorized by this title shall include a determination of the relative effectiveness of programs assisted under this title together with recommendations, including recommendations for legislation, to the Congress on job training programs for homeless individuals to be established on a national basis.

SEC. 707. DEFINITIONS.

As used in this title—

(1) the term "applicant" means public agencies, private nonprofit organizations, private businesses, and other appropriate entities;

(2) the term "Interagency Council" means the Interagency Council on the Homeless;

(3) the term "local public agency" means any public agency of a general purpose political subdivision of a State which has the power to levy taxes and spend funds, as well as general corporate and police powers;

(4) the term "Secretary" means the Secretary of Labor; and

(5) the term "State" means each of the several States and the District of Columbia.

SEC. 708. AUTHORIZATION OF APPROPRIATIONS; AVAILABILITY OF FUNDS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $10,000,000 for the fiscal year 1988 to carry out the provisions of this title.

(b) AVAILABILITY OF FUNDS.—Funds obligated for any fiscal year may be expended by each recipient during that fiscal year and the succeeding fiscal year.

SEC. 709. TERMINATION.

The provisions of this title shall terminate on October 1, 1990.

TITLE VIII—NUTRITION

PART A—FOOD STAMP PROGRAM

SEC. 801. DEFINITION OF HOUSEHOLD.

The first sentence of section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended—

(1) by striking out "or (2)" and inserting in lieu thereof "(2)";

(2) by inserting before the semicolon the following: "or (3) a parent of minor children and that parent's children (notwithstanding the presence in the home of any other persons, including parents and siblings, who do not customarily purchase food and prepare meals for home consumption together with the parent and children) except that the certification of a household as a separate household under this clause shall be reexamined no less frequently than once every 6 months"; and

(3) by inserting "(other than as provided in clause (3))" after "except that"

SEC. 802. DEFINITION OF HOMELESS INDIVIDUAL.

Section 3 of the Food Stamp Act of 1977 (7 U.S.C. 2012) is amended by adding at the end thereof the following new subsection:

"(s) 'Homeless individual' means—

"(1) an individual who lacks a fixed, regular, and adequate nighttime residence; and

"(2) an individual who has a primary nighttime residence that is—

"(A) a supervised publicly or privately operated shelter (including a welfare hotel or congregate shelter) designed to provide temporary living accommodations;

"(B) an institution that provides a temporary residence for individuals intended to be institutionalized;

"(C) a temporary accommodation in the residence of another individual; or

"(D) a public or private place not designed for, or ordinarily used, as a regular sleeping accommodation for human beings.".

SEC. 803. FOOD STAMP INFORMATION FOR THE HOMELESS.

(a) AUTHORITY TO PROVIDE INFORMATION.—Section 11(e)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(1)(A)) is amended by inserting "except, at the option of the State agency, food stamp informational activities directed at homeless individuals" after "Act".

(b) ADMINISTRATIVE EXPENSES.—The first sentence of section 16(a) of such Act (7 U.S.C. 2025(a)) is amended by striking out ", and (4)" and inserting in lieu thereof "(4) food stamp informational activities permitted under section 11(e)(1)(A), and (5)".

SEC. 804. EXPEDITED FOOD STAMP SERVICE.

Section 11(e)(9) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(9)) is amended—

(1) by redesignating subparagraph (B) as subparagraph (D);

(2) by inserting after subparagraph (A) the following new subparagraphs:

"(B) provide coupons no later than five days after the date of application to a household in which all members are homeless individuals and which meets the income and resource criteria for coupons under this Act;

"(C) provide coupons no later than five days after the date of application to any household that has a combined gross income and liquid resources that is less than the monthly rent and utilities of the household; and"; and

(3) in subparagraph (D) (as redesigned), by striking out "the household" and inserting in lieu thereof "a household referred to in subparagraph (A), (B), or (C)".

SEC. 805. IMPLEMENTATION OF EXISTING VENDOR PAYMENT EXCLUSION.

Not later than 30 days after the date of enactment of this Act, the Secretary of Agriculture shall prescribe regulations to carry out section 5(k)(2)(E) of the Food Stamp Act of 1977 (7 U.S.C. 2014(k)(2)(E)).

PART B—TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM (TEFAP)

SEC. 811. VARIETY OF COMMODITIES UNDER TEFAP.

Section 202(d) of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is amended by inserting after "shall include" the following: "a variety of commodities and products thereof that are most useful to eligible recipient agencies, including".

SEC. 812. AUTHORIZATION OF APPROPRIATIONS FOR FOOD STORAGE AND DISTRIBUTION COSTS UNDER TEFAP.

The first sentence of section 204(c)(1) of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is amended by striking out "$50,000,000 for each of the fiscal years ending September 30, 1986, and September 30, 1987" and inserting in lieu thereof "$50,000,000 for the fiscal year ending September 30, 1986, $60,000,000 for the fiscal year ending September 30, 1987, and $70,000,000 for the fiscal year ending September 30, 1988".

SEC. 813. CONTINUATION OF TEFAP.

(a) In General.—Section 212 of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is amended by striking out "1987" and inserting in lieu thereof "1988".

(b) Conforming Amendment.—Section 210(c) of such Act is amended by striking out "beginning October 1, 1983, and ending September 30, 1987" and inserting in lieu thereof "ending on the date specified in section 212".

Part C—Effective Date

SEC. 821. EFFECTIVE DATE.

Except as provided in section 805, the amendments made by this title shall become effective and be implemented as soon as the Secretary determines is practicable after the date of enactment of this Act, but not later than 160 days after the date of enactment of this Act.

TITLE IX—HOMELESS VETERANS

SECTION 901. SHORT TITLE.

This title may be cited as the "Homeless Veterans' Assistance Act of 1987".

SEC. 902. AUTHORITY TO MAKE CERTAIN PROPERTIES AVAILABLE FOR SHELTERS.

(a) In General.—The Administrator, within the limits of available appropriations, is authorized under this section to carry out during fiscal years 1987, 1988, and 1989 a program to assist homeless veterans and their families to acquire shelter by entering into agreements, described in subsection (b) with any organization named in, or approved by the Administrator under, section 3402 of title 38, United States Code, or any other governmental, public, or nonprofit private institution, organization, corporation, or other entity, especially any such entity working on behalf of homeless individuals, for the purpose of such entity providing shelter primarily for homeless veterans and their families.

(b) Agreements To Sell or Lease.—(1) Agreements authorized by subsection (a) are agreements pursuant to which the Administrator would, subject to paragraphs (2) and (3) of this subsection and to subsection (d)—

(A) sell to an entity described in subsection (a), for such consideration as the Administrator determines is in the best interests of the United States Government, the Veterans' Administration loan guaranty program, and the short- and long-term solvency of the Loan Guaranty Revolving Fund, real property acquired by the Administrator as the result of a default on a loan made or guaranteed under chapter 37 of title 38, United States Code; or

(B) lease, for a fixed period of time, or otherwise temporarily make available to such an entity underutilized facilities (other than properties so acquired as the result of such a default) under the jurisdiction of the Administrator that would be suitable for providing emergency shelter.

(2) The Administrator may enter into an agreement under paragraph (1) only if the Administrator determines that such an action will not adversely affect the Veterans' Administration's ability to fulfill its statutory missions or to carry out other functions and administer other programs authorized by law.

(3) The Administrator may enter into an agreement under paragraph (1)(A) only if—

(A) the entity to which the property is to be sold demonstrates, to the satisfaction of the Administrator, an intention to (i) utilize the property solely as a shelter primarily for homeless veterans and their families, (ii) to comply with all zoning laws relating to the property, and (iii) to make no use of the property that is not compatible with the area where the property is located;

(B) the Administrator determines that there is no likelihood of the property being sold for a price sufficient to reduce the liability to the Veterans' Administration of the veteran who had defaulted on the loan guaranteed under chapter 37 of title 38, United States Code; and

(C) the buyer satisfies other terms and conditions established pursuant to subsection (d).

(4) The Administrator, through means selected by the Administrator, shall provide appropriate entities described in subsection (a) which are involved in working on the problems of homelessness and homeless veterans with notice of the potential availability for sale or lease to such entities of appropriate properties under paragraph (1).

(c) Preference for Certain Entities.—In selecting entities with which to enter into agreements under subsection (a), the Administrator shall accord preference to entities which—

(1) have a demonstrated commitment to working with and on behalf of homeless individuals;

(2)(A) have a demonstrated ability to establish, operate, and maintain shelters for homeless individuals, or (B) are named in, or approved by the Administrator under, section 3402 of title 38, United States Code;

(3) have a plan for utilizing the voluntary services of homeless individuals, or others, to rehabilitate and repair such property as necessary in order to improve its habitability; and

(4) have a plan for utilizing the volunteer assistance of Veterans' Administration employees, members of veterans' service organizations, homeless individuals, or others in the establishment, operation, and maintenance of the shelter established pursuant to such an agreement.

(d) Terms and Conditions of Instruments.—Any agreement, deed, or other instrument executed by the Administrator under subsection (a) shall be on such terms and conditions as the Administrator determines to be appropriate and necessary to carry out the purpose of such agreement.

(e) Inventory of Underutilized Facilities.—(1)(A) Not later than thirty days after the date of the enactment of this Act and periodically thereafter, the Administrator shall evaluate all real properties described in subparagraph (B) in order to determine which such properties are appropriate to offer for sale under subsection (b)(1)(A).

(B) Properties referred to in subparagraph (A) are those which (i) are located in geographic areas in which there are significant numbers of homeless veterans, and (ii) are being held by the Administrator after having been acquired by the Administrator at least twelve months previously as the result of defaults on loans made or guaranteed under chapter 37 of title 38, United States Code.

(2) Not later than one hundred and eighty days after the date of the enactment of this Act and periodically thereafter, the Administrator shall complete an inventory of all underutilized facilities which are under the jurisdiction of the Administrator and which are located in geographic areas in which there are significant numbers of homeless veterans in order to determine which such facilities could be suitable to offer for lease under subsection (b)(1)(B).

(f) Reports.—(1) Not later than February 1, 1988, the Administrator shall submit to the Committees a report—

(A) on the results of the evaluations and inventory conducted under subsection (e);

(B) on the activities carried out by the Administrator under subsection (b)(4);

(C) on real property sold under subsection (b)(1)(A), including for each such property information as to the price for which the Veterans' Administration acquired the property, the costs incurred by the Veterans' Administration in maintaining the property thereafter, the name of the buyer, and the price paid by the buyer; and

(D) on the leasing of facilities under subsection (b)(1)(B).

(2) Not later than February 1, 1989, the Administrator shall submit to the Committees a report on the experience under this section and shall include in the report (A) information updating the information required to be provided in the report under paragraph (1), and (B) such recommendations (and the reasons therefor) as the Administrator considers appropriate as to whether the program carried out under this section should be extended and any recommendation for legislation that the Administrator considers appropriate to include in the report.

SEC. 903. PILOT PROGRAM OF ACTIVITIES TO ASSIST HOMELESS VETERANS.

In order to enhance the Veterans' Administration's ability to assist homeless veterans and their families and to evaluate the effectiveness of various activities in that regard, the Administrator shall, within the limits of available appropriations and as provided for in the section, conduct a pilot program and study for a period of not less than twenty-four months in not less than ten geographic areas in which there are significant numbers of homeless veterans. In the course of such pilot program and study, the Administrator shall undertake and evaluate various activities otherwise authorizd by law as well as activities—

(1) to designate individuals at Veterans' Administration facilities to coordinate official and volunteer efforts designed to assist homeless veterans and their families;

(2) to authorize Veterans' Administration employees to seek out and cooperate with other entities providing counseling, job training, rehabilitation, and assistance in obtaining shelter to homeless individuals; and

(3)(A) to facilitate (by adjusting, consistent with supervisors' determinations regarding employees' assigned responsibilities, duty hours and meal breaks) the efforts of Veterans' Administration employees who wish to assist, on a volunteer basis, (i) homeless veterans and their families in acquiring necessities, such as shelter, food, and health care, and rehabilitation services, training, and employment, or (ii) in any other charitable activity approved by the Office of Personnel Management pursuant to section 2 of Executive Order 12353 of March 23, 1982 (and the implementing regulations in 5 CFR Part 950), or by the Administrator for the purposes of this clause, and (B) to use, for the purpose of assisting homeless veterans and their families in acquiring such necessities, rehabilitation services, training, and employment, Veterans' Administration resources and facilities, not otherwise employed, where the cost to the Federal Government would be nominal.

SEC. 904. OUTREACH SERVICES PROGRAM.

Not later than ninety days after the date of the enactment of this Act, the Administrator, within the limits of available appropriations, shall submit to the Committees a report setting forth—

(1) a description of all efforts undertaken in fiscal year 1987 under subchapter IV of chapter 3 of title 38, United States Code, to provide outreach services to homeless veterans to assist them in applying for and obtaining benefits and services for which they are eligible under laws administered by the Veterans' Administration or under other laws by virtue of their veteran status;

(2) any information available on the increased utilization of such benefits and services by such veterans as a result of the efforts described in clause (1) to assist them in securing necessities, such as shelter, food, and health care, rehabilitation services, training, and employment, together with a description of all follow-through activities related to such outreach services; and

(3) a description of, and a timetable for, any plans to expand such outreach efforts (including necessary training of outreach personnel) and follow-through activities, together with an estimate of the additional resources needed for such expanded efforts.

SEC. 905. SURVEY OF HOMELESS VETERANS.

(a) CONDUCT OF SURVEY.—Not later than one hundred and eighty days after the date of the enactment of this Act, the Administrator, in coordination with any Federal entity established to coordinate programs to assist homeless individuals, and, as appropriate, in conjunction with efforts carried out under sections 902, 903, 904, and 906 and within the limits of available appropriations, shall (1) conduct a survey (through representative samplings in appropriate geographic areas) to determine (A) the extent to which veterans are represented in the population of homeless individuals, and (B) the information described in subsection (b), and (2) submit to the Committees a report on the results of such survey.

(b) REPORT.—The report required by subsection (a) shall include, to the maximum extent feasible, estimates of—

(1) the number of veterans, both as an absolute number and as a percentage, in the population of homeless individuals and the numbers of family members accompanying such veterans;

(2) a breakdown showing the periods of services of such veterans and subgroupings of such veterans, including those with families, those with chronic mental illness disabilities, and those with substance abuse disabilities;

(3) the numbers of such veterans who, during fiscal years 1987 and 1988, received or will receive benefits and services under laws administered by the Veterans' Administration showing the numbers who received or will receive (A) health-care services under chapter 17 of title 38, United States Code, (B) compensation under chapter 11 of such title, (C) pension under chapter 15 of such title, (D) vocational, educational, and training assistance under such title or the Veterans' Job Training Act (29 U.S.C. 721 note), or (E) job training, counseling, referral, or other vocational assistance under programs carried out or supported by the Department of Labor; and

(4)(A) the number of such veterans who, if they were to apply, would likely be eligible for benefits and services under laws administered by the Veterans' Administration or (by virtue of their veteran status) the Department of Labor but who are not receiving such benefits and services, with a breakdown estimating the numbers who would likely be eligible for each of the benefits and services described in subclauses (A), (B), (C), (D), and (E) of clause (3), and (B) a description of the reasons why such veterans are not receiving such benefits and services.

(c) Not later than thirty days after the date of the enactment of this Act, the Administrator of Veterans' Affairs shall submit to the Committees an implementation plan and timetable for collecting the information needed for the report required by subsection (a).

SEC. 906. CHRONICALLY MENTALLY ILL VETERANS.

(a) REPORT ON INSTITUTIONAL CARE FURNISHED MENTALLY ILL VETERANS.—Section 235 of the Veterans' Benefits Improvement and Health-Care Authorization Act of 1986, Public Law 99-576, is amended—

(1) by redesignating subsection (b) and (c) as subsections (c) and (d), respectively; and

(2) by inserting the following new subsection (b):

"(b) The report required under subsection (a) shall also include information on the number of veterans being treated by the Veterans' Administration for mental illness disabilities who were furnished hospital, domiciliary, or nursing home care by the Administrator in each of fiscal years 1984, 1985, and 1986, broken down by the type of care furnished, as well as an estimate of the number of such veterans being furnished such care in fiscal year 1987, together with the Administrator's analysis of the basis for any change in the numbers of such veterans being furnished any type of such care during the period beginning with fiscal year 1984 and ending with fiscal year 1987, with particular emphasis on the impact of the implementation by the Veterans' Administration of a resource allocation methodology on the numbers of such veterans being furnished any type of such care and the duration of the care furnished.".

(b) PILOT PROGRAM OF CONTRACT COMMUNITY-BASED RESIDENTIAL CARE.—(1) During the period beginning on the date of the enactment of this Act and ending on September 30, 1989, the Administrator shall conduct a pilot program, utilizing the authority in section 620C of title 38, United States Code (as added by section 2(a) of Public Law 100-6), to provide care and treatment and rehabilitative services in halfway houses, therapeutic communities, psychiatric residential treatment centers, and other community-based treatment facilities to homeless veterans suffering from chronic mental illness disabilities.

(2) Not later than February 1, 1989, the Administrator shall submit to the Committees a report on the experience under the pilot program prior to October 1, 1988, and the recommendation of the Administrator (and reasons therefor) as to whether the pilot program should be continued.

(3) In carrying out the pilot program provided for in this subsection, the Administrator may not expend more than $5,000,000 in fiscal year 1987, nor more than $10,000,000 in each of fiscal years 1988 and 1989.

(c) CONTINUATION OF CONTRACT COMMUNITY-BASED PSYCHIATRIC RESIDENTIAL CARE AUTHORITY.—Section 2(c) of Public Law 100-6 is amended by inserting "in fiscal year 1987" after "limited".

(d) EXPANSION OF CONTRACT COMMUNITY-BASED PSYCHIATRIC RESIDENTIAL CARE ELIGIBILITY.—Section 620C of title 38, United States Code, is amended—

(1) in subsection (a)(3)—

(A) by redesignating clauses (A), (B), and (C) as clauses (B), (C), and (D), respectively; and

(B) by inserting a new clause (A) as follows: "(A) has a chronic mental illness disability rated as service-connected;";

(C) amending clause (C) (as redesignated by clause (1)(A) of this subsection) by striking out "homeless" and inserting in lieu thereof "a homeless individual"; and

(2) by adding at the end of subsection (a) the following new paragraph:

"(4) The term 'homeless individual' means an individual who lacks a fixed and adequate nighttime residence and includes an individual whose primary residence is in a publicly- or privately-operated shelter which provides temporary shelter.".

SEC. 907. VETERANS' JOB TRAINING ACT AMENDMENTS.

(a) DEFINITIONS.—Section 3 of the Veterans' Job Training Act, Public Law 98-77 (29 U.S.C. 1721 note) is amended by adding at the end the following new paragraph:

"(4) The term 'homeless individual' has the meaning given that term in section 620C(a)(4) of title 38, United States Code.".

(b) EXPANSION OF ELIGIBILITY.—Section 5(a)(1) of such Act is amended—

(1) by inserting "(i)" after "(B)";

(2) by striking out the period at the end of subclause (i), as redesignated by clause (1) of this subsection, and inserting in lieu thereof a semicolon and "or"; and

(3) by adding at the end the following new subclause:

"(ii) is (I) a veteran with a service-connected disability rated at 30 per centum or more, or (II) a homeless individual.".

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 16 of such Act is amended—

(1) by striking out "$65,000,000 for fiscal year 1986" and inserting in lieu thereof "a total of $65,000,000 for fiscal years 1986, 1987, and 1988"; and

(2) by striking out "September 30, 1988" and inserting in lieu thereof "September 30, 1989".

(d) EXTENSION OF TERMINATION DATES.—Section 17(a) of such Act is amended—

(1) in clause (1), by striking out "January 31, 1987" and inserting in lieu thereof "December 31, 1987"; and

(2) in clause (2), by striking out "July 31, 1987" and inserting in lieu thereof "June 30, 1988".

SEC. 908. CONVERSION OF UNDERUTILIZED SPACE TO DOMICILIARY-CARE BEDS.

(a) IN GENERAL.—(1) Subject to subsection (b) and within the limits of available appropriations, not later than January 1, 1988, the Administrator shall, in urban areas in which there are significant numbers of homeless veterans, convert underutilized space located in facilities under the jurisdiction of the Administrator to five hundred domiciliary-care beds to be used for the care of veterans in need of domiciliary care, primarily homeless veterans.

(2) If the Administrator determines that it is impractical to undertake the conversions required in paragraph (1) to the extent therein required—

(A) because appropriate space for the conversions is not available in sufficient quantity, or

(B) because in areas in which there is sufficient space the numbers of homeless veterans in need of domiciliary care who would likely utilize the beds are not sufficient to warrant the conversions,

the Administrator shall carry out paragraph (1) only to the extent that the Administrator has not determined that it is impractical to do so.

(b) PROHIBITION AGAINST DIMINUTION OF CERTAIN OTHER CONVERSIONS.—Nothing in this section shall result in the diminution of the conversion of hospital-care beds to nursing-home-care beds by the Veterans' Administration.

SEC. 909. DEFINITIONS.

As used in this title:

(1) The term "Administrator" means the Administrator of Veterans' Affairs.

(2) The term "Committees" means the Committees on Veterans' Affairs of the Senate and House of Representatives.

(3) The term "homeless individual" has the meaning given that term in section 620C(a)(4) of title 38, United States Code.

(4) The term "veteran" has the meaning given that term in section 101(2) of title 38, United States Code.

(5) The term "homeless veteran" means a veteran who is a homeless individual.

KENNEDY AMENDMENT NO. 91

Mr. KENNEDY proposed an amendment to the bill H.R. 558, supra as follows:

Strike out section 531 and insert in lieu thereof the following:

SEC. 531. PROVISION OF SERVICES FOR HOMELESS INDIVIDUALS UNDER THE ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH BLOCK GRANT.

(a) INCREASED AUTHORIZATION OF APPROPRIATIONS.—Section 1911 of the Public Health Service Act is amended by striking out "$576,000,000" and inserting in lieu thereof "$596,000,000".

(b) USE OF AMOUNTS FOR HOMELESS INDIVIDUALS WHO ARE SUBSTANCE ABUSERS.—Section 1916(c) of such Act is amended—

(1) by inserting after paragraph (15) the following new paragraph:

"(16) The State agrees—

"(A) to use, for the provision of prevention, treatment, and rehabilitation services for homeless individuals who are alcoholics, alcohol abusers, or drug abusers, an amount (from the amount allotted to the State under section 1913 for fiscal year 1987) that is not less than the amount which bears the same ratio to such allotted amount as the amount equal to the difference between the total amount appropriated under section 1911 for such fiscal year minus $509,800,000 bears to such total appropriated amount; and

"(B) that the services described in subparagraph (A) will be provided by alcohol abuse and drug abuse treatment programs."; and

(2) by inserting after the last sentence the following new sentence: "For purposes of paragraph (16), the term 'homeless individual' has the same meaning as in section 3 of the Urgent Relief for the Homeless Act.".

(c) EXCEPTION TO RESTRICTION ON THE PROVISION OF INPATIENT SERVICES.—Section 1915(b) of such Act is amended by adding at the end thereof the following new sentence: "Paragraph (1) does not apply to services provided under section 1916(c)(16).".

HUMPHREY (AND OTHERS) AMENDMENT NO. 92

Mr. HUMPHREY (for himself, Mr. MCCAIN, Mr. PROXMIRE, Mr. BURDICK, Mr. GRASSLEY, Mr. DECONCINI, Mr. HELMS and Mr. SIMPSON) proposed an amendment to amendment No. 90 proposed by Mr. BYRD (and Mr. DOLE) to the bill H.R. 558, supra, as follows:

At the end of amendment number 90 add the following new section:

SEC. . (a) The rates of pay for all offices and positions which were increased pursuant to the recommendations of the President relating to rates of pay for offices and positions within the purview of section 225(f) of the Federal Salary Act of 1967, as included (pursuant to section 225(h) of such Act) in the budget transmitted to Congress for the fiscal year ending on September 30, 1988, are reduced to the rate of pay for each such office and position which was in effect before such recommendations became effective.

(b) The provisions of subsection (a) shall be effective on the first day of the first applicable pay period which begins on or after the date of enactment of this Act.

(c) The provisions of subsection (a) shall not apply to the rate of pay of any judge or justice appointed pursuant to Article III of the Constitution of the United States of America.

BYRD AMENDMENT NO. 93

Mr. BYRD proposed an amendment to amendment No. 92 proposed by Mr. HUMPHREY to amendment No. 90 (in the nature of a substitute) proposed by Mr. BYRD (and Mr. DOLE) to the bill H.R. 558, supra, as follows:

In lieu of the matter proposed to be inserted, insert the following:

SEC. . The Secretary of the Senate shall develop and make available through the Disbursing Office a form to assist and facilitate any Senator who decides to return to the Treasury all or a portion of the amount of the salary of such Senator equal to the increase made pursuant to the recommendations of the President relating to rates of pay for offices and positions within the purview of section 225(f) of the Federal Salary Act of 1967, as included (pursuant to section 255(h) of such Act) in the budget transmitted to Congress for the fiscal year ending on September 30 1988.

HUMPHREY (AND SIMPSON) AMENDMENT NO. 94

Mr. HUMPHREY (for himself Mr. SIMPSON) proposed an amendment to the language proposed to be stricken by amendment No. 90 (in the nature of a substitute) proposed by Mr. BYRD (and Mr. DOLE) to the bill H.R. 558, supra, as follows:

At the language proposed to be stricken by amendment number 90 add the following new section:

SEC. . (a) The rates of pay for all offices and positions which were increased pursuant to the recommendations of the President relating to rates of pay for offices and positions within the purview of section 225(f) of the Federal Salary Act of 1967, as included (pursuant to section 225(h)) of such Act) in the budget transmitted to Congress for the fiscal year ending on September 30, 1988, are reduced to the rate of pay for each such office and position which was in effect before such recommendations became effective.

(b) The provisions of subsection (a) shall be effective on the second day of the first applicable pay period which begins on or after the date of enactment of this Act.

(c) The provisions of subsection (a) shall not apply to the rate of pay of any judge or justice appointed pursuant to Article III of the Constitution of the United States of America.

BYRD AMENDMENT NO. 95

Mr. BYRD proposed an amendment to amendment No. 94 proposed by Mr. HUMPHREY to the language proposed to be stricken by amendment No. 90 (in the nature of a substitute) proposed by Mr. BYRD (and Mr. DOLE) to the bill H.R. 558, supra as follows:

In lieu of the matter proposed to be inserted by Amdt No. 94, insert the following:

SEC. —. The Secretary of the Senate shall develop and make available through the Disbursing Office a form to assist and facilitate any Senator who decides to return to the Treasury all or a portion of the amount of the salary of such Senator equal to the increase made pursuant to the recommendations of the President relating to rates of pay for offices and positions within the purview of section 225(f) of the Federal Salary Act of 1967, as included (pursuant to section 225(h) of such Act) in the budget transmitted to Congress for the fiscal year ending on September 30, 1988.

McCLURE AMENDMENT NO. 96

(Ordered to lie on the table.)

Mr. McCLURE submitted an amendment intended to be proposed by him to the bill H.R. 558, supra, as follows:

To be added at the end of Title V, Food Stamp Program

SECTION 510. EXTENSION TO 1992 OF ELIGIBILITY OF CERTAIN SCHOOL DISTRICTS TO RECEIVE CASH OR COMMODITY LETTER OF CREDIT ASSISTANCE FOR SCHOOL LUNCH PROGRAMS.

(a) Subsection (b) of section 1581 of the Food Security Act of 1985 (Public Law 99-198, 99 Stat. 1594) is amended by striking out "June 30, 1987," and inserting in lieu thereof "June 30, 1992".

(b) Section 14 of the National School Lunch Act (42 U.S.C. 1762a) is amended in subsection (g)(2) by inserting after "the Secretary shall permit" the following: ", effective through the school year ending June 30, 1992,".

WEICKER AMENDMENT NO. 97

Mr. WEICKER proposed an amendment to amendment No. 94 proposed by Mr. HUMPHREY to the language proposed to be stricken by amendment No. 90 (in the nature of a substitute) proposed by Mr. BYRD (and Mr. DOLE) to the bill H.R. 558, supra as follows:

At the end of amendment No. 94, add the following:

(1) Notwithstanding any other provision of law, no United States Senator shall accept any honorarium.

(2) For purposes of this subsection, the term—

(A) "honorarium" means a payment of money or anything of value to a United States Senator for an appearance, speech, or article, by such Senator.

(3) The provisions of this subsection shall take effect upon the date of enactment of this Act.

(4) Nothing in this section shall prohibit the receipt of actual and necessary travel expenses by Members of the Senate, including transportation costs and the cost of meals and lodging while away from the metropolitan area of Washington, District of Columbia.

(5) The provision of this section shall take effect only upon date of enactment into law.

HUMPHREY AMENDMENT NO. 98

(Ordered to lie on the table).

Mr. HUMPHREY submitted an amendment intended to be proposed by him to the bill H.R. 558, supra, as follows:

At the appropriate place in the pending business add the following new section:

SEC. —. (a) The rates of pay for all offices and positions which were increased pursuant to the recommendations of the President relating to rates of pay for offices and positions within the purview of section 225(f) of the Federal Salary Act of 1967, as included (pursuant to section 225(h)) of such Act in the budget transmitted to Congress for the fiscal year ending on September 30, 1988, are reduced to the rate of pay for each such office and position which was in effect before such recommendations became effective.

(b) The provisions of subsection (a) shall be effective on the first day of the first applicable pay period which begins on or after the date of enactment of this Act.

(c) The provisions of subsection (a) shall not apply to the rate of pay of any judge or justice appointed pursuant to Article III of the Constitution of the United States of America.

GRAMM (AND OTHERS) AMENDMENT NO. 99

(Ordered to lie on the table.)

Mr. GRAMM (for himself, Mr. NICKLES, Mr. HECHT, Mr. DOLE, Mr. GARN, and Mr. HELMS) submitted an amendment intended to be proposed by them to the bill H.R. 558, supra, as follows:

At the appropriate place, insert the following:

SEC. . FUNDING OF AUTHORIZATIONS.

The provisions of this Act shall cease to be effective if there is enacted at any later date any appropriations (or other budget authority) pursuant to this Act which—

(1) shall be funded in a manner that increases the deficit of the United States Government for fiscal year 1987.

HELMS AMENDMENT NO. 100

(Ordered to lie on the table.)

Mr. HELMS submitted an amendment intended to be proposed by him to amendment No. 90 (in the nature of a substitute) proposed by Mr. BYRD (and Mr. DOLE) to the bill H.R. 558, supra, as follows:

At the appropriate place in the pending substitute amendment, add the following:

SEC. . REPEAL OF D.C. LAW 6-170.

Notwithstanding any other provision of law, the Prohibition of Discrimination in the Provision of Insurance Act of 1986 (D.C. Law 6-170)—

(1) is hereby repealed; and

(2) shall be null and void effective from June 6, 1986.".

HUMPHREY AMENDMENT NO. 101

(Ordered to lie on the table.)

Mr. HUMPHREY submitted an amendment intended to be proposed by him to amendment No. 90 (in the nature of a substitute) to the bill H.R. 558, supra, as follows:

At the end of amendment number 90 add the following new section:

SEC. . The provisions of this bill shall not go into effect until the rates of pay for all offices and positions, except judges, which were increased pursuant to the recommendations of the President relating to rates of pay for offices and positions within the purview of section 225(f) of the Federal Salary Act of 1967, as included (pursuant to section 225(h) of such Act) in the budget transmitted to Congress for the fiscal year ending on September 30, 1988, are reduced to the rate of pay for each such office and position which was in effect before such recommendations became effective.

NOTICES OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. INOUYE. Mr. President, I would like to announce that the Select Committee on Indian Affairs will be holding an oversight hearing on Wednesday, April 22, 1987, at 2 p.m., in Senate Russell 485 on the Indian Self Determination and Education Assistance Act, Public Law 93-638.

Those wishing additional information should contact Michael Hughes of the committee at 224-2251.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. FORD. Mr. President, I wish to announce that the Committee on Rules and Administration will be holding the following hearings in SR-301, Russell Senate Office Building. The committee will receive testimony on the Federal Election Commission's fiscal year 1988 budget request, at 9 a.m., on Wednesday, April 22, 1987. Following this authorization hearing, at 9:30 a.m., the committee will proceed to receiving testimony from interested individuals and organizations on congressional election campaign finance reform proposals referred to the committee. The committee will continue hearings on these pending campaign finance bills on Thursday, April 23, 1987, at 9:30 a.m.

Individuals and organizations who wish to testify or to submit a statement for the hearing record are requested to contact Jack Sousa, elections counsel of the Rules Committee, on 202-224-5648.

For further information regarding these hearings, please contact Mr. Sousa.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FINANCE

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on April 8, 1987 at 9 a.m. to hold a hearing on the comparison of the major trade bills.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, April 8, 1987, at 10 a.m., to conduct oversight hearings on corporate takeovers.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CONVENTIONAL FORCES AND ALLIANCE DEFENSE

SUBCOMMITTEE ON DEFENSE INDUSTRY AND TECHNOLOGY

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Conventional Forces and Alliance Defense and Subcommittee on Defense Industry and Technology be authorized to meet during the session of the Senate on Wednesday, April 8, 1987, at 2 p.m., to hold joint hearings to review balanced technology initiative projects within the Department of Defense.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Wednesday, April 8, 1987, at 10 a.m. to hold hearings on "Catastrophic Health Insurance for Medicare Beneficiaries."

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON HANDICAPPED

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Handicapped, Committee on Labor and Human Resources, be authorized to meet during the session of the Senate on Wednesday, April 8, 1987, at 2:30 p.m. to conduct a hearing on "Reauthorization of the Developmental Disabilities Act."

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. BYRD. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, April 8, 1987, at 10 a.m. to hold a confirmation hearing on the nomination of William H. Webster to be Director of Central Intelligence.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet until 12 p.m. (noon) during the session of the Senate on Wednesday, April 8, 1987, at 10 a.m. to mark up fiscal year 1988 foreign assistance legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Wednesday, April 8, 1987, at 9 a.m. to consider pending calendar business.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AVIATION

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Aviation, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on Wednesday, April 8, 1987, at 9:30 a.m. to resume hearings on proposed legislation authorizing funds for the Airport and Airway Improvement Act, focusing on the national airspace system plan.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON JUDICIARY

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary, be authorized to meet during the session of the Senate on Wednesday, April 8, 1987, at 3:30 p.m., to hold a business meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE MACHINE AND THE TIGER

● Mr. DECONCINI. Mr. President, the stability of Mexico ranks second only to the Soviet strategic balance in significance to Americans in the next decade. Unfortunately, the stability of Mexico is in serious question. The problems of this close neighbor and good friend are many and complex in nature. They range from an apparent inability to control drug trafficking to overpopulation and severe debt.

Morton Kondracke explores these problems with considerable insight and clarity in his New Republic article entitled "The Machine and the Tiger." I recommend that my colleagues carefully consider his analysis and encourage all Americans who wish to better understand the significance of United States-Mexican relations to read this article. I ask that Mr. Kondracke's article be printed in the RECORD.

The article follows:

[From the New Republic, Feb. 23, 1987]

THE MACHINE AND THE TIGER

(By Morton Kondracke)

MEXICO CITY.—Back in Washington, it's widely feared that before long something terrible is going to happen to Mexico. An estimable member of President Reagan's Cabinet says that in ten years, top U.S. officials will worry as much about this country as they do now about the Soviet Union. President Carter's national security adviser, Zbigniew Brzezinki, thinks that Mexico faces an "Iran-type" upheaval. Gen. Paul Gorman, former head of the U.S. Southern Command, and Democrats Ted Sorensen and Jerry Brown all have predicted that Mexico will be a "major security problem" on America's southern border if its present problems aren't solved. A high-ranking State Department official says, "Nobody expects instability in the short run; it's the 1990s that people are concerned about."

Many Mexicans on both the right and the left (not government officials) also say that time is running out. "I think we're three to four years away from real trouble," said one economist. "For us, 1988 will be like 1984 was for Ferdinand Marcos. Light at the end of the tunnel has to be seen, or there will be demands for a different political system." A conservative, private-sector political analyst, Luis Felipe Bravo Mena, said that "right now the probability of instability is low, but if deep changes are not made, both economically and politically, we could be against a breakdown of the structure." And Jorge Castaneda, a left-wing scholar currently at the Carnegie Endowment in Washington, said, "Things can't go on this way indefinitely. Mexico can't stay stable without high growth, and we've had four years of no growth. How long is "indefinitely"? Less than ten years. It would be difficult to imagine this going on another five years."

Scenarios abound as to the kind of disaster that might occur. One is the Crash of '89: Mexico can't or won't pay its debts (currently $100 billion; annual interest $8 billion), the United States won't bail it out, the Mexcian economy collapses, and the world banking system goes with it. Another is Nicaragua Redux: believing the government is badly crippled by economic crisis, Communists come out of hiding to launch guerrilla terror, using poverty, exploitation, and official corruption as causes to rally peasants, workers, and students. The government tries repression, radicalizing the middle class. The revolt can't be contained, and the country goes Communist.

A variant on this theme is President Reagan's favorite: the Last Domino, in which the Communists strike after they have gained momentum by taking over Central America. The administration evisions millions of refugees fleeing to the United States, with spies and terrorists mixed in creating a necessity to pull U.S. troops out of Europe to fortify the border.

Some Americans and Mexicans fear that drug corruption, currently confined to state-level politicians and some police agencies, might infect the national government, and turn the country into a drugocracy like Bolivia used to be, or a battleground like Columbia is. A more optimistic outlook is a Philippine-style uprising of the middle class: fed up with corruption and one-party rule, it demands fair elections in 1988, is cheated out of victory, and resorts to massive nonviolent resistance to bring about reform. In an unhappy ending, the democratic resistance is ruthlessly crushed in a show of Praetorianism. That might put a stop to the process—or lead to continuing violence.

These are largely coffee-shop scenarios. Subordinates of President Miguel de la Madrid claim that he and they are actually working on a better and more realistic one: having survived four grim years of austerity, during which the average Mexican's purchasing power fell by 40 percent, and having weathered 1986, when oil prices collapsed, the economy shrank by five percent, inflation hit 100 percent, and underemployment reached 50 percent, Mexico turns the corner in 1987. As oil prices firm and other export industries develop, the economy grows by two or three percent this year and four or five percent next year, making it possible for the country to begin providing enough jobs for the one million young people entering the labor force each year.

As this scenario continues, President de la Madrid, having painfully and courageously set the country on a path of economic modernization during his six years in office, picks a successor who continues his growth strategy and also gradually opens up the political system so that opposition voices can be heard. The United States helps economically, by admitting Mexican exports and keeping credit lines open; helps socially, by avoiding a harsh crackdown on illegal immigration; and helps politically, by avoiding unfair criticism that would delegitimize those working for peaceful change. Eventually Mexico becomes a fully modern country, not exactly like the United States or Europe, because its culture is unique, but a sort-of democracy in which differences are negotiated equitably, the free market controls most of the economy, and the population (now 60 percent malnourished) becomes middle class.

So much for scenarios. The reality in Mexico right now is that there are few signs of imminent instability, but many signs of pessimism about the economic future and discontent with the political system. A poll by the New York Times last year found that although 53 percent of the population approved of the way de la Madrid was doing his job, 54 percent believed that Mexico would never recover from its current economic troubles and two-thirds thought that, given a choice between serving the public's interest and its own, the government would favor itself. Two-thirds of the population favored more democracy.

There can't be any polls on this subject, but most experts think that perhaps 25 percent of the Mexican population actually lives and thinks in the modern world (that of free competition of ideas and commerce), while about 75 percent either is mired in feudal poverty and powerlessness or is benefiting from the status quo (one-party rule, state control of the economy, and systematic, supposedly lubricating corruption). The modernists all profess to believe in change—in what amounts to a second Mexican revolution—but they are divided about the pace at which change is possible. Those in the government and the ruling Institutional Revolutionary Party (PRI) say that to move too fast would disrupt the country's equilibrium and risk violence. Critics on the right and left say that to move too slowly—as they believe the de la Madrid government is doing—is to risk they very same sort of eruption. There is a widespread conviction that the years from 1988 to 1994, the term of Mexico's next president, will be crucial. Americans ought to be thinking about what they can do to help Mexico modernize peacefully.

Anyone who contemplates a second Mexican revolution has to be conscious of how it went with the first, which broke out in 1910 when democratic reformers led by the idealistic Francisco Madero ousted the military dictator, Porfirio Diaz. As he set sail for Europe, Díaz remarked, "Madero has woken up the tiger. Let's see if he can put it back to sleep." It was 20 years before stability returned, and the revolution cost a million lives, including Madero's—all told a tenth of the country's entire population.

The first revolution led to a political arrangement that, with adaptations, has kept the tiger caged ever since. In its present form, it reminds one dazzlingly of Chicago under Richard Daley, except that the PRI political machine bosses 80 million people, not three million. The PRI, according to a Gallup Poll conducted for the government, commands the loyalty of only 40 percent of the nation's voters; 19 percent favor the right-of-center National Action Party (PAN); 30 percent back no party; and less than ten percent support a gaggle of parties on the left. Yet in the nearly 60 years since the Mexican Revolution ended, not a single president, state governor, or a national senator has been of any party but the PRI.

Right now there are 111 opposition members in the 400-seat Chamber of Deputies, but the legislature is little more than a debating society whose deliberations end with a rubber stamp. The party also controls the police and the judiciary. Out-of-favor politicians accused of corruption can be held in jail for months without charge. There is fundamentally no recourse from decisions of the vast, patronage-fed bureaucracy, which on important political matters almost invariably favors the PRI.

The bureaucracy has great power. The Mexican national budget accounts directly for just 25 percent of GNP (about the U.S. level), but U.S. officials figure that the government actually controls 70 percent of the economy when the nationalized banks and government-owned industries are included, plus the private concerns that have to get licenses, permits, contracts, and permission to raise prices from the government. Any discretionary decision can be used to reward a friend, punish an enemy, or attract a bride.

Like a big-city machine, the PRI is presentative of bosses, rather than people. Labor leaders keep the workers in line and deliver them to the polls (workers are issued PRI-marked ballots to take the polls and have to bring back their blank ballots or risk losing their jobs), and the leaders in turn are rewarded with money and power. The oil workers' union, for example, sells jobs in PEMEX, the state-owned oil company, and the until a recent reform had the power to claim or sell 40 percent of all PEMEX contracts.

The governments also controls most of the land on which the country's 30 million peasants live. It gives them the right to farm it, not own it. The system makes for bad agriculture but good political control. The government promises land and delivers benefits (when electricity comes to a village, the PRI gets credit), and the peasants are trucked to PRI rallies and the polls. Those who resist the PRI's hegemony may be threatened or even killed.

Businessmen traditionally have been coopted by government protection from competition, and business has helped politicians get rich. These days businessmen tempted to support the PAN say they may lose contracts, have their taxes audited, or face labor trouble. Most of Mexico's press is controlled by the government's monopoly on newsprint, by advertising decisions of government-dominated enterprises, by brides to reporters, and by occasional intimidation and violence. Six journalists were killed in Mexico in 1986, the highest number in any country in the Western Hemisphere. Vigorous, probing publications can be counted on not all the fingers of one hand.

Left-wing parties get money from the government, and individual leftists are often coopted with jobs, though threats and violence are sometimes employed. In 1968, when Mayor Daley had his police beat up Democratic convention demonstrators, the Mexican government ordered troops and police to open fire on left-wing students, killing 400. The memory of that is alive right now both with the de la Madrid government and with participants in a student strike called to protest increases in fees and standards at the Autonomous National University of Mexico. Neither side is itching for a confrontation.

Ultimately, as in Daley's Chicago, the government and PRI are in complete control of the election machinery. The inevitability of PRI victories discourages opponents from running or voting, but the government still likes to boost its margin by spending freely on public works in the months preceding an election, especially a presidential election. When there is a real challenge—as the PAN has presented recently in state and local races in the North—the PRI adapts by improving the quality of its candidates, and ensures victory by using Chicago-style ghost voting, ousting opposition poll-watchers and stuffing ballot boxes.

Chicago was considered a city that "worked" under Daley, and everyone except reformers and Republicans tended to shut up. Similarly, until the 1970s the PRI produced growth for Mexico and steadily improving standards of living. The Mexican consensus, though, was shaken by the disastrous economic and political performance of de la Madrid's two predecessors, Luis Echeverría and José López Portillo.

Having been responsible for the 1968 student massacre, Echeverría bolted left when he became president in 1970, expanding the role of the state, borrowing heavily abroad, firing up inflation, and blaming business when private investment slowed. He left office with the economy in shambles. López Portillo took office in 1976 and responded to the crisis with an austerity program designed to restore confidence. But when vast oil reserves were confirmed and oil prices catapulted upward, he sent the economy on a binge of spending, borrowing, and printing pesos. Mexico's non-oil export sector was allowed to shrivel as the government propped up the peso in spite of inflation and encouraged buying and traveling abroad. Foreign bankers clogged the hotels, pushing loans on the government. Mexico did invest in its oil industry, moving from an oil importer to the world's fourth largest producer in just six years. But tens of billions were wasted, stolen, or sent overseas. They certainly were not invested in Mexico's long-term future or its people.

Mexico borrowed and budgeted as though the oil price would never stop rising, but suddenly in 1981 it did. For political reasons, López Portillo wanted the boom to keep going, so he kept spending and borrowed more. With capital fleeing the country and bankruptcy impending, he took a bold, "populist" (that's the Mexican word for "demagogic") step, nationalizing the banks. Then he fed inflation with cheap interest rates. He bequeathed the presidency to de la Madrid with Mexico holding the largest debt in the Third World and with the economy wrecked. He is also accused of looting hundreds of millions of dollars, maybe even a couple of billion, for himself. He routinely denies such allegations from his home in Switzerland.

De la Madrid came into office in 1982 promising "moral renovation," "democracy," and economic modernization. He is often described as a colorless "technocrat"—neither he nor his two predecessors had ever held elective office before becoming president—but even his critics give him credit for setting a moderate personal tone and pursuing a painful program of austerity and economic reform at the expense of his own popularity. He has reduced the government deficit, sold off or closed half of the companies owned by the government, allowed the peso to find its true value (it's gone from 70 to almost 1,000 to the dollar since 1982), lifted subsidies and decontrolled prices, and put Mexico into the GATT, forcing it to face a future of international competition instead of domestic protection.

Some might say he had no choice. The reforms are the price demanded by Mexico's creditors in return for new loans, such as the $11 billion package that U.S. government officials are even now trying to force upon unwilling banks. Yet de la Madrid also faces countervailing pressures from labor, the bureaucracy, and politicians who want the hard times to end, who don't want a free market economy, or who fear that Mexico will be bought up by Americans. So de la Madrid has not abolished any significant government ministries, repealed the law requiring 51 percent Mexican ownership of enterprises (though IBM is being allowed to build its own computer plant), or denationalized the banks (though shares representing up to one-third ownership will be sold shortly).

For the average Mexican, the "austerity" of the last six years has been difficult and "The Crisis" of 1986-87 has been the worst. Industry is at 30 percent of capacity. The minimum wage, earned by the vast majority of workers, is 2,500 pesos a day, which is what it costs to buy a kilo of meat or to take a short cab ride. According to one study, 92 percent of all minimum-wage workers have to find a second job to enable them to feed their families. So the pressure is on for some relief.

By Mexican tradition, the last two years of a presidency are times of big spending and big stealing, when a president makes himself popular and ensures a comfortable retirement. De la Madrid's two predecessors resorted to "populist" stunts when the going got rough. For him, one obvious option would be to limit interest payments on Mexico's debt as the left urges, and as Peru's Alan Garcia has done. But when de la Madrid's former finance minister, Jeśus Silva Herzog, advocated threatening a default last year to improve Mexico's bargaining position with U.S. banks, de la Madrid fired him. Yet another option might be the imposition of wage and price controls to stop inflation. So far de la Madrid has resisted that temptation, and aides predict there will be no preelection spending spree, either.

Praiseworthy though de la Madrid's economic management has been, both American supporters and Mexican critics are worried that it will not be sustained by his successor, whom the president is supposed to name by the end of this year. Three Cabinet officers are widely rumored to be front-runners: Budget Minister Carlos Salinas, Internal Affairs Secretary Manuel Bartlett, and Energy Secretary Alfredo del Mazo.

Speculation about their chances and their likely policies is all the rage right now. Salinas is said to be the person who "got" Silva Herzog over the debt issue, but he's said to be handicapped by being thin and bald and failing to cut the macho figure of a Mexican president. Bartlett, in charge of political fixing and internal security, is said to be the hardest of the lot. Those two supposedly are in conflict over the current student strike. Salinas reportedly demanded the university reforms that led to the strike; now Bartlett is in charge of extricating the government from the dispute. Del Mazo, a former state governor, is said to be personally closest to de la Madrid and to Mexico's labor boss, Fidel Velázquez, and to be the least likely to favor continued austerity or selling off of government enterprises.

The fact is that no one knows whom de la Madrid will pick or what the successor's policies will be. Politicians with a yen for the presidency tend to support whatever policies the incumbent recommends (de la Madrid, for example, was López Portillo's budget minister). Then they often repudiate those policies once they are in office. Mexico's most sensitive social critics assert it is this utter lack of political accountability that is at the root of the country's problems.

"De la Madrid is the most decent, low-key, and responsible president that Mexico had had for decades," says writer Enrique Krauze, "but without democracy, how can we be sure that the next president will be a decent, low-key guy? What assures us that if Providence sends us new wealth, as it did during the oil boom, we won't waste it the way we did the last time?" Krauze and Octavio Paz, the top editors of the monthly *Vuelta*, are among a small group of intellectuals who break the mode of reflexive anti-Americanism. Krauze contends, "Mexico needs a radical change toward Western political institutions, and it's ready for that. The PRI says that 'our history and culture make us different from everywhere else in the world,' but that is just lies. Democracy is democracy the world over."

Krauze and others charge that, despite his promises, de la Madrid has done fundamentally nothing to make Mexico more democratic. He took a step in 1983, when the PRI loosened its grip during local elections—and promptly lost mayoral races in five state capitals and ten other medium-sized cities. In 1985 and 1986, the old rules were back in force. PRI officials claim (and some U.S. journalists affirm) that the PRI could have won without stealing, but it couldn't settle for less than 4-to-1, so it stole.

De la Madrid has instituted some modest political reforms, such as expanding the number of opposition seats in the Chamber of Deputies and providing more money for opposition election propaganda, but critics charge that this is window dressing, "change for the sake of keeping things the same." There is no sign of fundamental change, such as open campaigning or even primary elections for president, or placing election machinery into impartial hands so that opposition candidates might have a real chance to win governorshps and senate seats.

Nor is there any sign that de la Madrid is changing the system by stopping endemic corruption or decentralizing bureaucratic control. He has set an example of personal modesty. He also has required top officials to disclose their assets to an internal auditing office. He prosecuted a few López Portillo allies, and he cut off the oil union's automatic contracts. Signs now appear in government offices advising citizens that services there are free. But businessmen report that bribes are still a way of life "to get your paper moved from the bottom of the pile to the top." De la Madrid made a stab at loosening the grip of the teachers' union and the education ministry to improve schooling and provide local control, but it came to naught.

De la Madrid's strategy seems to be to set Mexico on an *economic* reform path and to appoint a successor who will carry it through, but to leave political reform for the future. PRI modernists say that there is no choice for Mexico except continued modernization across the board, though they often say, "You Americans don't appreciate what we're doing because you're hung up on elections."

PRI officials like to claim that Mexico is a "perfectible democracy" in which disparate ideological, geographic, and economic interests can work out their differences—within the PRI. But open up the system for unqualified democracy? On the one hand, they claim that the PAN and the left parties have nothing like the PRI's broad-based appeal to the populous. On the other hand, they seem afraid that if the PAN were to win one state governorship, Mexico's whole political system might collapse. Modernists outside the PRI hope that one day soon the country will become like Spain. Inside the PRI, the best they can imagine are the models of India and Japan, where one party rules, but can lose elections occasionally to keep a check on the government.

Mexico is still a long way from such model, and so there is no guarantee that de la Madrid's successor won't be another Echeverria or Lopez Portillo, or that de la Madrid's economic modernization will really continue. And if there is not substantial economic improvement—especially if there is not enough growth to provide an improved standard of living for a population growing at the rate of 2.5 percent a year—then the country's stability may be in danger.

Right now there are no signs of imminent blowup or collapse. No guerrilla groups are active in the country. The crime rate is up in most cities, but it doesn't seem to have political content. In Mexico City one doesn't get a sense of sullenness or revolutionary fervor in the slums. On the outskirts of town, desperately poor peasants flood in from the countryside—"parachutists," they're called—and squat in dusty squalor on private land. Yet there's no sense of fierceness here, either. The government has tended to side with the squatters in land disputes, electricity gets installed, and on Sunday afternoons parachutists spend their time and savings building homes out of brick or cinder block.

There were 450 demonstrations in Mexico City in 1986, and only one got violent. The current strike at UNAM has a potential for trouble of the kind that disrupted France last month, but a mass march of 150,000 students on January 21 was meticulously marshaled, entirely peaceful, and devoted exclusively to the issue of reversing the government reform plan.

Four of Mexico's left-wing parties are trying to unify, but solely to present a common front in the 1988 presidential election and to challenge the PAN for second position behind the PRI. Only one small left party has formally sided with the university students, and the left wasn't even able to take advantage of the government's tardiness in housing hundreds of thousands of homeless people after the 1985 earthquake.

U.S. intelligence sources say that the Soviet Union and Cuba have deeply penetrated leftist parties, some large unions, and the university, but that they are pursuing a pacific strategy pending truly dire developments. "The Cubans don't attack a healthy victim," an administration official said. "They wait for somebody to fall in a hole and break his leg. Then they jump him."

Right now, U.S. officials say, the huge Soviet and Cuban embassies are primarily used as base camps for destabilization of Central America, not Mexico, and for espionage in the United States, especially in defense industries and Silicon Valley. When Mikhail Gorbachev comes to visit later this year, Mexico is expected to provide more trade missions and cultural exchanges in which the Soviets can plant KGB agents, but the Mexicans reportedly have turned down Soviet requests for new consulates near the U.S. border.

As ever, Mexicans have a love-hate relationship with the United States—with admiration predominating among conservatives, and fear and envy dominating on the left. Both groups, and those in the middle, are more aware than Americans ever are of the impact that the U.S. economy and culture has on theirs.

Some Mexicans, left intellectuals especially, exaggerate the impact, believing Mexico is a mere colony of the United States, blaming the United States for all the country's troubles, and refusing to take responsibility for Mexico's own hand in its condition. Some of them believe that Mexico is safe from violent revolution or economic collapse because "the United States would never allow it." The United States surely will try to forestall such events, but the idea that it would endlessly bail out a bankrupt economy or militarily intervene in a country of 80 million people (which is what some Mexicans anticipate) seems wildly unrealistic.

What should the United States do to help Mexico prosper? Above all, it should keep U.S. markets open to Mexican products, which it does not always do. "Every time we develop a comparative advantage in any product," one Mexican economist remarked at a recent academic conference, "the United States slaps a countervailing duty on it." An American scholar responded, "And so you develop a comparative advantage in brown heroin." U.S. import restrictions at various times have been applied to shoes, vegetables, flowers, steel, and cement.

And now some members of Congress, Democrats especially, are threatening to curb the *machiladora*, Mexican firms that import partially finished American products, assemble them for return to the American market, and pay duty only on the value added. Some U.S. unions say the industries are stealing American jobs; actually, they are preventing whole industries from being moved to Taiwan.

Although stingy on trade, Democrats tend to be more generous than the Reagan administration on Mexican debt relief. Democrats, led by Senator Bill Bradley of New Jersey, tend to think—correctly—that Mexico can't ever invest and grow if it has to pay 60 percent of its export earnings in debt service, and that the United States is condemning Mexico to permanent poverty and possible instability by demanding full payment. Reagan's treasury secretary, James Baker, and Federal Reserve Chairman Paul Volcker claim that U.S. banks simply won't lend new money to Mexico if its debts aren't paid, and that this will hasten collapse.

There must be a way out of this bind, but it will take action. Bruce McColm of Freedom House, a human rights watchdog group, suggested in 1984 that the United States should "separate current interest rates from those established by the Federal Reserve and renegotiate the Latin American debt, allowing for special concessionary rates that spread payment over a longer period and reduce costs to the debtor countries. unpaid interest could be written off, so long as the debtor countries agreed to reinvest these amounts in their economies and not in the maintenance of government bureaucracies."

McColm favored having the burden fall jointly on the U.S. banks and U.S. taxpayers, and suggested that "a bold foreign policy initiative in this field could have far-reaching effects not only on our relationship with Mexico, but with the whole developing world." He's right, and if U.S. officials—perhaps Bradley and Baker thinking together?—can bring it off, they'll earn a place in the history of the hemisphere that surpasses John F. Kennedy's for establishing the Alliance for Progress.

Beyond trade and debt, the United States ought to do more to curb drug abuse at home, on the "demand side" of the problem, instead of simply berating the Mexicans for failing to control the supply. And instead of trying to crack down on illegal Mexican immigration, the United States might well establish a work-permit system to legalize temporary movement across the border. Studies show that most immigrants only want to stay in the United States for a short time to earn money and then go home. The United States could save lots of money and emotional cost by making that easy.

Finally, the United States needs to treat Mexico as an adult nation, and tell it the truth. Mexicans, especially in the government, claim that criticism in Washington reverberates like an earthquake in Mexico City, shaking the foundations of the system. But in fact, the people of Mexico seem to want democracy, clean government, and a modern economy. For Americans to point out that they haven't got it, and for us to identify with those who are striving to produce it, would help to ensure true stability and do both Mexico and ourselves a favor.●

TRIBUTE TO THE KENTUCKY WESLEYAN COLLEGE PANTHERS

● **Mr. McCONNELL.** Mr. President, I rise today to congratulate another championship basketball team from the Commonwealth of Kentucky. The Kentucky Wesleyan mens basketball team joins the ranks of champions as with the University of Louisville and the University of Kentucky. Their impressive 92-74 win over Gannon University brought the 1987 NCAA division II national title home to the Kentucky Wesleyan Panthers, thus capping a tremendous season. Their win on March 21, 1987, not only secured the championship but, they set the record for the most NCAA tournament wins. KWC's 57th tournament victory passed the record set by UCLA, a division I team.

As I rise to congratulate the team on their win I would also like to commend their coach, Wayne Chapman on his leadership and direction abilities to each and every member of the Panther basketball team. I also think that John Worth, Andre Whitlow, J.B. Brown, Sam Smith, James Johnson, Myron Christian, Kim Clay, Greg Baughn, Brad Loucks, Reggie Odom, Brad Fichter, and Bobby Newton each deserve to be mentioned for their athletic accomplishments. It was their will to win that captured the NCAA division II national title for their team and their school.●

UNSO AND AFRICAN DEVELOPMENT

● **Mr. DeCONCINI.** Mr. President, I would like to focus your attention on an article in the Christian Science Monitor dated February 24, 1987, entitled "in Senegal, soil project brings desert back to life." This article describes the rapid and alarming process of desertification in the Sahelian region of Africa and then details the joint international efforts in combating this life threatening phenomena.

Increasingly, the adverse effects of desertification in the Sudano-Sahelian region of Africa must be considered as one of the most important and dangerous threats to the socio-economic development of Africa and ultimately our planet.

As American policymakers, we must be determined to assist African nations in their struggle against drought and desertification which endangers not only Africa but the entire Globe.

Mr. President, in today's interconnected world market where the livelihood of all nation states is dependent upon each other, we must continue our efforts in assisting the African countries in overcoming their battle against desertification which is crippling their food production capacity and, therefore, their economies. I need not mention the crisis in Ethiopia 2 years ago. I personally witnessed the devastation of food resources and the stench of death.

It is in our best interest to continue our assistance to the affected African nations to find ways and means to combat drought and desertification, before we repeat the horrors of Ethiopia. In my home State of Arizona, I have closely witnessed the effects of desertification on agricultural production. I have also observed how desertification and drought can create soil degradation and destroy agricultural productivity.

In the State of Arizona, we have offered our services and expertise in the field of drought and desertification to various African countries. Through our two major universities, Arizona State University and the University of Arizona, we have collaborated with other insitutions concerned with drought and desertification in Africa. In November of 1986, a delegation of experts from the United Nations Sudana-Sahelian office visited Arizona to view the desertification-related research facilities in our various universities and institutions. The UNSO delegation's primary mandate is to assist the drought prone Sudano-Sahelian countries of Africa to combat drought and desertification.

Since this visit, UNSO and various institutions in Arizona have begun a collaborative effort to address these concerns. I am confident that the exchange of information between researchers and practitioners working on the problems related to semiarid and arid lands in Arizona and the Sudano-Sahelian region will contribute to a greater understanding of how to develop ecologically sound solutions to these problems. UNSO has 14 years of experience in development assistance to the Sudano-Sahelian countries, particularly in the areas of construction and maintenance of secondary roads, water resources management, and alternative energy sources and small-scale agricultural schemes. UNSO has proven to be one of the leading authorities in medium and long-term activities aimed at reversing the effects of drought and desertification in the Sudano-Sahelian region of Africa.

Mr. President, it is necessary to point out that UNSO is a trust fund whose main activities are concentrated at the grassroots level. While this trust fund functions under the leadership of the Administrator of the United Nations Development Programme, sources of funding are primarily based on voluntary contributions.

We must commend UNSO for their productive work in the Sudano-Sahelian region of Africa. I highly support the activities of UNSO and consider myself a strong supporter of this fine organization. I firmly believe that we must provide UNSO with the necessary financial support in order for this organization to continue its excellent work in Africa.

I would also ask that this article appear in the RECORD.

The article follows:

IN SENEGAL, SOIL PROJECT BRINGS DESERT BACK TO LIFE

M'BOUMBAYE, SENEGAL.—The Sahara is moving into Africa's Sahel region at a rate of nearly 50 feet a year, turning once-fertile farm land into desert, but here in a small part of Senegal officials are helping beat back the desert.

The fight began seven years ago, when the United States, Canada, and the UN started planting trees to build windbreaks—"green barricades" against the unrelenting desert.

Before the project started, farmer M'baiye N'yang watched huge mounds of shifting desert sands swallow up his vegetable gardens. Deforestation and overgrazing were two culprits.

Now his land is green again, thanks to a 200-yard-wide windbreak of Australian pines. Another part of the project has been the digging of more than 6,000 wells. Averaging 10 to 15 feet deep, the simple concrete wells serve more than 30,000 people.

As a result of the project, production has increased. The 6,000 sheltered gardens in the region produce 140,000 tons of vegetables for the markets in the cities of St. Louis and Dakar.

"Even the animals are coming back," said Silla Khouna, the Senegalese forestry official in charge of the desert reclamation project at Kayar. "As you can see there is a forest where there was nothing but sand just five years ago."●

ON CHRISTIAN UNDERSTANDING

● Mr. HATFIELD. Mr. President, many comments have been made in the media concerning the so-called holy wars among television evangelicals. There have been many snap judgments, charges and countercharges, giving testimony to the truth that hasty, angry words are the enemies of understanding and reconciliation.

In all of the darkness of this debate, a light emerged recently in an editorial by David R. Gergen, Editor of the U.S. News & World Report. His piece in the April 6 edition, "On Christian Understanding," was a voice of reason and calm and common sense, and a voice which the country needed to hear. I recommend this editorial to all of my colleagues. Mr. Gergen may never have written an editorial more timely or needed or inspired than "On Christian Understanding." In my estimation he places the current controversy in perspective and focuses attention on the ongoing erosion of societal values which historically evangelicals have opposed.

Mr. President, I ask that the editorial be printed in the RECORD.

The editorial follows:

ON CHRISTIAN UNDERSTANDING

(By David R. Gergen)

Amidst all the squabbling last week over television evangelists, one man distinguished himself: The Rev. Billy Graham. He kept quiet.

Dr. Graham, says a close associate, believes it is too early to reach judgments about the possible peccadilloes of the Rev. Jim Bakker and dark threats of a hostile takeover by the Rev. Jimmy Swaggart. And he did not think he could add much clarity to the babel of voices. He will await a more appropriate time to speak.

Dr. Graham has it exactly right. He recognized that the first responsibility for him—and for his brethren—is to continue bringing the faith to millions of followers who have nothing to do with the unholy war that has broken out at the top. The Christian movement is far more important than the few leaders who may have gone astray.

Unfortunately, not everyone agrees, including those preachers who have leaped to the airwaves to castigate or wring their hands (one suspects that some of them enjoy the publicity) and including members of the press (goodness knows, many of them enjoy it). The fight is certainly a big, legitimate news story that deserves coverage; this magazine has accordingly given it full-scale treatment this week. But it is also necessary to keep these matters in perspective.

Too often over the past eight years, since the Rev. Jerry Falwell formed the Moral Majority and helped to ignite a new round of political activism by evangelical Christians, public discussion has been ill-informed, unfairly tarring the Christian movement. That same brush is busily at work now.

Most often, fundamentalists, Pentecostals, charismatics and other evangelicals are painted by the Establishment as backward, rural, unsophisticated hicks—"the people that time forgot." The facts simply don't fit the image. In their forthcoming book, "Pat Robertson and the Other Americans," authors Jeffrey Hadden and Anson Shupe marshal evidence showing that over half of the evangelicals now live outside the South, over a third have family incomes of $30,000 or more, and the number who have attended college has risen to over 20 percent. A study in Dallas-Forth Worth done in the early '80s found 60 percent of the supporters of the Moral Majority in white-collar jobs.

From the appearance of leisure suits and softly lit studios where some TV preachers hold forth, it is also widely assumed that evangelism is an undemanding faith offering a sort of chewing-gum religion. But, as Cullen Murphy pointed out in the Wilson Quarterly six years ago, the evangelical churches began growing steadily in the U.S. in the 1930s—before television—precisely because they do provide spiritual meaning to many who cannot find it elsewhere and because they lay "heavy demands for discipline upon their converts." Few take their religion more seriously or practice it more devoutly than worshipers in the evangelical churches.

Finally, it is often argued that the Christian movement is politically dangerous because it is trying to force its views on the country. Never mind the fact that there is no real difference between active political involvement by the Christian right and the Christian left; both are healthy for a democracy. But the important point about the evangelicals is how many of them feel that traditional American values—family, prayer in schools, sanctity of life—have been undermined by establishment institutions such as the Supreme Court. To evangelicals, their mission is to restore old values, not force new ones. As Richard John Neuhaus said in "The Naked Public Square," "Millions of Americans have for a long time felt put upon. Theirs is a powerful resentment against values that they believe have been imposed upon them, and an equally powerful sense of outrage at the suggestion that they are the ones who pose the threat of undemocratically imposing values upon others."

Whether or not one subscribes to the full political agenda of the Christian right—and this writer does not—it still remains true that the movement deserves respect and understanding. It provides sustenance to many in the country and beyond; it's a vital part of the spiritual life of the nation. The squabbles of recent days do nothing to change those basic facts.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS

● Mr. HEFLIN. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee has received a request for a determination under rule 35, for Mr. Roy Greenaway, a member of the staff of Senator ALAN CRANSTON, and Ms. Susan K. Hattan, a member of the staff of Senator NANCY KASSEBAUM, to participate in a program in the People's Republic of China, sponsored by the Chinese People's Institute of Foreign Affairs in conjunction with the United States-Asia Institute, from April 10-22, 1987.

The committee has determined that participation by Mr. Greenaway and Ms. Hattan in the program in the People's Republic of China, at the expense of the Chinese People's Institute of Foreign Affairs in conjunction with the United States-Asia Institute is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Christopher A. McLean, a member of the staff of Senator J. JAMES EXON, to participate in a program in the Republic of Korea, sponsored by the Ilhae Institute of Seoul, Korea, from April 11-18, 1987.

The committee has determined that participation by Mr. McLean in the program in the Republic of Korea, at the expense of the Ilhae Institute of Seoul, Korea, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Ms. Sally Susman, a member of the Commerce Committee staff, to participate in a program in the Republic of Korea, sponsored by the Ilhae Institute of Seoul, Korea, from April 11-18, 1987.

The committee has determined that participation by Ms. Susman in the program in the Republic of Korea, at the expense of the Ilhae Institute of Seoul, Korea, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Steve May, a member of the staff of Senator BOB PACKWOOD, to participate in a program in the People's Republic of China, sponsored by the Chinese People's Institute of Foreign Affairs in conjunction with the United States-Asia Institute, from April 10-21, 1987.

The committee has determined that participation by Mr. May in the program in the People's Republic of China, at the expense of the Chinese People's Institute of Foreign Affairs in conjunction with the United States-Asia Institute, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Gerald Warburg, a member of the staff of Senator ALAN CRANSTON, to participate in a program in the People's Republic of China, sponsored by the Chinese People's Institute of Foreign Affairs in conjunction with the United States-Asia Institute, from April 10-22, 1987.

The committee has determined that participation by Mr. Warburg in the program in the People's Republic of China, at the expense of the Chinese People's Institute of Foreign Affairs in conjunction with the United States-Asia Institute, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Thomas G. Hughes, a member of the staff of Senator CLAIBORNE PELL, to participate in a program in Saudi Arabia, North Yemen and Bahrain, sponsored by the Chamber of Commerce and Industry of Saudi Arabia and the National Council on United States-Arab Relations, from April 10-19, 1987.

The committee has determined that participation by Mr. Hughes in the program in Saudi Arabia, North Yemen and Bahrain, at the expense of the Chamber of Commerce and Industry of Saudi Arabia and the National Council on United States-Arab Relations, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Senator JOHN HEINZ, and his legislative assistant, William Reinsch, to participate in a program in Ottawa, Canada, sponsored by the Centre for Legislative Exchange, from April 9-10, 1987.

The committee has determined that participation by Senator HEINZ and Mr. Reinsch in the program in Ottawa, Canada, at the expense of the Centre for Legislative Exchange, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Charles A. Stevenson, a member of the staff of Senator LLOYD BENTSEN, to participate in a program in the People's Republic of China, sponsored by the Chinese People's Institute of Foreign Affairs in conjunction with the United States-Asia Institute, from April 12-21, 1987.

The committee has determined that participation by Mr. Stevenson in the program in the People's Republic of China, at the expense of the Chinese People's Institute of Foreign Affairs in conjunction with the United States-Asia Institute, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Charles N. Andreae, a member of the staff of Senator RICHARD G. LUGAR, to participate in a program in Saudi Arabia, North Yemen and Oman, sponsored by the Chamber of Commerce and Industry of Saudi Arabia and the National Council on United States-Arab Relations, from April 9-19, 1987.

The committee has determined that participation by Mr. Andreae in the program in Saudi Arabia, North Yemen and Oman, at the expense of the Chamber of Commerce and Industry of Saudi Arabia and the National Council on United States-Arab Relations, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Ms. Jamie Boucher, a member of the staff of Senator FRANK MURKOWSKI, to participate in a program in the People's Republic of China, sponsored by the Chinese People's Institute of Foreign Affairs in conjunction with the United States-Asia Institute, from April 10-21, 1987.

The committee has determined that participation by Ms. Boucher, in the program in the People's Republic of China, at the expense of the Chinese People's Institute of Foreign Affairs in conjunction with the United States-Asia Institute, is in the interest of the Senate and the United States.●

SECRETARY OF THE NAVY JOHN F. LEHMAN, JR.

● Mr. SYMMS. Mr. President, I would like to draw the attention of my colleagues to a perceptive editorial which appears in the current issue of the Officer, the publication of the Reserve Officers Association of the United States. The editorial outlines in a forceful way the accomplishments of John Lehman as Secretary of the Navy for the past 6 years. Secretary Lehman's accomplishments during this period have been unprecedented. As a former marine, I can certainly attest to the heightened readiness of the Marine Corps under the Secretary's forward-looking leadership. I certainly join in the editorial's gratitude for the outstanding results of John Lehman's turn at the helm.

I submit the Officer editorial for the RECORD:

The editorial follows:

EDITORIAL—SECRETARY LEHMAN

After six years in office, John F. Lehman, Jr., the youngest Secretary of the Navy in this century, has announced his resignation. Under his leadership, the US Navy has enjoyed spectacular success, expanding by almost one-third after many years of parsimonious budgets and continued force reductions. Many of his successful programs have been well publicized—the 600-ship Navy; the addition of two carrier battle groups; the reactivation and modernization of four battleships, etcetera. Less publicized, but equally important, has been Secretary Lehman's support for the Naval Reserve whose growth during the same period has been similarly impressive.

During Secretary Lehman's tenure, the Naval Reserve has undergone a change in capability and mission assignment without precedent in peacetime America. No longer is the Naval Reserve simply a pool of replacements operating hand-me-down equipment discarded by the Active Forces. Upon assuming office, Secretary Lehman directed implementation of an equipment compatability and modernization program for the Naval Reserve: ". . . the Reserve must have equipment comparable with the Active Forces. For instance, instead of providing the Reserve only such equipment as it becomes obsolete and is removed from the Active Force, there must be a spectrum of new and old equipment reflected in the Reserve parallel to and in the same proportion as that in the Active Force." As a result of this now well-known policy of "Horizontal Integration," the Naval Reserve is receiving modern front-line frigates, new construction mine warfare ships, F/A-18 Hornet and F-14 Tomcat aircraft, and the list goes on.

Secretary Lehman took strong action to halt the serious erosion of US maritime superiority in the face of a growing Soviet naval threat and, as never before, defined the role of the Naval Reserve in the nation's maritime strategy. Most observers view John Lehman as one of the best Navy secretaries ever to serve—we in ROA wholeheartedly concur!

Mr. Secretary, we will miss your skilled and inspired hand at the Navy helm, but we wish you the very best in your future endeavors.

America should be forever grateful to John Lehman for his forceful and brilliant articulation of national security priorities.●

JOANN FALLETTA: DENVER'S CLASSICAL "SUPERWOMAN"

● Mr. WIRTH. Mr. President, today I wish to acknowledge JoAnn Falletta, the music director and conductor of the Denver Chamber Symphony Orchestra. Ms. Falletta's extraordinary talent and perseverance have helped end the myth that only European males are qualified to conduct our Nation's orchestras. I request that this article, "JoAnn Falletta: Denver's Classical Superwoman," which outlines her numerous accomplishments and her devotion to her work, be inserted as part of the RECORD.

The article follows:

JOANN FALLETTA: DENVER'S CLASSICAL "SUPERWOMAN"

(By Lynne Cascio)

No one ever told JoAnn Falletta that women didn't conduct orchestras. If they had, she might never have become what she is today: the first woman winner of the prestigious Leopold Stokowski Conducting Competition; first woman doctoral conducting student at Juilliard; first woman associate conductor of the Milwaukee Symphony; and, as of 1983, the first permanent music director and conductor of the Denver Chamber Symphony Orchestra.

The 32-year old Falletta modestly denies that she planned any of it.

"I can't take credit for being a pioneer because I never thought of it that way. I didn't decide to do it with the intention of being the first one. It just happened."

Among the other things to have just happened upon the 5'4 maestra are the 1985 Toscanini Conductor's Award; the Bruno Walter Award, a full scholarship to Juilliard; the Women's Young Achiever Award by the National Council of Women for 1985; and 1986 under 40 honoree status by Esquire magazine.

Currently, Falletta juggles four conducting positions. In addition to Denver and Milwaukee, she also heads up the Queens Philharmonic Orchestra in New York and the Bay Area Women's Philharmonic in San Francisco. As Falletta explains it, this seemingly divided loyalty is the norm for the conducting profession and is good career cross-training.

Recently featured in the New York Times and Daily News, the Christian Science Monitor, the Denver Post, and various other regional publications, Falletta has certainly done her part in dispelling the myth that being both an American and a woman are insurmountable liabilities in the world of conducting. Long seen as an "authoritative kind of career," some people still have trouble accepting a woman in the orchestral figurehead role, according to Falletta, but the situation is improving—slowly.

"Americans have always had an inferiority complex about what America does artistically. We think Europe is so much ahead of us because they have a longer artistic tradition. We tend not to trust our own artistic products," said Falletta. She noted that out of 30 major U.S. symphonies, only two, St. Louis and Baltimore; have American music directors. Falletta, in her associate status with Milwaukee, is the only woman in the nation to have a position conducting a major orchestra.

"It's just something I wanted to do and believed in. Lots of artists struggle and can't attain. I've been very lucky."

Not to underemphasize hard work however; Falletta can tell you, to the day and city, exactly where she'll be for the next 16 months. She maintains apartments in both Denver and Milwaukee, but spends most of her time jetting between cities and living out of a suitcase. Guest conducting stints have taken her to France, Italy, Denmark, Switzerland and Brazil, in addition to dozens of U.S. cities. In her alternate role of classical guitarist and mandolinist, she plays with the Metropolitan Opera and the New York Philharmonic, as well as various chamber orchestras.

From the time she was 12, listening to a Beethoven symphony in Carnegie Hall for the fist time, Falletta knew she wanted to be up on the stage shaping and creating such music; and neither family, friends or teachers could convince her otherwise. Though she'd played guitar since the age of seven, she had become frustrated with the limited repertoire and there was nothing by Beethoven and Mozart, the greatest music ever written, according to Falletta.

When she entered Mannes College of Music with her conductorial aspirations, the staff tried to dissuade her from a course of study that, as they saw it, would only bring her frustration. Yet Falletta went on to coach with such conducting notables as Jorge Mester, Sixten Ehrling, Leonard Bernstein and Leonard Slatkin at Julliard.

"Symphonies are the product of incredible talent on the part of the composer. This is music that has endured for 200 years. It's not a passing fad and it's something that has an intrinsic beauty and an intrinsic balance and rightness about it," said Falletta.

Falletta's association with Denver began when she came to the city as a guest conductor in 1983, and was chosen from 130 applicants for a permanent position. A born and bred New Yorker, she knew nothing west of New Jersey. Yet in a year's time, not only had Denver become her home, but she had changed a community orchestra, staffed by volunteers, into a professional ensemble with a varied and innovative repertoire.

"I found Denver an unbelievably receptive environment. People weren't jaded; they weren't bored; they weren't kind of blase, as we sometimes can get in a big city; and I felt there was great potential for the chamber orchestra to grow," said Falletta. She now hopes for the orchestra to expand its regional performances, and eventually be recognized as one of the best chamber orchestras in the country.

"The city believed in me when I was a young conductor and I owe them," explained Falletta.

She has premiered new American works for Denver audiences as well as continued to program the well-loved favorites. She often invites the composers of the new works to speak before performances and does preconcert lectures herself where she can cue listeners in on what they'll hear and its significance.

To listen to Falletta rhapsodize on her love of music, one might think her life the epitome of perfection. She talks of her dream of someday conducting a major symphony, yet for now is content to meet with the challenges that may happen her way. However, if prodded she'll admit that despite this seeming personal nirvana, this is still a troubled time for America's orchestra's in general.

The private non-profit chamber orchestra's $327,000 annual income is earned from ticket sales as well as corporate and individual grants, and the group, like most others across the country, continues to face challenging fund-raising goals.

Falletta also worries about the future of classical music, in Denver and elsewhere, because of declining public interest.

"Young people aren't being educated to like classical music. There's a lot greater interest in sporting events. Not only does this make it difficult for the arts to survive, but 98% of Americans don't realize how wonderful listening to a Tchaikovsky symphony can make them feel," said Falletta. "People deprive themselves of wonderful experiences if they say no to classical music, or no to visual arts, or no to drama or no to Shakespeare. They're all products of great men and women who've worked their entire lives to leave us this legacy and we should take advantage of it."

Falletta certainly has.●

U.S. HOLOCAUST MEMORIAL COUNCIL

● Mr. MOYNIHAN. Mr. President, I am pleased to note President Reagan's recent announcement of his intention to appoint Harvey M. Meyerhoff as chairman of the U.S. Holocaust Memorial Council. Mr. Meyerhoff will head the 65-member Council which was created to plan, build and raise funds for the construction of the U.S. Holocaust Memorial Museum. This museum will be located near the Lincoln and Jefferson Memorials here in Washington. In accepting his appointment by the President, Mr. Meyerhoff said:

> I now embark on perhaps the most important work of my life: to lead the efforts to transform the inspired vision of the Council founders into a reality that will carry the message of Remembrance to the next generation and all the generations that follow—so that none should forget.

Mr. Meyerhoff, a prominent philanthropist and developer, is chairman of Magna Properties Inc., in Baltimore, MD. He is a major benefactor of the Johns Hopkins Hospital, chairman of its board and a trustee of Johns Hopkins University. He has been a member of the U.S. Holocaust Memorial Council and its Museum Development Committee since last September. In addition, William Lowenberg, a survivor of the Auschwitz and Dachau death camps and a prominent leader of the San Francisco Jewish community, will serve as the Council's vice-chairman.

I would like to take this opportunity to congratulate Harvey Meyerhoff and William Lowenberg on their appointment to head this Holocaust Memorial Council. I would also like to bring to the attention of the Senate a recent article in the Washington Jewish Week about the proposed U.S. Holocaust Memorial Museum. This article was written by Menachem Z. Rosensaft, the founding chairman of the International Network of Children of Jewish Holocaust Survivors. Mr. President, I ask that excerpts from Mr. Rosensaft's article be printed in the RECORD.

The excerpts follow:

> It is clear that as we approach the 21st century, we need such a memorial in order to maintain our country's integrity. We need it to ensure that we shall never allow fanaticism and racial hatred to triumph as they did in Nazi Germany. We need it to force us to keep an eye on the Lyndon Larouches and Louis Farrakhans in our midst. And we need it so that accused Nazi war criminals such as Kurt Waldheim will not again be elected to high international positions.
>
> We need it to counteract and refute the revisionist pseudohistorians who claim that the Holocaust never really happened, and that there were no gas chambers at places like Treblinka and Majdanek. We need it so that Roman Catholic clergymen will understand that any comparison between abortion and the brutal murder of more that one million Jewish children is obscene. We need it to help convince certain insensitive politicians that the South African government cannot be accepted among the community of nations so long as it practices Apartheid. We need it to teach our children that scientific and technological progress is a tool that can just as easily be used for evil as for good. And most important of all, we need it to remind us that the ultimate consequence

of apathy and indifference in the face of oppression was embodied forever in the flames of Auschwitz and the mass-graves of Bergen-Belsen.●

ANTI-DRUG ABUSE ACT

● Mr. SIMON. Mr. President, last year, in an overwhelming bipartisan effort, Congress passed the Anti-Drug Abuse Act of 1986. We provided funding for law enforcement, drug prevention, treatment, and education programs.

Now, less than 1 year later, there is a real concern for the continuation and expansion of drug programs if the war against drugs is to be taken seriously.

In the President's 1988 budget, we see no new money for drug education. The Federal drug education effort has been one of the more successful initiatives and I am concerned about the impact of those budget proposals. Because of the education initiative, there are now many more people who are coming forward, acknowledging their addictions and seeking help. And in looking at the budget I see no new money for treatment and rehabilitation. Now I am hearing that our rehabilitation and treatment centers are filled to capacity.

Many abusers require a short stay in a hospital for a period of detoxification before entering a rehabilitation center. Sadly, though, most rehabilitation centers have a waiting list, and some abusers are forced to wait as long as 8 to 10 weeks for an opening. This is tragic for those abusers who are sent from detoxification in the hospital back into the streets where the whole process begins again.

There is a real problem with the new drug bill if people are unable to receive the help they seek. The bill and the massive public relations campaign around the bill then offer little more than empty promises to those abusers who have made the very difficult decision to seek help. Rehabilitation centers are simply overcrowded and hospitals are having a difficult time finding patients a place in the appropriate center. Demand for the treatment programs far exceeds the existing resources available.

The inconsistencies pose real and devastating problems. We cannot be fooled into thinking that our role in this effort stopped when the 1987 moneys were appropriated. Nor do we free ourselves from responsibilities by increasing funding without a sense of how the moneys will be spent.

Do we need more rehabilitation centers? Do we need more community-based treatment facilities? Can the hospital community help to fill the gap given that many hospitals are underutilized?

I hope that we were serious in our actions last year. I hope that we can rise to meet the needs of those people who have dared to admit their problems, who have come forward for help. It does not seem humane to me to turn them away from our hospitals and rehabilitation centers. It seems to me that if they have overcome the personal barriers to seek help, the least we can do is make sure that the help is there for them.●

SERVICES FOR HOMELESS MENTALLY ILL INDIVIDUALS ACT OF 1987

● Mr. SIMON. Mr. President, I am pleased and honored to have joined the Senator from New Mexico [Mr. DOMENICI] as the sponsor of S. 763, the Services for Homeless Mentally Ill Individuals Act of 1987, which we introduced March 18.

This is important legislation. It is legislation to help the most fragile among our people, the mentally ill who are homeless.

The Albuquerque Tribune recently carried an editorial discussing the merits of the Domenici-Simon bill.

The problems of the homeless is also the subject of the weekly column I write for newspapers in Illinois. I ask that both the Albuquerque Tribune editorial and my column be reprinted in the RECORD.

The materials follow:

[From the Albuquerque Tribune, Mar. 20, 1987]

Support Domenici's Homeless Bill

Of all the homeless people wandering the streets these days, the mentally ill are perhaps the most unfortunate—and the most deserving of the excellent kind of aid that Sen. Pete Domenici is trying to obtain for them.

Many of them were dumped there as a result of "deinstitutionalization," a years-old policy, based on federal civil-rights concerns, that tries to keep the mentally ill in institutions for as short a time as possible.

The policy isn't bad in principle, but in practice it's a big failure. Support services were supposed to follow these people into the outside world. But they never did, least of all in New Mexico, which has an embarrassingly bad record in providing public care for the mentally ill, at least according to Ralph Nader's Health Research Group. That group, in a widely publicized report, ranked New Mexico as tied for last place of the 50 states in the provision of services.

The result: thousands of people on the streets of the nation, in rags, rummaging through garbage, mumbling to themselves, unable to function in "normal" society without help and barely able to take care of themselves on the pavement.

Domenici's proposal would help change that.

He has introduced a bill in the Senate to create a five-year, $1 billion program to set up long-term help for the homeless mentally ill.

The money—some $904,000 of which would go to New Mexico, including $255,000 to Albuquerque—would help beef up a number of existing programs. Outreach to the homeless mentally ill who are unlikely to contact shelters is one. Others include the provision of case managers; medical treatment and counseling; training for people who work with the homeless; and transitional housing.

The money would benefit hundreds of people in Albuquerque and around the state.

The main point is that some people—through mental impairments that are no fault of their own—simply are unable to make a go of life without help. It is wrong, disgracefully wrong, for society to leave them to fend for themselves.

For this reason, Domenici's proposal deserves everyone's active support.

Helping the Homeless

(By U.S. Senator Paul Simon)

It troubles most of us when we are driving or walking through a large city and see homeless, desperate people sleeping on the streets. We instinctively sense that they represent not only troubled people, they also represent something in our society that needs repairing.

The House has passed a bill to encourage state and local governments to do a better job in providing shelter for the homeless, among other things.

I have joined Sen. Pete Domenici, a Republican from New Mexico, in introducing legislation to provide more assistance for the mentally ill among the homeless. The estimate is that somewhere between one-fifth and one-half have serious mental problems.

This part of the homeless problem was created from the best of motives. When I served in the Illinois Legislature we put great stress on getting people out of mental hospitals and into the community. That was needed. Nationally the number in state mental hospitals has dropped from 559,000 to 126,000—and for most of these people that represents an improvement.

But there are also those discharged who should not have been. Some who needed more of a helping hand were told to go and make their way in society. They were unable to make the dramatic change from a closely guarded and supervised mental hospital to a world of much greater freedom.

But the problem is more than mental illness and shelter.

One of the fine new Senate members is Sen. Harry Reid, a Democrat from Nevada.

He put on old clothes, a baseball hat, and some sunglasses and went and slept with the homeless one night and spent part of the next day with them. No television cameras. No reporters. He just quietly found things out for himself.

Sen. Reid discovered the three interests of the homeless, in order of importance, are jobs, food, and shelter. Shelter is the most visible need but the least important to them.

In testifying for the Guaranteed Job Opportunity Program I have introduced, Sen. Reid told about standing at the corner of H and Bonanza streets in Las Vegas with some of the homeless. People would drive up in cars to offer employment, some jobs lasted only an hour or two, some for several days.

"They would literally fight for those jobs," Sen. Reid said. When a car stopped people would "run up to the vehicle and try to sell themselves to those in the car."

Academic studies that lasted many months came to the same conclusion that Sen. Reid did in one night and day: *The main cause of homelessness is joblessness.*

Shelters and other forms of help are needed temporarily.

But if we really want to help homeless people, the long-term answer for many of them is jobs. And jobs can do wonders for the mental health of many people.

The Guaranteed Job Opportunity Program, S 777, would provide 32 hours of work a week at the minimum wage—$107 a week or $464 a month—or 10 percent above welfare, or 10 percent above unemployment compensation, whichever is highest.

Only those out of work five weeks or longer would be eligible.

People would be screened to find out if they need help in learning how to read and write, or speak English, or develop a marketable skill. Developing themselves would be an essential part of the program.

The unemployed would do things that need to be done in every community, with either business or labor having the right to veto projects.

The homeless are only a small percentage of those who would benefit from such a measure.

But they are among the most visible. For each homeless and jobless person you see, there are a thousand less visible who suffer in a less dramatic way. The United States can do better.●

AFGHANISTAN: LETTERS FROM THE STATE OF MINNESOTA

● Mr. HUMPHREY. Mr. President, last December the brutal Soviet occupation of Afghanistan entered its eighth year. The horrible condition of human rights in Afghanistan was recently described in a U.N. report as: "A situation approaching genocide."

As chairman of the congressional task force on Afghanistan, I have received thousands of letters from Americans across the Nation who are outraged at the senseless atrocities being committed today in Afghanistan. Many of these letters are from Americans who are shocked at this Nation's relative silence about the genocide taking place in Afghanistan.

In the weeks and months ahead, I plan to share some of these letters with my colleagues. I will insert into the RECORD two letters each day from various States in the Nation. Today, I submit two letters from the State of Minnesota and ask that they be printed in the RECORD.

The letters follow:

MINNEAPOLIS, MN.

DEAR SIR: I deplore the sufferings and atrocities that the Afghan people have been subjected to by the Soviet Union forces. Their systematic campaign of butchery on innocent lives borders on genocide of their people as a race.

I strongly urge President Reagan to make this issue a top priority when dealing with the Russians on an arms-control agreement.

I further endorse any action you may undertake in the expulsion of Soviet troops from the homeland of the Afghan people.

My prayers are with you,

Sincerely,

CHRIS HETHERINGTON.

MANKATO, MN.

DEAR SIR: With concern I am writing to you in regard to the atrocities taking place in Afghanistan.

Why are we ignoring this and not publishing more about the killing that is taking place? Make the American people aware of what Russia is doing over there. They need our help.

Respectfully yours,

BETTY DEMARAY.●

SOVIET CANCER PATIENTS

● Mr. SIMON. Mr. President, I would like to draw my colleagues' attention to the subject of a hearing held yesterday by Congressman WAXMAN. The hearing discussed the plight of Soviet cancer patients, and the terms of a cancer agreement between the Soviet Union and the United States.

I would like to congratulate Congressman WAXMAN and the members of the Subcommittee on Health and the Environment on the success of the hearing. Leon Charny testified on behalf of his brother, Benjamin, who is a Soviet citizen in desperate need of medical attention available only in the West. During the hearing, a phone call was placed to Benjamin in Moscow, and he was able to communicate with his brother and the members of the subcommittee. The overwhelming emotion present in the room made further discussion and testimony unnecessary.

Benjamin has endured the hardships placed upon him and other Jews in the Soviet Union. The Soviets continue to deny him permission to emigrate, although his condition has worsened. If he does not receive medical attention soon, he might not survive.

The Soviet Union continues to deprive citizens their fundamental human rights, despite agreements that have been signed in the past. The right to receive treatment of a fatal illness is so basic that most people in our country probably take it for granted. Hopefully, the pending cancer agreement will ensure adequate treatment for all cancer patients in the Soviet Union.

Among the individuals who have suffered as a result of the Soviets' inhumane treatment is Inna Meiman. Dr. Batist, one of the witnesses yesterday, explained the tragic fate of Inna Meiman in his testimony. Inna was a victim of cancer, and was in need of treatment in the United States. The Soviet Government, however, delayed issuing her an exit visa until her illness could no longer be cured. She was released to Washington, DC, in January, but passed away in February of this year. Her husband Naum was refused permission to accompany Inna to the United States and to attend her funeral.

Naum still wishes to emigrate to the West. He has been waiting for over 10 years for his freedom. I appeal to the Soviet Government on a humanitarian basis to release Naum Meiman to the West immediately.●

WORLD POPULATION AWARENESS WEEK

● Mr. ADAMS. Mr. President, as my colleagues know Senate Joint Resolution 69, introduced by Senator SIMON, is designed to designate the week of April 20, 1987, as "World Population Awareness Week." Along with my senior colleague, Senator EVANS, and other Members, I am pleased to be a cosponsor of that resolution. And I am also pleased to announce that my home State of Washington is not waiting for the Senate to act on this legislation. In March, Gov. Booth Gardner issued a proclamation declaring the week of April 20-25, "World Population Awareness Week" in the State.

This designation is more than a symbolic statement of concern; it is also a concrete way of developing solutions to the problems associated with population growth. The citizens of the State of Washington will join with people in other States in marking this week by participating in meetings and conferences designed to foster a wider understanding of the issues and the development of creative solutions. The gatherings in Washington—to be held at Whitman College and Walla Walla College, as well as other locations—will be important contributions to increasing the visibility of this issue.

I am proud that Washington citizens will be among those contributing to be a better future and I look forward to the Senate acting on Senate Joint Resolution 69 in the near future.

Mr. President, I ask that the text of Governor Gardner's proclamation appear in the RECORD.

The proclamation follows:

PROCLAMATION

Whereas, the world's population has reached 5 billion and is growing at the unprecedented rate of 87 million a year; and

Whereas, rapid population growth creates or intensifies a wide range of problems including environmental degradation, resource depletion, urban deterioration, unemployment and malnutrition; and

Whereas, 50 percent of the 10 million infant deaths and 25 percent of the 500,000 maternal deaths that occur each year could be prevented through public education and awareness of the need for maternal health care and family planning; and

Whereas, 500 million people living in the developing world want and need family planning resources, but do not have access to such services; and

Whereas, the United States has been the leading advocate of the universally recognized basic human right of couples to determine the size and spacing of their families;

Now, therefore, I, Booth Gardner, Governor of the State of Washington, do hereby proclaim the week of April 20-25, 1987, as "World Population Awareness Week" in the State of Washington, and I urge all citizens to reflect on the consequences of overpopulation.●

Mr. BYRD. Mr. President, has the period for the transaction of morning business expired?

The PRESIDING OFFICER. That is correct. Time has expired.

EXTENSION OF TIME FOR MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that the period for morning business may be extended for not to exceed 15 minutes under the same conditions as heretofore.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

Mr. BYRD. Mr. President, has morning business been closed?

The PRESIDING OFFICER. The time for morning business has expired.

ASSISTANCE TO THE HOMELESS

Mr. BYRD. Mr. President, has the Senate resumed consideration of the homeless legislation?

The PRESIDING OFFICER. That is correct.

The Senate continued with consideration of the bill.

Mr. BYRD. Mr. President, I have cleared this request with the distinguished Republican leader, who is here and can speak for himself.

UNANIMOUS-CONSENT AGREEMENT—HUMPHREY AMENDMENT

Mr. BYRD. I ask unanimous consent that the pending amendment by Mr. HUMPHREY in the first degree, which carries with it the second-degree amendment by Mr. WEICKER, be set aside temporarily so that other amendments may be called up, and none will be called up tonight.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, let me indicate for the RECORD, as I did earlier with the distinguished majority leader after consultation with the distinguished Senator from New Hampshire, that the Senator from New Hampshire is willing to set the amendment aside if the amendments which are called up are germane, if he is notified, and if they are done one at a time. In other words, no blanket agreement will call up *x* number of amendments. If we want to call up the Gramm amendment, for instance, I shall call Senator HUMPHREY and he will indicate that there is no objection.

In other words, I would go to him every time there would be an amendment. It would have to be germane and cleared with the Senator.

Mr. HUMPHREY. The Senator is going to seek a separate unanimous consent for each amendment?

Mr. DOLE. That is correct.

The PRESIDING OFFICER. Is there objection to the request? Hearing none, it is so ordered.

Mr. BYRD. Mr. President, I thank the Republican leader. I thank the Senator from New Hampshire.

RECESS UNTIL 11:30 A.M. TOMORROW

Mr. BYRD. I ask unanimous consent that when the Senate completes its business today, it stand in recess until 11:30 tomorrow morning.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

ORDER FOR MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders have been recognized under the standing order, there be a period for the transaction of morning business for not to exceed 30 minutes, and that Senators be permitted to speak therein for not to exceed 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE TOMORROW

Mr. BYRD. Mr. President, the Senate upon the completion of morning business tomorrow would automatically resume consideration of the homeless relief legislation, would it not?

The PRESIDING OFFICER. That is correct.

Mr. BYRD. The pending question at that time will be on the amendment by Mr. WEICKER in the second degree to the amendment by Mr. HUMPHREY in the first degree except for the fact that the amendment by Mr. HUMPHREY will have been set aside at that point and another Senator may call up an amendment in its stead, am I correct?

The PRESIDING OFFICER. That is correct.

Mr. BYRD. Mr. President, in asking that the amendment by Mr. HUMPHREY be set aside temporarily, I had in mind the amendment to the substitute, not the amendment to the bill. I was mistaken in the way I stated it. So that I am referencing the amendment to the substitute, that it be set aside.

Mr. HUMPHREY. Reserving the right to object, is the request pending?

The PRESIDING OFFICER. The request is pending. The Chair informs Senators that both amendments would have to be set aside, the amendment to the substitute as well as the amendment to the underlying bill.

Mr. BYRD. Mr. President, I ask unanimous consent that the amendment by Mr. HUMPHREY to the substitute also be set aside temporarily, to accommodate the offering of amendments by other Senators.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, reserving the right to object, will that be under the same terms and conditions as the earlier request?

The PRESIDING OFFICER. That is the understanding of the Chair.

Is there objection? The Chair hears none, and it is so ordered.

Mr. BYRD. Mr. President, I thank the Republican leader for his patience and cooperation.

APPOINTMENTS

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to Senate Resolution 222, 93d Congress, appoints the following Senators as ex officio members of the Committee on Commerce, Science, and Transportation for the purpose of participating in the National Ocean Policy Study: the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Maine [Mr. MITCHELL], and the Senator from New Jersey [Mr. LAUTENBERG].

The Chair, on behalf of the President pro tempore, in accordance with provisions of Public Law 99-498, appoints Mr. Dallas Martin, of Washington, DC, to serve as a member of the Advisory Committee on Student Financial Assistance.

The Chair, on behalf of the majority leader, in accordance with Public Law 98-524, appoints the Senator from Massachusetts [Mr. KENNEDY] as a member of the Executive Committee of the National Summit Conference on Education.

The Chair, on behalf of the Vice President, pursuant to Public Law 94-304 and Public Law 99-7, appoints the Senator from New Jersey [Mr. LAUTENBERG] and the Senator from Nevada [Mr. REID] as members of the Commission on Security and Cooperation in Europe.

The appointment of Senator LAUTENBERG to the Commission on Security and Cooperation in Europe corrects his appointment to this Commission which was made during the sine die adjournment on October 31, 1986, pursuant to an incorrect statutory cite.

RECESS UNTIL 11:30 A.M. TOMORROW

Mr. BYRD. Mr. President, there being no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 11:30 tomorrow morning.

The motion was agreed to; and at 6:58 p.m. the Senate recessed until tomorrow, Thursday, April 9, 1987, at 11:30 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 8, 1987:

SECURITIES INVESTOR PROTECTION CORPORATION

Thomas J. Healey, of New Jersey, to be a member of the Board of Directors of the Securities Investor Protection Corporation for a term expiring December 31, 1988.

NATIONAL CORPORATION FOR HOUSING PARTNERSHIPS

Alfred J. Fleischer, Sr., of Missouri, to be a member of the Board of Directors of the National Corporation for Housing Partnerships for the term expiring October 27, 1988.

The above nominations were proposed subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

TRIBUTE TO HUGH GLOSTER

HON. JOHN LEWIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. LEWIS of Georgia. Mr. Speaker, I would like to take this opportunity to pay tribute to a man who has spent the last 20 years improving educational opportunities for thousands of people all over the world. Dr. Hugh Gloster, of Morehouse College, is preparing to retire but not before he established himself as a giant in American education. This distinguished man has stood tall through the years and Morehouse College has benefited.

Dr. Gloster has prepared Morehouse to move into the 21st century. While many schools were losing students, enrollment at Morehouse has doubled in the past 20 years and the school's endowment has tripled. Recently, Morehouse College was listed as one of the Nation's 10 best buys among small, liberals arts colleges. Dr. Gloster is considered one of the Nation's top college presidents and his achievements will go down in history.

The following is an article which appeared in the March 8 edition of the Atlanta Constitution/Journal which details Dr. Gloster's achievements:

THE MAN OF MOREHOUSE: HUGH GLOSTER HAS PUSHED BLACK MEN'S COLLEGE TO TOP WITH 20 YEARS OF HARD WORK

(By Hank Ezell)

At 75, but still riding life's crest, Hugh M. Gloster isn't sure what he might do with his next career.

He has 11 job offers, or at least nibbles, for his time after he retires from the presidency of Morehouse College on June 30. There are three or four books he'd like to write. He might also do some globe-trotting, perhaps to some of the three continents, not counting North America, where he traveled to teaching jobs so many years ago. And he just might teach again. In that scenario, colleges in South Africa and India come to mind.

With that pleasant fogbank of opportunities only a few months away, the courtly, eminently successful and by no means aged Gloster has made only one decision. "I'll at least take July and August off," he said.

From all indications, he won't stand still much longer than that. Gloster has made his name, in part, through seemingly bottomless stamina, 20 years of it given to the building of Morehouse as college president.

That longevity in itself is notable. On average, American college presidents withstand only seven years in their infrequently noticed but immensely difficult posts. There is, according to those in the trade, only so long that a person can act simultaneously as executive, salesperson, fund-raiser, recruiter, policymaker, negotiator, cheerleader and lightning rod.

That durability is even more remarkable in Gloster's case, just as it was for his predecessor, Benjamin E. Mays. They have led Morehouse for the last 47 of its 120 years. For one thing, they were successful by virtually any of the yardsticks that college presidents are expected to stand beside. For another, they brought success to a private, historically black, liberal arts college—a slice of American culture that is small, impecunious and not often noticed by the society at large.

Not so at Morehouse. Its enrollment has more than doubled, to about 2,100 students, during Gloster's years. The faculty has also doubled, to about 110, and its endowment has trebled to $15.4 million. Morehouse draws students from all over the country and the world, and one ranking of U.S. colleges recently listed it as one of the 10 best buys among small, liberal arts colleges.

Gloster has not been wholly above criticism, however. Some say, privately, that he hasn't paid enough attention to faculty members' opinions, or that he could have raised even more endowment money. Interestingly, those criticisms frequently turn on a comparison with Spelman College, and they have a grass-is-always-greener tinge to them. Spelman is next door to the Morehouse campus, and it is to black women's colleges what Morehouse is to black men's colleges.

One sometime critic of Gloster pondered recently how Gloster stacks up against numerous other black presidents, particularly those in the seven-college Atlanta University Center, a consortium that includes Morehouse and Spelman. "There's just no comparison with any of the others," the critic said. "Except maybe [former President] Don Stewart at Spelman."

On the other hand, there are plenty who praise Gloster without qualification—trustees, alumni, fellow presidents, even people far from the campus and only passingly interested in it. He is a ferocious fund-raiser," said a former consultant to a major foundation. That's big-league praise from a New Yorker who spent many days refereeing as colleges pursued major bucks.

"I remember once, one of the few times Morehouse didn't win the grant it wanted," he continued. "Gloster wrote a four-page, single spaced letter to the program officer on that project, explaining to them why they'd made a mistake. It was somewhat critical, a very direct, clear letter on why their proposal should have been funded. That officer told me, 'He made some good points,' and Morehouse was funded the next year." The prize: a $100,000 program.

In his wood-paneled, book-stuffed office on the Morehouse campus, Gloster doesn't seen to be terribly impressed by that or any other praise. Asked what made him one of the nation's 100 best presidents, as a recent poll of college administrators proclaimed, Gloster said he would respond with simple facts. The facts were the familiar litany—growths in faculty, faculty pay, enrollment, now construction, land acquisition.

More recently, and following a newspaper editorial that condemned the survey for leaving out other Georgia college and university presidents, Gloster has taken care to point to their achievements, rather than his own.

Part of it seems to be that he is accustomed to a lot of favorable attention. When photographers want to pose him with the statue of Morehouse alummus Martin Luther King Jr. outside the administration building, he knows just where to stand so that King's out-thrust arm will show over his shoulder. His smile, as the photographer works, is somehow both practiced and sincere.

King is the best, known Morehouse graduate, but he heads a long list of prominent local and national leaders. The best known to Atantans include: Former Mayor Maynard Jackson, former State Sen. Julian Bond, Federal Judge Horace T. Ward, and Fulton County Commission Chairman Michael Lomax. Elsewhere the list includes several score federal and local judges, two congressmen, business and religious leaders and Olympic gold medalist Edwin Moses.

Gloster does not admit to anything phenomenal in his performance. "When I came here," he remarked recently, "You didn't have to be a wise man to see that opportunities were opening up for blacks in business and engineering."

That observation, however, accounts for most of Morehouse's growth in succeeding years. In 1967-68, his first school year as president, Morehouse entered Georgia Tech's dual degree progam, which gives students a degree from each college at the end of a five-year course of study. More than 300 students are now enrolled. In the same two decades, the school's business program has gone from 78 students to two major fields to more than 800 students in 10 majors.

There's another thing about Gloster, said Robert Brisbane, a Morehouse faculty member for 39 years. "Black presidents have to do the same things as white presidents, but they also have to do something else. Black schools have an additional mission. We're still seeking liberation—it's there, [even if] it's unspoken. Black presidents have to deal with that along with their money raising and everything else. What input are we making in the general cause of freedom and liberation?"

In Brisbane's eyes, Gloster has done very well. The proof, he said, is in the number of alumni who are sending their sons to Morehouse. "These people are coming from black middle-class families," Brisbane said. "The choices are being made by families that have choices. They're saying, 'I want my boy or girl to go to Morehouse or Spelman; I want them to get steeped in black culture.' "

Gloster's own son, unlike the sons of two of his predecessors, went elsewhere to college. He picked the University of North Carolina at Chapel Hill, which offered a scholarship for all expenses and even a summer trip to Europe. "I encouraged him to go to Morehouse," Gloster said. "But he felt he would have a more normal life away from the school where his father was president. He was right."

The elder Gloster's life has been, for the most part, a series of success stories. A native of Brownsville, Tenn., he is a Phi Beta Kappa graduate of Morehouse, class of 1931, and the first Morehouse man to return as its president. He holds advanced degrees from Atlanta University and New York University. A specialist on black American literature, he authored "Negro Voices

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

in American Fiction," published in 1948. He was a Fulbright professor in Hiroshima, and he has taught in Poland, Tanganyika (now part of Tanzania), Spain, the Virgin Islands and at five mainland U.S. campuses.

Once, when the rebellious students of 1969 locked him and other Atlanta University Center officials in a board room for 29 hours, he submitted his resignation. Nobody wanted it.

"I had asked the board not to negotiate with those people who were locking us up," Gloster recalled. "After the lock-up, the board canceled all those concessions. Everything was all right, and we moved on from there."

At the time, his board of trustees simply tabled the resignation. "Frankly," he recalled with a laugh, "They never rejected it. It's still there."

Earlier in his career, Gloster was a Morehouse professor. From 1941 through 1943, he taught English—and came to the attention of then-President Mays. "I used to edit his speeches and articles, when he would ask me," Gloster recalled. Later, as Mays approached retirement, both he and Gloster were prepared to take the next step.

Gloster had moved on to teaching and college administration jobs, and he had picked up fund-raising experience. "Most people beleived that Morehouse was in danger with Dr. Mays leaving," Gloster recalled, "But I really felt I could move it forward. I know Morehouse had a good reputation, and I thought I could build on it."

There has been a cloud over his recent years, but it was not a professional matter. "July 21, 1985," Gloster said. That was the day his wife, Beulah Harold Gloster, died of cancer. She was 17 years younger than he, and they had laid all their plans on the assumption that he would die first. "It was rather a shocking thing, finding yourself alone at this stage of life," he said.

But he added, in an attitude that must be archetypical for a Morehouse man, "The school helped me adjust to that."

Now Gloster is looking towards retirement, at least from his Morehouse activities. His successor may well be named in April.

Reflecting on his own career, Gloster defines a straightforward list of needs that a president must strive to fulfill—dreams, good will, and money.

"You have to establish some dreams, which might be called long-range plans, and work towards them," he said. "In the meantime, you have to be a public relations person and a fund-raiser."

Gloster leaves behind him some dreams that have been fulfilled, and some that haven't. "I have not achieved everything I set out for myself," he said. He added, with a laugh, "I have a dream of the future physical plant for Morehouse that I haven't had the nerve to show to the board, because it's so ambitious."

In fact, the first two items on that dream list are now in the works; construction will start this year on a biology-chemistry building, and money is being raised for a humanities building.

But the total list would cost an estimated $30 million, and another five or six items, including an 8,000-seat coliseum, are still in the realm of the hoped for.

Gloster would also like to see Morehouse take a stronger hand in teaching international relations, continue its planning of a school of architecture, establish a school of race relations and start up a combined business-Spanish language program.

He would also like to take another run at expanding the school's foreign languages offerings. The last time around, Swahili drew enough students to survive, but Chinese, Arabic, Hausa, and Ibo did not.

He would also like to raise the hundreds of thousands of dollars needed to endow chairs in race relations and in Christian ethics. He recognizes, however, that American culture, as reflected in the thinking of major corporate donors, doesn't favor those topics. "It's easier to get chairs in business and the sciences than in the humanities," he said. "If I head a bank and you want a chair in banking, you have a better chance than somebody else who wants a chair in Christian ethics."

On the whole, he seems content with his tenure. He believes, for example, that he has opened new doors for black college fund-raising, in large part through the recruitment of major corporate leaders to head up two $20 million drives. And he is confident that his overall approach was the right one.

"I took Morehouse as Morehouse stood, and I developed long-range projects, half of which I didn't achieve," he said. "But I achieved more than I would if I hadn't had wishes and dreams."

FLORIDA HAS RECORD YEAR FOR TOURISM

HON. BILL NELSON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. NELSON of Florida. Mr. Speaker, it is my pleasure to bring to the attention of my colleagues the news of a record year for tourism in Florida.

According to Florida's commerce secretary, more than 33.7 million people from the United States and Canada visited the Sunshine State in 1986, a more than 12-percent increase over 1985 levels. Secretary Bush cited a strong national economy, low gas prices, the opening of new attractions, and aggressive marketing efforts by the State as contributing to the increase.

The Florida Department of Revenue announced that sales tax collections from tourism and recreation totaled more than $1 billion in 1986, representing nearly 20 percent of the States total revenue collected.

The tremendous importance and positive impact of the travel and tourism industry upon Florida's, and indeed on America's economy deserves recognition.

As chairman of the U.S. Congressional Travel and Tourism Caucus, I invite my colleauges to join in the efforts to formulate national tourism policy that will ensure prosperity for this vital industry across the entire United States—from the Eastern Gateway to the Foremost West; Travel South USA, over the Old West Trail, and through George Washington's Country, America's Heartland, New England and the Great Lake States.

RELIEF FOR THIRD WORLD DEBTORS AND THEIR CREDITORS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. LAFALCE. Mr. Speaker, the International Monetary Fund last week revised downward its previous forecasts for economic growth in major industrial countries, reflecting the currency adjustments which have caused the U.S. dollar to fall against major currencies since early last year. The IMF does not expect any major improvement in 1987-88 in current payments imbalances which are one of the major threats to international economic stability. One of the reasons for the current restrictive financial policies in industrial nations is the huge debt burden which has depressed world trade and has restricted investment in the Third World. As we approach the fifth anniversary of the debt crisis, five Latin countries have stopped servicing their debt; the administration's debt management policy appears to have lost momentum; and we have a world financial and trading system whose stability continues to be threatened.

Mr. Speaker, last month I proposed a new appproach to the debt problem with legislation—H.R. 1423—which provides for the establishment of an international debt adjustment facility to serve as a mechanism to convert bad U.S. bank loans to LDC's into long-term, low-interest bonds or other forms of securities, thereby improving bank balance sheets and reducing the debt service burdens of borrowing countries. This proposal has been incorporated into the Banking Committee title of the trade bill.

Mr. Speaker, I would like to bring to the attention of my colleagues an article by Henry Kaufman which appeared in the Wall Street Journal, entitled "Overcoming Obstacles to Debt Relief." Mr. Kaufman's proposals, which combine debt relief with new sources of financing, compliment my own and deserve serious consideration. He suggests that commercial banks convert part of their nonmarketable LDC loans into securities, whose value would be equal to the secondary market value of the underlying loans. This is a market-based approach which includes the option of granting creditors the right to swap debt for equity.

I support this approach. I believe the current practice of protracted rescheduling of Third World debt has become counterproductive. We need a means to restore LDC creditworthiness and to provide real debt relief. I urge my colleagues to consider Mr. Kaufman's article and to support the debt provisions marked up by the Banking Committee. Relieving debt pressure on the developing countries should be an important part of the trade bill.

[From the Wall Street Journal, Apr. 6, 1987]

Overcoming Obstacles to Debt Relief

(By Henry Kaufman)

The industrial world is mired in subnormal economic performance: Gross national product growth has fallen to 2% annually so far in this decade from 3% in the 1970s and 5% in the 1960s. One main reason is the overhang of debt world-wide. The solutions of old—a deflation that purges debt through abrogation of obligations or an inflation sufficiently acute to render the debt burden less onerous and also of less worth to creditors—would lead to massive dislocations and are unacceptable today. On the other hand, the many plausible, seemingly simple approaches new being discussed would bring in their train larger and more dangerous problems.

It has taken the world many years to get into this debt trap; its dimensions are well-known. Therefore, the first step is to let our efforts and ambitions be harnessed by the reality that getting out of it will take a long time. There is no grand solution that can be announced to the world following a weekend meeting, or after Senate hearings such as those scheduled for today by the Finance Committee's Subcommittee on International Debt.

WORST OF IMPACT STAVED OFF

So far, the industrial nations have at best temporarily stabilized the global debt problem and gained time. Through efforts at monetary cooperation and the liberalization of official regulatory standards for financial institutions—and of credit standards generally—the U.S. has managed to stave off the worst of the impact of excessive debt on economic activity. It has thereby avoided an economic recession that, if it occurred in the near term, would likely be very deep, because the debt burden would constrain spending and the unavoidable bankruptcies would lead to heightened liquidity preferences and a flight to quality.

However, sooner or later, the many aspects of the debt problem will need to be addressed and the foundations laid for the resumption of solidly based economic growth that is less dependent on increased credit creation. This responsibility needs to be shared. Other nations in the world need to take the lead, for example, in initiating monetary and fiscal policies that will increase the pace of business activity. At present, the U.S. can do little in either area. Any further easing in U.S. monetary policy would run serious new risks if the U.S. were to act independently of other key nations. Its fiscal policy is straitjacketed because of the enormous excesses of the past. Moreover, current U.S. efforts to reduce the budget deficit have produced fiscal drag even though fiscal stimulus might be justified, given current conditions of modest inflation, excess plant capacity and a relatively high unemployment rate.

For its part, however, the U.S. should take the lead in addressing the debt-blockage problem regarding the developing nations. This is a matter of some urgency. During the 1960s, Latin American imports from the U.S. rose 36%, and during the 1970s, 338%. There has been a reversal, of course, since then, with imports from the U.S. falling and exports to the U.S. rising, mainly because of the austerity practiced by these countries, given their large external debt.

One yardstick—the net cash infusion or net cash drain that these countries are experiencing internationally through changes in their debt position—reveals the extent to which external debt blocks renewed economic activity in the developing countries. Measuring the changes in external debt outstanding and net interest payments in order to identify the "net financial resource transfer," the major borrowing countries experienced net cash infusions of $28 billion in 1980, $53 billion in 1981 and $38 billion in 1982. Then, these nations experienced net cash outflows of $9 billion in 1983, $44 billion in 1984, $38 billion in 1985, and $16 billion in 1986. The net cash outflow for this year is expected to be $26 billion.

As a consequence of net cash drains, these developing nations have been forced to curb their imports from the U.S. and others. Yesterday's credit creation—which at that time bolstered U.S. exports—has become today's constraint on economic growth.

The responsibility for this unfortunate sequence of events lies in the failure of borrowers, lenders and official regulatory agencies to harness the credit-creation mechanism effectively. Both creditors and debtors made mistakes in entering into the original loan agreements: The creditors exercised poor judgment and a lack of foresight generally; the debtors had inadequate contingency plans to meet contractual obligations. Nonetheless, current efforts to stress adherence to creditor-debtor contractual arrangements are now a powerful limiting force to world economic expansion. If this debt blockage isn't removed, then global economic growth will continue at a subnormal rate and the world will risk a major economic downturn.

While there have been a number of proposals for providing debt relief to indebted developing nations, none have received widespread support—for two principal reasons. The proposals do not deal effectively with the need to combine debt relief with new sources of financing. In addition, U.S. commercial banks would have little incentive to become part of any plan recognizing realistic values for loans outstanding because the currently prevailing tax and regulatory treatment would hurt them. But these obstacles can be overcome.

Three points are central in formulating a plan in which international capital markets would play the dominant role in providing both debt relief and new sources of financing for the developing nations:

First is a secondary market for outstanding bank loans to developing nations. This already exists.

Second, the securitization of a portion of these bank loans based on a realistic valuation—perhaps a mark-to-market basis—would provide two real advantages: Commercial banks' balance sheets would become more liquid, and eventually new classes of investors would be attracted to this market.

Third, U.S. commercial banks would need the assurance that losses incurred in the process of securitization of developing-country loans would not damage earnings or capital so severely that renewed lending to these countries would be ruled out. The banks should be permitted, on the writing down of their loans, to amortize the losses over a number of years.

With these three points in mind, how would a plan be structured to provide both debt relief to developing nations and renewed liquidity for our banking system?

Commercial banks could convert a portion of their essentially nonmarketable loans and loan participations into marketable securities—such as is now done, for example, with home mortgages and automobile receivables—for those developing nations judged to be making an internationally acceptable effort to adjust, based on a stabilization program supported by either the International Monetary Fund or the World Bank.

The face value of these marketable securities would be equal to the secondary-market value of the underlying loans. The difference between the original value of the loans and the face value of the new securities would equal the debt relief provided to the developing nations. This difference also would represent a loss to the banks that could be amortized over the life of the loan, if the appropriate regulatory changes were made.

The new securities would be sold into the world markets, obviously carrying relatively high interest rates and yields that in themselves would be the risk premium in a highly diversified portfolio. Some form of guarantee also might be needed to induce investors to buy these securities. This need not cover the whole face value of the new security but, perhaps, only the longer maturities. An added inducement: a debtor country's willingness to grant to creditors the right to swap the debt instruments for equity participations.

A developing nation's annual eligibility for relief would apply only to a portion of its loans outstanding, and subsequent relief would be conditioned by its adjustment process as determined by the official international institutions.

NOT AN OVERALL PANACEA

This plan obviously is not a panacea for all the external debt of all developing nations. Several low-income nations, which have severe structural problems and which are mainly indebted to official institutions, would need to continue relying on public sources for external capital. But for those developing nations that have had access to the international credit markets, this plan would reward their adjustment efforts with a return to these markets through a reduction in their debt outstanding.

In sum, the current rescheduling of developing-country debt, while new loans are being added, has staved off a widespread liquidity crisis, but the more basic solvency question persists.

This securitization plan addresses the solvency problem in two ways: First, it provides a means for some developing nations to restore their creditworthiness and regain access to credit markets. Second, it avoids the "moral hazard" problem of rewarding countries that have not undertaken significant adjustment measures or that do not need debt relief.

IOWA DECLARES WORLD POPULATION AWARENESS WEEK

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. LEACH of Iowa. Mr. Speaker, I am pleased to announce that the State of Iowa has joined with more than 30 others across the country in declaring the week of April 20–25 as World Population Awareness Week.

Governor Terry Branstad's proclamation is encouraging to the many Iowans who recognize the importance of coming to grips with the world's exploding population. The citizens of my State, like thousands of others elsewhere, will gather that week at conferences and meetings to explore possible solutions to this critical problem. The Iowa meetings, to be held at Coe College, Central College, Luther College, the University of Iowa, and many others, may well lead to new approaches and new ideas.

I am proud that my State is a part of this important national effort and I am proud to be a supporter of House Joint Resolution 148 to designate this week nationally as World Population Awareness Week. I ask that Governor Branstad's proclamation be printed in the RECORD.

STATE OF IOWA

EXECUTIVE DEPARTMENT PROCLAMATION

Whereas, the world's population has reached five billion and is growing at the unprecendented rate of 87 million a year; and

Whereas, rapid population growth causes or intensifies a wide range of grave problems in the developing world including environmental degradation, urban deterioration, unemployment, malnutrition, hunger resource depletion and economic stagnation; and

Whereas, 50 percent of the 10 million infant deaths and 25 percent of the 500,000 maternal deaths that occur each year in the developing world could be prevented if voluntary child spacing and maternal health programs could be substantially expanded; and

Whereas, some 500 million people in the developing world want and need family planning but do not have access or means to such services; and

Whereas, the United States has been the leading advocate of the universally recognized basic human right of couples to determine the size and spacing of their families:

Now, therefore, I, Terry E. Branstad, Governor of the State of Iowa, do hereby proclaim the week of April 20-25, 1987, as World Population Awareness Week in Iowa, and call upon citizens to reflect upon the consequences of overpopulation.

COST OF OIL IMPORT FEE

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. HORTON. Mr. Speaker, with all the talk around Washington about increasing revenues without raising taxes, many so-called quick fixes are being bandied about. One we often hear is an oil import fee which, proponents often claim, would raise large amounts of revenues painlessly, since oil prices are still low.

Well, Mr. Speaker, to those of us in the Northeast, an oil import fee would be absolutely devastating. Consumers, many of whom rely on oil to heat their homes, would be hard hit. Equally important, industries just now beginning to pull out of the recession-racked years of the early 1980's, would be crippled by high production costs.

Virtually everyone agrees that an oil import fee would cost consumers $3 for every $1 in revenues raised, since domestic oil prices would increase right along with imported oil.

Recently the Northeast-Midwest Congressional coalition, of which I am cochair, released a Dear Colleague expressing solid opposition to an oil import fee. The piece was written by our colleagues MATT RINALDO and BARBARA KENNELLY, and urges cosponsorship of House Resolution 16 and House Resolution 18, sense of Congress resolutions in opposition to an oil import fee. I commend their letter to your attention, and join many other Members in urging your support of these important resolutions.

OPPOSE THE OIL IMPORT FEE

NORTHEAST-MIDWEST CONGRESSIONAL COALITION, HOUSE OF REPRESENTATIVES,
Washington, DC, March 31, 1987.

DEAR COLLEAGUE: We are writing to encourage you to cosponsor H. Res. 16 and H. Res. 18, two resolutions in opposition to an oil import fee that have been introduced by Representatives Silvio Conte (R-MA) and Brian Donnelly (D-MA). An oil import fee has been proposed to help reduce the deficit and to evitalize the domestic oil industry. We think you will agree with the economists, administration officials, and oil industry spokesmen who point out that it is an ineffective method of raising revenue, would fall disproportionately across various regions of the country, and would seriously hamper America's ability to compete in world markets.

An oil import fee is an uncertain way to raise revenues. According to a study by the Federal Reserve Bank of Cleveland, "The tax would not come close to solving the budget deficit. When weighed against the loss of real economic activity and higher prices, the tax would seem too high a price to pay." The Federal Reserve Bank of Cleveland predicts that an oil import fee would depress economic activity and thereby reduce the federal tax base, which would in turn offset the new revenues raised by the fee.

An oil import fee would cost consumers $3 for every $1 in revenue that it raised. Experts agree that the price of domestic oil would rise by the amount of the oil import fee. That is not surprising, given that increasing the price of U.S. oil to help shore up the domestic industry is one of the primary justifications for the fee. Consumers would pay a tariff in the form of a federal tax on imported oil, and in the form of an untaxed windfall price increase for the two-thirds of total U.S. oil supply that is produced domestically.

An oil import fee would fall disproportionately on oil consuming states. Those states that produce oil would at least benefit through the increased economic activity of oil companies. Oil consuming states would see only increased energy costs, which would fall disproportionately on low-income families. The latter typically spend 25% of their household incomes on home energy costs, compared to the national average of 7%. The import fee would thus benefit a narrow geographic as well as industrial base at the rest of the nation's expense. The attached chart indicates that only a few states, particularly Alaska, Louisiana, Oklahoma, and Texas, would emerge as winners under an oil import fee.

An oil import fee would increase out trade problems. The fee would disadvantage American industries that use petroleum and its refined inputs in the production process. Among the many sectors that would be affected if the fee were imposed are the agricultural, chemical, and steel industries, due to their use of petroleum or its derivatives in the production of fertilizers, pesticides, and solvents. An oil import fee would impose further burdens on these already suffering industries.

An oil import fee would seriously endanger the ability of American industry to compete in world markets. Foreign manufacturers, particularly Japan and West Germany, would be able to underprice their American counterparts due to the lower cost of oil in their respective countries. As a result, these countries would gain a comparative market advantage over American firms as these lower-priced goods would become more attractive to consumers both here and abroad. Compounded together, these conditions could undoubtedly lead to an ever-growing trade deficit.

We understand the problems the oil producing states are currently facing due to a temporary decline in the domestic oil industry. Industries in the Northeast-Midwest region have faced similar problems in the past. Other options, such as trade adjustment assistance, should be considered before the American economy is put at risk with an oil import fee.

If you would like to become a cosponsor on either or both of these resolutions, you can contact Bob Goudie in Rep. Conte's office (x5-5335) or Tom Barker in Rep. Donnelly's office (x5-3215). We urge you to join us in opposing an oil import fee.

Sincerely,
BARBARA KENNELLY,
MATTHEW RINALDO,
Members of Congress.

ESTIMATED CONSUMER IMPACT OF ENERGY TAX ALTERNATIVES RAISING $10 BILLION

[In millions of dollars]

Region and State	$10 billion oil import fee			$10 billion gasoline tax
	Consumer impact	Producer's windfall	Net burden	
New England:				
Connecticut	450	0	450	126
Maine	185	0	185	50
Massachusetts	780	0	780	220
New Hampshire	125	0	125	41
Rhode Island	96	0	96	35
Vermont	60	0	60	24
Total	1,696	0	1,696	496
Mid-Atlantic:				
Delaware	124	0	124	30
Maryland	489	0	489	185
New Jersey	1,071	0	1,071	315
New York	1,740	7	1,733	462
Pennsylvania	1,231	31	1,200	417
Total	4,656	38	4,618	1,411
Midwest:				
Illinois	1,280	194	1,086	429
Indiana	673	33	640	237
Iowa	338	0	338	132
Michigan	822	175	647	380
Minnesota	495	0	495	196
Ohio	1,131	96	1,035	445
Wisconsin	458	0	458	190
Total	5,196	498	4,698	2,009
South:				
Alabama	446	138	308	180
Arkansas	299	122	177	112
District of Columbia	48	0	48	17
Florida	1,366	73	1,293	496
Georgia	758	0	758	292
Kentucky	470	50	420	167
Louisiana	1,315	3,257	−1,942	206
Mississippi	322	196	126	110
North Carolina	667	0	667	286
Oklahoma	448	1,043	−595	171
South Carolina	346	0	346	152
Tennessee	548	5	543	234
Texas	3,984	5,696	−1,712	803
Virginia	668	0	668	253
West Virginia	253	23	230	34
Total	11,937	10,604	1,333	3,511
West:				
Alaska	195	4,269	−4,074	22
Arizona	321	1	320	141
California	3,185	2,716	469	1,083
Colorado	359	194	165	137
Hawaii	229	0	229	31
Idaho	103	0	103	43
Kansas	404	483	−79	116

ESTIMATED CONSUMER IMPACT OF ENERGY TAX ALTERNATIVES RAISING $10 BILLION—Continued

[In millions of dollars]

Region and State	$10 billion oil import fee			$10 billion gasoline tax
	Consumer impact	Producer's windfall	Net burden	
Missouri	580	2	578	245
Montana	152	191	−39	43
Nebraska	192	44	148	73
Nevada	144	19	125	47
New Mexico	234	503	−269	71
North Dakota	124	326	−202	36
Oregon	325	0	325	120
South Dakota	95	10	85	36
Utah	185	261	−76	66
Washington	552	0	552	188
Wyoming	121	824	−703	76
Total	7,499	9,844	−2,345	2,574
Northeast	6,351	38	6,313	1,906
Midwest	5,196	498	4,698	2,009
Total Northeast and Midwest	11,547	536	11,011	3,915
South	11,937	10,604	1,333	3,511
West	7,499	9,844	−2,345	2,574
Total South and West	19,436	20,448	−1,012	6,085
U.S. total	30,984	20,984	10,000	10,000

Notes.—A (−) minus sign under net burden indicates a net benefit to that State or region. Oil import fee averages $6.41/barrel on petroleum imports and averages 15.2 cents/gallon for fuel oil and 13.8 cents/gallon on gasoline. Gasoline tax averages 7.8 cents/gallon. Assumes that the price of domestic oil equals the price for imported oil.

Source: Northeast-Midwest Institute. Staff calculations based on U.S. Department of Energy data.

WHAT PEOPLE ARE SAYING ABOUT AN OIL IMPORT FEE

The administration

"The fee would damage the economy by increasing the costs of production, would harm the U.S. trade position, and strengthen the dollar."—Beryl W. Sprinkel, Chairman, Council of Economic Advisers.

"A fee would raise the cost of oil and its substitutes in the U.S. above the levels paid in other countries. This would reduce U.S. economic growth, increase inflation, reduce our competitiveness in foreign and domestic markets, and eliminate substantially more jobs in other economic sectors than are created in the energy sector."—Malcolm Baldrige, Secretary of Commerce.

"An import fee is essentially a "drain America first" program. A fee raises the U.S. crude oil price and encourages accelerated production of U.S. reserves, leaving smaller reserves here for future production and impairing long-term energy security."—U.S. Department of Energy.

The economists

"The tax would not come close to solving the budget deficit. When weighed against the loss of real economic activity and higher prices, the tax would seem too high a price to pay."—Federal Reserve Bank of Cleveland.

"Producers without excess capacity will be hit hardest by an OPEC collapse. This means that a U.S. oil-import tax is likely to push the swing producers much faster to their breakeven point, with even greater damage to our debtor nations, especially Mexico."—Steven Hanke, Economist, Friedberg Commodity Management.

The oil industry

"American producers would lose ground not only in markets overseas but at home as well. Foreign producers would retain their lower energy costs and be able to undercut American goods in the U.S. market. So American export would suffer and imports would surge."—Mobil Oil Corporation.

"Protecting the economy and national security against an overdependence on foreign produced energy are a legitimate concern of the federal government warranting, under extreme circumstances, intervention in the market place. However, taxes, tariffs, fees or quotes on imported petroleum would be counterproductive to the national interest at this time."—Independent Petroleum Association of America.

DODGER STADIUM

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. LEVINE of California. Mr. Speaker, April 10, 1987, is a very special day to Los Angeles Dodger fans. It will mark the 25th anniversary of the opening of Dodger Stadium. While such a milestone would be a special day for any major league ballpark, Dodger Stadium is not your ordinary stadium.

Among the things that make Dodger Stadium unique are:

It is the first privately funded ballpark since the construction of Yankee Stadium in 1923.

It is the first ballpark to host more than 3 million fans in any one season. In 1978 the Dodgers drew 3,347,845 fans. Since then the Dodgers have drawn more than 3 million fans seven times, including a record setting year in 1982 when 3,608,881 fans helped the Dodgers set the single season attendance record which still stands today.

While baseball is the only sport ever played at Dodger Stadium, it has hosted a number of musical and other entertainment events. In fact, more than 64 million baseball fans have attended events in Dodger Stadium over the last quarter of a century.

Dodger Stadium has repeatedly been selected as the best ballpark in which to play the game, as well as the most beautiful and best maintained stadium in major league baseball.

Dodger Stadium has the distinction of being selected to host the first Olympic baseball competition in 1984. Eight teams competed for the gold medal which was ultimately won by the Japanese, with the United States winning the silver and Chinese Taipei the bronze.

Construction of Dodger Stadium was a massive undertaking for the Dodgers. Elevations in the site ranged from 400 to 700 feet above sea level. More than 8,000,000 cubic yards of earth were deposited to reshape the area in order to compensate for the wide variations in terrain. The stadium's framework is constructed from 21,000 precast concrete units which weighed up to 32 tons each.

The resulting stadium seats more than 56,000 people, all of which have unobstructed views of the playing field, and has parking for 16,000 cars on 21 terraced lots.

1980 saw the installation of Dodger Diamond Vision, a 35-foot wide and 25-foot high full color matrix board, the first in the world. Today fans can watch replays of the exciting plays that make Dodger baseball the best in the world.

As any real baseball fan knows, however, no matter how beautiful the stadium, no game is really complete without a first class hot dog. As someone who has sampled the cuisine at more than a dozen big league parks, I can personally attest to the fact that the Dodgers take a backseat to no one in this crucial area, either. The stadium's Dodger Dogs, are, without question, the finest in baseball. They have become an institution in the Los Angeles area among hot dog afficianados.

But, as beautiful as Dodger Stadium is, the real attraction for the more than 3 million fans who will attend Dodger games at the park this year, and the millions who have attended in the past, are the Dodgers. And Dodger Stadium has been the site of many of the most memorable moments in Dodger history. Although it would take pages to list all of the great moments for Dodger fans which have occurred at the stadium, a tribute to the ballpark would be incomplete without mentioning a few of the highlights of the past.

Among the most memorable to me are June 30, 1962, when Sandy Koufax pitched his first no-hitter; July 2, 1962, when Johnny Podres struck out eight Phillies in a row to set the major league record; September 1962 when Maury Wills stole four bases against the Pirates to set the National League record; May 11, 1963, when Sandy Koufax pitched his second no-hitter; October 6, 1963, when the Dodgers completed a four game sweep over the Yankees in the World Series; September 9, 1965, when Sandy Koufax pitched a record fourth no-hitter and perfect game against the Chicago Cubs; October 14, 1965, when the Dodgers beat the Minnesota Twins for their fourth world title; June 4, 1968, when Don Drysdale pitched a record sixth consecutive shutout against the Pirates entending his scoreless streak of innings to 54; July 20, 1970, Bill Singer pitched a no-hitter against the Phillies; October 1, 1974, the Dodgers beat the Astros 8 to 5 to clinch the Western Division championship; October 9, 1974, the Dodgers beat the Pirates to win the National League pennant; September 26, 1975, Burt Hooton won a record 12th consecutive start; July 17, 1976, Walter Alston won his 2,000 consecutive game as the Dodgers' manager; April 25, 1977, Ron Cey set a major league record for RBI's in a month when he drives in his 29th run of April; August 28, 1977, Don Sutton pitched a National League record tying fifth career one-hitter; October 7, 1978, the Dodgers won second consecutive National League pennant; September 2, 1978, Manny Mota set a major league record with 145th career pinch-hit; July 4, 1980, Don Sutton pitched his 52d career shutout and Reggie Smith hit the 7,000th home run in Dodger history; April 9, 1981, Fernando Valenzuela pitched a shutout against the Braves on opening day; May 3, 1981 Valenzuela extended his scoreless streak to 36 innings before it was broken in a 6 to 1 win over the Expos; May 14, 1981, Valenzuela won his eighth consecutive game tying the major league record for rookie pitchers; September 6, 1981, Valenzuela tied the National League record for rookies by pitching his seventh shutout; October 11, 1981, Dodgers won the West title in Division Series; April 28, 1985, Fernando Valenzuela set the major league record for scoreless innings at the beginning of the season with 41; June 30, 1987, Pedro Guerrero hit his 15th home run of the month, tying the major league record; and, October 2, 1985, the Dodgers clinched the National League West title.

Without a doubt, Dodger Stadium occupies a unique place in baseball history. Its first 25 years have been great ones. I expect the next 25 to be just as impressive.

I ask my colleagues to join with me in honoring Dodger Stadium on the occasion of its 25th anniversary and the Los Angeles Dodgers for their contributions to our national pastime.

NEGOTIATING FROM A POSITION OF STRENGTH

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. LAGOMARSINO. Mr. Speaker, with the recent attention being given to arms control issues, I would like to urge my colleagues to note an editorial by William Randolph Hearst, Jr., which appeared in the March 15, 1987, Los Angeles Herald Examiner. In this article, Mr. Hearst examines the crucial link between negotiating from a position of strength and achieving arms control agreements with the Soviet Union. As the prospects for such an agreement grow brighter, we should all remember how the negotiations were attained.

[From the Los Angeles Herald Examiner, Mar. 15, 1987]

REAGAN'S FIRMNESS PAYS OFF

(By William Randolph Hearst, Jr.)

In less than 10 days a momentous event has occurred that shows President Reagan to be a far stronger and more effective leader than the American people have been led to believe because of the Iranian arms fiasco.

The President may not be meticulous about details and he may have placed too much trust in those to whom he delegated authority in his compassionate eagerness to secure release of the American hostages. But on the big issues that are vitally important to us, our children and grandchildren, his strength, firmness and wisdom have paid off in the manner of outstanding statesmanship.

At the Reykjavik summit with Soviet leader Mikhail Gorbachev last October, President Reagan refused to abandon development of an anti-missile system to defend America against nuclear attack. When, at the final meeting, Gorbachev insisted on that as the price for far reaching agreements on nuclear-arms reductions, the president picked up his notes and walked out. He was blamed for the collapse of the summit and accused of blocking any possibility of arms-control agreements with the Soviets during the rest of his presidency.

What happened? A week ago Saturday Gorbachev amazed the world by announcing he was no longer linking abandonment of the president's strategic defense program to agreement on the president's original "zero option" proposal for removal of all medium-range missiles in Europe.

What a victory for President Reagan. Once again, he has been proved right in his handling of the Soviets. While critics assailed him for spending too much on defense, he restored America's military strength so we would not have to negotiate from a position of weakness. When the Soviets refused to remove their SS-20 missiles targeted on Western Eruope, which had no medium-range missiles, the president deployed Pershing 2s and cruise missiles that can reach Russia. That is the major reason why Gorbachev wants the "zero option" agreement."

On Monday, the Soviets formally presented to the American negotiators in Geneva Gorbachev's proposal for removal of all Soviet and American medium-range missiles from Europe.

Bernard Kaplan, our chief European correspondent, reported last week that our allies suspect Gorbachev's objective is to "decouple" the United States and NATO. The European allies, however, approved "zero option" when the president first proposed it. And the president has no intentions of decoupling America and Europe.

The allies also fear, Bernie reported, that with no medium-range missiles available, NATO would have virtually nothing to counter the several hundred Soviet shorter-range missiles that are deployed in East Germany and Czechoslovakia. That, of course, is not true. Even without the Pershing 2s and cruise missiles, NATO could respond to an attack with submarine launched cruise missiles, the British and French nuclear forces and, ultimately, America's land-based strategic forces.

Furthermore, Gorbachev said he is willing to negotiate the elimination of the Soviet shorter-range missiles, although he now wants to keep those negotiations separate from the medium-range negotiations. This represents a step backward from his position at Reykjavik and will be unacceptable to the Western allies. The White House has already made clear that President Reagan is not going to rush into a medium-range missile agreement at the expense of Western Europe's security.

National Security Adviser Frank Carlucci, in an exclusive interview in Washington this week with John Wallach, our foreign-affairs editor, said:

"We don't want to be pushed into too rapid an agreement. We want to reach an agreement as soon as possible but we want to be certain it is a good agreement." He described verification and the short-range missile problem as the two "principal issues" that must be satisfactorily settled as part of a "zero option" agreement with the Soviets.

"The only reason the Soviets are negotiating now," he added, "is because Ronald Reagan has restored America strength and he's adopted a firm negotiating position."

That's the truth, the whole truth and nothing but the truth, and let's not forget it.

STONES RIVER NATIONAL BATTLEFIELD

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. GORDON. Mr. Speaker, today I am introducing legislation which will expand the boundaries of the Stones River National Battlefield and preserve the largest and only remaining earthen fortress dating back to the Civil War located in my hometown, Murfreesboro, TN.

Murfreesboro was the site of one of the Civil War's major battles. From December 31, 1862, through January 2, 1863, the Union and Confederate Armies, with the combined strength of more than 81,000 men, clashed in one of the war's bloodiest battles. Major developments in the battle took place on the land which lies adjacent to, but is not currently included in the national military park. In order to preserve the historical integrity of this land which denotes a significant time in American history, my bill will expand the boundaries of the existing park by 70 acres. This expansion has been recommended by the National Park Service in the general management plan for the Southeast region.

On March 3, 1927, an act of Congress declared a small portion of the battlefield a national military park. The boundaries of the park have stayed predominately untouched since its establishment. Due to rapid growth in the community, the outlying parcels of land and other historic sections of land near the battlefield are now threatened by development.

This legislation also includes the preservation of existing remnants of Fortress Rosecrans by the National Park Service. Fortress Rosecrans is a part of the largest earthen fortress in the world, dating back to the Civil War. Fortress Rosecrans, which encompassed 20 acres, was used to furnish supplies and armaments to the Union forces during their progression southward toward Chattanooga and Atlanta. Natural wear, overgrown vegetation, and human neglect are taking their toll on this historic landmark making the need for preservation imperative.

In order to increase access to both the battlefield and the fortress, the Park Service has agreed to construct a walking and biking trail connecting the two areas. The path will also hopefully include benches and areas to picnic. As a result, the more than 200,000 visitors that visit Stones River annually would be able to visit the national battlefield and walk to Fortress Rosecrans.

Mr. Speaker, this bill has widespread support including the mayor of Murfreesboro, the city council, the superintendent of the Stones River National Battlefield, the Rutherford County Historical Society, the honorary president general of the National Society of the DAR, Sarah King, and the entire Tennessee congressional delegation. I look forward to my colleagues' support for this important piece of historic preservation legislation.

ZEALOTRY MUST BE CLEANED OUT OF STATE DEPARTMENT

HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. COLEMAN of Texas. Mr. Speaker, I shouldn't have been, but I was surprised to read in the March 27, 1987 Miami Herald that the Reagan administration may have undertaken an unprecedented intervention into internal Mexican politics through the controversial Iranscam conservative fundraiser and political consultant, Carl "Spitz" Channell. According to the Herald, Channell tried to persuade the National Action Party [PAN] to make donations to the Contras and promised the party that President Reagan would assist their election fight if they endorsed United States aid to the Nicaraguan Contras.

Channell's alleged activities came on the heels of State Department zealot Elliott Abrams' attacks on Mexico in 1986. The Herald quoted a State Department official who said, "I soon concluded that we were pressuring Mexico because of Nicaragua, not because we cared for any of the issues there," referring to various United States-Mexico issues.

How could the Assistant Secretary of State for Latin America not know about Channell's offer? Did he approve of it? Abrams and Channell worked closely together on various aspects of what has now come to be called the Iran-Contra scandal, and the extent of Abram's activities are just beginning to come to light.

Mr. Speaker, we are desperately in need of a professional foreign policy. United States national security interests have been damaged by the actions of emotion-laden zealots like Elliott Abrams, the administration's so-called point man on Central America.

According to the Tower Commission Report, Elliott Abrams was a member of the Restricted Interagency Group [RIG] under the National Security Council. The other members of this highly secretive RIG were the director of the Central Intelligence Agency's Central American Task Force and Lt. Col. Oliver North. Many Members of Congress, including myself, are starting to realize that Elliott Abrams has not been forthright in telling the American people and the U.S. Congress everything he knows about this sordid affair and his intimate involvement in it.

As a member of the Restricted Interagency Group and close confidant of Lieutenant Colonel North, how could Abrams not know about the NSC's unprecedented intervention in domestic U.S. politics by helping to design and produce television advertisements in cooperation with Carl "Spitz" Channell? How could he have not been aware of the classified State Department contract to International Business Communications, Inc. that brought Contra leaders—registered foreign agents—to the United States to campaign against Members of Congress? This is the same company that was hired by Channell to conduct pro-Contra PR aimed at Members of Congress, and it was also involved in the secret transfer of funds to the Contras through other companies controlled by Lt. Col. Oliver North.

Mr. Speaker, a host of shadowy dealings and unanswered questions swirl around the Assistant Secretary of State for Latin America, who has tarnished America's reputation and damaged our national security interests. The American people deserve to hear the truth from him about the full range of his activities and involvement in the Iran-Contra scandal. So far, we've heard a lot of excuses by Mr. Abrams, such as his comment to the Tower Commission about Lieutenant Colonel North's activities that "I think most of us were careful not to ask a lot of questions, other than once in a while, to say is this all OK, is this stuff legal—once in a while."

Mr. Speaker, the record I intend to assemble will show that Assistant Secretary Abrams did a lot more than merely turn his head. Mr. Abrams deserves to be a principal focus of the joint House-Senate committee investigating the Iran-Contra scandal because the American people deserve a full accounting of the truth from him.

The Miami Herald article is as follows:

[From the Miami Herald, Mar. 27, 1987]

CONTRA BACKER OFFERED TO HELP MEXICANS, NOTES SHOW

(By Alfonso Chardy)

WASHINGTON.—A fund-raiser linked to Lt. Col. Oliver North told members of Mexico's conservative opposition party last August that President Reagan would help their election fight if the conservatives would endorse U.S. aid to the Nicaraguan contras, according to notes written by an employee of the fund-raiser.

The fund-raiser, Carl "Spitz" Channell, also tried to persuade National Action Party (PAN) representatives to make donations to the contras, offering them audiences with Reagan, according to the notes, which were written by Jane McLaughlin.

A person with access to the notes read them to The Herald Thursday.

"I think you would agree with me that you and your people do not have the closeness with President Reagan and the White House that you so richly deserve," the notes say in part. "If the president were to know that you and your people were actively supporting his policies in Nicaragua there is no doubt that he and the White House would be far more attentive to your plight in Mexico and far more inclined to acknowledge your fight for democracy.

"While President Reagan is still in office . . . it is very important that you and your people gain proper access to the White House. Your commitment to true democracy in Nicaragua is your ticket to such success," the notes say.

The PAN has not endorsed the contras, and nothing apparently came of the offer.

But the proposal to involve President Reagan in internal Mexican politics indicates the extent to which contra supporters were willing to go in seeking aid for their cause. Mexican officials are notoriously sensitive to suggestions that the United States is manipulating Mexican political events, and support for the PAN would certainly have been seen as a hostile act by the ruling Institutional Revolutionary Party (PRI).

It was not known whether Reagan or North were aware of the offer to the PAN representatives. Reagan had met Aug. 13 in Washington with Mexican President Miguel de la Madrid in what was billed as an effort to ease U.S.-Mexico tensions.

Administration and contra officials have acknowledged that Channell and North frequently collaborated on fund-raising and advertising campaigns on behalf of the contras. Several U.S. contributors to Channell's contra programs also have said that after donating or pledging to donate substantial sums they were granted audiences with Reagan.

A spokesman for Channell confirmed that Channell met Aug. 14 with Mexican conservatives at the Hay-Adams Hotel near the White House. But the spokesman said the meeting's only topic was a possible advertising campaign to pressure the Mexican government into supporting U.S. policy in Central America.

The spokesman described McLaughlin's notes as personal.

A White House official declined comment, citing ongoing investigations into North's activities.

Two Mexican conservatives who were in Washington at the time of the meeting, Alfredo Corella and Ricardo Villa Escalera, said they did not remember meeting Channell. They noted that the PAN, Mexico's most important opposition party, has never formally endorsed U.S. contra policy or sought to meet with Reagan.

The meeting between Channell and the PAN followers came when U.S. officials were upset by Mexico's championing of the Contadora peace initiative, which sponsored negotiations among Central American countries.

For their part, Mexican officials accused the United States of interfering in Mexico's internal affairs through harsh attacks by U.S. officials on topics ranging from drug smuggling to political corruption. By mid-1986, according to a Mexican official, the Mexican government had filed 14 diplomatic protest notes complaining of the attacks.

In February 1986, relations had reached such a state that U.S. officials warned Mexican officials visiting Washington that if they tried to speak to U.S. congressmen in favor of peace initiatives in Central America, the Reagan administration would feel free to lobby inside Mexico in favor of PAN, according to a well-placed Mexican official.

A State Department official, asked about the accuracy of that account, said "it's possible that it was said."

Relations have since improved, Mexican diplomats say. "We don't know if Oliver North was involved in the pressures against us, but since he left the U.S. government, we can feel a difference in the way the U.S. administration is dealing with us on Central America," one official said.

McLaughlin, who broke with Channell late last year after the Iran-contra scandal broke, declined to comment on her notes.

At the time of Channell's meeting with PAN officials, North was using Channell and several of his organizations, including the National Endowment for the Preservation of Liberty, the Anti-Terrorism American Committee and the American Conservative Trust, to raise money for a national television and newspaper advertising campaign aimed at marshaling public support for contra aid, rebel and U.S. officials have said.

Channell spokesman, Jared Cameron of the Washington public relations firm The Hannaford Co., said the discussion between Channell and the PAN followers involved a similar advertising project on Mexico and its relationship to U.S. national security and Central America.

"The meeting with the Mexican conservatives was based on Mr. Channell's interest in the security of the United States and interest in maintaining Mexico's security from Communist forces from Central America," Cameron said.

A source familiar with the Mexico project said that if the PAN campaign had been executed, the ads in Mexico would have carried this message: "You know about one Mexican earthquake, but not about the second earthquake." Pause. "Mexico is going Communist."

Administration officials say they did not know whether North had been involved in Channell's discussions with the PAN leaders. But they said U.S. officials had been interested in pressuring Mexico to change its Central American policy since Sept. 12, 1985, the day the Contadora countries presented a revised peace plan to the Central American nations.

In May 1986, Assistant Secretary of State Elliott Abrams appeared before a Senate subcommittee to denounce the Mexican government for corruption, drug trafficking and economic mismanagement.

After the hearings, a U.S. official based in Central America queried Abrams about the reason behind the public attacks.

"Elliott never said that pressuring the Mexicans was linked to Central America, but for Elliott, Nicaragua and the contras are the only issue," the official said. "I soon concluded that we were pressuring Mexico because of Nicaragua, not because we cared for any of the issues there."

A State Department official, however, said the chief goal was to voice U.S. concern about mounting Mexican problems such as corruption and drug trafficking.

OSCEOLA COUNTY, FL, CENTENNIAL CELEBRATION

HON. BILL NELSON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. NELSON of Florida. Mr. Speaker, it is my pleasure to bring to the attention of the Congress the May 1987 centennial celebration of Osceola County, FL.

Osceola County, in central Florida, will observe its 100th anniversary on May 12, 1987. Named after one of the most famous Indian leaders of our Nation, Osceola County embodies all aspects of life in Florida today—from agriculture to retirement living to business and industry.

Now a world tourism destination, Osceloa County is the home of the Florida State Air Fair and the Silver Spurs Rodeo.

It has drawn national attention by becoming the Florida home for the 1986 western division champions of the National Baseball League, the Houston Astros.

Osceola County has produced men and women in leadership roles in all walks of life throughout history and will surely continue to be on the leading edge of Florida's growth in the next 100 years.

It is my privilege and honor to represent the residents of Osceola County in the U.S. Congress and to take this opportunity to express my personal congratulations to the government officials, community leaders, and citizens of Osceola County on the occasion of the May 1987 centennial.

ST. JOSEPH'S COLLEGIATE INSTITUTE CELEBRATES ITS QUASIQUICENTENNIAL

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. LAFALCE. Mr. Speaker, I rise today to share with my fellow Members of Congress the accomplishments of St. Joseph's Collegiate Institute of Buffalo, NY, on this very important and special occasion of the school's quasiquicentennial.

One of the oldest and largest Catholic high schools for boys in western New York, St. Joseph's was established in 1861 by six Christian Brothers at the behest of Buffalo's first bishop, the Very Reverend John Timon. Starting with an enrollment of 280 students at the close of its first year, the student body has grown to include well over 800 young men today—making it one of the few private schools in our country to have a larger enrollment now than it did a decade or even two decades ago.

The increase in enrollment has not come at the expense of compromising the school's commitment to the high standards established by its founders. Nearly 100 percent of St. Joseph's graduates go on to pursue a college education. These bright young men routinely outperform their peers on standardized college entrance exams. Based on the school's rigorous academic curriculum, highly trained faculty, and outstanding academic achievements of its students, St. Joseph's recently was elected to become a member school of the college entrance examination board.

Not surprisingly, the school numbers a long list of distinguished alumni who have gone on to make a significant social, political, economic, and religious impact not only upon western New York but the rest of the country as well. The ranks of St. Joseph's alumni include such luminaries as the late Gen. William "Wild Bill" Donovan, founder of the U.S. Office of Strategic Services [OSS] during World War II; Eugene F. Jankowski, president of the CBS Broadcast Group; Donald Criqui, sportscaster for NBC television; and the Rev. James M. Demske, S.J., president of Canisius College in Buffalo, among many others.

To commemorate this auspicious anniversary, the school has planned a wide variety of special events throughout the year. Beginning with a ground-breaking ceremony for its new academic center last fall, St. Joseph's has developed a pictorial history of the school and will present an art show featuring the musical and artistic talents of both students and alumni. Also, May 7, 1987, has been designated "St. Joseph's Collegiate Institute Day" by the county executive and mayor of Buffalo in recognition of this institution's outstanding contributions to the education and development of young men during the past 125 years.

Mr. Speaker, St. Joseph's Collegiate Institute's strong commitment to quality and well-rounded secondary education for young men has made it, in the words of one school slogan, "More than just a school you go to * * * [it is] * * * a place you become part of." I am truly honored to have the privilege of representing in Congress this outstanding institution.

BAHA'IS EXECUTED BY IRAN

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. LEACH of Iowa. Mr. Speaker, it is with anguish that I have learned of the recent execution of three more Baha'is in Iran.

According to reliable reports, Mr. Surush Jabbari, a 42-year-old engineer and member of the Baha'i faith, and Mr. Abdul Qasem Shayeq, a 47-year-old former employee of the Government who is also a member of the Baha'i faith, were executed several days ago and their bodies buried without informing the families involved. These two executions follow the execution by firing squad of Mr. Ahmad Kaveh, a member of the Baha'i faith, in January following 2 years of imprisonment and prolonged torture.

These tragic executions stand as clear evidence of the consistent pattern of gross violations of human rights by Iranian authorities against the Baha'is. These policies are nothing less than a deliberate effort to intimidate, persecute, and destroy the members of a religious faith through the practice of genocide.

It is imperative that civilized members of the international community condemn such egregious offenses against humanity. In that regard, I would urge the Members of this body to join me in protesting in the strongest terms possible these executions and in putting the Iranian Government on notice that international law requires an accounting for crimes of genocide.

TRIBUTE TO TIM LEE CARTER

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. HORTON. Mr. Speaker, I want to join many of my friends and colleagues this afternoon in remembering Tim Lee Carter, a colleague of ours who passed away on March 27. Tim Lee, better known to the rest of us as "Dr. Carter," was, at the time, the only physician serving in the House. As such, he immediately became a leader in health-related issues.

But he will be recalled for many other things as well. The former Member from Kentucky gained national attention as the first Republican Congressman to seek an end to American involvement in the Vietnam war, back in 1966. In that same sentence, however, it must be said that never once did he turn his back on the soldiers involved in that conflict, refusing to end funding for weapons and other material.

Dr. Carter was a Kentuckian, born and raised in Tompkinsville, KY. He was graduated from Western Kentucky University in 1934 and, in 1937, earned a medical degree at the University of Tennessee. He immediately returned to his Kentucky home to practice his field.

As we in Congress begin serious deliberations on a catastrophic health plan, we should remember that it was Dr. Carter, 20 years ago, who urged consideration of such a plan. Though he never succeeded in convincing a majority of Congress that it was a national problem, his imprimatur is on virtually every piece of health legislation passed during his 16-year tenure.

Dr. Carter represented one of our Nation's poorest districts. He was a strong supporter of the Great Society programs offered by President Johnson, and worked toward better libraries and schools and supported public works projects such as water systems, roads, parks and airports.

I knew Tim Lee for 15 years as a Congressman, and many more after he retired. My wife Nancy and I want to express our condolences to his lovely wife Kathleen and the Carter family. All of us who had the pleasure of knowing Tim Lee will miss him greatly.

A TRIBUTE TO MRS. JANET NORFLEET

HON. GUS SAVAGE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. SAVAGE. Mr. Speaker, I rise today, and ask my colleagues to join me, in recognition of and to pay tribute to Mrs. Janet Norfleet. On today, April 8, 1987, Mrs. Norfleet will be publicly installed as the new general manager/postmaster of the Chicago Division of the U.S. Postal Service.

Mrs. Norfleet, upon assuming responsibility for three of the largest postal facilities in the country, truly exemplifies the American dream. She is the first woman, appointed to the position—and she happens to be black. She began her postal career 29 years ago as a substitute clerk, and worked her way up the ladder. That journey has been shared with—and no doubt in some instances made more bearable—by the love and support of her family. Her husband, Junious Norfleet, is a member of the renowned Norfleet Bros. Gospel Group. Their son Cedric and his wife recently presented the family's first grandchild.

Mrs. Norfleet's commitment to excellence is clearly evident by the goals set forth in a recent discussion of the new position.

> My job is to efficiently move the mail with the least amount of cost. I intend to beat the bottom line * * * when people see their letter carrier, I want them to be able to know what time it is without looking at a clock * * *.

A commitment such as this is unquestionably the result of many years of pride in oneself, a dedication to make things happen and a determined will—all guided by an unshakable faith.

To Mrs. Norfleet, our very best wishes for greatest success on this new leg of her faithful journey.

WARNING: EXPORTING CAN BE HAZARDOUS TO YOUR HEALTH

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. FRENZEL. Mr. Speaker, I offer the following article from the Journal of Commerce as an example of why the Foreign Affairs Committee's export control language in the trade package is so essential.

This kind of experience is far too common. While Customs was the main culprit in this case, the Defense Department has also played a major role in deterring U.S. exports of many low technology items that can be found in any drug store in the Eastern bloc. The Foreign Affairs language, championed by DON BONKER, does not go as far as I would have preferred on the DOD review issue, but it is a good step forward that should eliminate the type of problem addressed in the Journal of Commerce article.

The article follows:

MENTAL HAZARDS OF EXPORTING

(By Thomas H. Naylor)

Warning: Exporting can be hazardous to your mental health.

In response to the nation's staggering $170 billion 1986 trade deficit, President Reagan has embarked on a public relations campaign to promote international competitiveness. In the meantime the administration continues needlessly to harass small U.S. firms that export high-tech goods to the Soviet bloc, even though our trade deficit in electronics equipment soared last year.

Consider the case of Columbus Instruments, a tiny company located in Columbus, Ohio with annual sales of $1.7 million, which specializes in equipment used with animals in medical research laboratories.

On May 30, 1985, Dr. Jan Czekajewski, president of Columbus Instruments, shipped $228,000 worth of lab-animal research equipment to Helsinki, Finland, where the company's representative planned to take it to Moscow to be demonstrated in a scientific medical symposium. Included in the shipment were five 1984 Apple IIe computers, one Rockwell AIM-65 computer, and a clone of an IBM PC-XT made in Taiwan and sold under the trade name "Super Computer."

The total value of the computers was about $10,000 and none represented state-of-the-art technology. Given the relatively low level of sophistication of the computers and the fact that they were an integral part of the physiological equipment for animal studies, Dr. Czekajewski did not apply for an export license.

Two days later U.S. Customs agents, as part of the Reagan administration's vaunted Project Exodus to stop shipment of militarily strategic items to the Soviet bloc, seized the equipment at New York's Kennedy Airport. On June 3, 1985, eight U.S. Customs agents descended upon Columbus Instruments and searched the premises for over six hours, taking with them files pertaining to shipments to the Soviet Union and Eastern Europe.

Ten days later, they returned for a second day-long sweep accompanied by TV crews from the local television stations who had been alerted to the critical leak of militarily sensitive technology narrowly averted by the Customs Service.

The hysterical news reports that followed depicted Columbus Instruments as a high-tech conduit to the Soviet Union. One television news program showed a map of the world with a red arrow connecting Columbus, Ohio, to Moscow. The headline of a local newspaper read, "Illegal Shipments to Soviets Suspected."

One month later two Columbus Instruments officials were subpoenaed to appear before a federal grand jury, but the subpoena was canceled just prior to their appearance. On Oct. 5, 1985, the U.S. Commerce Department finally got around to decontrolling routine laboratory equipment that contained non-strategic microcomputers. All of the computers included in Columbus Instruments' original shipment were deregulated except the Super Computer, which remained under investigation.

At the request of Dr. Czekajewski, the Commerce Department's Enforcement Division called the Customs Service to advise them of the change in regulations and ask them to return the laboratory equipment to Columbus Instruments. The Customs Service refused to return the equipment claiming a criminal investigation of the company was under way. Shortly thereafter, the office manager of the company was again called by the grand jury, but this time was required to appear.

The case finally reached the Undersecretary of Commerce, whose office also tried to get customs to release the seized equipment. Customs once again refused, alleging that the equipment was involved in a criminal investigation. Eleven months after the fact, customs relented and returned six of the seven computers but retained the clone of the IBM PC-XT and a $50,000 rat respirator maintaining that the Super Computer could have military use to the Soviets.

Dr. Czekajewski then made a trip to Eastern Europe to conduct his own investigation of the availability of microcomputers in Poland, Finland and Bulgaria. To his surprise he found IBM PC-XT and AT computers to be readily available in Poland and that one could purchase microcomputers to be readily available in Poland from the local IBM office in Helsinki without any type of special license.

Recall that Helsinki was the original destination of Dr. Czekajewski's shipment. And when he reached Bulgaria, Dr. Czekajewski purchased a Bulgarian clone of the IBM PC-XT, which was virtually identical to his Super Computer. After bringing it back to the United States, Dr. Czekajewski wondered if he would need an export license to ship the Bulgarian computer back to Sophia?

Not only has his bout with the Reagan administration cost Dr. Czekajewski several hundred thousand dollars in legal fees, time, energy and lost sales, but nearly two years later he still does not have all of his equipment back. In addition, he is still the target of a grand jury investigation, even though no charges have ever been filed against him.

Twenty years ago Dr. Czekajewski fled Poland to escape the repressive shackles of communism. Today he stamps all of his correspondence with the inscription, "Warning! Exporting Can Be Hazardous to Your Health."

INTERNATIONAL DEBT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, April 8, into the CONGRESSIONAL RECORD:

INTERNATIONAL DEBT

International debt has grown at such a phenomenal rate over the last fifteen years that it has now reached crisis proportions. Since 1970, the amount owned by developing countries to Western nations and banks has increased from $67 billion to $1 trillion. Some third world debtor countries are now unable to meet their scheduled loan payments. My concern is that the crisis will only get worse before it gets better.

The current debt crisis generally dates from 1982, when Mexico announced that it could not meet its payments. Danger signals, however, were on the horizon much earlier. Heavy borrowing by developing countries during the mid-1970s to fund their needed oil imports or to promote economic development became difficult to repay because of a worldwide recession, a sharp rise in interest rates, and lower prices for their exports. By the 1980s some countries were paying half of their export earnings simply to pay the interest on their foreign debt. The result has been increased financial instability, decreased development, and lower standards of living.

The impact of this debt crisis is not confined to the third world, however. It affects all creditors nations, and particularly the U.S., the largest single lender to developing countries. The soundness of our banking system could be threatened if these foreign loans are not repaid on time. A bank default, though unlikely, would reverberate throughout the American economy. Further, with the banks' foreign loans at risk, they might try to raise their interest rates to cover any losses, fueling inflation here at home.

A more recognizable impact of the debt crisis has been an increase in the U.S. trade deficit. Because some debtor nations have had to reduce their imports to save scarce foreign exchange revenue, U.S. trade, particularly to Latin America, has suffered greatly. Between 1981 and 1983, steel and motor vehicle exports dropped 50%; construction equipment, 80%; and farm machinery, 86%. By one estimate, 400,000 Americans have lost their jobs with the decline in exports, and another 400,000 new jobs have not been created.

Yet a third impact of the debt crisis at home has been its effect on U.S. political goals in the third world. Many of the leading debtor nations, such as Mexico, Brazil, Argentina, Venezuela, Peru, and the Philippines, are not only important allies of the United States, they are fledgling democracies which the U.S. has encouraged. Tough internal reforms have put considerable economic and political stress on these nations.

Efforts to deal with the debt crisis have been piecemeal at best. The creditor nations and the banks have usually adopted stopgap debt rescheduling measures to avoid defaults, as in the case of Mexico and Argentina. Several debtor nations have adopted unilateral strategies, such as limiting their repayments to a percentage of export earnings (10% in the case of Peru) or temporarily halting further repayments (as in the case of Brazil). None of these actions reflects a coordinated policy approach, and none is likely to resolve the debt crisis.

In 1985, the Reagan Administration proposed a three-year strategy for addressing the debt crisis. The "Baker Plan" (after Treasury Secretary James Baker) called for increased lending of $9 billion by the international financial institutions and $20 billion by commercial banks for fifteen heavily-indebted nations. The advantage of the plan is that it reorients the goal toward growth rather than austerity. Its essence is a bargain that debtor countries will make reforms to speed up the growth of their economies and that lenders will continue to make loans to help them. Yet doubts have arisen about the Baker Plan being too little and too late. Voluntary new lending has largely come to a halt. Creditors have been fearful of loaning more funds without the assurance of repayment, and debtor nations have been reluctant to assume the political risk of more loans.

Because of this stalemate in providing new loans to debtor countries, several proposals have been offered in the Congress which would provide some relief from the existing level of debt. One plan proposes an interest rate reduction of 3% and a cancellation of 3% of principal on outstanding loans to heavily indebted countries on condition that they undertake economic reforms. Another plan offers banks regulatory incentives for pursuing various debt relief options, such as forgiving some of the debt, stretching out interest repayments, or engaging in debt-equity swaps (a strategy where a third party would buy a portion of a country's debt at a discount). Yet another plan would establish an international debt management facility to help countries reschedule or refinance a portion of their debt.

I am not enamored of the plans requiring debt relief. Passing laws will likely not help very much. Although banks should shoulder some responsibility for resolving the debt crisis, a law forcing them to forgive past debts could discourage bankers to lend money again. The problem is not just managing the past debts but also ensuring a reliable stream of new capital into these countries in the future.

I suspect that the debt problem will be solved by some combination of negotiated settlement between the debtors and the creditors, as well as unilateral action by the developing countries. While I doubt that full debt service is possible, new and comprehensive approaches will have to be found to stretch out the debt and to provide new financial resources to the developing countries, probably through international financial institutions. There is no chance of bringing the debt problem under control unless the Latin American debtors are willing to do their part to spur growth by major economic reforms.

The debt problem is not only an economic problem, it has turned into the dominant political issue in Latin America. At stake is the nature of the relationship of developed to developing countries and the vitality of U.S. ties to Latin America at a time when democratic governments in the region are struggling to improve the lives of their people.

BATAAN-CORREGIDOR DAY: A TRIBUTE TO FIL-AMERICAN FRIENDSHIP

HON. BEN BLAZ

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. BLAZ. Mr. Speaker, on April 9 we commemorate the 45th anniversary of perhaps the most significant event in the history of our relations with the people of the Philippines.

Almost half a century ago, on that day in 1942, Filipinos and Americans ended one of the most heroic defenses in the annals of warfare and began a long, tragic, and tortured march into history.

In marking Bataan-Corregidor Day, we are recalling that moment in time and space when the Bataan Peninsula, the center of Fil-American resistance, was overrun by Japanese invaders. Many defenders fought on in the tunnels of Corregidor, but many other Filipino and American soldiers and sailors were forced into the infamous Bataan death march to prison camps.

The brave men and women on the island fortress Corregidor valiantly continued the fight for another month, denying the enemy full use of vital Manila Bay and winning valuable time for other Allied forces to regroup.

For the thousands of Bataan-Corregidor veterans in the Philippines, Guam, and the United States mainland, this day will live forever in their memory as a symbol of unity, resistance, and hope. For the younger generations of Americans and Filipinos, this day also has special meaning. It should, it must, symbolize the enduring bonds of trust and friendship between our two nations.

The blood bond created by those battles and combined epic resistance have undergirded Philippine-American relations over the past four decades. Those relations have been strained and severely tested on many occasions. They have been whipped by cold war winds and torn by the hot blasts of international conflict.

But through it all Filipinos and Americans have maintained that precious wartime bond of mutual respect and admiration. America has no stauncher ally in Southeast Asia than the Philippines. And Filipinos have no truer friend than America.

As a man of the Pacific as well as one who devoted his life to the defense of our Nation, I urge all Americans and all Filipinos to nurture these bonds of comradeship, of mutual respect and friendship.

WOMEN IN DEVELOPMENT

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. DORGAN of North Dakota. Mr. Speaker, in all the debates on foreign aid and development, we have frequently overlooked a key element: the role of women.

Women in developing countries determine, to a large extent, the success of child survival programs—something which has enjoyed the enthusiastic support of Congress.

Women work as long as 17-hour days, yet are often overlooked in market analyses and job development plans.

Women play a crucial role in food production. In Africa, as much as 80 percent of food crops are raised by women.

Despite the significant or dominant role of women in development, they are often denied access to credit, extension services, and professional development jobs. Women are almost invisible at the management and professional levels of the World Bank, the U.N. Secretariat, and the U.S. Agency for International Development.

These facts were highlighted this morning in a hearing before the Select Committee on Hunger. Some of the witnesses also suggested ways to change the current situation by increasing the role of women in development. One hopeful sign is innovative approaches taken by the International Fund for Agricultural Development, which has set the pace in so many areas of creative development and food production.

Other resourceful ideas came from an article, "The Neglected Resource," by Kristin Helmore and testimony by Dr. Irene Tinker, founder of the International Center for Research on Women. I include for my colleague's information the article and excerpts from Tinker's CARE brief, "Feminizing Development—for Growth With Equity."

[The article and CARE brief follow:]

THE NEGLECTED RESOURCE—WOMEN IN THE DEVELOPING WORLD

(By Kristin Helmore)

The vast majority of the 3½ billion people who live in the world's poorest countries lead lives of grinding poverty; unrelenting toll, and ignorance.

And those who are the poorest, who toil the hardest, and are the most uneducated, are women.

It was once assumed that development efforts aimed at people in general would automatically benefit everyone, male and female. Not so. For a variety of reasons—women's inferior status, their relative invisibility in national economic reckonings, their traditionally small voice in decisionmaking—women were virtually left out of the development process in many countries.

In fact, as three months' travel on three continents by this correspondent makes plain, the lot of most women in the developing world has worsened as populations have grown; as technology and training have been awarded to men; as farmland has been increasingly taken over for cash crops; and as natural resources have been depleted.

Women account for two-thirds of the world's work hours. They produce 60 to 80 percent of the food in Africa and Asia, 40 percent in Latin America. Yet they officially constitute only one-third of the world's labor force, receive only 10 percent of its income, and own less than one percent of its property. The work women do in the home and on the farm is never calculated into the gross national product of any country. Women's unpaid contributions to their nations' economies are largely overlooked.

The gap between women's work and their rewards is greatest in the developing world. As populations have exploded (mainly because of a decline in infant mortality), women's burdens have increased and their health has deteriorated.

Most of the women in the developing world spend all their childbearing years either pregnant or nursing children. Largely because of male urban migration, women end up heading at least 17 percent of households in the developing world—30 percent or more in some rural areas.

Still, depletion of the land has meant that millions of women are fleeing to the cities and crowding into often primitive slums. Conditions there are even harder than in the countryside. Teen-age pregnancy and prostitution are rife. Violence against women is on the rise.

Back on the land, deforestation, poor land management, and an emphasis on cash crops (known in East Africa as "men's crops") have shrunk the arable acreage available to the developing world's food producers, most of whom are women. At the same time, the decay of the environment has forced women to send more hours each day often walking greater and greater distance, to find water and firewood for their families.

By keeping food prices low, government policies in many developing countries have sacrificed the welfare of rural peasants—most of whom are women—to appease the growing, more politically focused demands of city dwellers.

These policies have encouraged cash crops in a desperate attempt to generate hard currency and pay off national debts. In many areas, local wars, or drought and famine, have relegated large numbers of women and children to the crowded and dehumanizing conditions of refugee camps.

As if all this were not enough, a breakdown in the pattern of traditional marriage has left many women with children to fend for themselves. Alcoholism, mainly among men, and the domestic violence that result from it have become major problems in many societies.

And while the world economic crunch has meant that few families are able to survive on only one income, women often have neither the training nor the freedom from family responsibilities to enable them to find gainful employment.

All of these pressures, and their often disastrous consequences, finally awakened development experts about a decade ago to the urgent need to lighten the burdens of women in the developing world. Agencies as large as the United Nations Development Program and as small as local groups of volunteers began to design programs that specifically address the needs of women.

Today, spurred on by the UN Decade for Women (1975-85), an increasing awareness has begun to dawn that the living standards of whole populations cannot improve until all their members begin to enjoy an equal share of freedoms, opportunities, and recognition. Women are beginning to be seen as a resource that which no nation can afford to waste.

In many countries, development specialists have even come to feel that the key to progress for all may lie in lightening the burdens and unleashing the potential of women.

Julius Nyerere, the just-retired President of Tanzania, summed up the problem succinctly: "A person does not walk very far or very fast on one leg. How can we expect half the people to be able to develop a nation? Yet the reality is that women are usually left aside when development needs are discussed."

The prospects, however, may be brightening.

So says Margaret Snyder, chief of UNIFEM (the United Nations Development Fund for Women), an agency that was established during the UN Decade for Women and given permanent status last July at the conference in Nairobi, Kenya, which marked the end of the decade.

"Planners have begun to realize," Ms. Snyder says, "that women in low-income societies throughout the world are not just exhausted mothers of malnourished children—not simply the victims of crisis. They are the providers of food, fuel, water, and often of the whole family income—the sustainers and developers of their families, communities, and countries.

"Thus the fate of women is critical determinant of the fate of whole societies."

FEMINIZING DEVELOPMENT—FOR GROWTH WITH EQUITY

(By Irene Tinker)

Before the mid-1970s, development policy makers, analysts, and practitioners tended to downplay or ignore the contributions of women to economic development. Projects for women were predominantly conceived as welfare efforts to provide health services and food to children; women themselves were viewed as objects of development, as passive recipients of largess. Today, the importance of women's work and decisionmaking to family survival in countries at all levels of development is thoroughly documented and more widely acknowleged. Research has focused on women's economic activities, making visible the largely invisable work they do to support their families and themselves. Women's community and political roles are increasingly being recognized and studied. In many countries, women are learning to see these systematically gathered facts to apply political pressure for change. In national as international economic development agencies, the new information has led to considerable questioning of the assumptions that development planners previously made about contribution to production and economic development.

The United Nation's designation of 1975 as International Women's Year prompted a world wide upswelling of women's organizational and networks. The energy and support emanating from these activities has changed the way that women around the world are viewed and view themselves. What started as International Women's Year expanded into a Decade for Women, punctuated by three world conferences: in Mexico City in 1975, Copenhagen in 1980, and Nairobi in 1985. In every country, preparations for these event and the surrounding publicity brought unprecedented focus on women's issues.

But while understanding of women's multifaceted roles has a a result increased exponentially, the transition of the new knowledge into action is just beginning. At the same time, however, the pace of change is stymied by the global financial crises of the 1980s—and the policies chosen to combat them. Recession, inflation, high interest rates, debt repayment obligations, austerity policies, and limited export earnings are taking their toll. They have severely curtailed investment in people, which is the backbone of more equitable stategies of economic growth. Crisis management of national budgets has not been conducive to socially innovative approaches to growth.

While most development specialists are now more aware of women's roles in economic production, they have not injected this new awareness into the problem-solving techniques of their professional disciplines or into the design of action strategies. Programs aiming to meet the food crisis in Africa illustrate this troubling lag. It is now a well-known fact that women grow as much as 90 per cent of the food in countries south of the Sahara. Efforts to achieve food self-sufficiency cannot succeed without reaching women farmers. Nevertheless, virtually all of the existing food assistance programs for the region—whether crisis-related or long-range—fail to make this reality the central point of solutions.

A major challenge facing development policy makers and practitioners is to reverse one of the most negative aspects of both planned and unplanned development: the feminization of poverty. Growing family instability—attributable to many causes, but further strained by economic factors—has led to a burgeoning of woman-headed households. Gender disparities in income-earning possibilities make these households universally the poorest, as cash-earning opportunities for women are even more restricted than for men, and everywhere women as a group earn less than men. The social impact of these continuing trends has become startlingly apparent even in the developed world, including the United States. In developing countries, vast numbers of women struggling to support themselves and their families are in especially acute need of training, credit, and other forms of assistance to increase their ability to earn income.

WHAT IS WORKING—AND MUST WORK BETTER

Recognizing the realities of poor women's lives in the developing countries is the first step in designing projects that can both reach these women and help them to increase their control over the returns from their work.

Breaking the cycle of drudgery is the place to start. When a woman fills a twelve-hour day with work essential to survival, the only way to free her up to do something new—attend a training session, implement new farming methods—is to reduce the time she spends carrying out her farming tasks, or fetching water, or preparing or preserving food. Successful projects have taken this factor into account in a number of creative ways.

Gathering water and firewood consumes significant amounts of women's time throughout the developing world. Small-scale projects have helped lessen this burden. For example, cisterns designed to catch water from new tin roofs save Kenyan women hundreds of hours a year. In many countries, development assistance programs have provided village women with both wells and training in their upkeep. Fast-growing tree species and truly adaptive cookstoves that burn twigs and leaves rather than firewood are reducing the time women spend collecting fuel. And the introduction of village biogas digesters that convert animal and agricultural wastes into methane gas and fertilizer has significantly reduced women's work, the gas is used both to provide cooking fuel and to pump water from deep wells.

Small diesel-powered mills can reduce the time that women spend pounding and grinding grain—though not without some negative impact on the cash earnings or diet of the poorest, since payment for the milling is usually made with part of the crop, which can reduce very poor families' food intake. Landless women and families can be even more hurt by the introduction of such mills, since hand-pounding is an important source of income for women in this group. However, the reduction in drudgery clearly does benefit these women if they can gain access to alternative sources of income.

Successful income-producing projects generally share two characteristics: a well-functioning organization and access to credit. How the organization is formed and how the credit is provided are processes that have evolved considerably on the basis of important lessons learned. Any women's organization provides a window on the world outside the village—a vision of new possibilities, an understanding of new technologies. But it is essential that the middle-class women who often help form such groups avoid the myths enumerated earlier. It is equally important that outsiders understand the economic, social, and political strata in villages. Otherwise, an all-village cooperative, for example, will be dominated by women from the local elite—and any project they undertake as a group will benefit the "haves" more than the "have-nots." Group-sponsored projects that allow individual women *new* employment opportunities have been much praised. Such projects range from tree nurseries in Korea and Sudan to a truck service in Kenya, and from reforestation projects on Ecuador to a waste-recycling plant in Mexico.

The most successful groups generally are small and made up of women of similar socio-economic background. Such "affinity" groups avoid the social stratification in villages and the legal complexities of running cooperatives. Their primary purpose is to provide credit. Because they are based on traditional revolving credit groups—in which every member puts in a weekly amount and then, in turn, receives the total collected—these new schemes are quickly understood. No one else in the group may borrow until the first woman has repaid her loan. The result of such social pressure is a payback rate of close to 100 per cent. Experience also shows women to be better credit risks than men.

The skill with which members of such groups invest their loans has been very impressive. Small-scale investments may include the purchase of a goat or rabbits to breed, a mill for pounding grain, or the equipment and material needed to start a catering service, make tortillas or sweet biscuits, or sew school or army uniforms.

TEXAS SOUTHERN UNIVERSITY DEBATE TEAM

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. LELAND. Mr. Speaker, my alma mater Texas Southern University is home to one of the Nation's leading debate teams. Led by Dr. Thomas Freeman, the team has established itself not only as a national power, but as an integral part of the campus, too.

Since 1949 the distinguished philosophy professor has coached the team to national prominence. Already this year the team has claimed 62 trophies, continuing their record of going to the finals and placing in every tournament they have entered in the last 5 years. This year the team has been invited to the national finals in Minnesota.

The influence of the debate team and Dr. Freeman at Texas Southern University is perhaps best illustrated by the wide variety of students who try out for positions on the team. The current team consists of 30 hard-working individuals, including their coach, and is composed of a wide variety of students from drama majors to biology majors and band students. The added interest in the debate team around the Texas Southern University campus is perhaps due to the success and the excitement that accompanies a winning program.

Each year the team hosts the Barbara Jordan Invitational Forensic Tournament, named after a past Texas Southern University debate team member and the former Congresswoman from my own district. The second event the team hosts is in honor of the man who brought debate to Texas Southern University, the T.F. Freeman Intramural Classic.

The Texas Southern University debate team is a study in success. The team, along with the rest of the university, takes great pride in a program that has become nationally known under the direction of Dr. Thomas Freeman.

I commend to my colleagues the following article.

[From The Houston Chronicle, Mar. 8, 1987]

TEXAS SOUTHERN DEBATE TEAM POWERED BY ENERGETIC PROFESSOR

(By Vivienne Heines)

Dr. Thomas F. Freeman races down the hall at Texas Southern University, going way over the human speed limit. Debate team member Sandra Carpenter, 20, laughs at the sight of a visitor trying unsuccessfully to catch up.

"You've got to run to keep up with Dr. Freeman!" she called out.

As the debate team coach, Freeman's energy seems all-encompassing. he exhorts his students one minute, shouts encouragement the next, swinging his arms and fists in demonstrated oratory—and then attributes the team's success to the energy and enthusiasm of his young students.

"They thrive in the midst of competition," Freeman said."They compete with themselves. They're trying to outdo each other and that makes them do well against other teams."

And they have done well—they've netted 62 trophies so far this year, qualified for the national championship finals and maintained the team's record of going to the finals and placing in every tournament they've entered in the last five years.

The TSU team belongs to the American Forensic Association and the National Forensic Association. The team regularly participates in major tournaments throughout the nation.

This weekend, the debate team is hosting the Barbara Jordan Invitational Forensic Tournament. Former Congresswoman Jordan, a TSU and debate team alumna, is one of Freeman's earliest successes. He says she was once the only girl on the team.

"At tournaments, I only had her give the opening speech because she couldn't think on her feet at first," Freeman said. "Of course, she later came to do very well at that."

Other former debaters include City Councilman Rodney Ellis; TSU Administrator Otis King, a former city attorney, Judge Andrew Jefferson; Dr. James Race; and a variety of campus leaders in student government.

In addition to the Jordan tournament held on campus, the debate team also hosts the T.F. Freeman Intramural Classic each fall.

Freeman, a philosophy professor at TSU, was persuaded to start a team in 1949 after he assigned his logic students to do a debate. He's been coaching TSU's debate team ever since.

During a practice session, Freeman admonishes his students to move, feel and live their lines. As five female team members do a dramatic persentation titled *No Suicide for Us*, which Freeman compiled from the writings of Ntozake Shange, his sharp, focused energy is directed at each in turn—Carpenter, Veronica Jackson, 20, Angela Smith, 23, Dale Harrison, 22, and Alice Gatling, 21.

"What if I am a woman? Is it a disease? If it is, then I hope it's catching," one recited.

Freeman claps his hands, snapping his fingers. "Honey, come on out, come on," he said.

He quiets briefly, only nodding in approval as they move through their piece. "Conversation, conversation," he called out during a lull.

Moments later, he sternly rebukes a young man about not having his glasses with him. His moods are as quick-changing as the weather—and as short-lived as a summer shower.

"Am I too tough on them? Oh no. They know underneath that I don't mean it and sometimes they need me to be tough, to stimulate them, to motivate them," he said.

Although debaters have the traditional image of being podium-pounders who take turns lambasting each other's position on an issue, the forensic umbrella includes a lot more variety today. Debate, Freeman says, has expanded beyond formalized platform debate.

"It involves all of the speech arts—poetry, prose interpretation, impromptu speaking, oratory, entertainment, newscasting, sales presentations, argument and dramatic interpretation," he said.

In his years with the debate team, Freeman says he's seen several changes in the program. Today, much of the research work is already done for debaters—booklets are published with briefs used for argument.

"It doesn't call for as much depth of thought as it used to," he said.

In addition, the format of debating has become much more creative.

"The style has changed . . . it's more freestyle and, of course, that's a result of our living more freestyle," he said. "Before there was a concern with substance, content—now it's more the presentation."

The debate team attracts a wide array of student interests. Among the team's 30 members, there are biology majors, drama buffs and a flag twirler. One former debater, Gloria Roberts, serves as assistant coach.

"The only requirements are the interest of the students and the concern for their own development. And they must be able to make sacrifices to attend the practices," he said. The team practices every Wednesday night and Freeman also coaches students on an individual basis, often at his home until late at night.

His only woe is money—currently, the team is trying to raise enough funds to attend the National Finals at Mankato State in Minnesota April 24-27.

Happily, however, Freeman sees increased interest in debate among students. He says that's partly due to the excitement and success of the program in recent years and partly due to the wide-ranging benefits of being on the team.

"One girl told me that for the first time in her life, she felt like she really belonged," Freeman said. "It's a big family actually, and I think that's what attracts them."

Freeman's own love of debate must be a big draw, too. The son of a produce merchant in Virginia, he was one of 15 children. In addition to his philosophy duties at TSU, he also serves as a lecturer in the religion department at Rice University and as a minister for the Mount Horem Baptist Church in Houston.

He encourages students to create their own material for the debate tournaments and is boyishly pleased when he's complimented about his own work in one of the pieces.

"A part of the success of the team is the material is quality material and it does say something," he said. "We try to get hold of the best materials that will appeal to everyone."

Team member Byron Sweat, who writes some of the material used by the team, will publish a book of poetry soon, Freeman says.

LITHUANIAN INDEPENDENCE

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Ms. OAKAR. Mr. Speaker, in the press of international concern over the struggle for freedom in our own hemisphere, I would urge us to pause a moment to commemorate the anniversary of an enduring fight for freedom in an area that does not receive daily headlines. February 16 marks the proud anniversary of Lithuanian independence. We cannot forget the glorious declaration of the Lithuanian National Council restoring freedom to this Baltic State so long oppressed by its brutal neighbor.

The Lithuanian people proclaimed their will to be free and self-governing on that day in 1918. And they proceeded to build their social and economic future on the principles of liberty and cultural heritage.

That spark of freedom brought suppression from Lithuania's neighbors culminating in the Russian occupation in 1944. The Russians advanced their colonization through mass deportations, denial of human rights, and severe economic exploitation.

The Lithuanian people fought for their right to liberty and to their credit they continue to fight the Russification of their heritage. The alien Soviet system imposed on Latvia, Estonia, and Lithuania cannot erase the spark these Baltic peoples carry in their hearts. The cause of freedom is being passed to a new generation of Lithuanians just as it is being fought for so strongly throughout the world.

I am honored to speak out on this anniversary of the Lithuanian struggle. I again urge this administration to implement a policy that will encourage Lithuanian aspirations—and the hopes of all the captive nations—for a future of freedom and self-determination. As the commercial ties between the United States and the Soviet Union intensify, our pressure for human rights in the Soviet Union and freedom for the Baltic States must also intensify. For these peoples aspire to no more than is their right: Encouragement of family ties; preservation of cultural history; and the liberty to pursue their own paths.

And that is, after all, the American heritage as well.

A BILL TO ESTABLISH A NATIONAL ADVISORY PANEL ON AIDS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. WEISS. Mr. Speaker, the AIDS epidemic continues to grow at an alarming rate. As of April 1, over 33,000 American men, women, and children have been stricken down with this terrible disease. Up to 2 million other Americans may presently be infected with the human immunodeficiency virus. In 1991 alone, it is estimated that 74,000 new cases of AIDS will be diagnosed. With no cure or vaccine in sight, AIDS has caused and will continue to cause immense suffering in its victims and their families and friends.

In addition to the pain and the loss of life, the AIDS epidemic brings with it a host of issues which must be solved; these issues involve medicine, research, pharmacology, health care, psychology, education, ethics, law, economics, finance, politics, and intergovernmental and international relations. Some of the problems and programs must be solved and put into place immediately. Decision and policymakers are posed with complex biomedical issues which must be acted on.

For example, in the first 3 months of 1987, the judicial, executive, and legislative branches of the Federal Government have confronted and made decisions on a variety of AIDS issues. Among them are the School Board of Nassau County versus Arline. In February, public health experts from around the country met at the Centers for Disease Control in Atlanta to debate whether to institute mandatory testing for the AIDS virus in hospitals, sexually-transmitted disease clinics, and for marriage licenses. The approval of AZT in March has raised financial questions of how patients, insurance companies, and/or the Federal and State governments will pay for an expensive drug for AIDS. The publication of the Public Health Service's "Information/Education Plan to Prevent and Control AIDS in the United States" in March continues the debate on whether or not sex education should include a moral component.

These are just a few examples of the questions and controversies which must be solved as we fight the AIDS epidemic, and try to insure that AIDS patients are treated with effective measures and compassion, and the general public is educated. In the future there will be other complex issues.

Informed answers, equitable decisions, and effective programs must be based on current scientific data and information from unbiased experts. Congress and the President need a source of readily available information and recommendations from experts outside the political and business arena.

Mr. Speaker, I propose that a panel of experts be established to make recommendations and advise Congress, the President, and the Secretary of Health and Human Services about the major issues which will confront us during the AIDS epidemic. This panel would be composed of research and public health scientists and physicians, and legal and ethical experts. These advisors would come from outside the Federal Government.

The bill I am introducing amends the Public Health Service Act by adding a section to establish a national advisory panel on AIDS. This bill is similar to legislation introduced in the other body by the distinguished junior Senator from California [Mr. WILSON]. The Secretary of Health and Human Services would make grants for the development, establishment, and operation of a national advisory panel on AIDS. The Institute of Medicine of the National Academy of Sciences would be asked first to submit an application. If the Institute submits an acceptable application, it would be awarded the grant. If not, the Secretary would turn to other nonprofit private entities.

The duties of the advisory panel would include identifying and studying crucial issues, preparing timely reports, and making recommendations on the major AIDS issues, such as: First, policies and programs to reduce the spread of AIDS: second, planning for health care, public health, and research; third, disease surveillance; fourth, prevention and treatment; fifth, health services; sixth, Federal, State, and local efforts to combat AIDS; seventh, intergovernmental relations; eighth, legal and ethical issues; ninth, problems of the individual AIDS patient; tenth, civil rights; eleventh, the effects of AIDS on the Armed Forces; twelfth, educational efforts; thirteenth, financial resources; fourteenth, international efforts; and so forth.

The advisory panel would consist of members who do not belong to the funded institution. There may be subpanels or working groups of the advisory panel. The funded institution would made a list of issues to be studied, which would be written up in reports to be submitted to the Secretary of Health and Human Services, and subsequently to the President and each Member and appropriate committee of the Congress.

The national advisory panel would be authorized for 5 years at $3 million per year.

The Institute of Medicine of the National Academy of Sciences was selected as the first institution to be approached for the grant on the basis of the excellent job it did in independently setting up their own committee on a national strategy for AIDS during 1986. In 6½ months of work, a steering committee of 11 physicians and scientists, a health care and public health panel of 11, a research panel of 12, an epidemiology working group, and a support staff produced the excellent policy and planning volume, "Confronting AIDS, Directions for Public Health, Health Care, and Research." This book is the most significant and comprehensive guide on AIDS policy to be compiled thus far. It is referred to constantly by decisionmakers and planners alike. There is no doubt that the Institute of Medicine of the National Academy of Sciences should be approached first to operate the national advisory panel on AIDS.

Congress and the President need the information, advice, and recommendations of such an esteemed and Olympian panel if we are to make sound, objective, and cost-effective decisions and win the war against AIDS.

I strongly urge my colleagues to join me in cosponsoring this important legislation. The text of the bill follows:

H.R. 2021

A bill to require the Secretary of Health and Human Services to make grants for the development, establishment, and operation of a National advisory panel on acquired immune deficiency syndrome

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Advisory Panel on Acquired Immune Deficiency Syndrome Act of 1987".

GRANTS FOR THE ESTABLISHMENT OF THE PANEL

SEC. 2. Part B of title III of the Public Health Service Act is amended by inserting after section 314 the following new section:

"GRANTS FOR A NATIONAL ADVISORY PANEL ON ACQUIRED IMMUNE DEFICIENCY SYNDROME

SEC. 315. (a) In accordance with this section, the Secretary shall make grants for the development, establishment, and operation of a National advisory panel on acquired immune deficiency syndrome (hereafter in this section referred to as the 'advisory panel').

"(b)(1) The Secretary shall make a grant under subsection (a) for the development and establishment of the advisory panel, and grants for the operation of the advisory panel. The Secretary shall request the Institute of Medicine of the National Academy of Sciences to submit an application for a grant for the development and establishment of the advisory panel, and to submit applications for grants for the operation of the advisory panel. If the Institute submits an acceptable application for a grant, the Secretary shall make such grant to the Institute. If the Institute does not submit an acceptable application for a grant, the Secretary shall request one or more appropriate nonprofit private entities to submit an application for such grant and shall make the grant to the entity which submits the best acceptable application.

"(2) The Secretary shall make a grant for the development and establishment of the advisory panel within 45 days after the date of enactment of this Act, and shall require the recipient of the grant to establish the advisory panel within 45 days after receiving such grant.

"(c) The advisory panel shall—

"(1) advise the Congress and the President on policies and programs designed to reduce the incidence of acquired immune deficiency syndrome and to address problems encountered by individuals having such syndrome;

"(2) make recommendations for altering the direction and intensity of health care services, public health activities, and research efforts as problems evolve relating to acquired immune deficiency syndrome;

"(3) monitor the progression of acquired immune deficiency syndrome among the general population and among specific risk groups;

"(4) evaluate research activities relating to the prevention and treatment of acquired immune deficiency syndrome;

"(5) evaluate health services provided to individuals with acquired immune deficiency syndrome;

"(6) analyze the efforts of Federal, State, and local public agencies to combat acquired immune deficiency syndrome;

"(7) evaluate—

"(A) current efforts between and within different geographic regions of the United States to coordinate, and share information concerning, research activities and health services relating to acquired immune deficiency syndrome, including an evaluation of administrative arrangements to facilitate such coordination and sharing of information; and

"(B) the need to improve such coordination and sharing of information, including the provision of funding for, and the establishment of administrative arrangements to facilitate, such coordination and sharing;

"(8) study legal and ethical issues relating to acquired immune deficiency syndrome;

"(9) study the problems encountered by individuals having acquired immune deficiency syndrome in—

"(A) obtaining and maintaining employment;

"(B) participating in public and private educational systems;

"(C) obtaining housing; and

"(D) obtaining and retaining insurance;

"(10) study potential violations of the civil rights of individuals having acquired immune deficiency syndrome, including possible violations of rights of privacy and confidentiality;

"(11) study the effect that acquired immune deficiency syndrome has had on the armed forces, including the effect on the recruitment and retention of personnel;

"(12) evaluate efforts by educational institutions and other public and private entities to provide education and information concerning acquired immune deficiency syndrome;

"(13) identify public and private financial resources available to—

"(A) prevent and treat acquired immune deficiency syndrome;

"(B) provide education and information concerning such syndrome; and

"(C) provide assistance to individuals having such syndrome;

"(14) encourage Federal, State, and local agencies, philanthropic organizations, businesses, labor organizations, print and broadcast media, academic institutions, and other public and private entities to participate to the maximum extent feasible in activities to prevent and treat acquired immune deficiency syndrome and to provide assistance to individuals having such syndrome; and

"(15) encourage Federal agencies and other appropriate public and private entities to participate in international efforts relating to acquired immune deficiency syndrome.

"(d)(1) In order to qualify for a grant under this section to develop, establish, or operate the advisory panel, the applicant must, in any application required under subsection (e)—

"(A) provide assurances that the advisory panel, and any subpanel or working group of the advisory panel, will include members who are not officers or employees of the applicant;

"(B) provide assurances that there will be a chairman of the advisory panel, and that such other personnel as may be necessary will be employed to provide staff support for the advisory panel;

"(C) certify that the applicant will submit to the Secretary, within 30 days after receiving a grant for a fiscal year, a list of the matters to be studied by the advisory panel in such fiscal year; and

"(D) certify that the advisory panel will submit to the Secretary a report on each matter studied by the advisory panel.

"(2) The Secretary shall provide for timely transmittal of a copy of each list submitted under paragraph (1)(D) and each report submitted under paragraph (1)(E) to the President and to each member, and appropriate committee of the Congress.

"(e) No grant may be made under this section unless an application is submitted to the Secretary in such form and containing the matters described in subsection (d)(1) and such other information as the Secretary shall prescribe.

"(f) To carry out this section, there are authorized to be appropriated $3,000,000 for each of the fiscal years 1988, 1989, 1990, 1991, and 1992.".

WORLD POPULATION AWARENESS WEEK

HON. ALBERT G. BUSTAMANTE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. BUSTAMANTE. Mr. Speaker, the need to control the world's population growth is evident. The world is growing by 87 million people every year, the vast majority of whom will be born into poverty in the developing world. While the challenge of curbing population growth is great, it is one we cannot ignore.

An important step toward meeting that challenge is creating a broader understanding of the issue among the American public and their Government. To that end, I am proud that my own State of Texas has joined with more than 30 others in proclaiming the week of April 20–25 as World Population Awareness Week.

Texans will mark the week in conferences and forums at Galveston College, Navarro College, Austin College, Pan American College, Austin Community College, and a number of other sites. Similar events to be held that week across the country give World Population Awareness Week a national significance. To recognize that fact, I am pleased to have joined with my colleagues from Texas, Senator LLOYD BENTSEN, in supporting House Joint Resolution 148 and Senate Joint Resolution 69 to grant World Population Awareness Week official national designation.

I also ask that Gov. Bill Clements' resolution be printed in the RECORD.

OFFICIAL MEMORANDUM

During the week of April 20 through April 25, the State of Texas will observe World Population Awareness Week.

Texas—a state whose heritage has given each of us a unique spirit that is recognized around the world—is sensitive to the recent great increase in human numbers.

World Population Awareness Week alerts all Texans to the growing population and the dire need for the development of extensive new resources.

Texans have great concern for all those who, due to overpopulation, have endured despite deprivation of nourishment, relief, or adequate facilities.

Texans and America are most capable of assisting, providing and devising ways and means to sufficiently deal with the growing world population.

People are our world's greatest natural resource, not our minerals, or timber, or farmland.

Therefore, I, William P. Clements, Jr., do hereby designate the week of April 20 through 25, 1987, as: World Population Awareness Week in Texas and urge appropriate recognition thereof.

OHIO'S EILEEN BOUTHILLET PENS WINNING THEME

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. FEIGHAN. Mr. Speaker, for years the Veterans of Foreign Wars of the United States and its ladies auxiliary have sponsored an annual scriptwriting contest for the Voice of Democracy broadcast. This year's theme addressed "The Challenge of American Citizenship." The existence of this contest is not only a tribute to American patriotism, but also to the work of this fine organization of veterans, who strive to promote American ideals among this Nation's youth. The authors of the seven final essays will receive, fittingly, scholarships: from $1,000 for seventh place to $14,000 for first place.

Ms. Eileen Marie Bouthillet, a 16-year-old high school junior from Rocky River, OH, wrote the State's winning essay. Ms. Bouthillet's essay, wisely points to individual participation as the essential challenge of American citizenship. Her thesis displays a firm understanding of the history of individuals, whose deeds made this country strong. Their examples continue to inspire all citizens to contribute, in whatever small way, toward the advancement of the American ideal. Therefore, I proudly congratulate Eileen, and present her essay to my colleagues.

LEVITAS' PLAN FOR TRANSITION TO SDI COULD CUT THE KNOT

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. DARDEN. Mr. Speaker, last week I submitted a newspaper column by our former colleague, Elliott Levitas, containing an innovative suggestion of cooperative development by the United States and the Soviet Union of a space-based, antinuclear missile shield over both nations.

That column was carried in the March 29 edition of the Atlanta Journal and the Atlanta Constitution. In its April 5 edition, that same newspaper praised Congressman Levitas' sound reasoning and, as I did last week, urged that his proposal be given full consideration as we work toward making the strategic defense initiative bear fruit.

I would like to submit into the CONGRESSIONAL RECORD the text of that editorial, and again urge Members of this body to consider the possibilities which Congressman Levitas' concept offers for a lasting peace between the superpowers.

LEVITAS PLAN FOR TRANSITION TO SDI COULD CUT THE KNOT

As a member of Congress from 1975 to 1985, Elliott Levitas of Georgia's 4th District showed a knack for getting to the heart of important issues and coming up with new ideas. He has done it again with his proposal that we "cut the Gordian knot" that now exists with respect to President Reagan's Strategic Defense Initiative, by negotiating with the Soviet Union on the possibility of joint development of the system.

In his article in last Sunday's Perspective section of The Atlanta Journal and The Atlanta Constitution, Levitas recognized what many critics of the president have failed to concede: That developing a defense against strategic nuclear attack would mean greater security for us than continuing to rely on the fear of mutual destruction. A "peace shield" is morally and phychologically preferable to deterrence through a balance of terror.

But Levitas also recognized that the Soviets have a legitimate concern about us moving unilaterally to create a defense system that would destroy the present balance, and thus leave them vulnerable to a first strike from us. Just because we know in our hearts that we would never do such a thing doesn't mean that they can know it—especially as long as communists believe what their doctrine teaches them to believe about the evil nature of capitalists.

President Reagan has recognized the legitimacy of this concern on the part of the Soviets by promising that, if and when we perfect the technology of the system, we will share it with the Soviets so that both sides can live in peace. The problem with that, however, is that they have to trust us in the meantime—and should they get the idea we are near a breakthrough, they could be tempted to launch a first strike before we become invulnerable to one.

Even strong advocates of SDI have recognized the problem of "managing the transition" to it. That's where the Levitas proposal comes in. If we could agree now to begin co-development, with both sides sharing technology as we go along, the transition could be managed; both sides would be even all during the process. And if we can negotiate verification of control of offensive weapons, we can negotiate sharing of knowledge about the simultaneous development of defensive systems.

It may be that we can do neither of these things, because the Soviets are not sincere about anything. But the Levitas idea is as realistic as any other that involves mutual agreements, and has the advantage that we would find out sooner rather than later just how sincere the Soviets are. The Georgian's proposal could bring the advocates of SDI together with the advocates of arms control, and right now the administration needs a foreign policy idea that could have bipartisan support. The Levitas proposal is a serious one, and we hope it receives the consideration in Washington that it deserves.

A SESQUICENTENNIAL TRIBUTE TO THE CLARENCEVILLE, MI, SCHOOL DISTRICT

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. PURSELL. Mr. Speaker, I rise today to compliment and congratulate the kind people of Clarenceville, MI who, on June 27, 1987, will be celebrating their school district's proud 150-year heritage.

The Clarenceville community, which began as an Indian village, has, during the past 140 years, grown to become a metropolitan suburb in the Detroit area. Throughout this period of growth, it has established a consistent pattern for seeking to improve the educational opportunities for all its citizens.

This fine school district has established an enviable record for community support. School-community cooperation also has allowed citizens the opportunity to participate actively in planning for school facilities and in helping to design a comprehensive curriculum.

Mr. Speaker, it has been said that education is not to reform students or amuse them or to make them expert technicians. It is to unsettle their minds, widen their horizons, inflame their intellects and teach them to think. The Clarenceville school district has taken this approach and achieved an enviable record of success.

During my many years in public service, I have had the opportunity to meet and represent various groups and individuals whose love for their Nation and community, and their desire to make them great, deserve public acknowledgement. The people of Clarenceville, and the pride they hold for their school district is a shining example of such love and commitment.

Mr. Speaker, I ask my colleagues here in the U.S. House of Representatives to join me in saluting the good people of Clarenceville as they celebrate their school district's historic sesquicentennial on June 27.

TRIBUTE TO TIM LEE CARTER

HON. CLARENCE E. MILLER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1987

Mr. MILLER of Ohio. Mr. Speaker, I would like to join with the Members of the Kentucky delegation to the House in paying tribute to the late Dr. Tim Lee Carter.

For 16 years, this honorable gentleman represented his rural Kentucky district in the Congress with pride, dignity and diligence. He was a leading spokesman for rural health care issues and he worked endlessly for economic and social reform that benefited both his constituents and the Nation in general. I was very proud to have served in this Chamber with Tim Lee Carter. On more than one occasion, I sought his good advice and wise counsel on issues common to his district in Kentucky and my Appalachian region in Ohio. I found in Tim Lee an ally of strong standing and a man of highest principles and the best of intentions.

I want to extend my personal sympathy to his family. He will be missed by all who respected his long and consistent service and by all who knew him as a noble American.

FARM YOUTH WATCHES CHANGES IN AMERICAN AGRICULTURE

HON. GLENN ENGLISH

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. ENGLISH. Mr. Speaker, I recently received a copy of an award-winning essay written by a young student from Red Rock, OK. I was so personally moved by Donna Riddle's honesty and understanding of the heart-wrenching problems facing this country's farmers that I wanted to share her family's story with my colleagues. I hope all of the members of this body can take a moment and reflect on her thought-provoking words and perhaps gain a better insight into the importance of our family farmers to the moral fabric of this great Nation. As Donna has so aptly written: "The Nation's farmers are family and what affects one affects all. All the changes in the land affect each person in America, not just the farmer."

I am pleased to share her essay which was published in the January 5, 1987, issue of the High Plains Journal.

FARM YOUTH WATCHES CHANGES IN AMERICAN AGRICULTURE

(By Donna Riddle)

My parents are farmers. My life as a child, growing up in the country shaped my character and taught me to value property, life, God and family.

As I witness the destruction of the family farms in America, my life is changing. My values will never change, but my way of life changes every time a farm is foreclosed upon and sold or another destitute farmer commits suicide.

Because my father had foresight enough to recognize the coming situation, he borrowed only as much money as was absolutely necessary to keep the farm going. In order not to have the farm taken from us, he joined my mother in the workforce. Both of my parents now put their salaries back into the farm; hoping the situation will get better, knowing it probably will not and refusing to let go of their way of life.

My family always has been involved in grassroots farm organizations and has made many trips to Washington, DC., to lobby. All of this has given me an awareness of the problems in agriculture. It never really occurred to me that my family's farm could be taken from us—until my father was forced to go to work to pay off debts. Unlike many farmers, my father had a college education on which to fall back. It was at this point that my life changed.

When Dad went to work two years ago, he decided he would still try to farm the same number of acres. My sister, Debra, and I always helped out by driving trucks, tractors and combine. Now the bulk of the work would be left up to us; and when Debra went to summer school 50 miles away, I was drafted for the position of all-around flunky.

Dad asked me if I would be willing to help him out with extra work. How could I not help—when a farm that has been a part of my entire life was in jeopardy?

Farmers are an intensely proud, God-fearing lot. One can appreciate the grief it caused my father to ask this of me, only if one knows someone of his character. A reporter once asked me if I resented having to work on the farm. I replied it was a responsibility that I and most farm children feel. I do not have to do as much as I do, but it is something that is a part of me; and it seems a normal responsibility. My parents feel badly about taking my free time away from me. Dad often has said he feels like he is a child abuser, but it is hard work that has taught me the values of life.

Every weekday at 4:30, my father comes home and works, usually way after dark, trying to make up for the daylight he lost. Often after six hours sleep he will get up and work around the farm until time to go to work. It is disheartening to watch a man like my father put so much of himself into a farm and know he is going to lose it or if he manages to keep it, know he cannot make a profit from his labor.

People, who come from nonagriculture backgrounds, question why a man works so hard and worries about his health. To men like my father, it is a combination of character, background, love of God and love of the land that keeps them working in their fields. To a farmer, the land is not just there for him to do as he pleases. He takes care of it, nurtures it, knows the value of it and above all loves it. If someone tries to take it away, it feels like one of his children is being taken.

I could never explain the emotions a farmer goes through. It must be seen first hand. These are proud men, who would never have believed something like this could happen to them. Some come to believe it is their fault and they often turn their rage upon someone they love and then themselves. As terrible as it sounds, it is not uncommon for a farmer to kill himself and sometimes his family, too. Or, death may be hurried along by stress, causing heart attacks and just plain old bad health. My grandfather had a fatal heart attack brought about because someone wanted to take away his home and farm of more than 50 years.

I not only see and hear about the depression and desperation of all these farmers, it comes into my home also. Everyday the topic of discussion is the problems of our friends and neighbors across the nation. I hear such things as, "George is being sold out next month, and Fred's wife won't let him go anywhere alone, because she is afraid of what he might do." One might think after so many horror stories I might be hardened to the next one I hear, but the next one is just as painful as the one before. The Christian in me wants to help each and every one.

The biggest change for me, because of the farm crisis and all the turmoil, is my heart has gotten bigger, but also sadder, too. I want to do what I can to help. I have been to meetings and heard first hand different tales, and I want to cry. The nation's farmers are family and what affects one affects all. All the changes in the land affect each person in America, not just the farmer. Main Street of small town America is dying, because the farmer is dying. Dying too are all the manufacturers, buyers and sellers of farm machinery. Farmers cannot afford their equipment.

I am 17 years old and have witnessed the death, destruction and despair of the farmers. I have seen and heard things I hope most people will never experience. I have lived through the farm crisis and because of this I am more mature, a more responsible individual and sensitive to the needs of people in crisis. I view these changes as both good and bad; bad because they are painful and changing my life drastically, good because I have dealt with the problems, and I have been able to survive. One thing is certain, there seems to be no future for the young in agriculture. I may have survived the crisis; but will America and her farms?

COMPETITIVE PROBLEMS OF THE SMALL BUSINESS COMMUNITY

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. LAFALCE. Mr. Speaker, as we examine the state of the U.S. economy, it is important to note substantial shifts that have occurred in the administration's perspective in recent months. The administration which argued that we do not have a competitiveness problem now has a 1,600-page competitiveness package. The administration which ignored the trade adjustment assistance program for years now offers an extensive training and retraining initiative. The administration which claimed our trade laws were fully adequate, now would revise them in substantial respects. While we welcome the new emphases, they have been regrettably long in coming and irreparable damage has been done.

I have two particular concerns that I would like to address today. As the author of the Competitive Exchange Rate Act included in the banking title to the House trade bill, I am particularly concerned about the administration's continuing reluctance to be accountable regarding exchange rate policy. As chairman of the Small Business Committee, I am anxious to ensure that the competitive problems of the small business community, a sector of our economy too often neglected, are adequately addressed.

The administration has changed its perspective in regard to exchange rate policy in much the same way that it has shifted direction in other key areas. The fact of the matter is that the administration has now backed itself half-heartedly into a policy I have long been advocating. The laborious process has, however, been devasting for U.S. industry and this country's competitive position.

Moreover, much remains to be done. Recent administration initiatives, for example, leave totally unaddressed the persistently large current account surpluses maintained by countries who peg their currencies to the dollar.

The continuing rapid shifts in the exchange rate situation underscore the need for an ongoing mechanism through which a coherent exchange rate policy can be formulated and sustained. Only 1½ years ago, the Group of Five reached and agreement at the Plaza Summit to coordinate efforts to drive down the high dollar. In February of this year, in the face of fears that the dollar would otherwise fall too far, too fast, the administration reached an important agreement with the other major industrialized countries to stabilize the dollar around current levels and increase economic growth abroad.

The process of negotiation and coordination that has been characteristic of the Treasury's approach to exchange rate issues of late constitutes a significant improvement over the laissez-faire policies of the past. But we cannot pin our competitive future on the happenstance of current practice. Nor can we risk return to a situation in which fundamental misalignments and erratic exchange rate fluctuations undercut the competitiveness of U.S. industry in world markets and frustrate intelligent government and business planning.

The Competitive Exchange Rate Act would create a structure of accountability regarding exchange rate policy. The bill requires the Secretary of the Treasury, after consulation with the Chairman of the Federal Reserve, to submit semiannual reports to the Congress on progress in achieving exchange rate reform through changes in domestic and international economic policy.

The semiannual report on exchange rate policy is analogous to that on monetary policy of the Chairman of the Federal Reserve Board under the Full Employment and Balanced Growth Act. That detailed and frank discussion of policy on a regular and prompt basis has elevated the political debate surrounding monetary policy.

When the Federal Reserve began its regular reporting, such issues as the potential effects of monetary policy and the degree of control attainable by the authorities remained subjects of great controversy. In part due to the promptness, thoroughness and openness of current reporting, those mechanical issues have become far less controversial. Attention has shifted toward the important political issues: the tradeoffs involved in alternative policies.

Today's debates over the exchange rate closely resemble those earlier debates on monetary policy. Some consider the exchange rate extremely important to the national economy, others find it almost irrelevant. Some believe that the exchange rate can be readily manipulated by competent authorities, others seem to find it beyond the power of Government to change.

The bill requires the Treasury to make a regular, public report comparable to Federal Reserve reporting on monetary policy, inflation, and growth. The Treasury must report as to its efforts to affect the exchange rate, its analysis of the effects of its efforts and developments beyond its control, and its projection of domestic policy and external developments.

The Federal Reserve now must analyze the tradeoffs between the goals of zero inflation, full employment, and rapid growth. The Treasury reports required under this legislation would examine tradeoffs between a competitive exchange rate, inflation, capital inflows, interest rates, and the strength of traded goods industries. As a result of these reports, we should develop over time a far better understanding of mechanical issues such as how much control the Government can exercise over the exchange rate and with what effects.

The Congress must make many decisions that affect exchange rate policy. With a better understanding of the tradeoffs involved and an explicit statement by the administration of its recommendations for resolving those tradeoffs, Congress and the public could more effectively debate alternatives.

Allow me to turn for a few moments to the concerns of our small business sector. The dramatic deterioration of our trade position has, for some time now, been a matter of critical concern. Yet, up to this point, there has been a serious gap in the trade debate.

Our small and midsize companies are key sources of economic growth and adjustment. Yet their unique concerns have remained largely unaddressed. I am, therefore, very pleased that the House leadership has asked the Small Business Committee to give attention and focus to these important concerns in the trade bill.

Small and midsize companies account for half of our private work force, produce half of our gross domestic product, and have created nearly two-thirds of the new jobs of the last decade. These companies are the driving forces behind many of our advances in technology. Three-quarters of America's great corporations rely on small firms as suppliers, manufacturers, distributors, and customers. Entrepreneurs have spawned new businesses, indeed whole industries, while bigger firms have often not been flexible and innovative enough to meet the competition. The success of many of our midsize growth companies establishes that U.S. industries—whether manufacturing, services, or high technology—can meet the challenge of international competition.

But the potential of small and midsize companies to continue to contribute to the growth of the American economy and the overall international competitiveness of the United States is increasingly at risk. Small firms which try to export often face bewildering bureaucracies and byzantine regulations. Difficulties in acquiring and applying new technologies inhibit growth and revitalization. Capital formation is inadequate. Few mechanisms foster investment in smaller firms and these firms are largely ignored by the institutions that dominate banking and finance. Smaller manufacturing firms are disappearing as U.S. multinationals rely increasingly on a foreign subcontractor base.

In recent years, we have been focusing largely on preventing further erosion of our trade position. But it is time now to look forward and take positive steps to provide the environment in which U.S. companies can flourish; to rethink the potential of entrepreneurs and small and midsize companies as forces for economic growth; and to help provide the competitive environment in which that growth can occur.

The policy initiatives that focus on our larger corporations, however important, often do not deal with many of the legitimate concerns of our small and midsize companies. If we are to have a competitive small business sector, public policy must address its needs as well. We must expand export opportunities; minimize impediments to the growth of smaller, innovative firms; facilitate technology transfer;

increase access to long-term capital; and, generally, create the conditions that foster innovation and business development.

Finally, I would like to say a few words about the administration's 1988 budget request for the Small Business Administration. Over the past 2 years, the administration has tried to kill the Small Business Administration, but has failed due to strong congressional opposition. Since 1980, individual SBA programs have been slashed anywhere from 24 to 75 percent. Outlays have been reduced by more than one-third, and for 1988 the administration is proposing an additional decrease of 10 percent over the base line. The 1988 SBA budget proposal makes it clear that the administration is still trying to accomplish indirectly through a program-by-program elimination what it could not do directly.

Enough is enough. Neither I nor my colleagues on the Small Business Committee will permit that to happen. I would strongly suggest to the administration, which is newly interested in our competitive problems, that the total elimination of an effective advocate for an important growth sector of our economy is not the way to solve them.

GORBACHEV: A LENINIST STILL

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. COURTER. Mr. Speaker, just last year at a Communist Party conference, Soviet General Secretary Gorbachev delivered himself of a 5-hour tirade. His speech was filled with contempt, hatred and scorn for President Reagan, our country, and democracy itself. Yet, soon after the smiling dictator and our genial President met for summit talks at Reykjavik. Almost no one suggested that Gorbachev's insulting language should cool President Reagan's ardor for talks. Negotiations are important, according to arms control "experts," while speeches are only rhetoric.

According to these same "experts," this advice does not work the other way. If the President so much as mutters a few words about the evils of the Soviet empire, he is accused of showing bad manners. Gorbachev might become angry and refuse to negotiate. Perhaps Gorbachev, unlike Western leaders, diplomats, and assorted "experts," believes that "rhetoric" is at least as important as negotiations are.

As columnist Stephen Rosenfeld points out in the attached column, Gorbachev does not deny that he is a Leninist. Careful attention to his speeches leads to the same conclusion. This means that he remains committed to Marxist socialism plus all the methods of subversion, espionage, military aggression, and terrorism that Lenin no less than Stalin recommended to enforce socialism. It is not bad manners to describe Leninists for what they are—because it is never bad manners to speak the truth.

[From the Washington Post, Apr. 3, 1987]

Gorbachev: A Leninist Still—And It's Not Bad Manners To Say So

(By Stephen S. Rosenfeld)

All of us in the West are having difficulty getting a handle on Mikhail Gorbachev and his "new political thinking," but it is hard to think Margaret Thatcher got it right in her visit to Moscow this week. The British prime minister ended up gushing about Gorbachev and glasnost in a way that might make the unwary believe the Soviet leader is nearly ready to cross over to the capitalist and Western side.

Now, something important is happening in Moscow, and it is necessary to explore what opportunities may be opening for the West. But curiousity, good manners and hope are not enough to bring to the inspection of the Kremlin's political experiment. Even if Gorbachev entirely succeeded in what he appears to have in mind, the results would not merit the uncritical reception they are getting in many places.

It helps to listen to Gorbachev's rebuke to those in the West who claim that the Soviet reform program is an admission that socialism has failed. He delivered the rebuke, at his dinner for Thatcher, by way of denouncing the "delusion that the Soviet Union can now be made to bow to pressure. But his point in the first instance was to affirm devotion to the Soviet system, and that point needs to be absorbed by those who feel that he is abandoning Marxism-Leninism and slipping into incipient pluralist ways.

It is simply not credible that someone who worked his way up through the Communist Party ranks to the Kremlin's top spot would defect publicly and in place, so to speak, and turn upon the system that is responsible not simply for the power and privilege of himself and his class but—as he surely sees it—for the welfare and security of his country.

To put it another way; there is not a democratic bone visible in Gorbachev's body and there is only the slightest democratic bone in the body of the Russian past. Gorbachev runs an elite Communist Party that monopolizes power, perpetuates itself and denies any standard of public accountability—this in a country where autocracy is the historical rule. His "democratization" seems aimed strictly at making the parts of the party machine and the economic machine run more efficiently.

Gorbachev says that he wants to get back to Lenin, leader of the 1917 Russian Revolution. This goes along with an analysis blaming Stalin, who came to power at the end of the 1920s, for the flaws that are now being officially spotlighted, including the dragging economy and the self-serving bureaucracy. But Lenin installed the style of top-down single-party rule, enforced by terror, that produced not just the failings of the economy and bureaucracy but also the immense atrocities that were committed against the Soviet people in Lenin's and Stalin's times alike.

Sanguine Westerners nod in approval as Gorbachev announces that he is going to cast off the Soviet Union's Stalinist inheritance, or aspects of it. One hopes Gorbachev will do just that: Khrushchev found it possible to maintain Communist Party privilege without mass terror, and Gorbachev may figure he can maintain the same privilege without bureaucratic cruelty. This hope is what appears to lead so conscientious a Soviet citizen as Andrei Sakharov to root for Gorbachev. But Gorbachev remains a top-down man: a Leninist.

Too many people think it's bad manners to say so. Or they see that Gorbachev is encountering some resistance to his "new political thinking," and they think it will go easier for him if Westerners tread softly. Some people take the next step and suggest that the West ought somehow to "support" or "help" Gorbachev in his reform, so great is thought to be the West's interest in his prevailing. By "help" is sometimes meant a policy of concessions.

But the resistance Gorbachev is encountering arises from sources in the culture and society that are not easily reached from outside. To imagine that the West could intervene effectively to help Gorbachev in his interior maneuvers is to endow foreign political leaders with an opening that may not exist and a skill they have not previously displayed. And there is at least as much of a case for toughening Western policy to discourage the Kremlin's own tougher options, as there is a case for moderating policy, which runs the risks of inviting harder Soviet probes. Steadiness is better.

PEACE OFFER IN ANGOLA

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. FIELDS. Mr. Speaker, in southern Africa, where political instability, poverty, and disease combine to ravage the people, good news is rare. Today, I wish to bring to the attention of my colleagues that scarce commodity, a welcome development.

On March 26, 1987, Dr. Jonas Savimbi, president of UNITA, announced he was willing to permit the Benguelan railway to reopen to international traffic. Since a Marxist regime illegally seized power in Angola 12 years ago, this vital railway has been shutdown by Dr. Savimbi's democratic resistance forces.

The closure of the railway hurt the Marxist regime, but it also damaged the economies of Zaire, Zambia, and Zimbabwe. At least 40 percent of all these nations' exports and imports moved along the Benguelan railway at the time Cuban mercenaries, armed with massive Soviet military aid, overran Angola, snuffing out the promise of free elections.

Dr. Savimbi has long stated that his goals are to restore economic health to his formerly prosperous country and to unify his bitterly divided people. On March 26, 1987, he proved his sincerity by agreeing to relinquish a significant military advantage in a drive to improve the livelihood of many Angolans and to accelerate talks for peace.

The only condition UNITA's leader established was that the reopened railway could not be used for military purposes. And he proposed that an international group trusted by both his Marxist adversaries and himself be given inspection rights to guarantee the railroad will be used only to advance the peace process.

Now, the world will have an opportunity to measure the intentions of the Marxist regime. If they reject Dr. Savimbi's offer, then they will choose to wage war instead of assisting their people and Zaire, Zambia, and Zimbabwe. Instead of releasing the dove, they will have poisoned her.

Dr. Savimbi's peace gesture thus promises to change, one way or another, how the world views the dramatic struggle for freedom underway in Angola. So that all may better assess this significant development, I am placing in the RECORD today Dr. Savimbi's statement concerning the railway along with the articles from the New York Times, the Los Angeles Times, and the Atlantic Constitution heralding this major turn of events. Perhaps in the days ahead, good news in southern Africa will grow more common. We await the Marxists' reply.

BENGUELA STATEMENT

(By Jonas Malheiro Savimbi)

There is great interest in the United States in providing an alternative transportation system for the nations of Southern Africa . . . one that avoids South Africa.

There is talk of supporting the development of the Beira Corridor Railway System. I believe that it is better to use the Benguela Railroad through Angola, and I am prepared to allow it to be reopened. I am prepared to allow its use for anyone, with one simple condition. The condition is that the Benguela Railroad will not be used for military purposes. And I would insist that there be an inspection to guarantee this condition. This can be accomplished through an international inspection group.

The Railway can be used to ship food, clothing—anything except for things related to war. The MPLA can use it to ship humanitarian assistance, but not soldiers, guns, nor war material of any kind.

I am prepared to guarantee safe travel on the Benguelan Railroad through UNITA controlled territory without any negotiations with the MPLA. The MPLA can talk to anyone they like. They do not have to talk to me. If they do not respond to this offer, how can they say it is closed because of South Africa? It is our forces which have closed Benguela, and we are prepared to allow it to open to demonstrate our interest in pursuing a program of national reconciliation.

The MPLA have no reason not to trust the Zambians, and we have no reason not to trust the Zairians. They are the people most interested in this project. It is not an inconceivable problem to develop an international supervisory group.

The Benguela route encourages more free trade than the proposed Beira route. It can help Zambia. It can help Zaire and Zimbabwe. The Beira Corridor can help Zambia and Zaire very little. Benguela runs through the area of the mines of Zambia, Zaire and Angola. It can be connected to Zimbabwe although they have no traffic in that direction now. Benguela was built to serve Zambia, Zaire and Angola.

The Benguela route can safely open immediately. It will provide the transportation our neighbors need, and it will not cost the Americans the money they say it will cost to open the Beira Corridor. They save the money and help us keep the pressure on the Cubans through us. Everybody gets something back.

[From the Atlantic Constitution, Mar. 27, 1987]

ANGOLAN REBELS OFFER TO REOPEN VITAL RAILWAY BUT ONLY TO NON-MILITARY TRAFFIC

(By Andrew Alexander)

WASHINGTON.—In a major diplomatic initiative, U.S.-backed rebels fighting Angola's Marxist government have offered to reopen the Benguela Railway, which cuts across southern Africa and serves as an economic lifeline for millions of impoverished people.

The rebels' only condition is that the railway carry only non-military goods and personnel and that an "international supervisory group" be formed to monitor compliance.

The proposal was issued Thursday through the Washington office of UNITA, the rebel group that claims to have 65,000 troops fighting in Angola.

The Angolan government, through an American public relations company it has hired, said it would have no immediate comment on the plan. Angola has no diplomatic relations with the United States.

The railway stretches from an Angolan port near Benguela on the Atlantic Ocean across the center of the country and then on through Zaire, Zambia, Malawi and Mozambique, ending at the Indian Ocean.

UNITA guerrillas, led by Jonas Savimbi and also backed by South Africa, have used mines and hit-and-run attacks to keep the Angolan portion of the railway closed for most of the 11-year-old war in Angola.

The railway also has been shut down in parts of Mozambique by RENAMO, another South African-backed insurgency.

Not only has the closing by UNITA kept badly needed food from reaching malnourished peasants in central Angola, but it also has disrupted the economies of the other so-called "front-line states" through which the line passes.

Before the Angolan civil war began in late 1975, the Benguela annually carried about $100 million worth of goods—mostly copper and other minerals from mines in Zambia and Zaire—to the ocean ports where they were loaded for shipment overseas.

With the Benguela shut down and the dormant ports badly deteriorated, those countries wishing to export goods must ship them by truck or on other rail lines south to ports controlled by South Africa. They also must receive their imports by land through South African territory.

The front-line states have charged that South Africa is aiding UNITA and RENAMO in an effort to keep all these countries dependent on South Africa by forcing them to use their ports.

But in issuing its proposal, UNITA said that its offer "demonstrates UNITA's desire to accommodate the needs of [its] neighbor states by providing a secure route that avoids transit through South Africa."

In Washington, UNITA representative Marcos Samondo said the Angolan government "has been blaming the closing of the railway on South Africa, saying that we are doing their work.

"But now with this proposal," he said, "we want to see who will be responsible for closing the Benguela Railway—us or the Angolan government."

UNITA's proposal leaves it up to the Angolan government to suggest an "international inspection group" to monitor compliance with the plan. Samondo said the group could be composed of U.N. officials or representatives from Zaire and Zambia.

In a statement released with Thursday's proposal, Savimbi said the Angolan government—known as the MPLA, or Popular Movement for the Liberation of Angola—need not negotiate directly with UNITA.

"The MPLA can talk to anyone they like" about the makeup of the inspection group, Savimbi said. "They do not have to talk to me."

But he said the composition of the independent observer group would have to be acceptable to UNITA.

"The ball is now in their court," Samondo said of the MPLA. "It's up to them to make the next move."

[From the Los Angeles Times, March 27, 1987]

ANGOLA REBEL CHIEF OFFERS TO REOPEN RAIL LINE, CURB S. AFRICA'S HOLD ON REGION

(By Michael Parks,) *Times Staff Writer*

JOHANNESBURG, SOUTH AFRICA.—Angolan guerrilla leader Jonas Savimbi offered Thursday to reopen the Benguela Railway, effectively closed for the past decade by his forces, so that neighboring Zambia and Zaire can avoid shipping their mineral exports through South Africa and thus take a stronger stand against Pretoria.

The proposal requires the agreement of Angola's Marxist government, which Savimbi's pro-Western movement, the National Union for the Total Independence of Angola, has been fighting since 1975. And in a gesture of "national reconciliation," he also offered to allow the Angolan government to use the east-west railway through central Angola to ship anything but troops and military supplies.

Savimbi said that reopening the Benguela Railway—once one of Africa's most important lines but now lucky to see more than one train a month—would be quicker and cheaper than rebuilding and protecting road and rail links to the Mozambican port of Beira from Zambia, Zaire and Zimbabwe as a way of reducing the economic dependence of those countries on South Africa.

RULES OUT MILITARY USE

"I am prepared to guarantee safe travel on the Benguela Railway through Angolan territory without any negotiations," he said in a statement issued at his headquarters at Jamba, in southeastern Angola, and distributed in Washington.

The only condition, he added, is that the line not be used for military purposes and that this be ensured by an international inspection team.

If accepted, Savimbi's proposal, intended to be too tempting to ignore, could greatly change the politics and economics of southern Africa. For example:

—Zambia, which now ships 65% of its exports through South Africa and gets 75% of its imports through this country, would again be able to ship most of its copper through Angola as it did before 1975. Zaire, which ships about 40% of its copper and cobalt exports through Cape Town at the southern tip of Africa, would also be able again to use the closer Angolan Atlantic Ocean ports.

—If a new rail line were built to link it to the Benguela line, land-locked Zimbabwe could lessen its present dependence for transhipment on politically hostile South Africa to the south and war-torn Mozambique on its eastern border.

Although they have helped lead the international campaign for economic sanctions against South Africa, Zambia and Zimbabwe have themselves hesitated to apply sanctions, largely out of recognition of their own economic vulnerability and the likelihood of South Africa retaliation.

—Angola itself would regain vital rail revenues, which totaled about $100 million a year before the line's effective closure in 1976. Reopening the 810-mile-long railway might also permit some redevelopment of the country's inland economy, including the mining of valuable iron ore and other mineral and metal deposits along the line.

But if it accepts the Savimbi offer, the Marxist Popular Movement for the Liberation of Angola, which came to power with the end of Portuguese rule in November, 1975, would face tough political, military and diplomatic decisions that could draw it into a truce and even a cooperative relationship with Savimbi.

—South Africa, which makes strategic use of its extensive system of railways and ports in dominating the region, would be weakened, politically as well as economically, by the loss of the Zambian, Zairian and possibly Zimbabwean cargoes.

Ironically, Pretoria over the past decade has been the biggest supporter of Savimbi's guerrilla movement, known as UNITA, and Savimbi has been one of the few African leaders willing to meet openly with South African leaders.

Apparently caught by surprise by Savimbi's statement Thursday, the South African Foreign Ministry declined to comment.

American diplomats, studying the initiative, assessed it against a proposal to develop the "Beira corridor" from Zimbabwe about 300 miles to Mozambique's Indian Ocean port of Beira on the southeastern coast of Africa. They tend toward the view that Mozambique is the key to the region's stability and to the effectiveness of any effort by neighboring countries to put pressure on Pretoria to end apartheid.

Savimbi, seeking to broaden his support in the United States, is prepared to argue that his Benguela proposal will accomplish the same goals more quickly, more surely and at a lower cost.

ANGOLA REBELS IN OFFER ON RAIL LINK

(By Neil A. Lewis

WASHINGTON, March 26.—Anti-Communist rebels in Angola said today that they would allow the Angolan Government to reopen the Benguela railroad, a move that would help the black countries of southern Africa reduce their economic dependence on South Africa.

Opening of the line, which the rebels have frequently sabotaged, would also ease the economic plight of Marxist Angola by permitting the Angolan port of Lobito to become a major terminal for trade in the region.

The Washington office of the rebel group known as Unita made public a statement by its leader, Jonas Savimbi, saying he would permit the reopening of the Benguela line through Zaire and Angola, which has been largely closed for 12 years.

REBELS BACKED BY U.S.

The Reagan Administration has been an ardent supporter of Unita. The State Department, however, has given priority to helping South Africa's neighbors reduce their dependence on Pretoria for trade and transportation. Western European governments have also been eager to help develop alternate transportation routes.

The black-ruled nations which make up the Southern African Development Coordination Conference—Mozambique, Angola, Swaziland, Lesotho, Botswana, Zambia, Zimbabwe, Malawi and Tanzania—channel almost 70 percent of their combined foreign trade through South African ports, which leaves them vulnerable to economic dislocation in any sanctions war with Pretoria.

Diplomats said the United States, acting on requests from African leaders, had strongly encouraged Mr. Savimbi to allow the Benguela line to reopen. But State Department officials asserted today that they had played only a nominal role.

"We didn't lean on anyone," one official said. "This was largely an African initiative."

DECISION 'OUR OWN'

Another official said that Mr. Savimbi was aware of the American position but that no pressure had been applied.

"We knew the views of the United States," a Unita official in Washington said today, "but we made the decision on our own."

The Administration has provided $15 million over the past two years in covert military aid to Mr. Savimbi's group, according to Congressional sources.

Mr. Savimbi said he was taking the step to help his black neighbors and to promote reconciliation with the Government in Luanda.

The change could also produce a rich political harvest for Mr. Savimbi. He has long had strained relations with black African leaders who regard him as a tool of South Africa, from which he gets most of his aid. In addition, it could help force the Marxist Government in Luanda that he has been battling to deal directly with his group in order to rehabilitate the rail line.

Mr. Savimbi said in his statement that his forces would no longer interfere with the line as long as the Angolan Government did not try to use it to transport military goods. He said he would insist on inspections to insure that.

"The railroad can be used to ship food, clothing—anything except for things related to war," he said.

A spokesman for the Angolan Government in Washington said officials were aware of the proposal but would not have anything to say about it.

The Benguela line runs 1,208 miles from Shaba Province in Zaire to Lobito. Mr. Savimbi's forces have prevented use of the line in eastern Angola, which they have controlled in the civil war since 1975 when Angola ceased to be a Portuguese colony.

A major question, according to a State Department official, is what South Africa's reaction would be to the prospect of much of the mineral and commercial wealth of the region by-passing its ports.

"That's a big question mark," the official said. "We don't know the answer."

The official said that Pretoria would have significant leverage in preventing Mr. Savimbi from following through on his offer if it chose to do so.

If Angola agreed to Mr. Savimbi's conditions, it would be at least a year before the railroad could be put back into operation, American officials say. Although the United States has promoted reopening of the line, Washington would be prohibited by law from financing it. Because Angola is listed as a Communist country, the United States is unable to provide aid to any project there.

BIGGER BUSINESS DOESN'T ALWAYS MEAN BETTER BUSINESS

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. EDWARDS of California. Mr. Speaker, I submit for the RECORD today an excellent article by Tom Peters, a successful California businessman and author. The article is entitled "Bigger Business Doesn't Always Mean Better Business".

In the article, Mr. Peters cites the work and conclusion of Prof. Walter Adams, distinguished professor at Michigan State University, that "Bigness has not delivered the goods." I commend this though-provoking article to our colleagues.

The article follows:

[From the San Jose Mercury News, Mar. 19, 1987]

BIGGER BUSINESS DOESN'T ALWAYS MEAN BETTER BUSINESS

(By Tom Peters)

I thought Honda was doing well. And Toyota and Nissan have been flourishing since 1970. The three have caused a revolution in Detroit, and all across America, because of their continued stalwart performance.

But I obviously missed something. Because Chrysler is buying AMC—according to The New York Times, "to expand its share of market by a few important percentage points."

That suggests Chrysler is too small to compete. But Chrysler, before it gobbled AMC, was more than twice Honda's size, 15 percent bigger than Nissan, and only a bit smaller than Toyota. Why the desperate need to acquire a cripple to add two share points?

I think Chrysler would do better to concentrate its investments on improving the cars it's making. According to pollster J.D. Power & Associates, Chrysler barely avoided last place in 1986 on Power's widely respected Customer Satisfaction Index, finishing just ahead of GM and far behind Ford and, of course, the Japanese. Relative midget Honda topped the list.

The day Chrysler swallowed AMC, USAir ate Piedmont. Before the matchmaking of the last six months, American, Delta, USAir and Piedmont had been the only major airlines to avoid big mergers. They also happened to be the four most profitable U.S. airlines last year. American had 24 times more profit than the industry's largest company in 1986—United (or Allegis, or whatever it's called). Little Piedmont made six times more money than United, even though it was one-fifth its size.

The logic of all these combinations or possible combinations strains the mind. For instance, Business Week recently quoted General Electric's top strategist as saying that nine out of 10 acquisitions "are a waste of time and a destruction of shareholder value." The same article also reports that GE is thinking about buying $16 billion United Technologies, or any of a number of like-size firms.

Well, maybe if chairman Jack Welch keeps acquiring, GE will get as big as the other two-letter "G" word—GM, excoritated on the cover of the very same Business

Week: "What Went Wrong." It chronicles the bumbling and catastrophic loss of market share of the free world's largest industrial enterprise.

When will we learn? This flurry of agglomeration coincides with the publication of "The Bigness Complex," a long-overdue scholarly assessment of the failure of size in American business. Author-economists Walter Adams (former Michigan State University president) and James Brock claim: "Bigness has not delivered the goods, and this fact is no longer a secret."

After review several hundred studies, they conclude, "Scientific evidence has not been kind to the apostles of bigness and to their mythology."

They cite, for instance, a 1930s consultant's report on U.S. Steel, describing the firm even then as "a big, sprawling, inert giant . . . with inadequate knowledge of its domestic markets and no clear appreciation of its opportunities in foreign markets . . . with less efficient production facilities than its smaller rivals had."

Another 1930s report, frightening in its prescience, quotes the legendary Alfred Sloan of GM, "Sometimes I am almost forced to the conclusion that General Motors is so large and its inertia is so great that it is impossible for us to be leaders."

My only serious gripe with the book is its failure to take into account today's technology and manufacturing trends, which are pressing toward ever smaller economic unit size. As Gordon Forward, president of mini-mill and micro-mill steelmaker Chaparral puts it, "The big is coming out of manufacturing in this country." Forward's relatively small firm may well be the lowest cost producer of steel in the world today.

Bigness has two supposed advantages; efficiency (low cost due to large scale) and innovativeness (the resources necessary to take big risks). Neither pans out in practice. For instance, a classic study by economist Joe Bain in 1956 found that there were no substantial cost advantages for multiplant companies in any of 20 industries analyzed.

As for innovation in the big firms, Brock and Adams conclude: "Reality and the available evidence show that despite all the theoretical advantages, small firms . . . are far more efficient innovators than industrial giants."

Further, "There is no significant tendency for corporate behemoths to conduct a disproportionately large share of the relative risky R&D or of the R&D aimed at entirely new products and processes. On the contrary, they generally seem to carry out a disproportionately small share of the risky R&D."

They cite, among others, a National Science Foundation study that calculates small firms produce 24 times as many innovations per R&D dollar as the largest firms.

Adams and Brock aptly demonstrate the confusion about scale, excerpting from an interview with GM chairman Roger Smith in the Detroit Free Press, concerning the source of innovative information-process systems for his Saturn small-car project: "Where is all this great stuff coming from? It's not really coming out of IBM . . . it's coming out of little two-and-three man companies, because they're finding out that 40 guys can't do something that three people can do. It's just the law of human nature."

That statement by GM's Smith not only makes him look foolish, but also casts considerable doubt on recent moves such as those by Chrysler and USAir. But somehow, I bet that 80-year-old Soichiro Honda would nod in sage agreement with Smith's remarks. Perhaps he'd even venture a smile.

GASOLINE EXCISE TAX AS A WAY TO RAISE HALF THE REVENUES NEEDED FOR REAL DEFICIT REDUCTION

HON. JIM MOODY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. MOODY. Mr. Speaker, the House today will begin consideration of the budget resolution reported last week by the Budget Committee.

The resolution, using the Reagan administration's own economic assumptions, reduces the deficit to just below the Gramm-Rudman deficit target of $108 billion. It would reduce outlays for defense by $8.75 billion, and would also reduce outlays for domestic spending by a net of $8.75 billion.

The budget resolution also calls for $18 billion in new revenues, to be determined by the Ways and Means Committee, on which I serve.

That is a crucial point: The Budget Committee has recognized that there simply is no honest way of reducing the Reagan deficits without raising some revenue.

I agree with that assessment, and I think it's time we had some revenue proposals on the table for consideration. With that in mind, I am today introducing legislation to establish a 9-cents-per-gallon deficit reduction excise tax on gasoline and gasohol. Revenues from the excise tax—estimated at roughly $9 billion per year—would be earmarked to a special Deficit Reduction Trust Fund established at the Treasury. Revenues deposited in the trust fund could be used only to repurchase outstanding obligations of the Federal Government, and could not be used to finance any increased Federal spending.

In addition to helping reduce the deficit, an excise tax on gasoline would serve another major national goal: Encouraging fuel conservation. It would send a clear message to both consumers to conserve fuel and to the automakers to continue progress in producing fuel-efficient automobiles. The long term effect will be to make it harder for OPEC to reemerge as a monopoly and, eventually, keep gasoline prices from rising suddenly later.

I am not suggesting that a gasoline tax increase will be popular. But what are the alternatives? The Nation's poor have already borne the brunt of the re-directed spending priorities of the Reagan adminstration and our still inadequate efforts to make real reductions in the deficit. The Gramm-Rudman targets promise still more difficulty in meeting the needs of the public. The President's adamant opposition to any increase in tax rates for general revenues, coupled with his demand for high defense spending, leave us with a huge deficit and nowhere to go to cut it. But failure to reduce the deficit substantially can only result in real economic damage to the country and our workers.

Mr. Speaker, we just have to to raise significant revenues if we are to have honest hope of cutting the deficit. The bill I am introducing today, coupled with the balanced reductions in spending contemplated by the House Budget Committee's budget for fiscal year 1988, will move us down the road to meaningful deficit reduction.

I am including a recent editorial from the Washington Post in support of a deficit reduction excise tax on gasoline which I think my colleagues will find of interest.

I hope my colleagues will support this proposal involving some short-term pain, higher gasoline prices, but long-term benefits—real deficit reduction and continued inability of OPEC to administer a future oil price shock.

[From The Washington Post, Mar. 24, 1987]

HOW ABOUT 10 CENTS A GALLON?

Perhaps there's a way out of this year's budget maze after all—if the poltical game-playing should ever stop. When the chairman of the Ways and Means Committee, Dan Rostenkowski, tipped his hat politely to the gasoline tax the other day, he wasn't making a commitment. But it certainly was an interesting suggestion. The important thing to understand about a gasoline tax is that each penny per gallon raises a billion dollars a year. The plan with which the House leadership is struggling would be to reduce the budget deficit by $36 billion, half of it in spending cuts and the other half in tax increases. And so far, of course, it's been the thought of raising taxes that has blocked all progress. But an increase of 10 cents in the present gasoline tax would raise most of the money required, and gasoline would still be cheaper than it has been through most of this decade.

The standard complaint about a higher gasoline tax is that it would be regressive. It would be a greater burden on the poor than on the rich. But the only truly progressive tax is a graduated income tax, and neither President Reagan nor Congress is willing to return to the income tax this year. The solution, if there is to be one, will probably have to be a consumption tax of some sort. The gasoline tax is simple, and in the amounts now under discussion, it would leave the total cost of gasoline well below the levels with which the country is accustomed to living.

Unlike other consumption taxes, the gasoline tax would pay the country and additional dividend by contributing to its economic security. The rising trend in oil imports constitutes a national danger, as the administration anxiously pointed out last week—although it didn't have any very useful ideas about possible remedies. But this tax is one. To the extent that higher cost discourages consumption, the tax will hold down oil imports a little.

No tax that raises $10 billion a year is going to be wildly popular. But the gasoline tax would be less painful, less unfair and more useful than any other that's now on the table.

PRO AMERICA PROMOTES RESPONSIBLE GOVERNMENT POLICIES

HON. JAMES M. INHOFE

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. INHOFE. Mr. Speaker, the National Association of Pro America is a grassroots organization dedicated to promoting responsible fiscal, social, and foreign government policies. It is active on a wide range of issues from supporting antiterrorist activities to opposing a tax increase.

Pro America's members believe that schools should focus on education, not the provision of health services. Proposed health clinics in schools, which would provide birth control and abortion referral services, are outside the scope of public schools and impinge on the rights and responsibilities of parents.

Pro America is also concerned about the "real and present danger" of AIDS. Its members are working to make the public aware of the "dangers of aquired immune deficiency syndrome to the health and safety of U.S. citizens of all ages and demand that AIDS be treated as an infectious disease."

Mr. Speaker, because there has been a great deal of discussion by Democrats in this Chamber about raising taxes, I would like to reprint Pro America's resolution in opposition to this proposal. It expresses the opposition of a great many people in this country to using taxes instead of restraint to reduce the budget deficit.

OPPOSE TAX INCREASE

(Enforce Public Law 95-435, Section 7)

Whereas, A basic problem facing our country is an irresponsible Congress, whose excessive spending burdens present and future taxpayers; and

Whereas, 41 percent of the budget is spent on entitlements, 28 percent of the budget is spent on defense, 15 percent of the budget is spent on payment of interest on the national debt; and

Whereas, In the past 53 years Congress has increased taxes 193 times, yet we have had deficits in all but eight of those years, and in the past two years, tax collections have risen by $145 billion, yet deficits are greater than ever; and

Whereas, Public Law 95-435, Section 7, approved October 10, 1978, states that "Beginning with fiscal year 1981, the total budget outlay of the Federal Government shall not exceed its receipts;" and

Whereas, President Reagan campaigned and was elected on a platform and promises of no new taxes; now, therefore, be it

Resolved, That the National Association of Pro America ask that President Reagan take the lead and enforce Public Law 95-435, which states that the total budget outlays of the Federal Government shall not exceed its receipts, and that the President stand fast on his commitment not to increase taxes but to cut spending across the board including entitlements.

CONGRESSWOMAN BARBARA VUCANOVICH COMMENDS STEPHANIE MICHELLE DETER

HON. BARBARA F. VUCANOVICH

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mrs. VUCANOVICH. Mr. Speaker, annually, the Veterans of Foreign Wars of the United States and its Ladies Auxiliary conduct the Voice of Democracy broadcast scriptwriting contest, and I would like to commend Stephanie Michelle Deter of Elko, NV, in my district, for her outstanding winning script. She called it "The Challenge of American Citizenship." Stephanie is a junior at Elko High School and I found her reflections to be an inspiring example of our youths' commitment to the freedoms that the Framers of our great Nation gave us.

In closing, Mr. Speaker, I am sure that my colleagues will join me in congratulating this outstanding student from my district, on her insightful and mature thoughts on the liberties we enjoy as Americans. I would like this opportunity to enter her script into the RECORD.

Thank you, Mr. Speaker.

THE CHALLENGE OF AMERICAN CITIZENSHIP

"We the people, of the United States of America, in order to form a more perfect union . . ."

These are the words that open the document that is the basis of our entire democratic way of life. These 200 year old words grant us the powers, rights, and freedoms that guide our daily lives. These are the words that are not only honored and cherished by us here in America, but held in awe by all the people of the world. They are awed by the concept of stating loudly and confidently that it is the citizens, not the government, who control the ultimate destiny of our nation. They are awed by the way our self-government has propelled us to become the leading nation of the world.

But all too often, we take the very power that made our country so great for granted. It is at those times we must realize to be a citizen of the United States offers a challenge—a challenge we cannot refuse to take.

But what is the challenge of American citizenship? To become rich? To become famous? To write a best-selling autobiography?

No. The challenge that faces us in none of these things. But the challenge can lead us to any one of these things, or any one of a million more possibilities, because that is the nature of the challenge.

The challenge is to take an active part in our self-government. The challenge is to exercise the powers, rights, and freedoms that We the People have granted ourselves. And we must meet this challenge, because if we don't, we risk allowing someone to take our democracy from us, without a fight.

Now that we have recognized the challenge, the question is how we can meet this challenge. The answer is anyway we desire. If we exercise any one of those powers, those rights, those freedoms that we have granted ourselves, then we have met the challenge of American citizenship. And there are countless ways to exercise these powers.

If I were to stand in the middle of my high school campus and yell at the top of my lungs my opinion on every area of current concern, I would have met the challenge of American citizenship by exercising my right to free speech.

If you and one hundred other people were to get together and march from California to Washington, D.C., to vocalize your collective view of a political issue, all one hundred of you will have met the challenge of American citizenship by exercising your right to assembly.

If your next-door neighbor were to start a petition to have an official impeached from an elected office, he or she will have met the challenge of American citizenship by exercising his or her right to petition.

But most would listen to these examples and then dismiss the challenge, believing it would take too much time or energy on their part. But that is where they are wrong. By exercising any power, any right, any freedom we have granted ourselves, we have met the challenge of American citizenship. We can do this by going to church, exercising our freedom of religion. We can write a letter to our Senator, exercising our freedom of speech. Or we can buy and read a newspaper, exercising our freedom of the press.

In fact, 64% of us meet the challenge of American citizenship every two years. That's when we take a major role in our democracy—that of the voter, the one in our society who decides who will protect us and our rights. This simple, and to some arbitrary act, is what keeps our democracy powerful. If we were to not vote, we would lose our powers, rights, and freedoms. If we do not use our powers, rights, and freedoms, we deny ourselves our democracy—a terrible and senseless thing to do.

There is a modern America today because of the foresight of our Founding Fathers. We've all heard this repeatedly. But it is a simple, overriding truth. Our forefathers fought long and hard to bring freedom to this nation. And, to our continuing good fortune, they had the intelligence and ingenuity to base the entire governmental system of this nation upon a document that grants us powers, rights, and freedoms. And in the vein of the continuing prosperity of our democracy, we must meet the challenge that we have inherited from them—the challenge to exercise those powers, rights, and freedoms. Our nation has learned that by meeting the challenge, we have become the greatest nation on Earth. So, too, this generation must meet the challenge. Because America cannot afford to learn the results of an unchallenged democracy.

CONGRATULATIONS TO HOWARD SCHNEIDERMAN ON HIS APPOINTMENT TO THE NATIONAL SCIENCE BOARD

HON. JACK BUECHNER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. BUECHNER. Mr. Speaker, I am pleased to report that the Senate has recently confirmed the nomination of Dr. Howard A. Schneiderman of Missouri to be a member of the National Science Board of the National Science Foundation. The National Science Foundation was created in 1950 to promote basic research and education in science and engineering. It is the Nation's single largest source of funding for university research and engineering. The National Science Board—to which Mr. Schneiderman was elected—is responsible for the policymaking of the Foundation in support of research and development of scientific and engineering manpower. A total of 24 board members are selected on the basis of their distinguished careers or service in science, engineering, education, medicine, industry, agriculture, and other areas.

Dr. Schneiderman is a senior vice president for research and development at Monsanto Co. in St. Louis, MO. Prior to his current position at Monsanto, he was a professor in the School of Biological Sciences at the University of California at Irvine. He was named a professor there in 1969 and is currently on leave from that post. He has also been an adjunct professor of biochemistry at Washington University School of Medicine in St. Louis since 1980.

Dr. Schneiderman earned a bachelor of arts degree in 1948 at Swarthmore College with high honors in mathematics and natural sciences. He was awarded a master of science degree a year later with a major in zoology at Harvard University and a doctor of philosophy degree in physiology from Harvard in 1952.

Dr. Schneiderman is a member of many professional organizations, including the National Academy of Sciences, the American Academy of Arts and Sciences, and Phi Beta Kappa. He has also been on the editorial boards of several scientific publications. I congratulate Dr. Schneiderman and am confident that he will be a tremendous asset to the National Science Board.

NATIONAL HOSPICE MONTH

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. GRADISON. Mr. Speaker, today, I am introducing a joint resolution to designate the month of November in 1987 and 1988 as "National Hospice Month." I am very pleased that over 120 colleagues have joined me in sponsoring this resolution. Similar resolutions, which I introduced in 1984, 1985, and 1986, received overwhelming bipartisan support and were enacted as Public Law 98-423, Public Law 99-125, and Public Law 99-442 respectively.

Hospice—an innovative, comprehensive, compassionate approach to caring for terminally ill persons as well as their families—has become a respected, viable partner in the nation's health care system. Hospice care is now a permanent benefit under the Medicare Program and an option under the Medicaid Program.

Each year, thousands of families face the crisis of caring for a family member with a terminal illness. Hospice provides a unique program of support and care, allowing patients to remain in the familiar surroundings of their own homes or in homelike inpatient facilities. The delivery of services by a team of physicians, nurses, social workers, therapists, clergy, and hospice-trained volunteers concentrates on enabling patients to live as meaningfully and as comfortably as possible until their death. Today, over 1,500 programs across the country are dedicated to providing this service.

This humanitarian method of care has proven to be an excellent way for patients and their families to cope with the immeasurable stress and emotion of a terminal illness. While understanding of and support for the hospice concept has grown dramatically in the last few years, there is still a need for public education regarding the benefits of hospice care. It is also appropriate that we recognize the significant contributions made by those involved in the provision of hospice services and in the advancement of the hospice philosophy.

The public education and recognition programs conducted during National Hospice Month will continue to expand the knowledge of and support for hospice care.

I am very pleased that a similar resolution is being introduced today by Senator JOHN HEINZ.

THE PORTABLE PENSION PLAN

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. FEIGHAN. Mr. Speaker, our pension system is in a state of crisis. Underfunded pension plans will soon put the Pension Benefit Guarantee Corporation $4 billion in the red. The growing complexity of pension law has scared away many small business people from sponsoring pensions. The tangle of retirement plans has constrained worker flexibility. No one profits from this situation, not our working men and women, not our seniors, not our economy.

Today Representative ROBERT MATSUI and I, along with 17 of our colleagues, are introducing the portable pension plan. Our legislation is founded on a vision of the economic future that is already becoming a reality. It is a future of rapid developments in business and employment which is increasingly charged by entrepreneurs and manned by a more mobile work force. The portable pension plan recognizes that the retirement system in the United States must adapt to the changing needs of our workers and employers. We need a work force that is flexible enough to move where its skills are needed, and we need retirement security for workers who are riding the employment wave of the wave of the future: small businesses. In short, our pension system needs simplicity, portability and security.

First, simplicity. The cornerstone of pension reform is making retirement plans more accessible and simple for small employers; 68 percent of the workers not covered by pension plans work for small employers. To help increase the small employer coverage of workers our bill would make simplified employee pensions, [SEP's], truly simple—just as they were intended to be. The idea behind SEP's is that employers can open and maintain pension accounts with a minimum of effort. But unnecessary regulation has clouded the simplicity of this concept.

Right now, when a small employer decides he wants to provide a pension plan to his employees he is faced with complicated regulations and participation requirements. He often feels he needs to hire a lawyer to just make sure he does not violate any pension regulations. Our bill clears unnecessary SEP regulations away: it allows all businesses which have not provided pensions within the last 5 years to open SEP's. The portable pension plan also greatly simpifies worker participation requirements while preventing discrimination against lower paid workers. Under the portable pension plan, any employee of a company that does not have a retirement plan can request that a SEP be opened in his name. With no contributions required of the employer, that worker could begin to make up to $7,000 in annual contributions to his SEP account. In other words, our bill makes pensions available to all workers.

In addition to simplifying SEP's, the portable pension plan gets the word out. It requires the Department of Labor to provide the small business community with free ongoing assistance with pension plans and regulations. This is really the role that Government ought to play: helping the business community provide the pensions that workers need. By filling the significant information gap, the portable pension plan addresses a central problem that small businesses face when they begin to grapple with the network of pension options.

The second issue is portability. A recent study by the National Bureau of Economic Research concluded that a worker who changed jobs just once at age 31 would lose 28 percent of the value of his pension. This is an even more impressive statistic when you consider that workers in the United States typically change jobs 12 or more times in their lifetimes. American workers must be able to go where the economy needs them without their pension plans holding them back. Increased work-force adaptability is an essential aspect of improved American economic competitiveness.

To make pensions more portable our bill would require that employers with defined contribution plans offer their exiting employees a lump-sum transfer of their pension benefits. The employee would then be able to move his benefits to another plan, or leave them in his former employer's plan. As under current law, employers could elect to transfer out all pension accounts valued under $3,500 so that they would not be caught with maintenance expenses on accounts of little value. In order to make this transfer of funds as simple and direct as possible for workers, employers would also be required to provide their exiting employees with a list of the pension transfer and maintenance options available to them. These provisions would ensure that more workers could carry their pension funds with them throughout their working years. Our bill would not, however, make a lump-sum transfer requirement of defined benefit plans, since the health of these plans depends on the retention of all worker and employer contributions.

Maximum pension portability can only be achieved after a careful and considered look at the Government regulations and business practices that now impede the movement of pension credits. For this reason, the portable pension plan would instruct the General Accounting Office to do two studies on specific portability issues. The first would be aimed at identifying regulation simplications and clarifications that would make all qualified pension plans easier for small business to open and maintain. Many in the small business community want to provide non-SEP pension plans to their workers, but are stopped short by the complexity involved in opening and maintaining qualified plans. Government regulations and reporting requirements are needed to ensure fairness and compliance with law, but they should be crafted with an eye to those who must live by them year after year.

The second GAO study would look into regulation changes that would make it easier for defined contribution plans to accept lump-sum transfers from incoming employees. Businesses of all sizes now tend to be wary of accepting these transfers, and we need to look closely at what role Government can play in making lump-sum transfers more acceptable. When all workers have the ability to easily transfer their defined contribution plan funds as they move from job to job, true portability will have been achieved for a significant segment of the population.

In addition, SEP's are the ideal portability vehicle: they offer immediate vesting and do not lose value as workers move from job to job. As we increase the simplicity and use of SEP's. we will also be popularizing a fully portable pension account.

Finally, retirement security. Each year over 6.5 million working people spend savings originally put aside for retirement. That means reduced retirement security for millions of households and increased reliance on the Social Security System which was designed to be a backup to other retirement income. The portable pension plan would encourage individuals to save their pension funds for retirement by disallowing cash outs from non-SEP, non-IRA pension plans. In practice this would mean that an exiting employee could no longer ask his employer to write a check for the value of his pension funds. To cash out his funds, the employee would ask that the funds be transferred to an IRA or SEP account. From there the employee would have immediate access to his retirement savings. By adding this step to the cash out process, the portable pension plan removes the present easy preretirement access to retirement funds.

Our legislation also introduces an increase from 10 to 20 percent in the tax on early distributions of IRA and SEP funds. The millions of workers who annually cash out their pension funds are evidence that the current penalty is not sufficient encouragement to save tax-favored retirement savings for its intended purpose. The portable pension plan would offer a tradeoff for this penalty increase, by allowing penalty-free cash outs for major medical expenses.

I think we all recognize that reform of our pension system must be a priority of the 100th Congress. Pensions touch every aspect of our Nation's economic life, from savings and investment to worker flexibility and security. Business and labor have been calling for basic pension reform for years. To create a more secure, more competitive America, Congress must respond to this call. The portable pension plan will not solve all the challenges that face our pension system. But with limited changes in current law this legislation makes our pension system simpler and more responsive to the needs of today's workers and employers.

CYPRUS STANDSTILL

HON. JIM MOODY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. MOODY. Mr. Speaker, the conflicts between the Greek and Turkish communities of Cyprus are a continuing source of concern for Americans in general and Members of Congress in particular.

Because we hold these two communities in high esteem and strongly hope that they may find a fair and just solution to their disagreements, I believe that we have an obligation to look carefully at many perspectives on the situation there.

Amy Schwartz, a member of the editorial staff of the Washington Post has written a thoughtful article in the April 7 edition that I believe will add significantly to our body of knowledge about Cyprus. I would like to share this article with my colleagues.

The article follows:

[From the Washington Post, Apr. 7, 1987]

CYPRUS STANDSTILL—DEADLOCK MAY NOT BE SO BAD FOR THE TURKS

(By Amy E. Schwartz)

LEFKOSA (NICOSIA), NORTHERN CYPRUS.—When Rauf Denktash of the Turkish Republic of Northern Cyprus starts telling his country's story to a foreign visitor, it's hard not to notice that he's been over this ground a few times before. He admits it readily. Actually running Northern Cyprus, population 150,000, takes little time; the real job of the president is to talk, and mostly to people whose knowledge of this story's "Turkish side" starts at zero. "Sometimes," says Denktash, "I wish my staff could just make me a nice videotape."

The Turks have come late and rather clumsily to the world propaganda game, in cultural matters generally and on the Cyprus problem in particular. People of a certain age who follow the woeful and repetitive history of this island at all often know simply that it was attacked and partly occupied by Turkey in 1974—just 14 years after the British handed over colonial rule to a joint government designed to balance the rights of the four-fifths Greek majority and the Turkish minority. They may not recall that the 1974 invasion came after a coup by Greek Cypriot extremists had toppled this coalition government, ousting the Greek Cypriot President Archbishop Makarios in favor of a party that wanted immediate *enosis* (union) with Greece and seemed little disposed to respect the safety of what it referred to as the "Ottoman remnant."

The Turks say they acted in their capacity as co-guarantor of the 1960 constitution by intervening to protect their ethnics and that they did so only after the other two guarantor powers, Britain and Greece, refused their entreaties to help out. They say they feared a full-scale massacre of Turks, offering as evidence a list of atrocities committed by Greeks against Turks on Cyprus after 1960—culminating in the withdrawal of the Turkish Cypriot population into Greek-surrounded "enclaves" by 1967.

The question of which side committed atrocities, or more atrocities, in a long-drawn-out struggle is, of course, not likely to be settled to anyone's satisfaction in the court of world opinion. And Denktash still has a long way to go in his quest for an equal hearing. The Northern Cypriot economy has been slow to recover from the depression induced by the split, since, as one would-be foreign investor puts it, "Banks tend to say, 'Sorry, dear, we can't give you a loan, you're in a war zone.'" From high points in Nicosia, the capital city now divided Berlin-style by the Green Line, one can look past the tumbledown, bombed-out Turkish housing along the border to the ring of gleaming white skyscrapers that have outdistanced them on the "other side." Since the north declared itself the Turkish Republic of Northern Cyprus, a state independent from Turkey, in 1983, only Turkey has recognized it. The most recent of a series of U.N. proposed settlements for reunification is still deadlocked, so the factors responsible for this general braking are unlikely to change. And yet, paradoxically, it is in this deadlock that the Turkish side is subtly making its greatest progress.

Perhaps the only observation that both sides would call shruggingly obvious is that the Turks, who have said yes to the current U.N. document, need an agreement more than the Greeks and that the Greeks are stalling them with their calls for an international conference. Denktash's government holds, by virtue of its promised signature, the pose of a humble supplicant slowly working its way into the world community. "We are not a breakaway state," he says. "That must be understood, and it is being understood—slowly."

But in some ways the present stalemate helps him. For one thing, even if the Greeks accept the present document, it will not change the aspect of the current situation that to the Turks is most valuable: restriction of travel across the Green Line. Principally, the government fears an immediate flood of resettled Greek Cypriots pouring back across the borderline to reclaim property—leading to another war. "We lost 500 civilians the last time," says Denktash. "We are a small community and cannot afford another adventure." His intensity on the subject could be written off as public relations, except that a huge range of resettled Turkish-Cypriots, when asked what life was like for them before 1974, tell convincing stories of persecution and of restricted movement.

The smallness of the island adds another danger. Everyone who lost a family member or a home in the war—on either side—can still recall names, faces and excruciating particulars: this is a part of the world where family blood feuds still occasionally make the newspapers. "For us," says an otherwise soft-spoken government official, "it is still a matter of knowing who raped your sister." A political scientist predicts that if the Green Line were lifted, "we would become like Beirut."

The solution envisioned by the U.N. and accepted by the Turks would preserve the "bizonality" of Cyprus by keeping some travel restrictions and giving each side autonomy over its own people, while adding a layer of Greek-Turkish government on top. The obvious question is why, if this is all the unification the Turks want, they are spending so much effort on attaining it instead of going it alone, cutting their losses and pressing for international recognition.

In a sense, this is exactly what they are doing. When one asks, the official reply is that no, no, it is too unlikely a goal, and anyway the Turks *want* a solution, not a divided island. But in less guarded moments it is clear that this is a perfectly good backup goal. It becomes even clearer—despite the official pessimism—when less partisan observers begin to describe the economic and psychological benefits of the stalemate so far.

"For the first 10 years or so, the émigrés [from the Greek part of the island] were sort of rootless and stunned," says Jan Crouch, a Cornish businesswoman who retired to Kyrenia and opened a hugely successful restaurant there. "They'd lost all their possessions, they'd been moved here, and you could see that they half expected to get their old homes back. Either that or, if they set to building something new, it would all be taken away again. They'd squat in the Greek houses, not even mend the roof. Now, just in the last few years, you hear them saying, 'This is my home, and next year I'm going to plant 10 olive trees.' "

Not that Northern Cyprus is becoming a paradise by any means. The desire to modernize and spur the economy, coupled with a lack of any but Turkish help and expertise, is bringing a proliferation of clumsy highway projects and the ugly yellow concrete high rises that are ubiquitous in provincial Turkish cities. The northern part's many Crusader castles and classical sites are falling into relative neglect and disarray, not so much from the kind of systematic looting alleged by the Greeks but from the impossibility of getting competent archaeological institutes to put money into a forbidden territory. At the beautiful ruined Bellapais Abbey, for instance, a church described in guidebooks as "in a superb state of preservation" is now locked to the public and piled high with dusty office furniture.

But time and gradual accommodation to obstacles are softening the edges of these harshnesses too. Because of its official nonexistence (even addresses and phone numbers are listed as being in Mersin, Turkey, a city 40 miles away on the Mediterranean coast), Turkish Cyprus is a haven for faked and pirated products, from imitation Levis to videocassettes. These cottage industries also benefit from a recent increase in tourism; though foreigners cannot buy former Greek Cypriot property because of the terms of the U.N. process, they can contract to renovate the properties in return for a 15-year or 20-year lease at nominal rent. They travel to and from Western Europe on the growing number of airlines that circumvent prohibitions on direct air links to the unrecognized country by "connecting" to a flight from Turkey—usually by touching down for five or 10 minutes at a Turkish airport.

Denktash agrees that the north has gotten used to separation and predicts that "the longer it lasts, the more difficult it will be to go back" to any kind of mixed life. In a similar vein, he insists that "we are not calling for recognition of the north" from other countries, and yet in the same breath predicts that "it will come eventually anyway, because in the middle of Europe there cannot be a stateless, unrepresented people."

He pauses, then adds almost offhandedly, "Rights of self-determination, conscience of mankind and so forth." Those loftinesses may yet be decided on the merits. But as long as either side holds back, the forces of time and human adaptation are far more likely to hold sway—forces that, for the moment, the Greeks are doing far more to aid and abet on Cyprus than the Turks.

HAMILTON HIGH SCHOOL WEST BAND, DRILL TEAM, AND COLOR GUARD

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. SMITH of New Jersey. Mr. Speaker, I would like to take a moment to recognize a commendable tradition which has developed between the residents of my home community, Hamilton Township, NJ, and our sister community, the city of Hamilton, Bermuda.

Mr. Speaker, in 1979 and again in 1983, the members of the Hamilton High School West band, drill team, and color guard, visited Hamilton, Bermuda, and performed for the Governor, the mayor, other elected officials, as well as the residents of the island community. As ambassadors from Hamilton Township, NJ, these students served our community well in representing us in a neighboring land.

This year, Mr. Speaker, students from Hamilton High West, have again been invited to perform in Hamilton, Bermuda. On Monday, April 13, 1987, more than 200 members of the Hamilton West band organization will leave for Bermuda to give a command performance for Mayor E. Graham Gibbons at the Beat Retreat Ceremony on Front Street. The Hamilton High West band will entertain a large crowd with the Bermudian Regiment and the Bermudian Bag Pipers, two professional bands in that country.

Mr. Speaker, it will be a great honor for these high school students to take part in the ceremonies in Bermuda. Hamilton West's band, drill team, and color guard have practiced long hours and have worked very hard at being their very best. I have watched them perform, and I know they are good.

Yet, beyond an excellent performance, Mr. Speaker, the students from Hamilton Township, NJ, will be serving an even greater goal. In visiting with the governing body of Hamilton, Bermuda, our students will be bringing an important message of friendship, and good will to all the residents of Bermuda.

Mr. Speaker, time and time again, the Congress of the United States has sought new ways of fostering relations with people of other lands. Certainly cultural exchange programs between students, as well as brief visitations by our student organizations to other countries have served our Nation very well.

As the students from Hamilton Township, NJ, prepare to leave for the city of Hamilton, Bermuda, I wish them a safe and pleasant journey and extend to our friends in Bermuda a gracious appreciation for the opportunity to share this cultural experience.

Mr. Speaker, I would like at this time to include a list of my constituents, the students of Hamilton High West who will be participating in the cultural exchange program. They are:

HAMILTON HIGH SCHOOL WEST

HORNET BAND PERSONNEL 1986-87

Toni-ann Abramo, Kelly Alessi, LaTonya Andrews, Philip Angarone, Briah Balog, Marc Bartolomei, Thomas Bartolomei, John Becker, Sherry Belyung, Edward Berk, David Beveridge, Scott Bigami, Mark Bisignano, George Blackwell, and David Bleacher.

Stanley Bogacz, Lisa Bonelli, Anne Bonzek, Christopher Borek, Denise Bowker, Michael Braun, Karen Breese, Anthony Bresnen, Steve Brzdek, Lisa Caggana, Heather Campbell, and Heather Capasso.

Richard Chludzinski, Keli Cassidy, Osman Castro, Ramona Chell, Brian Chiara, Ivette Collazo, Fred Conover, Tracey Cunningham, Terry Czmyr, Jennifer DiDonato, Stephanie DiDonato, Kelly Dooling, William Eggert, and James Episcopo.

Lee-ann Fleming, Christine Forsthoffer, Terry Forsthoffer, Derrick Franklin, Mary Garrett, Rosalyn Gelaszus, Michelle Gels, Fhteachia Gibbs, Eugene Goroschko, Donna Griffiths, and Michelle Gualfetti.

Jeffrey Guear, Kathy Harding, Leon Hayduchok, Carrier Houssell, David Hutman, Shivani Jani, Daniel Jacquemin, Sharon Jeannette, Charles Johnson, Justine Kavchok, Joseph Keane, Alexandria Kisamore, and Jennifer Knott.

Andrew Kondor, Jeffrey Kuhen, Lisa Kulesky, Michael Kulesky, Jesse Libensperger, Nancy Libensperger, John Linkowsky, Dana Locko, Karen Mack, Theresa Mailloux, Robert Mann, Maureen Markulec, Richard Mastropolio, and Michael McVay.

Marcus Meekins, Mark Mihalik, Jennifer Miller, William Mount, Daniel Mozer, Donald Mucha, Karen Mulvan, Bethann Naples, Christine Nichols, Scott Niedermaier, Rebecca Northcutt, Mark Novembre, Todd Nutter, Kevin O'Malley, and Lester O'Malley.

Cindy Opsuth, Dena Paradiso, David Parsons, Joseph Pasciucco, Kevin Peterson, Kraig Peterson, Michele Petronella, Scott Pidcock, Natalie Pimanjonok, Tammy Pimanjonok, Gregg Pointon, David Piotrowski, and Debra Pracko.

Jeffrey Quick, Dawn Raymond, Cassandra Rettzo, Brain Riley, Ruth Robbins, Kirsten Rouse, Dawn Rubino, Brian Saintz, Donna Schurter, Joanne Sedor, Thomas Simancik, Gregory Sinclair, Brain Smith, Michael Staub, and Joseph Storaci.

Linda Vanisko, Christine Waldron, Diane Wherley, Roger Wherley, Christina White, Thomas Wilkins, Craig Williams, Sherri Williams, Danielle Wilson, Leslie Zier, and Jeffrey Zimmerman.

DRILL TEAM 1986-87

Danielle Adams, Chris Allen, Traci Arcomano, Jennifer Bayous, Angelique Bizzarri, Melissa Blanche, Stephanie Blanche, Kara Bonacci, Kati Bonelli, Christine Candelori, Chris Carvale, Faith Dolci, Dawn Eldridge, Melissa Festa, Erika Fisher, Allison Forker, Dana Griffith, Renee Griffith, Kelly Gross, Sherri Henry, Michelle Ireland, Linda Macturk, Chris Mangione, Melissa Markee, Jennifer Marshall, Angela Migliacci, Michelle Miller, Kathy Moreau, Kim Mraz, Monica Owens, Samantha Panella, Cheri Peluso, Stacy Peluso, Karen Peterson, Lisa Pouria, Prummer, Heidi, Joy Scaccetti, Lisa Sforza, Elizabeth Solinsky, Dana Speinheimer, Natalie Testa, Brenda Thiel, Kim White, JoAnn Wilson, and Nancy Wood.

COLOR GUARD 1986-87

Carolyn Arkuszewski, Lynn Barth, Stephanie Bonzek, Connie Boos, Patricia Brewer, Andrea Carr, Anna Christiano, Vickey Clevenger, Lynn D'Oria, Beth Faherty, Eileen Filler, Kara Fish, Gina Gaug, Heather Gribbin, Linda Henne, Vera Hutman, Laura Hutson, Beth Kish, Kris Kontura, Jackie Jornetti, Malinda Lamperti, Anne Marie Lucidi, Melanie Malewicz, Lisa Pasciucco, Lisa Sheldon, Marie Spedding, Sondra

Ternowyj, Jennifer Vigh, Cindy Voloski, Kim Voloski, Kim Wargo, Carla Webb, Stephanie Whitlock, and Patty Wilson.

In addition, the students will be accompanied by Karl Rectenwald, director of bands; Thom Rectenwald, band director; Ursula Rectenwald, color guard director; and Margaret Prewitt, drill team director.

DESIRE OF VIRGIN ISLANDS TO VOTE FOR PRESIDENT AND VICE PRESIDENT OF UNITED STATES

HON. RON de LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. DE LUGO. Mr. Speaker, on March 31, 1987, the Virgin Islands celebrated the 70th anniversary of the transfer from Danish to American sovereignty. Since 1917, Virgin Islanders have served their country faithfully through three wars. Now 70 years later the strong sense of patriotism still remains, and the importance of this historic date has not been diminished. On March 31 I introduced House Joint Resolution 217, supported by the leadership of both parties and by 111 cosponsors from both sides of the aisle.

I am grateful to my colleagues for this strong showing of bipartisan support for my legislation which calls for an amendment to our Constitution that would give American citizens living in the territories the right to vote for the President and Vice President of the United States like every other American citizen. Today I would like to call to my colleagues' attention an editorial in the April 3, 1987 edition of the St. Croix Avis, a highly regarded local newspaper that can trace its roots back to Danish times. Established in 1844, it is the oldest newspaper in the U.S. Virgin Islands, and indeed may well be one of the older newspapers under the American flag. The April 3 editorial of the St. Croix Avis accurately and succinctly sums up the strong desire of Virgin Islands to be allowed this most fundamental right.

The editorial follows:

[From the St. Croix Avis, Apr. 3, 1987]

WE LIVE AND DIE—BUT DON'T VOTE—FOR AMERICA

It took 10 years after the Virgin Islands transfer from Denmark to the United States before Virgin Islanders could claim American citizenship.

It took 37 years following transfer before Virgin Islanders were allowed, by the U.S. Congress, the right to modified self-government through election of a unified legislature that would govern the territory as a whole.

It took 51 years following transfer before Virgin Islanders were allowed the right to vote for their own governor.

It took 55 years after transfer before the territory's U.S. citizens were allowed to elect a delegate representative to the U.S. Congress.

And today we believe V.I. Congressional Delegate Ron de Lugo's selection of Virgin Islands Transfer Day to introduce a resolution to Congress, giving Virgin Islanders the presidential vote, to be an example of perfect timing.

Introducing the resolution on Transfer Day, to Congressmen who in all likelihood have never heard of our holiday, not only emphasizes the fact that the Virgin Islands feels transfer to the United States is important enough to still be celebrated 70 years after the fact. It also subtly stresses the fact that there is still unfinished business to be taken care of before Virgin Islanders, who are U.S. citizens, become full-blown Americans.

"I want transfer day to be an occasion for Congress to remember the Virgin Islands, our importance for the United States in the Caribbean, and our continued campaign for more political rights, especially the presidential vote," declared the congressional delegate.

It will be interesting to hear congressional opponents to the resolution voice their reasons as to why the opportunity to vote for the U.S. president and vice-president should still be denied Virgin Islanders.

We would hope they earnestly keep in mind that Virgin Islands blood shed for America in the Second World War, the Korean War and the Vietnam War should be set down on the positive side of the ledger. Continued Virgin Islands political loyalty to America, particularly during the past three decades, when all the territory's neighbors were thrusting toward independence and self-government from former colonial and administrating powers, must also be pointed out.

Post Script: It took ——— years following transfer before Virgin Islanders were allowed, by the U.S. Congress, to vote for the U.S. president and vice president.

(Please fill in blank(s) at the appropriate time)

AGRICULTURAL PESTS IN THE MAILS

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. COELHO. Mr. Speaker, I am introducing legislation today to address the problem of agricultural pests that enter the United States via first-class mail. This problem is extremely serious in my home State of California with several new incidents having occurred in the past few months. We must take some action if we want to prevent serious problems for our farmers and American agriculture.

On March 11 of this year, for the fifth time in 9 months, live Oriental fruit fly larvae were found in a package sent by first-class mail from Honolulu to Orange County, CA. The parcel was held for inspection by a postal clerk who noticed a strange odor and contacted the consignee for permission to open it.

Fifteen live Oriental fruit fly larvae were found infesting the fruit in the package. This mailing was in violation of Federal Fruit and Vegetable Quarantine No. 13, which is designed to protect California from insect pests, plant diseases and other agricultural problems.

The eradication costs to California since 1980 for fruit fly pests have exceeded $105 million. I know other States have incurred similar costs in controlling these agricultural pests. I am introducing this bill to strengthen our current laws, which are not doing the job in controlling this problem.

Under present Postal Service policy, the inspection of any first-class mail is not permitted, even if it might contain agricultural pests, unless a warrant is secured. Some means of handling parcels suspected of containing prohibited materials is needed that is less cumbersome than getting a warrant, but that also protects citizens rights from having mail inspected randomly without cause. I believe the bill I am introducing is a reasonable method of addressing this problem.

This legislation would make it illegal to ship any plants or animals or related article in first-class mail unless the person or sender who submits the mail parcel agrees to allow agricultural inspection of its content. The Postal Service would be authorized to refuse to accept any parcel suspected of containing prohibited plants or animals for which inspection is not authorized.

The Secretary of Agriculture would be required to work with the U.S. Postal Service in devising regulations for handling parcels found to contain prohibited materials. Additionally, they would be required to conduct a public education campaign to inform the American public of the problem and to advise them of current laws dealing with the use of the mails for such purposes. Finally, civil penalties of at least $1,000 would be authorized for those who violate this law.

Mr. Speaker, we must take action soon if we are to insure that the States do not have to expend millions of additional dollars to get rid of these agricultural pests. I hope that the appropriate committees will move this legislation quickly and put an end to this costly problem.

THE MONTANA NATURAL RESOURCES PROTECTION AND UTILIZATION ACT OF 1987

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. WILLIAMS. Mr. Speaker, today I am introducing the Montana Natural Resources Protection and Utilization Act of 1987. This legislation will move toward completion of the many Federal land use decisions still pending in our State. It is a product of a decade of debate and discussion. Montanans have taken the time to share their thoughts in detail on the proper management of our Federal lands, and I have attempted in this legislation to reflect their collective interests.

Since 1977 more than 6 million acres of roadless lands in Montana have been tied up in RARE II, the Forest Service's second roadless area review and evaluation. The aim of this process was to determine the most appropriate uses of the very best of America's wildest lands. The lands tied up in RARE II are, of course, Federal lands, owned by all the people and Federal legislation is required to resolve the most appropriate uses of those lands. All but three States have passed Federal legislation to settle the fate of the lands within their borders. Montana is one of the three which have not, and we need to get on with the task at hand.

Failure to pass legislation has jeopardized more than 100 million board feet of timber scheduled for harvest during the next decade. Jobs for our workers, the future of our State's economy, and the fate of some of the most pristine lands on this continent depend on resolving RARE II—and doing it soon.

We must provide our natural resource industries with the stability to plan for future growth and jobs. Our miners deserve to know where they can dig, our loggers where they cut, and our oil riggers where they can drill. Our outdoor and tourism industry must also know which lands will be available for recreation.

This is Montana's challenge, to protect our local economies while still maintaining our long tradition of conservation. We are currently on the verge of not meeting either of these challenges. In spite of the more than 10 years of discussion, debate, meetings, and hearings we have been unable to agree on what course to pursue regarding Montana's land management. The consequence has been disorder and thoughtless chaos in our land use decisions.

I am convinced that Montanans want to end this continual disagreement and get on with a decision. Lets get it behind us. Lets provide the jobs and still protect this green and flourishing estate for our children and grandchildren. Any discussions regarding wilderness have always sparked vigorous public debate. I am convinced that my legislation will do the same. However, I am also convinced that Montanans are ready to resolve these issues and not leave our economic and environmental fate in the hands of the courts. To not move boldly at this time is to abdicate the responsibility to govern.

"Conservation," President Kennedy observed in 1962, "can be defined as the wise use of our natural environment: it is, in the final analysis, the highest form of national thrift—the prevention of waste and despoilment while preserving, improving and renewing the quality and usefulness of all our resources." We Montanans believe that if we manage our resources appropriately we will not only use their abundance today, but will also assure that abundance for future generations. In Montana we have some of this Nation's most significant wildlands resources, capped by Glacier National Park to the north and Yellowstone Park to the south. Montanans have worked and recreated on all those lands and we have been good custodians of them. Jobs and recreation continue to exist in our State and we want to keep it that way.

My legislation will accomplish four basic purposes: release of approximately 4.1 million acres in the national forests for multiple uses—for logging, mining, oil and gas, and numerous types of outdoor recreation; designation of approximately 1.3 million acres of wilderness for some of Montana's most fragile lands; establishment of approximately 350,000 acres of national recreation areas (NRA) for folks to continue to enjoy the scenic, wildlife, and recreational values that require special management; and finally the setting aside of approximately 378,000 acres of lands that require further study.

Following are my recommendations for designation of wilderness, establishment of national recreation areas (NRA) and lands that require further study by national forest and their approximate acreage.

Wilderness area	Forest	Approximate acres
1. Anaconda-Pintler Wilderness—Additions proposed.	Beaverhead, Bitterroot, and Deerlodge.	38,000
2. Italian Peaks Wilderness—Proposed	Beaverhead	25,000
3. East Pioneers Wilderness—Proposed	Beaverhead	74,000
4. Tobacco Root Wilderness—Proposed	Beaverhead	6,800
5. Stony Mountain Wilderness—Proposed.	Bitterroot, Deerlodge, and Lolo.	72,000
6. Selway-Bitterroot Wilderness—Additions proposed.	Bitterroot and Lolo	66,000
7. Frank Church-River of No Return Wilderness—Additions proposed.	Bitterroot	28,000
8. Lost Water Canyon Wilderness—Proposed.	Custer	9,800
9. Absaroka Beartooth Wilderness—Additions proposed.	Custer	6,200
10. Electric Peak Wilderness—Proposed	Deerlodge and Helena	19,000
11. Flint Range Wilderness—Proposed	Deerlodge	38,000
12. Sapphires Wilderness	Deerlodge and Bitterroot.	67,000
13. North Fork Wilderness	Flathead	103,000
14. Bob Marshall Wilderness—Additions proposed.	Flathead, Lolo, and Lewis and Clark.	14,000
15. North Mission Mountain Wilderness—Additions proposed.	Flathead	1,700
16. Jewel Basin-Swan Wilderness—Proposed.	Flathead and Lolo	171,000
17. North Absaroka Wilderness—Additions proposed.	Gallatin	500
18. Lee Metcalf Cowboys Heaven—Addition.	Gallatin	14,000
19. Earthquake Wilderness—Proposed	Gallatin	19,800
20. Bob Marshall Wilderness—Additions proposed.	Helena, Lewis and Clark, and Lolo.	219,000
21. Camas Creek Wilderness—Proposed	Helena	26,000
22. Mount Badly Wilderness—Proposed	Helena	15,000
23. Gates of the Mountain Wilderness—Additions proposed.	Helena	10,500
24. Black Mountain Wilderness—Proposed.	Helena	5,800
25. Scotchman Peaks Wilderness—Proposed.	Kootenai	47,000
26. Ten Lakes Wilderness—Proposed	Kootenai	33,000
27. Cabinet Mountains Wilderness—Additions proposed.	Kootenai	30,000
28. Big Snowies Wilderness Area—Proposed.	Lewis and Clark	22,000
29. Great Burn Wilderness—Proposed	Lolo	94,000
30. Quigg Wilderness—Proposed	Lolo	49,000
Total		1,325,100

NATIONAL RECREATION AREAS

National recreation area	Forest	Approximate acres
1. West Pioneers National Recreation Area.	Beaverhead	162,000
2. Mount Helena Education and Recreation Area.	Helena	5,400
3. Ross Creek Cedars National Recreation Area.	Kootenai	700
4. Gibson Reservoir National Recreation Area-Proposed.	Lewis and Clark	25,000
5. Elkhorns National Recreation and Wilderness Area—Proposed.	Helena and Deerlodge	160,000
Total		353,100
Study Areas		
1. West Big Hole-Watershed Study	Beaverhead	120,000
2. Gallatin Land Consolidation Study (Hylite-Porcupine-Buffalo Horn).	Gallatin	145,000
3. Gallatin and Lewis and Clark Land Consolidation Study (Crazy Mountain Area).	Gallatin, Lewis and Clark.	113,000

AN HONEST AND FAIR BUDGET

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. TAUKE. Mr. Speaker, today, I join with nine of my colleagues (Congressmen UPTON, FAWELL, CHANDLER, MCKINNEY, GRANDY, FISH, MCMILLAN of North Carolina, GUNDERSON, and MILLER of Washington) in introducing a budget package. We do so not because we expect that this budget will be enacted during the current debate, but because we believe it is important to present to our colleagues a proposal that deserves to bear the label budget.

The current budget debate is a sad chapter in the history of the House of Representatives. It represents the triumph of politics over sound policy, the absence of political leadership and courage, the default of the Budget Committee, and the unwillingness of the majority to shoulder responsibility.

The product of the Budget Committee does not deserve to be called a budget. It simply does not provide a realistic or comprehensive blueprint for the fiscal policies which must be made in the current Congress. It lacks integrity, specificity, and thoroughness.

In stark contrast, the proposal we submit is truly a budget. It is comprehensive, complete, and specific. It is straightforward and honest. It does not avoid making difficult choices; it confronts them. In that sense, it does what a budget should do; it is what a budget should be.

We do not suggest that this budget is perfect. In fact, each of us disagrees with various policies reflected in it. But working under the auspices of the House 92 Group, we drafted a document which represents to the best extent possible our collective judgments on the budgetary decisions which must be made by this Congress.

This budget reduces the budget deficit by over $40 billion in fiscal year 1988. Using the Office of Management and Budget's assumptions, it reaches the Gramm-Rudman-Hollings deficit target of $108 billion in fiscal year 1988. Using Congressional Budget Office assumptions, it yields a deficit of $128 billion.

In order to ensure that these reductions are actually achieved, the budget includes strong reconciliation provisions and it calls for the enactment of constitutional sequestration procedures.

The deficit reduction is achieved with a combination of $30 billion in spending reductions and $12 billion in revenue increases. Included in this package are $4.6 billion in loan asset sales, almost $1 billion in user fees, and $4.8 billion in privatization projects.

In addition, this budget package:

Holds the line on defense and domestic spending;

Avoids new taxes;

Promotes programs which create jobs;

Increases education funding;

Provides for a new competitiveness initiative;

Protects Social Security and Medicare benefits and provides for the full cost-of-living adjustment for all retirees, all Federal workers, and all military personnel;

Fully funds farm price support programs; and

Increases funding for programs serving low-income Americans.

While we recognize that the authorizing committees have the final say in determining where spending reductions will take place, we offer the following recommendations, broken down by budget category, for consideration. We have prepared more complete explanations which may be of use as the budget process unfolds in this Congress.

FUNCTION 050—NATIONAL DEFENSE

We hold budget authority at $292 billion, the approximate funding level for this function from FY 1985 through FY 1987. To reach this figure, we recommend that the Department of Defense work to produce a more equitable defense burden sharing among the United State's allies. An increase in contributions by our NATO allies and the Japanese to their own defense would reduce the need for the United States to continually increase its defense budget. If our allies do not choose to increase their own defenses, they could compensate the United States for its commitments and achieve a more even distribution of financial responsibility can be accomplished without sacrificing political or military security.

In addition, we recommended the establishment of a low-percentage rebate on foreign military sales. The purpose of this rebate would be to recoup some of the federal expenditures on weapons whose development was underwritten by the federal government.

FUNCTION 150—INTERNATIONAL AFFAIRS

In addition to the discretionary freeze on the subfunctions of foreign development and humanitarian assistance, conduct of foreign affairs, and information and exchange activities, we recommend a 5 percent cut on security assistance except for Israel and Egypt. We also propose to cut the Export-Import Bank's direct lending authority by 30 percent and to continue the sale of Export-Import Bank's loans. These changes result in a savings of 1.295 billion in FY 1988.

FUNCTION 250—GENERAL SCIENCE, SPACE, AND TECHNOLOGY

We provide an increase of $110 million for the National Science Foundation. In addition, we delay the building of the space station for one year. Total savings in this function equal $126 million in the next fiscal year.

FUNCTION 270—ENERGY

We propose cutting fossil energy R&D by 10 percent; allowing the prepayment of REA loans without prepayment penalty; and reducing the fill rate for the Strategic Petroleum Reserve by one-half. In addition, we require the Nuclear Regulatory Commission to collect additional user fees. Total savings—$687.0 million.

FUNCTION 300—NATURAL RESOURCES AND ENVIRONMENT

Beyond the discretionary freeze, we propose increasing construction funds by 32 million to carry out the Administration's new policy initiative regarding BuRec projects. This proposal is designed to complete construction on projects substantially underway while postponing or constraining funds for projects in earlier stages of construction. In addition, we recommend selling the BuRec's Small Projects Program loans, reducing the Forest Service Road Construction by $18 million, cutting the BLM firefighting program by $50 million, and eliminating the cloud seed program. We also propose National Park Service and Forest Service user fees for a savings of $63 million. Finally, we provide $57 million to the Forest Service, the Bureau of Land Management, and the Fish and Wildlife Service (as the authorizing committee may determine) for land acquisition. This amounts to a proposed reduction in land acquisition of $100 million throughout the agencies.

FUNCTION 350—AGRICULTURE

We recommend phasing out Federal crop insurance subsidies over a three-year period, and we recommend reducing funding for the Agricultural Research Service and the Cooperative State Research Service (both of which have received substantial increases in recent years) by 10 percent. In addition, we propose combining categorical (Smith-Lever [d]) grants with general formula grants and reducing funding by 10 percent, thus giving local extension agents greater control over specific programs and ensuring that those programs are not forced on counties that either do not want them or do not need them. In addition, we recommend the adoption of greater user charges for inspections and marketing services provided by the Animal and Plant Inspection Service, Federal Grain Inspection Service, and the Agricultural Marketing Service. And we recommend the adoption of a lower limitation on total USDA commodity payments to a single farming operation to better ensure that price support money is principally benfitting family-sized farm operations.

FUNCTION 370—COMMERCE AND HOUSING CREDIT

We recommend reducing the authorized number of new rural housing units from 50,000 to 20,000. 7,000 of these units would be supported by a voucher system, and the remaining 13,000 units would be supported by the Farmers Home Administration direct loan program. These loans would be divided between single family ownership loans and direct loans for construction of multi-family housing developments. In addition, we propose loan assets sales for the following funds:

Rural Housing Insurance Fund;

Federal Housing Administration Fund;

Elderly and Handicapped Housing Fund;

SBA Business Loan Investment Funds; and

SBA Development Companies.

Finally, we propose eliminating subsidized postal rates for 2nd and 3rd class advertising. Commercial advertising rates would be used on the advertising portion of non-profit mailings. Those qualifying for non-profit status could use 10 percent of their total document space for commercial advertising. Any portion exceeding that would be mailed under the commercial advertising rate.

FUNCTION 400—TRANSPORTATION

We provide an additional $230 million for air traffic control operations. We recommend eliminating the Interstate Commerce Commission, terminating UMTA "new start" grants, and cutting the Amtrak subsidy by 10 percent. In addition, we propose cutting Section 9 formula grants by 10 percent, the cargo preference operational differential subsidy and the ocean freight differential subsidy by 50 percent.

FUNCTION 450—COMMUNITY AND REGIONAL DEVELOPMENT

Beginning with a discretionary freeze, we further reduce spending by phasing out the Economic Development Administration (EDA); over three years. We eliminate the Appalachian Regional Commission (ARC) highway funding and cut its remaining funds by 10 percent. In addition, we recommend loan asset sales for the following programs:

Community Development funds;

Rehabilitation Loan funds;

The Rural Telephone Bank funds; and

The SBA Disaster Loan.

FUNCTION 500—EDUCATION

We recommend increasing Chapter 1 funds by $25 million, Handicapped State Grants by $63 million, Pell Grants by $194 million, and Head Start by $59 million. In addition, we propose an additional $500 million for a "competitiveness training" package to help workers dislocated by plant closing, mass layoffs, and imports. We propose terminating Impact Aid Part B and Cooperative Education, and we recommend savings in the Perkins (NDSL) loans, Howard University, the National Endowment for the Humanities, and the National Endowment for the Arts.

FUNCTION 550—HEALTH

We recommend eliminating the incentive administrative matching rates under Medicaid. Under the current program, special higher matching rates are provided for information systems, skilled medical personnel for survey and certification, PRO contracts, and fraud control to encourage these activities. In addition, we propose that the Postal Service and the D.C. government pay the full share of employee health benefit costs and that the federal contribution for federal employees' health benefits be set at a weighted average of all plan premiums. We also recommend eliminating the health professions education programs except those supporting primary and geriatric care and disadvantaged minorities.

FUNCTION 570—MEDICARE

We propose freezing the Medical Economic Index, rebasing the prospective payment system (pps) rates, and reducing the indirect medical education adjustment to 6.9 percent. We recommend limiting high-priced procedures and specialty differentials and call for the establishment of new physician payments at 80 percent of the prevailing charge. We reform payment for durable medial equipment and eliminate the return on equity payments for skilled nursing facilities and out-patient departments. And we recommend a small increase in Part B premiums. Finally, we propose that we maintain the current 30 day limit on Medicare reimbursement by the federal government.

FUNCTION 600—INCOME SECURITY

From a discretionary freeze, we adopt the Railroad Retirement Board's (and the President's) proposal to increase employer and/or employee payments into the Rail Pension Fund by 1.5 percent in FY 88. We also adopt the President's proposal to collect higher premiums from those employers with underfunded plans and improve funding of poorly financed plans. In addition, we modify and limit the President's proposal to hold states liable for full dollar value of erroneously-issued food stamp benefits in excess of 5 percent and withhold administrative grants to that amount. We also recommend reducing the current 75/25 match for state grants for investigating fraud and developing computer systems to 50/50 by 1990. We propose to achieve $320 million in savings in school lunch programs either from increased income verification or the elimination of the cash subsidy for children of families above 250 percent of the poverty level. Further, we encourage reforms of the AFDC program including removing recipients when the youngest dependent is 16, phasing-in the uniform match for AFDC administrative costs, requiring prospective withholding of grants to states when the amount of error is over 5 percent, and applying sanctions for inadequate child support collection by states. In addition, we reduce the low-income energy assistance program to $1.6 billion and encourage states to substitute funding from the oil overcharge settlements for this purpose. We also recommend reducing federal refugee assistance because the number of refugees entering the United States in the last three years has dropped by 63 percent. Finally, we adopt the additional savings from enactment of child support enforcement reforms in H.R. 1604, legislation introduced by Congresswoman Roukema.

FUNCTION 650—SOCIAL SECURITY

We do not recommend any changes in the Social Security program and assume that all recipients will receive the full cost-of-living adjustment.

FUNCTION 700—VETERANS

For a savings of $35 million, under-utilized acute-care beds in VA hospitals would be converted to long-term care beds, allowing the VA to scale back current plans for the costly construction of new VA nursing homes.

FUNCTION 750—ADMINISTRATION OF JUSTICE

We recommend increasing funding for the FBI by 10 percent and for the Drug Enforcement Administration (DEA) by 5 percent. However, funding for the Legal Service Corporation would be decreased by 25 percent, and the Office of Justice Programs would receive a 10 percent reduction in funding.

FUNCTION 800—GENERAL GOVERNMENT

We recommend cutting the legislative branch appropriation by 10 percent with certain accounts excluded. We propose to recover fully the administrative costs of the GSA in supplying goods and services to federal agencies through the General Supply Fund, and we accept the President's recommendation to increase IRS funding by $524 million in FY 88. This increase results in the collection of an additional $1.5 billion in revenues.

FUNCTION 850—GENERAL PURPOSE FISCAL ASSISTANCE

We recommend freezing the federal payment to the District of Columbia government at $425 million. In addition, we propose sharing the receipts of mineral leasing/timber sales with state and local governments based on net profits instead of gross receipts for a savings of $211 million.

FUNCTION 900—NET INTEREST

From our recommended changes in the other budget functions, we save $1.6 billion in FY 88.

FUNCTION 920—ALLOWANCES

We recommend reducing federal travel by 10 percent, some Davis-Bacon reform, and changing the FEHB formula to a weighted average. In addition, we accept the President's credit reform package for an additional savings of $829 million in FY 88.

FUNCTION 950—UNDISTRIBUTED OFFSETTING RECEIPTS

We propose selling the Naval Petroleum Reserve (NPR) for $2.2 billion, auctioning the non-broadcast electromagnetic spectrum for $600 million, and allowing for the sale of uranium enrichment facilities and assets for $2 billion.

LOAN ASSET SALES

Within our package, we propose the following loan assets sales:

Ex-Im bank loans.
Bureau of Reclamation loans.
College housing loans.
VA loan portfolio.
Rural housing insurance fund.
Federal Housing Administration fund.
Elderly and handicapped housing.
SBA business loan investment fund.
SBA development companies.
Railroad rehabilitation.
Community development.
Rehabilitation loan fund.
Rural telephone bank.
Medical facilities.
Health maintenance organization.
SBA disaster loans.

USER FEES

We recommend the following user fees:

National Park Service recreation (−$33 million).

Forest Service recreation (−$30 million).

Agriculture Marketing Service (−$33 million).

Grain inspection (−$7 million).

Animal and plant health inspection (−$86 million).

Meat and poultry Food Safety and Inspection Service (−$389 million).

FDA user fees (−$34 million).

Pension Benefit Guaranty Corporation (−$305 million).

NRC user fees (−$60 million).

REVENUES

In our budget, we require $12 billion in revenue increases, and we make the following recommendations:

1. Increase passport fee by $15	$0.100
2. Impose fees on recreational fishing	.032
3. Increase employer/employee payments into rail pension fund by 1.4 percent	.100
4. Increase black lung excise taxes on coal	.300
5. Extend federal/state unemployment insurance coverage to railroad employees	.100
6. Maintain current FUTA tax beyond expiration	.700
7. Extend and increase custom user fees	.200
8. IRS initiative	1.800
9. Extend telephone excise tax of 3 percent	1.300
10 Increase Port Harbor Trust Fund tax on waterborne cargo from .04 percent to .07 percent	.100
11. Limit depletion allowances and intangible drilling recovery to actual costs	.400
Total	5.132

In addition, we require the Ways and Means Committee to report legislation raising $6.9 billion from the following sources:

Tax Amnesty.
Cigarette Tax.
Distilled Spirits Tax.
Wine Tax.
Beer Tax.
Gasoline Tax.

RECONCILIATION

Our budget contains tough reconciliation provisions requiring the Congressional Budget Office to score each committee's action to ensure that budget targets will be met.

SEQUESTRATION

We propose that constitutional sequestering be reinstated if the Gramm-Rudman-Hollings targets are missed by $10 billion.

Our proposal is a fair and balanced approach. I urge my colleagues to join us in our fight for fiscal responsibility.

THE 92 GROUP BUDGET

HON. J. ALEX McMILLAN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. McMILLAN of North Carolina. Mr. Speaker, I want to commend my colleague, Congressman TAUKE of Iowa, for his leadership in developing the 92 group budget. It has been rewarding to work with this group to develop a feasible budget approach. Though there are certain elements of this proposed budget that I could not support, such as a possible increase of excise taxes on cigarettes and less than a full inflationary increase for defense, it is a sound, fiscally responsible document that shows significant avenues Congress can take to reduce the Federal budget deficit.

During my participation on preparing this budget, I found two novel means of addressing the Nation's deficit. The first focuses on the need to encourage our allies to bear a greater percentage of the costs associated with the common defense of the free world; in essence, a cost-sharing plan. An increase in NATO and Japanese contributions to their own defense, which they can fully afford, would reduce the need for the United States to continually increase its own defense budget while maintaining the military security levels necessary to protect freedom around the world. It should become a matter of United States policy to achieve a level of cost-sharing that provides for the absorption of up to $12 billion per year in incremental costs to our allies and Japan for the next 5 years.

Another idea with considerable merit centers on improvements to the President's credit reform package. Such a proposal would amend the management structure of the Government's direct loan portfolio. The issue of credit reform must be considered by the 100th Congress as a means to more clearly identify to the American taxpayer the inherent subsidies in virtually every government loan. It also offers significant potential savings to the Federal budget by more efficient management of the Government's loan assets. Where such loans can be placed privately, it should be government policy to do so with significant short-term savings.

I wish to extend my thanks to Congressman TAUKE and all of the other Members and staff who participated in this worthwhile effort to explore new areas of possible savings in the Federal budget.

Unless Congress is prepared to consider innovative measures and the kind of discipline intended in this approach, there is no way to meet the Gramm-Rudman-Hollings targets by 1991.

This budget comes very close to meeting the targets for deficit-reduction for fiscal year 1988. If enacted, it should require that targets not be postponed but reconformed to still achieve balance by 1991 with targeted reductions of $42 billion per year over the next 3 years. Any budget adopted by Congress should restore an automatic sequestration trigger mechanism to the Gramm-Rudman-Hollings Balanced Budget Act to force the continued reduction in our Nation's budget deficits.

TRIBUTE TO MAYOR WILLIAM H. BRIARE

HON. JAMES H. BILBRAY

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. BILBRAY. Mr. Speaker, I rise today with great admiration and respect to pay tribute to the mayor of Las Vegas, William H. Briare. Seldom does one find a citizen who has done more to serve his community than Mayor Briare.

First elected mayor in 1975, Bill Briare brought experience and an excellent working knowledge of government to the office. Before being elected mayor, he served in the Nevada State Legislature and was vice chairman of both the judiciary committee and elections committee. Subsequently, he served 8 years as a county commissioner presiding for 5 years as either vice chairman or chairman of the board of the county commissioners.

During his 12 years in office, Mayor Briare has supported and monitored a number of projects for the betterment of Las Vegas. He has been successful in implementing a new wastewater treatment center, redeveloping the downtown, constructing a new central fire center, and developing the Stewart/Mojave Recreational Center and the Dell Robinson Community Center.

Mayor Briare not only concerns himself with the governmental workings of his community, but has worked diligently to bring cultural activities to the Las Vega area. A visit to the mayor's office will confirm his interest in the arts, the display of paintings and objects d'art underscore his deep appreciation and active interest in enriching the cultural lives of Las Vegans.

Along with his official and cultural accomplishments, Mayor Briare has committed himself to the health and welfare of Las Vegas and the entire Nation. He has, for several years, represented Las Vegas on the Jerry Lewis MDA Telethon.

Mr. Speaker, on behalf of the city of Las Vagas I wish to commend Mayor Briare for an outstanding career. I offer my sincere best wishes to this dedicated public servant and true humanitarian.

THE NICEST BALLPARK IN THE WORLD

HON. MATTHEW G. MARTINEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. MARTINEZ. Mr. Speaker, 30 years ago there was a dusty, gullied, wasteland located just 10 minutes from downtown Los Angeles called Chavez Ravine. Raccoons, opossums, and goats roamed these hills looking for garbage and bits of grass. With only a few squatters' shacks and woefully inadequate roads this scab of a dirt patch was not hinting at any future glory. Five years later, at the initiation of Walter O'Malley, and after the dislocation of 8 million cubic yards of earth, this rugged plot of 300 acres yielded a stunning blue diamond. This diamond has provided striking beauty and wholesome pleasure to over 64 million spectators from all over the world. Its brilliance was revealed to the city of Los Angeles on this date, a quarter century ago, when the Los Angeles Dodgers played the Cincinnati Reds on the opening day of the diamond called Dodger Stadium.

Today I want to recognize the opening of this great baseball stadium, and some of the players who helped it make baseball history. The first starting lineup in the new stadium consisted of: Maury Wills, Junior Gilliam, Wally Moon, Duke Snider, John Roseboro, Ron Fairly, Daryl Spencer, Willie Davis, and pitcher Johnny Podres. Podres had this to say of the opening day.

> Its the nicest ball park in the world. It was an honor to pitch the first game played there. I remember walking into the stadium for the first game and saying to Daryl Spencer. "My God, this is something special".

Sportswriters of the day quickly dubbed it the Taj Mahal of baseball. Players from opposing teams also recognized the "something special" that Podres was talking about. Hank Aaron said:

> Of all the ballparks I played in, Dodger Stadium was the only one that gave me a sense that its only activity was baseball. It was always clean. I've never seen a ballpark that clean. The field was always in great shape.

The beauty of Dodger Stadium has insured its place in the hearts of players and fans, but it has been the players who have made the Dodgers great. Over the past 25 years the Dodgers have won three world championships, seven National League pennants and six N.L. Western Division titles. Dodger fans will never forget the no-hitters of Sandy Koufax, the record setting shutout streak of Don Drysdale, Maury Wills running the bases, or the gallant sprint of Rick Monday to save the American flag from flames.

Considering the talent on the present club, I think Dodger fans can expect many more years of exciting baseball as they peer into the blue diamond of Chavez Ravine.

COMMEMORATION OF GREEK INDEPENDENCE DAY

HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 25, 1987

Mr. COYNE. Mr. Speaker, it was 166 years ago that the Greek people rose up and declared their independence from the Ottoman Empire, which had ruled over Greece for almost 400 years. The revolution that began March 25, 1821, looked no farther than its own historical roots for the inspiration needed to overthrow an oppressive government that deprived Greek citizens of their civil rights and closed schools and churches.

Indeed, all free nations today can look to the traditions of democracy that evolved in ancient Greece as the foundation for republican governments throughout history. It is the unique principles of equality, individual rights, and the rule of law that are perhaps the most important legacies of the great Greek philosophers. More than 2,000 years ago, Pericles, the eminent Athenian statesman, put it most succinctly: "When it is a question of settling private disputes, everyone is equal before the law; when it is a question of putting one person before another in positions of public responsibility, what counts is not membership of a particular class, but the actual ability which the person possesses."

The bond between the United States and Greece was cemented at the rebirth of Greek independence, when the United States Declaration of Independence was translated and used by the Greeks as their own. By the early 1900's, one out of four Greek males between the ages of 15 and 45 emigrated to the United States. Since then Greek Americans have distinguished themselves in the fields of education, religion, music, medicine, theater, and politics. Their contributions today to the American society and culture are no less than those of their ancestors of ancient Greece to the world community.

Today Greece is a loyal and important friend of the United States. The strength, pride, and character of the Greek people has always been an inspiration to freedom-loving nations; but never so much as during the late 1940's when this strategically vital country successfully fought off a challenge from Communist forces. That commitment to freedom remains strong to this day and Greece is a crucial cog in the mutual defense pacts of the North Atlantic community.

I join my colleagues in celebrating Greek Independence Day. We should all salute and treasure this rich heritage that benefits us all.

CONSERVATION RESERVE PROGRAM PAYMENTS RENT OR EARNED INCOME?

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. TAUKE. Mr. Speaker, I have introduced legislation to clarify congressional intent in regard to the taxation of Conservation Reserve Program [CRP] rental payments. This legislation has become necessary due to the Internal Revenue Service's [IRS] incorrect ruling and misinterpretation of congressional intent for self-employment taxation of agricultural rental payments.

The 1985 farm bill established the Conservation Reserve Program to encourage farmers to set aside highly erodible farmland for a period of 10 years. Farmers who participate in this program enter into an agreement with the Secretary of Agriculture and receive a rental payment from the Secretary for discontinuing cultivation of "overworked" lands. In addition, the Secretary provides material and technical assistance to farmers for implementing conservation plans that will improve soil and water resources.

To ensure that there were no misunderstanding about the CRP payments, the farm bill conferees included language in the conference report that clarified the definition of a rental payment. The farm bill conferees concurred that:

> . . . "rental payment" mean(s) a payment made by the Secretary to an owner or operator of a farm or ranch containing eligible highly erodible cropland to compensate the owner or operator for retiring such land for crop production and placing such land in the conservation acreage reserve.

The conference report also defined conservation payment as reimbursement for the cost of cultivating ground cover or grasses to replace the crop that had been grown on the land. However, the CRP payment is specifically and repetitively referred to as a rental payment from the Secretary to the farmer because the Secretary and the farmer enter a contractural agreement in which the farmer agrees to rent his highly erodible land to the Secretary in exchange for annual rental payments.

As self-employed workers, farmers are required to contribute to the Social Security system under the terms of the Self-Employment Contributions Act [SECA]. Section 1402(a) of the Internal Revenue Code defines net earnings from self-employment for SECA tax purposes and stipulates that agricultural rental payments are excluded from net earnings if the renter does not "materially participate" in production on the land. Therefore, for a farmer who rents his property to another farmer and has no involvement in the production of the land, the rental payments are not considered earned income for SECA tax purposes. However, for a farmer who participates in CRP and is clearly not involved in production of the land, the rental payments he receives from the Secretary are treated as earned income for self-employment tax purposes. Why should rental payments from the Secretary for ceasing production of highly erodible land be deemed as earned income?

Additionally, the Social Security Administration ruled that CRP payments are not earned income for the purposes of the earnings limitation for Social Security retirement benefits. Once again, SSA's determination is based on the question of "material participation." I argue that just as a retired farmer is not involved in the production on his land, a younger farmer who decides to take his land out of production and participate in CRP is also not involved in production on the land. Clearly, the IRS ruling is contradictory to the SSA determination and, as the farm bill conference report stipulates, the ruling is contradictory to congressional intent for the Conservation Reserve Program.

I urge my colleagues to join me in this effort to amend the Internal Revenue Code to define payments from participation in the Conservation Reserve Program are rental payments and are not earned income for self-employment tax purposes.

THE FORTIETH ANNIVERSARY OF JACKIE ROBINSON'S BREAKING THE COLOR BARRIER

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. SCHUMER. Mr. Speaker, I rise today to call the House's attention to the 40th anniversary of an important event in our Nation's history.

Forty years ago this month—on April 15, 1947—Jackie Robinson, Branch Rickey, and the Brooklyn Dodgers integrated major league baseball forever and ever. This incredible achievement was not only a milestone for baseball and for sports, but also a milestone for all of American History. To succeed, Jackie had to exercise remarkable self-control and put up with terrible abuse and threats by opposing fans and opposing players, alike. His exemplary behavior served as a catalyst to the American civil rights movement years later. Dr. Martin Luther King often remarked that his own job was made so much easier as a result of what Jackie Robinson had done. As recently as 1947, major league baseball still had no black players in the 20th century, despite the fact that 15 of the 16 major league teams were located in the north.

Jackie Robinson's presence at Ebbets Field united the entire borough of Brooklyn—black and white, women and men, young and old, rich and poor. The Brooklyn Dodgers had become the first team to accept a player because of his playing ability and the content of his character, and without any regard to the color of his skin. Being put in the role of what many called "the loneliest person in sports," Jackie Robinson became the first—a role he was to play many times in his life.

For he was also the first black player ever elected to baseball's hall of fame—25 years ago, this year—and was the first person in the history of this Nation ever to be commemorated on a U.S. postage stamp within the minimum statutory requirement of 10 years after his death.

Jackie's paving the way for other black stars such as Roy Campanella, Henry Aaron, and Willie Mays clearly enabled them to achieve as much as they did, as soon as they did. Jackie Robinson epitomized the word "champion"—a word reserved for people who succeed where others cannot, whose pride drives them past the point where others would quit, and who beat unbeatable odds to reach the top. It's an honor to be called a champion—an honor that is earned by only a handful of people in each profession. In the world of baseball, if ever a person deserved to be called a champion—it was Jackie Robinson. To see him once, was to remember him always. All of us are so much better off simply because this man, with this mission, passed this way.

Jackie Robinson served as an outstanding role model for the youth of America—a totally clean living individual who would have been a tremendous asset to the current generation. He was a man of great courage. Despite numerous health problems and deep personal tragedies, he never once wallowed in self pity.

So let us here—in this, the 200th anniversary of our Nation's Constitution—highly resolve that Jackie Roosevelt Robinson shall not have lived or died in vain. It is a tragedy that his life was snuffed out at an early age—just when this Nation needed him the most. But, the memory of a man with this much life must never die. For I know that if he were alive today, it would be his dream to see blacks and other minorities significantly represented not only on the playing field, but also as managers, as front office executives, and even as owners.

For these reasons, all Americans should take comfort in the fact that Jackie's work goes on, his cause endures, his hope still lives, and—like his Brooklyn Dodgers—his spirit shall never die.

I urge my colleagues to remember Jackie Robinson on this day as a great American.

TRIBUTE TO CHET ZABLOCKI

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Ms. KAPTUR. Mr. Speaker, on April 12, a very special constituent of mine will be honored on the occasion of his 40th anniversary in radio broadcasting. Chet Zablocki started his "Polka Party" radio program on April 13, 1947. And, he is still going strong.

For over 40 years, Chet has been the "voice" of Toledo's Polish-American community. His broadcasts, virtually uninterrupted during the past 40 years, help remind us of the beauty of the Polish language, culture, and music.

Chet's contribution to our community goes beyond these valuable broadcasts. Chet is a leader in a vast array of community endeavors, from the Lagrange Senior Center to neighborhood revitalization. His name is synonymous with dedication and commitment to his neighborhood and his city.

My family has enjoyed Chet Zablocki's broadcasts for 40 years. I remember listening to Chet when I was a little girl. On behalf of all those in the Toledo area who have had their days brightened by Chet Zablocki's radio shows, I say thank you and congratulations to Chet and his wife Sharon. I know my colleagues in the U.S. House of Representatives join me in saluting Chet Zablocki for a lifetime of achievement.

PROTECTION FOR KINGS CANYON

HON. RICHARD H. LEHMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. LEHMAN of California. Mr. Speaker, as much praise as the Committee to Save the Kings River and the Tehipite Chapter of the Sierra Club deserve for their part in the recent victory preventing Rodgers Crossing Dam, I believe these two organizations' greatest legacy will be in the inclusion of language in the legislation setting up a special management area in Kings Canyon.

With the passage of H.R. 799, dam building will be prohibited throughout Kings Canyon above Pine Flat Lake. The prohibition on new dams contained in section 7(a) of the Wild and Scenic Rivers Act applies to the whole canyon and the additional prohibition on using Federal land for dam sites adds another layer of protection along the sensitive lower river.

But, these significant accomplishments are rivaled in their importance to Kings Canyon and the environmental movement by the long-term benefits to be derived from establishment of the special management area. Only Lake Tahoe and Mono Lake have achieved a similar status in our National Forest System.

The upper portion of the canyon and its tributaries are in Kings Canyon National Park. The middle sections are in the John Muir and Monarch Wilderness, and now the lower reaches will finally be protected in the special management area where timber harvesting is illegal, mining is restricted to scant existing rights and off-road vehicles are limited to present trail use only.

In addition, the special management area will be managed as a special unit in the Sierra National Forest ending the senseless bifurcated management that has caused so many problems in the past.

We will finally have a complete Sierra Canyon managed to protect the "natural, aesthetic, wildlife, archaeological and recreational" vlaues. This is the culmination of a dream that Sierra enthusiasts have had for nearly 100 years.

There are provisions in the bill to require the enhancement of the wildlife habitat, thus guaranteeing the viability of local deer herd and protection of numerous other threatened species. As a virtually complete, intact and protected wildlife area, Kings Canyon will become a model laboratory for the study of natural systems.

The bill also provides for the preservation of the area's recreational qualities. This includes rafting, fishing and camping primarily in the lower reaches as well as hiking. The mandate for the establishment of trails has great potential—done properly—to increase the public's awareness and enjoyment of the canyon. Kings Canyon's year-round accessibility and hospitality will create an enthusiastic constituency for protection against future development that is far more powerful than any law. Ultimately, it is the public that protects our natural heritage.

The awareness of the values in Kings Canyon, which I experienced as a young man, will have the effect of enhancing the environmental consciousness of all its visitors, just as it did for me. This will spill over into future struggles for other streams, canyons and mountains in areas far from Garlic Creek and Rough Canyon.

With the enhancement of the special management area and the protection of Federal law, Kings Canyon will soon receive the recognition it deserves. We are a giant step closer to John Muir's unrealized dream—a national park encompassing the entirety of this great Sierra watershed.

The Committee to Save the Kings River and the Tehipite Chapter of the Sierra Club, through their enlightened leadership, have given us all an opportunity to be part of this exciting, worthwhile and continuing adventure.

H.R. 1982, THE LEWIS AND CLARK NATIONAL HISTORIC SITE

HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. MARLENEE. Mr. Speaker, today I am reintroducing legislation to authorize the establishment of the Lewis and Clark National Historic Site near Great Falls, MT. During the past several years I have tried to work with the Department of the Interior to see if a bill could not be developed that would meet their goals in national park management and the State of Montana and the Great Falls community goals which I represent. After literally months of waiting and negotiation, their suggested draft legislation was off the mark as far as I am concerned. That is why I am reintroducing the same bill again this Congress.

Mr. Speaker we in Montana will be celebrating our States' centennial in 1989 and it would be fitting to have one of Montana's first outside visitors honored at a site that marked a milestone in their exploraton efforts. In addition, we are nearing the 200th anniversary of our Nation's purchase of the Louisiana territory from France. Would it not be appropriate to have in place a meaningful site to honor the high plains portion of that purchase.

I could give Members a detailed description of the site and the many, many reasons why it deserves designation as an historic site, but these can all be brought out in the committee hearing process.

Mr. Speaker, I request that this bill be referred to the to the House Interior and Insular Affairs Committee as soon as possible so the legislative process can begin.

REENACTMENT OF CONSTITUTIONAL CONVENTION

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. GEKAS. Mr. Speaker, today I rise to commend a group of students from the Holy Name of Jesus School in Harrisburg, PA, who are presenting a reenactment of the constitutional convention which took place in Philadelphia during the summer of 1787.

I am stuck by the sense of history these young people have displayed in preparing for this reenactment, and of their understanding of the rights and freedoms that are so important in our everyday lives, but are many times overlooked. In a letter I recently received from these students they stated:

> We realize that it is because of our U.S. Constitution that we have many freedoms especially the freedom we exercise in attending Holy Name of Jesus Catholic School. Therefore, in gratitude for these blessings we wish to celebrate this special birthday of our U.S. Constitution.

These young people—Joseph Mehalick who will be portraying George Washington, Chris Williams portraying William Johnson, Patrick Green portraying William Patterson, Chris Della Porta portraying Alexander Hamilton, Tony Provenzano portraying George Mason, David Kohe portraying Rufus King, Michael Floyd portraying James Wilson, Michael Boylan portraying William Livingston, David Olshefski portraying James Madison, Michael Carricato portraying Elbridge Gerry, Jason Wellan portraying Edmund Randolph, and Doug Davis portraying Benjamin Franklin—are experiencing daily the benefits of being able to live under such a momentous document. I commend them for their interest in our Government and their interest in the most important anniversary our Nation celebrates.

* * * ALL THIS AND DODGER DOGS

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. BERMAN. Mr. Speaker, I rise today, proud to be part of the first congressional "wave," and tip my cap in honor of the 25th anniversary of Dodger Stadium. While welcoming more than 64 million people to watch the heroic exploits of the Los Angeles Dodgers over the past 25 years, Dodger Stadium has remained the crown jewel of the major leagues, the brightest diamond in the baseball world.

Yes, in the heart of downtown Los Angeles, Dodger Stadium remains the ultimate forum for baseball. In Dodger Stadium no other sports events occur to detract one from the crisp clipped grass of the meticulously manicured infield or the clean white foul lines riding straight and true to the distant outfield fences. Indeed, the stadium has been referred to as baseball's Nirvana, where form and function are in perfect harmony.

Happily for all baseball fans in Los Angeles, of which I am one, the stadium's eponym have been one of the most successful teams in major league history. In fact, the names of former and current Dodgers stir up a well of tangible emotions and memories for all lovers of the national pastime. There are too many plays and players imbedded in the memory of Dodgerphiles for me to give even close to a comprehensive list of the superlative exploits of the Dodgers over the years, but who can hear the names of Koufax and Valenzuela, Campanella and Garvey, Drysdale, Wills, Russell, Parker, Cey, and, of course, the man who bleeds Dodger Blue, Tommy Lasorda, without a poignant recollection of a game-saving home run, a blazing fastball for a high pressure strikeout, or a daring base steal to set up another Dodger win?

In the past 25 years, Dodger Stadium has been the setting for the team which won three World Championships, seven National League Penants and six National League Western Division titles. The quest for excellence continues in Los Angeles this year, and I am eagerly anticipating the unfolding of the 1987 baseball season, and another successful Dodger campaign. I should not neglect to mention that I am also eagerly awaiting the first opportunity of 1987 to sample another facet of the world's finest ball park, and another reason why Dodger Stadium will go down in history: the Dodger Dog, with plenty of mustard and relish.

Congratulations to Dodger Stadium and "Go, Dodgers!"

DODGER STADIUM

HON. DAN LUNGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. LUNGREN. Mr. Speaker, it is a pleasure to recognize the 25th anniversary of the opening of Dodgers Stadium—one of the great ballparks in baseball's rich history.

Baseball fans have seen some of the greats play in Dodger Stadium, including Sandy Koufax, Willie Mays, Hank Aaron, and Don Drysdale. They have given us a wonderful sense of enjoyment in a ballpark that makes us all feel a little like being in our own backyard.

Mr. Speaker, we ought to be thankful for the great contributions made by Dodgers baseball and its great stadium. One of the more remarkable contributions is the fact that it has provided an exciting pastime for millions of Southern Californians. Indeed, Dodgers Stadium is a place where families—including mine—can enjoy wholesome recreation at affordable prices. This family atmosphere was made possible in part by the owners of the club, the O'Malley family, who have been an inspiration to the ideal and virtues of family life.

It is a pleasure to join my California colleagues today as the Dodgers organization marks the 25th wonderful year of Dodgers Stadium.

DR. BENJAMIN CHARNY IN DESPERATE NEED OF HELP

HON. GEORGE C. WORTLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. WORTLEY. Mr. Speaker, I am addressing the House of Representatives today on behalf of Dr. Benjamin Charny, a 49-year-old mathematician and refusenik from Moscow. Dr. Charny suffers from the deadliest type of skin cancer, malignant melanoma, for which he underwent an operation in 1979. He has also suffered from a heart attack and hormonal and kidney ailments. His cancer and heart disease interact in such a way that treating one aggravates the other.

Dr. Charny and his family have been trying to emigrate since 1979, but have been denied on the basis of a security clearance that Dr. Charny held while at a job which he left 15 years ago. Interestingly, a colleague of his who worked on the same projects at the same laboratory was allowed to leave the Soviet Union in 1981.

Benjamin's doctors have recently discovered two new tumors, one on his neck and one in his thyroid gland. He has frequent bouts of painful heart failure and very high blood pressure. Because of the poor blood circulation in his legs, Benjamin has trouble walking. Visiting foreign doctors have suggested that Benjamin undergo experimental procedures available in the West to relieve his pain.

The financial situation of the Charny family is bleak. Both Benjamin and his wife quit their jobs when they first applied to emigrate hoping that this would expedite their emigration request. Benjamin can no longer find regular employment and his wife, an industrial engineer, has had to work as a factory laborer. Dr. Charny is engaged in personal theoretical research but because he is a refusenik he is not allowed to publish his work.

I hope my colleagues will join me in pressing the Soviet Government to allow the Charny family to emigrate to the United States so that Dr. Charny can undergo treatment. Dr. Charny is being forced to die a slow and painful death with no chance for the relief which he could get in the West. Dr. Charny is in desperate need of our help and we must continue to pressure the Soviet Union to rectify this situation.

HONORING JAMES L. ALKIRE'S 17-YEAR CAREER AS PLEASANT HILL CITY MANAGER

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. MILLER of California. Mr. Speaker, on May 1 of this year, Mr. James L. Alkire, who has served for the past 17 years as city manager of Pleasant Hill, CA, in my district, will retire.

James Alkire will be sorely missed. The dedication and experience he brought in guiding Pleasant Hill through years of dramatic change is irreplaceable. Today this city of 29,000 people operates on a sound basis thanks to his extraordinary managing ability and commitment.

James Alkire studied governmental administration at the Wharton Business School of the University of Pennsylvania, where he received the Samuel S. Fels Scholarship. From Pennsylvania, he moved on to Highland Park, IL, to serve as administrative assistant to the city manager and finance director for almost 3 years. As city manager of Centralia, IL, over the next 4 years, he was well on his way to a successful career. In 1970, he found a home serving the citizens of Pleasant Hill.

We have been very lucky to have James Alkire as city manager. I am pleased to announce that a special retirement dinner will be held by the city of Pleasant Hill in his honor on June 19.

I am also pleased to commend James Alkire on a fine career, offer my congratulations on his retirement, and wish him the best of luck in his future endeavors.

H.R. 1988, THE UNITED STATES OLYMPIC CHECKOFF ACT

HON. JOEL HEFLEY

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. HEFLEY. Mr. Speaker, today I and over 30 of my colleagues are introducing H.R. 1988, the United States Olympic Checkoff Act. The Olympic Checkoff Act provides for a box on the 1040 tax form that would allow taxpayers to send $1 of their tax refund to the U.S. Olympic Committee [USOC] in Colorado Springs, CO, to help the USOC meet its mandate under the Amateur Sports Act of 1978. Under that law, the USOC is charged with promoting and coordinating amateur athletics in America as well as organizing the U.S. teams going to the Olympic and Pan American games.

H.R. 1988 will not cost the Federal Government a single cent. The bill makes the money collected available to reimburse the Treasury for any costs associated with collecting and distributing the donated money. These are not tax dollars we are talking about; the $1 would come from the taxpayers refund check.

The USOC is the only one of 164 national Olympic committees that does not receive an ongoing Government subsidy. A professional poll has found that 70 percent of the American public support the specific proposal embodied in H.R. 1988. Seventy percent of our constituents have said they support this congressional action to make it easier to contribute to the Olympic Committee and amateur athletics.

Each of you has had an opportunity to meet fine young men and women from your hometowns who dream of being Olympic athletes one day. This bill would help the USOC develop the programs and training facilities that might make that a reality for them. I invite all of you to join me as a sponsor of H.R. 1988, the United States Olympic Checkoff Act.

OUTSTANDING POLICE WORK

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. MRAZEK. Mr. Speaker, today I would like to recognize the outstanding work of five Nassau County, Long Island police officers who effectively organized and executed one of the largest crack raids in the country. More than 58 defendants have been sent to prison and 4 are awaiting trial as the result of a lengthy investigation into the overwhelming crack crisis in New Cassel, Long Island.

Detective Sgt. William Schwinn, shield No. 146; Detective Michael O'Leary, shield No. 256; Detective Michael Yowhan, shield No. 1879; Police Officer Derek Partee, shield No. 1328; and Police Officer Robert Beetar, shield No. 2647 worked together on duty and off duty to organize this monumental raid. This investigation, which was going on for more than 1 year, was so meticulously executed using cameras, taping, and an undercover van, that there was little chance of any of these criminals escaping prosecution.

On October 29, 1986, more than 100 men were assembled for a preraid briefing, uniting officers from the narcotics bureau, vice squad, bureau of special operations, air bureau, and the Drug Enforcement Administration. The raid began at 6 a.m. and by 8 that morning, 42 of the defendants were in custody without incident. Since that morning, a total of 58 defendants have been arrested in connection with the original raid.

Without the individual and combined ingenuity and determination of officers Schwinn, O'Leary, Yowhan, Partee, and Beetar, the investigation would never have been so successful.

These men displayed traits of courage, determination, and leadership and I salute them and all men in blue for their relentless sacrifices and selfless efforts in helping to keep our neighborhoods safe and free of drugs and crime.

KILDEE HONORS CALVARYMEN

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. KILDEE. Mr. Speaker, I would like to bring to the attention of my colleagues and the Nation the work of the Calvarymen Quartet of Flint, MI. For more than 30 years, this renowned gospel group has enthralled the people of Flint and has spread their musical goodwill throughout the world.

The Calvarymen Quartet has recorded more than 30 albums and has traveled almost 2 million miles singing and performing in 42 States and 3 different countries since they began performing in 1956. The group, known as "Michigan's Ambassadors of Goodwill," has been extremely generous in donating their time and talents for special causes. They have benevolently performed in schools and telethons, as well as prisons and many charity programs.

The Calvarymen, consisting of Mr. Chuck Glasco, Mr. Jeff Glasco, Mr. Jim Glasco, Mr. Bruce Hooker, Mr. Phil Parkin, and Mr. Irv Waddington, have spread joy and goodwill to audiences of diverse backgrounds and nationalities. The group has lifted the spirits of those who have heard their music and warmed the hearts of those who have felt their deeds. The people of the Seventh Congressional District of Michigan are very proud and honored to claim the Calvarymen as their own.

Mr. Speaker, I add my voice to the thousands who have praised the music of the Calvarymen, and I would urge my colleagues to join me in paying tribute to this group, which has displayed community leadership and humanitarian concern in addition to their musical talents. I would like to congratulate these ambassadors of goodwill for more than 30 years of meritorious service to their community, and I offer my sincere best wishes for future success.

HUMPHREY-HAWKINS AND THE BUDGET

HON. TOM SAWYER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. SAWYER. Mr. Speaker, it is a privilege to be here today. The timing of this discussion is crucial.

It is especially necessary to take the time to discuss this year's budget in the context of the Humphrey-Hawkins Full Employment Act.

While every Member of this body hopes for lower unemployment, unfortunately, our preoccupation in this budget debate, and for the past few years, has been the need to reduce the budget deficit.

This is without question a worthy goal, but it is at least as important to recognize that reducing the budget deficit is not the end in and of itself. Rather, it is a means to a more important end. In some ways, I'm afraid, we've lost sight of the reasons to reduce our budget deficit. In the context of this discussion, it would be useful to think about those reasons:

A reduction in the deficit increases overall economic stability which puts downward pressure on interest rates. Lower interest rates induce human and capital investment which leads to economic growth. Finally, with economic growth comes jobs, and a lower rate of unemployment.

Therefore, we would do well to remind ourselves that there is a significant reason underlying the need to reduce the deficit.

"Meeting the target," as Gramm-Rudman prescribes, diverts our attention from this underlying purpose which is, of course, precisely the spirit of the Humphrey-Hawkins Full Employment Act. That reason is fuller employment and a more dynamic, productive economy for all Americans.

With all the talk about our trade deficit and the need to be competitive, we should keep in mind the net economic loss which is associated with unemployment in our economy. For every 1 percent increase in the unemployment rate: One, 1 million more Americans are out of work; two, our GNP is reduced by between 2 percent and 3 percent; and three, the budget deficit increases by $25 billion, due to lost tax revenue and increased public assistance.

If we continue, in the name of deficit reduction, cutting jobs programs, economic development funds, job training, and education, we may insure continued economic decline, not to mention increase the Federal budget deficit in the long run.

That is the irony of our obsession with short-term deficit reduction. In an effort to achieve an immediate reduction, we have forgotten our fundamental purpose. Fortunately, we at least have this time to step back and remember why we must have a strong economy, why we must invest in our productive capacity, and why we need to educate and train our work force.

NORTHEASTERN PENNSYLVANIA PHILHARMONIC DAY

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1987

Mr. KANJORSKI. Mr. Speaker, it is my pleasure to introduce today in the U.S. House of Representatives House Joint Resolution 233 to designate April 9, 1987 as Northeastern Pennsylvania Philharmonic Day.

This week, the Northeastern Pennsylvania Philharmonic begins its 1987-88 subscription season. Now in its 15th year, the Northeastern Pennsylvania Philharmonic is under the professional direction of Hugh Keelan and promises an exciting season of concerts that hold to the orchestra's fine tradition of performing excellence.

The society plays regularly to sell-out audiences in its 1,800 seat auditorium and through its various symphonic offerings, greatly enhances the region's quality of life and sense of artistic pride.

As Congressman of Pennsylvania's 11th Congressional District, I encourage the philharmonic's efforts on behalf of the fine and performing arts and wish them success with the subscription campaign. It is a pleasure to assist in making April 9, a very special day for the philharmonic and northeast Pennsylvania.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, April 9, 1987, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 10

8:30 a.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of the Treasury, U.S. Postal Service, and general government.
SD-192

9:00 a.m.
Finance
Private Retirement Plans and Oversight of the Internal Revenue Service Subcommittee
To hold hearings on proposed legislation providing a taxpayer's bill of rights.
SD-215

10:00 a.m.
Appropriations
HUD—Independent Agencies Subcommitte
To hold hearings on proposed budget estimates for fiscal year 1988 for the National Aeronautics and Space Administration.
SD-124

Judiciary
Immigration and Refugee Affairs Subcommittee
To hold oversight hearings on the implementation of the Immigration Reform and Control Act.
SD-226

APRIL 21

10:00 a.m.
Environment and Public Works
Environmental Protection Subcommittee
Hazardous Wastes and Toxic Substances Subcommittee
To hold joint hearings on substitutes for stratospheric ozone depleting chemicals.
SD-406

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Bureau of Indian Affairs, Department of the Interior.
SD-192

2:30 p.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal years 1988 and 1989 for the Federal Communications Commission.
SR-253

APRIL 22

9:00 a.m.
Governmental Affairs
Federal Services, Post Office, and Civil Service Subcommittee
To hold hearings on S. 552, to improve the efficiency of the Federal classification system and to promote equitable pay practices within the Federal Government.
SD-342

Rules and Administration
To hold hearings on proposed authorizations for fiscal year 1988 for the Federal Election Commission.
SR-301

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Education, focusing on the Office of the Secretary, and salaries and expenses.
SD-192

Energy and National Resources
To hold hearings on the recent Department of Energy report to the President entitled Energy Security
SD-366

Environment and Public Works
Environmental Protection Subcommittee
To hold hearings on the Environmental Protection Agency views on acid rain controls and post-1987 attainment strategies
SD-406

Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold hearings on S. 568 and S. 573, bills to protect patent owners from importation into the United States of goods made overseas by use of a United States patented process, and S. 635, Omnibus Intellectual Property Rights Improvement Act.
SD-226

Rules and Administration
To resume hearings on S. 2, S. 50, S. 179, S. 207, S. 615, S. 625, S. 725, and Amendment No. 36 to S. 2, measures to provide for spending limits and public financing for Senate general elections.
SR-301

10:00 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimate for fiscal year 1988 for the Small Business Administration, and the Federal Trade Commission.
S-146, Capitol

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Geological Survey, Department of the Interior.
SD-192

Appropriations
Energy and Water Development Subcommittee
To hold closed hearings on proposed budget estimates for fiscal year 1988 for energy and water development programs, focusing on the Department of Energy national laboratories.
SD-116

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed legislation authorizing funds for the Hazardous Materials Transportation Act.
SR-253

Select on Indian Affairs
To hold oversight hearings on the implementation of the Indian Self-Determination and Education Assistance Act (P.L. 93-638).
SR-485

APRIL 23

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Education, focusing on compensatory education for the disadvantaged, special programs, impact aid, bilingual education, immigrant and refugee education, education for the handicapped, rehabilitation services and handicapped research, special institutions (includes American Printing House for the Blind, National Technical Institute for the Deaf, and Gallaudet College), and vocational and adult education.
SD-192

Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 724, to advance the scheduled termination date of the Essential Air Service Program.
SD-628

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for programs of the Earthquake Hazards Reduction Act (P.L. 95-124).
SR-253

Environment and Public Works
Nuclear Regulation Subcommittee
To hold oversight hearings on the Department of Energy implementation of the Nuclear Waste Policy Act of 1982.
SD-406

Rules and Administration
To continue hearings on S. 2, S. 50, S. 179, S. 207, S. 615, S. 625, S. 725, and Amendment No. 36 to S. 2, measures to provide for spending limits and public financing for Senate general elections.
SR-301

Small Business
To hold hearings on issues related to the cost and availability of health care benefits for small businesses and their employees and on proposals for federally funded mandated health benefits.
SR-428A

10:00 a.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1988 for military construction programs, focusing on Army and Army Reserve Components.
SD-124

Appropriations
Energy and Water Development Subcommittee
To hold closed hearings on proposed budget estimates for fiscal year 1988 for energy and water development programs, focusing on Atomic Energy Defense activities.
SD-116

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the U.S. Coast Guard, Department of Transportation.
SD-138

Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on S. 247, to designate the Kern River in California as a National Wild and Scenic River, and S. 275, to designate the Merced River in California as a National Wild and Scenic River.
SD-366

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of the Interior, focusing on the Office of the Secretary and the Office of the Solicitor.
SD-192

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To hold a closed meeting.
S-407, Capitol

2:30 p.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Education, focusing on student financial assistance, guaranteed student loans, higher education, higher education facilities loans and insurance, college housing loans, Howard University, education research and statistics, and libraries.
SD-138

Labor and Human Resources
Aging Subcommittee
To resume hearings on S. 887, authorizing funds for fiscal years 1988-1992 for programs of the Older Americans Act, and to review the changing needs of the elderly.
SD-430

APRIL 24

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume hearings on proposed legislation authorizing funds for the Hazardous Materials Transportation Act.
SR-253

Environment and Public Works
Environmental Protection Subcommittee
To hold hearings on the health threats posed by indoor air pollutants and options for reducing exposures to such pollutants.
SD-406

10:00 a.m.
Appropriations
HUD—Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Federal Home Loan Bank Board, Neighborhood Reinvestment Corporation, and the National Institute of Building Sciences.
SD-124

Judiciary
Courts and Administrative Practice Subcommittee
To resume hearings on S. 548, Retiree Benefits Security Act.
SD-106

APRIL 27

10:00 a.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for energy and water development, focusing on certain activities of the Department of Energy.
SD-192

Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on H.R. 1320, Land and Water Conservation Fund Act Amendments of 1987, focusing on provisions relating to National Park System entrance fees.
SD-366

Governmental Affairs
Federal Services, Post Office, and Civil Service Subcommittee
To Hold hearings on S. 541, to extend to certain officers and employees of the United States Postal Service the same procedural and appeal rights with respect to certain adverse personnel actions as are afforded under title 5, United States Code, to Federal employees in the competitive services.
SD-342

2:30 p.m.
Finance
International Trade Subcommittee
To hold hearings on the Harmonized System.
SD-215

APRIL 28

9:30 a.m.
Energy and Natural Resources
To hold hearings to review technical issues related to the siting of a geologic repository.
SD-366

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for security assistance programs.
S-126, Capitol

Finance
Health Subcommittee
To resume hearings on the quality of long-term care.
SD-215

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of the Interior, focusing on the Bureau of Mines, and the Office of Surface Mining, Reclamation and Enforcement.
SD-192

APRIL 29

9:30 a.m.
Energy and Natural Resources
To hold hearings on S. 839, to authorize the Secretary of Energy to enter into incentive agreements with certain States and affected Indian tribes concerning the storage and disposal of high-level radioactive waste and spent nuclear fuel.
SD-366

Governmental Affairs
Oversight of Government Management Subcommittee
To hold oversight hearings on value engineering programs in Federal agencies.
SD-342

2:00 p.m.
Energy and Natural Resources
To hold hearings to review the Department of Energy's proposed establishment of a Monitored Retrievable Storage (MRS) facility.
SD-366

Select on Indian Affairs
To hold oversight hearings on the Indian Financing Act and the Buy Indian Act.
SR-485

APRIL 30

9:30 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of the Interior, focusing on territorial governments.
SD-124

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Justice, focusing on the Office of Justice Programs, Immigration and Naturalization Service, and the Federal Prison System.
S-146, Capitol

Commerce, Science, and Transportation
To hold hearings on the nomination of James L. Kolstad, of Colorado, to be a Member of the National Transportation Safety Board.
SR-253

Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings on S. 44 and S. 843, bills to extend and improve the procedures for the protection of the public from nuclear incidents.
SD-406

Veterans' Affairs
To hold hearings on proposals providing employment and education assistance to veterans.
SR-418

10:00 a.m.

Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for defense security assistance programs.
S-126, Capitol

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Urban Mass Transit Administration of the Department of Transportation, and the Washington Metropolitan Transit Authority.
SD-138

Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on H.R. 568 and S. 252, bills to establish the San Pedro Riparian National Conservation Area, Arizona, and S. 575, to convey public land to the Catholic Diocese of Reno/Las Vegas, Nevada.
SD-366

2:00 p.m.

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of the Interior, focusing on territorial affairs.
SD-192

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To hold a closed meeting.
S-407, Capitol

2:30 p.m.

Labor and Human Resources
Aging Subcommittee
To resume hearings on S. 887, authorizing funds for fiscal years 1988–1992 for programs of the Older Americans Act, and to review the changing needs of the elderly.
SD-430

MAY 1

9:00 a.m.

Select on Indian Affairs
To hold hearings on S. 721, to provide for and promote the economic development of Indian tribes.
SR-485

MAY 4

9:30 a.m.

Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-192

2:00 p.m.

Energy and Natural Resources
Research and Development Subcommittee
To hold hearings on proposals to restructure the Department of Energy's uranium enrichment program.
SD-366

MAY 5

9:30 a.m.

Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-138

2:00 p.m.

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Smithsonian Institution, Woodrow Wilson International Center for Scholars, and the Holocaust Memorial Council.
SD-138

MAY 6

9:00 a.m.

Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings on proposed legislation authorizing funds for the Nuclear Regulatory Commission.
SD-406

9:30 a.m.

Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-116

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the U.S. Supreme Court, and for the Department of Justice, focusing on the Federal Bureau of Investigation, Drug Enforcement Administration, and the U.S. Marshals Service.
S-146, Capitol

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Veterans' Affairs
To hold hearings on S. 6, Veterans' Health Care Improvement Act, S. 216, to increase the per diem rates paid to States for providing care to veterans in State homes, S. 631, to improve the procedures for the procurement of medical and pharmaceutical supplies by the VA, S. 713, to facilitate the recruitment of registered nurses by the VA, proposed Veterans Administration Health Personnel Recruitment and Retention Act of 1987, and other related proposals, and proposed legislation approving VA construction of major medical facilities.
SR-418

10:00 a.m.

Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1988 for military construction programs, focusing on defense agencies.
SD-192

2:00 p.m.

Commerce, Science, and Transportation
Foreign Commerce and Tourism Subcommittee
To hold hearings on proposed legislation authorizing funds for the U.S. Travel and Tourism Administration, Department of Commerce.
SR-253

2:30 p.m.

Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-116

MAY 7

9:00 a.m.

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for fossil energy, and clean coal technology programs.
SD-192

9:30 a.m.

Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-116

Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings on emergency planning.
SD-406

Veterans' Affairs
To continue hearings on S. 6, Veterans' Health Care Improvement Act, S. 216, to increase the per diem rates paid to States for providing care to veterans in State homes, S. 631, to improve the procedures for the procurement of medical and pharmaceutical supplies by the Veterans' Administration, S. 713, to facilitate the recruitment of registered nurses by the VA, proposed Veterans Administration Health Personnel Recruitment and Retention Act of 1987, and other related proposals, and proposed legislation approving VA construction of major medical facilities.
SR-418

10:00 a.m.

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Federal Aviation Administration, and the General Accounting Office (FAA operations).
SD-138

Energy and Natural Resources

Public Lands, National Parks and Forests Subcommittee

To hold hearings on H.R. 191 and S. 261, bills to authorize the estabishment of a Peace Garden on a site to be selected by the Secretary of the Interior, and S. 451, to authorize a study to determine the appropriate minimum altitude for aircraft flying over national park system units.

SD-366

2:00 p.m.

Energy and Natural Resources

Research and Development Subcommittee

To hold closed hearings to review the status of the Department of Energy's defense materials production facilities.

S-407, Capitol

2:30 p.m.

Appropriations

Labor, Health and Human Services, Education, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Departments of Labor, Health and Human Services, Education, and related agencies.

SD-116

MAY 8

9:30 a.m.

Appropriations

Labor, Health and Human Services, Education, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Departments of Labor, Health and Human Services, Education, and related agencies.

SD-192

Energy and Natural Resources

Research and Development Subcommittee

To resume hearings on proposals to restructure the Department of Energy's uranium enrichment program.

SD-366

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Housing and Urban Development, and independent agencies.

SD-124

Appropriations

Transportation and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Federal Aviation Administration of the Department of Transportation, and the General Accounting Office (R, E&D, F&E, Airport Grants).

SD-138

2:30 p.m.

Appropriations

Labor, Health and Human Services, Education, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Departments of Labor, Health and Human Services, Education, and related agencies.

SD-192

MAY 11

2:00 p.m.

Appropriations

Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Legal Services Corporation.

S-146, Capitol

MAY 12

10:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for certain export financing programs.

S-126, Capitol

Appropriations

Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Board for International Broadcasting, and the Equal Employment Opportunity Commission.

S-146, Capitol

2:00 p.m.

Energy and Natural Resources

Public Lands, National Parks and Forests Subcommittee

To hold hearings on S. 84, authorizing funds for the Land and Water Conservation fund, and S. 735, relating to the distribution of revenues received under the Land and Water Conservation Fund Act.

SD-366

MAY 13

9:30 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

10:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for foreign assistance programs.

S-126, Capitol

Appropriations

Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988, to receive public testimony on certain programs of the Departments of Commerce, Justice, State, the Judiciary, and related agencies.

S-146, Capitol

Appropriations

Transportation and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Transportation and related agencies.

SD-138

MAY 14

9:00 a.m.

Governmental Affairs

Federal Services, Post Office, and Civil Service Subcommittee

To hold joint hearings with the House Committee on the Post Office and Civil Service's Subcommittee on Census and Population to review the 1990 census questionnaire.

SD-342

9:30 a.m.

Veterans' Affairs

Business meeting, to consider proposed legislation providing employment assistance to veterans, and proposed legislation approving VA construction of major medical facilities.

SR-418

10:00 a.m.

Appropriations

Transportation and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Transportation and related agencies.

SD-138

Energy and Natural Resources

Public Lands, National Parks and Forests Subcommittee

To resume hearings on S. 84, authorizing funds for the Land and Water Conservation fund, and S. 735, relating to the distribution of revenues received under the Land and Water Conservation Fund Act.

SD-366

MAY 15

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcomittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Housing and Urban Development, and independent agencies.

SD-124

MAY 18

2:00 p.m.

Energy and Natural Resources

To hold hearings on proposed legislation to expand the clean coal technology program.

SD-366

MAY 20

9:30 a.m.

Veterans' Affairs

To hold oversight hearings on the VA home loan guaranty program.

SR-418

10:00 a.m.

Appropriations

Commerce, Justice, State, and Judiciary, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for the Judicial Conference, Commission on the Bicentennial of the Constitution, U.S. Sentencing Commission, and the State Justice Institute.

S-146, Capitol

JUNE 10

9:30 a.m.

Veterans' Affairs

To hold hearings on S. 9, Service-Disabled Veterans' Benefits Improvement Act, S. 453, to improve the standards for determining whether a radiation-related disease is service-connected, proposed Veterans' Radiation Exposure Compensation Act of 1987, and other related proposals.

SR-418

JUNE 23

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings to review proposed budget estimates for fiscal year 1988 for the Department of State.
SD-192

JUNE 30

9:30 a.m.
Veterans' Affairs
Business meeting, to consider S. 9, Service-Disabled Veterans' Benefits Improvement Act, proposals providing VA compensation, pension, education assistance, home loan, and other related benefits, proposed legislation providing for disability payments based on nuclear-detonation radiation exposure, and proposed legislation relating to the administration of the VA loan guaranty program.
SR-418

CANCELLATIONS

APRIL 9

1:00 p.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the Department of Agriculture, rural development, and related agencies.
SD-138

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for the National Capital Planning Commission, Energy Conservation, Energy Information Administration, and the Economic Regulatory Administration.
SD-192

APRIL 23

2:00 p.m.
Select on Indian Affairs
To hold hearings on proposed legislation to revise certain provisions of the Indian Self-Determination and Education Assistance Act (P.L. 93-638).
SR-485